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ECONOMIC AND FINANCIAL AFFAIRS
Coordination with EIB Group, EBRD and IFIs
Head of Unit

DG ECFIN
29 -05- 2015

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Luxembourg,
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British-Irish Parliamentary Assembly
Ms Tara Kelly
Clerk to the Assembly
Leinster House
Kildare Street, Dublin 2

Dear Ms Kelly,

Subject: Committee on European Affairs of the British-Irish Parliamentary Assembly - Report on the European Investment Bank / Your letter to Commissioner Pierre Moscovici

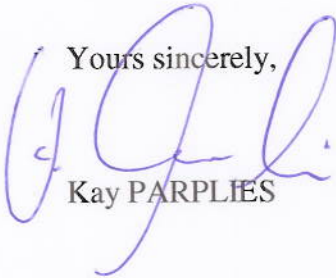
I would like to thank the British-Irish Parliamentary Assembly for its report on the European Investment Bank (EIB). The EIB is an integral part of the EU's strategy to address the longer-term consequences of the financial and economic crisis.

The United Kingdom and Ireland are important markets for the EIB. According to EIB data, the UK was the fifth largest recipient of EIB loans in 2014 after Spain, Italy, France and Germany. The results are particularly positive in the UK, where lending volumes grew by some 90% between 2012 and 2014 (from EUR 3,672 million to EUR 7,013 million). A similarly positive trend can be observed in Ireland, where EIB lending grew by 23% over the same period, to EUR 932 million in 2014.

It should be noted that the EIB operates with higher leverage than other International Financial Institutions. It thus needs to carefully control its portfolio risks. The Bank's large annual lending volume (EUR 77 billion in 2014) enables it to finance large portions of major projects from its own balance sheet. The Commission is working closely with the Bank to help it achieve a high value-added of its lending.

In particular, the newly-launched Investment Plan for Europe will further enhance the impact of the EIB's financing. Thanks to the risk-sharing provided by the European Fund for Strategic Investments (EFSI), the EIB will vastly increase its higher risk operations under its Special Activities (operations that have a higher risk profile than normally accepted by the Bank). We expect that EFSI will help the EIB unlock public and private investments in the real economy of EUR 315 billion over the next three years (2015-2017).

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Kay Parplies', is written over the typed name. The signature is fluid and cursive, with a large initial 'K'.

Kay PARPLIES