EUROFIMA®

Annual report 2013

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) 2013	Subscribed share capital (in CHF) 2012	Callable share capital (1) (in CHF) 2013	Callable share capital (1) (in CHF) 2012
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	ŽFBH	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
Železnički 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

Valladolid; 09:10

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 liquid assets and, to a limited extent, for equipment financing contracts.

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. After appropriation of the 2013 surplus, the guarantee reserve reached CHF 647.0 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 outlined 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, 2013 the equity and the sum of the uncalled capital and the shareholder guarantee, both taking into account only shareholders from member States rated AAA/Aaa or AA/Aa, corresponded to 20.1 % and 19.9 % respectively of outstanding borrowings based on Standard & Poor's and Moody's ratings.

Rating of the member States at December 31, 2013 and 2012

	2013		2012	
	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	AA+	Aa1
Italy	BBB	Baa2	BBB+	Baa2
Belgium	AA	Aa3	AA	Aa3
Netherlands	AA+	Aaa	AAA	Aaa
Spain	BBB–	Baa3	BBB–	Baa3
Switzerland	AAA	Aaa	AAA	Aaa
Serbia	BB–	B1	BB–	–
Sweden	AAA	Aaa	AAA	Aaa
Luxembourg	AAA	Aaa	AAA	Aaa
Austria	AA+	Aaa	AA+	Aaa
Portugal	BB	Ba3	BB	Ba3
Czech Republic	AA–	A1	AA–	A1
Greece	B–	Caa3	B–	C
Hungary	BB	Ba1	BB	Ba1
Croatia	BB+	Ba1	BB+	Baa3
Slovenia	A–	Ba1	A	Baa2
Bosnia and Herzegovina	B	B3	B	B3
Bulgaria	BBB	Baa2	BBB	Baa2
Slovakia	A	A2	A	A2
FYR Macedonia	BB–	–	BB	–
Montenegro	BB–	Ba3	BB–	Ba3
Turkey	BB+	Baa3	BB	Ba1
Denmark	AAA	Aaa	AAA	Aaa
Norway	AAA	Aaa	AAA	Aaa

Rating of EUROFIMA at December 31, 2013

	Standard & Poor's Corp.	Moody's Investors Service Inc.
Long term	AA+	Aaa
Short term	A-1+	P-1
Outlook	stable	negative

Important Data

Financial data: amounts in CHF million
Railway equipment financed: in units
2013 and 2012 figures are on the basis of IFRS, the figures for 2011 on the basis of EU Directive 86/635/EEC

	2013	2012	2011
Balance sheet			
Total	27 577	31 300	34 367
Assets			
Liquid assets (1)	4 093	4 198	3 836
Equipment financing contracts	20 932	22 532	25 600
Derivative financial instruments	2 533	4 552	4 916
Liabilities			
Outstanding borrowings (2)	24 634	28 305	30 661
Derivative financial instruments	1 380	1 437	2 203
Equity			
Equity + Callable share capital	3 625	3 613	3 560
Net profit and appropriation to reserves			
Net profit for the financial year	34	34	41
Appropriation to statutory reserves	30	37	46
Ratios in %			
Operating cost (3) / Net operating income (4)	25.6	22.5	19.6
Net profit / Average equity (5)	2.3	2.3	2.8
(Equity + Callable share capital) / Outstanding borrowings	14.7	12.8	11.6
(Sound share capital (6) + Shareholder guarantee AAA/AA) / Outstanding borrowings	20.1	17.5	16.8
(Sound share capital (7) + Shareholder guarantee Aaa/Aa) / Outstanding borrowings	19.9	17.3	15.8
Borrowings and repayments during the financial year			
Borrowings	3 438	3 263	3 948
Repayments	4 682	5 403	4 771
Repayment rate in %	136.2	165.2	120.9
Railway equipment financed during the financial year			
Locomotives	46	0	51
Multiple-unit trains			
– Motor units	12	62	283
– Trailer cars	12	108	156
Passenger cars	149	23	565
Freight cars	3	0	105
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 gains/(losses) on financial instruments
(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.

Report of the Board of Directors to the General Assembly

Annual report 2013
57th financial year

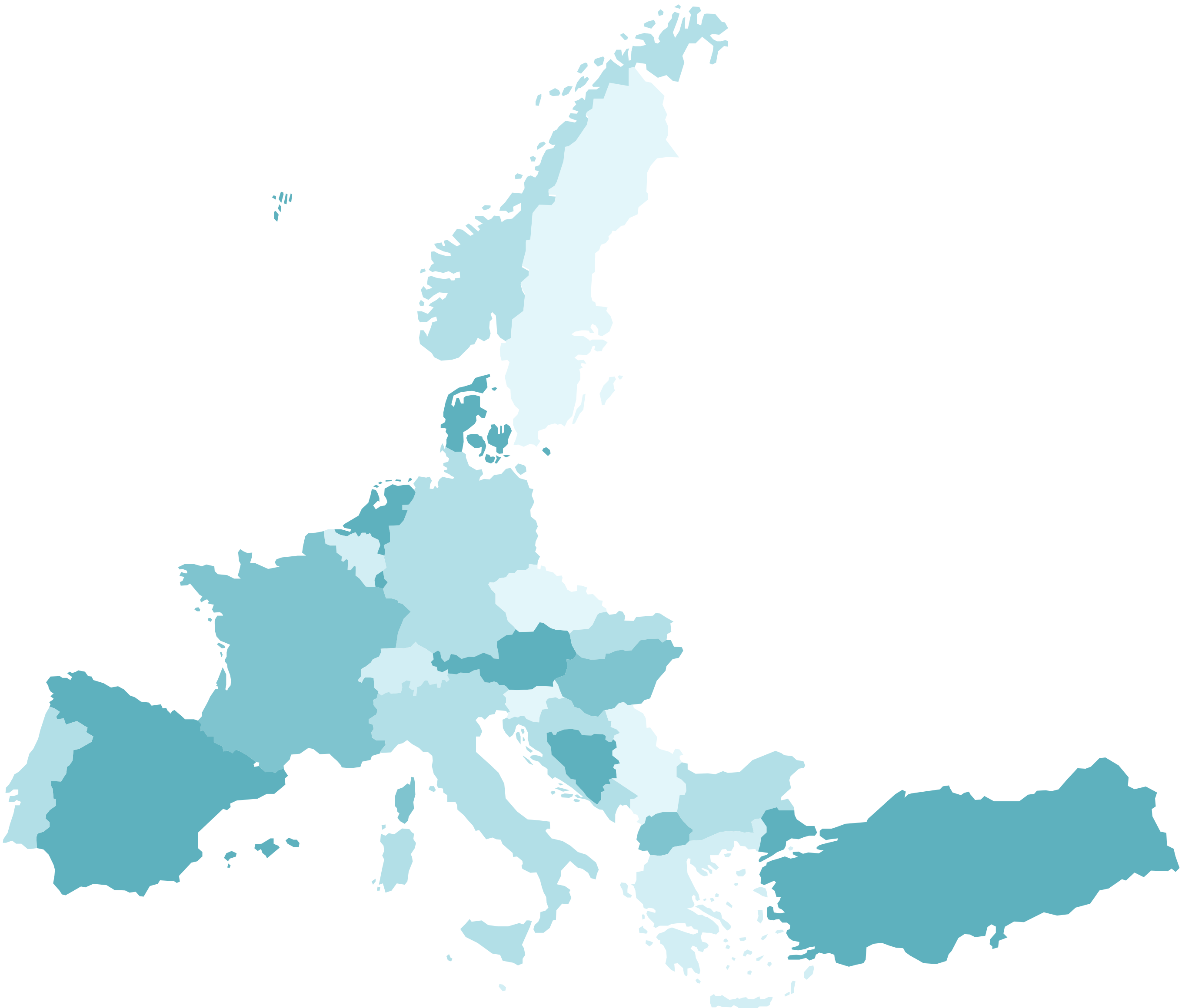
European Company
for the Financing
of Railroad Rolling Stock

Société européenne
pour le financement
de matériel ferroviaire

Europäische Gesellschaft
für die Finanzierung
von Eisenbahnmaterial

Società europea
per il finanziamento
di materiale ferroviario

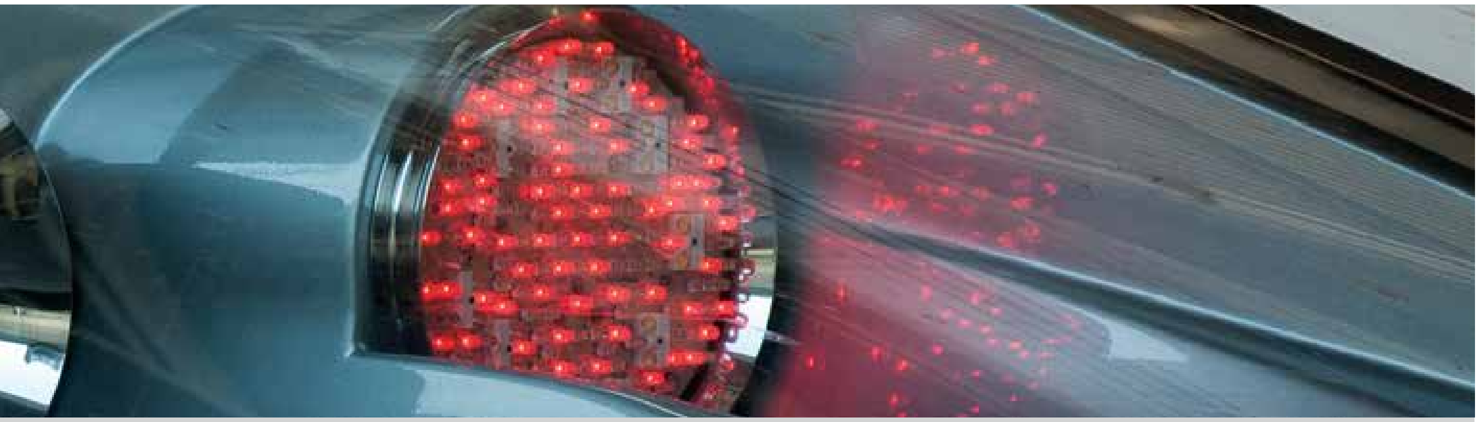
EUROFIMA®



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


renfe
AVE
renfe
AVE
renfe
AVE

Valencia; 17:35



Valencia; 17:36

Madrid-Puerta de Atocha; 18:21

Contents

Message from the Chairman

Looking back over the last twelve months, the year 2013 closes with a more solid and positive sentiment for the financial industry. Central bank intervention was clearly the driver of this improvement, once again keeping liquidity in the financial markets at historically high levels. In April the Bank of Japan proceeded with an aggressive monetary expansion launching its largest asset-purchase program to date. Furthermore, the US Federal Reserve and the Bank of England moved to threshold-based forward guidance and the European Central Bank introduced forward guidance in addition to the additional cut of its benchmark interest rate to the record low of 0.25 % in November.

On the back of this monetary policy, economic fundamentals improved overall. While the Japanese economy and exports benefited from the aggressive monetary policy of the Bank of Japan, US domestic demand picked up substantially and the Chinese economy held up better than many had feared. Even in Europe the economy showed signs of improvements, and the political and fiscal risks, which were dominant in the previous three years, softened and remained local.

At the same time, diverging trends on both sides of the Atlantic became even more visible. While the positive economic and employment data allowed the FED to start tapering its quantitative-easing measures in December, the deflationary risks and the persisting challenges of the financial sector in the Eurozone maintain pressure on the ECB to consider more unconventional monetary measures. While the uncertainty of the fiscal sustainability and sovereign solvency in some Eurozone peripheral countries still persist, Ireland set a positive precedent case with its successful exit from its EUR 85 billion bailout program.

In such a fragile environment, EUROFIMA responsibly decided in 2013 to prolong the strategy pursued since the end of 2008, in terms of risk reduction and strengthening of its equity base, asset quality and liquidity.

As a result, EUROFIMA's balance sheet at December 31, 2013 amounted to CHF 27.6 billion, approximately 12 % lower than in 2012. The portfolio of loans to the railways was fully performing and reduced to CHF 20.9 billion. Net profit reached CHF 34.4 million, in line with the previous year, and was once again fully allocated to reserves, to further strengthen the equity base.

As an issuer of debt instruments, EUROFIMA successfully focused its activity on the US dollar markets. At the start of 2013 EUROFIMA completed its first USD 1 billion benchmark in floating-rate format, maturing in September 2015. Thereafter a new USD 900 million line was opened with maturity in June 2016.

Ahead of us, we believe the positive indications from 2013 will gather momentum in the coming year. Ultimately the evolution of the financial markets in 2014 will be determined by whether solid global growth is able to compensate on one side the fiscal constraints of the developed economies and on the other the imbalanced credit-led growth of the emerging economies. Again, policymakers and central banks will play a key role in supporting the fragile economic recovery and tackling the structural fiscal issues, particularly in the Eurozone.

For EUROFIMA the year 2014 will be a key year to further improve its risk position. In an economic and financial environment showing clear signs of improvement, EUROFIMA expects significant loan redemptions from its members rated below investment-grade. This will give EUROFIMA the necessary flexibility to pursue its public mission while safeguarding the interests of its stakeholders.

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 2013.

Alain PICARD
Chairman of the Board

Aranjuez, Palacio Real; 09:28

Corporate governance

Aranjuez, Palacio Real; 09:24

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, quorums 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 2013 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, 2014 the Board of Directors consisted of 13 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

Sevilla, Plaza España; 10:43

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 5 occasions in 2013. On average, Director attendance was 82%. 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 Convention, the credit rating of the organization, the assessments of the financial position, risk and capital adequacy, the IT project, the IFRS conversion project, 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 and the Chief Financial Officer. The Management meets as and when required by the operations of the organization. In 2013, 27 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 3 times in 2013. 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 the financial position, risks and capital adequacy, the IT project, the IFRS conversion project, accounting policies, engagement of the independent auditors, 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 8 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.

