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Consolidated annual accounts of the European Union for the financial year 2025

(C/2026/4821)

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FINANCIAL HIGHLIGHTS OF THE YEAR

The objective of this section on financial highlights, which has been prepared on the basis of the principles outlined in the IPSASB Recommended Practice Guideline (RPG) 2 'Financial Statement Discussion and Analysis' is to assist readers in understanding how the operational, financial and investment activities of the EU are reflected in the different elements of the consolidated financial statements of the EU. The information presented in this section has not been audited.

Please note that due to the rounding of figures into millions of euro, some financial data in the tables below may appear not to add up.

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1. KEY FIGURES AND HIGHLIGHTS OF THE YEAR

Consolidated financial statements

The consolidated financial statements of the EU comprise more than 50 entities (including the European Parliament, the Council, the Commission and EU agencies). They are prepared on the basis of accrual-based accounting rules adopted by the Accounting Officer of the Commission, these rules being based on International Public Sector Accounting Standards (IPSAS).

As shown in the summarised balance sheet below and further detailed in the Financial Statements Analysis (Section **4**), the most notable features of the 2025 EU consolidated financial statements were an increase in borrowing due to new issuance under the unified funding approach, an increase in financial assets due to the continued implementation of NGEU and further financial support provided to Ukraine, as well as an increase of the year-end cash balance due to a high level of disbursements planned for the beginning of 2026:

EUR billion

	2025	2024	Change
ASSETS			
Financial assets	386,1	328,3	57,8
Pre-financing	76,7	78,9	(2,2)
Receivables	34,1	31,7	2,3
Cash and cash equivalents	103,0	63,2	39,9
Property, plant and equipment, and other assets	17,5	16,3	1,2
Total	**617,4**	**518,5**	**99,0**
LIABILITIES			
Post-employment benefits	91,1	93,1	(2,0)
Financial liabilities	740,8	601,9	138,9
Payables	65,0	55,4	9,6
Accruals	77,0	67,1	10,0
Other liabilities	2,6	9,8	(7,2)
Total	**976,6**	**827,3**	**149,3**
NET ASSETS			
Reserves	0,9	1,0	0,0
Amounts to be called from Member States	(360,1)	(309,8)	(50,3)
Total	**(359,2)**	**(308,8)**	**(50,3)**

→ see Financial Statement Analysis, Section **4**

The consolidated annual accounts presented here comprise:

1. Changes to the accounts resulting from the implementation of the annual budget 2025 and previously engaged commitments. Annual budget 2025 forms parts of the 2021-2027 multi-annual financial framework amounting to EUR 1,223 trillion in current prices (EUR 1,083 trillion in 2018 prices) combined. On 1 March 2024, a revision of the 2021-2027 multiannual financial framework came into force, enabling the EU budget to continue addressing the most pressing priorities while minimising the impact on national budgets, to the benefit of European citizens and beyond ([1]).
2. the NextGenerationEU (NGEU) recovery instrument adopted in June 2020. NGEU support was initially foreseen at up to EUR 806,9 billion in current prices (EUR 750 billion in 2018 prices). This envelope was later reduced to EUR 638,1 billion in current prices at the end of January 2026 (EUR 338 billion in RRF grants, EUR 217 billion in RRF loans and EUR 83,1 billion in top-ups of NGEU programmes). In addition, EUR 20 billion stemming from the auctioning of allowances under the Emissions Trading System (ETS) and EUR 2 billion in grants from the Brexit Adjustment Reserve (BAR) have been added to the RRF grants envelope.

In April 2026, the Commission proposal for a targeted revision of the 2021-2027 multiannual financial framework was adopted to provide support to Ukraine in the form of a loan covered by the headroom and a borrowing cost subsidy funded via the Union budget, including through a new dedicated special instrument ([2]).

On 16 July 2025, the Commission presented its proposal for the 2028-2034 multiannual financial framework.

— Section **2** of the highlights section presents the changes to the accounts resulting from implementation of the 2025 and earlier budgets.

— Section **3** provides an update on implementation of NGEU in 2025.

— Section **4** shows how these changes are reflected in the financial statements;

— Section **5** presents the implications for the contingent liabilities borne by the EU budget;

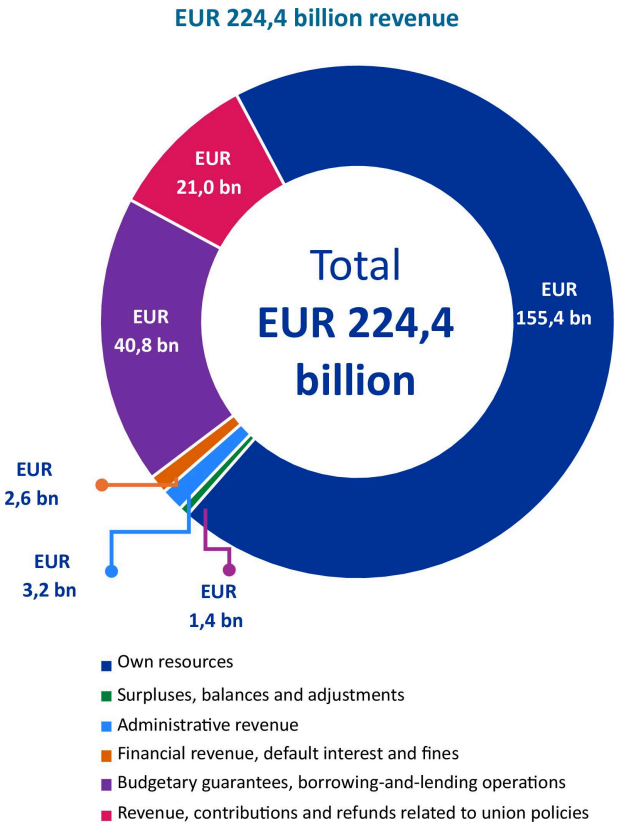
— Section **6** recalls the main elements of the governance and accountability framework.

([1]) The key elements include: EUR 50 billion for the Ukraine Facility, EUR 1,5 billion for the European Defence Fund and EUR 9,6 billion for the Western Balkans, Southern Neighbourhood and beyond, as well as a reinforcement of the Flexibility Instrument to EUR 2 billion and of the Emergency Aid Reserve to EUR 1,5 billion to tackle new potential needs.

([2]) Ukraine Support Loan as part of the Commission comprehensive plan to provide EUR 90 billion in financial backing to Ukraine for 2026 and 2027.

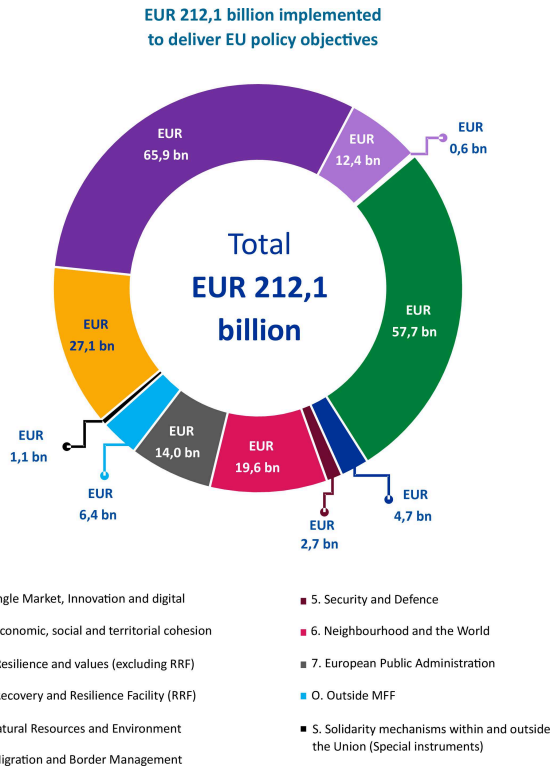
The EU budget in 2025

Budget revenue



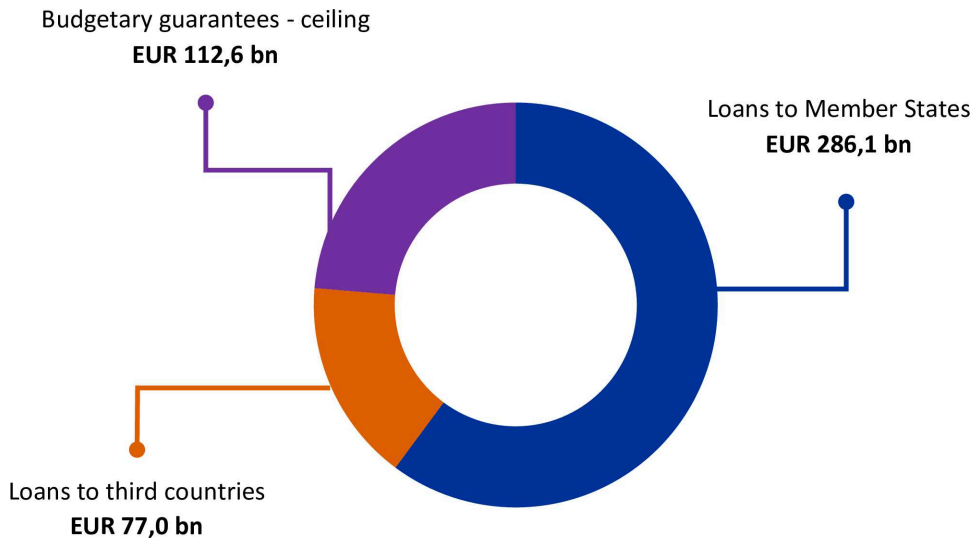
→ see Section **2.1**

Commitment appropriations



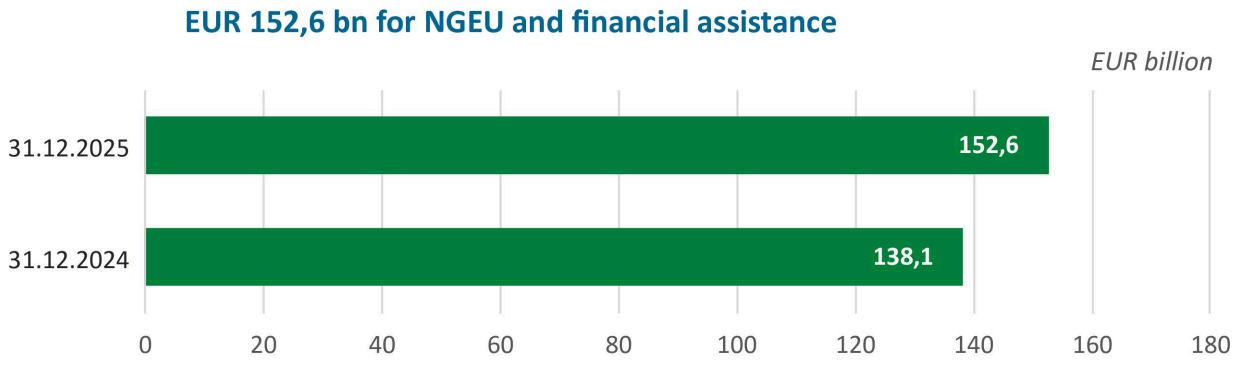
→ see Section **2.2**

Budgetary contingent liabilities at 31 December 2025: EUR 475,7 billion



Key developments in 2025

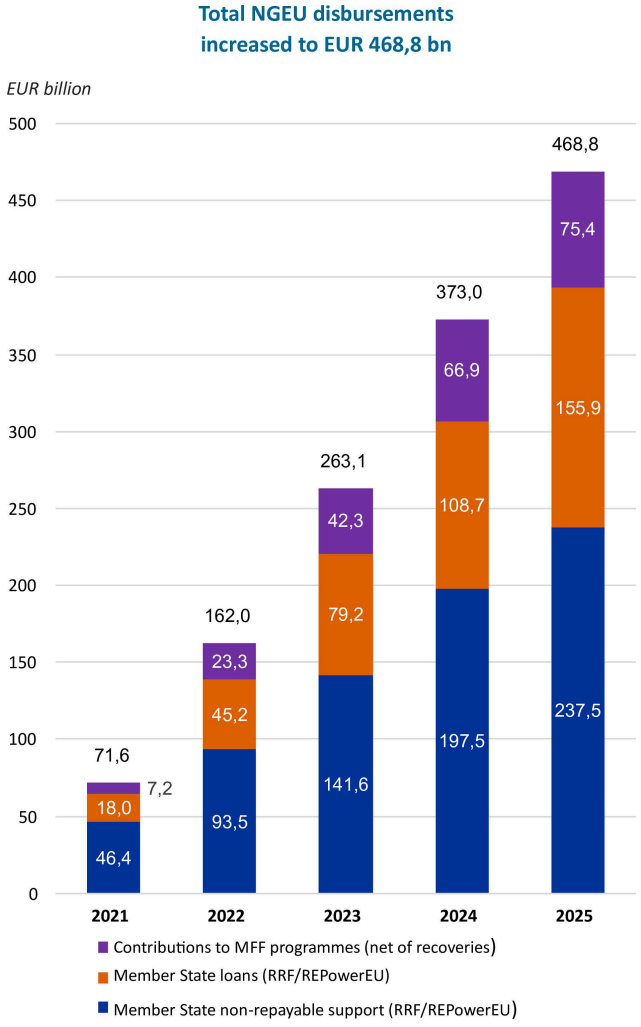
Increase in EU-Bond issuance



Source: Half-yearly report on the implementation of borrowing, debt management and related lending operations pursuant to Article 13 of Commission Implementing Decision C(2023)8010

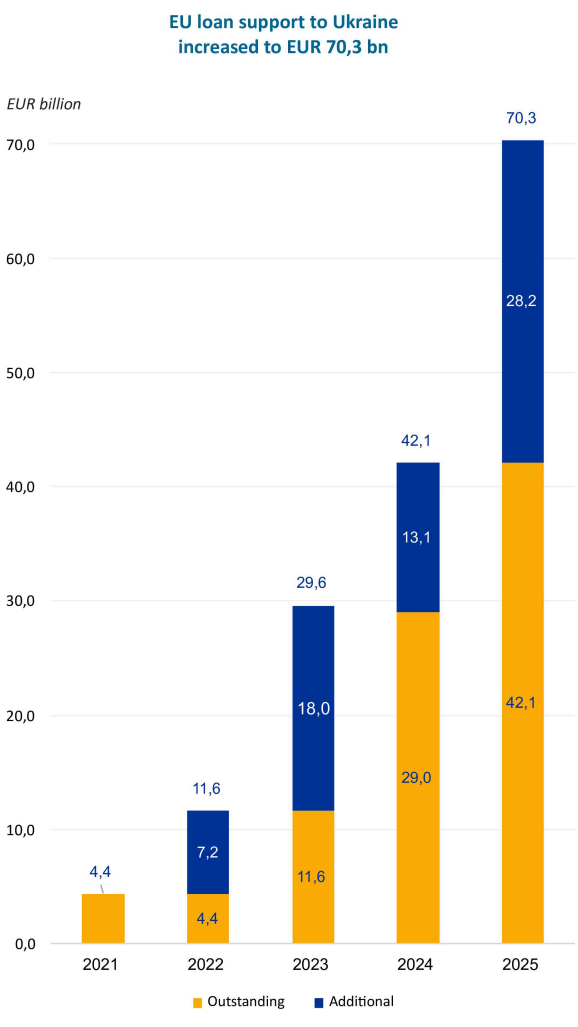
→ see Section **5**

Delivering NGEU objectives



→ see Section **3**

Financial assistance to Ukraine



→ see Section **5**

2. SUMMARY OF BUDGET IMPLEMENTATION

2.1. Revenue

In the initial adopted EU budget, signed by the President of the European Parliament on 27 November 2024, total payment appropriations amounted to EUR 155 209 million and the amount to be financed by own resources totalled EUR 151 161 million. The revenue and expenditure estimates in the initial budget are typically adjusted during the budgetary year by way of amending budgets. Adjustments in the GNI-based own resources ensure that budgeted revenue matches exactly budgeted expenditure. In accordance with the principle of equilibrium, budget revenue and expenditure (payment appropriations) must be in balance.

During 2025, three amending budgets were adopted. Taking them into account, the final adopted revenue for 2025 amounted to EUR 161 163 million and the total financed by own resources amounted to EUR 154 322 million. The main factor driving the increase of Member States' contributions in 2025 was the increase of payment appropriations.

Title 1 : Own resources

The collection of traditional own resources was around 4 % above the forecast amounts in the budget.

Member States' final VAT, GNI and Plastics payments corresponded closely to the final budgetary estimate. The differences between the forecast amounts and the amounts actually paid are due to the differences between the euro rates used for drawing up the budget and the rates in force at the time when the Member States outside the euro area actually made their payments.

Title 2 : Surpluses, balances and adjustments

The surplus of the previous financial year amounted to EUR 1 345 million. This amount was inscribed in the budget 2025 through an amending budget and the own resources contributions from the Member States was reduced accordingly.

For the VAT and GNI balances, the rules are set out in Article 10b of the Making Available Regulation (Council Regulation (EU, Euratom) No 609/2014 ([3])). In the case of the Plastics balances the rules are stipulated in Article 9 of the Plastics Making Available Regulation (Council Regulation (EU, Euratom) No 2021/770 ([4])).

According to these rules the total sum of the balances are calculated in order for the impact on the EU budget to be zero ('netting system') and the procedure does not entail a budgetary amendment. The Commission therefore directly requests the Member States to pay the net amounts in accordance with the rules of the Making Available Regulation.

Title 3 : Administrative revenue

This title comprises mainly revenue from taxes and levies on the remuneration of staff.

Title 4 : Financial revenue, default interest and fines

The main part corresponds to the fines in connection with the implementation of the rules on competition.

Title 5 : Budgetary guarantees, borrowing and lending operations

This title has increased significantly with the advent of the NGEU. NGEU funds within this title are assigned revenue. Title 5 covers revenue related to guarantees and interest and repayments of loans granted. It also channels funds (for the NGEU non-repayable support under the Recovery and Resilience Facility and for reinforcement of MFF programmes) from assigned revenue that Member States receive under the European Union Recovery Instrument (EURI).

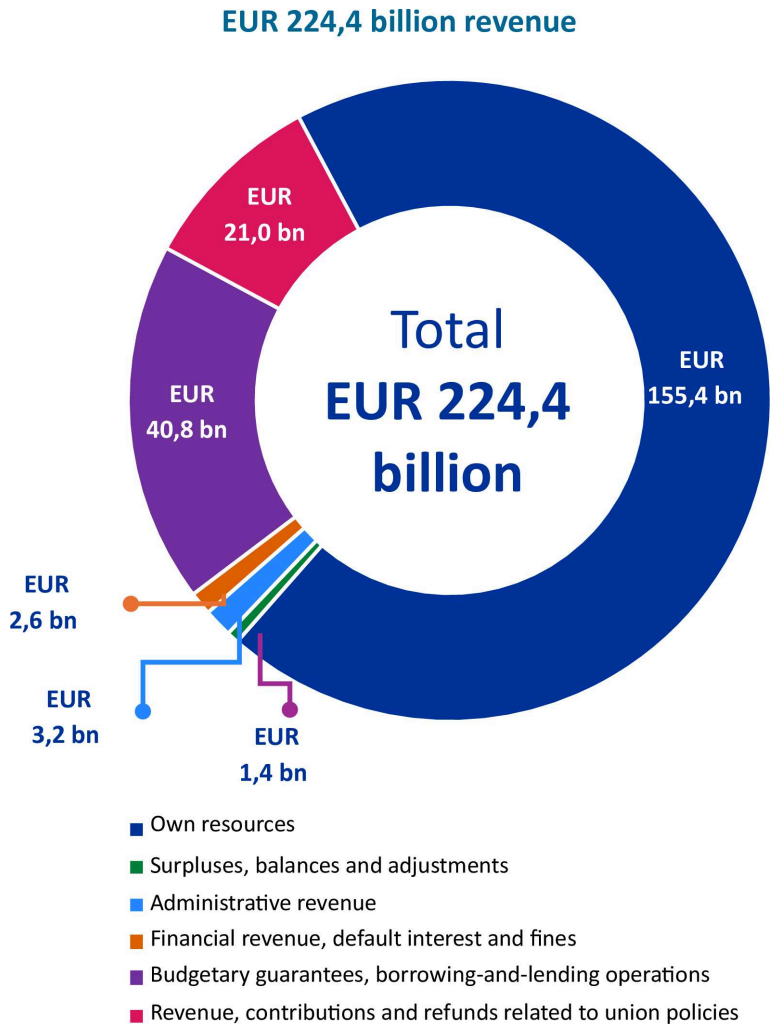
([3]) Council Regulation (EU, Euratom) No 609/2014 of 26 May 2014 on the methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements (Recast) (OJ L 168, 7.6.2014, p. 39, ELI: http://data.europa.eu/eli/reg/2014/609/oj).

([4]) Council Regulation (EU, Euratom) 2021/770 of 30 April 2021 on the calculation of the own resource based on plastic packaging waste that is not recycled, on the methods and procedure for making available that own resource, on the measures to meet cash requirements, and on certain aspects of the own resource based on gross national income (OJ L 165, 11.5.2021, p. 15, ELI: http://data.europa.eu/eli/reg/2021/770/oj).

Title 6 : Revenue, contributions and refunds related to Union policies

This title concerns mainly revenue from financial corrections related to structural and agricultural funds (ESIF, EAGF and EAFRD). It also includes the participation of third countries in research programs, the clearance of accounts in agricultural funds and other contributions and refunds to EU programs/activities. A substantial part of this total is made up of assigned revenue, which gives rise to the entering of additional appropriations on the expenditure side.

Total 2025 budget revenue amounted to EUR 224 398 million:



2.2. Expenditure

2.2.1. *Budget implementation*

Adopted budget

In 2025, the fifth year of the MFF 2021-2027, the final adopted budget amounted to EUR 199,2 billion of commitment appropriations and EUR 161,2 billion of payment appropriations. In addition, EUR 27,1 billion of commitment appropriations were available as assigned revenue, out of which EUR 0,2 billion related to the NGEU, and EUR 1,8 billion of commitment appropriations were carried over from 2024. The payment appropriations related to 2025 assigned revenue amounted to EUR 85,9 billion, out of which EUR 43,8 billion related to the NGEU and EUR 3,9 billion of payment appropriations were carried over from 2024.

Implementation of commitment appropriations

Active monitoring of budget implementation and good cooperation between the European Parliament, the Council and the Commission brought about full implementation of the budget.

The implementation of the total commitment appropriations in 2025 amounted to EUR 212,1 billion:

— EUR 196,1 billion from the final adopted budget;

— EUR 1,6 billion from appropriations carried-over or made available again from 2024;

— EUR 14,5 billion from appropriations stemming from assigned revenue;

  — of which EUR 39 million from NGEU.

Implementation of payment appropriations

The implementation of the total payment appropriations in 2025 amounted to EUR 216,4 billion:

— EUR 155,2 billion from the final adopted budget;

— EUR 3,6 billion from appropriations carried-over or made available again from 2024;

— EUR 57,6 billion from appropriations stemming from assigned revenue;

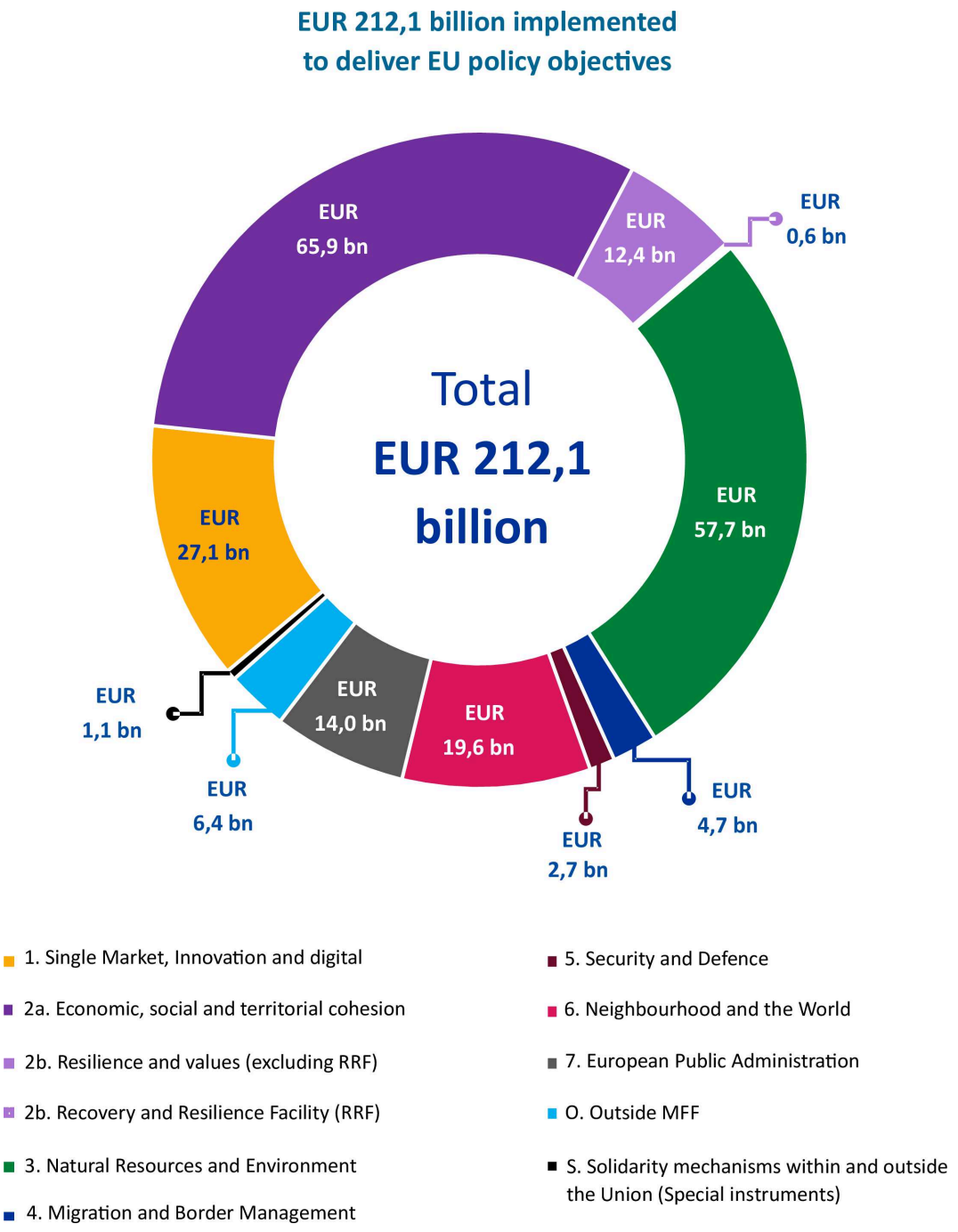
  — of which EUR 41,7 billion from NGEU.

In cases allowed by the Financial Regulation ([5]) and/or legal bases of specific programmes, the appropriations of the voted budget that were not implemented in 2025 were carried over to 2026: EUR 2,1 billion of commitment appropriations and EUR 6,1 billion of payment appropriations.

Likewise, EUR 12,4 billion of commitment appropriations of assigned revenue and EUR 28,3 billion of payment appropriations of assigned revenue were carried over to 2026 in accordance with the Financial Regulation.

([5]) Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj).

Total 2025 commitment appropriations implementation per MFF 2021-2027 heading were as shown below:



The 2025 implementation for all types of appropriations (budget, carry-overs from previous year and assigned revenue) was 93 % for commitments and 86 % for payments. Implementation rates including the appropriations carried over to 2026 (in accordance with the Financial Regulation and/or legal bases) reached 99,5 % for commitment appropriations and 100 % for payment appropriations of the voted budget for 2025.

The NGEU appropriations for the non-repayable support were inscribed in full in 2021, i.e. EUR 421,1 billion in commitment appropriations. 2023 was the last year for which the related legal commitments could be entered into.

In 2025, the NGEU payment appropriations amounted to EUR 43,8 billion and the implementation reached 95,4 %. The remaining amount of EUR 2,0 billion of payment appropriations was carried over to 2026.

2.2.2. *Commitment appropriations definitively cancelled*

Under the Conditionality Regulation, decommitments for a total of EUR 1 078 million (of which EUR 30 million under NGEU) were posted in the course of 2023 on commitments related to Hungary. By the end of 2025, the related commitment appropriations could not be reconstituted and were definitively cancelled.

2.2.3. *Outstanding commitments*

Outstanding commitments (commonly referred to as RAL – reste à liquider), which correspond to amounts committed but not yet paid for, stood at EUR 501,1 billion at the end of 2025. The outstanding commitments decreased as compared to 2024 (by EUR 6,3 billion).

The main driver of the 2025 decrease of the RAL was the NGEU (non-repayable part) implementation, contributing EUR 124.1 billion (24.9 %) to the total RAL at the end of 2025.

2.2.4. *Budget result*

The budget result (surplus) increased from EUR 1,3 billion in 2024 to EUR 2,1 billion in 2025. The 2025 budget result is mainly impacted by the overimplementation of budgetary revenue on title 4 – Financial revenue, default interest and fines.

3. **NGEU IMPLEMENTATION**

3.1. **Overview**

At the end of 2025, the Commission had disbursed a total of EUR 468,8 billion in financial support. The majority of this amount, EUR 393,4 billion, was disbursed under the RRF (including support for REPowerEU reforms and investments), with EUR 237,5 billion disbursed as non-repayable support and EUR 155,9 billion disbursed as financial loan support. A further EUR 75,4 billion (net of recoveries) was disbursed as MFF payments under existing programmes.

3.2. **Disbursements of non-repayable support to Member States under the RRF (including REPowerEU)**

At the end of 2025, the total non-repayable support approved and legally committed amounted to

EUR 359,9 billion. The total non-repayable support disbursed amounted to EUR 237,5 billion:

EUR billion

Member State	Total value of grants 31.12.2025	Budgetary commitments 31.12.2025 ([1])	Total disbursed 31.12.2025
Austria	4,0	4,0	3,3
Belgium	5,0	5,0	3,0
Bulgaria	6,2	6,2	3,3
Croatia	5,8	5,8	4,7
Cyprus	1,0	1,0	0,5
Czechia	8,4	8,4	5,9
Denmark	1,6	1,6	1,1
Estonia	1,0	1,0	0,6
Finland	1,9	1,9	1,1
France	40,3	40,3	34,1
Germany	30,3	30,3	19,8
Greece	18,2	18,2	12,0

EUR billion

Member State	Total value of grants 31.12.2025	Budgetary commitments 31.12.2025 ([1])	Total disbursed 31.12.2025
Hungary	6,5	6,5	0,1
Ireland	1,2	1,2	0,7
Italy	71,8	71,8	54,1
Latvia	2,0	2,0	1,1
Lithuania	2,3	2,3	1,1
Luxembourg	0,2	0,2	0,1
Malta	0,3	0,3	0,2
Netherlands	5,4	5,4	2,5
Poland	25,3	25,3	9,5
Portugal	16,3	16,3	10,4
Romania	13,6	13,6	6,4
Slovakia	6,4	6,4	4,0
Slovenia	1,6	1,6	1,1
Spain	79,9	79,9	55,1
Sweden	3,4	3,4	1,6
Total	**359,9**	**359,9**	**237,5**

([1]) *Budgetary commitments take into account all decommitments including those related to commitments made before 2025. Of the total budgetary commitments, EUR 1,0 billion was committed in 2025.*

During 2025, the Commission disbursed non-repayable support totalling EUR 40,1 billion. The main disbursements were to Italy (EUR 7,6 billion) and Spain (EUR 7,1 billion), followed by Greece (EUR 3,5 billion) and France (EUR 3,3 billion).

3.3. **Disbursements of loans under the RRF (including REPowerEU)**

At the end of 2025, the total financial loan support approved and covered by signed loan agreements amounted to EUR 277,2 billion. The total financial loan support disbursed amounted to EUR 155,9 billion:

EUR billion

Member State	Total granted 31.12.2025	Total signed at 31.12.2025	Total disbursed 31.12.2025	Total repaid 31.12.2025	Total outstanding 31.12.2025
Belgium	0,2	0,2	0,1	–	0,1
Croatia	4,3	4,3	1,7	–	1,7
Cyprus ([1])	0,0	0,0	0,0	–	0,0
Czechia	0,3	0,3	0,2	–	0,2
Greece	17,7	17,7	11,4	–	11,4
Hungary	3,9	3,9	0,8	–	0,8
Italy	122,6	122,6	99,1	–	99,1
Lithuania	1,6	1,6	0,8	–	0,8
Poland	29,4	29,4	17,4	–	17,4

EUR billion

Member State	Total granted 31.12.2025	Total signed at 31.12.2025	Total disbursed 31.12.2025	Total repaid 31.12.2025	Total outstanding 31.12.2025
Portugal	5,6	5,6	3,4	–	3,4
Romania	7,8	7,8	4,3	–	4,3
Slovenia	0,5	0,5	0,5	–	0,5
Spain	83,2	83,2	16,3	–	16,3
Total	**277,2**	**277,2**	**155,9**	–	**155,9**

([1]) *A total loan support of EUR 0,2 billion was made available to Cyprus by means of Council Implementing Decision of 28 July 2021 to support reforms and investments. Cyprus has requested to remove those reforms and investments and has not requested to use the freed-up loan resources to support new measures or to increase the level of implementation of existing measures within its Recovery and Resilience Plan. Therefore, no loan support is made available to Cyprus going forward, and the loan pre-financing already disbursed, amounting to EUR 26,0 million, is repayable in line with the terms of the relevant loan agreement.*

During 2025, the Commission provided new financial loan support for an amount of EUR 47,2 billion. The main disbursements were to Italy (EUR 23,4 billion) and Spain (EUR 15,9 billion), followed by Poland (EUR 4,0 billion). According to the loan agreements, the Member States will repay 5 % of the disbursed amounts on an annual basis, starting 10 years after the disbursement date. This results in a repayment period from 2032 to 2055 for the loans disbursed up until 31 December 2025.

3.4. **Disbursements of non-repayable support to programmes under the EU budget**

At the end of 2025, the total amount of net payments disbursed to other programmes under the MFF stood at EUR 75,4 billion. This contribution, which is net of recoveries, mainly related to REACT-EU, which finances the European Regional Development Fund (ERDF) and the European Social Fund (ESF, including FEAD):

EUR billion

MFF-Programme	Total allocation 31.12.2025	Total net commitments 31.12.2025	Total net payments 31.12.2025
REACT-EU	50,6	50,6	50,4
— *of which ERDF*	*30,0*	*30,0*	*29,9*
— *of which ESF (incl. FEAD)*	*20,6*	*20,6*	*20,5*
Just Transition Fund	10,9	10,8	7,4
Rural Development (EAFRD)	8,1	8,1	6,0
InvestEU	6,1	6,1	4,9
Horizon Europe	5,4	5,4	5,2
RescEU	2,0	2,0	1,5
Total	**83,1**	**83,0**	**75,4**

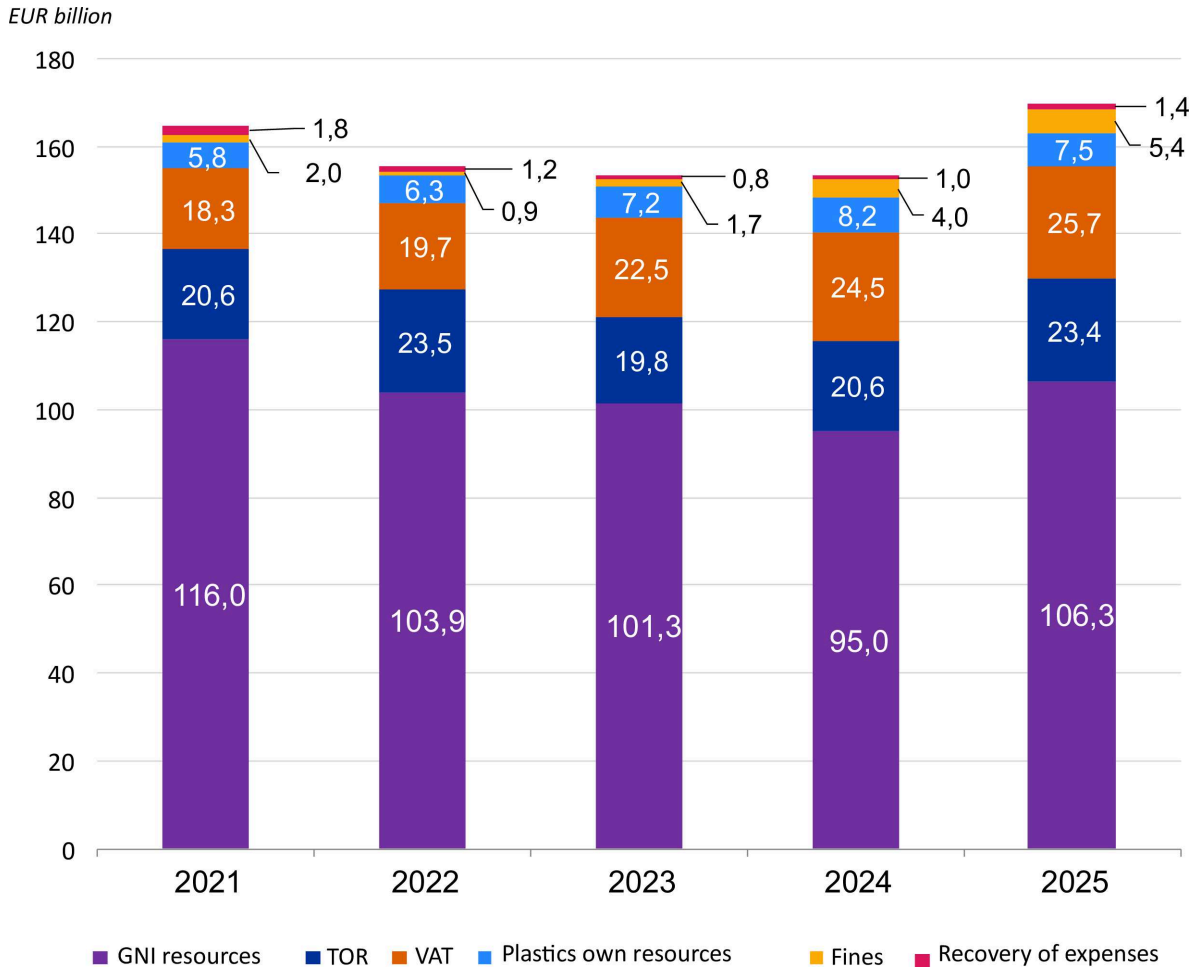
During 2025, the Commission disbursed EUR 8,5 billion in payments to other MFF programmes, most of which to REACT-EU (EUR 4,1 billion).

4. FINANCIAL STATEMENTS ANALYSIS

4.1. Revenue

The consolidated revenue of the EU incorporates amounts related to exchange transactions and non-exchange transactions, the latter being the most significant. The five-year trend of the main non-exchange revenue categories (comprising GNI resources, Traditional own resources, VAT resources, Plastics own resources, Fines and Recovery of expenses) is as follows:

Five-year trend of revenue from main non-exchange transactions ([1])



([1]) *2021 to 2025 figures: excluding revenue relating to the UK's withdrawal from the EU and Other revenue*

As budget revenue should equal (or exceed) budget expenditure, the main driver in the revenue trend shown above is the payments made each year.

Main developments in 2025

In 2025, total revenue, comprising all revenue categories, amounted to EUR 202,5 billion, compared to EUR 175,7 billion in the previous year. The main developments explaining the increase of EUR 26,8 billion or 15,3 % were:

— Fines related revenue increased by EUR 1,3 billion mainly due to fines issued to companies;

— Financial revenue increased by EUR 2,6 billion mainly due to increased interest earned on loans;

— VAT contributions have increased from EUR 24,5 billion in 2024 to EUR 25,7 billion in 2025;

— Plastics own resources decreased from EUR 8,2 billion in 2024 to EUR 7,5 billion in 2025;

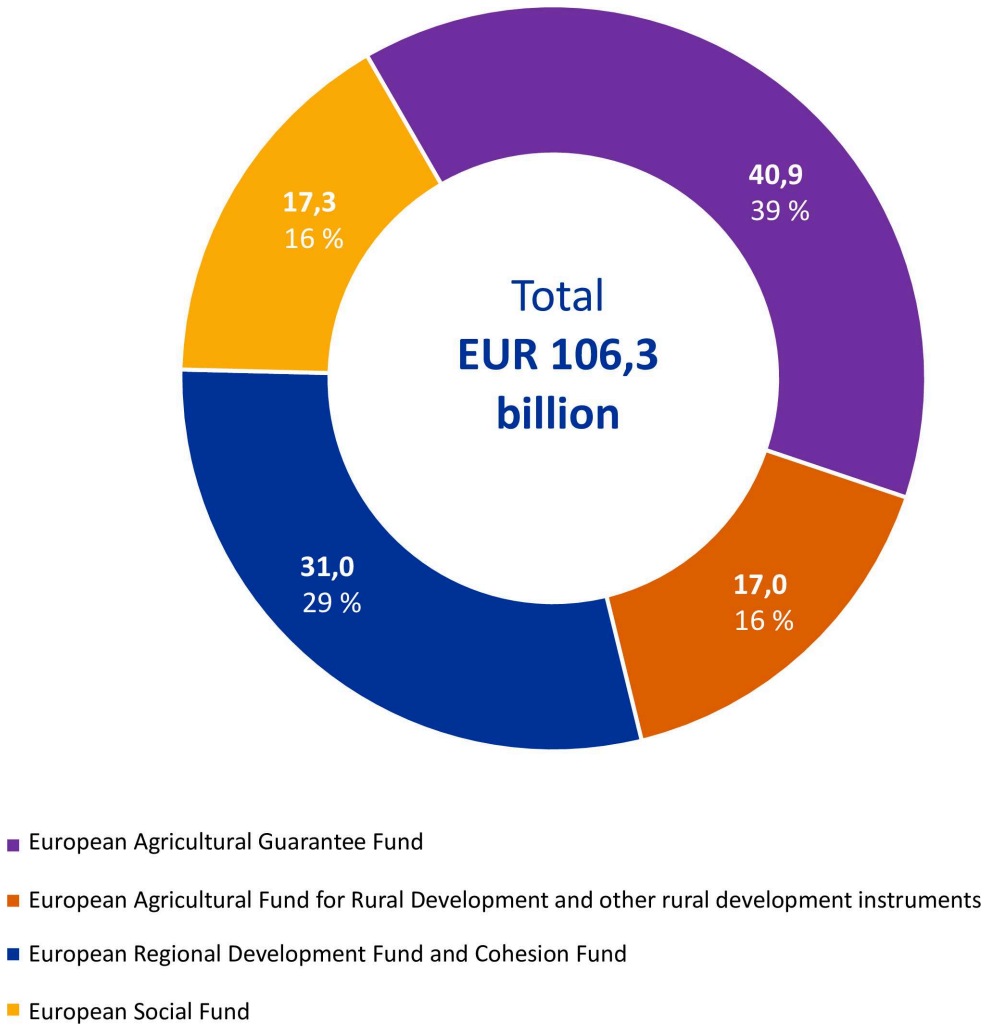
— Traditional own resources increased from EUR 20,6 billion in 2024 to EUR 23,4 billion in 2025; and

— Revenue from GNI (gross national income), the primary element of the EU's operating revenue, increased from EUR 95 billion in 2024 to EUR 106,3 billion in 2025. The increase of EUR 11,3 billion or 11,9 %, is explained to a great extent by a rise of payment appropriations needs.

4.2. Expenses

The main component of expenses recognised in the consolidated financial statements are expenses delegated to Member States under shared management, which includes the following funds: (i) European Agricultural Guarantee Fund (EAGF), (ii) European Agricultural Fund for Rural Development (EAFRD) and other rural development instruments, (iii) European Regional Development Fund (ERDF) & Cohesion Fund (CF), and (iv) European Social Fund (ESF). These funds made up EUR 106,3 billion or 41,3 % of the total expenses of EUR 257,1 billion incurred in 2025 (2024: EUR 101,9 billion, 37,3 % of the total expenses). The split of expenses delegated to Member States and their relative weights are presented below:

Main expenses delegated to Member States for the financial year 2025 (shared management)



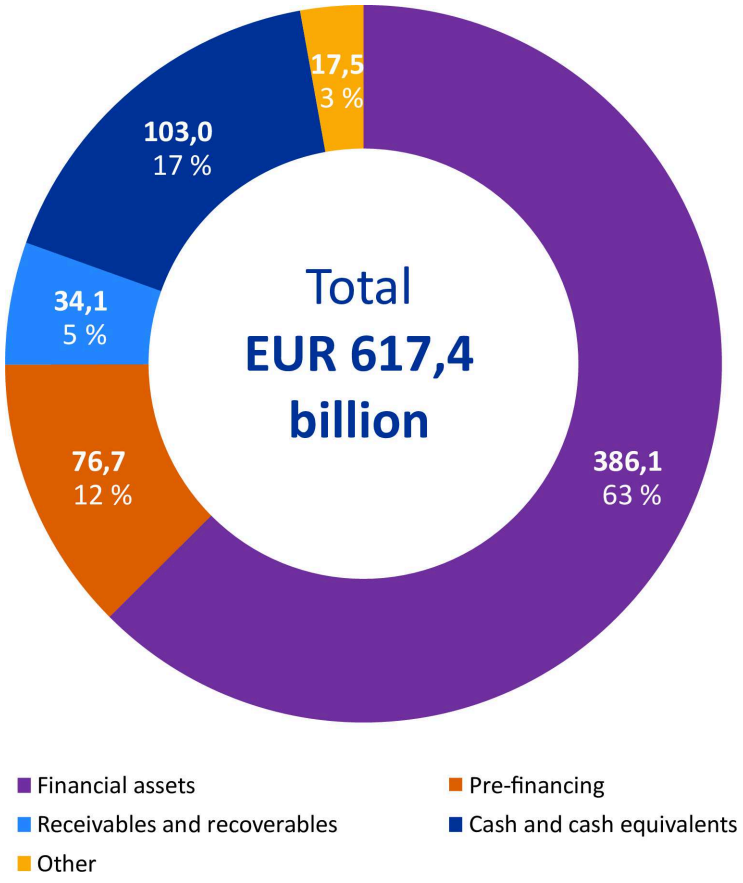
The increase of expenses delegated to Member States (shared management) concerns mainly the ERDF and Cohesion Fund (by EUR 2,2 billion) where the activities continue to advance, as well as the European Agricultural Fund for Rural Development (EAFRD).

Expenses related to transfers including grants and budget support, decreased from EUR 98,8 billion in 2024 to EUR 78,8 billion in 2025. The decrease of EUR 19,9 billion is mainly due to the funding of non-repayable support granted under the NGEU's RRF, which amounted to EUR 46,8 billion (2024: EUR 65,8 billion) Despite this significant reduction in expenses, progress in the implementation of milestones and targets continues.

4.3. Assets

As at 31 December 2025 total assets amounted to EUR 17,4 billion (2024: EUR 518,5 billion). The increase is mainly due to further lending under the RRF programme and new loans issued to Ukraine under the Ukraine Facility and MFA ULCM. The most significant assets on the EU balance sheet were financial assets other than cash and cash equivalents (EUR 386,1 billion), pre-financing (EUR 76,7 billion), receivables and recoverables (EUR 34,1 billon) and cash and cash equivalents (EUR 103 billion). Other assets, amounting to EUR 17,5 billion, mainly included property, plant and equipment and intangible assets.

Composition of assets at 31 December 2025



The increase in total assets of EUR 99,0 billion or 19,1 % from the previous year was mainly due to the following effects:

— Loans outstanding increased from EUR 283,6 billion in 2024 to EUR 333,4 billion in 2025. The increase of EUR 49,8 billion or 17,6 % mainly reflects the issuance of further loans to Member States under the RRF and REPowerEU (EUR 47,2 billion) and new loans under the Ukraine Facility and MFA programmes (EUR 10,1 billion and EUR 18,4 billion respectively), offset by EFSM and SURE repayments (EUR 4,9 billion and EUR 8,0 billion respectively) and an increase in impairment of EUR 14,4 billion primarily due to new Ukraine loans;

— Cash and cash equivalents increased from EUR 63,2 billion in 2024 to EUR 103,0 billion in 2025. The increase of EUR 39,9 billion or 63 % is mainly due to the higher liquidity relating to the unified funding (EUR 33,9 billion in 2024 versus EUR 65,2 billion at the end of 2025), which resulted from high level of disbursements planned for the beginning of 2026.

Pre-financing (legally committed advance payments)

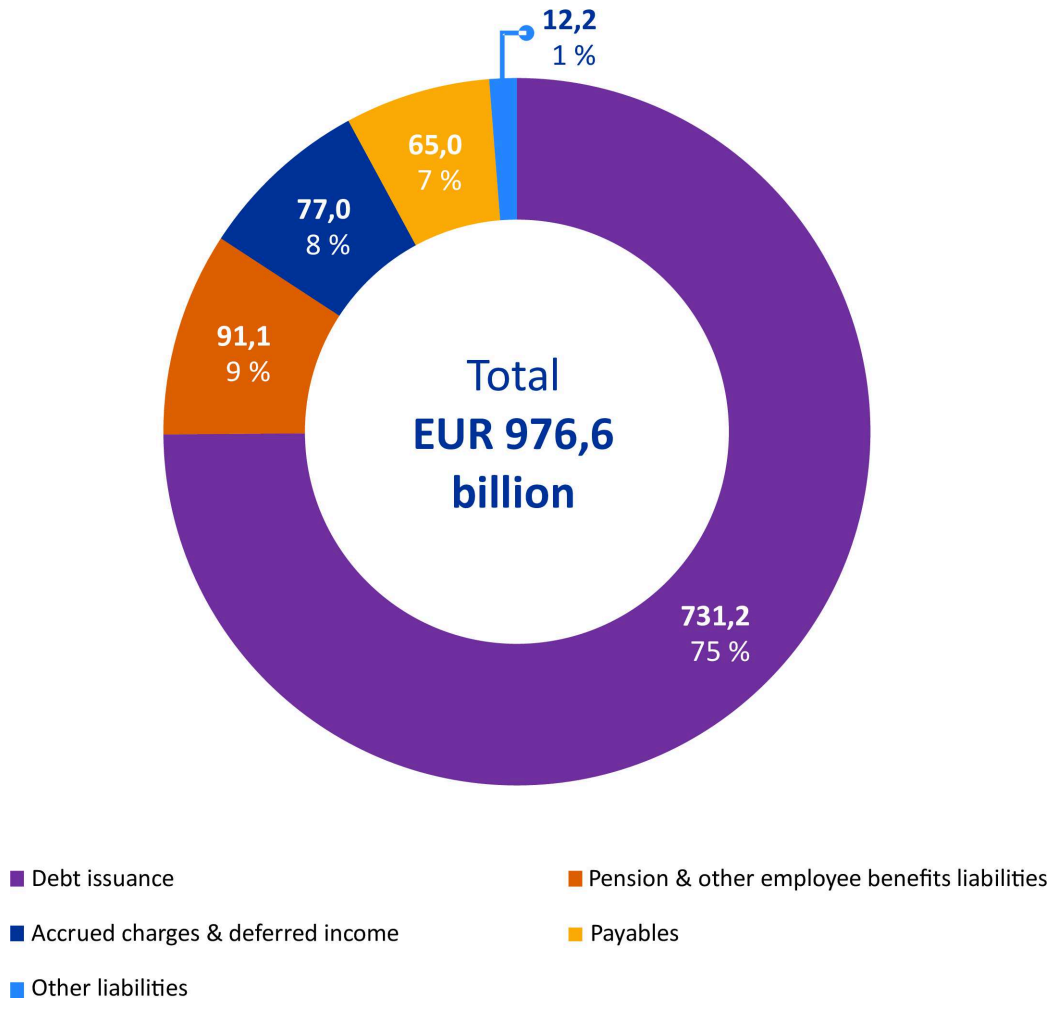
In 2025, pre-financing, excluding other advances to Member States and contributions to the trust funds Bêkou and Africa, amounted to EUR 71,3 billion (2024: EUR 75,1 billion). The most significant movement relates to RRF prefinancing, which decreased from EUR 15,4 billion to EUR 10,2 billion in 2025, in line with the normal implementation of the programme, as no additional pre-financings were disbursed in 2025.

The level of pre-financing granted under MFF programmes is significantly influenced by the respective MFF cycle – for example at the beginning of an MFF period large advances are expected to be paid to Member States under cohesion policy and these amounts remain available to Member States until the closure of the programmes. An annual pre-financing is also paid out, which must be used within the year or be recovered the following year as part of the annual closure of the accounts cycle. The Commission makes every effort to ensure that pre-financing is maintained at an appropriate level. A balance has to be struck between ensuring sufficient funding for projects and the timely recognition of expenditure.

4.4. Liabilities

As at 31 December 2025 the total liabilities were EUR 976,6 billion (2024: EUR 827,3 billion). The increase is mainly driven by the borrowings taken out in 2025 under the unified funding approach. The most significant liabilities were borrowings to finance loans to Member States and third countries (EUR 731,2 billion), pension obligations and other post-employment benefits liabilities (EUR 91,1 billion), accrued charges and deferred income (EUR 77,0 billion) and payables to third parties (EUR 65 billion).

Composition of liabilities at 31 December 2025



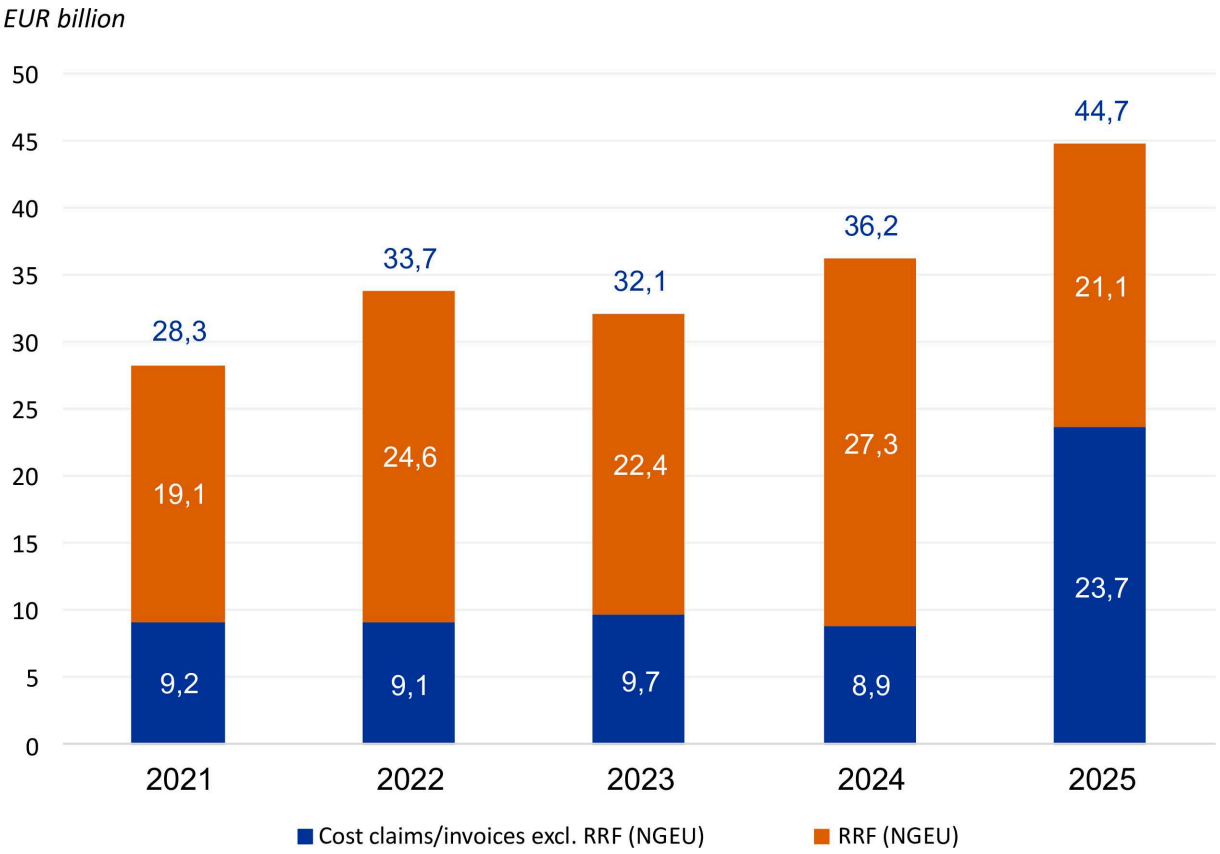
The increase of EUR 149,3 billion or 18,0 % over the previous year was mainly due to the following effects:

— Borrowings increased from EUR 594,0 billion in 2024 to EUR 731,2 billion in 2025. The increase of EUR 137,2 billion or 23,1 % mainly relates to the new issuance under the unified funding approach net of repayments (of EUR 148,3 billion) for RRF, the Ukraine Facility and MFA loans, less EFSM, SURE and BOP repayments of EUR 10,6 billion;

— Accrued charges and deferred income increased from EUR 67,1 billion in 2024 to EUR 77,0 billion in 2025. The increase of EUR 9,9 billion or 14,8 % mainly relates to the RRF; and

— Payables increased from EUR 55,4 billion in 2024 to EUR 65,0 billion in 2025. The increase of EUR 9,6 billion or 17,3 % is primarily related to ERDF, CF & ESF (increase of EUR 13,9 billion).

Total cost claims and invoices received and recognised in the Balance Sheet under the heading 'Payables'



4.5. **Net assets**

The excess of liabilities over assets at 31 December 2025 stood at EUR 359,2 billion (2024: EUR 308,8 billion). The most significant items that lead to this increase are additional borrowings under the unified funding approach (which are to be repaid up to 2055, see Section **5.1.1**), an increase in policies implementation and related increase in commitment appropriations, the employee benefits liability (which is to be paid over several decades) as well as payments relating to the EAGF, the bulk of which was paid in the first quarter of 2026.

It should be noted that this excess of liabilities over assets does not mean that the EU institutions and bodies are in financial difficulties, rather it means that certain liabilities will be funded by future annual budgets. Many expenses are recognised under accrual accounting rules in the current year although they may be actually paid in following years and funded using future budgets; the revenues related to these future fundings will only be accounted for in future periods.

4.6. **UK withdrawal from the EU**

Under the UK Withdrawal Agreement, the UK will continue to contribute to the EU budget and to benefit from pre-2021 EU programmes and expenditure as if it was a Member State. The UK will also receive back certain specified sums it paid into the EU budget or monies received by the EU budget linked to its period of membership. The EU reports twice a year to the UK on the amounts due and the UK pays these on a monthly basis. The reporting is updated each year based on actual figures.

The obligations under the Withdrawal Agreement create liabilities and receivables for the EU which have to be calculated and reflected in the EU's annual accounts. They cover in particular the following areas:

— own resources (Article 136)

— outstanding commitments (Article 140)

— competition fines (Article 141)

— Union Liabilities (Article 142)

— contingent financial liabilities and financial instruments (Articles 143 and 144)

— net assets of the European Coal & Steel Community (Article 145)

— EU investment in the European Investment Fund, EIF (Article 146)

— contingent liabilities concerning legal cases (Article 147).

EUR million

	Article 140	Article 142	Other	31.12.2025	31.12.2024
Due from the UK	*2 327*	*9 599*	*166*	*12 092*	*14 683*
Due to the UK	–	–	*(1 331)*	*(1 331)*	*(1 922)*
Total	**2 327**	**9 599**	**(1 165)**	**10 761**	**12 762**
Non-current	*1 928*	*9 244*	*(915)*	*10 256*	*11 231*
Current	*399*	*355*	*(250)*	*505*	*1 530*

As at 31 December 2025, the net receivable from the UK based on obligations resulting from the financial provisions of the Withdrawal Agreement amounted to EUR 10 761 million (2024: EUR 12 762 million). The main elements of this receivable include the UK's obligations under Article 142, relating to EU post-employment benefit liabilities (EUR 9 599 million) and Article 140, relating to outstanding budgetary commitments (EUR 2 327 million).

5. **BUDGETARY CONTINGENT LIABILITIES**

In the recent years, the EU has increasingly used financial instruments (such as loans, guarantees and equity investments), as a means to implement its policies and pursue EU objectives. For example, the loans by the EU to its Member States or partner countries aim at restoring financial stability or promoting economic recovery from crisis situations. The main objective of the EU guarantee programmes is boosting investments and enhancing access to finance to address market failures in the key policy areas.

When the EU provides support in the form of guarantees, it expects to boost investment by a multiple of its budgetary contributions through leveraging support of other financial institutions and investors.

When granting loans to third countries or providing guarantees, the EU budget may incur losses, when some events – that are not fully in the control of the EU – occur. As losses due to non-repayment by final beneficiaries are not likely to materialise in full, the EU does not hold assets for the entirely of those potential liabilities ([6]), but only up to the level necessary to cover expected losses and a sufficient safety buffer for unexpected losses. Nevertheless, should losses occur above the amounts provisioned, they would be covered by the Member States through future EU budgets. In this sense loans and budgetary guarantees create 'budgetary contingent liabilities' for the EU budget.

The EU regularly monitors the sustainability of its contingent liabilities and the adequacy of the assets provisioned held in the Common Provisioning Fund (CPF) ([7]) (see Section **5.3** below).

At the end of 2025, the EU budgetary contingent liabilities totalled EUR 475,7 billion, of which EUR 363,1 billion related to the outstanding loans to sovereigns (EUR 359,4 billion nominal and EUR 3,7 billion accrued interest) and EUR 112,6 billion to the maximum amounts (ceilings) of the guarantees issued. Regarding the loans, EUR 286,1 billion related to loans to Member States and EUR 77,0 billion to loans to third countries. The assets provisioned for loans to third countries and for guarantees amounted to EUR 27,4 billion.

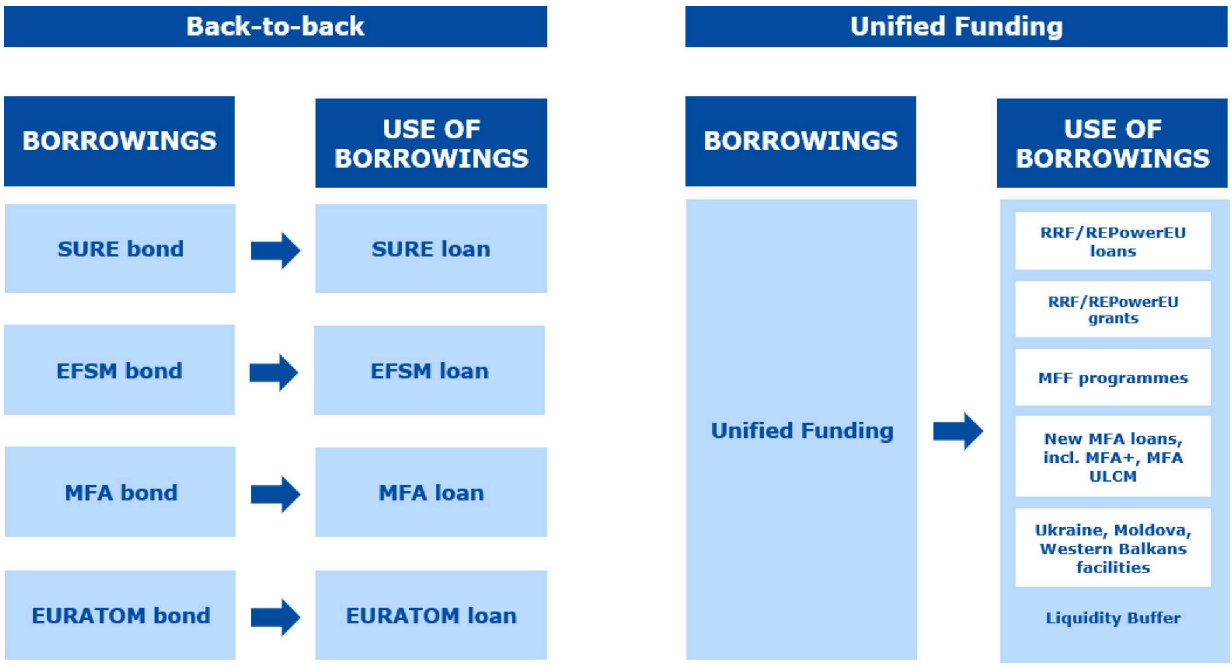
The EU also incurs other liabilities, which are not contingent in nature, but which – due to their long-term nature – will only be financed by the Member States through future budgets. This mainly relates to the pension liability (EUR 91,1 billion as at 31 December 2025) and to the unified funding borrowings that financed RRF/REPowerEU grants and some other MFF programmes (EUR 312,9 billion as at 31 December 2025, see Sections **3.2** and **3.4**).

