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Agenda

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

Mission
- International financial institution established by treaty with supranational status and a mandate to foster economic growth and regional cooperation amongst its Member States in the Black Sea Region

Special Status
- Preferred creditor status
- Governed by international law and not subject to taxation
- Strong support of Member State governments demonstrated by fulfilment of capital commitments

Credit Ratings
- Long Term ratings: BBB+ Negative Outlook (S&P) and Baa2 Negative Outlook (Moody’s)
- Short-term ratings: A-2 (S&P) and P-3 (Moody’s)
- Best-rated institution in the Black Sea Region and one of the highest-rated banks in CEE/CIS
- Rated six steps above the average rating of its eleven Member States

Robust Financial Metrics
- Strong balance sheet and capitalization
- Prudent risk management attested by consistent profitability

Key Financial Highlights

<table>
<thead>
<tr>
<th>EURm</th>
<th>1H 2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>2,519</td>
<td>2,935</td>
<td>3,235</td>
<td>2,809</td>
<td>2,348</td>
</tr>
<tr>
<td>Total loans</td>
<td>1,815</td>
<td>2,056</td>
<td>2,344</td>
<td>2,043</td>
<td>1,821</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,640</td>
<td>2,099</td>
<td>2,349</td>
<td>1,965</td>
<td>1,517</td>
</tr>
<tr>
<td>Total members’ equity</td>
<td>878</td>
<td>836</td>
<td>886</td>
<td>844</td>
<td>830</td>
</tr>
<tr>
<td>Net profit</td>
<td>40,01</td>
<td>(27,58)</td>
<td>43,9</td>
<td>14.2</td>
<td>13.7</td>
</tr>
<tr>
<td>Total debt</td>
<td>1,470</td>
<td>1,906</td>
<td>2,263</td>
<td>1,892</td>
<td>1,485</td>
</tr>
<tr>
<td>Liquid assets / borrowings (%)</td>
<td>43.80</td>
<td>52.9</td>
<td>35.6</td>
<td>39.5</td>
<td>33.7</td>
</tr>
<tr>
<td>CAR (%) 3</td>
<td>37.56</td>
<td>32.2</td>
<td>32.6</td>
<td>33.3</td>
<td>39.2</td>
</tr>
<tr>
<td>ROE (%)</td>
<td>4.55</td>
<td>-3.29</td>
<td>4.95</td>
<td>1.7</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Source: Financial Statements as of 30.06.2023

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

% Outstanding Loan Portfolio

- Georgia 17.58%
- Russia 16.5%
- Türkiye 22.15%
- Bulgaria 13.5%
- Romania 14.0%
- Greece 16.5%
- Armenia 1.0%
- Albania 2.0%
- Azerbaijan 5.0%
- Ukraine 13.5%
- Moldova 0.5%

% Outstanding Loan Portfolio

- Georgia 1.33%
- Moldova 1.59%
- Armenia 3.19%
- Albania 0.23%
- Ukraine 13.66%
- Bulgaria 12.6%
- Azerbaijan 1.87%
- Turkey 22.15%
- Russia 16.26%
- Greece 17.58%

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</table>

Source: Financial Statements as of 30.06.2023

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

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

<table>
<thead>
<tr>
<th>Mandate</th>
<th><em>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</em></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Target Borrowers and Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Public and private companies with operations in one or more of the Member States</td>
</tr>
<tr>
<td>• Transactions which benefit member states and have a positive development impact</td>
</tr>
<tr>
<td>• Economically sustainable / financially viable so BSTDB’s participation will be profitable and the undertaking will prove sustainable beyond the bank’s involvement</td>
</tr>
<tr>
<td>• Potential to promote regional cooperation</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Pricing</th>
</tr>
</thead>
<tbody>
<tr>
<td>• BSTDB is not a profit maximising organisation; operations are priced according to risk with reference to market pricing</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Priority Sectors</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Energy</td>
</tr>
<tr>
<td>• Manufacturing</td>
</tr>
<tr>
<td>• Public utilities</td>
</tr>
<tr>
<td>• Financial institutions</td>
</tr>
<tr>
<td>• Telecommunications</td>
</tr>
<tr>
<td>• Transport</td>
</tr>
<tr>
<td>• Municipal services</td>
</tr>
<tr>
<td>• Environmental protection</td>
</tr>
<tr>
<td>• SMEs</td>
</tr>
</tbody>
</table>
Shareholders Demonstrate their Continued Commitment through Capital Contributions

### Capital Structure

<table>
<thead>
<tr>
<th>Year</th>
<th>Paid Up Capital</th>
<th>Payable Capital</th>
<th>Callable Capital</th>
<th>Authorised Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>805</td>
<td>1,602</td>
<td>2,300</td>
<td>3,450</td>
</tr>
<tr>
<td>2022</td>
<td>687</td>
<td>1,162</td>
<td>2,067</td>
<td>3,450</td>
</tr>
<tr>
<td>2023 Cap Increase*</td>
<td>186</td>
<td>184</td>
<td>2,300</td>
<td>3,450</td>
</tr>
</tbody>
</table>

*Authorized capital is defined as per the Establishing Agreement, including both subscribed and unallocated shares.

*2023 Capital increase not yet finalized, pending resolution of regulatory issues.

*Authorized capital is re-denominated from SDR to EUR in June 2013 at SDR/EUR rate of 1.15.

