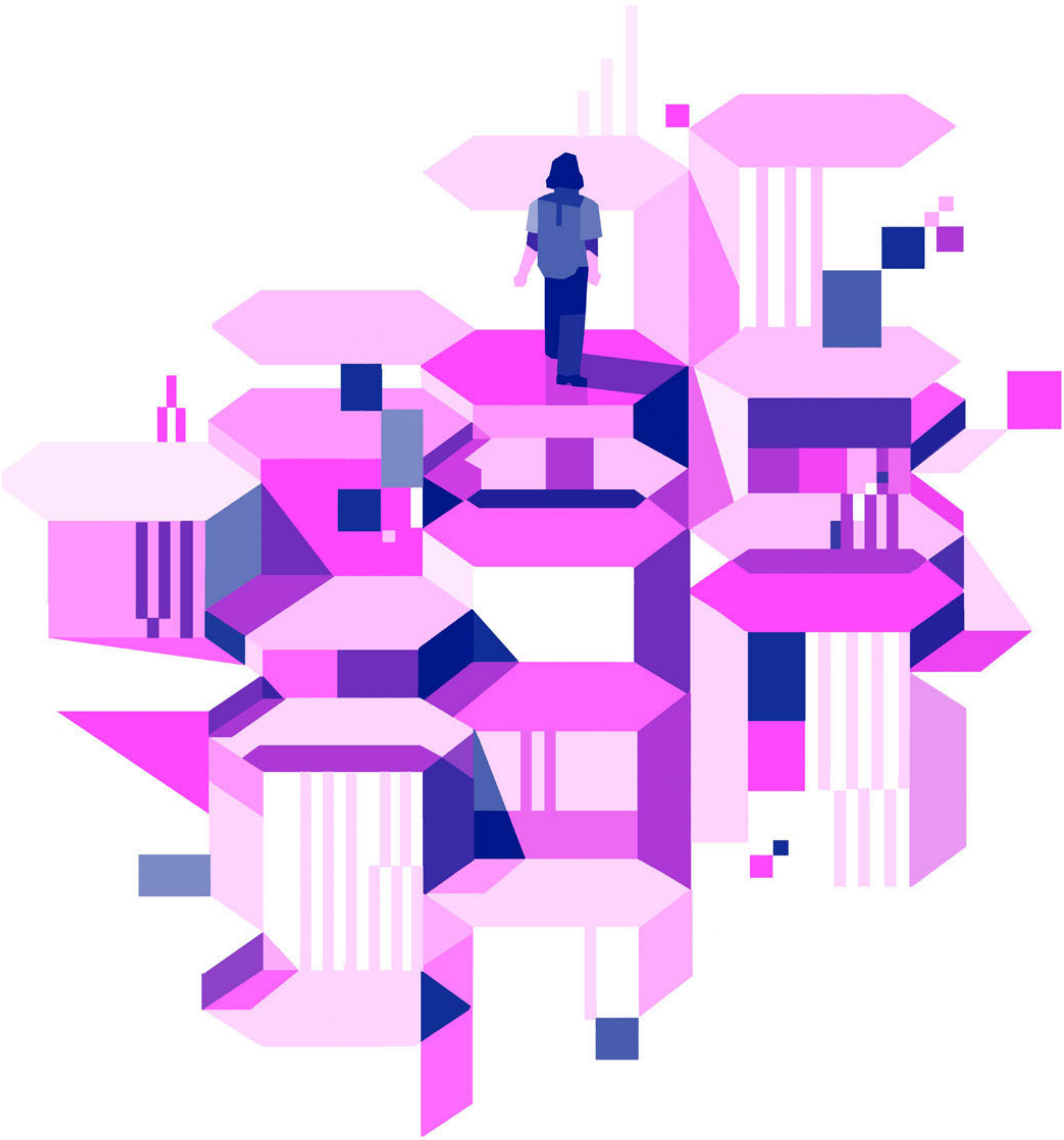
#BelieveInSmall

Annual Report 2023



Annual
Report
2023

Contents

Gelsomina Vigliotti

Chair of the Board, EIB Vice-President

"With a multitude of challenges on the horizon, not least the green transformation and the pursuit of a more sustainable future, the EIB Group and the EIF in particular will remain steadfast in our commitment to European small businesses."

With a number of challenges of recent years still very much on our radar, and new ones emerging in the course of this past year, the EIB Group has continued to direct much-needed financial support to key sectors of the European economy. The EIF in particular, has done so to the tune of €14.9bn, teaming up with close to 300 partner institutions across Europe and making financing available for more than 350,000 small businesses, infrastructure projects, households and individuals alike.

The geopolitical developments around us serve to underline the urgency in strengthening Europe's sovereignty in key sectors, in boosting our competitiveness on the global stage, and in ensuring that our economies are well fuelled. In this respect, the EIF's support for innovative entrepreneurs constitutes an important contribution to shaping our common future and driving growth in areas of strategic relevance, like the new space industry, deep tech, life sciences and most significantly perhaps, environmental sustainability. And going a step further, the launch of the European Tech Champions Initiative (ETCI) is a great example of collaboration across EU Member States and the EIB Group to ensure that great ideas born in Europe can also grow and flourish in Europe.

At the same time, the range of different instruments deployed provides the EIB Group with a broad outreach and allows us to make a tangible contribution to fighting climate change and pursuing a greener, digital and more inclusive future.

With a multitude of challenges on the horizon, not least the green transformation and the pursuit of a more sustainable future, the EIB Group and the EIF in particular will remain steadfast in our commitment to European small businesses, using financial instruments to channel public resources through the capital markets and on to European entrepreneurs in an efficient and effective manner, with our focus locked on impact. But we will also be looking for opportunities to engage with the markets and generate positive outcomes.

As we enter the EIF's 30-year anniversary year, looking back, but more importantly, looking ahead, we are confident in the role the organisation can play in helping the European Union support our economies and, not least, the small businesses that make its economy tick. And we will build on what we have learned to achieve even greater impact going forward.

Marjut Falkstedt

Chief Executive

"The numbers only tell part of the story, as the essence of our work lies in the impact behind them: improved competitiveness, support for innovative entrepreneurs and digitalisation, social impact, greater sustainability and support for the green transformation."

This past year has seen the EIF mobilise more than €134bn for the real economy, making it our second most 'productive' year in terms of commitments. But the numbers only tell part of the story, as the essence of our work lies in the impact behind them: improved competitiveness, support for innovative entrepreneurs and digitalisation, social impact, greater sustainability and support for the green transformation.

One of our recurring objectives is to branch out further and open new channels of cooperation in an effort to make sure that financing is made as accessible as possible to European businesses. This year's story says exactly that. 2023 saw us collaborate with many new intermediaries, as one third of this year's partners are new. It also saw significant growth in our securitisation work, reaching €3bn in commitments this year, and developing into a very useful tool for generating fresh loan portfolios with a very green colour to add even more weight to our collective sustainability efforts. And our work with national and regional authorities exploded to €4.2bn, including ETCI, coming over and above our InvestEU efforts, which remains the main driver of our activity at 39%. This year has also seen significant progress on the path to a gender-balanced economy, with more than €1.6bn committed to partners that meet the InvestEU gender criteria, turning commitments and goals into real action. And there will be more.

I take this opportunity to thank the EIF's staff that have, once again, worked tirelessly throughout the year to conclude no fewer than 341 transactions and a wide range of non-financial activity like events and capacity-building work to nurture the European financial ecosystem and achieve real impact on the ground.

Going forward, we will continue to work with the EIB, the European Commission and the Member States to make financing more readily available to Europe's ambitious entrepreneurs. In a year that marks our 30-year anniversary, we will be looking back at all our achievements to date and use that inspiration to aim for even more ambitious targets, offering solutions fitting everyone, from the small bakery on the corner to farmers and the innovators developing the next generation of satellite propellor technology, and everything in between. We will make every effort to target key sectors and industries to ensure that European sovereignty and competitiveness are secured and that the economy is fuelled for its drive to a greener, digital and more inclusive future.

The year in numbers

€14.9bn
deployed by the EIF in 2023

€67.3bn
made available to SMEs in the real economy

€134.6bn
expected mobilised investment

350,000[1]
SMEs supported

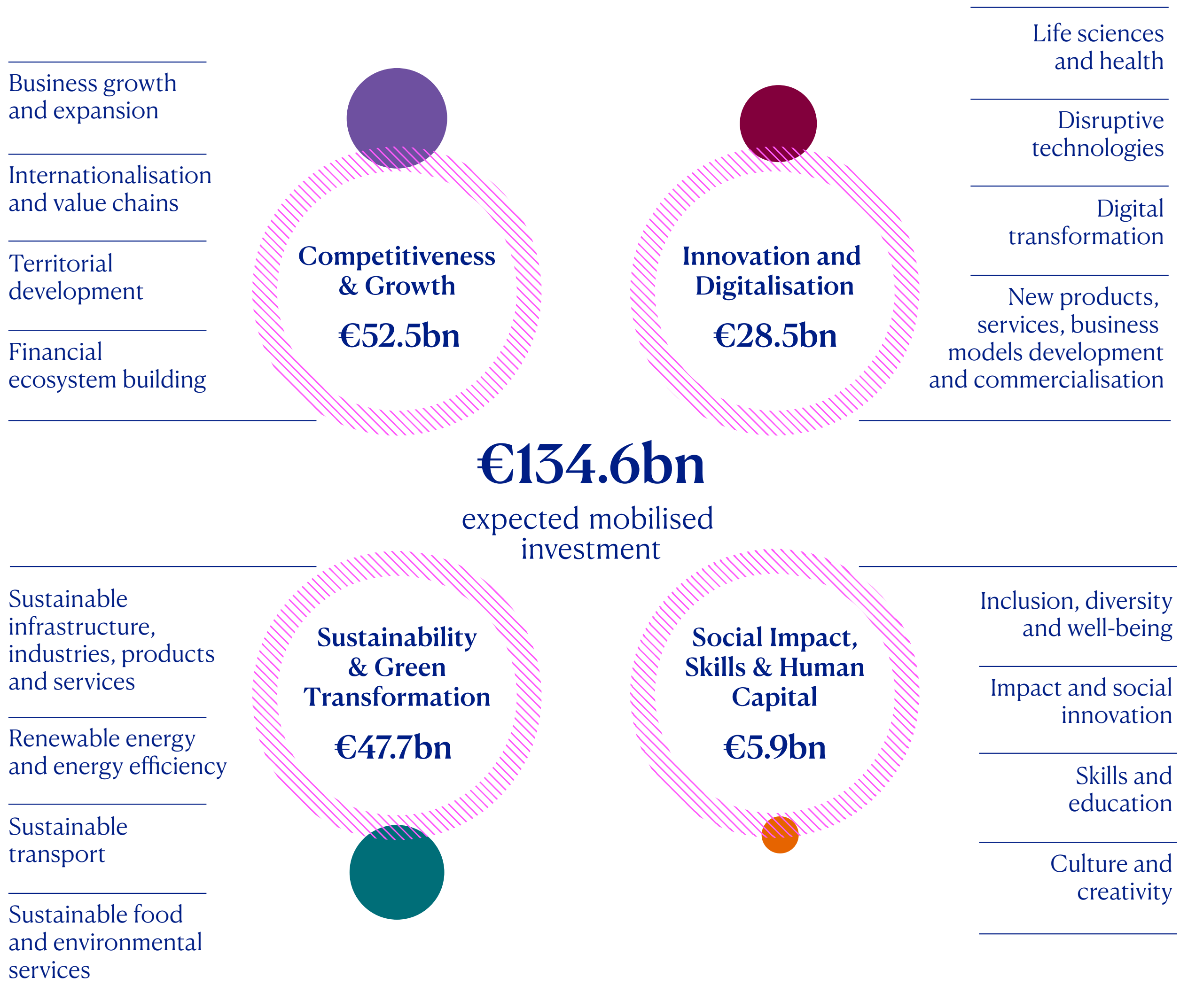
299
financial intermediaries

341
transactions

1 This figure does not correspond to the €14.9bn committed this year. It refers to SMEs that have received support through existing transactions as reported in the course of 2023.

2 Nonetheless, it should be noted that there is also a certain overlap across the various PPGs, with many competitiveness measures having a social dimension and vice-versa, or innovation and sustainability going hand in hand as well. Moreover, investments in the climate and environmental fields help businesses to adjust their business models to new challenges, thus having an impact on innovation, competitiveness and growth.

Public Policy Goals



Climate action and environmental sustainability

Economic and social cohesion

The public policy dimension of our mission is now engrained in every aspect of work and very much reflected in our dealings with our financial intermediaries, transposing, in this way, into the European economy a clear policy direction, as expressed in the EIB Group and the EU's relevant strategies, most notably relating to the pursuit of a greener, digital and more inclusive future.

Our public policy goal (PPG) lens has been used across the board this year, with transactions evaluated in relation to their PPG impact, and key performance indicators (KPIs) that are tightly linked to the achievement of our public policy objectives.

This year's breakdown saw 39% of our commitments addressing competitiveness and growth, 19% aimed at innovation and digitalisation, 3% dedicated to social impact, skills and human capital but directly affecting a significant number of people, and 39% targeting sustainability and the green transformation, with green activity seeing the largest jump compared to last year.[2]

In relation to our horizontal public policy objectives, climate action and environmental sustainability accounted for 34% of our work this past year, while 47% of our investments addressed economic and social cohesion - both above our targets for the year.

€5.6bn
equity commitments

€9.1bn
guarantees commitments

€155m
inclusive finance commitments

What we do

The EIF designs financial instruments that absorb part of the risk that is taken by banks, guarantee institutions, microfinance lenders and funds when they finance small businesses, individuals, and infrastructure projects. This encourages funds to invest, banks to lend, and private investment to be crowded in, creating a more sustainable financing ecosystem for Europe's small and medium-sized enterprises (SMEs).

Our Objectives

We work with our partners to deploy capital in areas that need it, from businesses active in the digital economy to traditional farmers. This means identifying underserved areas, whether that be geographical, or structural like early-stage or growth-stage businesses, designing and deploying an appropriate financial instrument, and ensuring not only that European entrepreneurs get the support they need, but also that markets and sectors of strategic importance to the EU are developed and strengthened. It means knowing our markets so well that one comparatively commitment to a carefully selected bank or fund can generate millions of additional euros for small European businesses. In these efforts, we work closely with the European Commission and the EIB to ensure that our interventions have a clear policy direction, pursuing a greener, digital and more inclusive Europe.

Our stakeholders

The EIF works with many stakeholders –the European Commission (EC), Member States, a large network of banks, including national promotional institutions (NPIs), leasing and micro-finance providers, lending platforms, private credit (PC), venture capital (VC) and private equity (PE) funds, private investors and, of course, our parent organisation, the European Investment Bank (EIB). Resources invested by the EIF include the EIF's own funds as well as resources entrusted to us by the EIB and the European Union (EU), national and regional institutions, and other public bodies, or private capital.

What have we been doing?

Pressing ahead with InvestEU
Once again, the European Commission's InvestEU programme has been the main instrument driving the EIF's work, aiming to unlock financing for small businesses across the EU and drive key sectors of the economy. Now at cruising speed, InvestEU accounted for 39% of our 2023 activity by year end. The programme saw more than €9.2bn worth of commitments to financial intermediaries across 26 EU Member States, while the number of final recipients already supported has grown to more than 26,000, of which more than 17,000 concern micro-businesses[3].

Across the EU, the guarantee products have been met with strong demand, far exceeding the available firepower, while financial intermediaries have been taking full advantage of the streamlined nature of the new programme, applying for several different products through one single application. This has also allowed for swift deployment, with year-end figures standing at just under half of the overall InvestEU financial resources.

At the same time, agreements have been signed with Norway and Iceland, expanding the programme beyond the EU, while advisory activities have intensified in partnership with the EIB, boosting the non-financial dimension of the EU's support for small businesses. The basic principle in the implementation of advisory activities is to help close financial intermediaries' knowledge gaps and facilitate the deployment of our products.

Throughout this year, six market studies were delivered, enhancing our mapping of relevant financial intermediaries and knowledge of market specificities, covering topics of relevance for the InvestEU programme, such as skills and education, culture and the creative sectors, and gender equality, among others. More than ten webinars and five physical events were held, helping to inform, educate and train financial intermediaries in priority areas such as space, semi-conductors, climate and sustainability, the blue economy, gender, and more. Three tools to support InvestEU product implementation are now also live in the market, including the sustainability guarantee webtool to check eligibility criteria, the green guide for fund managers and the ESCALAR model to support product assessment.

Looking ahead, in close collaboration with the EIB's Advisory Services, advisory activities will continue to focus on market development to boost the engagement of new potential partners and capacity building to enhance the knowledge and expertise of financial intermediaries while maximising the deployment of EIF products.

196
mandates under management

3 Data on final recipients as at 30 September 2023

Tackling the scale-up gap with ETCI
The new European Tech Champions Initiative (ETCI) was launched in February, with €500m worth of EIB Group resources alongside contributions from Germany, France, Spain, Italy and Belgium. In late 2023 the Netherlands also committed €100m, bringing the total size of the initiative to €3.85bn[4].

Building on the EIF's extensive work in the European venture capital markets, the ETCI is the first of its kind growth stage fund-of-funds in Europe. It aims to tackle the scale-up gap in the European venture capital ecosystem by investing in 10-15 VC funds of approximately €1bn in size. In turn, these funds are expected to mobilise more than €10bn worth of investments into innovative companies at the growth stage of their development.

This is about making sure that ambitious start-ups are able to find the financing they need to grow and expand – in the form of appropriate ticket sizes – right here in Europe, rather than having to relocate to other regions in search of elusive financial backing.

While last year was focussed on the ETCI's initial fund-raising and structuring phase, this year saw the EIF, managing the initiative on behalf of the participating Member States and the EIB Group, setting the wheels in motion. This has included the organisation of roadshow events in Madrid and Berlin to increase awareness of the initiative and offer key information to potential investee fund managers.

At the same time, it has meant that our investment teams have been busy screening numerous ambitious proposals from fund managers. 25 fund proposals have been received in the course of the year, confirming the strong demand for this instrument, exceeding initial expectations. The first four fund investments have been made, representing a total investment of €883m, with several others in the pipeline as well. In turn, these four funds have raised more than €4.7bn to support European innovators in their growth ambitions. As this initiative really starts to gain momentum, these funds have already made investments worth just under €1bn into 9 investee companies in France, Germany, Italy, the Netherlands and Spain.

In parallel, fund-raising efforts are continuing with the formalisation of fresh commitments from other Member States expected in early 2024, boosting the initiative's firepower, but also reconfirming the importance attached to the scale-up challenge.

93
new financial intermediaries

4 This figure also includes conditional commitments from Member States

Powering the European venture capital and private equity ecosystem
In 2023, VC and PE fund managers experienced a difficult fundraising environment, with global private equity fundraising reaching $508bn in the first nine months of 2023, equating to just 46% of the total funds raised in all of 2022. In these conditions, we continued to extend our support to the European ecosystem most notably through the EIB's Risk Capital Resources (RCR) mandate.

RCR remains the core pillar of our equity activity and is a critical resource that has allowed us to pursue our equity strategy in the venture capital and growth segments for more than 25 years and be a reliable partner to European fund managers. In 2023, RCR accounted for 25% of total equity activity, committing €1.4bn to financial intermediaries, enabling us to co-invest alongside other mandates like InvestEU and various national mandates. As per our broader strategic approach, and in line with the EIB Group's Climate Bank Roadmap, these investments prioritised fund managers contributing to the climate & energy transition.

Working closely with the Member States
The European Commission's InvestEU programme also provides an opportunity for Member States to channel part of their Cohesion Policy funds (European Structural and Investment Funds - ESIF) or their Recovery and Resilience Facility (RRF) funds to a dedicated Member States Compartment for each policy area. In this context, the EIF also incentivises intermediaries to put in place environmental and social safeguards and helps them verify compliance with existing environmental and social legislation, for example, when checking compliance as part of the InvestEU sustainability proofing.

This possibility under the InvestEU programme allows the EIF to help Member States with the deployment of their financial support to small businesses, taking advantage of our expertise and extensive experience in this area, and maximising the potential additionality, crowding in further private resources and strengthening market-building efforts. The unique engagement rules of InvestEU also allow for a degree of standardisation across the continent and a stronger focus on the public policy objectives that form the backbone of the InvestEU programme.

In total, last year saw the EIF conclude 18 new national or regional mandates, representing commitments of around €4bn, signifying important growth in this field of our work, underlining the trust that has been built over the years between the EIF on the one hand, and national and regional governments on the other, and also bringing EU and national policy-making closer together.

In France, in particular, five new funding agreements were signed, totalling €250m worth of investments, with regional authorities in Occitanie (two), Normandie, La Reunion, and Auvergne-Rhône-Alpes. This brings the total assets under management in French regions close to €800m, allowing us to make an important contribution to reinforcing the competitiveness of French SMEs, fostering innovation, promoting social inclusion, and contributing to the green transition, especially in the agricultural sector.

€7bn
commitments
in Cohesion regions

Driving sustainability and green transformation efforts
In line with the Climate Bank Roadmap and the EU's Green Deal, 2023 has seen our green activity grow significantly, representing 39% of our 2023 commitments, from greentech and cleantech investments, to private credit funds, infrastructure funds and InvestEU's sustainability guarantee. Moreover, securitisation activity has made an important contribution by redirecting freed-up capital from a large number of transactions to sustainability-related investments.

In parallel, the REPowerEU mandate has not only been rolled out intensely, but also topped up by 50%, meaning that the EIF will be deploying – over and above the initial €3bn – a further €1.5bn. Pioneered by the European Commission in response to the global energy market disruption, the REPowerEU Plan originally foresaw €30bn worth of EIB Group financing for green energy to be delivered over five years through the end of 2027, with a focus on the three pillars of sustainable energy, energy efficiency and green innovation. The EIF's delivery of our €3bn share of the programme started in 2023, with signatures this year into cleantech and energy transition funds amounting to €264m. Investments in renewable energy infrastructure funds reached €45m and will intensify next year. Given the considerable investments needed to achieve net-zero in Europe however, in May the EIB decided to increase the REPowerEU package by €15bn, of which the EIF will deploy €1.5bn into cleantech and energy transition VC/PE funds and renewable energy infra funds.

Boosting securitisation efforts
In the course of 2023, one tool that has emerged as particularly impactful has been securitisation. As we continue to experience the effects of climate change, it has been very encouraging to see the impact that securitisation transactions can have, most notably as a tool to drive the green transition, with many deals aimed at generating fresh financing for energy efficiency initiatives, CO2-emissions reduction efforts, and other sustainability-related efforts. Securitisation is proving to be an important tool to hedge risk, manage balance sheets, and generate the flexibility needed to allow our partners to target specific market segments like those relating to the green transition.

In total, the EIF signed tranches in 21 securitisation transactions across nine countries for a total investment amount of around €3bn during this past year – representing one-fifth of our annual commitments. That has meant that our partners have committed to deploying a combined amount of €5.7bn in the form of new lending for the real economy, of which at least €2.4bn will be dedicated to green projects.

In addition, the EIF also worked on the structuring of the EIB's direct investments in cash securitisations amounting to €2.8bn in 2023. These investments will generate new lending of €5.2bn, of which €1.4bn will contribute further to the EIB Group's Climate Action target.

Securitisation has also made an important contribution to our cohesion and market-building targets, with a total of €1.7bn invested in securitisation transactions in Central and Eastern Europe, a region with a relatively nascent securitisation market. This investment represents 56% of our total securitisation efforts for 2023.

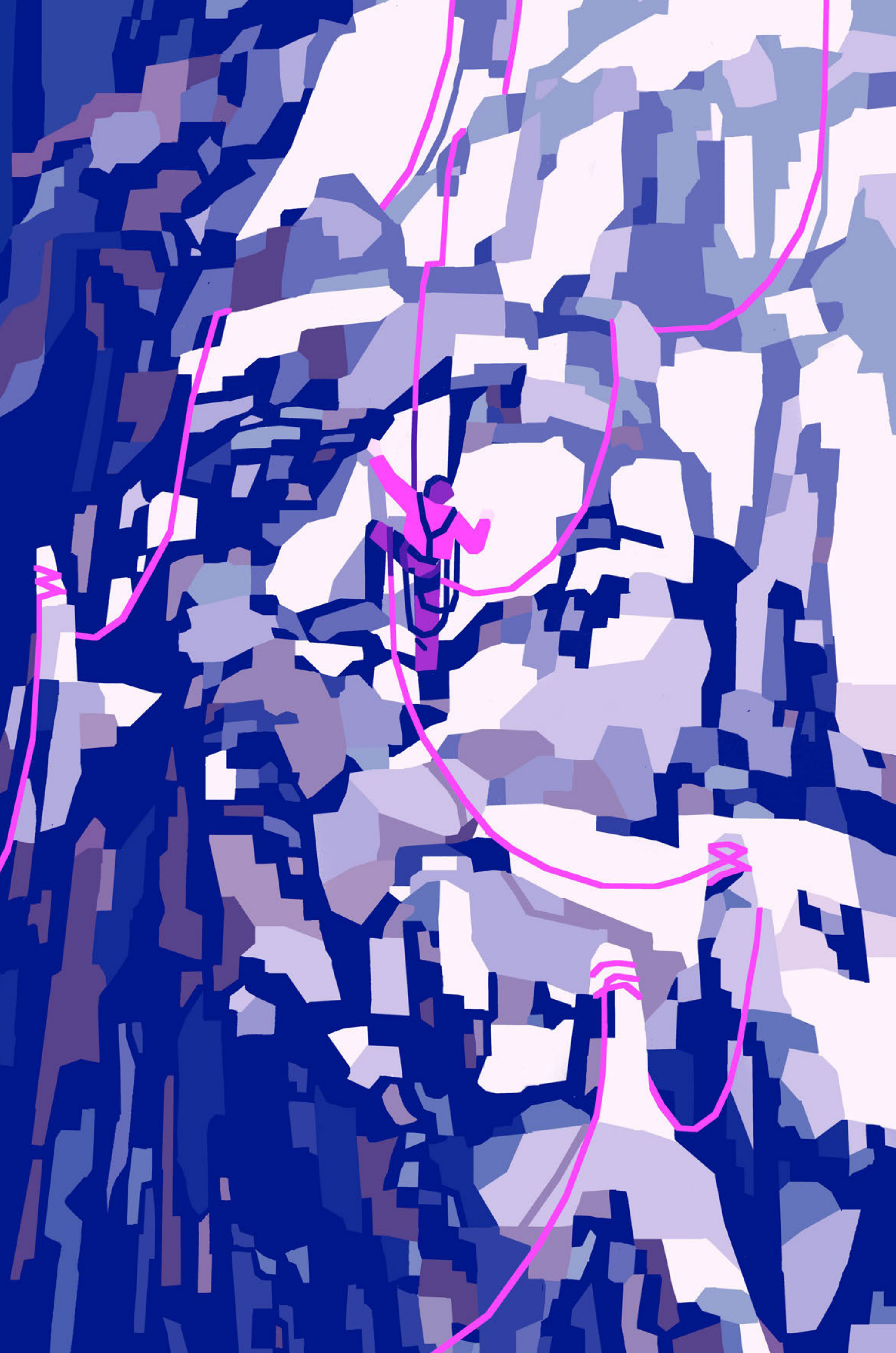
€18.4bn
worth
of approvals

Internal reorganisation
This past year has seen the EIF's Human Resources team redefine its strategic direction, in line with organisational goals and the EIF's vision, codifying our approach in the form of an HR Roadmap, which will shape our culture and working practices over the coming years. A restructuring of our organisation is underway to ensure that we are fit for the future, while improving our efficiency and delivery to our customers and stakeholders. This has begun with the establishment of a Senior and Executive Management Committee (ESMC) to assist decision-making and a new organisational chart that comprises six directorates, with a series of senior appointments and recruitments throughout 2023 and expected to continue into the first half of 2024 as the re-organisation really takes shape.

Becoming fit for the future has also involved progress on the digitalisation front, where, in close cooperation with the EIB, we pushed ahead with the delivery phase of our ambitious Digital Transformation Programme, which includes important EIB Group-level initiatives such as the Group Client Portal and the Group Data Strategy. Following best market practices and with the ultimate aim of enhancing operational efficiency, we established process optimisation activities and initiated the adoption of technologies such as robotic process automation and artificial intelligence.

38%

of our equity intermediaries meet InvestEU gender criteria



Competitiveness & Growth

Economic aftershocks from the recent pandemic were felt across Europe during the first half of 2023, while the ongoing geo-political situation, inflation and energy prices have continued to put pressure on small businesses across the continent. But we made every effort, alongside the European Commission, the EIB and our partners on the ground, to foster growth and competitiveness, ensuring that European small and medium-sized businesses—the backbone of our economy—had better access to finance to help them grow, compete and scale within their respective industries.

We have pursued this goal making full use of all the tools in our financial toolkit: portfolio guarantees, equity investments and securitisation, and working through a range of different types of partners, ranging from banks and VC/PE funds to private credit funds and crowdlending platforms amongst others.

In parallel, we have set up new mandates with various Member States like Romania, Bulgaria and Malta, to secure a steady flow of financial support for local businesses and promote economic convergence, cohesion and equal opportunities for businesses across Europe.

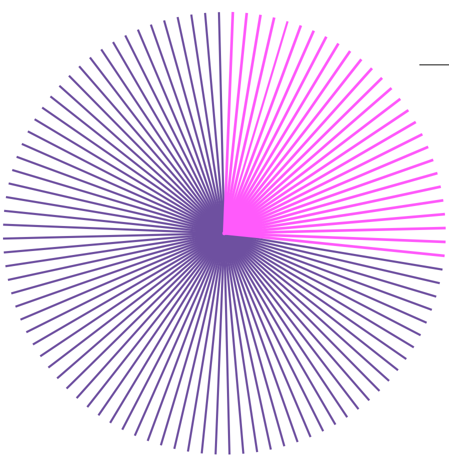
Central and Eastern Europe

We have been especially active in Central and Eastern Europe (CEE) this year, reinforcing our commitment to the countries, economies, and fellow European citizens within this rich and diverse region, thus making a meaningful contribution to the EU's Cohesion Policy.

One of the largest transactions signed this year concerns a capped and uncapped guarantee umbrella deal with UniCredit, a well-known EIF counterpart. It covers seven countries: Czech Republic, Romania, Bulgaria, Croatia, Slovenia, Slovakia, and Hungary. The EIF guarantees will enable UniCredit to provide loans on favourable conditions to 2,500 SMEs and small mid-caps across Europe, mobilising an investment of no less than €1bn into the real economy. The resources of this wide-ranging transaction will primarily go towards investments contributing to the twin green and digital transition, but also to boost the cultural, educational and social sectors.

As part of UniCredit's green lending strategy, loans will also be provided to housing associations and individuals for their own renewable energy and energy efficiency investments in residential buildings, as well as to promote the development of sustainable mobility. Borrowers will benefit from reduced risk spreads and, in the case of microfinance borrowers, also reduced collateral requirements. 80% of the borrowers are expected to be located in Just Transition or Cohesion regions.

In Romania, our close collaboration with the national government is delivering good results. Following last year's equity mandate, we launched a new debt mandate this year, using resources from RRF Romania and tapping into the InvestEU Member State Compartment. On the back of that agreement, we signed a series of uncapped direct guarantees totalling €1b with five banks (Banca Comercială Română, Banca Transilvania, CEC Bank, Raiffeisen Bank and ProCredit Bank) to further strengthen access to finance for the country's small businesses. Our guarantee enables our Romanian partner banks to offer improved financing terms like lower interest rates, reduced collateral requirements and down-payment requirements as well as longer maturities and increased financing volumes and support for excluded segments such as start-ups.



€5,753bn
commitments in Competitiveness & Growth

27% Equity

73% Guarantees

With financing available in both RON and EUR, this endeavour will bolster Cohesion regions in Romania, fostering business growth and expansion, supporting value chains, sustainable infrastructure products and services, renewable energy and energy efficiency, and clean transport, while strengthening the Romanian financial ecosystem. In parallel, we signed the first deal under RRF Romania Equity mandate, in which €20m were invested into AMC V, a hybrid debt-equity fund supporting SMEs in Central and Eastern Europe.

At the same time, we have also signed a new guarantee mandate with the Bulgarian government, connecting a Bulgarian RRF budget of €150m to the InvestEU Member State Compartment. Indicatively, half will be dedicated to promoting the competitiveness and growth of local enterprises, while the other half will focus on climate action, energy efficiency and renewable energy. By helping local businesses to weather the negative effects of the crisis and continue on their growth path, this instrument will focus on addressing the structural weaknesses of the Bulgarian economy, such as lack of liquidity and solvency risks faced by the local enterprises, ultimately contributing to greater resilience, increased productivity and sustainable growth of the Bulgarian economy.

Also in Bulgaria, we signed a synthetic securitisation agreement with ProCredit Bank, providing protection on a mezzanine tranche and a senior tranche of a portfolio of SME loans with a total outstanding balance of about €300m. Close to half of the EIF's exposure is counter-guaranteed by the EIB. The transaction allows ProCredit to expand its support to small and medium-sized companies in Bulgaria and Greece. In turn, ProCredit will provide new loans to SMEs, with approximately €140m of the expected financing allocated to projects contributing to climate action and environmental sustainability.

€4,683bn
Business growth and expansion

€454m
Internationalization and value chains

€399m
Financial ecosystem building

€218m
Territorial development

In Hungary, a new capped guarantee agreement with K&H Bank Zrt will pave the way for a portfolio of more than 1,000 loans on more favourable terms for Hungarian businesses, most of which are expected to be in Cohesion or Just Transition regions. With the guarantee backing, K&H will be able to improve the competitiveness of the final recipients by facilitating access to finance to riskier SMEs or businesses lacking sufficient collateral.

In Slovakia, we signed a guarantee deal with Slovenská záručná a rozvojová banka (SZRB), a state-owned financial intermediary, enabling them to provide over €70m in new loans to Slovak small and medium-sized enterprises through targeted financing. The initiative represented a significant step towards fostering economic recovery and strategic investments in the country.

And further north, in Poland, we signed a guarantee transaction with PKO Leasing, with a strong competitiveness component. The guarantee will generate a loan portfolio of around €474m, supporting approximately 13,000 loans and leases, including start-ups, with clients benefitting from an increase in financing volumes or longer financing maturities. We also renewed our support to CVI, the leading Eastern European private credit manager, by committing €40m to their new private debt strategy which, with a €200m target fund size, will provide tailor made credit financing to SMEs in Poland and neighbouring countries.

Meanwhile, in the Western Balkans, through the Western Balkans Enterprise Development and Innovation Facility (WB EDIF), we have been deploying significant amounts in support of local businesses as they confront challenging economic times for the region. In the course of 2023, we signed portfolio guarantee agreements with 11 banks and financial intermediaries in all Western Balkan economies, which alongside further operations scheduled for early 2024, will allow them to generate SME loan portfolios at favourable lending conditions worth around €700m. These efforts are intended to improve access to finance for small businesses, enhance their resilience to ongoing economic distress, and create better conditions for business extension, employment and innovation. Since 2013, we have unlocked a total of €3.5bn worth of financial support for no fewer than 67,000 businesses in the region.

Recent trends in EU corporate demography and policy: COVID and beyond

First IPO-focussed fund supported

Southern Europe

We pressed ahead with our equity work, targeting funds that focus on later-stage investments. In Spain, we invested €30m in Axxon Fondo ISETEC V, a Spanish fund focusing on pre-IPO, at-IPO, and post-IPO investments in SMEs. With a target size of €100m, it will be active across Southern Europe.

Also on the Iberian peninsula, we signed a guarantee agreement with Caixa Geral de Depósitos, mobilising up to €378m in new credit lines to improve access to finance for Portuguese SMEs. The aim of the agreement is to leverage the financing of eligible companies in Portugal across seven thematic areas, with approximately 25% dedicated to competitiveness. The operations will benefit from a guarantee of between 50% and 80% from the EIF and will have a maximum maturity of 12 years.

Across the Mediterranean, we signed an agreement with Cassa Depositi e Prestiti (CDP), the aim of which is to facilitate the provision of over €4.3bn in new financing for small and medium-sized enterprises in Italy, supporting competitiveness and investment in all sectors, with a particular focus on education, training and culture.[5] We will provide a counter-guarantee of €120m at favourable terms to CDP, which, in turn, will offer guarantees to Italian financial institutions to facilitate this access to credit for SMEs. This instrument will generate an estimated leverage effect of 36x, making it possible to unlock financing from the banking system to support almost 50,000 SMEs.

SMEs in Malta are set to receive substantial support totalling €16.6m through the Malta InvestEU Member State Compartment, a collaborative effort with the Maltese government and the successor to the SME Initiative. The Malta Member State Compartment begins with an initial budget of €16.6m, made up of European Regional Development Fund (ERDF) and national resources through JEREMIE reflows. This funding will be directed at building a €60m loan portfolio that will enhance access to finance and improve financing conditions for Maltese businesses, potentially also resulting in lower interest rates and reduced collateral requirements.

5 The €4.3bn figure is the expected volume of SME loans inclusive of the counter-counter-guarantee rate.

Northern Europe

In Finland, we signed two new portfolio guarantee agreements (capped and uncapped) with Finnish alternative lender LocalTapiola, which will provide an expected total of €39m in new loans to Finnish small businesses and mid-caps. The guarantees will allow LocalTapiola to support Finnish companies with improved lending conditions such as reduced interest rates, thereby broadening the spectrum of companies and industries that they are able to support.

In Denmark, we signed an agreement with Danish crowdlending platform Flex Funding for a guarantee of DKK 111.7m (€15m). The new agreement will ensure that up to 160 smaller Danish companies can more easily obtain funding with attractive terms so that they can continue their growth and development.

We also committed €30m into Ture Credit Fund III, in Sweden, advised by a local private credit boutique specialized in providing tailor-made financing to mainly SMEs and small mid-caps in the Nordics.

And in Lithuania, we invested €25m in Sound Senior Private Debt Fund 1, a newly established independent alternative asset management company headquartered in Vilnius and fully owned by its five founders. The Fund will address a significant market gap by providing tailor-made facilities adapted to the underserved needs of predominantly SMEs and small mid-caps in a region where alternative financing is nascent.

European small business finance outlook 2023

First diversified debt fund in *Lithuania*

Western Europe

In the Netherlands, we invested €15m in Karmijn Kapitaal Fund, a fund led by female founders, applying an investment strategy focused on companies led by gender diverse management teams. The fund has a target size of €100m and focuses on the growth and expansion of Dutch SMEs.

In partnership with InvestNL, we also invested in WDL SME Fund, which is run by a first-time team and provides senior financing to Dutch SMEs. The EIF and InvestNL cornerstone investment of €25m will support the fund's first closing at €40m and thus the establishment of a new player in the Dutch alternative financing market. It will provide alternative private credit solutions – medium and long-term debt financing – to SMEs established in the Netherlands.

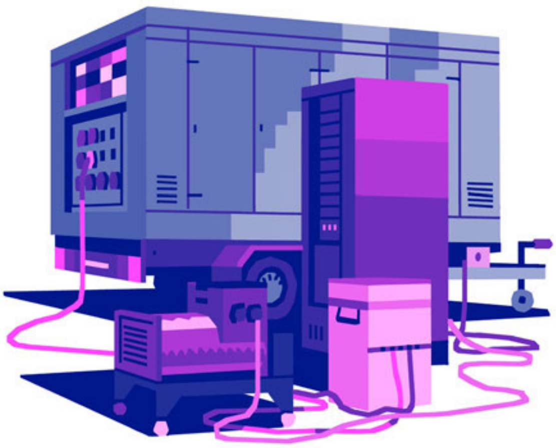
We also joined forces with three regional Belgian partners—Finance & Invest Brussels, PMV, and Wallonie Entreprendre (formerly Sowalfin), providing guarantees to build a total portfolio of loans worth more than €600m in which all final beneficiaries will benefit from a reduction in collateral.

Working in conjunction with Bürgschaftsbank (BB) Baden-Württemberg and Bürgschaftsbank Nordrhein-Westfalen in Germany, we provided counter-guarantees on SME loan portfolios in the German states of Baden-Württemberg and North Rhine-Westphalia. The agreement with BB- Nordrhein-Westfalen will focus on the competitiveness and growth of local SMEs, while the agreement with BB Baden-Württemberg will cover a broader spectrum of sectors, including sustainability, innovation, competitiveness and also the cultural and creative sectors.

In neighbouring Austria, we supported Austrian businesses active in a range of different sectors through our long-term partner aws. The agreement aims to improve the overall competitiveness of more than 2,500 Austrian businesses by facilitating access to finance to riskier SMEs or those lacking sufficient collateral. In total, the agreement will make more than €550m available in the form of SME lending.

€1.4bn
invested in PE funds

SAPOTEC: energy always and everywhere



Location: *Salzburg, Austria*
Financial Intermediary: *UniCredit Bank Austria*
SME: *Sapotec*
Sector: *energy*
Number of employees: *61*
Financing purpose: *product development*
EU financing: *InvestEU*

"With renewables especially, batteries and storage technologies still need to be improved. We're constantly looking for solutions, to find alternative battery systems. But on the positive side, politicians are now finally pushing harder and we are seeing more dedication from their side."

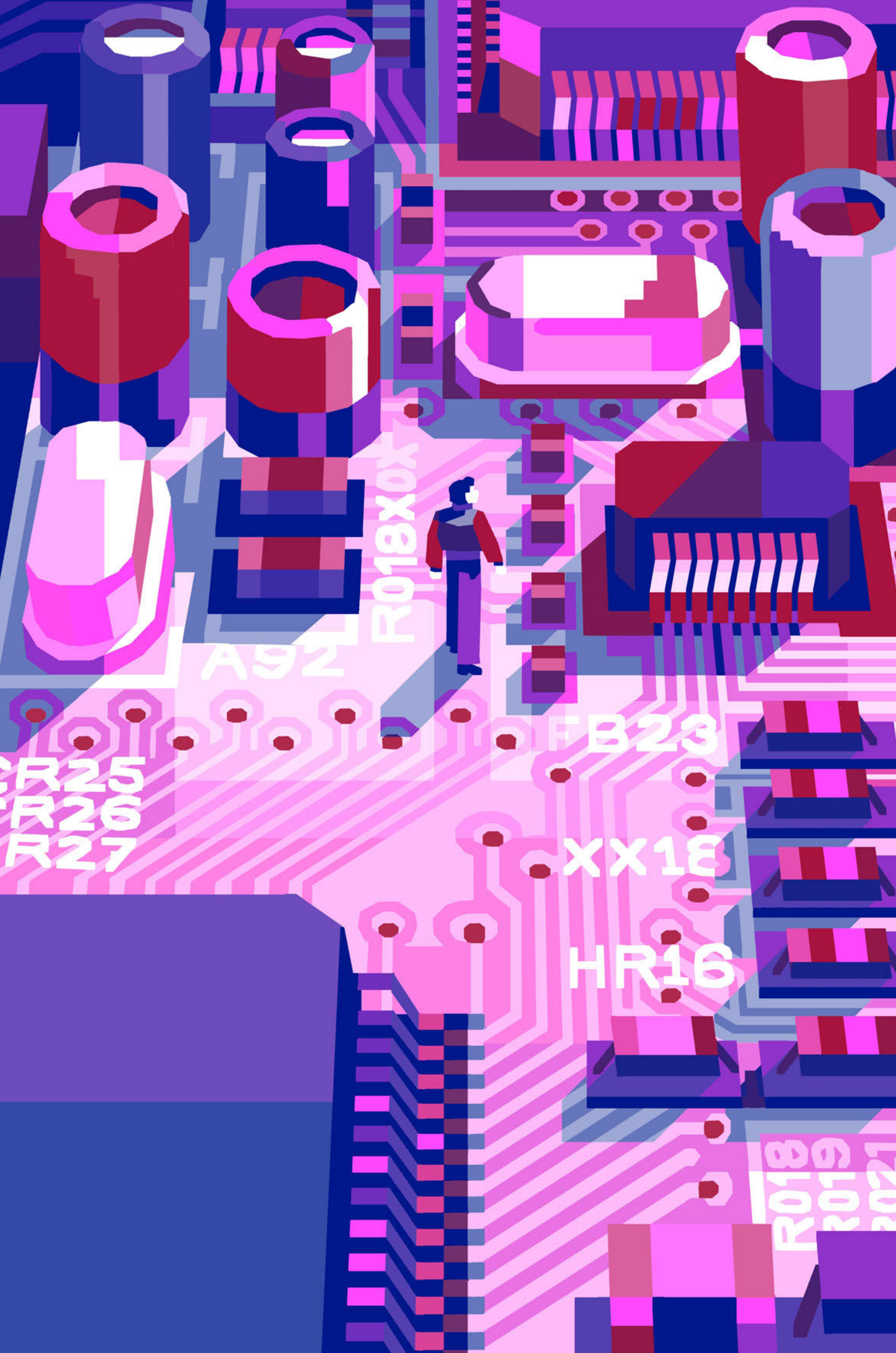
We sometimes forget how critical electricity is in our lives, taking for granted its omni-presence. And in that respect, power cuts can be anything from annoying to even very disruptive. But in certain fields, like healthcare for example, or major data centres, power interruptions can be absolutely devastating and are simply not an option.

SAPOTEC is a company based in Salzburg that lives and breathes that space of emergency power supply. That's the power systems that kick in when the main supply fails. They work with all sorts of clients, from industry to data centres, medical and other critical infrastructure like tunnels, offering a fully-fledged solution. "We offer a comprehensive approach, and that's our unique selling point," explains Alexander Sautner, CEO. "From study to delivery, commissioning, and after-sales, we cover the complete product lifetime. And we are committed to our customers' needs: we'll analyse situations and adapt our product offering accordingly, tailoring our approach as necessary."

Despite working in Austria, Germany, and with clients all over the world, SAPOTEC, which derives from the first letters of Sautner Power Technology, is really a family business at heart. "It's not just about family members working in the business. It's also about treating employees like family," says Alexander. "It's something that's very important to me." Furthermore, the team has been putting their expertise to good use in making a difference where it's needed most.

In particular, the company has been working on a project to build 50 medical stations in Ghana. SAPOTEC will be supplying 50 technical containers for this project, which are to ensure the permanent functionality of the medical stations, alongside providing the water technology, the rectifier/inverter systems including lithium storage, the PV panels and air conditioning systems. In 2022, a first prototype was tried and tested in Vienna, but to really get the project off the ground and finance all the groundwork, the company sought an EU-guaranteed loan through Unicredit, backed by the EIF. "The loan allowed us to really get the ball rolling on this project," Alexander adds.

Looking ahead, the company is always seeking to introduce more green energy into its power solutions, but they are also acutely aware of the challenges. "Storage is key. With renewables especially, batteries and storage technologies still need to be improved. We're constantly looking for solutions, to find alternative battery systems. But on the positive side, politicians are now finally pushing harder and we are seeing more dedication from their side."



A92
FB23
XX18
HR16

Innovation & Digitalisation

This year was defined by innovation and digitalisation developments, chief among them the emergence of artificial intelligence and the subsequent proliferation of AI-powered platforms and technologies, and a landmark regulatory agreement at EU level in December.

However, artificial intelligence was just one chapter in 2023's story of innovation and digitalisation across the EU's 27 Member States. Addressing the scale-up gap has been a pivotal challenge, one that the EIF and the EIB, along with our shareholders, have addressed head on with a bespoke and particularly ambitious instrument, the European Tech Champions Initiative, aimed at nurturing our thriving tech ecosystems and making sure that great ideas can be born, grow and flourish here.

Developments in information and communication technology (ICT) and deep tech domains are pushing the boundaries of innovation and defining what tomorrow will look like. In that regard, we have strengthened our support for our best and brightest innovators, who are shaping the future of a digitally integrated and digitally sovereign Europe.

The New Space sector also represents an important element of this year's story of innovation, as a surge of space ventures catalysed investments in this exciting and transformative ecosystem. In pursuit of European strategic autonomy, we signalled our commitment to supporting Europe's New Space industry and also the life sciences sector, with a number of key investments.

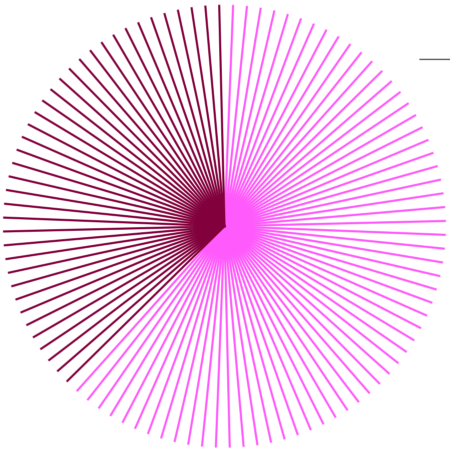
In parallel, market-building efforts continued in collaboration with local actors, as we push towards a conducive environment for innovation, digitalisation and sustainable growth across Europe.

Tackling the scale-up gap

In order to ensure that Europe remains an attractive place for hi-tech European businesses to create and innovate, a place where promising technology entrepreneurs are supported with the necessary access to finance during all stages of their growth, the European Tech Champions Initiative (ETCI) was launched in early 2023. Following the launch, a more than 25 proposals were received, with the first investments materialising in the course of the year.

FSI II was the first investment (€150m) under the new ETCI instrument, an Italian fund focusing on scaling technology and health companies through growth capital investments.

