

Unaudited Condensed Semi Annual Financial Statements as at June 30, 2010 - SEC Filing

#### EIB GROUP CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2010 UNDER IFRS (in EUR '000)

ASSETS	30.06.2010 (Unaudited)	31.12.2009	LIABILITIES		30.06.2010 (Unaudited)		31.12.2009
1. Cash in hand, balances with central banks and post office banks	200 797	227 227	Amounts owed to credit institutions     a) repayable on demand	13 177 822		0	
2. Treasury bills and other bills eligible for refinancing with central banks	9 699 506	4 146 585	b) with agreed maturity dates or periods of notice	231 459	13 409 281	4 480 561	4 480 561
3. Loans and advances to credit institutions a) repayable on demand b) other loans and advances c) loans (Note B)	352 240 41 792 965 122 775 595	367 694 19 115 981 117 560 917	Amounts owed to customers     a) repayable on demand     b) with agreed maturity dates or periods of notice	1 255 577 805 176	13 409 201	1 256 333 1 106 828	4 400 301
3, 12	164 920 800	137 044 592	-,g		2 060 753		2 363 161
4. Loans and advances to customers a) loans (Note B) b) Impairment on loans and advances, net of reversals	220 254 846 - 86 300 220 168 546	203 106 638 - 106 300 203 000 338	3. Debts evidenced by certificates (Note C) a) debt securities in issue b) others	367 430 947 24 695 327	392 126 274	303 978 963 19 869 005	323 847 968
5. Debt securities including fixed-income			4. Derivatives liabilities		13 724 513		14 866 773
securities a) issued by public bodies b) issued by other borrowers	4 089 961 23 221 935 27 311 896	1 985 302 16 450 994 18 436 296	5. Other liabilities a) sundry creditors b) sundry liabilities	748 167 37 506	785 673	667 317 45 986	713 303
6. Shares and other variable-yield securities	2 163 552	2 017 903	C Defendings				
7. Derivative Assets	39 299 319	20 868 332	6. Deferred income		175 762		177 228
8. Property, furniture and equipment	297 607	307 319	Provisions     a) pension plans and health insurance scheme     b) provision for guarantees	1 359 570 74 149		1 242 292 70 412	
9. Intangible assets	5 756	4 817	-, p		1 433 719		1 312 704
10. Other assets	113 164	106 914	TOTAL LIABILITIES	_	423 715 975	_	347 761 698
11. Assets held for sale	3 373	3 373	8. Capital - Subscribed	232 392 989		232 392 989	
12. Subscribed capital and reserves, called but not paid	81 215	107 637	- Uncalled	- 220 773 340		220 773 340	11 619 649
13. Prepayments	17 372	35 479	9. Consolidated reserves				
			a) reserve fund     b) additional reserves     c) special activities reserve     d) general loan reserve	20 082 400 1 585 439 3 299 370 1 923 734	26 890 943	18 205 506 5 777 469 3 299 370 1 923 734	29 206 079
			10. Profit/loss for the period		2 056 336		- 2 280 614
			TOTAL EQUITY	_	40 566 928	_	38 545 114
TOTAL ASSETS	464 282 903	386 306 812	TOTAL LIABILITIES & EQUITY	_	464 282 903	_	386 306 812

### CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED JUNE 30, 2010 UNDER IFRS (in EUR '000)

			30.06.2010 (Unaudited)	30.06 (Unau	i.2009 dited)	2009
1.	Interest and similar income		9 072 757	5 28	32 381	16 539 390
2.	Interest expense and similar charges		- 7 912 518	- 4 29	2 560	- 14 269 346
3.	Income from shares and other variable-yield securities		35 574		6 140	8 930
4.	Fee and commission income		97 432	3	37 877	207 005
5.	Fee and commission expense		- 58		- 74	- 117
6.	Result on financial operations		1 001 850	- 3 29	00 060	- 4 048 359
7.	Other operating income		1 597	2	22 940	10 759
8.	Change in impairment on loans and advances and provisions for guarantees, net of reversals		16 580	- 8	34 082	- 149 099
9.	Change in impairment on shares and other variable-yield securities, net of reversals		- 14 670	- 3	35 954	- 104 599
10.	General administrative expenses a) staff costs b) other administrative costs	- 186 899 - 41 862	- 228 761	- 20 - 162 507 - 44 243	06 750 - 328 69 <u>- 117 80</u>	
11.	Depreciation and amortisation: property, furniture and equipment and intangible assets a) property, furniture and equipment b) intangible assets	- 12 189 - 1 258	- 13 447	- 1 - 11 686 - 1 013	2 699 - 26 38 - 2 29	
12.	Profit / loss for the period	-	2 056 336	- 2 57	2 841	- 2 280 614

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2010 UNDER IFRS (in EUR '000)

		30.06.2010 (Unaudited)		30.06.2009 (Unaudited)		2009
Profit/loss for the period		2 056 336		- 2 572 841		- 2 280 614
Other comprehansive income						
Available for sale financial assets - fair value reserve						
Net unrealised gains and losses on financial assets available for sale	- 32 240		- 18 905		- 51 162	
2. Impairment charges transferred to the consolidated income statement	0		0		40 149	
3. Realised gains and losses transferred to the consolidated income statement	- 290		20 968		43 778	
Total available for sale financial assets		- 32 530		2 063		32 765
Total other comprehensive income		- 32 530		2 063		32 765
Total comprehensive income		2 023 806		- 2 570 778		- 2 247 849
Attributable to: Equity holders of the Bank		2 023 806		- 2 570 778		- 2 247 849

#### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY UNDER IFRS (in EUR '000)

	Subscribed	Callable	Funds allocated	Funds allocated to venture	Reserve	Special	General loan —	Additional	reserves	Profit/loss for the	Total
For the half year ended June 30, 2010	capital	capital	to Structured Finance Facility	capital operations	fund	activities reserve	reserve	Other	Fair value reserve	period before appropriation	consolidated own funds
As at December 31, 2008	164 808 169	-156 567 760	2 750 000	1 764 305	16 480 817	0	0	4 688 642	507 613	6 355 715	40 787 501
Appropriation of prior year's profit	0	0	0	0	1 650 877	0	0	4 704 838	0	-6 355 715	0
Total comprehensive income / loss for the year Transfer from additional reserves <sup>(1)</sup>	0	0	0	0 - 147 177	0 147 177	0	0	0	32 765 0	-2 280 614 0	-2 247 849 0
Contributions by and distributions to owners Changes in ownership interests in subsidiaries that do not	67 584 820	-64 205 580	2 000 000	0	- 73 365	0	0	-5 305 875	0	0	0
result in a loss of control Transfer to special activities reserve and general loan	0	0	0	0	0	0	0	5 462	0	0	5 462
reserve	0	0	-4 750 000	-1 617 128	0	3 299 370	1 923 734	1 144 024	0	0	0
As at December 31, 2009	232 392 989	-220 773 340	0	0	18 205 506	3 299 370	1 923 734	5 237 091	540 378	-2 280 614	38 545 114
Appropriation of prior year's profit	0	0	0	0	1 876 894	0	0	-4 157 508	0	2 280 614	0
Total comprehensive income / loss for the period Changes in ownership interests in subsidiaries that do not	0	0	0	0	0	0	0	0	- 32 530	2 056 336	2 023 806
result in a loss of control	0	0	0	0	0	0	0	- 1 992		0	- 1 992
As at June 30, 2010 (Unaudited)	232 392 989	-220 773 340	0	0	20 082 400	3 299 370	1 923 734	1 077 591	507 848	2 056 336	40 566 928

<sup>(\*)</sup> An amount of EUR'000 147 177 resulting from the value adjustments on venture capital operations has been transferred from the Funds allocated to venture capital operations to the additional reserves.

EIB Group - Interim Financial Statements

# CONSOLIDATED CASH FLOW STATEMENT FOR PERIOD ENDED JUNE 30, 2010 UNDER IFRS (In EUR '000) 30.06.2010

		30.06.2010 (Unaudited)	2009
A.	Cash flows from operating activities :		
	Profit/loss for the period	2 056 336	- 2 280 614
	Adjustments for:	00.000	22.222
	Change in impairment on loans and advances, net of reversals	- 20 000	88 800
	Net change in provisions for pension plans and health insurance scheme	117 278	119 492
	Unwinding of the discount relating to capital and reserves called, but not paid in	- 2410	- 4 763
	Change in provision for guarantees	3 737	60 299
	Depreciation/amortisation on property, furniture and equipment and intangible assets	13 447	28 682
	Change in impairment of shares and other variable-yield securities	14 670 12 164	104 599 38 065
	Investment portfolio amortisation and accrued interest	- 457 537	
	Net results on loans under the fair value option and associated hedges	- 457 537 - 4 594 098	1 834 019 - 1 328 392
	Net results on borrowings under the fair value option and associated hedges		1 679 479
	Change in fair value of derivatives Effects of exchange rate changes	4 432 141 3 031 181	213 974
	Effects of exchange rate changes	3 031 161	213 974
	Disbursements of loans and advances to credit institutions and customers	- 20 594 300	- 51 895 204
	Repayments of loans and advances to credit institutions and customers	12 354 878	23 200 287
	Change in Available for sale and trading debt securities	- 747 607	- 1 623 628
	Change in Available for sale venture capital operations	- 94 017	- 148 590
	Change in Available for sale shares and other variable-yield securities	- 54 644	- 53 806
	Change in amounts owed to credit institutions and customers	8 626 312	- 317 489
	Change in interest accrued on cash and cash equivalents	- 167 783	23 217
	Change in prepayments	18 107	1 992
	Change in other assets	- 6 250	52 853
	Change in deferred income	- 1 466	6 073
	Change in other liabilities	72 370	- 20 941
	Net cash used in operating activities	4 012 509	- 30 221 596
В.	Cash flows from investing activities :		
	Held to maturity debt securities matured during the year	144 545	301 440
	Change in asset backed securities	- 1 156 522	- 2 442 526
	Change in property, furniture and equipment and intangible assets	- 4 675	- 20 130
	Net cash used in investing activities	- 1 016 652	- 2 161 216
C.	Cash flows from financing activities :		
	Issue of borrowings	42 207 424	79 122 016
	Redemption of borrowings	- 13 599 645	- 33 010 200
	Paid in by Member States	31 242	358 659
	Change in commercial paper	4 739 579	- 10 647 642
	Net cash from financing activities	33 378 600	35 822 833
	Summary statement of cash flows		
	Cash and cash equivalents at the beginning of the year	27 339 149	24 100 435
	Net cash from :	4 040 500	00 004 500
	(1) operating activities	4 012 509	- 30 221 596
	(2) investing activities	- 1 016 652	- 2 161 216
	(3) financing activities	33 378 600	35 822 833
	(4) effects of exchange rate changes on cash held	- 1 207 850	- 201 307
	Cash and cash equivalents at the end of the period	62 505 756	27 339 149
	Cash and cash equivalents are composed of:		
	Cash in hand, balances with central banks and post office banks	200 797	227 227
	Bills maturing within three months of issue	20 175 822	7 638 941
	Loans and advances to credit institutions :		
	Accounts repayable on demand	352 240	367 694
	Term deposits accounts (excluding accrued interest)	41 776 897	19 105 287
		62 505 756	27 339 149
	Supplementary disclosures of operating cash flow:		
	Interest received	9 047	16 420
	Dividends received	34 697	7 862
	Interest paid	- 1 381	- 1 911