5.1. Borrowing and lending activities

5.1.1. *Borrowing*

The Union borrows by issuing securities on international capital markets. The EU budget, ultimately, guarantees all Union borrowings. Until 2020, borrowings were used only to finance lending activities, see Section **5.1.2.** Following the introduction of the NGEU instrument, borrowings are also used to finance RRF/REPower non-repayable support, see Section **3.2.**

The funding approach



([6]) Except for some guarantees provided under the financial instruments programmes of previous MFFs, which were fully financed or provisioned from the EU budget.

([7]) See 'Report from the Commission to the European Parliament and the Council on financial instruments, budgetary guarantees, financial assistance and contingent liabilities' issued annually by the Commission.

Until 2020, the Commission followed a 'back to back' approach, issuing a dedicated bond to fund a specific loan agreement. It transferred the money directly to the beneficiary country on the same terms and conditions (interest rate, maturity). The timing, volume and maturity of bond issuances were determined by the needs of the beneficiary.

For the NGEU instrument, the Commission uses a diversified, pooled funding approach where the borrowings are not directly funding specific disbursements. Instead, the debt is issued according to semi-annual funding plans, with long-term bonds and short-term bills. The Commission uses auctions and syndications to issue these securities. It then passes on the costs, in line with the cost allocation methodology agreed with Member States ([8]), to the beneficiaries for the loans and to the EU budget for the non-repayable support. This pooled funding approach offers a more flexible and coherent borrowing and lending activity. It also offers better funding costs and allows the design of a better risk and compliance framework. This funding flexibility also requires a liquidity buffer for an efficient liquidity management.

Following the Regulation (EU, Euratom) 2022/2434 of the European Parliament and of the Council ([9]) in December 2022, the Commission can use this approach for all future borrowings. In this way, the Macro Financial Assistance (MFA)+ for Ukraine, the Ukraine Facility and other lending programmes can benefit from this flexible and cost-efficient debt management, creating a unified funding approach for all EU borrowings.

The outstanding borrowings of the EU increased to a total amount of EUR 738,9 billion at 31 December 2025. This amount includes EUR 78,5 billion of NGEU Green Bonds. These issuances are underpinned by the NGEU Green Bond Framework, which is aligned with the Green Bond Principles of the International Capital Market Association (ICMA) ([10]). Funds raised through NGEU Green Bonds finance climate-relevant measures from the national Recovery and Resilience plans (RRPs) under the Recovery and Resilience Facility (RRF).

The table below shows the repayment schedule for the outstanding EU borrowings (nominal in EUR billion) at 31 December 2025:

	UNIFIED	BACK-TO-BACK BORROWINGS				TOTAL
	FUNDING	SURE	EFSM	MFA	EURATOM	
2026	69,9	8,0	6,2	0,1	0,0	84,2
2027	37,2	0,0	3,0	0,2	0,1	40,4
2028	55,6	10,0	2,3	0,2	0,1	68,2
2029	34,1	8,1	1,4	0,9	0,0	44,5
2030	27,7	10,0	0,0	0,1	0,1	37,9
2031	39,2	0,0	6,6	1,2	0,1	47,0
2032	30,3	0,0	3,0	0,7	0,0	34,1
2033	15,7	0,0	2,1	0,5	0,0	18,3
2034	39,7	0,0	0,0	0,7	0,0	40,5
2035	16,9	8,5	2,0	2,0	0,0	29,4
2036	0,0	9,0	5,8	1,3	0,0	16,1
2037	18,4	8,7	0,0	0,9	0,0	28,1

([8]) Commission Implementing Decision (EU) 2022/9701.

([9]) Regulation (EU, Euratom) 2022/2434 of the European Parliament and of the Council of 6 December 2022 amending Regulation (EU, Euratom) 2018/1046 as regards the establishment of a diversified funding strategy as a general borrowing method (OJ L 319, 13.12.2022, p. 1, ELI: http://data.europa.eu/eli/reg/2022/2434/oj).

([10]) European Commission, Directorate-General for Budget, Green bonds – Impact and allocation report – NGEU report 2023, Publications Office of the European Union, 2023, https://data.europa.eu/doi/10.2761/302803.

	UNIFIED	BACK-TO-BACK BORROWINGS				TOTAL
	FUNDING	SURE	EFSM	MFA	EURATOM	
2038	17,0	0,0	1,8	0,3	0,0	19,1
2039	19,3	0,0	0,0	0,1	0,0	19,4
2040	6,0	7,0	0,0	0,5	0,0	13,5
2041	16,9	0,0	0,0	0,0	0,0	16,9
2042	13,3	0,0	3,0	2,0	0,0	18,3
2043	12,0	0,0	0,0	0,0	0,0	12,0
2044	14,4	0,0	0,0	0,0	0,0	14,4
2045	12,6	0,0	0,0	0,0	0,0	12,6
2046	0,0	5,0	0,0	0,0	0,0	5,0
2047	0,0	6,0	0,0	0,0	0,0	6,0
2048	15,3	0,0	0,0	0,0	0,0	15,3
2049	0,0	0,0	0,0	0,0	0,0	0,0
2050	17,0	10,0	0,0	0,0	0,0	27,0
2051	15,4	0,0	0,0	0,0	0,0	15,4
2052	13,9	0,0	0,0	0,5	0,0	14,4
2053	15,3	0,0	0,0	2,5	0,0	17,8
2054	17,3	0,0	0,0	0,0	0,0	17,3
2055	6,0	0,0	0,0	0,0	0,0	6,0
Total	**596,5**	**90,4**	**37,1**	**14,7**	**0,3**	**738,9**

The 'unified funding' finances the RRF/REPowerEU loans and non-repayable support as well as the Ukraine Facility, Western Balkans Facility, Moldova Facility and MFA loans signed as of 2023.

5.1.2. *Lending*

The Commission provides bilateral loans to Member States and third countries in accordance with decisions of the European Parliament and of the Council. In 2025, the Commission, acting on behalf of the EU, operated the following programmes under which it granted loans (in addition to RRF/REPower reported in Section **3.3**):

— SURE assistance (Support to mitigate Unemployment Risks in an Emergency);

— European Financial Stabilisation Mechanism (EFSM) assistance;

— Macro-Financial Assistance (MFA);

— Ukraine Facility;

— Western Balkans Facility;

— Moldova Facility;

— Euratom; and

— Balance of Payment (BOP).

At 31 December 2025, the nominal amount of the loans in EUR billion were:

	Total signed	Total undrawn at year-end	Total disbursed at year-end	Outstanding at year-end
SURE				
Belgium	8,2	-	8,2	8,2
Bulgaria	1,0	-	1,0	1,0
Croatia	1,6	-	1,6	1,2
Cyprus	0,6	-	0,6	0,5
Czechia	4,5	-	4,5	4,5
Estonia	0,2	-	0,2	0,2
Greece	6,2	-	6,2	5,2
Hungary	0,7	-	0,7	0,7
Ireland	2,5	-	2,5	2,5
Italy	27,4	-	27,4	24,3
Latvia	0,5	-	0,5	0,4
Lithuania	1,1	-	1,1	0,9
Malta	0,4	-	0,4	0,3
Poland	11,2	-	11,2	11,2
Portugal	6,2	-	6,2	6,2
Romania	3,0	-	3,0	3,0
Slovakia	0,6	-	0,6	0,6
Slovenia	1,1	-	1,1	0,9
Spain	21,3	-	21,3	18,5
	98,4	-	**98,4**	**90,4**
EFSM				
Ireland	22,5	-	22,5	17,3
Portugal	24,3	-	24,3	19,8
	46,8	-	**46,8**	**37,1**
MFA				
Albania	0,2	-	0,2	0,2
Armenia	0,1	-	0,1	0,1
Bosnia Herzeg.	0,1	-	0,1	0,1
Georgia	0,1	-	0,1	0,1
Jordan	1,6	0,3	1,3	1,3
Kosovo	0,1	-	0,1	0,1
Kyrgyz Rep.	0,0	-	0,0	0,0
Moldova	0,4	-	0,4	0,4

	Total signed	Total undrawn at year-end	Total disbursed at year-end	Outstanding at year-end
Montenegro	0,1	-	0,1	0,1
North Macedonia	0,3	0,1	0,2	0,2
Tunisia	1,4	-	1,4	1,4
Ukraine MFA	12,2	-	12,2	11,0
Ukraine MFA+	18,0	-	18,0	18,0
Ukraine MFA ULCM	18,1	-	18,1	18,1
Egypt	5,0	4,0	1,0	1,0
	57,6	**4,3**	**53,3**	**52,1**
Western Balkan Facility				
North Macedonia	0,5	0,5	0,0	0,0
Albania	0,7	0,6	0,1	0,1
Serbia	1,1	1,1	0,1	0,1
Montenegro	0,3	0,3	0,0	0,0
	2,6	**2,4**	**0,2**	**0,2**
Moldova Facility				
Moldova	**1,5**	**1,2**	**0,3**	**0,3**
Ukraine Facility				
Ukraine	**33,0**	**9,8**	**23,2**	**23,2**
EURATOM				
Energoatom, K2R4 Ukraine	**0,4**	-	**0,4**	**0,3**
RRF/REPowerEU	**277,2**	**121,3**	**155,9**	**155,9**
Total	**517,4**	**139,0**	**378,5**	**359,4**

SURE

SURE was established in 2020 to provide financial assistance to Member States who were experiencing, or were seriously threatened with, a severe economic disturbance caused by the COVID-19 pandemic. The instrument complements the national measures taken by affected Member States.

The availability of the instrument ended at 31 December 2022 and there are no pending disbursements. The maturity of loans varies between 5 and 30 years.

EFSM

EFSM was created to provide financial assistance to all Member States experiencing or seriously threatened by a severe economic financial disturbance caused by exceptional occurrences beyond their control. This programme has expired and no additional loans can be drawn, except for specific tasks such as the lengthening of maturities of existing loans.

In 2025, Ireland repaid EUR 2,4 billion of EFSM loan due, while Portugal early repaid two loans for a total amount of EUR 2,5 billion. The underlying EU bonds were transferred to the unified funding pool.

MFA

The MFA programme is a form of financial assistance extended by the EU to partner countries outside the EU experiencing a balance of payments crisis. It takes the form of medium/long-term loans or grants, or a combination of these, and is only available to countries benefiting from an International Monetary Fund (IMF) programme.

Ukraine

In 2022 the European Parliament and the Council agreed three packages of financial assistance for Ukraine ([11]), totalling EUR 7,2 billion, to strengthen the immediate resilience of the country subsequent to Russia's unprovoked and unjustified war of aggression. All the loans had been disbursed to Ukraine by the end of 2022. The maturity of these loans to Ukraine varies between 10 to 30 years.

To continue the EU support for Ukraine, an MFA+ loan of EUR 18 billion was disbursed in 2023 under the Regulation (EU) 2022/2463 of the European Parliament and Council ([12]). The loan was funded through the unified funding approach, whereas all previous MFA loans were funded under the back-to-back funding approach.

In October 2024, the EU adopted a new MFA for Ukraine and the Ukraine Loan Cooperation Mechanism (ULCM) ([13]). Under the ULCM, extraordinary revenues from immobilised Russian sovereign assets are used to grant non-repayable support to Ukraine to assist the country in repaying new bilateral loans provided by the G7 partners and the EU under this initiative. Consequently, the EU signed a new MFA loan agreement with Ukraine in December 2024 for an amount of EUR 18,1 billion, which was fully disbursed by the end of 2025.

At the end of 2025, the total MFA loans outstanding to Ukraine amounted to EUR 47,1 billion (nominal amount).

Ukraine Facility

On 29 February 2024, the European Parliament and the Council adopted Regulation (EU) 2024/792 establishing the Ukraine Facility ([14]). This instrument covers the years 2024 to 2027 and offers up to EUR 50 billion in financial support to Ukraine, including up to EUR 33 billion of sovereign loans. By 31 December 2025, EUR 23,2 billion of loans have been disbursed to Ukraine. The Ukraine Facility sovereign loans are funded through borrowings following the unified funding approach.

Reform and Growth Facility of the Western Balkans

Regulation (EU) 2024/1449 of the European Parliament and of the Council ([15]) on establishing the Reform and Growth Facility for the Western Balkans was adopted in May 2024, while the first loans were disbursed in 2025. The facility is expected to provide up to EUR 4 billion in loans for 2025-2027, with payments conditioned upon the EU partner countries in the Western Balkans implementing specific socio-economic and fundamental reforms.

([11]) Decision (EU) 2022/313 of the European Parliament and the Council for EUR 1,2 billion providing emergency assistance to Ukraine, Decision (EU) 2022/1201 of the European Parliament and the Council for EUR 1,0 billion providing exceptional assistance to Ukraine, Decision (EU) 2022/1628 of the European Parliament and the Council for EUR 5,0 billion providing exceptional assistance to Ukraine.

([12]) Regulation (EU) 2022/2463 of the European Parliament and of the Council of 14 December 2022 establishing an instrument for providing support to Ukraine for 2023 (macro-financial assistance +) (OJ L 322, 16.12.2022, p. 1, ELI: http://data.europa.eu/eli/reg/2022/2463/oj).

([13]) Regulation (EU) 2024/2773 of the European Parliament and of the Council of 24 October 2024 establishing the Ukraine Loan Cooperation Mechanism and providing exceptional macro-financial assistance to Ukraine (OJ L, 2024/2773,28.10.2024, ELI: http://data.europa.eu/eli/reg/2024/2773/oj).

([14]) Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility (OJ L, 2024/792, 29.2.2024, ELI: http://data.europa.eu/eli/reg/2024/792/oj).

([15]) Regulation (EU) 2024/1449 of the European Parliament and of the Council of 14 May 2024 on establishing the Reform and Growth Facility for the Western Balkans (OJ L, 2024/1449, 24.5.2024, ELI: http://data.europa.eu/eli/reg/2024/1449/oj).

Reform and Growth Facility for the Republic of Moldova

Regulation (EU) 2025/535 of the European Parliament and of the Council ([16]) establishing the Reform and Growth Facility for the Republic of Moldova, was adopted in March 2025. The facility will support Moldova during the period from 2025 to 2027. It is expected to provide up to EUR 1,5 billion in loans, with the first disbursements made in 2025.

Euratom

The European Atomic Energy Community lends money to both Member States and non-Member States, and to entities of both, to finance projects relating to energy installations.

BOP

The BOP is an assistance programme designed for Member States outside the euro area that are experiencing difficulties regarding their balance of payments. In 2025 the last outstanding BOP loan was fully repaid by Latvia.

SAFE

On 27 May 2025, the Council of the European Union adopted the Security Action for Europe (SAFE) ([17]) instrument designed to provide financial support to Member States to accelerate defence readiness by common procurement. SAFE will provide up to EUR 150 billion in long-term loans to Member States planned to be disbursed in 2026–2030 and financed by the borrowings. EUR 43,7 billion of SAFE loans were signed and effective by 31 May 2026, of which EUR 6,6 billion disbursed.

Ukraine Support Loan

In February 2026, the European Parliament and the Council adopted Regulation (EU) 2026/467 ([18]), establishing the Ukraine Support Loan for a maximum amount of up to EUR 90 billion. Implementation of the programme was subsequently enabled by the amendment to Council Regulation (EU, Euratom) 2020/2093 ([19]) – which lays down the Multiannual Financial Framework (MFF) for the years 2021 to 2027 – following its adoption in April 2026. The related loan agreement was signed in May 2026 and the European Commission plans to begin disbursements in June 2026.

Liquidity for unified funding

Under the unified funding strategy, a certain amount of proceeds from borrowings are kept in a bank account with the European Central Bank or invested in short-term investments. This liquidity buffer ensures that sufficient funds are available to meet all upcoming disbursement obligations. In managing the liquidity the Commission takes into account expected disbursement needs and the opportunity costs of cash balances. At year-end 2025, the funds held in the liquidity buffer amounted to EUR 65,2 billion.

5.1.3. *Budgetary safeguards to ensure repayment of borrowings*

Borrowings of the EU constitute direct and unconditional obligations of the EU and are guaranteed by the EU Member States. The borrowings undertaken to finance loans are intended to be repaid through timely collection of the principal and interest due on those loans.

([16]) Regulation (EU) 2025/535 of the European Parliament and of the Council of 18 March 2025 establishing the Reform and Growth Facility for the Republic of Moldova (OJ L, 2025/535, 21.3.2025, ELI: http://data.europa.eu/eli/reg/2025/535/oj).

([17]) Council Regulation (EU) 2025/1106 of the European Parliament and of the Council of 27 May 2025 establishing the Security Action for Europe (SAFE) through the Reinforcement of the European Defence Industry Instrument (OJ L, 2025/1106, 28.5.2025, ELI: http://data.europa.eu/eli/reg/2025/1106/oj).

([18]) Regulation (EU) 2026/467 of the European Parliament and of the Council of 24 February 2026 implementing enhanced cooperation on the establishment of the Ukraine Support Loan for 2026 and 2027 (OJ L, 2026/467, 26.2.2026, ELI: http://data.europa.eu/eli/reg/2026/467/oj).

([19]) Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11, ELI: http://data.europa.eu/eli/reg/2020/2093/oj).

Nevertheless, should a beneficiary country default on or delay their repayments, there are number of safeguards to ensure service of the EU debt, which are summarised in the table below. In the short term, the borrowings will be repaid from the available treasury balance of the Commission. Next, borrowings related to the loans to third countries (except for MFA+ and Ukraine Facility loans) will be repaid from the assets held in the CPF, while in case of the MFA+, Ukraine Facility and loans to Member States, the Commission may call additional resources from the Member States up to the available own resources margin ('budgetary headroom'). For some programmes, there are also guarantees provided by the Member States. As a consequence, investors are only exposed to the credit risk of the EU, not to that of the beneficiary of the loans.

EU programme funded by borrowing	System of protection
NGEU (RRF and REPowerEU)	Budgetary headroom under the temporary own resources ceiling of the EU budget – an extra 0,6 % of EU GNI above the own resources ceiling of the EU budget of 1,4 % of EU GNI
SURE	Guarantee provided by all EU Member States (25 %) + budgetary headroom under the own resources ceiling of the EU budget of 1,4 % of EU GNI
EFSM	Budgetary headroom under the own resources ceiling of the EU budget of 1,4 % of EU GNI
MFA (standard)	CPF (9 % of the loan to the third country)
Exceptional MFA to Ukraine	CPF (9 % of the loan) + guarantees by all EU Member States (61 %)
MFA+ to Ukraine	Budgetary headroom under the own resources ceiling of the EU budget of 1,4 % of EU GNI
MFA ULCM	Budgetary headroom under the own resources ceiling of the EU budget of 1,4 % of EU GNI
Ukraine Facility	Budgetary headroom under the own resources ceiling of the EU budget of 1,4 % of EU GNI
Western Balkans Facility	CPF (9 % of the loan to the third country)
Moldova Facility	CPF (9 % of the loan to the third country)
Euratom loans to third countries (state-owned entities)	CPF (9 % of the loan) and counter-guarantees by third countries

5.2. **Budgetary guarantees**

Under this type of budget implementation, the EU provides guarantees to financial institutions (implementing partners) for their financing (lending) and investment (equity) operations to pursue its policy objectives.

The EU has issued guarantees under the following programmes:

— External lending mandate (ELM) guarantees granted to the European Investment Bank (EIB) for their lending operations outside EU, mainly to sovereign and sub sovereign beneficiaries;

— European Fund for Strategic Investment (EFSI) guarantee granted to the EIB Group for their operations supporting additional investment in the EU and access to finance for SMEs;

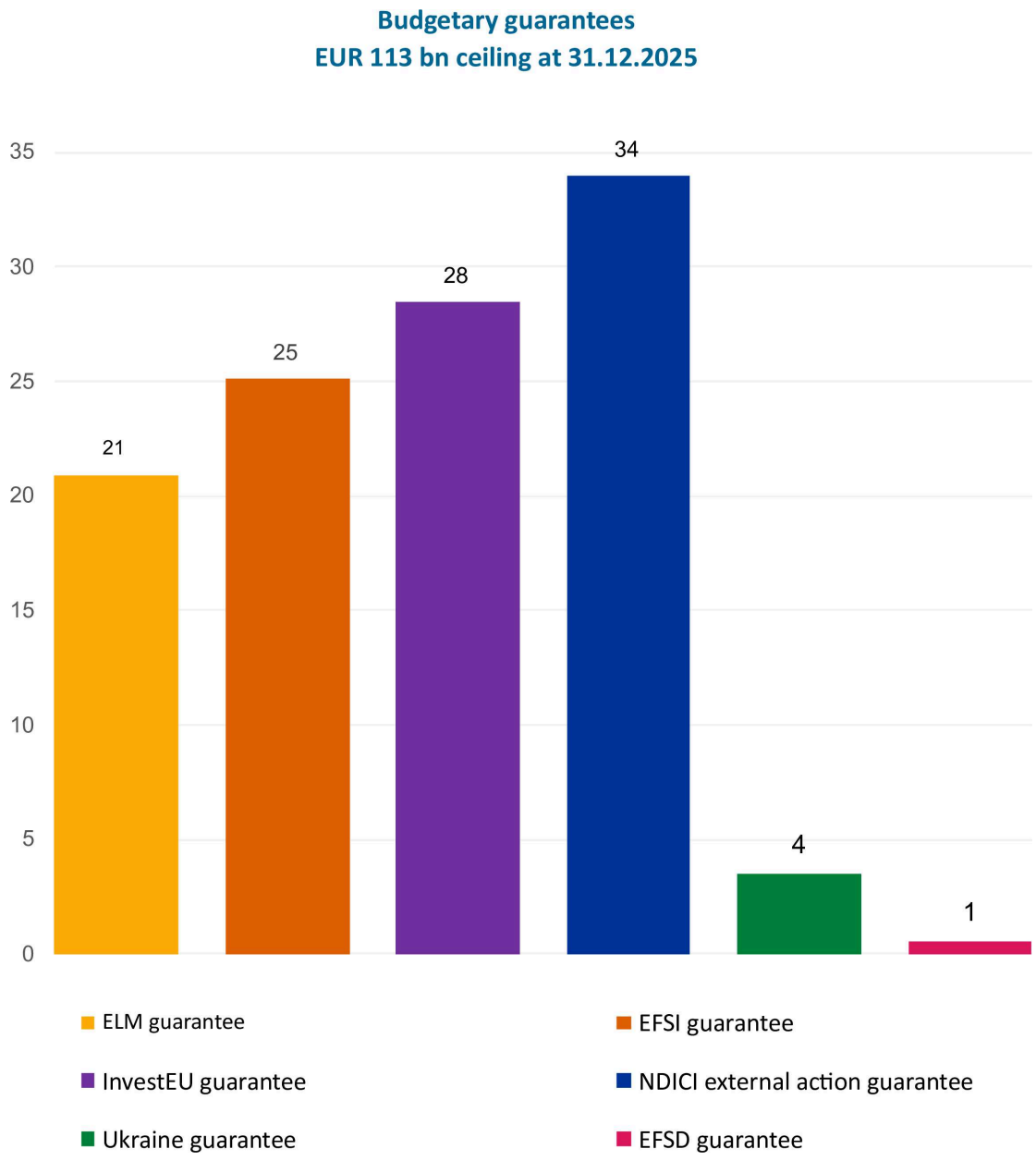
— InvestEU guarantee provided to the EIB Group, the European Bank for Reconstruction and Development and several financial partners in the EU Member States, in order to mobilise private investments for the green and digital transition, innovation and social investments and skills. The InvestEU guarantee may be increased by EFTA and Member States contributions and counter guarantees;

— External Action Guarantee under NDICI Regulation providing guarantees both to the EIB, as well as to several other counterparts, for their financing and investments outside Europe, both to the public and private sector beneficiaries, with the objective of promoting sustainable investments in the EU's partner countries;

— European Fund for Sustainable Development (EFSD) guarantee issued to several counterparties with the aim to support investments in Africa and in the European Neighbourhood countries;

— Ukraine Guarantee issued under the Ukraine Facility regulation to several counterparties to boost investments for the recovery and reconstruction of Ukraine.

As at 31 December 2025, the nominal outstanding amount of those guarantees at the maximum level granted to the implementing partners amounted to EUR 112,6 billion, of which EUR 77,6 billion relates to financing or investment operations signed by the implementing partners (InvestEU, NDICI and Ukraine guarantees are still in the investment period, during which the partners can include new operations under the guarantee).



The Member States and EEA countries may also contribute to the InvestEU programme. Until 31 December 2025, the EU signed contribution agreements with those countries for EUR 3,3 billion, out of which EUR 2,6 billion relates to cash contributions and EUR 0,6 billion to counter-guarantees.

5.3. **Common Provisioning Fund**

In order to satisfy any guarantee calls to cover losses incurred by the implementing partners in a timely manner, the EU provisions amounts from the budget. As of 2021, all assets provisioned are held in the CPF, which functions as a single portfolio, with assets mainly invested in debt securities. Currently, it combines provisioning for all the EU budgetary guarantees and some financial assistance programmes. The resources of the CPF are allocated into compartments for the purpose of tracing the amounts relating to the contributing budgetary guarantees and financial assistance programmes.

At 31 December 2025, the Commission holds EUR 27,2 billion net assets in the CPF for the following compartments:

— Guarantee Fund for external actions – EUR 3,4 billion (covering ELM guarantees as well as pre-2021 MFA and Euratom loans to third countries)

— EFSI – EUR 9,2 billion

— EFSD – EUR 0,8 billion

— InvestEU compartments – EUR 8,9 billion (including Member State and EEA countries cash contributions)

— NDICI EFSD+ – EUR 3,6 billion

— Ukraine Guarantee – EUR 0,6 billion

— MFA post-2020 loans and Western Balkans Facility – EUR 0,2 billion

— MFA loans to Ukraine – EUR 0,5 billion.

In addition, EUR 0,2 billion is held in the Commission's central treasury as a liquidity buffer to cover immediate guarantee calls.

6. **EU POLITICAL AND FINANCIAL FRAMEWORK, GOVERNANCE AND ACCOUNTABILITY**

The European Union (EU) is a Union on which the Member States confer competences to attain objectives they have in common. The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail.

6.1. **Political and financial framework**

EU Treaties

The overarching objectives and principles that guide the Union and the European institutions are defined in the Treaties. The Union and the EU institutions may only act within the limits of the competences conferred by the Treaties so as to attain the objectives set out therein and must do this in accordance with the principles [20] of subsidiarity and proportionality. In order to attain its objectives and carry out its policies, the Union provides itself with the necessary financial means. The Commission is responsible for promoting the general interest of the Union which includes executing the budget and managing programmes in cooperation with the Member States and in accordance with the principle of sound financial management.

[20] Under the principle of subsidiarity, the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States but can rather, by reason of the scale or effects, be better achieved at Union level. Under the principle of proportionality, the content and form of Union action shall not exceed what is necessary to achieve the objectives of the Treaties (see Article 5 TEU).

The EU pursues the objectives established by the Treaty with various instruments, one of which is the EU budget. Others are, for example, a common legislative framework or joint policy strategies.

Multiannual financial framework and spending programmes

The policies supported by the EU budget are implemented in accordance with the multiannual financial framework (MFF) and corresponding sectoral legislation defining spending programmes and instruments. These translate the EU's political priorities into financial terms over a period long enough to be effective and to provide a coherent long-term perspective for beneficiaries of EU funds and co-financing national authorities. Maximum annual amounts (ceilings) are set for EU expenditure as a whole and for the main categories of expenditure (headings). The sum of the ceilings of all headings gives the total ceiling for commitment appropriations. The MFF is adopted by the Council by unanimity of all Member States, with the consent of the European Parliament. The current 2021-2027 multiannual financial framework was adopted on 17 December 2020 ([21]). The 2021-2027 multiannual financial framework is complemented by the temporary recovery instrument NextGenerationEU.

Annual budget

The annual budget is prepared by the Commission. The European Parliament and the Council agree (usually by mid December) on the budget for the following year, based on the procedure of Article 314 TFEU. According to the principle of budgetary equilibrium, total revenue must equal total expenditure (payment appropriations) for a given financial year.

The main sources of funding of the EU budget are own resources revenues which are complemented by other revenues. There are four types of own resources: Traditional own resources (mainly custom duties), the own resource based on value added tax (VAT), the own resource based on non-recycled plastic packaging waste (introduced in 2021) and the own resource based on gross national income (GNI). Other revenues arising from the activities of the EU (e.g. competition fines) normally represent less than 10 % of total revenue.

Management modes

The EU budget is implemented in three management modes which determine how the money is paid out and managed:

— Shared management: the vast proportion of the budget (around 3/4 of the budget) is managed under a system of shared management by the Commission in cooperation with the Member States, notably in the areas of structural funds and agriculture.

— Direct management: the Commission also manages programmes itself and can delegate the implementation of specific programmes to executive agencies.

— Indirect management: Expenditure decisions can also be indirectly managed via other bodies within or outside the EU. The Financial Regulation and/or contribution agreements define the necessary control and reporting mechanisms by these entities and the supervision by the Commission where budget implementation tasks are entrusted to national agencies, the European Investment Bank Group, third countries, international organisations (e.g. the World Bank or the United Nations) and other entities (e.g. EU decentralised agencies, Joint Undertakings).

Financial instruments and budgetary guarantees

The traditional method of budget implementation of giving grants and subsidies is complemented by issuing financial instruments in the form of guarantees as well as equity and loans. Furthermore, the EU engages in borrowing and lending activities for specific financial assistance programmes in order to support Member States and third countries in the form of bilateral loans financed from debt issued on the capital markets with the guarantee of the EU Budget. In December 2022, Parliament and the Council established the unified funding approach to EU borrowing, under which the Union will be issuing single branded 'EU-Bonds', rather than separately denominated bonds for individual programmes.

([21]) On 1st of February 2024, the European Council agreed on a mid-term revision of 2021-2027 MFF ceilings, following the Commission's proposals COM(2023) 336.

Financial Regulation

The Financial Regulation (FR) ([22]) applicable to the general budget is a central act in the regulatory architecture of the EU's finances. It defines in detail the financial rules applicable to the execution of the EU budget and the roles of the different actors involved in ensuring that the money is used soundly and achieves the objectives set. It also includes the specific provisions applicable to financial instruments, budgetary guarantees and financial assistance.

6.2. **Governance and accountability**

6.2.1. *Institutional structure*

The EU has an institutional framework through which it aims to promote its values, advance its objectives, serve its interests, those of its citizens and those of the Member States, and ensure the consistency, effectiveness and continuity of its policies and actions. The organisational structure consists of institutions, agencies and other EU autonomous bodies. The Financial Regulation, together with the applicable accounting rules, defines which of these entities are included in the EU consolidated accounts (please see Note **9** of the EU consolidated annual accounts for the list of entities included in the scope of consolidation).

The European Parliament, jointly with the Council, exercises legislative and budgetary functions. The Commission is politically accountable to the European Parliament. The Council also carries out policy-making and coordinating functions within the general political direction and priorities of the Union set by the European Council.

The European Commission is the executive arm of the European Union. It promotes the Union's general interest and takes appropriate initiatives to that end. It ensures the application of the Treaties and oversees the application of Union law by Member States under the control of the Court of Justice of the European Union. It exercises coordinating, executive and management functions, executes the budget and manages programmes.

The Commission implements the budget, in large part in cooperation with the Member States ([23]). Together, they ensure that the appropriations are used in accordance with the principles of sound financial management. Regulations lay down the control and audit obligations of the Member States when they share the implementation of the budget and the resulting responsibilities. They also lay down the responsibilities and detailed rules for each of the EU's institutions as concerns their own expenditure.

6.2.2. *The Commission's governance structure*

The Commission's governance arrangements and how these ensure that the Commission functions as a modern, accountable and performance-oriented institution are described in the Communication ([24]) on Governance in the European Commission.

The Commission performs its functions under the leadership of the College of Commissioners, which sets priorities and takes overall political responsibility for the work of the Commission. As a College, the Commission works under the political guidance of its President, who presents, as part of his or her nomination to the European Parliament the objectives he or she intends to pursue in the form of political guidelines. The President decides on the internal organisation of the Commission, ensuring that it acts consistently, efficiently and as a collegiate body.

The College delegates the operational implementation of the budget and financial management to the Directors-General and Heads of Service who lead the administrative structure of the Commission. This decentralised approach creates an administrative culture that encourages civil servants to take responsibility for activities over which they have control and requires them to provide assurance as concerns the activities for which they are accountable.

([22]) Regulation (EU, Euratom) 2024/2509.
([23]) See Article 317 TFEU.
([24]) C(2020) 4240 of 24.6.2020.

Under the authority of the President and in close cooperation with the Member of the Commission in charge of budget, human resources and administration, and with the involvement of the Presidential and central services, the Corporate Management Board provides coordination, oversight, advice and strategic orientations.

The internal arrangements define a coherent set of robust controls and management tools which allow the College of Commissioners to assume political responsibility for the work of the Commission ([25]).

6.2.3. *The Commission's financial management*

In the Commission, the roles and responsibilities in financial management are clearly defined (e.g. in the Financial Regulation and the Internal Rules ([26])) and applied accordingly. As authorising officers by delegation, the Commission's Directors-General and Heads of Service are responsible for the sound financial management of EU resources, compliance with the provisions of the Financial Regulation, risk management and establishing an appropriate internal control framework.

The responsibility of the Authorising Officers covers the entire management process, from determining what needs to be done to achieve the policy objectives set by the institution to managing the activities from both an operational and a sound financial management standpoint. Tasks can further be sub-delegated to Directors, Heads of Unit and others, who thereby become Authorising Officers by Sub-Delegation. Each authorising officer by delegation may rely on one or two directors in charge of risk management and internal control to oversee and monitor the implementation of internal control systems.

The Commission's central services provide guidance and advice and promote best practices, including through the work of the Corporate Management Board.

The Financial Regulation requires each authorising officer to prepare an annual activity report (AAR) detailing achievements, internal control and financial management activities during the year. The AAR includes a declaration that resources have been used based on the principles of sound financial management and that control procedures are in place which provide the necessary guarantees concerning the legality and regularity of the underlying transactions. The Annual Management and Performance Report for the EU budget ([27]) is the main instrument through **which the College of Commissioners assumes political responsibility for the financial management of the EU budget**.

The Accounting Officer of the Commission is centrally responsible for treasury management, recovery procedures, laying down accounting rules based on International Public Sector Accounting Standards (IPSAS), validating accounting systems and the preparation of the Commission's and consolidated annual accounts of the EU. Furthermore, the Accounting Officer is required to sign the annual accounts declaring that they present fairly, in all material aspects, the financial position, the results of the operations and the cash flows of the Union. The annual accounts are adopted by the College of Commissioners. The Accounting Officer is an independent function and bears a major responsibility as regards financial reporting in the Commission.

The Internal Auditor of the Commission is likewise a centralised and independent function and provides independent advice, opinions and recommendations on the quality and functioning of internal control systems inside the Commission, EU agencies and other EU autonomous bodies.

The Audit Progress Committee ensures the independence of the Internal Auditor and monitors the quality of internal audit work and the follow-up given by the Commission services to internal and external audit recommendations, as well as to the European Court of Auditors' discharge related findings and recommendations on the reliability of the annual consolidated EU accounts. The advisory role of the committee contributes to the overall further improvement of the Commission's effectiveness and efficiency in achieving its goals and facilitates the College's oversight of the Commission's governance, risk management, and internal control practices.

([25]) As a result, the term 'European Commission' is used to denote both the institution – the College – formed by the Members of the Commission, and its administration managed by the Directors-General of its departments (and heads of other administrative structures such as services, offices and executive agencies).

([26]) Since mid-2019 (further to the revised Article 12 of the Internal Rules) the management of the European Development Fund (EDF) is co-delegated among five departments (INTPA (DEVCO), ECHO, EAC, EACEA and JRC).

([27]) https://ec.europa.eu/info/publications/integrated-financial-and-accountability-reporting_en.

6.2.4. *External audit and discharge procedure*

In line with the principles of sound financial management, funds must be managed in an effective, efficient and economic manner. An accountability framework based on comprehensive reporting, external audit and political control exists to provide reasonable assurance that EU funds are spent in a proper manner.

The **European Parliament** decides, after a recommendation by the **Council**, on whether or not to provide its final approval, known as 'granting discharge', on the way the Commission implemented the EU budget in a given year. The annual discharge procedure ensures that the Commission is held politically accountable for the implementation of the EU budget.

Every year the **European Court of Auditors** examines the reliability of the accounts, whether all revenue has been received and all expenditure incurred in a lawful and regular manner and whether the financial management and the qualitative aspects of budgeting, including the performance dimension, have been sound. As from 2021, given the considerable importance of NextGenerationEU, the European Court of Auditor's opinion on the legality and regularity of expenditure under the traditional EU budget is complemented by a separate opinion on the legality and regularity of expenditure under the Recovery and Resilience Facility. The publication of the annual report of the European Court of Auditors is the starting point for the discharge procedure. The auditors also prepare special reports on specific spending or policy areas, or on budgetary or management issues.

The decision on the discharge is also based on the Commission's integrated financial and accountability reporting ([28]), on hearings of Commissioners in the European Parliament and on the replies provided to written questions addressed to the Commission.

NOTE ACCOMPANYING THE CONSOLIDATED ACCOUNTS

The consolidated annual accounts of the European Union for the year 2025 have been prepared on the basis of the information presented by the institutions and bodies under Article 252(2) of the Financial Regulation applicable to the general budget of the European Union. I hereby declare that they were prepared in accordance with Title XIII of this Financial Regulation and with the accounting principles, rules and methods set out in the notes to the financial statements.

I have obtained from the accounting officers of these institutions and bodies, who certified its reliability, all the information necessary for the production of the accounts that show the European Union's assets and liabilities and budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts of the European Commission, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cashflows of the European Union.

Niall BOHAN

Accounting Officer of the Commission

18 June 2026

([28]) The financial regulation (Art.253) requires the Commission to communicate to the European Parliament and the Council a set of financial and accountability reports, which constitute essential input for the annual 'discharge procedure', through which the European Parliament and the Council hold the Commission accountable for the way it manages the EU budget. The Integrated Financial and Accountability Reporting package consists of five reports on the implementation, performance, results, management and protection of the EU budget. IFAR on Europa website.

CONSOLIDATED FINANCIAL STATEMENTS AND EXPLANATORY NOTES ([29])

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([29]) It should be noted that due to the rounding of figures into millions of euros, some financial data in the tables below may appear not to add-up.

BALANCE SHEET

EUR million

	Note	31.12.2025	31.12.2024
NON-CURRENT ASSETS			
Intangible assets	*2.1*	*1 135*	*1 095*
Property, plant and equipment	*2.2*	*14 756*	*13 713*
Investments accounted for using the equity method	*2.3*	*1 524*	*1 446*
Financial assets	*2.4*	*362 806*	*308 961*
Pre-financing	*2.5*	*38 971*	*40 861*
Exchange receivables and non-exchange recoverables	*2.6*	*12 663*	*13 272*
		431 856	**379 347**
CURRENT ASSETS			
Financial assets	*2.4*	*23 291*	*19 377*
Pre-financing	*2.5*	*37 775*	*38 058*
Exchange receivables and non-exchange recoverables	*2.6*	*21 404*	*18 465*
Inventories	*2.7*	*79*	*85*
Cash and cash equivalents	*2.8*	*103 041*	*63 163*
		185 591	**139 148**
TOTAL ASSETS		**617 447**	**518 495**
NON-CURRENT LIABILITIES			
Pension and other employee benefits	*2.9*	*(91 128)*	*(93 096)*
Provisions	*2.10*	*(2 149)*	*(2 280)*
Financial liabilities	*2.11*	*(644 018)*	*(539 575)*
		(737 295)	**(634 951)**
CURRENT LIABILITIES			
Provisions	*2.10*	*(464)*	*(7 536)*
Financial liabilities	*2.11*	*(96 769)*	*(62 328)*
Payables	*2.12*	*(65 037)*	*(55 414)*
Accrued charges and deferred income	*2.13*	*(77 048)*	*(67 091)*
		(239 319)	**(192 368)**
TOTAL LIABILITIES		**(976 614)**	**(827 319)**
NET ASSETS		**(359 167)**	**(308 824)**
Reserves	*2.14*	*941*	*986*
Amounts to be called from Member States [1]	*2.15*	*(360 108)*	*(309 810)*
NET ASSETS		**(359 167)**	**(308 824)**

[1] *The European Parliament adopted a budget on 26 November 2025 which provides for the payment of the EU's short-term liabilities from own resources to be collected by, or called up from, the Member States in the following year. Additionally, under Article 83 of the Staff Regulations (Regulation (EEC, Euratom, ECSC) No 259/68 (OJ L 56, 4.3.1968, p. 1) of 29 February 1968 as amended), the Member States shall jointly guarantee the liability for pensions.*

STATEMENT OF FINANCIAL PERFORMANCE

EUR million

	Note	2025	2024 (reclassified)
REVENUE			
Revenue from non-exchange transactions			
GNI resources	*3.1*	*106 342*	*95 037*
Traditional own resources	*3.2*	*23 436*	*20 587*
VAT resources	*3.3*	*25 728*	*24 547*
Plastics own resources	*3.4*	*7 524*	*8 227*
Fines	*3.5*	*5 370*	*4 039*
Recovery of expenses	*3.6*	*1 376*	*957*
Other	*3.8*	*18 572*	*10 673*
		188 348	**164 068**
Revenue from exchange transactions			
Financial revenue	*3.9*	*11 646*	*9 005*
Other	*3.10*	*2 500*	*2 592*
		14 146	**11 597**
Total Revenue		**202 495**	**175 665**
EXPENSES			
Delegated to Member States	*3.11*		
European Agricultural Guarantee Fund		*(40 914)*	*(40 267)*
European Agricultural Fund for Rural Development and other rural development instruments		*(17 017)*	*(14 779)*
European Regional Development Fund and Cohesion Fund		*(31 032)*	*(28 833)*
European Social Fund		*(17 308)*	*(18 037)*
Other		*(4 514)*	*(3 854)*
Transfers including grants and budget support	*3.12*		
Recovery & Resilience Facility		*(46 815)*	*(65 787)*
Other		*(32 025)*	*(32 992)*
Contribution agreements, including EU bodies	*3.13*	*(13 200)*	*(16 820)*
Staff and pension costs	*3.14*	*(15 954)*	*(14 966)*
Finance costs	*3.15*	*(27 156)*	*(27 226)*
UK Withdrawal Agreement	*3.7*	*(465)*	*(315)*
Procurement, administrative and other expenses	*3.16*	*(10 733)*	*(8 997)*
Total Expenses		**(257 134)**	**(272 873)**
ECONOMIC RESULT OF THE YEAR		**(54 639)**	**(97 208)**

CASHFLOW STATEMENT

EUR million

	2025	2024
Economic result of the year	*(54 639)*	*(97 208)*
Operating activities		
Amortisation	*212*	*191*
Depreciation	*1 123*	*1 194*
(Increase)/decrease in loans	*(49 852)*	*(36 703)*
(Increase)/decrease in pre-financing	*2 173*	*12 756*
(Increase)/decrease in exchange receivables and non-exchange recoverables	*(2 332)*	*3 463*
(Increase)/decrease in inventories	*6*	*(7)*
Increase/(decrease) in pension and other employee benefits	*(1 968)*	*2 288*
Increase/(decrease) in provisions	*(7 202)*	*6 481*
Increase/(decrease) in financial liabilities (other than under the unified funding approach)	*(11 575)*	*(1 382)*
Increase/(decrease) in payables	*9 623*	*4 898*
Increase/(decrease) in accrued charges and deferred income	*9 958*	*(9 714)*
Prior year budgetary surplus taken as non-cash revenue	*(1 348)*	*(633)*
Remeasurements in employee benefits liabilities (non-cash movement not included in statement of financial performance)	*5 603*	*1 159*
Other non-cash movements	*40*	*27*
Investing activities		
(Increase)/decrease in intangible assets and property, plant and equipment	*(2 418)*	*(1 817)*
(Increase)/decrease in investments accounted for using the equity method	*(78)*	*(80)*
(Increase)/decrease in non-derivative financial assets at fair value through surplus or deficit	*(7 432)*	*(6 246)*
(Increase)/decrease in derivative financial assets at fair value through surplus or deficit	*(475)*	*(19)*
Financing activities		
Increase/(decrease) in borrowings under the unified funding approach	*150 460*	*144 900*
NET CASHFLOW	**39 878**	**23 547**
Net increase/(decrease) in cash and cash equivalents	*39 878*	*23 547*
Cash and cash equivalents at the beginning of the year	*63 163*	*39 616*
Cash and cash equivalents at year-end	*103 041*	*63 163*

STATEMENT OF CHANGES IN NET ASSETS

EUR million

	Amounts to be called from Member States Accumulated surplus/(deficit)	Other reserves	Net assets
BALANCE AS AT 31.12.2023	**(213 221)**	**1 052**	**(212 169)**
Remeasurements in employee benefits liabilities	*1 159*	–	*1 159*
Other	*94*	*(66)*	*27*
2023 budget result credited to Member States	*(633)*	–	*(633)*
Economic result of the year	*(97 208)*	–	*(97 208)*
BALANCE AS AT 31.12.2024	**(309 810)**	**986**	**(308 824)**
Remeasurements in employee benefits liabilities	*5 603*	-	*5 603*
Other	*85*	*(45)*	*40*
2024 budget result credited to Member States	*(1 348)*	-	*(1 348)*
Economic result of the year	*(54 639)*	-	*(54 639)*
BALANCE AS AT 31.12.2025	**(360 108)**	**941**	**(359 167)**

NOTES TO THE FINANCIAL STATEMENTS

Note that in the following tables amounts concerning the UK for MFFs up to the end of 2020 are still shown under the heading 'Member States'. This is because although the UK withdrew from the EU on 1 February 2020, in accordance with the Withdrawal Agreement, it continued to have a financial relationship with the EU equivalent to that of a Member State for these periods.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1. LEGAL BASIS AND ACCOUNTING RULES

The accounts of the EU are kept in accordance with Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council ([30]), referred to below as the 'Financial Regulation' (FR).

In accordance with Article 80 of the Financial Regulation, the EU prepares its financial statements on the basis of accrual-based accounting rules that are based on International Public Sector Accounting Standards (IPSAS). These accounting rules, adopted by the Accounting Officer of the Commission, have to be applied by all the institutions and EU bodies falling within the scope of consolidation in order to ensure the internal consistency of the EU consolidated accounts.

Application of new and amended European Union Accounting Rules (EAR)

New EAR effective for annual periods beginning on or after 1 January 2025

EAR 1 'Financial Statements'

On 12 December 2025 the Accounting Officer of the European Commission adopted a targeted amendment of EAR 1 'Financial Statements', which is effective for reporting periods beginning on or after 1 January 2025. The amendment introduced a principle-based approach to the definition of the segments to be presented in the segment report, which is a mandatory component of the EU consolidated annual accounts and the individual annual accounts of the European Commission. Under the previous EAR 1, the definition of segments was linked to the categories of the EU's multi-annual financial framework (MFF). The targeted amendment removed this link and defines segments generically in accordance with IPSAS 18 'Segment Reporting'. Following the adoption of the targeted amendment, the structure of the Segment Report was revised to focus on fund destinations rather than fund sources (see Note **3.17**).

New EAR adopted but not yet effective at 31 December 2025

EAR 8 'Leases'

On 15 April 2025 the Accounting Officer of the European Commission adopted the revised EAR 8 'Leases', which is effective for reporting periods beginning on or after 1 January 2027. The revised EAR 8 has been updated in line with IPSAS 43 'Leases' (including the amendment 'Concessionary Leases and Other Arrangements Conveying Rights over Assets'). The main change as compared to the current EAR 8 is the introduction of a right-of-use recognition and measurement model, which requires lessees to recognise all leases, including concessionary leases, on the balance sheet, unless the short-term or low-value exemption applies. The current distinction of leases as either operating leases or finance leases, with only the latter recognised on the balance sheet, will no longer be applicable. For lessors, the revised EAR 8 largely carries forward the existing accounting requirements, with additional guidance and clarifications. Consequently, the initial application of the revised EAR 8 is expected to result in the recognition of a considerable amount of former operating leases, with corresponding increases in right-of-use assets and lease liabilities, on the balance sheet. The impact of the revised EAR 8, including on concessionary leases and other relevant arrangements, will continue to be assessed over the 2026 calendar year prior to the 1 January 2027 effective date.

([30]) Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj).

EAR 1 'Financial Statements'

On 15 April 2025 the Accounting Officer of the European Commission adopted the amended EAR 1 'Financial Statements', which is effective for reporting periods beginning on or after 1 January 2027. The objective of the amendment is to ensure a consistent classification of all borrowings within financing activities. Under the current EAR 1, borrowings related to leases, the acquisition of property, plant and equipment and borrowings related to back-to-back operations are classified within operating activities. Only borrowings related to the unified funding approach (see Note **2.11.1.1**) are classified within financing activities. Under the revised EAR 1, financing activities will include all activities that result in changes on the size and composition of borrowings, without the above exceptions. Consequently, the initial application of the revised EAR 1 is expected to result in a shift from cash flows from operating activities to cash flows from financing activities. The impact of the revised EAR 1 will continue to be assessed over the 2026 calendar year prior to the 1 January 2027 effective date.

1.2. ACCOUNTING PRINCIPLES

The objective of financial statements is to provide information about the financial position, performance and cashflows of an entity that is useful to a wide range of users. For the EU as a public sector entity, the objectives are more specifically to provide information useful for decision-making, and to demonstrate the accountability of the entity for the resources entrusted to it. It is with these goals in mind that the present document has been drawn up.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in EU accounting rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting and comparative information.

The qualitative characteristics of financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

1.3. CONSOLIDATION

Scope of consolidation

The consolidated financial statements of the EU comprise all significant controlled entities, joint arrangements and associates. The complete list of entities falling under the scope of consolidation, which now comprises 54 controlled entities and 1 associate (unchanged compared to 2024), can be found in Note **9**. Among the controlled entities are the EU institutions (including the Commission, but not the European Central Bank) and the EU agencies (except those acting in the area of the common and foreign security policy). The European Coal and Steel Community in Liquidation (ECSC i.L.) is also considered as a controlled entity. The EU's only associate is the European Investment Fund (EIF).

Entities falling under the scope of consolidation but immaterial to the EU consolidated financial statements as a whole need not be consolidated or accounted for using the equity method where to do so would result in excessive time or cost to the EU. These entities are referred to as 'Minor entities' and are separately listed in Note **9**. In 2025, 11 entities have been classified as minor entities (2024: 11 entities).

Controlled entities

In order to determine the scope of consolidation, the control concept is applied. Controlled entities are entities for which the EU is exposed, or has right, to variable benefits from its involvement and has the ability to affect the nature and amount of those benefits through its power over the other entity. This power must be presently exercisable and must relate to the relevant activities of the entity. Controlled entities are fully consolidated. The consolidation begins at the first date on which control exists, and ends when such control no longer exists.

The most common indicators of control within the EU are: creation of the entity through founding treaties or secondary legislation, financing of the entity from the EU budget, the existence of voting rights in the governing bodies, audit by the European Court of Auditors and discharge by the European Parliament. An individual assessment for each entity is made in order to decide whether one or all of the criteria listed above are sufficient to result in control.

All material inter-entity transactions and balances between EU controlled entities are eliminated, while unrealised gains and losses on such transactions are not material and so have not been eliminated.

Joint arrangements

A joint arrangement is an agreement of which the EU and one or more parties have joint control. Joint control is the agreed sharing of control of an arrangement by way of a binding arrangement, which exists only when decisions about the relevant activities require the unanimous consent of parties sharing control. Joint agreements can be either joint ventures or joint operations. A joint venture is a joint arrangement that is structured through a separate vehicle and whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Participations in joint ventures are accounted for using the equity method (see Note **1.5.4**). A joint operation is a joint arrangement whereby the parties that have joint control of the arrangements have rights to the assets, and obligations for the liabilities, related to the arrangement. Participations in joint operations are accounted for by recognising in the EU's financial statements its assets and liabilities, revenues and expenses, as well as its share of assets, liabilities, revenues and expenses jointly held or incurred.

Associates

Associates are entities over which the EU has, directly or indirectly, significant influence but not exclusive or joint control. It is presumed that significant influence exists if the EU holds directly or indirectly 20 % or more of the voting rights. Participations in associates are accounted for using the equity method (see Note **1.5.4**).

Non-consolidated entities whose funds are managed by the Commission

The funds of the Joint Sickness Insurance Scheme for staff of the EU, the European Development Fund and the Mutual Insurance Mechanism (MIM), previously known as the Participants Guarantee Fund (PGF), are managed by the Commission on behalf of these entities. However, since these entities are not controlled by the EU, they are not consolidated in its financial statements.

1.4. BASIS OF PREPARATION

Financial statements are presented annually in accordance with Article 249 of the Financial Regulation. The accounting year begins on 1 January and ends on 31 December.

1.4.1. *Currency and basis for conversion*

Functional and reporting currency

The financial statements are presented in millions of euro, unless stated otherwise, the euro being the EU's functional currency.

Transactions and balances

Foreign currency transactions are translated into euro using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.

Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euro at the rate that applied on the date that they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are converted into euro on the basis of the European Central Bank (ECB) exchange rates applying on 31 December:

Euro exchange rates

Currency	31.12.2025	31.12.2024	Currency	31.12.2025	31.12.2024
BGN	**1,9558**	*1,9558*	**RON**	**5,0968**	*4,9743*
CZK	**24,2370**	*25,1850*	**SEK**	**10,8215**	*11,459*
DKK	**7,4689**	*7,4578*	**CHF**	**0,9314**	*0,9412*
GBP	**0,8726**	*0,8292*	**JPY**	**184,09**	*163,06*
HUF	**385,1500**	*411,3500*	**USD**	**1,175**	*1,0389*
PLN	**4,221**	*4,275*			

1.4.2. *Use of estimates*

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to: amounts for employee benefit liabilities, financial risk of accounts receivable and the amounts disclosed in the notes concerning financial instruments, impairment allowance for financial assets at amortised cost and for financial guarantee contract liabilities, accrued revenue and charges, provisions, degree of impairment of intangible assets and property, plant and equipment, net realisable value of inventories, contingent assets and liabilities. Actual results could differ from those estimates. Changes in estimates are reflected in the period in which they become known, if the change affects that period only, or that period and future periods, if the change affects both.

1.4.3. *Transitioning to new Corporate Financial and IT system (SUMMA)*

The 2025 consolidated annual accounts are the first set of accounts prepared on the basis of financial information reported in the new financial IT system, SUMMA. Throughout the preparation of the annual accounts, systematic and rigorous controls have been implemented to ensure that financial information used accurately reflects the underlying transactions and is fully consistent with the applicable accounting rules. During the year-end closure process, management identified issues generated by the new system which significantly affected the accounts, while additional issues were later identified by the external auditor. These required manual adjustments and reconciliation procedures. The implementation and refinement of the new financial system and the related controls will continue in future financial years. On the basis of this close monitoring and review of financial information at both input and output stage, the annual accounts provide, with reasonable assurance and in all material aspects, a fair presentation of the financial position, the results of the operations and the cashflows of the European Union.

1.5. **BALANCE SHEET**

1.5.1. *Intangible assets*

An intangible asset is an identifiable non-monetary asset without physical substance. An asset is identifiable if it is either separable (i.e. it is capable of being separated or divided from the entity, e.g. by being sold, transferred, licensed, rented, or exchanged, either individually or together with a related contract, identifiable asset or liability, regardless of whether the entity intends to do so), or arises from binding arrangements (including rights from contracts or other legal rights), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Acquired intangible assets are stated at historical cost less accumulated amortisation and impairment losses. Internally developed intangible assets are capitalised when the relevant criteria of the EU accounting rules are met and the expenses relate solely to the development phase of the asset. The capitalisable costs include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses as incurred.

Intangible assets are amortised on a straight-line basis over their estimated useful lives (3-11 years). The estimated useful lives of intangible assets depend on their specific economic lifetime or legal lifetime determined by an agreement.

1.5.2. *Property, plant and equipment*

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition, construction or transfer of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the EU and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred.

Land is not depreciated as it is deemed to have an indefinite useful life. Assets under construction are not depreciated, as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Type of asset	Straight line depreciation rate
Buildings	*4 % to 10 %*
Space assets	*8 % to 25 %*
Plant and equipment	*10 % to 25 %*
Furniture and vehicles	*10 % to 25 %*
Computer hardware	*25 % to 33 %*
Other	*10 % to 33 %*

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

Leases

A lease is an agreement whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases are classified as either finance leases or operating leases.

Finance leases are leases where substantially all the risks and rewards incidental to ownership are transferred to the lessee. When entering a finance lease as a lessee, the assets acquired under the finance lease are recognised as assets and the associated lease obligations as liabilities as from the commencement of the lease term. The assets and liabilities are recognised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Over the period of the lease term, the assets held under finance leases are depreciated over the shorter of the asset's useful life and the lease term. The minimum lease payments are apportioned between the finance charge (the interest element) and the reduction of the outstanding liability (the capital element). The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability, which is presented as current/non-current, as applicable. Contingent rents are charged as expenses in the period in which they are incurred.

An operating lease is a lease other than a finance lease, i.e. a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering into an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither a leased asset nor a leasing liability presented in the balance sheet.

1.5.3. *Impairment of non-financial assets*

An impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through amortisation or depreciation (as applicable). Assets that have an indefinite useful life are not subject to amortisation/depreciation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are tested for impairment whenever there is an indication at the reporting date that an asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable (service) amount. The recoverable (service) amount is the higher of an asset's fair value less costs to sell and its value in use.

Intangible assets and property, plant and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at least once per year. If the reasons for impairments recognised in previous years no longer apply, the impairment losses are reversed accordingly.

1.5.4. *Investments accounted for using the equity method*

Participations in associates and joint ventures

Investments accounted for using the equity method are initially recognised at cost, with the initial carrying amount subsequently being increased or decreased to recognise further contributions, the EU's share of the surplus or deficit of the investee, any impairments and dividends. The initial cost together with all movements give the carrying amount of the investment in the financial statements at the balance sheet date. The EU's share of the investee's surplus or deficit is recognised in the statement of financial performance, and its share of investee's movements in equity is recognised in the reserves within net assets. Distributions received from the investment reduce the carrying amount of the asset.

If the EU's share of deficits of an investment accounted for using the equity method equals or exceeds its interest in the investment, the EU discontinues recognising its share of further losses ('unrecognised losses'). After the EU's interest is reduced to zero, additional losses are provided for and a liability is recognised only to the extent that the EU has incurred a legal or constructive obligation or made payments on behalf of the entity.

If there are indications of impairment, a write-down to the lower recoverable amount is necessary. The recoverable amount is determined as described under Note **1.5.3**. If the reason for impairment ceases to apply at a later date, the impairment loss is reversed to the carrying amount that would have been determined had no impairment loss been recognised.

In cases where the EU holds 20 % or more of an investment capital fund, it does not seek to exert significant influence. Such funds are therefore treated as financial instruments and categorised as financial assets at fair value through surplus or deficit ('FVSD').

Associates and joint ventures classified as minor entities (see Note **1.3**) are not accounted for under the equity method. EU contributions to those entities are accounted for as an expense of the period.

1.5.5. *Financial assets*

Classification at initial recognition

The classification depends on two criteria:

— The financial assets management model. This requires an assessment of how the EU manages the financial assets to generate cash flows and to achieve its objectives and how it evaluates the performance of financial assets.

— The asset contractual cash-flow characteristics. This requires an assessment of whether the contractual cash flows are solely payments of principal and interest on the principal outstanding. The interest is the consideration for the time value of money, credit risk and other basic lending risks and costs.

Following an assessment based on these criteria, the financial assets can be classified in three categories: Financial assets at amortised cost (AC), financial assets at fair value through net assets/equity (FVNA) or financial assets at fair value through surplus or deficit (FVSD).

Financial assets with contractual cash flows that represent solely principal and interest are classified depending on the entity's management model. If the management model is to hold the financial assets in order to collect contractual cash flows, the financial assets are classified at AC. If the management model is to hold the financial assets both to collect contractual cash flows and to sell the financial assets, the classification is FVNA. If the management model is different to these two models (e.g. the financial assets are held for trading or held in a portfolio managed and evaluated on a fair value basis), the financial assets are classified as FVSD.

Financial assets with contractual cash flows that do not represent only principal and interest, but introduce exposure to risks and volatility other than those present in a basic lending arrangement (e.g. changes in equity prices), are classified as FVSD regardless of the management model.

At initial recognition, the EU classifies the financial assets as follows:

(i) *Financial assets at amortised cost*

The EU classifies in this category:

— cash and cash equivalents (including reverse repurchase agreements);

— loans (including term deposits with original maturity of more than three months);

— exchange receivables, except for the financial guarantee contract receivable leg classified as financial asset at fair value through surplus or deficit.

These non-derivative financial assets meet two conditions: The EU's management model is to hold them in order to collect the contractual cash flows. Furthermore, on specified days, there are contractual cash flows that represent only principal and interest on the outstanding principal.

A reverse repurchase agreement ('reverse repo') is an agreement where one party buys securities from another party with the agreement to resell them later at an agreed upon price. The economic substance of this transaction is akin to a collateralised term deposit. The risks and rewards of the security remain with the transferor, while the transferee expects to receive back the principal and the contractual interest. Accordingly, reverse repo transactions are accounted for at amortised cost. The EU enters into these transactions exclusively for the purpose of managing liquidity, taking advantage of the opportunity to place surplus cash holidings at attractive rates over a very short period not exceeding 3 months. Consequently, they are categorised as cash and cash equivalents.

Financial assets at amortised cost are included in current assets, except for those with maturity of more than 12 months from the reporting date.

