

DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT



European Bank
for Reconstruction and Development

INTERIM FINANCIAL REPORT

At 31 March 2022

(UNAUDITED)

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Income statement

For the quarter ended 31 March 2022 (unaudited) and 31 March 2021 (unaudited)

	Quarter 1 2022 € million	Quarter 1 2021 € million
Interest and similar income		
From Banking loans	315	225
From fixed-income debt securities and other interest	59	45
Interest expense and similar charges	(100)	(65)
Net interest expense on derivatives	(34)	(31)
Net interest income	240	174
Fee and commission income	19	26
Fee and commission expense	(2)	(6)
Net fee and commission income	17	20
Donor related income	4	3
Donor related expense	(4)	(3)
Net donor-related income	0	0
Dividend income	10	6
Net (losses)/gains from share investments	(1,361)	49
Net (losses)/gains from loans	(55)	15
Net gains from Treasury assets held at amortised cost	-	1
Net gains from Treasury activities at fair value through profit or loss and foreign exchange	39	53
Fair value movement on non-qualifying and ineffective hedges	239	67
Impairment (charge)/release on Banking loan investments	(1,370)	28
Impairment charge on guarantees	(5)	(2)
General administrative expenses	(103)	(87)
Depreciation and amortisation	(16)	(12)
Net (loss)/profit for the period	(2,365)	312
Attributable to:		
Equity holders	(2,365)	312
Memorandum items		
Transfers of net income approved by the Board of Governors	-	-
Net (loss)/profit after transfers of net income approved by the Board of Governors	(2,365)	312

Statement of comprehensive income

For the quarter ended 31 March 2022 (unaudited) and 31 March 2021 (unaudited)

	Quarter 1 2022 € million	Quarter 1 2021 € million
Net (loss)/profit	(2,365)	312
Other comprehensive income/(expense)		
1. Items that will not be reclassified subsequently to profit or loss		
– Losses on share investments designated as fair value through other comprehensive income	(2)	(4)
2. Items that may be reclassified subsequently to profit or loss		
– Gains on cash flow hedges	-	15
– Losses on fair value hedges	(87)	(80)
– (Losses)/gains on loans designated as fair value through other comprehensive income	(135)	7
Total comprehensive income	(224)	(62)
Attributable to:		
Equity holders	(2,589)	250

Balance sheet

At 31 March 2022 (unaudited) and 31 December 2021 (audited)

At 31 March 2022	€ million	31 Mar 2022 € million	€ million	31 Dec 2021 € million
Assets				
Placements with and advances to credit institutions	22,734		22,619	
Debt securities				
At fair value through profit or loss	854		1,050	
At amortised cost	10,389		10,304	
		33,977		33,973
Other financial assets				
Derivative financial instruments	4,944		4,960	
Other financial assets	833		470	
		5,777		5,430
Loan investments				
Loans at amortised cost	27,467		27,208	
Less: Impairment	(2,108)		(963)	
Loans at fair value through other comprehensive income	1,465		1,907	
Loans at fair value through profit or loss	480		575	
		27,304		28,727
Share investments				
<i>Banking Portfolio:</i>				
At fair value through profit or loss	4,434		6,010	
<i>Treasury Portfolio:</i>				
Share investments at fair value through other comprehensive income	129		131	
		4,563		6,141
Intangible assets		120		110
Property, technology and equipment		402		392
Total assets		72,143		74,773
Liabilities				
Borrowings				
Amounts owed to credit institutions and other third parties	892		1,000	
Debts evidenced by certificates	48,053		49,126	
		48,945		50,126
Other financial liabilities				
Derivative financial instruments	4,277		3,133	
Other financial liabilities	1,165		1,169	
		5,442		4,302
Total liabilities		54,387		54,428
Members' equity attributable to equity holders				
Paid-in capital	6,217		6,217	
Reserves and retained earnings	11,539		14,128	
Total members' equity		17,756		20,345
Total liabilities and members' equity		72,143		74,773
Memorandum items				
Undrawn commitments		14,570		15,867

Statement of changes in equity

For the quarter ended 31 March 2022 (unaudited) and 31 March 2021 (unaudited)

	Subscribed capital € million	Callable capital € million	Revaluation reserve € million	Hedging reserve € million	Actuarial remeasurement € million	Retained earnings € million	Total equity € million
At 31 December 2020	29,755	(23,538)	111	(29)	12	11,580	17,891
Total comprehensive income for the year	-	-	3	(65)	-	312	250
At 31 March 2021	29,755	(23,538)	114	(94)	12	11,892	18,141
At 31 December 2021	29,759	(23,542)	98	(54)	82	14,002	20,345
Total comprehensive income for the year	-	-	(137)	(87)	-	(2,365)	(2,589)
At 31 March 2022	29,759	(23,542)	(39)	(141)	82	11,637	17,756

