

DOCUMENT OF THE EUROPEAN BANK  
FOR RECONSTRUCTION AND DEVELOPMENT



**European Bank**  
for Reconstruction and Development

INTERIM CONSOLIDATED FINANCIAL  
REPORT

At 30 September 2023

(UNAUDITED)

## Table of contents

---

### European Bank for Reconstruction and Development: Interim Financial Report at 30 September 2023

Consolidated income statement	2
Consolidated statement of comprehensive income	3
Consolidated balance sheet	4
Consolidated statement of changes in equity	5
Consolidated statement of cash flows	6
Explanatory notes	7
<b>EBRD Shareholder Special Fund: Interim Financial Report at 30 September 2023</b>	<b>14</b>

## Consolidated income statement

For the quarter ended 30 September 2023 (unaudited) and 30 September 2022 (unaudited)

	Quarter 3 2023 € million	YTD 2023 € million	Quarter 3 2022 € million	YTD 2022 € million
Interest and similar income				
From Banking loans	599	1,886	496	1,176
From fixed-income debt securities and other interest	365	953	146	292
Interest expense and similar charges	(653)	(1,676)	(268)	(639)
Net interest income on derivatives	28	239	19	(33)
<b>Net interest income</b>	<b>339</b>	<b>1,402</b>	<b>393</b>	<b>796</b>
Fee and commission income	29	83	30	63
Fee and commission expense	(22)	(70)	(1)	(11)
<b>Net fee and commission income</b>	<b>7</b>	<b>13</b>	<b>29</b>	<b>52</b>
Donor related income	5	20	1	15
Donor related expense	(6)	(15)	(7)	(11)
<b>Net donor-related income</b>	<b>(1)</b>	<b>5</b>	<b>(6)</b>	<b>4</b>
Dividend income	18	56	16	91
Net gains/(losses) from share investments	104	411	(70)	(1,519)
Net (losses)/gains from loans	(15)	(16)	3	(71)
Net gains from Treasury assets held at amortised cost	-	1	3	3
Net gains from Treasury activities at fair value through profit or loss and foreign exchange	17	167	97	182
Fair value movement on non-qualifying and ineffective hedges	68	(109)	120	525
Impairment release/(charge) on Banking loan investments	61	134	87	(1,294)
Impairment (charge) on guarantees	(10)	(12)	(12)	(41)
General administrative expenses	(124)	(353)	(116)	(336)
Depreciation and amortisation	(10)	(38)	(16)	(50)
<b>Net profit/(loss) for the period</b>	<b>454</b>	<b>1,661</b>	<b>528</b>	<b>(1,658)</b>
<b>Attributable to:</b>				
Equity holders	454	1,661	528	(1,658)
<b>Memorandum items</b>				
Transfers of net income approved by the Board of Governors	-	-	-	(1)
Net profit/(loss) after transfers of net income approved by the Board of Governors	454	1,661	528	(1,659)

## Consolidated statement of comprehensive income

For the quarter ended 30 September 2023 (unaudited) and 30 September 2022 (unaudited)

	Quarter 3 2023 € million	YTD 2023 € million	Quarter 3 2022 € million	YTD 2022 € million
Net profit/(loss)	454	1,661	528	(1,658)
Other comprehensive income/(expense)				
1. Items that will not be reclassified subsequently to profit or loss				
– Gains on share investments designated as fair value through other comprehensive income	7	19	12	14
– Gains on cash flow hedges	15	27	-	-
2. Items that may be reclassified subsequently to profit or loss				
– Losses on cash flow hedges	-	-	(2)	(3)
– Gains/(losses) on fair value hedges	47	199	41	(396)
– Gains/(losses) on loans designated as fair value through other comprehensive income	30	138	(47)	(204)
<b>Total comprehensive income/(expense)</b>	<b>553</b>	<b>2,044</b>	<b>532</b>	<b>(2,247)</b>
Attributable to:				
Equity holders	553	2,044	532	(2,247)

## Consolidated balance sheet

At 30 September 2023 (unaudited) and 31 December 2022 (audited)

