

EIB Group

**Corporate Governance
Report 2019**



EIB GROUP CORPORATE GOVERNANCE REPORT 2019

European Investment Bank or Group Corporate Governance Report 2019

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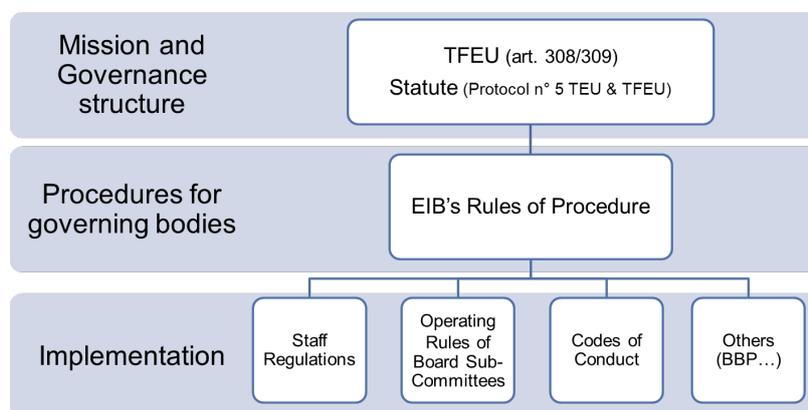
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Preliminary remarks

The EIB Group consists of the European Investment Bank (EIB) and the European Investment Fund (EIF). To avoid duplication of information, this report focuses on and summarises the most significant corporate governance developments within the EIB Group in 2019 and makes reference to other annual EIB and EIF reports, or the Statute of the European Investment Bank and statutes of the EIF, the full texts of which can be consulted at www.eib.org and www.eif.org.

The 2019 reports includes data on the Bank's shareholding structure up to one month after the withdrawal of the United Kingdom from the European Union, or 1 March 2020.

1. EIB legal framework



Established in 1958 under the Treaty of Rome, the EIB enjoys full legal personality within the European Union and has sole legal responsibility for its own debt.

The governance of the European Investment Bank (“EIB” or “the Bank”) is determined by the [EIB statute](#), which is annexed as a Protocol (No 5) to the Treaty on the European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU).

In accordance with Article 51 of the TEU, the EIB statute forms an integral part of both the TFEU and the TEU (“the Treaties”). Having the same legal force as the Treaties, the EIB statute has primacy over the national laws of European Union members.

The EIB statute was modified in December 2009, after the Treaty of Lisbon entered into force and the statute was last amended in 2013 to reflect changes in the EIB shareholder structure, following the 2012 paid-in capital increase and Croatia's accession in 2013. Further amendments to the statute were made in 2019, as part of the Bank's preparations for the United Kingdom's departure from the European Union.

The [EIB's Rules of Procedure](#), adopted by the Board of Governors, the EIB's highest governing body, set out provisions that apply to the EIB's governing bodies.

2. EIB mission

The EIB performs its functions and carries out its activities in accordance with the provisions of the treaties and of its statute. The task of the EIB, as set out in Article 309

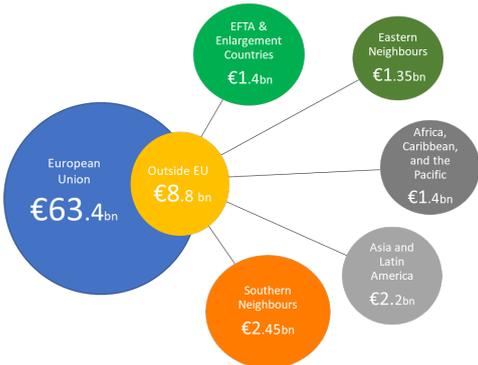
of the TFEU, is “to contribute, by having recourse to the capital market and utilising its own resources, to the balanced and steady development of the internal market in the interest of the Union.”

In implementing this task, the EIB promotes the funding of sound projects, in all sectors of the economy, that:

- seek to develop less-developed regions;
- seek to modernise economies or to develop new activities that cannot be completely financed by individual Member States; and
- are of common interest to several Member States.

The TFEU also contains further provisions regarding the EIB’s tasks. In particular, Article 175 TFEU provides that the “EIB shall contribute to the promotion of economic, social and territorial cohesion in the Union” and Article 209 of the TFEU provides that the “EIB shall support the implementation of measures outside the EU which support the development cooperation policy of the Union.” The role of the EIB is also referenced in the Protocol (No. 28) on Economic, Social and Territorial Cohesion, annexed to the Treaties.

EIB Group financing in 2019 by region



The EIB is the European Union's bank, and as such provides finance and expertise for economically, technically, financially and environmentally sound investment projects in Europe and beyond, which contribute to EU policy objectives and priorities.

Raising money on the capital markets

In the pursuit of its objectives, the EIB is financially autonomous and raises the bulk of its lending resources on the international capital markets through bond issues.



The EIB differs considerably from commercial banks in that its activity is driven by public policy objectives. The EIB is a not for profit that applies sound managerial practices as required by its triple-A credit rating status. The Bank has a counter-cyclical role, which requires it to step up its activities to stem economic downturns. As such, the Bank does not have a specific target for return on equity, but rather aims to generate income that enables it to meet its obligations, to cover its expenses and risks and to build up a reserve fund. For that purpose, the EIB aims for operational excellence and cost efficiency.

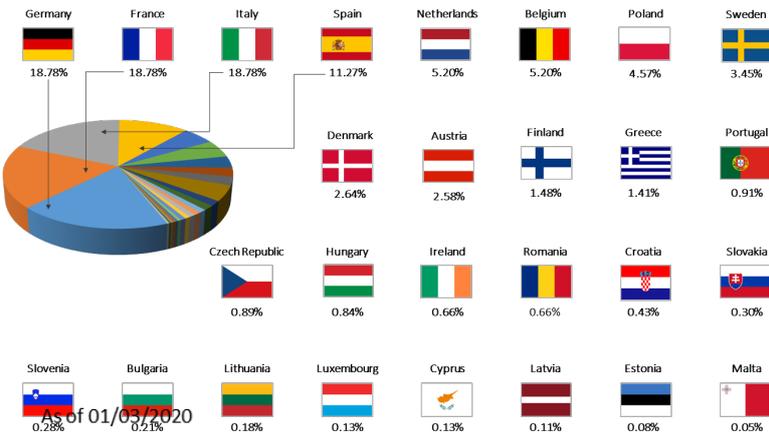
Traditionally, EIB activities and mandates are not linked to the business cycle and are mostly structural in nature. Nevertheless, the EIB has provided exceptional support to the European economy since the beginning of the financial and economic crisis in 2008. With a counter-cyclical approach, the EIB’s financing activities have cushioned the impact of economic downturns by unlocking access to finance in underserved segments. This approach was reinforced in 2012 by the decision of the Bank’s shareholders to increase the paid-in capital to counter the effects of the financial crisis, which enabled the EIB to provide over €60 billion in additional long-term lending for economically viable projects within the European Union from 2013 to 2015.

In 2015, the EIB became instrumental in implementing the [Investment Plan for Europe](#) – an initiative that supported €315 billion of investment over three years. In 2018, the initiative was extended by two more years, until the end of 2020 for approvals and the end of 2022 for signatures, with total support of [€514 billion of investment](#).

The EIB has an important role in addressing European and global problems like climate change. With €150 billion of climate action and environment lending since 2012, the EIB Group has become the largest multilateral provider of finance for projects supporting climate action and other environmental objectives in the world, effectively becoming the Climate Bank. A new [EIB energy lending policy](#) was adopted on 14 November 2019, following a comprehensive review, including an extensive public consultation launched in January 2019. Under the new policy, the EIB will end financing for fossil fuel energy projects from the end of 2021, and the EIB has committed to allocate at least 50% of its finance for climate action and environmental sustainability by 2025. In addition, by the end of 2020, the EIB Group will align all its financing activities with the goals of the Paris Agreement. By 2030, the EIB aims to mobilise €1 trillion in climate action investments.

3. EIB capital and shareholding structure

3.1. The Bank’s shareholders



The 27 Member States of the European Union are the EIB’s shareholders.¹

¹ By virtue of Article 308 TFEU and Article 3 of the EIB statute.

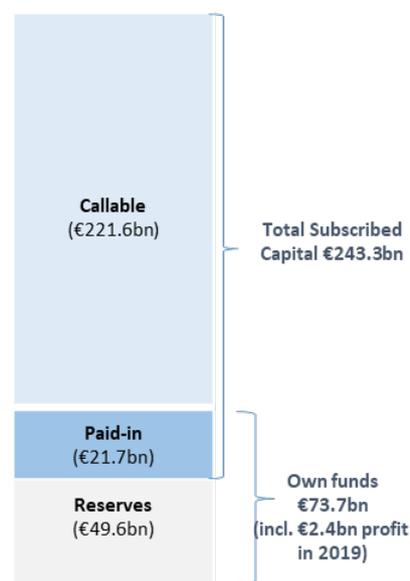
3.2. The Bank's capital structure (as of 31 December 2019)²

As of 31 December 2019, the aggregate subscribed capital of the EIB amounted to €243 billion and its distribution among Member States is set by Article 4.1 of the [EIB statute](#).³ The €10 billion capital increase, approved in 2012, brought the Bank's paid-in capital to €21.7 billion. In addition, the EIB has subscribed unpaid capital, or callable capital, amounting to €221.6 billion.

