



Unaudited Condensed Semi Annual Financial Statements  
as at June 30, 2014 - SEC Filing

**EIB Group**  
**CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2014 UNDER IFRS**  
**(in EUR '000)**

<b>ASSETS</b>	30.06.2014 (Unaudited)	31.12.2013	<b>LIABILITIES AND EQUITY</b>	30.06.2014 (Unaudited)	31.12.2013
1. Cash in hand, balances with central banks and post office banks	69 859	106 382	1. Amounts owed to credit institutions		
			a) repayable on demand	4 790 326	4 089 820
			b) with agreed maturity dates or periods of notice	<u>360 337</u>	<u>395 290</u>
2. Treasury bills and other bills eligible for refinancing with central banks	31 232 208	26 621 637		5 150 663	4 485 110
3. Loans and advances to credit institutions			2. Amounts owed to customers		
a) repayable on demand	1 071 113	1 156 346	a) repayable on demand	1 872 894	1 949 610
b) other loans and advances	43 928 746	45 592 899	b) with agreed maturity dates or periods of notice	<u>420 351</u>	<u>537 776</u>
c) loans (Note B)	126 189 561	126 270 307		2 293 245	2 487 386
d) Impairment on loans and advances, net of reversals	<u>0</u>	<u>- 35 900</u>	3. Debts evidenced by certificates (Note C)		
	171 189 420	172 983 652	a) debt securities in issue	455 746 675	434 750 220
4. Loans and advances to customers			b) others	<u>21 519 940</u>	<u>20 843 224</u>
a) other loans and advances	87 173	62 083		477 266 615	455 593 444
b) loans (Note B)	308 587 881	301 480 235	4. Derivatives liabilities	24 286 509	22 234 715
c) Impairment on loans and advances, net of reversals	<u>- 342 635</u>	<u>- 325 542</u>	5. Other liabilities	1 170 913	1 052 311
	308 332 419	301 216 776	6. Deferred income	134 006	135 300
5. Debt securities including fixed-income securities			7. Provisions		
a) issued by public bodies	8 130 786	872 586	a) pension plans and health insurance scheme	2 423 489	2 351 325
b) issued by other borrowers	<u>3 677 693</u>	<u>6 106 894</u>	b) provision for guarantees issued	270 481	190 987
	11 808 479	6 979 480	c) provision for commitment on investment funds	7 678	<u>8 121</u>
6. Shares and other variable-yield securities	3 822 245	3 562 715		2 701 648	2 550 433
7. Derivative assets	43 315 643	33 853 932	<b>TOTAL LIABILITIES</b>	<u>513 003 599</u>	<u>488 538 699</u>
8. Property, furniture and equipment	261 418	289 807	8. Capital		
9. Investment property	2 461	2 541	a) subscribed	243 284 155	243 284 155
10. Intangible assets	9 042	8 837	b) uncalled	<u>- 221 585 020</u>	<u>- 221 585 020</u>
11. Other assets	245 683	211 462		21 699 135	21 699 135
12. Subscribed capital, called but not paid	597 341	1 009 174	9. Consolidated reserves		
13. Prepayments	23 015	54 249	a) reserve fund	24 328 415	22 828 922
			b) additional reserves	1 948 409	14 309
			c) fair value reserve	1 254 925	1 148 190
			d) special activities reserve	6 030 722	6 090 520
			e) general loan reserve	<u>3 205 513</u>	<u>3 663 165</u>
				36 767 984	33 745 106
			10. Result for the financial period	- 561 485	2 917 704
			<b>TOTAL EQUITY</b>	<u>57 905 634</u>	<u>58 361 945</u>
<b>TOTAL ASSETS</b>	<u>570 909 233</u>	<u>546 900 644</u>	<b>TOTAL LIABILITIES AND EQUITY</b>	<u>570 909 233</u>	<u>546 900 644</u>

**CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED JUNE 30, 2014 UNDER IFRS**  
(in EUR '000)

	H1 2014 (Unaudited)	H1 2013 (Unaudited)	2013
1. Interest and similar income	11 305 097	11 604 858	23 037 935
2. Interest expense and similar charges	- 9 722 175	- 10 169 140	- 20 042 846
3. Income from shares and other variable-yield securities	53 323	29 716	54 344
4. Fee and commission income	133 813	159 347	357 596
5. Fee and commission expense	- 45	212	- 21
6. Result on financial operations (NOTE E)	- 1 987 510	1 961 726	307 024
7. Other operating income	3 966	5 157	3 332
8. Change in impairment on loans and advances and provisions for guarantees, net of reversals	- 55 536	- 3 272	- 109 463
9. Change in impairment on shares and other variable-yield securities, net of reversals	292	- 26 506	- 49 299
10. General administrative expenses			
a) staff costs	- 222 777	- 202 818	- 471 030
b) other administrative costs	- 57 723	- 53 937	- 139 017
	<u>- 280 500</u>	<u>- 256 755</u>	<u>- 610 047</u>
11. Depreciation and amortisation: property, furniture and equipment, investment property and intangible assets			
a) property, furniture and equipment	- 10 054	- 10 788	- 24 191
b) investment property	- 81	- 81	- 161
c) intangible assets	- 2 075	- 2 619	- 6 499
	<u>- 12 210</u>	<u>- 13 488</u>	<u>- 30 851</u>
12. Result for the financial period	<u>- 561 485</u>	<u>3 291 855</u>	<u>2 917 704</u>
13. Attributable to: Equity holders of the Bank	<u>- 561 485</u>	<u>3 291 855</u>	<u>2 917 704</u>

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED**  
**JUNE 30, 2014 UNDER IFRS**  
(in EUR '000)

	H1 2014 (Unaudited)	H1 2013 (Unaudited)	2013
Result for the financial period	- 561 485	3 291 855	2 917 704
<i>Items that are or may be reclassified to profit or loss:</i>			
<b>Available for sale financial assets</b>			
1. Net unrealised gains and losses on financial assets available for sale	110 441	82 184	200 919
2. Impairment charges transferred to the consolidated income statement	2 191	481	14 511
3. Realised gains and losses transferred to the consolidated income statement	- 5 897	- 926	4 818
<b>Total available for sale financial assets</b>	<b>106 735</b>	<b>81 739</b>	<b>220 248</b>
<i>Items that will never be reclassified to the profit or loss</i>			
<b>Remeasurements of defined benefit liability</b>	<b>0</b>	<b>- 826 449</b>	<b>308 424</b>
<b>Total other comprehensive income / loss</b>	<b>106 735</b>	<b>- 744 710</b>	<b>528 672</b>
<b>Total comprehensive income / loss</b>	<u><b>- 454 750</b></u>	<u><b>2 547 145</b></u>	<u><b>3 446 376</b></u>
<b>Attributable to: Equity holders of the Bank</b>	<u><b>- 454 750</b></u>	<u><b>2 547 145</b></u>	<u><b>3 446 376</b></u>

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

	Subscribed capital	Callable capital	Reserve fund	Additional reserves	Fair value reserve	Special activities reserve	General loan reserve	Result for the period before appropriation	Total consolidated equity
<b>For the half year ended June 30, 2014</b>									
<b>As at December 31, 2012 (restated)</b>	<b>242 392 989</b>	<b>- 220 773 340</b>	<b>21 596 628</b>	<b>2 156 886</b>	<b>927 942</b>	<b>5 140 386</b>	<b>2 976 909</b>	<b>289 318</b>	<b>54 707 718</b>
Total comprehensive income	0	0	0	308 424	220 248	0	0	2 917 704	3 446 376
Appropriation of prior year's profit	0	0	1 103 914	- 2 450 986	0	950 134	686 256	- 289 318	0
Contribution of Croatia as of July 2013	891 166	- 811 680	128 380	0	0	0	0	0	207 866
Other	0	0	0	- 15	0	0	0	0	- 15
<b>As at December 31, 2013</b>	<b>243 284 155</b>	<b>- 221 585 020</b>	<b>22 828 922</b>	<b>14 309</b>	<b>1 148 190</b>	<b>6 090 520</b>	<b>3 663 165</b>	<b>2 917 704</b>	<b>58 361 945</b>
Total comprehensive income	0	0	0	0	106 735	0	0	- 561 485	- 454 750
Appropriation of prior year's profit	0	0	1 499 493	1 935 661	0	- 59 798	- 457 652	- 2 917 704	0
Other	0	0	0	- 1 561	0	0	0	0	- 1 561
<b>As at June 30, 2014 (Unaudited)</b>	<b>243 284 155</b>	<b>- 221 585 020</b>	<b>24 328 415</b>	<b>1 948 409</b>	<b>1 254 925</b>	<b>6 030 722</b>	<b>3 205 513</b>	<b>- 561 485</b>	<b>57 905 634</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR PERIOD ENDED JUNE 30, 2014 UNDER IFRS**  
(in EUR '000)

