

OFFERING CIRCULAR



£100,000,000

5.375 per cent. Euro-Fungible Notes due 2021

(to be consolidated and form a single series with the existing
£1,775,000,000 5.375 per cent. Euro-Fungible Notes due 2021 issued in fifteen tranches on
12th October, 1998, 4th May, 1999, 7th June, 1999, 8th October, 1999, 5th November, 1999,
12th November, 1999, 8th December, 1999, 8th February, 2000, 19th April, 2000, 11th May, 2000,
22nd June, 2000, 14th September, 2000, 5th October, 2000, 30th November, 2000 and 12th January, 2001)

**Issue Price: 104.611 per cent.
(plus 83 days' accrued interest)**

Interest on the £100,000,000 5.375 per cent. Euro-Fungible Notes due 2021 (the "Notes") will be payable annually in arrear on 7th June in each year. For the avoidance of doubt, the Notes now being issued, notwithstanding that they will be represented by a Permanent Global Note, exchangeable in limited circumstances for definitive Notes, will have the Coupons relating to the payments of interest up to and including 7th June, 2002 cancelled on issue.

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 7th June, 2021.

The Notes will from 30th August, 2002 (the "Closing Date") be represented by a Permanent Global Note which is expected to be deposited with a common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") on the Closing Date and which will be exchangeable for definitive Notes in the limited circumstances set out in such Global Note and described under "Summary of Provisions relating to the Notes while in Global Form" below.

On the Closing Date the Notes will be consolidated with the existing £1,775,000,000 5.375 per cent. Euro-Fungible Notes due 2021 of European Investment Bank issued in fifteen tranches on 12th October, 1998, 4th May, 1999, 7th June, 1999, 8th October, 1999, 5th November, 1999, 12th November, 1999, 8th December, 1999, 8th February, 2000, 19th April, 2000, 11th May, 2000, 22nd June, 2000, 14th September, 2000, 5th October, 2000, 30th November, 2000 and 12th January, 2001 (together, the "Existing Notes") so as to form a single issue therewith.

Merrill Lynch International

30th August, 2002

European Investment Bank (“EIB”), having made all reasonable enquiries, confirms that this Offering Circular contains all information with regard to EIB and the Notes which is material in the context of the Notes, that such information is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed herein are honestly held and that there are no other facts the omission of which makes this Offering Circular as a whole or any of such information or the expression of any such opinions or intentions misleading. EIB accepts responsibility accordingly.

No person has been authorised to give any information or to make any representations, unless contained in this document, in connection with the issue, purchase or sale of the Notes and any information or representations not contained herein must not be relied upon as having been authorised by EIB.

Neither the delivery of this document nor any purchase, offering or sale made in connection herewith shall, under any circumstances, constitute a representation or create any implication that there has been no change since the date of this document in the affairs of EIB or that other information contained herein has remained accurate and complete.

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” below.

References herein to “Pounds Sterling” or “£” are to the currency of the United Kingdom. References herein to “euro” and “EUR” are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam.

In connection with this issue, Merrill Lynch International may over-allot or effect transactions with a view to supporting the market price of the Notes and the Existing Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on Merrill Lynch International or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

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TERMS AND CONDITIONS OF THE NOTES

There follows the text of the Terms and Conditions to which (subject to completion and amendment) the Notes will be subject:

