EUROFIMA

Annual Report 2014

EUROFIMA

European Company for the Financing of Railroad Rolling Stock

Contents

Key figures

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

	2014	2013	2012
Balance sheet			
Total	26 089	27 577	31 300
Assets			
Liquid assets [1]	4 305	4 093	4 198
Equipment financing contracts	18 275	20 932	22 532
Derivative financial instruments	3 493	2 533	4 552
Liabilities			
Outstanding borrowings [2]	23 300	24 634	28 305
Derivative financial instruments	1 186	1 380	1 437
Equity			
Equity + Callable share capital	3 664	3 625	3 613
Net profit and appropriation to reserves			
Net profit for the financial year	33	34	34
Appropriation to statutory reserves	30	30	37
Ratios in %			
Total operating expense/ Total operating income	20.4	23.6	22.5
Net profit / Average equity	2.1	2.3	2.3
(Equity + Callable share capital) / Outstanding borrowings	15.7	14.7	12.8
(Sound share capital [3] + Shareholder guarantee AAA/AA) / Outstanding borrowings	21.4	20.1	17.5
(Sound share capital [4] + Shareholder guarantee Aaa/Aa) / Outstanding borrowings	21.2	19.9	17.3
Borrowings and repayments during the financial year			
Borrowings	3 700	3 438	3 263
Repayments	6 240	4 682	5 403
Repayment rate in %	168.7	136.2	165.2
Railway equipment financed during the financial year			
Locomotives	15	46	0
Multiple-unit trains			
- Motor units	199	12	62
- Trailer cars	268	12	108
Passenger cars	16	149	23
Freight cars	0	3	0

(1) Cash and cash equivalents and financial investments.
(2) Amounts due to credit institutions and customers and debts evidenced by certificates.
(3) Equity and callable share capital AAA/AA.
(4) 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

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 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 2014 surplus, the guarantee reserve reached CHF 673.5 million.

In addition, pursuant to Article 26 of the Statutes, each shareholder guarantees the fulfillment of all equipment financing contracts in proportion to its participation in EUROFIMA's share capital and up to a maximum amount equal to its participation in EUROFIMA's subscribed share capital. This subsidiary shareholder guarantee can only be called when (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.

SHAREHOLDERS' DISTRIBUTION

Shareholder		Number of shares		in % of share capital	Subscribed share capital (in CHF) 2014	Subscribed share capital (in CHF) 2013	Callable share capital [1] (in CHF) 2014	Callable share capital [1] (in CHF) 2013
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	SNCB	25 480		9.80%	**254 800 000**	254 800 000	**203 840 000**	203 840 000
NV 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

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, 2014, 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 21.4% and 21.2% respectively of outstanding borrowings based on Standard & Poor's and Moody's ratings.

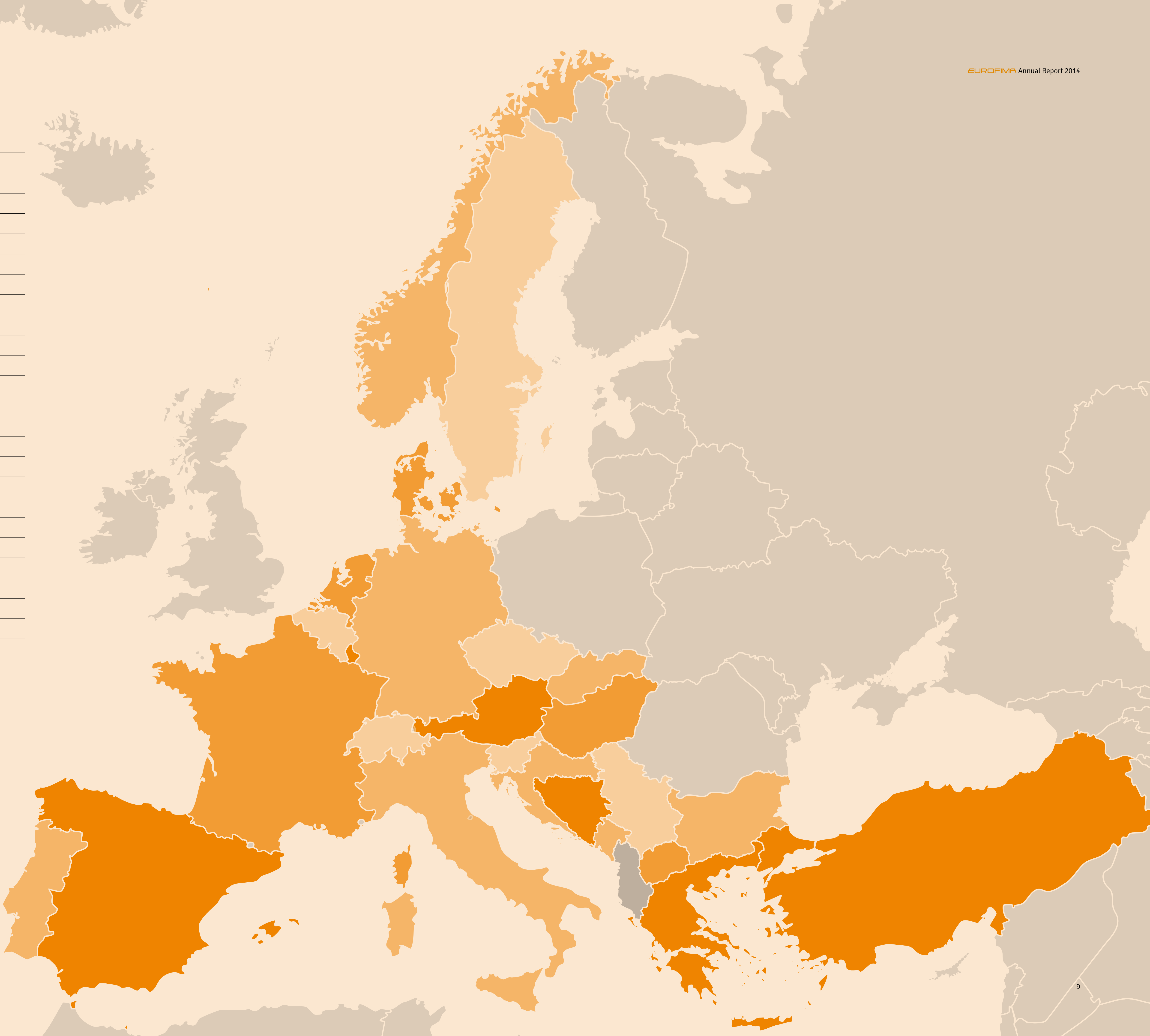
Rating of the member States at December 31, 2014 and 2013

	2014		2013	
	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**	AA+	Aaa
Spain	**BBB**	**Baa2**	BBB-	Baa3
Switzerland	**AAA**	**Aaa**	AAA	Aaa
Serbia	**BB-**	**B1**	BB-	B1
Sweden	**AAA**	**Aaa**	AAA	Aaa
Luxembourg	**AAA**	**Aaa**	AAA	Aaa
Austria	**AA+**	**Aaa**	AA+	Aaa
Portugal	**BB**	**Ba1**	BB	Ba3
Greece	**B**	**Caa1**	B-	Caa3
Czech Republic	**AA-**	**A1**	AA-	A1
Hungary	**BB**	**Ba1**	BB	Ba1
Slovakia	**A**	**A2**	A	A2
Croatia	**BB**	**Ba1**	BB+	Ba1
Slovenia	**A-**	**Ba1**	A-	Ba1
Bosnia and Herzegovina	**B**	**B3**	B	B3
Bulgaria	**BB+**	**Baa2**	BBB	Baa2
FYR Macedonia	**BB-**	**-**	BB-	-
Montenegro	**B+**	**Ba3**	BB-	Ba3
Turkey	**BB+**	**Baa3**	BB+	Baa3
Denmark	**AAA**	**Aaa**	AAA	Aaa
Norway	**AAA**	**Aaa**	AAA	Aaa

Rating of EUROFIMA at December 31, 2014

	Standard & Poor's Corp.	Moody's Investors Service Inc.
Long-term	AA+	Aa1
Short-term	A-1+	P-1
Outlook	stable	stable

Country	Member since
Austria	1955
Belgium	1955
Denmark	1955
France	1955
Germany	1955
Italy	1955
Luxembourg	1955
Netherlands	1955
Norway	1955
Portugal	1955
Serbia	1955
Spain	1955
Sweden	1955
Switzerland	1955
Greece	1957
Turkey	1957
Hungary	1991
Croatia	1993
Slovenia	1993
Bosnia and Herzegovina	1996
FYR Macedonia	1996
Bulgaria	1998
Slovakia	2000
Czech Republic	2002
Montenegro	2006



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

26.3%
estimated Basel II ratio

18.5%
liquidity ratio
Liquid assets/outstanding borrowings

CHF **3.7** BILLION
borrowings
in 2014

0
loan losses
in EUROFIMA's history

CHF **18.3** BILLION
outstanding development-related loans
to the railway sector in Europe

Message from the Chairman

EUROFIMA

Message from the Chairman

After more than six years since the peak of the financial crisis, the year 2014 showed again just how complex and delicate are the processes of normalization of the financial markets and the recovery for the global economy. While central banks have to be generally praised for guaranteeing ample liquidity and overall stability in the financial markets, the different speeds and scopes of monetary intervention in different parts of the world created diverging trends. On the one side, the US Federal Reserve terminated its asset purchase program and is now on track for the first increase of the reference rate amid improved economic conditions in the country. On the other side, the European Central Bank and the Bank of Japan are still pushing to support economic growth and combat deflation in their economies.

