



European Securities and
Markets Authority

Date: 26 June 2013
ESMA/2013/1928

FINAL ANNUAL ACCOUNTS OF THE EUROPEAN SECURITIES AND MARKETS AUTHORITY

FINANCIAL YEAR 2012

Paris, 1st June 2013

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Statement of the Accounting Officer

The final annual accounts of the European Securities and Markets Authority for the year 2012 have been prepared in accordance with the Financial Regulation applicable to the general budget of the European Union and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions, agencies and joint undertakings.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Securities and Markets Authority in accordance with Title VII, Chapter 1 of the Financial Regulation.

I have obtained from the authorising officer, who certified its reliability, all the information necessary for the production of the accounts that show the European Securities and Markets Authority's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present a true and fair view of the financial position of the European Securities and Markets Authority in all material aspects.

Paris, 1st June 2013



Christine KLEINSASSER
Principal Accounting Officer

PRESENTATION OF THE ORGANISATION

1.1- Introduction

The European Securities and Markets Authority was established by Regulation (EU) n° 1095/2010 of the European Parliament and the Council 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision n° 716/2009/EC and repealing Commission Decision 2009/77/EC.

1.2- Mission in 2012

Since its establishment in January 2011, ESMA is charged to enhance the protection of investors and promote stable and well-functioning financial markets in the European Union (EU). As an independent institution, ESMA achieves this aim by building a single rule book for EU financial markets and ensuring its consistent application across the EU. ESMA contributes to the regulation of financial services firms with a pan-European reach, either through direct supervision or through the active co-ordination of national supervisory activity. Sound and effective regulation of securities markets is key for the growth, integrity and efficiency of the EU's financial markets and economy.

Effective regulation is a vital factor in securing and maintaining confidence amongst market participants. In order to foster these conditions, ESMA was created as an independent EU Authority to improve harmonisation in both supervisory rules and practices. In order to achieve harmonised rule implementation throughout the Union, ESMA serves as a standard setter in relation to securities legislation and provides technical advice where mandated by the Commission. It also has an important role in directly supervising financial player with pan-European reach, such as currently credit rating agencies (CRAs).

To facilitate a better understanding of ESMA's role, it has set itself five objectives to which its work contributes, namely:

Financial stability

In order for ESMA to contribute to safeguarding the financial stability of the EU's securities markets it is crucial that ESMA continuously analyses trends and, at an early stage, identifies potential risks and vulnerabilities at a micro-prudential level. To achieve this, across borders and sectors, ESMA conducts economic analyses of European securities markets and models the impact of potential

market developments. ESMA informs the European Institutions, the other European Supervisory Authorities (ESA)s and the European Systemic Risk Board (ESRB) on a regular and, if necessary, on an ad-hoc basis about its findings.

Investor protection

Ensuring the interest of investors is always properly met, is another important task of ESMA. ESMA achieves this through promoting transparency, simplicity and fairness in securities markets for consumers of financial products or services. In order to ensure that investors enjoy the same level of protection regardless of the point of sale or the product being sold, ESMA collects, analyses and reports on consumer trends, while promoting both financial literacy and education initiatives and contributing to the enhancement of common disclosure rules. It is important for ESMA to monitor new and existing financial activities as this allows the Authority to assess the need of whether to adopt guidelines and recommendations that promote safe and sound securities markets, and the convergence of regulatory practice to ensure that investor protection across the Union is enhanced.

Single rulebook

In its role as a standard setter, ESMA works on establishing harmonised regulatory technical standards (RTS) in different areas of securities regulation. By drafting those standards and by providing advice to the Commission on legislation, ESMA contributes to establishing a single EU rulebook applicable to all market participants and creating a level-playing-field across the Union. The single rulebook contributes to the quality and consistency of national supervision, the enhanced and consistent protection of investors across the Union and strengthens the oversight of cross-border groups.

Convergence

ESMA was set up to foster supervisory convergence thereby reducing regulatory arbitrage resulting from different practices across the Union. Different supervisory practices have the potential of undermining not only the integrity, efficiency and orderly functioning of markets but ultimately also financial stability.

In order to foster fair and balanced supervisory practices, ESMA conducts peer reviews of existing EU legislation in the field of securities regulation. In addition, ESMA has a number of tools to achieve regulatory convergence, including issuing opinions, enter into mediation and as a last resort, a breach of Union law procedure.

The Authority aims to use its convergence work to also drive its activities in other areas of the Work Programme, including enhancing the single rulebook through issuing guidelines and recommendations in areas where difference of application exists and through providing advice to the Commission on areas where revised legislation might be necessary to align supervisory practices.

Supervision

ESMA's direct supervisory powers are focused on two groups of participants in the financial markets, namely credit rating agencies and trade repositories. Since 1 July 2011, ESMA is the sole body responsible for the registration and supervision of CRAs in the European Union. Starting from 2013, ESMA will also have direct supervisory powers regarding trade repositories and participate in the supervisory colleges that will oversee CCPs. In undertaking supervision of financial market participants with pan-EU reach who may have an impact on the integrity of the EU's financial markets; ESMA contributes to sound and safe financial markets thereby supporting investor protection.

The main deliverables of the Authority against these objectives in 2012 were:

- Establishing a single European rulebook – ESMA developed technical standards and provided technical advice to the Commission in order to upgrade and achieve consistent regulation in areas such as alternative investment management, prospectuses and credit rating agencies.
- Establishing a single European rulebook – ESMA developed technical standards and provided technical advice to the Commission in order to upgrade and achieve consistent regulation in areas such as short-selling and market infrastructures (EMIR).
- Promoting supervisory convergence – ESMA issued opinions and guidance & recommendations, conducted peer reviews, coordinated supervisory actions and promoted common supervisory practices to enhance consistent application and supervision of the regulation across the EU, covering issues such as IFRS, alternative investment funds, exchange-trade-funds (ETFs), and others.
- Enhancing consumer protection – ESMA monitored new and existing financial activity and the comprehensiveness and clarity of information provided to investors, issued investor warnings and adopted guidelines & recommendations to enhance consumer protection on issues such as suitability of financial products, investment advice and ETFs.

- Establish direct supervision – in 2012, ESMA continued to supervise the day-to-day activity of credit rating agencies. As of December 2012, 19 CRAs were registered with ESMA, and one certified. ESMA's supervision in 2012 included thematic work on bank ratings.
- Monitoring financial stability risks – ESMA worked with the ESRB and the other ESAs to analyse trends and to identify potential risks and vulnerabilities to EU securities markets. The authority continued to issue internal bulletins and periodic reports to other EU bodies, and the ESRB on a macro-level, to raise the awareness of potential risks. ESMA also enhanced cooperation and information flow between national securities regulators during difficult market situations.
- Building the organisation – in its second year of operation, ESMA continued a steady growth accommodating new task, staff and further maturing its financial, HR and procurement procedures as well as its internal control functions.

1.3- Legal status and principal office

The Authority is a body of the Community as referred to in article 185 of The Financial Regulation (EC, Euratom) n°1605/2002 of the Council of 25 June 2002, amended by Council Regulation (EC, Euratom) n° 1995/2006 of 13 December 2006. It has legal personality. The Authority is represented by its Chair, Mr Steven MAJJOOR, and its management is entrusted to the Executive Director, Mrs Verena ROSS, both appointed by the Authority's Board of Supervisors.

The Authority's headquarters are located in Paris, France, 103, rue de Grenelle.

The Protocol on the Privileges and Immunities of the European Communities applies to the Authority.

1.4- Governing structure

ESMA's governing structure consists of a Board of Supervisors and a Management Board.

The Board of Supervisors is composed of the heads of the 27 national competent authorities from the EU Member States, an observer each from the European Commission, EBA and EIOPA and the ESRB and observer national competent authorities, in 2012 these were Iceland, Norway and Liechtenstein.

The Board of Supervisors gives guidance to the work of the Authority and has key decision making responsibilities.

The Management Board is composed of six members (and alternates) selected from the Board of

Supervisors and an observer from the European Commission.

The Management Board deals with the management of the Authority.

Both the Board of Supervisors and the Management Board are chaired by the Chair while the Executive Director is entrusted with the management of the Authority.

1.5- Further information sources

More information on the Authority's administrative and operational activities, organizational chart, applicable legislation, Board of Supervisors and Management Board is available on the Authority's web site <http://www.esma.europa.eu> and in its annual report.

LEGAL BASE FOR DRAWING UP THE ANNUAL ACCOUNTS

The annual accounts of ESMA have been established in accordance with the following legislation:

The Financial Regulation of ESMA as adopted by its Board of Supervisors and its Implementing Rules.

The "Framework Financial Regulation" Commission Regulation (EC, EURATOM) No 652/2008 of July 2008 amending Regulation (EC, EURATOM) No 2343/2002 on the framework Financial Regulation for the bodies referred to in Article 185 of Council Regulation (EC, EURATOM) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

The accounting rules, methods and guidelines as adopted and provided by the Accountant of the Commission.

