

## **PRINCIPLES OF COOPERATION WITH IIB PARTNER BANKS IN TERMS OF LENDING ACTIVITIES**

- International Investment Bank (IIB) is an intergovernmental (interstate) financial institution. IIB extends mid- and long-term loans on the commercial basis for realization of joint intergovernmental, investment projects and programs; for financing the construction of national objects and for other purposes, contributing to the development of the IIB member states' economies.
- According to the revised development strategy of IIB, which was adopted at the 98-th Council of the Bank (November, 2012, Moscow), IIB in its lending activities focuses on cooperation with the leading international and national financial institutions. In pursuing these aims IIB is moving from direct financing of investment projects to syndicated lending and to extending loans to the economic entities through national and regional financial institutions, which share IIB's aims.
- IIB is going to support the partner banks in implementing joint mid- and long-term investment projects, aimed at the development of infrastructure; at the increase of production of high technology products with high added value; at creation of new jobs in production, energy, transport and other industries, as well as at the development of goods and services export.
- Cooperation of IIB with the partner banks can be performed in the following ways: joint financing of investment projects; extending loans for the development of SMEs in IIB member states; organization and participation in the work of joint investment funds.
- IIB's relationships with the partner banks are based on equality, transparency and mutual benefit in compliance with high standards of conducting business.
- The terms of cooperation of IIB with the partner banks are defined by a framework agreement on cooperation and separate agreements on implementation of particular projects.
- When making loan transactions, the Bank applies financial instruments, specified in the list of IIB's credit products.
- IIB extends loans for a term of up to 15 years. Decisions on extending long-term loans for a period of more than 7 years and/or on lending amounts exceeding 15 % of IIB's capital require approval of the IIB Council – the highest governing body of the Bank.
- In specific cases IIB can extend loan resources without collateral to the following categories of financial institutions:
  - Financial institutions with the controlling state participation, which are officially approved for working with IIB by the member state;
  - Financial institutions, in which international banks for development have equity stake (if the country, on territory of which the lending transaction is going to be conducted, is a shareholder of such an international bank for development).