

BOARD OF DIRECTORS

Minutes of the meeting held in Luxembourg on 4 February 2020

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* http://www.eif.org/news_centre/publications/EIF_Transparency_policy.htm?lang=-en

BOARD OF DIRECTORS

Tuesday 4 February 2020

Agenda

A. Quorum

B. For decision

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|----|--|--|
| 1. | Adoption of the agenda | Doc. 20/007 |
| 2. | Approval of minutes dated 11 December 2019 | BD/MIN/335/2019 |
| 3. | Approval of confidential minutes dated 11 December 2019 | BD/MIN/CONF.1/335/2019
BD/MIN/CONF.2/335/2019
BD/MIN/CONF.3/335/2019 |
| 4. | Approval of minutes of written procedure dated 10 January 2020 | BD/WP/MIN/336/2020 |

AGENDA A

Hybrid Debt-Equity

- | | | |
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| 5. | Nest Capital Fund III Ky | Doc. 20/008 |
| | <u>Guarantees</u> | |
| 6. | Aktia Bank plc (Finland) – increased allocation
SME Initiative Guarantee Facility - Finland | Doc. 20/009 |
| 7. | Alpha Bank S.A. (Greece) – increased allocation
COSME Loan Guarantee Facility | Doc. 20/010 |

Mandates and Products

- | | | |
|----|--|-------------|
| 8. | [...] | |
| 9. | European Scale-up Action for Risk capital pilot ("ESCALAR Pilot") – extension of period for the validity of approval | Doc. 20/013 |

AGENDA B

Equity

- | | | |
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| 10. | Nauta Tech Invest V FCR ¹ | Doc. 20/014 |
| 11. | Evoco TSE III | Doc. 20/015 |
| 12. | Magnum Capital III | Doc. 20/016 |

Guarantees

- | | | |
|-----|--|-------------|
| 13. | Erste & Steiermarkische Bank Umbrella (multi-country)
InnovFin SME Guarantee Facility | Doc. 20/017 |
| 14. | OMRO (Romania)
EaSI Guarantee Instrument - Microfinance | Doc. 20/018 |

- | | | |
|-----------|---|-------------|
| 15. | UniCredit Bank Austria AG (Austria)
EaSI Guarantee Instrument - Microfinance | Doc. 20/019 |
| 16. | UTCAR-West (Romania) – Umbrella
EaSI Guarantee Instrument - Microfinance | Doc. 20/020 |
| 17. | Caixa Economica Montepio Geral, caixa economica bancaria S.A.
("Banco Montepio") (Portugal)
EaSI Guarantee Instrument – Social Entrepreneurship | Doc. 20/021 |
| 18. | Agricover Credit IFN SA (Romania)
EaSI Funded Instrument | Doc. 20/022 |
| 19. | Opportunity Bank Serbia ("OBS") (Serbia)
EaSI Funded Instrument

<u>Mandates and Products</u> | Doc. 20/023 |
| 20. | ESIF - ERDF Greece | Doc. 20/011 |
| 21. | [...] | |
| C. | <u>Corporate and Institutional Matters</u> | |
| 1. | EIF Annual Report 2019: first reading (text only) ¹ | Doc. 20/025 |
| 2. | Article 26 of the Statutes: raising of ceiling for guarantee commitments
Request for authorisation to submit to the General Meeting for approval | Doc. 20/026 |
| 3. | EIB Group Information Security Governance and Policy | Doc. 20/027 |
| D. | <u>For information</u> | |
| 1. | Unaudited Statement of Financial Position and Unaudited
Statement of Comprehensive Income at 31 December 2019 | Doc. 20/028 |
| 2. | EIF Quarterly Report Q4 2019 | Doc. 20/029 |
| E. | <u>Miscellaneous / Statements</u> | |
| F. | <u>Fund manager presentation: Social Impact Ventures NL</u> | |
| G. | <u>Confidential session</u> | |
| H. | <u>Date of next meeting: Wednesday 11 March 2020 in Luxembourg</u> | |

¹ Late dispatch

BOARD OF DIRECTORS

Those attending

Members:

D. SCANNAPIECO, Chairman
A. FAYOLLE
E. MASSÉ
M. DESCHEEMAECKER
K. JORNA
K. SCHREIBER
P. LAGARDE

Alternate Members:

E. KREIVI
J.-C. LALOUX
A. EBERHARDS
M. HEIPERTZ
M. SCICLUNA BARTOLI

Chief Executive:

A. GODARD

Deputy Chief Executive:

R. HAVENITH

Secretary:

M. LEANDER

The meeting of the Board of Directors ("Board") opened at 8:45.

A. QUORUM

The SECRETARY noted that there was a quorum.