(ii) *Financial assets at fair value through net assets/equity*

These non-derivatives financial assets have contractual cash flows that represent only principal and interest on the outstanding principal. In addition, the management model is to hold the financial assets both to collect contractual cash flows and to sell the financial assets.

Assets in this category are classified as current assets, if they are expected to be realised within 12 months from the reporting date.

The EU does not hold such assets at the end of this reporting period.

(iii) *Financial assets at fair value through surplus or deficit*

The EU classifies the following financial assets as FVSD because the contractual cash flows do not represent only principal and interest on the principal:

— derivatives;

— equity investments and investments in money market funds or in pooled portfolio funds;

— other equity-type investments (e.g. risk capital operations).

In addition, the EU classifies the debt securities it holds as FVSD because the portfolios of debt securities are managed and evaluated on a portfolio fair value basis (e.g. Common Provisioning Fund under Article 215 of the Financial Regulation).

Assets in this category are classified as current assets, if they are expected to be realised within 12 months from the reporting date.

Initial recognition and measurement

Purchases of financial assets at fair value through net assets/equity and at fair value through surplus or deficit are recognised on their trade date, i.e. the date on which the EU commits to purchase the asset. Cash equivalents and loans are recognised when cash is deposited in a financial institution or advanced to borrowers.

Financial assets are initially measured at fair value. For all financial assets not carried at fair value through surplus or deficit, the transactions costs are added to the fair value at initial recognition. For financial assets carried at fair value through surplus or deficit the transaction costs are expensed in the statement of financial performance.

The fair value of a financial asset on initial recognition is normally the transaction price unless the transaction is not at arm's length, i.e. at no or at nominal consideration for public policy purposes. If that is the case, the difference between the fair value of the financial instrument and the transaction price is a non-exchange component which is recognised as an expense in the statement of financial performance. In this case, the fair value of a financial asset is derived from current market transactions for a directly equivalent instrument. If there is no active market for the instrument, the fair value is derived from a valuation technique that uses available data from observable markets.

When a long-term loan that carries no interest or an interest below market conditions is granted, its fair value can be estimated as the present value of all future cash receipts discounted using the prevailing market rate of interest for a similar instrument with a similar credit rating.

Loans granted under the Recovery and Resilience Facility and loans for financial assistance are initially measured at their nominal amount, with the transaction price considered the fair value of the loan. This is because:

— The 'market environment' for EU lending is very specific and different from the capital market used to issue commercial or government debt. As lenders in these markets have the opportunity to choose alternative investments, the opportunity of doing so is factored into market prices. However, this opportunity for alternative investments does not exist for the EU, which is not allowed to invest money in the capital markets; it only borrows funds for the purpose of lending. This means that there is no alternative lending or investment option available to the EU for the sums borrowed. Thus, there is no opportunity cost and therefore no basis of comparison with market rates. In fact, the EU lending operation itself represents the market. Essentially, since the opportunity cost 'option' is not applicable, the market price does not fairly reflect the substance of the EU lending transactions. Therefore, it is not appropriate to determine the fair value of EU lending with reference to commercial or government bonds.

— Furthermore, as there is no active market or similar transactions to compare with, the interest rate to be used by the EU for fair valuing its lending operations should be the interest rate charged.

Subsequent measurement

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial assets at fair value through net assets/equity are subsequently measured at fair value. Gains and losses from changes in the fair value are recognised in the fair value reserve, except for foreign exchange translation differences on monetary assets, which are recognised in the statement of financial performance.

Financial assets at fair value through surplus or deficit are subsequently measured at fair value. Gains and losses from changes in the fair value (including those stemming from foreign currency translation and any interest earned) are included in the statement of financial performance in the period in which they arise.

Fair value at subsequent measurement

The fair values of quoted investments in active markets are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities and over-the–counter derivatives), the EU establishes a fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cashflow analysis, option pricing models and other valuation techniques commonly used by market participants.

Investments in venture capital funds which do not have a quoted market price in an active market are valued at the attributable net asset value, which is considered as an equivalent of their fair value.

Impairment of financial assets

The EU recognises and measures an impairment loss for expected credit losses on financial assets that are measured at amortised cost and at fair value through net assets/equity.

For assets at amortised cost, the asset's carrying amount is reduced by the amount of the impairment loss which is recognised in the statement of financial performance. For assets at fair value through net assets/equity, the loss allowance is recognised in net assets/equity and does not reduce the carrying amount of the financial asset in the balance sheet. If, in a subsequent period, the amount of the impairment loss decreases, the previously recognised impairment loss is reversed through the statement of financial performance.

The expected credit loss (ECL) is the present value of the difference between the contractual cash flows and the cash flows that the EU expects to receive. The ECL incorporates reasonable and supportable information that is available without undue cost or effort at the reporting date.

(a) *Staging policies*

The ECL is measured with a three stage model that takes into account probability-weighted default events during the lifetime of the financial asset and the evolution of credit risk since the origination of the financial asset. For loans, origination is the date of the irrevocable loan commitment.

The allocation to stages mainly depends on the counterparty's credit rating. The staging model relies on a relative assessment of credit risk, that is, the EU may have different loans with the same counterparty in different stages, depending on the counterparty's credit risk at origination. The EU, having a unique institutional status, lends money to its Member States or to sovereigns in difficulty. As a result, the EU also applies a qualitative assessment of the credit risk based on monitoring the economic situation of borrowers in difficulty.

Stage 1 – No significant increase in credit risk

Loans to counterparties with credit ratings in the investment grade (i.e. between AAA (Aaa) and BBB- (Baa3) on the S&P/Fitch (Moody's) rating scale or an equivalent external or internal rating) at the reporting date, are considered low credit risk loans, and thus held in Stage 1, except if they are overdue for more than 30 days (see Stage 2). In addition, any loans for which a significant increase in credit risk did not occur, as defined below, are classified to Stage 1. For the loans in Stage 1, the impairment allowance is measured at the level of the 12 month expected credit losses.

Stage 2 – Significant increase in credit risk (SICR)

In order to determine whether there has been a significant increase in the credit risk since origination, and thus whether a move to Stage 2 applies, the EU applies a combination of quantitative and qualitative assessments:

— all loans for which contractual payments are overdue by between 31 and 90 days, are moved to Stage 2;

— for counterparties with credit ratings between AAA (Aaa) and BB- (Ba3) at the initial recognition date: Unless the low risk case (above in Stage 1) applies, the deterioration is considered significant if the difference between the rating at origination and that at the reporting date is equal or superior to 3 notches;

— for counterparties with credit ratings of B+ (B1) or B (B2) at initial recognition date: The deterioration is considered significant if the difference between the initial rating and the current rating is equal or superior to 2 notches;

— for counterparties with credit ratings of B- (B3) or lower (in CCC/Caa – C range) at the initial recognition date: The deterioration is considered significant if the difference between the initial rating and the current rating at the reporting date is equal or superior to 1 notch; and

— loans originated before the transition to the revised EAR 11 (i.e. 1 January 2021), for which no information on the credit risk at initial recognition is available without undue cost and effort are classified to Stage 2.

For loans in Stage 2, the impairment allowance is measured at the level of lifetime expected credit losses.

Stage 3 – Credit impaired loans

Loans are classified in Stage 3 when they are 90 days past due or when one or more events occur after the loan origination that have a detrimental impact on the estimated future cash flows of that financial asset. For example, a loan is classified to Stage 3, if:

— it is becoming probable that a borrower will enter bankruptcy or other financial reorganisation;

— the borrower has a credit rating of D published by an external rating agency; and

— the borrower is in default under any financial obligation towards the EU, or in the case of loans for financial assistance, if the borrower is in default to any other international organisation financing the programme.

For loans in Stage 3, the impairment allowance is measured at the level of lifetime expected credit losses.

Purchased or originated as credit impaired (POCI)

The EU also holds POCI loans. These are defaulted loans where the EU paid a guarantee call to the implementing partner. For these loans, all rights have been subrogated to the EU. The EU recognises them on its balance sheet at fair value at initial recognition. The EU classifies them as POCI loans and calculates an impairment allowance based on the lifetime ECL. Under the relevant agreements between the EU and the implementing partners, recovery proceedings are carried out on behalf of the EU with the aim of recovering any sums due.

(b) *Loans to sovereigns*

The EU bases its assessment of loans' impairment, in the context of the nature of the EU's financing and its unique institutional status.

For the impairment of loans to non-Member States, the EU calculates the expected credit losses using external credit quality data, however taking into account its preferred creditor status, which reduces the credit risk. For the calculation of the present value, the discount rate is the loan's original effective interest rate. If a loan has a variable interest rate, the discount rate is the current effective interest rate determined under the contract.

For loans to Member States, the EU has never incurred any impairment losses, nor faced any defaults on payments. For these loans, in addition to the preferred creditor status, the EU takes into account the relationships with its Member States. These two elements, in principle, guarantee the full recovery of the loans to Member States, on maturity. Therefore, the EU considers the expected credit losses from loans to Member States to be negligible, and a statistical approach to calculate expected credit losses as inappropriate for these loans. Thus no expected credit losses are recognised in the statement of financial performance for the loans to Member States.

(c) *Receivables*

The EU measures the impairment loss at the amount of lifetime ECL, using practical expedients (e.g. provision matrix).

(d) *Cash and cash equivalents*

The EU holds cash and cash equivalents in current bank accounts and term deposits of up to three months. The cash is mainly held in banks with very high credit ratings (see Note **6.6**), thus having very low default probabilities. Given the short duration and low default probabilities, the expected credit losses from cash and cash equivalents are negligible. As a result, no impairment allowance is recognised for cash equivalents.

Derecognition

Financial instruments are derecognised when the rights to receive cashflows from the investments have expired or the EU has transferred substantially all risks and rewards of ownership to another party. Any difference between the book value at derecognition and the transaction price is recognised as gain or loss in the Statement of Financial Performance. Sales of financial assets at fair value through net assets/equity and through surplus or deficit are recognised on their trade date.

1.5.6. *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labour, other directly attributable costs and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. When inventories are held for distribution at no charge or for a nominal charge, they are measured at the lower of cost and current replacement cost. Current replacement cost is the cost the EU would incur to acquire the asset on the reporting date.

1.5.7. *Pre-financing amounts*

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments in accordance with the principle of sound financial management over a period laid down in the particular contract, decision, agreement or basic act. The float or advance is either used for the purpose for which it was provided during the period laid down in the agreement or it is repaid. If the beneficiary does not incur eligible expenditure, they have the obligation to return the pre-financing to the EU. As the EU retains control over the pre-financing and is entitled to a refund for the ineligible part, the amount is presented as an asset.

Pre-financing is initially recognised on the balance sheet when cash is transferred to the recipient. It is measured at the amount of the consideration given. In subsequent periods, pre-financing is measured at the amount initially recognised on the balance sheet less the eligible expenses (including estimated amounts where necessary) incurred during the period.

Interest on pre-financing is recognised as it is earned in accordance with the relevant agreement. An estimate of the accrued interest revenue, based on the most reliable information, is made at the end of the year and included in the balance sheet.

Other advances to Member States, which originate from reimbursement by the EU of amounts paid as advances by the Member States to their beneficiaries (including 'financial instruments under shared management'), are recognised as assets and presented under the heading 'Pre-financing'. Other advances to Member States are subsequently measured at the amount initially recognised on the balance sheet less a best estimate of the eligible expenses incurred by final beneficiaries, calculated on the basis of reasonable and supportable assumptions.

The contributions to EU trust funds (as established under Article 238 of the Financial Regulation) not consolidated in the European Commission (i.e. trust funds Africa and Bêkou), or to other unconsolidated entities, are classified as pre-financing since their purpose is to give a float to the trust fund to allow it to finance specific actions determined by the trust fund's objectives. The EU contributions to trust funds are measured at the initial amount of the EU contribution less eligible expenses, including estimated amounts where necessary, incurred by the trust fund during the reporting period and allocated to the EU contribution in accordance with the underlying agreement.

1.5.8. *Exchange receivables and non-exchange recoverables*

The EU accounting rules require a separate presentation of exchange and non-exchange transactions. To distinguish between the two categories, the term 'receivables' is reserved for exchange transactions, whereas for 'non-exchange transactions', i.e. when the EU receives value from another entity without directly giving approximately equal value in exchange, the term 'recoverables' is used (e.g. recoverables from Member States related to own resources).

Receivables from exchange transactions are financial assets measured at amortised cost, except for certain amounts of the financial guarantee contract receivable leg which are classified as financial assets at fair value through surplus or deficit (see Note **1.5.5**).

Recoverables from non-exchange transactions are carried at fair value as at the date of acquisition less write-down for impairment. A write-down for impairment of recoverables from non-exchange transactions is established when there is objective evidence that the EU will not be able to collect all amounts due according to the original terms of recoverables from non-exchange transactions. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance. A general write-down, based on past experience, is also made for outstanding recovery orders not already subject to a specific write-down. Regarding the treatment of accrued revenue at the end of the year, see Note **1.5.14**.

Amounts displayed and disclosed as recoverables from non-exchange transactions are not financial instruments, as they do not arise from a contract that would give rise to a financial liability or equity instrument. However, in the notes to the financial statements recoverables from non-exchange transactions are disclosed together with receivables from exchange transactions where appropriate.

1.5.9. *Cash and cash equivalents*

Cash and cash equivalents are financial assets at amortised cost and include cash at hand, deposits held at call or at short notice with banks, reverse repos, and other short-term highly liquid investments with original maturities of three months or less and held for the purpose of meeting short term cash commitments and managing liquidity rather than for investment or other purposes.

1.5.10. *Employee benefits*

The EU provides a set of benefits (emoluments and social security) to employees. For accounting purposes these have to be classified into short-term and post-employment benefits.

Short-term employee benefits

Short-term employee benefits are those benefits due to be settled before 12 months after the end of the reporting period in which employees rendered the service, such as salaries, annual leave and paid sick leave, and other short-term allowances. Short-term employee benefits are recognised as an expense when the related service is provided. A liability is recognised for the amount expected to be paid if the EU has a present legal or constructive obligation to pay as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits

The EU grants a set of post-employment benefits to employees, which include retirement, invalidity and survival pensions provided under the Pension Scheme of the European Officials, as well as health insurance coverage provided under the Joint Sickness Insurance Scheme (see Note **2.9**). These benefits are provided under a single plan – although split in two schemes – and they must be treated similarly so as to give a fair presentation of the situation and reflect the economic reality:

— Pension Scheme of European Officials (PSEO): The benefits granted under this notionally funded ([31]) scheme relate to seniority, invalidity and survival, as well as, family allowances, death before retirement to those employees that work or worked in the EU Institutions, Agencies and other EU bodies or are survivors of deceased officials or pensioners. Staff contribute one third of the expected cost of these benefits from their salaries.

— Joint Sickness Insurance Scheme (JSIS): Under this scheme, the EU provides health insurance coverage for staff of the European Commission, EU institutions, agencies and other bodies through the reimbursement of medical expenses. The benefits granted to the 'inactives' of this scheme (i.e. pensioners, orphans, etc.) are classified as post-employment benefits.

The EU also provides post-employment benefits to members and former members of the EU institutions via separate pension schemes. These are shown under the heading 'Other retirement benefit schemes'. Under these schemes the EU provides pension benefits to members of the Commission, European Court of Justice, Court of Auditors, Council, European Parliament, European Ombudsman, and the European Data Protection Supervisor. The EU provides health coverage to the members of the EU institutions through the JSIS.

The above post-employment benefits qualify as defined benefit obligations of the EU and are calculated at each reporting date by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is carried out annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

The post-employment benefits provided to EU staff are incorporated in a single plan comprising a pension scheme (PSEO) and a sickness insurance scheme (JSIS), with the right to coverage under the JSIS scheme being dependent on having acquired the right to coverage under the PSEO scheme. Under the terms of this single plan, as set out in the Staff Regulation, certain entitlements, such as the right to a deferred and reduced pension under the PSEO scheme, are acquired after 10 years of service. However, the entitlements acquired under the single plan by the employee's subsequent service are materially higher than those initial entitlements as reflected by subsequent annually accrued pension rights.

Therefore, in order to depict the economic substance of the underlying transaction required by the faithful representation qualitative characteristic of financial reporting as outlined in both EAR 1 and the IPSAS Conceptual Framework, the service cost incurred is accrued on a straight-line basis over staff's estimated active service period, i.e. the period from the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service) until the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases. This approach is applied consistently to the benefits provided for under the single plan.

Remeasurements in the net defined benefit liabilities comprise actuarial gains and losses and the return on plan assets, and are recognised immediately in net assets.

([31]) The PSEO is a notional (virtual) fund with defined benefits in which staff's contributions serve to finance their future pensions. Although there is no actual investment fund, the amount that would have been collected by such a fund is considered to have been invested in the Member States' long-term bonds and is reflected in the pension liability that is registered in the annual accounts of the European Union. Member States jointly guarantee the payment of the benefits pursuant to Article 83 of the Staff Regulations and Article 4(3) of the Treaty on European Union (see COM(2018)829 for a detailed description of the scheme).

The EU recognises the net interest expense (income) and other expenses related to the defined benefit plans in the statement of financial performance within the heading 'Staff and pension costs'.

When benefits provided are changed or curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of financial performance. Gains and losses on settlement are recognised when the settlement occurs. Past service cost is recognised immediately in the statement of financial performance, unless the changes are conditional on the employees remaining in service for a specified period of time.

1.5.11. *Provisions*

Provisions are recognised when the EU has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenses expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

1.5.12. *Financial liabilities*

Financial liabilities are classified as financial liabilities at fair value through surplus or deficit, financial liabilities carried at amortised cost, or as financial guarantee contract liabilities.

Borrowings

Borrowings are composed of borrowings from credit institutions and debts evidenced by certificates (EU Bonds, EU deposits and EU Bills). They are recognised initially at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred, then subsequently carried at amortised cost using the effective interest method; any difference between proceeds, net of transaction costs, and the redemption value is recognised in the statement of financial performance over the period of the borrowings using the effective interest method. The transaction costs incurred by the EU and then recharged to the beneficiary of the loan are immaterial and are directly recognised in the statement of financial performance.

Borrowings are classified as non-current liabilities, except for maturities less than 12 months after the balance sheet date.

Financial liabilities at fair value through surplus or deficit

These include derivatives where the fair value is negative. They follow the same accounting treatment as financial assets at fair value through surplus or deficit, see Note **1.5.5**.

This category comprises guarantees given by the EU to financial institutions on equity investments. These guarantees are classified as derivative financial instruments and accounted for as a financial asset or financial liability at fair value through surplus or deficit since they do not meet the definition of a financial guarantee liability. The EU financial asset or liability is measured based on the value of the underlying investments.

Financial guarantee contract liabilities

The EU recognises a financial guarantee contract (FGC) liability when it enters into a contract that requires the EU to make specified payments to reimburse the guarantee holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Where the guarantee contract requires the EU to make payments in response to price changes to financial instruments or changes to other underlyings, the guarantee contract is a derivative i.e. a financial liability at fair value through surplus or deficit. All other guarantee contracts are accounted for as financial provisions.

FGC liabilities are initially recognised at fair value. This equals the net present value of the premium receivable, if it is at market terms. When no guarantee premium is charged or where the consideration is not fair value, the fair value is determined based on the quoted prices in an active market for FGCs directly equivalent to that entered into the financial guarantee liability, if available, or using a valuation technique. If no reliable measure of fair value can be determined either by direct observation of an active market or through another valuation technique, the financial guarantee contract liability is initially measured at the amount of the lifetime expected credit losses.

The subsequent measurement depends on the evolution of the credit risk exposure from the financial guarantee, which is monitored by allocating the FGC to stages. The key risk indicator for the allocation of FGC to stages is the credit rating of the guaranteed debt. The staging model compares the credit rating at origination to the credit rating at the reporting date.

If there is no significant increase in credit risk ('stage 1'), financial guarantee liabilities are measured at the higher of the 12 months expected credit losses and the amount initially recognised less, when appropriate, cumulative amortisation. If there is a significant increase in credit risk ('stage 2'), financial guarantee liabilities are measured at the higher of the lifetime expected credit losses and the amount initially recognised less, when appropriate, cumulative amortisation.

The staging criteria for guaranteed debt in financial guarantee contracts covering a single debt instrument are the same as those for financial assets at amortised cost (see Note **1.5.5**).

The staging criteria for the guaranteed debt in portfolio guarantees follow the same staging criteria as for financial assets at amortised cost with the following exceptions:

— the weighted average credit rating of the guaranteed portfolio, or rating of the guarantee, is considered for the staging criteria, and not the rating of individual debt instruments separately.

— for guarantees with a credit rating between AAA (Aa1) and BB- (Ba3) at initial recognition date: the deterioration is considered significant if the difference between the rating at origination and that at the reporting date is equal or superior to 2 notches.

— for guarantees with a credit rating between B+ (B1) or lower at initial recognition date: the deterioration is considered significant if the difference between the rating at origination and that at the reporting date is equal or superior to 1 notch.

Alternatively, if the credit ratings are not available but there is an estimation of the expected annual claims at initial recognition, the actual level of claims compared to the initial estimate is also considered a reasonable risk indicator for the assessment of significant increase in credit risk (SICR).

In addition to the above criteria, the EU may apply a qualitative assessment of the SICR, based on additional, reasonable and justified, information available.

FGC originated before the transition to the revised EAR 11 (i.e. before 1 January 2021) for which no information on the credit risk at initial recognition is available without undue cost and effort are classified to Stage 2.

Classification to Stage 3 and POCI does not apply to FGC.

Financial guarantee contracts are classified as current liabilities, except if the EU has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

Contributions with conditions

EU trust funds that are considered as part of the Commission's operational activities (i.e. trust funds Madad and Colombia) are accounted for in the Commission accounts and further consolidated in the EU annual accounts. Contributions from other donors to these trust funds fulfil the criteria of revenues from non-exchange transactions under conditions. They are presented as financial liabilities until the conditions attached to the contributions transferred are met, i.e. eligible costs are incurred by the trust fund. The trust fund is required to finance specific projects and return remaining funds at the time of winding-up. At the balance sheet date, the outstanding contribution liabilities are measured at contributions received less the expenses incurred by the trust fund, including estimated amounts when necessary. For reporting purposes, the net expenses are allocated to the contributions of other donors in proportion to net contributions paid as at 31 December. This allocation of contributions is only indicative. When the trust fund is wound up, the actual distribution of the remaining resources will be decided by the trust fund board.

The same measurement principles apply to the external contributions to the EU programmes, if such contributions are received with the condition to use the resources as stipulated in the contribution agreements or otherwise to return them to the contributor.

1.5.13. *Payables*

A significant amount of the payables of the EU are unpaid cost claims from beneficiaries of grants or other EU funding (non-exchange transactions). They are recorded as payables for the requested amount when the cost claim is received. Upon verification and acceptance of the eligible costs, the payables are valued at the eligible amount.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and the corresponding eligible expenses are entered in the accounts when the supplies or services are delivered and accepted by the EU.

1.5.14. *Accrued and deferred revenue and charges*

Transactions and events are recognised in the financial statements in the period to which they relate. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by the EU or a contractual agreement exists (e.g. by reference to a treaty), an accrued revenue will be recognised in the financial statements. In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

Expenses are also accounted for in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. Accrued expenses are calculated in accordance with detailed operational and practical guidelines issued by the Commission which aim to ensure that the financial statements provide a faithful representation of the economic and other phenomena they purport to represent. By analogy, if a payment has been made in advance for services or goods that have not yet been received, the expense will be deferred and recognised in the subsequent accounting period.

1.6. **STATEMENT OF FINANCIAL PERFORMANCE**

1.6.1. *Revenue*

REVENUE FROM NON-EXCHANGE TRANSACTIONS

The vast majority of the EU's revenue relates to non-exchange transactions as follows:

GNI-based resources, VAT and Plastics own resources

Revenue is recognised for the period for which the Commission sends out a call for funds to the Member States claiming their contribution. The revenue is measured at its 'called amount'. As VAT, GNI and Plastics own resources are based on estimates of the data for the budgetary year concerned, they may be revised since changes occur until the final data are issued by the Member States. The effect of a change in estimate is included when determining the net surplus or deficit for the period in which the change occurred.

Traditional own resources

Recoverables from non-exchange transactions and related revenues are recognised when the relevant monthly 'A' statements (including duties collected and amounts due that are guaranteed and not contested) are received from the Member States. At the reporting date, revenue collected by the Member States for the period but not yet paid to the Commission is estimated and recognised as accrued revenue. The quarterly 'B' statements (including duties neither collected nor guaranteed, as well as guaranteed amounts that have been contested by the debtor) received from the Member States are recognised as revenue less the collection costs to which they are entitled. In addition, a value reduction is recognised for the amount of the estimated recovery gap.

Fines

Revenue from fines is recognised when the EU's decision imposing a fine has been adopted and it is officially notified to the addressee. After the decision to impose a fine, the fined entities have two months from the date of notification:

— either to accept the decision, in which case they must pay the fine within the time limit laid down and the amount is definitively collected by the EU; or

— not to accept the decision, in which case they challenge it in accordance with EU law.

Even if appealed, the fine must be paid within the three month time limit, as the appeal does not have suspensory effect (Article 278 TFEU). The cash received is used to clear the recoverable. However, subject to the agreement of the Commission's Accounting Officer, the undertaking may present a bank guarantee for the amount instead. In that case the fine remains as a recoverable. If neither cash nor a guarantee is received and there are doubts about the undertaking's solvency, a value reduction on the entitlement is recognised.

If the undertaking appeals against the decision, and has already provisionally paid the fine, the amount is disclosed as a contingent liability, or, if it appears probable that the General Court may not rule in favour of the EU, a provision is recognised to cover this risk. If a guarantee is given instead, the outstanding recoverable is written down.

The accumulated interest received by the Commission on the bank accounts where received payments are deposited is recognised as revenue, and any contingent liability is increased accordingly.

Since 2010, all provisionally cashed fines are managed by the Commission in a specifically created fund (BUFI) and invested in financial instruments.

Accounting treatment of the budgetary surplus of the previous year

Article 18(1) of the Financial Regulation provides that the budgetary surplus of a given financial year shall be entered in the budget for the following financial year as revenue. In the Statement of Financial Performance, this revenue is recognised within 'Other revenue from non-exchange transactions' (see Note **3.8**), with a corresponding entry in the 'Amounts to be called from Member States', a component of Net Assets (see Note **2.15**).

REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

Interest revenue and expense

Interest revenue and expense are recognised in the statement of financial performance using the effective interest method. This is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest revenue or interest expense over the relevant period. When calculating the effective interest rate, the EU estimates cashflows considering all contractual terms of the financial instrument (for example prepayment options) but does not consider future credit losses. The calculation includes all fees and interest rate points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets is considered credit impaired ('stage 3'), the interest revenue is recognised using the rate of interest to discount the future cashflows for the purpose of measuring the impairment loss.

Revenue from dividends

Revenue from dividends and similar distributions is recognised when the right to receive payment is established.

Revenue and expense from financial assets through surplus or deficit

This refers to the fair value gains (revenue) and fair value losses (expense) from these financial assets, including those stemming from foreign exchange translation. For interest-bearing financial assets, this also includes interest. See also Note **3.9.**

Revenue from financial guarantee contracts

The revenue from financial guarantee contracts (guarantee premium) is recognised over the time the EU stands ready to compensate the holder of the financial guarantee contract for the credit loss it may incur. The amortisation schedule applied takes into account the passage of time and the volume of the guaranteed exposure. Revenue from financial guarantee contracts include also amortisation of financial guarantee contracts liability in cases when the guarantee was provided at no or nominal consideration.

1.6.2. *Expenses*

Expenses from non-exchange transactions account for the majority of the EU's expenses. They relate to transfers to beneficiaries and can be of three types: (i) entitlements, (ii) transfers under agreement and discretionary grants, as well as (iii) contributions and donations.

Transfers are recognised as expenses in the period during which the events giving rise to the transfer occurred, as long as the nature of the transfer is allowed by the relevant regulation (Financial Regulation, Staff Regulations, or other regulation) or an agreement has been signed authorising the transfer, any eligibility criteria have been met by the beneficiary, and a reasonable estimate of the amount can be made.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expenses.

Expenses from exchange transactions arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the EU. They are valued at their original invoice amount. Furthermore, at the balance sheet date, expenses related to the service delivered during the period for which an invoice has not yet been received or accepted are estimated and recognised in the statement of financial performance.

1.7. **CONTINGENT ASSETS AND LIABILITIES**

1.7.1. *Contingent assets*

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the EU. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

1.7.2. *Contingent liabilities*

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the EU, or a present obligation that arises from past events but is not recognised, either because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or in the rare circumstance where the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

1.8. CASHFLOW STATEMENT

Cashflow information is used to provide a basis for assessing the ability of the EU to generate cash and cash equivalents, and its needs to utilise those cashflows.

The cashflow statement is prepared using the indirect method. This means that the economic result for the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of revenue or expense associated with investing cashflows.

Cashflows arising from transactions in a foreign currency are recorded in the EU's reporting currency (euro), by applying to the foreign currency amount the exchange rate between the euro and the foreign currency at the date of the cashflow.

The cashflow statement reports cashflows during the period classified by operating, investing and financing activities.

Operating activities are the activities of the EU other than investing or financing activities. As such, they account for the majority of the activities carried out by the EU.

Investing activities are the acquisition and disposal of intangible assets and property, plant and equipment and of other investments which are not included in cash equivalents. Investing activities do not include loans granted to beneficiaries as they are part of the general objectives and thus daily operations of the EU. The objective is to show the real investments made by the EU.

Financing activities are activities that result in changes in the size and composition of borrowings other than those granted to beneficiaries on a back-to-back basis or for the acquisition of property, plant and equipment (which are included under operating activities).

2. NOTES TO THE BALANCE SHEET

ASSETS

2.1. INTANGIBLE ASSETS

EUR million

Gross carrying amount at 31.12.2024	*2 257*
Additions	*267*
Disposals	*(70)*
Transfer between asset categories	*0*
Other changes	*–*
Gross carrying amount at 31.12.2025	**2 455**
Accumulated amortisation at 31.12.2024	*(1 162)*
Amortisation charge for the year	*(213)*
Amortisation written back	*1*
Disposals	*54*
Transfer between asset categories	*0*
Other changes	*(1)*
Accumulated amortisation at 31.12.2025	**(1 320)**
Net carrying amount at 31.12.2025	**1 135**
Net carrying amount at 31.12.2024	*1 095*

The net carrying amount at year-end 2025 of EUR 1 135 million mainly includes internally generated software already operational (EUR 405 million), internally generated software under construction (EUR 354 million) as well as acquired software (EUR 375 million).

2.2. **PROPERTY, PLANT AND EQUIPMENT**

The space assets category covers operational fixed assets related to the EU space programmes: the Global Navigation Satellite Systems (GNSS), i.e. Galileo and European Geostationary Navigation Overlay System (EGNOS), Governmental Satellite Communication (GOVSATCOM), Secure connectivity programme and the Copernicus European Earth observation programme. Assets of the space systems which are not yet operational are included under the heading 'Assets under construction'. The assets related to the EU space programmes are being built with the assistance of the European Space Agency (ESA).

For Galileo, the constellation currently includes 30 satellites. The Galileo operational fixed assets, covering both satellites and ground installations, amounted to EUR 2 630 million at 31 December 2025, net of accumulated depreciation (2024: EUR 2 987 million). The remaining assets under construction total EUR 2 592 million (2024: EUR 2 145 million).

Regarding Copernicus, 10 satellites are operational with 22 satellites and instruments under construction. The total value of Copernicus operational fixed assets is EUR 845 million (2024: EUR 492 million), net of accumulated depreciation. A further EUR 3 645 million related to Copernicus satellites is recognised as assets under construction (2024: EUR 3 520 million).

Fixed assets related to the EGNOS ground infrastructure of EUR 182 million (2024: EUR 160 million) are also included under the heading 'Space assets'. In addition, EGNOS assets under construction amount to EUR 346 million (2024: EUR 345 million).

The European Union Governmental Satellite Communications (GOVSATCOM) programme aims to provide secure, resilient and cost-efficient satellite communications capabilities to security and safety critical missions and governmental operations managed by the EU and its Member States, including national security actors and EU Agencies and institutions. GOVSATCOM assets under construction amount to EUR 9 million (2024: EUR 0).

The secure connectivity programme has two main aims:

— to ensure worldwide access to secure governmental satellite communication services for the protection of critical infrastructures, surveillance, external actions and crisis management;

— to enable the private sector to provide commercial services, such as making available high-speed broadband and seamless connectivity throughout the European Union.

Secure connectivity assets under constructions amount to EUR 454 million (2024: EUR 0).

Property, plant and equipment

EUR million

	Land and Buildings	Space assets	Plant and Equipment	Furniture and Vehicles	Computer Hardware	Other	Finance leases	Assets under construction	Total
Gross carrying amount at 31.12.2024	*6 528*	*9 056*	*483*	*255*	*714*	*308*	*2 075*	*6 528*	*25 945*
Additions	*44*	*1*	*23*	*13*	*76*	*14*	*5*	*2 029*	*2 205*
Disposals	*(9)*	*(113)*	*(24)*	*(37)*	*(87)*	*(35)*	*(2)*	*(0)*	*(306)*
Transfer between asset categories	*73*	*811*	*0*	*(0)*	*0*	*2*	–	*(886)*	*(0)*
Other changes	*(3)*	–	*0*	*0*	*1*	*0*	–	–	*(2)*
Gross carrying amount at 31.12.2025	**6 630**	**9 755**	**482**	**231**	**705**	**292**	**2 079**	**7 671**	**27 843**
Accumulated depreciation at 31.12.2024	*(4 106)*	*(5 417)*	*(423)*	*(177)*	*(575)*	*(225)*	*(1 309)*		*(12 232)*
Depreciation charge for the year	*(145)*	*(777)*	*(24)*	*(17)*	*(75)*	*(18)*	*(75)*		*(1 131)*
Depreciation written back	*0*	–	*0*	*(0)*	*8*	*1*	–		*8*
Disposals	*8*	*96*	*23*	*36*	*76*	*30*	*2*		*270*
Transfer between asset categories	*(0)*	–	*(0)*	*(0)*	*0*	*0*	–		*0*
Other changes	*2*	–	*(0)*	*0*	*(0)*	*(0)*	–		*1*
Accumulated depreciation at 31.12.2025	**(4 240)**	**(6 098)**	**(425)**	**(161)**	**(566)**	**(214)**	**(1 382)**		**(13 086)**
NET CARRYING AMOUNT AT 31.12.2025	**2 390**	**3 657**	**57**	**70**	**138**	**77**	**696**	**7 671**	**14 756**
NET CARRYING AMOUNT AT 31.12.2024	*2 420*	*3 639*	*60*	*76*	*139*	*84*	*766*	*6 528*	*13 713*

2.3. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The participation of the EU, represented by the Commission, in the European Investment Fund (EIF) is treated as an associate using the equity method of accounting. The EIF is the EU's financial institution specialising in providing risk capital and guarantees to Small and Medium-sized Entities (SMEs). The EIF operates as a private-public partnership, whose members are the European Investment Bank (EIB), the EU and a group of financial institutions.

At 31 December 2025, the EU holds 29,7 % of ownership interests in the EIF (2024: 29,7 %) and 29,7 % of the voting rights (2024: 29,7 %). In accordance with its statutes, the EIF is required to allocate at least 20 % of its annual net result to a statutory reserve, until the aggregate reserve amounts to 10 % of subscribed capital. This reserve is not available for distribution.

The table below shows the current year's movement of the EU's participation in the EIF.

EUR million

	European Investment Fund
Participation at 31.12.2024	**1 446**
Contributions	–
Dividends received	*(8)*
Share of net result	*69*
Share in the net assets	*16*
Participation at 31.12.2025	**1 524**

EIF summarised financial information:

EUR million

	31.12.2025	31.12.2024
	Total EIF	Total EIF
Assets	*9 023*	*7 789*
Liabilities	*(3 896)*	*(2 923)*
Surplus/(deficit)	*233*	*280*

The reconciliation of the above summarised financial information to the carrying amount of the interest held in the EIF is as follows:

EUR million

	31.12.2025	31.12.2024
Net assets of the associate	*5 127*	*4 866*
EC ownership interests in EIF	**29,7%**	**29,7%**
Carrying amount	*1 524*	*1 446*

The EU, represented by the Commission, has paid in 20 % of its subscribed shares in the EIF capital at 31 December 2025, the uncalled amount is as follows:

EUR million

	Total EIF capital	EU subscription
Total share capital	*7 370*	*2 190*
Paid-in	*(1 474)*	*(438)*
Uncalled	**5 896**	**1 752**

2.4. FINANCIAL ASSETS

EUR million

	Note	31.12.2025	31.12.2024
Non-current			
Financial assets at amortised cost	*2.4.1*	*314 887*	*269 903*
Financial assets at fair value through surplus or deficit	*2.4.2*	*47 919*	*39 058*
		362 806	**308 961**
Current			
Financial assets at amortised cost	*2.4.1*	*18 545*	*13 677*
Financial assets at fair value through surplus or deficit	*2.4.2*	*4 746*	*5 700*
		23 291	**19 377**
Total		**386 097**	**328 338**

2.4.1. *Financial assets at amortised cost*

EUR million

	Note	31.12.2025	31.12.2024
Loans to Member States and third countries	*2.4.1.1*	*332 821*	*283 114*
Other loans	*2.4.1.2*	*611*	*466*
Total		**333 432**	**283 580**
Non-current		*314 887*	*269 903*
Current		*18 545*	*13 677*

2.4.1.1. Loans to Member States and third countries

EUR million

	31.12.2025	31.12.2024
Loans to Member States	*286 301*	*251 457*
Loans to third countries	*46 520*	*31 656*
Total at 31.12.2025	**332 821**	**283 114**
Non-current	*314 764*	*269 782*
Current	*18 056*	*13 332*

Loans to Member States

EUR million

	RRF	SURE	EFSM	BOP	Total
Total at 31.12.2024	*110 120*	*98 839*	*42 297*	*201*	*251 457*
New loans (nominal)	*47 218*	–	–	–	*47 218*
Repayments	–	*(8 000)*	*(4 900)*	*(200)*	*(13 100)*

EUR million

	RRF	SURE	EFSM	BOP	Total
Changes in carrying amount	*876*	*(135)*	*(15)*	*(1)*	*726*
Total at 31.12.2025	**158 215**	**90 705**	**37 382**	–	**286 301**
Non-current	*155 904*	*82 594*	*30 818*	–	*269 316*
Current	*2 310*	*8 111*	*6 564*	–	*16 985*

The nominal value of loans to Member States at 31 December 2025 is EUR 283,4 billion (2024: EUR 249,2 billion), out of which EUR 155,9 billion refer to the NGEU loans for RRF and REPowerEU.

In this table, and in the table for loans to third countries further below, the line 'Changes in carrying amount' corresponds to the change in accrued interest and the change in premiums/discounts (new premiums/discounts and amortisation).

The programmes SURE, EFSM and BOP have been implemented on a 'back-to-back' basis. This means that the loans were financed by equivalent borrowings, with the same terms and conditions. The maturities are the same, the issue premiums/discounts and the costs are recharged to the loan beneficiary. At maturity, the loan beneficiary reimburses the Commission and the Commission repays the borrowing. For the RRF loans financed by NGEU there is no back-to-back relationship between the terms of the loans and the borrowings. These loans are funded from the unified funding approach, explained in Note **2.11.1.1**.

RRF

The RRF is a temporary instrument, established in 2021, to help the Member States' economies recover from the coronavirus pandemic and become resilient to green and digital transitions. Under the EU Recovery Instrument (NGEU), the Commission borrows funds, which the RRF uses to finance Member States' reforms and investments. These have to be in line with EU priorities and have to address the challenges identified in country-specific recommendations under the European Semester framework of economic and social policy coordination. The financing can be either a loan (repayable support) or a grant (non-repayable support, see Note **2.5**). The Member States can receive financing up to a previously agreed allocation for loans and grants. To benefit from the support, the Member States have to submit their national recovery and resilience plans to the European Commission. Each plan sets out the reforms and investments to be implemented by the end of 2026, defining clear milestones and targets to be analysed by the European Commission and approved by the European Council. The RRF loans can be disbursed until 31 December 2026, but only after the achievement of the agreed milestones and targets.

In 2023, the RRF Regulation was amended and enabled the Member States to add a REPowerEU chapter to their national recovery and resilience plans. The Member States can finance investments and reforms in order to achieve the REPowerEU objectives. The financing can also be with loans, using RRF loan resources not yet requested by the Member States. The heading RRF in the table above thus includes the REPowerEU loans as well.

As at 31 December 2025, the signed loan agreements were EUR 277,2 billion (comparing to EUR 290,9 billion at the end of 2024, the amount decreased due to reductions of some loan agreements). EUR 155,9 billion of loans have been disbursed and is outstanding at the end of 2025.

Support to mitigate Unemployment Risks in an Emergency (SURE)

SURE provided financial assistance aiming to maintain people in work and support jobs affected by the coronavirus pandemic. The availability of the instrument ended on 31 December 2022. The loans disbursed as of 31 December 2024 were EUR 98,4 billion (nominal value) and there were no pending disbursements. In 2025, the Member States repaid EUR 8 billion of SURE loans.

European Financial Stabilisation Mechanism (EFSM)

The EFSM enabled the granting of financial assistance to a Member State in financial difficulties. The programme has expired except for specific transactions such as the maturity extension of the loans. In 2025, Ireland repaid EUR 2,4 billion of EFSM loan due. Portugal requested early repayment of two loans for a total amount of EUR 2,5 billion. The repayment of the loans was executed at market price of the underlying bonds. This operation resulted in derecognition gains or losses on loans (see Notes **3.9** and **3.15**). The underlying EU bonds were transferred to the unified funding pool (see Note **2.11.1.1**).

Balance of Payments (BOP)

This is a policy-based financial instrument that provides medium-term financial assistance to Member States that have not adopted the euro. In 2025 the last outstanding BOP loan was fully repaid by Latvia.

Loans to third countries

EUR million

	MFA	Ukraine Facility	EURATOM	Western Balkans Facility	Moldova Facility	Total
Total at 31.12.2024	*23 831*	*7 623*	*203*	*–*	*–*	*31 656*
New loans (nominal)	*18 366*	*10 052*	*–*	*184*	*289*	*28 891*
Repayments	*(20)*	*–*	*–*	*–*	*–*	*(20)*
Changes in carrying amount	*247*	*104*	*(0)*	*3*	*4*	*358*
Changes in impairment	*(9 164)*	*(5 206)*	*4*	*(0)*	*(0)*	*(14 366)*
Total at 31.12.2025	**33 260**	**12 573**	**207**	**187**	**293**	**46 520**
Non-current	*32 505*	*12 264*	*206*	*184*	*289*	*45 448*
Current	*754*	*310*	*0*	*3*	*4*	*1 072*

The nominal value of loans to third countries at 31 December 2025 was EUR 76,0 billion (2024: EUR 47,2 billion).

In this table, the line 'Changes in impairment' corresponds to the remeasurement of the expected credit losses as at 31 December 2025. The line 'Changes in carrying amount' corresponds to the change in accrued interests and the change in premiums/discounts (new premiums/discounts and amortisation).

The Euratom programme operates on a 'back to back' basis.

Until the end of 2022, the MFA loans were funded using the back to back approach, whereas with the implementation of the MFA+ programme in 2023, new loans under the MFA are mainly implemented using the unified funding approach explained in Note **2.11.1.1**. Any new programmes such as the Ukraine, Western Balkans and Moldova facilities are also funded with the unified funding approach.

Macro-Financial Assistance

The MFA refers to loans for financial assistance to partner countries experiencing a balance of payment crisis.

The total nominal exposure of MFA loans outstanding at year end amounted to EUR 52,1 billion (2024: EUR 33,7 billion), out of which EUR 47,1 billion was to Ukraine (2024: EUR 29,0 billion).

As at 31 December 2025, the impairment allowance for MFA loans was EUR 19,4 billion (2024: EUR 10,2 billion), out of which EUR 19,3 billion for loans to Ukraine (2024: EUR 10,1 billion). While all amounts due in 2025 from Ukraine were paid on time and at the moment of preparation of the annual accounts there are no overdue payments, in accordance with the accounting rules, the impairment reflects the life-time expected credit losses estimated with a particular prudence due to significant uncertainties involved.

In October 2024, Regulation (EU) 2024/2773 was adopted establishing the Ukraine Loan Cooperation Mechanism (ULCM) and authorising a new MFA for Ukraine. Under the ULCM, extraordinary revenues originating from immobilised Russian sovereign assets are used to grant non-repayable support to Ukraine with the objective to assist the country in repaying bilateral loans provided by the G7 partners and the EU under this initiative. The EU signed the MFA loan agreement with Ukraine in December 2024 for an amount of EUR 18,1 billion. The loan was fully disbursed in 2025. As the MFA loan under ULCM was irrevocably committed at the end of 2024, a provision for expected credit losses of EUR 7,1 billion was recognised (see also note **2.10**). In 2025, this provision was reversed and an impairment allowance of EUR 8,7 billion was recognised instead, reducing the value of the loan.

In 2025, the EU granted EUR 740 million (2024: EUR 763 million) of interest rate subsidies to Ukraine for the interest accrued on the exceptional MFA and MFA+ loans. This constitutes a modification of the loan's terms (see also Notes **3.15** and **6.6**), and is included under the 'Changes in carrying amount' in the table above.

As at 31 December 2025, there were EUR 4,3 billion undrawn amounts conditionally committed under signed MFA loan agreements (2024: EUR 95 million).

Ukraine Facility loans

The Ukraine Facility Regulation ([32]) is an instrument adopted in 2024 that offers up to EUR 50 billion in financial support to Ukraine, including up to EUR 33 billion of sovereign loans, to be disbursed by the end of 2027. EUR 23,2 billion of loans have been disbursed to Ukraine by the end of 2025 (2024: EUR 3,1 billion).

The impairment allowance recognised on those loans totals EUR 10,9 billion as at 31 December 2025 (2024: EUR 5,7 billion). There are EUR 9,8 billion undrawn amounts from signed loan agreements at year end (2024: EUR 19,9 billion) conditionally committed upon meeting policy conditions.

European Atomic Energy Community loans (Euratom)

The European Atomic Energy Community (Euratom) lends money to both Member States and non-Member States, and to entities of both, to finance projects relating to energy installations. As at 31 December 2025, there are no outstanding amounts relating to Member States. The total outstanding amount relates to loans to Energoatom, guaranteed by the Ukrainian state. For these loans an impairment allowance of EUR 94 million has been recognised (2024: EUR 98 million). There are no undrawn amounts from signed loan agreements.

Reform and Growth Facility of the Western Balkans

The Regulation (EU) 2024/1449 on establishing the Reform and Growth Facility for the Western Balkans (hereafter referred to as 'Western Balkans Facility') was adopted in May 2024, with the first financial operations occurring in 2025. The Facility is expected to provide up to EUR 4 billion in loans in 2025-2027, with payments conditioned upon the EU partner countries in the Western Balkans implementing specific socio-economic and fundamental reforms.

By 31 December 2025, EUR 2,6 billion of loans were signed with North Macedonia, Albania, Serbia and Montenegro, of which EUR 184 million have been disbursed. At year-end, EUR 2,4 billion remains conditionally committed, subject to the fulfillment of policy conditions.

([32]) Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility (OJ L, 2024/792, 29.2.2024), hereafter referred to 'Ukraine Facility Regulation'.

Reform and Growth Facility for the Republic of Moldova

The Regulation (EU) 2025/535 establishing the Reform and Growth Facility for the Republic of Moldova (hereafter referred to as 'Moldova Facility'), was adopted in March 2025. The facility will support Moldova during the period from 2025 to 2027 and is expected to provide up to EUR 1,5 billion in loans.

The loan agreement for EUR 1,5 billion was signed in 2025. EUR 289 million has been disbursed by 31 December 2025, while EUR 1,2 billion remains undrawn at year-end.

EU budget guarantee for loans to Member States and third countries

The EU budget guarantees the borrowings issued by the EU which finance the loans to Member States and third countries. If there would be unpaid loan amounts in the future, the EU budget may have to repay the related borrowing amounts.

For more details, see Note **6.7**.

UK obligations arising from its departure from the EU

In accordance with Article 143 of the Withdrawal Agreement, the UK shall be liable to the Union for its share of contingent financial liabilities related to the loans for financial assistance (EFSM, MFA, BOP and Euratom) approved/decided by the withdrawal date, 31 January 2020. Article 143 requires that in case of a default under a loan for financial assistance that has been approved before the withdrawal date, the UK would be liable to the Union for its share of payments made by the Union under the defaulted operation, unless this could be covered by the UK share of provisioning held in the Guarantee Fund for external actions compartment of the CPF where this is relevant (i.e. MFA and Euratom loans in third countries) – see Note **4.1.1**.

The EU's outstanding contingent liability relating to the above loans for financial assistance amounted to EUR 53,9 billion as at the withdrawal date. Following repayments since that date, the value of these loans covered by the EU guarantee at 31 December 2025 is EUR 42,2 billion – the UK's share of this is EUR 5,3 billion.

2.4.1.2. Other loans

These include 3 types of loans:

a) Loans granted from EU budget programmes (e.g. the Agriculture and Electrification Financing initiatives and the EU Employment and Social Innovation programme). These loans total EUR 85 million as at 31 December 2025 (2024: EUR 75 million).

b) Subrogated loans: These are loans disbursed by the EIB and guaranteed by the EFSI and ELM programmes. The loans defaulted, the Commission paid the guarantee calls and therefore holds the recovery rights. As a result the loans are now recognised on the EU balance sheet. At 31 December 2025, the Commission holds the recovery rights for EUR 1,0 billion of such loans, including accrued interests (2024: EUR 1,0 billion). However, after taking into account the expected credit losses, the amount recognised on the balance sheet is EUR 45 million (2024: EUR 51 million).

c) Term deposits of EUR 481 million (2024: EUR 340 million) with maturity of over 3 months that do not meet the definition of cash equivalents.

2.4.2. *Financial assets at fair value through surplus or deficit (FVSD)*

EUR million

	Note	31.12.2025	31.12.2024
Financial assets at FVSD non-derivatives	*2.4.2.1*	*51 080*	*43 648*
Financial assets at FVSD derivatives	*2.4.2.2*	*1 585*	*1 110*
Total		**52 665**	**44 758**
Non-current		*47 919*	*39 058*
Current		*4 746*	*5 700*

2.4.2.1. *Financial assets at FVSD non-derivatives*

Financial assets at FVSD non-derivatives by type

EUR million

		31.12.2025	31.12.2024
Debt securities		*40 462*	*34 465*
MMFs, ETFs and investments in pooled portfolios		*6 812*	*5 975*
Other equity investments		*3 796*	*3 201*
Loans		*9*	*8*
Total		**51 080**	**43 648**
Non-current		*46 350*	*37 948*
Current		*4 730*	*5 700*

Debt securities are mainly sovereign and corporate bonds. They are held in the funds (portfolios) managed by the Commission (mainly CPF and the Budget Fines Fund (BUFI)) or by the EIB on behalf of the EU (mainly Horizon 2020 (H2020) and the Innovation Fund). The portfolios' performance is evaluated on a fair value basis (market value). As at 31 December 2025, the market value of securities lent within the securities lending programmes amounts to EUR 6,0 billion (EUR 5,8 billion in 2024). Those securities lent are not derecognised from the EU's balance sheet as the risks and rewards are still held by the EU.

Money market funds (MMFs) are mutual funds that invest in short-term debt securities (e.g. the EIB unitary fund). The exchange-traded funds (ETFs) are investment funds that are traded on stock exchanges. They track indices and hold assets such as stocks, bonds, currencies and futures contracts. The investments in pooled portfolios are the EU funds of Connecting Europe Facility (CEF) and H2020 programmes pooled together with Member States' funds from the NER 300 programme. They are used to provide guarantees to the EIB's financing and investment operations.

The 'Other equity investments' mainly refer to investing EU budget money – via implementing partners – in venture capital or other types of investment funds for pursuing EU policy objectives: for example, enhancing access to finance for start up SMEs, research and innovation as well as infrastructure both inside and outside the EU.

Financial assets at FVSD non-derivatives by programme

EUR million

	31.12.2025	31.12.2024
Common Provisioning Fund	*27 018*	*23 174*
Innovation Fund	*13 265*	*10 616*
Horizon 2020 and Horizon Europe	*4 286*	*3 968*
BUFI investments	*2 662*	*2 141*
ECSC i.L.	*1 187*	*1 206*
Connecting Europe Facility	*683*	*716*
EU SME Equity Facilities	*433*	*453*
EBRD	*309*	*188*
European Fund for South East Europe	*250*	*243*
EEAS local staff pension plan	*152*	*128*

EUR million

	31.12.2025	31.12.2024
Green for Growth Fund	*152*	*128*
Energy Efficiency Finance Facility	*104*	*103*
Other	*581*	*586*
Total	**51 080**	**43 648**
Non-current	*46 350*	*37 948*
Current	*4 730*	*5 700*

Common Provisioning Fund (CPF)

The EU gives guarantees to financial partners for losses on equity investments and loans (see Note **4.1** for EU budgetary guarantees). In accordance with the legal acts, the EU budget gradually sets money aside in order to pay to the partners any losses covered by these guarantees. The EU budget also sets money aside to repay the borrowings in case of defaults on loans under MFA, Euratom, Western Balkans and Moldova Facility.

In compliance with the Financial Regulation, the Commission has set up the CPF to manage, in one common portfolio, the money it sets aside ('provisioning'). The monies are invested in debt securities, money market funds and ETFs. In addition to the EU budget provisioning, the CPF receives recoveries from defaulted operations, the returns on its investments and the EU's remuneration from the financial partners. The CPF may also receive voluntary contributions from Member States and other contributors that are – in this way – increasing the available EU budget guarantees.

The CPF allocates the incoming contributions into compartments depending on the contributing programme. The legal acts of the programmes set out the necessary provisioning for the guarantees provided. The EU budget pools these individually provisioned funds in the CPF so as to optimise the asset management.

As at 31 December 2025, the CPF's non-derivative financial assets at FVSD increased as the InvestEU, NDICI and Ukraine guarantees are building up the necessary provisions but also due to treasury gains of EUR 0,8 billion. The total non-derivative financial assets at FVSD assets were EUR 27,0 billion, out of which EUR 22,8 billion were invested in debt securities, and EUR 3,9 billion in ETFs.

Innovation Fund (IF)

The Innovation Fund establishes a system for the trading of greenhouse gas emission allowances within the Union. The purpose is to use the revenue to support innovation in low-carbon technologies and processes in certain economic sectors. The Innovation Fund receives the revenue from the progressive monetisation of 530 million of allowances and also any unspent funds from the 300 million allowances available for NER 300 programme (see Note **3.8**). The EIB manages the monies, until they are used for the intended purpose, and invests them in debt securities. The increase in 2025 is mainly due to incoming auctioning revenues.

Horizon 2020 and Horizon Europe

Under the EU Regulation establishing Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020) – new financial instruments have been established in order to enhance access to finance to entities engaged in research and innovation (R&I). These instruments are:

— *The InnovFin Loan and Guarantee Service for R&I* under which the Commission shares the financial risk related to a portfolio of new financing operations entered into by the EIB;

— *The InnovFin SME Guarantee and the SME Initiative Uncapped Guarantee Instrument (SIUGI)* – guarantees facilities managed by the EIF, providing guarantees and counter-guarantees to financial intermediaries for new portfolios of loans (under SIUGI the Commission shares the financial risk related to the guarantee given with Member States, EIF and EIB);

— *The InnovFin Equity Facility for R&I* providing for investments in venture capital funds which are managed by the EIF; and

— *The EIC Fund (European Innovation Council Fund)* which provides equity financing to accelerate innovation and market deployment actions. The EIC fund is funded from the Horizon Europe and H2020 programmes.

BUFI investments

The Commission has established the Budget Fines fund ('BUFI') for managing the money it provisionally receives for fines issued to companies which are under appeal. Until the final court decision on a given fine, the Commission invests the money in debt instruments.

ECSC i.L.

The ECSC Treaty expired on 23 July 2002 and all the ECSC assets were transferred to the European Union. They were earmarked for research in the sectors associated with the coal and steel industries, for example breakthrough technologies that lead to near-zero-carbon steelmaking. The Commission invests the monies in debt securities, until they are granted for research purposes.

Connecting Europe Facility

Pursuant to Regulation (EU) No 1316/2013 of the European Parliament and of the Council ([33]), the Connecting Europe Facility (CEF) debt instrument has been established with the objective to facilitate infrastructure projects' access to financing in the sectors of transport, telecommunications and energy. It is managed by the EIB under an agreement with the EU. It offers risk sharing for debt financing in the form of senior and subordinated debt or guarantee as well as support for project bonds guaranteed by the EU.

EU SME Equity Facilities

These are equity instruments financed by the COSME, CIP and MAP programmes and the Growth and Employment Initiative, under the trusteeship of the EIF, supporting the creation and financing of EU SMEs in their early (start-up) and growth stages by investing in suitable specialised venture capital funds.

European Bank for Reconstruction and Development

The EU holds a financial investment in the capital of the European Bank for Reconstruction and Development (EBRD). In 2025, the EU increased its subscription, purchasing additional 12 102 shares at par value of EUR 10 000 per share. The total payment of EUR 121 million is to be made in equal instalments over five years, with first instalment paid in 2025. As at 31 December 2025, the Commission holds 102 146 shares (2024: 90 044 shares), representing 3,04 % of the total subscribed share capital. In total, the EU subscribed for EUR 1 021 million of the EBRD's share capital, out of which EUR 713 million is currently uncalled.

Fair value hierarchy of non-derivative financial assets at FVSD

EUR million

Type of financial asset	31.12.2025	31.12.2024
Level 1: Quoted prices in active markets	*44 447*	*37 559*
Level 2: Observable inputs other than quoted prices	*3 150*	*3 098*
Level 3: Valuation techniques with inputs not based on observable market data	*3 483*	*2 991*
Total	**51 080**	**43 648**

During the period, there were no transfers between level 1 and level 2 of the fair value hierarchy.

([33]) Regulation (EU) No 1316/2013 of the European Parliament and of the Council of 11 December 2013 establishing the Connecting Europe Facility, amending Regulation (EU) No 913/2010 and repealing Regulations (EC) No 680/2007 and (EC) No 67/2010 (OJ L 348, 20.12.2013, p. 129, ELI: http://data.europa.eu/eli/reg/2013/1316/oj).

Reconciliation of non-derivative financial assets measured using valuation techniques with inputs not based on observable market data (level 3)

EUR million

Fair value movements	
Opening balance at 1.1.2025	**2 991**
Investments during the period	*699*
Capital repayments	*(97)*
Revenues settled	*(19)*
Gains or losses for the period in surplus or deficit	*(90)*
Transfers into level 3	–
Transfers out of level 3	–
Other	–
Closing balance at 31.12.2025	**3 483**

2.4.2.2. *Financial assets and liabilities at FVSD derivatives*

Financial assets and liabilities at FVSD derivatives by type

EUR million

Type of derivative	31.12.2025			31.12.2024		
	Notional amount	Fair Value Asset	Fair Value Liability	Notional amount	Fair Value Asset	Fair Value Liability
Guarantee on equity portfolio	*6 951*	*1 568*	*(52)*	*6 057*	*1 110*	*(60)*
FX derivatives	*1 910*	*17*	*(9)*	*2 417*	–	*(38)*
Total	**8 861**	**1 585**	**(62)**	**8 474**	**1 110**	**(98)**
Non-current		*1 569*	*(9)*		*1 110*	*(13)*
Current		*17*	*(53)*		–	*(84)*

Guarantees on equity portfolios

The heading 'Guarantee on equity portfolio' comprises guarantees given by the EU to financial institutions on portfolios of equity investments. These guarantees are classified as derivative financial instruments and accounted for as a financial asset or financial liability at FVSD since they do not meet the definition of a financial guarantee liability – see Note **1.5.12**. The EU financial asset or liability is measured based on the value of the underlying investments.

The total amount represents mainly the EFSI guarantee given by the EU to the EIB Group with underlying equity investments disbursed by the EIB and EIF amounting to EUR 3,6 billion (2024: EUR 3,8 billion). The fair value of the EU guarantee on the EFSI equity portfolios totalled EUR 1,4 billion (2024: EUR 1,1 billion).

Foreign exchange derivatives

The EU enters into foreign currency forward contracts in order to hedge the foreign currency risk related to USD denominated debt securities held in the CPF. Under the foreign currency forward contracts, the EU delivers the contractually agreed notional amount in foreign currency ('pay leg'), as presented in the table above, and will receive the notional amount in EUR ('receive leg') at the maturity date.

This heading also includes the effect of foreign currency risk hedging activities under the InvestEU guarantee and cases where the EU guarantees foreign currency risk.

Fair value hierarchy of derivative financial assets and liabilities

EUR million

Type of derivative	31.12.2025		31.12.2024	
	Fair Value Asset	Fair Value Liability	Fair Value Asset	Fair Value Liability
Level 1: Quoted prices in active markets	–	–	–	–
Level 2: Observable inputs other than quoted prices	*17*	*(7)*	–	*(27)*
Level 3: Valuation techniques with inputs not based on observable market data	*1 568*	*(55)*	*1 110*	*(71)*
Total	**1 585**	**(62)**	**1 110**	**(98)**

During the period, there were no transfers between level 1 and level 2. Derivatives in fair value level 3 include mainly guarantees on equity portfolios.

Reconciliation of derivative financial assets and liabilities measured using valuation techniques with inputs not based on observable market data (Level 3)

EUR million

Fair value movements	
Opening balance asset/(liability) as at 1.1.2025	**1 039**
Guarantee call claims paid	*164*
Guarantee calls returned	*(44)*
Revenues from guarantee settled	*(154)*
Gains or losses for the period in surplus or deficit	*507*
Transfers into level 3	–
Transfers out of level 3	–
Other	*(0)*
Closing balance at 31.12.2025	**1 513**

2.5. PRE-FINANCING

EUR million

	Note	31.12.2025	31.12.2024
Non-current			
Pre-financing	*2.5.1*	*36 000*	*39 093*
Other advances to Member States	*2.5.2*	*2 933*	*1 682*
Contribution to Trust Funds		*38*	*85*
		38 971	**40 861**

EUR million

	Note	31.12.2025	31.12.2024
Current			
Pre-financing	*2.5.1*	*35 298*	*35 969*
Other advances to Member States	*2.5.2*	*2 477*	*2 089*
		37 775	**38 058**
Total		**76 746**	**78 919**

The level of pre-financing in the various programmes must be sufficient to ensure the necessary funding for the beneficiary to initiate and advance the project, while also safeguarding the financial interests of the EU and taking into consideration legal, operational and cost-effectiveness constraints.