The 5.375 per cent. Euro-Fungible Notes due 7th June, 2021 of European Investment Bank (“EIB”) are issued in an aggregate principal amount of £1,875,000,000 of which £250,000,000 were issued on 12th October, 1998, £100,000,000 were issued on 4th May, 1999, £100,000,000 were issued on 7th June, 1999, £125,000,000 were issued on 8th October, 1999, £150,000,000 were issued on 5th November, 1999, £100,000,000 were issued on 12th November, 1999, £100,000,000 were issued on 8th December, 1999, £100,000,000 were issued on 8th February, 2000, £100,000,000 were issued on 19th April, 2000, £100,000,000 were issued on 11th May, 2000, £100,000,000 were issued on 22nd June, 2000, £175,000,000 were issued on 14th September, 2000, £100,000,000 were issued on 5th October, 2000, £100,000,000 were issued on 30th November, 2000 and £75,000,000 were issued on 12th January, 2001 (together, the “Existing Notes”) and £100,000,000 were issued on 30th August, 2002 (the “Further Notes”). The Existing Notes and the Further Notes are together referred to as the “Notes”. In connection with the Notes, EIB has entered into a Fiscal and Paying Agency Agreement dated 12th October, 1998 as supplemented by a First Supplemental Fiscal and Paying Agency Agreement dated 4th May, 1999, by a Second Supplemental Fiscal and Paying Agency Agreement dated 7th June, 1999, by a Third Supplemental Fiscal and Paying Agency Agreement dated 8th October, 1999, by a Fourth Supplemental Fiscal and Paying Agency Agreement dated 5th November, 1999, by a Fifth Supplemental Fiscal and Paying Agency Agreement dated 12th November, 1999, by a Sixth Supplemental Fiscal and Paying Agency Agreement dated 8th December, 1999, by a Seventh Supplemental Fiscal and Paying Agency Agreement dated 8th February, 2000 by an Eighth Supplemental Fiscal and Paying Agency Agreement dated 19th April, 2000, by a Ninth Supplemental Fiscal and Paying Agency Agreement dated 11th May, 2000, by a Tenth Supplemental Fiscal and Paying Agency Agreement dated 22nd June, 2000, by an Eleventh Supplemental Fiscal and Paying Agency Agreement dated 14th September, 2000, by a Twelfth Supplemental Fiscal and Paying Agency Agreement dated 5th October, 2000, by a Thirteenth Supplemental Fiscal and Paying Agency Agreement dated 30th November, 2000, by a Fourteenth Supplemental Fiscal and Paying Agency Agreement dated 12th January, 2001 and by a Fifteenth Supplemental Fiscal and Paying Agency Agreement dated 30th August, 2002 (together, the “Fiscal and Paying Agency Agreement”) each made between EIB, Citibank, N.A. as fiscal agent and principal paying agent and the paying agents named in it. The fiscal agent and principal paying agent and the paying agents for the time being are referred to below respectively as the “Fiscal Agent” and the “Paying Agents” (which expression shall include the Fiscal Agent). Certain statements in these Terms and Conditions are summaries of, and are subject to, the detailed provisions of the Fiscal and Paying Agency Agreement. Copies of the Fiscal and Paying Agency Agreement are available for inspection at the specified offices of the Paying Agents. The holders of the Notes and the Coupons (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Fiscal and Paying Agency Agreement.

1. Form, Denomination and Title

The Notes are issued in bearer form in the denomination of £1,000 with interest coupons (“Coupons”) attached.

Title to the Notes and Coupons will pass by delivery. EIB and the Paying Agents may deem and treat the bearer of each Note and Coupon to be the absolute owner thereof for the purpose of making payments and for all other purposes.

2. Redenomination

EIB may, without the consent of the holders of the Notes and Coupons, on giving at least 30 days’ prior notice to the holders of the Notes, elect that, with effect from any date for payment of interest under the Notes as may be specified in that notice (the “Redenomination Date”) falling on or after the date on which the United Kingdom becomes one of the countries participating in the third stage of economic and monetary union pursuant to the Treaty establishing the European Community, each Note shall be deemed to be denominated in such amount of euro as is equivalent to its denomination in Pounds

Sterling, converted into euro at the rate for the conversion of Pounds Sterling (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty establishing the European Community, as amended by The Treaty of Amsterdam. Such amount shall be rounded down to the nearest integral multiple of 8 euro. Any fraction of 8 euro arising therefrom shall be paid to the holder of the Coupon due on the Redenomination Date on presentation of such Coupon in addition to the payment of interest otherwise payable on such Coupon. On and after the Redenomination Date all payments in respect of the Notes will be made solely in euro, including payments of interest in respect of periods before the Redenomination Date.

“euro” means the currency introduced at the start of the third stage of economic and monetary union pursuant to the Treaty establishing the European Community.

