

BOARD OF DIRECTORS

Minutes of the meeting held in Zagreb, Croatia on 9 September 2019

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BOARD OF DIRECTORS

Meeting held in Zagreb, Croatia on 9 September 2019

Seminar: Risk Management – BCBS 239 – Best Market Practices

Agenda

A. Quorum

B. For decision

- | | | |
|----|--|--------------------|
| 1. | Adoption of the agenda | Doc. 19/235 |
| 2. | Approval of minutes dated 17 July 2019 | BD/MIN/326/2019 |
| 3. | Approval of minutes of written procedure dated 2 August 2019 | BD/WP/MIN/327/2019 |

AGENDA A

Equity

- | | | |
|----|----------------------------------|-------------|
| 4. | Premium Mittelstand Fund II | Doc. 19/236 |
| 5. | Avanzi Etica SICAF EuVECA S.p.A. | Doc. 19/237 |

Selective loan funds

- | | | |
|----|----------------------|-------------|
| 6. | Capza 5 Private Debt | Doc. 19/238 |
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Diversified debt funds

- | | | |
|----|--|-------------|
| 7. | Cardinal SME Loan Fund (Ireland) -
extension of period for the validity of approval
EFSI SMEW Private Credit Tailored for SMEs | Doc. 19/239 |
|----|--|-------------|

8. [...]

Guarantees

- | | | |
|-----|---|-------------|
| 9. | Crédit Mutuel ARKEA (France)
Initiative Nationale pour l'Agriculture Française | Doc. 19/241 |
| 10. | Banco BPM S.p.A. (Italy) – second agreement
InnovFin SME Guarantee Facility | Doc. 19/242 |

AGENDA B

Equity

- | | | |
|-----|---------------------------------------|-------------|
| 11. | Equip Capital Fund I LP | Doc. 19/243 |
| 12. | Heartcore Capital Fund IV K/S | Doc. 19/244 |
| 13. | Inovo Fund Coöperatief U.A. | Doc. 19/245 |
| 14. | MGG Angel Ventures Co-investment Fund | Doc. 19/246 |

15. [...]

Guarantees

16. [...]

- | | | |
|-----|--|-------------|
| 17. | Banca Comerciala Romana Chisinau S.A. (Moldova) –
increased allocation
InnovFin SME Guarantee Facility | Doc. 19/249 |
| 18. | Banco Santander S.A. (Spain)
InnovFin SME Guarantee Facility | Doc. 19/250 |

19. [...]
20. Mobiasbanca (Moldova) – second increased allocation
InnovFin SME Guarantee Facility Doc. 19/252
21. [...]
22. BPCE S.A. (France)
Initiative Nationale pour l'Agriculture Française Doc. 19/254
23. Confédération Nationale du Crédit Mutuel (France)
Initiative Nationale pour l'Agriculture Française Doc. 19/255
24. Crédit Agricole S.A. (France)
Initiative Nationale pour l'Agriculture Française Doc. 19/256
25. [...]
26. ProCredit Bank Sh.A. (Albania)
Western Balkans Enterprise Development and Innovation Facility -
Guarantee Facility Youth Employment Doc. 19/258
27. ProCredit Bank Sh.A. (Kosovo*)
Western Balkans Enterprise Development and Innovation Facility -
Guarantee Facility Youth Employment Doc. 19/259
28. Investiciono-razvojni fond Crne Gore A.D. (Montenegro)
EaSI Guarantee Instrument – Microfinance Doc. 19/260
29. good.bee Credit (Romania) – second agreement
EaSI Guarantee Instrument – Microfinance Doc. 19/261
30. JOBS MFI (Bulgaria)
EaSI Guarantee Instrument – Microfinance Doc. 19/262
- C. Corporate and Institutional Matters**
1. EIF Internal Capital Adequacy Assessment Process ("ICAAP") Report
2018 Doc. 19/263
- D. For information**
1. EIF Risk Appetite Framework Dashboard Q2 2019 Doc. 19/264
2. EIF Risk Report H1 2019 Doc. 19/265
3. EIF-EIB Equity Scoring Alignment Doc. 19/266
4. Board of Directors follow-up programme Doc. 19/267
5. Semi-annual status update on EIF complaints (as at 30 June 2019) Doc. 19/268
- E. Miscellaneous / Statements**
- F. Date of next meeting: Monday 14 October 2019 in Luxembourg**

