



**INTERNATIONAL
INVESTMENT
BANK**

TIME PROVED PARTNERSHIP

2014

WWW.IIBBANK.ORG



MAIN FACTS



INTERNATIONAL INVESTMENT BANK is a multilateral development bank

- ⦿ Established in 1970
- ⦿ The intergovernmental Agreement Establishing the International Investment Bank and its Charter are registered with the UN Secretariat
- ⦿ The headquarters is located in Moscow
- ⦿ Diversified loan portfolio with funding over 200 investment projects and volume of loans exceeding € 7 bn till date
- ⦿ Authorized capital – € 1 300 m
- ⦿ Paid-in capital – €272,6 m* (The Council (the highest authority of IIB) approved the increase in paid-in capital of up to €341.3 m)
- ⦿ Total equity — € 374 m
- ⦿ International investment grade credit ratings:
Long-Term Issuer Default Rating (IDR) of «A3» assigned by Moody's on August 29, 2014; Long-Term IDR of «BBB-» and Short-Term IDR of «F3» assigned by Fitch Ratings on December 10, 2013

* AS OF 01.11.2014



MEMBER STATES



Member States

Share of paid-in capital*

	(€ m)	%
Russia	150	55
Bulgaria	42.2	15.5
Czech Rep.	30.4	11.1
Slovakia	21.5	7.9
Romania	18.4	6.8
Cuba	5.4	2
Mongolia	1	0.4
Vietnam	3.7	1.3
TOTAL	272.6	100



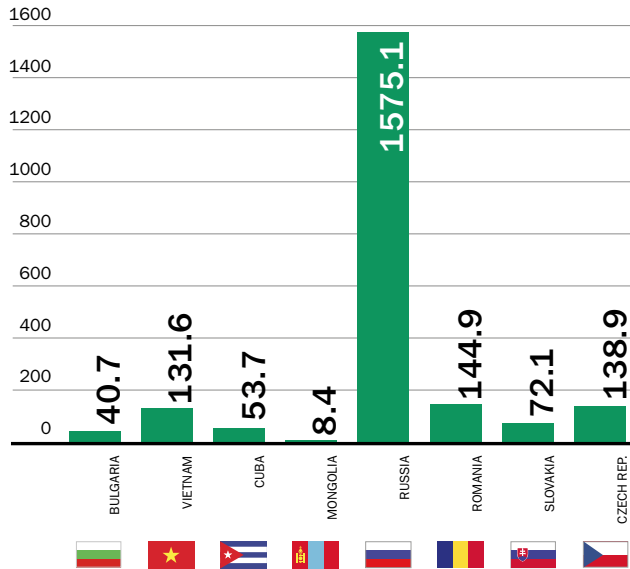
- ⊙ IIB is a multilateral development bank enjoying a special status, as well as the constant support from the authorities of its Member States.
- ⊙ Diversity of Member States – from the G20 and EU members to rapidly growing Asian markets.
- ⊙ Overall territory of operations – 19.6 mil.km² with a total population of more than 290 mil. people

* AS OF 01.11.2014



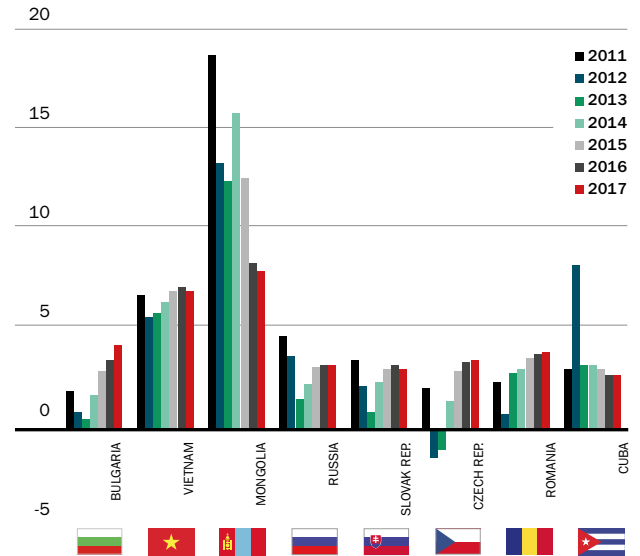
OPERATING ENVIRONMENT

MEMBERSHIP BASE REPRESENTS A SIGNIFICANT ECONOMIC BLOCK WITH COMBINED GDP OF MORE THAN € 2,165 BILLION



Data sources: Business Monitor International, national statistics institutes

GDP GROWTH FACT AND PROJECTION, %



Data sources: Business Monitor International



MISSION AND OBJECTIVE OF THE BANK

OUR MISSION

is to contribute to the social and economic development, to the growth of the population wellbeing and to the economic cooperation between the Member States. Supporting small and medium-sized enterprises in Member States of the Bank by increasing the access of SME sector to sustainable and constant sources of funding. Contributing to the further integration of our Member States in the international trade flows.

