



**European  
Investment Bank**

BoD/562/23  
03 May 2023  
PV/23/03

# BOARD OF DIRECTORS

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**Minutes of the meeting held in Luxembourg  
on Tuesday, 28 March and on Wednesday, 29 March 2023**

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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...]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

### EIB Vice Presidents:

Mr A. FAYOLLE	Mr R. MOURINHO FÉLIX
Ms L. PAVLOVA	Mr K. PEETERS
Mr T. ÖSTROS	Ms G. VIGLIOTTI
Ms T. CZERWINSKA	

### Directors:

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

### Expert Member:

Mr J. LEOPOLD	Mr G. GOBBI
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### Alternate Directors:

Ms A. af URSIN	Ms P. MAMO
Ms G. BEREMSKA	Mr N. MANTZOUFAS
Ms S. BLOMENHOFER	Mr M. MARQUES
Ms R. CAETANO	Ms F. MERCUSA
Ms B.F. CUCU	Mr D. O'LEARY
Ms E. de BEAUCÉ	Mr M. PHILIPPOT
Mr J. de BOER	Ms E. PITTA
Ms I. GARAYO ORBE representing Mr. RUIZ DE VILLA SAIZ on Tuesday 28 March 2023	Mr M. POLÓNYI
Ms U. GRMEK	Mr C. REININGER
Ms L. HALBRECQ	Mr M. TABACZAR, representing Mr PATKOWSKI
Mr R. HŘEBÍK	Ms J. UZIELIENE
Mr H. KAELBLE	Ms S. VALTONEN
Ms R. LAIGO	Ms A. ZITCERE
	Ms A. ZORIĆ

### Alternate Expert Members:

Mr A. OPORTO

**Secretary:**

Ms B. BALKE

Mr M. DOWGIELEWICZ

Mr F. SCHUSTER

Ms E. BOIS-WILLAERT

Ms A. VATIKIOTI

Ms G. TINANT

**Those notified absent****Director:**

Ms N. MARIN

Mr P. PATKOWSKI

**Alternate Directors:**

Mr M. KLINGE

Ms F. ROMAGNOLI

**Alternate Expert Member:**

Mr O. BAILLY

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*The Chairman declared the meeting open at 16.30 p.m.*

## **1. Quorum**

The Chairman recorded that there was a quorum.

## **2. Agenda and declaration of conflicts of interest**

The agenda (Doc 23/081) was adopted. No conflicts of interest were declared.

## **3. Approval of minutes of previous meeting (BoD/559/22 and BoD/560/23)**

The Board of Directors approved the draft minutes of the meeting held on 14 December 2022 following Ms Rysavy's comments on item 7 about the EIB Group Operational Plan (PV/23/01) and the draft minutes of the meeting held on 15 February 2023 following Ms Björnermark, Ms Rysavy and Ms Sonne's comments on item 8 related to the Revised remuneration framework for staff in external offices and Ms Flores and Ms Halbreccq's comments on item 10 about the Ukraine Support Package (PV/03/02).

## **4. Statements by the Chairman**

The Chairman informed the Board of Directors about the March ECOFIN and the visit of the Parliament's Foreign Affairs and Development Committees at the EIB. He also invited the Board members to attend the Board seminar with the Civil Society, organised on 2 May 2023 at the EIB premises.

## **5. Update on Strategic issues**

The Bank's management gave an update on the Donor's conference for the people of Türkiye and Syria, the restructuring of an approved investment in Lebanon and the United Nations Water Conference.

Several Board members thanked the EIB's management for preparing the Donors' conference, engaging with Board members beforehand given the sensitivity of the topic in some EU capitals, and also for the close cooperation with the European Commission, demonstrating a Team European approach, and other IFIs.

# **Strategy and Policy**

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## **6. [...]**

## **7. Mid-term review of the Energy Lending Policy (Doc 23/111) (Item withdrawn)**

## **8. [...]**

## 9. EIB Group Solvency Stress Testing Framework (Doc 23/075)

*The Management Committee submitted the EIB Group Solvency Stress Testing Framework which the Board Committee on Risk Policy recommended to the Board of Directors to approve. The framework is the highest level document governing stress testing activities at EIB Group.*

In the absence of discussion, the Chairman recorded that the Board of Directors approved the EIB Group Solvency Stress Testing Framework.

## 10. Implementation of the New Lending Delegation Framework: New rules for changes to operations after Board approval (Doc 23/106) (Item withdrawn)

# Operations/Other operational questions

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## Operations within the European Union

### *Investment Loan*

## 11. Italian Airports Resilience and Security Upgrade PL (IT) (Doc 23/096)

Borrower	:	Acceptable Banks/Corporates	
Max. amount	:	EUR 250m	
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.

