

This report does not constitute a new rating action for this issuer. It provides more detailed credit analysis than the previously published Rating Action Commentary, which can be found on www.fitchratings.com.

European Investment Fund

Key Rating Drivers

Strong Support: European Investment Fund's (EIF) 'AAA' rating is driven by strong extraordinary support that the fund would receive from shareholders, including the European Investment Bank (EIB; AAA/Stable; 60% of subscribed capital at end-2023) and the European Union (EU; AAA/Stable, 30%), and 38 large financial institutions in the EU, the UK and Türkiye.

Fitch Ratings assesses EIF's shareholders' capacity to support at 'aaa', in line with the rating of its largest shareholder, the EIB. The shareholders' 'Strong' propensity to support the fund translates into a zero-notch adjustment to the support capacity. This reflects EIF's strategic importance for the shareholders, given its key role in using funds for SMEs in the EU, through its participation in the latest important initiatives, such as InvestEU programme, REPowerEU plan and European Tech Champions Initiative (ETCI).

Extremely Strong Capitalisation: EIF's 'aa-' Standalone Credit Profile (SCP) is based on Fitch's *Insurance Rating Criteria* and underpinned by its 'Extremely Strong' capitalisation and leverage factor score. In 2023, the fund's net par-to-capital ratio improved slightly to 0.85x (2022: 0.92x) due to a decline in guarantee exposure-at-risk. Fitch expects EIF's net par-to-capital ratio to increase moderately in the coming years as a result of business growth.

EIB provided additional funding to EIF through an intragroup loan to support the implementation of the InvestEU programme, which accounted for 39% of EIF's activity in 2023. The total available amount is about EUR8 billion and Fitch expects a gradual drawdown from EUR874 million as of end-2023. Fitch considers this loan as operational debt rather than financial debt, which has no impact on its assessment of EIF's SCP.

Medium Risk-Guarantee Portfolio: EIF's guarantees predominantly cover SME exposures and benefit from structural credit enhancement where EIF retains senior exposure. The majority of guarantee exposures are investment grade, with an average credit quality of 'A' based on EIF's internal risk assessment. Non-investment-grade exposure remains small.

Private Equity Drives Investment Risk: In its normal operations, EIF gains exposure to private equity and asset-backed securities. At end-2023, EIF held EUR1.8 billion in private equity assets, the main driver of the fund's risky asset ratio. A large share of private equity exposure is structured and EIF retains only senior exposure. Other investments include a diversified portfolio of investment-grade sovereign and corporate bonds with an average 'A' rating.

Very Strong Liquidity: Fitch bases its 'Very Strong' assessment of EIF's liquidity profile on typically low liquidity needs from a cash flow perspective, and the high level of liquid assets (cash and equivalents, and easily marketable debt securities) on EIF's balance sheet.

Very Strong Business Profile: EIF acts as an implementing vehicle of EU policies, with a mandate to provide debt, equity and guarantee products to SMEs, and act as an intermediary for realising the development and cohesion initiatives of the EU through special mandates. As such, we expect its business profile characteristics to be stable and not influenced by prevailing market conditions and the competitive landscape.

Good but Volatile Profitability: Adequate risk mitigation, low credit losses, and the good performance of financial assets have supported EIF's high net profits in the past five years. In 2023, EIF reported net profit of about EUR234 million and a return on equity (ROE) of 5.2%. Net investment income also contributed to profits as reinvestment yields improved in 2023.

Incurred credit losses are likely to remain low, despite the uncertain macroeconomic environment, which supports EIF's control of increasing operating expenses from the fund's digitalisation initiative.

