



RIPE NCC
RIPE NETWORK COORDINATION CENTRE

RIPE NCC Financial Update 2020

Gwen van Berne
CFO
RIPE NCC

Agenda



- Financial strategy
 - Financial update
 - P&L
 - Financial performance indicators
 - Efficiency gains
 - Average cost per LIR
- Financial surplus 2019

Our Financial Strategy



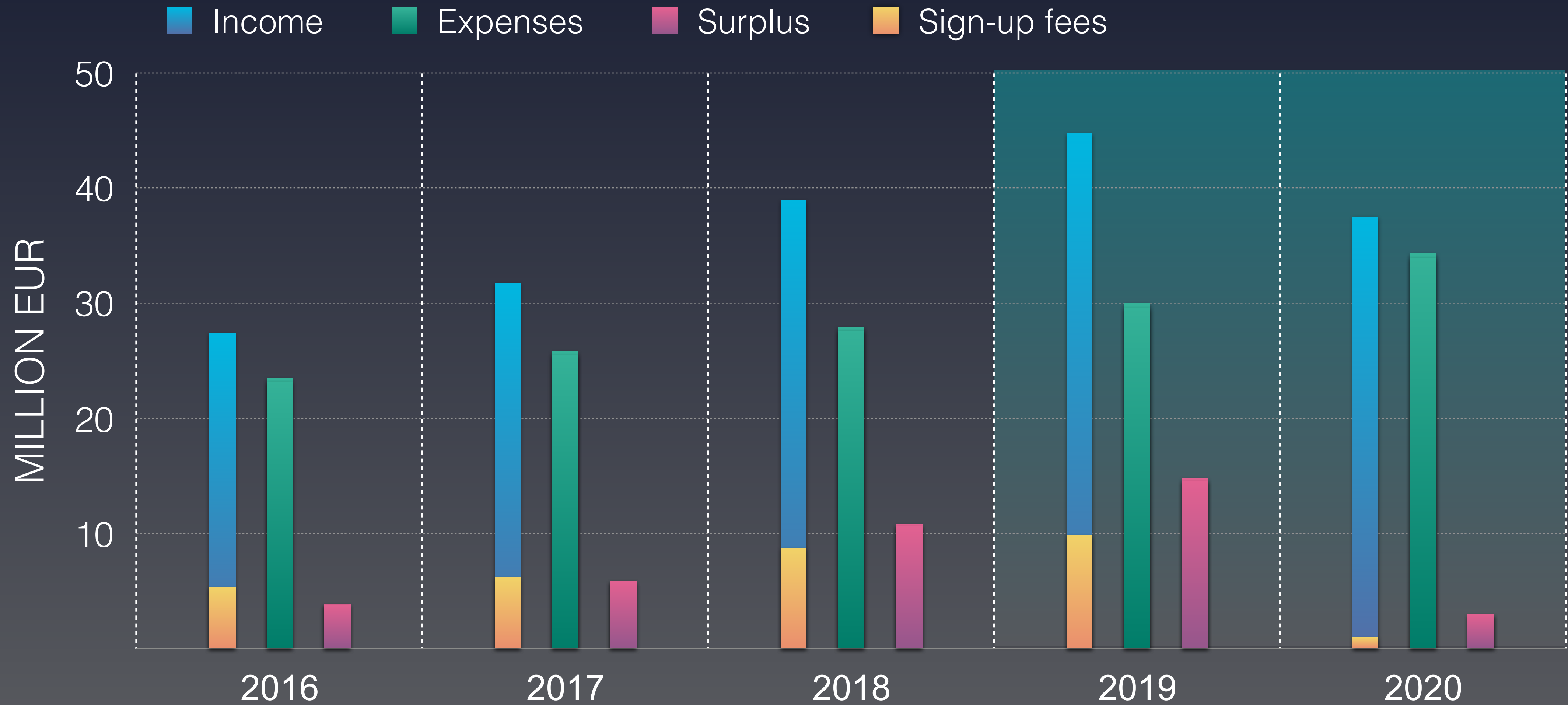
- Not-for-profit funding model
- Our funding strategy aims to generate sufficient income so that we can fulfil our obligations in a stable, predictable manner
- Authorised spending in line with established mandate
- Transparent reporting:
 - Efficiency gains
 - Average cost per LIR
 - Risk appetite RIPE NCC
- Equality between members in current Charging Scheme reinforces simplicity and predictability

