

EUROPEAN INVESTMENT BANK

CA/552/22
7 April 2022

PV/22/03

BOARD OF DIRECTORS

Minutes of the meeting held in Luxembourg and via video/phone conferencing
on Thursday, 10 March 2022

Parts of this document that, at the time of the meeting, fall under the exceptions for disclosure defined by the EIB Group Transparency Policy, notably under articles 5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...]*

Those attending

Chairman:

Mr	W.	HOYER
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EIB Vice Presidents:

Mr	A.	FAYOLLE
Ms	L.	PAVLOVA
Mr	T.	ÖSTROS
Ms	T.	CZERWIŃSKA
Messrs	C.	KETTEL THOMSEN
	R.	MOURINHO FÉLIX
	K.	PEETERS
Ms	G.	VIGLIOTTI

Directors:

Messrs	K.J.	ANDREOPOULOS
	L.	BARANYAY
Ms	S.	BELAJEC
Ms	A.	BLONDY-TOURET
Ms	A.	BJÖRNERMARK
Messrs	P.	CARTAXO
	D.	CARVILLE
	P.	DEBATTISTA
	M.	DESCHEEMAECKER
	A.	EBERHARDS
Ms	E.	FLORES GUAL
Messrs	P.	FRÖHLICH
	A.	GYÖRGY
	A.	JACOBY
	K.	KAKOURIS
Mr	A.	KUNINGAS
Ms	N.	MARIN
Mr	P.	PAVELEK
Ms	M.	PETROVA
Mr	E.	RUIZ DE VILLA SAIZ
Ms	K.	RYSAVY
Ms	K.	SARJO
Ms	J.	SONNE
Mr	D.	TRAKELIS
Ms	F.	UTILI
Mr	R.	UYTERLINDE

Expert Members:

Mr	J.	LEOPOLD
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Alternate Directors:

Ms	A.	af URSIN
Ms	G.	BEREMSKA
Ms	S.	BLOMENHOFER
Ms	S.	BODIN
Ms	R.	CAETANO
Ms	B.F.	CUCU
Ms	E.	de BEAUCÉ
Ms	I.	GARAYO ORBE
Ms	U.	GRMEK
Ms	L.	HALBRECQ
Messrs	R.	HŘEBÍK
	H.	KAELBLE
	M.	KLINGE
Ms	R.	LAIGO
Ms	P.	MAMO
Messrs	N.	MANTZOUFAS

	M.	MARQUES
Ms	F.	MERCUSA
Messrs	D.	O'LEARY
	M.	PHILIPPOT
Ms	E.	PITTA
Messrs	M.	POLÓNYI
	C.	REININGER
	M.	TABACZAR, representing Mr PATKOWSKI
Ms	J.	UZIELIENE
Ms	S.	VALTONEN
Ms	A.	ZITCERE
Ms	A.	ZORIĆ

Alternate Expert
Members:

Messrs	O.	BAILLY
	A.	OPORTO

Secretary:

Ms	M.	FALKSTEDT
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Absent :

Mr	G.	GOBBI
Ms	E.	KALLENBACH
Mr	P.	PATKOWSKI

The Chairman declared the meeting open at 10.45 a.m.

1. Quorum

The Chairman recorded that there was a quorum.

2. Agenda and declaration of conflicts of interest

The agenda (Doc. 22/060) was adopted.

No conflicts of interest were declared.

3. Approval of minutes of previous meetings
(CA/550/22)

The Board of Directors approved the draft minutes of the meeting held on 2 February 2022 (PV/22/02) via hybrid format with video/phone conferencing and physical presence.

4. Statements by the Chairman

The Chairman informed the Board of Directors on the upcoming Informal Heads of State and Government Meeting in Versailles and the cooperation and coordination with the Multilateral Development Banks (MDBs). He also provided latest news from rating agencies. Finally, the Chairman announced that the InvestEU Guarantee Agreement between the European Commission and the EIB Group was signed on 7 March 2022, with the corresponding agreement for the InvestEU Advisory Hub being signed shortly beforehand.

5. Update on strategic issues

The Chairman updated the Board of Directors on the situation in Ukraine, as well as on the Ukraine solidarity response, including the proposal for bordering countries. Recent developments after the launch of EIB Global were presented, as well as feedback from the meeting of the Climate and Environment Advisory Council (CEAC) held on 9 February 2022.

GENERAL QUESTIONS

6. Monthly update on the European Investment Fund

The EIF Chief Executive was invited to provide an update on the EIF's performance based on information available as of end February. It was explained that the EIF had to focus on the finalisation of the EGF programme early this year. It was also confirmed that the EIF has a marginal exposure to Ukraine and Russia.

