

European Investment Bank

Rating Annex

Rating rationale and Outlook:

The AAA/Stable rating of the European Investment Bank (EIB) reflects: i) its 'Excellent' institutional and financial profiles, which drive our 'aaa' assessment of the bank's intrinsic credit profile, and ii) 'Excellent' shareholder support. In detail:

- **Institutional profile:** The EIB has a proven track record of excellent governance and an irreplaceable mandate granted by its EU members. It is instrumental in advancing EU policies including the response to the Covid-19 crisis and Russia's war in Ukraine, closing investment gaps by leveraging member states' Next Generation EU funds and the InvestEU programme, as well as catalysing Europe's transition to carbon neutrality. In line with shifting EU political priorities, the bank is set to expand support to the EU security and defence industry, underpinning its very high importance to its shareholders.
- **Financial profile:** The EIB has consistently generated capital every year since 1958, including during the Covid-19 pandemic and energy crisis. Its excellent asset quality with negligible non-performing loans is underpinned by its prudent risk management, conservative lending policies, low climate-related risks, high asset protection, and a widely diversified portfolio across geographies, sectors and counterparties. The EIB's strong liquidity profile is driven by its 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 AAA level, relate to high leverage and moderate liquidity buffers compared to peers.
- **Shareholder support:** The EIB benefits from the strong credit profile of its key members (AA- or above) that are very likely to provide financial support and additional financial resources if ever needed. The bank benefits from a solid track record of timely capital increases and a strong legal framework underpinning its capital call mechanism.
- **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; and/or ii) its liquidity buffers are significantly reduced.

Foreign currency

Long-term issuer rating/Outlook

AAA/Stable

Senior unsecured debt

AAA/Stable

Short-term issuer rating/Outlook

S-1+/Stable

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Disclosure/warning

This rating report is accessible to the general public.

Figure 1: Scope's approach to rating EIB



Source: Scope Ratings

Credit strengths and challenges

Credit strengths	Credit weaknesses
<ul style="list-style-type: none"> • Very strong mandate; ESG pioneer • Excellent asset quality • Excellent capital markets access • Unique access to ECB's refinancing operations • High retained earnings • Highly rated members 	<ul style="list-style-type: none"> • High leverage compared to peers

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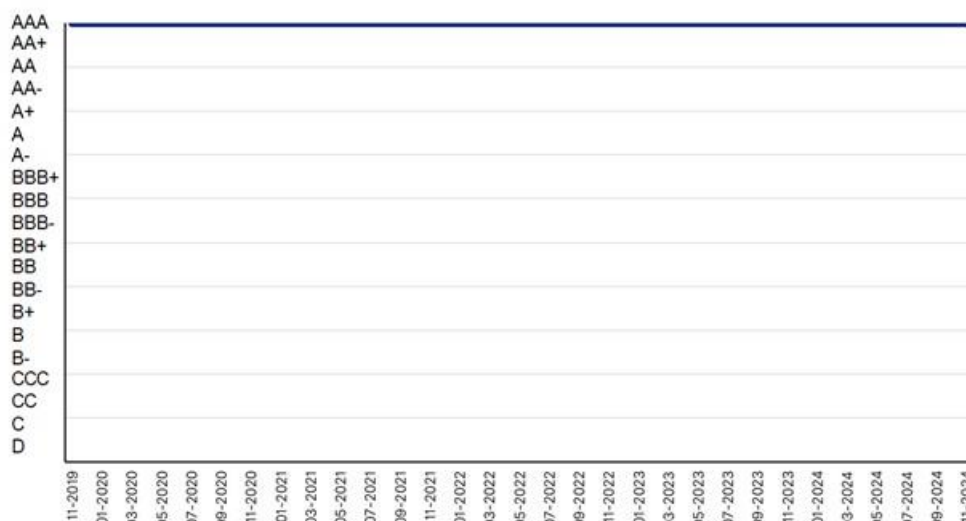
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Outlook and rating triggers

The Stable Outlook reflects Scope's view that risks to the ratings are balanced.