2.5.1. *Pre-financing*

EUR million

	Gross amount	Cleared via accruals	Net amount at 31.12.2025
Member States			
EAFRD & other rural development instruments	*3 605*	*(1 625)*	*1 980*
ERDF & CF	*29 858*	*(17 052)*	*12 805*
ESF	*9 997*	*(6 560)*	*3 438*
RRF (NGEU)	*13 626*	*(3 392)*	*10 234*
Other	*21 022*	*(10 041)*	*10 981*
EFTA and third countries	*3 772*	*(2 710)*	*1 062*
Private and public bodies	*82 761*	*(61 415)*	*21 346*
Other recipients	*17 397*	*(7 943)*	*9 454*
Total	**182 038**	**(110 740)**	**71 299**
Non-current	*36 000*		*36 000*
Current	*146 038*	*(110 740)*	*35 298*

EUR million

	Gross amount	Cleared via accruals	Net amount at 31.12.2024
Shared management			
EAFRD & other rural development instruments	*3 885*	*(840)*	*3 045*
ERDF & CF	*25 859*	*(16 476)*	*9 384*
ESF	*9 437*	*(6 258)*	*3 180*
Other	*14 220*	*(4 836)*	*9 384*
	53 402	**(28 409)**	**24 992**

EUR million

	Gross amount	Cleared via accruals	Net amount at 31.12.2024
Direct Management			
Implemented by:			
Commission	*34 727*	*(14 289)*	*20 438*
of which RRF (NGEU)	*18 930*	*(3 541)*	*15 389*
EU executive agencies	*40 693*	*(25 586)*	*15 107*
Trust funds	*508*	*(429)*	*79*
	75 928	**(40 304)**	**35 624**
Indirect Management			
Implemented by:			
Other EU agencies & bodies	*5 281*	*(2 814)*	*2 467*
Third countries	*1 843*	*(1 103)*	*739*
International organisations	*13 171*	*(8 839)*	*4 333*
Other entities	*19 295*	*(12 389)*	*6 906*
	39 590	**(25 144)**	**14 446**
Total	**168 920**	**(93 858)**	**75 062**
Non-current	*39 093*	–	*39 093*
Current	*129 826*	*(93 858)*	*35 969*

Pre-financing represents money paid out, and thus the implementation of payment appropriations. As explained in Note **1.5.7**, these are advances and so not yet expensed. Thus while pre-financing reduces outstanding RAL (see Note **5.1**) it represents expenses still to be accepted and recognised in the statement of financial performance.

Regarding the pre-financing to Member States in the cohesion area (ERDF, CF, ESF) the increase is mainly linked to the new pre-financing payments that took place in 2025 and amounted to EUR 5,6 billion.

The pre-financing to Member States reported in 'other' line concerns mainly the Just Transition fund (EUR 6,2 billion) and the Asylum, Migration and Integration Fund (EUR 1 billion).

The non-repayable support concerning the RRF instrument, which was reported under Direct management pre-financing in 2024, was EUR 10,2 billion net at year-end (2024: EUR 15,4 billion). The decrease is in line with the normal implementation of the programme, as no additional pre-financings were disbursed in 2025.

With regards to the pre-financing to public bodies (EUR 17,5 billion) and private bodies (EUR 10,5 billion) paid by the Commission, the most significant amounts relate to the Research area (EUR 10,9 billion), the Neighbourhood, Development and Cooperation Instrument and its precursors (EUR 5 billion), Erasmus+ (EUR 4,6 billion) and the Connecting Europe Facility (EUR 1,2 billion).

Guarantees received in respect of pre-financing

These are guarantees that the Commission requests in certain cases from beneficiaries that are not Member States when making advance payments (pre-financing). There are two values to disclose for this type of guarantee, the 'nominal' and the 'on-going' values. For the nominal value, the generating event is linked to the existence of the guarantee. For the on-going value, the guarantee's generating event is the pre-financing payment made against the guarantee, then reduced by subsequent clearings. At 31 December 2025 the nominal value of guarantees received in respect of pre-financing amounted to EUR 1,1 billion.

Certain pre-financing amounts paid out under the 7th Research Framework Programme for research and technological development (FP7) and under the Horizon 2020 and Horizon Europe Programmes are effectively covered by the Mutual Insurance Mechanism (MIM), previously known as the Participants Guarantee Fund (PGF). The MIM is a mutual benefit instrument set up to cover the risks relating to non-payment of amounts by the beneficiaries during the implementation of the indirect actions under those programmes. All participants of indirect actions receiving a grant from the EU contribute 5 % of the maximum EU contribution to the MIM's capital, which is invested in the financial markets by the Commission in order to generate interest. The interest may be used to cover debts not honoured by a defaulting participant towards the Union. At the end of the indirect action the contributions are paid back to the participants. The EU (represented by the Commission) acts as an executive agent of the participants of the MIM, but the fund is owned by the participants. The MIM is thus a separate entity that is not consolidated in these EU annual accounts.

At 31 December 2025, pre-financing amounts covered by the MIM totalled EUR 3,0 billion (2024: EUR 3,0 billion). The MIM's total assets, including financial assets managed by the Commission, amounted to EUR 3,2 billion (2024: EUR 3,2 billion).

2.5.2. *Other advances to Member States*

EUR million

	31.12.2025	31.12.2024
Advances to Member States for financial instruments under shared management	*3 750*	*1 889*
Aid Schemes	*1 659*	*1 883*
Total	**5 409**	**3 772**
Non-current	*2 933*	*1 682*
Current	*2 477*	*2 089*

Advances to Member States for financial instruments under shared management

Under the framework of the European Structural and Investment Funds (ESIF) programmes, it is possible to make advance payments from the EU budget to Member States so as to allow them to contribute to financial instruments (i.e. loans, equity investments or guarantees). These financial instruments are set up and managed under the responsibility of the Member States, not the Commission. Nevertheless, monies that are unused by these instruments at year-end remain the property of the EU (as with all pre-financing) and are thus treated as an asset on the EU's balance sheet.

For cohesion area, out of EUR 3 740 million paid, it is estimated that EUR 3 661 million was unused at 31 December 2025.

For rural development, EUR 89 million remained unused at year-end.

Aid Schemes

Similar to the above, reimbursed amounts corresponding to advances paid by the Member States for various aid schemes (state aid, market measures of EAGF or investment measures of EAFRD) that were not used at year-end are recorded as assets (advances) on the EU's balance sheet. The Commission has estimated the value of these advances based on information provided by the Member States; the resulting amounts are included under the Aid Schemes sub-heading above. In 2025, an amount of EUR 1 397 million relates to agriculture and rural development. For cohesion policy the unused amounts at year-end were estimated at EUR 263 million and relate to the MFF 2021-2027.

2.6. EXCHANGE RECEIVABLES AND NON-EXCHANGE RECOVERABLES

EUR million

	Note	31.12.2025	31.12.2024
Non-current			
Recoverables from non-exchange transactions	*2.6.1*	*10 878*	*11 541*
Receivables from exchange transactions	*2.6.2*	*1 786*	*1 731*
		12 663	**13 272**
Current			
Recoverables from non-exchange transactions	*2.6.1*	*18 952*	*16 529*
Receivables from exchange transactions	*2.6.2*	*2 452*	*1 936*
		21 404	**18 465**
Total		**34 068**	**31 736**

2.6.1. *Recoverables from non-exchange transactions*

EUR million

	Note	31.12.2025	31.12.2024
Non-current			
Member States	*2.6.1.1*	*597*	*275*
UK Withdrawal Agreement	*2.6.1.2*	*10 256*	*11 231*
Accrued income and deferred charges	*2.6.1.4*	*0*	*10*
Other recoverables		*24*	*25*
		10 878	**11 541**
Current			
Member States	*2.6.1.1*	*5 097*	*4 667*
UK Withdrawal Agreement	*2.6.1.2*	*505*	*1 530*
Fines imposed on companies	*2.6.1.3*	*10 964*	*9 152*
Accrued income and deferred charges	*2.6.1.4*	*2 269*	*1 085*
Other recoverables		*117*	*94*
		18 952	**16 529**
Total		**29 830**	**28 070**

2.6.1.1. Recoverables from Member States

EUR million

	31.12.2025	31.12.2024
TOR A accounts	*3 652*	*3 277*
TOR separate accounts	*868*	*849*
Own resources to be received	*–*	*139*
Impairment	*(535)*	*(553)*
Other	*–*	*–*

EUR million

	31.12.2025	31.12.2024
Own resources recoverables	**3 985**	**3 712**
European Agricultural Guarantee Fund (EAGF)	*1 802*	*1 534*
European Agricultural Fund for Rural Development (EAFRD) and other rural development instruments	*222*	*127*
Impairment	*(607)*	*(741)*
EAGF and rural development recoverables	**1 417**	**920**
Pre-financing recovery	**21**	**16**
VAT paid and recoverable	**56**	**53**
Other recoverables from Member States	**215**	**242**
Total	**5 694**	**4 943**
Non-current	*597*	*275*
Current	*5 097*	*4 667*

The non-current amounts due from Member States relate mainly to non-executed conformity clearance decisions for the European Agricultural Guarantee Fund (EAGF) as well as for the European Agricultural Fund for Rural Development (EAFRD). The amounts related to these decisions are being recovered in annual instalments.

Own resources recoverables

The 'A accounts' refer to the monthly statements in which the Member States communicate the established traditional own resources (TOR) entitlements. The table lists the 'A accounts' amounts that have not yet been paid to the Commission. TOR are mainly customs duties collected by Member States on behalf of the Commission.

The 'A accounts' have tended to have a level in the range of EUR 3 to 4 billion at year-end. In 2025, the amounts declared by the Member States are around the usual level. The final amount reflects to a great extent the customs duties established in November and December 2025.

Concerning the United Kingdom infringement case (Infringement No 2018/2008), on 8 March 2022, the Court issued the related judgement and confirmed that the UK had infringed its obligations to protect the Union budget. The case originated in a 2017 OLAF report, that found that importers in the UK had evaded a large amount of customs duties by using fictitious and false invoices and incorrect customs value declarations at the time of importation.

The Commission assessed the judgment, and particularly the comments of the Court with respect to the determination of the amounts due. Following a detailed analysis, the UK paid both principal and late interest amounts between 2022 and 2023 (EUR 1,6 billion for the principal and EUR 1,4 billion for late interest before the reduction of the UK share).

Applying the same parameters for the calculation of the estimated TOR losses due for textiles and footwear imported from China at significantly understated value, Member States paid under reservation an amount of EUR 1,9 billion during 2021 and 2022. Following the closure of the undervaluation file regarding the UK in 2023, the Commission has been recalculating in cooperation with Member States their respective final amounts due in accordance with the Court ruling case C-213/19. In 2024 and 2025, the final amounts of principal and interest due have been agreed with several Member States and the respective cases have been closed. Clarifications with some Member States are still ongoing to establish the final amounts due. By 31 December 2025, the accounts are adjusted downward by EUR 0,24 billion that reflects the revenue correction.

The late payment interest due in relation to these cases is currently estimated to be EUR 0,3 billion at 31 December 2025 (see Note **2.6.2**).

'Separate accounts' refers to established entitlements that have not been included in the 'A accounts', because they have not been recovered by Member States and no security (i.e. guarantee) has been provided (or security has been provided but the amounts are contested). These entitlements are subject to impairment based on information provided every year by the Member States. The impairment amounts represent generally a similar percentage of the principal amount at each year-end.

EAGF and Rural Development recoverables

This item primarily covers the amounts owed by Member States at 31 December 2025, as declared and certified by the Member States as at 15 October 2025. An estimation is made for the recoverables arising after this declaration and up to 31 December 2025. The Commission also estimates a write-down for the amounts owed by beneficiaries that are unlikely to be recovered. The fact that such an adjustment is made does not mean that the Commission is waiving future recovery of these amounts. A deduction of 20 % is also included in the adjustment and corresponds to what Member States are allowed to retain to cover administrative costs.

2.6.1.2. *UK Withdrawal Agreement*

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' (ref. 2019/C 384 I/01) (the 'Withdrawal Agreement' or 'WA') signed between the EU and the UK lays down various financial obligations for both parties. As at 31 December 2025, the net receivable from the UK based on these obligations amounted to EUR 10 761 million (2024: EUR 12 762 million), of which EUR 505 million is to be received within the 12 months following the reporting date (2024: EUR 1 530 million):

EUR million

	Article 140	Article 142	Other	31.12.2025	31.12.2024
Due from the UK	*2 327*	*9 599*	*166*	*12 092*	*14 683*
Due to the UK	*–*	*–*	*(1 331)*	*(1 331)*	*(1 922)*
Total	**2 327**	**9 599**	**(1 165)**	**10 761**	**12 762**
Non-current	*1 928*	*9 244*	*(915)*	*10 256*	*11 231*
Current	*399*	*355*	*(250)*	*505*	*1 530*

Amount owed by the UK – Change against previous year

The decrease of the net receivable of EUR 2 001 million (from EUR 12 762 million at end 2024 to EUR 10 761 million at end 2025) is mainly due to the net payments received in 2025 (EUR 1 535 million) as well as a non-cash adjustment of EUR 465 million. This non-cash adjustment, which is booked as a net expense, is due to:

— the decrease of the amount owed by the UK under Article 142 for its share of the outstanding valuations for PSEO and JSIS (EUR 529 million);

— the decrease of the amount owed by the UK under Article 140 (EUR 142 million) due to additional offsetting positions (EUR 58 million) and the adjustment of the estimated non-implementation (EUR 84 million);

— the amounts owed to the UK under Articles 143 and 144 WA (EUR 198 million and EUR 43 million, respectively);

— the net decrease of the amount owed by the UK for legal cases under Article 147 (EUR 5 million), comprising the amount owed by the UK for its share of the net amounts paid in 2025 of EUR 7 million and the decrease of the estimated amount owed by the UK for legal cases not yet resolved of EUR 12 million);

counterbalanced by

— the amount owed by the UK under Article 142 for its share of the net payments made from the Union budget in 2025 to the beneficiaries of the PSEO and to JSIS (EUR 326 million);

— the decrease of the amount owed to the UK under Article 141 due to a reduction of the measurement base of the UK's share in fines (EUR 109 million); and

— the increase of the amount owed by the UK under Article 136 due to the update of estimates and additional amounts (EUR 17 million).

Amount to be paid within 12 months following the reporting date

The amount of EUR 505 million to be paid by the UK within the 12 months following the reporting date comprises the remainder of the September 2025 invoice (EUR 338 million), the 2026 April invoice (EUR 78 million, including an expected adjustment of EUR 27,9 million related to Article 140), and the portion of the estimated September 2026 invoice payable in October to December 2026 (EUR 89 million):

EUR million

	Remainder September 2025 invoice	April 2026 invoice	Estimate September 2026 invoice (Oct.-Dec.portion)	Total
Article 136	*9*	*122*		*130*
Article 140	*406*	*(136)*	*129*	*399*
Article 141	*(95)*		*(50)*	*(146)*
Article 142	*18*	*326*	*11*	*355*
Article 143		*(198)*		*(198)*
Article 144		*(43)*		*(43)*
Article 147		*7*		*7*
Total	**338**	**78**	**89**	**505**

UK share (Article 139)

According to Article 139, the UK's share of the financial obligations arising out of the WA is a percentage calculated as the ratio between the own resources made available by the UK in the years 2014 to 2020 and the own resources made available during that period by all Member States and the UK as adjusted by the amount communicated to the Member States before 1 February 2022. The final UK share has been calculated as being 12.431681219587700 %.

Payments under the Withdrawal Agreement

The payment mechanism to be applied to the obligations provided for between the two parties is laid out in Article 148. In summary, the EU invoices the net amounts due from the UK in April and September of each year and the UK pays these on a monthly basis. The amounts reported in April of a given year are to be paid in four equal monthly instalments from June to September of that year. The amounts reported in September are to be paid in eight equal monthly instalments from October of that year to May of the following year. Since some amounts reported are necessarily based on forecasts and estimates, the reporting is updated each year based on actual figures.

In 2025 the net amount reported to the UK under Article 136, and Articles 140 to 147, was EUR 754 million (2024: EUR 377 million), of which EUR 213 million was reported in April 2025 and EUR 541 million was reported in September 2025 (2024: EUR 1 414 million (payable to the UK) and EUR 1 791 million (payable by the UK), respectively).

The total payments received in 2025 amounted to EUR 1 535 million (2024: EUR 2 391 million). Of this amount, EUR 1 120 million related to the remainder of the September 2024 report and was paid by the UK in five equal instalments in the period from January to May 2025 (2024: EUR 3 133 million), EUR 213 million related to the 2025 April report and was paid by the UK in four equal monthly instalments in the period from June to September 2025 (2024: EUR 1 414 million, paid to the UK), and EUR 203 million related to the 2025 September report and was paid by the UK in three equal instalments in the period October to December 2025 (2024: EUR 672 million).

EUR million

	Remainder of September 2024 report: (due and paid from January to May 2025)	April 2025 report: (due and paid from June to September 2025)	September 2025 report: (due and paid from October to December 2025)	Total payments in 2025
Article 140	*1 119*	*599*	*244*	*1 963*
Article 142	*18*	*305*	*11*	*334*
Article 136	*13*	*–*	*5*	*18*
Article 147	*–*	*69*	*–*	*69*
	1 150	*973*	*260*	*2 384*
Article 136	*–*	*(126)*	*–*	*(126)*
Article 141	*(31)*	*(343)*	*(57)*	*(431)*
Article 143	*–*	*(191)*	*–*	*(191)*
Article 144	*–*	*(58)*	*–*	*(58)*
Article 145	*–*	*(37)*	*–*	*(37)*
Article 146	*–*	*(7)*	*–*	*(7)*
	(31)	*(760)*	*(57)*	*(848)*
Total	**1 120**	**213**	**203**	**1 535**

The remaining balance of the September 2025 invoice at the end of the year, amounting to EUR 338 million, is payable by the UK in five equal monthly instalments in the period January to May 2026 (2024: EUR 1 120 million).

Article 140 – Outstanding commitments

The UK has committed to pay to the EU its share of the outstanding budgetary commitments at 31 December 2020 (the 'Brexit RAL'), as adjusted by the requirements of Article 140. At 31 December 2025, the total amount recognised as a receivable amounted to EUR 2 327 million (2024: EUR 4 432 million), of which EUR 399 million is payable within the 12 months following the year-end. The following table presents the main movements between the total amount recognised as a receivable at 31 December 2024 and the total amount recognised as a receivable at 31 December 2025:

EUR million

Amount owed by the UK at 31.12.2024	**4 432**
Net financial corrections related to 2014-2020 or previous programme periods (including adjustment of 2025 deductions)	*(58)*
Own resources infringement procedures	*(0)*
Net payments received from the UK in 2025	*(1 963)*
Adjustment of estimated non-implementation	*(84)*
Amount owed by the UK at 31.12.2025	**2 327**
Non-current	*1 928*
Current	*399*

The year-on-year decrease of the total amount recognised as a receivable amounted to EUR 2 104 million (2024: EUR 3 909 million) and was mainly due to the payments received from the UK in 2025.

The amount to be paid within 12 months from the reporting date (EUR 399 million) comprises the remaining balance of the September 2025 invoice (EUR 406,5 million) payable by the UK in the period from January to May 2026, the amount invoiced in April 2026 (EUR 136,3 million, including an expected adjustment of EUR 27,9 million) payable to the UK in the period from June to September 2026, and the part of the estimated amount to be invoiced in September 2026 payable by the UK in the period from October to December 2026 (EUR 128,9 million).

The amount invoiced in April 2026 is composed of EUR 200,6 million relating to the UK's share of the estimated RAL implementation in 2026, a negative amount of EUR 336,4 million (including an expected adjustment of EUR 27,9 million) relating to the adjustment of the UK's share of the RAL due to implementation in 2025, and a negative amount of EUR 0,5 million relating to own resources infringement procedures.

The estimated amount to be invoiced in September 2026 and payable in the period October to December 2026 is made up of EUR 150,4 million relating to the UK's share of the estimated RAL implementation in 2026 and a negative amount of EUR 21,6 million relating to the UK's share of the estimated net financial corrections related to 2014-2020 or previous programme periods (including the adjustment of the 2025 deductions).

The estimated non-implementation has been adjusted by EUR 84 million to reflect the decommitments in 2025 as well as the future decommitments of the remaining stock of Brexit-RAL as estimated at year-end 2025.

Article 142 – Union liabilities at end 2020

The UK has committed to pay the EU its share of Union liabilities at end 2020 with the exception of liabilities: (a) with corresponding assets and (b) relating to the operation of the budget and the management of own resources (including amounts already covered by the outstanding commitments, see Article 140 above). The main amount here concerns the EU post-employment benefit liabilities (pensions and sickness insurance) existing at 31 December 2020.

Outstanding 2020 liabilities under Article 142 (6)

EUR million

	Pension Scheme of European Officials	Joint Sickness Insurance Scheme	31.12.2025	31.12.2024
Outstanding 2020 liabilities	*68 944*	*4 326*	*73 271*	*77 529*
UK Share	**8 571**	**538**	**9 109**	**9 638**
PSEO/JSIS contributions	**315**	**12**	**326**	**305**
Total	**8 885**	**550**	**9 435**	**9 943**
Non-current	*8 571*	*538*	*9 109*	*9 638*
Current	*315*	*12*	*326*	*305*

According to the default payment mode laid out in Article 142(6), the UK contributes annually to the net payments made from the Union budget in the preceding year to each beneficiary of the Pension Scheme of European Officials (PSEO) and to the related contribution of the Union budget to the Joint Sickness Insurance Scheme (JSIS) for each beneficiary or person who benefits through a beneficiary. The contributions are payable in four monthly instalments from June to September of the respective year.

The UK's share of the net payments made from the Union budget in 2025 to the beneficiaries of the PSEO and to JSIS amounted to EUR 315 million and EUR 12 million, respectively. These amounts were communicated to the UK as part of the April 2026 invoice (and thus will be payable by the UK in four equal monthly instalments in the period from June to September 2026).

In addition, at 31 December 2025 the outstanding 2020 UK liabilities under Article 142(6), relating to the PSEO and the JSIS amounted to EUR 8 571 million and EUR 538 million, respectively (2024: EUR 9 023 million and EUR 615 million). It is noted that while actuarial losses (or gains) from changes in actuarial assumptions impact the present value of the outstanding 2020 liabilities calculated on the basis of IPSAS 39/EAR 12, they do not change either the amount of benefits that will have to be actually paid by the EU, or, by implication, the UK contributions to these payments as due under the default settlement mechanism set out in Article 142 (6).

Outstanding 2020 liabilities under Article 142 (5)

According to Article 142(5), the UK contributes to the liabilities relating to the other retirement (pension) schemes as they were recorded in the consolidated EU accounts for the 2020 financial year in 10 instalments starting on 31 October 2021 (with each annual instalment payable in eight monthly instalments from October to May the following year). These liabilities in the consolidated annual accounts of the Union for the 2020 financial year amounted to EUR 2 344 billion, resulting in a UK share at 31 December 2020 of EUR 291 million. Taking into account the amounts received from the UK up until the end of 2025, totalling EUR 127 million, the outstanding UK's share of the other retirement (pension) schemes had decreased to EUR 164 million at 31 December 2025, of which EUR 29 million is to be paid within the 12 months following the year-end.

For more information regarding the employee benefit schemes, please see Note **1.5.10** and Note **2.9**.

Other articles

EUR million

	31.12.2025	31.12.2024
Due from the UK:		
Article 136	*133*	*8*
Article 147	*33*	*107*
	166	**116**
Due to the UK:		
Article 141	*(1 090)*	*(1 630)*
Article 143	*(198)*	*(191)*
Article 144	*(43)*	*(58)*
Article 145	*–*	*(37)*
Article 146	*–*	*(7)*
	(1 331)	**(1 922)**
Total	**(1 165)**	**(1 806)**
Non-current	*(915)*	*(1 040)*
Current	*(250)*	*(766)*

Article 136 – Provisions applicable in relation to own resources

Article 136 lays down the provisions applicable after 31 December 2020 in relation to own resources. The UK is entitled to receive its share or obliged to pay its share, as the case may be, where own resources relating to the financial years up to and including 2020 are to be made available, corrected or subject to adjustments after 31 December 2020. Thus, the UK is subject to any adjustments to VAT and GNI own resources that relate to the financial years up to and including 2020. However, these VAT and GNI adjustments will only be made if decided upon no later than 31 December 2028.

In accordance with Article 136 of the Withdrawal Agreement, the UK authorities continue to send monthly A account statements providing a summary of the amounts of traditional own resources due to the EU budget. These amounts (minus applicable retention rate) are included in the total amounts of the subsequent invoice referred to in Article 148(2) of the Withdrawal Agreement (see next paragraph). If those amounts are paid late, interest is due under Article 12 of Regulation (EU, Euratom) No 609/2014.

The UK is therefore required to pay the traditional own resources collected by them after 28 February 2021, but relating to the years 2020 and earlier. Their share of the total made available is to be deducted from this amount. The separate account for traditional own resources must be fully liquidated at 31 December 2025. Thus the UK will make available a share, calculated according to Article 136(3)f, of the outstanding amounts at that date that are not subject to European Commission inspection findings.

The net outstanding amount due from the UK at 31 December 2025 is EUR 133 million (2024: EUR 8 million), of which EUR 130 million will have to be paid by the UK within the 12 months following the year-end and EUR 2 million afterwards.

EUR million

Amount due to (-)/from (+) the UK at 31.12.2024	**8**
Adjustment of estimate for amounts invoiced in 2025	*14*
Payments made to the UK in 2025	*107*
VAT and GNI adjustments (balances exercise 2024)	*(12)*
Interest on late payment of UK traditional own resources and VAT own resources	*5*
Share of the pending TOR in the UK separate account by 31 December 2025	*4*
UK net traditional own resources after 28 February 2021	*3*
VAT and GNI adjustments (balances exercise 2025)	*2*
Amount due to (-)/from (+) the UK at 31.12.2025	**133**
Non-current	*2*
Current	*130*

The amount presented under 'VAT and GNI adjustments (balances exercise 2024)' corresponds to the difference between the actual April 2026 invoice (EUR 109 million) and the estimate already included in the Brexit receivable at year-end 2024 (EUR 121 million).

The amount presented under the line items 'Interest on late payment of UK traditional and VAT own resources', 'Share of the pending TOR in the UK separate account by 31 December 2025', and 'UK net traditional own resources after 28 February 2021' corresponds to the further amounts invoiced in April 2026.

The amount presented under 'VAT and GNI adjustments (balances exercise 2025)' corresponds to the estimated amount to be invoiced in April 2027.

Article 141 – Fines

The UK is entitled to its share of fines decided before 31 December 2020 and also those decided upon by the Union after 31 December 2020 in a procedure referred to in Article 92(1) when these become definitive. The amount of UK relevant fines which were outstanding at 31 December 2025 is EUR 7,6 billion (2024: EUR 8,9 billion). The net decrease in these fines was EUR 1,3 billion (EUR 0,0 of fines issued in 2025 less EUR 0,4 billion of fines confirmed and paid, reduced or cancelled by court decisions less EUR 0,9 billion increase in impairment). The UK's share of the UK relevant fines outstanding at 31 December 2025 is EUR 0,9 billion (2024: EUR 1,1 billion), out of which an amount of EUR 89 million will be included in the September 2026 invoice and paid to the UK in the period October 2026 to May 2027. In addition, the UK is entitled to its share of definitive fines which were no longer outstanding at 31 December 2025 (EUR 46 million, to be included in the September 2026 invoice and paid to the UK in the period October 2026 to May 2027) and its share of definitive fines that were invoiced in September 2025 but not yet paid at year-end (EUR 95 million, to be paid to the UK in the period January to May 2026). The total UK's share of fines thus amounts to EUR 1,09 billion (2024: EUR 1,6 billion), of which EUR 146 million is to be paid within the 12 months following the reporting date (2024: EUR 431 million).

Articles 143 – Contingent financial liabilities: loans for financial assistance, EFSI, EFSD & ELM

Under this article the UK shall be liable to fund its share of the contingent liabilities of the EU in relation to its borrowing, lending and guarantee activities should these crystallise and should they not be covered by existing guarantee funds – see Note **4.1** for the related contingent liabilities. The EU will refund to the UK amounts which the UK has already contributed to guarantee funds and which are no longer needed. The UK also has a right to the reflows from operations for which it shares the liability. At 31 December 2025 the amount to be paid to the UK, all within the next 12 months, is EUR 198,3 million (2024: EUR 190,6 million). This amount comprises the UK share of the recoveries and net revenues collected in 2025 (EUR 129,3 million), the excess in provisioning (EUR 42,6 million) and the revenue from asset management (EUR 26,5 million). It also comprises minus EUR 41 thousand of adjustments identified during the agreed-upon review procedures: adjustment for amount of outflows covered by the inflows generated by operations for ELM (EUR 49) and adjustments between 'pre-Brexit' and 'post-Brexit' inflows and outflows covered by the inflows generated by operations for EFSI (EUR 1 246); adjustment of the 2024 split of amounts of outstanding 'pre-Brexit' and 'post-Brexit' guaranteed operations for EFSI (minus EUR 41 899).

Articles 144 – Financial instruments

Under this article, the EU has committed to refund to the UK its share of the reflows stemming from financial operations approved by the withdrawal date, as well as its share of the disbursements made to financial operations approved after the withdrawal date. At 31 December 2025 the amount to be paid to the UK, all within the next 12 months, is EUR 42,7 million (2024: EUR 57,9 million).

Article 145 – European Coal and Steel Community in Liquidation (ECSC i.L.)

The UK is entitled to its share of the net assets of ECSC i.L. at 31 December 2020, to be paid back in five instalments on 30 June each year, starting in 2021. The net assets of the ECSC i.L. at 31 December 2020 amounted to EUR 1,5 billion, of which the UK's share is EUR 184 million. Following the payment of the fifth and last instalment of EUR 37 million in 2025, at 31 December 2025 the UK has repaid all its obligations in relation to this article.

Article 146 – Investment in the European Investment Fund (EIF)

The UK is entitled to its share of the EU's investment in the paid-in share capital of the EIF at 31 December 2020, to be paid back in five instalments on 30 June each year, starting in 2021. The EU's investment in the EIF paid-in share capital at 31 December 2020 was EUR 267 million of which the UK's share is EUR 33 million. Following the payment of the fifth and last instalment of EUR 6,6 million in 2025, at 31 December 2025 the UK has repaid all its obligations in relation to this article.

Article 147 – Legal cases

The UK has committed to contribute its share of EU payments arising from legal cases concerning the financial interests of the Union which become due, provided the facts that constitute the subject matter of those cases occurred no later than 31 December 2020. Taking into account the provisions and accruals at year-end, as well as actual payments made and received by the EU for legal cases in 2025, the UK will have to pay an estimated EUR 33 million (2024: EUR 107 million), of which EUR 7 million is to be paid within 12 months of the reporting date.

2.6.1.3. Recoverables from fines imposed on companies

EUR million

	31.12.2025	31.12.2024
Recoverable from fines gross amount	*15 604*	*12 247*
Provisional payments	*(2 823)*	*(2 161)*
Impairment	*(1 817)*	*(934)*
Total	**10 964**	**9 152**
Non-current	–	–
Current	*10 964*	*9 152*

Fines imposed on companies include competition fines and other fines. Fined companies who have launched or are planning to launch an appeal have an option to either make provisional payments or to provide bank guarantees to the Commission. For the total outstanding fines at year-end that are not covered by provisional or definitive payments, EUR 10 729 million (2024: EUR 7 091 million) of guarantees have been received as coverage.

Payments received from fined companies are held either as investments (see Note **2.4.2.1**) or on bank accounts (see Note **2.8**).

The amounts written down due to impairment reflect the Commission's case-by-case assessment of those fines not cashed or not covered by a guarantee, which the Commission expects not to recover, as well as cases reduced by the Courts.

Revenue from fines imposed on companies for the year totalled EUR 4 808 million (see Note **3.5**) while expenses, i.e. reductions of fines by Court decisions, totalled EUR 214 million (see Note **3.16**).

A contingent liability of EUR 2 035 million is disclosed for the possibility of having to pay back provisionally paid amounts to fined companies who are appealing or have the right to appeal the fines imposed on them – see Note **4.2.1**.

2.6.1.4. Accrued income and deferred charges

EUR million

	31.12.2025	31.12.2024
Accrued income	*1 679*	*756*
Deferred charges relating to non-exchange transactions	*591*	*339*
Total	**2 269**	**1 095**
Non-current	*0*	*10*
Current	*2 269*	*1 085*

Accrued income includes EUR 0,3 billion (2024: EUR 0,4 billion) that the Commission expects to recover in the area of cohesion as a result of the examination and acceptance of the annual accounts submitted by the Member States.

2.6.2. *Receivables from exchange transactions*

EUR million

	31.12.2025	31.12.2024
Non-current		
Financial guarantee receivable	*1 359*	*1 324*
Late payment interest	*319*	*323*
Other receivables	*108*	*84*
	1 786	**1 731**
Current		
Financial guarantee receivable	*293*	*306*
Customers	*349*	*302*
Impairment on receivables from customers	*(154)*	*(136)*
Deferred charges relating to exchange transactions	*411*	*363*
Late payment interest	*801*	*761*
Other	*753*	*339*
	2 452	**1 936**
Total	**4 238**	**3 666**

The financial guarantee contract (FGC) receivable represents the future remuneration the EU expects to receive for guarantees given. The majority of the EU guarantees are non-remunerated or priced below the market rate. Therefore, the FGC receivable is significantly smaller than the FGC liability (see Note **2.11.2**). Out of the total amount of EUR 1 651 million of the FGC receivable as at 31 December 2025, EUR 1 564 million is classified as financial assets at FVSD (fair value level 3). Compared to the opening balance as at 1 January 2025 of EUR 1 629 million, the FGC receivable has increased in total by EUR 22 million due to EUR 264 million higher guarantee premiums expected to be received in the future net of EUR 242 million guarantee premiums received during the year.

The late payment interest concerns mainly own resources cases and accrued interest on fines covered by guarantees provided by fined companies. The non-current amount (EUR 0,3 billion) relates to the cases still ongoing with the Member States mentioned under Note **2.6.1.1**.

2.7. INVENTORIES

EUR million

	31.12.2025	31.12.2024
Scientific materials	*58*	*66*
Other	*22*	*19*
Total	**79**	**85**

2.8. CASH AND CASH EQUIVALENTS

EUR million

	Note	31.12.2025	31.12.2024
Accounts with Treasuries and Central Banks		*31 755*	*24 059*
Current accounts		*1 816*	*808*
Imprest accounts		*7*	*10*
Transfers (cash in transit)		*0*	–

EUR million

	Note	31.12.2025	31.12.2024
Other term deposits		–	–
Bank accounts for budget implementation	*2.8.1*	**33 579**	**24 877**
Accounts with Central Banks		*23 596*	*33 926*
Term deposits		*23 516*	–
Reverse repo transactions		*18 115*	–
Liquidity for unified funding	*2.8.2*	**65 227**	**33 926**
Financial instruments	*2.8.3*	**2 975**	**2 758**
Fines	*2.8.4*	**237**	**134**
Other institutions, agencies and bodies		**988**	**1 439**
Trust funds		**35**	**30**
Total		**103 041**	**63 163**

2.8.1. *Bank accounts for budget implementation*

This heading covers the funds which the Commission keeps in its bank accounts in each Member State and EFTA country (treasury or central bank), as well as in commercial bank current accounts, imprest accounts and petty cash accounts.

The Commission's cash balances follow a cyclical pattern: inflows of resources (e.g., revenue collections) are typically followed by expenditures. This timing mismatch causes the balances to fluctuate throughout the year. A key feature of this cycle is that a significant portion of the year-end cash balance is used in early January to cover a major payment, primarily for expenditure under the European Agricultural Guarantee Fund (EAGF).

The difference in cash balance available at end 2025 compared to 2024 was mainly due to a higher carry-over of payment appropriations, notably for the European Solidarity Fund to cater for payments to several disaster-struck countries, the revenues collected from the auctioning of ETS allowances to finance the Social Climate Fund Plans starting in 2026, and a higher amount than budgeted of Traditional Own Resources. In addition, there was a somewhat slower pace in certain expenditures than forecasted.

2.8.2. *Liquidity for unified funding*

Under the unified funding strategy, part of the proceeds from borrowings is either kept as cash or invested in short-term investments in order to serve the upcoming disbursement obligations.

A reverse repurchase transaction is a cash lending operation agreed by the EU with a counterparty for a fixed period at a fixed interest rate. The length of the transaction is 7 or 14 days. As a collateral, the EU receives highly liquid bonds for the limited duration of the reversed repo operation (EUR 18,1 billion as at 31 December 2025). Since the risks and rewards of the collateral remain with the transferor, it is not recognised on the EU balance sheet.

The increased cash and cash equivalents balances at the end of 2025 are due to disbursements planned for the beginning of 2026 to finance the RRF and SAFE programmes.

2.8.3. *Financial instruments*

Amounts shown under this heading primarily concern cash equivalents managed by fiduciaries on behalf of the Commission for the purpose of implementing financial instrument programmes funded by the EU budget: EUR 2,0 billion as at 31 December 2025, of which EUR 0,8 billion relates to the EIC Fund – see Note **2.4.2.1**. It also includes EUR 0,8 billion cash equivalents (term deposits and short term commercial papers) belonging to the Innovation Fund managed by the EIB – see Note **2.4.2.1.** This heading does not cover the CPF related liquidity buffer (EUR 0,2 billion as at 31 December 2025), which is held in the Commission's central treasury. Cash belonging to financial instruments can only be used by the programmes concerned.

2.8.4. *Fines*

This is cash received in connection with fines issued by the Commission to companies for which the case is still open. Where an appeal has been lodged or when it is unknown if an appeal will be made by the fined company, the underlying amount is shown as contingent liability in Note **4.2.1**. Since 2010, all provisionally cashed fines to companies have been managed by the Commission in the BUFI fund and invested in financial instruments categorised as financial assets at FVSD non-derivatives (see Note **2.4.2**), with some of the fund assets being cashed at year-end.

LIABILITIES

2.9. **PENSION AND OTHER EMPLOYEE BENEFITS**

2.9.1. *Net employee benefit scheme liability*

EUR million

	Pension Scheme of European Officials	Other retirement benefit schemes	Joint Sickness Insurance Scheme	31.12.2025 Total	31.12.2024 Total
Defined Benefit Obligation	*83 998*	*1 887*	*5 721*	*91 605*	*93 557*
Plan assets	*N/A*	*(11)*	*(467)*	*(477)*	*(461)*
Net liability	**83 998**	**1 876**	**5 254**	**91 128**	**93 096**

The total employee benefits liability has remained relatively stable, the small decrease being primarily driven by a decrease in the net liability of the Joint Sickness Insurance Scheme (JSIS). This is due to an updated value of the trend of medical costs in the JSIS which has led to actuarial gains due to changes in the financial assumptions, thus reducing the total liability. Additionally, a very small decrease in the net liability was observed in the Pension Scheme of European Officials (PSEO), the largest scheme in place. The actuarial gains resulting from the increase in the PSEO real discount rate in the year were partially netted off by losses due to actuarial assumptions related to salary changes (see Notes **2.9.2** and **2.9.4**). It must be noted, however, that while an increase or a decrease in the real discount rate impacts the size of the liability at year-end, it does not change the amount of benefits that will have to be actually paid from the EU budget to the beneficiaries in future years. The additional decrease in the net PSEO liability due to actuarial gains from experience was netted off by an increase due to the annual current service cost and interest cost (unwinding of the liability discounting), reducing further the impact of the actuarial gains due to changes in the financial assumptions on the total liability (see Note **2.9.2**).

Pension Scheme of European Officials

This defined benefit obligation represents the present value of expected future payments that the EU is required to make, so as to settle the pension obligations resulting from employee service in the current and prior periods. The scheme is ongoing, and as such, all payments required to be made from the scheme on an annual basis are included in the EU budget each year.

In accordance with Article 83 of the Staff Regulations, the payment of the benefits provided for in the staff pension scheme constitutes a charge to the EU budget. The scheme is notionally funded, and the Member States guarantee the payment of these benefits collectively. A compulsory pension contribution is deducted from the basic salaries of active members, currently 13,1 %. These contributions are treated as budget revenue of the year and contribute to the funding of EU expenditure in general, see also Note **3.8**.

The liabilities of the pension scheme were assessed on the basis of the number of PSEO staff (active staff, retirees, former active staff now on invalidity and dependants of deceased staff) at 31 December 2025 and on the rules of the Staff Regulations applicable at this date. This valuation was carried out in accordance with the accounting provisions of IPSAS 39 (and therefore also EU accounting rule 12).

Other retirement benefit schemes

This refers to the liability relating to the pension obligations towards Members and former Members of the Commission, the European Court of Justice and the Court of Auditors, the Council, the European Ombudsman and the European Data Protection Supervisor. Also included under this heading are liabilities relating to the pensions of Members of the European Parliament.

Joint Sickness Insurance Scheme

In addition to the above retirement benefit schemes, a valuation is made for the estimated liability that the EU has regarding the Joint Sickness Insurance Scheme (JSIS) in relation to healthcare costs, which must be paid during post-activity periods (net of their contributions). As stated in Note **1.5.10**, the calculation of this liability takes account of the full active service period, ensuring that both the pension and the sickness insurance schemes of the staff's post-employment plan are accounted for consistently.

Taking into account the obligation to faithfully present the economic substance of the underlying situation as required by both EAR and IPSAS, IPSAS 39 has not been interpreted in a stricter sense when attributing the benefits to the periods of service. If the service cost were to be accrued for the JSIS scheme fully over 10 years for all officials, as opposed to the period of active service of the employee, the impact of such an approach on the defined benefit obligation at year-end would be an increase of EUR 0,8 billion. However, as already indicated, this stricter approach would not be compatible with the qualitative characteristic of faithful representation, and thus would not be deemed to provide reliable information in accordance with EAR 1 and the IPSAS Conceptual Framework. This estimate is highly sensitive to the evolution of current staff administrative status (in particular, the number of fixed-term contract members assumed to become officials in the future).

2.9.2. *Movement in present value of employee benefits defined benefit obligation*

The present value of the defined benefit obligation is the discounted expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

An analysis of the current year movement in the defined benefit obligation is presented below:

EUR million

	Pension Scheme of European Officials	Other retirement benefit schemes	Joint Sickness Insurance Scheme	Total
Present value as at 31.12.2024	**84 765**	**1 942**	**6 850**	**93 557**
Recognised in statement of financial performance				
Current Service Cost	*2 874*	*77*	*241*	*3 192*
Interest cost	*2 794*	*63*	*226*	*3 083*
Recognised in net assets				
Remeasurements in employee benefits liabilities				
Actuarial (gains)/losses from experience	*(1 498)*	*17*	*(202)*	*(1 683)*
Actuarial (gains)/losses from demographic assumptions	*237*	*6*	*15*	*259*
Actuarial (gains)/losses from financial assumptions	*(2 608)*	*(134)*	*(1 270)*	*(4 012)*
Other				
Benefits paid	*(2 567)*	*(84)*	*(140)*	*(2 791)*
Present value as at 31.12.2025	**83 998**	**1 887**	**5 721**	**91 605**

Current service cost is the increase in the present value of the defined benefit obligation arising from current members' service in the current year.

Interest cost refers to the increase during the period in the present value of the defined benefit obligation because the benefits are one period closer to settlement.

Actuarial gains and losses from experience refer to the effects of differences between what was expected according to the assumptions made in the previous year for 2025 and what really occurred in 2025. This item also reflects the impact of newcomers (staff members present in the current exercise but not in the previous one).

Actuarial gains and losses from changes in the values of the actuarial assumptions (demographic variables such as employee turnover and mortality and financial variables such as discount rates and expected salary increases) arise when the estimated values of those assumptions are updated in order to reflect the underlying conditions.

Benefits (for example, pensions or medical cost reimbursements) are paid during the year according to the rules of the scheme. These benefits paid lead to a decrease in the defined benefit obligation.

2.9.3. *Plan assets*

EUR million

	Other retirement benefit schemes	Joint Sickness Insurance Scheme	Total
Present value as at 31.12.2024	**23**	**438**	**461**
Net movement in plan assets	*(12)*	*29*	*17*
Present value as at 31.12.2025	**11**	**467**	**477**

2.9.4. *Actuarial assumptions – employee benefits*

The principal actuarial assumptions used in the valuation of the two main employee benefit schemes of the EU are shown below:

	2025	2024
Pension Scheme of European Officials		
Nominal discount rate	*3,8 %*	*3,3 %*
Expected inflation rate	*2,0 %*	*2,0 %*
Real discount rate	*1,8 %*	*1,3 %*
Expected rate of future salary increases	*1,4 %*	*1,3 %*
Retirement age	*63/64/66*	*63/64/66*
Joint Sickness Insurance Scheme		
Nominal discount rate	*3,8 %*	*3,3 %*
Expected inflation rate	*2,0 %*	*2,0 %*
Real discount rate	*1,8 %*	*1,3 %*
Expected rate of future salary increases	*1,4 %*	*1,3 %*
Medical cost trend rates	*0,9 %*	*1,6 %*
Retirement age	*63/64/66*	*63/64/66*

Mortality rates for 2025 are based on the updated EU Civil Servants Life Table – EULT 2023, incorporating a dynamic trend over the next 18 years.

The nominal discount rate is determined as the value of the Euro zero-coupon yield (with a maturity of 17 years as of December 2025 for the PSEO, and 17 years for the Joint Sickness Insurance Scheme). The inflation rate used is the expected inflation rate over the equivalent period: the break-even inflation is retrieved by comparing the yields of inflation-linked and regular government bonds of the main European financial markets. The real discount rate is calculated from the nominal discount rate and the expected long-term inflation rate.

2.9.5. *Sensitivity analysis*

The sensitivity analysis is based on simulations, which change, everything else being equal, the value of the concerned assumptions.

Pension Scheme of European Officials sensitivity

A ten basis point (0,1 %) change in the assumed real discount rate would have the following effects:

EUR million

	2025		2024	
	Increase 0,1 %	Decrease 0,1 %	Increase 0,1 %	Decrease 0,1 %
Defined benefit obligation	*(1 436)*	*1 474*	*(1 516)*	*1 558*

A ten basis point (0,1 %) change in expected salary increases would have the following effects:

EUR million

	2025		2024	
	Increase 0,1 %	Decrease 0,1 %	Increase 0,1 %	Decrease 0,1 %
Defined benefit obligation	*1 439*	*(1 404)*	*1 514*	*(1 476)*

A one-year change in assumed retirement age would have the following effects:

EUR million

	2025		2024	
	One year increase	One year decrease	One year increase	One year decrease
Defined benefit obligation	*(751)*	*1 078*	*(799)*	*1 109*

Joint Sickness Insurance Scheme sensitivity

A ten basis point change in assumed medical cost trend rates would have the following effects:

EUR million

	2025		2024	
	Increase 0,1 %	Decrease 0,1 %	Increase 0,1 %	Decrease 0,1 %
The aggregate of the current service cost and interest cost components of net periodic post-employment medical costs	*11*	*(10)*	*11*	*(11)*
Defined benefit obligation	*131*	*(127)*	*166*	*(162)*

A ten basis point (0,1 %) change in the assumed nominal discount rate would have the following effects:

EUR million

	2025		2024	
	Increase 0,1 %	Decrease 0,1 %	Increase 0,1 %	Decrease 0,1 %
Defined benefit obligation	*(96)*	*99*	*(130)*	*133*

A ten basis point (0,1 %) change in expected salary increases would have the following effects:

EUR million

	2025		2024	
	Increase 0,1 %	Decrease 0,1 %	Increase 0,1 %	Decrease 0,1 %
Defined benefit obligation	*(26)*	*25*	*(27)*	*26*

A one-year change in assumed retirement age would have the following effects:

EUR million

	2025		2024	
	One year increase	One year decrease	One year increase	One year decrease
Defined benefit obligation	*(150)*	*161*	*(185)*	*197*

2.10. **PROVISIONS**

EUR million

	Amount at 31.12.2024	Additional provisions	Unused amounts reversed	Amounts used	Transfer between categories	Change in estimation	Amount at 31.12.2025
Legal cases:							
Agriculture	*204*	*9*	*(178)*	–	–	–	*35*
Other	*100*	*149*	*(8)*	*(59)*	–	*0*	*182*
Nuclear site dismantlement	*1 796*	–	–	*(53)*	–	*137*	*1 880*
Financial	*7 082*	*1*	*(7 081)*	*(0)*	–	–	*3*
Other	*633*	*164*	*(206)*	*(17)*	–	*(61)*	*514*
Total	**9 816**	**323**	**(7 473)**	**(129)**	–	**76**	**2 613**
Non-current	**2 280**	**58**	**(181)**	**(22)**	**(63)**	**76**	**2 149**
Current	**7 536**	**265**	**(7 292)**	**(107)**	**63**	–	**464**

Provisions are reliably estimated amounts, arising from past events, that will probably have to be paid by the EU budget in the future.

Financial provisions

In 2024, the EU has recognised EUR 7,1 billion of provisions for ECL on irrevocable loan commitment for MFA ULCM loan. The loan was fully disbursed to Ukraine in 2025, thus the provision was reversed and instead an impairment allowance was recognised as at 31 December 2025 – see Note **2.4.1.1**.

Legal cases

This is the estimate of amounts that will probably have to be paid out after the year-end in relation to a number of on-going legal cases. The Agriculture amounts relate to legal actions of Member States against conformity clearance decisions for the EAGF and the EAFRD.

Nuclear site dismantlement

As of 2017 the basis for the provision was updated as per the 'JRC Decommissioning & Waste Management Programme Strategy (D&WMP) – Updated in 2017'. The review of the strategy, along with budget and staff needs, was conducted together with the independent D&WMP Expert Group. It represents the best available estimate of the budget and staff needed to complete the decommissioning of the JRC sites of Geel, Karlsruhe and Petten. For the Ispra site, a revised cost estimate for decommissioning activities was developed in 2025 and is reflected in the provision.

In accordance with the EU accounting rules, this provision is indexed for inflation and then discounted to its net present value (using the euro swap curve). At 31 December 2025, this resulted in a provision of EUR 1 880 million, split between amounts expected to be used in 2026 (EUR 45 million) and afterwards (EUR 1 834 million).

It must be noted that major uncertainties, inherent to the long term planning of nuclear decommissioning, could affect this estimate, which could significantly increase in the future. The main sources of uncertainty are related to the end state of the decommissioned site, nuclear materials, waste management and disposal aspects, incomplete or lacking definition of national regulatory frames, complicated and time-consuming licensing processes and future developments of the decommissioning industrial market.

2.11. FINANCIAL LIABILITIES

EUR million

	Note	31.12.2025	31.12.2024
Non-current			
Financial liabilities at amortised cost	*2.11.1*	*643 928*	*539 522*
Financial liabilities at fair value through surplus or deficit	*2.4.2.2*	*9*	*13*
Financial guarantee liabilities	*2.11.2*	*81*	*39*
		644 018	**539 575**
Current			
Financial liabilities at amortised cost	*2.11.1*	*89 069*	*55 904*
Financial liabilities at fair value through surplus or deficit	*2.4.2.2*	*53*	*84*
Financial guarantee liabilities	*2.11.2*	*7 647*	*6 340*
		96 769	**62 328**
Total		**740 787**	**601 903**

2.11.1. *Financial liabilities at amortised cost*

EUR million

	Note	31.12.2025	31.12.2024
Borrowings	*2.11.1.1*	*731 224*	*594 028*
Other financial liabilities	*2.11.1.2*	*1 773*	*1 398*
Total		**732 997**	**595 426**
Non-Current		*643 928*	*539 522*
Current		*89 069*	*55 904*

2.11.1.1. Borrowings

EUR million

	Unified Funding	SURE	EFSM	BOP	MFA	Euratom	Total
Total at 31.12.2024	*437 628*	*98 839*	*42 297*	*201*	*14 762*	*301*	*594 028*
New borrowings - nominal	*221 526*	–	–	–	–	–	*221 526*
Repayments	*(73 266)*	*(8 000)*	*(2 400)*	*(200)*	*(20)*	–	*(83 886)*
Changes in carrying amount	*(300)*	*(135)*	*(15)*	*(1)*	*7*	*(0)*	*(443)*
Other movements	*2 500*	–	*(2 500)*	–	–	–	–
Total at 31.12.2025	**588 088**	**90 705**	**37 382**	–	**14 749**	**301**	**731 224**
Non-current	*514 099*	*82 594*	*30 818*	–	*14 495*	*300*	*642 305*
Current	*73 989*	*8 111*	*6 564*	–	*255*	*0*	*88 919*

The nominal amount of borrowings as at 31 December 2025 was EUR 738,9 billion (2024: EUR 601,3 billion). The majority of these borrowings were long-term bond issuances, except for unified funding where short-term EU-Bills of EUR 36,8 billion (2024: EUR 23,1 billion) were also outstanding at year-end. The net new borrowing in 2025 was EUR 137,6 billion (nominal).

The amounts borrowed for SURE, EFSM, Euratom and MFA loans signed before 2023 are 'back-to-back' transactions, which means that the EU issues a dedicated bond to fund a specific loan agreement at the same terms and conditions – see Note **2.4.1.1**.

The 'unified funding' finances the RRF (including REPowerEU) loans and non-repayable support, as well as the Ukraine, Western Balkans and Moldova facilities and MFA loans signed as of 2023. The Commission uses a pooled funding approach where the individual borrowings are not directly funding specific disbursements. Instead, the debt is issued according to an annual borrowing plan, with long term bonds and short-term bills. The Commission uses auctions and syndications to issue these securities. It then passes on the costs, in line with the cost allocation methodology agreed with Member States, to the Member States and other beneficiary countries for the loans and to the EU budget for the non-repayable support. This funding flexibility also requires a liquidity buffer for an efficient liquidity management, see Note **2.8.2**. In the context of the unified funding strategy, the Union issues short-term EU-Bills (3 to 12 months), which may be repaid during the same or following year. The line 'Repayments' refers to EUR 55,3 billion of such short-term borrowings.

The line 'Changes in carrying amount' corresponds to the change in accrued interest and to the changes in premiums/discounts (new premiums/discounts and amortisation).

The line 'Other movements' relates to a transfer of EUR 2,5 billion of bonds (nominal) from the EFSM programme to the unified funding following the early repayment of two loans by Portugal – see Note **2.4.1.1**.

The repayment of the above borrowings is ultimately guaranteed by the EU budget – see Note **2.4.1.1**.

2.11.1.2. Other financial liabilities

EUR million

	31.12.2025	31.12.2024
Non-current		
Finance lease liabilities	*511*	*605*
Buildings paid for in instalments	*244*	*283*
Contributions with conditions	*617*	*234*
Other	*251*	*134*
	1 623	**1 256**
Current		
Finance lease liabilities	*90*	*79*
Buildings paid for in instalments	*57*	*55*
Contributions with conditions	*3*	*8*
Other	–	–
	150	**142**
Total	**1 773**	**1 398**

Finance lease liabilities

EUR million

	Future amounts to be paid			
	< 1 year	1-5 years	> 5 years	Total Liability
Land and buildings	*87*	*256*	*248*	*592*
Other fixed assets	*3*	*6*	–	*9*
Total at 31.12.2025	**90**	**263**	**248**	**601**
Interest element	*20*	*64*	*59*	*143*
Total future minimum lease payments at 31.12.2025	**110**	**327**	**308**	**744**
Total future minimum lease payments at 31.12.2024	*102*	*361*	*393*	*856*

The lease and building related amounts above will have to be funded by future budgets.

Contributions with conditions relate to contributions from Member States and other donors to the EU programmes, in particular to InvestEU (see Note **4.1.1**), whereby the EU has an obligation to return any unused funds to the contributor.

2.11.2. *Financial guarantee liabilities*

EUR million

	31.12.2025		31.12.2024	
	Financial guarantee receivable (Note 2.6.2)	Financial guarantee liability	Financial guarantee receivable (Note 2.6.2)	Financial guarantee liability
EU budgetary guarantee programmes				
EIB ELM guarantees	*11*	*1 806*	*19*	*1 862*
EFSI guarantee	*1 248*	*1 307*	*1 345*	*1 402*
EFSD guarantee	*9*	*89*	*7*	*192*
InvestEU guarantee	*276*	*1 841*	*190*	*1 606*
NDICI EU guarantee	*60*	*915*	*30*	*582*
Ukraine guarantee	*24*	*1 248*	*10*	*61*
	1 629	**7 205**	**1 600**	**5 707**
EU financial instrument programmes				
COSME	–	*219*	–	*304*
Horizon 2020	*4*	*126*	*6*	*198*
Other	*18*	*179*	*23*	*171*
	22	**523**	**29**	**673**
Total	**1 651**	**7 729**	**1 629**	**6 379**
Non-current	*1 359*	*81*	*1 324*	*39*
Current	*293*	*7 647*	*306*	*6 340*

The EU applies the gross presentation of the financial guarantee contracts, where the revenues yet to be received under the guarantee are recognised as a financial guarantee receivable leg (presented under the exchange receivables heading – see Note **2.6.2**) and a financial guarantee liability is also recognised representing the EU liability for coverage of the future guarantee claims.

While, the ELM and EFSI financial guarantee liabilities remain significant, the guarantees under new programmes in this MFF, namely InvestEU, NDICI, and Ukraine guarantee started in 2024, continue to increase due to signatures of new operations by the EU implementing partners (see also Note **4.1.1**).

Except for the EFSI guarantee, where the EU is entitled to an expected remuneration – recognised as a financial guarantee receivable – covering to a large extent the liability, for the remaining programmes the expected revenues are covering only a small fraction of the guarantee. This is due to a high share of EU subsidisation for those programmes, in particular those provided for higher-risk financing to SMEs or to the innovation sector, as well as guarantees for projects in developing countries.

2.12. **PAYABLES**

EUR million

	Gross Amount	Adjustments	Net Amount at 31.12.2025	Gross Amount	Adjustments	Net Amount at 31.12.2024
Cost claims and invoices received from:						
Member States						
EAFRD & other rural development instruments	*1 892*	*–*	*1 892*	*269*	*(0)*	*269*
ERDF & CF	*13 463*	*(2 250)*	*11 213*	*6 036*	*(2 258)*	*3 778*
ESF	*8 720*	*(557)*	*8 164*	*2 156*	*(447)*	*1 708*
RRF (NGEU)	*22 707*	*(1 646)*	*21 061*	*28 016*	*(724)*	*27 292*
Other	*1 463*	*(217)*	*1 247*	*1 824*	*(318)*	*1 506*
Private and public entities	*1 187*	*(15)*	*1 172*	*1 957*	*(334)*	*1 623*
Total cost claims and invoices received	**49 433**	**(4 684)**	**44 749**	**40 258**	**(4 082)**	**36 176**
EAGF	**15 344**	**N/A**	**15 344**	**15 086**	**N/A**	**15 086**
Own resources payables	**47**	**N/A**	**47**	**–**	**N/A**	**–**
Sundry payables	**4 344**	**N/A**	**4 344**	**3 624**	**N/A**	**3 624**
Other	**553**	**N/A**	**553**	**528**	**N/A**	**528**
Total	**69 721**	**(4 684)**	**65 037**	**59 496**	**(4 082)**	**55 414**

Payables include invoices and cost claims received but not yet paid at year-end. They are initially recognised at the time of the reception of the invoices or cost claims for the requested amounts. The payables are subsequently adjusted to reflect only the amounts accepted following review of costs, and the amounts estimated to be eligible. The amounts estimated to be non-eligible are included in the column 'Adjustments'; the largest amounts concern the structural actions.

The decrease in RRF payables by EUR 6,2 billion indicates that there were less payment requests received towards the end of the year for which the assessment of milestones and targets was still pending.

The increase in EAFRD payables is due to 2025 being the final year of implementation of the previous programming period, with most programmes having reached the 95 % ceiling. As a result, reimbursement of the related cost claims is suspended, which is reflected in the higher level of payables.

The increase in payables in the cohesion area is due to a higher number of cost claims having been received for payment by 31 December compared to the previous year, for which eligibility verification and payment were still pending.

The CPR (Common Provisions Regulations (EU) 1303/2013 ([34]) and (EU) 2021/1060 ([35]) of the European Parliament and of the Council) applicable to the Structural Funds (ERDF and ESF), the Cohesion Fund and to the European Maritime and Fisheries Fund (EMFF) foresees that the EU budget is protected by means of a systematic retention on the interim payments made. By February following the end of the CPR accounting year (1 July-30 June), the control cycle is complete, both through management verifications by the managing authorities and audits by the audit authorities. The Commission examines the assurance documents and the accounts provided by the relevant authorities in the Member States. The payment / recovery of the final balance is made only after this assessment is finalised and the accounts are accepted. The amount retained according to this provision at end 2025 totalled EUR 11,2 billion. A part of this amount (EUR 1,3 billion) is estimated as being non-eligible on the basis of the information provided by the Member States in their accounts and is also included in the column 'Adjustments'.

Own Resources Payables

Own resources payables refer to Member States EU budget contributions to be reimbursed at year-end. Amending budgets are implemented according to Article 10a(3) of Regulation (EU, Euratom) No 609/2014. The balance at 31 December 2025 was due to the adoption of the amending budget No 3/2025 on 26 November 2025. According to this legal provision, the resulting amounts were returned to the Member States on the first working day of January 2026.

2.13. ACCRUED CHARGES AND DEFERRED INCOME

EUR million

	31.12.2025	31.12.2024
Accrued charges	*76 785*	*66 792*
Deferred income	*197*	*159*
Other	*66*	*140*
Total	**77 048**	**67 091**

The split of accrued charges is as follows:

EUR million

	31.12.2025	31.12.2024
RRF (NGEU)	*12 688*	*4 371*
EAGF	*25 337*	*25 586*
EAFRD and other rural development instruments	*15 786*	*17 374*
ERDF and CF	*3 670*	*3 101*
ESF	*2 929*	*2 318*
Other	*16 376*	*14 042*
Total	**76 785**	**66 792**

([34]) Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320, ELI: http://data.europa.eu/eli/reg/2013/1303/oj).

([35]) Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159, ELI: http://data.europa.eu/eli/reg/2021/1060/oj).

Accrued charges refer to recognised expenses for which the Union has still to receive cost claims. The biggest movement concerns RRF, where the increase is reflecting the pace of implementation of this instrument, as the estimate is based on the short term payments forecast. For EAFRD, Member States declared higher expenditures under programmes from the previous MFF period, as it was the final year of implementation, leading to a decrease in accruals.

NET ASSETS

2.14. **RESERVES**

The amount of the EU reserves are EUR 941 million (EUR 986 million in 2024). This amount relates primarily to the reserves of the ECSC i.L., totalling EUR 533 million (EUR 593 million in 2024) for the assets of the Research Fund for Coal and Steel, which were created in the context of the winding-up of the ECSC i.L. This also relates to the reserve fund of the European Union Intellectual Property Office, ensuring the continuity of its operations, amounting to EUR 292 million (EUR 293 million in 2024).

2.15. **AMOUNTS TO BE CALLED FROM MEMBER STATES**

EUR million

Amounts to be called from Member States at 31.12.2024	**309 810**
2024 budget result credited to Member States	*1 348*
Remeasurements in employee benefits liabilities	*(5 603)*
Other	*(85)*
Economic result of the year	*54 639*
Total amounts to be called from Member States at 31.12.2025	**360 108**

This amount represents that part of the expenses incurred by the EU up to 31 December that must be funded by future budgets. Many expenses are recognised under accrual accounting rules in the year N although they may be actually paid in year N+1 (or later) and therefore funded using the budget of year N+1 (or later). The inclusion in the accounts of these liabilities coupled with the fact that the corresponding amounts are financed from future budgets, results in liabilities greatly exceeding assets at the year-end. The most significant amounts to be highlighted concern the borrowings in relation to non-repayable support taken out under NGEU, EAGF activities and employee benefit liabilities.

