

*AMI-SeCo Meeting, agenda item 4.1*  
*2 July 2019*

**DG-Market Infrastructure and Payments**  
Market 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.

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

## 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

	2018	2017	(+/-)
<b>REVENUES</b> (in EUR million)			
T2S fees charged to customers	73.6	62.0	11.6
Other income	0.0	1.1	(1.1)
<b>TOTAL REVENUES</b>	<b>73.6</b>	<b>63.1</b>	10.5
<b>EXPENSES</b> (in EUR million)			
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	-	-	-
<b>TOTAL EXPENSES</b>	<b>(124.5)</b>	<b>(124.7)</b>	0.2
	<b>2018</b>	<b>2017</b>	<b>(+/-)</b>
<b>NET SURPLUS/DEFICIT for 2018</b>	<b>(50.9)</b>	<b>(61.6)</b>	10.7

## T2S FINANCIAL SITUATION

Year-end balances

	2018	2017
<b>ASSETS</b> (in EUR million)		
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
<b>TOTAL ASSETS</b>	<b>345.7</b>	<b>385.3</b>
<b>LIABILITIES</b> (in EUR million)		
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)
<b>TOTAL LIABILITIES</b>	<b>345.7</b>	<b>385.3</b>

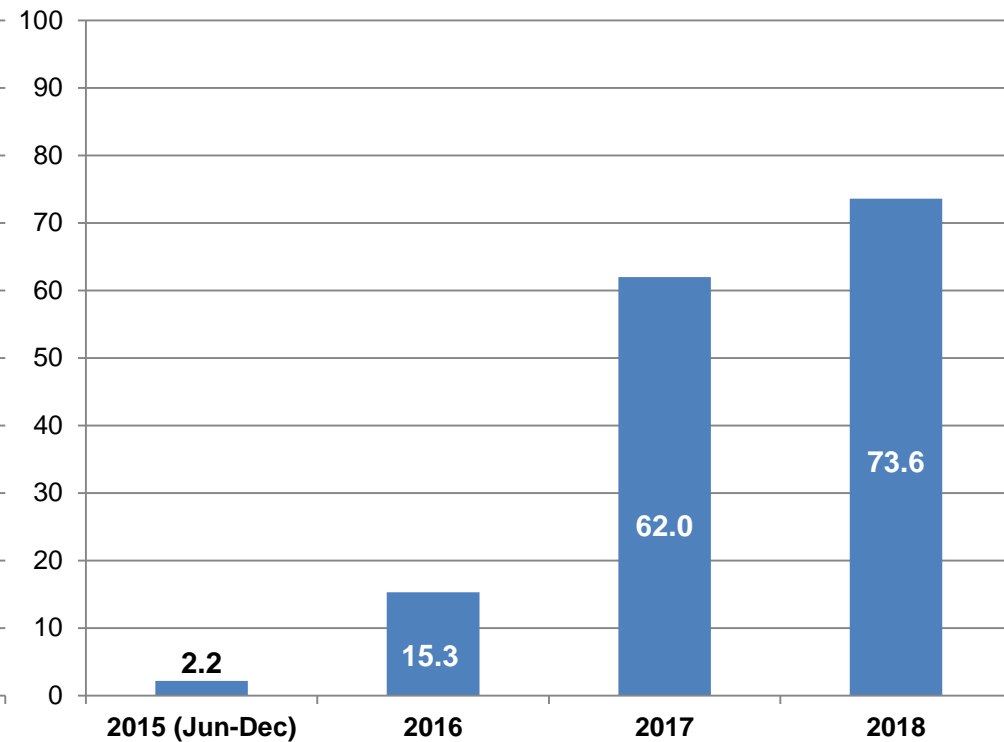
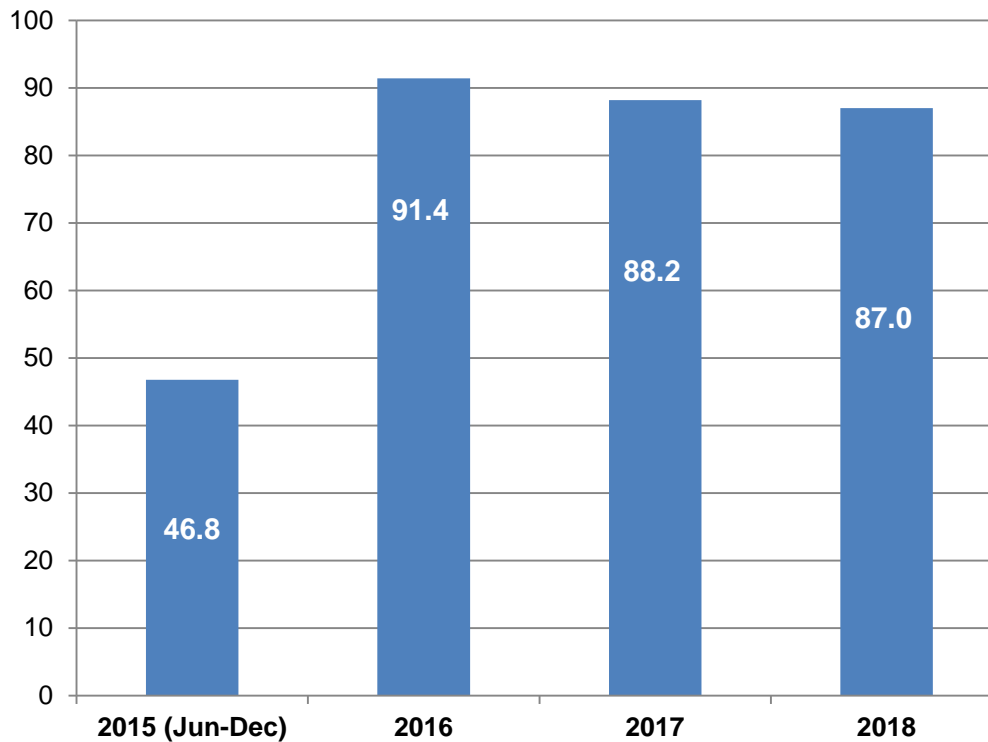
## T2S platform – asset *(in EUR)*

