

ANNUAL REPORT 1994

EUROPEAN INVESTMENT BANK

The European Union's financial institution

THE MISSION OF THE EUROPEAN INVESTMENT BANK

Our mission is to further the objectives of the European Union by making long-term finance available for sound investment.

- **We are at the service of the Union.**

We were created by the Treaty of Rome ; our shareholders are the Member States ; and our Board of Governors is composed of the Finance Ministers of these States.

- **We provide service and value-added**

- through our appraisal and follow-up of investment projects and programmes.

To receive our support, projects and programmes must be viable in four fundamental areas : economic, technical, environmental and financial. We appraise each investment project thoroughly and follow it through to completion.

- through our financing.

Through our own lending operations and our ability to attract other financing, we widen the range of funding possibilities. Through our borrowing activities, we contribute to the development of capital markets throughout the Union.

- **We offer first class terms and conditions.**

Our financial soundness derives from the strength and commitment of our shareholders, the independence of our professional judgements and our record of achievement. It enables us to borrow at the finest terms, which we pass on in our lending conditions.

- **We work in partnership with others.**

Our policies are established in close coordination with the Member States and the other Institutions of the European Union. We also cooperate closely with the business and banking sectors and the main international organisations in our field.

- **We attract qualified and multi-lingual staff from all the Member States.**

We are motivated by our direct participation in the construction of Europe.



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A "Eurostar" train, plying the Paris-London-Brussels route, at the new Bruxelles-Midi station.

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MESSAGE FROM THE PRESIDENT



The main feature of the European Investment Bank's activities in 1994 was our growing contribution to the European Union's economic objectives, both within the Union and in an increasing range of countries outside. Within the Union, the EIB's lending amounted to nearly ECU 18 billion, contributing to some 4.5% of gross fixed capital formation within the Twelve. Three quarters of this was in regional development or industrial conversion areas, demonstrating again the high priority given by the Bank to regional development and integration.

In the course of 1994, the Bank largely completed the specific mandates entrusted to it by the European Council as part of the Union's Growth Initiative. The Bank committed in full the ECU 7 billion of the infrastructure component of the Edinburgh Lending Facility which it set up to accelerate the financing of over 140 major projects or regional investment programmes; together with the European Commission it launched the ECU 1 billion subsidised loan scheme for job-creating investment by Small and Medium-Sized Enterprises and, in partnership with the Commission and over 60 banks from every Member Country, it set up a new guarantee instrument, the European Investment Fund, which is now fully operational.

All these remits demonstrate the growing contribution the EIB is making to furthering the Union's priority economic objectives.

Another important feature of 1994 was the Bank's role in the financing of trans-European networks (TENs). For many years now, financing for major infrastructure has been an EIB speciality, as evidenced by the ECU 23 billion or so lent since 1990 for infrastructure with a European dimension. But the Bank has now pledged itself to strong and positive support - through a special TENs "Window" - offering financing terms and conditions tailored to the particular needs of the priority TENs projects agreed at the December 1994 Essen European Council. This commitment is more evolutionary than revolutionary. Indeed, the Bank has already carried out economic, technical and financial appraisals of most of the fourteen priority transport TENs and committed nearly 5% of their estimated cost for nine components already under construction. The Bank has also appraised five projects and mobilised over ECU 1.5 billion for the priority energy TENs. Helping to finance TENs, and in particular seeking to mobilise private sector finance and involvement, will be one of the Bank's top priorities in 1995.

Outside the European Union, the EIB's role has further expanded and loans amounting to nearly ECU 2¼ billion were signed in 1994 in some sixty countries. Financing in the African, Caribbean and Pacific countries more than doubled; lending in Central and Eastern Europe increased to nearly ECU 1 billion; in the non-member Mediterranean countries, the Bank maintained significant operations with a special focus on regional cooperation and environment-related projects; and it continued its new financing activity in Asia and Latin America.

The Bank's role in supporting the Union's cooperation with non-member countries is likely to continue to grow, not least in those countries seeking accession to the Union. The Bank has also agreed, in support of the political peace process, to accept mandates to extend its lending operations in Gaza and the West Bank. Lastly, following the establishment of new relations between South Africa and the European Union, the EIB will extend its operations to this country.

The Bank has, of course, been strengthened by the accession to the Union of Austria, Finland and Sweden, who are now members and shareholders of the EIB. We warmly welcome them and the new staff from those countries who are progressively being recruited. The accession of these three countries has brought the Bank's subscribed capital from ECU 57.6 billion to ECU 62 billion, thus raising the statutory ceiling on EIB loans to ECU 155 billion. Since outstanding loans at the end of 1994 stood at ECU 106 billion, the Bank still has substantial headroom for future activity in supporting the Union's economic and external objectives.

The Management Committee at one of its weekly meetings with EIB managerial staff (from left to right: Luis Martí, Panagiotis-Loukas Gennimatas, Wolfgang Roth, Sir Brian Unwin, Corneille Brück, Massimo Ponzellini, Ariane Obolensky).



The volume and increasing variety of the Bank's operations, and the growing role the EIB is playing in supporting the Union's priorities, place both heavy responsibility and heavy pressures on the Bank. I have no doubt that, while maintaining the quality of its operations and its high rating on the international capital markets, the Bank will, by the continuing professionalism and commitment of its staff, meet this challenge. I therefore take this opportunity, together with my colleagues on the Management Committee, to express our warm gratitude for the continuing support given to the Bank by

our Boards of Governors and of Directors and to all those within the Bank who enable the EIB to continue making such a valuable contribution towards creating the Europe of tomorrow.

Sir Brian Unwin
President and Chairman of the Board of Directors

The EIB in 1994: Achievements

In a persistently difficult economic environment, the EIB consolidated the volume of its activity in 1994, signing finance contracts for almost ECU 20 billion. During the year, the EIB directed its financing towards capital projects meeting the Union's priority objectives, and prepared to welcome Austria, Finland and Sweden as new Member States.

FURTHERING INVESTMENT ACROSS THE EUROPEAN UNION :

Lending in the Member States amounted to 17 682 million. In 1994, the EIB thus helped to implement capital investment costed at a total of around 45 billion and representing some 4.2% of gross fixed capital formation within the Union.

ACCORDING PRIORITY TO REGIONAL DEVELOPMENT :

Operations promoting regional development and strengthening economic and social cohesion within the Union accounted for 72% of aggregate financing for the year. The investment in question will benefit all areas covered by the Community's Structural Funds, Objective 1 areas in particular.

CONTINUING TO SUPPORT TRANS-EUROPEAN NETWORKS :

The EIB took part in identifying priority Trans-European Network (TEN) projects and created a "special window" for tailoring its financing facilities to the specific needs of Community infrastructure schemes. In 1994, it lent 7.2 billion under this heading.

EXPEDITING IMPLEMENTATION OF THE GROWTH INITIATIVE :

The EIB committed the full amount of the infrastructure lending facility, i.e. 7 billion, and launched subsidised loans for job-creating SMEs. It participated with the European Commission and the banking community in setting up the European Investment Fund (EIF), whose remit is to provide guarantees in respect of financing for European infrastructure and of investment in support of SMEs.

PROTECTING THE ENVIRONMENT WITH A VIEW TO SUSTAINABLE DEVELOPMENT :

Almost 5 billion were invested in safeguarding the environment in all sectors of the economy. Loans centred in particular on improving the quality of urban life, with the emphasis on public transport systems.

SUSTAINED GROWTH IN FINANCING FOR PARTNERS OUTSIDE THE UNION :

The EIB provided more than 2.2 billion in countries in Central and Eastern Europe, the Mediterranean region, Africa, the Caribbean and the Pacific as well as Asia and Latin America in which it mounts operations under a variety of agreements.

CONFIRMING AN ESTABLISHED AND POPULAR PRESENCE ON CAPITAL MARKETS :

Borrowing in order to lend, the EIB offers top-rated bond issues to investors in the leading financial centres. In 1994, it raised over ECU 14 billion on the finest terms available, onlending the funds, on a non-profit-making basis, for projects fostering attainment of the Union's objectives.

THE EIB: THE EUROPEAN UNION'S FINANCIAL INSTITUTION...

1994: Overview

The task of the European Investment Bank, the European Union's financial institution, is to contribute towards giving practical expression to the Union's policies, especially those aimed at achieving balanced development, integration and economic

and social cohesion of the Member Countries. To these ends, it raises substantial volumes of funds on the markets in order to help finance capital projects by deploying banking resources.

Outside the Union, the EIB implements, in several areas of the globe, the financial components of agreements concluded as part of European development cooperation policy.

In 1994, the total amount of contracts signed came to 19 928 million ⁽¹⁾ (19 611 million in 1993): 19 660 million from own resources (see Note 1(b), Guide to Readers, page 129) and 267 million in operations using other resources. These contracts break down as to 17 682 million for projects within the European Union, including 26 million in the form of a guarantee, and 2 246 million outside the European Union.

Financing authorisations in respect of projects submitted to the EIB for appraisal totalled 23 billion, as in 1993.

Disbursements from own resources, relatively stable since 1990, amounted to 15.4 billion, of which 14.8 billion in the Member Countries.

The amount outstanding on operations from own resources ran to 106.5 bil-

lion, corresponding to 185% of subscribed capital as at 31. December 1994 (98 billion at end-1993). The principal forms of guarantee attaching to loans outstanding are set out in the financial statements (see page 85).

The Bank raised a total of 14 148 million in medium and long-term funds **on the capital markets** (14 224 million in 1993). With a view to customising its resources to the needs of project promoters, the EIB conducted a number of swap operations, following which it was able to command the resources required for its lending activity: fixed-rate, as to three quarters, and variable rate.

Community currencies represented almost four fifths of aggregate funds raised, more than half being accounted for by the Italian lira, the Deutsche

Mark, the pound sterling and the French franc.

At end-1994, the balance sheet total topped the 100 billion mark to reach 102.8 billion. This figure, together with the volume of financing provided during the year, underscores the degree of the EIB's commitment as the European Union's financial institution. The Bank's ability to mobilise significant amounts of funds on the keenest terms available as well as its expertise in identifying economically worthwhile capital projects enable it to offer loan formats accommodating promoters' ever-changing needs.

⁽¹⁾ Unless otherwise indicated, all amounts given in this report are expressed in ECUs and have been rounded to the nearest million.

Table 1: Contracts signed in 1994, from 1990 to 1994 and from 1973 to 1994
Breakdown by origin of resources and project location

	1994		1990-1994		1973-1994	
	ECU million	%	ECU million	%	ECU million	%
Loans from own resources and guarantees	19 660.4	98.7	84 587.0	99.2	157 550.1	94.8
within the European Union	17 681.9	88.7	78 586.3	92.1	146 152.5	87.9
of which: loans	17 656.0	88.6	78 382.7	91.9	145 252.1	87.4
of which: guarantees	25.8		203.6	0.2	900.4	0.5
outside the European Union	1 978.5	9.9	6 000.7	7.0	11 397.6	6.9
Financing from other resources	267.1	1.3	719.6	0.8	8 635.3	5.2
within the European Union			62.8	0.1	6 399.1	3.9
outside the European Union	267.1	1.3	656.8	0.8	2 236.2	1.3
Grand total	19 927.5	100.0	85 306.6	100.0	166 185.4	100.0
within the European Union	17 681.9	88.7	78 649.0	92.2	152 551.6	91.8
outside the European Union	2 245.6	11.3	6 657.5	7.8	13 633.8	8.2

Financing provided for capital investment within the European Union in 1994 came to 16 624 million. This amount corresponds to individual loans signed in 1994 (see list, page 99) plus allocations from ongoing global loans, i.e. excluding the balance of global loans still to be drawn down (see Note 1(a), Guide to Readers, page 129).

Projects financed spanned a broad range of sectors in all countries of the Union, including the new Member States.

Against a background in which the overall volume of financing showed little change, activity increased in the United Kingdom, Germany - mainly the eastern Länder - and France as well as, to a lesser extent, Greece and the Benelux countries. Projects of common

interest in Norway and Morocco also attracted support (see Note 5(d), Guide to Readers, page 130).

Activity centred on four key objectives which may possibly overlap. Consequently, certain operations are accounted for under more than one heading.

- Developing less-privileged regions.

Projects in these areas claimed more than 12 billion, or 72% of financing in the Member Countries. Activity was concentrated in the least-favoured regions - principally in the countries covered by the Cohesion Fund and Germany's eastern Länder - together accounting for over a quarter of the Union's population.

Between 1990 and 1994, in conjunction with Community grant aid for structural purposes, the EIB devoted in excess of 47 billion to investment in regional development areas, representing a contribution of almost 150 billion towards fixed capital formation.

- Establishing transport and energy networks.

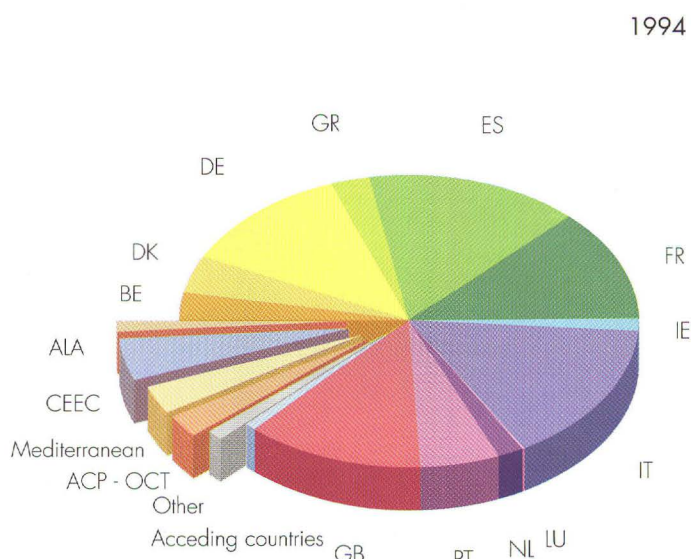
The EIB continued to advance financing for infrastructure promoting intra-Community trade and improving links between the various regions of the Union.

Over 7 billion were made available for transport, telecommunications, power transfer and gasline networks.

Contracts signed ⁽¹⁾				
(ECU million)				
1994: 19 927.5		1993: 19 611.4		
amount	%		amount	%
615.3	3.5	Belgium	371.6	2.1
849.7	4.8	Denmark	875.5	4.9
2 407.9	13.6	Germany	2 096.6	11.8
534.7	3.0	Greece	511.1	2.9
3 011.5	17.0	Spain	4 005.1	22.6
2 477.4	14.0	France	2 205.5	12.4
291.1	1.6	Ireland	388.2	2.2
3 099.5	17.5	Italy	3 362.0	19.0
5.1	0.0	Luxembourg		
399.5	2.3	Netherlands	379.7	2.1
1 109.7	6.3	Portugal	1 488.8	8.4
2 454.7	13.9	United Kingdom	1 929.1	10.9
89.5	0.5	Austria	72.5	0.4
60.2	0.3	Finland		
15.3	0.1	Sweden		
260.8	1.5	Other ⁽²⁾	38.5	0.2
17 681.9	100.0	European Union	17 724.2	100.0
461.6	20.6	ACP-OCT	225.7	12.0
607.0	27.0	Mediterranean	680.5	36.1
957.0	42.6	CEEC	882.0	46.7
220.0	9.8	ALA	99.0	5.2
2 245.6	100.0	Outside European Union	1 887.2	100.0

⁽¹⁾ For abbreviations, see page 130.

⁽²⁾ Projects located outside the Member States but of benefit to the Union (see Note 5(d), page 130).



In the light of the exceptional scale of certain high priority TEN schemes which it has helped to prepare, the EIB decided to create a "special window" allowing, where so required, its financing terms and conditions to be tailored to the specifics of individual projects.

- Underpinning the revival in economic growth.

In 1994, EIB activity helped to finance aggregate capital investment of around 45 billion within the Union.

The Bank committed in full the 7 billion in loans provided for under the Edinburgh facility to support infrastructure investment, apportioning the funds between 140 major projects and investment programmes involving communications, energy and the environment.

It also began to implement the interest-subsidy facility for job-creating SMEs,

committing an initial tranche of global loans for 650 million.

- According special emphasis to the environment and SMEs.

The EIB directed 4.9 billion towards water and waste management schemes, undertaken largely by local authorities, the development of public transport facilities in towns and cities and projects geared to reducing atmospheric pollution caused by industrial and energy-generating plant.

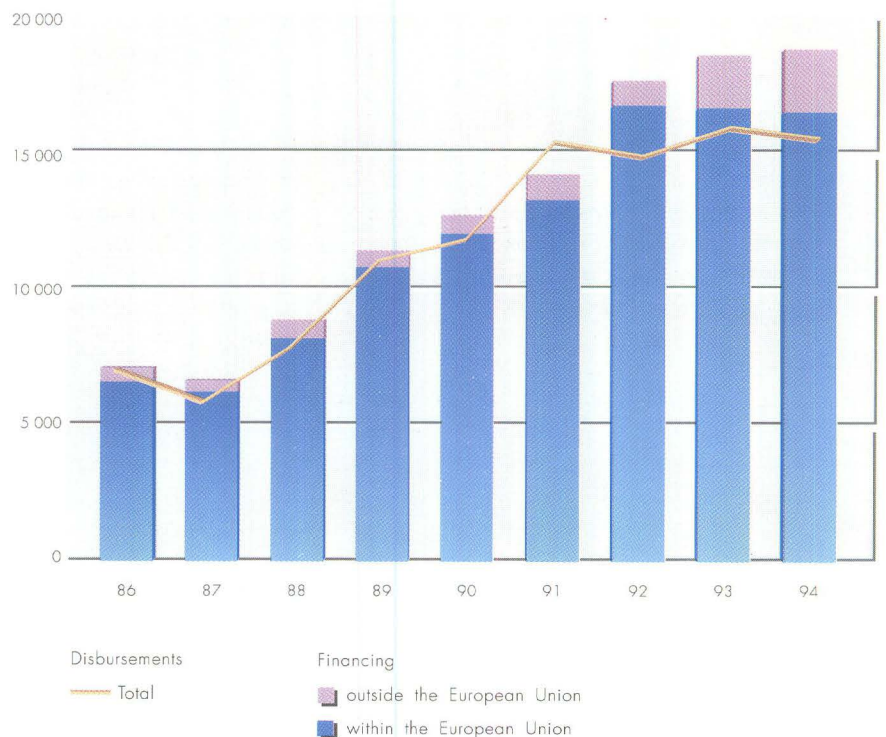
Over 3.5 billion were also devoted to diversifying and making more efficient use of energy resources.

Despite the inauspicious economic climate, the Bank sought to provide backing for industrial and service-sector investment, particularly by SMEs (3.6 billion).

Outside the Union, financing made available as part of Community co-operation policies with non-member countries further increased to 2 246 million (1 887 million in 1993): 1 979 million from own resources and 267 million from budgetary resources (see list, page 107).

This upturn was attributable to the volume of financing in the African, Caribbean and Pacific (ACP) States and the Overseas Countries and Territories (OCT), which doubled, and to the growth of operations in Asia and Latin America. The EIB also stepped up its activity in the Central and Eastern European Countries (CEEC) and maintained the level of its support for countries on the southern rim of the Mediterranean as part of the Redirected Mediterranean Policy.

Disbursements and financing from 1986 to 1994
(ECU million at current prices)



After a period of economic recession, 1994 showed signs of a recovery without any marked inflationary trends. On the other hand, action to combat unemployment did not entirely give the results anticipated and, as emphasised by the European Council in Essen, it remains the main priority of the European Union and its Member States.

In this context, the creation of trans-European networks, implementation of the new stage in the reform of the Structural Funds, completion of the Single Market and the strengthening of industrial competitiveness are four of the key elements in a European strategy combining growth with employment.

As a committed player and an active partner in the building of Europe, the EIB is increasingly concerned with the preparation and implementation of a number of decisions relating to Community policies. In this context, at its recent meetings, the European Council has invited the EIB to play a part in attaining key objectives of the Union, involving both member and non-member countries. Implementation of the Edinburgh lending facility for infrastructure and SMEs, establishment of the European Investment Fund, cooperation with the Cohesion Fund, management of the EFTA countries' financial mechanism and financing of trans-European networks are all recent examples of action which has been entrusted to the Bank or has required its close cooperation.

Collaboration with the European Commission and its departments, as well as the various bodies of the Council of the European Union, has recently been stepped up, and the President of the EIB has duly taken part in several meetings of the Council. The Bank has also endeavoured to provide information to the European Parliament in the most direct way possible, in particular by responding to invitations from the par-

Another significant event in 1994 was entry into force of the second stage of Economic and Monetary Union, introducing closer co-ordination between the economic policies of the Member States, the main guidelines of which were mapped out by the European Council in Corfu.

Finally, the year saw a turning point in relations with the outside world. On 1 January 1995, three new Member States joined the European Union, whose horizons are also expanding in other ways: by forging closer links with the Central and Eastern European Countries and strengthening its partnership with non-member countries in the Mediterranean area.

liamentary committees concerned with EIB activity. The same approach has been adopted for the Economic and Social Committee and the Committee of the Regions.

By contributing in this way to decision-making processes and to informing Europe's elected representatives, the EIB is underscoring its concern to fulfil its mission of serving the European Union, while maintaining its status as an independent institution. The staff of the Bank at all levels have been at pains to strengthen the role of the EIB in order to meet demands over and above its traditional activity.

The EIB thus draws upon its experience and professionalism in assisting implementation of Community policies in the Member States and promoting the development of many partner countries. In supporting quality investment projects contributing to the integration and balanced development of the European Union and to lasting growth creating new job opportunities, the EIB is working for the advancement and prosperity of Europe's citizens.

IN 1994, THE EUROPEAN UNION
DEVELOPED AN ECONOMIC
GROWTH STRATEGY AND
PREPARED TO WELCOME
THE NEW MEMBER STATES

THE EIB, AN ACTIVE PARTNER
IN THE BUILDING OF EUROPE,...

... IS INVOLVED IN DEFINING
AND ACHIEVING NUMEROUS
COMMUNITY OBJECTIVES

THE TRANS-EUROPEAN NETWORKS SPECIAL WINDOW: TAILOR-MADE TERMS AND CONDITIONS FOR EXCEPTIONAL PROJECTS

It is the Europe of today that is laying the foundations for the major transport systems of the 21st century. Mostly extending across several countries and sometimes involving exceptionally large-scale structural works, these schemes call for appropriate solutions to numerous obstacles and administrative and technical constraints. Their successful implementation requires a combination of financing from a variety of both national and Community sources: the public and private sectors, EIB loans and European Union grant aid.

For many years now the EIB, the leading provider of bank finance for key infrastructural works in a considerable number of Member Countries, has supported construction of transport infrastructure with a European dimension, devoting significant sums to numerous projects, including motorways, high-speed trains, the Channel Tunnel and the Great Belt fixed link.

In several countries, the Bank has also contributed towards telecommunications schemes, major gaslines conveying natural gas from deposits in the North Sea, Russia and Algeria and projects interconnecting both gas and electricity grids, so promoting exchanges within the European Union.

In adopting the list of priority trans-European network projects (see map, page 28), the Essen European Council invited the EIB to lend even greater support to such vital infrastructure. Given that each project has its own constraints and needs to be examined individually in order to assess its economic, financial and technical merits, the Bank has accordingly adopted a certain number of measures under this heading. These seek to tailor, where necessary, the terms and conditions of its financing to the specific case-by-case needs of transport, telecommunications and energy projects in the public and private sectors, as well as to make funds available for environmental protection measures of a trans-European nature.

Collectively constituting a "special window", these measures may be applied to projects forming part of strategic networks within the Union or in neighbouring countries, i.e. in Central and Eastern Europe, the Mediterranean area and regions offering corridors across the Alps.

With a view to promoting such projects of vital interest for the European Union but involving particular financing needs stemming from their unusual scale, especially long construction periods and often delayed returns, the EIB is prepared, in appropriate cases, to:

- lengthen the traditional maturities of its loans and grace periods in respect of repayment of principal, and even payment of interest,

so as better to match repayment schedules to the constraints associated with these projects and anticipated cash flow;

- offer financial engineering designed to reduce the risks incurred by banks and promoters, especially in the private sector, notably by according refinancing facilities (thus enabling banks to re-finance their commitments in line with borrowing maturities available on the markets), providing advance funding (setting a rate of interest which remains "frozen" between the time of the financing agreement and the date on which the funds are actually made available) and signing, also in advance, framework financing agreements (use of which is linked to conditions relating to progress on the project);

- extend its financing to network components meeting the objectives sought, irrespective of their location within the Union;

- become involved in projects at the outset so as to allow, in liaison with the activities of the European Investment Fund (EIF) and in co-operation with the European banking community, the contractual and financial structuring best suited to the characteristics of each project to be defined at an early stage in order for the Bank fully to play its role as a catalyst in establishing sound financing packages.

This willingness to adapt the terms and conditions of its loans follows on from efforts to foster Community transport and energy networks in tandem with promoters and all parties concerned. The EIB has, in particular, conducted economic, technical and financial appraisals of the majority of the 14 priority TENs transport projects endorsed in Essen. As at end-February 1995, it had committed some 4.3 billion towards financing several of them or certain of their components under construction. The projects in question included: work to upgrade the Italian section of the Brenner high-speed rail line; the Paris-Brussels-Cologne-Amsterdam-London high-speed train link; the key Cork-Dublin-Belfast rail connection in the island of Ireland; uprating transport capacity in Ireland for developing the Ireland-United Kingdom-Benelux link; extension of Milan-Malpensa airport; and numerous sections of the motorway networks in Greece, Spain, Portugal and Finland. By end-February 1995, 3.3 billion in all had been made available for various phases of these projects.

For energy TENs, the EIB has committed close on 1.5 billion for the Maghreb-Spain gasline, including those parts crossing Algeria and Morocco, and for developing the gas grids in Greece and Portugal - projects for which loans have already been provided - as well as for the electricity interconnection between Spain and Portugal.

In December 1994, the European Council, meeting in Essen, confirmed the support it had already given in Corfu in June to the establishment of trans-European networks (TENs) and approved a list of priority projects in the transport and energy fields.

Apart from the emphasis placed on the speedy launching of high-priority transport projects, the European Council stressed the importance of traffic management systems, ranging from development of the multimodal network to air traffic control and safety systems.

Throughout the year, the EIB played an active part in preparing the report entrusted to the Group of Personal Representatives of Heads of State or Government (the "Christophersen Group") on the identification of TENs and scope for financing the major investment required in particular for the priority projects (see map, page 28).

The Essen Council was an opportunity for the EIB to confirm its support for this initiative, undertaking to mobilise considerable financial resources by extending its action in favour of infrastructure of benefit to the Community.

From 1990 to 1994, the EIB contributed, through loans totalling over 23 billion, to the creation of communications infrastruc-

The increased support given to the creation of networks serving Europe as a whole also ties in with the Bank's concern to further the balanced development of the various regions of the European Union in order to strengthen its economic and social cohesion.

ture of benefit to all the Member States, corresponding to aggregate investment of around 87 billion:

In the light of its experience, the EIB considers that it is in a position to provide the loan finance required for projects, provided they meet its criteria in terms of economic justification, financing arrangements and guarantees. With a view to accommodating the exceptional scale of certain of these TEN projects and their special funding needs, the Bank has proposed to implement tailor-made financing facilities under a "special window" described in the box article opposite.

In this area, the EIB has also accorded consideration, on grounds of mutual interest, to links with partner countries, in particular in Central and Eastern Europe and the Mediterranean region, as well as to the financing of environmental protection measures, insofar as they form part of projects with a trans-European dimension.

Moreover, the European Investment Fund (EIF), set up in June 1994 by the EIB, the Commission and the banking sector (see page 14), will be devoting an appreciable proportion of its activities to the provision of guarantees facilitating the financing of these networks and thereby affording security for the other financial partners.

Operations to promote regional development, a priority mission assigned to the Bank by Article 198e of the Treaty on European Union and supplemented by the Protocol on Economic and Social Cohesion, often go hand in hand with grants from the Community Structural Funds.

CLOSELY ASSOCIATED IN IDENTIFYING
TRANS-EUROPEAN NETWORKS...

... THE EIB TURNS ITS EXPERIENCE
TO ADVANTAGE IN MOBILISING
THE REQUISITE FINANCING...

... AND TAILORS THE TERMS
AND CONDITIONS OF ITS LOANS TO
THE SPECIFICS OF CERTAIN PROJECTS

THE EUROPEAN INVESTMENT FUND

Operational since June 1994, the European Investment Fund (EIF) provides guarantees for major infrastructure projects, notably those forming part of trans-European networks (TENs), and for capital investment undertaken by SMEs.

The EIF represents an **innovative structure** in terms of its share ownership. It brings together public and private, Community and national, partners in providing new means of supporting capital investment essential for the European Union's economic recovery and balanced development.

The EIF, which it was agreed to found at the Edinburgh European Council as part of the European growth initiative, held its constitutive general meeting in Luxembourg on 14 June. This brought together its shareholders, namely representatives of the EIB, the European Commission and 58 financial institutions from the twelve Member Countries of the European Union.

The Intergovernmental Conference held on 25 March 1993 had approved, following the favourable opinion of the European Parliament, an Act amending the Protocol on the Statute of the EIB and empowering the Bank's Governors to establish the EIF. Following ratification of this Act by the Member States, the Bank's Governors established the EIF on 25 May 1994.

The EIF operates on a **self-sustaining basis**; as a separate legal entity, its accounts are distinct from those of the EIB.

The initial authorised **capital** of the EIF amounts to ECU 2 billion. On 14 June 1994, this had been subscribed as to 1.7 billion by the EIB (800 million), the European Commission on behalf of the European Union (600 million) and 58 banks and financial institutions (300 million). The balance of 300 million leaves scope for other financial institutions to participate in its capital.

The EIF is run on the basis of banking criteria. Its operations currently take the form of **financial guarantees**. Commission charged under this heading serves to cover administrative expenses, to

build up reserves and, at a later stage, to provide a return to shareholders. Direct equity participations in enterprises involved in implementing TENs will be considered at a later date as will indirect equity holdings in SMEs.

As at 31 December 1994, the EIF had signed six guarantee operations totalling ECU 513 million in respect of capital projects in four Member Countries of the European Union.

The guarantees in question related to five EIB loans for major infrastructure schemes, two of which have been accorded priority under the heading of Trans-European Networks (TENs): Malpensa airport in Italy and a gasline in Portugal. The other three focused on telecommunications and gasline networks in Italy as well as mobile telephone systems in Greece. A sixth operation, involving a guarantee for a loan from the Banque Populaire Group, helped to promote investment by small and medium-sized enterprises.

As a result of the accession of Austria, Finland and Sweden, the EIF will be extending its activities to these countries whose financial institutions could soon number among the Fund's shareholders.



European Investment Fund
FEI · EIF

The EIF, established in Luxembourg, is managed by a Financial Committee whose three members are: Eugenio Greppi (Chairman), François Lagrange and David McGlue. This Committee is answerable to the Supervisory Board, chaired by Sir Brian Unwin, EIB President, which comprises representatives of the EIB, the Commission and the partner financial institutions.

Fuller details on the activities of the EIF are contained in its Annual Report, available from its provisional head office:

c/o European Investment Bank
100, boulevard Konrad Adenauer - L-2950 Luxembourg

The EIB accordingly participated in planning the second stage of the reform of the Structural Funds covering the period 1994-1999 endeavouring, as in the past, to use its loans to optimise the impact of Community grant aid.

In a period of often still hesitant growth, with generally excessive levels of public-sector debt and continuing high unemployment, this optimum approach is particularly important and falls naturally within a multiannual perspective.

In 1994, the EIB devoted almost three quarters of its financing to investment in support of regional development, usually also covered by other Community measures. It contributed as well to the appraisal of several environmental and transport projects in the four countries accorded priority under the Cohesion Fund.

In the same countries, the Bank gradually implemented the European Economic Area (EEA) financial mechanism.

In 1994, the EIB brought to a conclusion the action begun in 1993 to support economic activity in keeping with the wishes of the Edinburgh European Council in December 1992.

- The European Investment Fund, designed to facilitate the financing of trans-European infrastructure networks and investment by SMEs through the provision of guarantees, held its constitutive general meeting on 14 June 1994 (see box article opposite). By the end of 1994, it had approved guarantee operations totalling 711 million.

- The 7 billion set aside under the Edinburgh lending facility to speed up the fi-

This mechanism is designed to promote investment in the environment, transport, education and training and for SME ventures in Greece, Portugal, the island of Ireland and the underprivileged regions of Spain. In all, 500 million will be made available over the period 1994-1998 in the form of grants and resources to fund 2% interest rebates on EIB loans amounting to 1.5 billion. In 1994, the EIB undertook to administer grants and interest rebates on behalf of the EEA in Portugal, Spain, Greece and Ireland.

The Bank welcomed the decision taken by the European Council in Essen to support the peace process set in train in Northern Ireland. A multiannual programme of development aid will be launched including, in addition to Community aid, EIB financing in order to provide increased backing in Northern Ireland and the border counties of the Republic of Ireland.

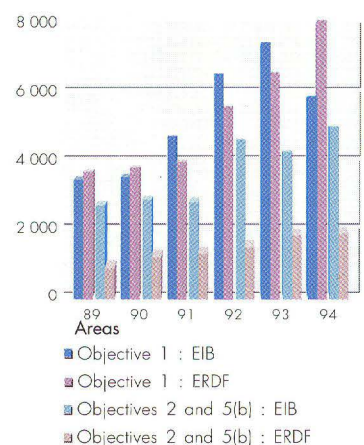
ancing of infrastructure projects was committed in favour of close on 140 projects (see box article, page 22).

Experience gained in implementing this facility has demonstrated its benefits for promoters, particularly in the two major fields of EIB activity: regional development and communications networks.

At the end of 1994, the Board of Directors decided to relax the rules on the combination of loans and grants in priority regions and to authorise financing for infrastructure providing access to networks in non-assisted areas.

SUPPORT FOR THE BALANCED REGIONAL DEVELOPMENT OF THE UNION CONTINUES TO BE THE EIB'S PRIORITY OBJECTIVE

Location of EIB loans and ERDF grant aid



MEASURES TO SUSTAIN THE RECOVERY IN GROWTH BROUGHT TO A SUCCESSFUL CONCLUSION

THE EIB AND ENLARGEMENT OF THE EUROPEAN UNION

On 1 January 1995, the European Union welcomed three new Member States: Austria, Finland and Sweden. Consequently, the EIB's shareholders now number 15 Member States.

Following the accession of Denmark, Ireland and the United Kingdom in 1973, Greece in 1981, and Spain and Portugal in 1986, as well as the unification of Germany in 1990, the EIB's theatre of operations has thus once again been extended.

This latest enlargement of the Union represents the culmination of the decision taken at the Edinburgh European Council, at end-1992, to commence negotiations with the applicant countries in early 1993. After these were completed in March 1994, the European Parliament approved the Treaties of Accession on 4 May 1994.

Acceptance of the conditions of accession was confirmed by referenda held in Austria, Finland and Sweden, whose national Parliaments and those of the Twelve subsequently ratified the Treaties.

The rapidity with which the accession procedures were completed was due largely to the economic and social fabric of the applicant States being similar to that of the Twelve, their acceptance of the "acquis communautaire", and conclusion in 1992 of the agreement on the European Economic Area which had already resolved a number of issues.

Hence, the European Union now covers an area of 3.24 million km² and has a population of 366 million, while its prosperity, in terms of GNP, has increased by some 7%.

The accession of these three new Member Countries has direct consequences for the EIB in terms of its organisational structure, capital and activities.

At **organisational** level, each of the new States has a seat on the Board of Governors; each has nominated a full member of the

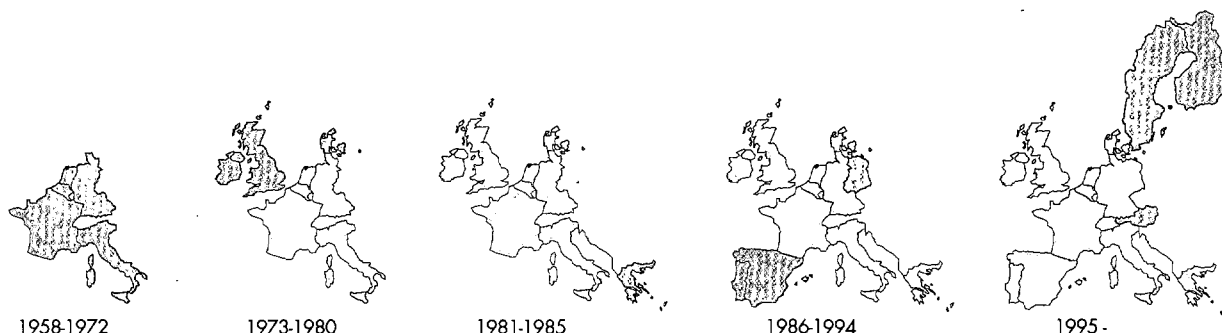
Board of Directors and, by common accord, one alternate member between them. In early 1995, the EIB's Board of Governors decided to increase from six to seven the number of Vice-Presidents on the Bank's Management Committee. At the start of the year, the EIB welcomed nationals from these three countries onto its staff.

The new Member States are contributing, as to 7.1%, to the **capital** of the Bank, a proportion determined mainly on the basis of their gross domestic product. The EIB's subscribed capital has thus been increased to 62 billion and the ceiling on loans outstanding has consequently been raised from 144 billion to 155 billion. The weighting of Member States' capital subscriptions has changed accordingly, with Sweden becoming the eighth largest shareholder and Austria and Finland the tenth and eleventh largest respectively (see Statement of Subscriptions to the Capital of the Bank as at 1 January 1995, page 96). The proportion of capital paid in and to be paid in remains unchanged at 7.5%, while the new members will settle their corresponding contributions in eight equal instalments by October 1998. The three States are contributing similarly to the reserves and provisions.

As regards **Bank activity**, operations have been facilitated all the more by the decision taken by the EIB's Governors on 8 April 1994 to authorise the Bank to provide loans and guarantees in the EFTA countries for a maximum of 500 million annually over two years.

This decision gave the EIB the opportunity to forge links with economic and financial circles in these countries and to conduct appraisals of several projects. Accordingly, by end-1994, the Bank had provided a total of 165 million in support of projects in Austria, Finland and Sweden.

The Bank had also already established a presence on the Austrian and Swedish capital markets. Links with the authorities, bankers and industrialists will thus be turned to optimum effect in rapidly building up lending and borrowing activity in the three new Member Countries.



The European Council meeting in Copenhagen decided to extend the Edinburgh lending facility to job-creating SMEs. After the arrangements had been considered by the European Parliament, the Council of the European Union entrusted the EIB in April 1994 with administering the SME facility. This support for investment by smaller businesses was initiated after the signature of a cooperation agreement with the Commission in June 1994.

The SME facility provides for EIB global loans, subsidised from the budget of the European Union, for a total of 1 billion. SMEs creating new jobs thus stand to gain from loans carrying a 2% interest subsidy for a period of 5 years, the amount of which may not exceed ECU 30 000 per job created.

At the end of 1994, global loans had been arranged with institutions in all countries of the Union for the whole of the first tranche of 650 million. Applications for credit totalled 324 million at end-February 1995. Commitment of the second tranche of 350 million, which will also be open to the three new Member States, is planned during the course of 1995.

For both SMEs and larger firms, completion of the Single Market is one of the keys to the competitiveness of European indus-

Making environmental considerations a part of the various Community policies, as called for by the Treaty on European Union, was taken further in the Fifth Action Programme on the Environment. As well as covering regulatory aspects, this programme also calls for a commitment to support action on economic lines.

try, along with action to promote investment in intangible fixed assets, to boost technological research and development and to improve education and vocational training.

The EIB pays very close attention to all of these aspects when assessing projects submitted to it; they form a significant element in much of the investment financed.

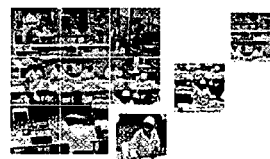
The role of SMEs in local economic life and their contribution to job creation are vital. Yet, although their ability to respond to circumstances and to adapt is impressive, SMEs are also the most vulnerable of enterprises in difficult times. Besides, they do not enjoy special access to different sources of finance.

This is why the EIB has endeavoured to respond to the recovery in demand for credit observed in 1994 and emanating mainly from the smallest firms, particularly in assisted areas, which could be indicative of an improvement in their situation.

Finally, the EIB will play its part in the Community aid package planned to enable the Portuguese textile industry to adjust to the new GATT rules. This includes Community grant aid, some of which in the form of interest subsidies on EIB loans.

The accession of new Member States, whose environmental practices are among the most advanced in the world, should give fresh impetus to action in this field. Aimed at supporting sustainable development, this is being pursued in the reform of the Structural Funds and within the ambit of the Cohesion Fund.

SUPPORT FOR JOBS AND
COMPETITIVENESS -
TARGETING SMEs



THE UNION STANDS TO BENEFIT
FROM THE ENVIRONMENTAL
KNOWHOW OF ITS NEW MEMBERS

BROADER RANGE OF
OPERATIONS WITH AN
ENVIRONMENTAL
PROTECTION DIMENSION

The European Council in Essen expressed interest in a network-based approach to certain areas of environmental protection and the EIB has identified measures, falling within the scope of trans-European projects, eligible for appropriate financing under its special window (see page 12).

This approach is in keeping with the practice of the Bank, which not only checks the environmental impact of all projects submitted to it but also takes into account their environmental components in its economic analysis.

The increase in funding in this area, particularly for schemes promoted by local authorities, and its extension to many other sectors, notably industry and energy, bear witness to the fact that the environment is coming to form an integral part of all economic activity.

The same holds good outside the Member States. Protection of the environment is one of the priorities in the Mediterranean region and represents a key component of EIB operations in the Central and Eastern European Countries, where, however, the scale of latent needs represents a formidable challenge.

The environment is, by its nature, a field eminently suited to international cooperation, in which the EIB plays an active part. This is true of the Mediterranean Environmental Technical Assistance Programme (METAP), launched in 1988, and of initiatives unfolding since 1992 to rehabilitate the Baltic and, more recently, to clean up the Elbe river system and to protect and promote sustainable use of the Danube (see Annual Report 1993, page 24).

1995, ACCESSION OF AUSTRIA,
FINLAND AND SWEDEN

On 1 January 1995, the accession of Austria, Finland and Sweden to the European Union marked the beginning of a new era in European integration.

On joining the Union, the three new Member States also became members of the EIB, which had taken advantage of the previous year both to make the arrangements necessary for their integration and to strengthen contacts with operators in those countries in order to develop its activity there (see box article, page 16).

The prospect of these countries becoming Member States had been envisaged when the European Economic Area (EEA) was set up as from 1 January 1994. Comprising the European Union and the countries

of the European Free Trade Association (EFTA), the EEA forms the largest integrated economic zone in the world.

Meeting in December 1993, the representatives of the Member States of the European Union and EFTA had expressed the desire to see the EIB develop its activities, in particular in the field of infrastructure and trans-European networks in the applicant countries, including Norway at the time, as well as in the other EFTA countries.

The authorisation given in April 1994 by the Bank's Board of Governors to furnish loans and guarantees up to a maximum of 500 million a year over two years gave rise to the provision of finance totalling 265 million in 1994.

The development of relations between the European Union and its partner countries was a central concern in 1994, as reflected in the conclusions of the European Council meeting in Essen at the close of the year.

Building upon previous decisions, the European Council stated that "following enlargement to fifteen Member States, the European Union will embark on its programme to prepare for the accession of all European countries with which it has concluded Europe agreements".

Thus the associated countries of **Central and Eastern Europe**, who so wish, will be able to become members of the European Union as soon as they are in a position to meet the corresponding pre-conditions. The Baltic States and Slovenia will also be speedily included in this strategy of closer ties aimed, in particular, at preparing them for integration into the Single Market. The support given by the European Union to the economic development of the countries concerned is one of the key factors in this integration. The EIB is playing its part in this process: on 2 May 1994, the Board of Governors authorised the granting of loans for a total of 3 billion between now and the end of 1996, which will be guaranteed by the Community.

Special attention is being paid to cross-border industrial and infrastructure projects supporting the process of conversion and integration of these economies. Infrastructure projects can if necessary benefit from the terms of the "special window" set up for financing trans-European networks.

The EIB operates in these countries in conjunction or cooperation with other sources of financing, in particular the Community's PHARE programme, the EBRD and the World Bank.

On the subject of Euratom activities, for which borrowing and financing decisions are taken by the European Commission, the EIB was invited by the Council to take on a limited mandate, which it accepted on 19 July 1994, to carry out assessments exclusively concerned with the financial and economic aspects of nuclear safety operations in certain Central and Eastern European Countries as well as in Russia, Ukraine and Armenia.

In the **Mediterranean area**, the European Union hopes to establish a Euro-Mediterranean partnership likely, in time, to lead to the creation of a free trade area, promoting peace and prosperity. The EIB, which has a vital role to perform in implementing the financial cooperation component of the Union's Mediterranean cooperation policy, will participate fully in this partnership.

On 30 November 1994, the Board of Governors authorised the Bank to finance projects in the Gaza Strip and on the West Bank, thereby supporting the peace process in the Middle East and cooperation efforts in the region.

In the **African, Caribbean and Pacific States**, the EIB has long participated in development aid policy, focusing its operations mainly on the growth of an active industrial sector. It will extend its action under the terms of the financial cooperation envisaged following the mid-term review of the Fourth Lomé Convention initiated in 1994. One of the central concerns is to define the level of financial cooperation which will involve not only extensive grant aid, but also loans from the EIB's own resources and assistance in the form of risk capital from budgetary resources.

OUTSIDE THE UNION, THE EIB IS ACTIVE IN SEVERAL MAJOR GEOGRAPHICAL AREAS,...

.... SUPPORTING PROJECTS IMPLEMENTED IN PARTNERSHIP OR UNDER REGIONAL COOPERATION ARRANGEMENTS...

... AND FAVOURING PROJECTS OF MUTUAL INTEREST AND VALUE IN SAFEGUARDING THE ENVIRONMENT

The relations established between the European Union and South Africa since its commitment to the democratic process could lead the EIB to provide financing, from its own resources, in this country under the interim agreement concluded in November 1994.

Finally, in **Asia and Latin America**, operations, conducted by the Bank since 1993, developed substantially after the approval

of various framework agreements with several new countries. Capital projects in these areas must conform to the mutual interest criterion, whether in terms of meeting certain objectives recognised to be of major importance by both the countries concerned and the European Union - environmental protection for example - or of associating operators from the Member States in their implementation.

STABILITY IN THE EXCHANGE-RATE
MECHANISM IN 1994 AND A RISE
IN LONG-TERM RATES

The second stage of Economic and Monetary Union came into force on 1 January 1994, marking the start of increased convergence between the economic policies of the Member States and the supervision of budgetary policies in accordance with the Treaty on European Union.

Set up on the same date, the European Monetary Institute (EMI) began to take part in the coordination of central bank monetary policies and launched preparatory studies for the establishment of the European System of Central Banks (ESCB).

In contrast to the turmoil of 1993 and new tensions leading, in early March 1995, to devaluation of the Peseta and the Escudo, the European Monetary System's exchange-rate mechanism did not come under any appreciable strain during 1994 even though some currencies were temporarily affected.

Following turbulence on the bond markets and the renewed interest of many opera-

tors in national markets, international public issues in ECUs as a whole amounted to only 5.8 billion, compared with nearly 7 billion in 1993, 19 billion in 1992, 27 billion in 1991 and 15 billion in 1990.

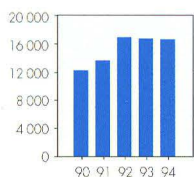
In 1994, the EIB recorded a recovery in demand for disbursements in ECUs which, with 10% of the total, placed the ECU fourth on the list of currencies disbursed.

On the other hand, as it held considerable liquidity in ECUs, mainly because of substantially surplus cash flow and loan prepayments, the EIB floated only one ECU-denominated borrowing, amounting to 300 million, compared with a total of 650 million in 1993 and 1 450 million in 1992. It nevertheless continued to be active on the short-term market through its commercial paper and notes programmes.

At the end of 1994, the EIB's total ECU borrowings outstanding verged on 10 billion, i.e. some 12% of its overall portfolio.

THE ECU REMAINS ONE OF THE EIB'S
PRINCIPAL CURRENCIES
OF DISBURSEMENT

FINANCING PROVIDED WITHIN THE EUROPEAN UNION



Amount provided: Financing in the countries of the European Union amounted to 16 624 million, compared with 16 779 million in 1993. It covered, on the one hand, 190 projects financed by **individual loans under contracts signed** during

the year (13 861 million) and, on the other, 7 712 **allocations from ongoing global loans** (2 763 million), for which the breakdown by sector and Community policy objective is known only when the allocations are finalised.

This more operational presentation of activity providing a detailed analysis of the

year under review should be distinguished from the list of **finance contracts signed** (17 682 million in 1994 as against 17 724 million in 1993), which covers individual loans (13 861 million) and global loan contracts concluded with banks and financial institutions during the year (3 821 million).

SECTORAL ANALYSIS

The stable pattern of financing activity over the past three years masks variations in the trends for individual sectors. These trends show an appreciable increase in funding for transport and energy, an evening-out in support for telecommunications, a levelling-off in that for wastewater treatment and waste disposal and a new decline in funding for industry and the service sector.

In 1994, taken as a whole, the share of infrastructure financing in relation to overall activity rose to 78%.

Funding for **communications infrastructure** amounted to 7 792 million, which exceeded the level for 1993 (7 168 million), accounting for 47% of the total.

Funding for *transport* (5 637 million) covered certain exceptional structures (Channel Tunnel and fixed link across the Great Belt), road and motorway networks, railways, urban transport and port and airport infrastructure. Loans for *telecommunications*, telephone networks and satellite links totalled 2 155 million.

Financing for **water and waste management** totalled 1 432 million, including 462 million for a large number of small or medium-scale facilities, reaching a

plateau after two years of particularly brisk activity.

Finally, *miscellaneous infrastructure* projects, particularly urban schemes promoted by local authorities, attracted funds amounting to 422 million.

In the **energy** sector, operations totalled 3 384 million (20% of activity), compared with 2 576 million in 1993. This impressive increase is due to the sup-

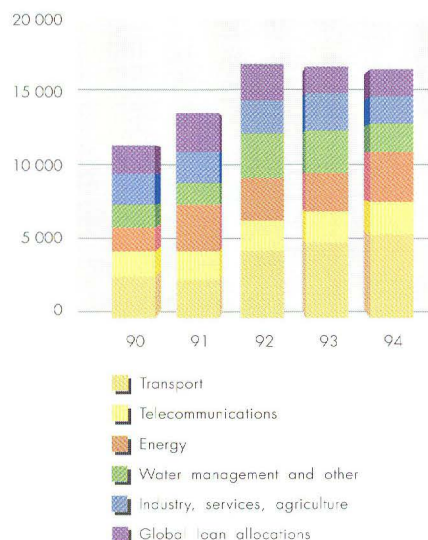
port given to major investment in the production of electricity (1 112 million) and oil and natural gas (565 million) as well as to the continued strengthening of electricity transfer networks and natural gas transmission and distribution systems (1 707 million).

Financing for **industry, the service sector and agriculture** totalled 3 594 million (4 224 million in 1993), i.e. 22% of overall activity, reflecting the slowdown in investment in these sectors over recent years.

Individual loans accounted for half the total (1 798 million). They were targeted at a wide range of investment, mainly in the motor vehicle industry, chemicals and petrochemicals, paper and printing. A large proportion of the projects financed contain a significant environmental component.

On the other hand, funding for small and medium-scale projects, undertaken for the most part by SMEs, showed a slight recovery. Over the year, 6 822 allocations worth 1 797 million in all (including 19 million from NCI resources) were made available for such projects from ongoing global loans, mainly in industry (3 819 allocations; 1 336 million), but also in the service sector (2 990 allocations; 458 million) and, to a much lesser extent, in agriculture (13 allocations; 2 million).

Sectoral breakdown of financing: 75 819 million from 1990 to 1994



THE EDINBURGH INFRASTRUCTURE FACILITY: SURVEY OF OPERATIONS

Wishing to accelerate the financing of capital infrastructure projects for the purpose of promoting economic recovery, the European Council, held in Edinburgh at the end of 1992, requested the EIB to activate a two-year temporary lending facility of five billion.

In June 1993, in Copenhagen, the Council raised this amount to seven billion and extended the lifetime of the facility.

Infrastructure projects which could qualify for support comprised:

- investment in trans-European transport, telecommunications and energy networks as well as equipment in the transport and energy-generation sectors;
- other schemes in the same sectors (transport, telecommunications, energy) aimed at improving links between the regions concerned and the aforementioned trans-European networks;
- investment in the environment, including urban renewal.

By end-1994, the amount provided for under this facility had been committed in full (1993: 4.4 billion; 1994: 2.6 billion) in support of a total of around 140 major projects and investment programmes.

When account is taken of other EIB loans for the same schemes, these projects in fact attracted aggregate financing of the order of 22 billion and represented estimated capital expenditure of some 48 billion or about 2.5% of overall investment within the Union in 1993 and 1994.

This facility, which allowed the EIB to increase its lending ceiling in relation to investment cost from 50% to 75%, answered a real need among promoters and helped to speed up the financing of a broad range of infrastructure projects which the Bank would not otherwise have been able to support on such a scale.

Increasing possible cumulative Community loan and grant aid from 70% to 90% also enabled the Bank to strengthen its co-operation with the EU's other structural initiatives.

At the end of 1994, finance contracts involving a total of 4.8 billion had been signed in respect of 100 schemes. Projects submitted to the Bank were approved and signed within a very short space of time, in keeping with the goal of accelerating recovery of Europe's economies.

Lending for infrastructure projects under the Edinburgh facility

(ECU million)

	1994			1993-1994				
	Approved	Signed	Approved Total	Total	Transport	Telecommunications	Environment	Signed
Belgium	133.4	50.7	327.5	202.0	150.0		52.0	
Denmark	93.6	247.6	432.5	435.6	423.3			12.3
Germany	359.8	139.5	854.0	427.3	102.6	153.4	51.9	119.4
Greece	51.8	81.8	218.3	168.3	103.0	45.0		20.3
Spain	755.6	815.5	1 460.1	1 159.9	671.7		252.6	235.6
France	320.2	249.8	829.6	549.8	139.6		410.2	
Ireland		62.1	179.3	111.8				111.8
Italy	262.4	240.8	737.4	686.9	47.3	204.6	197.1	237.9
Netherlands	180.7	116.7	345.1	140.0			89.0	51.0
Portugal	180.2	96.6	398.5	282.8	53.6	76.3	20.4	132.5
United Kingdom	290.9	364.7	1 142.0	664.7	517.2	96.5	31.8	19.2
Total	2 628.6	2 465.8	6 924.3	4 829.1	2 208.3	575.8	1 105.0	940.0
%				100.0	45.7	11.9	22.9	19.5

IMPACT ON INVESTMENT

The EIB, whose mission is to provide long-term investment financing, contributes to all the structural and cyclical effects such investment may generate.

