

DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT



European Bank
for Reconstruction and Development

INTERIM CONSOLIDATED FINANCIAL REPORT

At 30 June 2024

(UNAUDITED)

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Consolidated income statement

For the period ended 30 June 2024 (unaudited) and 30 June 2023 (unaudited)

	Quarter 2 2024 € million	YTD 2024 € million	Quarter 2 2023 € million	YTD 2023 € million
Interest and similar income				
From Banking loans	608	1,199	743	1,287
From fixed-income debt securities and other interest	461	896	329	588
Interest expense and similar charges	(725)	(1,355)	(467)	(1,023)
Net interest income/(expense) on derivatives	8	(6)	101	211
Net interest income	352	734	706	1,063
Fee and commission income	29	58	29	54
Fee and commission expense	(22)	(50)	(22)	(48)
Net fee and commission income	7	8	7	6
Donor related income	8	15	5	15
Donor related expense	(6)	(12)	(4)	(9)
Net donor-related income	2	3	(1)	6
Dividend income	60	62	29	38
Net gains from share investments	292	497	205	307
Net gains/(losses) from loans	17	17	5	(1)
Net gains from Treasury assets held at amortised cost	1	2	-	1
Net gains from Treasury activities at fair value through profit or loss and foreign exchange	13	51	102	150
Fair value movement on non-qualifying and ineffective hedges	(41)	(12)	(5)	177
Impairment release on Banking loan investments	95	175	18	73
Impairment (charge)/release on guarantees	(1)	1	(9)	(2)
General administrative expenses	(125)	(246)	(115)	(229)
Depreciation and amortisation	(16)	(32)	(15)	(28)
Net profit for the period	656	1,260	929	1,207
Attributable to:				
Equity holders	656	1,260	929	1,207
Memorandum items				
Transfers of net income approved by the Board of Governors	-	-	-	-
Net profit after transfers of net income approved by the Board of Governors	656	1,260	929	1,207

Consolidated statement of comprehensive income

For the period ended 30 June 2024 (unaudited) and 30 June 2023 (unaudited)

	Quarter 2 2024 € million	YTD 2024 € million	Quarter 2 2023 € million	YTD 2023 € million
Net profit	656	1,260	929	1,207
Other comprehensive income				
1. Items that will not be reclassified subsequently to profit or loss				
– Gains on share investments designated as fair value through other comprehensive income	8	16	9	12
– Gains on loans designated as fair value through other comprehensive income	124	62	-	-
2. Items that may be reclassified subsequently to profit or loss				
– (Losses)/gains on cash flow hedges	(83)	(243)	9	12
– (Losses)/gains on fair value hedges	(7)	12	82	152
– (Losses)/gains on loans designated as fair value through other comprehensive income	(80)	(41)	45	108
Other comprehensive (expense)/income	(38)	(194)	145	284
Total comprehensive income	618	1,066	1,074	1,491
Attributable to:				
Equity holders	618	1,066	1,074	1,491

Consolidated balance sheet

At 30 June 2024 (unaudited) and 31 December 2023 (audited)

	€ million	30 Jun 2024 € million	€ million	31 Dec 2023 € million
Assets				
Cash and cash equivalents	5,956		6,324	
Other placements and advances	19,336		12,405	
Debt securities				
At fair value through profit or loss	1,067		962	
At amortised cost	8,879		8,392	
		35,238		28,083
Other financial assets				
Derivative financial instruments	5,073		5,561	
Other financial assets	1,116		939	
		6,189		6,500
Loan investments				
Loans at amortised cost	33,598		32,948	
Less: Impairment	(1,650)		(1,831)	
Loans at fair value through other comprehensive income	937		1,024	
Loans at fair value through profit or loss	905		843	
		33,790		32,984
Share investments				
<i>Banking Portfolio:</i>				
At fair value through profit or loss	6,506		5,620	
<i>Treasury Portfolio:</i>				
At fair value through other comprehensive income	173		157	
		6,679		5,777
Intangible assets		161		152
Property, technology and equipment		412		426
Total assets		82,469		73,922
Liabilities				
Borrowings				
Amounts owed to credit institutions and other third parties	779		911	
Debts evidenced by certificates	52,329		44,298	
		53,108		45,209
Other financial liabilities				
Derivative financial instruments	4,317		4,939	
Other financial liabilities	1,710		1,506	
		6,027		6,445
Total liabilities		59,135		51,654
Members' equity attributable to equity holders				
Paid-in capital	6,218		6,218	
Reserves and retained earnings	17,116		16,050	
Total members' equity		23,334		22,268
Total liabilities and members' equity		82,469		73,922
Memorandum items				
Undrawn commitments		17,231		16,631

