

EUROPEAN INVESTMENT BANK

CA/542/21
22 April 2021

PV/21/03

BOARD OF DIRECTORS

Minutes of the meeting held via video/phone conferencing
on Thursday, 11 March 2021

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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...]*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

Messrs D. SCANNAPIECO
A. FAYOLLE
Ms L. PAVLOVA
Mr T. ÖSTROS
Ms T. CZERWIŃSKA
Messrs C.K. THOMSEN
R. MOURINHO
K. PEETERS

Directors:

Messrs K.J. ANDREOPOULOS
L. BARANYAY
Ms S. BELAJEC
Ms A. BLONDY-TOURET
Messrs F. CARTAXO
D. CARVILLE
P. DEBATTISTA
M. DESCHEEMAECCKER
Messrs A. EBERHARDS
A. GYÖRGY
Ms E. HAGHANIPOUR
Messrs A. JACOBY
K. KAKOURIS
A. KUNINGAS
I. LESAY
Ms N. MARIN
Mr P. PAVELEK
Ms M. PETROVA
Mr E. RUIZ DE VILLA SAIZ
Ms K. RYSAVY
Ms K. SARJO
Ms M. SCHOCH
Mr M. SCHULTE
Ms J. SONNE
Ms M. TUSKIENÉ
Ms G. VIGLIOTTI
Mr T. WESTPHAL

Expert Members:

Mr G. GOBBI
Mr J. LEOPOLD

Alternate Directors:

Ms A. af URSIN
Ms G. BEREMSKA
Ms S. BLOMENHOFER
Ms R. CAETANO
Ms B.F. CUCU
Ms C. GOSTNER
Ms U. GRMEK
Ms L. HALBRECQ
Messrs R. HŘEBÍK
H. KAEUBLE
M. KLINGE

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| Ms | P. | MAMO |
| Mr | N. | MANTZOUFAS |
| Mr | M. | MARQUES |
| Ms | F. | MERCUSA |
| Mr | D. | O'LEARY |
| Ms | E. | PITTA |
| Messrs | M. | POLÓNYI* |
| | C. | REININGER |
| Ms | L. | STEINS |
| Messrs | M. | TABACZAR |
| | D. | TRAKELIS |
| Ms | S. | VALTONEN |
| Ms | A. | ZITCERE |
| Ms | A. | ZORIĆ |

Alternate Expert
Members:

| | | |
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| Ms | I. | HENGSTER |
| Mr | A. | OPORTO |

Secretary:

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| Ms | M. | FALKSTEDT |
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Absent:

| | | |
|----|----|--------------|
| Ms | L. | BRETON-MOYET |
| Ms | I. | GARAYO ORBE |
| Ms | T. | LINDBERG |
| Mr | S. | SCALERA |
| Mr | S. | TABARIÉ |

* Representing the seat of the Director to be nominated by the Republic of Poland

The CHAIRMAN declared the meeting open at 11.04 a.m.

1. Quorum

The CHAIRMAN recorded that there was a quorum.

The CHAIRMAN introduced and welcomed to their first EIB Board meeting:

- Ms Urška GRMEK who has been appointed as Alternate member on a nomination from the Republic of Slovenia by common accord with the Republic of Bulgaria, the Czech Republic, the Republic of Cyprus, the Republic of Malta, the Republic of Slovenia and the Slovak Republic.

- Mr Enrique RUIZ de VILLA SAIZ who has been appointed as Full member and Ms Isabel GARAYO ORBE who has been appointed as Alternate member on a nomination from the Kingdom of Spain by common accord with the Republic of Portugal.

- Ms Susanne BLOMENHOFER who has been appointed as Alternate member on a nomination from the Federal Republic of Germany

2. Agenda and declaration of conflicts of interest

The agenda (Doc. 21/090) was adopted.

[...]Ms Hengster declared a conflict of interest for item 15, EDPR POLAND GREEN ENERGY LOAN Project.

3. Approval of minutes of previous meeting
(CA/540/21)

The Board of Directors approved the minutes of the meeting held on 3 February 2021 (PV/21/02) via video/phone conferencing, subject to the modifications requested by Board members.

4. Statements by the Chairman

The Chairman briefed the Board of Directors on a number of relevant issues.

5. Update on strategic issues

[...]

General Questions

6. Monthly Update on the European Investment Fund and Presentation on the Group Alignment Implementation Plan (GAIP) (Doc 21/103)

During this agenda item, the Bank provided the Board with an update on the most recent EIF Board meeting as well as a presentation on the Group Alignment Implementation Plan (GAIP).