THE BANK FINANCES

national development banks, leading international and national financial institutions and companies of IIB Member States.

OUR OBJECTIVE

is to be recognized globally, by our shareholders in particular, as one of the prominent development finance institutions, providing efficient and tailor-made development assistance and solutions. Consequently, IIB aims to become a preferred partner in its Member States for clients and multilateral or national development institutions.

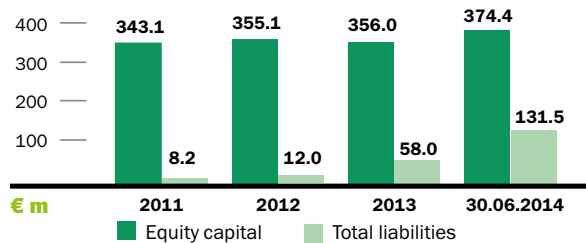
THE BANK PROVIDES

financing, including syndicated lending with leading national and international institutions for the investment projects on the territory of its Member States.

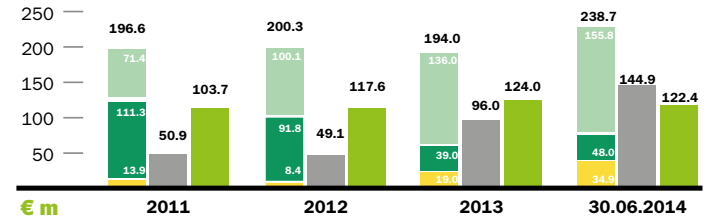


MAIN BALANCE SHEET INDICATORS

LIABILITIES STRUCTURE



ASSET STRUCTURE

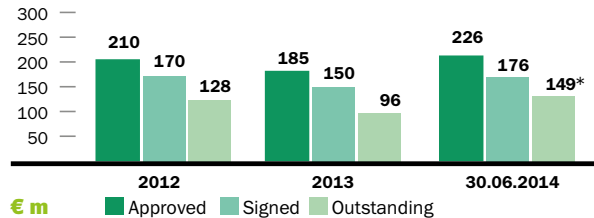


- Cash and bank balances
- Placements with financial institutions
- Investment securities
- Net loans and equity investments
- Net PPE and other assets held for sale



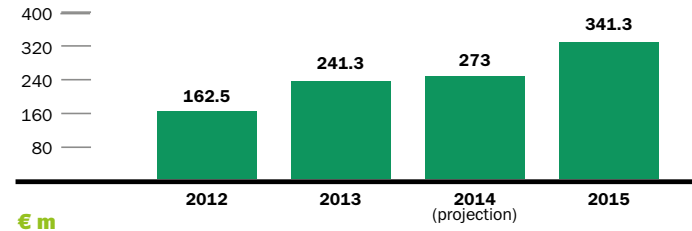
MAIN BALANCE SHEET INDICATORS

LOAN PORTFOLIO GROWTH



*Including funds raised from the financial markets.

PAID-IN CAPITAL



In June 2013 50% of retained earnings of past years in amount of € 76 million were directed to the paid-in capital. The Council (the highest authority of IIB) approved the increase in paid-in capital of up to € 341.3 million.



INTERNATIONAL INVESTMENT GRADE CREDIT RATING

On August 29, 2014, Moody's Investors Service assigned to IIB a Long-term Issuer Default Rating (IDR) of "A3". On December 10, 2013, international rating agency Fitch Ratings assigned to the International Investment Bank a Long-term IDR of "BBB-" and Short-term IDR of "F3".

