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Accompanying the document

REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE COURT OF AUDITORS

ON THE GUARANTEE FUND FOR EXTERNAL ACTIONS AND ITS MANAGEMENT IN 2020

{COM(2021) 465 final}

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1. INTRODUCTION

According to the Article 7 of the Guarantee Fund Regulation, the assets of the Guarantee Fund (the "Fund") are managed by the EIB (the "Bank"). The Management agreement signed between the European Commission (the "Commission") and the Bank defines the principles governing the management of assets.

Under Article 8(2) of the Agreement, at the beginning of March of each year the Bank has to send the Commission an annual status report on the Fund and the management thereof and the financial statements of the Fund for the preceding year.

The management report on the Fund is presented in the section 2 of this Commission Staff Working Document (SWD). The financial statements audited by an external auditor are included in section 3.

2. FUND MANAGEMENT REPORT

2.1. Development of the Fund in 2020

As at 31 December 2020, total assets (excluding accrued interest) of the Guarantee Fund (the "Fund") amounted to EUR 2,855.0[1] million against EUR 2,828.7 million as at 31 December 2019, an increase of EUR 26.3 million.

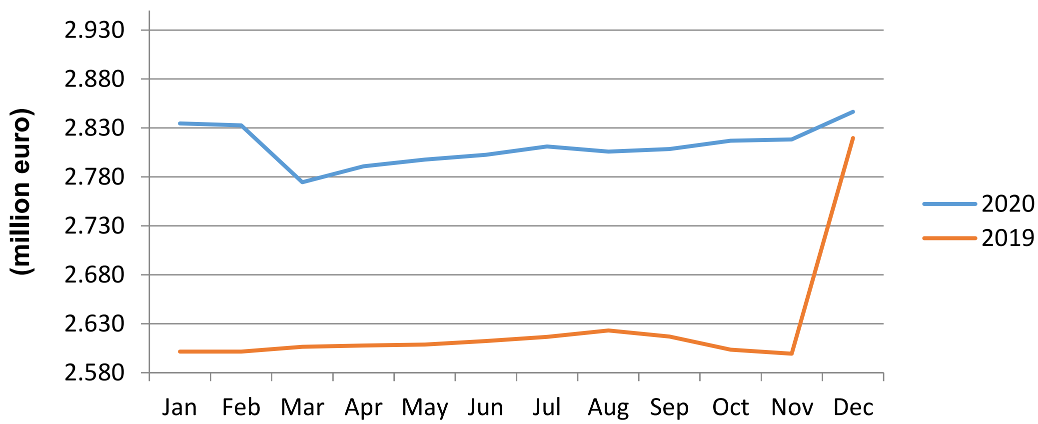

Fig.1: Development of total assets in 2020 and 2019

The net operating result amounted to EUR 22.26 million at 31 December 2020 compared with EUR 25.13 million at 31 December 2019 representing a decrease of 11.4 %.

[1] The balance of total assets includes a contribution receivable of EUR 42.3 million which is due to be paid in 2021 (2019: EUR 240.1 million paid in 2020). In the chart presented in figure 1 contributions receivable are recognized as assets in December of the corresponding years.

2.2. Situation of the Fund

2.2.1. Contributions as at 31 December 2020

2.2.1.1. Contributions paid in as at 31 December 2020

The net contributions paid into the Fund by the European Union budget increased by EUR 188.4 million or 12.21% from EUR 1,543.5 million at 31 December 2019 to EUR 1,731.9 million at 31 December 2020.

This is explained by the movements shown in the following table:

Contributions paid in (in EUR)	Situation at 31/12/2019	Movements in 2020	Situation at 31/12/2020
Provisioning	4,487,012,674	240,152,822	4,727,165,496
Repayment of surplus	-1,775,870,000	0	-1,775,870,000
Activation of guarantee calls	-990,790,549	-52,434,350	-1,043,224,899
Recovery of historic called amounts	578,990,447	705,327	579,695,774
Repayment of Funds	-755,856,713	0	-755,856,713
Balance	**1,543,485,859**	**188,423,799**	**1,731,909,658**

2.2.1.2. Contributions payable and receivable as at 31 December 2020

(1) As at 31 December 2020, the Fund has recorded EUR 42.3 million (2019: EUR 240.2 million) as contributions to be paid in by the European Union.

(2) The Fund's holdings net of accrued interest at 31 December 2020

The Fund's holdings at 31 December 2020 excluding accrued interest, contributions receivable and risk-related remuneration receivable totalled EUR 2,802.6 million as detailed below:

– EUR 16.8 million in the current accounts;

– EUR 39.8 million in the Unitary Fund

– EUR 2,754.2 million in the Available For Sale (AFS) (portfolio market value of fixed rate bonds, floating rate bonds, zero-coupon bonds and commercial papers, excluding accrued interest).

The Fund operates in one currency only, the Euro.

2.3. General and segmental analyses of the Fund

2.3.1. Liquidity analysis

The liquidity position of the Fund at 31 December 2020 is outlined in the table below. The liabilities shown in the column "maturity undefined" represent the Contributor's (i.e. European Union's) resources.

Liquidity position as at 31 December 2020 (in EUR million):

Maturity	less than 3 months	3 months to 1 year	1 to 10 years	maturity undefined	Total
Total assets	*168.6*	*301.7*	*2,384.7*	*0.0*	*2,855.0*
Total net assets	0.0	0.0	0.0	-2,854.1	-2,854.1

Total liabilities	-0.9	0.0	0.0	0.0	-0.9
Total net assets and liabilities	*-0.9*	*0.0*	*0.0*	*-2,854.1*	*-2,855.0*
Net liquidity position	*167.7*	*301.7*	*2,384.7*	*-2,854.1*	*0.0*

2.3.2. General analysis of the results of the Fund

Overall, during the reporting period 1 January 2020 to 31 December 2020 the Fund achieved EUR 22.26 million in net revenue. The following table outlines the net revenue earned in 2020 and compares it with 2019:

In EUR million	**From 1 January to 31 December 2020**		**From 1 January to 31 December 2019**	
Risk-related remuneration	9.08	40.79%	2.15	8.55%
Interest income on AFS assets	6.84	30.73%	7.70	30.64%
Realised gain on sale of AFS assets	8.81	39.58%	16.78	66.77%
Income from securities lending activity	0.11	0.49%	0.12	0.48%
Interest expense on cash and cash equivalents	-0.04	-0.18%	-0.08	-0.32%
Realised loss on sale of AFS assets	-1.36	-6.11%	-0.29	-1.15%
Commission and other charges	-1.18	-5.30%	-1.25	-4.97%
Total	**22.26**	**100.0%**	**25.13**	**100.0%**

2.3.3. Analysis by segment

2.3.3.1. Analysis of money market operations

There were no money-market investments as at 31 December 2020 and 31 December 2019.

- *Market development in 2020*

The year 2020 on the financial markets was characterized by the outbreak and the battle against the COVID-19 pandemic, its impact on the economy and financial markets and the reactions of the fiscal and monetary policy.

The first quarter of 2020 saw parts of the global economy come to an abrupt halt by the pandemic. Economic activity fell by an unprecedented magnitude in major economies. Equity markets moved lower by over 40% from the highs in February, bonds yields dropped and credit spreads widened by 200-300bps for most investment-grade indices. Market volatility increased to extreme levels and liquidity was poor.

The initial policy response was significant monetary stimulus from central banks and extraordinary fiscal stimulus from governments. The FED cut rates by 1.5% to 0-0.25% and increased their balance sheet by purchasing both an enormous amount and lowering the credit quality of purchases including non-investment grade bonds. The ECB introduced a new buying program, PEPP (Pandemic Emergency Purchase Program) with a total envelope of EUR 1850bn along with easier terms for banks to access TLTRO financing and reduction in capital buffers and reserve requirements. The ECB did not cut its main policy rate however and it has made clear that further policy easing is likely to come from increasing asset purchases or easing terms of refinancing operations for banks.

As a reaction to the extraordinary policy measures, financial markets already stabilized and started to recover significantly in Q2 and this trend continued until the end of the year, despite of second wave of infections and economic lockdowns introduced later in 2020.

Hence, the pandemic is exacerbating divergence in economic growth in Europe: the periphery had worse outbreaks, its tourism-dependent economies are more vulnerable to social distancing and weaker fiscal positions make governments less able to secure the recovery. On the other hand, countries relying more on manufacturing sectors are less impacted. Driven by the weak demand, there is a downward pressure on inflation, with stronger Euro exerting an additional drag on prices. National fiscal responses and furlough schemes have mitigated the loss in jobs, and ECB bank funding and government loan guarantees have supported corporate's liquidity, mostly SMEs. After delivering one of the worse quarterly GDP figures on records in Q2, European countries recovered partly the missed output over the summer supported by strong retail sales and industrial production.

Major central banks are determined to maintain favourable financial conditions at least until the economic recovery and inflation pressures are solid. Measures relating to the NGEU recovery fund – amounting to around 0.5% of GDP each year between 2021-23 will also support economic activity.

For the Eurozone, the ECB forecasted a decline of annual real GDP at -7.3% in 2020, which should rebound by 3.9% in 2021 and 4.2% in 2022. As regards inflation, the baseline ECB scenario foresees HICP inflation rebounding from 0.2% in 2020 to 1.0% in 2021 and then gradually increasing further to 1.1% in 2022. The unemployment rate is expected to increase to 9.3% in 2021 from 8% in 2020, while recovering slowly to 8.2% by the end of 2022. Needless to say, there is a great amount of uncertainty on this base scenario, with risk mostly skewed to the downside.

Two key major risk factors have faded: the US has a new president announcing a major stimulus package, and UK and EU negotiators came to an agreement for Brexit.

Yet, there is a fair amount of uncertainty regarding rate levels going forward due to the COVID crisis evolution. In the base case, EUR interest rates are expected to move higher in 2021 from currently low levels, on the back of a move to higher yields globally. Most market rate forecasters see the 10-year German bund at levels around -0.4% by the end of 2021, which would steepen yield curves. Eurozone government bonds spreads to Bunds should be relatively well-contained on the back of ECB strong technical support.

Credit spreads in EUR investment grade will need to find a balance between strong technical support and weaker fundamentals, with the former probably overriding the latter. While credit spreads are well supported, high absolute and relative debt levels, lower interest coverage ratios, less economic activity, higher expected default rates and uncertainty all would suggest higher risk premia.

- *Profile of counterparties*

In accordance with the agreement between the European Union and the EIB on the management of the Fund, all banks with which deposits are placed should have a minimum short-term credit rating of P-1 (Moody's or equivalent). As at 31 December 2020 no short term interbank investments were held.

2.3.3.2. Analysis of bond portfolio results

The bond portfolio, seen as a long-term investment portfolio, is made up of euro-denominated securities initially acquired with the intention of holding them until maturity. In the Fund's Financial Statements these securities are classified as Available for Sale (AFS) in line with the EC accounting rule 11[2]. At 31 December 2020, the market value (excluding accrued interest) of securities with a residual period to maturity of less than three months amounted to EUR 66.9 million, between 3 months and one year EUR 300.8 million and between one and 10 years EUR 2,378.2 million.