It is particularly difficult to quantify the impact of investment, financed in all the countries of the Union and in all sectors of business, on economic activity and employment. The latter in particular is subject to considerable fluctuations depending on the sector, region and period in question. Even so, some observations and assessments can be made.

It may be noted, for example, that projects financed by the EIB contribute directly or indirectly to **supporting employment**. While it is impossible to put a precise figure on this contribution, the number of jobs directly created each year, mainly in industry and the service sector, can be estimated at several tens of thousands. Nor should sight be lost of the fact that a large number of jobs

are created or maintained indirectly by action to back infrastructure or capital equipment projects in the transport, telecommunications, environment and energy sectors, which together attract about three quarters of EIB funding.

Capital investment financed by the EIB derives from the Bank's own evaluations based on data contained in the applications submitted by promoters. Estimates of the annual volume financed take into account the loan commitment rate.

Thus, **in 1994, total investment** to which the EIB contributed can be estimated at 45 billion, representing over 4.2% of aggregate investment, measured in terms of gross fixed capital formation (GFCF) in the twelve Member States, including sectors, such as private housing, which are not eligible for EIB financing.

The EIB's input, which constitutes a supplementary source of finance, ac-

counted on average for a little over 37% of the overall cost of projects, i.e. slightly more than in the past, doubtless due to the additional funding possibilities arising from implementation of the Edinburgh lending facility.

Capital investment to which the EIB contributed **from 1990 to 1994** can be put at 250 billion, or nearly 5% of Community GFCF.

During this period, investment financed in the field of communications infrastructure totalled 108 billion, environmental infrastructure 26 billion, energy installations 51 billion and industry and the service sector 65 billion. This accounted for a very substantial share of GFCF in certain countries: 20% in Portugal, 11% in Greece, Spain and Ireland.

In the same way, it can be estimated that the cumulative amount of individual loans and allocations from global loans corresponded to about 1.5% of the GFCF of the Twelve.

Table 2: Breakdown by country and sector of financing provided in 1994
(individual loans and allocations from ongoing global loans)

(ECU million)

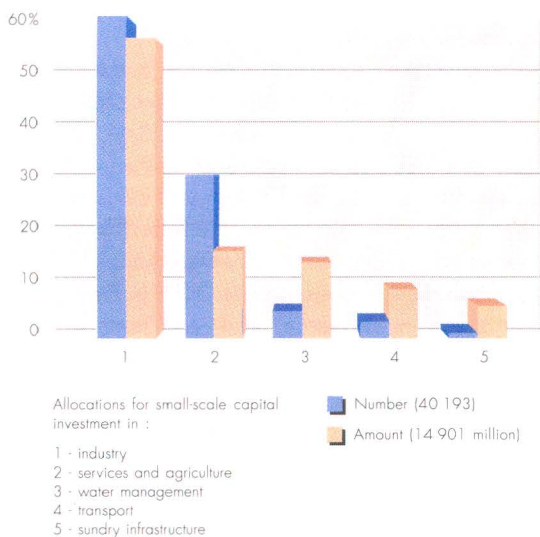
	Total	Individual loans	Global loan allocations	Infrastructure				
				Transport	Telecommunications	Water management and other	Energy	Industry Services Agriculture
Belgium	504.3	388.2	116.1	25.3		170.0	142.3	166.7
Denmark	819.5	776.2	43.3	674.1	49.9	9.3	42.9	43.3
Germany	2 301.2	1 608.0	693.2	182.7	520.7	462.8	265.3	869.7
Greece	632.1	478.2	153.9	196.6	237.0	140.2	40.4	17.9
Spain	2 749.1	2 657.4	91.7	1 658.9	5.5	273.3	341.4	470.0
France	2 198.3	1 428.1	770.2	1 289.1		138.3	0.8	770.2
Ireland	237.7	190.3	47.4	57.0	31.5	32.2	62.7	54.3
Italy	2 965.9	2 261.3	704.6	134.5	627.8	120.1	1 151.7	931.8
Luxembourg								
Netherlands	332.4	283.3	49.1			234.6	51.0	46.8
Portugal	1 127.1	1 084.2	42.9	709.5		52.0	326.9	38.7
United Kingdom	2 346.5	2 295.5	51.0	648.7	608.6	221.9	682.4	184.9
Austria	74.0	74.0			74.0			
Finland	60.2	60.2		60.2				
Sweden	15.3	15.3					15.3	
Other ⁽¹⁾	260.8	260.8					260.8	
Total	16 624.4	13 861.0	2 763.4	5 636.6	2 155.0	1 854.7	3 383.9	3 594.3
%	100.0	83.4	16.6	33.9	13.0	11.2	20.4	21.6

⁽¹⁾ Financing akin to operations within the European Union [see note 5(d), Guide to Readers, page 130].

GLOBAL LOANS IN THE MEMBER COUNTRIES

The EIB uses a decentralised procedure, in close touch with investors and their needs, for fostering small and medium-scale ventures which, for reasons of operational efficiency, it would not be possible to finance through individual loans. This procedure involves global loans, concluded with financial intermediaries operating at national, regional or even local level who allocate the proceeds in agreement with the Bank and in keeping with its economic, technical and financial criteria. Cooperation with the banking system has been steadily broadened and links are maintained with some 130 partners, financial institutions and commercial banks.

Global loan allocations: sectoral breakdown (1990-1994)



A broad spectrum of operations...

The scope of global loans has gradually been extended in order to adjust to changing needs and broader-based Community policies⁽¹⁾.

Global loans cover:

- investment by small and medium-sized enterprises in industry, the service sector (notably tourism) and agriculture;
- small infrastructure works furthering the Community's regional development, environmental protection, energy and transport objectives.

The minimum capital investment is ECU 40 000 and the minimum allocation ECU 20 000, while the maximum amounts are ECU 25 million and ECU 12.5 million respectively.

In 1994, the EIB concluded global loans totalling 3 821 million (3 598 million in 1993 and 3 258 million in 1992).

In 1994, 7 712 smaller-scale ventures attracted a total of 2 763 million from global loans already under drawdown⁽²⁾, a slight upturn compared with 1993 (6 094 allocations for 2 653 million).

Over the period 1990-1994, aggregate global loan financing ran to 17.7 billion, with amounts actually allocated totalling 14.9 billion.

... in support of SMEs...

As mentioned on page 17, since end-1994 the EIB has been implementing an interest subsidy facility for the benefit of job-creating SMEs. By end-February 1995, nearly 1 400 such SMEs had submitted applications for subsidised loans totalling 324 million and concerning more than 15 000 jobs to be created.

In 1994, 6 776 ventures promoted by SMEs received allocations worth 1 693 million in all.

More generally, since 1990, over 35 000 SMEs have received allocations totalling over 9.3 billion, representing nearly half of lending to industry and the service sector. The capital cost of ventures so financed is put at around 24 billion. Three fifths of the amount of global loan credits supported SMEs located in nearly all the Member Countries and mostly in the less developed regions. The breakdown of SMEs according to numbers employed shows a concentration among small firms: 83% having fewer than 50 workers and 97% less than 250 (see page 33).

... and for small infrastructure schemes

In 1994, allocations made available for small and medium-scale infrastructure investment, generally undertaken by local authorities, numbered 890 totalling 967 million (922 million in 1993) and accounted for 35% of the volume of global loan allocations.

In addition, some fifty schemes furthering rational use of energy and protection of the environment attracted some 100 million.

Between 1990 and 1994, 3 920 allocations (4 465 million) funded overall capital investment of some 11 billion, about half of the amount allocated (2 100 million) being provided for water and waste management facilities, roughly 30% going to the transport sector, primarily road and urban infrastructure, with the balance being divided between sundry works and small electricity generating and natural gas supply installations.

⁽¹⁾ As the period during which global loan proceeds are committed can extend over several financial years, the total figure for new global loans contracted in 1994 differs from that for allocations approved during the year. Moreover, as many global loans relate to more than one sector and serve more than one objective, a complete picture of the different locations, sectors and objectives covered can be gained only after analysis of loans allocated in full.

⁽²⁾ A breakdown of allocations by country, region, sector and objective is provided in Tables D, E, F, H, I and J (see page 113 et seq.).

Breakdown by Community policy objective

As the European Union's financial institution, the EIB has the task of financing investment helping to fulfil one or more of the objectives embodied in specific Community policies and decisions

adopted over the years. A number of projects funded by the Bank simultaneously serve several Community policy objectives; operations are therefore presented in such a way as to provide suc-

cessive pictures of activity and the figures given in this section, particularly in the tables, cannot therefore be meaningfully added together.

COMMUNITY POLICY OBJECTIVES: A SPECIFIC REMIT FOR THE EIB

To contribute to the balanced development of the Union by backing quality projects, while adhering to rigorous banking practice: this is the mission entrusted to the EIB. Its activities have constantly adapted to the way in which the Community and the Community's policies have developed. To this end, and this is a factor specific to the EIB not shared by other financial institutions, only investment serving a Community objective is eligible for Bank financing. The "eligibility" criterion requires that projects financed contribute to **regional development, [...] or be of common interest to several Member States** (Article 198e of the EC Treaty).

Regional development

The Treaty on European Union states that the EIB "should continue to devote the majority of its resources to the promotion of economic and social cohesion". Thus, in addition to its operations in support of economic activity throughout the Union, the EIB consistently assigns priority to financing investment in those regions in which development is lagging behind - Objective 1 areas for the purposes of action under the Community Structural Funds - or which are facing industrial or agricultural conversion problems - Objectives 2 or 5(b) areas. In conjunction with the Community's Structural Funds, Cohesion Fund and various financial mechanisms, it devotes about two thirds of its financing to this goal.

Common interest

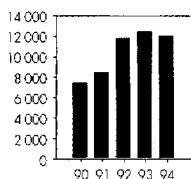
In keeping with the concept of common interest, the Bank takes into account objectives resulting from Community policies or decisions such as those designed to support economic recovery. The EIB has therefore broadened the scope of its operations in favour of investment, such as trans-European transport and telecommunications networks, contributing to rapid development of trade between Member States and with countries outside the Union, to reducing its dependence on external energy resources, to accommodating environmental concerns and to the need to boost the competitive standing of European industry, particularly that of small and medium-sized firms.

Table 3: Breakdown by country and Community policy objective of financing provided in 1994 ⁽¹⁾
(individual loans and allocations from ongoing global loans)

(ECU million)

	Regional development	Community communications infrastructure	Environment and quality of life	Energy objectives	International competitiveness	SMEs
Belgium	178.6	25.3	220.6	142.3		116.1
Denmark	506.9	724.0	191.0	42.9		43.3
Germany	1 801.6	624.1	609.7	285.5	75.5	341.8
Greece	632.1	436.8	140.2	40.0		17.9
Spain	2 659.2	860.7	1 242.3	341.1		90.9
France	1 571.7	761.9	606.8	51.2	15.2	346.6
Ireland	237.7	42.2	32.2	62.1		46.8
Italy	2 159.2	766.0	763.9	1 019.5	7.4	595.2
Luxembourg						
Netherlands	17.7		248.0	235.3		33.4
Portugal	1 127.1	206.8	371.9	328.0		11.4
United Kingdom	1 143.3	1 116.3	439.4	701.6		50.0
Austria		74.0				
Finland		60.2				
Sweden				15.3		
Other (Art.18)				260.8		
Total	12 035.1	5 698.3	4 866.0	3 525.6	98.1	1 693.4

⁽¹⁾ As certain financing operations meet several objectives, the amounts for the various headings cannot be meaningfully added together.



Regional development: Individual loans and allocations from ongoing global

loans for projects contributing to regional development within the European Union totalled 12 035 million, compared with 12 462 million in 1993. They accounted for 72% of aggregate Bank activity, compared with 74% in 1993 and 70% in 1992.

These operations supported projects the total cost of which ran to some 31 billion.

The year 1994 saw the start of the second stage of the reform of the Community Structural Funds (1994-1999). As during the first stage (1989-1993), the EIB concentrated its action on regions qualifying for support from the Funds. In order to ensure optimum complementarity between loans and Community grant aid, it joined in the preparation and planning of structural action by the Commission, in partnership with the Member States, regional authorities and enterprises. It endeavoured, wherever possible, to provide advance indications of loans as part of the preparatory work on Community Support Frameworks (CSFs) and Single Programming Documents (SPDs).

In the light of this Community action, the Board of Directors decided in October 1994 to broaden, to all cohesion countries and areas covered by Objective 1 of the Structural Funds, application of the 90% ceiling on project cost eligible for financing through a combination of loans and grant aid where basic infrastructure and environmental projects are concerned.

In 1994, close on nine tenths of operations in favour of regional development, i.e. 10 623 million, involved projects in regions qualifying for support from the Community Structural Funds. Of this total, 31% went to

Table 4: Regional development: sectoral breakdown

	Total		Individual loans		Global loan allocations
	ECU million	%	ECU million	ECU million	number
Energy	2 104.4	17.5	2 066.5	37.9	39
Transport	4 209.8	35.0	3 910.5	299.3	285
Telecommunications	1 925.2	16.0	1 925.2		
Water, sewerage	766.2	6.4	497.9	268.3	409
Other infrastructure	404.0	3.4	277.2	126.8	19
Industry, agriculture	2 092.9	17.4	1 207.4	885.5	2 313
Services	532.6	4.4	222.2	310.4	2 030
Grand total	12 035.1	100.0	10 106.9	1 928.2	5 095

projects having also received Structural Fund grants.

In regions lagging behind in their development (Objective 1), funding amounted to 5 748 million (7 228 million in 1993), i.e. 35% of total activity in the European Union and 48% of that for regional development. EIB operations in areas affected by industrial de-

cline (Objective 2) and in rural areas requiring structural readjustment (Objective 5(b)) amounted to 4 875 million (4 179 million in 1993).

A further 1 352 million was advanced for projects covering several regions, for example, in the field of telecommunications networks.

THE EIB AND THE STRUCTURAL FUNDS 1994-1999

The decisions taken at the end of 1992 by the European Council in Edinburgh set aside ECU 155 billion for structural measures from 1994 to 1999 (European Regional Development Fund - ERDF, Cohesion Fund, Social Fund and EAGGF) mainly for the benefit of the disadvantaged regions. Over two thirds of this amount (110 billion) is earmarked for Objective 1 regions, comprising 26.6% of Europe's population.

Some 56 billion has been allocated to the ERDF for this period and nearly 14.5 billion to the Cohesion Fund.

The EIB, which advanced loans totalling 25 billion in these regions from 1989 to 1993, expressed its wish during prepara-

tion of the aid programmes to devote considerably greater sums to supporting investment in these areas, in order to cater for demand from promoters presenting economically and financially viable projects. The Bank should also develop its activity in Objectives 2 and 5(b) areas, in which it granted loans totalling 17 billion during the preceding period.

Finally, it will be prepared to support investment in the new Member States: in Burgenland in Austria, eligible under Objective 1; in regions covered by Objectives 2 and 5(b); and in the sparsely populated Arctic regions of Scandinavia under the new Objective 6, created during the accession negotiations.

Despite a substantial increase in financing for the eastern regions of Germany (1 547 million compared with 1 202 million in 1993) and in most areas classified under Objectives 2 or 5(b), a levelling-out was observed in assistance for regional development.

This can be explained mainly by the slowdown in activity in the Italian Mezzogiorno as well as in Spain and Portugal, two countries in which financing operations had increased considerably in recent years.

As well as being eligible for assistance under Objective 1, the cohesion countries (Portugal, Spain, Greece and Ireland), whose GNP per head of population is below 90% of the Community average, qualify for additional support under the Cohesion Fund, which is intended to further the implementation of environmental and TEN transport projects.

They thus benefit from a particular concentration of Community grant aid which has been reflected, against a

Regional development financing as a proportion of overall activity by sector (1989-1994)

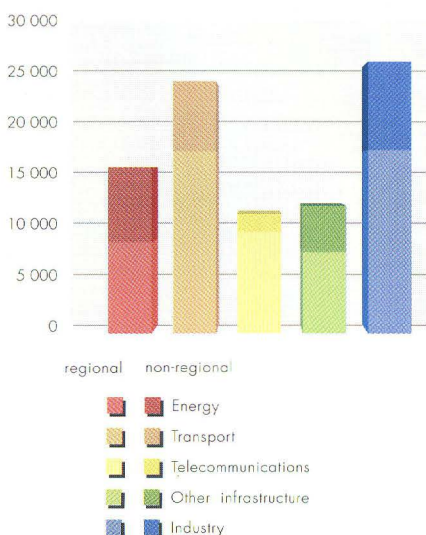


Table 5: Regional development and Structural Fund action

	1989-1993	1994
Financing from own resources (ECU million)	70 008.5	16 605.2
of which: regional development (ECU million)	47 128.3	12 035.1
%	67	72
Breakdown of regional development (%)		
Areas targeted for Community action	92	88
under the Structural Funds	89	88
in line with Objective 1	53	48
in line with Objectives 2 and 5(b)	36	40
under specific measures	3	
Other areas attracting additional national aid and multi-regional projects	8	12

background of high public debt, in their deferring or, in some cases, even temporarily scaling down their recourse to loans from the EIB. This trend has also been accentuated by the mechanical effect of depreciation of the currencies of several of these countries in relation to the ECU.

Operations in the cohesion countries totalled 4 746 million (6 142 million in 1993), i.e. 29% of total activity and 39% of that geared to regional development. In these countries, under the framework agreement concluded with the Commission, the EIB in 1994 also appraised the economic benefits and technical viability of some thirty projects, mainly in Greece and Spain, on behalf of the Cohesion Fund and the temporary financial instrument that preceded it.

In addition, on behalf of the EFTA countries, the EIB administers the financial mechanism set up to support structural development in Objective 1 regions. This mechanism, created under the agreement on the European Economic Area (EEA), extended the benefit of interest rebates to three EIB loans for projects in Spain and Portugal totalling 180 million. Grants totalling 71 million

were also made available under this mechanism for three projects in Spain, Portugal and Greece.

Since the launch of the Structural Fund reform in 1989, regional financing has reached an aggregate level of 59.2 billion, contributing to the implementation of projects representing total investment estimated at 177 billion. Over the period as a whole, 49% of these operations involved transport and telecommunications infrastructure, 13% energy installations and 28% industrial projects. The high proportion of assistance for basic infrastructure is explained by the need to remedy the relatively poor capital equipment position in regions lagging behind in their development.

At the same time, 39% of these operations also supported the creation of communications infrastructure of benefit to the Community and 35% met energy policy or environment-related objectives.

Emphasising regional development thus went hand in hand with the extension of other Community policies, as part of a consistent approach to strengthening the economic and social cohesion of the European Union.

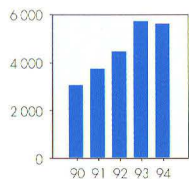
EUROPEAN TRANSPORT NETWORKS: 14 PRIORITY PROJECTS

The map below shows the 14 priority transport projects adopted in December 1994 by the Heads of State or Government meeting in Essen. The key importance of these projects, selected with a view to ensuring a structured approach to Europe's transport networks and establishing efficient links between the various

regions, particularly with the most outlying areas, is clearly visible when account is taken of the major infrastructure already in place or under construction: the Channel Tunnel, the Great Belt fixed link, high-speed railways and high-capacity conventional lines plus, of course, motorway networks.

The major benefits to Europe of these infrastructural works as well as the scale and specific nature of the requisite capital investment warranted the creation by the EIB of a "special window" offering tailor-made financing arrangements, as described on page 12.





European communications infrastructure:

The smooth functioning of a European internal market now covering fifteen countries calls more than ever for efficient transport and telecommunications networks branching out across Europe in order to sustain economic competitiveness and contribute to the balanced development of the entire Union.

The European Council in Essen (9-10 December 1994) adopted the fourteen priority transport projects proposed by a high-level group in which the EIB had been actively involved.

At this Council, the EIB reiterated its commitment to this sector while confirming its readiness to mobilise a large volume of funds and to propose tailor-made financing terms and conditions within the framework of a "special window" (see box article, page 12).

At the end of 1994, the EIB embarked upon an assessment of most of the priority projects and extended financing for the implementation of several of them: in Italy, Greece, Ireland, Spain, France and Finland.

After several years of rapid growth, lending for communications infrastructure of benefit to the Community settled down in 1994 at a level similar to that of the previous year: 5 698 million (5 807 million in 1993), including 1 088 million under the Edinburgh lending facility.

Over the past five years, loans in this field climbed to 23.1 billion (15% annual growth from 1990 to 1994), contributing to investment of around 87 billion.

Lending for Community **transport** infrastructure ran to 3 543 million. It was directed mainly towards trunk road and main-line railway projects (3 078 million), usually forming part of outline plans drawn up on a European scale and currently being finalised: completion of the Channel Tunnel, which began operating in 1994, continued construction of the fixed link across the Great Belt, conventional and high-speed railway lines and many motorway links.

Other operations supported the development of airport and harbour infrastructure (extension of airport facilities in Milan, London-Heathrow, Frankfurt and Munich; port improvements in Antwerp, Barcelona, Valencia and Dun Laoghaire) and the modernisation of domestic air transport capacity in France.

Lending for **telecommunications** amounted to 2 155 million, with continued backing for programmes to boost domestic and international telephone capacity, usually applying the most up-to-date technology: digital networks, fibre-optics, data transfer, mobile telephone systems, and satellite links. A noteworthy operation in this context was aimed at improving telecommunications between a new Member State, Austria, and its neighbours.

Around 76% of financing for Community infrastructure supported projects located in, or improving access to, less developed regions, so contributing to their economic growth and more balanced development in Europe as a whole.

Financing for infrastructure networks: 26 044 million from 1990 to 1994

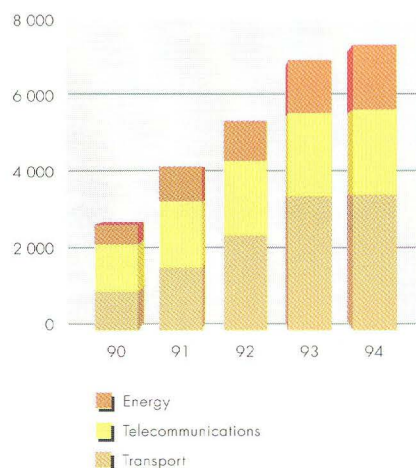
Table 6: Community communications infrastructure

(ECU million)

Transport	3 543.2
Major structures	621.7
Railways	521.5
Roads and motorways	1 934.6
Air transport	408.9
Other	56.5
Telecommunications	2 155.1
Networks and exchanges	2 056.1
Mobile telephony	72.0
Satellites and ground stations	27.0
Grand total (*)	5 698.3

(*) of which 11.1 million in global loan allocations

Financing for infrastructure networks: 26 044 million from 1990 to 1994



URBAN WASTE

At present, every European, regardless of age, produces almost one kilo of household refuse a day; this comprises not just biodegradable waste, but also paper, cardboard, glass, plastic, etc... all objects discarded in the course of daily life which are more or less difficult to dispose of.

This combines to make a mountain of domestic refuse totalling some 120 million tonnes a year, albeit relatively little compared with the mass of waste generated by, for example, farming or industry and a considerable proportion of which is toxic.

Whilst it is hard to make precise assessments of the volume of waste, one fact is inescapable: the amount of urban waste within the European Union has been expanding at a rate of some one per cent a year over the past ten years.

Endeavours in the Netherlands and (western) Germany to reverse this trend have met with some success, but they have failed to offset the strong rate of growth of around 2% to 3% a year in several other countries, chiefly in Southern Europe.

Both Community and national authorities have tightened regulations over the past few years to control and manage this mounting volume of municipal waste of which some 60% is discharged onto landfill tips, 25% incinerated and 15% recycled or recovered and put to effective use.

The Community's strategy for waste management - drawn up in 1989 by the Commission, approved by the Council and backed by the European Parliament - highlights five priority areas for the medium-to-long term: waste prevention, re-use and recovery, destruction, transportation and the clean-up of contaminated sites.

This strategy has included the adoption, inter alia, of a "framework" directive aimed at establishing an integrated and adequate network of waste disposal centres as close as possible to sources of waste. Other measures have covered such areas as the harmonisation of environmental standards and landfill waste disposal techniques, the recovery and recycling of packaging, and regulation of the transport of waste, with specific reference to hazardous waste, within the Union.

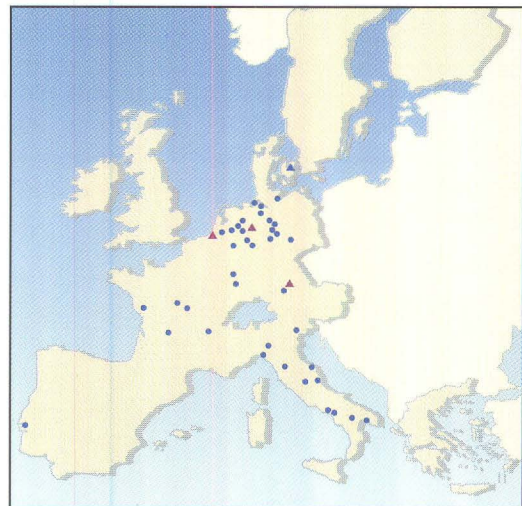
Regulations and awareness of problems caused by this accumulation of waste have resulted in several countries taking tangible action: separate collection of different categories of household waste

so as to facilitate sorting for waste recovery, the recyclability of packaging and of a growing proportion of vehicle parts. Stricter rules have been imposed on waste incineration to avoid any atmospheric pollution and national policies have been devised to eliminate unauthorised tips and reduce the number of authorised tips as residents become increasingly less tolerant of undesirable side-effects.

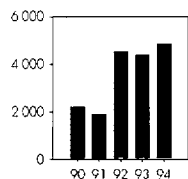
Against this background, the EIB has considerably expanded and diversified its operations which, having previously focused on the collection and treatment of household waste, now also encompass the treatment and recycling of industrial waste and the disposal of toxic waste.

Between 1990 and 1994, financing operations, primarily in Belgium, the Netherlands, Germany, Italy and France, totalled 1.2 billion of which 183 million for a hundred or so small locally-targeted schemes.

Main urban and industrial waste processing projects financed from 1990 to 1994



● urban and household waste ▲ industrial and toxic waste



Protection of the environment: The development and application of Community

and national standards for air and water quality have given rise to numerous investment programmes aimed at improving the management of water resources and urban waste and at controlling discharges into the atmosphere.

In 1994, for the third year running, the EIB supported such investment with a very high level of funding: 4 866 million, after 4 385 million in 1993 and 4 548 million in 1992. The projects financed, in eleven countries, corresponded to aggregate investment of 12 billion.

They covered a wide range of activities: water management and conservation, as in previous years, but also, for comparable if even higher amounts, combating atmospheric pollution and enhancing urban transport facilities.

Specific action by the EIB to improve the environment and quality of life complement the Bank's systematic ap-

proach to appraising all projects submitted to it for loan financing with a view to ensuring their compliance with national and Community environmental regulations.

A major portion of operations (67%) involved projects in the less favoured regions, in which other Community financial instruments, such as the Cohesion Fund and the EEA financial mechanism, assist their implementation; 10% covered projects in the energy sector and over 20% investment in industry.

Loans for projects aimed at enhancing the **quality of urban life** showed a marked increase in 1994, rising from less than one billion in 1992 and 1993 to 1 714 million last year and accounting for over one third of financing for environmental protection.

Lending was earmarked mostly for improving public transport facilities: extension of underground railway lines and modernisation of suburban rail networks in Madrid, Bilbao, Valencia, Barcelona, Lisbon and Copenhagen, and a new tramway service in Sheffield. A parallel development was the financing

of road infrastructure projects aimed at relieving traffic congestion in the Paris and Lyons areas and in Düsseldorf and Dublin. Projects were supported in Italy for road and city-centre redevelopment and for the rehabilitation of public buildings and historic sites.

Many other projects also contributed in a more general way to enhancing the quality of life of Europeans living in an urban environment.

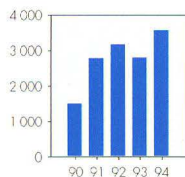
Works to improve **drinking water supplies** and the collection and **treatment of wastewater** attracted a total of 1 380 million. To a large extent these formed part of multiannual programmes covering large conurbations (in the Netherlands, Greece and Germany) or entire regions (in Portugal, Belgium, the United Kingdom, Spain and Italy); they also involved some 380 small schemes implemented by local authorities and financed from global loans under draw-down.

In the Netherlands, Germany and Belgium, loans were advanced for the collection and, in particular, **processing of solid waste**, both domestic and industrial and, in some cases, toxic.

Financing for reducing **atmospheric pollution** increased very substantially in 1994 (1 092 million, compared with 417 million in 1993). Large sums were provided to assist the equipping, modernisation and, in some cases, restructuring of sites in order to reduce pollution caused by smoke and ash discharges. These operations encompassed coal-fired power stations, chemical and petrochemical complexes, vehicle body paint shops, steelworks and papermills, in Italy, France, Spain, Belgium and Germany.

Table 7: Environment and quality of life

	(ECU million)		
	Total	Individual loans	Global loan allocations
Environment	3 152.1	2 564.0	588.1
Water conservation and management	1 379.8	1 013.8	366.0
Waste management	395.2	361.0	34.2
Measures to combat atmospheric pollution	1 092.3	1 060.9	31.4
Other measures	284.8	128.3	156.5
Urban development	1 713.9	1 698.2	15.7
Urban public transport	1 247.6	1 247.6	
Other measures	466.3	450.6	15.7
Grand total	4 866.0	4 262.2	603.8



Energy objectives: Financing for investment meeting the Community's energy objectives totalled 3 526 million, compared with 2 767 million in 1993.

This increase was due in particular to the financing of projects developing hydroelectric potential in the Scandinavian countries - power stations and interconnecting cables (145 million) - as well as tapping new oil and natural gas deposits in the Irish Sea and involving continuing construction of gas-fired power stations.

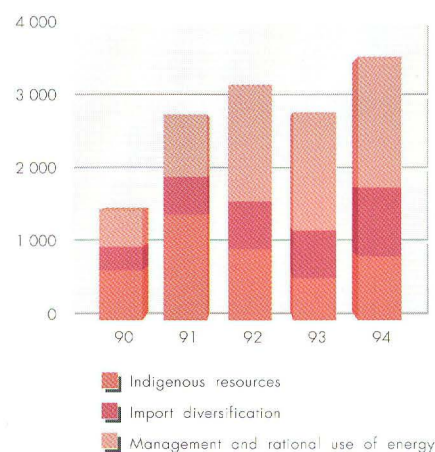
Operations centring on the management and rational use of energy (1 755 million, including 92 million for small and medium-scale ventures) accounted for half the total. Projects included construction in the United Kingdom and Belgium of combined-cycle gas-fired power stations and, in the Netherlands,

Italy and Germany, of combined heat and power plants. They also included the expansion and improvement of electricity transfer and supply grids in Spain and Portugal and work to link the Swedish and German grids across the Baltic and the Norwegian and Danish grids across the Skagerrak.

Loans were also made available for the conversion of ageing gas networks in the eastern regions of Germany to natural gas, for district heating networks, particularly in Northern Italy, and for urban waste incineration plants in the Netherlands, subject to scrupulous checks in order to ensure the absence of any detrimental impact on the environment. Lastly, funds were advanced to rationalise and optimise energy consumption in refineries, steelworks and a variety of small firms.

Lending to promote diversification of energy supplies in the European Union (920 million) was devoted mainly to

Trends in financing for energy objectives, 1990-1994



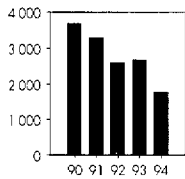
gas pipeline networks as well as to a power station fired by imported coal in southern Italy. These gaslines, in Portugal, Italy, Denmark and Germany, for example, were intended to supply, sometimes from domestic sources, regions not yet served. Others formed part of major systems linking gas fields in southern Algeria first to Spain and Italy, then to other countries in the Union. Linking the oil pipeline from Russia across the Czech Republic to the Italian network will also make a contribution towards this goal (see page 52).

The EIB also continued to support development of indigenous resources (851 million) by financing the harnessing of hydroelectric potential in Greece, Norway and Spain and, especially, the exploitation of oil and gas deposits in Italy and in the Liverpool Bay area of the Irish Sea.

Table 8: Energy objectives

(ECU million)

	Total	Individual loans	Global loan allocations
Indigenous resources	850.8	850.8	
Oil and natural gas deposits	583.9	583.9	
Hydropower	266.9	266.9	
Import diversification	919.8	919.8	
Coal		107.5	
Natural gas	812.3	812.3	
Management and rational use of energy	1 755.0	1 663.5	91.5
Heat/power generation and heating networks	183.1	160.0	23.1
Combined-cycle gas-fired power stations	473.3	473.3	
Power transmission and distribution	473.2	463.7	9.5
Conversion of gas networks	200.4	170.7	29.7
Renewable sources	180.3	180.3	
Energy savings in industry	244.7	215.5	29.2
Grand total	3 525.6	3 434.1	91.5



Industrial objectives: The continued low level of investment in many productive

sectors in 1994, when major projects were being completed in the motor vehicle and aeronautical industries, was one of the factors contributing to a flagging trend in individual loans to strengthen the international competitiveness of firms or their integration on a European scale (98 million). On the other hand, funding for small and medium-sized enterprises recovered slightly, with a total of 1 693 million in allocations from global loans.

One key area to benefit from individual loans was the motor industry: continued construction of plants forming part of Fiat's integrated supply system in Melfi; a unit for the production of engine blocks and cylinder heads in Dillingen (Saar); a tyre plant at Breu-berg near Frankfurt.

The EIB also financed development and production of the propulsion system for the new generation of Ariane 5 rockets.

Productive ventures promoted by small and medium-sized enterprises attracted 6 776 allocations totalling 1 693 million from global loans already on tap (1 542 million or 5 257 allocations in 1993; 2 138 million or 7 223 allocations in 1992; 2 354 million or 9 548 allocations in 1991). SMEs in assisted areas claimed 4 323 allocations worth 1 163 million (69% of the total) and those in non-assisted areas, 2 453 allocations worth 530 million in all (including 83 for 19 million from NCI resources).

In addition, 46 allocations also benefited often larger scale projects promoted by SMEs, aimed at improving the environment or fostering rational use of energy (103 million).

A summary analysis of the 6 776 SMEs financed in 1994 shows that firms employing fewer than 250 persons and whose turnover is less than 20 million received funds amounting to 1 479 million, i.e. 87% of the total. Close on nine tenths of them have a workforce of less than 50 and only 2% have more than 250 employees. In fact, SMEs financed from global loans and employ-

Table 9: Industrial objectives

(ECU million)

Grand total	1 791.5
International competitiveness and European integration of large firms	98.1
Investment by SMEs	1 693.4
<i>assisted areas</i>	1 163.4
<i>non-assisted areas</i>	530.0

ing fewer than 50 persons received more than 60% of allocations, highlighting the targeted nature of the EIB's global loans.

Support measures adopted at national and Community level, including the system of interest subsidies for job-creating SMEs, should, within a context of gradual economic recovery, help to bring about an upturn in investment by small and medium-sized businesses, which constitute a driving force in the productive apparatus of all the countries of the European Union and make a decisive contribution to job creation.

Table 10: Investment by small and medium-sized enterprises
Allocations in 1994 from ongoing global loans

(ECU million)

Country	1994		1990 - 1994							
	Total		Total		Workforce					
					<50		50-250		>250	
	number	amount	number	amount	number	amount	number	amount	number	amount
Belgium	176	116.1	1 003	720.8	748	372.9	217	260.5	38	87.4
Denmark	286	43.3	1 065	258.7	830	118.7	213	94.8	22	45.2
Germany	364	341.7	1 276	1 097.8	735	446.2	361	336.3	180	315.3
Greece	18	17.9	161	167.6	91	79.5	34	32.2	36	55.8
Spain	388	90.9	2 251	652.7	1 968	449.0	237	166.5	46	37.3
France	3 932	346.6	19 338	1 821.5	17 018	1 359.2	2 053	344.3	267	118.1
Ireland	247	46.8	262	70.4	246	50.7	13	13.9	3	5.7
Italy	1 150	595.2	7 826	3 716.6	6 048	2 034.8	1 440	1 196.3	338	485.5
Netherlands	14	33.4	498	292.1	303	101.9	172	145.2	23	44.9
Portugal	59	11.4	1 093	359.7	692	179.1	298	106.4	103	74.2
United Kingdom	142	50.0	405	206.5	341	128.1	46	28.2	18	50.2
Total	6 776	1 693.4	35 178	9 364.2	29 020	5 320.0	5 084	2 724.7	1 074	1 319.5
%					83	57	14	29	3	14

ADAPTING CREDIT RISK MANAGEMENT TO THE CHANGING PATTERN OF THE BANK'S BORROWERS AND GUARANTEE FORMATS

For a number of years now, to a varying extent and in differing fashions from country to country, central authorities in Europe have been embarking on a process of disengagement. This has resulted in increasing responsibilities being vested in regional and local authorities, especially in financial terms, as well as the total or partial transfer to the private sector of economic activities previously taken on or managed by central government.

These developments have clearly had significant repercussions for the Bank, with a growing proportion of projects now emanating from the private sector and carrying banking or corporate-sector guarantees.

During the period 1985-1994, loans granted to, or guaranteed by, Member States, public institutions and regional authorities accounted for a rapidly decreasing proportion of aggregate activity in the Member States until the early 1990s, following which they levelled out at just over 40% of the total, compared to more than 80% ten years previously. This change of emphasis can be ascribed partly to various privatisation programmes and partly to the growing hesitancy of the States to furnish project guarantees. This applies particularly to the energy, telecommunications, water supply, sewerage and sewage disposal sectors, notably in the United Kingdom, Germany, the Netherlands and France. In contrast, in Greece, Ireland, Denmark and, to a lesser extent, Spain, Portugal, Italy and Belgium, the "public sector" continues to be the leading player as guarantor for, and often beneficiary of, EIB loans.

Conversely, the amount of loans granted to, or guaranteed by, banks and credit institutions is now on a par with that of loans to States, whereas such loans accounted for only 5% to 10% in the mid-1980s. This trend reflects the generally expanding role, particularly in Germany and France, of banks and long-term credit institutions as intermediaries for global loans and numerous individual loans (especially for industry and services) or as guarantors, replacing the States in this vital role. The share of loans guaranteed by companies, mainly private, or carrying other security has also risen, notably in the Netherlands and the United Kingdom, to a little more than 16% of the total. In view of the growth in EIB activity, the annual amounts in question have climbed from less than 500 million to almost three billion.

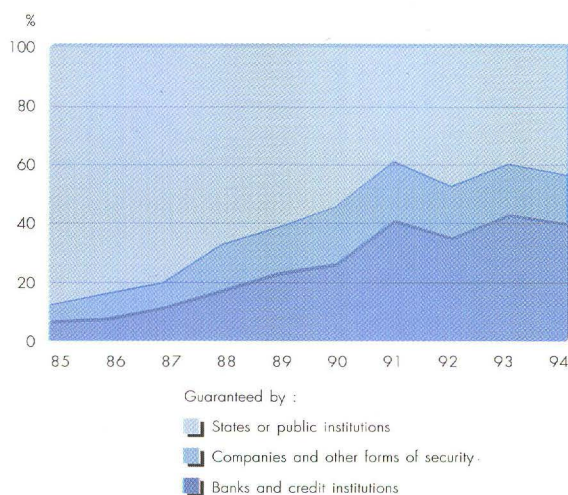
The same changes can be discerned, albeit to a lesser degree, in the aggregate amount of EIB loans outstanding which, at end-1994, came to more than 106 billion. Hence, loans guaranteed by States or public institutions represent nearly 49% of the total (90% in 1986) and those guaranteed by banks or companies, 38% and 13% respectively as against 4% and 6% in 1986 (see 1994 Financial Statements, summary statement of loans and guarantees, page 89).

Clearly, the difficult economic environment and ever-keener competition are impairing the financial situation of many companies and banks. Consequently, the increase in the amount of loans guaranteed by banks, companies or other forms of security in the portfolio as a whole calls more than ever for an in-depth analysis of risks assumed and guarantees proposed in order to keep to a minimum risks of default or at least of loan repayment difficulties.

In common with other financial institutions, the EIB has been prompted to consider means of guarding against the risks inherent, notably, in a concentration of claims on a particular promoter or sector as well as those, of a different order, deriving from project financing techniques. Since 1 January 1994, for example, it has applied Community Directive 92/121/EEC on the monitoring and control of large exposures, intended to avoid an excessive concentration of exposure to a single client or group of connected clients resulting in losses prejudicial to the solvency of a credit institution. Similarly, in the interests of prudent management, a Fund for general banking risks has been set up, endowed, at end-1994, with ECU 350 million and, in the wake of the accession of the new Member States, raised to 400 million in June 1995.

The same concerns have led the Bank to expand and regroup, within the "Credit and Monitoring" Department, the teams responsible for keeping an independent watch on credit risks throughout the decision-making process and the life of loans. This department also seeks to pinpoint and evaluate banking risks in the numerous areas of EIB activity.

Loans signed: breakdown by form of guarantee



Financing operations by country

The financing operations described below correspond to individual loans (see list, page 99) and allocations from ongoing global loans (see Tables H and I, page 116 et seq.) provided during the year. Their breakdown by country, sector and objective is illustrated in Tables 2 and 3 (pages 23 and 25).

Three quarters of the amount of individual loans in Belgium were devoted to **energy** (142 million) and **environmental** (221 million) schemes.

The Bank channelled funds into financing construction of two combined-cycle power stations offering a high degree of energy efficiency and fired with natural gas, at Drogenbos, near Brussels, and Seraing, near Liège.

It also supported two major environmental projects: an integrated processing centre for industrial and toxic waste, in Antwerp, and the first phase of the Flemish regional water management programme, comprising a sewage collection and treatment system which will reduce the volume of pollutants discharged into the North Sea (152

million, including 38 million under the Edinburgh Facility). This lending facility was also drawn on to finance construction of the new northern container terminal at the port of Antwerp.

In **industry**, lending amounted to 167 million. An individual loan for 51 million went to a motor vehicle paint shop in Ghent, using new technology meeting environmental standards. In addition, 176 small and medium-scale, industrial and service-sector ventures attracted 116 million in the form of allocations from various ongoing global loans.

Aggregate financing in assisted areas came to 179 million, including in particular 6 million in Hainaut classified as an Objective 1 area.

Loans for **communications infrastructure** (724 million) accounted for nearly 90% of financing in Denmark.

The EIB funded ongoing work on construction of the fixed link over the Great Belt, various sections of the E20 and E45 European motorway links, as well as electrification of further stretches of the railway network and purchase of rolling stock. In all, these projects attracted 674 million (including 235 million under the Edinburgh facility).

The EIB also supported modernisation of the telecommunications network in Sjælland and on Bornholm and financed sewer-

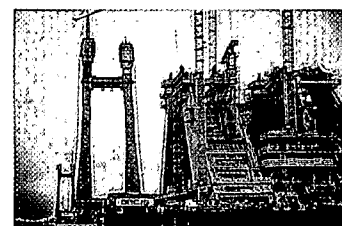
age and wastewater treatment works in Grindsted.

In the **energy** sector, lending amounted to 43 million (of which 12 million under the Edinburgh facility), the funds going towards further sections of the natural gas transmission and supply network and the Danish part of the power grid interconnection project with Norway across the Skagerrak.

Finally, some 286 small and medium-sized **firms in industry** and the service sector received a total of 43 million in global loan allocations.

BELGIUM

Finance contracts signed:
615.3 million
1993: 371.6 million
Individual loans: 388.2 million
Global loans: 227.1 million
Global loan allocations: 116.1 million



DENMARK

Finance contracts signed:
849.7 million
1993: 875.5 million
Individual loans: 776.2 million
Global loans: 73.5 million
Global loan allocations: 43.3 million

GERMANY

Finance contracts signed:
2 407.9 million

1993: 2 096.6 million

Individual loans: 1 608 million

Global loans: 799.9 million

Global loan allocations: 693.2 million

Activity in Germany was divided between infrastructure, particularly communications (708 million), and industry and the service sector (870 million). Operations increasingly involved investment in the eastern Länder, eligible for assistance under the Structural Funds (Objective 1): 1 547 million, accounting for two thirds of aggregate EIB activity in this country.

Total financing advanced since 1990 in the *eastern Länder* runs to 3 850 million. In common with previous years, in 1994 the bulk of both individual loans (1 220 million) and global loan allocations (327 million) went towards financing installations vital for economic development and environmental improvements.

The EIB accordingly funded extension of the optical fibre **telecommunications** network (521 million).

In the **energy** sector (215 million, including 18 million in global loan allocations), loans were channelled to natural gas supplies, continued work on conversion of the existing town gas network and construction, at Leuna, of a combined heat and power plant run on natural gas and replacing coal-fired plants no longer complying with environmental standards.

Lastly, the German section of a high-voltage cable across the Baltic, allowing exchanges of electricity with Sweden, will make for increased security of power supplies for northern Germany (25 million).

In the field of **environmental protection**, sewerage and wastewater treatment installations were financed in Bitterfeld, Wolfen and Wittenberg as well as in Thuringia and Sachsen-Anhalt (111 million). In addition, 39 global loan allocations totalling 66 million were advanced for sewerage schemes and for facilities combating pollution and other environmental problems.

Various **industrial** and **service** sector firms attracted individual loans (392 million) for

capital investment involving paper production, in Brandenburg, paper recycling, in Saxony, packaging, in Sachsen-Anhalt, and warehousing and logistics centres.

Furthermore, some 143 ventures promoted by small and medium-sized firms in industry, the service sector and tourism received global loan allocations adding up to 243 million.

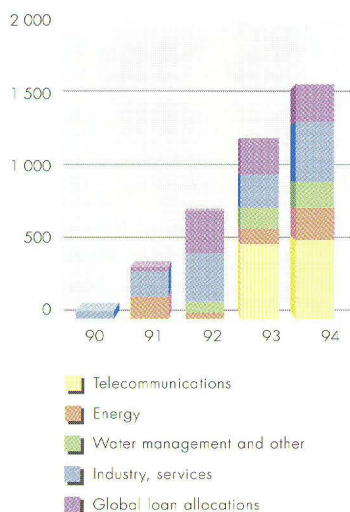
In *other parts of the country*, the EIB financed further work on expanding **airport infrastructure** in Frankfurt and Munich (103 million).

It supported investment to improve the **quality of urban life** with construction, in Düsseldorf, of a tunnel running alongside the Rhine, which will ease traffic conditions, and contributed to **environmental protection** by financing a wastewater treatment plant in Wuppertal, a waste landfill site in Bielefeld, a toxic waste incineration plant north of Munich, installations to treat effluent from a papermill in Stockstadt (Bavaria) and modernisation of a refinery in Gelsenkirchen (163 million in all).

In addition, 117 small-scale sewerage and sewage treatment projects attracted a total of 240 million from ongoing global loans.

Finally, in the **productive sectors**, individual loans (75 million) were arranged for an engine-block production unit and a tyre factory, whilst 229 smaller schemes benefited from global loan funding (109 million).

Financing provided in the eastern Länder: 3 850 million since 1990



All of Greece is eligible for support from the Community's Structural Funds under Objective 1 and from the Cohesion Fund. Nine of the projects financed by the Bank (accounting for 436 million) also attracted Community grant aid.

Individual loans helped to build up basic **infrastructure** and served first and foremost to improve **communications** (478 million, including 82 million under the Edinburgh facility).

In the *transport* sector (197 million), they went towards upgrading the railway line between Athens and Idomeni and to various sections of motorway: Athens-Corinth, Athens-Katerini and Katerini-Klidi (the Patras-Athens-Thessaloniki route), this latter section having been adopted as a priority project at the Essen European Council.

As part of the trans-European network initiative, the EIB also lent its support to modernisation of *telecommunications* networks serving Athens, Larissa and Rhodes, as well as installation of mobile telephone systems (237 million).

It continued to finance sewerage networks and wastewater treatment installations in a

number of towns - Heraklion, Larissa, Corfu, Chios - with funds in this sector being channelled largely through an ongoing global loan; more than 3 000 very small-scale road, sewerage and composite infrastructure schemes received allocations, amounting to 126 million, from this facility.

With a view to boosting **energy** supplies, loans (30 million) were advanced for a project near Athens to convert two gas-turbines to combined-cycle operation and for construction of a small-scale hydropower plant in Epirus. The EIB also provided global loan finance for development of the power transmission and distribution system (19 allocations worth 10 million in all).

Finally, allocations totalling 18 million from global loans under drawdown were made available for 18 small and medium-sized enterprises in **industry** and the service sector.

In addition, a grant under the EEA financial mechanism (see page 18) will help to set up a training centre for SMEs.

GREECE

Finance contracts signed:
534.7 million
1993: 511.1 million
Individual loans: 478.2 million
Global loans: 56.5 million
Global loan allocations: 153.9 million



After a year of vigorous growth, finance contracts signed in Spain returned to a level close to that observed in 1992. As in the past, a very large share of financing in the form of both individual loans and global loan allocations (2 749 million) went to capital investment in regions eligible for assistance from the Structural Funds (2 659 million). Lending in Objective 1 areas, qualifying for Community grant aid, notably under the Cohesion Fund, amounted to 1 491 million and that in Objectives 2 and 5(b) areas to 1 168 million (12 projects totalling 1 457 million in loans also attracted such grants).

Most of the EIB funding benefited basic infrastructure: 2 279 million, including 803 million under the Edinburgh lending facility.

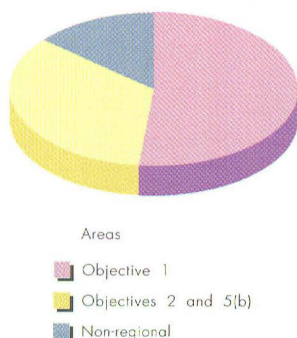
Loans in the **communications** sector totalled 1 659 million, including 842 million for road improvements throughout the country, particularly on the Lisbon - Valladolid route (one of the priority projects approved in Essen), in the Balearic Islands and Andalusia, as well as in the Basque Country and Catalonia where expressways were financed. The Bank granted a comparable amount (804 million) for improvements to suburban

SPAIN

Finance contracts signed:
3 011.5 million
1993: 4 005.1 million
Individual loans: 2 657.4 million
Global loans: 354.1 million
Global loan allocations: 91.7 million

SPAIN (continued)

Location of financing
in Spain:
13 981 million (1990 to 1994)



rail lines and the metro networks in four cities: Madrid, Barcelona, Valencia and Bilbao. In Barcelona and Valencia, loans also helped to fund the expansion of port infrastructure.

Further loans were made for the telecommunications and television satellites programme.

In Extremadura, Catalonia, the Canary Islands and the Valencia region, the Bank supported a number of **water supply** and wastewater treatment projects. In Galicia, forestry and rural infrastructure developments were also funded. Aggregate financing for these operations came to 273 million.

Two of these projects also benefited from interest rebates under the EEA financial mechanism, while a number of universities attracted grants under this heading.

In the **energy** sector, the EIB continued to

finance electricity grid development in many parts of the country (341 million).

Finally, two major **industrial** projects received individual loans, one for a new plant to make energy-saving and less polluting automobile engines near Valencia and another for combined power and steam generating facilities at three oil refineries (379 million).

In addition, 392 small and medium-sized enterprises claimed allocations from global loans, both in the industrial and infrastructure sectors.

Many projects financed in 1994 made a contribution to *environmental protection*. Apart from water management schemes, other projects included urban transport facilities helping to improve the quality of life, forestry development and the refinery installations. Altogether, such operations accounted for 1 242 million.

FRANCE

Finance contracts signed:
2 477.4 million
1993: 2 205.5 million
Individual loans: 1 428.1 million
Global loans: 1 049.3 million
Global loan allocations: 770.2 million

Lending for infrastructure in France amounted to 1 428 million, 73% of which went to projects contributing to the development of assisted areas. The main recipient was the **transport** sector (1 289 million). The bulk of funding consisted of individual loans for projects helping to create major links of benefit to the European Union and to provide regional services (1 012 million).

The EIB helped to finance continued work on the Channel Tunnel, the "TGV-Nord" high-speed rail link and various sections of European motorway routes. Some of the latter are located in Western France, others serve the Alpine region. Completion of the

Pont d'Aiton - Modane section of the A43 motorway will add the missing link on the France - Italy motorway route via the Fréjus Tunnel. In the field of air transport, loans were also granted for renewal of part of the domestic aircraft fleet and for improvements to airport infrastructure on the Island of Réunion.

Other infrastructure schemes focused on enhancing the **urban environment** and quality of life in and around Paris, with an underground section of the A14 urban motorway and, in the Lyons area, with the final phase of a series of projects to improve traffic flows and parking facilities (total: 156 million).

Finally, some 565 small infrastructure projects, mostly undertaken by local authorities, were financed from global loans to the extent of 416 million, breaking down as to 278 million for transport improvements and 138 million for water supply and sewerage facilities.

In **industry and the service sector** (770 million), individual loans (416 million) were advanced for projects in the motor vehicle industry (an engine factory serving two firms in the Pas-de-Calais area, a new bodywork paint shop in the Paris area), in the aerospace industry (development of a new generation of satellite launchers) and in the chemical and iron and steel industries.

A large proportion of this funding related to investment with an environmental protection dimension. This applied in particular to the new paint shop facilities, modernisation

of a steelworks in Lorraine and four plants for manufacturing chemical products. Furthermore, over 3 940 small and medium-scale ventures were funded through allocations from global loans totalling some 354 million, half of them in the service sector.

Lending for projects fostering *regional development* came to 1 572 million, or 72% of the total. Most of this investment was located in Objectives 2 and 5(b) areas. However, operations involving 12 million in all, mainly for infrastructure, centred on the Overseas Departments, classified as Objective 1 areas.

Several loans were granted under the Edinburgh lending facility (250 million). They covered transport networks and environmental projects funded chiefly by means of global loans.

Operations in Ireland, the whole of which is eligible for assistance from the Structural Funds under Objective 1 and from the Cohesion Fund, continued to focus mainly on upgrading basic **infrastructure** (183 million). Five of the projects, attracting loans worth a total of 74 million, also received grants from the Community Structural Funds.

A loan of 62 million was provided under the Edinburgh lending facility for upgrading the electricity grid in several parts of the country and improving power supplies.

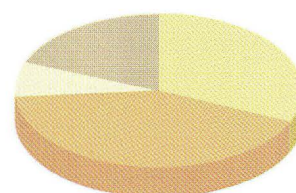
In the transport sector, the EIB continued its support for development of the road network, particularly the second phase of the

Dublin bypass, and funded modernisation of railway rolling stock and construction of a ferry terminal at Dun Laoghaire, an important staging post in the Ireland - UK - Benelux link, one of the priority TENs. It also contributed towards the expansion of domestic and international telecommunications and the improvement of water supply and wastewater treatment and disposal facilities. These various operations added up to a total of 121 million.