Callable capital (or not paid up capital) is effectively a guarantee, and can be requested by the EIB in certain circumstances. Callable capital represents a contingent liability for Member States. Total callable capital amounted to €221.6 billion at the end of 2019. The EIB's Member States have a legal obligation to pay their share of the callable capital, if necessary for the Bank to meet its obligations. The EIB's Board of Directors may require payment of the balance of the subscribed capital, to such extent as may be required for the Bank to meet its obligations (as set out in the EIB statute, Article 5.1).

Paid-in capital (or called-up capital) is part of the EIB's own funds (or equity) and was subscribed and paid in by Member States when the EIB was founded, through the accession of different members, or through capital increases. Total paid-in capital amounted to €21.7 billion at the end of 2019. The amount of subscribed capital that shall be paid in by Member States on average is currently fixed at 8.9%.

Reserves, which are also part of the Bank's own funds, are separate from paid-in capital in that they are built up gradually from the Bank's retained earnings. Total reserves amounted to €49.6 billion at the end of 2019.



3.3. EIB capital increased approved in 2019

In accordance with Article 4.3 of the EIB statute, the Board of Governors may unanimously decide to increase the Bank's subscribed capital. In the event of a capital increase, the Board of Governors fixes the percentage of the capital to be paid up and arranges for payment.

EIB capital increases occur automatically with the accession of new Member States, but can also be decided in other circumstances, to enhance or maintain the level of EIB activities. Capital increases can be symmetrical (the relative proportions between existing Member States in the total subscribed capital is preserved) or asymmetrical (certain Member States increase their proportion relative to other Member States by

² For more details on EIB capitalisation, see section on EIB healthy financial performance in [the Statutory Financial Statements](#) on the [EIB's website](#).

³ Since 1 March 2020, the aggregate subscribed capital of the EIB has amounted to €248 billion.

subscribing to disproportionately more new capital⁴). Furthermore, capital increases can be financed by Member States (capital paid by Member States) or by the Bank (capital paid from EIB's reserves).

2019 symmetrical capital increase

Before the withdrawal of the United Kingdom from the European Union, the United Kingdom held 16.11% of the EIB's capital, equal to €35.7 billion in subscribed callable capital and €3.5 billion in subscribed paid-in capital. The withdrawal of the United Kingdom from the European Union ended the UK membership of the EIB and its subscribed capital in the Bank. As this decrease of 16.11% would have reduced EIB capital by the same amount, thus impacting the Bank's activities, in April 2019 the Board of Governors decided to maintain the Bank's capital level through a resubscription by the remaining Member States on the date of the United Kingdom's withdrawal.

The statutory amendments reflecting the termination of UK membership of the EIB took effect on the date of the United Kingdom's withdrawal from the European Union, or 1 February 2020. The total subscribed capital of the Bank was restored to €243 billion.

2019 asymmetrical capital increase

In March 2019, the Board of Governors approved an increase in the subscribed capital held by Poland and Romania, and decided to ask the Council of the European Union to launch the procedure set forth in Article 308 of the Treaty on the Functioning of the European Union for the statutory amendments, to increase the capital subscribed by Poland and Romania by €5 386 000 000 and €125 452 381, respectively.

In July 2019, the Council of the European Union approved this asymmetric capital increase after consultation of the European Parliament and the European Commission. Pursuant to the Council decision, statutory amendments took effect on 1 March 2020, one month from the withdrawal of the United Kingdom from the European Union. The total subscribed capital of the Bank was €248 billion [as of 1 March 2020](#).

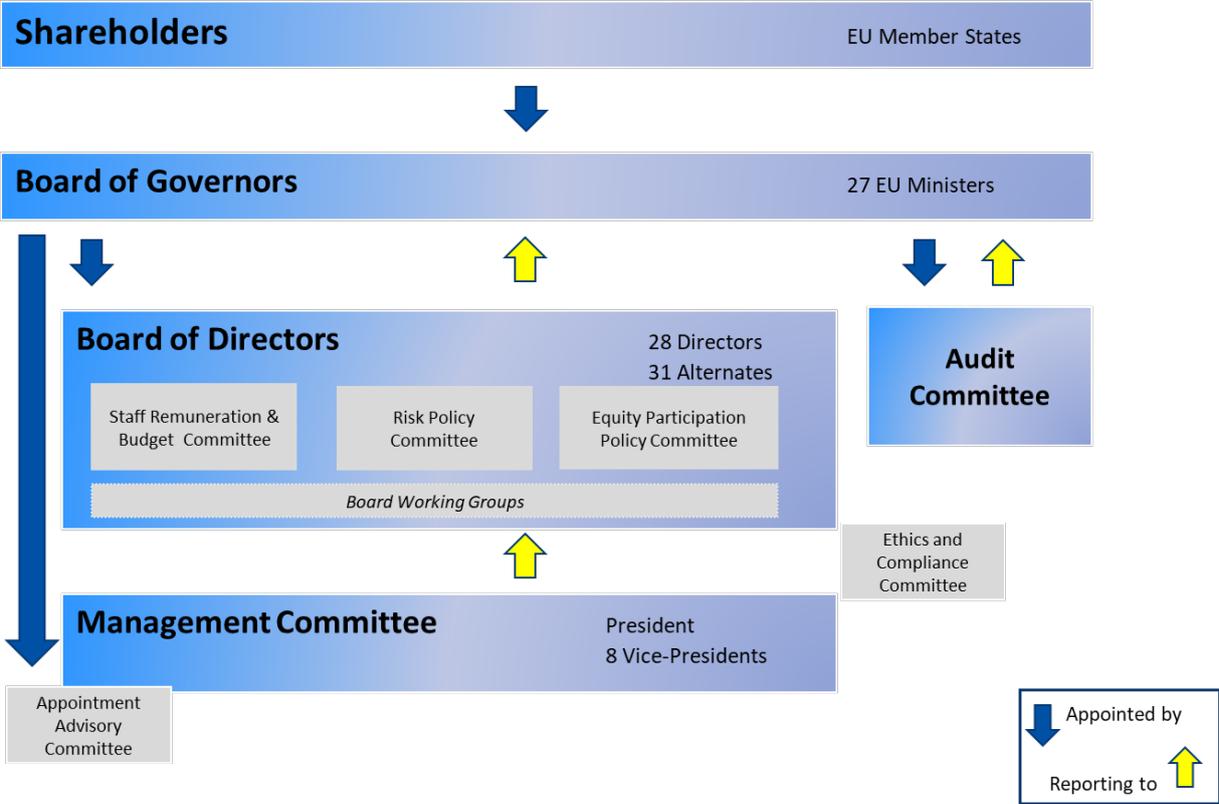
4. EIB statutory bodies

Under its statute, EIB governance relies on three decision-making bodies:

- (i) **Board of Governors**, made up of ministers designated by the Member States;
- (ii) **Board of Directors**, composed of members appointed by the Board of Governors (following nomination by the Member States and the Commission); and
- (iii) **Management Committee**, the executive management board of the EIB, whose members are appointed by the Board of Governors based on proposals from the Board of Directors.

⁴ In addition, in the event of accession or an increase in the percentage share in the capital, Member States contribute to pre-existing reserves and provisions in accordance with the principle that new Member States must participate pro rata in all of the assets, rights and obligations of the Bank.

Together with the Bank’s independent **Audit Committee**, the three bodies make up the statutory bodies of the EIB, whose respective members⁵ are appointed by the Board of Governors. The bodies’ members attend the annual meeting of the Board of Governors.⁶



4.1. The Board of Governors

The **Board of Governors** is the institution’s highest governing body and comprises ministers designated by each of the 27 Member States⁷. The Board of Governors’ main competences are to lay down general directives for the EIB’s credit policy (in accordance with EU objectives), to approve the annual report, the annual balance sheet and the profit and loss account, to decide on the Bank’s participation in financing operations outside the European Union, and to approve capital increases. The Board of Governors appoints members of the Board of Directors⁸ and of the Management Committee, as well as the members of the Audit Committee and the Appointment Advisory Committee.

