

Black Sea Trade and Development Bank Investor Presentation



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- 1** Overview of BSTDB
- 2** Portfolio Developments and Performance
- 3** Risk Management and Corporate Governance
- 4** Treasury and Funding Strategy
- 5** Appendix – Financial Statements

BSTDB Offers a Wide Range of Investment Products Aligned with its Regional Development Mandate

Mandate *Foster economic growth and regional cooperation through financing projects and trade activities and providing financial services to public and private entities in the Black Sea Region*

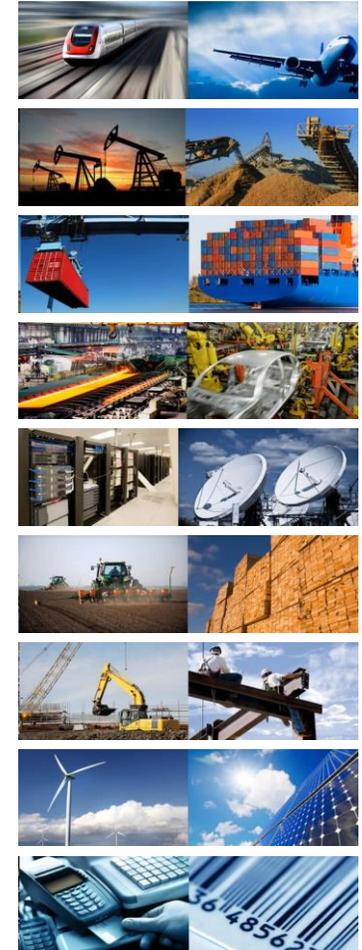
- Target Borrowers and Projects**
- Public and private companies with operations in one or more of the Member States
 - Transactions which benefit member states and have a positive development impact
 - Economically sustainable / financially viable so BSTDB's participation will be profitable and the undertaking will prove sustainable beyond the bank's involvement
 - Potential to promote regional cooperation

- Products and Services**
- Lending: Short to long-term loans, typically denominated in USD, EUR or local currency
 - Trade finance: Financing primarily for imports from member states and to regional exporters
 - SMEs: Financing through credit lines to local financial intermediaries
 - Equity / funds: Equity investments, BSTDB looks to take a stake of 5-25%
 - Guarantees
 - Co-financing

Pricing

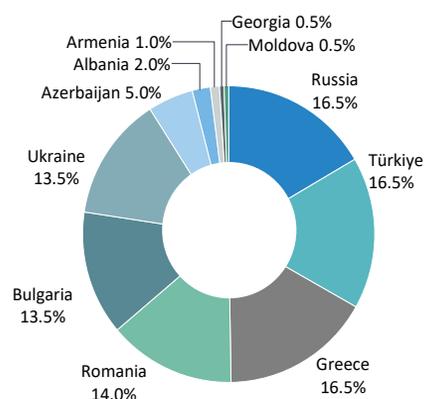
- BSTDB is not a profit maximising organisation; operations are priced according to risk with reference to market pricing

- Priority Sectors**
- Energy
 - Manufacturing
 - Public utilities
 - Financial institutions
 - Telecommunications
 - Transport
 - Municipal services
 - Environmental protection
 - SMEs

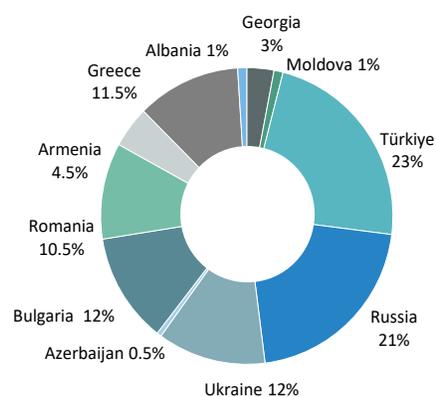


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|---------------------------------|---|
| Mission | <ul style="list-style-type: none"> International financial institution with supranational status and a mandate to foster economic growth and regional cooperation amongst its Member States in the Black Sea Region |
| Special Status | <ul style="list-style-type: none"> Preferred creditor status Governed by international law and not subject to taxation Strong support of Member State governments demonstrated by fulfilment of capital commitments |
| Strong Credit Ratings | <ul style="list-style-type: none"> Long Term ratings: A- Negative Outlook (S&P) and Baa1 Negative Outlook (Moody's) Short-term ratings: A-2 (S&P) and P-2 (Moody's) Best-rated institution in the Black Sea Region and one of the highest-rated banks in CEE/CIS Rated seven steps above the average rating of its eleven Member States |
| Robust Financial Metrics | <ul style="list-style-type: none"> Strong balance sheet and capitalization Prudent risk management attested by consistent profitability |

Member States Capital Share¹



% Outstanding Loan Portfolio



Key Financial Highlights

EURm	2022H	2021	2020	2019	2018
Total assets	2,958	3,235	2,809	2,348	1,796
Total loans	2,270	2,344	2,043	1,821	1,331
Total liabilities	2,141	2,349	1,965	1,517	994
Total members' equity	817	886	844	830	802
Net profit	(32.9)	43.9	14.2	13.7	5.2
Total debt	1,967	2,263	1,892	1,485	954
Liquid assets² / borrowings (%)	29.7	35.6	39.5	33.7	46.6
CAR (%)³	30.9	32.6	33.3	39.2	46.6
ROE (%)	5.02	4.96	1.7	1.6	0.7

Source: Financial Statements as of 30.06.2022

¹ Excluding unallocated capital: Moldova reduced its shareholding from 1% to 0.5% in 2011, leaving 0.5% shares unallocated

Source: Financial Statements as of 30.06.2022

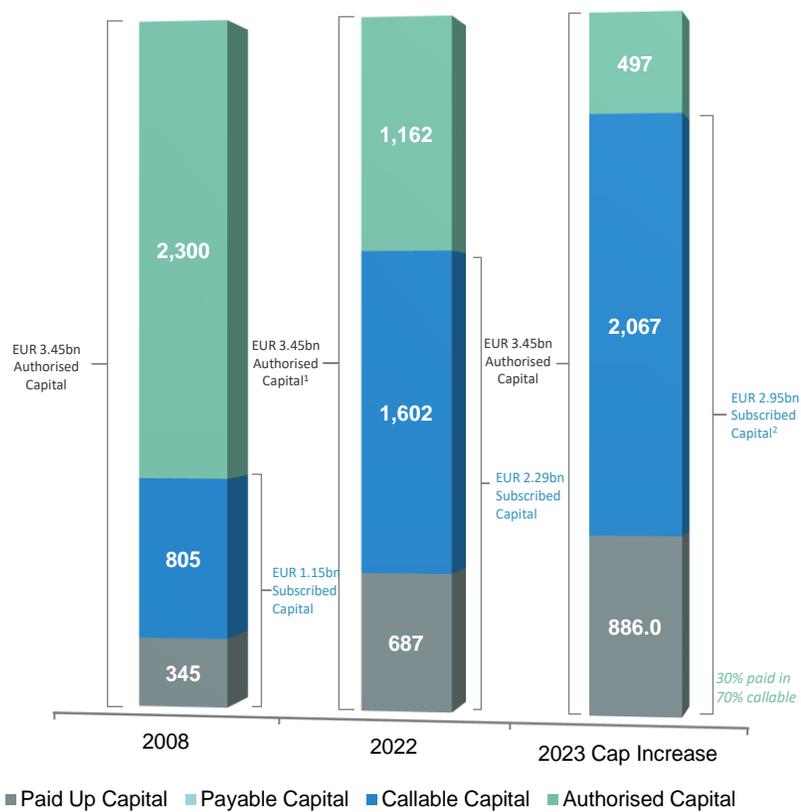
² Cash and bank balances plus placements with financial institutions plus investment securities less provisions for impairment

³ Members' equity as a percentage of risk weighted total assets

Shareholders Demonstrate their Continued Commitment through Capital Contributions

Capital Structure

EURm



Source: 2008 and 2022H Financial Statements.