Ratings

Long-Term IDR	AAA
Short-Term IDR	F1+

Outlook

Long-Term IDR	Stable
---------------	--------

Financial Data

European Investment Fund		
(EURm)	Dec 22	Dec 23
Total equity	4,369	4,595
Total assets	5,496	6,554
Underwriting revenues	322	390
Net income	70	234

Note: Reported on a IFRS basis.
Source: Fitch Ratings, EIF

Applicable Criteria

[Supranationals Rating Criteria \(April 2023\)](#)
[Insurance Rating Criteria \(March 2024\)](#)

Related Research

[Supranationals Mid-Year Outlook 2023 \(June 2023\)](#)
[Supranational Exposure to Ukraine is Growing \(June 2023\)](#)

Analysts

Raquel Souza
+49 69 76807625
raquel.dasilvasouza@fitchratings.com

Saad Pervaiz
+44 20 3530 1762
saad.pervaiz@fitchratings.com

Rating Sensitivities

Support: A downward revision of our assessment of EIF's key shareholders' capacity or propensity to provide support to the EIF.

SCP: A weakening of EIF's SCP could result from a deterioration in capitalisation or pressures on liquidity and investment risks. A downward revision of the SCP below 'aa-' would result in negative rating action as the uplift above the SCP for extraordinary support is already at the maximum of three notches permitted under our criteria.

Extraordinary Support

EIF is a supranational financial guarantor established in 1994 as a part of EIB Group. Since 2000, it has had the sole task of being the EU's principal implementing vehicle to support SMEs, often in a counter-cyclical role.

EIF's ratings are driven by the strong extraordinary support Fitch believes it would receive from its shareholders, including the EIB (59.8% of subscribed capital as of end-2023) and the EU (AAA/Stable, 29.7%), as well as 38 large financial institutions based in the EU, the UK and Türkiye.

Fitch assesses the fund's support rating at 'aaa', in line with the rating of the EIB. Fitch believes shareholders' propensity to support EIF is 'Strong', reflecting EIF's strategic importance for its shareholders. EIF's support rating provides an uplift over its SCP, which Fitch assesses within the 'aa' category based on its *Supranationals Rating Criteria*.

Peer Comparison: Shareholder Support

	EIF (AAA)		EBRD ^b (AAA)	EIB (AAA)	ESM ^c (AAA)
	End-2023	Projection ^a	End-1H23	End-2022	End-2022
Coverage of net debt by callable capital	AAA	AAA	A+	NC	AAA
Average rating of key shareholders	AAA	AAA	AA-	AA-	AA-
Propensity to support (Notch adjustment)		Strong (0)	Strong (0)	Strong (0)	Exceptional (+1)

^a Medium-term projections.
Source: Fitch Ratings, MDBs

Capacity to Provide Extraordinary Support

Fitch assesses EIF shareholders' support capacity at 'aaa', reflecting the rating of EIB, at more than 50% of the subscribed capital, as defined by its criteria.

Most of EIF's shares (93%) were owned by 'AAA' rated shareholders, the highest proportion of any Fitch-rated supranational.

Propensity to Provide Extraordinary Support

The 'Strong' propensity of shareholders to support EIF primarily reflects EIF's strategic importance for its shareholders, given its key role in leveraging funds for SMEs in the EU, through its participation in the European Guarantee Fund (Covid-19 policy response initiative), InvestEU, REPowerEU and ETCl.

EIF, together with EIB, manages 75% of EUR26.2 billion InvestEU programme, aimed at mobilising EUR370 billion investment to support businesses and infrastructure projects in the EU. EIF plans to extend EUR21 billion of InvestEU-backed financed products.

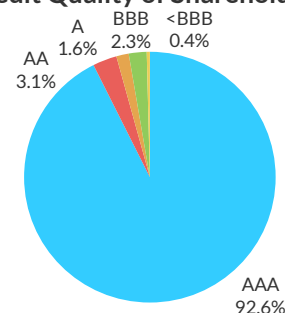
In 2022, the EU launched REPowerEU to reduce EU dependence on fossil-fuel imports and accelerate the green transition. The initial amount from the EIB was EUR3 billion and EUR100 million from EIF, with a top up of EUR1.5 billion from EIB and EUR26.3 million from EIF in 2023.