*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

1. BSTDB benefits from the financial and operational support of its Member States.
2. Initial authorised share capital was EUR 1.15bn.
3. Board of Governors composed of Member State representatives approved increase to EUR 3.45bn in December 2007; implemented in October 2008.
4. 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 Period Ended 30.06.2023**

<table>
<thead>
<tr>
<th>Bank</th>
<th>Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAF</td>
<td>27.2</td>
</tr>
<tr>
<td>CABEI</td>
<td>27.4</td>
</tr>
<tr>
<td>AFREXIMBANK</td>
<td>18.6</td>
</tr>
<tr>
<td>BOAD</td>
<td>34.6</td>
</tr>
</tbody>
</table>

Regional GDP Growth Outperforms EU Neighbours

**Historical Real GDP Growth**

- **1995-99 Average**: (6.4)%, (0.7)%, 0.7%
- **2000-08 Average**: 6.0%, 2.3%, (4.3)%
- **2009**: 2.0%, 2.2%, (6.4)%
- **2010**: 3.9%, 4.5%, 3.1%
- **2011**: 3.2%, 1.8%, 1.7%
- **2012**: 1.4%, 3.8%, 3.2%
- **2013**: 0.9%, 3.0%, 2.6%
- **2014**: 2.0%, 1.9%, 2.2%
- **2015**: 1.5%, 2.2%, (2.2)%
- **2016**: 0.2%, 7.1%, 5.3%
- **2017**: 3.5%, 3.1%
- **2018**: 0.2%, 2.7%
- **2019**: 2.0%, 0.7%
- **2020**: 0.2%
- **2021**: 0.7%
- **2022**: 0.7%
- **2023 est**: 2.0%

**Current Economic Indicators (2023 est.)**

<table>
<thead>
<tr>
<th>Region</th>
<th>Inflation rate</th>
<th>Budget / GDP</th>
<th>Public debt / GDP (2022)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>4.3</td>
<td>(3.0)</td>
<td>79.6</td>
</tr>
<tr>
<td>Armenia</td>
<td>1.9</td>
<td>(2.8)</td>
<td>71.2</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>9.8</td>
<td>(1.7)</td>
<td>44.4</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>9.5</td>
<td>(2.8)</td>
<td>22.9</td>
</tr>
<tr>
<td>Georgia</td>
<td>2.1</td>
<td>(2.4)</td>
<td>56.9</td>
</tr>
<tr>
<td>Greece</td>
<td>3.8</td>
<td>(1.7)</td>
<td>171.3</td>
</tr>
<tr>
<td>Moldova</td>
<td>15.1</td>
<td>(5.0)</td>
<td>36.0</td>
</tr>
<tr>
<td>Romania</td>
<td>10.1</td>
<td>(5.0)</td>
<td>47.3</td>
</tr>
<tr>
<td>Russia</td>
<td>6.5</td>
<td>(3.5)</td>
<td>20.2</td>
</tr>
<tr>
<td>Türkiye</td>
<td>46.3</td>
<td>(4.9)</td>
<td>41.5</td>
</tr>
<tr>
<td>Ukraine</td>
<td>12.6</td>
<td>(15.8)</td>
<td>49.6</td>
</tr>
<tr>
<td><strong>BSEC Wtd. Avg.</strong></td>
<td>17.1</td>
<td>(4.3)</td>
<td>37.9</td>
</tr>
<tr>
<td><strong>Euro Area</strong></td>
<td>5.6</td>
<td>(3.4)</td>
<td>91.5</td>
</tr>
<tr>
<td><strong>European Union</strong></td>
<td>6.5</td>
<td>(3.4)</td>
<td>84.0</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Issuer</th>
<th>Moody’s</th>
<th>S&amp;P Global</th>
<th>Fitch Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corp. Andina De Fomento (CAF)</td>
<td>Aa3/Stable</td>
<td>AA/Stable</td>
<td>AA/-Stable</td>
</tr>
<tr>
<td>Central American Bank of Economic Integration (CABEI)</td>
<td>Aa3/Stable</td>
<td>AA/Stable</td>
<td></td>
</tr>
<tr>
<td>BSTDB</td>
<td>Baa2/Negative</td>
<td>BBB+/Watch Negative</td>
<td></td>
</tr>
<tr>
<td>African Export-Import Bank</td>
<td>Baa1/Stable</td>
<td>-</td>
<td>BBB/ Stable</td>
</tr>
<tr>
<td>BNDES</td>
<td>Ba2/Stable</td>
<td>BB-/Positive</td>
<td>BB/Stable</td>
</tr>
<tr>
<td>West African Development Bank</td>
<td>Baa1/Negative</td>
<td>-</td>
<td>BBB/ Stable</td>
</tr>
<tr>
<td>Development Bank of Kazakhstan</td>
<td>Baa2/ Stable</td>
<td>BBB/- Stable</td>
<td>BBB/ Stable</td>
</tr>
<tr>
<td>Export Credit Bank of Türkiye</td>
<td>B3/ Stable</td>
<td>-</td>
<td>B-/ Stable</td>
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<td>Hungarian Export-Import Bank</td>
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<td>BBB/- Stable</td>
<td>BBB/ Negative</td>
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Member States’ Credit Ratings