Finally, the Bank granted a loan for modernising and extending several technical training colleges, while 247 SMEs received a total of 47 million in allocations from global loans under drawdown.

FRANCE (continued)

Financing for transport facilities in France:
5 098 million (1990 to 1994)



- Railways
- Roads and motorways
- Airlines
- Urban transport

IRELAND

Finance contracts signed:
291.1 million

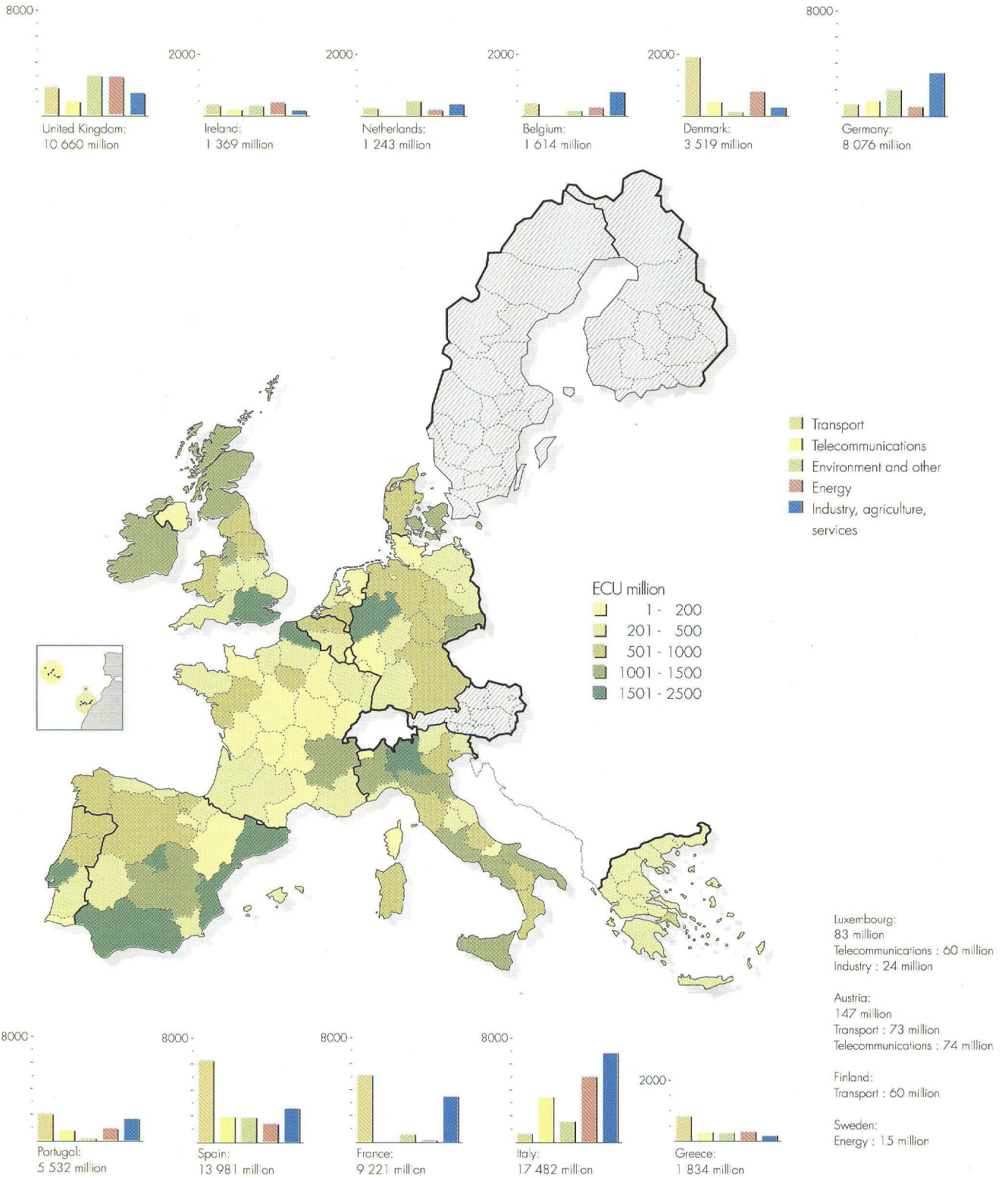
1993: 388.2 million

Individual loans: 190.3 million

Global loans: 100.8 million

Global loan allocations: 47.4 million

FINANCING PROVIDED WITHIN THE EUROPEAN UNION, 1990-1994
 Regional breakdown and graphs illustrating the sectoral breakdown by country (Table D, page 113)



In Italy, operations in support of **infrastructure** investment (2 034 million) accounted for 69% of total financing, i.e. 2 966 million in both individual loans and allocations from global loans.

In the **energy** sector, financing (1 152 million) covered a wide range of projects: construction of combined-cycle power stations; conversion or modification of power stations to reduce atmospheric pollution; development of natural gas deposits, including one recently tapped in The Marches; gas grids across several regions and, in particular, completion of work to double up the pipeline importing gas from southern Algeria (see Annual Report 1993, page 52); district heating networks.

In the field of **communications** infrastructure, a major proportion of loans went to improve telecommunications (628 million), involving development of trunk networks, increased switching capacity and extension of satellite links.

Funding for the transport sector (135 million) centred on Milan-Malpensa airport, a priority project endorsed by the Essen European Council, and the introduction of automated motorway toll systems.

The EIB also financed drinking water supply facilities and systems for wastewater collection and treatment and solid waste disposal, as well as various installations and structures to prevent pollution, soil erosion and flooding (104 million in all).

A global loan was concluded with Société Nationale de Crédit et d'Investissement, the institution in the Grand Duchy respon-

Lastly, loans were granted for urban development schemes in Bologna, Ferrara, Macerata and Belluno and for the restoration of historic buildings at Monreale and Milazzo in Sicily (16 million).

Funding for ventures mounted by SMEs accounted for over 70% of operations in **industry and the service sector** (932 million). A total of 1 173 SMEs received 663 million in allocations from global loans. Individual loans (269 million) went to fund, on the one hand, medium-scale projects in the fields of domestic electrical appliances, food products, paper, glass and motor vehicles and, on the other, major projects to improve environmental protection and to upgrade operating safety and energy efficiency at two refineries and a cement works.

Financing for investment contributing to *regional development* ran to 2 159 million, i.e. 73% of the total. In regions qualifying for support under Objective 1 of the Community Structural Funds, lending amounted to 672 million, including 535 million in individual loans, while, in regions eligible under Objectives 2 and 5(b), funding amounted to 1 016 million.

Many of the projects financed contributed to or were wholly devoted to *environmental protection*, with funds advanced for such projects totalling 764 million.

sible for implementing the interest subsidy facility in support of job-creating SMEs.

ITALY

Finance contracts signed:
3 099.5 million

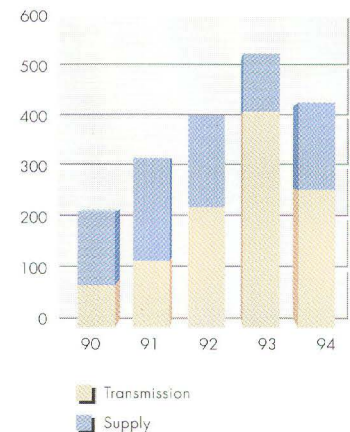
1993: 3 362 million

Individual loans: 2 261.3 million

Global loans: 838.2 million

Global loan allocations: 704.6 million

Financing for gaslines in Italy:
1 875 million (1990-1994)



LUXEMBOURG

Global loan: 5 million

NETHERLANDS

Finance contracts signed:
399.5 million
1993: 379.7 million
Individual loans: 283.3 million
Global loans: 116.2 million
Global loan allocations: 49.1 million

The individual loans advanced in the Netherlands were mainly devoted to three projects contributing to **environmental protection** (total: 232 million). They involved improvements to sewerage and sewage disposal installations in the City of Amsterdam and two large household waste incineration plants at Alkmaar, in North Holland, and near Nijmegen in Gelderland.

In the **energy** sector, the EIB also financed the combined heat and power plant at Buggenum in Limburg (51 million).

These various projects attracted loans totalling 117 million under the Edinburgh lending facility.

In addition, some 17 SMEs in industry and the service sector received allocations from global loans under drawdown.

PORTUGAL

Finance contracts signed:
1 109.7 million
1993: 1 488.8 million
Individual loans: 1 084.2 million
Global loans: 25.5 million
Global loan allocations: 42.9 million

The whole of Portugal is eligible for assistance from the Community Structural Funds under Objective 1 and from the Cohesion Fund. Around half of the projects, contributing to the country's development, benefited from Community grant aid.

The Bank's operations were mainly concerned with the strengthening of basic infrastructure (1 088 million, including 97 million under the Edinburgh lending facility).

The bulk of lending went to the **transport** sector (710 million).

On the one hand, the EIB contributed to further modernisation of the road network and construction of motorway sections to the west and north of Lisbon and on the West-East routes linking Setúbal with Elvas and Oporto with Vila Real. Some of these sections featured among the projects approved in Essen. At Funchal, on the Island of Madeira, a loan will help to upgrade port infrastructure and improve the motorway link with the airport.

On the other hand, it granted new loans to extend the Lisbon metro system, which will ease traffic congestion and establish a link

with the site of the exhibition to be held in 1998. *This project also benefited from a grant and an interest rebate under the EEA financial mechanism.* In addition, a framework agreement was concluded for the future financing of a new bridge over the Tagus, upstream from the existing one.

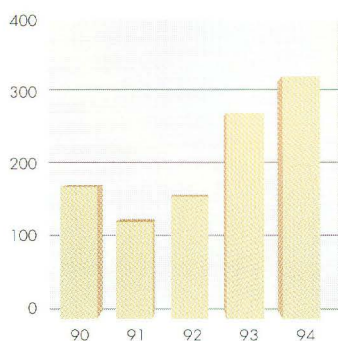
Some forty small projects to improve the secondary road network were funded from global loans (14 million).

Financing was also provided for improving **energy** supplies, with a new extension to the electricity grid and the first phase of laying gaslines in Western Portugal (327 million).

In the Central Tagus region and in the Eastern Algarve, **drinking water supply** networks attracted loans totalling 40 million. A sum of 12 million was also advanced to local authorities to finance 41 small drinking water supply and sewerage projects.

In **industry**, two individual loans (23 million) were granted for a motor vehicle components plant near Setúbal and for modernisation of food and detergents factories. Finally, 62 global loan allocations (16 million) were made available to SMEs.

Financing for roads and motorways in Portugal: 1 058 million (1990 to 1994)



Most of the EIB's operations in the United Kingdom consisted of financing for infrastructure development (2 162 million, including 365 million under the Edinburgh lending facility).

In the first instance, these projects were aimed at improving **communications**.

Loans in the transport sector (649 million) helped to continue construction of the Channel Tunnel and a fixed link between the Scottish mainland and the Isle of Skye. Others concerned several trunk road links between Hampshire and Surrey as well as in the West Midlands and in Kent, extension of Terminal 1 at Heathrow Airport and development of a light rail transit system in Sheffield.

Telecommunications modernisation projects attracted loans totalling 609 million.

Other operations were devoted, on the one hand, to programmes aimed at improving management of drinking **water resources** and at upgrading sewerage and sewage disposal facilities and, on the other, to various installations and works designed, in particular, to redevelop mining areas in Northumberland and establish an indus-

trial estate in Cardiff including advanced training centres.

In the **energy** sector, loans (682 million) were provided for developing oil and gas fields in the Liverpool Bay area of the Irish Sea and for constructing gas-fired power stations in the South East.

In **industry** and the service sector, operations (185 million) covered a newsprint plant using recycled paper in Kent, a hydro-desulphurisation unit at an oil refinery in Cleveland and 142 ventures undertaken by smaller businesses and financed from global loans under drawdown.

The bulk of the funding for investment contributing to *regional development* (1 143 million) targeted projects in areas eligible for assistance from the Community Structural Funds under Objective 2 (496 million). In addition, 13 million were advanced for the Skye fixed link project, located in an Objective 1 area.

Many of the projects supported, both in industry and in the field of infrastructure, are helping to *protect the environment* or improve the quality of urban life. The corresponding lending amounted to a total of 439 million.

UNITED KINGDOM

Finance contracts signed:
2 454.7 million

1993: 1 929.1 million

Individual loans: 2 295.5 million

Global loans: 159.2 million

Global loan allocations: 51 million



NEW MEMBER STATES

Finance contracts signed:
165 million
Individual loans: 149.5 million
Global loans: 15.5 million

Projects totalling 426 million were financed outside the territory of Member States.

On the one hand, there were loans in Austria, Finland and Sweden, which in 1994 were still applicant countries although, since 1 January 1995, they have been Member States of the European Union. On the other, projects benefiting both the EU and the country concerned were financed in Norway and Morocco under the second paragraph of Article 18 (1) of the Bank's Statute.

In **Austria** (89.5 million), an individual loan was advanced to help improve and modernise telephone links between Austria and seven neighbouring countries, and a first global loan was provided to finance ventures mounted by SMEs.

In **Finland** (60.2 million), the EIB financed improvements to two sections of the E18 motorway on the Nordic Triangle, one of the priority TENs, connecting Stavanger (Norway) with Saint Petersburg (Russia) via Oslo, Stockholm and Helsinki. These

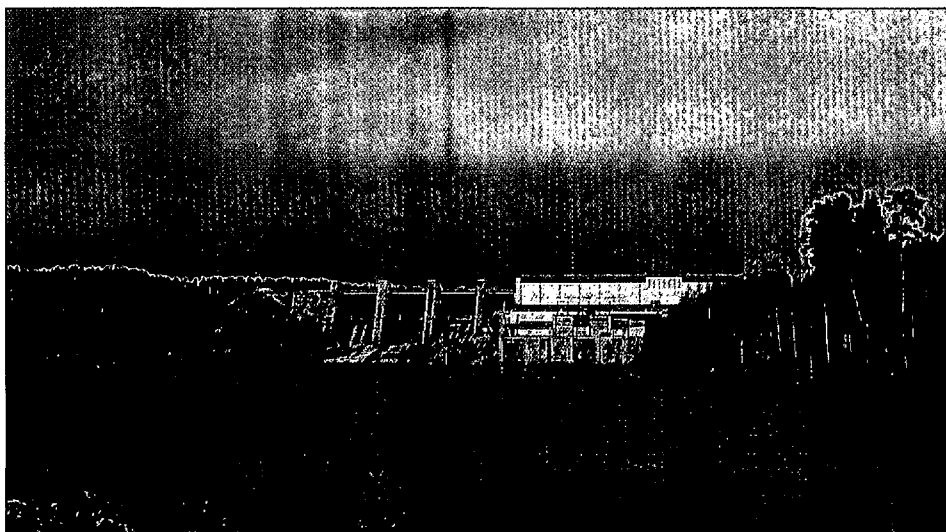
sections are both on the link between Turku, one of the country's main ports, and Helsinki.

In **Sweden** (15.3 million), a loan helped to fund the Swedish section of a power interchange cable linking the country to Germany across the Baltic.

OTHER OPERATIONS

In **Norway** (99.6 million), the Bank provided loans for electricity generation and transmission: a power cable across the Skagerrak to link up with Denmark, work to upgrade the electricity grid and construction of dams to increase the storage capacity of Svartisen hydroelectric power station in the north of the country.

Finally, a loan of 161.2 million was granted for the **Moroccan section** of a gasline for feeding Algerian gas into the Spanish network and beyond this into the wider Community system (see box article, page 52 of Annual Report 1993).



OPERATIONS OUTSIDE THE EUROPEAN UNION

Totalling 2 246 million, financing outside the European Union comprised 1 979 million in loans from EIB own resources and 267 million in operations using risk capital drawn from Community or Member States' budgetary funds.

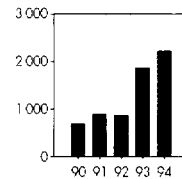
In the African, Caribbean and Pacific (ACP) States and in the Overseas Countries and Territories (OCT), financing came to 462 million (226 million in 1993) and broke down as to 223 million in loans from own resources carrying interest subsidies and 239 million in risk capital from resources of the European Development Fund (EDF).

In the Mediterranean Countries, a total of 607 million was made available (681 mil-

lion in 1993), consisting of 579 million from own resources and 28 million from risk capital.

In the Central and Eastern European Countries (CEEC), the Bank provided loans totalling 957 million (882 million in 1993). Lastly, loans worth 220 million in all were granted in Asia and Latin America.

Most of the projects in question were covered by co-financing arrangements concluded with Member States' bilateral financial institutions, the Commission, the World Bank and other development aid agencies; cooperation with the EBRD was stepped up with a view to coordinating financing activities in the Central and Eastern European Countries concerned.



The financial year 1994 witnessed a very sharp recovery in EIB operations in the ACP States and the OCT. Finance contracts were signed in twenty-nine ACP States and three OCT under the Fourth Lomé Convention (223 million in loans from own resources carrying interest subsidies and 237.5 million in risk capital) and from the balance available under the Third Convention (1.5 million in risk capital).

In most countries, projects were financed from risk capital, either exclusively in nineteen countries (114 million) or in conjunction with loans from own resources in eleven countries (249 million). In Mauritius and Papua New Guinea, projects were funded solely from own resources (18 million). Some 80 million were made available for regional projects or to institutions operating in a wide variety of countries.

In sectoral terms, over half of financing benefited industry, agriculture, fisheries and services (250 million), a fairly substantial

number of projects attracting individual loans for a total of 91 million. Global loans, amounting to 159 million in all and deployed in cooperation with national or regional development banks, were earmarked mainly for funding SMEs, which received 156 allocations overall (48 million).

With a view to promoting ventures mounted by small private firms in the productive sector, the EIB also concluded two global loans, for 35 million each, with European development aid institutions, the proceeds of which can be used in all ACP States.

Basic infrastructure schemes included electricity generation and transmission projects as well as gaslines (146 million, or 32% of the total). The remaining projects centred on telecommunications, transport and more efficient management of water resources.

ACP STATES AND OCT

DOUBLING OF FINANCING:
PROJECTS SUPPORTED
IN 32 COUNTRIES



Table 11: Conventions, financial protocols and decisions in force or under negotiation at 4 April 1995

(ECU million)

Agreement	Duration	Loans from own resources (1)	Operations mounted from budgetary resources		Total	
			Risk capital operations (2)	Grant aid (3)		
ACP States-OCT						
ACP	Fourth Lomé Convention	1990-1995	1 200	825	9 975 (4)	12 000
OCT	Council Decision	1990-1995	25	25	115 (4)	165
South Africa	<i>under negotiation</i>		300			300
Mediterranean Countries(5)						
Turkey	Fourth Financial Protocol not yet in force		225		50	600 (6)
Algeria	Fourth Financial Protocol	1992-1996	280	18	52	350
Morocco	"	"	220	25	193	438
Tunisia	"	"	168	15	101	284
Egypt	"	"	310	16	242	568
Jordan	"	"	80	2	44	126
Lebanon	Exceptional aid for reconstruction		50			50
"	Second Financial Protocol		34			34
"	Third Financial Protocol		53	1	19	73
"	Fourth Financial Protocol	1992-1996	45	2	22	69
Syria	Third Financial Protocol	1987-1991	110	2	34	146
"	Fourth Financial Protocol	1992-1996	115	2	41	158
Israel	Fourth Financial Protocol	1992-1996	82			82
Gaza and West Bank (7)	Council Decision	1994-1998	250	-	250	500
Malta	Fourth Financial Protocol	1994-1998	30	2	13	45
Cyprus	Fourth Financial Protocol	1994-1998	50	2	22	74
Off-protocol horizontal financial cooperation	Council Decision	1992-1996	1 800	25	205 (8)	2 030
Central and Eastern European Countries						
Hungary, Poland, Slovak Rep., Czech Rep., Bulgaria, Romania, Estonia, Latvia, Lithuania, Albania	Council Decision	1994-1996	3 000			3 000
Slovenia	Financial Protocol	1993-1997	150		20 (9)	170
Asian and Latin American Countries						
	Council Decision	1993-1996	750			750

(1) Loans attracting interest subsidies from the European Development Fund in the case of projects in the ACP States and the OCT and from the Community budget in the case of projects in certain Mediterranean countries. Amounts required for interest subsidies are financed from grant aid.

(2) Granted and managed by the EIB.

(3) Granted and managed by the Commission.

(4) Including amounts reserved for interest subsidies on EIB loans.

(5) Balances remaining under earlier financial protocols or, in the case of Lebanon and Syria, the entire amounts originally provided for may be drawn on concomitantly.

(6) Including 325 million in loans on special conditions from budgetary resources.

(7) The amount of loans from own resources will be set against "off-protocol" co-operation.

(8) Including about 100 million in interest subsidies for EIB loans for the environment.

(9) Solely for interest subsidies on EIB loans in favour of transport projects of common interest.

In **AFRICA**, financing involved twenty-one countries and totalled 406 million (207 million from own resources and 199 million in risk capital). Progress was recorded on a number of fronts despite endemic difficulties. Democratisation in South Africa, for example, is encouraging cooperation between countries in the area and facilitating their development, as illustrated by the harnessing of hydroelectric resources in Mozambique. In addition, a regional cooperation project in the telecommunications sector was successfully mounted jointly by three East African nations, Ethiopia, Djibouti and Eritrea, the latter country attracting its first loan from the EIB.

Other developments set to foster a revival in activity include the introduction of new economic policies in tandem with structural adjustment programmes in certain countries, the effects of the devaluation of the CFA franc and the upturn in certain commodity prices.

In 1994, some 173 million were made available for projects in **Southern Africa**, including 88 million in risk capital. Much of this was devoted to energy projects: high-voltage lines interconnecting Cahora Bassa hydroelectric power station on the Zambezi River, in **Mozambique**, with the **Zimbabwe** and South African grids; construction of a hydroelectric power station in Muela, **Lesotho**; laying of an oil pipeline to supply the Indeni refinery, in **Zambia**, from the port of Dares-Salaam in Tanzania.

Bank funding also supported improvements to drinking water supplies in Lobatse, **Botswana**, extension of the water supply, sewerage and sewage disposal and electricity systems in Windhoek, **Namibia**, and upgrading of telecommunications in **Mauritius**.

Financing was provided for several productive-sector projects in a variety of areas: foodstuffs (abattoir in Botswana, shrimp farming in Mozambique), a copper mine in Zimbabwe and horticulture in Zambia. Global loans were concluded with institutions in several of these countries, as well as in **Madagascar**.

In **West Africa**, 70 million were advanced, including 33 million in risk capital. Loans from own resources (36.5 million) went towards development of a gold mine in **Mali** and refurbishing of a hotel in **Guinea**. The remaining projects were financed from risk capital resources: extension and modernisation of oil mills in Guinea and Mali, tapping of oil deposits in **Côte d'Ivoire**, an anchovy packing plant on São Vicente island in **Cape Verde** and a global loan for assisting SMEs in **Benin**.

Credit lines were drawn on to fund a dairy in **Ghana** and a study on a foundry in **Mauritania**. The EIB also helped to establish a guarantee fund for private investment financing throughout the region.

In **East Africa** (90 million, of which 75 million in risk capital), 25 million were given over to a major telecommunications project benefiting **Ethiopia**, **Eritrea** and **Djibouti**, three of the continent's poorest countries. The scheme will help to improve local and regional links and to provide access to the international satellite telecommunications system.

Finally, construction of a hydroelectric power station in **Tanzania** and rehabilitation of an oil pipeline in **Kenya** were also financed, while global loans were made available both in Kenya and the **Seychelles**.

IN AFRICA
BACKING FOR REGIONAL
PROJECTS, ...

... MARKED RECOVERY IN LENDING
TO INDUSTRY...

... AND FOR ENERGY GENERATION
AND TRANSMISSION

NUMEROUS GLOBAL
LOANS FOR FUNDING
SMALL-SCALE INVESTMENT

In the **CARIBBEAN** (46 million, including 35.4 million in risk capital), in addition to support for a new regional airline, assistance was directed towards a plant manufacturing petrol additives and a study on improving water supplies in Richmond, **Trinidad and Tobago**, upgrading the power grids in **Belize** and the **Dominican Republic** and developing port installations in Kingstown, **Saint Vincent and the Grenadines**. In addition, global loans were concluded with institutions in several countries, among which **Saint Lucia**.

In the **PACIFIC**, global loans were arranged with institutions in **Papua New Guinea** and **Western Samoa** for promoting smaller-scale ventures (5.5 million).

Lastly, financing was made available in three **OCT** (4.4 million) for a wind farm feasibility study in the **Turks and Caicos Islands** and, in the form of global loans, for industrial, agricultural-processing and tourism ventures in **New Caledonia** and the **British Virgin Islands**.

Table 12: Financing provided outside the European Union in 1994

(ECU million)

	Total	Own resources	Risk capital resources	Individual loans				Global loans
				Energy	Transport, telecommunications	Water, agricultural development	Industry, agriculture, services	
ACP-OCT	461.6	222.5	239.1	146.2	47.8	17.1	91.2	159.3
Africa	405.8	206.5	199.3	127.5	38.8	17.1	79.7	142.7
Caribbean	45.9	10.5	35.4	18.7	9.0		9.1	9.1
Pacific	5.5	4.0	1.5					5.5
OCT	4.4	1.5	2.9				2.4	2.0
Mediterranean	607.0	579.0	28.0	135.0	243.0	94.0	55.0	80.0
Algeria	80.0	80.0			80.0			
Morocco	140.0	120.0	20.0	80.0		40.0		20.0
Tunisia	63.0	63.0			23.0	25.0	15.0	
Egypt	131.0	125.0	6.0	55.0			40.0	36.0
Jordan	49.0	47.0	2.0		25.0	12.0		12.0
Lebanon	115.0	115.0			115.0			
Cyprus	29.0	29.0				17.0		12.0
Central and Eastern Europe (CEEC)	957.0	957.0		157.0	697.0	45.0		58.0
Hungary	140.0	140.0			100.0			40.0
Poland	333.0	333.0			275.0	45.0		13.0
Bulgaria	30.0	30.0			30.0			
Slovak Republic	35.0	35.0			35.0			
Czech Republic	255.0	255.0		100.0	155.0			
Romania	66.0	66.0		50.0	16.0			
Estonia	42.0	42.0		7.0	35.0			
Latvia	5.0	5.0						5.0
Lithuania	10.0	10.0			10.0			
Slovenia	41.0	41.0			41.0			
Asia, Latin America (ALA)	220.0	220.0		122.0	75.0		23.0	
Argentina	46.0	46.0		46.0				
Chile	75.0	75.0			75.0			
Pakistan	36.0	36.0		36.0				
Philippines	23.0	23.0					23.0	
Thailand	40.0	40.0		40.0				
Total	2 245.6	1 978.5	267.1	560.2	1 062.8	156.1	169.2	297.3

MEDITERRANEAN COUNTRIES

Lending in countries on the southern rim of the Mediterranean came to 607 million, 28 million of which were drawn from budgetary resources.

The bulk of funds (397 million) were deployed under the current generation of financial protocols, while 210 million were mobilised, in conjunction with off-protocol horizontal cooperation arrangements, for regional and environmental protection schemes. Projects attracted support in seven countries and centred on: improving transport infrastructure, especially reconstruction works in Lebanon, and telecommunications systems (243 million or almost 40% of the total), installing power lines, including one for exchanging electricity with Spain (135 million), and enhancing management of the region's scarce water resources (94 million). Financing was also targeted at productive projects (135 million), in the main through global loans for mostly private-sector joint ventures with enterprises in the European Union (see page 50).

Morocco

Lending (140 million in all) focused chiefly on a major project for interconnecting the Moroccan and Spanish electricity grids by means of submarine cables across the Strait of Gibraltar; this scheme, financed off protocol, also involves upgrading the Moroccan power network (80 million). In addition, funds were made available for promoting more efficient management of water resources and improving drinking water supplies in several large towns on the Atlantic coast. A global loan from risk capital resources (20 million) will be given

over to financing equity participations in productive-sector enterprises, notably in partnership with firms from European countries. A large number of small rural schemes featured among the beneficiaries of more than twenty allocations (8.2 million) from global loans already under drawdown.

Algeria

Against a particularly troubled background, the EIB continued to commit funds under the Fourth Financial Protocol, contributing towards a new section of the East-West motorway between Lakhdaria and Bouira (80 million).

Tunisia

Loans (63 million) helped to further the development of several large towns and cities, including the capital: the road network in Greater Tunis, sewage treatment plants and sewerage systems in six coastal towns (25 million off protocol) and industrial estate facilities near Tunis and Sfax. From current global loans, 5 million were made available for almost twenty small industrial and service-sector ventures.

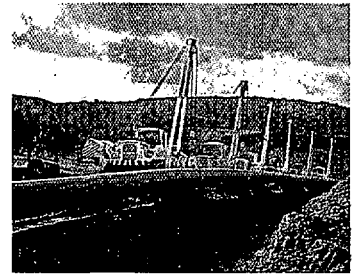
Egypt

Financing (131 million, of which 6 million in risk capital) was devoted to upgrading electricity supplies in Alexandria as well as to expanding the capacity of a nearby steelworks. Global loans were also advanced for underpinning smaller-scale industrial and tourism ventures.

Jordan

A total of 49 million, including 2 million in risk capital, went towards ongoing extension of telecommunications systems,

MAGHREB



MASHREQ

REBUILDING INFRASTRUCTURE
IN LEBANON

particularly those providing links with the West Bank and Lebanon (25 million off protocol), improvements to the water supply and sewerage and sewage disposal systems serving the town of Salt, west of Amman, as well as towards SMEs funded by means of global loans.

Lebanon

The EIB continued its support for reconstruction projects, advancing loans (115 million) for restoring harbour installations in Beirut and rehabilitating, expanding and modernising the capital's international airport (80 million off protocol).

JOINT VENTURES BRINGING TOGETHER EUROPEAN AND MEDITERRANEAN PARTNERS: INITIAL SURVEY

The European Council in Essen endorsed the approach adopted by the European Commission as part of future Mediterranean policy recommending the establishment of a Euro-Mediterranean partnership. This partnership is to be founded on closer cooperation, notably financial, between the European Union and non-member countries on the Mediterranean seaboard which have enjoyed links with the Union over many years.

The EIB, which has been operating in non-member Mediterranean countries since 1976, has a key role to play in the Redirected Mediterranean Policy implemented since 1992 with, as its two foundations, bilateral financial protocols concluded with the different partner countries and off-protocol horizontal financial cooperation (see details in Table 11, page 46).

One of the top priorities of this policy is to develop the **private industrial and manufacturing sectors** of these countries and, in particular, to provide backing for joint ventures involving local and European firms.

This approach, which paves the way for the injection of foreign capital, also furthers the transfer of know-how and technology, equally important for the development and modernisation of the firms and countries concerned.

Between 1976 and end-1994, the EIB channelled 30% of all its financing from own resources, i.e. almost 900 million, towards the productive sectors. These funds were, for the most part, targeted at developing industry and tourism.

The operations in question focused on **major capital projects** (for instance, in Egypt, the first factories producing tyres for HGVs and, more recently, a steelworks in Alexandria) and assistance for setting up modern industrial estates, for example at Sahab near Amman in Jordan and near Tunis and Sfax in Tunisia. In tandem, the Bank, in virtually all Mediterranean countries, has been building

up credit lines from own resources for local commercial or development banks. Such **lines of credit** are aimed at financing SMEs in industry and other sectors. They have been deployed to foster thousands of small productive investment schemes in industry and tourism (principally in Jordan, Israel, Tunisia, Morocco and Egypt). New credit facilities were made available in 1994 for investment in Cyprus, Egypt and Jordan.

In addition, since 1987, the EIB, in an attempt to further development of the private sector and to encourage joint ventures between local and European entrepreneurs, has been implementing **risk capital** assistance financed from the Union's budgetary resources. Risk capital, as a long-term instrument (up to 25 years), makes it feasible to tailor remuneration and repayment terms to the results of the project financed while consolidating the capital base of the promoter. These risk capital operations can be used for the benefit of both local promoters, under financial protocols, and European promoters under the umbrella of horizontal financial cooperation.

Over 40 million in risk capital has been deployed, primarily in the shape of global loans to local banks to set up or further the development of some 200 new joint ventures, in a wide variety of sectors, resulting in the creation of around 12 000 jobs and generating over 700 million in fresh investment. In 1994, lines of credit were renewed in Morocco (the largest, for 20 million), Jordan and Egypt. A little over 60 million could still be committed by 1996 under the Fourth Financial Protocols.

It is worth stressing that the success of a good many companies often hinges directly on the transfer of know-how and technological expertise between partners.

Experience gained by the EIB in some countries, albeit on a modest scale, will serve to give fresh impetus to its activity in support of a stronger Euro-Mediterranean partnership, the cornerstone of the European Union's future Mediterranean policy.

Cyprus

Lending in Cyprus (29 million) was directed towards enhancing drinking-water supplies in the main towns on the island and supporting smaller-scale ventures. A total of 3.5 million was drawn down from ongoing global loans in favour of a dozen small capital projects.

Israel

Although no new loans were concluded in 1994, allocations worth 19 million in all were approved for ten or so small industrial ventures under a global loan signed in 1993.

OTHER MEDITERRANEAN COUNTRIES

Aggregate lending in Central and Eastern Europe (957 million) embraced ten countries, including, for the first time, Latvia and Lithuania.

The majority of funds (866 million) were provided under the Decision of the Board of Governors of May 1994 authorising the EIB to mount operations in these countries for up to three billion with a Community guarantee. An amount of 50 million, still available under the first series of agreements, was committed, while 41 million were advanced in Slovenia under the financial protocol which entered into force in 1993.

Financing centred on strengthening basic infrastructure vital for these countries' continued development: transport (397 million), telecommunications (300 million) and energy (157 million).

Several of these projects represent direct adjuncts to trans-European networks, in particular, the Polish section of the Dresden-Kiev motorway, the Berlin-Vienna rail link and the pipeline supplying Russian oil to the European network.

This heading also includes the co-ordinated investment programme for rehabilitating air traffic control and safety installations, under which loans were granted in four countries in 1994 in the wake of operations in two other countries in 1993 (see Annual Report 1993, page 40). The importance attached to investment in trans-European air traffic management systems was, moreover, highlighted by the Essen European Council when examining trans-European networks and their extension to Central and Eastern European Countries.

Poland

A total of 333 million went towards: modernising and expanding the telecommunications system, upgrading to motorway standard the Wroclaw-Gliwice section of the E40 highway between Dresden and Kiev, ensuring more efficient treatment of wastewater in Warsaw by constructing a new sewage treatment plant and providing new finance for enterprises by means of a global loan. In 1994, 12.4 million were drawn down from current global loans, mainly for a motor vehicle plant and warehouses.

CENTRAL AND EASTERN EUROPEAN COUNTRIES

PROJECTS TYING IN WITH TRANS-EUROPEAN NETWORK STRATEGY

USHERING IN NUMEROUS IMPROVEMENTS TO TELECOMMUNICATIONS...



Hungary

Loans in this country (140 million) were devoted to extending and modernising the telephone network, essential for the further development of economic activity, as well as to implementing local authority infrastructure. From global loans already on tap, allocations worth 27 million in all were approved in favour of a toll section of the Budapest-Vienna motorway, some ten hotels and three small industrial ventures.

global loans already under drawdown, three industrial ventures claimed allocations worth 13.8 million.

Czech Republic

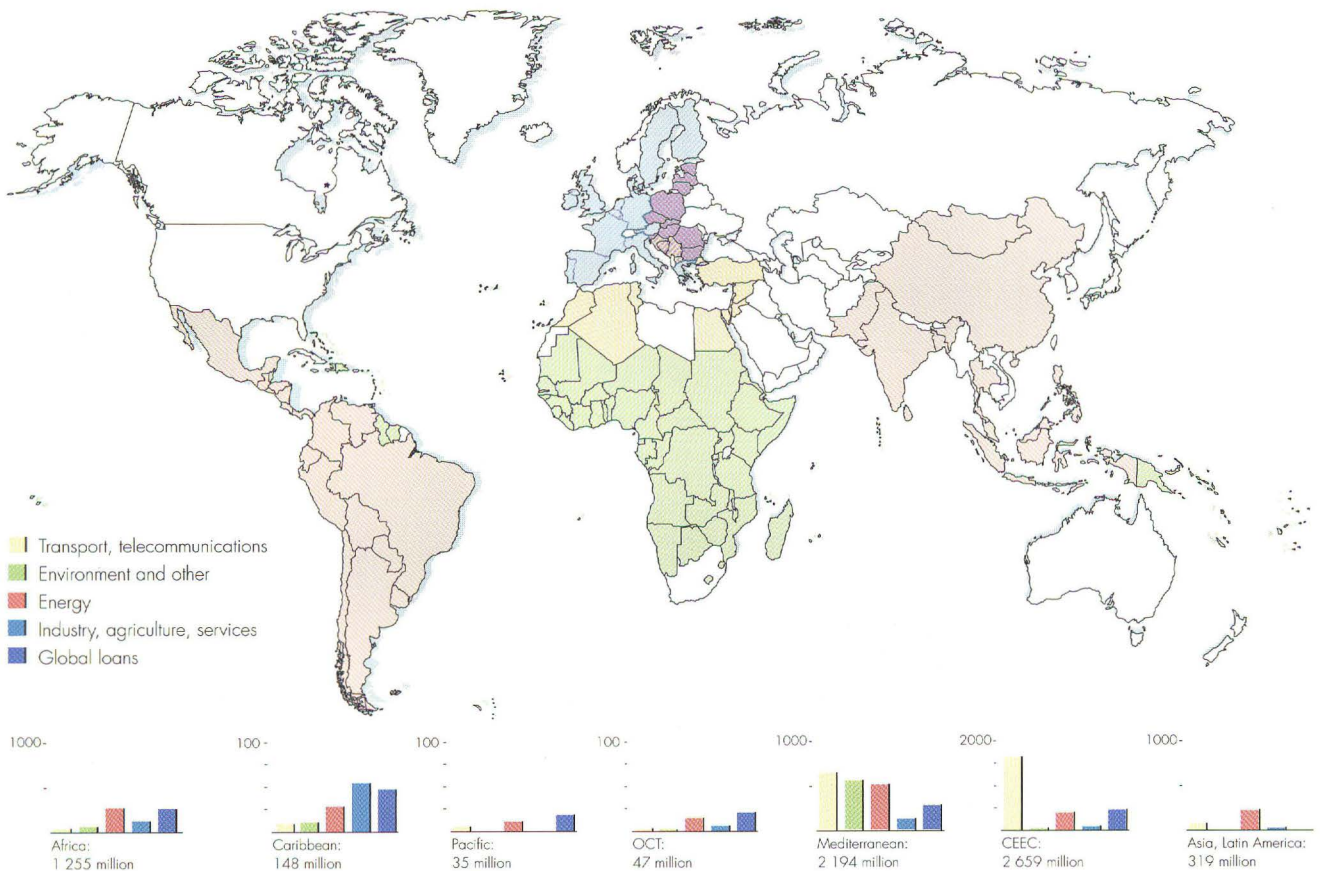
The EIB advanced a total of 255 million for three major projects: improvements to the Czech section of the rail line linking Berlin and Vienna via Prague, construction of an oil pipeline connecting up the transalpine network from Italy with the Russian oil transportation system and ongoing modernisation of telephone facilities. An allocation for 6.7 million from a global loan concluded previously assisted investment at a foundry producing motor vehicle components.

Slovak Republic

In addition to a loan for air traffic control installations under the programme mentioned above, the EIB also funded extension and modernisation of the telecommunications network (35 million in all). From

... UPGRADING ROAD
AND RAIL LINKS...

FINANCING PROVIDED OUTSIDE THE EUROPEAN UNION, 1990-1994
Geographical and sectoral breakdown



Bulgaria

The EIB provided added support for improving safety in Central and Eastern European airspace through a loan of 30 million for modernising air traffic control facilities in Bulgaria.

Romania

Loans totalling 66 million are helping to rehabilitate Romania's natural gas transmission and supply network as well as to continue work on modernising air traffic control and safety installations.

Estonia

The 42 million made available in this country also included finance for upgrading essential air traffic facilities, in addition to which Bank lending aided construction of a bulk freighter terminal at the port of Muuga and renovation of the district heating system in Pärnu. Six small industrial firms received allocations (3.4 million) from global loans already on tap.

A total of 220 million was lent for projects in five Asian and Latin American Countries, signatories to cooperation agreements with the Community.

These operations were mounted under the authorisation given by the Board of Governors in February 1993 to finance capital investment of mutual interest to the country concerned and the Union or involving European partners, up to a ceiling amount of 750 million over a period of three years. By end-1994, financing under this heading had amounted to 319 million.

Argentina

The EIB advanced 46 million for modernising and extending the natural gas supply network in the northern Buenos Aires area.

Latvia

The proceeds of a global loan for 5 million will contribute towards capital equipment needs in Latvia's manufacturing and service sectors as well as towards investment designed to safeguard the environment and achieve energy savings.

Lithuania

In this country's capital city, a loan for 10 million was given over to modernising Vilnius International Airport.

Slovenia

Pursuant to the financial protocol signed with the Community, the two loans concluded in Slovenia centred on strengthening this country's transport infrastructure. Totalling 41 million and serving to improve communications between western and eastern Slovenia, these loans were given over to constructing new sections of the Ljubljana-Celje motorway and modernising the main international railway line.

Chile

In this country, 75 million went towards expanding the local and international telecommunications networks.

Thailand

A loan of 40 million was provided for a gasline linking a field in the Gulf of Thailand to the existing mainland grid.

Pakistan

In the Karachi district, 36 million were directed towards strengthening and improving management of the power transmission network.

Philippines

A loan of 23 million was made available for installing a new production line at a cementworks in Davao on Mindanao island.

... ENHANCING AIR TRAFFIC
MANAGEMENT AND SAFETY

ASIAN AND LATIN
AMERICAN COUNTRIES

SECOND YEAR OF OPERATIONS
ON THESE TWO CONTINENTS



THE EIB OUTSIDE THE EUROPEAN UNION IN 1995

The EIB provides financing mainly in its Member States, the fifteen States of the European Union. Bank activity also encompasses the EFTA countries. In addition, the EIB participates in implementing various agreements concluded with a large number of countries (see Table 11, page 46). Listed below are all countries eligible for Bank financing, although the EIB is by no means active in every one of these during any given year.

EFTA - European Free Trade Association

European Economic Area (EEA)
Iceland
Liechtenstein
Norway

Switzerland

Central and Eastern Europe

Hungary
Poland
Bulgaria
Slovak Republic
Czech Republic
Romania
Estonia
Latvia
Lithuania
Albania
Slovenia

Mediterranean Countries

Maghreb
Algeria
Morocco
Tunisia

Mashreq
Egypt
Jordan
Lebanon
Syria

Israel
Gaza and the West Bank
Malta
Cyprus
Turkey

Africa Caribbean Pacific

Africa

West Africa
Benin
Burkina Faso
Cape Verde
Côte d'Ivoire
Gambia
Ghana
Guinea
Guinea-Bissau
Liberia
Mali
Mauritania
Niger
Nigeria
Senegal
Sierra Leone
Togo

Central and Equatorial Africa
Burundi
Cameroon
Central African Republic
Congo
Gabon
Equatorial Guinea
Rwanda
São Tomé and Príncipe
Chad
Zaire

East Africa
Djibouti
Eritrea
Ethiopia
Kenya
Uganda
Seychelles
Somalia
Sudan
Tanzania

Southern Africa
Angola
Botswana
Comoros
Lesotho
Madagascar
Malawi
Mauritius
Mozambique
Namibia
Swaziland
Zambia
Zimbabwe

Caribbean

Antigua
Bahamas
Barbados
Belize
Dominica
Grenada
Guyana
Haiti
Jamaica
Saint Christopher and Nevis
Saint Vincent and the Grenadines
Saint Lucia
Suriname
Trinidad and Tobago
Dominican Republic

Pacific

Fiji
Kiribati (Gilbert Islands)
Papua New Guinea
Solomon Islands
Tonga
Tuvalu
Western Samoa
Vanuatu (New Hebrides)

OCT - Overseas Countries and Territories

Netherlands Antilles
Aruba

Mayotte
New Caledonia
Saint Pierre and Miquelon
French Polynesia
French Southern and Antarctic Territories
Wallis and Futuna

Anguilla
British Virgin Islands
British Antarctic Territory
British Indian Ocean Territory
Cayman Islands
Falkland Islands
Montserrat
Pitcairn
South Sandwich Islands
Saint Helena
Turks and Caicos Islands

Asia

Bangladesh
China
India
Macao
Mongolia
Pakistan
Sri Lanka

ASEAN Group
Brunei
Indonesia
Malaysia
Philippines
Singapore
Thailand

Latin America

Argentina
Brazil
Chile
Mexico
Paraguay
Uruguay

Andean Group
Bolivia
Colombia
Ecuador
Peru
Venezuela

Central America
Costa Rica
Guatemala
Honduras
Nicaragua
Panama
Salvador

Medium and long-term borrowings on the markets in 1994 totalled 14 156 million, compared to 14 215 million in 1993.

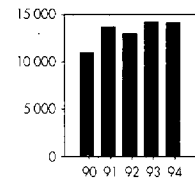
Borrowing operations were conducted in a climate of rising and very volatile interest rates on the financial markets.

The EIB endeavoured to accommodate loan disbursement requests through its

active presence on the various markets and increased recourse to swap operations.

Funds raised, after swaps, amounted to 14 148 million, of which 10 636 million was at fixed rates of interest and 3 512 million was at floating rates.

Community currencies accounted for almost four fifths of the total raised.



In 1994, bond markets in the principal OECD countries saw the steady fall in long-term interest rates brought to an abrupt halt in February and reversed for the rest of the year. By year-end, these rates had climbed above their levels of early 1993.

The sharp rise in interest rates in 1994 was caused by a series of factors. Firstly, the Federal Reserve adopted a more prudent monetary policy that led to higher short-term interest rates in order to keep inflationary pressures in check. Secondly, after the severe recession in 1993 the economies of the European Union and Japan recovered faster than expected, fuelling concerns as to the risk of inflation. Finally, financial markets were not convinced that decisive measures would be taken to cut structural budget deficits and to accommodate the capital needs of emerging markets, countries in transition and large infrastructure projects in the industrialised world.

Within the European Union, long-term interest rates were pushed higher by the rise in US interest rates and anxiety about a resurgence in inflation. However, in contrast to events in the USA and the United Kingdom where economic recovery was further advanced, yield curves in other European countries which were only just starting to pull out of recession became steeper.

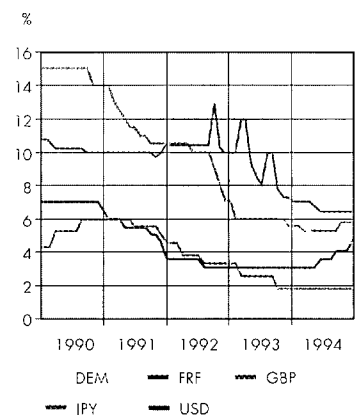
This steepening of yield curves in continental Europe was symptomatic of market expectations of a future rise in short-term interest rates once economic recovery matured. Germany lowered its short-term interest rates in order to curb growth in the money supply by offering investors an incentive to switch to longer-dated instruments.

The volume of bonds issued on international markets shrank marginally to USD 474 billion due to these difficult market conditions.

The US dollar once again affirmed its status as the leading currency for international bond issues, accounting for roughly one third of total market volume, followed by the yen, issues of which grew by more than 50%. As for European currencies, sterling came out ahead of the Deutsche Mark, French franc and Swiss franc. The volume of new issues denominated in Italian lire doubled, while ECU issues failed to return to pre-1992 levels.

CAPITAL MARKET TRENDS

Official interest rates for the main currencies



EIB BORROWING OPERATIONS ON THE FINANCIAL MARKETS



The number of global bond issues more than doubled from 35 in 1993 to 80 in 1994, the bulk of them denominated in US dollars. The total amount raised through such issues advanced less rapidly (from USD 40 billion to USD 52 billion), resulting in a fall in the average amount of issues from USD 1.1 billion in 1993 to USD 650 million in 1994. Global bond issues were also launched in 1994 in ECUs and in the Nordic currencies. The financial derivatives market (futures, options, swaps) continued to expand apace.

The EIB borrowed medium and long-term funds totalling **14 156 million** in 1994, an amount appreciably on a par with that raised in 1993 (14 215 million). In order to command resources tailored to its requirements, the EIB mounted a large volume of swap operations. The total amount of **funds raised** in 1994, after allowing for swaps, came to **14 148 million** compared with 14 224 million in 1993.

Fixed-rate borrowings comprised the bulk of funds raised (10 636 million as against 12 695 million in 1993), but the proportion of floating-rate resources rose significantly to a quarter of all borrowings compared with 11% in 1993. There was no increase in ongoing commercial paper programmes, particularly because such operations were partially replaced as a means for financing EIB variable-rate loans by borrowings offering more attractive terms and making it easier to adapt to new methods for fixing the rates for such loans.

Most funds raised by the EIB were used for fixed or variable-rate loan disbursements. In addition, the EIB launched issues intended to finance early redemption of borrowings on a significantly larger scale than the previous year: 1 997 million in 1994 compared with 288 million in 1993. The uptrend in interest rates on the various capital markets in 1994 was not a continu-

ous or even process, thereby providing scope, particularly in the case of some currencies (Italian lira, Belgian franc, Luxembourg franc, Swiss franc and yen), to take advantage of more favourable refinancing rates. In contrast to 1993, the EIB had only limited recourse to its treasury (424 million) for financing such operations.

Throughout the year, a high degree of volatility was a feature of the financial markets with institutional investors extremely reluctant to commit themselves long term, thereby obliging market operators to resort systematically to derivatives in order to hedge their positions. Against this very inauspicious background, with bond markets "crashing" on several occasions, the EIB was more flexible in its bond issuing strategy than in the past. Owing, in particular, to the problems of making calls on the market, the Bank was active when circumstances permitted, where necessary scheduling the launch of certain issues separately from its immediate disbursement requirements. With interest rates volatile, the EIB had to turn more than in the past to conventional hedging instruments.

The nominal amount of **hedging operations** totalled over two thirds of the overall amount of fixed-rate funds raised.

Deferred rate-setting contracts, as in previous years, were the most widely used instrument (5 679 million), some 97.5% of amounts hedged. This was used for most Community currencies raised apart from those cases where hedging was unnecessary (IEP tap issue as part of a medium-term notes programme) or where the amounts involved were modest in proportion to total borrowings (DKK and LUF).

Recourse to contracts swapping floating rates against fixed rates for a set period (deferred swaps) was confined to hedging two PTE borrowings. Lastly, the internal hedging facility whereby the EIB acquired a portfolio of bonds to be resold in line with disbursement needs was used to cover disbursements on loans in IEP.

With fixed interest rates rising, there was greater demand on the part of project promoters for **variable-rate** loans compared to 1993.

The EIB accordingly expanded its product range by altering, for most currencies offered, the method of setting interest rates. Hitherto, this was determined ex post in the light of the cost of raising resources, introducing a time-lag between the rate proposed to borrowers and the LIBOR rate quoted by commercial banks for similar maturities on the day of its notification. The EIB therefore modified the conditions for setting the rates on resources raised so that it could quote to borrowers, on the date of notification and for the chosen maturity, a rate corresponding to the day's LIBOR rate, adjusted, possibly, by a **variable spread** depending on the structure of funds raised.

Whenever market conditions allowed, the EIB also offered a product at a variable rate set at LIBOR adjusted by a **fixed spread**. Furthermore, EIB convertible loans -

variable-rate loans with the option of converting to fixed rate - were modified to enhance flexibility.

Thanks to these facilities, the EIB disbursed 3.7 billion at variable rates compared with 1.7 billion in 1993.

The EIB had greater recourse than in the past to the **derivatives market** in the form of swaps.

Such operations totalled 4.3 billion in 1994 compared with 2.4 billion in 1993, including those drawing on the Bank's treasury. Most swaps, backed by an EIB call on the markets, were concluded to obtain floating-rate funds (85.5% of total resources raised at these rates).

Other swaps helped to bring in fixed-rate resources in those currencies for which year-end demand could not be met by the market (ESP and BEF). The EIB also made use of its treasury - topped up in part by prepayments on its loans - to conduct currency or interest-rate swaps worth 0.6 billion. Lastly, restructuring of pools of funds intended for disbursements on variable-rate loans resulted in a renegotiation of certain contracts and the conclusion of new operations to change the date for setting rates on funds deployed by the EIB.

During a period marked by considerable tension and uncertainty, the EIB did not depart from its prudent risk management policy and sought to contain recourse to derivatives without overstepping its own strict limits.

Gross yields on 10-year Government bonds

For ease of comparison, all yields are expressed on an annual basis.



COMMUNITY
CURRENCIES

The breakdown of **currencies raised** as between Community currencies (11 billion and 77.7% of the total) and non-Community currencies did not change significantly compared to 1993.

Italian lira:
ITL 4 900 billion
ECU 2 560 million

In 1994, the ITL, in spite of interest-rate volatility on the lira market and the significant upturn in yields between end-January and mid-September, was the principal Community currency borrowed by the EIB, accounting for over 18% of total funds raised. The EIB was chiefly active on the Eurolira market where its operations accounted for 16% of overall issues. With the market more liberalised in the wake of measures adopted by Italy's monetary authorities - and on which tax reforms implemented as from September 1992 placed main issuers back on an equal footing - the EIB pressed ahead with its programme, appreciably increasing the size of its issues. To this end, the Bank introduced an original "joint book running" system, between Italian and foreign banks, thereby enhancing the international profile of the Eurolira market.

Deutsche Mark:
DEM 3 950 million
ECU 2 051 million

The DEM was the Community currency most used for loan disbursements, primarily at fixed rates. In spite of some shrink-

age in DEM-denominated domestic and international issues, the EIB pursued its policy of staggering calls throughout the year. Barring some private issues ("Schuldscheindarlehen"), the bulk of the EIB's activity was focused on the Euromarket where, depending on circumstances, the EIB opted for large-scale public offerings (DEM 750 million to 1 billion) so as to make the bonds liquid enough to be regarded as benchmark issues. Moreover, an interest-rate swap involving a 100 million issue made it possible to obtain DEM at floating rates.

Pound sterling:
GBP 1 175 million
ECU 1 518 million

Lesser demand for loan disbursements in GBP was mirrored in the level of borrowings. As in 1993, issues were concentrated in the Eurosterling market where investor demand tended to favour shorter-dated paper.

French franc:
FRF 7 589 million
ECU 1 153 million

Substantial loan prepayments and a reduction in fixed-rate disbursements in FRF resulted in the EIB floating only three issues: one on the Eurofranc market early in 1994 when there was still international investor demand for the currency and two later in the year placed primarily with domestic investors.



