



COMMISSION OF THE EUROPEAN COMMUNITIES

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**ANNUAL STATUS REPORT FROM THE COMMISSION ON THE GUARANTEE FUND
AND ITS MANAGEMENT IN 1998**

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**ANNUAL STATUS REPORT FROM THE COMMISSION ON THE GUARANTEE FUND
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1. LEGAL BASES

Council Regulation (EC, Euratom) No 2728/94 of 31 October 1994 set up a Guarantee Fund for external actions to repay the Community's creditors in the event of default by beneficiaries of loans granted or guaranteed by the Community.

In accordance with Article 6 of the Regulation the Commission entrusted financial management of the Fund to the European Investment Bank (EIB) under an agreement signed between the Community and the EIB on 23 November 1994 in Brussels and on 25 November 1994 in Luxembourg.

Under Article 8.2 of the agreement, by 1 March each year the Bank must send the Commission a status report on the Fund and its management, the revenue and expenditure account and the financial statement for the Fund for the preceding year. An extract from the report covering 1998 is in Annex II.

In addition, Article 7 of the Regulation establishing the Fund requires the Commission to send the European Parliament, the Council and the Court of Auditors a report on the situation of the Fund and its management for each financial year by 31 March of the following year.

2. POSITION OF THE FUND AT 31 DECEMBER 1998

At the close of the 1998 financial year, the Fund totalled ECU 1 281 167 847.55 (Annex II). This is the sum, since the Fund was established, of all:

- budget payments (ECU 1 338 344 000.00);
- incremental yearly net results (ECU 111 950 328.60);
- late payments from non-member countries (ECU 321 678 601.68);
- debts corresponding to the payments not made to the Bank (ECU 506 799.43);
- minus calls on the Fund's resources (ECU 425 311 882.16) and repayment to the budget of the surplus in the Fund established at 31.12.97 (ECU 66 000 000.00).

After the Bank's remuneration is deducted, the Fund total at 31 December 1998 comes to ECU 1 280 661 048.12.

The total amount of the consolidated balance sheet (Annex III) is ECU 1 443 165 081.82, which breaks down into ECU 602 000 000 in deposits, ECU 35 049 861.51 on current account, ECU 623 799 322.48 in the securities portfolio, ECU 20 318 663.56 in interest accrued and not paid at 31 December 1998 (ECU 6 097 308.38 in interest accrued and not yet due on fixed-term deposits, ECU 14 221 355.18 in coupons accrued and not yet due) and ECU 161 997 234.27 in receivables from the recipients of loans granted or

guaranteed by the Community, including ECU 134 300 628.80 in principal, interest due and default interest covered by guarantee payments under the Fund and ECU 27 696 605.47 in default interest incurred but not received at 31 December 1998.

Article 3 of the Regulation establishing the Fund requires that the amount of the Fund has to reach an appropriate level (target amount) set at 10% of the total outstanding capital liabilities arising from each operation, plus unpaid interest due.

Outstanding lending and loan guarantee operations for non-member countries plus unpaid interest due totalled ECU 9 834 million at 31 December 1998, of which ECU 354 million was accounted for by unpaid interest.

The ratio between the Fund's resources and outstanding capital liabilities within the meaning of the Regulation was 13%. Since this is higher than the target amount of 10%, there had to be a repayment from the Fund to the general budget of the Communities, as provided for in the third paragraph of Article 3 of the Regulation. The amount to be repaid to the budget comes to ECU 297,8 million.

The following sections describe developments affecting the Fund's resources and liabilities in 1998.

3. PAYMENTS INTO THE FUND

3.1. Payments from the general budget in the course of the financial year

Articles 2 and 4 of the Regulation establishing the Fund stipulate that it is to be endowed by payments from the general budget equivalent to 14% of the capital value of loan and loan guarantee operations until the target amount is reached. Under Article 5 the provisioning rate rises to 15% for new operations if the Fund's resources fall below 75% of the target amount as a result of guarantees being activated to cover any default.

The legal bases for the provisioning arrangements are described in Annex I.

The Council Decision of 31 October 1994 concerning budgetary discipline authorised the entry in the general budget of a reserve for loan and loan guarantee operations. This item, which was allocated provisional appropriations of ECU 338 million in 1998, is intended to endow the Fund by transferring amounts into the budget item for payments into the Fund.

On these legal bases, two transfers totalling ECU 272 389 000 were adopted by the budgetary authority in 1998 to endow the Guarantee Fund.