Rating Assessment

Indicative value	Assessment
Support rating	aaa
Standalone Credit Profile	aa category

Source: Fitch Ratings

Credit Quality of Shareholders



Source: Fitch Ratings

EIF, together with the EIB and five other EU countries, in 2023 launched ETCI. The fund is structured with EUR3.85 billion of capital, of which EUR500 million is from EIB Group, EUR1 billion each from Spain, Germany and France, and the rest (EUR350 million) from Italy, Netherlands and Belgium.

The 'Strong' assessment leads to a zero-notch adjustment to the shareholders' capacity to provide extraordinary support.

Company Profile

Fitch assesses EIF's SCP within the 'aa' rating category, based on its *Insurance Rating Criteria*. The assessment primarily reflects 'Exceptionally Strong' capitalisation and a 'Very Strong' business profile.

Company Profile Scoring Summary

	Assessment	Sub-Score/Impact
Business profile assessment	Most Favourable	aa-
Corporate governance assessment	Neutral	none
Company profile factor score		aa-

Source: Fitch Ratings.

Business Profile – Unique Business Profile as an EU Body

The company profile credit factor has a high influence on the rating, reflecting EIF's specialised role in realising the EU's public policy objectives. The EIF implements EU policies, with a mandate to provide debt, equity and guarantee products to banks, guarantee institutions and fund managers that support SMEs, and to act as an intermediary for realising the EU's development and cohesion initiatives through special mandates. As such, we expect its business profile characteristics to be stable and not be influenced by prevailing market conditions and the competitive landscape.

Fitch assesses EIF's guarantee portfolio as 'Medium' risk. EIF's guarantees predominantly cover SME exposures and benefit from structural credit enhancements (first loss piece held by the EU or other investors) where EIF retains a senior exposure. Therefore, the majority of guarantee exposures are investment grade, with an average credit quality of 'A' based on EIF's internal risk assessment. Performance of the guarantee portfolio improved in 2023, with share of exposures with an 'under review' status declining to 3% at end-2023 from 6% at end-2022 due to a lower-than-expected number of defaults in underlying assets. The Russia-Ukraine war has so far had only a minor impact, as risk exposure to those countries remains small.

Diversification is 'Favourable' based both on product and geographic diversification. Apart from the 27 EU countries, EIF also provides services in non-EU countries, such as Israel, Switzerland, Turkiye, the UK, Ukraine and western Balkan countries.

'Neutral' Corporate Governance

- Fitch ranks EIF's corporate governance as 'Neutral'.

Capitalisation and Leverage

Exceptionally Strong Capital; No Leverage

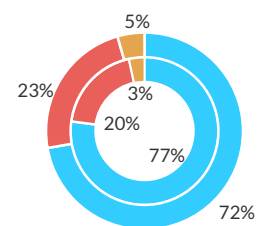
EIF maintains an 'Extremely Strong' capitalisation and leverage factor score based on an end-2023 net par-to-capital ratio of 0.9x benchmarked for a 'Medium' risk (with currency risk) guarantee portfolio, and on a lack of financial leverage. The par-to-capital ratio marginally improved year-on-year, driven by a decline in guarantee exposure-at-risk following last year's strong disbursements. Available callable capital of EUR5.9 billion at EIF's full discretion and without conditions continues to support the fund's capitalisation.

EIF internally manages its capital by setting statutory limits for guarantee and private equity exposures, and calculates required capital on an economic basis. EIF's internal capital ratios underpin Fitch's 'Exceptionally Strong' assessment of capitalisation.

