BOARD OF DIRECTORS

Minutes of the meeting held in Luxembourg on 10 June 2020

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

BOARD OF DIRECTORS

Meeting held via teleconference on Wednesday 10 June 2020

Agenda

A. Quorum

B. For decision
1. Adoption of the agenda Doc. 20/179
2. Approval of minutes dated 14 May 2020* BD/MIN/345/2020
3. Approval of confidential minutes dated 14 May 2020* BD/MIN/CONF/345/2020
4. Approval of minutes of written procedure dated 18 May 2020 BD/WP/MIN/346/2020
5. Approval of minutes of written procedure dated 4 June 2020 BD/WP/MIN/347/2020

AGENDA A

Equity
6. Vallis Sustainable Investments II – additional commitment Doc. 20/180
7. DeA Taste of Italy Fund 2 Doc. 20/181

Diversified debt funds
8. Vauraus SME Loan Fund I Ky Doc. 20/182

EFSI SMEW Private Credit Tailored for SMEs

Guarantees
9. […]
10. Framework approval set n. 2 – increased allocations InnovFin SME Guarantee Facility (COVID-19 Sub-window) Doc. 20/184
11. […]
12. LfA Förderbank Bayern (Germany) InnovFin SME Guarantee Facility (COVID-19 Sub-window) Doc. 20/186
13. PMV/z-Leningen (Belgium) – increased allocation InnovFin SME Guarantee Facility (COVID-19 Sub-window) Doc. 20/187
15. Framework approval set n. 2 – increased allocations COSME Loan Guarantee Facility (COVID-19 Sub-window) Doc. 20/189
16. Société Interprofessionnelle Artisanale de Garantie d’Investissements ("SIAGI") (France) – increased allocation COSME Loan Guarantee Facility (COVID-19 Sub-window) Doc. 20/190

AGENDA B

Equity
17. Melior Equity Partners II Doc. 20/191
18. Adriatic Structured Equity Fund - addendum Doc. 20/192
19. UnternehmerTUM VC Fonds III GmbH & Co. KG* Doc. 20/218

Hybrid Debt-Equity
20. Croatian Mezzanine Debt Fund - addendum Doc. 20/193
Guarantees

21. Santander Consumer Finance ABS 2020 (Portugal)*
   Credit enhancement (EIF own resources)  
   Doc. 20/194

22. […]

23. […]

24. BGL BNP Paribas II (Luxembourg)
   InnovFin SME Guarantee Facility (COVID-19 Sub-window)
   Doc. 20/197

25. Caixa Económica Montepio Geral, caixa económica bancária, S.A.
   (Portugal) – increased allocation
   InnovFin SME Guarantee Facility (COVID-19 Sub-window)
   Doc. 20/198

26. ING Belgium S.A. (Belgium) – increased allocation
   InnovFin SME Guarantee Facility (COVID-19 Sub-window)
   Doc. 20/199

27. Eurobank Bulgaria AD (Bulgaria)
   COSME Loan Guarantee Facility
   Doc. 20/200

28. Kredi Garanti Fonu A.S. (Turkey) - increased allocation
   COSME Loan Guarantee Facility
   Doc. 20/201

29. Raiffeisen Bank Aval (Ukraine) – increased allocation*
   Deep & Comprehensive Free Trade Area ("DCFTA") Initiative East Guarantee Facility
   Doc. 20/202

30. Komercni Banka (Czech Republic) – increased allocation (second increase)
   EaSI Guarantee Instrument - Microfinance
   Doc. 20/203

31. Patria Bank SA (Romania) – increased allocation (second increase)
   EaSI Guarantee Instrument - Microfinance
   Doc. 20/204

32. Raiffeisen Bank SA (Romania)
   EaSI Guarantee Instrument - Microfinance
   Doc. 20/205

33. FAER IFN SA (Romania)
   EaSI Funded Instrument
   Doc. 20/206

34. Romcom IFN SA (Romania)
   EaSI Funded Instrument
   Doc. 20/207

Mandates and Products

35. Creation of the Pan-European Guarantee Fund in response to COVID-19
   Doc. 20/209

C. Corporate and Institutional Matters

1. EIF operational plan 2020-2021 including capital considerations - first reading*
   Doc. 20/208

2. EIF Capital Situation – EIF Capital Support – first reading*
   Doc. 20/223

3. […]