KEY FACTORS OF RATING ASSIGNMENT:

- High level of support from the Bank's Member States, high capital adequacy, stable liquidity situation and low financial leverage. The significant factor of such support was the decision (approved by the Council of IIB in June 2013) of the capital increase via making additional contributions by the Member States to the IIB's authorized capital of at least € 100 million;
- Almost debt-free robust capital base;
- Realization of the complex reformation of the Bank during 2013 aimed at IIB's transformation into an effective multilateral institution for development;
- Implementation of the new principles of credit policy – IIB is oriented toward the support of SMEs in Member States, working mainly through international institutions for development and banks with a high rate of credibility;
- New conditions of operational activities — very high amount of equity to be used for financing development projects, very low financial leverage, new risk management system based on Basel II, new compliance control and new system of employee motivation.



INCREASE OF THE FUNDING BASE

BONDS PLACEMENT

LOCAL RUSSIAN BONDS

Issue	Classic bonds, ISIN RU000A0JUG56
Issue amount	RUR 2 bln
Maturity	10 years (3 640 days)
Put -option	In 1.5 years, priced at 100% of the nominal value
Coupon	6 months (182 days)
Placement	MICEX Stock Exchange
Lead Managers	Raiffeisenbank (RBI Group), VTB Capital (VTB Group), Rosbank (SG Group)

LOCAL SLOVAK BONDS

Issue	Classic bonds, ISIN SK4120010307
Issue amount	EUR 30 mln
Maximum amount	EUR 50 mln
Maturity	5 years (The maturity date of any and all Bonds shall be 21 October 2019)
Denominations	EUR 10.000
Listing	Bratislava Stock Exchange
Registrar	Central Securities Depository of the Slovak Republic
Lead Managers	Tatra banka, a.s. (RBI Group)

The bonds are included in the Lombard list of the Bank of Russia.

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.

OTHER BORROWINGS. BILATERAL LOAN.

Bilateral Loan Facility Agreement	was signed on April 25, 2014.
Lender	SOCIETE GENERALE GROUP (ROSBANK)
Amount of the Facility	25 MLN USD
Maturity	2 years
Payment	Bullet at Maturity
Regulation	Russian Law
Transaction Type	Unsecured Bilateral Loan



FORMS OF FINANCING

IIB is open for cooperation with other financial institutions in various forms, such as joint financing of investment projects or providing loans to the development of SME sector in IIB Member States. In this regard, IIB has developed and is currently using several financial instruments:

- ▶ CREDIT LINES FOR SMES THROUGH SELECTED FINANCIAL INSTITUTIONS
(loan maturity from 1 to 7 years, loan volume up to € 40 m);
- ▶ SYNDICATED LOAN FACILITIES FOR SMES
(loan maturity from 1 to 7 years, loan volume up to € 40 m);
- ▶ EQUITY INVESTMENTS IN SMES
(clear exit strategy from 3 to 7 years, investment volume up to € 10 m);
- ▶ PROJECT FINANCE LOANS FOR FINANCIAL INSTITUTIONS IN THE MEMBER STATES
(loan maturity from 3 to 15 years, loan volume up to € 50 m);
- ▶ SYNDICATED LOANS FOR FINANCIAL INSTITUTIONS IN THE MEMBER STATES
(loan maturity from 1 to 15 years, loan volume up to € 50 m);
- ▶ SYNDICATED LOANS FOR INVESTMENT PROJECTS
(loan maturity from 3 to 15 years, loan volume up to € 50 m);
- ▶ EQUITY INVESTMENTS
(clear exit strategy from 3 to 7 years, loan volume up to € 20 m).
- ▶ INVESTMENTS IN FUNDS IN LINE WITH IIB STRATEGY



EXAMPLES OF PROJECTS

Over the years, International Investment Bank took part in financing of more than 200 investment projects, signed and implemented cooperation agreements and provided credit lines to financial institutions of the Member States. Main projects of 2012 to the present day:



Vietnam Bank for Industry and Trade
Financing of the SMEs



Bulgarian Development Bank
Financing of the SMEs



Xac Bank LLC, Mongolia
Syndicated financing of SMEs
Partner: EBRD



Khan Bank, Mongolia
Syndicated financing of SMEs
Partner: IFC



EXIMBANK OF RUSSIA
Export-Import financing



Bank of Investment and Development of Vietnam
Realization of program of support of the SMEs



BT Leasing Transilvania IFN S.A
Financing of leasing programs for the Romanian SMEs