The starting value of the securities in this portfolio is the acquisition cost. The difference between the entry price and the redemption value is the premium/discount spread, which is amortised over the remaining life of each of the securities using the effective interest rate method as specified in the EC accounting rules.

At 31 December 2020, the nominal value of the investment bond portfolio was EUR 2,692.0 million, against a clean market value of EUR 2,745.9 million.

The global (modified) duration of the bond portfolio increased slightly over 2020 to reach 3.04 at the end of the year. As of 31 December 2020, the clean market value of the investment bond portfolio came to EUR 2,745.9 million (2019: EUR 2,535.2 million) compared with a book value (including premiums/discounts) of EUR 2,711.5 million (2019: EUR 2,514.3 million), which gives an unrealised fair value result of EUR +34.4 million (2019: EUR +20.9 million).

In the 12-month period until December 2020, the German sovereign yield curve bull flattened. While short tenors up to 3-years moved lower by smaller magnitude (by 8-18bps), the belly of the curve in 3-7 years decreased by 20-30bps, and longer tenors in 7-10 years segment moved lower by more significant 34-38 basis points. The rates rally was fuelled by the expansion of the ECB QE policy, which met negative net supply, the economic shock generated by the coronavirus outbreak and the expected slow recovery, and lower inflation due to both consumer subdued demand and supply shortages.

[2] The Available for Sale portfolio also includes the zero-coupon bonds and commercial papers with original maturities of more than three months. After the implementation of IPSAS 41 as from 1 January 2021, the portfolio will be accounted at fair value through profit or loss (FVTPL).

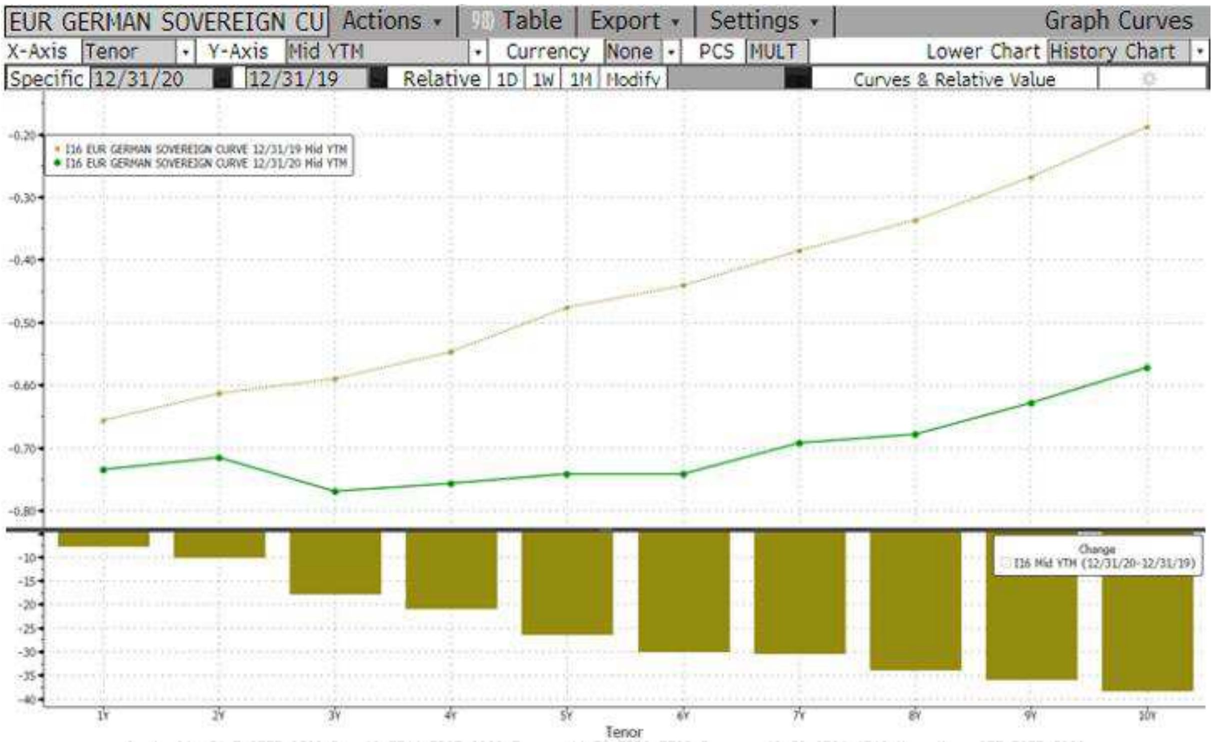

Fig. 2: Bull-flattening of the German sovereign yield curve during 2020 (source: Bloomberg)

The absolute performance of the portfolio has reached a healthy 1.07% in 2020 supported by record low yield levels and narrowing credit spreads fuelled by extended ECB quantitative easing policy. This translates to a positive contribution of more than EUR 29.6 million. In terms of asset classes, sovereign and supranational agencies (SSA) and covered bonds provided the highest performance well over 1%, while financials and corporate bonds gained 0.75% and 0.90%, respectively. Bonds in lower rated asset classes (A-BBB) have outperformed, as well as securities with higher duration, as curves bull-flattened.

The European Commission (EC) has decided to repatriate the Guarantee Fund and carry out asset management in-house. A draft Termination Agreement has been sent by EIB to the EC, and the repatriation is expected to take place in the course of Q2 2021. The EC has requested from the EIB to apply active portfolio management until the repatriation.

In line with the updated investment strategy and in compliance with the guidelines, a total nominal amount of EUR 1,198.7 million was invested in four asset classes: SSA (EUR 515.8 million or 43%), covered bonds (EUR 231 million or 19.3%), corporate bonds (EUR 153.3 million or 12.8%) and financials (EUR 298.6 million or 24.9%) either on an outright or on a switch basis. The purchases were made both on the primary and on the secondary markets.

All of the transactions aimed to maximize the risk return profile of the portfolio while satisfying the liquidity constraints. The charts below outline the total 20120 investments per asset class as well as in terms of country distribution.

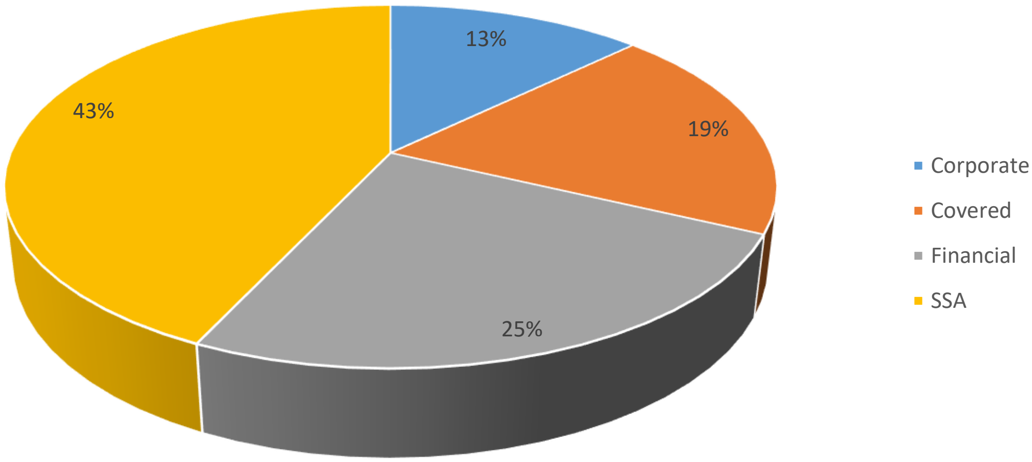

Fig. 3: 2020 Investments per asset class

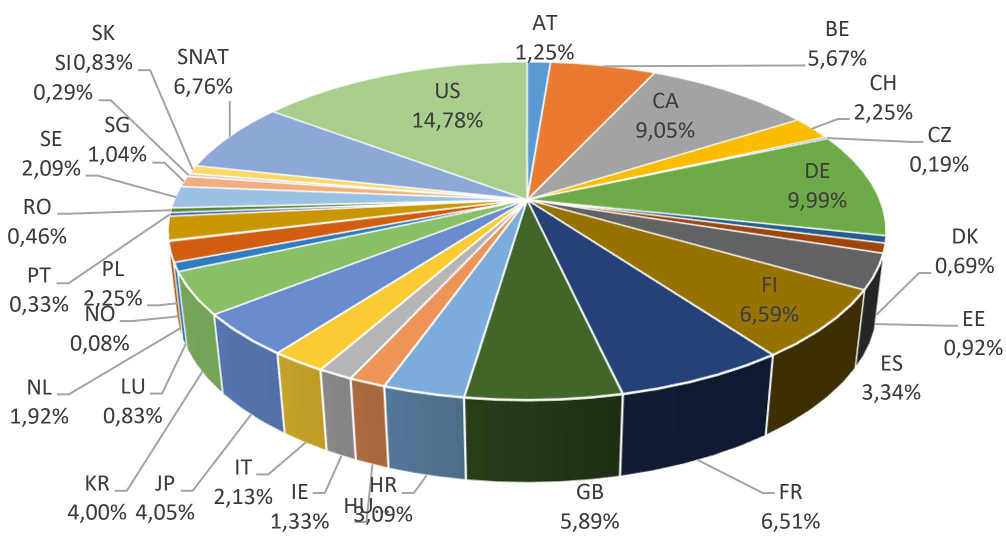

Fig. 4: 2020 Investments per country of exposure

The below chart displays the maturity and instrument format split of the 2020 investments. It can be inferred from the chart that the 5Y and the 10Y tenors, as most attractive spots on the yield curve in terms of supply dynamics of new issuances. (The 2Y and 3Y concentrations are rather reflection of secondary market activity.)