Table 13: Breakdown by currency of resources raised

(amounts in ECU million)

	ITL	DEM	GBP	FRF	ESP	BEF	NLG	PTE	ECU	LUF	IEP	DKK	GRD	USD	CHF	JPY	ATS	CAD	Total
1994																			
amount	2 560	2 051	1 518	1 153	948	752	661	584	300	201	177	53	36	1 659	856	580	59		14 148
%	18.1	14.5	10.7	8.1	6.7	5.3	4.7	4.1	2.1	1.4	1.2	0.4	0.3	11.7	6.0	4.1	0.4		100.0
1993																			
amount	2 039	1 948	2 639	1 811	1 241		227	243	960	100	125			1 502	453	657		278	14 224
%	14.3	13.7	18.6	12.7	8.7		1.6	1.7	6.8	0.7	0.9			10.6	3.2	4.6		2.0	100.0

Peseta:

ESP 151 billion

ECU 948 million

Following the strong growth of previous years, borrowing operations in ESP marked time in 1994. All the issues launched were on the "matador" market for foreign issuers' ESP-denominated bonds. The EIB was responsible for 60% of all borrowings on this market where it

launched, in particular, the largest fixed and floating-rate issues. To top up its borrowing requirements, the EIB also had recourse to the swaps market. In all, five borrowings were launched, mainly in the final quarter when demand for disbursements surged and, as with all other international markets, maturities were being shortened to cater chiefly for demand from retail investors.

Table 14: Resources raised in 1994

(amounts in ECU million)

	Before swaps		Swaps amount	After swaps	
	Amount	%		Amount	%
MEDIUM AND LONG-TERM OPERATIONS					
Fixed-rate borrowings	12 713.7	89.8	-2 127.6	10 586.1	74.8
European Union	9 364.3	66.1	-1 226.6	8 137.8	57.5
DEM	2 051.1	14.5	-52.1	1 999.1	14.1
ITL	2 222.2	15.7	-776.5	1 445.6	10.2
GBP	1 422.8	10.1	-277.0	1 145.8	8.1
FRF	1 062.8	7.5		1 062.8	7.5
BEF	629.8	4.4	121.9	751.7	5.3
NLG	649.0	4.6	-46.5	602.5	4.3
ESP	660.4	4.7	-157.3	503.1	3.6
PTE	76.1	0.5	134.5	210.6	1.5
LUF	201.3	1.4		201.3	1.4
IEP			126.5	126.5	0.9
DKK	53.0	0.4		53.0	0.4
GRD	36.0	0.3		36.0	0.3
ECU	300.0	2.1	-300.0		
Non-European Union	3 349.4	23.7	-901.0	2 448.3	17.3
USD	1 615.5	11.4	-501.6	1 113.8	7.9
CHF	855.9	6.0		855.9	6.0
JPY	419.4	3.0		419.4	3.0
ATS	59.2	0.4		59.2	0.4
CAD	399.4	2.8	-399.4		
Floating-rate borrowings	1 392.2	9.8	2 119.4	3 511.6	24.8
European Union	692.2	4.9	2 113.5	2 805.7	19.8
ITL	338.3	2.4	776.5	1 114.8	7.9
ESP	125.7	0.9	319.0	444.7	3.1
PTE	228.2	1.6	144.8	373.0	2.6
GBP			372.5	372.5	2.6
ECU			300.0	300.0	2.1
FRF			89.8	89.8	0.6
NLG			58.8	58.8	0.4
DEM			52.1	52.1	0.4
Non-European Union	700.1	4.9	5.8	705.9	5.0
USD	89.6	0.6	455.9	545.5	3.9
JPY	610.4	4.3	-450.1	160.4	1.1
Debt issuance programme in IEP	50.4	0.4		50.4	0.4
TOTAL	14 156.3	100.0	(¹) - 8.2	14 148.0	100.0

⁽¹⁾ Exchange adjustments.

Belgian franc:

BEF 29 814 million

ECU 752 million

Guilder:

NLG 1 427 million

ECU 661 million

Luxembourg franc:

LUF 8 000 million

ECU 201 million

Borrowings on the Benelux capital markets rose steeply from 327 million in 1993 to 1 614 million in 1994.

After an absence in 1993, the EIB staged a return to the **Belgian** market - chiefly to finance early redemptions - raising a total of some BEF 25 000 million through private placements and a bank loan. Moreover, USD 150 million were swapped to obtain extra resources.

Three issues were launched on the **Dutch** market: two in the first half together worth NLG 600 million and the third in November for an initial amount of NLG 600 million, later augmented to NLG 800 million through a fungible tranche. In addition, two interest-rate and currency swaps helped to secure NLG 126.6 million at floating rates.

In **Luxembourg**, the Bank floated four public issues on a particularly active market raising a total of LUF 8 billion.

Escudo:

PTE 115 billion

ECU 584 million

The Bank was the main borrower on the "caravela" market for PTE-denominated foreign bonds, with two public issues worth PTE 15 billion apiece, one of these being the first ever launched at a floating rate. The Bank also contracted two private

placements and concluded swap operations to obtain fixed-rate funds from USD and floating-rate funds from JPY. In all, almost two thirds of borrowings were at floating rates.

ECU:

300 million

The ECU accounted for only a modest proportion of funds raised by the EIB on the capital markets. A single 300 million issue was launched in September at a fixed rate swapped against floating rate. The existence of considerable liquidity in ECU, primarily stemming from substantial surplus cash flow and loan prepayments, explains this downturn in issuing activity.

Irish pound:

IEP 140 million

ECU 177 million

The EIB raised IEP 40 million under a debt issuance programme, enabling paper to be issued on both the domestic and international markets. A further IEP 100 million was taken up via a USD swap operation.

Danish krone:

DKK 400 million

ECU 53 million

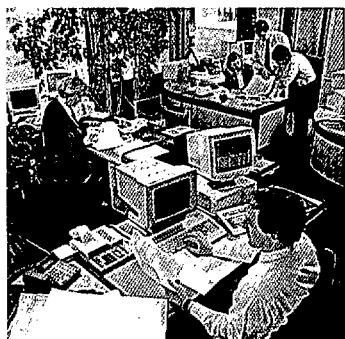
The EIB launched one Eurokrone issue worth DKK 300 million and made a private placement for DKK 100 million.

Greek drachma:

GRD 10 billion

ECU 36 million

In launching the first-ever issue on the "marathon" market for GRD-denominated foreign bonds, the EIB extended its presence to all 12 markets of the European Union and furthered the internationalisation of the Greek market.



US dollar:

USD 1 932 million

ECU 1 659 million

In spite of a fall in the volume of new issues on the markets and tougher financing conditions largely in the wake of the Federal Reserve's decision to raise official interest rates, the EIB in fact slightly increased the amount raised. Only the international market was approached as the Yankee bond market (domestic market for foreign issuers) offered unattractive conditions. Five issues were launched, worth between USD 200 and 500 million each, as well as two fungible tranches, worth USD 100 million apiece, of previous issues. To meet investor demand, the maturities chosen for most borrowings were relatively short-dated. As in the past, a sizeable portion was the subject of currency and/or interest-rate swap operations.

Yen:

JPY 70 billion

ECU 580 million

Taking advantage of market conditions which, unlike those in other countries, were relatively favourable, the EIB considerably boosted its volume of issues in JPY. Almost half of these were the subject of swaps against other currencies. The EIB confined itself to the Euroyen market where it was able to obtain the most attractive conditions with two very large issues worth JPY

50 billion each. The bulk of funds raised and not used for swaps were deployed to finance early redemptions.

Swiss franc:

CHF 1 400 million

ECU 856 million

The marked rise in CHF borrowings was achieved as a result of four issues spread throughout the year which, like yen issues, were employed primarily to finance early redemptions.

Austrian Schilling:

ATS 800 million

ECU 59.2 million

The only issue launched was intended to finance a borrowing redeemed early.

Canadian dollar:

The four issues launched by the EIB on the market - for a total of CAD 665 million (ECU 399 million) - were the subject of swaps into other currencies such that actual net borrowing in this currency was nil.

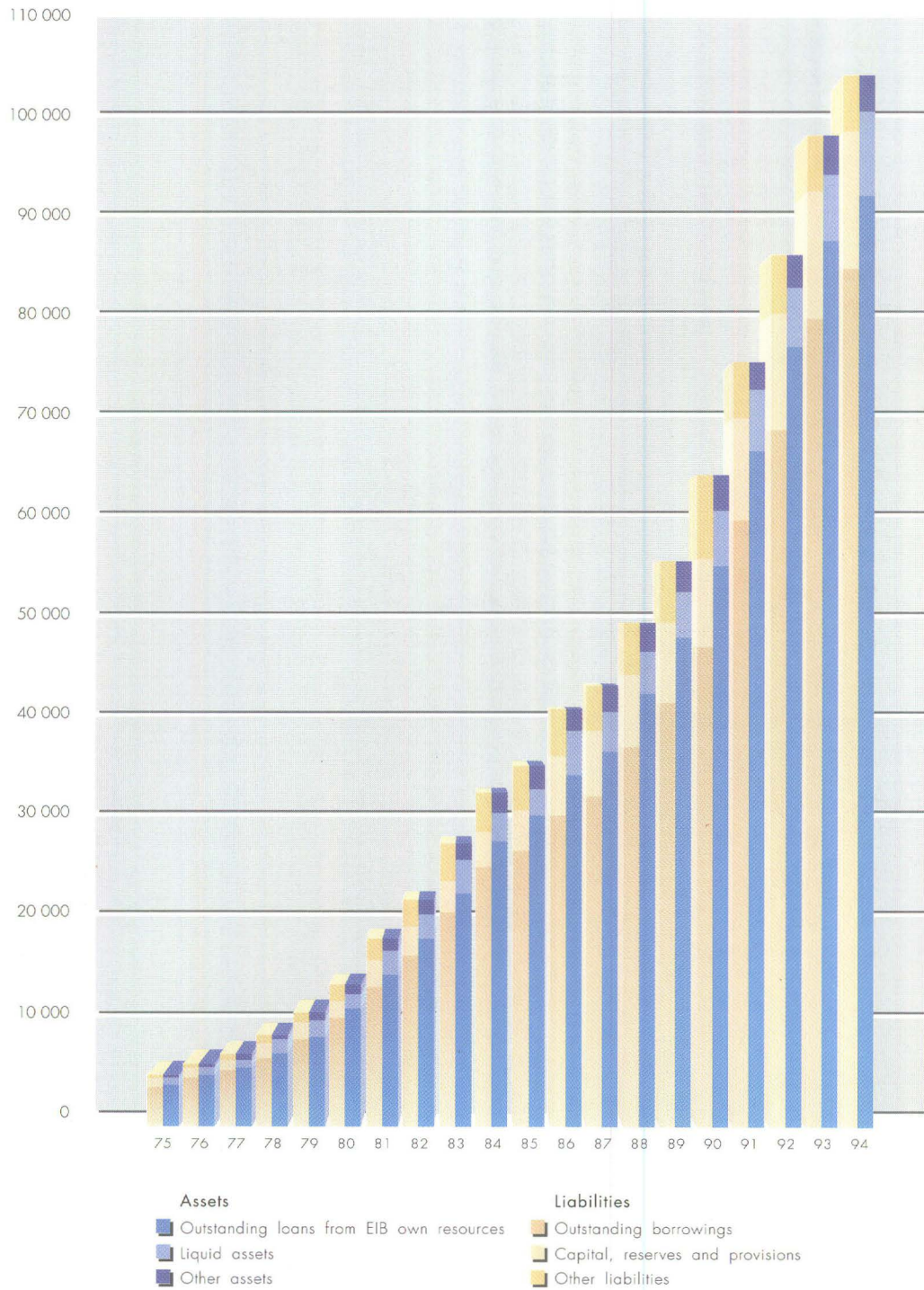
Trends in exchange rates against the ECU for 1 dollar and 100 yen



Table 15: Pattern of resources raised

	(ECU million)				
	1990	1991	1992	1993	1994
Medium and long-term operations (after swaps)	9 804.3	12 539.7	12 861.7	14 223.8	14 148.0
Public issues	8 217.7	11 614.9	12 103.4	14 079.7	12 728.4
Private borrowings	1 230.3	575.5	535.9	144.0	1 369.3
Medium-term notes	356.3	349.3	222.3		50.4
Short-term operations	1 155.7	1 132.6	111.9		
Commercial paper	1 145.7	1 132.6	111.9		
Certificates of deposit	10.0				
Third-party participations in Bank loans	35.6				
Total	10 995.6	13 672.3	12 973.6	14 223.8	14 148.0

GROWTH IN THE BALANCE SHEET OF THE BANK



LIQUIDITY MANAGEMENT

Liquid funds, at 31 December 1994, totalled some 7 825 million, held in 16 currencies, including the ECU.

Liquidity was managed on a three-tier basis:

- The bulk (5 537 million), constituting the first line of liquidity, comprised short-term funds with an average maturity of around one month. Almost 80% were placed on deposit with banks while the balance was invested in very marketable high-quality short-term paper.

- A second line of liquidity (2 214 million) was constituted by a portfolio of bonds is-

sued by selected OECD Member States and first-class public institutions. This portfolio was actively managed with recourse, where necessary, to the futures market in certain currencies for hedging purposes. The securities held in the portfolio were re-valued periodically on the basis of market prices.

- A hedging portfolio (74 million) aimed at hedging, through bond purchases, all or part of certain new EIB bond issues. This instrument enables the EIB to hold in its treasury the proceeds of issues launched with a view to taking advantage of particularly favourable market conditions at a given time, irrespective of disbursement needs.

Owing to the high degree of market volatility and the abrupt shift in the trend of long-term rates, 1994 proved a difficult year for investment and portfolio policy. Portfolio results encompass interest received, gains or losses on the sale of securities, the influence of hedging operations and the year-end value adjustment to market prices.

The return (1) on the portfolio was around -3.1% (77 million) for an average maturity of 5.4 years. Notwithstanding the tradi-

tionally prudent policy adopted by the Bank, the value of the portfolio had to be adjusted by 240 million in keeping with accounting rules. This represented an unrealised depreciation which will gradually be recovered in full.

BOND PORTFOLIO RESULTS

(1) Total portfolio gains/losses expressed as a percentage of the average value of securities held in the portfolio.

(ECU million)

	1st quarter	2nd quarter	3rd quarter	4th quarter	Total
Interest (a)	41	40	42	41	164
Purchases/sales and hedging (b)	47	-40	-3	-5	-1
Portfolio value adjustment (c)	-101	-68	-65	-6	-240
Net outturn	-13	-68	-26	30	-77
Average amount invested					2 481
Net return as a %					-3.1%

(a) Total amount of interest received from bonds, short-term deposits, securities lending and current accounts.

(b) Purchases and sales of securities and hedging operations.

(c) Amount of adjustment based on market prices.

REVIEW OF
LIQUIDITY
MANAGEMENT
POLICY

Taking into account its recent experience, and in order to give greater stability to its annual results, the Bank undertook a thorough review of its liquidity management policy and, with effect from 1 January 1995, decided to restructure this into three separate compartments:

- An "operational" treasury the prime purpose of which is to manage short-term liquid funds; these funds will be invested in marketable liquid instruments with scope for holding bonds up to 500 million. This portfolio will be revalued periodically in line with market prices and its performance

monitored on a day-to-day basis under a loss limitation system based on maturities and implicit market volatility.

- An investment bond portfolio the purpose of which is to consolidate the Bank's solvency. It will not be revalued periodically and securities will, in principle, be held until final maturity. This portfolio broadly corresponds to the previous bond portfolio.

- A hedging portfolio which is likely to increase in size and is designed to hedge certain of the Bank's new bond issues against interest-rate risks.

DECISION-MAKING BODIES, ADMINISTRATION AND STAFF

BOARD OF GOVERNORS

The Board of Governors consists of the Ministers designated by each of the Member States, usually Finance Ministers. They are responsible to the governments and parliaments of the Member States which they represent for these States' participation as shareholders in the Bank. With the entry into force in January 1995 of the Treaty of Accession of the Republic of Austria, the Republic of Finland and the Kingdom of Sweden to the European Union, the Board of Governors has been increased to 15 members.

The Board of Governors lays down general directives on credit policy, approves the balance sheet, profit and loss account and annual report, decides on capital increases and

appoints members of the Board of Directors, the Management Committee and the Audit Committee.

Mr Jacques SANTER held the office of Chairman of the Board of Governors until the Annual Meeting in June 1994. In accordance with the system of annual rotation, he was succeeded by Mr Wim KOK, Governor for the Netherlands.

Mr Gerrit ZALM has since replaced Mr Wim KOK as Governor for the Netherlands and consequently took over the latter's duties as Chairman of the Board of Governors as from 16 August 1994.

BOARD OF DIRECTORS

The Board of Directors ensures that the Bank is managed in keeping with the provisions of the Treaty and the Statute and with the general directives laid down by the Governors. It has sole power to take decisions in respect of loans, guarantees and borrowings. Its Members are appointed by the Governors for a (renewable) period of five years following nomination by the Member States and are responsible solely to the Bank. Following the accession of the Republic of Austria, the Republic of Finland and the Kingdom of Sweden to the European Union on 1 January 1995 and pursuant to amended Article 11 (2) of the Statute, the Board of Directors now consists of 25 Directors and 13 Alternates, of whom 24 and 12 respectively are nominated by the Member States; one Director and one Alternate are nominated by the Commission.

The Governors have therefore supplemented the membership of the Board of Directors by appointing Messrs Thomas WIESER, Veikko KANTOLA and Leif PAGROTSKY as Directors and Mr Herbert LUST as Alternate Director.

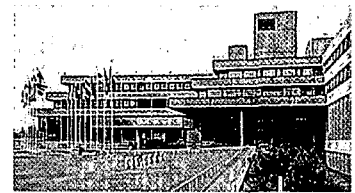
Since publication of the Annual Report for the financial year 1993, Ms Ariane

OBOLENSKY and Messrs David BOSTOCK, Manuel CONTHE GUTIERREZ, Jean-Yves HABERER, Maurice O'CONNELL and Roy WILLIAMS have been succeeded as Directors by Messrs Francis MAYER, Paul McINTYRE, Federico FERRER DELSO, Emmanuel RODOCANACHI, Noel Thomas O'GORMAN and Geoffrey DART. Messrs Oliver PAGE, Vicente J. FERNANDEZ, M.J.L. JONKHART and Michael J. SOMERS have been succeeded as Alternates by Ms Susan Jane CAMPER and Messrs Pedro Antonio MERINO GARCIA, Jean-Pierre ARNOLDI and Per Bremer RASMUSSEN.

The Board of Directors wishes to thank all outgoing members for their contributions towards its work.

In memoriam

Mr Rudolf MORAWITZ died suddenly on 22 May 1995. As Director of the Bank since August 1977, prior to which he had been an Alternate as from June 1973, Mr MORAWITZ provided the EIB with the highly valued benefit of his experience gained over a long and brilliant career. The Board of Directors pays homage to the memory of Mr MORAWITZ and extends its sincere condolences to his family.



BOARD OF GOVERNORS

Situation at 25 May 1995

Chairman

Gerrit ZALM (Netherlands)

Wim KOK (Netherlands)

until August 1994

Jacques SANTER (Luxembourg)

until June 1994

BELGIUM	Philippe MAYSTADT, Ministre des Finances
DENMARK	Mogens LYKKETOFT, Finansminister
GERMANY	Theo WAIGEL, Bundesminister der Finanzen
GREECE	Yannos PAPANTONIOU, Minister for National Economy Giorgos GENNIMATAS, Minister for National Economy <i>deceased 25 April 1994</i>
SPAIN	Pedro SOLBES MIRA, Ministro de Economía y Hacienda
FRANCE	Alain MADELIN, Ministre de l'Économie et des Finances Edmond ALPHANDERY, Ministre de l'Économie <i>until May 1995</i>
IRELAND	Ruairi QUINN, Minister for Finance
ITALY	Lamberto DINI, Primo Ministro, Ministro del Tesoro Piero BARUCCI, Ministro del Tesoro <i>until May 1994</i>
LUXEMBOURG	Jean-Claude JUNCKER, Premier Ministre, Ministre d'Etat, Ministre des Finances Jacques SANTER, Premier Ministre, Ministre d'Etat, Ministre du Trésor <i>until January 1995</i>
NETHERLANDS	Gerrit ZALM, Minister van Financiën Wim KOK, Vice Premier en Minister van Financiën <i>until August 1994</i>
AUSTRIA	Andreas STARIBACHER, Bundesminister für Finanzen Ferdinand LACINA, Bundesminister für Finanzen <i>until March 1995</i>
PORTUGAL	Eduardo CATROGA, Ministro das Finanças
FINLAND	Iiro VIINANEN, valtiovarainministeri
SWEDEN	Göran PERSSON, Finansminister
UNITED KINGDOM	Kenneth CLARKE, Chancellor of the Exchequer

AUDIT COMMITTEE

Situation at 25 May 1995

Chairman

Albert HANSEN, Secrétaire général du Conseil du gouvernement, Luxembourg

Constantin THANOPOULOS, *until June 1994*

Former Governor, National Mortgage Bank, Athens

Members

Ciriaco DE VICENTE MARTÍN,
Consejero del Tribunal de Cuentas, Madrid

Michael J. SOMERS,
Chief Executive, National Treasury Management Agency, Dublin

BOARD OF DIRECTORS

Situation at 25 May 1995

Chairman

Sir Brian UNWIN

Vice-Chairmen

Wolfgang ROTH

Corneille BRÜCK

Panagiotis-Loukas GENNIMATAS

Massimo PONZELLINI

Luis MARTÍ

Ariane OBOLENSKY

.....

Messrs Lucio IZZO, Alain PRATE, Hans DUBORG (1) and José de OLIVEIRA COSTA served as Vice-Chairmen until June 1994; they were subsequently appointed Honorary Vice-Chairmen.

Luigi ARCUTI
Isabel CORREIA BARATA

Richard BRANTNER
Sinbad COLERIDGE
Geoffrey DART
Jos de VRIES

Mario DRAGHI
Federico FERRER DELSO

Winfried HECK
Philippe JURGENSEN
Veikko KANTOLA
Francis MAYER

Paul McINTYRE

Yves MERSCH
Rudolf MORAWITZ
Miguel MUNIZ DE LAS CUEVAS
Noel Thomas O'GORMAN
Leif PAGROTSKY
Petros P. PAPAGEORGIOU
Vincenzo PONTOLILLO
Giovanni RAVASIO
Emmanuel RODOCANACHI
Lars TYBJERG
Jan M.G. VANORMELINGEN

Thomas WIESER

Jean-Pierre ARNOLDI
Giancarlo DEL BUFALO
Susan Jane CAMPER

Pierre DUQUESNE

Francesco GIAVAZZI
Eberhard KURTH

Herbert LUST

Eneko LANDÁBURU ILLARRAMENDI
Pedro Antonio MERINO GARCIA

Per Bremer RASMUSSEN
Pierre RICHARD
Konrad SOMMER
Philip WYNN OWEN

Directors

Presidente dell'Istituto Mobiliare Italiano, Rome

Subdirectora-Geral do Tesouro, Direcção-Geral do Tesouro, Ministério das Finanças, Lisbon

Sprecher des Vorstands der Kreditanstalt für Wiederaufbau, Frankfurt

Chief Executive, Structured Finance Division, Barclays de Zoete Wedd Ltd., London

Head of Regional Development Division, Department of Trade and Industry, London

Plaatsvervangend Directeur, Directie Buitenlandse Financiële Betrekkingen, Ministerie van Financiën, The Hague

Direttore Generale del Tesoro, Ministero del Tesoro, Rome

Subdirector General de Financiación Exterior, Dirección General del Tesoro y Política Financiera, Ministerio de Economía y Hacienda, Madrid

Ministerialdirigent i. R., Bundesministerium der Finanzen, Bonn

Directeur Général de la Caisse Française de Développement, Paris

Cabinet Counsellor, Ministry of Finance, Helsinki

Chef du Service des Affaires Internationales, Direction du Trésor, Ministère de l'Économie, Paris

Under Secretary, Head of European Union Group (Overseas Finance), HM Treasury, London

Directeur du Trésor, Ministère du Trésor, Luxembourg

Ministerialdirigent, Bundesministerium für Wirtschaft, Bonn († 22 May 1995)

Presidente del Instituto de Crédito Oficial, Madrid

Second Secretary, Finance Division, Department of Finance, Dublin

Under-Secretary of State, Ministry of Finance, Stockholm

Associate Professor, Department of Economics, University of Piraeus, Piraeus

Direttore Centrale, Banca d'Italia, Rome

Director-General for Economic and Financial Affairs, European Commission, Brussels

Président-Directeur Général, Crédit National, Paris

Deputy Permanent Secretary, Prime Minister's Cabinet Office, Copenhagen

Ere Directeur-generaal van de Administratie der Thesaurie, Ministère des Finances, Brussels

Abteilungsleiter, Abteilung für Koordination der Europäischen

Integrationsangelegenheiten, Bundesministerium für Finanzen, Vienna

Alternates

Auditeur Général, Administration de la Trésorerie, Ministère des Finances, Brussels

Dirigente Generale, Ministero del Tesoro, Rome

Chief Manager, Reserves Management, Foreign Exchange Division, Bank of England, London

Sous-Directeur des Affaires multilatérales, Direction du Trésor, Ministère de l'Économie, Paris

Dirigente Generale, Direzione Generale del Tesoro, Ministero del Tesoro, Rome

Ministerialdirektor, Bundesministerium für Wirtschaftliche Zusammenarbeit und Entwicklung, Bonn

Direktor, Abteilung für Internationale Finanzinstitutionen, Bundesministerium für Finanzen, Vienna

Director-General for Regional Policy, European Commission, Brussels

Subdirector General del Tesoro y Política Financiera, Ministerio de Economía y Hacienda, Madrid

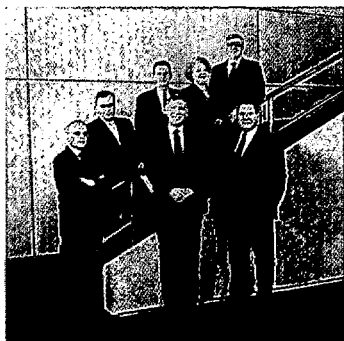
Kontorchef, Ministry of Finance, Copenhagen

Président-Directeur Général du Crédit Local de France, Paris

Ministerialrat, Bundesministerium der Finanzen, Bonn

Head of the Treasury's Transport Policy Division, London

MANAGEMENT
COMMITTEE



The Management Committee is the Bank's full-time executive body; it is responsible for overseeing all day-to-day business, recommends decisions to Directors and ensures that these are implemented; the Bank's President, or, in his absence, one of the seven Vice-Presidents, chairs the meetings of the Board of Directors. The members of the Management Committee are responsible solely to the Bank; they are appointed by the Board of Governors, on a proposal from the Board of Directors, for a (renewable) period of six years. Following the accession of the new Member Countries, the Governors have decided to increase the membership of the Management Committee from seven to eight.

The Governors appointed as Vice-Presidents, from 7 June 1994, Mr Panagiotis-Loukas GENNIMATAS, Senior Adviser at the Bank of Greece, and Mr Massimo PONZELLINI, Team Leader for Tourism and Real Estate at the European Bank for Reconstruction and Development.

The Governors also appointed as Vice-Presidents, from 1 July 1994, Ms Ariane OBOLENSKY, Head of the International

Affairs Department at the French Treasury and Director of the EIB since 1992, and Mr Luis MARTÍ, Adviser to the Minister for Economic and Financial Affairs, Spain.

Ms OBOLENSKY and Messrs GENNIMATAS, PONZELLINI and MARTÍ succeeded Messrs Alain PRATE, Hans DUBORG, Lucio IZZO and José de OLIVEIRA COSTA, Vice-Presidents of the EIB, on whom, in recognition of their distinguished service, the Governors conferred the title of Honorary Vice-Presidents.

In memoriam

Mr Hans DUBORG, Vice-President since April 1990, died suddenly on 18 June 1994, shortly after the end of his term of office on the Management Committee. Mr DUBORG will be deeply missed by the Board of Directors, the Management Committee and the staff of the Bank, who will all remember him for his exceptional professional qualities and warmth of character.

AUDIT COMMITTEE

The Audit Committee, consisting of three members appointed by the Board of Governors, on the basis of their professional competence and for a (renewable) period of three years, verifies that the operations of the Bank have been conducted and its books kept in a proper manner. An independent body, the Audit Committee reports to the Governors who take note of its conclusions before approving the Annual Report of the Board of Directors.

On 20 September 1994, the Governors proceeded to replace Mr Constantin THANOPOULOS, who had tendered his resignation, by Mr Michael J. SOMERS as

a member of the Audit Committee for the 1994, 1995 and 1996 financial years. Mr SOMERS had previously been a member of the Board of Directors of the Bank. In accordance with the customary system of annual rotation, chairmanship of the Committee, which, up to the meeting of the Board of Governors in June 1994, was held by Mr Constantin THANOPOULOS, has been taken over by Mr Albert HANSEN until the Bank's accounts for the financial year 1994 are approved at the 1995 Annual Meeting. The Governors thanked Mr THANOPOULOS for his valuable contribution to the work of the Audit Committee.

In 1994, the Committee continued its customary work of auditing the Bank's books and accounts with the support of the EIB's own monitoring staff, in particular its Internal Audit Division, and the external auditors, Price Waterhouse.

As part of its investigations, the Committee continued its programme of on-the-spot visits to projects financed by the Bank. Some

With a view to discharging the important additional remits entrusted to it and responding efficiently to developments in the increasingly complex economic environment in which it operates, the Bank is faced with the need to strengthen its capabilities and is adapting its organisational and operational structures accordingly.

The EIB has also undertaken an in-depth study in order to recast its corporate objectives and to spell out its mission, an exercise in which it has been anxious to associate its staff. The outcome of this study features on the inside front cover under the heading "Mission Statement".

In response to the development and diversification of its activities, the Bank has introduced the following changes to its internal structure:

- General Secretariat:

To cater for the ever-broader role of communications and information, it has been decided to change the "Information and Communications" Division into a Department embracing two Divisions: "Communications Policy and Publications" and "Media Relations".

- Directorates for Lending Operations in the European Union:

In order to accommodate operational requirements, the Division responsible for France in the Department for Lending Operations in Belgium, France, Luxembourg and the Netherlands has been subdivided into two Divisions: France-Infrastructure and France-Enterprise. For the same rea-

of these visits were conducted with the participation of representatives of the Court of Auditors, in accordance with arrangements set out in the 1992 tripartite Accord between the Commission, the Court of Auditors and the EIB.

In view of the growing complexity of its operations, the Bank is currently strengthening its auditing systems.

sons, following enlargement of the European Union, the Department for Lending Operations in Denmark and Germany has been extended to include operations in Austria and Sweden; while the Division responsible for Germany has been subdivided into two Divisions: Germany (Northern Länder) - Germany (Southern Länder) and Austria, the Division responsible for Denmark has become the Division responsible for Denmark and Sweden. Similarly, the Department for Lending Operations in Greece and Ireland has been extended to include operations in Finland, with the Division responsible for Greece becoming the Division responsible for Greece and Finland.

- Directorate for Lending Operations outside the European Union:

Extension of the remits entrusted to the EIB has prompted a restructuring of the Directorate into four Departments: African, Caribbean and Pacific States, Mediterranean Countries, Central and Eastern Europe and Coordination and Control. A Division answerable to the Director General is responsible for operations in Asia and Latin America.

- Legal Affairs Directorate:

In order to ensure a more harmonised approach to legal questions, particularly in the sphere of project appraisal, the Directorate has been restructured into two Departments: the "Operations" Department dealing with legal aspects on a country-by-country basis and the "General Policy" Department responsible for general principles and institutional matters.



ADMINISTRATION AND STAFF

STRUCTURE



MANAGEMENT COMMITTEE

Situation at 25 May 1995

President: Sir Brian UNWIN
 Vice-Presidents : Wolfgang ROTH
 Corneille BRÜCK
 Panagiotis-Loukas GENNIMATAS
 Massimo PONZELLINI
 Luis MARTÍ
 Ariane OBOLENSKY
 ...

Organisation Structure of the Bank

Situation at 25 May 1995

Secretary General

Thomas OURSIN



Autonomous Departments

Directors

Corporate Affairs

Martin CURWEN

Joachim MÜLLER-BORLE
 Roger ADAMS, *Special Adviser*

Information and Communications

Karl Georg SCHMIDT

Human Resources

Ronald STURGES

Information Technology

Rémy JACOB

Administrative Services

Alessandro MORBILLI

Coordination

Secretariat
 Budget
 Representative Office in Brussels

Communications Policy and Publications Media Relations

Personnel Administration

Personnel Policy

Recruitment

Applications Engineering Systems and Operations

Internal Services Translation

Internal Audit

Ferdinand SASSEN
 Theoharry GRAMMATIKOS
 Peter HELGER
 Hugo WOESTMANN

Henry MARY-GAUQUIÉ

Adam McDONAUGH (act.)

Gerlando GENUARDI
 Zacharias ZACHARIADIS
 Daphne VENTURAS
 Jenny QUILLIEN
 Jörg-Alexander UEBBING

Albert BRANDT
 Ernest FOUSSE

Adriaan ZILVOLD
 Werner MAIDORN

Jean-Claude CARREAU

Directorates for Lending Operations in the European Union

Directorate 1

Director General

...⁽¹⁾

André DUNAND

Italy, Rome

Caroline REID

Spain

Armin ROSE

Denmark, Germany, Austria, Sweden

Fridolin WEBER-KREBS

Belgium, France, Luxembourg, the Netherlands

Alain BELLAVOINE

Portugal, United Kingdom, North Sea

Thomas HACKETT

Greece, Ireland, Finland

Ernest LAMERS

Credit and Monitoring

Francis CARPENTER

Coordination

Infrastructure
 Energy, Environment
 Industry
 Credit Institutions

Public Sector Private Sector Madrid Office

Germany (Northern Länder)
 Germany (Southern Länder), Austria
 Denmark, Sweden

France (Infrastructure)
 France (Enterprise)
 Belgium, Luxembourg, the Netherlands

UK, North Sea: Infrastructure,
 Industry, Banks
 London Office
 UK, North Sea: Transport, Energy
 Portugal
 Lisbon Office

Greece, Finland
 Athens Office
 Ireland

Public Sector (Directorate 1 Countries)
 Public Sector (Directorate 2 Countries)
 Private Sector (Directorate 1 Countries)
 Private Sector (Directorate 2 Countries)
 Financial Institutions

Filippo MANZI
 Michael O'HALLORAN
 Laurent DE MAUTORT
 Bruno LAGO

Francisco DOMINGUEZ
 Jos VAN KAAM
 Fernando DE LA FUENTE

Henk DELSING
 Joachim LINK
 Paul DONNERUP

Jacques DIOT
 Isabel LOPES DIAS
 Christian CAREAGA

Andreas VERYKIOS

Guy BAIRD
 Thomas BARRETT
 Filipe CARTAXO
 Ian PACE

António PUGLIESE
 Arghyro YARMENITOU
 Richard POWER

Agostino FONTANA
 Brian FEWKES
 José Manuel MORI
 John Anthony HOLLOWAY
 Dominique de CRAYENCOUR

⁽¹⁾ At the end of January 1995, Mr Giorgio Ratti, Director General of Directorate 1, was called to public office in the Italian Government. Mr Pitt Treumann has been made responsible for Directorate 1 in the interim.

⁽²⁾ Mr Philippe MARCHAT took his retirement on 31 March 1995.

Directorate for Lending Operations outside the European Union

Director General
Michel DELEAU



Directors		
African, Caribbean and Pacific States Jean-Louis BIANCARELLI	Asia and Latin America West Africa and Sahel Central and East Africa Southern Africa and Indian Ocean Caribbean and Pacific	Patrick THOMAS Tassilo HENDUS Jacqueline NOËL Justin LOASBY Claudio CORTESE
Mediterranean Countries Rex SPELLER	Maghreb, Turkey, METAP Coordination Mashreq, Middle East, Malta, Cyprus	Alain SÈVE Robert WILSON
Central and Eastern Europe Terence BROWN	Poland, Hungary, Baltic States, Former Yugoslavia, Slovenia Czech Rep., Slovakia, Bulgaria, Romania, Albania	Walter CERNOIA Guido BRUCH Christopher KNOWLES
Coordination and Control Manfred KNETSCH	Coordination Control A Control B	Marc BECKER Michel HATTERER Guy BERMAN

Finance Directorate

Director General
René KARSENTI (2)



Capital Markets Ulrich DAMM Jean-Claude BRESSON, Deputy Director	Coordination Risk Management Greece, France, Italy, Portugal ECU, Spain, Ireland, United Kingdom, United States, Canada, South-East Asia Germany, Austria, Switzerland, Central and Eastern Europe Belgium, Luxembourg, Netherlands, Japan, Nordic Countries	Henri-Pierre SAUNIER Georg HUBER Carlo SARTORELLI Jean-Claude BRESSON Carlos GUILLE Barbara STEUER Joseph VOGTEN
Treasury Luc WINAND	Planning, Disbursements, Loan Servicing Money Markets Portfolio Management Back Office	Eberhard UHMANN Francis ZEGHERS Ralph BAST Erling CRONQVIST
Accountancy François ROUSSEL	Loan Accounting General Accounting	Charles ANIZET Luis BOTELLA MORALES

Directorate for Economic and Financial Studies

Director General
Herbert CHRISTIE



Economic Studies in the European Union Horst FEUERSTEIN	Coordination Industry Infrastructure Energy	Patrice GÉRAUD Carlo BOLATTI Stephen WRIGHT Mateu TURRÓ CALVET Juan ALARIO GASULLA
Economic Studies in the ACP States and the Mediterranean Countries Luigi GENAZZINI	ACP Mediterranean	Stephen MCCARTHY Daniel OTTOLENGHI Henri BETTELHEIM
Economic Studies in Central and Eastern Europe, Asia and Latin America; Financial Studies and Documentation Alfred STEINHERR	Central and Eastern Europe, Asia, Latin America Financial Studies Documentation and Library	Jacques GIRARD Pier Luigi GILIBERT Marie-Odile KLEIBER

Legal Affairs Directorate

Director General
Bruno EYNARD



Operations Konstantin ANDREOPOULOS	Italy Ireland, United Kingdom France Belgium, Denmark, Greece, Finland, Luxembourg, the Netherlands, Sweden Germany, Austria Spain, Portugal	Roderick DUNNETT Marc DUFRESNE Robert WAGENER Hans-Jürgen SEELIGER Alfonso QUEREJETA
General Policy Giannangelo MARCHEGIANI		

Technical Advisory Directorate

Director General
Jean-Jacques SCHUL



Agribusiness	Coordination	Jean-Pierre DAUBET Peder PEDERSEN
Manufacturing Industry, Electronics and Telecommunications J. Garry HAYTER		Bernard BÉLIER Patrick MULHERN Garillo ROVERE
Petroleum-based Energy, Chemical Industry, Aviation, Tourism Hemming JØRGENSEN		Richard DEELEY Jean-Jacques MERTENS Constantin CHRISTOFIDIS
Electrical Energy, Mining, Waste Disposal Günter WESTERMANN		René VAN ZONNEVELD Heiko GEBHARDT Angelo BOIOLI
Infrastructure Peter BOND		Philippe OSTENC Luis LÓPEZ RODRÍGUEZ Barend STOKOPER Andrew ALLEN

MANAGEMENT OF HUMAN RESOURCES

STAFF



Mr Marchat and Mr Karsenti

Since publication of the Annual Report for the 1993 financial year, the following changes have taken place:

- *General Secretariat*: Mr Karl Georg SCHMIDT has been appointed Director of the Department responsible for information and communications.

- *Directorates 1 and 2 for Lending Operations in the European Union*:

Mr Giorgio RATTI, Director General of Directorate 1, was called to public office in the Italian Government at the end of January 1995. Mr Pitt TREUMANN, Director General of Directorate 2, has been made responsible for Directorate 1 in the interim. Mr Gérard d'ERM has taken his retirement and been succeeded as Director of the De-

partment for Lending Operations in Belgium, France, Luxembourg and the Netherlands by Mr Alain BELLAVOINE. Mr André DUNAND, in charge of "Coordination", has been appointed Director.

- *Finance Directorate*:

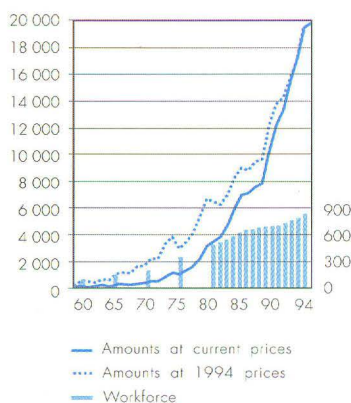
Following the retirement of Mr Philippe MARCHAT, Mr René KARSENTI has been appointed Director General of this Directorate, as from 1 May 1995.

- *Legal Affairs Directorate*:

As a result of restructuring of this Directorate into two Departments, Mr Konstantin ANDREOPOULOS has been appointed Director of the "Operations" Department and Mr Giannangelo MARCHEGANI, Director of the "General Policy" Department.

WORKFORCE

Staff complement related to Bank activity



At end-1994, the EIB's staff numbered 859. After several years during which the staff complement grew at a slower pace than Bank activity, recruitments in 1994 made it possible to continue adapting resources to the needs of increased activity and greater responsibilities both within

and outside the European Union. Following the accession of the three new Member States to the European Union and their consequent membership of the EIB, the Bank will be according priority, as from 1995, to recruiting nationals of these countries.

	Staff complement	Executive staff	Administrative and support staff
1991	751	400	351
1992	785	424	361
1993	810	445	365
1994	859	473	386

MANAGEMENT

In the interests of efficient and balanced management of human resources, the Bank has continued its endeavours to build on its ability to operate under optimum conditions in an increasingly demanding environment.

Recasting the management structure

The Bank has conducted an evaluation of the duties of its managerial staff with a

view to adapting to new operational requirements. A single "Senior Management Cadre" now brings together Heads of Directorate and Department with the titles of Directors General and Directors respectively. This new cadre is subject to a performance evaluation system which will give the Bank added flexibility in contending with its wide variety of tasks, while continuing to contain expenditure.

Remuneration

The Bank has also studied, in association with the Staff Representatives, modifications to the staff appraisal and merit-based remuneration system, while respecting existing obligations. This examination has been undertaken in the light of the economic environment and institutional and corporate changes in the European Union with the aim of curbing growth in wage costs.

Equal opportunities

As part of the Bank's equal opportunities policy, accorded considerable importance by EIB management, the Equal Opportunities Committee (COPEC) has proposed a five-year "Action Programme" which was approved in November 1994. The COPEC is a joint committee, consisting of representatives of the administration and the staff. Its purpose is to "ensure application of the policy of equal opportunities in terms of careers, training and social amenities".

Crèche

In order to make a tangible contribution towards equal opportunities, in January 1995 the Bank opened its own crèche for the young children of members of staff, so marking a new stage in its welfare policy. This initiative was launched following a survey organised by the Staff Representatives and a study carried out by a consultant. The crèche is located near the Bank and has been equipped in keeping with regulations in force in the Grand Duchy of Luxembourg.

Training

The Bank reviewed, in cooperation with the Staff Representatives, the provisions concerning staff training in order to facilitate achievement of its objectives. Special-

ised training has been introduced, *inter alia*, for staff responsible for appraising financing applications with a view to equipping them to cope more efficiently with the new environment in which the Bank operates. As in previous years, a large number of days was again given over to vocational, language and information technology training for all members of staff. Training provided in 1994 totalled some 5 500 days, an average of 6.4 days per employee.

Staff Representatives

The college of Staff Representatives, comprising eleven members, eight elected by the various categories of staff and three by the staff as a whole, is authorised to examine all matters connected with the interests of staff under a convention concluded with the Bank. This convention is currently under review.

Information technology

The Bank is continuing to introduce computing systems to meet operational needs for its various activities. It is, in particular, fine-tuning the methods and tools it uses for monitoring its loan portfolio and managing its financial applications. Computerised follow-up has been extended to appraisal and administration of financing operations as well as management of global loans and preparation of contracts by the Legal Affairs Directorate. The network for exchanging information between these various applications has been adapted accordingly; all the staff now have the data-processing tools to meet their specific requirements. Lastly, a new and more powerful information system has been developed, providing the Bank's management with permanent access to the data it needs for forecasting and management purposes, tailored to the growing complexity of the tasks entrusted to the EIB.



OTHER DEVELOPMENTS



Information and Communications

In May 1994, the Bank adopted a new plan for communications strategy both within and outside the Bank. Under this new policy, the Department responsible for information and communications is expanding its range of publications, notably by developing internal briefing material for all staff.

Extension of the Bank's building

The end of 1994 saw the extension of the Bank's headquarters completed on schedule and with no major complications, less than three years after the first international call for tenders. The new building, with a gross design area of some 22 000 m², including three garage levels, can house around 300 staff in working conditions equivalent to those in the original building. The enlarged headquarters are served by a combined heat and power plant consisting of two units fired with gas from the local grid. This facility allows the Bank to reduce heating and electricity costs associated with running its buildings, while respecting the environment.

EIB Prize and Scholarships

The EIB Prize, for an amount of ECU 12 000, is presented every two years to encourage the study of all aspects of investment and its financing at universities in Member States of the Union. The Prize will next be awarded in 1995.

Since 1978, with a view to fostering research on European matters, the EIB has awarded three scholarships each year to students preparing their doctoral theses at the European University Institute in Florence.

In addition, the "Erling Jørgensen" European Investment Bank scholarship, set up in 1990 in memory of the former EIB Vice-President and administered by the Institutes of Economics and Statistics at the University of Copenhagen, is made available each year to assist a student in the preparation of a thesis on political and economic questions relating to the European Union.

The Board of Directors wishes to thank the staff of the Bank for their productivity and the quality of their work, performed with commitment and professionalism. It would like to encourage continuance of such achievements.

Luxembourg, 4 April 1995

*The Chairman
of the Board of Directors*

Sir Brian Unwin



The EIB's Board of Directors (for composition, see page 67) whose meetings are chaired by the President (centre) or, in his absence, by one of the Vice-Presidents of the Management Committee (foreground). To the President's left, Thomas Oursin, Secretary General.

RESULTS FOR THE YEAR

The balance sheet total **exceeded 100 billion**, reaching a level of 102.753 billion at 31 December 1994 as against 96.537 billion at end-1993, i.e. an increase of 6.4%.

Investment income (interest and commission) declined from 498 million in 1993 to 421 million in 1994. Receipts of interest and commission on loans ran to 7 334 million compared with 7 348 million in 1993, while interest and charges on borrowings totalled 6 293 million as against 6 287 million in 1993.

The results on financial operations reflect the 240 million unrealised depreciation as at 31 December 1994 on the portfolio securities. As indicated in the section "Bond portfolio results", page 63, this unrealised depreciation should gradually be recovered by crediting the profit and loss account annually. Taking into account exchange differences, amortisation of issuing charges and redemption premiums, admin-

istrative expenses and charges plus depreciation of buildings, furniture and equipment, the EIB's operating surplus amounted to 986 million (1 344.5 million in 1993). After due allowance for the effect of changes in conversion rates vis-à-vis the ECU (-16.3 million), profit for the financial year came to 969.7 million as against 1 127.2 million (net of the transfer of 200 million to the Fund for general banking risks) in 1993.

The Board of Directors has recommended that the Governors appropriate the amount of the item "Contribution of the three new Member States to the balance of the profit and loss account still to be appropriated", i.e. 74.3 million, as to 23.2 million to the Fund for general banking risks and as to 51.1 million, together with the profit for the financial year, i.e. 969.7 million, hence a total of 1 020.8 million, to the Additional Reserves.

ANNUAL ACCOUNTS

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Statement of subscriptions to the capital of the Bank	86
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BALANCE SHEET AS AT 31 DECEMBER 1994

In ECUs - see notes to the financial statements

ASSETS	31.12.1994	31.12.1993
1. Cash in hand, balances with central banks and post office banks	37 497 709	19 920 089
2. Treasury bills eligible for refinancing with central banks (Note B)	1 038 722 088	422 132 501
3. Loans and advances to credit institutions		
a) repayable on demand	72 846 206	65 344 667
b) other loans and advances (Note C)	4 668 108 879	3 490 522 091
c) loans: aggregate outstanding ⁽¹⁾	38 491 533 270	36 164 978 411
less undisbursed portion	<u>5 433 688 101</u>	<u>4 101 265 835</u>
	33 057 845 169	32 063 712 576
	37 798 800 254	35 619 579 334
4. Loans and advances to customers		
loans: aggregate outstanding ⁽¹⁾	67 523 772 600	61 415 138 640
less undisbursed portion	<u>9 577 948 246</u>	<u>7 240 262 001</u>
	57 945 824 354	54 174 876 639
5. Debt securities including fixed-income securities (Note B)		
a) issued by public bodies	1 577 826 247	1 880 076 981
b) issued by other borrowers	<u>429 564 006</u>	<u>175 299 299</u>
	2 007 390 253	2 055 376 280
6. Shares and other variable-yield securities (Note N)	72 000 000	54 000 000
7. Participating interests (Note N)	40 000 000	0
8. Intangible assets		
unamortised issuing charges and redemption premiums	392 966 694	400 272 999
9. Tangible assets (Note D)	87 297 087	49 772 565
10. Other assets		
a) receivable from Member States for adjustment of capital contributions (Note E)	0	7 929 136
b) receivable in respect of EMS interest subsidies paid in advance (Note F)	66 669 022	85 205 163
c) sundry debtors (Note G)	<u>322 353 544</u>	<u>636 757 396</u>
	389 022 566	729 891 695
11. Subscribed capital, called but not paid ⁽²⁾	400 000 000	500 000 000
12. Prepayments and accrued income	2 543 662 198	2 511 070 686
	<u>102 753 183 203</u>	<u>96 536 892 788</u>

APPENDED SUMMARY STATEMENTS:

⁽¹⁾ Loans and guarantees; page 82.

⁽²⁾ Debts evidenced by certificates; page 86.

⁽³⁾ Subscriptions to the capital of the Bank; page 86.

LIABILITIES

31.12.1994

31.12.1993

1. Amounts owed to credit institutions			
a) repayable on demand	44 056 561	40 644 748	
b) with agreed maturity dates or periods of notice (Note O)	<u>23 639 951</u>	<u>29 720 178</u>	
		67 696 512	70 364 926
2. Debts evidenced by certificates ⁽²⁾			
a) debt securities in issue	79 770 795 645	74 742 398 527	
b) others	<u>3 902 329 561</u>	<u>3 918 532 827</u>	
		83 673 125 206	78 660 931 354
3. Other liabilities			
a) payable to Member States for adjustment of capital contributions (Note E)	1 777 408	0	
b) interest subsidies received in advance (Note F)	292 088 377	338 503 972	
c) sundry creditors (Note G)	581 191 614	335 112 119	
d) sundry liabilities (Note G)	<u>581</u>		
		28 884 555	23 485 092
		903 941 954	697 101 183
4. Accruals and deferred income		3 414 234 869	3 415 887 532
5. Provisions for liabilities and charges			
staff pension fund (Note H)		238 328 790	206 442 838
6. Fund for general banking risks			
(Note I)		350 000 000	350 000 000
7. Capital ⁽²⁾			
subscribed	57 600 000 000	57 600 000 000	
uncalled	<u>- 53 279 061 724</u>	<u>- 53 279 061 724</u>	
		4 320 938 276	4 320 938 276
8. Reserves (Note M)			
a) reserve fund	5 760 000 000	5 760 000 000	
b) additional reserves	<u>3 055 226 679</u>	<u>1 928 007 148</u>	
		8 815 226 679	7 688 007 148
9. Profit for the financial year		969 690 917	1 127 219 531
		102 753 183 203	96 536 892 788

OFF-BALANCE-SHEET ITEMS

31.12.1994

31.12.1993

Guarantees ⁽¹⁾			
- in respect of loans granted by third parties	360 738 017	353 750 845	
- in respect of participations by third parties in Bank loans	<u>71 386 579</u>	<u>87 650 082</u>	
		432 124 596	441 400 927
Special deposits for service of borrowings (Note Q)		5 605 496 680	4 871 308 381
Swap contracts (Note R)			
- currency	400 300 000	350 700 000	
- interest	<u>102 500 000</u>	<u>77 200 000</u>	
		502 800 000	427 900 000
Portfolio securities			
- commitments to purchase		0	181 239 124
- commitments to sell (Note S)		370 835 341	1 247 852 469

STATEMENT OF SPECIAL SECTION (1) AS AT 31 DECEMBER 1994

In ECUs — see notes to the financial statements

ASSETS	31.12.1994	31.12.1993
Member States		
<i>From resources of the European Atomic Energy Community</i>		
Loans outstanding		
- disbursed (2)	785 767 732	909 096 182
<i>From resources of the European Community (New Community Instrument for borrowing and lending)</i>		
Loans outstanding		
- undisbursed	0	30 240 254
- disbursed	1 213 651 936	1 781 780 956
Total (3)	1 213 651 936	1 812 021 210
Turkey		
<i>From resources of Member States</i>		
Loans outstanding		
- undisbursed	15 366 790	15 860 213
- disbursed	157 557 566	178 337 632
Total (4)	172 924 356	194 197 845
Mediterranean Countries		
<i>From resources of the European Community</i>		
Loans outstanding		
- undisbursed	1 292 489	1 852 441
- disbursed	269 998 689	276 791 252
	271 291 178	278 643 693
Risk capital operations		
- amounts to be disbursed	35 918 034	14 380 148
- amounts disbursed	45 287 350	39 209 500
	81 205 384	53 589 648
Total (5)	352 496 562	332 233 341
African, Caribbean and Pacific States and Overseas Countries and Territories		
<i>From resources of the European Community</i>		
Yaoundé Conventions		
Loans disbursed	66 810 937	69 910 435
Contributions to the formation of risk capital		
Amounts disbursed	646 310	1 292 292
Total (6)	67 457 247	71 202 727
Lomé Conventions		
Risk capital operations		
- amounts to be disbursed	435 953 804	298 003 766
- amounts disbursed	754 327 041	717 562 146
Total (7)	1 190 280 845	1 015 565 912
Grand Total	3 782 578 678	4 334 317 217

For information:

Total amounts disbursed and not yet repaid on loans on special conditions made available by the Commission in respect of which the Bank has accepted on EC mandate for recovering principal and interest:

a) Under the First, Second and Third Lomé Conventions: at 31.12.1994: 1 447 891 167; at 31.12.1993: 1 362 988 476

b) Under Financial Protocols signed with the Mediterranean Countries: at 31.12.1994: 160 182 792; at 31.12.1993: 152 548 285

(1) The Special Section was set up by the Board of Governors on 27 May 1963: under a Decision taken on 4 August 1977 its purpose was redefined as being that of recording operations carried out by the European Investment Bank for the account of and under mandate from third parties.

