

# General Meeting

---

*Activity Report by the Chairman  
of the Board of Directors,  
Mr. Dario Scannapieco, Vice President  
of the European Investment Bank*

---

Chairman, Shareholders, members of the Board of Directors and the Audit Board,

It is certainly true that, this time last year, many of us believed that holding the AGM remotely, due to the COVID-19 pandemic, would be a one-off, exceptional situation.

However, the twelve months that have elapsed since then have proven otherwise and this continues to be a period of significant challenges.

In this context, the EIF's key objectives in 2020 centred around contributing to the EIB Group's tireless efforts to bring positive options for European businesses. Whilst, as the Chairman highlighted, the year was marked by a number of other milestones, it is to the EIF's COVID-19 response that I will first turn, taking a moment to highlight some areas where the EIF's role, backed by the strong support and involvement of the Board, was particularly noteworthy.

Shortly before last year's AGM, the Board had already approved EFSI increases to the European Commission's InnovFin SME Guarantee Facility and COSME Loan Guarantee Facility as part of the EIB Group response. That was followed by COVID-19 support measures under the Cultural and Creative Sectors Guarantee Facility and the EaSI Guarantee Facility Instrument, thereby strengthening support across the spectrum of Commission mandates.

There were also important partnerships with KfW, where the EIF has been playing a valuable role in the deployment of the German Corona Matching Facility, and with the Strategic Banking Corporation of Ireland ("SBCI"), through EIB Group support to an increase of the Future Growth Loan Scheme.

In parallel, EIB Group services worked incredibly hard towards the EIB Group's establishment of the Pan-European Guarantee Fund or "EGF", for an overall amount of up to 25 billion euros, for which the Board approved the EIF's role in June 2020.

There is no denying that the implementation of the EGF has represented a sizeable endeavour, requiring substantial time, energy, expertise and perseverance. Much to the EIF's credit, this facility, alongside all the other COVID-19-specific measures into which great efforts have been channelled, has allowed the EIF to respond to high market demand last year, and to continue to do so now.

\* \* \*

In combination, these considerable and unforeseen pressures on human resources, capital resources, risk metrics, systems and processes required a multi-faceted approach to achieve deployment on top of the EIF's day to day business, together with adaptations to the new realities of professional and personal life.

The Board recognised the need to accelerate plans for an EIF capital increase. This was accompanied by other more immediate capital support measures, in partnership with the EIB and including close collaboration with the Group Chief Risk Officer who had taken office after the summer.

The Board also endorsed the introduction of streamlining measures, seeking to facilitate the management of particularly high operational volumes. It was, nevertheless, an intense year for which the Board commends the EIF management and staff in its delivery of results.

Alongside the unforeseen, there was also good progress on the foreseen. This was notably the case when the Board adopted the EIB Group Climate Bank Roadmap in November, framing activities under climate action, environmental sustainability and Paris Agreement alignment for 2021-2025. In December, the Board approved the Climate and Infrastructure Funds mandate, defining the transfer of that activity from the EIB to the EIF under the EIB Group Equity Strategy.

2020 was also a year in which the Board supported a more visible and tangible focus on the EIF's policy and impact-oriented mission. This included a widening of key performance indicators to specifically integrate Public Policy Goals, putting in place the groundwork to measure the EIF's contribution to climate action and environmental sustainability, and developments in terms of diversity and inclusion.

\* \* \*

In the coming years, we can envisage a transition towards a wider range of headline figures, broadening the view on operational volumes to increasingly quantify, in the most appropriate way, the impact of the EIF's operations.

That being said, and in particular during the economic situation that we have known in 2020 and continue to see in 2021, the volumes achieved last year are a reflection of the EIF's responsiveness and ability to adapt, as well as its determination to meet wide-reaching SME and market needs, mandator ambitions and stakeholder expectations.

At the end of 2020, the EIF had committed 12.9 billion euros, estimated to contribute to supporting some 370,000 SMEs, through the overall mobilisation of over 66 billion euros. Moreover, despite an initially sombre outlook, the EIF concluded the year with a net income of over 128 million euros.

The Board of Directors congratulates the EIF on these excellent results achieved against all odds.

Nevertheless, these continue to be times in which prudence is advisable and although last year's proposal to waive the payment of dividends was, at the time, assumed to be an exceptional case, you will understand that the Board is proposing to maintain the same position for 2020.

\* \* \*

On an institutional level, the EIF and its shareholders represent a powerful network with valuable outreach. As I have stressed at many Board meetings, this collaboration between like-minded institutions, based on the objective of long-term partnerships, is key to a strong, stable and thriving EIF.

In that context, the Board was pleased to see shareholder backing for the EIF's capital increase when put to the General Meeting's vote. With thanks to those shareholders who have already subscribed to new shares, allowing a solid start to the capital increase, we look forward to subscription letters continuing to be submitted in the months to come.

I would like to conclude with thanks to my colleagues on the Board for their continued support and unwavering commitment, particularly throughout such a demanding period. The Board also thanks the EIF's management and staff for their dedication and determination which is widely recognised.

Lastly, with the support of shareholders, stakeholders and as a strong pillar of the EIB Group, I look forward to seeing a robust EIF which continues to act under a framework of accountability, agility and operational and financial autonomy within the EIB Group, and on the basis of forward-looking partnerships, in order to pursue its mission in support of European businesses.