EIF Own Risk Exposures

(Outer 2023, Inner 2022)

■ Guarantees ■ Private equity
■ ABS & Microfinance



Source: Fitch Ratings, EIF

Capitalisation and Leverage Ratios

	2022	2023
Par-to-capital (x)	0.9	0.9
Financial leverage (%)	0	0

Note: Reported on a IFRS basis.
Source: Fitch Ratings; EIF

The EIB started providing additional funding to EIF through an intra-group loan to support the implementation of the InvestEU programme, which accounted for 39% of EIF's activity in 2023 and will be running until 2027. The total available amount is about EUR8 billion and Fitch expects a gradual drawdown from EUR874 million as of end-2023. Fitch views this loan as operational debt rather than financial debt, which has no impact on its assessment of EIF's SCP. EIF's InvestEU exposure is match-funded by the intra-group loan, and repayment of interest and principal will be fully covered by inflows from the outstanding portfolio and guaranteed by the EU.

Fitch Expectations

- Par-to-capital to modestly increase on business growth but to remain in line with an 'AAA' assessment.

Financial Performance and Earnings

Good but Volatile Profitability

EIF does not have a stated profitability target, unlike other profit-oriented institutions. Therefore, from a ratings perspective, its financial performance is primarily important from a viability aspect and has lower importance to the rating.

EIF achieved net profits in the past five years, supported by adequate risk mitigation, limited credit losses, and the good performance of financial assets. In 2023, EIF reported net profit of about EUR234 million, a significant increase from EUR70 million in 2022. Net investment income also contributed to net profit as reinvestment yields improved during the year. As a result, the reported ROE increased to 5.2% in 2023 (2022: 1.7%), beating expectations.

Underwriting remained profitable in 2023 as reflected in a low Fitch-calculated combined ratio of 55% (2022: 64.5%). The fund has had no significant guarantee calls since 2016. Incurred credit losses are likely to remain low, which supports EIF to manage increasing operating expenses from the fund's digitisation initiative.

Fair-value gains amounted to EUR5 million in 2023 (2022: EUR60 million loss). We expect recurring interest to be stable in 2024, at lower than 2023, as interest rates stabilise.

Fitch Expectations

- Operating expenses to increase on costs related to digitisation initiatives
- Long-term ROE to range between 2% and 5%, but fair-value changes could cause volatility

Investment and Liquidity Risk

Private Equity Drives Investment Risk

In its normal business operations EIF gains exposure to private equity and ABS assets. Fitch treats these assets as part of EIF's investment portfolio based on their different risk profiles compared with guarantees. At end-2023, EIF held EUR1.8 billion private equity investments, which has been the main driver of the fund's risky-asset ratio. A large share of that exposure is layered and EIF holds only a senior exposure. This reduces the risk of potential losses to EIF as junior tranches held by the European Commission absorb first losses. Its non-investment-grade ABS exposure was EUR208 million at end-2023.

Financial Highlights

(%)	2022	2023
Return on equity	1.7	5.2
Combined ratio	64.5	55.0
Investment yield	0.6	1.8

Note: Reported on a IFRS basis.
Source: Fitch Ratings; EIF

Investment Risk Ratios

(%)	2022	2023
Risky assets/equity	40	44
Below-investment-grade bonds/equity	4	5
Private equity assets/equity	36	39

Note: Reported on a IFRS basis.
Source: Fitch Ratings; EIF

Other investments include a diversified portfolio of investment-grade sovereign and corporate bonds with a strong average credit rating of 'A', in line with the previous year. The Ukraine-Russia war has had no impact on the portfolio (no direct exposure). Potentially sensitive exposure to Baltic and eastern European countries amounts to about EUR190 million, or 8.5% of total bonds at end-2023 (end-2022: 7.7%).

'Very Strong' Liquidity

Balance-sheet metrics are not relevant when assessing EIF's liquidity as it does not have significant short-term liabilities. We base our 'Very Strong' assessment of EIF's liquidity profile on typically low liquidity needs from a cash flow perspective, and the high level of liquid assets (cash and equivalents, and easily marketable debt securities) on EIF's balance sheet. A EUR250 million standby repo facility with EIB further supports the fund's liquidity position.