(2) Initial amount of contracts signed under Council Decisions 77/271/Euratom of 29 March 1977, 82/170/Euratom of 15 March 1982 and 85/537/Euratom of 5 December 1985 provid-

ing for an amount of three billion as a contribution towards financing commercially-rated nuclear power stations within the Community under mandate, for the account and at the risk of the European Atomic Energy Community:

	2 773 167 139
add: exchange adjustments	+ 188 825 214
less: repayments	- 2 176 224 621
	<u>785 767 732</u>

LIABILITIES

31.12.1994

31.12.1993

Funds under trust management

Under mandate from the European Communities

European Atomic Energy Community	785 767 732	909 096 182
European Community:		
- New Community Instrument	1 213 651 936	1 781 780 956
- Financial Protocols with the Mediterranean Countries	315 286 039	316 000 752
- Yaoundé Conventions	67 457 247	71 202 727
- Lomé Conventions	754 327 041	717 562 146

Under mandate from Member States	3 136 489 995	3 795 642 763
	157 557 566	178 337 632

Total **3 294 047 561** 3 973 980 395

Funds to be disbursed

On New Community Instrument loans		30 240 254
On loans to Turkey under the Supplementary Protocol	15 366 790	15 860 213
On loans and risk capital operations in the Mediterranean Countries	37 210 523	16 232 589
On risk capital operations under the Lomé Conventions	435 953 804	298 003 766

Total **488 531 117** 360 336 822

Grand Total **3 782 578 678** 4 334 317 217

(³) Initial amount of contracts signed under Council Decisions 78/870/EEC of 16 October 1978 (New Community Instrument), 82/169/EEC of 15 March 1982, 83/200/EEC of 19 April 1983 and 87/182/EEC of 9 March 1987 for promoting investment within the Community, as well as 81/19/EEC of 20 January 1981 for reconstructing areas of Campania and Basilicata (Italy) stricken by an earthquake on 23 November 1980 and 81/1013/EEC of 14 December 1981 for reconstructing areas stricken by earthquakes in Greece in February and March 1981, under mandate, for the account and at the risk of the European Community: 6 399 144 856

add: exchange adjustments		+ 101 957 404
less: cancellations	201 990 536	
repayments	5 085 459 788	- 5 287 450 324
		<u>1 213 651 936</u>

(⁴) Initial amount of contracts signed for financing projects in Turkey under mandate, for the account and at the risk of Member States: 417 215 000

add: exchange adjustments		+ 8 741 273
less: cancellations	215 000	
repayments	252 816 917	- 253 031 917
		<u>172 924 356</u>

(⁵) Initial amount of contracts signed for financing projects in the Maghreb and Mashreq countries, Malta, Cyprus, Turkey and Greece (10 million lent prior to accession to EC on 1 January 1981) under mandate, for the account and at the risk of the European Community: 393 689 000

less: cancellations	6 939 157	
repayments	33 718 849	
exchange adjustments	534 432	- 41 192 438
		<u>352 496 562</u>

(⁶) Initial amount of contracts signed for financing projects in the Associated African States, Madagascar and Mauritius and the Overseas Countries, Territories and Departments (AASMM-OCTD) under mandate, for the account and at the risk of the European Community:

- loans on special conditions	139 483 056	
- contributions to the formation of risk capital	<u>2 502 615</u>	141 985 671
add:		
- capitalised interest	1 178 272	
- exchange adjustments	<u>10 054 105</u>	+ 11 232 377
less:		
- cancellations	1 573 610	
- repayments	<u>84 187 191</u>	- 85 760 801
		<u>67 457 247</u>

(⁷) Initial amount of contracts signed for financing projects in the African, Caribbean and Pacific States and the Overseas Countries and Territories (ACP-OCT) under mandate, for the account and at the risk of the European Community:

- conditional and subordinated loans	1 485 929 048	
- equity participations	<u>28 214 649</u>	1 514 143 697
add:		
- capitalised interest		+ 1 651 038
less:		
- cancellations	164 882 940	
- repayments	150 800 333	
- exchange adjustments	<u>9 830 617</u>	- 325 513 890
		<u>1 190 280 845</u>

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1994

In ECUs - see notes to the financial statements

	31.12.1994	31.12.1993
1. Interest receivable and similar income (Note J)	7 766 558 981	7 915 048 883
2. Interest payable and similar charges	- 6 321 762 996	- 6 320 584 079
3. Commission receivable (Note K)	18 364 756	15 181 166
4. Commission payable	- 11 936 227	- 7 758 565
5. Result on financial operations (Note T)	- 207 754 949	- 33 989 811
6. Other operating income	2 766 068	1 030 001
7. General administrative expenses: (Note L)	- 131 907 923	- 119 697 103
a) staff costs	108 154 206	98 111 366
b) other administrative expenses	23 753 717	21 585 737
8. Value adjustments in respect of:	- 128 336 166	- 104 750 648
a) issuing charges and redemption premiums	119 020 349	97 599 878
b) buildings and net purchases of furniture and equipment (Note D)	9 315 817	7 150 770
9. Transfers to Fund for general banking risks	—	- 200 000 000
10. Profit on ordinary activities	985 991 544	1 144 479 844
11. Net loss arising from re-evaluation of net Bank assets not subject to adjustment under Article 7 of the Statute (Note A § 1)	- 16 300 627	- 17 260 313
12. Profit for the financial year (Note M)	<u>969 690 917</u>	<u>1 127 219 531</u>

STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 1994

In ECUs — see notes to the financial statements

	31.12.1994	31.12.1993
A. Cash flows from operating activities:		
Profit for the financial year	969 690 917	1 127 219 531
Adjustments to reconcile profit for the financial year with net cash from operating activities:		
- Transfers to Fund for general banking risks		200 000 000
- Depreciation	128 336 166	104 750 648
- (Decrease)/increase in accrued interest and commissions payable and interest received in advance	- 1 652 663	410 581 059
- Increase in accrued interest and commissions receivable	- 32 591 512	- 260 019 886
Net cash generated by operating activities ⁽¹⁾	1 063 782 908	1 582 531 352
B. Cash flows from investment activities:		
<i>Loans:</i>		
Net disbursements	- 15 600 486 687	- 16 065 651 465
Repayments	9 453 949 749	7 095 669 755
Exchange adjustments	1 381 456 630	- 1 555 619 037
<i>Portfolio securities:</i>		
Sales	9 346 676 430	15 400 707 858
Purchases	- 10 188 534 949	- 15 652 346 893
Net increase/(decrease) in provision for depreciation	239 658 629	- 30 200 766
Exchange adjustments	11 261 669	2 134 315
<i>Other:</i>		
Net decrease in land, buildings and furniture	- 46 840 339	- 16 224 805
Other (decreases)/increases in assets	29 036 388	- 15 657 058
Net cash used in investment activities ⁽²⁾	- 5 373 822 480	- 10 837 188 096
C. Cash flows from financing activities:		
<i>Debts evidenced by certificates</i>		
<i>Medium and long-term borrowings:</i>		
Issue proceeds	14 018 786 784	14 701 113 139
Redemptions	- 7 379 884 841	- 5 314 035 177
Exchange adjustments	- 1 504 906 166	2 163 785 497
Net increase in issuing charges and redemption premiums	- 111 714 044	- 78 054 782
Net (decrease)/increase in currency swaps	311 832 741	- 277 396 049
<i>Short-term borrowings:</i>		
Net decrease	- 259 271 396	- 187 804 938
<i>Other liabilities</i>		
Capital paid in by Member States	100 000 000	164 437 500
Net decrease in amounts owed to credit institutions	- 2 668 414	- 95 535 721
Other increases/(decreases) in liabilities	238 726 723	- 649 465 636
Net cash generated by financing activities ⁽³⁾	5 410 901 387	10 427 043 833
Summary statement of cash flows		
Cash at beginning of financial year	4 146 922 313	2 974 535 224
Net cash from:		
(1) operating activities	1 063 782 908	1 582 531 352
(2) investment activities	- 5 373 822 480	- 10 837 188 096
(3) financing activities	5 410 901 387	10 427 043 833
Total net cash movements	1 100 861 815	1 172 387 089
Cash at the end of the financial year	5 247 784 128	4 146 922 313
Cash analysis		
Cash in hand, balances with central banks and post office banks	37 497 709	19 920 089
Bills maturing within three months of issue	757 847 183	722 181 844
<i>Loans and advances to credit institutions:</i>		
- accounts repayable on demand	72 846 206	65 344 667
- term deposit accounts	4 379 593 030	3 339 475 713
	5 247 784 128	4 146 922 313

SUMMARY STATEMENT OF LOANS AND GUARANTEES AS AT 31 DECEMBER 1994

In ECUs — see notes to the financial statements

1. Aggregate loans outstanding (*)

Aggregate historical amount of loans calculated on the basis of the parities applied on the date of signature	159 149 530 930
Add:	
exchange adjustments	+ 1 223 319 298
	<u>160 372 850 228</u>

(*) Loans outstanding comprise both the disbursed portion of loans and the portion still to be disbursed.

Less:	
terminations and cancellations	2 097 834 880
principal repayments	52 188 322 899
third party participations	71 386 579
	<u>- 54 357 544 358</u>
Aggregate loans outstanding	106 015 305 870

2. Statutory ceiling on lending and guarantee operations

Under the terms of Article 18 (5) of the Statute, the aggregate amount outstanding at any time of loans and guarantees granted by the Bank must not exceed 250% of its subscribed capital.

The present level of capital implies a ceiling of 144 billion in relation to aggregate loans and guarantees outstanding currently totalling 106 447 430 466 and broken down as follows:

- aggregate loans outstanding	106 015 305 870
- aggregate guarantees outstanding (off-balance-sheet items):	
in respect of loans granted by third parties	360 738 017
in respect of third party participations in Bank loans	71 386 579
	<u>432 124 596</u>
Aggregate loans and guarantees outstanding	106 447 430 466

3. Analysis of aggregate loans outstanding

	Loans granted		Total
	to intermediary credit institutions	directly to final beneficiaries	
Loans disbursed	33 057 845 169	57 945 824 354	91 003 669 523
Undisbursed portion	5 433 688 101	9 577 948 246	15 011 636 347
Aggregate loans outstanding:	38 491 533 270	67 523 772 600	106 015 305 870

4. Breakdown of undisbursed portion by type of interest rate

fixed rate of interest and standard currency mix, as specified in the finance contract	369 740 083	438 463 687	808 203 770
fixed rate of interest, as specified in the finance contract, with the Bank selecting the currency mix	785 160 812	1 284 267 537	2 069 428 349
open rate, with the Bank selecting the rate of interest and currency mix	4 175 634 515	7 293 369 162	11 469 003 677
variable rate	60 668 258	325 319 157	385 987 415
revisable rate	42 484 433	236 528 703	279 013 136
Undisbursed portion:	5 433 688 101	9 577 948 246	15 011 636 347

5. Scheduled repayments on loans disbursed

<i>Period remaining until final maturity:</i>			
Not more than three months	768 811 199	839 458 160	1 608 269 359
More than three months but not more than one year	2 766 670 473	3 543 447 174	6 310 117 647
More than one year but not more than five years	16 805 270 997	25 630 148 127	42 435 419 124
More than five years	12 717 092 500	27 932 770 893	40 649 863 393
Loans disbursed:	33 057 845 169	57 945 824 354	91 003 669 523

6. Breakdown of loans disbursed by currency of repayment

Member States' currencies and the ECU	27 761 613 363	43 613 349 542	71 374 962 905
Other currencies	5 296 231 806	14 332 474 812	19 628 706 618
Loans disbursed:	33 057 845 169	57 945 824 354	91 003 669 523

7. Geographical breakdown of lending by country in which projects are located

Countries and territories in which projects are located	Number of loans	Aggregate loans outstanding	Undisbursed portion	Disbursed portion	% of total
7.1. Loans for projects within the Community and related loans (a)					
Germany	349	9 429 957 889	306 272 404	9 123 685 485	8.89
France	437	13 062 105 295	1 651 408 343	11 410 696 952	12.32
Italy	2 190	25 509 831 988	1 920 691 382	23 589 140 606	24.06
United Kingdom	371	12 725 152 936	2 382 643 645	10 342 509 291	12.00
Spain	310	15 687 202 367	1 203 170 050	14 484 032 317	14.80
Belgium	62	1 732 644 086	287 688 318	1 444 955 768	1.63
Netherlands	49	1 892 319 012	177 474 886	1 714 844 126	1.78
Denmark	176	3 841 866 951	479 493 687	3 362 373 264	3.62
Greece	209	3 255 169 260	268 724 851	2 986 444 409	3.07
Portugal	246	6 857 942 278	1 342 358 018	5 515 584 260	6.47
Ireland	222	2 925 309 298	195 330 924	2 729 978 374	2.76
Luxembourg	7	83 597 203	5 107 070	78 490 133	0.08
Related loans (a)	21	871 083 163	112 442 150	758 641 013	0.84
Sub-total	4 649	97 874 181 726	10 332 805 728	87 541 375 998	92.32
New Member States:					
Sweden	1	15 446 652	—	15 446 652	
Austria	5	251 726 669	—	251 726 669	
Finland	1	59 931 875	—	59 931 875	
Sub-total	7	327 105 196		327 105 196	0.31
Total	4 656	98 201 286 922	10 332 805 728	87 868 481 194	92.63

7.2. Loans for projects outside the Community

7.2.1 ACP Countries/OCT

Nigeria	8	293 804 170	128 901 165	164 903 005	
Zimbabwe	14	183 994 808	90 757 495	93 237 313	
Kenya	10	119 913 406	15 000 000	104 913 406	
Côte d'Ivoire	13	103 229 779	17 237 113	85 992 666	
Ghana	4	78 240 655	50 000 000	28 240 655	
Trinidad and Tobago	5	71 141 533	37 937 383	33 204 150	
ACP Group	2	70 000 000	70 000 000	—	
Jamaica	8	58 947 010	14 813 786	44 133 224	
Cameroon	8	52 831 466	—	52 831 466	
Papua New Guinea	6	51 226 803	17 620 000	33 606 803	
Botswana	13	45 508 412	15 540 763	29 967 649	
Mauritius	7	45 344 551	24 255 400	21 089 151	
Mali	1	35 000 000	35 000 000	—	
Fiji	7	29 488 096	—	29 488 096	
Mozambique	1	20 000 000	20 000 000	—	
Guinea	3	18 475 911	10 500 000	7 975 911	
Barbados	5	18 416 843	10 000 000	8 416 843	
Senegal	3	16 226 291	—	16 226 291	
Netherlands Antilles	5	15 506 225	4 000 000	11 506 225	
Mauritania	1	14 556 578	—	14 556 578	
Bahamas	2	14 130 054	—	14 130 054	
French Polynesia	4	13 998 443	4 200 000	9 798 443	
Regional - Africa	1	13 938 439	11 024 361	2 914 078	
Namibia	2	11 100 000	11 100 000	—	
Malawi	5	10 564 203	—	10 564 203	
Gabon	3	9 792 388	—	9 792 388	
Zaire	1	8 869 804	—	8 869 804	
Saint Lucia	3	7 854 456	2 000 000	5 854 456	
New Caledonia	2	7 116 250	4 000 000	3 116 250	
Swaziland	3	6 111 042	—	6 111 042	
Cayman Islands	3	5 328 793	—	5 328 793	
Zambia	1	5 046 993	—	5 046 993	
British Virgin Islands	2	4 622 438	2 606 971	2 015 467	
Lesotho	1	4 552 697	—	4 552 697	
Congo	2	4 497 270	—	4 497 270	
East Africa	1	3 935 541	—	3 935 541	
West Africa	1	3 313 818	—	3 313 818	
Aruba	2	3 216 556	2 000 000	1 216 556	
Saint Vincent	1	2 800 570	—	2 800 570	
Tonga	2	2 625 398	620 000	2 005 398	
Falkland Islands	1	2 516 669	—	2 516 669	
Togo	1	2 471 353	—	2 471 353	
Central Africa	1	1 996 683	—	1 996 683	
Niger	1	1 899 428	—	1 899 428	
Seychelles	1	1 676 687	—	1 676 687	
Belize	2	1 386 895	—	1 386 895	
Liberia	1	416 687	—	416 687	
Montserrat	1	383 353	—	383 353	
Sub-total	175	1 498 015 445	599 114 437	898 901 008	1.42

(a) Loans authorised under the second paragraph of Article 18(1) of the Statute for projects located outside the territory of Member States but offering benefits for the Community are considered as related to loans within the Community. The amount outstanding on loans granted in Austria prior to 31 December 1993 is now included under the relevant headings for this country.

7. Geographical breakdown of lending by country in which projects are located

Countries and territories in which projects are located	Number of loans	Aggregate loans outstanding	Undisbursed portion	Disbursed portion	% of total
7.2.2 Mediterranean Countries					
Algeria	17	701 706 327	518 108 984	183 597 343	
Former FR of Yugoslavia (b)	18	563 403 545	113 420 000	449 983 545	
Morocco	16	552 833 460	336 914 676	215 918 784	
Egypt	24	521 358 618	228 248 698	293 109 920	
Tunisia	28	403 933 811	207 149 140	196 784 671	
Lebanon	7	188 617 817	156 601 741	32 016 076	
Jordan	27	172 098 096	91 000 000	81 098 096	
Cyprus	7	69 579 827	29 223 500	40 356 327	
Syria	5	62 409 007	19 010 000	43 399 007	
Malta	5	51 598 197	12 287 000	39 311 197	
Israel	2	39 645 563	10 000 000	29 645 563	
Turkey	4	6 066 027	—	6 066 027	
Sub-total	160	3 333 250 295	1 721 963 739	1 611 286 556	3.14
7.2.3 Central and Eastern European Countries					
Poland	13	888 777 508	672 125 353	216 652 155	
Hungary	11	538 564 087	360 845 000	177 719 087	
Czech Republic	6	477 613 341	424 374 621	53 238 720	
Bulgaria	6	225 988 037	189 000 000	36 988 037	
Romania	6	210 045 334	170 300 000	39 745 334	
Slovak Republic	6	173 273 815	126 046 130	47 227 685	
Slovenia	4	87 995 491	82 451 910	5 543 581	
Estonia	4	46 979 514	44 609 429	2 370 085	
Lithuania	1	10 000 000	10 000 000	—	
Latvia	1	5 000 000	5 000 000	—	
Sub-total	58	2 664 237 127	2 084 752 443	579 484 684	2.51
7.2.4 Asian and Latin American Countries					
Chile	1	75 000 000	75 000 000	—	
India	1	55 000 000	55 000 000	—	
Argentina	1	45 516 081	—	45 516 081	
Costa Rica	1	44 000 000	44 000 000	—	
Thailand	1	40 000 000	40 000 000	—	
Pakistan	1	36 000 000	36 000 000	—	
Philippines	1	23 000 000	23 000 000	—	
Sub-total	7	318 516 081	273 000 000	45 516 081	0.30
Total	400	7 814 018 948	4 678 830 619	3 135 188 329	7.37
Grand total	5 056	106 015 305 870	15 011 636 347	91 003 669 523	100 %

(b) Loans granted to public entities in the former Federal Republic of Yugoslavia are still considered as related to loans in the Mediterranean Countries.

8. Breakdown of loans by principal form of guarantee (a)

8.1 Loans for projects within the Community and related loans (b)

Loans granted to, or guaranteed by, Member States	43 153 131 938 (c-d)
Loans granted to, or guaranteed by, public institutions of Member States	4 833 731 069
Loans granted to, or guaranteed by, financial institutions (banks, long-term credit institutions, insurance companies)	34 175 469 157 (c)
Loans guaranteed by companies (excluding financial institutions) under majority control of Member States or public institutions in the Community	3 035 174 962 (c)
Loans secured by fixed charge on real estate	539 517 818
Loans guaranteed by non-bank companies in the private sector	10 389 503 187
Loans secured by fixed charge on assets other than real estate, or other security	2 074 758 791
Sub-total	98 201 286 922

8.2 Loans for projects outside the Community

8.2.1 African, Caribbean and Pacific States - Overseas Countries and Territories

Loans granted to, or guaranteed by, States signatories to cooperation agreements:	
First Lomé Convention	15 779 199
Second Lomé Convention	169 304 854
Third Lomé Convention	552 252 367
Fourth Lomé Convention	532 073 321
	<u>1 269 409 741</u>
Loans secured by other guarantees:	
First Lomé Convention	3 116 250
Second Lomé Convention	13 503 788
Third Lomé Convention	33 535 686
Fourth Lomé Convention	178 449 980
	<u>228 605 704</u>
Total ACP States/OCT	1 498 015 445 (e)

8.2.2 Non-member Mediterranean Countries benefiting from financial cooperation with the EC

Financial Protocols	
Loans granted to, or guaranteed or counter-guaranteed by, countries signatories to these protocols	2 800 344 776
Loans secured by other guarantees	6 000 000
Horizontal cooperation	
Loans granted to, or guaranteed by, countries benefiting from this cooperation	526 905 519
Total Mediterranean Countries	<u>3 333 250 295 (c)</u>

8.2.3 Non-member Central and Eastern European Countries (CEEC)

Loans granted to, or guaranteed by, countries signatories to financial cooperation agreements	2 633 237 127 (f-c)
Loans secured by other guarantees	31 000 000 (f)
Total Central and Eastern European Countries	<u>2 664 237 127</u>

8.2.4 Non-member Asian and Latin American Countries (ALA)

Loans granted to, or guaranteed by, countries signatories to financial cooperation agreements	175 000 000
Loans secured by other guarantees	143 516 081
Total Asian and Latin American Countries	<u>318 516 081 (f)</u>
Sub-total	7 814 018 948

Aggregate loans outstanding **106 015 305 870**

(a) Certain loans are covered by several types of guarantee or security.

(b) Loans authorised under the second paragraph of Article 18(1) of the Statute for projects located outside the territory of Member States but offering benefits for the Community are considered as related to loans within the Community.

(c) The ceiling amount of the blanket guarantee provided by the EC was 4 038 085 710 at 31 December 1994 compared to 3 643 526 013 at 31 December 1993. This guarantee is provided to cover any risk attaching to financial commitments in the Mediterranean Countries, including loans granted to public entities in the former Federal Republic of Yugoslavia and loans under the First Financial Protocol signed with Slovenia, as well as in Greece, Spain and Portugal in respect of loans granted prior to these countries' accession to the EC, totalling 470 265 315 at 31 December 1994.

(d) Aggregate loans outstanding guaranteed by the EC amounted to 2 235 932 at 31 December 1994.

(e) The ceiling amounts on guarantees provided by Member States to cover any risk attaching to financial commitments entered into under the Lomé Conventions, insofar as the ACP States are concerned, and under the related Council Decisions, insofar as the OCT are concerned, are respectively:

- First Convention: 18 895 449;
- Second Convention: 182 808 642;
- Third Convention: 474 797 704;
- Fourth Convention: 535 637 900.

(f) The full amount of loans granted in non-member Central and Eastern European and Asian and Latin American Countries is guaranteed by the EC.

SUMMARY STATEMENT OF DEBTS EVIDENCED BY CERTIFICATES AS AT 31 DECEMBER 1994

In ECUs — see notes to the financial statements

Payable in	Borrowings				Currency swaps			Net amount	
	Outstanding at 31.12.1993	Outstanding at 31.12.1994	Average rate	Due dates	Amounts payable (+) or receivable (-)		Average rate	Outstanding at 31.12.1993	Outstanding at 31.12.1994
					31.12.1993	31.12.1994			
ECU	10 612 038 580	9 908 447 981	8.27	1995/2004	416 390 002 +	341 290 002 +	6.71	11 028 428 582	10 249 737 983
DEM	11 163 654 304	12 338 552 377	6.70	1995/2016	42 336 325 +	48 521 778 +	5.31	11 205 990 629	12 387 074 155
FRF	8 462 622 293	9 312 063 798	8.45	1995/2004	416 389 642 +	506 033 731 +	7.58	8 879 011 935	9 818 097 529
GBP	8 220 113 890	8 555 710 908	8.61	1995/2011	1 245 485 527 +	1 215 934 943 +	8.02	9 465 599 417	9 771 645 851
ITL	5 956 870 447	7 426 864 252	9.90	1995/2004	342 945 999 +	327 928 108 +	8.32	6 299 816 446	7 754 792 360
BEF	1 781 038 005	1 684 377 984	8.48	1995/2004	—	122 933 552 +	8.25	1 781 038 005	1 807 311 536
NLG	3 739 010 145	4 044 997 730	7.10	1995/2009	—	12 463 453 +	4.87	3 739 010 145	4 057 461 183
DKK	76 524 871	90 613 485	9.46	1995/1999	—	—	—	76 524 871	90 613 485
IEP	221 292 373	267 778 196	8.47	1995/2003	—	125 776 513 +	6.89	221 292 373	393 554 709
LUF	436 733 777	498 605 770	7.41	1995/2001	—	—	—	436 733 777	498 605 770
GRD	—	33 843 238	17.50	1995/1999	—	—	—	—	33 843 238
ESP	2 952 318 031	3 558 728 944	10.60	1995/2004	570 226 824 +	777 427 709 +	8.02	3 522 544 855	4 336 156 653
PTE	748 540 979	1 059 300 402	11.68	1995/2001	50 748 541 +	331 829 042 +	10.04	799 289 520	1 391 129 444
USD	10 267 645 503	10 484 641 689	7.54	1995/2008	688 870 124 -	751 166 781 -	6.85	9 578 775 379	9 733 474 908
CHF	4 153 019 107	4 415 924 870	5.79	1995/2004	553 286 006 +	640 156 211 +	6.05	4 706 305 113	5 056 081 081
JPY	6 876 984 254	6 927 742 767	5.16	1995/2008	856 235 769 -	1 184 584 906 -	4.97	6 020 748 485	5 743 157 861
ATS	80 822 330	82 044 244	6.32	1995/1996	—	—	—	80 822 330	82 044 244
CAD	2 339 812 572	2 393 208 915	8.26	1995/2008	2 053 070 835 -	2 147 113 152 -	8.42	286 741 737	246 095 763
AUD	455 780 205	472 974 251	9.08	1999/2001	455 780 205 -	472 974 251 -	9.08	—	—
SEK	107 569 215	108 957 031	10.00	1999/1999	107 569 215 -	108 957 031 -	10.00	—	—
Total	78 652 390 881	83 665 378 832							
Premiums	8 540 473	7 746 374							

Total 78 660 931 354 83 673 125 206

The following table shows the total capital sums required for the redemption of borrowings:

Maturities:	Notes and bonds	Other	Total
	Not more than three months	4 102 054 491	168 294 856
More than three months but not more than one year	3 043 999 660	483 003 184	3 527 002 844
More than one year but not more than five years	40 492 597 618	1 664 435 355	42 157 032 973
More than five years	32 132 143 876	1 586 596 166	33 718 740 042
Total	79 770 795 645	3 902 329 561	83 673 125 206

STATEMENT OF SUBSCRIPTIONS TO THE CAPITAL OF THE BANK AS AT 31 DECEMBER 1994

In ECUs — see notes to the financial statements

Member States	Subscribed capital (€)	Available for call (€)	Capital paid in and to be paid in		Total
			Paid in at 31.12.1994	To be paid in (€)	
Germany	11 017 450 000	10 189 970 950	750 968 980	76 510 070	827 479 050
France	11 017 450 000	10 189 970 950	750 968 980	76 510 070	827 479 050
Italy	11 017 450 000	10 189 970 950	750 968 980	76 510 070	827 479 050
United Kingdom	11 017 450 000	10 189 970 950	750 968 980	76 510 070	827 479 050
Spain	4 049 856 000	3 747 237 310	274 494 690	28 124 000	302 618 690
Belgium	3 053 960 000	2 825 758 011	206 993 934	21 208 055	228 201 989
Netherlands	3 053 960 000	2 825 758 011	206 993 934	21 208 055	228 201 989
Denmark	1 546 308 000	1 430 762 746	104 807 004	10 738 250	115 545 254
Greece	828 380 000	766 479 995	56 147 366	5 752 639	61 900 005
Portugal	533 844 000	493 953 399	36 183 351	3 707 250	39 890 601
Ireland	386 576 000	357 689 755	26 201 690	2 684 555	28 886 245
Luxembourg	77 316 000	71 538 697	5 240 387	536 916	5 777 303
Total	57 600 000 000	53 279 061 724	3 920 938 276	400 000 000	4 320 938 276

(1) By Decision of the Board of Governors of 11 June 1990, the subscribed capital was doubled from 28 800 000 000 to 57 600 000 000 as from 1 January 1991 as a result of the conversion of 1 225 000 000 into subscribed and paid-in capital by way of a transfer from the Additional Reserves and the increase of 27 575 000 000 in Member States' contributions, of which 1.81323663% to be paid in.

(2) The amount to be paid in of 400 000 000 comprises the eight equal instalments of 50 000 000 to be paid in by the Member States on 30 April and 31 October of the years 1995-1998 in respect of their share in the capital increase decided on 11 June 1990.

(3) Could be called by decision of the Board of Directors to such extent as may be required for the Bank to meet its obligations towards those who have made loans to it.

N.B. As from 1 January 1995, the subscribed capital has been increased from 57 600 000 000 to 62 013 000 000 by virtue of the contributions of the three new Member States - Sweden, Austria and Finland (see "Statement of subscriptions to the capital of the Bank as at 1 January 1995", page 96).

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 1994 - in ECUs

Note A — Significant accounting policies

1. Conversion of currencies

In accordance with Article 4(1) of its Statute, the EIB uses the ECU adopted by the European Communities as the unit of measure for the capital accounts of Member States and for presenting its financial statements.

The value of the ECU is equal to the sum of the following amounts of the Member States' currencies:

DEM	0.6242	NLG	0.2198	IEP	0.008552
GBP	0.08784	BEF	3.301	GRD	1.440
FRF	1.332	LUF	0.13	ESP	6.885
ITL	151.8	DKK	0.1976	PTE	1.393

The conversion rates between Member States' currencies and the ECU, which are determined on the basis of market rates, are published daily in the Official Journal of the European Communities.

The Bank applies these rates in calculating the rates applicable to other currencies used for its operations.

The Bank conducts its operations in the currencies of its Member States, in ECUs and in non-Community currencies.

Its resources are derived from its capital, borrowings and accumulated earnings in various currencies and are held, invested or lent in the same currencies.

The following conversion rates were used for drawing up the balance sheets at 31 December 1994 and 31 December 1993:

1 ECU =	31.12.1994	31.12.1993
Deutsche Mark	1.90533	1.935690
French francs	6.57579	6.577450
Italian lire	1997.45	1909.98
Pounds sterling	0.787074	0.755108
Spanish pesetas	162.070	158.928
Belgian francs	39.1614	40.2869
Dutch guilders	2.13424	2.16541
Swedish kronor	9.17793	9.29634
Danish kroner	7.48233	7.55310
Austrian Schillings	13.4074	13.6101
Finnish markka	5.82915	6.46222
Drachmas	295.480	277.97
Portuguese escudos	195.884	197.05
Irish pounds	0.795061	0.790809
Luxembourg francs	39.1614	40.2869
United States dollars	1.23004	1.11567
Swiss francs	1.61320	1.65231
Lebanese pounds	2025.88	1908.91
Japanese yen	122.659	124.732
Canadian dollars	1.72697	1.48217
Australian dollars	1.58571	1.64553
CFA francs	657.579	328.873

The Bank's assets and liabilities are converted into ECUs. The gain or loss arising from such conversion is credited or charged to the profit and loss account.

Excluded from such calculations are the assets representing the portion of capital paid in by the Member States in their national currency which is adjusted periodically in accordance with Article 7 of the Bank's Statute.

2. Treasury bills and other bills eligible for refinancing with central banks and debt securities including fixed-income securities

Treasury bonds, notes and bonds are normally included at cost, or at the lower of nominal or market value where these are less than the original cost.

The Treasury hedging portfolio, included under this heading and which comprises fixed-dated securities, is maintained as part of the Bank's active management of the interest-rate risks inherent in its lending and funding activities. These investments are accounted for

at cost adjusted by the amortisation of premiums or discounts between purchase cost and maturity values. Such amortisation is performed on a straight-line basis over the remaining life of the security. Gains and losses on disposal of these securities are released to income over the period of the original maturity of the borrowings.

3. Loans and advances to credit institutions and customers

Loans are included in the assets of the Bank at their net disbursed amounts.

4. Tangible assets

Land and buildings are stated at cost less both initial write-down of the Kirchberg headquarters and accumulated depreciation. Depreciation is calculated to write off the value of the Bank's Luxembourg-Kirchberg headquarters and its office in Lisbon on the straight-line basis over 30 and 25 years respectively. Office furniture and equipment are depreciated in full in the year of acquisition.

5. Intangible assets

Issuing charges and redemption premiums are amortised over the lives of the borrowings based on the principal amounts outstanding.

6. Staff pension fund

The Bank's main pension scheme is a contributory defined benefit pension scheme which covers all employees. All contributions to the scheme by the Bank and its staff are invested in the assets of the Bank. Annual contributions are set aside and accumulated as a specific provision on the liabilities side of the Bank's balance sheet. The scheme is valued at least every three years. Actuarial surpluses and deficits are spread forward over a period of average remaining service lives of the membership as adjustments to the provision.

7. Fund for general banking risks

This item includes those amounts which the Bank decides to put aside to cover risks on loans, having regard to the particular risks associated with such operations representing the Bank's main activity.

Amounts transferred to this Fund feature separately in the profit and loss account as "Transfers to Fund for general banking risks".

8. Taxation

The Protocol on the Privileges and Immunities of the European Communities, appended to the Treaty of 8 April 1965 establishing a Single Council and a Single Commission of the European Communities, stipulates that the assets, revenues and other property of the Bank are exempt from all direct taxes.

9. Interest rate and currency swaps

The EIB enters into currency swaps in which the proceeds of a borrowing may be converted into a different currency. Simultaneously, a forward exchange operation is conducted in order to obtain the amounts needed to service the borrowing in the original currency. The net amounts of these operations are entered on the balance sheet either under the item, "Other assets - sundry debtors" where the amount receivable exceeds the amount payable or, conversely, under the item, "Other liabilities - sundry liabilities". The EIB also undertakes interest rate swaps, which transform a fixed-rate bond into a floating-rate bond in the same currency or vice versa.

10. Financial futures operations

Used by the Bank as a means of hedging the value of its bondholdings, at the year-end open futures contracts concluded on organised markets are revalued at the closing date. Following on from this and as a departure from the Bank's standard portfolio valuation principles, the hedged portion of the Bank's portfolio is marked to market. Gains and losses on hedging operations are symmetrically accounted for in the profit and loss account with the gains and losses on the part of the portfolio hedged.

Note B —

	Treasury bills eligible for refinancing with central banks		Debt securities including fixed-income securities	
	31.12.1994	31.12.1993	31.12.1994	31.12.1993
The breakdown according to maturity is as follows:				
- not more than three months	266 620 482	58 138 139	502 714 736	762 383 996
- more than three months but not more than one year	250 758	440 318	—	144 205 148
- more than one year but not more than five years	284 634 278	124 477 158	196 288 461	118 487 848
- more than five years	487 216 570	239 076 886	1 308 387 056	1 030 299 288
	<u>1 038 722 088</u>	<u>422 132 501</u>	<u>2 007 390 253</u>	<u>2 055 376 280</u>
Market value:	1 038 833 265	422 715 195	2 007 393 126	2 057 312 522

Note C — Loans and advances to credit institutions (other loans and advances)

	31.12.1994	31.12.1993
Borrowing proceeds to be received		
The breakdown according to maturity is as follows:		
- not more than three months	195 391 364	151 046 378
- more than three months but not more than one year	93 124 485	—
	<u>288 515 849</u>	<u>151 046 378</u>
Term deposits		
The breakdown according to maturity is as follows:		
- not more than three months	4 379 593 030	3 339 468 675
- more than three months but not more than one year	—	7 038
	<u>4 379 593 030</u>	<u>3 339 475 713</u>
	<u>4 668 108 879</u>	<u>3 490 522 091</u>

Note D — Tangible assets

	Land	Advances paid on building under construction	Kirchberg building	Lisbon building	Furniture and equipment	Total
Net acquisition value at beginning of the year	3 358 412	17 848 647	28 329 000	236 506	—	49 772 565
Acquisitions during the year	—	41 071 522	—	—	5 768 817	46 840 339
Transfer during the year	—	- 58 920 169	58 920 169	—	—	—
Depreciation during the year	—	—	3 533 000	14 000	5 768 817	9 315 817
Net accounting value 31.12.1994	<u>3 358 412</u>	<u>—</u>	<u>83 716 169</u>	<u>222 506</u>	<u>—</u>	<u>87 297 087</u>

Note E — Amounts receivable from or payable to Member States for adjustment of capital contributions

In accordance with Article 7 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:

	31.12.1994	31.12.1993
Receivable from:		
Germany	—	6 616 425
Netherlands	—	1 312 711
	<u>—</u>	<u>7 929 136</u>

Payable to:

Germany	1 112 583	—
Netherlands	664 825	—
	<u>1 777 408</u>	<u>—</u>

In accordance with the Decision of the Board of Governors of 30 December 1977, where the accounting conversion rate of a currency fluctuates upwards or downwards by more than 1.5% amounts receivable from or payable to Member States will be settled on 31 October of each year. Where the conversion rate fluctuates within the above margin of 1.5% in either direction, the resulting amounts will remain in non-interest-bearing adjustment accounts.

Note F — Interest subsidies received in advance

(a) Part of the amounts received through EMS arrangements has been made available as a long-term advance. The corresponding contra account is entered on the assets side under item 10.(b) as "Receivable in respect of EMS interest subsidies paid in advance".

(b) On the liabilities side (item 3.(b)), "Interest subsidies received in advance" comprise:

- amounts in respect of interest subsidies for loans granted for projects outside the Community, under Conventions signed with the ACP States and Protocols concluded with the Mediterranean Countries, as well as interest subsidies, concerning certain lending operations mounted within the Community from the Bank's own re-

sources, made available in conjunction with the European Monetary System under Council Regulation (EEC) No 1736/79 of 3 August 1979;

- amounts received in respect of interest subsidies for loans granted from EC resources under Council Decisions 78/870/EEC of 16 October 1978 (New Community Instrument), 82/169/EEC of 15 March 1982 and 83/200/EEC of 19 April 1983 and under Council Regulation (EEC) No 1736/79 of 3 August 1979 as amended by Council Regulation (EEC) No 2790/82 of 18 October 1982.

Note G — Other balance sheet accounts

Sundry debtors:	31.12.1994	31.12.1993
- staff housing loans and advances	55 119 854	51 244 428
- currency swap operations	213 711 514	525 544 255
- other	53 522 176	59 968 713
	<u>322 353 544</u>	<u>636 757 396</u>

for Special Section operations and related unsettled amounts	255 653 075	232 409 297
deposit accounts	79 832 719	34 504 809
- other	245 705 820	68 198 013
	<u>581 191 614</u>	<u>335 112 119</u>

Sundry creditors:
- European Community accounts:

Sundry liabilities:	<u>28 884 555</u>	<u>23 485 092</u>
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Note H — Provisions for liabilities and charges (staff pension fund)

During previous financial years, the cost of the pension scheme in terms of charges corresponded to the Bank's contribution of 16% of salaries. For the financial year 1994, pension costs were valued in accordance with the principles contained in "IAS (International Accounting Standard) 19 revised 1993". Application of this standard had no significant impact on the pension charge for 1994 and, consequently, no changes had to be made to figures for the previous financial year on the basis of this new principle.

The cost of retirement benefits was last valued on 30 June 1994 by a qualified actuary using the projected method. The main assumptions contained in this review were as follows:

- a discount rate of 7.5% for determining the actuarial present value of future benefits;

- an average retirement age of 62;
- a combined average impact of the increase in the cost of living and career progression estimated at 4.5%.

This valuation revealed that the provision on the liabilities side of the balance sheet corresponded to 103% of future benefits and that this same provision exceeded the plan termination liability.

The total cost of the pension scheme, including interest credited by the Bank for the financial year ended 31 December 1994, was 32 770 600 (1993 : 30 428 926). The cost of retirement benefits charged to the profit and loss account at the same date amounted to 8 351 822 (1993 : 8 825 506). The provision on the liabilities side of the balance sheet increased by 31 885 952 (1993: 23 918 976).

Note I — Fund for general banking risks

At 31 December 1993, the Bank put aside 200 000 000 to cover risks on loans, having regard to the particular risks associated with such operations representing the Bank's main activity.

	31.12.1994	31.12.1993
Fund at beginning of the year	350 000 000	150 000 000
Transfer for the year	0	200 000 000
Fund at end of the year	<u>350 000 000</u>	<u>350 000 000</u>

Allowing for the contribution of the three new Member States to this Fund, the balance at 1 January 1995 will amount to 376 815 105; hence, no additional transfer has had to be made in respect of 1994. Given the general nature of this Fund, it is however proposed, as indicated in Note M, to raise the amount thereof to 400 000 000 upon appropriation of the three new Member States' contribution to the balance of the profit and loss account still to be appropriated.

Note J — **Geographical analysis of "Interest receivable and similar income":** (item 1 of the profit and loss account)

	31.12.1994	31.12.1993			
Germany	605 105 860	545 879 329	Other countries	280 542 739	273 184 732
France	999 240 900	972 824 177		7 334 488 773	7 347 615 610
Italy	2 062 142 207	2 277 122 820	Income not analysed (!)	432 070 208	567 433 273
United Kingdom	869 520 118	848 111 755		<u>7 766 558 981</u>	<u>7 915 048 883</u>
Spain	1 084 475 203	1 030 378 754			
Belgium	97 180 376	80 238 984	(!) Income not analysed:		
Netherlands	118 453 542	99 961 213	Interest and commissions on		
Denmark	335 176 336	356 693 695	funds placed	432 070 208	519 067 551
Greece	209 455 283	200 793 609	Other revenue from portfolio		
Portugal	439 514 696	423 205 951	securities	—	48 365 722
Ireland	224 494 616	228 272 020		<u>432 070 208</u>	<u>567 433 273</u>
Luxembourg	9 186 897	10 948 571			
	<u>7 053 946 034</u>	<u>7 074 430 878</u>			

Note K — **Geographical analysis of "Commissions receivable":** (item 3 of the profit and loss account)

	31.12.1994	31.12.1993			
Germany	—	51 495	Portugal	17 634	22 540
France	562 175	734 096	Ireland	225 698	258 800
Italy	653 860	1 015 917		<u>2 173 756</u>	<u>2 994 240</u>
United Kingdom	238 299	264 704			
Spain	40 610	65 173	Community institutions	16 191 000	12 186 926
Belgium	17 206	24 590		<u>18 364 756</u>	<u>15 181 166</u>
Netherlands	2 846	2 966			
Denmark	247 351	345 940			
Greece	168 077	208 019			

Note L — **Administrative expenses and charges**

	31.12.1994	31.12.1993			
Staff costs			General and administrative		
Salaries and allowances	78 934 295	72 616 218	expenses	23 753 717	21 585 737
Social costs	19 656 466	16 982 579		<u>131 907 923</u>	<u>119 697 103</u>
Other costs	9 563 445	8 512 569			
	<u>108 154 206</u>	<u>98 111 366</u>	The number of personnel employed by the Bank was 859 at 31 December 1994 (810 at 31 December 1993).		

Note M — **Reserves and appropriation of balance of profit and loss account**

On 6 June 1994, the Board of Governors decided to appropriate the balance of the profit and loss account for the year ended 31 December 1993, net of 200 000 000 transferred to the Fund

for general banking risks, i.e. 1 127 219 531, to the Additional Reserves.

Statement of movements in the reserves at 31 December 1994

	Situation at 31.12.1993	Appropriation of balance of profit and loss account for year ended 31.12.1993	Situation at 31.12.1994
Reserve Fund	5 760 000 000	—	5 760 000 000
Additional Reserves	1 928 007 148	+ 1 127 219 531	3 055 226 679
	<u>7 688 007 148</u>	<u>+ 1 127 219 531</u>	<u>8 815 226 679</u>

Acting on a proposal from the Management Committee, the Board of Directors is recommending that the Governors appropriate the amount of the item "Contribution to balance of profit and loss account still to be appropriated" (three new Member States), i.e. 74 292 465, as to 23 184 895 to the Fund for general bank-

ing risks and as to 51 107 570, together with the balance of the profit and loss account for the year ended 31 December 1994, i.e. 969 690 917, hence a total of 1 020 798 487, to the Additional Reserves.

Note N — **Shares and other variable-yield securities and participating interests**

Shares and other variable-yield securities

This item (72 000 000) corresponds to the first four of five equal annual instalments (90 000 000 in all) to be paid in by the Bank in respect of its subscription (300 000 000) to the capital of the EBRD.

Participating interests

This item (40 000 000) corresponds to the first of four equal annual instalments (160 000 000 in all) to be paid in by the Bank in respect of its subscription (800 000 000) to the capital of the

European Investment Fund (EIF), with its registered office in Luxembourg.

For the financial year 1994, the Bank has decided not to consolidate the EIF's accounts. Consequently, no additional information will be provided in this report due to the negligible effect in terms of showing a true and fair view pursuant to the Council Directive of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions.

Note O — **Amounts owed to credit institutions (with agreed maturity dates or periods of notice)**

	31.12.1994	31.12.1993
The breakdown according to maturity is as follows:		
- not more than three months	<u>23 639 951</u>	<u>29 720 178</u>

Note P — **Aggregate foreign-exchange denominated assets and liabilities converted into ECUs**

Assets		Liabilities	
31.12.1994	31.12.1993	31.12.1994	31.12.1993
87 182 204 572	80 584 935 556	77 900 566 210	72 043 795 138

Note Q — **Special deposits for service of borrowings**

This item represents the amount of coupons and bonds due but not yet presented for payment.

Note R — **The risk associated with swap contracts** has been measured in accordance with Council Directive 89/647/EEC of 18 December 1989 on a solvency ratio for credit institutions.

Note S — **Statement of futures position at 31 December 1994**

The amount of 370 835 341 represents contracts sold by the Bank on the MATIF (1 950 FRF contracts) and the LIFFE (970 DEM and

1 500 GBP contracts) for the purpose of hedging its FRF, DEM and GBP portfolio securities against fluctuations in interest rates.

Note T — **Result on financial operations**

This item reflects mainly the value adjustment recorded when valuing the portfolio at 31 December 1994, i.e. 239 658 629. Following transfer of the portfolio securities to an investment portfolio on 1 January 1995 and, hence, the change of accounting valuation

method, this unrealised depreciation will gradually be recovered by amortising and crediting annually to the profit and loss account the difference between the valuation at 31 December 1994 and the final redemption value.

Note U — **Events occurring after the balance sheet date**

With a view to clarifying management of its liquid assets and consolidating its solvency, the Bank has decided to create an investment portfolio.

This portfolio was set up on 1 January 1995 by transferring, at their net book value, the fixed-income securities held in the portfolio at 31 December 1994.

The investment portfolio will be valued in future either at the transfer

price or, in the case of new operations, at the purchase price, the intention being to keep these securities until final maturity.

As from 1 January 1995, Treasury bills and other bills eligible for refinancing with central banks as well as debt securities including fixed-income securities will be valued differently, depending on whether they are securities held in the investment, hedging or operational portfolios.

REPORT BY THE EXTERNAL AUDITORS

The President
European Investment Bank
Luxembourg

We have audited the accompanying financial statements of the European Investment Bank which are listed below. These financial statements are the responsibility of the European Investment Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the European Investment

Luxembourg, 10 February 1995

Bank as of December 31, 1994, and of the results of its operations and its cash flows for the year then ended in accordance with International Accounting Standards and the principles of the European Communities Council Directive on the annual accounts and consolidated accounts of banks and other financial institutions.

The financial statements covered by our opinion are the following:

Balance sheet

Statement of special section

Profit and loss account

Statement of cash flows

Summary statement of loans and guarantees

Summary statement of debts evidenced by certificates

Statement of subscriptions to the capital of the Bank

Notes to the financial statements

Price Waterhouse

THE AUDIT COMMITTEE

The Audit Committee consists of three members appointed by the Board of Governors of the Bank for a three-year period. One member is replaced or reappointed each year. Chairmanship of the Committee rotates annually and is held by the member whose term of office is ending in that year. The Committee verifies that the Bank's operations are carried out in compliance with the procedures laid down in the EIB's Statute. It verifies that the operations of the Bank have been conducted and its books kept in a proper manner and confirms that the balance sheet and financial statements reflect exactly the situation of the Bank as regards both assets and liabilities.

In carrying out these tasks, the Audit Committee bases itself on ongoing work conducted both by the Bank's Internal Audit Division and by an outside firm of international chartered accountants. It also avails itself of information supplied by the EIB's monitoring departments.

The Audit Committee reports to the Board of Governors, the following statement being read to the Governors prior to their approval of the Annual Report and accounts for the past financial year:

Statement by the Audit Committee

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 10 February 1995 drawn up by Price Waterhouse,

considering the 1994 Annual Report, the balance sheet of the Bank and the statement of Special Section as at 31 December 1994 as well as the profit and loss account for the financial year ending on that date as drawn up by the Board of Directors at its meeting on 4 April 1995,

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

hereby certifies:

that the Bank's operations during the 1994 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, the profit and loss account and the statement of Special Section correspond to the book entries and that they reflect exactly the situation of the Bank as regards both assets and liabilities.

Luxembourg, 16 May 1995

The Audit Committee

A. HANSEN

C. DE VICENTE MARTÍN

M. J. SOMERS

BALANCE SHEET AS AT 1 JANUARY 1995

In ECUs — see notes to the financial statements (page 87)

ASSETS	01.01.1995	31.12.1994
1. Cash in hand, balances with central banks and post office banks	37 497 709	37 497 709
2. Treasury bills eligible for refinancing with central banks	1 038 722 088	1 038 722 088
3. Loans and advances to credit institutions		
a) repayable on demand	72 846 206	72 846 206
b) other loans and advances	4 668 108 879	4 668 108 879
c) loans: aggregate outstanding	38 491 533 270	38 491 533 270
less undisbursed portion	<u>5 433 688 101</u>	<u>5 433 688 101</u>
	33 057 845 169	33 057 845 169
	37 798 800 254	37 798 800 254
4. Loans and advances to customers		
loans: aggregate outstanding	67 523 772 600	67 523 772 600
less undisbursed portion	<u>9 577 948 246</u>	<u>9 577 948 246</u>
	57 945 824 354	57 945 824 354
5. Debt securities including fixed-income securities		
a) issued by public bodies	1 577 826 247	1 577 826 247
b) issued by other borrowers	<u>429 564 006</u>	<u>429 564 006</u>
	2 007 390 253	2 007 390 253
6. Shares and other variable-yield securities	72 000 000	72 000 000
7. Participating interests	40 000 000	40 000 000
8. Intangible assets		
unamortised issuing charges and redemption premiums	392 966 694	392 966 694
9. Tangible assets	87 297 087	87 297 087
10. Other assets		
a) receivable from Member States for adjustment of capital contributions	0	0
b) receivable on account of reserves and provisions	776 482 489	0
c) receivable in respect of EMS interest subsidies paid in advance	66 669 022	66 669 022
d) sundry debtors	<u>322 353 544</u>	<u>322 353 544</u>
	1 165 505 055	389 022 566
11. Subscribed capital, called but not paid	731 046 885	400 000 000
12. Prepayments and accrued income	2 543 662 198	2 543 662 198
	<u>103 860 712 577</u>	<u>102 753 183 203</u>

LIABILITIES
01.01.1995
31.12.1994

1. Amounts owed to credit institutions			
a) repayable on demand	44 056 561	44 056 561	
b) with agreed maturity dates or periods of notice	23 639 951	23 639 951	
		67 696 512	67 696 512
2. Debts evidenced by certificates			
a) debt securities in issue	79 770 795 645	79 770 795 645	
b) others	3 902 329 561	3 902 329 561	
		83 673 125 206	83 673 125 206
3. Other liabilities			
a) payable to Member States for adjustment of capital contributions	1 777 408	1 777 408	
b) interest subsidies received in advance	292 088 377	292 088 377	
c) sundry creditors	581 191 614	581 191 614	
d) sundry liabilities	28 884 555	28 884 555	
		903 941 954	903 941 954
4. Accruals and deferred income		3 414 234 869	3 414 234 869
5. Provisions for liabilities and charges			
staff pension fund		238 328 790	238 328 790
6. Fund for general banking risks		376 815 105	350 000 000
7. Capital			
subscribed	62 013 000 000	57 600 000 000	
uncalled	- 57 361 014 839	- 53 279 061 724	
		4 651 985 161	4 320 938 276
8. Reserves			
a) reserve fund	6 201 300 000	5 760 000 000	
b) additional reserves	3 289 301 598	3 055 226 679	
		9 490 601 598	8 815 226 679
9. Contribution to balance of profit and loss account still to be appropriated		74 292 465	0
10. Profit for the financial year		969 690 917	969 690 917
		103 860 712 577	102 753 183 203

OFF-BALANCE-SHEET ITEMS
01.01.1995
31.12.1994

Guarantees			
- in respect of loans granted by third parties	360 738 017	360 738 017	
- in respect of participations by third parties in Bank loans	71 386 579	71 386 579	
		432 124 596	432 124 596
Special deposits for service of borrowings		5 605 496 680	5 605 496 680
Swap contracts			
- currency	400 300 000	400 300 000	
- interest	102 500 000	102 500 000	
		502 800 000	502 800 000
Portfolio securities			
- commitments to purchase		0	0
- commitments to sell		370 835 341	370 835 341

Annex to balance sheet as at 1 January 1995

As from 1 January 1995, the subscribed capital has been increased from ECU 57 600 000 000 to 62 013 000 000 by virtue of the contributions of the three new Member States: the Kingdom of Sweden, the Republic of Austria and the Republic of Finland.

Following their accession, they will pay in an amount of ECU 300 401 052 corresponding to their share in the capital paid in by the Member States at 1 January 1995, in five equal instalments of 60 080 210.40 beginning on 30 April 1995 and ending on 30 April 1997.

As regards the amount remaining to be paid in under the capital increase decided on 11 June 1990, the three new Member States will participate proportionally and in accordance with the timetable laid down for this increase. The fifteen Member States will pay in, under this heading, an amount of ECU 430 645 833 in eight equal instalments of 53 830 729.13 beginning on 30 April 1995 and ending on 31 October 1998.

The new Member States will also contribute towards the Reserve Fund, the Additional Reserves and those provisions equivalent to reserves, as well as to the amounts still to be appropriated to the reserves and provisions corresponding to the balance of the profit and loss account as at 31 December 1994. These contributions, expressed as a percentage of the aforementioned items, correspond to 3.51736111% in the case of the Kingdom of Sweden, 2.63194444% in the case of the Republic of Austria and 1.51215278% in the case of the Republic of Finland. Pending definitive establishment of the contributions of the new Member States to the Bank's reserves and provisions, the balance sheet as at 1 January 1995 is provisional. The statement of subscriptions to the capital of the Bank at the same date is tabulated below.

