

DOCUMENT OF THE EUROPEAN BANK  
FOR RECONSTRUCTION AND DEVELOPMENT



**European Bank**  
for Reconstruction and Development

# FINANCIAL REPORT

At 31 December 2023

**The financial statements for the Bank for the year ended 31 December 2023 were audited on 10 April 2024 and reviewed by the Board of Directors on 10 April 2024 and will be subsequently submitted for approval to the Board of Governors.**

## Income statement

<b>For the year ended 31 December 2023</b>	<b>Year to 31 Dec 2023</b> € million	<b>Year to 31 Dec 2022</b> € million
<b>Interest income</b>		
From Banking loans	2,526	1,759
From fixed-income debt securities and other interest	1,374	511
Net Interest income on derivatives	225	-
	4,125	2,270
<b>Other interest</b>		
Interest expense and similar charges	(2,291)	(1,119)
Net interest expense on derivatives	-	(12)
<b>Net interest income</b>	<b>1,834</b>	<b>1,139</b>
<b>Fee and commission income</b>		
Fee and commission income	144	99
Fee and commission expense	(117)	(35)
<b>Net fee and commission income</b>	<b>27</b>	<b>64</b>
<b>Donor-related income</b>		
Donor-related income	28	19
Donor-related expense	(20)	(15)
<b>Net donor-related income</b>	<b>8</b>	<b>4</b>
<b>Dividend income</b>		
Dividend income	82	98
Net gains/(losses) from share investments at fair value through profit or loss	919	(1,150)
Net losses from loans	(5)	(57)
Net gains from Treasury assets held at amortised cost	1	4
Net gains from Treasury activities at fair value through profit or loss and foreign exchange	210	343
Fair value movement on non-qualifying and ineffective hedges	(554)	393
Impairment provisions on Banking loan investments	100	(1,390)
Impairment provisions on guarantees	14	(27)
General administrative expenses	(479)	(468)
Depreciation and amortisation	(59)	(70)
<b>Net profit/(loss)</b>	<b>2,098</b>	<b>(1,117)</b>
<b>Attributable to:</b>		
Equity holders	2,098	(1,117)
<b>Memorandum items</b>		
Transfers of net income approved by the Board of Governors	(23)	(123)
<b>Net profit/(loss) after transfers of net income approved by the Board of Governors</b>	<b>2,075</b>	<b>(1,240)</b>

## Statement of comprehensive income

<b>For the year ended 31 December 2023</b>	<b>Year to 31 December 2023 € million</b>	<b>Year to 31 December 2022 € million</b>
<b>Net profit/(loss)</b>	2,098	(1,117)
<b>Other comprehensive income/(expense)</b>		
1: Items that will not be reclassified subsequently to profit or loss		
– Gains on share investments designated as fair value through other comprehensive income	17	9
– Actuarial gains on defined benefit scheme	35	21
2: Items that may be reclassified subsequently to profit or loss		
– Gains/(losses) on cash flow hedges	384	(27)
– Gains/(losses) on fair value hedges	267	(190)
– Gains/(losses) on loans measured at fair value through other comprehensive income	153	(209)
<b>Other comprehensive income/(expense)</b>	<b>856</b>	<b>(396)</b>
<b>Total comprehensive income/(expense)</b>	<b>2,954</b>	<b>(1,513)</b>
<b>Attributable to:</b>		
Equity holders	2,954	(1,513)

## Balance sheet

At 31 December 2023	€ million	31 Dec 2023 € million	€ million	31 Dec 2022 € million
<b>Assets</b>				
<b>Placements with and advances to credit institutions</b>				
Cash and cash equivalents	6,324		6,640	
Other placements and advances	12,405		14,762	
		18,729		21,402
<b>Debt securities</b>				
At fair value through profit or loss	962		854	
At amortised cost	8,392		8,275	
		9,354		9,129
<b>Other financial assets</b>				
Derivative financial instruments	5,561		5,069	
Other financial assets	939		632	
		6,500		5,701
<b>Loan investments</b>				
Loans at amortised cost	32,948		29,932	
Less: Provisions for impairment	(1,831)		(2,075)	
Loans at fair value through other comprehensive income	1,024		1,183	
Loans at fair value through profit or loss	843		747	
		32,984		29,787
<b>Share investments</b>				
<i>Banking portfolio:</i>				
At fair value through profit or loss	5,620		4,885	
<i>Treasury portfolio:</i>				
Share investments at fair value through other comprehensive income	157		140	
		5,777		5,025
<b>Intangible assets</b>				
Property and equipment		152		141
		426		440
<b>Total assets</b>		<b>73,922</b>		<b>71,625</b>
<b>Liabilities</b>				
<b>Borrowings</b>				
Amounts owed to credit institutions and other third parties	911		571	
Debts evidenced by certificates	44,298		43,418	
		45,209		43,989
<b>Other financial liabilities</b>				
Derivative financial instruments	4,939		7,063	
Other financial liabilities	1,506		1,237	
		6,445		8,300
<b>Total liabilities</b>		<b>51,654</b>		<b>52,289</b>
<b>Members' equity attributable to equity holders</b>				
Paid-in capital	6,218		6,217	
Reserves and retained earnings	16,050		13,119	
<b>Total members' equity</b>		<b>22,268</b>		<b>19,336</b>
<b>Total liabilities and members' equity</b>		<b>73,922</b>		<b>71,625</b>
<b>Memorandum items</b>				
Undrawn commitments		16,631		16,670