

European  
Investment  
Bank

annual report  
1975



2, place de Metz  
Luxembourg

Text finalised 6 April 1976.

The Annual Report is also published in Danish, Dutch, French, German and Italian.

# Board of Governors

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|                 |  |   |
|-----------------|--|---|
| <b>Chairman</b> | Denis HEALEY, Chancellor of the Exchequer (United Kingdom)                 |   |
| BELGIUM         | Willy DE CLERCQ, Minister of Finance                                       |   |
| DENMARK         | Anders ANDERSEN, Minister of Finance<br>Knud HEINESEN, Minister of Finance | <i>until February 1975</i><br><i>from February 1975</i> |
| GERMANY         | Hans APEL, Minister of Finance   |   |
| FRANCE          | Jean-Pierre FOURCADE, Minister for Economic Affairs and Finance            |   |
| IRELAND         | Richie RYAN, Minister for Finance  |   |
| ITALY           | Emilio COLOMBO, Minister of the Treasury                                   |   |
| LUXEMBOURG      | Raymond VOUEL, Deputy Prime Minister, Minister of Finance                  |   |
| NETHERLANDS     | Willem F. DUISENBERG, Minister of Finance                                  |   |
| UNITED KINGDOM  | Denis HEALEY, Chancellor of the Exchequer                                  |   |

# Audit Committee

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|                 |  |                        |
|-----------------|--|------------------------|
| <b>Chairman</b> | Jørgen BREDSORFF, Auditor-General, Audit Department, Copenhagen  |                        |
| <b>Members</b>  | Émile RAUS, President of the Council of State, Honorary Director-General of Posts and Telecommunications, Luxembourg |                        |
|                 | Roger LÉONARD, Honorary First President of the Cour des Comptes, Paris   | <i>until June 1975</i> |
|                 | Michael JACOB, Secretary and Director of Audit, Office of the Comptroller and Auditor-General, Dublin                | <i>from June 1975</i>  |

# Board of Directors

## Chairman

Yves LE PORTZ

## Vice-Chairmen

Sjoerd BOOMSTRA

Luca ROSANIA

Horst-Otto STEFFE

Sir Raymond BELL

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## Directors

|                       |   |
|-----------------------|---|
| Alfred BECKER         | Member of the Management Committee, Kreditanstalt für Wiederaufbau, Frankfurt   |
| Giorgio CAPPON        | President, Istituto Mobiliare Italiano, Rome  |
| André de LATTRE       | President, Crédit National, Paris   |
| Raymond DENUCÉ        | Honorary Managing Director, Crédit Communal de Belgique, Brussels;  |
| Christopher FOGARTY   | Deputy Secretary (Overseas Finance A), H.M. Treasury, London <i>until January 1976</i>  |
| Salvatore GUIDOTTI    | Executive Director and Managing Director, Società Meridionale Finanziaria, Naples   |
| Pierre GUILL          | Managing Director, Caisse d'Epargne de l'Etat, Luxembourg   |
| Jean-Yves HABERER     | Head of the International Affairs Department, Directorate of the Treasury, Ministry of Economic Affairs and Finance, Paris                        |
| Erik HOFFMEYER        | Chairman of the Board of Governors, National Bank of Denmark, Copenhagen  |
| Norman JORDAN-MOSS    | Deputy Secretary (Overseas Finance A), H.M. Treasury, London <i>from January 1976</i>   |
| Anthony J. A. LOOIJEN | Director of External Financial Relations, Ministry of Finance, The Hague  |
| Gastone MICONI        | Director-General of the Treasury, Ministry of the Treasury, Rome <i>until October 1975</i>  |
| Ugo MOSCA             | Director-General of Economic and Financial Affairs, Commission of the European Communities, Brussels  |
| Alfred MÜLLER-ARMACK  | Former State Secretary, Cologne;  |
| Sean F. MURRAY        | Former Assistant Secretary, Department of Finance, Dublin   |
| Maurice PÉROUSE       | Director-General, Caisse des Dépôts et Consignations, Paris   |
| Raymond PROSSER       | Deputy Secretary, Department of Industry, London  |
| Rupert RAW            | Former Adviser to the Governor of the Bank of England, Chairman of the Italian International Bank Ltd., Director of the Banque Belge Ltd., London |
| Ferdinando VENTRIGLIA | Director-General of the Treasury, Ministry of the Treasury, Rome <i>from October 1975</i>   |
| Hans-Herbert WEBER    | Director, Federal Ministry of Finance, Bonn   |

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## Alternates

|                        |   |
|------------------------|---|
| Roger BARNES           | Assistant Chief Cashier, Bank of England, London <i>from July 1975</i>  |
| Michel CAMDESSUS       | Deputy Director (Financial Activities Department), Directorate of the Treasury, Ministry of Economic Affairs and Finance, Paris |
| Maurits ESSELENS       | Director-General (Treasury), Ministry of Finance, Brussels  |
| Lionello FRONZONI      | Manager, Banca d'Italia, Perugia  |
| J. Geoffrey LITTLER    | Under-Secretary Finance (International Monetary), H.M. Treasury, London   |
| Rudolf MORAWITZ        | Divisional Head, Federal Ministry of Economy, Bonn  |
| Waldemar MÜLLER-ENDERS | Divisional Head, Federal Ministry of Finance, Bonn  |
| John Edward NASH       | Director, Directorate-General for Economic and Financial Affairs, Commission of the European Communities, Brussels              |
| David NENDICK          | Assistant Chief Cashier, Bank of England, London <i>until July 1975</i>   |
| Yves ROLAND-BILLECART  | Assistant General Manager, Caisse Centrale de Coopération Economique, Paris   |
| Savino SPINOSI         | Inspector General, IRFE, Ministry of the Treasury, Rome   |



# Management Committee

Yves LE PORTZ, President  
Sjoerd BOOMSTRA, Vice-President  
Luca ROSANIA, Vice-President  
Horst-Otto STEFFE, Vice-President  
Sir Raymond BELL, Vice-President

## Departments

**General Administration Department**  
Henri LENAERT, Secretary-General,  
Manager

Staff and Administration  
Secretariat  
Information  
Representative Office in Brussels

Hans HITZLBERGER, Deputy Manager  
Michel LAUCHE, Adviser  
Karl Georg SCHMIDT, Adviser  
Manfred TEICHERT, Adviser

**Department for Operations  
in the Community**  
Romeo dalla CHIESA, Manager

Operations in Italy, Rome  
Operations in the other Member Countries :  
Energy and heavy industry  
Operations in the other Member Countries :  
Other infrastructure and  
manufacturing industries  
Monitoring

Giorgio RATTI, Principal Adviser  
Helmuth CRAMER, Deputy Manager  
Luciano ROTONDI, Adviser  
Dennis KIRBY, Deputy Manager  
Gérard d'ERM, Adviser  
Thomas HALBE, Adviser  
Manfred THOMSEN, Adviser  
Marc de BUYER, Deputy Manager

**Department for Operations  
outside the Community**  
Dieter HARTWICH, Manager

Operations in the Mediterranean countries  
Operations in the ACP-OCTD  
Monitoring

Eugenio GREPPI, Deputy Manager  
Jean-Pierre LACAILLE, Adviser  
Jacques SILVAIN, Deputy Manager  
Robert CORNEZ, Adviser  
Jean-Marie PAYEN, Adviser  
Christopher LETHBRIDGE, Adviser  
Robert ALLOO, Adviser  
Alfred KAWAN, Adviser

**Finance and Treasury Department**  
André GEORGE, Manager

Issues  
Treasury  
General Accountancy

Wolfgang THILL, Deputy Manager  
John VAN SCHIL, Deputy Manager  
Anthon PETERSEN, Adviser

**Research Department**  
John H. WILLIAMS, Manager

Economic Research  
Financial Research  
Documentation and Library

Henri LEROUX, Deputy Manager  
Jean-Paul JACQUOT, Adviser  
Thomas OURSIN, Adviser  
Desmond G. McCLELAND,  
Deputy Manager  
Francis THOUVENEL, Adviser

**Legal Department**  
J. Nicolaas van den HOUTEN, Manager

Jörg KÄSER, Principal Adviser  
Bruno EYNARD, Adviser  
Xavier HERLIN, Adviser  
Michael KONSTAM, Adviser

**Technical Advisers' Department**  
Marcello GOFFI, Manager  
*until 30 April 1976*

Hellmuth BERGMANN  
Giuseppe DURANTE  
Jacques FAUDON  
Robert LECLERCQ  
Ernst-Helmut LINDER  
Walter LOWENSTEIN-LOM  
Robert VERMEERSCH

# Unit of account

Equivalent in national currencies

The Statute of the European Investment Bank defines the unit of account to be used by the Bank in terms of gold and provides that the conversion rates between this unit and national currencies should be calculated by reference to the gold parities communicated to the International Monetary Fund. Fundamental changes in the international monetary system in recent years have increasingly shown that the changing role of gold and consequently of gold parities was impeding application of these provisions of the Bank's Statute in the manner originally intended. Consequently, on 15 July 1974 the Governors of the Bank decided to propose that the Statute be amended to empower them, acting unanimously, to modify the definition of the unit of account to be used by the EIB and the method of conversion of this unit of account into national currencies and vice versa. The proposed amendment involved modifying the Treaty of Rome of which the Statute forms an integral part, and on 10 July 1975, after receiving a favourable opinion from the Council of Ministers which had consulted the European Parliament and the Commission of the European Communities, the Member States approved the Treaty amending these provisions of the Bank's Statute; this Treaty is at present being ratified by each of the nine Member States. As an amendment to the Statute is a lengthy process, the Board of Governors of the Bank decided at its meeting on 18 March 1975 to authorise the EIB to use new conversion rates with effect from 30 December 1974 and until the amendment is ratified.

The new conversion rates applied by the Bank are based on the rates of conversion between national currencies and the new European Unit of Account which is equal to the sum of the following amounts of Member States' currencies :

|      |        |      |       |
|------|--------|------|-------|
| DM   | 0.828  | Bfrs | 3.66  |
| £    | 0.0885 | Lfrs | 0.14  |
| Ffrs | 1.15   | Dkr  | 0.217 |

|     |       |      |         |
|-----|-------|------|---------|
| Lit | 109.0 | £ Ir | 0.00759 |
| Fl  | 0.286 |      |         |

The composition of this basket of currencies is such that at 28 June 1974, the sum of the component currencies would have been equal in value to the International Monetary Fund's Special Drawing Right when calculated on the same basis as the latter and hence the same as the Bank's statutory unit of account by virtue of the common gold content of the unit of account and the SDR, i.e. the equivalent at that date of \$ 1.20635.

The rates adopted for converting the unit of account into Member States' national currencies and other currencies used by the Bank for its operations (e.g. the US dollar and Swiss franc), and vice versa, are determined each working day by the Commission of the European Communities and published in the Official Journal.

In practice, the conversion rates adopted by the Bank for statistical purposes during each quarter are those obtaining on the last day of the previous quarter and, in 1975, were as follows :

|                     | 1st quarter<br>1975 | 2nd quarter<br>1975 | 3rd quarter<br>1975 | 4th quarter<br>1975 |
|---------------------|---------------------|---------------------|---------------------|---------------------|
| 1 unit of account = |                     |                     |                     |                     |
| DM                  | 3.01774             | 3.04474             | 3.02333             | 3.07061             |
| £                   | 0.534530            | 0.538633            | 0.583942            | 0.564620            |
| Ffrs                | 5.57964             | 5.48706             | 5.18942             | 5.24197             |
| Lit                 | 815.517             | 821.313             | 809.278             | 793.118             |
| Fl                  | 3.13445             | 3.11230             | 3.13108             | 3.15973             |
| Bfrs                | 45.4137             | 45.0405             | 45.2730             | 46.1746             |
| Lfrs                | 45.4137             | 45.0405             | 45.2730             | 46.1746             |
| Dkr                 | 7.06637             | 7.09212             | 7.03769             | 7.17554             |
| £ Ir                | 0.534530            | 0.538633            | 0.584093            | 0.564482            |
| Dr                  | 37.6488             | 39.1639             | 38.8667             | 39.9761             |
| TL                  | 17.3812             | 17.9967             | 17.9808             | 17.1993             |
| \$                  | 1.25496             | 1.29940             | 1.28434             | 1.15451             |
| Sfrs                | 3.15176             | 3.28236             | 3.21336             | 3.17242             |
| Yen                 | 377.190             | 375.807             | 377.275             | 348.751             |

# Contents

|  | Page |
|--|------|
| <b>Text</b>  |      |
| Board of Governors   | 3    |
| Board of Directors   | 4    |
| Management Committee   | 5    |
| Unit of account  | 6    |
| Introduction   | 9    |
| Loans granted in 1975  | 19   |
| — Loans within the Community   | 19   |
| — Loans outside the Community  | 33   |
| Operations between 1958 and 1975   | 37   |
| — Operations in the Community  | 39   |
| — Operations outside the Community   | 43   |
| Resources  | 47   |
| Capital increase   | 51   |
| Results for the year   | 53   |
| List of projects financed in 1975  | 54   |
| Administration   | 61   |
| Financial statements   |      |
| — Balance sheet  | 62   |
| — Profit and loss account  | 64   |
| — Special Section  | 65   |
| — Explanatory notes  | 66   |
| Statement by the Audit Committee   | 69   |
| <b>Statistical tables</b>  |      |
| Table 1 : Loans granted in 1975<br>— Breakdown by country  | 20   |
| Table 2 : Loans granted in 1975<br>— Sectoral breakdown  | 21   |
| Table 3 : Funds raised up to and including 1975  | 49   |
| Table 4 : Statement of subscriptions to the capital<br>of the Bank since 1958  | 51   |
| Table 5 : Financing provided from 1958 to 1975<br>— Breakdown by country   | 70   |
| Table 6 : Financing provided within the Community in 1975<br>and from 1958 to 1975<br>— Breakdown by economic policy objective | 71   |

|  |    |
|--|----|
| Table 7 : Financing provided within the Community<br>from 1958 to 1975<br>— Sectoral breakdown                                     | 72 |
| Table 8 : Financing provided in Turkey from 1965 to 1975<br>— Sectoral breakdown   | 73 |
| Table 9 : Financing provided in the AASMM-OCTD<br>from 1964 to 1975<br>— Sectoral breakdown  | 74 |
| Table 10 : Financing provided in Greece from 1963 to 1975<br>— Sectoral breakdown  | 75 |
| Table 11 : Loans granted within the Community in 1974 and 1975<br>— Breakdown by type of financing                                 | 75 |
| Table 12 : Global loans granted within the Community<br>from 1968 to 1975<br>— Breakdown by intermediary institution               | 76 |
| Table 13 : Allocations from global loans within the Community<br>in 1975 and from 1969 to 1975<br>— Breakdown by region and sector | 77 |
| Table 14 : Financing provided within the Community<br>1958-1965, 1966-1972, 1973-1975<br>— Breakdown by country                    | 78 |
| Table 15 : Financing provided within the Community<br>1958-1965, 1966-1972, 1973-1975<br>— Breakdown by economic policy objective  | 78 |
| Table 16 : Financing provided within the Community<br>1958-1965, 1966-1972, 1973-1975<br>— Sectoral breakdown                      | 79 |
| Table 17 : List of borrowings in 1975  | 79 |

## Maps and diagrams

|            |   |       |
|------------|---|-------|
| Maps :     | Financing provided within the Community in 1975<br>(including global loan allocations)            | 28    |
|            | Financing provided in Greece from 1963 to 1967 and in 1975<br>(including global loan allocations) | 34    |
|            | Financing provided in Turkey from 1964 to 1975<br>(including global loan allocations)             | 35    |
| Diagrams : | Gross domestic product in the Community   | 10    |
|            | Gross yields on bonds   | 14    |
|            | Development of the Bank's activities  | 18    |
|            | Financing operations in the Community in 1975 :<br>breakdown by economic policy objective         | 22    |
|            | Financing provided from 1958 to 1975  | 37-45 |
|            | Balance sheet of the Bank   | 60    |

New loan contracts signed by the European Investment Bank in 1975 totalled 1 006.5 million units of account (1), compared with 996.4 million in 1974.

Despite the scale of the worldwide economic recession, the Bank's financing operations were thus maintained at a high level. In the industrial countries contracting demand and production led to productive capacity being seriously underutilised and to widespread unemployment and short-time working. Generally speaking, the rate of inflation eased, though less in certain countries than in others; some suffered both a sharp fall in economic activity and a large rise in consumer prices. Declining consumption of petroleum products reduced the earnings of the producer countries. Their imports increased rapidly however, and this factor, combined with a fall in most raw material prices and a slowing down of imports caused by the recession, led to a marked improvement in the balance of payments of most industrial countries. An upturn in economic activity became apparent in the United States and Japan towards the middle of the year and in certain European countries later in the year, but had not led to any lower unemployment by the end of the year. Those developing countries that produced no petroleum of their own were the worst affected by the crisis.

On the **capital markets** the tendency for short-term interest rates to fall, which started at the end of 1974, was maintained in 1975, encouraged by a gradual relaxation of monetary policies in most countries where efforts were concentrated on combatting recession and unemployment. The general fall in short-term interest rates, together with the unexpected scale of private saving prompted by the uncertain economic situation, brought about a distinct improvement on most long-term capital markets which nevertheless had to meet heavy demands from the public sector for funding deficits and programmes to restimulate the

economy. On the whole long-term yields tended to fall and the volume of funds raised by new issues increased substantially. Nevertheless pressures built up in the middle of the year especially in Germany where they caused the market to be closed briefly, while on other markets interest rates hardened temporarily. Finally, in the last quarter a tendency towards longer maturities for new issues became apparent so that at the end of 1975 conditions on the capital markets were more favourable than for nearly two years.

The **Community's** gross domestic product fell by around 2.5% (2) in 1975 while the volume of trade within the Community shrank appreciably. Galloping inflation and the policies adopted to counter it were the main causes of the crisis which first showed itself in 1974 in flagging economic growth; the oil crisis was a further contributory factor, pushing up costs, dampening demand in certain sectors and making for structural adjustments.

Demand from outside the Community fell while private consumption and business investment within the Community also declined. The result was a reduction of more than 10% in total industrial production with a consequent disturbing deterioration in the employment situation: widespread short-time working and some 5 million — 4.3% of the working population — unemployed in the autumn. Despite the recession, there was little sign of inflation slowing down and this gave cause for concern at a time when the improvement in the economies of the United States and Japan and the effect of expansionary budgetary policies held out the hope that the economic recovery, which had be-

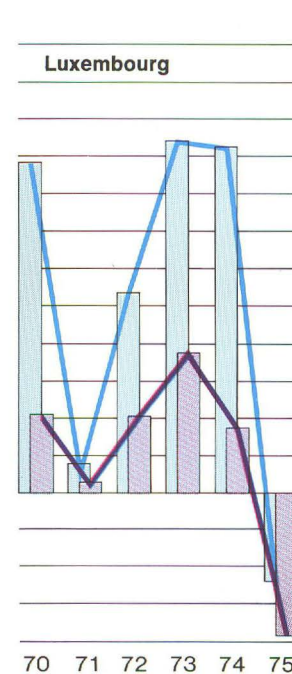
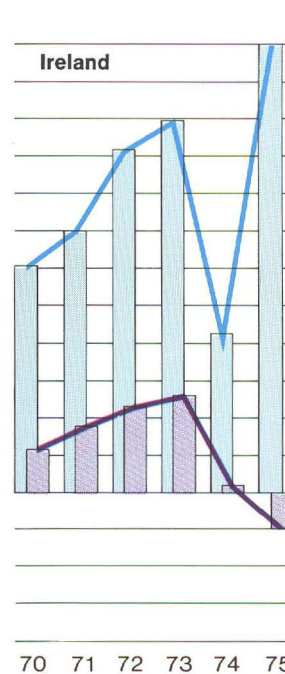
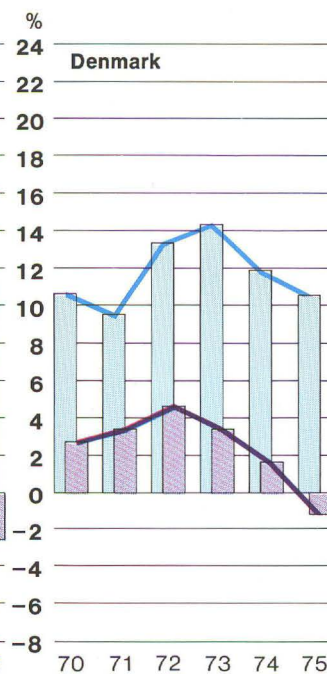
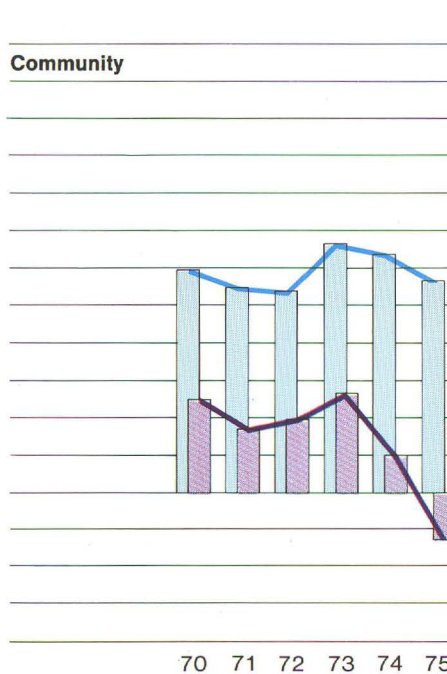
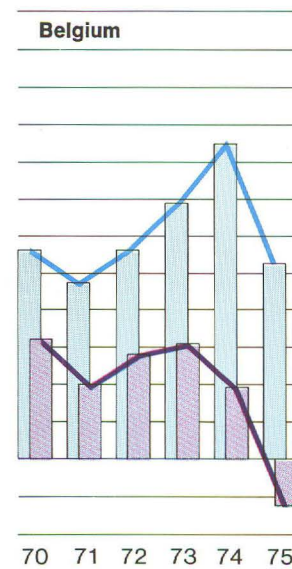
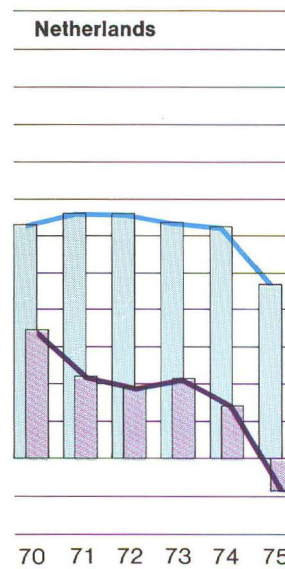
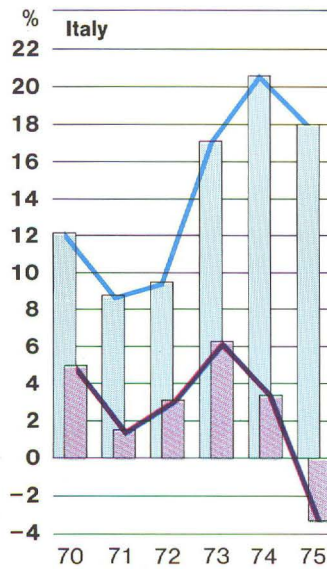
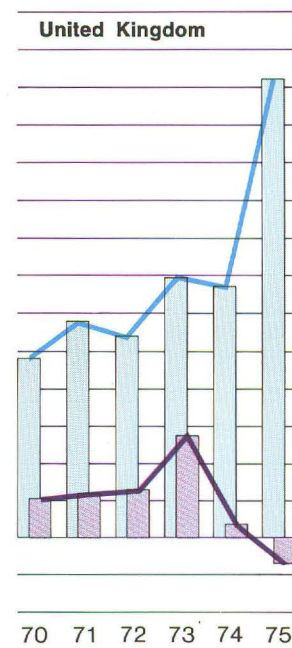
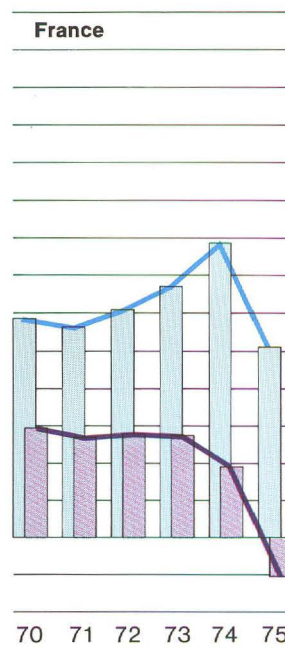
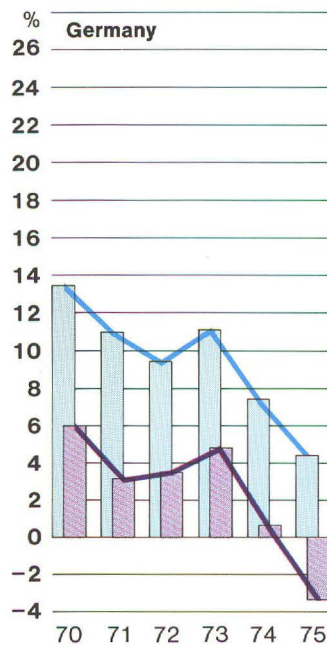
(1) Except where otherwise indicated, all the amounts quoted are expressed in units of account (see page 6). Differences between the totals shown and the sum of individual amounts are due to rounding.

(2) Except where otherwise indicated, all the rates quoted in this chapter refer to volume.

**Gross domestic product in the Community**

% variations by comparison with previous year

at current prices  
at constant prices



come apparent at the end of the year in Germany and to a lesser degree in France, would become more widespread.

In **Germany** a substantial fall in exports, a reduction in private consumption and rapidly diminishing investment, in spite of fiscal incentives and a large programme of supplementary budgetary expenditure, led in the first half of the year to a sharp drop in gross national product and, more especially, in industrial production. In the second half of the year, more buoyant demand from abroad, stimulated by the relatively more favourable trend of unit costs, led to a certain recovery which an expansionary monetary and budgetary policy helped to maintain. This policy fostered an increase in bank liquidity and a reduction in interest rates. Nevertheless the high level of unemployment persisted: at the end of the year, notwithstanding the departure of a number of foreign workers, over 4% of the working population was still without employment. Productive capacity continued to be underutilised and the extent of the recovery appeared to be largely dependent on the trend of business investment and on higher private consumption.

In **France** the pace of economic activity slowed sharply during the first half of the year and then more gradually during the third quarter. A slight recovery began at the end of the year; the policy of maintaining incomes finally led to some increase in private consumption despite a propensity to save heightened by fear of unemployment. The effectiveness of measures in support of productive investment was however weakened by the cautious attitude of firms with excess capacity, while the plan for reviving the economy led to a more rapid rate of public sector investment, including investment by nationalised industry. Despite this, unemployment continued to rise; in the autumn, more than 4% of the working population was affected. The unemployed may

not be re-absorbed very quickly as the decline in industrial production was greater than the fall in hours worked in industry, one result being a large drop in productivity. Although the rise in prices slowed down appreciably, the rate of increase was still relatively brisk with the risk that this might tend to accelerate again if the pressures which economic revival is likely to place on wages and on the restoration of profit margins are not fully contained. The upward movement of the franc continued during the first half of the year, but was then reversed in the autumn.

In the **United Kingdom** the recession already discernible at the end of 1974 became more pronounced during the first half of 1975 with economic activity then settling at a low level. Unemployment worsened, nearly 5% of the working population being without employment by the end of the year. Despite slowing down somewhat during the summer, the rate of inflation was still one of the highest in the Community. The reduction in imports caused by the recessionary conditions made it possible to reduce the deficit in the balance of trade and the balance of payments on current account to more normal proportions. Nevertheless, the deficit remained considerable and the consequence was a further decline in the value of the pound. The problems facing the authorities responsible for economic policy were made all the more difficult by the fact that the public sector deficit had already reached a high level. Priority continues to be given to combatting inflation. From July onwards, the Government, with the support of the trade unions, introduced a set of measures aimed at reducing the annual rate of price increases to 10% in the third quarter of 1976. Other steps were taken to reduce unemployment and particularly to provide work for school-leavers.

In **Italy** the recessionary phase which began in the second half of 1974

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showed no sign of coming to an end by the close of 1975. The sharp fall in domestic demand, affecting particularly investment in fixed assets, and the absence of any increase in the volume of exports led to a general decline in economic activity and, especially, in industrial output. An improvement in the balance of payments on current account made possible the early repayment of certain foreign debts.

The trend of demand and prices on the international markets led to a certain stabilisation of wholesale prices as well as to a marked reduction in the rate of increase of retail prices, which for the year as a whole was about the same as the average for all Member Countries. Economic policy became positively expansionist through the use of budgetary and monetary instruments. In particular, it was decided to bring forward the financing of various large projects in the Mezzogiorno. Productive capacity, in fact, continued to be seriously underutilised; this had especially disturbing implications for employment since, as a result of agreements reached between management and workers with a view to holding down the number of redundancies, underemployment was reflected less in an increase in the numbers of unemployed than in an increase in short-time working. In consequence, unit labour costs rose much more steeply than wholesale prices, undermining the financial position of many businesses.

In the **Netherlands**, similarly, there was an appreciable fall in production, which was slow to recover despite a budgetary policy aimed at maintaining domestic demand. The upward trend of prices and wages continued despite a rate of unemployment approaching 5%. The current balance remained in surplus.

In **Belgium** the effects of the recession were similar, but appeared

slightly later. Unemployment was still more serious, affecting around 6% of the working population at the end of the year.

In **Luxembourg** the contraction in private building construction was to some extent offset by the expansion in public works programmes: it was primarily the recession in the iron and steel industry, the country's principal industrial sector, that was responsible for the sharp decline in activity and this is unlikely to end until the economic recovery in neighbouring countries is assured.

In **Denmark** economic activity remained at a low ebb despite measures adopted at the beginning of the year and in the autumn to stimulate a revival. Unemployment increased still further, but the rise in prices slowed down and it was possible to reduce the balance of payments deficit on current account.

In **Ireland** the serious contraction in demand, and especially in inventories, led to an appreciable reduction in imports with a consequent improvement in the balance of payments on current account, which was also helped by good farming results and tourism. Unemployment, affecting around 10% of the working population, continued to give the greatest concern. The rate of increase in prices slowed down somewhat but remained excessive.