	€ million	30 Sep 2023 € million	€ million	31 Dec 2022 € million
<b>Assets</b>				
Placements with and advances to credit institutions	19,078		21,402	
<b>Debt securities</b>				
At fair value through profit or loss	986		854	
At amortised cost	8,040		8,275	
		28,104		30,531
<b>Other financial assets</b>				
Derivative financial instruments	5,470		5,069	
Other financial assets	1,056		632	
		6,526		5,701
<b>Loan investments</b>				
Loans at amortised cost	32,200		29,932	
Less: Impairment	(1,883)		(2,075)	
Loans at fair value through other comprehensive income	1,084		1,183	
Loans at fair value through profit or loss	786		747	
		32,187		29,787
<b>Share investments</b>				
<i>Banking Portfolio:</i>				
At fair value through profit or loss	5,204		4,885	
<i>Treasury Portfolio:</i>				
At fair value through other comprehensive income	159		140	
		5,363		5,025
Intangible assets		151		141
Property, technology and equipment		428		440
<b>Total assets</b>		<b>72,759</b>		<b>71,625</b>
<b>Liabilities</b>				
<b>Borrowings</b>				
Amounts owed to credit institutions and other third parties	860		571	
Debts evidenced by certificates	42,713		43,418	
		43,573		43,989
<b>Other financial liabilities</b>				
Derivative financial instruments	6,132		7,063	
Other financial liabilities	1,674		1,237	
		7,806		8,300
<b>Total liabilities</b>		<b>51,379</b>		<b>52,289</b>
<b>Members' equity attributable to equity holders</b>				
Paid-in capital	6,217		6,217	
Reserves and retained earnings	15,163		13,119	
<b>Total members' equity</b>		<b>21,380</b>		<b>19,336</b>
<b>Total liabilities and members' equity</b>		<b>72,759</b>		<b>71,625</b>
<b>Memorandum items</b>				
Undrawn commitments		16,417		16,670

## Consolidated statement of changes in equity

For the quarter ended 30 September 2023 (unaudited) and 30 September 2022 (unaudited)

	Subscribed capital € million	Callable capital € million	Revaluation reserve € million	Hedging reserve € million	Actuarial remeasurement € million	SSF € million	Retained earnings € million	Total equity € million
<b>At 31 December 2021</b>	29,759	(23,542)	98	(54)	82	-	14,002	20,345
Total comprehensive expense for the period	-	-	(190)	(399)	-	-	(1,658)	(2,247)
Transfers of net income approved by the Board of Governors	-	-	-	-	-	-	(1)	(1)
<b>At 30 September 2022</b>	29,759	(23,542)	(92)	(453)	82	-	12,343	18,097
<b>At 31 December 2022</b>	29,759	(23,542)	(102)	(272)	104	627	12,762	19,336
Total comprehensive income for the period	-	-	157	226	-	(45)	1,706	2,044
<b>At 30 September 2023</b>	29,759	(23,542)	55	(46)	104	582	14,468	21,380

## Consolidated statement of cash flows

For the period to 30 September 2023 (unaudited) and 30 September 2022 (unaudited)

	€ million	Quarter 3 2023 € million	€ million	Quarter 3 2022 € million
<b>Cash flows from operating activities</b>				
Net profit/(loss) for the period	1,661		(1,659)	
<b>Adjustments to reconcile net profit to net cash flows:</b>				
<i>Non-cash items in the income statement</i>				
Depreciation and amortisation	38		50	
Net impairment (release)/charge for Banking loan losses and guarantees	(120)		1,335	
Fair value movement on share investments	(409)		1,519	
Fair value movement on loans held at fair value through profit or loss	16		71	
Fair value movement on Treasury investments	(167)		(182)	
Other unrealised fair value movements	109		(525)	
<i>Cash flows from the sale and purchase of operating assets</i>				
Proceeds from repayments of Banking loans	6,777		6,261	
Funds advanced for Banking loans	(8,494)		(6,703)	
Proceeds from sale of Banking share investments	459		372	
Funds advanced for Banking share investments	(421)		(391)	
Net cash flows from Treasury derivative settlements	(1,656)		919	
Net placements to credit institutions	1,926		2,209	
<i>Working capital adjustment:</i>				
Movement in interest income	(734)		108	
Movement in interest expense	(194)		144	
Movement in net fee and commission income	(7)		6	
Movement in accrued expenses	(136)		(64)	
<b>Net cash (used in)/from operating activities</b>		<b>(1,352)</b>		<b>3,466</b>
<b>Cash flows from investing activities</b>				
Proceeds from debt securities at amortised cost	2,275		8,257	
Purchases of debt securities at amortised cost	(1,811)		(6,574)	
Proceeds from sale of debt securities at fair value through profit or loss	2,957		3,041	
Purchases of debt securities at fair value through profit or loss	(3,075)		(2,896)	
Purchase of intangible assets, property, technology and equipment	(32)		(116)	
<b>Cash flows from/(used in) investing activities</b>		<b>314</b>		<b>1,712</b>
<b>Cash flows from financing activities</b>				
Capital received	-		-	
Transfers of net income paid	(22)		(1)	
Lease payments	32		(14)	
Issue of debts evidenced by certificates	9,056		7,652	
Redemption of debts evidenced by certificates	(8,905)		(10,267)	
<b>Net cash from/(used in) financing activities</b>		<b>161</b>		<b>(2,630)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(877)</b>		<b>2,548</b>
<b>Net foreign exchange differences</b>		<b>-</b>		<b>-</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>6,640</b>		<b>5,176</b>
<b>Cash and cash equivalents at 30 September <sup>1</sup></b>		<b>5,763</b>		<b>7,724</b>
<b>Of which restricted cash and cash equivalents <sup>2</sup></b>		<b>13</b>		<b>-</b>

