Subotica; 10:49

EUROFIMA®

Annual report 2012

EUROFIMA® European Company for the Financing of Railroad

EUROFIMA is a supranational organization. Its shareholders, which are also its customers, are the railways of its member States. EUROFIMA fulfills a task of public interest. It is located in Basel, Switzerland.

Constitution and mission

EUROFIMA was established on November 20, 1956 based on an international treaty (the "Convention") between sovereign States. It is governed by the Convention signed by its member States, its articles of association ("Statutes") and in a subsidiary manner by the law of the country in which it is located. It was originally founded for a period of 50 years. The decision taken by the extraordinary General Assembly of February 1, 1984 to extend this period for an additional 50 years, until 2056, was approved by all member States.

EUROFIMA's shareholders are railways of the European member States which are parties to the Convention.

EUROFIMA's mission is to support the development of rail transportation in Europe and to support the railways which are its shareholders, as well as other railway bodies, in renewing and modernizing their equipment.

Activity

EUROFIMA finances railway equipment through borrowings or equity capital. EUROFIMA secures title to or obtains security interests deemed equivalent (in particular pledges) on or in respect of equipment. The general principles of EUROFIMA's activity are defined in an agreement (the "Basic Agreement") between the

Shareholders' distribution

Shareholders		Number of shares	in % of share capital	Subscribed share capital (in CHF) 2012	2011	Callable share capital (1) (in CHF) 2012	2011
Deutsche Bahn AG	DB AG	58 760	22.60 %	587 600 000	587 600 000	470 080 000	470 080 000
French National Railways	SNCF	58 760	22.60 %	587 600 000	587 600 000	470 080 000	470 080 000
Ferrovie dello Stato Italiane S.p.A.	FS	35 100	13.50 %	351 000 000	351 000 000	280 800 000	280 800 000
SNCB Holding	SNCB	25 480	9.80 %	254 800 000	254 800 000	203 840 000	203 840 000
N.V. Nederlandse Spoorwegen	NS	15 080	5.80 %	150 800 000	150 800 000	120 640 000	120 640 000
RENFE Operadora	RENFE	13 572	5.22 %	135 720 000	135 720 000	108 576 000	108 576 000
Swiss Federal Railways	SBB	13 000	5.00 %	130 000 000	130 000 000	104 000 000	104 000 000
Akcionarsko društvo Železnice Srbije	ŽS	5 824(2)	2.24 %	58 240 000	58 240 000	46 592 000	46 592 000
Näringsdepartementet, Sweden		5 200	2.00 %	52 000 000	52 000 000	41 600 000	41 600 000
Luxembourg National Railways	CFL	5 200	2.00 %	52 000 000	52 000 000	41 600 000	41 600 000
ÖBB-Holding AG	ÖBB	5 200	2.00 %	52 000 000	52 000 000	41 600 000	41 600 000
CP-Comboios de Portugal, E.P.E.	CP	5 200	2.00 %	52 000 000	52 000 000	41 600 000	41 600 000
Hellenic Railways	OSE	5 200	2.00 %	52 000 000	52 000 000	41 600 000	41 600 000
České dráhy, a.s.	ČD	2 600	1.00 %	26 000 000	26 000 000	20 800 000	20 800 000
Hungarian State Railways Ltd.	MÁV	1 820	0.70 %	18 200 000	18 200 000	14 560 000	14 560 000
Železničná spoločnosť Slovensko, a.s.	ŽSSK	1 300	0.50 %	13 000 000	13 000 000	10 400 000	10 400 000
HŽ Putnički prijevoz d.o.o.	HŽ	520	0.20 %	5 200 000	5 200 000	4 160 000	4 160 000
Slovenske železnice d.o.o.	SŽ	520	0.20 %	5 200 000	5 200 000	4 160 000	4 160 000
Bosnia and Herzegovina Railways	ŽBH	520	0.20 %	5 200 000	5 200 000	4 160 000	4 160 000
Holding Balgarski Darzhavni Zheleznitsi EAD	BDZ	520	0.20 %	5 200 000	5 200 000	4 160 000	4 160 000
Javno pretprijatie Makedonski Železnici-Infrastruktura	MŽI	208	0.08 %	2 080 000	2 080 000	1 664 000	1 664 000
Željeznički Prevoz Crne Gore AD	ŽPCG	156	0.06 %	1 560 000	1 560 000	1 248 000	1 248 000
Turkish State Railways	TCDD	104	0.04 %	1 040 000	1 040 000	832 000	832 000
Danish State Railways	DSB	52	0.02 %	520 000	520 000	416 000	416 000
Norwegian State Railways	NSB	52	0.02 %	520 000	520 000	416 000	416 000
Makedonski Železnici – Transport AD	MŽT	52	0.02 %	520 000	520 000	416 000	416 000
Total		**260 000**	**100.00 %**	**2 600 000 000**	**2 600 000 000**	**2 080 000 000**	**2 080 000 000**

(1) As per Article 21 of the Statutes the callable share capital may be called in unconditionally at any time by decision of the Board of Directors

(2) 2 830 shares of which EUROFIMA holds in trust

Beograd – Rakovica; 09:25

Rolling Stock

railways and EUROFIMA. The Basic Agreement remains valid for the entire duration of EUROFIMA's existence and can only be altered with the consent of all the railways and EUROFIMA. EUROFIMA's equity is primarily used for investments in money market paper or bonds and, to a limited extent, for financing railway equipment.

Equipment

EUROFIMA either holds title to the equipment until the financing has been completely reimbursed or it holds a direct or indirect security interest deemed equivalent, particularly pledges. The equipment is recorded in the company's register with its number and type. Each railway is responsible for maintaining the equipment. In case of damage or loss, the equipment must be replaced without delay and at the railway's expense. If a railway does not fulfill its obligations, EUROFIMA has the right to repossess the equipment to cover its exposure. The railway continues to assume responsibility for all contracts into which it has entered with the company. EUROFIMA has never experienced a loss due to the failure of a railway to assume its contractual obligations.

Guarantee reserve and subsidiary shareholder guarantee

In the event of a default by a railway, the guarantee reserve, as outlined in Article 29 of the Statutes, may be called upon. According to this article, the yearly allocation to the guarantee reserve corresponds to the balance of the annual profit, after allocation to the ordinary reserve of 5 % of the net profit and the eventual payment of a dividend, statutorily limited to a maximum of 4 % of the paid-in share capital, unless the General Assembly decides otherwise. After appropriation of the 2012 surplus, the guarantee reserve reached CHF 618.5 million.

In addition, pursuant to Article 26 of the Statutes, each shareholder guarantees the fulfillment of all equipment financing contracts in proportion to its participation in EUROFIMA's share capital and up to a maximum amount equal to its participation in EUROFIMA's subscribed share capital. This subsidiary shareholder guarantee can only be called where (i) a railway and its guaranteeing member State have not discharged obligations under equipment financing contracts and (ii) the guarantee reserve, as contemplated by Article 29 of the Statutes, is not sufficient to cover the loss resulting from such non-payment.

State guarantee

The railway shareholders' obligations towards EUROFIMA benefit from a double guarantee. Firstly, each member State is either directly liable for or guarantees the obligations of its railway under the equipment financing contracts. Secondly, each member State is either directly liable for or guarantees the obligations of its railway in such railway's capacity as a shareholder of EUROFIMA. In addition, pursuant to Article 9 of the Convention, the member States take the necessary measures to ensure the transfer of funds arising from the company's activity. As at December 31, 2012 the equity and the sum of the uncalled capital and the shareholder guarantee, both taking into account only shareholders from member States rated AAA or AA, corresponded to 17.5 % respectively 17.3 % of outstanding borrowings based on Standard & Poor's and Moody's ratings.

Rating of the member States at December 31, 2012 and 2011

	2012		2011	
	Standard & Poor's Corp.	Moody's Investors Service Inc.	Standard & Poor's Corp.	Moody's Investors Service Inc.
Germany	AAA	Aaa	AAA	Aaa
France	AA+	Aa1	AAA	Aaa
Italy	BBB+	Baa2	A	A2
Belgium	AA	Aa3	AA	Aa3
Netherlands	AAA	Aaa	AAA	Aaa
Spain	BBB–	Baa3	AA–	A1
Switzerland	AAA	Aaa	AAA	Aaa
Serbia	BB–	–	BB	–
Sweden	AAA	Aaa	AAA	Aaa
Luxembourg	AAA	Aaa	AAA	Aaa
Austria	AA+	Aaa	AAA	Aaa
Portugal	BB	Ba3	BBB–	Ba2
Czech Republic	AA–	A1	AA–	A1
Greece	B–	C	CC	Ca
Hungary	BB	Ba1	BB+	Ba1
Croatia	BB+	Baa3	BBB–	Baa3
Slovenia	A	Baa2	AA–	A1
Bosnia and Herzegovina	B	B3	B	B2
Bulgaria	BBB	Baa2	BBB	Baa2
Slovakia	A	A2	A+	A1
FYR Macedonia	BB	–	BB	–
Montenegro	BB–	Ba3	BB	Ba3
Turkey	BB	Ba1	BB	Ba2
Denmark	AAA	Aaa	AAA	Aaa
Norway	AAA	Aaa	AAA	Aaa

Rating of EUROFIMA at December 31, 2012

	Standard & Poor's Corp.	Moody's Investors Service Inc.
Long term	AAA(1)	Aaa
Short term	A-1+	P-1
Outlook	stable	stable(2)

(1) Changed to AA+ on January 15, 2013
(2) Changed to negative on January 29, 2013

Important data

Financial data: all amounts in million CHF
Railway equipment financed: in units

	2012	2011	2010
Balance sheet			
Total	31 308	34 367	34 281
Assets			
Liquid assets [1]	4 193	3 836	3 570
Equipment financing contracts	22 541	25 600	26 374
Derivative financial instruments	4 557	4 916	4 322
Liabilities			
Outstanding borrowings [2]	28 311	30 661	30 376
Derivative financial instruments	1 445	2 203	2 443
Equity			
Equity + Callable share capital	3 613	3 560	3 520
Net profit and appropriation to reserves			
Net profit for the financial year	33	41	46
Appropriation to statutory reserves	37	46	51
Ratios in %			
Operating cost [3] / Net operating income [4]	23.7	19.6	17.0
Net profit / Average equity [5]	2.2	2.8	3.2
(Equity + Callable share capital) / Outstanding borrowings	12.8	11.6	11.6
(Sound share capital [6] + Shareholder guarantee AAA/AA) / Outstanding borrowings	17.5	16.8	16.6
(Sound share capital [7] + Shareholder guarantee Aaa/Aa) / Outstanding borrowings	17.3	15.8	18.7
Borrowings and repayments during the financial year			
Borrowings	3 253	3 948	5 311
Repayments	5 375	4 771	5 987
Repayment rate in %	165.2	120.9	112.7
Railway equipment financed during the financial year			
Locomotives	0	51	79
Multiple-unit trains			
– Motor units	62	283	405
– Trailer cars	108	156	349
Passenger cars	23	565	192
Freight cars	0	105	890
Other equipment	0	0	0

(1) Cash and cash equivalents and financial investments
(2) Amounts due to credit institutions and customers and debts evidenced by certificates
(3) Commission expenses and fees paid and general administrative expenses and depreciation on fixed assets
(4) Net interest income and commission income and fees received and net profit or loss on financial operations
(5) Average equity is calculated on a daily basis
(6) Equity and callable share capital AAA/AA
(7) Equity and callable share capital Aaa/Aa

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Beograd; 15:40

Report of the Board of Directors to the General Assembly

Annual report 2012
56th financial year

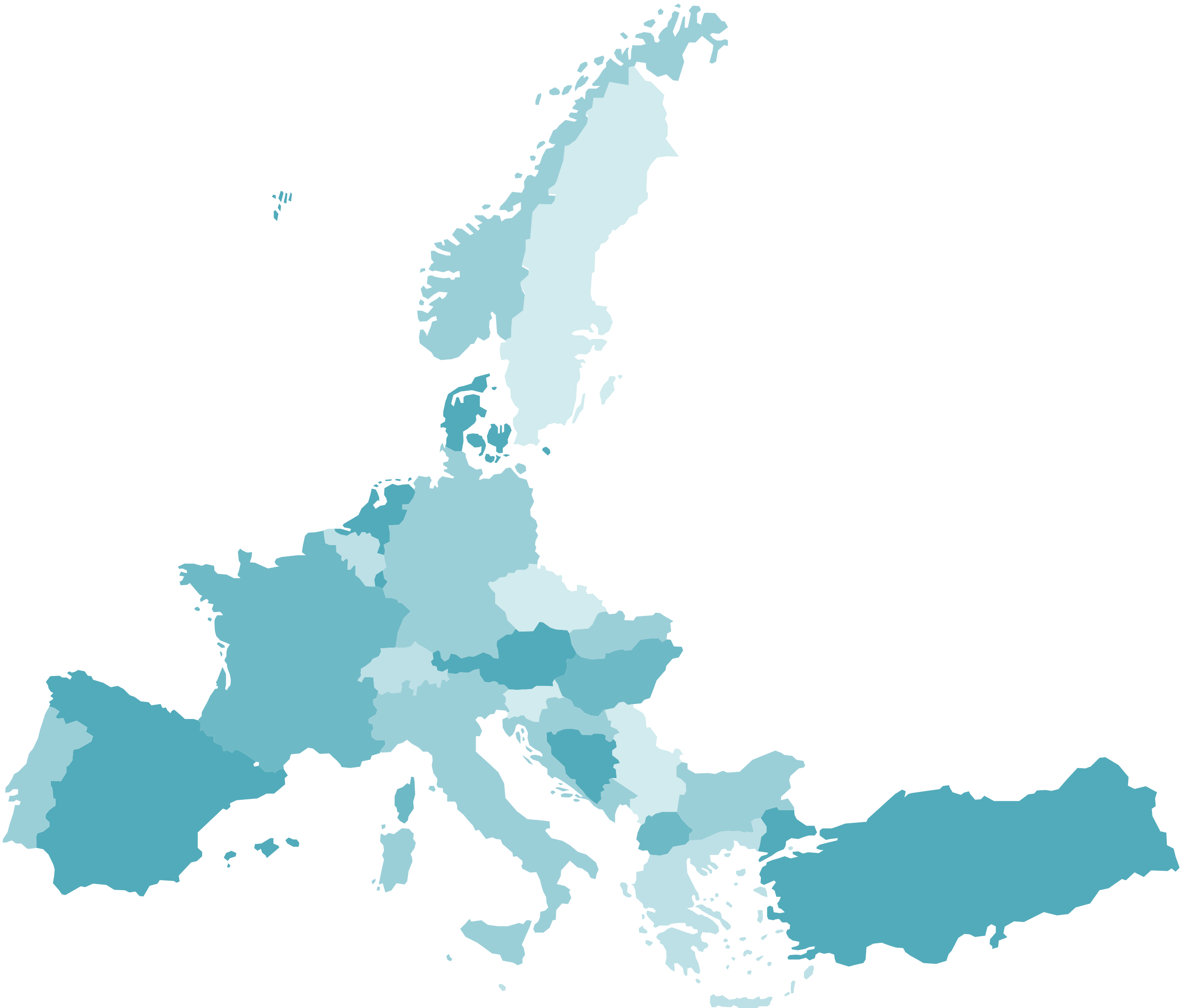
European Company
for the Financing
of Railroad Rolling Stock

Société européenne
pour le financement
de matériel ferroviaire

Europäische Gesellschaft
für die Finanzierung
von Eisenbahnmaterial

Società europea
per il finanziamento
di materiale ferroviario

EUROFIMA®



EUROFIMA's annual report is published annually. It covers the period January 1st to December 31st.
It is also available under **www.eurofima.org**.