PART I

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FINANCIAL STATEMENTS

- 1 - BALANCE SHEET - ASSETS
- 2 - BALANCE SHEET - LIABILITIES
- 3 - ECONOMIC OUTTURN ACCOUNT
- 4 - CASH FLOW TABLE
- 5 - STATEMENT OF CHANGES IN CAPITAL
- 6 - ANNEX TO THE FINANCIAL STATEMENTS

1 - ESMA-BALANCE SHEET - ASSETS

| | Notes n° | 31.12.2012 | 31.12.2011 |
|----------------------------------|-------------|----------------------|---------------------|
| ASSETS | | | |
| A. NON CURRENT ASSETS | | | |
| Fixed Assets | A1 | 2.620.445,00 | 1.697.900,60 |
| Intangible fixed assets | | 1.516.214,00 | 616.291,43 |
| Tangible fixed assets | | 1.104.231,00 | 1.081.609,17 |
| Land and buildings | | 616.012,00 | 614.607,26 |
| Plant and equipment | | 4.483,00 | 625,00 |
| Computer hardware | | 237.629,00 | 246.120,81 |
| Furniture and vehicles | | 200.654,00 | 163.662,10 |
| Other fixtures and fittings | | 45.453,00 | 56.594,00 |
| Long term receivables | A2 | 0,00 | 69.845,14 |
| TOTAL NON CURRENT ASSETS | | 2.620.445,00 | 1.767.745,74 |
| B. CURRENT ASSETS | A3 | | |
| Short-term receivables | | | |
| Current receivables | | 1.613.404,29 | 1.117.407,39 |
| Sundry receivables | | 3.639,88 | 8.886,52 |
| Other | | | |
| Deferred charges | | 59.618,37 | 71.434,10 |
| Cash and cash equivalents | A4 | 9.591.276,98 | 6.325.318,37 |
| TOTAL CURRENT ASSETS | | 11.267.939,52 | 7.523.046,38 |
| TOTAL ASSETS | | 13.888.384,52 | 9.290.792,12 |

2 - ESMA-BALANCE SHEET - LIABILITIES

| | Notes n° | 31.12.2012 | 31.12.2011 |
|--|-------------|----------------------|---------------------|
| LIABILITIES | | | |
| A. NET ASSETS | L1 | 5.535.062,17 | 2.122.190,73 |
| | | | |
| Accumulated surplus/deficit | | 2.122.190,73 | 0,00 |
| Economic result of the year – profit+/loss- | | 3.412.871,44 | 2.122.190,73 |
| | | | |
| B. MINORITY INTERESTS | | 0,00 | 0,00 |
| C. NON CURRENT LIABILITIES | | 0,00 | 0,00 |
| TOTAL NON CURRENT LIABILITIES | | 5.535.062,17 | 2.122.190,73 |
| | | | |
| D. CURRENT LIABILITIES | | 8.353.322,35 | 7.168.601,39 |
| Provisions for risks and charges | L2 | 322.431,05 | 318.379,81 |
| Accounts payable | L3 | 8.030.891,30 | 6.850.221,58 |
| | | | |
| | | | |
| | | 647.871,00 | 960.956,08 |
| | | 39.942,57 | 199.731,62 |
| | | | |
| | | 1.126.274,10 | 1.232.289,06 |
| | | 1.759.558,81 | |
| | | 4.457.244,82 | 4.457.244,82 |
| | | | |
| | | | |
| TOTAL CURRENT LIABILITIES | | 8.353.322,35 | 7.168.601,39 |
| | | | |
| TOTAL LIABILITIES | | 13.888.384,52 | 9.290.792,12 |

3 – ESMA – ECONOMIC OUTTURN ACCOUNT

| | Notes n° | 2012 | 2011 |
|---|-------------|-----------------------|-----------------------|
| Recovery of expenses | | 0,00 | 91.217,77 |
| Revenues from administrative operations | E1 | 132.814,70 | 422.954,16 |
| Fixed assets related revenue (fixed assets from 2010) | | 0,00 | 363.303,00 |
| Other administrative revenue | | 62.969,56 | 59.651,16 |
| Revenue from unused provisions | | 69.845,14 | 0,00 |
| Operating revenue - Contributions | E2 | 13.790.641,19 | 12.503.955,18 |
| Contributions MS NCAs | | 8.773.460,36 | 9.862.735,96 |
| Contribution EC | | 4.648.441,19 | 2.326.755,18 |
| Contribution observers NCAs | | 368.739,64 | 314.464,04 |
| Operating revenue – Fees from Supervised Entities | E3 | 3.041.001,00 | 0,00 |
| CRA Fees | | 3.041.001,00 | 0,00 |
| Other operating revenue | E4 | 4.512,62 | 5.340,69 |
| Other | | 4.512,62 | 5.340,69 |
| TOTAL OPERATING REVENUE | | 16.968.969,51 | 13.023.467,77 |
| Administrative expenses | E5 | -13.498.319,66 | -10.657.153,06 |
| Staff expenses | | -7.787.768,95 | -6.285.311,34 |
| Fixed asset related expenses | | -451.738,26 | -219.958,62 |
| Other administrative expenses | | -5.258.812,45 | -4.151.883,10 |
| Operational expenses | E6 | -51.690,51 | -220.769,84 |
| Other operational expenses | | -51.690,51 | -220.769,84 |
| TOTAL OPERATING EXPENSES | | -13.550.010,17 | -10.877.922,90 |
| SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES | | 3.418.959,34 | 2.145.544,87 |
| Financial revenues | E7 | 670,76 | 0,00 |
| Financial expenses | E8 | -6.758,66 | -23.354,14 |
| SURPLUS/ (DEFICIT) FROM NON OPERATING ACTIVITIES | | -6.087,90 | -23.354,14 |
| SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES | | 3.412.871,44 | 2.122.190,73 |
| SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS | | 0,00 | 0,00 |
| ECONOMIC RESULT OF THE YEAR | E9 | 3.412.871,44 | 2.122.190,73 |

4 – ESMA – CASH FLOW TABLE (indirect method)

| | 2012 | 2011 |
|--|----------------------|----------------------|
| Cash Flows from ordinary activities | | |
| Surplus/(deficit) from ordinary activities | 3.412.871,44 | 2.122.190,73 |
| Operating activities | | |
| Adjustments | | |
| Amortization (intangible fixed assets) + | 229.827,10 | 74.695,08 |
| Depreciation (tangible fixed assets) + | 249.103,08 | 413.912,61 |
| Increase/(decrease) in Provisions for risks and liabilities | 4.051,24 | 318.379,81 |
| Increase/(decrease) in Value reduction for doubtful debts | 0,00 | 0,00 |
| (Increase)/decrease in Stock | 0,00 | 0,00 |
| (Increase)/decrease in Long term Pre-financing | 0,00 | 0,00 |
| (Increase)/decrease in Short term Pre-financing | 0,00 | 0,00 |
| (Increase)/decrease in Long term Receivables | 69.845,14 | -69.845,14 |
| (Increase)/decrease in Short term Receivables | -478.934,53 | -1.197.728,01 |
| (Increase)/decrease in Receivables related to consolidated EC entities | 0,00 | 0,00 |
| Increase/(decrease) in Other Long term liabilities | 0,00 | 0,00 |
| Increase/(decrease) in Accounts payable | 3.896.543,42 | 2.359.002,32 |
| Increase/(decrease) in Liabilities related to consolidated EC entities | -2.715.873,70 | 4.491.219,26 |
| (Gains)/losses on sale of Property, plant and equipment | | |
| Net cash Flow from operating activities | 4.667.433,22 | 8.511.826,66 |
| Cash Flows from investing activities | | |
| Increase of tangible and intangible fixed assets (-) | -1.401.474,61 | -2.186.508,29 |
| Proceeds from tangible and intangible fixed assets (+) | 0,00 | 0,00 |
| Net cash flow from investing activities | -1.401.474,61 | -2.186.508,29 |
| Cash flow from CECA specific transactions | | |
| (Increase)/decrease in Other Investments (281000) | 0,00 | 0,00 |
| (Increase)/decrease in Long term Loans (290000) | 0,00 | 0,00 |
| (Increase)/decrease in Short term Investments (501000) | 0,00 | 0,00 |
| Increase/(decrease) in Long term Financial Liabilities | 0,00 | 0,00 |
| Increase/(decrease) in Short term Financial Liabilities | 0,00 | 0,00 |
| Other CECA | 0,00 | 0,00 |
| Net Cash Flow from CECA specific transactions | 0,00 | 0,00 |
| Increase/(decrease) in Employee benefits | 0,00 | 0,00 |
| Net increase/(decrease) in cash and cash equivalents | 3.265.958,61 | 6.325.318,37 |
| Cash and cash equivalents at the beginning of the period | 6.325.318,37 | |
| Cash and cash equivalents at the end of the period | 9.591.276,98 | 6.325.318,37 |

5 – ESMA – STATEMENT OF CHANGES IN CAPITAL

| Capital | Reserves | | Accumulated Surplus / Deficit | Economic result of the year | Net assets (total) |
|--|--------------------|----------------|-------------------------------|-----------------------------|---------------------|
| | Fair value reserve | Other reserves | | | |
| Balance as of 1 January 2012 (if restated) | 0,00 | 0,00 | 0,00 | 2.122.190,73 | 2.122.190,73 |
| Other | | | | | |
| Fair value movements | | | | | |
| Movement in Guarantee Fund reserve | | | | | |
| Allocation of the Economic Result of Previous Year | | | 2.122.190,73 | -2.122.190,73 | |
| Amounts credited to Member States | | | | | |
| Economic result of the year | | | | 3.412.871,44 | 3.412.871,44 |
| Balance as of 31 December 2012 | 0,00 | 0,00 | 2.122.190,73 | 3.412.871,44 | 5.535.062,17 |

6 – ANNEX TO THE FINANCIAL STATEMENTS

6.1 Accounting principles (summary)

Generally accepted accounting principles as defined by the Authority's Financial Regulation are

6.1.1 Going-concern principle

The going-concern principle means that the Authority is deemed to be established for an indefinite duration. Would there be objective indications that the Authority is to cease its activities, the accounting officer shall present this information in the annex, indicating the reasons. She shall apply the accounting rules with a view to determining its liquidation value.

6.1.2 Principle of prudence

The principle of prudence means that assets and income shall not be overstated and liabilities and charges shall not be understated. However, the principle of prudence does not allow the creation of hidden reserves or undue provisions.

6.1.3 Principle of consistent accounting methods

The principle of consistent accounting methods means that the structure of the components of the financial statements and the accounting methods and valuation rules may not be changed from one year to the next.

The Authority's accounting officer may not depart from the principle of consistent accounting methods other than in exceptional circumstances, in particular:

- (a) in the event of a significant change in the nature of the entity's operations,
- (b) where the change made is for the sake of a more appropriate presentation of the accounting operations.