- Transfer 8/98: ECU 245 509 000

This first transfer at the beginning of the year was for payments into the Fund under the Council Decisions of 15 February 1993, 24 January 1994, 21 March 1994, 22 December 1994, 12 December 1996 and 14 April 1997, in accordance with the arrangements set out in the Annex to the Regulation establishing the Fund (see Annex I).

- Transfer 50/98: ECU 26 880 000

This second transfer was for payments into the Fund in respect of loan operations adopted by the Council on 19 May 1998 and 15 October 1998. The decisions covered by this transfer are given in Annex I.

The two transfers to the Fund were made in June and December 1998.

3.2. Interest from financial investment of the Fund's liquid assets

The Fund's liquid assets are invested in accordance with the management principles laid down in the Annex to the Community/EIB Agreement.

These principles state that during the Fund's first years of operation it will be treated as a money-market investment fund dealing solely in short-term instruments up to one year, as long as the total amount invested does not exceed ECU 300 million. As the amount of the Fund exceeded this ECU 300 million threshold in 1995, the Commission agreed with the EIB to amend the investment principles early in 1996.

The list of banks authorised to receive deposits is agreed by the Commission and the EIB. The original list has been revised several times in the light of the latest changes in bank ratings. Most of the banks are members of the ecu clearing system. They all have a Moody's rating of at least A1 for long-term investments and P1 for short-term ones and investments made with them are governed by rules to ensure a good spread and avoid risk exposure.

In 1998 interest on deposits, the Guarantee Fund current account and securities totalled ECU 50 185 882.97, broken down as follows:

- deposits: ECU 18 194 230.75. This represents the situation at 31 December including interest received on bank deposits (ECU 13 738 802.89) and interest incurred (ECU 4 455 427.86) in 1998. The interest accrued corresponds to interest which has not been received by the Fund at the end of the year but will be paid at the dates fixed for maturity of the investments. The interest accrued in 1997 but received in 1998 (ECU 1 641 880.52) is deducted from the accrued interest entered in the accounts at 31 December 1998 (ECU 6 097 308.38).
- current account: ECU 658 760.83, comprising interest recorded on the current account.
- securities portfolio: ECU 31 332 891.39. The interest on securities is generated by investments placed in the form of securities in accordance with the principles of investment laid down in the Agreement giving the EIB the task of managing the Fund's liquid assets. From this figure must, however, be subtracted the ECU 7 023 464.88 charged in the course of the year as the difference between the entry price and the redemption value divided pro rata temporis over the remaining life of the securities held (corresponding to the spread of the premium or discount entered in the profit and losses account).

The interest received is entered in the results for the financial year.

3.3. Recovery from defaulting debtors

Any late repayments by defaulting countries on operations where the Fund has honoured the guarantee are paid into the Fund. The running total now comes to ECU 321 678 601.68 (see point 2.1.2 of Annex II) of which ECU 185 299 546.75 was recovered in 1998.

4. THE FUND'S LIABILITIES

4.1. Default payments

The Fund's guarantee was called in on three occasions in 1998, involving a total of ECU 15 407 950.56 (see point 2.1.1 of Annex II).

In December 1998 the EIB again called in the Community guarantee in respect of ECU 4.7 million which was taken from the Guarantee Fund on 5 March 1999.

4.2. EIB remuneration

Article 6 of the management agreement between the Commission and the EIB sets an annual commission of 0.125% calculated on the Fund's average monthly balances. The figure is to be reviewed at the end of any year in which the Fund's liquid assets reach ECU 300 million and no later than three years following the date of the first payment into the Fund, taking into account such things as the growth of the Fund's activities.

As the Fund had reached ECU 300 million at the end of 1995, the EIB's remuneration was reviewed. Taking into account the Bank's experience of the workload involved in its management, a supplementary agreement dated 17 September and 23 September 1996 to the Agreement on the financial management of the Fund took the annual payment to 0.05% of the Fund's assets; this rate was applied retrospectively on 31 December 1994.

For 1998 the Bank's remuneration was fixed at ECU 506 799.43 and entered in the profit and loss account as accruals (liabilities) on the balance sheet. This payment was made to the EIB on 23 February 1999.

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LEGAL BASES FOR PAYMENTS TO THE GUARANTEE FUND FROM THE GENERAL BUDGET

The Annex to the Regulation concerning arrangements for payments under the Guarantee Fund stipulates that for borrowing/lending operations or guarantees to financial bodies under a framework facility spread over several years and with a micro-economic and structural purpose, payments will be made in annual tranches calculated on the basis of the annual amounts indicated in the financial statement attached to the Commission proposal, adapted, where appropriate, in the light of the Council decision.