For a largely stable financial market, the source of instability in 2014 was of a geopolitical and economic nature. The Ukrainian crisis, the renewed unrest in the Middle East, the Ebola fear and the collapse in the oil price, all contributed to the general risk sentiment and the broader concern for the heterogeneous and weak global economic growth, particularly in Europe.

Clearly one lesson from the recent past is that the traditional transmission mechanism of monetary policy is no longer effective. Despite the generous monetary interventions, most liquidity inflated certain asset classes while very limited benefits were felt by the real economy. In this context, I believe multilateral lending institutions play an increasingly important role as instruments of social and economic development.

For our institution, 2014 was a fruitful and positive year. On the lending side, 5 shareholder railways received financial support. The main beneficiaries were SNCB and SBB, followed by SNCF and NS. Moreover, EUROFIMA granted a small emergency line to Serbia, following the severe floods and disruptions that affected the country in May.

On the risk management side, the Board of Directors and the Management maintained focus on the continuous improvement of EUROFIMA's risk metrics. The financial year closed once again with a fully-performing loan book of CHF 18.3 billion, an improved leverage ratio (6.2% lower than in 2013) and a net profit above budget (+3.4%). The latter reached CHF 32.9 million, in line with the previous year, and was once again fully allocated to reserves. Also, new control systems were put in place to enhance the effectiveness of our activities.

As an issuer of debt instruments, EUROFIMA successfully tapped three of its core currency markets. At the start of 2014, EUROFIMA opened a new 5-year line in the AUD domestic market. In USD, the second 1 billion benchmark in floating-rate format was completed in February and a new 500 million bond was launched thereafter. Finally, EUROFIMA successfully re-entered its domestic market with a new CHF 280 million bond maturing in 2021.

Looking ahead, 2015 is likely to offer more of the same, with all the side effects of bold monetary actions, as witnessed in Switzerland in January. The European economy may nevertheless benefit from the sharp drop in oil prices and the euro currency depreciation, which should positively affect household purchasing power, energy costs and exports. We believe our railway clients, who enable sustainable mobility of goods and people throughout the continent, will support and benefit from any signs of economic recovery. EUROFIMA, the financial vehicle of the national railway sector in its member States, will continue to pursue its public mission of enhancing sustainable transport systems while safeguarding the interests of all its stakeholders.

Finally, 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 2014.

Alain Picard
Chairman of the Board

EUROFIMA Annual Report 2014

Corporate Governance

Governing bodies

Controlling bodies

Organizational chart

Members of governing and controlling bodies as at January 1, 2015

Governing bodies

As a public international body, EUROFIMA is governed first 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 reporting is done through the International Transport Forum, an intergovernmental 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, and it appoints the External Auditor. It also approves the maximum amount of borrowings and the organization regulations. Decisions are taken by the majority of votes of the shares represented. However, in order 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 2014, the General Assembly convened on three occasions. The main subjects examined by the General Assembly on which it took decisions were: the annual report and the appropriation of 2013 surplus, the discharge of members of the Board of Directors and the Management for the financial year 2013, the maximum amounts of borrowings which may be concluded, the updated organization regulations, the establishment of External Auditors as a statutory body of EUROFIMA, and the partial renewal of the Board of Directors.

BOARD OF DIRECTORS

The Board of Directors is responsible for EUROFIMA's strategy and its financial success. It sets the overall direction and assumes supervision and control of the organization and its Management.

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 executive management is delegated to members of the Management. In this regard, the General Assembly has established organization regulations determining the rights and responsibilities of the Board of Directors 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 not 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, 2015, 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 Management. The Chairman works with the Management in between the meetings.

The Board of Directors established two advisory bodies: the Chairman's Committee and the Audit and Risk Committee.

The Chairman's Committee deals with a broad variety of topics in preparation for meetings of the Board of Directors. It further determines objectives, reviews appraisals and decides terms of engagement of the Management within the principles set by the Board of Directors. It consists of the Chairman, the Vice-Chairmen and two other Board members.

The Audit and Risk Committee supports the Board of Directors in its comprehensive supervisory role with respect to financial control, risk control, audit and compliance management. In this respect, it oversees the activities of both Internal and External Audit. It consists of three Board members.

The Board of Directors met on 4 occasions in 2014. On average, Director attendance was 92%. 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 annual report to the General Assembly, the main internal policies, the report to the Governments parties to EUROFIMA's Convention, the credit rating of the organization, the assessments of the financial position, risk and capital adequacy, and the conclusions of borrowings and equipment financing contracts.

The members of the Board of Directors and its advisory bodies are listed on page 21.

MANAGEMENT

Under the authority of the Chief Executive Officer and the supervision of the Board of Directors, the Management is responsible for managing the business, overseeing the day-to-day operations of the organization, and preparing 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 2014, 18 meetings were held. 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 21.

Controlling bodies

KEY CHANGES IN 2014

In order to align EUROFIMA's control set-up with best practice, several key changes were implemented in 2014.

The General Assembly established External Audit as a body of EUROFIMA, replacing the Auditors Committee which was previously the statutory body in charge of auditing the financial statements. Subsequently, it elected the previous Independent Auditor PwC, which up to that point in time audited the financial statements on the basis of a Board mandate, as the External Auditor.

The Board of Directors newly outsourced the Internal Audit function to a professional services firm. The Board of Directors further established the Audit and Risk Committee to assist the Board in its overarching responsibilities with regard to financial control, risk control, audit and compliance management.

AUDITORS COMMITTEE

Until its dissolution on December 12, 2014 the Auditors Committee was composed of five members appointed by the General Assembly.

The activities of the Auditors Committee covered the audit of the financial statements as well as the monitoring of the financial reporting process and the effectiveness of the internal controls. In addition, it reviewed the independence of the Independent Auditor and, in particular, the provision of additional services by the Independent Auditor. The Auditors Committee met twice in 2014.

EXTERNAL AUDIT

The External Auditor is appointed annually by the General Assembly in accordance with Article 10 of the Statutes. The responsibility of the External Auditor is to audit the financial statements, to report the results of the audit to the General Assembly and to the Board of Directors, and to express an opinion concerning the financial statements. The External Auditor also verifies the existence of an internal control system designed for the preparation of the financial statements. The audit is carried out in accordance with Swiss Auditing Standards and International Standards on Auditing.

The amounts paid to the External Auditor are disclosed in note 7 to the financial statements. The External Auditor also receives the minutes of the meetings of the Board of Directors and the General Assembly.

INTERNAL AUDIT

The Internal Auditor reports to the Audit and Risk Committee of the Board of Directors. Based on its independent risk assessment, Internal Audit develops an internal audit plan which is reviewed and approved by the Audit and Risk Committee. Its audit scope includes, but is not limited to, EUROFIMA's risk management system, the internal control system, and the policies and procedures adopted by its governing bodies.

Further information on risk management is included in note 3 to the financial statements.

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. On behalf of the Board of Directors, the Audit and Risk Committee assesses the quality of the internal control system's performance over time.

The External Auditor is responsible for verifying the existence and the implementation of the internal control system on financial reporting. The Internal Auditor 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. Further information on risk management is included in note 3 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

EUROFIMA Annual Report 2014

Members of governing and controlling bodies as at January 1, 2015

BOARD OF DIRECTORS

Chairman		
Alain Picard [1]	(1963, FR)	Chief Executive Officer of SNCF Logistics, Paris
Vice Chairmen		
Michel Allé [1] [2]	(1950, BE)	Chief Financial Officer, SNCB, Brussels
Luigi Lenci [1]	(1947, IT)	Head Office for Finance Supervision and Company Assets, Ferrovie dello Stato Italiane S.p.A., Rome
Harry Müller [1] [2]	(1959, DE)	Head Corporate Treasury of Swiss Federal Railways, Bern
Wolfgang Reuter [1]	(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
Alfred Buder	(1969, AT)	Head of Group Finance, ÖBB-Holding AG, Vienna
Manuel Fresno [1]	(1970, ES)	Chief Financial Officer, RENFE Operadora, Madrid
Ana Maria dos Santos Malhó	(1972, PT)	Financial Department Manager, CP-Comboios de Portugal, E.P.E., Lisbon
Engelhardt Robbe [1] [2]	(1955, NL)	Member of the Board, Chief Financial Officer, NV Nederlandse Spoorwegen, Utrecht
Dragoljub Simonovic	(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)	General Director, Luxembourg National Railways, Luxembourg
Secretary		
Susanne Honegger	(1961, CH)	Assistant to the Chief Executive Officer

MANAGEMENT

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

[1] Member of the Chairman's Committee
[2] Member of the Audit and Risk Committee

EXTERNAL AUDITOR

PricewaterhouseCoopers AG
St. Jakobs-Strasse 25
P.O. Box
CH-4002 Basel
Tel: +41 58 792 51 00

CHANGES IN THE BOARD OF DIRECTORS

The following member resigned in 2014:
Edith Schiller

The outgoing member was sincerely thanked for her active service.

EUROFIMA Annual Report 2014

Activity Report

2014 activities

2014 results and outlook for 2015

2014 activities

The enduring difficult economic conditions along with the central bank's expansive monetary policies led to persistently low and partially negative interest rates. The financial market's capital allocation and risk compensation mechanisms were significantly distorted and brought about a challenging operational environment for EUROFIMA.

High attention was paid to credit and liquidity risk management. Treasury risk management was subject to a full review, resulting in a partial recalibration of the risk metrics and limits. The conservative risk/return profile of financial instruments was maintained and the sound coverage of derivative exposure could be preserved. The newly implemented core IT solution proved to be a crucial pillar for the continuous and timely monitoring and managing of financial risk.