¹ Authorized capital is defined as per the Establishing Agreement, including both subscribed and unallocated shares. For 2008, additional EUR 2.3bn of Authorized Capital shown before subscription. Capital was re-denominated to EUR (from SDR) in June 2013 at SDR/EUR rate of 1.15

² Subscribed capital includes paid-in capital by the Member states and Callable Capital, which the Bank may call from the Member States if necessary to satisfy obligations arising from its own borrowings or as otherwise required

Support from Member States



BSTDB benefits from the financial and operational support of its Member States



Initial authorised share capital was EUR 1.15bn



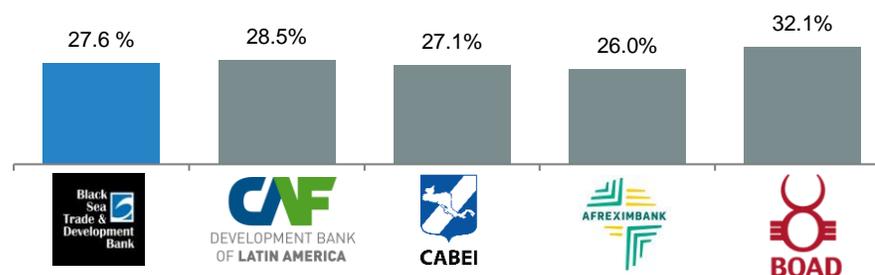
Board of Governors composed of Member State representatives approved increase to EUR 3.45bn in December 2007; implemented in October 2008



BSTDB is able to call capital from its Member States when required to meet obligations of the Bank relating to its borrowings

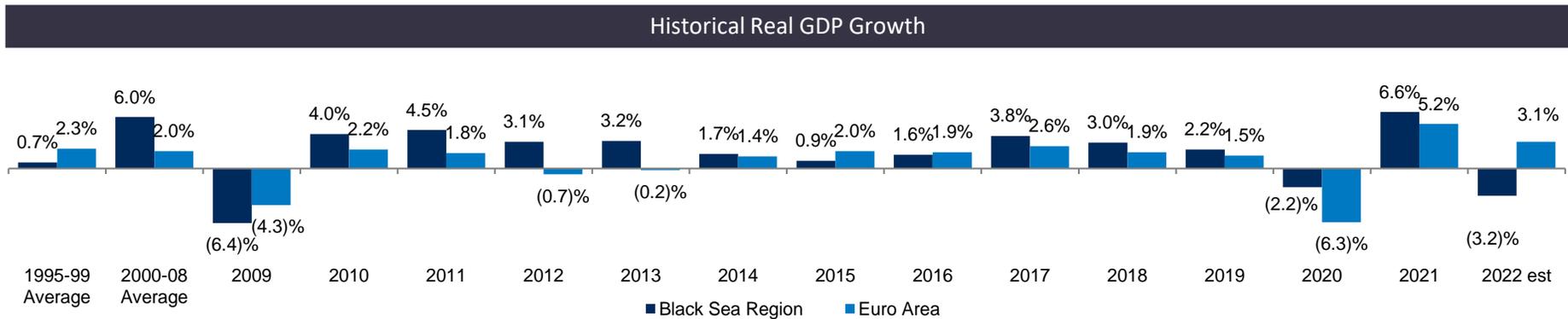
Well Capitalised Relative to Peers

Capital adequacy ratio (Equity/Total assets), Financial Statements for the Year Ended 31.12.2021



Source: BIS, BSTDB, CAF, AFREXIMBANK and BOAD Financial Statements for the period ended 30.06.2022, CABI for the period ended 31.12.2021

Regional GDP Growth Outperforms EU Neighbours



Source: NSAs & Central Banks, IMF, EIU, Eurostat

Current Economic Indicators (2021)

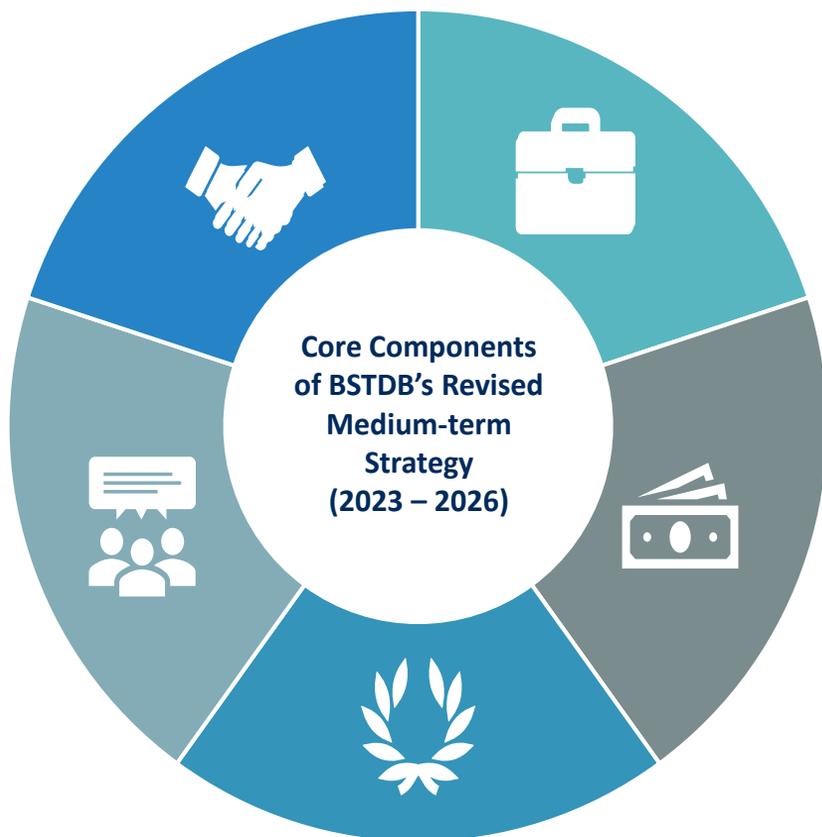


(%)	Inflation rate	Budget / GDP	Public debt / GDP	
	Albania	2.0	(4.5)	81.5
	Armenia	7.2	(4.6)	72.5
	Azerbaijan	6.7	(1.1)	46.0
	Bulgaria	3.3	(2.9)	25.1
	Georgia	9.6	(5.9)	59.1
	Greece	1.2	(7.4)	193.3
	Moldova	5.1	(1.9)	35.4
	Romania	5.1	(6.8)	48.8
	Russia	6.7	(0.8)	20.7
	Türkiye	19.6	(2.7)	40.2
	Ukraine	9.4	(3.3)	50.3
	<i>BSEC Wtd. Avg.</i>	9.2	(1.6)	43.0
	<i>Euro Area</i>	2.2	(5.1)	95.6
	<i>European Union</i>	2.1	(4.7)	88.1

Source: NSAs & Central Banks, IMF, EIU, Eurostat

2023-24 Consolidation and Safeguarding the Portfolio

2025-26 Resumption of Managed Quality Growth



→ PROVIDE DEMONSTRABLE DEVELOPMENT AND REGIONAL COOPERATION IMPACT IN THE BLACK SEA REGION



Portfolio Consolidation (2023-24) & Resume Managed Growth (2025-26)

- Consolidate lending portfolio in 2023-24 and safeguard liquidity to align with key macro risks
- More muted new lending operation activity up to mid-2024 with priority to high development impact activities in neediest places
- Achieve clarity and greater certainty with respect to fallout from geopolitical conflicts
- Resume greater level of operational activity, probably from mid-2024 on, and return to steady, managed growth of previous years
- Expand infrastructure and green financing, in line with rising regional demand
- Further sector and geographic diversification of portfolio



Funding

- Mobilize financial resources for the benefit of the Region by leveraging own capital via an active borrowing program and co-financing partnerships with external banks and investors



Maintain credit ratings

- Seek further credit rating enhancements within our rating band
- At a minimum maintain current credit ratings
- Maintain Capitalisation ratio of 30% and ample liquidity ratios



Enhance dialogue with current and potential Members

- Continue to develop and implement strategies tailored to each Member State
- Engage in accession discussions with potential Members (including International Financial Institutions)
- Currently engaged in discussions with Serbia & N. Macedonia, BSEC members not yet in BSTDB



Strengthen Cooperation and Partnership with Institutions

- Attract a AAA-rated international financial institution as shareholder
- Strengthen existing relationships to foster co-financing opportunities

