

MSF Belgium and Operational Centre Brussels

FINANCIAL STATEMENTS 2020

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ACTIVITIES AND ORGANISATION

For the year ended 31 December 2020

These financial statements are a means of transparency and accountability, illustrating the financial situation of both MSF Belgium¹ and the Operational Centre Brussels (OCB).

MISSION AND FUNDING POLICIES

Médecins Sans Frontières (MSF) is an international, independent, medical humanitarian organisation. MSF delivers emergency aid to people affected by armed conflict, epidemics, natural disasters and exclusion from healthcare.

MSF offers humanitarian assistance to people based on need and irrespective of race, religion, gender or political affiliation. We work to save lives, alleviate suffering and restore dignity. Our actions are guided by medical ethics and the principles of neutrality and impartiality. In order to be able to access and assist people in need, our operational policies must be scrupulously independent of governments, as well as religious and economic powers. We conduct our own assessments, manage our projects directly and monitor the impact of our assistance.

As a general principle, MSF does not accept funds from governments or other parties who are directly involved in the conflicts to which MSF is responding. Similarly, as a reaction to the EU's response to the migration crisis that affected Eastern Europe in 2016, MSF decided to no longer accept public funds from the European Union and its member states. Since then, MSF is almost exclusively funded by private individual donors.

In 2020, about 835 international health professionals, logistics specialists and administrative staff of all nationalities left on field assignments to join more than 9,200 locally hired staff working in medical and humanitarian projects coordinated by OCB. Our staff in the field were supported by approximately 395 full time equivalents (FTEs) based in Brussels or in regional offices.

¹ In this report "MSF Belgium" refers to Médecins Sans Frontières ASBL (BCE n°0421.446.093, address: Rue de l'Arbre Bénit 46, 1050 Brussels), which is the legal entity carrying activities in Belgium.

ORGANISATIONAL STRUCTURE

Médecins Sans Frontières (MSF) is a non-profit, self-governed organisation. Founded in Paris, in 1971, MSF today is a worldwide movement of associations located all over the world.

MSF runs operations around the globe through 6 Operational Centres (OCs). An International Office based in Geneva ensures the coordination between OCs and other institutional members.

The Operational Centre Brussels (OCB) is the largest OC in the MSF movement in terms of budget and runs humanitarian actions in more than 40 countries. The five other MSF Operational Centres have their headquarters in Amsterdam, Barcelona/Athens, Geneva, Paris and Abidjan².

OCB (in red on the illustration below) has 8 partner sections on 4 continents: South Africa, Brazil, Denmark, Hong Kong, Italy, Luxemburg, Norway, and Sweden. Under some sections; OCB has also 5 branch offices: Singapore, Taiwan, Beijing, Finland and Lebanon.



² Since 2019 WaCA (West and Central Africa Regional Association) is a new institutional member with the rights to run operations and based in Abidjan. They launched their first operations in early 2020.

ACCOUNTING STANDARDS & POLICIES

This financial report presents two different sets of financial statements:

- The Income Statement presents the combined financials of all the partner sections of the OCB group. Even though this group of partner sections has no legal foundation, combined figures provide a more comprehensive and a more accurate view of the activities of OCB as they reflect:
 - ✓ The way OCB is managed, namely as a co-ownership
 - ✓ The cost structure and ratios which are used by internal governance bodies to steer the activities
- The Balance Sheet included in this report is the balance sheet of MSF Belgium, the legal entity carrying activities around the world from Belgium. These figures are included in this report as they reflect our financial position at year end.

The main differences between the statutory financial statements of MSF Belgium and the combined figures for the OCB group are explained in the table below³:

Item	Combined financial statement for the OCB group	Statutory Financial statement of MSF Belgium
<i>Income</i>	<i>Combined income of the partner sections and branch offices of the OCB group sections</i>	<i>Grants from all partner sections to MSF Belgium (each grant is in general equal to the difference between the income raised during the year and the section's own costs)</i>
<i>Expenditure</i>	<i>Combined costs of all the OCB group sections and branch offices</i>	<i>Expenses of the Belgian legal entity only</i>
<i>GAAP</i>	<i>Swiss GAAP⁴</i>	<i>Belgian GAAP</i>

GOVERNANCE AND TRANSPARENCY

MSF is accountable for the trust of its donors. Our statutory accounts are reviewed by the audit firm DGST and our contribution to the international combined accounts is audited by Ernst and Young. MSF Belgium also adheres to the code of ethics of Fundraising (AERF)⁵.

³ A reconciliation between OCB and MSF Belgium figures is included in annex Statement of Financial Position

⁴ Standard used by MSF International Office for the International Combined Accounts

⁵ AERF is the abbreviation of Association pour une Ethique dans les Récoltes de Fonds

OCB FINANCE DIRECTOR'S REPORT

By Maya Yamaguchi – OCB Finance Director

In 2020, OCB (Operational Centre Brussels) was once more able to rely on the incredible and continuous support of its donors and supporters: this is reflected in the total income increase of 8% compared to 2019.