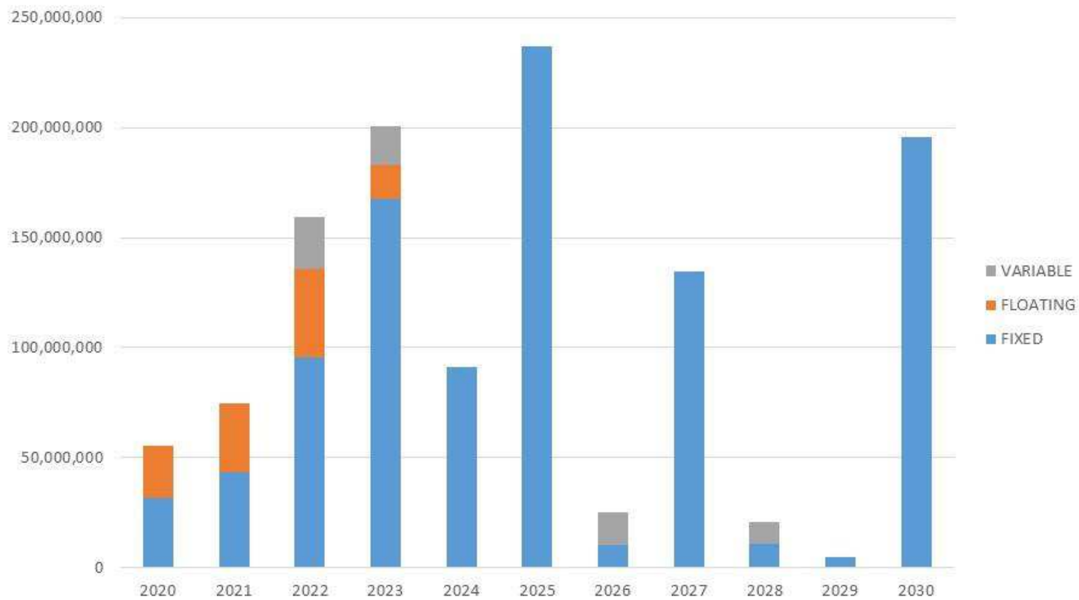

Fig. 5: 2020 Investments per maturity tenor and instrument type (EUR)

- Breakdown of the investment portfolio between fixed rate and variable rate securities (nominal value)

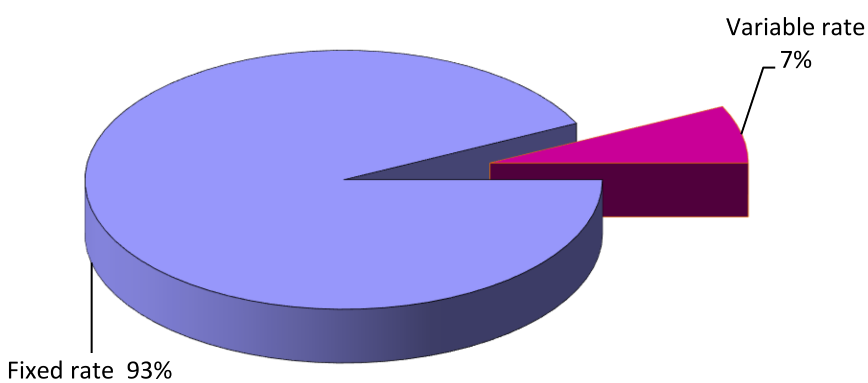

Fig. 6: Investment portfolio breakdown between fixed[3] and variable rate securities at 31 December 2020

[3] The fixed rate portfolio includes the zero-coupon bonds and commercial papers.

- Redemption profile of investment portfolio (nominal value)

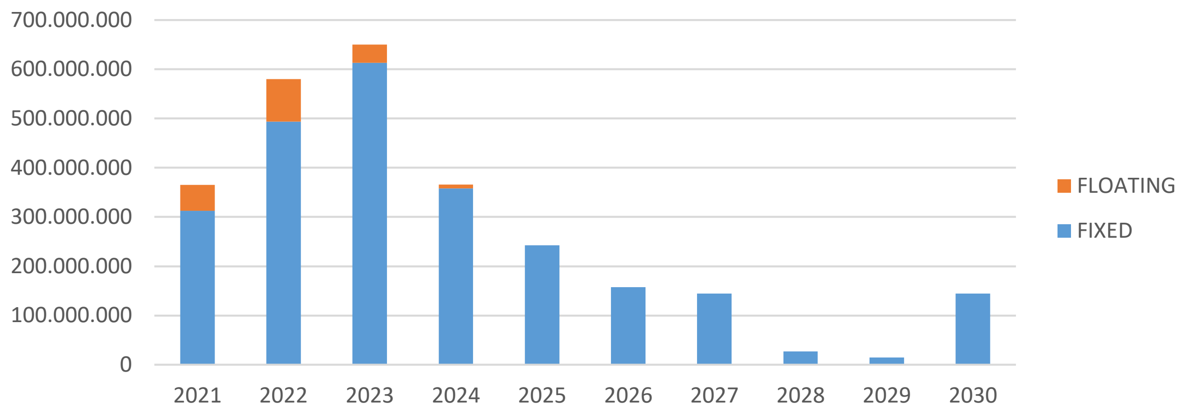

Fig.7: Investment portfolio: Redemption profile at 31 December 2020 (EUR)

The latest final maturity date for fixed rate securities is 25 November 2030.

- Profile of issuers

The current Asset Management Guidelines for GF came into force at the beginning of October 2018.

The guidelines define the maximum limit amounts per type of issuer and credit rating buckets, where the eligible credit rating is defined as the second best rating of the three rating agencies: S&P, Moody's and Fitch.
The securities held in the portfolio are in line with the asset management guidelines and meet the following criteria for:

- Securities issued or guaranteed by European Union or Euratom: minimum rating Baa3;
- Securities issued or guaranteed by Member States[4;5]: minimum rating Baa3;
- Securities issued (or guaranteed) by a Supranational in which Member States have a participation, or by sovereigns that are not Member States of the EU: minimum rating Aa2;
- Securities issued by other legal entities: minimum rating Baa3.

The profile of issuers by issuer type and long term rating[6] of the investment portfolio (nominal amount) at 31 December 2020 is as follows:

[4] The second best rating of the three rating agencies : S&P, Moody's and Fitch.

[5] Member States securities (including securities guaranteed by Member States) may be kept in an event of downgrade below the minimum requirements. This applies also to cases where the rating downgrade would trigger a lower limit.

[6] Reported ratings are ratings of the respective issues. In the absence of all bond/issue ratings, the respective issuer ratings (in case of guaranteed positions the guarantor ratings) have been reported.

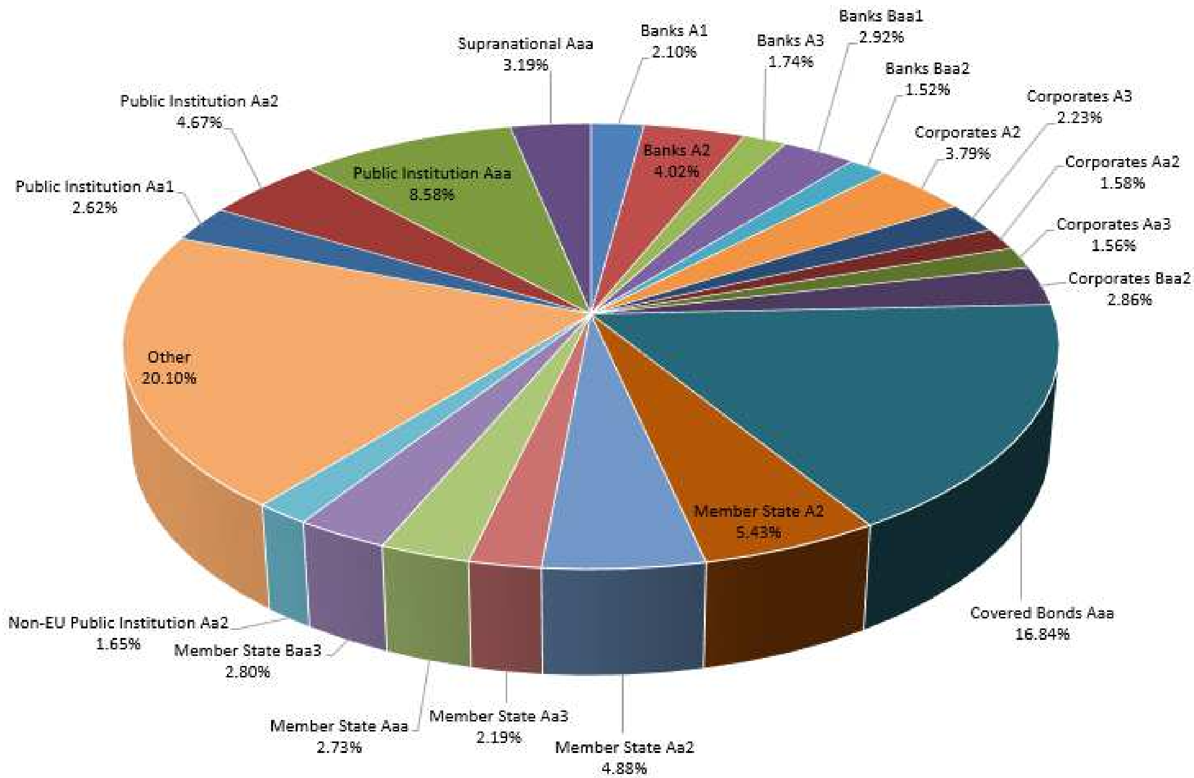

Fig.8: Investment portfolio: Profile of issuers at 31 December 2020[7]

[7] The "Other" category presented in figure 8 includes: Corporates Aa1 (1.48%), Supranational Aa1 (1.45%), Public Institution Baa1 (1.25%), Corporates A1 (1.24%), Banks Aa3 (1.08%), Covered Bonds Aa3 (1.08%), Member State Aa1 (1.06%), Non-EU Sovereign Aaa (1.06%), Public Institution A2 (1.02%), Covered Bonds Aa2 (1.00%), Non-EU Public Institution A1 (0.97%), Corporates Baa1 (0.84%), Banks Aa1 (0.78%), Covered Bonds Aa1 (0.74%), Banks Aa2 (0.67%), Non-EU Public Institution Aaa (0.67%), Member State Baa2 (0.62%), Public Institution Aaa3 (0.58%), Public Institution A3 (0.56%), Public Institution A1 (0.56%), Corporates Aaa (0.45%), Supranational Aa2 (0.37%), Member State A3 (0.19%), Member State A3 (0.19%), Member State Baa1 (0.19%), Non-EU Public Institution Aa3 (0.19%).

[8] The overnight rate was changed from Eonia to Ester with starting date 01.01.2020.

2.4. Benchmarking, performance and interest rate risk analysis

2.4.1. Benchmarking

The performance of the Fund is monitored on a marked-to-market (MTM) basis against a composite index. The benchmark methodology[8] applied for the mandates managed on behalf of the European Commission was revised during 2018 and as agreed with ECFIN, the new benchmark methodology is applied since 1 January 2019.

The composite index is the result of the combination of the following sub-indices:

- Ester Index for cash and Unitary Fund holdings;
- Euribid 1M for term deposits;
- Euribid 3M for T-bills and fixed rate bonds with less than one year to maturity;
- IBOXX EUR Sovereign indices for floating rate notes and fixed rate bonds issued by sovereign (or similar) issuers, split by credit rating and maturity buckets;
- IBOXX EUR Collateralized Covered indices for covered bonds with a floating or fixed coupon rate , split by credit rating and maturity buckets
- IBOXX EUR Financial indices for floating rate notes and fixed rate bonds issued by financial institutions, excluding subordinated bonds, split by credit rating and maturity buckets
- IBOXX EUR Corporate indices for floating rate notes and fixed rate bonds issued by corporates, excluding subordinated bonds, split by credit rating and maturity buckets

The index weighting is independent of the portfolio composition and has been determined by the market risk and credit risk preference of the mandator as the result of setting up the target duration of the benchmark (3 years) and a specific allocation to asset classes and credit rating buckets, consistent with the eligibility criteria defined in the AMGs. The weights of each sub-index have been fixed as of 31 December 2018 and are going to remain fixed throughout the investment period. A rebalancing could occur if the effective benchmark duration deviates by more than 0.25 from the target benchmark duration. During 2020 no rebalancing of the benchmark occurred.