Important organizational improvements regarding corporate governance were implemented: the Auditors Committee was replaced by an External Auditor, the Internal Audit role was enhanced and the Audit and Risk Committee was established as an advisory body of the Board of Directors.

LENDING POLICY

EUROFIMA's core activity and public mission consist of supporting the development of rail transportation in Europe by providing its shareholders, 26 national railway operators, and other railway bodies with cost-effective financing to renew and modernize their railway equipment. The eligibility criteria and general procedures for granting this support are outlined in EUROFIMA's constitutive documents (Basic Agreement, Convention, Statutes) as well as in its Internal Policy Guide.

The conservative lending policy paired with the various layers of support granted in the constitutive documents, result in a high-quality and resilient loan portfolio which never suffered a loss in the entire history of EUROFIMA.

Requests for financing from railway operators are evaluated through a thorough approval process consisting of three phases:

» *Internal due diligence:* EUROFIMA's internal teams appraise the economic, financial, legal and technical aspects of each railway project and evaluate any potential risk related to it. Particular emphasis is put on the technical and economic evaluation of the rolling stock which collateralizes the requested financing. If necessary, external consultants are involved to support the internal due diligence.

» *Approval from governing bodies:* The General Assembly sets the amounts which can be borrowed and subsequently used for lending purposes. The Board of Directors approves the financing requests.

» *Monitoring:* Upon conclusion of the financing, EUROFIMA monitors the implementation of the railway project, the status of rolling stock collateral and any systemic risk that may deteriorate its position as lender.

LENDING ACTIVITY IN 2014

EUROFIMA concluded 14 contracts with 5 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 (in million CHF)
		main-line		shunting	motor units		trailer cars			
		diesel	electric		diesel	electric				
France	SNCF					16	80			48
Belgium	SNCB		15			67	95	16		286
Netherlands	NS					8	8			34
Switzerland	SBB					92	69			280
Serbia	ŽS					16	16			6
Total			**15**			**199**	**268**	**16**		**653**

EUROFIMA Annual Report 2014

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 the table below.

SUBSTAINABILITY

By pursuing its lending activity, EUROFIMA aims to further enhance economic growth, social equality and environmental sustainability in its Member states. In particular, rail transport serves as the backbone for sustainable mobility. According to the International Energy Agency and the International Union of Railways, the transport sector is responsible for nearly 23% of energy-based CO_2 emissions. However, the average greenhouse gas emission of rail transport is approximately 85% lower than the average emission of road and air transport.

DISTRIBUTION OF EQUIPMENT BY TYPE AND RAILWAY

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

Equipment at December 31, 2014

Member State	Railway	Locomotives			Multiple-unit trains			Passenger cars	Freight cars	Other equipment
		main-line		shunting	motor units		trailer cars			
		diesel	electric		diesel	electric				
Germany	DB AG					50				
France	SNCF		63			86	410			
Italy	FS	1	632		79	429	500	2 448		
Belgium	SNCB	52	198		114	222	271	559	1	28
Netherlands	NS					285	370	55		
Spain	RENFE	89	100		9	579	577			
Switzerland	SBB		104	49		267	289	118		
Serbia	ŽS		36		24	22	22	5		
Luxembourg	CFL		19			39	3		470	
Austria	ÖBB	8	174	73	48	274	330	345	3 898	
Portugal	CP		41		22	119	136			
Greece	OSE	43	26		47		64	187		
Czech Republic	ČD					14	28	10		
Hungary	MÁV	65	78	24	33	8		104		
Slovakia	ŽSSK	2			39		21	91		
Croatia	HŽ		1		1			67	226	5
Slovenia	SŽ		32							
Bulgaria	BDZ	5	19					117	4	
Montenegro	ŽPCG	8	5			6	6			
Denmark	DSB				20		10			
Total		**273**	**1 528**	**146**	**436**	**2 400**	**3 037**	**4 106**	**4 599**	**33**

BORROWING STRATEGY

The borrowing operations provide long-term funds via bond issuances in the international capital markets, to support EUROFIMA's core lending business and liquidity position. The borrowing strategy is built on three pillars.

» *USD and EUR benchmark issuance:* EUROFIMA issued tenors of 2, 3, 5 and 10 years in USD in fixed and floating-rate formats, and it has 5 outstanding USD 1 billion benchmarks as at December 31, 2014. In EUR, it has one outstanding 1 billion benchmark maturing in 2021.

» *Strategic commitment to the Australian dollar and Swiss franc bond markets:* EUROFIMA regularly pursues issuances in the domestic AUD and CHF markets, where it offers complete curves up to 2022 and 2030 respectively.

» *Currency diversification:* beyond its strategic focus on the above mentioned four currencies, EUROFIMA offers bonds in a few other markets. As at December 31, 2014, EUROFIMA has outstanding bonds in 8 different currencies.

BORROWING ACTIVITY IN 2014

The borrowing conditions for SSA issuers (sovereigns, supranationals and state agencies) have been very positive throughout 2014. Despite persisting elements of political and economic instability worldwide, the continuous accommodative monetary policies and the overall smaller borrowing programmes compared to 2013 allowed for good performance in primary market activity and in secondary spreads regardless of currency, maturity and rating.

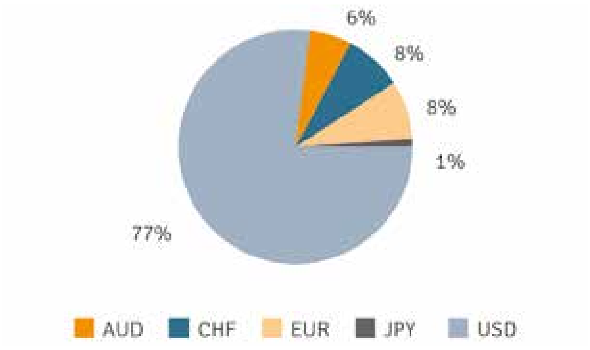
Supply from the SSA sector totaled approximately USD 960 billion in 2014, 12% lower than in the previous year, and spread over 22 currencies. In EUR, despite plummeting yields, issuance remained strong and the market continued to play its role of offering duration. In USD, while the 3- and 5-year tenors continued to account for the largest volume of SSA issuance overall, the bullish tone and the demand for yield enabled issuers to test less conventional maturities (4 and 7 years) and to stretch up to 10 years.

In this context, and in line with its recent primary market activity, EUROFIMA chose to initially tap its outstanding 2016 USD floating-rate bond and increase it to the size of USD 1 billion. Later, it successfully launched a new USD 500 million floating-rate bond due in 2017. As in the past, this bond attracted strong participation by central banks and official institutions (72%) and achieved a wide geographical distribution.

Additionally, EUROFIMA launched a new AUD 250 million line in the Kangaroo format. The tenor (5 years) proved once again to be particularly suitable for central banks and official institutions, which accounted for almost half of the size.

Finally, 2014 saw the return of EUROFIMA to its domestic CHF market after a 5-year absence. The new 7-year CHF 280 million bond launched in May had an exceptionally strong reception among Swiss domestic investors as well as some international accounts.

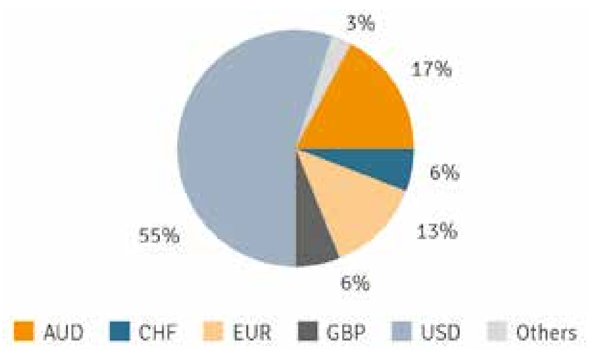
Borrowings in 2014 per currency



Overall, EUROFIMA's issuance volume in the debt capital market in 2014 remained moderate and reached an amount just above CHF 1 billion, in line with the previous year. In the money market, commercial paper was issued for an equivalent amount of approximately CHF 2.4 billion, primarily in US dollars with a three-month tenor.

REDEMPTIONS IN 2014

Redemptions reached the equivalent of CHF 6 240 million, CHF 2 706 million of which were due to repayments of short-term borrowings.



2014 results and outlook for 2015

2014 RESULTS

The net profit for the financial year 2014 totalled CHF 32.9 million, 4.6% below the level of the previous year of CHF 34.4 million. The lower earnings mainly originated from the historically low interest rates and the ongoing deleveraging.

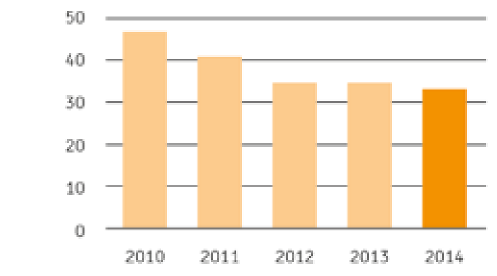
Income statement
Net interest income decreased by CHF 1.6 million to CHF 25.1 million (-6.0%). While EUROFIMA was exposed to the major trend of ever declining interest rates, no concessions were made to the quality of financial investments. Consequently, maturing financial investments were reinvested in high quality securities, partially at the expense of net interest income.

At CHF 14.5 million, commission income and fees received decreased by CHF 1.4 million (-8.8%), mainly driven by the further loan book reduction and the strengthening of the Swiss franc against the Euro.

Net other operating income, which mainly consists of realized and unrealized gains and losses on financial instruments, fell by CHF 0.7 million to CHF 3.0 million (-18.9%). Compared with the previous year, the decrease mainly reflects unrealized net losses on financial investments. This reduction was more than compensated by the increase in unrealized gains of CHF 6.1 million, reflected in other value adjustments in equity.