6.1.4 Principle of comparability of information

The principle of comparability of information means that for each item the financial statements shall also show the amount of the corresponding item in the previous year. Where, the presentation or the classification of one of the components of the financial statements is changed, the corresponding amounts for the previous year shall be made comparable and reclassified. Where it is impossible to reclassify items, this shall be explained in the annex to the financial statements.

6.1.5 Principle of Materiality

The materiality principle means that all operations which are of significance for the information sought shall be taken into account in the financial statements. Materiality shall be assessed in particular by reference to the nature of the transaction or the amount.

Transactions may be aggregated where:

- (a) the transactions are identical in nature, even if the amounts are large;
- (b) the amounts are negligible;
- (c) aggregation makes for clarity in the financial statements.

6.1.6 Principle of No-netting

The no-netting principle means that receivables and debts may not be offset against each other, nor may charges and income, save where charges and income derive from the same transaction, from similar transactions or from hedging operations and provided that they are not individually material.

6.1.7 Principle of reality over appearance

The principle of reality over appearance means that accounting events recorded in the financial statements shall be presented by reference to their economic nature.

6.1.8 Accrual-based accounting Principle

The accrual-based accounting principle means that transactions and events shall be entered in the accounts when they occur and not when amounts are actually paid or recovered. They shall be booked to the financial years to which they relate.

The accounts are set up in EURO.

Exceptions to the accounting principles

Where, in a specific case, the accounting officer considers that an exception should be made to the content of one of the accounting principles defined above this exception must be duly substantiated and reported in the annex to the financial statements.

6.2 Notes to the Balance Sheet

6.2.1 FIXED ASSETS: A1

In compliance with the accounting rules, fixed assets are considered as such when their nominal value is equal or above 420 €. The assets are reflected in the balance sheet at year end for their net value. The depreciation method used is the straight-line method and prorata temporis from the month of first use or delivery of the asset in the Authority premises.

The assets registration system, integrated in the Authority's accounting systems, is identical to the one used by the European Commission (ABAC Assets). It is operational since July 2011.

TABLE OF DEPRECIATION RATES

Intangible assets

| | |
|---|-----|
| Software for personal computers and servers | 25% |
| Other intangible fixed assets | 25% |

Tangible assets

Buildings

4%

Plant and equipment

| | |
|----------------------------------|-------|
| Tools for industry and workshops | 12,5% |
| Specific electric equipment | 25% |

Furniture and vehicles

| | |
|---|-------------|
| Office, laboratory and workshop furniture | 10% |
| Electrical office equipment, printing and mailing equipment | 25% |
| Printshop and postroom equipment | 12,5% |
| Equipment and decorations for garden, kitchen, canteen, restaurant, crèche and school | 12,5% |
| Furniture for restaurant/cafeteria/bar area | 10% / 12,5% |
| Cash registers and card acceptor devices | 25% |
| Antiques, artistic works, collectors' items | 0% |
| Transport equipment (vehicles and accessories) | 25% |

Computer hardware

| | |
|---|-----|
| Computers, servers, accessories, data transfer equipment, printers, screens | 25% |
| Copying equipment, digitising and scanning equipment | 25% |

Other fixtures and fittings

| | |
|--|-------|
| Telecommunications equipment | 25% |
| Audiovisual equipment | 25% |
| Computer, scientific and general books, documentation | |
| Computer books, CDs, DVDs | 33% |
| Scientific books, general books, CDs, DVDs | 25% |
| Health, safety and protective equipment, medical equipment, fire-fighting, surveillance, security, Medical and nursing equipment | 12,5% |
| Other | 25% |
| | 10% |

Tangible fixed assets under construction

0%

The net value of the Authority's fixed assets at year end is **2.620.445,00 €**.

These consist of

- 462.463,06 € Internally generated computer software: applications mainly developed in 2011 to carry out specific ESMA tasks (CEREP, SOCRAT)
- 195.552,94 € Other computer software: licenses and other externally acquired applications
- 858.198,00 € Internally generated software under constructions, under development in 2012, to carry out specific ESMA tasks and for internal purposes (SOCRAT II, Intranet, AIFMD, Article 41, Omnibus, Short Selling). These applications will be put into production at the beginning and during 2013.
- 616.012,00 € investments in the new premises at rue de Grenelle
- 4.483,00 € other equipment
- 237.629,00 € computer hardware: partly new acquisitions for new staff and the residual values of hardware from earlier year
- 200.654,00 € mainly furniture acquired for the new premises and new staff and the residual values of furniture from earlier year
- 45.453,00 € other fixtures and fitting

Details are listed in the table overleaf.

TABLE OF ASSETS

| | | Computer Software Internally generated | Other Computer Software | Intangible assets under constructions | Buildings | Plant and Equipment | Computer hardware | Furniture and vehicles | Other Fixtures and Fittings | Total |
|---|-----|--|-------------------------|---------------------------------------|--------------------|---------------------|--------------------|------------------------|-----------------------------|---------------------|
| Gross carrying amounts 31.12.2011 | | 555.267,85 | 135.718,66 | 0,00 | 652.680,28 | 658,86 | 421.868,20 | 337.669,16 | 82.645,28 | 2.186.508,29 |
| Additions | + | 88.725,00 | 182.826,67 | 858.198,00 | 79.770,60 | 4.912,50 | 108.829,07 | 71.639,98 | 6.572,79 | 1.401.474,61 |
| Disposals | - | | | | | | | | | 0 |
| Transfer between headings | +/- | | | | | | | | | 0 |
| Other changes | +/- | | | | | | | | | 0 |
| Gross carrying amounts 31.12.2012 | | 643.992,85 | 318.545,33 | 858.198,00 | 732.450,88 | 5.571,36 | 530.697,27 | 409.309,14 | 89.218,07 | 3.587.982,90 |
| Accumulated amortization and impairment 31.12.2011 | | -20.405,79 | -54.289,29 | n/a | -38.073,02 | -33,86 | -175.747,39 | -174.007,06 | -26.051,28 | -488.607,69 |
| Amortization | - | -161.124,00 | -68.703,10 | | -78.365,86 | -1.054,50 | -117.320,88 | -34.648,08 | -17.713,79 | -478.930,21 |
| Write-back of amortization | + | | | | | | | | | 0 |
| Disposals | + | | | | | | | | | 0 |
| Impairment | - | | | | | | | | | 0 |
| Write-back of impairment | + | | | | | | | | | 0 |
| Transfer between headings | +/- | | | | | | | | | 0 |
| Other changes | +/- | | | | | | | | | 0 |
| Accumulated amortization and impairment 31.12.2012 | | 181.529,79 | 122.992,39 | | -116.438,88 | -1.088,36 | 293.068,27 | -208.655,14 | -43.765,07 | -967.537,90 |
| Net carrying amounts 31.12.2012 | | 462.463,06 | 195.552,94 | 858.198,00 | 616.012,00 | 4.483,00 | 237.629,00 | 200.654,00 | 45.453,00 | 2.620.445,00 |

6.2.2 LONG TERM RECEIVABLES: A2

The guarantee given for the rent of the former premises at avenue de Friedland of 69.845,14 € was reimbursed to ESMA during 2012.

6.2.3 CURRENT ASSETS: A3

The main categories of current assets are:

- **Current Receivables:**

Current Receivables amount to 1.613.404,29 €, thereof:

- 890.954,79 € VAT invoiced and to be reimbursed by France as host country where most business takes place
 - 650.814,65 € additional VAT remaining to be invoiced to France
 - 2.000,00 € outstanding fees from CRAs
 - 69.634,85 € other receivables
- **Sundry Receivables:**
 - 3.639,88 € for staff advances
 - **Deferred Charges:**
 - 59.618,37 € prepaid expenses for data services and other subscriptions
 - **Cash and cash equivalents: A4**

The Cash and Cash equivalents position of the Authority at 31st December 2012 amounts to **9.591.276,98 €** consisting of:

- 8.792.469,33 € on the current account of ESMA with CitiBank
- 710.783,02 € on the current account of ESMA with Société Generale
- 88.024,63 € of securities held at Société Generale stemming from an additional guarantee for the previous premises

For the execution of payments the Authority makes use of bank transfers from the current account with CitiBank which are processed by the centralised ABAC/SAP system .

6.2.3 NON CURRENT LIABILITIES

- **Capital: L1**

The capital of ESMA at year end amounts to 5.535.062,17 €.

It consists of:

- 2.122.190,73 € accumulated capital from 2011.
- 3.412.871,44 € additional result of the year 2012 mainly consisting of further growth in fixed assets including internally generated assets and cash reserves from the budgetary surplus of the year.

6.2.4 CURRENT LIABILITIES

- **Provisions for risks and charges: L2**

Provisions for risks have been established consisting of:

- 322.431,05 € for staff related payments (salary increase refused by the Council) accumulated for the period July 2011 to December 2012.

- **Accounts payable: L3**

Accounts payables amount to 8.030.891,30 € and consist of:

- 647.871,00 € funds belonging to the NCAs (overpayments on 2012 contributions remaining as credits for 2013 payments)
- 39.942,57 € invoices received from the suppliers of goods and services provided to the Authority
- 1.126.274,10 € accrued charges for goods and services provided to the Authority in 2012 but not registered as invoiced at year end including an amount of 191.333,53 € for untaken leave of staff members
- 1.759.558,81 € surplus pre-financing European Commission for the year 2012
- 4.457.244,82 € surplus pre-financing European Commission for the year 2011

The last two items - surplus pre-financing European Commission - are calculated as the total of the budget outturn (budgetary revenues received in the given year and reduced by budgetary expenditure for the given year). These surpluses shall be reimbursed to the European Commission up to the

amount contributed by the European Commission as stipulated in article 16 of the ESMA financial regulation.

According to a present agreement with the European Commission these surpluses shall be reallocated to fund the following years' budgets with the same shares between the Commission and the National Competent Authorities as for the original funding of the surplus.