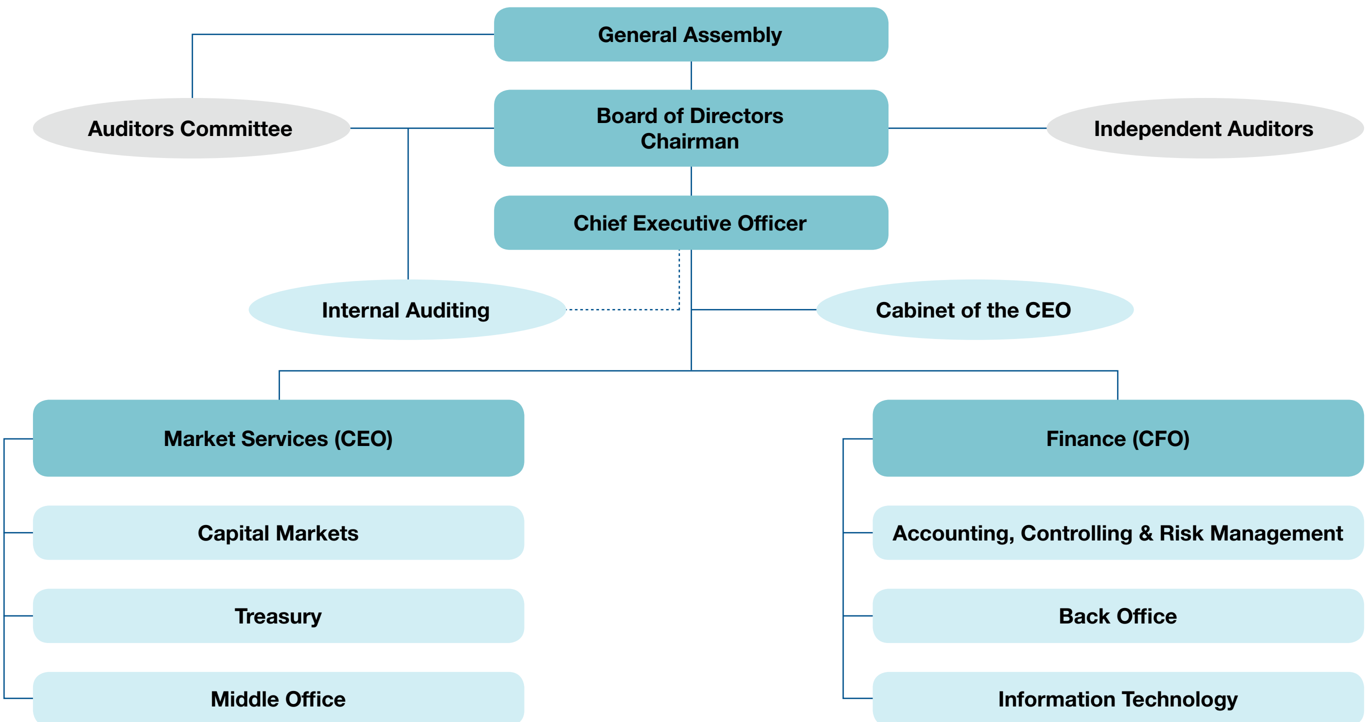
The ultimate responsibility for the existence and maintenance of the internal control system is with the Board of Directors. The Management is responsible for its implementation and execution. The Auditors Committee assesses the quality of the internal control system performance over time. It issues 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 verifies 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 4 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, 2014

Board of Directors
Chairman
Alain Picard (1963, FR)
Chief Executive Officer SNCF Geodis, Paris

Vice Chairmen
Michel Allé (1950, BE)
Chief Financial Officer, SNCB, Brussels
Luigi Lenci (1947, IT) Head Office for Finance Supervision and Company Assets, 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
Ana Maria dos Santos Malhó (1972, PT)
Financial Manager, CP-Comboios de Portugal, E.P.E., Lisbon
Engelhardt Robbe (1955, NL)
Member of the Board, Chief Financial Officer, N.V. Nederlandse Spoorwegen, Utrecht
Edith Schiller (1960, AT)
Head of Group Finance, ÖBB-Holding AG, Vienna
Dragoljub Simonović (1959, RS)
General Director, Akcionarsko društvo Železnice Srbije, Belgrade
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 Accounting, Administration and Tax, 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)
Program Manager Reporting & Control Services at NS Groep NV, Utrecht

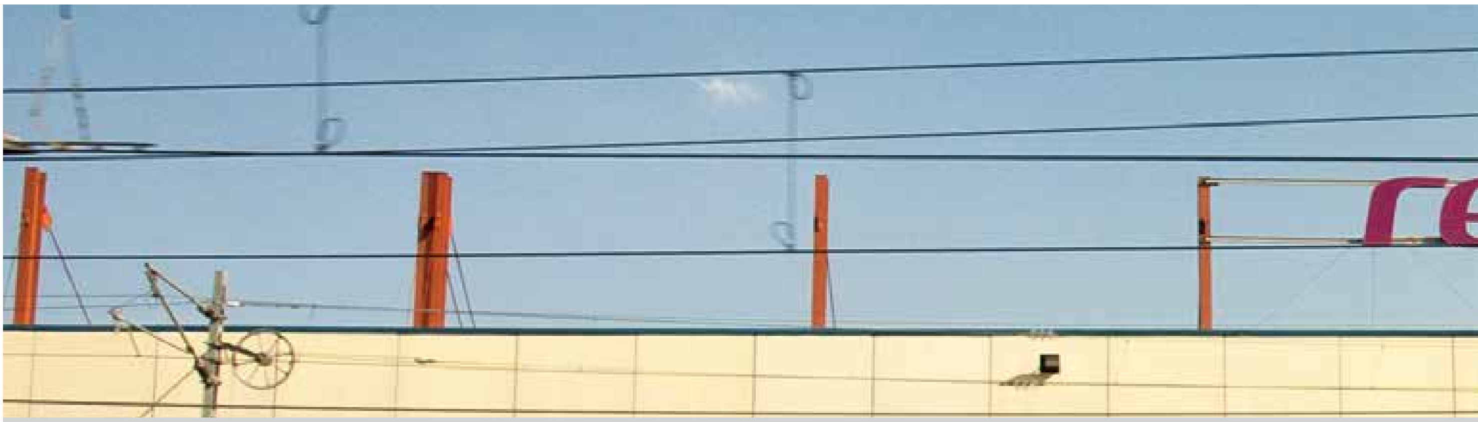
Management
Martin Fleischer (1970, AT)
Chief Executive Officer
Patrick Tschudin (1974, CH)
Chief Financial Officer

Marco Termignone (1959, CH)
(resigned on January 8, 2014)

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
The following members resigned in 2013:
Milan Marković
Alfredo Vicente Pereira

The outgoing members were sincerely thanked for their active service.



Activity report

Madrid; 17:05

2013 activities, results and outlook for 2014

Borrowings and repayments during the financial year 2013

Equipment financed during the financial year 2013

Distribution of equipment financing contracts by types of equipment

Ciudad Real – Madrid; 17:03

2013 activities, results and outlook for 2014

2013 activities
In its 5th year the European sovereign debt and banking crisis was partially calmed by the central bank's expansive monetary policies. Nevertheless, the underlying structural issues still remained unresolved. Thus, uncertainties about economic growth prevailed in 2013. Against this background, EUROFIMA further pursued its risk reduction and deleveraging strategy initiated in 2008.

With redemptions considerably outweighing new financings the loan book reduction was continued, resulting in further improved leverage and capitalization ratios.

A high emphasis was placed on risk management. The credit quality of cash, cash equivalents and financial investments was maintained at a sound level. EUROFIMA's liquidity ratios were further improved and the solid collateral coverage of the swap credit exposure to financial counterparties was preserved. In collaboration with external appraisers, rolling stock collateral management was developed further and an on-site audit of specific rolling stock was conducted.

The major 2-year project to replace the legacy core IT system with a new standard IT solution was successfully completed. Thereby, processes could be improved considerably, resulting in significantly reduced operational risk. During the same period of time EUROFIMA worked on the IFRS conversion, which was accomplished by year-end 2013.

As in previous years, the net profit was earmarked to build up the reserves in order to further strengthen the equity position.

EUROFIMA's main focus in 2013 was again placed on preserving the organization's financial stability rather than maximising short-term profit.

2013 results
EUROFIMA's net profit for the financial year 2013 amounted to CHF 34.4 million. Compared with the previous year net profit remained unchanged.

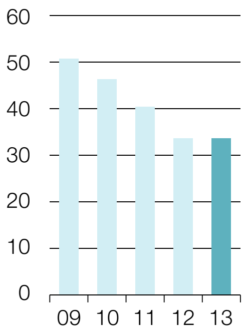
Income statement
At CHF 26.7 million net interest income increased by CHF 0.5 million (1.9 %). The main contributing factor was the increase in long term interest rates of financial investments.

Commission income and fees received decreased to CHF 15.9 million from 16.2 million (–2.1 %). This resulted mainly from EUROFIMA's reduced loan book and was partially cushioned by the weakening of the Swiss franc against the Euro.

Net other operating income improved to CHF 3.7 million from CHF 2.0 million (82.5 %). This source of income is predominantly made up of realized and unrealized gains and losses on debt securities and other financial instruments. The change compared with the previous year mainly reflects realized net gains on the sale of securities classified as available-for-sale.

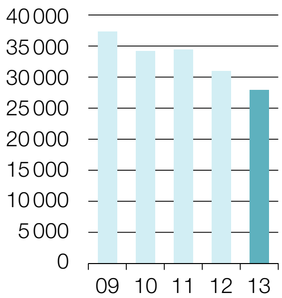
At CHF 10.6 million total operating expenses rose by 23.4 %. The main drivers behind this growth were the implementation of a new standard IT solution, the IFRS conversion project and one-off personnel expenses.

Net profit for the financial year
(in CHF million)



Balance sheet
At year-end, total assets amounted to CHF 27.6 billion, a reduction of CHF 3.7 billion (11.9 %). This significant decrease was largely due to scheduled net repayments in the loan book as well as fair value and foreign currency effects.

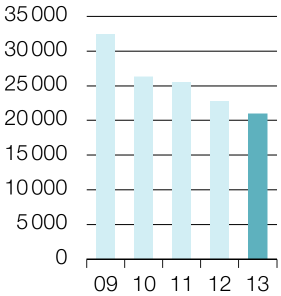
Total assets
(in CHF million)



The planned loan book reduction was continued. Equipment financing contracts, EUROFIMA's largest asset posi-

tion, decreased to CHF 20.9 billion from CHF 22.5 billion (–7.4 %). Redemptions of equipment financing contracts totalled CHF 1.5 billion. The remaining changes were attributable to fair value and foreign currency variations.

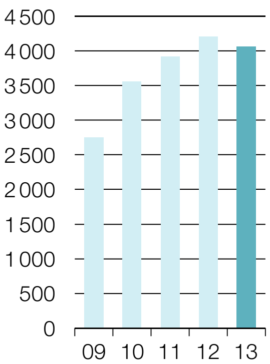
Equipment financing contracts
(in CHF million)



Liquid assets, consisting of cash and cash equivalents and financial investments, slightly decreased to CHF 4.1 billion from CHF 4.2 billion (–2.5 %). However, given the overall balance sheet reduction the liquidity ratios were significantly strengthened to reach their highest level ever.

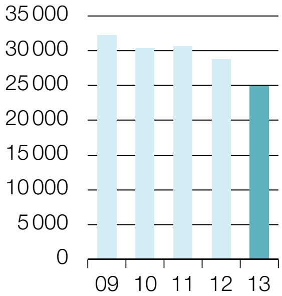
During the year 2013, no impairments had to be recognized nor was there any past due or indication of impairment as at December 31, 2013.

Liquid assets
(in CHF million)

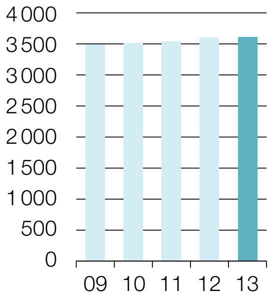


At year end 2013 EUROFIMA's equity including callable share capital reached 14.7 % of outstanding borrowings, an improvement of 1.9 percentage points compared with 12.8 % at the end of the previous year. This significant progress illustrates the success of the risk mitigation and deleveraging measures.

Outstanding borrowings
(in CHF million)



Equity + Callable share capital
(in CHF million)



After appropriation of surplus, the statutory reserves and the fund for general risks amounted to CHF 1 016.5 million (2012: CHF 981.3 million).

Outlook for 2014

For the first time in several years there are mild signs of improving economic conditions. The decisive central bank interventions contributed to a stabilization of the Eurozone crisis and calmed fears of a meltdown and break-up of the Eurozone. However, the underlying structural problems and imbalances within the Eurozone still prevail and consequently, unpredictability and uncertainty in the financial markets are likely to continue.

Given this general background, EUROFIMA prepares for a challenging and demanding operating environment in 2014. The risk reduction measures initiated in the previous years will be continued. The loan book reduction and the deleveraging will be carried on. Special attention will be put on the monitoring and managing of financial and operational risk. Also in the coming year, EUROFIMA's focus will be on the preservation of asset quality, liquidity and equity rather than pursuing profit and lending maximization.

Valladolid; 10:19

Borrowings and repayments during the financial year 2013

Borrowings

Thanks to the continuous accommodative monetary policies in all major economic areas and the more stable economic environment, the bond market in 2013 succeeded to further normalize. The benefits of this normalization have been visible in the large volume of activity in the primary market. Issuance in the SSA sector (sovereigns, supranationals and state agencies) grew by 5 % to USD 973 billion in 2013. In particular, the US dollar market experienced the strongest growth in volume, increasing by 15 % to USD 347 billion, while EUR issuance was broadly in line with the 2012 level and reached EUR 418 billion. Also, spreads remained relatively stable and were little affected by the additional rating downgrades in Europe.

At the same time two important trends in investors' demand emerged in the course of the year:

- the fear of inflationary pressure, particularly in the US, increased the investors' interest in floating-rate products;
- an increasing number of investors focused on sustainability and environmental-friendly investments emerged and drove a strong growth in green bond issuance.

EUROFIMA's borrowing activity in the debt capital markets in 2013 followed a similar pattern. Public issuance was in fact mainly focused on the US dollar market and the floating rate format. In the wake of its successful return to the US dollar market at the end of 2012, EUROFIMA decided to increase its first floating-rate benchmark to the size of USD 1 billion at the beginning of the year.

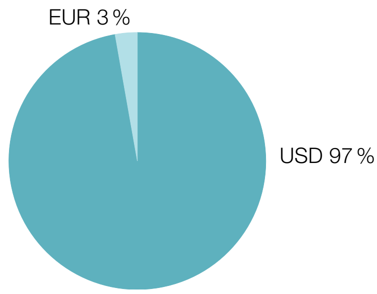
Thereafter a new 2016 USD 500 million bond was issued and subsequently increased twice to reach the size of USD 900 million at December 31, 2013. As in the previous issue, this bond attracted a strong participation by central banks and official institutions (76 %) and achieved a wide geographical distribution.

Overall, EUROFIMA's issuance volume in 2013 remained moderate and reached the amount of CHF 1 127 million in debt capital market, a decrease of 16 % compared to 2012. In the money market, commercial paper was issued for an equivalent amount of CHF 2 185 million, primarily in US dollars and a three-month tenor.

Borrowings for the years

(in CHF '000)	**2013**	2012
Listed bond issues	1 127 005	1 404 626
Commercial paper	2 185 211	1 383 084
Loans	125 340	475 579
Total	**3 437 556**	**3 263 288**

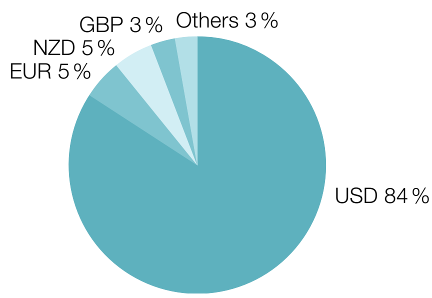
Borrowings in 2013 per currency



Repayments

Repayments reached the equivalent of CHF 4 682 million, CHF 2 092 million of which were due to repayments of short-term borrowings.

Repayments in 2013 per currency



Equipment financed during the financial year 2013

EUROFIMA concluded 5 contracts with 4 shareholders or their affiliates for the financing of railway equipment.
The railway equipment and the related financing amounts are given below.

Member State	Railway	Locomotives			Multiple-unit trains			Passenger cars	Freight cars	Financing amount (in CHF million)
		main-line		shunting	motor units		trailer cars			
		diesel	electric		diesel	electric				
Austria	ÖBB			32		6	6	13	3	54
Belgium	SNCB							80		18
Netherlands	NS					6	6			37
Switzerland	SBB		14					56		190
Total		**0**	**14**	**32**	**0**	**12**	**12**	**149**	**3**	**300**

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.