Turning to 2021 financial data, the EIF Chief Executive announced the approval of the 2021 EIF's Financial Statements by the EIF Audit Board and EIF Board of Directors earlier in the week, based on an unqualified opinion issued by the external auditors. Following some adjustments proposed by the external auditors, 2021 profit and loss results were revaluated, meaning that the 2021 net income would actually amount to EUR 564m. On that basis, a proposal for distribution of dividends to EIF's shareholders will be submitted for approval to the EIF's Annual General Meeting (AGM) to be held in April.

[...]

The Chairman concluded the item and recorded that the Board of Directors took note of the Monthly update on the European Investment Fund.

7. Group Alignment Implementation Plan (GAIP) – progress report as of 31 December 2021 (Doc 22/086)

The Bank's Management reminded that the Group Alignment Implementation Plan (GAIP) was primarily developed in the context of the EIB's participation to the EIF capital increase with a view to further strengthening the EIB Group dimension. Despite the challenges linked to the pandemic, 31 GAIP related projects were delivered at end of 2021, in important areas such as the Climate Bank Roadmap. It was expected to implement the majority of the remaining projects in the course of the year whereas only a few may need to be postponed until the required IT support is in place. Best Banking Practices and Best Market Practices framework for the EIF will be addressed in priority via the strengthening of the EIF Audit Board. It was also explained that the scope of the Review and Evaluation Process (REP) would be extended to the EIF in the near future.

Welcoming the progress report and the implementation results of the various initiatives aiming at reinforcing the Group alignment, Board members stressed the importance to strengthen the EIF Audit Board as well as to ensure that the Group Chief Risk Officer has the necessary access to relevant Group data.

The Chairman confirmed that, thanks to the constructive dialogue and efficient collaboration with the EIF's management and EIF Audit Board, the concerns raised by Board members are being addressed, explaining that the composition, skills and remit of the EIF Audit Board are to be further developed.

In the absence of any further comments, the Chairman concluded the item and recorded that the Board of Directors took note of the GAIP progress report as of 31 December 2021.

8. Designation - New term of office of Members of the EIF Board of Directors (Doc 22/087)

The Chair firstly thanked the Board members for their interest in the position as member of the EIF's Board of Directors and presented the Management Committee's proposal and recommendation for the persons to be designated by the EIB for the appointment at the EIF Board by the EIF Annual General Meeting. The Chair referred to the nomination framework, including the nomination guidelines recently adopted by the EIB Board, as basis for the nomination of two members and two alternate members, nominated from amongst the EIB Board, as well as two members and two alternate members nominated from amongst the Bank's Management.

The Secretary General indicated that, during the selection process, a particular attention was paid to professional expertise and experience, industry knowledge and public policy direction, but also to nationality and gender of the candidates in order to ensure stability and continuity as well as a balanced

and diverse EIF Board of Directors. It was also explained that the length of the mandate as EIB Board member was considered, and that the proposed composition could be reviewed in around a year's time, at the time of the EIB Board renewal.

Welcoming the tabled proposal, several Board members referred to the nomination process, acknowledging that it was recently adopted and implemented, and recommended that next time, the call for expression of interest be initiated earlier and deadlines for application be longer. They also encouraged the Bank to reflect on improvements based on this first experience, especially to ensure an open and transparent process and a closer involvement of the EIB Board of Directors.

In the ensuing discussions, Board members asked to be regularly informed about the discussions arising at the EIF Board of Directors.

Acknowledging Board members' comments, the Bank's management confirmed that the forthcoming nomination process will take into account the lessons learnt from this experience. It was also reminded that the EIB Board has a monthly agenda item dedicated to EIF matters, and that enhanced information related to EIB Group issues are provided in this context, as the EIB Board is a Group Board, that shall not engage into discussion arising at the EIF Board.

Mr Cartaxo expressed his abstention from the vote in consideration of the nomination process underlining that this did not constitute an objection as such to the individuals on the recommended list of candidates.

In the absence of any further comments, the Chair recorded that the Board of Directors approved the proposal of the candidates for the designation for appointment to the EIF Board of Directors, recording Mr Cartaxo abstention on the process.