The **developing countries** linked to the European Economic Community by financial cooperation agreements, especially the **African States, Madagascar and Mauritius** and the other **African, Caribbean and Pacific States**, signatories to the Lomé Convention, were very severely affected as a group by the world crisis.

Their terms of trade, which had already worsened in 1974 as a result of the increase in the cost of petroleum products, deteriorated further



in 1975 because of the persistent rise in the price of goods and services supplied by the industrial countries. The contraction in international trade resulting from the world crisis also bore heavily on the export earnings of the developing countries, leading to a further deterioration in the deficit in their balance of payments on current account, increased borrowing abroad on commercial terms, a reduction in foreign currency reserves and, in many cases, delays in the implementation of development programmes. Even those few exceptional countries, such as Nigeria and Gabon, which have large petroleum reserves of their own, did not escape the effects of these developments, although they were better able to support them. Those countries which produced no petroleum, but had managed to achieve a rapid rate of growth in recent years thanks to expanding exports and the sharp rise in commodity prices were badly affected. The poorer countries whose export sectors are weak and narrowly based had no choice but to restrict consumption, which was already at a very low level, and to forego investments essential to their development. This serves to underline the importance of the prospects of financial, technical and industrial cooperation opened up by the Lomé Convention.

In **Turkey** good harvests and sustained activity in the industrial sector made it possible to maintain a rate of growth in GNP of around 8%. Despite expanding consumer demand and the maintenance of a large budgetary deficit, necessitating greater recourse to short-term credits from the Central Bank, inflation was limited to about 10% for wholesale prices and 15% for retail prices. The balance of payments, on the other hand, came under severe pressure. Contracting external demand and the diminished competitiveness of Turkish products, particularly of agricultural products, reduced export earnings appreciably, while the value of imports rose rapidly to meet the country's needs for capital goods

and the growing demand for consumer goods. The worsening trade balance and a reduction in remittances from Turkish workers abroad, attributable to the recession within the Community, had the effect of trebling the deficit on the balance of payments on current account. Despite recourse to International Monetary Fund special drawing rights and the oil facility, as well as to the short-term capital market, some 600 million dollars had to be drawn from the foreign currency reserves; at the end of the year, these reserves covered only three months' imports.

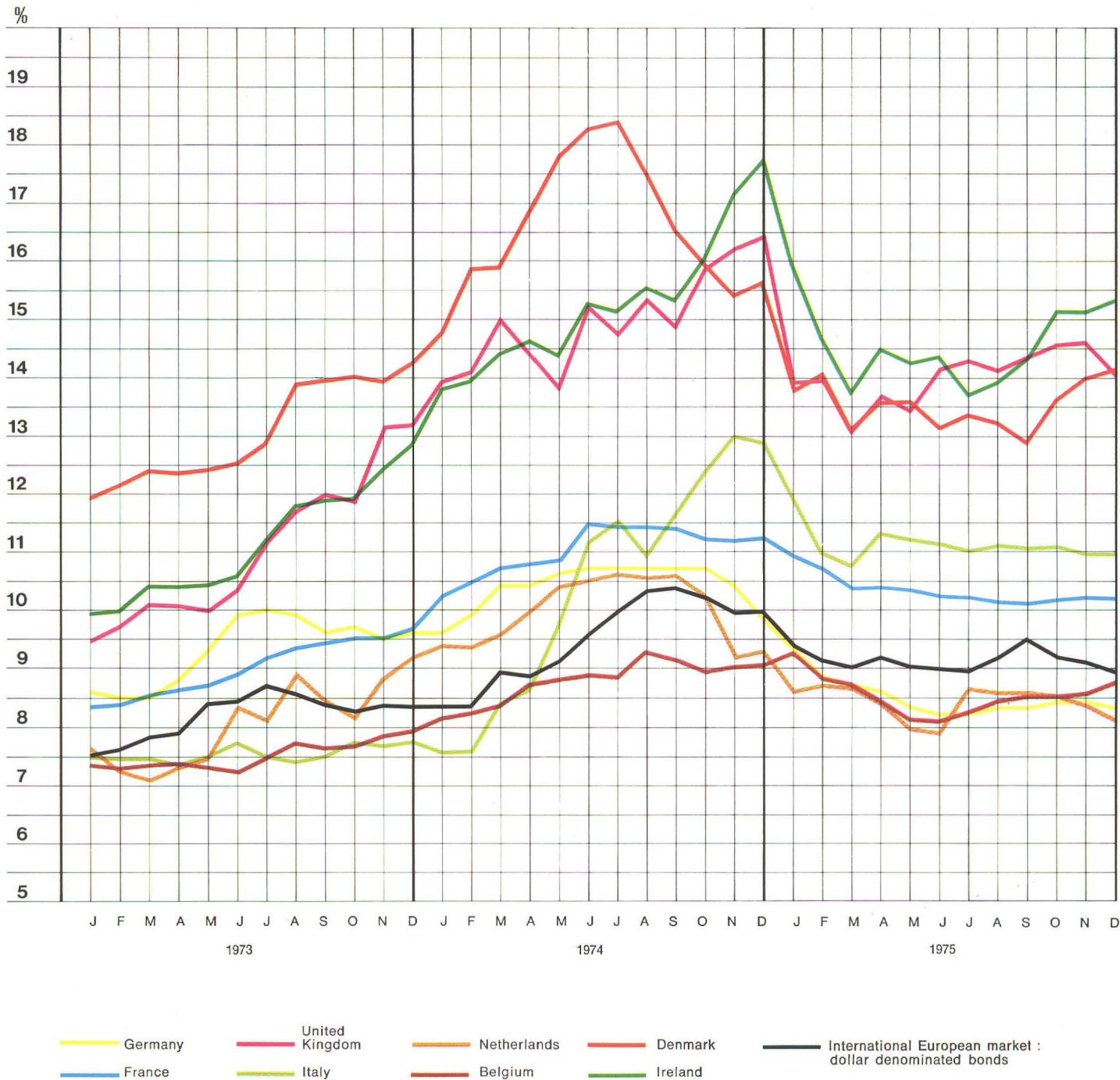
In **Greece**, following the decline in activity in 1974, signs of a very slight recovery appeared in 1975 with a rate of increase in GNP of probably less than 1%. Private consumption and investment rose only slightly but public sector expenditure showed a sharp increase. The increase in retail prices was around 15%. Exports and imports rose only moderately so that a trade deficit comparable with that for 1974 was recorded. The deficit on the balance of payments on current account was nevertheless somewhat reduced, thanks mainly to an increase in earnings from tourism; in addition, loans contracted abroad produced an increase in foreign currency reserves which, at the end of the year, amounted to the equivalent of two and a half months' imports.

In 1975 **Community economic policies** made headway, chiefly in two areas directly related to the Bank's activity: regional development in Member Countries and cooperation in the development of a growing number of countries outside the Community.

The Council of Ministers of the European Communities decided on 18 March 1975 to establish a **European Regional Development Fund** and a **Regional Policy Committee**. A representative of the Bank sits in as an observer at meetings of the Fund's

**Gross yields  
on bonds**

quoted on the various financial markets in the Community which offer the closest comparison with those issued by the European Investment Bank. For the United Kingdom, Ireland and Denmark yields have been calculated, for purpose of comparison, on the basis of an annual rather than a semi-annual compounding of interest.



Management Committee and the Regional Policy Committee; this constitutes one means of participating in the coordination of support for regional development within the Community. Grants from the Fund in 1975 amounted to 300 million units of account, of which 119.8 million was for investments in industry, craft activities or services, and 180.2 million for infrastructures located in regions eligible for state aid for regional development. More than 75% of these amounts related to projects in Italy, Ireland and the United Kingdom. Certain projects received both aid from the Fund and EIB loans. However, the provisions whereby Fund aid in respect of infrastructure investments may, wholly or partly, take the form of an interest subsidy of three percentage points on loans granted by the EIB in regions eligible for such aid have not yet been employed.

Progress in other areas of Community policy, particularly in the energy sector or other industrial sectors, has been in the preparatory and study stages rather than in the decision-making and implementation stages. This was notably the case with the Euratom proposals for financing in the nuclear power sector.

On the other hand, 1975 and the beginning of 1976 opened up broad prospects for economic and financial cooperation between the Community and an increasing number of countries outside the Community.

Firstly, the Lomé Convention, signed on 28 February 1975, between the European Economic Community and **46 African, Caribbean and Pacific States (ACP)** (1) and coming into force on 1 April 1976, considerably extends the scope for Bank activity outside the Community. As part of total financial aid of 3 390 million units of account to be granted by the Community to this group of countries up to 1 March 1980, the Bank has been requested to make 585 million available, mainly in the form of loans

from its own resources (in an amount of up to 390 million), generally carrying an interest subsidy of three percentage points for which 100 million have been earmarked from the amount of European Development Fund (EDF) grant aid, and contributions to the formation of risk capital (95 million) also to come from EDF resources.

Under the terms of a decision due to be taken by the Council of Ministers, the Bank will contribute on similar conditions to the Community's financial aid (160 million units of account) in favour of the Overseas Countries, Territories and Departments (OCTD) (2); of this sum 5 million will go towards risk capital and up to 10 million may take the form of loans from the EIB's own resources, which will generally also carry interest subsidies.

In accordance with the division of responsibilities established between the Commission of the European Communities and the Bank, projects in the industrial, mining and tourism sectors are to be submitted to the Bank for appraisal; projects in these sectors will receive priority in the use

(1) The ACP States comprise :

- 17 African States, Madagascar and Mauritius associated with the EEC under the Yaoundé Convention (AASMM) : Benin, Burundi, Cameroon, the Central African Republic, Chad, Congo, Gabon, Ivory Coast, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, Senegal, Somalia, Togo, Upper Volta and Zaire.
  - 21 Commonwealth countries, comprising : **In Africa** : Kenya, Tanzania and Uganda (already linked with the EEC under the Arusha Agreement of 24.9.69), Botswana, the Gambia, Ghana, Lesotho, Malawi, Nigeria, Sierra Leone, Swaziland and Zambia;  
**In the Caribbean** : the Bahamas, Barbados, Grenada, Guyana, Jamaica and Trinidad and Tobago;  
**In the Pacific** : Fiji, Tonga and Western Samoa.
  - 6 other African countries : Equatorial Guinea, Ethiopia, Guinea, Guinea Bissau, Liberia and Sudan.
- (2) Overseas Countries, Territories and Departments : dependencies of France, the Netherlands and the United Kingdom.

of the resources available to the Bank (loans from own resources and contributions to risk capital from EDF resources), but this understanding does not preclude the Bank from granting loans for viable infrastructure projects in countries where this form of financing would be appropriate.

The Bank participates in the preparatory work and planning missions undertaken by the Commission in the ACP countries in connection with the implementation of the Convention's provisions.

The Community's policy of cooperation with the **Mediterranean countries** has developed in a number of important ways since the beginning of the last quarter of 1975.

On 7 October 1975, the Council of Ministers decided to grant **Portugal** exceptional emergency aid for a total of 180 million units of account during 1976 and 1977. This aid will take the form of ordinary loans from the Bank's own resources for an amount of up to 150 million, and an interest subsidy of three percentage points at a cost of about 30 million to the European Community budget, which will also guarantee in full the Bank's loans.

At the end of 1975 and the beginning of January 1976, negotiations between the Community, on the one hand, and **Malta, Tunisia, Morocco and Algeria**, on the other, led to the finalisation

of four agreements covering financial cooperation for the period 1977-1981.

It is foreseen that financial aid in these countries will total 365 million units of account as shown below.

The indicated amounts for financing loans from the Bank's resources in Malta and the three Maghreb countries between now and 1981 represent ceilings for Bank operations, which together total 183 million units of account. These loans will generally carry an interest subsidy of two percentage points which will be financed out of the amounts earmarked for grant aid.

In January 1976, the Council of the Communities announced its agreement, in so far as it was concerned, for Yugoslavia to have access to normal EIB loans, up to a certain amount, for financing projects of common interest.

Negotiations have also begun or are due to begin on a second financial protocol with **Greece** and on a third financial protocol with **Turkey**, it being understood that following enlargement of the Community the Supplementary Protocol with Turkey, providing for additional loans totalling 47 million units of account, remains to be ratified. Lastly, it is expected that a financial protocol with Portugal will follow on the exceptional emergency aid to be provided for 1976 and 1977.

Increasing demands are therefore being made on the Bank to con-

|                         | Loans from<br>EIB resources<br>(maximum) | Loans on<br>special<br>conditions | Grant aid | Total |
|-------------------------|--|-----------------------------------|-----------|-------|
| Morocco                 | 56                                       | 58                                | 16        | 130   |
| Algeria                 | 70                                       | 19                                | 25        | 114   |
| Tunisia                 | 41                                       | 39                                | 15        | 95    |
| Total Maghreb countries | 167                                      | 116                               | 56        | 339   |
| Malta                   | 16                                       | 5                                 | 5         | 26    |
| Grand total             | 183                                      | 121                               | 61        | 365   |

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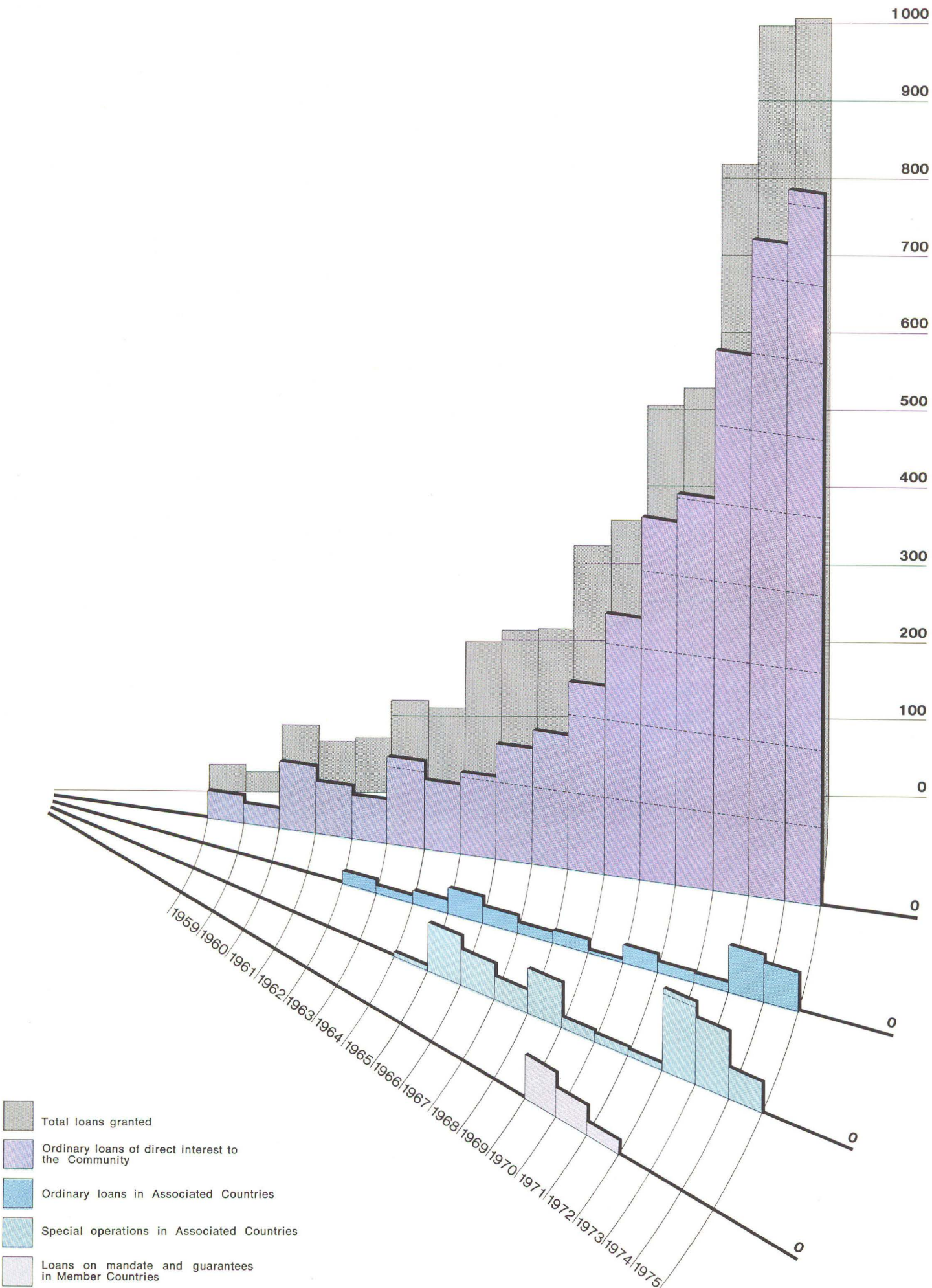
tribute to the implementation of a policy of economic and financial cooperation which the Community is now extending to a growing number of developing African, Caribbean, Pacific and Mediterranean countries. In order to assist the Bank to mobilise in favour of the economic development of these countries the first class credit which it enjoys on the capital markets, the Member States of the Community provide it with adequate guarantees and, as required, soften the financial conditions of its loans by meeting the cost of an appropriate system of interest subsidies. The Bank must consequently allocate for lending outside the Community appreciably more than the approximate

5% which it has so far devoted to them on average.

To do so must not affect its main activity which is within the Community. In an economic situation which threatens to remain quite difficult for some time to come the correction of regional imbalances, the creation of infrastructure of common interest, investments necessary to bring about structural changes and the provision of energy supplies on a more regular, independent and cheaper basis, all call considerable financial resources. To mobilise them the EIB must pursue and intensify its activity in keeping with the task entrusted to it under the Treaty of Rome.



**Development of the Bank's activities**  
(million u.a.)



# Loans granted in 1975

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## **New lending exceeds one thousand million u.a.**

In 1975 the European Investment Bank signed 77 loan contracts for a total of 1 006.5 million, compared with 84 contracts for 996.4 million in 1974. This contributed towards a total investment of around 4 400 million.

Ordinary loans from the Bank's own resources rose from 910.7 million in 1974 to 966.4 million in 1975, of which 917.5 million (95 %) was lent in Member Countries and 48.9 million in Associated Countries, for the most part in Greece. In addition 40.1 million, as against 85.7 million in 1974, went for loans on special conditions. Of this figure, 35 million was drawn from the resources of Member States for lending in Turkey, and 5.1 million from the resources of the European Development Fund for the Netherlands Antilles and the French overseas department of Guadeloupe.

The balance outstanding on loans from the Bank's own resources, plus guarantees provided, rose by 22.8 % between 31 December 1974 and 31 December 1975, from 3 759.6 million to 4 616.6 million.

## **LOANS WITHIN THE COMMUNITY**

### **917.5 million for loans in Member Countries**

In 1975 the Bank granted 64 loans in the Member Countries of the Community for a total amount of 917.5 million, compared with 70 loans totalling 849.7 million in 1974. Such operations showed an 8 % increase over 1974, and accounted for 91.1 % of the Bank's activity for the year.

This broad trend, however, masks an uneven distribution of lending in individual countries : financing operations in the United Kingdom more than doubled, and in Italy rose by 29 %, while in all other Member Countries there was a downturn, often considerable.

### **mainly Italy and the United Kingdom**

This made for a heavy concentration of operations in Italy and the United Kingdom, which took 39.1 % and 36.5 % respectively of all finance granted within the Community. Loans in France still accounted for 17.2 % of the total, while those granted in Ireland, Denmark and Belgium together accounted for only 7.2 %. No loans at all were granted in Germany, the Netherlands or Luxembourg, as a result of the relatively low level of interest rates obtaining in those countries. An undertaking has been given, however, to guarantee loans of 49.1 million units of account for the Gundremmingen nuclear power station in Germany.

The geographical spread of loans influenced the pattern of lending in terms of economic policy objectives as laid down in Article 130 of the Treaty of Rome (see Table 6, p. 71 and Graph, p. 22).

### **Three-quarters in less favoured regions**

Loans in the less favoured regions of the Community increased by 24 % to 670.6 million, covering 73 % of all finance granted in Member Countries. This figure includes operations that not only helped to alleviate regional problems, but also served the common interests of more than one Member Country, in particular by improving the Community's energy supplies. About 88 % of these loans related to projects in Italy, the United Kingdom and Ireland, where regional problems are most acute.

Total 1 006.5 million u.a.

**Table 1 : Loans granted in 1975**

Breakdown by country

| Country                                    | Number of loans | Amount (million u.a.) | % of grand total | % of Member Countries |
|--|-----------------|-----------------------|------------------|-----------------------|
| <b>Ordinary operations</b>                 |                 |                       |                  |                       |
| <b>Member Countries</b>                    |                 |                       |                  |                       |
| Belgium . . . . .                          | 1               | 10.8                  | 1.1              | 1.2                   |
| Denmark . . . . .                          | 6               | 17.7                  | 1.8              | 1.9                   |
| France . . . . .                           | 11              | 158.0                 | 15.7             | 17.2                  |
| Ireland . . . . .                          | 2               | 37.7                  | 3.7              | 4.1                   |
| Italy . . . . .                            | 26              | 358.8                 | 35.6             | 39.1                  |
| United Kingdom . . . . .                   | 18              | 334.5                 | 33.2             | 36.5                  |
| <b>Total</b>                               | <b>64</b>       | <b>917.5</b>          | <b>91.1</b>      | <b>100.0</b>          |
| <b>Associated Countries</b>                |                 |                       |                  |                       |
| Greece . . . . .                           | 7               | 47.2                  | 4.7              |                       |
| <b>AASMM</b>                               |                 |                       |                  |                       |
| Mauritius . . . . .                        | 1               | 1.7                   | 0.2              |                       |
| <b>Total</b>                               | <b>8</b>        | <b>48.9</b>           | <b>4.9</b>       |                       |
| <b>Ordinary operations total . . . . .</b> | <b>72</b>       | <b>966.4</b>          | <b>96.0</b>      |                       |
| <b>Special operations <sup>(1)</sup></b>   |                 |                       |                  |                       |
| Turkey . . . . .                           | 3               | 35.0                  | 3.5              |                       |
| <b>AASMM-OCTD</b>                          |                 |                       |                  |                       |
| Netherlands Antilles . . . . .             | 1               | 4.4                   | 0.4              |                       |
| Guadeloupe . . . . .                       | 1               | 0.7                   | 0.1              |                       |
| <b>Total</b>                               | <b>5</b>        | <b>40.1</b>           | <b>4.0</b>       |                       |
| <b>Grand total . . . . .</b>               | <b>77</b>       | <b>1 006.5</b>        | <b>100.0</b>     |                       |

Italy 358.8

United Kingdom 334.5

France 158.0

Ireland 37.7

Denmark 17.7

Belgium 10.8

Greece : ord. loans 47.2

AASMM : ord. loans 1.7

Turkey : spec. operations 35.0

AASMM-OCTD : spec. operations 5.1

<sup>(1)</sup> Loans on special conditions financed by Member States (Turkey) and by the European Development Fund (AASMM-OCTD) accounted for in the Bank's Special Section.



Total 1 006.5 million u.a.

Table 2 : Loans granted in 1975

Sectoral breakdown

| Sector  | In the Community         |                       |              | In the Associated Countries |                       |              |
|---|--------------------------|-----------------------|--------------|-----------------------------|-----------------------|--------------|
|   | Number                   | Amount (million u.a.) | %            | Number                      | Amount (million u.a.) | %            |
| <b>Infrastructure</b> . . . . .                       | <b>39</b>                | <b>779.3</b>          | <b>84.9</b>  | <b>6</b>                    | <b>62.9</b>           | <b>70.6</b>  |
| Agricultural development . . . . .                    | —                        | —                     | —            | 2                           | 37.0                  | 41.6         |
| Energy . . . . .                                      | 19                       | 327.9                 | 35.7         | 2                           | 20.8                  | 23.3         |
| Nuclear power stations . . . . .                      | 6                        | 121.8                 | 13.3         | —                           | —                     | —            |
| Thermal power stations . . . . .                      | —                        | —                     | —            | 2                           | 20.8                  | 23.3         |
| Power lines . . . . .                                 | 2                        | 35.4                  | 3.9          | —                           | —                     | —            |
| Development of oil and natural gas deposits . . . . . | 4                        | 52.4                  | 5.7          | —                           | —                     | —            |
| Coal mining . . . . .                                 | 1                        | 13.4                  | 1.4          | —                           | —                     | —            |
| Gaslines . . . . .                                    | 6                        | 104.8                 | 11.4         | —                           | —                     | —            |
| Water supply and distribution . . . . .               | 7                        | 115.0                 | 12.5         | —                           | —                     | —            |
| Transport . . . . .                                   | 6                        | 138.7                 | 15.1         | 2                           | 5.1                   | 5.7          |
| Railways . . . . .                                    | 2                        | 38.5                  | 4.2          | —                           | —                     | —            |
| Roads, bridges and tunnels . . . . .                  | 3                        | 70.3                  | 7.6          | —                           | —                     | —            |
| Shipping . . . . .                                    | 1                        | 29.9                  | 3.3          | 1                           | 0.7                   | 0.8          |
| Airlines . . . . .                                    | —                        | —                     | —            | 1                           | 4.4                   | 4.9          |
| Telecommunications . . . . .                          | 7                        | 197.7                 | 21.6         | —                           | —                     | —            |
| <b>Agriculture, Industry and Services</b>             | <b>154<sup>(1)</sup></b> | <b>138.2</b>          | <b>15.1</b>  | <b>28<sup>(3)</sup></b>     | <b>26.1</b>           | <b>29.4</b>  |
| Agriculture, forestry, fishing . . . . .              | 3                        | 1.3                   | 0.1          | —                           | —                     | —            |
| Industry . . . . .                                    | 150                      | 135.3                 | 14.7         | 28                          | 26.1                  | 29.4         |
| Mining and quarrying* . . . . .                       | 1                        | 0.6                   | 0.1          | —                           | —                     | —            |
| Metal production and semi-processing* . . . . .       | 13                       | 47.9                  | 5.2          | 1                           | 1.4                   | 1.6          |
| Construction materials* . . . . .                     | 13                       | 14.1                  | 1.5          | 3                           | 11.3                  | 12.7         |
| Woodworking . . . . .                                 | 11                       | 5.0                   | 0.5          | 1                           | 0.7                   | 0.8          |
| Glass and ceramics . . . . .                          | 3                        | 2.2                   | 0.2          | 2                           | 1.9                   | 2.2          |
| Chemicals* . . . . .                                  | 13                       | 36.5                  | 4.0          | 1                           | 3.0                   | 3.4          |
| Metalworking and mechanical engineering . . . . .     | 26                       | 17.2                  | 1.9          | 4                           | 1.8                   | 2.0          |
| Motor vehicles, transport equipment . . . . .         | 7                        | 2.1                   | 0.2          | —                           | —                     | —            |
| Electrical engineering, electronics . . . . .         | 8                        | 12.8                  | 1.4          | 4                           | 6.3                   | 7.1          |
| Foodstuffs . . . . .                                  | 30                       | 42.8                  | 4.7          | 3                           | 3.1                   | 3.4          |
| Textiles and leather . . . . .                        | 7                        | 1.6                   | 0.2          | 6                           | 6.2                   | 6.9          |
| Paper pulp, paper* . . . . .                          | 3                        | 1.1                   | 0.1          | 1                           | 1.5                   | 1.7          |
| Rubber and plastics processing . . . . .              | 8                        | 2.6                   | 0.3          | —                           | —                     | —            |
| Other . . . . .                                       | 3                        | 1.7                   | 0.2          | —                           | —                     | —            |
| Global loans . . . . .                                | 4                        | -52.9 <sup>(2)</sup>  | -5.8         | 2                           | -11.1 <sup>(4)</sup>  | -12.4        |
| Services (Research and development) . . . . .         | 1                        | 1.6                   | 0.2          | —                           | —                     | —            |
| <b>Grand total</b> . . . . .                          | <b>193<sup>(1)</sup></b> | <b>917.5</b>          | <b>100.0</b> | <b>34<sup>(3)</sup></b>     | <b>89.0</b>           | <b>100.0</b> |
| * basic industries                                    | 43                       | 100.2                 | 10.9         | 6                           | 17.2                  | 16.0         |

(1) Including 129 global loan allocations.  
(2) Difference between the sum of the 4 global loans granted in 1975 (10.2 million) and the sum of the allocations from current global loans (63.1 million) approved in 1975.  
(3) Including 21 global loan allocations.  
(4) Difference between the sum of the 2 global loans granted in 1975 (12.7 million) and the sum of the allocations from current global loans (23.8 million) approved in 1975.

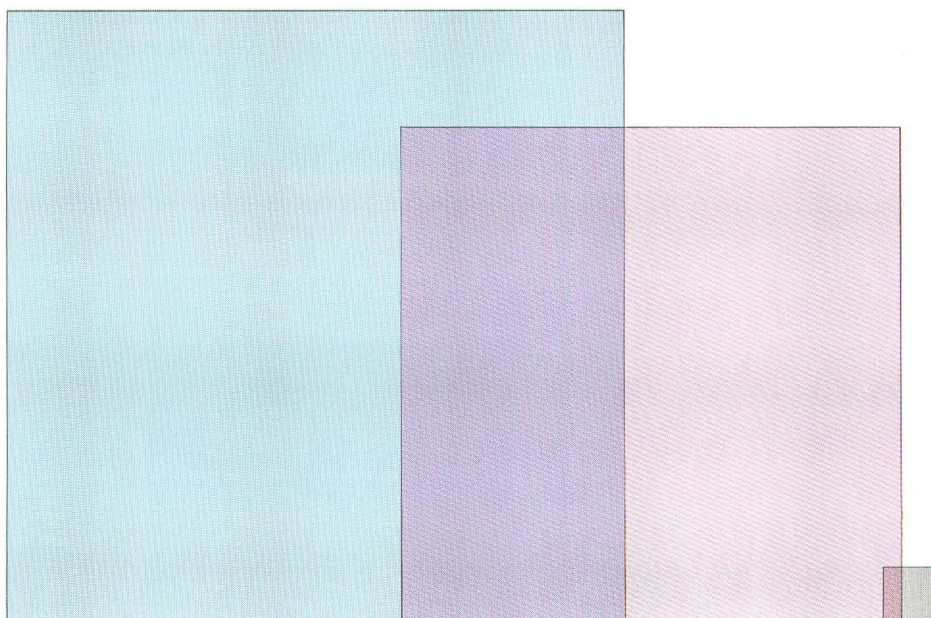
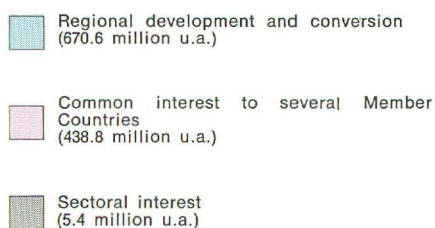
### Major support for common energy and communications projects

Loans for projects of common interest totalled 438.8 million, about the same as in 1974; this figure including operations also justified on grounds of regional interest. Over three-quarters of these loans — 338 million — were granted in respect of investments aimed at improving energy supplies in the Community. There were seven loans for construction and equipment of nuclear power stations in the United Kingdom, Italy and France (126.3 million), and a number of loans for gaslines in the United Kingdom, Italy and Belgium (104.8 million), various investments in oil and natural gas development in Italy, the United Kingdom, Denmark and France (82.4 million), and coal mining in the United Kingdom (24.5 million). Finance for infrastructure to improve road and telecommunications links between Member Countries totalled 100.8 million.