4. Internal Capital Adequacy Assessment Process (ICAAP) report 2019*
   Doc. 20/211

D. For information

1. Risk Appetite Framework Dashboard Q1 2020
   Doc. 20/212

2. Monthly update on limits and liquidity ratios*
   Doc. 20/213

3. EIF Information Security Regular Update
   Doc. 20/214

4. Communications and marketing update*
   Doc. 20/215

5. Board follow-up programme
   Doc. 20/216

E. Miscellaneous / Statements

F. Confidential session

G. Date of next meeting: Tuesday 14 July 2020

* Late dispatch.
BOARD OF DIRECTORS

Those attending

Members: D. SCANNAPIECO, Chairman
A. FAYOLLE
M. DESCHEEMAECKER
C. DIAZ ALVAREZ DE TOLEDO
K. SCHREIBER
M. SCHULTE
E. WITT

Alternate Members: J.-C. LALOUX
E. KREIVI
A. EBERHARDS
M. PETROVA
M. SCICLUINA BARTOLI

Chief Executive: A. GODARD
Deputy Chief Executive: R. HAVENITH
Secretary: M. LEANDER

1 Present up to and including item C.2, and thereafter replaced by Mr. EBERHARDS.
2 The proposal for the appointment of Mr. SCHULTE as member of the Board of Directors, to succeed Ms. JORNA, was submitted to the General Meeting on 25 May 2020 for decision by written procedure on 15 June 2020.
The meeting of the Board of Directors ("Board") opened at 09:30.

A. **QUORUM**

The SECRETARY noted that there was a quorum.

The CHAIRMAN welcomed Mr. SCHULTE, noting that he was exercising his function as Board member in advance of the General Meeting’s decision\(^1\) on his appointment on 15 June 2020, as allowed by the EIF's governance framework.

B. **FOR DECISION**

1. **Adoption of the agenda**

The Board of Directors adopted the agenda as presented in document 20/179.

[...]

The CHAIRMAN conveyed appreciation to the EIF's management and staff for their exceptional work in continuing to manage existing and new priorities, including the implementation of the pan-European Guarantee Fund, and addressing many other COVID-19-related requests for support from across EU Member States within a context of carefully assessing capital considerations.

2. **Approval of minutes dated 14 May 2020**

The Board of Directors approved the minutes of the Board meeting dated 14 May 2020, ref. BD/MIN/345/2020 and took note of the forthcoming publication on the EIF's website.

3. **Approval of confidential minutes dated 14 May 2020**

The Board of Directors approved the minutes of the Board’s confidential session dated 14 May 2020, ref. BD/MIN/CONF/345/2020.

4. **Approval of minutes of written procedure dated 18 May 2020**

The Board of Directors approved the minutes of the written procedure dated 18 May 2020, ref. BD/WP/MIN/346/2020 and took note of the forthcoming publication on the EIF's website.

5. **Approval of minutes of written procedure dated 4 June 2020**

The Board of Directors approved the minutes of the written procedure dated 4 June 2020, ref. BD/WP/MIN/347/2020 and took note of the forthcoming publication on the EIF's website.

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\(^1\) Ref. GM/11/2020, doc. 20/11 dated 15 June 2020, proposing the appointment of Mr. SCHULTE to succeed Ms. JORNA as member of the Board of Directors, further to her resignation, effective 25 May 2020.
AGENDA A

EQUITY

6. **Vallis Sustainable Investments II – additional commitment**
   NPI Mandate from Instituição Financeira de Desenvolvimento ("IFD") (Portugal Growth)
   Generalist private equity fund focusing on lower mid-market investments primarily in Portugal.

   The Board of Directors approved an additional commitment in Vallis Sustainable Investments II, on the terms and conditions set out in document 20/180.

7. **DeA Taste of Italy Fund 2**
   EFSI-SMEW Equity Product Sub-window 1, Risk Capital Resources, own resources
   Private equity fund focusing on lower mid-market investments in the food and beverage sector primarily in Italy.

   The Board of Directors approved an investment in DeA Taste of Italy Fund 2, on the terms and conditions set out in document 20/181.

