

Offering Circular



EUROPEAN INVESTMENT BANK

U.S.\$300,000,000

Zero Coupon Notes due 2026

**(to be consolidated and form a single series with the
U.S.\$1,000,000,000 Zero Coupon Notes due 2026
issued by European Investment Bank on 6th November, 1996)**

Issue Price 18.5482 per cent.

Application has been made to list the Notes on the Luxembourg Stock Exchange.

The Notes will, unless previously redeemed or purchased and cancelled, be redeemed at their principal amount on 6th November, 2026.

The Notes will initially be represented by a temporary global note which will be deposited with a common depositary for Cedel Bank, société anonyme ("Cedel Bank") and the Euroclear System ("Euroclear") on or about 7th April, 1998 (the "Closing Date") and will be exchangeable for the relevant definitive Notes not earlier than 17th May, 1998.

The Notes will be consolidated with the outstanding U.S.\$1,000,000,000 Zero Coupon Notes due 2026 (the "Original Notes") issued by European Investment Bank ("EIB") on 6th November, 1996 so as to form a single series therewith and will be fungible with the Original Notes.

Credit Suisse First Boston

No dealer, salesman or any other person has been authorised to give any information or to make any representations other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by European Investment Bank ("EIB") or the Manager (as defined under "Subscription and Sale" below). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create an implication that there has been no change in the affairs of EIB since the date hereof.

The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by EIB and the Manager to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular see "Subscription and Sale".

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

References herein to "U.S.\$" are to United States dollars.

In connection with the issue of the Notes, Credit Suisse First Boston (Europe) Limited may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time.

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TERMS AND CONDITIONS OF THE NOTES

There follows the text of the terms and conditions which (subject to completion and amendment) will appear on each of the Notes:

The U.S.\$300,000,000 Zero Coupon Notes due 2026 (the “Notes”) of European Investment Bank (“EIB”) will be consolidated and form a single series with the U.S.\$1,000,000,000 Zero Coupon Notes due 2026 issued on 6th November, 1996 (the “Original Notes”). For the purposes hereof the term “Notes” shall include any further notes issued pursuant to Condition 11. The Notes are issued pursuant to a first supplemental fiscal agency agreement dated 7th April, 1998 (the “First Supplemental Fiscal Agency Agreement”) between EIB, Citibank, N.A. as fiscal agent and principal paying agent (the “Fiscal Agent”) and the other paying agents named therein (together with the Fiscal Agent, the “Paying Agents”) supplemental to a fiscal agency agreement dated 6th November, 1996 entered into between the same parties and pursuant to which the Original Notes were issued (the “Principal Fiscal Agency Agreement” and, together with the First Supplemental Fiscal Agency Agreement, the “Fiscal Agency Agreement”). Copies of the Fiscal Agency Agreement are available for inspection at the specified offices of the Fiscal Agent and each of the Paying Agents. The holders of the Notes are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Fiscal Agency Agreement.

1. Form and Denomination

The Notes are issued in bearer form in the denominations of U.S.\$10,000, U.S.\$100,000 and U.S.\$1,000,000.

2. Interest

There shall be no periodic payment of interest on the Notes.

3. Redemption

The Notes will be redeemed by EIB at their principal amount on 6th November, 2026.

4. Payments

Payments of principal on the Notes will be made against surrender of Notes at any specified office of any Paying Agent by United States dollar cheque drawn on, or by transfer to a United States dollar account maintained by the payee with, a bank in New York City.

If the due date for payment of any amount of principal in respect of any Notes is not at any place of payment a business day, then the holder thereof shall not be entitled to payment at the place of payment of the amount due until the next following business day at that place of payment and shall not be entitled to any interest or other payment in respect of any such delay. In this sub-paragraph, “business day” means any day on which banks are open for business in New York City and in the relevant place of payment.

EIB will in all events maintain a Paying Agent in one city in Europe which, so long as the Notes are listed on the Luxembourg Stock Exchange, shall be Luxembourg. Notice of any change in or addition to the Fiscal Agent, the Paying Agents or their specified offices will be published in accordance with “Notices” below.

5. Status and Negative Pledge

The Notes are unconditional, direct and general obligations of EIB, for the payment and performance of which the full faith and credit of EIB is pledged. The Notes rank *pari passu*, without any preference one above the other by reason of priority of day of issue, currency of payment or otherwise, with all other indebtedness of EIB for money borrowed, except for indebtedness (i) incurred for all or part of the purchase price of property purchased by EIB and (ii) secured by a lien, pledge or other charge on such property but otherwise ranking *pari passu* with the Notes. If EIB shall in the future secure any present or future indebtedness for money borrowed by any lien, pledge or other charge on any of its present or future assets or revenues (other than liens, pledges or charges on property purchased by EIB as security for all or part of the purchase price), the Notes will be secured by such lien, pledge or other charge equally and rateably with such indebtedness and the instrument creating such lien, pledge or other charge will expressly so provide.

6. Taxation

Payments by EIB to the Fiscal Agent of principal of the Notes shall be made without deduction for and free of any taxes, duties, fees or other charges levied or imposed on the Notes or the holders thereof by the European Community or any member state thereof or any political subdivision or taxing authority therein or thereof.

