RESOLUTION NO.266

NET INCOME REALLOCATION

THE BOARD OF GOVERNORS

Having considered and being in agreement with the '*Report of the Board of Directors to the Board of Governors: Net Income Reallocation*' (the "Report");

Acknowledging that the net income allocation proposals are made in due consideration of the framework of a set of principles approved by the Board of Directors that aim to balance the demands on the Bank's net income with the importance of the Bank retaining capital to support financial sustainability and to pursue its strategic objectives;

Recognising that the impact of the Bank's operational activity on the transition process in its countries of operations has been substantial and that it was achieved with the aid of technical assistance and other support;

Further recognising the importance of the EBRD Shareholder Special Fund in supporting the Bank's strategic priorities; and the role it can play in supporting the Bank's interventions in Ukraine, alongside the donor financial support that the Bank is able to mobilise for this aim;

Considerate of the difficult situation on the ground, recognising the Bank's impactful engagement in the West Bank highlighted in the Report of the Board of Directors to the Board of Governors, acknowledging the importance of the Bank's long term commitment to foster development and transition in the West Bank and Gaza, and recognising that a net income allocation to the EBRD Trust Fund for West Bank and Gaza is necessary in order to ensure sustainable resourcing of its operations and activities;

Further recognising the importance of the EBRD Community Initiative; and

Noting that the Bank's reserves and capital adequacy, as of the date of this Resolution, would allow the Bank to allocate to other purposes, from income previously allocated to surplus, in accordance with Article 36.1 of the Agreement Establishing the Bank,

RESOLVES THAT:

In accordance with Article 36.1 of the EBRD Agreement, an amount of EUR 131 million previously allocated to surplus shall be reallocated to other purposes, namely as a contribution of:

(a) EUR 108 million to the EBRD Shareholder Special Fund, out of which up to EUR 20 million is expected to be allocated to support activities in Ukraine. From the overall amount allocated to the EBRD Shareholder Special Fund and any returns, recoveries, reflows, reimbursements, and income deriving from such allocated amount, not less than 95% shall be used to support ODA countries;

(b) EUR 20 million to the EBRD Trust Fund for West Bank and Gaza; and

(c) EUR 3 million to the EBRD Community Special Fund.

(Adopted 15 December 2023)