

European Investment Bank



Credit strengths

- Highly rated shareholders
- High liquidity buffers; excellent access to capital markets and to the ECB's refinancing operations
- Excellent asset quality performance
- High retained earnings

Credit weaknesses

- High leverage
- Concentrated shareholder base
- Rising equity and higher-risk activities

Ratings and Outlook

Foreign currency

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

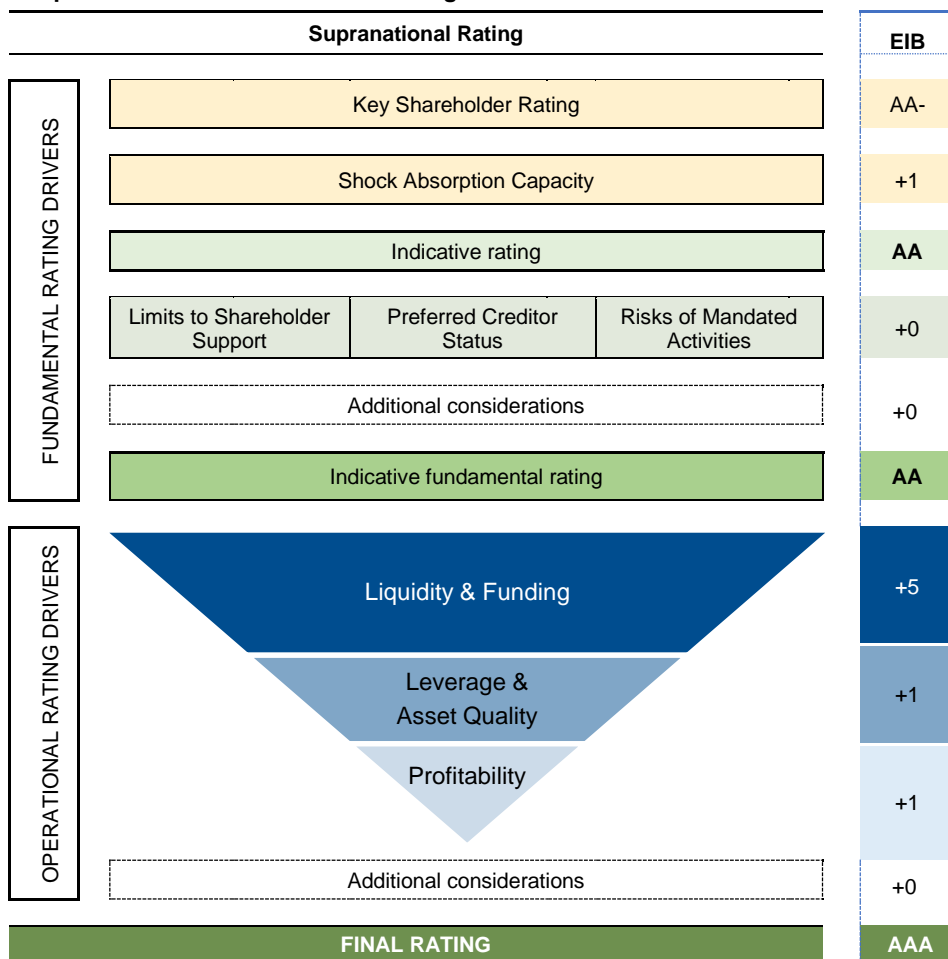
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Scope's assessment of the EIB's rating drivers



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Bloomberg: SCOP

Positive rating-change drivers

- N/A

Negative rating-change drivers

- Downgrades of key shareholders
- Significant reduction in liquidity buffers
- Marked deterioration of capital base



Scope's supranational scorecard: European Investment Bank

Risk factors	Variables	Unit	Risk assessment			EIB			
			Low (+1)	Medium (0)	High (-1)	Value	Risk assessment	Notches	
Fundamental rating drivers	Key shareholder rating	Weighted average rating of key shareholders	Avg. rating			AA-	--	--	
	Shock-absorption capacity (-1; +2)	Equity + callable capital/potential liabilities*	%	≥ 20	< 20; ≥ 10	< 10	30.6	+1 Notches	--
	Indicative rating						AA		
	Limits to shareholder support (-1; 0)	Shareholder concentration	HHI	--	--	> 2,000	2200.0	Medium/High	-1
		Paid-in/callable capital	%	--	--	< 10	10.0	Low	
	Preferred creditor status (0; +1)	Mandate	Description	LOLR	--	--	EU Policy	--	1
		Exposure to own shareholders	% total loans	≥ 75	--	--	88.5	Low	
			Private sector exposure	% total loans	≤ 25	--	--	60.4	
	Risks from mandated activities (+/- 1)	History/track record		--	--	--	Yes	1	0
		Weighted average borrower quality (top 10)	Rating	≥ A-	≥ BBB-	< BBB-	A+	Low	
Additional considerations	Max. equity investments	% equity	≤ 50	--	--	100.0	High	0	
Indicative fundamental rating						AA			
Operational rating drivers	Liquidity & funding (-2; +7)	Liquid assets ratio**	%	≥ 30	< 30; ≥ 20	< 20	58.5	Low	2
		WAM issuance (latest)	Years	≥ 5	< 5; ≥ 2	< 2	7.2	Low	1
		Funding volume	EUR or USD bn	≥ 10	--	--	53.8	Low	1
		Currency diversification	Top 1 share	≤ 70	--	--	53.5	Low	
		ESG issuance	% issuance	≥ 15	--	--	7.9	--	0
	Leverage & asset quality (-2; +4)	Adjustments					1.0	--	1
		Leverage ratio***	% equity	≤ 300	> 300; ≤ 600	> 600	643.9	High	-1
		NPLs****	% total loans	≤ 2	> 2; ≤ 4	> 4	0.0	Low	1
		Actual equity participation****	% equity	≤ 50	--	--	11.1	Low	
		Portfolio concentration***	Geographical concentration	HHI	≤ 2,000	--	--	700.0	Low
Industry concentration	HHI		≤ 2,000	--	--	1700.0	Low		
Profitability (+/- 1)	Return on equity	%	≥ 3	< 3; ≥ 0	< 0	3.4	Low	1	
Additional considerations						0.0	--	0	
FINAL RATING						AAA			