Positive rating-change drivers	Negative rating-change drivers
<ul style="list-style-type: none"> • Not applicable 	<ul style="list-style-type: none"> • Losses that reduce capital base • Reduction in liquidity buffers

Figure 2: Rating history



Note. Foreign-currency long-term issuer rating. Positive/Negative Outlooks are treated with a +/-0.33-notch adjustment. Credit Watch positive/negative with a +/-0.67-notch adjustment. Source: Scope Ratings

Indicative rating: 'aaa'

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

Intrinsic credit profile for the EIB

Intrinsic Credit Profile		Institutional Profile				
		Excellent	Strong	Adequate	Moderate	Weak
Financial Profile	Excellent	aaa	aaa	aaa	aa+	aa
	Very Strong (+)	aaa	aaa	aa+	aa	aa-
	Very Strong	aaa	aa+	aa	aa-	a+
	Very Strong (-)	aa+	aa	aa-	a+	a
	Strong (+)	aa	aa-	a+	a	a-
	Strong	aa-	a+	a	a-	bbb+
	Strong (-)	a+	a	a-	bbb+	bbb
	Adequate (+)	a	a-	bbb+	bbb	bbb-
	Adequate	a-	bbb+	bbb	bbb-	bb+
	Adequate (-)	bbb+	bbb	bbb-	bb+	bb
	Moderate (+)	bbb	bbb-	bb+	bb	bb-
	Moderate	bbb-	bb+	bb	bb-	b+
	Moderate (-)	bb+	bb	bb-	b+	b
	Weak (+)	bb	bb-	b+	b	b-
	Weak	bb-	b+	b	b-	ccc
	Weak (-)	b+	b	b-	ccc	ccc
	Very Weak (+)	b	b-	ccc	ccc	ccc
Very Weak	b-	ccc	ccc	ccc	ccc	
Very Weak (-)	ccc	ccc	ccc	ccc	ccc	

Source: Scope Ratings

Mapping of intrinsic credit profile and shareholder support for the EIB

Indicative Rating		Shareholder Support			
		Excellent	Very High	High	Moderate
Intrinsic Credit Profile	aaa	aaa	aaa	aaa	aaa
	aa+	aaa	aaa	aaa	aaa / aa
	aa	aaa	aaa	aaa / aa	aa+ / aa-
	aa-	aaa	aaa / aa	aa+ / aa-	aa / a+
	a+	aaa / aa	aa+ / aa-	aa / a+	aa- / a
	a	aa+ / aa-	aa / a+	aa- / a	a+ / a-
	a-	aa / a+	aa- / a	a+ / a-	a / bbb+
	bbb+	aa- / a	a+ / a-	a / bbb+	a- / bbb
	bbb	a+ / a-	a / bbb+	a- / bbb	bbb+ / bbb-
	bbb-	a / bbb+	a- / bbb	bbb+ / bbb-	bbb / bb+
	bb+	a- / bbb	bbb+ / bbb-	bbb / bb+	bbb- / bb
	bb	bbb+ / bbb-	bbb / bb+	bbb- / bb	bb+ / bb-
	bb-	bbb / bb+	bbb- / bb	bb+ / bb-	bb / b+
	b+	bbb- / bb	bb+ / bb-	bb / b+	bb- / b
	b	bb+ / bb-	bb / b+	bb- / b	b+ / b-
	b-	bb / b+	bb- / b	b+ / b-	b / ccc
ccc	bb- / b	b+ / b-	b / ccc	b- / ccc	

Source: Scope Ratings

Additional considerations: Neutral

We acknowledge the heterogeneity of supranationals and include in our assessment idiosyncratic factors that may affect the creditworthiness of the supranational.

In the case of the EIB, we have made a positive adjustment to capture the fact that the EIB is the world's only supranational with access to the refinancing operations of a central bank that issues a reserve currency, namely, the ECB. This is reflected in our 'liquidity and funding' assessment.