COVID-19 emergency fundraising campaigns launched during the first wave of the COVID-19 pandemic within the whole MSF movement enabled us to face the pandemic needs and still to keep most of the planned humanitarian activities whenever possible. This led to outstanding income increases in Italy, Sweden, Germany, US, Japan and even in Belgium, South Africa, Finland and Luxemburg. In fact, almost all sections succeeded to raise more income than in 2019, with some being impacted though by the exchange rates variations like in Brazil.

In 2020, OCB expenses decreased with -2,6%. There was an increase of programme expenses by 1%, mainly due to important COVID-19 related interventions, but all other costs decreased: from headquarter programme support to awareness raising, management, and even fundraising costs. It is a result of prioritization of expenses and projects, but also travel restrictions, impossibilities to have field face to face trainings, homeworking and closing of facilities, and detaching employees to face the emergency everywhere needed and possible.

As a consequence, the OCB Group ends the financial year 2020 with a surplus of 10,4 million Euros.

(in K€)	2020 Actuals OCB	2019 Actuals OCB
INCOME	476.270	442.068
Social Mission Expenses	394.000	402.573
Other Expenses	68.297	71.902
EXPENSES	462.297	474.475
NET RESULTS before exchange rate effect	+13.973	-32.407
<i>Net exchange gains/losses</i>	-3.537	2.087
Deficit (-) / Surplus (+)	+10.436	-30.321

If we look at OCB cost structure only, our social mission ratio reached 83,3% in 2020, above a minimum target of 80% in the allocation of our resources.

INCOME

After some years of very significant growth (from 2014 to 2016), then a bit more stable level in 2017 and 2018, we achieved to increase income for two years in a row (2019 and 2020) by 7 and 8% respectively.

98% of our income is coming from private donors and legacies. The income increase is once again thanks to the confidence of our donors and to our fundraising teams all around the world who did make a good use of fundraising investments to convince more donors of the MSF action and enable to increase our available resources for that.

EXPENDITURE

In 2020, OCB spent 290,8 million Euros in humanitarian missions directly managed by OCB (+4,1 million Euros compared to 2019). It is 1% more than in 2019.

OCB was active in more than 41 countries with more than 140 projects supporting healthcare toward populations in need, affected by emergencies (natural disaster or epidemics, including COVID-19), living in armed conflict zones or suffering of healthcare exclusion and discrimination. We continued our activities in contexts where significant investments were made over the recent years: Democratic Republic of Congo, Central African Republic, South Sudan, Lebanon, Sierra Leone, Syria, South Africa, Afghanistan, Guinea, Iraq, Burundi among many others.

Despite the COVID-19 emergency, lockdown and confinement measures, OCB insured to maintain its essential healthcare services in projects and health facilities around the globe, from treatment for HIV and tuberculosis patients to sexual & reproductive, surgical, paediatric and mental health services, including measles vaccination campaigns, malaria prevention, and responses to other infectious disease outbreaks such as cholera, Lassa or Ebola.

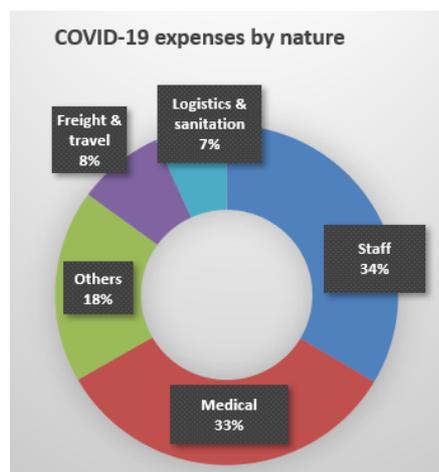
Countries where OCB spent more than 5 million Euros in 2020

representing 87% of OCB missions expenses

	<i>Figures in K€</i>	
	2020	2019
Democratic Republic of Congo	32.945	35.305
Central African Republic	22.444	17.232
South Sudan	19.381	19.982
Lebanon	18.754	15.215
Sierra Leone	10.961	12.563
Syria	10.601	8.395
South Africa	10.576	9.670
Afghanistan	10.043	15.311
Guinea	9.862	8.353
Iraq	9.704	10.272
Burundi	9.454	8.870
Yemen	8.908	1.419
Haiti	8.663	9.994
Nigeria	7.864	9.264
Greece	7.621	5.846
India	7.259	6.739
Pakistan	6.719	7.859
Bangladesh	6.615	5.144
Zimbabwe	6.598	6.398
Venezuela	6.206	5.860
Mali	6.119	2.431
Brazil	5.577	1.121
Mozambique	5.467	9.012
Palestine	5.336	4.934

In 2020, OCB dedicated resources (32,1 million Euros) to the COVID-19 pandemic activities in many countries. Working alongside with health workers and with communities from low-resource settings and conflict zones to well-resourced healthcare systems in middle and high income countries, OCB launched COVID-19 programmes early in 2020, through its existing projects or dedicated COVID-19 interventions, whilst facing rapid imposed lockdown measures and travel restrictions, which implied major challenges to coordinating, staffing, and supplying COVID-19 response and the routine programmes, resulting in shortages and stockouts of essential equipment or medicines.