Total operating expenses amounted to CHF 8.4 million. They contracted by CHF 2.2 million (-20.8%) from the unusually high level in 2013, due to one-off effects, to reach again the long-term trend line.

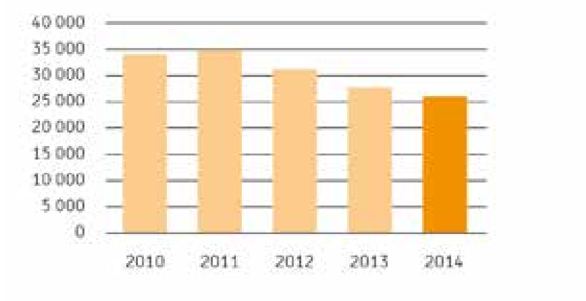
Net profit for the financial year
(in CHF million)



Balance sheet
Total assets amounted to CHF 26.1 billion at year-end. The significant reduction of CHF 1.5 billion (-5.4%) was mainly driven by continued loan book redemptions outweighing new financings. At constant exchange rates, total assets would have decreased by CHF 2.0 billion.

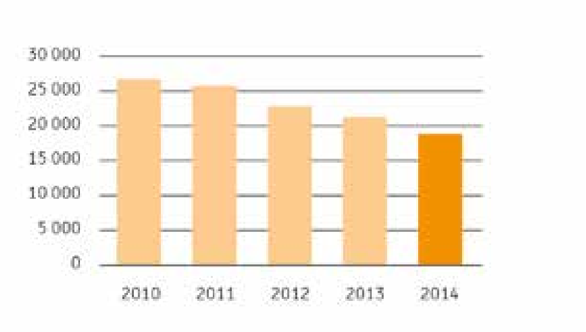
During the year 2014, no impairments had to be recognized nor was there any past due or indication of impairment as at December 31, 2014.

Total assets
(in CHF million)



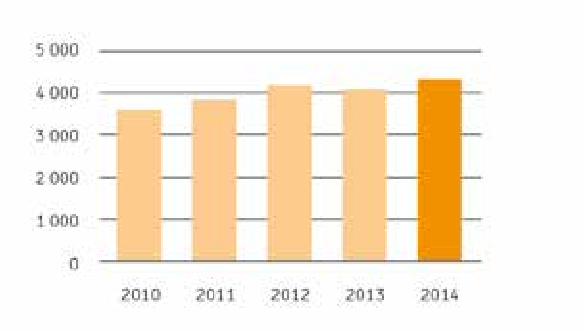
Equipment financing contracts were reduced to CHF 18.3 billion from CHF 20.9 billion (-12.7%). Redemptions totalling CHF 3.8 billion significantly outweighed new financings of CHF 1.0 billion. Since the outset of the financial crisis in 2008, EUROFIMA's equipment financing contracts have been reduced by over CHF 17 billion, or almost 50%, as a consequence of the strategy to reduce risk and leverage.

Equipment financing contracts
(in CHF million)



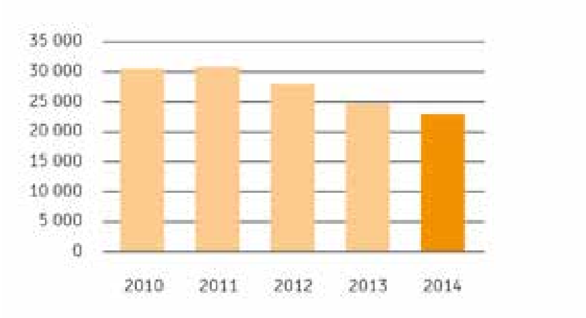
Liquid assets, consisting of cash and cash equivalents and financial investments, rose to CHF 4.3 billion from CHF 4.1 billion (+5.2 %), further strengthening the liquidity ratios. The credit quality was maintained on a high level.

Liquid assets
(in CHF million)

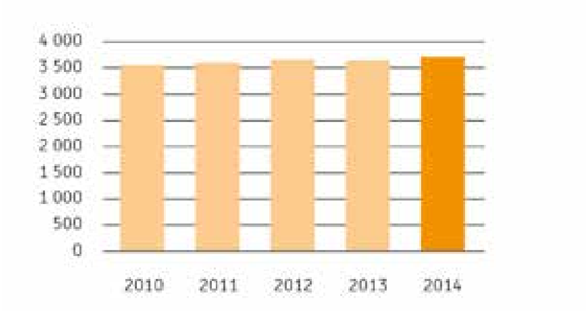


As at December 31, 2014, EUROFIMA's equity plus callable share capital reached CHF 3.7 billion, covering 15.7 % of outstanding borrowings. Compared with the previous year, the coverage increased by 1.0 percentage point to reach its highest value ever.

Outstanding borrowings
(in CHF million)



Equity + Callable share capital
(in CHF million)



After appropriation of the surplus, the statutory reserves and the fund for general risks surpassed the level of CHF 1 billion for the first time, reaching CHF 1 016.5 million (2013: CHF 981.3 million).

OUTLOOK FOR 2015

The muted recovery of the Eurozone's economies is expected to continue in 2015, supported by the lower oil price, more certainty in the banking sector and the effect of a weakening euro. However, with the Swiss National Bank discontinuing its ceiling on the Swiss Franc along with further negative interest rates and the ECB's intensified expansive monetary policy, challenges will continue to prevail. It can be assumed that price-setting processes and risk valuation mechanisms of financial markets will remain distorted by these monetary policies. Consequently, uncertainty and volatility are likely to persist, leading to a restrained outlook for the financial year 2015.

In light of this general perspective, EUROFIMA is positioning itself for yet another demanding year where in particular, the preservation of the organization's high asset quality will be emphasized.

EUROFIMA Annual Report 2014

Financial Statements

Income statement

(amounts in CHF '000)	Notes	2014	2013
Interest and similar income	4	959 143	1 151 943
Interest and similar expenses	4	-934 056	-1 125 239
Net interest income		**25 087**	**26 703**
Commission income and fees received	5	14 514	15 884
Commission expenses and fees paid	5	-1 300	-1 212
Net commission income		**13 214**	**14 673**
Net gains/(losses) on financial instruments	6	2 922	3 637
Foreign exchange gains/(losses)		-32	-88
Other operating income/(expense)		99	158
Net other operating income/(expense)		**2 989**	**3 707**
Total operating income		**41 289**	**45 083**
General administrative expenses	7	-7 563	-9 774
Depreciation/amortization on fixed assets	13	-853	-869
Total operating expense		**-8 416**	**-10 642**
Net profit for the financial year		**32 873**	**34 440**

Statement of comprehensive income

(amounts in CHF '000)	Notes	2014	2013
Net profit for the financial year		**32 873**	**34 440**
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Fair value adjustments on available-for-sale financial assets	16	7 149	-24 382
Items that will not be reclassified to profit or loss:			
Remeasurements on post-employment benefit liability	15, 16	-1 084	1 869
Other comprehensive income for the financial year		**6 066**	**-22 513**
Total comprehensive income for the financial year		**38 939**	**11 927**

Balance sheet

(amounts in CHF '000)	Notes	December 31, 2014	December 31, 2013
Assets			
Cash and cash equivalents	8	1 205 793	1 114 004
Financial investments	8	3 098 890	2 979 024
Placements with credit institutions		536 616	421 641
Debt securities		2 562 274	2 557 383
Equipment financing contracts	9	18 274 681	20 932 186
Derivative financial instruments	10	3 493 445	2 532 960
Other assets		2 629	4 167
Accrued income and prepaid expenses	12	5 063	5 894
Tangible fixed assets	13	6 563	6 743
Intangible fixed assets	13	1 815	2 507
Total assets		**26 088 879**	**27 577 485**
Liabilities			
Amounts due to credit institutions and customers	14	1 431 448	1 864 359
Debts evidenced by certificates	14	21 868 597	22 769 417
Debt securities in issue		20 312 058	20 844 930
Others		1 556 539	1 924 487
Derivative financial instruments	10	1 185 984	1 379 616
Other liabilities		13 091	13 154
Accrued expenses and deferred income		676	1 666
Post-employment benefit liability	15	4 753	3 882
Total liabilities		**24 504 549**	**26 032 094**
Equity			
Paid-in capital		520 000	520 000
Subscribed share capital		2 600 000	2 600 000
Callable share capital		-2 080 000	-2 080 000
Statutory reserves	16	721 640	691 417
Fund for general risks		294 907	289 907
Other reserves	16	18 550	12 485
Retained earnings		29 233	31 583
Unappropriated surplus previous year		741	1 523
Net profit for the financial year, before appropriation		32 873	34 440
Effects from transition to IFRS		-4 381	-4 381
Total equity		**1 584 330**	**1 545 391**
Total liabilities and equity		**26 088 879**	**27 577 485**

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, 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**
Balance at January 1, 2014	**2 600 000**	**-2 080 000**	**691 417**	**289 907**	**12 485**	**31 583**	**1 545 391**
Net profit for the financial year						32 873	**32 873**
Other comprehensive income for the financial year					6 066		**6 066**
Appropriation of surplus			30 223	5 000		-35 223	**0**
Balance at December 31, 2014	**2 600 000**	**-2 080 000**	**721 640**	**294 907**	**18 550**	**29 233**	**1 584 330**