This was followed by a second investment - in Keensight Nova VI. The €100m investment into this French growth stage VC fund which targets European information and communication technology (ICT) and life sciences companies will help achieve the target size of €2.2bn. Keensight is one of the few EU-based fund managers that has raised and deployed a fund size of €1bn.



€2,845bn
commitments in Innovation & Digitalisation

63% Equity

37% Guarantees

Health & Life Sciences

The COVID-19 pandemic underscored the importance of health and life sciences, which remain high priority areas for the EIF, the EIB and indeed the EU. This has been reflected in our investment activity this year with a series of investments into life science funds that are looking to make a difference.

We renewed our partnership with Leuven's Centre for Drug Design and Discovery (CD3) by investing €35m in CD3 IV, a technology transfer platform in partnership with the University of Leuven. With a size of €70m, the fund focuses on drug discovery and developing projects, primarily at the pre-clinical stage. It will be active mainly in Benelux, with a focus on Belgium.

We also signed the first ever investment in a Portuguese life sciences VC fund (Biovance Capital Fund I), in line with our strategy to support first-time and emerging teams, particularly in peripheral Europe, thereby reducing geographical disparities in the European LS VC ecosystem. The investment was made in partnership with Portuguese NPI BPF.

On the private investor front, our Sustainable Development Umbrella Fund (SDUF) Health compartment reached a €195m final closing size in December 2022, close to its target size of €200m. The SDUF Health Compartment, focusing on life sciences, issued its second annual SFDR periodic disclosures, offering stakeholders a comprehensive view of its investment profile and the social characteristics it promotes, reflecting the core purpose of being an SFDR Article 8 fund.

EIF Private Equity
Mid-Market Survey 2023

€1,278bn
Digital transformation

€461m
Disruptive technologies

€422m
Life science and health

€683m
New products, services and business models development and commercialization

ICT & deep tech

In a changing industrial landscape, we have been working with our partners to ensure that European businesses with ground-breaking ideas find the financing they need to develop, commercialise and eventually scale their products and services. From AI and blockchain to ICT, deep tech and beyond, this year saw a continuation of our support for fund managers intent on backing ambitious innovators whose ideas will form the pillars of tomorrow's economy.

In France, we invested €20m (target fund size €60m) in Hardware Club Fund II. Managed by a French team, this pan-European fund builds on the work of the Hardware Club, a platform set up to provide a community for start-up founders to overcome bottlenecks through a knowledge sharing network. The platform also facilitates strategic partnerships to provide support for specific issues like manufacturing, distribution, and supply chain management. The fund, founded to be able to invest in members of the Hardware Club community, focuses on early-stage innovative hardware technologies and related software solutions.

We also invested €25m into Market One Capital II, a VC fund dedicated to pre-seed and early-stage ICT investments primarily in Poland. The fund focuses on marketplaces, thereby helping to strengthen the EU's digital independence and strategic autonomy vis-à-vis its digital transition.

And we invested €25m in Radix Fund I, a VC fund focusing on early-stage ICT investments in Central and Eastern Europe that aims to raise €60m. This investment is supporting the emergence of a new VC team, with a focus on deep tech in the CEE region.

Finally, we committed €15m to MCC (Mediocredito Centrale) VC Fund I, a VC fund (target size: €35m) dedicated to early-stage technology companies in blockchain and artificial intelligence in Central and Eastern Europe. The EIF is both a cornerstone investor and a key to reaching the minimum viable fund size for this first-time team in an underserved and innovative market segment.

Committed

€2.8bn

into 78 VC funds this year

New Space

The European space industry has established itself as one of the most important and relevant industries for the future of Europe's strategic autonomy. Nevertheless, the New Space economy remains a relatively nascent equity ecosystem in Europe, where specialised funding and private sector involvement are particularly scarce. With this in mind, we have continued to make a series of investments in specialised funds that are helping Europe's New Space industry to grow.

In particular, we made two co-investments in Germany's Isar Aerospace, a launch service provider for small and medium-sized satellites. The co-investments were made alongside two venture capital funds: HV Holtzbrinck Ventures Fund VIII and Vsquared Ventures Opportunities I.

We also invested €60m in Alpine Space Ventures Fund. Managed by a German team and with a strong focus on the DACH region, this pan-European fund invests in early-stage space technology companies. The Fund will focus on companies active in a range of areas, from launch and landing systems as well as satellites and drones to satellite data exploitation for earth observation and navigation.

EIF Venture Capital Survey 2023

Navigating the digital transition

As businesses, and the economy in general, continue to adapt to an increasingly digital future, we have sought to establish partnerships that will make financing more accessible for SMEs in all sectors of the economy in order to help them successfully navigate this digital transition, relying, more than anything, on InvestEU resources.

One such initiative involved a portfolio guarantee agreement with SG Equipment Finance, which is expected to make available €25m for innovative Czech and Slovak companies. The new lending is aimed at supporting some 130 research- and innovation-intensive businesses, offering financial support for the uptake of digital technologies as well as the digital transformation of enterprises.

We have also supported alternative lenders, providing financing customised to the business model of innovative companies. One such transaction involved Aegon Investment Management in the Netherlands, an asset manager that offers traditional and alternative investment solutions to its institutional, wholesale and retail clients. An initial commitment of €25m in June, generating a portfolio of around €36m was met with strong demand, resulting in a request for a top-up later in the year.

Another transaction that met high demand was with our shareholder Bpifrance, where an initial agreement for a loan portfolio guarantee volume of €100m was increased by €50m in order to continue supporting French SMEs and small mid-caps in their innovative endeavours and digital transformation.

€180m
committed to the New Space industry

Building local risk capital ecosystems

A large part of our activity as a public actor in the European equity ecosystem involves market-building efforts. By partnering with governments, regions and other relevant actors such as NPIs, and combining national and EU resources like RRF, ESIF funds and InvestEU, we continued to take bold steps across the continent, lending the necessary support to emerging managers, helping to mobilise private resources, and generating a more vibrant investment ecosystem—all within the framework of the public policy objectives that define our raison d'être.

Partnering with our shareholder, the Croatian Bank for Reconstruction and Development (HBOR), we launched CROGIP II, a €52m investment programme targeted at fast-growing Croatian businesses. Aimed at boosting private equity investments in Croatia, the programme will catalyse additional private-sector investments as well as support the emergence of fund managers focussing on the Croatian market. The programme is not restricted to any particular sector, although there is a 25% focus on climate action and environmental sustainability.

But our efforts in Croatia did not focus only on the growth stages. In September, we signed a new funding agreement with the Croatian government, the Croatian Venture Capital Initiative 2 (CVCi 2), setting up an €80m fund-of-funds initiative focused on investments in innovative Croatian SMEs with high growth potential through accelerators and venture capital funds. The new programme will provide a further boost to the vibrant venture capital and innovation ecosystem in the country as a follow-up to the successful €35m CVCi 1, which enabled the creation of Croatia's first institutional-grade venture capital fund, including a separate acceleration compartment that has supported over 100 generally pre-revenue stage start-ups to date.

First life-science fund supported in ***Portugal***

In Cyprus, the first equity fund that we established with the Cypriot government has taken off, with the selection of the fund manager, 33 East, taking place in Q4. 33 East Fund is a venture capital fund that will provide early-stage capital to technology companies either based and active in Cyprus or planning to expand their operations to the country. The fund's target size is €37.5m, of which €2.5m will be earmarked for pre-seed ideas, while €35m will go to venture capital.

In March, the Luxembourgish government, the Société Nationale de Crédit et d'Investissement (SNCI) and the EIF launched the Luxembourg Future Fund 2 (LFF 2), the successor initiative to the existing LFF 1, which had reached the end of its active investment period. With €200m in total financing commitments split between SNCI (up to €160 million) and the EIF (up to €40m), LFF 2 will provide additional support for innovative projects in Luxembourg. It boasts an enlarged investment scope, now also including hybrid debt-equity investments, enabling the financing of more mature innovative businesses, and co-investments in specific companies.

Also in March, the Czech Republic mandated the EIF to manage an RRF-funded €55m fund-of-funds focused on equity financing for early-stage Czech start-ups and spin-offs developing digital technologies. It will invest in three VC funds with specialised strategies: a pre-seed co-investment fund, a fintech fund focused on applications of distributed ledger technologies (DLT) benefitting from a new regulatory sandbox, and a technology transfer fund commercialising research from leading Czech universities in the field of artificial intelligence. Overall, this initiative will contribute to the digital transformation of the national economy and the development of the increasingly robust Czech venture capital market.

€883m

First ETCI commitments

Lunar Outpost:
technology in space, impact on earth

Location: *Foetz, Luxembourg*
Financial Intermediary: *Orbital Ventures*
SME: *Lunar Outpost*
Sector: *space*
Number of employees: *10*
Financing purpose: *product development; improving facilities; growing team*
EU financing: *InnovFin Equity; EGF*

"We are seeing the huge array of technological advancements in space and how much they affect us here on earth."

"When it comes to understanding our universe and what's around us, the better we understand where we live, the better our understanding of where we fit into it," says Julian Cyrus, President of Lunar Outpost. "From a long-term perspective, in terms of the sustainment of the human species, being able to reach out into the universe and establish ourselves off of earth could provide longevity and stress our planet less."

Based in Luxembourg, Lunar Outpost is an advanced technology company with a focus on developing technologies that have both earth and space applications. "Our expertise is in designing and developing autonomous robotic systems to survive and operate in extra-terrestrial and extreme environments," he says. In late 2023 the company is hoping to participate with its robotic platforms and space vehicles in a mission going to the moon. "The rovers' primary mission is to carry important payloads on the moon. From facilitating analysis of the lunar soil (regolith), to testing communication infrastructure capabilities, the rovers benefit from autonomous capabilities, mapping the environment around them, taking in information, learning and adapting with machine learning to make decisions on that basis - all in a very harsh environment. Our long-term presence in space requires technologies that will enable systems to survive."

Founded in 2017 in Colorado, USA, the company recently opened its European branch, teaming up with the Luxembourg Space Agency to work specifically on thermal control and energy storage technologies. "Luxembourg is very unique as a hub, given the high concentration of space-related start-ups here. I think they really recognise the future of the industry, and that says something about its potential. In Europe, in general, there is a lot of growth potential. Being part of this growing ecosystem, helping other companies to realise their ambitions in the lunar ecosystem is a real opportunity for us," Julian explains.

The company's fund-raising efforts were boosted in early 2022, with an equity investment from Orbital Ventures, a venture capital fund backed by the EIF. "We doubled in size, further developed our technology for space and our rovers, and invested in our facilities." But fund-raising hasn't always been straight-forward: "When we first started, private investors were not very interested in lunar operations. We saw that change with time. It has increased significantly since then, and soon we will have something 'made in Luxembourg' on the moon."

Social Impact, Skills & Human Capital

"Making money care more" isn't just a tagline for our social impact campaign. It's about ensuring that every euro spent has an impact well beyond its financial journey. More importantly, it's a principled position that informs our support for social entrepreneurs and micro enterprises, empowering them with the requisite financing to generate the widest social impact possible. That's why we extended support to microfinance institutions, social impact funds and social enterprises, all of which have a societal component as much as they do a business one. In concrete terms, this support included guarantees, counter-guarantees, loans, equity investments and capacity-building support.

In an EIF first, we embarked on our very first social housing programme, and we look forward to expanding our activity in this domain in the future. And since Europe and culture are synonymous, we bolstered our support for the cultural and creative sectors, which continue to inspire and define our individual and shared identities as well as draw people from all over the world to our cities, museums, festivals, and concert halls.

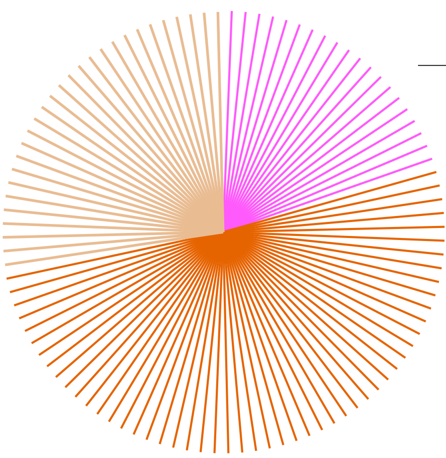
In addition, we continued our work in support of students and learners of all ages who are looking for that financial boost that will allow them to invest in developing their skillset and meet the demands of the twenty-first century's changing economic landscape. And speaking of change, we have continued to push ahead with our diversity agenda, making every effort to promote better gender balance across the venture capital ecosystem in particular, through financing, research and knowledge-sharing initiatives.

Financing the smallest and most vulnerable actors of the economy

From emerging fintech start-ups to more traditional financing in rural areas, we extended financial support to the smallest and most vulnerable actors within the economy through a wide range of resourceful financial intermediaries.

In the Baltics, Noviti, a young fintech, provides business loans to micro-enterprises via digital channels. With the support of an EIF capped guarantee (for a maximum portfolio volume of €47m), Noviti is expected to support more than 2,500 microloans in Latvia, Lithuania and Poland. Their aim is to provide affordable and accessible loans while maintaining social (minimum 40% borrowers in rural areas) and gender equality (minimum 30% female borrowers).

Building on a strong previous partnership, in Greece, we renewed our co-operation with the Cooperative Bank of Karditsa in the field of microfinance, which is expected to support around 400 micro-borrowers and 50 social enterprises. This partnership was further extended in response to the devastating flash floods in September, when around 25% of Greece's agricultural production in Thessaly was flooded, resulting in severe damage to agricultural production, livestock, industry and infrastructure. The extended agreement aims to support businesses encountering difficulty in accessing finance due to the adverse impact from the flooding, particularly those lacking sufficient collateral and in need of financing to replace damaged or destroyed assets.



€487m

commitments in Social Impact, Skills and Human Capital

20% Equity | 53% Guarantees | 27% Inclusive finance

In neighbouring Bulgaria**,** we extended support in the form of a capped guarantee to Bulgarian Development Bank MicroFinancing (BDB MF), which is fully owned by EIF shareholder the Bulgarian Development Bank. The guarantee will enable BDB MF to provide financing to the tune of around €10m to micro businesses, including the self-employed, on more favourable terms. This translates into reduced cost of financing, substantial reduction in collateral requirements by requesting only the personal guarantee from the customer, and financing borrowers that would otherwise not be considered for such financing.

Outside the EU, we provided a loan of €5m to Podgorica-based Alter Modus. The leading microfinance institution in Montenegro is a known EIF counterpart, having worked with us in the past. 1,000 loans are expected to be provided to vulnerable persons and micro-enterprises established and operating in Montenegro. In-house developed client-tailored training, coaching and mentoring programmes will be provided to the different client groups, such as women in business and agri-business entrepreneurs, among others.

In Serbia, a tier-2 subordinated loan transaction will support 3Bank with €4m in its endeavour to increase its outreach, including new underbanked client market niches and new geographical territories. 3Bank is the only microfinance bank in Serbia with a strong outreach to vulnerable groups in rural areas, including small farmers and micro-entrepreneurs, and their product offering includes free business development services to entrepreneurs in the form of education, which is available to clients before as well as after the loan disbursement.

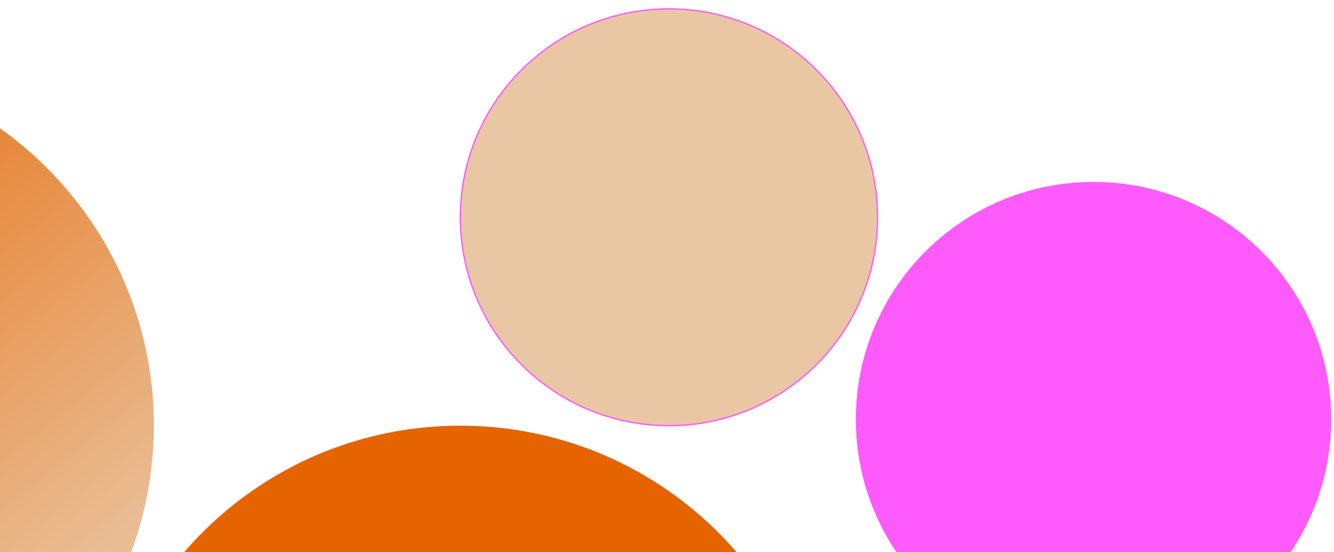
Fairness in algorithmic decision systems: a microfinance perspective

€180m Inclusion, diversity and well-being

€174m Culture and creativity

€76m Impact and social innovation

€57m Skills and education



Capacity-building efforts

Alongside more traditional financing efforts, we also engaged in extending capacity-building support, particularly to intermediaries that may have not yet reached sustainability or are in need of risk capital to sustain their growth and development. Approximately €40m was committed through the EaSI Programme for this initiative in the past, followed by a Capacity Building Investment (CBI) product under InvestEU, with its first signatures this year. Ultimately, the aim is to use various capital strengthening measures to enhance the institutional capacity of financial intermediaries, both 'greenfield financial intermediaries' as well as all other intermediaries, particularly in the fields of microfinance, social entrepreneurship, or skills and education.

In Latvia, the CBI was used in the form of a €1m subordinated loan to support Flexidea's organisational and operational development in the current markets (Latvia and Poland) as well as its expansion into new markets (Romania and the Czech Republic). This support aims to strengthen Flexidea's organisational structure and increase its leverage capacity in the new markets, through actions such as investing in and developing IT infrastructure, conducting marketing activities, covering licensing and working capital costs relating to the expansion and strengthening of the capital base, all of which will allow the intermediary to attract both equity and debt funding from private investors.

Meanwhile, in Romania, a €5m loan was given to Patria Bank, a Romanian lender specialised in financing small and micro-entrepreneurs with limited access to finance. The objective of the loan is to help strengthen Patria Bank's capital position, thus facilitating further growth and development, with the ultimate goal of improving access to finance for micro-entrepreneurs located in rural and small urban areas in Romania.

38,690
micro-enterprises supported

Skills & education in a changing world

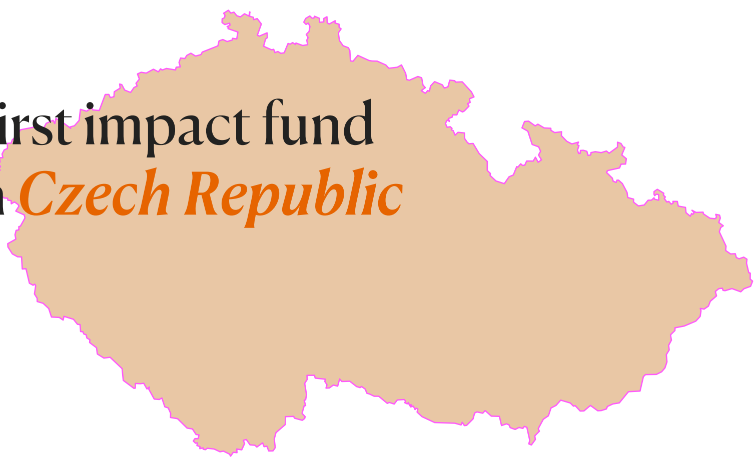
With digitalisation changing the way we work and relate, climate change altering the way our economies and industries function, and new sectors growing and traditional ones shrinking, Europe's workforce needs to remain agile and flexible, which often means access to education for skilling and re-skilling. To this end, the European Commission and the EIF designed a dedicated instrument under the InvestEU programme, which has been used extensively to support education and training.

In France we signed a €4m counter-guarantee agreement with SOGAMA (Sogama Crédit Associatif), which will support around 50 social enterprises, including associations, foundations, co-operative organisations or other entities operating in the education field that offer training services for young apprentices or students typically excluded from mainstream credit markets. SOGAMA will also support social enterprises that provide training to their employees, organisations active in the skills, education and training sectors, and organisations providing services ancillary to skills, education and training to develop the nascent market for education finance, which traditional market players often underserve.

In northern Italy, we signed a guarantee transaction with Banca Cassa di Risparmio di Savigliano (Banca CRS) that will make around €500,000 available to develop the nascent market for education finance. Banca CRS will thus expand its lending activity, implementing a new commercial strategy focused on the skills and education sectors. In the recent past, Banca CRS has not financed such projects because of the difficulty in measuring the related credit risks.

Further north, we signed a multi-pronged agreement in April with Swedish Ark Kapital, a niche debt-finance provider active in financing technological innovators and start-ups in Sweden, Denmark and Germany. Broadening its reach through this agreement, Ark will also be able to enhance access to finance for enterprises active in the skills, education and training sectors, as well as provide ancillary services, with a focus on educational technology (edtech), to the tune of €50m.

First impact fund in *Czech Republic*



Supporting the cultural & creative sectors

The cultural and creative sectors (CCS) enrich our imaginative lives, drive economic growth, foster innovation and creativity, promote social cohesion and community engagement, and enhance Europe's soft power globally. For these reasons and others, it is important to build on pilot instruments such as the CCS Guarantee Facility, which was conceived with the European Commission and met with strong demand in the markets. Not only have we therefore continued these efforts under InvestEU, we have also expanded them to include an equity component.

At the San Sebastian Film Festival in September, we announced a guarantee transaction with MDDG, a new Luxembourgish asset manager specialised in investments in the audio-visual sector and, in particular, the co-production and production of films and TV series projects. The guarantee will cover senior loans and minimum guarantees to European film productions, for an expected total portfolio volume of €47m. Senior loans bridge the financing gap during the development stage of an audio-visual project, while minimum guarantees are a specific type of financing of the production gap provided against future revenues of a film or TV series.

Finally, capped and uncapped guarantee transactions with Komerční banka will facilitate around €265m in new financing to Czech and Slovakian SMEs and mid-caps, covering sectors across our spectrum of social activity. The guarantees will support debt financing for about 6,500 businesses, facilitating lending on favourable terms to support investment in innovation and digitalisation, sustainability, social entrepreneurship, and skills and education, as well the cultural and creative sectors, all of which will foster the wider entrepreneurial sector in the region.

First social housing programme supported in *Italy*

Achieving social impact – social businesses

Aligned with key EU policy objectives, the EIF's support for social businesses, especially those with an emphasis on social inclusion, sustainability, and responsible business practices, prioritises positive social and environmental outcomes alongside financial sustainability. Perhaps more importantly, our continued engagement in this sector reflects our commitment to fostering a more inclusive and socially responsible European economy.

Three years after launching the very first Social Impact Bonds fund in the EU, BNP Paribas launched a second fund, BNP Paribas European Impact Bonds Fund 2, with the participation of the EIF. With a target size of €40m, the new fund aims to intensify the development of the European impact bond market, with two strategic investors having joined the EIF in creating it: Banque des Territoires (part of Groupe Caisse des Dépôts), and BNP Paribas Cardif, the Group's insurance subsidiary. The fund will finance projects that have a positive impact on society or the environment, promoting innovation in public policy while generating budgetary savings in government.

In the CEE region, we made an important commitment in Tilia Impact Ventures II, a Czech fund – the first institutional impact fund in the country. Tilia's goal is to support around 25 early-stage investments in the Czech Republic and broader CEE region, looking in particular for companies developing technologies to tackle issues linked to social inclusion and civic empowerment, education and training, health and wellbeing, environment and sustainability. Our €18.8m commitment constitutes an important contribution to this fund with a total size of €26.5m. The transaction lies at the core of our impact investing strategy, as our commitment has made possible the emergence of a new impact investor on the European scene, while at the send time, Tilia does not compromise between impact and financial performance and aims to invest in scalable opportunities addressing pressing social and climate-related issues.

We also invested €20m in French Ring Mission Venture Capital I, managed by a new VC team in the tech-for-good French market. This VC fund targets investments in impact-driven, early-stage companies using technology to solve social and environmental issues. With a target size of €70m, it aims to invest in about 20 early-stage, tech-for-good companies with strong potential for growth and impact in sectors such as education, financial inclusion, the silver and circular economies, clean tech, green finance and digital health. The EIF's support will allow the Fund to approach its optimal target size, supporting the emergence of a still underserved segment of the impact market.

On the guarantee front, we signed a guarantee agreement with Erste Group Bank AG and 11 additional banks in Austria, the Czech Republic, Hungary, Romania and Slovakia that is expected to unlock at least €66m for more than 500 social enterprises (which often have trouble obtaining credit) and to create around 1,750 jobs. These social enterprises will also benefit from specialised capacity-building and networking opportunities. The transaction is also expected to have a strong positive impact on the social economy in the CEE region, which is not yet fully developed.

We also signed a guarantee transaction with the leading ethical bank in France and our long-term partner, Société financière de la Nef (La Nef). The guarantee will enable La Nef to provide €73m worth of financing on more favourable terms for approximately 250 social enterprises that are established and operating in France. La Nef has a clear focus on start-ups in its social loan activity.

Gender matters, which is one of the reasons we also supported F'in Common, a small female-led Belgian co-operative active in the field of social enterprise finance. Only social enterprises that have been awarded with the Financité Solidarity-based Finance Label can request a loan, which ensures a strong focus on social impact. On the back of this agreement, F'in Common will be able to increase its portfolio volume over five years by €5.9m, supporting a growing number of newly and already established social enterprises in Belgium that would otherwise not be financed.

Finally, in Spain, we signed a €145m guarantee agreement to support more than 5,000 micro and social entrepreneurs, in the form of up to €2m for social enterprises and microcredits up to €50,000. This new agreement builds upon and consolidates a ten-year co-operation between the EIF and Laboral Kutxa in the field of social economy, which has seen more than 15,000 micro and social businesses supported, creating more than 24,000 jobs.

Social housing programme – a first

A €300m agreement with CDP Real Asset SGR (owned by Cassa Depositi e Prestiti - CDP) in Italy constitutes the EIF's first national social housing programme in Europe. The agreement will enable the EIF and Fondo Nazionale dell'Abitare Sociale (FNAS—National Social Housing Fund) to support real estate projects that will have a direct impact on social inclusion and urban regeneration in Italy. FNAS's main objectives include supporting the creation of around 10,000 new beds for students as well as housing solutions for self-sufficient elderly people, with a strong focus on ESG principles.

The EIF will play a dual role vis-à-vis FNAS, namely, as a consultant to pinpoint and assess the investment opportunities and, subsequently, as a co-investor in the funds identified, resulting in an overall commitment to Italy's social housing sector of up to €300m (shared equally between the EIF and FNAS).

Diversity

We remain actively engaged in promoting diversity, gender equality, and female entrepreneurship through a variety of initiatives that recognise the importance of inclusive economic growth as well as gender parity for its own sake. In fact, we've intensified our efforts, most notably in the venture capital ecosystems, via cross-sector investments under tthe European Commission's InvestEU programme, amongst others. These have included investments in Helsinki-based technology transfer fund Voima Ventures, Lithuanian crowd-lending platform Heavy Finance, Italian private credit funds Azimut Diversified Corporate Credit ESG-8 and MPI Italia III, and also F'in Common, a co-operative active in the field of social enterprise finance in Belgium. In total, around 38% of the funds that we have supported under InvestEU comply with at least one gender criterion, representing close to €1.6bn in commitments. The criteria most frequently met relate to the participation of women as partners, and women in the senior investment team.

On the knowledge sharing front, in October we hosted the second Empowering Equity event in Luxembourg, bringing together fund managers from across Europe for a day of exploration, insights, debates, and networking with like-minded GPs. Whether gender smart investments, practical advice on pitching, or sorting out legal matters, the underlying goals were to identify opportunities, to elevate investment proposals, and, ultimately, to strengthen women's voices and make the European economy even stronger.

In parallel, research efforts have progressed in collaboration with InvestEurope, culminating in the publication of the third edition of the VC Factor. This year's study approached the subject through a gender lens, offering data-driven insights about gender diversity trends in the European VC and start-up ecosystems.

In relation to our ESG reporting, we launched a new fully-fledged ESG questionnaire – again with InvestEurope - to collect ESG data at fund- and investee-company level. Special focus is placed on gender-related data at all levels. This is the first time that such a broad and systematic effort has been undertaken and it is envisioned that this will become an annual exercise, offering an opportunity for ongoing monitoring, improved data availability and transparency, and ultimately helping to measure the EIF's impact and the main trends across the European VC industry.

Finally, the Gender Smart Equity Investment Programme (GESIP) has started to materialise. GESIP's goal is to allow the EIF to join forces with Member States in promoting professional women in leadership and decision-making positions at financial institutions. This year saw a first signature in December, integrating gender criteria into existing investment programmes in an agreement with the German government. The GESIP programme uses the same gender criteria as InvestEU to ensure a coherent approach towards the market and the EIB Group Gender Action Plan.

VC Factor
– Gender Lens edition

S&E Guarantee Pilot: Antoaneta Stefanova

Location: *Sofia, Bulgaria*
Financial Intermediary: *Telerik Academy*
Beneficiary: *Antoaneta Stefanova*
Studies: *software engineering; coding*
Institution: *Telerik Academy*
EIF financing: *Skills & Education Guarantee Pilot*

"Changing careers is the kind of thing you do once in a lifetime. I can't say it was an easy step, but I was very determined."

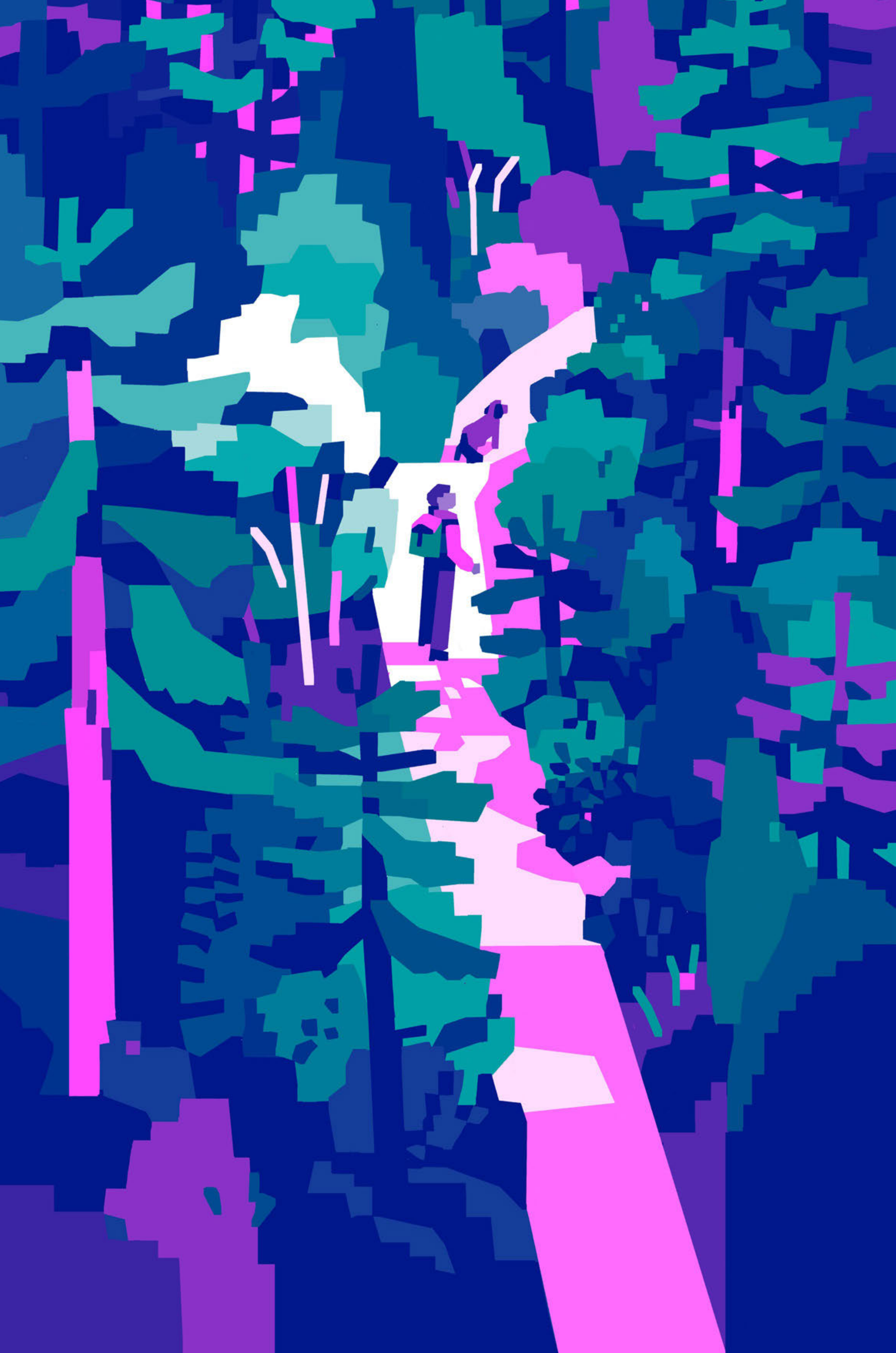
Back in the day, schooling and then vocational training or university pretty much defined the kind of professional life you'd follow. But in the rapidly changing world we live in today, it's becoming increasingly common for people to jump ship and change career paths. That often requires developing a new skillset however, which can be anything from challenging to outright daunting. But not for everyone.

Antoaneta Stefanova, from Sofia, Bulgaria, went to a maths high school and pursued a career in the culinary world: "I went to culinary school and worked in Michelin-star restaurants as a pastry chef in the US, UK and the Netherlands," she says. "But I decided that in the long-term I couldn't do this job. It was quite physically demanding, spending long hours on your feet - not something you want to be doing when you are 50+, so I decided to re-orient myself to something I could see myself doing for the rest of my working career."

Having done a bit of programming back in high school, Antoaneta knew what the field of coding and software engineering had to offer. "I started with a book, learning the basics of coding, but then I went for this course to pursue it more seriously." Taking advantage of a deferred tuition payment plan, guaranteed in part by the EU, Antoaneta signed up for a 6-month programming course at Telerik Academy. "...and I got a job just like that! I presented the final project in front of a company, got picked as best project, invited for interviews and now I work for them."

Was it daunting? "Changing careers is the kind of thing you do once in a lifetime. It does require a lot of effort, it's a complete change in daily routines, re-working everything around you. I can't say it was an easy step, but I was very determined," explains Antoaneta, who is now settling into a very different lifestyle, with better work/life balance, and without any regrets: "I don't regret my initial career choice at all. I don't think I would have enjoyed coding in my 20s like I do now in my 30s. But it was the right move for me now. It's completely different but teamwork is a huge part of working as a chef and as a developer as well. No project gets finished by a single person. And there are lots of transferable soft skills like collaboration, communication..."

With demand for software engineers and IT-related skills growing, she can definitely feel that she's on an upward trajectory. "I'm just starting out as a junior software developer, looking to pick up more knowledge, more technical skills, and move into a more senior role. With new technologies emerging all the time, you need to constantly update your skillset to keep up."



Sustainability & Green Transformation

Sustainability and economic resilience are inextricably linked. Investing in environmentally sustainable projects and businesses not only mitigates environmental risks but also enhances the resiliency of European economies, yielding more green jobs, greater financial stability and increased market competitiveness, amongst other things.

In the face of the severity of climate change, biodiversity loss and the need to hasten the green transition, and in support of EU climate policy, we have increased our investment activity in climate and environmental impact funds, committing close to €1bn in more than 25 VC, PE and PC funds, effectively doubling our 2022 investment volumes, and a further €1bn in climate and infrastructure funds. We have sought to address persistent funding shortfalls in key and underserved markets by supporting new funds in the energy, agri-food, circular and blue economy sectors as well as enhance coverage of geographies such as Italy, Portugal and Ireland, amongst others.

Energy efficiency and security have also assumed greater importance, with the REPowerEU initiative driving strategic investments that seek to change the way we power our lifestyles and the European economy as we shift to a more sustainable footing.

At the same time, the European Commission's InvestEU sustainability guarantee has been rolled out rapidly, responding to strong market demand and flanked by significant capacity-building efforts as we all collectively adapt to more sustainable business models.

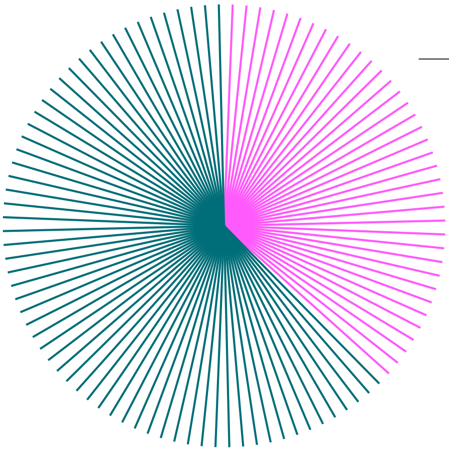
Pursuing greater sustainability

The sustainability guarantee has been a major component of our InvestEU efforts and has met with huge demand from the markets—more than twice oversubscribed. Despite the novelties and challenges surrounding the eligibility criteria, the extremely high demand confirms the willingness of financial intermediaries to move in this direction, and it also reflects the needs of the markets. This has entailed significant effort on the EIF's side, with this year seeing in-depth discussions with our partners to ensure that this product is well understood and effectively implemented.

One highlight was the transaction with our shareholder SID Banka in Slovenia. The EIF provided a €42m guarantee that is expected to unlock €72m of new loans for micro-, small and medium-sized enterprises. The agreement will enable businesses investing in innovation, digitalisation and the green transition to benefit from lower interest rates and lower collateral requirements when seeking access to financing.

Further north, with the backing of the sustainability guarantee, Denmark's Export and Investment Fund will be able to further support Danish customers in their green transition with access to funding on preferential terms. Co-financed projects in the areas of renewable energy, energy savings and resource efficiency, representing an estimated DKK 575m (€77.3m) in new loans for Danish businesses, will bridge the gap between traditional bank financing and equity capital.

And in Sweden, we signed our first transaction targeting companies with a Product-as-a-Service (PaaS) model. In particular, a guarantee agreement with Lisa& will make available over SEK 278m (€24.8m) with reduced interest rates and longer maturities to support Swedish companies with a circular economy business moddel. PaaS is a service-based business model in which companies retain economic ownership over a product and offer it to customers who pay a time- or use-based subscription fee. This type of business model is core to the circular economy, as it facilitates reuse and more efficient use of products, and reduces emissions.



€5,823bn
commitments in Sustainability and Green Transformation

38% Equity

62% Guarantees

At the mandate level, the Finnish government proposed the EIF as the implementing partner for a sustainability guarantee instrument, which builds on the successful implementation of the SME Initiative. With a total budget of up to €100m, including €17m ESIF and €83m national (RRF) budgetary resources, this new instrument will target the fields of climate action, energy efficiency and renewable energy in order to support the Finnish government's objective of reaching carbon neutrality by 2035. It will also support local enterprises, individuals and housing associations, accelerating their transition to carbon neutrality in accordance with Finland's national strategy. The deployment will run through the InvestEU Member State Compartment.

A significant challenge when pursuing sustainability is crowding in other investors to pursue shared objectives, which is one reason why, in early 2023, we launched the Sustainability Development Umbrella Fund (SDUF) GreenTech, a fund-of-funds backing innovative new technologies aiming to combat climate change. SDUF GreenTech's goal is to act as a new tool for institutional investors and it will make a major contribution to the green tech sector, which has reached exponential market maturity in the last 15 years. With a target size of €250m, including a €20m EIF contribution and €40m from Italian Cassa Forense, the fund plans to provide institutional investors with direct access to the venture capital and private equity ecosystem. With over ten funds, more than 150 partner companies, and an expected mobilisation of over €1bn in green investments, the portfolio is expected to grow substantially.

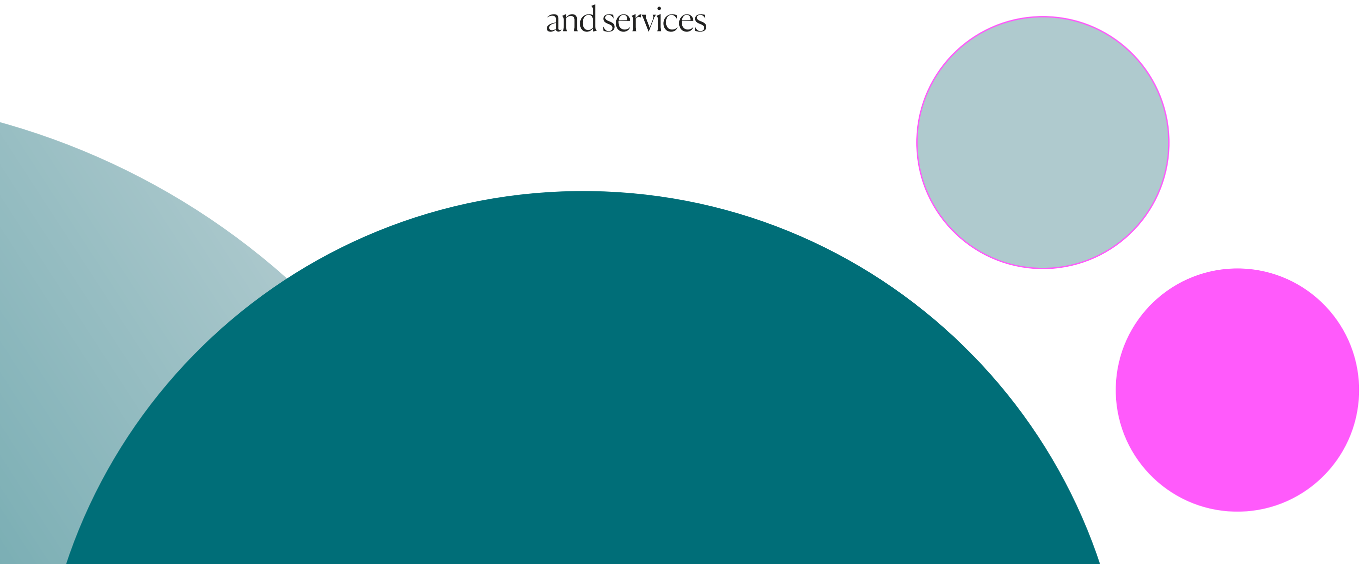
Using machine learning to map the European Cleantech sector

€2,642bn
Renewable energy and Energy efficiency

€1,471bn
Sustainable infrastructure, industries, products and services

€870m
Sustainable transport

€840m
Sustainable food and Environmental services



Impact investing

Impact investing has experienced significant growth in recent years, generating positive social and environmental impact alongside financial returns. Relying on our extensive experience in the field, we have continued to back generalist fund managers with strong track records as well as specialised fund managers, who in turn will back the next generation of technological innovators looking to make their mark on environmental sustainability and the battle against climate change, whether in the fields of plastic recycling and battery storage or agritech and energy efficiency.

In the Netherlands, we signed a €50m participation in Infinity Recycling's Circular Plastics Fund I, a European impact fund that invests in companies developing new processes for advanced plastics recycling. The fund supports companies with scalable technologies that need financing for the industrial and commercial scaling of their operations and has a target size of €150m.

Up north, we made a €35m investment in Finland's Voima Ventures Fund III, a technology transfer fund targeting proof of concept, (pre-)seed, start-up and other early-stage investments. With a target fund size of €90m, Helsinki-based Voima have made it their mission to support Nordic and Baltic early-stage deep tech companies with globally scalable solutions. The manager is also meeting the InvestEU gender criteria.

And down south, we invested €30m in Azimut Diversified Corporate Credit ESG-8, an Italian senior private credit fund classified as an SFDR Article 8 fund, aiming for a maximum target size of €500m. It will provide Italian companies, primarily SMEs and small mid-caps, with medium- to long-term debt to finance their investment and growth plans. The fund's focus is to promote and improve environmental and social aspects of the borrowers, such as increased energy efficiency, the transition towards a circular economy, gender equality, and the development of local communities. At least 30% of the underlying investments will promote climate action and environmental sustainability and over 40% of the fund's investment committee will be made up of women. To incentivise sustainable investments, the fund's performance fee will be linked to two environmental and social targets: 1) the net-zero transition target, as measured by a 5% average reduction of carbon and greenhouse gas emissions per year, and 2) the continuous striving for gender equality, as quantified by a maximum gender pay gap of 5%, which is in line with the pay transparency directive recently approved by the European Parliament.

Sectors covered by our VC/PE funds

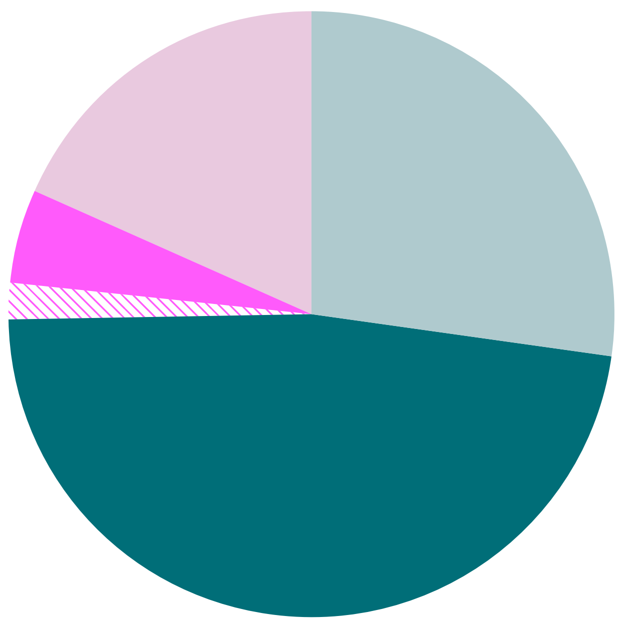
27%
Energy

47%
Generalist Climate and Environment

2%
Blue Economy

5%
Circular Economy

18%
Agrifood



Driving energy efficiency

A large part of this year's activity has been dedicated to tackling the energy crisis, which necessitated a multipronged approach, including improving energy efficiency, generating energy from renewable sources, and setting up the necessary infrastructure to power it all. We have gone about this by using a variety of different mandates, including InvestEU and REPowerEU, and a range of different financial tools, such as equity, guarantees and, most notably, securitisation.

In May, the EIB Group purchased €240m of the ABS cash transaction issued by Union de Créditos Inmobiliarios (UCI) on a portfolio of Spanish residential mortgages. UCI is a specialized lender on the residential mortgage market in Spain and Portugal. The transaction was structured by the EIF in such a way that the EIF could invest in the senior tranche and the EIB in both a senior and an upper mezzanine tranche. Thanks to the additional funding received, UCI committed to building a new €319m portfolio, composed of 100% green residential mortgages in Spain and potentially Portugal. The new financing will be compliant with the CA&ES criteria related mainly to energy efficiency improvements in the renovation of existing buildings as well as the construction of new near-zero energy buildings.

In Germany, we signed the third synthetic securitisation transaction with Landesbank Baden-Württemberg (LBBW) since 2020. Our guarantee will enable LBBW to lend €350m for clean power projects, thus contributing to the decarbonisation of the German economy and to Europe's energy independence. The amount allocated under this transaction is expected to result in the development of about 340MW of new electricity-generation capacity from renewable sources, enough to serve one million homes.

In Portugal**,** we signed €80m worth of protection on behalf of the EIB in the upper mezzanine tranche of a synthetic securitisation of a residential mortgage portfolio originated by Santander Totta, marking only the second synthetic securitisation in Portugal in the last decade. Private investors (reinsurers) cover the lower mezzanine tranche, while the EIB Group covers the upper mezzanine risk. The additional portfolio, amounting to approximately €161m, will be 100% green residential mortgages compliant with the CA&ES criteria related to the construction of new buildings along with energy efficiency renovations for existing buildings.

Looking at our activity in the growth stages of private equity, we invested SEK 600m (€51m) into Alder III, a private equity fund focusing on sustainable industries in the northern European lower mid-market, with a strong focus on the Nordic countries. The fund continues its strategy of promoting the care of natural resources, building efficiency, intelligent infrastructure and sustainable industries.

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transactions using the InvestEU sustainability guarantee

Climate & infrastructure funds

From last year's €625m to more than €1bn in 2023, our work in climate and infrastructure has almost doubled, and will continue apace next year with a projected €1.8bn in commitments.

By the end of 2023, the EIF portfolio consisted of 22 funds with close to €2bn of total commitments, with our efforts centred on the higher risk niche of the infrastructure market targeting small-cap managers focusing on greenfield investments. Crucially, these investments are closely tied to EU policies such as Fit for 55, REPowerEU and the EU's energy security policy.