The Board of Governors holds an annual meeting to examine the annual report and to determine the general direction for the EIB. The last Annual Meeting was held on

⁵ A list of all the members of the EIB governing bodies and their curricula vitae is published on the Bank’s website.
⁶ The provisions applying to the functioning of the EIB’s statutory bodies are set out in the Bank’s statute and Rules of Procedure.
⁷ Since the effective UK withdrawal from the European Union as of 1 February 2020.
⁸ The Board of Directors may co-opt non-voting experts in order to broaden its professional expertise.

14 June 2019.⁹ Extraordinary general meetings may be convened by the chairman of the Board of Governors or at the request of one of its members. Decisions can also be taken via written procedure throughout the year. In principle, decisions by the Board of Governors must be supported by a majority of its members representing at least 50% of the subscribed capital.

The office of chairman is held by each member of the Board of Governors in rotation according to the [order of protocol of the Member States](#) established by the Council of the European Union.

The Board of Governors is a non-remunerated governing body and it sets the compensation of the Board of Directors, the Management Committee and the Audit Committee.¹⁰

4.2. The Board of Directors

The EIB's **Board of Directors** is not a resident board and consists of 28 directors¹¹ (one director nominated by each Member State and one by the European Commission) and 31 alternate directors¹². They are chosen from people whose independence and competence are beyond doubt¹³ and are appointed by the Board of Governors for a collective five-year mandate¹⁴. The Board of Directors also includes three non-voting experts as well as three alternate experts¹⁵. Members of the Board of Directors are responsible only to the Bank. However, many members of the board occupy senior positions in national ministries or public institutions that usually bear some connection with EIB activities inside or outside Europe. At the end of 2019, women made up 45% of the Board of Directors¹⁶.

The Board of Directors is charged with ensuring that the Bank is properly run and managed in accordance with the provisions of the Treaties, the EIB statute and the general directives laid down by the Board of Governors. The Board of Directors is responsible for taking decisions for granting finance, particularly in the form of loans and guarantees, raising loans, fixing of interest rates on loans granted, as well as commission and other charges. The Board of Directors also approves a global annual borrowing authorisation. Unless otherwise provided in the statute, decisions taken by the Board of Directors must be approved by at least one-third of voting members representing 50% of the subscribed capital.

⁹ In line with its transparency policy, the EIB published the [agenda](#) of the meeting and the [summary](#) of the decisions taken on its website.

¹⁰ <http://www.eib.org/about/governance-and-structure/statutory-bodies/remuneration.htm>

¹¹ Since the effective UK withdrawal from the European Union as of 1 February 2020

¹² Since a statutory change effective as from 1 February 2020, each individual Member State and the European Commission nominate one alternate, with the exception of two alternates nominated by the Federal Republic of Germany, the Republic of France and the Republic of Italy.

¹³ EIB statute, Article 9(2).

¹⁴ The mandate will expire in 2023, either at the end of the day of the Annual Meeting or on the day that the EIB's financial statements are approved for the previous year, whichever occurs last.

¹⁵ To broaden its professional expertise, the Board of Directors has made use of the possibility of co-opting non-voting experts. The end of their mandate coincides with that of the entire Board of Directors.

¹⁶ Including directors, alternate directors, experts and alternate experts.

Consistent with best banking practice, the following committees exist within the EIB Board of Directors: a **Risk Policy Committee**, an **Equity Participation Policy Committee** and a **Committee on Staff Remuneration and Budget**.

- The role of the [Risk Policy Committee](#) is to discuss and advise the Board of Directors on the Bank's risk policies, including those policies relevant for aspects of the EIB Group, by providing non-binding opinions and/or recommendations to the Board of Directors to facilitate the decision-making process of the board.
- The role of the [Equity Participation Policy Committee](#) is to discuss and advise the Board of Directors on the Bank's equity investment policy, including relevant aspects of the EIB Group, by providing non-binding opinions and/or recommendations to the Board of Directors to facilitate the decision-making process of the board.
- The role of the [Committee on Staff Remuneration and Budget](#) is to discuss (i) remuneration and pension review issues and (ii) operating expenses budget revisions, with a view to preparing the ground for board discussions on budget, staff remuneration and pensions. The committee is consultative and provides only opinions without prejudice to the decision-making process of the governance of the Bank and the respective powers of the Board of Directors and the Management Committee.

The powers and responsibilities of each committee are established in the applicable committees' Terms of Reference, which are approved by the Board of Directors. The members of these committees are chosen from the directors and alternate directors of the Board of Directors. In 2018, the scope, mandate, mode of operation and organisation of Board Committees were reviewed to harmonise their operating framework. A list of Board Committee members is regularly updated and published on the Bank's website, together with the descriptions of the purpose of the committees.

There are also several working groups within the EIB Board of Directors: a Working Group on Governance, a Working Group on Lending Policy, Evaluation and Impact, and a Working Group on Tax and Compliance Matters. These working groups are established by the Board of Directors, which also adopt their respective Terms of Reference.

There is an induction programme in place for all new directors. Regular thematic board seminars are provided to all board members ahead of board meetings.

A register of board members' attendance is detailed in Annexes 1 and 2.

4.3. The Management Committee

The **Management Committee** is the Bank's permanent collegiate executive body and consists of a president and eight vice-presidents, appointed for a period of six years by the Board of Governors based on proposals from the Board of Directors¹⁷. Before

¹⁷ Information published on the EIB's website on the composition of its decision-making bodies includes a curriculum vitae (summary of professional qualifications and experience) of the members of the Board of Directors and the Management Committee.

the appointment by the Board of Governors, an Appointment Advisory Committee¹⁸ provides non-binding opinions on candidates' suitability to perform the duties of member of the Management Committee of the EIB to the Member State presenting the candidate. Management Committee appointments are renewable. The Management Committee is responsible for the current business of the Bank, under the authority of the president and the supervision of the Board of Directors. The Management Committee prepares the decisions of the Board of Directors and ensures that these decisions are implemented. The Management Committee acts by majority when providing opinions to the Board of Directors on proposals for raising loans or granting of finance, particularly on the form of loans and guarantees.

Members of the Management Committee meet as required by the business of the Bank¹⁹. In 2019, 34 scheduled meetings were held (compared with 33 in 2018).

A report on Management Committee members' oversights is provided in Annex 4.

4.4. The Audit Committee

The Bank's **Audit Committee** is an independent statutory body appointed by and accountable directly to the Board of Governors.²⁰ The Audit Committee comprises six members appointed based on their qualifications with a non-renewable mandate of six consecutive financial years. A maximum of three observers can be appointed by the Board of Governors, also for a non-renewable mandate of six years, based on their qualifications, in particular banking supervision expertise.

The Audit Committee checks annually that the operations of the Bank have been conducted and its books kept in a proper manner. To this end, it verifies that the Bank's activities are carried out in compliance with the formalities and procedures laid down by its statute and Rules of Procedure. The committee ascertains whether the financial statements (as well as any other financial information contained in the Annual Financial Report published by the Board of Directors) give a true and fair view of the assets and liabilities, results of operations and cash flows for the year, the EIB Group, and certain Trust Funds administered by the Bank. The Audit Committee reports on the EIB's compliance with best banking practice through its Annual Report to the Board of Governors.

For the oversight of the external audit process, the Audit Committee designates the external auditors, and reviews and monitors their independence and the objectivity and effectiveness of the audit process. It approves the scope and fees for audit services and oversees compliance with the Bank's policies on the provision by the external auditor of non-financial services. To that end, private meetings are held with the

¹⁸ http://www.eib.org/about/governance-and-structure/statutory-bodies/board_of_governors/appointment-advisory-committee/index.htm

¹⁹ The Management Committee may delegate the adoption of management or administrative measures to the president or one or more vice-presidents, subject to the conditions laid down in the decision to delegate. The Management Committee may delegate the adoption of other measures jointly to the president and one or more vice-presidents, subject to the conditions laid down in the decision to delegate, if it is not possible, given the circumstances, to take a decision in the meeting.

²⁰ For more details on the EIB Audit Committee, see [Audit Committee annual reports](#) on the EIB's website.

external auditor without Bank's management present to ensure that the audit is completely independent.

The EIB uses the EU Accounting Directives for its stand-alone statutory accounts and International Financial Reporting Standards as adopted by the European Union for its consolidated financial statements. Since 2009, a second set of consolidated financial statements is also produced under the EU Accounting Directives.

To further improve EIB Group oversight, in 2019 the Audit Committee began the process of implementing the EIB Group's equivalent of a European Banking Authority Supervisory Review and Evaluation Process (SREP) Guidelines²¹, designated as the EIB Review and Evaluation Process (EIB REP). The EIB REP will be based on the four SREP pillars: Business Model and Sustainability, Governance and Risk Management, Risk to Capital and Risk to Liquidity and Funding.