Firstly, during the introduction on the March EIF Board meeting, it was highlighted that together with 24 operations, the EIF Board had approved the first climate and infrastructure fund transactions. Furthermore, a presentation was given on new business lines concerning the EIF contribution to the EIB Group Climate Bank Roadmap. During the meeting, the complementarity of the Fund's operations with regard to EU mandates and policies had also been discussed and GAIP presented by the Secretaries General of the two institutions. The EIF Board had also been informed that the EIB had subscribed to its full pro rata entitlement of new shares as well as the latest developments concerning the Pan-European Guarantee Fund (EGF).

Secondly, following the introduction on the EIF Board meeting, the Bank presented the Board the GAIP including the envisioned general timeline of the implementation of the key related projects. It was outlined that in order to ensure a coordinated implementation, both EIB and EIF had been working together in the creation of a formal implementation plan including all projects and initiatives aiming at reinforcing group alignment. It was highlighted that future work would include categorisation of actions between areas, timeline definition and prioritisation as well as the development of common reporting templates.

The Bank recalled that the EIF capital increase had been approved in view of further group alignment and that the Audit Committee had also recommended stronger alignment within the EIB Group especially in areas on risk management, audit and IT matters while respecting the autonomy of the Fund. The alignment would be completed in a measurable manner looking at the effectiveness of the institutions as well as positive synergies. During the presentation, the EIB and EIF Secretaries General confirmed that the institutions were collaborating well on the project and had jointly developed principles and guidelines to ensure that the solutions would be consistent and respective of governance and regulatory requirements.

It was underscored that the alignment would be based in Best Banking Practices and aim to preserve the standalone efficiency of the EIF characterised through agility, autonomy and accountability. The Bank provided the Board with a comprehensive overview of what would be done, by whom and by when in the project. The four project clusters with joint teams from the EIB and EIF would be derived the key principles of accountability, decision-making and financial autonomy; strategy and business model as well as best practices and efficiency.

The Group Operational plan was given as an example of a project where three interlinked projects would be undertaken in the context of Group alignment. It was outlined that the GAIP would be implemented in three phases including 1) the setting up of principles and dashboards 2) consolidation/prioritisation, monitoring and reporting and 3) the project implementation spanning until 2025. With alignment activities already started, the Secretaries General highlighted that both the EIB and EIF Boards would be consulted on the progress across the various work streams.

In the ensuing discussion, Board members welcomed the clear presentation and collaboration between EIB and EIF on the project. Board members furthermore looked forward to being involved in strategic guidance throughout the implementation of the GAIP and reflected on its resource needs and consequently the need for projects to be prioritized. Additional details were requested for specific group-level documents including the Group Risk Appetite Framework (Group RAF) as well as information on the projects foreseen in the various work streams. Board members underscored that it was important to maintain a certain autonomy for the EIF as described in the presentation.

The Bank provided the Board members with additional details and indicated that it would revert to the Board during the second half of 2021 following the prioritisation of projects. In this context, it was also agreed that a further seminar on the GAIP would be organised. The Board would moreover be consulted

on the various work streams during their implementation. The Group Chief Risk Officer confirmed that the Group RAF would be presented to the Board during the summer.

Concluding the discussion, the CHAIRMAN thanked the Bank and the EIF representatives for their presentation and recorded that the Board of Directors took note of the Monthly Update on the European Investment Fund and Presentation on the Group Alignment Implementation Plan (GAIP).

7. Introduction to the Financial Statements as at 31 December 2020
(Doc 21/095)

- 7.a. Analytical Report as at as at 31 December 2020 (Doc 21/096)
- 7.b. Financial Report as at 31 December 2020 – Initial Sections (Doc 21/097)
- 7.c. Statutory Financial Statements of the Bank as at 31 December 2020 (Doc 21/098)
- 7.d. EIB Group Consolidated Financial Statements under EU Directives as at 31 December 2020 (21/099)
- 7.e. EIB Group Consolidated Financial Statements under IFRS as at 31 December 2020 (Doc 21/100)
- 7.f. Investment Facility Financial Statements as at 31 December 2020 (Doc 21/101)
- 7.h. Neighbourhood Investment Facility (NIF) Trust Fund Financial Statements as at 31 December 2020 (Doc 21/102)

The Bank presented to the Board of Directors the Financial Statements of the EIB for 2020 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, combining the Bank and the EIF. One of these sets was under the rules of the European Union 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 2020 for transmission to the Board of Governors for approval.