In November, we made an investment of €75m (targeted fund size €650m) in Dublin-based SDCL Green Energy Solutions Fund, a pan-European investment fund specialising in greenfield development and construction projects with an emphasis on energy efficiency, on-site generation and renewable energy solutions. Sectors include digital infrastructure, healthcare, commercial buildings, and transport.

In Lithuania, we invested a similar amount in the Clean Energy Infrastructure Fund, which intends to be SFDR Article 9 compliant. It targets greenfield solar photovoltaic and onshore wind assets, mainly in Poland, the Baltics and the CEE region. Furthermore, it is expected to focus entirely on climate action while simultaneously having at least an 80% focus on Cohesion regions.

€100m were also invested in Finnish infrastructure fund Taaleri Solar Wind, which pursues greenfield renewable energy generation and battery storage opportunities in the EU, with a strong focus on CEE. The fund is expected to comply with SFDR Article 9, aligning strongly with the EU's decarbonisation and climate targets. Considering the target size of €600m and the approximate 50% target allocation to CEE, this commitment represents the EIF's largest exposure to the CEE in a single investment.

Furthermore, we invested €60m in Andera Smart Infra fund (target fund size €200m), which focuses on energy transition and green mobility projects in France and the EU more generally. The fund intends to obtain the GreenFin label and become SFDR Article 9 compliant, and their investment strategy covers the clean energy transition—climate, environment and resources, sustainable transport and digital connectivity, and data infrastructure.

More than 1bn worth of investments in climate & infrastructure funds

This year also witnessed a landmark new investment partnership with KBC Insurance, one that will see the Belgium-based banking and insurance group support up to €200m worth of equity investments in sustainable infrastructure projects. KBC's capital will be invested alongside the EIB's existing cornerstone commitment, which is also managed by the EIF. We will select a number of top-tier fund managers, who will target investments in climate infrastructure projects that are aligned with the climate goals of both the EIB Group and KBC and in line with the EU taxonomy for sustainable activities. This partnership with KBC is considered to be a pathfinder operation for the EIF, one that will allow KBC to expand its investor base to the private market in line with the objectives of the EIB Group strategy. By closing the infrastructure gap, these additional resources will support the EU's green transition objectives, thereby proving that private capital and public policy objectives can be aligned for a sustainable future.

Climate action: decarbonisation and cleaner waters

This year we supported Trocadero Environment et Performance I with €30m. The Paris-based fund has a target size of €120m and is developing its sustainability offering via a new private equity decarbonisation strategy, with the long-term goal of reinforcing its sustainability angle across all of its activities. The fund will target French SMEs, helping them to decarbonise.

In Germany, we supported Vidia Climate Fund I with a €75.8m commitment. This private equity fund, with a target size of €400m, focuses on thematic segments of the circular economy, electrification and industrial materials, primarily in Germany and Northern Europe, with the aim of driving the decarbonisation of the highest emitting industries in Western Europe and scaling climate solutions.

In Italy, we invested €30m in Arcadia Sustainable Capital III, which has a target fund size of €120m. The private equity fund focuses on decarbonisation and sustainable investments in the Italian lower mid-market. Target companies will have to be connected with or contributing to sustainable macro trends, such as the circular economy, energy efficiency, the digital transition or decarbonisation.

This year also saw the launch of Growth Blue I in Portugal, the first blue economy-focused private equity fund in Southern Europe. Funded with €28m from both national and InvestEU resources, the new fund will support the growth and internationalisation of leading and sustainable companies operating in Portugal and Spain. With a total target size of €50m, the fund aims to invest in eight-to-twelve companies with equity and quasi-equity tickets above €1.5m. It has a broad sectorial focus, with a preference for companies operating in the value chain of seafood, offshore energy, shipping, ports and blue biotechnology, thus contributing to decarbonisation, reducing ocean contamination and driving the conservation of marine ecosystems.

Determinants of EU Greentech investments

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climate & environmental impact VC & PE funds supported

Greener agriculture

Turning to the agri-food sector, the EIF invested €35m in Amsterdam-based agri-food growth fund Convent Capital, which supports innovative and sustainable food and agriculture businesses across Europe. The fund's mission is to generate both financial returns and positive environmental impact, and it accomplishes this by supporting companies that are committed to improving the sustainability and efficiency of the food system. About 20% of the fund will be invested within the blue economy, with a focus on improved local marine biodiversity, ecosystem resilience, and avoidance of freshwater fishing through the production of alternative fish feed.

Also in the Netherlands, we made a €20m commitment to Future Food Fund II. The Fund will invest along the agricultural and food tech value chain, with a focus on smart farming, bio-based ingredients, novel food production, sustainable consumption and intelligent supply chains. Managed by an emerging team, the fund will focus on early-stage investments and mainly target B2B models.

We also invested €40m into Paris-based Tikehau Regenerative Agricultural Fund, a private equity fund focusing on regenerative agriculture investments related to soil health (e.g. feed, seeds), equipment and operations (e.g. robotics, water management), regenerative ingredients (e.g. plant based meat/diary, fermentation, insect-based alternatives) and technological and digital enablers (e.g. supply chain optimisation, carbon value chain services). With a targeted size of €1bn, the fund will have global reach: 60% is expected to be invested in the EU and 40% abroad.

Finally, in December we invested €20m into HeavyFinance Fund 1, the first private credit fund launched by HeavyFinance, an independent Lithuanian marketplace lender operating a crowdlending platform providing alternative financing to farmers, managed by a first-time manager. The fund, which will be 100% compliant with the CA&ES criteria, also complies with the InvestEU gender criteria, as 40% of its investment committee will be comprised of female members. Its investment strategy primarily targets companies with sustainable agriculture practices in Lithuania, Latvia, Poland, Portugal and Bulgaria.

Supporting homeowners and households in the green transition

One of the key elements in the green transition is improving energy efficiency, which affects households as much as corporate environments. In an effort to generate more financing for homeowners and households looking to invest in greater energy efficiency, we have expanded, and will continue to expand, our activities in this space.

In October, the Irish government entrusted €48m of its national resources to the EIF to cover the first loss piece of the Energy Upgrade Loan Scheme, an 80% uncapped counter-guarantee by the EIB Group to the Irish NPI and EIF shareholder, the Strategic Banking Cooperation of Ireland (SBCI). The Energy Upgrade Loan Scheme aims to disburse €500m of new loans to private homeowners who are willing to invest in retrofitting their properties for energy efficiency purposes.

In Malta, the Energy Efficiency and Renewable Energy guarantee product has seen a striking increase in demand, mainly due to several market awareness sessions and promotional campaigns run by the financial intermediaries and the managing authority, in conjunction with the support of the EIF and EIB Advisory Services. Initially funded with a budget of €15m to support households and corporates in the green transitioning of the economy, the instrument was increased in December by €10m to support the strong appetite of the Maltese market, especially in the financing of electric vehicles. Based on this increase, the underlying portfolio of green loans will surpass €65m.

In Spain, a synthetic securitisation transaction between the EIF and Santander will facilitate €217m in new financing for energy efficiency projects. Through a €163m unfunded guarantee to boost green lending in the housing market, this operation will support energy efficiency and climate action projects in the Spanish residential property market, including the construction of new nearly-zero-emissions buildings and the renovation of existing residential properties in line with sustainable standards. Around 70% of the EIF's exposure is counter-guaranteed by the EIB.

We also expanded our collaboration with Hypo Vorarlberg in Austria by signing the third synthetic securitisation transaction since 2017. The transaction works similarly to the preceding ones: the EIF (backed by the EIB) assumes the risk of a mezzanine tranche of an SME and mid-cap loan portfolio originated by Hypo Vorarlberg Bank AG. Thanks to EIB Group's risk cover, Hypo Vorarlberg is able to release part of the regulatory capital that is tied up in the underlying loan portfolio and will re-invest the freed-up capital into fresh lending amounting to €120m for new highly energy-efficient residential buildings.

Finally, in France, we signed our first true sale securitisation transaction with BNP Paribas Personal Finance that will ultimately support the transition to climate neutrality by financing home energy efficiency investments in existing buildings. In total, the EIB Group has invested €450m — €400m from the EIB and €50m from the EIF — in senior and mezzanine tranches of asset-backed securities backed by a consumer portfolio originated by BNP Paribas Personal Finance. Under the arrangement, BNP Paribas Personal Finance pledges to supply fresh lending of around €627m to private individuals over a three-year period. Financing will exclusively support energy-efficient housing equipment, notably high-energy performance boilers, insulation windows, and the installation of solar panels.

One.five:
looking for the right solution

Location: *Holm, Schleswig-Holstein, Germany*
Financial Intermediary: *Green Generation Fund*
SME: *one.five*
Sector: *packaging & biomaterials development*
Number of employees: *46*
Financing purpose: *R&D and scale-up*
EIF financing: *InvestEU; ERP*

"The intent of being sustainable, if not well thought through, can end up doing a lot of harm. That's where the main difficulty is."

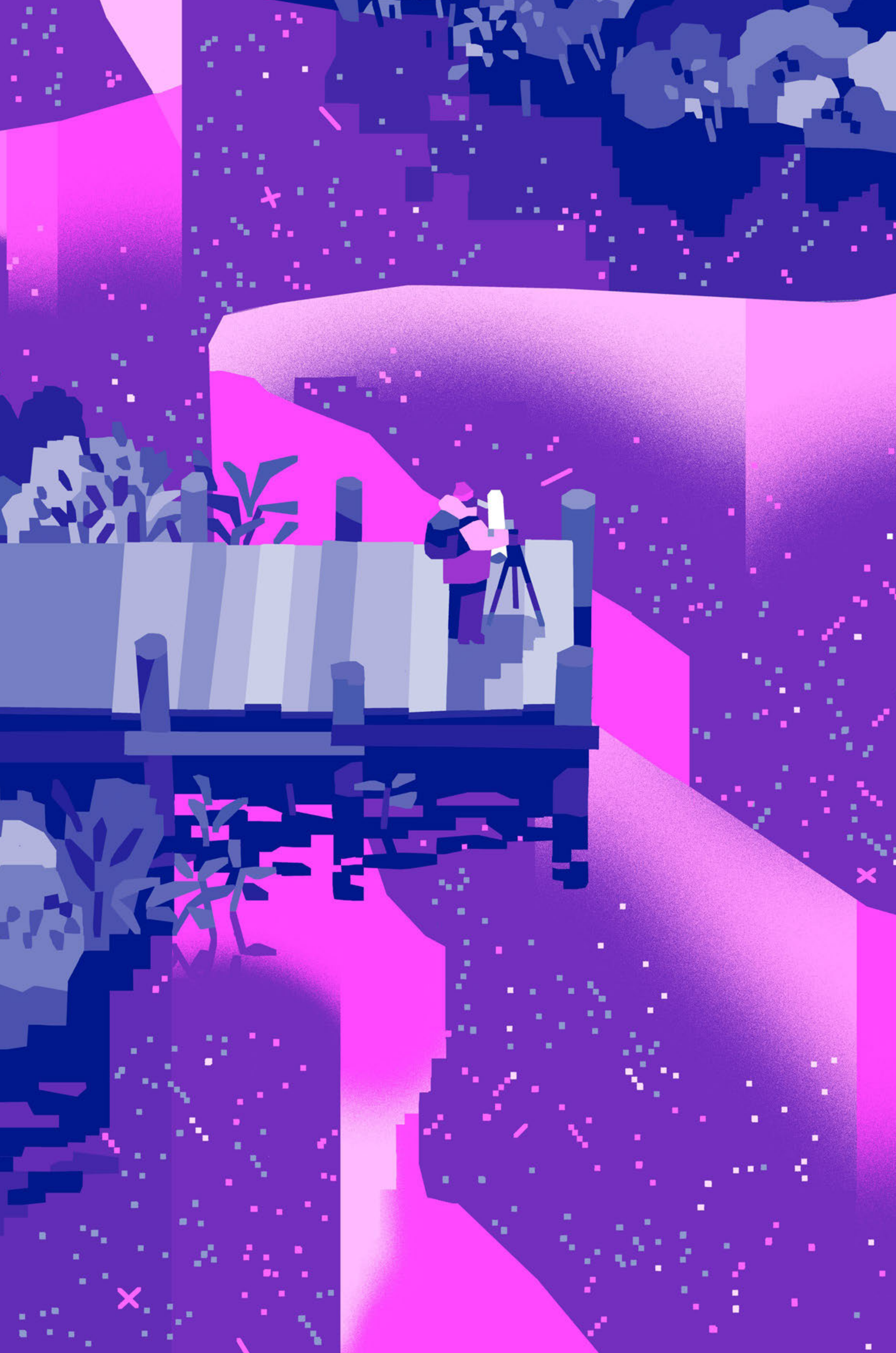
Achieving sustainability in all aspects of our existence is going to be the challenge that defines this generation. If someone is still around to look back in, say, 50 years' time, it'll be today's decisions that will have unlocked sustainability. And while many of those decisions come at the political level, some will argue that, equally, innovative businesses can make a difference, coming up with solutions that make trade and commerce - and subsequently society - more sustainable.

That's part of the thinking that went into the origins of one.five, a company based in Holm, near Hamburg, and founded with the goal of solving a big sustainability issue: "We wanted to tackle an impact problem, and we gave it a lot of thought. We ended up looking carefully at packaging, mainly because we had worked a lot with retailers in the past, we know the pain, and the consumer goods space was one we understood well," explains Claire Gusko, co-founder, as she describes the atypical way the company came about.

one.five, named after the Paris Agreement's key target of limiting the global temperature increase to 1.5 degrees celsius, is about developing sustainable packaging solutions. The company matches materials and technology to needs, ultimately aiming to protect the planet by developing materials for clean and closed material loops. "For the greatest impact, you need to be material agnostic," Claire says. "It should be possible to identify the best solutions, work with them to get them market ready, and help them scale. We work with existing companies in the packaging supply chain, expediting the work that the industry is already doing. We don't have decades left - only a few years to move in the right direction."

Aiming for circularity, Claire knows that one size doesn't fit all: "You cannot have one solution for all problems. The intent of being sustainable, if not well thought through, can end up doing a lot of harm. That's where the main difficulty is." Fixing one aspect could inadvertently cause harm elsewhere. So, one.five turns to artificial intelligence: "There are so many variables, so many data points: material properties, material combinations, processing parameters, unit economics, emissions, end of life processes... It's impossible for the human brain to consider all of them at once. That's why we're working with machine learning and generative AI models. The models will tell us, given this data, what the best solution for this challenge is. Using data rather than subjective human opinion. Generative AI could also look at the performance of known materials combinations, learn to identify similarities in adjacent technologies, and bring materials we'd never thought about together to offer new solutions."

On the path to commercialisation, in 2022, one.five received equity investments from Green Generation Fund, Speedinvest and Revent, backed by the EIF through the InvestEU programme. The investment allowed them to boost their R&D efforts, build their digital development platform, and develop their own lab & pilot facilities. "Our first product went into production this month, with the next ones due early next year," says Claire, describing how all these efforts are finally hitting the markets.



Looking Ahead

The year ahead marks the EIF's 30-year anniversary. More than anything, this will be an opportunity to take stock of the (bold) progress made over the past 30 years but also to look at the future and calibrate our response to the challenges ahead.

In the course of the next year, we expect to be concluding a series of new mandates with Member States and also working towards developing new partnership models with a broad range of entities including multilateral development banks, national and regional authorities and national promotional institutions, as we seek to capitalise on the alignment of interests and join forces in pursuing common public policy objectives.

At the same time, Ukraine and defence will both feature in next years work plan, as we seek to provide financial support to these two areas of strategic policy importance to the EU, while our support to the scale-up ecosystem will continue to grow with the ETCI initiative moving into cruising speed.

Finally, our internal reorganisation should be further advanced as we seek to ensure an EIF that is bold, future-proof and fit for purpose.

30 years old – 30 years bold

Next year will mark the EIF's 30-year anniversary. Celebrations will run throughout the year as we look back at what we have achieved throughout this period, but more importantly, how it has put us in a strong position to face the challenges ahead and make meaningful and impactful interventions in the markets. Looking back at ***30 years bold*** will involve audio-visual material, a celebratory event in June, blogs and lots of data, ultimately focussing on the businesses that we have supported and the impact that we have achieved.

Ukraine

Since the outbreak of the war in Ukraine, maintaining and reinforcing trade with Ukraine has been a key priority for the EU. The availability of export credit solutions is critical to facilitating such exports. However, due to the war, private and public entities have largely withdrawn from providing such solutions. The EC approached the EIF to explore using its existing portfolio guarantee expertise to support Export Credit Agencies, with an exclusive focus on supporting small businesses in the EU exporting goods or services to Ukraine. A pilot instrument is now being developed within the InvestEU framework, with a launch expected in 2024.

InvestEU and working with the Member States

Apart from pressing ahead with the implementation of the European Commission's InvestEU programme, our work with Member States will continue with the same intensity, as we seek to achieve synergies and maximise operational efficiency by combining national and EU resources. In particular, negotiations are ongoing with Spain (RRF-guarantees), Romania and Greece (both ESIF-equity), and also with InvestNL on the Dutch Future Fund II, with signatures expected in early 2024.

Developing partnership models

In line with our Vision 2030, our strategic direction foresees a continuation of our activity as the leading catalyst for the development of a vibrant, sustainable, and inclusive European economy by supporting entrepreneurship, innovation, and the growth of small businesses. Within this strategic approach, we will work towards developing comprehensive collaboration and partnership models with multilateral development banks and public authorities at national and EU level, including national promotional institutions, with a view to strengthening our role and amplifying our impact. The decision to establish a Strategy Office reinforces this commitment to act effectively and efficiently on our core mission of providing risk financing for SMEs, supporting EU policy goals and the dynamism and resilience of the European economy.

In parallel, a reflection on the EIF's Financial Institutions Shareholder base will take place in the near future, with a view to expanding membership to encompass financial institutions from more EU Members States.

Defence

Working with our partners, we are constantly striving to design new instruments to serve policy priorities and needs as they emerge. This past year has seen, for example, the development of a new equity mandate dedicated specifically to defence, an area that has become a strategic priority in light of the most recent geopolitical developments, much like the ETCI and REPowerEU mandates were conceived to address the scale-up gap and energy crisis respectively. With a budget of €175m, the new defence mandate to be deployed next year will aim to mobilise around €500m for European businesses developing dual use technologies to boost our defence capabilities.

Scale-up financing

The ETCI, now in full swing, is creating a positive feedback loop, fostering the emergence of large venture funds in the EU, funding some of Europe's most promising innovative companies, helping to reduce dependence on foreign capital, and providing an attractive investment opportunity for large institutional investors. Building on this, our intention is not only to press ahead with the investment strategy and continue with fund-raising efforts, but also to expand the initiative's outreach, providing financing solutions, in collaboration with the EIB, to selected portfolio companies needing large investment amounts. At the same time, we will be looking to find ways to further strengthen scale-up markets in Europe, in close cooperation with our shareholders and Member States.

Internal re-organisation

The EIF is undergoing a re-organisation that really started to take shape in late 2023, with effective implementation in January 2024, as we seek to adapt to the changing world around us. Throughout the coming year, we will see senior management developing new activities or taking up new roles, and a series of changes to the way we work, making the organisation fit for purpose, future-proofed and more client-oriented. In particular, the mandate origination, monitoring and reporting teams, as well as the front office teams will all come under the same roof to ensure seamless deployment from start to finish with significant efficiency gains.

2023 Transactions

Equity Signatures as at December 2023

Deal Name	Resource(s)	Country	Geographical Focus	Commitment (€m)	Leveraged volumes (€m)	Mobilised volumes (€m)
Infrastructure						
Impax New Energy Investors IV SCSp	EIF (PE) in IEU PP, IEU - Climate and Infrastructure - PP Infra	Luxembourg		50,0	440,0	1.320,0
Andera Smart Infra 1SLP	EIF (PE) in IEU PP, IEU - Climate and Infrastructure - PP Infra	France	Multi-Country	60,0	176,0	528,0
BaltCap Infrastructure Fund II	EIF (PE) in IEU PP, IEU - Climate and Infrastructure - PP Infra, IEU - Social Infrastructure - PP Infra	Lithuania	Multi-Country	75,0	176,0	528,0
SDCL Green Energy Solutions Fund LP	EIF (PE) in IEU PP, IEU - Climate and Infrastructure - PP Infra, Infra Climate Funds	Ireland		125,0	572,0	1.716,0
Niam Infra Fund AB	EIF (PE) in IEU PP, IEU - Climate and Infrastructure - PP Infra, Infra Climate Funds	Sweden	Multi-Country	75,0	176,0	528,0
Taaleri SolarWind III SCSp	EIF (PE) in IEU PP, IEU - Climate and Infrastructure - PP Infra, Infra Climate Funds, Infra Climate Funds – RePowerEU, KBC Infra	Finland	Multi-Country	125,0	528,0	1.584,0
Clean Energy Infrastructure Fund	EIF (PE) in IEU PP, IEU - Climate and Infrastructure - PP Infra	Lithuania	Multi-Country	75,0	176,0	528,0
Rockton Sustainable Aviation Fund I	EIF (PE) in IEU PP, IEU - Climate and Infrastructure - PP Infra	Sweden	Multi-Country	75,0	88,0	264,0
Sustainable Growth Infrastructure Fund SCSp SICAV-RAIF	EIF (PE) in IEU PP,IEU - Climate and Infrastructure - PP Infra, Infra Climate Funds, KBC Infra	United Kingdom	Multi-Country	135,0	440,0	1.320,0
Cordiant Digital Infrastructure Fund	EIF (PE) in IEU PP, IEU - Climate and Infrastructure - PP Infra	United Kingdom	Multi-Country	75,0	880,0	2.640,0
Capenergie 5 SLP	Infra Climate Funds	France	Multi-Country	15,0	1.188,0	3.564,0
White Summit Capital Infrastructure Decarbonisation Fund II	EIF (PE) in IEU PP, IEU - Climate and Infrastructure - PP Infra, Infra Climate Funds	Spain	Multi-Country	150,0	440,0	1.320,0
Ginkgo Co-Investment B SCSp	Infra Climate Funds	Switzerland	Multi-Country	25,2	22,2	66,5
Infrastructure Total				**1.060,2**	**5.302,2**	**15.906,5**
Private Debt						
AMC V SCA RAIF	RRF - Romania	Austria	Multi-Country	20,0	264,0	660,0
FPCI Indigo Capital K	Asset Management Umbrella Fund - European Secondaries Compartment	France	Multi-Country	5,5	66,0	165,0
Dutch Mezzanine Fund IV	EIF (PE) in IEU PP, ERP in GFF-EIF Growth, GFF in GFF-EIF Growth, IEU - CMU - PP	Netherlands	Multi-Country	40,0	176,0	440,0
BE Beteiligungen Fonds II GmbH & Co.	EIF (PE) in IEU PP, ERP in GFF-EIF Growth, GFF in GFF-EIF Growth, IEU - CMU - PP	Germany	Multi-Country	40,0	105,6	264,0
FPCI Indigo Capital	Asset Management Umbrella Fund - European Secondaries Compartment	France	Multi-Country	4,4	209,5	523,8
EMZ 10	Asset Management Umbrella Fund - European Private Equity II	France	Multi-Country	15,0	1.056,0	2.640,0
Pride Capital III Feeder C.V.	EIF, ERP in GFF-EIF Growth, GFF in GFF-EIF Growth, RCR-PE	Netherlands	Multi-Country	40,0	132,0	330,0
Armada Fund VI Ky	EIF, RCR-PE	Finland	Multi-Country	50,0	220,0	550,0
Claret European Growth Capital Fund IV	EIF, ERP in GFF-EIF Growth, GFF in GFF-EIF Growth, RCR-PE	United Kingdom	Multi-Country	70,0	396,0	990,0
Ambienta Sustainable Credit Opportunities	EIF (PE) in IEU PP, IEU - CMU - PP	United Kingdom	Multi-Country	30,0	440,0	1.100,0
Private Debt Total				**314,9**	**3.065,1**	**7.662,9**
Private Equity						
CMF-Cipio Partners	German CMF	Luxembourg		2,0	11,7	29,3
FSI II	European Tech Champions Initiative (ETCI)	Italy	Multi-Country	150,0	1.320,0	3.300,0
Innova/7 SCA SICAV-RAIF	RRF - Romania	Poland	Multi-Country	10,0	296,4	741,0
Andera Mid-Cap 5	Asset Management Umbrella Fund - European Private Equity II	France	Multi-Country	15,0	618,6	1.546,5
Parquest Capital III	EIF, RCR-PE	France	Multi-Country	10,0	170,2	425,6
Vidia Climate Fund I	EIF,ERP in GFF-EIF Growth, GFF in GFF-EIF Growth, RCR – RePowerEU	Germany	Multi-Country	75,8	352,0	880,0
Karmijn Kapitaal Fund III	EIF (PE) in IEU PP, IEU - CMU - PP, RCR-IEU	Netherlands	Netherlands	15,0	88,0	220,0
Impact Expansion Fund I	EIF (PE) in IEU PP, IEU - CMU - PP, IEU - Climate and Environmental Solutions - PP, RCR-IEU	Belgium	Multi-Country	30,0	105,6	264,0
Booster Capital Fund I	RRF - Romania	Romania		30,0	88,0	220,0
OFG Continuation Fund FICC	Asset Management Umbrella Fund - European Secondaries Compartment	Spain	Spain	4,0	52,8	132,0
ISAI Expansion III	EIF (PE) in IEU PP, IEU - CMU - PP, IEU - Digital and CCS - PP, RCR-IEU	France	Multi-Country	30,0	220,0	550,0
Capital D Fund 2 SCSp	EIF (PE) in IEU PP, IEU - CMU - PP, IEU - Digital and CCS - PP, RCR-IEU	United Kingdom	Multi-Country	30,0	220,0	550,0
Capidea Kapital IV K/S	EIF (PE) in IEU PP, IEU - CMU - PP, RCR-IEU	Denmark		30,2	147,9	369,6
Argos Climate Action Fund	EIF, RCR-PE	France	Multi-Country	40,0	264,0	660,0
Beyond Capital Partners Fund III	EIF (PE) in IEU PP, IEU - CMU - PP, RCR-IEU	Germany	Multi-Country	30,0	158,4	396,0
Maguar Capital II GmbH & Co. KG	IEU - Digital and CCS - LE	Germany	Multi-Country	30,0	220,0	550,0
EMERAM Private Equity Fund II SCSp	EIF, ERP in GFF-EIF Growth, GFF in GFF-EIF Growth, RCR-PE	Germany	Multi-Country	56,2	242,0	605,0
Momentum Invest II	EIF (PE) in IEU PP, IEU - CMU - PP, RCR-IEU	France	Multi-Country	30,0	105,6	264,0
Axcel VII KS	Asset Management Umbrella Fund - European Private Equity II, EIF,RCR-PE	Denmark		55,0	880,0	2.200,0

Deal Name	Resource(s)	Country	Geographical Focus	Commitment (€m)	Leveraged volumes (€m)	Mobilised volumes (€m)
Helix Kapital 3.2 AB	EIF (PE) in IEU PP, IEU - CMU - PP, RCR-IEU	Sweden	Multi-Country	26,1	105,9	264,7
Verdane Capital XI (D2) AB	Asset Management Umbrella Fund - European Private Equity II, EIF, ERP in GFF-EIF Growth, GFF in GFF-EIF Growth, RCR-PE	Sweden	Multi-Country	75,0	1.003,6	2.509,1
Nexxus Iberia Private Equity Fund II	EIF, RCR-PE	Spain	Multi-Country	40,0	193,6	484,0
FONDO ISETEC V FCR	EIF (PE) in IEU PP, IEU - CMU - PP, RCR-IEU	Spain	Multi-Country	30,0	88,0	220,0
Trocadero Environnement et Performance I	EIF, IEU - Climate and Environmental Solutions - LE, RCR – RePowerEU	France	Multi-Country	30,0	105,6	264,0
Fondo Nazca Small Cap II	EIF, RCR-PE	Spain	Multi-Country	40,0	132,0	330,0
Arta Capital Fund III, FCR	EIF (PE) in IEU PP, IEU - CMU - PP, RCR-IEU	Spain	Multi-Country	40,0	352,0	880,0
Spire Capital Partners Fund I SCA SICAV-RAIF	EIF (PE) in IEU PP, IEU - CMU - PP, IEU - Digital and CCS - PP, RCR-IEU	Poland	Multi-Country	27,5	96,8	242,0
Arcadia Sustainable Capital III	EIF (PE) in IEU PP, IEU - CMU - PP	Italy	Italy	30,0	105,6	264,0
Alder III (E) AB	EIF,RCR – RePowerEU	Sweden	Multi-Country	51,6	232,8	582,0
Progressio Investimenti IV	EIF,RCR-PE	Italy	Italy	40,0	264,0	660,0
Xenon Private Equity VIII	Asset Management Umbrella Fund - European Private Equity II,EIF,RCR-PE	Italy	Italy	40,0	352,0	880,0
Halcyon Equity Partners SCA SICAR	EIF (PE) in IEU PP,IEU - CMU - PP,RCR-IEU	Greece		30,0	105,6	264,0
LTC IV FPCI	EIF, RCR-PE	France	Multi-Country	40,0	123,2	308,0
HitecVision New Energy Fund 2	EIF, RCR – RePowerEU	Norway	Multi-Country	50,0	1.760,0	4.400,0
Fondo Italiano Agri & Food - FIAF	EIF, RCR-PE	Italy	Italy	30,0	220,0	550,0
V4C Poland Plus Fund II SCA SICAV-RAIF	EIF, RCR-PE	Poland	Multi-Country	40,0	88,0	220,0
Rivean Capital Fund VII Cooperatief UA	EIF, RCR-PE	Netherlands	Multi-Country	20,0	1.452,0	3.630,0
Gradiente III	EIF, RCR-PE	Italy	Italy	40,0	158,4	396,0
Tikehau Regenerative Agriculture	EIF, RCR-PE	France	Multi-Country	40,0	880,0	2.200,0
Private Equity Total				1.433,3	13.380,3	33.450,8
Venture Capital						
EAF-Austria Ertler	European Angels Fund S.C.A. SICAR – aws Business Angel Fonds (Austria)	Austria	Austria	0,3	3,1	7,7
EAF-Austria Gartner	European Angels Fund S.C.A. SICAR – aws Business Angel Fonds (Austria)	Austria	Austria	1,0	8,8	22,0
CMF-Earlybird Growth I	German CMF	Germany	Germany	9,0	89,8	224,4
Co-investment with Paladin European Cyber Fund - Cyberhedge (EUR)	Luxembourg Future Fund – Co-Investments	Luxembourg		0,3	2,9	7,2
EAF-Austria Hauser	European Angels Fund S.C.A. SICAR – aws Business Angel Fonds (Austria)	Austria	Multi-Country	0,3	5,7	14,3
XGen Venture Life Science Fund	SDUF - Health Compartment	Italy	Multi-Country	10,0	176,0	440,0
HV Capital COIFacility 1 GmbH & Co. KG	EIB-EIF Co-Inv Facility II - AI	Germany	Germany	7,5	30,3	75,8
Heartcore Capital Growth III KS	EIF, ERP in GFF-EIF Growth,GFF in GFF-EIF Growth, RCR-VC	Denmark		45,0	131,9	329,8
imec.xpand II COMMV	EIF (PE) in IEU PP, IEU - Semiconductors- PP - B	Belgium	Multi-Country	35,0	220,0	550,0
Ve-Squared GmbH & Co. KG	IEU - Space - LE - B	Germany	Germany	20,3	17,9	44,7
HV Capital COIFacility 2 GmbH & Co. KG	ERP in GFF-EIF Growth,GFF in GFF-EIF Growth, IEU - Space - LE - B	Germany	Germany	50,3	44,3	110,7
BNP Paribas European Impact Bonds Fund 2	IEU - Social Entrepreneurship and Impact Investing - LE	France	Multi-Country	10,0	35,2	88,0
Voima Ventures Fund III Ky	IEU - Climate and Environmental Solutions - LE,IEU - Digital and CCS - LE, IEU - Enabling Sectors - LE	Finland	Multi-Country	35,0	88,0	220,0
Yttrium Co-Investment Nr. 2 GmbH & Co. KG	EIB-EIF Co-Inv Facility II - AI	Germany	Germany	6,2	5,7	14,3
Qbic III Fund	EIF (PE) in IEU PP,IEU - Climate and Environmental Solutions - PP, IEU - Digital and CCS - PP, IEU - Enabling Sectors - PP	Belgium	Multi-Country	35,0	77,9	194,7
SET Fund IV Cooperatief U.A.	EIF, ERP, RCR – RePowerEU,SDUF - European GreenTech	Netherlands	Multi-Country	60,0	176,0	440,0
Deep Blue Ventures	CDP-ITA Tech II, IEU - Digital and CCS - LE, IEU - Enabling Sectors - LE	Italy	Multi-Country	40,0	61,6	154,0
OSER Bourgogne-Franche-Comte	ESIF - Bourgogne (PE)	France	France	15,0	13,4	33,4
Newion Opportunity Fund 1 C.V.	IEU - Digital and CCS - PP - escalar	Netherlands	Multi-Country	25,0	44,0	110,0
42CAP IV GmbH & Co. KG	EIF (PE) in IEU PP, ERP, IEU - Digital Europe - PP - B, IEU - Digital and CCS - PP, IEU - Space - PP - B	Germany	Multi-Country	40,0	110,0	275,0
Frontline Europe Early Stage Fund III LP	EIF, RCR-VC	Ireland		40,0	70,4	176,0
Inovo Fund III SCSp	IEU - Digital and CCS - LE	Poland	Multi-Country	25,0	79,2	198,0
MCC VC Fund I Coöperatief U.A.	IEU - Digital and CCS - LE, JER-009 Additional Fund	Bulgaria		15,0	30,8	77,0
4Elements Fund I SAS	EIF (PE) in IEU PP, IEU - Climate and Environmental Solutions - PP, RCR-IEU	France	France	20,0	26,4	66,0

Deal Name	Resource(s)	Country	Geographical Focus	Commitment (€m)	Leveraged volumes (€m)	Mobilised volumes (€m)
Blume Equity Fund I SCSp	EIF (PE) in IEU PP, IEU - Climate and Environmental Solutions - PP, NPI Invest NL - DFF, RCR-IEU	Netherlands	Multi-Country	40,0	176,0	440,0
Phitrust Partenaires Inclusion SAS	IEU - Social Entrepreneurship and Impact Investing - LE	France	Multi-Country	20,0	29,0	72,6
33East Fund 1 C.V.	RRF - Cyprus	Cyprus		27,0	33,0	82,5
Biovance Capital Fund I FCR	IEU - Enabling Sectors - LE, NPI BPF I - Portugal Tech	Portugal	Multi-Country	35,0	44,0	110,0
Keensight Nova VI A SLP	European Tech Champions Initiative (ETCI)	France	Multi-Country	100,0	1.936,0	4.840,0
Tilia Impact Ventures Fund II	IEU - Climate and Environmental Solutions - LE,IEU - Social Entrepreneurship and Impact Investing - LE	Czech Republic		18,8	28,2	70,4
HCVC Fund II	EIF (PE) in IEU PP,IEU - Digital and CCS - PP, IEU - Enabling Sectors - PP	France	Multi-Country	20,0	60,3	150,7
Orbital Ventures Co-Invest S.C.Sp.	IEU - Space - LE - B	Luxembourg		5,7	5,1	12,8
CD3 IV (Centre for Drug Design and Discovery)	EIF (PE) in IEU PP, IEU - Enabling Sectors - PP	Belgium	Multi-Country	35,0	61,6	154,0
Partech Impact Fund FPCI	EIF (PE) in IEU PP, IEU - Social Entrepreneurship and Impact Investing - PP, RCR-IEU	France	Multi-Country	25,0	264,0	660,0
Matterwave Industrial Technologies II GmbH & Co. KG	ERP, IEU - Digital and CCS - LE, IEU - Enabling Sectors - LE, LfA-EIF 3	Germany	Multi-Country	40,0	114,4	286,0
Practica Venture Capital III KUB	Baltic Innovation Fund 2, EIF (PE) in IEU PP, IEU - Digital Europe - PP - B, IEU - Enabling Sectors - PP	Lithuania	Multi-Country	20,0	61,6	154,0
Market One Capital II SCSp	IEU - Digital and CCS - LE	Poland	Multi-Country	25,0	62,3	155,7
Open Ocean Fund 2023 Ky	EIF,RCR-VC	Finland	Multi-Country	40,0	132,0	330,0
Heartcore Capital Fund V KS	EIF,ERP,RCR-VC	Denmark		40,3	201,1	502,8
Atomico Growth VI SCSp	European Tech Champions Initiative (ETCI)	United Kingdom	Multi-Country	283,2	904,7	2.261,7
Future Food Fund II	EIF (PE) in IEU PP,IEU - Climate and Environmental Solutions - PP, NPI Invest NL - DFF,RCR-IEU	Netherlands	Multi-Country	20,0	44,0	110,0
VC Partners Fund I	EIF (PE) in IEU PP, IEU - Digital and CCS - PP	Italy	Multi-Country	25,0	88,0	220,0
Vireo Electrification Fund I GmbH & Co. KG	EIF, ERP, RCR – RePowerEU	Germany	Multi-Country	20,0	44,0	110,0
HV Capital Fund IX Ventures GmbH & Co. geschlossene Investment KG	EIF, ERP, LfA-EIF 3, RCR-VC	Germany	Multi-Country	50,1	336,8	842,1
HV Capital Fund IX Growth GmbH & Co. geschlossene Investment KG	EIF, ERP in GFF-EIF Growth, GFF in GFF-EIF Growth, LfA-EIF 3,RCR-VC	Germany	Multi-Country	129,6	352,0	880,0
Circular Plastics Fund I SCSp	EIF (PE) in IEU PP, IEU - Blue Economy - PP - B, IEU - Climate and Environmental Solutions - PP, RCR-IEU	Netherlands	Multi-Country	50,0	132,0	330,0
Alpine Space Ventures Fund I GmbH & Co. KG	ERP,IEU - Space - LE - B, LfA-EIF 3	Germany	Multi-Country	60,0	140,8	352,0
Thrive Fund I AB	IEU - Social Entrepreneurship and Impact Investing - LE	Sweden	Multi-Country	17,8	32,1	80,1
Vesalius Biocapital IV S.C.A.,SICAR	EIF, ERP, RCR-VC	Belgium	Multi-Country	40,0	132,0	330,0
Radix Fund	EIF (PE) in IEU PP, IEU - Climate and Environmental Solutions - PP, IEU - Enabling Sectors - PP	Poland	Multi-Country	25,0	52,8	132,0
BioGeneration Capital Fund V Cooperatief U.A.	EIF, RCR-VC, SDUF - Health Compartment	Netherlands	Multi-Country	22,8	123,2	308,0
Ring Mission Venture Capital I	EIF (PE) in IEU PP, IEU - Social Entrepreneurship and Impact Investing - PP, RCR-IEU	France	Multi-Country	20,0	58,0	144,9
Frst 3 FPCI	EIF, RCR-VC	France	France	30,0	70,4	176,0
DN Capital - Global Venture Capital VI	EIF, ERP, RCR-VC	United Kingdom	Multi-Country	40,0	264,0	660,0
UNI.FUND II	IEU - Digital and CCS - LE	Greece		20,0	44,0	110,0
Fountain Healthcare Partners Fund IV	EIF, RCR-VC	Ireland		40,0	110,0	275,0
Atlantic Labs Co-Invest III GmbH & Co. KG	IEU - Space - LE - B	Germany	Germany	5,3	4,7	11,7
WakeUp Capital Fund I	EIF (PE) in IEU PP, IEU - Social Entrepreneurship and Impact Investing - PP, NPI EI - Ireland Seed Innovation Fund, RCR-IEU	Ireland		20,0	44,0	110,0
Revaia Growth II SLP	EIF (PE) in IEU PP, IEU - CMU - PP, RCR-IEU	France	Multi-Country	40,0	352,0	880,0
GapMinder Fund II COÖPERATIEF U.A.	IEU - Digital Europe - LE - B, IEU - Digital and CCS - LE, RRF - Romania	Romania		30,0	70,4	176,0
Blue Revolution Fund L.P.	EIF (PE) in IEU PP, IEU - Blue Economy - PP - B, RCR-IEU	Ireland		20,0	66,0	165,0
Resolve Ventures Fund I	IEU - Climate and Environmental Solutions - LE, NPI EI - Ireland Seed Innovation Fund	Ireland		20,0	44,0	110,0
Vives Inter-University Fund	IEU - Enabling Sectors - LE	Belgium	Multi-Country	25,0	52,8	132,0
EAF-Ireland Clibborn	European Angels Fund S.C.A. SICAR – Business Angel Fund Ireland	Ireland		0,6	1,8	4,4
Heal.Capital II GmbH & Co. KG	ERP,IEU - Enabling Sectors - LE, SDUF - Health Compartment	Germany	Multi-Country	30,0	105,6	264,0
Headline Global Growth Lux IV SCSp	European Tech Champions Initiative (ETCI)	Germany	Multi-Country	350,0	880,0	2.200,0
Ventech Capital VI	EIF, ERP, RCR-VC	France	Multi-Country	39,5	198,0	495,0
GET Fund I GmbH & Co. KG	EIF, ERP in GFF-EIF Growth, GFF in GFF-EIF Growth, RCR RePowerEU	Germany	Multi-Country	60,0	132,0	330,0

Deal Name	Resource(s)	Country	Geographical Focus	Commitment (€m)	Leveraged volumes (€m)	Mobilised volumes (€m)
Co-investment with Telesystem - Northstar	Luxembourg Future Fund – Co-Investments	Canada	Canada	1,3	13,0	32,6
EAF-Germany Warzecha	EIF-ERP in EAF Germany, ERP in EAF Germany, RCR13 in EAF Germany	Germany	Germany	0,2	3,8	9,6
EQT Health Economics 3 Coöperatief U.A.	EIF,RCR-VC,SDUF - Health Compartment	Netherlands	Multi-Country	40,0	308,0	770,0
Convent Capital Agri Food Fund Cooperatief	EIF (PE) in IEU PP, IEU - Blue Economy - PP - B, RCR-IEU	Netherlands	Multi-Country	35,0	132,0	330,0
Linfa Ventures	CDP-Social Impact, EIF, RCR-VC	Italy	Multi-Country	34,0	70,4	176,0
Sandwater Fund I AS	EIF, RCR-VC	Norway	Multi-Country	34,8	89,7	224,3
Future Energy Ventures Fund I, SCA SICAV-RAIF	EIF, ERP in GFF-EIF Growth, GFF in GFF-EIF Growth, RCR – RePowerEU, SDUF - European GreenTech	Germany	Multi-Country	60,0	220,0	550,0
Invivo Ventures III	EIF (PE) in IEU PP, IEU - Enabling Sectors - PP, RCR-IEU	Spain	Multi-Country	25,0	88,0	220,0
EAF-Denmark Syndicate DICO	European Angels Fund S.C.A. SICAR - Denmark	Denmark		0,5	10,3	25,7
3VC II SCSp	EIF (PE) in IEU PP,ERP,IEU - Digital Europe - PP - B, RCR-IEU	Austria	Multi-Country	30,0	132,0	330,0
Venture Capital Total				2.831,3	10.705,0	26.762,5
Equity total				5.639,7	32.452,7	83.782,7

Guarantee Signatures as at December 2023

Deal Name	Resource(s)	Team Location	Geographical Focus	Commitment (€m)	Leveraged volumes (€m)	Mobilised volumes (€m)
Capped						
K&H Bank Zrt. (Hungary) - IEU - CDG	IEU - Innov and Digit - CG, IEU - SME Comp - CG, IEU - SMEW Sustainability - CG	Hungary		8,0	277,6	388,7
Wallonie Entreprendre (former Sowalfin) - IEU - CCG	IEU - Innov and Digit - CG, IEU - SME Comp - CG, IEU - SMEW Sustainability - CG	Belgium	Belgium	7,5	371,7	520,4
Cassa Depositi e Prestiti (CDP) - IEU - CCG	IEU - CCS - CG, IEU - SME Comp - CG, IEU - Skills and Edu - CG	Italy	Italy	120,0	3.348,2	4.687,5
Slovenska zarucna a rozvojova banka - IEU - CDG	IEU - SME Comp - CG, IEU - SMEW Sustainability - CG	Slovakia		7,1	113,0	158,2
BPCE - SOCAMA - IEU - CCG	IEU - SME Comp - CG	France	France	30,0	1.000,0	1.400,0
Bulgarian Development Bank (BDB) - IEU - CDG	IEU - Innov and Digit - CG,IEU - SME Comp - CG, IEU - SMEW Sustainability - CG	Bulgaria		6,0	77,0	107,8
OP Osuuskunta (Finland) - IEU - CDG	IEU - SME Comp - CG	Finland	Finland	5,0	142,9	200,0
CSOB (Slovakia) - IEU - CDG	IEU - SME Comp - CG, IEU - SMEW Sustainability - CG	Slovakia		6,0	155,0	217,0
Polfund - IEU - CCG	IEU - SME Comp - CG	Poland	Poland	2,8	93,6	131,0
Caixa Geral de Depósitos - IEU - CDG	IEU - CCS - CG, IEU - MicroFinance - CG, IEU - Social Entrepreneurship - CG, IEU - SME Comp - CG, IEU - SMEW Sustainability - CG, IEU - Skills and Edu - CG	Portugal	Portugal	22,3	312,3	437,2
LocalTapiola - IEU - CDG	IEU - SME Comp - CG	Finland	Finland	1,5	25,0	35,0
UniCredit - Umbrella - UniCredit Bulbank - IEU - CDG	IEU - Innov and Digit - CG, IEU - Social Entrepreneurship - CG, IEU - SMEW Sustainability - CG, IEU - Skills and Edu - CG	Bulgaria		10,0	212,6	297,7
Credito Emiliano - IEU - CDG	IEU - Innov and Digit - CG,IEU - SME Comp - CG, IEU - SMEW Sustainability - CG	Italy	Italy	22,3	721,4	1.010,0
Austria Wirtschaftsservice GmbH (AWS) - IEU - CCG	IEU - Innov and Digit - CG, IEU - SME Comp - CG, IEU - SMEW Sustainability - CG	Austria	Austria	20,5	946,4	1.325,0
Finance & Invest Brussels - IEU - CDG	IEU - SME Comp - CG,IEU - SMEW Sustainability - CG	Belgium	Belgium	4,5	77,9	109,0
Ark Kapital AB - IEU - CDG	IEU - Innov and Digit - CG, IEU - SMEW Sustainability - CG, IEU - Skills and Edu - CG	Sweden	Multi-Country	14,4	146,9	205,6
Lisa & Friends AB - IEU - CDG	IEU - SMEW Sustainability - CG	Sweden	Sweden	1,7	24,3	34,0
Invoier AB - IEU - CDG	IEU - SME Comp - CG, IEU - SMEW Sustainability - CG	Sweden	Sweden	3,8	106,1	148,5
Banca Cassa di Risparmio di Savigliano - IEU - CDG	IEU - CCS - CG, IEU - Innov and Digit - CG, IEU - SMEW Sustainability - CG, IEU - Skills and Edu - CG	Italy	Italy	3,8	46,9	65,7
Credit Agricole S.A. - IEU - CDG	IEU - Innov and Digit - CG, IEU - SMEW Sustainability - CG	France	France	16,5	295,7	414,0
UniCredit - Umbrella - Zagrebacka banka d.d. - IEU - CDG	IEU - MicroFinance - CG, IEU - Social Entrepreneurship - CG, IEU - SIW Sustainability - EERE - CG, IEU - Skills and Edu - CG	Croatia		8,7	122,2	171,0
Wallonie Entreprendre (former Sowalfin) - IEU - CDG	IEU - SME Comp - CG	Belgium	Belgium	2,1	28,0	39,2
UniCredit - Umbrella - UniCredit Bank SA (Romania) - IEU - CDG	IEU - Skills and Edu - CG	Romania		1,5	32,9	46,0
PMV/z-Leningen - IEU - CDG	IEU - CCS - CG,IEU - MicroFinance - CG, IEU - SME Comp - CG, IEU - SMEW Sustainability - CG	Belgium	Belgium	13,7	132,5	185,5
MDDG S.à.r.l. (Luxembourg) - IEU - CDG	IEU - CCS - CG	Luxembourg		8,3	47,1	66,0
UniCredit - Umbrella - UniCredit SPA (CE) - IEU - CDG	IEU - Innov and Digit - CG, IEU - MicroFinance - CG, IEU - Social Entrepreneurship - CG, IEU - SMEW Sustainability - CG, IEU - Skills and Edu - CG	Italy	Multi-Country	8,0	169,5	237,4
National Bank of Greece - IEU - CDG	IEU - MicroFinance - CG, IEU - SIW Sustainability - Mobility - CG, IEU - SIW Sustainability - EERE - CG, IEU - Skills and Edu - CG	Greece		16,6	147,5	206,5
Banco Comercial Português S.A. (BCP) - IEU - CDG	IEU - CCS - CG, IEU - Innov and Digit - CG, IEU - MicroFinance - CG, IEU - Social Entrepreneurship - CG, IEU - SME Comp - CG, IEU - SMEW Sustainability - CG, IEU - Skills and Edu - CG	Portugal	Portugal	24,7	405,3	567,4
PKO Leasing - IEU - CDG	IEU - SME Comp - CG, IEU - SMEW Sustainability - CG	Poland	Poland	13,4	474,7	664,5
Eurobank Bulgaria - RRF Bulgaria - CDG	RRF BG - SME Competitiveness, RRF BG - Sustainability	Bulgaria		33,8	403,0	564,1
CM-CIC Leasing Solutions - IEU - CDG	IEU - SME Comp - CG	France	France	5,0	200,0	280,0
Banca Intesa Beograd - WB GF4SME	WB GF III	Serbia	Serbia	4,3	102,9	144,0
ProCredit Umbrella - North Macedonia - WB GF4SME	WB GF III	North Macedonia	North Macedonia	4,8	60,0	84,0
ProCredit Umbrella - Serbia - WB GF4SME	WB GF III	Serbia	Serbia	5,6	70,0	98,0
ProCredit Umbrella - Bosnia - WB GF4SME	WB GF III	Bosnia and Herzegovina	Bosnia and Herzegovina	4,8	60,0	84,0
Piraeus Bank - RRF Greece - CDG	RRF Greece – SME Competitiveness, RRF Greece – SME Innovation & Digitalisation, RRF Greece – SME Sustainability	Greece		115,2	1.308,6	1.832,0
NLB Komercijalna Banka - WB GF4SME	WB GF III	Serbia	Serbia	1,9	48,0	67,2
ProCredit Umbrella - Albania - WB GF4SME	WB GF III	Albania		4,0	50,0	70,0
SLSP - IEU - CDG	IEU - MicroFinance - CG, IEU - SMEW Sustainability - CG	Slovakia		10,9	115,0	161,0