Annex I: Members

EUR m unless stated otherwise

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	AA+	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	BBB-	
Portugal	201.9	2,062.0	2,263.9	0.9	A	
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	A-	
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	A-	
Latvia	23.8	243.3	267.1	0.1	A-	
Estonia	18.4	187.9	206.2	0.1	A+	
Malta	10.9	111.5	122.4	0.0	A+	
Total	22,190.7	226,604.9	248,795.6	100.0		135,521

Figures may not add up due to rounding. Rating of EIB members as of November 25, 2024. Source: EIB, Scope Ratings

Annex II: Supranational scorecard

Analytical Pillar	Variables	Unit	EIB								Value	Assessment	Notches		
			+4	+3	+2	+1	0	-1	-2	Assessment			Notches		
Institutional Profile (10%)	Mandate & ESG	Importance of mandate	Qualitative	--	--	--	Very High	High	Declining	--	--	Very High			
		Mandate (50%)	Social factors	Qualitative	--	--	--	Strong	Medium/ N/A	Weak	--	--	Strong	1	Strong
		Environmental factors	Qualitative	--	--	--	Strong	Medium/ N/A	Weak	--	--	Strong			
	Governance (50%)	Shareholder concentration	HHI	--	--	--	--	≤ 1500	> 1500	--	1300.0	Strong			
		Shareholder control	%	--	--	--	--	≤ 25	> 25	--	19.0	Strong	1	Strong	
		Strategy and internal controls	Qualitative	--	--	--	Strong	Medium	Weak	--	--	Strong			
Institutional Profile (10%)											Excellent				
Capitalisation (30%)	Capital/ Potential assets	%	≥ 30	< 30; ≥ 20	< 20; ≥ 15	< 15; ≥ 10	< 10; ≥ 7.5	< 7.5; ≥ 5	< 5	12.0	Adequate	1			
	(Capital/ Actual assets) - (Capital/ Potential assets)	pps	--	--	--	≥ 7.5	< 7.5	--	--	8.0	Excellent	1	Strong		
	Profitability (Adjusted return on equity)	%	--	--	--	≥ 3	< 3; ≥ 0	< 0	--	3.0	Adequate	1			
	Trend (-1; +1)											0			
	Asset quality (30%)	Portfolio quality	Incl. risk mitigants	Qualitative	--	Excellent	Very Strong	Strong	Adequate	Moderate	Weak	Excellent	Excellent	3	
		Asset performance	NPLs	% total loans	--	≤ 1	> 1; ≤ 3	> 3; ≤ 5	> 5; ≤ 7	> 7; ≤ 10	> 10	0.0	Excellent	3	Excellent
Trend (-1; +1)											0				
Liquidity & funding (40%)	Liquid assets ratio	%	> 100	≤ 100; > 75	≤ 75; > 50	≤ 50; > 25	≤ 25; > 15	≤ 15; > 10	≤ 10	55.0	Strong	2			
	Funding access, flexibility and profile	Qualitative	Excellent	Very Strong	Strong	Adequate	Moderate	Weak	Very Weak	Excellent	Excellent	4	Excellent		
Trend (-1; +1)											1				
Financial Profile (90%)											Excellent				
Intrinsic Credit Profile (90%*)											aaa				
Shareholder Support (10%)	Shareholder Strength	Weighted average rating of key shareholders**	Avg. rating	--	≥ AA-	≥ BBB-	< BBB-	--	--	--	--	AA-			
		Share of portfolio related to key shareholders	%	--	--	--	--	≤ 50	> 50	--	25.0	Low / No adjustment			
		Adjusted key shareholder rating	Avg. rating	--	--	--	--	--	--	--	--	AA-			
	Willingness to support	Willingness to support	Qualitative	--	--	High	Medium	Low	--	--	High	High	3	Excellent	
Shareholder Support (10%)											Excellent				
Indicative Rating											aaa				
Additional considerations (-1; +1)											Neutral				
Final Rating											AAA				

