

RESOLUTION NO.234

2019 NET INCOME ALLOCATION

THE BOARD OF GOVERNORS

Having considered and being in agreement with the 'Report of the Board of Directors to the Board of Governors: 2019 Net Income Allocation Proposals' (the "Report");

Having noted from the Report that the Board of Directors recommends that, after making provisions for reserves and, if necessary, against possible losses under Article 17 of the Agreement Establishing the EBRD (the "EBRD Agreement"), a portion of the Bank's net income for 2019 should be allocated to other purposes, and a portion should be allocated to surplus;

Acknowledging that the net income allocation proposals are made within the framework of a set of principles approved by the Board of Directors that aim to balance the demands on the Bank's net income with the importance of the Bank retaining capital to support financial sustainability and to pursue its strategic objectives;

Recognising that the impact of the Bank's operational activity on the transition process in its countries of operations has been substantial and that it was achieved with the aid of technical assistance and other support;

Further recognising the importance of the EBRD Shareholder Special Fund in supporting the Bank's strategic priorities;

Further acknowledging the importance of the Bank's engagement to the West Bank and Gaza, a net income allocation to the EBRD Trust Fund for West Bank and Gaza is necessary in order to provide the resources required for financing operations and activities of the Bank in West Bank and Gaza;

RESOLVES THAT:

In accordance with Article 36.1 of the EBRD Agreement, a net income allocation for other purposes from the Bank's net income for 2019 and after making provisions for reserves, and, if necessary, against possible losses under Article 17 of the EBRD Agreement, shall be made as follows:

- (a) An amount of EUR 100 million shall be allocated as a contribution to the EBRD Shareholder Special Fund. From this amount allocated to the EBRD Shareholder Special Fund and any returns, recoveries, reflows, reimbursements, and income deriving from such allocated amount, not less than 95% shall be used to support ODA countries;
- (b) An amount of EUR 15 million shall be allocated as a contribution to the EBRD Trust Fund for West Bank and Gaza;
- (c) The balance of the Bank's net income for 2019 shall be allocated to surplus.

(Adopted 7 October 2020)