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## COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
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Subject:	COMMISSION OPINION on the request for amendments to Protocol No 5 on the Statute of the European Investment Bank, presented by the European Investment Bank on 28 August 2024

Delegations will find attached document C(2024) 8192 final.

Encl.: C(2024) 8192 final



Brussels, 27.11.2024  
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## **COMMISSION OPINION**

**on the request for amendments to Protocol No 5 on the Statute of the European Investment Bank, presented by the European Investment Bank on 28 August 2024**

## **COMMISSION OPINION**

### **on the request for amendments to Protocol No 5 on the Statute of the European Investment Bank, presented by the European Investment Bank on 28 August 2024**

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 308 thereof,

1. On 28 August 2024, the European Investment Bank (EIB) submitted a request to the Council under Article 308 of the Treaty on the Functioning of the European Union to amend its Statute in respect of the gearing ratio.
2. The purpose of the gearing ratio defined in Article 16.5, first sub-paragraph, of the Statute of the EIB is to limit the nominal outstanding amount of loans and guarantees that the EIB can grant at any time, as a percentage of its subscribed capital, reserves, non-allocated provisions and profit and loss account surplus.
3. The EIB proposes to amend Article 16.5, first sub-paragraph, of its Statute by removing the nominal limit stipulated therein and by attributing to the Board of Governors, acting unanimously, the power to establish and maintain appropriate limits, in respect of the subscribed capital, reserves, non-allocated provisions and profit and loss account surplus of the EIB. The amended sub-paragraph would read as follows: “The aggregate amount outstanding at any time of loans and guarantees granted by the Bank shall not exceed a maximum ratio in respect of its subscribed capital, reserves, non-allocated provisions and profit and loss account surplus to be established by the Board of Governors acting unanimously. The latter aggregate amount shall be reduced by an amount equal to the amount subscribed (whether or not paid in) for any equity participation of the Bank.”.
4. The EIB is acting following a recommendation stemming from the review of Multilateral Development Banks’ (MDBs) capital adequacy frameworks commissioned by the G20 (CAF Review) that MDBs remove statutory lending limits. The CAF Review Report specifically recommended to “relocate specific numeric leveraging targets from MDB statutes to MDB capital adequacy frameworks”. The recommendation represents an updating of MDB statutes in light of modern financial practices and a streamlining of the framework around MDB capital adequacy. In response to that recommendation, a number of Multilateral Development Banks are taking action to amend their statutes accordingly. The EIB proposal is in line with the recommendation.
5. The change in the EIB Statute will allow the EIB to use its capital more efficiently and to play an even more important role in closing the investment gap in the Union, while retaining the decision-making on the level of the nominal gearing ratio at the discretion of the Board of Governors, acting unanimously. The EIB will be in a better position to deploy its full potential in support of EU policies in line with evolving needs in different fields of EU priorities,

### **Conclusion**

In light of the considerations above, the Commission hereby issues a favourable opinion on the proposed amendment to the Statute of the European Investment Bank.