

## **MACRO-FINANCIAL ASSISTANCE**

### **FINANCIAL STATEMENTS AS AT 31 DECEMBER 2011**

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- Report of the réviseur d'entreprises agréé
- Economic outturn account
- Balance sheet
- Cash flow statement
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To the Commission of the European Communities  
Represented by the Director of the Directorate Financial operations,  
programme management and liaison with the EIB Group-  
Economic and Financial Affairs DG (DG ECFIN)

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### Report on the financial statements

We have audited the accompanying financial statements of Macro-Financial Assistance managed by the Economic and Financial Affairs DG (DG ECFIN) on behalf of the European Commission (the "Commission"), which comprise the balance sheet as at December 31, 2011, and the economic outturn account, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

#### *DG ECFIN's Management responsibility for the financial statements*

DG ECFIN's Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting rules applicable to the European Communities set out in note 2, and for such internal control as DG ECFIN's Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Responsibility of the réviseur d'entreprises agréé*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and 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 *réviseur d'entreprises agréé's* judgement, 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 réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by DG ECFIN's Management, 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 give a true and fair view of the financial position of Macro-Financial Assistance as of December 31, 2011 and its financial performance and its cash flows for the year then ended, in accordance with the accounting rules applicable to the European Communities set out in note 2.

Without qualifying our opinion, we emphasize that the accounting policies used and disclosures made are not intended to, and do not, comply with all the requirements of the International Financial Reporting Standards.

For Deloitte Audit, *Cabinet de révision agréé*

Martin Flaunet *Réviseur d'entreprises agréé*  
Partner

April 10, 2012

**Macro-Financial Assistance Financial Statements as at 31 December 2011**

**Economic outturn account for the year ended 31 December 2011**

(amounts expressed in EUR)

	Notes	2011	2010
		EUR	EUR
<b>Financial operations revenue</b>		<b>11.055.382,49</b>	<b>7.627.029,26</b>
Interest income	2.4.1.	11.029.861,40	7.626.122,66
<i>Interest income on cash and cash equivalents</i>		5.047,52	5.387,90
<i>Interest income on financial assets</i>		11.024.813,88	7.620.734,76
Other financial income	2.4.2.	25.521,09	906,60
<b>Financial operations expenses</b>		<b>11.050.938,87</b>	<b>7.628.506,75</b>
Interest expenses	2.4.1.	11.024.213,87	7.620.134,76
<i>Interest expenses on financial liabilities</i>		11.024.213,87	7.620.134,76
Other financial expenses	2.4.2.	26.725,00	8.371,99
<b>ECONOMIC RESULT OF THE YEAR</b>		<b>4.443,62</b>	<b>(1.477,49)</b>

The economic result of the year corresponds to the surplus/(deficit) from operating/ordinary activities of the Entity.

The accompanying notes form an integral part of the financial statements.

Macro-Financial Assistance Financial Statements as at 31 December 2011

**Balance sheet as at 31 December 2011**  
(amounts expressed in EUR)

**ASSETS**

	Notes	2011	2010
		EUR	EUR
<b>NON CURRENT ASSETS</b>		<b>590.048.203,84</b>	<b>502.580.101,00</b>
<b>Loans</b>		<b>590.048.203,84</b>	<b>502.580.101,00</b>
Loans granted from borrowed funds	2.3.1., 4	590.048.203,84	502.580.101,00
<b>CURRENT ASSETS</b>		<b>5.210.035,05</b>	<b>111.910,81</b>
<b>Short-term receivables</b>		<b>5.021.457,71</b>	<b>2.950,00</b>
Loans falling due within a year	2.3.1., 4	5.021.457,71	0,00
Other receivables	5	0,00	2.950,00
<b>Cash and cash equivalents</b>	2.3.2., 6	<b>188.577,34</b>	<b>108.960,81</b>
<b>TOTAL</b>		<b>595.258.238,89</b>	<b>502.692.011,81</b>

