European Bank
for Reconstruction and Development

The Central Asia Risk Sharing Special Fund

Annual Financial Report
31 December 2015

The Central Asia Risk Sharing Special Fund

Contents

The Central Asia Risk Sharing Special Fund

Statement of comprehensive income

For the year ended 31 December 2015

	Note	Year to 31 December 2015 € 000	Year to 31 December 2014 € 000
Net interest		**1**	6
Fee income		**37**	42
Financial guarantees movement		**76**	64
Foreign exchange movement		**552**	545
Other operating expenses	3	**(8)**	(7)
Net profit and comprehensive income for the year		**658**	650
Attributable to:			
Contributors		**658**	650

Balance sheet

	Note	31 December 2015 € 000	31 December 2015 € 000	31 December 2014 € 000	31 December 2014 € 000
Assets					
Placements with credit institutions			**12,145**		11,535
Other financial assets	4		**55**		75
Total assets			**12,200**		11,610
Liabilities and contributors' resources					
Other financial liabilities	5		**195**		263
Contributors' resources					
Contributions	6	**10,583**		10,583	
Reserves and retained earnings		**1,422**		764	
Total contributors' resources			**12,005**		11,347
Total liabilities and contributors' resources			**12,200**		11,610
Memorandum items					
Guarantees*			**2,826**		3,769

*See section on credit risk exposures on page 9 for additional details.

The Central Asia Risk Sharing Special Fund

Statement of changes in contributors' resources

For the year ended 31 December 2015

	Contributions	Retained earnings	Total
	€ 000	€ 000	€ 000
At 31 December 2013	10,583	114	10,697
Total comprehensive income for the year	-	650	650
At 31 December 2014	10,583	764	11,347
Total comprehensive income for the year	-	658	658
At 31 December 2015	**10,583**	**1,422**	**12,005**

Statement of cash flows

For the year ended 31 December 2015

	Year to 31 December 2015		Year to 31 December 2014	
	€ 000	€ 000	€ 000	€ 000
Cash flows from operating activities				
Net profit for the year	**658**		650	
Adjustments for:				
Net interest	**(1)**		(6)	
Financial guarantees movement	**(76)**		(64)	
Foreign exchange movement	**(552)**		(545)	
	29		35	
Net interest received	**2**		6	
(Increase)/decrease in operating assets:				
Fee income receivable	**4**		(11)	
Increase in operating liabilities:				
Accrued expenses	**1**		-	
Net cash from operating activities		**36**		30
Net increase in cash and cash equivalents		**36**		30
Cash and cash equivalents at the beginning of the year		**11,535**		10,934
Effect of foreign exchange rate changes		**574**		571
Cash and cash equivalents at 31 December		**12,145**		11,535

The Central Asia Risk Sharing Special Fund

Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss. The financial statements have been prepared on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the policies of the Central Asia Risk Sharing Special Fund (“the Fund”). The areas involving a higher degree of judgement or complexity, or areas where judgements and estimates are significant to the financial statements, are disclosed in “Critical accounting estimates and judgements” within the section for accounting policies.

New and amended IFRS mandatorily effective for the current reporting period

There are no new or amended standards for the current reporting period.

IFRS not yet mandatorily effective but adopted early

IFRS 9: Financial Instruments is the IASB’s replacement project for IAS 39. The Standard has developed in phases and was completed in July 2014 with a mandatory application date for annual reporting periods beginning on or after 1 January 2018. The Fund adopted the first phase ‘recognition and measurement of financial assets’ (November 2009) in its 2010 financial statements. See the accounting policy for financial assets for more details.