Consolidated statement of changes in equity

For the period ended 30 June 2024 (unaudited) and 30 June 2023 (unaudited)

	Subscribed capital € million	Callable capital € million	Revaluation reserve € million	Hedging reserve € million	Actuarial remeasure- ment € million	SSF € million	Retained earnings € million	Total equity € million
At 31 December 2022	29,759	(23,542)	(102)	(272)	104	627	12,762	19,336
Total comprehensive income for the period	-	-	120	164	-	(35)	1,242	1,491
At 30 June 2023	29,759	(23,542)	18	(108)	104	592	14,004	20,827
At 31 December 2023	29,761	(23,543)	68	379	139	671	14,793	22,268
Total comprehensive income for the period	-	-	37	(231)	-	(20)	1,280	1,066
Capital subscriptions	2	(2)	-	-	-	-	-	-
At 30 June 2024	29,763	(23,545)	105	148	139	651	16,073	23,334

Consolidated statement of cash flows

For the period to 30 June 2024 (unaudited) and 30 June 2023 (unaudited)

	€ million	YTD 2024 € million	€ million	YTD 2023 € million
Cash flows from operating activities				
Net profit/(loss) for the year	1,260		1,207	
Adjustments to reconcile net profit to net cash flows:				
<i>Non-cash items in the income statement</i>				
Depreciation and amortisation	32		28	
Net impairment (release)/charge for Banking loan losses and guarantees	(176)		(73)	
Fair value movement on share investments	(403)		(307)	
Fair value movement on loans held at fair value through profit or loss	(14)		1	
Fair value movement on Treasury investments	(51)		(150)	
Other unrealised fair value movements	12		177	
<i>Cash flows from the sale and purchase of operating assets</i>				
Proceeds from repayments of Banking loans	4,628		4,915	
Funds advanced for Banking loans	(4,973)		(5,067)	
Proceeds from sale of Banking share investments	247		428	
Funds advanced for Banking share investments	(504)		(297)	
Net cash flows from Treasury derivative settlements	(362)		(1,224)	
Net placements to credit institutions	(6,843)		(1,816)	
<i>Working capital adjustment:</i>				
Movement in interest income	(71)		(552)	
Movement in interest expense	172		(164)	
Movement in net fee and commission income	3		1	
Movement in accrued expenses	(22)		11	
Net cash used in operating activities		(7,065)		(2,882)
Cash flows from investing activities				
Proceeds from debt securities at amortised cost	1,380		1,860	
Purchases of debt securities at amortised cost	(1,727)		(1,585)	
Proceeds from sale of debt securities at fair value through profit or loss	2,176		2,326	
Purchases of debt securities at fair value through profit or loss	(2,216)		(2,485)	
Purchase of intangible assets, property, technology and equipment	(24)		(21)	
Cash flows from/(used in) investing activities		(411)		95
Cash flows from financing activities				
Capital received	-		-	
Transfers of net income paid	(23)		(22)	
Lease payments	(4)		-	
Lease incentives received	-		29	
Issue of debts evidenced by certificates	12,230		6,845	
Redemption of debts evidenced by certificates	(5,092)		(5,239)	
Net cash from financing activities		7,111		(1,613)
Net (decrease)/increase in cash and cash equivalents		(365)		(1,174)
Net foreign exchange differences		(3)		(43)
Cash and cash equivalents at beginning of the period		6,324		6,640
Cash and cash equivalents at 30 June ¹		5,956		5,423

¹ 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 June 2024 balance is €2 million restricted for technical assistance to be provided to member countries in the SEMED region (30 June 2023: €5 million). Also within the 30 June 2024 balance is €26 million of "restricted cash" (30 June 2023: €8 million).

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 June 2024, 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 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.

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 2023.

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 2024.

