



# IIB DEVELOPMENT GROUP (IIB-DG)

## IIB-DG FINANCIAL CONSORTIUM FUNDING PROCEDURE



**IIB** INFRASTRUCTURE  
INVESTMENT



# **FUNDING PROCESS AS WAY FORWARD / DOCUMENTS REQUIRED TO ESTABLISH FUNDING:**

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## FUNDING PROCESS AS WAY FORWARD /DOCUMENTS REQUIRED TO ESTABLISH FUNDING:

- 1.NCNA
- 2.Project Document to be Submitted to IIB-DG
- 3.Project accepted via issued LOI
- 4.Project Owner and IIB-DG sign package of Funding Agreement/Promissory Note/Loan Amortization/ or Term Sheet
- 5.Project Owner`s Bank send RWA acceptable verbiage to IIB-DG
- 6.IIB-DG respond to Project Owner`s Bank with banking Coordinates
- 7.Project Owner bank and IIB-DG ` Bank start banking communication and due diligence(bank to bank communication start here.)
- 8.Funding starts from 10-30 days after collateral is delivered and verified by IIB-DG `s bank via Swift codes MT760/MT799 etc.



### **FINANCIAL INSTRUMENT CAN BE:**

- 1.Bank Guarantee (Preferable from top 25 Banks)
- 2.Standby letter of credit (SBLC)
- 3.Development bond,Treasure bonds,Certificates
- 4.Sovereign Guarantee
- 5.Any international banking instrument that have ISIN number and can be verified
- 6.Ownership of Minerals reserves
- 7.Blocked funds by MT760
- 8.MTN/LTN

IIB-DG responsible for providing financing and managing development aid to support sustainable social and economic development and improve livelihoods across developing nations.

**NB:**The procedure applies only to the projects that require provision of financial instrument, not all the projects fall into this category.

**“ IIB-DG’s wider objectives are to stimulate sustainable development and improve the standard of living in developing countries. ”**



## SOURCE OF FUNDS/ORIGIN OF FUNDS

IIB DEVELOPMENT GROUP have a wide range of funding sources from which IIB-DG can draw. Anticipated Financing backed by: Export Import Bank of the United States of America (US EXIM BANK), US International Development Finance Corporation (DFC), USTDA, USA, Barclays UK/ HSBC UK/ UBS Switzerland/ Deutsche Bank Germany, Bank of America (IIB-DG funds through different investors)

All monies engaged in each transaction funded by IIB-DG are derived from non-criminal origin; and are good, clean and cleared. The origin of funds is in compliance with Anti-Money-Laundering Policies asset forth by the Financial Action Task Force (FATF) 6/01. Funds are Clear of all liens, encumbrances and third-party interests.

IIB-DG use the profits from ongoing business operations to fund such projects, IIB-DG `s retained earning funds can be used to invest or finance projects. IIB-DG `s debt capital, can and borrow money by issuing corporate bonds, which allows a wide number of investors to become lenders (or creditors) to IIB-DG. We raise capital through bond issuances in international capital markets to fund loans to clients and maintain our financial strength. Besides raising capital through bond issuance, we invest our liquid assets globally and manage them versus recognized industry benchmarks. We aim to outperform those targets while preserving capital and ensuring funds are available as needed for our private sector investments in developing countries. We also manage currency and interest rate risks of assets and liabilities on IIB-DG's funded balance sheet within prudent risk limits. This allows us to tailor risk management and loan products to the needs of IIB-DG's clients while hedging the resulting market risks.

IIB-DG `s equity capital, raise capital by selling off ownership stakes in the form of shares to investors who become stockholders., equity funding.

IIB-DG Financial Consortium own Investment Portfolio and Readily Available Cash;

IIB-DG Financial Consortium hold significant equity and hard assets, such as gold and diamonds;

IIB-DG Financial Consortium own significant stock on the Stock Markets;

IIB-DG Financial Consortium have a pool of Private Investors and Financiers;

IIB-DG Financial Consortium have the co-operation of a number of large Hedge Funds;

IIB-DG Financial Consortium work with five of the top 25 Banks in the World;

IIB-DG Financial Consortium have a strong presence in the USA, Europe, the UAE and Asia to access additional source funding.

IIB-DG Financial Consortium have On- and Off-Balance Sheet Trust Fund of which we can access for Implementation of Projects

**IIB-DG declares that IIB-DG`s funds are valid currency lawfully obtained and constitute clean, cleared funds of legitimate, non-criminal. There are no liens, contractual obligations or encumbrances of any kind against the funds.**

**Confirmation/Availability of funds:** IIB DEVELOPMENT GROUP will confirm to the Project Owner `s Bank the availability of funds from its bank via swift MT-799 after IIB DEVELOPMENT GROUP has received from the Project Owner`s Bank a RWA verbiage.

