

EIB: Council grants the bank greater flexibility to manage its investment capacity

The Council of the European Union approved a decision providing the European Investment Bank (EIB) with enhanced flexibility in managing its investment capacity. A modification to the bank's statute will grant its governing body full authority over the maximum ratio of outstanding loans and guarantees granted by the bank in respect of its subscribed capital, reserves, non-allocated provisions and profit and loss account surplus (gearing ratio). This amendment aims to offer the EIB more room to invest and support the European Union's priorities, without compromising its financial stability.

This decision marks a pivotal step for the European Investment Bank. It enables the EIB Board of Governors to increase the bank's lending capacity while managing risks effectively. This will allow the EIB to better address Europe's investment needs, respond to global challenges, and strengthen its role in the changing geopolitical landscape, contributing to Europe's productivity, social cohesion, climate action, and peace and security.

Andrzej Domański, Minister of Finance of Poland

Extended Lending Capacity

The EIB's statute currently includes a cap on the gearing ratio that limits the size of the EIB Group's overall nominal exposure to 250%.

On 21 June 2024, the EIB Board of Governors unanimously decided to increase the gearing ratio to 290%. This increase is subject to the entry into force of today's Council decision.

With today's modification, the statute will state that the total amount of loans and guarantees granted by the bank shall not exceed a maximum ratio relative to its subscribed capital, reserves, non-allocated provisions, and profit and loss account surplus, as established by the Board of Governors acting unanimously.

Next Steps

The Council decision will enter into force on the day after its publication in the Official Journal of the European Union.

Background

The Council decision was adopted at the request of the EIB, in accordance with a special legislative procedure. The European Commission and the European Parliament have already provided their opinions.

The EIB decided to take this step following a G20 review of multilateral development banks' capital adequacy, which recommended that these institutions remove statutory lending limits from their statutes, thereby granting full authority to their governing bodies.

- [Council decision amending EIB's statute](#)
- [EIB website](#)

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