EIF's internally calculated actual and stressed liquidity ratios reflect very strong liquidity, both on a very short-term (up to 90 days) and short-term (up to 12 months) timeframe, underpinning our liquidity assessment.

Fitch's Expectations

- No significant change in investment and liquidity risk metrics

Reserve Adequacy

Prudent Reserving

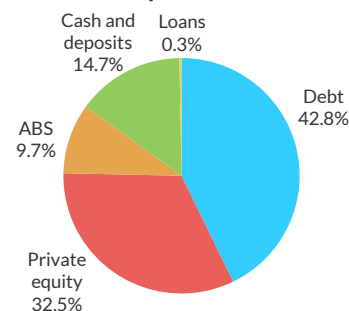
Following the adoption of fair-value accounting for financial guarantee contracts (IFRS 9) specific provisions on guarantees are no longer made. The provisions based on default assumptions have been replaced by expected credit losses (ECL), calculated for the entire guarantee portfolio and embedded in the fair-value of guarantee contracts. The ECL could increase or decrease in line with changes of credit risk estimated, based on an internal process. Fitch has not identified deficiencies in relation to EIF's ECL calculations, which is in line with best-practice.

IFRS 9 requires a quarterly valuation of the fair-value of guarantees, including a review of assumptions, and the fair-value of equity investments. Before IFRS 9, EIF reviewed the valuation of the loss reserve (and assumptions) on an annual basis and reported its equity investments on a cost basis.

Reinsurance, Risk Mitigation and Catastrophe Management

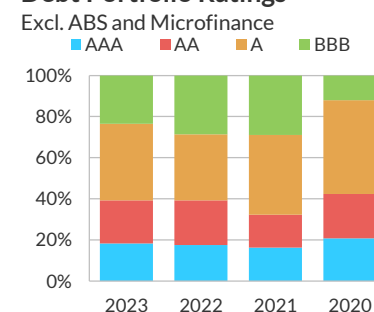
EIF does not purchase external reinsurance as it has access to significant callable capital in case of need and has strong backing from its parent organisation, the EIB. Its risk management framework is solid and risk management processes compare favourably with those of other guarantors.

Investment Split



Source: Fitch Ratings, EIF

Debt Portfolio Ratings



Source: Fitch Ratings,

Financial Highlights

(%)	2022	2023
Credit loss reserve	-0.1	-0.1
development/guarantee fee revenues		
Single risk par/capital	10.4	9.9

Note: Reported on a IFRS basis.
Source: Fitch Ratings, EIF

Appendix A: Industry Profile and Operating Environment

Regulatory Oversight

The EIF is a supranational body of the EU, and as such not a regulated body. Its operations are supervised by its shareholders, the main ones being the EIB and the European Commission, and governed by its own statutes and rules of procedure.

Technical Sophistication of Insurance Market; Diversity and Breadth

Not applicable – EIF is operating based on its special mandated role, therefore characteristics of the private financial guarantee market are not relevant to its operations.

Competitive Profile

Not applicable – as an EU body, EIF has no competitors.

Financial Markets Development

Financial markets (both debt and equity) of the EU are among the most developed markets globally.

Country Risks

EIF is a supranational entity headquartered in Luxembourg (AAA/Stable), and its operations are exposed to EU member, candidate, and potential candidate states. The fund has a de-facto preferred creditor status on its investments in government bonds. As a result, Fitch does not apply a Country Ceiling to EIF, in line with other supranationals.

Appendix B: Other Ratings Considerations

Below is a summary of additional ratings considerations that are part of Fitch's ratings criteria.

Group IFS Rating Approach

EIF does not have subsidiaries.

Notching

Not applicable.

Hybrid – Equity/Debt Treatment

Not applicable.

Transfer and Convertibility Risk (Country Ceiling)

None.

Criteria Variations

None.

Short-Term Ratings

Standard notching was applied to determine EIF's short-term rating, resulting in a Short-Term IDR of 'F1+'.