9. Introduction to the Financial Statements as at 31 December 2021
(Doc 22/065)
 - 9.a. Analytical Report as at 31 December 2021
(Doc 22/066)
 - 9.b. Financial Report as at 31 December 2021 – Initial Sections
(Doc 22/067)
 - 9.c. Statutory Financial Statements of the Bank as at 31 December 2021
(Doc 22/068)
 - 9.d. EIB Group Consolidated Financial Statements under EU Directives as at 31 December 2021
(Doc 22/069)
 - 9.e. EIB Group Consolidated Financial Statements under IFRS as at 31 December 2021
(Doc 22/070)
 - 9.f. Investment Facility Financial Statements as at 31 December 2021
(Doc 22/071)
 - 9.g. Neighbourhood Investment Facility (NIF) Trust Fund Financial Statements as at 31 December 2021
(Doc 22/072)

The Chairman introduced the item. He referred to the submission to the Board of Directors of the Financial Statements of the EIB for 2021, including the statutory accounts for the Bank prepared in accordance with the European Union Accounting Directives and two sets of consolidated accounts for the EIB Group. It was noted that the one of these sets was prepared under the rules of the European Union (EU) Accounting Directives and the other under the IFRS accounting standards. The Chairman requested the Board of Directors to adopt these three sets of Financial Statements for the year 2021, allowing their submission to the Board of Governors for approval.

Furthermore, the Chairman invited the Board of Directors to also approve the transmission of the proposal to the Board of Governors for the appropriation of the EIB statutory result for the year ended 31 December 2021, and the initial sections of the Financial Report 2021 that preceded the Financial Statements of the EIB and EIB Group. Finally, the Board of Directors was kindly requested to approve

the Financial Statements for the year 2021 for two mandates: the Investment Facility and the Neighbourhood Investment Facility (NIF) Trust Fund.

The Board members expressed their satisfaction for the Bank's Financial Statements for 2021, indicating the EIB solid financial position. Some Board members referred to the consolidated accounts for the EIB Group and asked whether the Bank has any plans to revise the approach of preparing the one set under the rules of the European Union Accounting Directives and the other one under the IFRS accounting standards. With regards to the Bank's profitability, some Board members stressed that the Bank should consider setting relevant specific targets in the future to ensure its sustainable organic growth and prevent issues in terms of profitability. In addition, some Board members expressed the view that the Bank needs to find ways to improve its return on assets in the future.

Moving on, a few Board members elaborated on the terminology to be used regarding the conflict in Ukraine.

Replying to the Board members' comments, the Bank's management noted that the figures under the IFRS9 accounting standards need to stabilise in order to use them for the measurement in the risk metrics moving from the EU Accounting Directives. With reference to the EIB's return on assets, the Bank's management mentioned that a solution to increase the longer-term return could consist in possibly integrating riskier assets with higher return. On another note, the Bank's management stated that the Bank's NPE ratio has not increased despite the uncertainty that existed due to the impact of COVID-19 crisis.

The Chairman recorded that the Board of Directors:

- Took note of the Analytical Report on the mentioned Financial Statements (Doc. 22/066)
- Adopted the Bank's three sets of Financial Statements for the year 2021 and approved their transmission to the Board of Governors for approval (Doc. 22/068, Doc. 22/069, Doc. 22/070)
- Adopted the Financial Statements for the year 2021 and approved their transmission to the Board of Governors for approval for the following two mandates:
 - Investment Facility Financial Statements as at 31 December 2021 (Doc. 22/071)
 - Neighbourhood Investment Facility (NIF) Trust Fund Financial Statements as at 31 December 2021 (Doc. 22/072)
- Approved the proposal for submission to the Board of Governors for the appropriation of the EIB statutory result for the year 2021, as set out under point 4 of Doc. 22/066, i.e. that the Board of Governors appropriate the balance of the profit and loss account for the year ended 31 December 2021, which amounts to EUR 2,565,997,681 to the following reserves:
 - Reserve fund: EUR 24,879,560,688
 - Additional reserves: EUR 16,579,737,513
 - Special activities reserve: EUR 10,303,216,296
 - General loan reserve: EUR EUR 2,115,965,621 (including an amount of EUR 15,905,018 relating to derivatives)
- Approved the initial sections of the Financial Report 2021 that precede the Financial Statements of the EIB and EIB Group (Doc. 22/067)

10. Strategic European Security Initiative
(Doc 22/093)

The Chairman opened the discussion and recalled that the Board of Directors approved the European Security Initiative in 2017 for the period 2018-2020 while the proposal now is to renew it and rename it the Strategic European Security Initiative (SESI). It was clarified that the eligibilities and excluded sectors remain unchanged, but that lending priorities would be re-calibrated in the existing framework, with an enhanced focus on the space sector, advanced technologies and cybersecurity.

The Board members thanked the Bank's management for the well-explained document and welcomed the proposal included therein, highlighting the importance to ensure that the Bank will continue to support the SESI sectors, be ready to implement decisions taken at EU level and engage in more detailed discussions in the future, if needed. Some Board members referred to the security and defence matters on the EU agenda, the strategic autonomy of Europe, and noted that the Bank could endeavour

maximising its impact on this in order to deliver a specific strategy. They also expressed the view that it is important to have a European Cyber-Defence Policy supported by relevant figures.