2009

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS UNDER IFRS

#### **NOTE A** Basis of presentation

The unaudited condensed consolidated financial statements of the European Investment Bank ("the Bank") as at June 30, 2010 do not include all of the information and footnotes required for complete financial statements.

In the opinion of management, all adjustments, normal recurring accruals and adjustments for the impairment of venture capital operations and loans considered necessary for a fair presentation have been recorded. The profit for the six-month period ended June 30, 2010 is not necessarily indicative of the results that may be expected for the year ending December 31, 2010.

The audited financial statements as at and for the year ended December 31, 2009 were prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU. The unaudited condensed consolidated financial statements as at and for the period ended June 30, 2010 were based on the same principles.

For further information, refer to the financial statements and footnotes thereto included in the Bank's annual report for the year ended December 31, 2009.

#### **NOTE B** Summary statement of loans (in Eur '000)

	Loans granted					
Analysis of aggregate loans granted (before specific provisions)	to intermediary credit institutions	directly to final beneficiaries	Total			
- Disbursed portion	122,775,595	220,254,846	343,030,441			
- Undisbursed portion	19,406,552	63,781,598	83,188,150			
Aggregate loans granted	142,182,147	284,036,444	426,218,591			

#### **NOTE C** Debts evidenced by certificates

[See following pages for summary statement of debts evidenced by certificates.]

# NOTE D EIF capital increase and commitment to purchase the remaining EIF shares at a fixed price

#### EIF capital increase

As at June 30, 2010, the subscribed capital of the EIF has increased from EUR 2.94 billion as at December 31, 2009 to EUR 2.98 billion. The percentage holding of the Bank in the EIF has decreased from 62.11% at the end of December 2009 to 61.40% at the end of June 2010.

At the EIF Annual General Meeting of Shareholders held on May 7, 2007, it was decided to issue 1000 new shares, identical to the 2000 existing ones (nominal value EUR 1 million each, paid in ratio of 20%) between June 30, 2007 and June 30, 2010. The Bank decided to subscribe 609 new shares on June 30, 2007.

The Bank committed to subscribe to all shares not subscribed to by the other shareholders by June 30, 2010. As 21 shares remained unsubscribed as at June 30, 2010, the Bank will subscribe to these 21 shares in the course of 2010.

#### Commitment to purchase the remaining EIF shares at a fixed price

Under the terms of the Replacement Share Purchase Undertaking, the EIB is offering to buy the remaining subscribed shares from EIF's other shareholders for a price of EUR 349,909.66 per share as at June 30, 2010. The latter corresponds to the part of each share in the called capital of EIF, increased by the share premium account, the statutory reserves, the disclosed unrealised gains in venture capital operations, the profit brought forward and the profit of the year. The agreed formula is being applied to the approved and audited annual accounts of the EIF for the financial year in which the option is exercised.

**NOTE E** Commitments, contingent liabilities and other memorandum items [See following pages for summary statement of commitments and contingent liabilities.]

Note C - Summary statement of debts evidenced by certificates as at June 30, 2010 (in EUR' 000)

	BORROWINGS					
PAYABLE	OUTSTANDING	AVERAGE	DUE	OUTSTANDING	AVERAGE	
IN	AS AT 30.06.2010	RATE	DATES	AS AT 31.12.2009	RATE	
		2010			2009	
EUR	155 522 951	3.62	2010/2057	136 846 665	3.77	
GBP	58 465 363	4.60	2010/2054	51 032 542	4.77	
DKK	550 424	2.55	2024/2026	604 692	2.77	
SEK	2 229 711	3.74	2011/2028	1 961 373	3.72	
CZK	618 750	4.02	2013/2030	598 190	4.00	
HUF	427 448	6.52	2010/2016	525 109	6.83	
PLN	460 933	6.21	2010/2026	378 058	6.24	
BGN	171 285	5.58	2011/2013	171 285	5.72	
RON	102 975	8.88	2014/2016	106 225	8.88	
USD	100 220 411	3.11	2010/2058	78 348 270	3.42	
CHF	6 679 855	2.40	2011/2036	5 763 009	2.41	
JPY	13 965 798	0.85	2011/2047	10 607 943	0.73	
NOK	2 947 632	4.45	2010/2025	2 383 494	4.42	
CAD	906 394	4.70	2037/2045	778 221	4.72	
AUD	11 964 324	5.88	2011/2021	9 099 260	5.85	
HKD	265 836	1.37	2010/2019	227 380	1.46	
NZD	2 618 096	6.88	2010/2017	2 749 583	7.13	
ZAR	1 725 236	8.32	2010/2018	1 256 187	8.49	
MXN	36 735	6.65	2015/2015	30 550	6.65	
TWD	25 342	5.07	2010/2013	65 574	4.21	
TRY	2 533 533	11.20	2010/2022	1 991 631	12.37	
ISK	70 350	7.91	2011/2011	95 036	8.74	
RUB	299 356	7.24	2011/2019	138 110	8.14	
Change in fair value on borrowings	29 317 536			18 089 581		
TOTAL	392 126 274			323 847 968		

The redemption of certain borrowings is indexed to stock exchange indexes (historical value: EUR 843 million). All such borrowings are hedged in full through swap operations.

#### Note E - Commitments, contingent liabilities and other memorandum items (in EUR '000)

		<u>30.06.2010</u>		31.12.2009
Commitments				
- EBRD capital				
· uncalled		442 500		442 500
- Undisbursed loans				
· credit institutions (Note B)	19 406 552		18 686 622	
· customers (Note B)	63 781 598		63 156 626	04 040 040
Undishurand venture capital enerations		83 188 150		81 843 248
Undisbursed venture capital operations     Undisbursed investment funds		1 552 335 399 754		1 392 559 511 895
Guarantees		399 754		311 093
- In respect of loans granted by third parties		2 883 122		2 893 490
- In respect of venture capital operations		17 385		17 385
Assets held on behalf of third parties		17 300		17 303
- CIP/SMEG 2007	87 893		93 703	
- CIP/GIF 2007	89 839		99 999	
- SME Guarantee Facility	61 339		61 992	
- European Technology Facility	9 898		6 573	
- Map Equity	58 006		65 795	
- Guarantee Fund treasury management	1 352 622		1 240 505	
- Investment Facility - Cotonou	1 347 017		1 289 209	
- Map guarantee	58 115		72 590	
- Special Section	1 368 155		1 416 067	
- RSFF	502 575		432 266	
- Neighbourhood Investment Facility ("NIF") Fund	38 844		44	
- EU-Africa	154 615		144 151	
- HIPC	63 620		65 768	
- FEMIP	29 843		30 236	
- LGTT	154 117		105 198	
- FP7 Guarantee Fund	698 564		547 761	
- JASPERS	0		119	
- JESSICA	684 358		16 805	
- LFA-GV	64		24	
- JEREMIE	960 619		763 175	
- Technology Transfer Pilot Project (TTP)	1 912		2 010	
- GEEREF	58 026		57 999	
- GEEREF Technical Support Facility - EFSE	2 363		2 390 10 000	
- Bundesministerium fur Wirtschaft und Technologie	0			
- Elena	216 4 036		102 0	
- EPPA	2 000		0	
-	2 000	7 788 656	<u> </u>	6 524 481
		7 700 000		0 324 401
- Special deposits for service of borrowings		98 359		52 292
- Securities receivable		625 000		100 000
- Nominal value of interest-rate swap contracts		362 216 412		316 379 517
- Nominal value of currency swap contracts payable		147 600 443		125 166 944
- Nominal value of currency swap contracts receivable		155 097 357		119 986 609
- Nominal value of credit default swap		195 289		196 796
- Nominal value of put option granted to EIF minority shareholders (Note D)		409 744		388 842
- Borrowings launched but not yet settled		990 113		360 631
- Swaps launched but not yet settled		3 106		11 590
- Securities lent		426 467		471 434
- Futures contracts		175 248		334 676
- Forward rate agreement		201 603		0
- FX Forward		333 869		251 938