Statement of cash flows

(amounts in CHF '000)	2014	2013
Cash flows from operating activities		
Disbursements of equipment financings	-962 667	-211 438
Repayments of equipment financings	3 394 953	1 367 558
Interest paid	-1 033 019	-1 189 559
Interest received	1 065 729	1 215 050
Commission and fees paid	-881	-1 212
Commission and fees received	15 300	16 340
Other operating cash flows paid	-9 964	-9 185
Other operating cash flows received	822	754
Net cash from operating activities	**2 470 274**	**1 188 308**
Cash flows from investing activities		
Financial investments		
Purchases of debt securities	-1 407 412	-1 389 542
Redemptions of debt securities	911 300	1 008 901
Sales of debt securities	545 505	217 404
Placements with credit institutions	-1 008 508	-694 859
Repayments of placements with credit institutions	896 675	396 481
Other items		
Purchase and disposal of fixed assets	22	-1 927
Net cash from investing activities	**-62 419**	**-463 542**
Cash flows from financing activities		
Issue of debt evidenced by certificates	3 440 814	3 312 216
Redemption of debt evidenced by certificates	-5 512 480	-4 568 522
Placements with credit institutions and customers	258 758	125 340
Redemptions of placements with credit institutions and customers	-727 513	-113 180
Net cash flow from derivative financial instruments	244 097	133 596
Net cash from financing activities	**-2 296 324**	**-1 110 550**
Net foreign exchange rate difference	-19 742	-118 207
Increase/(decrease) in cash and cash equivalents	**91 790**	**-503 991**
Cash and cash equivalents at the beginning of the year	1 114 004	1 617 994
Cash and cash equivalents at the end of the year	1 205 793	1 114 004

Notes to the financial statements

1. GENERAL INFORMATION

EUROFIMA ('the entity') was established on November 20, 1956, as a joint stock company, based on an international treaty (the "Convention") between sovereign States. EUROFIMA is a single entity domiciled in Basel, 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.

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 15 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 risks 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 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 17, 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 the 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 20 000 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 260 000 registered shares with a nominal amount of CHF 10 000 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 of income related to the current financial year, to be received in a subsequent financial year and expenditures incurred during the financial year but relating to a subsequent financial year.

Accrued expenses and deferred income comprise of 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 on 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, 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. New standards, amendments and interpretations adopted by the entity

EUROFIMA adopted the amendment to IAS 32, 'Financial instruments: Presentation', on offsetting financial assets and financial liabilities. This amendment clarifies that for the presentation in the balance sheet, the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment did not have a significant effect on the financial statements.

Other standards, amendments and interpretations which are effective for the financial year beginning on January 1, 2014, are not material to the entity.

2.18. 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. The complete version of IFRS 9 was issued in July 2014 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 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.

There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39.

The hedge accounting model under IFRS 9 replaces the rule-based hedge accounting requirements in IAS 39 to more closely align the accounting with risk management activities.

The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted. EUROFIMA is in the process of assessing IFRS 9's full impact.

IFRS 15 Revenue from contracts with customers
IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

The standard is effective for annual periods beginning on or after January 1, 2017, and earlier application is permitted. EUROFIMA does not anticipate that IFRS 15 will have a material impact on future financial statements.

3. 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 position and performance. EUROFIMA's risk management seeks to appropriately identify, measure, monitor and report all types of risks inherent in the entity's operations. The risk management and control processes are reviewed and refined on a regular basis.

3.1. 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 audit which are independent from the units carrying out the transactions. The results of such compliance checks are periodically reviewed by the Management and the Audit and Risk 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
- Risk weight of 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
- Net foreign currency position

» Liquidity risk:
- Current liquidity position expressed as 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 12, 2014.

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.

3.2. 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 and market risks.

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, 2014, all financial assets were fully performing (December 31, 2013: fully performing). No impairment was recognized in 2014 (2013: none). No amounts were overdue as at December 31, 2014 (December 31, 2013: 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 some of its rolling stock collateral.

During the year, EUROFIMA did not take possession of any rolling stock collateral (2013: 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, 2014, taking into account only shareholders from member States rated AAA/Aaa or AA/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 9.

Derivatives
The net positive replacement value of derivatives concluded with financial counterparties amounted to CHF 3 007 million as at December 31, 2014 (2013: CHF 1 662 million). The change in the net positive replacement value was mainly caused by a strengthening of the USD against the CHF and lower interest rates in several major currencies. 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 derivatives, EUROFIMA has entered into ISDA Master Agreements with one-way credit support annex (CSA) collateral agreements with most major derivative counterparties. Such CSA agreements require that collateral be posted by the derivative 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. In 2014, the entity did neither rehypothecate any of the collateral it received (2013: none), nor did it take possession of any of the collateral it received (2013: none).

The fair value of the collateral received by EUROFIMA under its CSA's as at December 31, 2014 amounted to CHF 2 250 million (2013: CHF 1 140 million). As at year-end 2014, 73% of the net positive replacement value of all derivatives concluded with financial counterparties was covered by collateral (2013: 70%). This collateral consisted exclusively of bonds issued by governments, state agencies and supranational organizations with a high credit rating. All derivatives are valued at their net present value and the positions per counterparty are monitored on a daily basis.

Liquid assets
Liquid assets comprise of 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 8. All short-term positions under cash and cash equivalents were either rated A-1+/A-1 or P-1, except for some insignificant bank accounts, which were rated A-3/P-2.

In 2014, EUROFIMA entered into tri-party reverse repurchase contracts, in which it invested in money market instruments and received debt securities as collateral. The fair value of collateral held for such agreements per December 31, 2014, amounts to CHF 314 million (2013: CHF 188 million). During the year 2014, the entity did not take possession of any of these collaterals (2013: none).

3.3. 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 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 2014, pre-funding for future equipment financing was limited to a maximum amount of EUR 1 000 million (December 31, 2013: EUR 170 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 from 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 audit.

Investments of the funded liquidity and of the equity are exposed to changes in market interest rates. Firstly, the future interest income derived from such investments is influenced by the level of market interest rates prevailing at the time of their investment or reinvestment. Secondly, the institution's net profit and equity (in case of investments classified as "at fair value through profit or loss" or "available-for-sale") are also affected by the fluctuations in the fair value of such investments caused by changes in market interest rates and credit spreads. EUROFIMA measures its exposure to interest rate risks through sensitivity analysis. Such an analysis indicates the sensitivity of the fair value of financial instruments classified as "at fair value through profit or loss" and "available for sale" to parallel shifts in all yield curves.

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:

	December 31, 2014		December 31, 2013	
(amounts in CHF million)	**Impact on Equity**	**Impact on net profit**	**Impact on Equity**	**Impact on net profit**
+100bp	**-27.0**	**0.6**	-24.7	0.6
-100bp	**28.7**	**-0.6**	26.0	-0.6

EUROFIMA Annual Report 2014

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, 2014, the counter value in Swiss francs of all net foreign exchange positions amounted to CHF 0.7 million (2013: CHF 0.3 million).

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

December 31, 2014

(amounts in CHF million)	EUR	USD	AUD	JPY	CAD	Other	Total
Assets							
Liquid assets	1 272	609	20	772	0	60	2 733
Equipment financing contracts	13 869	1 596	0	0	0	245	15 710
Derivative financial instruments	-8 989	4 178	3 366	-250	566	254	-875
Accrued income and prepaid expenses	4	0	0	0	0	0	4
Total assets	**6 157**	**6 383**	**3 386**	**522**	**566**	**559**	**17 573**
Liabilities							
Borrowings	4 392	6 979	3 774	982	566	491	17 184
Derivative financial instruments	1 753	-597	-389	-460	0	68	376
Reserve for available-for-sale financial instruments	12	1	0	0	0	0	13
Total liabilities	**6 158**	**6 383**	**3 385**	**522**	**566**	**559**	**17 573**
Net currency position	**0**	**0**	**0**	**0**	**0**	**0**	**1**

December 31, 2013

(amounts in CHF million)	EUR	USD	AUD	JPY	CAD	Other	Total
Assets							
Liquid assets	1 155	643	0	676	0	38	2 512
Equipment financing contracts	16 272	1 460	0	0	0	274	18 006
Derivative financial instruments	-7 814	1 712	3 758	-111	610	-165	-2 009
Accrued income and prepaid expenses	5	0	0	0	0	0	5
Total assets	**9 618**	**3 816**	**3 759**	**565**	**610**	**147**	**18 515**
Liabilities							
Borrowings	4 814	6 921	4 480	1 033	610	836	18 694
Derivative financial instruments	4 799	-3 104	-722	-468	0	-689	-184
Reserve for available-for-sale financial instruments	5	-1	0	0	0	0	4
Total liabilities	**9 618**	**3 816**	**3 759**	**565**	**610**	**147**	**18 515**
Net currency position	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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

3.4. 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 derivative financial instruments. The projected liquidity position is reported and monitored daily.

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.

