



Credit strengths

- Very strong mandate; ESG pioneer
- Excellent asset quality
- Excellent access to capital markets and ECB's refinancing operations
- High retained earnings
- Highly rated members

Credit challenges

- High leverage compared to peers

Ratings and Outlook

Foreign currency

Long-term issuer rating	AAA/Stable
Senior unsecured debt	AAA/Stable
Short-term issuer rating	S-1+/Stable

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Rating rationale and Outlook: The AAA rating of the European Investment Bank (EIB) reflects its 'Excellent' intrinsic strength and 'Excellent' shareholder support. In detail:

- **Institutional profile:** The EIB has a proven track record of excellent governance and an irreplaceable mandate from its EU members. It has been critical for supporting EU policies, including its response to the Covid-19 crisis, closing investment gaps by leveraging the impact of member states' Next Generation EU funds and the InvestEU programme, as well as catalysing Europe's transition to carbon neutrality.
- **Financial profile:** The EIB has generated capital every year since 1958, including during the Covid-19 crisis in 2020-21. Its excellent asset quality with negligible non-performing loans is driven by its conservative lending policies, high asset protection and its widely diversified portfolio across geographies, sectors and counterparties. The EIB's strong liquidity profile is driven by its high, prudently managed liquid assets, excellent market access given its global benchmark issuer status, diversified funding base and unique access to the ECB's liquidity facilities. Challenges, which are marginal at the AAA level, relate to its high leverage and moderate, albeit rising, liquidity buffers compared to peers.
- **Shareholder support:** The EIB benefits from highly rated key members (AA-), a track record and solid legal basis for receiving extraordinary support when needed.
- **Outlook and triggers:** The Stable Outlook reflects our assessment of the EIB's financial buffers to withstand external and balance sheet-driven shocks. The rating could be downgraded if: i) the EIB records sustained losses; ii) its liquidity buffers are significantly reduced; and/or iii) highly rated key members were downgraded.

Figure 1: Scope's assessment of the EIB's rating drivers



Positive rating-change drivers

- Not applicable

Negative rating-change drivers

- Losses that reduce capital base
- Reduction in liquidity buffers
- Downgrades of key members

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Bloomberg: RESP SCOP

Indicative rating: AAA

We first map the assessments for the institutional and financial profiles to determine the supranational's intrinsic strength. In a second step, we map this assessment against the shareholder support to determine the indicative rating.

Intrinsic Strength: Mapping of institutional and financial profiles for the EIB

	Intrinsic Strength		Institutional Profile			
	Very Strong	Strong	Moderate	Weak	Very Weak	
Financial Profile	Excellent	Excellent	Excellent	Very Strong (+)	Very Strong	
	Very Strong (+)	Excellent	Excellent	Very Strong (+)	Very Strong (-)	
	Very Strong	Excellent	Very Strong (+)	Very Strong	Strong (+)	
	Very Strong (-)	Very Strong (+)	Very Strong	Very Strong (-)	Strong	
	Strong (+)	Very Strong	Very Strong (-)	Strong (+)	Strong (-)	
	Strong	Very Strong (-)	Strong (+)	Strong	Adequate (+)	
	Strong (-)	Strong (+)	Strong	Strong (-)	Adequate	
	Adequate (+)	Strong	Strong (-)	Adequate (+)	Adequate (-)	
	Adequate	Strong (-)	Adequate (+)	Adequate	Moderate (+)	
	Adequate (-)	Adequate (+)	Adequate	Adequate (-)	Moderate	
	Moderate (+)	Adequate	Adequate (-)	Moderate (+)	Moderate (-)	
	Moderate	Adequate (-)	Moderate (+)	Moderate	Weak (+)	
	Moderate (-)	Moderate (+)	Moderate	Moderate (-)	Weak	
	Weak (+)	Moderate	Moderate (-)	Weak (+)	Weak (-)	
	Weak	Moderate (-)	Weak (+)	Weak	Very Weak (+)	
	Weak (-)	Weak (+)	Weak	Weak (-)	Very Weak	
	Very Weak (+)	Weak	Weak (-)	Very Weak (+)	Very Weak (-)	
Very Weak	Weak (-)	Very Weak (+)	Very Weak	Very Weak (-)		
Very Weak (-)	Very Weak (+)	Very Weak	Very Weak (-)	Very Weak (-)		

