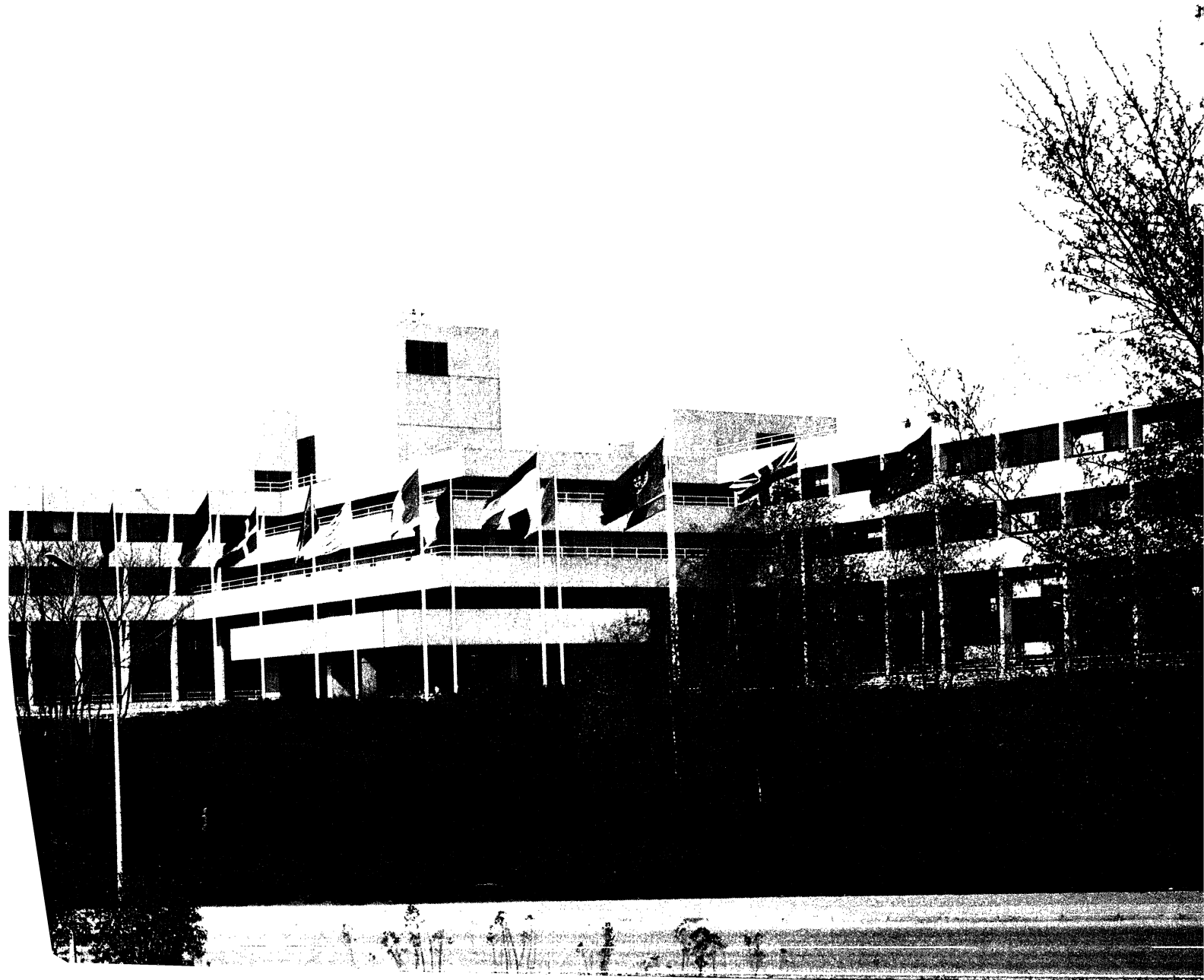


The  
European  
Investment Bank in 1987



## Key data

### ECU

at 31. 12. 1987	
1 ECU = DM	2.06
£	0.70
Ffrs	6.98
Lit	1 521.7
Fl	2.32
Bfrs	43.15
Lfrs	43.15
Dkr	7.94
Dr	164.48
IR£	0.78
Ptas	140.57
Esc.	169.47
US\$	1.30

All amounts quoted in this brochure are expressed in ECUs.

	1987	1986
	(million)	
<b>Total financing provided</b> during the year .....	7 842.5	7 544.8
<b>Operations within the Community</b> .....	7 450.4	7 071.1
<b>Operations outside the Community</b> .....	392.1	473.7
<b>Amount outstanding in respect of loans from own resources and guarantees</b> .....	40 506.2	36 959.8
<b>Subscribed capital</b> at 31 December .....	28 800.0	28 800.0
of which paid in and to be paid in .....	2 595.9	2 595.9
<b>Reserves and provisions</b> .....	3 804.4	3 227.9
<b>Resources raised during the year</b> .....	5 592.7	6 785.5
<b>Medium and long-term borrowings outstanding</b> at 31 December .....	31 956.7	30 271.1
<b>Balance sheet total</b> at 31 December .....	42 875.3	40 720.9

## Objectives

EIB activity has developed in keeping with guidelines set out in Article 130 of the Treaty of Rome and directives handed down by the Bank's decision-making bodies with a view to responding to the Community's needs. The EIB makes or guarantees loans for capital investment projects, principally in industry, energy and infrastructure, which further:

- **economic development** of the Community's **less privileged regions**;
- improved **communications between Member States** (i.e. transport and telecommunications);
- **protection of the environment**;
- attainment of the Community's **energy** policy objectives: development of indigenous resources, energy saving, import diversification;
- **modernisation or conversion of undertakings**, development or introduction of **advanced technology** to improve the competitiveness of Community industry and broadening of cooperation between undertakings in different Member States.

The EIB finances capital investment which contributes directly or indirectly to an increase in economic productivity in general and which is economically and technically viable. It also mounts operations outside the EEC as part of Community development aid policy.

## Resources

### NCI

Since 1979, the EIB has granted loans from the resources of the New Community Instrument for borrowing and lending (NCI), chiefly in support of industrial investment by small and medium-sized enterprises (SMEs). Acting under mandate from and for the account of the Community, the Bank deploys funds borrowed by the Commission of the European Communities.

The EIB grants loans from its own resources, the bulk of which is raised on the capital markets. It also deploys the proceeds of borrowings launched by the EEC in conjunction with the New Community Instrument for borrowing and lending (NCI) as well as, outside the EEC, budgetary resources provided by the Community or Member States; these operations are accounted for off balance sheet.

Loans carry fixed or variable rates of interest and actual lending rates reflect market trends. The EIB is precluded from granting any reduction in these rates, although interest subsidies may be provided by third parties.

Depending upon the borrower's preferences and the EIB's holdings, loans are disbursed either in a single currency — notably the ECU or the borrower's national currency — in several currencies or as standard cocktails.

# The EIB: Bank and Community institution

**as a bank,** the EIB finances capital investment projects, adhering to the rules of rigorous banking management.

**as a Community institution,** the EIB's main task is to contribute towards the balanced development of the EEC.

The European Investment Bank was created by the Treaty of Rome establishing the European Economic Community.

Serving as both a bank and a Community institution, the EIB provides loans for projects promoting the balanced development of the EEC, drawing largely on resources raised on the capital markets.

With a view to performing this dual role, the EIB has been endowed with the status of a public financial institution operating on a non-profit-making basis and having no organic ties with other Community institutions. Its Board of Governors consists of ministers of the twelve Member States.

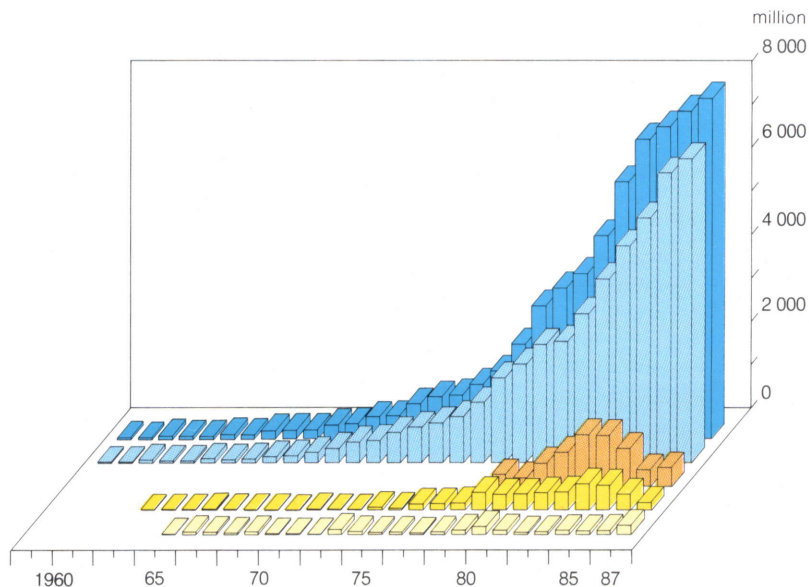
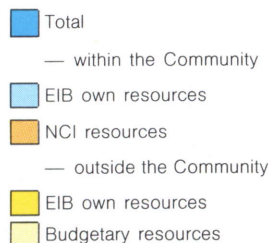
The EIB's capital, subscribed by its Member States, currently stands at 28.8 billion, while loans and guarantees outstanding may not exceed 250% of this amount, i.e. 72 billion. Projects for which Bank financing is sought undergo careful appraisal. Loans, which may cover up to 50% of fixed asset costs, must be secured either by the guarantee of the Member State in which the project is to be implemented or by other adequate collateral.