Deal Name	Resource(s)	Team Location	Geographical Focus	Commitment (€m)	Leveraged volumes (€m)	Mobilised volumes (€m)
KEP Trust - WB GF4SME	WB GF III	Kosovo	Kosovo	0,9	14,6	20,5
UniCredit Bulbank - RRF Bulgaria - CDG	RRF BG - SME Competitiveness, RRF BG - Sustainability	Bulgaria		29,0	362,5	507,5
BANCA COMERCIALA ROMANA - IEU - CDG	IEU - Skills and Edu - CG	Romania		1,5	21,6	30,2
EIFO (Denmark's Export and Investment Fund) - IEU - CDG	IEU - CCS - CG, IEU - SME Comp - CG	Denmark		12,1	104,6	146,5
United Bulgarian Bank - RRF Bulgaria - CDG	RRF BG - SME Competitiveness, RRF BG - Sustainability	Bulgaria		61,6	770,0	1.078,0
Micro-credit Finance Institution Alter Modus - WB GF4SME	WB GF III	Montenegro	Montenegro	0,8	13,3	18,7
ProCredit Bank (Bulgaria) EAD - RRF Bulgaria - CDG	RRF BG - SME Competitiveness, RRF BG - Sustainability	Bulgaria		29,6	462,5	647,5
FED Invest - WB GF4SME	WB GF III	Albania		4,0	55,6	77,8
Raiffeisenbank Serbia - WB GF4SME	WB GF III	Serbia	Serbia	5,5	62,2	87,1
ProCredit Umbrella - Kosovo - WB GF4SME	WB GF III	Kosovo	Kosovo	2,2	31,1	43,6
National Bank of Greece - RRF Greece - CDG	RRF Greece SME Competitiveness, RRF Greece SME Innovation & Digitalisation, RRF Greece SME Sustainability	Greece		108,0	1.428,6	2.000,0
Capped Total				860,1	15.798,0	22.117,2
Private Debt						
WDL SME Fund	IEU - DDF, NPI Invest NL - DACI	Netherlands	Netherlands	25,0	52,8	110,9
Zenon Fund IV S.C.A. SICAV-RAIF	IEU - DDF	Spain	Multi-Country	30,0	220,0	462,0
Investec Private Debt Fund II SCSp	IEU - DDF	United Kingdom	Multi-Country	25,0	440,0	924,0
Sound Senior Private Debt Fund I	IEU - DDF	Lithuania	Multi-Country	25,0	70,4	147,8
PMI Italia III	IEU - DDF	Italy	Italy	30,0	220,0	462,0
Azimut Diversified Corporate Credit ESG-8	IEU - DDF	Italy	Italy	30,0	220,0	462,0
Endeka Credito Italia I	IEU - DDF	Italy	Italy	25,0	88,0	184,8
ELF European Lending II SCSP SICAV-RAIF	IEU - DDF	Germany	Multi-Country	30,0	440,0	924,0
Ture Credit Fund III SARL SICAV RAIF	IEU - DDF	Sweden	Multi-Country	30,0	440,0	924,0
HeavyFinance Fund I	IEU - DDF	Lithuania	Multi-Country	20,0	44,0	92,4
INOKS European Agri Transition Fund SICAV-FIS	IEU - DDF	Switzerland	Multi-Country	40,0	220,0	462,0
CVI Fund Private Debt Fund II	IEU - DDF	Luxembourg		40,0	264,0	554,4
VICENDA Debt Opportunities SCA SICAV-RAIF	IEU - DDF	Switzerland	Multi-Country	30,0	220,0	462,0
123 Transition Energetique II	IEU - DDF	France	France	30,0	88,0	184,8
Private Debt Total				410,0	3.027,2	6.357,1
Regional						
TISE - ESIF-Silesia PRSL	ESIF-Silesia	Poland	Poland	1,5	1,8	2,6
Fundusz Gornoslaski (FGSA) - ESIF-Silesia PRSL	ESIF - Silesia Treasury and FI Interest, ESIF-Silesia	Poland	Poland	3,5	4,3	6,0
Credit Agricole - ESIF - Bourgogne Franche-Comté	ESIF - Bourgogne (G&S)	France	France	30,0	250,0	350,0
Bank of Valletta - ESIF EERE Malta	EERE Malta	Malta	Malta	0,3	10,4	14,6
BPCE - ERDF FOSTER II	FOSTER II ERDF (G&S)	France	France	48,0	600,0	840,0
BPCE S.A.- EAFRD - FOSTER II	EAFRD - FOSTER II EAFRD (G&S)	France	France	12,0	100,0	140,0
Regional Total				95,2	966,6	1.353,2
Securitisation						
LBBW Synthetic 2023 - Germany - EIB Fronted	EIB-SLA Fronted	Germany	Germany	175,0	350,0	490,0
Deutsche Bank Synthetic 2023 - SLA Fronted	EIB-SLA Fronted	Italy	Italy	149,4	594,3	832,0
Santander Totta RMBS Synthetic 2023 (Portugal) - SLA Fronted	EIB-SLA Fronted	Portugal	Portugal	80,6	161,3	225,8
ProCredit Bank Synthetic 2023 (Bulgaria) - OR/SLA Fronted	EIB-SLA Fronted, EIF GSM	Bulgaria		294,0	415,5	581,8
BNP Paribas Synthetic 2022 (France) - SLA Fronted	EIB-SLA Fronted	France	France	118,7	475,0	665,0
Santander Spain ABS Consumer 2023 - OR/SLA	EIB-SLA,EIF GSM	Spain	Spain	30,0	60,0	84,0
BBVA Consumer ABS 2023 (Spain) - OR/SLA	EIB-SLA,EIF GSM	Spain	Spain	30,0	45,0	63,0
Alba 13 (Italy) - EIB SLA / OR	EIB-SLA,EIF GSM	Italy	Italy	30,0	30,0	42,0
Sabadell Consumer Finance ABS 2023 (Spain) - OR/SLA	EIB-SLA,EIF GSM	Spain	Spain	30,0	60,0	84,0
BNP Paribas Personal Finance 2023 (France) - EIB SLA / OR	EIB-SLA,EIF GSM	France	France	50,0	75,0	105,0
UCI RMBS Spain 2023 - SLA / OR	EIB-SLA, EIF GSM	Spain	Spain	40,0	53,2	74,5
Unicredit Synthetic RMBS 2023 (Italy) - SLA Fronted	EIB-SLA Fronted	Italy	Italy	65,2	84,7	118,6
Santander Spain Synthetic RMBS 2023 - OR/SLA Fronted	EIB-SLA Fronted, EIF GSM	Spain	Spain	163,0	217,4	304,3
BT Synthetic 2023 (Romania) - OR/SLA Fronted	EIB-SLA Fronted, EIF GSM	Romania		401,4	531,9	744,6

Deal Name	Resource(s)	Team Location	Geographical Focus	Commitment (€m)	Leveraged volumes (€m)	Mobilised volumes (€m)
Deutsche Leasing Synthetic 2023 (Romania) - OR/SLA Fronted	EIB-SLA Fronted, EIF GSM	Romania		330,3	438,9	614,5
Allianz Bank Bulgaria AD 2023 (Bulgaria) - OR/SLA Fronted	EIB-SLA Fronted, EIF GSM	Bulgaria		204,2	291,0	407,4
Erste Bank Synthetic 2023 (Austria) - SLA Fronted	EIB-SLA Fronted	Austria	Austria	49,0	196,1	274,5
Deutsche Bank Synthetic 2023-2 (Germany) - EIB SLA Fronted	EIB-SLA Fronted	Germany	Germany	150,0	600,0	840,0
EFL leasing Synthetic 2023 (Poland) - OR/SLA Fronted	EIB-SLA Fronted, EIF GSM	Poland	Poland	453,2	568,3	795,7
Hypo Vorarlberg 2023 (Austria) - SLA Fronted	EIB-SLA Fronted	Austria	Multi-Country	61,2	122,4	171,4
BNP Paribas Synthetic 2023 (France) - SLA Fronted	EIB-SLA Fronted	France	France	106,3	425,2	595,3
Securitisation Total				3.011,3	5.795,3	8.113,4
Uncapped						
Banca Comerciala Romana - (RON) - SMEi Romania	SIUGI Romania (RON)	Romania		12,1	20,1	28,2
CEC Bank (RON) - SMEi Romania	SIUGI Romania (RON)	Romania		3,6	6,1	8,5
Aktia - SMEi Finland	SIUGI Finland	Finland	Finland	7,5	15,0	21,0
POP Bank - SMEi Finland	SIUGI Finland	Finland	Finland	2,5	5,0	7,0
Intesa Sanpaolo S.p.A. (Italy) - IEU - UDG	IEU - Innov and Digit - UG	Italy	Italy	50,0	71,4	100,0
Wormser Freres Venture Loan II - IEU - UDG	IEU - Innov and Digit - UG, IEU - SME Comp - Solvency - UG, IEU - SMEW Sustainability - UG	France	France	15,0	21,4	30,0
UniCredit - Umbrella - UniCredit Bank SA (Romania) - IEU - UDG	IEU - CCS - UG, IEU - Innov and Digit - UG	Romania		30,0	42,9	60,0
UniCredit - Umbrella - Zagrebacka banka - IEU - UDG	IEU - CCS - UG, IEU - Innov and Digit - UG, IEU - SME Comp - Solvency - UG, IEU - SMEW Sustainability - UG	Croatia		50,0	71,4	100,0
Kompasbank - IEU - UDG	IEU - SMEW Sustainability - UG	Denmark		10,0	14,2	19,9
UniCredit - Umbrella - UniCredit Leasing Croatia - IEU - UDG	IEU - Innov and Digit - UG	Croatia		5,0	7,1	10,0
UAB SME BANK - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Lithuania	Multi-Country	20,0	28,6	40,0
Raiffeisenbank Czech Republic - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Czech Republic		21,0	30,1	42,1
Strategic Banking Corporation of Ireland (SBCI) - Growth and Sustainability Loan Scheme	Irish SMEs II	Ireland		320,0	500,0	700,0
Banca Comerciala Romana SA - RRF Romania - UDG	RRF RO - SME Competitiveness, RRF RO - Sustainability	Romania		357,0	592,0	828,8
Entrepreneur invest - IEU - UDG	IEU - CCS - UG,IEU - Innov and Digit - UG, IEU - SME Comp - Solvency - UG, IEU - SMEW Sustainability - UG	France	France	57,5	82,1	115,0
Flex Garanti II Aps - IEU - UDG	IEU - SME Comp - Solvency - UG	Denmark		15,0	21,4	30,0
Banco BPI - IEU - UDG	IEU - CCS - UG,IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Portugal	Portugal	108,5	155,0	217,0
Banco Santander - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Spain	Spain	200,0	285,7	400,0
Komercni banka a.s.- IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Czech Republic		35,0	50,0	70,0
LocalTapiola Corporate Lending I GP Ltd - IEU - UDG	IEU - SME Comp - Solvency - UG	Finland	Finland	10,0	14,3	20,0
UniCredit - Umbrella - UniCredit Bank Hungary - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Hungary		35,0	50,0	70,0
Financiere Arbevel - IEU - UDG	IEU - Innov and Digit - UG, IEU - SME Comp - Solvency - UG, IEU - SMEW Sustainability - UG	France	France	50,0	71,4	100,0
BPER Banca - IEU - UDG	IEU - CCS - UG,IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Italy	Italy	110,0	157,1	220,0
ZUBI CAPITAL IMPACT VENTURE FINANCE - IEU - UDG	IEU - Innov and Digit - UG	Spain	Spain	8,0	11,4	16,0
SID banka - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Slovenia		42,0	60,0	84,0
Aegon Investment Management - IEU - UDG	IEU - Innov and Digit - UG, IEU - SME Comp - Solvency - UG IEU - SMEW Sustainability - UG	Netherlands	Netherlands	55,0	78,6	110,0
Raiffeisen Bank SA - RRF Romania - UDG	RRF RO - SME Competitiveness, RRF RO - Sustainability	Romania		400,0	685,7	960,0
Banco Santander Totta SA - IEU - UDG	IEU - SMEW Sustainability - UG	Portugal	Portugal	48,5	69,3	97,0
ProCredit Bank Romania - RRF Romania - UDG	RRF RO - SME Competitiveness,RRF RO - Sustainability	Romania		252,5	475,0	665,0
CEC Bank SA - RRF Romania - UDG	RRF RO - SME Competitiveness,RRF RO - Sustainability	Romania		210,0	380,0	532,0
UniCredit - Umbrella - UniCredit Leasing Slovakia - IEU - UDG	IEU - CCS - UG,IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Slovakia		15,0	21,4	30,0
Banca Transilvania SA - RRF Romania – UDG	RRF RO - SME Competitiveness, RRF RO - Sustainability	Romania		326,0	580,0	812,0
UniCredit - Umbrella - UniCredit Banka Slovenija - IEU- UDG	IEU - Innov and Digit - UG, IEU - SIW Sustainability - Mobility - UG, IEU - SIW Sustainability - EERE - UG, IEU - SMEW Sustainability - UG	Slovenia		25,0	34,8	48,8
UniCredit - Umbrella - UniCredit SpA (CE) - IEU - UDG	IEU - CCS - UG,IEU - Innov and Digit - UG, IEU - SIW Sustainability - Mobility - UG, IEU - SIW Sustainability - EERE - UG, IEU - SMEW Sustainability - UG	Italy	Multi-Country	43,8	62,2	87,0
UniCredit - Umbrella - UniCredit Bulbank - IEU - UDG	IEU - CCS - UG, IEU - Innov and Digit - UG, IEU - SIW Sustainability - Mobility - UG, IEU - SIW Sustainability - EERE - UG, IEU - SMEW Sustainability - UG	Bulgaria		57,0	79,6	111,5

Deal Name	Resource(s)	Team Location	Geographical Focus	Commitment (€m)	Leveraged volumes (€m)	Mobilised volumes (€m)
Banca Cambiano 1884 - IEU - UDG	IEU - Innov and Digit - UG,IEU - SMEW Sustainability - UG	Italy	Italy	40,0	57,1	80,0
UniCredit - Umbrella - UniCredit Leasing CZ - IEU - UDG	IEU - CCS - UG, IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Czech Republic		15,0	21,4	30,0
Inveready Asset Management - IEU - UDG	IEU - Innov and Digit - UG	Spain	Spain	30,0	42,9	60,0
Denmark's Export and Investment Fund (former Vaekstfonden) - IEU - UDG	IEU - Innov and Digit - UG	Denmark		29,9	42,8	59,9
Cooperatieve Rabobank U.A. - IEU - UDG	IEU - Innov and Digit - UG	Netherlands	Netherlands	60,0	85,7	120,0
SEB - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Sweden	Sweden	30,0	42,9	60,0
Alantra Multi Asset - IEU - UDG	IEU - SME Comp - Solvency - UG, IEU - SMEW Sustainability - UG	Spain	Spain	51,0	72,9	102,0
Serafim - IEU - UDG	IEU - SME Comp - Solvency - UG	Sweden	Sweden	10,0	14,3	20,0
SOLUTION BANK - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Italy	Italy	55,0	78,6	110,0
TENAX QIAIF ICAV - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Ireland		60,0	85,7	120,0
Caixa Geral de Depósitos - IEU - UDG	IEU - Innov and Digit - UG	Portugal	Portugal	46,0	65,7	92,0
Illimity - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Italy	Italy	50,0	71,4	100,0
UniCredit - Umbrella - UniCredit Bank Czech Republic & Slovakia - IEU - UDG	IEU - CCS - UG, IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Czech Republic		65,0	92,9	130,0
Stiftelsen Norrlandsfonden - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Sweden	Sweden	10,1	14,4	20,1
SG Equipment Finance - IEU - UDG	IEU - Innov and Digit - UG	Czech Republic		15,0	21,4	30,0
Buergschaftsbank Baden-Wuerttemberg - IEU - UCG	IEU - CCS - UG, IEU - Innov and Digit - UG, IEU - SME Comp - Solvency - UG, IEU - SMEW Sustainability - UG	Germany	Germany	76,0	217,1	304,0
Sydbank - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Denmark		74,9	107,0	149,8
Procredit Bank - (RON) - SMEi Romania	SIUGI Romania (RON)	Romania		12,1	20,1	28,2
Libra Bank - (RON) - SMEi Romania	SIUGI Romania (RON)	Romania		3,5	5,8	8,2
BpiFrance - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	France	France	75,0	107,1	150,0
NRW.BANK - Investitionsbank Berlin (IBB) - IEU - UCG	IEU - CCS - UG, IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Germany	Germany	24,5	35,0	49,0
BDM BANCA - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Italy	Italy	25,0	35,7	50,0
Alpha Bank Romania - RRF Romania - UDG	RRF RO - SME Competitiveness, RRF RO - Sustainability	Romania		45,0	81,4	114,0
DBT CAPITAL AB - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Sweden	Sweden	10,1	14,4	20,2
Strategic Banking Corporation of Ireland (SBCI) - Residential Retrofit Loan Scheme	Irish Households	Ireland		320,0	500,0	700,0
Oma Savings Bank - Finland CAG - UDG	FI CAG Sustainability	Finland	Finland	50,0	71,4	100,0
Danske Bank A/S - Finland CAG - UDG	FI CAG Sustainability	Denmark		50,0	71,4	100,0
Eiffel Investment Group - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	France	Multi-Country	45,0	64,3	90,0
UniCredit Bank Romania - RRF Romania - UDG	RRF RO - SME Competitiveness, RRF RO - Sustainability	Romania		205,0	350,0	490,0
Crede Rent - IEU - UDG	IEU - SMEW Sustainability - UG	Spain	Spain	30,0	42,9	60,0
MedioCredito Centrale Banca del Mezzogiorno (MCC BdM) - IEU - UDG	IEU - Innov and Digit - UG, IEU - SMEW Sustainability - UG	Italy	Italy	25,0	35,7	50,0
BVP Investments Limited - IEU - UDG	IEU - SMEW Sustainability - UG	Ireland		31,5	45,0	63,0
Aktia Bank - Finland CAG - UDG	FI CAG Sustainability	Finland	Finland	50,0	71,4	100,0
BANCA COMERCIALA ROMANA - IEU - UDG	IEU - CCS - UG	Romania		10,4	14,8	20,7
Uncapped Total				4.737,5	7.551,4	10.572,0
Guarantee Total				9.114,3	33.138,5	48.512,9

Inclusive Finance Signatures as at December 2023

Deal Name	Resource(s)	Team Location	Geographical Focus	Commitment (€m)	Leveraged volumes (€m)	Mobilised volumes (€m)
Capped						
Colonya Caixa Pollenca - IEU - CDG	IEU - MicroFinance - CG, IEU - Social Entrepreneurship - CG	Spain	Spain	2,5	25,0	35,0
France Active Garantie - IEU - CCG	IEU - MicroFinance - CG, IEU - Social Entrepreneurship - CG, IEU - SME Comp - CG	France	France	13,9	486,3	680,8
F'in Common - IEU - CDG	IEU - Social Entrepreneurship - CG	Belgium	Belgium	0,8	5,9	8,2
Sogama Credit Associatif - IEU - CCG	IEU - Social Entrepreneurship - CG, IEU - Skills and Edu - CG	France	France	4,0	51,8	72,5
UAB SME Bank - IEU - CDG	IEU - MicroFinance - CG	Lithuania	Multi-Country	0,8	9,4	13,1
Finansu Bite Verslui - IEU - CDG	IEU - MicroFinance - CG, IEU - SMEW Sustainability - CG	Lithuania	Lithuania	2,0	19,1	26,7
Cooperative Bank of Karditsa - IEU - CDG	IEU - MicroFinance - CG, IEU - Social Entrepreneurship - CG, IEU - SME Comp - CG	Greece		3,0	34,3	48,1
CSOB (Czech Republic) - IEU - CDG	IEU - MicroFinance - CG	Czech Republic		1,7	21,1	29,5
Raiffeisen Bank S.A. - IEU - CDG	IEU - MicroFinance - CG	Romania		5,1	52,9	74,1
Erste & Steiermärkische Bank d.d. - IEU - CDG	IEU - MicroFinance - CG, IEU - Social Entrepreneurship - CG	Croatia		1,1	10,0	14,0
Aros Kapital - IEU - CDG	IEU - MicroFinance - CG	Sweden	Sweden	3,9	44,6	62,4
UAB SME FINANCE - IEU - CDG	IEU - Innov and Digit - CG, IEU - MicroFinance - CG, IEU - SMEW Sustainability - CG	Lithuania	Multi-Country	5,0	42,1	58,9
Smart Microcredit Microfinance Institution SA (Microsmart) - IEU – CDG	IEU - MicroFinance - CG	Greece		0,7	4,1	5,7
Merkur Andelskasse - IEU - CDG	IEU - Social Entrepreneurship - CG	Denmark		2,0	16,6	23,3
TMEDE Microfinance Solutions - IEU - CDG	IEU - MicroFinance - CG	Greece		2,0	10,0	14,0
Laboral Kutxa - IEU - CDG	IEU - MicroFinance - CG, IEU - Social Entrepreneurship - CG	Spain	Spain	8,2	145,0	203,0
BDB MicroFinancing EAD - IEU - CDG	IEU - MicroFinance - CG	Bulgaria		1,0	10,2	14,3
Erste Bank Group - IEU - CDG	IEU - Social Entrepreneurship - CG	Austria	Multi-Country	9,0	66,2	92,6
Seed Capital Bizkaia Mikro SCR Pyme - IEU - CDG	IEU - MicroFinance - CG	Spain	Spain	0,6	6,5	9,1
Avanseo - IEU - CDG	IEU - MicroFinance - CG	France	France	3,0	47,5	66,5
Komercni banka a.s. - IEU - CDG	IEU - CCS - CG, IEU - MicroFinance - CG, IEU - Social Entrepreneurship - CG, IEU - SIW Sustainability - EERE - CG, IEU - Skills and Edu - CG	Czech Republic		16,5	214,7	300,5
La NEF - IEU - CDG	IEU - Social Entrepreneurship - CG	France	France	10,0	73,5	102,9
TISE (Towarzystwo Inwestycji Spoleczno-Ekonomicznych) - IEU - CDG	IEU - Social Entrepreneurship - CG, IEU - SME Comp - CG	Poland	Poland	3,0	39,1	54,8
Noviti - IEU - CDG	IEU - MicroFinance - CG	Lithuania	Multi-Country	3,0	46,9	65,6
ROMCOM - IEU - CDG	IEU - MicroFinance - CG	Romania		0,5	5,0	7,0
Nordic Finance Business Partner - IEU - CDG	IEU - MicroFinance - CG	Sweden	Sweden	2,5	31,4	44,0
Froda - IEU - CDG	IEU - MicroFinance - CG	Sweden	Multi-Country	4,0	49,5	69,3
SOCODEN-FEC - IEU - CDG	IEU - Social Entrepreneurship - CG	France	France	2,0	25,0	35,0
Capped Total				111,3	1.593,7	2.231,1
Loans						
Finbee - EaSi Funded - MF	EaSI - Funded Product	Lithuania	Lithuania	1,0	1,5	2,1
Hipocredit Latvia - EaSI Funded MF	EaSI - Funded Product	Latvia		1,5	2,2	3,1
Agricover 2 - EaSi Funded - MF	EaSI - Funded Product	Romania		9,1	18,3	25,6
Crimson Finance Fund - EaSi funded - MF	EaSI - Funded Product	Albania		2,0	3,0	4,2
3Bank - EaSi Funded - MF	EaSI - Funded Product	Serbia	Serbia	4,0	8,0	11,2
Fed Invest - EaSI Funded - MF	EaSI - Funded Product	Albania		4,0	8,0	11,2
AgroCredit Latvia - EaSI Funded MF	EaSI - Funded Product	Latvia		2,0	3,0	4,2
Mikrokreditna Finansijska institucija Alter Modus Doo Podgorica - Easi Funded - MF	EaSI - Funded Product	Montenegro	Montenegro	5,0	5,0	7,0
Loans Total				28,6	49,0	68,6
Capacity Building Investments						
Patria Bank - IEU CBI - MF	IEU - Capacity Building	Romania		5,0	5,0	7,0
Noviti - IEU CBI - MF	IEU - Capacity Building	Lithuania	Lithuania	1,0	1,0	1,4
Flexidea - IEU - CBI - MF	IEU - Capacity Building	Latvia		1,0	1,0	1,4
Patria Credit - IEU CBI - MF	IEU - Capacity Building	Romania		3,0	3,0	4,2
Nordic Finance Business - IEU - CBI - MF	IEU - Capacity Building	Sweden	Sweden	4,8	4,8	6,7
Capacity Building Investments Total				14,8	14,8	20,8
Inclusive Finance Total				154,8	1.657,5	2.320,5

Glossary

CA&ES	Climate Action & Environmental Sustainability
CBI	Capacity Building Investment
CEE	Central and Eastern Europe
DKK	Danish Krone
DLT	Distributed Ledger Technologies
EASI	Employment and Social Innovation programme
EIBG	European Investment Bank Group
EFSI	European Fund for Strategic Investments
EGF	European Guarantee Fund
ERP	European Recovery Programme
ESG	Environmental, Social, and Governance
ESIF	European Structural and Investment Funds
ETCI	European Tech Champions Initiative
GESIP	Gender-Smart Equity Investment Programme
GFF	German Future Fund
ICT	Information and Communications Technology

IPO	Initial Public Offering
JEREMIE	Joint European Resources for Micro to Medium Enterprises
NPIS	National Promotional Institutions
PAAS	Product as a Service
PC	Private Credit
PE	Private Equity
RCR	Risk Capital Resources
RON	Romanian leu
RRF	Recovery and Resilience Facility
SDUF	Sustainable Development Umbrella Fund
SEGIP	Slovene Equity Growth Investment Programme
SEK	Swedish Krona
SFDR	Sustainable Finance Disclosure Regulation
SOC	Social Outcome Contracts
VC	Venture Capital

Capital and Shareholders

(At 31.12.2023)

The EIF has an authorised capital of €7,370m, divided into 7,370 fully subscribed shares with a nominal value of €1m each. As at 31 December 2023, the EIB held 59.8% (4,406) of the issued shares, the EU represented by the EC held 29.7% (2,190 shares) and 38 financial institutions held 10.5% (774 shares).

Country Financial Institutions Numbers of Shares:

Austria	21
UniCredit Bank Austria AG	8
Raiffeisen Bank International AG	7
Erste Group Bank AG	5
Austria Wirtschaftsservice Gesellschaft mbH (aws)	1
Bulgaria	5
Bulgarian Development Bank EAD (BDB)	5
Croatia	13
Croatian Bank for Reconstruction and Development (HBOR)	13
Czech Republic	5
Národní rozvojová banka, a.s.	5
Denmark	8
Danmarks Eksport- og Investeringsfond	8
France	175
Bpifrance Participations	167
BPCE	8
Germany	238
KfW Bankengruppe	167
NRW.BANK	20
LfA Förderbank Bayern	18
Landeskreditbank Baden-Württemberg - Förderbank (L-Bank)	13
Sächsische Aufbaubank - Förderbank (SAB)	10
ProCredit Holding AG	5
Bürgschaftsbank Baden-Württemberg GmbH	5
Greece	3
National Bank of Greece S.A. (NBG)	3

Hungary	5
MFB Hungarian Development Bank Private Limited Company	5
Ireland	10
Strategic Banking Corporation of Ireland Designated Activity Company (SBCI)	10
Italy	87
Cassa Depositi e Prestiti S.p.A. (CDP)	82
Intesa Sanpaolo S.p.A.	5
Luxembourg	13
Banque et Caisse d'Epargne de l'Etat, Luxembourg (BCEE)	13
Malta	24
Bank of Valletta p.l.c.	24
Poland	8
Bank Gospodarstwa Krajowego (BGK)	8
Portugal	15
Caixa Geral de Depósitos, S.A.	8
Banco Português de Fomento, S.A.	4
Banco BPI S.A.	3
Slovenia	25
SID banka, d.d., Ljubljana	25

Spain	91
Instituto de Crédito Oficial (ICO)	49
Banco Santander, S.A.	33
Nuevo Micro Bank, S.A.	5
Agencia de Innovación y Desarrollo de Andalucía (IDEA)	4
The Netherlands	5
Invest-NL N.V.	5
Türkiye	13
Industrial Development Bank of Türkiye (TSKB)	8
Technology Development Foundation of Türkiye (TTGV)	5
United Kingdom	10
Barclays Funds Investments Limited (BFIL)	5
Scottish Enterprise	5
Total	774

Board of Directors

(at 31.12.2023)

Chair

Gelsomina VIGLIOTTI
Vice-President, European Investment Bank, Luxembourg

Members

Filipe CARTAXO[6]
Independent Director

Giorgio CHIARION CASONI[7]
Director, Directorate L, InvestEU and financial institutions, Directorate-General for Economic and Financial Affairs, European Commission, Luxembourg

Merete CLAUSEN
Director, Directorate C, Investment, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, European Commission, Belgium

Ambroise FAYOLLE
Vice-President, European Investment Bank, Luxembourg

Ludivine HALBRECQ[8]
Advisor, Administration of International & European Financial Affairs, Treasury - Federal Public Service Finance, Belgium

Pascal LAGARDE
Executive Director in charge of International Affairs, Strategy, Development and Research, Bpifrance Participations, France

Alternate members

Peter BERKOWITZ
Director, Directorate B, Policy, Directorate-General for Regional and Urban Policy, European Commission, Belgium

Armands EBERHARDS
Deputy State Secretary, Ministry of Finance of the Republic of Latvia

Werner HOYER[9]
President, European Investment Bank, Luxembourg

Jean-Christophe LALOUX
Director General, Head of Operations, European Investment Bank, Luxembourg

Anna PANAGOPOULOU
Director, Directorate A, ERA & Innovation, Directorate-General for Research and Innovation, European Commission, Belgium

Kristina SARJO
Financial Counsellor, Director of Unit for International Financial Affairs, Ministry of Finance, Finland

Mark SCICLUNA BARTOLI
Executive - Product Management and Development, Business Banking, Bank of Valletta, Malta

EIF Management

(at 31.12.2023)

Executive management

Marjut FALKSTEDT
Chief Executive

Roger HAVENITH
Deputy Chief Executive

Directors

Alessandro TAPPI
Chief Investment Officer

Nicolas PANAYOTOPOULOS
Secretary General

Rebecca LEHMANN
Chief People Officer

Thomas KUSSTATSCHER
Chief Risk Officer

Markus SCHILLO
Chief Strategy Officer

Audit Board

(at 31.12.2023)

Chair

Georgiana VAN ROMPUY
Assistant to the Director-General, Internal Audit Service, European Commission, Belgium

Members

Jacek DOMINIK
General Counsel, Ministry of Finance, Poland

Isabelle GOUBIN[10]
Independent Director

Rossella LOCATELLI[11]
Full Professor in Banking and Finance, Department of Economics, University of Insubria, Italy

Delphine REYMONDON[12]
Head of Liquidity, Leverage, Loss Absorbency and Capital Unit, European Banking Authority, France

Sergio SIERRA
Head of Funding and Treasury, Instituto de Crédito Oficial, Spain

6 Filipe CARTAXO was appointed as member of the Board of Directors by decision of the General Meeting dated 2 November 2023, to complete the term of office of Marinela PETROVA, following her resignation from the Board of Directors, effective 13 July 2023, in connection with her resignation from the EIB's Board of Directors.

7 Giorgio CHIARION CASONI was appointed as member of the Board of Directors by decision of the General Meeting dated 6 November 2023, to complete the term of office of Markus SCHULTE, following his resignation from the Board of Directors, effective 20 September 2023, in connection with a change of responsibilities within the European Commission.

8 Ludivine HALBRECQ was appointed as member of the Board of Directors by decision of the General Meeting dated 2 November 2023, to complete the term of office of Marc DESCHEEMAECKER, following his resignation from the Board of Directors, effective 15 November 2022, in connection with his resignation from the EIB's Board of Directors.

9 Werner HOYER resigned from the Board of Directors, effective 31 December 2023, following also the end of his mandate as President of the EIB. By decision dated 22 February 2024, the General Meeting appointed EIB President Nadia CALVIÑO as alternate member to conclude the remaining term of office.

10 Further to the enhanced composition of the Audit Board, as approved by the General Meeting on 27 September 2022, Isabelle GOUBIN was appointed as member of the Audit Board by decision of the General Meeting dated 24 April 2023.

11 Further to the enhanced composition of the Audit Board, as approved by the General Meeting on 27 September 2022, Rossella LOCATELLI was appointed as member of the Audit Board by decision of the General Meeting dated 11 January 2023.

12 Further to the enhanced composition of the Audit Board, as approved by the General Meeting on 27 September 2022, Delphine REYMONDON was appointed as member of the Audit Board by decision of the General Meeting dated 11 January 2023.

Audit & Controls

The EIF is characterised by a multi-layered control environment embedded in the EU institutional framework and aligned with the financial sector's principles and best practices.

The EIF's first layer of control is exercised through internal processes and procedures developed and implemented by the Executive Management by means of financial and operational controls designed to enable effective and efficient day-to-day operations, ensure reliable financial reporting, compliance with applicable rules and policies and achieve the EIF's objectives.

In this context, the EIF's procedural and organisational framework sets out the competences, authorities and reporting lines within the EIF, with a view to ensuring segregation of duties both horizontally, through the interaction between front office, middle office and back-office services and vertically, through central control by the Board of Directors of the decision-making process in relation to all business activities.

The second layer of control consists of independent risk and compliance functions, which implement an ex-ante risk assessment and reporting framework for each transaction proposed for approval, complemented by ex-post risk monitoring where relevant (see sections on Risk Management and Legal Service).

The EIF maintains an Internal Control Framework (ICF) and produces an ICF report annually. The ICF relies in particular on a risk control matrix outlining the main risks to which the EIF is exposed. Through the ICF, the Executive Management is in a position to obtain the necessary comfort that key risks related to the EIF's business activities are properly identified, that control objectives are defined, that key risks are mitigated and that the controls designed to achieve these objectives are in place and are operating effectively.

Each year the ICF is complemented with an independent opinion from an external audit firm on the design and effectiveness of the key controls of the mandate-related processes throughout the year, in line with the internationally recognised ISAE-3402 standard (type 2 report).

The ICF and the ISAE-3402 reports form the basis for the confirmation by the Chief Executive to the Audit Board that the main risks have been identified and mitigated throughout the reporting period.

The risks, control objectives and agreed improvements described in the ICF are reviewed by Internal Audit, which, on the basis of the audits and the follow-up on agreed action plans performed, expresses an opinion on the achievement of the control objectives in the audited areas and on the design and effectiveness of the related internal controls.

The third and fourth layer include internal and external audit activities that are coordinated by the Audit Board. The Audit Board, as an oversight and controlling body, conducts its activity in accordance with the standards of the audit profession and relies on both internal and external audit assurances in order to confirm annually that, to the best of its knowledge and judgement, the operations of the EIF have been carried out in compliance with the Statutes and the Rules of Procedure and that the financial statements give a true and fair view of the financial position of the EIF as regards its assets and liabilities and of the results of its operations for the financial year under review. This information is included in the annual report submitted by the Board of Directors to the EIF's Annual General Meeting. Additionally, as of 2023, the Audit Board is also statutorily tasked with verifying that the EIF's activities are based on sound banking principles or other sound commercial principles and practices as applicable.

In order to discharge its duty in relation to the financial statements, the Audit Board may have recourse to external auditors. The audit of the financial statements of the EIF for the year ending 31 December 2023 was carried out by KPMG Luxembourg, as external auditor.

KPMG performs its audits in accordance with the International Standards on Auditing (ISA) and is committed to informing the EIF Executive Management and the Audit Board of any material weaknesses in the design or implementation of internal controls over financial information that come to its attention during the audit of the financial statements. While performing the audit of the annual accounts, KPMG is acting independently, fulfilling the duty imposed on it by the Code of Professional Ethics adopted in Luxembourg by the Commission de Surveillance du Secteur Financier (CSSF).

Internal Audit (which is outsourced to EIB Internal Audit) examines and evaluates, on an independent and objective basis, the relevance, design and effectiveness of the internal control systems and procedures within the EIF.

To that end, a yearly audit plan covering all key processes of the EIF, including those to be assessed at EIB Group level, is established, on the basis of a risk-assessment methodology, in alignment with the ICF. The plan is discussed with the Executive Management and the external auditor prior to being submitted to the Audit Board for approval.

In line with the Internal Audit Charter, Internal Audit examines the EIF's activities in order to support the Executive Management's statement on the design and effectiveness of internal controls, risk management and administration. Internal Audit reports on its findings by means of recommendations and agreed action plans to improve the EIF's control and working procedures.

The Head of Internal Audit reports regularly on the execution of the internal audit programme to the Executive Management, the Audit Board and the Chairman of the Board of Directors. Internal Audit adheres to the professional and ethical guidance issued by the Institute of Internal Auditors and the Information Systems Audit and Control Association and is subject to a regular quality assurance and improvement programme that covers all aspects of the internal audit activity. Moreover, Internal Audit shall comply with the internal policy statements governing their actions.

In addition to the maintenance of an internal control environment in line with the highest standards of the financial and banking sector, the EIF is subject to periodic reviews by independent control bodies such as the European Court of Auditors (ECA), the Internal Audit Service of the EC and national or regional authorities entrusted with the task of monitoring the correct utilisation of funds under the relevant rules and within their respective remits.

The EIB has established the Review and Evaluation Process (REP), which is based on the EBA Guidelines on Supervisory Review and Evaluation Process, while taking into account the EIB's nature, policy mission, specific tasks and governance structure. The REP team assesses risks emanating from the EIF whenever these are deemed material from a consolidated EIB Group point of view, addressing findings and recommendations to management for follow up and implementation of relevant actions by services within agreed timelines. As part of its general review plan over the EIB Group, in 2023, the REP team reviewed selected EIF-relevant risks under the consolidated umbrella.

Risk Management

The risk management function at the EIF is integral to the organization's mission, supported through a robust and solid approach to ensure the EIF's sustainability from a risk point of view. The overarching goal of the EIF risk management framework is to secure the highest possible credit rating from major external credit rating agencies. In essence, the risk management function is a strategic and proactive process aimed at identifying, assessing, and mitigating potential risks that could impact the EIF's operations.

The EIF has an internal Risk Management Framework that covers financial and non-financial risks. To apply effective risk management techniques and to maintain adequate capitalisation and a solid liquidity position, EIF Risk Management has defined specific key risk indicators that are monitored on a regular basis, and performs an ICAAP, an ILAAP and a standalone capital plan which, in the scope of consolidation at EIB Group level, all contribute to the Group documents, such as the Group ICAAP and ILAAP, the Group Risk Appetite Framework and the Group Capital Plan under the lead of the Group Chief Risk Officer.

EIF Risk Management has a complete range of processes and procedures in place that allow for a sound risk assessment of its operations and mandates as well as the monitoring of its portfolio, providing analysis on a regular basis to the relevant committees and senior management. In addition, a solid capital management framework allows to ensure the institution capital sustainability in line with EIB Group policies.

The EIF risk reporting framework provides regular reporting to top management on current and future risks by including a forward-looking perspective and with a clear risk appetite limit setting, allowing for decision making in a timely manner.

In the area of environmental and social sustainability, Risk Management has developed a framework which is implemented in its operations and includes visibility of the impact of investments, contributing to the Group SDG report.

Finally, EIF Risk Management continues to enhance the EIF Risk Appetite Framework and Risk Appetite Statement by implementing methodological enhancements on a regular basis, increasing the consistency with the EIB Group, when necessary, in adherence with best banking and best market practices.

Compliance

Under the terms of its Compliance Charter, the Compliance function assesses - in line with best market practices and in line with the EIB Group's policy framework – the institutional, transactional and ethical aspects of the EIF's compliance risk.

The principles of permanence and independence are included in the EIF Compliance Charter and materialise through the unrestricted direct access of the Chief Compliance Officer to the Chief Executive, the Deputy Chief Executive, the Board of Directors and the Audit Board.

The EIF's compliance risk assessment strives to protect the institution, notably against risks that could have an adverse effect on its reputation.

The compliance risk assessment in the transactional area follows a risk-based approach and is reflected in the independent compliance opinion provided to the EIF decision-making bodies. It is implemented through compliance risk scorings provided in the compliance opinions, in particular on the risk of the EIF being involved (or used) in money laundering and terrorism financing cases, and tax avoidance schemes.

Specific compliance risk assessments and applicable monitoring activities are established and performed for market abuse, conflicts of interest and conduct topics.

The Compliance Function provides training and raises awareness on compliance matters and implements the EIB Group Staff Code of Conduct and Whistleblowing Policy with a view to instilling a culture of integrity throughout the EIF. As such, an advisory and decision-making role on ethics and integrity issues is ensured through the provision of opinions and recommendations to support strict compliance with the principles and high standards of professional ethics and integrity.

In line with applicable best banking and market practices, the EIF continues to pursue a number of compliance initiatives across the EIB Group for the purpose of establishing a modern and robust compliance framework, taking into account the interests and specificities of the EIF.

The Data Protection Officer (DPO), by providing regular training to staff and senior management, ensures that the EIF complies with the Regulation EU 2018/1725 on the protection of natural persons with regard to the processing of personal data by the Union institutions and bodies.

Furthermore, the DPO provides regular advice to EIF Services concerning the records of processing activities (RoPA) under their responsibility, the publication of privacy notices on the EIF website, as well as offering the necessary assistance in case personal data breaches have occurred or any notification to the European Data Protection Supervisor is needed.

Concerning the exercise of data protection rights, the EIF enables a direct and easy communication channel with its DPO through a dedicated form available on the EIF website.

*

In 2023 EIF Risk Management & Compliance continued to reinforce its role as second line of defence, through the appointment of a Chief Risk Officer reporting directly to the Chief Executive, and with access to the Board of Directors and the Audit Board, and also through new organisational structures that will allow a focus on key and emerging risk areas for both financial and non-financial risks.

Legal Service

The EIF is supported by a strong in-house legal team whose remit, within its area of responsibility, is to pursue the strategic goals and protect and preserve the legal integrity of the Fund. This is achieved through the provision of legal advice based on the expertise and specialist knowledge of the team throughout the lifecycle of all the EIF's transactional activities and in connection with institutional, strategic and policy-related matters, objectives that are reflected in the legal team's internal structure.

With regard to transactions, in order to address increasing business volumes and the strategic goal of achieving performance gains through specialisation, the transactions team is split into two divisions, one focused on debt transactions and the other on equity transactions.

The legal service's transaction teams work on all stages of transaction implementation, including (i) structuring and product development, (ii) review of proposals to the Investment and Risk Committee and the EIF's Board of Directors, (iii) contractual negotiations and (iv) active portfolio management, in each case in close collaboration with other EIF services.

In terms of institutional and corporate matters, the legal service supports the implementation of good corporate governance, coordinates and advises on contractual arrangements at institutional level. The legal service aims to ensure that the EIF conducts its activities in accordance with its Statutes, mission and values, applicable law and relevant contractual obligations. It further aims to ensure smooth functioning of the EIF's corporate bodies, under the coordination of the EIF's Secretary General.

As a European Union body, a member of the EIB Group and a financial institution, institutional matters concerning the EIF cover a wide range of areas and at times necessitate cooperation with the EIF's shareholders, as well as specific and proactive attention to the development of EU policy and legislative and governance frameworks.

In addition, the legal service is called upon to advise on numerous structuring, corporate, governance and regulatory matters relating to third party mandates, including external structures (funds-of-funds), for which the EIF acts as manager and/or adviser.

In order to create the necessary interface between the EIF's institutional role, its mandate management activity and transaction delivery, the activities of the transactions and the corporate and institutional teams are closely coordinated, with the aim of providing seamless advice and expertise across the EIF's business.

Contacts and References

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EIF also has offices in Athens, Bucharest, Istanbul, Madrid, Rome, Sofia.

Europe Direct is a service to help you find answers to your questions about the European Union.

Freephone: 00 800 67 89 10 11

Additional information is also available on the internet: **http://europa.eu**

Disclaimer

Numbers in the EIF Annual Report are correct as at 31 December 2023 and any references to figures throughout the text apply to the same period unless otherwise stated. EIF's 2023 figures related to SME outreach and employment including the estimated numbers and sustained jobs are indicative only and are based on reports received from financial intermediaries between 1 October 2022 and 30 September 2023.
EIF assumes no liability for the accuracy thereof.
The EIF shall not be held responsible for the use that might be made with the information contained herein.

Production

Creative Direction
Blossom

Design and Layout
by Blossom

Illustrations by
Matteo Berton

Printed by
Imprimerie Centrale

Cover paper
Olin Design Regular ultimate
White - 300 g/m²

Content paper
Olin Design Regular ultimate
White - 120 g/m²

Typefaces
Canela Display and Text
by Commercial Type

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Financial Statements 2023

Financial Statements 2023

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Independent Auditor's Report

To the Audit Board of
European Investment Fund
37B, Avenue J.F. Kennedy
L-2968 Luxembourg

Report of the Réviseur d'Entreprises Agréé

Report on the audit of the financial statements

Opinion

We have audited the financial statements of European Investment Fund (hereafter the "EIF" or the "Fund"), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the financial statements » section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of Commission income

Why the matter was considered to be one of the most significant in the audit?
Commission income, representing EIF's remuneration for the management of mandates entrusted by mandators such as the European Commission or the Member States for the purpose of deployment of financial instruments on their behalf, is a significant component of the Fund's operating profit with EUR 265.6 million commission income being recognized by EIF for the year ended 31 December 2023.

Under contractual arrangements, EIF is entrusted with the deployment and the management of mandators' resources for extended periods of time, generally receiving upfront consideration within the first years after the setup of the mandates. EIF developed and implemented a deferred income mechanism for revenue recognition based on an input method that considers both the timing of cash inflows and the stage of completion of these contracts. As at 31 December 2023, the aggregate amount that EIF expects to be entitled to receive over the contract life ("transaction price") allocated to the unsatisfied portion of the performance obligation, amounts to EUR 1 341.2 million, out of which EUR 323.4 million has already been invoiced and deferred in contract liabilities. EIF expects to recognise such revenue over the remaining expected life of the mandates under management.

Deferred income models for revenue recognition are specific to each mandate and have an inherent complexity; in addition, the recognition criteria under IFRS 15 involve significant judgments and estimates to be applied by Management in its assessment of the revenue to be recognized in the relevant period. Inappropriate judgments made in relation to the methodology, inputs used or the assumptions taken may have a material impact on the amount of commission income to be recognized in the statement of comprehensive income for the financial year.

Key inputs and assumptions used by Management in its assessment of the revenue to be recognised are detailed in Note 2.14; further disclosures related to commission income are presented in Notes 4.4, 5.4 and 7.4 to the financial statements.

How our audit addressed the area of focus?
Our procedures over the recognition of commission income included, but were not limited to the following:

We obtained an understanding of Management's processes and controls for determining the transaction price that EIF expects to be entitled to over the contract life and of the timing of the satisfaction of the performance obligation. This included obtaining from Management the model preparation governance structure and protocols around their oversight of the cost assessment and corporate operational plan review process, as well as corroborating our understanding through inquiries with appropriate personnel of EIF.

We have identified key controls in the process, assessed the design adequacy and tested the operating effectiveness of certain key controls. In addition, we obtained the ISAE 3402 Type 2 Controls report on EIF's internal controls, compared our understanding of identified key controls in the process, assessed adequacy of their design and implementation and inspected the conclusions reached for the operating effectiveness of those controls. We noted no observations nor exceptions in the ISAE 3402 Type 2 Controls report which allowed us to rely on controls over fee accruals calculation, invoicing and preparation, as well as annual review of deferred income models.

We compared the revenue recognition methodology applied to IFRS 15 requirements and to EIF's internal guidelines. We sought explanations on key judgement exercised by Management when applying the relevant standard and guidance, and we discussed and assessed their appropriateness and relevance.