5. EIB best banking practice principles

According to Article 12 of the EIB statute, the activities of the EIB have to conform to best banking practice. The degree to which the EIB conforms to best banking practice is verified by the EIB's Audit Committee. The Rules of Procedure of the EIB refer to the adherence to best banking practice "applicable to it," implying that the specific characteristics of the EIB's business model may warrant modifying the application of the regulatory requirements.

Since the introduction in 2009 of the statutory requirement to conform to best banking practice, the Audit Committee and the EIB's Board of Directors have identified the general framework which sets out the best banking practice reference documents applicable to the EIB, against which the EIB's compliance with best banking practice is assessed. The EIB best banking practice principles are based on the hierarchy of the relevant legal and regulatory rules included in the EU Treaties, EIB statute and Rules of Procedure, EU banking directives and regulations and further standards and guidelines issued by regulatory bodies (such as BCBS²²). Based on annual self-assessments undertaken by EIB Directorates, the Audit Committee verifies their implementation. It then reports the outcome to the EIB's governing bodies annually.

To further codify and reinforce the EIB's approach to best banking practice, the Board of Governors approved the [EIB Best Banking Practice Guiding Principles](#) in July 2018. The document defines the overall principles and the general scope of banking rules and guidelines applicable to EIB. It also sets forth assessment criteria aimed at identifying the relevant rules and considers the specific characteristics of the EIB's business model for general adjustments.

In addition, the Board of Directors has approved in 2019 a Best Banking Practice (BBP) Book that specifies the banking regulatory requirements which are not applicable to the EIB as BBP or which are adapted to its specific features, taking into account its nature, policy mission, specific tasks and governance structure.

²¹ The European Banking Authority (EBA) has published Guidelines for common procedures and methodologies for the supervisory review and evaluation process (SREP) and supervisory stress testing.

²² The Basel Committee's Principles.

The implementation of the Best Banking Practice (BBP) Guiding Principles and of the Best Banking Practice (BBP) Book shall be verified annually by the EIB's Audit Committee.

6. Specific features of the EIB governance framework

6.1. EIB's role

The European Investment Bank has a dual role:

- as a financial institution, the EIB provides finance and expertise for economically, technically, financially and environmentally sound investment projects in Europe and beyond. The Bank ensures that its business is conducted in accordance with the rules and procedures laid down in the statute and the Rules of Procedure, and in line with best banking practices applicable to it; and
- as a European body serving EU policy, the EIB carries out its statutory role and the tasks assigned to it in a transparent manner, in accordance with the provisions that are applicable to it.

6.2. Governing structure

As explained above, under its statute the EIB is governed by a three-tier structure: the Board of Governors, the Board of Directors and the Management Committee.

While the president of the EIB is also the chairman of the EIB Board of Directors, the EIB president does not have voting rights at the Board of Directors. The chair of both bodies serves the purpose of guaranteeing continuity in decision-making between the non-resident Board of Directors and the resident Management Committee.

A separation of power exists between the president of the EIB and the chairman of the Board of Governors, which is the highest governing body of the EIB. The Board of Governors appoints the members of the Board of Directors and of the Management Committee, including the EIB president. The Board of Governors chairperson does not belong to either the Board of Directors or the Management Committee.

6.3. Optimisation of EIB governance

The Board of Directors outlined several organisational and governance changes in July 2018 and approved an Implementation Roadmap in December 2018. These included:

- a) a proposal to change to the EIB statute, approved in April 2019²³, to increase the number of alternate members of the Board of Directors and to introduce qualified majority voting with respect to certain governance matters;
- b) further initiatives to be implemented (i) to reflect, in line with best banking practices, the principles of the "Three Lines of Defence" model across the Bank, (ii) to enhance the Bank's Internal Control and Risk Management environment, partly by creating a Group Risk Function exercised by a chief risk officer for the EIB Group,

²³ This change to the EIB statute was approved by the Council of the European Union on 15 April 2019 and entered into on 1 February 2020.

(iii) to put in place the remaining elements of the EIB's best banking practices framework, (iv) to enhance the support of alternate board members and non-voting experts in decision-making.

With regards to the implementation of the above-mentioned initiatives, the necessary changes to the relevant and applicable texts were approved by the governing bodies in the course of 2019.

6.4. Remuneration scheme for members of the EIB statutory bodies

The EIB website publishes detailed information on the [remuneration and other benefits applicable to members of its decision-making and supervisory bodies](#) and to the [members of its staff](#)²⁴.

Information is also provided on the remuneration of members of the Board of Directors and the Audit Committee (attendance fees), the rules for determining the bonuses awarded to senior management and the Bank's pension schemes.

The **Board of Governors** is a non-remunerated governing body and sets the compensation of the Board of Directors, the Management Committee and the Audit Committee.

The members of the **Board of Directors** do not receive remuneration from the Bank, but do receive an attendance allowance of €600 for each meeting day of the board in which they participate. The attendance allowance amount has remained constant in nominal terms (no increase for inflation) since 2002. Some board members are civil servants and may be required by national rules to pay the attendance allowance received to their national administration. The members of the Board of Directors do not receive a bonus and are not paid for preparation times between board meetings or for written decisions.

The Bank reimburses the travel expenses of board members accrued during their attendance at EIB Board of Directors meetings, meetings of Board Committees or Working Groups and other events convened by the governing bodies of the Bank. When travelling, members of the Board of Directors have to use the most efficient and economical route possible. Private expenses must be strictly separated from expenses linked to the purposes of fulfilling duties connected with EIB Board of Directors membership, and should never result in an increase in the expenses incurred by the EIB.

A flat-rate subsistence allowance (currently €250) is credited to board members for each hotel night to attend board meetings or other events convened by the governing bodies of the Bank in Luxembourg.²⁵

The remuneration of the **Management Committee** members is set by the Board of Governors and does not include individual rewards or the Bank's performance

²⁴ In particular, salary scales and performance awards applicable to staff members.

²⁵ In June 2018, the Board of Governors decided to review the flat-rate subsistence allowance of the EIB Board of Directors and Audit Committee members providing for increase of the flat-rate subsistence allowance from €200 to €250 to cover hotel costs and other related expenses.

objectives. The emoluments of the members of the Management Committee (president and vice-presidents of the EIB) are aligned with those of the president and vice-presidents of the European Commission, respectively.

The **Audit Committee** members and observers are not remunerated by the Bank. For each meeting day in which they participate, members and observers of the Audit Committee receive an attendance allowance of €1 050, an amount that is set by the Board of Governors and that has not changed since 2002²⁶. In addition, the Bank pays a flat-rate subsistence allowance of €250 as a lump-sum reimbursement for hotel and related expenses incurred by individual Audit Committee members and reimburses their travel expenses.

6.5. Ethics and compliance

A specific Code of Conduct applies upon acceptance of their mandate to:

- [the members of the Board of Directors](#), to their alternates and to their non-voting alternate experts and, where specifically provided for, to the former members of the Board of Directors, to former alternates and to former non-voting experts;
- [the members of the Management Committee](#) and, where specifically provided for, to the former members of the Management Committee; and
- [the members and to the observers of the Audit Committee](#).

These respective Codes of Conduct set out the rules for professional ethics and behaviour.

Pursuant to Article 11.4 of the [Rules of Procedure](#) of the EIB, the [Ethics and Compliance Committee](#) rules on any potential conflict of interest of a member of the Board of Directors or of the Management Committee and former members of these bodies, with regard to the cooling-off period. Since 1 September 2016, the Ethics and Compliance Committee has also provided opinions on any ethical matter concerning members of the Board of Directors or of the Management Committee covered in their respective Codes of Conduct or in related relevant provisions.

The operating rules of the Ethics and Compliance Committee have been adopted by the Board of Governors and were last reviewed in 2016. These rules also provide the possibility for a member of the Audit Committee to request the opinion of the committee on a voluntary basis.

The Ethics and Compliance Committee is composed of the four longest-serving directors, who have volunteered to participate in it, plus the chairman of the Audit Committee. Decisions of the Ethics and Compliance Committee are periodically communicated to the Board of Directors and to the Board of Governors in an annual report.

Committee members who attend meetings not held on normal meeting days, and who are not staff members, receive compensation and expense reimbursements corresponding to the rate usually paid for meetings of their respective statutory bodies.

²⁶ This amount may be reviewed in 2020.

6.6. Appointment Advisory Committee

Pursuant to Article 23.a.2 of the [Rules of Procedure](#) of the EIB, the [Appointment Advisory Committee](#) provides non-binding opinions on candidates' suitability to perform the duties of member of the EIB Management Committee to the EU member presenting the candidate, prior to the Member State formally presenting the candidate to the Board of Directors and Board of Governors under the appointment procedure.²⁷

The committee comprises five members external to the Bank, appointed by the Board of Governors on the president's proposal, having independence and competence, as well as high integrity and reputation. The overall composition of the committee aims to reflect an adequately broad range of expertise as well as gender diversity. Members of the Appointment Advisory Committee are remunerated and compensated for their expenses on the same basis as members of the Board of Directors.