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<td>B+/ Positive</td>
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</tr>
<tr>
<td>Bulgaria</td>
<td>Baa1// Stable</td>
<td>BBB/ Stable</td>
<td>BBB/ Positive</td>
</tr>
<tr>
<td>Georgia</td>
<td>Ba2/Negative</td>
<td>BB/ Stable</td>
<td>BB/ Positive</td>
</tr>
<tr>
<td>Greece</td>
<td>Ba1/ Stable</td>
<td>BB/- Stable</td>
<td>BB/+ Stable</td>
</tr>
<tr>
<td>Moldova</td>
<td>B3/ Stable</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Romania</td>
<td>Baa3/ Stable</td>
<td>BBB/- Stable</td>
<td>BBB/- Stable</td>
</tr>
<tr>
<td>Russia</td>
<td>WR</td>
<td>WR</td>
<td>WR</td>
</tr>
<tr>
<td>Türkiye</td>
<td>B3/ Stable</td>
<td>B/ Stable</td>
<td>B/ Stable</td>
</tr>
<tr>
<td>Ukraine</td>
<td>Ca/ Stable</td>
<td>CCC/Negative</td>
<td>CC</td>
</tr>
</tbody>
</table>

Source: Moody's, S&P, Fitch rating reports.
Observers of BSTDB Enhance Co-financing Possibilities and Facilitate Access to Investors

- 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

<table>
<thead>
<tr>
<th>Current Observers</th>
<th>Moody’s</th>
<th>S&amp;P Global</th>
<th>Fitch Ratings</th>
</tr>
</thead>
<tbody>
<tr>
<td>European Investment Bank</td>
<td>Aaa</td>
<td>AAA</td>
<td>AAA</td>
</tr>
<tr>
<td>International Finance Corporation</td>
<td>Aaa</td>
<td>AAA</td>
<td>–</td>
</tr>
<tr>
<td>European Bank for Reconstruction and Development</td>
<td>Aaa</td>
<td>AAA</td>
<td>AAA</td>
</tr>
<tr>
<td>Asian Development Bank</td>
<td>Aaa</td>
<td>AAA</td>
<td>AAA</td>
</tr>
<tr>
<td>Nordic Investment Bank</td>
<td>Aaa</td>
<td>AAA</td>
<td>–</td>
</tr>
<tr>
<td>KfW Banking Group (Germany)</td>
<td>Aaa</td>
<td>AAA</td>
<td>AAA</td>
</tr>
<tr>
<td>Proparco, private sector arm of Agence Française de Développement</td>
<td>–</td>
<td>AA</td>
<td>AA-</td>
</tr>
<tr>
<td>Development Bank of Austria</td>
<td>–</td>
<td>AA+</td>
<td>–</td>
</tr>
<tr>
<td>Islamic Corporation for Development of the Private Sector</td>
<td>A2</td>
<td>A-</td>
<td>A+</td>
</tr>
<tr>
<td>Association of European Development Finance Institutions</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>

Source: Moody’s, S&P, Fitch.
BSTDB: the Region’s Success Story

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
- Approximately 3/4 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 2018
- Winner of 2017 Innovation Award, for Opentext solution created by in-house IT team for the Bank’s Legal Department
- 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
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

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.

Moody’s Investors service: ESG Credit Impact Score

CIS-2
Neutral-to-Low

For an issuer scored CIS-2 (Neutral-to-Low), its ESG attributes are overall considered as having a neutral-to-low impact on the current rating; i.e., the overall influence of these attributes on the rating is non-material.

Moody’s Investors service: ESG Issuer Profile

Source: Moody’s investor Service
Agenda

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’s Portfolio has Grown Steadily Over Time

BSTDB Historical Portfolio Development

2014-2023 CAGR

-10% BoD Approved operations
-9% Signed operations
-12% Outstanding operations

- 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

The Equity portfolio is mostly comprised of funds (As of 31st December 2022)

- Indirect investments: EUR 9.61 m
  - Mostly regional equity funds (e.g. SEAF Caucasus Growth Fund, Emerging Europe Accession Fund, ADM CEECAT Recovery Fund, and EOS Hellenic renaissance Fund)

- Direct investments: EUR 0.24m

Source: 2018-1H 2023 Condensed Interim Financial Statements for the period Ended 30th June 2023

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

- USD 29.6%
- EUR 70.4%

Total: EUR 1.82bn

Loan Portfolio Outstanding by Country

- Albania 0.23%
- Algeria 0.47%
- Armenia 3.19%
- Azerbaijan 1.87%
- Bahrain 0.54%
- Bulgaria 12.6%
- Georgia 1.33%
- Greece 17.58%
- Guatemala 2.32%
- Hungary 0.71%
- India 1.66%
- Indonesia 1.76%
- Iran 0.42%
- Israel 0.01%
- Italy 8.99%
- Japan 0.01%
- Jordan 0.33%
- Kazakhstan 0.19%
- Korea 0.14%
- Kuwait 0.11%
- Latvia 0.66%
- Lebanon 0.18%
- Lithuania 0.16%
- Luxembourg 0.13%
- Malaysia 0.66%
- Mexico 8.88%
- Moldova 1.59%
- Türkiye 22.15%
- Ukraine 13.66%
- Total: EUR 1.82bn

Loan Portfolio Outstanding by Security

- Unsecured
- Secured
- Energy: 95% Unsecured, 5% Secured
- Industrials: 49% Unsecured, 51% Secured
- Financials: 15% Unsecured, 85% Secured
- Materials: 78% Unsecured, 22% Secured
- Utilities: 72% Unsecured, 28% Secured
- Real Estate: 63% Unsecured, 37% Secured
- Total Portfolio: 65% Unsecured, 35% Secured

Total: EUR 1.82bn

Loan Portfolio Outstanding by End User Sector

- Utilities 24.95%
- Consumer Discretionary 4.62%
- Consumer Staples 8.96%
- Financial Institutions 10.99%
- Real Estate 5.22%
- Energy 6.64%
- Health Care 5.61%
- Materials 11.84%
- Industrials 21.17%

Total: EUR 1.82bn

Source: Condensed Interim Financial Statements as of 30th June 2023, management data
1. The financial institutions sector (FIs) includes SMEs, trade finance and leasing

- 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.
Low Level of Non-Performing Loans in Portfolio

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

Low Problem Loan History

- 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.