For a selection of mandates, we reconciled the management fee structure in the models to the relevant contractual arrangements, assessed the assumptions made to derive the input parameters used in the deferred income models and the adequacy of their application, and reconciled the input parameters linked to past performance to annual operational reports issued to mandators.

For the selected mandates, we also evaluated the fee indicators expected to be triggered in the future according to the Corporate Operational Plan, with particular focus on adequacy of constraints applied to the variable component of the transaction price by Management. We assessed whether Corporate Operation Plans are correctly and timely updated to reflect amendments to the contractual arrangements, if any, and the current market deployment of financial instruments under those agreements.

For the selected mandates, we also compared the cost assessment over their lifetime to the prior year assessment in order to identify and investigate any changes in revenue recognition pattern, and we recalculated the revenue to be recognized for the current financial year.

Valuation of Financial guarantees

Why the matter was considered to be one of the most significant in the audit?
The financial guarantee portfolio, for which an ongoing credit quality risk monitoring process has been set up to manage EIF's exposure, comprises both portfolio guarantees and structured financed transactions (together referred to as "financial guarantees"). As at 31 December 2023, the Fund's provisions for financial guarantees amount to EUR 11.8 million and financial guarantee assets amount to EUR 20.4 million. EIF's exposure at risk amounts to EUR 8 966.9 million as at 31 December 2023.

EIF's Management has developed a set of tools to measure the credit exposure on financial guarantees and to analyse and monitor portfolio guarantees and structured finance transactions using Exposure at Default and an internal rating system based on Expected Loss and Weighted Average Life.

IFRS 9 requires in particular the setup of a three-stage model of impairment based on changes in credit quality since initial recognition that leads to change in expected credit loss (ECL) measurement. The ECL is measured on either a 12-months (12M) or lifetime basis depending on the staging of the exposure.

EIF assigns an internal rating based on quantitative parameters and qualitative aspects to each financial guarantee to estimate the credit quality in accordance with an expected loss model. Significant judgments and estimates are therefore required to be applied by Management in their assessment and measurement of financial guarantees and related provisions, especially in cases where there are differences between the rating levels assigned to these transactions among external rating agencies and EIF's internal rating, or where the financial guarantees are not externally rated at all. Inappropriate judgments made in relation to the methodology and inputs used or the assumptions taken may have a material impact on the valuation.

Key inputs and assumptions used by Management in its assessment of the valuation of financial guarantees and related provisions are detailed in Note 2.4 with further disclosures presented in Notes 3.4 and 5.1 to the financial statements.

How our audit addressed the area of focus?
Our procedures over the valuation of the Financial Guarantees included, but were not limited to the following:

We obtained an understanding of Management's processes and controls for determining the valuation of financial guarantees. This included discussing with Management the risk management activities, the valuation governance structure and protocols around their oversight of the valuation process and corroborating our understanding through inquiries with appropriate personnel of EIF. We also involved KPMG's internal specialists to review the internal rating model developed by EIF that reflects its assessment of the expected loss of the underlying portfolios of SME loans covered by guarantee agreements with financial intermediaries. KPMG specialists were also involved to review the three-stage model for impairment and its impact in the expected credit loss measurement.

We have identified key controls in the process, assessed the design adequacy and tested the operating effectiveness of certain key controls. In addition, we have obtained the ISAE 3402 Type 2 Controls report on EIF's internal controls, compared our understanding of identified key controls in the process, assessed adequacy of their design and implementation and inspected the conclusions of operating effectiveness of those controls. We did not note significant observations or exceptions in the report that would prevent us from relying on relevant controls over the valuation process of financial guarantees.

We compared Management's valuation methodology to IFRS 9 and EIF's internal guidelines. We sought explanations from Management on key judgement exercised by Management when applying the relevant standard and guidance, and we discussed and assessed their appropriateness and relevance.

On a sample basis, we recalculated the exposure at risk based on the relevant underlying documentation.

We reconciled the amount of the provisions for financial guarantees and financial guarantee assets to sum of the net asset/liability positions, on an item-by-item basis, of the Net Present Value ('NPV') of the receiver leg asset and payer leg liability calculated based on EIF's methodology.

On a sample basis, KPMG's internal specialists have assessed the assumptions made by Management to derive the input parameters used in the internal rating model and the adequacy of their application, reconciled the input parameters described in the model documentation, and evaluated the assignment of the internal rating. We further assessed additional assumptions made to derive the valuation such as the weighted average life, expected maturity date and tranche full profile of guarantee contracts and cross-checked these assumptions with market data where applicable.

For the sampled items, KPMG's internal specialists have recalculated the NPV of the receiver leg asset and payer leg liability measured based on EIF's methodology and compared against EIF's results.

Valuation of private equity investments

Why the matter was considered to be one of the most significant in the audit?
As at 31 December 2023, the fair value of private equity investments amounts to EUR 1 799.6 million and guaranteed funded operations amounts to EUR 386.9 million (together "the Private Equity Portfolio"). The Private Equity Portfolio comprise mainly investment funds ("target funds") investing primarily directly or indirectly into unquoted small and medium sized enterprises. As disclosed in Notes 2.3.4.1, 2.3.5, 3.2, 3.3 and 4.3.1 to the financial statements, the fair value of EIF's investments in these target funds is determined on the basis of its attributable share of net asset value (NAV) in each of the target funds, either on the basis of their reported unaudited NAVs calculated as at 31 December 2023 when available, or on the basis of an estimation made by applying an adjustment factor to the last available unaudited NAV reported by the target fund ("the adjusted NAV method") as a proxy to fair value.

For the majority of target funds, unaudited NAVs as at 31 December 2023 are not available as of the date of preparation of these financial statements.

Consequently, the use of the adjusted NAV method, consisting of the application of valuation techniques, assumptions and market impacts is necessary in order to determine the fair value of the Private Equity Portfolio as at 31 December 2023. The application of such valuation techniques involves the exercise of significant judgements by Management in relation to the choice of relevant inputs and assumptions used into the respective model in order to determine the NAVs as at 31 December 2023.

Due to the application of fair valuation techniques and use of unobservable inputs in the valuation model, we considered the valuation of private equity investments as a Key Audit Matter as at 31 December 2023. Auditing the fair value of these investments required a high degree of auditor judgment and increased effort.

How our audit addressed the area of focus?
Our procedures over the valuation of private equity investments included, but were not limited to the following:

We obtained an understanding of Management's processes and controls for determining the valuation of private equity investments. This included discussing with Management the risk management activities, the valuation governance structure and protocols around their oversight of the valuation process, and corroborating our understanding by making inquiries with appropriate personnel of EIF.

We have identified key controls in the process, assessed the design adequacy and tested the operating effectiveness of some of the key controls. In addition, we have obtained the ISAE 3402 Type 2 Controls report on EIF's internal controls, compared our understanding of identified key controls in the process, assessed adequacy of their design and implementation and inspected the conclusions of operating effectiveness of those controls. We did not note significant observations or exceptions in the report that would prevent us from relying on relevant controls over the valuation process of private equity investments.

On a sample basis, we evaluated Management's fair value estimation process by comparing Management's prior period fair value estimations to the investment funds' unaudited net asset values, to understand the reasons for any significant variances and determined whether they are indicative of bias or error in EIF's approach to valuations. For the sampled items, we also verified whether any significant variances occurred between the investment funds' unaudited prior period reported net asset values and the net asset values reported in their audited financial statements.

On a sample basis, we verified the mathematical accuracy of the net asset values, the date of receipt of the target funds' net asset values, the ownership percentage attributable to EIF and assessed whether the valuation methodology used was appropriate for the population of target funds not reporting their NAVs as at the year-end.

We assessed the key underlying financial data inputs used by EIF to estimate any adjustment on the fair value of the private equity investments for which the 31 December 2023 NAVs were not reported by the Fund Managers at the reporting date of EIF financial statements. Our work included consideration of events which occurred subsequently to the year end up until the date of this audit report.

Other information

The Management is responsible for the other information. The other information comprises the information stated in the annual report and the statement by the Audit Board but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the financial statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Responsibilities of the réviseur d'entreprises agréé for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Luxembourg,
21 March 2024

KPMG Audit S.à r.l.
Cabinet de révision agréé
39, Avenue John F. Kennedy
L-1855 Luxembourg
R.C.S Luxembourg B 149133

Emmanuel Dollé

Statement by the Audit Board

The Audit Board, set up pursuant to article 22 of the Statutes of the European Investment Fund ("EIF" or the "Fund"),

acting in accordance with the customary standards of the audit profession,

having designated KPMG Audit S.à r.l. cabinet de révision agréé as external auditor of the EIF pursuant to Art. 19 of the Rules of Procedure,

having studied the financial statements, which comprise the statement of financial position as at December 31, 2023 and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 15 to 97 ("the Financial Statements") and such documents which it deemed necessary to examine in the discharge of its duties,

having examined and discussed the report dated 21 March 2024 drawn up by KPMG Audit S.à r.l. cabinet de révision agréé,

noting that this report gives an unqualified opinion on the Financial Statements of EIF for the financial year ending 31 December 2023,

having examined and discussed reports and opinions issued by the EIF's Internal Audit, Risk Management and Compliance and Operational Risk functions,

having received assurance from the Chief Executive including concerning the effectiveness of the internal control systems, risk management and internal administration,

considering Articles 17, 18 and 19 of the Rules of Procedure, hereby confirms that to the best of its knowledge and judgement,

the activities of the Fund have been carried out in compliance with the Statutes and the Rules of Procedure in particular with regard to risk management and monitoring;

the balance sheet and profit and loss account give a true and fair view of the financial position of the Fund as regards its assets and liabilities and of the results of its operations.

the activities of the Fund are based on sound banking principles or other sound commercial principles and practices as applicable to it.

This statement is to be read in conjunction with and under the context of the information provided in the Annual Activity Report of the Audit Board of 2023.

Luxembourg,
21 March 2024

The Audit Board

Georgiana VAN ROMPUY

Sergio SIERRA

Rossella LOCATELLI

Jacek DOMINIK

Delphine REYMONDON

Isabelle GOUBIN

European
Investment
Fund

Statement of financial position
as at 31 December 2023 (expressed in EUR)

Assets	Notes	31.12.2023	31.12.2022
Cash and cash equivalents	4.1	813 804 850	452 589 376
Financial instruments at Amortised Cost	4.2		
Debt investments			
of which Treasury portfolio	4.2.1	2 352 144 903	2 424 684 517
of which Microfinance Loans	4.2.2	15 603 446	13 120 079
Guaranteed funded operations	4.2.3	14 583 192	0
		2 382 331 541	2 437 804 596
Financial instruments at Fair Value through Profit or Loss	4.3		
Private equity investments	4.3.1	1 799 601 074	1 578 087 650
Guaranteed funded operations	4.3.2		
of which EU funded operations		386 979 429	69 140 449
of which EU guarantee		14 826 582	3 682 364
		401 806 011	72 822 813
Debt investments	4.3.3	534 506 108	402 814 632
		2 735 913 193	2 053 725 095
Financial guarantees	5.1	20 374 921	16 667 219
Other assets	4.4	600 223 702	533 892 998
Intangible assets	4.5	1 138 519	1 070 985
Property and equipment	4.6	150 213	196 034
Total Assets		6 553 936 939	5 495 946 303
Liabilities			
Provisions for financial guarantees	5.1	11 751 884	13 050 312
Retirement benefit obligations	5.2	456 927 824	391 066 824
Financial liabilities at Amortised Cost	5.3	874 446 663	157 865 603
Other liabilities and provisions	5.4	615 604 528	565 071 154
Total liabilities		1 958 730 899	1 127 053 893
Equity			
Share capital	5.5		
Subscribed		7 370 000 000	7 300 000 000
Uncalled		(5 896 000 000)	(5 840 000 000)
		1 474 000 000	1 460 000 000
Share premium		1 115 008 712	1 098 490 750
Statutory reserve	5.6	576 954 228	562 871 476
Retained earnings	5.6		
of which result brought forward after allocation approved by AGM		1 139 663 256	1 096 504 049
of which the re-measurement of the defined benefit obligations		55 836 377	80 612 377
		1 195 499 633	1 177 116 426
Profit for the financial year		233 743 467	70 413 758
Total Equity		4 595 206 040	4 368 892 410
Total Equity and Liabilities		6 553 936 939	5 495 946 303

The notes on pages 15 to 97 are an integral part of these financial statements

Statement of comprehensive income for the year ended 31 December 2023 (expressed in EUR)

	Notes	31.12.2023	31.12.2022
Net interest and similar income	7.1	55 784 848	17 853 765
Net income from private equity investments	7.2	64 392 450	48 695 204
Net result from financial guarantee operations	7.3	60 464 329	70 039 692
Commission income	7.4	265 636 998	203 154 900
Net result on financial operations	7.5	(2 115 432)	(183 461)
Other operating income	7.6	34 000	32 250
General administrative expenses	7.7		
Staff costs:			
of which wages and salaries		(83 483 580)	(74 958 466)
of which social security and contribution costs		(57 525 499)	(76 442 872)
		(141 009 079)	(151 401 338)
Other administrative expenses		(73 741 533)	(56 387 165)
		(214 750 612)	(207 788 503)
Depreciation and amortisation	4.5, 4.6	(76 537)	(85 854)
Operating profit for the financial year		**229 370 044**	**131 717 993**
Net result from financial instruments at fair value through profit or loss			
of which private equity investments	4.3.1	(9 611 081)	(39 033 264)
of which financial guarantees	5.1	7 548 844	(10 663 349)
of which debt investments	4.3.3	7 245 189	(11 279 970)
		5 182 952	(60 976 583)
Net result from guaranteed operations at fair value through profit or loss			
of which EU funded operations	4.3.2	(11 021 575)	(3 682 364)
of which EU guarantee	4.3.2	11 021 575	3 682 364
		0	0
Expected credit loss allowance			
of which financial guarantees	5.1	(76 029)	(57 317)
of which debt investments	4.2	(733 500)	(270 335)
		(809 529)	(327 652)
Result of the year generated by the change of the fair values		**4 373 423**	**(61 304 235)**
Net profit for the financial year		**233 743 467**	**70 413 758**
Other comprehensive income			
Re-measurement of defined benefit obligation not reclassified subsequently to profit/(loss)	5.2	(24 776 000)	339 470 999
Total comprehensive income for the financial year		**208 967 467**	**409 884 757**

The notes on pages 15 to 97 are an integral part of these financial statements

Statement of changes in equity for the year ended 31 December 2023 (expressed in EUR)

Attributable to equity holders of the Fund

		Subscribed Capital	Callable Capital	Share Capital	Share Premium	Statutory Reserve	Retained Earnings	Net profit for the financial year	Total Equity
Balance as at 31.12.2021		7 300 000 000	(5 840 000 000)	1 460 000 000	1 098 490 750	450 000 000	401 201 033	564 357 382	3 974 049 165
Total comprehensive income									
Net profit for the financial year		0	0	0	0	0	0	70 413 758	70 413 758
Re-measurement of the defined benefit obligation	5.2	0	0	0	0	0	339 470 999	0	339 470 999
Transactions with owners									
Appropriation of profit incl. dividend	5.6	0	0	0	0	112 871 476	436 444 394	(564 357 382)	(15 041 512)
Share issue	5.5	0	0	0	0	0	0	0	0
Balance as at 31.12.2022		7 300 000 000	(5 840 000 000)	1 460 000 000	1 098 490 750	562 871 476	1 177 116 426	70 413 758	4 368 892 410
Total comprehensive income									
Net profit for the financial year		0	0	0	0	0	0	233 743 467	233 743 467
Re-measurement of the defined benefit obligation	5.2	0	0	0	0	0	(24 776 000)	0	(24 776 000)
Transactions with owners									
Appropriation of profit incl. dividend	5.6	0	0	0	0	14 082 752	43 159 207	(70 413 758)	(13 171 799)
Share issue	5.5	70 000 000	(56 000 000)	14 000 000	16 517 962	0	0	0	30 517 962
Balance as at 31.12.2023		7 370 000 000	(5 896 000 000)	1 474 000 000	1 115 008 712	576 954 228	1195 499 633	233 743 467	4 595 206 040

The notes on pages 15 to 97 are an integral part of these financial statements

Cash flow statement for the year ended 31 December 2023 (expressed in EUR)

Cash flows from operating activities	Notes	31.12.2023	31.12.2022
Profit for the financial year		233 743 467	70 413 758
Adjustments for:			
Depreciation and amortisation	4.5, 4.6	76 537	85 854
Net result from financial instruments at fair value through profit or loss	4.3	(5 182 952)	60 976 583
Expected credit loss allowance	4.2, 5.1	809 529	327 652
Interest income on debt investments	7.1	(32 224 479)	(11 948 295)
Net result on sale of private equity investments	7.5	15 928	249
Net result on sale of debt investments	7.5	15 365	1 005 933
Provision for financial guarantees	5.1	2 379 445	6 871 592
Provision for retirement benefit obligations		1 669 593	36 694 904
		201 302 433	164 428 230
Change in private equity investments	4.3.1	(231 140 433)	(77 403 452)
Change in guaranteed funded operations at fair value through profit or loss	4.3.2	(328 983 198)	(72 822 813)
Change in guaranteed funded operations at amortised cost		(14 516 514)	0
Financial guarantee calls paid and recoveries received	7.3	87 240	65 442
Change in other assets and liabilities		23 551 399	21 052 808
		(551 001 506)	(129 108 015)
Net cash from operating activities		(349 699 073)	35 320 215
Cash flows from investing activities			
Acquisition of debt investments	4.2, 4.3.3	(459 681 337)	(508 185 668)
Proceeds from sale or matured debt investments	4.2, 4.3.3	409 547 839	486 605 406
Interest received on debt investments		27 219 072	10 977 491
Acquisition of intangible assets and property and equipment	4.5, 4.6	(98 250)	108 000
Net cash from investing activities		(23 012 676)	(10 494 771)
Cash flows used in financing activities			
Change in financial liabilities at amortised cost	5.3	716 581 060	157 865 603
Dividend paid	5.6	(13 171 799)	(15 041 512)
Capital increase	5.5	30 517 962	0
Net cash from financing activities		733 927 223	142 824 091
Cash and cash equivalents at the beginning of the year	4.1	452 589 376	284 939 841
Net cash from:			
Operating activities		(349 699 073)	35 320 215
Investing activities		(23 012 676)	(10 494 771)
Financing activities		733 927 223	142 824 091
Cash and cash equivalents at the end of the year	4.1	813 804 850	452 589 376

The notes on pages 15 to 97 are an integral part of these financial statements

The EUROPEAN INVESTMENT FUND (hereafter the "Fund" or "the EIF") was incorporated on 14 June 1994, in Luxembourg, as an international financial institution. The address of its registered office is 37B, avenue J.F. Kennedy, L-2968 Luxembourg.

The task of the Fund shall be to contribute to the pursuit of the objectives of the European Union.

The Fund shall pursue this task through activities consisting of:

- The provision of guarantees as well as of other comparable instruments for loans and other financial obligations in whatever form is legally permissible,
- The acquisition, holding, managing and disposal of participations in any enterprise subject to the conditions laid down in paragraph 2 (i) of Article 12 of the EIF's Statutes ("the Statutes").

In addition, the Fund may engage in other activities connected with or resulting from these tasks as set out in Article 2 of the Statutes. The activities of the Fund may include borrowing operations.

The activities of the Fund shall be based on sound banking principles or other sound commercial principles and practices as applicable. Without prejudice to the provisions of Article 28, the said activities shall be pursued in close co-operation between the Fund and its founder members or between the Fund and its actual members at the relevant time, as the case may be.

The Fund operates as a partnership whose members are the European Investment Bank (hereafter the "EIB"), the European Union, represented by the European Commission (the "Commission", the "EU"), and a group of financial institutions of Member States of the European Union and of a candidate country. The members of the Fund shall be liable for the obligations of the Fund only up to the amount of their share of the capital subscribed and not paid in.

The financial year of the Fund runs from 1 January to 31 December each year.

The EIB has a majority shareholding in the Fund. Consequently, the Fund is included in the consolidated financial statements of the EIB Group. The consolidated financial statements are available at the registered office of the EIB at 98-100, boulevard Konrad Adenauer, L-2950 Luxembourg.

2. Material accounting policies and basis of preparation

2.1 Basis of preparation

2.1.1 Statement of compliance

The Fund’s financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), as endorsed by the European Union, and on a going concern basis.

The financial statements are presented in euro rounded to the nearest euro, unless otherwise indicated.

The Fund’s financial statements have been authorised for issue by the Board of Directors on 21 March 2024.

2.1.2 Basis of measurement

The financial statements have been prepared on an amortised cost basis except for the following material items in the statement of financial position as at 31 December 2023:

- Private equity investments which are measured at fair value through profit or loss (hereafter “FVTPL“);
- Guaranteed funded operations which are measured at fair value through profit or loss;
- Debt investments which are measured at fair value through profit or loss;
- The defined benefit liability is recognised as the present value of expected future payments;
- The payer leg of the financial guarantees is measured at the higher of the amount initially recognised less amortisation (if any) under IFRS 15 and the loss allowance determined in accordance with IFRS 9. The receiver leg is measured at fair value through profit or loss by discounting the future cash flows according to IFRS 9.

2.1.3 Significant accounting judgements, assumptions and estimates

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement when applying the Fund's policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual results in the future could differ from such estimates and the differences may be material to the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in notes 2.3, 2.4, 2.8, 2.10, 2.14, 5.2, 5.4 and 6.

Judgements and estimates are principally made in the following areas:

- Determination of expected credit loss allowance of debt investments at amortised cost as disclosed in note 2.3.1 and 2.3.2;
- Determination of fair value of private equity investments as disclosed in notes 2.3.4.1 and 2.3.4.2;
- Determination of control or significant influence over investees as described in note 2.3.4.3;
- Determination of fair value of guaranteed funded operations as disclosed in note 2.3.5;
- Determination of fair value of the guarantee arising from the InvestEU Programme as disclosed in note 2.3.5;
- Determination of fair value of debt investments at fair value through profit or loss as disclosed in note 2.3.6;
- Determination of expected credit losses for financial guarantees as disclosed in note 2.4;

- Determination of contract liabilities and commission income as disclosed in notes 2.10 and 2.14;
- Actuaries' assumptions related to the measurement of pension liabilities and post-retirement benefits as described in notes 2.8 and 5.2;
- Determination of provision for risks and liabilities as described in note 5.4;
- Determination and disclosures of unconsolidated structured entities and investment entities in which the Fund has an interest as described in note 6.

2.1.4 Changes in accounting policies and presentation

Except for the changes below, the accounting policies adopted have been applied consistently with those used in the previous year.

The following new standards and amendments to existing standards, became effective as of 31 January 2023:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies;
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates;

The new amendments listed above did not have any impact on the amounts recognised in prior years and are not expected to significantly affect the current or future years.

2.1.5 Foreign currency translation

The Euro (EUR) is the functional and presentation currency.

Depending on the classification of a non-monetary financial asset, exchange differences are recognised either in the profit or loss or in equity.

Non-monetary items are reported using the exchange rate at the date of the transaction (historical cost). Exchange differences on non-monetary financial assets are a component of the change in their fair value. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Monetary items, which include all other assets and liabilities expressed in a currency other than EUR, are reported using the closing exchange rate prevailing at the reporting date of the financial statements, as issued by the European Central Bank (hereafter "ECB"). Exchange differences are recognised in the profit or loss in the year in which they arise.

Income and charges in foreign currencies are translated into EUR at the exchange rate prevailing at the date of the transaction.

2.2 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, short-term, highly-liquid securities and interest-earning deposits with short maturities of three months or less from the date of acquisition, which are measured at amortised cost. No expected credit loss allowance is recognised for cash and cash equivalents as they are considered to have low credit risk.

2.3 Financial assets

2.3.1 Classification and measurement

2.3.1.1 Initial recognition, measurement and de-recognition

All EIF financial assets composed of debt investments at amortised cost, private equity investments at fair value through profit or loss and debt investments at fair value through profit or loss are measured initially at fair value, which corresponds to the transaction price to acquire the asset. The fair value at initial recognition is generally the cost. For financial assets at amortised cost, fair value also includes transaction costs that are directly attributable to its acquisition or issue where applicable. The subsequent measurement is dependent on the classification.

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

All financial assets are de-recognised when the contractual cash flows from such financial assets have expired or when EIF has substantially transferred the control of such assets.

2.3.1.2 Classification

On initial recognition, a financial asset is classified and measured at amortised cost, fair value through other comprehensive income (hereafter "FVOCI") or at fair value through profit or loss. Under IFRS 9, classification starts with determining whether the financial asset shall be considered as a debt instrument or an equity instrument.

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective.

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to deliver cash or other financial assets, that evidence a residual interest in the issuer's net assets and that do not give the holder the right to put the instrument back to the issuer for cash or another financial asset or that is automatically put back to the issuer on occurrence of an uncertain future event.

Classification and subsequent measurement of debt instruments depend on:

- The EIF's business model for managing the asset; and
- The contractual cash flow characteristics of the asset.

A debt instrument is classified at AC if it meets both the following conditions and is not designated at FVTPL at initial recognition:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI criteria) on the principal amount outstanding.

A debt instrument is classified at FVOCI only if it meets both the following conditions and is not designated at FVTPL at initial recognition:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are fulfilling the SPPI criteria.

The above requirements should be applied to an entire financial asset, even if it contains an embedded derivative.

On initial recognition of an equity instrument that is not held for trading, the Fund may irrevocably elect to present subsequent changes in other comprehensive income. This election is made on an investment-by-investment basis.

The Fund does not hold debt instruments at FVOCI.

All other financial assets are classified and measured at FVTPL.

Business model assessment

The Fund makes an assessment of the objective of a business model in which a debt instrument is held at a portfolio level because this best reflects the way the business is managed and information provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management´s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectation about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the stated objective for managing the financial assets is achieved and how cash flows are realised.

The EIF business model is to hold future cash flows.

SPPI criteria

For the purpose of this assessment, "principal" is defined as the fair value of the debt instrument on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Fund considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. The information considered includes:

- Contingent events that would change the amount and timing of cash flows;
- Performance participation features;
- Prepayment terms;
- Terms that limit the Fund's claim to cash flows from specified assets; and
- Features that modify consideration of the time value of money – e.g. periodical reset of interest rates.

2.3.1.3 Fair value measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When available, the EIF measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described hereafter.

For financial instruments that trade infrequently and have limited price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

2.3.1.4 Expected credit loss measurement

The Fund assesses on a forward-looking basis the expected credit loss associated with its financial assets that are not measured at FVTPL. In the statement of financial position, the expected credit loss allowance is netted against the gross amounts of these financial assets.

Expected credit loss is recognised for the treasury portfolio, the microfinance loans and the financial guarantees. For more details, see note 3.4.1.5.

No expected credit loss allowance is recognised for cash and cash equivalents and other assets as they are considered to have low credit risk.

2.3.2 Debt investments at amortised cost

Debt investments at amortised cost are composed of the treasury portfolio and microfinance loans. They are held by the Fund with the intention to collect contractual cash flows and classified at amortised cost. As part of the Fund's business model, disposals of these debt investments at amortised cost are considered to be infrequent or insignificant in volume.

As classified and measured at amortised cost, a 12 month or lifetime expected credit loss depending on the allocated staging is calculated and accounted for at each reporting date. See note 3.4.1.5.

2.3.3 Guaranteed funded operations at amortised cost

Guaranteed funded operations at amortised cost include capacity building microfinance loans acquired by the Fund on behalf of the European Union represented by the European Commission under the InvestEU Programme. The European Commission provides a guarantee to EIF to invest in the Guaranteed funded operations, such that all the risks and rewards ultimately belong to the European Commission. To finance the acquisition of the Guaranteed funded operations, the EIB provides a funding line to EIF.

Guaranteed funded operations are initially recorded at cost (their net disbursed amounts) and are subsequently measured at amortised cost.

The Fund benefits from a guarantee granted by the European Union represented by the European Commission in the context of the InvestEU Programme. Considering that the EU Guarantee neutralises any potential risk arising from the capacity building loan portfolio, no expected credit loss allowance is recognised for guaranteed funded operations at amortised cost.

2.3.4 Private equity investments at fair value through profit or loss

Private equity investments (hereafter "PE") at fair value through profit or loss include private equity investment funds as well as the EIF's exposure in the European Fund for Strategic Investments SME window through sub-window 1 of the private credit tailored for SMEs product, its senior tranche exposure through sub-window 2 of the equity product and the EIF's exposure in the senior tranche of the InvestEU Programme.

Acting as an investment advisor in certain vehicles, EIF holds shares with specific rights entitling EIF to receive a carried interest. These special shares do not meet the definition of an equity instrument under IAS 32 and, as a result, neither these shares nor the carried interest are included as part of PE investments.

2.3.4.1 Fair value measurement of the Private equity investments

Private equity (PE) investments are measured at FVTPL and disclosed in accordance with the fair value hierarchy required by IFRS 13. Given the nature of PE, market prices are often not readily available and in the absence of these, valuation techniques (level 3 according to the fair value hierarchy) are applied.

For the valuation of PE, the Fund further breaks down these valuation techniques into three categories as follows:

Category A - funds that have adopted the fair value requirements of IFRS 9 or International Private Equity and Venture Capital guidelines (IPEV valuation guidelines). The fair value is calculated by applying the aggregated Net Asset Value (NAV) method. This valuation method implicitly assumes that if the NAVs of underlying funds can be considered as equivalent to the fair value as determined under IFRS 9, then the aggregation of the NAVs of all funds will itself be equivalent to the fair value as determined under IFRS 9.

Category B - funds that have adopted other valuation guidelines or standards that can be considered as in line with IFRS 9 from which an equivalent NAV can be calculated.

Category C – funds that have not adopted the fair value requirements of IFRS 9 or any other valuation guidelines complying with IFRS 9. These investments are further classified as:

Category C.1 – the valuation of investments under this sub-category is re-performed internally by Equity Investments & Guarantees department.

Category C.2 – investments under this sub-category are internally fair valued by analysing the information communicated by fund managers when providing the NAV on a quarterly basis.

Although it is assumed for category A and B that the NAV is a reliable estimation of the fair value and a specific review is performed, it must be stated that underlying investments have been estimated in the absence of readily ascertainable market values. Due to the inherent uncertainty of valuations, and current market conditions, actual results in the future could differ from the fund managers' estimates of values and such differences may be material to the financial statements.

The fair value is determined by applying either the Fund's percentage ownership in the underlying vehicle to the net asset value reflected in the most recent report, adjusted for subsequent cash flows or, where available, the precise share value at the same date, submitted by the respective fund manager.

EIF developed a valuation technique to estimate any adjustment on the fair value of the PE investments for the NAVs not reported by the fund managers at the reporting date of EIF's financial statements. In particular, EIF is considering the below elements to determine the fair value of the Private equity investments:

- Insight information collected from the markets;
- Comparison of the performance of the benchmarks, i.e. the MSCI benchmark, the LPX Venture Price index and the LPX Buyout Price index, with the performance of the portfolio by reviewing the correlation between the portfolios;
- Observable trends from the last quarter NAVs available at the reporting date;

Based on the three elements considered all together, EIF through its Portfolio Investment and Risk Committee for equity ("IRC-E") on performance is able to determine an adjustment rate, if any, to be applied on the portfolio to derive a best estimate.

2.3.4.2 Fair value measurement of the EIF's senior tranche exposure

Given the nature of EIF's exposure in the European Fund for Strategic Investments SME window through sub-window 1 of the private credit tailored for SMEs product, its senior tranche exposure through sub-window 2 of the equity product and the EIF's exposure in the senior tranche of the InvestEU Programme, valuation techniques (level 3) according to the fair value hierarchy are applied. The net paid in represents the drawdowns paid net of any capital repayments. The fair value is composed of unrealised gains arising on EIF share of the waterfalls, if any, and the 2.5% of internal rate return expected on the underlying portfolio calculated in arears. At each reporting date, the internal rate return is reviewed and adjusted according to the performance of the underlying investments. Finally, the carrying amount of EIF's senior tranche exposure may be adjusted in case the junior tranche owned by a third party is fully utilised to cover future losses.

2.3.4.3 Interests in joint ventures and associates

The EIF complies with the conditions necessary to use the venture capital organisations and similar entities measurement exemption included in IFRS 11 and IAS 28.1 and consequently decides not to use equity accounting in respect of any investments in joint ventures or associates: upon initial recognition, holdings in the joint ventures or associates are designated as at fair value through the profit or loss, and measured subsequently at fair value, with changes in fair value recognised in the profit or loss during the year of the change.

Joint ventures are contractual agreements whereby the EIF and other parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic, financial and operating decisions relating to the activity require the unanimous consent of the parties sharing the control (the venturers).

The shares acquired by the EIF typically represent investments in private equity or venture capital funds. According to industry practice, such investments are generally investments subscribed to by a number of investors, none of whom is in a position to individually influence the daily operations and the investment activity of such funds. As a consequence, any membership by an investor in a governing body of such a fund does not, in principle, entitle said investor to influence the day-to-day operations of the fund. In addition, individual investors in a private equity or a venture capital fund do not determine policies of a fund such as distribution policies on capital repayments or other distributions. Such decisions are typically taken by the management of a fund on the basis of the shareholders' agreement governing the rights and obligations of the management and all shareholders of the fund. The shareholders' agreement also generally prevents individual investors from bilaterally executing material transactions with the fund, interchanging managerial personnel or obtaining privileged access to essential technical information.

The EIF's investments, made for its own account or on behalf of its mandate providers, are executed in line with the aforementioned industry practice. In addition, the Fund is exposed to variability of returns from these investments. Therefore, in considering whether it has control, the Fund considers whether it manages key decisions that most significantly affect these investments' returns. As a result and according to IFRS 10, the Fund has concluded that it does not control those vehicles.

Associates are entities in which EIF has significant influence, but not control or joint control, over the financial and operating policies.

2.3.5 Guaranteed funded operations at fair value through profit or loss

Guaranteed funded operations at fair value through profit or loss include PE investments acquired by the Fund on behalf of the European Union represented by the European Commission under the InvestEU Programme. The European Commission provides a guarantee to EIF to invest in the Guaranteed funded operations, such that all the risks and rewards ultimately belong to the European Commission. To finance the acquisition of the Guaranteed funded operations, the EIB provides a funding line to EIF.

The Guaranteed funded operations are composed of two elements that are recognised with separate accounting schemes and separate measurements:

- to recognise the funded operations such as private equity transactions acquired on behalf of the European Union represented by the European Commission, which is recognised under the caption "Guaranteed funded operations – of which EU funded operations" and comprises both the net paid in and the fair value adjustments reflecting the risk of the funded operations deployed;
- to recognise the effect of the guarantee arising from the InvestEU Guarantee Programme, which is recognised under the caption "Guaranteed funded operations – of which EU guarantee" and measured at fair value through profit or loss. This reflects the terms and conditions of the coverage of the guarantee and the credit of the guarantor (i.e. the European Commission) in the form of a PE portfolio and a guarantee arising from the InvestEU Programme.

Guaranteed funded operations:

Guaranteed funded operations are initially recorded at cost (their net disbursed amounts) and are subsequently measured at FVTPL and disclosed in accordance with the fair value hierarchy required by IFRS 13. For additional details on the valuation technique, see note 2.3.4.1.

Guarantee arising from the InvestEU Programme:

The Fund benefits from a guarantee granted by the European Union represented by the European Commission in the context of the InvestEU Programme.

This guarantee is measured at fair value through profit or loss.

2.3.6 Debt investments at fair value through profit or loss

These financial assets consist of Asset-Backed Securities with SME loans in the underlying portfolios, which take the form of notes issued by Special Purpose Vehicles ("SPV") or financial institutions.

At the reporting date, the whole portfolio does not pass the SPPI test and is thus classified and measured at FVTPL.

Debt investments at fair value through profit or loss are valued using an internal model supplemented by market observable inputs. The fair value is calculated for each scenario by discounting the risky cash flows at the appropriate risk-free rate plus a margin.

The scenarios employed cover the probability weighted default distribution of the underlying portfolios calculated under 3 different macroeconomic projections (positive, base, adverse), which are themselves weighted. The default distribution is assessed on a through-the-cycle basis according to internal methodologies accounting for information on the composition of the underlying portfolio and any relevant replenishment criteria. This is converted to a point-in-time assessment specific to each macroeconomic scenario.

The margin used in the discounting calculation of the cash flows contains two components. Firstly, a market component accounts for the observable spread reported for high quality ABS backed by the equivalent asset class (corporate loans, consumer loans, residential mortgages) that is updated at each reporting date. Secondly, a deal specific component is fixed at closing and accounts for deviations in structure and other factors between the transaction and the benchmark. The idiosyncratic factor is not changed over the lifetime and is calibrated to ensure that the purchase price matches the fair value at the purchase date.

2.4 Financial guarantee operations

Financial guarantee contracts are contracts that require the EIF to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantees consist of a receiver leg and a payer leg. The financial guarantees are presented in the statement of financial position by offsetting the receiver leg with the payer leg. They are initially recognised at fair value plus transaction costs that are directly attributable to the issuance of the financial guarantees. At initial recognition, the obligation to pay corresponds to the Net Present Value (NPV) of expected premium inflows. The EIF has developed a model to estimate the NPV. This calculation is performed at the starting date of each transaction.

Subsequent to initial recognition, the payer leg of the financial guarantees is measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; or
- the amount initially recognised i.e. NPV less, where appropriate, cumulative amortisation recognised in accordance with IFRS 15 Revenue from contracts with customers.

The receiver leg is then measured at fair value through profit or loss by discounting the future cash flows according to IFRS 9.

The EIF's amortisation of the amount initially recognised is in line with the risk profile of the transactions. The transaction is fully amortised following full repayment of a securitisation tranche.

In the event that the measurement of a financial guarantee contract results in a net asset position, then the operation is presented in the statement of financial position under "Financial guarantees".

In the event that this results in a net liability, then the guarantee is presented in the statement of financial position under "Provisions for financial guarantees".

Any increase or decrease in the fair value of financial guarantees is recognised in the profit or loss under "Net result from financial instruments at fair value through profit or loss".

Other increases or decreases, such as amortisation of the payer leg but not including the recognition of new financial guarantees, are recognised in the profit or loss under "Net result from financial guarantee operations".

The expected credit loss is recognised in the profit or loss under "Expected credit loss allowance".

2.5 Other assets

Other assets which are accounted for at amortised cost include mainly the funds designated to cover the pension liability, accrued commission income, debtors, receivables arising from the InvestEU Programme and contract assets.

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Fund performs services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

2.6 Intangible assets

Intangible assets include the development costs of software that are capitalised under specific conditions such as identifiable expenses or existence of a future benefit for the Fund.

Intangible assets are valued at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated on a straight-line basis over the following estimated useful lives:

Purchased software:	2 to 5 years
Internally generated software:	3 years

2.7 Property and equipment

2.7.1 Property and equipment

Equipment is stated at cost less accumulated depreciation and impairment losses. Equipment is reviewed for indications of impairment at the date of the statement of financial position.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Fixtures and Fittings:	3 to 10 years
Office Equipment:	3 to 5 years
Computer Equipment and Vehicles:	3 years
Buildings:	30 years

2.7.2 Impairment of non-financial assets

The EIF assesses at each reporting date the carrying amounts of the non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. If the carrying amount exceeds the estimated recoverable amount, impairment losses are recognised in the profit or loss.

2.8 Employee benefits

2.8.1 Post-employment benefits

Pension fund

The EIF operates an unfunded pension plan of the defined benefit type, providing retirement benefits based on final salary. The cost of providing this benefit is calculated by the actuary using the projected unit credit cost method. The defined benefit liability is recognised as the present value of expected future payments.

Actuarial valuations involve making assumptions about discount rates, expected rates of return of assets, future salary increases, mortality rates and future pension increases. All assumptions are reviewed at each reporting date. Due to the long-term nature of this pension scheme, such estimates are subject to significant uncertainty.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are debited or credited to equity in other comprehensive income in the period in which they arise.

The Fund's defined benefit scheme was initiated in March 2003 to replace the previous defined contribution scheme. The scheme is financed by contributions from staff and the Fund. These amounts are transferred to the EIB for management with the EIB's own assets and appear on the Fund's statement of financial position as an asset under the heading "Other assets".

The charge for the year, actuarial gains and losses, and the total defined benefit obligation are calculated annually by qualified external actuaries.

Optional supplementary provident scheme

The optional supplementary provident scheme is a defined contribution pension scheme, funded by voluntary staff contributions and employer contributions. It is accounted for on the basis of the contributions from staff and employer and the corresponding liability is recorded in "Other liabilities".

Health insurance scheme

The Fund has subscribed to a health insurance scheme with an insurance company for the benefit of staff at retirement age, financed by contributions from the Fund and its employees. The entitlement is of a defined benefit type and is based on the employee remaining in service up to retirement age and on the completion of a minimum service period. The expected costs of this benefit are accrued over the period of employment, using a methodology similar to that for defined benefit pension plans. Health insurance liabilities are determined based on actuarial calculations, performed annually by qualified external actuaries.

2.8.2 Short-term employee benefits

Employee entitlements to short-term benefits are recognised when they accrue to employees. A provision is made for the estimated liability for any outstanding short-term benefit entitlement as a result of services rendered by employees up to the date of the statement of financial position.

2.8.3 Other long-term employee benefits

An accrual for other long-term employee benefit costs relating to the year is included in the profit or loss under the heading "Staff costs", resulting in a provision for the estimated liability at the date of the statement of financial position.

2.9 Financial liabilities at amortised cost

Financial liabilities at amortised cost correspond to the funding line provided by EIB under the InvestEU Programme in respect of certain Guaranteed funded operations, capacity building investment operations and guarantee operations as well as currency purchases in respect of exposures in non-EUR currency.

The funding line is used to finance the acquisition of Guaranteed funded operations (see notes 2.3.3 and 2.3.5) as well as other assets giving rise to a receivable from the European Union represented by the European Commission (see note 2.5).

The outstanding principal is repaid on final maturity date at the latest and prepaid with the aggregate proceeds generated from operations deployed under the InvestEU Programme and the amounts called by the EIF on the EU Guarantee under InvestEU (see note 2.5).

Financial liabilities at amortised cost are initially recorded at cost and presented at amortised cost.

The cost of funding is repaid using amounts called by the EIF on the InvestEU Guarantee and is recorded under “Other assets” using the effective interest rate method.

2.10 Other liabilities and provisions

Other liabilities are classified according to the substance of the contractual arrangements entered into. Trade payables are non-interest bearing liabilities and are stated at amortised cost. They include contract liabilities that correspond to advance commission income that the Fund receives for services that will be performed in the future. As the service is delivered over time, it will be recognised as revenue on the income statement. For the description of revenue recognition, see note 2.14.

Provisions are recognised when the Fund has a present obligation, legal or constructive, as a result of a past event, and it is probable that the Fund will be required to settle that obligation.

All financial liabilities are de-recognised when such liabilities are extinguished and the contractual cash flows from such financial liabilities have expired.

2.11 Net interest and similar income

Net interest income and similar income is recognised in the profit or loss for all interest-bearing instruments on an accrual basis using the effective interest method based on the purchase price including direct transaction costs. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

2.12 Net income from Private equity investments

Net income from Private equity investments mainly includes capital dividends and repayments, which are recognised in the statement of comprehensive income when the EIF’s investment cost is fully reimbursed.

2.13 Net result from financial guarantee operations

Net result from financial guarantee operations includes:

- Amortisation of the payer leg of the financial guarantees;
- Intermediation and risk cover fees, including for risk-sharing mandates;
- Net guarantee calls.

2.14 Commission income

This heading includes fees and commissions on mandates managed by EIF on behalf of a mandator such as EIB and the European Union represented by the European Commission, advisory activities and carried interest but excludes guarantee premiums.

Commission income from mandate management activities

A mandate is a delegation agreement (hereafter “agreement”) signed between the EIF and a Mandator under which the EIF is designated responsibility for the implementation of a desired programme designed in order to support small and medium-sized businesses access finance, in return for which it is entitled to receive management fees and commissions.

The EIF receives remuneration from mandate management and advisory activities under an agreement with a set of clearly defined service requirements.

Commission income is recognised when control of the services is transferred at an amount that reflects the consideration that the EIF expects to be entitled to in exchange for these services in accordance with IFRS 15.

Fees and commissions are recognised on an accruals basis when the service foreseen under an agreement has been provided. Management, advisory and service fees are recognised based on the applicable service contracts, usually on a pro-rata basis. Asset management fees related to investment funds are recognised over the period in which the service is provided.

The EIF considers services promised under agreements to be a series of distinct services that are satisfied over time (continuous service) and the same methodology is used to measure progress. Given the service criteria to be met, the EIF accounts for all of the services that make up the series as a single performance obligation.

The amount of commission income received is fixed or variable, based on certain criteria depending on different variable components such as percentage of the EU contribution committed or linked to this single performance obligation. If the consideration includes a variable amount, the EIF estimates the amount of consideration to which it will be entitled to in exchange for transferring the services to the customer.

Regarding the performance obligations satisfied over time, the EIF uses the “Input Method” to recognise income on the basis of its efforts or inputs to the satisfaction of these performance obligations and recognise over the time such fees. The resources consumed and costs incurred are deemed proportionate to the EIF’s progress in satisfying the performance obligation, and hence the input method is a faithful depiction of the transfer of services.

Part of the management fees earned by the EIF can be seen as incentive or performance fees. They usually relate to the deployment of the mandate rather than on returns or profits resulting from the investments.

However, maximum amounts, or “caps” on management fees are applicable to certain mandates managed by the EIF. Where this applies, management fees will likely cease to be received before the end of the mandate, which is typically in 15 to 25 years, and will be paid over a limited timeframe such as in the first few years of the mandate, and which are therefore not correlated with the services performed and costs incurred by the EIF.

The EIF uses a deferred income policy (further referred to as “contract liabilities mechanism”) to address the issue of misalignment in cost of managing the mandates as incurred by EIF and the revenue recognised due to the administrative and performance fees cap issue that is further compounded by billing indicators being concentrated during the availability periods of the mandates.

The contract liabilities mechanism is based on the total costs to be incurred by the EIF in relation to the mandate using ex-ante financial models for all new mandates as part of their approval process. The three main drivers of the ex-ante model are actual data in terms of: (i) number of transactions, (ii) mandate size, and (iii) duration of the mandate together with the total income to be recognised each year to ensure cost coverage or at least to meet the expected cost/income ratio determined as part of the mandate approval process. This deferral policy ensures sustainable operations and revenue recognition based on percentage of completion of the contract.

The EIF takes into account the fee structure of all relevant mandates and exercises its judgement concerning revenue recognition as follows:

Determination of the transaction price

For mandates in scope of the contract liabilities mechanism where the management fees are capped in their respective contracts and contain a significant portion of variable consideration, management's judgement is required to derive the amount which the EIF expects to be entitled to over the contract life (the "transaction price"), particularly in respect of the uncertainty related to performance fees.

These fees are only included in the transaction price to the extent that it is highly probable that their inclusion will not result in a significant reversal in the future when the uncertainty has been subsequently resolved.

The EIF estimates the transaction price through financial modelling based on expected deployment of the mandates and market absorption of their products having regards to its experience with similar financial instruments and on their actual performance compared to its corporate operational plan. Significant judgement is applied to those fee indicators that are considered to be outside of the EIF's control.

Determination of the timing of the satisfaction of performance obligation

In determining the stage of completion of mandate management contracts, the EIF applies judgement in respect of the expected costs for the duration of these contracts, which serves as input in the deferred income models to determine the timing of the transaction price recognition in the commission income. The EIF has developed a cost assessment methodology that takes into account the expected costs at various stages of lifecycle of the mandates based on the efforts needed. The transaction price is then allocated to each period on a constant cost/income ratio that is revised annually based on the actual performance of the mandate.

Carried interest

Due to its role as an investment advisor in certain structures, specific shares were attributed to EIF entitling EIF to obtain a carried interest. Such carried interest is a share of profits paid as compensation to incentivise the investment advisor to act in the best interest of the fund in its role of advisor and to maximise the returns to the investors. Unlike traditional fees, carried interest is only paid when the investment portfolio achieves a certain level of performance, typically defined as exceeding a predetermined hurdle rate.

Considering that the carried interest should be considered as remuneration for services provided as a service provider, defined as a "service model", the recognition of this type of revenue is subject to IFRS 15 Revenue Recognition.

Consequently, carried interest is only recognised either when received or when a distribution notice is issued.

2.15 New standards and interpretations not yet adopted or not yet effective

The following IFRS and IFRIC interpretations applicable to the EIF were issued but are not yet effective. The Fund has chosen not to early adopt these standards and interpretations:

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current;

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale of Contribution of Assets between an Investor and its Associate or Joint Venture.

In addition, the following standards were issued by the International Sustainability Standards Board (ISSB):

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures

IFRS S1 sets out the general requirements for an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity. IFRS S2 sets out the requirements for a company to disclose information about its climate-related risks and opportunities, while building on the requirements described in IFRS S1.

The general requirements standard adopts a four-pillar core content framework which requires an entity to provide disclosures around governance, strategy, risk management as well as metrics and targets.

EIF is currently in the process of analysing how to best disclose material information as required by these two new accounting standards.

IFRS S1 and IFRS S2 are effective for annual periods beginning on or after 1 January 2024.

