

BSTDB

Budget for 2020

Summary Information

The 2020 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.

This budget represents the second year of implementation of the MTSBP, and details 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 extending various forms of guarantees and other risk sharing instruments for investments undertaken in Member Countries.

The primary operational emphasis of BSTDB in 2020 would be a sizeable and manageable portfolio expansion. The Bank will focus on maintaining portfolio quality and on generation and preparation of projects with development impact, for meeting Regional expectations. Consequently, revenues from lending 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 projected lower as funds are channeled to projects. Administrative expenses are budgeted to be slightly less than the previous year. 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 has approved a maximum borrowing limit for 2020 an amount of €2.1 billion, to accommodate the new borrowing program.

The Bank's revenues, business volume and administrative expenses, as approved by the Board of Directors at its meeting on 29 November 2019, are summarized in the attachments.

Pursuant to Section 12 of the By-Laws of the Bank, an annual administrative budget shall be presented to the Board of Governors at its next annual meeting.

Summary of Revenues, Expenses and Net Income

Budget Summary	In EUR
From loans	90,860,000
From treasury	5,772,000
From front-end and commitment fees	4,008,000
Total interest and similar income	100,640,000
Total interest and similar expense	(65,996,000)
Net interest income	34,644,000
Other income	1,336,000
Operating income	35,980,000
Administrative expenses (see attachment III)	(22,789,000)
Income before provisions	13,191,000
Provisions for impairment	(5,111,000)
Net Income for the Year	8,080,000

Summary of Business Volume and Total Assets

Budget Summary	In EUR
Cash and bank balances	56,819,000
Investment securities	384,320,000
Total deposits and securities	441,139,000
Loans	2,373,791,000
Equity investments	23,949,000
Less: deferred income	(13,744,000)
Less: provisions for impairment	(47,608,000)
Net loans and equity investments	2,336,388,000
Net property, technology and equipment	2,184,000
Other assets	55,848,000
Total Assets	2,835,559,000
Borrowings	1,956,649,000
Other liabilities	43,509,000
Total liabilities	2,000,158,000
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	148,851,000
Total Liabilities and Members' Equity	2,835,559,000
Commitments (undrawn)	308,044,000

Summary of Administrative Expenses

Budget Summary	In EUR
Personnel expenses	16,460,000
Consultant and third party fees	1,588,000
Utilities and maintenance expenses	1,653,000
Taxes and duties	8,000
Miscellaneous expenses	2,549,000
Depreciation and amortization	531,000
Total	22,789,000