7. EIB organisational structure

The EIB's services are structured as follows²⁸:

- The [Directorate for Operations \(OPS\)](#) is responsible for investment operations within the European Union, the candidate and potential candidate countries, the European Free Trade Association (EFTA) countries, as well as outside the European Union in other partner countries.
- The [Finance Directorate \(FI\)](#) is responsible for all borrowing and treasury operations and back office support for all equity, lending, borrowing and funding operations.
- The [Risk Management Directorate \(RM\)](#) is responsible for controlling, monitoring and reporting on credit, market and operational risks and risks relating to the equity, lending, funding, treasury and derivative operations that the Bank performs.
- The [Projects Directorate \(PJ\)](#) appraises and monitors projects, assessing their economic, environmental, social and technical sustainability and their compliance with EU and EIB sector policies. It also provides advice to promoters on the preparation and implementation of projects, either directly or through external consultants.
- The [Transaction Management and Restructuring Directorate \(TMR\)](#) is responsible for financial monitoring and working with counterparts to resolve credit issues and deal with distressed transactions, late payments, guarantee calls and know-your-customer (KYC) processes.
- The [General Secretariat \(SG\)](#) is responsible for implementing and monitoring the decision-making process and the provision of secretariat services for all the Bank's governing bodies. It defines institutional strategy (including the Operational Plan), provides economic analysis on the employment and growth impact of EIB activities and potential new products, and coordinates and develops relations with EU

²⁷ In April 2020, the Board of Governors has decided to extend the remit of the Appointment Advisory Committee, to providing non-binding opinions on the suitability of the candidates proposed for membership of the Audit Committee, prior to their formal appointment by the Board of Governors.

²⁸ For more details, see "[Organisation Structure](#)" on the EIB website.

institutions, international and development financing agencies and non-governmental organisations. It is also responsible for communications and corporate responsibility. Moreover, it supervises the areas of Advisory Services as well as the Bank's external offices.

- The **Legal Directorate (JU)** advises on legal matters. It is responsible for (i) drafting and negotiating project-related legal documentation and, when requested, other contractual documentation; (ii) providing legal advice on the Bank's activity, its organisation, the interpretation of the statute and other legal texts; and (iii) defending the Bank's interests in any litigation.
- The **Inspectorate General (IG)** groups together three independent control and accountability functions, namely the evaluation of operations and related policies and strategies, the investigation into prohibited conduct and the Complaints Mechanism.
- The **Compliance Directorate (OCCO)** is responsible for identifying, assessing, advising on, monitoring and reporting on the compliance risk of the EIB Group. Compliance risk is defined as the risk of legal or regulatory sanctions, material financial loss, or loss to reputation a member of the EIB Group may suffer as a result of its failure to comply with applicable laws, regulations, codes of conduct and standards of good practice. In particular, it is responsible for compliance policies, ethics standards, codes of conduct, anti-money laundering and combating the financing of terrorism standards, and taxation-related controls through the due diligence and on-going monitoring of EIB counterparties and operations. Furthermore, OCCO is co-responsible for the identification, assessment, monitoring and reporting of non-financial risks.
- The **Financial Control Directorate (FC)** is mainly responsible for informing internal and external stakeholders about the Bank's financial position, results and performance. FC has to ensure the integrity, completeness and accuracy of the Bank's financial statements and compliance with the applicable accounting standards and best practices. Since 2016, FC has established the Internal Control Framework Division, which aims at strengthening the Bank's second line of defence and provides a common platform to assess and report on the EIB's control risks.
- The **Internal Audit Department (IA)** is responsible for examining and evaluating the relevance and effectiveness of the internal control systems and the procedures involved in managing risk within the EIB Group. To that end, Internal Audit reviews and tests controls in critical banking, information technology and administrative areas on a rotational basis using a risk-based approach.
- The **Corporate Services Directorate (CS)** is responsible for personnel and for central corporate services including information technology and data governance, facilities management, and information management and procurement.

8. The EIB Group

The EIB and the EIF are both EU bodies and supranational institutions, qualifying as International Financial Institutions, each with the status of a multilateral development bank. The EIB consolidates the EIF accounts by virtue of its majority shareholding, under the relevant accounting principles.

The EIF was established in 1994 on the basis of Article 28 of the statute of the EIB, by decision of the EIB Board of Governors, with legal personality and financial autonomy. The EIF has a unique shareholding structure combining public and private investors²⁹.

The EIF is a specialist institution, which provides risk finance to support micro-entrepreneurs, small and medium-sized enterprises and small mid-caps in accessing finance. The EIF develops and implements equity and debt financial instruments that respond to the financing needs of European businesses.

In accordance with Article 2 of the statutes, the EIF's mission is to contribute to the objectives of the European Union. The level of remuneration or other income sought by the EIF shall be determined in such a way as to reflect risks incurred, cover operating expenses, establish necessary reserves and, in accordance with Article 24 of the statutes, generate an appropriate return on its resources.

9. EIB Group's internal control and risk management principles³⁰

9.1. Overview

The Bank's internal control functions and risk management systems are consistent with the three lines of defence model. As a first line of defence, the front units are responsible, within their respective areas, for managing risks within the established set of limits and boundaries. Among other functions, the second line of defence includes the respective risk management and compliance functions, as well as IT resources and financial controls, responsible for the maintenance and development of the risk management and control framework. In addition, the second line of defence provides advice regarding its application, following up on its implementation and ensuring compliance with respective policies and regulations.

Furthermore, the Financial Control Directorate has established the Internal Controls and Assertion Division, which aims at strengthening the Bank's second line of defence and provides a common platform to assess and report on EIB control risks. The second line of defence also includes functions in the EIB Project Directorate and the Legal Directorate.

The third line of defence is ensured by the Internal Audit function, which provides an independent review of the risk management practices and internal control framework and reporting to the Audit Committee or to the EIF's Audit Board, as relevant.

The Group operates under a [Group Risk Management Charter³¹](#), which sets out the overarching principles of risk management at the Group level. In line with best banking practices, the EIB as the parent entity of the EIB Group is responsible for exercising oversight of group risks, while respecting the statutory, legal and governance

²⁹ EIF shareholders as at 31 December 2019: European Investment Bank (58.5%), European Union represented by the European Commission (29.7%), 34 public and private financial institutions (11.8%).

³⁰ For more details on risk management at the EIB, see the [Risk Management Disclosure Report](#) on the [EIB's website](#)

³¹ The Group Risk Management Charter has been revised in 2019 to ensure conformity with evolving best banking practices, including regulatory requirements on internal governance.

requirements that apply to the Group's entities individually. The EIB sets the Group Risk Appetite Framework, which encompasses both financial and non-financial risks and oversees its application. Within the remit of the Group Risk Appetite Framework, the EIB and the EIF define their individual risk appetite as the level of risk that they are willing to take in pursuing their activities in the context of their policy mandate and objectives and in compliance with their respective governing texts.

At both the EIB and the EIF, the segregation of duties is guaranteed with two separate internal control functions, each having privileged direct access to the relevant executive body (Management Committee for the EIB, chief executive for the EIF) and to their respective boards of directors (and, in the case of the EIB, to the Risk Policy Committee of the Board of Directors).

For each of the internal control functions, the EIB and EIF coordinate efforts. The inter-institutional collaboration was strengthened in 2013 to increase exchanges between the EIB and the EIF on key control functions, according to the three-line model. Furthermore, in March 2018, the *Memorandum of Understanding between the EIB and the EIF establishing a framework for cooperation between the Compliance Functions* was signed, with a view to formalising and strengthening an aligned Group compliance risk assessment framework.

In line with the *Principles of Cooperation between the EIB Audit Committee and the EIF Audit Board*, the two statutory bodies met on three occasions in 2019 and discussed specific areas of audit focus and shared matters of interest. The shared matters of interest included the outcome of joint internal audits, EIB Group risk management, cyber security and equity activities, the provision of certain shared services and, where appropriate, common working practices.

In 2018, pursuant to the EIB Audit Committee recommendations, and as part of the organisational and governance changes, steps were taken to create a Group chief risk officer, who will be part of the EIB staff and responsible for risk management at the Group level to further enhance the internal controls and risk management³².

9.2. Main internal control structures

The EIB [Risk Management Directorate](#) identifies, assesses, monitors, reports, and controls all risks to which the Bank is exposed. It covers various risk areas such as credit, market, liquidity and funding, and operational risks. To preserve the separation of duties, the EIB Risk Management Directorate is independent from the front office and provides a second opinion on all proposals made which have risk implications. The EIF's Risk Management department is independent from the front office transactions and mandate management departments and focuses on the core areas of financial and non-financial risks.

