



The Black Sea Trade and Development Bank

BSTDB: Financing Economic Development of the Black Sea Region

Bucharest, March 15, 2011

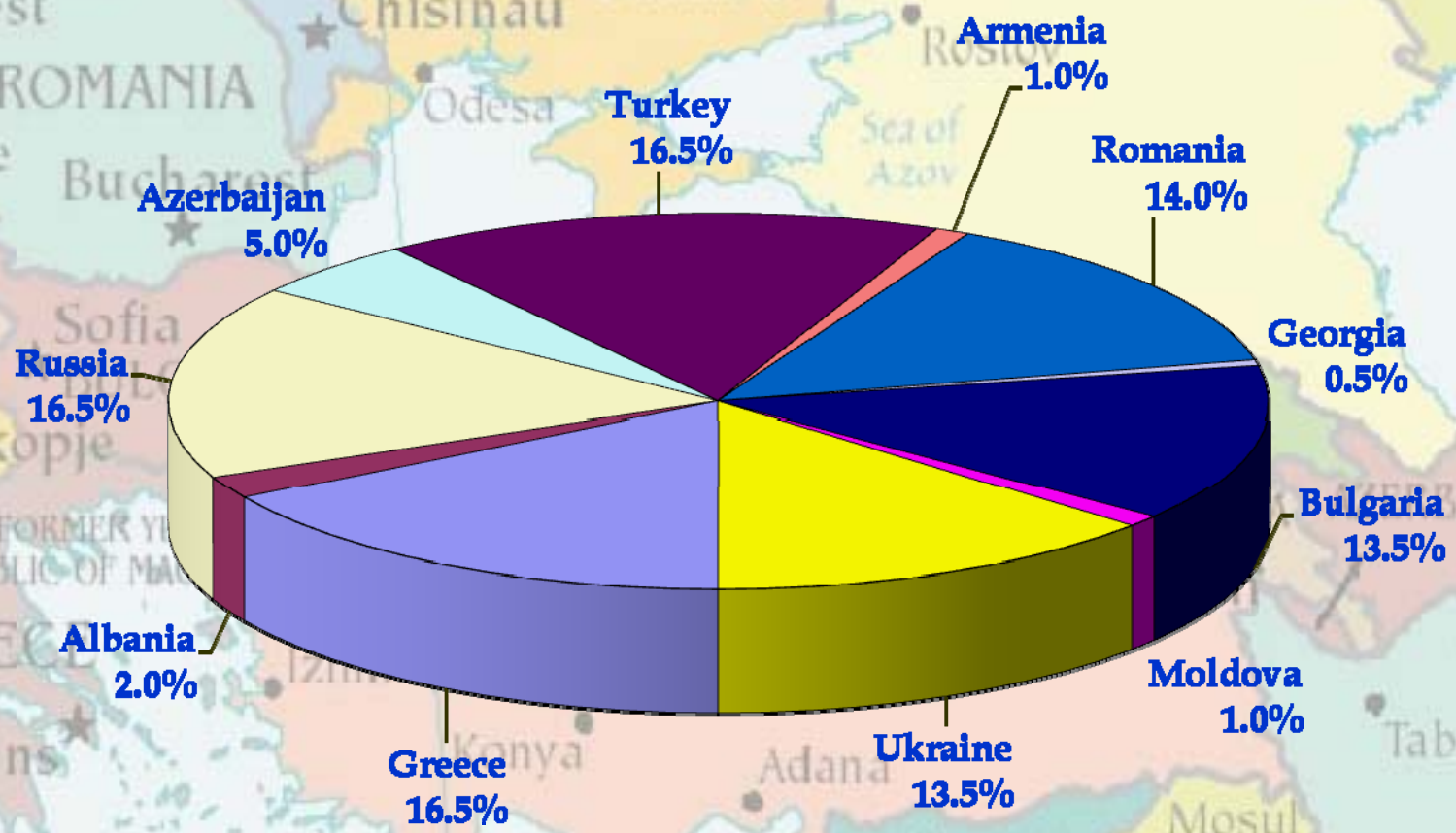


BSTDB At A Glance

- **Location – Thessaloniki, Greece**
- **First Operation – November 1999**
- **Employees – 100**
- **Shareholders – 11 countries of the Black Sea Region**
- **Subscribed Capital – EUR 2.3 billion (doubled in September 2008)**
- **Cumulative Portfolio – EUR 2.1 billion (227 projects)**
- **Active Portfolio – EUR 1.1 (105 projects)**
- **Over last four years outstanding portfolio doubled**
- **Credit Rating by Moody's (September 2010) – A3 (outlook – stable). Better than the long term sovereign rating of all shareholders**