Segovia; 11:35

Distribution of equipment by type and railway

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

Equipment at December 31, 2013

Member State	Railway	Locomotives			Multiple-unit trains			Pas-senger cars	Freight cars	Other equip-ment
		main-line		shunting	motor units		trailer cars			
		diesel	electric		diesel	electric				
Germany	DB AG		132		14	66	105			
France	SNCF		64	2		140	548	28		
Italy	FS	1	622		79	431	505	2 545		
Belgium	SNCB	52	192		114	204	278	596	1	28
Netherlands	NS					285	370	55		
Spain	RENFE	89	100		9	657	616			
Switzerland	SBB		118	49		259	283	177		
Serbia	ŽS		45	11	24	6	6	6		
Luxembourg	CFL					48	12		470	
Austria	ÖBB	82	201	80	68	305	376	395	3 945	
Portugal	CP		41		45	202	273	26		
Greece	OSE	43	26		50	38	124	187	244	
Czech Republic	ČD					19	38	20		
Hungary	MÁV	92	136	47	68	11		138		
Slovakia	ŽSSK	2			54		21	118		
Croatia	HŽ		1		4		3	67	226	5
Slovenia	SŽ		32			60	20			
Bulgaria	BDZ	5	8					35	4	
Montenegro	ŽPCG	8	8			6	6	20	10	
Denmark	DSB				20		10			
Total		**374**	**1 726**	**189**	**549**	**2 737**	**3 594**	**4 413**	**4 900**	**33**
of which under construction			2			6	3	23		

Financial statements

Segovia; 17:15

Segovia, Alcázar; 14:45

Income statement

(amounts in CHF '000)	Notes	**2013**	2012
Interest and similar income	5	1 151 943	1 270 163
Interest and similar expenses	5	–1 125 239	–1 243 965
Net interest income		**26 703**	**26 198**
Commission income and fees received	6	15 884	16 227
Commission expenses and fees paid	6	–1 212	–1 418
Net commission income		**14 673**	**14 810**
Net gains/(losses) on financial instruments	7	3 637	1 988
Foreign exchange gains/(losses)		–88	95
Other operating income/(expense)		158	–52
Net other operating income/(expense)		**3 707**	**2 031**
Total operating income		**45 083**	**43 039**
General administrative expenses	8	–9 774	–8 104
Depreciation/amortization on fixed assets	14	–869	–520
Impairment charge		0	0
Total operating expense		**–10 642**	**–8 624**
Net profit for the financial year		**34 440**	**34 414**

Statement of comprehensive income

(amounts in CHF ’000)	Notes	2013	2012
Net profit for the financial year		**34 440**	**34 414**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Fair value adjustments on available-for-sale financial assets	17	–24 382	18 331
Items that will not be reclassified to profit or loss:			
Remeasurements on post-employment benefit liability	16, 17	1 869	–1 679
Other comprehensive income for the financial year		**–22 513**	**16 652**
Total comprehensive income for the financial year		**11 927**	**51 066**

Balance sheet

(amounts in CHF '000)	Notes	**December 31, 2013**	December 31, 2012	January 1, 2012
Assets				
Cash and cash equivalents	9	1 114 004	1 617 994	1 539 405
Financial investments	9	2 979 024	2 580 492	2 302 768
Placements with credit institutions		421 641	122 997	85 915
Debt securities		2 557 383	2 457 496	2 108 116
Other		0	0	108 737
Equipment financing contracts	10	20 932 186	22 531 515	25 620 913
Derivative financial instruments	11	2 532 960	4 552 021	4 883 801
Other assets		4 167	3 809	28 060
Accrued income and prepaid expenses	13	5 894	6 131	6 305
Tangible fixed assets	14	6 743	6 835	7 016
Intangible fixed assets	14	2 507	1 357	0
Total assets		**27 577 485**	**31 300 154**	**34 388 268**
Liabilities				
Amounts due to credit institutions and customers	15	1 864 359	2 183 595	2 914 012
Debts evidenced by certificates	15	22 769 417	26 121 324	27 747 041
Debt securities in issue		20 844 930	24 116 136	25 385 708
Others		1 924 487	2 005 188	2 361 333
Derivative financial instruments	11	1 379 616	1 437 288	2 192 140
Other liabilities		13 154	17 893	47 649
Accrued expenses and deferred income		1 666	759	647
Post-employment benefit liability	16	3 882	5 830	4 381
Total liabilities		**26 032 094**	**29 766 690**	**32 905 870**
Equity	17			
Paid-in Capital		520 000	520 000	520 000
Subscribed share capital		2 600 000	2 600 000	2 600 000
Callable share capital		–2 080 000	–2 080 000	–2 080 000
Statutory reserves		691 417	661 744	625 214
Fund for general risks		289 907	285 907	281 907
Other reserves		12 485	34 998	18 347
Retained earnings		31 583	30 815	36 931
Unappropriated surplus previous year		1 523	782	41 312
Net profit for the financial year, before appropriation		34 440	34 414	0
Effects from transition to IFRS		–4 381	–4 381	–4 381
Total equity		**1 545 391**	**1 533 464**	**1 482 398**
Total liabilities and equity		**27 577 485**	**31 300 154**	**34 388 268**

Statement of changes in equity

(amounts in CHF ’000)	Subscribed share capital	Callable share capital	Statutory reserves	Fund for general risks	Other reserves	Retained earnings	**Total**
Balance at January 1, 2012	**2 600 000**	**–2 080 000**	**625 214**	**281 907**	**18 347**	**36 931**	**1 482 398**
Net profit for the financial year						34 414	**34 414**
Other comprehensive income for the financial year					16 652		**16 652**
Appropriation of surplus			36 530	4 000		–40 530	**0**
Balance at December 31, 2012	**2 600 000**	**–2 080 000**	**661 744**	**285 907**	**34 998**	**30 815**	**1 533 464**
Balance at January 1, 2013	2 600 000	–2 080 000	661 744	285 907	34 998	30 815	**1 533 464**
Net profit for the financial year						34 440	**34 440**
Other comprehensive income for the financial year					–22 513		**–22 513**
Appropriation of surplus			29 673	4 000		–33 673	**0**
Balance at December 31, 2013	**2 600 000**	**–2 080 000**	**691 417**	**289 907**	**12 485**	**31 583**	**1 545 391**

Statement of cash flows

(amounts in CHF ’000)	**2013**	2012
Cash flows from operating activities		
Disbursements of equipment financings	–211 438	–1 095 980
Repayments of equipment financings	1 367 558	3 939 936
Interest paid	–1 189 559	–1 569 183
Interest received	1 215 050	1 588 624
Commission and fees paid	–1 212	–1 418
Commission and fees received	16 340	16 402
Other operating cash flows paid	–9 185	–8 769
Other operating cash flows received	754	2 835
Net cash from operating activities	**1 188 308**	**2 872 447**
Cash flows from investing activities		
Financial investments		
Purchases of debt securities	–1 389 542	–1 755 189
Redemptions of debt securities	1 008 901	1 267 581
Sales of debt securities	217 404	133 779
Placements with credit institutions	–694 859	–141 232
Repayments of placements with credit institutions	396 481	103 405
Other financial investments	0	–179 850
Repayments of other financial investments	0	302 679
Other items		
Purchase and disposal of fixed assets	–1 927	–1 696
Purchase and disposal of other assets	0	0
Net cash from investing activities	**–463 542**	**–270 523**

(amounts in CHF '000)	**2013**	2012
Cash flows from financing activities		
Issue of debt evidenced by certificates	3312216	2787710
Redemption of debt evidenced by certificates	–4568522	–4325049
Placements with credit institutions and customers	125340	475579
Redemptions of placements with credit institutions and customers	–113180	–1078059
Net cash flow from derivative financial instruments	133596	–293771
Net cash from financing activities	**–1110550**	**–2433590**
Net foreign exchange rate difference	–118207	–89742
(Decrease)/increase in cash and cash equivalents	**–503991**	**78589**
Cash and cash equivalents at the beginning of the year	1617994	1539405
Cash and cash equivalents at the end of the year	1114004	1617994

Notes to the financial statements

1. General information

EUROFIMA ("the entity") was established on November 20, 1956 based on an international treaty (the "Convention") between sovereign States. EUROFIMA is a single entity domiciled in Basle, Switzerland. The general principles of EUROFIMA's activity are defined in an agreement (the "Basic Agreement") between the 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 finances railway equipment through borrowings in the international capital markets and through the use of a part of its equity. EUROFIMA either holds title to the equipment it finances until the financing has been completely reimbursed or it holds a direct or indirect security interest deemed equivalent, particularly pledges.

EUROFIMA's equity is primarily used for liquidity management purposes, i. e. investments in money market paper or bonds and, to a limited extent, for financing railway equipment.

2. Summary of significant accounting policies

2.1. Basis of preparation

The financial statements of EUROFIMA have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The financial statements have been prepared on a historical cost basis, except for available-for-sale investments, derivative financial instruments and financial assets and liabilities designated at fair value through profit or loss, all of which have been measured at fair value.

For periods up to and including the year ended December 31, 2012, the entity prepared its financial statements 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). The financial statements for the year ended December 31, 2013 are the first the entity has prepared in accordance with IFRS. Transition disclosures are made in note 3.

The financial statements are presented in CHF.

2.2. Presentation of financial statements

The entity presents its balance sheet generally in order of liquidity.

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet only when there is a current legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in the income statement unless required or permitted by any accounting standard or interpretation.

2.3. Significant accounting judgments and estimates

In preparing the financial statements, EUROFIMA 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 judgments made by EUROFIMA. Actual results in the future could deviate from such estimates and the difference may be material to the financial statements.

The most significant judgments and estimates are:

Fair values of financial instruments
Where the fair values of financial assets and financial liabilities recorded on the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data. Only in the very infrequent situation that observable market data is not available, judgment is required to establish fair values. Further information can be found in note 2.5.8.

Impairment losses on financial assets
EUROFIMA reviews its individually significant financial assets at least at each balance sheet date to assess whether there is objective evidence of impairment as a result of one or more events. When determining a potential impairment loss EUROFIMA's judgment is required in the estimation of the amount and timing of future cash flows. These estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to an allowance for impairments.

Pension obligation
The cost of the defined benefit pension plan is determined using an actuarial valuation. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. See note 16 for the assumptions used.

2.4. 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"), which is the Swiss Franc. 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)".

Monetary assets and liabilities denominated in currencies other than Swiss Franc are translated into Swiss Francs at the exchange rate prevailing at the balance sheet date. The gain or loss arising from such translation is recorded in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.5. Financial instruments

2.5.1. Initial recognition, subsequent measurement and derecognition

Regular way purchases are recognized and derecognized in the balance sheet on the trade date, i.e. the date that the entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the entity 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 instruments are initially recognized at fair value plus, in the case of financial instruments not carried at fair value through profit or loss, transaction costs. Available-for-sale financial assets and financial instruments at fair value through profit or loss are subsequently carried at fair value. Loans and receivables, held-to-maturity assets and financial liabilities at amortized cost are carried at amortized cost using the effective interest rate 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 gains/(losses) on financial instruments".

When the transaction price differs from the fair value of other observable current market transactions in the same instrument, or differs based on a valuation technique whose variables include only data from observable markets, the entity immediately recognizes the difference between the transaction price and fair value (a "Day 1" profit or loss) in "Net gains/(losses) on financial instruments". In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognized in the income statement when the inputs become observable, or when the instrument is derecognized.

Unrealized gains and losses arising from changes in the fair value of available-for-sale debt instruments, excluding foreign currency translation gains and losses, are recognized in other comprehensive income and are accumulated in the other reserves until such instrument is sold, collected or otherwise disposed of. Currency translation effects on available-for-sale debt instruments are recognized in the income statement. Interest earned on available-for-sale financial investments is recognized as interest income and calculated in accordance with the effective interest rate method.

When securities classified as available-for-sale are sold, collected, disposed of, or impaired, the unrealized gains or losses are included in the income statement.

2.5.2. Financial instrument categories

Financial assets or financial liabilities 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 initial recognition.

A financial asset or financial liability is classified as held for trading if acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if so classified by EUROFIMA. Derivatives are used by EUROFIMA for risk reduction purposes only. In accordance with IAS 39, derivatives are classified as held for trading.

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 the currency and/or interest rate risk in all of these positions are economically hedged using derivatives. The cash flows on a set of financial instruments are 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 has the positive intention and ability to hold to maturity.

Available-for-sale financial assets

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

Available-for-sale financial assets may be sold in anticipation of or in response to changes in interest level, creditworthiness or liquidity needs.

Financial liabilities at amortized cost

Financial instruments issued by the entity that are not designated at fair value through profit or loss, are measured at amortized cost. After initial measurement at fair value, debt issued and other borrowings are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the effective interest rate.

2.5.3. Cash and cash equivalents

Cash and cash equivalents ("CCE") comprise cash deposits held at call with banks and other short-term investments with an original contractual maturity of three 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. Cash deposits held at call are classified as loans and receivables. Other short term investments that comprise cash and cash equivalents are classified as either financial assets at fair value through profit or loss or loans and receivables. The classification depends on the purpose for which the instruments were acquired.

2.5.4. 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. It determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

2.5.5. 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 criteria for applying 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.

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

Even though EUROFIMA only uses derivatives to effectively mitigate currency and exchange risks in accordance with its risk management policies, it does not apply hedge accounting. However, it applies the Fair Value Option, with which a natural hedge (offset) can be achieved. Due to the principle of cash flow matching, 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 reduced.

2.5.7. 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 rate method.

2.5.8. Determination of fair value
The fair values of liquid assets quoted in an active market are determined based on the instruments' quoted market prices or dealer price quotations, without any deduction for transaction costs. According to the fair value measurement hierarchy stated in note 18, these instruments are classified as “Level 1”.

For all other financial instruments EUROFIMA establishes the fair values 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 a discounted cash flow model that maximizes the use of independently sourced market parameters, for example yield curves and currency rates. Most market parameters are either directly observable or are implied from instrument prices. The model may perform numerical procedures in the pricing such as interpolation when input values do not directly correspond to the most actively traded market trade parameters. With the exception of one investment no valuations include significant unobservable inputs.

The valuation process involves the determination of future expected cash flows based on the contractual agreements and the computation of their present value using currently observable money market yield curves, swap yield curves and foreign exchange rates.

Valuation models and techniques are reviewed regularly for model performance and calibration. Current year valuation methodologies were consistent with prior year unless otherwise noted.

As valuation techniques are used, the estimated fair value of 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”.

2.5.9. Impairment of financial assets
At each balance sheet date, EUROFIMA assesses whether there is objective evidence that a financial asset or a group of financial assets might be impaired.

Objective evidence may include: indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganization; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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 for the amount by which the asset's carrying amount exceeds its recoverable amount or net present value of expected future cash flows calculated using the original effective interest rate.

If any such evidence exists for available-for-sale debt instruments, 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.

If, in a subsequent period, the fair value of a financial instrument increases and the increase can be objectively related to a credit event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

2.6. Fixed assets

Fixed assets include the entity's premises "Ritterhof", office equipment and other tangible and intangible fixed assets owned by the entity.

Tangible and intangible fixed assets 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 purchased at a price below CHF 20000 are not recognized on balance, but expensed directly based on materiality.

Depreciation is calculated using the straight-line method to write down the cost of the fixed assets to their residual values over their estimated useful lives. The estimated useful lives are:

Buildings	40 years
Land	Indefinite useful life
Furniture, equipment and vehicles	2 to 10 years
Computer hardware & licenses	3 to 5 years

Fixed assets are derecognized on disposal or when no future economic benefits are expected from their use.

2.7. Impairment of fixed assets

The entity assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the entity estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset s recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such a reversal is recognized in the income statement.