Statement of cash flows

For the period to 31 March 2022 (unaudited) and 31 March 2021 (unaudited)

	€ million	Quarter 1 2022 € million	€ million	Quarter 1 2021 € million
Cash flows from operating activities				
Net profit/(loss) for the year	(2,365)		312	
Adjustments to reconcile net profit to net cash flows:				
<i>Non-cash items in the income statement</i>				
Depreciation and amortisation	16		12	
Net impairment charge/(release) for Banking loan losses and guarantees	1,375		(26)	
Fair value movement on share investments	1,362		(49)	
Fair value movement on loans held at fair value through profit or loss	55		(15)	
Fair value movement on Treasury investments	(39)		(51)	
Other unrealised fair value movements	(239)		(67)	
Cash flows from the sale and purchase of operating assets				
Proceeds from repayments of Banking loans	1,757		1,320	
Funds advanced for Banking loans	(1,847)		(1,521)	
Proceeds from sale of Banking share investments	145		149	
Funds advanced for Banking share investments	(89)		(95)	
Net cash flows from Treasury derivative settlements	403		(214)	
Net placements to credit institutions	3,163		(704)	
Working capital adjustment:				
Movement in interest income	134		98	
Movement in interest expense	(20)		16	
Movement in net fee and commission income	7		2	
Movement in accrued expenses	(29)		2	
Net cash used in operating activities		3,789		(831)
Cash flows from investing activities				
Proceeds from debt securities at amortised cost	1,073		2,789	
Purchases of debt securities at amortised cost	(1,257)		(1,726)	
Proceeds from sale of debt securities at fair value through profit or loss	968		1,040	
Purchases of debt securities at fair value through profit or loss	(835)		(879)	
Purchase of intangible assets, property, technology and equipment	(34)		(9)	
Cash flows from/(used in) investing activities		(85)		1,215
Cash flows from financing activities				
Capital received	-		-	
Net income allocation payments	-		(50)	
Lease liability payments	(9)		(5)	
Issue of debts evidenced by certificates	3,948		5,626	
Redemption of debts evidenced by certificates	(3,909)		(5,362)	
Net cash from financing activities		(420)		209
Net (decrease)/increase in cash and cash equivalents		3,284		593
Cash and cash equivalents at beginning of the year		5,176		3,942
Cash and cash equivalents at 31 March²		8,460		4,535

² Cash and cash equivalents are amounts with less than three months to maturity from the date of the transactions, which are available for use at short notice and are subject to insignificant risk of change in value. Within the 31 March 2022 balance is €5 million restricted for technical assistance to be provided to member countries in the SEMED region.

Explanatory notes

1. *Establishment of the Bank*

i **Agreement Establishing the Bank**

The European Bank for Reconstruction and Development ("the Bank"), whose principal office is located in London, is an international organisation formed under the Agreement Establishing the Bank dated 29 May 1990 ("the Agreement"). At 31 March 2022 the Bank's shareholders comprised 73 countries, together with the European Union and the European Investment Bank.

ii **Headquarters Agreement**

The status, privileges and immunities of the Bank and persons connected with the Bank in the United Kingdom are defined in the Agreement and in the Headquarters Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Bank ("Headquarters Agreement"). The Headquarters Agreement was signed in London upon the commencement of the Bank's operations on 15 April 1991.

2. *A summary of significant accounting policies*

i **Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income, financial assets and financial liabilities held at fair value through profit or loss and all derivative contracts. In addition, financial assets and liabilities subject to amortised cost measurement which form part of a qualifying hedge relationship have been accounted for in accordance with hedge accounting rules.

ii **Financial statements presentation**

The financial statements are presented in a manner consistent with the Bank's audited financial statements for the year ended 31 December 2021.

The financial statements have been prepared on a going concern basis. In the opinion of management, all adjustments necessary for a fair presentation of the financial position and the results of operations for the period have been made, and the significant assumptions used in making accounting estimates are reasonable. The estimates made in these interim financial statements consider all known relevant and material information available at the time of their issuance as required by IFRS, and any contingent assets and liabilities have been disclosed in accordance with IFRS requirements. Management are not aware of any material deficiencies in either the design or operation of internal controls over financial reporting.