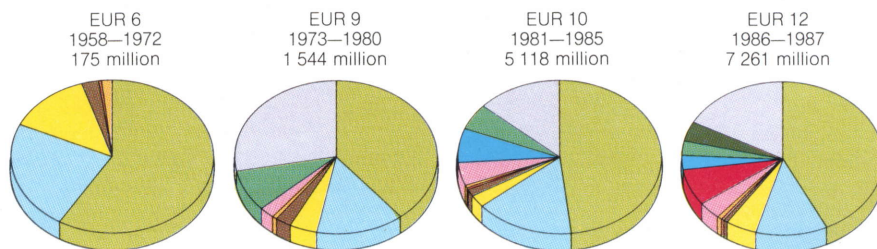
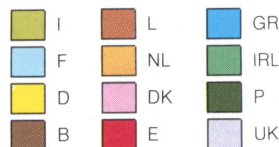
The solid financial position of the EIB, which enjoys the highest possible credit rating (AAA), enables it to borrow on the capital markets on the keenest conditions available. Resources raised may be used to support investment in all sectors of the economy with an eye to fostering the advancement of less developed regions or attainment of Community policies: independence on the energy front, environmental protection, cooperation with developing countries, etc.

The EIB's theatre of operations has expanded in tandem with successive enlargements of the EEC and in keeping with Community policies, the goal being to accommodate the needs of the various Member States.

Financing provided from 1958 to 1987



Europe grows from The Six to The Twelve  
(annual average lending)



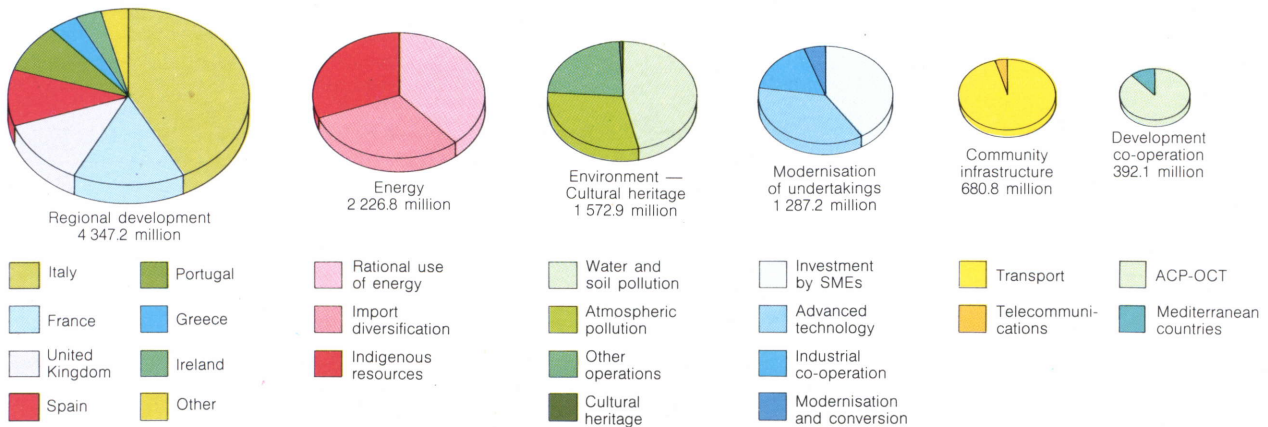
# 1987: facts and figures

Financing provided in 1987 amounted to 7 842.5 million, of which 95% was channelled to projects in the twelve EEC Member States and 5% was made available under cooperation agreements concluded between the Community and numerous States in Africa, the Caribbean, the Pacific and the Mediterranean. Some 90% of loans were funded from own resources raised on the capital markets; just over 8% of the total consisted of operations financed, under mandate from and on behalf of the EEC, from other resources, i.e. NCI borrowings or budgetary resources.

Certain salient features of the 1987 financial year call for special mention.

Lending **within the Community** came to 7 450.4 million. Financing for projects promoting the advancement of less developed or declining regions rose by almost 20%, accounting for over three fifths of the total, while operations designed at least in part to enhance protection of the environment showed a very steep upturn. Lending for industry and services topped 2.5 billion, of which 1.6 billion was advanced in the form of global loans concluded with numerous intermediary institutions to meet the financing requirements of SMEs. Lending for infrastructure, particularly communications schemes, amounted to almost 3 billion.

## Breakdown of activity according to economic policy objective



## Lending in the Community in 1987

	Total	Sector			Economic policy objective (1)				
		Industry, services, agriculture	Energy	Infra-structure	Regional development	Energy	Advanced tech. & modern. of undertakings	Environment	Community infra-structure
Belgium . . . . .	37.1	37.1	—	—	37.1	—	37.1	—	—
Denmark . . . . .	315.3	36.2	279.1	—	29.5	279.1	31.8	—	—
Germany . . . . .	276.5	14.0	148.5	114.1	56.4	225.5	14.0	262.5	—
Greece . . . . .	164.8	75.4	44.9	44.5	160.2	90.5	4.6	61.8	9.4
Spain . . . . .	707.4	416.5	72.6	218.4	459.5	72.6	233.1	24.3	110.7
France . . . . .	1 006.5	433.2	122.7	450.7	655.1	200.1	187.1	101.2	90.6
Ireland . . . . .	178.6	6.5	—	172.1	148.6	—	—	28.4	55.8
Italy . . . . .	3 112.2	1 209.2	822.1	1 080.9	1 868.3	846.2	574.9	691.2	155.1
Luxembourg . . . . .	1.6	—	—	1.6	—	—	—	—	1.6
Netherlands . . . . .	18.0	14.9	—	3.1	18.0	—	14.9	—	—
Portugal . . . . .	389.9	281.3	6.3	102.3	380.0	56.5	189.9	59.0	15.0
United Kingdom . . . . .	1 133.7	32.3	344.8	756.7	534.6	347.7	—	350.8	242.6
Other (2) . . . . .	108.7	—	108.7	—	—	108.7	—	—	—
<b>Total</b>	<b>7 450.4</b>	<b>2 556.4</b>	<b>1 949.7</b>	<b>2 944.3</b>	<b>4 347.2</b>	<b>2 226.8</b>	<b>1 287.2</b>	<b>1 579.2</b>	<b>680.8</b>

(1) The various totals cannot meaningfully be added together as certain loans correspond simultaneously to more than one objective.  
 (2) Gasline across Austria supplying the Community.

**Outside the Community**, for the first time since the EIB's inception, financing provided in the African, Caribbean and Pacific States and in the Overseas Countries and Territories amounted to almost 350 million, reflecting the satisfactory pace at which aid available under the Third Lomé Convention is currently being deployed; Bank activity in the Mediterranean countries, however, was restricted by depletion of amounts on tap under the financial protocols.

### Raising resources

The EIB acquired the resources needed to finance its lending activity by raising almost 5 600 million on the capital markets, chiefly through fixed-rate public loan issues and private placings. Member States' currencies and the ECU accounted for over 70% of the total as against 58% in 1986.

### Funds raised

(million ECUs)

	Annual total	Long and medium-term borrowings					Short-term operations		Third party participations in loans	
		Number	Public issues	Private borrowings	Interbank operations	Medium-term notes	Total	Commercial paper		ECU-denom. certs of deposit
1983	3 619.4	81	2 315.4	1 130.9	62.1	—	3 508.4	—	—	111.0
1984	4 360.9	104	3 227.5	822.2	—	—	4 049.7	189.1	100.0	22.1
1985	5 709.1	75	4 229.0	1 095.5	—	—	5 324.5	374.0	—	10.6
1986	6 785.5	72	5 434.8	1 009.7	321.0	—	6 765.5	—	—	20.0
1987	5 592.7	116	3 768.4	996.1	455.9	352.1	5 572.5	—	—	20.2
<b>1961—1987 Total</b>	<b>44 632.6</b>	<b>982</b>	<b>29 900.1</b>	<b>12 165.4</b>	<b>839.0</b>	<b>352.1</b>	<b>43 256.6</b>	<b>563.1</b>	<b>100.0</b>	<b>712.9</b>

### Overview of EIB activity

	1987		1959—1987 (1)	
	Amount	%	Amount	%
<b>Loans from EIB own resources and guarantees</b>	<b>7 192.2</b>	<b>91.7</b>	<b>53 662.0</b>	<b>87.9</b>
within the Community (2)	7 003.4	89.3	49 146.2	80.5
outside the Community (3)	188.8	2.4	4 515.8	7.4
<b>Financing provided from other resources</b>	<b>650.3</b>	<b>8.3</b>	<b>7 395.5</b>	<b>12.1</b>
within the Community — NCI resources	447.0	5.7	5 910.6	9.7
outside the Community — budgetary resources	203.3	2.6	1 484.9	2.4
<b>Grand total</b>	<b>7 842.5</b>	<b>100.0</b>	<b>61 057.5</b>	<b>100.0</b>
within the Community	7 450.4	95.0	55 056.8	90.2
outside the Community	392.1	5.0	6 000.7	9.8

(1) Amounts at current prices and exchange rates — in view of the long period covered, figures should be interpreted with caution: the figures for different years are affected by price movements and fluctuations in exchange rates from 1959 to 1987.