BSTDB is a High Rated Supranational

BSTDB is a high-rated supranational

Issuer	MOODY'S	S&P Global	FitchRatings
Corp. Andina De Fomento (CAF)	Aa3/Stable	AA-/Positive	A+/Positive
Central American Bank of Economic Integration (CABEI)	Aa3/Stable	AA/Stable	-
BSTDB	Baa1/Negative	A-/Negative	
African Export-Import Bank	Baa1/Stable	-	BBB/Stable
BNDES	Ba2/Stable	BB-/Stable	BB-/Stable
West African Development Bank	Baa1/Stable	-	BBB/Stable
Development Bank of Kazakhstan	Baa2/Stable	BBB-/Negative	BBB/Stable
Export Credit Bank of Türkiye	B3/Stable	-	B-/Negative
Hungarian Export-Import Bank		BBB/Negative	BBB/Stable

Member States' Credit Ratings

Country	MOODY'S	S&P Global	FitchRatings
 Albania	B1/Stable	B+/Stable	-
 Armenia	Ba3/Negative	B+/Stable	B+/Stable
 Azerbaijan	Ba1/Stable	BB+/Stable	BB+/Stable
 Bulgaria	Baa1//Stable	BBB/Stable	BBB/Positive
 Georgia	Ba2/Negative	BB/Stable	BB/Stable
 Greece	Ba3/Stable	BB+/Stable	BB/Positive
 Moldova	B3/Negative	-	-
 Romania	Baa3/Stable	BBB-/Stable	BBB-/Negative
 Russia	WR	WR	WR
 Türkiye	B3/Stable	B/Stable	B/Negative
 Ukraine	Caa3/Negative	CCC+/Stable	CC

Source: Moody's, S&P, Fitch rating reports as of October 2022.

Observers of BSTDB Enhance Co-financing Possibilities and Facilitate Access to Investors

Observers to BSTDB

- BSTDB cooperates with various international organisations and provides observer status to twelve development institutions
- BSTDB aims to enhance cooperation and increase the exchange of project-related information with these organisations with a view to potential co-financing for projects, as well as other types of funding
- The observers have the right to attend and speak at BSTDB's annual meetings of the Board of Governors

Current Observers

	MOODY'S	S&P Global	FitchRatings
 European Investment Bank	Aaa	AAA	AAA
 International Finance Corporation	Aaa	AAA	–
 European Bank for Reconstruction and Development	Aaa	AAA	AAA
 Asian Development Bank	Aaa	AAA	AAA
 Nordic Investment Bank	Aaa	AAA	–
 KfW Banking Group (Germany)	Aaa	AAA	AAA
 Proparco, private sector arm of Agence Française de Développement	–	AA	AA
 Development Bank of Austria	–	AA+	–
 Islamic Corporation for Development of the Private Sector	A2	A-	A+
 Association of European Development Finance Institutions	–	–	–

Generating Solutions for Clients & Value for Shareholders

Resistant to International Ups and Downs

- Consistent track record of managed, quality growth since its inception
- Investment Grade category long term credit ratings from Moody's and S&P since 2010
- BSTDB targets development impact, not profit maximising

Mobilises External Resources for Local Benefit

- Loan and equity portfolio balanced across sectors (11 key sectors with high development impact) and countries (11 countries, maximum exposure to a country of 30% of total lending)
- Proactive management to maintain portfolio quality
- Diversified funding sources from outside Black Sea Region

Resilient Portfolio

- 73.9% of outstanding portfolio to private sector across eleven countries and a broad range of sectors
- High quality development impact and credit profile - as of this date, strong record of recovery / dealing with impairment
- 3.5 year average life of portfolio ensuring an above 30% annual turnover
- Comprehensive risk of management process contributing to low loan loss experience over 20 years

Stand-alone Success Story for the Region

- Shareholders demonstrate ongoing pride in, and commitment to, the institution via support, including capital increase and preferred creditor treatment for which payments continue even in difficult times, as well as exemptions from any moratoria (e.g. Capital Controls)
- BSTDB currently undertaking second capital increase, targeting EUR 816m in subscriptions, with first installment in 2023
- Despite operating in emerging economies and through phases of regional turmoil, the Bank has thrived, steadily and increasingly

Awards

- Winner of the "Deal of the Year award" in 2020 from mtn-i
- Winner of the "Best Regional Development Bank" Global Award 2015, 2016, 2017 and 2018²
- Winner of 2017 Innovation Award, for Opentext solution created by in-house IT team for the Bank's Legal Department³
- Winner of 2019 Recognized Leaders in Economic Development – Europe Corporate Excellence Award by AI

¹ Non-performing loans defined as ninety days past due on payment of principal or interest

² Awarded by Capital Finance International for 2015-2016, 2018 and by (i) Global Banking and Finance Review and (ii) International Finance for 2017

³ Awarded by Opentext

A commitment to strengthen Environmental and Social Standards

Integrated Environmental and Social Policy



- **BSTDB aims to promote environmental and social sustainability in its Member States** and by way of its Environmental and Social Policy it commits to apply sustainability principles to its business management and requires its clients to follow. These principles relate to:
 - pollution prevention and mitigation;
 - respect for fundamental human rights in the working environment;
 - protection of the Black Sea against pollution;
 - addressing climate change;
 - promoting sustainable use of natural resources;
 - protection and conservation of biodiversity;
 - disclosure of information on E&S performance of its operations
- **BSTDB seeks to apply best-in-class Environmental and Social practices** in accordance with the European Union Standards, the World Bank/IFC Performance Standards, EBRD's Performance Requirements, International Labor Organizations Core Labor Standards and International Environmental Conventions
- **All projects financed by BSTDB are subject to environmental and social assessment** as part of due diligence process, as well as monitored continuously for compliance with the agreed requirements and mitigation measures, if relevant
- BSTDB's energy, transportation and utility sector lending is increasingly focused on developing its portfolio of **environmental improvements, energy efficiency and renewable projects**

Source: Sustainalytics ESG Risk Rating Report, BSTDB website

Climate Change

The Bank's first Climate Change Strategy was approved by the Board of Directors in March 2021 with the main goal of better aligning its financing with the Member States climate priorities. Specifically, the Bank commits to: gradually reduce the net emissions in the portfolio; increase the share of its funding to climate positive operations and operations with climate co-benefits to at least 30 percent; and build capacity to better serve Member States in mitigation and adaptation efforts.

In successfully meeting these objectives BSTDB is currently developing a comprehensive implementation plan, which will systematically address climate issues at both strategic and operational level. Investments in renewable energy, energy and resource efficiency, sustainable infrastructure, green buildings and electric transport systems will be among financing priorities. At the same time the Bank will gradually phase out support for carbon-intensive sectors.

Sustainalytics ESG Risk Rating: Ranking among Supranational peers

Peers	ESG Risk Score	ESG Risk Rating	Industry Ranking
China Development Bank	18.7	Low Risk	188 out of 1003
Banque Ouest Africaine de Développement	15.1	Low Risk	92 out of 1003
Black Sea Trade and Development Bank	9.5	Negligible	31 out of 1003
Caribbean Development Bank	15.3	Low Risk	98 out of 1003
Africa Finance Corporation	14.1	Low Risk	80 out of 1003

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BSTDB's Portfolio has Grown Steadily Over Time

BSTDB Historical Portfolio Development

2013- 2022H CAGR

- 7,8 % BoD Approved operations

- 6,2 % Signed operations

- 3,5% Outstanding operations



BoD Approved operations

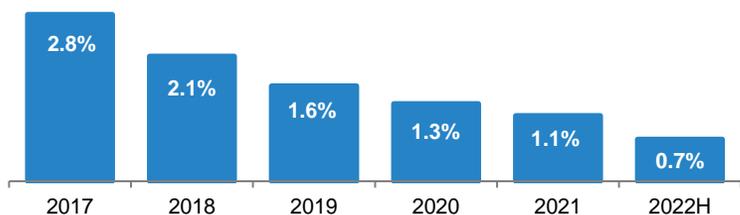
Signed operations¹

Outstanding operations²

- The BoD approved operations refer to the total value of projects which received final approval from the Board of Directors prior to the signing. Prior to this approval, the originated financing project must have been cleared by the Credit Committee following BSTDB's risk management process. The figures are indicated net of repayments
- Signed operations refer to operations that have been approved by BoD and have been signed by the entity. The discrepancy from approved and signed operations stems from operations yet to be signed as well as cases of withdrawn projects. The figures are indicated net of repayments
- Outstanding portfolio refers to the total value of projects disbursed and currently outstanding (net of repayments). BSTDB strives to reduce signed undisbursed commitments as they could be more efficiently allocated to other project proposals