412-030
БоБо-18
412-030

Stara Pazova – Beograd; 16:37

Zemun; 15:08

Contents

Page

Vukov spomenik, Beograd; 19:20

Message from the Chairman	04
Corporate governance	
Governing bodies	06
Controlling bodies	07
Organizational chart	08
Members of governing and controlling bodies as at January 1, 2013	09
Activity report	
2012 activities, results and outlook for 2013	11
Borrowings and repayments during the financial year 2012	13
Equipment financed during the financial year 2012	14
Distribution of equipment financing contracts by types of equipment	15
Financial statements	
Income statement	18
Balance sheet	19
Statement of comprehensive income	20
Statement of changes in equity	21
Statement of cash flows	22
Notes to the financial statements	24
Auditors' reports	49
Milestones in development	52

Message from the Chairman

On the back of the uncertainty in the European Union and the global economic slowdown, central bank interventions were a major driver in the financial industry and the bond market in 2012. In the eurozone, the Long Term Refinancing Operations (LTROs) and the Outright Monetary Transaction (OMT) from the European Central Bank brought massive liquidity to the market and improved market sentiment, effectively ending fears of a eurozone melt down. Elsewhere, quantitative easing from the US Federal Reserve and the Bank of England kept interest rates at historically low levels.

In particular, the second half of 2012 saw a significant normalization of the EUR bond market and tightening of spreads, as markets responded positively to the greater clarity provided by the ECB's announcements in September of a bond-buying plan aimed at easing pressure on eurozone debt. In addition European policy makers' moves towards some form of banking and fiscal union demonstrated a stronger convergence and agreement on the actions to be taken to prevent future financial crises.

Nevertheless, the challenging environment in 2012 demonstrated once again the importance and validity of the strategy pursued by EUROFIMA since the end of 2008, in terms of risk reduction and strengthening of its equity base, asset quality and liquidity.

Risk reduction measures led to maintaining a restrictive lending policy and to reducing our loan book further. As at December 31, 2012 the portfolio of loans to the railways was fully performing and amounted to CHF 22.5 billion, approximately 12 % lower than in 2011. At the same time, greater attention and resources were deployed to the collateralization of loans and the valuation of rolling stock.

The contraction of the loan book together with the low-yield environment affected the final net profit, which reached CHF 33.4 million. However, total comprehensive income developed positively from CHF 40.5 million in 2011 to CHF 52.4 million in 2012. The full allocation of net profit to reserves allowed to increase the equity base to a record level of over CHF 1.5 billion.

As an issuer of debt instruments, EUROFIMA succeeded to reaffirm its presence in two key currency markets, the Australian and US dollar markets, despite its moderate funding programme. This was achieved through regular issuance over the year in different tenors, for a total of AUD 600 million and USD 850 million.

Ahead of us, we believe 2013 will remain a challenging year in which eurozone sovereigns will need to reassure investors and confirm their credibility. Global economic recovery is expected to gather momentum, though at a very slow pace and still driven by emerging economies, with the advanced economies affected by fiscal constraints and austerity measures.

In this environment, central banks will be likely to maintain extremely accommodative monetary policies for an extended period of time, which, together with a very low-yield environment, should support risk taking. Investors are therefore likely to favour longer duration and widen the credit scope of their investment universe, ultimately channeling more liquidity into the economy.

Our priority in 2013 will be to again preserve our long-term financial stability and high credit worthiness, for the benefit of our shareholders as well as our investors, and in line with the strategy pursued so far.

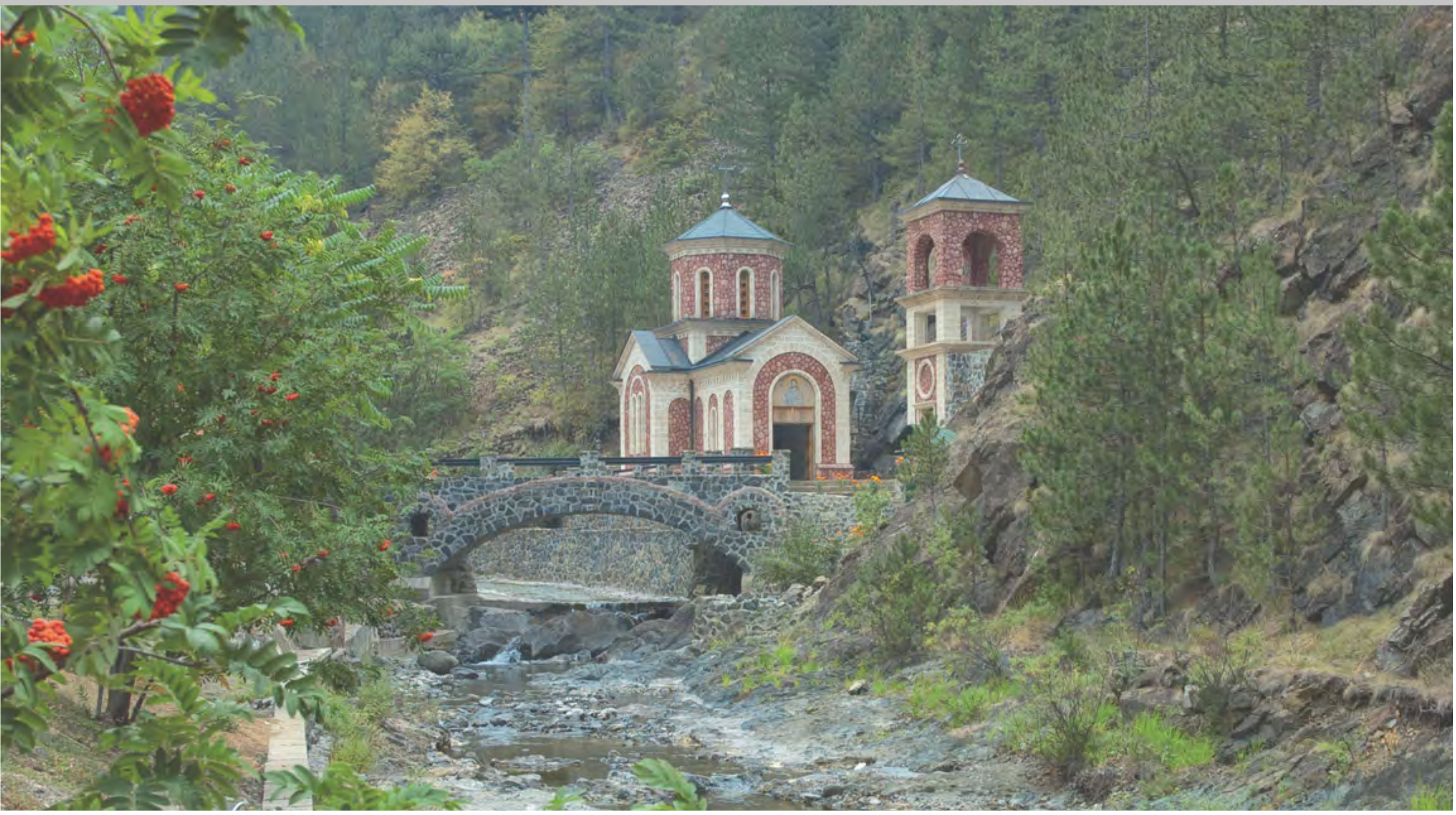
On behalf of the Board of Directors, I would like to express to EUROFIMA's Management and staff our high recognition and appreciation for the good results and achievements in 2012.

Alain PICARD
Chairman of the Board

Beograd; 17:06

Corporate governance

Jatare; 16:22



Governing bodies

Controlling bodies

Organizational chart

Members of governing and controlling bodies

Governing bodies

Governing bodies

As a public international body, EUROFIMA is governed in the first place by its constitutive documents and only subsidiarily by Swiss law. Its constitutive documents are the Convention, the Statutes and the Basic Agreement. The organization's legal framework sets out the structure for EUROFIMA's governance. In addition to the constitutive documents EUROFIMA's activities are governed by a set of policies, guidelines and rules of procedures adopted by the General Assembly, the Board of Directors or the Management. As a supranational organization, EUROFIMA is not subject to any national or international regulatory authority.

The member States have reserved extensive corporate governance rights over EUROFIMA. The following changes to EUROFIMA's organization require the consent of the member States: head office, objective, duration, conditions for admission of shareholders, quora applicable to important shareholders' resolutions, equal voting rights of directors, all terms dealing with the shareholders' liability and the establishment of branches.

EUROFIMA has to report annually on its development and its financial position to its member States. Such a reporting is done through the International Transport Forum. Transformed from the European Conference of Ministers of Transport, the International Transport Forum is an inter-governmental organization within the OECD family.

EUROFIMA is managed and administered by the General Assembly, the Board of Directors and the Management.

General Assembly

The General Assembly convenes at least once annually. It approves the annual report of the Board of Directors, the audited financial statements, the appropriation of the annual surplus, the discharge of the acts of the Management and the Board of Directors. It also approves the maximum amount of borrowings to be contracted during a given period and the organization regulations established by the Board of Directors. Decisions are taken by the majority of votes of the shares represented. However, to amend the Statutes, to reduce or to increase the subscribed share capital, to transfer shares and subscription rights, to dissolve the organization, to appoint liquidators and to extend the organization's duration, a supermajority representing at least seven tenths of the subscribed share capital is required. The General Assembly decides upon any other questions which are submitted to it by the Board of Directors.

In 2012 the General Assembly convened on three occasions.

Board of Directors

The Board of Directors is responsible for conducting the organization's business. It adopts decisions in matters that involve lending, borrowing and administrative matters.

It meets at least once quarterly. Each director has one vote. A majority of directors present or represented constitute a quorum. Decisions are taken on the basis of the majority of the directors present or represented except for the conclusion of borrowings where a three-fourths majority is required. In urgent cases, decisions may be reached according to a written procedure.

With the exception of certain reserved powers, the Board of Directors is authorized to entrust all or part of the management of the institution to one or several of its members ("representatives") or third persons who need not necessarily be directors ("members of the Management"). As a result, the day-to-day management has been delegated to members of the Management. In this regard, the Board of Directors has established organization regulations determining the rights and responsibilities of the Board of Directors, its representatives and the Management.

The Board of Directors authorizes all equipment financing contracts and all borrowings within the limits laid down by the General Assembly. It is responsible for the financial statements as well as the existence and maintenance of the internal control system on financial reporting. The Board of Directors is the competent body to call in the non paid-in share capital.

The Board members including the Chairman and Vice-Chairmen are appointed by the General Assembly, with one member for each shareholder holding at least 2 % of the share capital. They are appointed for a period of three years and are eligible for re-election. As at January 1, 2013 the Board of Directors consisted of 12 members.

The Chairman calls the Board meetings with sufficient notice and draws up the agenda. Any other Board member has the right to call an additional meeting, if deemed necessary. Minutes are kept of the proceedings and decisions of the Board of Directors.

In order to ensure an efficient interaction with the Board of Directors, the meetings are also attended by the Chief Executive Officer and, as appropriate, by other members of the Management. The Chairman works closely with the Chief Executive Officer in between the meetings of the Board of Directors. The Chairman's Committee is the sole regular committee established by the Board of Directors. It acts as an advisory body of the Board of Directors, the Chairman and the Chief

Executive Officer. It consists of the Chairman, the Vice-Chairmen and two other Board members. The chairmanship of the Committee is the same as for the Board of Directors. The work of the Chairman's Committee is governed by rules of procedures approved by the Board of Directors.

The Board of Directors met on four occasions in 2012. On average, Director attendance was 83 %. The main subjects examined by the Board of Directors on which it took decisions were: the annual budget, the quarterly and annual financial statements, the general authorization to carry out borrowing transactions and associated treasury and derivative transactions, the engagement of the independent auditors, the annual report to the General Assembly, the main internal policies, the report to the Governments parties to the EUROFIMA's Convention, the credit rating of the organization, the assessment of risk and capital adequacy, impairment indicators for equipment financing contracts, contingency plans as well as the conclusions of borrowings and equipment financing contracts.

The members of the Board of Directors are listed on page 9.

Management
Under the authority of the Chief Executive Officer and the supervision of the Board of Directors, the Management oversees the day-to-day operations of the organization and prepares decisions for the Board of Directors. The Management consists of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating and Risk Officer as well as the Chief Information Officer. The Management meets as and when required by the operations of the organization. In 2012, 24 scheduled meetings were organized. The Chief Executive Officer chairs the meetings of the Management. The members of the Management are appointed by the Board of Directors.

The members of the Management are listed on page 9.

Controlling bodies

Auditors Committee
The Auditors Committee is comprised of five members appointed by the General Assembly. They are normally designated for a period of three years and are eligible for re-election. The work of the Auditors Committee is governed by its rules of procedure. Decisions concerning the financial statements and the annual report to be delivered by the Committee shall be unanimous.

The activities of the Auditors Committee cover the audit of the financial statements as well as the monitoring of the financial reporting process and the effectiveness of the internal control. In addition, it reviews the independence of the independent auditors and in particular the provision of additional services by the independent auditors. Each year the Committee provides statements on whether the financial statements give a true and fair view of the financial position of the organization.

The Auditors Committee met three times in 2012. The Committee carried out its audit as follows: it consulted the Management and other pertinent staff, scrutinized the financial statements, examined the reports from internal auditing, consulted the independent auditors, reviewed their audit planning process, examined their detailed report and obtained the opinion signed by the independent auditors. Other major issues examined by the Auditors Committee on which it took decisions or issued recommendations were: the approval of the annual plan for the internal auditing, the assessment of risks and capital adequacy, impairment indicators for equipment financing contracts, engagement of the independent auditors, fair value measurement, the policy on internal control system on financial reporting and the findings of the independent auditors. Members of the Auditors Committee receive the minutes of the meetings of the Board of Directors.

The members of the Auditors Committee are listed on page 9.

Independent Auditors
The independent auditors are mandated by the Board of Directors in accordance with Article 21 of the Statutes. The task of the independent auditors is to audit the financial statements. They carry out their audit in accordance with Swiss Auditing Standards and International Standards on Auditing. The independent auditors also verify that an internal control system exists which has been designed for the preparation of the financial statements.

At the end of each financial year, following their review of the financial statements, the independent auditors issue a detailed report on the financial statements and the internal control system on financial reporting. The amounts paid to the independent auditors are disclosed in note 6 to the financial statements. The independent auditors also receive the minutes of the meetings of the Board of Directors and the General Assembly.

Internal Control
The objective of internal control is to ensure a proper functioning of business operations. EUROFIMA's internal control is focused on the financial reporting process and the management of risks. It covers the entire range of policies, procedures, systems and controls for managing and monitoring the organization's operations, risk exposure and financial reporting process.