In the case of other borrowing/lending operations such as balance of payments loans to non-member countries, irrespective of whether they are made in one or more than one tranche, the amount to be paid into the Fund will be calculated on the basis of the total amount for the operation decided on by the Council.

Two transfers were made under this procedure in 1998.

1. DECISIONS COVERED BY TRANSFER 8/98

- Council Decision of 15 February 1993 calling on the EIB to grant loans for projects of mutual interest in certain non-member countries with which the Community has cooperation agreements, within a fixed ceiling of ECU 250 million a year for a period of three years.
- As part of the financial cooperation with the Mediterranean countries:
 - Council Decision of 24 January 1994 for a three-year loan of ECU 115 million for Syria.
 - Council Decision of 21 March 1994 authorising the Commission to contract Euratom borrowings of ECU 1 100 million in order to contribute to the financing required for improving the degree of safety and efficiency of nuclear power stations in certain non-member countries.
 - Council Decision of 22 December 1994 providing further macrofinancial assistance of ECU 200 million for Algeria.
 - Council Decision of 12 December 1996 granting a Community guarantee to the EIB against losses under loans for projects of mutual interest in certain non-member countries with which the Community has concluded cooperation agreements. A loan ceiling of ECU 275 million was fixed in 1996.
 - Council Decision of 14 April 1997 granting a Community guarantee to the EIB against losses under loans for projects outside the Community (central and eastern European countries, Mediterranean countries, Latin American and Asian countries and South Africa).

2. DECISIONS COVERED BY TRANSFER 50/98

Council Decision of 19 May 1998 granting a Community guarantee to the EIB against losses under loans for projects in the former Yugoslav Republic of Macedonia and amending Decision 97/256/EC granting a Community guarantee to the European Investment Bank against losses under loans for projects outside the Community (Central and Eastern European countries, Mediterranean countries, Latin American and Asian countries and South Africa).

Council Decision of 15 October 1998 providing supplementary macro-financial assistance of ECU 150 million for Ukraine.

**EIB STATUS REPORT ON THE FUND AND ITS MANAGEMENT
REVENUE AND EXPENDITURE ACCOUNT AND BALANCE SHEET
AT 31 DECEMBER 1998**

1. DEVELOPMENT OF THE FUND IN 1998

As stated in point 2.3, the total holdings of the Fund stood at ECU 1 260.8 million at 31 December 1998 as against ECU 845.3 million at 31 December 1997, an increase of ECU 415.5 million.