Provisioning is Conservative

- NPLs / (Impairment allowances & Reserves) for 2015-2016;
- Stage 3 / (Impairment allowances & Reserves) for 2017-2023
- (Impairment allowances & Reserves) /Gross Loans

Source: 2017-2023 Financial Statements as of 30.06.2023
Top Exposures Reflect Geographic and Sector Diversification of the Portfolio

Overview of Six Largest Projects by Outstanding Amount

<table>
<thead>
<tr>
<th>Country</th>
<th>Client</th>
<th>Amount (EURm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Türkiye</td>
<td>Istanbul Metropolitan Municipality Metro</td>
<td>60</td>
</tr>
<tr>
<td>Türkiye</td>
<td>Etilik Ankara Integrated Health Campus</td>
<td>58</td>
</tr>
<tr>
<td>Ukraine</td>
<td>Metinvest Capex Facility</td>
<td>56</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Sofia Airport Financing</td>
<td>51</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Eurohold</td>
<td>50</td>
</tr>
<tr>
<td>Türkiye/Romania</td>
<td>Total Garanti</td>
<td>47</td>
</tr>
<tr>
<td>Russia</td>
<td>PAO TMK Operation</td>
<td>47</td>
</tr>
<tr>
<td>Türkiye</td>
<td>Konya Karatay Integrated Health Campus</td>
<td>43</td>
</tr>
<tr>
<td>Bulgaria/Georgia</td>
<td>Energo Pro a.s. Eurobond II</td>
<td>42</td>
</tr>
<tr>
<td>Türkiye</td>
<td>Izmir Municipality Metro</td>
<td>41</td>
</tr>
<tr>
<td>Romania</td>
<td>One tower senior secured Loan</td>
<td>40</td>
</tr>
<tr>
<td>Türkiye</td>
<td>Total Gurmat</td>
<td>38</td>
</tr>
<tr>
<td>Bulgaria/Georgia</td>
<td>ALRO</td>
<td>37</td>
</tr>
<tr>
<td>Türkiye</td>
<td>Globalworth Real Estate Financing</td>
<td>35</td>
</tr>
</tbody>
</table>

Rest of Top 20 Largest Borrowers

<table>
<thead>
<tr>
<th>Country</th>
<th>Client</th>
<th>Amount (EURm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Türkiye</td>
<td>Istanbul Metropolitan Municipality Metro</td>
<td>60</td>
</tr>
<tr>
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<td>Energo Pro a.s. Eurobond II</td>
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<td>Türkiye</td>
<td>Izmir Municipality Metro</td>
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</tr>
<tr>
<td>Romania</td>
<td>One tower senior secured Loan</td>
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</tr>
<tr>
<td>Türkiye</td>
<td>Total Gurmat</td>
<td>38</td>
</tr>
<tr>
<td>Bulgaria/Georgia</td>
<td>ALRO</td>
<td>37</td>
</tr>
<tr>
<td>Türkiye</td>
<td>Globalworth Real Estate Financing</td>
<td>35</td>
</tr>
</tbody>
</table>

Source: Condensed Interim Financial Statements for the Six Months Period Ended 30 June 2023, management data

Outstanding Portfolio Concentration

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Largest Projects</td>
<td>44%</td>
</tr>
<tr>
<td>Next 10 Largest Projects</td>
<td>23%</td>
</tr>
<tr>
<td>Remaining Projects</td>
<td>33%</td>
</tr>
</tbody>
</table>

Total: EUR 1.82bn
Russia: Loan Portfolio Deep Dive

Overview of Three Largest Projects by Outstanding Amount

<table>
<thead>
<tr>
<th>Project</th>
<th>Initiated</th>
<th>Outstanding</th>
<th>Maturity</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Transport Leasing Company</td>
<td>2019, 2020</td>
<td>EUR 112m</td>
<td>2029</td>
</tr>
<tr>
<td>Hayat Consumer Goods Kaluga</td>
<td>2020</td>
<td>EUR 75m</td>
<td>2028</td>
</tr>
<tr>
<td>PAO TMK</td>
<td>2020</td>
<td>EUR 46m</td>
<td>2027</td>
</tr>
</tbody>
</table>

Overall Average Portfolio Duration in Russia is 2.61 years

Selected Projects Financial Update

- **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
- **Uralkali**: Participation transferred to a co-lender (Syndication Loan) in June 2023.

