



EUROPEAN BANK
for Reconstruction and Development

The financial statements for the Bank for the year ended 31 December 2012 were audited on 26 February 2013 and reviewed by the Board of Directors on 26 February 2013 and have been transmitted to the Board of Governors for approval at the Annual Meeting on 10-11 May 2013

Income statement

For the year ended 31 December 2012	Year to 31 December 2012 € million	Year to 31 December 2011 € million
Interest and similar income		
From Banking loans	1,040	859
From fixed-income debt securities and other interest	166	187
Interest expense and similar charges	(155)	(145)
Net interest expense on derivatives	(176)	(118)
Net interest income	875	783
Net fee and commission income	32	20
Dividend income	87	115
Net gains/(losses) from share investments at fair value through profit or loss	274	(424)
Net gains from loans at fair value through profit or loss	11	5
Net gains from loans at amortised cost	1	2
Net losses from Treasury assets held at amortised cost	(16)	(34)
Net gains from Treasury activities at fair value through profit or loss and foreign exchange	103	61
Fair value movement on non-qualifying and ineffective hedges	69	(39)
Impairment provisions on Banking loan investments	(120)	(46)
General administrative expenses	(271)	(249)
Depreciation and amortisation	(25)	(21)
Net profit for the year from continuing operations	1,020	173
Transfers of net income approved by the Board of Governors	(190)	-
Net profit after transfers of net income approved by the Board of Governors	830	173
Attributable to:		
Equity holders	830	173

Statement of comprehensive income

For the year ended 31 December 2012

	Year to 31 December 2012 € million	Year to 31 December 2011 € million
Net profit after transfers of net income approved by the Board of Governors	830	173
Other comprehensive income/(expense)		
Share investment designated as fair value through other comprehensive income	6	2
Cash flow hedges	(8)	15
Total comprehensive income	828	190
Attributable to:		
Equity holders	828	190

Balance sheet**At 31 December 2012**

	31 December 2012	31 December 2011
	€ million	€ million
Assets		
Placements with and advances to credit institutions	7,515	5,172
Debt securities		
At fair value through profit or loss	175	411
At amortised cost	12,243	11,161
Less: Provisions for impairment	(8)	(34)
	<u>12,410</u>	<u>11,538</u>
Collateralised placements	<u>600</u>	<u>851</u>
	<u>20,525</u>	<u>17,561</u>
Other financial assets		
Derivative financial instruments	4,671	5,111
Other financial assets	<u>354</u>	<u>517</u>
	<u>5,025</u>	<u>5,628</u>
Loan investments		
<i>Banking portfolio:</i>		
Loans at amortised cost	19,333	18,088
Less: Provisions for impairment	(736)	(672)
Loans at fair value through profit or loss	<u>247</u>	<u>239</u>
	<u>18,844</u>	<u>17,655</u>
Share investments		
<i>Banking portfolio:</i>		
At fair value through profit or loss	<u>6,649</u>	<u>6,037</u>
<i>Treasury portfolio:</i>		
Share investments at fair value through other comprehensive income	<u>64</u>	<u>58</u>
	<u>6,713</u>	<u>6,095</u>
Intangible assets	41	44
Property, technology and office equipment	42	38
Paid-in capital receivable	12	15
Total assets	51,202	47,036
Liabilities		
Borrowings		
Amounts owed to credit institutions	3,086	2,610
Debts evidenced by certificates	<u>31,824</u>	<u>29,195</u>
	<u>34,910</u>	<u>31,805</u>
Other financial liabilities		
Derivative financial instruments	1,752	1,643
Other financial liabilities	<u>530</u>	<u>415</u>
	<u>2,282</u>	<u>2,058</u>
Total liabilities	37,192	33,863
Members' equity attributable to equity holders		
Paid-in capital	6,202	6,199
Reserves and retained earnings	<u>7,808</u>	<u>6,974</u>
Total members' equity	14,010	13,173
Total liabilities and members' equity	51,202	47,036
Memorandum items		
Undrawn commitments	10,995	10,034