Equity investments in the BSTDB's portfolio

Equity Investments (% of portfolio)



The Equity portfolio is mostly comprised of funds (As of 30th June 2022)

Issuer's equity portfolio: **EUR 15,48m**

- **Indirect investments: EUR 14,42 m**
 - *Mostly regional equity funds (e.g. SEAF Caucasus Growth Fund, Emerging Europe Accession Fund, ADM CEECAT Recovery Fund, and European Virgin Fund)*
- **Direct investments: EUR 1.24m**

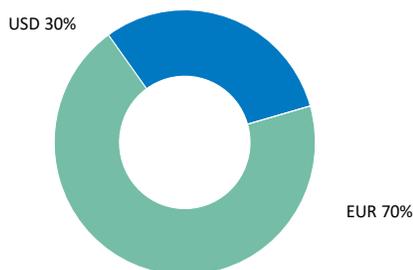
Source: 2017-2022 Condensed Interim Financial Statements for the period Ended 30th June 2022.

¹ Signed operations calculated as the sum of Outstanding operations and Commitments in the Off-balance-sheet items as per IFRS statements for the respective period

² Outstanding operations are calculated as the sum of Loans at amortized cost, Loans at fair value through profit or loss, and Equity investments at fair value as per IFRS statements for the respective period

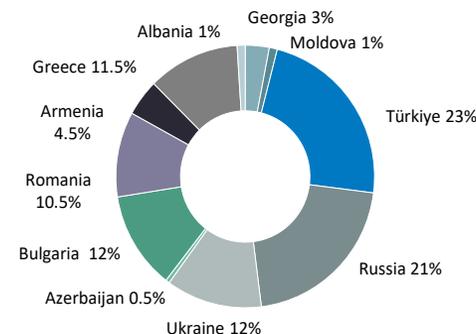
A Well Diversified Portfolio Across Countries and Sectors

Loan Portfolio Outstanding by Currency



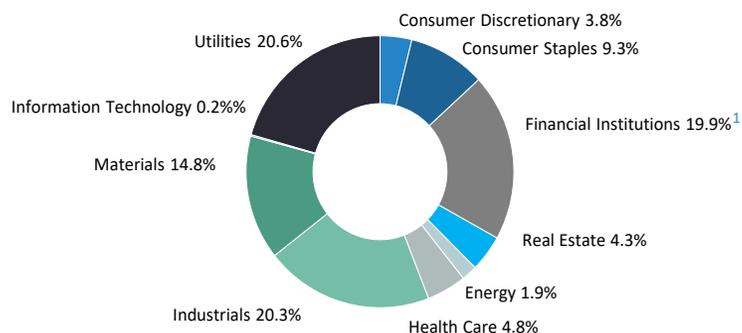
Total: EUR 2.27bn

Loan Portfolio Outstanding by Country



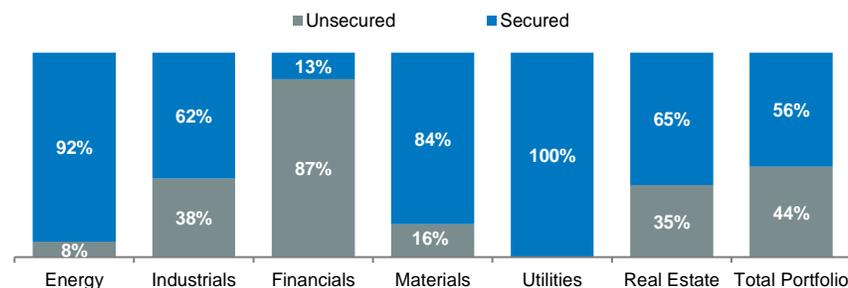
Total: EUR 2.27bn

Loan Portfolio Outstanding by End User Sector



Total: EUR 2.27bn

Loan Portfolio Outstanding by Security



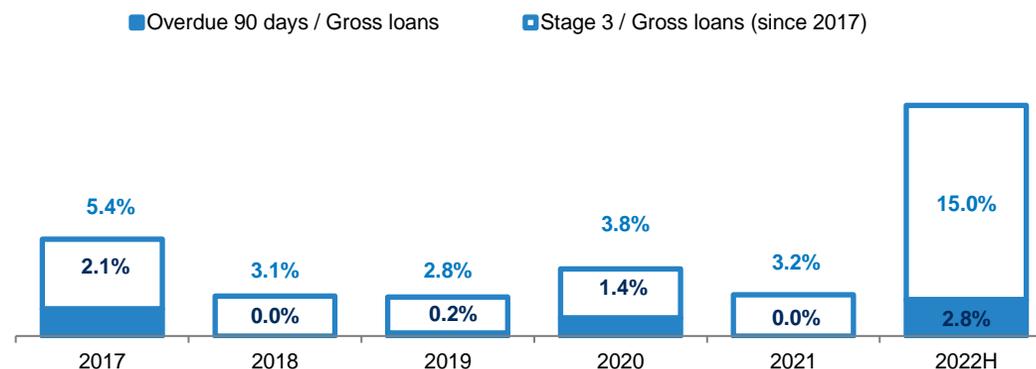
- Types of collateral: sovereign and municipal guarantees, pledges of accounts, pledges of shares, movable and immovable assets, inventory, assignment of sub-loans and letters of guarantee from financial institutions and parent companies acceptable

Source: Condensed Interim Financial Statements as of 30th June 2022, management data
¹ The financial institutions sector (FIs) includes SMEs, trade finance and leasing

Low Level of Non-Performing Loans in Portfolio

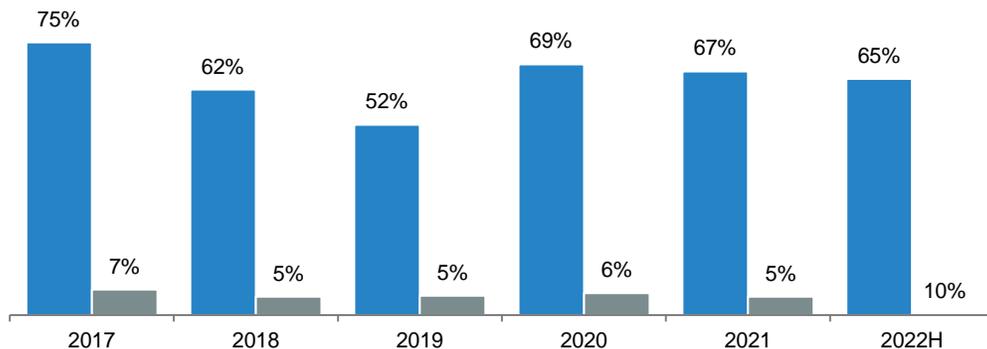
Low Problem Loan History

- Under IFRS 9 accounting standard, loans are classified as: Stage 1 (initial stage), Stage 2 (increased credit risk) or Stage 3 (credit impaired).



Provisioning is Conservative

- NPLs / (Impairment allowances & Reserves) for 2015-2016; Stage 3 / (Impairment allowances & Reserves) for 2017-2022H
- (Impairment allowances & Reserves) /Gross Loans



- The Bank maintains impairment losses in accordance with the IFRS 9 accounting standard, which it adopted one year ahead of the regulatory schedule
- The Bank allocates assets to Stages 1, 2, or 3, depending on the level of impairment
- In order to perform this exercise, the Bank uses the information obtained from the Global Emerging Markets database (“GEMs”) to assign probability of default (“PD”) and loss given default (“LGD”) as inputs in Moody’s ImpairmentCalc tool. GEMs is an IFI-wide initiative designed to pool default and recovery rates experienced by IFIs in emerging markets

Source: 2017-2022 Financial Statements as of 30.06.2022

Top Exposures Reflect Geographic and Sector Diversification of the Portfolio

Overview of Six Largest Projects by Outstanding Amount



PPC S.A

Bilateral loan for CAPEX, including renewable energy projects and investments in electricity distribution network.