Financial Update (October 2019)



- Revenue above budget
 - Expenses below budget
 - Future income development will be impacted
 - Future expense management is under control
-
- Preserve 2019 financial surplus for improved stability

P&L (2016-2018) EUR M



Financial Performance Indicators



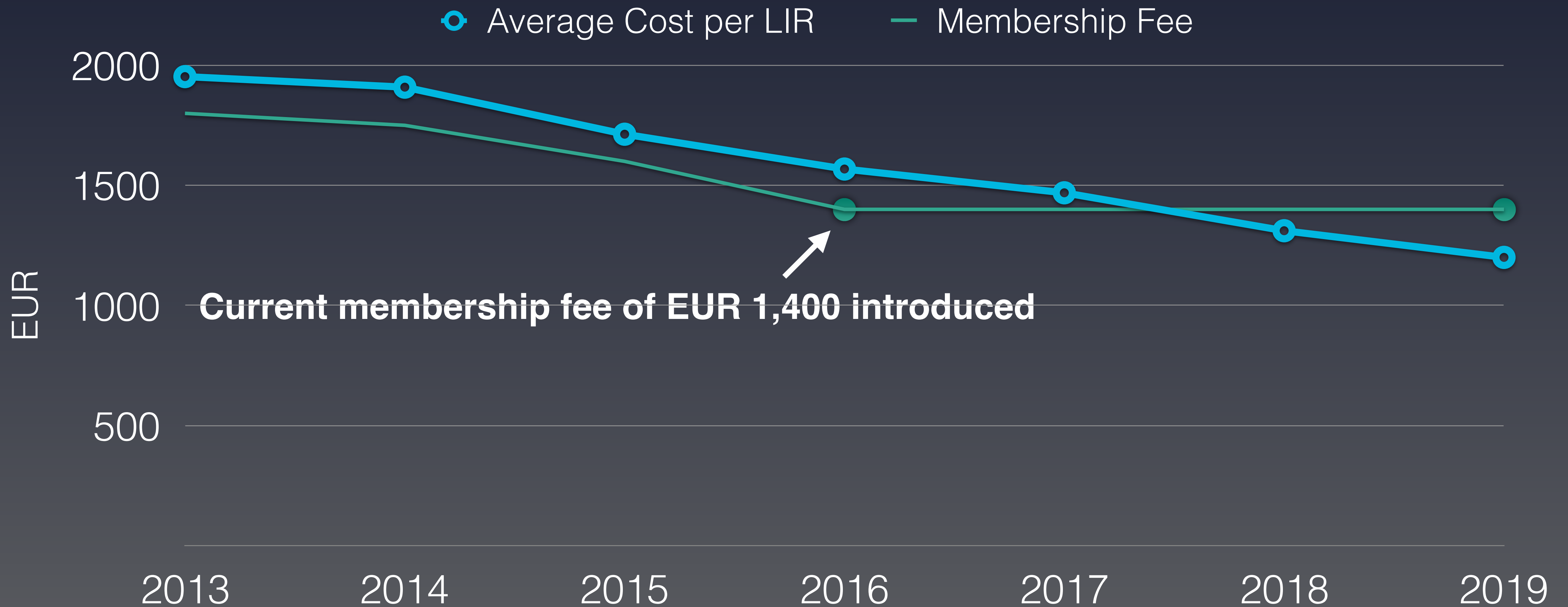
	YE 2019 Est.	ACTUAL 2018
Income (in million EUR)	44.8	39
Expenses (in million EUR)	30	28
Surplus (in million EUR)	14.8	10.9
Average redistribution per LIR	592 EUR	528 EUR
Average redistribution per LIR (50%)	296 EUR	-
Number of LIRs	25000	20624
Average Cost per LIR (EUR)	1200	1357

Efficiency Gains



- Response to our members
- Efficiency gains of 300k - 600k in 2019
- Efficiency gains in 3 areas:
 1. Administrative processes (150k - 250k)
 2. IT infrastructure and security (100k-250k)
 3. Communications (50k-100k)