	H1 2014 (Unaudited)	2013
<b>A. Cash flows from operating activities :</b>		
<b>Result for the period</b>	<b>- 561 485</b>	<b>2 917 704</b>
Adjustments for:		
Changes in impairment on loans and advances, net of reversals	- 18 807	83 627
Change in provisions for pension plans and health insurance scheme	72 164	165 763
Unwinding of discount relating to capital and reserve called, but not paid in	4 739	13 103
Change in provisions for commitment on investment funds and guarantees on venture capital operations	74 893	20 103
Depreciation/amortisation on property, furniture and equipment, investment property and intangible assets	12 210	30 851
Changes in impairment of shares and other variable-yield securities	- 292	49 299
Held to maturity portfolio amortisation and accrued interest	37 274	23 976
Change in fair value of available for sale and trading debt securities	25 477	40 225
Change in fair value of put option	- 30 672	4 340
Net results on loans under the fair value option and associated swaps	- 233 064	- 598 263
Net results on borrowings under the fair value option and associated swaps	- 740 281	10 305 335
Change in fair value of other derivatives	3 136 662	- 9 629 449
Interest expense on non-controlling interest	16 823	13 610
Effect of exchange rate changes	329 689	- 2 742 857
<b>Profit on operating activities</b>	<b>2 125 330</b>	<b>697 367</b>
Disbursements of loans and advances to credit institutions and customers	- 24 989 963	- 52 925 197
Repayments of loans and advances to credit institutions and customers	21 040 417	33 990 545
Change in deposits with central banks	36 508	51 000
Net additions to treasury securities liquidity portfolios	- 1 069 060	171 964
Net additions to available for sale venture capital operations	- 157 590	- 187 308
Net additions to available for sale shares and other variable-yield securities	- 15 570	- 57 780
Change in amounts owed to credit institutions and customers	471 412	- 7 418 797
Change in interest accrued on cash and cash equivalents	- 72 873	- 61 746
Change in prepayments	31 234	8 034
Change in other assets	- 34 221	770
Change in deferred income	- 1 294	- 1 164
Change in other liabilities (excluding non-controlling interest)	124 422	56 379
<b>Net cash used in operating activities</b>	<b>- 2 511 248</b>	<b>- 25 675 933</b>
<b>B. Cash flows from investing activities :</b>		
Securities in long term hedge portfolio purchased during the year	- 1 433 866	0
Securities from long term hedge portfolio matured during the year	67 783	261 000
Purchase of loan substitutes included in the debt securities portfolios	- 2 031 810	- 2 045 921
Redemption of loan substitutes included in the debt securities portfolios	1 215 399	1 439 864
Purchase and disposal of property, furniture and equipment, investment property and intangible assets	16 053	- 25 426
<b>Net cash used in investing activities</b>	<b>- 2 166 441</b>	<b>- 370 483</b>
<b>C. Cash flows from financing activities :</b>		
Issuance of debts evidenced by certificates	68 322 133	84 933 795
Redemption of debts evidenced by certificates	- 62 542 855	- 69 500 489
Member States contribution	420 197	9 178 016
Net change in cash related to acquisitions and disposals of share in subsidiary undertakings	0	- 56
Dividend paid to non-controlling interest	- 5 923	- 2 322
<b>Net cash from financing activities</b>	<b>6 193 552</b>	<b>24 608 944</b>
<b>Summary statement of cash flows</b>		
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>60 475 846</b>	<b>60 518 141</b>
Net cash from:		
Operating activities	- 2 511 248	- 25 675 933
Investing activities	- 2 166 441	- 370 483
Financing activities	6 193 552	24 608 944
Effect of exchange rate changes on cash held	- 175 789	1 395 177
<b>Cash and cash equivalents at the end of the financial period</b>	<b>61 815 920</b>	<b>60 475 846</b>
<b>Cash and cash equivalents are composed of:</b>		
Cash in hand, balances with central banks and post office banks, excluding deposits with Central Bank of Luxembourg to cover minimum reserve requirement	108	124
Bills maturing within three months of issue (A1 portfolio excluding accrued interest)	21 419 839	15 288 392
Loans and advances to credit institutions:		
Repayable on demand	1 071 113	1 156 346
Other loans and advances	39 324 860	44 030 984
	<b>61 815 920</b>	<b>60 475 846</b>