6.3 Notes to the Economic Outturn Account

6.3.1 OPERATING REVENUE

- **Revenue from administrative operations: E1**

The revenue under this heading is **132.814,70 €** and consists of:

- 62.969,56 € revenue mainly for IT services to other European Supervisory Authorities
- 69.845,14 € revenue from unused provisions for a guarantee

- **Operating revenue – Contributions: E2**

The operating revenue from Contributions to the Authority for the financial year 2012 is **13.790.641,19 €** composed of:

- 8.773.460,36 € contributions from MS NCAs (90% of the originally budgeted amounts)
- 4.648.441,19 € effective contribution from the European Commission
(pre-financing received from the EC reduced by the foreseen reimbursement of the budget outturn for 2012)
- 368.739,64 € contributions from observer NCAs (90% of the originally budgeted amounts)

- **Fees from supervised entities: E3**

Revenue from fees from supervised entities for the financial year 2012:

- 3.001.001,00 € CRA (Credit Rating Agencies) supervision fees
- 40.000,00 € CRA (Credit Rating Agencies) registration fees

- **Other operating revenue: E4**

The other operating for the financial year:

- 4.512,62 € exchange rate gains on operating activities and other fees

6.3.2 OPERATING EXPENSES:

- **Administrative expenses: E4**

Administrative expenses amount to **13.498.319,66 €** and include:

- 7.787.768,95 € staff expenses which mainly consist of staff salaries and allowances
- 451.738,26 € depreciation of fixed assets which for 2012 includes only normal depreciation, no extraordinary impairment or similar
- 5.258.812,45 € Other administrative expenses, thereof:
 - 2.016.196,68 € for the rent, maintenance, security, insurance and other costs related to the office premises
 - 213.406,35 € expenditures for training and recruitment costs
 - 567.040,19 € expenditure for staff missions
 - 178.226,57 € expenditure related to reimbursement of experts and other costs related to external expert
 - 1.316.288,56 € for IT related expenditure
 - 613.530,79 € expenditure for office supplies, communications, publicity, legal expenses, insurances and several service level agreements with other EU bodies (e.g. personnel administration services, translation, IT services)

- **Operational expenses, other: E6**

Expenses for other operational activities amount to **51.690,51 €** and include:

- 3.720,67 € realised exchange rate losses
- 47.969,84 € ESMA specific operational activities like training activities on supervisory culture and similar

6.3.3 NON OPERATING REVENUES: E7

Non operating revenues of **670,76** consist of gains on the securities held with Societe General.

6.3.3 NON OPERATING EXPENSES: E8

Non operating expenses of **6.758,66** consist of bank charges and interests for late payments.

6.3.4 ECONOMIC RESULT OF THE YEAR: E9

The economic result of the year is **3.412.871,44 €**.

Due to the application of the EC accounting rules the economic outturn is impacted

- on the one hand, by a calculation which is based on a cash principle and commitment of funds and delivers the budgetary outturn for the determination of the revenue from the Communities (EC subsidy) to inscribe in the Economic Outturn Account,
- and, on the other hand, by the calculation of the expenditures in the Economic Outturn Account on a full accrual-based accounting principle.

6.4 Notes to the Cash Flow Table

The cash flow provides a basis to assess the ability of the Authority to generate cash and cash equivalents, and the needs of the entity to utilise those cash flows.

The cash flows are classified by operating, investing and financing activities.

The cash flow table is prepared using the indirect method. The economic outturn for the financial year is adjusted for the effects of transactions of a non-cash nature (e.g. deferrals, accruals, depreciation).

6.5 Notes to the Statement of changes in capital

For financial year 2012, the statement of changes in capital of the Authority comprises the

- 2.122.190,73 € accumulated capital at 31.12.2011
- 3.412.871,44 € the economic result of 2012

resulting in net assets of **5.535.062,17 €**.

6.6 Contingent liabilities and commitments for future funding

Unconsumed budgetary commitments for future funding (C8 carry-forward) have been registered by the Authority with an amount of 4.238.890,85 € at year end.

These commitments correspond in principle to an amount of 919.515,81 € accrued charges for 2012 already registered in liabilities 2012 and additional expenditure expected for 2013 with an estimated amount of 3.319.375,04 € for which budgetary commitments have been registered but which do not impact the 2012 accruals based accounting.

An additional contingent liability relates to potential costs which might be incurred if and when ESMA would leave its present premises. An exact amount cannot be calculated as there are variable factors laid down in the rent agreement. At present no change of premises is foreseen and the going-concern for ESMA's activity applies.

Therefore the probability of such expenditure in the near future is very low.

In addition ESMA provided the landlord of its premises with a bank guarantee for the lease contracts providing for potential reimbursements to be made to the landlord.

6.7 Related Party disclosure

Key management personnel hold positions of responsibility within the Authority. They are responsible for the strategic direction and operational management of the entity and are entrusted with significant authority to execute their mandate.

| Highest grade description | Grade | Number of persons of this grade |
|----------------------------------|--------------|--|
| Chair | AD15 | 1 |
| Executive Director | AD14 | 1 |

The balance position of the Authority with the key management personnel for its activity period as autonomous entity during financial year 2012 is composed of the salary and allowances as determined for grade AD 14 and AD 15 by the Staff Regulations of the Officials of the European Communities.

6.8 Events after the balance sheet date

All events after balance sheet date with any material impact are recorded in the annual annual accounts.

PART II

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BUDGET IMPLEMENTATION REPORTS

1 – BUDGET OUTTURN ACCOUNT

2 a – BUDGET IMPLEMENTATION CREDIT OF THE YEAR – C1

2 b - BUDGET IMPLEMENTATION CREDIT OF THE PREVIOUS YEAR – C8

3 – RECONCILIATION OF THE ACCRUAL BASED WITH THE BUDGET RESULT

4 – ANNEX TO THE BUDGET IMPLEMENTATION REPORTS

1 – BUDGET OUTTURN ACCOUNT

| | | | 2012 | 2011 |
|--|--|-----|----------------------|----------------------|
| REVENUE | | | | |
| | Contributions from MS NCAs | + | 8.867.745,23 | 9.857.457,23 |
| | Commission subsidy received by the Authority for 2012 | + | 6.408.000,00 | 6.784.000,00 |
| | Contributions from Observer NCAs | + | 336.908,80 | 257.288,76 |
| | Fees from Supervised Entities | + | 3.041.000,00 | 0,00 |
| | Other Fee income | + | 3.400,00 | 0,00 |
| | Other revenue | + | 74.275,03 | 66.167,93 |
| | TOTAL REVENUE (a) | | 18.731.329,06 | 16.964.913,92 |
| EXPENDITURE | | | | |
| Title I: Staff | | | | |
| | Payments | - | 8.586.450,69 | 6.127.954,46 |
| | Appropriations carried over | - | 705.124,76 | 508.656,58 |
| Title II: Administrative Expenses | | | | |
| | Payments | - | 3.312.899,64 | 3.407.809,71 |
| | Appropriations carried over | - | 2.080.993,71 | 675.478,73 |
| Title III: Operating Expenditure | | | | |
| | Payments | - | 1.326.285,50 | 1.066.037,76 |
| | Appropriations carried over | - | 1.452.772,38 | 717.083,30 |
| | TOTAL EXPENDITURE (b) | | 17.464.526,68 | 12.503.023,54 |
| OUTTURN FOR THE FINANCIAL YEAR (a-b) | | | 1.266.802,38 | 4.461.890,38 |
| | Cancellation of unused payment appropriations carried over from previous year | + | 495.463,51 | 0,00 |
| | Adjustment for carry-over from the previous year of appropriations available at 31.12 arising | + | | 0,00 |
| | Exchange differences for the year (gain +/- loss -) | +/- | -2.707,08 | -4.645,56 |
| BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR | | | 1.759.558,81 | 4.457.244,82 |
| | Balance year N-1 | +/- | 4.457.244,82 | 0,00 |
| | Positive balance from year N-1 reimbursed in year N to the Commission (actual payment/offset of debit in 2013) | - | -4.457.244,82 | 0,00 |
| Result used for determining amounts in general accounting | | | 1.759.558,81 | 4.457.244,82 |
| Commission subsidy - Authority registers accrued revenue and Commission accrued expense | | | 4.648.441,19 | 2.326.755,18 |
| Pre-financing remaining open to be reimbursed by Authority to Commission in year N+1 | | | 1.759.558,81 | 4.457.244,82 |
| Not included in the budget outturn | | | | |
| | Interests generated by 31/12/2012 on the EC subsidy and to be reimbursed to the Com ^o (liability) (amounts related to EC subsidy PF only) | + | 8.688,36 | 6.372,89 |

2 - BUDGET IMPLEMENTATION CREDIT OF THE YEAR:

2 a BUDGET IMPLEMENTATION CREDIT OF THE YEAR – Fund Source : C1

Fund source C1

Title I: Staff Expenditure

| B.L. | Description | Commitment & Payment Appropriations (1) | Commitment (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) | RAL (2-3) |
|-----------------------------------|--|---|---------------------|-------------------|---------------------|---------------|-------------------|
| A-1100 | Basic salaries | 4.327.000,00 | 4.299.558,89 | 99,37% | 4.299.558,89 | 99,37% | - |
| A-1101 | Family allowances | 600.000,00 | 340.155,05 | 56,69% | 340.155,05 | 56,69% | - |
| A-1102 | Expatriation and foreign residence allowances | 663.000,00 | 544.766,32 | 82,17% | 544.766,32 | 82,17% | - |
| A-1110 | Seconded national experts | 566.000,00 | 202.928,54 | 35,85% | 202.928,54 | 35,85% | - |
| A-1111 | Contract agents | 368.000,00 | 365.705,07 | 99,38% | 365.705,07 | 99,38% | - |
| A-1112 | Trainees | 69.000,00 | 68.136,60 | 98,75% | 68.136,60 | 98,75% | - |
| A-1120 | Local Salaries | 710.000,00 | 692.733,02 | 97,57% | 343.278,67 | 48,35% | 349.454,35 |
| A-1121 | French Social Security System Contributions | 181.000,00 | 145.272,88 | 80,26% | 143.622,88 | 79,35% | 1.650,00 |
| A-1122 | Taxes / French system | - | - | - | - | - | - |
| A-1130 | Insurance against sickness | 310.000,00 | 161.511,09 | 52,10% | 160.941,09 | 51,92% | 570,00 |
| A-1131 | Insurance against accidents and occupational disease | 50.000,00 | 21.612,99 | 43,23% | 21.612,99 | 43,23% | - |
| A-1132 | Insurance against unemployment | 82.000,00 | 55.595,00 | 67,80% | 55.595,00 | 67,80% | - |
| A-1133 | Contribution to the Community pension scheme | - | - | - | - | - | - |
| A-1140 | Birth and death grants | 1.000,00 | 793,24 | 79,32% | 793,24 | 79,32% | - |
| A-1141 | Travel expenses for annual leave | 105.000,00 | 81.872,99 | 77,97% | 81.872,99 | 77,97% | - |
| A-1142 | Other allowances and repayments | 419.000,00 | 300.392,54 | 71,69% | 300.392,54 | 71,69% | - |
| A-1160 | Salary weighting | 1.000.916,00 | 743.910,77 | 74,32% | 743.910,77 | 74,32% | - |
| A-1200 | Expenditure relating to staff management and recruitment | 200.000,00 | 176.792,38 | 88,40% | 128.253,20 | 64,13% | 48.539,18 |
| A-1300 | Administrative mission expenses | 693.500,00 | 599.650,94 | 86,47% | 533.187,89 | 76,88% | 66.463,05 |
| A-1400 | Medical service | 34.000,00 | 5.641,66 | 16,59% | 5.641,66 | 16,59% | - |
| A-1410 | Schools and kindergartens | - | - | - | - | - | - |
| A-1420 | Canteen | 252.000,00 | 182.668,97 | 72,49% | 149.264,34 | 59,23% | 33.404,63 |
| A-1600 | Training | 300.000,00 | 288.384,85 | 96,13% | 86.502,08 | 28,83% | 201.882,77 |
| A-1700 | Representation expenses/ receptions and events | 13.500,00 | 13.491,66 | 99,94% | 10.330,88 | 76,53% | 3.160,78 |
| Title I: Staff Expenditure | | 10.944.916,00 | 9.291.575,45 | 84,89% | 8.586.450,69 | 78,45% | 705.124,76 |

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Fund source C1

Title II: Infrastructure and Administrative Expenditure

| B.L. | Description | Commitment & Payment Appropriations (1) | Commitment (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) | RAL (2-3) |
|--|---------------------------------------|---|---------------------|-------------------|---------------------|---------------|---------------------|
| A-2000 | Rental of building | 1.574.000,00 | 1.574.929,32 | 99,62% | 1.574.929,32 | 99,62% | - |
| A-2010 | Taxes | 244.000,00 | 243.854,46 | 99,94% | 243.854,46 | 99,94% | - |
| A-2020 | Maintenance | 268.000,00 | 220.543,50 | 82,29% | 215.324,40 | 80,34% | 5.219,10 |
| A-2030 | Works - refurbishment | 602.000,00 | 601.475,66 | 99,91% | 26.350,00 | 4,38% | 575.125,66 |
| A-2090 | Other expenditure on buildings | 107.000,00 | 100.296,43 | 93,73% | 71.016,43 | 66,37% | 29.280,00 |
| A-2100 | Licences and software | 146.000,00 | 112.384,25 | 76,98% | 95.590,25 | 65,47% | 16.794,00 |
| A-2101 | Maintenance contracts | 135.000,00 | 128.821,19 | 95,42% | 34.840,87 | 25,81% | 93.980,32 |
| A-2102 | Services | 327.000,00 | 313.484,21 | 95,87% | 173.842,15 | 53,16% | 139.642,06 |
| A-2103 | Hardware | 275.084,00 | 274.388,50 | 99,75% | 70.946,04 | 25,79% | 203.442,46 |
| A-2200 | Movable property and associated costs | 375.000,00 | 314.185,31 | 83,78% | 42.577,56 | 11,35% | 271.607,75 |
| A-2300 | Stationery | 35.000,00 | 31.748,10 | 90,71% | 22.695,21 | 64,84% | 9.052,89 |
| A-2301 | Printing and photocopying | 70.000,00 | 64.266,66 | 91,81% | 16.933,49 | 24,19% | 47.333,17 |
| A-2302 | Banking and financial charges | 25.000,00 | 8.920,37 | 35,68% | 920,37 | 3,68% | 8.000,00 |
| A-2303 | Insurances | 6.000,00 | 3.582,03 | 59,70% | 3.364,50 | 56,08% | 217,53 |
| A-2304 | Services | 365.000,00 | 334.525,38 | 91,65% | 88.977,92 | 24,38% | 245.547,46 |
| A-2305 | Newspapers subscriptions | 47.000,00 | 3.443,27 | 7,33% | 3.443,27 | 7,33% | - |
| A-2306 | Other administrative expenditure | 50.000,00 | 49.650,51 | 99,30% | 39.566,54 | 79,13% | 10.083,97 |
| A-2400 | Postal charges | 19.200,00 | 8.019,00 | 41,77% | 7.419,00 | 38,64% | 600,00 |
| A-2401 | Telephones | 200.000,00 | 179.064,33 | 89,53% | 32.332,41 | 16,17% | 146.731,92 |
| A-2402 | Conference calls | 35.000,00 | 30.000,00 | 85,71% | 24.958,30 | 71,31% | 5.041,70 |
| A-2403 | Internet | 76.800,00 | 75.136,16 | 97,83% | 67.761,12 | 88,23% | 7.375,04 |
| A-2500 | Translation and interpretation | 407.000,00 | 406.857,00 | 99,96% | 179.343,50 | 44,06% | 227.513,50 |
| A-2501 | ESMA publications | 30.000,00 | 21.262,41 | 70,87% | 21.262,41 | 70,87% | - |
| A-2502 | Library expenditure | 2.000,00 | 1.472,43 | 73,62% | 1.472,43 | 73,62% | - |
| A-2503 | Studies | 103.000,00 | 98.190,00 | 95,33% | 98.190,00 | 95,33% | - |
| A-2600 | General meeting expenses | 115.000,00 | 100.908,02 | 87,75% | 78.701,07 | 68,44% | 22.206,95 |
| A-2610 | Stakeholder groups - Consultations | 50.000,00 | 49.300,00 | 98,60% | 45.297,15 | 90,59% | 4.002,85 |
| A-2620 | Governance | 55.000,00 | 25.136,25 | 45,70% | 19.084,87 | 34,70% | 6.051,38 |
| A-2630 | Board of Appeal costs | 20.000,00 | 18.048,60 | 90,24% | 18.048,60 | 90,24% | - |
| Title II: Infrastructure and Administrative Expenditure | | 5.771.084,00 | 5.393.893,35 | 93,46% | 3.319.043,64 | 57,51% | 2.074.849,71 |

Fund source C1

Title III: Operating Expenditure

| B.L. | Description | Commitment & Payment Appropriations (1) | Commitment (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) | RAL (2-3) |
|-----------|---|---|----------------------|-------------------|----------------------|---------------|---------------------|
| B3-100 | Training costs | 253.000,00 | 182.860,77 | 72,28% | 98.514,17 | 38,94% | 84.346,60 |
| B3-110 | Operational missions of staff | - | - | - | - | - | - |
| B3-200 | Meeting costs | 1.000,00 | 66,50 | 6,65% | - | 0,00% | 66,50 |
| B3-210 | Software development | 885.000,00 | 560.790,40 | 63,37% | 23.095,00 | 2,61% | 537.695,40 |
| B3-220 | Hardware services | 80.000,00 | 18.573,21 | 23,22% | 12.905,61 | 16,13% | 5.667,60 |
| B3-230 | Maintenance | 530.000,00 | 353.826,15 | 66,76% | 259.910,81 | 49,04% | 93.915,34 |
| B3-240 | Services | 1.764.000,00 | 1.631.504,26 | 92,49% | 894.279,32 | 50,70% | 737.224,94 |
| B3-300 | On-site inspections CRA | - | - | - | - | - | - |
| B3-310 | Operational mission expenses CRA | 50.000,00 | 31.436,59 | 62,87% | 31.436,59 | 62,87% | - |
| | Title III: Operating Expenditure | 3.563.000,00 | 2.779.057,88 | 78,00% | 1.320.141,50 | 37,05% | 1.458.916,38 |
| C1 | TOTAL FUND SOURCE C1 | 20.279.000,00 | 17.464.526,68 | 86,12% | 13.225.635,83 | 65,22% | 4.238.890,85 |

