



## **Pension funds can invest in IIB's securities**

August 28, 2014

According to the Decree of the Government of the Russian Federation № 852 dated August 23, 2014, the IIB was added to the list of international financial institutions whose securities can be invested into with pension savings by the state management company, with the payment reserve resources by the state management company, and with temporary surplus funds of state corporations and state companies.

This decision is in line with Russian legislative practice in this area with regard to the leading multilateral development banks and approaches to the assessment of the level of the reliability of assets for pension savings' investments. The relevant Government Decrees of the Russian Federation provide a list of international financial institutions with a high credit rating and a list of assets for pension investments, also in order to ensure diversification of investments, different risk proportions and profitability of securities.

This Decree is of high importance taking into account the fact that IIB's securities have entered the market and the Bank intends to expand its issuing activity. In April this year, the IIB placed its debut ruble bond issue. Demand for IIB's bonds exceeded the proposed amount by more than three times. The Bank is considering the possibility of issuing the second tranche before the end of this year and intends to become a regular issuer on the Russian market.

At the present time, IIB's activities are characterized by a dynamic development: the assignment of an international investment grade credit rating by Fitch Ratings; a steady growth of the loan portfolio and improvement of its quality; the establishment of partnerships with leading international financial institutions and the implementation of the recapitalization and funding programs. When taking the decision, the Government took into account the high level of IIB's reliability, its stable financial position and high capital adequacy and liquidity indicators. The Bank's shareholders have set more conservative limits than those set by the Central Bank of the Russian Federation for Russian credit organizations, including limits for capital adequacy, financial leverage, and for credit and treasury operations.

The inclusion of the IIB in the corresponding list of international financial institutions will contribute to ensuring the preservation of the invested funds along with reasonable profitability of such investments.

Similar measures of support for the IIB are also being undertaken by other member states of the Bank.