EUROFIMA strives for a balanced mix of both preventive and detective controls taking place at the process levels and at the entity level. The main principle for organizing EUROFIMA's work flows and reducing the risk of error or inappropriate actions is segregation of duties.

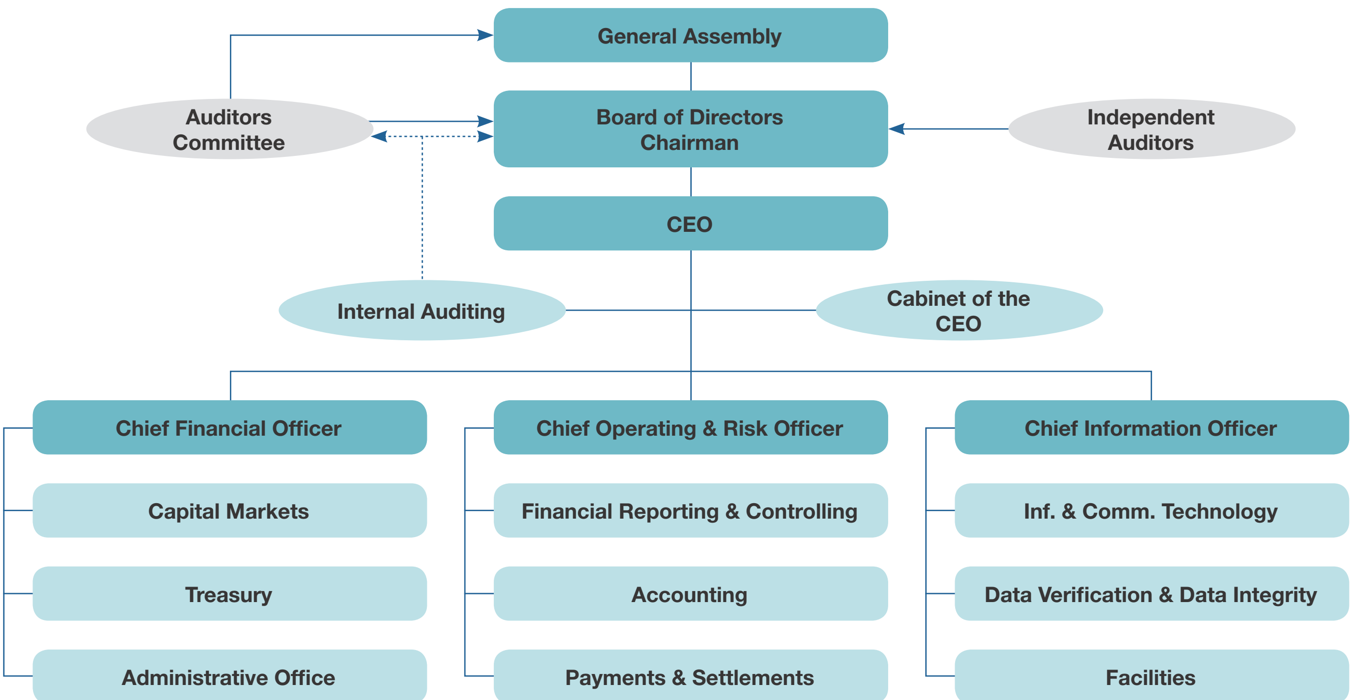
The ultimate responsibility for the existence and maintenance of the internal control system is with the Board of Directors. The Management is responsible for its implementation and execution. The Auditors Committee assesses the quality of the internal control system performance over time. It issues a yearly written statement to the Board of Directors covering its assessment of the internal control system. Independent auditors are responsible for verifying yearly the existence and the implementation of the internal control system on financial reporting. Their findings are included in their annual detailed report to the Board of Directors and the Auditors Committee.

Internal auditing completes the internal control system with periodic internal reviews of the organization's activities and ensures that they comply with the policies and procedures adopted by the governing bodies. Internal auditing reports to the Auditors Committee and the Chairman of the Board of Directors. It works administratively under the auspices of the Chief Executive Officer. The annual plan for internal auditing is reviewed by the independent auditors and approved by the Auditors Committee.

Further information on risk management is included in note 2 to the financial statements.

No advance or credit is granted to members of EUROFIMA's administrative, managerial and supervisory bodies and no commitment is entered into on their behalf by way of guarantees of any kind by EUROFIMA.

Organizational chart



Members of governing and controlling bodies as at January 1, 2013

Board of Directors
Chairman
Alain Picard (1963, FR)
Chief Financial Officer of SNCF group, Paris

Vice Chairmen
Michel Allé (1950, BE)
Chief Financial Officer, SNCB Holding, Brussels
Luigi Lenci (1947, IT)
Chief Financial Officer,
Ferrovie dello Stato Italiane S.p.A., Rome
Harry Müller (1959, DE)
Head Corporate Treasury of
Swiss Federal Railways, Bern
Wolfgang Reuter (1950, DE)
Group Treasurer, Head of Affiliated
Companies Division and M&A,
Deutsche Bahn AG, Berlin

Members
Anita Wetterlöf Ajaxon (1961, SE)
Senior Adviser, Ministry of Enterprise,
Energy and Communication,
Transport Division, Stockholm
Manuel Fresno (1970, ES)
Chief Financial Officer,
RENFE Operadora, Madrid
Milovan Marković (1954, RS)
General Director,
Akcionarsko društvo Železnice Srbije,
Belgrade
Alfredo Vicente Pereira (1952, PT)
Vice President of the Board of Directors,
CP-Comboios de Portugal, E.P.E., Lisbon
Engelhardt Robbe (1955, NL)
Member of the Board,
Chief Financial Officer,
N.V. Nederlandse Spoorwegen, Utrecht
Panagiotis Theofanopoulos (1955, GR)
Chairman of the Board of Directors and
Managing Director,
Hellenic Railways, Athens
Marc Wengler (1967, LU)
Deputy General Director,
Luxembourg National Railways,
Luxembourg

Secretary
Susanne Honegger (1961, CH)
Assistant to the Chief Executive Officer

Auditors Committee
José Antonio Alonso Martin-Loeches (1964, ES)
Accounting Systems Manager,
RENFE Operadora, Madrid
Roberto Mannozzi (1958, IT)
Head of Administration,
Ferrovie dello Stato Italiane S.p.A., Rome
Kurt Röck (1958, AT)
Head of Finance, Accounting,
ÖBB-Personenverkehr AG, Vienna
Gilbert Schock (1957, LU)
Head of Finance,
Luxembourg National Railways,
Luxembourg
Dick Snel (1967, NL)
Managing Director,
NS Stations France SAS, Paris

Management
André Bovet (1954, CH)
Chief Executive Officer
Martin Fleischer (1970, AT)
Chief Financial Officer
Marco Termignone (1959, CH)
Chief Information Officer
Patrick Tschudin (1974, CH)
Chief Operating and Risk Officer

Independent auditors
PricewaterhouseCoopers AG
St. Jakobs-Strasse 25
P.O. Box
CH-4002 Basel
Tel: + 41 58 792 51 11

Changes in the Board of Directors
In 2012 the size of the Board of Directors was halved in order to allow more intensive discussions at the meetings of the Board of Directors. As a result of this resizing of the Board of Directors the following members resigned in 2012:
Pilar Cutanda González
Lennart Dahlborg
Lars Falksveden
Francisco Celso Gonzalez
Jannie Haek
Josef Halbmayr
Bojan Ilkic
Ronald Klein Wassink
Vassilis Kontarinis
Alex Kremer
Véronique Piegts
Stefano Pierini
Alfeu Pimentel Saraiva
Georg Radon
Markus Richter
Hartwig Schneidereit

The outgoing members were sincerely thanked for their active service.

Activity report

2012 activities, results and outlook for 2013

Borrowings and repayments during the financial year 2012

Equipment financed during the financial year 2012

Distribution of equipment financing contracts by types of equipment

Subotica; 12:35

2012 activities, results and outlook for 2013

2012 activities

The economic and operating environment remained difficult in 2012. Measures aimed at mitigating the eurozone debt crisis and lowering pressure on banks were implemented by the eurozone authorities. While these measures did not resolve the underlying issues, they helped to stabilize the situation for the time being. Given the adverse general conditions and prevailing uncertainties, the risk reduction measures initiated by EUROFIMA at the onset of the financial crisis were continued, resulting in a further improved risk and capitalization profile.

In order to further deleverage the balance sheet the loan book reduction initiated in 2009 was continued. New equipment financings were again granted very selectively. The credit quality of EUROFIMA's financial investments was further strengthened by reinvesting maturing assets into assets of higher quality and by reducing the exposure to financial counterparties. These measures led to reduced commission and net interest income.

The coverage of derivative exposure by collateral was strengthened significantly. Rolling stock collateral management was further intensified. An evaluation of the rolling stock collateral by an independent appraiser was commissioned and an on-site audit of specific rolling stock was also conducted.

Foreign exchange risk and interest rate risk were systematically hedged as per EUROFIMA's investment policies. Liquidity was further bolstered to reach its highest level since the onset of the financial crisis in 2008. To mitigate operational risk several initiatives were introduced such as the replacement of a legacy IT system with a new standard solution, a new IT backup concept and contingency planning.

The net profit of the financial year 2012 was again earmarked to be allocated to the reserves with the aim of further improving capitalization. Comprehensive income rose by 29.2 % to CHF 52.4 million from CHF 40.6 million.

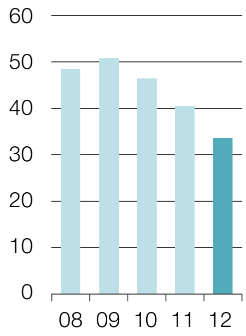
As in the previous year, the main focus in 2012 was placed on maintaining the organization's financially sound basis rather than striving for higher earnings.

2012 results

In a year characterized by historically low interest rates and the continued implementation of risk reduction measures, earnings remained below the level of the previous year and slightly below the budgeted target. Compared with the previous year net profit decreased by 17.6 % to CHF 33.4 million from CHF 40.6 million.

Net profit for the financial year

(in million CHF)



Income statement

Net interest income fell to CHF 27.0 million (–13.6 %). This reduction was mainly due to the decrease in market interest rates and the reinvestment of maturing liquid assets into higher quality. Despite this, the actual net interest income was above the budgeted target for 2012.

At CHF 16.2 million, commission income and fees received decreased by CHF 0.8 million (–4.9 %) and fell slightly short of budget. This evolution resulted mainly from EUROFIMA's reduced loan book.

Net profit on financial operations – which is predominantly made up of realized and unrealized gains and losses on financial instruments – decreased to CHF 0.6 million from CHF 2.2 million (–74.0 %). This reduction was more than compensated by the increase of CHF 18.9 million in other value adjustments in equity stemming from available-for-sale securities.

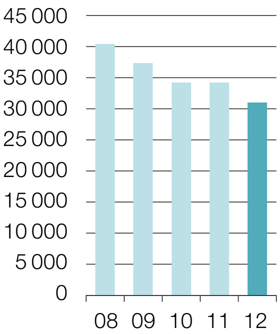
Total operating cost, which consists of general administrative expenses, depreciation on fixed assets as well as commission expenses and fees paid, amounted to CHF 10.4 million. Compared with the previous year's total, operating cost increased by CHF 0.5 million mainly due to the procurement of a new IT platform.

Balance sheet

The targeted balance sheet reduction was continued. At CHF 31.3 billion, total assets decreased by CHF 3.1 billion (–8.9 %). At constant interest rates compared to the previous year, total assets would have reached CHF 30.5 billion.

Total assets

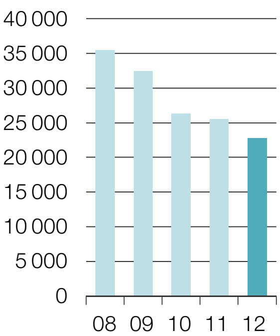
(in million CHF)



The largest asset position, namely equipment financing contracts, was further reduced to CHF 22.5 billion from CHF 25.6 billion (–11.9 %). Since 2008 this position has been reduced by 36.4 % and has contributed considerably to the targeted deleveraging of the balance sheet. The portfolio's credit quality remained sound. No impairments had to be recognized during the year nor was there any past due or indication of impairment as at December 31, 2012.

Equipment financing contracts

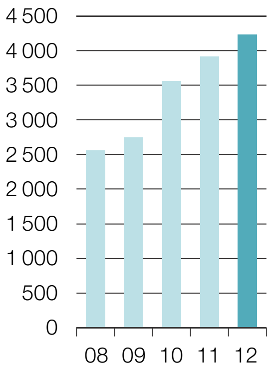
(in million CHF)



Liquid assets, consisting of cash and cash equivalents and financial investments, rose to CHF 4.2 billion from CHF 3.8 billion (+9.3 %) to reach their highest level ever. As a result of the continued conservative and cautious investment policy the credit quality was further improved.

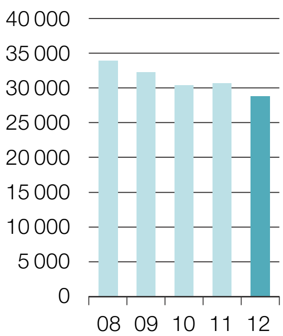
Liquid assets

(in million CHF)



Outstanding borrowings

(in million CHF)



At CHF 1 532.8 million, equity further increased by CHF 52.4 million (+3.5 %). As at December 31, 2012 equity plus callable share capital came to 12.8 % of outstanding borrowings compared with 11.6% at the end of the previous year.

After appropriation of surplus, the statutory reserves and the fund for general risks amounted to CHF 981.3 million (2011: CHF 947.7 million).

Outlook for 2013

The measures taken by the European Central Bank and the successful implementation of the European Stability Mechanism contributed to stabilize the eurozone crisis though without resolving the underlying issues. Despite the relative calming of the markets, the economic environment is anticipated to remain difficult throughout 2013 with the current uncertainties likely to persist.

Against this background EUROFIMA anticipates another difficult and demanding year. The focus will remain on further improving the organization's metrics rather than pursuing short-term profit. The measures initiated to reduce risk and strengthen the balance sheet will be pursued further. New financing volume is set to remain at very low levels in 2013 in order to meet internal leverage targets. The anticipated continued low interest rate environment in combination with the further implementation of risk mitigation measures are expected to lead to lower earnings in 2013.

Borrowings and repayments during the financial year 2012

Borrowings

After several very volatile years, strong central bank interventions in 2012 brought a significant normalization to the bond market and contributed to reduce fears over the European sovereign crisis. In particular, EUROFIMA and the whole sovereign, supranational and state agencies' (SSAs) sector benefited from a general tightening of spreads along the curve in all currencies.

Nevertheless, the pressure on European governments and financial institutions to reduce debt and leverage remained high. In such an environment, EUROFIMA coherently pursued its risk reduction and deleveraging strategy started in 2008. The borrowing activity in the public debt capital markets in 2012 therefore remained moderate and reached the amount of CHF 1 348 million at the end of the year, an increase of 34 % compared to 2011.