	<i>Figures in K€</i>
	2020
Brazil	4.063
Belgium	3.299
Lebanon	2.460
Democratic Republic of Congo	1.790
Italy	1.713
Yemen	1.685
South Africa	1.542
Iraq	1.381
Greece	1.174
Guinea	1.071
Bangladesh	1.070
Central African Republic	1.009
Pakistan	820
Palestine	780
South Sudan	738
Venezuela	646
Syria	634
Haiti	631
India	549
Mozambique	512
Zimbabwe	464
Malawi	464
USA	457
Ecuador	437
Bolivia	391
Mali	347
Burundi	313
Afghanistan	297
Others	1.392
Total Covid	32.130



The MSF activities related to COVID-19 pandemic were mainly:

- supporting health facilities and protecting healthcare workers during the pandemic through providing COVID-19 technical, training, and material support, implementing infection prevention and control measures, water supply and sanitation, but also mental health and psychological support for patients, health workers or community members;
- patient care and COVID-19 case management in refugees' camps or clinics and hospitals around the world, from Bangladesh and Pakistan to Greece and Italy, South Africa and Democratic Republic of Congo, Brazil and Venezuela;
- reaching vulnerable population at risk, like in nursing homes in Europe or refugees' camps through mental health support, health promotion activities, improved IPC⁶ measures, masks and hygiene items distribution.⁷

⁶ IPC : Infection Prevention Control

⁷ For more information regarding MSF response in 2020 to the COVID-19 pandemics, there are Global Accountability Reports available to be retrieved on MSF websites

Beside COVID-19 response, OCB did other emergency interventions in 2020, namely in Yemen (6,7 million Euros, with Mokha hospital taken over from MSF France), in Democratic Republic of Congo (6,2 million Euros, for Ebola and other emergencies (measles)), in Cameroon (4,3 million Euros, to maintain Mabenda health care structures and ambulance services functioning, despite the civil conflicts and violences), in South Sudan (1,3 million Euros, continuing the interventions started in 2019 after the flood which affected one million people), Lebanon (0,6 million Euros, consecutive to Beirut explosions).

With the focus and resources allocation on the COVID-19 pandemic, other emergencies and ongoing activities, OCB opened less new projects in 2020 than in prior years: a few new projects respectively in Burundi (Muyinga) to care for ulcerative sores, in Ethiopia (IDP⁸ in SNNPR⁹ region) and a primary health care project in Niono (Mali).

We advanced in our construction projects on the Kunduz trauma centre in Afghanistan and in the Kenema paediatric & maternity hospital in Sierra Leone, though facing delays due to the COVID-19 pandemic.

OCB closed the following missions and projects during 2020: the mission of Malawi, the primary healthcare center of Alexandria (Egypt), the hospital in Pibor (South Sudan), the primary healthcare services in Chattisgarh (India), the Hepatitis C project in Uttar Pradesh (India), the Cervical Cancer project in Gutu (Zimbabwe) and the Palestinian refugees camp healthcare in Ain-Al-Hilweh (Lebanon).

Headquarters expenses for all OCB sections amounted to 115,3 million Euros in 2020, so decreasing by 6% (-7,6 million Euros) compared to 2019. OCB sections invested in total 52,3 million Euros in fundraising campaigns, which is a decrease by 4% (-2,2 million Euros) compared to 2019. OCB non-fundraising expenses amounted to 69 million Euros, decreasing by -8% compared to 2019. When the COVID-19 pandemic started to amplify in 2020, to insure OCB would be able to cover the extra financial resources needed, it was decided to prioritize Field projects and to rephase or review the size of projects, initiatives and activities. Moreover, lockdown and travel restrictions resulting from COVID-19 pandemic decreased exceptionally headquarters expenses compared to 2019.

⁸ IDP : Internally Displaced People/Person

⁹ SNNPR : Southern Nations, Nationalities, and Peoples' Region

RESULT FOR THE YEAR AND RESERVES POLICY

OCB ended 2020 with a surplus of +10,4 million Euros, whereas MSF Belgium's surplus for 2020 (shown in the reserves table below) reached +11,9 million Euros.

The overall level of reserves increases and remains solid with 119 million Euros accumulated surpluses. The purpose of these reserves is to:

- Guarantee immediate availability of a significant amount of cash for emergency interventions
- Cover our operating expenses in the event of a downturn in income and / or unforeseen increases in costs. Based on 2020 expenses, this amount of reserves would allow to cover 6,5 months of OCB operational activities.

Our reserve policy compels us to low risk investments. OCB therefore has no speculative investment but only safe short-term deposits with multiple financial institutions.

in K€	2014 Actuals	2015 Actuals	2016 Actuals	2017 Actuals	2018 Actuals	2019 Actuals	2020 Actuals
I. Equity Capital	60.000						
II. Accumulated Surplus	151.211	174.025	208.858	148.756	141.273	107.214	119.117
Accumulated Surplus / Deficit	75.590	151.211	174.025	208.858	148.756	141.273	107.214
Surplus / Deficit of the year	75.621	22.814	34.833	-60.102	-7.483	-34.059	11.903
Total MSFB reserves	211.211	234.025	268.858	208.756	201.273	167.214	179.117

SIGNIFICANT EVENTS SINCE THE END OF THE YEAR

Since January 1st 2021, our logistic and supply center MSF Supply has changed of legal status to become a non-profit organization (ASBL), which implies that MSF Belgium will transfer in 2021 its participation into Other long term receivables (BNB code 291 for an amount of 16.5 million Euros).