(2) Including 622.1 million in guarantee operations concluded over period as a whole.

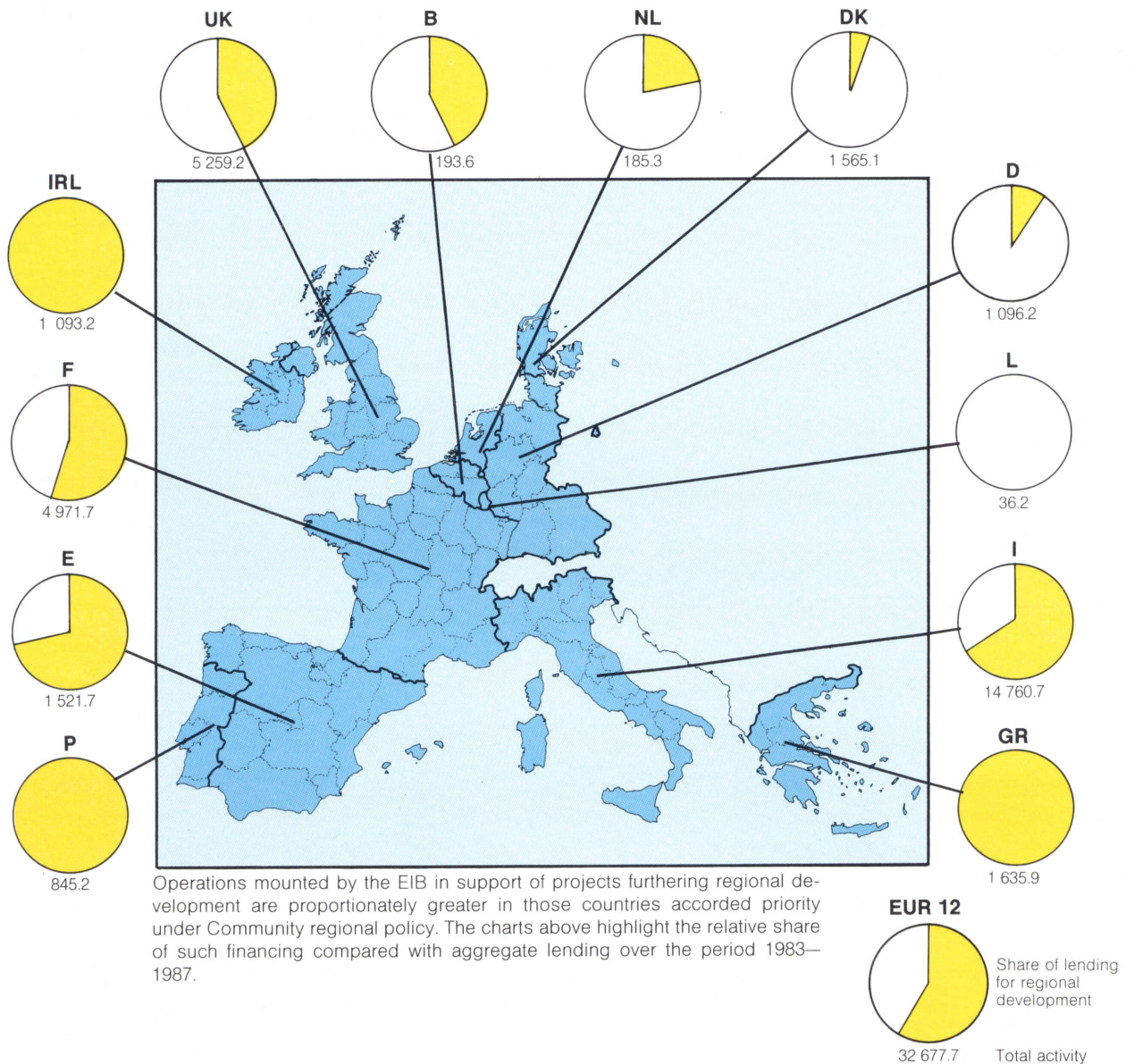
(3) Loans in Portugal and Spain until the end of 1985 and in Greece until the end of 1980 accounted for outside the Community.

## Regional development

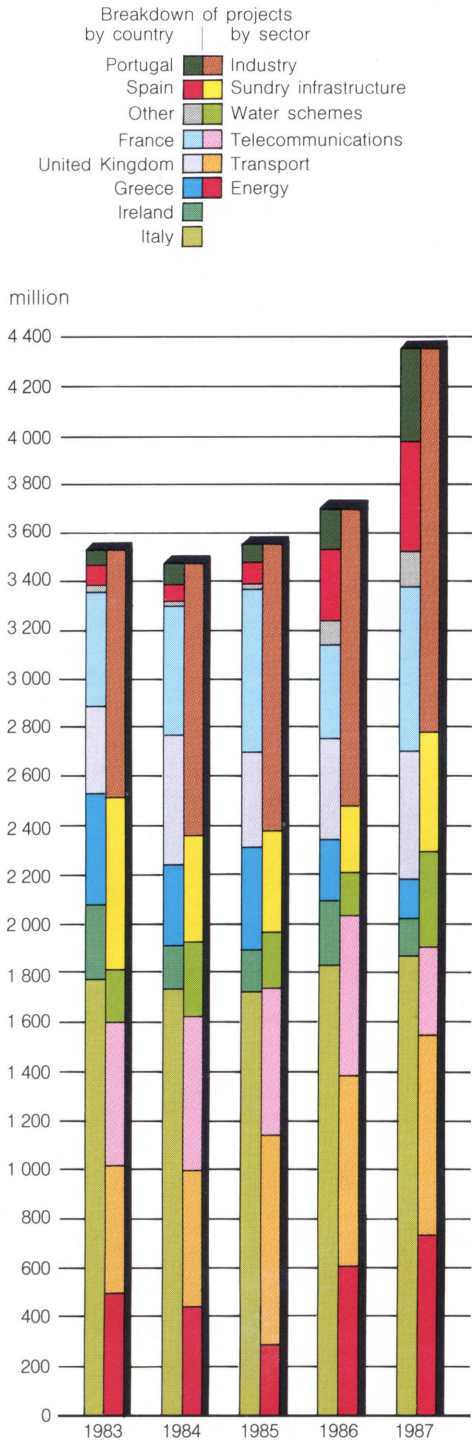
The diverse geographical and economic conditions prevailing within the Community, with its less developed rural areas, regions characterised by declining industries and peripheral or isolated inland areas, implied from the outset the existence of regional disparities which have been amplified by successive enlargements of the EEC.

Attainment of more balanced regional development is enshrined in the Single Act as a vital objective in fostering Community-wide economic and social cohesion. This guiding principle broadens and underpins the provisions of Article 130 of the Treaty of Rome which entrusts the EIB with the task of contributing 'to the balanced and steady development of the common market in the interest of the Community', while assigning to it the priority economic policy objective of furthering regional development by financing economically sound capital investment projects.

Loans provided within the Community from 1983 to 1987 (million)



## Financing provided for regional development



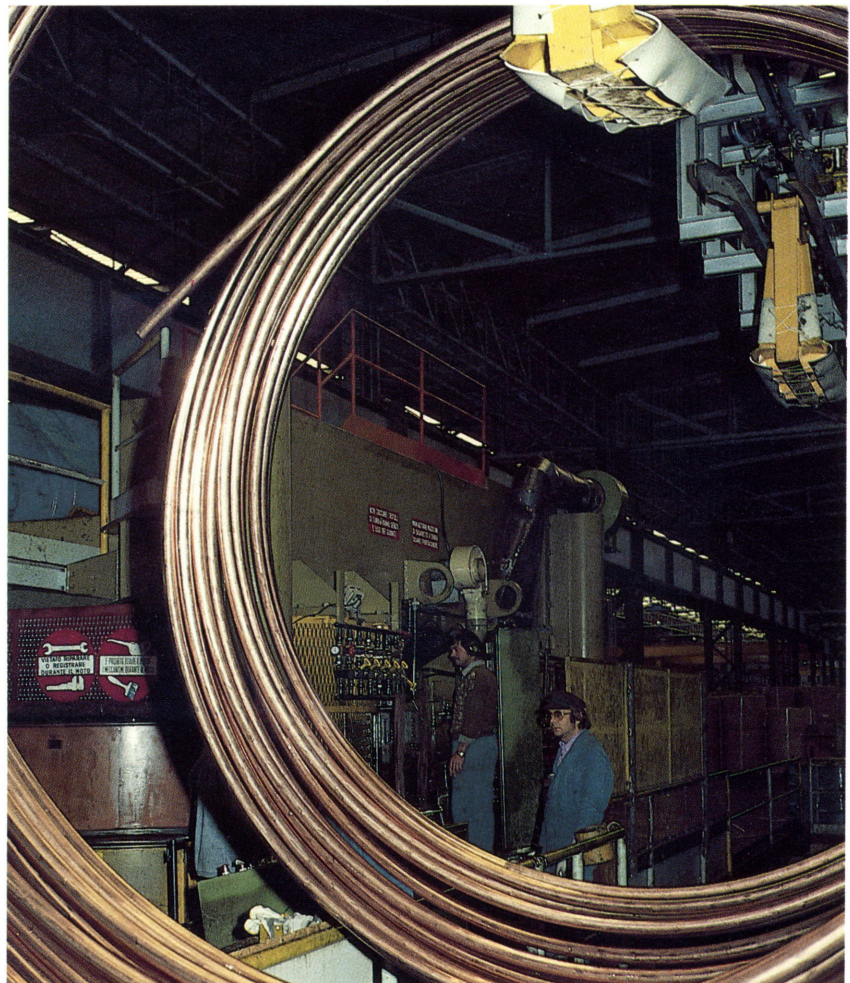
In recent years, against a backdrop often unconducive to vigorous growth in public or private-sector investment in less privileged regions, the EIB has stepped up its lending in favour of regional development.