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

BOARD OF DIRECTORS

Those attending

<u>Members:</u>	D. SCANNAPIECO, Chairman A. FAYOLLE E. MASSÉ M. DESCHEEMAECKER K. JORNA K. SCHREIBER P. LAGARDE
<u>Alternate Members:</u>	A. EBERHARDS J.-C. LALOUX E. KREIVI M. HEIPERTZ M. SCICLUNA BARTOLI
<u>Chief Executive:</u>	P.L. GILIBERT
<u>Deputy Chief Executive:</u>	R. HAVENITH
<u>Secretary:</u>	M. LEANDER

The meeting of the Board of Directors ("Board") opened at 9:10.

A. QUORUM

The SECRETARY noted that there was a quorum.

B. FOR DECISION

1. Adoption of the agenda

The Board of Directors adopted the agenda as presented in document 19/235.

2. Approval of minutes dated 17 July 2019

The Board of Directors approved the minutes of the Board meeting dated 17 July 2019, ref. BD/MIN/326/2019 and took note of the forthcoming publication on the EIF's website.

3. Approval of minutes of written procedure dated 2 August 2019

The Board of Directors approved the minutes of the written procedure dated 2 August 2019, ref. BD/WP/MIN/327/2019 and took note of the forthcoming publication on the EIF's website.

AGENDA A

EQUITY

- 4. Premium Mittelstand Fund II** *EFSI-SMEW Equity Product Sub-window 1, own resources*
Generalist private equity fund focusing on lower mid-market investments in the DACH region, primarily in Germany.

The Board of Directors approved an investment in Premium Mittelstand Fund II, on the terms and conditions set out in document 19/236.

- 5. Avanzi Etica SICAF EuVECA S.p.A.** *InnovFin Equity Facility for Early Stage, NPI Social Impact Italia*

Social impact fund, linked to an accelerator focused on social enterprises, mainly in pre-seed and seed stage, generally in the field of circular economy, education, culture, welfare, and sustainable agriculture, primarily in Italy.

The Board of Directors approved an investment in Avanzi Etica SICAF EuVECA S.p.A., on the terms and conditions set out in document 19/237.

SELECTIVE LOAN FUNDS

- 6. Capza 5 Private Debt** *Risk Capital Resources, own resources and, potentially, Mezzanin Dachfonds für Deutschland 2*

Generalist selective loan fund focusing on small mid-caps and mid-caps primarily in France, Germany and Spain.

The Board of Directors approved an investment in Capza 5 Private Debt, on the terms and conditions set out in document 19/238.

DIVERSIFIED DEBT FUNDS

7. Cardinal SME Loan Fund (Ireland) - extension of period for the validity of approval

EFSI SMEW Private Credit Tailored for SMEs

Diversified debt fund providing senior financing to SMEs and small mid-caps primarily in Ireland and, to a lesser extent, in Northern Ireland.

The Board of Directors approved, starting with immediate effect, an extension to the validity period of the initially approved transaction, on the terms and conditions set out in document 19/239.

8. [...]

GUARANTEES

9. Crédit Mutuel ARKEA (France)

Initiative Nationale pour l'Agriculture Française

Direct guarantee to enhance access to finance for farmers in France.

The Board of Directors approved a maximum guarantee cap amount, on the terms and conditions set out in document 19/241.

10. Banco BPM S.p.A. (Italy) – second agreement

InnovFin SME Guarantee Facility

Direct guarantee to enhance access to finance for innovative SMEs and small mid-caps in Italy.

The Board of Directors approved a maximum guarantee amount, on the terms and conditions set out in document 19/242.

AGENDA B

EQUITY

11. Equip Capital Fund I LP

Risk Capital Resources, own resources

Generalist private equity fund focusing on lower mid-market investments, particularly in the consumer, industrial and business services sectors, primarily in Norway and Sweden.