Initiated: 2019
Outstanding: EUR 160m
Maturity: 2024



State Transport Leasing Company

Long term senior unsecured corporate loans to State Transport Leasing Company, Russia.

Initiated: 2019, 2020
Outstanding: EUR 127m
Maturity: 2028



Bulgarian Energy Holding EAD

BSTDB funding to help implement BEH's priority investment projects in Bulgaria.

Initiated: 2018, 2021
Outstanding: EUR 85 m
Maturity: 2028



Epicentr Group

The loan will support the Groups agriculture business program. Will contribute to the development of the agricultural infrastructure in Ukraine.

Initiated: 2019, 2020
Outstanding: EUR 75,046m
Maturity: 2026



Istanbul Metropolitan Municipality Metro

Loan will be used to construct a 13 km line with 11 stations.

Initiated: 2019
Outstanding: EUR 77,5m
Maturity: 2026



Hayat Consumer Goods Kaluga

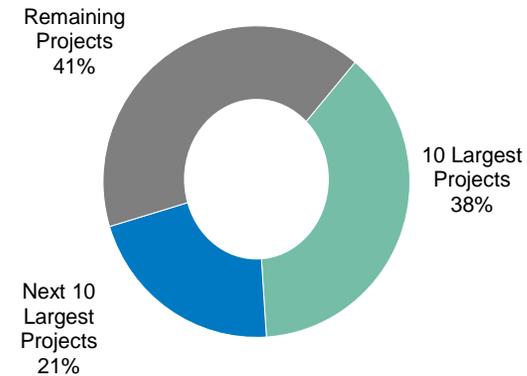
Long-term Senior Debt Facility to finance Hayat's construction of a new tissue and towel paper production facility in Kaluga, Russia.

Initiated: 2020
Outstanding: EUR 75m
Maturity: 2027

Rest of Top 20 Largest Borrowers

Country	Client	Amount (EURm)
Türkiye/Romania	Total Garanti	68
Russia	Uralkali Sustainability Linked Pre-Export Facility	65
Russia	Suek Total	64
Ukraine	Metinvest Capex Facility	62
Türkiye	Etlik Ankara Integrated Health Campus	58
Türkiye	Turkexim II	50
Bulgaria	Eurohold	50
Bulgaria	Sofia Airport Financing	50
Russia	PAO TMK Operation	48
Türkiye	Izmir Municipality Metro	47
Türkiye	Europlan SME leasing Facility	46
Türkiye	Total Gurmat	46
Türkiye	Konya Karatay Integrated Health Campus	45
Romania	Total ALRO	44

Outstanding Portfolio Concentration



Total: EUR 2,27bn

Russia: Loan Portfolio Deep Dive

Overview of Three Largest Projects by Outstanding Amount

 <p>State Transport Leasing Company</p> <p>Long term senior unsecured corporate loans to State Transport Leasing Company, Russia.</p> <p>Initiated: 2019, 2020 Outstanding: EUR 127m Maturity: 2028</p>	 <p>Hayat Consumer Goods Kaluga</p> <p>Long-term Senior Debt Facility to finance Hayat's construction of a new tissue and towel paper production facility in Kaluga, Russia.</p> <p>Initiated: 2020 Outstanding: EUR 75m Maturity: 2028</p>	 <p>Uralkali</p> <p>Sustainability-linked syndicated loan agreement in the amount of US\$1.25 billion with 18 banks.</p> <p>Initiated: 2021 Outstanding: EUR 65m Maturity: 2026</p>
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Overall Average Portfolio Duration in Russia is 2.61 years

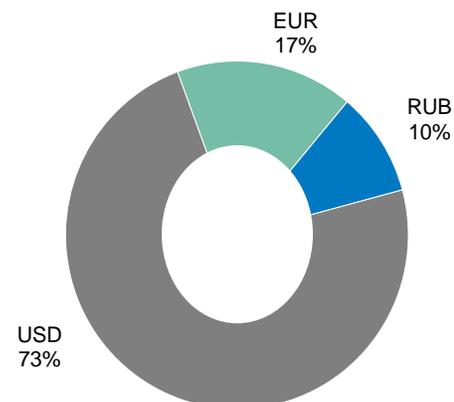
Selected Projects Financial Update

- **Uralkali:** The borrower has just received an OFSI license ,paving the way to restart debt repayments (financial position of the company is rather strong)
- **Hayat Consumer Goods:** All interest payments have so far been received. The principal repayments are yet to start in July 2023 in semi-annual installments and the last repayment is in July 2028
- **SUEK:** Fully current on its obligations, both interest and principal ,having received all licenses from regulators by end of December 2022

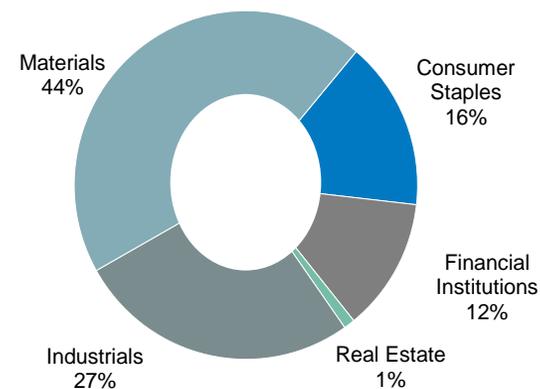
Active Portfolio De-Risking

- **Europlan:** After obtaining statutory exemption from capital controls a loan of RUB2.5b was fully prepaid in November 2022
- **Sovcombank:** Out of \$60m exposure the Bank managed to swap \$47m into non Russian related good quality assets within the time limits provided for by general licenses of OFAC (by end March 2022). The remaining exposure is to be repaid by Dec 2023

Outstanding Portfolio by Currency



Outstanding Portfolio Concentration



Total: EUR 477,8mn

Ukraine: Loan Portfolio Deep Dive

Overview of Three Largest Projects by Outstanding Amount



Epicentr Group

The loan will support the Groups agriculture business program. Will contribute to the development of the agricultural infrastructure in Ukraine.

Initiated:	2019, 2020
Outstanding:	EUR 57m
Maturity:	2026



Metinvest

The loan will be used to finance and refinance machinery and equipment purchases by the Group's iron ore producers.

Initiated:	2020
Outstanding:	EUR 62m
Maturity:	2029



Syvash Wind Power

The loan will be used to finance the construction and operation of a wind farm with the installed capacity of up to 250 MW.

Initiated:	2019
Outstanding:	EUR 28m
Maturity:	2029

Overall Average Portfolio Duration in Ukraine is 2.78 years

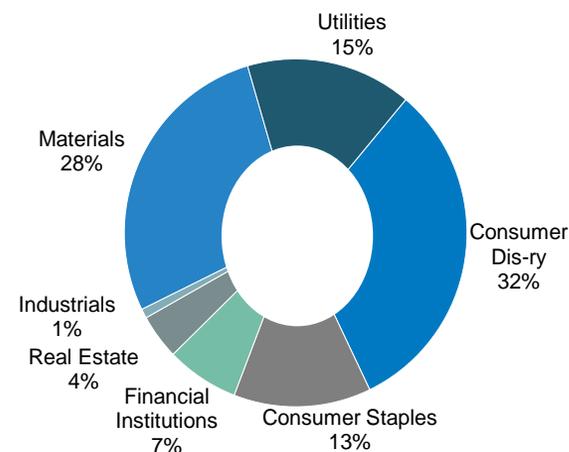
Selected Projects Financial Update

- **Metinvest:** Fully current on its payment obligations (despite loss of its major assets) due to broad manufacturing base and diversified exports
- **Ukrigasbank:** Remains current on all payments (principal and interest)
- **CreditWest Bank:** Remains current on all payments (principal and interest)
- Generally, Ukrainian clients are either fully current on their obligations (Metinvest, Interpipe, Araks) or paying interest either fully or partially (with the Bank taking position that this is support of working capital requirements of clients facing many market and non-market challenges)