In 1987, operations under this heading totalled 4 347.2 million, including 35.4 million from NCI resources (3 685.1 million and 88.3 million respectively in 1986), and accounted for 58% of overall financing or 62% of lending from own resources (52% and 54% respectively in 1986). Loans centred primarily (70%) on regions commanding the highest priority under Community regional policy, namely Portugal, Greece, Ireland, Northern Ireland, the Mezzogiorno and certain parts of Spain, i.e. countries and regions whose GDP is generally at least 25% below the Community average.

The EIB also bolstered its support for capital investment in areas with traditional industries on the decline as well as in other less advantaged regions, particularly in France and the United Kingdom.

Investment which the Bank helped to finance in 1987 — covering between 20% and 50% of costs depending on individual projects — accounted for an average of just over 3% of aggregate capital investment within the Community. In the case of the least prosperous countries or regions, however, the EIB's contribution towards overall investment was distinctly higher, ranging from 11.3% in Portugal, 9.5% in Ireland, 7.2% in Italy — 14% in the Mezzogiorno alone — to 5.3% in Greece.

In 1987, loans provided solely from EIB own resources accounted for over 80% of aggregate Community lending for structural purposes.



## Advanced technology

### From Ariane to compact discs

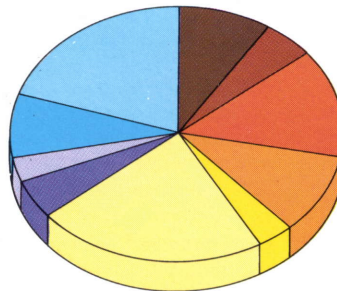
Over recent years, the EIB has helped to finance advanced technology projects in a very broad range of sectors: space technology (Ariane launcher, telecommunications satellites and earth stations), health care (medical equipment and pharmaceuticals), robotics and computer integrated manufacturing. A sizeable proportion of operations has centred on electronic components and data processing.

On the components side, the EIB has supported ventures geared to the production of semiconductor static memory circuits (SMC) with a very high storage capacity in excess of one million (mega) bits of data per chip, application specific integrated circuits (ASIC) to be turned out in small customised batches, and hybrid circuits. In the spheres of data processing and electronics, projects backed by the EIB have focused inter alia on professional personal computers, CAD/CAM (Computer Aided Design/Manufacturing) systems, and compact disc player production.

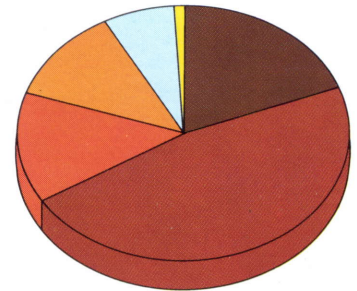
Sharpening Community industry's competitive edge on world markets is vital for the EEC's future. In 1987, as in previous years, the EIB sought to furnish support in pursuit of this objective by financing investment promoting the dissemination of advanced technology.

The Bank has consistently stepped up its lending for such projects, sometimes mounted in conjunction with the European ESPRIT or EUREKA programmes. Over the past three years alone, a total of 1 094.3 million has been made available for around forty projects involving mainly microelectronics, data processing, telecommunications, fine chemicals and motor vehicles, while 128.5 million has been devoted to 35 smaller ventures funded from global loans. In 1987, advanced technology projects claimed 474.1 million in all.

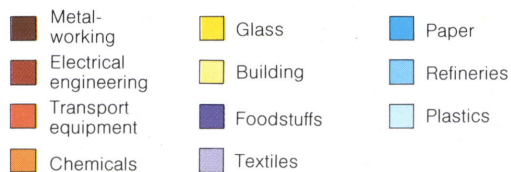
Individual loans for industry from 1985 to 1987



Traditional investment:  
1 181.4 million



Advanced technology:  
1 094.3 million





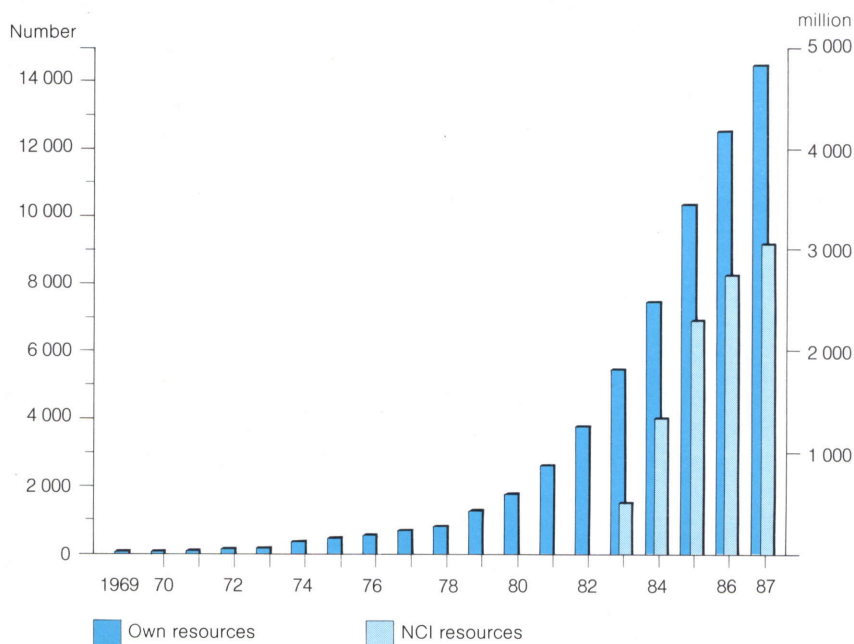
## Small and medium-sized enterprises

The EIB provides extensive support for smaller ventures mounted by SMEs in the industrial and service sectors. Financing is made available on a decentralised basis by concluding global loans — lines of credit — with financial institutions in the various Member States.

Over the past five years, global loans have helped to fund almost 20 000 SMEs attracting a total of some 6 billion in allocations, i.e. 3.5 billion in less developed regions plus 2.5 billion, largely from NCI resources, outside such regions. Around 75% of these enterprises employ less than 50 persons and have claimed just over half the funds advanced.

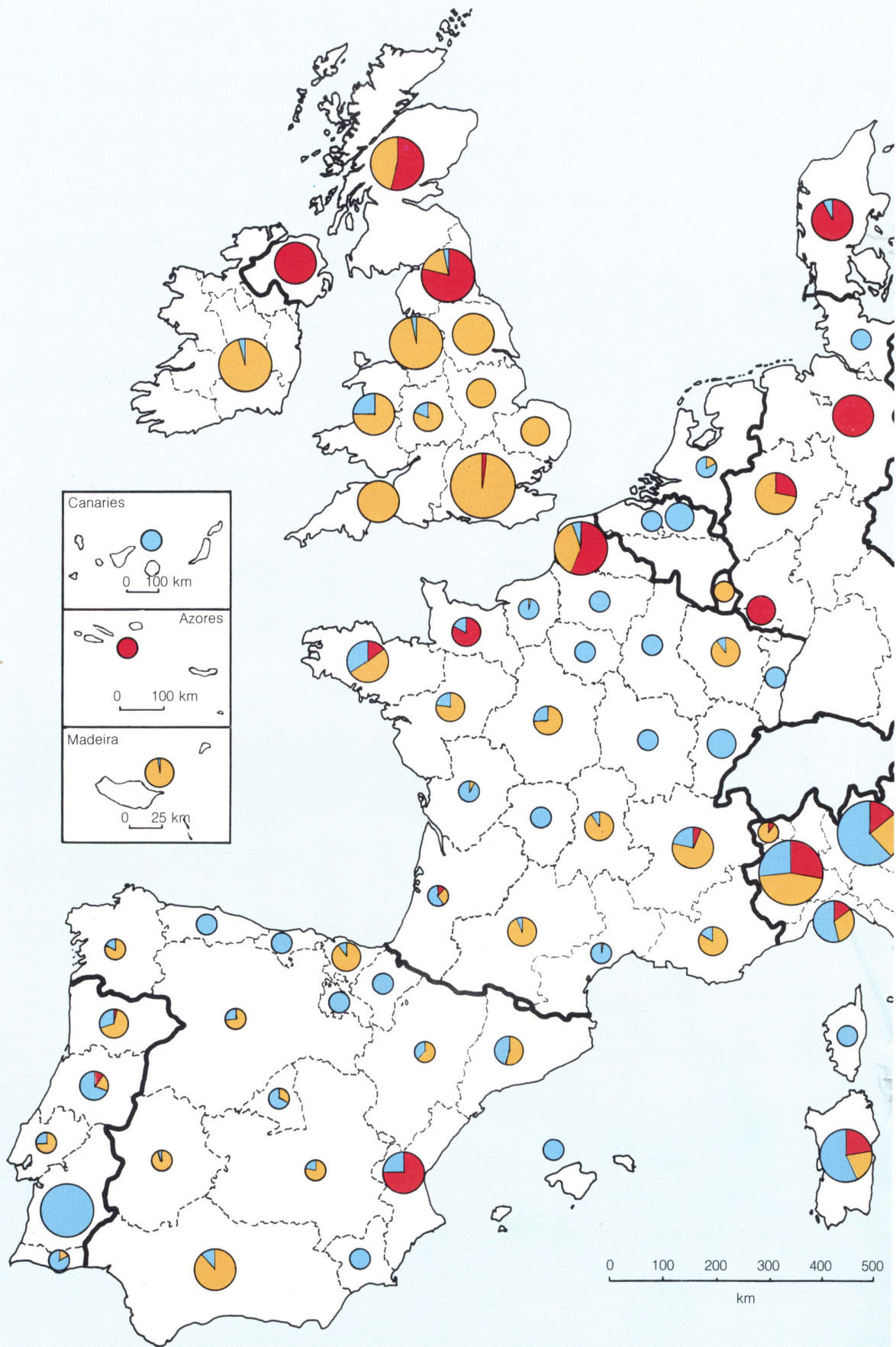
In 1987, some 2 300 SMEs engaged in a broad range of industrial activities and a further 500 or so operating in the service sector received 905 million in all.