3. Financial Risk Management

3.1 Introduction

This note presents information about the Fund's exposure to and its management and control of risks, specifically those associated with its financial instruments.

The following table provides information relating to the main financial assets and financial liabilities by categories of financial instruments for which the Fund is exposed to risks:

31.12.2023	Amortised cost	Fair value through profit and loss	Financial guarantees	Total
Cash and cash equivalents	813 804 850	0	0	813 804 850
Financial instruments at Amortised Cost:				
Debt investments	2 367 748 349	0	0	2 367 748 349
Guaranteed funded operations	14 583 192	0	0	14 583 192
Financial instruments at Fair Value through Profit and Loss:				
Private equity investments	0	1 799 601 074	0	1 799 601 074
Guaranteed funded operations:				
of which EU funded operations	0	386 979 429	0	386 979 429
of which EU guarantee	0	14 826 582	0	14 826 582
Debt investments	0	534 506 108	0	534 506 108
Financial guarantees	0	0	20 374 921	20 374 921
Total Financial Assets	3 196 136 391	2 735 913 193	20 374 921	5 952 424 505
Provisions for financial guarantees	0	0	11 751 884	11 751 884
Financial liabilities at Amortised Cost	874 446 663	0	0	874 446 663
Total Financial Liabilities	874 446 663	0	11 751 884	886 198 547

31.12.2022	Amortised cost	Fair value through profit and loss	Financial guarantees	Total
Cash and cash equivalents	452 589 376	0	0	452 589 376
Financial instruments at Amortised Cost:				
Debt investments	2 437 804 596	0	0	2 437 804 596
Guaranteed funded operations	0	0	0	0
Financial instruments at Fair Value through Profit and Loss:				
Private equity investments	0	1 578 087 650	0	1 578 087 650
Guaranteed funded operations:				
of which EU funded operations	0	69 140 449	0	69 140 449
of which EU guarantee	0	3 682 364	0	3 682 364
Debt investments	0	402 814 632	0	402 814 632
Financial guarantees	0	0	16 667 219	16 667 219
Total Financial Assets	2 890 393 972	2 053 725 095	16 667 219	4 960 786 286
Provisions for financial guarantees	0	0	13 050 312	13 050 312
Financial liabilities at Amortised Cost	157 865 603	0	0	157 865 603
Total Financial Liabilities	157 865 603	0	13 050 312	170 915 915

3.1.1 Types of risk

The EIF is exposed to three primary categories of risk on its own resources, these are described in the following sections, first in general terms and then specifically by product line.

3.1.1.1 Credit Risk

Credit risk concerns the EIF's Guarantee and Securitisation ("G&S") activity, treasury instruments such as fixed income securities and floating-rate notes held in the treasury portfolio, commercial paper, deposits, microfinance loans and debt investments at fair value through profit or loss. There is a limited credit exposure for the EIF Private Equity portfolio as investments in PE funds represent equity investments and related financing structures and are always made through an equity-like participation.

3.1.1.2 Liquidity Risk

Liquidity risk is the risk that the EIF will encounter difficulties in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

3.1.1.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Market risk - Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The EIF may invest in financial instruments denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner that has an adverse effect on the value of that portion of the Fund's assets or liabilities denominated in currencies other than the Euro (EUR).

The Fund's currency risk is kept at a low level with 13.8% of net assets in 2023 (2022: 6.7%) through a policy of limiting its investment in non-euro denominated instruments. The Fund's capital is denominated in EUR and the majority of its assets and liabilities are in that currency.

The table below shows the currency exposure (in EUR) of EIF's financial assets and financial liabilities.

At 31.12.2023 (in EUR)	EUR	Pound Sterling	US Dollars	Other currencies	Sub total except EUR	Total
Cash and cash equivalents	470 124 299	6 405 156	4 384 318	332 891 077	343 680 551	813 804 850
Financial instruments at Amortised Cost:						
Debt investments	2 334 335 522	0	0	33 412 827	33 412 827	2 367 748 349
Guaranteed funded operations	6 507 532	0	0	8 075 660	8 075 660	14 583 192
Financial instruments at Fair Value through Profit and Loss:						
Private equity investments	1 565 402 783	80 121 557	114 434 528	39 642 206	234 198 291	1 799 601 074
Guaranteed funded operations:						
of which EU funded operations	378 618 156	0	0	8 361 273	8 361 273	386 979 429
of which EU guarantee	11 332 429	0	0	3 494 153	3 494 153	14 826 582
Debt investments	534 506 108	0	0	0	0	534 506 108
Financial guarantees	19 091 712	0	0	1 283 209	1 283 209	20 374 921
Total assets	5 319 918 541	86 526 713	118 818 846	427 160 405	632 505 964	5 952 424 505
Provisions for financial guarantees	10 890 301	0	0	861 583	861 583	11 751 884
Financial liabilities at Amortised Cost	874 446 663	0	0	0	0	874 446 663
Total liabilities	885 336 964	0	0	861 583	861 583	886 198 547
Foreign currencies in % of net assets		1.9%	2.6%	9.3%	13.8%	
Net commitments to private equity	2 038 043 311	28 524 019	74 390 137	70 082 859	172 997 015	2 211 040 326
Guarantees' Exposure at Risk	7 464 760 541	1 950 787	47 906 190	1 452 246 186	1 502 103 163	8 966 863 704
Total Off-balance sheet	9 502 803 852	30 474 806	122 296 327	1 522 329 045	1 675 100 178	11 177 904 030

At 31.12.2022 (in EUR)	EUR	Pound Sterling	US Dollars	Other currencies	Sub total except EUR	Total
Cash and cash equivalents	392 875 746	16 123 926	4 286 106	39 303 598	59 713 630	452 589 376
Financial instruments at Amortised Cost:						
Debt investments	2 437 804 596	0	0	0	0	2 437 804 596
Guaranteed funded operations	0	0	0	0	0	0
Financial instruments at Fair Value through Profit and Loss:						
Private equity investments	1 344 307 880	85 144 542	112 000 383	36 634 845	233 779 770	1 578 087 650
Guaranteed funded operations:	0					0
of which EU funded operations	69 140 449	0	0	0	0	69 140 449
of which EU guarantee	3 682 364	0	0	0	0	3 682 364
Debt investments	402 814 632	0	0	0	0	402 814 632
Financial guarantees	15 467 474	0	0	1 199 745	1 199 745	16 667 219
Total assets	4 666 093 141	101 268 468	116 286 489	77 138 188	294 693 145	4 960 786 286
Provisions for financial guarantees	11 065 775	353 088	0	1 631 449	1 984 537	13 050 312
Financial liabilities at Amortised Cost	157 865 603	0	0	0	0	157 865 603
Total liabilities	168 931 378	353 088	0	1 631 449	1 984 537	170 915 915
Foreign currencies in % of net assets		2.3%	2.7%	1.7%	6.7%	
Net commitments to private equity	1 563 101 834	32 739 860	84 359 148	49 261 350	166 360 358	1 729 462 192
Guarantees' Exposure at Risk	7 583 630 388	13 576 414	59 088 573	1 794 366 992	1 867 031 979	9 450 662 367
Total Off-balance sheet	9 146 732 222	46 316 274	143 447 721	1 843 628 342	2 033 392 337	11 180 124 559

"Other assets" and "Other liabilities and provisions" are denominated in EUR (for more details please see note 4.4 and 5.4).

Market risk – Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Market risk – Interest rate risk factors specific to activities are disclosed in the respective sections below.

Market risk – Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Market risk – Other price risk factors specific to activities are disclosed in the respective sections below.

3.2 Private equity investments

3.2.1 Risk Management Process

In the framework of the EIF private equity business, the objective of Risk Management is to identify and measure the risk of its portfolio related to PE assets, to monitor its evolution and consistency with the EIF's objectives and to propose corrective actions in case of divergence.

Such investments include private equity investment funds as well as the EIF's exposure in the European Fund for Strategic Investments SME window through sub-window 1 of the private credit tailored for SMEs product, its senior tranche exposure through sub-window 2 of the equity product and the EIF's exposure in the senior tranche of the InvestEU Programme.

Risk Management is an integral part of the management of EIF's investment activities.

3.2.1.1 Portfolio Design Process

Designing a portfolio consistent with the EIF's objectives and constraints is a key element of the EIF's investment activity. No liquid market exists for investments in private equity funds. Therefore, only marginal changes to the portfolio composition can be implemented after the portfolio has been built. At this stage Risk Management department ("RM") ensures that the target portfolio is consistent with:

- The return objectives of the EIF;
- The tolerance for risk of the EIF;
- The liquidity needs of the EIF.

3.2.1.2 Investment Process

The investment process of the EIF is led by the Equity Investments & Guarantees ("EIG") department. RM is involved in the investment process from its early stages. Following an initial screening of investment opportunities, RM is called to express its opinion on EIG's request to proceed with a full due diligence. Subsequently RM reviews all the investment proposals prepared by EIG and issues an Independent Opinion to the Chief Executive and Deputy Chief Executive on the merit of the proposed investment. All investment decisions are submitted to the Board of Directors for final approval. Investment decisions are taken by the Board of Directors or under delegation from the Board of Directors to the Chief Executive.

3.2.1.3 Monitoring Process

Monitoring includes the valuation review of PE funds and the monitoring of the portfolio.

Valuation Review

This process is divided into several stages to achieve what is known as Valuation Adjustment:

Reporting: collection of financial reports sent by the fund managers as a basis for valuation (typically on a quarterly basis).

Valuations: assessment as to whether valuations done by the fund managers are in line with best market practice and applicable industry valuation guidelines. The monitoring aims to determine in good faith the fair value of the investments.

Classification of funds: depending on the outcome of the monitoring outlined above, funds are classified into three categories as described in note 2.3.4.1.

Portfolio Monitoring

Through portfolio monitoring, RM assess the evolution of the portfolio composition relative to the return, risk and liquidity objectives of the EIF. The EIF has developed a set of tools to design, monitor and manage the portfolio of PE funds. This set of tools is based on an internal process and model, the Grading-based Economic Model ("GEM"), which allows the EIF to systematically and consistently assess and verify funds' operational quality, valuations and expected performances. This approach, supported by adequate Information Technology ("IT") systems, improves the investment decision process and the management of the portfolio's financial risks.

The Equity Scoring combines the expected relative return of a transaction (i.e. the P (performance)-grade) with its risk score (expressed in %). For each P-grade, three levels of risk are defined ('-' , ' ' and '+').

Therefore, it leads to 12 different grading classes (A+, A, A-, B+, B, B-, C+, C, C-, D+, D, D-).

The Risk Score cut-offs were defined following an extensive back-testing of past transactions at EIF (at the time of their appraisal) and have been reviewed and amended in 2023. The cut-offs are reassessed every 3 years.

The '-' associated to a P-Grade corresponds to a fund that belongs to the last quartile in term of Risk Score for the given P-Grade.

The'+' associated to a P-Grade corresponds to a fund that belongs to the first quartile in term of Risk Score for the given P-Grade.

A P-grade is kept standard (i.e. without '+' or '-') if the Risk Score of the fund belongs to the second or the third quartile in term of Risk Score for the given P-Grade.

The cut-offs of the Risk Score within a same P-Grade are defined in the below table:

P-Grade (Exp. Perf)	Risk Scoring		
A	<78%	78-86%	>86%
	A-	A	A+
B	<72%	72-80%	>80%
	B-	B	B+
C	<61%	61-70%	>70%
	C-	C	C+
D	<47%	47-54%	>54%
	D-	D	D+

The equity monitoring activity is overseen by the Portfolio Investment and Risk Committee for equity. This Committee covers the regular review of the equity portfolio, including changes in equity scores, fund-monitoring status (that was enhanced in 2023) and Investment Compliance grades. It also oversees the developments on equity portfolio performance or the occurrence of an event of significance.

3.2.2 Credit Risk

Investments in PE funds are always made through an equity-like participation. Even in the case where these are channelled through mezzanine loans, currently representing less than 1% of the portfolio, their risk profile is typically akin to an equity participation. Therefore, the credit risk of the PE portfolio is deemed not significant.

3.2.3 Liquidity Risk

PE Funds are generally structured as Limited Partnerships, where the Limited Partners, such as the EIF, commit a certain amount of capital to be called at the discretion of the fund manager, which is acting as General Partner. Such Limited Partnerships are generally structured as closed-end funds; therefore, the discretion of the General Partner in deciding the timing of the capital calls is generally restricted by:

1. The contractual duration of the Limited Partnership, often being 10 to 12 years;
2. The investment period, often being defined as the first 5 years of the life of the Partnership. After the end of the investment period, the General Partner cannot make new investments. Capital calls post investment period are generally made for follow-on investments in existing investee companies or to cover the fees and costs of the Limited Partnership.

Due to the discretion of General Partners in deciding the timing of the capital calls, the schedule of the future liquidity requirements of EIF PE portfolio cannot be precisely defined. However, as a result of the typical Limited Partnership structure described above, the majority of the capital is generally called during the investment period. Conversely, capital reflows resulting from the disposal of the investee companies generally take place after the investment period. Having a portfolio of investments in PE Funds which is well diversified across a wide range of vintage years, such as for EIF PE portfolio (see Chart 1), is an important component in the management of liquidity risk. Liquidity requirements resulting from capital calls of PE funds in the investment period can be matched by the stream of capital reflows generated by older PE funds in their divestment phase. The magnitude of this stream of reflows depends on the market conditions and the proportion of the portfolio that is in its divestment phase. It is also important to notice that, due to the inherent illiquid nature of the PE market, once a commitment has been signed it is difficult for a Limited Partner to sell its interest in a PE fund. Often the only way is by finding a buyer in the secondary market. This is usually only possible by offering to sell at a substantial discount to the fund's Net Asset Value ("NAV").

Chart 1: Vintage Year Diversification of the EIF PE Portfolio as of 31.12.2023

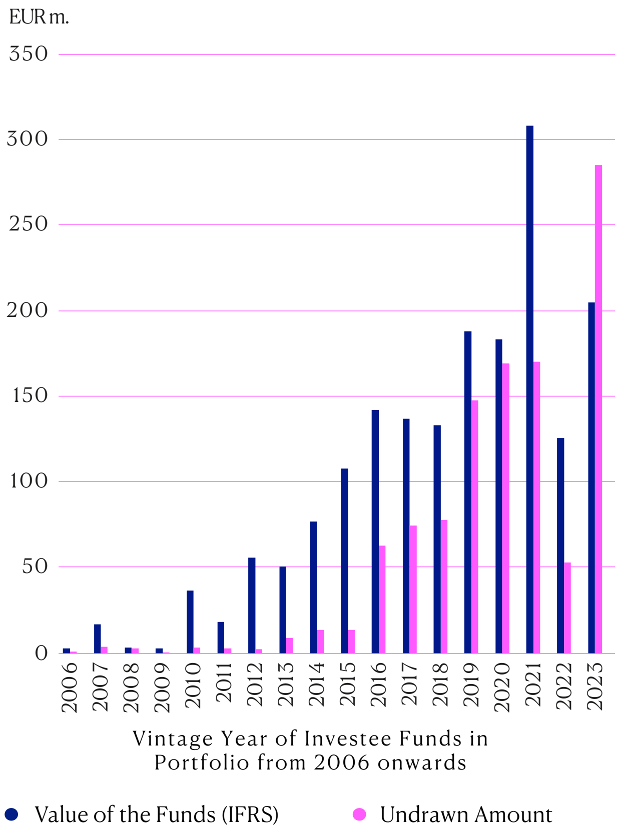


Chart 2: Vintage Year Diversification of the EIF PE Portfolio as of 31.12.2022

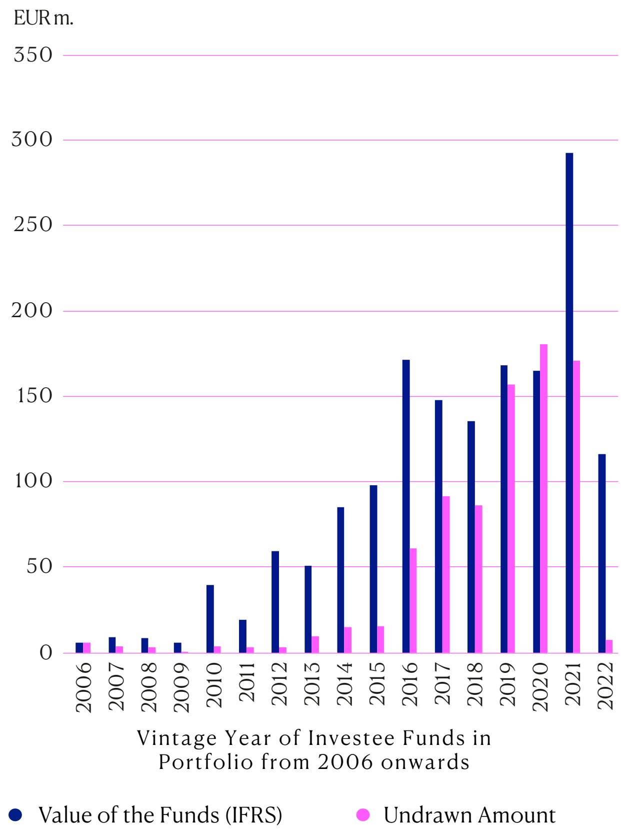


Table 1: Undrawn commitments of the EIF PE portfolio, split by time remaining to the end of the contractual lifetime* of the investee funds

EUR

Private Equity	Not more than 3 months	Three months to one year	One year to 5 years	More than 5 years	Total
As of 31.12.2023	19 096 135	19 390 460	74 311 406	983 536 053	1 096 334 054
As of 31.12.2022	23 349 111	9 025 179	73 050 679	711 452 368	816 877 337

**The duration of the contractual lifetime is generally 10 to 12 years starting from the inception of the fund. There is no obligation for a fund manager to call the full amount of capital committed by the investors.*

Table 2: Capital calls net of reflows, which resulted from the EIF PE portfolio

EUR millions	Net Capital Calls	Net Capital Calls in relation to EFSI - SW2	Net Capital Calls in relation to EFSI - Private Credit	Net Capital Calls in relation to InvestEU in EIF	Total Net Capital Calls
2023	64.4	29.7	31.6	105.8	231.5
2022	-14.1	30.2	60.5	0.0	76.6

3.2.4 Market Risk

The main types of market risk affecting the EIF PE portfolio are equity risk and foreign currency risk. Most funds in the portfolio make little or no use of leverage; therefore, interest rate risk does not directly affect the EIF PE portfolio.

3.2.4.1 Equity risk

Equity risk analysis requires an estimation of the sensitivity of the value of a stock towards a change in value in the overall market where this stock is traded. This can be done based on the Capital Asset Pricing Model. This model uses the beta, i.e. a measure of risk relative to the market, which is estimated by regressing returns of an asset against a public market index.

The specific characteristics of the PE asset class make it difficult to apply traditional approaches to equity risk analysis. While public market asset managers can use reliable statistical data to support their analysis, such data is lacking for PE and in particular for Venture Capital. The analysis of PE returns, volatility and correlations is limited by the relatively short time series of the publicly available data, which is not fully representative of the market, and the inherent lower transparency of the PE market in general. In particular, data does not fully capture the uncertainty of the asset class. Furthermore, as the Internal Rate of Return ("IRR"), the standard performance measure used for PE funds, is capital-weighted, while the performance measure of public market assets is traditionally time-weighted, it is not possible to analyse the correlation between PE and other asset classes without significant adjustments and therefore potentially large biases.

The EIF uses a beta derived from the betas of three listed PE indices, LPX Europe Price Index, LPX Venture Price Index and LPX Buyout Price Index, to estimate the sensitivity of the valuation of the EIF's PE investment to market prices. Regression has been carried out using the Dow Jones Euro Stoxx 50 over the last three years.

Using the most conservative beta from the three indices mentioned above and assuming market price movements of +/-10%, the final sensitivity (i.e. beta x ±/-10%) is applied to the net asset value to give an adjusted net asset value, which is then compared to the net paid in. EIF's PE investment value would be impacted as follows:

31.12.2023

Public market risk: All Private Equity	
+10%	-10%
Retained Beta 1.158	
Final Sensitivity: +11.58%	Final Sensitivity: -11.58%
Profit or loss account	Profit or loss account
(EUR)	(EUR)
119 888 942	(119 888 942)

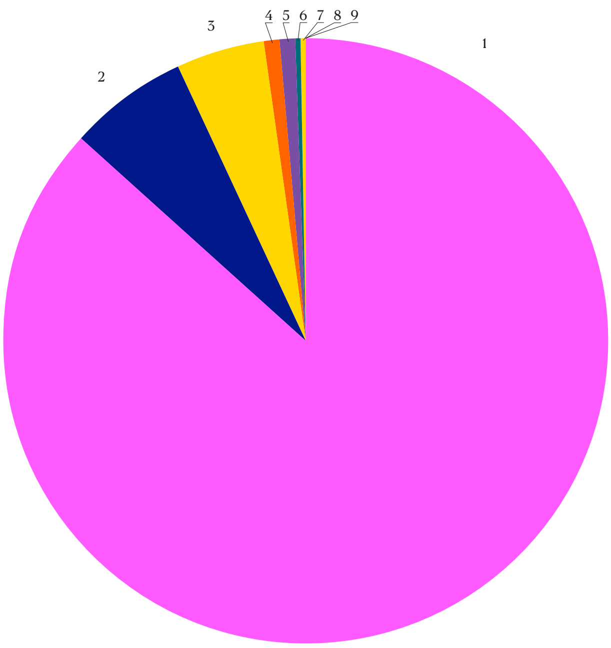
31.12.2022

Public market risk: All Private Equity	
+10%	-10%
Retained Beta 0.97	
Final Sensitivity: +10.49%	Final Sensitivity: -10.49%
Profit or loss account	Profit or loss account
(EUR)	(EUR)
103 232 293	(103 232 293)

3.2.4.2 Foreign currency risk

The currency exposure of the EIF PE portfolio, based on the currency denomination of the investee funds, can be broken down as follows:

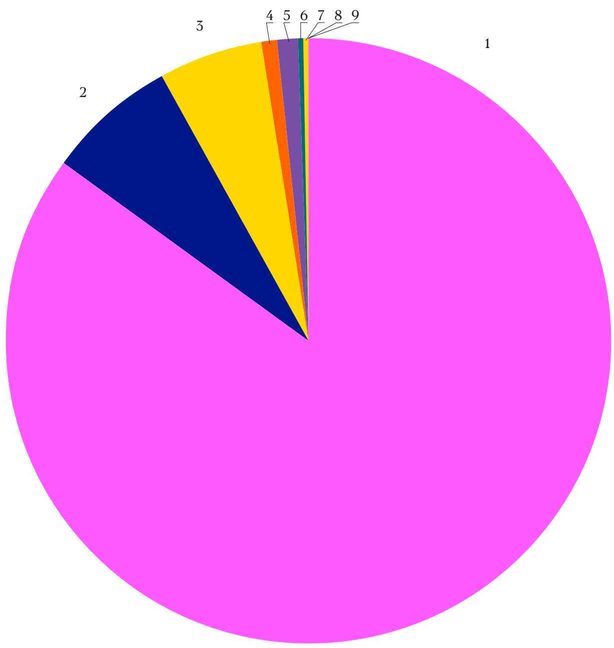
As of 31.12.2023



1. EUR 86.9%
2. USD 6.4%
3. GBP 4.5%
4. DKK 0.9%
5. SEK 0.8%
6. NOK 0.4%
7. CHF 0.1%
8. PNL 0.0%
9. HUF 0.0%

(as % of the total fair value, EUR 1 799.6m)

As of 31.12.2022



1. EUR 85.1%
2. USD 7.1%
3. GBP 5.4%
4. SEK 1.0%
5. DKK 0.9%
6. NOK 0.4%
7. CHF 0.1%
8. PLN 0.0%
9. HUF 0.0%

(as % of the total fair value, EUR 1 578.1m)

For 2023, changes due to foreign exchange rates for private equity investments amount to EUR (1 559 019) (2022: EUR 1 003 368), which has been recognised in the statement of comprehensive income.

A sensitivity analysis is performed for all currencies representing more than 5 % of the total exposure to assess the impact of currency movements. GBP and USD fall into this category and the impact of an increase/decrease of 15 % vs. the Euro have been simulated below:

31.12.2023

Foreign exchange rate risk	
GBP increase of 15% vs. EUR	GBP decrease of 15% vs. EUR
Profit or loss account	Profit or loss account
(EUR)	(EUR)
12 018 234	(12 018 234)

31.12.2022

Foreign exchange rate risk	
GBP increase of 15% vs. EUR	GBP decrease of 15% vs. EUR
Profit or loss account	Profit or loss account
(EUR)	(EUR)
12 771 681	(12 771 681)

31.12.2023

Foreign exchange rate risk	
USD increase of 15% vs. EUR	USD decrease of 15% vs. EUR
Profit or loss account	Profit or loss account
(EUR)	(EUR)
17 165 179	(17 165 179)

31.12.2022

Foreign exchange rate risk	
USD increase of 15% vs. EUR	USD decrease of 15% vs. EUR
Profit or loss account	Profit or loss account
(EUR)	(EUR)
16 800 057	(16 800 057)

These impacts are measured only at investee fund level. They do not take into account indirect potential impacts on the value of underlying portfolio companies, which could have a different currency exposure than the investee fund (e.g.: a fund denominated in GBP might invest in a company based in Germany or deriving most of its income in EUR).

3.2.5 Idiosyncratic risks

Idiosyncratic or non-systematic risk is a risk unique to a certain asset. This is a type of risk that can typically be managed via portfolio diversification. In the case of the EIF PE portfolio, the main types of idiosyncratic risks identified are strategy risk, geographic risk, fund risk, sector risk and technology risk.

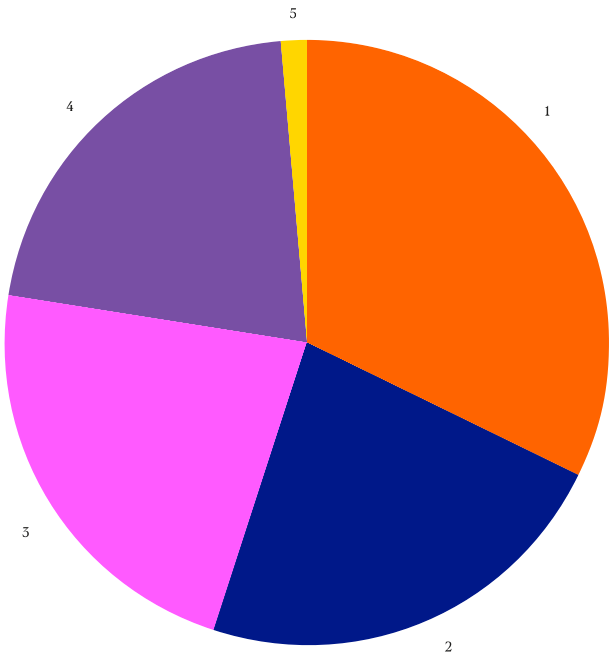
3.2.5.1 Strategy risk

Strategy risk is defined as the risk resulting from over/under-weighting a specific investment strategy. The PE funds in the EIF portfolio can be generally grouped into five main investment strategies:

1. Venture Capital: such definition covers strategies targeting venture capital investments ranging between the Early and Late stage;
2. Private equity: such definition covers strategies targeting Equity and Mezzanine investments at Growth and Buyout stages and targeting Small and Medium size Enterprises (“SMEs”);
3. Private Debt: such definition covers strategies targeting direct investments in senior or uni-tranche (secured or unsecured) loans/bonds or in subordinated securities, quasi-equity and hybrid debt instruments;
4. Infrastructure: such definition covers strategies targeting committing equity capital toward tangible, physical assets, whether existing or development phase that are expected to exhibit stable, predictable cash flows over a long-term investment horizon;
5. Generalist: such definition covers strategies of one or more above categories, usually via dedicated fund-of-funds vehicle.

The five strategies follow different dynamics, and involve different risk and return profiles. The EIF portfolio currently has a balanced exposure to Venture Capital, Private Equity, Private Debt and Infrastructure, with a smaller exposure to Generalist funds.

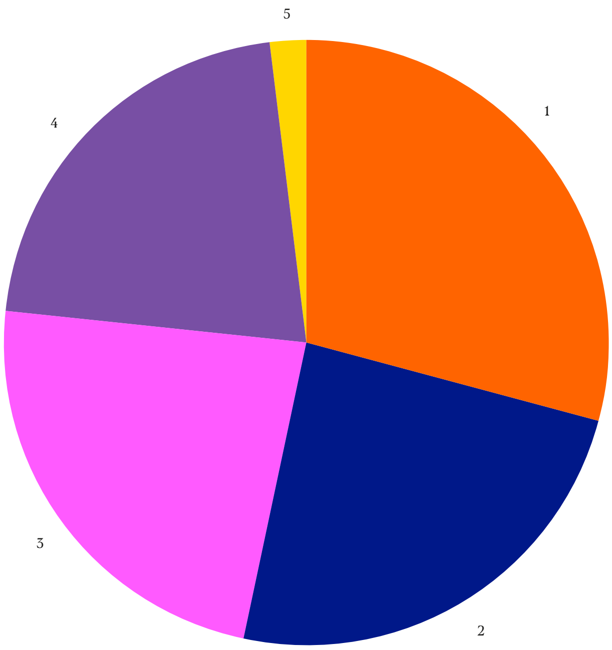
EIF Own Risk PE Portfolio: Fair Value Split by Investment Strategy as of 31.12.2023



1. Venture Capital 32.4%
2. Private Equity 22.8%
3. Private Debt 22.5%
4. Infrastructure 21.0%
5. Generalist 1.3%

(as % of the total fair value, EUR 1 799.6m)

EIF Own Risk PE Portfolio: Fair Value Split by Investment Strategy as of 31.12.2022



1. Private Debt 29.3%
2. Private Equity 24.2%
3. Venture Capital 23.4%
4. Infrastructure 21.4%
5. Generalist 1.7%

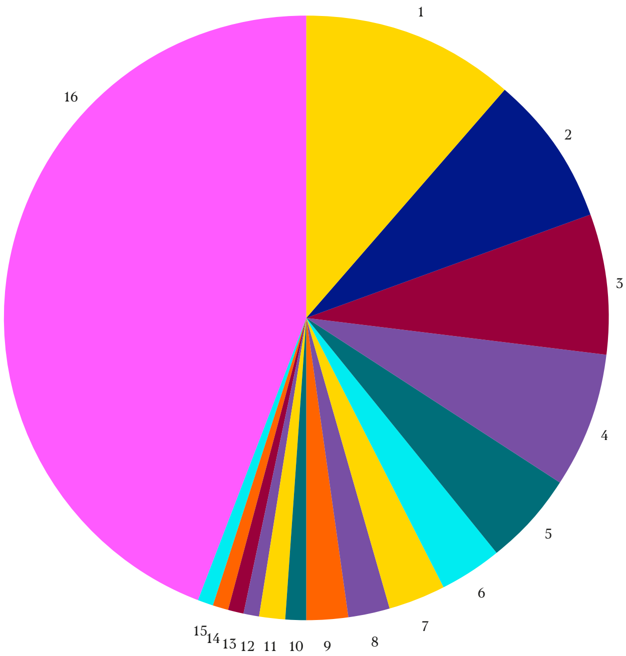
(as % of the total fair value, EUR 1 578.1m)

3.2.5.2 Geographic risk

Geographic risk is defined as the risk resulting from under/over-weighting a specific country or region. The geographic scope of the EIF PE investment activity is currently principally focused on Europe, with limited outside exposure. The resulting geographic exposure of the EIF PE portfolio is shown below:

EIF Own Risk Portfolio: Split of Investee Companies by Country of Domiciliation as of 31.12.2023

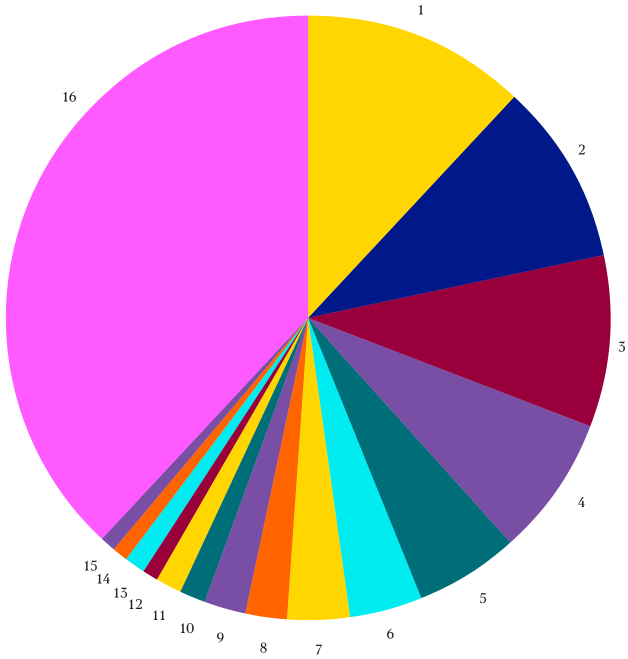
(Based on the valuation reported in the latest available report by the investee funds)



1. France 11.4%
2. United Kingdom 8.3%
3. United States 7.3%
4. Germany 7.2%
5. Spain 5.2%
6. Netherlands 3.3%
7. Italy 3.0%
8. Belgium 2.3%
9. Sweden 2.1%
10. Denmark 1.2%
11. Switzerland 1.2%
12. Ireland 1.0%
13. Finland 0.9%
14. Luxembourg 0.8%
15. Norway 0.8%
16. Others 44.0%

EIF Own Risk Portfolio: Split of Investee Companies by Country of Domiciliation as of 31.12.2022

(Based on the valuation reported in the latest available report by the investee funds)

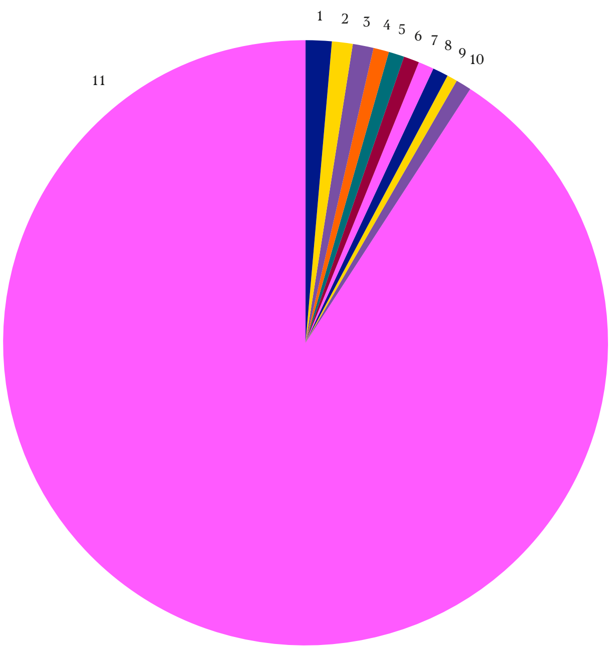


1. France 12.1%
2. United Kingdom 9.8%
3. United States 9.0%
4. Germany 7.5%
5. Spain 5.6%
6. Netherlands 4.0%
7. Italy 3.3%
8. Sweden 2.3%
9. Belgium 2.2%
10. Denmark 1.4%
11. Switzerland 1.2%
12. Finland 1.0%
13. Norway 0.9%
14. Luxembourg 0.9%
15. Ireland 0.9%
16. Others 37.9%

3.2.5.3 Fund risk

Fund risk refers to the risk of over/under-performance due to factors linked to a specific PE fund in a portfolio (e.g.: the departure of a key executive from the management team of a fund). As shown below, the EIF PE portfolio is well diversified across a large number of funds. The largest fund in the EIF's portfolio represents 1.4% of the portfolio fair value (2022: 1.6%) and the largest 10 funds represent in aggregate 9.2% (2022: 10.8%).

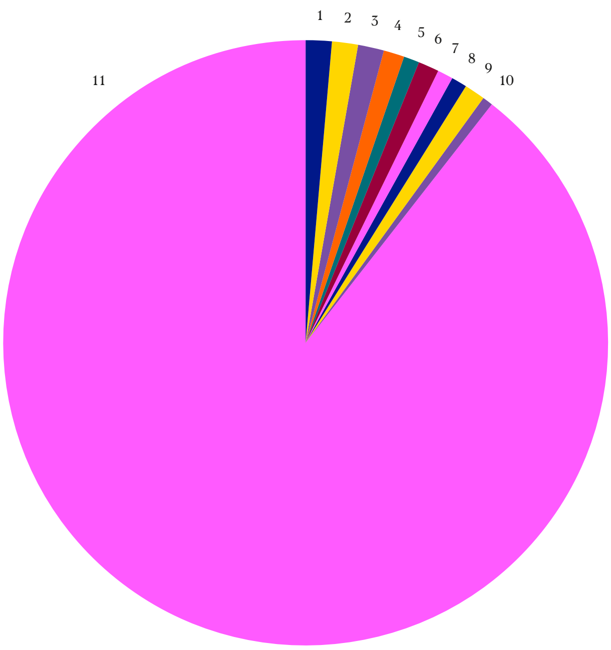
EIF Own Risk PE Portfolio: Largest PE Funds in Portfolio as of 31.12.2023
(Total funds in portfolio = 915)



1. Fund 1 - 1.4%
2. Fund 2 - 1.2%
3. Fund 3 - 1.2%
4. Fund 4 - 0.9%
5. Fund 5 - 0.8%
6. Fund 6 - 0.8%
7. Fund 7 - 0.8%
8. Fund 8 - 0.7%
9. Fund 9 - 0.7%
10. Fund 10 - 0.7%
11. Other - 90.8%

(as % of the total fair value, EUR 1 799.6m)

EIF Own Risk PE Portfolio: Largest PE Funds in Portfolio as of 31.12.2022
(Total funds in portfolio = 842)



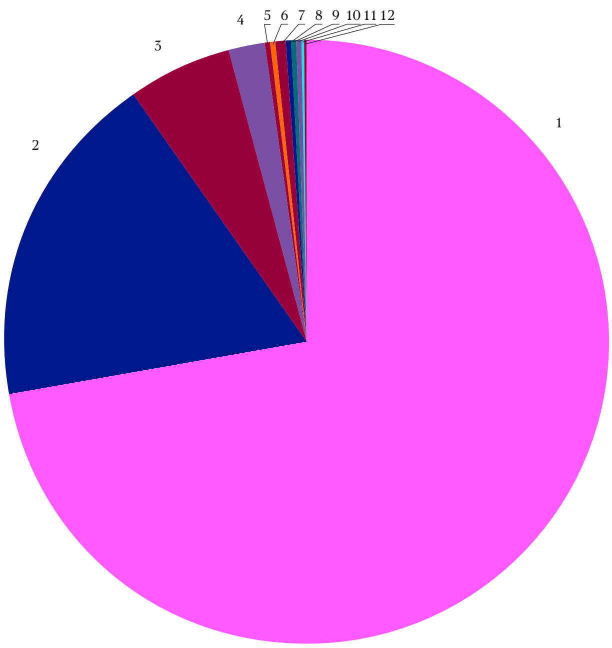
1. Fund 1 - 1.6%
2. Fund 2 - 1.4%
3. Fund 3 - 1.2%
4. Fund 4 - 1.1%
5. Fund 5 - 1.0%
6. Fund 6 - 1.0%
7. Fund 7 - 0.9%
8. Fund 8 - 0.9%
9. Fund 9 - 0.9%
10. Fund 10 - 0.8%
11. Other - 89.2%

(as % of the total fair value, EUR 1 578.1m)

3.2.5.4 Sector risk

Sector risk is defined as the risk resulting from under/over-weighting a specific sector. The largest sector exposure (excluding Generalist) of the EIF PE portfolio is to the Information and Communication Technologies and Life Science sectors. Such exposure is by design and is the result of the portfolio allocation to private equity funds.

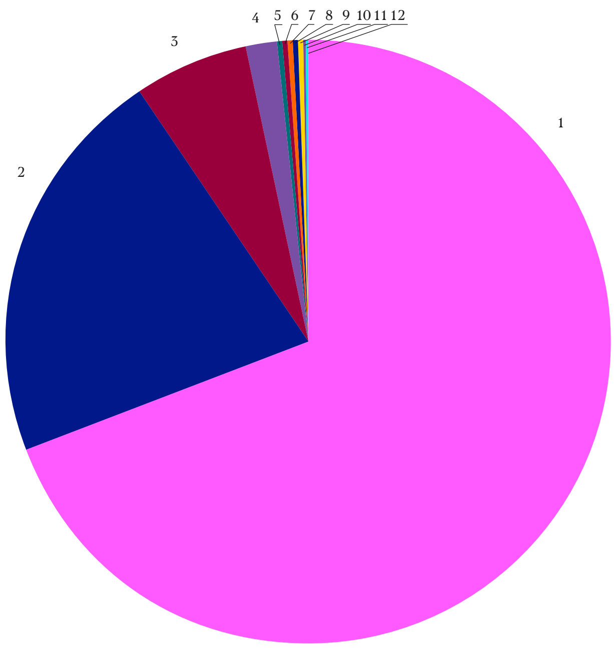
EIF Own Risk Portfolio: Fair Value Split by Sector Focus of Investee Funds as 31.12.2023



1. Generalist 72.4%
2. ICT 18.1%
3. Life Science 5.6%
4. Infrastructure 1.8%
5. Energy and Environment 0.4%
6. Consumer Products, Services and Retail 0.3%
7. Renewable Energy 0.3%
8. Business and Industrial Products and Services 0.3%
9. Financial Services 0.2%
10. Energy Efficiency 0.2%
11. Agricultural, Chemicals and Materials 0.2%
12. Cleantech/ Manufacturing 0.2%

(as % of the total fair value, EUR 1 799.6m)

EIF Own Risk Portfolio: Fair Value Split by Sector Focus of Investee Funds as 31.12.2022



1. Generalist 69.4%
2. ICT 21.4%
3. Life Science 5.9%
4. Infrastructure 1.8%
5. Financial Services 0.3%
6. Energy and Environment 0.3%
7. Consumer Products, Services and Retail 0.3%
8. Business and Industrial Products and Services 0.2%
9. Cleantech /Manufacturing 0.2%
10. Energy Efficiency 0.1%
11. Agricultural, Chemicals and Materials 0.1%
12. Renewable Energy 0.0%

(as % of the total fair value, EUR 1 578.1m)

3.2.5.5 Technology risk

PE funds investing in Venture Capital and Technology Transfer are significantly affected by technology risk, defined as the risk of successfully developing and commercialising a new technology. The earlier the stage of investment is, the higher the technology risk is. Due to its often binary nature, technology risk is difficult to model but can be effectively managed through adequate diversification.

Regarding the technology risk, the fair value of the 10 largest technology investee companies (based on the last available report) amounted to EUR 99.2m (2022: EUR 95.0m) and represented 5.5% of the fair value of the EIF PE portfolio (2022: 6.0%).

3.3 Guaranteed funded operations

3.3.1 Introduction

Guaranteed funded operations include PE investments and capacity building investment operations disbursed by the Fund on behalf of the European Union represented by the European Commission under the InvestEU Programme and that are guaranteed by the European Union represented by the European Commission under the InvestEU Programme.

The financial asset is funded via the funding line provided by EIB under the InvestEU Programme. For more details, see note 3.6.

The financial asset is composed of 2 elements as follows:

Guaranteed funded operations at fair value through profit or loss, which are initially recorded at cost and subsequently measured at FVTPL, and a guarantee arising from the InvestEU Programme in order to neutralise the fair value fluctuations in respect of the guaranteed funded operations;

Guaranteed funded operations at amortised cost, which are initially recorded at cost and subsequently measured at amortised cost, and a guarantee arising from the InvestEU Programme that is an integral component of the debt investment, meaning that it is not recognised separately.

3.3.2 Credit risk

EIF is protected by the InvestEU budgetary guarantee from the European Union represented by the European Commission whenever cash is deployed in relation to underlying transactions.

EIF is exposed to the counterparty risk that the European Union represented by the European Commission would default, which considering the strong capacity of the European Union represented by the European Commission to meet its obligations being AAA rated, is approximated to nil. In addition, the European Union represented by the European Commission, a body with a legal personality recognised by its Member States, guarantees irrevocably, unconditionally and on a demand as a primary obligor and not merely as surety to EIF, among other things, the full and punctual of funded operations call amounts.

3.3.3 Liquidity risk

EIF signed a Funding Agreement with EIB to receive the necessary funding in the context of InvestEU transactions. EIB shall provide the liquidity to EIF at any time, in EUR. EIF is protected by the InvestEU budgetary guarantee from the European Union represented by the European Commission.

3.3.4 Market risk

Market risk – Currency risk

Underlying InvestEU deals may be in EUR and non-EUR. Any realised foreign exchange loss suffered by EIF shall be reimbursed by the European Union represented by the European Commission, meaning that there is ultimately no currency risk for EIF.

Market risk – interest rate risk

The value of Guaranteed funded operations at FVTPL is not subject to interest rate, meaning that there is ultimately no interest rate risk for EIF.

The value of Guaranteed funded operations at AC is subject to interest rate. Any interest collected by EIF shall be reimbursed to the European Union represented by the European Commission, meaning that there is ultimately no interest rate risk for EIF.

Market risk – valuation risk

Valuation risk is the risk that EIF suffers a loss when trading the asset due to a difference between the accounting value and the price effectively obtained in the trade. Considering the fact that EIF is protected by the InvestEU budgetary guarantee from the European Union represented by the European Commission, there is ultimately no valuation risk for EIF.

3.4 Portfolio Guarantees and Securitisation ("G&S")

3.4.1 Introduction

The EIF has developed a set of tools for its G&S business to measure credit risk and to analyse and monitor portfolio guarantees and structured finance transactions in line with common market practices.

Assets arising from financial guarantees are included within Financial guarantees. Liabilities arising from financial guarantees are included within Provisions for financial guarantees.

3.4.1.1 Credit risk measurement

The estimation of credit exposure on the G&S portfolio is complex and requires the use of models in which not all input parameters may be observable in the market. In particular, there is a reliance on the estimations for the underlying portfolio of the likelihood of different levels of defaults occurring, the timing of defaults, and their associated losses, which often depend strongly on the correlation between obligors. The exposure can vary with changes in market conditions, expected cash flows and the passage of time. The EIF measures credit risk on the G&S portfolio using Exposure at Default ("EAD") and an internal rating system based on Expected Loss ("EL") and Weighted Average Life ("WAL").

3.4.1.2 Credit risk grading

EIF uses an internal rating system that reflects its assessment of the Expected Loss of an individual its exposure over the WAL of that exposure. In each case both the EL and WAL are calculated using a probability weighted average of the outcomes of large number of scenarios. Where the internal rating is particularly sensitive to model inputs an override may be applied to cap the rating to ensure the assigned internal rating is robust to small perturbations of the assumptions.

The internal rating models are tailored to each specific transaction with two primary models in use. The principal determinant of which model is used is the granularity of the obligor exposures in the underlying portfolio which then determines whether the EIF considers that reliable estimates of performance can be achieved through a consideration of the characteristics of the aggregated portfolio or whether idiosyncratic risk can play a significant part in the attribution of losses to the EIF exposure.

EIF Risk Management has developed detailed guidelines on the derivation of inputs to the internal models based on transaction experience and benchmarking to industry/literature practises, however, there remains reliance on the use of expert judgement given the range of counterparties, products, structures and jurisdictions that the policy objectives of the EIF can trigger.

The EIF applies a rating scale ranging from iAaa, for the highest investment grade exposures, down to iCaa3, for the weakest non-defaulted positions, and iCa which is considered as a Non Performing Exposure under internal procedures. The EIF scale is calibrated with the intention of mapping directly to the equivalent expected loss rating of Moody's. The risk management activity can be split into two parts: an initial risk assessment and ongoing risk monitoring.

3.4.1.3 Initial risk assessment

In the context of the independent opinion process, RM reviews the investment proposal provided by EIG in accordance with the EIF's internal rules and procedures. This review includes a detailed analysis of the risks related to the new G&S transaction, as well as the independent calculation of the relevant risk parameters (internal rating, PD, RR, EL, etc. as appropriate) following the EIF's internal methodologies. A transaction is only eligible for investment if, at the time the EIF enters into the transaction, the assigned internal rating is in the range of iAaa-iB2 (iAaa and iB2 are mapped to Moody's Aaa and B2, respectively).

The EIF assigns an internal rating to each new transaction to estimate the credit quality based on an expected loss concept. The EIF's internal rating is based on quantitative and qualitative analyses. The following quantitative factors are examples of variables having an impact on the determination of the EIF's internal rating: weighted average rating of the underlying portfolio and volatility of the default rates distribution, weighted average life of transaction, possible loan portfolio performance triggers, available credit enhancement, timing of defaults, expected recovery rates and its volatility, and level of diversification in the underlying pool of assets. The credit risk estimation also takes into account various qualitative factors, such as: reliability and completeness of the available data, size, quality and time horizon of the statistical samples, discontinuity in the origination criteria and servicing procedures, macro-economic effects.

To allocate capital for an EIF guaranteed tranche, EIF computes the economic capital allocation rates based on its internal guidelines, which follow a conservative approach that define a minimum level of capital that needs to be allocated to EIF investments and operations to target a 1-year 99.99% level of confidence that investment/ operational losses can be absorbed. The rating used to calculate the economic capital allocation is the EIF internal rating.