3. Banking loan investments at amortised cost

	30 Jun 2024 Sovereign € million	30 Jun 2024 Non- sovereign € million	30 Jun 2024 Total loans € million	31 Dec 2023 Sovereign € million	31 Dec 2023 Non- sovereign € million	31 Dec 2023 Total loans € million
At 1 January	8,090	24,858	32,948	6,797	23,135	29,932
Disbursements	985	3,924	4,909	2,653	9,073	11,726
Repayments and prepayments	(977)	(3,485)	(4,462)	(1,514)	(7,116)	(8,630)
Remeasurement of previously impaired loans	-	29	29	-	52	52
Foreign exchange movements	38	248	286	(90)	(345)	(435)
Movement in net deferred fee, direct costs and effective interest rate adjustments	(5)	(66)	(71)	244	126	370
Written off	-	(41)	(41)	-	(67)	(67)
At period end	8,131	25,467	33,598	8,090	24,858	32,948
Impairment period end	(391)	(1,259)	(1,650)	(456)	(1,375)	(1,831)
Total net of impairment at period end	7,740	24,208	31,948	7,634	23,483	31,117

At 30 June 2024 the Bank categorised 144 loan investments at amortised cost as Stage 3 credit-impaired, with operating assets totalling €1,985 million (2023: 164 loans totalling €2,389 million). Stage 3 Impairments on these assets amounted to €1,091 million (2023: €1,254 million).

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

	30 Jun 2024 Sovereign € million	30 Jun 2024 Non- sovereign € million	30 Jun 2024 Total loans € million	31 Dec 2023 Sovereign € million	31 Dec 2023 Non- sovereign € million	31 Dec 2023 Total loans € million
At 1 January	40	803	843	42	705	747
Movement in fair value revaluation	(1)	2	1	1	13	14
Disbursements	-	68	68	-	152	152
Repayments and prepayments	-	(19)	(19)	-	(57)	(57)
Foreign exchange movements	2	10	12	(3)	(7)	(10)
Written off	-	-	-	-	(3)	(3)
At period end	41	864	905	40	803	843

At 30 June 2024, the Bank categorised five fair value through profit or loss loans as non-performing, with operating assets of €103 million (2023: six loans with operating assets of €99 million). Net fair value losses on these assets amounted to €61 million (2023: €59 million).

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

	30 Jun 2024 € million	31 Dec 2023 € million
Non-sovereign loans		
At 1 January	1,024	1,183
Movement in fair value revaluation	25	148
Movement in expected credit loss	84	9
Capitalised interest	4	7
Repayments and prepayments	(161)	(321)
Foreign exchange movements	7	12
Movement in effective interest rate adjustment	1	(14)
Written off	(47)	-
At period end	937	1,024

At 30 June 2024, the bank categorised two fair value through other comprehensive income loans as Stage 3 credit impaired, with operating assets totalling €145 million (31 December 2023: two loans totalling €248 million).

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

	30 Jun 2024 Fair value Unlisted € million	30 Jun 2024 Fair value Listed € million	30 Jun 2024 Fair value Total € million	31 Dec 2023 Fair value Unlisted € million	31 Dec 2023 Fair value Listed € million	31 Dec 2023 Fair value Total € million
Outstanding disbursements						
At 1 January	3,278	1,460	4,738	3,381	1,432	4,813
Disbursements	411	114	525	448	75	523
Disposals	(115)	(44)	(159)	(527)	(55)	(582)
Transfers from unlisted to listed	-	-	-	(8)	8	-
Written off	(36)	-	(36)	(16)	-	(16)
At period end	3,538	1,530	5,068	3,278	1,460	4,738
Fair value adjustment						
At 1 January	821	61	882	325	(253)	72
Movement in fair value revaluation	325	231	556	496	314	810
At period end	1,146	292	1,438	821	61	882
Fair value at period end	4,684	1,822	6,506	4,099	1,521	5,620
Equity Derivatives	88	(2)	86	201	3	204

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 30 June 2024 and 30 June 2023 is as detailed below.