Aggregate global loan financing for small and medium-scale ventures from 1969 to 1987: breakdown by number and amount of allocations



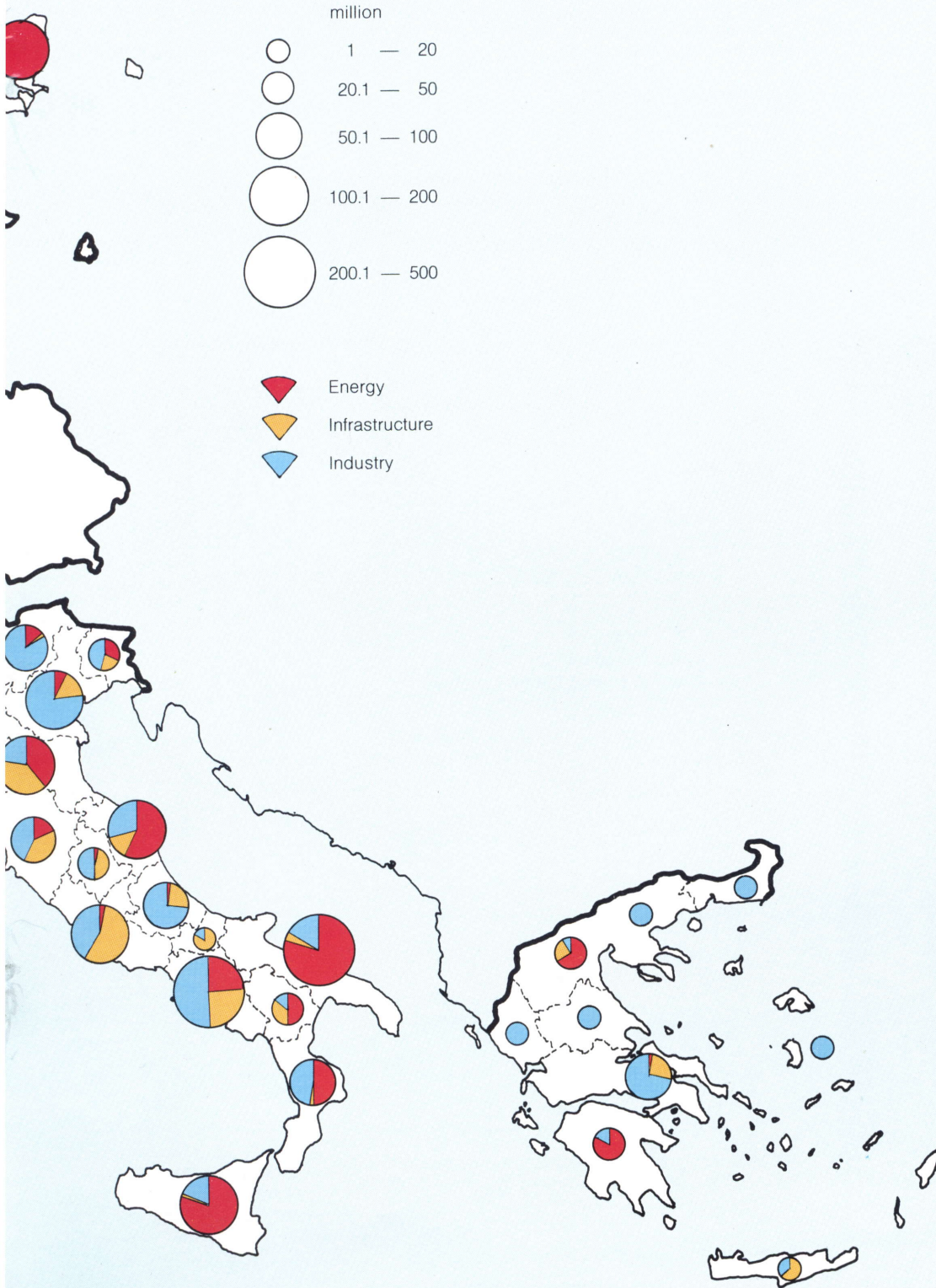
## Global loan allocations within the Community in 1987 and from 1983 to 1987

	1987						1983—1987					
	Total		EIB own resources		NCI resources		Total		EIB own resources		NCI resources	
	Number	million ECUs	Number	million ECUs	Number	million ECUs	Number	million ECUs	Number	million ECUs	Number	million ECUs
Regional development	1 911	656.0	1 911	656.0	—	—	11 659	3 517.4	11 656	3 488.9	3	28.5
Energy	90	125.7	90	125.7	—	—	1 183	1 072.9	956	993.9	227	79.0
Advanced technology	9	25.1	9	25.1	—	—	35	113.6	35	113.6	—	—
Investment by SMEs	981	294.9	57	10.0	924	284.9	9 232	2 421.7	90	22.6	9 142	2 399.1
Environment	44	74.0	44	74.0	—	—	59	110.7	59	110.7	—	—
<b>Total</b>	<b>3 035</b>	<b>1 175.7</b>	<b>2 111</b>	<b>890.8</b>	<b>924</b>	<b>284.9</b>	<b>22 168</b>	<b>7 236.3</b>	<b>12 796</b>	<b>4 729.7</b>	<b>9 372</b>	<b>2 506.6</b>
of which: industry	2 871	985.3	1 947	700.4	924	284.9	19 877	6 003.4	10 704	3 587.5	9 173	2 415.9
infrastructure	164	190.4	164	190.4	—	—	2 291	1 232.9	2 092	1 142.2	199	90.7