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Bucket (years)	Performance Benchmark Sector	Instrument	GF Benchmark Weights as of 2020
0-1	O/N	Cash, Unitary Fund	2.5%
	1 m	Money Market	5.0%
	3 m	T-bills and Fixed Rate Bonds	7.5%
1-5	Sovereign	FRN and Fixed Rate Bonds	36.2%
	AAA		14.1%
	AA		14.2%
	A		4.2%
	BBB		3.7%
	Covered bonds		14.6%
	AAA		14.1%
	AA		0.5%
	Financials		9.5%
	AA		3.2%
	A		3.7%
	BBB		2.6%
	Corporates		10.0%
	AA		3.2%
	A		2.6%
	BBB		4.2%
5-10	Sovereign		7.6%
	AAA		2.9%
	AA		3.0%
	A		0.9%
	BBB		0.8%
	Covered bonds		3.0%
	AAA		2.9%
	AA		0.1%
	Financials		2.0%
	AA		0.7%
	A		0.8%
	BBB		0.5%
	Corporates		2.1%
	AA		0.7%
	A		0.6%
	BBB		0.8%
Total			**100.00%**

2.4.2. Performance

The performance of the Fund portfolio was monitored on a marked-to-market basis. During 2020, the portfolio delivered a 1.0746% MTM yearly return, outperforming its benchmark by 28.58 bps. The evolution of the portfolio return and excess return vis-à-vis its benchmark is presented in the following table:

	Portfolio[9]			Out-performance	
	Market Value (including accrued interest)	**Monthly return (absolute return in %)**	**YTD return (absolute return in %)**	**Monthly Excess Return compared to benchmark (in%)**	**YTD Excess Return (in%)**
31/01/2020	2,603,416,403	0.5404	0.5404	0.0294	0.0294
28/02/2020	2,602,009,601	0.0690	0.6097	0.0267	0.0562
31/03/2020	2,780,743,534	-1.8898	-1.2916	-0.2519	-0.1982
30/04/2020	2,800,826,073	0.6279	-0.6707	0.0207	-0.1778
31/05/2020	2,806,092,664	0.2055	-0.4666	0.0913	-0.0873
30/06/2020	2,808,921,101	0.5828	0.1135	0.1354	0.0472
31/07/2020	2,819,033,364	0.4028	0.5168	0.0899	0.1373
31/08/2020	2,814,895,259	-0.0333	0.4833	0.0502	0.1877
30/09/2020	2,814,251,680	0.2396	0.7241	0.0287	0.2169
31/10/2020	2,824,934,635	0.2756	1.0017	0.0134	0.2310
30/11/2020	2,826,225,942	0.0631	1.0654	0.0209	0.2522
31/12/2020	2,811,292,299	0.0091	1.0746	0.0333	0.2858

[9] The Benchmark comprises independently calculated IBOXX indexes. The prices of the securities represented in the IBOXX indexes are sourced from Markit, which is the same source used for the prices of the correspondent securities in the table. These prices are different from the ones used for the financial reporting purposes. CBBT/BGN+ quotes (Bloomberg) is the source of pricing of the securities for the year-end financial reporting.

2.4.3. Interest rate risk

The interest rate risk sensitivity of the MTM value of the portfolio mainly stems from its fixed rate exposure. A 1bp increase of interest rates reduces the value of the portfolio by EUR 853,378 of which EUR 842,732 is related to the fixed rate bond exposure. The global modified duration of the fund increased during 2020 and stood at 3.04 years as of 31 December 2020, compared to 2.99 years as of 31 December 2019.

GF Sub- Portfolios	Market Value (excluding accrued interest)[10]	Modified Duration (Years)	Interest Rate Exposure (+/-1bp)
Floating Rate Notes	183,734,823	0.58	+/- 10,602
Fixed Rate Bonds	2,562,189,574	3.28	+/- 842,732
Money Market Instruments	39,847,191	0.01	+/- 44
Cash account	16,819,348		
Total GF	2,802,590,936	3.04	+/- 853,378

[10] The Benchmark comprises independently calculated IBOXX indexes. The prices of the securities represented in the IBOXX indexes are sourced from Markit, which is the same source used for the prices of the correspondent securities in the table. These prices are different from the ones used for the financial reporting purposes. CBBT/BGN+ quotes (Bloomberg) is the source of pricing of the securities for the year-end financial reporting.

3. Guarantee Fund Financial Statements as at 31 December 2020

GUARANTEE FUND

FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2020

– Balance sheet
– Statement of financial performance
– Statement of changes in net assets
– Cash flow statement
– Notes to the financial statements
– Independent auditor’s report

GUARANTEE FUND

Balance sheet

as at 31 December 2020

(in EUR)

ASSETS	Notes	31.12.2020	31.12.2019
NON-CURRENT ASSETS			
Available for Sale portfolio	5		
Bond portfolio – cost		2,359,535,584.98	2,308,413,861.20
Bond portfolio – actuarial difference		-14,685,898.84	-16,685,886.06
Bond portfolio – adjustment to fair value		33,371,954.44	20,423,758.78
Total Available for Sale Portfolio		**2,378,221,640.58**	**2,312,151,733.92**
TOTAL NON-CURRENT ASSETS		**2,378,221,640.58**	**2,312,151,733.92**
CURRENT ASSETS			
Available for Sale portfolio	5		
Bond portfolio – cost		374,810,499.10	228,029,572.57
Bond portfolio – actuarial difference		-8,125,957.03	-5,373,495.13
Bond portfolio – adjustment to fair value		1,032,951.15	437,936.70
Bond portfolio – accrued interest		8,291,518.06	8,957,567.06
EIB Unitary Fund investments - cost	6	39,999,968.97	999,956.97
EIB Unitary Fund investments - adjustment to fair value	6	-152,777.96	-2,672.94
Total Available for Sale portfolio		**415,856,202.29**	**233,048,865.23**
Short-term receivables			
Contributions receivable	9	42,340,133.67	240,152,822.10
Guarantee recoveries receivable	9	0.00	0.00
Risk-related remuneration receivable	10	1,810,108.50	585,535.74
Total short-term receivables		**44,150,242.17**	**240,738,357.84**
Cash and cash equivalents	7		
Current accounts		16,819,347.55	42,799,335.89
Total cash and cash equivalents		**16,819,347.55**	**42,799,335.89**
TOTAL CURRENT ASSETS		**476,825,792.01**	**516,586,558.96**
TOTAL ASSETS		**2,855,047,432.59**	**2,828,738,292.88**

NET ASSETS AND LIABILITIES	Notes	31.12.2020	31.12.2019
NET ASSETS			
Contributions	9		
Net contributions paid in		1,731,909,658.48	1,543,485,859.40
Contributions allocated but not yet paid in		42,340,133.67	240,152,822.10
Reserves			
Fair value reserve		34,252,127.63	20,859,022.54
Accumulated surplus		1,023,382,162.29	998,247,759.44
Economic result of the year		22,259,548.20	25,134,402.85
TOTAL NET ASSETS		**2,854,143,630.27**	**2,827,879,866.33**
LIABILITIES			
CURRENT LIABILITIES			
Other payables	11	903,802.32	858,426.55
TOTAL CURRENT LIABILITIES		**903,802.32**	**858,426.55**
TOTAL NET ASSETS AND LIABILITIES		**2,855,047,432.59**	**2,828,738,292.88**

GUARANTEE FUND

Statement of financial performance

For the year ended 31 December 2020

(in EUR)

		From 01.01.2020 to 31.12.2020	From 01.01.2019 to 31.12.2019
Revenue from operating activities			
Risk-related remuneration	10	*9,084,830.18*	*2,155,490.46*
Expenses from operating activities			
Management fees		*-837,634.32*	*-817,746.55*
Audit fees		*-66,168.00*	*-41,325.00*
Bank fees		*-246,363.07*	*-184,654.20*
Recovery fees	8	*-35,152.26*	*-209,653.61*
Result from operating activities		**7,899,512.53**	**902,111.10**
Financial revenue			
Interest income		6,839,043.32	7,695,743.93
Cash and cash equivalents		*3,478.82*	*2,318.79*
Bond portfolio		*6,835,564.50*	*7,693,425.14*
Realised gain on sale of Bond portfolio		8,812,549.65	16,785,355.42
Income from securities lending activity		106,259.09	116,258.17
Financial expenses			
Interest expense		-35,460.85	-79,900.55
Cash and cash equivalents		*-35,460.85*	*-79,900.55*
Realised loss on sale of Bond portfolio		-1,362,355.54	-285,165.22
Result from non-operating activities		**14,360,035.67**	**24,232,291.75**
ECONOMIC RESULT OF THE YEAR		**22,259,548.20**	**25,134,402.85**
Items directly recognised in net assets			
Net change in fair value of Bond portfolio		17,239,006.65	13,559,804.53
Net amount transferred to statement of financial performance		-3,845,901.56	-4,927,973.70
NET RESULT RECOGNISED IN NET ASSETS		**13,393,105.09**	**8,631,830.83**

GUARANTEE FUND

Statement of changes in net assets

For the year ended 31 December 2020

(in EUR)

		Contributions	Fair value reserve	Accumulated surplus	Economic result of the year	Total net assets
Balance as at 01.01.2019		**1,598,393,457.10**	**12,227,191.71**	**986,210,996.77**	**12,036,762.67**	**2,608,868,408.25**
Contributions from the European Commission allocated but not yet paid	9	240,152,822.10	0.00	0.00	0.00	**240,152,822.10**
Contributions paid to the EIB as guarantee call	9	-54,907,597.70	0.00	0.00	0.00	**-54,907,597.70**
Change of contributions payable as guarantee call	9	0.00	0.00	0.00	0.00	**0.00**
Change of fair value reserve	9	0.00	8,631,830.83	0.00	0.00	**8,631,830.83**
Allocation of the Economic result of the year 2018		0.00	0.00	12,036,762.67	-12,036,762.67	**0.00**
Economic result of the year 2019		0.00	0.00	0.00	25,134,402.85	**25,134,402.85**
Balance as at 31.12.2019		**1,783,638,681.50**	**20,859,022.54**	**998,247,759.44**	**25,134,402.85**	**2,827,879,866.33**
Contributions from the European Commission allocated but not yet paid	9	42,340,133.67	0.00	0.00	0.00	**42,340,133.67**
Recovery of historically called amount	9	705,327.23	0.00	0.00	0.00	**705,327.23**
Contributions paid to the EIB as guarantee call	9	-52,434,350.25	0.00	0.00	0.00	**-52,434,350.25**
Change of fair value reserve	9	0.00	13,393,105.09	0.00	0.00	**13,393,105.09**
Allocation of the Economic result of the year 2019		0.00	0.00	25,134,402.85	-25,134,402.85	**0.00**
Economic result of the year 2020		0.00	0.00	0.00	22,259,548.20	**22,259,548.20**
Balance as at 31.12.2020		**1,774,249,792.15**	**34,252,127.63**	**1,023,382,162.29**	**22,259,548.20**	**2,854,143,630.27**

