



EUROPEAN BANK
for Reconstruction and Development

The financial statements for the Bank for the year ended 31 December 2013 were audited on 26 February 2014 and reviewed by the Board of Directors on 26 February 2014 and have been transmitted to the Board of Governors for approval at the Annual Meeting on 14-16 May 2014

Income statement

For the year ended 31 December 2013	Year to 31 December 2013 €million	Restated¹ Year to 31 December 2012 €million
Interest and similar income		
From Banking loans	998	1,040
From fixed-income debt securities and other interest	99	166
Interest expense and similar charges	(90)	(155)
Net interest expense on derivatives	(162)	(176)
Net interest income	845	875
Net fee and commission income	25	32
Dividend income	105	87
Net gains/(losses) from share investments at fair value through profit or loss	376	274
Net gains from loans at fair value through profit or loss	1	11
Net gains from loans at amortised cost	3	1
Net losses from Treasury assets held at amortised cost	(7)	(16)
Net gains from Treasury activities at fair value through profit or loss and foreign exchange	102	103
Fair value movement on non-qualifying and ineffective hedges	45	69
Impairment provisions on Banking loan investments	(133)	(120)
Impairment provisions on guarantees	(5)	-
General administrative expenses	(319)	(270)
Depreciation and amortisation	(26)	(25)
Net profit for the year from continuing operations	1,012	1,021
Transfers of net income approved by the Board of Governors	(90)	(190)
Net profit after transfers of net income approved by the Board of Governors	922	831
Attributable to:		
Equity holders	922	831

¹ In 2013 the Bank adopted IAS 19 Employee Benefits (amended 2011), which supersedes IAS 19 Employee Benefits (1998) and is applicable to annual periods beginning on or after 1 January 2013. Comparative information for 2012 is therefore restated in accordance with the rules of the revised standard.

The effect of the restatement on the financial statements for 2012 was a €60 million reduction in the net defined benefit asset, a €1 million reduction in general administrative expenses, an additional recognition of €5 million actuarial losses on the net defined benefit asset through other comprehensive income, and a €6 million reduction in retained earnings.

Statement of comprehensive income

For the year ended 31 December 2013

	Year to 31 December 2013 €million	Restated ² Year to 31 December 2012 €million
Net profit after transfers of net income approved by the Board of Governors	922	831
Other comprehensive income/(expense)		
1. Items that will not be reclassified subsequently to profit or loss		
Share investment designated as fair value through other comprehensive income	(1)	6
Actuarial gains/(losses) on defined benefit scheme	2	(5)
Cash flow hedges	(7)	(15)
2. Items that may be reclassified subsequently to profit or loss		
Cash flow hedges	4	(7)
Total comprehensive income	920	824
Attributable to:		
Equity holders	920	824

² As explained in footnote 1 on page 2

Balance sheet**At 31 December 2013**

	31 December 2013	31 December 2012	Restated ³ 31 December 2012
	€million	€million	€million
Assets			
Placements with and advances to credit institutions	7,266		7,515
Debt securities			
At fair value through profit or loss	139		175
At amortised cost	12,398		12,243
Less: Provisions for impairment	-		(8)
	<u>12,537</u>		<u>12,410</u>
Collateralised placements	<u>247</u>		<u>600</u>
		<u>20,050</u>	<u>20,525</u>
Other financial assets			
Derivative financial instruments	3,094		4,671
Other financial assets	<u>304</u>		<u>294</u>
		<u>3,398</u>	<u>4,965</u>
Loan investments			
<i>Banking portfolio:</i>			
Loans at amortised cost	19,458		19,333
Less: Provisions for impairment	(817)		(736)
Loans at fair value through profit or loss	<u>223</u>		<u>247</u>
		<u>18,864</u>	<u>18,844</u>
Share investments			
<i>Banking portfolio:</i>			
At fair value through profit or loss	<u>6,490</u>		<u>6,649</u>
<i>Treasury portfolio:</i>			
Share investments at fair value through other comprehensive income	<u>63</u>		<u>64</u>
		<u>6,553</u>	<u>6,713</u>
Intangible assets	39		41
Property, technology and office equipment	44		42
Paid-in capital receivable	10		12
Total assets	48,958		51,142
Liabilities			
Borrowings			
Amounts owed to credit institutions	1,543		3,086
Debts evidenced by certificates	<u>29,659</u>		<u>31,824</u>
		<u>31,202</u>	<u>34,910</u>
Other financial liabilities			
Derivative financial instruments	2,475		1,752
Other financial liabilities	<u>405</u>		<u>530</u>
		<u>2,880</u>	<u>2,282</u>
Total liabilities		34,082	37,192
Members' equity attributable to equity holders			
Paid-in capital	6,202		6,202
Reserves and retained earnings	<u>8,674</u>		<u>7,748</u>
Total members' equity	14,876		13,950
Total liabilities and members' equity	48,958		51,142
Memorandum items			
Undrawn commitments	11,434		10,995

³ As explained in footnote 1 on page 2