It should also be noted that the above has no effect on the budget result – budget revenue should always equal or exceed budget expenditure and any excess of revenue is returned to Member States.

The remeasurements in employee benefits liabilities relate to actuarial gains and losses arising from the actuarial valuation of these liabilities.

The considerable increase of the amounts to be called from Member States in the past years is primarily due to the borrowings in relation to non-repayable support taken out under NGEU in this period.

3. **NOTES TO THE STATEMENT OF FINANCIAL PERFORMANCE**

REVENUE

REVENUE FROM NON-EXCHANGE TRANSACTIONS: OWN RESOURCES

3.1. **GNI RESOURCES**

Own resources revenue is the primary element of the EU's operational revenue. GNI (gross national income) revenue is the most significant of the four categories of own resources. A uniform percentage is levied on the GNI of each Member State. The GNI revenue balances revenue and expenditure, i.e. it funds the part of the budget that is not covered by other sources of income. The increase of GNI revenue in 2025 compared to 2024 is explained to a great extent by a rise of the payment appropriations needs.

3.2. TRADITIONAL OWN RESOURCES

Traditional own resources relate mainly to customs duties where Member States retain, by way of collection costs, 25 % of the amounts, so the above figures are net of this deduction. The level of import duties reflects essentially the combination of fluctuations in the value of imports from outside the EU and changes in the common tariff, which has been lowered on many occasions following the negotiations within the World Trade Organisation (WTO), and specific agreements granting tariff preferences to certain trading partners or to certain products. The level thus depends also on the general economic situation, the level of world prices and the impact of exchange rates.

3.3. VAT RESOURCES

The VAT own resource is calculated based on Member States' VAT bases, which are harmonised for this purpose in accordance with EU rules. A uniform call rate of 0,30 % applies to each Member State's total amount of VAT receipts collected for all taxable supplies divided by the weighted average VAT rate. The VAT base is capped at 50 % of each Member State's GNI.

3.4. PLASTICS OWN RESOURCES

A uniform call rate of EUR 0,80 per kilogram applies to the weight of plastic packaging waste generated in each Member State that is not recycled. The plastic packaging waste that is not recycled in a given year is calculated as the difference between the plastic packaging waste generated and the plastic packaging waste recycled in that year in a Member State. Bulgaria, Czechia, Estonia, Greece, Spain, Croatia, Italy, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Portugal, Romania, Slovenia and Slovakia are entitled to specific annual lump sum reductions in their respective plastics own resource contributions. This relatively new own resource was introduced in 2021 with the entry into force of the new Own Resources Decision (Council Decision (EU, Euratom) 2020/2053) ([36]).

REVENUE FROM NON-EXCHANGE TRANSACTIONS: TRANSFERS

3.5. FINES

Revenue of EUR 5 370 million (2024: EUR 4 039 million) relates mainly to fines the Commission has imposed on companies for breaching EU competition rules (EUR 3 971 million) and other fines imposed on companies (EUR 837 million).

3.6. RECOVERY OF EXPENSES

EUR million

	2025	2024
Expenses delegated to Member States	*1 291*	*755*
Grants	*34*	*157*
Contributions/Delegation agreements	*50*	*44*
Other	*1*	-
Total	**1 376**	**957**

This heading mainly represents the recovery orders issued by the Commission that are cashed or offset against (i.e. deducted from) subsequent payments recorded in the Commission's accounting system. The recovery orders are issued so as to recover expenditure previously paid out from the EU budget. Recoveries are based on controls, audits or eligibility analysis and therefore, these operations protect the EU budget from expenditure incurred in breach of law.

([36]) Council Decision (EU, Euratom) 2020/2053 of 14 December 2020 on the system of own resources of the European Union and repealing Decision 2014/335/EU, Euratom (OJ L 424, 15.12.2020, p. 1, ELI: http://data.europa.eu/eli/dec/2020/2053/oj).

Recovery orders issued by Member States to beneficiaries of EAGF expenditure, as well as the variation of accrued income estimations from the previous year-end to the current year-end, are also included.

The amounts included in the above table represent revenue earned through the issuance of recovery orders. For this reason, these figures cannot and do not show the full extent of the measures taken to protect the EU budget, particularly for cohesion policy where specific mechanisms are in place to ensure the correction of ineligible expenditure, most of which do not involve the issuance of a recovery order. The EU budget is also protected by withdrawals of expenditure and recoveries of pre-financing. Recoveries linked to expenses delegated to Member States make up the bulk of the total:

Agriculture: EAGF and rural development

In the framework of the EAGF and the EAFRD, amounts accounted for as revenue of the year under this heading are financial corrections of the year and reimbursements declared by Member States and recovered during the year, as well as the net increase in the outstanding amounts declared by Member States to be recovered at year-end concerning fraud and irregularities.

Cohesion policy

The main amounts related to cohesion policy are amounts that the Commission expects to recover from the Member States. The recovery will be made following the examination and acceptance of the annual accounts submitted by the Member States in early 2026. The amounts to be recovered represent essentially the difference between amounts initially declared as eligible during the accounting year and the amounts confirmed as eligible in the annual accounts of the Member States. A low amount means that the controls in place at Member State level enabled the detection of ineligible amounts early in the process.

3.7. UK WITHDRAWAL AGREEMENT

This revenue relates to the net amounts owed by the UK under the Withdrawal Agreement signed following its departure from the Union in 2020 (see Note **2.6.1.2**), adjusted each year in accordance with the requirements of the Agreement. In 2025, there was no revenue resulting fom the UK Withdrawal Agreement; instead an expense of EUR 465 million was recognised.

3.8. OTHER REVENUE FROM NON-EXCHANGE TRANSACTIONS

EUR million

	2025	2024
Contributions from Member States:		
Innovation Fund	*2 614*	*2 297*
RePowerEU	*6 360*	*5 869*
Social Climate Fund	*3 668*	-
External aid	*1 001*	*671*
Invest EU	*58*	*207*
Staff taxes and contributions	*1 882*	*1 754*
Contribution from other entities to the EC	*3 293*	*524*
Contribution from EFTA, third countries and accession countries	*4 874*	*4 527*
Transfer of assets	–	*307*
Budgetary adjustments	*(5 811)*	*(6 169)*
Adjustment of provisions	*459*	*426*
Other	*175*	*261*
Total	**18 572**	**10 673**

Contributions from Member States to the Innovation Fund are revenues relating mainly to the sale of emission allowances that are to be used to support innovation in low-carbon technologies. The increase compared to 2024 is linked mainly to an increase in the carbon price. The auctioning revenue generated under the ETS allowances was also used to provide additional support to Member States through REPowerEU chapters (EUR 6,4 billion) as well as to finance the Social Climate Fund, which will provide financial support to Member States for the measures and investments included in their Social Climate Plans for the period 2026-2032 (EUR 3,7 billion). Contributions from Member States for external aid include primarily the interest rate contributions for the MFA+ loans to Ukraine (EUR 0,6 billion).

Staff taxes and contributions revenue relate primarily to the deductions from staff salaries. Retirement contributions and income tax represent the substantial amounts within this category.

Contributions from EFTA countries amount to EUR 1,5 billion and contributions from third countries and accession countries mainly include financial contributions to Horizon Europe (EUR 2,8 billion).

The budgetary adjustment is mainly linked to the adjustments in the VAT and GNI-based own resources from previous financial years. With this operation, the Commission redistributes the total VAT and GNI balances, positive or negative, to the Member States in accordance with their GNI key. The slight increase is mainly linked to higher budget surplus from the previous year partially offset by higher amounts to be re-distributed for GNI, VAT and Plastics own resources.

REVENUE FROM EXCHANGE TRANSACTIONS

3.9. **FINANCIAL REVENUE**

EUR million

	2025	2024
Interest on:		
Loans	*5 720*	*4 129*
Cash & cash equivalents	*1 823*	*1 726*
Late payments	*237*	*224*
Borrowings	*217*	*228*
Other	*39*	*38*
Revenue from FGCs	*1 245*	*971*
Gains on financial assets or liabilities at FVSD:		
Non-derivatives	*1 357*	*1 490*
Derivatives	*772*	*165*
Derecognition gain from loans	*24*	–
Dividends	*9*	*31*
Other	*202*	*4*
Total	**11 646**	**9 005**

Interest revenue on late payments stems mainly from fines and own resources contributions due and not paid on time.

The interests on loans have increased mainly because of new loans under RRF/REPowerEU, MFA and Ukraine Facility. For RRF/REPower the interests were EUR 3,1 billion in 2025 compared to EUR 2,0 billion in the previous year. There were new disbursements in 2025 and the disbursements of the second half of 2024 earned a full year's interest in 2025. For MFA the interests were EUR 1,1 billion compared to EUR 0,8 billion in 2024. The increase mainly comes from MFA ULCM disbursements of 2024. For Ukraine Facility the interests were EUR 0,5 billion, comparing to EUR 0,2 billion in 2024, where disbursements only started during the second semester.

Interest revenue from cash and cash equivalents consists mainly of EUR 1,6 billion of interest on the liquidity holdings for the unified funding (placements on bank account held at the ECB, short-term deposits and reverse repo transactions) - see Note **2.8.2**.

Interest revenue from borrowings are mainly related to SURE and results from the negative effective interest rates for certain past issuances.

Revenue from financial guarantee contracts relates primarily to the amortisation of the financial guarantee liabilities. It can be interpreted as a release of the EU from guarantee liabilities for the period the EU was standing ready to compensate the holders of the guarantees for their credit losses. Thus, the revenue recognition for financial guarantees reflects the passage of time and the guaranteed volume. The amortisations apply to both types of guarantees, those which are remunerated and those for which the EU charges no or nominal remuneration (see Note **2.11.2**). Out of the remunerated guarantees, the most significant is the EFSI guarantee provided to the EIB for the Infrastructure and Innovation Window ('IIW') debt portfolio and combined with InvestEU debt portfolios (see Note **4.1.1**). In 2025, the revenue earned by the EFSI guarantee in relation to those combined debt portfolios amounted to EUR 202 million.

The revenue related to financial guarantee contracts of EUR 1 245 million is offset by impairment losses for financial guarantee liabilities amounting to EUR 1 199 million relating to: guarantee calls net of recoveries of EUR 683 million and unrealised impairment losses of EUR 516 million (see Notes **3.15** and **6.6**). In addition, the EU has subsidised financial guarantee programmes for EUR 1 942 million by charging no or below market rate guarantee premiums (see Note **3.15**). In total, the net result from financial guarantee programmes is a deficit of EUR 1 896 million.

The gain from non-derivative financial assets at FVSD mainly refers to the CPF (EUR 0,8 billion) and the Innovation Fund (EUR 0,3 billion). The interest rate cuts have impacted positively the fair value of the securities.

The derecognition gain on loans relates to an early repayment of EUR 1,8 billion EFSM loan by Portugal at the market value of the underlying bond – see Note **2.4.1.1**.

3.10. OTHER REVENUE FROM EXCHANGE TRANSACTIONS

EUR million

	2025	2024
Fee revenue for rendering of services (agencies)	*927*	*855*
Foreign exchange gains	*490*	*325*
Sales of goods	*64*	*58*
Share of net result of EIF	*69*	*83*
Fixed assets related revenue	*230*	*907*
Other	*720*	*364*
Total	**2 500**	**2 592**

Fee revenue for rendering of services mainly includes marketing authorisation fees charged by the European Medicines Agency and trademark fees collected by the European Union Intellectual Property Office.

EXPENSES

3.11. DELEGATED TO MEMBER STATES

EUR million

	2025	2024
European Agricultural Guarantee Fund	*40 914*	*40 267*
European Agricultural Fund for Rural Development and other rural development instruments	*17 017*	*14 779*
European Regional Development Fund and Cohesion Fund	*31 032*	*28 833*

EUR million

	2025	2024
European Social Fund	*17 308*	*18 037*
Other	*4 514*	*3 854*
Total	**110 784**	**105 770**

The increase concerns cohesion policy (ERDF, CF) where almost all expenses (EUR 28,1 billion) relate to the 2021-2027 programming period, with activities continuing to advance. There has also been an increase in expenditures declared under the CAP strategic plans, which continue their progression.

Other expenses mainly relate to the Just Transition Fund (EUR 1,4 billion), the European Maritime and Fisheries Fund (EUR 0,8 billion), Asylum and Migration (EUR 0,6 billion), as well as the European Union Solidarity Fund (EUR 0,8 billion).

3.12. TRANSFERS INCLUDING GRANTS AND BUDGET SUPPORT

EUR million

	2025	2024
Recovery & Resilience Facility	*46 815*	*65 787*
Other	*32 025*	*32 992*
Total	**78 841**	**98 779**

Despite the significant decrease in RRF expenses, the implementation of milestones and targets continues to progress.

The rest of the expenses related to transfers concern the implementation of Research Policy (EUR 10 billion) and External Actions, which include the Neighbourhood Development and International Cooperation Instrument and its precursors (EUR 3,1 billion), as well as the Humanitarian aid operations (EUR 1,1 billion). A further EUR 4,6 billion relates to the Connecting Europe Facility, the common infrastructure fund to deploy smart networks in the area of transport, energy and telecommunications.

3.13. CONTRIBUTION AGREEMENTS

EUR million

	2025	2024
Contributions	*13 200*	*16 820*
Total	**13 200**	**16 820**

Expenses related to contribution agreements concern mainly the Neighbourhood, Development and Cooperation Instrument and its precursors (EUR 4,5 billion), the space programmes (EUR 3,2 billion), Erasmus+ (EUR 2,9 billion) and the Research Policy (EUR 1,9 billion).

3.14. STAFF AND PENSION COSTS

EUR million

	2025	2024
Staff costs	*9 679*	*9 070*
Pension costs	*6 275*	*5 896*
Total	**15 954**	**14 966**

Pension costs represent elements of the movements that have arisen following the actuarial valuation of the employee benefits liabilities other than those recognised in net assets. They do not therefore represent actual pension payments of the year, which are significantly lower at EUR 2,8 billion.

3.15. **FINANCE COSTS**

EUR million

	2025	2024
Interest expenses:		
Borrowings	*14 037*	*9 780*
Loans	*148*	*159*
Finance leases	*26*	*31*
Other	*42*	*32*
FGCs – subsidised remuneration	*1 942*	*1 156*
Net impairment losses on:		
Financial guarantee contracts	*1 199*	*474*
Loans, loan commitments and receivables	*8 066*	*14 134*
Loss on financial assets or liabilities at FVSD:		
Non-derivatives	*170*	*153*
Derivatives	*153*	*252*
Modification loss	*1 131*	*763*
Derecognition loss on loans	*94*	*–*
Funding costs guaranteed	*119*	*151*
Other	*28*	*140*
Total	**27 156**	**27 226**

The EUR 4,3 billion increase in the borrowing expenses stems from the unified funding activities, for which the interests were EUR 12,7 billion compared to EUR 8,4 billion in the previous year. The reasons for this are new borrowings in 2025 and due to the fact that the issuances of the second semester 2024, beared a full year's interest in 2025.

The interest expense on loans is the result of certain SURE transactions, where funds borrowed at times of negative interest rates, were lent 'back-to-back' to the Member States, with the same terms and conditions.

For more details on expenses related to financial guarantees (FGC), see Note **3.9**.

The net impairment losses on loans, loan commitments and receivables mainly relate to the ECL on the Ukraine Facility and MFA ULCM loans disbursed in 2025. See Notes **2.4.1.1** and **6.6**.

The modification loss relates to the interest rate subsidy granted to Ukraine for the MFA+, exceptional MFA and Ukraine Facility loans – see Note **2.4.1.1**.

The derecognition loss on loans relates to an early repayment of EUR 0,7 billion EFSM loan by Portugal at the market value of the underlying bond – see Note **2.4.1.1**.

The funding costs guaranteed are costs born by the implementing partners to fund equity investments guaranteed by the EU. Based on the guarantee agreements, the EU guarantees these costs, together with the associated equity investments.

3.16. PROCUREMENT, ADMINISTRATIVE AND OTHER EXPENSES

EUR million

	2025	2024
Administrative, IT and other expenses	*6 687*	*3 956*
Fixed assets related expenses and Land and buildings management expenses	*2 164*	*2 662*
Foreign exchange losses	*621*	*282*
Operating lease expenses	*589*	*560*
Adjustment of provisions	*458*	*415*
Reduction of fines by Court decision	*214*	*1 123*
Total	**10 733**	**8 997**

Administrative, IT and other expenses primarily include consultancy expenses (EUR 1,5 billion), IT related expenses (EUR 1,3 billion) and various running costs (EUR 2,3 billion), for example office supplies, events, conferences and communication expenses.

Line 'Reduction of fines by Court decision' shows a lower amount in 2025 compared to 2024 as fines of relatively smaller amounts were cancelled in 2025 compared to 2024 (where a EUR 432 million fine was written off because the Commission withdrew the fining decision imposed on Illumina / Grail in a merger proceeding, and a EUR 684 million fine imposed in 2009 on Intel was partially written-off as a result of a Court of Justice decision issued in October 2024).

The aggregate amount of research and development expenditure recognised as an expense during 2025 is as follows:

EUR million

	2025	2024
Research costs	*468*	*479*
Non-capitalised development costs	*127*	*119*
Total	**594**	**598**

3.17. **SEGMENT REPORTING BY MAIN SPENDING AREAS**

EUR million

	Agricultural Funds	Cohesion and other Structural Funds	RRF and financial activities	Research & Innovation	External action	Green Transition and Public Health	Other policies [1]	Total EC	Other EU Institutions and Agencies	Total EU
GNI resources	–	–	–	–	–	–	*106 342*	*106 342*	–	*106 342*
Traditional own resources	–	–	–	–	–	–	*23 436*	*23 436*	–	*23 436*
VAT	–	–	–	–	–	–	*25 728*	*25 728*	–	*25 728*
Plastics own resources	–	–	–	–	–	–	*7 524*	*7 524*	–	*7 524*
Fines	–	–	–	*358*	–	*101*	*4 912*	*5 370*	–	*5 370*
Recovery of expenses	*948*	*348*	–	*21*	*12*	*0*	*37*	*1 365*	*10*	*1 376*
UK Withdrawal Agreement	–	–	–	–	–	–	–	–	–	–
Other	*319*	*3 792*	*6 360*	*3 884*	*593*	*2 952*	*(4 590)*	*13 310*	*5 262*	*18 572*
Non-Exchange Revenue	**1 268**	**4 139**	**6 360**	**4 262**	**605**	**3 053**	**163 389**	**183 077**	**5 272**	**188 348**
Financial revenue	*0*	*1*	*16 506*	*1 844*	*(258)*	*340*	*(6 856)*	*11 579*	*68*	*11 646*
Other	*(5)*	*(4)*	*142*	*344*	*183*	*(40)*	*823*	*1 443*	*1 057*	*2 500*
Exchange Revenue	**(5)**	**(3)**	**16 649**	**2 188**	**(74)**	**300**	**(6 033)**	**13 021**	**1 125**	**14 146**
Total revenue	**1 263**	**4 136**	**23 009**	**6 450**	**531**	**3 353**	**157 355**	**196 098**	**6 397**	**202 495**
Expenses delegated to Member States										
EAGF	*(40 914)*	–	–	–	–	–	–	*(40 914)*	–	*(40 914)*
EAFRD & other	*(17 017)*	–	–	–	–	–	–	*(17 017)*	–	*(17 017)*
ERDF & CF	–	*(31 032)*	–	–	–	–	–	*(31 032)*	–	*(31 032)*
ESF	–	*(17 308)*	–	–	–	–	–	*(17 308)*	–	*(17 308)*
Other	–	*(3 081)*	–	–	–	–	*(1 432)*	*(4 514)*	–	*(4 514)*

EUR million

	Agricultural Funds	Cohesion and other Structural Funds	RRF and financial activities	Research & Innovation	External action	Green Transition and Public Health	Other policies [1]	Total EC	Other EU Institutions and Agencies	Total EU
Transfers incl. grants and budget support							–	–	–	
RRF	–	–	*(46 815)*	–	–	–	–	*(46 815)*	–	*(46 815)*
Other	*(38)*	*(203)*	*(1 489)*	*(18 938)*	*(5 901)*	*(104)*	*(1 615)*	*(28 289)*	*(3 737)*	*(32 025)*
Contribution agreements, including EU bodies	*(124)*	*(546)*	*197*	*(5 159)*	*(7 190)*	*(526)*	*(5 988)*	*(19 337)*	*6 137*	*(13 200)*
Staff and pension costs	*3*	*1*	–	*(3)*	*(0)*	*1*	*(10 695)*	*(10 694)*	*(5 260)*	*(15 954)*
Finance costs	*(7)*	*0*	*(22 718)*	*(1 658)*	*(1 943)*	*(1)*	*(773)*	*(27 100)*	*(56)*	*(27 156)*
UK Withdrawal Agreement	–	–	–	–	–	–	*(465)*	*(465)*	–	*(465)*
Procurement, admin.and other exp.	*(54)*	*(141)*	*(62)*	*(2 260)*	*(1 027)*	*(316)*	*(3 563)*	*(7 423)*	*(3 310)*	*(10 733)*
Total expenses	**(58 152)**	**(52 311)**	**(70 888)**	**(28 018)**	**(16 062)**	**(946)**	**(24 531)**	**(250 907)**	**(6 226)**	**(257 134)**
Economic result of the year	**(56 889)**	**(48 174)**	**(47 879)**	**(21 568)**	**(15 531)**	**2 407**	**132 825**	**(54 810)**	**171**	**(54 639)**

([1]) Revenue presented under 'Other policies' mainly includes revenue from the EU's own resources which falls under the universality principle and is used without distinction to finance all expenditure entered in the Union's annual budget.

ELI: http://data.europa.eu/eli/communic/C/2026/4821/oj

3.18. RECLASSIFICATION OF COMPARATIVE FIGURES IN THE STATEMENT OF FINANCIAL PERFORMANCE

As from the 2025 annual accounts, the main expenses in the Statement of financial performance are presented in a new structure, focusing on the type of instrument rather than the type of budget implementation (Shared Management, Direct Management, Indirect Management). As required by EU accounting rules, the 2024 comparative figures have been reclassified accordingly. The impact of the reclassification is illustrated below:

EUR million

	Implemented by									
	Shared Mgmt.	Direct Mgmt.	Indirect Management							
	Member States	Commission, executive agencies and trust funds	Other EU agencies and bodies	Third countries and international organisations	Other entities	Staff and pension costs	Finance costs	UK Withdrawal Agreement	Other expenses	**Total 2024 expenses (reclassified)**
Delegated to Member States	*(105 770)*									*(105 770)*
Transfers including grants and budget support										
RRF		*(65 787)*								*(65 787)*
Other		*(32 992)*								*(32 992)*
Contribution agreements including EU bodies		*(194)*	*(4 388)*	*(6 639)*	*(5 599)*					*(16 820)*
Staff and pension costs						*(14 966)*				*(14 966)*
Financial costs							*(27 226)*			*(27 226)*
UK Withdrawal Agreement								*(315)*		*(315)*
Procurement, administrative and other expenses		*2*							*(8 999)*	*(8 997)*
Total expenses	**(105 770)**	**(98 971)**	**(4 388)**	**(6 639)**	**(5 599)**	**(14 966)**	**(27 226)**	**(315)**	**(8 999)**	**(272 873)**

4. CONTINGENT LIABILITIES AND ASSETS

Contingent liabilities are possible future payment obligations for the EU that may arise due to past events or legally binding commitments taken but which will depend on future events not wholly under the control of the EU. They relate mainly to guarantees given and to legal risks. **All contingent liabilities, except those relating to fines, guarantees and financial instruments up to the level they are covered by funds (see Note 2.4.2.1), would be financed, should they fall due, by the EU budget (and thus the EU Member States) in the years to come.**

4.1. Guarantees given by the EU budget

4.1.1. *Guarantees given under the EU budgetary guarantee programmes (nominal)*

EUR million

	31.12.2025			
	Guarantees given			Assets provisioned [1]
	Ceiling	Signed	Disbursed	
EIB ELM guarantees	*20 880*	*20 880*	*16 826*	*3 529*
EFSI guarantee	*25 119*	*21 449*	*19 982*	*9 234*
EFSD guarantee	*583*	*573*	*451*	*809*
InvestEU guarantee	*28 469*	*15 519*	*6 010*	*8 912*
NDICI external action guarantee	*33 965*	*16 461*	*2 949*	*3 583*
Ukraine Guarantee	*3 540*	*2 699*	*1 181*	*614*
Total	**112 556**	**77 580**	**47 399**	**26 681**

[1] The EUR 3,5 billion of assets provisioned for the EIB ELM guarantees also cover loans and related borrowings under legacy MFA and Euratom (see Note 2.4.1.1).

EUR million

	31.12.2024			
	Guarantees given			Assets provisioned [1]
	Ceiling	Signed	Disbursed	
EIB ELM guarantees	*25 772*	*25 772*	*19 184*	*3 400*
EFSI guarantee	*25 373*	*22 998*	*21 033*	*8 941*
EFSD guarantee	*759*	*667*	*521*	*785*
InvestEU guarantee	*27 042*	*11 769*	*3 468*	*6 802*
NDICI external action guarantee	*30 173*	*11 228*	*1 341*	*2 943*
Ukraine Guarantee	*790*	*172*	*132*	*202*
Total	**109 909**	**72 606**	**45 678**	**23 073**

[1] The EUR 3,4 billion of assets provisioned for the EIB ELM guarantees also cover loans and related borrowings under legacy MFA and Euratom (see Note 2.4.1.1).

The above tables show the extent of the exposure of the EU budget to possible future payments linked to guarantees given to the EIB group or other financial institutions. Disbursed amounts represent the amounts already given to final beneficiaries, while signed amounts include these disbursed monies plus agreements already signed with beneficiaries or financial intermediaries but not yet disbursed at year-end (EUR 30,2 billion). The ceiling represents the total guarantee that the EU budget, and thus its Member States, have committed to cover, since in order to disclose the maximum exposure faced by the EU at 31 December 2025, operations authorised to be signed but not yet signed (EUR 35,0 billion) must be included.

Budgetary guarantee programmes are backed by provisions gradually built up from the budget and kept in the CPF as a liquidity cushion to cover future guarantee calls (see Note **2.4.2.1**). Please refer to Note **6.2** for the measures put in place to ensure that the provisioning is sufficient to cover the guarantee calls in the medium term. Any losses incurred under the budgetary guarantee programmes, above the provisioning set aside, would need in any case to be covered by future budgets. For the InvestEU Member State compartment, the EU also receives counter guarantees from the Member States and EEA countries (see below).

EIB ELM guarantees

The EU budget guarantees loans signed and granted by the EIB from the EIB's own resources to third countries. At 31 December 2025 the amount of loans outstanding and covered by the EU guarantee totalled EUR 16 826 million. The EU budget guarantees:

— EUR 16 680 million via the Guarantee Fund for external actions compartment of the CPF; and

— EUR 146 million directly for loans granted to Member States before accession.

Included in the guarantees given as at 31 December 2025 are EUR 0,7 billion of signed but undisbursed loans for which future disbursements are conditional on approval by the EU (EUR 2,1 billion in 2024). The reduction since 2024, is partially due to the transfer of certain operations from the ELM to the Ukraine Guarantee.

The EU ELM guarantee relating to loans granted by the EIB is limited to 65 % of the outstanding balances for agreements signed after 2007 (mandates 2007-2013 and 2014-2021). For agreements made before 2007, the EU guarantee is limited to a percentage of the ceiling of the credit lines authorised, in most cases 65 % but also 70 %, 75 % or 100 %. Where the ceiling is not reached, the EU guarantee covers the full amount.

With Decision (EU) 2018/412 of the European Parliament and of the Council ([37]), a private sector lending mandate for projects directed to the long term economic resilience of refugees, migrants, host and transit communities under the EIB Resilience Initiative ('ERI') was set-up. The Union budget is remunerated for the risk taken in relation to guarantees granted for EIB financing operations under the ERI Private Mandate, which explains the premium receivable for the ELM guarantee, which is otherwise a non-remunerated guarantee (see Note **2.11.2**).

The ELM 2014-2020 mandate, which expired in 2021, was the last mandate under the Guarantee Fund for external actions. The new EIB mandate is covered by the External Action Guarantee set up by the NDICI Regulation.

EU guarantee payments are made from the Guarantee Fund for external actions compartment of the CPF. During 2025, the recoveries received exceeded the guarantee calls by EUR 0,3 million (2024: EU paid EUR 11 million guarantee calls net of recoveries).

European Fund for Strategic Investments (EFSI) guarantee

EFSI is an initiative that aims to increase the risk bearing capacity of the EIB Group by enabling the EIB to extend its investments in the EU. The objective of EFSI is to support additional investments in the EU and access to finance for small companies. The EU budget provides a guarantee of up to EUR 26 billion ('EFSI EU guarantee') under an agreement between the EU and the EIB, hereinafter referred to as the 'EFSI Agreement', in order to protect the EIB from potential losses it may suffer from its financing and investment operations.

([37]) Decision (EU) 2018/412 of the European Parliament and of the Council of 14 March 2018 amending Decision No 466/2014/EU granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union (OJ L 76, 19.3.2018, p. 30, ELI: http://data.europa.eu/eli/dec/2018/412/oj).

The EFSI operations are conducted within two windows: the Infrastructure and Innovation Window (IIW) implemented by the EIB (EFSI EU guarantee of EUR 19 250 million) and the SME Window (SMEW) implemented by the EIF (EFSI EU guarantee of EUR 6 750 million), both of which have a debt portfolio and an equity portfolio. The EIF acts under an agreement with the EIB on the basis of an EIB guarantee, which itself is counter-guaranteed by the EFSI EU Guarantee under the EFSI Agreement. In order to enhance the efficiency of EU Guarantee and to increase its risk bearing capacity, a combination of two EFSI debt portfolios with InvestEU became effective in 2022. Any guarantee calls, recoveries and revenues are distributed between the EFSI and the InvestEU Guarantee based on effective guaranteed allocations.

The EU and the EIB have distinct roles within EFSI. EFSI is established within the EIB, who finance the operations (debt and equity investments) and, to do this, borrow the necessary funds on the capital markets. The EIB Group takes the investment decisions independently and manages the operations in accordance with its rules and procedures. The EU provides the guarantee for those operations, and covers losses incurred by the EIB up to the ceiling of this guarantee.

As the control criteria and accounting requirements for consolidation under the EU accounting rules (and IPSAS) are not met, the related guaranteed assets are not accounted for in the consolidated annual accounts of the EU.

The EU guarantee granted to the EIB Group under EFSI is accounted for as a financial guarantee liability in respect of the IIW debt portfolio and the SMEW debt portfolio (see Note **2.11.2**) and as a derivative (financial asset or liability at fair value through surplus or deficit) for both equity portfolios (see Note **2.4.2.2**). The EFSI guarantee given includes operations of the COSME, H2020, CCS LGF and EaSI programmes for the part covered by the EFSI EU guarantee under the SMEW debt portfolio.

During 2025, EUR 296 million of net guarantee calls were paid out from the EFSI compartment of the CPF, including some guarantee calls incurred in previous years but temporarily covered by the EU revenues held on the EFSI settlement account at the EIB (2024: EUR 151 million).

European Fund for Sustainable Development (EFSD)

The European Fund for Sustainable Development, established by the EFSD Regulation ([38]), is an initiative aiming to support investments in Africa and the European Neighbourhood as a means to contribute to the achievement of sustainable development and to address specific socio-economic root causes of migration. Under the EFSD Regulation, the EU was authorised to make available guarantees of EUR 1,5 billion (further increased by external contributions) to implementing partners for their investment and financing operations, in order to reduce their investment risks. The EFSD Guarantee is backed by the CPF – see Note **2.4.2.1**.

For one of the EFSD guarantee agreements (where the EU guarantees the capital adequacy of a currency hedging fund for an amount of EUR 145 million), in case of a guarantee call the EU holds a reimbursement right to receive shares of the fund worth the amount paid.

NDICI external action guarantee

Regulation (EU) 2021/947 of the European Parliament and of the Council ([39]), established the Neighbourhood, Development and International Cooperation Instrument – Global Europe, including the European Fund for Sustainable Development Plus (the 'EFSD+') and the External Action Guarantee, for the period of the 2021-2027 MFF. The objective of EFSD+ is to promote sustainable investments in the EU's partner countries.

The External Action Guarantee supports the EFSD+ operations covered by budgetary guarantees, macro-financial assistance and loans to third countries. It is backed by the CPF – see Note **2.4.2.1**.

([38]) Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund (OJ L 249, 27.9.2017, p. 1, ELI: http://data.europa.eu/eli/reg/2017/1601/oj).

([39]) Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009, (OJ L 209, 14.6.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/947/oj).

As at 31 December 2025, budgetary guarantee agreements were effective for a total outstanding ceiling of EUR 34,0 billion, of which EUR 26,6 billion relates to guarantees provided to the EIB for their external lending to sovereign and sub-sovereign counterparts under NDICI Investment Windows 1 and 2 (successors of ELM).

For one of the NDICI guarantee agreements (where the EU guarantees the capital adequacy of a currency hedging fund for an amount of EUR 150 million), in case of a guarantee call the EU holds a reimbursement right to receive shares of the fund worth the amount paid.

InvestEU guarantee

In 2025, the EU adopted the revised InvestEU Regulation as part of the Omnibus II package. Under the revision, the EU budgetary guarantee was increased by EUR 2,9 billion, raising the total from EUR 26,2 billion to EUR 29,1 billion.

This EU guarantee supports private and public investments in four policy areas: sustainable infrastructure, research innovation and digitalisation, small and medium-sized companies, and social investment and skills. Several financial partners like national promotional banks are receiving the EU guarantee. They support investments by providing loans, guarantees or equity capital. For example, the implementing partners can provide loans to SMEs, participate in equity funds or give guarantees to commercial banks for loans they disburse. The Commission can also allocate EU budget from other EU programmes to the InvestEU Fund, for example from the HERA Invest (health), the European Space programme or the Catalyst (innovation).

To create a capital buffer for the losses from guaranteed investments, the Commission is gradually setting money aside ('provisioning') from the EU budget into the CPF. The InvestEU Regulation has set the provisioning rate at 40 % of the EU guarantee.

The EU guarantee can be further increased, in addition to the EUR 29,1 billion mentioned above, with the backing from Member States and EEA countries. They can contribute money from their Cohesion Policy, RRF funds or national budgets. For the Member States, the provisioning is set on a case by case basis, while the additional EU guarantee backed from EEA countries is 40 % provisioned with cash contributions. The cash from Member States and EEA countries is kept in the CPF. The non-provisioned amount is covered with counter guarantees from the Member States and the EEA countries. At 31 December 2025, there were agreements with eight Member States and two EEA countries for EUR 3,3 billion, out of which EUR 2,6 billion is to be backed by cash contributions and EUR 0,6 billion with counter guarantees. This amounts were used to sign EUR 3,3 billion of additional guarantee agreements with several implementing partners to date.

During 2025, EUR 272 million of net guarantee calls were paid out from the InvestEU compartments of the CPF (2024: EUR 140 million).

Ukraine guarantee

Following the Ukraine Facility Regulation, the EU has established the Ukraine Guarantee for a maximum guarantee capacity of EUR 7,8 billion, to boost investments for the recovery and reconstruction of Ukraine.

As at 31 December 2025, eight budgetary guarantee agreements were signed and effective for the total cover limit of EUR 3,5 billion.

UK obligations arising from its departure from the EU

In accordance with Article 143 of the Withdrawal Agreement, the UK shall be liable to the Union for its share of contingent financial liabilities related to EFSI, EFSD and the EIB external lending mandate operations approved by the withdrawal date, 31 January 2020. Article 143 requires that in case of a guarantee call for a financial operation that has been approved before the withdrawal date, the UK would be liable to the Union for its share of payments made by the Union under those operations, unless this could be covered by the UK share of provisioning held in the guarantee fund where this is relevant.

For EIB ELM loans, the value of the EU budgetary guarantee at the withdrawal date, for the operations approved by the withdrawal date, was EUR 33,7 billion. At 31 December 2025 this had changed to EUR 17,3 billion (2024: EUR 20,6 billion). The UK share of this contingent liability at 31 December 2025 is thus EUR 2,1 billion (31 December 2024: EUR 2,6 billion). As stated above however, any default on these loans is first covered by the Guarantee Fund for external actions compartment of the CPF and amounts would only be called from the UK if the UK provisioning for this fund, of EUR 244 million at 31 December 2025, was not sufficient.

With respect to EFSI operations, the value of the EU budgetary guarantee at the withdrawal date, for the operations approved by the withdrawal date, was EUR 23,5 billion. At 31 December 2025 this remained at EUR 16,7 billion (2024: EUR 17,0 billion). The UK share of this contingent liability at 31 December 2025 is thus EUR 2,1 billion. Any guarantee calls under EFSI are first covered by the EFSI guarantee fund compartment of the CPF and amounts would only be called from the UK if the UK provisioning for this fund, of EUR 443 million at 31 December 2025, was not sufficient.

As no operations had been approved by the implementing partners in relation to the EFSD Guarantee before the withdrawal date, the UK has no obligations here.

The UK share of the payments made in 2025 for the operations approved on or after the withdrawal date and up to 31 December 2020 amounted to EUR 98 million (EUR 97 million for EFSI and EUR 1 million for ELM), reducing correspondingly the UK provisioning. The amount due to the UK in 2025 is EUR 198,3 million (see Note **2.6.1.2**).

4.1.2. *Guarantees given under EU financial instrument programmes (nominal)*

EUR million

	31.12.2025	31.12.2024
Horizon 2020	*2 027*	*2 145*
Connecting Europe Facility	*644*	*649*
COSME	*236*	*378*
Other	*536*	*471*
Total	**3 443**	**3 642**

The amounts in the above table present the outstanding nominal amounts of the guarantees given under the EU financial instruments programmes.

As outlined in Article 213(1) FR, the budgetary expenditure linked to a financial instrument and the financial liability of the EU shall **in no case exceed the amount of the relevant budgetary commitment made for it**, thus avoiding contingent liabilities for the budget. In practice, it means that these liabilities have a counterpart on the asset side of the balance sheet or are covered by the outstanding budgetary commitments not yet expensed.

The COSME Loan Guarantee Facility (LGF) consists primarily of capped guarantees for portfolios of higher risk debt financing (mainly loans) offered by financial intermediaries to SMEs. The COSME LGF is implemented by the EIF on behalf of the EU.

For more details on Horizon 2020 and the Connecting Europe Facility see also Note **2.4.2.1**.

UK obligations arising from its departure from the EU

With regard to the EU's contingent liabilities for amounts approved by the withdrawal date in relation to EU financial instruments, including those above, should any of these contingencies crystalise, they would be covered by the EU budget using monies held on fiduciary accounts. Thus, in principle, no amounts would be called from the UK other than its share in the budgetary RAL as outlined under Article 140 of the WA – see Note **2.6.1.2**.

4.2. Contingent liabilities relating to legal cases

4.2.1. *Legal cases in the area of fines*

At 31 December 2025, the contingent liabilities relating to fines amounted to EUR 2 336 million (2024: EUR 2 178 million). This amount includes fines imposed on companies (EUR 2 035 million, see Note **2.6.1.3**) and fines imposed on Member States (EUR 301 million) that have been provisionally paid and for which either an appeal has been lodged or for which it is unknown whether an appeal will be made. The contingent liability will be maintained until a judgement by the Court of Justice of the European Union is delivered or until the expiry of the period for appeal. Interest earned on provisional payments is included in the economic result of the year and also as a contingent liability to reflect the uncertainty of the Commission's title to these amounts. Should the EU lose any of the cases relating to fines imposed, the amounts that have been provisionally received will be returned to the companies or Member States without budgetary impact. The amount of fines is only recognised as budgetary revenue when the fines are definitive (Article 107 FR).

4.2.2. *Other legal cases*

EUR million

	31.12.2025	31.12.2024
Agriculture	*617*	*77*
Other	*157*	*67*
Total	**774**	**144**

Agriculture

These are contingent liabilities towards the Member States connected with EAGF and rural development conformity decisions pending judgement of the Court of Justice. The determination of the final amount of the liability and the year in which the effect of successful appeals will be charged to the budget will depend on the length of the procedure before the Court.

Other legal cases

This heading relates to actions for damages currently being brought against the EU, other legal disputes and the estimated legal costs. It should be noted that in an action for damages under Article 340 TFEU, the applicant must demonstrate a sufficiently serious breach by the institution of a rule of law intended to confer rights on individuals, real harm suffered by the applicant, and a direct causal link between the unlawful act and the harm.

UK obligations arising from its departure from the EU

Under Article 147 of the WA, the United Kingdom shall be liable for its share of the payments required to discharge the contingent liabilities of the Union that become due in relation to legal cases concerning the financial interests of the Union, provided that the facts forming the subject matter of those cases occurred no later than 31 December 2020. The estimated maximum UK exposure here is EUR 80,6 million (2024: EUR 15 million). For legal cases where it is considered probable that amounts will be paid from the EU budget (see Note **2.10**), the UK share is included as part of the overall amount due from the UK – see details under Note **2.6.1.2**.

4.3. **CONTINGENT ASSETS**

EUR million

	31.12.2025	31.12.2024
Guarantees received:		
Performance guarantees	*253*	*275*
Other guarantees	*4*	*5*
Other contingent assets	*13*	*15*
Total	**269**	**295**

Performance guarantees are requested to ensure that beneficiaries of EU funding meet the obligations of their contracts with the EU.

5. BUDGETARY AND LEGAL COMMITMENTS

This note provides information on the budgetary process and future funding needs and not on liabilities existing as at 31 December 2025.

The Multiannual Financial Framework (MFF) agreed by the Member States defines the programmes and sets out the heading ceilings for commitment appropriations and the total for payment appropriations within which the EU may enter into budgetary and legal commitments, and ultimately make payments for a period of 7 years – see Table **3.2** in the notes to the budgetary implementation reports.

Legal commitments correspond to programmes, projects, agreements or contracts signed, thus legally binding the EU. A legal commitment is the act whereby the authorising officer enters or establishes an obligation (for the EU) which results in a charge (Article 2(39) FR).

A budgetary commitment is in principle made before the legal commitment, but for some multiannual programmes/projects it is the reverse, the relevant budgetary commitments being made in annual instalments, over several years, when the basic act so provides for. For example, for cohesion, Article 86 of the Common Provisions Regulation (CPR) (Regulation (EU) 2021/1060) provides that the decision of the Commission adopting a programme shall constitute a legal commitment within the meaning of the Financial Regulation but that the budgetary commitments of the Union in respect of each programme shall be made in annual instalments for each fund during the period between 1 January 2021 and 31 December 2027. Other legal bases may contain similar provisions. For this reason, there are amounts that the EU has legally committed to pay, but where the budgetary commitment has not yet been made – see Note **5.2** below.

If the budgetary commitment has been made but the subsequent payments are not yet made, the amount of outstanding commitments is called 'Reste à Liquider' (RAL). This can represent programmes or projects, often multiannual, which are signed and for which payments will only be made in later years. They represent payment obligations for future years. As the financial statements are prepared on an accrual basis, whereas the budgetary implementation reports are prepared on a cash basis, part of the overall amount unpaid (RAL) has already been expensed and is recognised as a liability on the balance sheet (see Notes **2.12** and **2.13**). The calculation of these expenses is made based either on cost claims/invoices received or on the estimated implementation of a programme or project where no claims have been notified yet to the EU by the reporting date. Once the payments relating to the RAL are made, the liability on the balance sheet is derecognised. The part of the RAL not expensed yet is not included under liabilities but is instead disclosed below, see Note **5.1**.

The disclosures below thus represent amounts at 31 December 2025 that the EU has committed to pay based on the fulfilment of the contractual agreements and which are therefore intended to be funded by future EU budgets.

EUR million

	Note	31.12.2025	31.12.2024
Outstanding budgetary commitments not yet expensed	*5.1*	*380 780*	*428 588*
Significant legal commitments	*5.2*	*180 699*	*257 256*
Total		**561 479**	**685 844**

5.1. OUTSTANDING BUDGETARY COMMITMENTS NOT YET EXPENSED

EUR million

	31.12.2025	31.12.2024
Outstanding budgetary commitments not yet expensed	*380 780*	*428 588*

The amount disclosed above is the budgetary RAL ('Reste à Liquider') of EUR 501 084 million (see table **6.4** in the budgetary implementation reports), less related amounts that have been included as liabilities on the balance sheet and as expenses in the statement of financial performance. The budgetary RAL is an amount representing the open commitments for which payments and/or decommitments have not yet been made. This is the normal consequence of the existence of multiannual programmes.

It should be noted that outstanding pre-financing advances at 31 December 2025 totalled EUR 78,3 billion – see Note **2.5**. This represents budgetary commitments that have been paid, decreasing the RAL, but where the amounts paid are still considered as belonging to the EU and not to the beneficiary, until the relevant contractual obligations are fulfilled. They are thus, like the RAL disclosed above, not yet expensed.

5.2. SIGNIFICANT LEGAL COMMITMENTS

EUR million

	31.12.2025	31.12.2024
Economic, Social and Territorial Cohesion	*113 279*	*177 459*
Natural Resources and Environment	*30 946*	*46 659*
Migration and Border Management	*4 657*	*4 153*
Security and Defence	*377*	*520*
ITER	*10 291*	*9 898*
Connecting Europe Facility	*9 043*	*7 313*
Innovation Fund	*4 779*	*521*
Space Programmes	*1 838*	*2 672*
Ukraine Facility	*837*	*2 270*
HorizonEU	*365*	*519*
Secure Connectivity Programme ([1])	*253*	*631*
Fisheries agreements	*133*	*234*
NDICI	*120*	–
RESCUE	*91*	*106*
Operating lease commitments	*2 997*	*2 721*
Other contractual commitments	*692*	*856*
RRF non-repayable support commitments	–	*558*
Euratom	–	*166*
Total	**180 699**	**257 256**

([1]) *As of 2025, the Secure Connectivity Programme is presented separately from the Space Programmes, and thus the 2024 amount is also split accordingly.*

These amounts reflect the long-term legal commitments that were not covered by commitment appropriations in the budget at year-end. These binding obligations will be budgeted and paid in future years.

Certain important programmes (see below) may be implemented by annual instalments according to Article 112(2) FR. This allows the EU to make legal commitments (sign grant agreements, delegation agreements and procurement contracts) in excess of the available commitment appropriations of a given year. Therefore a substantial amount of the overall allocation for the current MFF may be already committed. This applies in particular for the programmes described below:

Funds under shared management

These are legal obligations that the EU has committed to pay when adopting the operational programmes related to shared management. The decision of the Commission adopting an operational programme constitutes a financing decision within the meaning of Article 110 FR and once notified to the Member State concerned, it represents a legal commitment within the meaning of that Regulation.

Article 86(2) of the Common Provisions Regulation (CPR) for shared management funds states:

'The budgetary commitments of the Union in respect of each programme shall be made by the Commission in annual instalments for each Fund during the period between 1 January 2021 and 31 December 2027'.

The amounts disclosed on the first four lines of the table above relate to the Heading 2A (Economic, Social and Territorial Cohesion), Heading 3 (Natural Resources and Environment), Heading 4 (Migration and Border Management) and Heading 5 (Security and Defence) of the MFF 2021-2027. They represent the outstanding amounts that the EU will commit budgetarily and then pay after 31 December 2025.

ITER – International Thermonuclear Experimental Reactor

These commitments are intended to cover the construction costs of the ITER facilities. The EU (Euratom) contribution to ITER International is given through the Fusion for Energy Agency, including also the contributions from Member States and from Switzerland. ITER was created to manage and to encourage the exploitation of the ITER facilities, to promote public understanding and acceptance of fusion energy, and to undertake any other activities that are necessary to achieve its purpose. ITER involves the EU together with various other countries.

Connecting Europe Facility (CEF2)

The CEF2 provides financial assistance to trans-European networks in order to support projects of common interest in the sectors of transport, telecommunications and energy infrastructures. The legal commitments for the CEF programme cover an implementation period running from 2021 until 2027 for CEF Energy and CEF Transport (with a possibility to be extended). The legal basis of these commitments is the Regulation (EU) 2021/1153 of the European Parliament and of the Council ([40]) with article 4.5 stating that 'Budgetary commitments for actions extending over more than one financial year may be broken down into annual instalments, over two or more years'.

Innovation Fund

The Directive 2023/959 of the European Parliament and of the Council ([41]), amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system, provides in its article 10 Paragraph 8 that 'Budgetary commitments for actions extending over more than one financial year may be broken down into annual instalments over several years.' This provision is applicable for the new actions signed as from 2024, including the actions financed through calls for proposal or within a competitive bidding mechanism.

([40]) Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (OJ L 249, 14.7.2021, p. 38, ELI: http://data.europa.eu/eli/reg/2021/1153/oj).

([41]) Directive (EU) 2023/959 of the European Parliament and of the Council of 10 May 2023 amending Directive 2003/87/EC establishing a system for greenhouse gas emission allowance trading within the Union and Decision (EU) 2015/1814 concerning the establishment and operation of a market stability reserve for the Union greenhouse gas emission trading system (OJ L 130, 16.5.2023, p. 134, ELI: http://data.europa.eu/eli/dir/2023/959/oj).

Space Programmes

The space programme includes the following components: Galileo, EGNOS, Copernicus, Govsatcom and SSA. The most significant are Galileo, which is developing the European Global Navigation Satellite System, and Copernicus, which is related to the European Earth observation. These commitments are made for the period until 2027. Based on Regulation (EU) 2021/696 of the European Parliament and of the Council ([42]), the Commission signed contribution agreements with the European Space Agency (ESA), EUMETSAT, Mercator and the European Centre for Medium Range weather forecasts. Article 11.6 of Regulation (EU) 2021/696 authorises the use of annual instalments.

Ukraine Facility non-repayable support commitments

The Ukraine Facility was set up to support Ukraine in addressing its financing gap and recovery, reconstruction and modernisations needs. It was established by Regulation (EU) 2024/792 of the European Parliament and of the Council for the period 2024 to 2027. Pursuant to Article 6(1) of Regulation (EU) 2024/792, the resources for the implementation of the Facility shall be available through the Ukraine Reserve mobilised in the framework of the annual budgetary procedure in accordance with Article 10b of Regulation (EU, Euratom) 2020/2093. This appropriation finances support under three pillars (Ukraine Plan, Ukraine Investment Framework, Union Accession Assistance and Related Support Measures) in accordance with the indicative distribution laid down in the Regulation. In 2025 there was an additional financial contribution made by Sweden – of SEK 750 000 000 (equivalent to EUR 67 million) – which increased the total non-repayable contribution from EUR 5,27 billion to EUR 5,337 billion. Addendum 1 to the UA Financing Agreement signed in November 2025 – in the form of exchange of letters – reflected the new aggregate principal amount of EUR 5,337 billion for the period 2024-2027.

Horizon Europe

These are amounts committed to the Horizon Europe programme for upstream secure connectivity activities, upstream and downstream activities for the various space components. These commitments are made for the period until 2027. Based on Regulation (EU) 2021/695 of the European Parliament and of the Council ([43]), the Commission signed a contribution agreement with ESA. Article 12.8 of the Regulation authorises the use of annual instalments.

Secure Connectivity Programme

The Secure Connectivity Programme aims to improve EU communication services by developing and operating a multi-orbital connectivity infrastructure, based on a public-partnership model. It will ensure the provision of worldwide secure, flexible, and resilient satellite communication services to the Union and Member States governmental entities. In this respect, based on Regulation (EU) 2023/588) of the European Parliament and of the Council ([44]), a concession contract was awarded to a grouping of companies.

Fisheries agreements

These represent commitments entered into with third countries for operations under international fisheries agreements up to 2032. The commitments made are based on Council decisions for each third country and are considered specific international treaties with multiannual rights and obligations.

([42]) Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013 and (EU) No 377/2014 and Decision No 541/2014/EU (OJ L 170, 12.5.2021, p. 69, ELI: http://data.europa.eu/eli/reg/2021/696/oj).

([43]) Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/695/oj).

([44]) Regulation (EU) 2023/588 of the European Parliament and of the Council of 15 March 2023 establishing the Union Secure Connectivity Programme for the period 2023-2027 (OJ L 179, 17.3.2023, p. 1, ELI: http://data.europa.eu/eli/reg/2023/588/oj).

The Neighbourhood, Development, and International Cooperation Instrument (NDICI)

The main instrument of the European Union for external action for the 2021-2027 period. The funds are used for improvement of satellite communication services in some 3rd countries via a purchase of commercial services under the concession contract. The framework for contracts is established by Regulation (EU) 2021/947.

RESCEU

RescEU is a European reserve of response assets and capabilities established under the Union Civil Protection Mechanism, as part of the 2019 legislative revision of Decision No 1313/2013/EU of the European Parliament and of the Council ([45]). The RescEU reserve was set up to act as a last resort when national capacities and those capacities committed in the European Civil Protection Pool are not able to ensure an effective response to the various kinds of disasters. The European Union finances those response capacities as a preparedness measure to make them available in case of need for response operations under the Union Civil Protection Mechanism. The priority domains of developing capacities under RescEU are the areas of aerial forest-firefighting, chemical, biological, radiological and nuclear incidents, emergency medical response, as well as transport and logistics.

RRF non-repayable support commitments

The RRF is a key programme of NGEU, the EU Recovery Instrument. It was established by Regulation (EU) 2021/241 of the European Parliament and of the Council ([46]) which finances reforms and investments in Member States from the start of the coronavirus pandemic in February 2020 until 2026. Article 23 of Regulation (EU) 2021/241 authorises the use of annual instalments. In 2023, the RRF was amended by Regulation (EU) 2023/435 of the European Parliament and of the Council ([47]) to provide additional support to Member States through REPowerEU chapters for reforms and investments fostering independence, security and sustainability of the Union's energy supply.

EURATOM

Euratom is a programme based on Council Regulation (Euratom) 2021/765 ([48]). Article 4 of the regulation foresees the use of the annual instalments.

The general objective of the Programme is to pursue nuclear research and training activities, with an emphasis on the continuous improvement of nuclear safety, security and radiation protection, as well as to complement the achievement of Horizon Europe's objectives inter alia in the context of the energy transition. The Euratom Programme provides research grants through competitive calls for proposals and to named beneficiaries.

([45]) Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism (OJ L 347, 20.12.2013, p. 924, http://data.europa.eu/eli/dec/2013/1313/oj).

([46]) Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17, ELI: http://data.europa.eu/eli/reg/2021/241/oj).

([47]) Regulation (EU) 2023/435 of the European Parliament and of the Council of 27 February 2023 amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulations (EU) No 1303/2013, (EU) 2021/1060 and (EU) 2021/1755, and Directive 2003/87/EC (OJ L 63, 28.2.2023, p. 1, ELI: http://data.europa.eu/eli/reg/2023/435/oj).

([48]) Council Regulation (Euratom) 2021/765 of 10 May 2021 establishing the Research and Training Programme of the European Atomic Energy Community for the period 2021-2025 complementing Horizon Europe – the Framework Programme for Research and Innovation and repealing Regulation (Euratom) 2018/1563 (OJ L 167I, 12.5.2021, p. 81, ELI: http://data.europa.eu/eli/reg/2021/765/oj).

Operating lease commitments

Minimum amounts committed to be paid according to the underlying contracts during the remaining term of these lease contracts are as follows:

EUR million

	Minimum lease payments			
	< 1 year	1- 5 years	> 5 years	Total
Buildings	*490*	*1 183*	*1 267*	*2 939*
IT materials and other equipment	*14*	*37*	*7*	*58*
Total	**504**	**1 220**	**1 273**	**2 997**

In March 2019, in the context of the United Kingdom's notification of its intention to withdraw from the EU, and as a result of Regulation (EU) 2018/1718 ([49]), the seat of the European Medicines Agency (EMA) was relocated from London to Amsterdam. On 2 July 2019, the Agency reached an agreement with its landlord and since then has sublet its premises to a subtenant under conditions that are consistent with the ones of the headlease, including the sublease term that extends until the expiry of EMA's headlease in June 2039.

The amounts disclosed in the table above include EUR 328 million still due under the headlease contract.

Other contractual commitments

The amounts included under this disclosure correspond to amounts committed to be paid during the term of the contracts. The most significant amount included here relates to a building contract (JMO2) of the Commission in Luxembourg (EUR 328 million).

6. FINANCIAL RISK MANAGEMENT

The EU's financial risk management disclosures cover several key areas:

— The Commission's borrowing and lending activities for financial assistance through programmes like NGEU, EFSM, BOP, MFA, SURE, Ukraine Facility, Western Balkan Facility, Moldova Facility and Euratom.

— The Commission's treasury operations to execute the EU budget.

— Assets held in funds like the CPF, the ECSC i.L., and the BUFI portfolio.

— Financial instrument programmes ([50]).

— EU budgetary guarantee programmes.

6.1. TYPES OF FINANCIAL RISK

The EU faces financial risks from its financial instruments:

Market risk: This is the uncertainty of investment value due to changes in market prices. It includes risks such as:

— *Currency risk*: Changes in exchange rates can affect the EU's operations and investments.

— *Interest rate risk*: Higher interest rates can lower the value of certain investments, like bonds.

([49]) Regulation (EU) 2018/1718 of the European Parliament and of the Council of 14 November 2018 amending Regulation (EC) No 726/2004 as regards the location of the seat of the European Medicines Agency (OJ L 291, 16.11.2018, p. 3, ELI: http://data.europa.eu/eli/reg/2018/1718/oj).

([50]) Throughout this note, the term 'financial instrument programmes' refer to the 'financial instruments' as defined in the FR Article 2(30).

— *Other price risk*: This includes various factors (other than interest rates and foreign exchange rates) that can affect investment values, such as changes in market prices or factors specific to individual investments.

Credit risk: This is the risk that a borrower won't pay back a loan or meet their contractual obligations, leading to default events like delayed payments or bankruptcy.

Liquidity risk: This is the risk that an EU entity won't have enough money or assets to meet its financial obligations.

6.2. RISK MANAGEMENT POLICIES

Measurement of financial instruments

The following classes of financial assets and liabilities are not measured at fair value: cash and cash equivalents, loans at amortised cost, exchange receivables other than financial guarantee contract receivables when classified to financial assets at FVSD, borrowings, financial guarantee contracts and other financial liabilities measured at amortised cost. The carrying amount of those financial assets and liabilities is considered to be a reasonable approximation of their fair value.

Risk Governance for borrowing, debt management and related lending operations, budgetary guarantees and asset management operations

The EU's risk management framework is designed to protect the Union's financial and reputational interests, while ensuring the sound management of its borrowing and lending operations, its budgetary guarantees, financial instruments and its asset management operations. Although the European Commission is not a financial institution, it employs advanced risk management practices tailored to the EU's unique structure and programme requirements. The primary goal of the framework is to safeguard the Union's financial interests and maintain the integrity, transparency, and trustworthiness of its operations.

The framework, developed by the Chief Risk Officer (CRO), includes key policies such as the High-Level Risk and Compliance Policy, the Market and Funding Liquidity Risk Policy, and the Operational Risk Management Policy. The CRO sets hard and soft risk limits and Key Risk Indicators to monitor and evaluate risks.

Regular risk reports ensure compliance with limits, highlight risk exposures, and propose mitigation strategies. A 'three lines of defence' model strengthens governance by segregating powers, defining authority, and clarifying roles in risk management and control.

Supported by the Risk and Compliance Committee, the CRO implements the risk management framework via internal policies and procedures. This committee advises the CRO on risk-related matters.

The adoption of the Commission Decision (EU, Euratom) 2025/369 ([51]) reasserted and expanded the CRO's responsibilities to oversee:

— *Loans provided directly by the Union, whether provisioned or not.*

— *Union's budgetary guarantees covering operations on the basis of guarantee agreements with the implementing partners.*

— *Debt issuance and debt management operations including related liquidity management operations.*

— *Asset management operations and tasks related to the function of asset management designated services for outsourced portfolios management.*

([51]) Commission Decision (EU, Euratom) No 2025/369 of 21 February 2025 establishing the role of the Chief Risk Officer overseeing the financial risk arising from the Union's financial operations (OJ L, 2025/369, 25.2.2025, ELI: http://data.europa.eu/eli/dec/2025/369/oj).

The CRO enjoys autonomy in carrying out their tasks and responsibilities, and reports to the Member of the College responsible for the Budget as per the Commission Implementing Decision (EU, Euratom) 2023/2825 ([52]). This ensures independence in executing assigned tasks and responsibilities.

Borrowing and lending activities

The EU does not borrow money to fund its operational expenditure, except for the borrowing related to the NGEU.

The EU's borrowing and lending operations are managed in accordance with relevant regulations, decisions, and internal guidelines. Detailed manuals govern activities such as borrowings and loans, and the relevant units continuously assess financial and operational risks while ensuring compliance.

Historically, the EU's lending operations were financed through 'back-to-back' borrowings, which minimised open interest rate or currency risks. However, as of 2021 the EU mainly borrows money under a unified funding approach.

The unified funding approach, originally developed for NGEU programme, utilises various funding instruments and techniques to meet both long- and short-term funding needs. This includes the issuance of EU-branded bonds, replacing the previous practice of separate issuances for each programme. Since December 2022, this strategy has been expanded to MFA+ loans for Ukraine, in 2024 to Ukraine Facility programme and MFA loans, in 2025 to MFA ULCM loans to Ukraine, Western Balkan Facility and Moldova Facility programmes. The usage of unified funding approach is enhancing flexibility and cost efficiency and is the only funding approach to be used for future loan disbursements.

Treasury

The rules and principles for the management of the Commission's treasury operations are laid down in Regulation (EU, Euratom) No 609/2014, as amended by Council Regulations (EU, Euratom) 2016/804 ([53]) and (EU, Euratom) 2022/615 ([54]) (referred hereafter to the 'Regulation (EU, Euratom) No 609/2014') and in the Financial Regulation. The following main principles apply:

— Own resources are paid by the Member States into accounts opened for this purpose in the name of the Commission with the treasury or national central bank.

— Own resources are paid by Member States in their own national currencies, while the Commission's payments are mostly denominated in EUR.

— Bank accounts opened in the name of the Commission may not be overdrawn.

— Funds held in bank accounts denominated in currencies other than EUR are either used for payments in the same currencies or periodically converted into EUR.

In addition to the own resource accounts, other bank accounts are opened by the Commission with central banks and commercial banks for the purpose of executing payments and receiving receipts other than the Member State contributions to the budget.

Treasury and payment operations are highly automated and rely on modern information systems. Procedures are applied to guarantee system security, segregate duties, and ensure compliance with the FR, internal control standards, and audit principles.

([52]) Commission Implementing Decision (EU, Euratom) 2023/2825 of 12 December 2023 establishing the arrangements for the administration and implementation of the Union borrowing and debt management operations under the diversified funding strategy and related lending operations (OJ L, 2023/2825, 18.12.2023, ELI: http://data.europa.eu/eli/dec_impl/2023/2825/oj).

([53]) Council Regulation (EU, Euratom) 2016/804 of 17 May 2016 amending Regulation (EU, Euratom) No 609/2014 on the methods and procedure for making available the traditional, VAT and GNI-based own resources and on the measures to meet cash requirements (OJ L 132, 21.5.2016, p. 85, ELI: http://data.europa.eu/eli/reg/2016/804/oj).