The CHAIRMAN congratulated the new CHIEF EXECUTIVE on his appointment and welcomed him on behalf of the Board.

B. FOR DECISION

1. Adoption of the agenda

The Board of Directors adopted the agenda as presented in document 20/007.

The CHAIRMAN noted the social impact fund manager presentation foreseen under item F. In that context, the SECRETARY drew the Board's attention to information on the EIF's Social Performance Assessment Methodology for Inclusive Finance¹, made available at the meeting.

2. Approval of minutes dated 11 December 2019

The Board of Directors approved the minutes of the Board meeting dated 11 December 2019, ref. BD/MIN/335/2019 and took note of the forthcoming publication on the EIF's website.

3. Approval of confidential minutes dated 11 December 2019

The Board of Directors approved the confidential minutes corresponding to the three closed sessions dated 11 December 2019, ref. BD/MIN/CONF.1/335/2019, BD/MIN/CONF.2/335/2019 and BD/MIN/CONF.3/335/2019.

4. Approval of minutes of written procedure dated 10 January 2020

The Board of Directors approved the minutes of the written procedure dated 10 January 2020, ref. BD/WP/MIN/336/2020 and took note of the forthcoming publication on the EIF's website.

AGENDA A

HYBRID DEBT-EQUITY

5. Nest Capital Fund III Ky

Risk Capital Resources – EFSI, own resources

Generalist hybrid debt-equity fund focusing on lower mid-market investments in Sweden, Denmark, Finland and Norway.

The Board of Directors approved an investment in Nest Capital Fund III Ky, on the terms and conditions set out in document 20/008.

GUARANTEES

6. Aktia Bank plc (Finland) – increased allocation

SME Initiative Guarantee Facility - Finland

Direct portfolio guarantee to enhance access to finance for SMEs in Finland.

The Board of Directors approved an increase of the maximum guarantee amount, on the terms and conditions set out in document 20/009.

¹ Overview of Social Performance Assessment Methodology for Inclusive Finance, doc. 20/036.

7. Alpha Bank S.A. (Greece) – increased allocation COSME Loan Guarantee Facility

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

The Board of Directors approved an increase of the maximum guarantee cap amount, on the terms and conditions set out in document 20/010.

MANDATES AND PRODUCTS

8. [...]

9. European Scale-up Action for Risk capital pilot ("ESCALAR Pilot") – extension of period for the validity of approval

Pan-European pilot programme under the EFSI SME Window, supporting investments in late stage venture capital and private equity funds to enhance access to finance for growth and expansion stage SMEs and small mid-caps.

The Board of Directors approved, starting with immediate effect, an extension to the validity period of the initial approval, as set out in document 20/013.

[...]

AGENDA B

EQUITY

10. Nauta Tech Invest V FCR

InnovFin Equity Facility for Early Stage, European Recovery Programme, and potentially, LfA – EIF Facility

Venture capital fund focusing on early stage ICT investments primarily in Spain and Germany and, to a lesser extent, in the UK.

[...]

The Board of Directors approved an investment in Nauta Tech Invest V FCR, on the terms and conditions set out in document 20/014.

11. Evoco TSE III

Risk Capital Resources – EFSI, own resources

Generalist private equity fund focusing on lower mid-market investments primarily in the DACH region, with a main focus on Germany.

The Board of Directors approved an investment in Evoco TSE III, on the terms and conditions set out in document 20/015.

12. Magnum Capital III

Risk Capital Resources – EFSI, own resources

Generalist private equity fund focusing on lower mid-market investments in Spain and Portugal.

[...]

The Board of Directors approved an investment in Magnum Capital III, on the terms and conditions set out in document 20/016.

GUARANTEES

13. Erste & Steiermarkische Bank Umbrella (multi-country) *InnovFin SME Guarantee Facility*

Direct guarantee to enhance access to finance for innovative SMEs and mid-caps in Bosnia and Herzegovina and The Republic of North Macedonia.

The Board of Directors approved a total maximum guarantee amount, on the terms and conditions set out in document 20/017.

14. OMRO (Romania) *EaSI Guarantee Instrument - Microfinance*

Direct guarantee to enhance access to finance for financially excluded micro-borrowers in Romania, particularly small businesses, established by farmers, self-employed and family businesses, located mainly in rural areas.

The Board of Directors approved a maximum guarantee cap amount, on the terms and conditions set out in document 20/018.

[...]

15. UniCredit Bank Austria AG (Austria) *EaSI Guarantee Instrument - Microfinance*

Direct guarantee to enhance access to finance for micro-enterprises, particularly start-ups, in Austria.

The Board of Directors approved a maximum guarantee cap amount, on the terms and conditions set out in document 20/019.

