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**COMMISSION STAFF WORKING PAPER**

**Annex to the**

**REPORT FROM THE COMMISSION**

**Annual Report from the Commission  
on the Guarantee Fund and its Management in 2005**

{COM(2006)366}

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## **1. LEGAL BASES FOR PAYMENTS TO THE GUARANTEE FUND FROM THE GENERAL BUDGET**

In line with Regulation No 2728/94, the provisioning of the Fund follows different rules according to the type of operation covered. In the case of EIB loans, the provisioning of the Fund currently takes place at the beginning of each year, based on the forecast provided by the EIB of total loans to be signed in the respective year. The difference between forecast and realisation is balanced at the end of each year when the Fund is aligned to its target amount. Euratom loans are provisioned on a forecast basis and are fully provisioned at the latest at the time of the signature of the loans.

In the case of macro-financial assistance loans, the provisioning takes place as soon as the Council has adopted the decision to grant macro-financial assistance, for the maximum amount decided by the Council. This applies independently of the disbursement of the loan, i.e. if the loan is paid out in several tranches over a period of more than one year.

One transfer to the Guarantee Fund of EUR 140,110,000.00 was made from the guarantee reserve under this procedure in 2005.

Decisions covered by Transfer DEC11/2005:

- Council Decision of 22 December 1999 (2000/24/EC) as amended granting a Community guarantee to the European Investment Bank against losses under loans for projects outside the Community subject to an overall loan ceiling of EUR 19,460 million granted for a period of seven years beginning on 1 February 2000 for Central and Eastern Europe, the Mediterranean countries, Latin America and Asia and on 1 July 2000 for the Republic of South Africa and ending on 31 January 2007 for all regions (OJ L 9, 13.1.2000, p. 24).
- Council Decision of 6 November 2001 (2001/777/EC) granting a Community guarantee to the European Investment Bank against losses under a special lending action for selected environmental projects in the Baltic Sea basin of Russia under the Northern Dimension. The overall ceiling of credits is EUR 100 million (OJ L 292, 09.11.2001, p. 41).
- Council Decision of 22 December 2004 (2005/48/EC) granting a Community guarantee to the European Investment Bank against losses under loans for certain types of projects in Russia, Ukraine, Moldova and Belarus. The overall ceiling of credits is EUR 500 million (OJ L 21, 25.01.2005, p. 11).
- Commission Decision of 20 July 2004 amending Commission Decision of 13 December 2000 granting a Euratom loan to Energoatom for the K2R4 project (Ukraine).

## 2. GUARANTEE FUND - MANAGEMENT REPORT AT 31 DECEMBER 2005<sup>1</sup>

### 2.1. Development of the Fund in 2005

The total market value of the Fund's holdings (excluding accrued interest) stood at EUR 1 299.5 million at 31 December 2005 as against EUR 1 586.0 million at 31 December 2004, a decrease of EUR 286.5 million.

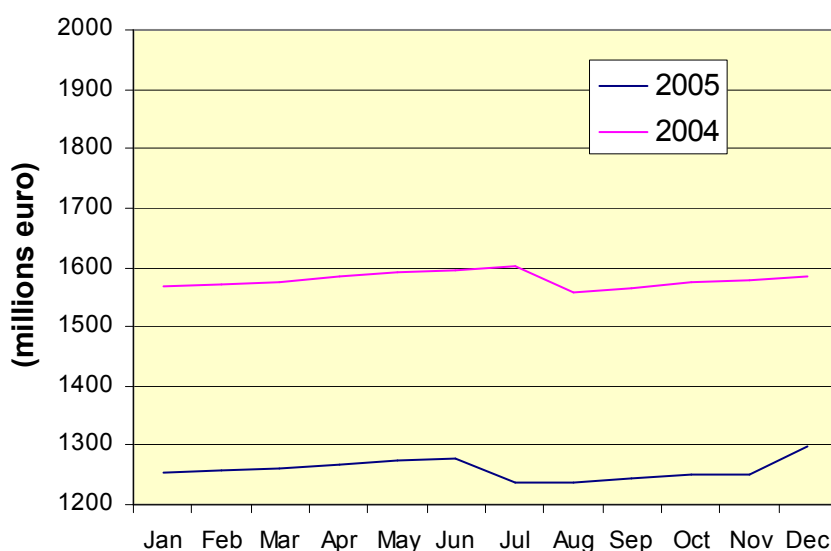


Figure 1: Development of holdings in 2005

The Fund had a surplus (Fund's assets compared to target amount of 9% of guaranteed loans) of EUR 187.13 million at 31 December 2004. Total provisioning on 31 December 2005 amounted to EUR 140.11 million.