Indicative Rating: Mapping of intrinsic strength and shareholder support for the EIB

	Indicative Rating	Shareholder Support			
		Excellent	Very High	High	Moderate
Intrinsic Strength	Excellent	AAA	AAA	AAA / AA	AA+ / AA-
	+	AAA	AAA / AA	AA+ / AA-	AA / A+
	Very Strong	AAA / AA	AA+ / AA-	AA / A+	AA- / A
	-	AA+ / AA-	AA / A+	AA- / A	A+ / A-
	+	AA / A+	AA- / A	A+ / A-	A / BBB+
	Strong	AA- / A	A+ / A-	A / BBB+	A- / BBB
	-	A+ / A-	A / BBB+	A- / BBB	BBB+ / BBB-
	+	A / BBB+	A- / BBB	BBB+ / BBB-	BBB / BB+
	Adequate	A- / BBB	BBB+ / BBB-	BBB / BB+	BBB- / BB
	-	BBB+ / BBB-	BBB / BB+	BBB- / BB	BB+ / BB-
	+	BBB / BB+	BBB- / BB	BB+ / BB-	BB / B+
	Moderate	BBB- / BB	BB+ / BB-	BB / B+	BB- / B
	-	BB+ / BB-	BB / B+	BB- / B	B+ / B-
	+	BB / B+	BB- / B	B+ / B-	B / CCC
	Weak	BB- / B	B+ / B-	B / CCC	B- / CCC
	-	B+ / B-	B / CCC	B- / CCC	CCC
	+	B / CCC	B- / CCC	CCC	CCC
Very Weak	B- / CCC	CCC	CCC	CCC	
-	CCC	CCC	CCC	CCC	

Source: Scope Ratings



II Shareholders: European Investment Bank

EUR m

EIB members	Paid-in capital	Callable capital	Subscribed capital	Key (%)	Rating	Callable capital ≥ AA-
Germany	4,167.3	42,555.1	46,722.4	18.8	AAA	42,555.1
France	4,167.3	42,555.1	46,722.4	18.8	AA	42,555.1
Italy	4,167.3	42,555.1	46,722.4	18.8	BBB+	
Spain	2,500.4	25,533.0	28,033.4	11.3	A-	
Belgium	1,155.1	11,796.0	12,951.1	5.2	AA-	11,796.0
Netherlands	1,155.1	11,796.0	12,951.1	5.2	AAA	11,796.0
Poland	1,013.8	10,352.9	11,366.7	4.6	A+	
Sweden	766.3	7,825.5	8,591.8	3.5	AAA	7,825.5
Denmark	584.9	5,972.6	6,557.5	2.6	AAA	5,972.6
Austria	573.4	5,855.6	6,429.0	2.6	AAA	5,855.6
Finland	329.5	3,364.3	3,693.7	1.5	AA+	3,364.3
Greece	313.3	3,199.6	3,513.0	1.4	BB+	
Portugal	201.9	2,062.0	2,263.9	0.9	BBB+	
Czech Republic	196.8	2,010.1	2,206.9	0.9	AA	2,010.1
Hungary	186.2	1,901.6	2,087.8	0.8	BBB+	
Ireland	146.2	1,493.2	1,639.4	0.7	AA-	1,493.2
Romania	146.2	1,493.2	1,639.4	0.7	BBB-	
Croatia	94.8	967.6	1,062.3	0.4	BBB+	
Slovakia	67.0	684.2	751.2	0.3	A+	
Slovenia	62.2	635.2	697.5	0.3	A	
Bulgaria	45.5	464.5	510.0	0.2	BBB+	
Lithuania	39.0	398.6	437.6	0.2	A	
Luxembourg	29.2	298.6	327.9	0.1	AAA	298.6
Cyprus	28.7	292.8	321.5	0.1	BBB	
Latvia	23.8	243.3	267.1	0.1	A-	
Estonia	18.4	187.9	206.2	0.1	AA-	187.9
Malta	10.9	111.5	122.4	0.0	A+	
Total	22,190.7	226,604.9	248,795.6	100.0		135,709.8

Source: EIB, Scope Ratings. Figures may not add up due to rounding.