Investigations and legal proceedings against organizations and individuals helping and assisting migrants have increased since 2015 in Europe. This "criminalization" of humanitarian assistance has taken a worrying move in Italy this year, with the opening of trials against several sea rescue organizations and their members. To date, we are facing 3 legal proceedings in Italy against members of MSF and against MSF, two of which are likely to have a significant financial impact that is still difficult to predict.

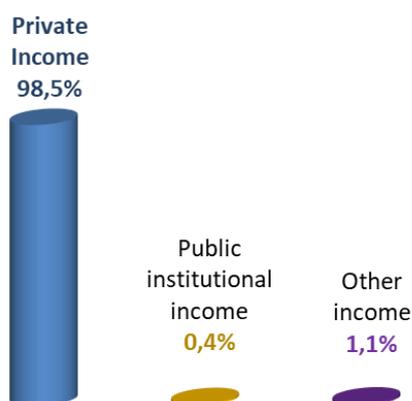
Both proceedings relate to our 2017 sea rescue activities and serious criminal charges. Although MSF rejects these accusations with all its might, these procedures will be complex and likely to be long. It will require the mobilization of significant resources to restore the humanitarian nature and the legitimacy of our activities, through the services of several lawyers.

ANNEXES

STATEMENT OF FINANCIAL ACTIVITIES

Income

in K€			Hong		USA	Belgium	Norway	Denmark	Luxem	South		TOTAL
	Italy	Sweden	Kong	Brazil						bourg	Africa	
Legacies	8.328	12.090	984			18.613	5.690	4.750	1.106	245	20	51.827
Other private income	62.063	53.309	45.797	48.703	61.369	31.289	38.798	19.127	5.419	2.779	49.090	417.743
Private Income Total	70.392	65.399	46.781	48.703	61.369	49.902	44.488	23.877	6.525	3.024	49.110	469.569
Public institutional income						2.878			9			2.887
Other income	380	66	70			1.372	523	134	85	34	1.150	3.814
Total Income	70.772	65.466	46.851	48.703	61.369	54.152	45.011	24.010	6.619	3.058	50.260	476.270
% share	15%	14%	10%	10%	13%	11%	9%	5%	1%	1%	11%	100%



OCB income includes contributions from public generosity and public institutions, as well as revenues from other activities. In addition to income received from Belgian donors, legacies and private donations come mainly from partner sections in the OCB group (Italy, Hong Kong - inclusive Singapore, Taiwan, Brazil, Sweden, Norway, Denmark, Luxemburg, South Africa and Finland) but also from non-partner sections, mainly USA, UK, Ireland, Germany and Japan.

In 2020, total income reached 476,3 million Euros. This is an increase of +8% (+34,2 million Euros) in comparison with 2019, mainly driven by COVID-19 funds, through increases from Italy (+7 million Euros), Denmark (+3,7 million Euros), US (+9 million Euros), Taiwan (+3 million Euros), Norway (+1.5 million Euros), Finland (+1,1 million Euros) and Belgium (+4 million Euros). The exchange rate variations of the Brazilian Real have been quite impacting 2020. Despite the increase of 15% of the income raised in Brazilian Real, the conversion in Euros shows a decrease of -13% compared to 2019.

Private Income

Private income consists of donations from both individuals and private organisations (companies, trusts and foundations, and other non-profit organisations). As a reaction to the EU's response to the migration crisis that affected Eastern Europe in 2016, MSF decided to no longer accept public funds from the European Union and its member states. In 2020, 98,6%

of the income of OCB came from private individuals or institutions, which is key to guaranteeing our independence. In Belgium, 49,9 million Euros were raised, of which 31,3 million Euros through donors and private organisations, and 18,6 million Euros from legacies¹⁰, representing 37% of the private income of MSF Belgium.

Public institutional income represents grants (i.e. contributions based on contracts for specific projects), subsidies and donations received from or pledged directly by public institutions, such as governments or agencies. Income from other activities is mainly related to merchandising, equipment and services provided to other organisations and financial transactions. In 2020, 2,8 million Euros were granted to OCB, mainly from Canadian government and from Unitaid.

In 2020, OCB income from private donations amount to 417,7 million Euros, representing 88% of its total income.

Restrictions on income

Income is considered as restricted only when subject to a donor-imposed restriction. Donors include all the external parties that contribute to MSF resources. A donor-imposed restriction is a stipulation and limitation on the use of contributed assets or monetary donations. The restriction can relate to purpose (country, programme or activity), time or other specific wishes (e.g. vaccines). Funds received for 'emergencies' are treated as restricted if the emergency is explicitly specified by the donor or can be inferred from the circumstances, but are otherwise regarded as unrestricted, as the provision of emergency aid embodies MSF's mission.