Year	Event	Amount
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)
<b>2018</b>	<b>T2S platform closing balance</b>	<b>325,581,218</b>

## Expenses & revenues

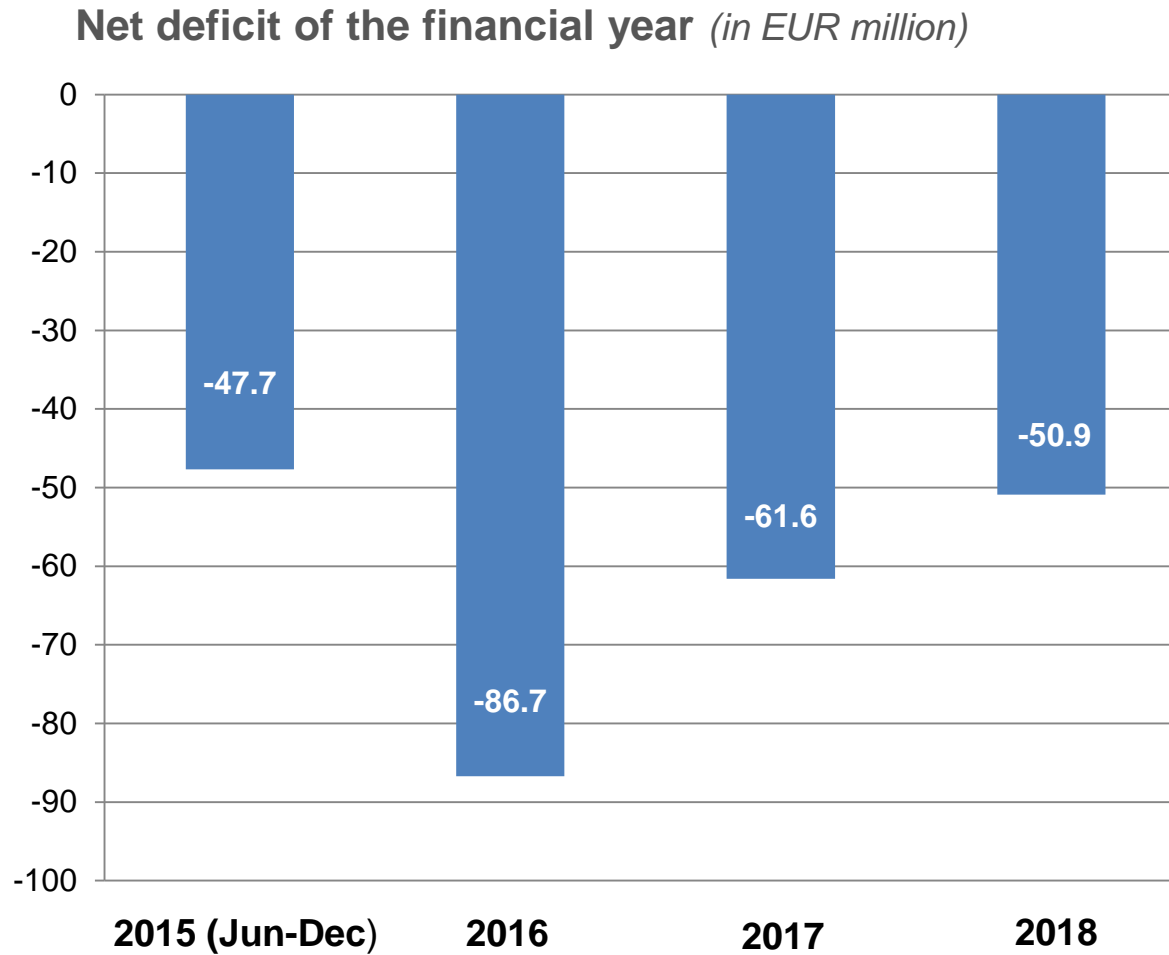
**Expenses: Service provider costs Eurosystem**  
(in EUR million)

**Revenues: Fees charged to customers**  
(in EUR million)





## T2S financial result



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

## 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](http://www.t2s.eu)