Cash flow statement

For the year ended 31 December 2020

(in EUR)

	From 01.01.2020 to 31.12.2020	From 01.01.2019 to 31.12.2019
Operating activities		
Treasury management fee paid during the year	-817,746.55	-894,626.42
Recovery fees paid during the year	-35,152.26	-288,866.45
Bank fees / audit fees paid during the year	-278,610.58	-221,400.78
Contributions paid as guarantee call	-52,434,350.25	-54,907,597.70
Guarantee recoveries received from EIB	705,327.23	0.00
Risk related remuneration	7,860,257.42	1,569,955.17
Net cash flows used in operating activities	***-45,000,274.99***	***-54,742,536.18***
Investing activities		
Net interest paid on cash and cash equivalents	-40,414.52	-89,963.52
Subscription of EIB Unitary Fund investments	-39,000,012.00	-999,956.97
Purchase of investments - Bond portfolio	-1,195,986,162.48	-1,537,595,053.32
Proceeds of investments - Bond portfolio	995,711,303.58	1,466,271,844.63
Interest received - Bond portfolio	18,076,490.88	25,048,772.46
Income from securities lending activity	106,259.09	116,258.17
Net cash flows used in investing activities	***-221,132,535.45***	***-47,248,098.55***
Financing activities		
Contributions received from the European Commission	240,152,822.10	103,222,935.00
Net cash flows from financing activities	***240,152,822.10***	***103,222,935.00***
Net increase in cash and cash equivalents	-25,979,988.34	1,232,300.27
Cash and cash equivalents at the beginning of the financial year	***42,799,335.89***	***41,567,035.62***
Cash and cash equivalents at the end of the financial year	***16,819,347.55***	***42,799,335.89***

Cash and cash equivalents are composed of (excluding accrued interest):		
Current accounts	16,819,347.55	42,799,335.89
Total cash and cash equivalents	**16,819,347.55**	**42,799,335.89**

3.1. Notes to the financial statements as at 31 December 2020

3.1.1. General disclosures

The rules and principles for the management of the Guarantee Fund (the "Fund") are laid out in the Agreement between the European Commission (the "EC") and the European Investment Bank (the "EIB") dated 25 November 1994 and the subsequent amendments to the Agreement dated 23 September 1996, 8 May 2002, 5 June 2002, 25 February 2008, 9 November 2010 and 28 September 2018 (the "Convention").

The main principles of the Fund, as extracted directly from the Convention, are as follows:

- The Fund will operate in one single currency being Euro (EUR). It will exclusively invest in this currency in order to avoid any exchange rate risk.
- The management of the Fund will be based upon the traditional rules of prudence relating to financial activities. Attention is given to control the risks and to ensure that the managed assets have a sufficient degree of liquidity and transferability while considering the Fund's commitments.
- In accordance with the Amendment Guarantee Agreement dated 3 October 2018, an Economic Resilience Initiative Private Mandate (ERI Private Mandate) and an Economic Resilience Initiative Public Mandate (ERI Public Mandate) were set up to grant guarantees to the bank against losses under financing operations supporting investments in private and public projects directed to the long-term economic resilience of refugees, migrants, host and transit communities and communities of origin as a strategic response to addressing root causes of migration. The risk to the Union budget associated with granted guarantees to the EIB Financing Operations under the ERI Private Mandate should be priced and the revenues generated from the commercial risk pricing should be paid into the Guarantee Fund.

Upon entry into force of the Neighbourhood, Development and International Cooperation Instrument ("NDICI") Regulation foreseen for 2021, the Guarantee Fund will become a compartment of the Common Provisioning Fund, which will be managed by the European Commission. Management of the Fund by EIB will be terminated.

The present financial statements cover the period from 1 January 2020 to 31 December 2020.

EIB's management has authorized the financial statements for issue on 26 March 2021.

3.1.2. Significant accounting policies

3.1.2.1. Basis of preparation

The Fund's financial statements have been prepared in accordance with the accounting rules adopted by the Accounting Officer of the European Commission, in particular "Accounting rule 11 – Financial assets and liabilities" dated December 2004 and updated in October 2006, December 2009[11] and December 2011[12].

The financial statements have been prepared on a going concern basis, considering the fact that upon entry into force of the NDICI Regulation foreseen for 2021 the Fund will keep its ability to meet the mandatory payments of the guarantees and only the management of the Guarantee Fund by the EIB will be terminated. Instead, the assets of the Guarantee Fund will be managed by the European Commission under the Common Provisioning Fund.

According to articles 3, 5 and 6 of Council Regulation (EC, Euratom) No 480/2009 of 25 May 2009 as amended by the Regulation (EU) 2018/409 of the European Parliament and of the Council of 14 March 2018 if, as a result of the activation of guarantees following one or more defaults, resources in the Fund fall below the set target amount of 9% of total outstanding capital liabilities arising from each operation, plus any unpaid interest, then the European Commission transfers to the Fund the difference between the target amount and the value of the Fund's net assets at the previous year-end balance sheet date.

The amounts in the financial statements are not rounded except in the section financial risk management where the amounts are rounded to the nearest thousand EUR.

3.1.2.2. Changes in accounting policies

The Fund has consistently applied to all periods the accounting policies set out in Note 2.4 presented in these financial statements.

[11] This is based on the revised standards IAS 32 and 39 as issued by the IASB in December 2003 and consequently, does not integrate the carved out provisions as set out in the version of IAS 39 endorsed by the European Commission on 19 November 2004.

[12] This accounting rule is based on the following IPSAS standard: IPSAS 28 "Financial Instruments: Presentation", IPSAS 29 "Financial Instruments: Recognition and Measurement" and IPSAS 30 "Disclosures".

3.1.2.3. Significant accounting judgments and estimates

The preparation of financial statements in conformity with the accounting rules adopted by the Accounting Officer of the European Commission requires the use of certain critical accounting estimates. It also requires the EIB Management to exercise its judgment in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed hereafter.

The most significant use of judgments and estimates are as follows:

Measurement of fair value of financial instruments

The fair value of financial assets and financial liabilities that are traded in active markets is based on quoted market prices or broker price quotations. 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 input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Impairment losses on financial instruments

The Fund reviews its financial instruments at each reporting date to assess whether an allowance for impairment should be recorded in the statement of financial performance. In particular, judgment by EIB Management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required.

3.1.2.4. Summary of significant accounting policies

(a) Foreign currency translation

The Fund uses the Euro (EUR) for presenting its financial statements, which is also the functional currency.

Foreign currency transactions are translated at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in currencies other than Euro are translated into Euro at the exchange rate prevailing at the balance sheet date. The gain or loss arising from such translation is recorded in the statement of financial performance.

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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences on non-monetary assets are a component of the change in their fair value. Depending on the classification of a non-monetary financial asset, exchange differences are either recognised in the statement of financial performance or within the reserves.

Exchange differences arising on the settlement of transactions at rates different from those at the date of the transaction, and unrealised foreign exchange differences on unsettled foreign currency monetary assets and liabilities, are recognised in the statement of financial performance.

(b) Financial instruments

All financial assets are recognised in the balance sheet on trade date basis and measured according to their assigned category.

(i) *Cash and cash equivalents*

The Fund defines cash and cash equivalents as current accounts, commercial papers, treasury bills and short-term deposits with original maturity of three months or less.

(ii) *EIB Unitary Fund investments*

The EIB Unitary Fund represents pooled money market investments with a variable Net Asset Value (NAV) structure and currently only has a Euro segment. After initial measurement, the EIB Unitary Fund investments are subsequently carried at their fair value through net assets. Fair value changes are recorded in the Fair value reserve. The fair value of the EIB Unitary Fund investments is based on the latest available NAV, as reported by the calculation agent.

(iii) *Bond portfolio*

The bond portfolio is composed of Euro-denominated securities.

These securities are classified as Available for Sale (AFS) according to the accounting rules adopted by the Accounting Officer of the European Commission and consequently, are carried out at their fair value through net assets.

In accordance with the decision of the Accounting Officer of the Commission[13] concerning the "Presentation of the Guarantee Fund for external actions and other Available for Sale portfolios" on 31 January 2013, the Available for Sale financial instruments of the Fund's Portfolio are categorised following the current/non-current distinction of Article 8.3 of the Accounting rule 1 according to their remaining contractual maturity at the balance sheet date. Available for Sale investments with a remaining maturity of less than a year and accrued interest with due date less than a year are presented in the balance sheet as current assets, while Available for Sale investments with a remaining maturity of more than a year are presented in the balance sheet as non-current assets.

Unrealised gains or losses are reported in reserves until such a security is sold, collected or otherwise disposed of, or until such a security is determined to be impaired. Impairment losses identified are recognised in the statement of financial performance for the year.

On disposal of an Available for Sale security, the accumulated unrealised gain or loss included in net assets is transferred to the statement of financial performance for the year. Interest income on Available for Sale securities is included in "interest income".

The determination of fair values of Available for Sale investments is generally based on quoted market rates in active markets.

These securities are initially measured at their acquisition cost, being their fair value at this moment. The difference between the entry price and the redemption value, i.e. the premium/discount spread, is amortised over the remaining life of each of the securities using the effective interest rate method as specified under Accounting rule 11.

Securities are considered impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the security (a "loss event") and that loss event has an impact on the estimated future cash flows of the security that can be reliably estimated.

Evidence of impairment is mainly about significant financial difficulties of the issuer, e.g. a breach of contract, a restructuring of the debt of the issuer or a high probability of bankruptcy. It is important to stress that the disappearance of an active market because the entity's financial instruments are no longer publicly traded is not evidence of impairment. A downgrade of an entity's credit rating is not, in itself, evidence of impairment,

[13] Decision of the Accounting Officer. Subject: Presentation of the Guarantee Fund for external actions and other available for sale portfolios (Ref. Ares (2013) 122752 – 31/01/2013).

although it may be evidence of impairment when considered with other available information. A decline in the fair value of a financial asset below its cost or amortised cost is not necessarily evidence of impairment.

If in a subsequent period, the fair value of a debt instrument classified as Available for Sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the statement of financial performance, the impairment loss shall be reversed, with the amount of the reversal recognised in the statement of financial performance.

(iv) Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

When applicable, the EIB on behalf of the Fund measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an on-going basis.

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 input to these models is taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

– Level 1: Quoted prices (unadjusted) 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 (i.e., as price) or indirectly (i.e., derived from prices);
– Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Fund recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(v) Impairment of financial assets

The EIB assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For the Available for Sale financial assets, an objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost net of any principal repayment and amortisation and the current fair value, less any impairment loss on that investment previously recognised in the statement of financial performance) is removed from net assets and recognised in the statement of financial performance. Impairment losses on Available for Sale financial assets are reversed through the statement of financial performance.