([54]) Council Regulation (EU, Euratom) 2022/615 of 5 April 2022 amending Regulation (EU, Euratom) No 609/2014 in order to enhance predictability for Member States and to clarify procedures for dispute resolution when making available the traditional, VAT and GNI based own resources (OJ L 115, 13.4.2022, p. 51, ELI: http://data.europa.eu/eli/reg/2022/615/oj).

Guidelines and procedures regulate the management of the Commission's treasury and payment operations, aiming to limit operational and financial risk and ensure adequate control. These guidelines cover areas such as payment execution, cash management, cash flow forecasting and business continuity. Compliance with them is monitored regularly.

Asset management

The control of the various risks related to the asset management activities is based on dedicated governance and working procedures adopted following benchmarking with the highest standards adopted by peer international institutions. These procedures, which were subject to various internal and external audits, ensure the achievement of a sound asset management.

The Commission has put in place the appropriate governance to review and approve technical and strategic decisions in relation to asset management operations. The asset management operations are supervised by two committees: The Risk Committee, composed of representatives of DG BUDG and the Asset Management Board, composed of representatives of DG BUDG, DG ECFIN and DG FISMA. Technical decisions are discussed and approved in the Risk Committee, while strategic decisions are endorsed by the Risk Committee and Asset Management Board before final approval of the Director General of DG BUDG, in agreement with the Accounting Officer. The asset management governance guarantees clear delegation of decision-making and lines of accountability and adequate segregation of duties between Front Office, Risk Management and Back Office. The compliance procedures provide the framework for adequate rules for codes of conduct to manage potential personal conflicts of interest as well as rules to manage risks of insider trading.

The Asset Management Guidelines and internal investment restrictions provide a solid internal control framework to ensure the safeguarding of assets. Securities are kept with our custodians in accordance with market best practices, while cash and deposits are placed with highly rated financial institutions. The safeguarding of financial assets is also assured by segregation of duties between the team responsible for initiation of securities deals and the back-office team responsible for their settlement and bank accounts reconciliation. An additional layer of control is assured by the accounting team during the monthly closure reconciliation process when the portfolio of securities is reconciled with the security custodian's statement. Any settlement discrepancies and late payments caused by counterparties are followed by the bank accounts reconciliation and back-office teams.

For the monitoring of the respect of the control framework, an exhaustive set of performance and risk metrics for the assets under management is reported periodically to the relevant stakeholders.

The asset management guidelines, risk and investment strategies define certain limits and restrictions to limit the exposure to credit risk of the portfolio, which is limited to investment grade, except for EU Member States exposure.

Common Provisioning Fund

The CPF is managed according to the asset management guidelines set by the Commission, as per Decision C(2020)1896 of 25 March 2020 ([55]). The Director General of DG BUDG is responsible for managing the CPF's financial assets.

The CPF's objective is to ensure the necessary liquidity to meet all required outflows, such as guarantee calls, fully and promptly, and to provide capital preservation over the investment horizon of the fund, with a high confidence level.

The CPF portfolio is designed to be highly diversified across different asset classes, geographical areas, issuers, and maturities, in accordance with the asset management guidelines. As at 31 December 2025, the portfolio included investments in money market instruments, bonds, as well as corporate bonds and equity ETFs.

As the sole counterparty for all outstanding currency forwards as at 31 December 2025 is the Bank for International Settlements, no credit enhancements, such as collateral, netting agreements or guarantees are put in place as of this date. The maximum exposure to credit risk for foreign exchange derivatives having a positive fair value at the end of the reporting period is equal to the carrying amount on the balance sheet.

([55]) Commission Decision of 25 March 2020 on the asset management guidelines of the common provisioning fund 2020/C 131/03 (OJ C 131, 22.4.2020, p. 3).

Fines

Provisionally paid fines: BUFI portfolio

Fines imposed and provisionally paid are invested in the BUFI portfolio.

The Commission manages the BUFI portfolio in accordance with internal asset management guidelines and procedures. The objectives of the asset management activities are to:

— Ensure that the funds are easily available when needed;

— Reduce risks associated with financial markets; aim to deliver a return that is in line with the BUFI Benchmark, while preserving the nominal amount for the fines.

In line with the asset management guidance as updated in December 2025 investments in the BUFI portfolio are restricted to:

— Term deposits.

— Money market instruments and money market funds.

— Debt instruments, such as bonds, bills and notes.

— Collective investment undertakings including exchange-traded funds which invest in equity or in debt instruments where maximum losses cannot exceed amounts invested.

— Repurchase agreements and reverse repurchase agreements.

— Securities lending operations.

Financial guarantees received

The Commission holds significant amounts of guarantees issued by financial institutions in relation to fines imposed on companies breaching EU rules (see Note **2.6.1.3**). These guarantees are provided by fined companies as an alternative to making provisional payments.

The Commission manages these guarantees in compliance with its internal risk management policy. This policy ensures that financial and operational risks are regularly identified and evaluated, and that compliance with internal policies and procedures is checked on a regular basis.

EU budgetary guarantee programmes

The FR has implemented several safeguards to protect the EU budget against financial risks created by budgetary guarantees. These safeguards can be grouped into four main categories:

(a) *Measures to limit contingent liabilities*

The EU guarantee is capped in a clearly defined manner, and the financial liability cannot exceed the amount of the budgetary guarantee authorised by its basic act. The contingent liability generated by a budgetary guarantee can only exceed the financial assets provided to cover the EU financial liability if this is provided for in the underlying basic act and under specific conditions.

The desired risk profile of the operations/financial products guaranteed by the EU is determined ex-ante, i.e. before the signature of the guarantee agreements.

(b) *Measures concerning the selection of implementing partners*

Budgetary guarantee programmes are implemented with reliable, pillar-assessed partners. These partners commit to using their own resources, ensuring alignment of interests with the EU.

(c) *Measures to ensure adequate ex-ante budgetary capacity to absorb guarantee calls*

Budgetary guarantee programmes are backed by provisioned assets kept in the CPF. The provisioning rate is set in the basic act of each programme to allow the programming of budgetary appropriations to constitute a provision that would allow the absorption of losses without budgetary disruption. The Commission ensures annually that the provisioning rate is adequate and aligned with the FR principles and financial programming.

(d) *Measures to deal with realised losses exceeding ex-ante estimation*

The FR includes two early warning thresholds (50 % and 30 % of the provisioning rate remaining available). These thresholds allow the Commission to anticipate potential exhaustion of the provisioning and evaluate whether to propose additional provisioning. In case of temporary additional liquidity needs, procedures are in place, including transfers between CPF compartments, use of central treasury liquidity, and use of available budgetary space.

Financial instruments programmes

The EU's budget has relied on financial instrument programmes for many years. These programmes are used to finance riskier final recipients who have difficulty obtaining funding from commercial lenders/investors. The Commission delegates the implementation of these programmes to the EIB Group or other financial institutions through agreements with the Commission. See Note **2.4.2.1** for examples of these.

Once a financial contribution to a financial instrument is committed, the necessary funds are transferred to a fiduciary account opened by the financial institution in its name but on behalf of the Commission or to the relevant CPF compartment for financial instruments in the form of guarantees used in blending operations. The financial institution may use these funds to provide loans, issue debt instruments, invest in equity instruments, or cover guarantee calls.

The risk associated with these financial instruments is limited to the ceiling set out in the underlying agreements, which is the budgeted amount foreseen for the instrument. As the Commission often bears the first loss, it is likely that some losses to the EU budget will occur.

The Commission's agreements with financial institutions include strict conditions and obligations to ensure proper management and reporting of EU funds. The proceeds from financial instruments are generally reimbursed to the EU budget.

6.3. CURRENCY RISK

Financial instruments exposure of the EU to currency risk at year-end – net position

EUR million

	31.12.2025						
	USD	RON	PLN	SEK	Other	EUR	Total
Financial assets							
Financial assets at AC[1]	*51*	*5*	*–*	*–*	*7*	*548*	*611*
Financial assets at FVSD							
Non-derivatives	*1 558*	*–*	*–*	*18*	*124*	*49 380*	*51 080*
Derivatives	*(1 122)*	*87*	*134*	*93*	*164*	*2 229*	*1 585*
Receivables[2]	*138*	*8*	*84*	*2*	*159*	*3 351*	*3 742*
Cash and cash equivalents	*219*	*594*	*1 480*	*612*	*1 517*	*98 619*	*103 041*
	845	**694**	**1 698**	**725**	**1 972**	**154 127**	**160 060**

EUR million

	31.12.2025						
	USD	RON	PLN	SEK	Other	EUR	Total
Financial liabilities							
Financial guarantee liability	*(469)*	*(51)*	*(77)*	*(9)*	*(110)*	*(7 012)*	*(7 729)*
Financial liabilities at FVSD	*(6)*	*221*	*–*	*–*	*(3)*	*(273)*	*(62)*
	(475)	**170**	**(77)**	**(9)**	**(114)**	**(7 285)**	**(7 790)**
Total	**369**	**864**	**1 621**	**715**	**1 858**	**146 842**	**152 269**

EUR million

	31.12.2024						
	USD	RON	PLN	SEK	Other	EUR	Total
Financial assets							
Financial assets at AC ([1])	*40*	*5*	*–*	*–*	*7*	*414*	*466*
Financial assets at FVSD							
Non-derivatives	*2 148*	*–*	*–*	*45*	*120*	*41 336*	*43 648*
Derivatives	*–*	*–*	*–*	*–*	*–*	*1 110*	*1 110*
Receivables ([2])	*72*	*1*	*17*	*1*	*111*	*3 039*	*3 240*
Cash and cash equivalents	*111*	*258*	*573*	*314*	*966*	*60 941*	*63 163*
	2 371	**264**	**590**	**360**	**1 204**	**106 839**	**111 628**
Financial liabilities							
Financial guarantee liability	*(518)*	*(36)*	*(59)*	*(12)*	*(112)*	*(5 643)*	*(6 379)*
Financial liabilities at FVSD	*(1 712)*	*285*	*76*	*75*	*138*	*1 040*	*(98)*
	(2 230)	**248**	**17**	**63**	**26**	**(4 603)**	**(6 477)**
Total	**141**	**512**	**607**	**423**	**1 230**	**102 237**	**105 151**

([1]) *Excluding loans to Member States and third countries.*
([2]) *Excluding deferred charges.*

If the EUR had strengthened or weakened against other currencies by 10 %, then it would have had the following impact on the economic result:

EUR million

FX Rate Increase (+)/ Decrease (-)	2025			
	USD	RON	PLN	SEK
+ 10 %	*(34)*	*(79)*	*(147)*	*(65)*
- 10 %	*41*	*96*	*180*	*79*

EUR million

FX Rate Increase (+)/ Decrease (-)	2024			
	USD	RON	PLN	SEK
+ 10 %	*(13)*	*(47)*	*(55)*	*(38)*
- 10 %	*16*	*57*	*67*	*47*

Borrowing and lending activities

Since all financial assets and liabilities of the EU are currently in EUR, the EU is not exposed to foreign currency risk.

Treasury

Own resources paid by Member States in currencies other than EUR are kept on the own resource's accounts. When these funds are needed for payments, they are converted into EUR. In some cases, they are directly used for payments in the same currencies.

The Commission also holds accounts in EU currencies other than EUR, such as USD and GBP, with commercial banks to execute payments in these currencies. These accounts are replenished as needed, which mitigates the currency risk.

When miscellaneous receipts are received in currencies other than EUR, they are either transferred to Commission accounts in the same currencies or converted into EUR and transferred to accounts in EUR.

Imprest accounts in currencies other than EUR are replenished based on estimated short-term payment needs and are kept within their respective ceilings.

Fines

All fines imposed, paid, or provisionally covered are in EUR, eliminating any foreign currency risk when they are held in the BUFI Fund.

Budgetary guarantees

Budgetary guarantees are typically capped at a maximum amount in EUR. However, some underlying operations may be denominated in other currencies, such as USD or local currencies, in which case the EU may also cover FX losses.

The Commission considers currency risk when determining the provisioning needs for budgetary guarantees.

Common Provisioning Fund

The CPF operates in both EUR and USD. To manage currency risk, the CPF enters into foreign exchange forward contracts to hedge the market value of its USD investments, with the limit for maximum unhedged foreign exchange exposure set at 1 % of the total portfolio value within the benchmark and annual strategy allocations, as defined in the relevant financial instruments.

The CPF uses this hedging strategy to adjust or reverse the hedged position accordingly, as needed. However, the CPF does not hedge currency risk for subrogated loans (see Note **2.4.1.2**) that are carried in their original currency, which expose the EU to currency risk. For these loans, there are no activities to compensate for foreign currency variations, due to uncertainty relating to the loans' repayment timing.

6.4. **INTEREST RATE RISK**

The following table shows how a 1 % change in interest rates (+/- 100 basis points) would affect the EU's economic result for debt securities, money market funds and ETFs.

EUR million

	Increase (+) / decrease (-) in basis points	Economic result
2025: Financial assets at FVSD	*+ 100*	*(1 448)*
	- 100	*1 536*
2024: Financial assets at FVSD	*+ 100*	*(1 172)*
	- 100	*1 246*

The sensitivity of a bond portfolio to interest rate changes increases with its duration. The duration of the main asset portfolios managed by the Commission is outlined below.

Borrowing and lending activities

Due to its borrowing and lending activities, the EU has significant interest-bearing assets and liabilities. For the legacy financial assistance instruments under back-to-back approach there is no interest rate risk since the borrowings are offset by equivalent loans at the same terms and conditions.

For the unified funding approach interest rate risk is covered by implementing procedures and mechanisms that mitigate the risk. The underlying principle of the unified funding approach is to allocate the cost of funding and related costs to loan beneficiaries and the EU budget in a transparent, most cost-effective and equitable way, based on daily interest calculations. The unified funding is based on the principle of full allocation of cost, so any interest cost coming from borrowing instruments, cash holding, or other investment instruments are fully reallocated and invoiced to loan beneficiaries as cost of funding or liquidity management costs.

The costs of funding are allocated to loan beneficiaries based on the outstanding amount of loans. Funding costs not allocated to loans or non-repayable support are invoiced to loan beneficiaries and the EU budget in the form of liquidity management costs, which can be positive or negative depending on the evolution of interest rates applied on cash balances.

Under the unified funding approach, cash is held in an EU funding pool to maintain a defined safety buffer allowing for disbursements within short time, while avoiding excess balances. The safety buffer consists of cash at bank, money market term deposits with national banks and state owned financing agencies as well as reverse repurchase transactions with a duration of 7 or 14 days (see Note **2.8.2**). The cash is mainly kept at the ECB where the euro money market short-term interest rate minus 20 basis points applies to any outstanding cash balance. Any revenues from cash holding and other investment instruments are part of liquidity management cost invoicing.

Treasury

The Commission has measures in place to ensure that interest earned on its bank accounts regularly reflects market interest rates and their possible fluctuations.

Own resources accounts are protected from any costs as they are free of any charge or interest in accordance with Article 9.1 of Council Regulation (EU, Euratom) No 609/2014.

Accounts opened with Member States treasuries for own resources receipts are non-interest bearing and free of charge. Accounts held with national central banks (own resources and other) may be remunerated at the official rates applied by each institution.

The Commission adapts its cash management procedures according to current market interest conditions. A safety cash buffer is held on central deposit accounts based on a weekly funding from own resources accounts to cover payment needs for the implementation of the budget while avoiding excess balances.

Overnight balances held on commercial and central bank accounts earn interest daily, based on variable market rates with a contractual margin (positive or negative) applied.

Fines

The provisionally cashed fines are invested in a portfolio of long-term bonds with an average portfolio duration of 1,81 years.

Common Provisioning Fund

The CPF portfolio has a total average duration of 3,56 years.

ECSC i.L.

The ECSC i.L. amounts are invested in a long-term bond portfolio with an average duration of 3,83 years.

6.5. **OTHER PRICE RISK**

As at 31 December 2025, the EU is exposed to equity risk from various investments, including:

— Non-quoted equity investments (such as venture capital and other investment funds);

— Money market funds (such as the EIB Unitary Fund);

— ETFs;

— Investments in pooled portfolios (see Note **2.4.2.1**).

The EU is also exposed to equity risk through guarantees covering non-quoted equity and quasi equity investments, which are treated as derivatives at fair value through surplus or deficit (see Note **2.4.2.2**).

Equity price risk is the risk that the fair values of equity investments change due to fluctuations in equity prices and/or the value of guaranteed equity investments.

The effect on surplus or deficit of a 10 % value increase or decrease of the above-mentioned instruments would be as follows:

EUR million

	10 %	(10) %
Equity investments	*380*	*(380)*
MMFs, ETFs and investments in pooled portfolios	*681*	*(681)*
Guarantees on equity ([1])	*695*	*(695)*
Total at 31.12.2025	**1 756**	**(1 756)**
Equity investments	*320*	*(320)*
MMFs, ETFs and investments in pooled portfolios	*598*	*(598)*
Guarantees on equity ([1])	*606*	*(606)*
Total at 31.12.2024	**1 523**	**(1 523)**

([1]) *The risk of guarantees on equity is based on the notional amount that is covered by the guarantee.*

The EU invests in or guarantees unquoted assets, whose values are not publicly available. These assets are typically implemented by entrusted entities, which are experts in the industry and regularly assess and monitor their value.

6.6. **CREDIT RISK**

Maximum credit risk exposure

EUR million

	31.12.2025	31.12.2024
Financial assets		
Loans	*333 432*	*283 580*
Cash and cash equivalents	*103 041*	*63 163*
Exchange receivables ([1])	*3 742*	*3 240*
Financial assets at FVSD - debt securities	*40 462*	*34 465*
Financial assets at FVSD - derivatives	*1 585*	*1 110*
Financial assets at FVSD - loans	*9*	–
Guarantees given and loan commitments		
FGCs	*65 474*	*60 857*
Loan commitments	*24*	*18 193*
Total	**547 771**	**464 607**

([1]) *Excluding deferred charges.*

In addition, the EU is indirectly exposed to the credit risk through its investments in MMFs, corporate bond ETFs and pooled portfolios of debt securities (see Note **2.4.2.1**), which may impact their prices (see Note **6.5**).

Loans: credit quality

EUR million

31.12.2025					
	Stage 1	Stage 2	Stage 3	POCI	Total
Credit rating					
Prime and high grade	*33 176*	–	–	–	*33 176*
Upper medium grade	*102 243*	–	–	–	*102 243*
Lower medium grade	*151 363*	–	–	–	*151 363*
Non-investment grade (incl. default)	*4 340*	*72 630*	*28*	*21*	*77 019*
Gross carrying amount	**291 122**	**72 630**	**28**	**21**	**363 801**
Minus loss allowance	*(12)*	*(30 357)*	*(24)*	*24*	*(30 369)*
Net carrying amount	**291 110**	**42 273**	**4**	**45**	**333 432**

EUR million

31.12.2024					
	Stage 1	Stage 2	Stage 3	POCI	Total
Credit rating					
Prime and high grade	*35 593*	–	–	–	*35 593*
Upper medium grade	*87 005*	–	–	–	*87 005*
Lower medium grade	*129 200*	–	–	–	*129 200*

EUR million

31.12.2024					
	Stage 1	Stage 2	Stage 3	POCI	Total
Non-investment grade (incl. default)	*3 593*	*44 139*	*14*	*27*	*47 773*
Gross carrying amount	**255 391**	**44 139**	**14**	**27**	**299 571**
Minus loss allowance	*(31)*	*(15 969)*	*(14)*	*24*	*(15 991)*
Net carrying amount	**255 360**	**28 170**	**(1)**	**51**	**283 580**

The risk categories mentioned above are in principle based on the rating scales of external rating agencies. These categories correspond to:

— Prime and high grade: Moody's P-1, Aaa – Aa3; S&P A-1+, A-1, AAA – AA -; Fitch F1+, F1, AAA – AA- and equivalent;

— Upper medium grade: Moody's P-2, A1 – A3; S&P A-2, A+ – A-; Fitch F2, A+ – A- and equivalent;

— Lower medium grade: Moody's P-3, Baa1 – Baa3, S&P A-3, BBB+ – BBB-; Fitch F3, BBB+ – BBB- and equivalent;

— Non-investment grade: Moody's not prime, Ba1 – C; S&P B, C, D, BB+ – D; Fitch B, C, D, BB+ – D and equivalent.

The EU uses these rating categories as a reference point for financial instruments and commercial banks. However, the EU may keep amounts in a particular risk category even if a rating agency has downgraded the counterparty, after making its own analysis of individual cases.

The loans in the non-investment grade are mainly financial assistance loans to third countries in financial difficulties. All loans to Member States are in investment grade and in Stage 1. The loans in Stage 2 include mainly the MFA, MFA+, Ukraine Facility, MFA ULCM and Euratom loans to Ukraine. The POCI loans are subrogated loans from the ELM programmes.

Borrowing and lending activities

In case of default by debtors, the Commission may draw on the assets held in the CPF to service any debt due related to MFA loans (except MFA+ and MFA ULCM loans), Euratom loans to third countries and policy-based loans provided under Western Balkans and Moldova Facilities.

Loans provided to Ukraine under the exceptional MFA programme (EUR 6 billion disbursed in 2022) are firstly covered by their compartment in the CPF, and then also by additional EUR 3,7 billion of Member States' guarantees, which are considered as credit enhancement for those loans and thus reduce an impairment allowance recognised in relation to those loans.

The MFA ULCM loan to Ukraine is expected to be repaid by Ukraine from flows of extraordinary revenues stemming from the immobilised Russian sovereign assets granted to Ukraine as a non-repayable support under the ULCM mechanism. In 2025 the Union collected and granted to Ukraine EUR 622 million. This amount is placed on the dedicated bank account at year-end and will be solely used to service the MFA - thus reduces credit losses expected from that loan.

The Commission manages exposure to credit risk for Euratom loans by obtaining state guarantees, which total EUR 300 million on 31 December 2025 (2024: EUR 300 million).

Loans provided to Member States under the SURE instrument are underpinned by a system of voluntary guarantees from Member States, amounting to 25 % of the maximum ceiling available for the related financial assistance.

For any credit losses on the loans to Member States, MFA+, MFA ULCM and Ukraine Facility the Commission may call upon Member States, while respecting the own resources ceilings ('the budgetary headroom'; see Note **6.7**).

Loans: Movement in impairment loss allowance

EUR million

	Stage 1	Stage 2	Stage 3	POCI	Total
Loss allowance at 01.01.2025	*31*	*15 969*	*14*	*(24)*	*15 991*
Transfer to Stage 1	*1*	*(1)*	–	–	–
Transfer to Stage 2	*(1)*	*1*	–	–	–
Transfer to Stage 3	–	*(1)*	*1*	–	–
New loans	*2*	*13 483*	*4*	–	*13 488*
Derecognitions - repayments	*(0)*	*(1)*	*(0)*	–	*(2)*
Derecognitions - write offs	–	–	*(3)*	–	*(3)*
Loss allowance remeasurement	*(22)*	*907*	*(0)*	–	*885*
Other	*2*	*2*	*8*	–	*11*
Loss allowance at 31.12.2025	**12**	**30 357**	**24**	**(24)**	**30 369**

The additional impairment loss allowance on Stage 2 loans is mainly due to new loans to Ukraine disbursed under the Ukraine Facility and MFA ULCM (see Note **2.4.1.1**) and to an update of the risk parameters applied in the credit risk estimates.

In 2025, the EU granted EUR 1,1 billion (2024: EUR 763 million) of interest rate subsidies to Ukraine for interest accrued on some of the exceptional MFA loans, MFA+ and Ukraine Facility loans. The amortised cost before modification was EUR 37,7 billion (2024: EUR 17,3 billion). This modification of the contractual terms was accounted for as a modification loss in the statement of financial performance (see Note **3.15**). The interest rate subsidy did not have a significant impact on the credit risk assessment, and the loans continued to be classified as Stage 2 as at 31 December 2025.

Please refer to Note **1.5.5** for the EU staging policies for loans.

Loans: ECL measurement

The EU uses a probability-weighted estimation to measure expected credit losses. This involves estimating the difference between contractual cash flows and expected cash flows.

The EU uses three credit risk parameters for this estimation:

— Probability of default (PD): This is a percentage that represents the likelihood of a counterparty defaulting on its financial obligation, either over the next 12 months or over the remaining lifetime of the obligation.

— Loss given default (LGD): This is a percentage that shows the expected cash shortfall, taking into account recoveries and collaterals.

— Exposure at default (EAD): This is the outstanding exposure (amount) at the time of a default.

The EU takes into account its de facto preferred creditor status when estimating the LGD on sovereign exposures.

The estimated cash flows over the expected life of the financial asset are discounted at the effective interest rate.

The EU considers reasonable and justified forward-looking information, available without undue cost and effort, and adjusts the model parameters when necessary.

Cash and cash equivalents: credit quality

EUR million

	31.12.2025	31.12.2024
Credit rating		
Premium and high grade	*101 584*	*57 251*
Upper medium grade	*821*	*4 161*
Lower medium grade	*533*	*1 722*
Non-investment grade	*104*	*28*
Gross carrying amount	**103 041**	**63 163**
Minus loss allowance	-	–
Net carrying amount	**103 041**	**63 163**

Treasury

Most of the Commission's treasury resources are kept on own resource accounts opened by Member States for the payment of their own resource's contributions, mainly GNI, VAT and TOR. These accounts are held with Member States' treasuries or national central banks, which carry the lowest credit (or counterparty) risk for the Commission.

For the portion of the Commission's treasury resources held with commercial banks, accounts are replenished on a just-in-time basis, managed automatically by the treasury cash management system. Cash levels in each commercial account are maintained to ensure the total overnight amount consistently stays below the respective counterparty exposure limits.

Specific guidelines are applied for the selection of commercial banks to further minimise counterparty risk to which the Commission is exposed. These guidelines include:

— Selecting commercial banks through calls for tender, with a minimum long-term credit rating of S&P A- or equivalent.

— Monitoring ratings and defining a maximum exposure on each financial institution, taking into account the creditworthiness and capitalisation of the financial sector entity.

— Holding imprest accounts with local banks selected by a simplified tendering procedure in delegations outside the EU, with rating requirements depending on the local situation. To limit risk exposure, balances on imprest accounts are kept at the lowest possible levels, regularly replenished, and the applied ceilings are reviewed on a yearly basis.

Liquidity held under unified funding

Under the unified funding approach, sufficient cash is held to meet all upcoming disbursement needs and maintain a defined safety buffer, while avoiding any excess balances. The cash is placed on a bank account at the ECB, in money market short-term deposits with national central banks or state owned financing agencies, or is invested in reverse repurchase agreements secured by liquid bonds. Thus, the credit risk of the liquidity buffer is very low.

Receivables: credit quality

EUR million

	Not due	Past due 0-30 days	Past due 31-90 days	Past due 91 days - 1 year	Past due > 1 year	Total
Gross carrying amount	2 063	18	22	52	179	*2 335*
Minus loss allowance	(5)	(3)	(9)	(24)	(115)	*(156)*
Net carrying amount at 31.12.2025	**2 058**	**15**	**14**	**28**	**64**	**2 178**
Gross carrying amount	1 508	15	33	27	207	*1 789*
Minus loss allowance	(5)	(2)	(3)	(13)	(115)	*(138)*
Net carrying amount at 31.12.2024	**1 502**	**13**	**30**	**14**	**92**	**1 652**

The amounts in this table do not include deferred charges and the FGC receivable leg measured at FVSD (see Note 2.6.2), as they are not subject to the impairment requirements.

Financial assets at FVSD – debt securities: credit quality

Common Provisioning Fund

The weighted average credit rating of the CPF portfolio is A (S&P or equivalent).

Provisionally cashed fines: BUFI portfolio

The weighted average credit rating of the portfolio is A (S&P or equivalent).

Financial guarantees received

The risk management policy applied for the acceptance of financial guarantees ensures a high credit quality for the Commission. This policy includes:

— Defining a maximum credit exposure based on a financial sector entity's credit rating and capital level, as reported in its IFRS financial statements.

— Regularly reviewing the compliance of outstanding guarantees with the policy requirements.

ECSC i.L.

The weighted average credit rating of the portfolio is A- (S&P or equivalent).

Financial assets at FVSD – derivatives: credit quality

The EU's derivative assets mainly relate to guarantees on equity portfolios. The credit risk is limited to counterparty risk. The guarantee on equity will be settled mainly with the EIB Group, which has a rating of AAA, reducing the credit risk.

The sole counterparty for all outstanding currency forwards as of 31 December 2025 is the Bank for International Settlements. As a result, no credit enhancements, such as collateral or guarantees, are needed.

Financial guarantee contracts: credit quality

EUR million

	31.12.2025			31.12.2024		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
Long-term rating						
Prime and high grade	*19*	*1*	*20*	*1*	*–*	*1*
Upper medium grade	*69*	*12*	*81*	*5*	*–*	*5*
Lower medium grade	*108*	*2*	*109*	*137*	*–*	*137*
Non-investment grade	*39 396*	*25 813*	*65 209*	*34 912*	*25 746*	*60 658*
Managed on collective basis / not rated	*10*	*45*	*55*	*10*	*47*	*56*
Total	**39 602**	**25 872**	**65 474**	**35 064**	**25 793**	**60 857**

Financial guarantee contracts: Movement in the loss allowance

EUR million

	Stage 1	Stage 2	Total
Loss allowance at 01.01.2025	*1 930*	*2 075*	*4 005*
Transfer to Stage 2 ([1])	*(48)*	*48*	*–*
Transfer to Stage 1 ([1])	*28*	*(28)*	*–*
Additions	*377*	*1 257*	*1 634*
Release of guarantees	*(340)*	*(2)*	*(342)*
Remeasurement	*397*	*107*	*504*
Loss allowance at 31.12.2025	**2 345**	**3 456**	**5 800**
Financial guarantee liability carrying amount at 31.12.2025	**4 061**	**3 668**	**7 729**

([1]) *Transfers from and to stage 1 / stage 2 are measured at the opening balance impairment allowance, whereas the changes of the amount arising from the change of the stage (i.e. measuremet at 12-months or lifetime ECL) are part of re-measurement.*

The increase of the loss allowance for guarantees in Stage 2 in 2025 was mainly due to new operations signed under the Ukraine Guarantee (see Note **4.1.1**).

Out of the outstanding ECL for guarantees in Stage 2 of EUR 3,5 billion as at 31 December 2025, EUR 1,7 billion relates to the ELM guarantees (see Note **4.1.1**). This includes EUR 0,9 billion lifetime ECL for the EIB exposure in Ukraine (EUR 3,4 billion outstanding EIB loans to counterparts in Ukraine guaranteed by the EU).

Please refer to the Note **1.5.12** for the EU staging policies for financial guarantee contracts.

Budgetary guarantees

The EU is mainly exposed to credit risk through the operations it guarantees. When the credit quality of the underlying operations deteriorates, default events become more likely and calls on EU guarantees may also increase.

To monitor and manage this risk, the Commission relies on a Credit Risk Model that assesses potential losses. The model uses inputs from implementing partners and combines them with expert judgment to derive a risk assessment that is coherent with the transaction and relevant economic circumstances.

6.7. **LIQUIDITY RISK**

Maturity analysis of non-derivative financial liabilities by remaining contractual maturity

EUR million

	Undiscounted contractual cash-flows				Carrying amount
	< 1 year	1-5 years	> 5 years	Total	
Borrowings	*(98 561)*	*(240 053)*	*(578 604)*	*(917 217)*	*(731 224)*
Payables	*(65 037)*	*–*	*–*	*(65 037)*	*(65 037)*
Other	*(180)*	*(608)*	*(1 157)*	*(1 944)*	*(1 773)*
Total at 31.12.2025	**(163 777)**	**(240 661)**	**(579 760)**	**(984 199)**	**(798 034)**
Borrowings	*(61 589)*	*(201 152)*	*(468 669)*	*(731 410)*	*(594 028)*
Payables	*(55 414)*	*–*	*–*	*(55 414)*	*(55 414)*
Other	*(168)*	*(560)*	*(850)*	*(1 578)*	*(1 398)*
Total at 31.12.2024	**(117 171)**	**(201 711)**	**(469 519)**	**(788 401)**	**(650 839)**

Maturity analysis of derivative financial liabilities by remaining contractual maturity

EUR million

	Undiscounted contractual cash-flows				Carrying amount
	< 1 year	1-5 years	> 5 years	Total	
Derivative pay leg	*(1 184)*	*(11)*	*–*	*(1 195)*	
Derivative receive leg	*1 138*	*7*	*–*	*1 145*	
Net cash flows at 31.12.2025	**(46)**	**(4)**	**–**	**(50)**	**(48)**
Derivative pay leg	*(1 779)*	*(7)*	*(4)*	*(1 790)*	
Derivative receive leg	*1 691*	*–*	*–*	*1 691*	
Net cash flows at 31.12.2024	**(88)**	**(7)**	**(4)**	**(99)**	**(98)**

Maturity analysis of financial guarantee contracts issued by earliest period in which the guarantee could be called

EUR million

	Maximum amount of guarantee				Carrying amount
	< 1 year	1-5 years	> 5 years	Total	
FGCs at 31.12.2025	*(63 617)*	*(1 637)*	*(13 966)*	*(79 220)*	*(7 729)*
FGCs at 31.12.2024	*(64 115)*	*(2 211)*	*(10 271)*	*(76 597)*	*(6 379)*

Maturity analysis of undrawn loan commitments

EUR million

	Maximum amount of undrawn loan commitment				Carrying amount
	< 1 year	1-5 years	> 5 years	Total	
Undrawn loan commitments at 31.12.2025	–	*15*	*9*	*24*	*3*
Undrawn loan commitments at 31.12.2024	*18 152*	*41*	–	*18 193*	*7 082*

Borrowing activities

The EU's first recourse for repaying borrowings is the timely collection of related financial assistance and NGEU loan repayments. However, additional safeguards are in place in case of payment defaults or payment delays by borrowers.

The Commission has established a short-term temporary measure called budgetary cover, which provides liquidity to cover payment of obligations arising from back-to-back financial assistance programmes.

For the loans to third countries under MFA (except MFA+ and MFA ULCM), Euratom, Western Balkans Facility and Moldova Facility the CPF provides a liquidity reserve. This reserve may be used to repay related borrowings.

If the available assets in the reserve are insufficient to cover actual losses, the Commission will activate measures to provide additional resources, such as temporary use of Commission's treasury liquidity, temporary transfers, or additional expenditure from the EU budget.

Loans provided to Ukraine under the exceptional MFA programme are covered by their compartment in CPF, as well as by additional Member States guarantees (see Note **6.6**).

For loans disbursed and borrowings issued under the unified funding approach, the Commission may apply active cash management and short-term borrowing to service EU debts. Management of liquidity risk under this approach requires implementation of liquidity management procedures and dedicated tools to monitor and manage liquidity on a daily basis.

The Commission may also call resources from Member States up to the own resources ceiling to service EU debts. The own resources decision fixes the ceiling for own resources to cover annual appropriations for payments at 1,40 % of Member States' Gross National Income (GNI), plus an additional temporary increase of 0,6 percentage points exclusively for NGEU. The 2025 budget included a total of own resources of 0,83 % of EU GNI to finance the expenditure. This means that on 31 December 2025 there existed an available margin of 1,17 % to cover its liabilities.

Finally, loans provided to Member States under the SURE instrument are underpinned by a system of voluntary guarantees from Member States, amounting to 25 % of the maximum ceiling available for the related financial assistance. Before calling on these guarantees, the Commission is expected to examine the scope for drawing on the margin available under the own resources ceiling for payment appropriations.

The undrawn loan commitments as at 31 December 2024 mainly relate to the MFA loan under ULCM for EUR 18,1 billion (see Note **2.4.1.1**). This loan was fully disbursed in 2025.

Treasury

The EU's budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments.

The total Member States' contributions together with miscellaneous revenue equal the amount of payment appropriations for the budgetary year. However, Member States' contributions are received in 12 monthly instalments throughout the year, based on the adopted budget, while payments are subject to operational needs.

Member States' contributions relating to amending budgets approved in a given month (N) only become available on the first working day of the month N+1 or N+2, while the related payment appropriations are immediately available.

To ensure that available treasury resources are always sufficient to cover payments to be executed in any given month, procedures regarding regular cash forecasting are in place. Own resources or additional funding can be called up in advance from Member States if needed, up to certain limits and under conditions foreseen in the Regulation (EU, Euratom) No 609/2014.

In addition to these procedures, automated cash management tools ensure that sufficient liquidity is available on each of the Commission's bank accounts, as part of the Commission's daily treasury operations.

Fines

The BUFI fund is managed to maintain a sufficient level of liquidity and mobilisation to meet short-term commitments. The portfolio is composed of mostly highly liquid securities that can be easily sold to meet cash outflows. The share of cash, cash equivalents and securities maturing within 1 year is approximately 41 %.

Budgetary guarantees

The EU's maturity analysis for financial guarantees uses a prudent approach, allocating the maximum guarantee amount to the earliest period in which the guarantee could be called. However, the probability of the EU being called for the entire amount in the first period is remote, and the expected loss is often lower than the guarantee ceiling. Therefore, the liquidity risk needs to be considered in conjunction with the carrying amount of the guarantee liabilities.

A key objective of the risk management framework is to ensure that the EU budget can honour its obligations without disrupting the normal implementation of the budget. This includes mitigating the liquidity risk related to budgetary guarantees, which is the risk of insufficient funds to fulfil payment obligations in a timely manner.

To address this risk, each budgetary guarantee is backed by sufficient provisioning paid into the CPF to ensure timely payment of guarantee calls. The EU regularly monitors the adequacy of the provisioning rate for each budgetary guarantee programme and reports annually on whether the amounts are sufficient to cover the risk for the next five years with a defined level of certainty.

In addition, the EU has safeguard procedures in place, including temporary transfers between CPF compartments and the use of central treasury liquidity, to ensure sufficient liquidity is available when needed.

Common Provisioning Fund

The CPF is managed to ensure that its assets have a sufficient degree of liquidity and mobilisation to meet short-term commitments. The portfolio is composed of liquid assets that can be easily sold to meet cash outflows if needed. Approximately 10 % of the portfolio is made up of cash, cash equivalents, and securities maturing within 1 year.

The settlement of derivative contracts is gross and based on their contractual maturity. If necessary, obligations are honoured by selling USD-denominated assets or through a swap transaction, which may result in a cash outflow due to foreign exchange differences.

7. **RELATED PARTY DISCLOSURES**

7.1. **RELATED PARTIES**

The related parties of the EU are the EU consolidated entities, associates and the key management personnel of these entities. Transactions between these entities take place as part of the normal operations of the EU and as this is the case, no specific disclosure requirements are necessary for these transactions in accordance with the EU accounting rules.

7.2. **KEY MANAGEMENT ENTITLEMENTS**

For the purposes of presenting information on related party transactions concerning the key management personnel of the EU, such persons are shown here under five categories:

Category 1: the Presidents of the European Council, the Commission and the Court of Justice of the European Union

Category 2: the Vice-president of the Commission and High Representative of the EU for Foreign Affairs and Security Policy and the other Vice-presidents of the Commission

Category 3: the Secretary-General of the Council, the Members of the Commission, the Judges and Advocates General of the Court of Justice of the European Union, the President and Members of the General Court, the Ombudsman and the European Data Protection Supervisor

Category 4: the President and Members of the European Court of Auditors

Category 5: the highest-ranking civil servants of the Institutions and Agencies

A summary of their entitlements is given below – further information can be found in the Staff Regulations published on the Europa website which is the official document describing the rights and obligations of all officials of the EU. Key management personnel have not received any preferential loans from the EU.

KEY MANAGEMENT FINANCIAL ENTITLEMENTS

EUR

Entitlement (per employee)	Category 1	Category 2	Category 3	Category 4	Category 5
Basic salary (per month)	*35 860,91*	*32 482,71 - 33 782,02*	*25 986,17 - 29 234,44*	*28 065,06 - 29 884,10*	*16 523,41 - 25 986,17*
Residential/Expatriation allowance	*15 %*	*15 %*	*15 %*	*15 %*	*0-4 %-16 %*
Family allowances:					
Household (% salary)	*2 % + 241,21*	*2 % + 241,21*	*2 % + 241,21*	*2 % + 241,21*	*2 % + 241,21*
Dependent child	*527,06*	*527,06*	*527,06*	*527,06*	*527,06*
Pre-school	*128,76*	*128,76*	*128,76*	*128,76*	*128,76*
Education, or	*357,63*	*357,63*	*357,63*	*357,63*	*357,63*
Education outside place of work	*715,26*	*715,26*	*715,26*	*715,26*	*715,26*
Presiding judges allowance	*N/A*	*N/A*	*1 111,04*	*N/A*	*N/A*
Representation allowance	*1 943,34*	*1 248,97*	*832,83*	*N/A*	*N/A*
Annual travel costs	*N/A*	*N/A*	*N/A*	*N/A*	*Reimbursed*
Transfers to Member State:					
Education allowance ([1])	*Yes*	*Yes*	*Yes*	*Yes*	*Yes*
% of salary ([1])	*5 %*	*5 %*	*5 %*	*5 %*	*5 %*
% of salary with no cc	*max 25 %*	*max 25 %*	*max 25 %*	*max 25 %*	*max 25 %*
Representation expenses	*Reimbursed*	*Reimbursed*	*Reimbursed*	*N/A*	*N/A*

EUR

Entitlement (per employee)	Category 1	Category 2	Category 3	Category 4	Category 5
Taking up duty:					
Installation expenses	*71 721,82*	*64 965,42 - 67 564,04*	*51 972,34 - 58 468,88*	*56 130,12 - 59 768,20*	*Reimbursed*
Family travel expenses	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*
Moving expenses	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*
Leaving office:					
Resettlement expenses	*35 860,91*	*32 482,71 - 33 782,02*	*25 986,17 - 29 234,44*	*28 065,06 - 29 884,10*	*Reimbursed*
Family travel expenses	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*
Moving expenses	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*	*Reimbursed*
Transition (% salary) [2]	*40 % - 65 %*	*40 % - 65 %*	*40 % - 65 %*	*40 % - 65 %*	*N/A*
Sickness insurance	*Covered*	*Covered*	*Covered*	*Covered*	*Covered*
Pension (% salary, before tax)	*Max 70 %*	*Max 70 %*	*Max 70 %*	*Max 70 %*	*Max 70 %*
Deductions:					
Community tax	*8 % - 45 %*	*8 % - 45 %*	*8 % - 45 %*	*8 % - 45 %*	*8 % - 45 %*
Sickness insurance (% salary)	*1,7 %*	*1,7 %*	*1,7 %*	*1,7 %*	*1,7 %*
Special levy on salary	*7%*	*7%*	*7%*	*7%*	*6-7 %*
Pension deduction	*N/A*	*N/A*	*N/A*	*N/A*	*13,10 %*
Number of persons at year-end	***3***	***8***	***93***	***27***	***116***

[1] *With correction coefficient ('cc') applied.*
[2] *Paid for the first 3 years following departure.*

8. **EVENTS AFTER THE BALANCE SHEET DATE**

At the date of signature of these accounts no material issues had come to the attention of, or were reported to, the Accounting Officer of the Commission that would require separate disclosure under this section. The accounts and related notes were prepared using the most recently available information and this is reflected in the information presented.

9. **SCOPE OF CONSOLIDATION**

A. **CONTROLLED ENTITIES (54)**	
1. **Institutions and consultative bodies (11)**	
Council of the European Union	*European Data Protection Supervisor*
Court of Justice of the European Union	*European Economic and Social Committee*
European Commission	*European External Action Service*
European Committee of the Regions	*European Ombudsman*
European Council	*European Parliament*
European Court of Auditors	
2. **EU Agencies AND Other Bodies (41)**	
2.1. ***Executive Agencies (6)***	
European Climate, Infrastructure and Environment Executive Agency (CINEA)	*European Innovation Council and SMEs Executive Agency (EISMEA)*
European Education and Culture Executive Agency (EACEA)	*European Research Council Executive Agency (ERCEA)*
European Health and Digital Executive Agency (HaDEA)	*European Research Executive Agency (REA)*
2.2. ***Decentralised Agencies and Other Bodies (35)***	
Agency for Support for the Body of European Regulators for Electronic Communications (BEREC Office)	*European Public Prosecutor's Office (EPPO)*
Community Plant Variety Office (CPVO)	*European Securities and Markets Authority (ESMA)*
European Agency for Safety and Health at Work (EU-OSHA)	*European Training Foundation (ETF)*
European Banking Authority (EBA)	*European Union Agency for Asylum (EUAA)*
European Border and Coast Guard Agency (FRONTEX)	*European Union Agency for Criminal Justice Cooperation (Eurojust)*
European Centre for Disease Prevention and Control (ECDC)	*European Union Agency for Cybersecurity (ENISA)*
European Centre for the Development of Vocational Training (CEDEFOP)	*European Union Agency for Fundamental Rights (FRA)*
European Chemicals Agency (ECHA)	*European Union Agency for Law Enforcement Cooperation (EUROPOL)*
European Environment Agency (EEA)	*European Union Agency for Law Enforcement Training (CEPOL)*
European Fisheries Control Agency (EFCA)	*European Union Agency for Railways (ERA)*
European Food Safety Authority (EFSA)	*European Union Agency for the Cooperation of Energy Regulators (ACER)*

European Foundation for the Improvement of Living and Working Conditions (Eurofound)	*European Union Agency for the Operational Management of Large-Scale IT Systems in the Area of Freedom, Security and Justice (eu-LISA)*
European Institute for Gender Equality (EIGE)	*European Union Agency for the Space Programme (EUSPA)*
European Insurance and Occupational Pensions Authority (EIOPA)	*European Union Aviation Safety Agency (EASA)*
European Joint Undertaking for ITER and the Development of Fusion Energy (Fusion for Energy)	*European Union Drugs Agency (EUDA)*
European Labour Authority (ELA)	*European Union Intellectual Property Office (EUIPO)*
European Maritime Safety Agency (EMSA)	*Translation Centre for the Bodies of the European Union (CdT)*
European Medicines Agency (EMA)	
3. **Other controlled entities (2)**	
European Coal and Steel Community in Liquidation (ECSC i.L.)	*European Institute of Innovation and Technology (EIT)*
B. **ASSOCIATES (1)**	
European Investment Fund (EIF)	

MINOR ENTITIES

The entities listed below have not been consolidated using the equity method in the 2025 EU consolidated financial statements on the basis of immateriality:

MINOR ENTITES (11)

Chips Joint Undertaking (Chips JU)

Circular Bio-based Europe Joint Undertaking (CBE JU)

Clean Aviation Joint Undertaking (CAJU)

Clean Hydrogen Joint Undertaking (Clean H2 JU)

Europe's Rail Joint Undertaking (EU-RAIL JU)

European Cybersecurity Competence Centre (ECCC)

European High Performance Computing Joint Undertaking (EuroHPC JU)

Global Health EDCTP3 Joint Undertaking (GH EDCP3 JU)

Innovative Health Initiative Joint Undertaking (IHI JU)

Single European Sky ATM Research 3 Joint Undertaking (SESAR 3 JU)

Smart Networks and Services Joint Undertaking (SNS JU)

The annual accounts of the above entities are publicly available on their respective websites.

BUDGETARY IMPLEMENTATION REPORTS AND EXPLANATORY NOTES ([56])

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([56]) It should be noted that due to the rounding of figures into millions of euros, some financial data in the tables below may appear not to add up.

1. **EU BUDGET RESULT**

EUR million

Note		2025	2024
a	Revenue for the financial year	224 398	250 609
b	Payments against current year appropriations	(212 797)	(244 309)
c	Payment appropriations carried over to year N+1	(6 087)	(3 848)
d	Cancellation of unused appropriations carried over from year N-1	273	334
e	*Evolution of assigned revenue (B)-(A)*	(3 579)	(1 486)
	Unused appropriations at the end of current year (A)	28 271	24 692
	Unused appropriations at the end of previous year (B)	24 692	23 206
f	*Exchange rate differences for the year*	(130)	44
	Budget result	**2 078**	**1 345**

The budget result of the EU is returned to the Member States in the following year through deduction against their amounts due for that year. It is calculated in accordance with Article 1(1) of Council Regulation (EU, Euratom) No 608/2014 ([57]) laying down implementing measures for the system of own resources. More information can be found under Section **3.7** Calculation of the budget result.

a. Revenue for the financial year: table 5.1 'Summary of the implementation of EU Budget Revenue', column 8 'Total Revenue'.

b. Payments against current year appropriations: table 6.3 'MFF – Implementation of Payment appropriations', column 2 'Payments made from adopted budget' and column 4 'Payments made from assigned revenue'.

c. Payment appropriations carried over to year N+1: table 6.3 'MFF – Implementation of Payment appropriations', column 7 automatic carry-overs plus column 8 carry-over by decision.

d. Cancellation of unused payment appropriations carried over from year N-1: takes into account the amount of payment appropriations carried over (automatically and on decision) at the end of previous year and the current year's 'Payments made from carryovers' as in column 3 of table 6.3 'MFF – Implementation of Payment appropriations'.

e. Evolution of the total assigned revenue appropriations at year-end: calculates the difference of the amount of assigned revenue appropriations at the end of previous year (plus) and the amount of assigned revenue appropriations at the end of the current year (as in column 8 of table 6.3 'MFF – Implementation of Payment appropriations' - minus) to obtain the net variation of assigned revenue in the current year.

f. Exchange rate differences include realised and non-realised exchange rate differences.

([57]) Council Regulation (EU, Euratom) No 608/2014 of 26 May 2014 laying down implementing measures for the system of own resources of the European Union (OJ L 168, 7.6.2014, p. 29, ELI: http://data.europa.eu/eli/reg/2014/608/oj).

2. STATEMENTS OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget revenue

EUR million

	Title	Initial adopted budget	Final adopted budget	Entitlements established	Revenue
1	Own Resources	151 161	154 322	155 448	155 418
2	Surpluses, Balances And Adjustments	–	1 345	1 362	1 362
3	*Administrative Revenue*	*2 425*	*2 425*	*3 272*	*3 226*
4	*Financial Revenue, Default Interest And Fines*	*183*	*1 659*	*18 874*	*2 618*
5	*Budgetary Guarantees, Borrowing-And-Lending Operations*	–	–	*40 815*	*40 766*
6	*Revenue, Contributions And Refunds Related To Union Policies*	*1 440*	*1 412*	*24 016*	*21 008*
	Total	**155 209**	**161 163**	**243 787**	**224 398**
	of which Next Generation EU (NGEU)	-	-	*40 219*	*40 213*

Budget expenditure: commitments by multiannual financial framework (MFF) heading

EUR million

	MFF Heading	Initial adopted budget	Final adopted budget	Total appropr. available	Commit-ments made
1	Single Market, Innovation and Digital	21 480	21 539	30 466	27 095
2	Cohesion, Resilience and Values	77 980	77 979	80 804	78 884
3	*Natural Resources and Environment*	*56 731*	*56 700*	*58 961*	*57 658*
4	*Migration and Border Management*	*4 791*	*4 645*	*5 338*	*4 738*
5	Security and Defence	2 633	2 633	2 742	2 666
6	*Neighbourhood and the World*	*16 308*	*16 892*	*20 828*	*19 645*
7	European Public Administration	12 845	12 766	15 115	13 955
O	Outside MFF	4 320	4 320	11 767	6 409
S	Solidarity mechanisms within and outside the Union (Special instruments)	2 349	1 766	2 085	1 065
	Total	**199 438**	**199 239**	**228 104**	**212 116**
	of which Next Generation EU (NGEU)	–	–	*232*	*39*

Budget expenditure: payments by multiannual financial framework (MFF) heading

EUR million

	MFF Heading	Initial adopted budget	Final adopted budget	Total appropr. available	Payments made
1	Single Market, Innovation and Digital	20 461	20 255	34 035	24 483
2	Cohesion, Resilience and Values	44 445	47 141	96 601	92 306
3	*Natural Resources and Environment*	*52 092*	*56 039*	*61 329*	*59 589*
4	*Migration and Border Management*	*3 204*	*3 564*	*4 386*	*3 819*
5	Security and Defence	2 143	1 839	1 947	1 872
6	*Neighbourhood and the World*	*14 426*	*15 010*	*18 469*	*17 170*
7	European Public Administration	12 845	12 766	16 133	13 767
O	Outside MFF	3 274	2 805	15 994	2 319
S	Solidarity mechanisms within and outside the Union (Special instruments)	2 320	1 744	2 063	1 048
	Total	**155 209**	**161 163**	**250 956**	**216 373**
	of which Next Generation EU (NGEU)	–	–	*43 760*	*41 739*

3. NOTES TO THE BUDGETARY IMPLEMENTATION REPORTS

3.1. THE EU BUDGET FRAMEWORK

The budgetary accounts are kept in accordance with the Financial Regulation (FR). The general budget is the instrument which provides for and authorises the Union's revenue and expenditure every year, within the ceilings and other provisions laid down in the MFF in line with the legislative acts concerning multiannual programmes adopted under that framework.

3.2. MULTIANNUAL FINANCIAL FRAMEWORK 2021-2027

EUR million in current prices

	2021	2022	2023	2024	2025	2026	2027	Total
1. Single Market, Innovation and Digital	20 919	21 878	21 727	21 598	21 596	22 210	20 991	150 919
2. Cohesion, Resilience and Values	6 364	67 806	70 137	73 289	75 697	67 523	70 128	430 944
2a. Economic, social and territorial cohesion	1 769	61 345	62 939	64 683	66 361	56 593	58 484	372 174

EUR million in current prices

	2021	2022	2023	2024	2025	2026	2027	Total
2b. Resilience and Values	4 595	6 461	7 198	8 606	9 336	10 930	11 644	58 770
3. Natural Resources and Environment	56 841	56 965	57 295	57 449	57 336	57 100	57 316	400 302
Of which: Market related expenditure and direct payments	40 368	40 639	40 693	40 603	40 529	40 542	40 496	283 870
4. Migration and Border Management	1 791	3 360	3 814	4 020	4 871	5 103	5 619	28 578
5. Security and Defence	1 696	1 896	1 946	2 380	2 617	2 810	3 080	16 425
6. Neighbourhood and the World	16 247	16 802	16 329	16 331	16 303	15 614	16 071	113 697
7. European Public Administration	10 635	11 058	11 419	11 773	12 124	12 506	12 959	82 474
Of which: Administrative expenditure of the institutions	8 216	8 528	8 772	9 006	9 219	9 464	9 786	62 991
TOTAL COMMITMENT APPROPRIATIONS	**114 493**	**179 765**	**182 667**	**186 840**	**190 544**	**182 866**	**186 164**	**1 223 339**
TOTAL PAYMENT APPROPRIATIONS	**163 496**	**166 534**	**162 053**	**142 601**	**175 378**	**201 170**	**195 246**	**1 206 478**
as a percentage of GNI	1,18 %	1,12 %	0,99 %	0,81 %	0,95 %	1,04 %	0,98 %	1,01 %

Regulation (EU, Euratom) 2020/2093 laying down the 2021-2027 MFF was adopted on 17 December 2020. The above table shows the MFF ceilings at current prices as adopted in the technical adjustment for the MFF 2021-2027 for 2026 ([58]), in accordance with the fixed annual deflator of 2 % set out in Article 4(2) of the MFF Regulation. As stipulated in the Regulation (EU, Euratom) 2020/2093 laying down the 2021-2027 MFF, for commitment appropriations the amounts are split per Heading; for payment appropriations the ceilings only apply at total level. 2025 was the fifth financial year covered by the MFF 2021-2027.

([58]) Technical adjustment of the financial framework for 2026 in accordance with Article 4 of Council Regulation (EU, Euratom) 2021/365 laying down the multiannual financial framework for the years 2021 to 2027, COM(2025) 800 final, 4.6.2025.

Following the political agreement on the Mid-term revision of the 2021-2027 MFF reached in the European Council of 1 February and with the European Parliament on 6 February 2024, the revised MFF Regulation ([59]) was adopted on 29 February 2024. The mid-term revision reinforced the EU budget for the period 2024-2027 by EUR 64,6 billion, of which EUR 33 billion in loans, in a number of priority areas including support to Ukraine, the setting-up of the strategic technologies for Europe platform (STEP), the creation of the mechanism to cover additional costs to fund the Next Generation EU recovery instrument, arising from higher interest rates as well as the additional funding for migration management and international partnerships, and the reinforcement of some special instruments. The Solidarity and Emergency Aid Reserve (SEAR) is split as of 1 January 2024 into two separate instruments (the European Solidarity Reserve and the Emergency Aid Reserve). To integrate the impact of the Mid-term revision on the Annual Budget for 2024, Amending Budget 1/2024 was adopted ([60]).

The overall ceiling for commitment appropriations for 2025 was EUR 190 544 million, whilst the corresponding ceiling for payment appropriations was EUR 175 378 million.

Pursuant to Article 312(3) TFEU, the MFF determines the amounts of the annual ceilings for commitment appropriations by category of expenditure ('headings') and of the annual ceilings for payment appropriations. MFF headings correspond to the Union's major sectors of activity. An explanation of the various headings of the 2021-2027 MFF is given below.

The MFF 2021-2027 amounts to EUR 1 223 billion (EUR 1 083 billion in 2018 prices), including the European Development Fund (EDF). In addition, NextGenerationEU provides an additional amount of EUR 806,9 billion (EUR 750 billion in 2018 prices) up to 2023 in commitments and 2026 in payments. This initial amount has been adjusted to EUR 698,3 billion, as the total available loan support was not fully requested by the Member States.

For the annual budget procedure, the budget nomenclature is further structured by policy 'clusters', providing further clarity on how individual spending programmes contribute to the Union's policy goals.

Heading 1 – Single Market, Innovation and Digital

This heading includes key EU programmes supporting the areas of research and innovation, digital transformation, strategic infrastructure, strengthening the single market and strategic space projects. Programmes under this heading include Horizon Europe, the InvestEU Fund, Connecting Europe Facility, the Single market programme and the European space programme.

Programmes receiving contributions from NGEU (external assigned revenue) under this heading: Horizon Europe and InvestEU Fund.

Heading 2 – Sustainable growth: natural resources

This heading is divided in two sub-headings: Economic, social and territorial cohesion (2a), and Resilience and values (2b).

Spending under this heading aims at strengthening the resilience and cohesion between the EU Member States. The funding helps reduce disparities in and between EU regions, and within and across Member States, and promotes sustainable territorial development (European Regional Development Fund, Cohesion Fund, European Social Fund Plus). It also supports the Union's solidarity and cooperation in preparedness and response to disasters (Union Civil Protection Mechanism and RescEU). In addition, programmes under this heading seek to make the EU more resilient to present and future challenges by investing in the green and digital transition, young people (Erasmus), health (EU4Health) and action to protect EU values (Justice, Rights and Values) and promote cultural diversity (Creative Europe).

This heading includes the RRF, powered by the vast majority of the funding provided by NGEU over the period 2021-2023. Other programmes receiving contributions from NGEU (external assigned revenue) under this heading: REACT-EU, Union Civil Protection Mechanism (RescEU). For a more detailed overview of the RRF activities, consult sections on the NGEU **3** and **4** of the Financial Highlights of the Year.

([59]) As last amended by Council Regulation (EU, Euratom) No 2024/765 of 29 February 2024 Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L, 2024/765, 29.2.2024, ELI: http://data.europa.eu/eli/reg/2024/765/oj).

([60]) AB 1/2024, OJ L, 2024/1430, 5.6.2024.

Heading 3 – Natural Resources and Environment

Expenditure under this heading invests in sustainable agriculture (common agricultural policy) and fisheries and maritime policy (European Maritime, Fisheries and Aquaculture Fund), as well programmes dedicated to environmental protection and climate action (LIFE programme, Just Transition Fund).

Programmes receiving contributions from NGEU (external assigned revenue) under this heading: rural development, Just Transition Fund.

Heading 4 – Migration and Border Management

The programmes (Asylum, Migration and Integration Fund, Integrated Border Management Fund) and the decentralised agencies (such as the European Border and Coast Guard Agency (Frontex) and the European Union Agency for Asylum) financed under this heading seek to tackle the challenges linked to migration and the management of the EU's external borders and to the safeguarding of the asylum system within the EU.

Heading 5 – Security and Defence

This heading reflects the increased need for cooperation at Union level to address security threats and increase its strategic autonomy. It includes programmes whose role is to improve the security and safety of Europe's citizens (Internal Security Fund), to strengthen Europe's defence capacities (European Defence Fund), and to provide the tools needed to respond to internal and external security challenges.

Heading 6 – Neighbourhood and the World

Programmes under this heading reinforce the EU socio-economic impact in its neighbourhood, in developing countries and the rest of the world. The new NDICI-Global Europe instrument merges several former EU external financing instruments, including cooperation with African, Caribbean and Pacific (ACP) countries previously financed by the European Development Fund. The heading also includes assistance for countries preparing for accession to the EU (Pre-accession assistance) and the Union's Humanitarian Aid programme.

Heading 7 - European Public Administration

This heading covers administrative expenditure for all institutions, pensions and the European Schools.

S - Special instruments

Flexibility mechanisms in the EU budget enable the EU to mobilise the necessary funds to react to unforeseen events such as crisis, natural disasters and emergency situations. Their scope, financial allocation and operating modalities are provided for in the MFF Regulation and the Inter Institutional Agreement. They ensure that budgetary resources can respond to evolving priorities, so that every euro is used where it is most needed.

In the annual budgetary nomenclature and implementation, they are identified as special instruments ('S'), as they can be mobilised over and above the MFF expenditure ceilings, both for commitment and payment appropriations.

3.3. MFF DETAILED HEADINGS (PROGRAMMES)

The headings of the MFF are further broken down into detailed headings, corresponding to the main spending programmes (e.g. Horizon 2020, Erasmus+ etc.). Underlying legal bases for budget implementation are adopted at this programme level. Programmes are the commonly used structure for reporting on implementation and results. Tables by programme are shown in the budgetary implementation reports (see tables **6.6-6.10** below).