Also of sectoral interest, although accounting for only a small proportion of lending in Member Countries, were two projects in Denmark and France. The first concerned the modernisation of an agro-industrial undertaking, and the second the production of advanced-technology undersea pipe-line welding equipment.

### Financing operations in the Community in 1975

Breakdown by economic policy objective



Note: Some loans satisfy more than one objective (see Table 6, p. 71)

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**15 % of loans for industrial projects**

The sectoral pattern of lending was in 1975 considerably influenced by the economic crisis. Widespread under-utilisation of capacity and a low propensity of companies to invest meant that loans for industrial projects were down by more than half. Global loan allocations included, finance totalling 138.2 million was advanced for 154 ventures under this heading, i.e. only 15 % of lending within the Community, compared with 36 % in 1974 and 40 % in 1973. Almost all the projects financed were situated in the less developed areas.

**and 85 % for infrastructure**

On the other hand the Bank was able to give active support to the policy of expanding public investment pursued in most Member Countries both in order to restimulate economic activity and to improve energy supplies. The consequent increase in finance for infrastructure projects was close to 43 %, giving a total of 779.3 million, or 85 % of all financing in the Community. Almost three-quarters of these loans were made for projects located in problem areas.

Lending for infrastructure continued to show a heavy bias in favour of energy projects, for which 19 loans were granted, amounting to 327.9 million or 35.7 % of all finance channelled into Member Countries. Increases were also recorded in the Bank's lending for transport infrastructure (138.8 million) and for projects to improve water supplies in North-East England, Brittany and the Mezzogiorno, and to reduce pollution in the Gulf of Naples (115 million). The Bank's continuing support for the extension and modernisation of telecommunications took the form of 7 loans, for a total of 197.7 million.

In the productive sector, the major beneficiaries were metal production and semi-processing, in particular coated sheet and tube manufacturing, the food-stuffs and chemical industries. Some way behind these came mechanical engineering, construction materials and electrical engineering.

**Fresh support for smaller industrial ventures**

Only four global loans, amounting to 10.2 million, were granted to intermediary institutions for financing small and medium-scale ventures. Indeed, a number of such loans granted in previous years were terminated before all the funds had been exhausted, either because of lack of demand for credit, or because of downturns in interest rates subsequent to the setting of the rate on these loans, in spite of which intermediary institutions drew down 63.1 million from global loans still operative on behalf of 129 industrial ventures. This represented something of a decline in comparison with 1974, when 187 allocations were made for a total of 76.2 million, but was still far higher than the 1973 showing (24.5 million for 39 ventures). The global loan is a particularly effective form of financing for regional development, conducive to industrial diversification, largely in labour-intensive sectors. In 1975, for instance, the capital outlay for each job created by ventures financed through global loans was only about 23 000 units of account, compared with an average of 98 000 units of account for larger scale industrial projects receiving individual loans.

Taken together, the projects financed by the Bank in the industrial sector in 1975 led to the creation of almost 12 000 jobs and safeguarded a further 4 000.

Against an economic background of high unemployment, it is worth noting that building the major infrastructures for which loans were made led to the creation of a large number of temporary jobs, estimated to be in the region of 80 000.

In 1975, as in previous years, the bulk of the Bank's lending went to projects in the least developed regions of the Community - 670.6 million units of account in all, or nearly three-quarters of total finance provided in Member Countries. 129 smaller industrial ventures, half of these located in the Italian Mezzogiorno, received between them 63.1 million units of account in allocations from global loans granted to intermediary institutions.

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**358.3 million for loans in Italy, concentrated in the Mezzogiorno**

The figure for lending in Italy rose by 29 % compared with 1974 to 358.8 million, i.e. Lit 289 800 million or almost 40 % of all financing within the Community.

Two-thirds of the loans in question were granted for projects of regional benefit, mainly in the Mezzogiorno, and the remaining Lit 104 000 million was advanced for infrastructure serving the interests of the Community as a whole.

ENEL received two loans, totalling Lit 36 200 million, for construction of the Caorso nuclear power station near Piacenza in Emilia Romagna, the rated capacity of which will be 840 MWe. Two loans for the same amount were made available to AGIP of the ENI Group, to develop a major, deep-lying oil and natural gas deposit in the Po Valley near Malossa. All four loans will help to improve the energy situation in Italy and the Community at large.

The Alessandria-Santhià, Piedmont section of the "Tunnels Motorway" and the transalpine Fréjus Tunnel linking Piedmont with Savoy, the French phase of which had been part-financed in 1974, received funds from the Bank totalling slightly more than Lit 30 000 million. These road links came under the heading of investment programmes aimed at improving the movement of people and goods between Italy and the rest of the Community.

**mainly to finance major  
Cassa per il Mezzogiorno  
"special projects"**

Most of the loans granted for reasons of regional interest went towards financing major infrastructure works, such as water and natural gas supplies and telecommunications installations, essential for the economic take-off of the country's least developed regions. Seven such projects received loans totalling Lit 143 500 million. In addition, the Bank lent Lit 42 300 million for nine industrial projects, chiefly in the chemicals sector.

EIB lending was largely confined to a few regions of the Mezzogiorno: Lit 72 000 million in Apulia and Basilicata, Lit 35 200 million in Campania, Lit 34 500 million in Sicily and close on Lit 17 000 million in Molise and Abruzzi. In these regions over half the loans for infrastructure were made in respect of "special projects" sponsored by the Cassa per il Mezzogiorno.

These "special projects", as defined by law in 1971, emanate from the authorities' concern to narrow the economic gap between the Mezzogiorno and the rest of the country by measures to make key infrastructure works of inter-sectoral and inter-regional importance, and thereby to stimulate the growth of productive activity, the use of natural resources and conservation of the environment.

**water supplies  
in Apulia and Basilicata**

One of these projects is designed to utilise the water resources of Basilicata and Apulia to put an end to a shortage that has long impeded the economic development of this part of the country. Two loans for a total of Lit 49 000 million will be used to part-finance two major public works. The first of these is a new section of the Pertusillo Aqueduct, which links up with the Pugliese Aqueduct to supply water from the Pertusillo Dam on the Agri in Basilicata to a number of towns in the heel of Italy. The second comprises construction of a dam and 450 million cu.m. reservoir at Monte Cotugno in Basilicata, and an aqueduct which will make the waters of the Sinni available for various uses, especially crop irrigation, in the Alto Metapontino. A loan was granted for the development of the Metaponto coastal plain in 1966.

*Financing operations in Italy reached 358.8 million units of account. The Bank supported essential infrastructure projects (energy, telecommunications and water supplies) and measures taken to combat pollution, chiefly in the Mezzogiorno, where it also helped to finance a variety of industrial projects, in such sectors as chemicals and steel semi-processing.*

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**reducing pollution  
in the Gulf of Naples**

Another of the special projects which attracted an EIB loan, for Lit 24 000 million, was an ambitious scheme for reducing pollution in the Gulf of Naples, the shores and hinterland of which are at present one of the most heavily polluted areas of Italy. The work in hand to reduce pollution will not only help to improve the health situation but also enhance the agricultural, industrial and tourist potential of this part of Campania.

A further EIB loan was made for extensions to the gas pipeline network for distribution in Calabria of natural gas from the recently discovered fields in the Mezzogiorno, in particular the "Campo di Luna" offshore deposit near Crotona, for which two loans were granted in 1974.

Three loans totalling Lit 63 500 million will be used to part-finance extension and modernisation of telephone installations in Sicily, Abruzzi and Molise, and in certain less developed areas of Trentino-Alto Adige and Veneto.

**finance for chemicals  
and iron and steel projects**

All the industrial projects for which the EIB has made loans are located in the Mezzogiorno. Chemicals and steel production and semi-finishing attracted the largest share of finance, Lit 25 800 million and Lit 9 000 million respectively. Once again, the EIB helped to finance petrochemicals installations by ANIC of the ENI Group, this time at Gela in Sicily, and the construction of a plant to produce base materials for polyurethane manufacturing in the Montedison complex at Brindisi in Apulia. Loans were also granted for extensions to a chemicals factory being undertaken by the same group at Bussi in Abruzzi, and expansion of a pharmaceuticals factory for the Lepetit Group in Latium.

Two companies in the FINSIDER Group received finance to expand and modernise their tube plants at Taranto in Apulia and Torre Annunziata in Campania. These plants draw their supplies of steel from works in the Mezzogiorno, in particular the Taranto steel complex, which has already received a series of loans from the Bank.

The EIB also provided part of the funds for expanding a fluorescent tubes and vapour lamps factory at Bari in Apulia, for a graphite electrodes plant at Caserta in Campania, and for a metallurgical research centre near Rome.

Finally, the EIB approved 63 allocations, totalling about Lit 30 000 million, for small and medium-scale ventures in the Mezzogiorno, from global loans granted in previous years to Istituto Mobiliare Italiano (IMI), Banca Nazionale del Lavoro, Istituto per lo Sviluppo Economico nell'Italia Meridionale (ISVEIMER), Credito Industriale Sardo (CIS) and Istituto Regionale per il Finanziamento alle Industrie. Finally, the EIB approved 63 allocations, totalling about Lit 30 000 million, for and will lead directly to the creation of 3 800 jobs.

**334.5 million for U.K.  
loans in Scotland,  
Wales and the North**

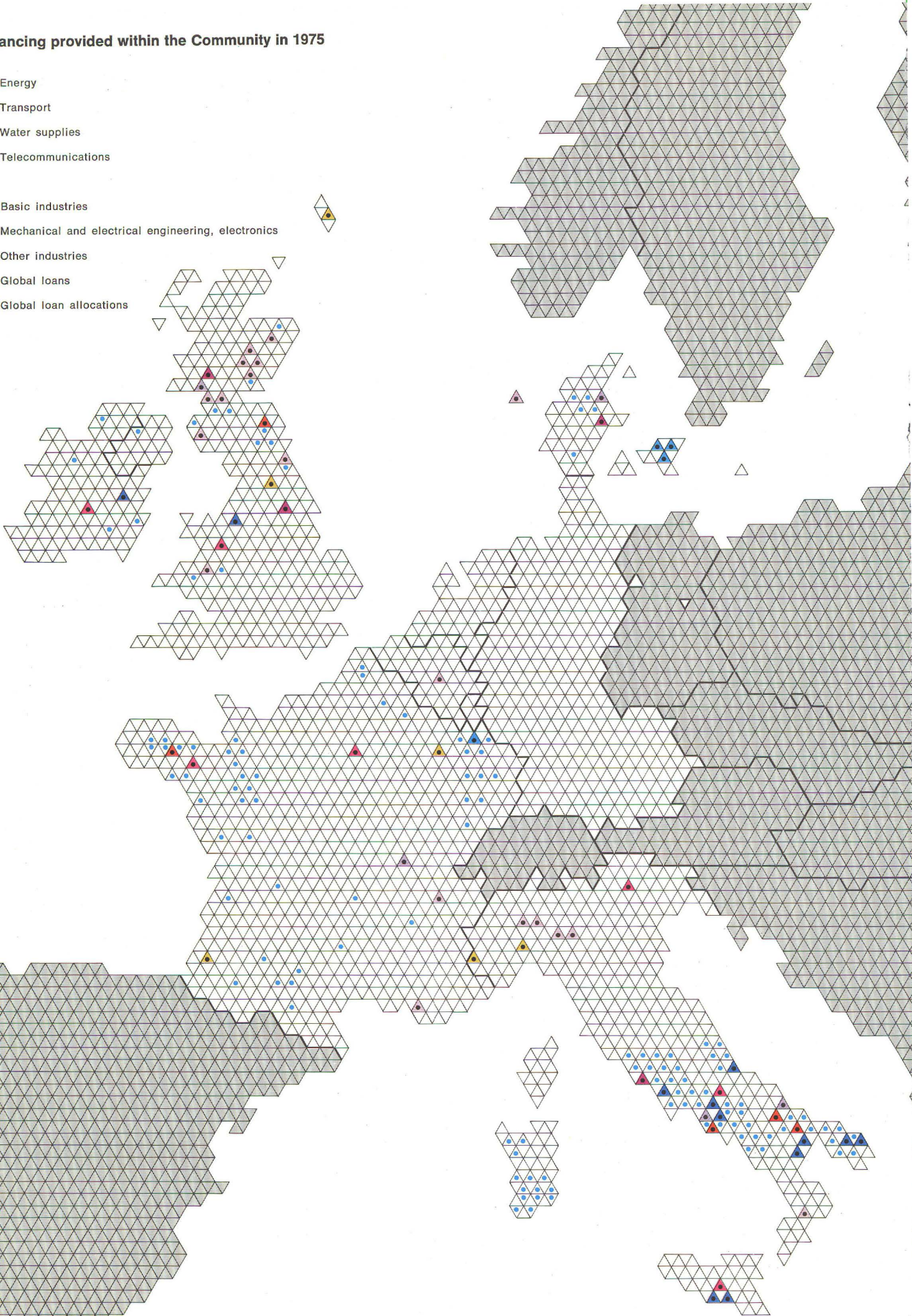
In the **United Kingdom** the Bank granted loans totalling 334.5 million units of account — £186.5 million —, more than double the 1974 figure.

The fifteen projects financed are all located in regions facing conversion and development problems, particularly in Scotland and the North of England, which attracted almost three-quarters of the credit made available, and Wales. Most of these were infrastructure projects, mainly in the energy sector and connected with the development of North Sea oil and natural gas fields.



# Financing provided within the Community in 1975

- Energy
- Transport
- Water supplies
- Telecommunications
- Basic industries
- Mechanical and electrical engineering, electronics
- Other industries
- Global loans
- Global loan allocations





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**development of  
North Sea oil and gas**

A number of loans amounting in all to £47.8 million were granted to the British Gas Corporation, for extending the gas pipeline network bringing Frigg natural gas from the North Sea to central Scotland, North-West and North-East England, via the coastal terminal at St Fergus. A further EIB loan for £16.9 million was made to finance construction of the petroleum harbour at Sullom Voe in the Shetland Islands. This will be used for transferring crude piped from the Brent and Ninian fields to tankers for shipping mainly to refineries in the United Kingdom and the European mainland.

**two nuclear power stations**

The development of the North Sea oil and gas fields has brought prospects of economic development that call for increased electricity supplies in Scotland and the North of England. Loans worth more than £50 million were advanced for the nuclear power stations at Hunterston in Scotland and Hartlepool in the North-East, and for high-tension transmission lines to link the Peterhead and Inverkip power stations with the Scottish grid.

Two loans were granted in support of coal production and utilisation, one to the National Coal Board for opening two coal mines in Yorkshire and Humberside and South Wales and developing a number of mines in the Midlands, and the other to the British Railways Board for the acquisition of over 2 000 specially designed wagons to deliver coal direct from the mine to the power station.

**telecommunications  
and water supplies**

The Bank also part-financed two general infrastructure projects in development and conversion areas, one concerning the extension and modernisation of telecommunications in Wales and the other for improving water supplies in North-East England.

**and industrial projects**

Four industrial projects received loans totalling £32.1 million, and will lead directly to the creation of some 1 500 jobs, as well as safeguarding over 700 others. The largest loan (£17.5 million) went to the British Steel Corporation for the installation of three new sheet coating lines at Shotton, in an area of Wales especially prone to employment problems. This financing operation brought to £67 million the total so far advanced towards the British Steel Corporation's Ten-Year Development Strategy.

The other loans in the industrial sector helped to finance a whisky distilling, maturing and bottling plant at Shieldhall, a semi-portable typewriters factory in Glasgow, and a plant to produce glucose for the food and brewing industries at Howden in Yorkshire and Humberside.

Under the global loans granted in previous years to Industrial and Commercial Finance Corporation Limited (ICFC), the Bank approved 12 allocations involving a total of £2.4 million, in support of small and medium-scale ventures entailing the creation of about a thousand new jobs.

**158 million for loans in France,  
chiefly telecommunications**

Eleven loans were granted in **France**, for a total of 158 million units of account — Ffrs 845.7 million —, mainly for infrastructure in the fields of energy, transport, water supplies and telecommunications.

Two loans amounting to Ffrs 325.7 million went in support of the extension and modernisation of international telecommunications equipment (exchanges,

Lending for projects which will help to increase and diversify the Community's energy resources amounted to 327.9 million units of account, or more than one-third of all financing in Member Countries. The Bank again played a role in the development of oil and natural gas fields in Italy, in the Po Valley, and in the Danish sector of the North Sea.

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microwave links, telex etc.) and the improvement of telecommunications in Brittany. Since 1967 the EIB has advanced a total of Ffrs 1 200 million for projects designed to offset the relative lack of equipment in this sector suffered by the less developed regions of the country.

**water** The Breton departments of Finistère, Morbihan and Ille-et-Vilaine also received loans totalling Ffrs 50 million to finance modernisation and extension of water mains networks, to improve supplies to many rural communes and further the development of agriculture, industry and tourism. Four loans were granted in 1973 for similar investments.

**transport** Two loans were granted for transport infrastructure, one for Ffrs 150 million to increase the traffic capacity and improve operating conditions on the Paris-Bordeaux-Hendaye-Spanish frontier railway line serving the Atlantic seaboard, and the other for Ffrs 165 million to finance the Verdun-Rheims section of the Paris-Lorraine-Germany motorway. A loan for the Verdun-Metz section of this road was granted in 1974.

**and nuclear energy** Three loans totalling Ffrs 135 million helped to finance projects aimed at improving the Community's energy supplies. The largest of these, for Ffrs 100 million, went towards construction of the fourth stage of Bugey nuclear power station at St Vulbas on the Rhône, bringing total bank finance in support of this project to Ffrs 618.6 million.

The second loan went to Framatome for a factory at Chalon-sur-Saône producing pressure vessels and steam generators for nuclear power stations, and the third part-financed construction of advanced technology undersea pipeline welding equipment to be used initially in the North Sea.

Société Lorraine de Développement et d'Expansion (LORDEX) received a second global loan, for Ffrs 20 million, for extending operations in support of small and medium-scale industrial ventures.

In 1975, 46 allocations worth more than Ffrs 100 million to help to finance fixed assets totalling some Ffrs 300 million were drawn down for small or medium-scale ventures from global loans previously granted to Crédit National, Caisse Centrale de Crédit Hôtelier, Commercial et Industriel and Société de Développement Régional de la Bretagne, and to LORDEX. These investments will lead to the direct creation of over 2 500 jobs and safeguard 1 500 others.

**In Ireland 37.7 million  
for two regional  
development projects**

In Ireland two loans totalling 37.7 million (£ Ir 22 million) were granted in favour of regional development projects; one for extending a cement works at Platin in County Meath, supplementing the loan granted in 1974, the other in furtherance of the five-year telecommunications extension programme for which the EIB had already provided finance over the previous two years.

The Bank also approved allocation of three sub-loans for £ Ir 1 million from a global loan granted in 1974 to the Agricultural Credit Corporation Limited (ACC); the ventures financed will lead to the creation of 360 jobs.



Finance provided for investments in the United Kingdom amounted to 334.5 million units of account. All the projects in question were located in regions facing development or conversion problems and most of them concerned energy supplies. As in Italy and France, the Bank helped to finance nuclear power stations; it also advanced considerable sums for extension of the network of major pipelines to transport natural gas produced from North Sea fields.

**In Denmark 17.7 million  
for the development  
of oil deposits**

Six loans were granted in **Denmark** for a total of 17.7 million (Dkr 125.4 million). The largest of these, worth Dkr 43 million, will contribute to the acquisition and installation of two oil production platforms for the Dan field in the Danish sector of the North Sea. Two further operations supported extension of an electric motors factory in the least developed area of North Jutland and construction of a very modern, high capacity pig slaughterhouse run by a farmers' cooperative in South-East Jutland which will benefit the cooperative's 4 000 members. These three projects will lead to the direct creation of more than 500 jobs and safeguard around 300 others.

**and industrial projects**

The Bank also granted three global loans worth Dkr 47.4 million, one to Finansieringsinstituttet for Industri og Håndværk A/S and two to the Danish Government acting through Egnsudviklingsdirektoratet, the Directorate for Regional Development. Five allocations totalling Dkr 10 million were approved from these loans for financing small and medium-scale ventures providing jobs for over 500 workers in less developed areas of the country.

**10.8 million for a gasline  
in Belgium**

In **Belgium** a loan for 10.8 million (Bfrs 500 million) went to Société Européenne du Gazoduc Est-Ouest (SEGEO) for laying a pipeline for conveying natural gas from fields in the North Sea and the Netherlands to southern Belgium and northern France. This gasline will form part of the European network, which has received several loans from the EIB in previous years.

**LOANS OUTSIDE THE COMMUNITY**

**GREECE**

**In Greece 47.2 million  
for loans from the EIB's  
own resources**

Following reactivation of the Financial Protocol with **Greece**, which had been suspended in 1967, the entire balance of funds provided for under this Protocol was committed in the form of seven loans totalling \$ 55.8 million (1) (47.2 million units of account), or Dr 1 878 million, financed from the EIB's own resources.

**for irrigation work  
in the Serres plain**

The largest of these loans, for \$ 30 million, or Dr 1 039.8 million, contributed towards irrigation work in the Serres Plain in Eastern Macedonia. It attracted the interest subsidy of three percentage points financed by Member States which signed the Financial Protocol and reserved for certain infrastructure projects showing an indirect or long-term return. The project forms a key part of the programme to increase the total irrigated area of the country by approximately one third. Flood control on the river Strymon and irrigation of a further 20 000 ha will make for a marked rise in agricultural production and considerably improve the employment situation on irrigated farms.

(1) The Financial Protocol provided for loans from the Bank for the equivalent of \$ 125 million.

**and several industrial projects**

In the industrial sector, the Bank channelled funds to five projects. Two loans went to projects in Boeotia for constructing a cement works at Kamari and a factory at Oenophyta producing flat-rolled aluminium products. The other three loans went to a new electrical and telecommunications cables factory at Volos in Thessaly, an integrated cotton spinning and weaving plant at Yannitsa in Macedonia and a plant producing nylon filament yarn near Athens. Funds for the first four projects were granted through the intermediary of the Hellenic Industrial Development Bank (ETBA) and for the fifth through the National Investment Bank for Industrial Development (NIBID). These projects will create around 1 500 jobs.

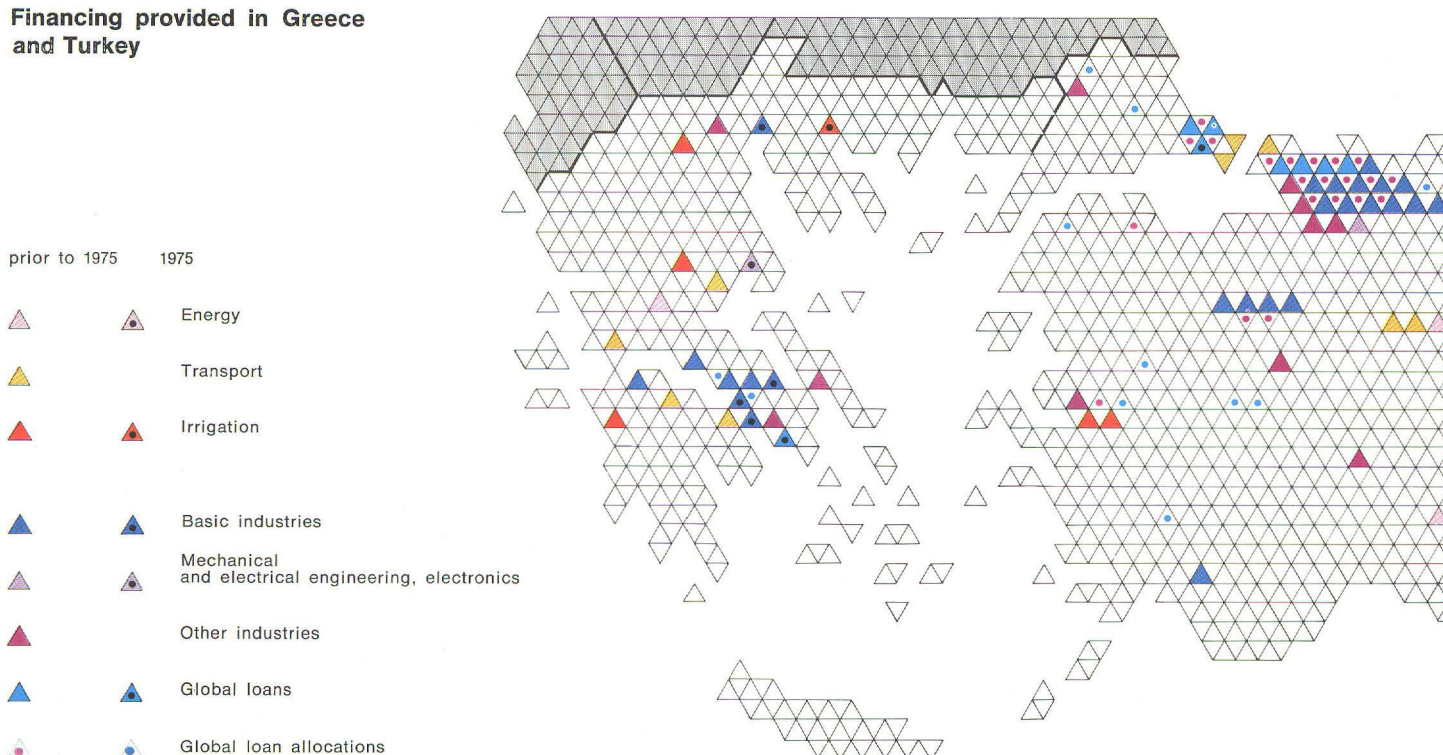
A global loan was also granted to NIBID for financing smaller-scale industrial ventures, in agreement with the EIB. Two allocations were approved in 1975, effectively creating and safeguarding over 200 jobs.

**TURKEY**

**In Turkey 35 million for special loans, mainly for Elbistan power station**

In Turkey three loans on special conditions totalling 35 million (TL 605.4 million) were granted by the Bank from funds provided by Member States.

**Financing provided in Greece and Turkey**





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Two large infrastructure projects attracted the bulk of these funds. Finance totalling 77 million was approved for the Elbistan thermal power station project in Eastern Anatolia in 1974 when the first loan (58 million or TL 1 008 million) was made available. The second loan, for 19 million (TL 330.2 million) was granted in 1975.

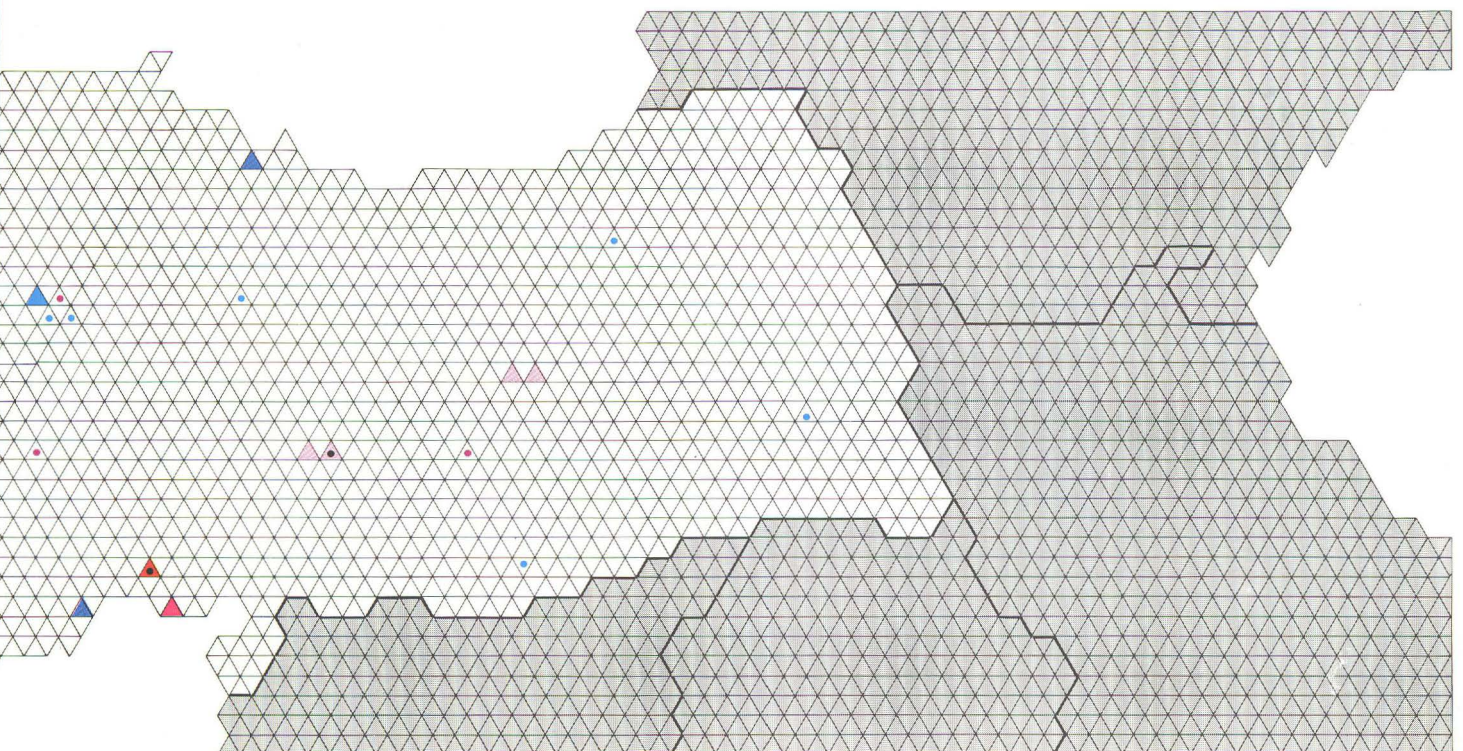
**and irrigation of the  
Berdan Valley**

A loan for 11 million (TL 189 million) helped to finance irrigation of 14 000 ha of land in the Berdan Valley in Southern Anatolia. The project comprises an 87 million cu.m. reservoir, and an entire irrigation, drainage and road system; it will also mean improved drinking water supplies for the town of Mersin.