Outstanding Portfolio by Currency



Outstanding Portfolio Concentration



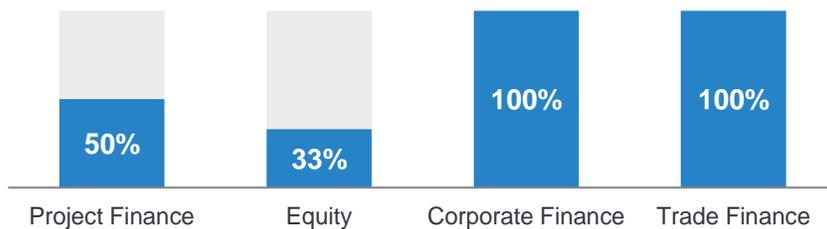
Total: EUR 275,8mn

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Exposure Limits within a framework of structured policy

Single Project and Obligor Limits

-  **Single obligor limit for private sector loans**
Loans to a single borrower **may not exceed 10 %** of paid-in share capital, reserves and retained earnings
-  **Single obligor limit for equity investments**
May not exceed 3% of paid-in share capital
-  **Single obligor limit for Sovereign Operations**
Loans to individual Sovereign Operations **may not exceed 20%** of paid-in share capital, reserves and retained earnings
-  **Single Projects**
BSTDB may finance **only the following maximum percentages** of any project, according to its type:

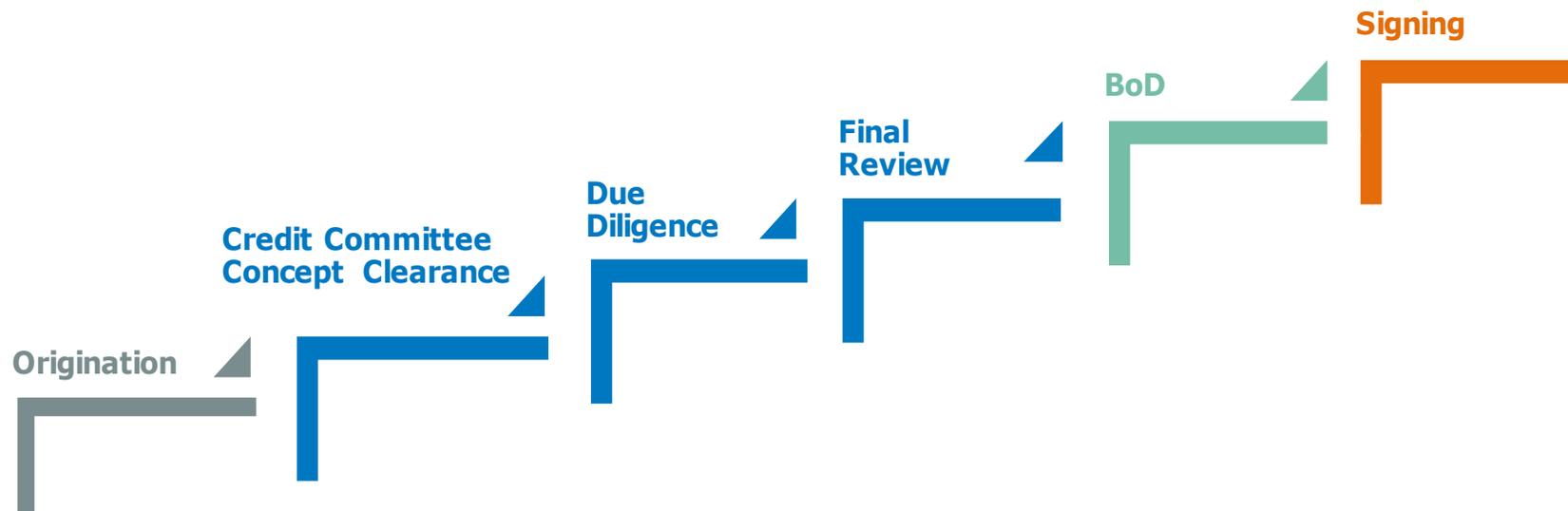


Source: Management data
¹ Minus repayments and cancellations

Other Lending Limits

-  **Aggregate**
Exposure to **5** highest obligors **cannot exceed 40%** of outstanding loan portfolio¹
-  **Country**
Loans to any country **may not exceed 30%** of total lending¹
-  **Sector**
Loans to any sector are targeted to **not exceed 40%** of total lending¹
-  **Term**
Generally **maximum loan term is 10 years**, although longer tenors can be approved by the Board of Directors upon the recommendation of the Credit Committee

Corporate Governance and Approval Process



Experienced Senior Management Group



Dr. SERHAT KÖKSAL
President, Chairman of the Board of Directors

- *Dr. Köksal, started as an expert at the Turkish Statistical Institute, he served for seven years as head auditor at the Turkish Court of Accounts, before becoming Deputy Secretary General of the Constitutional Court of Türkiye. In 2017, he joined the Ministry of Treasury and Finance as Deputy Director General of the Department of Foreign Economic Relations and became Director of the Department in August 2020- a position he held until his appointment at BSTDB. Throughout his tenure at the Turkish Ministry of Finance and Treasury, he was mainly in charge of the country's participation in international financial institutions, investment and financial relations and regional economic cooperation. In 2020-2022, he represented Türkiye on the Board of Directors of the Black Sea Trade and Development Bank and the Council of Europe Development Bank. He has a Master of Business Administration from Middle East Technical University (Türkiye), a Master of Science in Accounting and Finance from the University of Warwick (UK) and a PhD in Accounting and Finance from Ankara University (Türkiye).*



VALERIY PIATNYTSKYI
Vice President, Finance

- *Previously held positions of the Adviser to the Prime Minister of Ukraine (2015-2018), Commissioner for European Integration (2011-2014), Acting Minister of Economic Development and Trade of Ukraine (H2 2014), Deputy Minister of Economy of Ukraine (2005-2011)*



ASTERIOS TSOUKALAS
Secretary General

- *Previously held positions of the Head of the Hellenic Capital Market Commission (HCMC) at its Regional Office in Thessaloniki. He also served as Board Member of the Greek Anti-Money Laundering Authority. He has gained extensive experience in the financial sector throughout his career by having worked for ten years in various investment services firms.*



DRAGOŞ PAUL UNGUREANU
Vice President, Risk

- *Previously held positions of the Head of Commercial SME and Microbusiness at Banca Transilvania, where he was in charge of the Bank's loan policy and responsible for the implementation and successful delivery of government programmes. In a career spanning more than 17 years with Banca Transilvania, Mr. Ungureanu has a successful track record in portfolio acquisitions and migration processes, as well as promoting employee engagement and developing effective sales and product launch campaigns.*

Board of Governors and Board of Directors Bring Valuable Regional Insight

Board of Governors

Country	Governor	Position
 Albania	Ms. Adela Xhemali	Deputy Minister of Finance & Economy
 Armenia	Mr. Arthur Javadyan	Ambassador-at-Large Chairman of the Board of the Centre for Economic Perspectives Foundation
 Azerbaijan	Mr. Samir Sharifov	Minister of Finance
 Bulgaria	Ms. Daniela Dobрева	Deputy Minister of Finance
 Georgia	Mr. Koba Gvenetadze	Governor, National Bank
 Greece	Mr. Adonis-Spyridon Georgiadis	Minister of Development & Investments
 Moldova	Mr. Dumitru Budianschi	Minister of Finance
 Romania	Mr. Alin Chitu	Secretary of State, Ministry of Public Finance
 Russia	Mr. Timur Maksimov	Deputy Minister of Finance
 Türkiye	Mr. Murat Zaman	Deputy Minister of Treasury & Finance
 Ukraine	Ms. Yuliia Svyrydenko	First Deputy Prime Minister & Minister of Economy

