



EUROPEAN BANK
for Reconstruction and Development

The financial statements for the Bank for the year ended 31 December 2014 were audited on 25 February 2015 and reviewed by the Board of Directors on 25 February 2015 and have been transmitted to the Board of Governors for approval at the Annual Meeting on 14-15 May 2015

Income statement

For the year ended 31 December 2014	Year to 31 December 2014 € million	Year to 31 December 2013 € million
Interest and similar income		
From Banking loans	1,043	998
From fixed-income debt securities and other interest	109	99
Interest expense and similar charges	(90)	(90)
Net interest expense on derivatives	(199)	(162)
Net interest income	863	845
Net fee and commission income	14	25
Dividend income	109	105
Net (losses)/gains from share investments at fair value through profit or loss	(748)	376
Net gains from loans at fair value through profit or loss	3	1
Net gains from loans at amortised cost	7	3
Net gains/(losses) from Treasury assets held at amortised cost	7	(7)
Net gains from Treasury activities at fair value through profit or loss and foreign exchange	4	102
Fair value movement on non-qualifying and ineffective hedges	(34)	45
Impairment provisions on Banking loan investments	(440)	(133)
Impairment provisions on guarantees	2	(5)
General administrative expenses	(329)	(319)
Depreciation and amortisation	(26)	(26)
Net (loss)/profit for the year from continuing operations	(568)	1,012
Transfers of net income approved by the Board of Governors	(155)	(90)
Net (loss)/profit after transfers of net income approved by the Board of Governors	(723)	922
Attributable to:		
Equity holders	(723)	922

Statement of comprehensive income

For the year ended 31 December 2014

	Year to 31 December 2014 € million	Year to 31 December 2013 € million
Net profit after transfers of net income approved by the Board of Governors	(723)	922
Other comprehensive (expense)/income		
1. Items that will not be reclassified subsequently to profit or loss		
Share investment designated as fair value through other comprehensive income	(1)	(1)
Actuarial (losses)/gains on defined benefit scheme	(5)	2
Cash flow hedges	(4)	(7)
2. Items that may be reclassified subsequently to profit or loss		
Cash flow hedges	-	4
Total comprehensive income	(733)	920
Attributable to:		
Equity holders	(733)	920

Balance sheet**At 31 December 2014**

	31 December 2014	31 December 2013
	€ million	€ million
Assets		
Placements with and advances to credit institutions	10,612	7,266
Debt securities		
At fair value through profit or loss	106	139
At amortised cost	11,688	12,398
	<u>11,794</u>	<u>12,537</u>
Collateralised placements	57	247
	<u>22,463</u>	<u>20,050</u>
Other financial assets		
Derivative financial instruments	4,978	3,094
Other financial assets	345	314
	<u>5,323</u>	<u>3,408</u>
Loan investments		
<i>Banking portfolio:</i>		
Loans at amortised cost	20,358	19,458
Less: Provisions for impairment	(1,209)	(817)
Loans at fair value through profit or loss	338	223
	<u>19,487</u>	<u>18,864</u>
Share investments		
<i>Banking portfolio:</i>		
At fair value through profit or loss	5,069	6,490
<i>Treasury portfolio:</i>		
Share investments at fair value through other comprehensive income	62	63
	<u>5,131</u>	<u>6,553</u>
Intangible assets	43	39
Property, technology and office equipment	40	44
Total assets	52,487	48,958
Liabilities		
Borrowings		
Amounts owed to credit institutions	2,534	1,543
Debts evidenced by certificates	32,922	29,659
	<u>35,456</u>	<u>31,202</u>
Other financial liabilities		
Derivative financial instruments	2,430	2,475
Other financial liabilities	452	405
	<u>2,882</u>	<u>2,880</u>
Total liabilities	38,338	34,082
Members' equity attributable to equity holders		
Paid-in capital	6,202	6,202
Reserves and retained earnings	7,947	8,674
Total members' equity	14,149	14,876
Total liabilities and members' equity	52,487	48,958
Memorandum items		
Undrawn commitments	11,531	11,434