3.4.1.4 Ongoing risk monitoring

The performance of a transaction is reviewed regularly – at least on a quarterly basis. Information on the amortisation of the portfolio, realised default levels, recovery rates is gathered for each transaction based on monthly or quarterly external reports. This information is then used to feed the point-in-time credit risk model every quarter, to generate expected losses (for guarantee transactions) and fair value assessments (for cash investments in ABS transactions) used for the IFRS 9 reporting. In addition, the through the cycle model for EIF's Internal Rating is run on trigger breach basis, as detailed below. The process was updated in 2023 to include a provision for EIF Internal Rating models to be re-run at least annually, in addition to the performance related triggers, and started to be deployed on a subset of transactions. This latter model review leads to a revision of the risk assumptions for the EIF internal rating going forward, as well as for the point-in-time credit risk model going forward.

EIF's surveillance triggers take into account elements such as the level of cumulative defaults, the credit enhancement and any rating actions by external rating agencies, if applicable.

In case of breach of such triggers and depending on the magnitude and expected consequence(s) of such a breach, a transaction can either change its status (e.g. Under Review, Positive or Negative Outlook) or a model re-run is initiated to reassess EIF's internal rating. Officers within RM submit to the relevant Investment Risk Committee ("IRC") the changes in monitoring status for transactions and/or propose an EIF model re-run. Permission to carry out the EIF's rating model re-run may also be requested from the IRC before an EIF's trigger is breached (upon request by EIG or RM) when other circumstances suggest that the EIF's internal rating may already be affected.

Transactions flagged Under Review, Negative Outlook or Positive Outlook are closely scrutinised for a possible breach of EIF's surveillance triggers, as they have the potential to trigger a model re-run and an internal rating action proposal, which in turn could impact the expected loss.

The following table provides an overview of the status of the EIF's guarantee transactions in terms of Exposure at Risk:

Transaction status

31.12.2023	EUR	%
Defaulted	9 685 489	0.1%
Under review	225 963 792	2.5%
Performing	8 703 851 449	97.1%
Positive outlook	27 362 974	0.3%
Total Exposure at Risk	8 966 863 704	100.0%

31.12.2022	EUR	%
Defaulted	9 685 489	0.1%
Under review	739 699 233	7.8%
Performing	8 569 838 396	90.7%
Positive outlook	131 439 249	1.4%
Total Exposure at Risk	9 450 662 367	100.0%

The surveillance activity includes the following tasks:

- checking compliance of the counterparties with any relevant contractual covenants and triggers,
- assessing the evolution of an operation's performance compared to estimates set prior to its signature (e.g. actual cumulative default rate is compared to a given predetermined threshold level or default base case scenario),
- following up on any external rating agencies' actions (if applicable) that might indicate a substantial change in the performance of the underlying portfolio,
- monitoring any other element of concern which calls for additional scrutiny (e.g. negative news regarding the servicer or originator),
- presenting potential status changes or rating actions to the relevant IRC, if necessary,
- assessing the staging and the expected credit loss for financial guarantee transactions,
- assessing the expected credit loss and the fair value for ABS investments in line with IFRS 9.

The restructuring activity is carried out by professionals within RM. RM is in charge of proposing, during the IRC, the assignment of a Work Out Case status ("WOC") to a transaction, whenever there is a high likelihood that a loss may arise for the EIF and that specific actions may be taken to avoid or minimise such loss - typically for underperforming deals. The assignment of a WOC status can be also proposed by EIG or decided by the IRC Chair during the IRC meeting.

The overall goal of a dedicated management of WOC status transactions is to minimise the loss, which may arise from the deterioration of the performance of such transactions.

3.4.1.5 Expected credit loss measurement

IFRS 9 outlines a three-stage model for impairment based on changes in credit quality since initial recognition that leads to change in expected credit loss ("ECL") measurement as summarised below:

- Stage 1: not credit impaired on initial recognition – measured using 12-month (12M) ECL;
- Stage 2: a significant increase in credit risk ("SICR") since initial recognition but not credit-impaired – measured using lifetime ECL;
- Stage 3: instrument is credit-impaired – measured using lifetime ECL.

3.4.1.5.1 *SICR – Stage 2 exposures*

The following re-staging attributes are used to determine whether an SICR, and hence a transition from stage 1 to stage 2, has occurred and described in further detail thereafter:

ID	Re-staging attribute
1	Re-classification as an Early Warning Signal (EWS) transaction with Red or Amber outlook
2	Watch-listing
3	For guarantees only: guarantee fee payment delinquency > 30 days past due
4	For non-investment grade exposures: 3 notch or higher internal rating downgrade compared to the initial internal rating assigned and the current rating is below iBaa3

EWS transaction with Red or Amber outlook: specific triggers that relate to underperformance (short of a default event) belonging to one of the following categories:

1. Cash flow;
2. Accounting;
3. Rating action;
4. Event resolution;
5. Business continuity.

Examples of EWS events include but are not limited to:

- Creation of a Stage 3 provision;
- Internal rating downgrade of two or more notches (compared to initial rating) to iBa3 or below, or downgrade of one or more notches (compared to initial rating) to iB1 or below;
- Negative credit enhancement of securitisation exposure;
- Servicer/originator affected by a recovery plan/ corrective measures or bankruptcy;
- Activation of a back-up servicer.

Watch-listing: the following criteria are used for Watch-listing:

Initial Expected Loss	Current Expected Loss	Additional Criteria to be met	Removal from Watch-list
Is 2% or lower	Is higher than 2%	None	Expected loss reduces below 2%
Is higher than 2% and less than 3%	Is higher than or equal to 3%		
Is higher than 3% and less than 5%	Is higher than or equal to 5%		
Is higher than 5% and less than 7%	Is higher than or equal to 7%		
Is higher than 7% and less than 10%	Is higher than or equal to 10%	“Material credit event” diagnosed	Either condition is no longer satisfied.
Is higher than 10% and less than 15%	Is higher than or equal to 15%		
Is higher than 15% and less than 20%	Is higher than or equal to 20%		
Is higher than 20% and less than 25%	Is higher than or equal to 25%		
Is higher than 25%	Is higher than 25%	None	Expected loss reduces below 25%

Whenever the SICR event no longer applies, an exposure can return from Stage 2 to Stage 1.

3.4.1.5.2 *Non Performing Exposures – Stage 3 exposures*

Transition to stage 3 is governed by the classification as a Non Performing Exposure (“NPE”).

NPE transaction: specific triggers that relate to underperformance (short of a default event) belonging to one of the following categories:

1. Cash flow;
2. Accounting;
3. Rating action;
4. Event resolution;
5. Business continuity.

Examples of NPE criteria include but are not limited to:

- Counterparty is overdue more than 90 calendar days on any material credit obligation;
- Impairment is made (cash positions);
- Internal rating downgrade to iCa or below;
- External rating downgraded to default status;
- Restructuring of obligation to avoid a default;
- In relation to a cash investment, EIF accelerates all or part of its investment following a contractual event of default;
- In relation to a guarantee, EIB/EIF purchases (part of) a tranche from the beneficiary in lieu of a future guarantee payment;
- Breach of material financial covenant(s) remaining unresolved (or not waived) for more than 12 months;
- In relation to a Diversified Payment Rights (DPR) transaction, the counterparty refers to the bank providing second recourse for the ABS notes. In such case, the counterparty has sought or has been placed in pre-insolvency/restructuring proceedings, insolvency, administration, receivership, bankruptcy or similar protection. In addition, for banks, this condition occurs when a recovery plan was activated, the bank is under resolution or is required to "bail-in" other creditors;
- In relation to a DPR transaction, where the counterparty is a regulated entity, a permanent and full revocation of authorisation to perform regulated activities by the national regulator;

- Other triggers as assessed on an individual basis by risk analysts.

Lifetime ECLs are the ECLs that result from all possible NPE over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which EIF is exposed to credit risk. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). Financial instruments for which a 12-month ECL is recognised are referred to as "Stage 1" financial instruments. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as "Stage 2" financial instruments. Financial instruments for which a lifetime ECL is recognised and which are credit-impaired are referred to as "Stage 3" financial instruments. Stage 3 exposures can return to Stage 2 or Stage 1 once no IDE event remains applicable.

3.4.1.5.3 Measuring ECL

The Expected Credit Loss is measured on either a 12M or lifetime basis depending on the staging of the exposure in question determined in accordance with the procedure above.

The G&S portfolio consists predominantly of securitisation exposures with an underlying asset pool of a highly diversified nature in which the EIF position is initially protected by a layer of credit enhancement in the form of subordination or over-collateralisation that provides a buffer to cover some multiple of the expected losses on the portfolio.

Since, under the base case assumptions it would be expected that the ECL 12M and lifetime would generally be zero, for Stage 1 and Stage 2 exposures, EIF calculates the ECL by applying a probability weighted scenario analysis to the performance of these exposures. As losses are often not applied directly as write-downs, or may only be applied sometime after the corresponding assets have defaulted, EIF further calculates ECL values based on a discounted measure of the under-collateralisation of the exposure with a positive ECL being registered if the EIF exposure becomes uncollateralised at any point over the measurement horizon (12M or lifetime).

The cash flow model for ECL calculation is tailored to each specific transaction, projects exposures and cash flows forwards for the transaction lifetime, and is updated on a quarterly basis to reflect current transaction conditions and forward-looking information. Data on current transaction conditions is updated based on information provided in servicer reports and any other information available to EIF from time to time. Fields that can be updated based on servicer reports typically include *inter alia*:

- Outstanding tranche balances;
- Outstanding asset balances: bank and reserve accounts, performing collateral, delinquent collateral (30+, 60+, 90+), defaulted balance;
- Cumulative default and loss rates;
- Status of performance triggers;
- Prepayment rates.

Where model input fields related to current transaction conditions cannot be updated based on reported information directly, values are re-normalised from quarter-to-quarter based on the passage of time. This procedure may be applied to portfolio amortisation assumptions in the absence of granular information. Assumptions related to future performance, particularly asset pool mean cumulative default rate and prepayment rates, blend initial assumptions and actual performance, giving greater weight to actual performance as seasoning increases. The cumulative default rate assumption is also influenced by the forward-looking information.

The ECL values are taken directly from the model implying the Exposure at Default ("EaD"), Probability of Default ("PD") and Loss Given Default ("LGD") of each exposure are aggregated in a complex scenario dependent manner.

3.4.1.5.4 Forward-looking information

In addition to reproducing the current transaction conditions, the ECL and determination of a SICR is based on projections, which incorporate certain forward-looking information, which are updated on a quarterly basis.

The following forward-looking information is included in the model:

- Macro-economic projection based on Gross Domestic Product (hereafter "GDP") – provided by the Economics department of the European Investment Bank on a quarterly basis;

Risk-free interest rate forward curve – updated from Bloomberg on a monthly basis.

GDP projections are provided for EU countries. The EIF also uses a further curve to cater for the limited non-European exposure. The projection most relevant to the exposure jurisdiction is used to determine an adjustment to the mean cumulative default curve based on historical data. Where more than one region is relevant to a transaction the overall adjustment is calculated by weighting the adjustment of each regional share.

The risk-free rate impacts the model through a change on both cash flows due under the structure to which EIF is exposed, since assets and/or liabilities incorporate floating-rate instruments, and through the discounting in the ECL calculation.

Sensitivity Analysis: of these parameters, the GDP is the most significant assumption affecting the ECL allowance due to the direct impact on the performance of the underlying companies.

3.4.2 Credit Risk

The maximum principal exposure to credit risk (not including possible guarantee calls on interest shortfalls or foreign currency fluctuations) corresponds to the Exposure at Risk as of 31 December 2023 of EUR 8 966.9m (2022: EUR 9 450.7m).

The credit risk is managed by risk management policies covered by the statutes and the EIF Credit Risk Policy Guidelines.

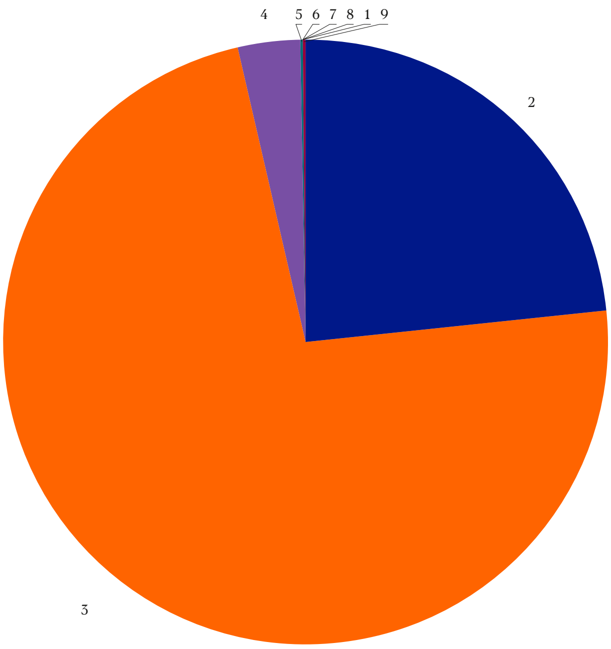
The statutes of the EIF limit guarantee operations to five times the subscribed capital, as per amendment approved by the Board of Directors (2022: five times). This amounted to EUR 7 370m at year-end 2023 (2022: EUR 7 300m). Hence, the EUR 8 966.9m Exposure at Risk at year-end 2023 (2022: EUR 9 450.7m), together with the funded exposure of EUR 534.5m in respect of ABS investments (2022: EUR 402.8m) was below the statutory limit of EUR 36 850m (2022: EUR 36 500m).

The EIF Credit Risk Policy Guidelines ensure that the EIF continues to develop a diversified G&S portfolio with regard to credit quality, geographic coverage, concentration risk, obligor exposure and counterparty risk.

The credit risk is tracked from the outset on a deal-by-deal basis by adopting a different model analysis depending on the granularity and homogeneity of the underlying portfolio.

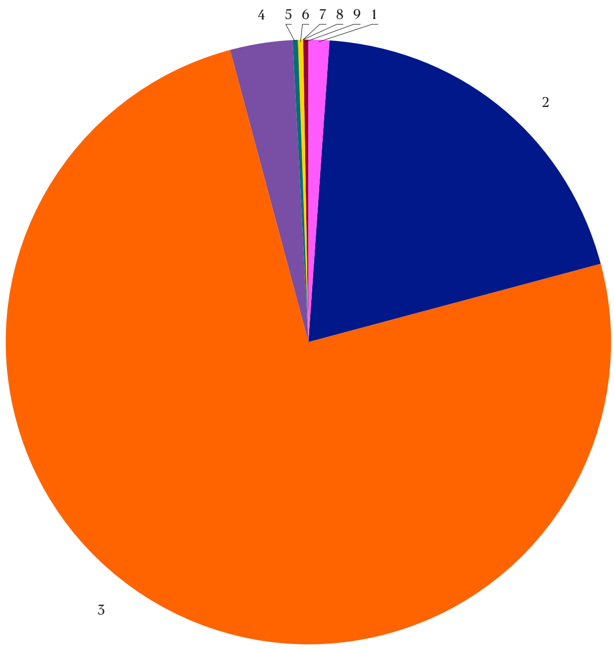
The below tables show the split of the financial guarantees in terms of credit quality using Exposure at Risk (based on the EIF's Internal Rating approach):

% of Exposure at Risk as of 31.12.2023 (EUR 8 966.9m)



1. Aaa 0%
2. Aa 23.6%
3. A 73.0%
4. Baa 3.2%
5. Ba 0.1%
6. B 0.0%
7. Caa 0.0%
8. Ca 0.0%
9. C 0.1%

% of Exposure at Risk as of 31.12.2022 (EUR 9 450.7m)



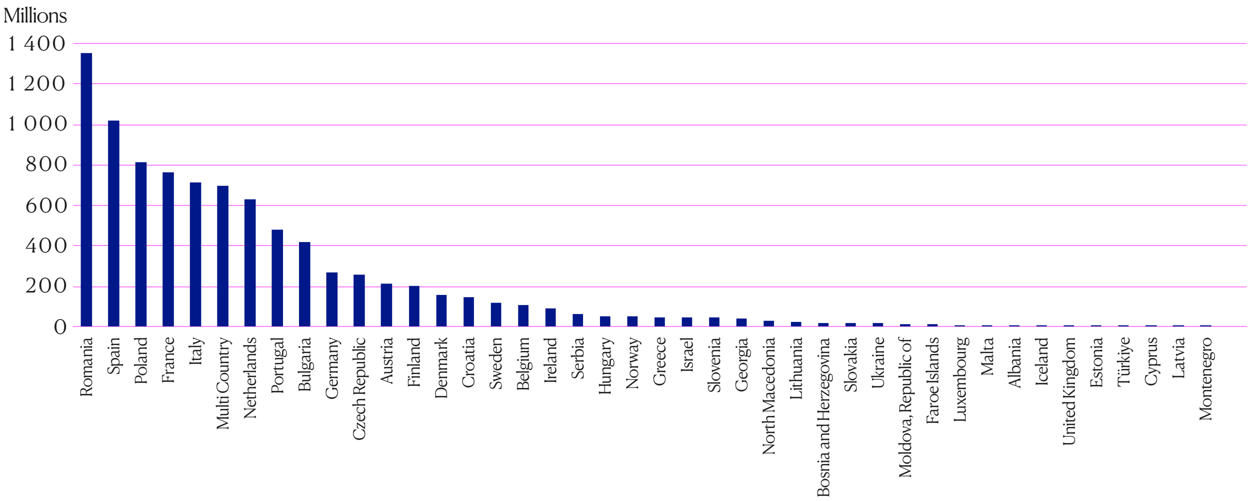
1. Aaa 1.2%
2. Aa 19.7%
3. A 75.2%
4. Baa 3.2%
5. Ba 0.4%
6. B 0.2%
7. Caa 0.0%
8. Ca 0.0%
9. C 0.1%

3.4.2.1 Geographic Coverage

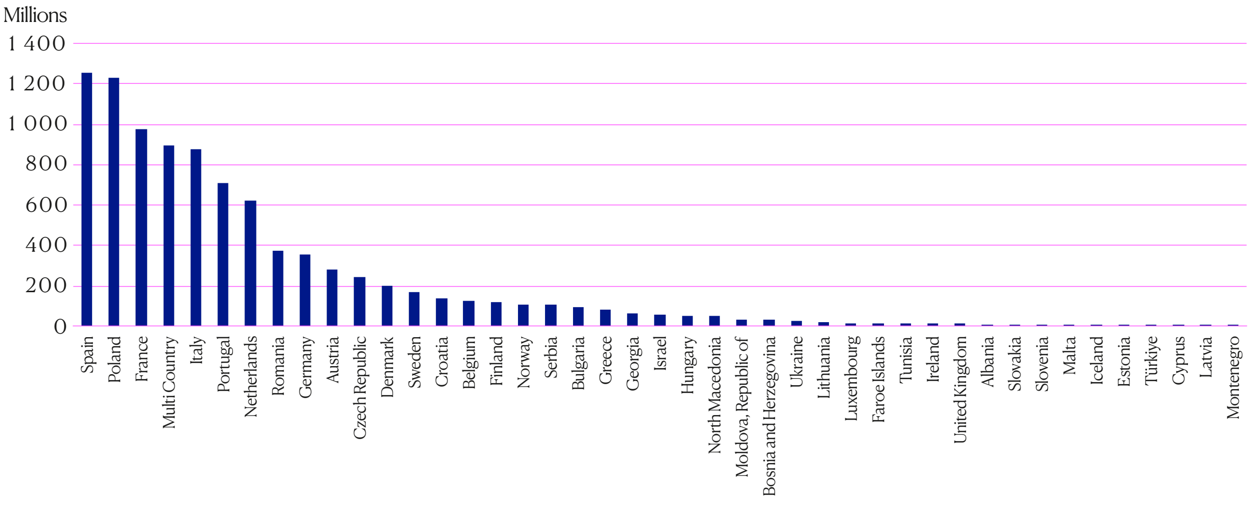
As of 31 December 2023, the EIF's financial guarantees were spread over 41 countries (2022: 40 countries).

The tables below show the geographic distribution of the EIF's financial guarantees for Exposure at Risk (EUR 8 966.9m as of 31 December 2023 and EUR 9 450.7m as of 31 December 2022) showing that the largest weight is to Romania with 15.0% (2022: Spain 13.2%), followed by Spain with 11.4% (2022: Poland 12.9%) and Poland with 9.1% (2022: France 10.3%).

Exposure at Risk as of 31.12.2023 (EURm)



Exposure at Risk as of 31.12.2022 (EURm)



3.4.2.2 Concentration risk

To limit the concentration risk in the portfolio, the EIF has internal limits based on maximum exposure and capital allocation both at individual transaction and originator level. Transaction limits define maximum possible exposure dependent on underlying rating and Weighted Average Life ("WAL"). Originator group limits constrain the exposure within the same country per originator group by considering the group rating. Concentration risk on a deal-by-deal basis is also limited because of the granular nature of the EIF's transactions; typically, the underlying portfolios are highly diversified in terms of single obligor concentration, industry sectors and regional diversification.

3.4.2.3 Industry sector exposures

The industry sector exposures are analysed on a deal-by-deal basis through their impact on the ratings assigned by the EIF to each transaction/ tranche. For instance, depending on the financial model used to analyse the transaction, industry exposures can be reflected in implicit correlation or can be indirectly captured based on assumption of default rate volatility, as a key model input variable.

3.4.2.4 Counterparty risk

Counterparty risk in the own resources portfolio is mitigated by the quality of the EIF counterparties, which are usually major market players, and by rating triggers on the counterparty which require, in case of breach, actions such as substitution of the counterparty or collateralisation of its obligation. Another key mitigant of the counterparty risk is the general use of structures with a true sale of assets (for the cash flow transactions). Additionally, interruption of servicing is alleviated by the set-up of a back-up servicer agreement in securitisation deals.

3.4.3 Liquidity risk

The nature of the EIF's G&S business implies in general a low level of liquidity risk. Furthermore, the EIF's treasury guidelines (see note 3.5.1) ensure a high degree of liquidity to cover potential guarantee calls arising from the G&S activity.

The following table shows an analysis of the Exposure at Risk for financial guarantees split by the expected maturity dates of the transactions to which they are related:

	Expected maturity of guarantee			
Exposure at Risk (EUR)	3 months to 1 year	1 year to 5 years	More than 5 years	Total
As of 31.12.2023	298 993 764	1 900 586 996	6 767 282 944	8 966 863 704
As of 31.12.2022	502 961 666	2 294 581 096	6 653 119 605	9 450 662 367

3.4.4 Market risk

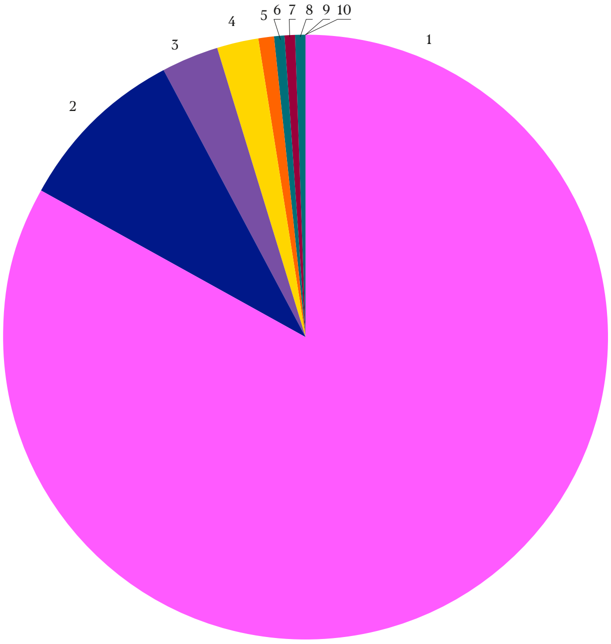
3.4.4.1 Market risk: Interest rate risk

The value of guarantee transactions is not subject to fluctuations with interest rates as long as a transaction is performing. However, transactions for which the EIF is being called on interest are typically generating exposure to short-term interest rates through the coupon definition of the guaranteed tranche.

3.4.4.2 Market risk: Foreign currency risk

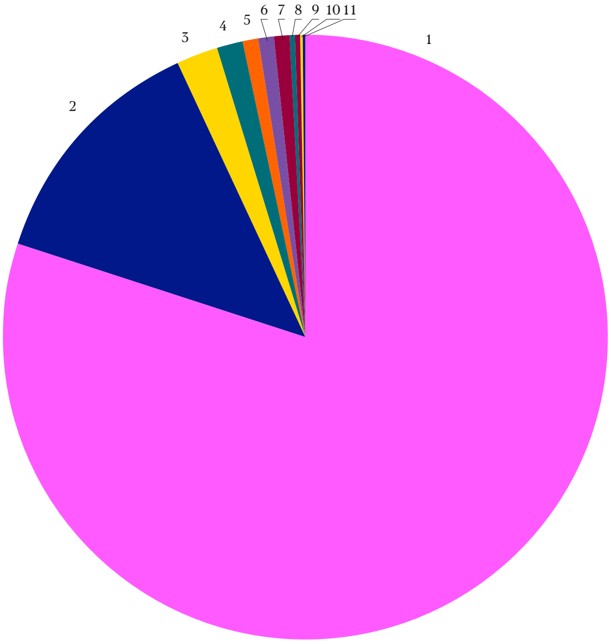
The split by currency for the EIF guarantees using Exposure at Risk is as follows:

% Exposure at Risk as of 31.12.2023 (EUR 8 966.9m)



1. EUR 83.3%
2. PLN 9.1%
3. RON 2.9%
4. DKK 2.3%
5. SEK 0.9%
6. NOK 0.6%
7. USD 0.5%
8. CZK 0.4%
9. HUF 0.0%
10. GBP 0.0%

% Exposure at Risk as of 31.12.2022 (EUR 9 450.7m)



1. EUR 80.2%
2. PLN 13.0%
3. DKK 2.3%
4. NOK 1.2%
5. SEK 1.0%
6. RON 0.9%
7. USD 0.6%
8. CZK 0.4%
9. TND 0.2%
10. GBP 0.1%
11. HUF 0.1%

The following table shows the impact on the financial guarantees position regarding a 15% increase/decrease in the currency rate for currencies representing more than 5% of the total exposure:

31.12.2023

Currency	Exposure at Risk (EUR)	Impact increase	Impact decrease
PLN	812 233 193	(105 943 460)	143 335 269

31.12.2022

Currency	Exposure at Risk (EUR)	Impact increase	Impact decrease
PLN	1 227 056 789	(160 050 886)	216 539 433

The EIF is monitoring its non-euro financial guarantees and performs regular stress tests with regard to currency risk.

3.4.4.3 Market risk: Other price risk

EIF's G&S transactions are not sensitive to price risk.

3.5 Debt investments

Debt investments are classified either at amortised cost, which corresponds to the treasury portfolio and the microfinance loans detailed in sections 3.5.1 and 3.5.2 respectively, or at fair value through profit or loss, which corresponds to the ABS Investments detailed in section 3.5.3.

For debt investments at amortised cost, the expected credit loss allowance is measured using the inputs, assumptions and techniques described below.

Lifetime ECL measurement applies to stage 2 and stage 3 assets, while 12-month ECL measurement applies to stage 1 assets.

The expected credit losses were calculated based on the following variables:

- Probability of default ("PD"),
- Loss Given default ("LGD"),
- Exposure at default ("EAD").

The probability of default represents the likelihood of a counterparty defaulting on its financial obligation, either over the next 12 months, or over the remaining lifetime of the obligation. PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures.

Ratings are the primary input in the determination of the term structure of probability of default for exposures. The EIF collects performance and default information about its credit risk exposures. The collected data are segmented by type of industry and by type of region. Different industries and regions reacting in a homogenous manner to credit cycles are analysed together.

The EIF employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

The loss given default represents the EIF's expectation of the ratio of the loss on an exposure due to the default of a counterparty to the amount outstanding at default. Loss given default can be also defined as "1 - Recovery Rate". LGD estimates are determined mainly by geography and by type of counterparty, with five main exposure classes:

Sovereigns, Public Institutions, Financial Institutions, Corporate and Project Finance. LGD values can be further adjusted based on the product and contract specific features of the exposure.

The EIF incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of expected credit losses.

For the measurement of ECL, the EIF has developed a conditional modelling approach for calculating PD term structures involving:

- the definition of an economically reasonable link function between the credit cycle, and
- a set of three macro-economic scenarios (one baseline and two symmetrical ones) with each of them attributed a certain realisation probability and with GDP growth rate as a variable.

The EAD represents the expected exposure in the event of a default EAD and is based on the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract.

3.5.1 Treasury portfolio

3.5.1.1 Introduction

Treasury management of the long-term treasury portfolio has been outsourced to the EIB under a treasury management agreement mandating the EIB services to perform selection, execution, settlement and monitoring of transactions. Management follows treasury guidelines annexed to the agreement, which define the EIF's intention to hold the treasury portfolio to maturity, reflect the investment strategy, and mirror closely the relevant sections of the EIB's own treasury guidelines. Quarterly meetings between the EIB and the EIF take place to review the performance of the treasury portfolio, relevant market events and to discuss any adjustment to be approved by the EIF in relation to the annual investment strategy.

Additionally, the Asset & Liquidity Committee ("ALC") analyse liquidity issues of strategic relevance with the objective of maintaining the balance between risk and return objectives. As part of its responsibilities, the ALC advise on the management of the EIF treasury portfolio entrusted to the EIB for management.

3.5.1.2 Portfolio overview

The Cash and cash equivalents and the Treasury portfolio are broken down as follows:

	31.12.2023 EUR	31.12.2022 EUR
Current accounts	446 402 582	325 872 951
Money market instruments and short-term securities	367 402 268	126 716 425
Long-term bank deposits	118 991 131	98 164 140
Long-term portfolio	2 233 153 772	2 326 520 377
Total Cash and cash equivalents and Treasury portfolio	3 165 949 753	2 877 273 893

3.5.1.3 Credit Risk

The Fund is mainly exposed to credit risk relating to its assets held in the treasury portfolio. However, the EIF adheres to conservative credit investment guidelines and internal limits by selecting sound counterparties and issuers with a minimum rating at the outset set above investment grade. The EIF considers that the credit risk on treasury portfolio has not increased significantly since initial recognition due to the inherent low credit risk.

Consequently, the loss allowances relating to treasury assets measured at amortised cost are determined at an amount equal to 12-month ECL.

For each portfolio, the eligibility criteria for counterparties are fixed according to their nature, to their credit quality (as measured by their external credit ratings) and to their own funds.

As at 31 December 2023 and 2022, all investments in the treasury portfolio are denominated in EUR.

The following table shows the maximum exposure to credit risk:

	2023 EUR	2022 EUR
Cash and cash equivalents	813 804 850	452 589 376
Treasury portfolio	2 352 144 903	2 424 684 517
Total Credit Risk Exposure	3 165 949 753	2 877 273 893

Cash and cash equivalents include current accounts and money-market instruments and short-term securities. According to the EIF Liquidity Bank Credit Risk Eligibility Guidelines, they are made with financial institutions having a minimum rating of BBB/Baa2/BBB and F2/P-2/A-2 by Moody's, S&P and Fitch as applicable.

The long-term bank deposits are placed using the same guidelines with financial institutions having a minimum rating of BBB/Baa2/BBB and F2/P-2/A-2 by Moody's, S&P and Fitch as applicable.

The following tables outline the credit quality of the Fund's Long-term portfolio (not including long-term bank deposits) as of 31 December 2023 and 2022, based on external ratings and ECL:

Credit Risk Exposures by external rating

(Based on gross carrying amount)

	2023			
(in EUR)	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Long-term portfolio				
Aaa	407 806 127	0	0	407 806 127
Aa1	51 077 585	0	0	51 077 585
Aa2	62 591 498	0	0	62 591 498
Aa3	354 476 118	0	0	354 476 118
A1	118 518 863	0	0	118 518 863
A2	294 040 310	0	0	294 040 310
A3	420 961 766	0	0	420 961 766
Baa1	167 107 536	0	0	167 107 536
Baa2	306 456 408	0	0	306 456 408
Baa3	51 076 574	0	0	51 076 574
Loss allowance	(959 013)	0	0	(959 013)
Carrying amount at 31 December 2023	2 233 153 772	0	0	2 233 153 772

Credit Risk Exposures by external rating
(Based on gross carrying amount)

	2022			
(in EUR)	12-month ECL	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	Total
Long-term portfolio				
Aaa	407 308 754	0	0	407 308 754
Aa1	34 746 006	0	0	34 746 006
Aa2	263 464 846	0	0	263 464 846
Aa3	207 710 721	0	0	207 710 721
A1	75 929 639	0	0	75 929 639
A2	310 789 570	0	0	310 789 570
A3	361 711 073	0	0	361 711 073
Baa1	284 432 045	0	0	284 432 045
Baa2	365 780 507	0	0	365 780 507
Baa3	15 090 452	0	0	15 090 452
Loss allowance	(443 236)	0	0	(443 236)
Carrying amount at 31 December 2022	2 326 520 377	0	0	2 326 520 377

A breakdown of the credit risk exposure per country is given in the table below with a distinction between bonds issued by EU sovereigns and bonds issued by corporate entities and non-EU sovereigns.

	31.12.2023	31.12.2022
EU sovereigns		
Belgium	10 019 051	10 030 775
Bulgaria	40 120 817	40 679 417
European Union	5 009 378	5 006 303
France	50 283 389	59 881 275
Germany	10 099 423	19 138 901
Hungary	16 477 803	16 631 102
Italy	29 884 663	29 762 033
Lithuania	31 326 131	31 202 302
Poland	76 606 529	61 782 627
Portugal	47 026 758	47 097 761
Republic of Latvia	14 794 661	19 983 978
Slovakia	8 001 782	7 993 910
Slovenia	39 316 649	39 381 456
Spain	43 176 597	50 531 236
Total EU sovereigns	422 143 631	439 103 076

	31.12.2023	31.12.2022
Corporate bonds and non-EU sovereign		
Australia	42 925 064	43 062 540
Austria	59 074 930	59 109 799
Belgium	15 489 471	23 993 905
Canada	73 140 268	73 133 168
Chile	50 494 380	50 967 119
Côte d'Ivoire	6 000 245	5 993 193
Denmark	22 019 494	40 061 186
Estonia	0	3 701 767
European Union	4 484 899	0
Finland	20 911 979	22 739 888
France	255 178 380	254 375 846
Germany	144 369 055	171 192 108
Iceland	49 482 882	49 649 651
Ireland	20 487 201	20 486 633
Italy	28 816 658	28 786 031
Japan	119 066 506	119 056 983
Lithuania	3 317 068	3 367 665
Luxembourg	3 011 740	3 006 085
Mexico	18 136 684	18 198 785
Netherlands	55 908 402	35 505 267
New Zealand	2 205 553	2 227 197
Norway	52 708 647	55 779 560
Philippines	0	10 010 981
Poland	6 295 915	0
Republic of Korea	75 417 197	77 493 146
Singapore	12 410 513	12 413 726
Spain	200 763 104	199 997 610
Sweden	42 647 870	37 797 385
Switzerland	36 086 372	36 046 308
United Kingdom	128 834 734	155 541 351
United States	193 250 499	204 826 180
Venezuela	68 074 431	68 896 238
Total Corporate bonds and non-EU sovereign	1 811 010 141	1 887 417 301
Total	2 233 153 772	2 326 520 377

As of 31 December 2023, the EIF long-term treasury portfolio was spread over 35 countries (2022: 37 countries). The highest individual country exposures were France, Spain, United States, Germany, and United Kingdom, which jointly represented 46% of total nominal value (2022: the same countries represented 48% of the long-term treasury portfolio).

As of 31 December 2023, the exposure to Republic of Korea, as country of risk, was composed of 1 bond issued by a government-owned entity, 6 covered bonds issued by financial institutions, in Venezuela, 3 bonds issued by a Venezuelan-based Supranational, in Chile, 3 sovereign bonds, and in Ivory Coast 1 bond issued by a Supranational based in Ivory Coast.

3.5.1.4 Liquidity risk

The treasury is managed in such a way as to protect the value of the paid-in capital, ensure an adequate level of liquidity to meet possible guarantee calls, PE undrawn commitments, administrative expenditure and earn a reasonable return on assets invested with due regard to the minimisation of risk.

The treasury funds are available and sufficient to meet the Fund's liquidity needs and the treasury guidelines are designed to ensure funds are available when needed. The guidelines also prescribe the order in which investments would be utilised to meet exceptional liquidity requirements, starting with cash, highly-liquid money-market instruments, then the regular maturities of longer investments as well as the option to sell securities or use them as collateral to generate liquidity if appropriate.

3.5.1.5 Market risk – interest rate risk

In nominal terms, 86.6% of all assets held have a duration of 5 years or less (2022: 74.2%).

Speculative operations are not authorised. Investment decisions are based on the interest rates available in the market at the time of investment.

The following table illustrates the Fund's exposure to interest rate risk at the time they reprice or mature:

At 31.12.2023 (in EUR)	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Fixed rate					
Cash and cash equivalents	813 804 850	0	0	0	813 804 850
Treasury portfolio	69 094 769	365 110 611	1 468 299 659	424 381 308	2 326 886 347
Floating rate					
Treasury portfolio	0	0	25 258 556	0	25 258 556
Total	882 899 619	365 110 611	1 493 558 215	424 381 308	3 165 949 753
Percentage	27.9%	11.5%	47.2%	13.4%	100.0%

At 31.12.2022 (in EUR)	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Fixed rate					
Cash and cash equivalents	452 589 376	0	0	0	452 589 376
Treasury portfolio	38 660 979	263 499 657	1 356 092 297	741 191 983	2 399 444 916
Floating rate					
Treasury portfolio	0	0	25 239 601	0	25 239 601
Total	491 250 355	263 499 657	1 381 331 898	741 191 983	2 877 273 893
Percentage	17.1%	9.2%	47.9%	25.8%	100.0%

The average yield at cost on the securities portfolio in EUR was 0.57% for 2023 (2022: 0.36%).

Sensitivity of earnings

The sensitivity of earnings is an estimate of the change over the next 12 months in the earnings of the EIF treasury portfolio if all interest rates rise by one percentage point or fall by one percentage point. The sensitivity measure is computed by taking into consideration the coupon re-pricings of all the positions present in the EIF treasury portfolio on a deal-by-deal basis. Each fixed rate asset is assumed to be reinvested at maturity in a new asset with the same residual life as the previous one as of 31 December 2023. For the positions in place as of 31 December 2023, the earnings of the EIF treasury portfolio would increase by EUR 1.8m (2022: EUR 1.1m) if interest rates rose by one percentage point and decrease by the same amount if interest rates fell by one percentage point.

Value at Risk

As of 31 December 2023, the Value at Risk of the EIF treasury portfolio was EUR 7.4m (2022: EUR 11.1m). It was computed on the basis of the RiskMetrics VaR methodology, using a confidence level of 99.0 % and a 1-day time horizon. This means that the VaR figure represents the maximum loss over a one-day horizon such that the probability that the actual loss will be larger is 1.0 %. Given the nature of the EIF treasury positions, the choice of the RiskMetrics methodology is deemed appropriate to measure their exposure to interest rate risk.

3.5.2 Microfinance Loans

The microfinance loans portfolio is made up of 13 transactions (2022: 13 transactions). All deals are in EUR and they are maturing between 2024 and 2028.

The Fund also invested in a mezzanine-loan facility agreement in relation to the European Union Programme for Employment and Social Innovation (EaSI). The deal is in EUR and is maturing in 2031.

As the total amount of the portfolio is non-material, a detailed risk management analysis was not performed.

3.5.3 ABS Investments

Securitisation backed by SME financing is an asset class in which EIF has accumulated considerable and widely recognised experience as part of its core guarantee and securitisation activity. It has, however, been observed that third party investors are not always available for the subscription of guaranteed notes, due to specific tranche features or to the sum of the EIF guarantee fee and the cash investor's return exceeding the tranche market return. EIF therefore envisaged filling the gap through a product consisting in direct investments in asset-backed securities issued out of securitisations focusing on SME assets ("ABS Investments") within a limited scope and as an ancillary activity to the core EIF guarantee business.

EIF can invest directly in asset-backed securities issued out of securitisations focusing on SME assets ("Direct Investments") and in covered bond investments backed by SMEs or residential mortgage assets. The ABS Investments target:

- Mainly mezzanine classes of SME securitisations originated by financial intermediaries
(i) for which there is a limited purposes and/or
(ii) as a way to maximise the funding obtained from their securitisation transactions,
in situations where there is limited or no third-party investors' demand for EIF guaranteed notes;
- Residually and with EIF's own resources only, senior classes of SME focused securitisations
(i) for which there is limited or no third-party investors' demand for EIF guaranteed notes and
(ii) which require a moderate direct investment.

3.5.3.1 Risk assessment and on-going risk monitoring

The EIF's ABS Investments follow the same independent opinion process and on-going risk monitoring as the transactions under EIF's portfolio guarantee and structured business (see note 3.4.1).

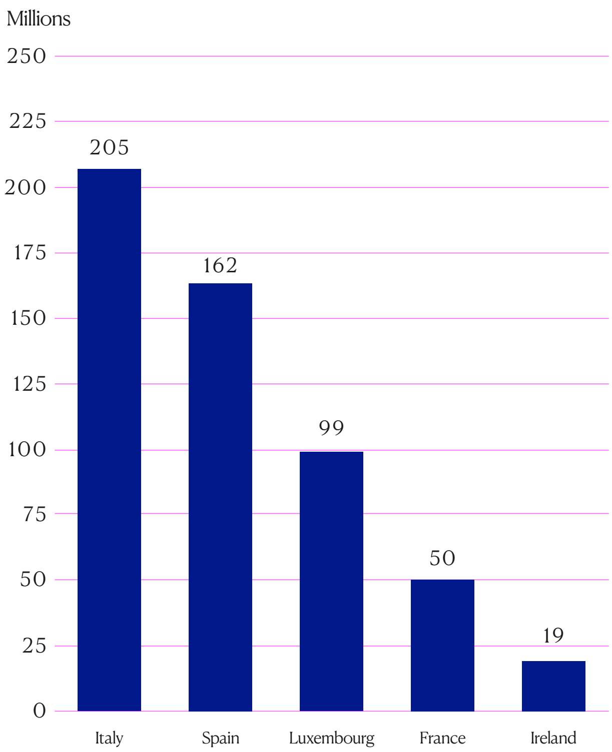
Transaction status	31.12.2023		31.12.2022	
	EUR	%	EUR	%
Under review	10 157 946	1.9%	14 662 643	3.6%
Performing	431 673 682	80.7%	364 358 554	90.5%
Positive outlook	62 379 402	11.7%	23 793 435	5.9%
Negative outlook	30 295 078	5.7%	0	0%
Total Exposure at risk	534 506 108	100.0%	402 814 632	100.0%

3.5.3.2 Credit Risk

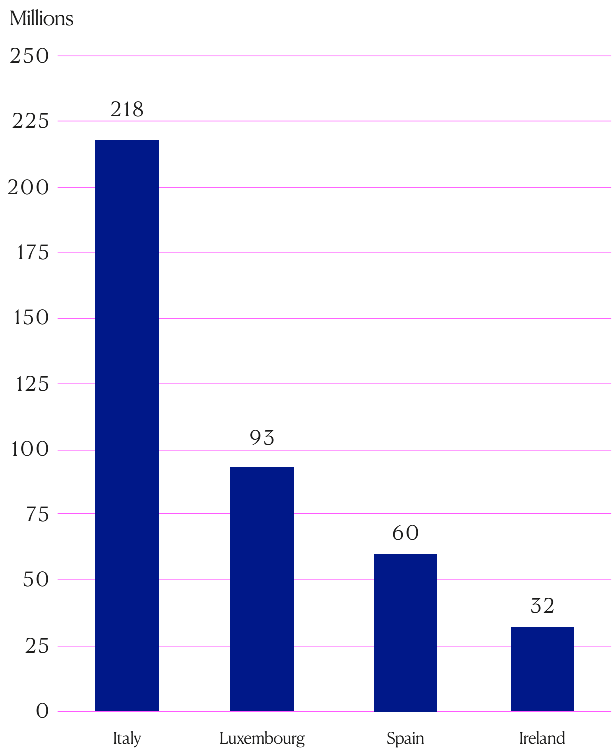
ABS Investments are exposed to credit risk by way of rating downgrade and default risk. EIF manages these risks by adhering to risk management policies laid out in its statutes, EIF Credit Risk Policy Guidelines and internal concentration limits (see note 3.4.2).

A breakdown of the portfolio by country exposure is given in the tables below:

Fair Value as of 31.12.2023 (EUR)

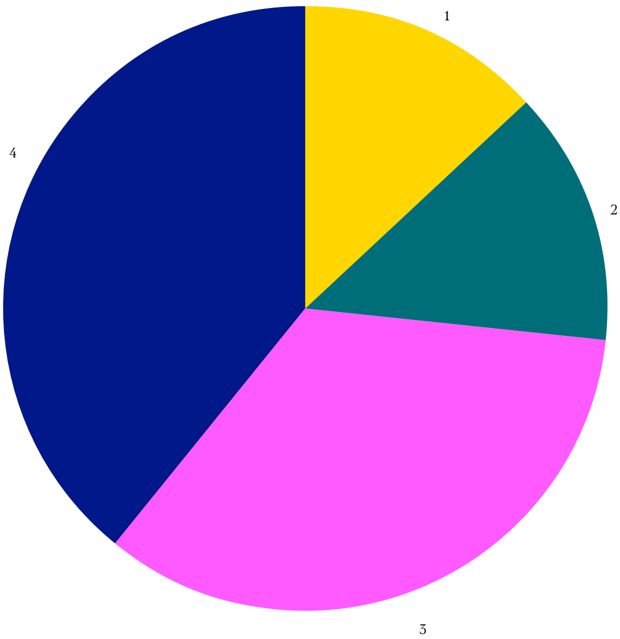


Fair Value as of 31.12.2022 (EUR)



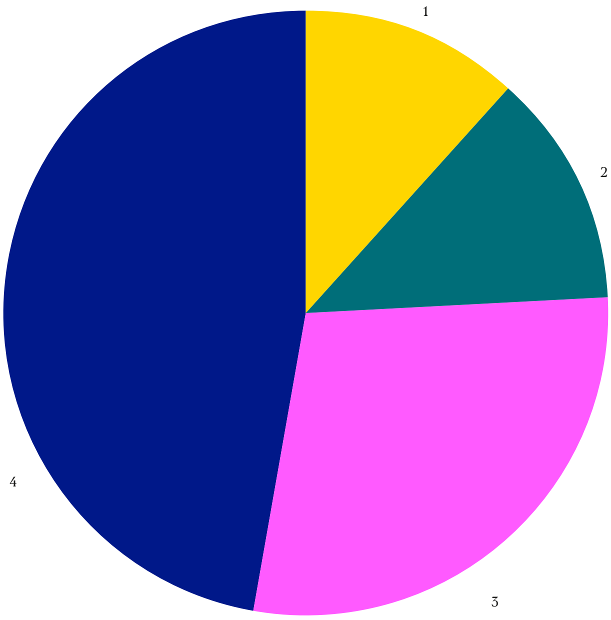
A breakdown of the portfolio per rating is given in the tables below:

% of Fair Value as of 31.12.2023
(EUR 534.5m)



1. Aaa 13.3%
2. Aa 13.5%
3. A 34.2%
4. B 39.0%

% of Fair Value as of 31.12.2022
(EUR 402.8m)



1. Aaa 11.9%
2. Aa 12.5%
3. A 28.5%
4. B 47.1%

3.5.3.3 Liquidity risk

EIF invests in ABS Investments listed on a regulated exchange but without an active and liquid secondary market, implying a potential liquidity risk in case of settlement before maturity. Nevertheless, liquidity risk is limited for these investments as EIF intends to hold them until redemption.

The following table shows an analysis of the ABS portfolio split by the expected maturity dates of the transactions to which they are related:

EUR

	Not more than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
As of 31.12.2023	68 758 324	0	224 732 495	241 015 289	534 506 108
As of 31.12.2022	0	26 251 695	246 352 185	130 210 752	402 814 632

3.5.3.4 Market risk

3.5.3.4.1 Market risk – interest rate risk

ABS Investments are debt securities with either a variable interest rate plus a quoted spread or a fixed coupon. Floating-rate securities carry little interest rate risk as its duration is usually close to zero (it converges to zero as reset date approaches), meaning that its price has very low sensitivity to changes in interest rates.

The following table illustrates the Fund's exposure to interest rate risk through the portfolio based on its repricing dates:

EUR 31.12.2023

	Not more than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
Fixed rate	18 852 570	0	49 608 098	0	68 460 668
Floating rate	51 569 032	0	174 168 357	240 308 051	466 045 440
Total	70 421 602	0	223 776 455	240 308 051	534 506 108

EUR 31.12.2022

	Not more than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
Fixed rate	87 486	0	76 500 680	0	76 588 166
Floating rate	750 717	26 182 644	169 446 624	129 846 481	326 226 466
Total	838 203	26 182 644	245 947 304	129 846 481	402 814 632

3.5.3.4.2 Market risk: Foreign currency risk

As at 31 December 2023 and 2022, EIF's transactions are invested in EUR only.