Subsequently, on 15 July 2005 the net amount of EUR 47.02 million being the difference between the provisioning amount and the Fund's surplus was paid from the Fund's assets to the Community budget.

A further amount of EUR 338,831,402.07 was paid to the Commission on 10 January 2005 corresponding to the provisioning of the Fund (9%) relating to loans of the 10 new Member States at the date of 1 May 2004.

The net operating result amounted to EUR 50.7 million at 31 December 2005 compared with EUR 58.2 million at 31 December 2004. Interest income on AFS (Available For Sale) assets (net of the premium / discount spread) amounted to EUR 44.2 million, representing 87% of the income recorded at 31 December 2005. Interest income on cash & cash equivalents amounted to EUR 6.3 million, or 12% of the total result (see annex

<sup>1</sup> Report prepared by the EIB.

1), realised gain on the sale of AFS assets amounted to EUR 1.1 million or 2%, the rest (– 2%) being commission and financial charges.

## 2.2. Situation of the Fund

### 2.2.1. The Fund's resources at 31 December 2005

Statement of the financial position of the Fund's balance sheet, i.e. its capital, decreased by EUR 385.9 million, or 33.9% from EUR 1,139.1 million at 31 December 2004 to EUR 753.2 at 31 December 2005.

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

<b>Resources</b>	Situation at 31/12/2004	Movements in 2005	Situation at 31/12/2005
Provisioning	+ 2,537,255,162.91	140,110,000.00	2,677,365,162.91
Repayment of surplus	- (1,496,010,000.00)	(187,130,000.00)	(1,683,140,000.00)
Activation of guarantee	- (477,860,856.19)	0.00	(477,860,856.19)
Recovery of amounts guaranteed	+ 575,673,913.77	0.00	575,673,913.77
Repayment of Funds (9%)	- 0.00	(338,831,402.07)	(338,831,402.07)
<b>Balance (capital)</b>	<b>1,139,058,220.49</b>	<b>(385,851,402.07)</b>	<b>753,206,818.42</b>

### 2.2.2. The Fund's assets at 31 December 2005

The Fund's holdings at 31 December 2005 totalled EUR 1 299.5 million as detailed below. The Fund operates in one currency only, the Euro:

EUR 313.5 million in the monetary portfolio (Interbank term deposits);

EUR 1.6 million in the current accounts;

EUR 984.4 million in the Available For Sale investment portfolio (the market value of fixed rate and variable rate securities (excluding accrued interest), see table in section 3.1).

## 2.3. General and segmental analysis of the Guarantee Fund

### 2.3.1. Liquidity analysis

The distribution of the Guarantee Fund's holdings at 31 December 2005 (market value excluding accrued interest) was as follows:

Segments	Fixed rate investments			Variable rate securities	TOTAL
	Less than 3 months	3 months to 1 year	1 to 10 years		
Current accounts	1,582,089.98				1,582,089.98
Fixed term deposits	313,500,000.00				313,500,000.00
Securities portfolio	25,564,200.00	83,102,060.00	791,230,957.00	84,470,004.00	984,367,221.00
TOTAL	340,646,289.98	83,102,060.00	791,230,957.00	84,470,004.00	1,299,449,310.98
Percentage	26.21%	6.40%	60.89%	6.50%	100.00%

### 2.3.2. General analysis of the results of the Fund

Overall, the Guarantee Fund produced EUR 50.7 million in net revenue, an overall average yield of 3.96%<sup>1</sup> on average capital of EUR 1 262 million.

It should be noted that subsequent to the introduction of IAS compatible accounting rules for the Fund in 2005, and the related reclassification of the Fund's assets from "buy to hold" to "available for sale" in 2006 a revised benchmark and performance measurement will be introduced.

Investment income at 31 December 2005 was as follows:

	January – December 2005 (EUR million)
Interest income on cash & cash equivalents	6.3
Interest income on AFS assets	44.2
Realized Gain on sale of AFS assets	1.1
Commission and financial charges	(0.9)
Total	50.7

<sup>1</sup> The basis for calculating the overall yield is act/360

## 2.4. Analysis by segment

### 2.4.1. Analysis of money markets operations

The average yield on money-market investments at 31 December 2005 stood at 2.12%, compared with a benchmark average yield of 2.06%.