The Board of Directors was also invited to approve the transmission of the proposal to the Board of Governors for the appropriation of the balance of the profit and loss account (under the statutory accounts) for the year ended 31 December 2020, and the initial sections of the Financial Report 2020 that preceded the Financial Statements of the EIB and EIB Group. Furthermore, the CHAIRMAN requested the Board of Directors to approve the Financial Statements as at 31 December 2020 of two mandates: the Investment Facility and the Neighbourhood Investment Facility (NIF) Trust Fund.

The CHAIRMAN recorded that the Board of Directors:

- Took note of the Analytical Report on the mentioned Financial Statements (Doc. 21/096)
- Adopted the Bank's three sets of Financial Statements for the year 2020 and approved their transmission to the Board of Governors for approval (Doc. 21/098, Doc. 21/099, Doc. 21/100)
- Adopted the Financial Statements for the year 2020 and approved their transmission to the Board of Governors for approval for the following two mandates:
 - Investment Facility Financial Statements as at 31 December 2020 (Doc. 21/101)
 - Neighbourhood Investment Facility (NIF) Trust Fund Financial Statements as at 31 December 2020 (Doc. 21/102)
- Approved the proposal for submission to the Board of Governors for the appropriation of the EIB statutory result for the year 2020, as set out under point 4 of Doc. 21/096, i.e. that the Board of Governors appropriate the balance of the profit and loss account for the year ended 31 December 2020, which amounts to EUR 1,712,323,018 to the following reserves:
 - Reserve fund: EUR 551,145,238
 - Additional reserves: EUR 859,673,172
 - Special activities reserve: EUR 416,058,293
 - General loan reserve: EUR -114,553,685

- Approved the initial sections of the Financial Report 2020 that precede the Financial Statements of the EIB and EIB Group (Doc. 21/097).

8. Update and Review of the Best Banking Practice (BBP) Book
(Doc 21/104)

The Bank introduced the item outlining that the Best Banking Practice (BBP) Book required regular updates to reflect relevant internal developments and incorporate the outcome of concluded applicability assessments. The Board of Directors was presented with the first such update including amendments on the Bank's recent internal developments and outcomes of approved applicability assessment procedures. The wordings used in the BBP Book had also been further aligned with the BBP Guiding Principles as well as regulatory instruments.

The Bank outlined that the document had been consulted with the Audit Committee and the Board Committee on Risk Policy had given a recommendation for its approval.

Closing the item, the CHAIRMAN recorded that the Board of Directors approved the Update and Review of the Best Banking Practice (BBP) Book.

9. [...]

10. Operations Evaluation Activity Report 2020 and Work Programme 2021-2023
(Doc 21/106)

The EIB explained that the Operations Evaluation of the Inspectorate General (IG/EV) reports to the Board of Directors annually on its activity and achievements for the prior year, and requests the approval of its rolling work programme. EIB services and management, along with the Working Group for Lending Policies, Evaluation and Impact, had been consulted on the Work Programme, and their feedback has been taken on-board.

Bearing in mind the challenging working environment, and the fact that multiple evaluations had been undertaken on a fully virtual basis, the Inspector General (IG) deemed it to have been a successful year for EV, as five evaluations had been submitted to the EIB and/or EIF Board of Directors over the past year. The IG also referred to the five evaluations that would be launched in 2021, in particular the rapid assessment of the EIB Group's response to the COVID-19 crisis. Lastly, the IG confirmed that EV plans to launch an evaluation of the EIB's innovation public policy goal in 2022, which will likely focus on digitalisation.

Concluding the discussion, the CHAIRMAN recorded that the Board of Directors approved the Activity Report and the Work Programme.

11. Evaluation of EIB's Climate Awareness Bond
(Doc 21/107)

The EIB explained that this evaluation provides evidence, insight and learning to guide the EIB's future Climate Awareness Bonds (CABs) strategy and activity. The Bank subsequently prepared a Management Response to the evaluation, outlining management's agreement with the five recommendations addressed to the Bank. The evaluation was presented earlier in the week to the Working Group on Lending Policies, Evaluation and Impact, whose members welcomed the findings and encouraged the EIB to stay at the forefront of this emerging market segment.

The IG thanked EIB services for their cooperation throughout the evaluation process, and indicated that the management is currently preparing action plans to implement each of the five recommendations. The implementation status of these recommendation will be monitored on an ongoing basis, and will be reported to the Board of Directors twice per year.