## 12. [...]

## 13. [...]

## 14. Platys Irrigation Infra and Flood Protection (EL) (Doc 23/099)

Borrower	:	Hellenic Republic	
Max. amount	:	EUR 80m	
Opinion of the Government of the Hellenic Republic			No objection
Opinion of the Commission			Favourable

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

## 15. Douai EV Battery Gigafactory (FR) (Doc 23/100)

Borrowers	:	Special purpose company (SPV) and acceptable banks	
Max. amount	:	EUR 400m	
Opinion of the Government of the French Republic			No objection

Opinion of the Commission

Favourable

The Bank's Management emphasised the key benefits of the project which will highly contribute to the development of the European electric vehicle industry. Its location in a cohesion region shall also support the strengthening of the European economy. Latest information about the financing structure was also shared with the Board of Directors, and reassurance against aggressive tax planning given.

Some concerns were raised by some Board members, in particular regarding dependency with China, while noting the strategic importance of this sector. Ms Kallenbach referred to the sensitive geopolitical context and work done by the German Government on a China Strategy. Ms Flores reminded the importance of the EU discussion organised on China that will take place in June 2023, but also on the initiatives related to Net Zero Emissions. A few Board members deemed important to have further political guidance without rejecting such financing proposal, highlighting the merits of the project, also from the perspective of importations and transfer of knowledge opportunity. The EIB's management confirmed that the updated EIB Group Strategy vis-à-vis China shall be submitted to the Board of Directors for discussion in the coming months and that the project was in line with the applicable tax requirements.

The Chairman recorded that the Board of Directors approved the financing proposal with the abstention by Ms Kallenbach.

16. [...]

17. [...]

## Operations outside the European Union

### *Equity Type*

#### 18. VINCI Climate Change Fund (Brazil) (Doc 23/103)

Fund Manager	:	Vinci Infraestrutura Gestora De Recursos Ltda	
Max. amount	:	Up to USD 55m (approx. EUR 51.7m)	
Member State Opinion			Not Applicable
Opinion of the Commission			Favourable

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

## Other Operational Questions

#### 19. Urban Transport Infrastructure Framework Egypt –Allocation to sub-project: Alexandria Abu Qir Urban Rail Project. (Doc 23/104)

Borrower	:	Arab Republic of Egypt	
Max. amount	:	EUR 750m	
Opinion of the Commission			Favourable

The Bank's management decided to postpone the item to a subsequent Board meeting in order to provide further clarification on one prequalified bidder established in Russia.

Some Board members also asked the Bank to define a strategic approach towards Russia to be discussed with the Board of Directors in order to provide clearer considerations to take into account for financing proposals having a link with Russia.

## **20. JASPERS IPA III – Advisory Mandate 2023-2028 (Doc 23/105)**

*The Management Committee invited the Board of Directors to:*

- *approve the renewal for the years 2023-2028 of the advisory mandate of the Joint Assistance to Support Projects in European Regions (“JASPERS”) related to the EU’s Instrument for Pre-Accession Assistance (IPA)*
- *authorise to finalise the negotiations of this Agreement and sign it*
- *take note of the budget and staff implications of the Agreement and*
- *take note that the Bank has not been undertaking new lending operations in Türkiye since 2019, and that advisory activity in Türkiye under the proposed JASPERS’ IPA III mandate will be depending on the Bank’s position on Türkiye.*

In the absence of discussion, the Chairman recorded that the Board of Directors approved the JASPERS IPA III – Advisory Mandate 2023-2028.

## **Reporting**

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### **For Approval**

## **21. Introduction to the Financial Statements as at 31 December 2022 (Doc 23/083)**

**21.a. Analytical Report as at 31 December 2022 (Doc 23/084)**

**21.b. Financial Report as at 31 December 2022 – Initial Sections (Doc 23/085)**

**21.c. Statutory Financial Statements of the Bank as at 31 December 2022 (Doc 23/086)**

**21.d. EIB Group Consolidated Financial Statements under EU Directives as at 31 December (Doc 2022 23/087)**

**21.e. EIB Group Consolidated Financial Statements under IFRS as at 31 December 2022 (Doc 23/088)**

**21.f. Investment Facility Financial Statements as at 31 December 2022 (Doc 23/089)**

*The Management Committee invited the Board of Directors to i) take note of the Analytical Report on the 2022 Financial Statements, ii) to approve the Bank’s three (3) sets of Financial Statements for the year 2022 and approve their transmission to the Board of Governors for approval, iii) to approve the 2022 Financial Statements for the Investment Facility and approve their transmission to the Board of Governors for approval, iv) to approve the proposal for the appropriation of the EIB statutory result for the year 2022 as set out under section 4 of Document 23/084 for submission to the Board of Governors, and v) to approve the initial sections of the Financial Report 2022 that precede the financial statements of the EIB and the EIB Group. The Audit Committee, within its statutory role and as per established practice, participated to the meeting, as well as a representative from the Bank’s external auditor and the College of Staff Representatives.*