The spread on money market operations calculated this way is 6 basis points above the three-month Euribid variable reference rates<sup>2</sup> for 2005, as against a spread of 8 basis points in 2004.

PERIOD	YIELD	THREE-MONTH EURIBID REFERENCE	SPREAD (basis points)
January – December 2005	2.12 %	2.06%	6

Interbank investments at 31 December 2005 produced EUR 6.11 million in interest on capital averaging EUR 290.1 million.

#### • Changes in yield and reference rates in 2005

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

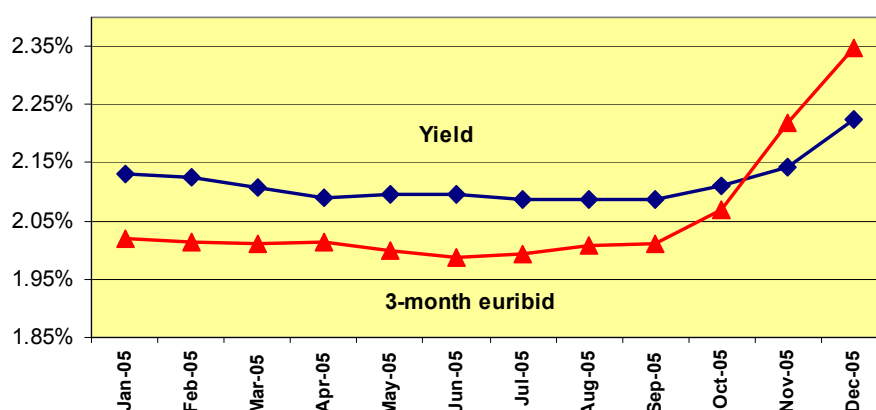


Figure 2: Yield in relation to the benchmark rate

The methodology used to calculate yield involves comparing the yield of (usually 3-month) monetary investments with the daily average of the 3-month LIBID rate. This means that the benchmark tracks the average movement of the 3-month LIBID rate on a daily basis, while the investments recorded in Buy and Hold do not reflect it until later. This produces a mechanical effect which makes itself felt as follows:

- In a context of falling or stable short-term interest rates, the monetary portfolio broadly outperforms the benchmark (Figure 2, January – September 2005);

<sup>2</sup> The treasury spread measures the difference between the actual Interbank interest rate obtained and the benchmark, which is the three-month Euribid rate for that day.

– Conversely, in the case of a rapid increase of short term rates in the context of monetary policy tightening, the performance of the monetary portfolio tends to under perform its benchmark (Figure 2, October – December 2005).

• **Profile of counterparties**

In accordance with the agreement between the Community and the EIB on the management of the Guarantee Fund, all the interbank investments must have a minimum credit rating of A1. The Commission was informed in April 2005 that one counterparty, Swedbank Stockholm, has a LT rating below the requested A1/P1.

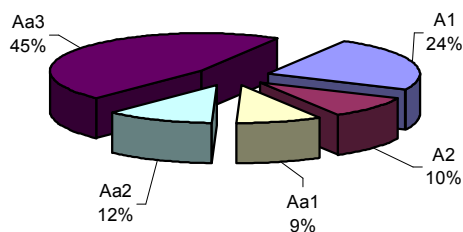


Figure 3: Breakdown of short term interbank investments by type of counterparty at 31 December 2005

• **Geographical breakdown**

The geographical breakdown of the Fund’s short-term interbank investments (in terms of average capital) in 2005 is as follows:

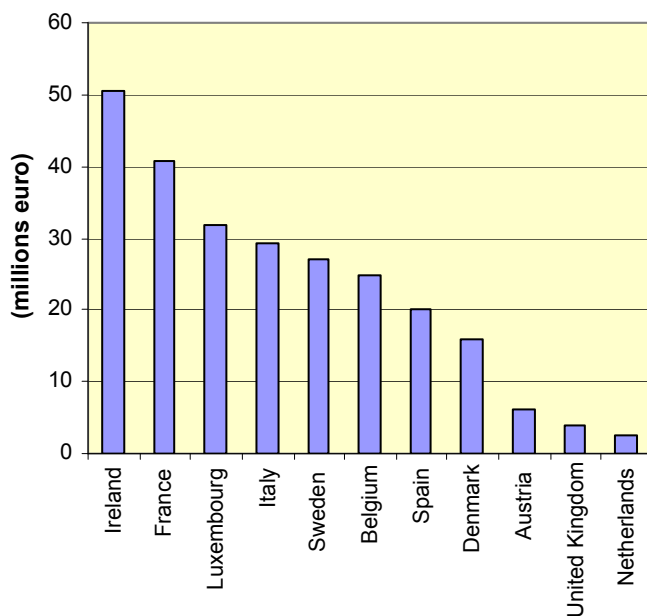


Figure 4: Short-term Interbank investments: geographical distribution of average capital