The results of operations for interim periods are not necessarily indicative of results to be expected for the year ending 31 December 2022.

3. Banking loan investments at amortised cost

	31 Mar 2022 Sovereign € million	31 Mar 2022 Non-sovereign € million	31 Mar 2022 Total loans € million	31 Dec 2021 Sovereign € million	31 Dec 2021 Non-sovereign € million	31 Dec 2021 Total loans € million
At 1 January	5,524	21,684	27,208	5,133	20,883	26,016
Disbursements	311	1,536	1,847	1,160	7,062	8,222
Repayments and prepayments	(140)	(1,530)	(1,670)	(860)	(6,623)	(7,483)
Remeasurement of previously impaired loans	-	1	1	-	5	5
Foreign exchange movements	28	23	51	117	407	524
Movement in net deferred fee, direct costs and effective interest rate adjustments	(3)	33	30	(26)	29	3
Reclassification	-	-	-	-	(53)	(53)
Written off	-	-	-	-	(26)	(26)
At period end	5,720	21,747	27,467	5,524	21,684	27,208
Impairment period end	(447)	(1,661)	(2,108)	(17)	(946)	(963)
Total net of impairment at period end	5,273	20,086	25,359	5,507	20,738	26,245

At 31 March 2022 the Bank categorised 108 amortised cost loans as non-performing, with operating assets total €1,520 million (31 December 2021: 95 loans totalling €1,437 million). Specific impairment on these assets amounted to €812 million (31 December 2021: €733 million).

4. Banking loan investments at fair value through profit or loss

	31 Mar 2022 Sovereign € million	31 Mar 2022 Non-sovereign € million	31 Mar 2022 Total loans € million	31 Dec 2021 Sovereign € million	31 Dec 2021 Non-sovereign € million	31 Dec 2021 Total loans € million
At 1 January	58	517	575	-	319	319
Movement in fair value revaluation	(25)	(46)	(71)	(8)	35	27
Disbursements	-	-	-	65	175	240
Repayments and prepayments	-	(27)	(27)	-	(80)	(80)
Reclassification	-	-	-	-	53	53
Foreign exchange movements	1	2	3	1	15	16
At period end	34	446	480	58	517	575

At 31 March 2022, the Bank categorised five fair value through profit or loss loans as non-performing, with operating assets total €30 million (31 December 2021: five loans totalling €30 million). Net fair value losses on these assets amounted to €18 million (31 December 2021: €17 million).

5. Banking loan investments at fair value through other comprehensive income

	31 Mar 2022 € million	31 Dec 2021 € million
Non-sovereign loans		
At 1 January	1,907	2,280
Movement in fair value revaluation	(144)	(46)
Movement in expected credit loss	(217)	8
Repayments and prepayments	(92)	(352)
Foreign exchange movements	(1)	9
Movement in effective interest rate adjustment	12	8
At period end	1,465	1,907

At 31 March 2022, the Bank categorised no fair value through other comprehensive income loans as non-performing (31 December 2021: none).

6. Banking share investments at fair value through profit or loss

	31 Mar 2022 Fair value Unlisted € million	31 Mar 2022 Fair value Listed € million	31 Mar 2022 Fair value Total € million	31 Dec 2021 Fair value Unlisted € million	31 Dec 2021 Fair value Listed € million	31 Dec 2021 Fair value Total € million
Outstanding disbursements						
At 1 January	3,131	1,448	4,579	3,154	1,552	4,706
Transfer between unlisted and listed	-	-	-	-	-	-
Disbursements	84	6	90	502	113	615
Disposals	(69)	(7)	(76)	(525)	(217)	(742)
Written off	-	-	-	-	-	-
At period end	3,146	1,447	4,593	3,131	1,448	4,579
Fair value adjustment						
At 1 January	1,020	411	1,431	71	95	166
Transfer between unlisted and listed	-	-	-	-	-	-
Movement in fair value revaluation	(947)	(643)	(1,590)	949	316	1,265
At period end	73	(232)	(159)	1,020	411	1,431
Fair value at period end	3,219	1,215	4,434	4,151	1,859	6,010
Equity Derivatives	179	27	206	125	(57)	68

7. Primary segment analysis

Business segments

The Bank's activities are primarily Banking and Treasury. Banking activities represent investments in projects that, in accordance with the Agreement, are made for the purpose of assisting the economies in which the Bank invests in their transition to open, market economies whilst fostering sustainable and inclusive growth and applying sound banking principles. The main investment products are loans, share investments and guarantees. Treasury activities include raising debt finance, investing surplus liquidity, managing the Bank's foreign exchange and interest rate risks and assisting clients in asset and liability management matters.