IFRS not yet mandatorily effective and not adopted early

The following standards are not yet effective and have not been adopted early

Pronouncement	Nature of change	Potential Impact
IFRS 9 Financial Instruments	Classification and measurement of financial liabilities (October 2010). Hedge accounting (November 2013). Impairment methodology and introduction of 'fair value through other comprehensive income' measurement category for financial assets represented by simple debt instruments (July 2014). IFRS 9 to be adopted in its entirety for annual reporting periods beginning on or after 1 January 2018.	The Fund is yet to assess the potential impact of adopting this standard.
Amendments to: IFRS 10: Consolidation Financial Statements and IAS 28: Investments in Associates and Joint Ventures	Provides guidance for the accounting for the loss of control of a subsidiary as a result of a transaction involving an associate or a joint venture that is accounted for using the equity method. Effective for annual reporting periods beginning on or after a date to be determined by the IASB.	The Fund is yet to assess the potential impact of adopting this standard.
Amendments to: IFRS 11: Joint Arrangements	Provides guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business. Effective for accounting periods beginning on or after 1 January 2016.	The Fund considers that this amendment has no applicability to its existing operations.
IFRS 15: Revenue from Contracts with Customers	Establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Effective for annual reporting periods beginning on or after 1 January 2018.	The Fund is yet to assess the potential impact of adopting this standard.
IFRS 16: Leases	Sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). Effective for annual reporting periods beginning on or after 1 January 2019.	The Fund considers that this amendment has no applicability to its existing operations.
Amendments to: IAS 1: Presentation of Financial Statements	Various amendments to improve presentation and disclosure under IAS 1. Effective for annual reporting periods beginning on or after 1 January 2016.	The Fund considers that this standard will have minimal impact on the presentation of its financial statements and the disclosures therein.
Amendments to: IAS 7: Statement of Cash Flows	An entity shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Effective for annual reporting periods beginning on or after 1 January 2017.	This is a disclosure requirement only which the Fund will comply with in 2017.
Amendments to: IAS 16: Property, Plant and Equipment and IAS 38: Intangible Assets	Clarification of acceptable methods of depreciation and amortisation. Effective for annual reporting periods beginning on or after 1 January 2016.	The Fund considers that this amendment has no applicability to its existing operations.

B. Significant accounting policies

Financial assets - Classification and measurement

The Fund early adopted the first instalment of IFRS 9: Financial Instruments, concerning the classification and measurement of financial assets, with effect from 1 January 2010. Pursuant to that adoption, the Fund classifies its financial assets in the following categories: those measured at amortised cost and those measured at fair value. This classification depends on both the contractual characteristics of the assets and the business model adopted for their management.

Financial assets at amortised cost
An investment is classified as ‘amortised cost’ only if both of the following criteria are met: the objective of the Fund’s business model is to hold the asset to collect the contractual cash flow; and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, interest being consideration for the time value of money and the credit risk associated with the principal amount outstanding.

Investments meeting these criteria are measured initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. They are subsequently measured at amortised cost using the effective interest method less any impairment. The Fund’s financial assets at amortised cost are recognised at settlement date.

Financial assets at fair value
If either of the two criteria above is not met, the debt instrument is classified as ‘fair value through profit or loss’. The Fund does not currently have any such assets in this category.

Financial liabilities

The Fund has not adopted early that part of IFRS 9 which relates to financial liabilities and therefore still applies IAS 39: Financial Instruments.

All financial liabilities are measured at amortised cost, expect for financial guarantees which are measured in accordance with IAS 39, as described under “Financial guarantees” below.

Financial guarantees

The Fund provides two types of guarantee to the European Bank for Reconstruction and Development (“the Bank”) to cover principal losses the Bank may incur either from providing its own guarantees under its Trade Facilitation Programme (“TFP”) or in providing loans to customers in certain eligible countries. The Fund’s resources are allocated into a number of sub-accounts, with a single one for TFP-related guarantees and individual ones for loan-related guarantees in each eligible country. In the case of loan exposures, the guarantee is for 50 per cent of the principal losses incurred by the Bank, subject to a limit of the available resources in each relevant sub-account. The Fund’s guarantees are provided on a first-loss basis.

When a guarantee is issued, it is initially recognised at its fair value. In the case of the Fund’s guarantees over the Bank’s TFP guarantees, this is measured as the present value of the fees to be received by the Fund for the provision of those guarantees. This initial fair value represents both an asset for the Fund and a liability for the same amount.

In the case of the Fund's guarantees over the Bank's loans, the Fund receives no fees from the Bank. Therefore the initial fair value is estimated using the risk margin associated with the Bank's loans as a proxy for the fees the Fund might have otherwise obtained. In this case the Fund has no asset, due to the absence of any fee income, so the initial fair value is recognised as a liability and a corresponding expense.

The initial fair value for both the asset and the liability is subsequently amortised to nil over the life of the guarantee using the effective interest rate method, unless it is both probable that the guarantee will need to be settled and the settlement amount can be reliably estimated. In this case, the liability is measured at the higher of the initial fair value less cumulative amortisation or the expenditure required to settle the commitment at the balance sheet date.

Financial guarantees are recognised within other financial assets and other financial liabilities.

Contributors' resources

The Fund recognises contributions received from the contributors as a liability on the basis that, should a contributor choose to withdraw from the Fund, the Fund is obligated to return such contributions to the extent these are not needed to meet existing commitments and obligations of the Fund.

