

BOARD OF DIRECTORS

Minutes of the meeting held in Luxembourg on 14 May 2018

*Parts of this document may have been redacted if, at the time of the Board's decision, falling under the exceptions for disclosure defined by the EIF Transparency Policy\*, notably under articles 5.4, 5.5 and 5.6.*

\* [http://www.eif.org/news\\_centre/publications/EIF\\_Transparency\\_policy.htm?lang=-en](http://www.eif.org/news_centre/publications/EIF_Transparency_policy.htm?lang=-en)

## BOARD OF DIRECTORS

Meeting held in Luxembourg on 14 May 2018

### Agenda

A. Quorum

B. For decision

- |    |  |                    |
|----|--|--------------------|
| 1. | Adoption of the agenda   | Doc. 18/110        |
| 2. | Approval of minutes dated 11 April 2018 – <i>late dispatch</i> | BD/MIN/298/2018    |
| 3. | Approval of minutes of written procedure dated 27 April 2018   | BD/WP/MIN/299/2018 |

### AGENDA A

#### Equity

- |    |   |             |
|----|---|-------------|
| 4. | [...]   |             |
| 5. | Sunstone Life Science Ventures Fund IV<br>InnovFin Equity Facility for Early Stage, Risk Capital Resources, own resources | Doc. 18/112 |
| 6. | Fountain Healthcare Partners Fund III<br>EIB-EIF SME Funds Investment Facility, Risk Capital Resources, own resources     | Doc. 18/113 |
| 7. | Three Hills Capital Solutions III<br>EIB-EIF MidCap Funds Investment Facility, Risk Capital Resources, own resources      | Doc. 18/114 |
| 8. | Mustard Seed Laboratory Fund, FES<br>Social Impact Accelerator, InnovFin Equity Facility for Early Stage                  | Doc. 18/115 |

#### Guarantees

- |     |  |             |
|-----|--|-------------|
| 9.  | [...]  |             |
| 10. | Commerzbank AG (Germany) - increase<br>InnovFin SME Guarantee Facility               | Doc. 18/117 |
| 11. | ProCredit Bank Romania S.A. (Romania)<br>COSME Loan Guarantee Facility               | Doc. 18/118 |
| 12. | Piraeus Bank S.A. (Greece) - increase<br>COSME Loan Guarantee Facility               | Doc. 18/119 |
| 13. | Patria Bank (Romania) - second agreement<br>EaSI Guarantee Instrument - Microfinance | Doc. 18/120 |

#### Mandates and Products

- |     |   |             |
|-----|---|-------------|
| 14. | EU Structural and Investment Funds ("ESIF") Fund-of-Funds – Croatia | Doc. 18/121 |
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## AGENDA B

### Equity

15. Co-investment with BNP Paribas SA - Payment by Results  
EFSI – SME Equity Product Sub-window 1, own resources Doc. 18/122

### Hybrid debt-equity

16. Kreos Capital VI  
Risk Capital Resources, own resources Doc. 18/123

### Guarantees

17. Fibabanka SME Covered Bond (Turkey)  
Credit enhancement (own risk) Doc. 18/124
18. Crédit Agricole Banka Srbija AD Novi Sad (Serbia)  
InnovFin SME Guarantee Facility Doc. 18/125
19. UniCredit Bank Serbia JSC (Serbia) – increase  
COSME Loan Guarantee Facility Doc. 18/126
20. Opportunity Bank Serbia (Serbia)  
EaSI Guarantee Instrument - Microfinance Doc. 18/127

### Mandates and Products

21. [...]
22. Increase of the Risk Capital Resources mandate – *late dispatch* Doc. 18/129

## **C. For information**

1. Quarterly Report Q1 2018 Doc. 18/130
2. Update on Asset Management Umbrella Fund ("AMUF") fundraising results,  
current pipeline and counterparts Doc. 18/131
3. Private Equity Operations Portfolio Review as at 31 December 2017 Doc. 18/132

## **D. Miscellaneous / Statements**

- E. Date of next meeting: 11 June 2018 in Luxembourg**

BOARD OF DIRECTORS

Those attending

<u>Members:</u>	D. SCANNAPIECO, Chairman A. FAYOLLE M. DESCHEEMAECKER E. MASSÉ <sup>2</sup> I. SCHWIMANN <sup>1,2</sup> P. LAGARDE <sup>2</sup>
<u>Alternate Members:</u>	M. HEIPERTZ J.C. LALOUX E. KREIVI <sup>2</sup> M. SCICLUNA BARTOLI <sup>3</sup>
<u>Chief Executive:</u>	P. L. GILIBERT
<u>Deputy Chief Executive:</u>	R. HAVENITH
<u>Secretary:</u>	M. LEANDER
<u>Absent:</u>	B. ANGEL <sup>1</sup>

<sup>1</sup> Power of attorney issued by Mr. ANGEL to Ms. SCHWIMANN.

