

## **Ad hoc announcement pursuant to Art. 53 LR – SIX Swiss Exchange**

### **S&PGR takes rating action on Black Sea Trade and Development Bank (BSTDB)**

BSTDB announces that Standard & Poor's Global Ratings (S&PGR), on Wednesday 30<sup>th</sup> March 2022, lowered its long- and short- term foreign and local currency issuer credit ratings on BSTDB to 'A-/A-2' from 'A/A-1', with a negative outlook.

S&PGR stated its belief that the implications of Russia's military actions in Ukraine will erode the quality of BSTDB's loan book and weigh on its capital adequacy position, since 30% of loans are to borrowers in Russia and Ukraine. Although S&PGR believes that BSTDB's solid capital standing and liquidity buffers will help cushion the near-term financial impact, it considers that BSTDB's lending exposures in Ukraine face imminent risk of payment disruption, likely resulting in a material rise in nonperforming loans over 2022. Furthermore, S&PGR stated its belief that a long-term Russia-Ukraine conflict has the potential to disrupt BSTDB's shareholder base, prompting concerns about BSTDB's strategic direction and future shareholder support, which includes an ongoing capital subscription process. S&PGR stated that the negative outlook indicates that it could lower its ratings during the next 24 months if extended payment delays or loan write-offs, alongside weakening liquidity and shareholder support, threaten the sustainability of BSTDB's capital.

### **About BSTDB**

The Black Sea Trade and Development Bank (BSTDB), an international financial institution/ multilateral development bank with its headquarters in Thessaloniki, Greece, was established by Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Greece, Moldova, Romania, Russia, Turkey, and Ukraine. BSTDB started operations in June 1999 and has authorized capital of €3.45 billion. BSTDB supports economic development and regional cooperation in the Black Sea Region through trade and project finance lending, guarantees, and equity participation in private enterprises and public entities in its member countries.

BSTDB has a proven track record of support from its shareholders in a complex geopolitical environment, as also indicated by the capital increase agreed in 2021. Past episodes of geopolitical tensions in the region have not materially impacted BSTDB's members' commitment to the institution.

As an international financial institution/ multilateral development bank, BSTDB expects to be excluded from any restrictions imposed by the governments of its member countries on cross border loan payments.

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