<sup>1</sup> 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 30 September 2023 balance is €2 million (30 September 2022: €4 million) restricted for technical assistance to be provided to member countries in the SEMED region.

<sup>2</sup> Restricted cash and cash equivalents reflects cash which cannot be transferred out of the Russian Federation owing to legal restrictions.

## 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 30 September 2023, the Bank's shareholders comprised 71 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 consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The consolidated 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.

From 31 December 2022 the Bank began to control the EBRD Shareholder Special Fund. As the parent entity, the Bank is therefore required to present consolidated financial statements. This change does not affect the presentation of prior year comparatives. There is no statutory requirement for the Bank to present standalone parent entity accounts.

#### **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 2022.

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 2023.



### 3. Banking loan investments at amortised cost

	30 Sep 2023 Sovereign € million	30 Sep 2023 Non-sovereign € million	30 Sep 2023 Total loans € million	31 Dec 2022 Sovereign € million	31 Dec 2022 Non-sovereign € million	31 Dec 2022 Total loans € million
<b>At 1 January</b>	6,797	23,135	29,932	5,524	21,684	27,208
Disbursements	2,054	6,362	8,416	1,950	7,819	9,769
Repayments and prepayments	(1,237)	(5,278)	(6,515)	(905)	(6,747)	(7,652)
Remeasurement of previously impaired loans	-	52	52	-	10	10
Foreign exchange movements	(8)	(46)	(54)	192	118	310
Movement in net deferred fee, direct costs and effective interest rate adjustments	218	136	354	36	282	318
Conversion from equity	-	41	41	-	-	-
Written off	-	(26)	(26)	-	(31)	(31)
<b>At period end</b>	7,824	24,376	32,200	6,797	23,135	29,932
Impairment period end	(486)	(1,398)	(1,883)	(252)	(1,823)	(2,075)
<b>Total net of impairment at period end</b>	7,338	22,978	30,317	6,545	21,312	27,857

At 30 September 2023 the Bank categorised 143 loan investments at amortised cost as Stage 3 credit-impaired, with operating assets totalling €2,254 million (2022: 158 loans totalling €2,189 million). Stage 3 Impairments on these assets amounted to €1,225 million (2022: €1,314 million).

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

	30 Sep 2023 Sovereign € million	30 Sep 2023 Non-sovereign € million	30 Sep 2023 Total loans € million	31 Dec 2022 Sovereign € million	31 Dec 2022 Non-sovereign € million	31 Dec 2022 Total loans € million
<b>At 1 January</b>	42	705	747	58	517	575
Movement in fair value revaluation	-	(5)	(5)	(20)	(61)	(81)
Disbursements	-	74	74	-	365	365
Repayments and prepayments	-	(28)	(28)	-	(120)	(120)
Foreign exchange movements	-	1	1	4	10	14
Written off	-	(3)	(3)	-	(6)	(6)
<b>At period end</b>	42	744	786	42	705	747

At 30 September 2023, the Bank categorised five fair value through profit or loss loans as non-performing, with operating assets of €102 million (2022: five loans with operating assets of €104 million). Net fair value losses on these assets amounted to €57 million (2022: €54 million).