Portfolio Reduction & Accumulated Equity

<table>
<thead>
<tr>
<th>Period</th>
<th>RU exposure</th>
<th>reserves + retained earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2022</td>
<td></td>
<td></td>
</tr>
<tr>
<td>October 2023</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Outstanding Portfolio Concentration

- **Materials**: 36%
- **Consumer Staples**: 26%
- **Industrials**: 35%
- **Financial Institutions**: 1%
- **Real Estate**: 2%

Total: EUR 293mn

Source: Condensed Interim Financial Statements for the Six Months Period Ended 30 June 2023, management data
Ukraine: Loan Portfolio Deep Dive

Overview of Three Largest Projects by Outstanding Amount

Epicent Group
The loan will support the Group’s agriculture business program. Will contribute to the development of the agricultural infrastructure in Ukraine.
Initiated: 2019, 2020
Outstanding: EUR 75m
Maturity: 2028

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 56m
Maturity: 2027

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 23m
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
- **Ukrgasbank**: 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

<table>
<thead>
<tr>
<th>Currency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>74%</td>
</tr>
<tr>
<td>USD</td>
<td>26%</td>
</tr>
</tbody>
</table>

Outstanding Portfolio Concentration

- **Consumer Dis-ry**: 34%
- **Consumer Staples**: 12%
- **Industrials**: 1%
- **Real Estate**: 4%
- **Financial Institutions**: 4%
- **Materials**: 28%
- **Utilities**: 17%

Total: EUR 245mn

Source: Condensed Interim Financial Statements for the Six Months Period Ended 30 June 2023, management data
Agenda

1. Overview of BSTDB
2. Portfolio Developments and Performance
3. Risk Management and Corporate Governance
4. Treasury and Funding Strategy
5. Appendix – Financial Statements
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:
  - Project Finance: 50%
  - Equity: 33%
  - Corporate Finance: 100%
  - Trade Finance: 100%

Other Lending Limits

- **Aggregate**
  Exposure to 5 highest obligors **cannot exceed 40%** of outstanding loan portfolio

- **Country**
  Loans to any country **may not exceed 30%** of total lending

- **Sector**
  Loans to any sector are targeted to **not exceed 40%** of total lending

- **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

Source: Management data

1 Minus repayments and cancellations
Corporate Governance and Approval Process

Risk Management Bodies

- Board of Governors
- Board of Directors
- Asset & Liability Management Committee
- Credit Committee
- Compliance
- Risk Management Department
- Financial Analysis Department
- Environmental and Social Sustainability Office
- Office of the General Counsel
- Audit

New Project Approval Process

- Origination
- Credit Committee
- Concept
- Clearance
- Due Diligence
- Final Review
- BoD
- Signing

Source: Management data
Prudent Risk Management Policy

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. 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.

VALERIY PIATNYTSKYI
Vice President, Finance

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.

DRAGOȘ 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

<table>
<thead>
<tr>
<th>Country</th>
<th>Governor</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Ms. Adela Xhemali</td>
<td>Deputy Minister of Finance &amp; Economy</td>
</tr>
<tr>
<td>Armenia</td>
<td>Mr. Arthur Javadyan</td>
<td>Ambassador-at-Large</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>Mr. Samir Sharifov</td>
<td>Chairman of the Board of the Centre for Economic Perspectives Foundation</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Ms. Lyudmila Petkova</td>
<td>Deputy Minister of Finance</td>
</tr>
<tr>
<td>Georgia</td>
<td>Position vacant</td>
<td>Governor, National Bank</td>
</tr>
<tr>
<td>Greece</td>
<td>Mr. Nikos Papathanasis</td>
<td>Alternate Minister of National Economy &amp; Finance</td>
</tr>
<tr>
<td>Moldova</td>
<td>Ms. Veronica Sireteanu</td>
<td>Minister of Finance</td>
</tr>
<tr>
<td>Romania</td>
<td>Mr. Alin Marius Andrieş</td>
<td>Secretary of State, Ministry of Public Finance</td>
</tr>
<tr>
<td>Russia</td>
<td>Mr. Pavel Sniorenko</td>
<td>Director, Department of International Financial Relations, Ministry of Finance</td>
</tr>
<tr>
<td>Türkiye</td>
<td>Mr. Osman Celik</td>
<td>Deputy Minister of Treasury &amp; Finance</td>
</tr>
<tr>
<td>Ukraine</td>
<td>Ms. Yuliia Svyrydenko</td>
<td>First Deputy Prime Minister &amp; Minister of Economy</td>
</tr>
</tbody>
</table>

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

## Board of Directors

<table>
<thead>
<tr>
<th>Country</th>
<th>Director</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>Ms. Risena Xhaja</td>
<td>General Secretary, Ministry of Finance &amp; Economy</td>
</tr>
<tr>
<td>Armenia</td>
<td>Mr. Garegin Gevorgyan</td>
<td>Director, Financial System Stability &amp; Regulation Directorate, Member of Executive Committee, Central Bank of Armenia</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>Mr. Famil Ismayilov</td>
<td>Head, International Cooperation Department, Ministry of Finance</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>Ms. Milena Boikova</td>
<td>Director, Government Debt Directorate, Ministry of Finance</td>
</tr>
<tr>
<td>Georgia</td>
<td>Ms. Ekaterine Guntsadze</td>
<td>Deputy Minister of Finance</td>
</tr>
<tr>
<td>Greece</td>
<td>Ms. Ioanna Serafeim</td>
<td>Head, Office of the Deputy Minister of Development &amp; Investments</td>
</tr>
<tr>
<td>Moldova</td>
<td>Ms. Elena Matveeva</td>
<td>Head, Public Debt Department, Ministry of Finance</td>
</tr>
<tr>
<td>Romania</td>
<td>Ms. Diana Blindu</td>
<td>Head of Division, Management of External Loans, General Directorate for International Financial Relations, Ministry of Finance</td>
</tr>
<tr>
<td>Russia</td>
<td>Mr. Dmitry Birichevskiy</td>
<td>Director, Economic Cooperation Department, Ministry of Foreign Affairs</td>
</tr>
<tr>
<td>Türkiye</td>
<td>Mr. Kerem Dönmez</td>
<td>Director General, Foreign Economic Relations, Ministry of Treasury and Finance</td>
</tr>
<tr>
<td>Ukraine</td>
<td>Mr. Taras Kachka</td>
<td>Deputy Minister of Economy, Trade Representative of Ukraine</td>
</tr>
</tbody>
</table>
1. Overview of BSTDB
2. Portfolio Developments and Performance
3. Risk Management and Corporate Governance
4. Treasury and Funding Strategy
5. Appendix – Financial Statements
Investment Grade Treasury Portfolio