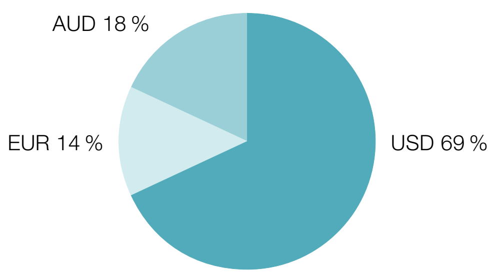
Public issuance was focused on two key currency markets. After being absent in 2011, EUROFIMA successfully tapped the Australian dollar domestic market four times throughout the year. Within the complete curve of outstanding bonds, the 2016 and 2018 lines were increased for a total volume of AUD 600 million.

In addition, for the first time, a benchmark bond in floating-rate format was issued in US dollar. The bond size was initially capped at USD 500 million, and was subsequently increased twice to partly satisfy the strong demand. As at December 31, 2012, this bond issue reached a size of USD 750 million, with a wide geographical distribution, and attracted a strong participation by central banks and official institutions (72 %).

Finally, EUROFIMA tapped the money market throughout the year. Commercial paper was issued for an equivalent amount of CHF 1 356 million, primarily in US dollars and a three-month tenor.

Type of borrowings (in CHF)	**2012**	2011
Listed bond issues	1 347 509 466	1 001 333 637
Unlisted bond issues	0	186 364 417
Loans	550 376 144	592 073 975
Commercial paper	1 355 515 234	2 167 956 225
Total	**3 253 400 844**	**3 947 728 255**

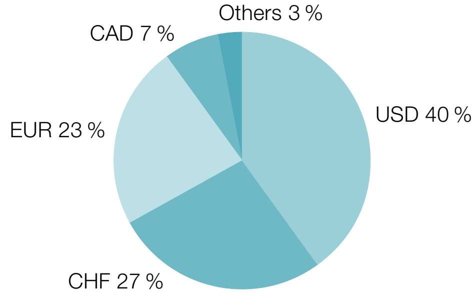
Borrowings breakdown per currency



Repayments

Based on the exchange rates as at December 31, 2012, repayments reached the equivalent of CHF 5 375 million, CHF 1 651 million of which were due to repayments of short-term borrowings.

Repayments breakdown per currency



Equipment financed during the financial year 2012

Subotica; 12:34

EUROFIMA concluded 3 contracts with 3 shareholders or their affiliates for the financing of railway equipment.
The railway equipment and the related financing amounts are given below.

Member State	Railway/ Company	Locomotives			Multiple-unit trains			Passenger cars	Freight cars	Other equip-ment	New financing (in million CHF)
		main-line		shunting	motor units		trailer cars				
		diesel	electric		diesel	electric					
Belgium	SNCB					38	76	23			18
France	SNCF					8	32				121
Serbia	ŽS				16						31
Total		**0**	**0**	**0**	**16**	**46**	**108**	**23**	**0**	**0**	**170**

EUROFIMA holds title or securities deemed equivalent (in particular pledges) to the railway equipment until the funds have been fully reimbursed.
For the distribution of the railway equipment see page 15.

Zednik – Subotica; 10:33

Distribution of equipment financing contracts by types of equipment

The following table indicates the equipment of each shareholder or their affiliates to which the company holds title or in which it has direct or indirect security interests deemed equivalent, in particular pledges.

Equipment at December 31, 2012

Member State	Railway/ Company	Locomotives			Multiple-unit trains			Pas- senger cars	Freight cars	Other equip- ment	Book value of equipment financing contracts (in CHF)
		main-line		shunting	motor units		trailer cars				
		diesel	electric		diesel	electric					
Germany	DB AG		132		14	66	105				988 074 933
France	SNCF		64	2		142	556	28	6		1 645 008 423
Italy	FS	1	682		279	515	647	2 649			4 122 402 191
Belgium	SNCB	53	192		134	204	240	661	1	28	3 022 832 619
Netherlands	NS					226	180	312			579 815 047
Spain	RENFE	89	144		9	515	671	39			2 979 308 993
Switzerland	SBB		134	49		189	348	63			2 953 443 077
Serbia	ŽS		51	11	24	16	16	6			138 248 999
Luxembourg	CFL					24	36		470		239 198 647
Austria	ÖBB	82	229	48	68	339	410	382	3 945		2 995 604 112
Portugal	CP		41		45	202	273	26			731 545 301
Greece	OSE	47	26		59	38	138	187	343		1 032 033 126
Czech Republic	ČD					20	40	26			199 241 831
Hungary	MÁV	105	172	61	68	11		138			282 820 939(1)
Slovakia	ŽSSK	2			54		21	132			144 883 525
Croatia	HŽ		1		4		3	67	226	5	73 369 810(2)
Slovenia	SŽ		32			60	20				259 105 676
Bulgaria	BDZ	5	8					35	4		36 177 688
Montenegro	ŽPCG	9	8			10	10	20	10		30 881 841(3)
Denmark	DSB				20		10				85 303 016
FYR Macedonia	MŽT		3								1 450 652
Total		**393**	**1 919**	**171**	**778**	**2 577**	**3 724**	**4 771**	**5 005**	**33**	**22 540 750 446**
of which under construction			2			6	3	23	7		

(1) 73.0 million of which assumed by Hungary
(2) 43.2 million of which assumed by Croatia
(3) 30.9 million assumed by Montenegro

Financial statements

Income statement

Balance sheet

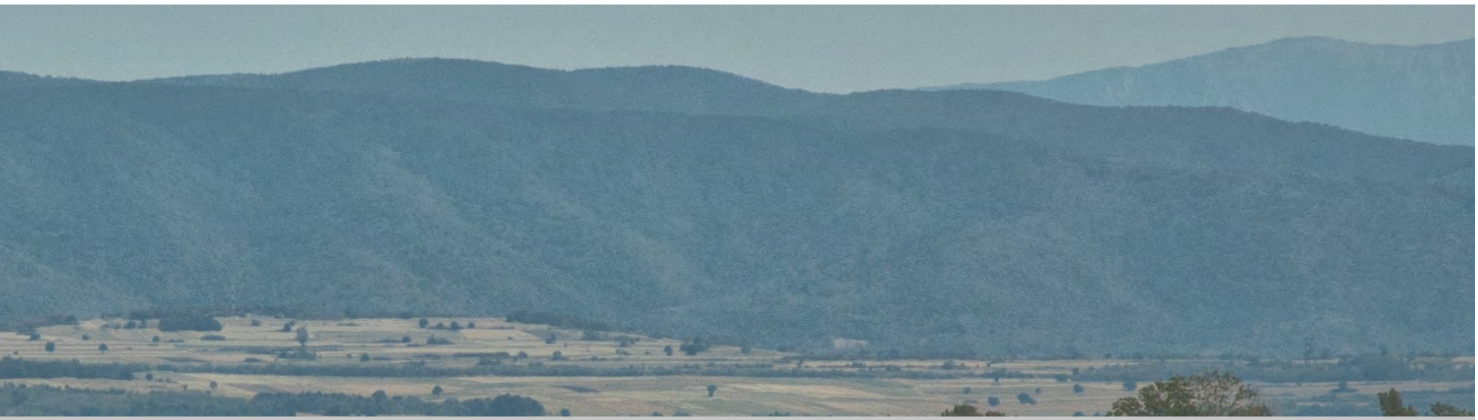
Statement of comprehensive income

Statement of changes in equity

Statement of cash flows

Notes to the financial statements

Stalać – Aleksinac; 11:52



Dunav stanica, Beograd; 18:52

Income statement

(all amounts in CHF)	Notes	2012	2011
Interest and similar income	3	**1 266 871 329**	1 400 327 118
Interest and similar charges	3	–1 239 851 429	–1 369 041 807
Net interest income		**27 019 900**	**31 285 312**
Commission income and fees received	4	16 228 781	17 058 497
Commission expenses and fees paid	4	–1 435 289	–1 062 447
Net profit on financial operations	5	576 202	2 216 603
Net profit on other financial operations		**15 369 694**	**18 212 653**
Foreign exchange gains / losses		18 393	–56 036
General administrative expenses	6	–8 442 025	–8 674 273
Depreciation on fixed assets		–519 932	–180 221
Impairment charge	7	0	0
Net profit for the financial year		**33 446 030**	**40 587 435**

Balance sheet

(all amounts in CHF)	Notes	**December 31, 2012**	**%**	December 31, 2011	%
Assets					
Cash and cash equivalents		1 618 011 114	5 %	1 539 405 252	4 %
Financial investments	8	2 574 711 881	8 %	2 296 386 167	7 %
Placements with credit institutions		122 995 072	0 %	85 915 454	0 %
Debt securities		2 451 716 810	8 %	2 101 733 801	6 %
Other		0	0 %	108 736 912	0 %
Equipment financing contracts	9	22 540 750 446	72 %	25 599 735 488	74 %
Derivative financial instruments	10	4 556 654 053	15 %	4 915 639 120	14 %
Other assets		3 808 722	0 %	2 265 793	0 %
Accrued income and prepaid expenses	11	6 126 603	0 %	6 305 316	0 %
Fixed assets	12	8 191 693	0 %	7 015 538	0 %
Total assets		**31 308 254 512**	100 %	**34 366 752 674**	100 %
Liabilities					
Amounts due to credit institutions and customers	13	2 185 254 494	7 %	2 913 683 698	9 %
Debts evidenced by certificates	14	26 126 108 842	88 %	27 747 041 426	84 %
Senior borrowings		24 125 880 004	81 %	25 385 708 024	77 %
Other debts evidenced by certificates		2 000 228 838	7 %	2 361 333 402	7 %
Derivative financial instruments	15	1 445 456 289	5 %	2 203 127 803	7 %
Other liabilities		17 937 311	0 %	21 855 192	0 %
Accrued expenses and deferred income	16	719 090	0 %	647 119	0 %
Total liabilities		**29 775 476 025**	100 %	**32 886 355 239**	100 %
Equity					
Subscribed share capital		2 600 000 000	170 %	2 600 000 000	176 %
Callable share capital		–2 080 000 000	–136 %	–2 080 000 000	–141 %
Statutory reserves	17	661 744 000	43 %	625 214 000	42 %
Fund for general risks		285 906 827	19 %	281 906 827	19 %
Other value adjustments		30 899 686	2 %	11 964 665	1 %
Surplus to be distributed		34 227 974	2 %	41 311 944	3 %
Unappropriated surplus previous year		781 944	0 %	724 509	0 %
Net profit for the financial year, before appropriation		33 446 030	2 %	40 587 435	3 %
Net result from transition to new accounting policies		0	0 %	0	0 %
Total equity		**1 532 778 487**	100 %	**1 480 397 436**	100 %
Total liabilities and equity		**31 308 254 512**		**34 366 752 674**	

Statement of comprehensive income

(all amounts in CHF)	Note	**2012**	2011
Net profit for the financial year		**33 446 030**	**40 587 435**
Other comprehensive income			
Fair value adjustments on available-for-sale financial assets	18	18 935 021	–37 021
Other comprehensive income for the financial year		**18 935 021**	**–37 021**
Total comprehensive income for the financial year		**52 381 051**	**40 550 414**

Statement of changes in equity

(all amounts in CHF)	Subscribed share capital	Callable share capital	Statutory reserves	Fund for general risks	Available-for-sale financial assets	Surplus to be distributed	**Total**
Balance at January 1, 2011	**2 600 000 000**	**–2 080 000 000**	**578 896 000**	**281 906 827**	**12 001 686**	**47 042 509**	**1 439 847 022**
Appropriation between reserves			46 318 000			–46 318 000	**0**
Dividend payment							**0**
Paid-in capital							**0**
Total comprehensive income for the financial year					–37 021	40 587 435	**40 550 414**
Balance at December 31, 2011	**2 600 000 000**	**–2 080 000 000**	**625 214 000**	**281 906 827**	**11 964 665**	**41 311 944**	**1 480 397 436**

(all amounts in CHF)	Subscribed share capital	Callable share capital	Statutory reserves	Fund for general risks	Available-for-sale financial assets	Surplus to be distributed	**Total**
Balance at January 1, 2012	**2 600 000 000**	**–2 080 000 000**	**625 214 000**	**281 906 827**	**11 964 665**	**41 311 944**	**1 480 397 436**
Appropriation between reserves			36 530 000	4 000 000		–40 530 000	**0**
Dividend payment							**0**
Paid-in capital							**0**
Total comprehensive income for the financial year					18 935 021	33 446 030	**52 381 051**
Balance at December 31, 2012	**2 600 000 000**	**–2 080 000 000**	**661 744 000**	**285 906 827**	**30 899 686**	**34 227 974**	**1 532 778 487**

Statement of cash flows

(all amounts in CHF)	**2012**	2011
Cash flows from operating activities (direct method)		
FX amounts paid	–66 493 114	–72 764 509
FX amounts received	66 475 911	73 102 119
Interest paid	–1 498 415 005	–1 653 183 540
Interest received	1 534 794 256	1 690 905 594
Operational cash flows paid	–204 548 399	–198 149 571
Operational cash flows received	189 390 700	201 604 573
Commission and fees received	16 435 744	17 217 184
Dividend paid	0	0
Net cash from operating activities	**37 640 092**	**58 731 849**
Cash flows from investing activities		
Lending		
Disbursements of equipment financings	–474 788 106	–1 269 268 556
Repayments of equipment financings	2 457 867 616	1 505 656 064
Financial investments		
Purchases of debt securities	–1 738 344 101	–1 252 257 984
Redemptions	1 285 711 275	1 048 783 876
Sales of debt securities	111 842 955	283 386 098
Placements with credit institutions	–141 231 596	–398 699 325
Repayments of placements with credit institutions	103 405 379	503 012 776
Other financial investments	–181 373 190	–356 268 608
Repayments of other financial investments	302 678 617	357 115 973
Other items		
Net movements in other assets	0	0
Net movements in fixed assets	–1 696 088	0
Net cash from investing activities	**1 724 072 762**	**421 460 314**

(all amounts in CHF)	**2012**	2011
Cash flows from financing activities		
Issues of new debt	2 764 819 080	3 224 363 584
Redemptions	–4 324 927 984	–4 182 373 283
Placements from credit institutions and customers	231 851 316	569 139 366
Redemptions of placements from credit institutions and customers	–557 739 573	–153 561 069
Net cash flow from derivative financial instruments	295 784 769	554 790 731
Paid-in capital	0	0
Net cash from financing activities	**–1 590 212 392**	**12 359 329**
Exchange rate difference	–93 380 535	–12 643 804
Others	485 934	–85 843
(Decrease)/increase in cash and cash equivalents	**78 605 862**	**479 821 845**
Cash and cash equivalents at the beginning of the year	1 539 405 252	1 059 583 407
Cash and cash equivalents at the end of the year	1 618 011 114	1 539 405 252

Notes to the financial statements

Note 1: Significant accounting policies

Basis of preparation

These financial statements have been prepared in accordance with the general principles of the European Parliament and European Union Council directive on the annual accounts and consolidated accounts of banks and other financial institutions (Directive 86/635/EEC). An activity report is prepared and presented separately from the financial statements. Its consistency with the financial statements is not audited. With the exceptions noted below, the financial statements are based on historical cost, as modified by available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss. The financial statements were reviewed and authorized by the Board of Directors on March 22, 2013. They were approved by the General Assembly on the same date.

Scope

EUROFIMA is a single unit organization without subsidiaries and operates as a one segment entity.

