

BSTDB

Budget for 2019

Summary Information

The 2019 Budget has been prepared with reference to the Bank's operational priorities and strategies as laid out in the Medium-term Strategy and Business Plan (MTSBP) of BSTDB for the period 2019-2022.

There were modifications for the 2019 Budget relative to the initial version that increased the loans and borrowings portfolios, and their related interest income and expense, as approved by the Board of Directors at its meeting on 20 September 2019. This budget represents the priorities and operational activities, and the resources required for their successful implementation.

In terms of financing instruments, loans will constitute the main form of financing, with the Bank less open to employing equity. The Bank will provide various forms of short to medium-term financing, targeting mostly real sectors projects, and will also continue to offer credit lines for financing SMEs and trade activities through financial intermediaries. In addition, the Bank will consider provision of various forms of guarantees and other risk sharing instruments for investments undertaken in Member Countries.

The primary operational emphasis of BSTDB in 2019 would be a sizeable and manageable portfolio expansion. The Bank will focus on maintaining portfolio quality and on generation and preparation of projects with higher development impact, for meeting Regional expectations. Consequently, revenues from operations are budgeted to be higher, although the Bank applies interest rates, with margins and fees, applicable to projects in the Bank's efforts to remain competitive in the market. Revenues from treasury activities are also projected to be higher, while administrative expenses are budgeted to increase slightly. Net income has been budgeted to be positive as realized in the previous years.

For the Bank's long-term borrowing needs the Board of Directors also has approved a modified maximum borrowing limit for 2019 an amount of €1.7 billion, which increased by €500 million relative to the initial version, in its above mentioned meeting to accommodate the new borrowing program.

The Bank's revenues, business volume and administrative expenses are summarized in the attachments.

Pursuant to Section 12 of the By-Laws of the Bank, the annual administrative budget was presented to the Board of Governors at its annual meeting on 16 June 2019.

Summary of Revenues, Expenses and Net Income

Budget Summary	In EUR
From loans	78,215,000
From treasury	9,038,000
From front-end and commitment fees	2,427,000
Total interest and similar income	89,680,000
Total interest and similar expense	(51,911,000)
Net interest income	37,769,000
Other income	1,127,000
Operating income	38,896,000
Administrative expenses (see attachment III)	(22,799,000)
Income before provisions	16,097,000
Provisions for impairment	(8,369,000)
Net Income for the Year	7,728,000

Summary of Business Volume and Total Assets

Budget Summary	In EUR
Cash and bank balances	80,578,000
Investment securities	252,612,000
Total deposits and securities	333,190,000
Loans	1,922,250,000
Equity investments	25,265,000
Less: deferred income	(11,960,000)
Less: provisions for impairment	(41,002,000)
Net loans and equity investments	1,894,553,000
Net property, technology and equipment	1,929,000
Other assets	34,621,000
Total Assets	2,264,293,000
Borrowings	1,413,907,000
Other liabilities	35,163,000
Total liabilities	1,449,070,000
Authorized share capital	3,450,000,000
Less: unallocated share capital	(1,161,500,000)
Subscribed share capital	2,288,500,000
Less: callable share capital	(1,601,950,000)
Less: payable share capital	0
Advance against future call	0
Paid-in share capital	686,550,000
Reserves and surplus	128,673,000
Total Liabilities and Members' Equity	2,264,293,000
Commitments (undrawn)	172,853,000

Summary of Administrative Expenses

Budget Summary	In EUR
Personnel expenses	16,460,000
Consultant and third party fees	1,383,000
Utilities and maintenance expenses	1,649,000
Taxes and duties	8,000
Miscellaneous expenses	2,768,000
Depreciation and amortization	531,000
Total	22,799,000