2.8. Post-employment benefit liability

Under IFRS EUROFIMA's pension plan qualifies as a defined benefit plan. It is governed by Swiss law. The plan is a group administration plan managed and administered by a third party under contractual agreements with the entity. Plan assets held in trust are governed by Swiss regulations and practice, as is the nature of the relationship between the entity and the trustee. Contributions to the pension plan are paid by the employer and the employees.

The liability recognized in the balance sheet in respect of this defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds denominated in Swiss Francs (the currency in which the benefits will be paid) and that have terms to maturity approximating to the terms of the related pension obligation.

Remeasurements arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognized immediately in income.

Interest expense (income) on the net defined benefit obligation are presented in the income statement as part of the "interest and similar expenses" ("interest and similar income").

2.9. Provisions

Provisions are recognized when (i) the entity has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2.10. Equity

The subscribed share capital is made up of 260000 registered shares with a nominal amount of CHF 10000 each, 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, as described in Article 21 of the Statutes.

The statutory reserves are made up 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 the entity 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.

The other reserves include the reserve for other value adjustments due to changes in the fair value of available-for-sale financial assets. Furthermore, the other reserves include that part of other comprehensive income that is attributable to the entity's defined benefit pension plan.

2.11. Dividends

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

2.12. Accrued income and prepaid expenses and accrued expenses and deferred income

Accrued income and prepaid expenses comprise income related to the current financial year, to be received in a subsequent financial year and expenditure incurred during the financial year but relating to a subsequent financial year.

Accrued expenses and deferred income comprise expenses related to the current financial year, to be paid in a subsequent financial year and income received at or before the balance sheet date but relating to a subsequent financial year.

2.13. Recognition of income and expenses

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The below specific recognition criteria must also be met before revenue is recognized.

2.13.1. Interest and similar income and expense

For all financial instruments measured at amortized cost, interest bearing financial assets classified as available-for-sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The entity may act as an agent in a limited number of financing transactions. Where this is the case, only any net amounts earned will be presented in interest and similar income.

2.13.2. Fees and commission income

Issuance fees and redemption premiums or discounts are accrued over the period to maturity of the related borrowings. Any early redemption fees are recognized when a contract is early terminated.

Commission income on equipment financing contracts is recorded on an accrual basis.

2.13.3. Net gains/losses on financial instruments

The entity recognizes both realized and unrealized gains and losses on debt securities and other financial instruments including the results from the sale of available-for-sale financial assets in Net gains/losses on financial instruments.

2.14. Taxation

As a public international body set up by a large number of States the entity 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 the entity and exemption of the entity's debt instruments issued outside Switzerland from turnover taxes and finally exemption of debt instruments issued outside Switzerland from Swiss withholding taxes.

2.15. Segment reporting

EUROFIMA is a single entity without subsidiaries and operates as a one segment entity, which is in accordance with the internal reporting structure to the Management and the Board of Directors.

2.16. Related parties

Germany and France hold 22.6 % of EUROFIMA's share capital each through their fully owned state railways DB AG and SNCF. Consequently, these countries qualify as related parties together with their railways.

EUROFIMA has identified members of the Board of Directors, the Management Committee and the Unit Heads as key management personnel.

2.17. Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the entity's financial statements are disclosed below. The entity intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

IFRS 9, as issued, reflects the IASB's work on the replacement of IAS 39. IFRS 9 was issued in November 2009, October 2010 and November 2013 and addresses the classification, measurement and recognition of financial assets and financial liabilities and hedge accounting.

IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements.

The hedge accounting model under IFRS 9 replaces the rule-based hedge accounting requirements in "IAS 39 Financial Instruments: Recognition and Measurement" to more closely align the accounting with risk management activities.

The adoption of the first phase of IFRS 9 may have an effect on the classification and measurement of EUROFIMA's financial assets but will not have an impact on classification and measurement of its financial liabilities. EUROFIMA will apply the exception in IFRS 9 to present changes in fair value on financial liabilities designated at fair value through profit or loss from changes in its own credit risk in the income statement and not in other comprehensive income. The hedge accounting requirements have no impact on EUROFIMA's financial statements since hedge accounting is not applied.

As the IFRS 9 project has not yet been completed, the IASB decided that a mandatory date of January 1, 2015 would not allow sufficient time for entities to prepare to apply the new Standard. Accordingly, the IASB decided that a new effective date should be decided upon when the entire IFRS 9 project is closer to completion.

Valencia; 16:26

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments are effective for annual periods beginning on or after January 1, 2014 provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. This amendment is not relevant to EUROFIMA, as it is a single entity company.

IAS 32 Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32

These amendments clarify the meaning of “currently has a legally enforceable right to set-off”. The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact EUROFIMA’s financial position or performance and become effective for annual periods beginning on or after January 1, 2014.

IFRIC Interpretation 21 Levies (IFRIC 21)

IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. EUROFIMA does not expect that IFRIC 21 will have material financial impact in future financial statements.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after January 1, 2014 As EUROFIMA applies the fair value option, it does not apply hedge accounting and consequently, these amendments do not impact EUROFIMA.

3. First time adoption of IFRS

3.1. Introduction

The entity prepared financial statements which comply with IFRS applicable for periods ending on or after December 31, 2013, together with the comparative period data as at and for the year ended December 31, 2012, as described in the summary of significant accounting policies. In preparing these financial statements, the entity’s opening balance sheet was prepared as at January 1, 2012, the entity’s date of transition to IFRS. This note explains the principal adjustments made by the entity in adjusting its financial statements as prepared under Directive 86/635/EEC, including the balance sheet as at January 1, 2012 and the financial statements as at and for the year ended December 31, 2012.

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The entity has applied the following exemption:

The entity’s premises “Ritterhof” were carried in the balance sheet prepared in accordance with Directive 86/635/EEC on the basis of valuations performed on November 30, 2009. The valuations were performed by an independent appraiser. The entity has elected to regard those values as deemed cost at the date of the revaluation.

3.2. Estimates

The estimates at January 1, 2012 and December 31, 2012 are consistent with those made for the same dates in accordance with Directive 86/635/EEC (after adjustments to reflect any differences in accounting policies) apart from the pensions and other post-employment benefits where application of Directive 86/635/EEC did not require estimation. The estimates used by the entity to present the amounts in accordance with IFRS reflect conditions at January 1, 2012, the date of transition to IFRS and as of December 31, 2012.

3.3. Reconciliations between figures reported in accordance with Directive 86/635/EEC and IFRS

Reconciliation of equity as at January 1, 2012

(amounts in CHF '000)	Ref	Directive 86/635/EEC as at December 31, 2011	Effect from transition to IFRS	IFRS as at January 1, 2012
Assets				
Cash and cash equivalents		1 539 405	0	1 539 405
Financial investments		2 296 386	6 382	2 302 768
Placements with credit institutions		85 915	0	85 915
Debt securities	**D**	2 101 734	6 382	2 108 116
Other		108 737	0	108 737
Equipment financing contracts	**A**	25 599 735	21 178	25 620 913
Derivative financial instruments	**A**	4 915 639	–31 838	4 883 801
Other assets	**A**	2 266	25 794	28 060
Accrued income and prepaid expenses		6 305	0	6 305
Tangible fixed assets		7 016	0	7 016
Intangible fixed assets		0	0	0
Total assets		**34 366 753**	**21 516**	**34 388 268**
Liabilities				
Amounts due to credit institutions and customers	**A**	2 913 684	328	2 914 012
Debts evidenced by certificates		27 747 041	0	27 747 041
Debt securities in issue		25 385 708	0	25 385 708
Others		2 361 333	0	2 361 333
Derivative financial instruments	**A**	2 203 128	–10 988	2 192 140
Other liabilities	**A**	21 855	25 794	47 649
Accrued expenses and deferred income		647	0	647
Post-employment benefit liability	**C**	0	4 381	4 381
Total liabilities		**32 886 355**	**19 515**	**32 905 870**
Equity				
Paid-in Capital		520 000	0	520 000
Subscribed share capital		2 600 000	0	2 600 000
Callable share capital		–2 080 000	0	–2 080 000
Statutory reserves		625 214	0	625 214
Fund for general risks		281 907	0	281 907
Other reserves	**D**	11 965	6 382	18 347
Retained earnings		41 312		36 931
Unappropriated surplus previous year		41 312	0	41 312
Net profit for the financial year, before appropriation		0	0	0
Net result from transition to IFRS	**C**	0	–4 381	–4 381
Total equity		**1 480 397**	**2 001**	**1 482 398**
Total liabilities and equity		**34 366 753**	**21 516**	**34 388 268**

Segovia; 17:23

Reconciliation of equity as at December 31, 2012

(amounts in CHF '000)	Ref	Directive 86/635/EEC as at December 31, 2012	Effect from transition to IFRS	IFRS as at December 31, 2012
Assets				
Cash and cash equivalents	**E**	1 618 011	–17	1 617 994
Financial investments	**D, E**	2 574 712	5 780	2 580 492
Placements with credit institutions		122 995	1	122 997
Debt securities		2 451 717	5 779	2 457 496
Other		0	0	0
Equipment financing contracts	**E**	22 540 750	–9 236	22 531 515
Derivative financial instruments	**E**	4 556 654	–4 633	4 552 021
Other assets		3 809	0	3 809
Accrued income and prepaid expenses		6 127	4	6 131
Tangible fixed assets		8 192	–1 357	6 835
Intangible fixed assets		0	1 357	1 357
Total assets		**31 308 255**	**–8 100**	**31 300 154**
Liabilities				
Amounts due to credit institutions and customers	**E**	2 185 254	–1 660	2 183 595
Debts evidenced by certificates	**E**	26 126 109	–4 784	26 121 324
Debt securities in issue	**E**	24 125 880	–9 744	24 116 136
Others	**E**	2 000 229	4 959	2 005 188
Derivative financial instruments	**E**	1 445 456	–8 168	1 437 288
Other liabilities		17 937	–44	17 893
Accrued expenses and deferred income		719	40	759
Post-employment benefit liability	**C**	0	5 830	5 830
Total liabilities		**29 775 476**	**–8 786**	**29 766 690**
Equity				
Paid-in Capital		520 000	0	520 000
Subscribed share capital		2 600 000	0	2 600 000
Callable share capital		–2 080 000	0	–2 080 000
Statutory reserves		661 744	0	661 744
Fund for general risks		285 907	0	285 907
Other reserves	**D**	30 900	4 099	34 998
Retained earnings		34 228	–3 413	30 815
Unappropriated surplus previous year		782	0	782
Net profit for the financial year, before appropriation		33 446	968	34 414
Net result from transition to IFRS	**C**	0	–4 381	–4 381
Total equity		**1 532 778**	**686**	**1 533 464**
Total liabilities and equity		**31 308 255**	**–8 100**	**31 300 154**

Reconciliation of net profit for the year ended December 31, 2012

(amounts in CHF '000)	Ref	Directive 86/635/EEC for the year ended December 31, 2012	Effect from transition to IFRS	IFRS for the year ended December 31, 2012
Interest and similar income	A, B, C	1 266 871	–3 292	1 270 163
Interest and similar expenses	A, B, C	–1 239 851	4 114	–1 243 965
Net interest income		**27 020**	**822**	**26 198**
Commission income and fees received	E	16 229	2	16 227
Commission expenses and fees paid	E	–1 435	–17	–1 418
Net commission income		**14 794**	**–16**	**14 810**
Net gain/(loss) on financial assets and liabilities	A, B, E	576	–1 412	1 988
Foreign exchange gains/(losses)	E	18	–77	95
Other operating income/(expense)	E	0	52	–52
Net other operating income/(expense)		**594**	**–1 437**	**2 031**
Total operating income		**42 408**	**–631**	**43 039**
General administrative expenses	C	–8 442	–338	–8 104
Amortisation/depreciation on fixed assets		–520	0	–520
Impairment charge		0	0	0
Total operating expense		**–8 962**	**–338**	**–8 624**
Net profit for the financial year		**33 446**	**–968**	**34 414**

Reconciliation of comprehensive income for the year ended December 31, 2012

(amounts in CHF '000)	Ref	Directive 86/635/EEC for the year ended December 31, 2012	Effect from transition to IFRS	IFRS for the year ended December 31, 2012
Net profit for the financial year		**33 446**	**–968**	**34 414**
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Fair value adjustments on available-for-sale financial assets	D	18 935	604	18 331
Items that will not be reclassified to profit or loss:				
Remeasurements on post-employment benefit liability	C	0	1 679	–1 679
Other comprehensive income for the financial year		**18 935**	**2 283**	**16 652**
Total comprehensive income for the financial year		**52 381**	**1 315**	**51 066**

3.4. Notes to the reconciliation of equity as at January 1, 2012 and December 31, 2012 and total comprehensive income for the year ended December 31, 2012.

A. Trade date accounting

Upon first time adoption of IFRS, EUROFIMA adopted trade date accounting as opposed to settlement date accounting under EU Directive 86/635/EEC. At January 1, 2012 there were several unsettled amounts (amounts between trade date and settlement date) relating to transactions in the normal course of business. The unsettled amounts represented under derivatives are amounts related to plain vanilla amortising or rollercoaster swap contracts.

Due to the application of trade date accounting, there is an impact on the net interest income. Interest income and expense is calculated in accordance with the effective interest rate method. With trade date accounting, the amortisation starts earlier (from the trade date on), as compared to settlement date accounting. This results in higher interest expenses, partially compensated by higher gains on financial instruments at fair value through profit or loss.

B. Inventory concept for financial instruments

Under EU Directive 86/635/EEC EUROFIMA applied average price accounting for its positions that were built from multiple transactions. Under IFRS, each transaction is depicted as a separate position. Positions are accounted for on a first in first out (FIFO) basis.

C. Defined benefit obligation

Upon the adoption of IFRS, EUROFIMA recognised a net defined benefit obligation of CHF 4.4 million in accordance with IAS 19 against retained earnings. Such liability was not recognised under EU Directive 86/635/EEC.

Over the year 2012, EUROFIMA recognised a net interest expense on its pension plan of CHF 0.1 million. This amount is included in net interest income. Furthermore, EUROFIMA had pension expenses (current service cost) over the year 2012 for an amount of CHF 0.6 million, compared to CHF 0.9 million under EU Directive.

D. IAS 39 – designation of financial instrument into categories

As part of the initial application of IFRS, EUROFIMA assessed the accounting for its financial instruments. The principles applied under EU Directive 86/635/EEC are very similar to those applicable under IFRS. The effect of CHF 6.3 million increase in financial investments and increase in the reserve for available-for-sale instrument is due to the classification of instruments as loans and receivables that were previously accounted for at fair value with fair value changes through other comprehensive income.

The entity has designated previously recognized financial instruments as at fair value through profit or loss. The amounts for instruments so designated are disclosed in note 18. The fair value of these instruments at their designation as at January 1, 2012 was the same as the values these instruments were accounted for under Directive 86/635/EEC per December 31, 2011.

E. Fair value measurement (IFRS 13)

With the implementation of IFRS, EUROFIMA critically reviewed the input parameters and valuation methodologies it uses for the valuation of financial instruments. Based on this review, EUROFIMA made small amendments to its valuation model and to the input data it uses to generate yield curves, to reflect the most up-to-date market practice and market information. This causes small valuation differences as compared to the valuation under EU Directive 86/635/EEC.