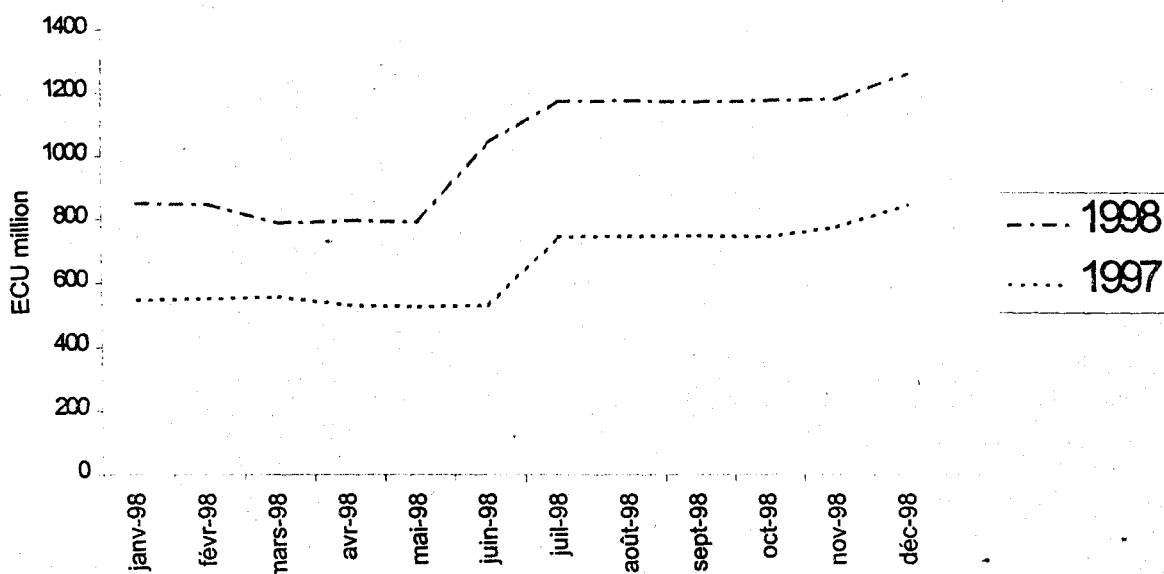


Fig.1: Changes in assets in 1998

The Fund surplus of ECU 66 million at 31 December 1997 was repaid to the Commission on 17 March 1998 under Article 7 of the agreement. The Fund's resources were increased by ECU 245.5 million on 30 June 1998 and by ECU 26.9 million on 29 December 1998.

The operating result came to ECU 42.6 million at 31 December 1998 as against ECU 27.5 million at 31 December 1997. Portfolio income reached ECU 24.3 million, representing around 57% of the revenue recorded at 31 December 1998.

2. SITUATION OF THE FUND

2.1. Resources at 31 December 1998

The Guarantee Fund balance increased by ECU 377 million, i.e. more than 47.5% from ECU 792 million at 31 December 1997 to ECU 1 169 million at 31 December 1998.

This is due to the movements shown in the following table:

Resources		Situation at 31/12/97	Movements in 1998	Situation at 31/12/98
Provisions	+	1 065 955 000.00	272 389 000.00	1 338 344 000.00
Repayment of surplus	-	0.00	66 000 000.00	66 000 000.00
Activation of guarantee	-	409 903 931.60	15 407 950.56	425 311 882.16
Recovery of amounts guaranteed	+	136 379 054.93	185 299 546.75	321 678 601.68
Account balance		792 430 123.33	376 280 596.19	1 168 710 719.52

ECU 4.7 million was paid from the Fund on 6 February 1998, ECU 4.4 million on 22 May 1998 and ECU 6.4 million on 11 September 1998, giving a total of ECU 15.5 million for 1998.¹

Amounts recovered from defaulting debtors in 1998:

VALUE DATE	AMOUNT
10/02/98	7 215.13
03/04/98	1 291 892.58
22/04/98	1 726 331.69
10/07/98	81 288 737.93
28/07/98	50 000 000.00
30/10/98	97 820.45
20/11/98	97.28
21/12/98	50 887 451.69
TOTAL	185 299 546.75

2.2. The Fund's assets at 31 December 1998

The Fund's assets at 31 December 1998 came to ECU 1 260.8 million, broken down as follows. The Fund operates in one currency only - the ecu.

- ECU 602 million invested in short-term monetary deposits;
- ECU 35 million on current account;
- ECU 623.8 million in the investment portfolio (see table in 2.3).

2.3. Liquidity risk

In accordance with the strategy agreed with the Commission for the management of Guarantee Fund assets in 1998, the funds available are distributed as follows:

¹ Activation of the guarantee on the Commission's instructions.

	Fixed-rate investments			Variable-rate securities	TOTALS
	less than 3 months	3 months to 1 year	1 to 6 years		
Current accounts	35 049 891.51				35 049 891.51
Fixed-term deposits	602 000 000.00				602 000 000.00
Securities portfolio	26 181 029.54	71 186 373.87	274 301 514.35	252 130 404.72	623 799 322.48
TOTALS	663 230 921.05	71 186 373.87	274 301 514.35	252 130 404.72	1 260 849 213.99
in percentages	52.60	5.65	21.75	20	100.00

Cover of more than ECU 663 million at less than three months is maintained to correspond to the time by which the Commission must call on the Fund in the event of defaults on loan repayments.

The remaining assets have been scheduled so that there is a regular flow of revenue and sufficient liquidity.

At 31 December 1998 the term of long-term fixed-rate investment came to 2.4 years compared with the maximum 2.5 years authorised; the term for variable-rate securities was two months, exactly the same as the average term provided for in the strategy for the management of Fund assets.

3. GUARANTEE FUND INVESTMENT: ANALYSIS OF RESULTS AND PERFORMANCE IN 1998

3.1. General analysis

Overall, Guarantee Fund operations produced net income of ECU 42.6 million, giving an average yield of 4.23%.² The average LIBID ECU 3 month rate over the same period was 4.01%, giving a positive overall spread of 22 basis points de base above the reference benchmark.

Investment income at 31 December 1998 was as follows:

	1998 (ECU billion)
Interest on short-term investment	18.2
Interest on securities	31.3
Interest on current account	0.7
Spread of premium or discount	-7
Commissions and financial charges	-0.6
 Total	 42.6

² Basis for calculating overall yield: a/360.

