



AMI-SeCo Meeting, agenda item 4.1 2 July 2019

DG-Market Infrastructure and PaymentsMarket Infrastructure Support
European Central Bank

T2S Financial Statements 2018



- 1 Background to T2S financial statements
- 2 External audit of 2018 T2S financial statements
- 3 T2S financial reporting way forward 2019

Background to T2S FS



- Article 20 of the T2S Framework Agreement requires the Eurosystem to provide the CSDs "with financial statements, reports and other information on T2S on a regular basis".
- ➤ The MIB decided to **provide T2S stakeholders with a report** on the T2S financial situation for each fiscal year.
- Accounting framework and policies were developed based on generally accepted accounting principles (e.g. IFRS).
- ➤ T2S financial statements take the form of a **balance sheet report** (T2S financial situation report), a **profit and loss report** (T2S operating statement) and **explanatory notes** to the T2S financial statements.



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External audit - T2S financial statements



- Second external audit. The first was for the 2017 financial statements.
- External Auditor: Baker Tilly GmbH & Co. KG Wirtschaftsprüfungsgesellschaft
- The audit exercise was performed in March and April 2019.
- Baker Tilly provided their 'Audit Opinion' which will be published together with the 2018 financial statements.



T2S OPERATING STATEMENT

Financial results for the fiscal year 2018

			1
REVENUES (in EUR million)	2018	2017	(+/-)
T2S fees charged to customers	73.6	62.0	11.6
Other income	0.0	1.1	(1.1)
TOTAL REVENUES	73.6	63.1	10.5
			1
EXPENSES (in EUR million)	2018	2017	(+/-)
Services provided by the 4CB	(82.6)	(81.4)	(1.2)
Services provided by the ECB	(4.4)	(6.8)	2.4
Insurance costs and other			
expenses	-	(3.4)	3.4
Amortisation of T2S Platform	(37.6)	(33.1)	(4.5)
Interest charged by NCBs	-	-	_
TOTAL EXPENSES	(124.5)	(124.7)	0.2
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	2018	2017	(+/-)
NET SURPLUS/DEFICIT for 2018	(50.9)	(61.6)	10.7

T2S	FINANCIAL	SITUATION
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Year-end balances

ASSETS (in EUR million)	2018	2017
T2S Platform	325.6	360.7
Current accounts	13.1	19.2
Accounts receivable	0.0	0.0
Accrued income	7.0	5.4
Prepaid expense	0.0	0.0
TOTAL ASSETS	345.7	385.3

LIABILITIES (in EUR million)	2018	2017
Pre-financing of T2S by the Eurosystem	588.1	490.4
Provisions for 4CB expenses	-	68.7
Other provisions	0.1	-
Accrued expense	4.4	22.1
Accumulated deficit	(246.9)	(196.0)
TOTAL LIABILITIES	345.7	385.3

T2S platform - asset (in EUR)



Year	ear Event Amoun	
2018	Opening balance	360,705,950
2018	Capitalisation of development costs for Release 2.0	2,442,332
2018	Amortisation of the year	(37,567,064)
2018	T2S platform closing balance	325,581,218

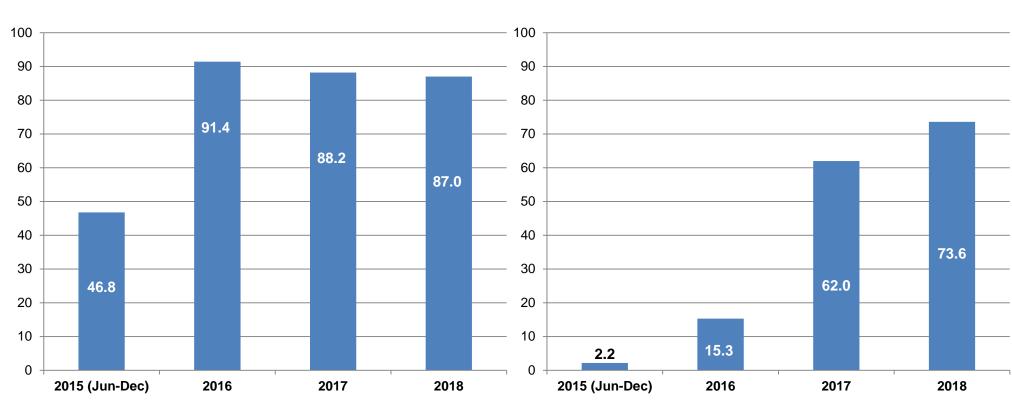
Expenses & revenues



Expenses: Service provider costs Eurosystem

(in EUR million)

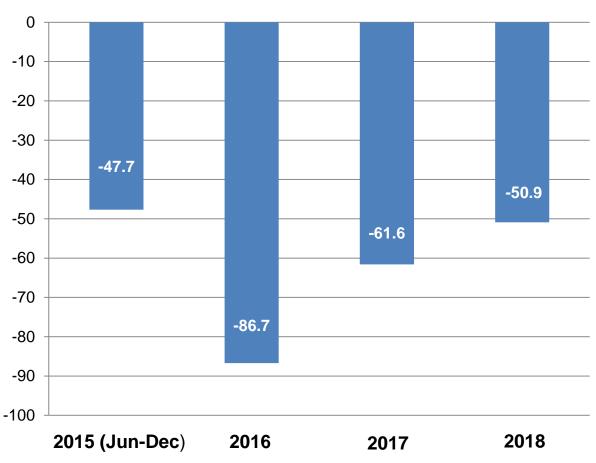
Revenues: Fees charged to customers (in EUR million)



T2S financial result



Net deficit of the financial year (in EUR million)





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Way forward T2S financial reporting 2019



We expect the 2019 financial statements to be ready for publication by June 2020 after closure of the year-end exercise, the external audit exercise and the Governing Council approval process.



Thank you for your attention!

www.t2s.eu