*Callable capital of potentially borrowing/benefiting shareholders rated ≥ AA-. If the value is above 50, we adjust the assessment positively by two notches.

**If the value is above 50 (80), we adjust the assessment positively by two (three) notches. Ratios above 120 receive a four-notch adjustment.

***If the value is below 100, we adjust the assessment positively by two notches.

****Adjusted taking 'risks from mandated activities' into account.

*****If either geographical or industry concentration is assessed as 'low' risk, we will adjust positively by one notch.

LOLR stands for lender of last resort. HHI refers to the Herfindahl-Hirschman Index. ESG-issuance can only provide positive uplift.

Operational rating drivers are calculated using a weighted three-year average.

Source: EIB, Scope Ratings GmbH



II Shareholders: European Investment Bank

EUR m, latest figures

EIB shareholders	Subscribed capital, called and paid	Subscribed, uncalled capital	Subscribed capital	Key (%)	Rating	Callable capital ≥ AA-
France	4,167.3	42,555.1	46,722.4	18.8	AA	42,555.1
Germany	4,167.3	42,555.1	46,722.4	18.8	AAA	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	A+	
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		134,216.6

Source: EIB, Scope Ratings GmbH

III Statistical tables

	2014	2015	2016	2017	2018	2019
Key shareholders						
Average capital-key weighted rating	AA-	AA-	AA-	AA-	AA-	AA-
Shareholders rated at least AA- (%)	66.9	66.9	66.9	66.9	66.9	59.2*
Liquidity (EUR bn)						
Liquid assets	58.9	72.6	79.5	66.8	77.5	79.0
Cash & deposits	38.9	31.5	38.4	36.4	52.6	56.1
T-bills & securities ≤ 12 months	20.0	41.1	41.1	30.4	24.9	22.9
Liabilities ≤ 12 months and disbursements	141.3	159.8	147.7	124.3	126.7	136.4
Liabilities ≤ 12 months	82.7	99.6	93.4	75.7	80.0	92.8
Disbursements	58.6	60.2	54.3	48.6	46.7	43.6
Liquid assets ratio (%)	41.7	45.4	53.8	53.7	61.2	57.9
Funding (EUR bn)						
Volume	61.6	62.4	66.4	56.4	60.0	50.3
<i>Share of total (%)</i>						
EUR	48.0	46.0	46.9	51.9	53.2	53.9
USD	27.3	30.3	31.1	26.7	26.0	24.9
GBP	13.5	13.1	11.0	11.0	10.0	10.2
ESG issuance	2.2	4.0	3.8	4.3	4.5	4.1
Leverage (EUR bn)						
Debts evidenced by certificates	453.5	469.3	470.9	449.6	455.4	449.3
Leverage ratio (%)	782.6	774.8	743.7	679.3	660.1	630.0
Asset quality (EUR bn)						
Total loans	549.3	563.6	568.7	568.2	557.0	560.4
Unsecured loans	102.5	113.9	119.9	127.6	130.6	136.7
Impaired loans	1.0	1.4	1.5	1.3	1.5	1.6
Non-performing loans (EUR m)	87.3	105.4	89.6	180.0	176.4	146.0
Equity participations	3.7	4.3	4.9	5.8	6.9	8.5
% of total equity and reserves	6.4	7.1	7.8	8.8	10.0	11.9
Profitability (EUR bn)						
Net income	2.6	2.8	2.9	2.8	2.3	2.4
Return on equity (%)	4.5	4.6	4.5	4.2	3.4	3.3
Equity (EUR bn)						
Paid-in capital	21.7	21.7	21.7	21.7	21.7	21.7
Reserves	36.2	38.9	41.6	44.5	47.3	49.6
Total equity and reserves	57.9	60.6	63.3	66.2	69.0	71.3

*Adjusted for Brexit impact.

Source: EIB, Scope Ratings GmbH