Board members commended the evaluation and the work of the services in pioneering green bonds, and emphasised that such activities were of the utmost importance for the EIB's transition to a Climate Bank. Board members also asked if the EIB plans to increase green bonds' share of the Bank's total issuance. In answer, the EIB indicated that the Bank is committed to increasing its CABs programme, and doing so would require sufficient market demand for this product, as well as the sufficient origination of eligible operations to absorb funding raised by the CABs programme.

The CHAIRMAN recorded that the Board of Directors discussed the Evaluation of the EIB's Climate Awareness Bonds.

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. TIM DATA CENTRES AND FIXED NETWORKS UPGRADE Project (IT, EL)
(Doc 21/122)

| | | | |
|------------------------------|---|-----------------------|--------------|
| Borrower | : | Telecom Italia S.p.A. | |
| Max. amount | : | EUR 230m | |
| Opinion of the Government of | | the Italian Republic | No objection |
| | | the Hellenic Republic | No objection |
| Opinion of the Commission | | | Favourable |

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

13. [...]

14. [...]

BALTIC SEA AND NORTHERN EUROPE DEPARTMENT

INVESTMENT LOAN

15. EDPR POLAND GREEN ENERGY LOAN Project (PL)
(Doc 21/124)

| | | | |
|---|---|-----------------------------------|--------------|
| Borrowers | : | Special Purpose Vehicles | |
| Max. amount | : | PLN 725m (approximately EUR 160m) | |
| Opinion of the Government of the Republic of Poland | | | 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

16. KOZANI 230MW PV Project (EL)
(Doc 21/125)

| | | | |
|--|---|--------------------------|--------------|
| Borrowers | : | Special Purpose Vehicles | |
| Max. amount | : | EUR 40m | |
| 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.

FRAMEWORK LOAN

17. [...]

IBERIA DEPARTMENT

INVESTMENT LOAN

18. SOLARIA CASTILIAN PV PLANTS Project (ES)
(Doc 21/127)

| | | | |
|--|---|--|--------------|
| Borrowers | : | Corona Borealis Fotovoltaica, S.L.U. and Natixis | |
| Max. amount | : | EUR 123m | |
| Opinion of the Government of the Republic Kingdom of Spain | | | No objection |
| Opinion of the Commission | | | Favourable |

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

EQUITY, NEW PRODUCTS & SPECIAL TRANSACTIONS DEPARTMENT

FRAMEWORK LOAN

19. GREEN DEVELOPER FINANCING Programme Loan (Regional – EU countries)
(Doc 21/128)

Borrowers : EU-based promoters of renewable energy/renewable heat, energy efficiency and green mobility projects
Max. amount : EUR 300m
Opinion of the Commission : Favourable

The CHAIRMAN recorded that the Board of Directors approved the financing proposal, with an abstention by Mr Cartaxo.

On this loan proposal, Mr. Cartaxo, in his explanation of vote, pointed out that there was no specific information on the key features of each underlying operation and emphasized the equity-type of risk of the operation and the inherent high capital requirements. Regarding delegation, Mr Cartaxo considered that a program delegated approach would not be adequate for this type of operation in view its nature and risk profile. Ms Rysavy gave her support to Mr Cartaxo's views on these matters.

WESTERN EUROPE DEPARTMENT

GUARANTEE

20. BPI FRANCE EGF MID-CAP RISK SHARING (FR)
(Doc 21/130)

Promoter : Bpifrance
Max. amount : EUR 750m
Opinion of the Government of the French Republic : No objection
Opinion of the Commission : Favourable

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

Operations in Candidate and Potential Candidate countries

ADRIATIC SEA DEPARTEMENT

INVESTMENT LOAN

21. BANJA LUKA MEDICAL COMPLEX Project (Bosnia and Herzegovina)
(Doc 21/131)

Borrower : The State of Bosnia and Herzegovina
Max. amount : EUR 75m
Opinion of the Commission : Favourable

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

Other Operational Questions

EQUITY, NEW PRODUCTS & SPECIAL TRANSACTIONS DEPARTMENT

22. ENGAGEMENT INTO AN INVESTMENT ADVISORY AGREEMENT FOR THE ECF
(Doc 21/132)

The CHAIRMAN recorded that the Board of Directors approved the proposal.

23. EXTENSION AND ADAPTATION OF THE EIB CO-INVESTMENT PROGRAMME (ECIP)
(Doc 21/133)

The CHAIRMAN recorded that the Board of Directors approved the proposal.

