

DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT



European Bank
for Reconstruction and Development

FINANCIAL REPORT

At 31 December 2021

The financial statements for the Bank for the year ended 31 December 2021 were audited on 6 April 2022 and reviewed by the Board of Directors on 6 April 2022 and will be subsequently submitted for approval to the Board of Governors.

Income statement

For the year ended 31 December 2021	Year to 31 Dec 2021 € million	Year to 31 Dec 2020 € million
<i>Interest income</i>		
From Banking loans	1,091	1,045
From fixed-income debt securities and other interest	173	222
	1,264	1,267
<i>Other interest</i>		
Interest expense and similar charges	(272)	(468)
Net interest expense on derivatives	(109)	(35)
Net interest income	883	764
Fee and commission income	103	109
Fee and commission expense	(32)	(29)
Net fee and commission income	71	80
Donor-related income	18	10
Donor-related expense	(10)	(10)
Net donor-related income	8	-
Dividend income	146	112
Net gains from share investments at fair value through profit or loss	1,510	212
Net gains/(losses) from loans	54	(37)
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	78	105
Fair value movement on non-qualifying and ineffective hedges	60	(3)
Impairment provisions on Banking loan investments	161	(478)
Impairment provisions on guarantees	3	(1)
General administrative expenses	(415)	(414)
Depreciation and amortisation	(59)	(52)
Net profit	2,502	290
Attributable to:		
Equity holders	2,502	290
Memorandum items		
Transfers of net income approved by the Board of Governors	(80)	(115)
Net profit after transfers of net income approved by the Board of Governors	2,422	175

Statement of comprehensive income

For the year ended 31 December 2021	Year to 31 December 2021 € million	Year to 31 December 2020 € million
Net profit	2,502	290
Other comprehensive income		
1: Items that will not be reclassified subsequently to profit or loss		
– Gains/(losses) on share investments designated as fair value through other comprehensive income	26	(7)
– Actuarial gains/(losses) on defined benefit scheme	71	(10)
2: Items that may be reclassified subsequently to profit or loss		
– Gains on cash flow hedges	-	(1)
– Losses on fair value hedges	(26)	(69)
– Losses on loans measured at fair value through other comprehensive income	(39)	(27)
Other comprehensive income	32	(114)
Total comprehensive income	2,534	176
Attributable to:		
Equity holders	2,534	176

Balance sheet

At 31 December 2021	€ million	31 Dec 2021 € million	€ million	31 Dec 2020 € million
Assets				
Placements with and advances to credit institutions	22,619		18,690	
Debt securities				
At fair value through profit or loss	1,050		1,741	
At amortised cost	10,304		11,243	
		33,973		31,674
Other financial assets				
Derivative financial instruments	4,960		5,030	
Other financial assets	470		444	
		5,430		5,474
Loan investments				
Loans at amortised cost	27,208		26,016	
Less: Provisions for impairment	(963)		(1,141)	
Loans at fair value through other comprehensive income	1,907		2,280	
Loans at fair value through profit or loss	575		319	
		28,727		27,474
Share investments				
<i>Banking portfolio:</i>				
At fair value through profit or loss	6,010		4,872	
<i>Treasury portfolio:</i>				
Share investments at fair value through other comprehensive income	131		105	
		6,141		4,977
Intangible assets		110		77
Property and equipment		392		96
Total assets		74,773		69,772
Liabilities				
Borrowings				
Amounts owed to credit institutions and other third parties	1,000		1,353	
Debts evidenced by certificates	49,126		46,926	
		50,126		48,279
Other financial liabilities				
Derivative financial instruments	3,133		2,733	
Other financial liabilities	1,169		869	
		4,302		3,602
Total liabilities		54,428		51,881
Members' equity attributable to equity holders				
Paid-in capital	6,217		6,217	
Reserves and retained earnings	14,128		11,674	
Total members' equity		20,345		17,891
Total liabilities and members' equity		74,773		69,772
Memorandum items				
Undrawn commitments		15,867		15,081