DIVERSIFIED DEBT FUNDS

8. **Vauraus SME Loan Fund I Ky**
   EFSI SMEW Private Credit Tailored for SMEs
   Diversified debt fund providing senior financing with a focus on SMEs in Finland.

   The Board of Directors approved an equity investment in Vauraus SME Loan Fund I Ky, on the terms and conditions set out in document 20/182.

GUARANTEES

9. […]

10. **Framework approval set n. 2 – increased allocations**
    InnovFin SME Guarantee Facility (COVID-19 Sub-window)
    Increases of existing (counter-)guarantee agreements with 14 intermediaries, proposed in line with the agreed fast-track approach, to enhance access to finance for innovative SMEs and mid-caps, including companies affected by the COVID-19 crisis.

    Ms. WITT stated a conflict of interest and abstained with respect to the transactions with ProCredit Bank EAD (Bulgaria) and ProCredit Bank SA (Romania), included in the set.

    The Board of Directors approved the proposed increases, on the terms and conditions set out in document 20/184.

11. […]

12. **LfA Förderbank Bayern (Germany)**
    InnovFin SME Guarantee Facility (COVID-19 Sub-window)
    Direct guarantee to enhance access to finance for innovative SMEs and mid-caps in Germany affected by the COVID-19 crisis.

    The Board of Directors approved an increase of the maximum guarantee amount, on the terms and conditions set out in document 20/186.
13. **PMV/z-Leningen (Belgium) – increased allocation**

   *InnovFin SME Guarantee Facility (COVID-19 Sub-window)*

   Direct guarantee to enhance access to finance for innovative SMEs and mid-caps in Belgium affected by the COVID-19 crisis.

   The Board of Directors approved an increase of the maximum guarantee amount, on the terms and conditions set out in document 20/187.

14. **Sabadell Venture Capital S.L.U. (Spain)**

   *InnovFin SME Guarantee Facility (COVID-19 Sub-window)*

   Direct guarantee to enhance access to finance for innovative SMEs and mid-caps in Spain, including companies affected by the COVID-19 crisis.

   The Board of Directors approved a total maximum guarantee amount, on the terms and conditions set out in document 20/188.

15. **Framework approval set n. 2 – increased allocations**

   *COSME Loan Guarantee Facility (COVID-19 Sub-window)*

   Increases of existing (counter-)guarantee agreements with 11 intermediaries, proposed in line with the agreed fast-track approach, to enhance access to finance for SMEs affected by the COVID-19 crisis.

   The Board of Directors approved the proposed increases, on the terms and conditions set out in document 20/189.

16. **Société Interprofessionnelle Artisanale de Garantie d’Investissements (“SIAGI”) (France) – increased allocation**

   *COSME Loan Guarantee Facility (COVID-19 Sub-window)*

   Counter-guarantee to enhance access to finance for SMEs in France affected by the COVID-19 crisis.

   The Board of Directors approved an increase of the maximum guarantee cap amount, on the terms and conditions set out in document 20/190.

**AGENDA B**

**EQUITY**

17. **Melior Equity Partners II**

   *EFSI-SMEW Equity Product Sub-window 1, own resources*

   Generalist private equity fund focusing on lower mid-market investments in Ireland.

   The Board of Directors approved an investment in Melior Equity Partners II, on the terms and conditions set out in document 20/191.

18. **Adriatic Structured Equity Fund – addendum**

   *Croatian Growth Investment Programme with HBOR (Primary Investments window), EFSI-SMEW Equity Product Sub-window 1, own resources*

   Generalist private equity fund focusing on lower mid-market investments primarily in Croatia.

   The Board of Directors approved the proposed addendum to the originally approved investment in Adriatic Structured Equity Fund, on the terms and conditions set out in document 20/192.
19. **UnternehmerTUM VC Fonds III GmbH & Co. KG**  
   Risk Capital Resources, InnovFin Equity Facility for Early Stage – Space, ERP-EIF Facility, LiA-EIF 3 Facility, InnovFin Equity Facility for Early Stage, own resources  
   Venture capital fund focusing on early stage B2B investments primarily in Germany, and, to a lesser extent, the DACH region.