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

	30 Sep 2023 € million	31 Dec 2022 € million
<b>Non-sovereign loans</b>		
At 1 January	1,183	1,907
Movement in fair value revaluation	140	(237)
Movement in expected credit loss	2	(203)
Disbursements	-	-
Repayments and prepayments	(242)	(298)
Foreign exchange movements	4	5
Movement in effective interest rate adjustment	(3)	9
<b>At period end</b>	<b>1,084</b>	<b>1,183</b>

At 30 September 2023, the bank categorised two fair value through other comprehensive income loans as Stage 3 credit impaired, with operating assets totalling €248 million (31 December 2022: two loans totalling €245 million).

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

	30 Sep 2023 Fair value Unlisted € million	30 Sep 2023 Fair value Listed € million	30 Sep 2023 Fair value Total € million	31 Dec 2022 Fair value Unlisted € million	31 Dec 2022 Fair value Listed € million	31 Dec 2022 Fair value Total € million
<b>Outstanding disbursements</b>						
At 1 January	3,381	1,432	4,813	3,131	1,448	4,579
Disbursements	378	84	462	545	88	633
Share investments acquired through SSF consolidation	-	-	-	49	-	49
Disposals	(288)	(53)	(341)	(326)	(104)	(430)
Conversion to debt	(41)	-	(41)	-	-	-
Written off	(1)	-	(1)	(18)	-	(18)
<b>At period end</b>	<b>3,429</b>	<b>1,463</b>	<b>4,892</b>	<b>3,381</b>	<b>1,432</b>	<b>4,813</b>
<b>Fair value adjustment</b>						
At 1 January	325	(253)	72	1,020	411	1,431
Share investments acquired through SSF consolidation	-	-	-	(1)	-	(1)
Movement in fair value revaluation	72	168	240	(694)	(664)	(1,358)
<b>At period end</b>	<b>397</b>	<b>(85)</b>	<b>312</b>	<b>325</b>	<b>(253)</b>	<b>72</b>
<b>Fair value at period end</b>	<b>3,826</b>	<b>1,378</b>	<b>5,204</b>	<b>3,706</b>	<b>1,179</b>	<b>4,885</b>
<b>Equity Derivatives</b>	<b>174</b>	<b>9</b>	<b>183</b>	<b>142</b>	<b>22</b>	<b>164</b>

## 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 periods ended 30 September 2023 and 30 September 2022 is as detailed below. On 31 December 2022 the SSF was consolidated into the EBRD financial statements and as such there are no comparatives. The SSF has been identified as a separate operating segment.

	Banking 30 Sep 2023 € million	Treasury 30 Sep 2023 € million	SSF 30 Sep 2023 € million	Aggregated 30 Sep 2023 € million	Banking 30 Sep 2022 € million	Treasury 30 Sep 2022 € million	Aggregated 30 Sep 2022 € million
Interest income	1,877	953	9	2,839	1,176	292	1,468
Other income/(expense)	525	168	(56)	637	(1,443)	199	(1,244)
<b>Total segment revenue/(expense)</b>	<b>2,402</b>	<b>1,121</b>	<b>(47)</b>	<b>3,476</b>	<b>(267)</b>	<b>491</b>	<b>224</b>
Interest expense and similar charges	(2)	(2,007)	-	(2,009)	(3)	(636)	(639)
Net interest income/(expense) on derivatives	-	239	-	239	-	(33)	(33)
Internal funding charge	(990)	990	-	-	(369)	369	-
General administrative expenses	(325)	(28)	-	(353)	(316)	(20)	(336)
Depreciation and amortisation	(35)	(3)	-	(38)	(47)	(3)	(50)
<b>Segment result before impairment and hedges</b>	<b>1,050</b>	<b>312</b>	<b>(47)</b>	<b>1,315</b>	<b>(1,002)</b>	<b>168</b>	<b>(834)</b>
Fair value movement on non-qualifying and ineffective hedges	-	(109)	-	(109)	-	525	525
Return on/(cost of) capital	-	333	-	333	-	(14)	(14)
Impairment of loan investments and guarantees (release/(charge))	120	-	2	122	(1,335)	-	(1,335)
<b>Net profit/(loss) for the period</b>	<b>1,170</b>	<b>536</b>	<b>(45)</b>	<b>1,661</b>	<b>(2,337)</b>	<b>679</b>	<b>(1,658)</b>
Transfers of net income approved by the Board of Governors				-			(1)
<b>Net profit/(loss) after transfers approved by the Board of Governors</b>				<b>1,661</b>			<b>(1,659)</b>
<b>Segment assets</b>	<b>38,831</b>	<b>33,416</b>	<b>512</b>	<b>72,759</b>	<b>34,856</b>	<b>40,368</b>	<b>75,224</b>
<b>Segment liabilities</b>	<b>1,114</b>	<b>50,335</b>	<b>(70)</b>	<b>51,379</b>	<b>942</b>	<b>56,186</b>	<b>57,128</b>