Statement of cash flows

The statement of cash flows is prepared using the indirect method. Cash and cash equivalents comprise balances with less than three months maturity from the date of the transaction, which are available for use at short notice and that are subject to insignificant risk of changes in value.

Foreign currencies

The Fund's reporting currency for the presentation of its financial statements is the euro (€).

Foreign currency transactions are initially translated into euro using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at the year-end exchange rate of monetary assets and liabilities denominated in foreign currencies, are included in the income statement.

Contributions

Contributions received in currencies other than euro are translated into euro at the exchange rates ruling at the time of the transaction.

Interest and fees

Interest is recorded on an accruals basis. All interest, positive and negative earned on placements with credit institutions, is recognised within 'net interest' in the income statement.

Fees received in respect of services provided over a period of time are recognised as income as the services are provided. Other fees and commissions are classed as income when received.

Taxation

In accordance with Article 53 of the Agreement Establishing the Bank ("the AEB"), within the scope of its official activities, the Bank, its assets, property and income are exempt from all direct taxes and all taxes and duties levied upon goods and services acquired or imported, except for those parts of taxes or duties that represent charges for public utility services. As described in note 1, this exemption is extended to the Fund.

C. Critical accounting estimates and judgments

Preparing financial statements in conformity with IFRS requires the Fund to make estimates and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts included in the income statement during the reporting period.

The Fund's critical accounting estimates and judgements are as follows:

Financial guarantee liability
The Fund's method for determining the fair value of financial guarantees is described under "Financial guarantees" within the accounting policies section of the report and further explained under credit risk within the risk management section of the report.

The Central Asia Risk Sharing Special Fund

Risk management

The Fund was established as a risk sharing facility for small and medium-sized enterprise (SME) credit lines, to promote a higher level of investment in Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan (collectively the "Eligible Countries"). To achieve this, the Fund may:

- Provide guarantees on a first-loss basis for the Bank's TFP; and
- Provide guarantees on a first-loss basis on the Bank's SME and micro enterprise loans in the Eligible Countries.

As the purpose of the Fund is to promote investment in the Eligible Countries rather than to generate profits, not all financial risks are actively managed by the Fund. Credit risk is jointly managed with the Bank; however the Fund does not hedge against market risk and is hence exposed to foreign exchange risk and interest rate risk.

At 31 December 2015, the Fund had four sub-accounts: the KMSEFF sub-account, the TAFF sub-account, the TSFF sub-account and the TFP sub-account.

Risk governance

The Fund follows the Bank's risk governance procedures as below:

The Bank's overall framework for identification and management of risks is underpinned by: (i) the Banking Vice-Presidency being the "first line of defence" in identifying and managing risks related to debt and equity operations, (ii) independent "second line of defence" control functions, including Risk Management, Office of the Chief Compliance Officer, Environmental and Social Department, Procurement Department, Office of the General Counsel, Evaluations Department and other relevant units, and (iii) Internal Audit Department, which acts as "third line of defence" and independently assesses the effectiveness of the processes within the first and second lines of defence. The Vice President Risk and Chief Risk Officer (VP & CRO) is responsible for ensuring independent risk management of the Banking and Treasury exposures, including adequate processes and governance structure for independent identification, measurement, monitoring and mitigation of risks incurred by the Bank. The challenge of the control functions, review of their status and assessment of their ability to perform duties independently fall within the remit of the Audit Committee of the Board.

Matters related to Bank-wide risk and associated policies and procedures are considered by the Risk Committee. The Risk Committee is accountable to the President. It oversees all aspects of the Banking portfolio across all sectors and countries, and provides advice on Risk Management policies, measures and controls. It also approves proposals for new products submitted by Banking. The membership comprises senior managers across the Bank including representatives from Risk Management, Finance, Banking and the Office of the General Counsel.

The Risk Committee is chaired by the VP & CRO.

The Managing Director Risk Management reports directly to the VP & CRO and leads the overall management of the department. Risk Management (i) provides an independent assessment of risks associated with individual investments undertaken by the Bank, (ii) performs an ongoing review of the portfolio to monitor the risk presented by investments from inception to repayment or exit, (iii) assesses and proposes ways to manage risks arising from correlations and concentrations within the portfolio, and (iv) ensures that adequate systems and controls are put in place for identification and management of operational risks across the Bank. It develops and maintains the Risk Management policies to facilitate Banking and Treasury operations and promotes risk awareness across the Bank.