In addition, EIB may, without the consent of the holders of the Notes and Coupons, on giving not less than 30 days’ prior notice to the holders of the Notes, elect that with effect from the Redenomination Date or such later date for payment of interest under the Notes as it may specify in that notice (the “Specified Date”), the denomination of the Notes shall be euro 8, euro 10,000 and euro 100,000. In such event, the then existing euro-denominated Notes (the “Original Notes”) shall be exchangeable at the specified office of the Fiscal Agent, and at the specified offices of the Paying Agents, for Notes of such new denominations (“New Notes”) having the same aggregate principal amount as the Original Notes so exchanged together with Coupons in respect of future interest payments on such New Notes.

With effect from the Specified Date all unmatured Coupons relating to the Original Notes (whether or not attached) shall become void and no payment will be made in respect of them.

References in the terms and conditions to any business day, day-count fraction or other convention (whether for the calculation of interest, determination of payment dates or otherwise) shall, if different, with effect from the Redenomination Date, be deemed to be amended to comply with any conventions applicable to euro-denominated obligations pursuant to applicable requirements of relevant monetary, stock exchange or other authorities, applicable European Community and national laws and regulations and such market practices consistent therewith as the Fiscal Agent, in its discretion, shall determine to be applicable for the redenomination and exchange of Eurobonds held in international clearing systems and these terms and conditions shall be deemed to be amended accordingly.

Any such redenomination and exchange of Notes shall be subject in all cases to compliance with all applicable requirements of relevant monetary, stock exchange or other authorities, applicable European Community and national laws and regulations and such market practices consistent therewith as the Fiscal Agent, in its discretion, shall determine to be applicable for the redenomination and exchange of Eurobonds held in international clearing systems and these terms and conditions shall be deemed to be amended accordingly.

Upon any change to these terms and conditions pursuant to a redenomination or exchange, notice thereof will be given to holders of Notes in accordance with Condition 10.

Determinations made by the Fiscal Agent will, in the absence of manifest error, be conclusive and binding on EIB and the holders of Notes and Coupons.

3. Interest

The Notes bear interest from 12th October, 1998 at the rate of 5.375 per cent. per annum payable annually in arrear on 7th June in each year. For the avoidance of doubt, the Coupons attached to the Further Notes relating to the payments of interest up to and including 7th June, 2002 have been cancelled on issue. The Notes will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused. Where interest is to be calculated in respect of a period of less than one year, it will be calculated on the basis of a 360-day year of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

4. Redemption and Purchase

Unless previously redeemed or purchased and cancelled as described herein, EIB will redeem the Notes at par on 7th June, 2021.

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

5. Payments

Payments in respect of principal and interest will be made to the bearer against surrender of Notes or, as the case may be, Coupons at the specified office of any of the Paying Agents for the time being. The specified offices of the initial Paying Agents appear below.

Payments made before the Redenomination Date will be made in Pounds Sterling by cheque drawn on, or by credit or transfer to a Pounds Sterling account specified by the payee with, a bank in the United Kingdom. Payments made on or after the Redenomination Date will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto.

If any day for payment of principal or interest in respect of any Note is not a day on which banks are open for business and carrying out transactions in Pounds Sterling or euro (as the case may be) in the place where it is presented for payment, credit or transfer instructions in respect of such payments shall not be given and (in the case of payments in Pounds Sterling) cheques will not be drawn until the next day in such place on which they are so open and the holder shall not be entitled to any interest or other sums in respect of such postponed payment. Neither EIB nor any Paying Agent shall be liable to any holder of a Note or Coupon or other person for any commissions, costs, losses or expenses in relation to or resulting from such credit or transfer or any currency conversion or rounding effected in connection therewith.

EIB reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any other Paying Agent and to appoint another fiscal agent or additional or other paying agents provided that it will at all times while any Note is outstanding maintain (i) a fiscal agent; and (ii) so long as the Notes are listed on any stock exchange and if the rules of that stock exchange so require, a paying agent having a specified office in the city of that stock exchange. Notice of any such termination or appointment and of any changes in the specified office of any Paying Agent will be given to the Noteholders in accordance with Condition 10.

Notes should be presented for redemption or payment together with all unmatured Coupons related thereto, failing which (subject to Condition 2) the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such unmatured Coupon which the sum of principal so paid bears to the principal amount due), will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against presentation and surrender of the relevant Coupon at any time following such deduction, but not later than ten years after the relevant due date for the payment of such principal.