The Industrial Investment and Credit Bank (SYKB) received a further global loan of 5 million (TL 86 million) for financing small and medium-scale ventures.

The Bank also approved 19 allocations totalling 22.3 million (TL 390 million) from the 25 million in lines of credit from its own resources granted to SYKB in 1974 for financing smaller-scale industrial projects and to the Turkish Industrial Development Bank (TSKB) for loans to private industry.

These allocations will lead to the direct creation of around 3 000 jobs as well as safeguarding some 1 700 others. The largest venture concerns a cement works at Yozgat in Central Anatolia which received a loan of 6.4 million through TSKB. The project is being implemented by a joint stock company established with a view to enabling workers who are natives of the town, but working abroad, to channel savings into productive investment in their home province.



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AASMM-OCTD

**1.75 million from the EIB's  
own resources in Mauritius**

An ordinary loan of 1.75 million (Mau Rs 13.6 million) from the Bank's **own resources** was granted for uprating Fort Victoria thermal power station in **Mauritius**. This operation will help to bring about a significant improvement in the island's electricity supplies.

**5.1 million for loans  
on special conditions  
from the EDF**

Two loans on **special conditions** granted from the European Development Fund (EDF) and managed by the Bank under its Special Section as agent for the Community went towards financing infrastructure projects in the Netherlands Antilles and Guadeloupe.

**in the Netherlands Antilles  
and Guadeloupe**

In the **Netherlands Antilles** a loan for 4.4 million (Ant. Fl 9.1 million) will help to finance construction of additional infrastructure to enable large aircraft to land at Curaçao international airport.

The French overseas department of **Guadeloupe** received a loan of 0.7 million (Ffrs 4 million) for constructing a new mixed cargo wharf and various port installations at Pointe-à-Pitre.



# Operations between 1958 and 1975

Between 1958, when it was established, and 31 December 1975, the European Investment Bank signed 641 contracts providing total financing of 5 660.9 million at current prices, or some 7 950 million at 1975 prices (1). The total cost of capital investments for which the Bank has extended long-term finance amounts to some 35 000 million at 1975 prices (2), corresponding to an average contribution of 22.4 %.

The different phases of development in Bank activity are illustrated in the graph on page 18 based on current prices. Following the initial phase, during which new loan commitments rarely exceeded 100 million, the annual volume of Bank lending progressively increased from just under 200 million in 1966 to 500 million in 1972. Enlargement of the Community led to a rise in Bank operations to more than 800 million in 1973 and to around 1 000 million in both 1974 and 1975.

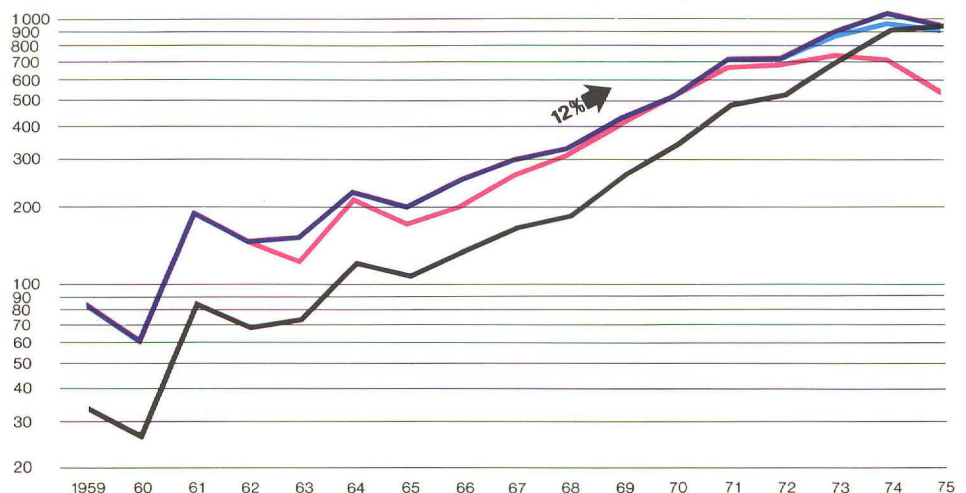
Leaving aside the initial phase of activity, these trends correspond to an average annual growth rate, over the period 1966-1975, of around 12 % at constant prices, or considerably more than twice the rate of increase in gross fixed capital formation in the Community over the same period. Graph A on this page shows the growth in amount and volume of Bank operations financed from own resources and brings out the combined effect of spiralling inflation and enlargement of the Community on activity during the 1970s. The level of activity in 1975, however, was no higher, in real terms, than in 1973.

(1) Constant price evaluations are based on national price indices derived from gross fixed capital formation, adjusted to take account of changes in the rates for converting national currencies into units of account.

(2) This represents the total amount of fixed investments in respect of all projects backed by the Bank, calculated from data used in establishing the promoters' financing plans at the date when the Bank's Board of Directors approved the relevant financing operations.

Graph A

**Loans from EIB own resources, 1959-1975 (at 1975 constant prices) (1)**  
(million u.a.)

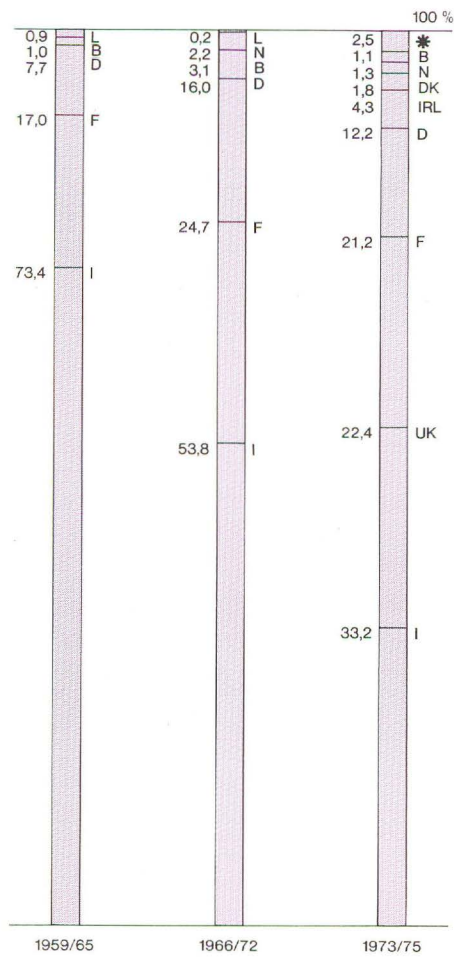


(1) Constant price evaluations are based on price indices derived from gross fixed capital formation, adjusted with reference to indexed changes in the rates for converting national currencies into units of account.

Graph B

**Financing provided within the Community from 1958 to 1975**

Breakdown by country

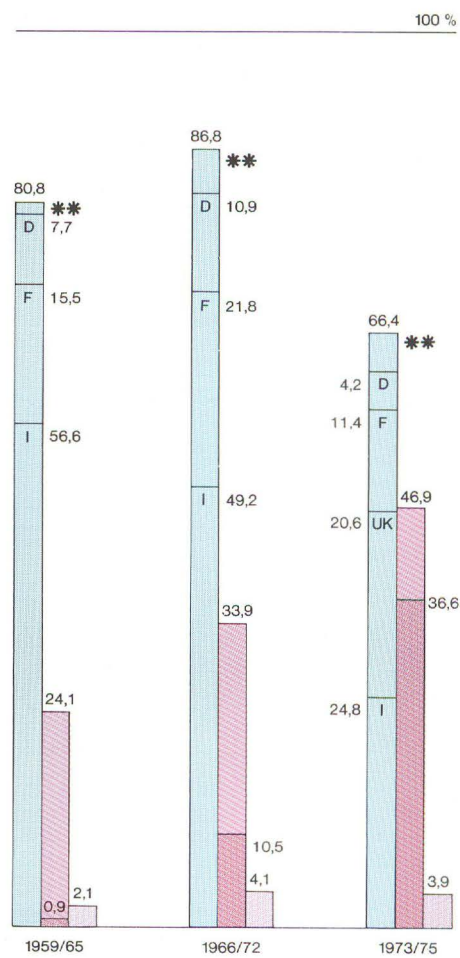


\* Outside Community

Graph C

**Financing provided within the Community between 1958 and 1975**

Breakdown by economic policy objective



Regional interest  
 Common interest  
 of which : Energy  
 Sectoral interest  
 \*\* Other countries

**Indices of Bank activity according to economic policy objective**  
 (average annual amounts at 1975 prices)

**Indices of Bank activity**  
 (average annual amounts at 1975 prices)

| Member Countries | 1958-65 | 1966-72 | 1973-75 |
|------------------|---------|---------|---------|
| Italy            | 100     | 230     | 290     |

|   | 1958-65 | 1966-72 | 1973-75 |
|---|---------|---------|---------|
| Regional interest                           | 100     | 340     | 540     |
| Common interest to several Member Countries | 100     | 440     | 1 280   |
| Sectoral interest                           | 100     | 660     | 1 300   |

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## OPERATIONS IN THE COMMUNITY

By far the greater part of the finance granted by the Bank has gone to Member Countries. 496 operations in support of projects located in the Community or of direct benefit to Member Countries totalled around 6 870 million at 1975 prices (4 919.4 million at current prices), or 87 % of the total. The Bank thereby contributed towards capital investments totalling around 30 000 million at 1975 prices, leading to the direct creation of 109 000 jobs and safeguarding 44 000 others.

In accordance with the Bank's main object of financing regional development and in view of the economic backwardness of the entire Mezzogiorno, Italy has been by far the leading beneficiary of EIB financing, having received 45 % of total Bank lending in Member Countries. Next come France with 22 %, Germany with 13 % and the Benelux countries with 4 %, while, of the new Member Countries, the United Kingdom has received 11 %, Ireland 2 % and Denmark 1 %. The remaining 1 % relates to loans for projects which although located outside the Member Countries, are of importance to the Community's energy supplies.

Graph B shows trends in the breakdown of financing by country. Although the volume of loans to Italy has continued to increase, its share of total Bank lending within the Community, where it remains the leading beneficiary, has progressively declined. The proportion of funds granted in France and Germany tended to increase, at least until Bank activity was extended to the new Member Countries of the Community. The percentages shown for the first three years of Bank lending in the new Member Countries are probably somewhat below what will be typical when operations are fully under way.

Most of the finance provided by the Bank within the Community since its foundation has benefited the less developed regions or areas facing conversion problems (see Table 5, p. 70). It can be seen from Graph C (1) that the share of lending in support of regional development has tended to decline, in spite of the fact that the average annual amount of such operations increased more than fivefold between the periods 1958-1965 and 1973-1975. In contrast, projects of common interest to several Member Countries have assumed increasing importance and, although originally concerning mainly transport infrastructure (roads, railways, etc.), within the Community, now cover a wider spectrum of activities. Between 1973 and 1975, more than 75 % of funds for projects of common interest helped to improve the Community's energy supplies, e.g. nuclear and hydroelectric power stations, gaslines and equipment for exploiting oil and natural gas. The share of loans for advanced technology and industrial modernisation or conversion ventures has doubled since the initial phase of activity, but remains relatively small.

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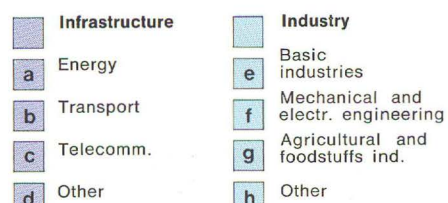
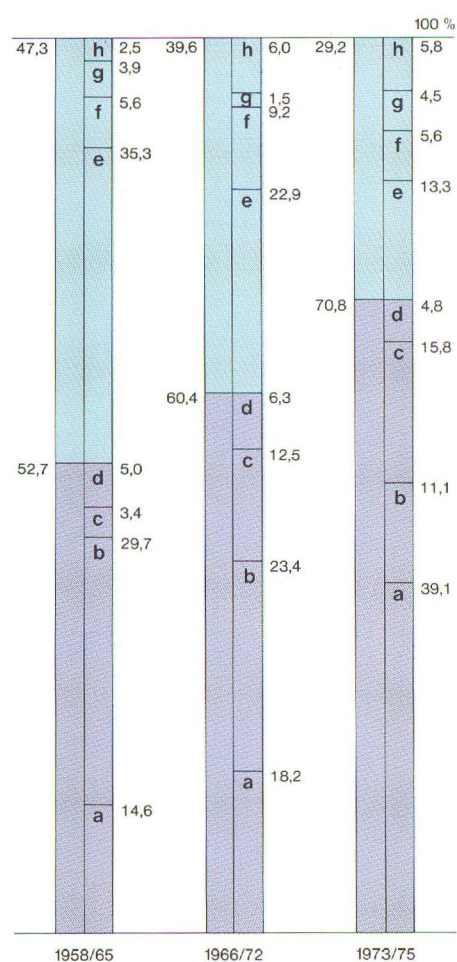
(1) N.B. : Some loans satisfy more than one objective.



The Bank mounted a number of operations in support of natural gas transmission, which is of growing importance in the Community's energy supply pattern. Loans were granted not only for the United Kingdom network, but also in Italy — for distribution, in Calabria, of natural gas from the Campo di Luna field — and in Belgium, towards the laying of a line which will bring natural gas from the North Sea and the Netherlands to southern Belgium and northern France.

Graph D  
Financing provided within the Community from 1958 to 1975

Sectoral breakdown



Indices of Bank activity by sector (average annual amounts at 1975 prices)

A sectoral breakdown of Bank activity within the Community since 1958 shows infrastructure projects topping the list with 197 projects receiving 64.9 % of total commitments (see Table 7, p. 72). Graph D makes it clear that the predominance of finance for infrastructure has become more marked and that the breakdown of operations according to type of project financed has substantially changed over the years.

The share of lending for transport infrastructure, although still considerable, is tending to decline in favour of telecommunications and, more especially, energy projects, the latter receiving more than 55 % of all funds channelled into infrastructure works between 1973 and 1975. Between 1967 and 1975 a total of around 620 million at 1975 prices was granted for 13 nuclear power stations in Belgium, France, Germany, Italy and the United Kingdom.

Almost 35 % of all loans granted since 1958 has gone to productive enterprise. Its share of total Bank lending has however steadily diminished (see Graph D), particularly over the past two years with the slackening pace of economic activity. Nevertheless, the volume of funds earmarked each year for productive enterprise increased more than fourfold between the initial phase (1958-1965) and 1973-1975, with the Bank providing finance for 767 ventures. This high number is attributable to the application, since 1969, of the formula of global loans to banks and other intermediary financing institutions which draw on the proceeds, in agreement with the EIB, to make sub-loans for small and medium-scale industrial ventures in less favoured areas.

Between 1968 and 1975, 32 global loans totalling 440 million at 1975 prices were made available to the financing institutions listed in Table 12, page 76. Up to 31 December 1975, 257 million had been onlent towards 468 smaller scale industrial ventures, more than half of this over the past two years alone. Projects financed from global loan allocations are located in the Community's problem areas (see map, p. 28). The average size of allocations was 0.55 million over the 1969-1975 period; they directly improved employment in these areas by creating 30 700 jobs and safeguarding a further 10 500. The global loan formula has enabled the Bank to help in financing investments totalling 810 million at 1975 prices. The capital outlay for each job created averaged 26 000 units of account for global loan projects as against 96 000 units of account for industrial projects receiving individual loans.

The main industrial recipients of individual loans and allocations from global loans were the metals sector (production and semi-processing), followed by the chemicals industry and, some way behind, the mechanical engineering and transport equipment industries. A substantial number of global loan allocations benefited mechanical and electrical engineering projects, the foodstuffs industry, the construction materials sector and the woodworking and paper industries. The effect of these sub-loans, coupled with a fall in lending to the chemicals industry, has been to produce a change in the breakdown of finance by industrial sector: the share of loans to the basic sectors, the main recipients, is tending to diminish, with a higher proportion of finance going to the foodstuffs and processing industries (see Graph D).



The Bank's operations in the Associated Countries totalled 89 million units of account, of which 48.9 million were in the form of ordinary loans from the EIB's own resources. In Mauritius, the Bank part-financed the enlargement of a power station. Loans on special conditions, drawn from the resources of the European Development Fund, were granted in the Netherlands Antilles and Guadeloupe.

## OPERATIONS OUTSIDE THE COMMUNITY (1)

Operations in the Associated Countries began only in 1963 following entry into force of Association Agreements and Financial Protocols signed between the Community, and Greece, Turkey, the Associated African States, Madagascar and Mauritius (AASMM) and the Overseas Countries, Territories and Departments (OCTD). These countries have together received 741.4 million at current prices, of which 276.6 million was provided from the EIB's own resources, and 464.8 million from the resources of Member States and the European Development Fund (2), i.e. 13.6% of total funds made available by the Bank and 5.5% of all finance provided from EIB own resources over the period 1963-1975. The 145 contracts signed in support of projects in the various Associated Countries were distributed between Turkey (382.7 million, or 52% of finance granted outside the Community), the AASMM and OCTD (242.3 million, or 33%) and Greece (116.4 million, or 15%).

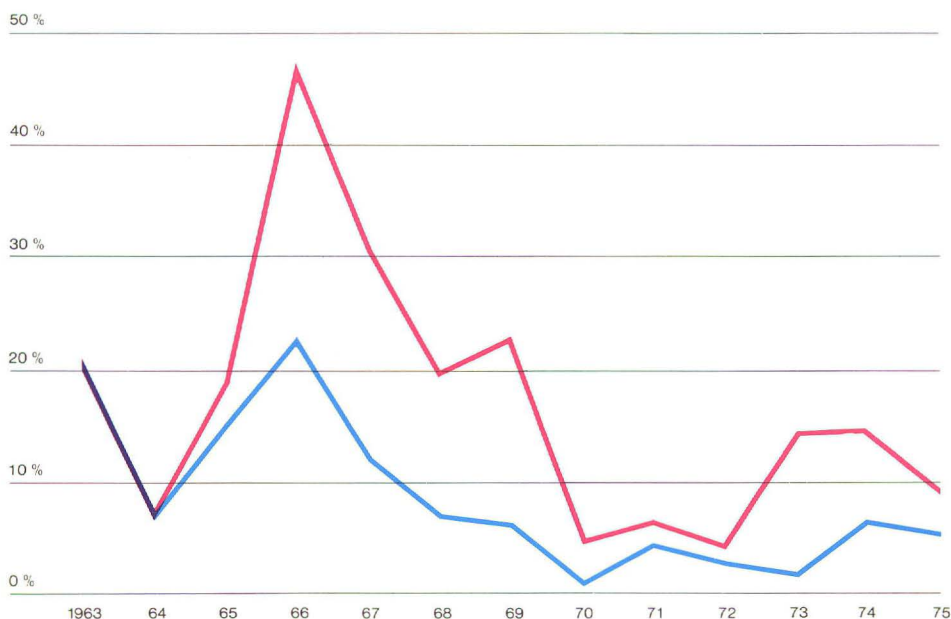
Bank activity outside the Community has shown marked fluctuations as a percentage of total lending, and has declined over the past decade, mainly because of the institutional factors governing this type of operation arranged under agreements concluded for five years and subject to rather lengthy ratifica-

(1) The amounts given below are based on current prices. It was not possible to establish suitable indices for computing lending in each of the countries concerned in real terms. (2) Loans on special conditions and contributions to the formation of risk capital made by the Bank acting as agent for, and on mandate from, the Member States and the European Economic Community (European Development Fund), and accounted under its Special Section (see Statement on page 65).

Graph E **EIB activity outside the Community in relation to the Bank's overall activity between 1963 and 1975**

— Operations from own resources

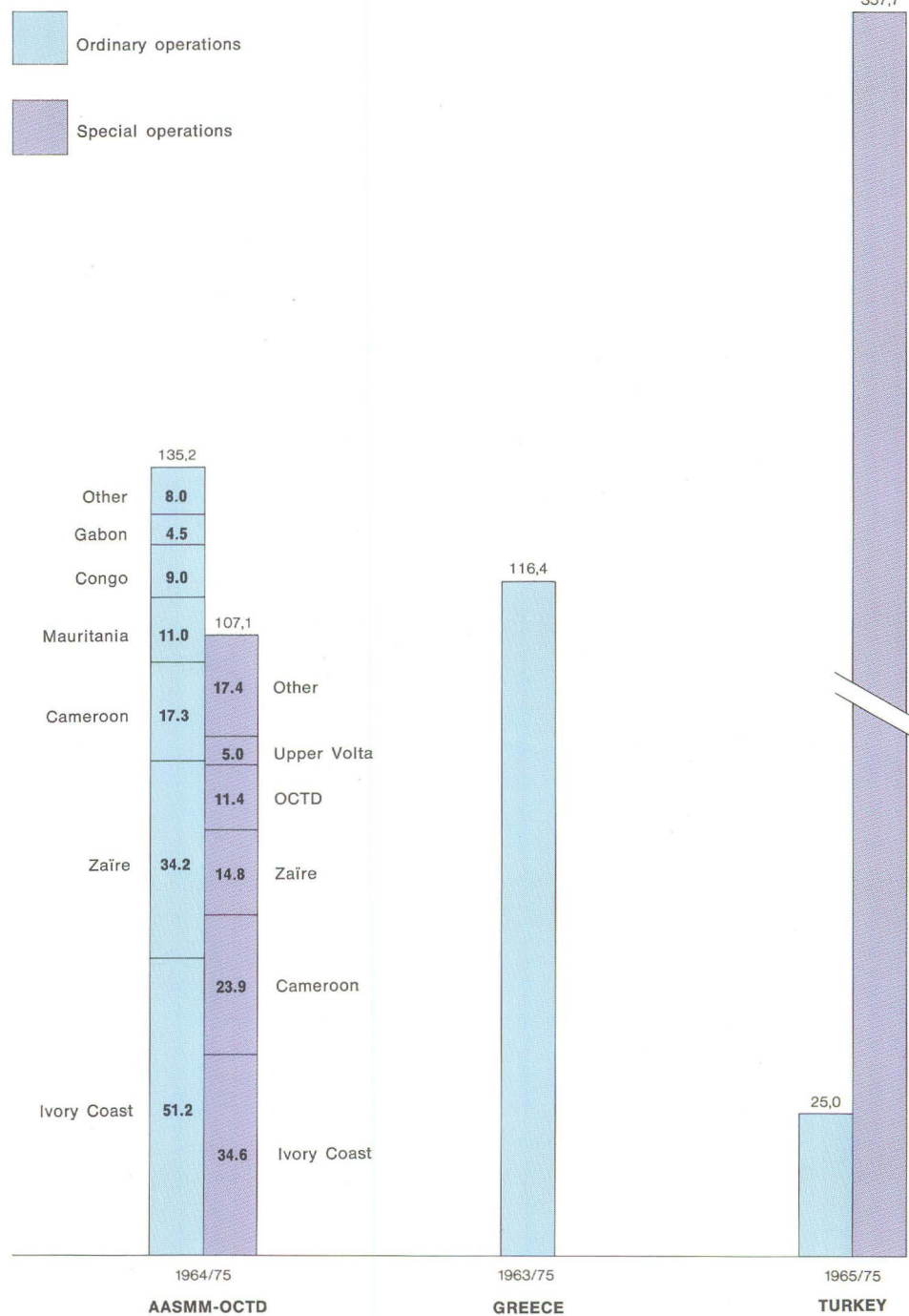
— Total operations from own resources and special operations from the resources of Member States or the European Development Fund



Graph F

**Financing outside the Community**

Breakdown by country and type of financing  
(million u.a.)

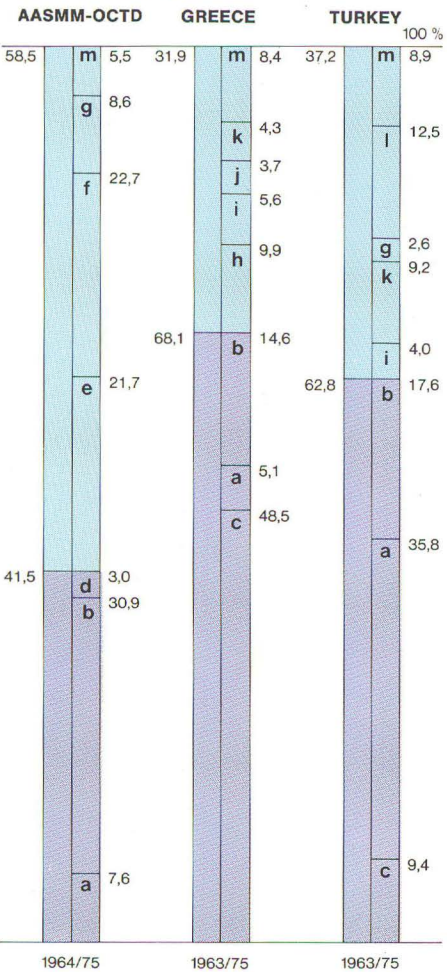




Graph G

**Financing provided outside the Community between 1963 and 1975**

Sectoral breakdown



- Infrastructure
- a Energy
- b Transport
- c Agricultural development
- d Other
- Industry
- e Mining and quarrying
- f Agricultural and foodstuffs ind.
- g Textiles and leather
- h Metal prod. and semi-processing
- i Construction materials
- j Electrical engineering
- k Chemicals
- l Paper
- m Other

tion procedures. Present developments in Community financial cooperation policy will doubtless lead to a marked increase in operations outside the Community, in real as well as in absolute terms. Funds provided by the Bank from its own resources under the terms of financial cooperation with non-member countries always carry the guarantee of Member States or the Community.

The two Yaoundé Conventions and the two Decision concerning the **AASMM** and **OCTD** fixed a ceiling of 170 million for operations financed from the Bank's own resources and an amount of 140.5 million for loans on special conditions or contributions to the formation of risk capital financed from the European Development Fund.

Between 1 June 1964, the date of entry into effect of the first Convention of Association and Decision, and 31 December 1975, the Bank signed 68 contracts for projects located in these countries. These contracts related to 33 ordinary loans amounting to 135.2 million from the Bank's own resources and 35 special operations totalling 107.1 million financed from the European Development Fund; the special operations comprised 32 loans on special conditions worth 104.6 million and three contributions to the formation of risk capital for 2.5 million. Graphs F and G provide a breakdown by sector and by country of these operations which contributed towards investments totalling almost 1 100 million, leading to the direct creation of around 50 000 jobs.

Loans for infrastructure projects accounted for 42 % of total lending in the AASMM and OCTD (transport 31 %, energy supplies 7.5 %).

Productive enterprise absorbed 58 % of funds granted : 21.7 % went to projects in the mining and quarrying sector, while the foodstuffs industry attracted 18.8 % and textiles 8.6 %.

The first and second Financial Protocols concluded with **Turkey** provided for the granting of loans on special conditions by the Bank acting as agent for, and on mandate from, the Member States, for a total of 370 million, with a further 47 million to be made available under the Supplementary Protocol (see p. 16). Provision was also made for loans from the Bank's own resources up to a maximum of 25 million. Between 1965 and 1975, the Bank granted 55 loans for a total of 382.8 million, of which 357.7 million was committed in the form of loans on special conditions from budgetary funds provided by Member States and 25 million in ordinary loans from the Bank's own resources (see map, p. 34).

Graph G gives a sectoral breakdown of finance granted and shows the preponderance of loans for industry (37.2 %) and energy (35.8 %). One quarter of all finance in support of industrial investments was provided in the form of global loans to Türkiye Sinaî Kalkınma Bankası (TSKB) and Sinaî Yatırım ve Kredi Bankası (SYKB) which onlend the funds, with the agreement of the EIB, for small and medium-scale ventures.

Since 1965, this procedure has enabled the EIB to help in financing fixed investments totalling 2 600 million at current prices, leading to the direct creation of 20 600 jobs and reducing seasonal underemployment in certain agricultural areas.

The first Financial Protocol with **Greece** which came into effect in 1963, but was suspended in 1967, was reactivated in December 1974. Between 1963

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and 1975, the Bank granted 22 loans for a total of 116.4 million (\$ 125 million — the ceiling fixed under the first Financial Protocol) of which 68.1 % went to infrastructure, particularly for agricultural development (56.3 million), roads (17 million) and energy transmission lines. The remaining 37.1 million was channelled into industrial projects mainly in the metals semi-processing and construction materials sectors, and the chemical and textile industries. A global loan was made available to the National Investment Bank for Industrial Development (NIBID) for financing small and medium-scale ventures in agreement with the EIB. These operations will together lead to the direct creation of around 7 000 jobs and help to improve the employment situation in areas covered by irrigation projects (see map, p. 34).

Loans for infrastructure projects, i.e. about two-thirds of the total amount lent, attracted an interest subsidy of three percentage points financed by the Member States which signed the Protocol and which also provide their guarantee for all funds granted.

# Resources

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## **Resources increased to nearly 4 700 million**

The Bank's total resources at 31 December 1975 (comprising paid-up capital, net income appropriated to the statutory and other reserves and borrowings) amounted to 4 665.8 million compared with 3 804.2 million at 31 December 1974.

This increase was made up of an additional 802.2 million in borrowings, taking into account variations in conversion rates, and 59.4 million in net income appropriated to the statutory and other reserves.