The Board of Directors approved an investment in Equip Capital Fund I LP, on the terms and conditions set out in document 19/243.

12. Heartcore Capital Fund IV K/S

ERP-EIF Facility, EIB-EIF SME Funds Investment Facility

Venture capital fund focusing on early stage ICT investments in the Nordics (mainly Denmark, Sweden and Finland), Germany and France.

The Board of Directors approved an investment in Heartcore Capital Fund IV K/S, on the terms and conditions set out in document 19/244.

13. Inovo Fund Coöperatief U.A. *EFSI-SMEW Equity Product Sub-window 1, own resources*

Venture capital fund focusing on early growth stage ICT investments in Poland and CEE countries (including, but not limited to, Romania, Bulgaria, Slovakia and Hungary).

The Board of Directors approved an investment in Inovo Fund Coöperatief U.A., on the terms and conditions set out in document 19/245.

14. **MGG Angel Ventures Co-investment Fund** *InnovFin Business Angels*

Venture capital co-investment fund focusing on seed and early stage ICT investments primarily in Bulgaria and, to a lesser extent, CEE and SEE countries (Macedonia, Serbia, Croatia, Slovenia, Montenegro, Romania, Hungary, Slovakia).

[...]

The Board of Directors approved an investment in MGG Angel Ventures Co-investment Fund, on the terms and conditions set out in document 19/246.

15. [...]

GUARANTEES

16. [...]

17. **Banca Comerciala Romana Chisinau S.A. (Moldova) – increased allocation**

InnovFin SME Guarantee Facility

Direct guarantee to enhance access to finance for innovative SMEs and small mid-caps in Moldova.

The Board of Directors approved an increase of the maximum guarantee amount, on the terms and conditions set out in document 19/249.

18. **Banco Santander S.A. (Spain)**

InnovFin SME Guarantee Facility

Direct guarantee to enhance access to finance for innovative SMEs and small mid-caps in Spain.

The Board of Directors approved a maximum guarantee amount, on the terms and conditions set out in document 19/250.

19. [...]

20. **Mobiasbanca (Moldova) – second increased allocation** *InnovFin SME Guarantee Facility*

Direct guarantee to enhance access to finance for innovative SMEs and small mid-caps in Moldova.

The Board of Directors approved an additional increase of the maximum guarantee amount, on the terms and conditions set out in document 19/252.

21. [...]

[...]

22. **BPCE S.A. (France)**

Initiative Nationale pour l'Agriculture Française

Direct guarantee to enhance access to finance for farmers in France.

The Board of Directors approved a maximum guarantee cap amount, on the terms and conditions set out in document 19/254.

23. **Confédération Nationale du Crédit Mutuel (France)**

Initiative Nationale pour l'Agriculture Française

Direct guarantee to enhance access to finance for farmers in France.

The Board of Directors approved a maximum guarantee cap amount, on the terms and conditions set out in document 19/255.

24. Crédit Agricole S.A. (France) *Initiative Nationale pour l'Agriculture Française*
Direct guarantee to enhance access to finance for farmers in France.

The Board of Directors approved a maximum guarantee cap amount, on the terms and conditions set out in document 19/256.

Referring to the value of specific programmes in support of agriculture, Ms. JORNA stated the willingness of the relevant European Commission services to back EIF communication initiatives to promote financial support to the sector, especially to highlight the relevance of EFSI financing.

The CHIEF EXECUTIVE stated that the EIF had a growing number of other initiatives in the agricultural sector, including with Structural Funds operations in Greece, Romania, Italy, and Ireland. It was noted that, unlike the Initiative Nationale pour l'Agriculture Française, which deployed national budget resources, programmes deploying Structural Funds were currently complex to combine with EFSI. Nevertheless, the current programming period still offered such possibilities, notably under the SME Initiative, including at a regional level, whereby agreements could be signed until the end of 2020, and where a combined promotional effort would be worthwhile.

The DEPUTY CHIEF EXECUTIVE highlighted the important potential for agricultural programmes through the envisaged Member States compartment in the context of InvestEU, for which the EIF strongly hoped for the support of the Council and the European Parliament for contributions from the start of the next EU programming period.