The Bank's management confirmed that the Bank will continue monitoring the political situation and any geopolitical developments and that it is flexible to adjust its policy and approach, if necessary.

The Chairman recorded that the Board of Directors approved the proposal for the Bank to enhance its support to European Defence and Security under the Strategic European Security Initiative (SESI).

11. EIB Group Evaluation Activity Report 2021 and Work Programme 2022-2024
(Doc 22/084)

The Bank's management presented the EIB Group activity report for 2021 and the proposed work programme for the next three years.

Some Board members noted that the work programme is ambitious and covers important topics such as related to the Climate Bank Roadmap (CBR) and Group Gender strategy. In addition, it was noted that the scope of the activities included in the work programme should be clearly stated and defined considering that sometimes the scope of an activity is very broad. Finally, a reference to the limited space available for ad-hoc additional evaluations was made, given the important programme, or quality of the reports could be at risk.

The Inspector General acknowledged that the proposed work programme is indeed ambitious and explained that it could be amended in the next iteration depending on the Bank's needs and priorities. Not all matters may, at the end, be tackled in 2023 and 2024.

The Chairman recorded that the Board of Directors approved the EIB Group Evaluation Activity Report 2021 and the proposed work programme for 2022-2024.

OPERATIONS

The Board of Directors considered and discussed in session the following proposals on the agenda:

➤ **Operations within the European Union**

Adriatic Sea Department

INVESTMENT LOAN

12. **MID-CAP PROGRAMME LOAN ITALY II (IT)**
(Doc 22/088)

Borrowers	:	Eligible Mid-Caps and SMEs	
Max. amount	:	EUR 300m	
Opinion of the Government of the Italian Republic			No objection
Opinion of the Commission			Favourable

The Chairman recorded that the Board of Directors approved the financing proposal.

Central and South Eastern Europe Department

INVESTMENT LOAN

13. **[...]**

Iberia Department

INVESTMENT LOAN

14. **FIRA DE BARCELONA EXTENSION Project (ES)**
(Doc 22/090)

Borrower	:	Fira 2000 S.A.	
Max. amount	:	EUR 115m	
Opinion of the Government of the Kingdom of Spain			No objection
Opinion of the Commission			Favourable

The Chairman recorded that the Board of Directors approved the financing proposal.

➤ **Other Operational Questions**

Global Partners Department

15. **[...]**

MISCELLANEOUS

16. Date of the next meeting:

The Chairman announced that the next meeting would be held on Thursday, 7 April 2022.

The Chairman declared the meeting closed at 3:10 p.m.

Annex 1: Proposals submitted by written procedure

PROPOSALS SUBMITTED BY WRITTEN PROCEDURE

The Chairman recorded the approval by the Board of Directors, during the period since the previous meeting on 2 February 2022, of the following operations submitted by written procedure:

➤ **Operations within the European Union**

Approval on 02/03/2021

i. [...]

➤ **Change of Loan Conditions**

Approval on 14/02/2021

Iberia Department

ii. EU FUNDS CASTILLA LA MANCHA CO-FINANCING 2014-2020 Framework Loan (ES)
(Doc 22/062)

Change to operation after Board approval

Approval on 02/03/2022

Adriatic Sea Department

iii. AGRICULTURE AND BIOECONOMY PROGRAMME LOAN (Regional – EU countries)
(Doc 22/079)

Change to operation after Board approval

iv. MID-CAP PROGRAMME LOAN ITALY (IT)
(Doc 22/080)

Change to operation after Board approval

Equity, New Products and Special Transactions Department

v. ACP AND OCT GLOBAL AUTHORIZATION VII (Regional – ACP/OCT)
(Doc 22/081)

Change to operation after Board approval

➤ **Miscellaneous**

Approval on 23/02/2022 by written voting procedure

- vi. CO-OPTING AN ALTERNATE EXPERT
(Doc 22/063)

Approval on 02/03/2022

- vii. MANDATE CREATION – RECOVERY AND RESILIENCE FACILITY ROMANIA
(Doc 22/082)

Approval on 09/03/2022

- viii. COMPOSITION OF THE BOARD ADVISORY GROUP ON EIB'S GLOBAL OPERATIONS –
NOMINATIONS
(Doc 22/098)

Approval on 10/03/2022

- ix. THE LENDING BASE RATES ('THE BLUE CURVE') APPLICABLE IN MARCH 2022
(Doc 22/102)