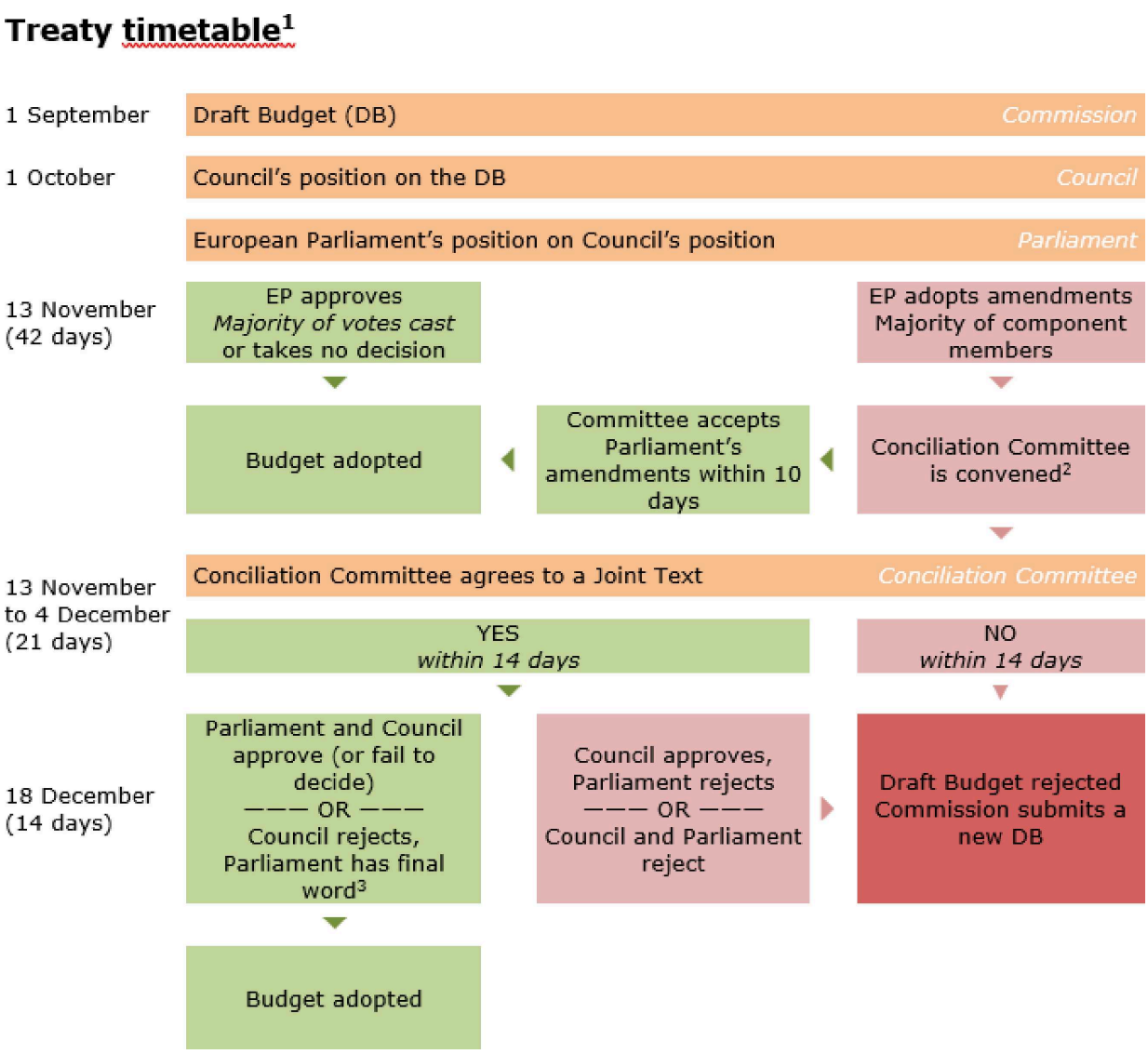
3.4. NEXTGENERATIONEU

With a budget of EUR 420,8 billion for the non-repayable support, NGEU has a major impact on the total EU annual budgets 2021 through to 2026 and on their implementation. In 2021, this amount has been fully inscribed as assigned revenue appropriations. All commitments for the non-repayable support were entered by 31 December 2023 and will be honoured by payments by 31 December 2026, in accordance with the Articles 3(4) and 3(9) of the EURI Regulation ([61]).

For a comprehensive overview of the NGEU activities, consult Section **3** of the Financial Highlights of the Year.

3.5. ANNUAL BUDGET

The budget adoption procedure is laid down in Article 314 of the Treaty on the Functioning of the EU. The following diagram presents the deadlines as well as the steps of the budget adoption.



1. In practice, the three institutions endeavour to present their respective documents earlier in the year in order to smooth the process.

([61]) Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis (OJ L 433I, 22.12.2020, p. 23, ELI: http://data.europa.eu/eli/reg/2020/2094/oj).

2. The Conciliation Committee is composed of the members of the Council or their representatives and an equal number of members representing the European Parliament. The Commission takes part in the Conciliation Committee's proceedings and takes all the necessary initiatives to reconcile the positions of the European Parliament and the Council.

3. The European Parliament approves the joint text and then, within 14 days of the Council's rejection, decides (by a majority of its component members and 3/5 of the votes cast) to confirm all or some of its amendments.

The budget structure for the Commission consists of administrative and operational appropriations. The other Institutions have only administrative appropriations. Furthermore, the budget distinguishes between two types of appropriations: non-differentiated and differentiated. Non-differentiated appropriations are used to finance operations of an annual nature (which comply with the principle of annuality). Differentiated appropriations are used in order to reconcile the principle of annuality with the need to manage multiannual operations. Differentiated appropriations are split into commitment and payment appropriations:

— commitment appropriations: cover the total cost of the legal obligations, entered into for the current financial year, for operations extending over a number of years. However, budgetary commitments for actions extending over more than one financial year may be broken down over several years, into annual instalments, where the basic act so provides.

— payment appropriations: cover expenditure arising from commitments entered into in the current financial year and/or earlier financial years.

In the accounts, the types of funding are grouped into two main items:

— Final adopted budget appropriations; and

— Additional appropriations containing:

  — Carry-overs from previous year (the Financial Regulation allows, for a limited number of cases, to carry unspent amounts from the previous year into the current year); and

  — Assigned revenue arising from reimbursements, contributions from third parties/countries to EU programmes and work performed for third parties; these are assigned directly to the corresponding expenditure budget lines and constitute the third pillar of funding.

All funding types together form the available appropriations.

3.6. **REVENUE**

3.6.1. *Own resources revenue*

The vast majority of revenue comes from own resources, which consist of the following categories:

(1) Traditional own resources (TOR): accounted for around 14 % of own resources revenue in 2025.

(2) Value added tax (VAT) based resource: accounted for around 17 % of own resources revenue in 2025.

(3) Resource based on plastic packaging waste that is not recycled: accounted for around 5 % of own resources revenue in 2025.

(4) Gross national income (GNI) based resource: accounted for around 64 % of own resources revenue in 2024.

Decision (EU, Euratom) 2020/2053 on the system of own resources of the EU (Own Resources Decision 2020) specifies the categories of own resources and lays down the methods for their calculation. This decision entered into force on 1 June 2021 and was applied retroactively from 1 January 2021.

The Own Resources Decision 2020 stipulates that the total amount of own resources allocated to the Union to cover annual appropriations for payments shall not exceed 1,40 % of the sum of all the Member States' GNIs. In addition, the decision empowers the Commission on an exceptional basis to borrow temporarily up to EUR 750 billion in 2018 prices on the capital markets on behalf of the Union to address the consequences of the COVID-19 pandemic through the recovery instrument NextGenerationEU. The own resources ceiling for appropriations for payments will be increased temporarily by 0,6 percentage points to cover all liabilities resulting from this borrowing.

As from 2021, 'other revenue' of the EU budget includes the financial contributions from the United Kingdom resulting from the financial settlement under the UK Withdrawal Agreement.

3.6.2. *Traditional own resources (TOR)*

TOR consist of customs duties levied on imports from third countries, which are collected by Member States on behalf of the EU. However, Member States retain 25 % to cover their collection costs. All established TOR amounts must be entered in one of the following accounts kept by the competent authorities:

In the ordinary accounts provided for in Article 6(3) of Regulation (EU, Euratom) No 609/2014: all amounts recovered or guaranteed.

In the separate accounts provided for in the same Article: all amounts not yet recovered and/or not guaranteed; amounts guaranteed but challenged may also be entered in this account.

Member States must book TOR to the Commission's account via their treasury or national central bank no later than the first working day after the 19th day of the second month following the month in which the entitlement was established (or recovered in the case of the separate account).

3.6.3. *Value added tax (VAT)*

The VAT own resource is calculated based on Member States' VAT bases, which are harmonised for this purpose in accordance with EU rules. A uniform call rate of 0,30 % applies to each Member State's total amount of VAT receipts collected for all taxable supplies divided by the weighted average VAT rate. The VAT base is capped at 50 % of each Member State's GNI.

3.6.4. *Non-recycled plastic packaging waste*

A uniform call rate of EUR 0,80 per kilogram applies to the weight of plastic packaging waste generated in each Member State that is not recycled. The plastic packaging waste that is not recycled in a given year is calculated as the difference between the plastic packaging waste generated and the plastic packaging waste recycled in that year in a Member State. Bulgaria, Czechia, Estonia, Greece, Spain, Croatia, Italy, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Portugal, Romania, Slovenia and Slovakia are entitled to specific annual lump sum reductions in their respective plastics own resource contributions.

3.6.5. *Gross national income (GNI)*

The resource based on gross national income (GNI) is used to finance that part of the budget that is not covered by other revenue sources. A uniform call rate is levied on each Member State's GNI, which is established in accordance with EU rules.

3.6.6. *Gross reduction*

For the period 2021-2027, the following Member States benefit from a gross reduction in their annual GNI-based contributions; EUR 565 million for Austria, EUR 377 million for Denmark, EUR 3 671 million for Germany, EUR 1 921 million for the Netherlands and EUR 1 069 million for Sweden. These gross reductions are measured in 2020 prices and financed by all Member States.

3.6.7. *Adjustments to own resources of previous financial years*

VAT and GNI-based resources are determined on the basis of forecasts of the relevant bases made when the draft budget is prepared. These forecasts are subsequently revised and updated during the budget year concerned, by means of an amending budget. Differences between the amounts due by the Member States with reference to the actual bases, and the amounts actually paid on the basis of the (revised) forecasts, either positive or negative, are called by the Commission from the Member States for the first working day of March of the third year following the budget year concerned. Corrections may still be made to the actual VAT and GNI bases during the subsequent four years, unless a reservation is issued. These reservations represent potential claims on the Member States for uncertain amounts, as their financial impact cannot be accurately estimated. When the exact amount can be determined, the corresponding VAT and GNI-based resources are called either in connection with the VAT and GNI balances exercise or by individual calls for funds.The forecast of the plastics-based own resource is adjusted in a similar way. However, the differences between the amounts due by the Member States according to their annual statements with the outturn data, and the amounts actually paid on the basis of the (revised) forecasts, either positive or negative, are called by the Commission from the Member States for the first working day of June of the third year following the budget year concerned. Corrections may still be made to the actual bases during the subsequent five years, unless a reservation is issued.

3.7. CALCULATION OF THE BUDGET RESULT

The budget result of the EU is returned to the Member States during the following year through deduction of their amounts due for that year.

The amounts of own resources entered in the accounts are those credited during the course of the year to the accounts opened in the Commission's name by the governments of the Member States. Revenue comprises also, in the case of a surplus, the budget result for the previous financial year. The other revenue entered in the accounts is the amount actually received during the course of the year.

For the purposes of calculating the budget result for the year, expenditure comprises payments made against the year's appropriations plus any of the appropriations for that year that are carried over to the following year. Payments made against the year's appropriations means payments that are made by the Accounting Officer by 31 December of the financial year. For the EAGF, payments are those effected by the Member States between 16 October N-1 and 15 October N, provided that the Accounting Officer was notified of the commitment and authorisation by 31 January N+1. EAGF expenditure may be subject to a conformity decision following controls in the Member States.

In accordance with Article 1(1) of Regulation No 608/2014 laying down implementing measures for the system of own resources, the budget result represents the difference between:

— total revenue received for the financial year; and

— total payments made against current year's appropriations plus the total amount of that year's appropriations carried over to the following year.

The following are added to or deducted from the resulting figure:

— the net balance of cancellations of payment appropriations carried over from previous years and any payments which, because of fluctuations in the euro rate, exceed non-differentiated appropriations carried over from the previous year;

— the evolution of assigned revenue; and

— the net exchange rate gains or losses recorded during the year.

Appropriations carried over from the previous financial year in respect of contributions by and work for third parties, which by definition never lapse, are included as additional appropriations for the financial year. This explains the difference between carryovers from the previous year in the year N budget implementation reports and those carried over to the following year in the year N-1 budget implementation reports. Commitment appropriations made available again following the repayment of payments on account are disregarded when calculating the budget result.

Payment appropriations carried over include automatic carry-overs and carry-overs by decision. The cancellation of unused payment appropriations carried over from the previous year comprises the cancellations of appropriations carried over automatically and by decision.

3.8. RECONCILIATION OF ECONOMIC RESULT WITH BUDGET RESULT

EUR million

	2025	2024
ECONOMIC RESULT OF THE YEAR	**(54 639)**	**(97 208)**
Revenue		
Entitlements established in current year but not yet collected	*(5 188)*	*(6 773)*
Entitlements established in previous years and collected in current year	*3 339*	*9 925*
Entitlements collected not to be treated as revenue in the economic result	*42 358*	*83 953*
Accrued revenue (net)	*(1 284)*	*(723)*
	39 225	**86 382**

EUR million

	2025	2024
Expenses		
Accrued expenses (net)	*45 735*	*10 599*
Expenses prior year paid in current year	*(10 067)*	*(2 220)*
Net-effect pre-financing	*(11 778)*	*(11 678)*
Payment appropriations carried over to next year	*(6 296)*	*(4 031)*
Payments made from carry-overs & cancellation of unused payment appropriations	*478*	*1 711*
Movement in provisions	*(3 485)*	*9 948*
Other	*3 075*	*7 757*
	17 662	**12 086**
Economic result Agencies and ECSC i.L.	**(170)**	**85**
BUDGET RESULT OF THE YEAR	**2 078**	**1 344**

In accordance with the Financial Regulation, the economic result of the year is calculated on the basis of accrual accounting principles and the EU Accounting Rules, while the budget result is based on modified cash accounting rules. As the economic result and the budget result cover the same underlying transactions – the exception being the other (non-budgetary) sources of revenue and expenditure of the agencies and the ECSC i.L. which are included in the economic result only – the reconciliation of the economic result of the year with the budget result of the year serves as a useful consistency check.

Reconciling items – Revenue

The actual budgetary revenue for a financial year corresponds to the revenue collected from entitlements established in the course of the year and amounts collected from entitlements established in previous years. Therefore the entitlements established in the current year but not yet collected are to be deducted from the economic result for reconciliation purposes as they do not form part of budgetary revenue. On the contrary the entitlements established in previous years and collected in current year must be added to the economic result for reconciliation purposes. Some entitlements collected are not to be treated as revenue in the economic result and must also be added for reconciliation purposes. They are mostly related to Next Generation EU financing.

The accrued revenue mainly consists of amounts related to financial corrections, own resources, interests and dividends. Only the net effect, i.e. accrued revenue for current year minus reversal accrued revenue from previous year, is taken into consideration.

Reconciling items – Expenditure

The accrued expenses mainly consists of accruals made for year-end cut-off purposes, i.e. eligible expenses incurred by beneficiaries of EU funds but not yet reported to the Commission. Only the net-effect, i.e. accrued expenses for current year minus the reversal of accrued expenses from the previous year, is taken into consideration. Payments made in the current year relating to invoices registered in prior years are part of current year's budgetary expenditure and therefore must be added to the economic result for reconciliation purposes. Due to the adoption of a new financial IT system in 2025, a temporary methodology has been used for this year that can result in some transfers between these two categories.

The net effect of pre-financing is the combination of (1) the new pre-financing amounts paid in the current year and recognised as budgetary expenditure of the year and (2) the clearing of the pre-financing through eligible costs accepted during the current year. The latter represent an expense in accrual terms but not in the budgetary accounts since the payment of the initial pre-financing had already been considered as a budgetary expenditure at the time of its payment.

As well as the payments made against the year's appropriations, the appropriations for that year that are carried forward to the next year also need to be taken into account in calculating the budget result for the year (in accordance with Article 1(1) of Regulation (EU, Euratom) No 608/2014). The same applies for the budgetary payments made in the current year from carry-overs from previous years, and the cancellation of unused payment appropriations.

The movement in provisions relates to year-end estimates made in the financial statements (employee benefits mainly) that do not impact the budgetary accounts. Other reconciling amounts comprise different elements such as asset amortisation/depreciation, asset acquisitions, capital lease payments and financial participations for which the budgetary and accrual accounting treatments differ.

Reconciling item – Economic result Agencies and ECSC i.L.

The budget result of the year is a non-consolidated figure and does not include the other (non-budgetary) sources of revenue and expenditure of the consolidated agencies and the ECSC i.L. (see note **6**). To reconcile the economic result of the year – a consolidated figure which includes these amounts – with the budgetary result of the year, the whole consolidated economic result of the year of the agencies and the ECSC i.L. is presented as a reconciling item.

4. IMPLEMENTATION OF THE 2025 EU BUDGET

Please see Section **2**, 'Summary of budget implementation' in the Financial Highlights of the Year for explanatory notes on the 2025 budget implementation for revenue and expenditure, outstanding commitments and budget result.

5.1. SUMMARY OF THE IMPLEMENTATION OF EU BUDGET REVENUE

EUR million

	Title	Income appropriations		Entitlements established			Revenue			Revenue as % of budget	Out-standing
		Initial adopted budget	Final adopted budget	Current year	Carried over	Total	On entitle-ments of current year	On entitlements carried over	Revenue		
1	Own Resources	151 161	154 322	155 417	32	155 448	155 414	4	155 418	101 %	30
2	Surpluses, Balances And Adjustments	–	1 345	1 362	–	1 362	1 362	–	1 362	101 %	–
3	Administrative Revenue	2 425	2 425	3 228	44	3 272	3 200	26	3 226	133 %	45
4	Financial Revenue, Default Interest And Fines	183	1 659	5 722	13 152	18 874	1 388	1 230	2 618	158 %	16 256
5	Budgetary Guarantees, Borrowing-And-Lending Operations	–	–	40 771	44	40 815	40 722	44	40 766		49
6	Revenue, Contributions And Refunds Related To Union Policies	1 440	1 412	21 024	2 992	24 016	18 960	2 048	21 008	1 487 %	3 008
	TOTAL	**155 209**	**161 163**	**227 523**	**16 264**	**243 787**	**221 046**	**3 352**	**224 398**	**139 %**	**19 389**

DETAIL TITLE 1: Own Resources

	Chapter	Income appropriations		Entitlements established			Revenue			Revenue as % of budget	Out-standing
		Initial adopted budget	Final adopted budget	Current year	Carried over	Total	On entitle-ments of current year	On entitle-ments carried over	Revenue		
1 1	Levies And Other Duties Provided For Under The Common Organisation Of The Markets In Sugar			–	(0)	(0)	–	–	–		(0)
1 2	Customs Duties And Other Duties	21 082	22 179	23 037	32	23 068	23 034	4	23 038	104 %	30

ELI: http://data.europa.eu/eli/communic/C/2026/4821/oj

OJ C, 8.10.2026

DETAIL TITLE 1: Own Resources												
		Income appropriations		Entitlements established			Revenue					
	Chapter	Initial adopted budget	Final adopted budget	Current year	Carried over	Total	On entitlements of current year	On entitlements carried over	Revenue	Revenue as % of budget	Outstanding
1 3	Own Resource Based On Value Added Tax	24 395	23 815	23 860	–	23 860	23 860	–	23 860	100 %	–
1 4	Own Resource Based On Gross National Income	98 563	101 480	101 682	–	101 682	101 682	–	101 682	100 %	(0)
1 6	Gni Lump-Sum Reductions Granted To Certain Member States And Their Financing	–	–	(25)	–	(25)	(25)	–	(25)		–
1 7	Own Resource Based On Non-Recycled Plastic Packaging Waste	7 121	6 848	6 863	–	6 863	6 863	–	6 863	100 %	–
	TOTAL	**151 161**	**154 322**	**155 417**	**32**	**155 448**	**155 414**	**4**	**155 418**	**101 %**	**30**

6. **IMPLEMENTATION OF EU BUDGET EXPENDITURE**

6.1. **MFF: BREAKDOWN & CHANGES IN COMMITMENT & PAYMENT APPROPRIATIONS**

EUR million

		Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total appropr. available	Budget appropriations			Additional appropriat.		Total appropr. available
	MFF Heading	Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue	
		1	2	3=1+2	4	5	6=3+4+5	7	8	9=7+8	10	11	12=9+10+11
1	Single Market, Innovation and Digital	21 480	59	21 539	116	8 810	30 466	20 461	(205)	20 255	107	13 673	34 035
2	Cohesion, Resilience and Values	77 980	(1)	77 979	0	2 825	80 804	44 445	2 696	47 141	1 897	47 563	96 601
3	Natural Resources and Environment	56 731	(32)	56 700	366	1 894	58 961	52 092	3 948	56 039	375	4 914	61 329

EUR million

	MFF Heading	Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total appropr. available	Budget appropriations			Additional appropriat.		Total appropr. available
		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue	
		1	2	3=1+2	4	5	6=3+4+5	7	8	9=7+8	10	11	12=9+10+11
4	Migration and Border Management	4 791	(146)	4 645	–	693	5 338	3 204	360	3 564	28	794	4 386
5	Security and Defence	2 633	0	2 633	–	109	2 742	2 143	(304)	1 839	6	103	1 947
6	Neighbourhood and the World	16 308	584	16 892	970	2 966	20 828	14 426	584	15 010	116	3 343	18 469
7	European Public Administration	12 845	(79)	12 766	1	2 348	15 115	12 845	(79)	12 766	927	2 440	16 133
O	Outside MFF	4 320	(0)	4 320	31	7 415	11 767	3 274	(469)	2 805	121	13 069	15 994
S	Solidarity mechanisms within and outside the Union (Special instruments)	2 349	(584)	1 766	310	9	2 085	2 320	(576)	1 744	310	9	2 063
	TOTAL	**199 438**	**(199)**	**199 239**	**1 795**	**27 070**	**228 104**	**155 209**	**5 953**	**161 163**	**3 887**	**85 907**	**250 956**

6.2. **MFF: IMPLEMENTATION OF COMMITMENT APPROPRIATIONS**

EUR million

	MFF Heading	Total appropr. available	Commitments made					Appropriations carried over to 2026			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1	Single Market, Innovation and Digital	30 466	21 532	116	5 446	27 095	89 %	0	3 362	3 362	7	(0)	2	9
2	Cohesion, Resilience and Values	80 804	76 865	0	2 019	78 884	98 %	(1)	776	776	1 113	1	30	1 144
3	Natural Resources and Environment	58 961	56 472	192	995	57 658	98 %	391	705	1 096	11	(0)	195	206
4	Migration and Border Management	5 338	4 644	–	94	4 738	89 %	–	599	599	0	–	0	1
5	Security and Defence	2 742	2 620	–	46	2 666	97 %	12	63	75	0	–	0	0
6	Neighbourhood and the World	20 828	16 218	929	2 498	19 645	94 %	682	468	1 151	0	32	0	32
7	European Public Administration	15 115	12 707	1	1 247	13 955	92 %	0	1 099	1 099	59	(0)	3	62
O	Outside MFF	11 767	4 269	31	2 110	6 409	54 %	51	5 306	5 357	0	1	–	1
S	Solidarity mechanisms within and outside the Union (Special instruments)	2 085	755	310	–	1 065	51 %	997	1	998	14	–	7	21
	Sum:	**228 104**	**196 083**	**1 580**	**14 454**	**212 116**	**93 %**	**2 133**	**12 379**	**14 512**	**1 206**	**33**	**237**	**1 476**

6.3. **MFF: IMPLEMENTATION OF PAYMENT APPROPRIATIONS**

EUR million

	MFF Heading	Total appropr. available	from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1	Single Market, Innovation and Digital	34 035	20 128	96	4 258	24 483	72 %	107	9 414	9 521	20	10	0	31
2	Cohesion, Resilience and Values	96 601	45 231	1 895	45 180	92 306	96 %	1 906	2 377	4 283	4	2	6	11
3	Natural Resources and Environment	61 329	55 799	200	3 590	59 589	97 %	399	1 323	1 722	16	0	0	17
4	Migration and Border Management	4 386	3 560	19	239	3 819	87 %	3	554	557	1	9	0	10
5	Security and Defence	1 947	1 814	5	52	1 872	96 %	22	51	73	3	0	0	3
6	Neighbourhood and the World	18 469	14 444	89	2 637	17 170	93 %	584	706	1 290	7	2	0	9
7	European Public Administration	16 133	11 775	847	1 144	13 767	85 %	932	1 291	2 222	59	80	5	144
O	Outside MFF	15 994	1 693	113	514	2 319	15 %	1 120	12 555	13 675	0	0	–	0
S	Solidarity mechanisms within and outside the Union (Special instruments)	2 063	729	310	9	1 048	51 %	1 015	–	1 015	0	0	–	0
	TOTAL	**250 956**	**155 173**	**3 575**	**57 624**	**216 373**	**86 %**	**6 087**	**28 271**	**34 358**	**110**	**104**	**12**	**226**

6.4. MFF: MOVEMENTS IN OUTSTANDING COMMITMENTS (RAL)

EUR million

	MFF Heading	Commit. carried forward from prev. year	Commit. made during the year	Variations on Commitments carried forward	Payments	Total commitm. outstanding at end of the year
		1	2	3	4	5=1+2+3+4
1	Single Market, Innovation and Digital	51 164	27 095	(583)	(24 482)	53 194
2	Cohesion, Resilience and Values	344 088	78 884	(275)	(92 361)	330 336
3	Natural Resources and Environment	50 867	57 658	(263)	(59 544)	48 718
4	Migration and Border Management	5 754	4 738	(0)	(3 809)	6 683
5	Security and Defence	4 445	2 666	(1)	(1 872)	5 239
6	Neighbourhood and the World	42 097	19 645	(443)	(17 170)	44 129
7	European Public Administration	1 011	13 955	(65)	(13 767)	1 134
O	Outside MFF	7 899	6 409	(410)	(2 319)	11 578
S	Solidarity mechanisms within and outside the Union (Special instruments)	53	1 065	–	(1 048)	71
	TOTAL	**507 378**	**212 116**	**(2 039)**	**(216 371)**	**501 084**

6.5. MFF: OUTSTANDING COMMITMENTS BY YEAR OF ORIGIN

EUR million

	MFF heading	<2018	2018	2019	2020	2021	2022	2023	2024	2025	Total
1	Single Market, Innovation and Digital	617	411	1 430	2 551	2 771	4 555	6 282	15 261	19 315	53 194
2	Cohesion, Resilience and Values	1 368	225	538	1 061	878	13 776	52 352	190 270	69 869	330 336
3	Natural Resources and Environment	2 507	907	896	946	275	2 859	3 882	19 889	16 558	48 718
4	Migration and Border Management	72	47	97	553	69	110	679	1 920	3 138	6 683
5	Security and Defence	27	55	78	125	364	410	725	1 367	2 089	5 239
6	Neighbourhood and the World	1 032	943	1 047	1 370	2 908	6 392	7 312	10 589	12 534	44 129
7	European Public Administration							1	51	1 083	1 134
O	Outside MFF								8 287	3 291	11 578
S	Solidarity mechanisms within and outside the Union (Special instruments)							–	0	71	71
	Total	**5 623**	**2 588**	**4 086**	**6 605**	**7 265**	**28 101**	**71 232**	**247 636**	**127 948**	**501 084**

6.6. **DETAILED MFF: BREAKDOWN AND CHANGES IN COMMITMENT AND PAYMENT APPROPRIATIONS**

EUR million

MFF Heading	Commitment appropriations						Payment appropriations					
	Budget appropriations			Additional appropriations		Total appropr. available	Budget appropriations			Additional appropriations		Total appropr. available
	Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue	
	1	2	3=1+2	4	5	6=3+4+5	7	8	9=7+8	10	11	12=9+10+11
1 Horizon Europe	12 762	1	12 763	116	6 334	19 213	11 119	3	11 122	67	9 936	21 125
Euratom Research and Training Programme	288	(1)	287	0	118	405	264	(3)	261	18	135	414
International Thermonuclear Experimental Reactor (ITER)	487	–	487	–	4	490	642	–	642	1	4	647
Other actions	–	–	–	–	629	629	–	–	–	–	413	413
Pilot projects and preparatory actions	10	–	10	–	0	10	20	(4)	17	–	0	17
InvestEU Fund	378	–	378	–	916	1 294	530	(29)	501	1	1 991	2 493
Connecting Europe Facility (CEF) - Transport	1 674	1	1 675	–	70	1 745	2 398	(2)	2 396	1	48	2 445
Connecting Europe Facility (CEF) - Energy	927	(1)	926	–	71	996	708	25	733	1	70	804
Connecting Europe Facility (CEF) - Digital	226	0	226	–	4	230	183	(10)	173	0	3	177
Digital Europe Programme	1 097	(0)	1 097	–	92	1 189	1 136	(83)	1 053	6	96	1 154
Decentralised agencies	231	(2)	230	–	10	240	231	(2)	230	–	10	240
Other actions	–	1	1	–	168	169	–	1	1	–	226	227
Pilot projects and preparatory actions	9	(0)	9	–	0	9	13	(0)	13	–	0	13

EUR million

MFF Heading	Commitment appropriations						Payment appropriations					
	Budget appropriations			Additional appropriations		Total appropr. available	Budget appropriations			Additional appropriations		Total appropr. available
	Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue	
	1	2	3=1+2	4	5	6=3+4+5	7	8	9=7+8	10	11	12=9+10+11
Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	25	1	26	0	4	29	24	3	27	–	3	30
Single Market Programme (incl. SMEs)	613	1	614	0	48	663	615	88	704	7	69	780
EU Anti-Fraud Programme	27	0	27	0	1	28	31	(2)	29	–	1	30
Cooperation in the field of taxation (Fiscalis)	39	(0)	39	–	1	40	31	12	43	0	1	44
Cooperation in the field of customs (Customs)	138	60	198	–	10	208	113	31	144	0	10	153
Decentralised agencies	154	(2)	152	–	12	165	154	(2)	152	–	12	164
Other actions	7	(0)	7	–	1	8	8	(0)	7	–	0	8
Pilot projects and preparatory actions	13	–	13	–	–	13	13	(2)	11	–	–	11
European Space Programme	2 051	(0)	2 051	–	317	2 368	1 983	(159)	1 823	4	640	2 467
Decentralised agencies	80	–	80	–	3	83	80	–	80	–	3	83
Pilot projects and preparatory actions	45	–	45	–	–	45	16	(10)	6	–	–	6
Union Secure Connectivity	196	–	196	–	–	196	150	(61)	89	0	–	89
Total Heading 1: Single Market, Innovation and Digital	21 480	59	21 539	116	8 810	30 466	20 461	(205)	20 255	107	13 673	34 035

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EUR million

	MFF Heading	Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total appropr. available	Budget appropriations			Additional appropriations		Total appropr. available
		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue	
		1	2	3=1+2	4	5	6=3+4+5	7	8	9=7+8	10	11	12=9+10 +11
2	European Regional Development Fund (ERDF)	40 455	2	40 457	–	410	40 867	21 327	(488)	20 839	0	2 555	23 394
	Cohesion Fund (CF)	7 053	(2)	7 052	–	233	7 285	3 078	2 445	5 523	0	233	5 756
	Cohesion Fund (CF), contribution to the Connecting Europe Facility (CEF) - Transport	1 668	–	1 668	–	21	1 688	1 303	46	1 350	–	14	1 364
	Pilot projects and preparatory actions	4	–	4	–	0	4	2	(0)	2	–	0	2
	European Social Fund Plus (ESF+)	17 184	0	17 184	–	105	17 288	7 550	693	8 243	1	2 722	10 966
	Pilot projects and preparatory actions	2	–	2	–	–	2	0	0	0	–	0	1
	Support to the Turkish-Cypriot Community	35	–	35	–	0	36	34	6	40	0	0	41
	European Recovery and Resilience Facility (incl. Technical Support Instrument)	126	(5)	121	–	560	681	125	(5)	120	2	40 222	40 344
	Protection of the euro against counterfeiting (the `Pericles IV programme')	1	–	1	–	0	1	1	(0)	1	–	0	1
	Financing cost of the European Union Recovery Instrument (EURI)	4 967	0	4 967	–	144	5 111	4 967	0	4 967	1 863	145	6 976
	Union Civil Protection Mechanism (RescEU)	211	0	211	0	38	250	108	25	133	–	314	446

EUR million

MFF Heading	Commitment appropriations						Payment appropriations					
	Budget appropriations			Additional appropriations		Total appropr. available	Budget appropriations			Additional appropriations		Total appropr. available
	Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue	
	1	2	3=1+2	4	5	6=3+4+5	7	8	9=7+8	10	11	12=9+10+11
EU4Health	583	0	583	–	27	609	585	(52)	532	4	21	557
Instrument for emergency support within the Union (ESI)	–	–	–	–	1	1	1	(1)	–	–	26	26
Decentralised agencies	286	0	286	–	26	312	273	1	274	–	25	299
Pilot projects and preparatory actions	–	–	–	–	–	–	–	–	–	–	–	–
Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	12	3	16	–	–	16	12	1	13	–	–	13
Employment and Social Innovation	109	(2)	107	–	9	116	76	3	78	1	11	91
Erasmus+	3 969	(0)	3 969	–	1 135	5 105	3 766	31	3 797	18	1 151	4 966
European Solidarity Corps (ESC)	147	0	147	–	74	221	133	5	138	3	78	220
Creative Europe	352	(0)	352	–	21	373	347	(23)	324	2	23	350
Justice	42	(0)	42	0	1	43	38	4	41	1	1	43
Rights and Values	236	1	238	–	2	240	188	3	191	1	2	194
Decentralised agencies	324	–	324	–	12	336	322	(1)	321	–	12	333
Other actions	9	(0)	9	–	0	9	7	2	9	–	0	9
Pilot projects and preparatory actions	19	–	19	–	0	19	26	(1)	25	–	0	25

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EUR million

	MFF Heading	Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total appropr. available	Budget appropriations			Additional appropriations		Total appropr. available
		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue	
		1	2	3=1+2	4	5	6=3+4+5	7	8	9=7+8	10	11	12=9+10 +11
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	186	1	186	–	5	191	176	2	178	–	5	183
	Total Heading 2: Cohesion, Resilience and Values	77 980	(1)	77 979	0	2 825	80 804	44 445	2 696	47 141	1 897	47 563	96 601
3	European Agricultural Guarantee Fund (EAGF)	39 976	0	39 976	366	995	41 338	40 031	(16)	40 014	367	995	41 377
	European Agricultural Fund for Rural Development (EAFRD)	13 226	–	13 226	0	343	13 569	10 497	3 912	14 409	0	1 964	16 373
	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	946	(0)	946	–	23	969	661	8	668	1	2	671
	Sustainable Fisheries Partnership Agreements (SFPA) and Regional Fisheries Management Organisations (RFMO)	157	(40)	117	–	–	117	141	(30)	111	–	–	111
	Decentralised agencies	30	–	30	–	1	32	30	–	30	–	1	32
	Pilot projects and preparatory actions	1	–	1	–	–	1	5	(2)	4	–	–	4
	Programme for Environment and Climate Action (LIFE)	776	6	782	(0)	9	791	596	78	675	8	7	690
	Just Transition Fund	1 514	–	1 514	–	86	1 600	6	(3)	3	–	1 432	1 436
	Public sector loan facility under the Just Transition Mechanism (JTM)	–	–	–	–	428	428	25	–	25	–	503	528

EUR million

MFF Heading	Commitment appropriations						Payment appropriations					
	Budget appropriations			Additional appropriations		Total appropr. available	Budget appropriations			Additional appropriations		Total appropr. available
	Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue	
	1	2	3=1+2	4	5	6=3+4+5	7	8	9=7+8	10	11	12=9+10+11
Decentralised agencies	77	(6)	71	–	9	79	77	(6)	71	–	9	79
Pilot projects and preparatory actions	2	–	2	–	–	2	5	(1)	4	–	–	4
Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	26	8	35	–	–	35	16	9	25	–	–	25
Total Heading 3: Natural Resources and Environment	56 731	(32)	56 700	366	1 894	58 961	52 092	3 948	56 039	375	4 914	61 329
4 Asylum, Migration and Integration Fund	1 869	48	1 917	–	243	2 159	1 165	42	1 207	2	241	1 450
Decentralised agencies	234	(48)	186	–	9	195	234	(38)	196	–	9	205
Integrated Border Management Fund (IBMF) - Instrument for border management and visa (BMVI)	1 235	–	1 235	–	369	1 603	462	357	819	1	471	1 291
Integrated Border Management Fund (IBMF) - Instrument for financial support for customs control equipment (CCEi)	147	(146)	0	–	0	0	56	(48)	8	24	–	32
Decentralised agencies	1 307	–	1 307	–	73	1 380	1 287	47	1 334	–	73	1 407
Total Heading 4: Migration and Border Management	4 791	(146)	4 645	–	693	5 338	3 204	360	3 564	28	794	4 386

EUR million

	MFF Heading	Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total appropr. available	Budget appropriations			Additional appropriations		Total appropr. available
		Initial adopted budget	Amend-ing budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amend-ing budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue	
		1	2	3=1+2	4	5	6=3+4+5	7	8	9=7+8	10	11	12=9+10 +11
5	Internal Security Fund (ISF)	337	(0)	337	–	51	388	227	16	244	1	51	296
	Nuclear decommissioning (Lithuania)	75	–	75	–	–	75	90	–	90	–	–	90
	Nuclear Safety and decommissioning (incl. For Bulgaria and Slovakia)	70	(0)	70	–	0	70	91	(28)	63	2	–	64
	Decentralised agencies	288	–	288	–	10	298	288	2	290	–	10	300
	Pilot projects and preparatory actions	–	–	–	–	–	–	–	1	1	–	–	1
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	23	(0)	23	–	0	24	22	(0)	22	–	0	22
	European Defence Fund (Research)	404	(14)	390	–	10	400	314	(27)	287	1	8	296
	European Defence Fund (Non Research)	1 030	(31)	999	–	28	1 027	702	(157)	545	2	19	566
	Military Mobility	252	–	252	–	0	252	137	–	137	0	0	137
	Short-term Defence instrument on common procurement	40	–	40	–	1	41	100	(40)	60	–	3	63
	Defence Industrial Reinforcement Instrument	–	–	–	–	8	8	120	(70)	50	–	11	61
	European Defence Industry Programme	2	(2)	–	–	–	–	2	(2)	–	–	–	–

EUR million

MFF Heading	Commitment appropriations						Payment appropriations					
	Budget appropriations			Additional appropriations		Total appropr. available	Budget appropriations			Additional appropriations		Total appropr. available
	Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue	
	1	2	3=1+2	4	5	6=3+4+5	7	8	9=7+8	10	11	12=9+10+11
Pilot projects and preparatory actions	–	–	–	–	–	–	–	–	–	–	–	–
Union Secure Connectivity	111	47	158	–	–	158	50	1	51	–	–	51
Total Heading 5: Security and Defence	2 633	–	2 633	–	109	2 742	2 143	(304)	1 839	6	103	1 947
6 Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI - Global Europe)	10 891	20	10 911	736	645	12 292	9 672	121	9 793	70	919	10 782
European Instrument for International Nuclear Safety Cooperation (INSC)	44	0	44	1	21	66	38	17	54	1	14	69
Humanitarian Aid (HUMA)	1 944	625	2 569	–	19	2 588	1 860	610	2 470	6	16	2 493
Common Foreign and Security Policy (CFSP)	394	(0)	393	–	36	429	394	6	399	1	38	439
Overseas Countries and Territories (OCT) (including Greenland)	73	–	73	2	34	108	76	(15)	61	4	25	90
MFA+	0	0	0	–	591	591	0	0	0	–	679	680
Ukraine Loan Cooperation Mechanism	–	–	–	–	1 535	1 535	–	–	–	–	1 535	1 535
Other actions	148	(60)	88	–	1	89	108	(61)	47	–	1	48
Pilot projects and preparatory actions	–	–	–	–	–	–	–	–	–	–	–	–
Union Secure Connectivity	50	–	50	–	–	50	–	–	–	–	–	–

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EUR million

	MFF Heading	Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total appropr. available	Budget appropriations			Additional appropriations		Total appropr. available
		Initial adopted budget	Amend-ing budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amend-ing budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue	
		1	2	3=1+2	4	5	6=3+4+5	7	8	9=7+8	10	11	12=9+10 +11
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	96	(1)	95	–	1	95	92	(4)	88	–	0	88
	Pre-Accession Assistance (IPA III)	2 170	(0)	2 170	129	85	2 384	2 086	(90)	1 995	11	115	2 122
	Reform and Growth Facility for Western Balkans	499	(0)	499	101	–	600	101	0	101	23	–	124
	Total Heading 6: Neighbourhood and the World	16 308	584	16 892	970	2 966	20 828	14 426	584	15 010	116	3 343	18 469
7	Staff Pensions	2 795	(5)	2 790	–	312	3 102	2 795	(5)	2 790	–	312	3 102
	(Pensions of former Members) European Parliament	22	(3)	19	–	–	19	22	(3)	19	–	–	19
	(Pensions of former Members) European Council and Council	1	(0)	1	–	–	1	1	(0)	1	–	–	1
	(Pensions of former Members) Commission	12	(2)	9	–	–	9	12	(2)	9	–	–	9
	(Pensions of former Members) Court of Justice of the European Union	19	(2)	17	–	–	17	19	(2)	17	–	–	17
	(Pensions of former Members) European Court of Auditors	8	(1)	7	–	–	7	8	(1)	7	–	–	7
	(Pensions of former Members) European Ombudsman	0	0	0	–	–	0	0	0	0	–	–	0

EUR million

MFF Heading	Commitment appropriations						Payment appropriations					
	Budget appropriations			Additional appropriations		Total appropr. available	Budget appropriations			Additional appropriations		Total appropr. available
	Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue	
	1	2	3=1+2	4	5	6=3+4+5	7	8	9=7+8	10	11	12=9+10+11
(Pensions of former Members) European Data Protection Supervisor	0	(0)	0	–	–	0	0	(0)	0	–	–	0
(European schools) Commission	266	(3)	263	–	35	298	266	(3)	263	0	39	302
Remuneration statutory staff	3 085	(56)	3 028	–	129	3 157	3 085	(56)	3 028	0	129	3 157
Remuneration external staff	311	(11)	300	–	169	469	311	(11)	300	21	172	493
Members - Salaries and allowances	17	3	20	–	0	21	17	3	20	1	0	22
Members - Temporary allowances	5	(2)	2	–	–	2	5	(2)	2	–	–	2
Recruitment costs	33	0	33	–	0	33	33	0	33	3	0	37
Termination of service	8	(0)	7	–	–	7	8	(0)	7	–	–	7
Training costs	16	0	17	–	8	25	16	0	17	10	11	37
Social and Mobility	22	1	23	(0)	30	53	22	1	23	7	34	64
Information and communication technology	285	7	292	–	308	600	285	7	292	120	354	765
Rents and purchases	274	48	321	–	690	1 011	274	48	321	30	691	1 042
Linked to buildings	150	(37)	113	–	44	158	150	(37)	113	44	49	207
Security	79	(1)	78	–	14	92	79	(1)	78	25	21	124
Mission and representation	45	16	61	–	4	66	45	16	61	10	5	76
Meetings, committees, conference	16	(4)	12	–	2	14	16	(4)	12	5	3	20

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EUR million

	MFF Heading	Commitment appropriations						Payment appropriations					
		Budget appropriations			Additional appropriations		Total appropr. available	Budget appropriations			Additional appropriations		Total appropr. available
		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue	
		1	2	3=1+2	4	5	6=3+4+5	7	8	9=7+8	10	11	12=9+10 +11
	Official journal	4	(2)	2	–	0	2	4	(2)	2	1	0	3
	Publications	11	2	13	–	5	17	11	2	13	5	6	24
	Acquisition of information	7	0	7	–	1	8	7	0	7	2	1	9
	Studies and investigations	7	(2)	5	–	0	5	7	(2)	5	5	0	10
	General equipment, vehicle, furniture	29	(4)	25	–	5	30	29	(4)	25	9	7	41
	Linguistic external services	35	(5)	31	–	41	72	35	(5)	31	2	41	74
	Other administrative expenditure	20	(3)	17	–	30	46	20	(3)	17	5	37	58
	Decentralised agencies	–	3	3	–	–	3	–	3	3	–	–	3
	Administrative expenditure of other institutions	5 265	(16)	5 249	1	520	5 769	5 265	(16)	5 249	621	529	6 399
	Total Heading 7: European Public Administration	12 845	(79)	12 766	1	2 348	15 115	12 845	(79)	12 766	927	2 440	16 133
O	Innovation Fund (IF)	–	–	–	–	6 788	6 788	–	–	–	–	12 293	12 293
	Ukraine Facility	4 320	(0)	4 320	31	515	4 866	3 274	(469)	2 805	121	662	3 587
	Other actions	–	–	–	–	112	112	–	–	–	–	114	114
	Total Heading O: Outside MFF	4 320	(0)	4 320	31	7 415	11 767	3 274	(469)	2 805	121	13 069	15 994
S	European Solidarity Reserve	1 167	0	1 167	310	–	1 477	1 167	0	1 167	310	–	1 477
	Emergency Aid Reserve	584	(584)	–	–	–	–	584	(584)	–	–	–	–

EUR million

MFF Heading	Commitment appropriations						Payment appropriations					
	Budget appropriations			Additional appropriations		Total appropr. available	Budget appropriations			Additional appropriations		Total appropr. available
	Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue		Initial adopted budget	Amending budgets & transfers	Final adopted budget	Carry-overs	Assigned revenue	
	1	2	3=1+2	4	5	6=3+4+5	7	8	9=7+8	10	11	12=9+10+11
European Globalisation Adjustment Fund (EGF)	34	–	34	–	9	43	5	7	12	0	9	21
Brexit Adjustment Reserve	564	–	564	–	–	564	564	–	564	–	–	564
Total Heading S: Solidarity mechanisms within and outside the Union (Special instruments)	2 349	(584)	1 766	310	9	2 085	2 320	(576)	1 744	310	9	2 063
TOTAL	**199 438**	**(199)**	**199 239**	**1 795**	**27 070**	**228 104**	**155 209**	**5 953**	**161 163**	**3 887**	**85 907**	**250 956**

6.7. DETAILED MFF: IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

EUR million

MFF Heading	Total appropr. available	Commitments made					Appropriations carried over to 2026			Appropriations lapsing			
		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
1 Horizon Europe	19 213	12 758	116	3 941	16 815	88 %	(0)	2 390	2 390	5	–	2	7
Euratom Research and Training Programme	405	286	–	90	376	93 %	0	28	28	1	0	0	1

EUR million

MFF Heading	Total appropr. available	Commitments made					Appropriations carried over to 2026			Appropriations lapsing			
		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
International Thermonuclear Experimental Reactor (ITER)	490	486	–	1	488	100 %	–	2	2	0	–	–	0
Other actions	629	–	–	167	167	27 %	–	462	462	–	–	0	0
Pilot projects and preparatory actions	10	10	–	–	10	99 %	–	0	0	–	–	0	0
InvestEU Fund	1 294	378	–	842	1 221	94 %	(0)	73	73	0	–	–	0
Connecting Europe Facility (CEF) - Transport	1 745	1 675	–	26	1 701	97 %	–	44	44	(0)	–	–	(0)
Connecting Europe Facility (CEF) - Energy	996	926	–	1	926	93 %	–	70	70	(0)	–	–	(0)
Connecting Europe Facility (CEF) - Digital	230	226	–	3	229	100 %	–	1	1	0	–	–	0
Digital Europe Programme	1 189	1 097	0	40	1 137	96 %	–	52	52	0	(0)	0	0
Decentralised agencies	240	230	–	8	237	99 %	–	2	2	0	–	0	0

EUR million

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
Other actions	169	1	–	84	85	51 %	–	83	83	–	–	–	–
Pilot projects and preparatory actions	9	9	–	–	9	100 %	–	0	0	–	–	–	–
Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	29	26	–	3	29	99 %	–	0	0	0	0	0	0
Single Market Programme (incl. SMEs)	663	614	0	33	647	98 %	–	16	16	0	(0)	(0)	(0)
EU Anti-Fraud Programme	28	27	0	1	28	100 %	–	0	0	0	0	0	0
Cooperation in the field of taxation (Fiscalis)	40	39	–	0	39	98 %	–	1	1	0	–	–	0
Cooperation in the field of customs (Customs)	208	198	–	2	200	96 %	–	7	7	0	–	–	0
Decentralised agencies	165	152	–	6	158	96 %	–	6	6	0	–	–	0
Other actions	8	7	–	1	8	100 %	–	–	–	0	–	–	0

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EUR million

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
Pilot projects and preparatory actions	13	13	–	–	13	100 %	–	–	–	–	–	–	–
European Space Programme	2 368	2 051	–	195	2 246	95 %	–	122	122	0	–	(0)	(0)
Decentralised agencies	83	80	–	3	83	100 %	–	0	0	–	–	–	–
Pilot projects and preparatory actions	45	45	–	–	45	100 %	–	–	–	0	–	–	0
Union Secure Connectivity	196	196	–	–	196	100 %	–	–	–	0	–	–	0
Total Heading 1: Single Market, Innovation and Digital	30 466	21 532	116	5 446	27 095	89 %	(0)	3 362	3 362	7	(0)	2	9
2 European Regional Development Fund (ERDF)	40 867	39 650	–	290	39 940	98 %	–	90	90	806	–	29	836
Cohesion Fund (CF)	7 285	6 800	–	233	7 034	97 %	–	–	–	252	–	–	252
Cohesion Fund (CF), contribution to the Connecting Europe Facility (CEF) - Transport	1 688	1 668	–	9	1 677	99 %	–	11	11	0	–	–	0

EUR million

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
Pilot projects and preparatory actions	4	4	–	–	4	98 %	–	–	–	–	–	0	0
European Social Fund Plus (ESF+)	17 288	17 130	–	86	17 216	100 %	(0)	18	18	54	–	0	54
Pilot projects and preparatory actions	2	2	–	–	2	100 %	–	–	–	–	–	–	–
Support to the Turkish-Cypriot Community	36	35	–	0	36	100 %	–	0	0	0	–	0	0
European Recovery and Resilience Facility (incl. Technical Support Instrument)	681	121	–	506	627	92 %	–	54	54	0	–	(0)	0
Protection of the euro against counterfeiting (the `Pericles IV programme')	1	1	–	0	1	100 %	–	(0)	(0)	0	–	0	0
Financing cost of the European Union Recovery Instrument (EURI)	5 111	4 967	–	50	5 017	98 %	–	93	93	–	–	0	0

EUR million

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
Union Civil Protection Mechanism (RescEU)	250	211	0	26	237	95 %	(1)	12	11	–	1	0	1
EU4Health	609	583	0	24	607	100 %	–	2	2	0	(0)	0	(0)
Instrument for emergency support within the Union (ESI)	1	–	–	–	–	–	–	1	1	–	–	0	0
Decentralised agencies	312	286	–	20	305	98 %	–	6	6	–	–	0	0
Pilot projects and preparatory actions	–	–	–	–	–	–	–	–	–	–	–	–	–
Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	16	16	–	–	16	99 %	–	–	–	0	–	–	0
Employment and Social Innovation	116	106	–	5	112	96 %	0	4	4	1	–	–	1
Erasmus+	5 105	3 969	0	715	4 684	92 %	–	420	420	0	(0)	0	0
European Solidarity Corps (ESC)	221	147	–	25	172	78 %	–	49	49	–	–	0	0

EUR million

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
Creative Europe	373	352	–	15	367	98 %	–	6	6	0	–	0	0
Justice	43	42	–	0	42	97 %	–	1	1	0	0	–	0
Rights and Values	240	238	–	1	239	100 %	–	1	1	0	–	–	0
Decentralised agencies	336	324	–	8	332	99 %	–	4	4	–	–	(0)	(0)
Other actions	9	9	–	0	9	100 %	–	–	–	–	–	–	–
Pilot projects and preparatory actions	19	18	–	–	18	98 %	–	0	0	0	–	0	0
Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	191	186	0	4	190	99 %	–	1	1	0	(0)	0	0
Total Heading 2: Cohesion, Resilience and Values	80 804	76 865	0	2 019	78 884	98 %	(1)	776	776	1 113	1	30	1 144

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EUR million

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			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
3	European Agricultural Guarantee Fund (EAGF)	41 338	39 759	192	925	40 875	99 %	391	71	462	0	–	(0)	0
	European Agricultural Fund for Rural Development (EAFRD)	13 569	13 226	–	1	13 227	97 %	–	170	170	0	0	172	172
	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	969	946	–	1	946	98 %	–	0	0	0	–	23	23
	Sustainable Fisheries Partnership Agreements (SFPA) and Regional Fisheries Management Organisations (RFMO)	117	117	–	–	117	100 %	–	–	–	0	–	–	0
	Decentralised agencies	32	30	–	1	31	99 %	–	0	0	–	–	–	–
	Pilot projects and preparatory actions	1	1	–	–	1	100 %	–	–	–	–	–	–	–
	Programme for Environment and Climate Action (LIFE)	791	782	–	3	785	99 %	–	6	6	0	(0)	0	0

EUR million

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			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
	Just Transition Fund	1 600	1 503	–	1	1 504	94 %	–	85	85	11	–	–	11
	Public sector loan facility under the Just Transition Mechanism (JTM)	428	–	–	57	57	13 %	–	372	372	–	–	–	–
	Decentralised agencies	79	71	–	8	79	99 %	–	1	1	–	–	0	0
	Pilot projects and preparatory actions	2	2	–	–	2	100 %	–	–	–	–	–	–	–
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	35	35	–	–	35	100 %	–	–	–	0	–	–	0
	Total Heading 3: Natural Resources and Environment	58 961	56 472	192	995	57 658	98 %	391	705	1 096	11	(0)	195	206
4	Asylum, Migration and Integration Fund	2 159	1 916	–	5	1 921	89 %	–	238	238	0	–	–	0
	Decentralised agencies	195	186	–	6	192	98 %	–	4	4	–	–	0	0

EUR million

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
Integrated Border Management Fund (IBMF) - Instrument for border management and visa (BMVI)	1 603	1 235	–	32	1 266	79 %	–	337	337	0	–	–	0
Integrated Border Management Fund (IBMF) - Instrument for financial support for customs control equipment (CCEi)	0	0	–	–	0	69 %	–	–	–	0	–	0	0
Decentralised agencies	1 380	1 307	–	52	1 359	98 %	–	21	21	–	–	0	0
Total Heading 4: Migration and Border Management	5 338	4 644	–	94	4 738	89 %	–	599	599	0	–	0	1
5 Internal Security Fund (ISF)	388	336	–	2	338	87 %	–	50	50	0	–	–	0
Nuclear decommissioning (Lithuania)	75	75	–	–	75	100 %	–	–	–	0	–	–	0

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
Nuclear Safety and decommissioning (incl. For Bulgaria and Slovakia)	70	70	–	0	70	100 %	–	(0)	(0)	0	–	0	0
Decentralised agencies	298	277	–	6	283	95 %	12	4	15	–	–	0	0
Pilot projects and preparatory actions	–	–	–	–	–	–	–	–	–	–	–	–	–
Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	24	23	–	–	23	99 %	0	0	0	0	–	0	0
European Defence Fund (Research)	400	390	–	10	400	100 %	–	–	–	0	–	–	0
European Defence Fund (Non Research)	1 027	999	–	27	1 026	100 %	–	1	1	–	–	(0)	(0)
Military Mobility	252	252	–	–	252	100 %	–	0	0	0	–	–	0
Short-term Defence instrument on common procurement	41	40	–	1	41	100 %	–	–	–	–	–	–	–

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
Defence Industrial Reinforcement Instrument	8	–	–	–	–	–	–	8	8	–	–	–	–
European Defence Industry Programme	–	–	–	–	–	–	–	–	–	–	–	–	–
Pilot projects and preparatory actions	–	–	–	–	–	–	–	–	–	–	–	–	–
Union Secure Connectivity	158	158	–	–	158	100 %	–	–	–	–	–	–	–
Total Heading 5: Security and Defence	2 742	2 620	–	46	2 666	97 %	12	63	75	0	–	0	0
6 Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI - Global Europe)	12 292	10 356	701	305	11 361	92 %	565	339	904	0	26	0	27
European Instrument for International Nuclear Safety Cooperation (INSC)	66	44	1	21	66	100 %	(0)	0	(0)	0	1	(0)	1

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EUR million

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
Humanitarian Aid (HUMA)	2 588	2 569	–	6	2 575	99 %	(0)	13	13	0	–	0	0
Common Foreign and Security Policy (CFSP)	429	393	–	25	419	98 %	–	10	10	0	–	0	0
Overseas Countries and Territories (OCT) (including Greenland)	108	67	1	–	68	62 %	7	34	41	–	0	–	0
MFA+	591	0	–	570	570	96 %	–	21	21	–	–	0	0
Ukraine Loan Cooperation Mechanism	1 535	–	–	1 535	1 535	100 %	–	–	–	–	–	–	–
Other actions	89	88	–	0	88	100 %	–	0	0	0	–	0	0
Pilot projects and preparatory actions	–	–	–	–	–	–	–	–	–	–	–	–	–
Union Secure Connectivity	50	50	–	–	50	100 %	–	–	–	–	–	–	–

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	95	95	(0)	0	95	100 %	–	0	0	0	0	0	0
Pre-Accession Assistance (IPA III)	2 384	2 062	126	35	2 223	93 %	106	50	156	0	5	–	5
Reform and Growth Facility for Western Balkans	600	494	101	–	596	99 %	5	–	5	0	0	–	0
Total Heading 6: Neighbourhood and the World	20 828	16 218	929	2 498	19 645	94 %	682	468	1 151	0	32	0	32
7 Staff Pensions	3 102	2 790	–	312	3 101	100 %	–	1	1	–	–	–	–
(Pensions of former Members) European Parliament	19	19	–	–	19	100 %	–	–	–	–	–	–	–
(Pensions of former Members) European Council and Council	1	1	–	–	1	100 %	–	–	–	–	–	–	–

EUR million

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
(Pensions of former Members) Commission	9	9	–	–	9	100 %	–	–	–	–	–	–	–
(Pensions of former Members) Court of Justice of the European Union	17	17	–	–	17	100 %	–	–	–	–	–	–	–
(Pensions of former Members) European Court of Auditors	7	7	–	–	7	100 %	–	–	–	–	–	–	–
(Pensions of former Members) European Ombudsman	0	0	–	–	0	100 %	–	–	–	–	–	–	–
(Pensions of former Members) European Data Protection Supervisor	0	0	–	–	0	100 %	–	–	–	–	–	–	–
(European schools) Commission	298	263	–	28	291	98 %	–	7	7	0	–	–	0
Remuneration statutory staff	3 157	3 027	–	65	3 092	98 %	0	64	64	1	–	–	1
Remuneration external staff	469	299	–	52	351	75 %	(0)	116	116	1	–	1	1

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
Members - Salaries and allowances	21	20	–	0	20	99 %	(0)	0	0	0	–	–	0
Members - Temporary allowances	2	2	–	–	2	100 %	–	–	–	–	–	–	–
Recruitment costs	33	33	–	0	33	99 %	(0)	0	0	0	–	0	0
Termination of service	7	7	–	–	7	100 %	–	–	–	–	–	–	–
Training costs	25	17	–	5	21	86 %	–	3	3	0	–	0	0
Social and Mobility	53	23	–	15	37	71 %	–	15	15	0	(0)	0	0
Information and communication technology	600	292	0	160	452	75 %	–	148	148	0	(0)	0	0
Rents and purchases	1 011	321	–	136	458	45 %	–	554	554	0	–	0	0
Linked to buildings	158	113	–	21	134	85 %	–	23	23	0	–	0	0
Security	92	78	–	9	87	94 %	–	5	5	0	–	0	0
Mission and representation	66	61	–	2	63	96 %	–	2	2	0	–	0	0
Meetings, committees, conference	14	12	–	1	13	90 %	–	1	1	0	–	0	0

EUR million

MFF Heading	Total appropr. available	Commitments made					Appropriations carried over to 2026			Appropriations lapsing			
		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
Official journal	2	2	–	0	2	100 %	–	–	–	–	–	–	–
Publications	17	13	–	3	16	91 %	–	2	2	0	–	0	0
Acquisition of information	8	7	–	1	7	97 %	–	0	0	0	–	0	0
Studies and investigations	5	5	–	0	5	98 %	–	0	0	0	–	(0)	0
General equipment, vehicle, furniture	30	25	0	2	27	89 %	–	3	3	0	(0)	0	0
Linguistic external services	72	31	–	32	62	87 %	–	9	9	0	–	0	0
Other administrative expenditure	46	17	–	23	39	85 %	–	6	6	0	–	1	1
Decentralised agencies	3	3	–	–	3	100 %	–	–	–	–	–	–	–
Administrative expenditure of other institutions	5 769	5 192	1	381	5 574	97 %	–	138	138	57	–	1	58
Total Heading 7: European Public Administration	15 115	12 707	1	1 247	13 955	92 %	(0)	1 099	1 099	59	(0)	3	62

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EUR million

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			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
O	Innovation Fund (IF)	6 788	–	–	1 551	1 551	23 %	–	5 237	5 237	–	–	–	–
	Ukraine Facility	4 866	4 269	31	500	4 799	99 %	51	15	67	0	1	0	1
	Other actions	112	–	–	59	59	53 %	–	53	53	–	–	–	–
	Total Heading O: Outside MFF	11 767	4 269	31	2 110	6 409	54 %	51	5 306	5 357	0	1	–	1
S	European Solidarity Reserve	1 477	170	310	–	480	33 %	997	–	997	–	–	–	–
	Emergency Aid Reserve	–	–	–	–	–	–	–	–	–	–	–	–	–
	European Globalisation Adjustment Fund (EGF)	43	21	–	–	21	48 %	–	1	1	14	–	7	21
	Brexit Adjustment Reserve	564	564	–	–	564	100 %	–	–	–	–	–	–	–

EUR million

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10 +11+12
Total Heading S: Solidarity mechanisms within and outside the Union (Special instruments)	2 085	755	310	–	1 065	51 %	997	1	998	14	–	7	21
Sum:	**228 104**	**196 083**	**1 580**	**14 454**	**212 116**	**93 %**	**2 133**	**12 379**	**14 512**	**1 206**	**33**	**237**	**1 476**

6.8. **DETAILED MFF: IMPLEMENTATION OF PAYMENT APPROPRIATIONS**

EUR million

	MFF Heading	Total appropr. available	Payments made					Appropriations carried over to 2026			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11 +12
1	Horizon Europe	21 125	11 056	61	1 994	13 111	62 %	57	7 941	7 999	8	7	0	15
	Euratom Research and Training Programme	414	245	16	15	277	67 %	15	120	135	1	2	0	3
	International Thermonuclear Experimental Reactor (ITER)	647	641	1	2	643	99 %	1	2	3	0	0	0	1

EUR million

MFF Heading	Total appropr. available	Payments made					Appropriations carried over to 2026			Appropriations lapsing			
		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
Other actions	413	–	–	108	108	26 %	–	305	305	–	–	0	0
Pilot projects and preparatory actions	17	16	–	–	16	96 %	–	0	0	1	–	0	1
InvestEU Fund	2 493	500	1	1 895	2 397	96 %	1	96	97	0	0	(0)	0
Connecting Europe Facility (CEF) - Transport	2 445	2 394	1	18	2 413	99 %	2	30	32	(0)	0	–	0
Connecting Europe Facility (CEF) - Energy	804	732	1	3	736	92 %	0	68	68	(0)	0	–	0
Connecting Europe Facility (CEF) - Digital	177	173	0	2	175	99 %	0	1	1	0	0	(0)	0
Digital Europe Programme	1 154	1 043	5	35	1 083	94 %	9	61	70	1	1	0	2
Decentralised agencies	240	230	–	8	237	99 %	–	2	2	0	–	0	0
Other actions	227	1	–	31	32	14 %	–	195	195	0	–	–	0
Pilot projects and preparatory actions	13	13	–	–	13	100 %	–	0	0	0	–	–	0
Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	30	27	–	3	29	99 %	–	0	0	0	–	0	0
Single Market Programme (incl. SMEs)	780	695	6	23	724	93 %	7	46	53	2	1	0	2
EU Anti-Fraud Programme	30	20	(0)	0	20	68 %	9	0	9	0	0	0	0