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

#### 2.4.2. *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. Under IFRS (IAS), these securities are classified in the Financial Statements as Available For Sale (AFS). At 31 December 2005, the market value (excluding accrued interest) of fixed rate securities with a residual period to maturity of less than three months amounted to EUR 25.6 million, between 3 months and one year to EUR 83.1 million and between one and 10 years, to EUR 791.2 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 divided *pro rata temporis* over the remaining life of each of the securities using the effective interest rate method as specified under IFRS.

At 31 December 2005, the nominal value of the investment portfolio was EUR 930.86 million, against a market value of EUR 984.4 million.

The book yield on the investment portfolio came to 4.52%<sup>3</sup> at 31 December 2005, compared with 4.58% at 31 December 2004. In terms of a Salomon index reference benchmark for fixed-rate securities<sup>4</sup> and the three-month Euribid for variable-rate securities, the overall spread is positive by 203 basis points compared with the aggregate benchmark of 2.49% (cf. Annex 2). In accordance with the 2005 investment strategy, a total nominal amount of EUR 38 million has been invested in 8, 9 and 10 year fixed coupon bonds. As far as the floating rate notes investments are concerned, a total of EUR 30 million was reinvested along the curve during the course of the year.

The global duration of the portfolio decreased to 3.32 years compared with 3.55 years as of end 2004.

Noting that 2004 figures have been restated to take account of the new accounting guidelines under IFRS (IAS), as of 31 December 2005 the market value (excluding accrued interest) of the investment portfolio came to EUR 984.4 million compared with a book value of EUR 937.8 million (including premiums/discounts), which gives an unrealised gain of EUR 46.6 million, compared with an unrealised gain of EUR 57.5 million and a market value (excluding accrued interest) of EUR 1 054.7 million at 31 December 2004.

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<sup>3</sup> The basis for calculating the yield of the investment portfolio is: act/365.

<sup>4</sup> A new composite benchmark has been decided and will be applied on the 1<sup>st</sup> of January 2006.

Interest rate developments in 2005 - German government bond rates in 2005 (source: Bloomberg):

	31/12/2004	31/03/2005	30/06/2005	30/09/2005	31/12/2005
Bund 3y	2.62	2.698	2.116	2.504	2.92
Bund 5y	3.03	3.061	2.481	2.732	3.068
Bund 7y	3.36	3.297	2.813	2.901	3.181
Bund 10y	3.68	3.622	3.134	3.148	3.309

- **Market value compared with book value in 2005**

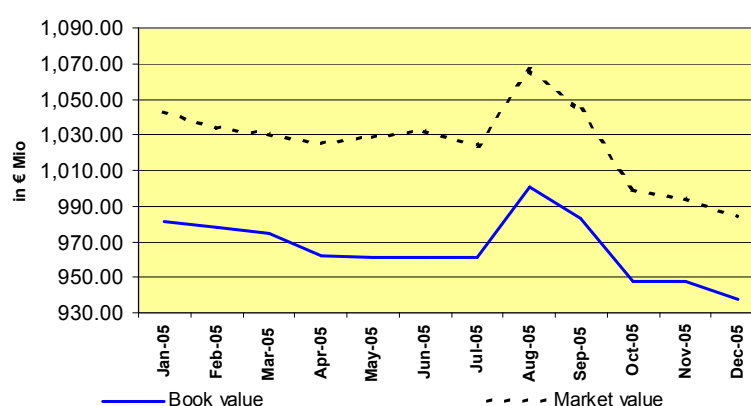


Figure 5: Market value compared with book value in 2005

At 1 January 2005, a total of EUR 125.51 million of reimbursements (nominal value) on the securities portfolio were scheduled for the year, split as follows:

EUR 105.80 million for the fixed rate, and

EUR 19.71 million for the variable rate

There was also a sale of a fixed coupon bond position of EUR 10.0 million due to a downgrade from AAA to Aa2 by Moody's and a sale of EUR 600,000 in order to avoid exceeding the 10% of the total amount required according to article 3.2.3.2 of the investment guidelines agreed between the EIB and the Commission.