Average Cost per LIR





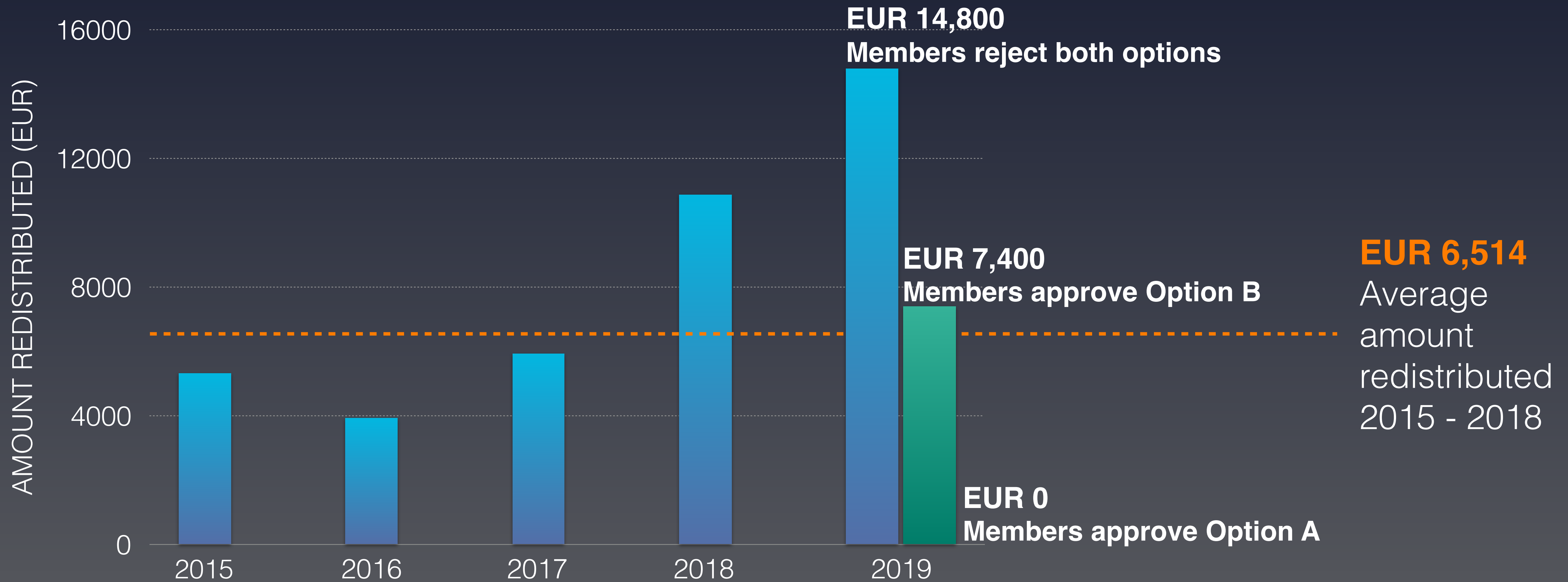
Redistribution of Our Financial Surplus 2019

Resolution Alternatives Explained



- At this GM, the Executive Board is proposing two options for the redistribution of the RIPE NCC's 2019 financial surplus:
 - Option A: The total 2019 financial surplus will be added to the Clearing House reserve.
 - Option B: 50% of the 2019 financial surplus will be added to the Clearing House reserve and 50% will be redistributed to the membership in 2020.
- If neither option is approved, the total 2019 financial surplus will be redistributed to the membership in 2020, according to the existing Clearing House Procedure

Redistribution Amounts 2015-2019



Capital Numbers



- Current capital position stands at EUR 25.4 million
- Current capital expense ratio is 91% (2018)
- Our integrated financial risk management approach (risk appetite) uses a target capital expense ratio of 100% as its financial reserve metric
- Estimated budget for 2020 is EUR 34.4 million, indicating a need to build up capital with at least 9 million..
- Option A adds +/- 11,1 million (106% capital expense ratio in 2020)
- Option B adds +/- 5,5 million (90% capital expense ratio in 2020) Each LIR retrieves approximately EUR 296
- When A and B are rejected capital expense ratio will likely decrease to 74%. Each LIR retrieves +/- EUR 592

Preserve Capital for Improved Stability



- Balance the financial effects of volatility in membership
- Balance reserves with yearly operational costs



Questions



gvanberne@ripe.net