## 8. Fair value of financial assets and liabilities

### Classification and fair value of financial assets and liabilities

	Carrying amount € million	Fair value € million
<b>Financial assets at 30 September 2023</b>		
<b>Financial assets measured at fair value through profit or loss or fair value through other comprehensive income:</b>		
Debt securities	986	986
Derivative financial instruments	5,470	5,470
Share investments (Banking portfolio)	5,204	5,204
Banking loans at fair value through other comprehensive income	1,084	1,084
Banking loans at fair value through profit or loss	786	786
Treasury portfolio: Share investments at fair value through other comprehensive income	159	159
	<b>13,689</b>	<b>13,689</b>
<b>Financial assets measured at amortised cost:</b>		
Placements with and advances to credit institutions	19,078	19,078
Debt securities	8,040	8,022
Other financial assets	1,056	1,056
Banking loan investments at amortised cost	30,317	30,002
	<b>58,491</b>	<b>58,158</b>
<b>Total</b>	<b>72,180</b>	<b>71,847</b>
<b>Financial liabilities at 30 September 2023</b>		
Amounts owed to credit institutions	(860)	(860)
Debts evidenced by certificates	(42,713)	(41,735)
Derivative financial instruments	(6,132)	(6,132)
Equity Participation Fund	(247)	(247)
Other financial liabilities	(1,427)	(1,427)
<b>Total</b>	<b>(51,379)</b>	<b>(50,401)</b>

### 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 an 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 30 September 2023 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 30 September 2023			
	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Debt securities	688	298	-	986
Derivative financial instruments	-	5,204	266	5,470
Banking loans	1,086	61	723	1,870
Share investments (Banking portfolio)	1,192	124	3,888	5,204
Share investments (Treasury portfolio)	-	159	-	159
<b>Total financial assets at fair value</b>	<b>2,966</b>	<b>5,846</b>	<b>4,877</b>	<b>13,689</b>
Derivative financial instruments	-	(6,048)	(84)	(6,132)
Equity Participation Fund	-	-	(247)	(247)
<b>Total financial liabilities at fair value</b>	<b>-</b>	<b>(6,048)</b>	<b>(331)</b>	<b>(6,379)</b>

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 30 September 2023.

	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 2022	214	604	3,778	4,596	(203)	(50)	(253)
<i>Net gains/(losses) recognised in:</i>							
- Net gains / (losses) from share investments at fair value through profit and loss	54	-	188	242	(13)	(34)	(47)
- Net losses from loans	-	(10)	-	(10)	-	-	-
Gains on loans designated as fair value through other comprehensive income	-	89	-	89	-	-	-
Issuances	-	74	-	74	-	-	-
Purchases	-	-	378	378	(41)	-	(41)
Settlements	(2)	(34)	-	(36)	10	-	10
Sales	-	-	(456)	(456)	-	-	-
<b>Balance at 30 September 2023</b>	<b>266</b>	<b>723</b>	<b>3,888</b>	<b>4,877</b>	<b>(247)</b>	<b>(84)</b>	<b>(331)</b>
<i>Net gains/(losses) for the period for Level 3 instruments held at 30 September 2023 recognised in:</i>							
- Net gains/(losses) from share investments at fair value through profit and loss	67	-	59	126	(9)	(43)	(52)
- Net (losses) from loans	-	(10)	-	(10)	-	-	-

### Level 3 – sensitivity analysis

The table below presents the level 3 financial instruments carried at fair value at 30 September 2023, 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 3 2023		
		Carrying amount € million	Favourable change € million	Unfavourable change € million
Banking loans	DCF and option pricing models	722	46	(69)
Banking share investments, EPF and associated derivatives	NAV and EBITDA multiples, DCF models, compounded interest and option pricing models*	3,823	472	(363)
<b>At period end</b>		<b>4,545</b>	<b>518</b>	<b>(432)</b>

\* 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 of Directors on a quarterly basis.