In exercising its responsibilities, Risk Management is guided by its mission to:

- Provide assurance to stakeholders that risk decision-making in the Bank is balanced and within agreed appetite, and that control processes are rigorously designed and applied; and
- Support the Bank's business strategy including the maximisation of transition impact through provision of efficient and effective delivery of risk management advice, challenge and decision making.

A. Credit risk

Credit risk is the potential loss to a portfolio that could result from the default of a counterparty or the deterioration of its creditworthiness. The Fund may also be exposed to concentration risk, which is the risk arising from too high a proportion of the portfolio being allocated to a specific country, industry sector or obligor, or to a particular type of instrument or individual transaction.

The Fund is exposed to credit risk as counterparties could default on their contractual obligations.

The carrying amounts of financial assets presented on the balance sheet, together with the guarantees as shown under memorandum items, best represents the Fund's maximum exposure to credit risk at 31 December 2015 and 31 December 2014, without taking account of any collateral held or other credit enhancements.

Credit risk management and measurement

As previously stated, the Fund participates jointly with the Bank in the financing of investments in the Bank's countries of operations. It therefore benefits from the same governance process employed by the Bank in the measurement and management of credit exposures, which is described below.

Underlying principles and procedures
The Board of Directors ("the Board") approves a document that defines the principles underlying the credit process for the approval, management and review of Banking exposures. The Audit Committee periodically reviews these principles and its review is submitted to the Board for approval.

Individual projects
The Operations Committee reviews all Banking projects prior to their submission for Board approval. The Committee is chaired by the First Vice President Banking and its membership comprises senior managers of the Bank, including the VP & CRO and Managing Director Risk Management. A number of frameworks for smaller projects are considered by the Small Business Investment Committee or by senior management under a delegated authority framework supervised by the Operations Committee. The project approval process is designed to ensure compliance with the Bank's criteria for sound banking, transition impact and additionality. It operates within the authority delegated by the Board, via the Executive Committee, to approve projects within Board-approved framework operations. The Operations Committee is also responsible for approving significant changes to existing operations.

Risk Management conducts reviews of all exposures within the Banking portfolio. At each review, Risk Management assesses whether there has been any change in the risk profile of the exposure, recommends actions to mitigate risk and reconfirms or adjusts the risk rating. It also reviews the fair value of equity investments.

Portfolio level review
Risk Management reports on the development of the portfolio as a whole on a quarterly basis to the Audit Committee of the Board. The report includes a summary of key factors affecting the portfolio and provides analysis and commentary on trends within the portfolio and various sub-portfolios. It also includes reporting on compliance with all portfolio risk limits including an explanation of any limit breaches.

To identify emerging risk and enable appropriate risk mitigating actions Risk Management also conducts regular Bank-wide (top-down) and country level (bottom-up) stress testing exercises and comprehensive reviews of its investment portfolios. The Bank recognises that any resulting risk mitigation is constrained by the limited geographical space within which the Bank operates.

EBRD internal ratings

Probability of default (PD)
The Bank assigns its internal risk ratings to all counterparties, including borrowers, investee companies, guarantors and sovereigns in the Banking portfolio. Risk ratings reflect the financial strength of the counterparty as well as consideration of any implicit support, for example from a major shareholder. The sovereign rating takes into consideration the ratings assigned by external rating agencies. For non-sovereign operations, probability of default ratings are normally capped by the sovereign rating, except where the

Bank has recourse to a guarantor from outside the country which may have a better rating than the local sovereign rating.

The table below shows the Bank's internal probability of default rating scale from 1.0 (lowest risk) to 8.0 (highest risk) and how this maps to the external ratings of Standard & Poor's (S&P). References to risk rating through this text relate to probability of default ratings unless otherwise specified.

EBRD risk category	EBRD risk rating	External rating equivalent	Category name	Broader category
1	1.0	AAA	Excellent	Investment Grade
2	1.7 2.0 2.3/2.5	AA+ AA AA-	Very Strong	
3	2.7 3.0 3.3	A+ A A-	Strong	
4	3.7 4.0 4.3	BBB+ BBB BBB-	Good	
5	4.7 5.0 5.3	BB+ BB BB-	Fair	Risk class 5
6	5.7 6.0 6.3	B+ B B-	Weak	Risk class 6
7	6.7 7.0 7.3	CCC+ CCC CCC-/CC/C	Special Attention	Classified
8	8.0	D	Non-performing	

Loss given default (LGD)
The Bank assigns loss given default percentages on a scale of 0 to 100 determined by the seniority of the instrument in which the Bank invested.