6. Status of the Notes and Negative Pledge

The Notes will be unconditional, direct and general obligations of EIB in accordance with their terms for their payment and performance. The Notes will rank *pari passu* with any present or future indebtedness of EIB represented by any unsubordinated notes, bonds or other securities, except indebtedness (i) incurred for all or part of the purchase price of property purchased by EIB and (ii) secured by any mortgage, pledge or other security interest on such property but otherwise ranking *pari passu* with the Notes. If EIB shall in the future secure any such present or future indebtedness by any mortgage, pledge or other security interest on any of its present or future assets or revenues (other than mortgages, pledges or security interests on property purchased by EIB as security for all or part of the purchase price), the Notes will be secured by such mortgage, pledge or other security interest equally

and rateably with such indebtedness, and the instrument creating such mortgage, pledge or other security interest will expressly so provide.

7. 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, together with accrued interest thereon to the date of payment, as of the date on which the said notice of acceleration is received by EIB in the event that:

- 7.1 EIB shall default in any payment of interest in respect of any of the Notes and such default shall not have been remedied by payment thereof within 30 days; or
- 7.2 EIB shall default in the due performance of any of its other 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 the holder of any Note to EIB at its office at 100 Boulevard Konrad Adenauer, L-2950 Luxembourg or at such other address as shall be notified to the holders of the Notes in accordance with Condition 10; or
- 7.3 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 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.

8. Replacement of Notes and Coupons

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

9. Prescription

Interest will cease to be payable after five years from the relevant interest payment date and principal after ten years from the due date for payment thereof.

10. Notices

Any notice to holders of Notes or Coupons shall be validly given if published in the *Luxemburger Wort* (Luxembourg) and the *Financial Times* (United Kingdom) and such other newspapers or publications as may be required by the rules of the stock exchange(s) on which the Notes may from time to time be listed or, if any such newspaper or publication 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 holders of Notes and Coupons. Any such notice shall be deemed to have been given on the date of the last publication provided above.

11. Further Issues and Consolidation

EIB may from time to time, without the consent of the holders of the Notes and Coupons, create and issue further notes so as to be consolidated and form a single issue with the Notes.

EIB may also from time to time, without the consent of the holders of the Notes and Coupons, consolidate the Notes with one or more issues of other notes issued by it, whether or not originally issued in Pounds Sterling or euro, provided that such other notes have been redenominated in euro (if not originally denominated in euro or ECU) and otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

The relevant Fiscal and Paying Agency Agreement(s) will be amended accordingly.

12. Governing Law and Jurisdiction

The Notes and Coupons are governed by, and shall be construed in accordance with, the laws of the Grand Duchy of Luxembourg. Claims against EIB thereunder may be brought before any competent court in Luxembourg or any other country where EIB shall hereafter have its legal seat.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Global Note contains provisions which apply to the Notes while they are in global form, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:

1. Exchange

The Global Note is exchangeable in whole but not, except as provided in the next paragraph, in part (free of charge to the holder) for the Definitive Notes described below (i) if the Global Note is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, (ii) if principal in respect of any Notes is not paid when due and payable or (iii) if EIB would suffer a material disadvantage in respect of the Notes as a result of a change in laws or regulations which would not be suffered were the Notes in definitive form and a certificate to such effect signed by EIB is delivered to the Fiscal Agent for display to Noteholders (unless a default notice has been given as referred to in “Default” below). Thereupon (in the case of (i) and (ii) above) the holder may give notice to the Fiscal Agent, and (in the case of (iii) above) EIB may give notice to the Fiscal Agent and the Noteholders, of its intention to exchange the Global Note for Definitive Notes on or after the Exchange Date specified in the notice.

If principal in respect of any Notes is not paid when due and payable the holder of the Global Note may by notice to the Fiscal Agent (which may but need not be the default notice referred to in “Default” below) require the exchange of a specified principal amount of the Global Note (which may be equal to or (provided that, if the Global Note is held by or on behalf of a clearing system, that clearing system agrees) less than the outstanding principal amount of Notes represented thereby) for Definitive Notes on or after the Exchange Date (as defined below) specified in such notice.