Miscellaneous

24. Date of the next meeting:

The Chairman announced that the next meeting would be held on Thursday, 22 April 2021, starting at 10.00 a.m.

The CHAIRMAN declared the meeting closed at 5:40 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 3 February 2021, of the following operations submitted by written procedure:

Operations within the European Union

Approval on 24/02/2021

ADRIATIC SEA DEPARTMENT

INVESTMENT LOAN

i. [...]

MULTI-BENEFICIARY INTERMEDIATED LOAN

ii. SRDF LOAN FOR SMES AND OTHER PRIORITIES (COVID-19) (SI)
(Doc 21/113)

| | | | |
|---|---|--|--------------|
| Borrowers | : | Public Fund of the Republic of Slovenia for Regional Development and Development of Rural Areas (SRDF) | |
| Max. amount | : | EUR 30m | |
| Opinion of the Government of the Republic of Slovenia | | | No objection |
| Opinion of the Commission | | | Favourable |

BALTIC SEA AND NORTHERN EUROPE DEPARTMENT

INVESTMENT LOAN

iii. [...]

iv. JYVASKYLA EDUCATION INFRASTRUCTURE Project (FI)
(Doc 21/111)

| | | | |
|--|---|-------------------|--------------|
| Borrower | : | City of Jyväskylä | |
| Max. amount | : | EUR 55m | |
| Opinion of the Government of the Republic of Finland | | | No objection |
| Opinion of the Commission | | | Favourable |

v. REGIONAL ROLLING STOCK MALAB II Project (SE)
(Doc 21/115)

| | | | |
|--|---|----------------------------------|--------------|
| Borrower | : | AB Transitio | |
| Max. amount | : | SEK 700m (approximately EUR 69m) | |
| Opinion of the Government of the Kingdom of Sweden | | | No objection |
| Opinion of the Commission | | | Favourable |

FRAMEWORK LOAN

vi. WROCLAW SUSTAINABLE INFRASTRUCTURE Framework Loan (PL)
(Doc 21/114)

| | | | |
|---|---|-----------------------------------|--------------|
| Borrower | : | The City of Wroclaw | |
| Max. amount | : | PLN 600m (approximately EUR 135m) | |
| Opinion of the Government of the Republic of Poland | | | No objection |
| Opinion of the Commission | | | Favourable |

Operations outside the European Union

Approval on 24/02/2021

NEIGHBOURING COUNTRIES DEPARTMENT

INVESTMENT LOAN

- vii. RURAL FIBRE NETWORK GEORGIA Project (Georgia)
(Doc 21/116)

| | | | |
|---------------------------|---|---------|------------|
| Borrower | : | Georgia | |
| Max. amount | : | EUR 34m | |
| Opinion of the Commission | | | Favourable |

Change of loan conditions

Approval on 24/02/2021

ADRIATIC SEA DEPARTMENT

- viii. Item withdrawn

CENTRAL AND SOUTH EASTERN EUROPE DEPARTMENT

- ix. MODIFICATION OF THE SCOPE OF THE OPERATIONAL BULGARIA EU FUNDS CO-FINANCING 2014-2020 (SPL)
(Doc 21/120)

Change after Board approval

Allocations to sub-projects

Approval on 24/02/2021

IBERIA DEPARTMENT

- x. IBERDROLA SPAIN GREEN ENERGY Framework Loan (ES)
Allocation to sub-project: HERRERA ALLOCATION GREEN ENERGY
(Doc 21/117)

NEIGHBOURING COUNTRIES DEPARTMENT

- xi. GEORGIA TRANSPORT CONNECTIVITY II Framework Loan (Georgia)
Allocation to sub-project: ALGETI – SADAKHLO ROAD
(Doc 21/118)
- xii. GEORGIA TRANSPORT CONNECTIVITY II Framework Loan (Georgia)
Allocation to sub-project: E-60 RUSTAVI – RED BRIDGE SECTION
(Doc 21/119)

Miscellaneous

Approval on 03/02/2021

- xiii. Equity Funds – Extension of Funds' Life Beyond 20% of the Maximum Approved Tenor
(Doc 21/092)
- xiv. Amendments of the Terms of Reference of the Risk Policy Committee
(Doc 21/093)

Approval on 11/03/2021

- xv. The Lending Base Rates ("The Blue Curve") applicable in March 2021
(Doc 21/139)