Germany and France hold 22.6 % of EUROFIMA's share capital each through their fully owned state railways DB AG and SNCF and are thus related parties together with their railways.

Significant accounting judgments and estimates

In preparing the financial statements, the Management is required to make certain critical accounting estimates and assumptions that affect the reported profits, financial position and other information disclosed in the financial statements. These estimates are based on available information and judgment made by the Management. Actual results in the future could deviate from such estimates and the difference may be material to the financial statements. The two main areas involving higher degree of judgment and complexity or areas where assumptions and estimates are significant to the financial statements are the determination of fair values of financial instruments and impairments. Where financial instruments are not traded in an active market, the fair values of these instruments are determined using internal valuation techniques. The resulting estimated fair values are highly dependent on the market data used, such as interest rates and foreign exchange rates as well as other factors. Regarding impairments, in the presence of impairment indicators judgment by the Management is required to estimate the amount and timing of future cash flows when determining impairment charges.

Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Swiss francs ("the presentation currency").

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the translation of all assets and liabilities denominated in foreign currencies are recognized in the income statement under the heading "foreign exchange gains/losses".

EUROFIMA uses the official foreign exchange rates published by the European Central Bank.

Financial instruments – initial recognition, subsequent measurement and derecognition

Regular way purchases are recognized and derecognized in the balance sheet using settlement date accounting. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and EUROFIMA has transferred substantially all rights and rewards of ownership. Financial liabilities are derecognized when the obligations specified in the contract are discharged or have expired.

Financial assets are initially recognized at fair value plus, in the case of financial assets not carried at fair value through profit or loss, transaction costs. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity assets are carried at amortized cost using the effective interest method. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are included in the income statement in the period in which they arise under the heading "net profit or loss on financial operations". Unrealized gains and losses arising from changes in the fair value of available-for-sale financial assets are recognized in other comprehensive income, under a specific heading in the equity "other value adjustments". Available-for-sale financial assets may be sold in anticipation of or in response to changes in interest level, creditworthiness or liquidity needs. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement.

Financial assets or financial liabilities designated as at fair value through profit or loss

This category has two sub-categories: financial assets or financial liabilities held for trading, and those designated as at fair value through profit or loss at inception.

1. A financial asset or financial liability is classified held for trading if acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if so designated by management. Derivatives are also classified as held for trading.

2. For financial assets or financial liabilities designated as at fair value through profit or loss, the criteria for so designating such financial assets or financial liabilities at initial recognition is that all these positions including derivatives are significantly matched together offsetting the changes in fair values in the income statement. In such instances the application of the Fair Value Option results in more relevant information, as accounting mismatches are significantly reduced in the sense that the same accounting valuation can be applied for all involved financial instruments. Without the use of the Fair Value Option an accounting mismatch would arise as only some of the instruments would be measured at fair value through profit or loss (i.e. derivatives).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when EUROFIMA provides money or services directly to a debtor with no intention of trading the receivable.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that EUROFIMA's management has the positive intention and ability to hold to maturity. Such investments can never be sold nor exchanged, except under exceptional circumstances.

Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are either designated in this category or not classified in any of the other categories.

Cash and cash equivalents

Cash and cash equivalents comprise cash deposits held at call with banks and other short-term investments with original maturities of 3 months or less, calculated from the date the placement or the acquisition was made. In the balance sheet, bank overdrafts are included in amounts due to credit institutions and customers.

Financial investments

EUROFIMA classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Equipment financing contracts

Equipment financing contracts are measured at amortized cost if the Fair Value Option is not applied. In most cases the equipment financing contract meets the eligibility criteria for the Fair Value Option and EUROFIMA designates the equipment financing contract irrevocably on initial recognition as financial asset at fair value through profit or loss. The matching of the equipment financing contracts, swaps and borrowings is one key criterion for the application of the Fair Value Option and for the designation at fair value of all involved financial instruments.

Derivative financial instruments

Derivative financial instruments are initially recognized in the balance sheet at cost and are subsequently measured at fair value. They are recorded in the balance sheet under the item "derivative financial instruments" as an asset in cases of positive fair value and as a liability in cases of negative fair value.

While in most cases derivative transactions provide effective economic hedges under EUROFIMA's risk management policies, EUROFIMA does not use hedge accounting, but applies the Fair Value Option. With the Fair Value Option a natural hedge can be achieved. Opposite changes in fair values of financial assets and liabilities and related derivative instruments tend to offset each other. As a result, an accounting mismatch is avoided. The application of the Fair Value Option is based on a clearly documented relationship between the derivative transaction and the related borrowings and equipment financing contracts established at the

time the transactions are entered into. The matching of the cash flows is also assessed on a regular basis.

Amounts due to credit institutions and customers and debts evidenced by certificates
Outstanding borrowings are carried at amortized cost using the effective interest method if the Fair Value Option is not applied. In most cases borrowings involved in the financing of railway equipment are designated as at fair value through profit or loss (see section above). The matching of the equipment financing contracts, swaps and borrowings is the reason for the designation at fair value through profit or loss of all involved financial instruments. Borrowings carried at amortized cost are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowing using the effective interest method.

Determination of fair value
The fair values of quoted debt securities issued by third parties are based on their quoted market price or dealer price quotations, without any deduction for transaction costs. According to the fair value measurement hierarchy stated in note 21, these instruments are classified as “Level 1”. If such prices are not available, EUROFIMA establishes the fair value by using valuation techniques. These may include the use of recent arm’s length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis. For all other financial instruments, in particular for swaps, borrowings and equipment financing contracts, the fair values are determined through an internal discounted cash flow model that maximizes the use of observable market data. This process involves the determination of future expected cash flows and the computation of their present value using current money market yield curves, swap yield curves and foreign exchange rates. The present value calculation does not take into account additional credit spreads than those included in the yield curves. Therefore, the estimated fair value of such financial instruments may not be realizable in the market and deviate significantly under different assumptions and parameters. If the measurement is mainly based on observable market data, the instruments are classified as “Level 2”. In cases where fair value determination is not based on observable market data, the instruments are classified as “Level 3”.

Impairment of financial assets
EUROFIMA assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss) is removed from equity and recognized in the income statement.

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the income statement under “impairment charge” for the amount by which the asset’s carrying amount exceeds its recoverable amount or net present value of expected future cash flows.

Fixed assets
Fixed assets include the company’s premises “Ritterhof”, office equipment and other tangible and intangible fixed assets owned by the company. The company’s premises “Ritterhof” are stated at deemed cost as at November 30, 2009 plus historical cost of subsequent investments which increase the premises’ value less depreciation less any impairment loss. All other property and equipment are stated at historical cost less accumulated depreciation and amortization less any accumulated impairment in value. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the income statement. Assets which are purchased with a low cost are not recognized on balance, but recognized as an immediate cost in the income statement. A threshold of CHF 20 000 is used for the capitalization of equipment.

Equity
The subscribed share capital is made up of 260 000 registered shares of a nominal value of CHF 10 000, 20 % of which is paid in. The unpaid subscribed share capital may be called in unconditionally at any time by decision of the Board of Directors.

The statutory reserves are made of the ordinary reserve and the guarantee reserve. In the event of a default under an equipment financing contract the guarantee reserve, as described in Article 29 of the Statutes, may be called upon.

The fund for general risks includes amounts which EUROFIMA decides to put aside to cover risks associated with equipment financing contracts and other financial operations such as swaps having regard to the particular risks attached to such operations.

Interest, fees and commissions

– Interest income and interest expenses are recognized in the income statement on an accrual basis using the effective interest method. The effective interest rate is the rate that discounts future cash flows to the net carrying amount of the instrument. Accrued interest is included in the book value of all interest bearing financial instruments.
– Fees received for the participation in structured equipment financing are taken to income upfront. Issuance fees and redemption premiums or discounts are accrued over the period to maturity of the related borrowings.
– Commissions on equipment financing contracts are recorded on an accrual basis.

Net profit or loss on financial operations

EUROFIMA recognizes in “net profit or loss on financial operations” both realized and unrealized gains and losses on debt securities and other financial instruments.

Taxation

As a supranational organization set up by a large number of States EUROFIMA benefits from comprehensive tax exemptions pursuant to the Additional Protocol to the Convention. In Switzerland, besides being exempt from any income and capital taxes otherwise levied from corporations, such privileges include the following privileges relevant to the capital market: exemption from stamp duties on any issuance of debt instruments by EUROFIMA and exemption of EUROFIMA’s debt instruments issued outside Switzerland from turnover taxes and finally exemption of debt instruments issued outside Switzerland from Swiss withholding taxes.

Dividend distribution

Dividend distribution to the company’s shareholders is recognized as a liability after the dividends are approved by the General Assembly.

Note 2: Financial risk and capital management

Financial risk management

The identification, measurement, monitoring and control of risk are key management responsibilities. The principles and policies for risk management are established by the Board of Directors. The compliance with these guidelines and the implementation of controls are within the Management’s responsibility.

Within the normal course of its activities, EUROFIMA is exposed to a variety of financial risks. The main risks are: credit risk, market risk and liquidity risk. EUROFIMA’s risk management focuses on the unpredictability of financial markets and aims at minimizing potential adverse effects on the financial performance of the institution. EUROFIMA’s risk management seeks to appropriately identify, measure, monitor and report all types of financial risks inherent in the institution’s operations. The risk management and control processes are reviewed and refined on a regular basis.

(i) Risk assessment

On a quarterly basis the Board of Directors receives from the Management both a risk report and a status report on the financial results of the institution. The risk report provides the Board of Directors with the status of various quantitative risk parameters. In terms of credit risk, such parameters include the credit exposure per consolidated one obligor, the breakdown of assets per credit rating and the composition of the swap book and security portfolios. In terms of interest rate and foreign exchange risk, such indicators include the sensitivity of the fair value of instruments classified as “available for sale”, the treasury gap, the maturity profile of the whole balance sheet and the foreign exchange position. Regarding the liquidity risk, the risk report includes the overall liquidity position and liquidity ratios. The Management also provides the Board of Directors with regular updates on key risk issues and other significant events deemed appropriate or requested.

A review of the major risks which could affect the organization’s financials is included in the agenda of every quarterly board meeting. For each category of risk the assessment takes into account the probability of occurrence and the potential impact on the financials. The last assessment of risks by the Board of Directors was performed on December 14, 2012.

The Board of Directors approves the policies regulating the treasury and capital market activities. These policies cover the management of credit risk, market risk and liquidity risk. In this regard, systems and procedures are in place to control and report on the main financial risks. Exposure to credit risk, market risk and liquidity risk is controlled by a system of pre-approved risk limits. Such limits are reviewed and adjusted periodically in light of external developments and experience. Compliance with established limits and policies is monitored by financial controlling and internal auditing which are independent from the units carrying out the transactions. The results of such compliance checks are periodically reviewed by the Management and the Auditors Committee.

EUROFIMA is an end user of derivative financial instruments. It does not perform any trading activities and uses derivative financial instruments solely for hedging market risk exposure. It uses predominantly interest rate and currency swaps. It is not a user of credit derivatives.

(ii) Credit risk

Credit risk is the risk of financial loss resulting from a counterparty failing to honor an obligation. Credit risk is the main financial risk in EUROFIMA's operations. It primarily originates from EUROFIMA's core activities, namely borrowing and lending. EUROFIMA is also exposed to a lesser extent to credit risk in its treasury operations through the financial instruments used for investing and managing the liquidity.

EUROFIMA follows a prudent approach towards credit risk. Policies approved by the Board of Directors set out minimum credit quality levels for counterparties on the basis of the ratings attributed to counterparties by the rating agencies. For investment in securities of maturities greater than one year, the minimum rating at the time of purchase is AA–/Aa3 (based on Standard & Poor's and/or Moody's ratings). For instruments maturing in less than one year, a prerequisite minimum rating is A-1/P-1.

Individual counterparty limits are set and reviewed on a monthly basis by the Management. Credit exposure is reported to the Board of Directors quarterly on a one obligor basis, i.e. the exposure to connected individual counterparties is consolidated. The breakdown by rating of the financial investments is given in note 8. As at year-end 2012, the principal amount of credit exposure in asset-backed securities amounted to CHF 20.9 million (2011: CHF 55.6 million). All short-term positions under cash and cash equivalents were either rated A-1+/A-1 or P-1. EUROFIMA did not enter into any security lending transaction in 2012.

The estimated net positive replacement value of all interest rate and currency swaps concluded with financial counterparties reached CHF 3 768.3 million as at December 31, 2012 (2011: CHF 4 010.6 million). This decrease was caused by maturing interest rate and currency swaps and by a stronger Swiss franc. In order to reduce the credit exposures of swaps, EUROFIMA has entered into one-way credit support annex (CSA) collateral agreements with various major swap counterparties. Such CSA agreements require that collateral be posted by the swap counterparty once the exposure exceeds a pre-agreed threshold. The total market value of the collateral received by EUROFIMA as at December 31, 2012 reached CHF 2 852.8 million (2011: CHF 2 667.1 million). This increase was driven by lower thresholds. As at year-end 2012, 75.7 % of the net positive replacement value of all swaps concluded with financial counterparties was covered by collateral (2011: 66.5 %). This collateral consisted exclusively of high quality bonds issued by governments and supranationals. As a rule, swaps are concluded within the contractual framework of International Swaps and Derivatives Association (ISDA) master agreements. In case of insolvency such agreements permit the netting of the obligations arising under all derivative transactions covered by the agreement. All swaps are valued at their net present value and the positions per counterparty are monitored on a daily basis.

The credit risk inherent in the portfolio of equipment financing contracts is reviewed and monitored regularly. The principal amount of equipment financing contracts in non-investment grade or unrated countries increased: based on Standard & Poor's ratings it amounted to CHF 2 198.3 million at year-end 2012 (2011: CHF 1 460.6 million), based on Moody's ratings it added up to CHF 2 129.1 million at year-end 2012 (2011: CHF 2 280.1 million). As at December 31, 2012 all assets were fully performing. A breakdown by rating of the equipment financing contracts is given in note 9.

(iii) Market risk

Market risk includes the risk of incurring losses as a result of adverse fluctuations in exchange rates or interest rates.

EUROFIMA is exposed in its core activities to foreign exchange and interest rate fluctuations primarily from the fact that borrowing operations are often carried out in a currency and with interest rate structures differing from those of the equipment financing contracts. Without hedging this would result in currency and interest rate mismatches between assets and liabilities. The key risk management principle adopted by EUROFIMA is a systematic hedging of such mismatches so that the potential adverse effect of foreign exchange and interest rate fluctuations be reduced to virtually nil. In order to hedge such mismatches EUROFIMA utilizes interest rate and currency swaps. These swaps are used within the ambit of micro-hedging with their cash flows matching those of related assets and liabilities. As a result, the currency and interest rate profile of the borrowings is matched with the profile of equipment financing contracts.

As at year-end 2012, pre-funding for future equipment financing was limited to a maximum amount equivalent to EUR 850 million. Pre-funding allows tapping into the capital markets when borrowing conditions are favourable. Usually, such pre-funding operations are transacted (after swaps) on a variable interest rate basis so that the funds can be warehoused with a minimum interest rate risk until they are needed for lending disbursement.