3.5. Adjustments to the statement of cash flows

With the transition from Directive 86/635/EEC to IFRS, the following changes were applied to the cash flow statement:

- Under IFRS, cash flows are generally shown on a gross basis, except for the notional exchanges on derivative financial instruments. This causes a significant difference between the cash flows presented in the cash flow statement under Directive 86/635/EEC and IFRS for the following items:
  - Cash flows from disbursements and repayments of equipment financing contracts;
  - Cash flows from placements with credit institutions and customers; and
  - Net cash flows from derivative financial instruments.

Under Directive 86/635/EEC, cash flows were presented net in the cash flow statement if there was a contractual relationship between the cash flows on different instruments and cash flows were offset in practice. Under IFRS, cash flows will only be offset in the cash flow statement if there is an unconditional right of offset and such offset actually took place during the year. For the year 2012, there was no such offsetting and consequently, cash flows are shown on a gross basis.

– Under IFRS, cash flows relating to the disbursement and repayment of equipment financing contracts are classified as operating cash flows. Under Directive 86/635/EEC, such cash flows were classified as cash flows from investing activities.

4. Risk and capital 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 the Management's responsibility.

Within the normal course of its activities, EUROFIMA is exposed to a variety of financial risks, mainly 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 its financial performance. EUROFIMA's risk management seeks to appropriately identify, measure, monitor and report all types of financial risks inherent in the entity's operations. The risk management and control processes are reviewed and refined on a regular basis.

4.1. Managing financial risk

The Board of Directors approves the policies regulating the entity's capital market, lending and treasury 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 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.

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 entity. The risk report provides the Board of Directors with the status of various quantitative risk parameters.

Quantitative key risk figures that are regularly monitored and reported upon are, among other things, the following:

- Credit risk:
  - Credit exposure per consolidated one obligor
  - Breakdown of assets per external credit rating
  - Composition of the derivatives book and the collateral coverage
  - Composition of the portfolio of liquid assets

- Interest rate- and foreign exchange risk:
  - Sensitivity analysis, with a special focus on long term financial assets and available-for-sale financial assets
  - Interest rate reset risk analysis

- Liquidity risk:
  - Current liquidity position expressed in a ratio to outstanding borrowings
  - Liquidity forecasts

- Equity risk:
  - Estimated Basel II ratio
  - Large exposures
  - Capitalization ratios

The Management also provides the Board of Directors with regular updates on key financial risk issues and other significant events deemed appropriate or requested.

A review of the major risks which could affect the entity's balance sheet and income statement 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 balance sheet and income statement. The latest assessment of risks by the Board of Directors was performed on December 13, 2013.

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

4.2. Credit risk

Credit risk is the risk of financial loss resulting from a counterparty failing to honor its payment obligation. Credit risk is the main financial risk in EUROFIMA's operations. It primarily originates from EUROFIMA's core lending activities. EUROFIMA is also exposed to credit risk in its treasury operations through the financial instruments held to manage its 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 and/or instruments by the rating agencies Standard & Poor's and Moody's. Furthermore, other observable information is used to assess the credit risk.

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 entity's maximum exposure to credit risk, before taking into account any collateral or other credit enhancements, is represented by the carrying amounts of its financial assets.

As at December 31, 2013 all financial assets were fully performing (December 31, 2012: fully performing, January 1, 2012: fully performing). No impairment was recognized in 2013 (2012: none). No amounts were overdue as at December 31, 2013 (December 31, 2012: no amounts overdue, January 1, 2012: no amounts overdue).

Equipment financing contracts

For each financial year, the General Assembly determines the maximum amount of borrowings which may be concluded for the purpose of equipment financing contracts. The Board of Directors decides a financing budget within such maximum amount. Financing limits can be adjusted within a financial year in response to credit relevant developments.

The equipment financing contracts are secured by railroad rolling stock. The entity either holds title to equipment or has a direct or indirect security interest deemed equivalent, in particular pledges, until all contractual obligations are fulfilled. Where rolling stock provided as collateral does no longer meet the requirements laid down in the financing contract, it is substituted. The collateral is administered by the entity. The regular verification of technical and accounting information assures that the entity keeps track of the rolling stock collateral and initiates any collateral substitutions in a timely manner.

Moreover, EUROFIMA engages independent experts to support its recurring technical and economic evaluation of the rolling stock collateral and to perform onsite examinations of samples of its rolling stock collateral.

During the year, EUROFIMA did not take possession of any of the rolling stock collateral (2012: none).

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, 2013 taking into account only shareholders from member States rated AAA or AA, the shareholder guarantee amounted to CHF 1.89 billion and CHF 1.87 billion based on the ratings of Standard & Poor's and Moody's respectively.

The credit risk inherent in the portfolio of equipment financing contracts is reviewed and monitored on an ongoing basis. A breakdown of the equipment financing contracts per counterparty and per credit rating is provided in note 10.

Derivatives

The net positive replacement value of derivatives concluded with financial counterparties amounted to CHF 1 662 million as at December 31, 2013 (2012: CHF 3 768 million, January 1, 2012: CHF 4 011 million). The change in the outstanding amount was mainly caused by maturing swaps. The International Swaps and Derivatives Association ("ISDA") Master Agreement is the entity's

preferred agreement for documenting derivatives activity. It provides the contractual framework within which the over-the-counter products are concluded, and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement if either party defaults or other pre-agreed termination events occur.

In order to reduce the credit exposures of swaps, EUROFIMA has entered into ISDA Master Agreements with one-way credit support annexes (CSA) collateral agreements with most swap counterparties. Such CSA agreements require that collateral be posted by the swap counterparty once the exposure exceeds a pre-agreed threshold. Securities received as collateral are held on an account to which the entity holds legal title. The entity did not rehypothecate any of the collateral it received (2012: none). During the year, the entity did not take possession of any of the collateral it received (2012: none).

The fair value of the collateral received by EUROFIMA under its CSA's as at December 31, 2013 amounted to CHF 1 140 million (2012: CHF 2 853 million, January 1, 2012: CHF 2 667 million). As at year-end 2013, 70 % of the net positive replacement value of all swaps concluded with financial counterparties was covered by collateral (2012: 77 %, January 1, 2012: 67 %). This collateral consisted exclusively of bonds issued by governments, state agencies and supranational organizations with a high credit rating. All swaps are valued at their net present value and the positions per counterparty are monitored on a daily basis.

Liquid assets

The liquid assets comprise cash and cash equivalents and financial investments. For investments in securities with 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.

The breakdown by rating of the financial investments is provided in note 9. All short-term positions under cash and cash equivalents were either rated A-1+/A-1 or P-1.

In 2013 EUROFIMA entered into tri-party repurchase contracts, in which it invested money in short term deposits and received debt securities as collateral. The fair value of collateral held for such agreements per December 31, 2013 amounts to CHF 188 million (2012: nil, January 1, 2012: nil).

4.3. Market risk

Market risk is the risk that movements in market factors, including foreign exchange rates and interest rates, will reduce the income and value of the entity's portfolio of financial instruments. The entity does not invest in equity instruments.

In its core activities EUROFIMA is exposed 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 liquid assets and 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 is effectively reduced to nil. In order to hedge such mismatches EUROFIMA utilizes interest rate and currency swaps. These instruments are used within the ambit of economic 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 2013, pre-funding for future equipment financing was limited to a maximum amount equivalent to CHF 170 million (December 31, 2012: CHF 850 million, January 1, 2012: CHF 1 000 million). Pre-funding allows tapping into the capital markets when borrowing conditions are favorable. 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 the investment of the entity's own equity. 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. Such limits include both notional limits (e. g. maximum exposure to a certain currency) and limits to the sensitivity of the entity's results to changes in market variables (e.g. maximum allowed effect from a 1 basis point change in interest rates, ceteris paribus). Compliance with these limits is assessed on a regular basis by 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

Tarragona – Barcelona; 10:09

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.

A parallel shift in the yield curve for each respective currency would have had the following impact on the entity's equity and net profit, based on all positions the entity had:

(amounts in CHF million)	**December 31, 2013** **Impact on Equity**	**Impact on net profit**	December 31, 2012 Impact on Equity	Impact on net profit	January 1, 2012 Impact on Equity
+100bp	–24.7	0.6	–27.6	0.1	–28.5
–100bp	26.0	–0.6	29.3	–0.1	30.2

The interest rate sensitivity in equity is solely due to the available-for-sale debt securities held as part of the entity's liquid assets.

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, 2013 the counter value in Swiss francs of all net foreign exchange positions amounted to CHF 0.3 million (2012: CHF 17.4 million, January 1, 2012: CHF 0.7 million). The currency position in EUR per January 1, 2012 and December 31, 2012 is largely due to the classification of financial instruments as loans and receivables upon the first time adoption of IFRS. Refer to note 3.4 "D. IAS 39 – designation of financial instrument into categories". The currency exposure shown below represents the change in carrying amount of these instruments upon transition to IFRS.

The net currency position at each balance sheet date is the following:

December 31, 2013

(amounts in CHF million)	EUR	USD	AUD	JPY	CAD	Other	Total
Assets							
Liquid assets	1155	643	0	676	0	38	2512
Equipment financing contracts	16272	1460	0	0	0	274	18006
Derivative financial instruments	–7814	1712	3758	–111	610	–165	–2009
Other assets	0	0	0	0	0	0	0
Accrued income and prepaid expenses	5	0	0	0	0	0	5
Fixed assets	0	0	0	0	0	0	0
Total assets	**9618**	**3816**	**3759**	**565**	**610**	**147**	**18515**
Liabilities							
Borrowings	4814	6921	4480	1033	610	836	18694
Derivative financial instruments	4799	–3104	–722	–468	0	–689	–184
Other liabilities & Post-employment benefit liability	0	0	0	0	0	0	0
Accrued expenses and deferred income	0	0	0	0	0	0	0
Reserve for available-for-sale financial instruments	5	–1	0	0	0	0	4
Total liabilities	**9618**	**3816**	**3758**	**565**	**610**	**147**	**18514**
Net currency position	**0**	**0**	**0**	**0**	**0**	**0**	**0**

December 31, 2012 (amounts in CHF million)	EUR	USD	AUD	JPY	CAD	Other	Total
Assets							
Liquid assets	1483	547	0	673	0	0	2702
Equipment financing contracts	17249	1731	0	0	0	315	19296
Derivative financial instruments	–11265	3993	5505	344	723	617	–83
Other assets	0	0	0	0	0	0	0
Accrued income and prepaid expenses	5	0	0	0	0	0	5
Fixed assets	0	0	0	0	0	0	0
Total assets	**7471**	**6271**	**5505**	**1016**	**723**	**933**	**21920**
Liabilities							
Borrowings	5054	7991	5564	1345	723	1305	21982
Derivative financial instruments	2411	–1719	–58	–329	0	–373	–68
Other liabilities & Post-employment benefit liability	0	0	0	0	0	0	0
Accrued expenses and deferred income	0	0	0	0	0	0	0
Reserve for available-for-sale financial instruments	16	7	0	0	0	0	23
Total liabilities	**7482**	**6279**	**5505**	**1017**	**723**	**932**	**21938**
Net currency position	**–10**	**–7**	**0**	**0**	**0**	**0**	**–17**

January 1, 2012 (amounts in CHF million)	EUR	USD	AUD	JPY	CAD	Other	Total
Assets							
Liquid assets	1836	367	0	241	0	0	2444
Equipment financing contracts	18616	3073	0	0	0	453	22141
Derivative financial instruments	–13008	4200	4783	1423	1115	612	–875
Other assets	0	0	0	0	0	0	0
Accrued income and prepaid expenses	5	0	0	0	0	0	5
Fixed assets	0	0	0	0	0	0	0
Total assets	**7450**	**7639**	**4783**	**1664**	**1115**	**1065**	**23716**
Liabilities							
Borrowings	5697	8249	4842	1518	1115	1461	22883
Derivative financial instruments	1741	–611	–59	146	0	–397	820
Other liabilities & Post-employment benefit liability	5	0	0	0	0	0	6
Accrued expenses and deferred income	0	0	0	0	0	0	0
Reserve for available-for-sale financial instruments	8	–1	0	0	0	0	7
Total liabilities	**7452**	**7638**	**4783**	**1664**	**1115**	**1065**	**23717**
Net currency position	**–2**	**1**	**0**	**0**	**0**	**0**	**–1**

Amounts presented for derivative financial instruments are the market values of individual legs in each of the respective currencies.

Sevilla Santa Justa; 10:22

4.4. Liquidity risk

Liquidity risk is the risk that the entity is unable to meet, from available funds, all payment obligations as they fall due, or will have access to such funds only at disproportionate cost.

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 debts, disbursements and repayments from equipment financing contracts as well as cash flows from the derivative financial instruments. The projected liquidity position is reported and monitored daily.

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. In accordance with the treasury policy, a minimum volume of liquid assets has to be invested in securities of sovereign issuers or issuers with an explicit sovereign guarantee at all times. As at December 31, 2013 an amount of CHF 1210 million was invested in securities of such issuers (2012: CHF 1319 million, January 1, 2012: CHF 756 million).

As at year-end 2013, 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 liquidity targets for a period of 12 months under stressed economic conditions. To compute such liquidity targets 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 respectively, and EUROFIMA is assumed to have no access to the credit markets for the same period of time (together called "stressed economic conditions"). Furthermore, a haircut to the liquid assets is applied and reviewed on a regular basis

The tables below show the undiscounted contractual cash flows of the entity's financial assets and liabilities. The entity's derivatives are generally gross settled instruments. Therefore, the entity shows the contractual cash in- and outflows of these gross settled derivatives on a gross basis.

For floating rate instruments, the entity used the implied forward rates at the balance sheet date to calculate the future cash flows.

