

Opening Statement by
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At the Business Luncheon
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In the Name of God, The Beneficent, The Merciful

Excellencies, Distinguished guests, Ladies and gentlemen,

Let me extend my warm welcome to you in this Business Luncheon– indeed organized on the occasion of our 2015 Annual Board of Governors meeting. I am grateful to honorable members of our Board of Governors, Board of Directors, Secretary General of ECO and respected representatives of the diplomatic corps of the ECO member states and representatives of banking industry and international organizations who have joined us today. My regards to all of you for accepting our invitation.

Excellencies, Distinguished guests,

As highlighted in our introductory video, during the last decade, the ECO countries, representing a strategic region, have made great progress in their economic development agenda. Despite global crisis and numerous development challenges, the average regional growth rates, although scaled back, but has never fall into negative territory. This outstanding development move shall continue and the region shall properly reflect its weight in the world economy. The regional countries have the potential and resources to become the world's most competitive economies. At present, the slow and uneven global economic recovery and diverging monetary policies have increased the volatility of financial markets. In the current environment of intensified search for sustainable growth models, developing countries are facing daunting challenges. Therefore, this unusual period of time calls for shared responsibility and enhanced cooperation. It is important to forge partnerships and joint efforts to counter challenges ahead.

In this respect, there is an increasing need to reform the pattern of production and improve the business models in the region. Investing in regional infrastructure connectivity, trade, innovation and diversification will empower the region to make best use of its resources. The new phase of sustainable growth in the region would come from deepening business relations, taking advantage of the scale economies and improving competitiveness. Becoming dominant in supply of agricultural products and manufacturing of certain medium-to-high tech items necessitates pursuing opportunities in creating niches in service industries as well. It is quite evident that in this process, private sector should feel seriously part and parcel of the whole scheme. In this regard, we need to expand our support for public-private partnerships. This would help to mobilize more private sector investment and improve the delivery of public services. We also need to take measures to promote small and medium-sized businesses, start-ups and venture deals.

Distinguished guests,

ETDB operates on the basis of sound banking principles, which is one of the key strengths of its business model, and a source of added value for the region. This institution is a legacy which belongs to all member countries. That's why political leaders of our member countries have agreed to assign special status and specific immunities to the Bank, its assets and staff. High ranking financial and economic executives as well as different types of financial institutions in the region are earnest to try to enshrine this institution as the most concrete symbol of economic policy convergence. Actually this Bank among all constructive initiatives of the ECO Secretariat has emerged as the most outstanding one which witness the strength of political and economic will of the region to benefit from regional joint cooperation and efficient allocation of the resources. By the help of other FI's who are active in the region, this Bank can go far beyond a symbolic status of economic convergence and it can prove itself the most effective regional financial player and to be a real financial pillar of the region as it has been stated in its vision. Happily your institution enjoys a robust transparent corporate governance. BOG comprised of the ministers and governors of central banks and other high ranking governments representatives, streamline and approve the main policies and guidelines. Then BOD comprised of the outstanding officials coming from member countries, hold at least 6 times a year sessions and all the related policies and credit proposals and main procedures are

being carefully discussed and approved by them. The fact is that practically all the decisions have been made based on consensus and unanimous approach. Rotating President and Vice- Presidents from different member countries are being selected on the basis of competence and relying upon competitive transparent approach among numerous nominees. In addition to all these aspects, there is an internal audit committee comprised of independent auditors from member countries who are also selected by meritocracy and competition. The committee is ruled by its own charter and report directly to the BOG. The Bank has a very competitive approach for recruiting professional staff and has appealing service compensation mechanism to keep them motivated and updated. Therefore this Bank relying upon strong corporate governance and organizational structure has attained important milestones which provide a strong foundation for its future growth.

Dear Participants

We remain undeterred and committed to move forward with our mission. We stand ready to work with prospective investors and make due contribution to regional economic development. Building on its competitive advantage of regional ownership, the Bank is better placed than any other development finance institution operating in the region to understand local and regional challenges and opportunities. Considering the fact that the ECO countries differ in their circumstances including the stages of development and business environment, we carefully take into account those differences in implementing a country-owned and result-oriented investment strategy.

We are committed to ensure that each and every operation of this Bank achieves development results, contributes genuine additionality, and catalyzes investment to the critical development needs. We have adopted a transparent, dynamic business approach and streamlined processes to facilitate investment that will spur even the smallest businesses, promote trade, and revitalize the cross-border entrepreneurial activities in the region. So far, based on equity of \$ 500 m and 6 shareholder structures, we have contributed about \$ 856 million funds to various operations in the region. We maintain a well-diversified development focused portfolio without having any NPL. Bank's expertise and ability has been earning ever increasing recognition from the regional and global development communities. Considering the challenges

and substantial development needs of the region there are a lot more grounds for us to cover. Certainly we can't do this alone. And we look forward forging further cooperation among businesses and financial institutions that are active and interested to invest in the region.

Distinguished guests,

ETDB should not be only an investor but it should be also a catalyst and a facilitator to bring together interested parties from real and financial sector, from public and private sector to concentrate on mutual interests. This Bank can certainly play the role of the string in a necklace to connect the beads to each other. Working in harmony with one another, creates collective and convergent views which can provide effective impetus to shore up investor confidence to the region. This is our second year in conducting such business gathering and hopefully it would become a traditional event for a long lasting blissful outcome. We are not complacent to keep this gathering reduced to the current ceremony. By your receptive support and welcome, we can transform this type of gathering to a formal well organized platform of collective assistance. I call it tentatively the annual regional forum for trade promotion and sustainable development. Our gathering today would pave the ground to forge strategic partnerships and alliances for mobilizing resources and bridging the investment gap in the region. This annual gathering can be evolved to a determinant outstanding sustainable event which has considerable positive ramification on economic developments of individual countries as well as providing financial solution to cross border projects. Just as an evidence, let's bear in mind that ECO region is enjoying more than 300 banks with a total asset size of more than \$ 1.6 bn. ETDB headquartered in strategic location, Istanbul, being a multinational regional institution, can help organizing a platform for regional development and trade promotion. The said forum comprising of volunteer FI's, other MDB's, donor organizations and businesses can be mandated to forge a strategic partnership. The forum can strengthen dialogue to identify investment opportunities or prepare the grounds to form syndications and risk sharing mechanism for other type of financial instruments. The forum can promote public-private partnership. In the course of time, the said forum may set its own permanent secretariat, advisory board and executive committee with a stand-alone budget provided by annual contributions of the members to secure the efficiency of plan and organizing constructive meetings. The

forum can devise different committees which deal with different sectors of the economy to deliberate on the following main questions: 1) What are the current status, problems and opportunities? 2) What are the proposed projects? 3) What are the best practices and financial solutions? 4) What are the roles of financial and other partners to play in order to materialize the specific proposals?

Excellencies, Distinguished guests,

As I conclude my remarks, let's hope that by the support of main financial and business partners in the region, sooner or later, this idea can be materialized and create a synergy in order to provide more welfare and prosperity to our region.

I would like to reiterate my deepest gratitude to all of you for joining us at this event. I wish you all the best status of health and the greatest moments of happiness.

Thank you very much.