JSC VIVACOM, Bulgaria
Syndicated financing
Partner: VTB Capital



Trade and Development Bank of Mongolia
Syndicated financing
Partner: FMO (Netherlands Development Finance Company)



SME Bank
Financing of the SMEs



Transcapitalbank
Syndicated financing of the power efficient projects.
Partner: IFC



JSC "SPURT"
Financing of the SMEs



Bank Center-Invest
Financing of the SMEs



Asian-Pacific Bank
Funding of the SMEs entities



TRADE FINANCE PRODUCTS

IIB considers to provide FIs with a full range of trade and export finance products. In April 2014 a Multilateral Memorandum on Cooperation between IIB, EXIAR, EXIMBANKA SR, EGAP, BAEZ and EximBank Romania was executed. Under this document IIB will be acting as a bridging financing institution while the ECAs will be providing insurance coverage to projects between its respective Member-States.

AT FIRST IIB CONSIDERS TO CONCENTRATE ON PROVIDING THE FOLLOWING TRADE FINANCE SERVICES TO FINANCIAL INSTITUTIONS:

- ⦿ Guarantees/counter-guarantees
- ⦿ Reimbursement undertakings, covering documentary operations of counterparty banks
- ⦿ Standby letter of credits
- ⦿ Trade-related loans
- ⦿ ECA-covered finance, covering export from IIB's Member-States

IIB aims to discuss various opportunities for cooperation with FIs in trade finance to find the most efficient solution for each case.



NEW STRATEGY OF IIB IS DESIGNED TO UTILIZE ITS POTENTIAL AS A MULTILATERAL DEVELOPMENT BANK TO THE FULL EXTENT

BANKS' OBJECTIVES UNDER THE STRATEGY

PRODUCTS AND SERVICES RANGE EXPANSION, with the focus on the loan and investment products

DEVELOPING PARTNERSHIP NETWORK (Leading commercial banks, multilateral, regional, national development banks and specific governmental departments and institutions for trade and development)

MAINTENANCE AND IMPROVEMENT OF A3/BBB— INVESTMENT CREDIT RATINGS from International rating agencies— Moody's and Fitch Ratings

MAXIMIZING THE EFFICIENCY AND PRODUCTIVITY OF ALL BUSINESS PROCESSES in line with the new organizational structure implemented from January 2014

KEY STRATEGY IMPLEMENTATION ISSUES

INCREASING OF NUMBER OF INVESTMENT PROJECTS

BOOSTING LOAN PORTFOLIO

ensuring an adequate and sustainable risk level

INCREASE OF FINANCIAL RESOURCE BASE

STRATEGY IMPLEMENTATION RESULTS

FULL USAGE OF IIB'S POTENTIAL AS A MODERN MULTILATERAL DEVELOPMENT BANK

a significant increase of Bank's operations in its Member States

ENHANCEMENT OF IIB'S ROLE FOR ITS MEMBER STATES

by promoting a growth of mutual trade and investment activities

BANKS' PERFORMANCE IMPROVEMENT

in order to reach the level of world's best practices, used by development banks



IMPLEMENTATION OF NEW STRATEGY



GROWTH OF THE LOAN PORTFOLIO

- Participation in syndicated loans together with leading development institutions: ERBD organized syndication to Mongolia's XacBank, the fourth largest bank and a leading small business lender in the country; International Finance Corporation organized syndication to Mongolia's Khan Bank, biggest lender in the country, and to Transcapitalbank which ranks among the top 50 Russian banks in terms of assets and total equity; FMO (Netherlands Development Finance Company) organized syndication to Trade and Development Bank of Mongolia; VTB Capital organized lending to second-biggest phone company in Bulgaria Vivacom; Vneshekonombank organized financing of the completion of the 3rd and 4th blocks of the NPP "Mochovce" (Slovak Republic).
- Several credit lines were provided to specialized financial intermediaries for the financing of SMEs sector in IIB Member States: Bulgarian Development Bank (Bulgaria); SME Bank (Russian Federation); Vietnam Joint Stock Commercial Bank for Industry and Trade (Vietinbank); BT Leasing (Romania); Trade and Development Bank of Mongolia.
- Provision of a credit line to Roseximbank (Russian Federation) for the financing of foreign trade operations in different economic areas.
- Lending to Bank Center-Invest for the financing of the small and medium business.
- Lending to JSC "SPURT" for the financing of the small and medium business.