	Banking 30 Jun 2024 € million	Treasury 30 Jun 2024 € million	SSF 30 Jun 2024 € million	Aggregated 30 Jun 2024 € million	Banking 30 Jun 2023 € million	Treasury 30 Jun 2023 € million	SSF 30 Jun 2023 € million	Aggregated 30 Jun 2023 € million
Interest income	1,199	886	10	2,095	1,282	587	5	1,874
Other income/(expense)	615	(223)	(27)	365	394	151	(38)	507
Total segment revenue/(expense)	1,814	663	(17)	2,460	1,676	738	(33)	2,381
Interest expense and similar charges	(2)	(1,353)	-	(1,355)	-	(1,239)	-	(1,239)
Net interest on derivatives	-	(6)	-	(6)	-	211	-	211
Internal funding charge	(836)	836	-	-	(624)	624	-	-
General administrative expenses	(226)	(20)	-	(246)	(211)	(18)	-	(229)
Depreciation and amortisation	(30)	(3)	-	(32)	(26)	(2)	-	(28)
Segment result before impairment and hedges	720	118	(17)	821	815	314	(33)	1,096
Fair value movement on non-qualifying and ineffective hedges	-	(12)	-	(12)	-	(177)	-	(177)
Return on capital	-	275	-	275	-	217	-	217
Impairment release/(charge) of loan investments and guarantees	179	-	(3)	176	73	-	(2)	71
Net profit/(loss) for the period	899	381	(20)	1,260	888	354	(35)	1,207
Transfers of net income approved by the Board of Governors				-				-
Net profit after transfers approved by the Board of Governors				1,260				1,207
Segment assets	41,593	40,200	676	82,469	36,816	35,753	529	73,098
Segment liabilities	1,073	58,037	25	59,135	1,086	51,248	(63)	52,271

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 30 June 2024		
Financial assets measured at fair value through profit or loss or fair value through other comprehensive income:		
Debt securities	1,067	1,067
Derivative financial instruments	5,073	5,073
Share investments (Banking portfolio)	6,506	6,506
Banking loans at fair value through other comprehensive income	937	937
Banking loans at fair value through profit or loss	905	905
Treasury portfolio: Share investments at fair value through other comprehensive income	173	173
	14,661	14,661
Financial assets measured at amortised cost:		
Placements with and advances to credit institutions	25,292	25,292
Debt securities	8,879	8,900
Other financial assets	1,116	1,116
Banking loan investments at amortised cost	31,948	32,046
	67,235	67,354
Total	81,896	82,015
Financial liabilities at 30 June 2024		
Amounts owed to credit institutions	(779)	(779)
Debts evidenced by certificates	(52,329)	(52,466)
Derivative financial instruments	(4,317)	(4,317)
Equity Participation Fund	(321)	(321)
Other financial liabilities	(1,389)	(1,389)
Total	(59,135)	(59,272)

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 30 June 2024 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 June 2024			
	Level 1 € million	Level 2 € million	Level 3 € million	Total € million
Debt securities	920	147	-	1,067
Derivative financial instruments	-	4,945	128	5,073
Banking loans	1,130	32	680	1,842
Share investments (Banking portfolio)	1,564	113	4,829	6,506
Share investments (Treasury portfolio)	-	173	-	173
Total financial assets at fair value	3,614	5,410	5,637	14,661
Derivative financial instruments	-	(4,276)	(42)	(4,318)
Equity Participation Fund	-	-	(321)	(321)
Total financial liabilities at fair value	-	(4,276)	(363)	(4,639)

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 June 2024.

	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 2023	237	621	4,174	5,032	(282)	(34)	(316)
<i>Net gains/(losses) recognised in:</i>							
- Net (losses)/gains from share investments at fair value through profit and loss	(96)	-	377	281	(31)	(9)	(40)
- Net gains from loans	-	10	-	10	-	-	-
Gains on loans designated as fair value through other comprehensive income	-	-	-	-	-	-	-
Issuances	-	68	-	68	-	-	-
Purchases	-	-	467	-	-	-	-
Settlements	(13)	(19)	-	(32)	5	1	6
Sales	-	-	(188)	(188)	-	-	-
Transfers out of Level 3	-	-	(1)	(1)	-	-	-
Balance at 30 June 2024	128	680	4,829	5,637	(308)	(42)	(350)
<i>Net gains/(losses) for the period for Level 3 instruments held at 30 June 2024 recognised in:</i>							
- Net (losses)/gains from share investments at fair value through profit and loss	(110)	-	330	220	(28)	(9)	(37)
- Net gains from loans	-	14	-	14	-	-	-