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

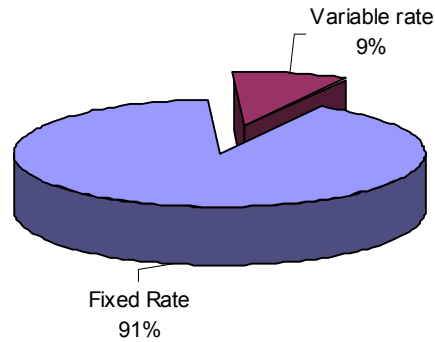


Figure 6: Breakdown of the investment portfolio between fixed and variable rate securities at 31 December 2005

- Redemption profile of investment portfolio (nominal value)

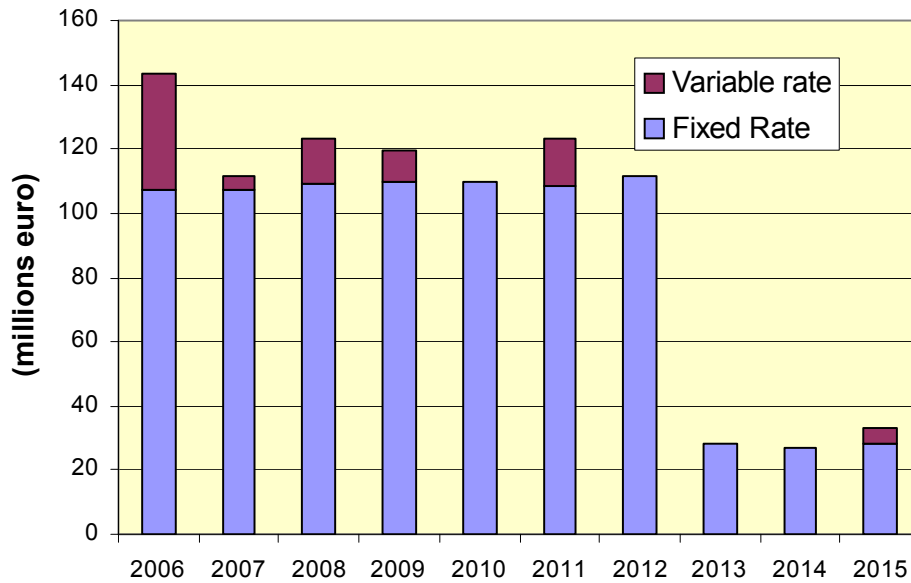


Figure 7: Investment portfolio: Redemption profile at 31 December 2005

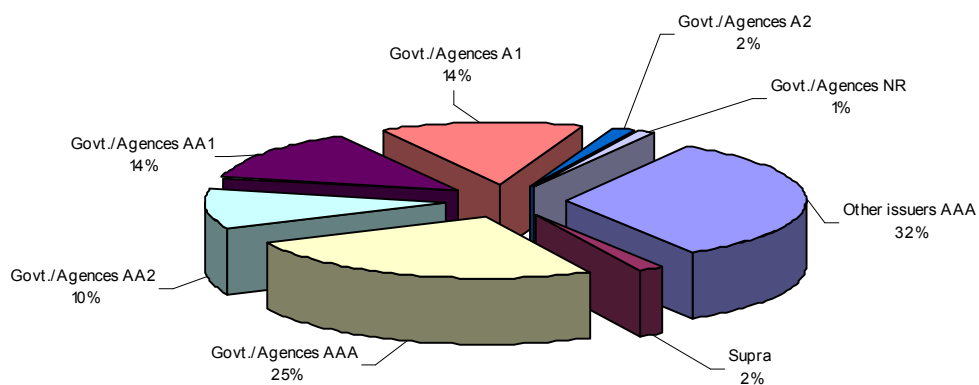
The latest final maturity date for fixed rate securities is 25 October 2015.

- **Profile of issuers**

All the securities held meet the following criteria:

- Either they are issued by States in, or by 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 at 31 December 2005 is as follows:



**Figure 8: Investment portfolio: Profile of issuers at 31 December 2005**

### 3. STATEMENT OF FINANCIAL POSITION OF THE FUND AT 31 DECEMBER 2005

The Guarantee Funds' financial statements have been prepared for the first time in accordance with International Financial Reporting Standards (IFRS) and the accounting rules adopted by the European Commission, in particular "Accounting rule 11 – Financial assets and liabilities", dated September 2004<sup>1</sup>. These financial statements are presented in Euro. This is the financial statement for the Fund's assets managed by the EIB.