(c) Contributions

Contributions are increased by:

- Payment allocations made to the Fund by the general budget of the European Union;
- Guarantee recoveries received from EIB.

Contributions are decreased by:

- Payment allocations to be made from the Fund to the general budget of the European Union;
- Guarantee calls made by the EIB.

Contributions to be received[14] from the general budget of the European Union, or to be paid back to the general budget of the European Union are recognized in the balance sheet on the date when they become due or owed according to articles 3, 4, 5 and 6 of the Council Regulation (EC, Euratom) No 480/2009 of 25 May 2009 establishing a Guarantee Fund for external actions (codified version) as amended by the Regulation (EU) 2018/409 of the European Parliament and of the Council of 14 March 2018. When it relates to articles 5 and 6 the contributions to be paid or received, based on the previous year end difference between the target amount and the value of the Fund's net assets, are calculated and recorded at the beginning of the current year. When article 4 applies, the contribution to be paid back is calculated and recorded at the date of accession of the new Member State to the European Union.

Contributions to be paid to the EIB in the context of guarantee calls in line with the Recovery Agreement between the European Union and the EIB signed on 25 July 2014 in respect of loans and loan guarantees granted by the EIB for projects outside the European Union ("Recovery Agreement") are derecognised from the balance sheet on the date when the guarantee call becomes due.

Guarantee recoveries paid by EIB to the Fund in line with the Recovery Agreement are recognised in the balance sheet as contributions (recovery of historically called amounts) and recoveries receivable on the date when the guarantee recovery is received in cash in the accounts of the Bank.

(d) Interest income

Interest income covers interest earned on cash and cash equivalents and the bond portfolio and is recorded in the statement of financial performance on an accrual basis.

(e) Interest expense

Interest expense covers interest paid on cash and cash equivalents, due to negative interest rate, and is recorded in the statement of financial performance on an accrual basis.

(f) Treasury management fees

According to the Convention, EIB shall receive a treasury management fee which is calculated on the basis of, in the case of securities, the average market value at the end of each month, and in the case of cash and money market deposits, the average nominal value at the end of each month.

Treasury management fees are recorded in the statement of financial performance on an accrual basis.

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[14] The interinstitutional Agreement between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management adopted on 25 November 2013 sets the multiannual financial framework of the European Union for the period 2014 to 2020.

(g) Recovery fees

According to the Recovery Agreement dated 3 October 2018 the EU shall reimburse EIB for external costs and expenses incurred by it in the course of execution of the recovery proceedings.

Recovery fees are recorded in the statement of financial performance on an accrual basis.

(h) Securities lending activity

In April 2008 the Fund entered into an automatic securities lending program with Euroclear Bank SA/NV to lend assets from its bond portfolio. Within this securities lending program all bonds from the Bond portfolio are eligible to be lent out.

Securities lent within the automatic securities lending program are not derecognized from the Fund's balance sheet as the risks and rewards of these securities are still held by the Fund itself.

Income from securities lending activity is recorded in the statement of financial performance on an accrual basis.

(i) Risk-related remuneration

In accordance with the Guarantee agreement dated 3 October 2018, the risk-related revenues received by the Bank from the pricing (in accordance with the Bank's standard risk pricing methodology as may be amended from time to time) of EIB Financing Operations under the ERI Private Mandate shall remunerate on a quarterly basis the risk for the Union budget associated with EIB Financing Operations under the ERI Private Mandate.

The Risk-related remuneration is recognised in the statement of financial performance on an accrual basis.

3.1.2.5. Taxation

The Protocol on the Privileges and Immunities of the European Union, appended to the treaty on the European Union and the treaty of the functioning of the European Union, stipulates that the assets, revenues and other property of the Institutions of the Union are exempt from all direct taxes.

3.1.3. Financial risk management

This note presents information about the Fund's treasury portfolio exposure, its management and control of credit and financial risks, in particular the primary risks associated with its use of financial instruments. These are:

- credit risk – the risk of loss resulting from client or counterparty default and arising on credit exposure in all forms, including settlement risk;
- liquidity risk – the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset;
- market risk – exposure to observable market variables such as interest rates and foreign exchange rates.

3.1.3.1. Risk management organisation

The Risk Management function of EIB ensures that the treasury portfolio is managed in line with the agreed asset management guidelines, especially in respect of the eligible investments, the maximum maturity, the interest rate risk and the credit risk exposure of the Fund's treasury portfolio. In this respect quarterly reporting is also delivered to the EC concerning the risk and the performance of the Fund's treasury portfolio. The reporting makes reference to breaches, if any, of the limits set out in the asset management guidelines and includes a comparison of the valuations of the portfolio to a performance index taken as benchmark.

3.1.3.2. Credit risk

Credit risk is the potential loss that could result from client or counterparty default and arising on credit exposure in all forms, including settlement.

(a) Credit risk policy

The treasury portfolio's agreed asset management guidelines and/or investment strategy define certain limits and restrictions in order to limit the exposure to credit risk of the treasury portfolio. The compliance with these limits is monitored by the Risk Management on a daily basis. Such limits and restrictions include eligibility criteria, absolute credit limits in nominal terms depending on issuer category, relative concentration limits depending on issuer category and concentration limits per issue.

(b) Maximum exposure to credit risk without taking into account any collateral and other credit enhancements

The following table shows the maximum exposure to credit risk for the components of the balance sheet (in EUR):

Maximum exposure	31.12.2020	31.12.2019
ASSETS		
Available for Sale portfolio	2,794,077,842.87	2,545,200,599.15
Contributions receivable	42,340,133.67	240,152,822.10
Risk-related remuneration receivable	1,810,108.50	585,535.74
Cash and cash equivalents	16,819,347.55	42,799,335.89
Total assets	**2,855,047,432.59**	**2,828,738,292.88**
Total credit exposure	**2,855,047,432.59**	**2,828,738,292.88**

(c) Credit risk on cash and cash equivalents

(i) Analysis of current accounts per profile of counterparties

The following table shows the breakdown of current account balances per maximum long-term counterparty rating (based on the external long term ratings assigned by Fitch, Standard & Poor's and Moody's) (in EUR):

Rating	31.12.2020	31.12.2019
A1	16,819,247.55	42,797,618.13
Aa1	100.00	1,717.76
Total	**16,819,347.55**	**42,799,335.89**

All counterparties are maximum rated P-1 short-term (based on the external short term ratings assigned by Fitch, Standard & Poor's and Moody's).

The Fund has two current accounts opened with BNP Paribas Fortis and one current account opened with Euroclear Bank as follows (in EUR):

Current accounts	31.12.2020	31.12.2019
BNP Paribas Fortis transitory account	100.00	100.00
BNP Paribas Fortis current account	16,819,147.55	42,797,518.13
Euroclear Bank current account	100.00	1,717.76
Total	**16,819,347.55**	**42,799,335.89**

(ii) Analysis of short term deposits per profile of counterparties

In accordance with the agreement between the European Commission and the EIB on the management of the Fund, all interbank investments should have a minimum issuer short-term rating from Moody's or equivalent of P-1. There were no short term deposits as at the year end.

(d) Credit risk on bond portfolio

(i) Risk concentration per issuance

All the securities held in the portfolio are in line with the management guidelines and meet the following criteria for:

- Securities issued or guaranteed by Member States: minimum rating Baa3;
- Securities issued or guaranteed by a Supranational or other States: minimum rating Aa2;
- Securities issued by other legal entities: minimum rating Baa3.

The following table shows the breakdown of the Bond portfolio, at market value excluding accrued interest, per security type and rating (in EUR):

Issuer - Rating	**31.12.2020**		**31.12.2019**	
Banks Aa1	21,393,400.00	0.78%	14,213,360.00	0.57%
Banks Aa2	18,106,190.00	0.66%	41,206,300.00	1.63%
Banks Aa3	29,241,820.00	1.07%	45,338,070.00	1.79%
Banks A1	57,158,060.12	2.08%	57,426,465.00	2.27%
Banks A2	109,565,161.20	3.99%	50,385,170.80	1.99%
Banks A3	47,474,793.97	1.73%	37,362,890.00	1.47%
Banks Baa1	79,713,448.74	2.90%	81,865,342.50	3.23%
Banks Baa2	41,221,885.16	1.50%	42,396,362.00	1.67%
Member State Aaa	76,041,455.00	2.77%	74,770,069.00	2.95%
Member State Aa1	29,633,205.00	1.08%	5,589,650.00	0.22%
Member State Aa2	133,958,050.00	4.88%	125,153,315.00	4.94%
Member State Aa3	61,723,370.00	2.25%	60,681,815.00	2.39%
Member State A2	147,774,192.00	5.38%	141,645,523.00	5.59%
Member State A3	5,046,350.00	0.18%	39,042,245.64	1.54%
Member State Baa1	5,116,400.00	0.19%	5,100,950.00	0.20%
Member State Baa2	16,997,290.00	0.62%	0.00	0.00%
Member State Baa3	79,641,640.16	2.90%	74,035,790.00	2.92%
Covered Bonds Aaa	461,917,761.50	16.82%	412,254,815.00	16.25%
Covered Bonds Aa1	20,391,470.00	0.74%	10,101,600.00	0.40%
Covered Bonds Aa2	27,454,010.00	1.00%	14,236,780.00	0.56%
Covered Bonds Aa3	29,736,450.00	1.08%	18,488,720.00	0.73%
Corporates Aaa	12,197,880.00	0.44%	18,596,940.00	0.73%
Corporates Aa1	40,716,570.00	1.48%	23,171,040.00	0.91%

Corporates Aa2	43,223,854.00	1.57%	60,105,132.00	2.37%
Corporates Aa3	42,804,810.00	1.56%	22,597,990.00	0.89%
Corporates A1	33,874,920.00	1.23%	29,646,590.00	1.17%
Corporates A2	102,612,270.00	3.74%	62,920,110.00	2.48%
Corporates A3	60,814,370.00	2.22%	55,209,180.00	2.18%
Corporates Baa1	22,701,665.00	0.83%	118,206,524.80	4.66%
Corporates Baa2	78,621,485.00	2.86%	70,901,835.01	2.80%
Corporates Baa3	0.00	0.00%	12,318,240.00	0.49%
Public Institution Aaa	235,505,200.00	8.58%	286,435,170.00	11.29%
Public Institution Aa1	71,448,374.80	2.60%	37,531,946.36	1.48%
Public Institution Aa2	128,756,357.00	4.69%	186,294,232.00	7.35%
Public Institution Aa3	15,815,605.00	0.58%	7,506,075.00	0.30%
Public Institution A1	16,655,100.00	0.61%	16,865,250.00	0.67%
Public Institution A2	28,004,000.00	1.02%	8,103,040.00	0.32%
Public Institution A3	15,467,550.00	0.56%	15,537,650.00	0.61%
Public Institution Baa1	34,090,040.00	1.24%	34,060,880.00	1.34%
Supranational Aaa	87,695,520.00	3.19%	40,451,100.00	1.60%
Supranational Aa1	41,026,724.00	1.49%	25,762,720.00	1.02%
Supranational Aa2	10,204,400.00	0.37%	0.00	0.00%
Non-EU Public Institution Aaa	18,521,280.00	0.68%	3,063,390.00	0.12%
Non-EU Public Institution Aa2	44,970,295.00	1.64%	15,054,300.00	0.59%
Non-EU Public Institution Aa3	5,387,400.00	0.20%	5,435,150.00	0.21%
Non-EU Public Institution A1	26,408,781.15	0.96%	20,504,879.95	0.81%
Non-EU Sovereign Aaa	29,108,280.00	1.06%	7,671,150.00	0.30%
Total	**2,745,939,133.80**	**100.00%**	**2,535,245,748.06**	**100.00%**

The above table presenting securities ratings is prepared according to the agreed asset management guidelines. In particular, security ratings of the Bond portfolio refer to the best rating given by Moody’s, Standard & Poor’s or Fitch.

