

DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT



European Bank
for Reconstruction and Development

FINANCIAL REPORT

At 31 December 2019

The financial statements for the Bank for the year ended 31 December 2019 were audited on 7 April 2020 and reviewed by the Board of Directors on 7 April 2020 and will be subsequently submitted for approval to the Board of Governors.

Income statement

For the year ended 31 December 2019	Year to 31 Dec 2019 € million	Year to 31 Dec 2018 € million
Interest and similar income		
<i>From Banking loans</i>	1,239	1,064
<i>From fixed-income debt securities and other interest</i>	462	348
Interest expense and similar charges	(988)	(831)
Net interest income on derivatives	107	170
Net interest income	820	751
Fee and commission income	103	101
Fee and commission expense	(21)	(8)
Net fee and commission income	82	93
Dividend income	215	204
Net gains/(losses) from share investments at fair value through profit or loss	922	(176)
Net (losses)/gains from loans	(8)	25
Net gains from Treasury assets held at amortised cost	2	-
Net gains from Treasury activities at fair value through profit or loss and foreign exchange	91	34
Fair value movement on non-qualifying and ineffective hedges	(235)	21
Impairment provisions on Banking loan investments	(17)	(192)
Impairment provisions on guarantees	(5)	-
General administrative expenses	(381)	(391)
Depreciation and amortisation	(54)	(29)
Net profit for the year from continuing operations	1,432	340
Transfers of net income approved by the Board of Governors	(117)	(130)
Net profit after transfers of net income approved by the Board of Governors	1,315	210
Attributable to:		
Equity holders	1,315	210

Statement of comprehensive income

For the year ended 31 December 2019	Year to 31 December 2019 € million	Year to 31 December 2018 € million
Net profit after transfers of net income approved by the Board of Governors	1,315	210
Other comprehensive income/(expense)		
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	19	(1)
– Actuarial gains/(losses) on defined benefit scheme	18	(10)
2: Items that may be reclassified subsequently to profit or loss		
– (Losses)/gains on cash flow hedges	(2)	1
– Gains/(losses) on fair value hedges	87	(46)
– Gains/(losses) on loans designated as fair value through other comprehensive income	108	(17)
Total comprehensive income	1,545	137
Attributable to:		
Equity holders	1,545	137

Balance sheet

At 31 December 2019	€ million	31 Dec 2019 € million	€ million	31 Dec 2018 € million
Assets				
Placements with and advances to credit institutions	18,368		16,014	
Debt securities				
At fair value through profit or loss	1,789		1,604	
At amortised cost	11,840		11,343	
		31,997		28,961
Other financial assets				
Derivative financial instruments	4,300		3,948	
Other financial assets	456		381	
		4,756		4,329
Loan investments				
Banking portfolio:				
Loans at amortised cost	24,118		22,413	
Less: Provisions for impairment	(946)		(981)	
Loans at fair value through other comprehensive income	2,494		1,737	
Loans at fair value through profit or loss	409		460	
		26,075		23,629
Share investments				
Banking portfolio:				
At fair value through profit or loss	5,070		4,745	
Treasury portfolio:				
Share investments at fair value through other comprehensive income	112		75	
		5,182		4,820
Intangible assets		69		62
Property, technology and equipment		122		50
Total assets		68,201		61,851
Liabilities				
Borrowings				
Amounts owed to credit institutions and other third parties	1,669		2,107	
Debts evidenced by certificates	45,821		40,729	
		47,490		42,836
Other financial liabilities				
Derivative financial instruments	1,935		2,079	
Other financial liabilities	946		653	
		2,881		2,732
Total liabilities		50,371		45,568
Members' equity attributable to equity holders				
Paid-in capital	6,217		6,215	
Reserves and retained earnings	11,613		10,068	
Total members' equity		17,830		16,283
Total liabilities and members' equity		68,201		61,851
Memorandum items				
Undrawn commitments		14,254		13,068