III Scope's supranational scorecard: European Investment Bank

Risk factors	Variables	Unit								EIB				
			+4	+3	+2	+1	0	-1	-2	Value	Assessment	Notches		
Institutional Profile	Mandate & ESG (-2; +2)	Importance of mandate	Qualitative	--	--	--	Very High	High	Declining	--	--	Very High		
		Social factors	Qualitative	--	--	--	Strong	Medium/ N/A	Weak	--	--	Strong	1	
		Environmental factors	Qualitative	--	--	--	Strong	Medium/ N/A	Weak	--	--	Strong		
	Governance	Shareholder concentration	HHI	--	--	--	--	≤ 1500	> 1500	--	1300.0	Strong		
		Shareholder control	%	--	--	--	--	≤ 25	> 25	--	19.0	Strong	1	
		Strategy and internal controls	Qualitative	--	--	--	Strong	Medium	Weak	--	--	Strong		
Institutional Profile											Very Strong			
Intrinsic Strength	Capitalisation (-3; +6)	Capital/ Potential assets	%	≥ 30	< 30; ≥ 20	< 20; ≥ 15	< 15; ≥ 10	< 10; ≥ 7.5	< 7.5; ≥ 5	< 5	10.0	Adequate	1	
		Capital/ Actual assets*	%	--	--	--	≥ 30	< 30	--	--	17.0	Adequate/ No uplift	0	
		Profitability (Return on equity)	%	--	--	--	≥ 3	< 3; ≥ 0	< 0	--	3.0	Adequate	1	
	Trend (-1; +1)											0		
	Asset quality (-3; +5)	Portfolio quality	Incl. risk mitigants	Qualitative	--	--	Very Strong	Strong	Adequate	Moderate	Weak	Very Strong	Very Strong	2
			Asset performance	NPLs	% total loans	--	≤ 0.5	> 0.5; ≤ 1	> 1; ≤ 3	> 3; ≤ 5	> 5	--	0.0	Excellent
		Trend (-1; +1)												0
	Liquidity & funding (-4; +8)	Liquid assets ratio		%	> 100	≤ 100; > 75	≤ 75; > 50	≤ 50; > 25	≤ 25; > 15	≤ 15; > 10	≤ 10	75.0	Strong	2
			Maturity gap	Multiple	--	--	--	≥ 0.75	< 0.75; ≥ 0.5	< 0.5	--	0.8	Strong	1
		Funding	Funding volume	EUR or USD bn	--	--	≥ 25	< 25; ≥ 5	< 5; ≥ 2	< 2	--	59.0	Very Strong	2
Currency diversification			Top 1 share	--	--	--	≤ 70	> 70	--	--	56.0	Strong	1	
Trend (-1; +1)												1		
Financial Profile											Excellent			
Intrinsic Strength											Excellent			
Shareholder Support	Shareholder strength (0; +3)	Weighted average rating of key shareholders	Avg. rating	--	≥ AA-	≥ A-	≥ BBB-	< BBB-	--	--	--	AA-		
		Share of portfolio related to key shareholders	%	--	--	--	--	≤ 50	> 50	--	26.0	Low / No adjustment	3	
		Adjusted key shareholder rating	Avg. rating	--	--	--	--	--	--	--	--	AA-		
	Extraordinary Support (0; +2)	Callable capital [rated ≥ AA-] / Actual assets	%	--	--	≥ 100	< 100; ≥ 20	< 20	--	--	30.0	Strong	1	
		Additional support mechanisms	Qualitative	--	--	Very Strong	Strong	N/A	--	--	N/A	Strong	1	
Shareholder Support											Excellent			
Indicative Rating											AAA			
Additional considerations (-1; +1)											Neutral			
Final Rating											AAA			

Source: Scope Ratings. Figures in the financial profile refer to three-year weighted averages for the 2019-21 period. The positive trend under liquidity and funding captures the benefit from accessing the ECB's liquidity facilities.