Before giving the floor to the chair of the Audit Committee (AC), the Chairman recalled that for 2022 the Bank’s surplus after provisions amounts to EUR 2,366m. The consolidated surplus under the European Union Accounting Directives amounts to EUR 2,460m, and the consolidated result under the IFRS standards shows a gain of EUR 2,327m. He further explained that the EIF Board of



Directors adopted the EIF Financial Statements for the year 2022 on 28 February 2023 for their submission to the EIF Annual General Meeting.

The chair of the AC informed the Board that the AC had received regular updates during the reporting period on the execution of the audit plan of the external auditor of the EIB Group, including key areas of judgement. They also discussed the outcome of the audit procedures, in relation to the priority audit areas, together with the identification and reporting of Key Audit Matters to be set out in KPMG's independent auditor's reports on the Bank's Financial Statements.

The representative of the external auditor thanked the EIB's management for the cooperation throughout the reporting period and confirmed readiness to give a provisional audit clearance on the accounts. He underlined the necessity to make progress in terms of digitalization and automation, on further clarification of roles and responsibilities related to the Three Lines of Defense implementation, and towards a less fragmented approach in the project cycle which leads to data quality issues.

The Board of Directors was further informed about some key elements of the analytical report. In respect of the evolution of the net banking income, it was explained that the recent increase of interest rates is expected to gradually impact the net banking income over time reflecting the Bank's interest rate strategy and the related duration of own funds. In addition, it was recalled that the negative interest rate environment observed in the previous years had positive impacts on the Bank's net banking income, which has benefited from the application of floors on the floating rate loans. It was underscored that the Cost Income Ratio (calculated on a net basis) stands at 31.4% as at the end of December 2022 compared to 26.0% as at the end of December 2021. The year-on-year deterioration of the ratio is driven by the increase of the operating expenses excluding other provisions and actuarial losses (numerator) by EUR 112.1m, as well as the decrease of the total operating income (denominator) by EUR 308.1m. The EIB Group pension provision under IFRS amounted to EUR 5,722.8m as at 31 December 2022 compared to EUR 8,623.3m as at 31 December 2021. This change is largely explained by the evolution of the discount rate (3.88% as at 31 December 2022, compared to 1.35% as at 31 December 2021), which positively impacted the Group's Other Comprehensive Income ("OCI") by EUR 3,258.0m as at 31 December 2022.

Board members thanked the AC and the external auditor for their work, highlighted the stable results, and underlined the Bank's resilience in a challenging environment. Some Board members expressed concerns over the increasing costs, as well as on the high amount of undisbursed loans which were seen as a challenge to the liquidity management. Questions were raised around the analytical differences in the accounting standards (EU-AD versus IFRS) the pension liabilities, the interest rate environment, as well as on the timeline for the rotation of the external auditors.

The Staff Representatives commented on the pensions scheme, explaining that pensions would be counted as unfunded on the balance sheet while in fact the scheme was funded with contributions from staff, and that the relation between assets and liabilities was unclear from the statements.

The Bank's management replied by explaining that part of the increase in stock was still a result of the pandemic years 2020 and 2021, that a sizeable stock is in line with the Bank's business model; still, the stock covering 2 years would have a lower capital impact due to its public nature. A moderate increase in disbursements should be expected in 2023. In relation to the pensions scheme the differences between EU-AD and IFRS were explained. On the rotation of the external auditors, reference was made to the year 2026 which will be the last financial year to be audited under the current contract, and that the AC is currently looking into options for the rotation, taking the needed consultancy services into account. The Board will be informed on the next steps regarding the rotation of the external auditors.

The AC chair stated that the Committee is in a position to give provisional clearance on the financial statements and to sign their statements on the Financial Statements of EIB for 2022.

The chair took note of the provisional clearance provided by the Audit Committee on all the accounts which were submitted to the meeting, as well as the confirmation that the external auditors have issued an informal and provisional audit clearance and expressed readiness to sign off the accounts.