The Board of Directors approved an investment in UnternehmerTUM VC Fonds III GmbH & Co. KG, on the terms and conditions set out in document 20/218.

**HYBRID DEBT-EQUITY**

20. **Croatian Mezzanine Debt Fund – addendum**  
   Croatian Growth Investment Programme with HBOR (Primary Investments window), EFSI-SMEW Equity Product Sub-window 1, own resources  
   Generalist hybrid debt-equity fund focusing on junior loans to SMEs in Croatia.

The Board of Directors approved the proposed addendum to the originally approved investment in Croatian Mezzanine Debt Fund, on the terms and conditions set out in document 20/193.

**GUARANTEES**

21. **Santander Consumer Finance ABS 2020 (Portugal)**  
   Credit enhancement (EIF own risk)  
   Risk transfer balance sheet cash securitisation on a portfolio of auto loans, including a significant green component in association with limits on CO\(^2\) emissions, to enhance access to finance for SMEs and small mid-caps in Portugal.

[…]

The Board of Directors approved principal guarantee amounts, on the terms and conditions set out in document 20/194.

22. […]

23. […]

24. **BGL BNP Paribas II (Luxembourg)**  
   InnovFin SME Guarantee Facility (COVID-19 Sub-window)  
   Direct guarantee to enhance access to finance for innovative SMEs and mid-caps in Luxembourg, including companies affected by the COVID-19 crisis.

The Board of Directors approved a total maximum guarantee amount, on the terms and conditions set out in document 20/197.

25. **Caixa Económica Montepio Geral, caixa económica bancária, S.A. (Portugal)**  
   increased allocation  
   InnovFin SME Guarantee Facility (COVID-19 Sub-window)  
   Direct guarantee to enhance access to finance for innovative SMEs and mid-caps in Portugal, including companies affected by the COVID-19 crisis.

The Board of Directors approved an increase of the maximum guarantee amount, on the terms and conditions set out in document 20/198.
26. **ING Belgium S.A. (Belgium) – increased allocation**  
**InnovFin SME Guarantee Facility (COVID-19 Sub-window)**

Direct guarantee to enhance access to finance for innovative SMEs and mid-caps in Belgium, including companies affected by the COVID-19 crisis.

The Board of Directors approved an increase of the maximum guarantee amount, on the terms and conditions set out in document 20/199.

27. **Eurobank Bulgaria AD (Bulgaria)**  
**COSME Loan Guarantee Facility**

Direct guarantee to enhance access to finance for SMEs, including start-ups, in Bulgaria.

The Board of Directors approved a maximum guarantee cap amount, on the terms and conditions set out in document 20/200.

28. **Kredi Garanti Fonu A.S. (Turkey) – increased allocation**  
**COSME Loan Guarantee Facility**  
**Counter-guarantee to enhance access to finance for SMEs in Turkey.**

The Board of Directors approved an increase of the maximum guarantee cap amount, on the terms and conditions set out in document 20/201.

29. **Raiffeisen Bank Aval (Ukraine) – increased allocation**  
**Deep & Comprehensive Free Trade Area ("DCFTA") Initiative East Guarantee Facility**

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

[...]

The Board of Directors approved an increase of the maximum guarantee cap amount, on the terms and conditions set out in document 20/202.

30. **Komercni Banka (Czech Republic) – increased allocation (second increase)**  
**EaSI Guarantee Instrument - Microfinance**

Direct guarantee to enhance access to finance for financially excluded micro-borrowers in the Czech Republic.

The Board of Directors approved an increase of the maximum guarantee cap amount, on the terms and conditions set out in document 20/203.

31. **Patria Bank SA (Romania) – increased allocation (second increase)**  
**EaSI Guarantee Instrument - Microfinance**

Direct guarantee to enhance access to finance for vulnerable persons and microenterprises in Romania, particularly in rural and small urban areas.

The Board of Directors approved an increase of the maximum guarantee cap amount, on the terms and conditions set out in document 20/204.
32. **Raiffeisen Bank SA (Romania)**  
**EaSI Guarantee Instrument - Microfinance**  
Direct guarantee to enhance access to finance for vulnerable persons and microenterprises, including start-ups, small farmers and micro-entrepreneurs in Romania, including those affected by the COVID-19 crisis.