The management and monitoring of loans post signature is, for significant parts of the portfolio, the responsibility of the [Transaction Monitoring and Restructuring Directorate](#) (TMR), a directorate that is independent from Risk Management. TMR

³² The Group chief risk officer's remit covers group risks defined as both financial and non-financial risks, including credit, market, liquidity, concentration, operational, IT reputational, legal, conduct, compliance and strategic risks.

focuses on monitoring higher risk counterparts and certain forms of security. It also manages transactions requiring particular attention. All TMR proposals with credit risk implications are subject to an independent second opinion by the RM.³³

The **Inspector General** is in charge of three control functions: the Fraud Investigation division, the (ex post) Operations Evaluation division and the Complaints Mechanism division. The Inspector General has privileged direct access to the president and the Audit Committee as well as to the EIF's Audit Board. For the EIF, the function is outsourced to the EIB Inspector General under an intra-Group service level agreement.

The **Internal Audit function** provides an independent review of the first two lines of defence by examining and evaluating the relevance and effectiveness of the internal control systems and the procedures involved in managing risk within the EIB Group. For the EIF, this function is outsourced to the EIB Internal Audit under an intra-Group service level agreement.

The **Financial Control Directorate** is responsible for budgetary control, accounting and reporting. To improve transparency, and with the objective of providing an unbiased true and fair view of its financial position and results, the statutory financial statements are drawn up in accordance with EU Accounting Directives. The consolidated financial statements are prepared in two sets: one in accordance with International Financial Reporting Standards as approved by the European Union; and the other based on EU Accounting Directives. Since 2016, the Financial Control Directorate has established the Internal Control Framework Division, which aims at strengthening the Bank's second line of defence and has as an objective to provide a common platform to assess and report on EIB's control risks. The EIF's Financial Control Division is responsible for payment of financial transactions, accounting and reporting. The statutory financial statements are drawn up in line with international standards while two sets of group reporting packages are prepared in accordance with international standards and EU Accounting Directives and provided to the EIB for the purpose of participating to the preparation of the two sets of consolidated financial statements.

The **Compliance Directorate**, headed by the **Chief Compliance Officer (CCO)**, is an independent directorate that carries out integrity checks on potential EIB counterparts, ensures compliance with the EIB rules applicable to non-compliant jurisdictions, ensures compliance with the rules on EIB procurement for its own account, monitors the compliance of staff with the ethical rules and contributes, with the Ethics and Compliance Committee, to reviewing the compliance of members of EIB governing bodies with applicable ethical rules. The **EIF's Chief Compliance Officer** holds an equivalent role at the EIF, with similar responsibilities. The CCO coordinates Group compliance risk, in line with the provisions of the previously mentioned Memorandum of Understanding for cooperation between the EIB and the EIF compliance functions. The EIB and the EIF Data Protection Officers are independent functions within, respectively, the Office of the Chief Compliance Officer and EIF Compliance, and are tasked with controlling compliance with EU data protection rules.

³³ For more details on financial risk management at the EIB, see Note U of [the Statutory Financial Statements](#), and the [Risk Management Disclosure Report](#) on the [EIB's website](#).

10. EIF Governance framework³⁴

10.1. EIF statutory bodies

According to its statutes, the EIF has a three-layer governance structure: the [General Meeting](#), the [Board of Directors](#) and the [chief executive, who may be assisted by a deputy chief executive](#).

Together with the [Audit Board](#), they make up the statutory bodies of the EIF. The provisions relevant to the functioning of the EIF's statutory bodies are set out in the [EIF statutes](#) and [Rules of Procedure, complemented by the Audit Board Charter](#). The list of members of these bodies and the curricula vitae of members of the Board of Directors and the Audit Board, along with additional information on remuneration arrangements and Codes of Conduct, are published on the [EIF's website](#).

A specific Code of Conduct applies, upon acceptance of the mandate, to:

- [the members of the Board of Directors and to their alternates](#) and, where specifically provided for, to the former members of the Board of Directors and former alternates;
- [the chief executive and deputy chief executive and, where specifically provided for, to the former chief and deputy chief executives](#);
- [the members and alternate member of the Audit Board](#) and, where specifically provided for, to [the former members and alternate members of the Audit Board](#).

These respective Codes of Conduct set out the rules of professional ethics and behaviour.

The **General Meeting** consists of one representative of each EIF shareholder: the EIB (usually its president or a vice-president), the European Commission representing the European Union, and each financial institution. The General Meeting is chaired by the representative of the shareholder with the highest number of shares in the EIF. The Annual General Meeting must be held by 30 June at the latest to examine the annual report, balance sheet and profit and loss account for the previous financial year, together with all relevant documents. At the same time, the appropriation and distribution of net income for the year in question is also determined. The 2019 Annual General Meeting was held on 8 April.³⁵ The General Meeting is a non-remunerated governing body. It determines the remuneration of the Board of Directors and the Audit Board.

The **Board of Directors** consists of seven members and seven alternates, designated by the shareholders of the EIF and mandated to act independently and to serve the best interests of the EIF in carrying out their duties. Four members/alternates are designated by the EIB, two by the European Commission, and one designated by the financial institutions. The members and alternates are appointed by and accountable to the General Meeting. Board of Directors terms are two years. The mandates of the current members and alternate members end on the day of the 2022 Annual General Meeting.

³⁴ For more detailed information on the European Investment Fund, please see the EIF's Annual Report on www.eif.org.

³⁵ For AGM minutes: [http://www.eif.org/who we are/governance/annual general meeting/index.htm](http://www.eif.org/who_we_are/governance/annual_general_meeting/index.htm)

For remuneration, members and alternate members are entitled to an attendance allowance of €300 net and a €220 net flat-rate subsistence allowance to attend a Board of Directors meeting. The EIF also reimburses the travel expenses incurred by participating members and alternate members. Some board members are civil servants and may not be entitled to receive the attendance allowance or may be required by national rules to pay the allowance to their national administration. The members of the Board of Directors do not receive a bonus and are not paid for preparation time between board meetings or for decisions taken by written procedure.

The **chief executive** is responsible for the day-to-day management of the EIF and reports to the EIF Board of Directors. The current chief executive, Alain GODARD, was appointed by the board on 11 December 2019, upon nomination by the EIB, and took office on 1 January 2020. Pursuant to the EIF statutes, the chief executive may be assisted by a deputy. The current deputy chief executive, Roger HAVENITH, was appointed by the board on 14 December 2015, following nomination by the EIB, and took office on 1 January 2016.

A delegation of powers from the Board of Directors to the chief executive, amended from time to time, defines the scope of authorisation within which the chief executive may approve certain new transactions, certain changes to already-approved operations, as well as measures for the management of the EIF's tail-end funds portfolio.

The **Audit Board** has the statutory responsibility to confirm on an annual basis to the members of the General Meeting that the balance sheet and profit and loss account of the EIF give a true and fair view of the financial position of the EIF with respect to its assets and liabilities, and of the results of its operations for the financial year under review. It shall also confirm that the operations of the EIF have been carried out in compliance with the formalities and procedures laid out in the statutes and the Rules of Procedure. The Audit Board consists of three members, designated by the EIB, the European Commission and the financial institutions, respectively, and one alternate designated on a rotating basis by the shareholders. The members and alternate member of the Audit Board are appointed by and accountable to the General Meeting and serve three-year terms.

For remuneration, Audit Board members are entitled to €1 050 net and a €200 net flat-rate subsistence allowance for each time they attend a meeting. The EIF also reimburses the travel expenses incurred by participating members and alternate members.

10.2. EIF capital and shareholders

The EIF has authorised capital of €4.5 billion, divided into 4 500 shares, all issued and fully subscribed, with a nominal value of €1 million each. For each share, 20% is paid-in capital with the remainder being callable capital.

One new financial institution was admitted as member of the EIF in 2019 when Caixa Geral de Depósitos, S.A. (Portugal) acquired five shares, effective 8 October 2019.

As at 31 December 2018, the [EIF's shareholders](#) consisted of the EIB holding 2 634 (58.5%) of the issued shares, the European Union represented by the European Commission holding 1 337 shares (29.7%) and 34 financial institutions holding the remaining 529 shares (11.8%).

10.3. EIF best practice framework

In accordance with its statutes, the EIF bases its activities on sound banking principles or other sound commercial principles and practices as applicable (Best Market Practices, or BMP). The EIF is not subject to prudential banking or other regulatory supervision.

The EIF adopted BMP guidelines for financial sector practices and principles relevant to the activities, as long as they do not conflict with its core legal framework (the EU treaties and the EIF statutes).

To this end, the EIF monitors applicable BMP based on a hierarchical set of reference documents including the EU treaties, EIF statutes and Rules of Procedure, EU Banking Directives and Regulations, guidance and principles issued by, or best practice adopted by, global and EU regulatory bodies (such as the BCBS, EBA, European Securities and Markets Authority and European Central Bank).