Non-performing loans (NPL)

NPL definition
An asset is designated as non-performing when either the borrower is more than 90 days past due on payment to any material creditor, or when Risk Management considers that the counterparty is unlikely to pay its credit obligations in full without recourse by the Bank to actions such as realising security, if held.

Provisioning methodology
A specific provision is raised on all NPLs accounted for at amortised cost. The provision represents the amount of expected loss, being the difference between the outstanding amount from the client and the expected recovery amount. The expected recovery amount is equal to the present value of the estimated future cash flows discounted at the loan's original effective interest rate

Credit risk exposures

Placements with credit institutions
The Fund's placements with credit institutions were all classified in internal credit rating risk category 2 (approximately AA+ to AA- in terms of S&P equivalent).

Other financial assets
Other financial assets represent fee income receivable from financial guarantees and the unamortised fair value balance of guarantee assets.

Guarantees
At 31 December 2015, the Bank had outstanding guarantees under the TFP for which, in the event of a future default, principal losses incurred by the Bank will be refunded in part from the resources of the TFP sub-account of the Fund. At 31 December 2015, the Fund's maximum exposure under such guarantees was €2.3 million (2014: €3.0 million).

At 31 December 2015, the Bank had outstanding loans amounting to €0.9 million (2014: €1.6 million) under the TSFF sub-account, for which, in the event of a future default, losses incurred by the Bank may be refunded in part from the resources of the TSFF sub-account of the Fund. At 31 December 2015, the Fund's maximum exposure under such guarantees was €0.5 million (2014: €0.7 million).

At 31 December 2015, the Bank had no outstanding loans (2014: nil) under the TAFF or KMSEFF sub-accounts of the Fund. Accordingly the Fund is not subject to any guarantee exposure in relation to these sub-accounts.

No amounts are currently recognised as required to settle a guarantee commitment (2014: nil). The guarantee liability on the balance sheet of €0.1 million (2014: €0.2 million) represents the initial fair value recognised when the guarantees were issued less cumulative amortisation. The Fund does not actively manage credit risk on its guarantee exposure.

B. Market risk

Market risk is the potential loss that could result from adverse market movements. The drivers of market risk for the Fund are interest rate risk and foreign exchange risk.

Market risk management and measurement

As discussed at the beginning of the Risk Management section, the Fund does not actively monitor or hedge against market risk.

Interest rate risk
Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The length of time for which the rate of interest is fixed on a financial instrument indicates to what extent it is exposed to interest rate risk.

The Fund's placements are repriced to market interest rates within one month, therefore the exposure to interest rate risk is considered to be minimal.

Foreign exchange risk
Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund's net exposure to foreign exchange risk is considered to be minimal as outlined in the table below.

	Euro 2015 € 000	**United States dollars 2015 € 000**	**Total € 000**
Total assets	**6,743**	**5,457**	**12,200**
Total liabilities	**(6,749)**	**(5,451)**	**(12,200)**
Net currency position at 31 December 2015	**(6)**	**6**	**-**

	Euro 2014 € 000	United States dollars 2014 € 000	Total € 000
Total assets	6,770	4,840	11,610
Total liabilities	(6,775)	(4,835)	(11,610)
Net currency position at 31 December 2014	(5)	5	-

C. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Fund's Rules and Regulations require that guarantees are settled from the available resources within each sub-account of the Fund. Accordingly, the Fund cannot commit more than the available resources and cannot borrow funds to finance operations. Contributions received are recognised as a liability which will be repayable to the contributor only after relevant liabilities are discharged and assets disposed of or redeemed. As a result, the Fund's exposure to liquidity risk is considered to be minimal.

Notes to the financial statements

1. Creation of the Special Fund

The creation of the Fund was approved by the Board at its meeting of 26 June 2002 and is administered, *inter alia,* in accordance with the AEB and under the terms of the Rules and Regulations of the Fund. The Fund became operational on 15 August 2002 following the receipt of the first contribution.

The Fund's principal office is located in London at One Exchange Square, EC2A 2JN.

The Fund was established in accordance with Article 18 of the AEB. The Fund is not part of the ordinary capital resources of the Bank, but any privileges and immunities available to the Bank are extended to the Fund.

2. President's responsibilities

The President is responsible for preparing the financial statements in accordance with IFRS issued by the IASB.