December 31, 2013 (amounts in CHF million)	0–6 months	6–12 months	1–2 years	2–3 years	3–5 years	5–10 years	More than 10 years	Total	Difference to book value	Book value
Assets										
Liquid assets	2298	159	677	358	343	328	50	4214	–121	4093
Equipment financing contracts	1636	1445	2292	2661	3615	7506	4321	23475	–2543	20932
Other financial assets	9	10	14	12	20	31	5	101	–91	10
Total	**3943**	**1613**	**2982**	**3032**	**3979**	**7865**	**4376**	**27791**	**–2755**	**25035**
Liabilities										
Borrowings	–3171	–1346	–3813	–3705	–4274	–7350	–3728	–27388	2754	–24634
Other financial liabilities	–15	0	0	0	0	0	0	–15	0	–15
Total	**–3186**	**–1346**	**–3813**	**–3705**	**–4274**	**–7350**	**–3728**	**–27403**	**2754**	**–24649**
Cash flows from gross settled derivative assets										
Contractual amounts receivable	3251	235	2506	2687	3570	4469	3437	20157		
Contractual amounts payable	–2423	–128	–1852	–2323	–2888	–4279	–3397	–17291		
	829	**107**	**654**	**364**	**682**	**190**	**40**	**2866**	**–333**	**2533**
Cash flows from gross settled derivative liabilities										
Contractual amounts receivable	1902	472	1410	2236	1536	1854	813	10223		
Contractual amounts payable	–2067	–676	–1337	–2409	–1676	–2203	–1460	–11828		
	–165	**–204**	**73**	**–174**	**–139**	**–349**	**–647**	**–1605**	**225**	**–1380**
Net during the period	1421	170	–104	–482	247	355	41	1649		
Cumulative net during the period	**1421**	**1591**	**1488**	**1005**	**1253**	**1608**	**1649**			

December 31, 2012 (amounts in CHF million)	0–6 months	6–12 months	1–2 years	2–3 years	3–5 years	5–10 years	More than 10 years	Total	Difference to book value	Book value
Assets										
Liquid assets	2491	57	450	542	264	408	34	4246	–48	4198
Equipment financing contracts	673	1074	2973	2166	4305	8844	4989	25024	–2492	22532
Other financial assets	8	10	15	14	23	39	7	116	–106	10
Total	**3173**	**1141**	**3438**	**2722**	**4591**	**9290**	**5031**	**29386**	**–2646**	**26740**
Liabilities										
Borrowings	–2259	–1591	–4118	–3629	–4828	–9486	–4138	–30049	1744	–28305
Other financial liabilities	–19	0	0	0	0	0	0	–19	0	–19
Total	**–2278**	**–1591**	**–4118**	**–3629**	**–4828**	**–9486**	**–4138**	**–30067**	**1744**	**–28324**
Cash flows from gross settled derivative assets										
Contractual amounts receivable	1635	2465	2661	2762	4585	6655	3134	23897		
Contractual amounts payable	–1242	–1952	–2058	–2024	–3909	–5780	–2692	–19656		
	393	**514**	**603**	**738**	**676**	**875**	**442**	**4241**	**311**	**4552**
Cash flows from gross settled derivative liabilities										
Contractual amounts receivable	1487	151	1914	1113	2268	2108	893	9934		
Contractual amounts payable	–1709	–282	–1724	–995	–2504	–2481	–2132	–11827		
	–222	**–130**	**190**	**118**	**–236**	**–373**	**–1239**	**–1893**	**455**	**–1437**
Net during the period	1066	–67	114	–52	203	306	96	1666		
Cumulative net during the period	**1066**	**999**	**1113**	**1061**	**1264**	**1570**	**1666**			

January 1, 2012 (amounts in CHF million)	0–6 months	6–12 months	1–2 years	2–3 years	3–5 years	5–10 years	More than 10 years	Total	Difference to book value	Book value
Assets										
Liquid assets	2282	129	314	353	428	420	40	3966	–124	3842
Equipment financing contracts	1802	2125	1810	2922	4574	9376	6601	29210	–3589	25621
Other financial assets	41	10	15	14	24	41	12	158	–124	34
Total	**4125**	**2264**	**2139**	**3290**	**5026**	**9837**	**6653**	**33334**	**–3837**	**29497**
Liabilities										
Borrowings	–2277	–2641	–3496	–4184	–5693	–10370	–5592	–34253	3592	–30661
Other financial liabilities	–48	0	0	0	0	0	0	–48	0	–48
Total	**–2325**	**–2641**	**–3496**	**–4184**	**–5693**	**–10370**	**–5592**	**–34301**	**3592**	**–30709**
Gross settled derivative assets										
Contractual amounts receivable	1665	1776	3641	3035	5098	8588	3591	27394		
Contractual amounts payable	–1174	–1358	–2818	–2383	–3996	–7243	–3108	–22078		
	492	**418**	**823**	**652**	**1102**	**1345**	**484**	**5316**	**–432**	**4884**
Gross settled derivative liabilities										
Contractual amounts receivable	284	870	1486	1629	2063	2156	466	8955		
Contractual amounts payable	–980	–915	–1853	–1278	–2104	–2560	–1994	–11683		
	–696	**–45**	**–367**	**352**	**–41**	**–404**	**–1528**	**–2728**	**536**	**–2192**
Net during the period	1596	–3	–900	109	394	408	16	1620		
Cumulative net during the period	**1596**	**1592**	**692**	**801**	**1195**	**1603**	**1620**			

Madrid – Zaragoza; 08:47

4.5. Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems or from external events.

EUROFIMA continuously identifies, assesses, and manages operational risk in order to minimize potential adverse impacts. The key operational risk management principles are laid out in the operational policies and guidelines. They comprise of, among other things, the internal control system, the limit system, the IT management policy, the public communication policy and the security directives. EUROFIMA's systems of internal control, checks and balances, segregation of duties and supervision are designed to cover the most significant aspects of operational risk. Emphasis is placed on the continuous upgrading of information systems, business continuity planning and the cross-training and development of staff.

4.6. Capital Management

As a supranational institution, EUROFIMA is not subject to regulatory capital requirements. However, the adequacy of the capital base is assessed and monitored monthly and reported to the Board of Directors quarterly.

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, 2013 EUROFIMA's estimated total Basel II ratio amounted to 23.5 % (2012: 21.0 %, January 1, 2012: 30.2 %).

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, 2013 EUROFIMA had no such large exposures on its balance sheet (2012: none, January 1, 2012: none).

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.

The most important ratios that are monitored by the Management and reported to the Board of Directors with respect to the entity's capital are the following:

(amounts in CHF million, ratios in %)	**December 31, 2013**	December 31, 2012	January 1, 2012
(Sound share capital*+ shareholder guarantee AAA/Aaa and AA/Aa) / Outstanding borrowings	20.1 / 19.9	17.5 / 17.3	16.8 / 16.2
Equity / Equipment financing contracts	7.4	6.8	5.8
(Equity + Callable share capital AAA/Aaa) / Equipment financing contracts	10.5 / 11.3	10.3 / 10.4	10.8 / 10.8

* Sound share capital: Equity and Callable share capital from shareholders with a rating of AAA / Aaa and AA / Aa by Standard & Poor's and Moody's respectively.

5. *Net interest income*

Net interest income

(amounts in CHF '000)	**2013**	2012
Cash and cash equivalents	1 265	3 959
Financial investments	33 076	36 284
Placements with credit institutions	206	533
Debt securities	32 870	34 851
Other	0	900
Equipment financing contracts	404 016	527 584
Derivative financial instruments	713 175	701 501
Other interest income	412	835
Total interest and similar income	**1 151 943**	**1 270 163**
Amounts due to credit institutions and customers	–62 917	–68 035
Debt evidenced by certificates	–902 402	–1 019 101
Debt securities in issue	–854 380	–965 176
Others	–48 022	–53 925
Derivative financial instruments	–151 603	–156 035
Other interest expenses	–8 317	–793
Total interest and similar expenses	**–1 125 239**	**–1 243 965**
Net interest income	**26 703**	**26 198**

Net interest income presented per financial instrument category

(amounts in CHF '000)	**2013**	2012
Derivatives	561 572	545 465
Assets designated at fair value through profit or loss	388 844	517 789
Available-for-sale	20 204	24 317
Loans and receivables	14 293	18 493
Held-to-maturity	7 074	6 881
Liabilities designated at fair value through profit or loss	–952 744	–1 070 477
Financial liabilities at amortized cost	–12 464	–16 426
	26 778	**26 043**
Other interest income	300	601
Other interest expenses	–375	–446
Net interest income	**26 703**	**26 198**

6. *Net commission income*

(amounts in CHF '000)	**2013**	2012
Commission on equipment financing contracts – designated at fair value through profit or loss	14 460	14 757
Commission on equipment financing contracts – loans and receivables	1 274	1 245
Upfront fees	150	225
Commission expenses and fees paid	–1 212	–1 418
Net commission income	**14 673**	**14 810**

7. *Net gains/losses on financial instruments*

(amounts in CHF '000)	**2013**	2012
Gains/(losses) on the sale of available-for-sale financial assets	3 664	2 980
Gains/(losses) on derivative financial instruments	–510 466	180 579
Gains/(losses) on financial assets designated as at fair value through profit or loss	–594 903	34 822
Gains/(losses) on financial liabilities designated as at fair value through profit or loss	1 105 342	–216 393
Net gains/(losses) on financial instruments	**3 637**	**1 988**

8. *General administrative expenses*

(amounts in CHF '000)	**2013**	2012
Personnel costs	–6 195	–5 057
Social security expenses	–593	–440
Defined benefit pension plan costs	–796	–617
Office premises costs	–135	–142
Other general administrative expenses	–2 070	–1 866
Cost coverage, rental and other administrative income	15	17
Total general administrative expenses	**–9 774**	**–8 104**

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

Auditing and additional fees

PwC charged the following fees for professional services rendered for the financial year ending:

(amounts in CHF '000)	**2013**	2012
Audit services	–238	–185
Audit-related services	–111	–20
Total	**–348**	**–205**

Audit services are defined as the standard audit work performed each year in order to issue an opinion on the company's financial statements.

Audit-related services include those other assurance services provided by the independent auditor but not restricted to those that can only be provided by the auditor signing the audit report. They comprise amounts for services such as audits of IT infrastructure and consultation regarding new accounting pronouncements.

9. *Liquid assets*

The portfolio of liquid assets is composed of and measured as follows:

(amounts in CHF ’000)	**December 31, 2013**	December 31, 2012	January 1, 2012
Cash at banks	144 755	210 773	502 773
Placement with credit institutions	421 641	122 997	85 915
Debt securities – bonds	2 557 383	2 457 496	2 108 116
Debt securities – other	0	0	108 737
Other liquid assets	969 249	1 407 221	1 036 632
Total liquid assets	**4 093 028**	**4 198 487**	**3 842 173**
of which:			
Cash and cash equivalents at fair value	919 248	1 357 217	989 100
Cash and cash equivalents at amortized cost	194 756	260 777	550 306
Total cash and cash equivalents	**1 114 004**	**1 617 994**	**1 539 405**
Financial investments at fair value	2 527 611	2 098 352	1 919 322
Financial investments at amortized cost	451 413	482 141	383 446
Total financial investments	**2 979 024**	**2 580 492**	**2 302 768**

Credit rating structure

Below, the liquid assets are shown with their long-term rating (amounts in CHF ’000). If a specific rating is not available, the issuer or the guarantor rating is applied, whichever is stronger.

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.

Cash at banks

Standard & Poor’s ratings	**December 31, 2013**	December 31, 2012	January 1, 2012
AAA	19 737	97 212	129 020
AA	19 351	113 511	197 218
A	105 660	24	176 513
BBB	7	0	0
<BBB	0	0	0
N.R.	0	27	22
Total	**144 755**	**210 773**	**502 773**

Moody’s ratings	**December 31, 2013**	December 31, 2012	January 1, 2012
Aaa	19 749	210 254	129 020
Aa	0	24	176 490
A	105 660	0	23
Baa	7	0	0
<Baa	0	0	0
N.R.	19 339	495	197 240
Total	**144 755**	**210 773**	**502 773**

Placement with credit institutions

Standard & Poor's ratings	**December 31, 2013**	December 31, 2012	January 1, 2012
AAA	0	0	0
AA	157 652	50 002	85 915
A	204 659	15 749	0
BBB	0	0	0
<BBB	0	0	0
N.R.	59 331	57 245	0
Total	**421 641**	**122 997**	**85 915**

Moody's ratings	**December 31, 2013**	December 31, 2012	January 1, 2012
Aaa	0	0	77 989
Aa	107 644	57 245	7 926
A	163 972	15 749	0
Baa	0	0	0
<Baa	0	0	0
N.R.	150 025	50 002	0
Total	**421 641**	**122 997**	**85 915**

Debt securities – Bonds

Standard & Poor's ratings	**December 31, 2013**	December 31, 2012	January 1, 2012
AAA	769 709	1 095 157	1 343 553
AA	1 476 593	645 357	314 287
A	85 832	488 648	238 224
BBB	0	6 328	0
<BBB	0	0	0
N.R.	225 249	222 006	212 052
Total	**2 557 383**	**2 457 496**	**2 108 116**

Moody's ratings	**December 31, 2013**	December 31, 2012	January 1, 2012
Aaa	1 510 513	1 511 240	1 521 058
Aa	902 835	368 603	510 451
A	107 774	538 575	53 675
Baa	0	6 328	0
<Baa	0	0	0
N.R.	36 260	32 750	22 931
Total	**2 557 383**	**2 457 496**	**2 108 116**

Debt securities – Other

Standard & Poor's ratings	**December 31, 2013**	December 31, 2012	January 1, 2012
AAA	0	0	0
AA	0	0	108 737
A	0	0	0
BBB	0	0	0
<BBB	0	0	0
N.R.	0	0	0
Total	**0**	**0**	**108 737**

Moody's ratings	**December 31, 2013**	December 31, 2012	January 1, 2012
Aaa	0	0	0
Aa	0	0	108 737
A	0	0	0
Baa	0	0	0
<Baa	0	0	0
N.R.	0	0	0
Total	**0**	**0**	**108 737**

Other liquid assets

Standard & Poor's ratings	**December 31, 2013**	December 31, 2012	January 1, 2012
AAA	0	0	46 877
AA	372 575	616 604	655
A	470 697	667 189	989 100
BBB	0	0	0
<BBB	0	0	0
N.R.	125 978	123 429	0
Total	**969 249**	**1 407 221**	**1 036 632**

Moody's ratings	**December 31, 2013**	December 31, 2012	January 1, 2012
Aaa	0	0	46 877
Aa	311 624	608 966	576 121
A	557 612	748 250	413 634
Baa	0	0	0
<Baa	0	0	0
N.R.	100 013	50 005	0
Total	**969 249**	**1 407 221**	**1 036 632**

Other liquid assets mainly comprise short term deposits and commercial paper investments.

Liquid assets neither rated by Standard & Poor's nor Moody's	**December 31, 2013**	December 31, 2012	January 1, 2012
Cash at banks	0	22	22
Placement with credit institutions	0	0	0
Debt securities – bonds	15 219	22 733	22 931
Debt securities – other	0	0	0
Other liquid assets	0	0	0
Total	**15 219**	**22 756**	**22 953**

As at December 31, 2013 liquid assets neither rated by Standard & Poor's nor Moody's consisted of two debt securities issued by Swiss Cantons.

10. Equipment financing contracts

Equipment financing contracts were concluded exclusively with shareholders and their guaranteed affiliates.

(amounts in CHF '000)	**December 31, 2013**	December 31, 2012	January 1, 2012
Equipment financing contracts at fair value	20 384 757	21 956 409	24 641 954
Equipment financing contracts at amortized cost	547 429	575 106	978 959
Total equipment financing contracts	**20 932 186**	**22 531 515**	**25 620 913**

Credit rating structure

The equipment financing contracts are shown with the long-term rating of the respective member State (amounts in CHF '000). If a specific rating is not available, the issuer or the guarantor rating is applied, whichever is stronger.

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.