## **830.7 million raised on capital markets**

In 1975, the Bank made calls on the financial markets for a total of 830.7 million, including 17 million from the sale to third parties of participations in loans by the Bank, compared with 825.5 million in 1974 and 612.3 million in 1973.

The return to a more normal relationship between world short and long-term interest rates, coupled with the onset of a general downtrend in rates, enabled the Bank to borrow a variety of currencies on a number of different markets. Twelve issues in five currencies of Member States raised 363.8 million, as against 64.5 million in 1974. Nine of these, totalling 241.3 million (1974 : 41.9 million), were placed on the capital markets of Member States.

As in previous years, subscriptions were in most cases payable in United States dollars (298.9 million), although the exceptionally high proportion attained in 1974 (665 million out of a total of 825.5 million, or more than 75%), was far from matched in 1975.

## **Issue on the United States capital market**

For the first time since the abolition in 1974 of the interest equalisation tax, in force since 1963, the Bank was able to make a bond issue on the United States domestic market in November 1975, raising \$ 75 million for 7 years. The Bank's bonds are rated AAA, the highest possible, by the two leading rating agencies in the United States.

At the end of 1975, in pursuance of its policy of extending its borrowing activity to other markets, the Bank became the first non-Asian borrower on the Asian dollar market in signing a US \$ 20 million issue in Singapore. Funds were also raised for the first time on the Japanese market by means of a private placing in yen for the equivalent of 17.2 million.

The Swiss capital market proved to be a most valuable source of funds for the Bank in 1975; investors subscribed to six issues totalling 133.8 million, compared with 34.9 million in the previous year.

Table 17 on page 79 gives details of borrowings during the year. After deduction of repayments and allowing for exchange adjustments, total borrowings outstanding amounted to 3 915.4 million at 31 December 1975, as against 3 113.2 million at 31 December 1974, representing an increase of 802.2 million, of which 40.9 million was received after the end of the financial year.



1975 saw the resumption of EIB lending activities in Greece, with seven loans totalling 47.2 million units of account using up the balance of the funds for which provision was made under the first EEC-Greece Financial Protocol. Sizeable loans were made for a number of irrigation projects which will lead to an improvement in living standards over large areas. About 7,000 jobs should be directly created by industrial projects which the EIB has helped to finance, chief among which was an aluminium production works on the north coast of the Gulf of Corinth.

Table 3 : Funds raised up to and including 1975

| Year      | Number | Issues<br>Amounts (million u.a.) |                  |         | Participations by<br>third parties<br>in EIB loans<br>(million u.a.) | Funds<br>raised<br>(million u.a.) |
|-----------|--------|----------------------------------|------------------|---------|--|-----------------------------------|
|           |        | Private<br>issues                | Public<br>issues | Total   |  |                                   |
| 1961      | 3      | 7.6                              | 13.8             | 21.4    | —  | 21.4                              |
| 1962      | 2      | —                                | 32.3             | 32.3    | —  | 32.3                              |
| 1963      | 3      | 8.0                              | 27.2             | 35.2    | —  | 35.2                              |
| 1964      | 5      | 13.5                             | 53.3             | 66.8    | —  | 66.8                              |
| 1965      | 4      | —                                | 65.0             | 65.0    | —  | 65.0                              |
| 1966      | 6      | 24.0                             | 114.5            | 138.5   | —  | 138.5                             |
| 1967      | 8      | 40.0                             | 154.5            | 194.5   | —  | 194.5                             |
| 1968      | 13     | 112.5                            | 100.0            | 212.5   | —  | 212.5                             |
| 1969      | 9      | 63.7                             | 82.3             | 146.0   | —  | 146.0                             |
| 1970      | 7      | 66.6                             | 102.3            | 168.9   | —  | 168.9                             |
| 1971      | 20     | 208.0                            | 204.9            | 412.9   | —  | 412.9                             |
| 1972      | 19     | 133.4                            | 328.6            | 462.0   | 17.5   | 479.5                             |
| 1973      | 22     | 207.0                            | 401.0            | 608.0   | 4.3  | 612.3                             |
| 1974      | 16     | 704.2                            | 121.3            | 825.5   | —  | 825.5                             |
| 1975      | 26     | 318.6                            | 495.1            | 813.7   | 17.0   | 830.7                             |
| 1961-1975 | 163    | 1 907.1                          | 2 296.1          | 4 203.2 | 38.8   | 4 242.0                           |

### Reduction in the Bank's lending rates

In contrast to 1974, when persistent increases in interest rates on financial markets forced the Bank to raise its lending rate to 10.5 %, the slight easing of conditions on the capital markets in 1975 enabled the Bank to reduce its lending rate to 9.875 % in February, 9.5 % at the end of April and 9.25 % in June. However, the reversal of trends in long-term interest rates obliged the Bank to raise its lending rate again to 9.5 % in July 1975 (1).

(1) As of 10 February 1976 the rates were set at 9 % for loans not exceeding 8 years and 9.5 % for loans over 8 years.

In Turkey finance was provided for a project in the Berdan Valley to improve the country's agricultural potential (similar to a previous operation in the Gediz Valley); it involved the construction of a dam and reservoir to bring irrigation to 14 000 hectares. As in 1974, the Elbistan power station and lignite mine to supply it with fuel attracted the bulk of the Bank's lending. This project is of major significance for the development of Turkey.

## Capital increase

### Subscribed capital increased from 2 025 to 3 543 million

At its meeting on 10 July 1975, the Board of Governors decided to increase the subscribed capital of the Bank by 75 %, raising it from 2 025 to 3 543.75 million. This increase of 1 518.75 million is subscribed by Member States in proportion to their share in the subscribed capital as follows :

|                |             |             |            |
|----------------|-------------|-------------|------------|
| Germany        | 337 500 000 | Netherlands | 88 875 000 |
| France         | 337 500 000 | Denmark     | 45 000 000 |
| United Kingdom | 337 500 000 | Ireland     | 11 250 000 |
| Italy          | 270 000 000 | Luxembourg  | 2 250 000  |
| Belgium        | 88 875 000  |             |            |

Each Member State will pay in 10 % of its share of the agreed increase in its own national currency in eight half-yearly instalments, the first on 30 April 1976.

### Called capital increased from 405 to 556.875 million

The paid-up capital will thus be increased progressively from 405 to 556.875 million, the called capital (paid up and due to be paid up) amounting to 15.7 % of subscribed capital. Under Article 5 (3) of the Statute of the Bank, the Board of Directors may call for payment of the balance of the subscribed capital to such extent as may be required to meet the Bank's obligations in respect of its borrowings.

Table 4 illustrates the growth in the Bank's capital since its foundation following the increases decided in 1971 and 1975 and the enlargement of the Community in 1973.

Article 18 (5) of the Statute of the Bank stipulates that the total outstanding amount of loans and guarantees granted by the Bank shall not exceed 250 % of its subscribed capital. As a result of the recent capital increase this statutory limit on loans and guarantees outstanding is 8 859 million, compared with 2 500 million in 1958.

Table 4 : Statement of subscriptions to the capital of the Bank since 1958

|                | Distribution according to Member States (%) | Initial subscription |                                | Decision of Board of Governors of 26 April 1971 |                                | Enlargement of the Community (1 January 1973) |                                | Decision of Board of Governors of 10 July 1975 |   |  |
|----------------|---|----------------------|--------------------------------|---|--------------------------------|---|--------------------------------|--|---|--|
|                |   | Subscribed capital   | Paid-up capital (million u.a.) | Subscribed capital                              | Paid-up capital (million u.a.) | Subscribed capital                            | Paid-up capital (million u.a.) | Subscribed capital                             | Called capital (paid up and due to be paid up) (million u.a.) | Breakdown according to Member States (rounded %) |
| Germany        | 30.0  | 300.0                | 75.0                           | 450.0   | 90.0                           | 450.0   | 90.0                           | 787.5  | 123.75  | 22.22  |
| France         | 30.0  | 300.0                | 75.0                           | 450.0   | 90.0                           | 450.0   | 90.0                           | 787.5  | 123.75  | 22.22  |
| United Kingdom | —   | —                    | —                              | —   | —                              | 450.0   | 90.0                           | 787.5  | 123.75  | 22.22  |
| Italy          | 24.0  | 240.0                | 60.0                           | 360.0   | 72.0                           | 360.0   | 72.0                           | 630.0  | 99.0  | 17.78  |
| Belgium        | 8.65  | 86.5                 | 21.625                         | 129.75  | 25.95                          | 118.5   | 23.7                           | 207.375  | 32.5875   | 5.85   |
| Netherlands    | 7.15  | 71.5                 | 17.875                         | 107.25  | 21.45                          | 118.5   | 23.7                           | 207.375  | 32.5875   | 5.85   |
| Denmark        | —   | —                    | —                              | —   | —                              | 60.0  | 12.0                           | 105.0  | 16.5  | 2.96   |
| Ireland        | —   | —                    | —                              | —   | —                              | 15.0  | 3.0                            | 26.25  | 4.125   | 0.74   |
| Luxembourg     | 0.2   | 2.0                  | 0.5                            | 3.0   | 0.6                            | 3.0   | 0.6                            | 5.25   | 0.825   | 0.15   |
| Total          | 100.0                                       | 1 000.0              | 250.0                          | 1 500.0   | 300.0                          | 2 025.0                                       | 405.0                          | 3 543.750                                      | 556.875   | 100.0  |

The EIB continued to support the extension and modernisation of telecommunications in the Community with seven loans totalling 197.7 million units of account, which went mainly towards installations in inadequately served regions in Ireland, Brittany, Wales, Sicily, Abruzzi, Molise, Trentino-Alto Adige and Veneto.

## Results for the year

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**Net income amounted  
to 59.4 million**

The results for 1975 were greatly influenced by the increase of about 100 million in receipts of interest on loans, whereas the amount of interest and charges on borrowings incurred over the year rose by only 77 million. In contrast to the high level of interest rates on money markets during the previous year, 1975 saw a downturn in rates with the result that income from short-term investments fell from 52 million in 1974 to 34 million in 1975. This drop in investment income was also due in part to the fact that the Bank took steps to channel borrowing proceeds as quickly as possible into long-term lending in order to reduce liquidity.

After allowing for the amortisation of issuing charges and redemption premiums amounting to 9.6 million as against 8.1 million in 1974, the results for the year showed an operating income of 54.9 million as against 49.3 million in 1974. On the basis of conversion rates by reference to the European Unit of Account as of 31 December 1975, an amount of approximately 4.5 million was credited to the profit and loss account resulting from the reevaluation of assets not subject to adjustment under Article 7 of the Statute. The net income available for appropriation to the statutory and other reserves thus amounted to 59.4 million. It will be recalled that in 1974, the net income appropriated to the statutory and other reserves was 36.3 million, resulting from the deduction from the operating income of 49.3 million of a net loss of 6 million arising from the reevaluation of assets not subject to adjustment under Article 7 of the Statute, of a supplementary provision for administrative expenses of 2 million and, finally, of a supplementary amortisation of issuing charges of 5 million.

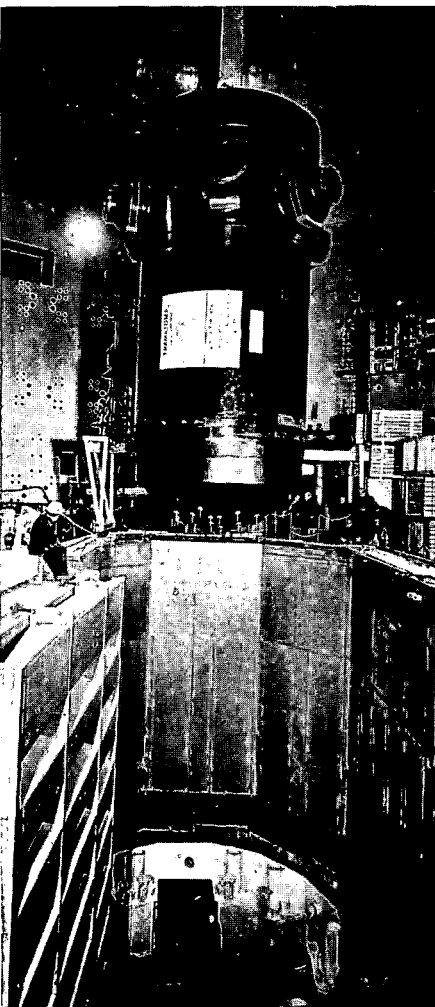
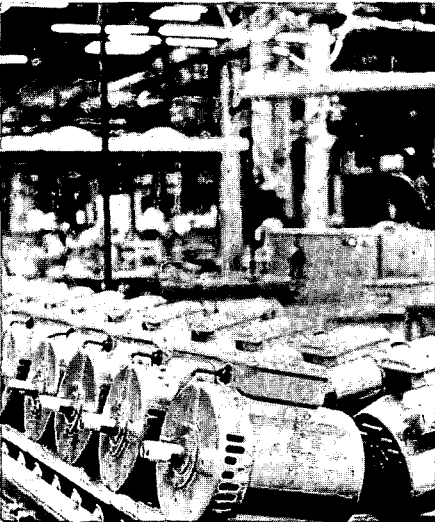
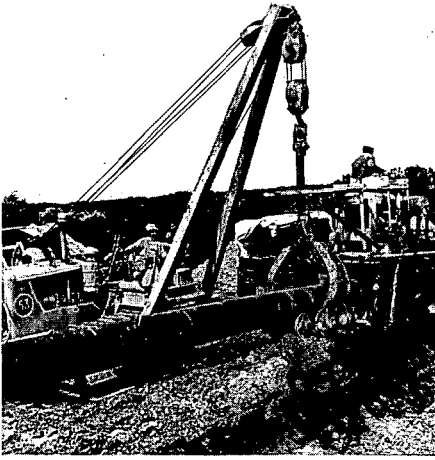
**and was appropriated  
to the statutory  
and other reserves**

Of this balance 20 million was appropriated to the statutory reserve and the remainder to the other reserves. At 31 December 1975 total reserves consequently amounted to 345 million, of which 130 million in the statutory reserve.

**Balance sheet total  
at 31 December 1975 :  
close on 5 500 million**

At the same date, the Bank's balance sheet total stood at 5 469 million, compared with 4 503 million at 31 December 1974, representing an increase of 21.5%.

# List of projects financed in 1975



## Ordinary operations

million u. a.

million u. a. (!)

### BELGIUM

Bfrs 500 million **10.8**

1. Gasline for conveying natural gas from the North Sea and the Netherlands to southern Belgium and northern France

**Société Européenne du Gazoduc Est-Ouest (SEGEO)**  
Bfrs 500 million **10.8**

### DENMARK

Dkr 125.4 million **17.7**

2. Acquisition and installation of oil production platforms for the DAN field in the Danish sector of the North Sea

**Dansk Boreelskab A/S**  
Dkr 43 million **6.1**

3. Extension of factory producing electric motors at Aalborg (North Jutland)

**Thrige Titan A/S**  
Dkr 10 million **1.4**

4. Pig slaughterhouse near Sønderborg (South Jutland)

**Slagteriregion Syd**  
Dkr 25 million **3.6**

5-6. Global loans to the Danish Government (Direktoratet for Egnsudvikling) to finance small and medium-scale industrial ventures in less developed areas of Denmark

First loan :  
Dkr 17.5 million **2.5** **5.3**  
Second loan :  
Dkr 20.0 million **2.8**

7. Global loan to **Finansieringsinstituttet for Industri og Håndværk A/S** for financing small and medium-scale industrial ventures in less developed areas of Denmark  
Dkr 9.9 million **1.4**

### FRANCE

Ffrs 845.7 million **158.0**

8. Fourth stage of Bugey nuclear power station at St Vulbas (Rhône-Alpes)

**Électricité de France (EDF) — French National Electricity Board**  
Ffrs 100 million **19.1**

9. Factory producing pressure vessels and steam generators for light water reactors at Châlon-sur-Saône (Burgundy)

**Société Franco-Américaine de Constructions Atomiques (Framatome)**  
Ffrs 25 million **4.6**

10. Apparatus for underwater aligning and butt-welding of pipelines (new technology)

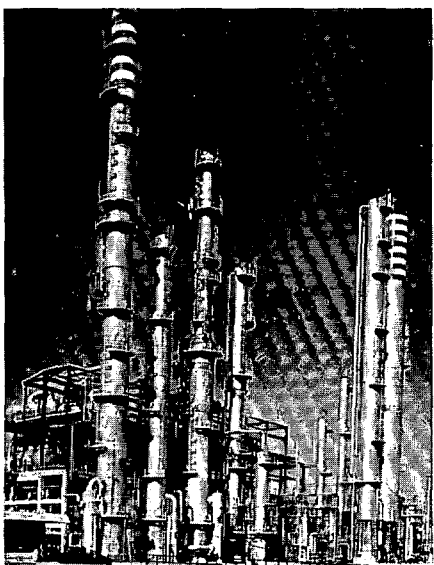
**Compagnie Maritime d'Expertises (COMEX)**  
Ffrs 10 million **1.8**

11-13. Improvement and extension of water supply systems in rural areas of Brittany. Three loans to Finistère (Ffrs 14.3 million) Ile-et-Vilaine (Ffrs 20 million) and Morbihan (Ffrs 15.7 million) departments; total Ffrs 50 million **9.6**

14. Verdun-Rheims section of A4 Paris-Metz motorway (Champagne-Lorraine)

**Société Concessionnaire des Autoroutes Paris-Est-Lorraine (APEL) S.A.**  
Ffrs 165 million **31.8**

(!) Finance contracts are denominated in the equivalent of the national currency for operations in Member Countries, in United States dollars for projects in Greece, and in units of account for projects in other Associated Countries; amounts shown in national currencies for operations in Associated Countries and in Greece are thus merely indicative.



million u. a.

million u. a.

15. Improvement of rail links between Paris and South-West France as far as the Spanish frontier (Poitou-Charentes, Aquitaine)

**Société Nationale des Chemins de Fer Français (SNCF)**

Ffrs 150 million

27.3

16. Extension and modernisation of the international telecommunications system

**Administration des Postes et Télécommunications** through the intermediary of **Caisse Nationale des Télécommunications**

Ffrs 170 million

30.5

17. Extension and modernisation of the telecommunications system in Brittany

**Administration des Postes et Télécommunications** through the intermediary of **Caisse Nationale des Télécommunications**

Ffrs 155.7 million

29.7

18. Global loan to **Société Lorraine de Développement et d'Expansion (LORDEX)** for financing small and medium-scale industrial ventures in Lorraine

Ffrs 20 million

3.6

## IRELAND

£Ir 22.0 million

37.7

19. Extension and modernisation of the telecommunications system in Ireland

**Department of Posts and Telegraphs** through the intermediary of the **Ministry for Finance**

£Ir 17.5 million

30.0

20. Extension of cement works at Platin, Co. Meath (East Region)

**Cement Limited**

£Ir 4.5 million

7.7

## ITALY

Lit 289 800 million

358.8

21-22. Caorso nuclear power station, near Piacenza (Emilia Romagna)

**ENEL — Ente Nazionale per l'Energia Elettrica**

Two loans totalling

Lit 36 200 million

44.5

23-24. Development of Malossa natural gas and petroleum deposits in the Po Valley (Lombardy)

**AGIP S.p.A.**

Two loans totalling

Lit 36 200 million

44.5

25. Four gaslines in Calabria

**SNAM S.p.A.** through the intermediary of **ENI — Ente Nazionale Idrocarburi**

Lit 7 000 million

8.6

26. Sinni aqueduct: dam and 450 million m<sup>3</sup> reservoir at Monte Cotugno (Basilicata) and main pipeline to the Alto Metapontino plain

**Cassa per il Mezzogiorno** <sup>(1)</sup>

Lit 24 000 million

30.3

27. Pertusillo aqueduct: pipeline connecting with the Pugliese aqueduct and branch lines supplying several towns (Apulia and Basilicata)

**Cassa per il Mezzogiorno**

Lit 25 000 million

31.5

28. Measures to reduce pollution in the Gulf of Naples: construction of sewers and purification plant for domestic and industrial waste water (Campania)

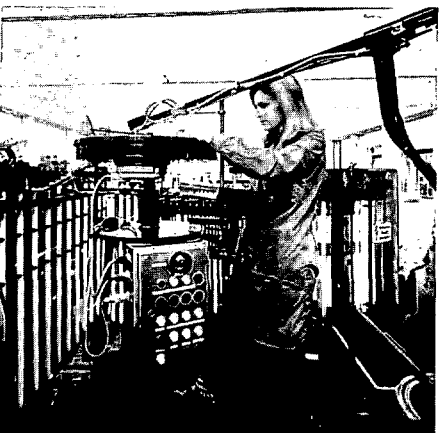
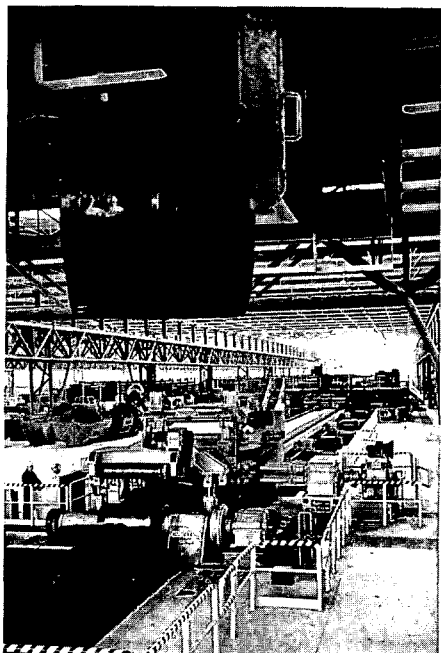
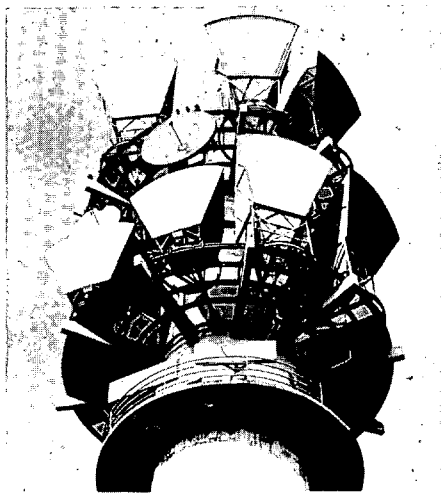
**Cassa per il Mezzogiorno**

Lit 24 000 million

30.3

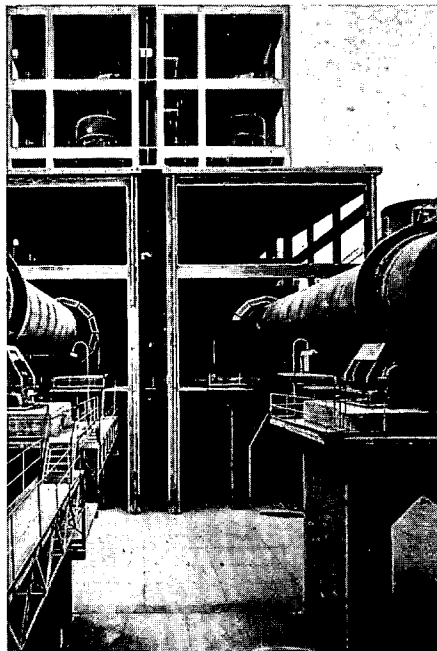
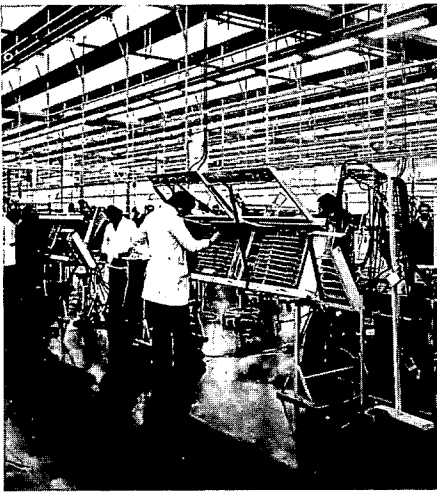
<sup>(1)</sup> Cassa per opere straordinarie di pubblico interesse nell'Italia Meridionale.





|  | million u. a. | million u. a. |  |
|--|---------------|---------------|--|
| <p>29. Alessandria (Alessandria province) - Santhià (Vercelli province) section, Piedmont, of the "Tunnels Motorway"</p> <p><b>Autostrade — Concessioni e Costruzioni Autostrade S.p.A.</b><br/>Lit 24 000 million</p>   | 29.2          |               |  |
| <p>30. Fréjus transalpine road tunnel between Italy and France</p> <p><b>Società Italiana Traforo Autostradale del Fréjus p.A. (SITAF)</b><br/>Lit 7 600 million</p>   | 9.3           |               |  |
| <p>31. Extension and modernisation of telephone installations in Veneto and Trentino-Alto Adige</p> <p><b>SIP — Società Italiana per l'Esercizio Telefonico p.A.</b><br/>Lit 24 500 million</p>  | 29.8          |               |  |
| <p>32. Extension and modernisation of telecommunications in Sicily</p> <p><b>SIP — Società Italiana per l'Esercizio Telefonico p.A.</b>, through the intermediary of IMI — Istituto Mobiliare Italiano<br/>Lit 24 000 million</p>  | 29.4          |               |  |
| <p>33. Extension and modernisation of telecommunications in Abruzzi and Molise</p> <p><b>SIP — Società Italiana per l'Esercizio Telefonico p.A.</b>, through the intermediary of IMI — Istituto Mobiliare Italiano<br/>Lit 15 000 million</p>  | 18.4          |               |  |
| <p>34-35. Extension and modernisation of works producing welded steel tubes at Taranto (Apulia)</p> <p><b>Tubificio Dalmine Italsider S.p.A.</b><br/>First loan through the intermediary of the <b>Cassa per il Mezzogiorno</b><br/>Lit 900 million 1.1<br/>Second loan through the intermediary of <b>ISVEIMER — Istituto per lo Sviluppo Economico dell'Italia Meridionale</b><br/>Lit 900 million 1.1</p>                           | 2.3           |               |  |
| <p>36-37. Extension and modernisation of plant producing welded steel tubes at Torre Annunziata (Campania)</p> <p><b>Dalmine S.p.A.</b><br/>First loan through the intermediary of the <b>Cassa per il Mezzogiorno</b><br/>Lit 3 600 million 4.5<br/>Second loan through the intermediary of <b>ISVEIMER — Istituto per lo Sviluppo Economico dell'Italia Meridionale</b><br/>Lit 3 600 million 4.5</p>                                | 9.1           |               |  |
| <p>38-39. Extension and modernisation of Gela petrochemicals complex (Sicily) by increasing chlorine, caustic soda, ethylene oxide and ethylene glycol production capacities</p> <p><b>ANIC S.p.A.</b><br/>First loan through the intermediary of <b>ENI — Ente Nazionale Idrocarburi</b><br/>Lit 8 000 million 9.9<br/>Second loan through the intermediary of <b>IMI — Istituto Mobiliare Italiano</b><br/>Lit 2 500 million 3.1</p> | 13.0          |               |  |
| <p>40-41. Plant producing MDI, an intermediate product used in the manufacture of rigid polyurethanes, at Brindisi (Apulia)</p> <p><b>Montedison S.p.A.</b><br/>First loan through the intermediary of the <b>Cassa per il Mezzogiorno</b><br/>Lit 6 000 million 7.6<br/>Second loan through the intermediary of <b>ISVEIMER — Istituto per lo Sviluppo Economico dell'Italia Meridionale</b><br/>Lit 6 000 million 7.6</p>            | 15.2          |               |  |
| <p>42. Extension of industrial chemicals factory (sodium metasilicate and chlorofluoro-hydrocarbon derivatives) at Bussi (Abruzzi)</p> <p><b>Montedison S.p.A.</b> through the intermediary of the <b>Cassa per il Mezzogiorno</b><br/>Lit 1 800 million 2.2</p>   | 2.2           |               |  |





|   | million u. a. | million u. a. |
|---|---------------|---------------|
| 60. Improvement of water supply system : 200 million m <sup>3</sup> impounding dam at Kielder on the North Tyne river and regulation of the rivers Tyne, Wear and Tees (Northern England)<br><b>Northumbrian Water Authority</b> through the intermediary of <b>National Water Council</b><br>£ 7.5 million | 13.3          |               |
| 61. Installation of three new coating lines at British Steel Corporation's Shotton complex in North Wales<br><b>British Steel Corporation</b><br>£ 17.5 million   | 31.0          |               |
| 62. Factory producing semi-portable typewriters in Glasgow (Scotland)<br><b>British Olivetti Limited</b> through the intermediary of <b>Olivetti International S.A.</b><br>£ 1 million  | 1.8           |               |
| 63. Glucose factory at Howden (Yorkshire & Humberside)<br><b>The Howden Glucose Company Limited</b><br>£ 1.6 million  | 2.7           |               |
| 64. Whisky bottling and blending plant at Shieldhall, near Glasgow (Scotland)<br><b>The Distillers Company Limited</b><br>£ 12 million  | 22.3          |               |
| Total loans in the Community :  | 917.5         |               |
| 66. Factory producing flat-rolled aluminium products in Oenophyta (Boeotia)<br><b>ELVAL — Industrie Hellénique d'Aluminium S.A.</b> through the intermediary of the <b>Hellenic Industrial Development Bank (ETBA)</b><br>Dr 55.6 million (\$ 1.9 million)  |               | 1.4           |
| 67. Cement works at Kamari (Boeotia)<br><b>Titan Cement Co. S.A.</b> through the intermediary of the <b>Hellenic Industrial Development Bank (ETBA)</b><br>Dr 139.5 million (\$ 4.0 million)  |               | 3.0           |
| 68. Electrical and telecommunications cables factory at Volos (Thessaly)<br><b>Chandris-Cables S.A.</b> through the intermediary of the <b>Hellenic Industrial Development Bank (ETBA)</b><br>Dr 173.1 million (\$ 5.0 million)   |               | 4.0           |
| 69. Integrated cotton spinning and weaving plant at Yannitsa (Eastern Macedonia)<br><b>Tissages Helléniques S.A.</b> through the intermediary of the <b>Hellenic Industrial Development Bank (ETBA)</b><br>Dr 48.4 million (\$ 1.4 million)   |               | 1.2           |
| 70. Plant for producing nylon filament yarn in Athens<br><b>ETMA Rayon Manufacturing S.A.</b> through the intermediary of the <b>National Investment Bank for Industrial Development (NIBID)</b><br>Dr 119.9 million (\$ 3.5 million)   |               | 3.0           |
| 71. Global loan to the <b>National Investment Bank for Industrial Development (NIBID)</b> for financing small and medium-scale ventures<br>Dr 301.6 million (\$ 10.0 million)   |               | 7.7           |

#### ASSOCIATED COUNTRIES

##### GREECE

Dr 1 878 million  
(\$ 55.8 million) 47.2

65. Irrigation and flood control in the Serres plain (Eastern Macedonia), Hellenic Republic  
**Ministries of Public Works and Agriculture**

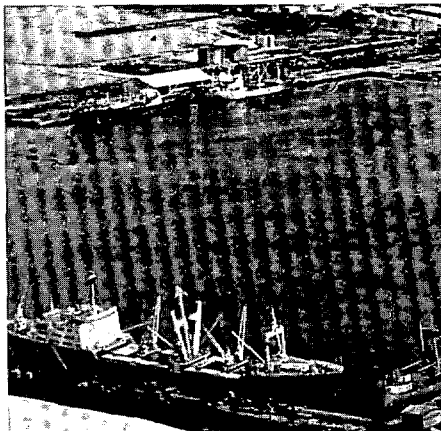
Dr 1 039.8 million (\$ 30 million) 26.0

##### MAURITIUS

Mau Rs 13.6 million 1.75

72. Uprating Fort Victoria thermal power station

**Central Electricity Board**  
Mau Rs 13.6 million 1.75



million u. a.

million u. a.