Shareholding Structure





Mandate

- **Foster economic and social development of the Black Sea region**
- **Provide financing to public and private enterprises of the region**
- **Promote co-operation and integration among Member States**
- **Mobilize resources for the Black Sea region**



Development Impact

- **Creation of jobs**
- **Productivity improvement**
- **Export development**
- **Import substitution**
- **Environment protection**
- **Public infrastructure development**



Clients and Partners

- **Ministries & Official Agencies**
- **Municipalities**
- **Banks and Other Financial Intermediaries**
- **Private Companies & Institutions**
- **Partners in Development**
 - ❖ **Other IFIs**
 - ❖ **Cofinanciers/Donors**



Main Products and Services

- **Project Finance (up to 35% of total project cost)**
- **Corporate Finance**
- **Credit Lines to Financial Institutions**
 - ❖ **Trade Finance**
 - ❖ **SME Financing**
 - ❖ **General Purpose Lines**
 - ❖ **Mortgage Financing**
 - ❖ **Subordinated Loans**
 - ❖ **Leasing**
- **Equity Investments (up to 33% of the total equity)**
 - ❖ **Direct**
 - ❖ **Investment Funds**
- **Guarantees**



Operations by Product Type (BoD Approved)

- **Project Finance – 62%**
- **SME Financing – 25%**
- **Trade Finance – 10%**
- **Equity Participation – 3%**



Sectoral Distribution of Projects (BoD Approved)

- **Financial Institutions – 36%**
- **Manufacturing – 24%**
- **Energy – 15%**
- **Transport and Public Utilities – 13%**
- **Telecommunications – 6.5%**
- **Mining – 2%**
- **Construction – 1.8%**
- **Other – 1.7%**



Operating & Financial Performance in 2010

- **Income before provisions - EUR 20 million**
- **Net profit - EUR 12 million**
- **Consistently profitable every year since 2005**
- **New Board approvals of EUR 214 million; outstanding portfolio reaching EUR 670 million at year end**
- **High-quality portfolio; just one non-performing loan**



BSTDB in Romania

- Share in the BSTDB capital – 14%
- Contribution to the paid-in capital – EUR 53.5 mn
- Number of projects in cumulative portfolio – 22 totaling EUR 220 mn
- Share in cumulative portfolio – 10.2%
- Number of projects in active portfolio – 6 totaling EUR 94 mn
- Share in active portfolio – 8.4%



Examples of BSTDB's projects in Romania

- **Petrom – EUR 25 mn**
- **Turceni – EUR 20 mn**
- **Erdemir – EUR 18 mn**
- **Rompetro – EUR 13 mn**
- **Telemobil – EUR 12 mn**
- **Terapia – EUR 11 mn**
- **Banca Commerciale Carpatice – EUR 10 mn**



BSTDB: Business Plan for 2011-2014

- Managed growth of outstanding portfolio by 70%
- Increase the share of public and quasi-public sector operations to 25% of the portfolio
- The share of equity operations to grow to 5-7.5% of the portfolio
- Further improve credit rating to reduce costs of borrowing
- Sectoral diversification and introduction of more sophisticated & longer-term products
- Increase lending to small shareholding countries (not less than 20% of the portfolio)
- Focus on operations with cross-country participation
- Further enhance relations with other IFIs for co-financing to increase external resource mobilization



Why **BSTDB**?

- **Knows region and its needs better**
- **No political or macroeconomic conditions attached to financing**
- **Focus on development impact, not on profit maximization**
- **Ability to mobilize financial resources through co-financing with other IFIs, non-regional commercial banks, and Development Agencies and FIs**
- **Operations financed by the Bank in the Black Sea region are open to investors from outside the region**
- **Professional team blending international and local expertise**
- **Fast approval process (usually 3-6 months)**
- **Flexible demand-driven, market-oriented approach**
- **Technical assistance available for project preparation (business plans, audit etc.)**