Donations with donor-imposed restrictions are reported as restricted for their full amount and the donation is an allocated fund. Allocated funds that have not been used at the end of the year are presented in a separate section of the balance sheet. Grants are reported as restricted income for the allowable expenses incurred in the current year.

In 2020, OCB has received for 170,3 million Euros restricted private income from all partner or non-partner sections, which have been allocated, as requested, to specific field projects or purposes. In those restricted income, COVID-19 restricted income for OCB in 2020 amount to 31,9 million Euros.

Legacies and bequests

Legacies and bequests are accounted for at their best estimated amount when legally transferred to MSF. In 2020, OCB has received for 51,8 million Euros legacies from OCB partner sections, which represents 11% of OCB total income.

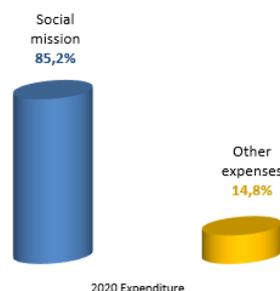
Donations

Donations are based on non-reciprocal transfers of cash or other assets, or cancellation of liabilities. They are recognised as income upon receipt.

¹⁰ This is including MSF Fondation Belgique legacies transfer in 2020.

Expenditure

(in K€)	2020	2019
	Actuals OCB	Actuals OCB
Programmes - OCB missions	290.778	286.640
Programmes - other Operational Centers	49.261	57.092
Program Support	39.689	42.728
Awareness - Raising	10.036	11.289
Contribution to International office and other	4.237	4.823
Social Mission Expenses	394.000	402.573
Fundraising	52.380	54.580
Management and general administration	15.918	17.322
Other Expenses	68.297	71.902
Total Expenses	462.297	474.475



Programme expenses

Programme expenses represent expenses incurred directly in the field or managed by the headquarters on behalf of the field, as well as grants/donations awarded/given to other organisations. In 2020, OCB programme expenses reached 290,8 million Euros and OCB sections provided 49,6 million Euros to other Operational Centers to fund their own field projects.

Beneficiaries of our operations in 2020

In 2020, 36% of our programme expenses (76 million Euros) was allocated to populations suffering from endemics/epidemics, of course showing an increase compared to 2019 related to the COVID-19 pandemic health and support activities launched in 2020. We also continued to allocate resources on the Ebola outbreak in Democratic Republic of Congo, support, vaccination and health care to populations suffering of HIV, tuberculosis, malaria, cholera, diphtheria, etc. Countries concerned in 2020 are mainly Democratic Republic of Congo, Guinea, South Africa, Brazil, India, Central African Republic, Ukraine, Burundi, Venezuela.

Support to populations affected by armed conflicts represented in 2020 the other major part of our beneficiaries: 35% of our programme expenses, for 75,6 million Euros. Amongst others we supported the populations and refugees in many countries, of which the most important ones in 2020 are : Syria, South Sudan (Maban/Doro/Yei), Central African Republic (Bangassou), Democratic Republic of Congo (North Kivu), Lebanon (Shatila), Iraq (Mosul), Yemen (Mohka hospital) Nigeria (Maiduguri), Palestine (Gaza) as well as Greece (Lesvos or Athens for victims of torture), Bangladesh (Rohingyas refugees), and Cameroon, Afghanistan (Kunduz), Mozambique (Cabo Delgado), Egypt (Maadi), Mali (Niono), Belgium and Serbia (migrants).

27% of our programme expenses (58 million Euros) was dedicated to populations affected by social violence and health care exclusion, in countries such as Lebanon, Central African Republic, Sierra Leone, Haiti, Pakistan, Burundi, Afghanistan, South Sudan, Ukraine, Kenya, Mozambique, Zimbabwe, Venezuela, Brazil and South Africa.

1% of our 2020 field expenditures (2,3 million Euros) was invested into the construction or rehabilitation of hospital in Kunduz in Afghanistan, for the Kenema hospital in Sierra Leone and in Mali (Niono).

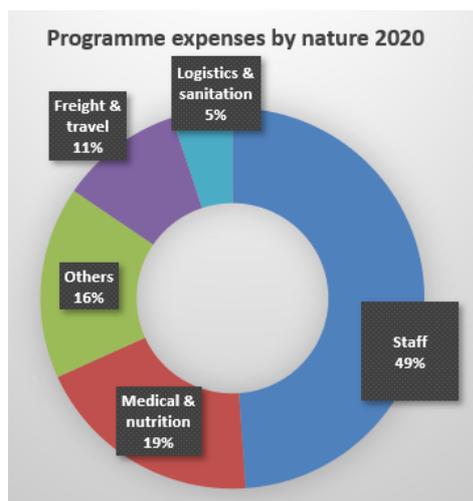
Finally, less than 1% of our 2020 programme expenses have been dedicated to emergencies related to natural disasters namely the flood consequences in South Sudan.

Programme expenses by nature

Almost 50% of our cost in the field are Staff costs related, international or national staff. Our activities could not happen without this dedicated and committed workforce, even more during the COVID-19 pandemic emergencies all around the world.