3.6 Financial liabilities at amortised cost

3.6.1 Introduction

Financial liabilities at amortised cost correspond to the funding provided by EIB in order to provide the required liquidity to EIF to finance operations recognised under Guaranteed funded operations in the context of the InvestEU Programme (see note 3.3) as well as currency purchases in respect of exposures in non-EUR currency.

3.6.2 Credit risk

EIF is protected by the InvestEU budgetary guarantee from the European Union represented by the European Commission whenever funding is provided in relation to underlying transactions.

EIF is exposed to the counterparty risk that the European Union represented by the European Commission would default, which considering the strong capacity of the European Union represented by the European Commission to meet its obligations being AAA rated, is approximated to nil.

3.6.3 Liquidity risk

EIF signed a Funding Agreement with EIB to receive the necessary funding in the context of Invest EU transactions. EIB shall provide the liquidity to EIF at any time, in EUR.

The following table shows an analysis of the funding line split by the expected maturity dates:

Funding line (in EUR)	Less than 3 months	More than 5 years	Total
As of 31.12.2023	897 769	873 548 894	874 446 663
As of 31.12.2022	125 640	157 739 963	157 865 603

EIF is protected by the InvestEU budgetary guarantee from the European Union represented by the European Commission in order to reimburse the funding provided by EIB (capital and interest), meaning that there is no liquidity risk for EIF.

3.7 Fair value of financial assets and financial liabilities

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When available, the EIF measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in note 2.3 in relation to private equity investments.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

PE is an appraised asset class, valued not by the consensus of many market players in an active and efficient market but by a few experts, normally the fund managers who value each investment based on their views of the investment's earnings potential and/or comparisons with other investments and in accordance with customary industry valuation guidelines.

The fair value hierarchy reflects the significance of the inputs used in making the measurements. These levels differ from the category classification mentioned under 2.3.4.1:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The table below analyses financial instruments measured solely through fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

At 31.12.2023	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Financial assets				
Financial instruments at Fair Value through Profit and Loss:				
Private equity investments	0	0	1 799 601 074	1 799 601 074
Guaranteed funded operations:				
of which EU funded operations	0	0	386 979 429	386 979 429
of which EU guarantee	0	0	14 826 582	14 826 582
Debt investments	0	534 506 108	0	534 506 108
	0	534 506 108	2 201 407 085	2 735 913 193

At 31.12.2022	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Financial assets				
Financial instruments at Fair Value through Profit and Loss:				
Private equity investments	0	0	1 578 087 650	1 578 087 650
Guaranteed funded operations:				
of which EU funded operations	0	0	69 140 449	69 140 449
of which EU guarantee	0	0	3 682 364	3 682 364
Debt investments	0	402 814 632	0	402 814 632
	0	402 814 632	1 650 910 463	2 053 725 095

The Fund’s policy is to recognise the transfers between Levels as of the date of the event or change in circumstances that caused the transfer.

Details of the movements of financial assets at fair value through profit or loss are given in note 4.3.

There was no transfer of financial assets between Level 1, Level 2 and Level 3 in 2023 or 2022.

4. Detailed disclosures relating to asset headings

4.1 Cash and cash equivalents

Cash and cash equivalents is analysed as follows:

	31.12.2023 EUR	31.12.2022 EUR
Current accounts	446 402 582	325 872 951
Money-market instruments	367 402 268	126 716 425
	813 804 850	452 589 376

As at 31 December 2023, the current accounts and money-market instruments included EUR 85 365 552 and EUR 344 588 486 used exclusively in relation to the InvestEU Programme (2022: EUR 57 278 573 and EUR 26 421 652 respectively).

The effective interest rate on short-term bank deposits is 4.78% (2022: 3.60%). These deposits have an average remaining maturity of 30 days (2022: 27 days).

4.2 Financial instruments at amortised cost

Financial instruments at amortised cost are made up of the treasury portfolio and long-term bank deposits for EUR 2 352 144 903 (2022: EUR 2 424 684 517), microfinance loans for EUR 15 603 446 (2022: EUR 13 120 079) and guaranteed funded operations for EUR 14 583 192 (2022: EUR 0).

4.2.1 Treasury portfolio and long-term bank deposits

The treasury portfolio includes long-term debt instruments i.e. long-term bank deposits, bonds, notes and other obligations.

	31.12.2023 EUR	31.12.2022 EUR
Treasury portfolio	2 339 054 590	2 415 806 368
Accrued interest on treasury portfolio	13 090 313	8 878 149
	2 352 144 903	2 424 684 517

As at 31 December 2023, bank deposits between 3 months and 1 year amount to EUR 118 116 381 (2022: EUR 97 925 363). The callable deposits have an average 100-day notice period (2022: 100 days).

Movement in treasury portfolio can be analysed as follows:

	31.12.2023 EUR	31.12.2022 EUR
Carrying amount at 1 January	2 424 684 517	2 445 697 846
Additions	234 001 935	376 716 858
Disposals/matured	(310 237 936)	(397 912 966)
Expected credit loss allowance	(515 777)	(266 783)
Accrued interest	4 212 164	449 562
Carrying amount at 31 December	2 352 144 903	2 424 684 517

As of 31 December 2023, the expected credit loss allowance amounts to EUR 959 013 (2022: EUR 443 236).

As of 31 December 2023, the treasury portfolio is only composed of investments classified under Stage 1 of the ECL model (2022: only stage 1).

The fair value of the treasury portfolio and long-term bank deposits as of 31 December 2023 amounts to EUR 2 190 548 848 (2022: EUR 2 157 693 205).

As of 31 December 2023, EUR 2 159 949 982 is classified as Level 1 and EUR 30 598 866 is classified as Level 2 in the Fair Value hierarchy (2022: EUR 2 092 549 274 and EUR 65 143 931 respectively).

4.2.2 Microfinance Loans

The loan portfolio includes microfinance loans.

	31.12.2023 EUR	31.12.2022 EUR
Loan portfolio	15 579 548	13 102 389
Accrued interest on loan portfolio	23 898	17 690
	15 603 446	13 120 079

Movement in microfinance loan portfolio can be analysed as follows:

	2023 EUR	2022 EUR
Carrying amount at 1 January	13 120 079	3 887 992
Additions	4 383 033	10 684 038
Disposals/matured	(1 688 151)	(1 460 815)
Expected credit loss allowance	(217 723)	(3 552)
Accrued interest	6 208	12 416
Carrying amount at 31 December	15 603 446	13 120 079

The disbursed microfinance loan portfolio is composed of investments classified under Stage 1 of the ECL model as of 31 December 2023 and 2022.

At the year-end, the undisbursed microfinance loans amount to EUR 9 424 812 (2022: EUR 13 056 391), classified under Stage 1 of the ECL model.

As of 31 December 2023, the expected credit loss allowance amounts to EUR 222 255 (2022: EUR 4 532).

The fair value of the microfinance loans as of 31 December 2023 amounts to EUR 17 956 518 (2022: EUR 14 675 788).

4.2.3 Guaranteed funded operations at amortised cost

Guaranteed funded operations at amortised cost are analysed as follows:

	31.12.2023 EUR	31.12.2022 EUR
Loan portfolio	14 516 514	0
Accrued interest on loan portfolio	66 678	0
	14 583 192	0

Movement in guaranteed funded operations at amortised cost can be analysed as follows:

	31.12.2023 EUR	31.12.2022 EUR
Carrying amount at 1 January	0	0
Additions	14 516 514	0
Accrued interest	66 678	0
Carrying amount at 31 December	14 583 192	0

The disbursed guaranteed funded operations is composed of investments classified under Stage 1 of the ECL model as of 31 December 2023 (2022: not applicable).

At year-end, the undisbursed guaranteed funded operations amount to EUR 500 000 (2022: EUR 0), classified under Stage 1 of the ECL model.

The fair value of the guaranteed funded operations as of 31 December 2023 amounts to EUR 13 431 695 (2022: EUR 0).

As of 31 December 2023, the Guaranteed funded operations amount to EUR 14 583 192 (2022: EUR 0), for which the Fund has a funding line provided by EIB under the InvestEU Programme. For more details, see note 5.3. As all the risks and rewards ultimately belong to the European Commission via the guarantee provided to EIF, EIF is not exposed to any risk linked to the underlying Guaranteed funded operations and solely to residual counterparty risk from the European Commission.

As of 31 December 2023, the expected credit loss allowance amounts to EUR 165 174 for disbursed operations and EUR 12 120 for undisbursed operations (2022: EUR 0 and EUR 0 respectively). As the guarantee arising from the InvestEU Programme is an integral component of the debt investment and covers any potential risk arising from the guaranteed funded operations, no expected credit loss allowance is recognised in the statement of comprehensive income.

4.3 Financial instruments at fair value through profit or loss

4.3.1 Private equity investments

Private equity investments at fair value through profit or loss are analysed as follows:

	2023 EUR	2022 EUR
Investment at cost at 1 January	963 987 850	888 842 618
Disbursements	139 656 304	113 699 796
Disbursements in relation to EFSI EP - SW2	49 399 689	65 159 914
Disbursements in relation to EFSI - Private Credit	63 674 186	76 327 674
Disbursements in relation to the InvestEU Programme	106 402 891	0
Capital repayments	(75 260 280)	(127 826 022)
Capital repayments in relation to EFSI EP - SW2	(19 687 787)	(34 956 235)
Capital repayments in relation to EFSI - Private Credit	(32 064 059)	(15 869 135)
Capital repayments in relation to the InvestEU Programme	(610 840)	0
Terminated deals	(4 417 548)	(1 556 571)
Earn out transactions - cost de-recognition	0	(470 218)
Secondary transactions - cost recognition	1 479 243	0
Secondary sale transactions - cost de-recognition	0	(250)
Foreign exchange	(783 899)	636 279
Investment at cost at 31 December	1 191 775 750	963 987 850
Fair value adjustment and foreign exchange adjustment at 1 January	614 099 800	650 875 092
Adjustments to fair value during the financial year:		
Changes in fair value through profit or loss	(12 801 984)	(51 076 338)
Changes in fair value in relation to EFSI EP - SW2	563 460	18 708 996
Changes in fair value in relation to EFSI - Private Credit	45 161	(6 665 923)
Changes in fair value in relation to the InvestEU Programme	2 582 282	0
Terminated transactions - cumulated fair value adjustments until de-recognition	4 111 725	1 516 738
Secondary sale transactions - cumulated fair value adjustments until de-recognition	0	374 146
Foreign exchange	(775 120)	367 089
Fair value adjustment and foreign exchange adjustment at 31 December	607 825 324	614 099 800
Carrying amount at 31 December	1 799 601 074	1 578 087 650

As of 31 December 2023 and 2022, the private equity investments are all classified under level 3 of the fair value hierarchy.

At 31 December 2023, the changes in fair value through profit or loss amount to EUR (12 801 984) (2022: EUR (51 076 338)), of which EUR 9 969 555 (2022: EUR (7 602 880)) was estimated using the methodology described in the accounting policy (see note 2.3.4.1).

The fair value as of 31 December 2023 includes an amount of EUR 0 (2022: EUR 3 066 061) related to investment in joint ventures.

4.3.2 Guaranteed funded operations at fair value through profit or loss

Guaranteed funded operations at fair value through profit or loss are analysed as follows:

	2023 EUR	2022 EUR
Investment at cost at 1 January	72 822 813	0
Disbursements	334 278 354	72 822 813
Capital repayments	(5 575 052)	0
Foreign exchange	279 896	0
Investment at cost at 31 December	401 806 011	72 822 813
Fair value adjustment at 1 January	(3 682 364)	0
Adjustments to fair value during the financial year:		
Changes in fair value through profit or loss	(11 021 575)	(3 682 364)
Foreign exchange	(122 643)	0
Fair value adjustment at 31 December	(14 826 582)	(3 682 364)
Guarantee adjustment at 1 January	3 682 364	0
Adjustments to fair value during the financial year:		
Changes in fair value through profit or loss	11 021 575	3 682 364
Foreign exchange	122 643	0
Guarantee adjustment at 31 December	14 826 582	3 682 364
Carrying amount at 31 December	401 806 011	72 822 813

As of 31 December 2023 and 2022, the Guaranteed funded operations at fair value through profit or loss are all classified under level 3 of the fair value hierarchy.

At 31 December 2023, the changes in fair value through profit or loss amount to EUR (11 021 575) (2022: EUR (3 682 364)), of which EUR 858 128 (2022: EUR 858 128) was estimated using the methodology described in the accounting policy (see note 2.3.4.1).

The value of the guarantee arising from the InvestEU Programme changes in response to the change in the fair value of Guaranteed funded operations.

As of 31 December 2023, the Guaranteed funded operations amount to EUR 401 806 011 (2022: EUR 72 822 813), for which the Fund has a funding line provided by EIB under the InvestEU Programme. For more details, see note 5.3. Ultimately, all the risks and rewards belong to the European Commission via the guarantee provided to EIF. Therefore, EIF is not exposed to any risk linked to the underlying Guaranteed funded operations and solely to residual counterparty risk from the European Commission.

4.3.3 Debt investments

Debt investments at Fair Value through Profit or Loss include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

	31.12.2023 EUR	31.12.2022 EUR
Debt portfolio	532 880 869	401 976 428
Accrued interest on debt portfolio	1 625 239	838 204
	534 506 108	402 814 632

Movement in debt investments can be analysed as follows:

	2023 EUR	2022 EUR
Carrying amount at 1 January	402 814 632	381 038 562
Additions	221 296 369	120 784 772
Disposals/matured	(97 637 117)	(88 237 558)
Change in fair value	7 245 189	(11 279 970)
Accrued interest	787 035	508 826
Carrying amount at 31 December	534 506 108	402 814 632

As at 31 December 2023, the total debt investments at cost amount to EUR 537 359 417 (2022: EUR 413 700 165) and the accumulated change in fair value on debt investments amounts to EUR (4 478 548) (2022: EUR (11 723 737)).

4.4 Other assets

Other assets are made up of the following:

	31.12.2023 EUR	31.12.2022 EUR
Accounts receivable relating to pensions managed by the EIB	340 042 613	290 979 041
Accrued commission & other income	205 432 358	195 127 513
Receivables from financial guarantees	15 786 412	18 449 872
Receivables from earn-out agreements	1 200	1 200
Other debtors	38 961 119	29 335 372
	600 223 702	533 892 998

Following the introduction of a defined benefit pension scheme in 2003 (see note 2.8), contributions from staff and the Fund are set aside to cover future obligations. The assets of the scheme are managed by EIB on behalf of the Fund. See also note 5.2.

The following table discloses the ageing of other assets:

		Past due but not impaired			
	Neither past due nor impaired EUR	0-6 months EUR	6-12 months EUR	> 12 months EUR	Total EUR
2023	600 124 221	1 084	580	97 817	600 223 702
2022	533 796 963	0	0	96 035	533 892 998

4.5 Intangible assets

	Internally Generated Software EUR	Purchased Software EUR	Total EUR
Cost	5 653 320	1 497 598	7 150 918
Accumulated amortisation	(5 653 320)	(278 581)	(5 931 901)
Carrying amount at 01.01.2022	0	1 219 017	1 219 017
Opening carrying amount	0	1 219 017	1 219 017
Additions	0	(108 000)	(108 000)
Amortisation charge	0	(40 032)	(40 032)
Carrying amount at 31.12.2022	0	1 070 985	1 070 985
Cost	5 653 320	1 389 598	7 042 918
Accumulated amortisation	(5 653 320)	(318 613)	(5 971 933)
Carrying amount at 01.01.2023	0	1 070 985	1 070 985
Opening carrying amount	0	1 070 985	1 070 985
Additions	0	98 250	98 250
Amortisation charge	0	(30 716)	(30 716)
Carrying amount at 31.12.2023	0	1 138 519	1 138 519
31.12.2023			
Cost	5 653 320	1 487 848	7 141 168
Accumulated amortisation	(5 653 320)	(349 329)	(6 002 649)
Carrying amount at 31.12.2023	0	1 138 519	1 138 519

There were no indications of impairment of intangible assets in either 2023 or 2022.

As at 31 December 2023, intangible assets under development amount to EUR 1 109 315 (2022: EUR 1 011 065).

4.6 Property and equipment

	Other properties EUR	Office Equipment EUR	Computer Equipment EUR	Total Equipment EUR
Cost	530 652	202 401	818 355	1 020 756
Accumulated depreciation	(288 796)	(202 401)	(818 355)	(1 020 756)
Carrying amount at 01.01.2022	241 856	0	0	0
Opening carrying amount	241 856	0	0	0
Depreciation charge	(45 822)	0	0	0
Carrying amount at 31.12.2022	196 034	0	0	0
Cost	530 652	202 401	818 355	1 020 756
Accumulated depreciation	(334 618)	(202 401)	(818 355)	(1 020 756)
Carrying amount at 01.01.2023	196 034	0	0	0
Opening carrying amount	196 034	0	0	0
Depreciation charge	(45 821)	0	0	0
Carrying amount 31.12.2023	150 213	0	0	0
31.12.2023				
Cost	530 652	202 401	818 355	1 020 756
Accumulated depreciation	(380 439)	(202 401)	(818 355)	(1 020 756)
Carrying amount	150 213	0	0	0

There were no indications of impairment of property and equipment in either 2023 or 2022.

5. Detailed disclosures relating to liabilities and equity headings

5.1 Financial guarantees

Financial guarantees, depending on whether the measurement of a financial guarantee contract results in a net asset or net liability position (see note 2.4), are presented as follows:

	31.12.2023 EUR	31.12.2022 EUR
Financial guarantees	(20 374 921)	(16 667 219)
Provisions for financial guarantees	11 751 884	13 050 312
	(8 623 037)	(3 616 907)

Movement in financial guarantees can be analysed as follows:

2023 - in EUR	Stage 1	Stage 2	Stage 3	Foreign exchange	Total
Financial guarantees as at 1 January	(13 192 585)	35 232	9 331 853	208 593	(3 616 907)
Amortisation of the payer leg	(54 796 492)	(41 655)	(76 029)		(54 914 176)
Adjustment of the receiver leg	54 786 877	23 182	76 029		54 886 088
Expected credit loss allowance	0	0	76 029		76 029
Amortisation of financial guarantees de-recognised due to termination	(5 196 930)	0	0		(5 196 930)
Foreign exchange impact				142 859	142 859
Financial guarantees as at 31 December	(18 399 130)	16 759	9 407 882	351 452	(8 623 037)

2022 - in EUR	Stage 1	Stage 2	Stage 3	Foreign exchange	Total
Financial guarantees as at 1 January	(30 769 380)	33 763	9 274 536	186 473	(21 274 608)
Amortisation of the payer leg	(68 694 859)	(47 712)	(57 317)		(68 799 888)
Adjustment of the receiver leg	87 032 916	49 181	57 317		87 139 414
Expected credit loss allowance	0		57 317		57 317
Amortisation of financial guarantees de-recognised due to termination	(761 262)	0	0		(761 262)
Foreign exchange impact				22 120	22 120
Financial guarantees as at 31 December	(13 192 585)	35 232	9 331 853	208 593	(3 616 907)

During the year 2023, there were no transfers of financial guarantees between stages (2022: none).

The adjustment of the receiver leg corresponds to guarantee fees received and accrued during the year and value adjustments due to changes in credit ratings.

The change in the fair value of the receiver leg of financial guarantees amounts to EUR 7 548 844 (2022: EUR (10 663 349)).

As of 31 December 2023, the receiver leg and the payer leg offset for a total amount of EUR (8 623 037) (2022: EUR (3 616 907)) as follows:

	Receiver leg	Payer leg	Total
31.12.2023	EUR	EUR	EUR
Financial guarantees	(116 101 253)	95 726 332	(20 374 921)
Provisions for financial guarantees	(43 568 135)	55 320 019	11 751 884
	(159 669 388)	151 046 351	(8 623 037)
31.12.2022			
Financial guarantees	(175 822 837)	159 155 618	(16 667 219)
Provisions for financial guarantees	(30 070 707)	43 121 019	13 050 312
	(205 893 544)	202 276 637	(3 616 907)

5.2 Retirement benefit obligations

The retirement benefit obligation comprises the pension scheme and the health insurance scheme as follows:

Retirement benefit obligations	31.12.2023 EUR	31.12.2022 EUR
Pension scheme	400 921 824	346 922 824
Health insurance scheme	56 006 000	44 144 000
	456 927 824	391 066 824

Commitments in respect of retirement benefits as of 31 December 2023 have been valued by an independent actuary. The calculations are based on the following main assumptions:

Principal Assumptions	2023	2022
Discount rate for obligations	3.66%	3.88%
Rate of future compensation increases	3.30%	3.30%
Rate of pension increases	2.30%	2.30%
Actuarial tables	ICSLT (*)	ICSLT

(*) International Civil Servants Life Table (hereafter "ICSLT")

The discount rate is based on the IBOXX index extrapolated at the average duration of EIF post-retirement obligations (approximately 25.5 years) using an estimated slope determined with ECB EURO Spot yield curve.

Regarding the inflation and indexation of pensions, the long-term consensus forecast of inflation in the Eurozone remained the basis. The rate of adjustments of pensions for the year was 2.3% (2022: 2.3%).

The combined average impact of the increase in the cost of living and career progression is 3.3% (2022: 3.3%).

The defined benefit obligation for pensions as valued in the independent actuary report dated 26 January 2024 amounts to EUR 400 921 824 (2022: EUR 346 922 824). As of December 2023 the Fund allocated EUR 238 842 411 (2022: EUR 202 116 981) to pension assets.

Amounts recognised in comprehensive income as at 31.12.2023	EIF Pension	Health Insurance	Total 2023
	EUR	EUR	EUR
Current net service cost	17 522 000	2 480 000	20 002 000
Special termination benefits	31 000	0	31 000
Net interest cost	13 415 000	1 712 000	15 127 000
Net benefit expense recognised in profit or loss	30 968 000	4 192 000	35 160 000
Re-measurement on the defined benefit obligation:			
Experience loss	20 304 000	2 529 000	22 833 000
Loss due to assumption changes	21 242 000	3 867 000	25 109 000
(Gain) arising from model change	(23 166 000)	0	(23 166 000)
Defined benefit obligation recognised in other comprehensive income	18 380 000	6 396 000	24 776 000
Total	49 348 000	10 588 000	59 936 000

Amounts recognised in comprehensive income as at 31.12.2022	EIF Pension	Health Insurance	Total 2022
	EUR	EUR	EUR
Current net service cost	40 179 000	7 023 000	47 202 000
Special termination benefits	0	0	0
Net interest cost	8 075 000	933 000	9 008 000
Net benefit expense recognised in profit or loss	48 254 000	7 956 000	56 210 000
Re-measurement on the defined benefit obligation:			
Experience loss	16 885 000	4 377 000	21 262 000
(Gain) due to assumption changes	(322 312 999)	(38 420 000)	(360 732 999)
(Gain) arising from model change	0	0	0
Defined benefit obligation recognised in other comprehensive income	(305 427 999)	(34 043 000)	(339 470 999)
Total	(257 173 999)	(26 087 000)	(283 260 999)

The movements in the Defined Benefit Obligation rounded to the nearest EUR 1 000 are as follows:

Changes in Defined Benefit Obligation as at 31.12.2023	EIF Pension	Health insurance	Total 2023
	EUR	EUR	EUR
Defined benefit obligation, Beginning of year	346 922 824	44 144 000	391 066 824
Net service cost	17 522 000	2 480 000	20 002 000
Net interest cost	13 415 000	1 712 000	15 127 000
Employee contributions	6 981 000	1 338 000	8 319 000
Benefits paid	(2 330 000)	(64 000)	(2 394 000)
Special termination benefits	31 000	0	31 000
Experience loss	20 304 000	2 529 000	22 833 000
Loss due to assumption changes	21 242 000	3 867 000	25 109 000
(Gain) arising from model change	(23 166 000)	0	(23 166 000)
Defined benefit obligation, End of year	400 921 824	56 006 000	456 927 824

Changes in Defined Benefit Obligation as at 31.12.2022	EIF Pension	Health Insurance	Total 2022
	EUR	EUR	EUR
Defined benefit obligation, Beginning of year	598 423 823	69 109 000	667 532 823
Net service cost	40 179 000	7 023 000	47 202 000
Net interest cost	8 075 000	933 000	9 008 000
Employee contributions	6 202 000	1 157 000	7 359 000
Benefits paid	(529 000)	(35 000)	(564 000)
Special termination benefits	0	0	0
Experience loss	16 885 000	4 377 000	21 262 000
(Gain) due to assumption changes	(322 312 999)	(38 420 000)	(360 732 999)
(Gain) arising from model change	0	0	0
Defined benefit obligation, End of year	346 922 824	44 144 000	391 066 824

The sensitivity of the Defined Benefit Obligation to possible changes at the reporting date to key actuarial assumptions, holding other assumptions constant, is shown below:

31 December 2023		Effect on the defined benefit obligation	
		EIF Pension	Health Insurance
Discount rate	0.5% increase	-12%	-14%
Discount rate	0.5% decrease	14%	17%
Life expectancy	1 year increase	3%	4%
Life expectancy	1 year decrease	-3%	-4%
Inflation	1% increase	15%	
Inflation	1% decrease	-12%	
Salary rate	1% increase	7%	
Salary rate	1% decrease	-6%	
Medical cost	1% increase		42%
Medical cost	1% decrease		-30%

31 December 2022		Effect on the defined benefit obligation	
		EIF Pension	Health Insurance
Discount rate	0.5% increase	-12%	-14%
Discount rate	0.5% decrease	14%	17%
Life expectancy	1 year increase	3%	4%
Life expectancy	1 year decrease	-3%	-4%
Inflation	1% increase	15%	
Inflation	1% decrease	-12%	
Salary rate	1% increase	8%	
Salary rate	1% decrease	-7%	
Medical cost	1% increase		42%
Medical cost	1% decrease		-30%

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the Defined Benefit Obligation at the reporting date were as follows:

31 December 2023	EIF Pension years	Health Insurance years
Duration of active members	28.3	33.4
Duration of deferred members*	27.9	29.9
Duration of retired members	14.4	17.8

Life expectancy at age 60 for a Male using ICSLT (year 2023) mortality tables: 27.2 years

Life expectancy at age 60 for a Female using ICSLT (year 2023) mortality tables: 29.7 years

** Staff members who have left the Fund before retirement age and have a right to a deferred pension.*

31 December 2022	EIF Pension years	Health Insurance years
Duration of active members	27.6	33.3
Duration of deferred members*	27.7	24.8
Duration of retired members	14.8	17.6

Life expectancy at age 60 for a Male using ICSLT (year 2022) mortality tables: 27.1 years

Life expectancy at age 60 for a Female using ICSLT (year 2022) mortality tables: 29.6 years

** Staff members who have left the Fund before retirement age and have A right to a deferred pension.*

5.3 Financial liabilities at Amortised Cost

Financial liabilities at amortised cost are analysed as follows:

	31.12.2023 EUR	31.12.2022 EUR
Financial liabilities at amortised cost	873 548 894	157 739 963
Accrued interest on Financial liabilities at amortised cost	897 769	125 640
	874 446 663	157 865 603

As at 31 December 2023, the funding line provided by EIB under the InvestEU Programme amounts to EUR 874 446 663 (2022: EUR 157 865 603), which was used, amongst others, to finance guaranteed funded operations at fair value through profit or loss amounting to EUR 401 806 011 (2022: EUR 72 822 813) and guaranteed funded operations at amortised cost amounting to EUR 14 583 192 (2022: EUR 0).

The interest on the funding line for the year ended 31 December 2023 amounts to EUR 17 275 450 (2022: EUR 294 429).

5.4 Other liabilities and provisions

Other liabilities and provisions are analysed as follows:

	31.12.2023 EUR	31.12.2022 EUR
Related parties payables	46 170 903	56 737 301
Employee benefit payables	135 671 800	123 470 446
Trade creditors	411 948 233	360 752 163
Provision for risks and charges	21 813 592	24 111 244
	615 604 528	565 071 154

Employee benefit payables mostly include staff-related costs such as the performance award, the optional supplementary provident scheme (OSPS) and the severance grant.

Trade creditors include EUR 323 365 164 of contract liabilities (2022: EUR 288 553 038). Contract liabilities represent accumulated income to be amortised over the expected life of the mandates under management.

Movements in contract liabilities are as follows:

	31.12.2023 EUR	31.12.2022 EUR
Contract liabilities at 1 January	288 553 038	286 005 448
Additions	164 221 445	105 706 140
Transfer to profit or loss	(129 409 319)	(95 772 142)
Transfer (from)/to provision	0	(7 386 408)
Contract liabilities at 31 December	323 365 164	288 553 038

Additions represent management fees invoiced during the year on existing mandates and new mandates signed during the year, which were not recognised in the profit or loss because of the deferral mechanism.

As at 31 December 2023, the aggregate amount of the transaction price allocated to the unsatisfied part of the performance obligation amounts to EUR 1 341 241 042 (2022: EUR 1 156 585 387) of which EUR 323 365 164 (2022: EUR 288 553 038) has already been invoiced and deferred in contract liabilities. The Fund expects to recognise such revenue over the remaining expected life of the mandates under management.

In 2023, provision for risks and charges include the reversal of a provision for EUR 0.3m under a mandate agreement, following the EIF Management assessment that the provision is no longer needed. In 2022, provision for risks and charges included the use of provision for EUR 7.4m following a reimbursement of management fees previously received in relation to a mandate agreement. As at 31 December 2022, an additional EUR 5.8m was also reversed under another mandate agreement, following the EIF Management assessment that EIF will not have to reimburse in full management fees previously received.

5.5 Share capital

The authorised capital amounts to EUR 7 370 000 000 (2022: EUR 7 300 000 000), divided into 7 370 shares (2022: 7 300 shares) with a nominal value of EUR 1 000 000 each. The shares confer rights of ownership of the assets of the Fund as described in Article 8 of its Statutes. Shareholders are entitled to any distribution of net profits, which is limited by the requirements of the statutory reserve.

Following the end of the capital increase in 2021, 70 authorised shares of a nominal value of EUR 1 000 000 each were not allocated until these 70 shares were acquired by EIB on 3 April 2023.

As at 31 December 2023, the authorised and subscribed share capital of EUR 7 370 000 000 (2022: EUR 7 300 000 000) representing 7 370 shares (2022: 7 300 shares) is called and paid in for an amount of EUR 1 474 000 000 (2022: EUR 1 460 000 000) representing 20 % of the authorised and subscribed share capital.

The subscribed share capital is detailed as follows:

	31.12.2023 EUR	31.12.2022 EUR
Subscribed and paid in (20%)	1 474 000 000	1 460 000 000
Subscribed but not yet called (80%)	5 896 000 000	5 840 000 000
	7 370 000 000	7 300 000 000

The capital is subscribed as follows::

	31.12.2023 EUR	31.12.2022 EUR
European Investment Bank	4 406	4 336
European Commission	2 190	2 190
Financial Institutions	774	774
	7 370	7 300

5.6 Statutory reserve and retained earnings

Under the terms of Article 27 of its Statutes, the Fund is required to appropriate to a statutory reserve at least 20 % of its annual net profit until the aggregate reserve amounts to 10 % of subscribed capital. Such reserve is not available for distribution.

A minimum amount of EUR 46 748 693 is required to be appropriated in 2024 with respect to the financial year ended 31 December 2023.

A dividend of EUR 13 171 799 was distributed following the approval of the General Meeting of Shareholders on 24 April 2023 (2022: EUR 15 041 512). Dividends are distributed in line with Article 27 of the Fund's Statutes.

Under the terms of Article 26 of its Statutes, the Fund defines commitment ceilings in relation to its capital as follows:

- For guarantee operations and ABS investments, commitments are limited to five times the amount of subscribed capital.
- Private equity net commitments may not exceed 70% of equity, as per decision of the Annual General Meeting.

5.7 Capital risk management

EIF is not subject to prudential supervision neither subject to externally imposed capital requirements on a standalone basis. Nevertheless, EIF contributes to the EIB Group adherence with the EU banking directives and best banking practice, such as the Capital Requirements Regulation (CRR), by providing EIF data for the computation of the EIB Group regulatory capital requirements performed by the EIB.

To manage EIF capital position, EIF calculates its economic capital requirements and conducts stress tests, as determined by the EIB Group Stress Testing Framework for its relevant parts, to assess the sensitivity of its economic capital.

EIF has implemented sound risk management policies and procedures to manage its capital sustainability. EIF has defined a set of risk capital metrics, which are included in EIF Risk Appetite Framework and monitored on a frequently basis, allowing EIF to deploy its business plan within its risk appetite.

On an annual basis, EIF performs an Internal Capital Adequacy Assessment Process (ICAAP) assessing its economic capital adequacy under stress scenarios with a forward-looking perspective. EIF ICAAP is included in the EIB Group ICAAP.

6. Interest in unconsolidated structured entities and in investment entities

The EIF has interests in entities that have been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, or when the relevant activities are directed by means of contractual arrangements. The Fund has interests in unconsolidated structured entities as described below.

Structured entities are used either to meet statutory obligations or to provide mandators with access to EIF expertise in relation to its primary activities. Structured entities or investment entities may be established as corporations, trusts or partnerships. Structured entities or investment entities generally:

- subscribe to equity issued by SMEs in the context of private equity transactions; or
- issue debt securities guaranteed either directly by the Fund or by a structured entity managed by the EIF on behalf of a mandator.

The table below describes the types of structured entities in which the EIF concluded that the Fund has an interest and no control:

Type of structured entity	Nature and purpose	Interest held by the Fund
Limited Partnership in relation to PE operations (see section 6.1)	Acquisition, holding, managing and disposal of participations in any enterprise subject to the conditions laid down in paragraph 2 (i) of Article 12 of the EIF Statutes	• Investments in shares issued by the Limited Partnership • Capital and revenues repayments
Special Purpose Vehicles ("SPV") in relation to financial guarantee operations (see section 6.2)	Provision of guarantees as well as of other comparable instruments for loans and other financial obligations in whatever form	Fees for financial guarantee servicing
Special Purpose Vehicles ("SPV") in relation to ABS investments (see section 6.3)	Acquisition of ABS investments	Interest income from ABS investments
Mandates in relation to management of facilities by the Fund on behalf of a mandator (see section 6.4 and section 6.5)	To deploy the resources allocated to the mandate by any Managing Authority and according to each individual agreement and to the EIF expertise	Fees for mandates servicing

Below is a description of the Fund's involvement in unconsolidated structured entities by type. The Fund concluded that it does not control and therefore should not consolidate any entity described in sections 6.1, 6.2, 6.3, 6.4 and 6.5, as the Fund does not have power over the relevant activities of the entities.

6.1 Interest in structured entities in relation to private equity operations

Operations are typically structured as follows:

An investment fund is setup with a General Partner (hereafter "GP") and with a number of Limited Partners (hereafter "LPs"), who form together the Limited Partnership. In addition, the Limited Partnership Agreement discloses the investment strategy foreseen within the entity and agreed between the GP and the LPs;

When financing is brought by the LPs, full authority and power is given to the GP, which could delegate the investment part to an investment manager;

The use of voting rights by the LPs is often foreseen to revoke the GP either with a cause or without cause. Even if an investment board within the entity is setup, such an investment board has a consultative role only and is not therefore one of the decision-making bodies of the Limited Partnership.

The Fund is a LP, it does not act as a GP and is from time to time a member of the consultative investment board. The Fund's interest typically ranges from 0.1% to 50%.

Maximum loss exposure from PE structured entities is limited to the amount of committed investment as disclosed in note 3.2.

For more quantitative details on PE operations, please refer to note 3.2.

6.2 Interest in structured entities in relation to financial guarantee operations

When the Fund enters into a securitisation transaction in the context of its activity of financial guarantee provided to the European financial institutions, the Fund could be exposed to a special purpose vehicle (hereafter "SPV") as follows:

In the context of a bilateral guarantee

Under this type of financial guarantee, even if the Fund provides a bilateral guarantee for the benefit of the holder of the mezzanine/senior notes, the Fund is not a direct party to the securitisation transactions agreement to benefit from the operation. The Fund enters into a financial guarantee agreement directly with the beneficiary, which is typically the beneficiary of the securitisation transaction agreement. Through the financial guarantee agreement, the Fund has no negotiating power and no voting rights within the structure and the role of the Fund is to guarantee one of the tranches of a more global transaction.

In the context of such transactions, a SPV could be established to initially purchase a pool of receivables from the originator and to issue consequently several classes of notes, which will be guaranteed. On the other hand, if no SPV is established, the originator will issue the notes and will retain the pool of receivables.

In the context of an embedded guarantee

Under this type of operation and contrary to a bilateral guarantee, a SPV shall be established to issue the notes and to be the owner of the pool of receivables. In such operations, the Fund, as guarantor, will be part of the structure of the transaction and will be part of the agreement without having any control over the SPV.

Maximum loss exposure from guarantee operations structured entities is limited to the total Exposure at Risk as disclosed in note 3.4.

As at December 31, 2023, the Fund is exposed to 54 bilateral guarantees (2022: 65) and to 1 embedded guarantee (2022: 1), which represent respectively EUR 8 957m (2022: EUR 9 441m) and EUR 10m (2022: EUR 10m) of the EIF's guarantees in terms of Exposure at Risk.

For more quantitative details on the guarantee portfolio, please refer to note 3.4.

6.3 Interest in structured entities in relation to ABS investments

When the Fund enters into a securitisation backed by SME financing, the Fund could be exposed to a SPV, which may be established to issue the ABS investment. In such operations, the Fund will make a direct investment in the ABS issued by the SPV.

As at December 31, 2023, the Fund invested in 20 ABS investments issued by SPVs (2022: 14) for a total amount of EUR 534.5m, which are classified into the caption “Debt investments at fair value through profit or loss” (2022: EUR 402.8m).

For more quantitative details on ABS investments, please refer to note 3.5.

6.4 Interest in structured entities in relation to management of facilities by the Fund on behalf of a mandator

The Fund acts as an integrated operational platform for SME finance, deploying resources mandated for management by its related parties (EIB and EC, see notes 8.1 and 8.2, respectively) and other third parties (public and private entities) depending on the nature of the investment but also in relation to the Fund’s expertise and in compliance with its Statutes. When the Fund manages a facility on behalf of a mandator, the management will be performed by the Fund either through a trusteeship or partnership depending on the requirements of the mandator, which have been classified as follows:

- The EIB, which means EIB resources managed by the Fund according to a defined scope;
- The European Commission, which means European Commission contributions managed by the Fund according to the financial regulation and to dedicated agreements;
- Other third parties: the Fund has sought to further enhance its market impact by establishing joint investment facilities with public and private entities through trust accounts and country, multi-country or sector-specific funds-of-funds.

The EIF is entrusted with the management of the funds, operating under clear rules defined in an agreement, investing in entities whose maximum risk is defined in the agreement and performing the treasury asset management under guidelines defined in the agreement. The Fund is remunerated for its services through management fees (or on a cost recovery basis for some mandates) which are defined upfront in the agreement. In that context, the Fund classifies the mandates as follows and according to the nature of financial instruments foreseen under each individual agreement:

Mandator	Nature and purpose of the structured entity	Interest held by the Fund	Resources[1]	Committed transactions[2]
Services offered in the context of financial guarantee operations				
European Investment Bank	On behalf of the mandator and according to the Fund's expertise: • To originate financial guarantee transactions; • To monitor the financial guarantee transactions; • To report to the mandator accordingly.	Management fees for servicing	14 470 832 328	10 789 295 349
European Commission			7 313 652 101	6 242 009 571
Other third parties			4 544 869 740	2 517 667 586
Services offered in the context of private equity operations				
European Investment Bank	On behalf of the mandator and according to the Fund's expertise: • To originate private equity transactions; • To monitor the private equity transactions; • To report to the mandator accordingly.	Management fees for servicing	15 298 504 792	21 094 371 757
European Commission			5 415 973 447	4 891 799 757
Other third parties			13 222 403 721	6 789 113 467
Services offered in the context of microfinance operations				
European Investment Bank	On behalf of the mandator and according to the Fund's expertise: • To originate microfinance transactions; • To monitor microfinance transactions; • To report to the mandator accordingly.	Management fees for servicing	185 535 000	121 125 000
European Commission			45 000 000	40 734 510
Services offered in the context of multi-products structured entities				
European Investment Bank	On behalf of the mandator and according to the Fund's expertise: • To originate multi products transactions; • To monitor the multi products transactions; • To report to the mandator accordingly.	Management fees for servicing	13 331 000 000	9 852 724 220
European Commission			12 206 981 843	4 091 156 500
Other third parties			1 409 651 605	1 226 792 549

(1.) "Resources" means the net amount of the contribution already paid by the mandator to the Fund or the amount committed to be paid by the mandator.

(2.) "Committed transactions" corresponds to the transactions committed by the Fund for the purpose of managing the mandate on behalf of the mandator.

6.5 Interest in investment entities in relation to management of facilities by the Fund on behalf of a mandator

Under certain circumstances and depending on the requirements of a mandator, the EIF could establish a legal entity from which the EIF will act as an integrated operational platform for SME finance, deploying resources mandated for management by its related parties and other third parties.

The EIF is entrusted with the management of the funds, operating under clear rules defined in an agreement, investing in entities whose maximum risk is defined in the agreement and performing the treasury asset management under guidelines defined in the agreement. The Fund is remunerated for its services through management fees (or on a cost recovery basis for some mandates) which are defined upfront in the agreement. In that context, the Fund classifies the mandates as follows and according to the nature of financial instruments foreseen under each individual agreement:

Mandator	Country	Nature and purpose of the structured entity	Interest held by the Fund	Resources[1]	Committed transactions[2]
European Investment Bank	Multicountry with a focus on European Microfinance	On behalf of the mandator and according to the Fund's expertise: • To act as investment adviser and to propose private equity transaction for the approval of governing bodies of the fund of funds; • To originate private equity transactions; • To monitor the private equity transactions; • To report to the mandator accordingly.	Management fees for servicing	110 000 000	86 691 172
European Commission	Multicountry with a focus on Global Energy Efficiency and Renewable Energy Fund			404 679 409	242 197 275
Other third parties	Portugal			111 330 000	84 566 116
	Spain			183 000 000	161 088 389
	The Netherlands			402 500 000	387 000 000
	The United Kingdom			230 136 356	228 156 333
	Türkiye			360 000 000	339 192 306
	Multi-country			1 631 259 130	1 177 575 866

(1.) "Resources" means the net amount of contribution already paid by the mandator to the Fund or the amount committed to be paid by the mandator.

(2.) "Committed transactions" corresponds to the transactions committed by the Fund for the purpose of managing the mandate on behalf of the mandator.

As at 31 December 2023, total assets under management defined as the initial resources and contributions allocated to each mandate amounts to EUR 90.88 billion (2022: EUR 82.30 billion).

7. Detailed disclosures related to the statement of comprehensive income

7.1 Interest and similar income

Interest and similar income comprises:

	31.12.2023 EUR	31.12.2022 EUR
Interest income on debt investments	32 224 479	11 948 295
Interest income on money-market instruments	5 292 595	382 677
Interest income/(expense) on bank current accounts	4 824 944	(428 382)
Other interest income	13 442 830	5 951 175
	55 784 848	17 853 765

Interest income on debt investments comprises EUR 12 887 927 of interest on the treasury portfolio (2022: EUR 6 323 377), EUR 792 338 of interest on microfinance loans (2022: EUR 219 216) and EUR 18 544 214 of interest on debt investments at FVTPL (2022: EUR 5 405 702).

Interest income on debt investments includes discounts of EUR 1 158 988 (2022: EUR 838 686) and premiums of EUR (10 481 831) (2022: EUR (10 929 541)).

7.2 Net income from private equity investments

Net income from private equity investments comprises:

	31.12.2023 EUR	31.12.2022 EUR
Dividend income	64 281 084	48 721 870
Other net income	111 366	(26 666)
	64 392 450	48 695 204

7.3 Net result from financial guarantee operations

Net result from guarantee operations comprises:

	31.12.2023 EUR	31.12.2022 EUR
Amortisation of the payer leg	60 111 106	69 561 150
Intermediation and risk cover fees	265 983	413 100
Guarantee calls net of recoveries	87 240	65 442
	60 464 329	70 039 692

7.4 Commission income

Commission income comprises:

	31.12.2023 EUR	31.12.2022 EUR
Commissions on EIB mandates	72 754 411	53 022 432
Commissions on EC mandates	88 235 154	55 645 091
Commissions on Regional and Funds of Funds mandates	97 721 068	94 461 377
Carried interest	6 923 515	0
Other commissions	2 850	26 000
	265 636 998	203 154 900

Commission income includes EUR 129 409 319 (2022: EUR 95 772 142), which was previously recognised in contract liabilities. See note 5.4.

As at 31 December 2023, EUR 35 775 057 (2022: EUR 0) of unrealised carried interest was not recognised under commission income as criteria for IFRS 15 for revenue recognition were not met.

7.5 Net result on financial operations

Net result on financial operations comprises:

	31.12.2023 EUR	31.12.2022 EUR
Realised gain/(loss) on debt investments at amortised cost	(15 365)	(1 005 933)
Realised gain on private equity investments	(15 928)	(249)
Gains/ (losses) arising from transactions or cash positions in foreign currencies	(2 084 139)	822 721
	(2 115 432)	(183 461)

7.6 Other operating income

Other operating income includes mainly attendance fees and commitment fees.

7.7 General administrative expenses

The number of persons employed at year-end is as follows:

	31.12.2023	31.12.2022
Chief Executive/Deputy Chief Executive	2	2
Employees	698	628
	700	630

The Fund has identified the members of the Board of Directors, the members of the Audit Board and the members of the EIF Management as key management personnel.

Key management compensation for the period is disclosed as follows:

	31.12.2023	31.12.2022
Short-term benefits[1]	2 455 560	2 927 875
Post-employment benefits[2]	374 365	460 697
	2 829 925	3 388 572

(1.) Short-term employee benefits comprise salaries and allowances, performance awards and social security contributions of key management personnel
(2.) Post-employment benefits comprise pensions and expenses for post-employment health insurance paid to key management personnel

Other administrative expenses include contributions under the service level agreement with the EIB for the use of office space amounting to EUR 12 756 535 (2022: EUR 12 526 809).

8. Related party transactions

EIB is the majority owner of the Fund with 59.8% (2022: 59.4%) of the subscribed shares. The remaining percentage is held by the European Commission 29.7% (2022: 30.0%) and the Financial Institutions 10.5% (2022: 10.6%).

Information relating to general administrative expenses and key management is disclosed in the note 7.7.

8.1 European Investment Bank

Related party transactions with the EIB concern mainly the management by the Fund of the activities as described in note 6. In addition and according to the service level agreement between the EIF and the EIB, the EIB manages the EIF treasury, IT, the pension fund and other services on behalf of the EIF. Related expenses are taken into account in the general administrative expenses.

The amounts included in the financial statements and relating to the EIB are disclosed as follows:

	31.12.2023 EUR	31.12.2022 EUR
Assets		
Other assets	407 524 035	353 341 427
Liabilities and equity		
Financial liabilities at amortised cost	874 446 663	157 865 603
Other liabilities and provisions	43 806 793	58 867 862
Share capital (subscribed and paid-in)	881 200 000	867 200 000
Income		
Commission income	72 754 411	53 022 432
Interest income on pensions	13 442 831	5 951 176
Expenses		
General administrative expenses	29 924 024	25 433 041
Interest and similar income	17 275 450	294 429

The Fund benefits from a funding line provided by EIB under the InvestEU Programme of up to EUR 7 600 000 000 (2022: EUR 7 600 000 000) and EUR 900 000 000 (2022: EUR 600 000 000) in respect of guaranteed funded operations and guaranteed unfunded operations respectively.

8.2 European Commission

Related party transactions with the European Union represented by the European Commission concern mainly the management by the Fund of private equity and guarantee activities as described in the note 6. The amounts included in the financial statements and relating to the European Union represented by the European Commission are disclosed as follows:

	31.12.2023 EUR	31.12.2022 EUR
Assets		
Cash and cash equivalents	419 190 785	83 700 225
Guaranteed funded operations at AC	14 583 192	0
Guaranteed funded operations at FVTPL:		
of which EU funded operations	386 979 429	69 140 449
of which EU guarantee	14 826 582	3 682 364
Other assets	85 038 767	42 338 966
Liabilities and equity		
Other liabilities and provisions	132 685 802	143 009 660
Share capital (subscribed and paid-in)	438 000 000	438 000 000
Income		
Commission income	88 235 154	55 645 091
Interest and similar income	17 188 411	294 429
Profit generated by the change of the fair values		
Net result from guaranteed operations at FVTPL:		
of which EU funded operations	(11 021 575)	(3 682 364)
of which EU guarantee	11 021 575	3 682 364
	0	0

The Fund benefits from a guarantee from the European Union represented by the European Commission under the InvestEU Programme that amounts to up to EUR 13 481 068 467 (2022: EUR 10 516 000 000).

9. Taxation

The Protocol on the Privileges and Immunities of the European Union, appended to the Treaty on the Functioning of the European Union, applies to the Fund, which means that the assets, revenues and other property of the Fund are exempt from all direct and indirect taxes.

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Additional information is also available on the internet: **http://europa.eu**

Disclaimer

Numbers in the EIF Annual Report are correct as at 31 December 2023 and any references to figures throughout the text apply to the same period unless otherwise stated. EIF's 2023 figures related to SME outreach and employment including the estimated numbers and sustained jobs are indicative only and are based on reports received from financial intermediaries between 1 October 2022 and 30 September 2023.
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