#### EIB Group

### CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2010 UNDER EU DIRECTIVES (in EUR '000)

ASSETS	30.06.2010 (Unaudited)	31.12.2009	LIABILITIES		30.06.2010 (Unaudited)	31.12.2009
Cash in hand, balances with central banks and post office 1. banks	200 797	227 227	Amounts owed to credit institutions     a) repayable on demand     b) with agreed maturity dates or periods of notice	13 177 822 230 808	0 <u>4 480 414</u>	
Treasury bills and other bills eligible for refinancing with central banks	9 961 241 9 961 241	4 057 500 4 057 500	2 Amounto ound to ountomore		13 408 630	4 480 414
3. Loans and advances to credit institutions a) repayable on demand b) other loans and advances	352 240 41 776 897	367 694 19 105 287	Amounts owed to customers     a) repayable on demand     b) with agreed maturity dates or periods of notice	1 255 577 804 933	1 256 333 1 106 417 2 060 510	2 362 750
c) loans	121 393 321 163 522 458	116 575 861 136 048 842	Debts evidenced by certificates     a) debt securities in issue     b) others	339 190 617 23 618 121	286 247 691 19 510 696 362 808 738	305 758 387
4. Loans and advances to customers a) loans b) specific value adjustments	212 348 985 - 90 800 212 258 185	199 365 019 - 110 800 199 254 219	4. Other liabilities a) sundry creditors b) sundry liabilities	397 879 37 504	352 474 45 988 435 383	398 462
Debt securities including fixed-income securities     a) issued by public bodies	2 726 521	1 980 966	5. Accruals and deferred income		11 297 026	9 501 189
b) issued by other borrowers	<u>24 019 991</u> <u>26 746 512</u>	<u>16 421 602</u> 18 402 568	Provisions     a) pension plans and health insurance scheme     b) provision for guarantees issued	1 391 893 74 149	1 330 003 70 412	1 400 415
6. Shares & other variable-yield securities	1 749 873	1 618 309	TOTAL LIABILITIES	_	391 476 329	323 901 617
7. Intangible assets	5 756	4 817	7. Subscribed capital - Subscribed	232 392 989 - 220 773 340	232 392 989 - 220 773 340	
8. Tangible assets	300 712	310 504	- Uncalled		11 619 649	11 619 649
9. Other assets	128 530	121 570	8. Consolidated reserves a) reserve fund b) additional reserves	20 082 400 1 298 305	18 205 506 1 321 995	
10. Subscribed capital and reserves, called but not paid	86 495	115 327	u) auditorial reserves c) special activities reserve d) general loan reserve	3 299 370 1 923 734	3 299 370 1 923 734	04.750.005
11. Prepayments and accrued income	16 146 450	2 316 114	Profit for the period attributable to the equity holders of the Bank		26 603 809 1 044 778	24 750 605 1 864 832
			10. Equity attributable to minority interest		362 444	340 294
TOTAL ASSETS	431 107 009	362 476 997	TOTAL LIABILITIES AND EQUITY	_	431 107 009	362 476 997

### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED JUNE 30, 2010 UNDER EU DIRECTIVES (in EUR '000)

	<u>30.06.</u> (Unaud		2009
1. Interest receivable and similar income	9 092	2 141	16 562 333
2. Interest payable and similar charges	- 7 865	5 636	- 14 289 505
3. Income from securities	35	5 574	8 930
4. Commissions receivable	97	7 434	207 040
5. Commissions payable		- 58	- 117
6. Net loss on financial operations	- 103	3 155	- 26 918
7. Other operating income	1	1 596	10 723
8. General administrative expenses a) staff costs b) other administrative costs	- 211 - 168 840 - 42 658	1 498 - 313 498 - 118 712	
9. Value adjustments in respect of intangible and tangible assets a) tangible assets b) intangible assets	- 13 - 12 269 - 1 258	3 527 - 26 386 - 2 296	
10. Value (re-)adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	16	6 580	- 149 100
11. Profit for the period	1 049	9 451	1 862 494
12. Profit / loss attributable to minority interest	- 2	4 673	2 338
13. Profit attributable to equity holders of the Bank	1 044	4 778	1 864 832

Α.	Cash flows from operating activities :	30.06.2010 (Unaudited)	2009
Λ.	Profit for the period: Adjustments for:	1 049 451	1 862 494
	Net change in specific value adjustments on loans and advances	- 20 000	88 800
	Net change in specific provisions on staff pension fund	61 890	124 174
	Net change in specific provisions for guarantees	3 737	60 300
	Value adjustments in respect of tangible and intangible assets	13 527	28 682
	Value adjustments in respect of shares and other variable-yield securities	17 097	106 654
	Investment portfolio amortisation	15 401	10 112
	Effects of exchange rate changes on loans, borrowings, swaps	3 079 061	190 418
	Profit on operating activities :	4 220 164	2 471 634
	Disbursements of loans and advances to credit institutions and customers	- 20 594 300	- 51 895 204
	Repayments of loans and advances to credit institutions and customers	12 354 878	23 200 287
	Change in treasury operational portfolios	- 714 230	- 1 673 885
	Change in venture capital operations included in shares and other variable-yield securities	- 105 645	- 154 477
	Change in shares and other variable yield securities excluding venture capital operations	- 54 644	- 53 086
	Change in amounts owed to credit institutions and customers	8 625 976	- 317 101
	Change in prepayments and accrued income	- 1 543 078	777 846
	Change in other assets	- 6 960	49 663
	Change in accruals and deferred income	1 795 837	- 2 646 810
	Change in other liabilities	36 921	19 537
	Net cash from operating activities	4 014 919	- 30 221 596
В.	Cash flows from investing activities :		
	Securities from investment portfolio matured during the year	144 545	301 440
	Change in asset backed securities included in the treasury portfolios	- 1 156 522	- 2 442 526
	Change in tangible and intangible assets	- 4 675	- 20 130
	Net cash from investing activities	- 1 016 652	- 2 161 216
C.	Cash flows from financing activities :		
	Issue of borrowings	42 207 424	79 122 016
	Redemption of borrowings	- 13 599 645	- 33 010 200
	Member States contribution	28 832	358 659
	Change in commercial papers	4 739 579	- 10 647 642
	Net cash from financing activities	33 376 190	35 822 833
	Summary statement of cash flows:		
	Cash and cash equivalents at the beginning of the year  Net cash from:	27 339 149	24 100 435
	(1) operating activities	4 014 919	- 30 221 596
	(2) investing activities	- 1 016 652	- 2 161 216
	(3) financing activities	33 376 190	35 822 833
	(4) effect of exchange rate changes on cash and cash equivalents	- 1 207 850	- 201 307
	Cash and cash equivalents at the end of the period	62 505 756	27 339 149
	Cash and cash equivalents are composed of:		
	Cash in hand, balances with central banks and post office banks	200 797	227 227
	Bills maturing within three months of issue	20 175 822	7 638 941
	Loans and advances to credit institutions :		
	Accounts repayable on demand	352 240	367 694
	Term deposits accounts	41 776 897	19 105 287
		62 505 756	27 339 149

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS UNDER EU DIRECTIVES

#### **NOTE A** Basis of presentation

The unaudited condensed consolidated financial statements of the European Investment Bank (the "Bank") as at June 30, 2010 do not include all of the information and footnotes required for complete financial statements.

In the opinion of management, all adjustments, normal recurring accruals and adjustments for the impairment of venture capital operations and loans considered necessary for a fair presentation have been recorded. The profit for the six-month period ended June 30, 2010 is not necessarily indicative of the results that may be expected for the year ending December 31, 2010.

The audited financial statements as at and for the year ended December 31, 2009 were prepared in accordance with the general principles of the Directive 86/635/EEC of the Council of the European Communities of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions and insurance undertakings (as amended) without making use of the option available to apply fair value accounting. The unaudited condensed consolidated financial statements as at and for the period ended June 30, 2010 were based on the same principles.

For further information, refer to the financial statements and footnotes thereto included in the Bank's annual report for the year ended December 31, 2009.

Loans granted

NOTE B Summary statement of loans (in Eur '000)

Analysis of aggregate loans granted (before specific provisions)	to intermediary credit institutions	directly to final beneficiaries	Total
- Disbursed portion	121,393,321	212,348,985	333,742,306
- Undisbursed portion	19,406,552	63,781,598	83,188,150
Aggregate loans granted	140,799,873	276,130,583	416,930,456

#### **NOTE C** Debts evidenced by certificates

[See following page for summary statement of debts evidenced by certificates.]

# NOTE D EIF capital increase and commitment to purchase the remaining EIF shares at a fixed price

#### **EIF** capital increase

As at June 30, 2010, the subscribed capital of the EIF has increased from EUR 2.94 billion as at December 31, 2009 to EUR 2.98 billion. The percentage holding of the Bank in the EIF has decreased from 62.11% at the end of December 2009 to 61.40% at the end of June 2010.

At the EIF Annual General Meeting of Shareholders held on May 7, 2007, it was decided to issue 1000 new shares, identical to the 2000 existing ones (nominal value EUR 1 million each, paid in ratio of 20%) between June 30, 2007 and June 30, 2010. The Bank decided to subscribe 609 new shares on June 30, 2007.

The Bank committed to subscribe to all shares not subscribed to by the other shareholders by June 30, 2010. As 21 shares remained unsubscribed as at June 30, 2010, the Bank will subscribe to these 21 shares in the course of 2010.

#### Commitment to purchase the remaining EIF shares at a fixed price

Under the terms of the Replacement Share Purchase Undertaking, the EIB is offering to buy the remaining subscribed shares from EIF's other shareholders for a price of EUR 349,909.66 per share as at June 30, 2010. The latter corresponds to the part of each share in the called capital of EIF, increased by the share premium account, the statutory reserves, the disclosed unrealised gains in venture capital operations, the profit brought forward and the profit of the year. The agreed formula is being applied to the approved and audited annual accounts of the EIF for the financial year in which the option is exercised.

# **NOTE E** Commitments, contingent liabilities and other memorandum items [See following pages for summary statement of commitments and contingent liabilities.]

