

**STATEMENT OF MR. IHSAN UGUR DELIKANLI
PRESIDENT OF THE BLACK SEA TRADE AND DEVELOPMENT BANK
AT THE 31st MEETING OF THE COUNCIL OF MINISTERS OF FOREIGN
AFFAIRS OF THE BSEC MEMBER STATES
Thessaloniki, December 12, 2014**



Dear Mr. Chairman,
Excellencies,
Ladies and Gentlemen,

I would like to thank the Hellenic Chairmanship of BSEC and the Secretariat for the invitation to address the Council Meeting as President of the Black Sea Trade and Development Bank (BSTDB). I am honored to observe the well-established tradition of close collaboration with the BSEC Governing Body and to maintain the active dialogue on the Bank's strategy and key developments.

As a partner of the BSEC family in promoting regional cooperation, the Bank seeks to strengthen institutional synergies for the benefit of the Black Sea region. The updated and revised Modalities of the BSEC-BSTDB Interaction will facilitate achieving this objective.

BSTDB provides affordable medium- and long-term financing to companies and to the financial sector in the Black Sea Region. Having marked the 15th anniversary of operations this year, the Bank is facing a most challenging period in its development, together with the Black Sea region. Over the years, BSTDB has demonstrated continued support for regional development, with total cumulative disbursements reaching EUR 3 billion. Of this amount, over EUR 936 million has been allocated for small business development in our countries. The Bank's support for regional trade has exceeded EUR 687 million. During the financial crisis, BSTDB continued lending, while international capital markets retreated, and access to funding was hard to get. Over the past two years, against the backdrop of lingering uncertainties, the Bank focused on safeguarding portfolio quality and improved project implementation. In 2014 new project commitments are expected to reach EUR 270 million.

Earlier this year, Moody's upgraded BSTDB's long-term credit rating to "A2", and Standard & Poor's reaffirmed the Bank's rating at "A-" with stable outlook. The rating

agencies took a positive view of the BSTDB shareholders' support, the Bank's sound financial position, and prudent banking practices. The Bank is proud to remain the best-rated financial institution in the Black Sea region. At the same time, there is no room for complacency. Full and timely capital payments by all Bank shareholders are essential for maintaining the Bank's credit rating, which has a significant impact on the Bank's ability to offer affordable development financing in the Region.

BSTDB is preparing the Medium-Term Strategy for the period of 2015-2018 to be approved by the Board of Governors in early 2015. The Strategy targets a sustainable annual portfolio growth of about 7.5% over the period. The Bank will strive to achieve a better balanced geographic and sector portfolio distribution, with enhanced exposure to the public sector. The intra-regional trade will receive a stronger support. The Bank will also offer more sophisticated and innovative financial products to business clients in the Region.

In line with the above strategic objectives, the Bank has started drafting new country strategies in close collaboration with the Governments of Member States. To this end, I will complete country missions and consultations with all member Governments by early next year.

A priority for BSTDB is membership enlargement to ensure coverage of the entire BSEC region by the Bank's operations, and allow fulfillment of the Bank's development mandate. The Republic of Serbia remains the sole BSEC Member State which is not a BSTDB member. I would like to use this occasion to re-affirm that BSTDB would welcome the opportunity to re-initiate the established dialogue with the Serbian Government on BSTDB membership.

In closing, I would like to assure the distinguished BSEC delegations of the Bank's continued goodwill to advance the cooperation between our institutions for the benefit of Member Countries and the Black Sea region.

On behalf of the Bank, I wish success to the incoming Moldovan Chairmanship in BSEC.

Thank you.