Maturity analysis
December 31, 2014

(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	2 507	518	291	139	455	468	24	4 401	-97	4 305
Equipment financing contracts	1 594	620	2 511	1 380	3 341	6 174	3 605	19 224	-949	18 275
Other financial assets	7	9	12	11	19	23	4	84	-76	8
Total	**4 107**	**1 146**	**2 814**	**1 530**	**3 814**	**6 665**	**3 632**	**23 709**	**-1 122**	**22 587**
Liabilities										
Borrowings	-3 716	-852	-4 007	-2 295	-4 296	-6 483	-2 880	-24 529	1 229	-23 300
Other financial liabilities	-13	0	0	0	0	0	0	-13	0	-13
Total	**-3 729**	**-852**	**-4 007**	**-2 295**	**-4 296**	**-6 483**	**-2 880**	**-24 542**	**1 229**	**-23 313**
Cash flows from gross settled derivative assets										
Contractual amounts receivable	3 837	446	3 332	2 414	3 768	4 101	2 251	20 150		
Contractual amounts payable	-3 126	-245	-2 731	-1 893	-2 897	-3 403	-1 880	-16 175		
	712	**201**	**601**	**521**	**871**	**698**	**371**	**3 975**	**-482**	**3 493**
Cash flows from gross settled derivative liabilities										
Contractual amounts receivable	898	274	2 201	684	753	1 601	385	6 797		
Contractual amounts payable	-794	-247	-2 243	-751	-778	-1 962	-1 525	-8 300		
	104	**27**	**-42**	**-67**	**-25**	**-360**	**-1 139**	**-1 503**	**317**	**-1 186**
Net during the period	1 194	522	-633	-311	365	519	-16	**1 639**		
Cumulative net during the period	**1 194**	**1 715**	**1 082**	**771**	**1 136**	**1 655**	**1 639**			

Maturity analysis
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	2 298	159	677	358	343	328	50	4 214	-121	4 093
Equipment financing contracts	1 636	1 445	2 292	2 661	3 615	7 506	4 321	23 475	-2 543	20 932
Other financial assets	9	10	14	12	20	31	5	101	-91	10
Total	**3 943**	**1 613**	**2 982**	**3 032**	**3 979**	**7 865**	**4 376**	**27 791**	**-2 755**	**25 035**
Liabilities										
Borrowings	-3 171	-1 346	-3 813	-3 705	-4 274	-7 350	-3 728	-27 388	2 754	-24 634
Other financial liabilities	-15	0	0	0	0	0	0	-15	0	-15
Total	**-3 186**	**-1 346**	**-3 813**	**-3 705**	**-4 274**	**-7 350**	**-3 728**	**-27 403**	**2 754**	**-24 649**
Cash flows from gross settled derivative assets										
Contractual amounts receivable	3 251	235	2 506	2 687	3 570	4 469	3 437	20 157		
Contractual amounts payable	-2 423	-128	-1 852	-2 323	-2 888	-4 279	-3 397	-17 291		
	829	**107**	**654**	**364**	**682**	**190**	**40**	**2 866**	**-333**	**2 533**
Cash flows from gross settled derivative liabilities										
Contractual amounts receivable	1 902	472	1 410	2 236	1 536	1 854	813	10 223		
Contractual amounts payable	-2 067	-676	-1 337	-2 409	-1 676	-2 203	-1 460	-11 828		
	-165	**-204**	**73**	**-174**	**-139**	**-349**	**-647**	**-1 605**	**225**	**-1 380**
Net during the period	1 421	170	-104	-482	247	355	41	**1 649**		
Cumulative net during the period	**1 421**	**1 591**	**1 488**	**1 005**	**1 253**	**1 608**	**1 649**			

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, 2014, an amount of CHF 1 150 million was invested in securities of such issuers (2013: CHF 1 210 million).

As at year-end 2014, 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. Furthermore, EUROFIMA is assumed to have no access to the financial markets for the same period of time (together called "stressed economic conditions"). In addition, a haircut to the liquid assets is applied and reviewed on a regular basis.

3.5. Operational risk

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

3.6. 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, 2014, EUROFIMA's estimated total Basel II ratio amounted to 26.3% (2013: 23.5%).

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 share capital. For this purpose, EUROFIMA considers sound share 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, 2014, EUROFIMA had no such large exposures on its balance sheet (2013: 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, 2014	December 31, 2013
(Sound share capital+ shareholder guarantee AAA/Aaa and AA/Aa) / Outstanding borrowings	21.4 / 21.2	20.1 / 19.9
Equity / Equipment financing contracts	8.7	7.4
(Equity + Callable share capital AAA/Aaa) / Equipment financing contracts	12.3 / 13.2	10.5 / 11.3

4. NET INTEREST INCOME

Net interest income

(amounts in CHF '000)	2014	2013
Cash and cash equivalents	1 731	1 265
Financial investments	25 078	33 076
Placements with credit institutions	840	206
Debt securities	24 238	32 870
Equipment financing contracts	348 997	404 016
Derivative financial instruments	582 780	713 175
Other interest income	556	412
Interest and similar income	**959 143**	**1 151 943**
Amounts due to credit institutions and customers	-50 807	-62 917
Debt evidenced by certificates	-732 657	-902 402
Debt securities in issue	-682 775	-854 380
Others	-49 882	-48 022
Derivative financial instruments	-149 871	-151 603
Other interest expenses	-721	-8 317
Interest and similar expenses	**-934 056**	**-1 125 239**
Net interest income	**25 087**	**26 703**

Net interest income presented per financial instrument category

(amounts in CHF '000)	2014	2013
Derivatives	432 909	561 572
Assets designated at fair value through profit or loss	337 454	388 844
Available-for-sale	17 441	20 204
Loans and receivables	13 940	14 293
Held-to-maturity	6 586	7 074
Liabilities designated at fair value through profit or loss	-771 138	-952 744
Financial liabilities at amortized cost	-12 017	-12 464
	25 175	**26 778**
Other interest income	282	300
Other interest expenses	-371	-375
Net interest income	**25 087**	**26 703**

5. NET COMMISSION INCOME

(amounts in CHF '000)	2014	2013
Commission on equipment financing contracts - designated at fair value through profit or loss	13 326	14 460
Commission on equipment financing contracts - loans and receivables	1 188	1 274
Upfront fees	0	150
Commission expenses and fees paid	-1 300	-1 212
Net commission income	**13 214**	**14 673**

6. NET GAINS/LOSSES ON FINANCIAL INSTRUMENTS

(amounts in CHF '000)	2014	2013
Gains/(losses) on the sale of available-for-sale financial assets	4 041	3 664
Gains/(losses) on derivative financial instruments	219 833	-510 466
Gains/(losses) on financial assets designated as at fair value through profit or loss	333 029	-594 903
Gains/(losses) on financial liabilities designated as at fair value through profit or loss	-553 981	1 105 342
Net gains/(losses) on financial instruments	**2 922**	**3 637**

7. GENERAL ADMINISTRATIVE EXPENSES

(amounts in CHF '000)	2014	2013
Personnel costs	-4 340	-6 195
Social security expenses	-406	-593
Defined benefit pension plan costs	-610	-796
Office premises costs	-112	-135
Other general administrative expenses	-2 106	-2 070
Cost coverage, rental and other administrative income	11	15
Total general administrative expenses	**-7 563**	**-9 774**

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)	2014	2013
Audit services	-193	-238
Audit-related services	-38	-111
Total	**-231**	**-348**

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

8. LIQUID ASSETS

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

(amounts in CHF '000)	December 31, 2014	December 31, 2013
Cash at banks	46 541	144 755
Placement with credit institutions	536 616	421 641
Debt securities - bonds	2 562 274	2 557 383
Other liquid assets	1 159 252	969 249
Total liquid assets	**4 304 683**	**4 093 028**
of which		
Cash and cash equivalents at fair value	1 049 248	919 248
Cash and cash equivalents at amortized cost	156 545	194 756
Total cash and cash equivalents	**1 205 793**	**1 114 004**
Financial investments at fair value	2 588 673	2 527 611
Financial investments at amortized cost	510 217	451 413
Total financial investments	**3 098 890**	**2 979 024**

Credit rating structure of liquid assets

Below the liquid assets are shown with their long-term rating (amounts in CHF '000). If a specific rating is not available, the issuer, guarantor or obligor 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	December 31, 2014	December 31, 2013
AAA	0	19 737
AA	1 090	19 351
A	45 433	105 660
BBB	18	7
<BBB	0	0
N.R.	0	0
Total	**46 541**	**144 755**

Moody's	December 31, 2014	December 31, 2013
Aaa	6	19 749
Aa	0	0
A	45 433	105 660
Baa	18	7
<Baa	0	0
N.R.	1 084	19 339
Total	**46 541**	**144 755**

Placement with credit institutions

Standard & Poor's	December 31, 2014	December 31, 2013
AAA	100 062	0
AA	247 931	157 652
A	188 623	204 659
BBB	0	0
<BBB	0	0
N.R.	0	59 331
Total	**536 616**	**421 641**

Moody's	December 31, 2014	December 31, 2013
Aaa	188 795	0
Aa	64 685	107 644
A	183 094	163 972
Baa	0	0
<Baa	0	0
N.R.	100 042	150 025
Total	**536 616**	**421 641**

Debt securities - bonds

Standard & Poor's	December 31, 2014	December 31, 2013
AAA	823 440	769 709
AA	1 434 244	1 476 593
A	118 022	85 832
BBB	0	0
<BBB	0	0
N.R.	186 568	225 249
Total	**2 562 274**	**2 557 383**

Moody's	December 31, 2014	December 31, 2013
Aaa	1 469 344	1 510 513
Aa	464 494	902 835
A	583 931	107 774
Baa	18 043	0
<Baa	0	0
N.R.	26 462	36 260
Total	**2 562 274**	**2 557 383**

Other liquid assets

Standard & Poor's	December 31, 2014	December 31, 2013
AAA	50 004	0
AA	240 602	372 575
A	703 902	470 697
BBB	0	0
<BBB	0	0
N.R.	164 744	125 978
Total	**1 159 252**	**969 249**

Moody's	December 31, 2014	December 31, 2013
Aaa	0	0
Aa	304 116	311 624
A	755 127	557 612
Baa	0	0
<Baa	0	0
N.R.	100 009	100 013
Total	**1 159 252**	**969 249**

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, 2014	December 31, 2013
Cash at banks	0	0
Placement with credit institutions	0	0
Debt securities - bonds	15 220	15 219
Debt securities - other	0	0
Other liquid assets	0	0
Total	**15 220**	**15 219**

As at December 31, 2014, liquid assets neither rated by Standard & Poor's nor Moody's consisted of two debt securities issued by Swiss Cantons.