<sup>2</sup> Present from item B.20 onwards.

<sup>3</sup> Acting as full member up until and including item B.19, in the absence of Mr. LAGARDE.

The meeting of the Board of Directors ("Board") opened at 11:45.

**A. QUORUM**

The SECRETARY noted that there was a quorum.

**B. FOR DECISION**

The SECRETARY stated that, following the appointments and re-appointments at the AGM on 11 April 2018, the new Board of Directors was required to elect the Chairman of the Board. Pursuant to Article 14 of the Rules of Procedure, the new Board voted unanimously in favour of the re-election of Mr. SCANNAPIECO as Chairman of the Board.

The CHAIRMAN welcomed the new members of the Board, Ms. SCHWIMANN and Mr. LAGARDE, the new alternate members Ms. KREIVI and Mr. SCICLUNA BARTOLI, as well as the re-appointed members. He noted that Mr. ANGEL had issued a power of attorney for Ms. SCHWIMANN to act on his behalf.

**1. Adoption of the agenda**

The Board of Directors adopted the agenda as presented in document 18/110.

**2. Approval of minutes dated 11 April 2018**

The Board of Directors approved the minutes of the Board meeting dated 11 April 2018, ref. BD/MIN/298/2018 and took note of the forthcoming publication on the EIF's website.

**3. Approval of minutes of written procedure dated 27 April 2018**

[...]

The Board of Directors approved the minutes of the written procedure dated 27 April 2018, ref. BD/WP/MIN/299/2018 and took note of the forthcoming publication on the EIF's website.

**AGENDA A**

**EQUITY**

4. [...]

**5. Sunstone Life Science Ventures Fund IV**

*InnovFin Equity Facility for Early Stage,  
Risk Capital Resources, own resources*

*Private Pan-European life sciences venture capital fund focusing on early stage investments primarily in Scandinavia.*

The Board of Directors approved an investment in Sunstone Life Science Ventures Fund IV, on the terms and conditions set out in document 18/112.

6. **Fountain Healthcare Partners Fund III** *EIB-EIF SME Funds Investment Facility,  
Risk Capital Resources, own resources*

*Pan-European life sciences venture capital fund focusing on seed, start-up and early stage investments with a focus on Ireland, Benelux, Scandinavia and the UK.*

The Board of Directors approved an investment in Fountain Healthcare Partners Fund III, on the terms and conditions set out in document 18/113.

7. **Three Hills Capital Solutions III** *EIB-EIF MidCap Funds Investment Facility,  
Risk Capital Resources, own resources*

*Generalist hybrid debt-equity fund, focusing on lower mid-market investments in Italy, Spain, Benelux and the UK.*

The Board of Directors approved an investment in Three Hills Capital Solutions III, on the terms and conditions set out in document 18/114.

8. **Mustard Seed Laboratory Fund, FES** *Social Impact Accelerator,  
InnovFin Equity Facility for Early Stage*

*Social impact fund linked to an accelerator focusing on pre-seed, seed and early stage social enterprise investments primarily in Portugal.*

The Board of Directors approved an investment in Mustard Seed Laboratory Fund, FES, on the terms and conditions set out in document 18/115.

## **GUARANTEES**

9. [...]

10. **Commerzbank AG (Germany) – increase** *InnovFin SME Guarantee Facility*

*Direct guarantee to enhance access to finance for innovative SMEs and small mid-caps in Germany.*

The Board of Directors approved an increase in the principal guarantee amount and an extension of the availability period under the existing InnovFin SME Guarantee Facility agreement, on the terms and conditions set out in document 18/117.

11. **ProCredit Bank Romania S.A. (Romania)** *COSME Loan Guarantee Facility*

*Direct guarantee to enhance access to finance for SMEs in Romania.*

The Board of Directors approved a budgetary allocation, on the terms and conditions set out in document 18/118.

12. **Piraeus Bank S.A. (Greece) – increase** *COSME Loan Guarantee Facility*

*Direct guarantee to enhance access to finance for SMEs in Greece.*

The Board of Directors approved an increase in the budgetary allocation under the existing COSME Loan Guarantee Facility agreement, on the terms and conditions set out in document 18/119.

13. **Patria Bank (Romania) - second agreement** *EaSI Guarantee Instrument - Microfinance*

*Direct guarantee to enhance access to finance for financially excluded micro-borrowers in Romania.*

The Board of Directors approved a budgetary allocation, on the terms and conditions set out in document 18/120.

## MANDATES AND PRODUCTS

### **14. EU Structural and Investment Funds ("ESIF") Fund-of-Funds – Croatia**

*New mandate to enhance access to finance and increase competitiveness for SMEs in Croatia in their early stages of development.*

The Board of Directors approved the new ESIF Fund-of-Funds – Croatia, entailing the EIF's management of resources to be mandated by the Ministry of Regional Development and EU Funds of Croatia under the Operational Programme Competitiveness and Cohesion 2014-2020, on the terms and conditions set out in document 18/121.