**LIABILITIES**

	Notes	2011	2010
		EUR	EUR
<b>EQUITY</b>		<b>12.966,13</b>	<b>8.522,51</b>
<b>Reserves</b>		<b>8.522,51</b>	<b>10.000,00</b>
<b>Economic result of the year</b>		<b>4.443,62</b>	<b>(1.477,49)</b>
<b>NON CURRENT LIABILITIES</b>		<b>590.047.808,83</b>	<b>502.579.705,99</b>
<b>Financial liabilities</b>		<b>590.047.808,83</b>	<b>502.579.705,99</b>
Borrowings	2.3.3., 7	590.047.808,83	502.579.705,99
<b>CURRENT LIABILITIES</b>		<b>5.197.463,93</b>	<b>103.783,31</b>
<b>Financial liabilities</b>		<b>5.021.457,71</b>	<b>0,00</b>
Borrowings falling due within one year	2.3.3., 7	5.021.457,71	0,00
<b>Accounts Payables</b>		<b>176.006,22</b>	<b>103.783,31</b>
Current payables	8	172.571,82	100.848,05
Accrued charges		3.434,40	2.935,26
<b>TOTAL</b>		<b>595.258.238,89</b>	<b>502.692.011,81</b>

Off balance sheet commitments entered into 9 239.000.000,00 300.000.000,00

The accompanying notes form an integral part of the financial statements.

Macro-Financial Assistance Financial Statements as at 31 December 2011

**Cash flow statement (direct method) for the year ended 31 December 2011**  
(amounts expressed in EUR)

	Notes	2011	2010
		EUR	EUR
<b>Cash flow from operating activities</b>	10		
Granting of loans		(125.974.492,00)	0,00
Repayment of loans	4	36.000.000,00	84.500.000,00
Interest income		8.539.687,77	7.807.726,06
Proceeds from borrowings		125.988.130,00	906,25
Repayment of borrowings	7	(36.000.000,00)	(84.500.000,00)
Net advances to the EC budget		69.016,00	(73.462,55)
Interest expenses		(8.534.652,72)	(7.801.906,64)
Financing costs		(8.072,52)	(4.315,30)
<b>Net cash flow from operating activities</b>		<b>79.616,53</b>	<b>(71.052,18)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		79.616,53	(71.052,18)
<b>Cash and cash equivalents at 1 January</b>	6	<b>108.960,81</b>	<b>180.012,99</b>
<b>Cash and cash equivalents at 31 December</b>	6	<b>188.577,34</b>	<b>108.960,81</b>

The accompanying notes form an integral part of the financial statements.

**Macro-Financial Assistance Financial Statements as at 31 December 2011**

**Statement of changes in equity as at 31 December 2011**

(amounts expressed in EUR)

Equity	Reserves	Economic result of the year	Equity (total)
	EUR	EUR	EUR
<b>Balance as of 31/12/2010</b>	10.000,00	(1.477,49)	8.522,51
<b>Allocation of the 2010 economic result</b>	(1.477,49)	1.477,49	0,00
<b>Transfer to General Budget</b>	0,00	0,00	0,00
<b>Economic result of the year 2011</b>	0,00	4.443,62	4.443,62
<b>Balance as of 31/12/2011</b>	8.522,51	4.443,62	12.966,13

The accompanying notes form an integral part of the financial statements.



### Notes to the Financial Statements

#### Note 1 - General Information

Originally created for Intra-Community balance of payment support, the Macro-Financial Assistance (hereinafter referred as "MFA" or "the Entity") is a policy-based financial instrument of untied and undesignated balance-of-payments support to partner third countries. It has evolved in the recent years to also provide budget support. It takes the form of medium/long term loans or grants (or an appropriate combination thereof) and generally complements financing provided in the context of an IMF or World Bank - supported adjustment and reform program. Therefore, MFA is, by nature, not designed to induce EU exports or to finance specific investments or projects in the recipient third countries.

The assistance is of macro-economic nature, it is released on the basis of the fulfillment of economic and financial policy conditions and is provided with a view to easing the recipient countries' global external financing needs. As a rule, the funds are paid to the Central Bank of the beneficiary country, but their final destination (build up of reserves, foreign exchange market interventions or direct support to the budget) is generally left to be decided by the authorities in agreement with the IMF.