A residual exposure to market risk arises almost exclusively in the investment of the funded liquidity and equity funds. EUROFIMA applies a framework of limits to control and manage such residual market risk exposure. Maximum exposure limits are set by the Management and the Board of Directors. Compliance with these limits is controlled on a regular basis by financial controlling and internal auditing.

Investments of the funded liquidity and of the equity are exposed to changes in market interest rates. Firstly, the future interest income derived from such investments is influenced by the level of market interest rates prevailing at the time of their investment or reinvestment. Secondly, the institution's net profit and equity (in case of investments classified as "at fair value through profit or loss" or "available for sale") are also affected by the fluctuations in the fair value of such investments caused by changes in market interest rates and credit spreads. EUROFIMA measures its exposure to interest rate risks through sensitivity analysis. Such an analysis indicates the sensitivity of the fair value of financial instruments classified as "at fair value through profit or loss" and "available for sale" to parallel shifts in all yield curves. Based on the balance sheet as at December 31, 2012 the sensitivity analysis indicates that if all rates rose by 100 basis points the net profit would increase by CHF 0.5 million and the equity would decrease by CHF 27.5 million. Conversely, the net profit would decrease by CHF 0.5 million and the equity would increase by CHF 29.3 million if rates fell by 100 basis points.

The year of 2012 was characterized by a decreasing interest rate environment and the narrowing of credit spreads. This had a positive effect on the total value adjustments reported in the equity for the securities classified as "available for sale", increasing to CHF 30.9 million (2011: CHF 12.0 million).

EUROFIMA measures and manages its foreign exchange risk in terms of the difference between assets and liabilities per currency on a daily basis. It aims at keeping such foreign exchange risk as close as possible to zero. Future net interest income and commission income in foreign currency are not hedged. As at December 31, 2012 the counter value in Swiss francs of all net foreign exchange positions amounted to CHF 1.3 million (2011: CHF 0.3 million).

(iv) Liquidity risk

Liquidity risk is the risk that the company is unable to meet, from available funds, all payment obligations as they fall due.

The main objective of liquidity management is to make sure that EUROFIMA can meet its payment obligations punctually and in full. The planning of liquidity takes into account all known future cash flows, especially the need to service the debts, the disbursements and repayments from the equipment financing contracts as well as the cash flows from the swap portfolio. The projected liquidity position is subject to daily computation and monitoring.

EUROFIMA maintains a pool of liquidity and spreads the maturities of its placements taking into account the forecasted liquidity needs. The pool of liquidity is invested in highly rated debt instruments and placements with credit institutions. According to the treasury policy, a minimum volume of the pool of liquidity has to be invested at all times in securities of sovereign issuers or issuers with an explicit sovereign guarantee.

As at year-end 2012, a committed CHF 300 million repo line was in place with a bank rated AAA/Aaa. Under this repo line EUROFIMA may borrow money by selling specified securities and simultaneously agreeing to buy them back at a later time.

EUROFIMA strives to secure a level of net liquidity that meets its expected liquidity requirements for a period of 12 months. To compute such liquidity requirements a default probability of 100 % is applied to assets below the long-term rating A– or A3 according to Standard and Poor's or Moody's.

As at year-end 2012, total liquid assets, consisting of cash and cash equivalents as well as financial investments, represented 104.4% of the total one year debt service (2011: 73.9 %).

Capital Management

As at December 31, 2012 the ratio resulting from dividing total equity plus callable share capital by total outstanding borrowings improved to 12.8 % (2011: 11.6 %).

As a supranational institution, EUROFIMA is not subject to regulatory capital requirements. However, the adequacy of the capital base is assessed at each quarterly Board meeting.

The Basel II capital ratio is one of the tools used to estimate the capital requirements for each major risk. The Standardized Approach is adopted to calculate the capital requirement for the credit risk. The Standardized Measurement Method is used to calculate the capital requirement for market risk and the Basic Indicator Approach is adopted to estimate the operational risk charge. As at December 31, 2012 EUROFIMA's estimated total Basel II ratio amounted to 21.0 % (2011: 30.2 %). This development originated primarily in the downgrades of Spain, Italy, and Portugal.

Other tools used to assess the capital adequacy include the application of large exposure and standard leverage ratios. A "large exposure" to a group of related counterparties exists when the exposure, after taking into account collateral posted by counterparties, is equal to or exceeds 10 % of EUROFIMA's sound capital. For this purpose, EUROFIMA considers sound capital to be the sum of the equity plus callable share capital from member States rated AAA or AA. Sovereign risk is excluded for this calculation. As at December 31, 2012 EUROFIMA had no such large exposures on its balance sheet.

One specific element of EUROFIMA's credit backing system also taken into account in the assessment of the capital base is the subsidiary shareholder guarantee. Pursuant to Article 26 of the Statutes, each shareholder guarantees the fulfillment of all equipment financing contracts on a pro rata basis of its participation in EUROFIMA's subscribed share capital and up to a maximum amount equal to its participation in EUROFIMA's share capital. Such shareholder guarantee can only be called where (i) a railway and its member State have not discharged obligations under equipment financing contracts and (ii) the guarantee reserve as stipulated by Article 29 of EUROFIMA's Statutes is not sufficient to cover the loss resulting from such non-payment. As at December 31, 2012 taking into account only shareholders from member States rated AAA or AA, the shareholder guarantee amounted to CHF 1.9 billion based on the ratings of both Standard & Poor's and Moody's.

The sound share capital (equity plus callable share capital from member States rated AAA or AA) plus the shareholder guarantee corresponded to 17.5 % (2011: 16.8 %) and 17.3 % (2011: 15.8 %) of total outstanding borrowings respectively.

Note 3: Net interest income

	2012	2011
Cash and cash equivalents	4 112 033	7 538 086
Financial investments	36 334 355	44 897 745
Placements with credit institutions	527 719	2 850 953
Debt securities	34 906 990	39 858 652
Other	899 646	2 188 140
Equipment financing contracts	529 958 846	686 418 200
Derivative financial instruments	696 466 096	661 473 087
Other interest income	0	0
Total interest and similar income	**1 266 871 329**	**1 400 327 118**
Amounts due to credit institutions and customers	–68 394 332	–73 720 077
Debt evidenced by certificates	–1 017 922 320	–1 057 437 379
Senior borrowings	–963 996 562	–1 006 160 685
Other debts evidenced by certificates	–53 925 758	–51 276 693
Derivative financial instruments	–153 273 140	–237 847 380
Other interest expenses	–261 636	–36 972
Total interest and similar charges	**–1 239 851 429**	**–1 369 041 807**

Note 4: Commission income and fees received and commission expenses and fees paid

	2012	2011
Commission on equipment financing contracts	16 003 781	16 464 190
Upfront fees	225 000	594 307
Commission on lending of securities	0	0
Commission expenses and fees paid	–1 435 289	–1 062 447
Total commission income and fees received and commission expenses and fees paid	**14 793 492**	**15 996 050**

Note 5: Net profit on financial operations

	2012	2011
Realized gains / losses on financial instruments	2 995 914	–380 043
Unrealized gains / losses on financial instruments	–2 464 211	2 584 571
Other	44 498	12 075
Total net profit on financial operations	**576 202**	**2 216 603**

Note 6: General administrative expenses

	2012	2011
Personnel costs	–5 016 882	–4 712 167
Social security and pension costs	–1 425 390	–1 384 688
Office premises costs	–142 079	–101 894
Other general administrative expenses	–1 874 759	–2 496 098
Cost coverage, rental and other administrative income	17 086	20 574
Total general administrative expenses	**–8 442 025**	**–8 674 273**

As at December 31, 2012 EUROFIMA had 31 employees in permanent positions, comprising 5 women and 26 men, representing 7 nationalities. The average age of EUROFIMA's employees was 46.8 years and the average length of service was 10.8 years.

The item “Other general administrative expenses” includes in its majority IT related expenses, legal counsel fees, representation expenses and independent auditors fees.

Amounts paid to the independent auditors

	2012	2011
Audit fees	184 500	183 500
Audit-related services	22 170	0
Total	**206 670**	**183 500**

Note 7: Impairment charge

	2012	2011
Impairment charge	0	0
Reversals of impairment	0	0
Total impairment charge	**0**	**0**

Petrovaradin – Novi Sad; 08:14

Note 8: Financial investments

The financial investments are shown with their long-term rating. If a specific rating is not available, the issuer or the guarantor rating is applied, whichever is better.

EUROFIMA groups the Standard & Poor's ratings as follows: AAA, AA for ratings from AA+ to AA–, A for ratings from A+ to A–, BBB for ratings from BBB+ to BBB–, and <BBB for ratings below BBB–.
EUROFIMA groups the Moody's ratings as follows: Aaa, Aa for ratings from Aa1 to Aa3, A for ratings from A1 to A3, Baa for ratings from Baa1 to Baa3, and <Baa for ratings below Baa3.

Placements with credit institutions

Standard & Poor's ratings	**December 31, 2012**	December 31, 2011
AAA	0	0
AA	50 001 167	85 915 454
A	15 748 907	0
BBB	0	0
<BBB	0	0
not rated	57 244 998	0
Total	**122 995 072**	**85 915 454**

Moody's ratings	**December 31, 2012**	December 31, 2011
Aaa	0	77 989 390
Aa	57 244 998	7 926 064
A	15 748 907	0
Baa	0	0
<Baa	0	0
not rated	50 001 167	0
Total	**122 995 072**	**85 915 454**

Debt securities – bonds

Standard & Poor's ratings	**December 31, 2012**	December 31, 2011
AAA	1 119 797 977	1 323 723 612
AA	555 478 495	186 823 377
A	52 065 415	44 917 967
BBB	6 328 089	0
<BBB	0	0
not rated	197 376 988	187 090 877
Total	**1 931 046 965**	**1 742 555 831**

Moody's ratings	**December 31, 2012**	December 31, 2011
Aaa	1 533 220 724	1 482 650 587
Aa	259 530 157	189 680 523
A	99 216 249	47 293 530
Baa	6 328 089	0
<Baa	0	0
not rated	32 751 746	22 931 192
Total	**1 931 046 965**	**1 742 555 831**

Debt securities - commercial paper and treasury bills

Standard & Poor's ratings	**December 31, 2012**	December 31, 2011
AAA	271 327 437	38 407 812
AA	249 342 408	127 463 825
A	0	193 306 332
BBB	0	0
<BBB	0	0
not rated	0	0
Total	**520 669 845**	**359 177 969**

Moody's ratings	**December 31, 2012**	December 31, 2011
Aaa	271 327 437	38 407 812
Aa	246 565 595	320 770 157
A	2 776 813	0
Baa	0	0
<Baa	0	0
not rated	0	0
Total	**520 669 845**	**359 177 969**

Other financial investments

Standard & Poor's ratings	**December 31, 2012**	December 31, 2011
AAA	0	0
AA	0	108 736 912
A	0	0
BBB	0	0
<BBB	0	0
not rated	0	0
Total	**0**	**108 736 912**

Moody's ratings	**December 31, 2012**	December 31, 2011
Aaa	0	0
Aa	0	108 736 912
A	0	0
Baa	0	0
<Baa	0	0
not rated	0	0
Total	**0**	**108 736 912**

Financial investments neither rated by Standard & Poor's nor Moody's

	December 31, 2012	December 31, 2011
Placements with credit institutions	0	0
Debt securities – bonds	22 734 090	22 931 192
Debt securities – commercial paper and treasury bills	0	0
Other financial investments	0	0
Total	**22 734 090**	**22 931 192**

As at December 31, 2012 financial investments neither rated by Standard & Poor's nor Moody's consisted of three securities issued by Swiss cantons and a Swiss city. These securities were rated AAA or AA+ by Zürcher Kantonalbank.

Classification of debt securities

	December 31, 2012	December 31, 2011
Debt securities classified as financial assets at fair value through profit or loss	794 005 331	559 829 858
Debt securities classified as available for sale	1 293 920 668	1 176 750 867
Debt securities classified as held to maturity	363 790 811	360 117 377
Debt securities classified as loans and receivables	0	5 035 699
Total debt securities	**2 451 716 810**	**2 101 733 801**

No financial asset classified as held to maturity was sold.

Available-for-sale investments

	2012	2011
Balance at January 1,	1 176 750 867	1 374 320 978
Difference to principal	–30 813 431	–34 014 258
Principal at January 1,	1 145 937 436	1 340 306 721
Exchange rate difference	–10 927 643	–20 456 278
Additions (gross)	447 402 935	293 918 112
Sales (gross)	–109 451 153	–282 773 290
Redemptions (gross)	–228 653 929	–185 057 829
Principal at December 31,	1 244 307 645	1 145 937 436
Difference to book value	49 613 023	30 813 431
Balance at December 31,	**1 293 920 668**	**1 176 750 867**

Valjevo – Kojerić; 11:38

Note 9: Equipment financing contracts

The equipment financing contracts were concluded exclusively with shareholders or their guaranteed affiliates.

Ratings
The equipment financing contracts are shown with the long-term rating of the respective member State.

EUROFIMA groups the Standard & Poor's ratings as follows: AAA, AA for ratings from AA+ to AA–, A for ratings from A+ to A–, BBB for ratings from BBB+ to BBB–, and <BBB for ratings below BBB–.
EUROFIMA groups the Moody's ratings as follows: Aaa, Aa for ratings from Aa1 to Aa3, A for ratings from A1 to A3, Baa for ratings from Baa1 to Baa3, and <Baa for ratings below Baa3.