## Special operations

### NETHERLANDS ANTILLES

Ant Fl 9.1 million

4.4

73. Extension of Curaçao international airport

Netherlands Antilles

Ant Fl 9.1 million

4.4

### GUADELOUPE

Ffrs 4 million

0.7

74. Construction of a new mixed cargo wharf at Pointe-à-Pitre

Department of Guadeloupe

Ffrs 4 million

0.7

### TURKEY

TL 605.4 million

35.0

75. Irrigation of the Berdan Valley in Mersin province (Southern Anatolia)

Devlet Su Isleri General Müdürlüğü — DSI (Department of State Hydraulic Works, Ministry of Energy and Natural Resources)

Topraksu (Department of Land Reclamation and Development, Ministry of Rural Affairs), Extension Services of the Ministry of Agriculture

TL 189.2 million

11.0

76. Second loan for mining a lignite deposit and construction of a thermal power station at Elbistan (Eastern Anatolia), following an earlier loan for 58 million in 1974

Türkiye Elektrik Kurumu — TEK (Turkish Electricity Authority)

Türkiye Kömür İşletmeleri Kurumu — TKİ (Turkish Coal Enterprises)

TL 330.2 million

19.0

77. Global loan to the INDUSTRIAL INVESTMENT AND CREDIT BANK for financing small and medium-scale industrial projects

Sinai Yatırım ve kredi Bankası (SYKB)

TL 86 million

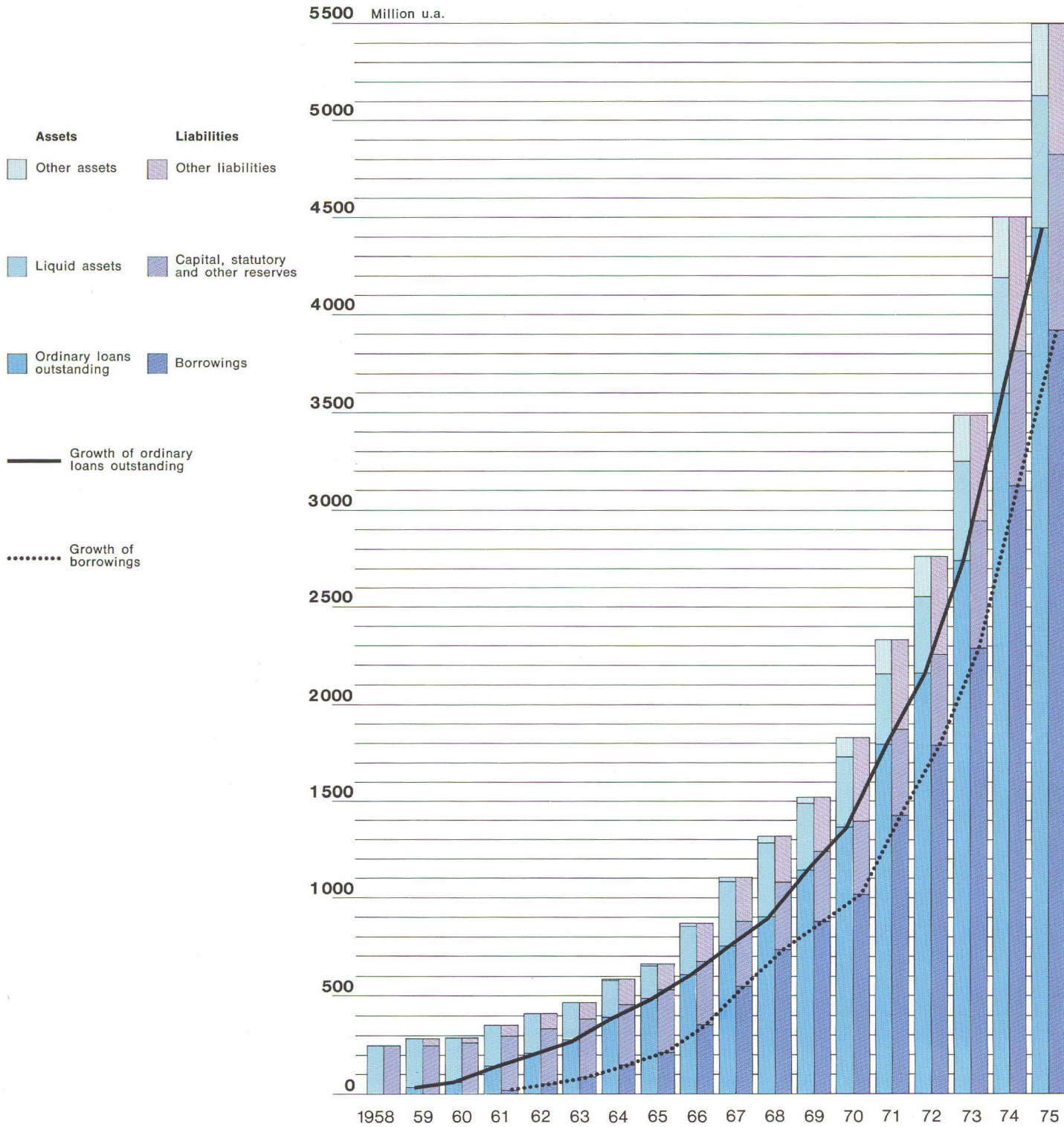
5.0

Total loans outside the Community : 89.0

GRAND TOTAL :

1 006.5

**Balance sheet of the Bank at 31 December of each year**





# Administration

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Changing responsibilities occasioned the resignation of Messrs Gastone MICONI, Christopher FOGARTY and David NENDICK from the Board of Directors during the year. The Board would like to record its appreciation of their valuable contribution to the activities of the Bank.

All three seats vacated went to new Directors appointed by the Board of Governors to complete their predecessors' terms of office: Mr Ferdinando VENTRIGLIA, Director, Mr Norman JORDAN-MOSS, Director and Mr Roger BARNES, Alternate.

Following the resignation of Mr Roger LÉONARD, Mr Michael JACOB was appointed to the Audit Committee. The Board wishes to express its thanks to Mr LÉONARD for his valuable work for the Committee.

The continuing expansion of its activities, in particular its growing functions outside the Community, resulted in further additions to the Bank's staff: at 31 December 1975 there were 359 personnel, compared with 338 at 31 December 1974.

The Board of Directors wishes to convey its thanks, to the staff of the Bank for their diligence and the high quality of their work throughout the year.

Luxembourg, 6 April 1976

Yves LE PORTZ

Chairman of the Board of Directors

# Balance sheet at 31 December 1975

(in units of account - see notes to the financial statements, Annex E)

| <b>Assets</b>  | <b>31.12.1975</b>           | <b>31.12.1974</b>           |
|--|-----------------------------|-----------------------------|
| Receivable from Member States on account of called capital . . . . .                 | 151 875 000                 | —                           |
| Cash and bank deposits   |                             |                             |
| At sight and up to one year's notice . . . . .                                       | 333 213 291                 | 437 899 631                 |
| At more than one year's notice . . . . .   | 4 243 267                   | 3 010 446                   |
|  | <u>337 456 558</u>          | <u>440 910 077</u>          |
| Investments (Note B)   |                             |                             |
| For not more than one year . . . . .   | 7 531 472                   | 42 483 789                  |
| For more than one year . . . . .   | 144 704 332                 | 71 521 209                  |
|  | <u>152 235 804</u>          | <u>114 004 998</u>          |
| Borrowing proceeds to be received . . . . .  | 40 939 011                  | 32 806 007                  |
| Receivable from Member States for adjustment of capital (Annex D) . . . . .          | 38 063 178                  | 34 147 391                  |
| Loans (Annex B)  |                             |                             |
| disbursed . . . . .  | 4 178 744 729               | 3 239 857 327               |
| undisbursed . . . . .  | 264 808 983                 | 361 044 873                 |
|  | <u>4 443 553 712</u>        | <u>3 600 902 200</u>        |
| Contra accounts to guarantees  |                             |                             |
| In respect of loans under mandate . . . . .  | 110 926 643                 | 112 667 095                 |
| excluding those  |                             |                             |
| (a) in respect of loans granted by third parties . . . . .                           | (19 647 523)                | (19 882 429)                |
| (b) in respect of participations by third parties in the loans of the Bank . . . . . | (42 397 712)                | (26 188 475)                |
| Land and buildings . . . . .   | 503 571                     | 507 445                     |
| Accrued interest and commission . . . . .  | 78 719 249                  | 58 483 628                  |
| Unamortised issuing charges . . . . .  | 65 214 634                  | 55 562 755                  |
| Unamortised redemption premiums . . . . .  | 5 096 433                   | 5 788 784                   |
|  | <u>70 311 067</u>           | <u>61 351 539</u>           |
| Special deposits for service of loans (Note C) . . . . .                             | 32 993 735                  | 41 854 702                  |
| Miscellaneous (Note D) . . . . .   | 11 904 024                  | 5 709 365                   |
|  | <u><u>5 469 481 552</u></u> | <u><u>4 503 344 447</u></u> |

## Liabilities

|  | 31.12.1975           | 31.12.1974           |
|--|----------------------|----------------------|
| Capital (Annex A)  |                      |                      |
| Subscribed . . . . .   | 3 543 750 000        | 2 025 000 000        |
| Uncalled . . . . .   | 2 986 875 000        | 1 620 000 000        |
|  | <u>556 875 000</u>   | <u>405 000 000</u>   |
| Statutory reserve (Note G) . . . . .                                       | 130 000 000          | 110 000 000          |
| Other reserves (Note G)  |                      |                      |
| For risks on loans and guarantees . . . . .                                | 143 901 812          | 117 982 653          |
| For equalisation of interest on borrowings . . . . .                       | 13 000 000           | 13 000 000           |
| For monetary risks . . . . .   | 33 475 915           | 29 000 000           |
| For building . . . . .   | 25 000 000           | 16 000 000           |
|  | <u>215 377 727</u>   | <u>175 982 653</u>   |
| Write-back of issuing charges previously amortised . . . . .               | 23 127 079           | 23 127 079           |
| Staff pension fund . . . . .   | 8 071 073            | 6 514 640            |
| Payable to Member States for adjustment of capital (Annex D) . . . . .     | 23 904 493           | 20 878 986           |
| Borrowings (Annex C)   |                      |                      |
| Bonds and notes . . . . .  | 3 346 910 328        | 2 716 505 002        |
| Other medium and long-term borrowings . . . . .                            | 568 572 274          | 396 734 338          |
|  | <u>3 915 482 602</u> | <u>3 113 239 340</u> |
| Redemption premiums on bonds . . . . .                                     | 10 526 141           | 10 604 592           |
|  | <u>3 926 008 743</u> | <u>3 123 843 932</u> |
| Undisbursed balance of loans . . . . .                                     | 264 808 983          | 361 044 873          |
| Guarantees   |                      |                      |
| On loans under mandate . . . . .   | 110 926 643          | 112 667 095          |
| On loans granted by third parties . . . . .                                | (19 647 523)         | (19 882 429)         |
| On participations by third parties in the loans of the Bank . . . . .      | (42 397 712)         | (26 188 475)         |
| Accrued interest and commission and interest received in advance . . . . . | 130 117 144          | 101 574 816          |
| Coupons and liabilities due and not yet paid (Note C) . . . . .            | 32 993 735           | 41 854 702           |
| Miscellaneous (Note D) . . . . .   | 47 270 932           | 20 855 671           |
|  | <u>5 469 481 552</u> | <u>4 503 344 447</u> |

## Memorandum accounts

|   |             |             |
|---|-------------|-------------|
| Undertaking to stand guarantor for loans to be granted by third parties . . . . . | 49 118 809  | —           |
| Securities received as guarantee for loans under mandate.                         | 27 833 992  | 28 166 774  |
| Securities received on deposit . . . . .  | 128 724 427 | 119 525 722 |

# Profit and loss account for the year ended 31 December 1975

(in units of account - see notes to the financial statements, Annex E)

| Debit   | 1975               | 1974               | Credit  | 1975               | 1974               |
|---|--------------------|--------------------|---|--------------------|--------------------|
| Administrative expenses and charges . . . . .   | 14 175 391         | 11 339 398         | Interest and commission on loans . . . . .  | 312 485 485        | 212 651 511        |
| Supplementary provision for administrative expenses . .   | —                  | 2 000 000          | Interest and commission on investments . . . . .  | 33 974 876         | 51 965 392         |
| Interest and charges on borrowings . . . . .  | 274 821 383        | 197 798 267        | Management commission (Note F) . . . . .  | 2 228 327          | 1 885 773          |
| Amortisation of issuing charges and redemption premiums . . . . .   | 9 602 463          | 8 099 950          | Financial and other income  | 5 188 049          | 2 314 470          |
| Supplementary amortisation of issuing charges . . . . .   | —                  | 5 000 000          | Exchange differences (Note E) . . . . .   | 790 943            | —                  |
| Financial charges . . . . .   | 164 198            | 962 911            | Net surplus value arising from reevaluation of the assets of the Bank not subject to adjustment under Art. 7 of the Statute . . . . | 4 475 915          | —                  |
| Depreciation of net purchases of furniture and equipment . . . . .  | 985 086            | 156 251            |   |                    |                    |
| Exchange differences . . . . .  | —                  | 1 172 608          |   |                    |                    |
| Net decrease in value arising from reevaluation of the assets of the Bank not subject to adjustment under Art. 7 of the Statute . . . . | —                  | 5 991 566          |   |                    |                    |
| Reserve for risks on loans and guarantees . . . . .   | 25 919 159         | 12 982 653         |   |                    |                    |
| Reserve for monetary risks  | 4 475 915          | 6 000 000          |   |                    |                    |
| Reserve for building . . . . .  | 9 000 000          | 5 000 000          |   |                    |                    |
| Balance appropriated to the statutory reserve . . . . .   | 20 000 000         | 12 313 542         |   |                    |                    |
|   | <u>359 143 595</u> | <u>268 817 146</u> |   | <u>359 143 595</u> | <u>268 817 146</u> |

# Statement of Special Section<sup>(1)</sup> at 31 December 1975

(in units of account - see notes to the financial statements, Annex E)

| Assets                                 |                      | 1975               | 1974        | Liabilities                 |       | 1975               | 1974        |
|--|----------------------|--------------------|-------------|-----------------------------|-------|--------------------|-------------|
| <b>Turkey</b>                          |                      |                    |             |                             |       |                    |             |
| <i>From resources of Member States</i> |                      |                    |             |                             |       |                    |             |
| Loans . . . . .                        |                      | <b>228 677 376</b> | 216 910 509 | Trust management funds      |       | <b>228 677 376</b> | 216 910 509 |
| Undisbursed loans . . . . .            |                      | <b>128 962 771</b> | 103 783 658 | Undisbursed funds . . . . . |       | <b>128 962 771</b> | 103 783 658 |
|  | Total <sup>(2)</sup> | <b>357 640 147</b> | 320 694 167 |                             | Total | <b>357 640 147</b> | 320 694 167 |

## Associated African States, Madagascar, Mauritius and the Overseas Countries, Territories and Departments

|  |       |                    |             |  |       |                    |             |
|--|-------|--------------------|-------------|--|-------|--------------------|-------------|
| <i>From resources of the European Economic Community</i>                     |       |                    |             |  |       |                    |             |
| Loans <sup>(2)</sup> . . . . .   |       | <b>78 446 317</b>  | 63 285 655  | Trust management funds                                   |       | <b>80 864 589</b>  | 64 719 440  |
| Undisbursed loans . . . . .  |       | <b>27 672 388</b>  | 37 020 365  | Undisbursed funds :                                      |       |                    |             |
| Contributions to the formation of risk capital :                             |       |                    |             | loans . . . . .  |       | <b>27 672 388</b>  | 37 020 365  |
| — Equity participations . . . . .  |       | <b>1 743 358</b>   | 1 630 930   | contributions to the formation of risk capital . . . . . |       | <b>244 660</b>     | 197 145     |
| — Quasi-capital assistance (of which 244 660 u.a. not yet paid up) . . . . . |       | <b>919 574</b>     | —           |  |       |                    |             |
|  | Total | <b>108 781 637</b> | 101 936 950 |  | Total | <b>108 781 637</b> | 101 936 950 |

## Summary

|  |       |                    |             |  |       |                    |             |
|--|-------|--------------------|-------------|--|-------|--------------------|-------------|
| Loans . . . . .  |       | <b>307 123 693</b> | 280 196 164 | Trust management funds                                   |       | <b>309 541 965</b> | 281 629 949 |
| Undisbursed loans . . . . .  |       | <b>156 635 159</b> | 140 804 023 | Undisbursed funds :                                      |       |                    |             |
| Contributions to the formation of risk capital (of which 244 660 u.a. not yet paid up) |       | <b>2 662 932</b>   | 1 630 930   | loans . . . . .  |       | <b>156 635 159</b> | 140 804 023 |
|  |       |                    |             | contributions to the formation of risk capital . . . . . |       | <b>244 660</b>     | 197 145     |
|  | Total | <b>466 421 784</b> | 422 631 117 |  | Total | <b>466 421 784</b> | 422 631 117 |

<sup>(1)</sup> The Special Section was set up by the Board of Governors on 27 May 1963 for recording the operations carried out by the European Investment Bank for the account of and under mandate from Member States and the European Economic Community.

<sup>(2)</sup> Original amount of loan contracts signed for financing projects in Turkey for the account of and under mandate from Member States : 357 900 000

|                        |           |                    |                    |
|------------------------|-----------|--------------------|--------------------|
| <b>Add :</b>           |           |                    |                    |
| — exchange adjustments |           | + 6 576 251        |                    |
| <b>Less :</b>          |           |                    |                    |
| — cancellation         | 215 000   |                    |                    |
| — repayments           | 6 621 104 |                    |                    |
|                        |           | <u>— 6 836 104</u> |                    |
|                        |           |                    | <u>— 259 853</u>   |
|                        |           |                    | <u>357 640 147</u> |

<sup>(3)</sup> Original amount of loan contracts signed for financing projects in the Associated African States, Madagascar, Mauritius and the Overseas Countries, Territories and Departments (AASMM-OCTD) for the account of and under mandate from the European Economic Community : 104 598 831

|                        |           |                    |                    |
|------------------------|-----------|--------------------|--------------------|
| <b>Add :</b>           |           |                    |                    |
| — capitalised interest | 870 921   |                    |                    |
| — exchange adjustments | 4 422 850 |                    |                    |
|                        |           | <u>+ 5 293 771</u> |                    |
| <b>Less :</b>          |           |                    |                    |
| — cancellations        | 1 269 140 |                    |                    |
| — repayments           | 2 504 757 |                    |                    |
|                        |           | <u>— 3 773 897</u> |                    |
|                        |           |                    | <u>+ 1 519 874</u> |
|                        |           |                    | <u>106 118 705</u> |



# Annex A - Statement of subscriptions to the capital of the Bank

At 31 December 1975

In thousands of units of account — See notes to the financial statements, Annex E

| Member States            | Subscribed capital (1) | Uncalled capital (2) | Called capital      |                | Total          |
|--------------------------|------------------------|----------------------|---------------------|----------------|----------------|
|                          |                        |                      | Paid up at 31.12.75 | To be paid up  |                |
| Germany . . . . .        | 787 500                | 663 750              | 90 000              | 33 750         | 123 750        |
| France . . . . .         | 787 500                | 663 750              | 90 000              | 33 750         | 123 750        |
| United Kingdom . . . . . | 787 500                | 663 750              | 90 000              | 33 750         | 123 750        |
| Italy . . . . .          | 630 000                | 531 000              | 72 000              | 27 000         | 99 000         |
| Belgium . . . . .        | 207 375                | 174 787.5            | 23 700              | 8 887.5        | 32 587.5       |
| Netherlands . . . . .    | 207 375                | 174 787.5            | 23 700              | 8 887.5        | 32 587.5       |
| Denmark . . . . .        | 105 000                | 88 500               | 12 000              | 4 500          | 16 500         |
| Ireland . . . . .        | 26 250                 | 22 125               | 3 000               | 1 125          | 4 125          |
| Luxembourg . . . . .     | 5 250                  | 4 425                | 600                 | 225            | 825            |
| <b>Total . . . . .</b>   | <b>3 543 750</b>       | <b>2 986 875</b>     | <b>405 000</b>      | <b>151 875</b> | <b>556 875</b> |

(1) By decision of the Board of Governors of 10 July 1975 the subscribed capital of the Bank was increased from 2 025 000 000 u.a. to 3 543 750 00 u.a. Each Member State will pay in its national currency, 10% of the increase, i.e. the equivalent of 151 875 000 u.a., in eight equal instalments of 18 984 375 u.a. on 30 April and 31 October of the years 1976/1979.

(2) Could be called by decision of the Board of Directors to such extent as may be required to meet the Bank's obligations towards lenders in respect of borrowings.

# Annex B - Analysis of loans outstanding

At 31 December 1975

In units of account — See notes to the financial statements, Annex E

| Countries and Territories in which loans have been granted (1) (2) | Number of loans | Amount disbursed     | Amount undisbursed | Total (3)            | %          |
|--|-----------------|----------------------|--------------------|----------------------|------------|
| Germany . . . . .  | 65              | 553 137 475          | —                  | 553 137 475          | 12.45      |
| France . . . . .   | 90              | 988 903 875          | 33 516 737         | 1 022 420 612        | 23.01      |
| United Kingdom . . . . .   | 31              | 459 051 552          | 77 434 185         | 536 485 737          | 12.07      |
| Italy . . . . .  | 219             | 1 744 423 802        | 66 032 899         | 1 810 456 701        | 40.74      |
| Belgium . . . . .  | 8               | 87 051 382           | —                  | 87 051 382           | 1.96       |
| Netherlands . . . . .  | 7               | 66 592 648           | —                  | 66 592 648           | 1.50       |
| Denmark . . . . .  | 12              | 31 052 793           | 5 495 368          | 36 548 161           | 0.82       |
| Ireland . . . . .  | 11              | 100 083 757          | —                  | 100 083 757          | 2.25       |
| Luxembourg . . . . .   | 3               | 5 583 101            | —                  | 5 583 101            | 0.13       |
| Greece . . . . .   | 21              | 53 326 242           | 36 619 525         | 89 945 767           | 2.02       |
| Cameroon . . . . .   | 9               | 12 227 931           | —                  | 12 227 931           | 0.28       |
| Congo . . . . .  | 1               | 7 370 061            | —                  | 7 370 061            | 0.17       |
| Ivory Coast . . . . .  | 9               | 29 230 344           | 20 166 397         | 49 396 741           | 1.11       |
| Gabon . . . . .  | 4               | 3 873 414            | —                  | 3 873 414            | 0.09       |
| Upper Volta . . . . .  | 1               | 379 875              | —                  | 379 875              | 0.01       |
| Mauritius . . . . .  | 1               | —                    | 1 750 000          | 1 750 000            | 0.04       |
| Senegal . . . . .  | 2               | 2 511 586            | —                  | 2 511 586            | 0.06       |
| Zaire . . . . .  | 3               | 13 202 330           | 16 600 000         | 29 802 330           | 0.67       |
| New Caledonia . . . . .  | 1               | 1 518 403            | —                  | 1 518 403            | 0.03       |
| Turkey . . . . .   | 2               | 19 224 158           | 7 193 872          | 26 418 030           | 0.59       |
| <b>Total . . . . .</b>   | <b>500</b>      | <b>4 178 744 729</b> | <b>264 808 983</b> | <b>4 443 553 712</b> | <b>100</b> |

## (1) Currencies in which loans are repayable :

| Currency :   | Amount :                  |
|--|---------------------------|
| Currencies of Member States . . . . .  | 2 334 155 459 u.a.        |
| Option of the Bank as between the currencies of the founder Member States of the Community . . . . . | 11 207 500 u.a.           |
| Other currencies . . . . .   | 1 833 381 770 u.a.        |
| Disbursed portion of loans . . . . .   | 4 178 744 729 u.a.        |
| Add undisbursed portion of loans . . . . .   | 264 808 983 u.a.          |
|  | <u>4 443 553 712 u.a.</u> |

## (3) Original amount of ordinary loans calculated on the basis of the parities applied on the date of signature :

|   |                    |
|---|--------------------|
|   | 5 239 068 195 u.a. |
| Less :  |                    |
| (a) terminations and cancellations . . . . .      | 80 223 069 u.a.    |
| (b) exchange adjustments . . . . .                | 41 022 081 u.a.    |
| (c) principal repayments to the Bank . . . . .    | 631 871 621 u.a.   |
| (d) third party participations in loans . . . . . | 42 397 712 u.a.    |

## (2) Breakdown of loans at 31.12.1975 by principal form of guarantee\* :

|  |                           |
|--|---------------------------|
| Loans granted to or guaranteed by Member States . . . . .  | 2 729 980 641 u.a.        |
| Loans granted to or guaranteed by public institutions in the Community . . . . .   | 819 869 154 u.a.          |
| Loans granted to banks including certain long-term credit institutions or guaranteed by them . . . . .                           | 351 957 659 u.a.          |
| Loans guaranteed by non-bank companies under majority control of Member States or public institutions in the Community . . . . . | 202 479 671 u.a.          |
| Loans secured by fixed charge on real estate . . . . .   | 114 572 146 u.a.          |
| Loans guaranteed by non-bank companies in the private sector . . . . .   | 104 790 300 u.a.          |
| Loans granted to Associated States or guaranteed by them . . . . .   | 85 866 877 u.a.           |
| Loans secured by fixed charge on other property or other security . . . . .  | 34 037 264 u.a.           |
|  | <u>4 443 553 712 u.a.</u> |

|                                      |                           |
|--------------------------------------|---------------------------|
|                                      | 795 514 483 u.a.          |
| Ordinary loans outstanding . . . . . | <u>4 443 553 712 u.a.</u> |

The total volume of loans and guarantees granted by the Bank, which under Article 18 (5) of the Statute must not exceed 250% of its subscribed capital, amounted at 31 December 1975 to :

|   |                           |
|---|---------------------------|
| — ordinary loans . . . . .  | 4 443 553 712 u.a.        |
| — guarantees given :  |                           |
| • in respect of loans under mandate . . . . .                                 | 110 926 643 u.a.          |
| • in respect of loans granted by third parties . . . . .                      | 19 647 523 u.a.           |
| • in respect of third party participations in the loans of the Bank . . . . . | 42 397 712 u.a.           |
|   | <u>172 971 878 u.a.</u>   |
|   | <u>4 616 525 590 u.a.</u> |

\* Certain loans are covered by several types of guarantee or security.

## Annex C - Statement of funded debt

At 31 December 1975

In units of account — See notes to the financial statements, Annex E

| Payable in                    | Operations during the financial year |                    |                    |                      |                      | Borrowings at 31 December 1975       |           |  |
|-------------------------------|--------------------------------------|--------------------|--------------------|----------------------|----------------------|--------------------------------------|-----------|--|
|                               | Borrowings at 31 December 1974       | Borrowings         | Redemptions        | Exchange adjustments | Amount (1)           | Rate of interest (weighted averages) | Due dates |  |
| DM . . . . .                  | 653 966 213                          | 180 829 190        | 26 817 485         | — 8 323 714          | 799 654 204          | 7.46                                 | 1976/1988 |  |
| Ffrs . . . . .                | 146 016 123                          | 66 768 791         | 10 493 075         | + 10 322 298         | 212 614 137          | 7.92                                 | 1976/1988 |  |
| Lit . . . . .                 | 252 967 627                          | 5 975 648          | + 5 602 068        | 252 594 047          | 6.57                 | 1976/1988                            |           |  |
| Bfrs . . . . .                | 192 305 406                          | 33 303 360         | 5 825 870          | — 3 430 960          | 216 351 936          | 7.61                                 | 1976/1993 |  |
| Fl . . . . .                  | 204 884 429                          | 71 808 682         | 22 140 219         | + 253 572            | 254 806 464          | 7.71                                 | 1976/1990 |  |
| Lfrs . . . . .                | 112 300 914                          | 11 101 120         | — 1 823 071        | 121 578 963          | 7.52                 | 1976/1988                            |           |  |
| Eurco (2) . . . . .           | 90 159 418                           | 2 022 260          | + 68 505           | 88 205 663           | 8.13                 | 1976/1989                            |           |  |
| \$ . . . . .                  | 1 243 948 014                        | 298 904 958        | 58 595 459         | + 104 774 308        | 1 589 031 821        | 8.69                                 | 1976/1990 |  |
| Sfrs . . . . .                | 199 888 316                          | 133 769 079        | + 13 611 467       | 347 268 862          | 7.40                 | 1976/1990                            |           |  |
| £Lebanese . . . . .           | 16 802 880                           | 612 389            | + 251 787          | 16 442 278           | 7.13                 | 1976/1985                            |           |  |
| Yen . . . . .                 | 17 204 252                           | — 270 025          | 16 934 227         | 8.50                 | 1978                 |                                      |           |  |
| <b>Total . . . . .</b>        | <b>3 113 239 340</b>                 | <b>813 689 432</b> | <b>132 482 405</b> | <b>+ 121 036 235</b> | <b>3 915 482 602</b> |                                      |           |  |
| Redemption premiums . . . . . | 10 604 592                           |                    | 551 735            | + 473 284            | 10 526 141           |                                      |           |  |
| <b>Grand total . . . . .</b>  | <b>3 123 843 932</b>                 | <b>813 689 432</b> | <b>133 034 140</b> | <b>+ 121 509 519</b> | <b>3 926 008 743</b> |                                      |           |  |

(1) The following table shows the total capital sums required for redemption of the loans during the five years following the date of this statement :

| Year             | 1976             | 1977             | 1978             | 1979             | 1980             |
|------------------|------------------|------------------|------------------|------------------|------------------|
| Amount . . . . . | 131 270 282 u.a. | 213 678 695 u.a. | 262 234 671 u.a. | 282 312 073 u.a. | 480 057 355 u.a. |

(2) The Eurco consists of the sum of fixed amounts of the currencies of all the Member States of the European Economic Community : 1 Eurco = DM 0.9 + Ffrs 1.2 + £ 0.075 + Lit 80 + Fl 0.35 + Bfrs 4.5 + Dkr 0.2 + £Ir 0.005 + Lfrs 0.5.