Note C - Summary statement of debts evidenced by certificates as at June 30, 2010 (in EUR' 000)

	BORROWINGS							
PAYABLE	OUTSTANDING	OUTSTANDING AVERAGE DUE OUTSTANDING AVERAGE						
IN	AS AT 30.06.2010	RATE	DATES	AS AT 31.12.2009	RATE			
		2010			2009			
EUR	155 522 951	3.62	2010/2057	136 846 665	3.77			
GBP	58 465 363	4.60	2010/2054	51 032 542	4.77			
DKK	550 424	2.55	2024/2026	604 692	2.77			
SEK	2 229 711	3.74	2011/2028	1 961 373	3.72			
CZK	618 750	4.02	2013/2030	598 190	4.00			
HUF	427 448	6.52	2010/2016	525 109	6.83			
PLN	460 933	6.21	2010/2026	378 058	6.24			
BGN	171 285	5.58	2011/2013	171 285	5.72			
RON	102 975	8.88	2014/2016	106 225	8.88			
USD	100 220 411	3.11	2010/2058	78 348 270	3.42			
CHF	6 679 855	2.40	2011/2036	5 763 009	2.41			
JPY	13 965 798	0.85	2011/2047	10 607 943	0.73			
NOK	2 947 632	4.45	2010/2025	2 383 494	4.42			
CAD	906 394	4.70	2037/2045	778 221	4.72			
AUD	11 964 324	5.88	2011/2021	9 099 260	5.85			
HKD	265 836	1.37	2010/2019	227 380	1.46			
NZD	2 618 096	6.88	2010/2017	2 749 583	7.13			
ZAR	1 725 236	8.32	2010/2018	1 256 187	8.49			
MXN	36 735	6.65	2015/2015	30 550	6.65			
TWD	25 342	5.07	2010/2013	65 574	4.21			
TRY	2 533 533	11.20	2010/2022	1 991 631	12.37			
ISK	70 350	7.91	2011/2011	95 036	8.74			
RUB	299 356	7.24	2011/2019	138 110	8.14			
TOTAL	362 808 738			305 758 387				

The redemption of certain borrowings is indexed to stock exchange indexes (historical value: EUR 843 million). All such borrowings are hedged in full through swap operations.

Note E - Commitments, contingent liabilities and other memorandum items (in EUR '000)

		30.06.2010		<u>31.12.2009</u>
Commitments				
- EBRD capital				
· uncalled		442 500		442 500
- Undisbursed loans				
· credit institutions	19 406 552		18 686 622	
· customers	63 781 598		63 156 626	
		83 188 150		81 843 248
- Undisbursed venture capital operations		1 552 335		1 392 559
- Undisbursed investment funds		399 754		511 895
Contingent liabilities and guarantees				
- In respect of loans granted by third parties		2 883 122		2 893 490
- In respect of venture capital operations		17 385		17 385
Assets held on behalf of third parties				
- CIP/SMEG 2007	87 893		93 703	
- CIP/GIF 2007	89 839		99 999	
- SME Guarantee Facility	61 339		61 992	
- European Technology Facility	9 898		6 573	
- Map Equity	58 006		65 795	
- Guarantee Fund treasury management	1 352 622		1 240 505	
- Investment Facility - Cotonou	1 347 017		1 289 209	
- Map guarantee	58 115		72 590	
- Special Section	1 368 155		1 416 067	
- RSFF	502 575		432 266	
- Neighbourhood Investment Facility ("NIF") Fund	38 844		44	
- EU-Africa	154 615		144 151	
- HIPC	63 620		65 768	
- FEMIP	29 843		30 236	
- LGTT	154 117		105 198	
- FP7 Guarantee Fund	698 564		547 761	
- JASPERS	098 304		119	
- JESSICA	684 358		16 805	
- LFA-GV	64		24	
- JEREMIE			763 175	
- TTP	960 619 1 912			
- GEEREF			2 010	
	58 026		57 999	
- GEEREF Technical Support Facility - EFSE	2 363		2 390	
	0		10 000	
- Bundesministerium fur Wirtschaft und Technologie	216		102	
- ELENA	4 036		0	
- EPPA	2 000		0	0.504.404
Au v		7 788 656		6 524 481
Other items		00.050		F0 000
- Special deposits for service of borrowings		98 359		52 292
- Securities receivable		625 000		100 000
- Nominal value of interest-rate swap contracts		362 216 412		316 379 517
- Nominal value of currency swap contracts payable		147 600 443		125 166 944
- Nominal value of currency swap contracts receivable		155 097 357		119 986 609
- Nominal value of credit default swap		195 289		196 796
- Nominal value of put option granted to EIF minority shareholders		409 744		388 842
- Borrowings launched but not yet settled		990 113		360 631
- Swaps launched but not yet settled		3 106		11 590
- Securities lent		426 467		471 434
- Futures contracts		175 248		334 676
- Forward rate agreement		201 603		0
- FX Forward		333 869		251 938

EIB

BALANCE SHEET AS AT JUNE 30, 2010 UNDER FU DIRECTIVES (in FUR 1000)

		ALANCE SHEET AS AT JUNE 30, 20	10 UNDER EU DIRECTIVES (in EUR '000)				
ASSETS	30.06.2010 (Unaudited)	31.12.2009	LIABILITIES		30.06.2010 (Unaudited)		31.12.2009
Cash in hand, balances with central banks and post office banks	200 797	227 227	Amounts owed to credit institutions     a) repayable on demand     b) with agreed maturity dates or periods of notice	13 177 822 230 808	13 408 630	0 4 480 414	4 480 414
Treasury bills and other bills eligible for refinancing with central banks      Loans and advances to credit institutions	9 214 276	3 788 227	Amounts owed to customers     a) repayable on demand     b) with agreed maturity dates or periods of notice	1 255 577 804 933	2 060 510	1 256 333 1 106 417	2 362 750
a) repayable on demand     b) other loans and advances     c) loans (Note B)	315 970 41 741 997 121 393 321 163 451 288	334 382 19 032 387 116 575 861 135 942 630	Debts evidenced by certificates (Note D)     a) debt securities in issue     b) others	339 190 617 23 618 121	362 808 738	286 247 691 19 510 696	305 758 387
4. Loans and advances to customers a) loans (Note B) b) specific value adjustments	212 348 985 - 90 800 212 258 185	199 365 019 - 110 800 199 254 219	4. Other liabilities a) sundry creditors b) sundry liabilities	415 105 14 502	429 607	367 676 19 263	386 939
Debt securities including fixed-income     securities     a) issued by public bodies	3 980 925	1 888 424	5. Accruals and deferred income		11 297 026		9 501 189
b) issued by other borrowers	<u>22 665 809</u> <u>26 646 734</u>	15 976 042 17 864 466	Provisions     a) pension plans and health insurance scheme     b) provision for guarantees issued in respect of venture capital operations	1 365 590 0	1 365 590	1 306 754 5 781	1 312 535
6. Shares and other variable-yield securities	1 601 961	1 479 405	7. Subscribed capital				
Shares in affiliated undertakings (Note C)     Intangible assets	482 768 5 756	480 668 4 817	- Subscribed - Uncalled	232 392 989 - 220 773 340	11 619 649	232 392 989 - 220 773 340	11 619 649
9. Tangible assets	295 674	304 918	8. Reserves a) reserve fund b) additional reserves	20 082 400 1 144 024		18 205 506 1 144 024	
10. Other assets	82 507	89 499	c) special activities reserve d) general loan reserve	3 299 370 1 923 734		3 299 370 1 923 734	
11. Subscribed capital and reserves, called but not paid	86 495	115 327			26 449 528		24 572 634
12. Prepayments and accrued income	16 149 813	2 319 988	9. Profit for the period		1 036 976		1 876 894
TOTAL ASSETS	430 476 254	361 871 391	TOTAL LIABILITIES	_	430 476 254	_	361 871 391

#### OFF BALANCE SHEET AS AT JUNE 30, 2010 UNDER EU DIRECTIVES (in EUR '000)

	<u>30.06.2</u> (Unaudi	
Commitments		
- EBRD capital		
uncalled	442	500 442 500
- EIF capital		
uncalled	1 463	200 1 460 800
- Undisbursed loans		
credit institutions	19 406 552	18 686 622
customers	63 781 598	63 156 626
- Undisbursed venture capital operations	83 188	
- Undisbursed investment funds	1 391	
Contingent liabilities including guarantees	399	754 511 895
- In respect of loans granted by third parties	361	623 314 244
- In respect of venture capital operations		385 17 385
Assets held on behalf of third parties	17	383 17 303
- EIF treasury management	903	205 900 069
- Guarantee Fund treasury management	1 352	
- FP7 Guarantee Fund treasury management	698	
- Investment Facility – Cotonou	1 347	***
- Special Section	1 368	
- RSFF	502	
- EU-Africa	154	615 144 151
- HIPC	63	620 65 768
- FEMIP	29	843 30 236
- LGTT	154	117 105 198
- JASPERS		0 119
- JESSICA	684	358 16 805
- NIF	38	844 44
- ELENA	4	063 0
Other items		
- Special deposits for service of borrowings		359 52 292
- Securities receivable	625	
- Nominal value of interest-rate swap contracts	362 216	
- Nominal value of currency swap contracts payable	147 600	
Nominal value of currency swap contracts receivable     Nominal value of credit default swap	155 097	
Nominal value of credit default swap     Nominal value of put option granted to EIF minority shareholders	195	
Borrowings launched but not yet settled	409 990	
- Swaps launched but not yet settled		106 11 590
- Securities lending	350	***
- Futures contracts	350 175	***
- Forward rate agreement	201	
- FX Forward	333	
	333	231 930