3.2. Sectoral analysis

3.2.1. Treasury operations

Investment in 1998 produced ECU 18.2 million in interest on capital averaging 434.7. The yield on investments in 1998 averaged 4.13%³ as against 4.24% at 31 December 1997.

The spread obtained is 17 basis points above the three-month LIBID ECU rate.⁴

PERIOD	YIELD	LIBID three months	SPREAD
1998	4.13%	3.96%	0.17%

- **Movements in yield and reference rates in 1998**

The table below shows the rates obtained for short-term money-market investments as compared with the three-month LIBID reference rate.

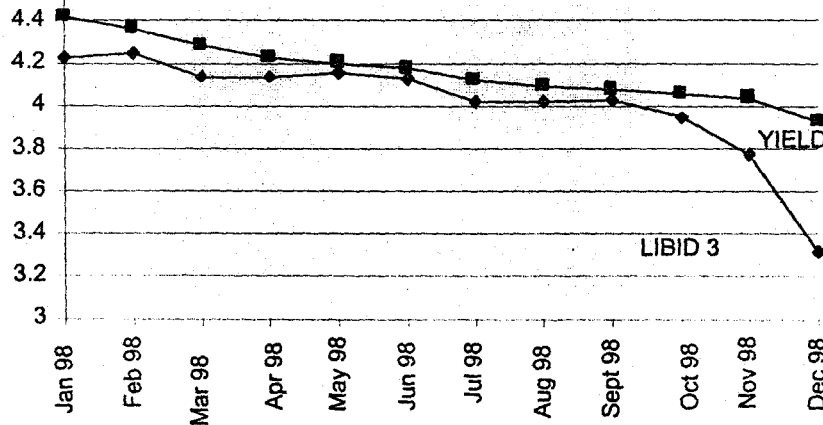


Fig. 2: Yield in relation to the benchmark rate

³ Basis for calculating short-term money market operations: a/360.

⁴ The "spread" measures the difference in rates between the actual rate of yield on an investment and the benchmark rate corresponding to the LIBID ECU 3 month rate in accordance with the guidelines in force.

Overall, the spread in relation to the benchmark rate was positive (an average of 17 basis points) for short-term investments.

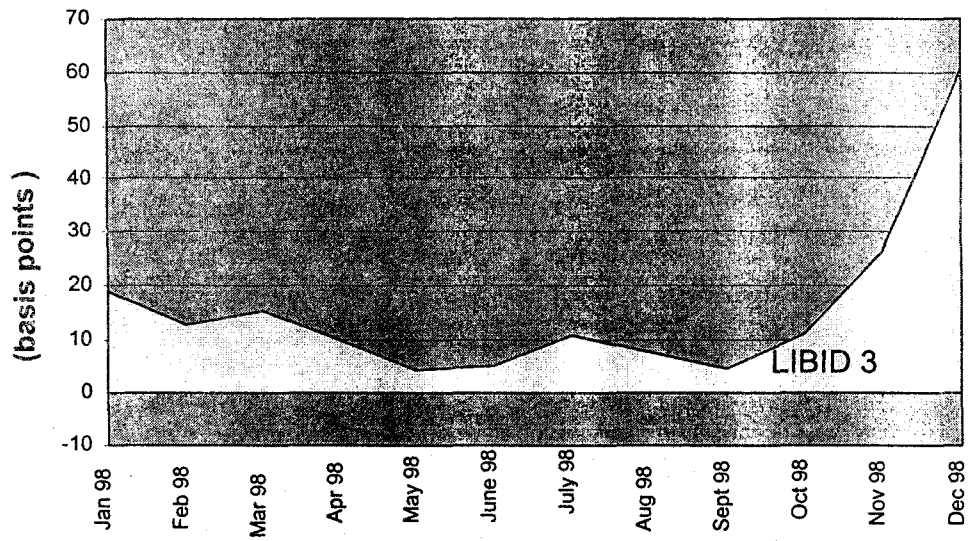


Fig. 3: Yield spread

- **Profile of counterparties**

In accordance with the agreement between the Community and the Bank on the management of the Guarantee Fund, all the securities held have a minimum credit rating of A1.