3. Other operating expenses

Other operating expenses comprise administrative costs directly related to the Fund and include external auditor's remuneration of €7,700 (2014: €7,200). At 31 December 2015 €7,700 (2014: €7,200) is payable to the Bank in relation to the 2015 external audit. In 2014 the Bank approved an extension of the term of appointment from four years to five with a maximum of two consecutive terms. Deloitte LLP (UK) completed its first four-year term in 2014 and has been re-appointed for the five year period 2015 - 2019.

4. Other financial assets

	2015	2014
	€ 000	€ 000
Fee income receivable from financial guarantees	**9**	13
Unamortised fair value of TFP financial guarantees	**46**	62
At 31 December	**55**	75

5. Other financial liabilities

	2015	2014
	€ 000	€ 000
Loan-related guarantees	**140**	194
Unamortised fair value of TFP financial guarantees	**46**	62
Audit fees payable	**8**	7
Interest payable	**1**	-
At 31 December	**195**	**263**

6. Contributions

Contributions received are set out below.

Cumulative contributions received	TFP € 000	KMSEFF € 000	TAFF € 000	TSFF € 000	Total € 000	Total %
Germany	2,389	-	-	-	**2,389**	**22.6**
Switzerland	3,164	2,180	855	1,995	**8,194**	**77.4**
At 31 December 2015	**5,553**	**2,180**	**855**	**1,995**	**10,583**	**100.0**

Cumulative contributions received	TFP € 000	KMSEFF € 000	TAFF € 000	TSFF € 000	Total € 000	Total %
Germany	2,389	-	-	-	2,389	22.6
Switzerland	3,164	2,180	855	1,995	8,194	77.4
At 31 December 2014	5,553	2,180	855	1,995	10,583	100.0

7. Fair value of financial assets and financial liabilities

The carrying amounts of financial assets and liabilities presented on the balance sheet approximate to their fair value.

8. Analysis of current and non-current assets and liabilities

The table below provides the classification of current and non-current assets and liabilities in the balance sheet.

Assets	Current 2015 € 000	Non-current 2015 € 000	Total 2015 € 000	Current 2014 € 000	Non-current 2014 € 000	Total 2014 € 000
Placements with credit institutions	**12,145**	**-**	**12,145**	11,535	-	11,535
Other financial assets	**23**	**32**	**55**	75	-	75
Total assets	**12,168**	**32**	**12,200**	11,610	-	11,610
Liabilities and contributors' resources						
Other financial liabilities	**163**	**32**	**195**	263	-	263
Total contributors' resources	**12,005**	**-**	**12,005**	11,347	-	11,347
Liabilities and contributors' resources	**12,168**	**32**	**12,200**	11,610	-	11,610

9. Events after the reporting period

There have been no material events since the reporting date that would require disclosure or adjustment to these financial statements.

10. Related parties

The Fund's related parties are the Bank and the contributors.

The Bank is entitled to charge the Fund a management fee, as determined by the Board, each time a contribution is made to the Fund. As there were no contributions received in 2015, no management fees were paid by the Fund to the Bank (2014: nil). There was no accrued management fee payable by the Fund to the Bank at 31 December 2015 (2014: nil). Also during 2015, the Fund received fees from the Bank in relation to TFP guarantees of €37,000 (2014: €42,000), of which €9,000 are receivable as at 31 December 2015 (2014: €13,000).

Financial guarantees issued by the Fund to the Bank are disclosed under credit risk exposures.

Audit fees payable to the Bank are outlined in note 3.

Contributions received from the contributors are outlined in note 6.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT ("THE BANK")

Report on the financial statements

We have audited the financial statements of the Central Asia Risk Sharing Special Fund ("the Fund") for the year ended 31 December 2015 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in contributors' resources, the statement of cash flows for the year then ended together with the accounting policies, the risk management statement and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is the International Financial Reporting Standards as issued by the International Accounting Standards Board.

President's responsibility for the financial statements

The President is responsible for the preparation and fair presentation of the Financial Statements in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board, and for such internal control as the President determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the Financial Statements present fairly, in all material respects, the financial position of the Central Asia Risk Sharing Special Fund as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

Other reporting responsibilities

We also report to you if, in our opinion, the Financial Statements are not in agreement with the accounting records, if the proper accounting records have not been kept, or if we have not received all the information and explanations we require for our audit. We have nothing to report in connection with these matters.

Other matters

This report, including the opinion, has been prepared for, and only for, the Bank in accordance with Article 24 of the Agreement Establishing the Bank dated 29 May 1990, and for the use of the contributors and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this Report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Deloitte LLP

Deloitte LLP
Chartered Accountants
London, United Kingdom
6 April 2016