#### PROFIT AN LOSS ACCOUNT FOR THE PERIOD ENDED JUNE 30, 2010 UNDER EU DIRECTIVES (in EUR '000)

			30.06.2010 (Unaudited)		30.06.2009 (Unaudited)		2009
1.	Interest receivable and similar income		9 077 675		7 965 457		16 531 782
2.	Interest payable and similar charges		- 7 865 636		- 6 827 829		- 14 289 505
3.	Income from securities with variable-yield a) income from shares and variable-yield securities b) income from shares in affiliated undertakings	30 363 0	30 363	9 085 5 110	14 195	7 997 9 085	17 082
4.	Commission receivable		73 772		61 085		148 503
5.	Commission payable		- 6 635		- 5 047		- 11 768
6.	Net loss on financial operations		- 95 148		- 51 333		- 20 751
7.	Other operating income		2 307		1 524		12 157
8.	General administrative expenses a) staff costs b) other administrative costs	- 151 718 - 40 871	- 192 589	- 130 166 - 42 327	- 172 493	- 283 971 - 113 324	- 397 295
9.	Value adjustments in respect of tangible and intangible assets a) tangible assets b) intangible assets	- 11 707 - 1 258	- 12 965	- 11 448 - 1 013	- 12 461	- 25 645 - 2 296	- 27 941
10.	Value (re-)adjustments in respect of loans and advances and provisions for contigent liabilities and for commitments		25 832		- 58 515		- 85 370
11.	Profit for the period	_	1 036 976	_	914 583	_	1 876 894