9. EQUIPMENT FINANCING CONTRACTS

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

(amounts in CHF '000)	December 31, 2014	December 31, 2013
Equipment financing contracts at fair value	17 781 299	20 384 757
Equipment financing contracts at amortized cost	493 382	547 429
Total equipment financing contracts	**18 274 681**	**20 932 186**

Credit rating structure

The equipment financing contracts are shown with the long-term rating of their 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.

Standard & Poor's	December 31, 2014	December 31, 2013
AAA	2 950 854	3 912 657
AA	7 271 097	7 998 894
A	259 214	392 205
BBB	6 114 674	6 439 371
<BBB	1 678 841	2 189 059
N.R.	0	0
Total	**18 274 681**	**20 932 186**

Moody's	December 31, 2014	December 31, 2013
Aaa	5 945 267	7 441 604
Aa	4 150 451	4 286 004
A	228 302	318 759
Baa	6 150 722	6 439 371
<Baa	1 799 939	2 446 448
N.R.	0	0
Total	**18 274 681**	**20 932 186**

Distribution of equipment financing contracts

(amounts in CHF '000)						Principal at December 31, 2014	
Member State	Railway	Principal at January 1, 2014	Exchange rate difference	Financing	Redemptions	CHF	%
Germany [1]	DB AG [1]	881 884	-13 660	0	-627 753	240 471	1.4%
France [1]	SNCF [1]	1 472 072	11 816	13 416	-446 390	1 050 914	6.3%
Italy	FS	3 444 915	-66 139	0	-9 451	3 369 325	20.2%
Belgium	SNCB	2 237 797	14 399	110 533	-60 504	2 302 226	13.8%
Netherlands	NS	560 418	-2 565	193	0	558 046	3.3%
Spain	RENFE	2 766 472	-54 609	0	-144 468	2 567 394	15.4%
Switzerland	SBB	2 488 170	6 358	768 971	-1 088 020	2 175 479	13.0%
Serbia	ŽS	113 000	-5	6 017	-21 000	98 012	0.6%
Luxembourg	CFL	196 215	-8 518	0	-17 151	170 546	1.0%
Austria	ÖBB	2 790 583	-27 903	1 224	-535 274	2 228 630	13.3%
Portugal	CP	718 975	-10 213	0	-247 177	461 585	2.8%
Greece	OSE	938 305	-14 739	0	-184 117	739 449	4.4%
Czech Republic	ČD	183 979	-2 742	0	-54 989	126 247	0.8%
Hungary	MÁV	255 675	-4 228	0	-76 081	175 366 [2]	1.0%
Slovakia	ŽSSK	134 560	-2 150	0	-30 562	101 847	0.6%
Croatia	HŽ	70 072	-891	0	-11 858	57 323 [3]	0.3%
Slovenia	SŽ	257 219	-3 502	96 796	-193 208	157 305	0.9%
Bulgaria	BDZ	36 796	-726	0	0	36 071	0.2%
Montenegro	ŽPCG	25 500	0	0	-5 000	20 500 [4]	0.1%
Denmark	DSB	78 422	-1 490	0	-4 716	72 217	0.4%
Total principal		**19 651 028**	**-181 506**	**997 151**	**-3 757 718**	**16 708 955**	**100.0%**
Difference to book value		1 281 158				1 565 726	
Total book value		**20 932 186**				**18 274 681**	

[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 37 million of which assumed by Hungary.
[3] CHF 27 million of which assumed by Croatia.
[4] All of which assumed by Montenegro.

10. DERIVATIVE FINANCIAL INSTRUMENTS

	December 31, 2014			December 31, 2013		
(amounts in CHF '000)	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
Cross currency swaps	2 898 168	-1 000 228	15 967 958	2 060 961	-1 221 540	18 240 558
Interest rate swaps	566 124	-182 687	5 576 094	469 501	-154 913	5 221 833
Currency swaps	29 152	-3 069	1 640 933	2 496	-3 155	856 971
Forward foreign exchange	1	0	895	2	-8	10 535
Total	**3 493 445**	**-1 185 984**	**23 185 881**	**2 532 960**	**-1 379 616**	**24 329 897**

On 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.

11. 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, 2014			December 31, 2013		
(amounts in CHF '000)	Derivative financial assets	Derivative financial liabilities	Liquid assets	Derivative financial assets	Derivative financial liabilities	Liquid assets
Amount presented in the balance sheet	3 493 445	-1 185 984	4 304 683	2 532 960	-1 379 616	4 093 028
Value of derivative liabilities to be offset in case of default of a counterparty	486 885	-486 885	0	809 971	-809 971	0
Securities held as collateral	2 181 861	0	314 000	1 139 860	0	188 018
Net amount	**824 698**	**-699 099**	**3 990 683**	**583 130**	**-569 645**	**3 905 010**

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

12. ACCRUED INCOME AND PREPAID EXPENSES

(amounts in CHF '000)	December 31, 2014	December 31, 2013
Commissions on equipment financing contracts	5 063	5 894
Total accrued income and prepaid expenses	**5 063**	**5 894**

13. TANGIBLE AND INTANGIBLE FIXED ASSETS

(amounts in CHF '000)	Land and building	Hardware, vehicles and other equipment	Software and licenses	Total
January 1, 2013				
Cost	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	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**
At January 1, 2014	**6 678**	**65**	**2 507**	**9 250**
Additions	0	24	20	44
Disposals	0	-63	0	-63
Depreciation/amortization	-139	-2	-711	-853
December 31, 2014	**6 538**	**24**	**1 815**	**8 378**
At December 31, 2014				
Cost	7 250	147	3 577	10 974
Accumulated depreciation/amortization	-712	-122	-1 762	-2 596
Net book value	**6 538**	**24**	**1 815**	**8 378**

The land and buildings of the company comprise the “Ritterhof” at Rittergasse 20 in Basel.

14. BORROWINGS

EUROFIMA's borrowings comprise of the following

(amounts in CHF '000)	December 31, 2014	December 31, 2013
Amounts due to credit institutions and customers	1 431 448	1 864 359
Debt evidenced by certificates	21 868 597	22 769 417
Debt securities in issue	20 312 058	20 844 930
Others	1 556 539	1 924 487
Total borrowings	**23 300 045**	**24 633 776**

Borrowings per financial instrument category

(amounts in CHF '000)	December 31, 2014	December 31, 2013
Borrowings at fair value through profit or loss	22 855 109	24 009 590
Borrowings at amortized cost	444 935	624 187
Total borrowings	**23 300 045**	**24 633 776**

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

Maturity structure of borrowings

(amounts in CHF '000)	December 31, 2014	December 31, 2013
0-6 months	3 292 411	2 665 603
6-12 months	510 003	954 723
1-2 years	3 349 304	3 231 235
2-3 years	1 774 109	3 153 682
3-5 years	3 476 647	3 256 158
5-10 years	5 572 614	6 189 705
More than 10 years	2 558 405	3 390 056
Total principal	**20 533 494**	**22 841 161**
Total borrowings principal	20 533 494	22 841 161
Difference to book value	2 766 551	1 792 615
Total borrowings	**23 300 045**	**24 633 776**

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

Debt securities in issue - listed bonds

Maturity	Interest rate in %	Year of issuance	December 31, 2014 Principal in issue currency '000	December 31, 2014 Book value in CHF '000	December 31, 2013 Principal in issue currency '000	December 31, 2013 Book value in CHF '000
AUD						
28.01.2014	6.000	2004			1 300 000	1 062 469
29.07.2015	5.625	2005	225 000	189 742	225 000	190 844
24.10.2016	5.625	2005	1 100 000	951 609	1 100 000	942 255
28.12.2018	6.250	2003	1 650 000	1 524 114	1 650 000	1 460 744
29.01.2019	4.000	2014	250 000	217 147		
30.06.2020	5.500	2005	750 000	694 243	750 000	644 415
30.03.2022	6.000	2007	200 000	197 312	200 000	179 494
CAD						
12.05.2014	4.875	2004			100 000	87 401
13.12.2019	5.150	2004	250 000	248 586	250 000	240 641
30.03.2027	4.550	2007	300 000	317 235	300 000	282 247
CHF						
19.06.2015	2.750	2003	565 000	580 718	565 000	595 224
15.06.2016	2.250	2005	350 000	366 498	350 000	371 770
10.11.2017	2.125	2009	270 000	288 163	270 000	287 737
28.12.2018	3.250	2003	450 000	509 471	450 000	505 509
03.08.2020	2.375	2005	595 000	649 113	595 000	630 279
29.12.2020	3.375	2004	365 000	435 845	365 000	418 751
30.06.2021	0.625	2014	280 000	288 851		
22.05.2024	3.000	2007	600 000	752 729	600 000	686 860
15.05.2026	3.000	2006	1 000 000	1 286 229	1 000 000	1 143 695
04.02.2030	2.875	2005	450 000	597 212	450 000	511 830
EUR						
18.11.2014	11.000	2002			120 202	163 081
03.11.2015	10.680	2002	120 202	159 781	120 202	177 387
23.12.2015	FRN	2011	125 000	150 576	125 000	153 890
12.09.2018	FRN	2013	30 000	36 160	30 000	36 914
05.11.2018	FRN	2010	32 500	39 494	32 500	40 381
21.10.2019	4.375	2004	650 000	938 422	650 000	934 848
28.11.2019	2.730	2011	6 800	8 245	6 800	8 421
23.11.2020	3.000	2010	40 000	55 445	40 000	53 510
27.10.2021	4.000	2009	1 000 000	1 492 958	1 000 000	1 431 047
15.11.2022	3.125	2010	800 000	1 152 128	800 000	1 075 772
28.06.2023	2.050	2013	15 000	20 283	15 000	18 519
28.07.2023	3.250	2010	50 000	73 893	50 000	68 364
GBP						
14.10.2014	6.125	1999			265 000	412 650
07.06.2032	5.500	2001	150 000	354 112	150 000	292 159
USD						
04.02.2014	4.250	2004			1 000 000	927 893
24.02.2014	FRN	2012			100 000	89 140
06.03.2015	4.500	2005	1 000 000	1 038 163	1 000 000	966 650
27.03.2015	FRN	2012	1 000 000	994 507	1 000 000	893 531
07.04.2016	5.250	2006	1 000 000	1 090 742	1 000 000	1 017 993
10.06.2016	FRN	2013	1 000 000	995 410	900 000	803 270
03.04.2017	5.000	2007	1 000 000	1 118 786	1 000 000	1 037 347
13.04.2017	FRN	2014	500 000	498 135		
Total listed bonds				**20 312 058**		**20 844 930**