2 b BUDGET IMPLEMENTATION CREDIT OF THE YEAR – Fund Source : C8

Fund source C8

| B. L. | Description | Appropriation (1) | Committed (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) |
|-----------|--|-------------------|-------------------|-------------------|-------------------|---------------|
| C8 | TITLE I: STAFF EXPENDITURE | | | | | |
| 11 | Staff in active employment | 307.391,12 | 199.594,01 | 64,93 % | 199.594,01 | 64,93 % |
| 12 | Expenditure relating to staff management and recruitment | 12.146,80 | 11.389,19 | 93,76 % | 11.389,19 | 93,76 % |
| 13 | Mission expenses, travel and incidental expenses | 174.301,49 | 120.784,09 | 69,30 % | 120.784,09 | 69,30 % |
| 14 | Socio-medical infrastructure | 7.519,35 | 5.342,40 | 71,05 % | 5.342,40 | 71,05 % |
| 16 | Training | 6.799,00 | 5.000,00 | 73,54 % | 5.000,00 | 73,54 % |
| 17 | Representation expenses, receptions and events | 498,82 | 498,82 | 100,00 % | 498,82 | 100,00 % |
| C8 | TOTAL TITLE I | 508.656,58 | 342.608,51 | 67,36% | 342.608,51 | 67,36% |

| B. L. | Description | Appropriation (1) | Committed (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) |
|-----------|--|-------------------|-------------------|-------------------|-------------------|---------------|
| C8 | TITLE II: INFRASTRUCTURE AND ADMINISTRATIVE EXPENDITURE | | | | | |
| 20 | Rental of building and associated costs | 249.530,29 | 141.482,81 | 56,70 % | 141.482,81 | 56,70 % |
| 21 | Information and communication technology | 89.856,89 | 65.239,23 | 72,60 % | 65.239,23 | 72,60 % |
| 22 | Movable property and associated costs | 44.050,53 | 30.177,34 | 68,51 % | 30.177,34 | 68,51 % |
| 23 | Current administrative expenditure | 90.869,15 | 73.924,20 | 81,35 % | 73.924,20 | 81,35 % |
| 24 | Postage and telecommunications | 32.524,82 | 18.161,28 | 55,84 % | 18.161,28 | 55,84 % |
| 25 | Information and publishing | 97.950,00 | 87.753,00 | 89,59 % | 87.753,00 | 89,59 % |
| 26 | Meeting expenses | 70.697,05 | 44.539,04 | 63,00 % | 44.539,04 | 63,00 % |
| C8 | TOTAL TITLE II | 675.478,73 | 461.276,90 | 68,29% | 461.276,90 | 68,29% |

| B. L. | Description | Appropriation (1) | Committed (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) |
|-----------|---|----------------------|-------------------|-------------------------|-------------------|-----------------|
| C8 | TITLE III: OPERATING EXPENDITURE | | | | | |
| 31 | Common Supervisory Culture: training for national supervisors and staff exchanges and secondments | 69.553,39 | 24.890,72 | 35,79 % | 24.890,72 | 35,79 % |
| 32 | Collection of information: developing and maintenance of a central European database | 607.529,91 | 543.193,04 | 89,41 % | 543.193,04 | 89,41 % |
| 33 | On site inspections CRA | 40.000,00 | 33.785,93 | 84,46 % | 33.785,93 | 84,46 % |
| C8 | TOTAL TITLE III | 717.083,30 | 601.869,69 | 83,93% | 601.869,69 | 83,93% |

TOTAL FIGURES BUDGET EXECUTION 2012 (In €) – C8

| Description | Appropriation (1) | Committed (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) |
|-----------------------------|----------------------|---------------------|-------------------------|---------------------|-----------------|
| TOTAL FUND SOURCE C8 | 1.901.218,61 | 1.405.755,10 | 73,94 % | 1.405.755,10 | 73,94 % |

3 – RECONCILIATION OF THE ACCRUAL BASED RESULT WITH THE BUDGET RESULT

| | +/- | amount |
|---|-----|---------------------|
| Economic result (- for loss) of the consolidation reporting package including table M2 | +/- | 3.412.871,44 |
| <i>Ajustment for accrual items (items not in the budgetary result but included in the economic result)</i> | | |
| A Adjustments for Accrual Cut-off (reversal 31.12.N-1) | - | -1.160.920,82 |
| B Adjustments for Accrual Cut-off (cut- off 31.12.N) (excluding +4.457.244,82 € cleared budget outturn 2011, see below, line 1b) | + | 958.000,00 |
| C Amount from liaison account with Commission booked in the Economic Outturn Account | - | 0,00 |
| D Unpaid invoices at year end but booked in charges (class 6) | + | 12.243,17 |
| E Depreciation of intangible and tangible fixed assets (1) | + | 478.930,18 |
| F Provisions (1) | + | 74.000,00 |
| G Value reductions (1) | + | 0,00 |
| H Recovery Orders issued in year N in class 7 and not yet cashed | - | -64.000,00 |
| Ia Prefinancing given in previous year and cleared in the year Prefinancing received in previous year and cleared in the year (excluding -4.457.244,82 € cleared budget outturn 2011 invoiced by EC but not yet refunded; see above, line B: deducted from accrued charges of the year) | + | 0,00 |
| Ib | - | 0,00 |
| J Payments made from carry-over of payment appropriations | + | 1.405.755,10 |
| K Other (other financial income) | +/- | -670,76 |
| L Exchange rate differences | +/- | 0,00 |

| <i>Ajustment for budgetary items (item included in the budgetary result but not in the economic result)</i> | | |
|--|---|----------------|
| M | Asset acquisitions (less unpaid amounts) | -1.413.671,75 |
| N | New pre-financing paid in the year N and remaining open as at 31.12. year N | 0,00 |
| O | New pre-financing received in the year N and remaining open as at 31.12. year N | 1.759.558,81 |
| P | Budgetary recovery orders issued before year N and cashed in the year | 63.000,00 |
| Q | Budgetary recovery orders issued in year N on balance sheet accounts (not 7 or 6 accounts) and cashed | 0,00 |
| R | Capital payments on financial leasing (they are budgetary payments but not in the economic result) | 0,00 |
| S | Payment appropriations carried over to year N | -4.238.890,85 |
| T | Cancellation of unused carried over payment appropriations from previous year | 495.463,51 |
| U | Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue | 0,00 |
| V | Payments for pensions (they are budgetary payments but booked against provisions) | 0,00 |
| W | Payments for stocks of leave and supplementary hours (they are budgetary payments but booked against provisions) | 0,00 |
| X | Other (here: deferred charges (1)) | +/- -11.816,00 |
| | Total | 1.769.852,03 |
| | Budgetary result (+ for surplus) | 1.759.558,81 |
| | Delta | 10.293,22 |

Year N: reporting year: 2012

(1) impact of the year



4 – ANNEX TO THE BUDGET IMPLEMENTATION REPORT

4.1 Budgetary principles (summary)

The establishment and implementation of the Authority's budget shall comply with the principles of unity and budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as provided for in the Authority Financial Regulation.

4.1.1 Principle of unity and budget accuracy

The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the Authority's activities.

No revenue shall be collected and no expenditure effected unless booked to a line in the budget.

An appropriation must not be entered in the budget if it is not for an item of expenditure considered necessary.

No expenditure may be committed or authorised in excess of the appropriations authorised by the budget.

4.1.2 Principle of annuality

The appropriations entered in the budget shall be authorised for one financial year which shall run from 1 January to 31 December, inclusive.

Commitments shall be entered in the accounts on the basis of the legal commitments entered into up to 31 December.

Payments shall be entered in the accounts for a financial year on the basis of the payments effected by the accounting officer by 31 December of that year at the latest.

4.1.3 Principle of equilibrium

The Authority's budget revenue and payment appropriations must be in balance.

Commitment appropriations may not exceed the amount of the voted budget, plus own revenue and any other revenue. The Authority may not raise loans.

4.1.4 Principle of unit of account

The budget shall be drawn up and implemented in Euro and the accounts shall be presented in Euro.

4.1.5 Principle of universality

Total revenue shall cover all expenditure. All revenue and expenditure shall be entered in full without any adjustment against each other.

4.1.6 Principle of specification

The appropriations in their entirety shall be earmarked for specific purposes by title and chapter; the chapters shall be further subdivided into articles and items.

The Executive Director may authorise transfers from one article to another within each chapter.

4.1.7 Principle of sound financial management

Budget appropriations shall be used in accordance with the principle of sound financial management, that is to say, in accordance with the principles of economy, efficiency and effectiveness.

The principle of economy requires that the resources used by the Authority for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price.

The principle of efficiency is concerned with the best relationship between resources employed and results achieved.

The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

4.1.8 Principle of transparency

The budget shall be drawn up and implemented and the accounts presented in compliance with the principle of transparency. The budget, as finally adopted, shall be published in the Official Journal of the European Communities and amending budgets shall be published in an appropriate way within two months of their adoption.

4.2 Types of appropriations

The Authority makes use of non-differentiated appropriations for both its administrative (title I & II) and operational expenditure (title III).

4.3 Description of the budget accounts

Following the provisions of the Financial Rules and Implementing Rules of the Authority, budget accounts shall provide a detailed record of budget implementation and shall record all budget revenue and expenditure operations (voted appropriations, commitments and payments of the financial year, entitlements established, etc).

The content of the budget accounts – also called budget lines - is adopted annually by the Board of Supervisors, taking into account the general budgetary nomenclature and the Authority Implementing Rules on the structure and presentation of the statement of expenditure.

Title I budget lines are related to staff expenditure: salaries and allowances of the staff members working for the Authority and all other entitlements such as removal expenditures, installation costs. Title I includes also recruitment costs incurred by the Authority. Interim, training, staff perquisites and administrative mission costs are incorporated also under Title I.

Title II budget lines relate to all buildings, equipment and miscellaneous operating administrative expenditure.

Title III budget lines provide the implementation of all the activities carried out in the frame of the missions and tasks assigned to the Authority by its establishing Regulation. The accounts under this title are grouped per operational activity group and sub-divided into the main activities performed in each area such as organisation of meetings, trainings, coordination missions, supervisory activities etc.

PART III

-

BUDGETARY AND FINANCIAL MANAGEMENT REPORT

1 – FINANCIAL SYSTEMS AND MANAGEMENT

2 - BUDGET EXECUTION 2012

1/1

1 - Legal framework – Financial Regulation

The presentation of this report on budgetary and financial management has been prepared in accordance with Articles 31 and 76 to 83 of the Financial Regulation applicable to ESMA.

2 - Financial Systems and Management

The budget accounts are managed by the ABAC system and the general accounts are maintained by the SAP system, which has a direct interface with the General Accounting System of the European Commission. The various budgetary and financial reports are produced using the Business Objects reporting tool.

2012 was ESMA's second year of operation. It was characterised by ongoing strains in the EU financial markets and significant work on delivering post-crisis regulation (including producing 53 draft technical standards, 4 pieces of advice to the Commission, and 6 sets of detailed guidance, recommendations or guidelines for markets regulators and participants). Fulfilling the demanding regulatory agenda presented challenges to the operation of this young organisation. However ESMA was able to strengthen its internal procedures (bringing them up to EU agency standards) and controls, as well as expand its staff to meet its demanding objectives.