## AGENDA B

### EQUITY

### **15. Co-investment with BNP Paribas SA - Payment by Results**

*EFSI – SME Equity Product Sub-window 1, own resources*

*Co-investment focusing on Payment by Results schemes primarily in France.*

The Board of Directors approved an investment through a co-investment arrangement with BNP Paribas SA group, on the terms and conditions set out in document 18/122.

In a wider context, the Board noted with interest the EIF's third payment by results transaction and asked to receive, in due course, ex post information on final beneficiaries as well as an overview of the developing use of payment by results schemes within Europe.

### HYBRID DEBT-EQUITY

### **16. Kreos Capital VI**

*Risk Capital Resources, own resources*

*Generalist hybrid debt-equity fund focusing on early to late stage growth companies primarily in Western Europe.*

The Board of Directors approved an investment in Kreos Capital VI, on the terms and conditions set out in document 18/123. Ms. SCHWIMANN abstained, also on behalf of Mr. ANGEL.

### GUARANTEES

### **17. Fibabanka SME Covered Bond (Turkey)**

*Credit enhancement (own risk)*

*Covered bond transaction of SME loans in Turkey.*

The Board of Directors approved a principal guarantee amount, on the terms and conditions set out in document 18/124.

[...]

With reference to items 18, 19 and 20, the CHAIRMAN informed the Board that the President of the European Council, Donald Tusk, had requested that the EIF, as well as the EIB, seek to strongly promote the Group's activities in Serbia in connection with the EU-Western Balkans Summit taking place in Sofia on 17 May 2018.

18. **Crédit Agricole Banka Srbija AD Novi Sad (Serbia)** *InnovFin SME Guarantee Facility*  
*Direct guarantee to enhance access to finance for innovative SMEs and small mid-caps in Serbia.*

The Board of Directors approved a principal guarantee amount, on the terms and conditions set out in document 18/125.

19. **UniCredit Bank Serbia JSC (Serbia) – increase** *COSME Loan Guarantee Facility*  
*Direct guarantee to enhance access to finance for SMEs in Serbia.*

The Board of Directors approved an increased budgetary allocation, on the terms and conditions set out in document 18/126.

20. **Opportunity Bank Serbia (Serbia)** *EaSI Guarantee Instrument - Microfinance*  
*Direct guarantee to enhance access to finance for micro and small businesses in Serbia with a focus on rural areas.*

[...]

The Board of Directors approved a budgetary allocation, on the terms and conditions set out in document 18/127, subject to confirmation of agreement with the relevant service of the European Commission, as EaSI mandator. Ms. SCHWIMANN voted against, also on behalf of Mr. ANGEL.

## **MANDATES AND PRODUCTS**

21. [...]

22. **Increase of the Risk Capital Resources mandate – EFSI SME Window Increase**  
*Designation of the increase of the Risk Capital Resources mandate, initially approved in July 2017 outside the European Fund for Strategic Investments ("EFSI") scope, as part of the EIB's contribution to EFSI over 2018-2020.*

The Board of Directors approved the EFSI designation of the increase of the Risk Capital Resources mandate, on the terms and conditions set out in document 18/129.

## **C. FOR INFORMATION**

1. **Quarterly Report Q1 2018**

The Board took note of the first application of IFRS 9, including the impact on the EIF's key reporting ratios - cost to income and return on equity – as well as the impact on realised and non-realised income, including in the context of a potential dividend payment policy.

For purposes of comparison, the Board requested the provision of the 2017 financial results as they would have been under the application of IFRS 9.

The Board of Directors took note of the Quarterly Report Q1 2018, as presented in document 18/130.

2. Update on Asset Management Umbrella Fund ("AMUF") fundraising results, current pipeline and counterparts

[...]

The Board of Directors took note of the update on the AMUF fundraising results, current pipeline and counterparts, as presented in document 18/131.

3. Private Equity Operations Portfolio Review as at 31 December 2017

The Board of Directors took note of the Private Equity Operations Portfolio Review as at 31 December 2017, as presented in document 18/132.

D. MISCELLANEOUS / STATEMENTS

The Board of Directors was briefed on a number of relevant issues.

E. DATE OF NEXT MEETING

The Board of Directors agreed that the next meeting would take place in Luxembourg on Monday 11 June 2018.

The CHAIRMAN requested that the June meeting be preceded by short seminar on the European venture capital landscape and the EIF's added value in the market.

The meeting was closed at 13:20.

Luxembourg, 14 May 2018.

The CHAIRMAN (signed)

Dario SCANNAPIECO

The SECRETARY (signed)

Maria LEANDER