European Investment Fund
Balance sheet

	31 Dec 23			31 Dec 22		31 Dec 21		31 Dec 20	
	Year end (USDm) Original	Year end (EURm) Original	As % of assets Original	Year end (EURm) Original	As % of assets Original	Year end (EURm) Original	As % of assets Original	Year end (EURm) Original	As % of assets Original
A. Loans									
1. To/guaranteed by sovereigns	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. To/guaranteed by public institutions	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. To/guaranteed by private sector	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Trade financing loans (memo)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Other loans	33.5	30.6	0.47	17.6	0.32	384.9	7.42	328.2	10.08
6. Loan loss reserves (deducted)	0.4	0.4	0.01	4.5	0.08	n.a.	-	n.a.	-
A. Loans, total	33.1	30.2	0.46	13.1	0.24	384.9	7.42	328.2	10.08
B. Other earning assets									
1. Deposits with banks	402.5	367.4	5.61	126.7	2.31	50.0	0.96	78.0	2.40
2. Securities held for sale & trading	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Investment debt securities (including other investments)	3,039.5	2,774.3	42.33	2,497.5	45.44	2,445.7	47.15	1,206.8	37.06
4. Equity investments	2,557.2	2,334.1	35.61	1,980.9	36.04	1,539.7	29.69	982.5	30.18
5. Derivatives (including fair-value of guarantees)	n.a.	n.a.	-	16.7	0.30	32.7	0.63	33.9	1.04
B. Other earning assets, total	5,999.3	5,475.8	83.55	4,621.8	84.10	4,068.1	78.43	2,301.2	70.68
C. Total earning assets (A+B)	6,032.4	5,506.0	84.01	4,634.9	84.33	4,453.0	85.86	2,629.4	80.76
D. Fixed assets	1.4	1.3	0.02	1.3	0.02	1.4	0.03	0.9	0.03
E. Non-earning assets									
1. Cash and due from banks	489.1	446.4	6.81	325.9	5.93	235.0	4.53	150.2	4.61
2. Other	657.6	600.2	9.16	533.8	9.71	497.2	9.59	475.5	14.60
F. Total assets	7,180.5	6,553.9	100.00	5,495.9	100.00	5,186.6	100.00	3,256.0	100.00
G. Short-term funding									
1. Bank borrowings (< 1 year)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Securities issues (< 1 year)	958.0	874.4	13.34	n.a.	-	n.a.	-	n.a.	-
3. Other (including deposits)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
G. Short-term funding, total	958.0	874.4	13.34	n.a.	-	n.a.	-	n.a.	-
H. Other funding									
1. Bank borrowings (> 1 year)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other borrowings (including securities issues)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Subordinated debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Hybrid capital	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
H. Other funding, total	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
I. Other (non-interest bearing)									
1. Derivatives (including fair-value of guarantees)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Fair-value portion of debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other (non-interest bearing)	501.9	458.1	6.99	575.3	10.47	380.6	7.34	349.9	10.75
I. Other (non-interest bearing), total	501.9	458.1	6.99	575.3	10.47	380.6	7.34	349.9	10.75
J. General provisions & reserves	686.1	626.2	9.55	551.7	10.04	831.9	16.04	927.3	28.48
L. Equity									
1. Preference shares	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-