#### Notes to the Balance Sheet:

- The Fair Value reserve is the sum of the first time application and the change in fair value of AFS assets.
- AFS stands for "Available For Sale".

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<sup>1</sup> This is based on the revised standards IAS 32 and 39 as issued by the IASB on 18 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.

**Guarantee Fund Balance Sheet (Statement of Financial Position) at 31.12.2005**

**Balance Sheet: ASSETS**

	2005	1/01/2005
<b>CURRENT ASSETS</b>		
<b>Short-term Investments</b>		
AFS Portfolio - cost	946.662.502,30	1.005.267.156,30
AFS Portfolio – actuarial difference	(8.860.547,41)	(8.095.031,88)
AFS Portfolio – adjustment to fair value	46.565.266,11	57.511.677,51
AFS Portfolio - accruals	24.272.713,02	26.233.784,34
AFS Portfolio – impairment		
<b>Total Short-term Investments</b>	<b>1.008.639.934,02</b>	<b>1.080.917.586,27</b>
<b>Cash and Cash Equivalents</b>		
Current accounts	1.582.089,98	8.790.146,69
Short-term deposits – nominal	313.500.000,00	550.500.000,00
Accrued interests on short-term deposits	941.933,25	738.069,03
Other cash equivalents – cost		29.839.983,09
Accrued interests on other cash equivalents		28.447,45
<b>Total Cash and cash equivalents</b>	<b>316.024.023,23</b>	<b>589.896.646,26</b>
<b>Total Current Assets</b>	<b>1.324.663.957,25</b>	<b>1.670.814.232,53</b>
<b>TOTAL</b>	<b>1.324.663.957,25</b>	<b>1.670.814.232,53</b>

**Balance Sheet: LIABILITIES**

	2005	1/01/2005
<b>EQUITY</b>		
<b>Capital (Guarantee Fund)</b>	753.206.818,42	1.139.058.220,49
<b>Reserves</b>		
First Time application – Fair value reserve	416.678,61	446.341,58
Change in fair value of AFS assets	46.565.266,11	57.511.677,51
<b>Accumulated surplus / deficit</b>		
First Time application – Retained earnings		
Results brought forward	473.032.495,02	473.032.495,02
<b>Economic result of the year</b>	50.731.141,62	0,00
<b>Total Equity</b>	<b>1.323.952.399,78</b>	<b>1.670.048.734,60</b>
<b>CURRENT LIABILITIES</b>		
<b>Financial liabilities</b>		
Bank overdrafts		
Credit lines– nominal		
Accrued interests on credit lines		
<b>Accounts Payables</b>		
Sundry Payables		
Others	711.557,47	765.497,93
<b>Total Current Liabilities</b>	<b>711.557,47</b>	<b>765.497,93</b>
<b>TOTAL</b>	<b>1.324.663.957,25</b>	<b>1.670.814.232,53</b>

Notes to the Economic Outturn Account:

- AFS stands for "Available For Sale".
- "Management fees" include the EIB commission for the management of the Fund, and the Audit fees to be paid for the opening balance of the 2005 accounts.

**Economic Outturn Account (Statement of Financial Performance) for 2005**

Economic Outturn Account

	2005	2004
<b>Financial operations revenues</b>		
Interest income		
Interest income on cash and cash equivalents	6.280.520,69	11.538.434,94
Interest income on AFS assets	44.158.957,25	47.566.435,40
Exchange gains		
Realised gains on sale of AFS assets	1.150.249,86	
Reversal of impairment losses on AFS assets		
Other financial income		
<b>Financial operations expenses</b>		
Interest charges		
Interest charges on cash and cash equivalents		
Exchange losses		
Realised losses on sale of AFS assets		
Impairment losses on AFS assets		
Other financial charges	(858.586,18)	(942.806,91)
Thereof: Management fees	(702.497,47)	(765.497,93)
<b>SURPLUS FROM NON OPERATING ACTIVITIES</b>	<b>50.731.141,62</b>	<b>58.162.063,43</b>
<b>SURPLUS FROM ORDINARY ACTIVITIES</b>		
Extraordinary gains		
Extraordinary losses		
<b>SURPLUS FROM EXTRAORDINARY ITEMS</b>		
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>50.731.141,62</b>	<b>58.162.063,43</b>

#### **4. PRE-CONSOLIDATED FINANCIAL STATEMENT OF THE GUARANTEE FUND AT 31 DECEMBER 2005**

The pre-consolidated financial statement of the Guarantee Fund is based on accrual accounts. As it was explained in the paragraph 2.2 of the Annual Report, the European Communities are committed to undertake a major change to their accounting framework with the objective to produce its financial statements based on accrual accounts in 2005. In the framework of this modernisation, the Commission decided to present its accounts according to new accounting rules inspired by IPSAS principles.