## Annex D - Amounts receivable from or payable to Member States for adjustment of capital contributions

In accordance with Article 7 (1) and (2) of the Statute, application of the conversion rates given in Note A entails adjusting the amounts paid by Member States in their national currency as contributions to the Bank's capital.

The corresponding amounts receivable from or payable to Member States are as follows :

Receivable from :

|                          |                        |
|--------------------------|------------------------|
| United Kingdom . . . . . | 24 892 729 u.a.        |
| Italy . . . . .          | 12 344 216 u.a.        |
| Ireland . . . . .        | 826 233 u.a.           |
|                          | <u>38 063 178 u.a.</u> |

Payable to :

|                          |                 |                        |
|--------------------------|-----------------|------------------------|
| Germany . . . . .        | 14 143 048 u.a. |                        |
| 1961 revaluation balance | 49 044 u.a.     | 14 192 092 u.a.        |
| France . . . . .         |                 | 4 564 261 u.a.         |
| Belgium . . . . .        |                 | 1 564 600 u.a.         |
| Netherlands . . . . .    | 3 002 119 u.a.  |                        |
| 1961 revaluation balance | 35 534 u.a.     | 3 037 653 u.a.         |
| Denmark . . . . .        |                 | 505 262 u.a.           |
| Luxembourg . . . . .     |                 | 40 625 u.a.            |
|                          |                 | <u>23 904 493 u.a.</u> |

Amounts receivable from or payable to Member States shall be settled in accordance with Article 7 (1) and (2), when the interim measure referred to in Note A (Annex E) is superseded as a result of the decisions to be taken by the Board of Governors with regard to Articles 4 (1) and 7 (3) after the amendments to the Statute submitted for approval take effect.

## Annex E - Notes to the financial statements

At 31 December 1975

### Note A — Unit of account used for preparation of the financial statements

The definition of the unit of account of the European Investment Bank provided in Article 4 (1) of its Statute, and the method for converting it into the national currencies of Member States as prescribed in Article 7 (3) can no longer be applied as originally intended when the Statute was drafted.

The Governors therefore decided on 15 July 1974 to propose that the Statute be amended, to enable them, acting unanimously, to introduce a new definition of the unit of account and to modify the system for converting sums expressed in units of account into national currencies and vice versa. Amendment of the Statute is now in hand.

As an interim measure, the Board of Governors decided on 18 March 1975 that, as from 31 December 1974 and pending the introduction of a new definition of the Bank's unit of account and a new method for conversion of this unit, the EIB would adopt as rates for converting Member States' currencies into the Bank's unit of account and vice versa, the rates used for converting these currencies into the new European Unit of

Account, the value of which is equal to the sum of the following amounts of Member States' currencies :

|      |        |      |         |
|------|--------|------|---------|
| DM   | 0.828  | Bfrs | 3.66    |
| £    | 0.0885 | Lfrs | 0.14    |
| Ffrs | 1.15   | Dkr  | 0.217   |
| Lit  | 109    | £ Ir | 0.00759 |
| Fl   | 0.286  |      |         |

This "basket" was so composed that on 28 June 1974 its value would have been equivalent to that of the International Monetary Fund's Special Drawing Right. The conversion rates between Member States' currencies and the new European unit of account are determined by agreement between the Bank and the Commission of the European Communities, on the basis of market rates, it being understood that the Commission publishes these conversion rates in the Official Journal of the European Communities. Moreover, the Bank is to apply these conversion rates in calculating the rates applicable to other currencies used for its operations.

As from 31 December 1974, and for as long as the above interim measure remains in effect, the Bank's annual balance sheets have been and will continue to be drawn up and published on the basis of the conversion rates defined above.

The following rates were used for drawing up the balance sheet at 31 December 1975 :

|          |                            |  |
|----------|----------------------------|--|
| 1        | European unit of account = |  |
| 3.05382  | Deutsche Mark              |  |
| 5.21981  | French francs              |  |
| 0.575973 | Pounds sterling            |  |
| 797.769  | Italian lire               |  |
| 46.0606  | Belgian francs             |  |
| 3.13120  | Dutch guilders             |  |
| 7.19697  | Danish kroner              |  |
| 0.575039 | Irish pounds               |  |
| 46.0606  | Luxembourg francs          |  |
| 1.16528  | United States dollars      |  |
| 3.05239  | Swiss francs               |  |
| 2.84328  | Lebanese pounds            |  |
| 354.312  | Japanese yen               |  |
| 260.991  | CFA francs                 |  |

#### Note B — Investments

Investments comprise :

|  |                         |
|--|-------------------------|
| (a) treasury bonds, notes and bonds at the lowest of cost, nominal or market value (market value : 133 486 220 u.a.) . . . . . | 130 788 247 u.a.        |
| (b) the Bank's own bonds at their redemption cost . . . . .  | 21 018 475 u.a.         |
| (c) bank bills at their nominal value . . . . .  | 429 082 u.a.            |
|  | <u>152 235 804 u.a.</u> |

The breakdown, according to maturity, is as follows :

|   |                         |
|---|-------------------------|
| — not exceeding 3 months . . . . .                    | 5 593 789 u.a.          |
| — over 3 months but not exceeding 6 months . . . . .  | 300 389 u.a.            |
| — over 6 months but not exceeding 12 months . . . . . | 1 637 294 u.a.          |
| — over 12 months . . . . .                            | 144 704 332 u.a.        |
|   | <u>152 235 804 u.a.</u> |

#### Note C — Special deposits for service of loans

This item, which appears as a contra item on the liabilities side under the heading "Coupons and liabilities due and not yet paid", represents the amount of coupons and bonds due but not yet presented for payment.

#### Note D — Miscellaneous balance sheet accounts

These accounts comprise :

|  |                        |
|--|------------------------|
| (a) on the assets side :   |                        |
| — currencies receivable under the heading of swap operations outstanding at 31 December 1975 . . . . . | 5 644 743 u.a.         |
| — sundry debtors . . . . .   | 6 259 281 u.a.         |
|  | <u>11 904 024 u.a.</u> |
| (b) on the liabilities side :  |                        |
| — currencies payable under the heading of swap operations outstanding at 31 December 1975 . . . . .    | 5 601 585 u.a.         |
| — deposits from other banks . . . . .  | 16 372 936 u.a.        |
| — accrued expenses and sundry creditors . . . . .  | 25 296 411 u.a.        |
|  | <u>47 270 932 u.a.</u> |

#### Note E — Exchange differences

This represents the net profit arising from financial operations during the financial year 1975.

#### Note F — Management commission

This item represents the remuneration for the management of loans for the account of and under mandate from Member States and the European Economic Community.

#### Note G — Appropriation of net income.

In 1975 net income available for appropriation to the statutory and other reserves amounted to 59 375 074 u.a., of which 54 919 159 u.a. represented operating income and 4 475 915 u.a. the net increase arising from reevaluation of the assets of the Bank not subject to adjustment under Article 7 of the Statute.

On the recommendation of the Management Committee, the Board of Directors has decided to propose to the Board of Governors that the net income be appropriated as follows :

- (a) 20 000 000 u.a. to the statutory reserve;
- (b) 25 919 159 u.a. to the reserve for risks on loans and guarantees;
- (c) 4 475 915 u.a. to the reserve for monetary risks;
- (d) 9 000 000 u.a. to the building reserve, to meet the projected expenses for the construction of new premises.

## Report by Messrs Price Waterhouse & Co.

The President,  
European Investment Bank,  
Luxembourg.

We have examined the financial statements of the European Investment Bank at 31 December 1975 and 1974. Our examinations were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. In our opinion, the financial statements at 31 December 1975 present fairly the financial position of the European Investment Bank at that date, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our opinion on the financial statements at 31 December 1974 was issued on 20 March 1975.

The financial statements covered by our opinion are the following :

|   |          |
|---|----------|
| Balance sheet   |          |
| Profit and loss account   |          |
| Special Section   |          |
| Statement of subscriptions to the capital of the Bank                                       | Annexe A |
| Analysis of loans outstanding   | Annexe B |
| Statement of funded debt  | Annexe C |
| Amounts receivable from or payable to Member States for adjustment of capital contributions | Annexe D |
| Notes to the financial statements   | Annexe E |

Brussels, 2 March 1976

PRICE WATERHOUSE & CO.

# Statement by the Audit Committee

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The Committee instituted in pursuance of Article 14 of the Statute and Article 25 of the Rules of Procedure of the European Investment Bank for the purpose of verifying that the operations of the Bank are conducted and its books kept in a proper manner,

- having studied the books, vouchers and documents which it deemed necessary to examine in the discharge of its duties,
- having examined the reports of 2 March 1976 drawn up by Messrs Price Waterhouse & Co.,

considering the 1975 Annual Report as well as the balance sheet of the Bank as at 31 December 1975 and the profit and loss account for the financial year ending on that date, as drawn up by the Board of Directors at its meeting of 6 April 1976,

considering Articles 22, 23 and 24 of the Rules of Procedure,

hereby certifies :

that the Bank's operations during the 1975 financial year have been carried out in compliance with the formalities and procedures laid down by the Statute and the Rules of Procedure,

that the balance sheet and the profit and loss account correspond to the book entries and that they reflect exactly the situation of the Bank as regards both assets and liabilities.

Luxembourg, 11 May 1976.

The Audit Committee

J. BREDSDORFF E. RAUS M. JACOB

Table 5 : Financing provided from 1958 to 1975 <sup>(1)</sup>

Breakdown by country

| Country  | Number     | Amount<br>(million u.a.) | % of total   | % Member<br>Countries |
|--|------------|--------------------------|--------------|-----------------------|
| <b>Ordinary operations</b>   |            |                          |              |                       |
| <b>Member Countries :</b>  |            |                          |              |                       |
| Belgium . . . . .  | 8          | 94.1                     | 1.7          | 1.9                   |
| Denmark . . . . .  | 13         | 44.0                     | 0.8          | 0.9                   |
| Germany . . . . .  | 69         | 654.3                    | 11.5         | 13.3                  |
| France . . . . .   | 97         | 1 092.7                  | 19.3         | 22.2                  |
| Ireland . . . . .  | 12         | 106.7                    | 1.9          | 2.2                   |
| Italy . . . . .  | 254        | 2 231.0                  | 39.4         | 45.3                  |
| Luxembourg . . . . .   | 3          | 9.0                      | 0.2          | 0.2                   |
| Netherlands . . . . .  | 7          | 74.8                     | 1.3          | 1.5                   |
| United Kingdom . . . . .   | 30         | 551.1                    | 9.7          | 11.2                  |
| Non-member countries <sup>(2)</sup> . . . . .  | 3          | 61.7                     | 1.1          | 1.3                   |
| <b>Total</b> . . . . .   | <b>496</b> | <b>4 919.4</b>           | <b>86.9</b>  | <b>100.0</b>          |
| <i>including guarantees</i> <sup>(3)</sup> . . . . .                                     | 9          | 110.0                    | 2.0          | 2.2                   |
| <b>Associated Countries :</b>  |            |                          |              |                       |
| Greece . . . . .   | 22         | 116.4                    | 2.1          |                       |
| Turkey . . . . .   | 2          | 25.0                     | 0.4          |                       |
| AASMM-OCTD . . . . .   | 33         | 135.2                    | 2.4          |                       |
| Cameroon . . . . .   | 9          | 17.3                     |              |                       |
| Congo . . . . .  | 1          | 9.0                      |              |                       |
| Ivory Coast . . . . .  | 10         | 51.2                     |              |                       |
| Gabon . . . . .  | 4          | 4.4                      |              |                       |
| Upper Volta . . . . .  | 1          | 0.5                      |              |                       |
| Mauritius . . . . .  | 1          | 1.7                      |              |                       |
| Mauritania . . . . .   | 1          | 11.0                     |              |                       |
| Senegal . . . . .  | 2          | 3.9                      |              |                       |
| Zaire . . . . .  | 3          | 34.2                     |              |                       |
| New Caledonia . . . . .  | 1          | 2.0                      |              |                       |
| <b>Total</b> . . . . .   | <b>57</b>  | <b>276.6</b>             | <b>4.9</b>   |                       |
| <b>Ordinary operations total</b> . . . . .   | <b>553</b> | <b>5 196.0</b>           | <b>91.8</b>  |                       |
| <b>Special operations <sup>(4)</sup></b>   |            |                          |              |                       |
| Turkey . . . . .   | 53         | 357.7                    | 6.3          |                       |
| AASMM-OCTD . . . . .   | 35         | 107.1                    | 1.9          |                       |
| Cameroon . . . . .   | 6          | 23.9                     |              |                       |
| Congo . . . . .  | 2          | 3.1                      |              |                       |
| Ivory Coast . . . . .  | 9          | 34.6                     |              |                       |
| Benin . . . . .  | 1          | 3.3                      |              |                       |
| Gabon . . . . .  | 2          | 3.3                      |              |                       |
| Upper Volta . . . . .  | 1          | 5.0                      |              |                       |
| Madagascar . . . . .   | 1          | 1.9                      |              |                       |
| Mauritania . . . . .   | 1          | 2.7                      |              |                       |
| Senegal . . . . .  | 2          | 1.9                      |              |                       |
| Chad . . . . .   | 1          | 1.2                      |              |                       |
| Zaire . . . . .  | 2          | 14.8                     |              |                       |
| Netherlands Antilles . . . . .   | 1          | 4.4                      |              |                       |
| Surinam . . . . .  | 1          | 1.9                      |              |                       |
| New Caledonia . . . . .  | 1          | 1.0                      |              |                       |
| Réunion . . . . .  | 2          | 2.8                      |              |                       |
| Guadeloupe . . . . .   | 1          | 0.7                      |              |                       |
| Martinique . . . . .   | 1          | 0.6                      |              |                       |
| <b>Special operations total</b> . . . . .  | <b>88</b>  | <b>464.8</b>             | <b>8.2</b>   |                       |
| <i>including contributions to the formation of risk capital</i> <sup>(5)</sup> . . . . . | 3          | 2.5                      | —            |                       |
| <b>Grand total</b> . . . . .   | <b>641</b> | <b>5 660.8</b>           | <b>100.0</b> |                       |

(1) A summary of financing provided over such a long period should be interpreted very cautiously; data for successive years are affected by price movements and exchange rate variations occurring between 1958 and 1975.

(2) Loans made in accordance with the second paragraph of Article 18 (1) of the Bank's Statute empowering the Board of Governors to authorise the Bank to contribute to financing projects outside the Community.

(3) Of which Italy: 90.2 million u.a.; France: 2.7 million u.a.; Germany: 17.1 million u.a.

(4) Loans on special conditions financed by Member States (Turkey) and by the European Development Fund (AASMM-OCTD) accounted for in the Bank's Special Section.

(5) 0.5 million u.a. for a project in Cameroon, 1 million u.a. for a project in the Ivory Coast and 1 million u.a. for a project in Senegal.

N.B. : All tables are expressed in current prices.



**Table 6 : Financing provided within the Community in 1975 and from 1958 to 1975**

Breakdown by economic policy objective

| Economic policy objective  | 1975                     |              | 1958-1975 (1)            |              |
|--|--------------------------|--------------|--------------------------|--------------|
|  | Amount<br>(million u.a.) | %            | Amount<br>(million u.a.) | %            |
| <b>I. Financing justified on the basis of a single economic objective</b>  |                          |              |                          |              |
| Regional development and conversion [Article 130 (a) and (b) of the Treaty of Rome]  | 475.1                    |              | 2 888.0                  |              |
| Sectoral interest: modernisation and conversion of undertakings, sectoral restructuring and new technology [Article 130 (b) of the Treaty of Rome] | 3.6                      |              | 16.9                     |              |
| Common interest to several Member Countries [Article 130 (c) of the Treaty of Rome]  | 241.5                    |              | 1 095.6                  |              |
| <b>II. Financing justified on the basis of double economic objectives</b>  |                          |              |                          |              |
| Regional and sectoral interest   | —                        |              | 72.6                     |              |
| Regional interest and common interest to several Member Countries  | 195.5                    |              | 746.8                    |              |
| Common interest to several Member Countries and sectoral interest  | 1.8                      |              | 68.5                     |              |
| <b>III. Financing justified on the basis of triple economic objectives</b>   |                          |              |                          |              |
| —  | —                        |              | 31.1                     |              |
| <b>Total</b>   | <b>917.5</b>             |              | <b>4 919.5</b>           |              |
| <b>Summary of financing justified on the basis of one or more economic objectives under I, II or III above</b>                                     |                          |              |                          |              |
| <input type="checkbox"/> <b>Regional development and conversion</b>  | <b>670.6</b>             | <b>100.0</b> | <b>3 738.5</b>           | <b>100.0</b> |
| Belgium  | —                        | —            | 57.2                     | 1.5          |
| Denmark  | 8.0                      | 1.2          | 26.5                     | 0.7          |
| Germany  | —                        | —            | 357.2                    | 9.6          |
| France   | 70.3                     | 10.5         | 786.0                    | 21.0         |
| Ireland  | 37.7                     | 5.6          | 106.7                    | 2.9          |
| Italy  | 231.3                    | 34.5         | 1 853.5                  | 49.6         |
| Luxembourg   | —                        | —            | 4.0                      | 0.1          |
| Netherlands  | —                        | —            | 40.1                     | 1.1          |
| United Kingdom   | 323.3                    | 48.2         | 507.3                    | 13.6         |
| <input type="checkbox"/> <b>Sectoral interest</b>  | <b>5.4</b>               | <b>100.0</b> | <b>189.1</b>             | <b>100.0</b> |
| <input type="checkbox"/> <b>Common interest to several Member Countries</b>  | <b>438.8</b>             | <b>100.0</b> | <b>1 942.0</b>           | <b>100.0</b> |
| <b>Energy (production and distribution)</b>  | <b>338.0</b>             | <b>77.0</b>  | <b>1 113.7</b>           | <b>57.4</b>  |
| Nuclear power stations and equipment   | 126.3                    | 28.8         | 487.3                    | 25.1         |
| Hydroelectric power stations   | —                        | —            | 99.2                     | 5.1          |
| Gaslines   | 104.8                    | 23.9         | 304.5                    | 15.7         |
| Development of natural gas and oil deposits, drilling equipment  | 82.4                     | 18.7         | 198.2                    | 10.2         |
| Coal mining  | 24.5                     | 5.6          | 24.5                     | 1.3          |
| <b>Transport</b>   | <b>70.3</b>              | <b>16.0</b>  | <b>573.1</b>             | <b>29.5</b>  |
| Railways   | —                        | —            | 103.9                    | 5.4          |
| Motorways, bridges and tunnels   | 70.3                     | 16.0         | 423.8                    | 21.8         |
| Inland waterways   | —                        | —            | 24.0                     | 1.2          |
| Airlines   | —                        | —            | 16.5                     | 0.8          |
| Other (ethylene pipeline)  | —                        | —            | 4.9                      | 0.3          |
| <b>Telecommunications</b>  | <b>30.5</b>              | <b>7.0</b>   | <b>30.5</b>              | <b>1.6</b>   |
| <b>Other infrastructure</b>  | <b>—</b>                 | <b>—</b>     | <b>16.3</b>              | <b>0.8</b>   |
| <b>Protection of the environment</b>   | <b>—</b>                 | <b>—</b>     | <b>18.0</b>              | <b>0.9</b>   |
| <b>Industrial cooperation</b>  | <b>—</b>                 | <b>—</b>     | <b>187.6</b>             | <b>9.7</b>   |
| <b>Research</b>  | <b>—</b>                 | <b>—</b>     | <b>2.8</b>               | <b>0.1</b>   |

(1) See footnote 1, Table 5.

Table 7 : Financing provided within the Community from 1958 to 1975 (1)

Sectoral breakdown

| Sector                                    | Number                  |                                  | Total<br>(million u.a.) | Amount   |          | % of total   |
|---|-------------------------|----------------------------------|-------------------------|--|----------|--------------|
|   | Loans and<br>guarantees | Allocations<br>from global loans |                         | of which<br>allocations<br>from global loans<br>(million u.a.) |          |              |
| <b>Infrastructure</b>                     | <b>197</b>              | <b>—</b>                         | <b>3 192.0</b>          | <b>—</b>   | <b>—</b> | <b>64.9</b>  |
| □ Agricultural development                | 7                       | —                                | 93.9                    | —  | —        | 1.9          |
| □ Energy                                  | 91                      | —                                | 1 387.6                 | —  | —        | 28.2         |
| Thermal power stations                    | 11                      | —                                | 107.8                   | —  | —        | 2.2          |
| Hydroelectric power stations              | 12                      | —                                | 147.7                   | —  | —        | 3.0          |
| Pumped storage stations                   | 3                       | —                                | 55.7                    | —  | —        | 1.1          |
| Nuclear power stations                    | 26                      | —                                | 508.9                   | —  | —        | 10.4         |
| Electricity transmission                  | 6                       | —                                | 65.8                    | —  | —        | 1.3          |
| Development of oil and gas deposits       | 13                      | —                                | 162.6                   | —  | —        | 3.3          |
| Coal mining                               | 1                       | —                                | 13.4                    | —  | —        | 0.3          |
| Gaslines                                  | 19                      | —                                | 325.7                   | —  | —        | 6.6          |
| □ Water supply and distribution           | 13                      | —                                | 146.6                   | —  | —        | 3.0          |
| □ Transport                               | 53                      | —                                | 884.0                   | —  | —        | 18.0         |
| Railways                                  | 13                      | —                                | 202.1                   | —  | —        | 4.1          |
| Roads, bridges and tunnels                | 33                      | —                                | 577.9                   | —  | —        | 11.7         |
| Inland waterways                          | 1                       | —                                | 24.0                    | —  | —        | 0.5          |
| Shipping                                  | 2                       | —                                | 33.4                    | —  | —        | 0.7          |
| Airlines                                  | 3                       | —                                | 41.7                    | —  | —        | 0.9          |
| Ethylene pipeline                         | 1                       | —                                | 4.9                     | —  | —        | 0.1          |
| □ Telecommunications                      | 30                      | —                                | 653.6                   | —  | —        | 13.3         |
| □ Tourism                                 | 1                       | —                                | 10.0                    | —  | —        | 0.2          |
| □ Public buildings                        | 2                       | —                                | 16.3                    | —  | —        | 0.3          |
| <b>Agriculture, Industry and Services</b> | <b>299</b>              | <b>468</b>                       | <b>1 727.5</b>          | <b>215.1</b>   | <b>—</b> | <b>35.1</b>  |
| □ Agriculture, forestry, fishing          | 1                       | 4                                | 7.5                     | 2.0  | —        | 0.1          |
| □ Industry (2)                            | 294                     | 461                              | 1 706.2                 | 211.7  | —        | 34.7         |
| Mining and quarrying*                     | 3                       | 12                               | 10.5                    | 4.1  | —        | 0.2          |
| Metal production and semi-processing*     | 36                      | 20                               | 449.1                   | 14.2   | —        | 9.1          |
| Construction materials*                   | 23                      | 32                               | 100.0                   | 16.5   | —        | 2.0          |
| Woodworking                               | 1                       | 34                               | 15.4                    | 11.8   | —        | 0.3          |
| Glass and ceramics                        | 11                      | 12                               | 28.5                    | 6.2  | —        | 0.6          |
| Chemicals*                                | 65                      | 17                               | 358.5                   | 7.9  | —        | 7.3          |
| Metalworking and mechanical engineering   | 33                      | 106                              | 158.2                   | 46.9   | —        | 3.2          |
| Motor vehicles, transport equipment       | 12                      | 16                               | 122.3                   | 6.3  | —        | 2.5          |
| Electrical engineering, electronics       | 14                      | 24                               | 68.1                    | 13.9   | —        | 1.4          |
| Foodstuffs                                | 36                      | 80                               | 151.8                   | 40.3   | —        | 3.1          |
| Textiles and leather                      | 12                      | 49                               | 33.0                    | 19.0   | —        | 0.7          |
| Paper pulp, paper*                        | 5                       | 20                               | 28.3                    | 9.0  | —        | 0.6          |
| Rubber and plastics processing            | 8                       | 26                               | 46.9                    | 10.7   | —        | 1.0          |
| Other industries                          | 3                       | 10                               | 6.8                     | 3.8  | —        | 0.1          |
| Building - civil engineering              | —                       | 3                                | 1.1                     | 1.1  | —        | —            |
| Global loans                              | 32                      | —                                | 127.7 (3)               | —  | —        | 2.6          |
| □ Trade and services                      | 4                       | 3                                | 13.8                    | 1.4  | 1.4      | 0.3          |
| Tourism                                   | 2                       | 3                                | 9.4                     | 1.4  | —        | 0.2          |
| Research and development                  | 2                       | —                                | 4.4                     | —  | —        | 0.1          |
| <b>Grand total</b>                        | <b>496</b>              | <b>468</b>                       | <b>4 919.5</b>          | <b>215.1</b>   | <b>—</b> | <b>100.0</b> |

(1) See footnote 1, Table 5.

(2) Of which basic industries (marked with an asterisk) : 946.4 million u.a.

(3) This amount represents the unallocated portion of the global loans (however, after cancellation of 68.5 million u.a., the balance still to be allocated within the Community is actually 59.2 million u.a.).

Table 8 : Financing provided in Turkey from 1965 to 1975 (1)

Sectoral breakdown

| Sector  | Number    |                               | Amount               |   | % of total   |
|---|-----------|-------------------------------|----------------------|---|--------------|
|   | Loans     | Allocations from global loans | Total (million u.a.) | of which allocations from global loans (million u.a.) |              |
| <b>Infrastructure</b>   | <b>15</b> | <b>—</b>                      | <b>240.4</b>         | <b>—</b>  | <b>62.8</b>  |
| □ Agricultural development  | 3         | —                             | 36.0                 | —   | 9.4          |
| □ Energy  | 7         | —                             | 136.9                | —   | 35.8         |
| Thermal power stations  | 2         | —                             | 77.0                 | —   | 20.1         |
| Hydroelectric power stations  | 4         | —                             | 52.3                 | —   | 13.7         |
| Electricity transmission  | 1         | —                             | 7.6                  | —   | 2.0          |
| □ Transport   | 5         | —                             | 67.5                 | —   | 17.6         |
| Railways  | 3         | —                             | 38.8                 | —   | 10.1         |
| Roads and bridges   | 1         | —                             | 20.0                 | —   | 5.2          |
| Airlines  | 1         | —                             | 8.7                  | —   | 2.3          |
| <b>Agriculture, Industry and Services</b>                                   | <b>40</b> | <b>43</b>                     | <b>142.3</b>         | <b>33.2</b>   | <b>37.2</b>  |
| □ Industry  | 39        | 40                            | 140.3                | 32.5  | 36.7         |
| Mining and quarrying  | —         | 1                             | 0.8                  | 0.8   | 0.2          |
| Metal production and semi-processing  | 4         | 2                             | 3.4                  | 0.5   | 0.9          |
| Construction materials  | 4         | 3                             | 15.4                 | 7.9   | 4.0          |
| Woodworking   | 1         | 2                             | 2.3                  | 1.1   | 0.6          |
| Glass and ceramics  | 2         | 1                             | 4.4                  | 1.2   | 1.2          |
| Chemicals   | 9         | 4                             | 35.4                 | 1.5   | 9.2          |
| Metalworking and mechanical engineering                                     | —         | 9                             | 4.4                  | 4.4   | 1.2          |
| Electrical engineering  | 1         | 4                             | 3.1                  | 2.3   | 0.8          |
| Foodstuffs  | —         | 7                             | 5.2                  | 5.2   | 1.4          |
| Textiles and leather  | 5         | 6                             | 9.9                  | 6.1   | 2.6          |
| Paper pulp, paper   | 5         | 1                             | 47.9                 | 1.5   | 12.5         |
| Rubber processing   | 1         | —                             | 0.5                  | —   | 0.1          |
| Global loans  | 7         | —                             | 7.6 (2)              | —   | 2.0          |
| □ Services<br>(global loan: preinvestment studies and technical assistance) | 1         | 3                             | 2.0                  | 0.7   | 0.5          |
| <b>Grand total</b>  | <b>55</b> | <b>43</b>                     | <b>382.7</b>         | <b>33.2</b>   | <b>100.0</b> |

(1) Loans on special conditions for the account of and under mandate from the Member States granted under the Special Section and ordinary loans amounting to 25 million u.a. from the EIB's own resources.

(2) Unallocated amount of global loans.