16. UTCAR-West (Romania) – Umbrella *EaSI Guarantee Instrument - Microfinance*

Direct guarantee to enhance access to finance for financially excluded microenterprises and self-employed in Romania, particularly vulnerable groups, including low-income households, located in rural and small urban areas.

The Board of Directors approved a maximum guarantee cap amount, on the terms and conditions set out in document 20/020.

17. Caixa Economica Montepio Geral, caixa economica bancaria S.A. ("Banco Montepio") (Portugal)

EaSI Guarantee Instrument – Social Entrepreneurship

Direct guarantee to enhance access to finance for social enterprises in Portugal.

The Board of Directors approved a maximum guarantee cap amount, on the terms and conditions set out in document 20/021.

18. Agricover Credit IFN SA (Romania) *EaSI Funded Instrument*

Senior loan to enhance access to finance for micro-farmers in Romania.

The Board of Directors approved a principal amount, on the terms and conditions set out in document 20/022.

19. Opportunity Bank Serbia ("OBS") (Serbia) *EaSI Funded Instrument*

Senior loan to enhance access to finance for small and micro-enterprises and the self-employed, including micro-farmers, in rural areas in Serbia.

The Board of Directors approved a principal amount, on the terms and conditions set out in document 20/023.

MANDATES AND PRODUCTS

20. ESIF - ERDF Greece

New mandate enabling the EIF to set up a guarantee financial instrument to support new debt finance for cross-sector SMEs in Greece.

[...]

The Board of Directors approved the new mandate with ESIF – ERDF resources under the Operational Programme for Competitiveness, Entrepreneurship and Innovation of the Hellenic Republic, to be managed by the EIF, as set out in document 20/011.

21. [...]

C. CORPORATE AND INSTITUTIONAL MATTERS

1. EIF Annual Report 2019: first reading (text only)

The Board of Directors provided some brief initial remarks on the draft activity section of the Annual Report, as presented for first reading in document 20/025, commenting positively on the interesting, educational and well presented format. The Board was invited to provide any additional feedback by 6 February 2020, prior to the submission of the full report, including the financial statements, for a second reading at the Board meeting of 11 March 2020.

2. Article 26 of the Statutes: raising of ceiling for guarantee commitments¹

[...]

The Board of Directors approved the proposal, as presented in document 20/026, and authorised the submission for decision by the General Meeting.

3. EIB Group Information Security Governance and Policy

[...]

The Board of Directors approved the EIB Group Information Security Policy ("the Policy"), as presented in document 20/027. In terms of EIB Group Information Security governance, the Board agreed to delegate the approval of non-material changes to the Policy, as well as all changes to information security supporting policies, to the EIB Group Information Security Committee, and it also took note of the participation of the EIF in the latter.

D. FOR INFORMATION

1. Unaudited Statement of Financial Position and Unaudited Statement of Comprehensive Income at 31 December 2019

The Board of Directors took note of the unaudited Statement of Financial Position and unaudited Statement of Comprehensive Income at 31 December 2019, as presented in document 20/028, pending the submission of the audited financial statements, with any necessary adjustments, at the following meeting.

2. EIF Quarterly Report Q4 2019

The Board of Directors took note of the EIF Quarterly Report Q4 2019, as presented in document 20/029.

¹ Also made available at the meeting for information: "Guarantee Statutory Ceiling - Computation Methodology", doc. 20/038.

E. MISCELLANEOUS / STATEMENTS

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

F. FUND MANAGER PRESENTATION: SOCIAL IMPACT VENTURES NL

The Board of Directors welcomed Ms. Willemijn Verloop and Ms. Machtelt Groothuis, partners and co-founders of Social Impact Ventures NL. Their presentation¹ demonstrated a successful approach to combining venture capital investment expertise with social impact objectives in order to achieve both a measurable policy impact and market-rate financial returns. They highlighted the important market signalling effect associated with an EIF commitment, seen as a quality stamp and having the power to catalyse further investor interest on an international scale, and they stressed the value of the EIF pursuing strong communication and marketing in order to bring visibility to social impact investing. They underlined the importance of the Social Impact Accelerator in providing commonality and benchmarks, and the potential for such a programme to contribute to international networking and the sharing of expertise. The Board discussed the question of independent validations of impact assessment as well as the matter of responsible exits and, in that context, the importance of the forthcoming EU taxonomy on sustainable finance was noted.

G. CONFIDENTIAL SESSION

H. DATE OF NEXT MEETING

The Board of Directors agreed that the next meeting would take place in Luxembourg on Wednesday 11 March 2020.

The meeting was closed at 13:10 and was followed by a confidential session.

Luxembourg, 4 February 2020.

The CHAIRMAN	(signed) Dario SCANNAPIECO
The SECRETARY	(signed) Maria LEANDER

¹ Presentation made available at the meeting, doc. 20/037.