EUR million

	MFF Heading	Total appropr. available	Payments made					Appropriations carried over to 2026			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11 +12
	Cooperation in the field of taxation (Fiscalis)	44	42	0	0	42	95 %	0	1	1	1	0	–	1
	Cooperation in the field of customs (Customs)	153	143	0	2	145	95 %	0	8	8	0	0	0	0
	Decentralised agencies	164	148	–	6	153	93 %	–	6	6	4	–	–	4
	Other actions	8	7	–	0	8	100 %	–	0	0	0	–	–	0
	Pilot projects and preparatory actions	11	10	–	–	10	94 %	(0)	–	(0)	1	–	–	1
	European Space Programme	2 467	1 819	4	110	1 934	78 %	4	530	534	0	0	–	0
	Decentralised agencies	83	80	–	3	83	100 %	–	0	0	–	–	(0)	(0)
	Pilot projects and preparatory actions	6	6	–	–	6	100 %	–	–	–	–	–	–	–
	Union Secure Connectivity	89	89	0	–	89	100 %	0	–	0	0	0	–	0
	Total Heading 1: Single Market, Innovation and Digital	34 035	20 128	96	4 258	24 483	72 %	107	9 414	9 521	20	10	0	31
2	European Regional Development Fund (ERDF)	23 394	20 837	0	1 978	22 816	98 %	0	577	577	1	0	(0)	1
	Cohesion Fund (CF)	5 756	5 522	0	68	5 590	97 %	0	166	166	0	0	–	1
	Cohesion Fund (CF), contribution to the Connecting Europe Facility (CEF) - Transport	1 364	1 350	–	3	1 353	99 %	–	11	11	–	–	0	0

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EUR million

MFF Heading	Total appropr. available	Payments made					Appropriations carried over to 2026			Appropriations lapsing			
		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
Pilot projects and preparatory actions	2	1	–	–	1	35 %	0	–	0	1	–	0	1
European Social Fund Plus (ESF+)	10 966	8 242	1	2 362	10 605	97 %	1	360	361	0	0	0	0
Pilot projects and preparatory actions	1	0	–	0	1	100 %	–	–	–	–	–	–	–
Support to the Turkish-Cypriot Community	41	40	0	0	40	99 %	0	–	0	0	0	–	0
European Recovery and Resilience Facility (incl. Technical Support Instrument)	40 344	118	2	39 552	39 671	98 %	2	671	673	0	0	(0)	0
Protection of the euro against counterfeiting (the 'Pericles IV programme')	1	1	–	0	1	91 %	–	–	–	0	–	–	0
Financing cost of the European Union Recovery Instrument (EURI)	6 976	3 091	1 863	50	5 005	72 %	1 876	95	1 971	0	0	0	0
Union Civil Protection Mechanism (RescEU)	446	132	(0)	222	355	80 %	0	91	91	(0)	0	0	0
EU4Health	557	530	4	19	553	99 %	2	2	4	0	0	0	0
Instrument for emergency support within the Union (ESI)	26	–	–	4	4	16 %	–	16	16	–	–	6	6
Decentralised agencies	299	274	–	19	293	98 %	–	6	6	0	–	0	0
Pilot projects and preparatory actions	–	–	–	–	–	–	–	–	–	–	–	–	–

EUR million

MFF Heading	Total appropr. available	Payments made					Appropriations carried over to 2026			Appropriations lapsing			
		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11 +12
Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	13	13	(0)	–	13	100 %	–	–	–	0	0	–	0
Employment and Social Innovation	91	77	1	6	85	94 %	1	4	6	0	(0)	–	0
Erasmus+	4 966	3 782	18	836	4 635	93 %	15	315	330	0	0	–	0
European Solidarity Corps (ESC)	220	134	3	34	172	78 %	4	44	49	0	0	(0)	0
Creative Europe	350	322	2	13	338	97 %	2	10	12	0	0	0	0
Justice	43	41	1	1	42	98 %	0	0	1	0	0	–	0
Rights and Values	194	190	1	1	192	99 %	1	1	2	0	0	–	0
Decentralised agencies	333	321	–	8	328	99 %	–	4	4	0	–	0	0
Other actions	9	9	–	0	9	100 %	–	–	–	–	–	0	0
Pilot projects and preparatory actions	25	25	–	0	25	98 %	–	0	0	0	–	0	0
Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	183	178	(0)	4	182	99 %	–	2	2	0	0	0	0
Total Heading 2: Cohesion, Resilience and Values	96 601	45 231	1 895	45 180	92 306	96 %	1 906	2 377	4 283	4	2	6	11

EUR million

	MFF Heading	Total appropr. available	Payments made					Appropriations carried over to 2026			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
3	European Agricultural Guarantee Fund (EAGF)	41 377	39 788	192	925	40 904	99 %	392	71	463	10	0	(0)	10
	European Agricultural Fund for Rural Development (EAFRD)	16 373	14 407	0	1 445	15 852	97 %	0	519	519	1	0	–	1
	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	671	667	1	2	670	100 %	1	0	1	0	0	0	0
	Sustainable Fisheries Partnership Agreements (SFPA) and Regional Fisheries Management Organisations (RFMO)	111	111	–	–	111	100 %	–	–	–	–	–	–	–
	Decentralised agencies	32	30	–	1	31	99 %	–	0	0	0	–	–	0
	Pilot projects and preparatory actions	4	3	–	–	3	83 %	–	–	–	1	–	–	1
	Programme for Environment and Climate Action (LIFE)	690	668	8	2	677	98 %	6	6	12	0	0	0	1
	Just Transition Fund	1 436	3	–	1 166	1 170	81 %	–	266	266	–	–	–	–
	Public sector loan facility under the Just Transition Mechanism (JTM)	528	25	–	42	67	13 %	–	461	461	–	–	–	–
	Decentralised agencies	79	71	–	8	79	99 %	–	1	1	–	–	0	0
	Pilot projects and preparatory actions	4	3	–	–	3	90 %	–	–	–	0	–	–	0

EUR million

	MFF Heading	Total appropr. available	Payments made					Appropriations carried over to 2026			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11 +12
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	25	21	–	–	21	84 %	–	–	–	4	–	–	4
	Total Heading 3: Natural Resources and Environment	61 329	55 799	200	3 590	59 589	97 %	399	1 323	1 722	16	0	0	17
4	Asylum, Migration and Integration Fund	1 450	1 205	2	81	1 288	89 %	2	160	161	1	0	0	1
	Decentralised agencies	205	196	–	6	202	98 %	–	4	4	–	–	0	0
	Integrated Border Management Fund (IBMF) - Instrument for border management and visa (BMVI)	1 291	817	1	101	919	71 %	1	370	371	0	0	0	0
	Integrated Border Management Fund (IBMF) - Instrument for financial support for customs control equipment (CCEi)	32	8	16	–	23	73 %	0	–	0	0	9	–	9
	Decentralised agencies	1 407	1 334	–	52	1 386	99 %	–	21	21	–	–	0	0
	Total Heading 4: Migration and Border Management	4 386	3 560	19	239	3 819	87 %	3	554	557	1	9	0	10
5	Internal Security Fund (ISF)	296	242	1	14	257	87 %	1	37	38	0	0	–	1
	Nuclear decommissioning (Lithuania)	90	90	–	–	90	100 %	–	–	–	0	–	–	0

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EUR million

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11 +12
Nuclear Safety and decommissioning (incl. For Bulgaria and Slovakia)	64	59	1	–	60	94 %	2	–	2	2	0	–	2
Decentralised agencies	300	274	–	6	281	94 %	16	4	19	–	–	0	0
Pilot projects and preparatory actions	1	1	–	–	1	100 %	–	–	–	–	–	–	–
Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	22	22	(0)	–	22	97 %	0	0	0	0	0	0	0
European Defence Fund (Research)	296	286	1	8	295	100 %	1	–	1	0	0	–	0
European Defence Fund (Non Research)	566	543	2	18	562	99 %	2	1	4	0	0	0	0
Military Mobility	137	136	0	0	136	100 %	1	–	1	0	–	–	0
Short-term Defence instrument on common procurement	63	60	–	3	63	100 %	–	–	–	–	–	–	–
Defence Industrial Reinforcement Instrument	61	50	–	3	53	87 %	–	8	8	–	–	–	–
European Defence Industry Programme	–	–	–	–	–	–	–	–	–	–	–	–	–
Pilot projects and preparatory actions	–	–	–	–	–	–	–	–	–	–	–	–	–
Union Secure Connectivity	51	51	–	–	51	100 %	–	–	–	–	–	–	–

EUR million

	MFF Heading	Total appropr. available	Payments made					Appropriations carried over to 2026			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11 +12
	Total Heading 5: Security and Defence	1 947	1 814	5	52	1 872	96 %	22	51	73	3	0	0	3
6	Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI - Global Europe)	10 782	9 442	48	444	9 935	92 %	368	474	842	3	2	0	5
	European Instrument for International Nuclear Safety Cooperation (INSC)	69	50	1	13	63	91 %	5	1	6	–	0	(0)	0
	Humanitarian Aid (HUMA)	2 493	2 463	6	6	2 476	99 %	6	10	16	1	0	0	1
	Common Foreign and Security Policy (CFSP)	439	398	1	27	426	97 %	1	12	12	0	0	0	0
	Overseas Countries and Territories (OCT) (including Greenland)	90	57	4	0	61	68 %	4	25	29	0	0	–	0
	MFA+	680	0	–	568	568	84 %	–	111	111	–	–	(0)	(0)
	Ukraine Loan Cooperation Mechanism	1 535	–	–	1 535	1 535	100 %	–	–	–	–	–	–	–
	Other actions	48	47	–	0	48	99 %	–	0	0	0	–	–	0
	Pilot projects and preparatory actions	–	–	–	–	–	–	–	–	–	–	–	–	–
	Union Secure Connectivity	–	–	–	–	–	–	–	–	–	–	–	–	–

EUR million

	MFF Heading	Total appropr. available	Payments made					Appropriations carried over to 2026			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11 +12
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	88	88	(0)	0	88	100 %	–	0	0	0	0	–	0
	Pre-Accession Assistance (IPA III)	2 122	1 841	10	43	1 894	89 %	153	72	225	3	(0)	–	3
	Reform and Growth Facility for Western Balkans	124	58	19	–	77	62 %	47	–	47	0	(0)	–	0
	Total Heading 6: Neighbourhood and the World	18 469	14 444	89	2 637	17 170	93 %	584	706	1 290	7	2	0	9
7	Staff Pensions	3 102	2 790	–	302	3 092	100 %	–	10	10	0	–	(0)	0
	(Pensions of former Members) European Parliament	19	19	–	–	19	100 %	–	–	–	–	–	–	–
	(Pensions of former Members) European Council and Council	1	1	–	–	1	100 %	–	–	–	–	–	–	–
	(Pensions of former Members) Commission	9	9	–	–	9	100 %	–	–	–	–	–	–	–
	(Pensions of former Members) Court of Justice of the European Union	17	17	–	–	17	100 %	–	–	–	–	–	–	–
	(Pensions of former Members) European Court of Auditors	7	7	–	–	7	100 %	–	–	–	–	–	–	–

EUR million

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		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11 +12
(Pensions of former Members) European Ombudsman	0	0	–	–	0	100 %	–	–	–	–	–	–	–
(Pensions of former Members) European Data Protection Supervisor	0	0	–	–	0	100 %	–	–	–	–	–	–	–
(European schools) Commission	302	263	0	30	293	97 %	0	9	9	0	–	–	0
Remuneration statutory staff	3 157	3 027	0	65	3 092	98 %	0	64	64	1	0	–	1
Remuneration external staff	493	268	20	53	342	69 %	31	118	148	1	1	1	3
Members - Salaries and allowances	22	20	1	0	20	93 %	1	0	1	0	0	–	0
Members - Temporary allowances	2	2	–	–	2	91 %	–	–	–	0	–	–	0
Recruitment costs	37	30	3	0	33	91 %	3	0	3	0	0	0	1
Termination of service	7	7	–	–	7	97 %	(0)	–	(0)	0	–	–	0
Training costs	37	7	9	4	20	55 %	10	6	16	0	1	0	1
Social and Mobility	64	16	6	14	36	56 %	7	20	27	0	1	0	2
Information and communication technology	765	187	119	137	442	58 %	105	217	321	0	1	0	2
Rents and purchases	1 042	288	30	129	448	43 %	33	561	595	0	0	0	0

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EUR million

MFF Heading	Total appropr. available	Payments made					Appropriations carried over to 2026			Appropriations lapsing			
		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
Linked to buildings	207	73	41	19	132	64 %	41	30	71	0	3	0	4
Security	124	55	22	9	86	70 %	22	12	35	0	3	0	3
Mission and representation	76	49	7	2	57	76 %	13	2	15	0	3	0	3
Meetings, committees, conference	20	8	3	1	12	59 %	4	2	6	0	2	0	2
Official journal	3	1	1	0	2	66 %	1	0	1	–	0	–	0
Publications	24	7	5	3	15	63 %	6	3	9	0	0	0	0
Acquisition of information	9	4	2	0	6	70 %	2	0	3	0	0	0	0
Studies and investigations	10	1	5	0	5	53 %	4	0	5	0	0	–	0
General equipment, vehicle, furniture	41	11	9	3	22	54 %	14	4	18	0	0	0	1
Linguistic external services	74	29	2	32	62	84 %	2	10	12	0	0	0	0
Other administrative expenditure	58	13	4	23	41	70 %	3	13	16	0	1	1	1
Decentralised agencies	3	3	–	–	3	100 %	–	–	–	–	–	–	–
Administrative expenditure of other institutions	6 399	4 563	560	318	5 441	85 %	630	209	839	56	62	2	120
Total Heading 7: European Public Administration	16 133	11 775	847	1 144	13 767	85 %	932	1 291	2 222	59	80	5	144

EUR million

	MFF Heading	Total appropr. available	Payments made					Appropriations carried over to 2026			Appropriations lapsing			
			from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
		1	2	3	4	5=2+3+4	6=5/1	7	8	9=7+8	10	11	12	13=10+11+12
O	Innovation Fund (IF)	12 293	–	–	224	224	2 %	–	12 068	12 068	–	–	–	–
	Ukraine Facility	3 587	1 693	113	233	2 038	57 %	1 120	429	1 548	0	0	–	0
	Other actions	114	–	–	56	56	49 %	–	58	58	–	–	–	–
	Total Heading O: Outside MFF	15 994	1 693	113	514	2 319	15 %	1 120	12 555	13 675	0	0	–	0
S	European Solidarity Reserve	1 477	170	310	–	480	33 %	997	–	997	–	–	–	–
	Emergency Aid Reserve	–	–	–	–	–	–	–	–	–	–	–	–	–
	European Globalisation Adjustment Fund (EGF)	21	12	0	9	21	99 %	0	–	0	0	0	–	0
	Brexit Adjustment Reserve	564	547	–	–	547	97 %	18	–	18	–	–	–	–
	Total Heading S: Solidarity mechanisms within and outside the Union (Special instruments)	2 063	729	310	9	1 048	51 %	1 015	–	1 015	0	0	–	0
	TOTAL	**250 956**	**155 173**	**3 575**	**57 624**	**216 373**	**86 %**	**6 087**	**28 271**	**34 358**	**110**	**104**	**12**	**226**

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6.9. **DETAILED MFF: MOVEMENTS IN OUTSTANDING COMMITMENTS (RAL)**

EUR million

	MFF Heading	Commit. carried forward from prev. year	Commit. made during the year	Variations on Commitments carried forward	Payments	Total commitm. outstanding at end of the year
		1	2	3	4	5=1+2+3+4
1	Horizon Europe	28 646	16 815	(346)	(13 110)	32 005
	Euratom Research and Training Programme	234	376	(4)	(277)	330
	International Thermonuclear Experimental Reactor (ITER)	1 449	488	(0)	(643)	1 294
	Other actions	263	167	(4)	(108)	318
	Pilot projects and preparatory actions	50	10	(2)	(16)	42
	InvestEU Fund	4 663	1 221	(16)	(2 397)	3 471
	Connecting Europe Facility (CEF) - Transport	6 089	1 701	(157)	(2 413)	5 220
	Connecting Europe Facility (CEF) - Energy	3 934	926	(36)	(736)	4 089
	Connecting Europe Facility (CEF) - Digital	556	229	(0)	(175)	610
	Digital Europe Programme	2 351	1 137	(1)	(1 083)	2 405
	Decentralised agencies	36	237	–	(237)	36
	Other actions	61	85	(2)	(32)	113
	Pilot projects and preparatory actions	26	9	(0)	(13)	22
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	36	29	(0)	(29)	35
	Single Market Programme (incl. SMEs)	914	647	(8)	(724)	829
	EU Anti-Fraud Programme	34	28	(5)	(20)	36
	Cooperation in the field of taxation (Fiscalis)	44	39	(0)	(42)	41
	Cooperation in the field of customs (Customs)	148	200	(1)	(145)	202
	Decentralised agencies	0	158	–	(153)	5
	Other actions	5	8	(0)	(8)	5
	Pilot projects and preparatory actions	25	13	(1)	(10)	27
	European Space Programme	1 483	2 246	(0)	(1 934)	1 795

EUR million

	MFF Heading	Commit. carried forward from prev. year	Commit. made during the year	Variations on Commitments carried forward	Payments	Total commitm. outstanding at end of the year
		1	2	3	4	5=1+2+3+4
	Decentralised agencies	17	83	–	(83)	17
	Pilot projects and preparatory actions	17	45	–	(6)	56
	Union Secure Connectivity	83	196	–	(89)	191
	Total Heading 1: Single Market, Innovation and Digital	51 164	27 095	(583)	(24 482)	53 194
2	European Regional Development Fund (ERDF)	105 188	39 940	(54)	(22 852)	122 222
	Cohesion Fund (CF)	16 048	7 034	(0)	(5 590)	17 491
	Cohesion Fund (CF), contribution to the Connecting Europe Facility (CEF) - Transport	5 402	1 677	(26)	(1 353)	5 700
	Pilot projects and preparatory actions	4	4	(1)	(1)	6
	European Social Fund Plus (ESF+)	47 528	17 216	(3)	(10 623)	54 118
	Pilot projects and preparatory actions	–	2	–	(1)	1
	Support to the Turkish-Cypriot Community	95	36	0	(40)	91
	European Recovery and Resilience Facility (incl. Technical Support Instrument)	161 570	627	(12)	(39 671)	122 514
	Protection of the euro against counterfeiting (the `Pericles IV programme')	0	1	(0)	(1)	1
	Financing cost of the European Union Recovery Instrument (EURI)	1 865	5 017	–	(5 005)	1 878
	Union Civil Protection Mechanism (RescEU)	1 193	237	(9)	(355)	1 066
	EU4Health	1 507	607	(2)	(553)	1 559
	Instrument for emergency support within the Union (ESI)	28	–	–	(4)	24
	Decentralised agencies	50	305	(0)	(293)	61
	Pilot projects and preparatory actions	0	–	–	–	0
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	10	16	(0)	(13)	12

ELI: http://data.europa.eu/eli/communic/C/2026/4821/oj

EUR million

	MFF Heading	Commit. carried forward from prev. year	Commit. made during the year	Variations on Commitments carried forward	Payments	Total commitm. outstanding at end of the year
		1	2	3	4	5=1+2+3+4
	Employment and Social Innovation	185	112	(0)	(85)	212
	Erasmus+	2 251	4 684	(109)	(4 635)	2 191
	European Solidarity Corps (ESC)	149	172	(43)	(172)	106
	Creative Europe	354	367	(2)	(338)	381
	Justice	53	42	(1)	(42)	52
	Rights and Values	288	239	(1)	(192)	334
	Decentralised agencies	53	332	(0)	(328)	56
	Other actions	13	9	(0)	(9)	13
	Pilot projects and preparatory actions	58	18	(8)	(25)	43
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	197	190	(2)	(182)	203
	Total Heading 2: Cohesion, Resilience and Values	344 088	78 884	(275)	(92 361)	330 336
3	European Agricultural Guarantee Fund (EAGF)	371	40 875	(7)	(40 904)	335
	European Agricultural Fund for Rural Development (EAFRD)	35 517	13 227	(239)	(15 852)	32 652
	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	3 341	946	(4)	(670)	3 613
	Sustainable Fisheries Partnership Agreements (SFPA) and Regional Fisheries Management Organisations (RFMO)	38	117	(2)	(111)	42
	Decentralised agencies	–	31	–	(31)	0
	Pilot projects and preparatory actions	10	1	–	(3)	8
	Programme for Environment and Climate Action (LIFE)	2 691	785	(11)	(677)	2 787
	Just Transition Fund	8 765	1 504	(0)	(1 124)	9 145
	Public sector loan facility under the Just Transition Mechanism (JTM)	104	57	–	(67)	94

EUR million

	MFF Heading	Commit. carried forward from prev. year	Commit. made during the year	Variations on Commitments carried forward	Payments	Total commitm. outstanding at end of the year
		1	2	3	4	5=1+2+3+4
	Decentralised agencies	–	79	–	(79)	0
	Pilot projects and preparatory actions	15	2	(0)	(3)	14
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	16	35	(0)	(21)	29
	Total Heading 3: Natural Resources and Environment	50 867	57 658	(263)	(59 544)	48 718
4	Asylum, Migration and Integration Fund	2 862	1 921	(0)	(1 288)	3 495
	Decentralised agencies	13	192	–	(202)	3
	Integrated Border Management Fund (IBMF) - Instrument for border management and visa (BMVI)	2 215	1 266	(0)	(910)	2 572
	Integrated Border Management Fund (IBMF) - Instrument for financial support for customs control equipment (CCEi)	305	0	–	(23)	281
	Decentralised agencies	359	1 359	–	(1 386)	332
	Total Heading 4: Migration and Border Management	5 754	4 738	(0)	(3 809)	6 683
5	Internal Security Fund (ISF)	636	338	(0)	(257)	717
	Nuclear decommissioning (Lithuania)	331	75	–	(90)	315
	Nuclear Safety and decommissioning (incl. For Bulgaria and Slovakia)	296	70	(0)	(60)	306
	Decentralised agencies	6	283	–	(281)	8
	Pilot projects and preparatory actions	1	–	–	(1)	0
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	22	23	(0)	(22)	23
	European Defence Fund (Research)	788	400	–	(295)	892
	European Defence Fund (Non Research)	1 458	1 026	(0)	(562)	1 920

EUR million

	MFF Heading	Commit. carried forward from prev. year	Commit. made during the year	Variations on Commitments carried forward	Payments	Total commitm. outstanding at end of the year
		1	2	3	4	5=1+2+3+4
	Military Mobility	291	252	(0)	(136)	407
	Short-term Defence instrument on common procurement	259	41	–	(63)	237
	Defence Industrial Reinforcement Instrument	343	–	–	(53)	290
	European Defence Industry Programme	–	–	–		–
	Pilot projects and preparatory actions	0	–	–	–	0
	Union Secure Connectivity	16	158	–	(51)	123
	Total Heading 5: Security and Defence	4 445	2 666	(1)	(1 872)	5 239
6	Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI - Global Europe)	32 397	11 361	(300)	(9 934)	33 524
	European Instrument for International Nuclear Safety Cooperation (INSC)	137	66	(1)	(63)	139
	Humanitarian Aid (HUMA)	1 127	2 575	(11)	(2 476)	1 214
	Common Foreign and Security Policy (CFSP)	96	419	(13)	(426)	76
	Overseas Countries and Territories (OCT) (including Greenland)	147	68	(1)	(61)	152
	MFA+	153	570	–	(568)	155
	Ukraine Loan Cooperation Mechanism	–	1 535	–	(1 535)	–
	Other actions	57	88	(0)	(48)	98
	Pilot projects and preparatory actions	0	–	(0)	–	0
	Union Secure Connectivity	–	50	–	–	50
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	151	95	(3)	(88)	155
	Pre-Accession Assistance (IPA III)	7 434	2 223	(115)	(1 894)	7 648
	Reform and Growth Facility for Western Balkans	399	596	(0)	(77)	918

EUR million

	MFF Heading	Commit. carried forward from prev. year	Commit. made during the year	Variations on Commitments carried forward	Payments	Total commitm. outstanding at end of the year
		1	2	3	4	5=1+2+3+4
	Total Heading 6: Neighbourhood and the World	42 097	19 645	(443)	(17 170)	44 129
7	Staff Pensions	–	3 101	–	(3 092)	9
	(Pensions of former Members) European Parliament	–	19	–	(19)	(0)
	(Pensions of former Members) European Council and Council	–	1	–	(1)	–
	(Pensions of former Members) Commission	–	9	–	(9)	–
	(Pensions of former Members) Court of Justice of the European Union	–	17	–	(17)	–
	(Pensions of former Members) European Court of Auditors	–	7	–	(7)	–
	(Pensions of former Members) European Ombudsman	–	0	–	(0)	–
	(Pensions of former Members) European Data Protection Supervisor	–	0	–	(0)	–
	(European schools) Commission	4	291	–	(293)	2
	Remuneration statutory staff	0	3 092	(0)	(3 092)	0
	Remuneration external staff	23	351	(0)	(342)	32
	Members - Salaries and allowances	1	20	(1)	(20)	1
	Members - Temporary allowances	–	2	–	(2)	0
	Recruitment costs	3	33	(0)	(33)	3
	Termination of service	–	7	–	(7)	0
	Training costs	12	21	(0)	(20)	13
	Social and Mobility	12	37	(2)	(36)	12
	Information and communication technology	166	452	(2)	(442)	173
	Rents and purchases	31	458	(0)	(448)	41
	Linked to buildings	49	134	(3)	(132)	49

ELI: http://data.europa.eu/eli/communic/C/2026/4821/oj

EUR million

	MFF Heading	Commit. carried forward from prev. year	Commit. made during the year	Variations on Commitments carried forward	Payments	Total commitm. outstanding at end of the year
		1	2	3	4	5=1+2+3+4
	Security	32	87	(2)	(86)	30
	Mission and representation	10	63	(1)	(57)	15
	Meetings, committees, conference	6	13	(0)	(12)	6
	Official journal	1	2	(0)	(2)	1
	Publications	7	16	(0)	(15)	7
	Acquisition of information	2	7	(0)	(6)	3
	Studies and investigations	5	5	(0)	(5)	5
	General equipment, vehicle, furniture	11	27	(0)	(22)	15
	Linguistic external services	2	62	(0)	(62)	3
	Other administrative expenditure	12	39	(1)	(41)	10
	Decentralised agencies	–	3	–	(3)	–
	Administrative expenditure of other institutions	623	5 574	(51)	(5 441)	704
	Total Heading 7: European Public Administration	1 011	13 955	(65)	(13 767)	1 134
O	Innovation Fund (IF)	6 643	1 551	(405)	(224)	7 564
	Ukraine Facility	1 250	4 799	(1)	(2 038)	4 009
	Other actions	6	59	(4)	(56)	5
	Total Heading O: Outside MFF	7 899	6 409	(410)	(2 319)	11 578
S	European Solidarity Reserve	–	480	–	(480)	–
	Emergency Aid Reserve	–	–	–		–
	European Globalisation Adjustment Fund (EGF)	0	21	–	(21)	0
	Brexit Adjustment Reserve	53	564	–	(547)	71
	Total Heading S: Solidarity mechanisms within and outside the Union (Special instruments)	53	1 065	–	(1 048)	71
	TOTAL	**507 378**	**212 116**	**(2 039)**	**(216 371)**	**501 084**

6.10. **DETAILED MFF: OUTSTANDING COMMITMENTS BY YEAR OF ORIGIN**

EUR million

MFF heading		<2018	2018	2019	2020	2021	2022	2023	2024	2025	Total
1	Horizon Europe	170	233	419	784	1 612	2 406	3 859	9 772	12 750	32 005
	Euratom Research and Training Programme	22	0	2	7	11	10	17	111	149	330
	International Thermonuclear Experimental Reactor (ITER)					0	53	477	356	408	1 294
	Other actions								260	59	318
	Pilot projects and preparatory actions	–	1	0	–	0	4	11	16	10	42
	InvestEU Fund	136	40	88	108	–	881	340	1 500	378	3 471
	Connecting Europe Facility (CEF) - Transport	87	43	370	771	489	216	665	936	1 644	5 220
	Connecting Europe Facility (CEF) - Energy	153	86	527	786	337	536	239	503	921	4 089
	Connecting Europe Facility (CEF) - Digital	1	0	1	3	79	131	176	45	174	610
	Digital Europe Programme				–	216	256	307	686	940	2 405
	Decentralised agencies								0	36	36
	Other actions							1	102	10	113
	Pilot projects and preparatory actions			–	8	2	2	2	2	6	22
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission				–	1	1	3	11	19	35
	Single Market Programme (incl. SMEs)	48	8	22	20	14	42	75	195	404	829
	EU Anti-Fraud Programme	–		–	–	2	2	4	6	22	36
	Cooperation in the field of taxation (Fiscalis)			0	–	3	2	2	8	27	41
	Cooperation in the field of customs (Customs)		0	0	0	1	4	15	25	157	203
	Decentralised agencies								0	5	5
	Other actions					–		0	0	5	5
	Pilot projects and preparatory actions				0	0	2	4	9	13	27

EUR million

	MFF heading	<2018	2018	2019	2020	2021	2022	2023	2024	2025	Total
	European Space Programme	0	0	–	63	6	6	84	708	927	1 795
	Decentralised agencies							–	0	17	17
	Pilot projects and preparatory actions								11	45	56
	Union Secure Connectivity								0	191	191
	Total Heading 1: Single Market, Innovation and Digital	617	411	1 430	2 551	2 771	4 555	6 282	15 261	19 315	53 194
2	European Regional Development Fund (ERDF)	555	6	14	42	63	7 780	32 908	41 050	39 805	122 222
	Cohesion Fund (CF)	84	–	0	0	0	376	3 963	6 038	7 031	17 491
	Cohesion Fund (CF), contribution to the Connecting Europe Facility (CEF) - Transport	440	209	481	876	449	344	330	916	1 655	5 700
	Pilot projects and preparatory actions	0	0		0	–	0		1	4	6
	European Social Fund Plus (ESF+)	274	1	21	18	1	4 669	14 090	17 871	17 171	54 118
	Pilot projects and preparatory actions								–	1	1
	Support to the Turkish-Cypriot Community	0	0	0	3	3	5	18	29	33	91
	European Recovery and Resilience Facility (incl. Technical Support Instrument)			0	0	1	7	24	122 407	75	122 514
	Protection of the euro against counterfeiting (the `Pericles IV programme')							–	0	0	1
	Financing cost of the European Union Recovery Instrument (EURI)							–	1	1 877	1 878
	Union Civil Protection Mechanism (RescEU)			0	94	17	52	55	669	180	1 066
	EU4Health	1	0	1	5	83	220	328	376	544	1 559
	Instrument for emergency support within the Union (ESI)				0	9			15	–	24
	Decentralised agencies	–	0	0	0	2	11	16	19	12	61
	Pilot projects and preparatory actions	0									0

EUR million

	MFF heading	<2018	2018	2019	2020	2021	2022	2023	2024	2025	Total
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission						0	0	1	10	12
	Employment and Social Innovation	3	1	8	9	9	12	28	47	95	212
	Erasmus+	0	0	1	3	185	229	440	550	783	2 191
	European Solidarity Corps (ESC)	–		–	–	17	9	12	28	40	106
	Creative Europe		0	0	0	7	25	53	89	206	381
	Justice	4	2	3	1	3	4	3	10	22	52
	Rights and Values	5	3	3	3	5	13	55	83	165	334
	Decentralised agencies				0	19	8	12	10	7	56
	Other actions	0		0	0	0	1	0	3	8	13
	Pilot projects and preparatory actions	0	0	0	1	1	3	6	16	17	43
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	1	3	5	6	4	7	12	40	127	203
	Total Heading 2: Cohesion, Resilience and Values	1 368	225	538	1 061	878	13 776	52 352	190 270	69 869	330 336
3	European Agricultural Guarantee Fund (EAGF)		8	9	18	20	30	47	99	105	335
	European Agricultural Fund for Rural Development (EAFRD)	2 378	747	758	761	7	900	936	12 947	13 218	32 652
	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	48	–	0	17	4	293	1 001	1 320	930	3 613
	Sustainable Fisheries Partnership Agreements (SFPA) and Regional Fisheries Management Organisations (RFMO)						–	1	11	30	42
	Decentralised agencies								–	0	0
	Pilot projects and preparatory actions						–	1	5	1	8
	Programme for Environment and Climate Action (LIFE)	80	153	128	149	244	337	445	508	744	2 787
	Just Transition Fund						1 299	1 442	4 900	1 503	9 145

EUR million

	MFF heading	<2018	2018	2019	2020	2021	2022	2023	2024	2025	Total
	Public sector loan facility under the Just Transition Mechanism (JTM)							4	89	–	94
	Pilot projects and preparatory actions	0	–		1	0	1	3	6	2	14
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission							0	4	25	29
	Total Heading 3: Natural Resources and Environment	2 507	907	896	946	275	2 859	3 882	19 889	16 558	48 718
4	Asylum, Migration and Integration Fund	54	37	57	346	4	23	261	861	1 852	3 495
	Decentralised agencies						–		–	3	3
	Integrated Border Management Fund (IBMF) - Instrument for border management and visa (BMVI)	18	9	39	207	3	23	284	823	1 166	2 572
	Integrated Border Management Fund (IBMF) - Instrument for financial support for customs control equipment (CCEi)					63	63	70	85	0	281
	Decentralised agencies							64	151	117	332
	Total Heading 4: Migration and Border Management	72	47	97	553	69	110	679	1 920	3 138	6 683
5	Internal Security Fund (ISF)	17	14	21	48	7	23	65	198	325	717
	Nuclear decommissioning (Lithuania)	2	1	1	3	27	99	41	67	75	315
	Nuclear Safety and decommissioning (incl. For Bulgaria and Slovakia)	8	39	44	66	36	11	16	31	54	306
	Decentralised agencies								3	5	8
	Pilot projects and preparatory actions				0					–	0
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission	0		–	0	1	1	3	4	14	23
	European Defence Fund (Research)					74	97	172	182	368	892
	European Defence Fund (Non Research)			12	7	152	172	299	410	868	1 920
	Military Mobility					67	8	31	83	218	407

EUR million

	MFF heading	<2018	2018	2019	2020	2021	2022	2023	2024	2025	Total
	Short-term Defence instrument on common procurement								198	39	237
	Defence Industrial Reinforcement Instrument							99	191	–	290
	Pilot projects and preparatory actions		0								0
	Union Secure Connectivity								–	123	123
	Total Heading 5: Security and Defence	27	55	78	125	364	410	725	1 367	2 089	5 239
6	Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI - Global Europe)	796	635	712	936	2 106	5 084	6 054	8 096	9 106	33 524
	European Instrument for International Nuclear Safety Cooperation (INSC)	1	2	4	9	12	13	26	33	38	139
	Humanitarian Aid (HUMA)			0	1	10	53	148	361	642	1 214
	Common Foreign and Security Policy (CFSP)	0		1	0	6	4	3	14	48	76
	Overseas Countries and Territories (OCT) (including Greenland)			1		2	28	42	39	40	152
	MFA+								–	155	155
	Other actions							0	32	65	98
	Pilot projects and preparatory actions	0							–		0
	Union Secure Connectivity									50	50
	Actions financed under the prerogatives of the Commission and specific competences conferred to the Commission		0	0	2	5	10	29	46	63	155
	Pre-Accession Assistance (IPA III)	235	305	330	421	767	1 201	1 011	1 542	1 836	7 648
	Reform and Growth Facility for Western Balkans								426	492	918
	Total Heading 6: Neighbourhood and the World	1 032	943	1 047	1 370	2 908	6 392	7 312	10 589	12 534	44 129
7	Staff Pensions								–	9	9
	(European schools) Commission								0	2	2
	Remuneration statutory staff								–	0	0

EUR million

	MFF heading	<2018	2018	2019	2020	2021	2022	2023	2024	2025	Total
	Remuneration external staff							–	2	31	32
	Members - Salaries and allowances							–	(0)	1	1
	Members - Temporary allowances									0	0
	Recruitment costs							–	0	3	3
	Termination of service									0	0
	Training costs							0	1	11	13
	Social and Mobility							0	5	7	12
	Information and communication technology							0	21	152	173
	Rents and purchases							0	6	35	41
	Linked to buildings							0	8	41	49
	Security							0	2	28	30
	Mission and representation							0	2	13	15
	Meetings, committees, conference							0	2	5	6
	Official journal								–	1	1
	Publications							–	0	7	7
	Acquisition of information								0	3	3
	Studies and investigations								0	5	5
	General equipment, vehicle, furniture							0	0	15	15
	Linguistic external services							–	0	2	3
	Other administrative expenditure							(0)	1	8	10
	Administrative expenditure of other institutions									704	704
	Total Heading 7: European Public Administration							1	51	1 083	1 134
O	Innovation Fund (IF)								7 563	1	7 564
	Ukraine Facility								724	3 286	4 009
	Other actions								1	4	5
	Total Heading O: Outside MFF								8 287	3 291	11 578

EUR million

MFF heading		<2018	2018	2019	2020	2021	2022	2023	2024	2025	Total
S	European Globalisation Adjustment Fund (EGF)								0	0	0
	Brexit Adjustment Reserve							–		71	71
	Total Heading S: Solidarity mechanisms within and outside the Union (Special instruments)							–	0	71	71
	Total	**5 623**	**2 588**	**4 086**	**6 605**	**7 265**	**28 101**	**71 232**	**247 636**	**127 948**	**501 084**

7. **IMPLEMENTATION OF THE BUDGET BY INSTITUTION**

7.1. **IMPLEMENTATION OF BUDGET REVENUE**

EUR million

	Income appropriations		Entitlements established			Revenue			Revenue as % of budget	Out-standing
	Initial adopted budget	Final adopted budget	Current year	Carried over	Total	On entitle-ments of current year	On entitle-ments carried over	Revenue		
Parliament	249	249	291	11	303	286	2	287	115 %	16
Council	80	80	109	1	110	109	1	109	137 %	1
Commission	154 664	160 617	226 586	16 251	242 837	220 118	3 350	223 468	139 %	19 370
Court of Justice	81	81	79	0	79	79	0	79	97 %	0
Court of Auditors	34	34	33	0	33	33	0	33	98 %	0
Economic and Social Committee	18	18	22	0	22	22	0	22	124 %	0
Committee of the Regions	16	16	19	0	19	19	0	19	116 %	0
Ombudsman	2	2	2	–	2	2	–	2	108 %	–

EUR million

	Income appropriations		Entitlements established			Revenue			Revenue as % of budget	Out-standing
	Initial adopted budget	Final adopted budget	Current year	Carried over	Total	On entitle-ments of current year	On entitle-ments carried over	Revenue		
European Data-protection Supervisor	3	3	3	–	3	3	–	3	102 %	0
European External Action Service	62	62	379	0	379	377	0	377	603 %	2
TOTAL	**155 209**	**161 163**	**227 523**	**16 264**	**243 787**	**221 046**	**3 352**	**224 398**	**139 %**	**19 389**

The consolidated reports on the implementation of the general budget of the EU include, as in previous years, the budget implementation of all Institutions since within the EU budget a separate budget for each Institution is established.

The budget and implementation of Agencies are not consolidated within the EU budget and are not included in the EU budget reports. The Commission subsidy paid to the agencies however is part of the EU budget. In this budgetary part of the annual accounts, only the subsidy paid from the Commission budget to the Agencies is taken into consideration.

Concerning the EEAS, it should be noted that, in addition to its own budget, it also disposed of an amount of EUR 378,9 million (2024: 358,4) including assigned revenues and carried over amounts, out of which EUR 250,2 million (2024: 255,2) of European Commission funds to cover the administrative costs of Commission staff working in Union delegations split between the Commission's Heading 7, the administrative lines of operational programmes (ex-BA lines), and the Trust Funds, and the remainder from additional fixed-amount contributions to cover common costs of EDF staff in Delegations and for co-locations, and other amounts received under co-location and other agreements.

7.2. IMPLEMENTATION OF COMMITMENT APPROPRIATIONS

EUR million

	Total appropr. available	Commitments made					Appropriations carried over to 2026			Appropriations lapsing			
		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10	11	12	13=10+11+12
Parliament	2 602	2 518	–	40	2 557	98 %	–	35	35	10	–	0	10
Council	767	691	–	27	718	94 %	–	25	25	23		0	24

EUR million

	Total appropr. available	Commitments made					Appropriations carried over to 2026			Appropriations lapsing			
		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10	11	12	13=10+11+12
Commission	222 335	190 891	1 579	14 073	206 542	93 %	2 126	12 241	14 367	1 149	33	236	1 418
Court of Justice	538	521	–	1	522	97 %	–	0	0	16		0	16
Court of Auditors	195	191	1	0	192	98 %	–	0	0	3	–	0	3
Economic and Social Committee	180	173	–	4	177	98 %	–	2	2	1	–	–	1
Committee of the Regions	135	130	–	2	132	98 %	–	3	3	0	–	0	0
Ombudsman	15	15	–	–	15	95 %	–	–	–	1	–	–	1
European Data-protection Supervisor	27	25	–	0	25	93 %	–	–	–	2	–	–	2
European External Action Service	1 308	930	–	307	1 236	94 %	–	72	72	0	–	1	1
Sum:	**228 104**	**196 083**	**1 580**	**14 454**	**212 116**	**93 %**	**2 126**	**12 379**	**14 505**	**1 206**	**33**	**237**	**1 476**

ELI: http://data.europa.eu/eli/communic/C/2026/4821/oj

7.3. **IMPLEMENTATION OF PAYMENT APPROPRIATIONS**

EUR million

	Total appropr. available	Payments made					Appropriations carried over to 2026			Appropriations lapsing			
		from final adopted budget	from carry-overs	from assigned revenue	Total	%	from final adopted budget	from assigned revenue	Total	from final adopted budget	from carry-overs	from assigned revenue	Total
	1	2	3	4	5=2+3+4	6=5/1	7	8	9	10	11	12	13=10+11+12
Parliament	2 948	2 157	307	41	2 504	85 %	361	42	403	10	30	1	41
Council	846	604	74	24	703	83 %	87	28	115	23	4	0	28
Commission	244 557	150 611	3 016	57 305	210 932	86 %	5 424	28 062	33 486	54	42	10	106
Court of Justice	571	484	28	1	513	90 %	36	0	37	16	4	0	21
Court of Auditors	204	181	9	0	190	93 %	10	0	11	3	1	0	4
Economic and Social Committee	192	163	10	3	177	92 %	10	3	13	1	2	–	3
Committee of the Regions	145	118	9	2	128	88 %	12	3	15	0	1	0	1
Ombudsman	16	14	0	–	15	93 %	0	–	0	1	0	–	1
European Data-protection Supervisor	30	23	2	0	25	83 %	2	–	2	2	1	–	3
European External Action Service	1 448	819	121	247	1 187	82 %	110	132	242	0	18	1	19
	250 956	**155 173**	**3 575**	**57 624**	**216 373**	**86 %**	**6 054**	**28 271**	**34 325**	**110**	**104**	**12**	**226**

8. **IMPLEMENTATION OF THE AGENCIES' BUDGETS**

The agencies' revenue and expenditure, as shown in the reports 8.1 and 8.2 below, are not consolidated as such within the EU budget.

Sections 1 to 7 of the Budgetary implementation reports include only the subsidy paid from the EU budget to the agencies as commitment and payment appropriations, when applicable.

The agencies' reports below show an overview of the Agencies, both decentralised (also known as traditional agencies) and executive agencies, and of their revenue (8.1) and expenditure (8.2). They include not only the subsidy paid from the EU budget, but also the other sources of revenue and their related expenditure (that is not added into the EU budget accounts). Each agency presents its own set of annual accounts.

8.1. **BUDGET REVENUE**

EUR million

Agency	Funding MFF heading	Final adopted budget	Revenue received
Agency for the Cooperation of Energy Regulators	1	45	43
Agency for the Operational Management of Large-Scale IT Systems	4	338	362
Body of European Regulators for Electronic Communications	1	8	9
Community Plant Variety Office	N/A	22	21
European Agency for Safety and Health at Work	2b	18	18
European Asylum Support Office	4	240	212
European Aviation Safety Agency	1	248	197
European Banking Authority	1	59	60
European Border and Coast Guard Agency	4	1 124	1 137
European Centre for Disease Prevention and Control	2b	106	99
European Centre for the Development of Vocational Training	2b	22	23
European Chemicals Agency	1	134	138
European Climate, Infrastructure and Environment Executive Agency	1, 2a, 3, 5	75	75
European Education and Culture Executive Agency	2b, 6	152	75
European Environment Agency	3	109	102
European Fisheries Control Agency	3	31	33
European Food Safety Authority	2b	151	153
European Foundation for the Improvement of Living and Working Conditions	2b	25	28
European Health and Digital Executive Agency	1, 2b	62	62
European Innovation Council and SMEs Executive Agency	1, 2a	50	50
European Institute for Gender Equality	2b	10	12
European Institute of Innovation and Technology	1	435	435
European Insurance and Occupational Pensions Authority	1	40	41
European Labour Authority	2b	50	50
European Maritime Safety Agency	1	127	127
European Medicines Agency	2b	600	608

EUR million

Agency	Funding MFF heading	Final adopted budget	Revenue received
European Monitoring Centre for Drugs and Drug Addiction	5	36	37
European Public Prosecutor's Office	2b	86	86
European Research Council Executive Agency	1	73	73
European Research Executive Agency	1, 3	102	127
European Securities and Markets Authority	1	82	86
European Training Foundation	2b	24	29
European Union Agency for Criminal Justice Cooperation	2b	68	78
European Union Agency for Cybersecurity	1	26	55
European Union Agency for Law Enforcement Cooperation	5	246	243
European Union Agency for Law Enforcement Training	5	13	13
European Union Agency for Railways	1	31	47
European Union Agency for the Space Programme	1	83	1 164
European Union Fundamental Rights Agency	2b	27	27
European Union Intellectual Property Office	N/A	480	501
Fusion for Energy Joint Undertaking	1	646	799
Translation Centre for the Bodies of the European Union	7	52	45
Total		**6 356**	**7 581**

EUR million

Type of agencies revenue	Revenue received
Commission subsidy	4 913
Fee income	1 136
Other income	1 531
Total	**7 581**

8.2. COMMITMENT AND PAYMENT APPROPRIATIONS BY AGENCY

EUR million

Agency	Commitment appropriations		Payment appropriations	
	Total appropr. available	Commit. made	Total appropr. available	Payments made
Agency for the Cooperation of Energy Regulators	45	45	54	41
Agency for the Operational Management of Large-Scale IT Systems	378	357	464	400
Body of European Regulators for Electronic Communications	9	8	10	8

EUR million

Agency	Commitment appropriations		Payment appropriations	
	Total appropr. available	Commit. made	Total appropr. available	Payments made
Community Plant Variety Office	21	19	22	20
European Agency for Safety and Health at Work	18	17	22	17
European Asylum Support Office	264	208	277	191
European Aviation Safety Agency	317	250	331	227
European Banking Authority	61	59	65	58
European Border and Coast Guard Agency	1 158	1 132	1 561	1 023
European Centre for Disease Prevention and Control	109	99	135	103
European Centre for the Development of Vocational Training	23	22	24	21
European Chemicals Agency	142	137	159	139
European Climate, Infrastructure and Environment Executive Agency	75	73	78	72
European Education and Culture Executive Agency	75	75	80	75
European Environment Agency	116	103	155	101
European Fisheries Control Agency	36	34	43	35
European Food Safety Authority	166	165	168	157
European Foundation for the Improvement of Living and Working Conditions	29	26	33	25
European Health and Digital Executive Agency	62	61	65	60
European Innovation Council and SMEs Executive Agency	50	50	52	49
European Institute for Gender Equality	12	10	14	10
European Institute of Innovation and Technology	529	522	475	463
European Insurance and Occupational Pensions Authority	41	40	43	40
European Labour Authority	52	51	53	50
European Maritime Safety Agency	139	124	156	126
European Medicines Agency	625	606	699	607
European Monitoring Centre for Drugs and Drug Addiction	38	37	46	35
European Public Prosecutor's Office	86	86	95	87
European Research Council Executive Agency	73	73	74	72
European Research Executive Agency	127	127	132	126
European Securities and Markets Authority	87	85	91	80
European Training Foundation	32	29	35	28
European Union Agency for Criminal Justice Cooperation	93	80	103	80

EUR million

Agency	Commitment appropriations		Payment appropriations	
	Total appropr. available	Commit. made	Total appropr. available	Payments made
European Union Agency for Cybersecurity	66	41	72	33
European Union Agency for Law Enforcement Cooperation	253	247	275	239
European Union Agency for Law Enforcement Training	32	19	35	19
European Union Agency for Railways	67	49	53	45
European Union Agency for the Space Programme	2 306	677	2 366	1 185
European Union Fundamental Rights Agency	27	26	33	28
European Union Intellectual Property Office	345	345	532	341
Fusion for Energy Joint Undertaking	1 066	979	849	789
Translation Centre for the Bodies of the European Union	52	46	54	46
Total	**9 300**	**7 239**	**10 082**	**7 355**

EUR million

Type of expenditure	Commitment appropriations		Payment appropriations	
	Total appropr. available	Commit. made	Total appropr. available	Payments made
Administrative	612	593	746	584
Operational	6 396	4 378	7 010	4 518
Staff	2 292	2 268	2 327	2 254
Total	**9 300**	**7 239**	**10 082**	**7 355**

GLOSSARY

Actuarial assumptions

Assumptions used to calculate the costs of future events that affect the pension liability.

Actuarial gains and losses

For a defined benefit scheme, the changes in actuarial deficits or surpluses. They arise as a result of differences between the previous actuarial assumptions and what has actually occurred and due to effects of changes in actuarial assumptions.

Administrative appropriations

Administrative appropriations cover the running costs of the Institutions and entities (staff, buildings, office equipment).

Adopted budget

Draft budget becomes the adopted budget as soon as it is approved by the Budgetary Authority and declared definitely adopted by the President of the European Parliament.

Amending budget

Decision adopted during the budget year to amend (increase, decrease, transfer) aspects of the adopted budget of that year.

Amounts to be called from Member States

These represent expenses incurred during the reporting period that will need to be funded by future budgets, i.e. by the EU Member States. This is a consequence of the co-existence of accruals based financial statements and a cash based budget.

Annual Activity Report (AAR)

Annual Activity Reports indicate the results of operations by reference to objectives set, associated risks and the internal control structure, inter alia. Since the 2001 budget exercise for the Commission and since 2003 for all European Union institutions, the 'authorising officer by delegation' must submit an AAR to his/her institution on the performance of his/her duties, together with financial and management information.

Appropriations

Budget funding. The budget forecasts both commitments and payments (cash or bank transfers to the beneficiaries). Appropriations for commitments and payments often differ (differentiated appropriations) because multi annual programmes and projects are usually fully committed in the year they are decided and are paid over the years as the implementation of the programme and project progresses. Non-differentiated appropriations apply to administrative expenditure, for agricultural market support and direct payments and commitment appropriations equal payment appropriations.

Assigned revenue

Dedicated revenue received to finance specific items of expenditure. The main source of external assigned revenue is financial contributions from third countries to programmes financed by the Union. The main source of internal assigned revenue is revenue from third parties in respect of goods, services or work supplied at their request; revenue arising from the repayment of amounts wrongly paid and revenue from the sale of publications and films.

Available for sale financial assets

All financial assets (except derivatives) that are according to International Public Sector Accounting Standards measured at fair value and for which the changes in fair value are to be recognised in a reserve in net assets until derecognition (or impairment).

Budget line

As far as the budget structure is concerned, revenue and expenditure are shown in the budget in accordance with a binding nomenclature which reflects the nature and purpose of each item, as imposed by the budgetary authority. The individual headings (title, chapter, article or line) provide a formal description of the nomenclature.

Cancellation of appropriations

Unused appropriations that may no longer be used.

Carryover of appropriations

Exception to the principle of annuality in so far as appropriations that could not be used in a given budget year may, under strict conditions, be exceptionally carried over for use during the following year.

Commitment

Legal pledge to provide finance subject to certain conditions. The EU commits itself to reimbursing its share of the costs of an EU funded project. Today's commitments are tomorrow's payments. Today's payments are yesterday's commitments.

Commitment appropriation

Commitment appropriations cover the total cost of legal obligations (contracts, grant **agreements/decisions) that could be signed in the current financial year.**

Current service cost

The increase in scheme liabilities arising from service in the current financial year.

Decommitment

An act whereby a previous commitment (or part of it) is cancelled.

Defined benefit scheme

A pension or other retirement benefit scheme where the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded.

Derivatives

Financial instruments whose value is linked to changes in the value of another financial instrument, an indicator or a commodity. In contrast to the holder of a primary financial instrument (e.g. a government bond), who has an unqualified right to receive cash (or some other economic benefit) in the future, the holder of a derivative has only a qualified right to receive such a benefit. An example of a derivative is currency forward contract.

Direct management

Mode of budget implementation. Under direct management the budget is implemented directly by Commission services, Executive Agencies or Trust Funds.

Discount rate

The rate used to adjust for the time value of money. Discounting is a technique used to compare costs and benefits that occur in different time periods.

Effective interest rate

The rate that discounts estimated future cash receipts or payments over the expected life of the financial asset or financial liability to the net carrying amount of the asset or liability.

Financial assets and liabilities at amortised cost

All financial assets and liabilities that are according to International Public Sector Accounting Standards measured at armotised cost.

Financial assets or liabilities at fair value through surplus or deficit

All financial assets or liabilities that are according to International Public Sector Accounting Standards measured at fair value and for which the changes in fair value are to be recognised in surplus or deficit of the period (i.e. derivatives).

Financial correction

The purpose of financial corrections is to protect the EU budget from the burden of irregular expenditure. For expenditure under shared management, the task of recovering irregular payments is primarily the responsibility of the Member State.

A 'confirmed' financial correction has been accepted by the Member State concerned. A 'decided' financial correction has been adopted by a Commission decision and is always a net correction, where the Member State is required to reimburse irregular funds to the EU budget, thus leading to a definitive reduction of the allocated envelope to the Member State concerned. Confirmed and decided financial corrections are reported in this publication as one category.

An 'implemented' financial correction has corrected the observed irregularity.

Indirect management

Mode of budget implementation. Under indirect management the Commission confers tasks of budget implementation to bodies of EU law or national law.

Interruptions and suspensions

If the Commission finds, based on its own work or the information reported by audit authorities, that a Member State has failed to remedy serious shortcomings in the management and control systems and/or to correct irregular expenditure which had been declared and certified, it may interrupt or suspend payments.

Irregularity

An irregularity is an act which does not comply with the applicable EU or national rules and which has a potentially negative impact on the EU financial interests. Irregularities, which may be the result of the conduct of beneficiaries claiming funds or of the authorities responsible for making payments. The notion of irregularity is wider than that of fraud, which refers to conduct that may qualify as a criminal offence.

Lapsing appropriations

Unused appropriations to be cancelled at the end of the financial year. Lapsing means the cancellation of all or part of the authorisation to make expenditures and/or incur liabilities which is represented by an appropriation. Only for Joint Undertakings, as specified in their Financial Rules, any unused appropriations may be entered in the estimate of revenue and expenditure of up to the following three financial years (the so-called 'N+3' rule). Hence, lapsing appropriations for JUs could be reactivated until financial year 'N+3'.

Outstanding commitments

As the *Reste à Liquider (RAL)*, they represent the amount where a budgetary commitment has been made but the subsequent payment is not yet done. They represent payment obligations for the EU for future years and stem directly from the existence of multi annual programmes and the dissociation between commitment and payment appropriations.

Own resources

The main source of revenues for the EU budget. The different own resources are listed in the applicable Own Resource Decision (Decision (EU, Euratom) 2020/2053) and are traditional own resources, VAT-based own resource, GNI-based resource and non-recycled plastic packaging waste-based own resource.

Payment appropriations

Payment appropriations cover expenditure due in the current year, arising from legal commitments entered in the current year and/or earlier years.

Pre-financing

A payment intended to provide the beneficiary with a float. It may be split into a number of instalments in accordance with the provisions of the underlying contract, decision, agreement or the basic legal act. The float or advance is either used for the purpose for which it was provided during the period defined in the agreement or it is repaid.

Preventive measure

Preventive measures, which are at the Commission's disposal to protect the EU budget when it is aware of potential deficiencies, include suspensions and interruptions of payments from the EU budget to the operational programme.

Reste à Liquider (RAL)

As the *Outstanding commitments*, it represents the amount where a budgetary commitment has been made but the subsequent payment is not yet done. They represent payment obligations for the EU for future years and stem directly from the existence of multi annual programmes and the dissociation between commitment and payment appropriations.

Shared management

Mode of budget implementation. Under shared management budget implementation tasks are delegated to Member States. About three quarters of the EU expenditure falls under this implementation mode.

Traditional own resources

Traditional own resources are defined in the applicable Own Resources Decision (Council Decision (EU, Euratom) 2020/2053) and comprise namely customs duties and sugar levies.

Transfers (between budget lines)

Transfers between budget lines imply the relocation of appropriations from one budget line to another, in the course of the financial year, and thereby they constitute an exception to the budgetary principle of specification. They are, however, expressly authorised by the Treaty on the Functioning of the European Union under the conditions laid down in the Financial Regulation (FR). The FR identifies different types of transfers depending on whether they are between or within budget titles, chapters, articles or headings and require different levels of authorisation.

LIST OF ABBREVIATIONS

AAR	Annual Activity Report
AC	Amortised Cost
AFS	Available For Sale
AMIF	Asylum, Migration and Integration Fund
AOD	Authorising Officers by Delegation
ATM	Air Traffic Management
BAR	Brexit adjustment reserve
BOP	Balance of Payments
BUFI Fund	Budget Fines Fund
CAP	Common Agricultural Policy
CCS LGF	Cultural and Creative Sector Guarantee Facility
CEF2	Connecting Europe Facility
CEF DI	Connecting Europe Facility Debt Instrument
CF	Cohesion Fund
CIP	Competitiveness and Innovation Framework Programme
COM	European Commission
COSME	Competitiveness of Enterprises and Small and Medium-sized Enterprises
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CPF	Common Provisioning Fund
CPR	Common Provisions Regulation
CRII+	Coronavirus Response Investment Initiative Plus
CRO	Chief Risk Officer
D&WM	Decommissioning and Waste Management
EAD	Exposure At Default
EAFRD	European Agricultural Fund for Rural Development
EAGF	European Agricultural Guarantee Fund
EAR	European Union Accounting Rule
EaSI	Employment and Social Innovation
EBRD	European Bank for Reconstruction and Development
ECA	European Court of Auditors
ECB	European Central Bank
ECL	Expected Credit Losses
ECOFIN	Economic and Financial Affairs Council
ECSC i.L.	European Coal and Steel Community in Liquidation
EDF	European Development Fund
EDIF	Guarantee Facility under the Western Balkan
EEA	European Economic Area
EEAS	European External Action Service
EFSD	European Fund for Sustainable Development
EFSE	European Fund for Southeast Europe
EFSF	European Financial Stability Facility

EFSI	European Fund for Strategic Investments
EFSM	European Financial Stabilisation Mechanism
EFTA	European Free Trade Association
EGNOS	European Geostationary Navigation Overlay System
EIB	European Investment Bank
EIF	European Investment Fund
ElectriFI	Electrification Financing Initiative
ELM	External Lending Mandate
EMFF	European Maritime and Fisheries Fund
EMU	Economic and Monetary Union
ENEF	Enterprise Expansion Fund
ENIF	Enterprise Innovation Fund
ENPI	European Neighbourhood and Partnership Instrument
EP	European Parliament
ERDF	European Regional Development Fund
ERI	EIB Resilience Initiative
ESA	European Space Agency
ESF	European Social Fund
ESIF	European Structural and Investment Funds
ESM	European Stability Mechanism
ETF	Exchange-Traded Fund
ETS	Emissions trading scheme
EU	European Union
EUMETSAT	European Organisation for the Exploitation of Meteorological Satellites
Euratom	European Atomic Energy Community
EUSF	European Union solidarity Fund
FGC	Financial Guarantee Contract
FIFO	First-in, First-out
FP7	7th Research Framework Programme for Research and Technological Development
FR	EU Financial Regulation
FSDA	Financial Statement Discussion and Analysis
FVNA	Fair Value through Net Assets/Equity
FVSD	Fair Value through Surplus or Deficit
GDP	Gross Domestic Product
GNI	Gross National Income
GNSS	Global Navigation Satellite Systems
H2020	Horizon 2020
HLRCP	High Level Risk and Compliance Policy
IBMF	Integrated Border Management Fund
IF	Innovation Fund
IIW	Infrastructure and Innovation Window
IMF	International Monetary Fund

IPSAS	International Public Sector Accounting Standards
IT	Information Technology
ITER	International Thermonuclear Experimental Reactor
JRC	Joint Research Centre
JSIS	Joint sickness insurance scheme
JU	Joint Undertaking
LGD	Loss given Default Rate
LGF	Loan Guarantee Facility
LGTT	Loan Guarantee Instrument for TEN-T projects
MAP	Multi Annual Program - Medium Enterprise Financial Inclusion Programme
MEP	Member of the European Parliament
MFA	Macro Financial Assistance
MFF	Multiannual Financial Framework
MIM	Mutual Insurance mechanism
MMF	Money Market Fund
MSME	Micro, Small and Medium Enterprise
NDICI	Neighbourhood, Development and International Cooperation Instrument
NGEU	NextGenerationEU
ORD	Own Resources Decision
PBI	Project Bond Initiative
PD	Probability of Default
PF4EE	Private Finance for Energy Efficiency Instrument
PGF	Participants Guarantee Fund
POCI	Purchased or originated as credit impaired
PPP	Public-Private Partnership
PSEO	Pension Scheme of European Officials
RAL	'Reste à Liquider' (Outstanding Commitments)
RSFF	Risk Sharing Finance Facility
RRF	Recovery and Resilience Facility
RTD	Research, Technological Development and Demonstration
S&P	Standard & Poor's Financial Services LLC
SAFE	Security Action for Europe
SANAD	MENA Fund for Micro-, Small and Medium Enterprises
SAPARD	Special Accession Programme for Agriculture and Rural Development
SEMED	Southern and Eastern Mediterranean Micro, Small and Middle sized Entreprises Financial Inclusion Programme
SICR	Significant Increase of Credit Risk
SIUGI	SME Initiative Uncapped Guarantee Instrument
SME	Small and Medium-sized Enterprise(s)
SMEW	SME Window (Small and Medium-sized Enterprises Window)
STEP	Strategic technologies for Europe platform
SURE	Support to mitigate Unemployment Risks in an Emergency
TFEU	Treaty on the Functioning of the European Union

TOR	Traditional own resources
TRDI	Temporary Rural Development Instrument
ULCM	Ukraine Loan Cooperation Mechanism
VAT	Value Added Tax