**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, 2014 do not include all of the information and footnotes required for complete financial statements, in accordance with IAS34 Interim Financial Reporting.

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 result for the six-month period ended June 30, 2014 is not necessarily indicative of the results that may be expected for the year ending December 31, 2014.

The audited consolidated financial statements as at and for the year ended December 31, 2013 were prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The unaudited condensed consolidated financial statements as at and for the period ended June 30, 2014 are based on the same principles.

For further information, refer to the consolidated financial statements and footnotes thereto included in the Bank’s annual report for the year ended December 31, 2013.

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

<u>Analysis of aggregate loans granted (before specific provisions)</u>	Loans granted		Total
	to intermediary credit institutions	directly to final beneficiaries	
- Disbursed portion	126 189 561	308 587 881	434 777 442
- Undisbursed portion	30 927 260	64 256 714	95 183 974
Aggregate loans granted	157 116 821	372 844 595	529 961 416

**Note C - Summary statement of debts evidenced by certificates as at June 30, 2014 (in EUR' 000)**

PAYABLE IN	OUTSTANDING AT 30.06.2014	AVERAGE RATE 30.06.2014	DUE DATES	OUTSTANDING AT 31.12.2013	AVERAGE RATE 2013
EUR	219 195 300	2.78	2014/2057	213 296 314	2.86
USD	104 937 904	1.99	2014/2058	105 047 833	2.06
GBP	62 379 059	3.13	2014/2054	59 215 161	3.48
AUD	12 955 911	5.20	2015/2042	13 189 620	5.27
CHF	8 053 636	2.15	2015/2036	8 545 129	2.31
JPY	7 586 977	1.15	2014/2053	7 702 874	1.03
SEK	5 207 275	3.40	2015/2039	5 645 382	3.56
NOK	4 909 031	3.63	2015/2033	4 856 511	3.81
TRY	3 300 885	7.85	2014/2024	2 444 024	7.99
CAD	2 478 203	2.60	2018/2045	1 304 582	3.31
ZAR	2 059 175	7.42	2014/2021	1 505 949	7.44
NZD	1 295 917	6.06	2014/2021	1 133 516	6.05
RUB	874 554	6.57	2014/2025	914 735	6.50
DKK	549 915	2.55	2024/2026	549 649	2.55
CZK	460 390	2.93	2015/2034	387 643	3.39
PLN	258 495	5.92	2014/2022	246 615	6.00
HUF	201 510	6.47	2015/2016	209 827	6.47
RON	54 301	8.61	2016/2019	100 649	8.88
MXN	39 631	4.32	2015/2015	38 840	4.32
HKD	23 619	5.27	2017/2019	23 382	5.27
Fair value adjustement on borrow ings	40 444 927			29 235 209	
<b>TOTAL</b>	<b>477 266 615</b>			<b>455 593 444</b>	

The principal and interest of certain structured borrow ings are index linked to stock exchange indexes (historical value: nil at 30 June 2014 and EUR 288 million in 2013). All such borrow ings are hedged in full through structured sw ap operations.

**NOTE D Commitment to purchase the remaining European Investment Fund (“EIF”) shares at a fixed price**

As at June 30, 2014, the Bank holds 62.10% of the EIF’s subscribed capital (62.10% as at December 31, 2013).

Under the terms of the Replacement Share Purchase Undertaking, the Bank is offering to buy the remaining subscribed shares from the EIF’s other shareholders for a price of EUR 383,040.05 per share as at June 30, 2014. 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.

It should also be noted that the Bank will participate in the increase of capital of the EIF by subscribing to 923 shares for a price of EUR 383,040.05 per share as of July 15 for a total of EUR 353,545,966.15.