MFA is exceptional in nature and is mobilised on a case-by-case basis with a view to helping the beneficiary countries in dealing with serious but generally short-term balance-of-payments or budget difficulties. It is in principle reserved for countries geographically close to the EU territory which respect democracy and human rights and with which the EU has important political, economic and commercial ties.

The assistance underpins the implementation of strong adjustment and structural reform measures designed to remedy these difficulties, but is to be discontinued as soon as the country's external financial situation has been brought back into a sustainable path.

Unlike other EC financial instruments with macro-economic objectives (notably the direct budget support provided under the MEDA Regulation and the EDF Cotonou Agreement), MFA is not meant therefore to provide a regular financial support framework for structural changes or more generally the economic and social development of the beneficiary countries. For this reason, MFA is not counted among the regular instruments of EC financial co-operation with third countries.

In the absence of any specific provision in the "Treaty establishing the European Community (TEC)" (as well as of any secondary legislation), the European Commission and the European Council have, so far, resorted on a case-by-case basis to ex Article 308 TEC (now Article 352 of the Treaty on the Functioning of the European Union (TFEU)), to respectively propose and adopt MFA decisions. Art. 352 TFEU provides now for Council decisions adopted unanimously on a Commission proposal and after obtaining consent of the European Parliament.

The EU is a sui generis donor which presents several characteristics of a multilateral institution. It is not a member of the Paris Club and is therefore not bound by its deliberations. Whether Community claims should be treated or not pari passu with those of bilateral creditors, is a different and sensitive matter which should be addressed on a case-by-case basis.

**Notes to the Financial Statements**

**Note 2 - Accounting policies**

**2.1. Legal provisions and the Financial Regulation**

The accounts are kept in accordance with Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 (OJ L 248 of 16 September 2002, p. 1, with a corrigendum in OJ L 25 of 30 January 2003, p. 43) on the Financial Regulation applicable to the general budget of the European Communities and Commission Regulation (EC, Euratom) No 2342/2002 of 23 December 2002 laying down detailed rules for the implementation of this Financial Regulation.

The article 133 of the Financial Regulation states that the Accounting Officer of the Commission adopts the accounting rules and methods and the harmonised Chart of Accounts to be applied by all the institutions. In this framework, he adopted the EC "new" Accounting Rules "AR" on 28 December 2004 which were subsequently updated in October 2006, in December 2008 and in December 2009. The accrual-based accounting policy is inspired by International Public Sector Accounting Standards (IPSAS) or by default, International Financial Reporting Standards (IFRS) as respectively issued by the International Public Sector Accounting Standard Board and the International Accounting Standard Board (IASB).

The valuation and accounting rules adopted by the Accounting Officer of the Commission are applied<sup>1</sup> in all the European Institutions and bodies currently falling within the scope of consolidation in order to establish a uniform set of rules for accounting, valuation and presentation of the accounts with a view to harmonising the process for drawing up the financial statements and consolidation.

**2.2. Currency and basis for conversion**

**2.2.1. Functional and presentation currency**

In respect with the AR13 on Foreign Currency Translation, the currency used for the financial statements of the Entity is Euro (EUR) which is the Entity's functional and reporting currency. All accounting records are maintained in that currency.

**2.2.2. Transactions and balances**

Foreign currency transactions are translated into Euro using the exchange rates prevailing at the month of the transactions.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the economic outturn account.

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<sup>1</sup> In order to better reflect the nature of the activity of Macro-Financial Assistance, which corresponds to a high degree to an entity in the financial services sector, the layout of the balance sheet, established in line with article 3 of the Council Decision 2003/76/EC of 1 February 2003, departs from the presentation laid out in the EC Accounting Rule 2 Financial Statements (page 9). Furthermore, the presentation of the cash flow statement is established using the direct method compared to the indirect method laid out in the EC Accounting Rule 2 (page 16). However, these discrepancies are eliminated through the consolidation process with the financial statements of the European Union.