The Board of Directors approved a maximum guarantee cap amount, on the terms and conditions set out in document 20/205.

33. **FAER IFN SA (Romania)**  
**EaSI Funded Instrument**  
Senior loan to enhance access to finance mainly for vulnerable people and micro-enterprises in rural areas, and small farmers in central Transylvania, Romania.

The Board of Directors approved a principal amount, on the terms and conditions set out in document 20/206.

34. **Romcom IFN SA (Romania)**  
**EaSI Funded Instrument**  
Senior loan to enhance access to finance mainly for low-income and small-scale businesses and farmers in North-West Romania.

The Board of Directors approved a principal amount, on the terms and conditions set out in document 20/207.

**MANDATES AND PRODUCTS**

35. **Creation of the Pan-European Guarantee Fund in response to COVID-19**  
Proposal outlining the EIF's role in the EIB Group's implementation of the Guarantee Fund to support EU companies affected by the COVID-19 crisis.

 [...]  
The Board of Directors approved the EIF's proposed role in the EIB Group's implementation of the Pan-European Guarantee Fund, financed through contributions of participating EU Member States from national budgets, and potentially including EIF own resources, as set out in document 20/209.

**C. CORPORATE AND INSTITUTIONAL MATTERS**

At the CHAIRMAN's suggestion, items C.1 and C.2 were discussed together.

1. **EIF operational plan 2020-2021 including capital considerations – first reading**  
and

2. **EIF Capital Situation – EIF Capital Support – first reading**

The CHIEF EXECUTIVE introduced the EIF Operational Plan 2020-2021 ("OP"), complemented by supporting slides², and highlighted the decisions that the Board was being requested to approve³.

 [...]  

² EIF operational plan 2020-21 - supporting slides, doc. 20/225, made available on the Board Portal prior to the meeting.
³ Doc. 20/208, p.10, "Board immediate decisions requested".
The DEPUTY CHIEF EXECUTIVE introduced the EIF Capital Situation – EIF Capital Support proposal, complemented by supporting slides⁴.

[...]

The Board of Directors took note of the EIF Operational Plan 2020-2021 including capital considerations, as presented for first reading in document 20/208, and the EIF Capital Situation – EIF Capital Support as presented for first reading in document 20/223. The Board gave a broad endorsement for the EIF to proceed with updated proposals to be submitted for a second reading, including, if necessary, at an extraordinary Board meeting before the next scheduled meeting in July.

3.  

4.  Internal Capital Adequacy Assessment Process (ICAAP) report 2019

[...]

The Board of Directors approved the Internal Capital Adequacy Assessment Process report 2019 as presented in document 20/211 and authorised a gradual alignment of the risk appetite boundaries for the S&P RAC ratio with the boundaries set for the EIB.

D.  FOR INFORMATION

1.  Risk Appetite Framework Dashboard Q1 2020

The Board of Directors took note of the Risk Appetite Framework Dashboard Q1 2020, as presented in document 20/212.

2.  Monthly update on limits and liquidity ratios

The Board of Directors took note of the Monthly update on limits and liquidity ratios, as presented in document 20/213.

3.  EIF Information Security Regular Update

The Board of Directors took note of the EIF Information Security Regular Update, as presented in document 20/214.

4.  Communications and marketing update

The Board noted that the 2020 communications strategy would evolve to incorporate new initiatives, once sufficiently developed, including the EIF’s role with respect to the European Commission’s proposed Solvency Support Instrument.

The Board of Directors took note of the Communications and marketing update, as presented in document 20/215.

5.  Board follow-up programme

The Board of Directors took note of the Board follow-up programme, as presented in document 20/216.

⁴ EIF Capital Situation - supporting slides, doc. 20/226, made available on the Board Portal prior to the meeting.
E. MISCELLANEOUS / STATEMENTS

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

F. CONFIDENTIAL SESSION

G. DATE OF NEXT MEETING

The Board of Directors noted that the next regular meeting would take place on 14 July 2020.

The meeting was closed at 13:10.

Luxembourg, 10 June 2020.

The CHAIRMAN (signed)
Dario SCANNAPIECO

The SECRETARY (signed)
Maria LEANDER