Figures in the financial profile refer to three-year weighted averages for 2021-23. The positive 'trend' under liquidity & funding reflects the benefit from accessing the ECB's liquidity facilities. Source: Scope Ratings

Annex III: Climate credit risks

Average (initial) portfolio quality	% of total exposure		Before climate credit risk		Comment
	Sovereign	11%		A+	Based on country exposures / sovereign ratings
	Public Sector	30%		a-	Adjusted by 2 notches
	Financial Institutions	22%		bbb+	Adjusted by 3 notches
	Non-financial corporates	37%		bb+	Adjusted by 6 notches
	Total	100%		bbb+	

1. Transition risks: NFC	% NFC Portfolio		Aligned with path towards Paris Agreement		High Risk (unmitigated)
	Sectors with high transition risks				
	Oil & Gas	1.7%		0.0%	1.7%
	Power Generation (oil, coal)	1.7%		0.0%	1.7%
	Metals & Mining (coal & steel)	0.0%		0.0%	0.0%
	Petrochemicals, cement & concrete manufacture	0.0%		0.0%	0.0%
Total	3.5%		0.0%	3.5%	

2. Physical risks: NFC	ND-GAIN Percentile	Physical risk assessment	% portfolio in countries	% of NFC with high climate risks*	NFC portfolio with high climate risks
	0.00	Very High	0%	100%	0.0%
	0.10	High	0%	75%	0.0%
	0.25	Medium	0%	50%	0.0%
	0.50	Moderate	2%	25%	0.5%
	0.75	Low	49%	5%	2.5%
	0.90	Very Low	36%	0%	0.0%
*This share is assumed and fixed.		Portfolio coverage	87%		3.0%
					3.4%

3. 'High' climate risks (NFC portfolio)	% NFC portfolio	
	Transition risks	3.5%
	Physical risks	3.4%
		6.9%

4. Adjustment for maturity	Avg. Maturity of portfolio	Adjustment
	< 1Y	100%
	> 1Y; < 7Y	50%
	> 7Y	0%
	Maturity of NFC loan portfolio*	6 years
	Adj. high climate risk exposure	3.4%

5. Notches adjustment to NFC borrower quality	Notches		% portfolio high climate risks
	0 notch adjustment		≤ 25%
	-1 notch adjustment		> 25%; ≤ 50%
	-2 notch adjustment		> 50%
Adjustment (notches)		0	

6. Average portfolio quality (climate risk adjusted)	% of total exposure		Before climate credit risk		After climate credit risk		Comment
	Sovereign	11%		A+	A+		Climate risk incorporated via sovereign rating/estimates
	Public Sector	30%		a-	a-		Climate risk incorporated via sovereign rating (anchor for public sector)
	Financial Institutions	22%		bbb+	bbb+		Climate risk incorporated via sovereign rating and assumption of widely diversified portfolio
	Non-financial corporates	37%		bb+	bb+		No adjustment since share of physical and transition risks assessed as having 'high' climate risks < 25%
	Total	100%		bbb+	bbb+		

Legend:

Methodology input / assumptions

Supranational input

Output / calculations

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

Annex IV: Portfolio quality assessment

Portfolio quality (initial assessment)	Excellent	Very Strong	Strong	Adequate	Moderate	Weak
Indicative borrower quality	aaa	aa	a	bbb	bb	b

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

Portfolio quality (final assessment)	Excellent	Very Strong	Strong	Adequate	Moderate	Weak
Notches	3	2	1	0	-1	-2

Note: 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. Source: Scope Ratings