European Investment Fund
Balance sheet

	31 Dec 23			31 Dec 22		31 Dec 21		31 Dec 20	
	Year end	Year end	As % of	Year end	As % of	Year end	As % of	Year end	As % of
	(USDm)	(EURm)	assets	(EURm)	assets	(EURm)	assets	(EURm)	assets
	Original	Original	Original	Original	Original	Original	Original	Original	Original
2. Subscribed capital	8,074.6	7,370.0	112.45	7,300.0	132.83	7,300.0	140.75	4,500.0	138.21
3. Callable capital	-6,459.7	-5,896.0	-89.96	-5,840.0	-106.26	-5,840.0	-112.60	-3,600.0	-110.57
4. Arrears/advances on capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
5. Paid in capital (memo)	1,614.9	1,474.0	22.49	1,460.0	26.57	1,460.0	28.15	900.0	27.64
6. Reserves (including net income for the year)	3,419.6	3,121.2	47.62	2,908.9	52.93	2,514.1	48.47	1,078.8	33.13
7. Fair-value revaluation reserve	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
K. Equity, total	5,034.5	4,595.2	70.11	4,368.9	79.49	3,974.1	76.62	1,978.8	60.77
M. Total liabilities & equity	7,180.5	6,553.9	100.00	5,495.9	100.00	5,186.6	100.00	3,256.0	100.00
Exchange rate	USD1 = EURO.912742				USD1 = EURO.937559				

Source: Fitch Ratings, Fitch Solutions

European Investment Fund
Income Statement

	31 Dec 23			31 Dec 22		31 Dec 21		31 Dec 20	
	Year end (USDm)	Year end (EURm)	As % of earning assets	Year end (EURm)	As % of earning assets	Year end (EURm)	As % of earning assets	Year end (EURm)	As % of earning assets
	Original	Original		Original		Original		Original	
1. Interest received	131.7	120.2	2.18	66.9	1.44	74.2	1.67	33.3	1.27
2. Interest paid	n.a.	n.a.	-	0.4	0.01	2.5	0.06	1.1	0.04
3. Net interest revenue (1. - 2.)	131.7	120.2	2.18	66.5	1.43	71.7	1.61	32.2	1.22
4. Other operating income	294.5	268.8	4.88	142.0	3.06	634.4	14.25	210.0	7.99
5. Other income	64.3	58.7	1.1	70.1	1.5	74.6	1.7	69.7	2.7
6. Personnel expenses	154.5	141.0	2.56	151.4	3.27	171.7	3.86	150.0	5.70
7. Other non-interest expenses	80.9	73.8	1.34	57.2	1.23	44.6	1.00	33.8	1.29
8. Impairment charge	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other provisions	-0.9	-0.8	0.0	-0.4	0.0	0.0	0.0	-0.5	0.0
10. Pre-derivative operating profit (3. + 4. + 5.) - (6. + 7. + 8. + 9.)	256.0	233.7	4.24	70.4	1.52	564.4	12.67	128.6	4.89
11. Net gains/(losses) on non-trading derivative instruments	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Post-derivative operating profit (10. + 11.)	256.0	233.7	4.24	70.4	1.52	564.4	12.67	128.6	4.89
13. Other income and expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Net income (12. + 13.)	256.0	233.7	4.24	70.4	1.52	564.4	12.67	128.6	4.89
15. Fair-value revaluations recognised in equity	27.2	24.8	0.5	339.5	7.3	210.2	4.7	(139.9)	-5.3
16. Fitch's comprehensive net income (14. + 15.)	283.2	258.5	4.69	409.9	8.84	774.6	17.40	(11.3)	(0.43)

Source: Fitch Ratings EIF

European Investment Fund

Ratio Analysis

	31 Dec 23	31 Dec 22	31 Dec 21	31 Dec 20
(%)	Year end	Year end	Year end	Year end
	Original	Original	Original	Original
I. Profitability level				
1. Net income/equity (average)	5.2	1.7	19.0	6.5
2. Cost/income ratio	55.2	100.1	30.6	75.9
II. Capital adequacy				
1. Usable capital/risk-weighted assets (FRA ratio)	71.4	89.5	103.5	78.2
2. Equity/adjusted total assets + guarantees	70.1	7.0	6.1	5.7
3. Paid-in capital/subscribed capital	20.0	20.0	20.0	20.0
4. Internal capital generation after distributions	n.a.	9.8	n.a.	n.a.
III. Liquidity				
1. Liquid assets/short-term debt	n.a.	n.a.	n.a.	n.a.
2. Share of treasury assets rated 'AAA'-'AA'	n.a.	31.0	27.1	35.2
3. Treasury assets/total assets	54.8	53.7	52.7	44.1
4. Treasury assets investment grade + eligible non-investment grade/total assets	n.a.	42.3	44.3	36.6
5. Liquid assets/total assets	n.a.	42.3	44.3	36.6
IV. Asset quality				
1. Impaired loans/gross loans	n.a.	n.a.	n.a.	n.a.
2. Loan loss reserves/gross loans	1.3	25.6	n.a.	n.a.
3. Loan loss reserves/Impaired loans	n.a.	n.a.	n.a.	n.a.
V. Leverage				
1. Debt/equity	n.a.	n.a.	n.a.	n.a.
2. Debt/callable capital	n.a.	n.a.	n.a.	n.a.