Standard & Poor's ratings	**December 31, 2012**	December 31, 2011
AAA	4 845 834 721	11 867 808 437
AA	7 862 686 984	6 953 387 310
A	403 989 201	4 312 273 717
BBB	7 137 888 872	947 627 695
<BBB	2 290 350 668	1 518 638 328
not rated	0	0
Total	**22 540 750 446**	**25 599 735 488**

Moody's ratings	**December 31, 2012**	December 31, 2011
Aaa	7 841 438 833	11 867 808 437
Aa	4 667 841 042	3 381 319 730
A	344 125 356	7 884 341 297
Baa	7 470 364 357	110 881 342
<Baa	2 077 281 208	2 227 694 008
not rated	139 699 651	127 690 674
Total	**22 540 750 446**	**25 599 735 488**

Classification of equipment financing contracts

	December 31, 2012	December 31, 2011
Equipment financing contracts classified as financial assets at fair value through profit or loss	21 965 622 037	24 620 776 461
Equipment financing contracts classified as loans and receivables	575 128 409	978 959 027
Equipment financing contracts past due	0	0
Total equipment financing contracts	**22 540 750 446**	**25 599 735 488**

Currency distribution

	Equipment financing contracts at December 31, 2012			Equipment financing contracts at December 31, 2011		
Currency	Principal in currency units	Principal in CHF	%	Principal in currency units	Principal in CHF	%
CHF	2 936 700 329	2 936 700 329	14.2 %	3 161 541 129	3 161 541 129	13.4 %
EUR	13 548 362 414	16 355 583 107	79.3 %	14 689 727 367	17 856 832 588	75.7 %
SEK	1 625 064 842	228 592 202	1.1 %	2 651 354 154	361 645 659	1.5 %
USD	1 216 711 304	1 113 243 812	5.4 %	2 367 136 065	2 223 889 482	9.4 %
Total principal		**20 634 119 450**	100.0 %		**23 603 908 858**	100.0 %
Difference to book value		1 906 630 996			1 995 826 630	
Total book value		**22 540 750 446**			**25 599 735 488**	

Distribution of equipment financing contracts

Member State	Railway/ Company	Principal at January 1, 2012	Exchange rate difference / currency change difference	Financing	Redemptions	Principal at December 31, 2012 CHF	%
Germany[1]	DB AG[1]	1 401 586 800	–9 685 200	0	–523 924 800	867 976 800	4.2 %
France[1]	SNCF[1]	2 122 692 171	–31 042 536	134 330 740	–772 907 242	1 453 073 133	7.0 %
Italy	FS[2]	4 144 264 560	–28 077 840	0	0	4 116 186 720	19.9 %
Belgium	SNCB	2 762 304 671	–25 201 799	117 414 003	–475 761 190	2 378 755 685	11.5 %
Netherlands	NS	571 511 040	–5 428 625	717 837 986	–729 165 774	554 754 627	2.7 %
Spain	RENFE	2 887 909 211	–19 955 937	0	–145 108 362	2 722 844 912	13.2 %
Switzerland	SBB[2]	3 182 547 117	–10 827 997	54 000 000	–570 226 187	2 655 492 933	12.9 %
Serbia	ŽS	121 340 800	0	31 159 200	–17 000 000	135 500 000	0.7 %
Sweden	SWEDISH STATE RAILWAYS	126 054 392	3 942 565	0	–129 996 956	0	0.0 %
Luxembourg	CFL	203 249 842	2 030 644	0	–4 598 945	200 681 542	1.0 %
Austria	ÖBB	3 118 048 100	–26 220 570	7 243 200	–329 008 756	2 770 061 974	13.4 %
Portugal	CP	819 533 208	–5 663 112	0	–106 233 600	707 636 496	3.4 %
Hungary	MÁV	284 817 511	–1 968 137	0	0	282 849 374[3]	1.4 %
Czech Republic	ČD	200 571 569	–1 385 983	0	0	199 185 586	1.0 %
Slovakia	ŽSSK	154 320 420	–1 066 380	0	–8 744 474	144 509 566	0.7 %
Greece	OSE	1 018 514 772	–7 038 108	0	–39 837 600	971 639 064	4.7 %
Croatia	HŽ	69 580 440	–377 160	0	0	69 203 280[4]	0.3 %
Slovenia	SŽ	255 533 468	–1 293 600	0	0	254 239 868	1.2 %
Bulgaria	BDZ	36 468 000	–252 000	0	0	36 216 000	0.2 %
FYR Macedonia	MŽT	2 917 440	–20 160	0	–1 448 640	1 448 640	0.0 %
Montenegro	ŽPCG	33 000 000	0	0	–3 000 000	30 000 000[5]	0.1 %
Denmark	DSB	87 143 325	–602 175	0	–4 677 900	81 863 250	0.4 %
Total principal		**23 603 908 858**	**–170 134 111**	**1 061 985 129**	**–3 861 640 426**	**20 634 119 450**	100.0 %
Difference to book value		1 995 826 630				1 906 630 996	
Total book value		**25 599 735 488**				**22 540 750 446**	

(1) Germany and France hold 22.6 % of EUROFIMA's share capital each through their fully owned state railways DB AG and SNCF and are thus related parties together with their railways
(2) The contracts of Cisalpino AG, with a principal of 284 million as at January 1, 2012, were assumed by FS and SBB respectively
(3) 73 million of which assumed by Hungary
(4) 39 million of which assumed by Croatia
(5) 30 million assumed by Montenegro

Užice; 12:56

Note 10: Derivative financial instruments – assets

	December 31, 2012	December 31, 2011
Derivative financial instruments with positive fair value included in assets:		
Forex forward	4 958	15 007
Forex swap	585 791	12 645 100
Forex swap forward	387 983	317 464
Cross currency swap	3 857 131 686	4 246 736 007
Interest rate swap	698 543 635	655 833 170
Other	0	92 372
Total book value	**4 556 654 053**	**4 915 639 120**

The item “Other” includes transactions which were traded with a forward period and not settled at year end.

Derivative financial instruments are carried at fair value in the balance sheet net per contract. Derivative financial instruments with a negative net fair value are reported under liabilities.

Note 11: Accrued income and prepaid expenses

	December 31, 2012	December 31, 2011
Commissions on equipment financing contracts	6 126 603	6 300 837
Other accrued income and prepaid expenses	0	4 479
Total accrued income and prepaid expenses	**6 126 603**	**6 305 316**

Note 12: Fixed assets

The fixed assets mainly cover the premises of EUROFIMA “Ritterhof” at Rittergasse 20 in Basel, with a fire insurance value at January 1, 2013 of CHF 13 106 000, and capitalized investments in hard- and software.

Note 13: Amounts due to credit institutions and customers

	2012	2011
Balance at January 1,	2 913 683 698	2 457 405 745
Difference to principal	–469 068 103	–346 021 886
Principal at January 1,	2 444 615 595	2 111 383 859
Exchange rate difference	–137 276 365	51 543 948
Financing during the year	550 376 144	592 073 975
Redemptions during the year	–1 131 993 533	–310 386 188
Principal at December 31,	1 725 721 840	2 444 615 595
Difference to book value	459 532 654	469 068 103
Balance at December 31,	**2 185 254 494**	**2 913 683 698**

The structure according to the maturities was as follows:	**December 31, 2012**		December 31, 2011	
– less than 1 year	–15 618 485	–1 %	603 496 926	25 %
– from 1 to 5 years	215 477 430	12 %	58 879 230	2 %
– more than 5 years	1 525 862 894	88 %	1 782 239 439	73 %
Total principal	**1 725 721 840**	100 %	**2 444 615 595**	100 %

The maturity structure allocates the outstanding principal of each deal according to its settlement dates.
The book value of amounts due to shareholders included in this item amounted to CHF 826 000 467 as at December 31, 2012.
The book value of amounts due to credit institutions and customers payable on demand was CHF 0 as at December 31, 2012.

Note 14: Debts evidenced by certificates

Classification of debts evidenced by certificates

	December 31, 2012	December 31, 2011
Debts evidenced by certificates designated at fair value through profit or loss	25 400 455 643	26 957 814 008
Debts evidenced by certificates measured at amortized cost	725 653 199	789 227 418
Total debts evidenced by certificates	**26 126 108 842**	**27 747 041 426**

	2012	2011
Balance at January 1,	27 747 041 426	27 918 650 643
Difference to principal	–2 890 340 113	–1 884 474 933
Principal at January 1,	24 856 701 313	26 034 175 711
Exchange rate difference	–275 323 341	–72 281 572
Financing during the year	2 703 024 701	3 355 654 280
Redemptions during the year	–4 242 654 145	–4 460 847 105
Principal at December 31,	23 041 748 528	24 856 701 313
Difference to book value	3 084 360 314	2 890 340 113
Balance at December 31,	**26 126 108 842**	**27 747 041 426**

The structure according to the maturities was as follows:	December 31, 2012		December 31, 2011	
– less than 1 year	2 793 620 477	12 %	3 216 467 029	13 %
– from 1 to 5 years	9 881 324 157	43 %	10 121 994 450	41 %
– more than 5 years	10 366 803 893	45 %	11 518 239 835	46 %
Total principal	**23 041 748 528**	100 %	**24 856 701 313**	100 %

The maturity structure allocates the outstanding principal of each deal according to its settlement dates.

Listed bond issues

Maturity	Interest rate in %	Year of issuance		**Principal in currency units at December 31, 2012**	**Book value in currency units at December 31, 2012**
AUD					
28.01.2014	6	2004	(1)	1 300 000 000	1 365 487 126
29.07.2015	5.625	2005	(1)	225 000 000	245 122 905
24.10.2016	5.625	2005	(1)	1 100 000 000	1 209 133 968
28.12.2018	6.25	2003	(1)	1 650 000 000	1 902 187 989
30.06.2020	5.5	2005	(1)	750 000 000	844 410 169
30.03.2022	6	2007	(1)	200 000 000	238 230 629
CAD					
12.05.2014	4.875	2004	(1)	100 000 000	107 265 217
13.12.2019	5.15	2004	(1)	250 000 000	303 703 300
30.03.2027	4.55	2007	(1)	300 000 000	376 963 414
CHF					
19.06.2015	2.75	2003		565 000 000	610 648 532
15.06.2016	2.25	2005		350 000 000	379 774 603
10.11.2017	2.125	2009		270 000 000	294 506 192
28.12.2018	3.25	2003		450 000 000	524 665 851
03.08.2020	2.375	2005		595 000 000	648 728 036
29.12.2020	3.375	2004		365 000 000	441 134 195
22.05.2024	3	2007		600 000 000	739 509 795
15.05.2026	3	2006		1 000 000 000	1 249 747 045
04.02.2030	2.875	2005		450 000 000	570 530 031
EUR					
16.12.2013	FRN	2011	(1)	120 000 000	120 402 511
18.11.2014	11	1994	(2)	120 202 400	145 650 790
03.11.2015	10.68	1995	(2)	120 202 000	156 843 850
23.12.2015	FRN	2011	(1)	125 000 000	125 688 054
05.11.2018	FRN	2010	(1)	32 500 000	33 022 923
21.10.2019	4.375	2004	(1)	650 000 000	796 617 432
28.11.2019	2.73	2011	(1)	6 800 000	6 873 027
23.11.2020	3	2010	(1)	40 000 000	45 382 040
27.10.2021	4	2009	(1)	1 000 000 000	1 225 166 656
15.11.2022	3.125	2010	(1)	800 000 000	920 686 919
28.07.2023	3.25	2010	(1)	50 000 000	58 782 677

Maturity	Interest rate in %	Year of issuance		Principal in currency units at December 31, 2012	Book value in currency units at December 31, 2012
GBP					
11.02.2013	4.375	2003	(1)	100 000 000	104 314 994
14.10.2014	6.125	1999	(1)	265 000 000	293 519 223
07.06.2032	5.5	2001	(1)	150 000 000	220 259 297
JPY					
16.12.2013	FRN	2011	(1)	3 200 000 000	3 200 513 532
NZD					
22.05.2013	7.125	2008	(1)	275 000 000	281 638 792
USD					
28.05.2013	1.875	2010	(1)	1 000 000 000	1 017 026 843
05.09.2013	4.25	2008	(1)	1 000 000 000	1 038 019 838
04.02.2014	4.25	2004	(1)	1 000 000 000	1 075 831 865
24.02.2014	FRN	2012	(1)	100 000 000	100 611 085
06.03.2015	4.5	2005	(1)	1 000 000 000	1 125 393 867
27.03.2015	FRN	2012	(1)	750 000 000	755 167 683
07.04.2016	5.25	2006	(1)	1 000 000 000	1 191 172 637
03.04.2017	5	2007	(1)	1 000 000 000	1 218 100 444
Total listed bond issues (in CHF)				**21 174 155 085**	**24 125 880 004**

(1) Issued under the Programme for the Issuance of Debt Instruments
(2) Redenominated

Other debts evidenced by certificates

	Book value at December 31, 2012	Book value at December 31, 2011
Unlisted stand-alone issues	492 645 324	553 115 251
Unlisted issues under the Programme for the Issuance of Debt Instruments	1 205 705 366	1 340 051 673
Commercial paper	301 878 148	468 166 477
Total other debts evidenced by certificates	**2 000 228 838**	**2 361 333 402**

Note 15: Derivative financial instruments – liabilities

	December 31, 2012	December 31, 2011
Derivative financial instruments with negative fair value included in liabilities:		
Forex forward	8 255	14 729
Forex swap	2 032 351	448 462
Forex swap forward	584 196	0
Cross currency swap	1 177 570 678	2 003 514 284
Interest rate swap	264 901 243	198 730 124
Other	359 566	420 205
Total book value	**1 445 456 289**	**2 203 127 803**

The item “Other” includes transactions which were traded with a forward period and not settled at year end.

Derivative financial instruments are carried at fair value in the balance sheet net per contract. Derivative financial instruments with a positive net fair value are reported under assets.

Note 16: Accrued expenses and deferred income

	December 31, 2012	December 31, 2011
Accrued general administrative expenses	719 090	647 119
Other accrued expenses and deferred income	0	0
Total accrued expenses and deferred income	**719 090**	**647 119**

Note 17: Statutory reserves

	December 31, 2012	December 31, 2011
Ordinary reserve	71 244 000	69 214 000
Guarantee reserve	590 500 000	556 000 000
Total statutory reserves	**661 744 000**	**625 214 000**

According to Article 29 of the Statutes 5 % of the annual profit is to be allocated to the ordinary reserve until the ordinary reserve has reached 20 % of the paid-in share capital.

Note 18: Other comprehensive income – available-for-sale financial assets

	2012	2011
Changes in fair value during the financial year	21 865 596	3 626 737
Realized net gains transferred to the income statement	–2 930 575	–3 663 758
Total other comprehensive income – available-for-sale financial assets	**18 935 021**	**–37 021**

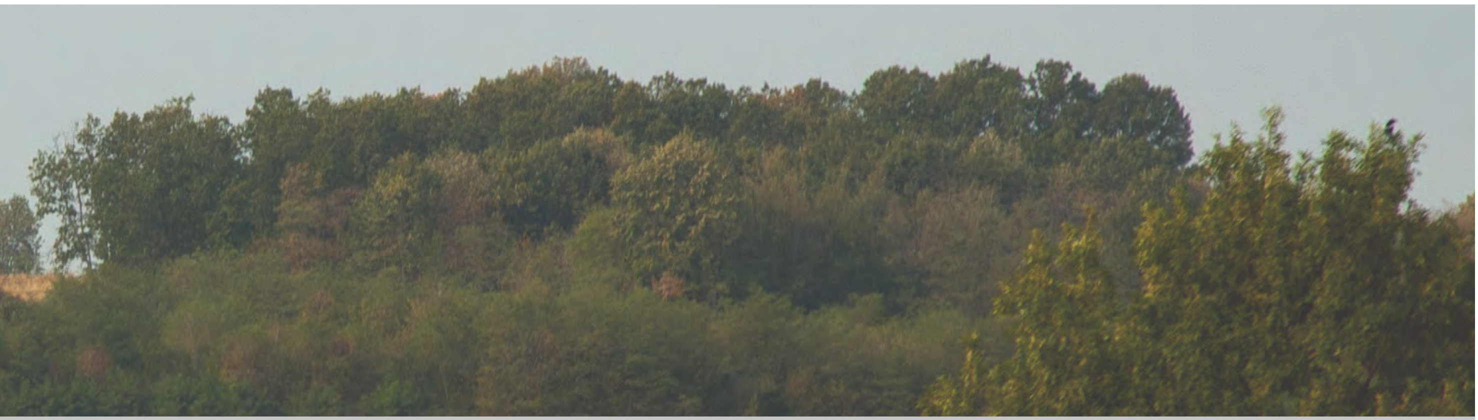
Note 19: Maturity profile

(all amounts in million CHF)

December 31, 2012	0–3 months	3–6 months	6–12 months	1–5 years	5–10 years	More than 10 years	Undefined	Total	Difference to book value	Book value
Assets										
Cash and cash equivalents	1 408	0	0	0	0	0	211	1 618	0	1 618
Financial investments	402	478	92	1 249	408	35	0	2 664	–90	2 575
Placements with credit institutions	116	7	0	0	0	0	0	123	0	123
Debt securities	285	471	92	1 249	408	35	0	2 541	–90	2 452
Other	0	0	0	0	0	0	0	0	0	0
Equipment financing contracts	358	301	1 064	9 281	8 706	4 932	0	24 642	–2 101	22 541
Derivative financial instruments	74	336	488	2 476	1 309	532	0	5 215	–658	4 557
Other assets	0	0	0	0	0	0	4	4	0	4
Accrued income and prepaid expenses	2	3	10	51	38	7	0	111	–105	6
Fixed assets	0	0	0	0	0	0	8	8	0	8
Total assets	**2 243**	**1 118**	**1 654**	**13 057**	**10 461**	**5 506**	**223**	**34 262**	**–2 954**	**31 308**
Liabilities										
Amounts due to credit institutions and customers	20	12	15	476	1 083	814	0	2 421	–236	2 185
Debts evidenced by certificates	672	1 500	1 563	12 448	8 713	3 407	0	28 303	–2 177	26 126
Senior borrowings	286	1 447	1 524	11 502	8 385	3 049	0	26 193	–2 067	24 126
Other debts evidenced by certificates	386	53	39	946	328	358	0	2 109	–109	2 000
Derivative financial instruments	99	127	112	–154	355	1 261	0	1 799	–354	1 445
Other liabilities	0	1	0	0	0	0	17	18	0	18
Accrued expenses and deferred income	0	0	0	0	0	0	1	1	0	1
Equity	0	0	0	0	0	0	1 533	1 533	0	1 533
Total liabilities and equity	**791**	**1 640**	**1 691**	**12 770**	**10 151**	**5 482**	**1 550**	**34 074**	**–2 766**	**31 308**
Net during the period	1 451	–521	–36	287	311	24	–1 328	188	–188	0
Cumulative net during the period	**1 451**	**930**	**894**	**1 180**	**1 491**	**1 515**	**188**	**188**	**–188**	**0**

The maturity profile allocates the nominal amount of future cash flows according to their settlement dates.