EIB lending in 1987

Sectoral breakdown at regional level



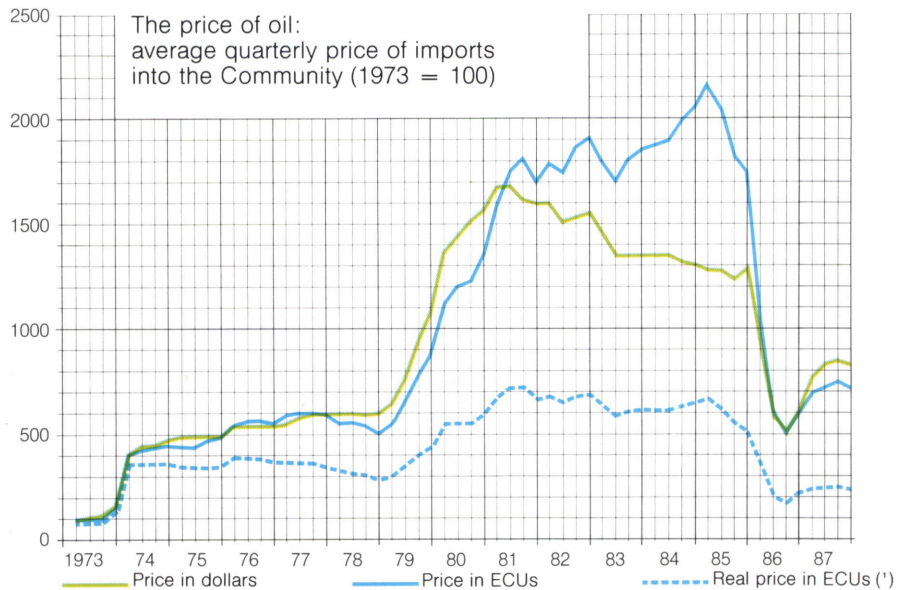
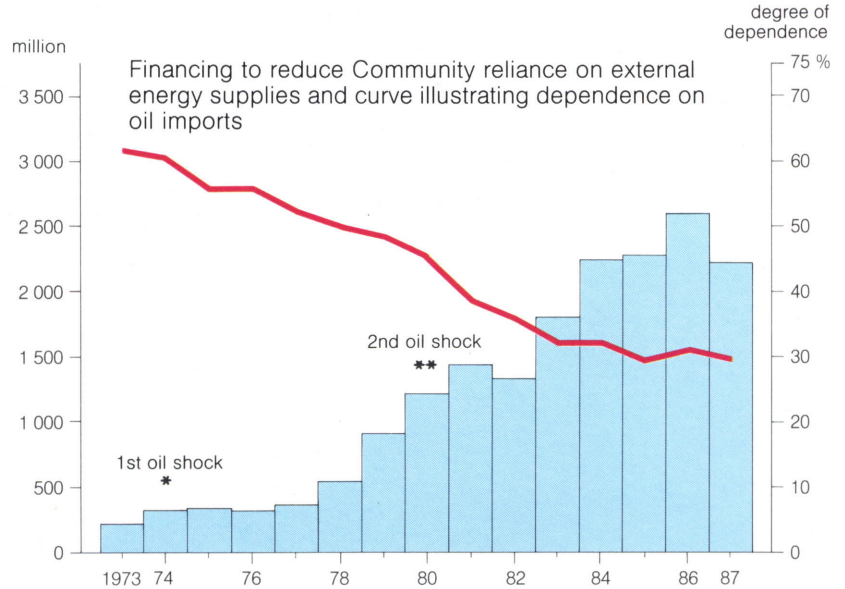
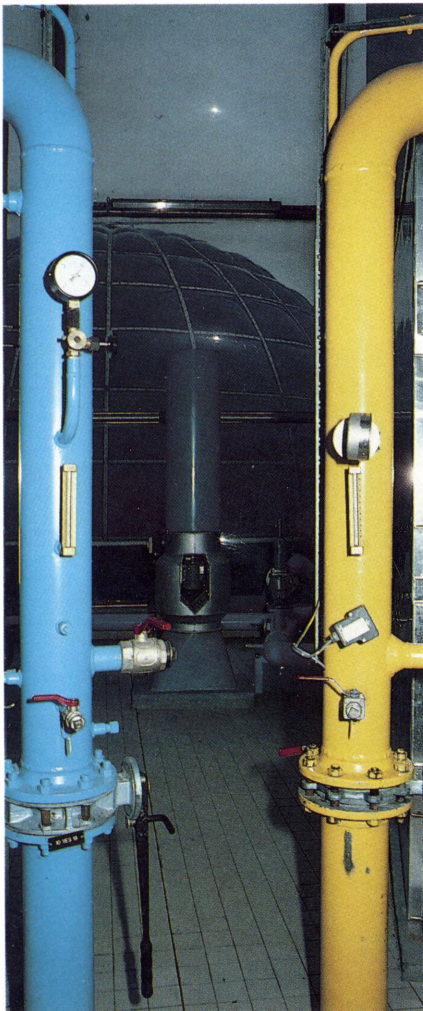
# Independence on the energy front

## Euratom

Acting as agent, the EIB manages loans decided by the Commission of the European Communities and funded from the proceeds of borrowings raised on behalf of Euratom.

EIB lending for projects designed to strengthen the Community's independence on the energy front has demonstrated vigorous growth since the first oil shock (1973—1987: 18.2 billion, or 35% of overall Bank activity within the Community). Schemes financed over the past five years will make for a cut-back in oil imports equivalent to some 14% of the projected net 1995 import figure for the Community of Twelve.

In 1987, financing for projects espousing this objective amounted to 2 226.8 million (2 600.1 million in 1986), with funds earmarked on a larger scale than in previous years for achieving rational use of energy (863.5 million) and diversifying Community supplies (695.7 million). Loans under this heading were also given over to equipment helping to reduce polluting emissions from power stations. In certain countries, completion or slowdown of programmes under way for a number of years with respect to the nuclear energy sector or development of oil and natural gas fields led to a marked decline in investment centred on harnessing indigenous energy resources (667.6 million).



(<sup>1</sup>) Corrected by means of the implicit index of private consumption  
Sources: SOEC and Commission of the European Communities

# Environmental protection

## The Po Basin

Covering some 650 kilometres on its journey from the Alps to the Northern Adriatic, the Po is by far the largest river in Italy. One of Italy's most thriving regions, accounting for about one fifth of the country's land mass (70 000 sq. km) and over a third of its population — close on 20 million people — the Po river valley system is something of a Community showpiece. This huge area houses more than half of Italy's entire productive capacity.

Urban and industrial development and intensive agriculture however also bring with them pollution: liquid effluent and surface waters are now heavily contaminated with residue. Economic activity and the generation of domestic sewage are producing pollution on a scale equivalent to that of a population of 80 million.

It has been estimated that in the Po Delta, there is a daily outfall of 415 tonnes of nitrogen and 50 tonnes of phosphates. These exacerbate pollution in the Adriatic, which is more or less a closed sea, lacking the benefits of currents and tides: the harmful effects on fishing and tourism are obvious.

It was in the early 1970s that the regions concerned began to take steps, and in 1982 Piedmont, Lombardy, Emilia-Romagna and Veneto produced an inter-regional and inter-sectoral plan to develop and enhance the River Po and natural resources and the environment in the entire Po basin.

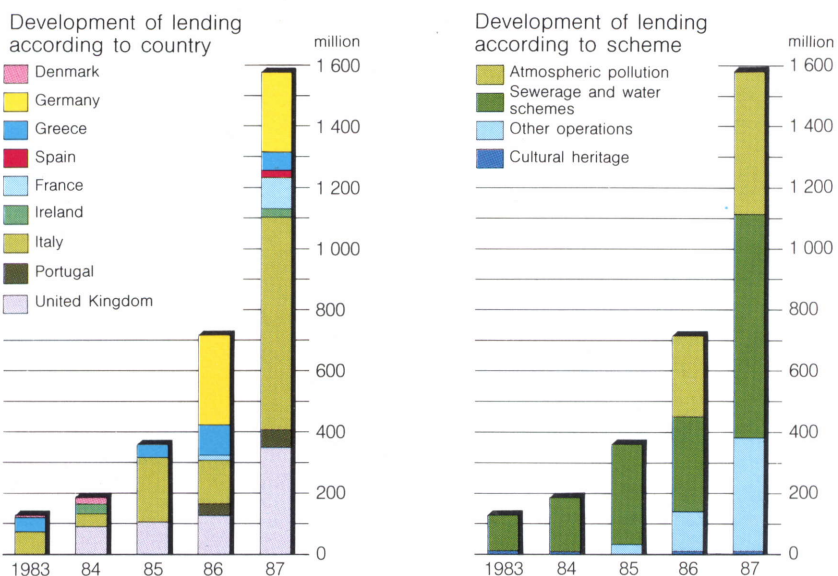
Out of that has come Bank participation in the financing of sewage collection and treatment works at various locations in the basin of the Po and its tributaries: by the end of 1987, the EIB had advanced a total of 1 579.2 million for such schemes.

The EIB attaches utmost importance to examining the environmental impact of each project submitted to it. It also furnishes direct support for environmental protection schemes consonant with national or Community policies in this domain. In the case of projects involving installation of certain anti-pollution equipment affording greater protection than that required under current regulations, EIB loans may cover up to 60% of costs.

Projects financed fall into two main categories. The first comprises waste water purification schemes or projects designed to improve the quality of drinking water. These often form part of long-term programmes covering several regions as for example in Italy (Po and Arno river basins, Veneto and the Ligurian coast) and the United Kingdom (Anglia, Yorkshire, Severn and Trent basins). Since 1986, the second category has encompassed installations for reducing at source atmospheric pollution caused by power stations — particularly coal-fired plant — oil refineries and also cement works often located in populous areas. In addition, the EIB has funded a range of other operations involving urban waste processing, erosion control and safeguarding the Community's architectural heritage as well as small-scale installations in conjunction with global loans.

Since 1983, aggregate lending for projects entailing investment geared to this objective has amounted to almost 3 billion, of which 1 579.2 million was provided in 1987 alone.

### Loans for environmental protection



# Communications infrastructure

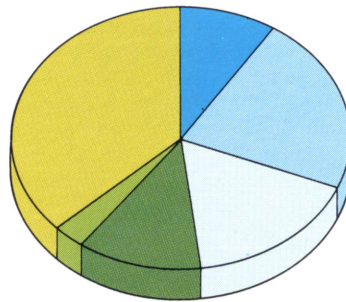
An appropriate network of transport and telecommunications infrastructure is of crucial importance in creating a geographically united Europe and a unified internal market.

The EIB has consistently helped to upgrade infrastructure essential for the development of less favoured regions endowed with only poor links to major economic centres. It has also participated in establishing transport networks, notably motorway systems, designed to promote trade between Member States.

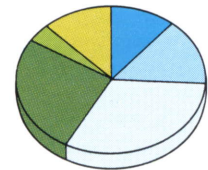
In 1987, lending for communications infrastructure ran to 1 616.8 million: the bulk of funds was devoted to strengthening regional links, although 680.8 million went towards enhancing infrastructure of common European interest (almost half of this for air transport facilities alone).

