

BSTDB

Budget for 2023

Summary Information

The 2023 Budget has been prepared with reference to the Bank's operational priorities and objectives for the mentioned year.

In terms of financing instruments, loans will constitute the main form of financing, with the Bank less open to employing equity. For 2023 the Bank will cautiously provide 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 cautiously consider extending forms of guarantees, unfunded participations and other risk sharing instruments for investments undertaken in Member Countries.

The operational emphasis of BSTDB for 2023 would be a consolidated and manageable portfolio, focusing on maintaining portfolio quality. Consequently, revenues from lending operations are budgeted in attribution with the respective portfolios, as 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 in association with surplus liquidity, as funds are primarily channeled to projects. Administrative expenses are budgeted in order to have necessary resources, and net income has been budgeted to be positive.

For the Bank's long-term borrowing needs the Board of Directors has approved a maximum borrowing limit for 2023 an amount of €2.5 billion, to accommodate the borrowing program.

The Bank's revenues, business volume and administrative expenses, as approved by the Board of Directors at its meeting on 1 December 2022, 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	111,289,000
From treasury	7,356,000
From front-end and commitment fees	2,899,000
Total interest and similar income	121,544,000
Total interest and similar expense	(70,971,000)
Net interest income	50,573,000
Other income	1,243,000
Operating income	51,816,000
Administrative expenses (see attachment III)	(25,020,000)
Income before provisions	26,796,000
Provisions for impairment	(19,156,000)
Net Income for the Year	7,640,000

Summary of Business Volume and Total Assets

Budget Summary	In EUR
Cash and bank balances	212,590,000
Investment securities	498,311,000
Total deposits and securities	710,901,000
Loans	2,003,140,000
Equity investments	13,589,000
Less: deferred income	(13,782,000)
Less: provisions for impairment	(157,544,000)
Net loans and equity investments	1,845,403,000
Net property, technology and equipment	1,502,000
Other assets	76,742,000
Total Assets	2,634,548,000
Borrowings	1,685,430,000
Other liabilities	127,943,000
Total liabilities	1,813,373,000
Authorized share capital	3,450,000,000
Less: unallocated share capital	(340,000,000)
Subscribed share capital	3,110,000,000
Less: callable share capital	(2,178,490,000)
Less: payable share capital	(214,340,000)
Advance against future call	0
Paid-in share capital	717,170,000
Reserves and surplus	104,005,000
Total Liabilities and Members' Equity	2,634,548,000
Commitments (undrawn)	38,634,000

Summary of Administrative Expenses

Budget Summary	In EUR
Personnel expenses	18,909,000
Consultant and third party fees	1,515,000
Utilities and maintenance expenses	1,944,000
Taxes and duties	3,000
Miscellaneous expenses	2,144,000
Depreciation and amortization	505,000
Total	25,020,000