The Chairman recorded that the Board of Directors:

- Took note of **the Analytical Report** on the mentioned financial statements



- Approved **the Bank's 3 sets of Financial Statements for the year 2022** and approved **their transmission to the Board of Governors for approval**
- Approved **the Financial Statements for the year 2022** and approved **their transmission to the Board of Governors for approval for the Investment Facility**
- Approved **the proposal for the appropriation of the EIB statutory result for the year 2022 as set out under section 4 of Doc 23/084 for submission to the Board of Governors**
- Approved **the initial sections of the Financial Report 2022 that precede the financial statements of the EIB and the EIB Group**

and concluded the agenda item.

## 22. [...]

### For Discussion

## 23. Monthly update on the European Investment Fund (Doc 23/125)

The Bank's management presented to the Board members the decisions taken by the European Investment Fund (EIF) Board of Directors in its latest meeting, which was exceptionally held the day prior to the EIB Board of Directors meeting this month and announced that the 2023 EIF Annual General meeting (AGM) shall take place on 24 April 2023, with the agenda and related documents to be shared beforehand with the EIB Board of Directors for information.

Referring to the current situation on the financial markets, closely monitored at the EIF in order to assess any potential consequences on the EIF's portfolio, it was also confirmed that the EIF remains financially solid and profitable.

The EIF Deputy Chief Executive presented the EIF's main achievements since the beginning of the year and provided the latest figures available in terms of signature amount, indicative pipeline of operations, key performance indicators data (KPI) as well as risk indicators. He also referred to the positive meeting with one of the rating agencies, whose outcome shall be published shortly.

Some Board members praised the EIF for its action and excellent results and emphasised in particular its valuable contribution to the European cohesion objective.

In the absence of any further comments, the Chairman recorded that the Board of Directors took note of the monthly update on the European Investment Fund.

## 24. [...]

## 25. Implementation of Evaluation's Recommendations – 2022 End-of-Year Report (Doc. 23/109)

*The Management Committee invited the Board of Directors to take note of the report on the Bank's progress in implementing evaluation recommendations, covering the second half of 2022. The report concerned the implementation of 28 recommendations issued by the Evaluation team in the context of seven evaluations.*

In the absence of discussion, the Chairman recorded that the Board of Directors took note of the Implementation of the Evaluation's Recommendations –2022 End-of-Year Report.

## 26. Semi-Annual Report of the Complaints Mechanism (Doc 23/107)

*The Management Committee invited the Board of Directors to take note of the semi-annual report of the Complaints Mechanism summarising the status of the cases handled by the EIB Complaints Mechanism (CM) within the Inspectorate General by 31 December 2022.*

Introducing the item, the Chairman indicated that the Complaints Mechanism was able to engage again directly with complainants, promoters and other key stakeholders on the ground following the end of COVID-19 related travel restrictions. 54 new cases were registered during 2022 while the number of outstanding cases at year-end (i.e. 44) remained at a similar level as in previous years. In 2022, the CM received a higher proportion of newly admissible project-related complaints that concerned projects located outside the European Union.

Addressing Board members comments, the Bank's management explained that the higher proportion of complaints relating to outside the EU was linked to the increased EIB Global activities and visibility but also to the new Environmental and Social Sustainability Framework (ESSF) requirement for promoters of projects located outside the EU to make the information on the EIB Group CM publicly available, thereby contributing to further raise awareness.

The Bank's management then provided further clarification on the consultation process with the services and the reasons for exceeding the deadlines in some cases. Some Board members stressed the importance to stick, to the extent possible, to the timeline for consultation as set out in the CM policy and asked the Services to explore possible options to improve the current situation.

The Bank's management also shared latest development on a specific case which was escalated to the Management Committee. It was also indicated that the project may be resubmitted to the Board of Directors with a modified scope later this year.

In the absence of any further comments, the Chairman recorded that the Board of Directors took note of the semi-annual report of the Complaints Mechanism.

## Miscellaneous

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### **27. Date of the next meeting:**

The Chairman announced that the next meeting would be held on Wednesday, 3 May 2023.

*The Chairman declared the meeting closed at 16:00 p.m.*

The Chairman:

W. Hoyer

The Secretary:

B. Balke

**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 15 February 2023, of the following proposals submitted by written procedure:

*Approval on 06/03/2023*

### **Operational Questions**

- i. EU Support for Africa Women Rising Initiative (Central Africa) (Doc 23/073)

### **Change of Loan Conditions**

- ii. [...]

*Approval on 29/03/2023*

### **Miscellaneous**

- iii. The Lending Base Rates (The “Blue Curve”) applicable in March 2023 (Doc 23/117)