Annex V: Statistical tables

In EUR bn unless stated otherwise	2017	2018	2019	2020	2021	2022	2023
Capitalisation							
Scope mandated potential assets	726.4	732.3	738.2	750.3	756.7	762.6	768.3
Scope mandated assets (disbursed)	450.0	447.5	445.7	450.5	448.8	455.4	473.1
Capitalisation ratio, potential (%)	11.5	11.8	12.1	11.7	12.0	12.2	12.4
Capitalisation ratio, actual (%)	18.6	19.2	20.0	19.5	20.2	20.4	20.1
Profitability							
Reported net income	2.81	2.34	2.36	1.71	2.57	2.37	2.27
Scope adjusted net income	2.81	2.35	2.37	1.72	2.55	2.37	2.28
Scope adjusted return on equity (%)	3.5	2.8	2.7	2.0	2.9	2.6	2.5
Asset quality							
Total loans (disbursed portion)	454.8	450.9	447.5	444.6	433.4	437.4	445.4
Impaired loans	2.0	1.9	1.9	1.9	1.5	1.8	1.8
NPL (% disbursed portion)	0.3	0.3	0.4	0.4	0.3	0.4	0.4
Arrears over 90 days, including callable guarantee (EUR m)	182.2	178.7	148.3	121.1	121.1	77.7	82.4
Liquidity							
Liquid assets	66.8	77.5	79.0	86.5	107.3	79.7	74.4
Cash & deposits	36.4	52.6	56.1	62.4	77.3	64.9	46.0
T-bills & securities within 12 months	30.4	24.9	22.9	20.7	26.8	10.4	20.2
Treasury assets > 12 months AA- or higher	0.0	0.0	0.0	3.4	3.2	4.4	8.2
Liabilities due within 12 months and disbursements	122.4	123.6	144.4	132.4	140.3	127.6	147.9
Financial liabilities due within 12 months	75.7	80.0	92.8	94.7	90.1	78.4	92.4
Disbursements over the next 12 months	46.7	43.6	51.6	37.7	50.1	49.2	55.6
Scope liquid assets ratio (%)	54.6	62.7	54.7	65.3	76.5	62.5	50.3
Funding							
Volume	56.4	60.0	50.3	70.0	55.3	44.3	49.8
<i>Share of total outstanding (%)</i>							
EUR	51.9	53.2	53.9	56.4	56.1	58.2	60.2
USD	26.7	26.0	24.9	23.7	23.9	23.3	22.3
GBP	11.0	10.0	10.2	9.8	9.9	8.6	8.0
ESG Issuance	4.3	4.5	4.1	10.5	11.4	19.9	14.6
% total	7.6	7.5	8.2	15.0	20.6	44.9	29.0
Equity							
Total equity	66.2	69.0	71.3	71.8	73.5	76.1	78.4
Paid-in capital	21.7	21.7	21.7	22.2	22.2	22.2	22.2
Retained earnings and reserves	44.5	47.3	49.6	49.6	51.3	53.9	56.2
Callable capital counted towards capital	14.8	14.8	15.8	14.4	14.6	14.6	14.5
10% of callable capital rated ≥ AA-	14.8	14.8	14.2	12.8	12.9	12.9	12.9
25% of callable capital rated ≥ AA-, authorised & appropriated**	0.0	0.0	1.6	1.6	1.6	1.6	1.6
Callable capital cap (set at 30% of total capital)	28.4	29.6	30.6	30.8	31.5	32.6	33.6
Total capital	81.0	83.8	87.1	86.2	88.1	90.6	93.0
Shareholder support							
Key shareholder rating	AA-	AA-	AA-	AA-	AA-	AA-	AA-
Shareholders rated AAA (% of subscribed capital)	28.1	28.1	28.1	32.8	32.8	32.8	30.2
Shareholders rated ≥ AA- (% of subscribed capital)	66.9	66.9	66.9	64.6	65.2	65.2	59.8
Shareholders rated ≥ BBB- (% of subscribed capital)	98.8	98.8	98.8	98.6	98.6	98.6	100.0

* Highly rated callable capital (≥ AA-) and callable capital authorized and appropriated.

** Callable capital authorized and appropriated by Denmark. Figures may not add up due to rounding. Source: EIB, Scope Ratings

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Related research

[Supranational Outlook 2025](#), 21 November 2024

Applied methodology

[Supranational Rating Methodology](#), 21 June 2024

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