Board of Directors

Country	Director	Position
 Albania	Mr. Arlind Gjakuta	General Secretary, Ministry of Finance & Economy
 Armenia	Mr. Garegin Gevorgyan	Director, Financial Stability Directorate, Central Bank of Armenia, Member of Executive Committee
 Azerbaijan	Mr. Famil Ismayilov	Head, International Cooperation Department, Ministry of Finance
 Bulgaria	Ms. Milena Boikova	Director, Government Debt Directorate
 Georgia	Ms. Ekaterine Guntsadze	Deputy Minister of Finance
 Greece	Mr. Ioannis Tsakiris	Deputy Minister of Development & Investments
 Moldova	Ms. Elena Matveeva	Head, Public Debt Department, Ministry of Finance
 Romania	Ms. Diana Blindu	Head of Division, General Directorate for ECOFIN, Assistance and International Financial Relations, Ministry of Finance
 Russia	Mr. Dmitry Birichevskiy	Director, Economic Cooperation Department, Ministry of Foreign Affairs
 Türkiye	Position vacant	
 Ukraine	Mr. Taras Kachka	Deputy Minister for Development of Economy, Trade Representative of Ukraine

The Board of Governors is the highest decision making body of the Bank

It participates in the risk management of the Bank by providing general direction and approving the strategy of the Bank

It may delegate to the Board of Directors any or all of its powers, except those that it is prohibited from delegating, as set out in the Establishing Agreement

The latter include, among other powers:

- to approve the admission of new Members
- to authorize any changes in the Bank's capital stock or to change the unit of account
- to approve the annual report, the audited financial statements and appoint the President of the Bank

The Board of Governors delegates authority to the Board of Directors to adopt policies, strategies, guidelines and procedures necessary for the origination, assessment, execution, monitoring and financing of operations

The Board of Directors is responsible for the overall supervision of risk management of the Bank.

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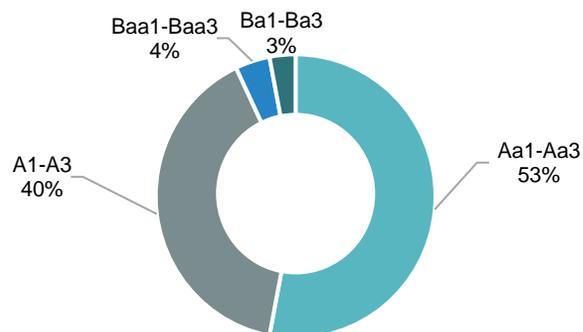
Treasury Assets at 31/12/2021

(EURm)	2018	2019	2020	2021	1H 2022
Treasury Assets					
Bank balances & placements with FI	48.6	81.3	34.3	170.2	286.2
Available-for-sale	255.3	336.3	541.2	619.4	268.4
Held-to-maturity	-	-	-	-	-
Total	303.9	417.6	575.5	789.6	554.6

Note 1. ECPs are indicated at short term ratings.

Note 2. Member State bonds are not Treasury investments and are not included in the table.

Split of Liquidity Portfolio by Credit Rating



Total: EUR 554.6 m

Investment Principle

Credit quality of securities in liquidity portfolio and as collateral

Available for sale investment securities rated at a minimum:

- Long Term BBB- by S&P or Baa3 by Moody's
- Short term rated at a minimum A2 by S&P or P2 by Moody's

Credit quality of Treasury counterparties

- Bank balances and placements with Financial Institutions long term rated at a minimum of A by S&P or A2 by Moody's

Term of deposits

- Maximum term of any 1 deposit (inter-bank credit) may not exceed 6 months

Hedging

- Derivatives with approved counterparties may be used only for hedging and must be ISDA documented with collateral support

Repo transactions

- May be undertaken subject to investment securities and counterparty limits

Treasury Risk Management

- No significant interest rate or foreign exchange risk
- Aims to balance the term and currency structure of BSTDB's assets and liabilities
- Requirement to maintain liquidity position at a minimum of 50% of the following 12 months net cash requirement, including budgeted loan disbursements
- Ratio of Actual Stable Funding (ASF) to Required Stable Funding (RSF) is targeted at greater than 100%
- Liquidity and FX position monitored on a daily basis

BSTDB Plans Further Diversification of its Funding Profile by Currency and Region

Outstanding Private Placements & Bond Issues

USD 5 and 10 year Bonds

Amount – 550m & 85m
 Coupon – 3.5% & 2.615%
 Issued – 2016 & 2019, 2020 (LM)
 Maturity – 2024 & 2031

CHF 3.5 year Bond

Amount – 350m
 Coupon – 0.45% & 0.35%
 Issued – 2019 & 2021
 Maturity – 2023 & 2027

GEL 5 year Bonds

Amount – 50m
 Coupon – Floating Rate
 Issued – 2018
 Maturity – 2023

RON 3 year Bonds

Amount – 335m
 Coupons – 3.13% & floating
 Issued – 2021
 Maturity – 2026

PLN 5 year Bond

Amount – 70m
 Coupon – 2.12%
 Issued – 2021
 Maturity – 2026

EUR 10 year Schuldschein

Amount – 7m
 Coupon – 5.42%
 Issued – 2012
 Maturity – 2022

CZK 3 & 4 year Bond

Amount – 2,100m
 Coupon – floating rate
 Issued – 2020 & 2021
 Maturity – 2023 & 2026

HUF 3 year Bond

Amount – 18,000 m
 Coupon – 2.52%
 Issued – 2020
 Maturity – 2023

EUR 10, 12 & 15 year Bond

Amount – 275 m
 Coupon – 1.25%, 1.435 & 1.5%
 Issued – 2020 % 2021
 Maturity – 2030, 2033, 2035 & 2036

JPY 5 year Bond

Amount – 5,000m
 Coupon – 0.65%
 Issued – 2021
 Maturity – 2026

AUD 7 & 10 year Bond

Amount – 30m
 Coupon – 2.55% & 3.265%
 Issued – 2021
 Maturity – 2028 & 2031

GBP 7 & 10 year Bond

Amount – 50m
 Coupon – 1.894% & 2.244%
 Issued – 2021
 Maturity – 2028 & 2031

Credit Facilities from other MDBs / NDBs

- USD 175m outstanding on 7-8 year facilities from KfW
- EUR 30m outstanding on 7 year facility from Austrian Development Bank
- EUR 17m outstanding on 9 year facility from Nordic Investment Bank
- EUR 50m outstanding on 5 year facility from Landesbank Baden-Wurtemberg
- EUR 17.5m outstanding on 12 year facility from European Investment Bank
- USD 50m outstanding on 3 year facility from Export-Import Bank of China
- EUR 53m outstanding on 10 year facility from New Development Bank
- USD 50m outstanding on 5 year facility from Korea Development Bank
- AZN 10m outstanding on 2 year bilateral loan from Pasha Bank

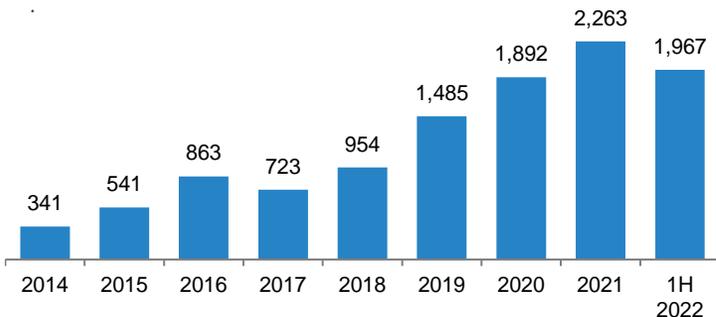
Undrawn

- EUR 50m undrawn 12 year facility from Nordic Investment Bank
- EUR 32.5m undrawn 7 year facility from European Investment Bank
- EUR 46.9m undrawn 10 year facility from New Development Bank

- Deposits received from Turanbank USD 7 million.

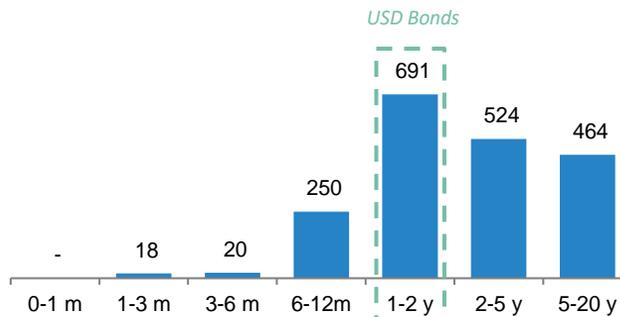
Outstanding Borrowings

EURm eq.