Level 3 – sensitivity analysis

The table below presents the level 3 financial instruments carried at fair value at 30 June 2024, 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:

		Impact on net profit in Quarter 2 2024		
	Main valuation models/techniques	Carrying amount € million	Favourable change € million	Unfavourable change € million
Banking loans	DCF and option pricing models	680	45	(36)
Banking share investments, EPF and associated derivatives	NAV and EBITDA multiples, DCF models, compounded interest and option pricing models*	4,607	766	(609)
At period end		5,287	811	(645)

* 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 June 2024 (unaudited) and 30 June 2023 (unaudited)

	Period ended Quarter 2 2024 € million	Period ended Quarter 2 2023 € million
Interest income	10	5
Technical cooperation expenses	(24)	(25)
Disbursements for investment grants	(6)	(9)
Disbursements for incentives	(3)	(3)
Net unrealised gains from share investments	5	
Foreign exchange movement	1	(1)
Net loss and comprehensive expense for the period	(17)	(33)
Total comprehensive expense attributable to:		
Contributors	(17)	(33)

Balance Sheet

At 30 June 2024 (unaudited) and 31 December 2023 (audited)

	30 June 2024 € million	31 December 2023 € million
Assets		
Placements with credit institutions	620	335
Local office advances	-	200
Contributions receivable	-	105
Share investments	58	53
Other receivables	2	1
Total assets	680	694
Liabilities and contributors' resources		
Accrued expenses	32	30
Financial guarantee liability	13	12
Total liabilities	45	42
Contributions	1,417	1,417
Reserves and accumulated loss	(782)	(765)
Total contributors' resources	635	652
Total liabilities and contributors' resources	680	694

The EBRD Shareholder Special Fund

Statement of changes in contributors' resources

For the period ended 30 June 2024 (unaudited) and 30 June 2023 (unaudited)

	Contributions € million	Accumulated loss € million	Total € million
At 31 December 2022	1,309	(692)	617
Total comprehensive expense for the period	-	(33)	(33)
At 30 June 2023	1,309	(725)	584
At 31 December 2023	1,417	(765)	652
Total comprehensive expense for the period	-	(17)	(17)
At 30 June 2024	1,417	(782)	(635)

Statement of cash flows

For the period to 30 June 2024 (unaudited) and 30 June 2023 (unaudited)

	€ million	Period to 30 June 2024 € million	Period to 30 June 2023 € million
Cash flows from operating activities			
Net loss for the period	(17)		(33)
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	(5)		-
Foreign exchange movement	(1)		1
		(23)	(32)
<i>Working capital adjustment</i>			
Net placements from credit institutions	200		-
Funds advanced to local offices	-		(1)
Interest Receivable	(1)		-
Movement in accrued expenses	2		(1)
Management fees paid	-		(3)
Net cash (used in)/from operating activities		201	(5)
<i>Cash flows from financing activities</i>			
Contributions received	105		-
Net cash from financing activities		105	-
Net decrease in cash and cash equivalents		283	(37)
Cash and cash equivalents at the beginning of the period		335	320
Effect of foreign exchange rate changes		2	1
Cash and cash equivalents at 30 June*		620	284

*Cash and cash equivalents are amounts with three months or less maturity from the date of transaction. The fund had no placements with an initial tenor of longer than 3 months as at 30 June 2024 (30 June 2023: €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 2023.

The results of operations for interim periods are not necessarily indicative of results to be expected for the year ending 31 December 2024.

3 Disbursements for technical cooperation projects

	Commitments approved € million	Disbursements € million	Undrawn commitments € million
Total projects			
As at 31 December 2023	656	(605)	51
Movement in the period	21	(24)	(3)
At 30 June 2024	677	(629)	48

4 Undrawn commitments

	30 June 2024 € million	31 December 2023 € million
Technical cooperation expenses	48	51
Incentive fees	9	10
First loss risk sharing guarantees	43	37
Investment grants	81	43
At period end	181	141

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 June 2024 € million	31 December 2023 € million
Outstanding disbursements		
At 1 January	48	48
Disbursements	-	-
Total	48	48
Fair value adjustment		
At 1 January	5	-
Movement in fair value revaluation	5	5
Total	10	5
Fair value at period end	58	53