STATEMENT OF SUBSCRIPTIONS TO THE CAPITAL OF THE BANK AS AT 1 JANUARY 1995

In ECUs

Member States	Subscribed capital	Available for call	Paid in at 1.1.1995	Capital paid in and to be paid in				Total
				To be paid in				
				in 1995	in 1996	in 1997	in 1998	
Germany	11 017 450 000	10 189 970 950	750 968 980	19 127 517	19 127 517	19 127 518	19 127 518	827 479 050
France	11 017 450 000	10 189 970 950	750 968 980	19 127 517	19 127 517	19 127 518	19 127 518	827 479 050
Italy	11 017 450 000	10 189 970 950	750 968 980	19 127 517	19 127 517	19 127 518	19 127 518	827 479 050
United Kingdom	11 017 450 000	10 189 970 950	750 968 980	19 127 517	19 127 517	19 127 518	19 127 518	827 479 050
Spain	4 049 856 000	3 747 237 310	274 494 690	7 031 000	7 031 000	7 031 000	7 031 000	302 618 690
Belgium	3 053 960 000	2 825 758 011	206 993 934	5 302 014	5 302 014	5 302 013	5 302 014	228 201 989
Netherlands	3 053 960 000	2 825 758 011	206 993 934	5 302 014	5 302 014	5 302 013	5 302 014	228 201 989
Sweden	2 026 000 000	1 874 016 998	—	58 682 784	58 682 784	31 100 073	3 517 361	151 983 002
Denmark	1 546 308 000	1 430 762 746	104 807 004	2 684 563	2 684 563	2 684 562	2 684 562	115 545 254
Austria	1 516 000 000	1 402 275 305	—	43 910 711	43 910 711	23 271 328	2 631 945	113 724 695
Finland	871 000 000	805 660 812	—	25 228 383	25 228 383	13 370 269	1 512 153	65 339 188
Greece	828 380 000	766 479 995	56 147 366	1 438 160	1 438 160	1 438 160	1 438 159	61 900 005
Portugal	533 844 000	493 953 399	36 183 351	926 813	926 813	926 812	926 812	39 890 601
Ireland	386 576 000	357 689 755	26 201 690	671 139	671 139	671 139	671 138	28 886 245
Luxembourg	77 316 000	71 538 697	5 240 387	134 229	134 229	134 229	134 229	5 777 303
	62 013 000 000	57 361 014 839	3 920 938 276	227 821 878	227 821 878	167 741 670	107 661 459	4 651 985 161

ECONOMIC BACKGROUND TO EIB ACTIVITY

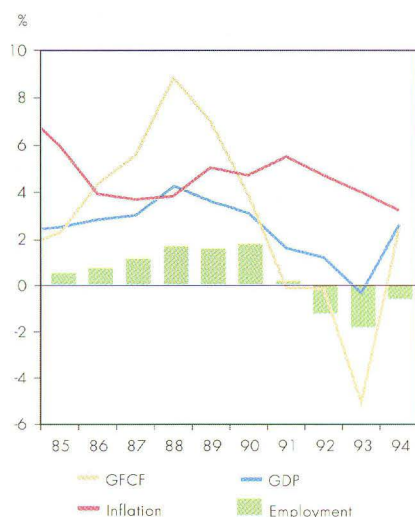
1994: A YEAR OF ECONOMIC RECOVERY

The pace of growth in the world economy, already appreciable in 1993 (almost 2%), quickened to reach close on 3%⁽¹⁾.

As the fifteen countries of the European

The hallmarks of economic recovery in **countries of the European Union** were buoyant exports, increased investment and an upturn in consumer spending. However, unemployment, the deterioration in which abated in the first half of the year, remained at a worryingly high level. Inflation, running at a slower pace than in 1993, was close to 3%, one of the lowest rates ever recorded in Community history. Budget deficits were cut back slightly. In contrast, long-term interest rates rose sharply and financial markets were volatile throughout the year.

GDP, inflation, GFCF, employment
(annual variations)



Union emerged from recession, the recovery was much more robust than anticipated (2.6% following on from -0.4% in 1993). The economic upturn extended, to varying degrees, to the countries of Central and Eastern Europe.

Japan resurfaced gently from the recession

The pace of economic growth quickened in all countries, including the new Member States, albeit to a lesser extent in Portugal and Greece.

Economic recovery, led initially by exports and stock-building, extended to capital investment and, more patchily, to private consumer expenditure.

After contracting sharply in 1993 (-5.7%), aggregate investment, measured in terms of GFCF, started to pick up as from the outset of 1994, resulting in average growth of the order of 2.6% over the whole year.

Nevertheless, the share of GFCF in GDP in 1994, as in 1993, is estimated at barely 19%, compared with the 20% or so recorded over the previous ten years, an already relatively low level.

Capital expenditure, which had fallen steeply in 1993 (-9.6%) in the wake of already sharp declines in both 1991 and 1992, expanded by almost 2.8%, but the picture varied from country to country.

⁽¹⁾ Macroeconomic statistics in this section are drawn mainly from the 1994-1996 economic budgets published at the end of 1994 by the Commission. They remain provisional. The rates of growth for physical aggregates are expressed in volume terms. Inflation is measured by the consumer price index. Data cover the 15 Member Countries; those for Germany take account of the eastern Länder since 1992 (trade balances since 1991).

(0.7% after 0.1% in 1993), whereas the rate of economic expansion continued to quicken in the USA (3.9% compared with 3.2% in 1993). Developing countries experienced uneven degrees of economic recovery.

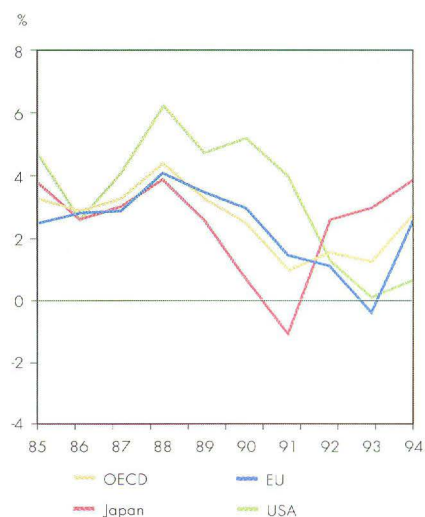
In these circumstances, world trade expanded quickly.

Capital investment in Belgium, the Netherlands, Spain and Portugal continued shrinking last year although the rate of decline did slacken distinctly.

In contrast, investment rose in the other countries, with growth particularly strong in Ireland, Denmark, the eastern German Länder and the new Member States.

Investment in the construction industry recovered, especially in Denmark, Ireland, Germany and the United Kingdom.

GDP/GNP international comparisons
(annual variations)



Last year also saw a modest upturn in *private consumption*, boosted by a fall in the rate of saving. However, with the employment situation still deteriorating (-0.6%) and the *number of unemployed* still climbing to 10.9% of the working population, growth in consumer spending was dampened.

The process of disinflation continued, sustained by a slowdown in nominal wage increases and productivity gains. Subdued domestic demand, stiffening international competition and a weakening dollar, which partly offset the rising non-oil commodity prices, had a moderating influence on price trends. *Average inflation* within the European Union worked out at around 3.1% (compared with 4.0% in 1993), with a noticeable convergence of national inflation rates.

The improvement in the economic situation had a beneficial knock-on effect on

the state of *public-sector finances*. Budget deficits were reduced slightly, accounting for 5.7% of Community GDP (compared with 6.2% in 1993).

Buoyant exports resulted in further widening of the trade surplus (1.5% of GDP compared with 1% in 1993) and helped generate a surplus on the current account (0.3% of GDP compared with a deficit of 0.1% in 1993).

Economic recovery in the **new Member Countries** was stronger than in the rest of the Union as investment expanded more vigorously.

In *Austria*, the marked upswing in economic activity was founded on brisk domestic demand fuelled by increased investment and budgetary reflation.

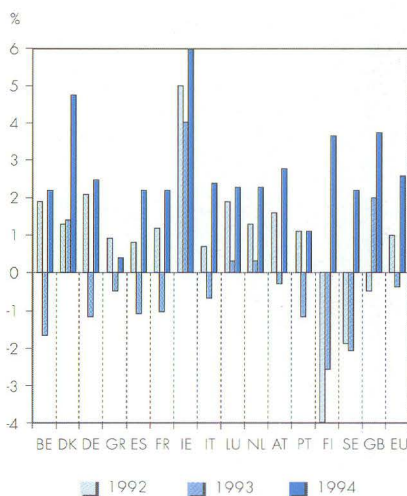
Sweden, pulling out of its deepest recession since the 1930s, recorded a fairly robust rate of economic growth,

thanks to keen external demand and a very steep upturn in capital spending (20.3%).

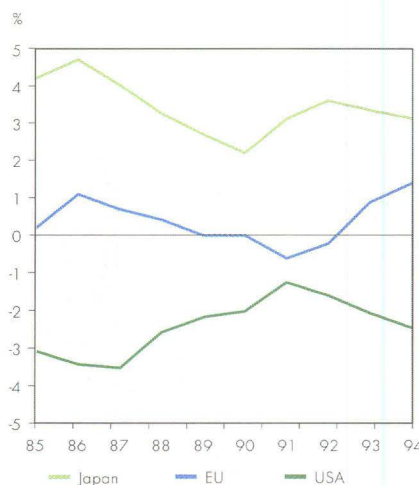
Finland's economy, after four tough years during which the country's GDP contracted by 13% overall and unemployment hit 19% of the workforce, experienced a marked recovery driven by exports and a reversal in the downward trend of domestic demand.

Developing countries enjoyed mixed fortunes. In Asia's emerging nations, growth was sustained at very high rates, around 8%. The rate of economic expansion in Africa, running at over 3%, outstripped population growth for the first time in several years. In contrast, developing countries in the Mediterranean region and in Latin America experienced a certain slowdown in economic growth.

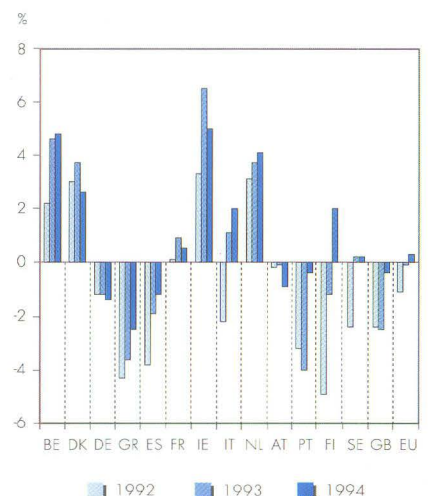
GDP
1992-1994
(growth rates)



Trade balances fob:
international comparisons
(as % of GDP)



Current balances
1992-1994
(as % of GDP)



LIST OF FINANCING PROVIDED WITHIN THE EUROPEAN UNION IN 1994 (1)

Financing provided for capital investment within the Union, including one guarantee, totalled ECU 17 682 million. The corresponding operations, all financed from own resources, give rise to financial commitments for the Bank and are accounted for in its balance sheet.

The EIB cooperates closely with an increasing number of financial institutions and commercial banks, with which it concludes global loans. It also grants certain individual loans through the intermediary of institutions and banks, whose names appear at the head of the list of operations for each country.

The Community policy objectives with which individual loans comply are highlighted by symbols in the right-hand columns. Unless otherwise indicated, global loans cover a number of sectors and objectives (see box article, page 24).

The symbols are as follows:

- regional development
- ▶ industrial competitiveness and European integration
- Community infrastructure
- ◆ energy
- ◀ protection of the environment and urban development.

The abbreviation (ED) signifies additional loans granted under the Edinburgh facility.

	ECU million		ECU million
BELGIUM		DENMARK	
24 342.8 million Belgian francs	615.3	6 408.0 million Danish kroner	849.7
<u>Individual loans</u>	<u>(388.2)</u>	<u>Individual loans</u>	<u>(776.2)</u>
Intermediaries: <i>Générale de Banque S.A., Volvo Group Finance Europe S.A., Stad Antwerpen</i>		Intermediaries: <i>KommuneKredit København, Kongeriget Danmark, KTAS Finans A/S</i>	
Construction of two power stations combining gas and steam turbines, running on natural gas, in Drogenbos (Brussels region) and Seraing (near Liège) <i>Tractebel Centre de Coordination S.A.</i>	142.3 ■ ◆	Construction of high-voltage direct current power cable between Denmark and Norway <i>Statnett SF</i>	5.5 ◆
Extension of sewage collection and treatment facilities <i>Aquafin NV</i>	113.9 ◀ (ED) 38.0 ◀	Extension and upgrading of regional natural gas transmission and local distribution grids in central and northern Jutland <i>Naturgas Midt/Nord I/S</i>	25.1 ■ ◆ (ED) 12.3 ■ ◆
Construction of second industrial waste incinerator in port of Antwerp <i>Indaver-Industriële Afvalverwerking NV</i>	18.0 ◀	Wastewater treatment facilities serving Grindsted and surrounding area <i>Grindsted Kommune</i>	9.3 ◀
Construction of new terminal in port of Antwerp <i>Havenbedrijf Antwerpen</i>	12.7 ● (ED) 12.7 ●	Electrification and modernisation of several sections of Odense-Ålborg railway line plus purchase of regional and suburban electric train sets <i>Danske Statsbaner - DSB</i>	141.9 ● ◀ (ED) 39.8 ● ◀
Construction of new paintshop in car factory in Ghent <i>Volvo Cars Europe Industry NV</i>	50.6 ◀	Motorway sections: Århus-Ålborg, Vejle-Horsens (Northern Jutland) and Ringsted-Skovse (Sjælland) linking Copenhagen to Great Belt <i>Kongeriget Danmark</i>	(ED) 65.1 ■ ●
<u>Global loans</u>	<u>(227.1)</u>	<u>Global loans</u>	<u>(73.5)</u>
For financing small and medium-scale ventures:		Construction of three new sections of motorway: Borup-Herslev, Kolding-Esbjerg, Syvsten-Frederikshavn (Jutland) <i>Kongeriget Danmark</i>	56.4 ● (ED) 28.1 ●
<i>Kredietbank NV</i>	75.4	Motorway suspension bridge on eastern section of Great Belt fixed link <i>A/S Storebæltsforbindelsen</i>	240.4 ■ ● (ED) 102.3 ■ ●
<i>Société Nationale de Crédit à l'Industrie</i>	50.6	Development of digital switching and fibre-optic transmission system in Sjælland and on Bornholm <i>Teledanmark A/S</i>	50.0 ■ ●
<i>Banque Bruxelles Lambert S.A.</i>	50.5		
<i>Crédit Général S.A. de Banque</i>	25.3		
<i>Cera Hoofdkantoor C.V.</i>	25.1		
		For financing small and medium-scale ventures:	
		<i>Finance for Danish Industry International S.A.</i>	73.5

(1) Finance contracts are generally denominated in the equivalent of the national currency concerned.

LIST OF FINANCING PROVIDED WITHIN THE EUROPEAN UNION IN 1994 (1)

Financing provided for capital investment within the Union, including one guarantee, totalled ECU 17 682 million. The corresponding operations, all financed from own resources, give rise to financial commitments for the Bank and are accounted for in its balance sheet.

The EIB cooperates closely with an increasing number of financial institutions and commercial banks, with which it concludes global loans. It also grants certain individual loans through the intermediary of institutions and banks, whose names appear at the head of the list of operations for each country.

The Community policy objectives with which individual loans comply are highlighted by symbols in the right-hand columns. Unless otherwise indicated, global loans cover a number of sectors and objectives (see box article, page 24).

The symbols are as follows:

- regional development
- ▶ industrial competitiveness and European integration
- Community infrastructure
- ◆ energy
- ◀ protection of the environment and urban development.

The abbreviation (ED) signifies additional loans granted under the Edinburgh facility.

	ECU million		ECU million
BELGIUM		DENMARK	
24 342.8 million Belgian francs	615.3	6 408.0 million Danish kroner	849.7
<u>Individual loans</u>	<u>(388.2)</u>	<u>Individual loans</u>	<u>(776.2)</u>
Intermediaries: <i>Générale de Banque S.A., Volvo Group Finance Europe S.A., Stad Antwerpen</i>		Intermediaries: <i>KommuneKredit København, Kongeriget Danmark, KTAS Finans A/S</i>	
Construction of two power stations combining gas and steam turbines, running on natural gas, in Drogenbos (Brussels region) and Seraing (near Liège) <i>Tractebel Centre de Coordination S.A.</i>	142.3 ■ ◆	Construction of high-voltage direct current power cable between Denmark and Norway <i>Statnett SF</i>	5.5 ◆
Extension of sewage collection and treatment facilities <i>Aquafin NV</i>	113.9 ◀ (ED) 38.0 ◀	Extension and upgrading of regional natural gas transmission and local distribution grids in central and northern Jutland <i>Naturgas Midt/Nord I/S</i>	25.1 ■ ◆ (ED) 12.3 ■ ◆
Construction of second industrial waste incinerator in port of Antwerp <i>Indaver-Industriële Afvalverwerking NV</i>	18.0 ◀	Wastewater treatment facilities serving Grindsted and surrounding area <i>Grindsted Kommune</i>	9.3 ◀
Construction of new terminal in port of Antwerp <i>Havenbedrijf Antwerpen</i>	12.7 ● (ED) 12.7 ●	Electrification and modernisation of several sections of Odense-Ålborg railway line plus purchase of regional and suburban electric train sets <i>Danske Statsbaner - DSB</i>	141.9 ● ◀ (ED) 39.8 ● ◀
Construction of new paintshop in car factory in Ghent <i>Volvo Cars Europe Industry NV</i>	50.6 ◀	Motorway sections: Århus-Ålborg, Vejle-Horsens (Northern Jutland) and Ringsted-Skovse (Sjælland) linking Copenhagen to Great Belt <i>Kongeriget Danmark</i>	(ED) 65.1 ■ ●
<u>Global loans</u>	<u>(227.1)</u>	<u>Global loans</u>	<u>(73.5)</u>
For financing small and medium-scale ventures:		Construction of three new sections of motorway: Borup-Herslev, Kolding-Esbjerg, Syvsten-Frederikshavn (Jutland) <i>Kongeriget Danmark</i>	56.4 ● (ED) 28.1 ●
<i>Kredietbank NV</i>	75.4	Motorway suspension bridge on eastern section of Great Belt fixed link <i>A/S Storebæltsforbindelsen</i>	240.4 ■ ● (ED) 102.3 ■ ●
<i>Société Nationale de Crédit à l'Industrie</i>	50.6	Development of digital switching and fibre-optic transmission system in Sjælland and on Bornholm <i>Teledanmark A/S</i>	50.0 ■ ●
<i>Banque Bruxelles Lambert S.A.</i>	50.5		
<i>Crédit Général S.A. de Banque</i>	25.3		
<i>Cera Hoofdkantoor C.V.</i>	25.1		
		For financing small and medium-scale ventures:	
		<i>Finance for Danish Industry International S.A.</i>	73.5

(1) Finance contracts are generally denominated in the equivalent of the national currency concerned.

	ECU million		ECU million
GERMANY		New international airport at Erding, north-east of Munich <i>Flughafen München GmbH</i>	51.7 ●
4 636.7 million Deutsche Mark	2 407.9		
<u>Individual loans</u>	(1 608.0)	Extension of telecommunications network in eastern Länder <i>Deutsche Bundespost Telekom</i>	520.7 ■●
Intermediaries: <i>Deutsche Bank AG, Landesbank Berlin Girozentrale, Westdeutsche Landesbank Girozentrale, Commerzbank AG, Landesbank Hessen-Thüringen Girozentrale, Bayerische Landesanstalt für Aufbaufinanzierung, Bayerische Landesbank Girozentrale, Pirelli SpA, ENSO (Deutschland) Verwaltungs-GmbH, IKB Deutsche Industriebank AG, Norddeutsche Landesbank Girozentrale, Hamburgische Landesbank Girozentrale</i>		Modernisation of Gelsenkirchen-Horst refinery to produce light petroleum products <i>Ruhr Oel GmbH</i>	23.8 ■◆◀
Construction of natural gas-fired combined-cycle heat and power plant in Leuna <i>STEAG Energieanlagen Sachsen-Anhalt GmbH</i>	10.3 ■◆◀	Design, engineering and development of flexible modular motor vehicle tyre shop plus installation in Breuberg factory (Hessen) <i>Pirelli Reifenwerke GmbH (Deutschland)</i>	5.2 ▶
Power cable between Sweden and Germany <i>Baltic Cable AB</i>	25.0 ■◆	Construction of production plant for cast aluminium engine blocks and cylinder heads in Dillingen (Saar) <i>VAW Alucast GmbH</i>	70.3 ■▶
Conversion of distribution grid from town to natural gas in eastern Germany <i>Verbundnetz Gas AG</i>	36.2 ■◆ (ED) 77.5 ■◆	Construction of newsprint plant in Schwedt, on the Oder (Brandenburg) <i>Haindl Papier Schwedt GmbH</i>	20.1 ■
Extension of gas distribution grid, including conversion from town to natural gas <i>Gasversorgung Ost GmbH</i>	41.3 ■◆	Construction of plant producing newsprint from de-inked recycled paper in Eilenburg (Saxony) <i>Sachsen Papier Eilenburg GmbH & Co.</i>	145.2 ■
Modernisation and extension of gas distribution grid in Berlin <i>GASAG Berliner Gaswerke AG</i>	52.1 ■◆	Wastewater treatment unit in pulp mill in Stockstadt (Bavaria) (Guarantee operation) <i>PWA Graphische Papiere GmbH</i>	25.8 ◀
Wastewater collection and treatment facilities:		Construction of factory producing aseptic board packaging for liquid foodstuffs in Wittenberg (Sachsen-Anhalt) <i>PKL Verpackungssysteme GmbH</i>	18.1 ■
- in Herbringhamen <i>Wuppertaler Stadtwerke AG</i>	10.3 ◀	Construction of warehousing, logistics and distribution centre in Leipzig (Saxony) <i>Grossversandhaus Quelle G. Schickedanz KG</i>	135.1 ■
- in region of Bitterfeld and Wolfen <i>Abwasserzweckverband "Untere Mulde"</i>	10.6 ■◀	Construction of warehouses in Haldensleben (Sachsen-Anhalt) and in Ohrdruf (Thuringia) for mail-order company <i>Otto Versand GmbH & Co.</i>	73.4 ■
- in Bernburg and in neighbouring municipalities (Sachsen-Anhalt) <i>Wasserverband "Saaleaue"</i>	7.8 ■◀		
- in Lutherstadt Wittenberg (Sachsen-Anhalt) <i>Lutherstadt Wittenberg</i>	27.6 ■◀ (ED) 36.2 ■◀	<u>Global loans</u>	(799.9)
- in region of Rudolstadt and Saalfeld (Thuringia) <i>Zweckverband Wasserversorgung Landkreise Rudolstadt & Saalfeld</i>	28.6 ■◀	For financing small and medium-scale ventures:	
Construction of toxic waste incineration plant in Ebenhausen, north of Munich <i>Gesellschaft zur Beseitigung von Sondermüll in Bayern mbH</i>	10.4 ◀	<i>Kreditanstalt für Wiederaufbau</i>	414.6
Construction of multi-purpose disposal site for commercial and industrial refuse for town of Bielefeld and Kreis Herford (North-Rhine Westphalia) <i>Zweckverband Verbunddeponie Bielefeld-Herford</i>	25.8 ◀	<i>Westdeutsche Landesbank Girozentrale</i>	143.0
Lowering of Rheinuferstrasse, one of main traffic arteries in Düsseldorf, in tandem with construction of tunnel <i>Landeshauptstadt Düsseldorf</i>	67.2 ◀	<i>Bremer Landesbank Kreditanstalt Oldenburg Girozentrale</i>	65.3
New East Terminal building at Frankfurt International Airport <i>Flughafen Frankfurt Main AG</i>	25.9 ● (ED) 25.9 ●	<i>Landesbank Hessen-Thüringen Girozentrale</i>	50.8
		<i>Norddeutsche Landesbank Girozentrale</i>	32.7
		<i>Deutsche Ausgleichsbank</i>	26.0
		<i>Commerzbank AG</i>	26.0
		<i>Südwestdeutsche Landesbank Girozentrale</i>	26.0
		<i>IKB Deutsche Industriebank AG</i>	15.6

	ECU million		ECU million
GREECE		SPAIN	
<u>154 535 million Drachmas</u>	534.7	<u>477 077.8 million pesetas</u>	3 011.5
<u>Individual loans</u>	<u>(478.2)</u>	<u>Individual loans</u>	<u>(2 657.4)</u>
Construction of small hydroelectric power plant in Pournari on the Arakhtos, near Arta (Ipeiros) <i>DEI - Dimosia Epihirisi Ilektrismou (Public Power Corporation)</i>	10.5 ■ ◆	Intermediary: <i>Instituto de Crédito Oficial</i>	
Conversion of two units of power plant in Lavrion, near Athens (Attiki), to combined-cycle operation <i>DEI</i>	20.0 ■ ◆	Improvement and modernisation of electricity transmission and distribution network:	
Wastewater collection and treatment facilities in Heraklion (Crete), Larissa (Thessaly), Corfu and Chios; upgrading and improvement of drinking water supply system in Heraklion <i>Elliniki Dimocratia</i>	14.1 ■ ◀	- throughout country <i>Red Eléctrica de España S.A.</i>	18.9 ■ ◆
Modernisation of railway infrastructure on main line between Athens and Idomeni (northern border) <i>OSE - Organismos Sidirodromon Ellados</i>	54.0 ■ ●	<i>Empresa Nacional Hidroeléctrica del Ribagorzana S.A.</i>	30.8 ■ ◆
Upgrading to motorway specification of various sections of Patras-Athens-Thessaloniki-Bulgarian border highway <i>Elliniki Dimocratia</i>		- Galicia, Madrid, Castilla-La Mancha, Castilla y León <i>Unión Eléctrica Fenosa S.A.</i>	53.1 ■ ◆ (ED) 46.9 ■ ◆
- Varibobi - Yliki	10.2 ■ ●	- Madrid, Castilla y León, Castilla-La Mancha, País Vasco, Valencia, Murcia <i>Iberdrola S.A.</i>	108.2 ■ ◆ (ED) 82.8 ■ ◆
- Elefsina - Korinthos	75.0 ■ ● (ED) 30.0 ■ ●	Improvements to wastewater treatment, sewerage and water supply infrastructure:	
- Katerini - Klidi	20.5 ■ ● (ED) 6.8 ■ ●	- Valencia <i>Entidad Pública de Saneamiento de Aguas Residuales de Valencia</i>	(ED) 12.5 ■ ◀
Commissioning of mobile telephone networks:		- Extremadura <i>Comunidad Autónoma de Extremadura</i>	30.2 ■ ◀ (ED) 18.7 ■ ◀
- PANAFON (Hellas) S.A.	54.9 ■ ●	- Cataluña <i>Junta de Saneamiento de Cataluña</i>	62.8 ■ ◀
- STET (Hellas) S.A.	17.1 ■ ●	- Canary Islands <i>Ministerio de Obras Públicas, Transportes y Medio Ambiente</i>	63.0 ■ ◀
Extension and modernisation of telecommunications network <i>Organismos Tilepikoinonion Ellados</i>	120.0 ■ ● (ED) 45.0 ■ ●	Upgrading of regional and national road network:	
<u>Global loans</u>	<u>(56.5)</u>	- <i>Territorio Histórico de Bizkaia</i>	53.4 ■ ●
For financing small-scale infrastructural works included in regional component of Community Support Framework: <i>Elliniki Dimocratia</i>	30.0	- <i>Territorio Histórico de Guipúzcoa</i>	31.8 ■ ● (ED) 38.2 ■ ●
For financing small-scale energy projects under the Integrated Mediterranean Programmes - IMPs: <i>DEI</i>	9.4	- <i>Comunidad Autónoma de las Islas Baleares</i>	12.5 ■ ● (ED) 37.8 ■ ●
For financing small and medium-scale ventures: <i>Banque Nationale de Paris S.A.</i>	17.1	- <i>La Generalitat de Cataluña</i>	100.5 ■ ●
		- <i>Junta de Andalucía</i>	50.9 ■ ● (ED) 44.6 ■ ●
		- <i>Ministerio de Obras Públicas, Transportes y Medio Ambiente</i>	239.6 ■ ● (ED) 233.2 ■ ●
		Extension of Port of Valencia <i>La Autoridad Portuaria de Valencia</i>	6.4 ■ ●
		Construction of two new terminals for containers, motor vehicles and petroleum products; redevelopment of old harbour area <i>La Autoridad Portuaria de Barcelona</i>	6.3 ● ◀
		Modernisation of suburban railway networks in Madrid, Barcelona and Valencia <i>Red Nacional de los Ferrocarriles Españoles</i>	274.9 ■ ◀ (ED) 137.4 ■ ◀
		Modernisation of metropolitan railway infrastructure in Madrid, Barcelona and Valencia <i>Ministerio de Obras Públicas, Transportes y Medio Ambiente</i>	162.6 ■ ◀ (ED) 80.7 ■ ◀
		Extension of urban railway network and purchase of rolling stock <i>Ferrocarriles de la Generalitat Valenciana</i>	44.3 ■ ◀

	ECU million		ECU million
Completion of No. 6 circle line of Madrid metro <i>Comunidad Autónoma de Madrid</i>	44.0 ◀	- A29, Le Havre - Yvetot-Est section (Haute-Normandie) SAPN - <i>Société de l'Autoroute Paris-Normandie</i>	56.3 ■ ●
Construction of first phase of Bilbao metro and purchase of rolling stock <i>Consorcio de transportes de Vizcaya</i>	59.7 ■ ◀	- A43, section linking Fréjus road tunnel to motorway network at Pont d'Aiton (Rhône - Alpes) <i>Société Française du Tunnel Routier de Fréjus</i>	(ED) 41.2 ■ ●
Purchase, launch and operation of two telecommunications and television satellites covering mainland Spain and islands <i>Hispasat S.A.</i>	5.5 ■ ●	- A39, Lons-le-Saunier - Bourg-en-Bresse section (Franche-Comté - Rhône-Alpes) SAPRR - <i>Société des Autoroutes Paris Rhin-Rhône SA</i>	(ED) 13.7 ●
Afforestation and rural infrastructure <i>Comunidad Autónoma de Galicia</i>	86.0 ■ ◀	- A14, underground section between La Défense and Nanterre (Ile-de-France) EPAD - <i>Etablissement Public "Aménagement de la Région de La Défense"</i>	106.2 ◀
Installation of gasoil hydro-desulphurisation facilities at refineries of Puertollano and La Coruña <i>Repsol Petróleo S.A.</i>	108.3 ■ ◀ (ED) 50.9 ■ ◀	Urban development and car parks in Greater Lyons (Rhône - Alpes) <i>Communauté Urbaine de Lyon</i>	49.6 ◀
Construction of new motor vehicle engine plant at Almusafes, near Valencia <i>Ford España S.A.</i>	219.9 ■	Partial replacement of aircraft fleet and provision of ancillary ground equipment <i>Air Inter SA</i>	106.5 ■ ●
<u>Global loans</u>	<u>(354.1)</u>	Construction of new runway at Saint-Denis-Gillot airport <i>Chambre de Commerce et d'Industrie de la Réunion</i>	4.6 ■
For financing small and medium-scale infrastructural works:	31.9	Modernisation and restructuring of steel works manufacturing long products in Gandrange; improvements to rolling and wire mills at Longwy (Lorraine) <i>Unimétal SA</i>	50.3 ■ ◆ ◀
- <i>Banco de Crédito Local de España</i>	(ED) 31.8	Productivity and product quality improvements; environmental protection equipment in six chemical plants <i>Rhône-Poulenc Chimie SA</i>	114.4 ■ ◀
For financing small and medium-scale ventures:		New effluent treatment facilities in titanium dioxide production plant in Calais (Pas-de-Calais) <i>Tioxyde Group plc</i>	37.1 ■ ◀
- <i>Instituto de Crédito Oficial</i>	189.1	Construction of new motor vehicle paint shop in Poissy (Ile-de-France) <i>Automobiles Peugeot SA</i>	91.0 ◀
- <i>Caja de Ahorros de Valencia, Castellón y Alicante</i>	38.2	Construction of motor vehicle engine plant in Douvrin (Pas-de-Calais) <i>Automobiles Peugeot SA</i>	76.3 ■ ◀
- <i>Banco de Sabadell</i>	25.2	Development and production of propulsion system for Ariane 5 European satellite launcher in Vernon (Haute-Normandie) and Bordeaux (Aquitaine) <i>Société Européenne de Propulsion</i>	15.2 ▶
- <i>Banco de Santander S.A.</i>	19.1	Construction of ice-cream production plant in Arras (Pas-de-Calais) <i>Häagen-Dazs Arras Snc</i>	31.9 ■
- <i>CAIXA - Caja Ahorros y Pensiones de Barcelona</i>	18.8	<u>Global loans</u>	<u>(1 049.3)</u>
FRANCE		For financing small and medium-scale public infrastructure connected with transport and environmental protection:	258.2 (ED) 129.1
<u>16 291.9 million French francs</u>	<u>2 477.4</u>	- <i>Crédit Local de France</i>	
<u>Individual loans</u>	<u>(1 428.1)</u>	For financing small and medium-scale ventures:	
Intermediaries: <i>France-Manche SA, Caisse Nationale des Autoroutes (CNA), Société Générale SA, Mortar Investment UK Ltd, Grand Metropolitan Finance plc</i>		• environmental protection	
Channel Tunnel <i>France-Manche SA</i>	114.0 ●	- <i>Société Centrale des Caisses d'Epargne pour l'Emission et le Crédit</i>	76.0 (ED) 38.0
<i>Eurotunnel plc</i>	22.8 ●	- <i>Crédit Foncier de France</i>	45.6 (ED) 22.8
"TGV Nord" line between Paris and Belgian border, with branch to Channel Tunnel <i>Société Nationale des Chemins de Fer Français</i>	285.8 ■ ●		
New sections of motorway network:			
- A83, Nantes - Niort section (Pays de la Loire) ASF - <i>Société des Autoroutes du Sud de la France SA</i>	89.7 ■		
- A16, l'Isle-Adam - Amiens section (Ile-de-France - Picardy) SANEF - <i>Société des Autoroutes du Nord et de l'Est de la France SA</i>	60.8 ■ ●		
- A40, dualling of Chamoise tunnel and Nantua and Neyrolles viaducts (Rhône - Alpes) SAPRR - <i>Société des Autoroutes Paris Rhin-Rhône SA</i>	60.8 ●		

	ECU million
• industry, tourism and services	
- <i>Groupe Paribas</i>	183.1
- <i>Caisse Centrale des Banques Populaires</i>	151.7
- <i>Caisse Nationale du Crédit Agricole SA</i>	45.8
- <i>Caisse Centrale du Crédit Mutuel</i>	25.5 (ED) 5.0
- <i>Compagnie Financière du Crédit Mutuel de Bretagne</i>	30.5
- <i>Crédit Foncier de France</i>	22.8
- <i>Caisse Française de Développement (Overseas Departments)</i>	15.2

IRELAND

232.1 million Irish pounds

291.1

Individual loans

(190.3)

Intermediaries:

*Ireland, Minister for Finance,
Irish Telecommunications Investments plc,
ABN AMRO Bank NV*

Improvements to electricity transmission and distribution system
Electricity Supply Board

(ED) 62.1 ■ ◆

Modernisation of rolling stock on a number of railway lines
Coras Iompair Eireann

22.7 ■

Improvements to road network:

- Second phase of Dublin western ring road
Dublin County Council

11.2 ■

- Kilcock, Leixlip and Maynooth by-passes; Dunkettle-Carrigtwohill road; Mullingar by-pass
Ireland, Minister for Finance

12.4 ■

Construction of new ferry terminal
Dun Laoghaire Harbour (Finance) Board

10.7 ■ ●

Extension and modernisation of telecommunications system
Bord Telecom Eireann

31.5 ■ ●

Road schemes, water supply and sewerage facilities, various infrastructure works, improvements to tourist amenities
Ireland, Minister for Finance

32.2 ■ ◀

Modernisation and extension of technical education colleges
Ireland, Minister for Finance

7.5 ■

Global loans

(100.8)

For financing small and medium-scale ventures:

- *ICC Bank plc*

75.6

- *AIB Finance Ltd*

25.2

ITALY

5 908.2 billion Italian lire

3 099.5

Individual loans

(2 261.3)

Intermediaries:

Credito Fondiario e Industriale, BNL, Centrobanca, Cassa di Risparmio delle Provincie Lombarde, Mediobanca, Mediocredito Toscano, Banca Commerciale Italiana, IMI (Istituto Mobiliare Italiano) - Mediovenezie Banca, CREDIOP (Consorzio di Credito per le Opere Pubbliche), Istituto Bancario San Paolo di Torino, Cassa di Risparmio di Verona, Vicenza, Belluno e Ancona, Cassa di Risparmio di Parma e Piacenza, Cassa di Risparmio di Padova e Rovigo, CIS (Credito Industriale Sardo), Mediocredito di Roma, ISVEIMER (Istituto per lo Sviluppo Economico dell'Italia Meridionale), Efibanca (Ente Finanziario Interbancario), Interbanca (Banca per Finanziamenti a Medio e Lungo Termine), Credito Romagnolo, Mediocredito Centrale

Desulphurisation, denitrification and fly-ash removal equipment in power plant in Porto Marghera, near Venice (Veneto)

ENEL SpA

52.4 ◀

Multi-fuel power plant in Brindisi (Apulia)

ENEL SpA

107.5 ■ ◆ ◀

Facilities to reduce atmospheric pollution from thermal power stations (Liguria, Latium, Emilia-Romagna)

ENEL SpA

258.8 ■ ◀

Construction of combined-cycle natural gas-fired power plants:

- in Castelmassa (Veneto) and Spinetta Marengo (Piedmont)

Edison Termoelettrica SpA

26.2 ■ ◆

- in Biella (Piedmont)

Enerbiella

3.4 ◆

- in Settimo Torinese, near Turin (Piedmont)

Società Nordelettrica SpA

12.9 ■ ◆

Development of oil and natural gas deposits:

- natural gas in Daria field, in Adriatic (off The Marches), and in Roseto-Monteslillo (Apulia); and oil, south of Potenza (Basilicata)

38.8 ■ ◆
(ED) 13.0 ■ ◆

- oil in Villafortuna-Trecate, near Novara (Piedmont), and various natural gas deposits in Centre and South

AGIP SpA

99.4 ■ ◆

- natural gas in San Marco (The Marches) and Cellino (Abruzzi); construction of transmission line between onshore terminal of "Giovanna" field and gas-fired power plant in Bussi (Abruzzi)

25.9 ■ ◆

- natural gas in Candela (Apulia)

10.4 ■ ◆

- natural gas in Daria field, in Adriatic (off The Marches)

25.9 ◆

Edison Gas SpA

Completion of second trans-Mediterranean gasline

SNAM SpA

103.5 ■ ◆
(ED) 155.3 ■ ◆

Extension of natural gas distribution network and improvements to drinking water supplies in Trentino-Alto Adige

SIT - Società Industriale Trentina SpA

7.8 ■ ◆

	ECU million		ECU million
Completion of conversion to natural gas in Greater Milan <i>Azienda Energetica Municipale - Milano</i>	52.1 ◆	Modernisation and extension of telecommunications - trunk network - development of switching capacity in central Italy - throughout country	134.4 ● 182.0 ■● 289.9 ■● 13.4 ●
Restructuring and extension of natural gas grids in central and north-eastern Italy <i>ITALGAS - Società Italiana per il Gas SpA</i>	36.4 ◆ (ED) 26.9 ◆	- satellite coverage system <i>TELECOM Italia SpA</i>	(ED) 8.1 ●
Extension and improvement of natural gas distribution grids and drinking water supply systems in Provinces of Naples and Caserta <i>Napoletana Gas SpA</i>	15.6 ■◆ (ED) 10.8 ■◆◆	Renovation of historic centre and urban development in Macerata <i>Regione Marche</i>	7.2 ■◀
Extension of drinking water, natural gas distribution and district heating networks in Bologna and surrounding area <i>ACOSER - Azienda Consorziale Servizi Reno</i>	15.7 ◆◀	Modernisation of urban infrastructure in Belluno <i>Regione Veneto</i>	2.6 ◀
Extension of district heating networks: - in Verona <i>AGSM Verona - Azienda Generale Servizi Municipalizzati del Comune di Verona</i>	10.4 ◆	Restoration and repair of historic buildings in Monreale and Milazzo <i>Regione Sicilia</i>	6.2 ■◀
- in Turin <i>Azienda Energetica Municipale di Torino</i>	25.9 ◆	Modernisation and rationalisation of cementworks in Augusta (Sicily) <i>Cementeria di Augusta SpA</i>	27.4 ■
Wastewater collection and treatment facilities: - in San Remo, Ventimiglia and Genoa <i>Regione Liguria</i>	7.5 ◀	Modernisation of float glass production line at plant in Pisa (Tuscany) <i>Fabbrica Pisana SpA</i>	15.5 ■
- in Provinces of Cagliari and Oristano <i>Regione Sardegna</i>	2.1 ■◀	Modernisation of two refineries in Sannazzaro (Lombardy) and Taranto (Apulia) to reduce production of heavy fuel oil and sulphur content of diesel oil <i>AGIP Raffinazione SpA</i>	132.4 ◆◀
- in Città di Castello and Perugia <i>Regione Umbria</i>	9.4 ■◀	Modernisation and extension of bathroom water heating and electrical equipment plants in The Marches <i>Merloni Termosanitari SpA</i>	3.1 ■
Wastewater collection and treatment facilities; drinking water supplies: - on Adriatic coast <i>Regione Marche</i>	14.0 ■◀	Construction of 19 car component factories in Melfi (Basilicata) to form integrated supply system for local FIAT Auto assembly plant <i>ACM - Consorzio Auto Componentistica Mezzogiorno, S.C.p.A.</i>	6.2 ■▶
- in Rome, Ariccia and Aprilia <i>Regione Lazio</i>	3.7 ■◀	Construction of new washing machine factory in Fabriano (The Marches) <i>Antonio Merloni SpA</i>	10.5 ■
- in Alcamo, near Palermo <i>Regione Sicilia</i>	19.2 ■◀	Extension and modernisation of four domestic appliance factories in central and northern Italy <i>Merloni Elettrodomestici SpA</i>	15.7 ■
Wastewater and solid waste collection and treatment facilities: - throughout region <i>Regione Veneto</i>	4.7 ■◀	Modernisation and extension of meat and tuna canning factory in Aprilia (Latium) <i>Simmenthal SpA</i>	4.1 ■
- throughout region <i>Regione Friuli-Venezia-Giulia</i>	5.7 ■◀	Modernisation and extension of baby food factory in Latina (Latium) <i>Plasmon Dietetici Alimentari SpA</i>	10.4 ■
- in Provinces of Aquila and Teramo <i>Regione Abruzzo</i>	10.8 ■◀	Modernisation of four breweries in Bari (Apulia), Naples, Battipaglia (Campania) and Padua (Veneto) <i>Birra Peroni Industriale SpA</i>	5.9 ◆◆◀
- in Mercure river basin and in Matera <i>Regione Basilicata</i>	5.4 ■◀	Modernisation and extension of tissue paper mill in Castelnuovo di Garfagnana (Tuscany) <i>Cartiere Unikay SpA</i>	5.2 ■
- in Milan, Oltrepò Pavese and Bergamo <i>Regione Lombardia</i>	7.0 ◀	Extension of paper mill in Porcari (Tuscany) <i>Delicarta SpA</i>	16.1 ■◀
Automation of toll system on part of motorway network <i>AUTOSTRADA - Concessioni e Costruzioni Autostrade SpA</i>	26.9 ■●	Construction in Novaledo (Trento) of factory producing dispenser pumps for pharmaceutical, cosmetic and food products <i>Coster Tecnologie Speciali SpA</i>	10.4 ■◀

	ECU million		ECU million
<u>Global loans</u>	<u>(838.2)</u>	Extension of household and similar waste incineration plant in Beuningen, near Nijmegen (Gelderland)	27.9 ◆◆
For financing small and medium-scale ventures:		<i>Afvalverwerking Regio Nijmegen NV</i>	(ED) 13.9 ◆◆
<i>IMI</i>	131.4 (ED) 26.9	Construction of household and similar waste incineration plant in Alkmaar	103.9 ◆◆
<i>Mediocredito Centrale</i>	128.2	<i>Huisvuilcentrale Noord Holland NV</i>	(ED) 34.6 ◆◆
<i>BNL</i>	105.5	<u>Global loans</u>	<u>(116.2)</u>
<i>Cassa di Risparmio in Bologna</i>	92.1	For financing small and medium-scale ventures:	
<i>Banco di Napoli</i>	40.3	<i>Internationale Nederlanden Bank NV</i>	69.7
<i>Banco Ambrosiano Veneto</i>	32.3	<i>FIGG - Financieringsmaatschappij Industrieel Garantiefonds NV</i>	46.5
<i>ISVEIMER</i>	31.4		
<i>Istituto Bancario San Paolo di Torino</i>	31.4		
<i>Mediocredito Lombardo</i>	26.9	PORTUGAL	
<i>Banca Mediocredito</i>	26.9	<u>218 080 million escudos</u>	1 109.7
<i>Mediocredito Toscano</i>	26.9	<u>Individual loans</u>	<u>(1 084.2)</u>
<i>Mediovenezie Banca</i>	26.2	Extension and upgrading of electricity transmission and distribution network	
<i>Mediocredito di Roma</i>	25.9	<i>E.D.P. - Electricidade de Portugal, SA</i>	171.8 ■◆
<i>Efibanca - Ente Finanziario Interbancario</i>	20.7	First phase of constructing natural gas transmission system in west of country	107.3 ■◆
<i>Credito Fondiario e Industriale</i>	16.1	<i>Transgás-Sociedade Portuguesa de Gás Natural</i>	(ED) 46.0 ■◆
<i>Banco Popolare di Verona</i>	15.7	Construction of drinking water catchment and supply system in eastern Algarve	13.2 ■◆
<i>Artigiancassa - Cassa per il Credito alle Imprese Artigiane</i>	12.4	<i>República Portuguesa - Ministério das Finanças</i>	(ED) 12.3 ■◆
<i>Cassa di Risparmio di Parma e Piacenza</i>	10.8	Extension of regional drinking water supply system in central Tagus region	
<i>Meliorconsorzio - Consorzio Nazionale per il Credito a Medio e Lungo Termine</i>	10.4	<i>EPAL - Empresa Portuguesa das Águas Livres, SA</i>	15.2 ■◆
		Road improvement works:	
		First section of inner ring road west of Lisbon	
		<i>Junta Autónoma de Estradas</i>	25.3 ■
		Construction of three motorway sections: A4, Penafiel-Amarante (Norte) section, A6, Marateca-Montemor section and A8, Malveira-Torres Vedras section, near Lisbon	
		<i>BRISA - Auto-Estradas de Portugal SA</i>	135.4 ■●
LUXEMBOURG		Improvements to national road network	
<u>200.0 million Luxembourg francs</u>	<u>5.1</u>	<i>Junta Autónoma de Estradas</i>	147.2 ■●
<u>Global loan</u>	<u>(5.1)</u>	Extension and modernisation of Lisbon metro	278.4 ■◆
For financing small and medium-scale ventures:		<i>Metropolitano de Lisboa EP</i>	(ED) 38.3 ■◆
<i>Société Nationale de Crédit et d'Investissement</i>	5.1	Roads between Funchal and airport, and Boa Nova and Cancela, as well as reinforcement works in Funchal harbour to reduce risk of storm damage	
		<i>Região Autónoma da Madeira</i>	70.7 ■
		Construction of motor vehicle components plant in Palmela (Setúbal)	
NETHERLANDS		<i>Sommer Allibert Industrie SA</i>	20.2 ■
<u>862.0 million Dutch guilders</u>	<u>399.5</u>	Modernisation of three food and detergents factories near Lisbon	
<u>Individual loans</u>	<u>(283.3)</u>	<i>Unilever - Indústrias Lever Portuguesa LDA</i>	2.9 ■◆◆
Combined heat and power plant in Buggenum (Limburg)		<u>Global loans</u>	<u>(25.5)</u>
<i>Demkolec BV</i>	(ED) 51.0 ◆	For financing small and medium-scale ventures:	
Upgrading of sewage collection and disposal facilities for city of Amsterdam	34.8 ◆	<i>Banco Português do Atlântico</i>	15.3
<i>Gemeente Amsterdam</i>	(ED) 17.2 ◆	<i>Banco Espírito Santo & Comercial de Lisboa</i>	10.2

	ECU million		ECU million
UNITED KINGDOM			
1 920.0 million pounds sterling	2 454.7	Road works and development of former mining area in Ashington (near Newcastle) to create business park (North East) <i>Northumberland County Council</i>	19.9 ■ ◀ (ED) 9.9 ■ ◀
<u>Individual loans</u>	<u>(2 295.5)</u>		
Construction of new gas-fired power station at Rye House (South East) <i>Powergen plc</i>	127.3 ◆	Hydro-desulphurisation unit at PIP refinery in Middlesbrough (North East) <i>Phillips Imperial Petroleum</i>	12.8 ■ ◆ ◆ ◀ (ED) 6.4 ■ ◆ ◆ ◀
Construction of power station on Isle of Grain (South East) <i>Medway Power Ltd</i>	203.7 ◆	Production of newsprint from recycled fibres in Aylesford (South East) <i>Aylesford Newsprint Ltd</i>	115.8 ◀
Development of four oil and natural gas fields in Liverpool Bay (North West) <i>BHP-Hamilton Oil Great Britain plc</i> <i>Monument (Liverpool Bay) Petroleum Ltd</i>	255.9 ◆ 95.5 ◆	<u>Global loans</u>	<u>(159.2)</u>
Wastewater collection and treatment installations to improve bathing water quality (North East) <i>Northumbrian Water Ltd</i>	(ED) 19.3 ■ ◀	For financing small and medium-scale ventures: <i>Barclays Bank plc</i>	63.7
Wastewater collection and treatment and water supply facilities (Wales) <i>Dwr Cymru Cyfyngedig</i>	50.9 ■ ◀	<i>Midland Bank plc</i>	63.7
Channel Tunnel <i>Eurotunnel plc</i>	142.3 ●	<i>The Royal Bank of Scotland plc</i>	31.8
Construction of Walsall section (near Birmingham) on M6 motorway of Black Country Route (West Midlands) <i>Walsall Metropolitan Borough Council</i>	44.0 ■ ● (ED) 19.7 ■ ●	AUSTRIA	89.5
Construction of three sections of Blackwater Valley Route in Surrey and Hampshire (South East) <i>Hampshire County Council</i> <i>Surrey County Council</i>	(ED) 67.5 ● (ED) 68.8 ●	Installation of new fibre-optic telephone links between Austria and seven neighbouring countries <i>Österreichische Post & Telegraphenverwaltung</i>	74.0 ●
Construction of new sections and upgrading of existing road between Faversham and Ramsgate (Thanet Way) and between Whitfield and Eastry; Eastry by-pass (South East) <i>Kent County Council</i>	25.4 ■ ● (ED) 44.6 ■ ●	Financing of small and medium-scale ventures <i>Österreichische Investitionskredit AG</i>	15.5
Construction of fixed link between Scottish mainland and Isle of Skye, off the Highlands <i>Skye Bridge Ltd</i>	12.7 ■	FINLAND	60.2
Construction of light rail transit system and purchase of 25 sets of coaches in Sheffield (Yorkshire & Humberside) <i>South Yorkshire Supertram Ltd</i>	127.3 ■ ◀	Upgrading of two sections of E18 East-West trunk road in south of country <i>Republic of Finland</i>	60.2 ●
Extension of Terminal 1 at Heathrow international airport <i>Heathrow Airport Ltd</i>	76.4 ● (ED) 19.1 ●	SWEDEN	15.3
Modernisation of national and international telecommunications network <i>British Telecommunications plc</i>	512.1 ■ ● (ED) 96.5 ■ ●	Construction of direct current power cable between Sweden and Germany <i>Baltic Cable AB</i>	15.3 ◆
Road works, water supply and treatment plus sewage collection and treatment facilities <i>Strathclyde Regional Council</i>	77.2 ■ ◀	OTHER (1)	260.8
Completion of ring road; development of industrial estates and aerospace engineering training centre in Cardiff (Wales) <i>South Glamorgan County Council</i>	31.8 ■ (ED) 12.9 ■	Upgrading of electricity grid in Norway: in the north, Svartisen-Salten line; in the south, improvements to transformer stations <i>Statnett SF</i>	29.7 ◆
		Construction of two rockfill dams to increase water storage capacity of Svartisen hydroelectric power station in northern Norway <i>Statkraft SF</i>	65.4 ◆
		Construction of high-voltage direct power cable between Denmark and Norway <i>Statnett SF</i>	4.5 ◆
		Construction of natural gas transmission pipeline between Algerian-Moroccan border and Moroccan coast on Strait of Gibraltar, near Tangiers <i>Europe Maghreb Pipeline Ltd</i>	162.2 ◆

(1) Akin to financing for projects within the European Union.

LIST OF FINANCING PROVIDED OUTSIDE THE EUROPEAN UNION IN 1994

The total amount of EIB financing for investment outside the Union was 2 245.6 million, of which 461.6 million went to the African, Caribbean and Pacific States and the Overseas Countries and Territories, 607 million to the Mediterranean Countries, 957 million to the Central and Eastern European Countries, 121 million to Latin America and 99 million to Asia.

Loans from own resources are indicated by *. In certain cases they carry interest subsidies, provided from EDF resources in the ACP States and from Community budgetary resources in some Mediterranean Countries.

Financing from budgetary resources is indicated by □. It is provided by the EIB under mandate from, on behalf, for the account and at the risk of the Community and is accounted for off balance sheet in the Special Section. In addition, certain risk capital operations received financing under ongoing authorisations, the amounts of which are not included in the statistics for the financial year. They are, however, mentioned, for information, in the following list and denoted by the symbol +.