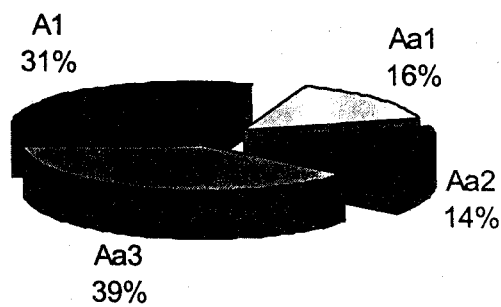


Fig. 4: Breakdown of short-term investment by type of counterparty at 31/12/98

• **Geographical breakdown**

Geographical breakdown of the countries with which the Fund made fixed-term deposits in 1998, with indication of the average capital:

(million)	AVERAGE CAPITAL in 1998	AVERAGE CAPITAL in 1997
Italy	107.5	58.1
France	75.8	37.1
United Kingdom	70.0	11.8
Belgium	51.7	41.4
Spain	41.4	24.2
Luxembourg	33.2	19.4
Denmark	25.4	7.7
Ireland	10.3	9.7
Austria	9.9	3.9
Netherlands	9.1	13.9
Germany	0.4	18.2
TOTALS	434.7	245.4

The EIB is pursuing its objective of better geographical distribution while at the same time maintaining the competitiveness of the yield obtained.

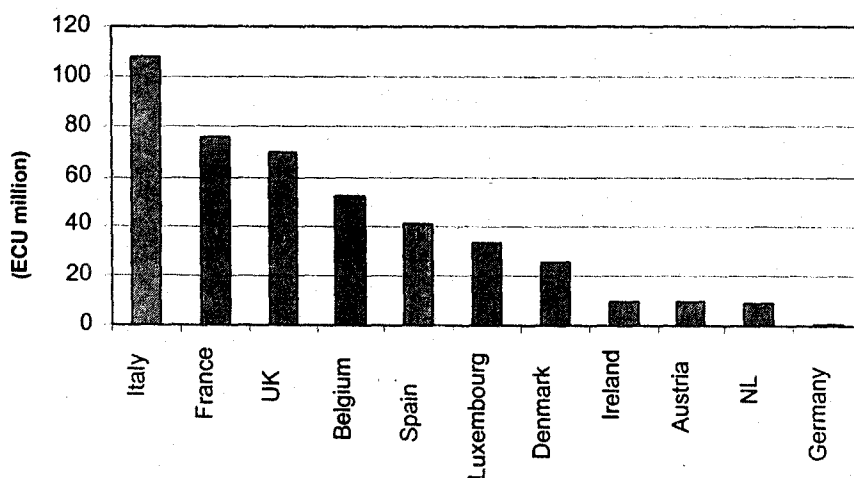


Fig. 5: Short-term investment: geographical breakdown of average capital

3.2.2. *Investment portfolio*

The securities portfolio, seen as an investment portfolio, is made up of securities in ecus acquired with the intention of keeping them until maturity: at 31 December 1998 the fixed-interest securities whose residual period to maturity is less than 3 months totalled ECU 26.2 million. The other fixed-interest securities with a residual period to maturity of between 3 months and 6 years) total ECU 345.5 million. The variable-rate securities total ECU 252,1 M, giving an overall book value of ECU 623.8 million.

The starting value of the securities in this portfolio is the cost of acquisition. The difference between the entry price and the redemption value is divided pro rata temporis over the remaining life of each of the securities.

At 31 December 1998 the nominal value of the investment portfolio was ECU 612.7 million against a book value of ECU 623.8 million (including the premium to be written off).

The portfolio gave a result of 24.3 million at 31 December 1998. This result breaks down as follows:

- Interest received	31 332 891.39
- Spread of the premium	<u>-7 023 464.88</u>
	24 309 426.51

The book profit of the investment portfolio came to 4.44% at 31 December 1998. With a Salomon index reference benchmark for fixed-rate securities and the Libid 3 months for variable-rate securities, the overall spread is positive by 36 basis points in relation to the aggregate benchmark of 4.08%.

