



**STATEMENT OF MR. ANDREY KONDAKOV  
PRESIDENT OF THE BLACK SEA TRADE AND DEVELOPMENT BANK  
AT THE 39TH PABSEC GENERAL ASSEMBLY  
YEREVAN, MAY 23, 2012**

Dear Mr. President,  
Distinguished Members of Parliaments,  
Ladies and Gentlemen,

I would like to thank the National Assembly of the Republic of Armenia and PABSEC for the opportunity to address this Plenary Meeting taking place in Yerevan well known for its warm hospitality.

Close relations developed between the Black Sea Trade and Development Bank and PABSEC over the years constitute an important element of the Bank's strategic development, helping to maintain an essential dialogue with Parliaments of our Member Countries. We are satisfied with the achieved level of interaction with the PABSEC Secretariat and stay open to develop it further with valuable support of new PABSEC Secretary General Mr. Tretiak, for the benefit of the Black Sea region.

In 2011, the Region demonstrated continuing recovery by posting a healthy economic growth of over 4%, with many of the BSEC countries exceeding pre-crisis levels of economic activity. Post-crisis growth rates in the BSEC region more than doubled that in the Eurozone. High export growth, a rise in investment, including foreign direct investment, significant progress in fiscal consolidation, and abating price pressures were among the most noticeable achievements. Business environment has also improved. This was underscored by the fact that five BSEC countries figured in the top 30 among those which improved the most, according to the annual "Doing Business Report" of the World Bank. I am happy to note here that our host Armenia appeared second overall globally.

Against this backdrop, the Black Sea Trade and Development Bank started implementing its new Medium Term Strategy and Business Plan for the 2011-2014 period. A strong demand for the Bank's products resulted in a record year for new operational activity. In 2011, the Board of Directors approved operations for about EUR 360 million, a 67% increase over 2010. Project signings during the year increased by about 50%, to nearly EUR 300 million. Both these figures represent the Bank's record achievements. At the year end, the BSTDB active portfolio of operations exceeded EUR 720 million. These achievements highlight the relevance of the Bank's business strategy, and its attractiveness as a development partner for international and local investors, banks and companies active in the Black Sea region.

Attracting financing from outside the Region for projects in the member countries is a major objective of BSTDB as a development bank. Fund raising is getting increasingly important against the lingering economic uncertainty and challenging global background. The Bank is actively negotiating financing options with its Observer financial institutions and is exploring raising funds through the international capital markets. In April 2012, BSTDB established a Euro Commercial Paper (ECP) program and made its first ECP issuance raising US\$ 122 million in a strategic move to attract short-term liquidity from new high quality investors.

The Bank will continue a managed expansion while pursuing conservative policies and cost consciousness. This will allow to consolidate its position, as well as to seek new opportunities to support the economic policy priorities in the member countries, and to promote regional cooperation.

Dear Mr. President,

I would like to inform you that on June 22-24, 2012 in Yerevan the Bank will hold its Annual Meeting and a Business Forum, in close cooperation with the Government, the Central Bank of Armenia, and with the Armenian business community. Policy makers and representatives of development financial institutions will discuss Armenia's economic and investment policy priorities and challenges, and the role of the international development community in supporting growth and employment creation. The Bank invites representatives of all BSEC member countries to the event. BSEC, PABSEC and other Related Bodies are also invited to the Open Session of the Annual Meeting of the BSTDB Board of Governors on June 24, 2012.

Mr. President,

Concluding my statement, I would like to reiterate the call on the esteemed Members of Parliaments to continue supporting the Bank's mission by approving budget allocations for the national contributions to the increased BSTDB capital. The Bank has proved to be responsive to the needs of the Region during the most difficult years of the economic crisis, and is committed to increasing its development financing for the benefit of the member countries.

Thank you.