

DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT



European Bank
for Reconstruction and Development

FINANCIAL REPORT

At 31 December 2020

The financial statements for the Bank for the year ended 31 December 2020 were audited on 14 April 2021 and reviewed by the Board of Directors on 14 April 2021 and will be subsequently submitted for approval to the Board of Governors.

Income statement

For the year ended 31 December 2020	Year to 31 Dec 2020 € million	Year to 31 Dec 2019 € million
<i>Interest income</i>		
From Banking loans	1,045	1,239
From fixed-income debt securities and other interest	222	421
	1,267	1,660
<i>Other interest</i>		
Interest expense and similar charges	(468)	(988)
Net interest (expense)/income on derivatives	(35)	148
Net interest income	764	820
Fee and commission income	109	103
Fee and commission expense	(29)	(21)
Net fee and commission income	80	82
Dividend income	112	215
Net gains from share investments at fair value through profit or loss	212	922
Net losses from loans	(37)	(8)
Net gains from Treasury assets held at amortised cost	2	2
Net gains from Treasury activities at fair value through profit or loss and foreign exchange	105	91
Fair value movement on non-qualifying and ineffective hedges	(3)	(235)
Impairment provisions on Banking loan investments	(478)	(17)
Impairment provisions on guarantees	(1)	(5)
General administrative expenses	(414)	(381)
Depreciation and amortisation	(52)	(54)
Net profit	290	1,432
Attributable to:		
Equity holders	290	1,432
Memorandum items		
Transfers of net income approved by the Board of Governors	(115)	(117)
Net profit after transfers of net income approved by the Board of Governors	175	1,315

Statement of comprehensive income

For the year ended 31 December 2020	Year to 31 December 2020 € million	Year to 31 December 2019 € million
Net profit	290	1,432
Other comprehensive income		
1: Items that will not be reclassified subsequently to profit or loss		
- (Losses)/gains on share investments designated as fair value through other comprehensive income	(7)	19
- Actuarial (losses)/gains on defined benefit scheme	(10)	18
2: Items that may be reclassified subsequently to profit or loss		
- Losses on cash flow hedges	(1)	(2)
- (Losses)/gains on fair value hedges	(69)	87
- (Losses)/gains on loans measured at fair value through other comprehensive income	(27)	108
Total comprehensive income	176	1,662
Attributable to:		
Equity holders	176	1,662

Balance sheet

At 31 December 2020	€ million	31 Dec 2020 € million	€ million	31 Dec 2019 € million
Assets				
Placements with and advances to credit institutions	18,690		18,368	
Debt securities				
At fair value through profit or loss	1,741		1,789	
At amortised cost	11,243		11,840	
		31,674		31,997
Other financial assets				
Derivative financial instruments	5,030		4,300	
Other financial assets	444		456	
		5,474		4,756
Loan investments				
Loans at amortised cost	26,016		24,118	
Less: Provisions for impairment	(1,141)		(946)	
Loans at fair value through other comprehensive income	2,280		2,494	
Loans at fair value through profit or loss	319		409	
		27,474		26,075
Share investments				
<i>Banking portfolio:</i>				
At fair value through profit or loss	4,872		5,070	
<i>Treasury portfolio:</i>				
Share investments at fair value through other comprehensive income	105		112	
		4,977		5,182
Intangible assets		77		69
Property and equipment		96		122
Total assets		69,772		68,201
Liabilities				
Borrowings				
Amounts owed to credit institutions and other third parties	1,353		1,669	
Debts evidenced by certificates	46,926		45,821	
		48,279		47,490
Other financial liabilities				
Derivative financial instruments	2,733		1,935	
Other financial liabilities	869		946	
		3,602		2,881
Total liabilities		51,881		50,371
Members' equity attributable to equity holders				
Paid-in capital	6,217		6,217	
Reserves and retained earnings	11,674		11,613	
Total members' equity		17,891		17,830
Total liabilities and members' equity		69,772		68,201
Memorandum items				
Undrawn commitments		15,081		14,254