In case of securities for which no security rating is available the rating of the issuer (or guarantor for guaranteed positions) has been taken into account.

(ii) EU sovereign exposure

The following tables show the portfolio structure by exposure towards EU sovereign (either directly or indirectly) and exposure towards other entities as at 31 December 2020 and as at 31 December 2019 (in EUR):

At 31.12.2020	**Purchase price**	**Value at maturity**	**Carrying Value (*)**
EU sovereigns			
Austria	15,168,150.00	15,000,000.00	15,582,000.00
Croatia	30,920,332.00	29,296,000.00	30,937,240.16
Czech Republic	42,485,500.00	37,500,000.00	39,322,470.00

Estonia	6,923,980.00	7,000,000.00	7,206,220.00
Finland	13,797,540.00	13,500,000.00	14,051,205.00
France	132,800,980.00	131,500,000.00	133,958,050.00
Germany	75,181,005.00	73,500,000.00	76,041,455.00
Hungary	16,682,620.00	16,800,000.00	16,997,290.00
Ireland	10,904,850.00	11,000,000.00	11,547,470.00
Italy	41,146,200.00	40,000,000.00	42,065,200.00
Latvia	5,065,000.00	5,000,000.00	5,046,350.00
Lithuania	16,088,800.00	16,000,000.00	16,027,280.00
Poland	81,303,070.00	78,000,000.00	78,653,110.00
Romania	6,390,430.00	6,000,000.00	6,639,200.00
Slovenia	3,492,755.00	3,500,000.00	3,647,210.00
Spain	58,343,467.00	57,265,000.00	58,210,202.00
EU Supranational	77,400,860.00	76,000,000.00	77,770,870.00
Total EU sovereigns	**634,095,539.00**	**616,861,000.00**	**633,702,822.16**
Others	2,100,250,545.08	2,075,183,000.00	2,112,236,311.64
TOTAL	**2,734,346,084.08**	**2,692,044,000.00**	**2,745,939,133.80**

(*) The carrying value represents the clean market value of the assets excluding accrued interest.

At 31.12.2019	Purchase price	Value at maturity	Carrying Value (*)
EU sovereigns			
Croatia	7,851,840.00	8,000,000.00	8,263,840.00
Czech Republic	62,533,500.00	57,500,000.00	60,681,815.00
Finland	5,707,625.00	5,500,000.00	5,589,650.00
France	124,065,350.00	123,000,000.00	125,153,315.00
Germany	74,918,407.50	73,300,000.00	74,770,069.00
Italy	41,146,200.00	40,000,000.00	41,665,450.00
Latvia	21,193,020.00	21,000,000.00	21,176,650.00
Lithuania	37,043,035.82	36,844,600.00	36,901,796.89
Poland	81,976,800.00	76,000,000.00	78,451,300.00
Romania	26,546,318.75	23,000,000.00	24,106,500.00
Spain	49,458,427.00	48,265,000.00	49,258,971.75
Total EU sovereigns	**532,440,524.07**	**512,409,600.00**	**526,019,357.64**
Others	2,004,002,909.70	1,979,732,000.00	2,009,226,390.42
TOTAL	**2,536,443,433.77**	**2,492,141,600.00**	**2,535,245,748.06**

(*) The carrying value represents the clean market value of the assets excluding accrued interest.

In the tables above "EU sovereigns" refer to bonds issued or guaranteed by EU Member States and EU Supranationals while "others" refer to bonds issued by banks, covered bonds, bonds issued or guaranteed by non EU Supranationals or EU and non EU Public Institutions.

(e) Credit risk on EIB UF Investments

The Fund is indirectly exposed to credit risk through the investments in the EIB Unitary Fund. This money market investment is governed by its Deed Poll and Information Memorandum which define certain limits and restrictions in order to limit its exposure to credit risk. The respect of these limits is monitored by Risk Management on a daily basis.

(f) Credit risk on contributions receivable

Contributions receivable is due from the European Commission and the European Commission is rated AAA as at 31 December 2020 and as at 31 December 2019.

(g) Credit risk on risk-related remuneration receivable

The risk-related remuneration receivable is due from the EIB and EIB is rated AAA as at 31 December 2020 and as at 31 December 2019.

3.1.3.3. Liquidity risk

Liquidity risk refers to an entity's ability to meet obligations as they become due, without incurring unacceptable losses. It can be split into funding liquidity risk and market liquidity risk. Funding liquidity risk is the risk that an entity will not be able to meet efficiently both expected and unexpected current and future cash flow needs without affecting its daily operations or its financial condition. Market liquidity risk is the risk that an entity cannot easily offset or eliminate a position at the market price because of inadequate market depth or market disruption.

(a) Liquidity risk management

The treasury portfolio's agreed asset management guidelines and/or investment strategy define certain limits and restrictions in order to limit the exposure to funding liquidity risk of the treasury portfolio. The compliance with these limits is monitored by Risk Management on a daily basis. Such limits and restrictions include a target liquidity buffer.

(b) Liquidity risk measurement

The table below provides an analysis of the non-derivative liabilities into relevant maturity groupings based on the remaining contractual maturities. The table is presented under the most prudent consideration of maturity dates where the earliest possible repayment date is shown.

Maturity profile in EUR (at 31 December 2020)	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**	**TOTAL**
Other payables	903,802.32	0.00	0.00	903,802.32
Total	**903,802.32**	**0.00**	**0.00**	**903,802.32**

Maturity profile in EUR (at 31 December 2019)	**Less than 1 year**	**1 year to 5 years**	**More than 5 years**	**TOTAL**
Other payables	858,426.55	0.00	0.00	858,426.55
Total	**858,426.55**	**0.00**	**0.00**	**858,426.55**

3.1.3.4. Market risk

Market risk represents the risk that changes in market prices and rates, such as interest rates and foreign exchange rates will affect an entity's income or the value of its holdings in financial instruments.

The treasury portfolio's agreed asset management guidelines and/or investment strategy define certain restrictions (such as concentration limits, modified duration and target combined spread duration) in order to fulfil diversification and to control to market risk of the treasury portfolio. The compliance with these limits is monitored by Risk Management on a daily basis.

(a) Interest rate risk position

Interest rate risk arises from the volatility in the economic value of, or in the income derived from the treasury portfolio's interest rate bearing positions due to adverse movements in interest rates. Exposure to interest rate risk occurs when there are differences in repricing and maturity characteristics of the different assets and liabilities.

Interest rate sensitivity analysis

The interest rate sensitivity of the treasury portfolios represents the amount of a potential change in the fair value of the portfolio and is computed on a deal by deal basis assuming that all interest rate curves rose by one percentage basis and 100 basis points or decrease by one percentage basis point and 100 basis points.

The following table shows the sensitivity to interest rate variations of the three Guarantee Fund ("GF") treasury sub-portfolios GF-Short term (Short term deposits, commercial papers and zero coupon bonds), GF-FRN (Bond portfolio variable interest), GF-Long term (Bond portfolio fixed interest). It is presented on the same basis as the quarterly risk management reporting delivered to the EC concerning the risk and the performance of the Fund's portfolio.

31 December 2020

GF sub-portfolios	**Clean market value in EUR'000**	**Modified Duration (Years)**	**IR Exposure (+/-1bp) in EUR'000**	**IR Exposure (100bp) in EUR'000**	**IR Exposure (-100bp) in EUR'000**
GF - Short term	39,847	0.01	-/+ 0	-4	+4
GF - FRN	183,735	0.58	-/+ 11	-1,046	+1,075
GF - Long term	2,562,204	3.28	-/+ 843	-81,660	+ 87,077
Current accounts	16,819	0.00	-/+ 0	0	0
TOTAL GF	**2,802,605**	**3.04**	**-/+ 854**	**-82,710**	**+ 88,156**

31 December 2019

GF sub-portfolios	Clean market value in EUR'000	Modified Duration (Years)	IR Exposure (+/-1bp) in EUR'000	IR Exposure (100bp) in EUR'000	IR Exposure (-100bp) in EUR'000
GF - Short term	997	0.01	-/+ 0	0	0
GF - FRN	226,110	0.81	-/+ 18	-1,797	+1,849
GF - Long term	2,309,136	3.27	-/+ 757	-73,648	+ 77,819
Current accounts	42,799	0.00	-/+ 0	0	0
TOTAL GF	**2,579,042**	**2.99**	**-/+ 775**	**-75,445**	**+ 79,668**

The clean market value of the GF-Short term sub-portfolio as reported above represents the sum of clean market values calculated for short term deposits, commercial papers, zero coupon bonds and EIB Unitary Fund investments. Those clean market values are determined as follows:

– **Short-term deposits**: the sum of the nominal value and total interest at maturity for each position is discounted from the maturity date to the spot date, whereas the spot date equals the valuation date plus two business days. Finally, accrued interest at spot date is subtracted from the calculated market value of the position;

– **Commercial papers**: the nominal value of each position is discounted from the maturity date to the spot date, whereas the spot date equals the valuation date plus two business days;

– **Zero coupon bonds**: the nominal value of each position is multiplied with the observed spot/quote/price;

– **EIB Unitary Fund investments**: based on the latest available Net Asset Value (NAV) reported by the calculation agent.

The clean market values of the GF-FRN and GF-Long term sub-portfolios as reported above represents the sum of the clean market values calculated for fixed and floating rate bonds. Those clean market values are determined as follows:

– **Fixed rate bonds**: the nominal value of each position is multiplied by its market quote as observed at valuation date.

– **Floating rate bonds (FRNs)**: the nominal value of each position is multiplied by its market quote as observed at valuation date.

EIB Unitary Fund Investments

As at 31 December 2020 the Fund is indirectly exposed to market risk through the investments in the EIB Unitary Fund. The value of the underlying investments of the EIB Unitary Fund investments changes under the influence of the prevailing interest rates but also under other influences, including the perceived creditworthiness of the issuer or obligor. Due to the characteristics of this money market investment, the interest rate sensitivity of the investment in EIB Unitary Fund can be considered as nil, under normal market conditions.