**Notes to the Financial Statements**

**2.3. Balance sheet**

**2.3.1. Loans**

Loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Entity provides money to a debtor with no intention of trading the receivable. They are included in non-current assets, except for final maturities less than 12 months after the balance sheet date.

According to EC Accounting Rule 11, loans granted are recognised in the balance sheet at the time of use of the credit line (by the borrower). The loans are by design back-to-back loans, using the same interest rate as the related borrowings. The borrowings' interest rate reflects the high creditworthiness of the European Commission. Taking into account the actual high recovery rates experienced for EU sovereign loans, it is appropriate to use the same (nominal) interest rates for the loans as for the borrowings as the effective interest rate to calculate amortised cost.

If there is objective evidence that an impairment loss on loans carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the economic outturn account. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised loan reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the economic outturn account.

**2.3.2. Cash and cash equivalents**

Cash and cash equivalents are defined as short term. They include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within financial liabilities under current liabilities on the balance sheet.

**2.3.3. Financial liabilities**

Financial liabilities are composed of borrowings from credit institutions and debts evidenced by certificates, both disclosed in the caption "borrowings" of the balance sheet.

Borrowings are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest rate method; any subsequent change in the carrying amount is recognised in the economic outturn account over the period of the borrowings using the effective interest rate method. They are classified as non-current liabilities, except for maturities less than 12 months after the balance sheet date.

Based on materiality considerations, the effective interest rate method is not applied separately to loans and borrowings. The transaction costs are directly expensed in the economic outturn account.

**Notes to the Financial Statements**

**2.4. Economic outturn account**

**2.4.1. Interest income and expenses**

Interest income and expenses are recognised in the economic outturn account using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. 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, when appropriate, a shorter period) to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Entity estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and costs paid or received between the parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Based on materiality considerations, the effective interest rate method is not applied separately to loans and borrowings. The transaction costs are directly expensed in the economic outturn account.

**2.4.2. Other financial income and expenses**

Expenses associated with the purchase of goods are recognised when the supplies are delivered and accepted by the Entity.

Expenses associated with transactions involving the purchase of services are recognised by reference to the stage of completion of the transaction at the balance sheet date.

**Note 3 - Financial risk management**

**3.1. Risk management policies and hedging activities**

The borrowing and lending transactions are carried out by the Commission according to internal guidelines.

The asset and liability management is carried out by the Commission in accordance with internal guidelines. Written procedures manuals covering specific areas such as borrowings, loans and treasury management have been developed and are used by the relevant operating units. Financial and operational risks are identified and evaluated and compliance to internal guidelines and procedures is checked regularly.

There are no hedging activities carried out as lending operations are financed by back-to-back operations and as there are no open currency positions existing.

**3.2. Currency risk**

Since all assets and liabilities are denominated in Euro, the Entity does not take on exposure to effects of fluctuations in foreign currency exchange rates on its financial positions and cash flows.

**Notes to the Financial Statements**

**3.3. Interest rate risk**

Due to the nature of its activities, the Entity has significant interest-bearing assets and liabilities.

Borrowings issued at variable rates expose the Entity to cash flow interest rate risk. They represent approximately 67% of the total volume of borrowings.

However, the interest rate risks that arise from borrowings are offset by equivalent loans in terms and conditions (back-to-back operations).

As at the balance sheet date, the Entity has loans (expressed in nominal amounts) with variable rates of EUR 394.000.000,00 (2010: EUR 430.000.000,00), with a re-pricing taking place every 6 months. The entity also has loans with fixed rates for EUR 196.000.000,00 (2010: EUR 70.000.000,00), with a final maturity date of more than five years (see note 4).

**3.4. Credit risk**

The Entity takes on exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. Exposure to credit risk is managed, firstly by obtaining country guarantees covering the full amount of the operations, then through the Guarantee Fund for external actions<sup>2</sup>. This latter was set up in 1994 to cover default risks related to borrowings which finance loans to countries outside the European Union. In any case the exposure to credit risk is managed by the possibility to call on the EU budget in case a debtor would be unable to reimburse the amounts due in full. To this end the Community is entitled to call upon all the Member States to ensure compliance with the Community's legal obligation towards its lenders.