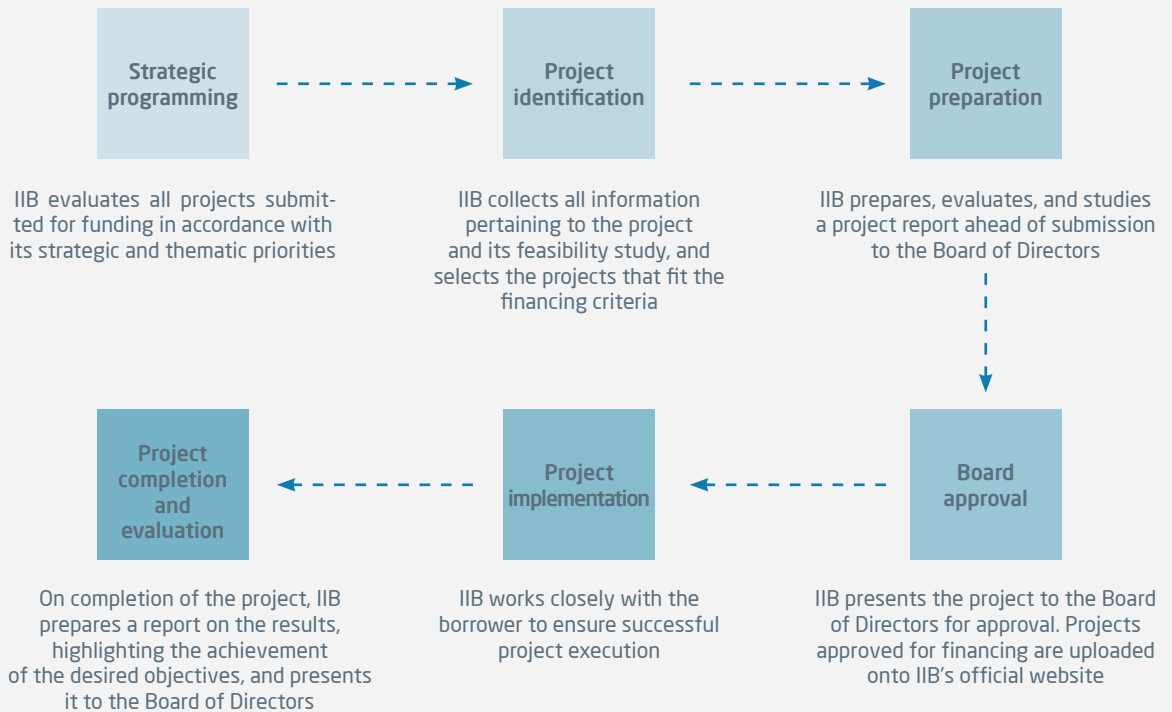
**Disbursement of funds:** IIB-DG shall make the First Payment Tranche to the Borrower within but no later than 30 (thirty) Business Days after date of official Bank Confirmation that the respective Financial Instrument (which is to be raised by the Borrower) had been issued correctly and as such accepted / received by IIB-DG `s nominated Fiduciary for Safekeeping.

**Guarantee:** The collateral transaction will be covered by a guarantee from the Project Owner`s bank, confirmed by the Bank-Agent via swift MT-999 in favor of IIB DEVELOPMENT GROUP.



# IIB-DG PROJECT FINANCING PROCEDURE

IIB-DG is responsible for financing development projects in accordance with its strategic and thematic priorities, specifically sustainable infrastructure, cross-border infrastructure, and attracting private sector capital. The following is IIB-DG's procedure for financing development projects:



## IIB-DG Official Meetings

- **Shareholders Meeting**

The meeting is held in June of each year. The meeting venue shall be determined by coordination between Members to host the meeting or at the IIB-DG's headquarters.

- **Board of Directors Meeting**

The Board of Directors meets periodically (quarterly) each year at the IIB-DG's headquarters in Washington, or on the sidelines of the annual meeting for the Shareholders.

- **Video Conference Meeting**

Video conference meetings are held for the Board of Directors to discuss various topics related to IIB-DG or to approve selected development projects.

## IIB-DG's strategic priorities



### Sustainable infrastructure

Promoting green infrastructure and supporting countries in meeting their environmental and development goals



### Cross-country connectivity

Prioritising cross-border infrastructure across the world



### Private capital mobilisation

Devising innovative solutions that catalyse private capital in collaboration with other governments, private financiers and other partners

## IIB tools to fund development projects

### Sovereign-backed financing

- A loan to, or guaranteed by:
- A guarantee that covers debt service defaults on a loan that is caused by a government's failure to meet a specific obligation in relation to the project or by a borrower's failure to make a payment under the loan or is accompanied by a member indemnity.

### Non-sovereign-backed financing

Any financing extended by IIB-DG that is not a sovereign-backed financing, including any financing to or for the benefit of a private enterprise or a sub-sovereign entity (such as a political or administrative subdivision of a member or a public sector entity) that is not backed by a guarantee or counter-guarantee and indemnity provided by a member to the bank.

### Equity investment

The bank may make direct equity investments in private or public sector companies. It may invest either in a new enterprise or an existing enterprise. The investment may take a variety of forms, such as; subscriptions to ordinary shares or preference shares, a loan convertible into equity. IIB-DG's investment may not exceed thirty per cent (30%) of the company's ownership holdings. However, in exceptional circumstances, the Board may decide to approve a higher but not controlling share as well if the bank's investment is in jeopardy, IIB-DG may take control of the company at 70% or above 51% depending on the risk in order to safeguard its investment.

### Guarantees

Projects that require guarantees will be evaluated and supervised using the same procedures as the loan process.

### Covered securities

IIB considers the issue of covered securities as a complementary platform to enhance the issuer's access to international and local capital markets, expanding its sources of financing. The coverage of shares in companies is considered as exposure to the full amount of coverage and thus subject to the limits set for capital investments.