On or after any Exchange Date (as defined below) the holder of the Global Note may surrender the Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for the Global Note, or the part thereof to be exchanged, EIB will deliver, or procure the delivery of, an equal aggregate principal amount of duly executed Definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Schedule 1 to the Fifteenth Supplemental Fiscal and Paying Agency Agreement. On exchange in full of the Global Note, EIB will, if the holder so requests, procure that it is cancelled and returned to the holder together with any relevant Definitive Notes.

“Exchange Date” means a day falling not less than 60 days, or in the case of exchange pursuant to (ii) above 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (i) above, in the cities in which the relevant clearing system is located.

2. Payments

Payments of principal and interest in respect of Notes represented by the Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of the Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

3. Notices

So long as the Notes are represented by the Global Note and the Global Note is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions except that so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Exchange so require, notices shall also be published in a leading newspaper having general

circulation in Luxembourg (which is expected to be the *Luxemburger Wort*) and so long as the Notes may be listed on any other stock exchange notices will be published in such manner as the rules of that stock exchange may require.

4. Purchase and Cancellation

Cancellation of any Note to be cancelled following its purchase will be effected by reduction in the principal amount of the Global Note.

5. Default

The Global Note provides that the holder may cause the Global Note or a portion of it to become due and payable in the circumstances described in Condition 7 by stating in the notice to EIB the principal amount of Notes which is being declared due and payable.

6. Redenomination and Consolidation

On the Specified Date the Notes shall become New Notes without the need for the Global Note to be presented for exchange.

On consolidation of the Notes, EIB may issue a replacement Global Note in exchange for the global notes of the issues consolidated. The relevant clearing systems may, in such circumstances, require a change of the common depositary.

USE OF PROCEEDS

The net proceeds of the sale of the Notes, which will amount to approximately £105,675,236 will be used in the general operations of EIB.

SUBSCRIPTION AND SALE

Merrill Lynch International (the “Manager”) has, pursuant to a Subscription Agreement dated 30th August, 2002, agreed with EIB, subject to the satisfaction of certain conditions, to subscribe for the Notes at an issue price of 104.611 per cent. of the principal amount of the Notes, plus 83 days’ accrued interest.

There will be a combined selling concession and management and underwriting fee of 0.175 per cent. of the principal amount of the Notes. The Subscription Agreement entitles the Manager to terminate the Subscription Agreement in certain circumstances prior to payment to EIB.

No action is being taken by EIB or the Manager to permit a public offering of the Notes, or the distribution of any document, in or from any jurisdiction where action would be required for such purposes. Accordingly, the Notes may not be directly or indirectly offered or sold or any offering circular, prospectus, form of application, advertisement or other offering material distributed or published in any country or jurisdiction except in compliance with any applicable laws or regulations. In particular, no representation is made that the Notes may lawfully be sold in compliance with any applicable registration requirements and neither EIB nor the Manager assumes any responsibility for facilitating such sales.

GENERAL INFORMATION

1. The issue of the Notes was duly authorised by EIB pursuant to an authorisation of its Board of Directors on 5th December, 2001 and in compliance with procedures laid down by its Management Committee.
2. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (Common Code 9145702). The ISIN of the Notes is XS0091457027.

No action has been taken by EIB to permit clearance through other clearing systems in European Community member states, either before or after a redenomination of the Notes. Such clearance would be dependent on the clearing system having appropriate links with Clearstream, Luxembourg and Euroclear and, in any event, would be effected in accordance with all applicable requirements of relevant monetary, stock exchange or other authorities and applicable European Community and national laws and regulations.

3. Application has been made for the Notes initially to be listed on the Luxembourg Stock Exchange. Application may also be made to list the Notes on one or more other Stock Exchanges in the European Community after the Specified Date (as defined above in the Terms and Conditions of the Notes).
4. EIB's 2001 Financial Report and EIB's statute are incorporated herein by reference. Copies of the 2001 Financial Report, and subsequently published Financial Reports, are available at the specified offices of the Fiscal Agent and the Paying Agents. Copies of the Fiscal and Paying Agency Agreement are available for inspection during usual business hours at the head office of the Fiscal Agent and the Paying Agents.
5. The Board of Governors of EIB has decided in the Annual Meeting held on 4th June, 2002:

5.1 That the capital of EIB be increased as follows:

- the capital subscribed by the Member States be raised *pro rata*, with effect from 1st January, 2003, by 50 per cent. from EUR 100,000 million to EUR 150,000 million, so as to arrive at the following amounts (EUR):

Germany	26,649,532,500
France	26,649,532,500
Italy	26,649,532,500
United Kingdom	26,649,532,500
Spain	9,795,984,000
Belgium	7,387,065,000
Netherlands	7,387,065,000
Sweden	4,900,585,500
Denmark	3,740,283,000
Austria	3,666,973,500
Finland	2,106,816,000
Greece	2,003,725,500
Portugal	1,291,287,000
Ireland	935,070,000
Luxembourg	187,015,500
TOTAL	150,000,000,000

- Additional Reserves of EIB in the amount of EUR 3,717,059,887 be considered as free reserves;
- of the free reserves, EUR 1,500,000,000 be transformed into paid-in capital by way of transfer from the EIB's Additional Reserves to its capital;

- with effect from 1st January, 2003 this capital shall be deemed to be part of the subscribed and paid-in capital, so increasing the EIB's paid-in capital from EUR 6,000 million to EUR 7,500 million;
- of the free reserves, the balance of EUR 2,217,059,887 be transferred to the EIB's Statutory Reserve Fund;

5.2 That the EIB's Statute shall be amended as follows:

As from 1st January, 2003, the first subparagraph of Article 4(1) of the EIB's Statute shall read:

“The capital of the Bank shall be one hundred and fifty thousand million (150,000,000,000) euro, subscribed by the Member States as follows:

Germany	26,649,532,500
France	26,649,532,500
Italy	26,649,532,500
United Kingdom	26,649,532,500
Spain	9,795,984,000
Belgium	7,387,065,000
Netherlands	7,387,065,000
Sweden	4,900,585,500
Denmark	3,740,283,000
Austria	3,666,973,500
Finland	2,106,816,000
Greece	2,003,725,500
Portugal	1,291,287,000
Ireland	935,070,000
Luxembourg	187,015,500
TOTAL	<u>150,000,000,000</u> ”

As from 1st January, 2003, Article 5(1) of the EIB's Statute shall read:

“The subscribed capital shall be paid in by Member States to the extent of 5 per cent. on average of the amounts laid down in Article 4(1)”.

5.3 To appropriate the balance of the profit and loss account for the year ended 31st December, 2001, which, after transfer of EUR 145,000,000 to the Fund for general banking risks, amounted to EUR 1,311,444,923, as follows:

- EUR 750,000,000 to the new special supplementary reserve for venture capital operations and operations under the Structured Finance Facility. Transfers, in whole or in part, from this reserve to the funds allocated to venture capital operations and to the Structured Finance Facility will be effected on a decision by the Governors, it then being possible, on a decision by the Governors, to appropriate the amounts not transferred to these funds to another use and/or to the Additional Reserves;
- deduction of EUR 908,728 from the funds allocated to venture capital operations following transfer of the net result on these operations as at 31st December, 2001;
- the balance of EUR 562,353,651 to the Additional Reserves.

NB: The notes *Draft Directive regarding the Taxation of savings income* continue to be valid with regard to disclosure on the draft directive “*Taxation of savings income*”.

6. The member states of the European Union are considering proposals to adopt a directive regarding the taxation of savings income. Under the proposals, member states would be required to provide to the tax authorities of another member state details of payments of interest made by a person within the jurisdiction to an individual resident in that other member state, subject to the

right of certain member states to opt instead for a withholding system for a transitional period in relation to such payments.

According to a recent proposal, yet to be endorsed by the Council of the European Union, the EIB is to be considered as a (government) “related entity” within the meaning of Article 15 of the draft directive. As a result, re-openings (including the re-opening documented herein), on or after 1st March, 2002, of bond issues originally launched before 1st March, 2001, would have the effect of extending the scope of the directive to the entire of such re-opened issue, ensuring the fungibility of such issue.

These proposals are still under discussion, and their final terms as well as the terms of any directive ultimately adopted may differ substantially from such proposals. Investors should rely on their own analysis of the proposals and should take advice from appropriate legal or taxation professionals. EIB reserves its right to make tap issues at any time.

EUROPEAN INVESTMENT BANK

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