Information on the financial performance of Banking and Treasury operations is prepared regularly. On this basis, Banking and Treasury operations have been identified as the operating segments.

Segment performance

The segment information for the operating segments for the years ended 31 March 2022 and 31 March 2021 is as follows:

	Banking 31 Mar 2022 € million	Treasury 31 Mar 2022 € million	Aggregated 31 Mar 2022 € million	Banking 31 Mar 2021 € million	Treasury 31 Mar 2021 € million	Aggregated 31 Mar 2021 € million
Interest income	315	59	374	225	45	270
Other income/(expense)	(1,389)	39	(1,350)	90	54	144
Total segment (expense)/revenue	(1,074)	98	(976)	315	99	414
Interest expense and similar charges	-	(100)	(100)	-	(65)	(65)
Net interest expense on derivatives	-	(34)	(34)	-	(31)	(31)
Internal funding charge	(80)	80	-	(68)	68	-
General administrative expenses	(97)	(6)	(103)	(82)	(5)	(87)
Depreciation and amortisation	(15)	(1)	(16)	(11)	(1)	(12)
Segment result before impairment and hedges	(1,266)	37	(1,229)	154	65	219
Fair value movement on non-qualifying and ineffective hedges	-	239	239	-	67	67
Impairment of loan investments and guarantees	(1,375)	-	(1,375)	26	-	26
Net (loss)/profit for the period	(2,641)	276	(2,365)	180	132	312
Segment assets	32,903	39,240	72,143	33,595	37,058	70,653
Segment liabilities	907	53,480	54,387	680	51,382	52,512

8. Fair value of financial assets and liabilities

Classification and fair value of financial assets and liabilities

	Carrying amount € million	Fair value € million
Financial assets at 31 March 2022		
Financial assets measured at fair value through profit or loss or fair value through other comprehensive income:		
Debt securities	854	854
Derivative financial instruments	4,944	4,944
Share investments (Banking portfolio)	4,434	4,434
Banking loans	1,945	1,945
Share investments (Treasury portfolio)	129	129
	12,306	12,306
Financial assets measured at amortised cost:		
Placements with and advances to credit institutions	22,734	22,734
Debt securities	10,389	10,396
Other financial assets	833	833
Banking loan investments at amortised cost	25,359	25,722
	59,315	59,685
Total	71,621	71,991
Financial liabilities at 31 March 2022		
Financial liabilities measured at fair value through profit or loss or fair value through other comprehensive income:		
Amounts owed to credit institutions	(892)	(892)
Debts evidenced by certificates	(48,053)	(48,385)
Derivative financial instruments	(4,277)	(4,277)
Equity Participation Fund	(175)	(175)
Other financial liabilities	(990)	(990)
Total	(54,387)	(54,719)

Fair Value Estimation Techniques

The Bank's balance sheet approximates to fair value in all financial asset and liability categories, with the exception of loan investments at amortised cost.

The amortised cost instruments held within placements with and advances to credit institutions, other financial assets, amounts owed to credit institutions, and other financial liabilities are all deemed to have amortised cost values approximating their fair value, being primary simple, short-term instruments. They are classified as having Level 2 inputs (see fair value hierarchy, below) as the Bank's assessment of their fair value is based on the observable market valuation of similar assets and liabilities.

The fair value of amortised cost debt securities is determined using Level 2 inputs, employing valuation techniques appropriate to the market and industry of each investment. The primary valuation techniques used are quotes from brokerage services and discounted cash flows. Techniques used to support these valuations include industry valuation benchmarks and recent transaction prices.

Banking loan investments whereby the objective of the Bank's business model is to hold these investments to collect the contractual cash flow, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest, are recognised at amortised cost. The fair value of these loans was calculated using Level 3 inputs by discounting the cash flows at a year end interest rate applicable to each loan and further discounting the value by an internal measure of credit risk.

Debts evidenced by certificates represents the Bank's borrowings raised through the issuance of commercial paper and bonds. The fair value of the Bank's issued bonds is determined using discounted cash flow models and therefore relies on Level 3 inputs. Due to the short-tenor nature of commercial paper, amortised cost approximates fair value. The fair value of the Bank's issued commercial paper is determined based on the observable market valuation of similar assets and liabilities and therefore relies on Level 2 inputs.