**NOTE E      Result on financial operations**

Net results on loans and borrowings designated at Fair Value Option and their related swaps are recognised under the caption “Net result on financial operations”. The Fair Value Option is applied on loans and borrowings hedged by derivatives.

The loss reported under “Result on financial operations” (EUR - 1,988m) is mainly explained by the changes in fair values of the EIB borrowings and related swaps that have impacted negatively the result for the period ended June 30, 2014 by EUR 1,765m (June 30, 2013: EUR +16.1m). The changes in fair value of borrowings do not completely move simultaneously with those of the relating hedging swaps as the value of the swaps is not directly affected by credit-spread relating to EIB.



## NOTE F Commitments, contingent liabilities and other memorandum items

	30.06.2014 (Unaudited)	31.12.2013
<b>Commitments</b>		
- EBRD capital uncalled	712 630	712 630
- Undisbursed loans		
credit institutions	30 927 260	27 925 402
customers	64 256 714	65 418 280
	<u>95 183 974</u>	<u>93 343 682</u>
- Undisbursed venture capital operations	2 806 737	2 449 427
- Borrowings launched but not yet settled	1 065 212	309 566
- Undisbursed investment funds	663 555	605 414
- Securities receivable	200 000	200 000
<b>Contingent liabilities and guarantees</b>		
- In respect of loans granted by third parties	4 925 944	5 057 349
<b>Assets held on behalf of third parties</b>		
- Investment Facility - Cotonou	2 351 790	2 257 147
- NER300	2 208 731	2 117 916
- Guarantee Fund	2 004 066	2 004 357
- JESSICA (Contribution and Holding Funds)	1 767 964	1 774 316
- RSFF	1 322 941	1 307 753
- Special Section	615 183	670 986
- EU-Africa Infrastructure Trust Fund	561 503	519 444
- JEREMIE	541 047	594 971
- GF Greece	299 755	300 041
- LGTT	214 031	163 409
- SMEG 2007	186 247	126 153
- ENPI	177 418	159 098
- PBI	142 920	68 885
- AECID	100 091	100 210
- GIF 2007	88 758	117 358
- NIF Trust Fund	61 457	61 566
- SME Guarantee Facility	60 043	59 735
- WB EDIF	52 130	52 814
- GAGF	46 933	47 975
- HIPC	36 266	38 969
- FEMIP Trust Fund	32 391	33 055
- RSI	31 912	21 827
- Map Equity	26 468	24 813
- Map guarantee	17 442	19 178
- G43 Trust Fund	15 437	15 694
- ECHA	15 000	76 117
- EPMF	14 130	15 125
- EPTA Trust Fund	11 674	12 847
- European Technology Facility	9 154	7 785
- Bundesministerium für Wirtschaft und Technologie	7 675	2 823
- BIF - Trust account	2 551	9
- PGFF	2 456	4 183
- GEEREF Technical Support Facility	1 661	1 917
- TTP	1 339	1 387
- EPPA	1 216	515
- LfA-EIF Facility	651	571
- GEEREF	274	277
- MDD	35	5
- GGF	5	5
- FP7 Guarantee Fund	0	1 621 977
- JASPERS	0	2 529
	<u>13 030 745</u>	<u>14 405 742</u>
<b>Other items</b>		
- Nominal value of interest-rate swap and deferred rate-setting contracts	450 098 090	444 567 235
- Nominal value of currency swap contracts receivable	195 281 653	171 759 216
- Nominal value of currency swap contracts payable	195 225 419	174 648 752
- Currency forwards	492 832	372 040
- Value of put option granted to EIF minority shareholders	435 517	441 336
- Special deposits for service of borrowings	221 570	79 141
- Swaps launched but not yet settled	20 536	18 717

**EIB GROUP - EU ACCOUNTING DIRECTIVES TO IFRS RECONCILIATION**  
**CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2014 (in EUR '000)**