Beyond the generosity of our donors in Belgium and in all the countries from which OCB is receiving funds, OCB could also rely on the commitment of 835 international staff who were assigned to our operations in the field in 2020, together with our 9.200 national staff¹¹ in all our missions around the world.

19% of our programme expenses are related to medical and nutrition expenses, 11% to freight and travel, 5% to logistics and sanitation, and 16% to other costs such as facilities, communication, professional services etc.



Programme support expenses

Headquarters programme support and programme support abroad relates to expenses incurred in headquarters and regional offices in order to carry out MSF humanitarian operations (e.g. project design, monitoring and evaluation, recruitment of international staff, activities designed to improve the quality and the effectiveness of MSF operations). In 2020, OCB spent 39,7 million Euros to support missions and activities in the field, with a decrease of more than 3 million Euros compared to 2019.

¹¹ Figures in full time equivalents (FTEs)

Awareness-raising

Awareness-raising activities comprise expenses incurred by MSF in communication and in an educational manner, to further its social mission. They represent the situations where MSF acts as a witness and speaks out about the plight of the populations it serves through the mobilisation of the international community and by issuing information publicly in order to stir up indignation, put pressure on responsible actors and stimulate action. In 2020, the combined expenses of all OCB sections for this specific activity reached 10 million Euros.

Fundraising

Fundraising expenses represent the costs incurred for raising funds from all possible sources of income, should they be private or public institutional. In 2020, combined fundraising expenses of all OCB partner sections reached 52,4 million Euros, allowing OCB sections to raise 469,5 million Euros private income and to receive 2,9 million Euros public institutional income.

Management and general administration

Management and general administration consist primarily of expenses associated with executive management, finance in headquarters and sections, human resources management, internal communication and the associative life of the MSF organisation. In 2020, OCB spent 13,1 million Euros on management and general administration expenses.

Operational ratio's: Social mission and London ratio's

OCB uses two ratios to evaluate its cost structure and has set targets to be respected to maximize the allocation of financial resources towards missions and beneficiaries.

- The "Social Mission" ratio is an operational ratio comparing the expenditures made as part of the social mission to all expenses. According to international criteria, this ratio must exceed 80% of total expenditure. In 2020, this ratio remains well above our target and stands at 83.3%.
- The "London ratio" represents the weight of the combined headquarters expenses of all the sections of the OCB group compared to OCB total expenses. For 2020, this ratio stands at 28.2%, which is below 30% (maximum defined by the OCB Board of Directors).

Reconciliation of the OCB Results (Swiss GAAP) with MSF Belgium Results (Belgian GAAP)

The main differences between the OCB and the MSF Belgium results are as follows:

- In the OCB accounts, total income corresponds to the total amount of funds raised in Belgium, by the partner sections and the amounts granted by non-partner sections. Income of MSF Belgium corresponds to total funds raised in Belgium and to net amounts granted by other MSF sections. The net amounts granted by partner sections

are lower than the total funds these sections raised as fundraising; recruitment costs & other functioning costs of the sections are deducted.

- In some cases, MSF Belgium receives from some sections grants that are different than their net income of the year (deferred income from prior years or accumulated reserves).
- The incorporation of grants paid by MSF Belgium to finance MSF South Africa for 3,4 million Euros, and to support Lebanon Branch Office activities for 0,8 million Euros.
- Some differences between Swiss and Belgium GAAP.

(in K€)	2020 Actuals OCB	Take only Net incomes under MSF B incomes	include Grants to Lebanon & South Africa & Taiwan	Brazil included in MSF B (100% incomes & 100% expenses)	Reinvoicing to other OC & MSF entities & Reclass	2020 Actuals MSF B (BE Gaap)
INCOME	476.270	-120.993		23.997	30.302	409.577
<i>Social Mission Expenses</i>	394.000	-67.496	4.062	23.997	23.076	377.639
<i>Other Expenses</i>	68.297	-56.629			4.785	16.454
EXPENSES	462.297	-124.124	4.062	23.997	27.861	394.093
NET RESULTS before exchange rate effect	13.973	3.131	-4.062		2.441	15.484
<i>Net exchange gains/losses</i>	-3.537	3			-47	-3.581
Deficit (-) / Surplus (+)	+10.436	+3.135	-4.062		+2.394	+11.903

STATEMENT OF FINANCIAL POSITION

The financials shown in this section of the report presents the financial position of MSF Belgium and reported in accordance with Belgian GAAP. These statutory accounts were audited by DGST and are filed at the National Bank of Belgium.

ASSETS

Figures in K€

ASSETS	Actuals 2020	Actuals 2019	variance
I. FIXED ASSETS	42.092	40.463	1.629
Intangible	211	797	-586
Tangible	24.265	21.945	2.320
Leasing	0	0	0
Financial	17.616	17.721	-105
II. LONG TERM RECEIVABLES	0	0	0
Other receivables	0	0	0
III. CURRENT ASSETS	199.924	194.853	5.071
Stocks	511	276	235
Debtors under 1 year	98.709	65.366	33.343
Short term investments	11.340	38.747	-27.407
Liquid Assets	86.638	87.714	-1.076
Other	2.728	2.751	-23
TOTAL ASSETS	242.016	235.316	6.700

Fixed assets

MSF Belgium has determined specific valuation rules for its assets, because of the specificity of its activities.