7. Events of Default

The holder of any Note may, by written notice to EIB delivered before all defaults shall have been remedied, cause such Note to become due and payable at its redemption amount as of the date on which the said notice of acceleration is received by EIB (calculated as provided below) in the event that:

- (a) EIB shall default in the due performance of any of its obligations in respect of the Notes and such default shall continue for a period of 30 days after written notice thereof shall have been given by a holder of any Note to EIB at its office at 100 boulevard Konrad Adenauer, Kirchberg, L-2950 Luxembourg or at such other address as shall be notified to the holders of the Notes under "Notices" below; or
- (b) any other indebtedness of EIB for borrowed money shall become due and payable prior to the stated maturity thereof as a result of a default thereunder or any such other indebtedness shall not be paid at the maturity thereof as extended by any applicable grace period therefor or any guarantee given by EIB for borrowed money shall not be honoured within 30 days when due and called upon in accordance with its terms.

The redemption amount of any Note shall be the principal amount of such Note discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which shall be such rate as would produce a redemption amount equal to the issue price of such Note if it was discounted back to its issue prices on its issue date) compounded annually. Where such calculation is to be made for a period of less than one whole year, it shall be made on the basis off the actual number of days elapsed in the relevant part of the year, assuming a year of 360 days consisting of 12 months of 30 days each.

8. Replacement of Notes

In the case of theft, loss or other involuntary dispossession or mutilation of any Note, application for replacement thereof is to be made at the principal office of the Fiscal Agent or, so long as the Notes are listed on the Luxembourg Stock Exchange, through the principal office of the paying agent in Luxembourg, who shall forward the application to the Fiscal Agent. Any such Note shall be replaced by EIB in compliance with such procedures and on such terms as to evidence and indemnification as EIB may require. Subject to applicable stock exchange regulations, all such costs as may be incurred in connection with the replacement of such Note shall be borne by the applicant. Mutilated Notes must be surrendered before new ones will be issued.

9. Prescription

Principal will cease to be payable after ten years from the due date for payment thereof.

10. Purchases

EIB shall have the right at any time to purchase Notes on the open market or otherwise. Any Notes so purchased may be resold at EIB's discretion, if not surrendered to the Fiscal Agent for cancellation.

11. Further Issues

EIB shall be at liberty from time to time without the consent of the holders of the Notes to create and issue further Notes so as to form a single issue with the Notes pursuant to an agreement supplemental to the Fiscal Agency Agreement.

12. Notices

Any notice to holders of Notes shall be validly given if published in the *Luxemburger Wort* (Luxembourg) and the *Financial Times* (United Kingdom) or, if either of the said newspapers shall cease to be published or timely publication therein shall not be practicable, in such other newspapers as the Fiscal Agent shall deem necessary to give fair and reasonable notice to the holders of Notes.

SUBSCRIPTION AND SALE

Credit Suisse First Boston (Europe) Limited (the “Manager”) has, pursuant to a Subscription Agreement dated 1st April, 1998 (the “Subscription Agreement”), agreed with EIB to subscribe for the Notes at an issue price of 18.5482 per cent. of the principal amount of the Notes less a selling concession of 0.20 per cent. of the principal amount of the Notes. EIB will also pay to the Manager a combined management and underwriting commission of 0.10 per cent. of the principal amount of the Notes. The Subscription Agreement entitles the Manager to terminate that Agreement in certain circumstances prior to payment.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. The Manager has agreed that it will not offer, sell or deliver any Notes within the United States or to U.S. persons except as permitted by the Subscription Agreement.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act of 1933.

No action has been or will be taken in any jurisdiction by EIB or the Manager to permit a public offering of the Notes, or possession or distribution of this Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required. The Manager has agreed that it will comply with all applicable laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Offering Circular or any other offering material, in all cases at its own expense.

13. Governing Law and Jurisdiction

The Notes are governed by, and shall be construed in accordance with, the laws of England. Any action based upon the Notes may be instituted by the holder of any Note in any competent court in England or the Grand-Duchy of Luxembourg.

USE OF PROCEEDS

The net proceeds of the sale of the Notes will be used in the general operations of EIB.

GENERAL INFORMATION

Authorisation of Issue and Inspection of Documents

The Board of Directors and the Management Committee of EIB have, on 24th February, 1998 and 24th March, 1998 respectively, taken all necessary action to authorise the issue of the Notes. Copies of EIB's Statute and of the Fiscal Agency Agreement will be available for inspection by holders of the Notes at the specified office of the paying agent in Luxembourg during the life of the Notes. In addition, copies of the most recent annual report of EIB may be obtained by holders of the Notes at the said office during such period.

Delivery

The Notes have been accepted for clearance through Euroclear and Cedel Bank (temporary Common Code 8589445). The temporary ISIN for the Notes is XS0085894458. Upon the issue of the definitive Notes in exchange for the temporary global note representing the Notes, the Notes will become fungible and form a single series with the Original Notes, whereupon the Common Code applicable to all the Notes will be 7055382 and the ISIN will be XS0070553820.

THE ISSUER

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