	Entry price Average capital	Percentage Variable-rate	Percentage Fixed-rate	Yield Portfolio	Benchmark YTM Salomon	Benchmark Libid 3 months	Benchmark. aggregate	Spread
	ECU					30/360		bp
January	529 419 420	40.4%	59.6%	4.64%	4.64%	4.28%	4.49%	14
February	521 267 934	44.5%	55.5%	4.19%	4.38%	4.30%	4.34%	-16
March	514 964 016	46.1%	53.9%	4.70%	4.42%	4.25%	4.34%	36
April	505 504 130	47.0%	53.0%	4.59%	4.36%	4.19%	4.28%	31
May	505 309 880	47.0%	53.0%	4.31%	4.41%	4.22%	4.32%	-1
June	505 910 375	46.9%	53.1%	4.38%	4.26%	4.19%	4.23%	15
July	554 700 839	42.5%	57.5%	4.51%	4.26%	4.09%	4.19%	32
August	544 818 604	34.6%	65.4%	4.13%	4.29%	4.07%	4.21%	-8
September	568 831 383	35.7%	64.3%	4.75%	3.87%	4.09%	3.95%	81
October	579 150 096	35.4%	64.6%	4.44%	3.69%	3.99%	3.80%	64
November	610 575 484	35.4%	64.6%	4.37%	3.60%	3.82%	3.68%	69
December	626 008 409	39.7%	60.3%	4.32%	3.48%	3.37%	3.43%	88
Annual	547 205 047	41.0%	59.0%	4.44%			4.08%	36

Finally, at 31 December 1998 the market value of the investment portfolio came to ECU 647 million compared with the entry price of ECU 632 million (not including interest accrued and premiums/discounts), an unrealised gain of ECU 15 million.

- **Breakdown of the portfolio between fixed-rate and variable-rate securities**

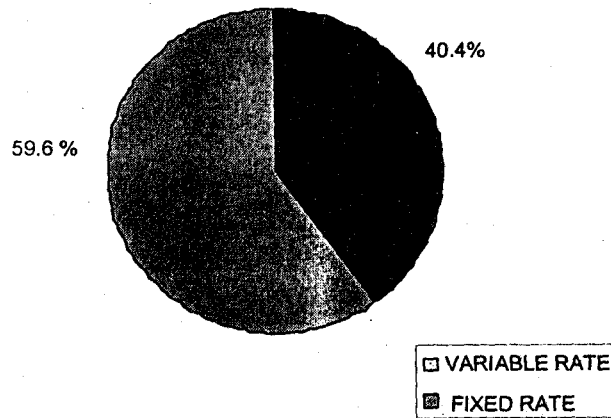


Fig.6: Breakdown of the investment portfolio between fixed-rate and variable-rate securities at 31/12/98

- **Redemption of investment portfolio**

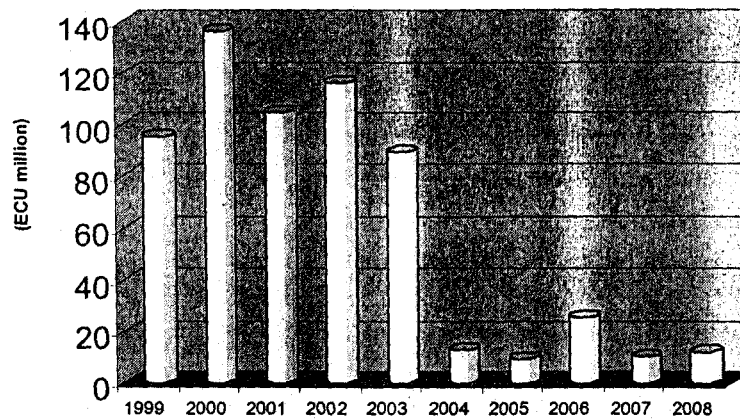


Fig. 7: Investment portfolio: Redemption

The last final maturity date for fixed-rate securities is 16 February 2004.

- **Profile of issuers**

All the securities held meet the following criteria:

- Either they are issued by the States and/or institutions guaranteed by the European Union, the G10 or supranational bodies;
- or they are issued by another sovereign State with a rating of at least Aa3 ;
- or they are issued by another issuer with a rating of Aaa.

The profile of issuers was as follows at 31 December 1998:

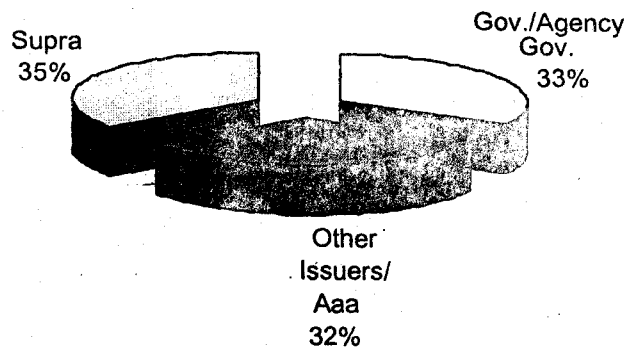


Fig. 8: Investment portfolio: Profile of issuers at 31/12/98

POSITION OF THE GUARANTEE FUND AT 31 DECEMBER 1998

ASSETS	31 December 1998
<u>Receivables with credit institutions</u>	
CURRENT ACCOUNT	35 049 861.51
FIXED-TERM DEPOSITS	602 000 000.00
	637 049 861.51
<u>Investment portfolio</u>	
SECURITIES PORTFOLIO	623 799 322.48
	623 799 322.48
<u>Other receivables</u>	
ACCRUALS	20 318 663.56
	20 318 663.56
TOTAL	<u>1 281 167 847.55</u>
LIABILITIES	31/12/1998
<u>Guarantee Fund</u>	
GUARANTEE FUND	1 168 710 719.52
	1 168 710 719.52
<u>Other liabilities</u>	
ACCRUALS	506 799.43
	506 799.43
<u>Result</u>	
Result carried over	69 356 934.57
Result for 1997	42 593 394.03
	111 950 328.60
TOTAL	<u>1 281 167 847.55</u>
PROFIT AND LOSS AT 31 December 1998	
1. INCOME	
Interest on securities	31 332 891.39
Appreciation on transfer of investment securities	0.00
Interest on investments	18 194 230.75
Interest on current account	658 760.83
SUB-TOTAL	50 185 882.97
2. COSTS	
Spread of premium or discount	- 7 023 464.88
Commissions	- 506 799.43
Financial charges	- 62 224.63
SUB-TOTAL	- 7 592 488.94
NET RESULT	<u>42 593 394.03</u>

**CONSOLIDATED FINANCIAL BALANCE SHEET OF THE GUARANTEE FUND AT
31 DECEMBER 1998**

The consolidated financial balance sheet at 31 December 1998 is provided to supplement the position of the Guarantee Fund as set out in Annex II. The consolidated balance sheet also includes an additional ECU 161 997 234.27 which breaks down as follows:

- on the assets side, receivables with recipients of loans granted or guaranteed by the Commission totalling ECU 134 300 628.80 for third countries' arrears on the payment of principal, interest due and default interest covered by the Guarantee Fund and ECU 27 696 605.47 for default interest incurred but not received at 31 December 1998. This default interest has been calculated in line with the penalty rates laid down in the loan contracts.
- on the liabilities side, the Fund's resources which still have to be replenished (ECU 121 446 225.83), default interest incurred but not received (ECU 27 696 605.47 and interest received on late recoveries (ECU 12 854 402.97) entered in the profit and loss account.

CONSOLIDATED FINANCIAL BALANCE SHEET OF THE GUARANTEE FUND AT 31 DECEMBER 1998

ECU

ASSETS	
Current account	35 049 861.51
Fixed-term deposits	602 000 000.00
Portfolio	
Investment portfolio	623 799 322.48
Receivables with recipients of loans granted or guaranteed by the Community	
Arrears covered by the fund (1)	134 300 628.80
Default interest incurred but not received	27 696 605.47
Other receivables	
Accruals	20 318 663.56
TOTAL ASSETS	<u>1 443 165 081.82</u>
LIABILITIES	
Guarantee Fund	
Payments from the budget	1338 344 000.00
Default interest incurred but not received	27 696 605.47
	<u>1 366 040 605.47</u>
Other liabilities	
Accruals	<u>506 799.43</u>
Result	
Result carried over	87 169 879.92
Result for 1997	- 10 552 203.00
	<u>76 617 676.92</u>
TOTAL LIABILITIES	<u>1 443 165 081.82</u>

PROFIT AND LOSS AT 31/12/98

1. INCOME	
Interest on investment securities	31 332 891.39
Appreciation on transfer of investment securities	0.00
Interest on investments	18 194 230.75
Interest on current account	658 760.83
Default interest received on late recoveries	12 854 402.97
TOTAL INCOME (A)	<u>63 040 285.94</u>
2. COSTS	
Spread of premium or discount	7 023 464.88
Commissions	506 799.43
Financial charges	62 224.63
Repayment to the budget of the Fund surplus established at 31.12.97 (2)	66 000 000.00
TOTAL COSTS (B)	<u>73 592 488.94</u>
NET RESULT (A-B)	- 10 552 203.00

(1) Capital, interest, default interest covered by payments from the Fund

(2) This surplus is repaid to the statement of revenue in the budget of the European Communities in accordance with Article 3 of Regulation No 2728/94 establishing the Guarantee Fund.

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DOCUMENTS

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