Assets used in the field for programme purposes, such as medical and communication equipment, are expensed upon shipment to the field, or upon purchase if purchased locally. This valuation method is due to the instability of the contexts in which MSF operates and the difficulty to determine, in a reliable way, their useful life and residual value.

Investments are considered as assets (intangible or tangible), on the condition that they are held to be used for more than one year. MSF Belgium fixed assets are mainly made of tangible assets: the head office in Brussels (20 million Euros), all IT & office equipment (0,1 million Euros), some of the vehicles in missions (1,2 million Euros) and some hospital infrastructure built in the field in Sierra Leone and in Afghanistan (2,7 million Euros).

Intangible assets are composed of investments in external expertise and consultancy, mainly in building planning and data management platforms.

The increase in fixed assets is coming from the change in valuation rules, recognizing as fixed assets hospital infrastructures built in the field as from 2020.

Financial assets are represented by the financial participation in MSF Supply, the entity which supplies most of the medical and logistic material to the field.

Long term receivables

None at year end, as neither private nor institutional donors are engaged to provide income in more than 1 year.

Current assets

Debtors are mainly related to other MSF partner sections. The non-recovery risk is non-existent. They include income to be cashed in within the next year from other MSF sections, legacies to be received, and cash on bank accounts. The receivables from other MSF sections increased with 31,9 million Euros at the end of 2020.

On December 31st, 2020, MSF Belgium had 200 million Euros current assets, showing a reduction of -28,4 million Euros in liquidity compared to 2019, compensated by 33,3 million Euros in debtors under 1 year. It is important for MSF Belgium to keep a high level of available cash for emergencies and liquidity needs for our activities in the field in order to cope with the seasonality of income coming from our donors.

MSF considers short-term deposits, cash at headquarters and cash in the field as cash and cash equivalents. Amounts are valued at fair value with any resulting gains or losses recognized in the Statement of Financial Activities.

Stocks

Only stocks of books at the headquarters office in Brussels and items stored at the logistics center based in Kenya are valued under assets, at the acquisition value of each element and re-evaluated based on the market value. Our stocks in the field (medicines, logistic material, medical and miscellaneous consumables, etc.) are not accounted for in our assets, as they are fully expensed when purchased. This valuation principle is based on the same rationale as fixed assets (instability of the contexts in which MSF operates).

LIABILITIES

Figures in K€

LIABILITIES	Actuals 2020	restated		previous	
		Actuals 2019	variance	Actuals 2019	variance restated vs previous
I. EQUITY CAPITAL	60.000	60.000	0	60.000	0
II. ACCUMULATED SURPLUS	119.117	107.214	11.903	107.214	0
Accumulated Surplus/Deficit	107.214	107.214	0		
Result (surplus)	11.903		11.903		
III. SUBSIDIES	0	0	0	0	0
IV. PROVISIONS	21.092	14.271	6.821	17.026	-2.755
V. CREDITORS	41.807	53.831	-12.023	51.076	2.755
Over 1 year	3.500	3.967	-467	3.967	0
Under 1 year	37.041	47.572	-10.531	44.477	3.095
Other	1.266	2.292	-1.026	2.632	-340
TOTAL LIABILITIES	242.016	235.316	6.700	235.316	0

Preliminary note on 2019 restated

To be in line with National Bank and management reports, 2019 Actuals have been slightly restated, from Provisions to Creditors under 1 year. Holiday pay not yet taken by our staff and therefore not yet paid were considered as provisions in the previous financial report. They are now considered as debts towards our employees. The other change concerns earmarked income deferred to the next year, previously reported under "Creditors- Other, now also under Creditors- Under 1 year.

Accumulated surplus

Including the surplus 2020 of 11,9 million Euros, the accumulated surplus of MSF Belgium amounts to 119,1 million Euros.

Therefore, the total equity of MSF Belgium amounts to 179,1 million Euros.

Provisions

Provisions are valued at best estimate when MSF has a legal or constructive obligation as the result of a past event, and if it is probable that an outflow of assets will be required to settle the provision. Changes in provisions are recognised in the Statement of financial activities.

Provisions are accounted for future costs and risks resulting from the closing of projects in the field as well as for litigation or tax related issues.

Creditors

The Creditors balance (41,8 million Euros) is mainly composed of debts to other MSF sections and MSF Supply, as well as current commercial debts and debts to the Belgian social security for the year. The creditors debts over 1 year are linked to the balance to be paid from the mortgage loan taken in 2014 for the acquisition of the building of headquarters of MSF Belgium. The short-term debts count for 37 million Euros and are mainly commercial debts for running cost, Belgian social security and towards other MSF sections and MSF Supply. The decrease compared to 2019 is related to lower debts towards other MSF sections.