25. [...]

26. ProCredit Bank Sh.A. (Albania) *Western Balkans Enterprise Development and Innovation Facility - Guarantee Facility Youth Employment*
Direct guarantee to enhance access to finance for SMEs supporting youth employment in Albania.

The Board of Directors approved a maximum guarantee cap amount, on the terms and conditions set out in document 19/258.

27. ProCredit Bank Sh.A. (Kosovo*) *Western Balkans Enterprise Development and Innovation Facility - Guarantee Facility Youth Employment*
Direct guarantee to enhance access to finance for SMEs supporting youth employment in Kosovo.*

The Board of Directors approved a maximum guarantee cap amount, on the terms and conditions set out in document 19/259.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

28. Investiciono-razvojni fond Crne Gore A.D. (Montenegro) *EaSI Guarantee Instrument - Microfinance*
Direct guarantee to enhance access to finance for micro-enterprises, particularly vulnerable groups such as women entrepreneurs, start-ups, unemployed, young entrepreneurs and agri producers in Montenegro.

The Board of Directors approved a maximum guarantee cap amount, on the terms and conditions set out in document 19/260.

29. good.bee Credit (Romania) – second agreement *EaSI Guarantee Instrument - Microfinance*
Direct guarantee to enhance access to finance for riskier micro- and small businesses, established by farmers, self-employed and/or family businesses, located in rural and semi-urban areas in Romania.

The Board of Directors approved a maximum guarantee cap amount, on the terms and conditions set out in document 19/261.

30. JOBS MFI (Bulgaria) *EaSI Guarantee Instrument - Microfinance*
Direct guarantee to enhance access to finance for micro-enterprises and self-employed persons, including start-ups, with a focus on young entrepreneurs, women, artisans and small farmers, particularly in rural areas in Bulgaria.

The Board of Directors approved a maximum guarantee cap amount, on the terms and conditions set out in document 19/262.

Seminar: Risk Management – BCBS 239¹ – Best Market Practices

As agreed at the Board meeting of 17 July 2019, the Board was presented with additional information² on the EIB Group's BCBS 239 initiative, including the wider context of the EIF's Best Market Practices Framework.

[...]

C. CORPORATE AND INSTITUTIONAL MATTERS

1. EIF Internal Capital Adequacy Assessment Process ("ICAAP") Report 2018

The CHIEF EXECUTIVE introduced the report in association with item D.1, the EIF Risk Appetite Framework Dashboard Q2 2019 (document 19/264). [...]

The Board of Directors approved the ICAAP Report 2018, as presented in document 19/263

D. FOR INFORMATION

1. EIF Risk Appetite Framework Dashboard Q2 2019

The Board of Directors took note of the EIF Risk Appetite Framework Dashboard Q2 2019, as presented in document 19/264.

2. EIF Risk Report H1 2019

The Board of Directors took note of the EIF Risk Report H1 2019, as presented in document 19/265.

3. EIF-EIB Equity Scoring Alignment

[...]

The Board of Directors took note of the EIF-EIB Equity Scoring Alignment, as presented in document 19/266.

¹ Basle Committee on Banking Supervision standard n° 239.

² Based on document 19/271, EIF Risk Management - Best Market Practices, made available at the meeting.

4. Board of Directors follow-up programme

The Board of Directors took note of the Board of Directors follow-up programme, as presented in document 19/267.

5. Semi-annual status update on EIF complaints (as at 30 June 2019)

The Board of Directors took note of the Semi-annual status update on EIF complaints (as at 30 June 2019), as presented in document 19/268.

E. MISCELLANEOUS / STATEMENTS

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

F. DATE OF NEXT MEETING

The Board of Directors agreed that the next meeting would take place in Luxembourg on Monday 14 October 2019.

The meeting was closed at 11.50 and was followed by a confidential session.

Zagreb, 9 September 2019.

The CHAIRMAN (signed)

Dario SCANNAPIECO

The SECRETARY (signed)

Maria LEANDER