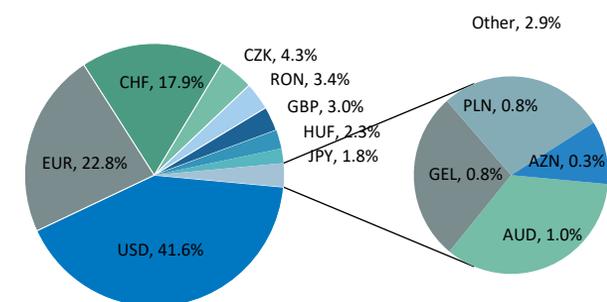


Maturity profile

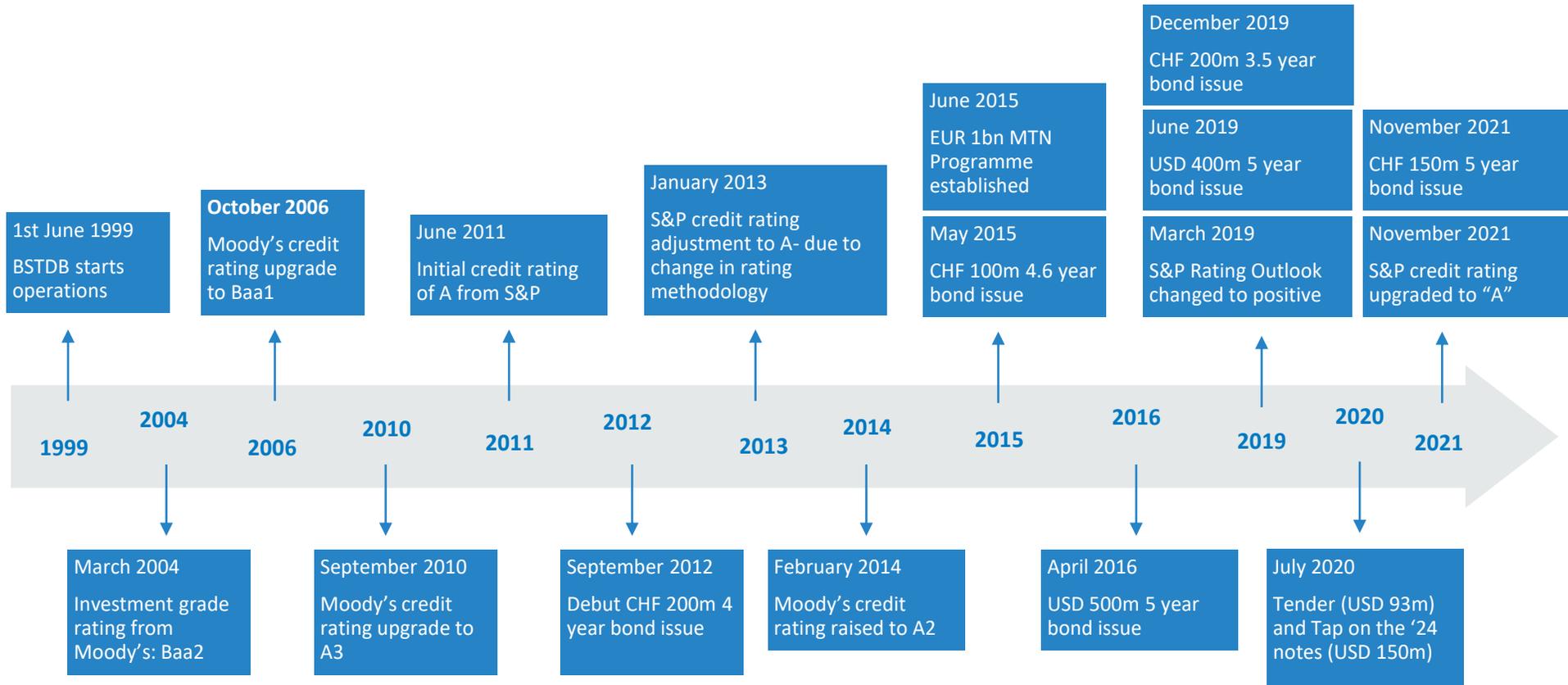
EURm eq.



Breakdown by currency



A Seasoned Capital Markets Participant



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Comparison – *Income Statement*

Income Statement (in EUR 000's)			
<i>Year</i>	30 June 2022	31 December 2021	31 December 2020
Interest and Similar income	62,813	105,171	97,856
Interest and Similar expense	(27,713)	(58,492)	(61,048)
Net interest income (expense) on derivatives	5,934	13,799	7,427
Net interest income	41,034	60,478	44,235
Net fees and commissions	1,469	1,971	2,040
Dividend income	-	-	164
Net gains from equity investments through profit or loss	134	182	284
Net gains (losses) on derecognition of debt investment securities at fair value through other comprehensive income	4,528	4,855	(1,752)
Net (losses) on derecognition of financial liabilities at amortized cost	-	-	(2,049)
Unrealized net fair value gains (losses) on derivative instruments	(15,627)	(16,602)	7,410
Fair value (losses) gains on loans measured at fair value through profit or loss	(31)	683	(229)
Fair value (losses) on equity investments measured at fair value through profit or loss	(791)	-	(7)
Foreign exchange income (losses)	1,104	(559)	78
Other (losses) income	-	(4)	(4)
Operating Income	31,824	51,004	50,170
Personnel expenses	(9,192)	(16,352)	(16,097)
Administrative expenses	(2,201)	(4,574)	(4,161)
Depreciation and amortization	(166)	(478)	(525)
Income before impairment	(20,265)	29,600	29,387
Impairment gains (losses) on loans at amortized cost	(53,383)	11,882	(12,894)
Impairment gains (losses) on debt investment securities measured at fair value through other comprehensive income	251	2,415	(2,278)
Income for the period	(32,867)	43,897	14,215

Comparison – Balance Sheet

Balance Sheet (in EUR 000's)			
Year	30 June 2021	31 December 2021	31 December 2020
Cash and due from banks	286,189	170,175	34,328
Deposits in margin accounts	111,060	30,740	26,240
Debt investment securities at fair value through other comprehensive income	285,702	652,448	687,961
Derivative financial instruments – assets	38,673	24,279	26,701
Loans at amortized cost	2,254,950	2,329,424	2,030,396
Less: deferred income	(3,299)	(14,700)	(13,813)
Less: impairment losses	(97,435)	(44,223)	(55,937)
Loans at fair value through profit or loss	14,983	15,014	12,525
Loans net of impairment	2,169,199	2,285,515	1,973,171
Equity investments at fair value through profit or loss	-	791	791
Equity investments at fair value through other comprehensive income	15,474	24,986	25,519
Equity investments at fair value	15,474	25,777	26,310
Accrued interest receivable	35,078	27,181	23,512
Other assets	15,623	15,954	9,490
Property and equipment	323	368	429
Intangible assets	272	200	298
Right of use assets	523	245	579
Total Assets	2,958,116	3,232,882	2,809,019
Short term	-	167,756	111,120
Amounts due to financial institutions	437,842	438,293	315,992
Debt evidenced by certificates	1,529,047	1,657,416	1,465,218
Accrued interest payable	7,360	10,936	9,384
Borrowings	1,974,249	2,274,401	1,901,714
Margin Accounts	8,980	16,590	22,920
Derivative financial instruments – liabilities	134,233	45,869	28,935
Liabilities	22,865	10,257	11,359
Lease liability	332	43	383
Total Liabilities	2,140,659	2,347,160	1,965,311
Authorized share capital	3,450,000	3,450,000	3,450,000
Less: unallocated share capital	(1,161,500)	(1,161,500)	(1,161,500)
Subscribed share capital	2,288,500	2,288,500	2,288,500
Less: callable share capital	(1,601,950)	(1,601,950)	(1,601,950)
Paid-in share capital	686,550	686,550	686,550
Reserves	64,914	100,312	58,298
Retained earnings	65,993	98,860	98,860
Total members' equity	817,457	885,722	843,708
Total Liabilities and Members' Equity	2,958,116	3,232,882	2,809,019