Consequently, a pre-consolidated balance sheet and a pre-consolidated economic outturn account of Guarantee Fund have been prepared in order to comply with these principles.

In the following notes, the major changes in the presentation of accounts are explained in order to reconcile the figures with the EIB financial statement presented in paragraph 3.

##### Note to the balance sheet:

- The "short-term receivable others" refers to the amounts of calls on the Fund. This amount includes the capital, the interests and the penalties due to the Community Budget following the intervention of the Fund further to the activation of a guarantee.
- The difference in "accumulated surplus" in equity compared to the financial position of the Fund in §3 is explained by the successive repayments of the calls and penalties to the Fund.
- The "account payables others" include the 2005 EIB management commission, the opening balance audit fees, the accrual of closing accounts audit fees and the accrual of the recovery fees due to EIB following the payment of the penalty fees due to the Fund.



**Pre-consolidated Balance Sheet**

**Balance Sheet: ASSETS**

	<b>2005</b>	<b>1/01/2005</b>
	EUR	EUR
<b>CURRENT ASSETS</b>		
<b>Short-term receivables</b>	<b>1.227.798,12</b>	<b>1.261.649,75</b>
Others	1.227.798,12	1.261.649,75
<b>Short-term Investments</b>	<b>1.008.639.934,02</b>	<b>1.080.917.586,27</b>
AFS Portfolio - cost	946.662.502,30	1.005.267.156,30
AFS Portfolio – actuarial difference	-8.860.547,41	-8.095.031,88
AFS Portfolio – adjustment to fair value	46.565.266,11	57.511.677,51
AFS Portfolio - accruals	24.272.713,02	26.233.784,34
AFS Portfolio – impairment		
<b>Cash and Cash Equivalents</b>	<b>316.024.023,23</b>	<b>589.896.646,26</b>
Current accounts	1.582.089,98	8.790.146,69
Short-term deposits – nominal	313.500.000,00	550.500.000,00
Accrued interests on short-term deposits	941.933,25	738.069,03
Other cash equivalents – cost		29.839.983,09
Accrued interests on other cash equivalents		28.447,45
<b>Total Current Assets</b>	<b>1.325.891.755,37</b>	<b>1.672.075.882,28</b>
<b>TOTAL</b>	<b>1.325.891.755,37</b>	<b>1.672.075.882,28</b>

**Balance Sheet: LIABILITIES**

	<b>2005</b>	<b>1/01/2005</b>
	EUR	EUR
<b>EQUITY</b>		
<b>Capital (Guarantee Fund)</b>	<b>650.303.097,93</b>	<b>1.036.154.500,00</b>
<i>Payment from the budget</i>	<i>557.643.097,93</i>	<i>849.024.500,00</i>
<i>(surplus to be paid to the budget)</i>	<i>92.660.000,00</i>	<i>187.130.000,00</i>
<b>Reserves</b>	<b>46.981.944,72</b>	<b>57.958.019,09</b>
First Time application – Fair value reserve	416.678,61	446.341,58
Change in fair value of AFS assets	46.565.266,11	57.511.677,51
<b>Accumulated surplus / deficit</b>	<b>577.197.865,26</b>	<b>519.516.533,79</b>
Results brought forward	577.197.865,26	519.516.533,79
<b>Economic result of the year</b>	<b>50.658.288,42</b>	<b>57.681.331,47</b>
<b>Total Equity</b>	<b>1.325.141.196,33</b>	<b>1.671.310.384,35</b>
<b>CURRENT LIABILITIES</b>		
<b>Accounts Payables</b>	<b>750.559,04</b>	<b>765.497,93</b>
Others	750.559,04	765.497,93
<b>Total Current Liabilities</b>	<b>750.559,04</b>	<b>765.497,93</b>
<b>TOTAL</b>	<b>1.325.891.755,37</b>	<b>1.672.075.882,28</b>

Note to the Pre-consolidated Economic Outturn Account:

- The adjustment in "other interest income" is due to the change in valuation of the penalties to receive.
- The "exchange gains" refer to valuation of "other receivables".
- "Other financial charges" include EIB management commission, the opening balance audit fees, the accrual of closing accounts audit fees and the accrual of the recovery fees due to EIB following the payment of the outstanding penalty fees due to the Fund.