AUDITOR'S REPORT



DGST - Réviseurs d'entreprises

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STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF MEMBERS OF THE ORGANISATION MEDECINS SANS FRONTIERES FOR THE YEAR ENDED 31 DECEMBER 2020

RUE DE L'ARBRE BÉNI, 46 - 1050 BRUXELLES
NM : 0421.448.093

In the context of the statutory audit of the annual accounts of the organisation Médecins Sans Frontières (the Organisation), we hereby present our statutory auditor's report. It includes our opinion on the audit of the annual accounts as well as our report on the other legal and regulatory requirements. These reports form part of an integrated whole and are indivisible.

We have been appointed as statutory auditor by the general meeting of members of 1st of June 2018, following the proposal by the board of directors. Our statutory auditor's mandate will expire on the date of the general meeting of members which will deliberate on the annual accounts closed on 31 December 2020. We have performed the statutory audit of the annual accounts of the organisation for 9 consecutive years. The current representative of the firm performs the statutory audit of the annual accounts of the association since June 14, 2014.

Report on the audit of the annual accounts

Unqualified opinion

We have audited the annual accounts of the Organisation, which comprise the balance sheet as at 31 December 2020, the profit and loss account for the year then ended and the notes to the annual accounts, characterised by a balance sheet total of 242,018,384,58 EUR and a profit and loss account showing a positive result for the year of 11,902,656,75 EUR.

In our opinion, the annual accounts give a true and fair view of the Organisation's net equity and financial position as at 31 December 2020, as well as of its results for the year then ended, in accordance with the financial reporting framework applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Our responsibilities under those standards are further described in the 'Statutory auditor's responsibilities for the audit of the annual accounts' section in this report. We have complied with all the ethical requirements that are relevant to the audit of annual accounts in Belgium, including those concerning independence.

We have obtained from the board of directors and the officials of the Organisation the explanations and information necessary for performing our audit.

Cabinet de Réviseurs d'entreprises

Membre de GGI- Geneva Group International, a global alliance of independent professional firms.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter Paragraph

Without calling into question the opinion expressed above, we draw attention to the fact that the association, as explained in the notes to its financial statements, requested for derogation not to book nor keep as assets the various acquisitions (capital goods, pharmaceuticals, miscellaneous consumables) used by its establishments abroad, even if they are not fully consumed at the end of the year. Although the authority declared to be incompetent to treat the demand, the association contends that it is entitled to such an exemption and has established its annual accounts on the basis of the assumption that the derogation will finally be obtained. However, there is an uncertainty about obtaining the derogation, which motivates this paragraph.

Other point

We draw attention to the post-closing events as described in the management report.

Responsibilities of the board of directors for the annual accounts

The board of directors is responsible for the preparation of annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the board of directors is responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

When carrying out our audit, we comply with the legal, regulatory and normative framework which applies to the audit of annual accounts in Belgium. The extent of legal control does not include assurance as to the future viability of the Association, nor as to the effectiveness or



efficiency with which the board of directors has conducted or will conduct the affairs of the Association.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual accounts and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.



Report on other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the compliance with the legal and regulatory requirements regarding bookkeeping, as well as for compliance with the Law of 27 June 1921 on non-profit organisations, foundations, European political parties and European political foundations, and with the Organisation's by-laws and from 1st of January 2020 with the requirements of the Company and Non-for-profit organisations Code.

Responsibilities of the statutory auditor

In the context of our mandate and in accordance with the Belgian standard which is complementary to the International Standards on Auditing (ISAs) as applicable in Belgium, it is our responsibility to verify, in all material aspects, compliance with certain provisions of the Company and non-profit organisations Code and with the by-laws, as well as to report on these elements.

Aspects related to the management report

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the management report contains any material misstatement, i.e. any information which is inadequately disclosed or otherwise misleading. Based on the procedures we have performed, there are no material misstatements we have to report to you.

Statement related to independence

Our audit firm did not provide services which are incompatible with the statutory audit of annual accounts, and we remained independent of the Organisation throughout the course of our mandate.

The fees related to additional services which are compatible with the statutory audit of annual accounts as referred to in article 3:65 of the Company and non-profit organisations Code were duly itemised and valued in the notes to the annual accounts.



Other statements

Without prejudice to certain formal aspects of minor importance and in the context of the emphasis of matter paragraph above, the accounting records are maintained in accordance with the legal and regulatory requirements applicable in Belgium.

Our mission did not include the systematic control of the eligibility of expenditures under applicable contractual rules on subsidies that were obtained by your association.

Your association did not provide to the Worker's Council, but in accordance with it, the economic and financial information as defined in the "Arrêté Royal" of 27 November 1973.

There are no transactions undertaken or decisions taken in breach of the by-laws or of the Law of 27 June 1921 on non-profit organisations, foundations, European political parties and European political foundations or, since 1st of January 2020, of Company and Non-for-profit organisation Code.

Brussels, the 21 May 2021

SRL "DGST & Partners - Réviseurs d'entreprises",
Statutory auditor
Represented by

CHRISL Fazio
Auditor

ACKNOWLEDGMENTS

MSF Belgium and all OCB Group sections acknowledges the support of its supporters around the world as well as its donors and its dedicated employees and volunteers..

None of what OCB has achieved so far would have been possible without your support and generosity.

Be sure we do everything we can to deserve your trust.

Thank you.