NEW TARGET-ORIENTED ORGANIZATIONAL STRUCTURE

- which complies with the current international standards. It provides maximum transparency and effectiveness to the corporate management system. The international professional team facilitates the Bank's development and achievement of its operational and strategic objectives.



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IMPLEMENTATION OF NEW STRATEGY



PARTNERSHIP NETWORK

- Currently implementing over 20 cooperation agreements with leading financial institutions and state government bodies from Member States.
- Actively cooperates in different areas with leading multilateral and national development finance institutions: International Finance Corporation, European Bank for Reconstruction and Development, European Investment Bank, Black Sea Trade and Development Bank, Eurasian Development Bank, Nordic Investment Bank, Vnesheconombank of Russia, KfW Group.
- In January 2014 IIB became a signatory of the IFC Master Cooperation Agreement (MCA). IIB is the 20th institution to accede to the agreement which standardizes steps that lenders take when co-financing projects with IFC.
- A Multilateral Memorandum on Cooperation is signed between the Bank and export-credit agencies of the Member States of IIB, in particular – EXIAR, Russia; EximBank S.A., Romania; BAEZ, Bulgaria; EGAP, Czech Republic; EximBank SR, Slovak Republic. According to this agreement IIB will provide financing and export-credit agencies carry the insurance coverage of investment projects in the interest of the participating Member States.
- Joined United Nations Global Compact – the largest international initiative in the field of sustainable development (more than 10 thousand from 145 countries).
- Enjoys observer status in Black Sea Trade and Development Bank, Association of Development Financial Institutions in Asia and Pacific (ADFIAP).
- Granted observer status to Vnesheconombank of Russia and VTB Group.



ADVANTAGES OF WORKING WITH IIB



IIB IS AN INTERNATIONAL ORGANIZATION

enjoys the status of preferred partner for its Member States. Statutory documents grant IIB a special regime of banking regulation and a general tax exemption



IIB HAS AN INTERGOVERNMENTAL STATUS

which guarantees support from public authorities of the Member States



IIB HAS A WIDE REGIONAL COVERAGE

which gives opportunity to increase regional presence and to enter the markets of the Member States