Financing provided within the Community from 1983 to 1987 for communications

Total communications sector  
7 622.2 million



Infrastructure of common interest  
2 207.8 million

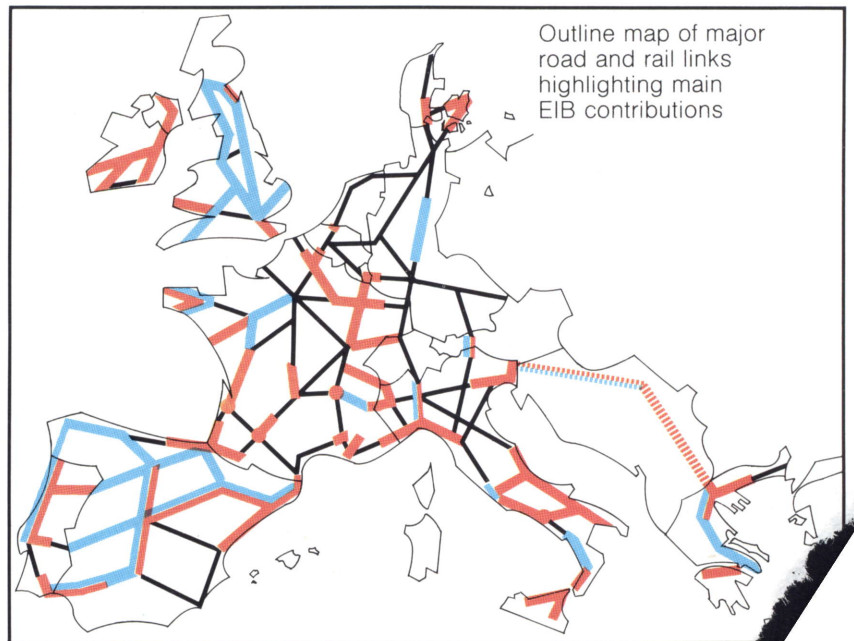


## The Channel Tunnel

The project centred on construction of a tunnel under the Channel is exemplary in terms of the benefits which it offers for the Community as a whole. The fruit of collaboration between investors and construction firms in different Member States, it will make for considerable reductions in road and rail travelling times between London and Paris, Brussels and other destinations.

The Promoter, Eurotunnel, requested the EIB to consider possible ways of contributing to its financing. Accordingly, economic, technical and financial aspects of the project were analysed by the Bank in line with its customary appraisal procedures. It subsequently concluded a credit agreement with Eurotunnel for a total of £1 billion or Ffrs 10 billion (1 396 million ECUs) as part of the syndicated credit of £5 billion or Ffrs 50 billion guaranteed by a group of 50 international banks.

The EIB's contribution to this major project in terms of expertise and financing represents a model for future co-financing operations concerning large infrastructure projects fostering the European Community's further development and integration.



## Development cooperation

### Drinking water for Africa's urban population

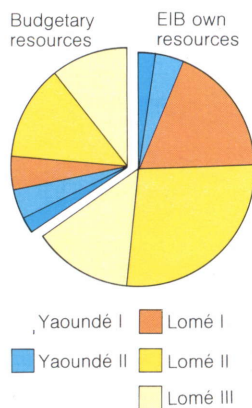
The tide of people migrating to the towns is one of the most disturbing problems currently facing the authorities in many African countries. With this in mind, the EIB has on many occasions mounted operations designed to expand their urban infrastructure, especially telecommunications, power distribution and, more recently, water supplies.

The Third Lomé Convention attaches particular emphasis to projects seeking to foster protection of the environment and to improve water supplies. Within this context, in 1986 and 1987, the EIB made available 35 million for upgrading drinking water supplies to Brazzaville and Pointe Noire in the Congo, Lilongwe in Malawi, Harare in Zimbabwe and Cotonou and Porto Novo in Benin, towns with a combined population of 3.5 million.

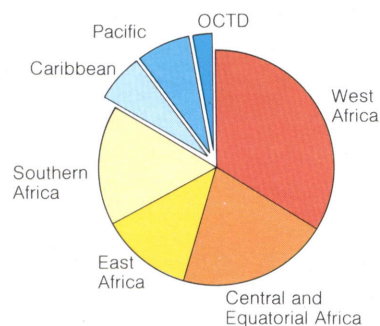
The EIB has also provided financing for sewerage and waste water treatment installations with the goal of alleviating pollution risks and the deleterious consequences for the health of the population.

### Financing provided in the ACP States and OCTD from 1964 to 1987

1. Breakdown by origin of resources and convention



2. Geographical breakdown

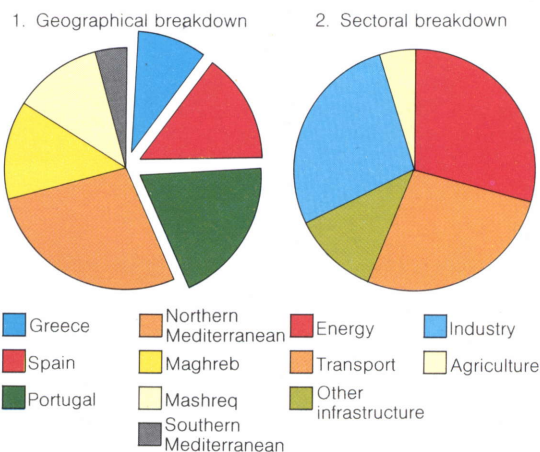


Convention	Duration	Total	EIB own resources	Budgetary resources
Yaoundé I	(1964—1969)	99.9	51.1	48.8
Yaoundé II	(1970—1975)	188.2	95.0	93.2
Lomé I	(1976—1980)	498.5	397.0	101.5
Lomé II	(1981—1985)	897.9	612.5	285.4
Lomé III	(1986—1990)	553.3	311.9	241.5
<b>Total (1)</b>		<b>2 237.9</b>	<b>1 467.5</b>	<b>770.4</b>
(1) of which OCTD		57.9	36.4	21.5

EIB activity outside the Community is mounted under cooperation agreements concluded between the EEC and the States concerned. Since 1963, a total of 6 billion has been made available, including 1.5 billion from Community or Member States' budgetary resources. Although a substantial proportion of this financing has been geared to promoting the economic adjustment of countries which have since joined the EEC (1.6 billion), the bulk has served to foster the economic development of countries in Africa, the Caribbean and the Pacific (2.3 billion) and in the Mediterranean region (2.1 billion).

In 1987, financing outside the Community amounted to 188.8 million from EIB own resources and 203.3 million from Community or Member States' budgetary resources, giving a total of 392.1 million. Virtually all loans in the **African, Caribbean and Pacific States** were provided under the Third Lomé Convention and in the Overseas Countries and Territories under the relevant Decision of the Council of the European Communities. These loans added up to 349.4 million (compared with 209.7 million in 1986) of which 161.2 million was advanced in the form of loans from EIB own resources with interest subsidy and 188.2 million as risk capital assistance drawn from budgetary resources. The EIB mounted operations in six **Mediterranean countries** drawing on the balance available under financial protocols in force between these countries and the Community: 27.7 million from the Bank's own resources and 15.1 million from budgetary resources, totalling 42.8 million, compared with 264 million in 1986.

Financing provided in the Mediterranean countries from 1963 to 1987



	Total		EIB own resources	Budgetary resources
	million	%		
<b>Countries now Member States (1)</b>				
Spain . . . . .	550.0	14.6	550.0	—
Greece . . . . .	351.4	9.3	341.4	10.0
Portugal . . . . .	725.0	19.3	725.0	—
<b>Other Northern Mediterranean Countries</b>				
Turkey . . . . .	734.2	19.5	115.0	619.2
Yugoslavia . . . . .	310.0	8.2	310.0	—
<b>Maghreb</b>				
Algeria . . . . .	177.0	4.7	177.0	—
Morocco . . . . .	165.0	4.4	146.0	19.0
Tunisia . . . . .	153.5	4.1	119.0	34.5
<b>Mashreq</b>				
Egypt . . . . .	241.0	6.4	238.0	3.0
Jordan . . . . .	62.3	1.7	55.0	7.3
Lebanon . . . . .	40.0	1.1	40.0	—
Syria . . . . .	101.5	2.7	98.0	3.5
<b>Other Southern Mediterranean Countries</b>				
Cyprus . . . . .	58.0	1.5	48.0	10.0
Israel . . . . .	70.0	1.9	70.0	—
Malta . . . . .	24.0	0.6	16.0	8.0
<b>Total . . . . .</b>	<b>3 762.9</b>	<b>100.0</b>	<b>3 048.4</b>	<b>714.5</b>

(1) Financing provided prior to accession.

# Raising resources

In 1987, the EIB raised the equivalent of 5 592.7 million ECUs, over 70% of this in Community currencies with a view to accommodating promoters' changing preferences. In attaining this figure, the Bank made use of a fairly diverse spread of markets and instruments, encompassing public issues and private placings at either fixed (around 80%) or variable rates on the national or international markets, interbank operations, medium-term note issues, interest rate and currency swaps and, for lesser amounts, the sale of participation certificates.

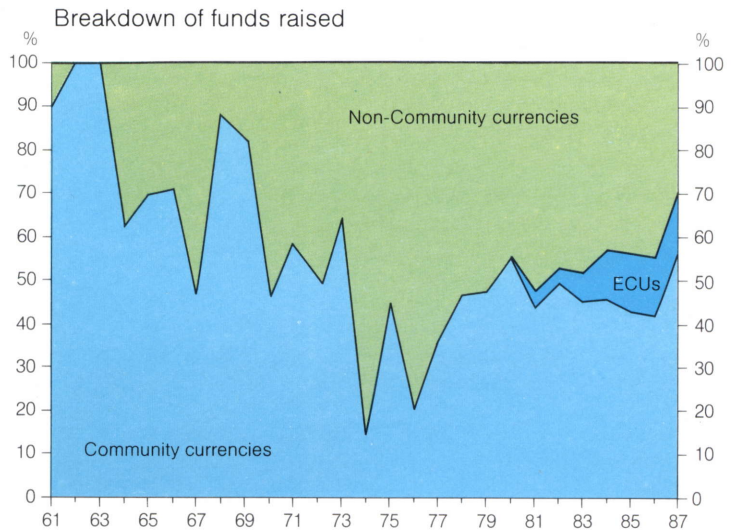
For the EIB, the desire to offer long-term funds on the keenest possible conditions implies close monitoring of trends and innovations on the various markets.