Fair value hierarchy

IFRS 13 specifies classification of fair values on the basis of a three-level hierarchy of valuation methodologies. The classifications are determined based on whether the inputs used in the measurement of fair values are observable or unobservable. These inputs have created the following fair value hierarchy:

- **Level 1** – Quoted prices in active markets for identical assets or liabilities. This level includes listed share investments on stock exchanges and listed bonds classified as loans held at fair value through other comprehensive income.
- **Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes debt securities, most derivative products and listed share and bond investments valued using a quoted price but where there is no market sufficiently active to be included in Level 1. The sources of inputs include prices available from screen-based services such as SuperDerivatives and Bloomberg, broker quotes and observable market data such as interest rates and foreign exchange rates which are used in deriving the valuations of derivative products.
- **Level 3** - Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes share investments and debt securities or derivative products for which not all market data is observable.

The table below provides information at 31 March 2022 about the Bank's financial assets and financial liabilities measured at fair value. Financial assets and financial liabilities are classified in their entirety based on the lowest level input that is significant to the fair value measurement.

	At 31 March 2022			
	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Debt securities	818	36	-	854
Derivative financial instruments	-	4,686	258	4,944
Banking loans	1,606	40	299	1,945
Share investments (Banking portfolio)	1,178	59	3,197	4,434
Share investments (Treasury portfolio)	-	129	-	129
Total financial assets at fair value	3,601	4,950	3,754	12,306
Derivative financial instruments	-	(4,226)	(51)	(4,277)
Equity Participation Fund	-	-	(172)	(172)
Total financial liabilities at fair value	-	(4,226)	(223)	(4,449)

The table below provides a reconciliation of the fair values of the Bank's level 3 financial assets and financial liabilities for the period ended 31 March 2022.

	Derivative financial instruments € million	Banking loans € million	Banking share investments € million	Total assets € million	Other liabilities € million	Derivative financial instruments € million	Total liabilities € million
Balance at 31 December 2021	216	346	4,268	4,830	(195)	(151)	(346)
<i>Net gains/(losses) recognised in:</i>							
- Net (losses)/gains from share investments at fair value through profit and loss	127	-	(979)	(852)	20	11	31
- Net losses from loans	-	(56)	-	(56)	-	-	-
Issuances	-	-	-	-	-	-	-
Purchases	-	-	83	83	(1)	-	(1)
Settlements	(85)	3	-	(82)	4	89	93
Sales	-	-	(97)	(97)	-	-	-
Transfers in/(out) of Level 3	-	-	(78)	(78)	-	-	-
Balance at 31 March 2022	258	293	3,197	3,748	(172)	(51)	(223)
<i>Net gains/(losses) for the period for Level 3 instruments held at 31 March 2022 recognised in:</i>							
- Net (losses)/gains from share investments at fair value through profit and loss	127	-	(1,100)	(973)	21	11	32
- Net losses from loans	-	(56)	-	(56)	-	-	-

Level 3 – sensitivity analysis

The table below presents the level 3 financial instruments carried at fair value at 31 March 2022, the main valuation models/techniques used in the valuation of these financial instruments and the estimated increases or decreases in fair value based on reasonably possible alternative assumptions:

	Main valuation models/techniques	Impact on net profit in Quarter 1 2022		
		Carrying amount € million	Favourable change € million	Unfavourable change € million
Banking loans	DCF and option pricing models	293	49	(12)
Banking share investments, EPF and associated derivatives	NAV and EBITDA multiples, DCF models, compounded interest and option pricing models*	3,232	513	(500)
At period end		3,525	562	(512)

* NAV = net asset value; EBITDA = earnings before interest, tax, depreciation and amortisation.

The EBRD Shareholder Special Fund

The Rules of the EBRD Shareholder Special Fund require submission of the financial statements to the Board on a quarterly basis.

Statement of comprehensive income

For the quarter ended 31 March 2022 (unaudited) and 31 March 2021 (unaudited)

	Quarter 1 2022 € million	YTD 2022 € million	Quarter 1 2021 € million	YTD 2021 € million
Technical cooperation expenses	(10)	(10)	(17)	(17)
Disbursements for investment grants	(2)	(2)	(2)	(2)
Net unrealised gains from share investments	1	1	6	6
Operating expenses	(4)	(4)	-	-
Foreign exchange movement	1	1	2	2
Net loss and comprehensive expense for the period	(11)	(11)	(11)	(11)
Total comprehensive expense attributable to:				
Contributors	(11)	(11)	(11)	(11)

Balance Sheet

At 31 March 2022 (unaudited) and 31 December 2021 (audited)

