

RESOLUTION NO.260

AMENDMENT TO ARTICLE 12.1 OF THE AGREEMENT ESTABLISHING
THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT
TO REMOVE THE STATUTORY CAPITAL LIMITATION ON ORDINARY
OPERATIONS

THE BOARD OF GOVERNORS,

Recognising the essential role of Multilateral Development Banks (MDBs) in
addressing multiple pressing global challenges;

Noting the significant changes in capital management practices in the financial sector
since the Agreement entered into force on 28 March 1991;

Wishing to enable the optimal use of the Bank's capital capacity to support the Bank
in achieving the maximum potential impact in its recipient countries;

Welcoming the wide ranging recommendations of the G20 Independent Review of
Capital Adequacy Frameworks and the careful consideration accorded to them by the
Bank, including specifically the recommendation to modernise MDBs' approach to
managing capital adequacy by relocating specific leverage limits from MDB statutes
to MDB capital adequacy frameworks, in a coordinated manner among MDBs;

Having considered and being in agreement with the report of the Board of Directors “*Amendment of the Article 12.1 to the Agreement Establishing the European Bank for Reconstruction and Development in order to remove the statutory capital limitation on ordinary operations*” and its recommendation to approve an amendment of Article 12.1 of the Agreement to remove the statutory capital limitation on ordinary operations; and

On the understanding that the Board of Directors will maintain an appropriate nominal leverage limit on operations, set against relevant capital metrics, within the Bank’s capital adequacy framework, as part of its responsibility to protect the financial soundness and sustainability of the Bank.

RESOLVES THAT:

1. Article 12.1 of the Agreement shall be amended by deleting its existing text and introducing a new text as follows:

"1. The Board of Directors shall establish and maintain appropriate limits with respect to capital adequacy metrics, in order to protect the financial soundness and sustainability of the Bank."

2. Members of the Bank shall be asked whether they accept the said amendment by (a) executing and depositing with the Bank an instrument stating that such member has accepted the said amendment in accordance with its law and (b) furnishing evidence, in form and substance satisfactory to the Bank, that the amendment has been accepted and the instrument of acceptance has been executed and deposited in accordance with the law of that member.
3. The said amendment shall enter into force three (3) months after the date on which the Bank has formally confirmed to its members that the requirements for accepting the said amendment, as provided for in Article 56 of the Agreement, have been met.

(Adopted 18 May 2023)