Ralja – Mladenovac; 09.01



Note 20: Net currency position

(all amounts in million CHF)

December 31, 2012	CHF	EUR	USD	AUD	JPY	CAD	Other	Total book value
Assets								
Cash and cash equivalents	352.1	610.2	69.9	0.1	585.5	0.1	0.2	1 618.0
Financial investments								
Placements with credit institutions	100.2	22.7	0.0	0.0	0.0	0.0	0.0	123.0
Debt securities	1 044.0	843.8	476.8	0.0	87.1	0.0	0.0	2 451.7
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment financing contracts	3 240.3	17 250.1	1 734.6	0.0	0.0	0.0	315.8	22 540.8
Derivative financial instruments	4 634.4	–11 264.7	3 994.0	5 512.3	338.8	724.1	617.8	4 556.7
Other assets	3.8	0.0	0.0	0.0	0.0	0.0	0.0	3.8
Accrued income and prepaid expenses	1.0	5.1	0.0	0.0	0.0	0.0	0.0	6.1
Fixed assets	8.2	0.0	0.0	0.0	0.0	0.0	0.0	8.2
Total assets	**9 384.0**	**7 467.3**	**6 275.3**	**5 512.4**	**1 011.4**	**724.1**	**933.8**	**31 308.3**
Liabilities								
Amounts due to credit institutions and customers	417.5	19.5	793.0	0.0	916.2	0.0	39.1	2 185.3
Debts evidenced by certificates								
Senior borrowings	5 459.2	4 388.3	6 881.7	5 512.3	34.0	724.1	1 126.2	24 125.9
Other debts evidenced by certificates	445.7	647.5	318.1	58.2	389.9	0.0	140.7	2 000.2
Derivative financial instruments	1 509.7	2 412.1	–1 717.2	–58.2	–328.5	0.0	–372.4	1 445.5
Other liabilities	17.8	0.1	0.0	0.0	0.0	0.0	0.0	17.9
Accrued expenses and deferred income	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.7
Total liabilities	**7 850.7**	**7 467.6**	**6 275.7**	**5 512.3**	**1 011.6**	**724.1**	**933.5**	**29 775.5**
Net currency position	**1 533.3**	**–0.3**	**–0.4**	**0.1**	**–0.2**	**0.1**	**0.3**	**1 532.8**

Note 21: Assets and liabilities measured at fair value

Three-level hierarchy used for fair value measurement disclosures

Level 1: quoted prices in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: inputs for the asset or liability that are not based on observable market data

		Fair value measurement at end of the reporting period using:		
(all amounts in CHF)	**December 31, 2012**	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss				
Cash equivalents	1 357 233 470	0	1 357 233 470	0
Financial investments				
Placements with credit institutions	22 748 841	0	22 748 841	0
Debt securities	794 005 331	273 335 486	520 669 845	0
Other	0	0	0	0
Equipment financing contracts	21 965 622 037	0	21 965 622 037	0
Derivative financial instruments	4 556 654 053	0	4 556 654 053	0
Other assets	0	0	0	0
Financial assets at fair value through comprehensive income				
Financial investments – debt securities	1 293 920 668	1 281 604 550	12 316 118	0
Other assets	0	0	0	0
Total assets measured at fair value	**29 990 184 399**	**1 554 940 036**	**28 435 244 363**	**0**
Financial liabilities at fair value through profit or loss				
Amounts due to credit institutions and customers	2 183 805 451	0	2 183 805 451	0
Debts evidenced by certificates				
Senior borrowings	23 918 148 827	0	23 918 148 827	0
Other debts evidenced by certificates	1 482 306 816	0	1 482 306 816	0
Derivative financial instruments	1 445 456 289	0	1 445 456 289	0
Other liabilities	0	0	0	0
Financial liablities at fair value through comprehensive income				
Other liabilities	0	0	0	0
Total liabilities measured at fair value	**29 029 717 383**	**0**	**29 029 717 383**	**0**
Net assets and liabilities measured at fair value	**960 467 016**	**1 554 940 036**	**–594 473 020**	**0**

(all amounts in CHF)	December 31, 2011	Level 1	Level 2	Level 3
	Fair value measurement at end of the reporting period using:			
Financial assets at fair value through profit or loss				
Cash equivalents	989 099 719	0	989 099 719	0
Financial investments				
Placements with credit institutions	85 915 454	0	85 915 454	0
Debt securities	559 829 858	200 651 889	359 177 969	0
Other	108 736 912	0	108 736 912	0
Equipment financing contracts	24 620 776 461	0	24 620 776 461	0
Derivative financial instruments	4 915 639 120	0	4 915 639 120	0
Other assets	0	0	0	0
Financial assets at fair value through comprehensive income				
Financial investments – debt securities	1 176 750 867	1 148 821 404	27 929 464	0
Other assets	0	0	0	0
Total assets measured at fair value	**32 456 748 392**	**1 349 473 292**	**31 107 275 100**	**0**
Financial liabilities at fair value through profit or loss				
Amounts due to credit institutions and customers	2 476 583 741	0	2 476 583 741	0
Debts evidenced by certificates				
Senior borrowings	25 178 221 175	0	25 178 221 175	0
Other debts evidenced by certificates	1 779 592 834	0	1 779 592 834	0
Derivative financial instruments	2 203 127 803	0	2 203 127 803	0
Other liabilities	0	0	0	0
Financial liablities at fair value through comprehensive income				
Other liabilities	0	0	0	0
Total liabilities measured at fair value	**31 637 525 553**	**0**	**31 637 525 553**	**0**
Net assets and liabilities measured at fair value	**819 222 839**	**1 349 473 292**	**–530 250 453**	**0**

Note 22: Foreign exchange rates

CHF exchange rates		**December 31, 2012**	December 31, 2011
1	AUD	0.949654	0.955435
1	CAD	0.918931	0.919864
100	CZK	4.799809	4.714003
100	DKK	16.180137	16.351457
1	EUR	1.207200	1.215600
1	GBP	1.479230	1.455286
1	HKD	0.118052	0.120943

CHF exchange rates		**December 31, 2012**	December 31, 2011
100	JPY	1.062583	1.213174
100	NOK	16.428290	15.677070
1	NZD	0.752384	0.726295
100	SEK	14.066651	13.640036
1	USD	0.914961	0.939485

EUROFIMA uses the official foreign exchange rates published by the European Central Bank.

Note 23: Off-balance sheet business

	December 31, 2012		December 31, 2011	
	Principal	Fair value	Principal	Fair value
Contingent liabilities	0	0	0	0
Off-balance liabilities for which recourse is limited to or which are offset by a matching off-balance asset of the company	401 385 125	529 257 608	506 401 722	638 183 484
Total	**401 385 125**	**529 257 608**	**506 401 722**	**638 183 484**

Note 24: Proposed appropriation of the surplus

With last year's unappropriated surplus of 781 944 carried forward and the net profit for the financial year 2012 of 33 446 030, the surplus to be distributed is 34 227 974. In accordance with Article 29 of the Statutes, the Board of Directors proposes the following allocation of the surplus to the General Assembly:

Appropriation to the ordinary reserve	1 673 000
Dividend of 0 % (statutory maximum is 4 %) on the paid-in share capital of 520 million	0
Appropriation to the guarantee reserve	28 000 000
Appropriation to the fund for general risks	4 000 000
Unappropriated surplus to be carried forward	554 974

Auditors' reports

pwc

Report of the independent auditors to the
Board of Directors and the Auditors Committee
of EUROFIMA European Company for the
Financing of Railroad Rolling Stock
Basle

Report of the independent auditors on the financial statements

In accordance with the mandate given to us, according to Article 21 of the Statutes, we have audited the financial statements of EUROFIMA, which comprise the income statement, the balance sheet, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements for the year ended December 31, 2012 (on pages 18 to 48).

Board of Directors' Responsibility

The Board of Directors is responsible for the preparation and the fair presentation of the financial statements in accordance with the European Council directives, the accounting and valuation principles described in the annual report, the requirements of the international Convention for the establishment of the company, the Statutes and Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Independent 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 Swiss law, Swiss Auditing Standards and with the International Standards on Auditing. Those standards require that we 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 independent 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 independent auditor considers the internal control system relevant to the entity's preparation 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, 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 for the year ended December 31, 2012 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the European Union Council directives and the accounting and valuation principles described in the annual report.

PricewaterhouseCoopers AG, St. Jakobs-Strasse 25, Postfach, 4002 Basel
Telephone: +41 58 792 51 00, Facsimile: +41 58 792 58 82, www.pwc.ch

pwc

Furthermore, the financial statements comply with the international Convention for the establishment of the company, the Statutes and Swiss law.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

PricewaterhouseCoopers AG

Enrico Strozzi	Diego J. Alvarez
Audit expert	Audit expert
Auditor in charge	

Basel, March 1, 2013

Lapovo; 10:18

Report of the Auditors Committee

to the General Assembly of the shareholders of EUROFIMA European Company for the Financing of Railroad Rolling Stock, Basel.

As auditors of your company, elected by the General Assembly according to Article 27 of the Statutes, we have audited the accounting records and the financial statements, consisting of the income statement, the balance sheet, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes to the financial statements for the year ended December 31, 2012.

The preparation and the fair presentation of the financial statements are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit. We confirm that we have the professional qualification and independence necessary to fulfill this task.

We believe that our own examination and the review of the independent auditor's report of March 1, 2013 prepared by PricewaterhouseCoopers AG, Basel, constitute a reasonable basis for our opinion.

In our opinion, the financial statements for the year ended December 31, 2012 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the general principles of the European Parliament and European Union Council directive on the annual accounts of banks and other financial institutions (Directive 86/635/EEC) and the significant accounting policies described in note 1 to the financial statements. Furthermore, the financial statements comply with the international Convention for the establishment of EUROFIMA, the Statutes and Swiss law in a subsidiary manner.

We recommend that the financial statements submitted to you be approved.

José Antonio Alonso Martin-Loeches

Roberto Mannozzi

Kurt Röck

Gilbert Schock

Dick Snel

Basel, March 1, 2013

Milestones in development

1957 First issue in Swiss francs
1961 First issue in Dutch guilders
1962 First share capital increase from 50 to 100 million Swiss francs
1964 First issue in Deutsche Mark
1967 First issue in US dollars
1970 Second share capital increase from 100 to 300 million Swiss francs
1971 First issue in French francs
First issue in Luxembourg francs
1972 First issue in Belgian francs
1976 Third share capital increase from 300 to 500 million Swiss francs
1978 First issue in Yen in the "Samurai" market
1979 First issue in Austrian shillings
1982 First issue in Sterling
1984 Extension of the duration of the company for another 50 years, until 2056
Fourth share capital increase from 500 to 750 million Swiss francs
1986 First issue in Italian lira
1987 EUROFIMA opens the Spanish "Matador" market
First issue in Australian, Canadian and New Zealand dollars
1989 First issue in Swedish krona
First issue in Portuguese escudos
1990 Fifth share capital increase from 750 to 1 050 million Swiss francs
1992 Admission of the Hungarian State Railways (MÁV)
1993 Sixth share capital increase from 1 050 to 2 100 million Swiss francs
1994 Admission of the Croatian (HŽ) and the Slovenian (SŽ) Railways
1995 First issue in Hong Kong dollars
1996 Admission of the Railways of Bosnia and Herzegovina (ŽBH) and the Railways of the Former Yugoslav Republic of Macedonia (CFARYM)
1997 First issue in South African rand
Seventh share capital increase from 2 100 to 2 600 million Swiss francs
1998 First issue in Czech koruna
First issue in Polish zlotys
First issue in Greek drachmas
1999 First issue in euro
Admission of the Bulgarian State Railways (BDZ)
2001 Admission of the Railways of the Slovak Republic (ŽSSK)
First domestic "Kangaroo" issue in Australian dollars
2002 First issue in Norwegian krona
Admission of the Railways of the Czech Republic (ČD)
2004 First US dollar 1 billion benchmark issue
2005 First issue in Mexican pesos
First issue in Turkish lira
First domestic "Maple" issue in Canadian dollars
2006 First issue in Icelandic krona
2007 First Swiss franc 1 billion benchmark issue
2008 First domestic "Kauri" issue in New Zealand dollars
First issue in the Japanese "Uridashi" market
2009 First equipment financing with Danish State Railways
2010 First euro 1 billion benchmark issue

Užice; 13:04

The photographs illustrating this annual report were taken by Thomas Buser, EUROFIMA.

Designed by Matthias Bernhard AG, Baden

Printed by Neue Druck AG, Busslingen

Paper Antalis Euroset Offset, dull (environmentally compatible paper production)

FSC
www.fsc.org
Mix
Paper from responsible sources
FSC® C111747

Contact information:
Martin Fleischer
CFO
Tel: +41 61 287 33 40

EUROFIMA®

Registered office:
Ritterhof
Rittergasse 20
P.O. Box
CH-4001 Basel
Tel: +41 61 287 33 40
Fax: +41 61 287 32 40
www.eurofima.org