#### CASH FLOW STATEMENT FOR THE PERIOD ENDED JUNE 30, 2010 UNDER EU DIRECTIVES (in EUR '000)

Profit for the priorit   1036 976   1878 84 87		30.06.2010 (Unaudited)	2009
Profit of the period         1,000,800         88.88         88.48         48.48         48.48         48.48         48.48         48.48         48.49         48.39         49.49         49.39         49.30         49.49         49.39         49.30         49.49         49.39         49.30         49.39         49.30         49.39         49.30         49.39         49.30         49.39         49.30         49.39         49.30         49.39         49.	A. Cash flows from operating activities:	,	
Net change in specific provisions on staff pension fund   5.0 055   119 1011   Net change in specific provisions on staff pension fund   5.0 055   119 1011   Net change in specific provisions on staff pensions on staff pension	·	1 036 976	1 876 894
Net change in specific provisions on staff pension fund   19.00   19	Adjustments for:		
Value adjustments in respect of tanges and other variable-yield sacurities         18 e95         27 941           Value adjustments in respect of tangible and intangible assets         16 520         8 484           Investment portfolio amoritisation         16 520         8 484           Effects of exchange rate changes on loans, borrowings and swaps         306 152         17 191           Profit on operating activities         4179 733         2 397 612           Disbursements of loans and advances to credit institutions and customers         2.0 594 300         5 1885 704           Repayments of loans and advances to credit institutions and customers         1.2 64 89 93         1.3 01 471           Change in treasury operational portfolios         1.8 66 80         1.3 38 50           Change in interius capital operations included in shares and other variable-yield securities         8.6 68         1.3 38 50           Change in interius capital operations included in shares and other variable-yield securities         8.6 57         3.17 101           Change in in treasury operational portfolios         1.5 42 567         7.75 182           Change in in shares and other variable-yield securities excluding variety experiments and excerted income         1.1 52 567         7.75 182           Change in in shares and other variable-yield securities included in the variety experiments and deserger in accusal and deferred income         1.2 25 67 <th< td=""><td>Net change in specific value adjustments on loans and advances</td><td>- 20 000</td><td>88 800</td></th<>	Net change in specific value adjustments on loans and advances	- 20 000	88 800
Value adjustments in respect of tangible and intangible assets         12 95         27 94 1 Investment profitol amortisation         6 520         8 484 Effects of exchange rate changes on loans, borrowings and swaps         3 06 1582         174 191           Profit on operating activities         417933         23 97 612         24 97 612         24 97 612         24 97 612         24 97 612         24 97 612         24 97 612         24 97 612         24 97 612         24 97 61         24 97 61         24 97 61         24 97 61         24 97 61         24 97 61         24 97 61         24 97 61         24 97 61         24 97 61         24 97 61         24 97 61         24 97 61         24 97 61         24 97 61         24 97 61         24 97 61         24 97 61         24 97 6	Net change in specific provisions on staff pension fund	53 055	119 101
Investment portfolio amorifisation   16 520   8.44 84 16 16 16 16 16 16 16 16 16 16 16 16 16	Value adjustments in respect of shares and other variable-yield securities	18 695	102 201
Effects of exchange rate changes on loans, borrowings and swaps         3 061 582         174 191           Profit on operating activities         4179 783         2 397 612	Value adjustments in respect of tangible and intangible assets	12 965	27 941
Profit on operating activities   A 179 798   2 337 612     Disbursements of loans and advances to credit institutions and customers   20 54 300   51 895 204     Disbursements of loans and advances to credit institutions and customers   12 534 678   23 200 287     Change in treasury operational portfolios   648 993   13 301 471     Change in internute capital operations included in shares and other variable-yield securities   68 608   61 38 350     Change in shares and other variable-yield securities excluding venture capital operations   68 625 976   317 101     Change in internut capital operations included in shares and other variable-yield securities   68 625 976   317 101     Change in prepayments and accrued income   1542 567   7775 182     Change in amounts owed to credit institutions and customers   1795 327   2 646 810     Change in internuts owed to credit institutions and customers   1795 327   2 646 810     Change in internuts and deferred income   1795 327   2 646 810     Change in other assets   42 688   24 443     Change in other liabilities   4 79 032   2 839 513     B. Cash flows from investing activities   117 559   251 786     Change in asset backed securities included in the treasury portfolios   117 559   251 786     Change in asset backed securities included in the treasury portfolios   116 56 522   2 442 526     Change in asset backed securities included in the treasury portfolios   1 165 522   2 24 425 526     Change in asset backed securities included in the treasury portfolios   1 10 45 723   2 211 615     Cash from investing activities   2 20 74 424   79 122 016     Redemption of borrowings   4 2 207 424   79 122 016     Redemption of borrowings   4 2 207 424   79 122 016     Redemption of borrowings   4 2 207 424   79 122 016     Redemption of borrowings   4 2 207 424   79 122 016     Redemption of borrowings   4 2 207 424   79 122 016     Redemption of borrowings   4 2 207 424   79 122 016     Redemption of borrowings   4 2 207 424   79 122 016     Redemption of borrowings   4 2 20	Investment portfolio amortisation	16 520	8 484
Disbursements of loans and advances to credit institutions and customers   -20 594 300   -51 895 204 Repayments of loans and advances to credit institutions and customers   12 564 878   23 200 287 Repayments of loans and advances to credit institutions and customers   12 564 878   23 200 287 Repayments of loans and advances to credit institutions and customers   12 564 878   23 200 287 Repayments of loans and advances to credit institutions and customers   12 564 878   23 200 287 Repayments and service place for the cash form control of the control of t	Effects of exchange rate changes on loans, borrowings and swaps	3 061 582	174 191
Repayments of loans and advances to credit institutions and customers         12 354 878         23 200 287           Change in treasury operational portfolios         -648 983         -1 301 471           Change in in treasury operational portfolios         -86 608         -1 301 471           Change in in treasury operations included in shares and other variable-yield securities excluding venture capital operations         -86 608         -1 30 164           Change in shares and other variable-yield securities excluding venture capital operations         8 25 976         -31 7101           Change in shares and other variable-yield securities excluding venture capital operations         8 25 976         -31 7101           Change in prepayments and accrued income         -1 542 567         775 182           Change in other assets         6 992         50 805           Change in other liabilities         4 079 632         -2 468 610           Change in other liabilities         4 079 632         -2 48 854           Met cash from investing activities         4 079 632         -2 48 854           B. Cash flows from investing activities         1 17 558         2 1786           Change in asset backed securities included in the treasury portfolios         1 14 6502         -2 416 56           Change in asset backed securities included in the treasury portfolios         1 4 600         -3 9 79 <tr< th=""><th>Profit on operating activities</th><th>4 179 793</th><th>2 397 612</th></tr<>	Profit on operating activities	4 179 793	2 397 612
Change in treasury operational portfolios         - 648 993         - 1 301 471           Change in venture capital operations included in shares and other variable-yield securities         - 56 608         - 1 38 505           Change in shares and other variable-yield securities excluding venture capital operations         - 56 608         - 317 101           Change in shares and other variable-yield securities excluding venture capital operations         - 56 608         - 317 101           Change in prepayments and accrued income         - 16 42 507         - 775 182           Change in other assets         6 992         - 50 085           Change in other liabilities         4 2 668         2 4 43           Change in accrued income         17 98 587         2 64 6810           Change in other liabilities         4 2 668         2 4 43           Net cash from operating activities         - 2 100         - 1 396           Cash flows from investing activities         - 2 100         - 1 396           Securities from investing activities         - 1 156 522         - 2 44 252           Change in asset backed securities included in the treasury portfolios         - 1 156 522         - 2 44 252           Change in cantile from investing activities         - 1 467 20         - 2 17 85           Chauge in investing activities         - 1 4 50 23         - 2 21 16 52	Disbursements of loans and advances to credit institutions and customers	- 20 594 300	- 51 895 204
Change in venture capital operations included in shares and other variable-yield securities excluding venture capital operations         - 86 608         - 138 350           Change in shares and other variable-yield securities excluding venture capital operations         36 25 976         - 317 101           Change in prepayments and accrued income         1 542 567         775 182           Change in prepayments and accrued income         6 989         5 9085           Change in accruals and deferred income         1 798 837         - 2 646 810           Change in other isbilities         4 799 832         - 2484 84           Whe cash from operating activities         4 799 82         - 2 9885 413           B. Cash flows from investing activities         - 2 100         - 1 396           Securilies from investing activities         1 175 59         25 1786           Change in asset backed securities included in the treasury portfolios         1 115 552         2 4242 526           Net change in altangible and intangible assets in angible and intangible assets in angible and intangible and intangible assets in angible and intangible asset in angible and intangible assets in angible and intangible asset in angibl	Repayments of loans and advances to credit institutions and customers	12 354 878	23 200 287
Change in shares and other variable-yield securities excluding venture capital operations         5.4 644         - 5.3 086           Change in amounts owed to credit institutions and customers         8 625 976         - 317 107           Change in prepayments and accrued income         1.542 567         775 182           Change in other assets         6 992         5.9 085           Change in other assets         1.795 837         - 2.2 466 810           Change in other liabilities         4 079 032         - 29 885 412           Change in other liabilities         4 079 032         - 29 885 412           Net cash from operating activities         - 2 100         - 1 396           B. Cash flows from investing activities         - 2 100         - 1 396           Securities from investing activities         - 2 100         - 1 396           Schange in asset backed securities included in the treasury portfolios         - 1 186 522         - 2 442 562           Nation investing activities         - 1 047 522         - 2 211 615           Let cash from financing activities         - 1 047 522         - 2 211 615           Let cash from financing activities         - 2 207 424         79 122 016           Redemption of borrowings         - 1 35 599 645         - 33 010 200           Redemption of borrowings         - 2 732 937	Change in treasury operational portfolios	- 648 993	- 1 301 471
Change in amounts owed to credit institutions and customers         8 625 976         - 317 101           Change in prepayments and accrued income         - 1 542 567         775 182           Change in prepayments and accrued income         6 992         59 085           Change in accruals and deferred income         1 795 837         2 646 810           Change in other liabilities         4079 032         29 895 418           B. Cash flows from investing activities         4079 032         29 895 418           B. Cash flows from investing activities         - 2 100         - 1 396           Securities from investing activities investing activities in subset of page of the treasury portfolios         - 1 156 522         - 2 442 526           Change in asset backed securities included in the treasury portfolios         - 1 156 522         - 2 442 526           Change in asset backed securities included in the treasury portfolios         - 1 156 522         - 2 442 526           Change in asset backed securities included in the treasury portfolios         - 1 045 723         - 2 2116 52           C. Cash flows from financing activities         - 1 045 723         - 2 2116 55           C. Cash flows from financing activities         - 1 2 2 70 424         7 9 122 16 55           C. Cash flows from financing activities         - 2 88 82         35 68 659           Change in commercial pa	Change in venture capital operations included in shares and other variable-yield securities	- 86 608	- 138 350
Change in prepayments and accrued income         -1 542 567         775 182           Change in other assets         6 992         5 9085           Change in accruals and deferred income         1 795 837         2 6 468 10           Change in carculas and deferred income         4 2 668         24 443           Net cash from operating activities         40 9032         29 895 413           B. Cash flows from investing activities         -2 100         -1 396           Securities from investing activities included in the treasury portfolios         11 155 522         -2 442 526           Change in asset backed securities included in the treasury portfolios         -1 156 522         -2 442 526           Net cash from investing activities         -1 045 723         -2 211 615           Cash flows from financing activities         -2 100         -1 947           Redemption of borrowings         42 207 424         79 122 016           Cash flows from financing activities         28 832         358 659           Change in commercial papers         4 739 579         -10 647 632           Change in commercial papers         4 739 579         -10 647 632           Change in commercial papers         2 2 32 32 33         8 685           Chash and cash equivalents at the beginning of the year         2 7 23 29 37         2 3 18 439<	Change in shares and other variable-yield securities excluding venture capital operations	- 54 644	- 53 086
Change in other assets         6 992         59 085           Change in accruals and deferred income         1 798 837         - 2 646 810           Change in other liabilities         4 2 688         2 4 443           Net cash from operating activities         4 079 032         - 2 985 413           B. Cash flows from investing activities:         8         - 2 100         - 1 396           Ecurities from investment portfolio matured during the year         1 17 559         251 786           Change in asset backed securities included in the treasury portfolios         - 1 165 522         - 2 442 526           Net change in tangible and intangible assets         - 1 045 723         - 2 211 615           C. Cash flows from financing activities         - 1 045 723         - 2 211 615           Essue of borrowings         4 2 207 424         7 9 122 016           Redemption of borrowings         4 2 207 424         7 9 122 016           Redemption of borrowings         4 3 599 645         - 33 010 200           Member States contribution         2 8 832         358 659           Change in commercial papers         4 793 9579         - 10 647 642           Net cash from financing activities         2 7 23 937         23 718 439           Summary statement of cash flows:         2 7 29 875         - 1 0 647 642	Change in amounts owed to credit institutions and customers	8 625 976	- 317 101
Change in accruals and deferred income         1 795 837         2 646 810           Change in other liabilities         42 668         24 443           Met cash from operating activities         40 90 32         29 895 413           B. Cash flows from investing activities:         Purchase of EIF shares         2 100         1 396           Securities from investment portfolio matured during the year         11 5559         251 786           Change in asset backed securities included in the treasury portfolios         1 156 522         2 442 526           Net cash from financing activities         1 4 660         1 94 78           Net cash from investing activities         4 500         1 94 78           Redemption of borrowings         4 2 207 424         7 9 122 016           Redemption of borrowings         4 2 207 424         7 9 122 016           Redemption of borrowings         4 2 35 99         4 35 659           Change in commercial papers         4 733 579         -10 647 642           Net cash from financing activities         27 23 297         23 718 439           Summary statement of cash flows:         2         2 23 297         23 718 439           Net cash from:         2         2 23 297         23 718 439           10 operating activities         4 079 032         2 9 895 413 <td>Change in prepayments and accrued income</td> <td>- 1 542 567</td> <td></td>	Change in prepayments and accrued income	- 1 542 567	
Change in other liabilities         42 688         24 443           Net cash from operating activities         40 79 032         -29 895 413           B. Cash flows from investing activities:         Purchase of EIF shares         -2 100         -1 396           Securities from investment portfolio matured during the year         -2 1105         -2 20         -1 786           Change in asset backeds securities included in the treasury portfolios         -1 145 522         -2 2442 526         -2 442 526         -2 142 526         -2 142 526         -2 142 526         -2 142 526         -2 142 526         -2 142 526         -2 142 526         -2 142 526         -2 142 526 <t< td=""><td>Change in other assets</td><td>6 992</td><td>59 085</td></t<>	Change in other assets	6 992	59 085
Net cash from operating activities		1 795 837	
B. Cash flows from investing activities:           Purchase of EIF shares         - 2 100         - 1 396           Securities from investment portfolio matured during the year         117 559         251 786           Change in asset backed securities included in the treasury portfolios         -1 156 652         -2 442 526           Net cash from investing activities         -1 045 723         -2 211 615           Net cash from investing activities         -1 045 723         -2 211 615           C. Cash flows from financing activities         -1 3599 645         -33 010 200           Redemption of borrowings         42 207 424         79 122 016           Redemption of borrowings         42 39 579         -10 647 642           Redemption of borrowings         4 33 98 645         -33 010 200           Member States contribution         28 832         358 659           Change in commercial papers         4 739 579         -10 647 642           Net cash from financing activities         27 232 937         23 18 439           Summary statement of cash flows:         27 232 937         23 718 439           Net cash from:         4 079 032         -2 895 413           10 joerating activities         4 079 032         -2 895 413           20 investing activities         4 079 032         -2	Change in other liabilities	42 668	24 443