<b>ASSETS</b>	<b>EU Accounting Directives</b>	<b>Adjustment</b>		<b>IFRS</b>
	<b>30/06/2014</b>		<b>Ref.</b>	<b>30/06/2014</b>
<b>1. Cash in hand, balances with central banks and post office banks</b>	69 859	0		69 859
<b>2. Treasury bills and other bills eligible for refinancing with central banks</b>	31 049 844	182 364	A.1	31 232 208
<b>3. Loans and advances to credit institutions</b>				
a) repayable on demand	1 071 113	0		1 071 113
b) other loans and advances	43 913 303	15 443	B.2	43 928 746
c) loans	124 886 339	1 303 222	B.2	126 189 561
d) impairment on loans and advances, net of reversals	<u>0</u>	0		<u>0</u>
	169 870 755			171 189 420
<b>4. Loans and advances to customers</b>				
a) other loans and advances	87 173	0		87 173
b) loans	292 350 318	16 237 563	B.1, B.2	308 587 881
c) impairment on loans and advances, net of reversals	<u>- 342 635</u>	0		<u>- 342 635</u>
	292 094 856			308 332 419
<b>5. Debt securities including fixed-income securities</b>				
a) issued by public bodies	8 122 955	7 831	A.1	8 130 786
b) issued by other borrowers	<u>3 653 633</u>	24 060	A.1	<u>3 677 693</u>
	11 776 588			11 808 479
<b>6. Shares and other variable-yield securities</b>	2 861 388	960 857	A.2	3 822 245
<b>7. Derivative assets</b>	0	43 315 643	B.1	43 315 643
<b>8. Property, furniture and equipment</b>	263 880	- 2 462	C	261 418
<b>9. Investment property</b>	0	2 461	C	2 461
<b>10. Intangible assets</b>	9 042	0		9 042
<b>11. Other assets</b>	245 934	- 251	B.1	245 683
<b>12. Subscribed capital and reserves, called but not paid</b>	602 080	- 4 739	F	597 341
<b>13. Prepayments</b>			A.1, B.1, B.2, B.3	
	15 018 843	- 14 995 828		23 015
<b>TOTAL ASSETS</b>	<u><b>523 863 069</b></u>			<u><b>570 909 233</b></u>
<b>LIABILITIES AND EQUITY</b>	<b>30/06/2014</b>		<b>Ref.</b>	<b>30/06/2014</b>
<b>1. Amounts owed to credit institutions</b>				
a) repayable on demand	4 790 111	215	B.3	4 790 326
b) w/ith agreed maturity dates or periods of notice	<u>360 335</u>	2	B.3	<u>360 337</u>
	5 150 446			5 150 663
<b>2. Amounts owed to customers</b>				
a) repayable on demand	1 872 894	0		1 872 894
b) w/ith agreed maturity dates or periods of notice	<u>420 313</u>	38	B.3	<u>420 351</u>
	2 293 207			2 293 245
<b>3. Debts evidenced by certificates</b>				
a) debt securities in issue	416 763 899	38 982 776	B.3	455 746 675
b) others	<u>20 057 789</u>	1 462 151	B.3	<u>21 519 940</u>
	436 821 688			477 266 615
<b>4. Derivatives liabilities</b>	0	24 286 509	B.1	24 286 509
<b>5. Other liabilities</b>	820 648	350 265	B.1, B.2, E	1 170 913
<b>6. Deferred income</b>			A.1, B.1, B.2, B.3	
	16 547 815	- 16 413 809		134 006
<b>7. Provisions</b>				
a) pension plans and health insurance scheme	1 995 139	428 350	D	2 423 489
b) provisions for guarantees issued	270 481	0		270 481
c) provision for commitment on investment funds	<u>7 678</u>	0		<u>7 678</u>
	2 273 298			2 701 648
<b>TOTAL LIABILITIES</b>	<u><b>463 907 102</b></u>			<u><b>513 003 599</b></u>
<b>8. Capital</b>				
a) subscribed	243 284 155	0		243 284 155
b) uncalled	<u>- 221 585 020</u>	0		<u>- 221 585 020</u>
	21 699 135			21 699 135
<b>9. Consolidated reserves</b>				
a) reserve fund	24 328 415	0		24 328 415
b) additional reserves	2 877 003	- 928 594	D	1 948 409
c) fair value reserve	0	1 254 925	A.1, A.2	1 254 925
d) special activities reserve	6 030 722	0		6 030 722
e) general loan reserve	<u>3 205 513</u>	0		<u>3 205 513</u>
	36 441 653			36 767 984
<b>10. Result for the financial period</b>			A.1, A.2, B.1, B.2, B.3, D, E, F	
	1 376 907	- 1 938 392		- 561 485
<b>11. Equity attributable to minority interest</b>	438 272	- 438 272	E	0
<b>TOTAL EQUITY</b>	<u><b>59 955 967</b></u>			<u><b>57 905 634</b></u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><b>523 863 069</b></u>			<u><b>570 909 233</b></u>