IV Asset quality assessment

Portfolio quality (initial assessment)		Very Strong	Strong	Adequate	Moderate	Weak
Indicative borrower quality		aaa/aa	a	bbb	bb	b/cc
Notches		+2	+1	0	-1	-2

Adjustments		Indicator	Assessment/thresholds								
Points			+5	+4	+3	+2	+1	0	-1	-2	-3
Credit protection	Sovereign PCS	<i>% of loan portfolio</i>	100	≥ 80	≥ 60	≥ 40	≥ 20	< 20			
	Private sector-secured										
Diversification	Geography	<i>HHI</i>				≤ 1000	≤ 2000	> 2000			
	Sector	<i>HHI</i>					≤ 2000	> 2000			
	Top 10 exposures	<i>% of loan portfolio</i>				≤ 25	≤ 75	> 75			
Equity-type exposure		<i>% of equity</i>						≤ 25	> 25	> 50	> 75
Total points			+8								
Adjustments			+3 categories								

Portfolio quality (final assessment)		Very Strong	Strong	Adequate	Moderate	Weak
Notches		+2	+1	0	-1	-2

Source: Scope Ratings. Three points usually correspond to one assessment category. In the case of the EIB, this implies up to three higher categories from the initial portfolio quality assessment based on the estimated average borrower quality.

V Statistical tables

	2016	2017	2018	2019	2020	2021
Capitalisation (EUR bn)						
Mandated potential assets	719.4	726.4	732.3	738.2	750.3	756.7
Mandated assets (disbursed)	446.2	450.0	447.5	445.7	450.5	448.8
Capitalisation ratio, potential (%)	9.2	9.5	9.7	10.0	9.8	10.1
Capitalisation ratio, actual (%)	14.8	15.3	15.9	16.5	16.3	17.0
Profitability (EUR bn)						
Net income	2.9	2.8	2.3	2.4	1.7	2.6
Return on equity (%)	4.5	4.2	3.4	3.3	2.4	3.5
Asset quality (EUR bn)						
Total loans (signed)	568.7	568.2	557.0	560.4	558.9	556.8
Unsecured private sector loans (%)	23.0	24.7	25.6	26.4	26.7	27.5
Impaired loans	1.5	1.3	1.5	1.6	1.9	1.5
Non-performing loans (EUR m)	93.6	182.2	178.7	148.3	121.1	118.7
Direct equity participations	4.9	5.8	6.9	8.5	9.2	10.3
% of total equity and reserves	7.8	8.8	10.0	11.9	12.8	14.0
Liquidity (EUR bn)						
Cash & deposits	38.4	36.4	52.6	56.1	62.4	77.3
T-bills & securities ≤ 12 months	41.1	30.4	24.9	22.9	20.7	26.8
Treasury assets > 12 months rated ≥ AA-*				3.4	3.4	3.2
Liabilities ≤ 12 months	93.4	75.7	80.0	92.8	94.7	90.1
Disbursements (of following year)	48.6	46.7	43.6	51.6	37.7	46.3
Liquid assets ratio (%)	55.9	54.6	62.7	57.0	65.3	78.7
Funding (EUR bn)						
Volume	66.4	56.4	60.0	50.3	70.0	55.3
<i>Share of total outstanding (%)</i>						
EUR	46.9	51.9	53.2	53.9	56.4	56.1
USD	31.1	26.7	26.0	24.9	23.7	23.9
GBP	11.0	11.0	10.0	10.2	9.8	9.9
ESG issuance	3.8	4.3	4.5	4.1	10.5	11.5
% total	5.7	7.6	7.5	8.2	15.0	20.8
Equity (EUR bn)						
Paid-in capital	21.7	21.7	21.7	21.7	22.2	22.2
Reserves	41.6	44.5	47.3	49.6	49.6	51.3

*Available for 2021 and 2020; 2019 assumed as 2020. Source: EIB, Scope Ratings



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