3 – Budget Execution ESMA 2012

The ESMA 2012 budget was adopted by ESMA's Management Board at their meeting of 19 December 2011. €7,120,000 was set as contribution to ESMA from the total subsidy of the European Union and €10,158,000 was set as contributions from the National Competent Authorities of the Member States of the EU and observers to ESMA's Board of Supervisors. In addition, ESMA started collecting fees from Credit Rating Agencies to cover the costs of their supervision; €3,001,000 was included in the budget for fees. No amendments were proposed for ESMA's 2012 budget.

By the end of the year ESMA had committed 86% of the total budget and had paid out 65% of the total available payment appropriations. In total, the uncommitted budget in 2012 equalled €2,814,473 there were four main reasons for the underspend:

- The budget prepared at the beginning of 2011 for 2012 budgeted for the whole year for each new position. In reality, these new positions were not filled in January and recruitment was staggered throughout 2012. This represents the costs of 44 staff members (as only 57 staff members were in place end 2011). This had a major corresponding effect on budget execution. This issue has been addressed in the 2013 budget considering only 75% of the salary costs of the new staff and in the 2014 budget considering 50% of the salary costs;

- Three people left ESMA in 2012; thereby reducing the salary cost;
- Limited resources had an impact on the speed of procurements, thus leading to finalising some only late in 2012; and
- A large procurement of a contract estimated at € 350,000 related to an IT project failed; the procurement of that contract will now take place in 2013.

€ 4,238,891 of commitments were carried forward. The area where it was particularly difficult to judge expenditure was on translation; a large translation planned for December had to be postponed until 2013. Approximately € 1.5m of commitments on title III were carried forward to cover:

- a) IT projects that were part of the 2012 work programme but, due to delays in the legislative process for these new regulations, had had their start dates delayed;
- b) To cover supervisor training that needs to be organised far in advance (i.e. in 2012 for 2013); and
- c) A further € 500,000 was carried forward to cover internal IT work begun in 2012 but finishing in 2013.
- d) € 600,000 was carried forward for contracts for renovation work for new floors that ESMA has rented to accommodate its growing staff. These contracts could not be signed until the European Budgetary Authorities had given their approval for the rental of the new floors; the approval was received in October of 2012 and work began in January 2013.

| | VOTED BUDGET 2012 (after transfers) | COMMITMENTS | | PAYMENTS | |
|----------------------------|--|----------------------------|---------------------------|----------------------------|---------------------------|
| TITLE | BUDGET 2012 | Consumed (Euro) | % exec¹ | Consumed (Euro) | % exec² |
| TITLE I | 10.944.916,00 | 9.291.575,45 | 84,89% | 8.586.450,69 | 78,45% |
| TITLE II | 5.771.084,00 | 5.393.893,35 | 93,46% | 3.312.899,64 | 57,41% |
| TITLE III | 3.563.000,00 | 2.779.057,88 | 78,00% | 1.326.285,50 | 37,22% |
| Common Supervisory Culture | 253.000,00 | 182.860,77 | 72,28 % | 98.514,17 | 38,94 % |
| Central European database | 3.260.000,00 | 2.564.760,52 | 78,67 % | 1.196.334,74 | 36,70 % |
| On-site inspections CRA | 50.000,00 | 31.436,59 | 62,87 % | 31.436,59 | 62,87 % |
| TOTAL | 20.279.000,00 | 17.464.526,68 | 86,12 % | 13.225.635,83 | 65,22 % |

¹ = Consumed in commitments / voted budget

² = Paid/ payment appropriations after transfers

The total automatic and non automatic carry over amounts are presented below:

| | Automatic Carry Forward 2012-2013 to C8 | | Non automatic Carry over |
|---------------------------------------|--|---------------------------|---|
| | Commitments RAL | Payment Credit | Payment appropriations |
| TITLE I - Staff Expenditure | 705.124,76 | 705.124,76 | |
| TITLE II - Administrative Expenditure | 2.080.993,71 | 2.080.993,71 | |
| TITLE III - Operational Expenditure | 1.452.772,38 | 1.452.772,38 | |
| TOTAL | 4.238.890,85 | 4.238.890,85 | n/a |

Additional details on activities of the ESMA and its performance during year 2012 can be found in the Annual Report 2012 of ESMA.

ANNEX I: BUDGET EXECUTION 2012

| B.L. | Description | Appropriation (1) | Committed (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) |
|-------------|---|--------------------------|----------------------|--------------------------|---------------------|---------------------|
| C1 | TITLE I: STAFF EXPENDITURE | | | | | |
| 11 | Staff in active employment | 9.451.916,00 | 8.024.944,99 | 84,90% | 7.673.270,64 | 81,18% |
| 12 | Expenditure related to recruitment | 200.000,00 | 176.792,38 | 88,40% | 128.253,20 | 64,13% |
| 13 | Administrative Missions and duty travel | 693.500,00 | 599.650,94 | 86,47% | 533.187,89 | 76,88% |
| 14 | Socio Medical Infrastructure | 286.000,00 | 188.310,63 | 65,84% | 154.906,00 | 54,16% |
| 16 | Training | 300.000,00 | 288.384,85 | 96,13% | 86.502,08 | 28,83% |
| 17 | Representation costs | 13.500,00 | 13.491,66 | 99,94% | 10.330,88 | 76,53% |
| C1 | TOTAL TITLE I | 10.944.916,00 | 9.291.575,45 | 84,89% | 8.586.450,69 | 78,45% |
| B.L. | Description | Appropriation (1) | Committed (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) |
| C1 | TITLE II: ADMINISTRATIVE EXPENDITURE | | | | | |
| 20 | Rental of building and associated costs | 2.802.000,00 | 2.741.099,37 | 97,83% | 2.131.474,61 | 76,07% |
| 21 | Information and communication techn. | 883.084,00 | 829.078,15 | 93,88% | 369.075,31 | 41,79% |
| 22 | Movable property and associated costs | 375.000,00 | 314.185,31 | 83,78% | 42.577,56 | 11,35% |
| 23 | Current administrative expenditure | 598.000,00 | 496.136,32 | 82,97% | 175.901,30 | 29,41% |
| 24 | Postage and telecommunications | 331.000,00 | 292.219,49 | 88,28% | 132.470,83 | 40,02% |
| 25 | Information and publishing | 542.000,00 | 527.781,84 | 97,38% | 300.268,34 | 55,40% |
| 26 | Meeting expenses | 240.000,00 | 193.392,87 | 80,58% | 161.131,69 | 67,14% |
| C1 | TOTAL TITLE II | 5.771.084,00 | 5.393.893,35 | 93,46% | 3.312.899,64 | 57,41% |

| B.L. | Description | Appropriation (1) | Committed (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) |
|-----------|---|---------------------|---------------------|-------------------|---------------------|---------------|
| C1 | TILE III: OPERATIONAL EXPENDITURE | | | | | |
| 31 | Common Supervisory Culture: training for national supervisors and staff exchanges and secondments | 253.000,00 | 182.860,77 | 72,28% | 98.514,17 | 38,94% |
| 32 | Collection of information: developing and maintenance of a central European database | 3.260.000,00 | 2.564.760,52 | 78,67% | 1.196.334,74 | 36,70% |
| 33 | On-site inspections CRA | 50.000,00 | 31.436,59 | 62,87% | 31.436,59 | 62,87% |
| C1 | TOTAL TITLE III | 3.563.000,00 | 2.779.057,88 | 78,00% | 1.326.285,50 | 37,22% |

TOTAL FIGURES BUDGET EXECUTION 2012 (In €)

| Description | Appropriation (1) | Committed (2) | % Committed (2/1) | Paid (3) | % Paid (3/1) |
|--------------------------|----------------------|----------------------|-------------------|----------------------|---------------|
| TOTAL BUDGET 2012 | 20.279.000,00 | 17.464.526,68 | 86,12% | 13.225.635,83 | 65,22% |

ANNEX II: Automatic Carry Forward 2012-2013 – C8 credit

The commitment and payment credits carried forward in the change of the year 2012-2013 are detailed in the following table:

| CHAPTER/ TITLE | DESCRIPTION | Automatic Carry Forward 2012-2013 | |
|-------------------|---|-----------------------------------|---------------------|
| | | Commitments RAL | Payment Credit |
| 11 | Staff in active employment | 351.674,35 | 351.674,35 |
| 12 | Expenditure related to recruitment | 48.539,18 | 48.539,18 |
| 13 | Administrative missions and duty travel | 66.463,05 | 66.463,05 |
| 14 | Socio-medical infrastructure, training | 33.404,63 | 33.404,63 |
| 16 | Training | 201.882,77 | 201.882,77 |
| 17 | Reception and representation expenses | 3.160,78 | 3.160,78 |
| TITLE I | STAFF EXPENDITURE | 705.124,76 | 705.124,76 |
| 20 | Rental of building and associated costs | 609.624,76 | 609.624,76 |
| 21 | Data processing expenditure and associated costs | 453.858,84 | 453.858,84 |
| 22 | Movable property and associated costs | 271.607,75 | 271.607,75 |
| 23 | Current administrative expenditure | 320.235,02 | 320.235,02 |
| 24 | Postal charges and telecommunications | 159.748,66 | 159.748,66 |
| 25 | Information and publishing | 227.513,50 | 227.513,50 |
| 26 | Meeting expenses | 32.261,18 | 32.261,18 |
| TITLE II | ADMINISTRATIVE EXPENDITURE | 2.074.849,71 | 2.074.849,71 |
| 31 | Common Supervisory Culture: training for national supervisors and staff exchanges and secondments | 84.346,60 | 84.346,60 |
| 32 | Collection of information: developing and maintenance of a central European database | 1.374.569,78 | 1.374.569,78 |
| 33 | On-site inspections CRA | 0,00 | 0,00 |
| TITLE III | OPERATIONAL EXPENDITURE | 1.458.916,38 | 1.458.916,38 |
| TOTAL | | 4.238.890,85 | 4.238.890,85 |