Source: Fitch Ratings

(EURm)	31 Dec 23 Original	31 Dec 22 Original	31 Dec 21 Original
1. Lending operations			
1. Loans outstanding	30.6	17.6	384.9
2. Disbursed loans	n.a.	n.a.	n.a.
3. Loan repayments	n.a.	n.a.	n.a.
4. Net disbursements	n.a.	n.a.	n.a.
Memo: Loans to sovereigns	n.a.	n.a.	n.a.
Memo: Loans to non-sovereigns	30.6	17.6	384.9
2. Other banking operations			
1. Equity participations	2,334.1	1,980.9	1,539.7
2. Guarantees (off-balance sheet)	n.a.	57,055.0	60,150.0
Memo: Guarantees to sovereigns	n.a.	57,055.0	60,150.0
Memo: Guarantees to non-sovereigns	n.a.	n.a.	n.a.
3. Total banking exposure (balance sheet and off-balance sheet)			
1. Total banking exposure (loans + equity participations + guarantees (off-balance sheet))	2,364.7	59,053.5	62,074.6
2. Growth in total banking exposure	-96.0	-4.9	89.2
Memo: Non-sovereign exposure	2,364.7	1,998.5	1,924.6
4. Support			
1. Share of AAA/AA shareholders in callable capital	n.a.	95.8	95.8
2. Rating of callable capital ensuring full coverage of net debt	n.a.	n.a.	n.a.
3. Weighted average rating of key shareholders	n.a.	21.0	21.0
5. Breakdown of banking portfolio			
1. Loans to sovereigns/total banking exposure	n.a.	n.a.	n.a.
2. Loans to non-sovereigns/total banking exposure	1.3	0.0	0.6
3. Equity participation/total banking exposure	98.7	3.4	2.5
4. Guarantees covering sovereign risks/total banking exposure	n.a.	96.6	96.9
5. Guarantees covering non-sovereign risks/total banking exposure	n.a.	n.a.	n.a.
Memo: Non-sovereign exposure [2.+3.+5.]/total banking exposure	100.0	3.4	3.1
6. Concentration measures			
1. Largest exposure	n.a.	10.4	11.5
2. Five largest exposures	n.a.	33.3	44.5
5. Largest exposure/total banking exposure (%)	n.a.	0.8	0.7
6. Five largest exposures/total banking exposure (%)	n.a.	2.5	2.9
7. Credit risk			
1. Average rating of loans & guarantees	n.a.	n.a.	n.a.
2. Loans to investment-grade borrowers/gross loans	n.a.	n.a.	n.a.
3. Loans to sub-investment-grade borrowers/gross loans	n.a.	n.a.	n.a.
8. Liquidity			
1. Treasury assets	3,588.1	2,950.1	2,730.7
2. Treasury assets o/w IG + eligible non-IG	n.a.	2,326.5	2,297.9
3. Unimpaired short-term trade financing loans	n.a.	n.a.	n.a.
4. Unimpaired short-term trade financing loans - discounted 40%	n.a.	n.a.	n.a.
5. Liquid assets [2. + 4.]	n.a.	2,326.5	2,297.9

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

Copyright © 2024 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.