11. EIB institutional network

The EIB is both a bank that follows the best banking practice applicable to it and an EU body, owned by the EU Member States and embedded in the EU institutional framework of accountability and control. In particular:

- The [European Commission](#) provides an opinion³⁶ on every operation presented for approval by the Management Committee to the EIB Board of Directors. Where the European Commission delivers an unfavourable opinion, the Board of Directors may not grant the finance requested unless its decision is unanimous, with the director nominated by the European Commission abstaining.
- For EIB activities within the European Union, no finance can be granted in the case of a negative opinion by the Member State in which an operation is located.
- [The European Parliament](#) reports every year on the EIB's annual report.
- [The Court of Justice of the European Union rules](#) on disputes that may arise between the EIB and the Member States and, where necessary, assesses the legality of the decisions taken by the Board of Governors and Board of Directors. Disputes between the Bank on the one hand, and its creditors, debtors or any other person on the other hand, shall be decided by the competent national courts, save where jurisdiction has been conferred to the Court of Justice of the European Union. Disputes concerning measures adopted by the organs of the EIF shall be subject to the jurisdiction of the Court of Justice, whereas disputes between the EIF and operations beneficiaries shall be decided by the competent national courts or through arbitration.
- Operations under mandates conferred by the European Union on the EIB or the EIF – as well as operations managed by the EIB or the EIF that are entered into,

³⁶ [Working procedure between EIB & EC services on environmental aspects.](#)

and guaranteed by, the general budget of the European Union – are subject to documentary audits and, if necessary, on-the-spot audits by the [European Court of Auditors](#), in accordance with Article 287(3) of the TFEU³⁷. The European Court of Auditors also has certain audit rights as regards the shareholding of the European Union in the EIF.³⁸

- The EIB Group Fraud Investigation division fully cooperates with the European Anti-Fraud Office ([OLAF](#)) on [potential fraud cases](#) within the [OLAF remit](#).
- The EIB and EIF Data Protection Officers monitor compliance with the rules regarding personal data protection and in particular with [Regulation 2018/1715](#). They cooperate with the [European Data Protection Supervisor](#) and inform the supervisor of any processing operation involving sensitive data.
- Any physical or legal person may lodge a complaint for maladministration against the EIB or the EIF with the [European Ombudsman](#) if they are not satisfied with the review by the [EIB Group Complaints Mechanism](#).
- Since 2009, the European Investment Bank has access to the [liquidity mechanism of the Eurosystem](#) and, as such, complies with the relevant regulatory requirements, which are monitored by the Central Bank of Luxembourg on behalf of the European System of Central Banks.

³⁷ To that end, a [Tripartite Agreement](#) has been adopted by the Commission, the Court of Auditors and the EIB.

³⁸ To that end, a Tripartite Agreement has been adopted by the Commission, the Court of Auditors and the EIF.

Annexes

Annex 1 – Directors and experts' attendance of 2019 meetings

Countries	Gender	First name	Name	Max number of meetings	Attendance	Total (%)
Germany	Mr	Thomas	WESTPHAL	10	9	90.00%
France	Mr	Emmanuel	MASSÉ	10	10	100.00%
Italy	Ms	Gelsomina	VIGLIOTTI	10	10	100.00%
UK	Mr	David	LUNN	10	7	70.00%
Spain	Ms	Carla	DÍAZ ÁLVAREZ de TOLEDO	10	10	100.00%
Portugal	Mr	Filipe	CARTAXO	10	10	100.00%
Belgium	Mr	Marc	DESCHEEMAECKER	10	7	70.00%
Luxembourg	Mr	Arsène	JACOBY	10	10	100.00%
Netherlands	Ms	Mickie	SCHOCH	10	10	100.00%
Denmark	Ms	Julie	SONNE	10	9	90.00%
Greece	Mr	Konstantin J.	ANDREOPOULOS	10	10	100.00%
Ireland	Mr	Des	CARVILLE	10	9	90.00%
Romania	Mr	Attila	GYÖRGY	10	10	100.00%
Estonia	Mr	Andres	KUNINGAS	10	10	100.00%
Latvia	Mr	Armands	EBERHARDS	10	10	100.00%
Lithuania	Ms	Miglė	TUSKIENĖ	10	8	80.00%
Austria	Ms	Karin	RYSAVY	10	10	100.00%
Finland	Ms	Kristina	SARJO	10	10	100.00%
Sweden	Ms	Eva	HAGHANIPOUR	10	10	100.00%
Bulgaria	Ms	Marinela	PETROVA	10	10	100.00%
Czech Republic	Mr	Petr	PAVELEK	10	10	100.00%
Croatia	Ms	Silvija	BELAJEC	1	1	100.00%
	Mr	Ante	MATIJEVIC	6	4	66.67%
Cyprus	Mr	Kyriacos	KAKOURIS	10	10	100.00%
Hungary	Mr	László	BARANYAY	10	10	100.00%
Malta	Mr	Paul	DEBATTISTA	10	9	90.00%
Poland	Mr	Piotr	NOWAK	10	10	100.00%
Slovenia	Mr	Andrej	KAVČIČ	10	10	100.00%
Slovakia	Mr	Ivan	LESAY	10	9	90.00%
EU Commission	Ms	Kerstin	JORNA	10	9	90.00%
Experts	Ms	Laurence	BRETON-MOYET	10	5	50.00%
Experts	Mr	Joes	LEOPOLD	10	7	70.00%
Experts	Mr	Giorgio	GOBBI	10	9	90.00%

As of 31 December 2019

Annex 2 – Alternate directors and alternate experts' attendance of 2019 meetings

Countries and constituency	Gender	First name	Name	Max number of meetings	Attendance	Total (%)
Germany	Mr	Martin	HEIPERTZ	10	8	80.00%
	Mr	Rudolf	LEPERS	10	8	80.00%
France	Ms	Shanti	BOBIN	10	5	50.00%
		<i>replaced by</i>				
	Ms	Stephanie	TABARIE	6	4	66.67%
	Ms	Carole	GOSTNER	10	10	100.00%
Italy	Mr	Francesca	MERCUSA	10	10	100.00%
	Mr	Stefano	SCALERA	10	5	50.00%
UK	Ms	Sarah	SANYAHUMBI	5	0	0.00%
		<i>replaced by</i>				
	Mr	Omar	DAAIR	4	2	50.00%
	Ms	Jennifer	YOUNG	10	3	30.00%
Spain & Portugal	Ms	Rosa	CAETANO	2	2	100.00%
		<i>replaced by</i>				
	Mr	Francisco Javier	MARTIN ALONSO	8	8	100.00%
Belgium, Luxembourg & Netherlands	Mr	Otto	de SMETH	4	0	0.00%
		<i>replaced by</i>				
	Ms	Lisette	STEINS	6	6	100.00%
Denmark, Greece, Ireland & Romania	Mr	Rasmus	RØNNE-AHM	10	9	90.00%
	Ms	Boni Florinela	CUCU	10	9	90.00%
Estonia, Latvia, Lithuania, Austria, Finland & Sweden	Ms	Anne	af URSIN	5	5	100.00%
		<i>replaced by</i>				
	Ms	Theresia	LINDBERG	5	5	100.00%
	Ms	Aija	ZITCERE	10	10	100.00%
Bulgaria, Czech Republic, Croatia, Cyprus, Hungary, Malta, Poland, Slovenia, Slovakia		<i>vacant</i>				
	Mr	Péter	TÁRNOKI-ZÁCH	6	4	66.67%
		<i>replaced by</i>				
	Mr	Radek	HŘEBÍK	1	1	100.00%
	Mr	Martin	ZDOVC	3	3	100.00%
		<i>replaced by</i>				
	Ms	Eva	GONCALVESOVA	6	5	
	Ms	Ana	ZORIC	10	10	100.00%
European Commission	Ms	Saila	VALTONEN	10	8	80.00%
Experts	Mr	Antonio	OPORTO	10	9	90.00%
Experts	Ms	Ingrid	HENGSTER	9	6	66.67%
Experts	Ms	Brigitte Nygaard	MARKUSSEN	10	9	90.00%

As of 31 December 2019

On average, attendance of directors was 94.43% (93.40% in 2018); attendance of alternate directors was 77% (80% in 2018); attendance of expert members was 70% (73.33% in 2018); and attendance of alternate expert members was 83% (60% in 2018).

The term of office of directors and experts and of their alternates appointed after the 2018 Annual Meeting will expire in 2023 at the end of the day of the Annual Meeting or on the day that the financial statements are approved for the 2022 financial year, whichever occurs the latest.

According to the EIB's statute and Rules of Procedure, each director has one vote on the Board of Directors and may be replaced by an alternate director. Where directors are prevented from attending but unable to arrange for an alternate to represent them, they may delegate their vote in writing to another member of the Board of Directors. However, no member of the Board of Directors may have more than two votes. Alternate directors may take part in the meetings of the Board of Directors, but are not entitled to vote, except where they replace one or more directors or where they have been delegated to do so.