The largest concentrations of credit risk that the Entity has are towards Serbia and Former Yugoslav Republic of Macedonia which represent 63% and 10%, respectively, of the total volume of loans.

As far as treasury operations are concerned, guidelines on the choice of counterparties must be applied. Accordingly, the operating unit will be able to enter into deals only with eligible banks having sufficient counterparty limits.

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<sup>2</sup> Council Regulation (EC, Euratom) No 2728/94 of 31 October 1994 establishing a Guarantee Fund for external actions, Official Journal L 293, 12/11/1994 P. 1 – 4.

## Macro-Financial Assistance Financial Statements as at 31 December 2011

### Notes to the Financial Statements

#### 3.5. Fair value

##### *Cash and cash equivalents*

The fair value of cash and cash equivalents including current accounts and short-term deposits (of less than three months) is their carrying amount.

#### Note 4 - Loans

Due > 1 year 01/01/2011	Due < 1 year 01/01/2011	Book value 01/01/2011	New loans	Repayments	Change in carrying amount	Book value 31/12/2011	Due > 1 year 31/12/2011	Due < 1 year 31/12/2011
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
502.580.101,00	0,00	502.580.101,00	126.000.000,00	(36.000.000)	2.489.560,55	595.069.661,55	590.048.203,84	5.021.457,71

The change in carrying amount corresponds to the change in accrued interest (2011: EUR 5.069.661,55; 2010: EUR 2.580.101,00).

The interest rates range:

	2011	2010
	1,58513% - 4,54%	0,99% - 4,54%

Nominal and book value of loans can be split as follows:

	31/12/2011			31/12/2010		
	Variable rate EUR	Fixed rate EUR	Total EUR	Variable rate EUR	Fixed rate EUR	Total EUR
Nominal	394.000.000,00	196.000.000,00	590.000.000,00	430.000.000,00	70.000.000,00	500.000.000,00
Accrued Interest	1.783.242,72	3.286.418,83	5.069.661,55	1.306.557,25	1.273.543,75	2.580.101,00
Book Value	395.783.242,72	199.286.418,83	595.069.661,55	431.306.557,25	71.273.543,75	502.580.101,00

#### Note 5 - Other receivables

Other receivables mainly comprise expenses paid in advance.

Macro-Financial Assistance Financial Statements as at 31 December 2011

Notes to the Financial Statements

Note 6 - Cash and cash equivalents

	31/12/2011 EUR	31/12/2010 EUR
<i>Unrestricted cash:</i>	188.577,34	108.960,81
Current accounts (bank accounts)	188.577,34	108.960,81
<b>Total</b>	<b>188.577,34</b>	<b>108.960,81</b>

The increase in cash and cash equivalents is mainly due to a repayment of advances from budget.

Note 7 - Borrowings

Due > 1 year 01/01/2011	Due < 1 year 01/01/2011	Book value 01/01/2011	New borrowings	Repayments	Change in carrying amount	Book value 31/12/2011	Due > 1 year 31/12/2011	Due < 1 year 31/12/2011
EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR	EUR
502.579.705,99	0,00	502.579.705,99	126.000.000,00	(36.000.000)	2.489.560,55	595.069.266,54	590.047.808,83	5.021.457,71

Borrowings include debts evidenced by certificates amounting to EUR 462.776.856,72 (2010: EUR 379.294.359,53).

The change in carrying amount corresponds to the change in accrued interest (2011: EUR 5.069.266,54; 2010: EUR 2.579.705,99).