Valladolid; 09:15

Standard & Poor's ratings	**December 31, 2013**	December 31, 2012	January 1, 2012
AAA	3 912 657	4 845 734	11 888 986
AA	7 998 894	7 858 088	6 953 387
A	392 205	399 146	4 312 274
BBB	6 439 371	7 138 042	947 628
<BBB	2 189 059	2 290 505	1 518 638
N.R.	0	0	0
Total	**20 932 186**	**22 531 515**	**25 620 913**

Moody's ratings	**December 31, 2013**	December 31, 2012	January 1, 2012
Aaa	7 441 604	7 841 051	11 888 986
Aa	4 286 004	4 663 495	3 381 320
A	318 759	344 168	7 884 341
Baa	6 439 371	7 465 677	110 881
<Baa	2 446 448	2 077 208	2 227 694
N.R.	0	139 916	127 691
Total	**20 932 186**	**22 531 515**	**25 620 913**

Distribution of equipment financing contracts

(amounts in CHF '000) Member State	Railway / Company	Principal at January 1, 2013	Exchange rate difference	Financing	Redemptions	**Principal at December 31, 2013**	**%**
Germany (1)	DB AG (1)	867 977	13 907	0	0	881 884	4.5 %
France (1)	SNCF (1)	1 453 073	11 773	13 491	–6 266	1 472 072	7.5 %
Italy	FS	4 116 187	72 269	0	–743 540	3 444 915	17.5 %
Belgium	SNCB	2 378 756	11 674	16 712	–169 345	2 237 797	11.4 %
Netherlands	NS	554 755	6 534	74 750	–75 621	560 418	2.9 %
Spain	RENFE	2 722 845	43 627	0	0	2 766 472	14.1 %
Switzerland	SBB	2 655 493	–1 387	77 576	–243 512	2 488 170	12.7 %
Serbia	ŽS	135 500	0	0	–22 500	113 000	0.6 %
Luxembourg	CFL	200 682	516	0	–4 983	196 215	1.0 %
Austria	ÖBB	2 770 062	36 998	118 070	–134 547	2 790 583	14.2 %
Portugal	CP	707 637	11 338	0	0	718 975	3.7 %
Hungary	MÁV	282 849	4 664	0	–31 838	255 675(2)	1.3 %
Czech Republic	ČD	199 186	3 268	0	–18 474	183 979	0.9 %
Slovakia	ŽSSK	144 510	2 366	0	–12 316	134 560	0.7 %
Greece	OSE	971 639	15 897	0	–49 231	938 305	4.8 %
Croatia	HŽ	69 203	868	0	0	70 072(3)	0.4 %
Slovenia	SŽ	254 240	2 979	0	0	257 219	1.3 %
Bulgaria	BDZ	36 216	580	0	0	36 796	0.2 %
FYR Macedonia	MŽT	1 449	26	0	–1 475	0	0.0 %
Montenegro	ŽPCG	30 000	0	0	–4 500	25 500(4)	0.1 %
Denmark	DSB	81 863	1 334	0	–4 775	78 422	0.4 %
Total principal		**20 634 120**	**239 232**	**300 600**	**–1 522 924**	**19 651 028**	**100.0 %**
Difference to book value		1 897 395				1 281 158	
Total book value		**22 531 515**				**20 932 186**	

(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) CHF 74 million of which assumed by Hungary
(3) CHF 39 million of which assumed by Croatia
(4) all of which assumed by Montenegro

(amounts in CHF ’000)

Member State	Railway / Company	Principal at January 1, 2012	Exchange rate difference	Financing	Redemptions	Principal at December 31, 2012	%
Germany [1]	DB AG [1]	1 401 587	–11 816	0	–521 794	867 977	4.2 %
France [1]	SNCF [1]	2 122 692	–18 153	135 938	–787 404	1 453 073	7.0 %
Italy	FS	4 144 265	–28 078	143 185	–143 185	4 116 187	19.9 %
Belgium	SNCB	2 762 305	–24 178	88 506	–447 877	2 378 756	11.5 %
Netherlands	NS	571 511	–3 844	714 152	–727 064	554 755	2.7 %
Spain	RENFE	2 887 909	–19 836	0	–145 229	2 722 845	13.2 %
Switzerland	SBB	3 209 547	–3 293	27 000	–577 761	2 655 493	12.9 %
Serbia	ŽS	121 341	0	31 159	–17 000	135 500	0.7 %
Sweden	Närings-departementet	126 054	3 577	0	–129 631	0	0.0 %
Luxembourg	CFL	203 250	1 941	0	–4 509	200 682	1.0 %
Austria	ÖBB	3 118 048	–14 401	7 240	–340 825	2 770 062	13.4 %
Portugal	CP	819 533	–5 100	0	–106 797	707 637	3.4 %
Hungary	MÁV	284 818	–1 968	0	0	282 849[2]	1.4 %
Czech Republic	ČD	200 572	–1 386	0	0	199 186	1.0 %
Slovakia	ŽSSK	154 320	–1 092	7 149	–15 868	144 510	0.7 %
Greece	OSE	1 018 515	–7 243	0	–39 633	971 639	4.7 %
Croatia	HŽ	69 580	–377	0	0	69 203[3]	0.3 %
Slovenia	SŽ	255 533	–1 294	0	0	254 240	1.2 %
Bulgaria	BDZ	36 468	–252	0	0	36 216	0.2 %
FYR Macedonia	MŽT	2 917	–23	0	–1 445	1 449	0.0 %
Montenegro	ŽPCG	33 000	0	0	–3 000	30 000[4]	0.1 %
Denmark	DSB	87 143	–615	0	–4 665	81 863	0.4 %
Total principal		**23 630 909**	**–137 430**	**1 154 328**	**–4 013 687**	**20 634 120**	**100.0 %**
Difference to book value		1 990 005				1 897 395	
Total book value		**25 620 913**				**22 531 515**	

(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) CHF 73 million of which assumed by Hungary
(3) CHF 39 million of which assumed by Croatia
(4) all of which assumed by Montenegro

Madrid-Puerta de Atocha; 12:10

11. Derivative financial instruments

	December 31, 2013			December 31, 2012			January 1, 2012		
(amounts in CHF '000)	**Assets**	**Liabilities**	**Notional amount**	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Cross currency swaps	2 060 961	–1 221 540	18 240 558	3 853 250	–1 224 748	21 517 207	4 214 896	–2 032 514	23 352 325
Interest rate swaps	469 501	–154 913	5 221 833	697 792	–209 915	6 640 183	655 833	–159 070	7 033 183
Currency swaps	2 496	–3 155	856 971	975	–2 617	487 962	12 964	–444	564 170
Forward foreign exchange	2	–8	10 535	5	–8	3 055	108	–111	2 598
Total	**2 532 960**	**–1 379 616**	**24 329 897**	**4 552 021**	**–1 437 288**	**28 648 407**	**4 883 801**	**–2 192 140**	**30 952 276**

In the balance sheet derivative financial instruments are carried at fair value net per contract.

In accordance with its risk management policy, EUROFIMA uses derivatives for risk mitigation purposes only. It does not apply hedge accounting. Where hedged positions are not valued at fair value, the "fair value option" is applied to accurately reflect the effects from the economic hedging performed by the entity in the income statement.

Derivatives most commonly used by the entity are:

Swaps
Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, in relation to movements in a specified underlying index such as an interest rate and foreign currency rate.

Forward contracts
Forward contracts are contractual agreements to buy or sell a specified financial instrument, currency or interest rate at a specific price and date in the future. Forwards are customized contracts transacted over-the-counter.

12. Offsetting

The entity offsets amounts in the balance sheet when a legal right of offset exists and the parties involved intend to settle the cash flows on a net basis or settle the asset and liability simultaneously. Under some contracts, the entity has only a conditional right of set-off, for example in the case of a default of a counterparty. Even though such contractual arrangements limit the credit risk to the entity, amounts that can only be netted conditionally are not offset in the balance sheet.

The table below shows the collateral held for different positions

	December 31, 2013		December 31, 2012		January 1, 2012	
(amounts in CHF '000)	**Derivative financial assets**	**Financial investments**	Derivative financial assets	Financial investments	Derivative financial assets	Financial investments
Amount presented in the balance sheet	2 532 960	2 979 024	4 552 021	2 580 492	4 883 801	2 302 768
Value of derivative liabilities to be offset in case of default of a counterparty	809 971	0	784 021	0	872 801	0
Securities held as collateral	1 139 860	188 018	2 852 800	0	2 667 100	0
Net amount	**583 130**	**2 791 006**	**915 200**	**2 580 492**	**1 343 900**	**2 302 768**

Securities held as collateral for financial investments concern tri-party repurchase agreements.

13. *Accrued income and prepaid expenses*

(amounts in CHF ’000)	**December 31, 2013**	December 31, 2012	January 1, 2012
Commissions on equipment financing contracts	5 894	6 127	6 301
Other accrued income and prepaid expenses	0	4	4
Total accrued income and prepaid expenses	**5 894**	**6 131**	**6 305**

14. *Tangible and intangible fixed assets*

(amounts in CHF ’000)	Land and buildings	Hardware, vehicles and other equipment	Software and licenses	Total
January 1, 2012				
Deemed cost	7 250	123	0	7 373
Accumulated depreciation/amortization	–291	–66	0	–357
Net book value	**6 959**	**56**	**0**	**7 016**
At January 1, 2012	**6 959**	**56**	**0**	**7 016**
Additions	0	0	1 696	1 696
Disposals	0	0	0	0
Depreciation/amortization	–140	–41	–339	–520
December 31, 2012	**6 820**	**15**	**1 357**	**8 192**
At December 31, 2012				
Cost or valuation	7 250	123	1 696	9 069
Accumulated depreciation/amortization	–430	–107	–339	–877
Net book value	**6 820**	**15**	**1 357**	**8 192**
At January 1, 2013	**6 820**	**15**	**1 357**	**8 192**
Additions	0	66	1 861	1 927
Disposals	0	0	0	0
Depreciation/amortization	–142	–16	–711	–869
December 31, 2013	**6 678**	**65**	**2 507**	**9 250**
At December 31, 2013				
Cost or valuation	7 250	188	3 557	10 996
Accumulated depreciation/amortization	–572	–123	–1 050	–1 745
Net book value	**6 678**	**65**	**2 507**	**9 250**

The land and buildings of the entity comprise the “Ritterhof” at Rittergasse 20 in Basel, with a fire insurance coverage value of CHF 13 million as at January 1, 2014.

15. Borrowings

EUROFIMA's borrowings comprise the following

(amounts in CHF '000)	**December 31, 2013**	December 31, 2012	January 1, 2012
Amounts due to credit institutions and customers	1864359	2183595	2914012
Debt evidenced by certificates	22769417	26121324	27747041
Debt securities in issue	20844930	24116136	25385708
Others	1924487	2005188	2361333
Total borrowings	**24633776**	**28304919**	**30661053**

Borrowings per financial instrument category

(amounts in CHF '000)	**December 31, 2013**	December 31, 2012	January 1, 2012
Borrowings at fair value through profit or loss	24009590	27577833	29434726
Borrowings at amortized cost	624187	727087	1226327
Total borrowings	**24633776**	**28304919**	**30661053**

The entity's borrowings are not subject to any financial covenants.

Maturity structure of borrowings

(amounts in CHF '000)	**December 31, 2013**	December 31, 2012	January 1, 2012
0–6 months	2665603	1690791	1741900
6–12 months	954723	1098328	2090369
1–2 years	3231235	3383794	2532302
2–3 years	3153682	3217454	3329145
3–5 years	3256158	3974801	4840837
5–10 years	6189705	8312573	8523145
More than 10 years	3390056	3898261	5107931
Total principal	**22841161**	**25576003**	**28165630**
Total borrowings principal	22841161	25576003	28165630
Difference to book value	1792615	2728917	2495423
Total borrowings	**24633776**	**28304919**	**30661053**

The maturity structure is based on the contractual settlement dates of the borrowings.

Debt evidenced by certificates – Securities in issue

			December 31, 2013		December 31, 2012		January 1, 2012	
Maturity	Interest rate in %	Year of issuance	**Principal in issue currency '000**	**Book value in CHF '000**	Principal in issue currency '000	Book value in CHF '000	Principal in issue currency '000	Book value in CHF '000
AUD								
28.01.2014	6.000	2004	1 300 000	1 062 469	1 300 000	1 296 191	1 300 000	1 325 748
29.07.2015	5.625	2005	225 000	190 844	225 000	232 639	225 000	230 301
24.10.2016	5.625	2005	1 100 000	942 255	1 100 000	1 147 169	650 000	663 416
28.12.2018	6.250	2003	1 650 000	1 460 744	1 650 000	1 803 567	1 500 000	1 583 957
30.06.2020	5.500	2005	750 000	644 415	750 000	800 213	750 000	764 318
30.03.2022	6.000	2007	200 000	179 494	200 000	225 646	200 000	215 554
CAD								
18.07.2012	5.250	2002					200 000	192 033
04.12.2012	4.875	2002					200 000	189 822
12.05.2014	4.875	2004	100 000	87 401	100 000	98 562	100 000	102 709
13.12.2019	5.150	2004	250 000	240 641	250 000	278 941	250 000	285 150
30.03.2027	4.550	2007	300 000	282 247	300 000	345 806	300 000	345 253
CHF								
27.02.2012	3.500	2002					500 000	517 570
09.08.2012	4.375	2000					200 000	208 630
04.12.2012	2.375	2003					515 000	525 958
19.06.2015	2.750	2003	565 000	595 224	565 000	610 634	565 000	622 173
15.06.2016	2.250	2005	350 000	371 770	350 000	379 761	350 000	382 308
10.11.2017	2.125	2009	270 000	287 737	270 000	294 498	270 000	292 808
28.12.2018	3.250	2003	450 000	505 509	450 000	524 664	450 000	522 718
03.08.2020	2.375	2005	595 000	630 279	595 000	648 719	595 000	640 523
29.12.2020	3.375	2004	365 000	418 751	365 000	441 142	365 000	436 311
22.05.2024	3.000	2007	600 000	686 860	600 000	739 517	600 000	727 054
15.05.2026	3.000	2006	1 000 000	1 143 695	1 000 000	1 249 766	1 000 000	1 226 474
04.02.2030	2.875	2005	450 000	511 830	450 000	570 604	450 000	563 633
EUR								
18.01.2012	FRN	2010					100 000	122 044
19.12.2012	FRN	2011					100 000	121 855
27.12.2012	4.020	2002					120 202	149 115
16.12.2013	FRN	2011			120 000	145 351	120 000	146 959
18.11.2014	11.000	2002	120 202	163 081	120 202	175 800	120 202	187 537
03.11.2015	10.680	2002	120 202	177 387	120 202	189 380	120 202	198 260
23.12.2015	FRN	2011	125 000	153 890	125 000	151 731	125 000	153 134
12.09.2018	FRN	2013	30 000	36 914				
05.11.2018	FRN	2010	32 500	40 381	32 500	39 866	32 500	40 323
21.10.2019	4.375	2004	650 000	934 848	650 000	961 600	650 000	922 195
28.11.2019	2.730	2011	6 800	8 421	6 800	8 297	6 800	8 363
23.11.2020	3.000	2010	40 000	53 510	40 000	54 774	40 000	51 576

Valladolid; 09:13

Maturity	Interest rate in %	Year of issuance	**December 31, 2013** Principal in issue currency '000	**December 31, 2013** Book value in CHF '000	December 31, 2012 Principal in issue currency '000	December 31, 2012 Book value in CHF '000	January 1, 2012 Principal in issue currency '000	January 1, 2012 Book value in CHF '000
EUR								
27.10.2021	4.000	2009	1 000 000	1 431 047	1 000 000	1 478 611	1 000 000	1 399 412
15.11.2022	3.125	2010	800 000	1 075 772	800 000	1 110 972	800 000	1 040 988
28.06.2023	2.050	2013	15 000	18 519				
28.07.2023	3.250	2010	50 000	68 364	50 000	70 926	50 000	66 401
GBP								
11.02.2013	4.375	2003			100 000	154 324	100 000	155 271
14.10.2014	6.125	1999	265 000	412 650	265 000	434 212	265 000	440 560
07.06.2032	5.500	2001	150 000	292 159	150 000	325 062	150 000	316 166
JPY								
16.12.2013	FRN	2011			3 200 000	34 008	3 200 000	38 827
NZD								
22.05.2013	7.125	2008			275 000	211 876	275 000	212 521
SEK								
30.10.2012	2.000	2010					600 000	81 573
USD								
02.08.2012	5.125	2002					500 000	491 353
14.12.2012	4.390	2004					100 000	97 072
28.05.2013	1.875	2010			1 000 000	930 553	1 000 000	961 668
05.09.2013	4.250	2008			1 000 000	949 788	1 000 000	1 004 984
04.02.2014	4.250	2004	1 000 000	927 893	1 000 000	984 323	1 000 000	1 043 739
24.02.2014	FRN	2012	100 000	89 140	100 000	92 055		
06.03.2015	4.500	2005	1 000 000	966 650	1 000 000	1 029 668	1 000 000	1 080 525
27.03.2015	FRN	2012	1 000 000	893 531	750 000	690 943		
07.04.2016	5.250	2006	1 000 000	1 017 993	1 000 000	1 089 755	1 000 000	1 138 167
10.06.2016	FRN	2013	900 000	803 270				
03.04.2017	5.000	2007	1 000 000	1 037 347	1 000 000	1 114 222	1 000 000	1 150 701
Total listed bonds				**20 844 930**		**24 116 136**		**25 385 708**

Debt evidenced by certificates – Others

(amounts in CHF '000)	**December 31, 2013**	December 31, 2012	January 1, 2012
Unlisted stand-alone issues	354 894	492 666	553 115
Unlisted issues under the Programme for the Issuance of Debt Instruments	1 092 705	1 210 647	1 340 052
Commercial paper	476 888	301 875	468 166
Total other debts evidenced by certificates	**1 924 487**	**2 005 188**	**2 361 333**

16. Post-employment benefit liability

EUROFIMA participates in a group administration defined contribution pension plan in Switzerland. This plan qualifies as a defined benefit plan under IFRS. The entity has a full insurance coverage solution with a Swiss insurer. The insurance coverage is not taken into account in the below computations.

