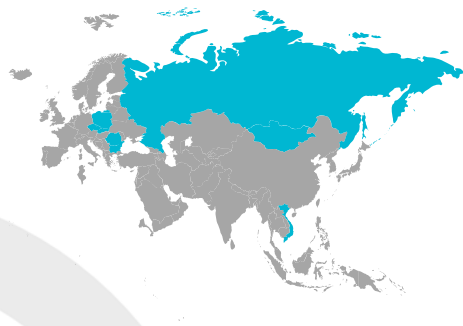
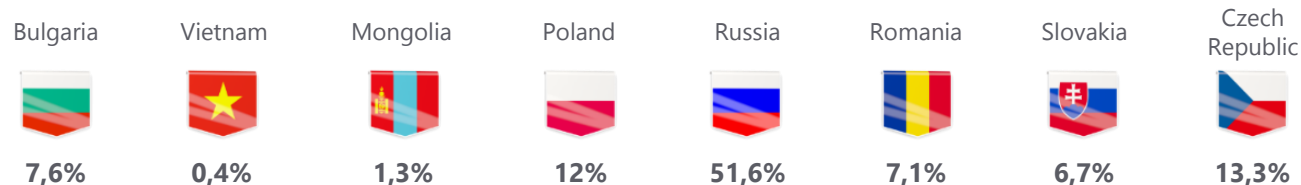


INTERNATIONAL BANK FOR ECONOMIC CO-OPERATION

IBEC Trade Finance: Blockchain Perspective

April 2021

International Bank for Economic Co-operation is one of the oldest international financial institutions with 57-year history. After the relaunch in 2018, IBEC is **the most dynamically developing multilateral development institution**.



Out of sanctions

IBEC is not a subject of any restrictive measures introduced against the entities from Russian Federation within sanction lists and embargo programs established by US, EU and / or other jurisdictions

Total Assets
€ 815 mln

Documentary Portfolio
€ 70 mln

Loan Portfolio
€ 344 mln

CAR
44%

Authorized capital
€400 million

Paid-in capital
€200 million

Equity (31.12.2020)
€317 million

Credit ratings:

Fitch Ratings	BBB «Stable»	09/03/2021 Upgraded
Moody's	Baa3 «Stable»	24/01/2020 Assigned
ACRA	A-/AAA(RU) «Stable»	06/11/2020 Affirmed

In December 2020 the Council approved **IBEC Development Strategy 2021-2025**

- **Positive developmental impact on Member countries** through promotion of international trade, support of greater role of SMEs trade between Member and Third countries and participation in achieving sustainable development
- **Provide clients with the innovative and competitive products and services** relevant to high clients' requirements
- **Improve IT technology in banking operations and continue development in internal operating efficiency**
- **While growing ensuring a long-term financial stability of the Bank**
- **A proportional increase in IBEC's business activities in all Member countries**

VISION

A continued reliable and efficient partner supporting export and import operations for the benefit of Member countries while offering competitive financial products and services

MISSION

Support economic prosperity of Member countries through interconnection of intra- and inter-regional trade operations and facilitation of financing projects that promote sustainable development goals

Priority business directions



Trade Finance



Lending



Settlements



Treasury

PRODUCT LINE



Trade Finance

- Letters of Credit
- Guarantees/counter-guarantees
- Factoring / Forfaiting
- Financing with ECA
- Trade-related loans (TRL)
- Irrevocable Reimbursement Undertaking (IRU)



Treasury Operations

- Investments in corporate bonds, incl. 'Green bonds' in the primary market
- Currency SWAP
- Forward operations
- Short-term debt obligations
- Foreign exchange transactions and derivative financial instruments
- Financial instruments with fixed income



Direct and syndicated financing

- Project finance and business development
- Working capital loans
- Contract financing
- Co-financing and syndicated financing



Cash management services

- Opening and maintenance of accounts
- Payments in rubles and other currencies
- Pledge accounts and other special accounts
- E-banking system
- Currency control
- Foreign-exchange operations
- Fixed-term deposits