Treasury Assets at 30/06/2023

<table>
<thead>
<tr>
<th>(EURm) Treasury Assets</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>1H 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank balances &amp; placements with FI</td>
<td>81.3</td>
<td>34.3</td>
<td>170.2</td>
<td>208.3</td>
<td>430.0</td>
</tr>
<tr>
<td>Available-for-sale</td>
<td>336.3</td>
<td>541.2</td>
<td>619.4</td>
<td>508.1</td>
<td>102.9</td>
</tr>
<tr>
<td>Held-to-maturity</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>417.6</td>
<td>575.5</td>
<td>789.6</td>
<td>716.4</td>
<td>532.9</td>
</tr>
</tbody>
</table>

Note 1. ECPs are indicated at short term ratings.
Note 2. Member State bonds are Purpose related exposures and are not included in the table.

Investment Principles

- **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

Split of Liquidity Portfolio by Credit Rating

- Aa1-Aa3: 82%
- A1-A3: 13%
- Baa1-Baa3: 3%
- Ba1-Ba3: 2%

Total: EUR 532.9 m

Source: 2018 – 1H 2023 Financial Statements, management data
BSTDB Plans Further Diversification of its Funding Profile by Currency and Region

### Outstanding Private Placements & Bond Issues

**USD 5 and 10 year Bonds**
- Amount: $412.5m & $85m
- Coupon: 3.5% & 2.615%
- Issued: 2016 & 2019, 2020 (LM)
- Maturity: 2024 & 2031

**CHF 3.5 year Bond**
- Amount: CHF 150m
- Coupon: 0.35%
- Issued: 2021
- Maturity: 2027

**EUR 10, 12 & 15 year Bond**
- Amount: EUR 275m
- Coupon: 1.25%, 1.435 & 1.5%
- Issued: 2020 & 2021
- Maturity: 2030, 2033, 2035 & 2036

**RON 3 year Bonds**
- Amount: CHF 335m
- Coupons: 3.13% & floating rate
- Issued: 2021
- Maturity: 2026

**PLN 5 year Bond**
- Amount: CHF 70m
- Coupon: 2.12%
- Issued: 2021
- Maturity: 2026

**GBP 7 & 10 year ESG Bond**
- Amount: CHF 50m
- Coupon: 1.894% & 2.244%
- Issued: 2021
- Maturity: 2028 & 2031

**CZK 4 year Bond**
- Amount: CHF 1,200m
- Coupon: floating rate
- Issued: 2020 & 2021
- Maturity: 2023 & 2026

**AUD 7 & 10 year Bond**
- Amount: CHF 30m
- Coupons: 2.55% & 3.265%
- Issued: 2021
- Maturity: 2028 & 2031

**JPY 5 year ESG Bond**
- Amount: CHF 5,000m
- Coupon: 0.65%
- Issued: 2021
- Maturity: 2026

### Outstanding Borrowings

**EURm eq.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>341</td>
</tr>
<tr>
<td>2015</td>
<td>541</td>
</tr>
<tr>
<td>2016</td>
<td>863</td>
</tr>
<tr>
<td>2017</td>
<td>723</td>
</tr>
<tr>
<td>2018</td>
<td>954</td>
</tr>
<tr>
<td>2019</td>
<td>1,485</td>
</tr>
<tr>
<td>2020</td>
<td>1,892</td>
</tr>
<tr>
<td>2021</td>
<td>2,263</td>
</tr>
<tr>
<td>2022</td>
<td>1,907</td>
</tr>
<tr>
<td>1H 2023</td>
<td>1,471</td>
</tr>
</tbody>
</table>

### Maturity profile

**EURm eq.**

- 0-1 m: 7 EUR Bonds
- 1-3 m: 36 EUR Bonds
- 3-6 m: 176 EUR Bonds
- 6-12 m: 386 EUR Bonds
- 1-2 y: 62 EUR Bonds
- 2-5 y: 405 EUR Bonds
- 5-20 y: 319 EUR Bonds

### Breakdown by currency

- **USD, 42.0%**
- **EUR, 28.0%**
- **JPY, 3.0%**
- **GBP, 4.0%**
- **PLN, 1.5%**
- **AUD, 2.0%**
- **CHF, 10.0%**
- **RON, 4.5%**
- **CZK, 4.0%**
- **Other, 7.5%**
- **AZN, 1.0%**

---

A Seasoned Capital Markets Participant

1st June 1999: BSTDB starts operations

October 2006: Moody’s credit rating upgrade to Baa1

June 2004: Investment grade rating from Moody’s: Baa2

March 2006: Investment grade rating from Moody’s: Baa2

June 2011: Initial credit rating of A from S&P

June 2011: Initial credit rating adjustment to A– due to change in rating methodology