ANNEX III: Budget Transfers

BUDGET TRANSFERS 2012 (BALANCE PER BUDGET LINE)

| BL | BUDGET CHAPTER / LINE | BUDGET 2012 (€) | Transferred (€) | Amount after Transfer (€) |
|------------------------------------|---|-------------------|-----------------|---------------------------|
| TITLE I - STAFF EXPENDITURE | | | | |
| | 11. Staff in active employment | 10.677.000 | -1.225.084 | 9.451.916 |
| 1100 | Basic salaries | 5.620.000 | -1.293.000 | 4.327.000 |
| 1101 | Family allowances | 600.000 | 0 | 600.000 |
| 1102 | Expatriation and foreign residence allowances | 800.000 | -137.000 | 663.000 |
| 1110 | Seconded national experts | 800.000 | -234.000 | 566.000 |
| 1111 | Contract agents | 300.000 | 68.000 | 368.000 |
| 1112 | Trainees | 35.000 | 34.000 | 69.000 |
| 1120 | Local salaries | 260.000 | 450.000 | 710.000 |
| 1121 | French Social Security System contributions | 155.000 | 26.000 | 181.000 |
| 1122 | Taxes / French system | - | 0 | - |
| 1130 | Insurance against sickness | 310.000 | 0 | 310.000 |
| 1131 | Insurance against accidents and occupational disease | 50.000 | 0 | 50.000 |
| 1132 | Insurance against unemployment | 82.000 | 0 | 82.000 |
| 1133 | Contribution to the Community pension scheme | - | 0 | - |
| 1140 | Birth and death grants | - | 1.000 | 1.000 |
| 1141 | Travel expenses for annual leave | 105.000 | 0 | 105.000 |
| 1142 | Other allowances and repayments | 420.000 | -1.000 | 419.000 |
| 1160 | Salary weighting | 1.140.000 | -139.084 | 1.000.916 |
| | 12. Expenditure relating to staff management and recruitment | 200.000 | 0 | 200.000 |
| 1200 | Expenditure relating to staff management and recruitment | 200.000 | 0 | 200.000 |
| | 13. Mission expenses, travel and incidental expenses | 770.000 | -76.500 | 693.500 |
| 1300 | Administrative mission expenses | 770.000 | -76.500 | 693.500 |
| | 14. Socio-medical infrastructure | 116.000 | 170.000 | 286.000 |
| 1400 | Medical service | 34.000 | 0 | 34.000 |
| 1410 | Schools and kindergartens | - | 0 | - |
| 1420 | Canteen | 82.000 | 170.000 | 252.000 |
| | 16. Training | 100.000 | 200.000 | 300.000 |
| 1600 | Training | 100.000 | 200.000 | 300.000 |
| | 17. Representation expenses, receptions and events | 2.000 | 11.500 | 13.500 |
| 1700 | Representation expenses, receptions and events | 2.000 | 11.500 | 13.500 |
| | TOTAL TITLE 1 | 11.865.000 | -920.084 | 10.944.916 |



| BL | BUDGET CHAPTER / LINE | BUDGET 2012 (€) | Transferred (€) | Amount after Transfer (€) |
|---|---|------------------|------------------|---------------------------|
| TITLE II - INFRASTRUCTURE AND ADMIN. EXPENDITURE | | | | |
| | 20. Rental of building and associated costs | 2.805.000 | -3.000 | 2.802.000 |
| 2000 | Rental of building | 2.100.000 | -519.000 | 1.581.000 |
| 2010 | Taxes | 225.000 | 19.000 | 244.000 |
| 2020 | Maintenance | 270.000 | -2.000 | 268.000 |
| 2030 | Works - refurbishment | 125.000 | 477.000 | 602.000 |
| 2090 | Other expenditure on buildings | 85.000 | 22.000 | 107.000 |
| | 21. Information and communication technology | 590.000 | 289.084 | 879.084 |
| 2100 | Licences and software | 185.000 | -39.000 | 146.000 |
| 2101 | Maintenance contracts | 25.000 | 110.000 | 135.000 |
| 2102 | Services | 200.000 | 123.000 | 323.000 |
| 2103 | Hardware | 180.000 | 95.084 | 275.084 |
| | 22. Movable property and associated costs | 150.000 | 225.000 | 375.000 |
| 2200 | Movable property and associated costs | 150.000 | 225.000 | 375.000 |
| | 23. Current administrative expenditure | 336.000 | 266.000 | 602.000 |
| 2300 | Stationery | 35.000 | 0 | 35.000 |
| 2301 | Printing and photocopying | 90.000 | -20.000 | 70.000 |
| 2302 | Banking and financial charges | 35.000 | -6.000 | 29.000 |
| 2303 | Insurances | 6.000 | 0 | 6.000 |
| 2304 | Services | 140.000 | 225.000 | 365.000 |
| 2305 | Newspapers subscriptions | 10.000 | 37.000 | 47.000 |
| 2306 | Other administrative expenditure | 20.000 | 30.000 | 50.000 |
| | 24. Postage and telecommunications | 161.000 | 170.000 | 331.000 |
| 2400 | Postal charges | 1.000 | 18.200 | 19.200 |
| 2401 | Telephones | 65.000 | 135.000 | 200.000 |
| 2402 | Conference calls | 35.000 | 0 | 35.000 |
| 2403 | Internet | 60.000 | 16.800 | 76.800 |
| | 25. Information and publishing | 412.000 | 130.000 | 542.000 |
| 2500 | Translation and interpretation | 230.000 | 177.000 | 407.000 |
| 2501 | ESMA publications | 50.000 | -20.000 | 30.000 |
| 2502 | Library expenditure | 2.000 | 0 | 2.000 |
| 2503 | Studies | 130.000 | -27.000 | 103.000 |
| | 26. Meeting expenses | 310.000 | -70.000 | 240.000 |
| 2600 | General meeting expenses | 135.000 | -20.000 | 115.000 |
| 2610 | Stakeholder groups - Consultations | 50.000 | 0 | 50.000 |
| 2620 | Governance | 75.000 | -20.000 | 55.000 |
| 2630 | Board of Appeal costs | 50.000 | -30.000 | 20.000 |
| | TOTAL TITLE II | 4.764.000 | 1.007.084 | 5.771.084 |

| BL | BUDGET CHAPTER / LINE | BUDGET 2012 (€) | Transferred (€) | Amount after Transfer (€) |
|--|--|-------------------|-----------------|---------------------------|
| TITLE III - OPERATING EXPENDITURE | | | | |
| | 31. Common Supervisory Culture: training for national supervisors and staff exchanges and secondments | 550.000 | -297.000 | 253.000 |
| 3100 | Training costs | 500.000 | -247.000 | 253.000 |
| 3110 | Operational missions of staff | 50.000 | -50.000 | - |
| | 32. Collection of information; developing and maintenance of a central European database | 2.950.000 | 310.000 | 3.260.000 |
| 3200 | Meeting costs | 1.000 | 0 | 1.000 |
| 3210 | Software development | 510.000 | 375.000 | 885.000 |
| 3220 | Hardware services | 59.000 | 21.000 | 80.000 |
| 3230 | Maintenance | 430.000 | 100.000 | 530.000 |
| 3240 | Services | 1.950.000 | -186.000 | 1.764.000 |
| | 33. On-site inspections CRA | 150.000 | -100.000 | 50.000 |
| 3300 | On-site inspections CRA | 100.000 | -100.000 | - |
| 3310 | Operational mission expenses CRA | 50.000 | 0 | 50.000 |
| | TOTAL TITLE III | 3.650.000 | -87.000 | 3.563.000 |
| | TOTAL BUDGET 2012 | 20.279.000 | 0 | 20.279.000 |



ANNEX IV: Establishment Plan

| ESTABLISHMENT PLAN OF THE EUROPEAN SECURITIES AND MARKETS AUTHORITY | | | | | | |
|--|------------------------------------|-----------|----------------------|-----------|------------------------------------|-----------|
| POSITIONS/ CATEGORY AND GRADE | 2011 FILLED AS AT 31.12.2011 | | 2012 FINAL BUDGET | | 2012 FILLED AS AT 31.12.2012 | |
| | Permanent | Temporary | Permanent | Temporary | Permanent | Temporary |
| AD16 | | | | | | |
| AD15 | | 1 | | 1 | | 1 |
| AD14 | | 1 | | 1 | | 1 |
| AD13 | | | | 1 | | |
| AD12 | | 2 | | 4 | | 2 |
| AD11 | | 1 | | 4 | | 1 |
| AD10 | | 2 | | 5 | | 3 |
| AD9 | | 1 | | 5 | | 5 |
| AD8 | | 11 | | 11 | | 10 |
| AD7 | | 11 | | 11 | | 17 |
| AD6 | | 4 | | 11 | | 13 |
| AD5 | | 7 | | 9 | | 12 |
| Total AD | | 41 | | 63 | | 65 |
| AST11 | | | | 1 | | |
| AST10 | | | | 1 | | |
| AST9 | | | | 2 | | |
| AST8 | | 1 | | 1 | | 1 |
| AST7 | | | | 1 | | |
| AST6 | | | | | | |
| AST5 | | 2 | | | | 1 |
| AST4 | | 1 | | 1 | | 3 |
| AST3 | | 2 | | 2 | | 2 |
| AST2 | | | | 1 | | |
| AST1 | | 3 | | 2 | | 3 |
| Total AST | | 9 | | 12 | | 10 |
| Total AD + AST | | 50 | | 75 | | 75 |
| GRAND TOTAL | | 50 | | 75 | | 75 |

In addition to the above mentioned personnel ESMA had 12 contractual agents, 12 SNEs (seconded national experts) and 8 trainees at 31/12/2012.