	31 March 2022 € million	31 December 2021 € million
Assets		
Placements with credit institutions	451	470
Local office advances	1	-
Contributions receivable	112	110
Share investments	52	51
Total assets	616	631
Liabilities and contributors' resources		
Accrued expenses	48	52
Financial guarantee liability	1	1
Total liabilities	49	53
Contributions	1,200	1,200
Reserves and accumulated loss	(633)	(622)
Total contributors' resources	567	578
Total liabilities and contributors' resources	616	631

The EBRD Shareholder Special Fund

Statement of changes in contributors' resources

For the period ended 31 March 2022 (unaudited) and 31 March 2021 (unaudited)

	Contributions € million	Accumulated loss € million	Total € million
At 31 December 2020	1,135	(556)	579
Total comprehensive expense for the period	-	(11)	(11)
At 31 March 2021	1,135	(567)	568
At 31 December 2021	1,200	(622)	578
Total comprehensive expense for the period	-	(11)	(11)
At 31 March 2022	1,200	(633)	567

Statement of cash flows

For the period to 31 March 2022 (unaudited) and 31 March 2022 (unaudited)

	€ million	Period to 31 March 2022 € million	€ million	Period to 31 March 2021 € million
Cash flows from operating activities				
Net loss for the period	(11)		(11)	
Adjustment to reconcile net loss to net cash flows:				
<i>Non-cash items in the statement of comprehensive income</i>				
Net unrealised gains on share investments	(1)		(6)	
Foreign exchange movement	(1)		(2)	
		(13)		(19)
<i>Cash flows from the sale and purchase of operating assets</i>				
Net placements to credit institutions	-		(50)	
<i>Working capital adjustment</i>				
Funds advanced to local offices	(1)		(1)	
Movement in accrued expenses	(4)		(5)	
Management fees paid	(2)		-	
Net cash (used in)/from operating activities		(7)		(46)
<i>Cash flows from financing activities</i>				
Contributions received	-		50	
Net cash from financing activities		-		50
Net (decrease)/increase in cash and cash equivalents		(20)		(15)
Cash and cash equivalents at the beginning of the period		280		288
Effect of foreign exchange rate changes		1		(1)
Cash and cash equivalents at 31 March*		261		272

*Cash and cash equivalents are amounts with less than three months maturity from the date of transaction. The Fund also has €190 million on 3 to 6 months placements as at 31 March 2022.

The EBRD Shareholder Special Fund

Explanatory notes

1 Creation of the Special Fund

The creation of the EBRD Shareholder Fund (“the Fund”) was approved by the Board of Directors (“the Board”) of the Bank on 15 April 2008 and is administered, inter alia, in accordance with the Agreement Establishing the Bank and under the terms of Rules and Regulations of the Fund. The Fund became operational after the Governors of the Bank adopted the 2007 Net Income Allocation Resolution during its Annual General Meeting on 18-19 May 2008.

The Fund was established in accordance with Article 18 of the Agreement Establishing the Bank. The Fund is not part of the ordinary capital resources of the Bank, but the privileges and immunities available to the Bank are extended to the Fund. The objective of the Fund is to broaden the scope and deepen the intensity of the Bank’s transition impact in support of the Bank’s key priorities.

2 A summary of significant accounting policies

i. Basis of preparation

These interim financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss. The financial statements have been prepared on a going concern basis.

ii. Financial statement presentation

The financial statements are presented in a manner consistent with the Fund’s audited financial statements for the year ended 31 December 2021.

The results of operations for interim periods are not necessarily indicative of results to be expected for the year ending 31 December 2022.

3 Disbursements for technical cooperation projects

	Commitments approved € million	Disbursements € million	Undrawn commitments € million
Total projects			
As at 31 December 2021	566	(515)	51
Movement in the period	11	(10)	1
At 31 March 2022	577	(525)	52

4 Undrawn commitments

	31 March 2022 € million	31 December 2021 € million
Technical cooperation expenses	52	51
Incentive fees	9	9
First loss risk sharing guarantees	6	6
Investment grants	55	51
At period end	122	117

This represents amounts for which the Fund has contracted but for which the transaction or service was not performed at the period end.

5 Share investments

	31 March 2022 € million	31 December 2021 € million
Outstanding disbursements		
At 1 January	48	38
Disbursements	-	10
Total	48	48
Fair value adjustment		
At 1 January	3	(2)
Movement in fair value revaluation	1	5
Total	4	3
Fair value at period end	52	51