### Statement of comprehensive income

For the period ended 30 September 2023 (unaudited) and 30 September 2022 (unaudited)

	Period ended Quarter 3 2023 € million	Period ended Quarter 3 2022 € million
Interest income	9	-
Technical cooperation expenses	(34)	(11)
Disbursements for investment grants	(20)	(7)
Disbursements for incentives	(4)	-
Net unrealised gains from share investments	2	1
Operating expenses	-	-
Financial guarantees movement	3	-
Foreign exchange movement	-	3
<b>Net loss and comprehensive expense for the period</b>	<b>(44)</b>	<b>(14)</b>
<b>Total comprehensive expense attributable to:</b>		
Contributors	<b>(44)</b>	<b>(14)</b>

### Balance Sheet

At 30 September 2023 (unaudited) and 31 December 2022 (audited)

	30 September 2023 € million	31 December 2022 € million
<b>Assets</b>		
Placements with credit institutions	460	520
Local office advances	1	-
Contributions receivable	97	94
Share investments	50	48
Other receivables	2	2
<b>Total assets</b>	<b>610</b>	<b>664</b>
<b>Liabilities and contributors' resources</b>		
Accrued expenses	33	40
Financial guarantee liability	4	7
<b>Total liabilities</b>	<b>37</b>	<b>47</b>
Contributions	1,309	1,309
Reserves and accumulated loss	(736)	(692)
<b>Total contributors' resources</b>	<b>573</b>	<b>617</b>
<b>Total liabilities and contributors' resources</b>	<b>610</b>	<b>664</b>

## The EBRD Shareholder Special Fund

## Statement of changes in contributors' resources

For the period ended 30 September 2023 (unaudited) and 30 September 2022 (unaudited)

	Contributions € million	Accumulated loss € million	Total € million
<b>At 31 December 2021</b>	1,200	(622)	578
Total comprehensive expense for the period	-	(34)	(34)
<b>At 30 September 2022</b>	1,200	(656)	544
<b>At 31 December 2022</b>	1,309	(692)	617
Total comprehensive expense for the period	-	(44)	(44)
<b>At 30 September 2023</b>	1,309	(736)	573

## Statement of cash flows

For the period to 30 September 2023 (unaudited) and 30 September 2022 (unaudited)

	€ million	Period to 30 September 2023 € million	€ million	Period to 30 September 2022 € million
<b>Cash flows from operating activities</b>				
Net loss for the period	(44)		(34)	
Adjustment to reconcile net loss to net cash flows:				
<i>Non-cash items in the statement of comprehensive income</i>				
Net unrealised loss on share investments	(2)		(6)	
Foreign exchange movement	-		(7)	
Financial guarantees movement	(3)		-	
		(49)		(47)
<i>Cash flows from the sale and purchase of operating expenses</i>				
Net placements to credit institutions	-		(10)	
<i>Working capital adjustment</i>				
Funds advanced to local offices	(1)		(1)	
Movement in accrued expenses	(7)		(3)	
Management fees paid	(3)		(2)	
<b>Net cash (used in)/from operating activities</b>		(11)		(20)
<b>Net decrease in cash and cash equivalents</b>		(60)		(67)
<b>Cash and cash equivalents at the beginning of the period</b>		320		280
Effect of foreign exchange rate changes		-		6
<b>Cash and cash equivalents at 30 September*</b>		260		219

\*Cash and cash equivalents are amounts with three months or less maturity from the date of transaction. The Fund also has €200 million on 3 to 6 months placements as at 30 September 2023 (31 December 2022: €200 million).



## 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 2022.

The results of operations for interim periods are not necessarily indicative of results to be expected for the year ending 31 December 2023.

#### 3 Disbursements for technical cooperation projects

	Commitments approved € million	Disbursements € million	Undrawn commitments € million
<b>Total projects</b>			
As at 31 December 2022	612	(556)	56
Movement in the period	32	(34)	(2)
<b>At 30 September 2023</b>	<b>644</b>	<b>(590)</b>	<b>54</b>

#### 4 Undrawn commitments

	30 September 2023 € million	31 December 2022 € million
Technical cooperation expenses	54	56
Incentive fees	9	10
First loss risk sharing guarantees	41	33
Investment grants	73	57
<b>At period end</b>	<b>177</b>	<b>156</b>

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

	30 September 2023 € million	31 December 2022 € million
<b>Outstanding disbursements</b>		
At 1 January	48	48
Disbursements	-	-
<b>Total</b>	<b>48</b>	<b>48</b>
<b>Fair value adjustment</b>		
At 1 January	-	3
Movement in fair value revaluation	2	(3)
<b>Total</b>	<b>2</b>	<b>-</b>
<b>Fair value at period end</b>	<b>50</b>	<b>48</b>