Experts are non-voting members of the Board of Directors.

Annex 3 – Audit Committee members’ attendance of 2019 meetings

Name	Status	Appointment date	End of term*	Number of meeting days	Attendance	Total (%)
Mr John SUTHERLAND	Member – Chairman ³⁹	30/06/2014	BoG 2021	28	28	100%
Mr László BALOGH	Member ⁴⁰	22/06/2018	BoG 2021	28	20	71%
Mr Mindaugas MACIJASKAS	Member ⁴¹	04/07/2016	BoG 2022	28	24	86%
Mr Vasile IUGA	Member	07/08/2017	BoG 2023	28	25	89%
Mr Pierre KRIER	Member	21/10/2016	BoG 2022	28	28	100%
Mr Nuno GRACIAS FERNANDES	Member	16/07/2019	BoG 2025	10	7	70%
Mr Uldis CERPS	Observer	30/06/2014	BoG 2020	28	22	79%
Mr Jens Henrik Myllerup LAURSEN	Observer	22/09/2015	BoG 2019	16	15	94%
Mr Duarte PITTA FERAZ	Observer ⁴²	14/05/2013	BoG 2020	28	24	86%
Total				222	193	87%

* Appointed as member or observer until the end of the day of the Annual Meeting or of the day of the approval of the financial statements, whichever occurs the latest.

³⁹ Member of the EIB’s Audit Committee until 13 June 2019, chairman as from 14 June 2019, observer from 10 June 2020.

⁴⁰ Member of the EIB’s Audit Committee until 9 June 2020, chairman from 10 June 2020.

⁴¹ Resigned as from 6 May 2020.

⁴² Member of the EIB’s Audit Committee until 21 June 2018, chairman as from 22 June 2018, observer from 14 June 2019.

Annex 4 – Management Committee oversight as of 21 November 2019

Management Committee Oversight		21 November 2019				
<p><u>In the absence of two vice-presidents</u>, President Werner Hoyer has <u>temporarily</u> delegated the following activities to</p> <p><u>VP Ambroise FAYOLLE</u>:</p> <ul style="list-style-type: none"> - ACP/OCT countries (except Caribbean states and CELAC) and Republic of South Africa <p><u>VP Andrew MCDOWELL</u>:</p> <ul style="list-style-type: none"> - Turkey & Greece - Audit Committee relations - Vietnam, Cambodia, Laos <p><u>VP Lilyana PAVLOVA</u>:</p> <ul style="list-style-type: none"> - Transport Financing - Cyprus <p><u>VP Emma NAVARRO</u>:</p> <ul style="list-style-type: none"> - Caribbean States and CELAC (Community of Latin American and Caribbean States) <p><u>VP Alexander STUBB</u>:</p> <ul style="list-style-type: none"> - China, Mongolia, Indonesia, Malaysia, Myanmar, Philippines and Thailand <p>Those temporary measures are reflected in blue in the below oversight table.</p>						
	EU	Outside EU	Horizontal	Institutional Relations	Nominations (external)	Nominations (internal)
President			General Secretariat Personnel Risk Management Policy & strategy Communication Legal institutional External offices Internal Audit Planning, budget & cost (support of VPs Fayolle & McDowell) Basel III implementation Compliance & control functions	World Economic Forum (Davos) EU Institutions LTIC SSM Bridge Forum OLAF Ombudsman European Court of Auditors		Best Banking Practice Implementation

VP Dario Scannapieco	Croatia Italy Malta	Albania, Bosnia & Herzegovina, Kosovo, Montenegro, Serbia, WBIF (Western Balkans Investment Framework) Libya, Egypt, Palestine, Israel, Jordan, Lebanon, Syria**	Financing SMEs, mid-caps Equity & equity-type products Migration Counterpart monitoring & restructuring EIB - EIF cooperation Adriatic Sea Strategy	LTIC shared with President leading	Chair of EIF Board	
VP Ambroise Fayolle	France Germany	ACP (Africa & Pacific except the Caribbean States and CELAC) OCTs Republic of South Africa	Financing innovation, science, education, digital, health & technology New products and special transactions, microfinance EFSI Development (policy and horizontal issues) Planning, budget & cost support to President (with VP McDowell)	International Financial Institutions	EFISI Steering Board Member EIF Board Member	
VP Andrew McDowell	Ireland Austria Romania Greece	EFTA (Norway, Iceland, Liechtenstein, Switzerland) Republic of North Macedonia Asia (India, Pakistan, Sri Lanka, Maldives, Bangladesh, Nepal, Bhutan, Afghanistan, Iraq, Iran*, Yemen and Vietnam, Cambodia, Laos) Turkey WBIF (Western Balkans Investment Framework) shared with VP Scannapieco leading	Funding & treasury Financing energy Black Sea strategy Evaluation & impact assessment ECON EIB campus Planning, budget & cost support to the president (with VP Fayolle) Financing natural resources and agribusiness/bio-Economy	Eurostat ECB (other than SSM) OECD WTO BIS Think Tanks		Relations with Audit Committee
VP Alexander Stubb	Finland Denmark Sweden Estonia Latvia Lithuania	Relations with Gulf Countries Russia** Asia (China, Mongolia, Indonesia, Malaysia, Myanmar, Philippines and Thailand)	MFF Projects eligibility, technical & economic assessment Security & defence General mandate policy Financing urban development, housing & social housing Legal - lending operations Corporate responsibility Diversity & inclusion Baltic Sea strategy	Central Banks Rating Agencies Debt Management Offices	Governor of the EBRD	

VP Emma Navarro	Spain Portugal	Latin America Cuba Caribbean States and CELAC (Community of Latin American and Caribbean States) Algeria, Morocco, Tunisia	Financing Environment, Climate Action and Circular Economy EIB Institute	National Promotional Institutions ELTI	Chair of Marguerite Fund Supervisory Board	Chair of FEMIP (Facility for Euro-Mediterranean Investment & Partnership) Committee
VP Lilyana Pavlova	Slovakia Bulgaria Czech Republic Hungary Poland Slovenia Cyprus Croatia shared with VP Scannapieco leading	Ukraine Armenia Azerbaijan Georgia Belarus Moldova Central Asia	Financing economic & social cohesion Transport financing MFF related to cohesion and ELM Advisory, Jaspers & EIAH Strategy for the Danube Region JESSICA IT & data governance	Vienna Initiative	Alternate governor of the EBRD	
Vacant (BENELUX)						
Vacant (former UK)						
* the EIB currently does not have any financing operations in Iran ** the EIB follows the economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures currently in force against Russia and Syria						

Annex 5 – Composition of EIF Board of Directors & EIF Audit Board as at 31/12/2019

Name	Status	Governing body	Appointment date	Term date
Dario SCANNAPIECO	Chairman	Board of Directors	11/04/2018	AGM 2020
Marc DESCHEEMAECCKER	Member	Board of Directors	11/04/2018	AGM 2020
Ambroise FAYOLLE	Member	Board of Directors	11/04/2018	AGM 2020
Kerstin JORNA	Member	Board of Directors	21/02/2019	AGM 2020
Pascal LAGARDE	Member	Board of Directors	11/04/2018	AGM 2020
Emmanuel MASSE	Member	Board of Directors	11/04/2018	AGM 2020
Kristin SCHREIBER	Member	Board of Directors	29/04/2019	AGM 2020
Armands EBERHARDS	Alternate Member	Board of Directors	11/01/2019	AGM 2020
Martin HEIPERTZ	Alternate Member	Board of Directors	11/04/2018	AGM 2020
Eila KREIVI	Alternate Member	Board of Directors	11/04/2018	AGM 2020
Jean-Christophe LALOUX	Alternate Member	Board of Directors	11/04/2018	AGM 2020
Marc LEMAITRE	Alternate Member	Board of Directors	11/04/2018	AGM 2020
Jean-David MALO	Alternate Member	Board of Directors	11/04/2018	AGM 2020
Mark SCICLUNA BARTOLI	Alternate Member	Board of Directors	11/04/2018	AGM 2020

Name	Status	Governing body	Appointment date	Term date
Jacek DOMINIK	Chairman	Audit Board	03/04/2017	AGM 2020
Georgiana VAN ROMPUY	Member	Audit Board	16/07/2019	AGM 2021
Ignacio VICENTE	Member	Audit Board	08/04/2019	AGM 2022
Laurentiu OLTEANU	Alternate Member	Audit Board	03/04/2017	AGM 2020

EIB Group

Corporate Governance Report 2019



European Investment Bank
98-100, boulevard Konrad Adenauer
L-2950 Luxembourg
☎ +352 4379-22000
✉ +352 4379-62000
www.eib.org – ✉ info@eib.org