The interest rates range:

2011	2010
1,58513% - 4,54%	0,99% - 4,54%

Nominal and book value of borrowings can be split as follows:

	31/12/2011			31/12/2010		
	Variable rate	Fixed rate	Total	Variable rate	Fixed rate	Total
	EUR	EUR	EUR	EUR	EUR	EUR
Nominal	394.000.000,00	196.000.000,00	590.000.000,00	430.000.000,00	70.000.000,00	500.000.000,00
Accrued Interest	1.783.242,71	3.286.023,83	5.069.266,54	1.306.557,24	1.273.148,75	2.579.705,99
Book Value	395.783.242,71	199.286.023,83	595.069.266,54	431.306.557,24	71.273.148,75	502.579.705,99

## Macro-Financial Assistance Financial Statements as at 31 December 2011

### Notes to the Financial Statements

The maturity of the borrowings outstanding at 31 December 2011 breaks down as follows:

	EUR
2012	5.000.000,00
2013	31.000.000,00
2014	31.000.000,00
2015	28.000.000,00
2016	245.000.000,00
2017	12.000.000,00
2018	68.000.000,00
2019	110.000.000,00
2020	15.000.000,00
2021	19.000.000,00
2026	26.000.000,00
<b>Total</b>	<b>590.000.000,00</b>

The main characteristics of the borrowings outstanding are as follows (nominal amounts):

Year of issue	Contractual interest per year	Term	Initial amount	Amount outstanding at 31 December 2011
	%		years	EUR
1997	1,66125	15	25.000.000,00	5.000.000,00
1998	1,58513	15	15.000.000,00	6.000.000,00
1999	1,648	15	10.000.000,00	6.000.000,00
2001	1,758	15	20.000.000,00	20.000.000,00
2001	1,746	13	60.000.000,00	28.000.000,00
2001	1,775	15	225.000.000,00	225.000.000,00
2002	1,828	15	12.000.000,00	12.000.000,00
2003	1,775	15	10.000.000,00	10.000.000,00
2003	1,737	15	10.000.000,00	10.000.000,00
2003	1,817	10	50.000.000,00	25.000.000,00
2003	4,54	15	30.000.000,00	30.000.000,00
2003	1,696	15	18.000.000,00	18.000.000,00
2004	1,827	15	10.000.000,00	10.000.000,00
2005	3,82	15	15.000.000,00	15.000.000,00
2006	1,754	15	10.000.000,00	10.000.000,00
2006	1,736	15	9.000.000,00	9.000.000,00
2009	3,077	5	25.000.000,00	25.000.000,00
2011	3,382	8	100.000.000,00	100.000.000,00
2011	3,691	15	26.000.000,00	26.000.000,00
<b>Total</b>			<b>680.000.000,00</b>	<b>590.000.000,00</b>

### Note 8 - Accounts payable

Current payables are mainly composed of interests for advances received from budget.



**Notes to the Financial Statements**

**Note 9 - Off balance sheet commitments entered into**

	<b>2011 EUR</b>	<b>2010 EUR</b>
Loans granted but not disbursed	239.000.000,00	300.000.000,00

**Note 10 - Explanatory notes to the cash flow statement**

**10.1. Purpose and preparation of the cash flow statement**

Cash flow information is used to provide a basis for assessing the ability of MFA to generate cash and cash equivalents and its need to utilise those cash flows.

The cash flow table is prepared using the direct method, whereby major classes of gross cash receipts and gross cash payments are disclosed.

Cash flow arising from transactions in a foreign currency are recorded in MFA reporting currency (EUR), by applying to the foreign currency amount the exchange rate between the euro and the foreign currency at the date of the cash flow.

**10.2. Operating activities**

Operating activities are the activities of MFA that are not investing or financing activities. These are the majority of the activities performed. Loans granted to beneficiaries (and the related borrowings) are not considered as investing (and financing activities) as they are part of the general objectives and thus of the daily operations of MFA. Indeed, the objective of these activities is to participate in the achievement of policy targeted outcomes.

**Note 11 - Events after the balance sheet date**

At the time of issuance of the accounts on 10 April 2012, no material issues came to the attention of the General Direction for Economic and Financial Affairs - Direction Financial Operations, programme management and liaison with the EIB Group -, or were reported to it that would require separate disclosure under this section. The accounts and related notes were prepared using the most recently available information and this is reflected in the information presented above.