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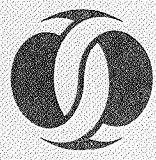


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EUROPEAN BANK
for Reconstruction and Development

**Income statement, statement of comprehensive income
and statement of financial position**

for the year ended

31 December 2009

Income Statement

For the year ended 31 December 2009

	Year to 31 December 2009 € million	Year to 31 December 2008 € million
Interest and similar income		
From Banking loans	648	668
From fixed-income debt securities and other interest	240	632
Interest expense and similar charges	(306)	(633)
Net interest income	582	667
Net fee and commission income	14	6
Dividend income	40	68
Net losses from share investments at fair value through profit or loss	(547)	(892)
Net losses from available-for-sale share investments	(241)	(265)
Net losses from Treasury investments	(9)	(2)
Net gains/(losses) from dealing activities at fair value through profit or loss	95	(69)
Foreign exchange movement	1	(1)
Fair value movement on non-qualifying and ineffective hedges	123	361
Provisions for impairment of Banking loan investments	(535)	(105)
Provisions for impairment of Treasury loan investments	(32)	(127)
General administrative expenses	(220)	(227)
Depreciation and amortisation	(17)	(16)
Net loss for the year from continuing operations	(746)	(602)
Transfers of net income approved by the Board of Governors	(165)	(115)
Net loss after transfers of net income approved by the Board of Governors	(911)	(717)
Attributable to:		
Equity holders	(911)	(717)

Statement of comprehensive income

For the year ended 31 December 2009

	Year to 31 December 2009 € million	Year to 31 December 2008 € million
Net loss after transfers of net income approved by the Board of Governors	(911)	(717)
Other comprehensive income/(expense)		
Available-for-sale financial assets	635	(1,360)
Cash flow hedges	37	(52)
Total comprehensive income	(239)	(2,219)
Attributable to:		
Equity holders	(239)	(2,219)

Statement of financial position

At 31 December 2009

	€ million	31 December 2009 € million	€ million	31 December 2008 € million
Assets				
Placements with and advances to credit institutions	3,247		3,344	
Debt securities				
At fair value through profit or loss	222		1,213	
Available-for-sale	1,012		1,263	
Held-to-maturity	1,239		1,157	
	<u>2,473</u>		<u>3,633</u>	
Collateralised placements	1,171		1,163	
		<u>6,891</u>		<u>8,140</u>
Other financial assets				
Derivative financial instruments	2,538		2,849	
Other financial assets	483		1,139	
		<u>3,021</u>		<u>3,988</u>
Loan investments				
<i>Treasury portfolio:</i>				
Loans	5,484		5,811	
Less: Provisions for impairment	(163)		(134)	
	<u>5,321</u>		<u>5,677</u>	
<i>Banking portfolio:</i>				
Loans	13,125		10,930	
Less: Provisions for impairment	(719)		(227)	
	<u>12,406</u>		<u>10,703</u>	
		<u>17,727</u>		<u>16,380</u>
Share investments				
<i>Banking portfolio:</i>				
Share investments at fair value through profit or loss	2,279		2,310	
Available-for-sale share investments	2,455		2,054	
	<u>4,734</u>		<u>4,364</u>	
<i>Treasury portfolio:</i>				
Available-for-sale share investments	57		42	
		<u>4,791</u>		<u>4,406</u>
Intangible assets		53		48
Property, technology and office equipment		39		41
Paid-in capital receivable		17		44
Total assets		32,539		33,047
Liabilities				
Borrowings				
Amounts owed to credit institutions	2,129		2,141	
Debts evidenced by certificates	17,715		16,295	
		<u>19,844</u>		<u>18,436</u>
Other financial liabilities				
Derivative financial instruments	803		1,519	
Other financial liabilities	377		1,342	
		<u>1,180</u>		<u>2,861</u>
Total liabilities		21,024		21,297
Members' equity				
Subscribed capital	19,794		19,794	
Callable capital	(14,596)		(14,596)	
Paid-in capital		<u>5,198</u>		<u>5,198</u>
Reserves and retained earnings		<u>6,317</u>		<u>6,552</u>
Total members' equity		11,515		11,750
Total liabilities and members' equity		32,539		33,047
Memorandum items				
Undrawn commitments		7,716		6,469