31.12.2017

Net Loan Portfolio:
€22 mln

31.12.2018

Net Loan Portfolio:
€130 mln
Trade finance and guarantees:
€14 mln

31.12.2019

Net Loan Portfolio:
€308 mln
Trade finance and guarantees:
€44 mln

31.12.2020

Net Loan Portfolio:
€344 mln
Trade finance and guarantees:
€70 mln

LETTERS OF CREDIT

- issuance
- advising
- confirmation
- transferrable LCs
- negotiation
- financing, deferred payments

GUARANTEES/COUNTER-GUARANTEES

- issuance
- advising

IRUs

- issuance of irrevocable reimbursement undertakings

STRUCTURED FINANCE

- structured financing based on export/import
- EPC contract to finance advance payments, supplies of equipment to Exporters, Exporter's banks, Importers/Importer's bank

FACTORING AND FORFAITING SUPPLIER'S FINANCING

- discount / forfait import obligations (credit risk of the importer's bank)
- purchase of receivables

DOCUMENTARY COLLECTION

- documents against payment
- documents against acceptance

TRADE-RELATED AND SYNDICATED LOANS

- trade-related bilateral loans, including pre-export and post-import financing - funds on a bilateral basis to a borrowing bank to finance particular foreign economic transactions of its clients/counterparties with participation/to the benefit of IBEC member countries
- trade related syndicated loans - provided on a multilateral (syndicated) basis by few lenders to a borrowing bank



Key deals made in 2020



Doverie and Eurohold direct loans supporting medical and insurance sectors, TRLs to 3rd countries banks for export support



Supply Chain Finance facility supporting Czech, Polish, Slovak and Bulgarian suppliers of Mondelez for up to EUR 19,1 mln



Vakuum Praha and Strojirna TYC guarantees (transport and scientific sectors), TRLs and syndicated loans to 3rd countries banks for export support



Ulaanbaatar Railway tied loan under ECA cover (Mongolia-Russia economic ties and Mongolian infrastructure development), XacBank syndication (incl. SME support), Golomt bank documentary deals and TRLs



Laude Smart Intermodal loan and Frakoterm LCs, LGDs, TRLs to 3rd countries banks for export support



RCS&RDS supply chain facility, syndicated loans to 3rd countries banks for export support



LLC TMT import LC issuance for purchase of equipment in Hungary, guarantees under pharma purchase contracts, syndicated loans, TRLs and documentary instruments to 3rd countries banks for export support

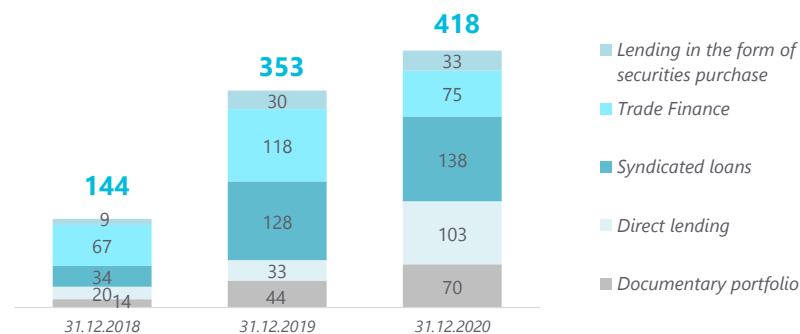


Syndicated loans to 3rd countries banks for export support

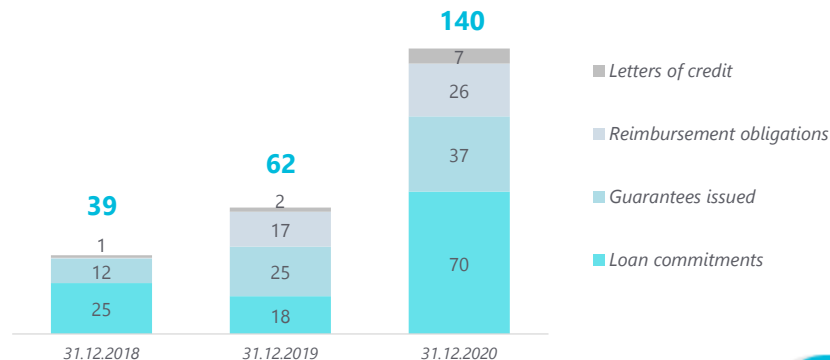


*SHB financing under LCs supporting external trade globally with EU, Asia, Africa and South America
First forfeiting deal for USD 2,5 mln related to green finance under LC of SHB*