	ECU million			ECU million	
ACP GROUP					
Global loan for financing small and medium-scale private projects in agriculture, agro-industry, mining, tourism and the service sector			Construction of new refrigerator plant in Harare		
<i>Société de Promotion et de Participation pour la Coopération Economique - Proparco, Caisse Française de Développement group</i>	35.0	*	Conditional loan to <i>Industrialiseringsfonden for Udviklingslandene for Derby Imperial Refrigeration</i>	1.25	□
Global loan for financing ventures by SMEs in agriculture, agro-industry, industry, mining, tourism and infrastructure			Global loan for financing SMEs in industry, agro-industry, tourism, transport and mining through loans and equity participations		
<i>Commonwealth Development Corporation</i>	35.0	*	<i>Zimbabwe Development Bank</i>	12.0	*
			Conditional loan to <i>Zimbabwe Development Bank</i>	5.0	□
			Development and operation of open-cast copper mine at Sanyati		
			Conditional loan to <i>Zimbabwe Mining Company Ltd for Munyati Mining Company Ltd</i>	5.6	□
AFRICA					
			+ Art Corporation Ltd		
			<i>Société de Promotion et de Participation pour la Coopération Economique (Proparco)</i> (0.3)		
WEST AFRICAN REGION					
	4.2				
Equity participation, on behalf of the Community, in <i>Fonds de Garantie du Financement des Investissements Privés en Afrique de l'Ouest</i>	3.8	□	MALI		
Equity participation, on behalf of the Community, in <i>Cauris Investment</i> , a venture capital company	0.4	□		41.2	
MOZAMBIQUE					
	46.0		Development of Sadiola gold deposit		
Rehabilitation of high-voltage line linking Cahora Bassa hydroelectric plant to South African grid			<i>Société d'Exploitation des Mines d'Or de Sadiola</i>	35.0	*
- <i>Hidroeléctrica de Cahora Bassa</i>	20.0	*	Modernisation and extension of Koulikoro cottonseed oil refinery and effluent treatment		
- Conditional loan to <i>Government of Mozambique</i> for <i>Hidroeléctrica de Cahora Bassa</i>	20.0	□	Subordinated loan to <i>Huilerie Cotonnaire du Mali - HUICOMA</i>	5.0	□
Renewal of shrimp fishing fleet			Construction of tannery on Bamako industrial estate		
Conditional loan to <i>Government of Mozambique</i> for <i>Pescamar</i>	6.0	□	Conditional loan to <i>Compañía Española de Financiación del Desarrollo, S.A. (COFIDES)</i> for <i>Tannerie d'Afrique Occidentale S.A.</i>	0.2	□
ZIMBABWE					
	41.5		Equity participation in and bolstering the financial resources of company fostering SMEs		
Construction of high-voltage (330 kV) line linking Cahora Bassa power plant, in Mozambique, and Zimbabwe			Conditional loans to <i>Crédit Initiative S.A.</i>	1.0	□
<i>Zimbabwe Electricity Supply Authority</i>	17.0	*	KENYA		
Feasibility study on coalbed methane project in south-eastern and north-western Zimbabwe				40.5	
Conditional loan to <i>Alphen Resources Ltd</i>	0.6	□	APEX global loan for financing SMEs in industry, agro-industry, horticulture, tourism and mining		
			- <i>Republic of Kenya</i>	15.0	*
			- Conditional loan to <i>Republic of Kenya</i>	20.0	□
			Rehabilitation of oil pipeline transporting refined petroleum products from Mombasa to the capital Nairobi		
			Conditional loan to <i>Government of Kenya</i> for <i>Kenya Pipeline Company Ltd</i>	5.5	□

	ECU million		ECU million
ZAMBIA	24.2	ETHIOPIA	14.0
Global loan towards financing construction of greenhouses and infrastructure needed for rose production		Part-financing of Ethiopian section of Addis-Ababa-Djibouti microwave link and local telecommunications networks	
Conditional loan to <i>Barclays Bank of Zambia Ltd</i>	5.5 □	Conditional loan to <i>Government of Ethiopia</i> for <i>Ethiopian Telecommunications Authority</i>	14.0 □
Rehabilitation of Tazama oil pipeline between Dar-es-Salaam in Tanzania and refinery near Ndola in Zambia		MAURITIUS	14.0
Conditional loan to <i>Republic of Zambia</i> for <i>Tazama Pipelines Ltd</i>	18.0 □	Extension of national telecommunications network <i>Mauritius Telecom</i>	14.0 ★
Maize crushing and oil extraction plant		+ <i>Mauritius Venture Capital Fund</i>	
Conditional loan to <i>Industrialiseringsfonden for Udviklingslandene</i> for <i>Mulunguski Investments Ltd</i>	0.7 □	<i>Société de Promotion et de Participation pour la Coopération Economique (Proparco)</i> (0.5)	
LESOTHO	23.0	BOTSWANA	10.4
Construction of hydroelectric plant at Muela - <i>Lesotho Highlands Development Authority</i>	5.0 ★	Improvements to drinking water supplies in Lobatse	
- Conditional loan to <i>Government of Lesotho</i> for <i>Lesotho Highlands Development Authority</i>	15.0 □	Conditional loan to <i>Republic of Botswana</i> for <i>Water Utility Corporation</i>	3.0 □
Contribution of funds to Lesotho National Development Corporation to finance construction, by LNDC, of industrial buildings		Modernisation of slaughterhouse in Lobatse <i>Botswana Meat Commission</i>	3.4 ★
Conditional loan to <i>Government of Lesotho</i>	0.75 □	Global loans for financing SMEs in industry, agro-industry, transport, mining and tourism	
Global loan for financing SMEs in industry, agro-industry, transport and tourism, or for constructing industrial buildings		- <i>Botswana Development Corporation</i>	2.5 ★
Conditional loan to <i>Government of Lesotho</i>	1.75 □	- Conditional loan to <i>Botswana Development Corporation</i> for equity and quasi-equity participations in SMEs	1.5 □
Global loan for financing equity and quasi-equity participations in SMEs in industry, agro-industry, transport and tourism		ERITREA	8.0
Conditional loan to <i>Lesotho National Development Corporation</i>	0.5 □	Part-financing of microwave link connecting Massawa, Asmara and Kerun, satellite ground station and local telecommunications networks	
TANZANIA	23.0	<i>Government of Eritrea</i> for <i>Telecommunications Service of Eritrea</i>	8.0 □
Construction of hydroelectric plant on river Kihansi		CÔTE D'IVOIRE	4.2
Conditional loan to <i>United Republic of Tanzania</i> for <i>Tanzania Electric Supply Company</i>	23.0 □	Drilling of confirmation oilwell in structure adjacent to Béliér oilfield, about 15 km off Abidjan	
Conditional loan to <i>Republic of Guinea</i> for <i>Société Guinéenne de Palmiers à Huile et d'Hévéas - SOGUIPAH</i>	14.0 □	Conditional loans to <i>Republic of Côte d'Ivoire</i> for <i>Société Nationale d'Opérations Pétrolières de Côte d'Ivoire (PETROCI)</i>	0.2 □ 4.0 □
Renovation of Grand Hôtel de l'Indépendance in Conakry		DJIBOUTI	2.8
- <i>Société Guinéenne d'Hôtellerie et d'Investissement</i>	1.5 ★	Part-financing of Djibouti section of microwave link between Djibouti and Addis-Ababa, as well as new operating and management system	
- Conditional loan to <i>SGHI</i>	0.5 □	<i>Government of Djibouti</i> for <i>Office des Postes et Télécommunications</i>	2.8 □
+ <i>Société Guinéenne d'Hôtellerie et d'Investissement</i>		BENIN	2.0
<i>Société de Promotion et de Participation pour la Coopération Economique (Proparco)</i> (0.7)		Global loan for financing SMEs in industry, agro-industry, fisheries and tourism	
NAMIBIA	14.1	Conditional loan to <i>ECOBANK</i> for on-lending in form of subordinated loans to SMEs or for equity participations	2.0 □
Modernisation and extension of Von Bach water treatment plant for drinking water supplies in Windhoek			
- <i>Republic of Namibia</i>	3.0 ★		
- Conditional loan to <i>Republic of Namibia</i>	3.0 □		
Extension of basic infrastructure in town of Windhoek			
<i>Republic of Namibia</i> for <i>Municipality of Windhoek</i>	8.1 ★		

	ECU million			ECU million
MADAGASCAR	2.0			
Global loan for financing small and medium-scale ventures in industry, agro-industry, mining, tourism and transport				
Conditional loan to <i>BNL - Crédit Lyonnais</i>	1.0	□		
Global loan for financing equity and quasi-equity participations in SMEs in industry, agro-industry, mining, tourism and transport				
Conditional loan to <i>Société Financière d'Investissement Aro-Fiaro</i>	1.0	□		
+ <i>Société d'Aquaculture de la Mahajamba</i> <i>Société de Promotion et de Participation pour la Coopération Economique (Proparco)</i> (0.09)				
CAPE VERDE	2.0			
Construction of industrial anchovy-processing and packing plant at Mindelo (Island of São Vicente)				
Conditional loan to <i>Fishpackers of Cape Verde S.A.</i>	2.0	□		
SEYCHELLES	2.0			
Conditional loan for financing SMEs, through equity participations and loans, in industry, agro-industry, fisheries, tourism and transport				
Conditional loan to <i>Development Bank of Seychelles</i>	2.0	□		
GHANA	0.7			
Construction of ice-cream and yoghurt production plant in Accra				
Loan with participating rights to <i>General Milk Products Ltd</i>	0.7	□		
+ <i>Ghana Venture Capital Fund Ltd</i> - <i>Commonwealth Development Corporation</i> (1.3) - <i>Société de Promotion et de Participation pour la Coopération Economique (Proparco)</i> (0.2)				
GUINEA-BISSAU	0.2			
Equity participation in plant manufacturing wooden doors and window frames				
Conditional loan to <i>Compañía Española de Financiación del Desarrollo, S.A. (COFIDES)</i> for <i>Guineense-Espanhola de Madeiras, GEMSA, S.A.</i>	0.2	□		
MAURITANIA	0.1			
Technical and economic feasibility study for foundry				
Conditional loan to <i>Société Arabe pour le Fer et l'Acier</i>	0.1	□		
CARIBBEAN				
CARIBBEAN REGION	4.0			
Creation of new regional airline				
Conditional loan to <i>Trident Ltd</i> for <i>Carib Express Inc</i>	4.0	□		
DOMINICAN REPUBLIC	15.0			
Upgrading of power grid				
Conditional loan to <i>Dominican Republic</i> for <i>Corporación Dominicana de Electricidad</i>	15.0	□		
TRINIDAD AND TOBAGO	12.6			
Plant to manufacture MTBE (methyl tertiary butyl ether), a petrol additive for increasing octane rating, in refinery at Pointe-à-Pierre				
<i>Republic of Trinidad and Tobago</i>	8.5	★		
Global loan for financing equity and quasi-equity participations in SMEs in industry, agro-industry, tourism and mining				
Conditional loan to <i>Development Finance Ltd</i>	4.1	□		
Feasibility study on extension of water supplies in Richmond				
Conditional loan to <i>Republic of Trinidad and Tobago</i>	0.1	□		
SAINT VINCENT AND THE GRENADINES	5.0			
Construction of docking facilities for cruise ships and ferries at the port of Kingstown				
Conditional loan to <i>Government of St Vincent and the Grenadines</i>	5.0	□		
BELIZE	3.7			
Construction of integrated high-voltage grid				
Conditional loans to <i>Government of Belize</i> for <i>Belize Electricity Ltd</i>	3.7	□		
SAINT LUCIA	3.5			
Global loans for:				
- financing ventures by SMEs in industry, agro-industry and tourism				
<i>St Lucia Development Bank (SLDB)</i>	2.0	★		
- providing equity or quasi-equity for industrial firms as well as feasibility study financing				
Conditional loan to <i>St Lucia Development Bank</i>	1.0	□		
- increase in capital of SLDB				
Conditional loan to <i>Government of St Lucia</i>	0.5	□		
JAMAICA	2.0			
Financing of equity participations in SMEs in industry, agro-industry, mining and tourism				
Conditional loan to <i>Jamaica Venture Fund Ltd</i>	2.0	□		

	ECU million		ECU million
PACIFIC		OVERSEAS COUNTRIES AND TERRITORIES	
PAPUA NEW GUINEA	4.0	BRITISH VIRGIN ISLANDS	2.0
Global loan to <i>Bank of Papua New Guinea</i> for financing SMEs in industry, agro-industry and tourism	4.0 ★	Global loans for financing SMEs in industry, agro-industry, fisheries and tourism - <i>Development Bank of the Virgin Islands</i>	1.5 ★
WESTERN SAMOA	1.5	- Conditional loan to <i>Government of the British Virgin Islands</i>	0.5 □
Global loan for financing SMEs, through equity participations and/or loans, in industry, agro-industry, tourism and transport as well as productive infrastructure		NEW CALEDONIA	2.0
Conditional loan to <i>Development Bank of Western Samoa</i>	1.5 □	Convertible loan with participating rights for increase in capital of BCI	
		Conditional loan to <i>Banque Calédonienne d'Investissement</i>	2.0 □
		TURKS AND CAICOS ISLANDS	0.4
		Feasibility study on wind farm	
		Conditional loan to <i>Turks and Caicos Utilities Ltd</i>	0.4 □
MEDITERRANEAN		ALGERIA	80.0
MOROCCO	140.0	Construction of new section of East-West motorway, between Lakhdaria and Bouira (33 km) <i>People's Democratic Republic of Algeria</i> represented by <i>Banque Algérienne de Développement</i>	80.0 ★
Interconnection of Moroccan and Spanish power grids by submarine cables across the Strait of Gibraltar and uprating of Moroccan electricity network <i>Office National de l'Electricité</i>	80.0 ★	TUNISIA	63.0
Drinking water supply improvements in Casablanca, Agadir, Rommani, Essaouira, Ouled Teima and Beni Mellal <i>Office National de l'Eau Potable</i>	40.0 ★	Water treatment plants in Tunis and Medenine; sewerage networks in six coastal towns <i>Office National d'Assainissement</i>	25.0 ★
Financing of equity participations in enterprises in productive sectors, chiefly in industry, primarily joint ventures with EU companies		Development of two industrial estates near Tunis (M'Ghira) and Sfax (Thyna) <i>Republic of Tunisia</i>	15.0 ★
Conditional loan to <i>Kingdom of Morocco</i>	20.0 □	Construction of two intersections and upgrading of 13 km of roads in Greater Tunis <i>Republic of Tunisia</i>	23.0 ★
EGYPT	131.0	JORDAN	49.0
Upgrading of power transmission grid supplying Greater Alexandria <i>Egyptian Electricity Authority</i>	55.0 ★	Development of telecommunications links, including connections with the West Bank and Lebanon; expansion of switching capacity <i>Hashemite Kingdom of Jordan</i>	25.0 ★
Financing for small and medium-scale ventures in industry and tourism - <i>Commercial International Bank</i>	30.0 ★	Rehabilitation and modernisation of water supply and sewerage systems in town of Salt <i>Hashemite Kingdom of Jordan</i> for <i>Water Authority of Jordan</i>	12.0 ★
- Conditional loan to <i>Commercial International Bank</i>	6.0 □	Global loan for financing SMEs in industry and tourism - <i>Industrial Development Bank</i>	10.0 ★
Increase in production capacity of integrated steel plant near Alexandria <i>National Bank of Egypt for Alexandria National Iron and Steel Company</i>	40.0 ★	- Conditional loan to <i>Industrial Development Bank</i>	2.0 □
LEBANON	115.0	CYPRUS	29.0
Rehabilitation and extension of Beirut international airport <i>Republic of Lebanon</i>	80.0 ★	Modernisation of drinking water supply installations in Nicosia and Larnaca <i>Republic of Cyprus</i>	17.0 ★
Rehabilitation and modernisation of installations in commercial Port of Beirut <i>Republic of Lebanon</i>	35.0 ★	Global loan for financing small and medium-scale ventures in industry, tourism and the service sector <i>Cyprus Development Bank</i>	12.0 ★

	ECU million	
CENTRAL AND EASTERN EUROPEAN COUNTRIES		
POLAND	333.0	
Expansion and modernisation of telecommunications network <i>Telekomunikacija Polska S.A.</i>	150.0	*
Global loan to <i>Export Development Bank</i> for financing enterprises in industry, tourism and the service sector	13.0	*
Construction of sewage treatment plant to process part of the capital's waste water <i>City of Warsaw for Waste Water Treatment Plant Warsaw-South Ltd</i>	45.0	*
Upgrading of motorway standard of section between Bielany (Wroclaw) - Nogawczyce (Gliwice) on trans-European E40 motorway <i>Republic of Poland</i>	125.0	*
CZECH REPUBLIC	255.0	
Extension and modernisation of telephone network <i>Ceske Telekomunikace</i>	30.0	*
Construction of oil pipeline linking the TAL (Trans-Alpine Leitung) at Ingolstadt (Germany) and the Druzha pipeline (from Russia) at Kralupy, near Prague <i>MERO CR, a.s.</i>	100.0	*
Upgrading of Czech section of Berlin-Prague-Vienna railway line <i>C'eske Dráhy, s.o. (Czech State railways organisation)</i>	125.0	*
HUNGARY	140.0	
Global loan to <i>Országos Takarékpénztár és Kereskedelmi Bank Rt.</i> for financing municipal infrastructure schemes	40.0	*
Modernisation and extension of telephone network <i>Magyar Távközlési Rt.</i>	100.0	*
ROMANIA	66.0	
Rehabilitation and modernisation of natural gas transmission and distribution network <i>Republic of Romania for ROMGAZ R.A.</i>	50.0	*
Rehabilitation and modernisation of air traffic control and safety installations <i>Republic of Romania for ROMATSA R.A.</i>	16.0	*
ESTONIA	42.0	
Renovation of district heating system in Pärnu <i>Republic of Estonia</i>	7.0	*
Modernisation of air traffic control and safety installations <i>Republic of Estonia</i>	20.0	*
Construction of dry bulk terminal in port of Muuga <i>Port of Tallinn</i>	15.0	*
SLOVENIA	41.0	
Upgrading of main East-West international rail line <i>Slovenske Zeleznice</i>	13.0	*
Construction of three sections of East-West motorway <i>Ljubljana à Celje Druzba za Autocest v Republiki Sloveniji</i>	28.0	*

	ECU million	
SLOVAK REPUBLIC	35.0	
Extension and modernisation of telephone network <i>Slovenske Telekomunikacie</i>	20.0	*
Rehabilitation and modernisation of air traffic control and safety installations <i>Slovak Republic for Riadomie Letovej Prevadzky Slovenkej Republiky (Air Traffic Control Authority of the Slovak Republic)</i>	15.0	*
BULGARIA	30.0	
Rehabilitation and modernisation of air traffic control and safety installations <i>Republic of Bulgaria (Ministry of Transport)</i>	30.0	*
LITHUANIA	10.0	
Modernisation of Vilnius airport <i>Republic of Lithuania</i>	10.0	*
LATVIA	5.0	
Global loan for financing ventures by SMEs in industry and the service sector, as well as environmental protection and energy saving schemes <i>Investment Bank of Latvia</i>	5.0	*
ASIA		
THAILAND	40.0	
Gas pipeline linking Erawan gasfield in Gulf of Thailand to mainland grid at Bang Pakong, near Bangkok <i>Petroleum Authority of Thailand</i>	40.0	*
PAKISTAN	36.0	
Extension of power transmission network; modernisation of electricity control and dispatch system in Greater Karachi area <i>State of Pakistan for Karachi Electricity Supply Corporation</i>	36.0	*
PHILIPPINES	23.0	
Addition of new dry-process production line at cementworks in Davao on the island of Mindanao <i>Davao Union Cement Corporation</i>	23.0	*
LATIN AMERICA		
CHILE	75.0	
Modernisation and expansion of telecommunications network <i>Telefónica Internacional Chile</i>	75.0	*
ARGENTINA	46.0	
Modernisation and extension of natural gas distribution network in northern part of Buenos Aires province <i>Gas Natural Ban S.A.</i>	46.0	*

Table C: **Financing provided within the European Union from 1990 to 1994**
(individual loans and allocations from ongoing global loans)
Breakdown by country and objective

(ECU million)

	Regional development	Community communications infrastructure	Environment and quality of life	Energy	Industrial objectives	
					International competitiveness	SMEs
Belgium	415.4	403.4	258.8	269.1	—	720.8
Denmark	2 026.9	2 313.7	353.8	815.2	20.3	258.7
Germany	5 287.7	1 787.7	2 817.8	805.9	393.2	1 097.8
Greece	1 834.2	819.8	451.2	280.5	—	167.6
Spain	12 275.3	6 165.8	3 621.4	1 716.2	1 054.5	652.7
France	6 411.3	2 857.9	1 494.9	156.0	993.6	1 821.5
Ireland	1 368.6	327.4	259.9	400.4	—	70.4
Italy	11 455.0	3 532.1	3 253.3	4 298.7	1 230.8	3 716.6
Luxembourg	23.7	59.5	—	—	—	—
Netherlands	156.5	226.9	488.2	587.4	13.1	292.1
Portugal	5 532.2	1 491.0	935.7	824.2	188.4	359.7
United Kingdom	5 206.2	2 468.2	3 905.6	2 904.0	497.3	206.5
Austria	—	146.5	—	—	—	—
Finland	—	60.2	—	—	—	—
Sweden	—	—	—	15.3	—	—
Other (*)	—	426.5	—	558.1	—	—
Total	51 992.9	23 086.4	17 840.6	13 630.9	4 391.1	9 364.2

As certain financing meets several objectives, the totals for the various headings cannot be meaningfully added together.

(*) See footnote 1 to Table B opposite.

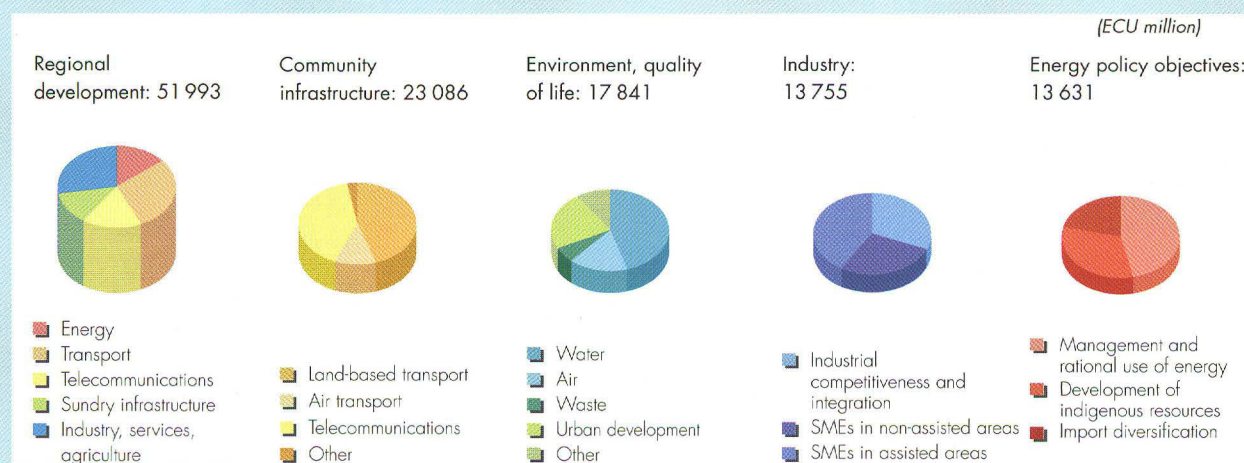


Table D: **Financing provided within the European Union from 1990 to 1994**
(individual loans and allocations from ongoing global loans)
Breakdown by country and sector

(ECU million)

	Total	Individual loans	Global loan allocations	Infrastructure				
				Transport	Telecommunications	Water management and other	Energy	Industry Services Agriculture
Belgium	1 613.9	893.1	720.9	403.5	—	170.0	269.1	771.4
Denmark	3 518.7	3 217.9	300.8	1 874.0	447.7	126.6	788.8	281.6
Germany	8 076.3	4 536.9	3 539.4	889.2	1 159.1	2 000.6	722.1	3 305.2
Greece	1 834.2	1 466.6	367.5	787.6	287.8	274.9	301.1	182.8
Spain	13 980.6	13 043.5	937.1	6 230.4	1 937.2	1 881.8	1 377.4	2 553.8
France	9 220.5	5 690.8	3 529.7	5 098.2	5.8	580.6	89.3	3 446.6
Ireland	1 368.6	1 297.6	71.0	320.7	186.3	308.2	401.0	152.4
Italy	17 482.1	13 040.0	4 442.1	635.2	3 432.9	1 590.0	4 994.5	6 829.5
Luxembourg	83.1	83.1	—	—	59.5	—	—	23.7
Netherlands	1 242.7	927.9	314.8	232.0	—	471.9	173.9	364.9
Portugal	5 532.2	5 065.2	467.0	2 013.2	779.6	170.9	905.0	1 663.4
United Kingdom	10 660.0	10 449.0	211.0	2 086.4	1 035.7	2 990.4	2 872.0	1 675.5
Austria	146.5	146.5	—	72.5	74.0	—	—	—
Finland	60.2	60.2	—	60.2	—	—	—	—
Sweden	15.3	15.3	—	—	—	—	15.3	—
Other (*)	984.6	984.6	—	—	426.5	—	558.1	—
Total	75 819.4	60 918.1	14 901.3	20 703.3	9 832.0	10 565.9	13 467.6	21 250.7

(*) See footnote 1 to Table B opposite.

Table E: **Financing provided within the European Union in 1994**
(individual loans and allocations from ongoing global loans)
Sectoral breakdown

(amounts in ECU million)

	Total		Loans		Allocations	
	Amount	%	EIB	Total	EIB	NCI
Energy and infrastructure	13 030.1	78.4	12 063.2	966.8	966.8	—
Energy	3 383.9	20.4	3 314.6	69.3	69.3	—
Production	1 676.9	10.1	1 656.5	20.4	20.4	—
Conventional thermal power stations	892.2	5.4	892.0	0.2	0.2	—
Hydroelectric power stations	94.0	0.6	76.0	18.0	18.0	—
Geothermal energy	0.9	0.0	—	0.9	0.9	—
Heat generating plant	125.0	0.8	123.8	1.2	1.2	—
Development of oil and natural gas deposits	564.7	3.4	564.7	0.1	0.1	—
Transmission, storage, reprocessing	776.7	4.7	765.1	11.6	11.6	—
Electricity	194.8	1.2	191.9	2.9	2.9	—
Oil and natural gas	581.9	3.5	573.2	8.6	8.6	—
Supply	930.4	5.6	893.1	37.3	37.3	—
Electricity	469.4	2.8	462.9	6.5	6.5	—
Natural gas	419.7	2.5	394.0	25.7	25.7	—
Heat	41.3	0.2	36.2	5.1	5.1	—
Transport	5 636.6	33.9	5 327.8	308.8	308.8	—
Exceptional structures	634.4	3.8	634.4	—	—	—
Railways	544.3	3.3	544.2	0.1	0.1	—
Roads, motorways	2 469.9	14.9	2 251.9	218.0	218.0	—
Intermodal freight terminals and other	70.7	0.4	70.7	—	—	—
Urban transport	1 443.2	8.7	1 364.3	78.9	78.9	—
Air transport	413.4	2.5	413.4	—	—	—
Shipping	60.5	0.4	48.7	11.9	11.9	—
Telecommunications	2 155.0	13.0	2 155.0	—	—	—
Networks and exchanges	2 056.1	12.4	2 056.1	—	—	—
Mobile telephony	72.0	0.4	72.0	—	—	—
Satellites, ground stations	27.0	0.2	27.0	—	—	—
Water, sewerage, solid waste	1 432.4	8.6	970.5	461.9	461.9	—
Drinking water supplies	174.9	1.1	40.7	134.2	134.2	—
Wastewater treatment	486.3	2.9	300.7	185.7	185.7	—
Supply and sewerage	431.8	2.6	342.3	89.6	89.6	—
Solid and liquid waste treatment	320.2	1.9	279.8	40.5	40.5	—
Multi-purpose schemes	18.9	0.1	7.0	11.9	11.9	—
Urban infrastructure	26.3	0.2	25.6	0.7	0.7	—
Urban renewal	7.3	0.0	7.3	—	—	—
Urban development schemes	19.0	0.1	18.3	0.7	0.7	—
Other infrastructure	396.0	2.4	269.9	126.1	126.1	—
Composite infrastructure	396.0	2.4	269.9	126.1	126.1	—
Industry, services, agriculture	3 594.3	21.6	1 797.7	1 796.6	1 777.4	19.2
Industry	2 911.6	17.5	1 575.5	1 336.1	1 324.7	11.4
Mining and quarrying	28.7	0.2	—	28.7	28.7	—
Metal production and semi-processing	59.1	0.4	50.3	8.7	8.7	—
Metalworking and mechanical engineering	281.5	1.7	—	281.5	279.8	1.6
Transport equipment	583.4	3.5	554.9	28.5	27.7	0.8
Electrical engineering, electronics	84.8	0.5	29.3	55.5	55.2	0.4
Chemicals	589.6	3.5	486.1	103.5	102.1	1.4
Rubber and plastics processing	80.7	0.5	10.4	70.4	69.5	0.8
Glass and ceramics	66.5	0.4	15.5	51.0	50.7	0.3
Construction materials	168.1	1.0	27.4	140.6	139.8	0.8
Woodworking	68.6	0.4	—	68.6	68.2	0.5
Foodstuffs	239.4	1.4	55.2	184.2	183.1	1.1
Textiles and leather	96.0	0.6	—	96.0	95.2	0.8
Paper and pulp, printing	451.2	2.7	346.4	104.9	103.0	1.9
Other manufacturing industries	29.3	0.2	—	29.3	28.8	0.5
Civil engineering, building	84.7	0.5	—	84.7	84.3	0.4
Services	680.4	4.1	222.2	458.1	450.4	7.8
Tourism, leisure, health	157.4	0.9	6.2	151.1	149.3	1.9
Research and development	0.3	0.0	—	0.3	0.3	—
Private and public-sector services	477.0	2.9	208.6	268.4	264.7	3.7
Waste recovery and recycling	11.8	0.1	—	11.8	11.6	0.2
Training and education centres	8.4	0.1	7.5	0.9	0.9	—
Wholesaling	25.6	0.2	—	25.6	23.6	2.0
Agriculture, fisheries, forestry	2.3	0.0	—	2.3	2.3	—
Grand total	16 624.4	100.0	13 860.9	2 763.4	2 744.2	19.2

Table F: **Financing provided within the European Union from 1990 to 1994**
(individual loans and allocations from ongoing global loans)
Sectoral breakdown

(amounts in ECU million)

	Total		Loans		Allocations	
	Amount	%	EIB+NCI	Total	EIB	NCI
Energy and infrastructure	54 568.6	72.0	50 103.9	4 464.7	4 464.7	—
Energy	13 467.5	17.8	13 004.8	462.7	462.7	—
Production	6 433.6	8.5	6 278.3	155.3	155.3	—
Conventional thermal power stations	2 201.8	2.9	2 172.0	29.7	29.7	—
Hydroelectric power stations	510.7	0.7	415.6	95.1	95.1	—
Geothermal and alternative energy sources	29.3	0.0	27.4	1.8	1.8	—
Heat generating plant	659.8	0.9	637.3	22.5	22.5	—
Development of oil and natural gas deposits	2 991.6	3.9	2 988.4	3.2	3.2	—
Solid fuel extraction	40.3	0.1	37.4	2.9	2.9	—
Transmission, storage, reprocessing	3 232.2	4.3	3 215.1	17.1	17.1	—
Electricity	1 155.4	1.5	1 149.7	5.8	5.8	—
Oil and natural gas	1 838.7	2.4	1 827.3	11.3	11.3	—
Nuclear fuel	238.0	0.3	238.0	—	—	—
Supply	3 801.8	5.0	3 511.5	290.3	290.3	—
Electricity	2 116.9	2.8	2 085.1	31.8	31.8	—
Natural gas	1 529.5	2.0	1 313.0	216.5	216.5	—
Heat	155.4	0.2	113.4	42.0	42.0	—
Transport	20 703.3	27.3	19 320.5	1 382.8	1 382.8	—
Exceptional structures	2 317.5	3.1	2 317.5	—	—	—
Railways	3 277.8	4.3	3 216.5	61.3	61.3	—
Roads, motorways	7 948.5	10.5	7 183.9	764.6	764.6	—
Intermodal freight terminals and other	221.8	0.3	216.9	4.9	4.9	—
Urban transport	3 525.8	4.7	3 052.6	473.2	473.2	—
Air transport	2 918.7	3.8	2 898.7	20.0	20.0	—
Shipping	493.2	0.7	434.3	58.8	58.8	—
Telecommunications	9 832.0	13.0	9 832.0	—	—	—
Specialised networks	207.2	0.3	207.2	—	—	—
Networks and exchanges	8 329.8	11.0	8 329.8	—	—	—
Mobile telephony	151.3	0.2	151.3	—	—	—
Satellites, ground stations	744.2	1.0	744.2	—	—	—
International cables	399.5	0.5	399.5	—	—	—
Water, sewerage, solid waste	8 198.0	10.8	6 099.0	2 098.9	2 098.9	—
Drinking water supplies	653.9	0.9	287.7	366.2	366.2	—
Wastewater treatment	2 529.9	3.3	1 406.2	1 123.6	1 123.6	—
Supply and sewerage	3 109.2	4.1	2 836.6	272.6	272.6	—
Solid and liquid waste treatment	1 186.6	1.6	957.0	229.6	229.6	—
Multi-purpose schemes	718.4	0.9	611.5	106.9	106.9	—
Urban infrastructure	357.5	0.5	291.2	66.2	66.2	—
Urban renewal	153.1	0.2	128.8	24.3	24.3	—
Exhibition, trade fair and conference centres	152.3	0.2	141.5	10.8	10.8	—
Public and administrative buildings	8.2	0.0	2.6	5.5	5.5	—
Urban development schemes	43.8	0.1	18.3	25.5	25.5	—
Other infrastructure	2 010.4	2.7	1 556.3	454.1	454.1	—
Composite infrastructure	1 937.7	2.6	1 485.9	451.8	451.8	—
Agricultural and forestry development	72.7	0.1	70.5	2.2	2.2	—
Industry, services, agriculture	21 250.7	28.0	10 814.2	10 436.5	10 237.5	199.1
Industry	18 107.6	23.9	9 987.2	8 120.4	7 965.9	154.5
Mining and quarrying	112.0	0.1	—	112.0	108.9	3.1
Metal production and semi-processing	273.6	0.4	87.3	186.3	186.2	0.1
Metalworking and mechanical engineering	1 700.5	2.2	100.1	1 600.5	1 574.8	25.7
Transport equipment	5 273.6	7.0	5 043.5	230.1	226.2	3.9
Electrical engineering, electronics	1 102.8	1.5	607.6	495.2	488.6	6.6
Chemicals	2 982.4	3.9	2 428.9	553.5	546.2	7.3
Rubber and plastics processing	604.8	0.8	163.1	441.7	433.0	8.7
Glass and ceramics	276.9	0.4	58.3	218.6	215.7	2.9
Construction materials	792.5	1.0	186.6	606.0	600.7	5.2
Woodworking	506.8	0.7	50.8	455.9	440.0	16.0
Foodstuffs	1 520.1	2.0	239.3	1 280.8	1 253.9	26.9
Textiles and leather	548.1	0.7	22.4	525.8	520.2	5.6
Paper and pulp, printing	1 818.3	2.4	999.3	819.0	796.1	23.0
Other manufacturing industries	166.0	0.2	—	166.0	152.1	14.0
Civil engineering, building	429.1	0.6	—	429.1	423.6	5.5
Services	3 060.1	4.0	827.0	2 233.2	2 189.5	43.7
Tourism, leisure, health	1 030.9	1.4	260.5	770.4	763.6	6.9
Research and development	132.4	0.2	123.1	9.3	9.3	—
Private and public-sector services	1 417.6	1.9	208.6	1 209.0	1 179.1	30.0
Waste recovery and recycling	79.3	0.1	—	79.3	75.9	3.5
Training and education centres	69.7	0.1	67.4	2.3	2.3	—
Advanced information services	168.5	0.2	167.4	1.0	—	1.0
Wholesaling	161.8	0.2	—	161.8	159.4	2.3
Agriculture, fisheries, forestry	82.9	0.1	—	82.9	82.1	0.8
Grand total	75 819.4	100.0	60 918.1	14 901.3	14 702.2	199.1

Table G: **Financing provided for the European Union's regions in 1994 and from 1989 to 1994**
(individual loans and allocations from ongoing global loans)

(ECU million)

Country	1994			1989-1994		
	Regional development	Community support areas	Objective 1 areas	Regional development	Community support areas	Objective 1 areas
Belgium	178.6	105.5	6.0	453.0	350.1	6.0
Denmark	506.9	457.9	—	2 385.2	1 578.1	—
Germany	1 801.6	1 741.6	1 546.6	5 593.4	4 957.1	3 849.5
Greece	632.1	632.1	632.1	2 095.6	2 095.6	2 095.6
Spain	2 659.2	2 659.2	1 491.3	13 419.2	13 169.0	7 916.3
France	1 571.7	1 422.7	11.9	7 430.2	6 068.5	199.3
Ireland	237.7	237.7	237.7	1 570.3	1 570.3	1 570.3
Italy	2 159.2	1 687.3	672.3	13 883.1	13 152.8	8 725.8
Luxembourg	—	—	—	23.7	23.7	—
Netherlands	17.7	17.7	9.7	237.4	175.4	9.7
Portugal	1 127.1	1 127.1	1 127.1	6 250.9	6 250.9	6 250.9
United Kingdom	1 143.3	534.7	13.1	5 821.4	4 692.1	169.6
Total	12 035.1	10 623.5	5 747.8	59 163.4	54 083.6	30 793.0

Table H: **Breakdown of financing by region in 1994 and from 1990 to 1994**
(individual loans and allocations from ongoing global loans)

This analytical table is based on NUTS 1 or 2 regional classification, depending upon the country concerned. Where possible, individual loans covering several regions have been subdivided.

EUROSTAT 1992 estimates of per capita GDP expressed in terms of purchasing power parities (EU 15 = 100).

1992 population figures ('000 inhabitants).

(amounts in ECU million)

	GDP per cap.	Population	1994			1990-1994		
			Total	Loans	Allocations	Total	Loans	Allocations
Belgium	109	10 045	504.2	388.1	116.1	1 613.9	893.1	720.9
Bruxelles-Brussel	174	960	74.9	73.1	1.8	204.4	166.6	37.7
Vlaams Gewest	110	5 804	342.8	245.9	96.9	861.0	303.4	557.6
Région Wallonne	88	3 280	86.5	69.0	17.4	194.7	69.1	125.6
Multiregional	—	—	—	—	—	353.9	353.9	—
Denmark	107	5 170	819.5	776.2	43.3	3 518.7	3 217.9	300.8
Hovedstadsregionen	—	—	59.8	49.0	10.8	642.3	590.7	51.6
Oest for Storebælt	—	—	356.5	355.4	1.1	1 074.6	1 058.3	16.2
Vest for Storebælt	—	—	216.0	184.6	31.4	1 078.7	845.6	233.0
Multiregional	—	—	187.2	187.2	—	723.2	723.2	—
Germany	107	80 595	2 301.3	1 608.0	693.2	8 076.3	4 536.9	3 539.4
Hamburg	196	1 677	1.1	—	1.1	130.7	107.5	23.2
Bremen	155	684	1.0	—	1.0	43.8	—	43.8
Hessen	149	5 878	71.4	56.8	14.5	329.4	262.0	67.4
Baden-Württemberg	131	10 074	32.6	—	32.6	376.6	120.3	256.4
Bayern	126	11 676	103.7	87.9	15.8	642.4	493.1	149.3
Nordrhein-Westfalen	113	17 590	293.3	127.1	166.1	1 575.0	419.0	1 156.0
Saarland	109	1 080	70.5	70.3	0.2	153.4	92.6	60.8
Niedersachsen	105	7 523	81.7	—	81.7	576.9	48.6	528.2
Schleswig-Holstein	104	2 662	54.5	25.0	29.5	126.8	25.0	101.8
Rheinland-Pfalz	102	3 852	13.9	—	13.9	76.6	—	76.6
Berlin	95	3 455	65.7	52.1	13.6	130.6	93.4	37.2
Brandenburg	44	2 544	191.6	131.3	60.3	402.5	216.7	185.8
Sachsen-Anhalt	43	2 809	417.1	300.6	116.5	877.0	586.7	290.3
Sachsen	42	4 664	582.4	511.1	71.3	1 498.9	1 218.6	280.3
Mecklenburg-Vorpommern	41	1 873	126.0	90.4	35.6	313.7	196.1	117.6
Thüringen	38	2 552	194.7	155.4	39.4	675.1	510.5	164.7
Multiregional	—	—	—	—	—	146.8	146.8	—

Table H: **Breakdown of financing by region in 1994 and from 1990 to 1994** (continued)

(individual loans and allocations from ongoing global loans)

(amounts in ECU million)

	GDP per cap.	Population	1994			1990-1994		
			Total	Loans	Allocations	Total	Loans	Allocations
Greece	61	10 280	632.1	478.2	153.9	1 834.2	1 466.6	367.5
Attiki	68	3 528	137.3	114.2	23.1	512.5	458.0	54.5
Kentriki Ellada	59	2 439	82.3	33.1	49.2	392.0	264.2	127.9
Voreia Ellada	58	3 313	83.2	28.9	54.3	233.9	131.6	102.2
Nisia	54	1 000	34.9	11.0	23.9	175.0	102.2	72.7
Multiregional	—	—	294.5	291.0	3.5	520.8	510.6	10.1
Spain	77	39 115	2 749.1	2 657.4	91.7	13 980.6	13 043.5	937.1
Baleares	103	686	50.4	50.4	0.04	260.3	250.1	10.2
Madrid	97	4 914	443.3	442.4	0.9	1 948.0	1 881.1	66.9
Cataluña	95	6 023	517.4	481.2	36.2	2 524.2	2 404.2	120.0
Navarra	94	522	0.1	0.1	0.1	215.2	204.6	10.7
País Vasco	90	2 131	209.0	208.3	0.7	849.0	813.6	35.4
La Rioja	87	261	4.9	4.8	0.1	43.9	39.8	4.1
Aragón	84	1 208	32.4	29.5	2.8	123.9	98.2	25.7
Comunidad Valenciana	78	3 801	501.1	474.4	26.7	1 525.4	1 407.4	118.0
Canarias	75	1 503	63.7	63.4	0.2	209.2	189.5	19.7
Cantabria	74	527	17.9	14.5	3.4	247.4	237.7	9.7
Asturias	71	1 120	2.7	0.2	2.6	307.4	290.4	17.0
Murcia	70	1 039	39.8	37.2	2.5	407.9	370.8	37.0
Castilla-León	66	2 620	118.6	112.8	5.7	587.7	477.7	110.0
Castilla-La Mancha	65	1 718	172.2	168.0	4.2	1 010.5	944.3	66.2
Andalucía	59	6 989	253.3	248.3	5.1	1 986.8	1 804.9	181.8
Galicia	59	2 795	249.5	249.1	0.4	754.8	685.5	69.3
Extremadura	51	1 132	72.7	72.7	—	449.7	414.3	35.4
Multiregional	—	—	—	—	—	529.2	529.2	—
France	112	57 042	2 198.4	1 428.2	770.2	9 220.5	5 690.8	3 529.7
Ile-de-France	169	10 799	263.6	203.3	60.3	869.2	586.2	283.0
Champagne-Ardenne	114	1 343	7.0	—	7.0	196.9	163.5	33.4
Alsace	113	1 633	86.1	65.2	20.9	310.5	151.4	159.1
Rhône-Alpes	111	5 429	285.7	171.9	113.8	1 262.9	814.5	448.4
Haute-Normandie	107	1 744	64.0	56.3	7.7	246.1	192.1	54.0
Franche-Comté	104	1 104	19.4	4.8	14.6	91.2	20.3	71.0
Centre	103	2 387	14.1	—	14.1	78.5	3.2	75.2
Provence-Côte d'Azur	101	4 332	87.2	—	87.2	490.8	219.9	270.9
Aquitaine	99	2 817	37.9	8.0	29.9	237.4	23.1	214.3
Bourgogne	99	1 610	8.1	—	8.1	133.5	89.1	44.4
Basse-Normandie	98	1 395	11.2	—	11.2	83.3	8.7	74.6
Midi-Pyrénées	97	2 448	71.3	—	71.3	392.5	216.6	175.9
Lorraine	97	2 283	113.9	62.9	51.0	319.6	99.4	220.2
Pays de la Loire	96	3 087	141.3	76.2	65.1	564.3	296.4	267.9
Picardie	95	1 831	93.2	83.3	9.9	319.6	268.7	50.9
Bretagne	93	2 807	91.7	—	91.7	367.6	1.0	366.6
Auvergne	90	1 310	5.5	—	5.5	69.1	—	69.1
Poitou-Charentes	89	1 605	36.8	22.6	14.2	114.4	45.2	69.1
Nord - Pas-de-Calais	89	3 956	604.6	539.2	65.4	2 122.4	1 833.8	288.6
Limousin	89	714	3.5	—	3.5	37.1	—	37.1
Languedoc-Roussillon	88	2 159	18.8	8.0	10.8	175.9	22.5	153.4
Corse	79	251	0.6	—	0.6	1.6	—	1.6
Overseas Departments	45	1 469	11.3	4.6	6.7	196.0	95.1	100.9
Multiregional	—	—	121.7	121.7	—	540.1	540.1	—
Ireland	76	3 548	237.7	190.3	47.4	1 368.6	1 297.6	71.0

Table H: **Breakdown of financing by region in 1994 and from 1990 to 1994** (continued)
(individual loans and allocations from ongoing global loans)

(amounts in ECU million)

	GDP per cap.	Population	1994			1990-1994		
			Total	Loans	Allocations	Total	Loans	Allocations
Italy	105	57 896	2 965.9	2 261.3	704.6	17 482.1	13 040.0	4 442.1
Lombardia	134	9 030	356.2	257.9	98.4	1 684.4	1 038.6	645.8
Valle d'Aosta	129	119	—	—	—	13.0	7.8	5.2
Emilia-Romagna	128	3 985	164.7	63.4	101.3	1 195.5	683.3	512.2
Trentino-Alto Adige	124	910	59.1	18.1	41.0	322.9	101.4	221.5
Friuli-Venezia Giulia	122	1 218	26.0	11.9	14.2	351.8	271.8	80.0
Liguria	121	1 701	212.9	168.4	44.5	482.5	349.2	133.3
Lazio	120	5 246	202.1	185.6	16.5	1 001.1	756.8	244.4
Piemonte	119	4 380	118.6	57.0	61.7	1 409.1	1 006.6	402.5
Veneto	117	4 468	164.0	97.3	66.8	909.5	560.8	348.7
Toscana	112	3 592	111.2	42.1	69.1	836.8	499.1	337.7
Marche	104	1 457	200.8	177.9	22.9	499.0	277.9	221.1
Umbria	103	828	46.4	15.4	30.9	285.6	105.1	180.5
Abruzzi	94	1 275	57.0	32.4	24.7	903.6	669.4	234.3
Molise	82	337	3.8	—	3.8	199.2	169.2	30.0
Sardegna	79	1 679	61.3	56.5	4.9	750.8	660.7	90.1
Puglia	77	4 115	223.9	201.2	22.6	1 132.7	957.8	174.9
Campania	73	5 732	147.3	92.5	54.8	1 278.7	963.0	315.7
Sicilia	73	5 073	63.0	41.6	21.5	1 057.5	885.0	172.6
Basilicata	67	622	64.0	61.9	2.1	925.1	860.5	64.6
Calabria	63	2 110	55.6	52.5	3.0	628.3	601.3	27.0
Multiregional	—	—	627.8	627.8	—	1 614.9	1 614.9	—
Luxembourg	156	393	—	—	—	83.1	83.1	—
Netherlands	102	15 182	332.4	283.3	49.1	1 242.7	927.9	314.8
West-Nederland	109	7 117	196.5	190.5	5.9	365.0	255.5	109.5
Noord-Nederland	103	1 605	—	—	—	26.0	—	26.0
Zuid-Nederland	98	3 352	81.5	51.0	30.5	513.3	420.1	93.2
Oost-Nederland	89	3 108	54.5	41.8	12.7	163.5	77.3	86.1
Multiregional	—	—	—	—	—	174.9	174.9	—
Portugal	67	9 858	1 127.0	1 084.2	42.9	5 532.2	5 065.2	467.0
Lisboa e Vale do Tejo	93	3 293	392.4	380.3	12.1	2 184.2	2 039.1	145.1
Norte	60	3 479	25.8	—	25.8	769.1	605.4	163.7
Algarve	58	342	26.9	25.5	1.4	131.7	119.0	12.7
Centro	48	1 715	2.6	—	2.6	510.9	400.2	110.6
Madeira	44	254	70.7	70.7	—	98.0	81.2	16.8
Alentejo	41	539	1.0	—	1.0	337.9	324.1	13.8
Açores	41	238	—	—	—	137.2	132.9	4.3
Multiregional	—	—	607.7	607.7	—	1 363.2	1 363.2	—
United Kingdom	98	57 848	2 346.5	2 295.5	51.0	10 660.0	10 449.0	211.0
South East	115	17 658	906.0	890.7	15.3	2 710.2	2 669.7	40.5
East Anglia	100	2 083	0.9	—	0.9	121.5	111.0	10.5
Scotland	96	5 098	90.8	89.9	0.9	1 434.6	1 424.5	10.1
South West	93	4 734	2.4	—	2.4	390.9	376.2	14.6
East Midlands	92	4 051	3.0	—	3.0	278.3	260.6	17.7
West Midlands	90	5 264	65.3	63.7	1.7	460.1	444.4	15.7
Yorkshire and Humberside	90	4 989	141.8	127.3	14.5	538.2	513.3	24.9
North West	88	6 383	358.7	351.4	7.4	1 062.3	1 021.2	41.1
North	88	3 091	71.1	68.3	2.9	890.1	875.3	14.9
Wales	83	2 891	97.3	95.6	1.7	806.5	785.9	20.6
Northern Ireland	79	1 606	0.4	—	0.4	155.5	155.1	0.4
Multiregional	—	—	608.6	608.6	—	1 811.8	1 811.8	—
Austria	115	7 914	74.0	74.0	—	146.5	146.5	—
Finland	93	5 042	60.2	60.2	—	60.2	60.2	—
Sweden	106	8 688	15.3	15.3	—	15.3	15.3	—
Other	—	—	260.8	260.8	—	984.6	984.6	—
Total	—	368 596	16 624.4	13 860.9	2 763.4	75 819.4	60 918.1	14 901.3

Table I: **Allocations from ongoing global loans in 1994**

Breakdown by region and objective

(as some allocations meet several objectives, the totals for the different headings cannot be meaningfully added together)

(amounts in ECU million)

	Total		Regional development				Non-assisted areas		Energy, environment	
	number	amount	Infrastructure number	Infrastructure amount	Industry number	Industry amount	SMEs number	SMEs amount	number	amount
Belgium	176	116.1	—	—	54	36.3	122	79.8	—	—
Vlaams Gewest	139	96.9	—	—	32	26.7	107	70.2	—	—
Région Wallonne	32	17.4	—	—	22	9.6	10	7.8	—	—
Bruxelles-Brussel	5	1.8	—	—	—	—	5	1.8	—	—
Denmark	286	43.3	—	—	61	11.8	225	31.5	—	—
Vest for Storebælt	200	31.4	—	—	55	11.5	145	19.9	—	—
Hovedstadsregionen	67	10.8	—	—	—	—	67	10.8	—	—
Oest for Storebælt	19	1.1	—	—	6	0.3	13	0.7	—	—
Germany	541	693.2	89	160.2	194	281.4	176	68.9	174	344.1
Nordrhein-Westfalen	136	166.1	7	18.1	14	8.3	66	21.9	56	136.0
Sachsen-Anhalt	42	116.5	17	47.0	25	69.5	—	—	17	47.0
Niedersachsen	74	81.7	22	37.3	17	8.7	22	5.5	36	71.4
Sachsen	59	71.3	5	1.5	54	69.9	—	—	5	1.5
Brandenburg	34	60.3	11	18.9	23	41.4	—	—	11	18.9
Thüringen	23	39.4	2	1.0	21	38.4	—	—	3	3.6
Mecklenburg-Vorpommern	26	35.6	10	15.0	16	20.6	—	—	10	15.0
Baden-Württemberg	46	32.6	—	—	2	1.7	37	17.4	7	13.6
Schleswig-Holstein	28	29.5	15	21.4	1	1.6	10	3.8	16	17.9
Bayern	29	15.8	—	—	7	1.8	18	5.0	5	9.4
Hessen	16	14.5	—	—	1	0.2	12	11.1	3	3.2
Rheinland-Pfalz	15	13.9	—	—	5	4.4	6	3.2	4	6.2
Berlin	5	13.6	—	—	5	13.6	—	—	—	—
Hamburg	4	1.1	—	—	1	0.4	3	0.8	1	0.4
Bremen	2	1.0	—	—	2	1.0	—	—	—	—
Saarland	2	0.2	—	—	—	—	2	0.2	—	—
Greece *	54	153.9	36	136.0	18	17.9	—	—	35	135.5
Voreia Ellada	15	57.8	12	56.5	3	1.3	—	—	11	55.9
Kentriki Ellada	16	49.2	9	43.0	7	6.1	—	—	9	43.0
Nisia	18	23.9	14	19.5	4	4.4	—	—	14	19.5
Attiki	5	23.1	1	16.9	4	6.1	—	—	1	16.9
* including ECU 3.2 million also under the heading of Community infrastructure										
Spain	392	91.7	4	0.8	187	51.4	201	39.5	1	0.5
Cataluña	170	36.2	—	—	—	—	170	36.2	—	—
Comunidad Valenciana	84	26.7	1	0.03	83	26.6	—	—	—	—
Castilla-Léon	20	5.7	1	0.5	19	5.3	—	—	1	0.5
Andalucía	19	5.1	—	—	19	5.1	—	—	—	—
Castilla-La Mancha	29	4.2	—	—	29	4.2	—	—	—	—
Cantabria	13	3.4	—	—	13	3.4	—	—	—	—
Aragón	18	2.8	—	—	5	0.8	13	2.0	—	—
Asturias	8	2.6	—	—	8	2.6	—	—	—	—
Murcia	3	2.5	—	—	3	2.5	—	—	—	—
Madrid	11	0.9	—	—	—	—	11	0.9	—	—
País Vasco	8	0.7	—	—	5	0.6	3	0.1	—	—
Galicia	3	0.4	2	0.3	1	0.1	—	—	—	—
Canarias	2	0.2	—	—	2	0.2	—	—	—	—
La Rioja	2	0.1	—	—	—	—	2	0.05	—	—
Navarra	1	0.1	—	—	—	—	1	0.1	—	—
Baleares	1	0.04	—	—	—	—	1	0.04	—	—

Table I: **Allocations from ongoing global loans in 1994** (continued)

Breakdown by region and objective

(as some allocations meet several objectives, the totals for the different headings cannot be meaningfully added together)

(amounts in ECU million)