Purchase of EIF shares         - 2 100         - 1 396           Securities from investment portfolio matured during the year         117 559         251 786           Change in asset backed securities included in the treasury portfolios         -1 156 522         -2 442 526           Net change in tangible and intangible assets         - 4 660         - 19 479           Net cash from investing activities         - 1 045 723         - 2 211 615           C. Cash flows from financing activities:         - 13 599 645         - 33 010 200           Redemption of borrowings         4 22 07 424         79 122 016           Redemption of borrowings         4 28 832         358 659           Change in commercial papers         4 739 579         10 647 662           Change in commercial papers         4 739 579         10 647 662           Net cash from financing activities         33 376 190         35 822 833           Net cash from investing activities         2 7 23 937         23 718 439           Net cash from:         1         4 079 032         - 29 895 413           (2) investing activities         4 079 032         - 29 895 413           (2) investing activities         3 3 376 190         35 822 833           (3) financing activities         3 3 376 190         35 822 833           (4)	Net cash from operating activities	4 079 032	- 29 895 413
Securities from investment portfolio matured during the year         117 559         251 786           Change in asset backed securities included in the treasury portfolios         -1 156 522         -2 442 526           Net cange in tangible and intangible assets         -4 660         -1 9 479           Net cash from investing activities         -1 045 723         -2 211 615           C. Cash flows from financing activities:	B. Cash flows from investing activities:		
Change in asset backed securities included in the treasury portfolios         -1 156 522         - 2 442 526           Net change in tangible and intangible assets         - 4 660         - 19 479           Net cash from investing activities         - 1 045 723         - 2 211 615           C. Cash flows from financing activities:	Purchase of EIF shares	- 2100	- 1 396
Net change in tangible and intangible assets         - 4 660         - 1 9 479           Net cash from investing activities         - 1 045 723         - 2 211 615           C. Cash flows from financing activities:         - 1 3 599 645         79 122 016           Redemption of borrowings         - 13 599 645         - 33 010 200           Member States contribution         28 832         358 659           Change in commercial papers         4 739 579         - 10 647 642           Net cash from financing activities         33 376 190         35 822 833           Cash and cash equivalents at the beginning of the year         27 232 937         23 718 439           Net cash from:         4 079 032         - 29 895 413           (2) investing activities         4 079 032         - 29 895 413           (2) investing activities         4 079 032         - 29 895 413           (2) investing activities         4 079 032         - 29 895 413           (3) financing activities         3 3 376 190         35 822 833           (4) effects of exchange rate changes on cash held         1 045 723         - 2211 615           (3) financing activities         3 3 376 190         35 822 833           (4) effects of exchange rate changes on cash held         20 07 850         2 20 1 307           Cash and cash equ		117 559	
Net cash from investing activities         -1 045 723         -2 211 615           C. Cash flows from financing activities:         842 207 424         79 122 016           Issue of borrowings         42 207 424         79 122 016           Redemption of borrowings         -1 3 599 645         -3 3 010 200           Member States contribution         28 832         358 659           Change in commercial papers         4 739 579         -10 647 642           Net cash from financing activities         33 376 190         35 822 833           Summary statement of cash flows:         27 232 937         23 718 439           Net cash from:         4 079 032         -29 895 413           (2) investing activities         4 079 032         -29 895 413           (2) investing activities         4 079 032         -29 895 413           (3) financing activities         4 079 032         -29 895 413           (3) financing activities         3 3 376 190         35 822 833           (4) effects of exchange rate changes on cash held         1 207 850         - 201 307           Cash and cash equivalents at the end of the period         62 434 586         27 232 937           Cash and cash equivalents are composed of:         200 797         227 227           Cash in hand, balances with central banks and post office		- 1 156 522	
C. Cash flows from financing activities:         Issue of borrowings       42 207 424       79 122 016         Redemption of borrowings       -13 599 645       -33 010 200         Member States contribution       28 832       358 659         Change in commercial papers       4 739 579       -10 647 642         Net cash from financing activities       33 376 190       35 822 833         Summary statement of cash flows:         Cash and cash equivalents at the beginning of the year       27 232 937       23 718 439         Net cash from:         (1) operating activities       4 079 032       -29 895 413         (2) investing activities       4 079 032       -29 895 413         (2) investing activities       -1 045 723       -2 211 615         (3) financing activities       33 376 190       35 822 833         (4) effects of exchange rate changes on cash held       -1 207 850       - 201 307         Cash and cash equivalents at the end of the period       62 434 586       27 232 937         Cash and cash equivalents are composed of:       200 797       227 227         Cash in hand, balances with central banks and post office banks       200 797       227 227         Bills maturing within three months of issue       20 175 822       7 638 9			
Issue of borrowings         42 207 424         79 122 016           Redemption of borrowings         -13 599 645         -33 010 200           Member States contribution         28 832         358 659           Change in commercial papers         4 739 579         -10 647 642           Net cash from financing activities         33 376 190         35 822 833           Summary statement of cash flows:         27 232 937         23 718 439           Net cash from:         27 232 937         23 718 439           Net cash from:         4 079 032         -2 9 895 413           (2) investing activities         4 079 032         -2 9 895 413           (2) investing activities         4 079 032         -2 9 895 413           (2) investing activities         3 3 376 190         35 822 833           (4) effects of exchange rate changes on cash held         -1 207 850         -2 011 307           Cash and cash equivalents at the end of the period         62 434 586         27 232 937           Cash and cash equivalents are composed of:         200 797         227 227           Cash in hand, balances with central banks and post office banks         200 775 822         7 638 941           Loans and advances to credit institutions:         201 75 822         7 638 941           Loans and advances to credit instit	Net cash from investing activities	- 1 045 723	- 2 211 615
Redemption of borrowings         -13 599 645         -33 010 200           Member States contribution         28 832         358 659           Change in commercial papers         4 739 579         -10 647 642           Net cash from financing activities         33 376 190         35 822 833           Summary statement of cash flows:         27 232 937         23 718 439           Net cash from:         27 232 937         23 718 439           Net cash from:         4 079 032         -29 895 413           (2) investing activities         4 079 032         -29 895 413           (2) investing activities         33 376 190         35 822 833           (4) effects of exchange rate changes on cash held         -1 207 850         - 201 307           Cash and cash equivalents at the end of the period         62 434 586         27 232 937           Cash and cash equivalents are composed of:         200 797         227 227           Salis maturing within three months of issue         200 797         227 227           Bills maturing within three months of issue         20 175 822         7 638 941           Loans and advances to credit institutions:           Accounts repayable on demand         315 970         334 382           Ferm deposit accounts         41 741 997         19 032 387 <td>C. Cash flows from financing activities:</td> <td></td> <td></td>	C. Cash flows from financing activities:		
Member States contribution         28 832         358 659           Change in commercial papers         4 739 579         - 10 647 642           Net cash from financing activities         33 376 190         35 822 833           Summary statement of cash flows:           Cash and cash equivalents at the beginning of the year         27 232 937         23 718 439           Net cash from:           (1) operating activities         4 079 032         - 29 895 413           (2) investing activities         4 079 032         - 29 895 413           (2) investing activities         33 376 190         35 822 833           (4) effects of exchange rate changes on cash held         - 1 045 723         - 2 211 615           (3) financing activities         33 376 190         35 822 833           (4) effects of exchange rate changes on cash held         - 1 207 850         - 201 307           Cash and cash equivalents at the end of the period         62 434 586         27 232 937           Cash and cash equivalents are composed of:         200 797         227 227           Cash in hand, balances with central banks and post office banks         20 175 822         7 638 941           Loans and advances to credit institutions:         20 175 822         7 638 941           Accounts repayable on demand <td>· · · · · · · · · · · · · · · · · · ·</td> <td>42 207 424</td> <td></td>	· · · · · · · · · · · · · · · · · · ·	42 207 424	
Change in commercial papers       4 739 579       - 10 647 642         Net cash from financing activities       33 376 190       35 822 833         Summary statement of cash flows:       Cash and cash equivalents at the beginning of the year       27 232 937       23 718 439         Net cash from:       (1) operating activities       4 079 032       - 29 895 413         (2) investing activities       4 079 032       - 29 895 413         (3) financing activities       - 1 045 723       - 2 211 615         (3) financing activities       33 376 190       35 822 833         (4) effects of exchange rate changes on cash held       - 1 207 850       - 201 307         Cash and cash equivalents at the end of the period       62 434 586       27 232 937         Cash and cash equivalents are composed of:       200 797       227 227         Cash in hand, balances with central banks and post office banks       200 797       227 227         Bills maturing within three months of issue       20 175 822       7 638 941         Loans and advances to credit institutions:         Accounts repayable on demand       315 970       334 382         Term deposit accounts       41 741 997       19 032 387	·		
Net cash from financing activities         33 376 190         35 822 833           Summary statement of cash flows:         27 232 937         23 718 439           Cash and cash equivalents at the beginning of the year         27 232 937         23 718 439           Net cash from:         4 079 032         - 29 895 413           (2) investing activities         4 079 032         - 29 895 413           (2) investing activities         - 1 045 723         - 2 211 615           (3) financing activities         33 376 190         35 822 833           (4) effects of exchange rate changes on cash held         - 1 207 850         - 201 307           Cash and cash equivalents at the end of the period         62 434 586         27 232 937           Cash and cash equivalents are composed of:         200 797         227 227           Cash in hand, balances with central banks and post office banks         200 797         227 227           Bills maturing within three months of issue         20 175 822         7 638 941           Loans and advances to credit institutions:           Accounts repayable on demand         315 970         334 382           Term deposit accounts         41 741 997         19 032 387			
Summary statement of cash flows:         Cash and cash equivalents at the beginning of the year       27 232 937       23 718 439         Net cash from:       (1) operating activities       4 079 032       - 29 895 413         (2) investing activities       - 1 045 723       - 2 211 615         (3) financing activities       33 376 190       35 822 833         (4) effects of exchange rate changes on cash held       - 1 207 850       - 201 307         Cash and cash equivalents at the end of the period       62 434 586       27 232 937         Cash and cash equivalents are composed of:       200 797       227 227         Cash in hand, balances with central banks and post office banks       200 797       227 227         Bills maturing within three months of issue       20 175 822       7 638 941         Loans and advances to credit institutions:       315 970       334 382         Term deposit accounts       41 741 997       19 032 387		4 739 579	- 10 647 642
Cash and cash equivalents at the beginning of the year       27 232 937       23 718 439         Net cash from:       (1) operating activities       4 079 032       - 29 895 413         (2) investing activities       -1 045 723       - 2 211 615         (3) financing activities       33 376 190       35 822 833         (4) effects of exchange rate changes on cash held       - 1 207 850       - 201 307         Cash and cash equivalents at the end of the period       62 434 586       27 232 937         Cash and cash equivalents are composed of:       200 797       227 227         Cash in hand, balances with central banks and post office banks       200 797       227 227         Bills maturing within three months of issue       20 175 822       7 638 941         Loans and advances to credit institutions:         Accounts repayable on demand       315 970       334 382         Term deposit accounts       41 741 997       19 032 387	Net cash from financing activities	33 376 190	35 822 833
Cash and cash equivalents at the beginning of the year       27 232 937       23 718 439         Net cash from:       (1) operating activities       4 079 032       - 29 895 413         (2) investing activities       -1 045 723       - 2 211 615         (3) financing activities       33 376 190       35 822 833         (4) effects of exchange rate changes on cash held       - 1 207 850       - 201 307         Cash and cash equivalents at the end of the period       62 434 586       27 232 937         Cash and cash equivalents are composed of:       200 797       227 227         Cash in hand, balances with central banks and post office banks       200 797       227 227         Bills maturing within three months of issue       20 175 822       7 638 941         Loans and advances to credit institutions:         Accounts repayable on demand       315 970       334 382         Term deposit accounts       41 741 997       19 032 387			
Net cash from:       4 079 032       - 29 895 413         (2) investing activities       - 1 045 723       - 2 211 615         (3) financing activities       33 376 190       35 822 833         (4) effects of exchange rate changes on cash held       - 1 207 850       - 201 307         Cash and cash equivalents at the end of the period       62 434 586       27 232 937         Cash and cash equivalents are composed of:       200 797       227 227         Cash in hand, balances with central banks and post office banks       200 797       227 227         Bills maturing within three months of issue       20 175 822       7 638 941         Loans and advances to credit institutions:       315 970       334 382         Accounts repayable on demand       315 970       334 382         Term deposit accounts       41 741 997       19 032 387			
(1) operating activities       4 079 032       - 29 895 413         (2) investing activities       - 1 045 723       - 2 211 615         (3) financing activities       33 376 190       35 822 833         (4) effects of exchange rate changes on cash held       - 1 207 850       - 201 307         Cash and cash equivalents at the end of the period       62 434 586       27 232 937         Cash and cash equivalents are composed of:       200 797       227 227         Cash in hand, balances with central banks and post office banks       200 797       227 227         Bills maturing within three months of issue       20 175 822       7 638 941         Loans and advances to credit institutions:       315 970       334 382         Accounts repayable on demand       315 970       334 382         Term deposit accounts       41 741 997       19 032 387	Cash and cash equivalents at the beginning of the year	27 232 937	23 718 439
(2) investing activities       -1 045 723       -2 211 615         (3) financing activities       33 376 190       35 822 833         (4) effects of exchange rate changes on cash held       -1 207 850       - 201 307         Cash and cash equivalents at the end of the period       62 434 586       27 232 937         Cash and cash equivalents are composed of:       200 797       227 227         Cash in hand, balances with central banks and post office banks       200 797       227 227         Bills maturing within three months of issue       20 175 822       7 638 941         Loans and advances to credit institutions:         Accounts repayable on demand       315 970       334 382         Term deposit accounts       41 741 997       19 032 387	Net cash from:		
(3) financing activities       33 376 190       35 822 833         (4) effects of exchange rate changes on cash held       - 1 207 850       - 201 307         Cash and cash equivalents at the end of the period       62 434 586       27 232 937         Cash and cash equivalents are composed of:       200 797       227 227         Cash in hand, balances with central banks and post office banks       200 797       227 227         Bills maturing within three months of issue       20 175 822       7 638 941         Loans and advances to credit institutions:       315 970       334 382         Accounts repayable on demand       315 970       334 382         Term deposit accounts       41 741 997       19 032 387	(1) operating activities	4 079 032	- 29 895 413
Cash and cash equivalents at the end of the period62 434 58627 232 937Cash and cash equivalents are composed of:200 797227 227Cash in hand, balances with central banks and post office banks200 797227 227Bills maturing within three months of issue20 175 8227 638 941Loans and advances to credit institutions:315 970334 382Accounts repayable on demand315 970334 382Term deposit accounts41 741 99719 032 387	(2) investing activities	- 1 045 723	- 2 211 615
Cash and cash equivalents at the end of the period62 434 58627 232 937Cash and cash equivalents are composed of:200 797227 227Cash in hand, balances with central banks and post office banks200 797227 227Bills maturing within three months of issue20 175 8227 638 941Loans and advances to credit institutions:315 970334 382Accounts repayable on demand315 970334 382Term deposit accounts41 741 99719 032 387			
Cash and cash equivalents are composed of:  Cash in hand, balances with central banks and post office banks  Bills maturing within three months of issue  Loans and advances to credit institutions:  Accounts repayable on demand  Term deposit accounts  200 797 227 227 2638 941 20 175 822 7 638 941 21 315 970 334 382 315 970 334 382	<u>*                                    </u>	- 1 207 850	- 201 307
Cash in hand, balances with central banks and post office banks200 797227 227Bills maturing within three months of issue20 175 8227 638 941Loans and advances to credit institutions:315 970334 382Accounts repayable on demand315 970334 382Term deposit accounts41 741 99719 032 387	Cash and cash equivalents at the end of the period	62 434 586	27 232 937
Bills maturing within three months of issue Loans and advances to credit institutions:  Accounts repayable on demand Term deposit accounts  20 175 822 7 638 941  315 970 334 382  41 741 997 19 032 387	Cash and cash equivalents are composed of:		
Loans and advances to credit institutions:  Accounts repayable on demand Term deposit accounts  315 970 334 382 41 741 997 19 032 387	Cash in hand, balances with central banks and post office banks	200 797	227 227
Accounts repayable on demand         315 970         334 382           Term deposit accounts         41 741 997         19 032 387	· · · · · · · · · · · · · · · · · · ·	20 175 822	7 638 941
Term deposit accounts 41 741 997 19 032 387			
	• •	315 970	
62 434 586 27 232 937	i erm deposit accounts	41 741 997	19 032 387
		62 434 586	27 232 937

### NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS UNDER EU DIRECTIVES

#### **NOTE A** Basis of presentation

The unaudited condensed financial statements of the European Investment Bank (the "Bank") as at June 30, 2010 do not include all of the information and footnotes required for complete financial statements.

In the opinion of management, all adjustments, normal recurring accruals and adjustments for the impairment of venture capital operations and loans considered necessary for a fair presentation have been recorded. The profit for the six-month period ended June 30, 2010 is not necessarily indicative of the results that may be expected for the year ending December 31, 2010.

The audited financial statements as at and for the year ended December 31, 2009 were prepared in accordance with the general principles of the Directive of the Council of the European Communities of 8 December 1986 (as amended) without making use of the option available to apply fair value accounting. The unaudited condensed financial statements as at and for the period ended June 30, 2010 were based on the same principles.

For further information, refer to the unconsolidated financial statements and footnotes thereto included in the Bank's annual report for the year ended December 31, 2009.

Loans granted

#### NOTE B Summary statement of loans (in Eur '000)

		•	
Analysis of aggregate loans granted (before specific provisions)	to intermediary credit institutions	directly to final beneficiaries	Total
_			
- Disbursed portion	121,393,321	212,348,985	333,742,306
- Undisbursed portion	19,406,552	63,781,598	83,188,150
Aggregate loans granted	140,799,873	276,130,583	416,930,456

#### **NOTE C** Shares in affiliated undertakings

#### **EIF** capital increase

This item for EUR'000 482,768 corresponds to the capital paid in by the Bank in respect of its subscription (EUR'000 1,829,000) to the capital of the European Investment Fund (EIF), with its registered office in Luxembourg.

As at June 30, 2010, the subscribed capital of the EIF has increased from EUR 2.94 billion as at December 31, 2009 to EUR 2.98 billion. The percentage holding of the Bank in the EIF has decreased from 62.11% at the end of December 2009 to 61.40% at the end of June 2010.

At the EIF Annual General Meeting of Shareholders held on May 7, 2007, it was decided to issue 1000 new shares, identical to the 2000 existing ones (nominal value EUR 1 million each, paid in ratio of 20%) between June 30, 2007 and June 30, 2010. The Bank decided to subscribe 609 new shares on June 30, 2007.

The Bank committed to subscribe to all shares not subscribed to by the other shareholders by June 30, 2010. As 21 shares remained unsubscribed as at June 30, 2010, the Bank will subscribe to these 21 shares in the course of 2010.

#### Commitment to purchase the remaining EIF shares at a fixed price

Under the terms of the Replacement Share Purchase Undertaking, the EIB is offering to buy the remaining subscribed shares from the EIF's other shareholders for a price of EUR 349,909.66 per share as at June 30, 2010. The latter corresponds to the part of each share in the called capital of EIF, increased by the share premium account, the statutory reserves, the disclosed unrealised gains in venture capital operations, the profit brought forward and the profit of the year. The agreed formula is being applied to the approved and audited annual accounts of the EIF for the financial year in which the option is exercised.

#### **NOTE D** Debts evidenced by certificates

[See following page for summary statement of debts evidenced by certificates]

Note D - Summary statement of debts evidenced by certificates as at June 30, 2010 (in EUR' 000)

	BORROWINGS						
PAYABLE	OUTSTANDING	AVERAGE	DUE	OUTSTANDING	AVERAGE		
IN	AS AT 30.06.2010	RATE	DATES	AS AT 31.12.2009	RATE		
		2010			2009		
EUR	155 522 951	3.62	2010/2057	136 846 665	3.77		
GBP	58 465 363	4.60	2010/2054	51 032 542	4.77		
DKK	550 424	2.55	2024/2026	604 692	2.77		
SEK	2 229 711	3.74	2011/2028	1 961 373	3.72		
CZK	618 750	4.02	2013/2030	598 190	4.00		
HUF	427 448	6.52	2010/2016	525 109	6.83		
PLN	460 933	6.21	2010/2026	378 058	6.24		
BGN	171 285	5.58	2011/2013	171 285	5.72		
RON	102 975	8.88	2014/2016	106 225	8.88		
USD	100 220 411	3.11	2010/2058	78 348 270	3.42		
CHF	6 679 855	2.40	2011/2036	5 763 009	2.41		
JPY	13 965 798	0.85	2011/2047	10 607 943	0.73		
NOK	2 947 632	4.45	2010/2025	2 383 494	4.42		
CAD	906 394	4.70	2037/2045	778 221	4.72		
AUD	11 964 324	5.88	2011/2021	9 099 260	5.85		
HKD	265 836	1.37	2010/2019	227 380	1.46		
NZD	2 618 096	6.88	2010/2017	2 749 583	7.13		
ZAR	1 725 236	8.32	2010/2018	1 256 187	8.49		
MXN	36 735	6.65	2015/2015	30 550	6.65		
TWD	25 342	5.07	2010/2013	65 574	4.21		
TRY	2 533 533	11.20	2010/2022	1 991 631	12.37		
ISK	70 350	7.91	2011/2011	95 036	8.74		
RUB	299 356	7.24	2011/2019	138 110	8.14		
TOTAL	362 808 738			305 758 387			

The redemption of certain borrowings is indexed to stock exchange indexes (historical value: EUR 843 million). All such borrowings are hedged in full through swap operations.