**Pre-consolidated Economic Outturn Account**

	<b>2005</b>
	EUR
<b>Financial operations revenues</b>	<b>51.555.876,17</b>
Interest income	
Interest income on cash and cash equivalents	6.280.520,69
Interest income on AFS assets	44.158.957,25
Other Interest income	-88.004,16
Exchange gains	54.152,53
Realised gains on sale of AFS assets	1.150.249,86
Reversal of impairment losses on AFS assets	
Other financial income	
<b>Financial operations expenses</b>	<b>-897.587,75</b>
Interest charges	
Interest charges on cash and cash equivalents	
Exchange losses	
Realised losses on sale of AFS assets	
Impairment losses on AFS assets	
Other financial charges	-897.587,75
Thereof: Management fees	-702.497,47
<b>SURPLUS FROM NON OPERATING ACTIVITIES</b>	<b>50.658.288,42</b>
<b>SURPLUS FROM ORDINARY ACTIVITIES</b>	
Extraordinary gains	
Extraordinary losses	
<b>SURPLUS FROM EXTRAORDINARY ITEMS</b>	
<b>ECONOMIC RESULT OF THE YEAR</b>	<b>50.658.288,42</b>

## 5. PERFORMANCE OF THE GUARANTEE FUND'S BOND INVESTMENT PORTFOLIO

The performance of the bond portfolio is measured by taking the difference, expressed in basis points, between the yield of the portfolio calculated on the basis of the yields on acquisition of the securities in the portfolio and the yield of the aggregate benchmark calculated on the basis of the YTM (yield to maturity) rates observed on the date of the report, which combines the yield of the Salomon benchmark and the 3-month Libid rate proportionally to the fixed-rate and variable-rate securities in the portfolio.

	<i>Starting Value Average Capital in Euro</i>	<i>Percentage Variable Rate</i>	<i>Percentage Fixed Rate</i>	<i>Portfolio Yield a/365</i>	<i>YTM Salomon* Benchmark a/365</i>	<i>3-Month Libid Benchmark a/365</i>	<i>Aggregate Benchmark</i>	<i>Spread in bp</i>
<b>Annual 2004</b>	<b>1,036,637,886</b>	<b>6.7%</b>	<b>93.3%</b>	<b>4.58%</b>	<b>2.74%</b>	<b>2.01%</b>	<b>2.69%</b>	<b>189</b>
01-2005	1,003,777,318	7.4%	92.6%	4.56%	2.63%	2.05%	2.58%	198
02-2005	987,868,049	7.4%	92.6%	4.57%	2.55%	2.04%	2.51%	207
03-2005	985,931,693	7.3%	92.7%	4.57%	2.67%	2.04%	2.62%	195
04-2005	981,060,613	7.3%	92.7%	4.57%	2.65%	2.04%	2.60%	197
05-2005	970,813,146	7.4%	92.6%	4.56%	2.43%	2.03%	2.40%	215
06-2005	970,813,146	7.4%	92.6%	4.56%	2.33%	2.01%	2.30%	226
07-2005	969,226,211	7.4%	92.6%	4.53%	2.20%	2.02%	2.19%	234
08-2005	996,557,832	8.1%	91.9%	4.47%	2.38%	2.04%	2.36%	212
09-2005	1,002,388,630	8.0%	92.0%	4.46%	2.34%	2.04%	2.31%	215
10-2005	984,163,107	9.6%	90.4%	4.42%	2.48%	2.10%	2.44%	198
11-2005	957,333,002	9.9%	90.1%	4.46%	2.74%	2.26%	2.69%	176
12-2005	951,825,647	8.9%	91.1%	4.47%	2.87%	2.38%	2.82%	164
<b>Annual 2005**</b>	<b>980,107,701</b>	<b>8.0%</b>	<b>92.0%</b>	<b>4.52%</b>	<b>2.52%</b>	<b>2.09%</b>	<b>2.49%</b>	<b>203</b>

\* Indice Salomon =  
 EGBI 1-3 years 45.0%  
 EGBI 3-5 years 45.0%  
 3 M eurodeposit 10.0%

\*\* Average weighted by actual days in months.