	Total		Regional development				Non-assisted areas		Energy, environment	
	number	amount	Infrastructure		Industry		SMEs		number	amount
			number	amount	number	amount	number	amount		
France	4 507	770.2	531	403.4	2 502	213.5	1 435	135.3	220	82.5
Rhône-Alpes	565	113.8	80	60.8	228	24.5	255	26.4	12	3.7
Bretagne	403	91.7	155	69.2	248	22.4	—	—	41	10.1
Provence-Côte d'Azur	374	87.2	49	61.6	325	25.6	—	—	3	1.0
Midi-Pyrénées	201	71.3	51	58.1	147	13.0	3	0.2	9	1.2
Nord - Pas-de-Calais	276	65.4	24	37.9	252	27.5	—	—	—	—
Pays de la Loire	311	65.1	50	41.7	215	20.6	45	2.2	15	4.2
Ile-de-France	501	60.3	—	—	—	—	498	57.9	3	2.3
Lorraine	211	51.0	35	38.3	176	12.7	—	—	15	9.3
Aquitaine	269	29.9	33	14.5	229	14.8	6	0.3	34	14.7
Alsace	182	20.9	5	1.1	74	5.8	91	8.2	20	8.0
Franche-Comté	91	14.6	4	4.6	21	1.9	64	6.6	6	6.1
Poitou-Charentes	127	14.2	8	5.9	119	8.3	—	—	7	5.9
Centre	152	14.1	—	—	21	1.1	124	10.8	7	2.2
Basse-Normandie	107	11.2	8	2.0	52	4.2	45	4.1	10	2.9
Languedoc-Roussillon	122	10.8	13	3.1	109	7.7	—	—	13	4.1
Picardie	138	9.9	1	0.6	23	1.4	112	7.0	3	1.4
Bourgogne	121	8.1	—	—	45	2.9	75	5.1	1	0.1
Haute-Normandie	122	7.7	—	—	30	2.1	86	4.1	6	1.5
Champagne-Ardenne	116	7.0	2	0.3	87	5.0	27	1.7	2	0.3
Overseas Departments	25	6.7	—	—	25	6.7	—	—	—	—
Auvergne	55	5.5	10	1.8	41	3.1	4	0.6	10	1.8
Limousin	34	3.5	2	1.5	32	2.0	—	—	2	1.5
Corse	4	0.6	1	0.4	3	0.2	—	—	1	0.4
Ireland	248	47.4	1	0.6	247	46.8	—	—	—	—
Italy *	1 201	704.6	5	3.0	971	484.8	185	128.2	45	99.9
Emilia-Romagna	104	101.3	—	—	76	70.6	19	12.6	7	10.4
Lombardia	93	98.4	—	—	20	8.6	61	53.5	12	36.3
Toscana	145	69.1	1	0.2	127	55.3	14	8.7	4	5.9
Veneto	95	66.8	—	—	37	37.4	57	28.7	1	0.6
Piemonte	67	61.7	—	—	45	37.3	16	10.6	6	13.7
Campania	148	54.8	1	0.05	147	54.8	—	—	—	—
Liguria	89	44.5	1	0.8	82	31.0	3	5.7	4	7.8
Trentino-Alto Adige	41	41.0	—	—	37	36.5	—	—	4	4.5
Umbria	55	30.9	—	—	55	30.9	—	—	—	—
Abruzzi	65	24.7	—	—	65	24.7	—	—	—	—
Marche	30	22.9	—	—	30	22.9	—	—	—	—
Puglia	93	22.6	—	—	93	22.6	—	—	—	—
Sicilia	51	21.5	—	—	51	21.5	—	—	4	15.6
Lazio	34	16.5	1	0.2	33	16.3	—	—	—	—
Friuli-Venezia Giulia	19	14.2	—	—	2	2.4	15	8.4	2	3.4
Sardegna	33	4.9	—	—	33	4.9	—	—	—	—
Molise	6	3.8	1	1.8	5	2.1	—	—	1	1.8
Calabria	20	3.0	—	—	20	3.0	—	—	—	—
Basilicata	13	2.1	—	—	13	2.1	—	—	—	—
Netherlands	17	49.1	—	—	6	17.7	8	15.8	3	15.7
Zuid-Nederland	8	30.5	—	—	3	8.0	3	9.8	2	12.7
Oost-Nederland	4	12.7	—	—	3	9.7	—	—	1	3.0
West-Nederland	5	5.9	—	—	—	—	5	5.9	—	—

* including ECU 7.8 million also under the heading of Community infrastructure and ECU 1.2 million also under the heading of advanced technology

Table I: **Allocations from ongoing global loans in 1994** (continued)Breakdown by region and objective
(as some allocations meet several objectives, the totals for the different headings cannot be meaningfully added together)

(amounts in ECU million)

	Total		Regional development				Non-assisted areas		Energy, environment	
	number	amount	Infrastructure		Industry		SMEs		number	amount
			number	amount	number	amount	number	amount		
Portugal	146	42.9	84	27.4	62	15.5	—	—	45	15.7
Norte	63	25.8	30	14.5	33	11.3	—	—	18	8.9
Lisboa e Vale do Tejo	45	12.1	28	8.4	17	3.7	—	—	14	4.7
Centro	25	2.6	14	2.2	11	0.4	—	—	8	1.1
Algarve	6	1.4	5	1.4	1	0.04	—	—	3	0.7
Alentejo	7	1.0	7	1.0	—	—	—	—	2	0.3
United Kingdom *	144	51.0	2	1.0	41	18.9	101	31.1	—	—
South East	37	15.3	—	—	—	—	37	15.3	—	—
Yorkshire and Humberside	24	14.5	—	—	12	12.6	12	1.9	—	—
North West	19	7.4	1	0.4	8	1.7	10	5.3	—	—
East Midlands	15	3.0	—	—	—	—	15	3.0	—	—
North	7	2.8	1	0.6	5	2.2	1	0.1	—	—
South West	13	2.4	—	—	1	0.1	12	2.4	—	—
West Midlands	7	1.7	—	—	5	0.6	2	1.1	—	—
Wales	11	1.7	—	—	5	0.7	6	1.0	—	—
East Anglia	5	0.9	—	—	—	—	5	0.9	—	—
Scotland	3	0.9	—	—	2	0.7	1	0.2	—	—
Northern Ireland	3	0.4	—	—	3	0.4	—	—	—	—
* including ECU 19.2 million from NCI resources										
Grand total	7 712	2 763.4	752	732.4	4 343	1 195.9	2 453	530.0	523	693.8

Table J: **Allocations from ongoing global loans from 1990 to 1994**Breakdown by region and objective
(as some allocations meet several objectives, the totals for the different headings cannot be meaningfully added together)

(amounts in ECU million)

	Total		Regional development				Non-assisted areas		Energy, environment	
	number	amount	Infrastructure		Industry		SMEs		number	amount
			number	amount	number	amount	number	amount		
Belgium	1 004	720.9	1	0.1	343	234.8	660	486.0	—	—
Vlaams Gewest	652	557.6	—	—	164	147.3	488	410.2	—	—
Région Wallonne	302	125.6	1	0.1	179	87.5	122	38.0	—	—
Bruxelles-Brussel	50	37.7	—	—	—	—	50	37.7	—	—
Denmark *	1 084	300.8	2	6.3	317	106.6	749	152.4	18	37.3
Vest for Storebælt	769	233.0	—	—	283	102.8	478	109.2	8	16.6
Hovedstadsregionen	246	51.6	2	6.3	—	—	240	40.9	6	10.7
Oest for Storebælt	69	16.2	—	—	34	3.9	31	2.3	4	10.0
* including ECU 4.8 million also under the heading of Community infrastructure										
Germany *	2 891	3 539.4	481	1 049.5	1 033	1 103.9	388	261.2	1 127	2 231.6
Nordrhein-Westfalen	713	1 156.0	130	284.3	84	89.8	160	100.7	466	927.2
Sachsen-Anhalt	153	290.3	32	84.1	121	206.2	—	—	40	141.9
Niedersachsen	322	528.2	159	313.2	93	106.7	30	11.1	201	406.5
Sachsen	288	280.3	11	22.6	277	257.6	—	—	25	53.4
Brandenburg	143	185.8	24	61.0	119	124.8	—	—	30	79.8
Thüringen	128	164.7	13	54.7	115	110.0	—	—	23	78.1
Mecklenburg-Vorpommern	123	117.6	31	58.5	92	59.1	—	—	34	60.3
Baden-Württemberg	599	256.4	—	—	11	3.9	95	76.8	83	124.1
Schleswig-Holstein	72	101.8	46	80.6	10	7.1	10	3.8	54	80.6
Bayern	125	149.3	—	—	25	25.4	39	19.0	67	114.7
Hessen	63	67.4	—	—	11	16.5	35	35.8	23	29.1
Rheinland-Pfalz	65	76.6	5	7.7	16	22.9	14	13.0	35	38.3
Berlin	29	37.2	1	2.1	28	35.1	—	—	5	13.3
Hamburg	19	23.2	1	0.6	12	14.3	3	0.8	12	17.7
Bremen	22	43.8	8	28.4	14	15.5	—	—	9	18.5
Saarland	27	60.8	20	51.5	5	9.1	2	0.2	20	48.1
* including ECU 58.4 million also under the heading of advanced technology										

Table J: **Allocations from ongoing global loans from 1990 to 1994** (continued)

Breakdown by region and objective
(as some allocations meet several objectives, the totals for the different headings cannot be meaningfully added together)

(amounts in ECU million)

	Total		Regional development				Non-assisted areas		Energy, environment	
	number	amount	Infrastructure number	Infrastructure amount	Industry number	Industry amount	SMEs number	SMEs amount	number	amount
Greece *	303	367.5	141	199.3	162	168.2	—	—	66	177.9
Voreia Ellada	85	102.2	35	64.6	50	37.6	—	—	18	60.4
Kentriki Ellada	86	127.9	35	65.6	51	62.3	—	—	15	59.8
Nisia	93	72.7	67	47.2	26	25.5	—	—	29	35.8
Attiki	36	54.5	2	18.4	34	36.2	—	—	2	18.4
Multiregional	3	10.1	2	3.5	1	6.6	—	—	2	3.5
* including ECU 3.2 million also under the heading of Community infrastructure										
Spain	2 429	937.1	173	281.6	1 454	410.8	797	242.0	5	2.8
Andalucía	350	181.8	44	58.0	291	111.3	15	12.6	—	—
Cataluña	424	120.0	1	2.3	16	6.7	407	111.0	—	—
Comunidad Valenciana	359	118.0	12	21.1	327	93.0	20	4.0	—	—
Castilla-León	265	110.0	40	55.0	211	48.5	13	6.1	1	0.5
Galicia	90	69.3	23	55.8	65	13.3	2	0.2	—	—
Madrid	212	66.9	1	1.9	11	0.6	197	62.3	3	2.1
Castilla-La Mancha	201	66.2	23	31.9	165	29.0	13	5.3	—	—
Murcia	70	37.0	4	11.0	60	21.3	5	4.5	1	0.2
Extremadura	82	35.4	8	21.8	72	13.2	2	0.3	—	—
País Vasco	96	35.4	1	0.8	79	29.3	16	5.3	—	—
Aragón	75	25.7	3	3.0	23	6.7	49	16.0	—	—
Canarias	58	19.7	7	8.2	50	11.3	1	0.1	—	—
Asturias	51	17.0	3	7.7	47	9.1	1	0.2	—	—
Navarra	36	10.7	1	1.9	1	0.1	34	8.7	—	—
Baleares	10	10.2	—	—	3	8.7	7	1.5	—	—
Cantabria	33	9.7	1	1.0	32	8.7	—	—	—	—
La Rioja	17	4.1	1	0.2	1	0.1	15	3.8	—	—
France *	21 772	3 529.7	2 191	1 632.7	11 432	1 117.7	8 018	723.6	879	339.6
Rhône-Alpes	2 964	448.4	356	211.6	1 027	90.1	1 550	125.8	80	40.1
Bretagne	1 698	366.6	468	196.8	1 223	165.9	7	3.9	93	31.8
Provence-Côte d'Azur	1 577	270.9	143	143.3	1 433	125.6	1	2.0	15	6.8
Midi-Pyrénées	745	175.9	108	122.3	633	52.8	4	0.9	26	11.0
Nord - Pas-de-Calais	1 264	288.6	132	164.0	1 130	122.7	2	2.0	11	4.4
Pays de la Loire	1 231	267.9	154	157.1	887	92.3	189	17.9	61	37.9
Ile-de-France	3 027	283.0	—	—	—	—	3 013	275.8	13	6.8
Lorraine	1 230	220.2	194	114.3	994	98.8	42	7.1	132	44.4
Aquitaine	986	214.3	114	148.2	863	64.9	8	1.0	62	30.9
Alsace	1 272	159.1	77	11.3	527	63.2	645	77.1	152	27.4
Franche-Comté	561	71.0	20	14.1	169	15.8	369	38.9	30	17.1
Poitou-Charentes	430	69.1	42	39.1	386	29.1	2	0.9	15	17.8
Centre	756	75.2	5	1.2	78	6.8	655	62.4	22	5.8
Basse-Normandie	509	74.6	50	39.8	246	16.8	195	12.0	20	7.3
Languedoc-Roussillon	518	153.4	82	118.7	436	34.7	13	2.3	44	12.2
Picardie	598	50.9	15	8.4	137	12.4	442	29.0	9	3.9
Bourgogne	491	44.4	12	6.6	188	13.7	283	22.2	18	7.9
Haute-Normandie	574	54.0	10	3.1	133	19.7	412	26.7	23	5.4
Champagne-Ardenne	501	33.4	6	1.3	361	19.8	133	12.1	5	1.1
Overseas Departments	282	100.9	107	61.1	173	39.6	2	0.3	5	5.0
Auvergne	344	69.1	63	44.1	227	20.7	51	3.4	39	10.5
Limousin	185	37.1	32	25.9	153	11.2	—	—	3	3.7
Corse	29	1.6	1	0.4	28	1.2	—	—	1	0.4
* including ECU 10.6 million also under the heading of Community infrastructure										
Ireland	263	71.0	1	0.6	262	70.4	—	—	—	—

Table J: **Allocations from ongoing global loans from 1990 to 1994** (continued)

Breakdown by region and objective

(as some allocations meet several objectives, the totals for the different headings cannot be meaningfully added together)

(amounts in ECU million)

	Total		Regional development				Non-assisted areas		Energy, environment	
	number	amount	Infrastructure number	Infrastructure amount	Industry number	Industry amount	SMEs number	SMEs amount	number	amount
Italy *	8 204	4 442.1	30	39.9	6 042	2 438.4	1 805	1 342.0	313	535.5
Emilia-Romagna	542	512.2	—	—	144	108.2	327	266.8	60	91.3
Lombardia	657	645.8	—	—	27	11.6	511	422.4	94	148.6
Valle d'Aosta	1	5.2	—	—	—	—	—	—	1	5.2
Toscana	560	337.7	1	0.2	387	191.9	158	109.6	18	44.4
Veneto	488	348.7	1	4.9	102	60.0	365	235.3	19	35.8
Piemonte	393	402.5	—	—	49	40.1	280	241.7	52	80.5
Campania	902	315.7	2	1.99	900	313.7	—	—	1	1.9
Liguria	285	133.3	3	3.4	214	83.3	64	33.7	6	16.2
Trentino-Alto Adige	359	221.5	6	5.0	345	204.2	—	—	14	17.4
Umbria	306	180.5	—	—	304	177.1	1	2.7	4	11.4
Abruzzi	453	234.3	1	0.8	452	233.5	—	—	1	0.8
Marche	462	221.2	1	0.1	457	217.8	2	0.3	2	3.0
Puglia	857	174.9	6	13.1	851	161.8	—	—	5	13.1
Sicilia	629	172.6	2	0.2	627	172.4	—	—	7	22.4
Lazio	269	244.3	4	4.5	232	215.3	25	7.6	11	21.1
Friuli-Venezia Giulia	155	80.0	1	3.8	67	37.9	72	21.9	16	20.2
Sardegna	479	90.1	—	—	479	90.1	—	—	—	—
Molise	62	30.0	1	1.8	61	28.2	—	—	1	1.8
Calabria	158	27.0	—	—	158	27.0	—	—	—	—
Basilicata	187	64.6	1	0.3	186	64.4	—	—	1	0.3
* including ECU 14.1 million also under the heading of Community infrastructure ECU 170.2 million also under the heading of advanced technology and ECU 8.5 million from NCI resources										
Netherlands	504	314.8	—	—	143	94.8	355	197.2	6	22.7
Zuid-Nederland	116	93.2	—	—	14	17.3	99	60.2	3	15.7
Oost-Nederland	120	86.1	—	—	45	36.5	73	44.3	2	5.3
Noord-Nederland	57	26.0	—	—	46	20.2	11	5.8	—	—
West-Nederland	211	109.5	—	—	38	20.8	172	86.9	1	1.8
Portugal	1 330	467.0	229	98.1	1 101	368.9	—	—	56	42.8
Norte	490	163.7	97	43.5	393	120.2	—	—	22	18.6
Lisboa e Vale do Tejo	340	145.1	41	27.4	299	117.7	—	—	17	17.2
Centro	360	110.6	44	18.0	316	92.6	—	—	12	6.0
Madeira	8	16.8	—	—	8	16.8	—	—	—	—
Açores	18	4.3	11	2.7	7	1.6	—	—	—	—
Algarve	37	12.7	11	4.1	26	8.6	—	—	3	0.7
Alentejo	77	13.8	25	2.3	52	11.4	—	—	2	0.3
United Kingdom *	409	211.0	2	1.0	151	94.1	254	112.4	2	3.5
South East	90	40.5	—	—	—	—	90	40.5	—	—
Yorkshire and Humberside	46	24.9	—	—	27	20.4	19	4.5	—	—
North West	58	41.1	1	0.4	42	23.9	15	16.8	—	—
East Midlands	53	17.7	—	—	9	6.4	44	11.3	—	—
North	19	14.9	1	0.6	15	12.1	3	2.2	—	—
South West	26	14.6	—	—	3	0.5	23	14.2	—	—
West Midlands	35	15.7	—	—	22	7.9	13	7.8	—	—
Wales	34	20.6	—	—	23	13.9	11	6.6	—	—
East Anglia	32	10.5	—	—	—	—	30	7.0	2	3.5
Scotland	13	10.1	—	—	7	8.6	6	1.5	—	—
Northern Ireland	3	0.4	—	—	3	0.4	—	—	—	—
* including ECU 79.1 million from NCI resources										
Grand total	40 193	14 901.3	3 251	3 309.0	22 440	6 208.7	13 026	3 516.7	2 472	3 393.7

Table K: Financing provided from 1976 to 1994 in the ACP States under the Lomé Conventions and in the OCT

Geographical breakdown

(ECU million)

	Total			EIB own resources			Budgetary resources		
	Total	Lomé I + II + III	Lomé IV	Total	Lomé I + II + III	Lomé IV	Total	Lomé I + II + III	Lomé IV
ACP Group	76.7	—	76.7	70.0	—	70.0	6.7	—	6.7
AFRICA	3 243.9	2 314.9	929.0	1 936.0	1 418.6	517.4	1 307.9	896.3	411.6
<i>West Africa</i>	1 410.5	1 010.2	400.3	959.7	684.7	275.0	450.8	325.5	125.3
Nigeria	439.6	307.1	132.5	433.0	303.0	130.0	6.6	4.1	2.5
Côte d'Ivoire	207.2	196.7	10.5	196.2	190.7	5.5	11.1	6.1	5.0
Ghana	138.9	78.3	60.7	97.0	37.0	60.0	41.9	41.3	0.7
Guinea	97.2	38.2	59.0	28.4	11.9	16.5	68.8	26.3	42.5
Senegal	87.3	73.7	13.6	46.0	33.0	13.0	41.3	40.7	0.6
Mali	81.2	30.3	51.0	35.0	—	35.0	46.2	30.3	16.0
Mauritania	78.6	53.6	25.0	40.0	25.0	15.0	38.6	28.6	10.0
Regional	54.0	49.8	4.2	15.0	15.0	—	39.0	34.8	4.2
Burkina Faso	41.5	36.3	5.2	8.0	8.0	—	33.5	28.3	5.2
Togo	37.8	37.8	—	20.7	20.7	—	17.1	17.1	—
Benin	33.9	31.9	2.0	13.5	13.5	—	20.4	18.4	2.0
Niger	31.2	31.2	—	16.0	16.0	—	15.2	15.2	—
Cape Verde	20.8	8.4	12.4	—	—	—	20.8	8.4	12.4
Guinea-Bissau	19.3	7.3	12.0	—	—	—	19.3	7.3	12.0
Sierra Leone	15.5	7.5	8.0	—	—	—	15.5	7.5	8.0
Liberia	14.0	14.0	—	10.9	10.9	—	3.1	3.1	—
Gambia	12.4	8.1	4.3	—	—	—	12.4	8.1	4.3
<i>Central and Equatorial Africa</i>	412.2	403.7	8.5	247.5	246.0	1.5	164.7	157.7	7.0
Cameroon	135.8	134.3	1.5	129.8	128.3	1.5	6.0	6.0	—
Zaire	95.2	88.2	7.0	50.0	50.0	—	45.2	38.2	7.0
Congo	57.9	57.9	—	28.1	28.1	—	29.8	29.8	—
Gabon	34.5	34.5	—	32.0	32.0	—	2.5	2.5	—
Burundi	20.6	20.6	—	—	—	—	20.6	20.6	—
Chad	17.7	17.7	—	—	—	—	17.7	17.7	—
Rwanda	17.7	17.7	—	—	—	—	17.7	17.7	—
Central African Republic	15.1	15.1	—	—	—	—	15.1	15.1	—
Regional	9.3	9.3	—	7.6	7.6	—	1.7	1.7	—
Equatorial Guinea	6.0	6.0	—	—	—	—	6.0	6.0	—
São Tomé and Príncipe	2.4	2.4	—	—	—	—	2.4	2.4	—
<i>East Africa</i>	522.8	376.6	146.3	214.4	179.4	35.0	308.5	197.2	111.3
Kenya	243.7	177.9	65.8	201.9	166.9	35.0	41.8	11.0	30.8
Tanzania	87.5	45.3	42.2	5.0	5.0	—	82.5	40.3	42.2
Ethiopia	64.0	44.0	20.0	—	—	—	64.0	44.0	20.0
Sudan	38.7	38.7	—	—	—	—	38.7	38.7	—
Uganda	31.4	26.0	5.4	—	—	—	31.4	26.0	5.4
Somalia	25.2	25.2	—	—	—	—	25.2	25.2	—
Seychelles	9.6	7.6	2.0	1.5	1.5	—	8.1	6.1	2.0
Djibouti	8.3	5.5	2.8	—	—	—	8.3	5.5	2.8
Eritrea	8.0	—	8.0	—	—	—	8.0	—	8.0
Regional	6.5	6.5	—	6.0	6.0	—	0.5	0.5	—
<i>Southern Africa</i>	847.3	487.4	359.9	500.4	308.5	191.9	346.9	178.9	168.0
Zimbabwe	235.9	111.2	124.7	212.0	105.0	107.0	23.9	6.2	17.7
Zambia	105.4	71.9	33.5	42.0	42.0	—	63.4	29.9	33.5
Botswana	95.1	67.8	27.3	82.3	59.5	22.8	12.8	8.3	4.5
Malawi	93.2	63.4	29.8	32.5	32.5	—	60.7	30.9	29.8
Mauritius	82.6	51.5	31.1	70.5	44.5	26.0	12.1	7.0	5.1
Mozambique	67.4	15.0	52.4	20.0	—	20.0	47.4	15.0	32.4
Madagascar	63.1	54.6	8.5	—	—	—	63.1	54.6	8.5
Swaziland	41.2	33.2	8.0	25.0	25.0	—	16.2	8.2	8.0
Lesotho	35.6	12.6	23.0	5.0	—	5.0	30.6	12.6	18.0
Namibia	16.6	—	16.6	11.1	—	11.1	5.5	—	5.5
Angola	7.1	4.0	3.1	—	—	—	7.1	4.0	3.1
Comoros	4.2	2.2	2.0	—	—	—	4.2	2.2	2.0
<i>Multiregional project</i>	51.0	37.0	14.0	14.0	—	14.0	37.0	37.0	—
CARIBBEAN	345.8	208.2	137.6	235.2	150.7	84.5	110.6	57.6	53.1
Trinidad and Tobago	107.5	57.0	50.6	100.5	54.0	46.5	7.0	3.0	4.1
Jamaica	76.6	45.6	31.0	64.3	38.3	26.0	12.4	7.4	5.0
Barbados	35.4	25.4	10.0	34.3	24.3	10.0	1.1	1.1	—
Dominican Republic	18.0	—	18.0	—	—	—	18.0	—	18.0
Bahamas	17.6	17.6	—	17.6	17.6	—	—	—	—
Guyana	16.2	11.2	5.0	—	—	—	16.2	11.2	5.0
Saint Vincent and the Grenadines	14.0	9.0	5.0	3.0	3.0	—	11.0	6.0	5.0
Saint Lucia	13.1	9.6	3.5	8.0	6.0	2.0	5.1	3.6	1.5
Regional	12.0	5.0	7.0	3.0	3.0	—	9.0	2.0	7.0
Belize	10.1	6.6	3.5	4.5	4.5	—	5.6	2.1	3.5
Dominica	7.3	4.8	2.5	—	—	—	7.3	4.8	2.5
Suriname	7.3	7.3	—	—	—	—	7.3	7.3	—
Grenada	6.7	5.2	1.5	—	—	—	6.7	5.2	1.5
Saint Christopher and Nevis	2.5	2.5	—	—	—	—	2.5	2.5	—
Antigua	1.5	1.5	—	—	—	—	1.5	1.5	—

Table K: **Financing provided from 1976 to 1994 in the ACP States under the Lomé Conventions and in the OCT** (continued)

Geographical breakdown

(ECU million)

	Total			EIB own resources			Budgetary resources		
	Total	Lomé I + II + III	Lomé IV	Total	Lomé I + II + III	Lomé IV	Total	Lomé I + II + III	Lomé IV
PACIFIC	238.6	210.1	28.5	186.4	164.4	22.0	52.2	45.7	6.5
Papua New Guinea	125.1	107.1	18.0	103.9	87.9	16.0	21.2	19.2	2.0
Fiji	88.3	83.3	5.0	79.5	74.5	5.0	8.8	8.8	—
Western Samoa	9.0	7.5	1.5	—	—	—	9.0	7.5	1.5
Tonga	8.1	6.1	2.0	3.0	2.0	1.0	5.1	4.1	1.0
Vanuatu	3.0	3.0	—	—	—	—	3.0	3.0	—
Solomon Islands	4.2	2.2	2.0	—	—	—	4.2	2.2	2.0
Kiribati	0.2	0.2	—	—	—	—	0.2	0.2	—
Tuvalu	0.6	0.6	—	—	—	—	0.6	0.6	—
Total: ACP States	3 905.0	2 733.2	1 171.7	2 427.5	1 733.6	693.9	1 477.4	999.6	477.8
OCT	107.1	70.1	37.0	70.4	46.4	24.0	36.7	23.7	13.0
French Polynesia	26.4	16.4	10.0	16.0	11.0	5.0	10.4	5.4	5.0
Netherlands Antilles	22.6	15.6	7.0	19.8	12.8	7.0	2.8	2.8	—
New Caledonia	21.0	11.0	10.0	11.0	7.0	4.0	10.0	4.0	6.0
Cayman Islands	8.0	6.0	2.0	8.0	6.0	2.0	—	—	—
Aruba	7.5	5.0	2.5	3.3	1.3	2.0	4.2	3.7	0.5
British Virgin Islands	10.4	8.4	2.0	8.9	7.4	1.5	1.5	1.0	0.5
Anguilla	1.5	1.5	—	—	—	—	1.5	1.5	—
Montserrat	3.3	3.3	—	0.9	0.9	—	2.4	2.4	—
Regional West Indies	1.0	1.0	—	—	—	—	1.0	1.0	—
Falkland Islands	2.7	0.2	2.5	2.5	—	2.5	0.2	0.2	—
Turks and Caicos Islands	0.6	0.6	—	—	—	—	0.6	0.6	—
Mayotte	2.2	1.2	1.0	—	—	—	2.2	1.2	1.0
Grand total	4 012.1	2 803.3	1 208.7	2 497.9	1 780.0	717.9	1 514.1	1 023.3	490.8

Table L: **ACP States and OCT from 1976 to 1994**
(financing operations and allocations from ongoing global loans)

Sectoral breakdown

(amounts in ECU million)

	Financing operations		Lomé IV Allocations		Financing operations		Lomé I+II+III Allocations	
	amount	%	number	amount	amount	%	number	amount
Energy	416.9	34.5	1	1.5	669.2	23.9	10	5.8
Production	225.9	18.7	1	1.5	420.4	15.0	6	2.5
Conventional thermal power stations	85.4	7.1	—	—	158.4	5.7	3	1.8
Hydroelectric and geothermal power stations	81.5	6.7	1	1.5	229.5	8.2	3	0.7
Oil and natural gas deposits	59.0	4.9	—	—	32.5	1.2	—	—
Transmission and supply	191.0	15.8	—	—	218.8	7.8	4	3.3
Electricity	165.0	13.7	—	—	205.8	7.3	3	3.0
Oil	26.0	2.2	—	—	13.0	0.5	1	0.2
Sectoral restructuring	—	—	—	—	30.0	1.1	—	—
Infrastructure	189.6	15.7	—	—	461.6	16.5	5	2.0
Transport	44.0	3.6	—	—	116.6	4.2	4	1.0
Railways	—	—	—	—	10.0	0.4	—	—
Shipping	21.0	1.7	—	—	68.1	2.4	3	0.8
Air transport	23.0	1.9	—	—	38.5	1.4	1	0.2
Telecommunications	60.3	5.0	—	—	158.5	5.7	1	1.0
Water catchment, treatment, supply	83.8	6.9	—	—	185.5	6.6	—	—
Agricultural and forestry development	1.5	0.1	—	—	1.0	0.0	—	—
Industry, agriculture, services	602.2	49.8	259	84.4	1 672.6	59.7	1 148	456.1
Industry	223.4	18.5	149	45.4	1 014.6	36.2	806	367.4
Mining and quarrying	77.0	6.4	5	3.5	248.7	8.9	22	11.1
Metal production and semi-processing	15.0	1.2	—	—	47.5	1.7	9	4.0
Chemicals	49.5	4.1	3	1.2	68.5	2.4	60	32.3
Foodstuffs	48.2	4.0	41	15.2	351.8	12.5	190	87.6
Textiles and leather	23.0	1.9	16	3.4	112.8	4.0	119	75.8
Other manufacturing industries	10.7	0.9	84	22.1	160.4	5.7	406	156.6
Support for industry	—	—	—	—	25.0	—	—	—
Agriculture, forestry, fisheries	6.0	0.5	51	14.8	3.5	0.1	32	11.5
Services	8.9	0.7	59	24.2	67.1	2.4	298	72.8
Global loans	356.7	29.5	—	—	551.8	19.7	—	—
Development banks	7.3	0.6	—	—	35.6	1.3	12	4.4
Total	1 208.7	100.0	260	85.9	2 803.3	100.0	1 163	463.8

Table M: **Financing provided in the Mediterranean Countries from 1990 to 1994**

Geographical breakdown

(amounts in ECU million)

	Total		EIB own resources	Budgetary resources
	amount	%	amount	amount
Algeria	525.0	23.9	521.0	4.0
Morocco	403.0	18.4	381.0	22.0
Tunisia	292.0	13.3	282.0	10.0
Egypt	313.9	14.3	301.4	12.5
Jordan	123.5	5.6	120.5	3.0
Lebanon	186.0	8.5	186.0	—
Syria	20.4	0.9	20.4	—
Israel	74.0	3.4	74.0	—
Malta	25.5	1.2	23.0	2.5
Cyprus	49.0	2.2	44.0	5.0
Former Yugoslavia	182.0	8.3	182.0	—
Total	2 194.3	100.0	2 135.3	59.0

Table N: **Mediterranean Countries from 1990 to 1994**
(financing operations and allocations from ongoing global loans)

Sectoral breakdown

(amounts in ECU million)

	Financing operations		Allocations	
	amount	%	number	amount
Energy	515.4	23.5	—	—
<i>Transmission and supply</i>	<i>515.4</i>	<i>23.5</i>	<i>—</i>	<i>—</i>
Electricity	290.4	13.2	—	—
Natural gas	225.0	10.3	—	—
Infrastructure	1 207.4	55.0	4	13.8
<i>Transport</i>	<i>522.0</i>	<i>23.8</i>	<i>—</i>	<i>—</i>
Railways	2.0	0.1	—	—
Roads	389.0	17.7	—	—
Shipping	45.0	2.1	—	—
Air transport	86.0	3.9	—	—
<i>Telecommunications</i>	<i>125.0</i>	<i>5.7</i>	<i>—</i>	<i>—</i>
<i>Water, sewerage, solid waste</i>	<i>406.0</i>	<i>18.5</i>	<i>4</i>	<i>13.8</i>
<i>Other infrastructure</i>	<i>154.4</i>	<i>7.0</i>	<i>—</i>	<i>—</i>
Industry, agriculture, services	471.5	21.5	710	201.6
<i>Industry</i>	<i>131.0</i>	<i>6.0</i>	<i>368</i>	<i>138.6</i>
<i>Agriculture, forestry, fisheries</i>	<i>7.5</i>	<i>0.3</i>	<i>234</i>	<i>21.9</i>
<i>Services</i>	<i>3.0</i>	<i>0.1</i>	<i>108</i>	<i>41.1</i>
<i>Global loans</i>	<i>327.6</i>	<i>14.9</i>	<i>—</i>	<i>—</i>
<i>Development banks</i>	<i>2.4</i>	<i>0.1</i>	<i>—</i>	<i>—</i>
Total	2 194.3	100.0	714	215.3

Table O: **Financing provided in the Central and Eastern European Countries from 1990 to 1994**

Geographical and sectoral breakdown

(amounts in ECU million)

	Total		Sector					
	amount	%	Energy	Transport	Telecommunications	Water management and other	Industry, forestry	Global loans
Hungary	537.0	20.2	70.0	142.0	180.0	—	—	145.0
Poland	886.0	33.3	50.0	395.0	220.0	58.0	—	163.0
Bulgaria	226.0	8.5	45.0	81.0	70.0	—	—	30.0
Slovak Republic	173.0	6.5	55.0	25.0	65.0	—	—	28.0
Czech Republic	477.0	17.9	100.0	125.0	95.0	—	100.0	57.0
Romania	210.0	7.9	75.0	105.0	—	—	—	30.0
Estonia	47.0	1.8	7.0	35.0	—	—	—	5.0
Latvia	5.0	0.2	—	—	—	—	—	5.0
Lithuania	10.0	0.4	—	10.0	—	—	—	—
Slovenia	88.0	3.3	—	88.0	—	—	—	—
Total	2 659.0	100.0	402.0	1 006.0	630.0	58.0	100.0	463.0

Table P: Resources raised in 1994

Month of issue	Place of issue	Subscription currency	Amount (million)	Amount in ECUs (million)	Life (years)	Coupon (%)
I. Medium and long-term operations (before swaps)						
PUBLIC BORROWING OPERATIONS						
January	Germany	DEM	500	258.3	5	5.750
	Spain	ESP	20 000	125.8	10	7.900
	Luxembourg	ITL	1 000 000	523.6	5	7.450
	Luxembourg	LUF	2 000	49.6	3	6.000
	United Kingdom	USD	100	89.6	3	4.500
	United Kingdom	JPY	50 000	400.9	6	variable
	United Kingdom	GBP	400	529.7	11	6.000
	Switzerland	CHF	800	484.2	5	3.750
February	France	FRF	2 000	304.1	7	5.500
	Greece	GRD	10 000	36.0	5	17.500
	Netherlands	NLG	300	138.5	5	5.000
	Portugal	PTE	15 000	76.1	7	8.200
March	Spain	ESP	50 000	314.6	7	7.500
	Italy	ITL	650 000	340.3	3	8.200
	Luxembourg	USD	500	448.2	10	6.000
	Luxembourg	USD	100	89.6	9	variable
	Netherlands	NLG	300	138.5	8	6.000
	Portugal	PTE	15 000	76.1	5	variable
April	Germany	DEM	1 000	517.8	10	6.500
	Luxembourg	LUF	1 500	37.7	7	6.500
May	Luxembourg	FRF	2 000	303.4	10	6.125
June	Luxembourg	ITL	500 000	268.8	5	9.125
	Luxembourg	USD	500	433.0	5	6.625
	Switzerland	CHF	200	122.8	7	4.750
July	France	FRF	3 000	455.3	5	7.000
	Luxembourg	ITL	300 000	157.1	5	variable
	United Kingdom	GBP	100	127.9	6	6.000
August	Germany	DEM	750	390.4	6	6.625
	Luxembourg	ITL	400 000	209.4	4	10.150
	Luxembourg	JPY	50 000	419.4	3	3.200
	Luxembourg	GBP	200	255.9	7	8.500
	United Kingdom	CAD	150	90.1	4	9.000
	Switzerland	CHF	200	123.5	7	5.250
September	Luxembourg	CAD	200	120.2	10	9.125
October	Germany	DEM	1 000	520.7	8	7.500
	Spain	ESP	20 000	125.7	5	variable
	Luxembourg	ITL	700 000	362.4	3	11.450
	Luxembourg	ECU	300	300.0	5	8.250
	Luxembourg	LUF	2 000	50.6	7	8.125
	Luxembourg	DKK	300	39.8	5	8.875
	United Kingdom	GBP	100	127.3	4	8.875
November	Germany	DEM	100	52.1	5	7.250
	Spain	ESP	20 000	125.7	4	10.900
	Luxembourg	ITL	600 000	310.6	4	10.150
	Luxembourg	CAD	150	90.0	3	8.000
	Luxembourg	LUF	2 500	63.3	7	7.875
	Luxembourg	CAD	165	99.0	7	9.000
	Switzerland	CHF	200	125.4	8	5.625
December	Spain	ESP	15 000	94.2	4	10.900
	Luxembourg	ITL	400 000	207.1	2	7.625
	Luxembourg	ITL	350 000	181.2	5	variable
	Luxembourg	USD	200	161.2	4	7.750
	Luxembourg	USD	300	241.7	5	8.000
	Luxembourg	USD	300	241.7	10	8.250
	Netherlands	NLG	800	371.9	7	7.500
	United Kingdom	GBP	200	254.6	6	8.750
	United Kingdom	GBP	100	127.3	5	6.000
	57 operations	—	—	12 730.2	—	—
PRIVATE BORROWING OPERATIONS						
	6	BEF	25 000	629.8	2.9	6.25-8.3
	2	DEM	600	311.9	3-14	5.25-7.75
	1	DKK	100	13.2	2	5.000
	2	PTE	30 000	152.1	3.5	variable
	2	JPY	25 300	209.6	3.5	variable
	1	ATS	800	59.2	2	6.250
	14 operations	—	—	1 375.7	—	—
Total (I)				14 105.9		
II. Debt issuance programme						
	2 operations	IEP	40	50.4	4	8.500
Grand total				14 156.3		

Table Q: Resources raised from 1990 to 1994

(amounts in ECU million)

	1990		1991		1992		1993		1994	
	amount	%	amount	%	amount	%	amount	%	amount	%
European Union currencies										
ECU	1 765	16.1	2 500	18.3	1 937	14.9	960	6.8	300	2.1
DEM	1 124	10.2	1 198	8.8	1 583	12.2	1 948	13.7	2 051	14.5
FRF	1 114	10.1	1 378	10.1	1 461	11.3	1 811	12.7	1 153	8.1
GBP	1 331	12.1	1 837	13.4	1 428	11.0	2 639	18.6	1 518	10.7
ITL	851	7.7	1 466	10.7	1 326	10.2	2 039	14.3	2 560	18.1
BEF	330	3.0	166	1.2	238	1.8	—	—	752	5.3
NLG	528	4.8	369	2.7	303	2.3	227	1.6	661	4.7
DKK	—	—	—	—	—	—	—	—	53	0.4
IEP	—	—	—	—	—	—	125	0.9	177	1.2
LUF	52	0.5	24	0.2	49	0.4	100	0.7	201	1.4
GRD	—	—	—	—	—	—	—	—	36	0.3
ESP	614	5.6	813	5.9	648	5.0	1 241	8.7	948	6.7
PTE	124	1.1	250	1.8	85	0.7	243	1.7	584	4.1
Total	7 833	71.2	10 002	73.2	9 058	69.8	11 333	79.7	10 994	77.7
of which: fixed	6 055	55.1	6 812	49.8	5 962	46.0	9 886	69.5	8 188	57.9
of which: floating	1 778	16.2	3 190	23.3	3 096	23.9	1 447	10.2	2 806	19.8
Non-Union currencies										
USD	1 574	14.3	2 262	16.5	1 529	11.8	1 502	10.6	1 659	11.7
CHF	818	7.4	782	5.7	947	7.3	453	3.2	856	6.0
JPY	771	7.0	627	4.6	1 440	11.1	657	4.6	580	4.1
ATS	—	—	—	—	—	—	—	—	59	0.4
CAD	—	—	—	—	—	—	278	2.0	—	—
Total	3 163	28.8	3 670	26.8	3 916	30.2	2 891	20.3	3 154	22.3
of which: fixed	3 084	28.0	3 413	25.0	2 924	22.5	2 808	19.7	2 448	17.3
of which: floating	79	0.7	257	1.9	992	7.6	83	0.6	706	5.0
Grand total	10 996	100.0	13 672	100.0	12 974	100.0	14 224	100.0	14 148	100.0
of which: fixed	9 139	83.1	10 225	74.8	8 886	68.5	12 695	89.2	10 636	75.2
of which: floating	1 857	16.9	3 447	25.2	4 087	31.5	1 529	10.8	3 512	24.8

Table R: Resources raised in ECU from 1981 to 1994

(amounts in ECU million)

Year	Fixed-rate borrowings		Floating-rate borrowings				Raised in ECU (A)	Total raised (B)	A/B as %
	Before swaps	After swaps	After swaps	Commercial paper	Certificates of deposit	Total			
1981	85.0	85.0	—	—	—	—	85.0	2 309.7	3.7
1982	112.0	112.0	—	—	—	—	112.0	3 205.2	3.5
1983	230.0	230.0	—	—	—	—	230.0	3 619.4	6.4
1984	455.0	455.0	—	—	100.0	100.0	555.0	4 360.9	12.7
1985	720.0	720.0	—	—	—	—	730.6	5 709.1	12.8
1986	827.0	897.0	—	—	—	—	897.0	6 785.5	13.2
1987	675.0	807.4	—	—	—	—	807.4	5 592.7	14.4
1988	959.0	993.0	82.9	—	252.5	335.4	1 328.4	7 666.1	17.3
1989	1 395.0	1 526.0	75.1	200.0	37.5	312.6	1 838.6	9 034.5	20.4
1990	1 271.8	1 254.9	—	500.0	10.0	510.0	1 764.9	10 995.6	16.1
1991	1 550.0	1 550.0	450.0	500.0	—	950.0	2 500.0	13 672.3	18.3
1992	1 130.0	1 130.0	806.5	—	—	806.5	1 936.5	12 973.6	14.9
1993	650.0	500.0	460.2	—	—	806.5	960.2	14 223.8	6.8
1994	300.0	—	300.0	—	—	300.0	300.0	14 148.0	2.1
Total	10 359.8	10 260.3	2 174.8	1 200.0	400.0	4 121.1	14 045.6	114 296.4	12.3

1985 includes 10.6 million in third-party participations in Bank loans.

GUIDE TO READERS

1. Definitions:

(a) **Activity:** The EIB provides individual loans and global loans as well as some guarantees.

Global loans are concluded with financial institutions which deploy the proceeds as sub-loans in support of small and medium-scale ventures.

The presentation of EIB activity in the European Union covers:

- firstly, as in the past, **finance contracts signed:** individual loans (as well as, where applicable, guarantees) and global loans;
- secondly, **financing provided:** operational data embracing individual loans and allocations from ongoing global loans

(b) **Own resources:** Principally the proceeds of the Bank's borrowings on the capital markets but including "own funds" (paid-in capital and reserves), this term was adopted to distinguish such resources from those deployed under mandate from the European Union or the Member States. Whereas operations using own resources are entered on the balance sheet, operations conducted under mandate, which also form part of the Bank's activities, are entered in a trust management account: the "Special Section".

2. **ECU:** Except where otherwise indicated, all amounts quoted are expressed in ECUs.

Unit of account: In accordance with Article 4 of the Statute, the EIB's unit of account is defined as being the ECU used by the European Communities. See also Financial Statements, Note A, point 1.

3. **ISO standards:** The EIB uses the country and currency abbreviations adopted by the International Organisation for Standardisation (ISO), as indicated in the tables below.

Belgium	BE	Greece	GR	Ireland	IE	Netherlands	NL	Finland	FI	United States	US
Denmark	DK	Spain	ES	Italy	IT	Austria	AT	Sweden	SE	Switzerland	CH
Germany	DE	France	FR	Luxembourg	LU	Portugal	PT	United Kingdom	GB	Japan	JP

4. Conversion rates:

(a) **Statistics:** The conversion rates used by the EIB during each quarter for recording statistics of its financing operations - contract signatures and disbursements - as well as of its borrowings are those obtaining on the last working day of the previous quarter; in 1994, these were as follows:

		1 st quarter (at 31.12.1993)	2 nd quarter (at 31.03.1994)	3 rd quarter (at 30.06.1994)	4 th quarter (at 30.09.1994)
1 ECU =	ECU				
Belgian franc	BEF	40.2869	39.7803	39.5774	39.4980
Danish krone	DKK	7.55310	7.58381	7.54400	7.53412
Deutsche Mark	DEM	1.93569	1.93114	1.92122	1.92045
Drachma	GRD	277.970	284.550	289.875	292.827
Peseta	ESP	158.928	157.078	158.635	159.159
French franc	FRF	6.57745	6.59301	6.58850	6.55435
Irish pound	IEP	0.790809	0.804797	0.793509	0.794241
Italian lira	ITL	1 909.98	1 860.45	1 909.77	1 931.68
Luxembourg franc	LUF	40.2869	39.7803	39.5774	39.4980
Dutch guilder	NLG	2.16541	2.16957	2.15483	2.15115
Austrian Schilling	ATS	13.6101	13.5855	13.5130	13.5158
Escudo	PTE	197.050	197.848	197.986	195.780
Finnish markka	FIM	6.46222	6.31382	6.40367	6.01824
Swedish krona	SEK	9.29634	9.03877	9.27556	9.26706
Pound sterling	GBP	0.755108	0.777537	0.781662	0.785444
United States dollar	USD	1.11567	1.15464	1.20415	1.24100
Swiss franc	CHF	1.65231	1.62862	1.61898	1.59531
Japanese yen	JPY	124.732	118.755	119.211	122.264

(b) **Accounts:** The EIB's balance sheet and financial statements are drawn up on the basis of the conversion rates in force at 31 December of the financial year concerned.

5. Activity within the European Union:

(a) **Statistics:** With a view to ensuring statistical continuity, comparisons with previous periods have been based on identical criteria, which explains why certain data in the Annual Reports published since 1988 differ from those featuring in earlier reports.

(b) **Community policy objectives:** Financing provided within the European Union must meet one or more of these objectives; the figures in tables corresponding to different objectives cannot therefore be meaningfully added together.

(c) **Order of countries:** As a general rule, tables detailing activity within the European Union list the countries by alphabetical order of the name for each country in its own language.

(d) **Other:** Financing akin to operations within the European Union. Projects located outside the European territory of the Member States but of interest to the European Union are treated as projects within the European Union. The Board of Governors may authorise financing for such projects on a case-by-case basis under the terms of the second paragraph of Article 18(1) of the Bank's Statute. *This Article also provides scope for operations outside the European Union under specific agreements and protocols.*

6. **Adjustments, totals and rounding:** Because of statistical adjustments, amounts quoted for earlier financial years may differ slightly from those published previously.

Amounts are quoted at current prices and exchange rates; they should be interpreted with care if added together over a long period. The significance of figures for individual years is affected by price movements and exchange rate variations occurring over the years.

Differences between totals shown and the sum of individual amounts are due to rounding.

7. **Deflator:** The deflator applied to Bank activity is a composite index of the change in national price indices derived from gross fixed capital formation corrected by the index of the change in the rates for converting national currencies into ECUs and weighted by each Member Country's share in Bank financing from own resources. This deflator is put at about 0.6% for 1994.

Abbreviations and acronyms used in this report:

Union or EU	= European Union
Community or EC	= European Community
Commission	= European Commission
Council	= Council of the European Union
ACP	= African, Caribbean and Pacific
ALA	= Asia, Latin America
CEEC	= Central and Eastern European Countries
EBRD	= European Bank for Reconstruction and Development
EEA	= European Economic Area
EFTA	= European Free Trade Association
EIF	= European Investment Fund
ERDF	= European Regional Development Fund
GDP/GNP	= Gross domestic/national product
GFCF	= Gross fixed capital formation
METAP	= Mediterranean Environmental Technical Assistance Programme
NCI	= New Community Instrument for borrowing and lending
OCT	= Overseas Countries and Territories
OECD	= Organisation for Economic Cooperation and Development
OJ	= Official Journal of the European Communities
SMEs	= Small and medium-sized enterprises
	= data not meaningful
—	= inapplicable
n.a.	= data not available
p.m.	= token entry

EUROPEAN INVESTMENT BANK

The financial institution of the European Union, the European Investment Bank (EIB), created by the Treaty of Rome, has seen its role reaffirmed by the Treaty on European Union. Its Statute constitutes a Protocol to the Treaty.

The EIB is an institution enjoying its own legal personality and financial autonomy within the Community system. The members of the EIB are the Member States of the Union, who have all subscribed to the Bank's capital.

The EIB's mission is to further the objectives of the European Union by providing long-term finance for specific capital projects in keeping with strict banking practice.

*As a **Community institution**, the EIB continuously adapts its activity to developments in Commu-*

nity policies. It thereby contributes towards building a closer-knit Europe, particularly in terms of economic integration and greater economic and social cohesion.

*As a **Bank**, it works in close collaboration with the banking community both when borrowing on the capital markets and when financing capital projects.*

The EIB grants loans mainly from the proceeds of its borrowings, which, together with "own funds" (paid-in capital and reserves), constitute its "own resources".

Outside the European Union, EIB financing operations are conducted both from the Bank's own resources and, under mandate, from Union or Member States' budgetary resources.

OBJECTIVES

Within the European Union, projects considered for EIB financing must contribute towards one or more of the following objectives :

- fostering the economic advancement of the less favoured regions;
- improving European transport and telecommunications infrastructure;
- protecting the environment and the quality of life, promoting urban development and safeguarding the Community's architectural and natural heritage;
- attaining Community energy policy objectives;

- enhancing the international competitiveness of industry and integrating it at Community level;

- supporting the activities of small and medium-sized enterprises.

Outside the Union, the EIB contributes to European development cooperation policy in accordance with the terms and conditions laid down in the various agreements linking the Union to some 130 third countries in Central and Eastern Europe, the Mediterranean region, Africa, the Caribbean and the Pacific, Asia and Latin America.

PROJECTS ELIGIBLE FOR FINANCING

EIB loans may be granted to public or private borrowers in support of projects in all sectors of the economy, ranging from communications, environmental and energy infrastructure to industry, services and agriculture.

The EIB finances large-scale projects by means of **individual loans** (upwards of ECU 25 million) concluded directly with promoters or through financial intermediaries.

Small and medium-scale projects are funded indirectly through **global loans** made available to banks or financial institutions operating at European, national or regional level.

TO WHAT EXTENT?

As a complementary source of financing, the EIB contributes to only part of the investment costs (up to 50%, as a rule), supplementing the borrower's own funds and other sources of finance.

The EIB helps to finance investment programmes in conjunction with the operations of the Structural Funds and of the other Community financial instruments. Loans from the EIB may be used in association with national or Community grant aid, particularly in assisted areas.

WHAT CRITERIA APPLY?

The EIB assesses the project's consistency with Community policies, its technical and financial viability as well as its economic benefits. Compliance with environmental protection and procurement regulations is also vetted. Similarly, the promoter's financial situation and cash flow projections along with security offered are examined closely.

WHAT DECISION-MAKING PROCEDURES?

Once the appraisal is completed, the EIB's Board of Directors, acting on a proposal from the Management Committee, decides on the granting of the finance, following opinions delivered by the Member State concerned and the Commission.

FINANCIAL TERMS AND CONDITIONS

WHAT MATURITIES?

The EIB grants medium and long-term loans (up to 20 years or more). Their maturity and the possibility of a grace period depend on the type of project involved and its useful life. In the case of certain exceptionally large infrastructure schemes of benefit to Europe in general, the EIB may, if need be, tailor its terms accordingly (see page 12).

WHAT CURRENCIES?

Depending on the EIB's holdings and the borrower's preferences, the loan is disbursed in one or more currencies of the Union, in ECUs, or in other currencies used by the Bank.

WHAT RATES?

The EIB's first-class credit rating ("AAA") enables the Bank to raise funds on the keenest terms available at the time.

As a financial intermediary operating on a non-profit-making basis, the EIB onlends the funds borrowed by it at a rate reflecting its excellent position on the markets, plus a small margin to cover its operating costs. Loans are disbursed at par.

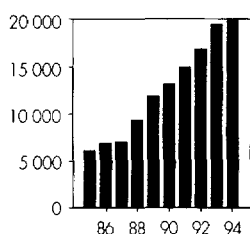
Rates (fixed usually, but also revisable, variable or convertible) may be set either upon signature of the finance contract or upon each disbursement (open-rate contract). The method adopted for setting rates is the same for all countries and sectors. The EIB does not grant interest subsidies, although these may be provided by third parties.

Key data

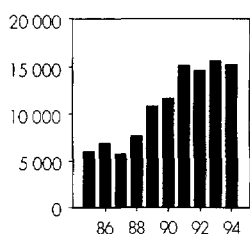
(ECU million)

	1994	1993
Financing provided	19 928	19 611
From own resources	19 661	19 531
of which loans	19 635	19 480
of which guarantees	26	51
From other resources	267	80
Within the European Union	17 682	17 724
ACP States and OCT	462	226
Mediterranean Countries	607	680
Central and Eastern European Countries	957	882
Asian and Latin American Countries	220	99
Resources raised	14 148	14 224
Community currencies	10 994	11 334
Non-Community currencies	3 154	2 890
Disbursements	15 539	15 980
From own resources	15 435	15 818
From other resources	104	162
Aggregate outstanding		
Financing from own resources and guarantees	106 447	98 022
Financing from other resources	3 783	4 334
Short, medium and long-term borrowings	83 673	78 661
Subscribed capital at 31 December 1994	57 600	57 600
of which paid in and to be paid in	4 321	4 321
Subscribed capital at 1 January 1995	62 013	
of which paid in and to be paid in	4 652	
Reserves and profit for the financial year	10 135	9 165
Balance sheet total	102 753	96 537
Bank staff	859	810

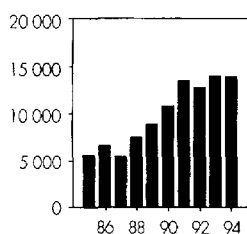
Loans signed



Disbursements



Resources



Balance sheet