The amount recognized in the balance sheet for this defined contribution pension plan is determined as follows:

(amounts in CHF ’000)	**December 31, 2013**	December 31, 2012	January 1, 2012
Present value of funded obligations	14 839	21 193	19 466
Fair value of plan assets	–10 957	–15 363	–15 085
Liability recognized on the balance sheet	**3 882**	**5 830**	**4 381**

The movement in the net defined benefit obligation over the year is as follows:

(amounts in CHF ’000)	Present value of funded obligation	Fair value of plan assets	Total
As at January 1, 2012	19 466	–15 085	4 381
Service cost for the year 2012	617	0	617
Interest expense/(income)	438	–339	99
	20 521	**–15 425**	**5 096**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	0	149	149
Experience (gains)/losses	172	0	172
(gain)/loss from change in demographic assumptions	0	0	0
(gain)/loss from change in financial assumptions	1 358	0	1 358
	1 530	**149**	**1 679**
Past service costs and settlements	0	0	0
Contributions by:			
Employer	0	–892	–892
Participants	563	–563	0
Benefit payments	–1 422	1 368	–54
As at December 31, 2012	**21 193**	**–15 363**	**5 830**
As at January 1, 2013	21 193	–15 363	5 830
Service cost for the year 2013	796	0	796
Interest expense/(income)	371	–269	102
	22 360	**–15 632**	**6 728**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	0	98	98
Experience (gains)/losses	–751	0	–751
(gain)/loss from change in demographic assumptions	0	0	0
(gain)/loss from change in financial assumptions	–1 215	0	–1 215
	–1 967	**98**	**–1 869**
Past service costs and settlements	0	0	0
Contributions by:			
Employer	0	–928	–928
Participants	918	–918	0
Benefit payments	–6 472	6 422	–50
As at December 31, 2013	**14 839**	**–10 957**	**3 882**

Allocation of plan assets

Plan assets are comprised as follows:

(in %)	**December 31, 2013**
Fixed interest, cash and cash equivalents, time deposits	78.5 %
Mortgages and other claims on nominal value	6.9 %
Equities and units in investment funds	0.3 %
Private equity and hedge funds	0.2 %
Investment in participations and associated companies	0.7 %
Real estate	12.4 %
Other investments	1.1 %
Total	**100.0 %**

Significant assumptions

Significant assumptions applied in the calculation of the defined benefit liability:

	December 31, 2013	December 31, 2012	January 1, 2012
Discount rate	2.25 %	1.75 %	2.25 %
Pension growth rate	0 %	0 %	0 %
Salary growth rate (including inflation)	2 %	2 %	2 %
Retirement age			
men	65	65	65
women	64	64	64
Demographic assumptions	bvg 2010 GT	bvg 2010 GT	bvg 2010 GT

Sensitivity analysis

The sensitivity of the liability recognized for the post-employment benefit plan to changes in the principal assumptions depicted in the table below. The present value of funded obligations and Service cost are recalculated including the effect from the changed assumption:

		December 31, 2013	
(amounts in CHF ’000)	Change in assumption	Recalculated Present value of funded obligations	Recalculated service cost
Discount rate	+ 50 basis points	13 795	722
	– 50 basis points	16 029	838
Salary increase	+ 50 basis points	15 217	833
	– 50 basis points	14 444	782
Life Expectancy	+ 1 year	15 077	819
	– 1 year	14 611	798

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognized within the statement of financial position.

Other information

The expected contribution to the post-employment benefit plan to be paid by EUROFIMA for the year ending December 31, 2014 amounts to CHF 740 000.

The projected benefits that are expected to be paid for the next 5 years:

(amounts in CHF ’000)	December 31, 2013
2014	491
2015	468
2016	449
2017	433
2018	411

The weighted average duration of the defined benefit obligation is 15 years.

17. Equity

Statutory reserves & fund for general risk

(amounts in CHF '000)	**December 31, 2013**	December 31, 2012	January 1, 2012
Ordinary reserve	72917	71244	69214
Guarantee reserve	618500	590500	556000
Total statutory reserves	**691417**	**661744**	**625214**

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.

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 of 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.

Other reserves

The other reserves contain the reserve for available-for-sale financial instruments and the reserve for remeasurements on the entity's defined benefit pension plan.

Reserve for available-for-sale financial instruments

(amounts in CHF '000)	
January 1, 2012	**18347**
Changes in fair value	21311
Reclassification to income statement	–2980
December 31, 2012	**36678**
Changes in fair value	–20718
Reclassification to income statement	–3664
December 31, 2013	**12296**

Reserve for remeasurements of the post-employment benefit liability

(amounts in CHF '000)	
January 1, 2012	**0**
Actuarial gains & losses	–1531
Return on plan assets	–149
December 31, 2012	**–1680**
Actuarial gains & losses	1967
Return on plan assets	–98
December 31, 2013	**189**

Aranjuez; 09:58

18. Financial instruments and fair value measurement

The table below shows the allocation of the entity's financial instruments in the different financial instrument categories. Furthermore, the fair value for all instruments is disclosed, including those measured at amortized cost. For the financial instruments measured at fair value in the balance sheet, the level of the fair value hierarchy to which they can be allocated is included.

The three-level hierarchy used for financial instruments measured at fair value is the following:

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

	Financial instrument categories						Carrying amount December 31, 2013	Fair value December 31, 2013	Fair value level		
(amounts in CHF million)	**DFVPL**	**FVPL**	**AFS**	**HTM**	**LaR**	**FLAC**			**Level 1**	**Level 2**	**Level 3**
Financial assets											
CCE at amortized cost	0	0	0	0	195	0	195	195	0	195	0
CCE at fair value	919	0	0	0	0	0	919	919	0	919	0
Financial investments at amortized cost	0	0	0	383	68	0	451	462	0	448	14
Financial investments at fair value	1 053	0	1 474	0	0	0	2 528	2 528	1 689	839	0
Derivative financial instruments – assets	0	2 533	0	0	0	0	2 533	2 533	0	2 533	0
EFC contracts at amortized cost	0	0	0	0	547	0	547	584	0	584	0
EFC contracts at fair value	20 385	0	0	0	0	0	20 385	20 385	0	20 385	0
Other financial assets	5	0	0	0	5	0	10	10	0	10	0
Total assets							**27 568**	**27 615**	**1 689**	**25 913**	**14**
Financial liabilities											
Borrowings at amortized cost	0	0	0	0	0	624	624	658	0	658	0
Borrowings at fair value	24 010	0	0	0	0	0	24 010	24 010	0	24 010	0
Derivative financial instruments – liabilities	0	1 380	0	0	0	0	1 380	1 380	0	1 380	0
Other financial liabilities	0	0	0	0	0	15	15	15	0	15	0
Total liabilities							**26 028**	**26 062**	**0**	**26 062**	**0**

(amounts in CHF million)	DFVPL	FVPL	AFS	HTM	LaR	FLAC	Carrying amount December 31, 2012	Fair value December 31, 2012	Level 1	Level 2	Level 3
	Financial instrument categories								Fair value level		
Financial assets											
CCE at amortized cost	0	0	0	0	261	0	261	261	0	261	0
CCE at fair value	1 357	0	0	0	0	0	1 357	1 357	0	1 357	0
Financial investments at amortized cost	0	0	0	364	118	0	482	502	0	489	12
Financial investments at fair value	817	0	1 282	0	0	0	2 098	2 098	1 555	543	0
Derivative financial instruments – assets	0	4 552	0	0	0	0	4 552	4 552	0	4 552	0
EFC contracts at amortized cost	0	0	0	0	575	0	575	635	0	635	0
EFC contracts at fair value	21 956	0	0	0	0	0	21 956	21 956	0	21 956	0
Other financial assets	6	0	0	0	4	0	10	10	0	10	0
Total assets							**31 292**	**31 371**	**1 555**	**29 804**	**12**
Financial liabilities											
Borrowings at amortized cost	0	0	0	0	0	727	727	780	0	780	0
Borrowings at fair value	27 578	0	0	0	0	0	27 578	27 578	0	27 578	0
Derivative financial instruments – liabilities	0	1 437	0	0	0	0	1 437	1 437	0	1 437	0
Other financial liabilities	0	0	0	0	0	19	19	19	0	19	0
Total liabilities							**29 761**	**29 814**	**0**	**29 814**	**0**

Madrid Chamartín; 18:56

(amounts in CHF million)	DFVPL	FVPL	AFS	HTM	LaR	FLAC	Carrying amount January 1, 2012	Fair value January 1, 2012	Level 1	Level 2	Level 3
	Financial instrument categories								Fair value level		
Financial assets											
CCE at amortized cost	0	0	0	0	550	0	550	550	0	550	0
CCE at fair value	989	0	0	0	0	0	989	989	0	989	0
Financial investments at amortized cost	0	0	0	360	23	0	383	393	0	381	12
Financial investments at fair value	754	0	1 165	0	0	0	1 919	1 919	1 365	554	0
Derivative financial instruments – assets	0	4 884	0	0	0	0	4 884	4 884	0	4 884	0
EFC contracts at amortized cost	0	0	0	0	979	0	979	1 028	0	1 028	0
EFC contracts at fair value	24 642	0	0	0	0	0	24 642	24 642	0	24 642	0
Other financial assets	6	15	0	0	13	0	34	34	0	34	0
Total assets							**34 381**	**34 440**	**1 365**	**33 063**	**12**
Financial liabilities											
Borrowings at amortized cost	0	0	0	0	0	1 226	1 226	1 269	0	1 269	0
Borrowings at fair value	29 435	0	0	0	0	0	29 435	29 435	0	29 435	0
Derivative financial instruments – liabilities	0	2 192	0	0	0	0	2 192	2 192	0	2 192	0
Other financial liabilities	9	6	0	0	0	33	48	48	0	48	0
Total liabilities							**32 901**	**32 944**	**0**	**32 944**	**0**

There were no transfers between any of the levels of the fair value hierarchy during the year 2013 (2012: none).

The abbreviations as used in the tables above have the following meaning:

DFVPL	Financial instruments designated as at fair value through profit or loss by the entity
FVPL	Held for Trading: Fair value through profit or loss
AFS	Available-for-sale
HTM	Held-to-maturity
LaR	Loans and receivables
FLAC	Financial liabilities at amortized cost

Financial assets and liabilities designated at fair value through profit or loss

Financial assets designated at fair value through profit or loss

The carrying amount at December 31, 2013 of financial assets designated at fair value through profit or loss was CHF 1 136 million higher (2012: CHF 1 908 million higher, January 1, 2012: CHF 1 992 million higher) than the contractual amount at maturity. The change in fair value of financial assets designated at fair value through profit or loss that is attributable to changes in credit risk for the year 2013 amounts to CHF 83 million loss (2012: CHF 473 million loss).

Financial liabilities designated at fair value through profit or loss

The carrying amount at December 31, 2013 of financial liabilities designated at fair value through profit or loss was CHF 1 759 million higher (2012: CHF 2 676 million higher, January 1, 2012: CHF 2 453 million higher) than the contractual amount at maturity. The change in fair value in financial liabilities designated at fair value through profit or loss that is attributable to changes in credit risk for the year 2013 amounts to CHF 115 million gain (2012: CHF 368 million gain).

19. Related parties

Transactions and outstanding balances with related party shareholders (DB AG and SNCF) are disclosed in note 10 – Equipment financing contracts.

Salaries and other benefits paid to key management personnel in 2013 and included within General administrative expenses amounted to CHF 5.6 million (2012: CHF 3.7 million).

The outstanding amount due to key management personnel amounts to CHF 1.2 million as at December 31, 2013.

20. Post balance sheet events

On proposal from the Management Committee, the Board of Directors adopted the Financial Statements on March 21, 2014 and authorized their submission to the General Assembly for approval on the same date. The General Assembly approved the financial statements.

21. Proposed appropriation of the surplus

With last year's unappropriated surplus of 1 523 180 carried forward and the net profit for the financial year 2013 of 34 440 325, the surplus to be distributed is 35 963 505. 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	1 723 000
Dividend of 0 % (statutory maximum is 4 %) on the paid-in share capital of 520 million	0
Appropriation to the guarantee reserve	28 500 000
Appropriation to the fund for general risks	5 000 000
Unappropriated surplus to be carried forward	740 505

Auditor’s 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
Basel

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, statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes to the financial statements, for the year ended December 31, 2013 (on pages 18 to 64).

Board of Directors’ Responsibility

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards (IFRS), the accounting and valuation principles described in the annual report, the requirements of the international Convention for the establishment of the company and the Statutes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation and fair presentation 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.

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 Auditing Standards as well as 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 auditors consider the internal control system relevant to the entity’s preparation and fair presentation 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, 2013 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS). Furthermore, the financial statements comply with the international Convention for the establishment of the company and the Statutes.

PricewaterhouseCoopers AG, St. Jakobs-Strasse 25, Postfach, CH-4002 Basel, Switzerland
Telephone: +41 58 792 51 00, Facsimile: +41 58 792 51 10, www.pwc.ch

pwc

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.

Report on internal control system

In our opinion, an internal control system for the preparation of the financial statements for the year ended 31 December 2013 of EUROFIMA designed in accordance with the requirements of the Board of Directors, exists.

PricewaterhouseCoopers AG

Enrico Strozzi
Audit expert

Diego J. Alvarez
Audit expert

Basel, February 28, 2014

Sagunto – Valencia; 14:16

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 financial statements, consisting of the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and the notes to the financial statements for the year ended December 31, 2013.

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 February 28, 2014 prepared by PricewaterhouseCoopers AG, Basel, constitute a reasonable basis for our opinion.

In our opinion, the financial statements for the year ended December 31, 2013 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with the International Financial Reporting Standards (IFRS). 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, February 28, 2014

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

2013 First US dollar FRN 1 billion benchmark issue

The photographs illustrating this annual report were taken by Thomas Buser, EUROFIMA or provided by Renfe Operadora.

Designed by Matthias Bernhard AG, Baden

Printed by Neue Druck AG, Wettingen

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

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

Contact information:
Patrick Tschudin
CFO
Tel: +41 61 287 33 40

EUROFIMA®

Registered office:
Ritterhof
Rittergasse 20
P.O. Box 1764
CH-4001 Basel
Tel: +41 61 287 33 40
Fax: +41 61 287 32 40
www.eurofima.org