A +/- 10 percent change in the NAV of the EIB Unitary Fund would result into a change of the value of the EIB Unitary Fund investments amounting to EUR -3,984,719.10 (2019: EUR -99,728.40) or EUR +3,984,719.10 (2019: EUR +99,728.40) respectively and would be recorded in the statement of changes of net assets under change in fair value reserve.

3.1.3.5. Foreign exchange risk exposure

Foreign exchange risk is the volatility in the economic value of, or in the income derived from, the Fund's positions due to adverse movements of foreign exchange rates.

As all assets and liabilities of the Fund are denominated in Euro, the Fund is not exposed to foreign exchange risk.

3.1.4. Fair value of financial instruments

3.1.4.1. Accounting classifications and fair value

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. These do not include fair value information for financial assets and financial liabilities not carried at fair value if the carrying amount is a reasonable approximation of fair value.

At 31 December 2020 **in EUR**	**Carrying amount**				**Fair value**			
	Available for Sale	**Cash, loans and receivables**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets carried at fair value:								
Bond portfolio	2,754,230,651.86	0.00	0.00	**2,754,230,651.86**	2,754,230,651.86	0.00	0.00	**2,754,230,651.86**
EIB Unitary Fund Investments	39,847,191.01	0.00	0.00	**39,847,191.01**	0.00	39,847,191.01	0.00	**39,847,191.01**
Total	**2,794,077,842.87**	**0.00**	**0.00**	**2,794,077,842.87**	**2,754,230,651.86**	**39,847,191.01**	**0.00**	**2,794,077,842.87**
Financial assets not carried at fair value:								
Contributions receivable	0.00	42,340,133.67	0.00	**42,340,133.67**				
Risk-related remuneration receivable	0.00	1,810,108.50	0.00	**1,810,108.50**				
Current accounts	0.00	16,819,347.55	0.00	**16,819,347.55**				
Total	**0.00**	**60,969,589.72**	**0.00**	**60,969,589.72**				
Total financial assets	**2,794,077,842.87**	**60,969,589.72**	**0.00**	**2,855,047,432.59**				
Financial liabilities not carried at fair value:								
Other payables	0.00	0.00	-903,802.32	**-903,802.32**				
Total	**0.00**	**0.00**	**-903,802.32**	**-903,802.32**				
Total financial liabilities	**0.00**	**0.00**	**-903,802.32**	**-903,802.32**				

At 31 December 2019 in EUR	Carrying amount				Fair value			
	Available for Sale	Cash, loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets carried at fair value:								
Bond portfolio	2,544,203,315.12	0.00	0.00	**2,544,203,315.12**	2,544,203,315.12	0.00	0.00	**2,544,203,315.12**
EIB Unitary Fund Investments	997,284.03	0.00	0.00	**997,284.03**	0.00	997,284.03	0.00	**997,284.03**
Total	**2,545,200,599.15**	**0.00**	**0.00**	**2,545,200,599.15**	**2,544,203,315.12**	**997,284.03**	**0.00**	**2,545,200,599.15**
Financial assets not carried at fair value:								
Contributions receivable	0.00	240,152,822.10	0.00	**240,152,822.10**				
Risk-related remuneration receivable	0.00	585,535.74	0.00	**585,535.74**				
Current accounts	0.00	42,799,335.89	0.00	**42,799,335.89**				
Total	**0.00**	**283,537,693.73**	**0.00**	**283,537,693.73**				
Total financial assets	**2,545,200,599.15**	**283,537,693.73**	**0.00**	**2,828,738,292.88**				

Financial liabilities not carried at fair value:				
Other payables	0.00	0.00	-858,426.55	**-858,426.55**
Total	**0.00**	**0.00**	**-858,426.55**	**-858,426.55**
Total financial liabilities	**0.00**	**0.00**	**-858,426.55**	**-858,426.55**

3.1.4.2. Measurement of fair values

Assets for which carrying value approximates fair value

For financial assets and financial liabilities that are liquid or have a short term maturity (less than three months), it is assumed that the carrying amount approximates their fair value.

Assets and liabilities carried at fair value

Published price quotations in an active market are the first source for determining the fair value of a financial instrument.

For instruments without available market price, the fair value is estimated using a discounted cash flow model based on either directly or indirectly observable market data (discount curves and estimation curves) prevailing at the balance sheet date.

3.1.4.3. Transfers between level 1 and level 2

There were no transfers between level 1 and level 2 of the fair value hierarchy during the financial period.

3.1.4.4. Level 3 fair value

As at 31 December 2020 and 31 December 2019 the Fund has no financial instruments classified under Level 3.

3.1.5. Bond portfolio

The following tables show the movements of the Bond portfolio (in EUR):

Balance as at 1 January 2020	2,544,203,315.12
Acquisitions	1,195,986,162.48
Disposals and withdrawals (original acquisition cost)	-998,083,512.17
Change in carrying amount - actuarial difference	-752,474.68
Change in accrued interest	-666,049.00
Change in fair value	13,543,210.11
Balance as at 31 December 2020	2,754,230,651.86

Balance as at 1 January 2019	2,465,100,760.23
Acquisitions	1,537,595,053.32
Disposals and withdrawals (original acquisition cost)	-1,475,595,712.60
Change in carrying amount - actuarial difference	12,697,320.69
Change in accrued interest	-4,228,610.29
Change in fair value	8,634,503.77
Balance as amount at 31 December 2019	2,544,203,315.12

As at 31 December 2020 the nominal value of the investment portfolio was EUR 2,692,044,000.00 million (2019: EUR 2,492,141,600.00 million), against a market value of EUR 2,745,939,133.80 million (2019: EUR 2,535,245,748.06 million), excluding accrued interest.

Accrued interest as at 31 December 2020 amounting to EUR 8,291,518.06 (2019: EUR 8,957,567.06) is split between:

- Fixed rate notes EUR 8,275,764.96 (2019: EUR 8,924,878.78);
- Floating rate notes EUR 15,753.10 (2019: EUR 32,688.28).

As at 31 December 2020 the market value of securities lent within the automatic security lending agreement with Euroclear (excluding accrued interest) amounts to EUR 9,494,167.78 (2019: EUR 11,022,385.63).

3.1.6. EIB Unitary Fund investments

The following table shows the movements in the EIB Unitary Fund investments:

Balance as at 1 January 2020	997,284.03
Subscriptions	39,000,012.00
Change in fair value	-150,105.02
Balance as at 31 December 2020	39,847,191.01

Balance as at 1 January 2019	0.00
Subscriptions	999,956.97
Change in fair value	-2,672.94
Balance as at 31 December 2019	997,284.03

3.1.7. Cash and cash equivalents

Cash and cash equivalents is composed only of current accounts amounting to EUR 16,819,347.55 as at 31 December 2020 (31 December 2019: EUR 42,799,335.89).

3.1.8. Recovery fees

According to the Recovery Agreement dated 3 October 2018 the EU shall reimburse EIB for external costs and expenses incurred by it in the course of execution of the recovery proceedings.

During the reporting year 2020, recovery fees were amounting to EUR 35,152.26 (2019: EUR 209,653.61) of which the amount of EUR 0.00 is accrued as at 31 December 2020 (2019: EUR 0.00).

3.1.9. Contributions

Contributions are increased by contributions from the general budget of the European Union, by the recoveries of previous interventions made by the Fund with regard to defaulted guaranteed loans and by receive risk remuneration earned under the ERI Private Mandate. Contributions are either decreased by repayments to the general budget of the European Union or by interventions the Fund is paying with regard to defaulted guaranteed loans. Contributions to/from the budget of the European Union are recognised in the balance sheet on the date when they become due or owed according to articles 3, 4, 5 and 6 of the Council Regulation (EC, Euratom) No 480/2009 of 25 May 2009 establishing a Guarantee Fund for external actions.

The contribution allocated but not yet paid in as at 31 December 2019 amounting to EUR 240,152,822.10 was paid in cash during the reporting period. In 2020, the Fund has been allocated an additional contribution amount of EUR 42,340,133.67 which has not been paid as at 31 December 2020.

The following table shows the movements of the contributions during the reporting period (in EUR):

Balance as at 1 January 2020	1,783,638,681.50
Contributions from the European Commission allocated but not paid in	42,340,133.67
Contributions paid to the EIB as guarantee call	-52,434,350.25
Recovery of historically called amount	705,327.23
Balance as at 31 December 2020	1,774,249,792.15

Balance as at 1 January 2019	1,598,393,457.10
Contributions from the European Commission allocated but not paid in	240,152,822.10
Contributions paid to the EIB as guarantee call	-54,907,597.70
Balance as at 31 December 2019	1,783,638,681.50

3.1.10. Risk-related remuneration

(1) During 2020, the risk-related remuneration under the ERI Private Mandate amounts to EUR 9,084,830.18 (2019: EUR 2,155,490.46) out of which EUR 1,810,108.50 is accrued as at 31 December 2020 (EUR 585,535.74 as at 31 December 2019).

3.1.11. Other payables

Description	**31.12.2020**	**31.12.2019**
Treasury management fees	837,634.32	817,746.55
Audit fees	66,168.00	40,680.00
Total	**903,802.32**	**858,426.55**

Treasury management fees are payable to the EIB on an annual basis.

3.1.12. Specific financial information disclosed

The following specific information is disclosed for the EU's annual reporting to the United Kingdom following article 143 of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community (hereafter "WA").

3.1.12.1. Provisions in the Guarantee Fund by 31 December 2020 (WA Art. 143(3)(a)(i))

Provisions in the Guarantee Fund	**31.12.2020**
Net Assets Value of the guarantee fund excluding contributions not yet paid in (WA Art. 143.3(a)(i))	2,811,803,496.60
Total provisions in the guarantee fund (NAV)	**2,811,803,496.60**

3.1.12.2. Total payments made from the Guarantee Fund in 2020 relating to the guaranteed financial operations (including those related to "pre-Brexit operations" as per WA Art 143(4)(b))

Payments for guarantee calls, fees and costs relating to operations	**2020**
Payments for guarantee calls	52,434,350.25
Payments for recovery costs	35,152.26
Total payments for guarantee calls and costs relating to operations	**52,469,502.51**

3.1.12.3. Total reflows from the guaranteed financial operations settled in the Guarantee Fund in 2020 (including those related to "pre-Brexit operations" as per WA Art 143(2))

Reflows from financial operations	**2020**
Amounts recovered from the defaulting debtors or returns of undue payments	705,327.23
Amounts of revenue from the financial operations (risk related remuneration)	7,860,257.42
Total reflows from financial operations	**8,565,584.65**

3.1.13. Subsequent events

In the context of the Covid-19 pandemic, the Facility continues to monitor the situation closely notably as part of the subsequent event review. It is considered that there have been no material events after the balance sheet date that would require adjustment of, or disclosure in, the financial statements as at 31 December 2020.