Table 9 : Financing provided in the AASMM-OCTD from 1964 to 1975 (1)

Sectoral breakdown

| Sector                                    | Number        | Amount<br>(million u.a.) | % of total   |
|---|---------------|--------------------------|--------------|
| <b>Infrastructure</b>                     | <b>27</b>     | <b>100.5</b>             | <b>41.5</b>  |
| □ Agricultural development                | 1             | 0.7                      | 0.3          |
| □ Energy                                  | 4             | 18.3                     | 7.5          |
| Thermal power stations                    | 1             | 1.8                      | 0.7          |
| Hydroelectric power stations              | 2             | 7.5                      | 3.1          |
| Electricity transmission                  | 1             | 9.0                      | 3.7          |
| □ Water supply and distribution           | 1             | 5.8                      | 2.4          |
| □ Transport                               | 20            | 74.9                     | 31.0         |
| Railways                                  | 5             | 33.1                     | 13.7         |
| Roads and bridges                         | 6             | 22.3                     | 9.2          |
| Shipping                                  | 8             | 15.1                     | 6.3          |
| Airlines                                  | 1             | 4.4                      | 1.8          |
| □ Telecommunications                      | 1             | 0.8                      | 0.3          |
| <b>Agriculture, Industry and Services</b> | <b>41</b>     | <b>141.8</b>             | <b>58.5</b>  |
| □ Agriculture, Forestry, Fishing          | 2             | 9.3                      | 3.8          |
| □ Industry                                | 36            | 128.9                    | 53.2         |
| Mining and quarrying                      | 4             | 52.6                     | 21.7         |
| Metal production and semi-processing      | 2             | 3.2                      | 1.4          |
| Construction materials                    | 2             | 2.3                      | 0.9          |
| Chemicals                                 | 2             | 3.0                      | 1.2          |
| Motor vehicles, transport equipment       | 1             | 1.4                      | 0.6          |
| Foodstuffs                                | 14            | 45.6                     | 18.8         |
| Textiles and leather                      | 11            | 20.8                     | 8.6          |
| □ Services                                | 3             | 3.6                      | 1.5          |
| Tourism                                   | 2             | 2.6                      | 1.1          |
| Other                                     | 1             | 1.0                      | 0.4          |
| <b>Grand total</b>                        | <b>68 (2)</b> | <b>242.3</b>             | <b>100.0</b> |

(1) Ordinary loans from the resources of the EIB (135.2 million u.a.) and special operations financed from the resources of the EDF (107.1 million u.a.), which have been the subject of an EIB financing proposal or opinion and a financing decision by the Commission of the European Communities.  
(2) This sum includes three contributions, totalling 2.5 million u.a., to the formation of risk capital.

Table 10 : Financing provided in Greece from 1963 to 1975 (1)

Sectoral breakdown

| Sector                                    | Number    |                               | Amount               |   |              |
|---|-----------|-------------------------------|----------------------|---|--------------|
|   | Loans     | Allocations from global loans | Total (million u.a.) | of which allocations from global loans (million u.a.) | % of total   |
| <b>Infrastructure</b>                     | <b>9</b>  | <b>—</b>                      | <b>79.3</b>          | <b>—</b>  | <b>68.1</b>  |
| □ Agricultural development                | 4         | —                             | 56.3                 | —   | 48.4         |
| □ Energy                                  | 1         | —                             | 6.0                  | —   | 5.1          |
| Electricity transmission                  | 1         | —                             | 6.0                  | —   | 5.1          |
| □ Transport                               | 4         | —                             | 17.0                 | —   | 14.6         |
| Roads and bridges                         | 4         | —                             | 17.0                 | —   | 14.6         |
| <b>Agriculture, Industry and Services</b> | <b>13</b> | <b>2</b>                      | <b>37.1</b>          | <b>1.5</b>  | <b>31.9</b>  |
| □ Industry                                | 13        | 2                             | 37.1                 | 1.5   | 31.9         |
| Metal production and semi-processing      | 3         | —                             | 11.6                 | —   | 9.9          |
| Construction materials                    | 3         | —                             | 6.5                  | —   | 5.6          |
| Woodworking                               | 1         | —                             | 0.6                  | —   | 0.5          |
| Glass and ceramics                        | —         | 1                             | 0.8                  | 0.8   | 0.7          |
| Chemicals                                 | 2         | —                             | 5.0                  | —   | 4.3          |
| Electrical engineering, electronics       | 1         | —                             | 4.3                  | —   | 3.7          |
| Textiles and leather                      | 2         | 1                             | 2.1                  | 0.7   | 1.8          |
| Global loans                              | 1         | —                             | 6.2                  | —   | 5.4          |
| <b>Grand total</b>                        | <b>22</b> | <b>2</b>                      | <b>116.4</b>         | <b>1.5</b>  | <b>100.0</b> |

(1) Bank financing in Greece was interrupted from 1967 to 1974. A decision to reactivate the Financial Protocol with Greece was taken in December 1974.

Table 11 : Loans granted within the Community in 1974 and 1975 (1)

Breakdown by type of financing

| Country           | Direct individual loans |              | Indirect individual loans (2) |              | Global loans (3) |              | Total     |              |
|-------------------|-------------------------|--------------|-------------------------------|--------------|------------------|--------------|-----------|--------------|
|                   | Number                  | Million u.a. | Number                        | Million u.a. | Number           | Million u.a. | Number    | Million u.a. |
| Belgium           | 1                       | 10.8         | —                             | —            | —                | —            | 1         | 10.8         |
| Denmark           | 3                       | 11.1         | —                             | —            | 3                | 6.6          | 6         | 17.7         |
| France            | 5                       | 84.6         | 5                             | 69.8         | 1                | 3.6          | 11        | 158.0        |
| Ireland           | 2                       | 37.7         | —                             | —            | —                | —            | 2         | 37.7         |
| Italy             | 12                      | 267.9        | 14                            | 90.9         | —                | —            | 26        | 358.8        |
| United Kingdom    | 17                      | 321.2        | 1                             | 13.3         | —                | —            | 18        | 334.5        |
| <b>Total 1975</b> | <b>40</b>               | <b>733.3</b> | <b>20</b>                     | <b>174.0</b> | <b>4</b>         | <b>10.2</b>  | <b>64</b> | <b>917.5</b> |
| <b>Total 1974</b> | <b>46</b>               | <b>612.8</b> | <b>13</b>                     | <b>104.0</b> | <b>11</b>        | <b>132.9</b> | <b>70</b> | <b>849.7</b> |

(1) Including a loan outside the Community granted in 1974 (18.4 million u.a.).

(2) Loans granted through a financial institution.

(3) Loans to financial institutions which distribute the proceeds among smaller scale industrial projects in agreement with the Bank in each instance (allocations from global loans).

Table 12 : Global loans granted within the Community from 1968 to 1975

Breakdown by intermediary institution

| Global loans |                                  |                          | Allocations (1969-1975) |                          |
|--------------|----------------------------------|--------------------------|-------------------------|--------------------------|
| Year         | Intermediary Institution (1)     | Amount<br>(million u.a.) | Number                  | Amount<br>(million u.a.) |
| 1968         | ISVEIMER I . . . . .             | 10.0                     | 28                      | 10.0 (2)                 |
| 1969         | CIS I . . . . .                  | 3.6                      | 7                       | 3.6 (2)                  |
| 1970         | IKB I . . . . .                  | 10.0                     | 12                      | 6.9 (3)                  |
| 1970         | SADE . . . . .                   | 6.3                      | 24                      | 6.3 (2)                  |
| 1970         | IRFIS . . . . .                  | 5.0                      | 10                      | 5.0 (2)                  |
| 1971         | CIS II . . . . .                 | 5.0                      | 13                      | 5.0 (2)                  |
| 1971         | SODERO I . . . . .               | 2.0                      | 2                       | 0.8 (3)                  |
| 1971         | ISVEIMER II . . . . .            | 15.0                     | 19                      | 14.7 (2)                 |
| 1972         | LORDEX . . . . .                 | 2.7                      | 5                       | 2.7 (2)                  |
| 1972         | LGSH . . . . .                   | 5.7                      | 9                       | 6.0 (2)                  |
| 1972         | IMI I . . . . .                  | 24.8                     | 31                      | 19.3 (2)                 |
| 1973         | IKB II . . . . .                 | 20.6                     | 67                      | 23.2 (2)                 |
| 1973         | Crédit National I . . . . .      | 30.0                     | 54                      | 30.0 (2)                 |
| 1973         | ICFC I . . . . .                 | 7.1                      | 24                      | 6.6 (2)                  |
| 1973         | Crédit Hôtelier CCCHCI . . . . . | 18.0                     | 56                      | 18.2 (2)                 |
| 1973         | CIS III . . . . .                | 13.5                     | 14                      | 6.1 (3)                  |
| 1973         | ISVEIMER III . . . . .           | 20.3                     | 24                      | 18.4 (2)                 |
| 1974         | IRFIS II . . . . .               | 9.8                      | 4                       | 3.5                      |
| 1974         | ICC . . . . .                    | 4.7                      | 0                       | 0.0 (3)                  |
| 1974         | Bayerische Vereinsbank . . . . . | 9.9                      | 0                       | 0.0 (3)                  |
| 1974         | BNL . . . . .                    | 19.6                     | 16                      | 7.4                      |
| 1974         | Crédit National II . . . . .     | 21.3                     | 23                      | 9.8 (3)                  |
| 1974         | ACC . . . . .                    | 4.7                      | 3                       | 1.7 (3)                  |
| 1974         | ICFC II . . . . .                | 18.7                     | 2                       | 1.1 (3)                  |
| 1974         | SODERO II . . . . .              | 3.6                      | 0                       | 0.0 (3)                  |
| 1974         | Crédit Naval-CMAF . . . . .      | 9.0                      | 0                       | 0.0 (3)                  |
| 1974         | SDR Bretagne . . . . .           | 3.6                      | 3                       | 1.7 (3)                  |
| 1974         | IMI II . . . . .                 | 28.0                     | 10                      | 4.7                      |
| 1975         | LORDEX II . . . . .              | 3.6                      | 3                       | 1.0                      |
| 1975         | Danish Government A . . . . .    | 2.5                      | 5                       | 1.4                      |
| 1975         | Danish Government B . . . . .    | 2.8                      | 0                       | 0.0                      |
| 1975         | FIH . . . . .                    | 1.4                      | 0                       | 0.0                      |
|              | <b>Total . . . . .</b>           | <b>342.8</b>             | <b>468</b>              | <b>215.1</b>             |

(1) Istituto per lo Sviluppo Economico dell'Italia Meridionale, Naples (ISVEIMER).  
 Credito Industriale Sardo, Cagliari (CIS).  
 Industrielkreditbank AG, Düsseldorf (IKB).  
 Société Alsacienne de Développement et d'Expansion, Strasbourg (SADE).  
 Istituto Regionale per il Finanziamento alle Industrie in Sicilia, Palermo (IRFIS).  
 Société de Développement Régional de l'Ouest, Nantes (SODERO).  
 Société Lorraine de Développement et d'Expansion, Nancy (LORDEX).  
 Landesbank und Girozentrale Schleswig-Holstein, Kiel (LGSH).  
 Istituto Mobiliare Italiano, Rome (IMI).  
 Crédit National, Paris.  
 Industrial and Commercial Finance Corporation Ltd., London (ICFC).  
 Caisse Centrale de Crédit Hôtelier, Commercial et Industriel, Paris (CCCHCI).  
 Industrial Credit Company Limited, Dublin (ICC).

Bayerische Vereinsbank, Munich.  
 Banca Nazionale del Lavoro "Sezione Speciale per il Credito Industriale", Rome (BNL).  
 Agricultural Credit Corporation Limited, Dublin (ACC).  
 Crédit Naval-CMAF, Paris.  
 Société de Développement Régional de la Bretagne, Rennes (SDR Bretagne).  
 Finansieringsinstituttet for Industri og Håndvaerk A/S, Copenhagen (FIH).

(2) Global loan terminated. Differences between the initial amount of the global loan and total allocations authorised are due to the fact that conversion into units of account was effected on the basis of the rates applicable, in the first instance, when the global loan was signed and, secondly, when allocations were authorised; in some cases the conversion rates changed during the intervening period.

(3) Global loan terminated as a result of cancellation of unallocated credit.



Table 13 : Allocations from global loans within the Community in 1975 and from 1969 to 1975

Breakdown by region and sector

|   | 1975       |                          |              | 1969-1975  |                          |              |
|---|------------|--------------------------|--------------|------------|--------------------------|--------------|
|   | Number     | Amount<br>(million u.a.) | %            | Number     | Amount<br>(million u.a.) | %            |
| <b>REGION</b>                           |            |                          |              |            |                          |              |
| Jutland                                 | 5          | 1.4                      | 2.2          | 5          | 1.4                      | 0.6          |
| <b>Denmark</b>                          | <b>5</b>   | <b>1.4</b>               | <b>2.2</b>   | <b>5</b>   | <b>1.4</b>               | <b>0.6</b>   |
| Baden-Württemberg                       | —          | —                        | —            | 2          | 0.5                      | 0.3          |
| Bavaria                                 | —          | —                        | —            | 16         | 4.3                      | 2.0          |
| Hessen                                  | —          | —                        | —            | 15         | 6.0                      | 2.8          |
| Lower Saxony                            | —          | —                        | —            | 19         | 6.8                      | 3.1          |
| North Rhine-Westphalia                  | —          | —                        | —            | 18         | 8.7                      | 4.1          |
| Rhineland-Palatinate                    | —          | —                        | —            | 8          | 2.9                      | 1.3          |
| Schleswig-Holstein                      | —          | —                        | —            | 10         | 6.8                      | 3.2          |
| <b>Germany</b>                          | <b>—</b>   | <b>—</b>                 | <b>—</b>     | <b>88</b>  | <b>36.1</b>              | <b>16.8</b>  |
| Alsace                                  | —          | —                        | —            | 27         | 8.3                      | 3.8          |
| Aquitaine                               | 1          | 0.3                      | 0.6          | 9          | 3.2                      | 1.8          |
| Auvergne                                | 2          | 0.5                      | 0.8          | 4          | 3.8                      | 1.5          |
| Lower Normandy                          | 1          | 0.4                      | 0.6          | 2          | 0.6                      | 0.3          |
| Burgundy                                | —          | —                        | —            | 3          | 2.3                      | 1.1          |
| Brittany                                | 11         | 5.0                      | 8.0          | 28         | 11.5                     | 5.4          |
| Centre                                  | —          | —                        | —            | 2          | 0.7                      | 0.3          |
| Champagne-Ardennes                      | 1          | 0.2                      | 0.3          | 2          | 0.6                      | 0.3          |
| Franche-Comté                           | 1          | 0.2                      | 0.3          | 2          | 0.4                      | 0.2          |
| Languedoc-Roussillon                    | —          | —                        | —            | 2          | 0.6                      | 0.3          |
| Limousin                                | 1          | 0.5                      | 0.7          | 7          | 2.2                      | 1.0          |
| Lorraine                                | 9          | 3.5                      | 5.6          | 24         | 13.3                     | 6.2          |
| Midi-Pyrénées                           | 6          | 2.4                      | 3.7          | 18         | 7.9                      | 3.7          |
| Nord                                    | 2          | 1.3                      | 2.0          | 6          | 2.5                      | 1.1          |
| Pays de la Loire                        | 7          | 2.7                      | 4.3          | 20         | 7.4                      | 3.4          |
| Picardy                                 | 1          | 0.9                      | 1.4          | 2          | 1.1                      | 0.5          |
| Poitou-Charentes                        | 2          | 0.7                      | 1.1          | 5          | 1.6                      | 0.7          |
| Rhône-Alpes                             | 1          | 0.4                      | 0.6          | 7          | 2.5                      | 1.2          |
| <b>France</b>                           | <b>46</b>  | <b>19.0</b>              | <b>30.0</b>  | <b>170</b> | <b>70.5</b>              | <b>32.8</b>  |
| <b>Ireland</b>                          | <b>3</b>   | <b>1.7</b>               | <b>2.8</b>   | <b>3</b>   | <b>1.7</b>               | <b>0.8</b>   |
| Abruzzi                                 | 5          | 2.7                      | 4.3          | 12         | 6.9                      | 3.2          |
| Basilicata                              | —          | —                        | —            | 2          | 1.3                      | 0.6          |
| Calabria                                | —          | —                        | —            | 2          | 0.5                      | 0.2          |
| Campania                                | 13         | 11.4                     | 18.1         | 41         | 29.6                     | 13.8         |
| Latium                                  | 17         | 10.0                     | 15.9         | 41         | 22.7                     | 10.6         |
| Marches                                 | —          | —                        | —            | 3          | 2.1                      | 1.0          |
| Molise                                  | 1          | 0.8                      | 1.3          | 3          | 3.1                      | 1.5          |
| Apulia                                  | 9          | 2.1                      | 3.4          | 24         | 8.5                      | 3.9          |
| Sardinia                                | 14         | 6.1                      | 9.7          | 34         | 14.7                     | 6.8          |
| Sicily                                  | 4          | 3.5                      | 5.5          | 14         | 8.4                      | 3.9          |
| <b>Italy</b>                            | <b>63</b>  | <b>36.7</b>              | <b>58.2</b>  | <b>176</b> | <b>97.8</b>              | <b>45.5</b>  |
| Scotland                                | 5          | 2.1                      | 3.4          | 14         | 4.2                      | 1.9          |
| North                                   | 4          | 1.4                      | 2.2          | 5          | 1.5                      | 0.7          |
| North-West                              | —          | —                        | —            | 1          | 0.4                      | 0.2          |
| Wales                                   | 2          | 0.5                      | 0.8          | 5          | 1.3                      | 0.6          |
| Northern Ireland                        | 1          | 0.3                      | 0.4          | 1          | 0.3                      | 0.1          |
| <b>United Kingdom</b>                   | <b>12</b>  | <b>4.3</b>               | <b>6.8</b>   | <b>26</b>  | <b>7.6</b>               | <b>3.5</b>   |
| <b>Total</b>                            | <b>129</b> | <b>63.1</b>              | <b>100.0</b> | <b>468</b> | <b>215.1</b>             | <b>100.0</b> |
| <b>SECTOR</b>                           |            |                          |              |            |                          |              |
| Agriculture, forestry, fishing          | 3          | 1.3                      | 2.1          | 4          | 2.0                      | 0.9          |
| Mining and quarrying                    | 1          | 0.6                      | 0.9          | 12         | 4.1                      | 1.9          |
| Metal production and semi-processing    | 8          | 5.6                      | 8.8          | 20         | 14.2                     | 6.6          |
| Construction materials                  | 12         | 6.4                      | 10.1         | 32         | 16.5                     | 7.7          |
| Woodworking                             | 11         | 4.9                      | 7.8          | 34         | 11.8                     | 5.5          |
| Glass and ceramics                      | 3          | 2.2                      | 3.6          | 12         | 6.2                      | 2.9          |
| Chemicals                               | 7          | 4.3                      | 6.9          | 17         | 7.9                      | 3.7          |
| Metalworking and mechanical engineering | 24         | 10.9                     | 17.2         | 106        | 46.9                     | 21.8         |
| Motor vehicles, transport equipment     | 7          | 2.1                      | 3.4          | 16         | 6.3                      | 2.9          |
| Electrical engineering, electronics     | 5          | 3.6                      | 5.7          | 24         | 13.9                     | 6.4          |
| Foodstuffs                              | 27         | 14.2                     | 22.5         | 80         | 40.3                     | 18.7         |
| Textiles and leather                    | 7          | 1.6                      | 2.5          | 49         | 19.0                     | 8.8          |
| Paper pulp, paper                       | 3          | 1.1                      | 1.7          | 20         | 9.0                      | 4.2          |
| Rubber and plastics processing          | 8          | 2.6                      | 4.1          | 26         | 10.7                     | 5.0          |
| Other industries                        | 3          | 1.7                      | 2.7          | 10         | 3.8                      | 1.8          |
| Building and civil engineering          | —          | —                        | —            | 3          | 1.1                      | 0.5          |
| Tourism                                 | —          | —                        | —            | 3          | 1.4                      | 0.7          |
| <b>Total</b>                            | <b>129</b> | <b>63.1</b>              | <b>100.0</b> | <b>468</b> | <b>215.1</b>             | <b>100.0</b> |

**Table 14 : Financing provided within the Community 1958-1965, 1966-1972, 1973-1975**

Breakdown by country

|   | 1958-1965    |              | 1966-1972      |              | 1973-1975      |              |
|---|--------------|--------------|----------------|--------------|----------------|--------------|
|   | Million u.a. | %            | Million u.a.   | %            | Million u.a.   | %            |
| Belgium . . . . .                         | 4.8          | 1.0          | 62.4           | 3.1          | 26.9           | 1.1          |
| Germany . . . . .                         | 36.1         | 7.7          | 317.5          | 16.0         | 300.6          | 12.2         |
| France . . . . .                          | 79.9         | 17.0         | 490.6          | 24.7         | 522.3          | 21.2         |
| Italy . . . . .                           | 344.3        | 73.4         | 1 068.0        | 53.8         | 818.7          | 33.2         |
| Luxembourg . . . . .                      | 4.0          | 0.9          | 5.0            | 0.2          | —              | —            |
| Netherlands . . . . .                     | —            | —            | 42.9           | 2.2          | 31.9           | 1.3          |
| <b>Community of Six . . . . .</b>         | <b>469.1</b> | <b>100.0</b> | <b>1 986.4</b> | <b>100.0</b> | <b>1 700.4</b> | <b>69.0</b>  |
| Denmark . . . . .                         |              |              |                |              | 44.1           | 1.8          |
| Ireland . . . . .                         |              |              |                |              | 106.7          | 4.3          |
| United Kingdom . . . . .                  |              |              |                |              | 551.1          | 22.4         |
| <b>Non-member Countries (1) . . . . .</b> |              |              |                |              | <b>61.7</b>    | <b>2.5</b>   |
| <b>Community of Nine . . . . .</b>        |              |              |                |              | <b>2 464.0</b> | <b>100.0</b> |

(1) See footnote 2, Table 5.

**Table 15 : Financing provided within the Community 1958-1965, 1966-1972, 1973-1975**

Breakdown by economic policy objective

|  | 1958-1965    |              | 1966-1972      |                | 1973-1975      |                |
|--|--------------|--------------|----------------|----------------|----------------|----------------|
|  | Million u.a. | % of total*  | Million u.a.   | % of total*    | Million u.a.   | % of total*    |
| <b>Regional development and conversion . . . . .</b>         | <b>379.3</b> | <b>80.8</b>  | <b>1 723.4</b> | <b>86.8</b>    | <b>1 636.0</b> | <b>66.4</b>    |
| <i>of which :</i>  |              |              |                |                |                |                |
| Germany . . . . .  | 36.2         | 7.7          | 216.6          | 10.9           | 104.5          | 4.2            |
| Benelux . . . . .  | 4.8          | 1.0          | 96.5           | 4.9            | —              | —              |
| Denmark . . . . .  | —            | —            | —              | —              | 26.5           | 1.1            |
| France . . . . .   | 72.8         | 15.5         | 433.0          | 21.8           | 280.2          | 11.4           |
| Ireland . . . . .  | —            | —            | —              | —              | 106.7          | 4.3            |
| Italy . . . . .  | 265.5        | 56.6         | 977.3          | 49.2           | 610.8          | 24.8           |
| United Kingdom . . . . .                                     | —            | —            | —              | —              | 507.3          | 20.6           |
| <b>Common interest to several Member Countries . . . . .</b> | <b>114.0</b> | <b>24.3</b>  | <b>672.3</b>   | <b>33.8</b>    | <b>1 155.7</b> | <b>46.9</b>    |
| <i>of which :</i>  |              |              |                |                |                |                |
| Energy . . . . .   | 4.0          | 0.9          | 207.6          | 10.5           | 902.1          | 36.6           |
| <i>conventional power stations . . . . .</i>                 | 4.0          | 0.9          | —              | —              | 95.2           | 3.9            |
| <i>nuclear power stations . . . . .</i>                      | —            | —            | 103.0          | 5.2            | 384.3          | 15.6           |
| <i>gaslines . . . . .</i>                                    | —            | —            | 104.6          | 5.3            | 199.9          | 8.1            |
| <i>development of oil and natural gas deposits . . . . .</i> | —            | —            | —              | —              | 198.2          | 8.0            |
| <i>coal mining . . . . .</i>                                 | —            | —            | —              | —              | 24.5           | 1.0            |
| <b>Sectoral interest . . . . .</b>                           | <b>9.4</b>   | <b>2.0</b>   | <b>82.4</b>    | <b>4.1</b>     | <b>97.2</b>    | <b>3.9</b>     |
| <b>* Total financing provided . . . . .</b>                  |              | <b>469.1</b> |                | <b>1 986.4</b> |                | <b>2 464.0</b> |

\* N.B. : As certain operations satisfy more than one of the objectives laid down under Article 130, the cumulative total of individual amounts and of the corresponding percentages is not significant.

Table 16 : Financing provided within the Community 1958-1965, 1966-1972, 1973-1975

Sectoral breakdown

| Sector                                 | 1958-1965<br>% | 1966-1972<br>% | 1973-1975<br>% |
|--|----------------|----------------|----------------|
| <b>Infrastructure</b>                  | <b>52.7</b>    | <b>60.4</b>    | <b>70.8</b>    |
| Energy                                 | 14.6           | 18.2           | 39.1           |
| Transport                              | 29.7           | 23.4           | 11.1           |
| Telecommunications                     | 3.4            | 12.5           | 15.8           |
| Other infrastructure                   | 5.0            | 6.3            | 4.8            |
| <b>Industry</b>                        | <b>47.3</b>    | <b>39.6</b>    | <b>29.2</b>    |
| Basic industries (1)                   | 35.3           | 22.9           | 13.3           |
| of which:                              |                |                |                |
| Metal production and semi-processing   | 11.0           | 9.8            | 8.3            |
| Chemicals                              | 18.5           | 9.6            | 3.3            |
| Other basic industries (2)             | 5.8            | 3.5            | 1.7            |
| Mechanical and electrical engineering  | 5.6            | 9.2            | 5.6            |
| Agricultural and foodstuffs industries | 3.9            | 1.5            | 4.5            |
| Other industries and sectors (3)       | 2.5            | 6.0            | 5.8            |
|  | 100.0          | 100.0          | 100.0          |

(1) For definition of basic industries, see Table 7.

(2) Mining and quarrying, construction materials, paper pulp and paper.

(3) Including unallocated portion of global loans: 1966-1972: 2.0% and 1973-1975: 3.6%.

Table 17 : List of borrowings in 1975

| Date of contract | Month of issue | Place of issue | Sub-<br>scription<br>currency | Amount<br>in<br>national<br>currency<br>(million) | Amount<br>in<br>million<br>u.a. | Term | Coupon<br>%      | Type of issue        |
|------------------|----------------|----------------|-------------------------------|---|---------------------------------|------|------------------|----------------------|
| 7. 1.1975        | January        | Germany        | DM                            | 150   | 49.7                            | 8    | 9 1/2            | Public placing (1)   |
| 8. 1.1975        | February       | Germany        | DM                            | 100   | 33.1                            | 10   | 9 1/2            | Private placing      |
| 8. 1.1975        | February       | Germany        | DM                            | 50  | 16.6                            | 10   | 9 1/2            | Private placing      |
| 7. 2.1975        | February       | Luxembourg     | \$                            | 60  | 47.8                            | 10   | 9 1/2            | Public placing (2)   |
| 17. 2.1975       | March          | Netherlands    | Fl                            | 75  | 23.9                            | 7    | 9                | Private placing      |
| 14. 3.1975       | May            | Netherlands    | Fl                            | 75  | 23.9                            | 15   | 8 3/4            | Public placing (3)   |
| 7. 5.1975        | May            | Luxembourg     | Lfrs                          | 500   | 11.1                            | 10   | 8 3/4            | Public placing (4)   |
| 20. 5.1975       | May            | Switzerland    | Sfrs                          | 50  | 15.2                            | 7    | 8 1/2            | Private placing      |
| 22. 5.1975       | May            | Belgium        | Bfrs                          | 1 500   | 33.3                            | 10   | 8 3/4            | Public placing (5)   |
| 19. 6.1975       | July           | Switzerland    | Sfrs                          | 80  | 24.4                            | 15   | 7 3/4            | Public placing (6)   |
| 27. 8.1975       | September      | Switzerland    | Sfrs                          | 100   | 31.1                            | 8    | 8                | Private placing      |
| 8. 9.1975        | September      | Luxembourg     | \$                            | 100   | 77.9                            | 5    | 9                | Public placing (7)   |
| 25. 9.1975       | October        | Netherlands    | Fl                            | 75  | 24.0                            | 15   | 9                | Public placing (8)   |
| 14.10.1975       | October        | Luxembourg     | \$                            | 30  | 26.0                            | 5    | variable<br>rate | Private placing      |
| 14.10.1975       | October        | Switzerland    | Sfrs                          | 100   | 31.5                            | 8    | 8                | Private placing      |
| 16.10.1975       | November       | France         | Ffrs                          | 150   | 28.6                            | 10   | 10.2             | Public placing (9)   |
| 29.10.1975       | October        | France         | Ffrs                          | 200   | 38.2                            | 5    | 9.1              | Private placing      |
| 6.11.1975        | November       | United States  | \$                            | 75  | 65.0                            | 7    | 9                | Public placing (10)  |
| 11.11.1975       | November       | Germany        | DM                            | 150   | 48.8                            | 5    | 8                | Public placing (11)  |
| 18.11.1975       | November       | Switzerland    | Sfrs                          | 50  | 15.8                            | 5    | 7 3/4            | Private placing      |
| 19.11.1975       | November       | Switzerland    | Sfrs                          | 50  | 15.8                            | 7    | 7 7/8            | Private placing      |
| 20.11.1975       | November       | Luxembourg     | \$                            | 25  | 21.6                            | 6    | 9                | Private placing      |
| 1.12.1975        | December       | Germany        | DM                            | 100   | 32.6                            | 10   | 8 3/4            | Private placing      |
| 3.12.1975        | December       | Luxembourg     | \$                            | 50  | 43.3                            | 7    | 9                | Public placing (12)  |
| 14.12.1975       | December       | Japan          | Yen                           | 6 000   | 17.2                            | 2    | 8 1/2            | Private placing (13) |
| 19.12.1975       | January        | Singapore      | \$                            | 20  | 17.3                            | 6    | 9                | Public placing (14)  |
|                  |                |                |                               |   | 813.7                           |      |                  |                      |

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