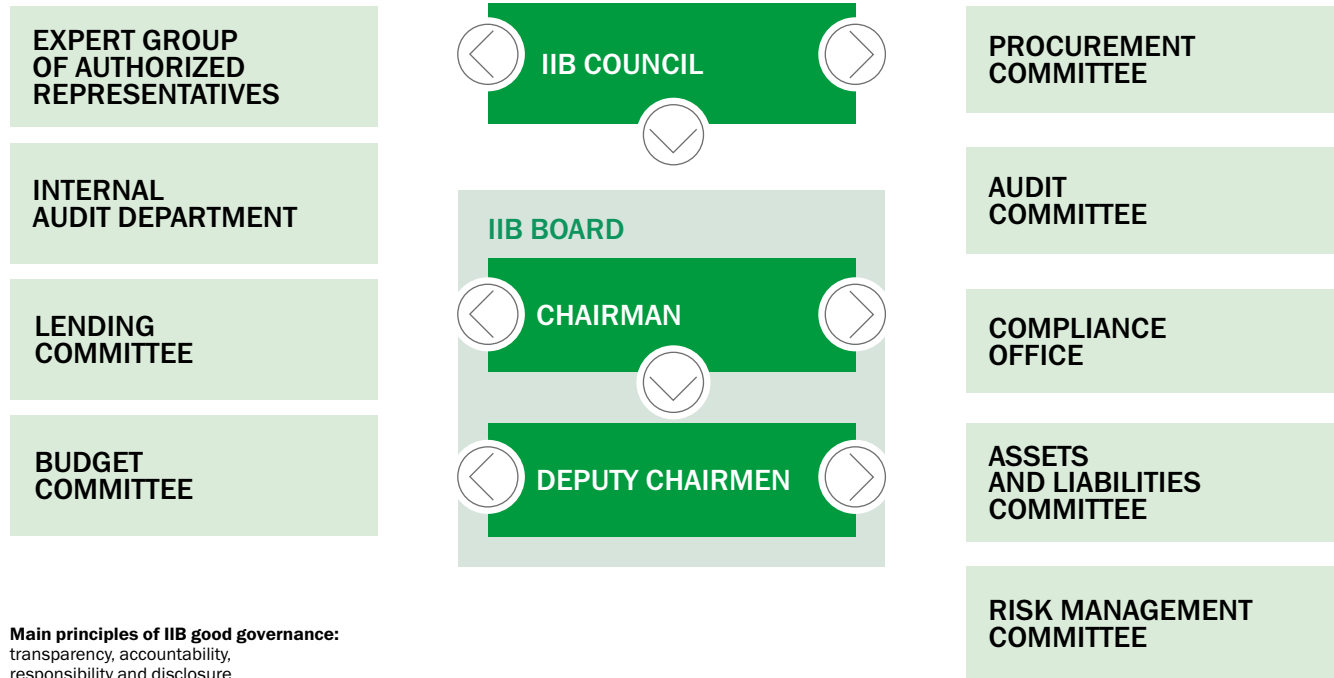


RELIABILITY OF COOPERATION

affirmed by investment credit ratings from Moody's and Fitch Ratings



CORPORATE GOVERNANCE STRUCTURE



Main principles of IIB good governance:
transparency, accountability,
responsibility and disclosure



OBSERVER STATUS IN IIB

The observer Status Policy provides a flexible mechanism for enhancing networking and regular contacts aimed at exploring cooperation opportunities in agreed areas, including co-financing projects in the IIB's Member States.



THE STATUS OF THE OBSERVER PROVIDES THE FOLLOWING POSSIBILITIES:

- participation in various activities, including meetings of the Council of IIB, various seminars and conferences by the invitation of the Bank's Council and other activities organized by the Bank;
- receiving as required public/not confidential documents according to the decision of the Council of IIB, information materials and decisions made by governing bodies of the Bank (on issues considered with the participation of Observers).

RUSSIAN STATE CORPORATION 'BANK FOR DEVELOPMENT AND FOREIGN ECONOMIC AFFAIRS' (VNE-SHECONOMBANK) AND VTB GROUP WERE GRANTED THE OBSERVER STATUS IN OCTOBER 2013 AND MAY 2014 CORRESPONDINGLY.

“Observer Status Policy” is released to the public on the corporate web-site (www.iibbank.org).



PARTNERSHIPS



State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)"
 International Finance Corporation (IFC)
 European Bank for Reconstruction and Development (EBRD)
 Black Sea Trade and Development Bank (BSTDB)
 Eurasian Development Bank (EDB)
 VTB Group (VTB)
 The Joint Stock Commercial Bank for Investment and Development of Vietnam (BIDV)
 Khan Bank of Mongolia (Khan Bank)
 Open Joint-Stock Company "Russian Bank for Small and Medium Enterprises Support" (SME Bank)
 Vietnam Joint Stock Commercial Bank for Industry and Trade (VietinBank)
 Xac Bank
 Transcapitalbank
 Export Insurance Agency of Russia (EXIAR)
 State Specialized Russian Export-Import Bank (Eximbank of Russia)
 Bulgarian Development Bank
 Bank of the Slovak Republic (Eximbanka SR)
 Slovak Guarantee and Development Bank (SZRB)
 Bank for Foreign Trade of Vietnam (Vietcombank)
 Vietnam Bank for Agriculture and Rural Development (Agribank)
 Czech Export Bank
 Housing Development Bank (HD Bank)
 BT Leasing Transylvania IFN S.A. (BT Leasing)
 Trade and Development Bank of Mongolia (TDB Mongolia)
 Netherlands Development Finance Company (FMO)
 Banca de Export Import a Romaniei EximBank S.A. (EximBank Romania)
 Bulgarian Export Insurance Agency (BAEZ)
 Export Guarantee and Insurance Corporation (EGAP)
 Association of Development Financing Institutions in Asia and Pacific (ADFIAP)
 JSC "Spurt"
 Banking Association for Central and Eastern Europe (BACEE)
 European Investment Bank (EIB)
 KfW
 NIB (Nordic Investment Bank)
 Rosbank, Societe Generale Group (Rosbank)
 Raiffeisen Bank
 Sberbank
 ADB (Asian Development Bank)
 Bank Center-invest
 Absolut Bank
 Capital Bank of Mongolia (Capital Bank)
 Asian-Pacific Bank (APB)
 Hungarian Export-Import Bank (Eximbank)



CONTACT INFORMATION

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NOTES

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