Loan portfolio structure* (EUR mln)



Off-balance dynamic (EUR mln)



* Loan portfolio includes credit investment portfolio of securities (see Note 8. Securities at amortized cost)

IBEC: Operational Management

Rebit: Platform Operator

Target Audience: Mid-sized companies in IBEC Member states via Partner Banks and directly (first stage)

Main goal of the project: Implementation of trade finance instruments in the existing blockchain ecosystem*.

Basic platform parameters:

- *Execution is accompanied by exchange of documents between the parties*
- *Settlements are executed through regular settlement channels*
- *All transactions are legally-binding under bilateral agreements between IBEC and each party*
- *All transactions and parts thereof must be automated as much as possible*

*Ecosystem: an array of technologies that includes both implementation of the blockchain transaction itself and various plug-ins: interaction and file exchange protocols, libraries, distributed storage, etc.

Project Launched
at year-end 2019

Similar market
solutions:

- Marco Polo
- We.trade

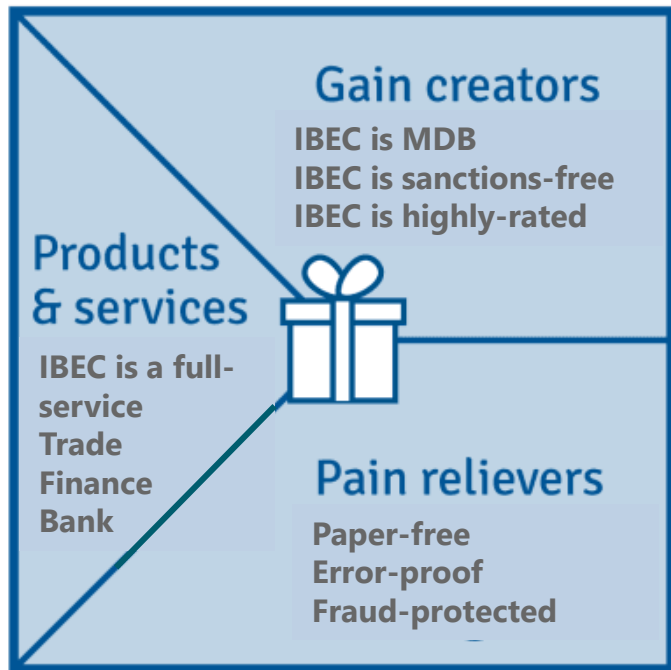


Rebit FZC LLC is a start-up technological company specializing in blockchain solutions

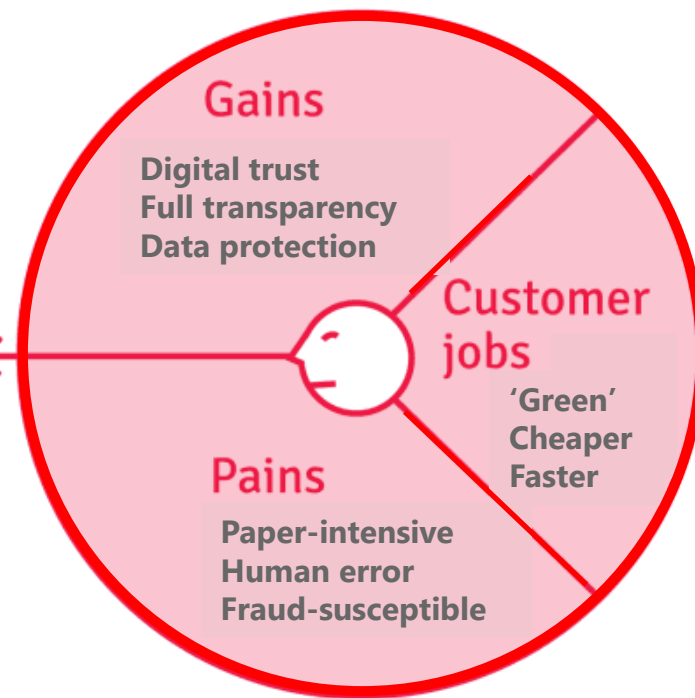
Portfolio of implemented and running Rebit projects:

Product name	Description
<i>Rebit Exchange</i>	Online platform that supports sell/buy transactions in cryptocurrencies between the users
<i>Rebit Online</i>	Mobile application for opening cryptocurrency accounts, cryptocurrency exchange operations, payments to service providers and online transfers in cryptocurrencies
<i>Rebit Pay</i>	Automated cryptocurrency payment processing system allowing sellers to accept and buyers to make payments in cryptocurrencies at online stores and retail outlets
<i>Rebit Net Payment</i>	A fast two-way communication protocol allowing to exchange messages and perform calculations in real time. The product can be integrated with the existing bank ledgers reducing the cost of transaction <u>to one cent</u> , and the time to perform down to <u>five seconds</u> .

Value Proposition



Customer Profile



- *Product development is well underway*
- *Pending: live counterparty testing and solution to IT Compatibility, Legal and Compliance issues*
- *Project planned to go live by year-end 2022*

Create payment

USER
Beneficiary

Side of payment 1
TYPE: [dropdown] USER: [text field] Beneficiary

Side of payment 2
TYPE: [dropdown] USER: [text field]

PAYMENT STATUS: [dropdown] CURRENCY NAME: [dropdown] AMOUNT: [text field]

Payment details
ID: [text field] PAYMENT TYPE: [dropdown] PAYMENT CODE: [dropdown] DETAILS: [text field]

SETTLEMENT DOCUMENTS
Drop files here ...

SAVE

Payments

User	Side of payment 1	Side of payment 2	Payment status	Currency name	Amount	Payment details	Settlement documents	Actions
IssuanceBank	Type: 21001 Name: IssuanceBank	Type: 21002 Name: IssuanceBank	new	EUR	100000	Id: 1 Payment type: IssuanceBank commission details		
IssuanceBank	Type: 21001 Name: IssuanceBank	Type: 21002 Name: IssuanceBank	new	EUR	100000	Id: 2 Payment type: IssuanceBank commission details		
IssuanceBank	Type: 21001 Name: IssuanceBank	Type: 21002 Name: IssuanceBank	new	EUR	100000	Id: 3 Payment type: IssuanceBank commission details		

ADD PAYMENT

Ready to Play?

Considerations for Financial Institutions entering the token economy



Platform Integration

Platform selection should be guided by regulatory requirements, service offering, product strategy and size and scale of community.



Business Model

Where to play is a core question to be answered. The choice may vary from advisor to token exchange broker depending on the institutions business model.



Cybersecurity

Sufficient security measures need to be ensured to secure the entire value chain when interacting with a blockchain platform. SECaaS (Security as a Service) could be an additional revenue stream.



Jurisdiction

Ensuring a token's compliance across jurisdictions will bring new complexities which require consideration.



Compliance

MiFID, AML and KYC regulation still applies to the token economy. Tax considerations should not be left behind either with a move into the digital economy.

AS Advising

+ CREATE DC REQUEST Search by DC Reference No. or Company name

ADVISED DC REFERENCE	APPLICANT	ISSUING BANK	NOMINATED BANK	AMOUNT
CONF01NewEUR100000	Applicant	IssuanceBank	NominatedBank	EUR 10000
DC STATE	In presentation (DEMAND_PRESENTATION)			View
DP1Presentation	Document release (Payment in progress)			View
Payment	Payment in progress			VERIFY

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