January 2013: S&P credit rating upgrade to A

June 2013: Moody’s credit rating raised to A2

February 2014: Moody’s credit rating raised to A2

April 2014: S&P Rating Outlook changed to positive

May 2015: CHF 100m 4.6 year bond issue

June 2015: EUR 1bn MTN Programme established

June 2015: CHF 200m 3.5 year bond issue

June 2016: USD 400m 5 year bond issue

March 2016: USD 500m 5 year bond issue

June 2016: USD 400m 5 year bond issue

December 2019: CHF 200m 3.5 year bond issue

June 2019: USD 400m 5 year bond issue

November 2019: CHF 150m 5 year bond issue

November 2021: CHF 100m 4 year bond issue

November 2021: S&P credit rating upgraded to “A”

November 2021: S&P credit rating upgraded to “A”

February 2014: Moody’s credit rating raised to A2

May 2015: CHF 100m 4.6 year bond issue

June 2015: EUR 1bn MTN Programme established

June 2015: CHF 200m 3.5 year bond issue

June 2019: USD 400m 5 year bond issue

November 2019: CHF 150m 5 year bond issue

November 2021: CHF 100m 4 year bond issue

November 2021: S&P credit rating upgraded to “A”

February 2014: Moody’s credit rating raised to A2

May 2015: CHF 100m 4.6 year bond issue

June 2015: EUR 1bn MTN Programme established

June 2015: CHF 200m 3.5 year bond issue

June 2019: USD 400m 5 year bond issue

November 2019: CHF 150m 5 year bond issue

November 2021: CHF 100m 4 year bond issue

November 2021: S&P credit rating upgraded to “A”

February 2014: Moody’s credit rating raised to A2

May 2015: CHF 100m 4.6 year bond issue

June 2015: EUR 1bn MTN Programme established

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June 2019: USD 400m 5 year bond issue

November 2019: CHF 150m 5 year bond issue

November 2021: CHF 100m 4 year bond issue

November 2021: S&P credit rating upgraded to “A”
Agenda

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5. Appendix – Financial Statements
Comparison – *Income Statement*

### Income Statement *(in EUR 000’s)*

<table>
<thead>
<tr>
<th>Year</th>
<th>30 June 2023</th>
<th>31 December 2022</th>
<th>31 December 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and Similar income</td>
<td>88,539</td>
<td>151,268</td>
<td>105,171</td>
</tr>
<tr>
<td>Interest and Similar expense</td>
<td>(35,925)</td>
<td>(59,021)</td>
<td>(58,492)</td>
</tr>
<tr>
<td>Net interest income (expense) on derivatives</td>
<td>(8,579)</td>
<td>4,388</td>
<td>13,799</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td><strong>44,035</strong></td>
<td><strong>96,635</strong></td>
<td><strong>60,478</strong></td>
</tr>
<tr>
<td>Net fees and commissions</td>
<td>165</td>
<td>1,937</td>
<td>1,971</td>
</tr>
<tr>
<td>Dividend income</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net gains from equity investments through profit or loss</td>
<td>-</td>
<td>-</td>
<td>182</td>
</tr>
<tr>
<td>Net gains (losses) on derecognition of debt investment securities at fair value through other comprehensive income</td>
<td>(336)</td>
<td>139</td>
<td>4,855</td>
</tr>
<tr>
<td><strong>Net Gains (losses) on derecognition of financial liabilities at amortized cost</strong></td>
<td><strong>6,270</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
<tr>
<td>Unrealized net fair value gains (losses) on derivative instruments</td>
<td>8,708</td>
<td>(21,880)</td>
<td>(16,602)</td>
</tr>
<tr>
<td>Fair value (losses) gains on loans measured at fair value through profit or loss</td>
<td>(175)</td>
<td>336</td>
<td>683</td>
</tr>
<tr>
<td>Fair value (losses) on equity investments measured at fair value through profit or loss</td>
<td>-</td>
<td>(791)</td>
<td>-</td>
</tr>
<tr>
<td>Foreign exchange income (losses)</td>
<td>5,759</td>
<td>(18,980)</td>
<td>(559)</td>
</tr>
<tr>
<td>Other (losses) income</td>
<td>-</td>
<td>(10)</td>
<td>(4)</td>
</tr>
<tr>
<td><strong>Operating Income</strong></td>
<td><strong>39,165</strong></td>
<td><strong>63,772</strong></td>
<td><strong>51,004</strong></td>
</tr>
<tr>
<td>Personnel expenses</td>
<td>(9,141)</td>
<td>(18,197)</td>
<td>(16,352)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(2,692)</td>
<td>(4,853)</td>
<td>(4,574)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(210)</td>
<td>(339)</td>
<td>(478)</td>
</tr>
<tr>
<td><strong>Income before impairment</strong></td>
<td><strong>27,122</strong></td>
<td><strong>40,383</strong></td>
<td><strong>29,600</strong></td>
</tr>
<tr>
<td>Expected credit (losses) gains on loans measured at amortized cost</td>
<td>13,164</td>
<td>(68,085)</td>
<td>11,882</td>
</tr>
<tr>
<td>Expected credit (losses) gains on debt investment securities measured at fair value through other comprehensive income</td>
<td>(279)</td>
<td>116</td>
<td>2,415</td>
</tr>
<tr>
<td><strong>Income for the period</strong></td>
<td><strong>40,007</strong></td>
<td><strong>(27,586)</strong></td>
<td><strong>43,897</strong></td>
</tr>
</tbody>
</table>
### Comparison – Balance Sheet