Since 1981, the Bank has helped to promote use of the ECU which also serves as its unit of account. Hence, by 1987, the EIB had raised 3.3 billion ECUs and it now heads the list of ECU issuers on the international capital markets. Moreover, the ECU accounts for almost 10% of outstanding EIB borrowings.

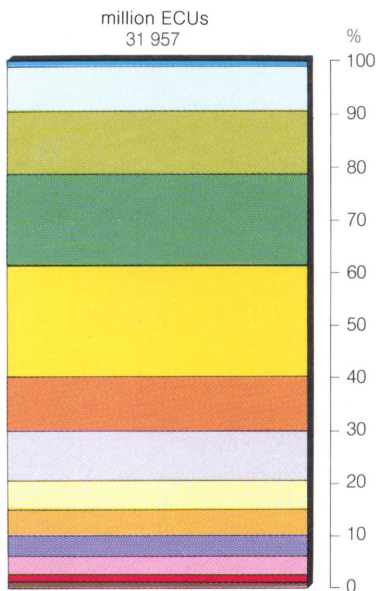
The **ECU** is the unit of account used by the EIB.

## Funds raised in 1987

	million ECUs	%
DM	1 152.7	20.6
ECUs	807.4	14.4
US\$	721.9	12.9
Lit	639.2	11.4
Yen	517.2	9.3
Ffrs	464.0	8.3
Sfrs	370.4	6.6
Fl	337.9	6.0
Bfrs	302.2	5.4
£	142.0	2.6
Other	137.8	2.5
<b>Total</b>	<b>5 592.7</b>	<b>100.0</b>

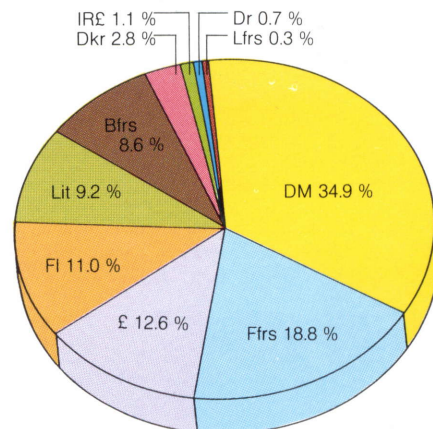


Amount of medium and long-term borrowings outstanding at 31 December 1987



- Austr. Sch., Can \$
- Sfrs
- Yen
- US\$
- DM
- ECUs
- Lit
- Ffrs
- Fl
- Bfrs
- £
- Lfrs
- EURCO, Dkr, IRE

## Current composition of the ECU





## Balance sheets at end-1987 and end-1986

(million ECUs)

<b>Assets</b>	<b>1987</b>	<b>1986</b>	<b>Liabilities</b>	<b>1987</b>	<b>1986</b>
Liquid assets	2 836.0	2 910.5	Capital, reserves and provisions	6 400.3	5 823.9
			— <i>subscribed capital</i> 28 800.0		
			— <i>capital paid in and to be paid in</i> 2 595.9		
			Balance of profit and loss a/c	649.1	576.5
Loans	36 455.6	34 104.1	Borrowings	32 437.0	30 833.8
— <i>total outstanding</i>	39 922.3	36 344.3	— <i>short-term</i>	480.3	562.7
— <i>disbursed</i>	—3 466.7	— 2 240.2	— <i>medium and long-term</i>	31 956.7	30 271.1
Sundry debtors	1 069.2	1 370.8	Sundry creditors	1 391.9	1 634.7
Miscellaneous	2 514.5	2 335.5	Miscellaneous	1 997.0	1 852.1
<b>Total</b>	<b>42 875.3</b>	<b>40 720.9</b>		<b>42 875.3</b>	<b>40 720.9</b>

**Special Section**

Trust management fund

— for the account of Member States

— for the account of the European Communities

**1987**
**1986**

264.6

284.3

7 913.1

8 002.8

## Profit and loss account

(million ECUs)

<b>Income</b>	<b>1987</b>	<b>1986</b>	<b>Expenditure</b>	<b>1987</b>	<b>1986</b>
Interest and commission on loans	3 374.5	3 197.0	Interest and charges on borrowings and amortisation of issuing charges	2 914.0	2 782.7
Interest and commission on investments	201.1	196.4	General expenses and depreciation	72.0	69.9
Other	46.7	54.7	Other	3.6	16.7
	3 622.3	3 448.1		2 989.6	2 869.3
Operating surplus	632.7	578.8			
Increase/decrease arising from conversion of assets and liabilities into ECUs	+ 16.4	— 2.3			
<b>Balance</b>	<b>649.1</b>	<b>576.5</b>			

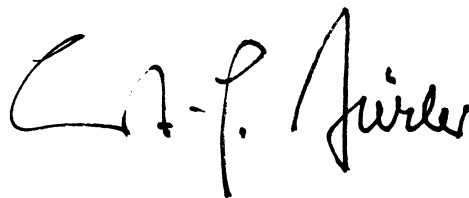
*This brochure, containing an overview of results for the 1987 financial year, is intended to illustrate how the European Investment Bank draws on its professional expertise in helping to build Europe.*

*The EIB, a Community institution, finances capital investment promoting the balanced development of Member States by strengthening economic and social cohesion throughout the EEC's diverse regions, fostering the competitiveness of Europe's means of production, furthering the establishment of an appropriate network of infrastructure and improving the environment and the quality of life. The Bank also supports Community activity in favour of developing countries.*

*As a bank, the EIB conducts its operations in accordance with market forces. Its credit rating (AAA) enables it to borrow funds on advantageous terms on the capital markets and, since it operates on a non-profit-making basis, the ensuing benefits can be passed on to project promoters. As the Community's bank, it contributes towards the creation of a European financial zone, notably by promoting development of the ECU.*

*Despite a volume of activity approaching 8 billion ECUs, the EIB is still a medium-sized institution (around 700 staff), easy to contact and able to pursue a policy of pragmatic adjustment. It attaches great importance to the essential requirements of quality in terms of projects financed, loans offered and relations with its various external correspondents.*

*We hope that the brochure reflects these efforts and provides readers with an insight into the EIB's scope for operations.*

A handwritten signature in black ink, reading "Ernst-G. Bröder". The signature is written in a cursive style with a large initial "E" and "B".

*Ernst-Günther Bröder  
President of the European Investment Bank*

## Procedures

The EIB helps to finance specific projects by providing loans directly or through a financial intermediary.

The Bank's loans may be granted both to public and private-sector borrowers. The EIB may initially be contacted by letter or telephone, either at its headquarters in Luxembourg or at one of its various offices: no particular formalities need to be completed.

Project appraisal is designed to verify a scheme's technical viability and compliance with regulations on environmental protection and procurement; it also involves vetting a scheme's economic return and consonance with both EIB lending criteria and Community policy guidelines; finally, the promoter's financial position, cash flow forecasts and proposed security arrangements are also examined.

## Decision-making bodies

### Board of Governors

Chairman  
Palle Simonsen (Denmark)  
until June 1987  
Gerhard Stoltenberg (Germany)  
until June 1988  
Panayotis Roumeliotis (Greece)  
from June 1988

### Management Committee

(as at 1 June 1988)  
President: Ernst-Günther Bröder  
Vice-Presidents  
C. Richard Ross  
Arie Pais  
Lucio Izzo  
Noel Whelan  
Alain Prate  
Miguel A. Arnedo Orbañanos

Enjoying its own legal personality and an administrative structure separate from that of other Community institutions, the EIB is an independent Community organisation.

Its **Board of Governors** consists of ministers designated by the Member States, usually Finance Ministers. It lays down general directives on credit policy, approves the balance sheet and annual report, decides on capital increases and appoints members of the Board of Directors, the Management Committee and the Audit Committee.

Its **Board of Directors**, whose members are appointed following nomination by the Member States and the Commission of the European Communities, has sole responsibility for deciding on loans and guarantees, raising funds and fixing interest rates.

Its **Management Committee** controls all current operations, recommends decisions to Directors and is then responsible for carrying them out; the President, or in his absence one of the Vice-Presidents, chairs the meetings of the Board of Directors.

Its **Audit Committee** verifies that the operations of the Bank have been conducted and its books kept in a proper manner. Its three members are currently Messrs Jørgen Bredsdorff (fhv. rigsrevisor, Audit Department, Copenhagen), Albert Hansen (Secrétaire Général du Conseil du Gouvernement, Luxembourg) and João Pinto Ribeiro (Juiz Conselheiro, Tribunal de Contas, Lisbon).

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— D, DK, E, I  
— B, F, GR, IRL, L, NL, P, UK  
Operations outside the Community  
Finance and Treasury  
Research  
Legal  
Technical Advisory Service

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Eugenio Greppi  
Pit Treumann  
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Philippe Marchat  
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Jörg Käser  
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