Debt evidenced by certificates - Other

(amounts in CHF '000)	December 31, 2014	December 31, 2013
Unlisted stand-alone issues	400 237	354 894
Unlisted issues under the Programme for the Issuance of Debt Instruments	630 373	1 092 705
Commercial paper	525 929	476 888
Total other debts evidenced by certificates	**1 556 539**	**1 924 487**

15. 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, 2014	December 31, 2013
Present value of funded obligations	13 128	14 839
Fair value of plan assets	-8 375	-10 957
Liability recognized on the balance sheet	**4 753**	**3 882**

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, 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			
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**

(amounts in CHF '000)	Present value of funded obligation	Fair value of plan assets	Total
As at January 1, 2014	**14 839**	**-10 957**	**3 882**
Service cost for the year 2014	610	0	610
Interest expense/(income)	334	-247	87
	15 783	**-11 203**	**4 580**
Remeasurements:			
Return on plan assets, excluding amounts included in interest expense/(income)	0	151	151
Experience (gains)/losses	-669	0	-669
(gain)/loss from change in demographic assumptions	0	0	0
(gain)/loss from change in financial assumptions	1 601	0	1 601
	932	**151**	**1 084**
Past service costs and settlements			
Contributions by:			
Employer	0	-861	-861
Participants	760	-760	0
Benefit payments	-4 348	4 298	-50
As at December 31, 2014	**13 128**	**-8 375**	**4 753**

Allocation of plan assets

Plan assets are comprised of the following:

(in %)	December 31, 2014	December 31, 2013
Fixed interest, cash and cash equivalents, time deposits	78.3%	78.5%
Mortgages and other claims on nominal value	6.9%	6.9%
Equities and units in investment funds	1.0%	0.3%
Private equity and hedge funds	0.1%	0.2%
Investment in participations and associated companies	0.6%	0.7%
Real estate	12.0%	12.4%
Other investments	1.0%	1.1%
Total	**100.0%**	**100.0%**

Significant assumptions

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

	December 31, 2014	December 31, 2013
Discount rate	1.50%	2.25%
Pension growth rate	0%	0%
Salary growth rate (including inflation)	2%	2%
Retirement age		
men	65	65
women	64	64
Demographic assumptions	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 is depicted in the table below. The present value of funded obligations and service cost are recalculated to include the effect from the changed assumption:

		December 31, 2014		December 31, 2013	
(amounts in CHF '000)	Change in assumption	Recalculated Present value of funded obligations	Recalculated service cost	Recalculated Present value of funded obligations	Recalculated service cost
Discount rate	+ 50 basis points	**11 980**	**770**	13 795	722
	- 50 basis points	**14 448**	**931**	16 029	838
Salary increase	+ 50 basis points	**13 450**	**880**	15 217	833
	- 50 basis points	**12 669**	**823**	14 444	782
Life expectancy	+ 1 year	**13 320**	**864**	15 077	819
	- 1 year	**12 820**	**841**	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, 2015, amounts to CHF 637 000.

The projected benefits that are expected to be paid for the following years are as follows:

(amounts in CHF '000)	December 31, 2014
2015	455
2016	429
2017	408
2018	379
2019	1 128
2020-2024	2 437

The weighted average duration of the defined benefit obligation is 19 years.

16. EQUITY

Statutory reserves & fund for general risk

(amounts in CHF '000)	December 31, 2014	December 31, 2013
Ordinary reserve	74 640	72 917
Guarantee reserve	647 000	618 500
Total statutory reserves	**721 640**	**691 417**

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, 2013	**36 678**
Changes in fair value	-20 718
Reclassification to income statement	-3 664
December 31, 2013	**12 296**
Changes in fair value	11 190
Reclassification to income statement	-4 041
December 31, 2014	**19 445**

Reserve for remeasurements of the post-employment benefit liability

(amounts in CHF '000)	
January 1, 2013	**-1 680**
Actuarial gains & losses	1 967
Return on plan assets	-98
December 31, 2013	**189**
Actuarial gains & losses	-932
Return on plan assets	-151
December 31, 2014	**-895**

17. 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, 2014	Fair value December 31, 2014	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	157	0	157	157	0	157	0
CCE at fair value	1 049	0	0	0	0	0	1 049	1 049	0	1 049	0
Financial investments at amortized cost	0	0	0	392	118	0	510	532	0	518	14
Financial investments at fair value	1 241	0	1 348	0	0	0	2 589	2 589	1 636	953	0
Derivative financial instruments - assets	0	3 493	0	0	0	0	3 493	3 493	0	3 493	0
EFC contracts at amortized cost	0	0	0	0	493	0	493	551	0	551	0
EFC contracts at fair value	17 781	0	0	0	0	0	17 781	17 781	0	17 781	0
Other financial assets	5	0	0	0	3	0	8	8	0	8	0
Total assets							**26 081**	**26 160**	**1 636**	**24 510**	**14**
Financial liabilities											
Borrowings at amortized cost	0	0	0	0	0	445	445	497	0	497	0
Borrowings at fair value	22 855	0	0	0	0	0	22 855	22 855	0	22 855	0
Derivative financial instruments - liabilities	0	1 186	0	0	0	0	1 186	1 186	0	1 186	0
Other financial liabilities	0	0	0	0	0	13	13	13	0	13	0
Total liabilities							**24 499**	**24 551**	**0**	**24 551**	**0**

(amounts in CHF million)	Financial instrument categories						Carrying amount December 31, 2013	Fair value December 31, 2013	Fair value level		
	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**

There were no transfers between any of the levels of the fair value hierarchy during the year 2014 (2013: none).

The abbreviations as used in the tables above have the following meaning:
DFVPL Financial instruments designated 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, 2014, of financial assets designated at fair value through profit or loss was CHF 1 319 million higher (2013: CHF 1 136 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 2014 amounts to a CHF 74 million loss (2013: CHF 83 million loss).

Financial liabilities designated at fair value through profit or loss
The carrying amount at December 31, 2014, of financial liabilities designated at fair value through profit or loss was CHF 2 503 million higher (2013: CHF 1 759 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 2014 amounts to a CHF 132 million gain (2013: CHF 115 million gain)

18. RELATED PARTIES

Transactions and outstanding balances with related party shareholders (DB AG and SNCF) are disclosed in Note 9 - Equipment financing contracts.

Salaries and other benefits paid to key management personnel in 2014 and included within General administrative expenses amounted to CHF 3.2 million (2013: CHF 5.6 million).
There are no outstanding amounts due to key management personnel per year-end 2014 (2013: CHF 1.2 million).

19. POST BALANCE SHEET EVENTS

On proposal from the Management, the Board of Directors adopted the Financial Statements on March 20, 2015, and authorized their submission to the General Assembly for approval on the same date. The General Assembly approved the financial statements.

20. PROPOSED APPROPRIATION OF THE SURPLUS

With last year's unappropriated surplus of CHF 740 505 carried forward and the net profit for the financial year 2014 of CHF 32 873 264, the surplus to be distributed is CHF 33 613 769. In accordance with Article 29 of the Statutes, the Board of Directors proposes the following allocation of the surplus to the General Assembly:

	CHF
Appropriation to the ordinary reserve	1 644 000
Dividend of 0% (statutory maximum is 4%) on the paid-in share capital of 520 million	0
Appropriation to the guarantee reserve	26 500 000
Appropriation to the fund for general risks	5 000 000
Unappropriated surplus to be carried forward	469 769

Auditor's Report

pwc

Report of the Statutory Auditor
to the General Assembly of
EUROFIMA European Company for the Financing of Railroad Rolling Stock
Basel

Report of the Statutory Auditor on the financial statements

As statutory auditor, 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 (pages 30 to 65), for the year ended December 31, 2014.

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 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 auditor considers 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, 2014 present fairly, in all material respects, the financial position, the results of operations and the cash flows in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. 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

PricewaterhouseCoopers Ltd is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

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 SCO and article 11 AOA) and that there are no circumstances incompatible with our independence.

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

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

PricewaterhouseCoopers AG

Ray Kunz	Matthias Sutter
Audit expert	Audit expert
Auditor in charge	

Basel, March 20, 2015

EUROFIMA Annual Report 2014

Milestones in development

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
2010 First euro 1 billion benchmark issue
2013 First US dollar FRN 1 billion benchmark issue

Designed by **Sinergica**
GENOVA, ITALY

Photos kindly provided by **SBB** and **SNCF**

EUROFIMA

Rittergasse 20
P.O. Box 1764
CH-4001 Basel, Switzerland

Tel.: +41 61 287 33 40
Fax: +41 61 287 32 40

www.eurofima.org