#### Balance Sheet (in EUR 000’s)

<table>
<thead>
<tr>
<th>Year</th>
<th>30 June 2023</th>
<th>31 December 2022</th>
<th>31 December 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and due from banks</td>
<td>429,978</td>
<td>208,338</td>
<td>170,175</td>
</tr>
<tr>
<td>Deposits in margin accounts</td>
<td>107,160</td>
<td>114,430</td>
<td>30,740</td>
</tr>
<tr>
<td>Debt investment securities at fair value through other comprehensive income</td>
<td>120,317</td>
<td>525,224</td>
<td>652,448</td>
</tr>
<tr>
<td>Derivative financial instruments – assets</td>
<td>34,849</td>
<td>42,338</td>
<td>24,279</td>
</tr>
<tr>
<td>Loans at amortized cost</td>
<td>1,799,981</td>
<td>2,040,986</td>
<td>2,329,424</td>
</tr>
<tr>
<td>Less: deferred income</td>
<td>42,707</td>
<td>26,458</td>
<td>(14,700)</td>
</tr>
<tr>
<td>Less: impairment losses</td>
<td>(94,440)</td>
<td>(106,476)</td>
<td>(44,223)</td>
</tr>
<tr>
<td>Loans at fair value through profit or loss</td>
<td>15,175</td>
<td>15,350</td>
<td>15,014</td>
</tr>
<tr>
<td><strong>Loans net of impairment</strong></td>
<td><strong>1,763,423</strong></td>
<td><strong>1,976,318</strong></td>
<td><strong>2,285,515</strong></td>
</tr>
<tr>
<td>Equity investments at fair value through profit or loss</td>
<td>-</td>
<td>-</td>
<td>791</td>
</tr>
<tr>
<td>Equity investments at fair value through other comprehensive income</td>
<td>9,851</td>
<td>12,440</td>
<td>24,986</td>
</tr>
<tr>
<td><strong>Equity investments at fair value</strong></td>
<td><strong>9,851</strong></td>
<td><strong>12,440</strong></td>
<td><strong>25,777</strong></td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>36,255</td>
<td>38,054</td>
<td>27,181</td>
</tr>
<tr>
<td>Other assets</td>
<td>16,091</td>
<td>17,054</td>
<td>18,181</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>203</td>
<td>265</td>
<td>368</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>508</td>
<td>553</td>
<td>200</td>
</tr>
<tr>
<td>Right of use assets</td>
<td>668</td>
<td>451</td>
<td>245</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>2,519,303</strong></td>
<td><strong>2,935,465</strong></td>
<td><strong>3,232,882</strong></td>
</tr>
<tr>
<td>Short term</td>
<td>-</td>
<td>-</td>
<td>167,756</td>
</tr>
<tr>
<td>Amounts due to financial institutions</td>
<td>328,205</td>
<td>413,485</td>
<td>438,293</td>
</tr>
<tr>
<td>Debt evidenced by certificates</td>
<td>1,142,595</td>
<td>1,493,157</td>
<td>1,657,416</td>
</tr>
<tr>
<td>Accrued interest payable</td>
<td>8,369</td>
<td>9,013</td>
<td>10,936</td>
</tr>
<tr>
<td><strong>Borrowings</strong></td>
<td><strong>1,479,169</strong></td>
<td><strong>1,915,655</strong></td>
<td><strong>2,274,401</strong></td>
</tr>
<tr>
<td>Margin Accounts</td>
<td>2,770</td>
<td>14,420</td>
<td>16,590</td>
</tr>
<tr>
<td>Derivative financial instruments – liabilities</td>
<td>138,776</td>
<td>148,624</td>
<td>45,869</td>
</tr>
<tr>
<td>Liabilities</td>
<td>19,129</td>
<td>20,132</td>
<td>12,484</td>
</tr>
<tr>
<td>Lease liability</td>
<td>490</td>
<td>277</td>
<td>43</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>1,640,334</strong></td>
<td><strong>2,099,108</strong></td>
<td><strong>2,349,387</strong></td>
</tr>
<tr>
<td>Authorized share capital</td>
<td>3,450,000</td>
<td>3,450,000</td>
<td>3,450,000</td>
</tr>
<tr>
<td>Less: unallocated share capital</td>
<td>(1,161,500)</td>
<td>(1,161,500)</td>
<td>(1,161,500)</td>
</tr>
<tr>
<td><strong>Subscribed share capital</strong></td>
<td><strong>2,288,500</strong></td>
<td><strong>2,288,500</strong></td>
<td><strong>2,288,500</strong></td>
</tr>
<tr>
<td>Less: callable share capital</td>
<td>(1,601,950)</td>
<td>(1,601,950)</td>
<td>(1,601,950)</td>
</tr>
<tr>
<td><strong>Paid-in share capital</strong></td>
<td><strong>686,550</strong></td>
<td><strong>686,550</strong></td>
<td><strong>686,550</strong></td>
</tr>
<tr>
<td>Reserves</td>
<td>83,397</td>
<td>80,792</td>
<td>100,312</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>109,022</td>
<td>69,015</td>
<td>98,860</td>
</tr>
<tr>
<td><strong>Total members’ equity</strong></td>
<td><strong>878,969</strong></td>
<td><strong>836,357</strong></td>
<td><strong>885,722</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Members’ Equity</strong></td>
<td><strong>2,519,303</strong></td>
<td><strong>2,935,465</strong></td>
<td><strong>3,232,882</strong></td>
</tr>
</tbody>
</table>