**EIB GROUP - EU ACCOUNTING DIRECTIVES TO IFRS RECONCILIATION**  
**Consolidated income statement for the period ended June 30, 2014 (in EUR '000)**

	EU Accounting Directives	Adjustment		IFRS
	H1 2014		Ref.	H1 2014
1. Interest and similar income	11 303 775	1 322	F	11 305 097
2. Interest expense and similar charges	- 9 742 392	20 217	B.3, D, E, F	- 9 722 175
3. Income from shares and other variable-yield securities	53 323	0		53 323
4. Fee and commission income	133 813	0		133 813
5. Fee and commission expense	- 45	0		- 45
6. Result on financial operations	9 028	- 1 996 538	A.1, A.2, B.1, B.2, B.3	- 1 987 510
7. Other operating income	3 966	0		3 966
8. Change in impairment on loans and advances and provisions for guarantees, net of reversals	- 55 536	0		- 55 536
9. Change in impairment on shares and other variable-yield securities, net of reversals		292	A.2	292
10. General administrative expenses				
a) staff costs	- 229 613			- 222 777
b) other administrative costs	- 57 692			- 57 723
	- 287 305	6 805	D	- 280 500
11. Depreciation and amortisation: property, furniture and equipment, investment property and intangible assets				
a) property, furniture and equipment	- 10 135	81	C	- 10 054
b) investment property	0	- 81	C	- 81
c) intangible assets	- 2 075	0		- 2 075
	- 12 210			- 12 210
12. Result for the financial period	<u>1 406 417</u>			<u>- 561 485</u>
13. Result attributable to minority interest	- 29 510	29 510	E	0
14. Result attributable to equity holders of the Bank	<u>1 376 907</u>			<u>- 561 485</u>

## Valuation and income recognition differences between IFRS and EU Accounting Directives

### A Financial assets classified as available-for-sale

#### 1 Debt securities portfolio

Under EU Accounting Directives, debt securities portfolios are recorded at market value. The value adjustments are reported under "Net result on financial operations" in the profit and loss for the period in which they are made.

Accrued interest is recorded under balance sheet items "Prepayments and accrued income" or "Accruals and deferred income".

Under IFRS, debt securities portfolios are carried at fair value with changes in fair value reflected directly in equity.

Impairment is recognised in the profit and loss for the year when negative changes in the fair valuation are other than temporary. It is reported separately on the face of the income statement.

Accrued interest is reported on the balance sheet within the balance of the instrument to which it relates.

#### 2 Shares and other variable-yield securities

Under EU Accounting Directives, shares and other variable-yield securities are initially recorded at acquisition cost. Their carrying value is adjusted to the lower of cost or market value at subsequent measurement at the balance sheet date.

Under IFRS, shares and other variable-yield securities are carried at fair value with changes in fair value reflected directly in equity.

Impairment is recognised in the profit and loss for the year when negative changes in the fair valuation are other than temporary. It is reported separately on the face of the income statement.

### B Financial assets and liabilities designated at fair value through profit or loss

#### 1 Derivative assets and liabilities

##### a Treasury derivatives

Under EU Accounting Directives, derivative instruments in the Bank's available for sale and trading portfolios are marked to market and recorded under "Other assets" or "Other liabilities".

Interest accrued under derivative instruments is presented under "Prepayments and accrued income" and "Accruals and deferred income".

Under IFRS, all derivative assets and liabilities are recognised on balance sheet as such and carried at their replacement values.

##### b Hedging derivatives

Under EU Accounting Directives, hedging derivative instruments are not recognised on the balance sheet. They are carried off balance sheet at nominal amount.

Interest accrued under derivative instruments is presented under "Prepayments and accrued income" and "Accruals and deferred income".

Under IFRS, all derivative assets and liabilities are recognised on balance sheet and carried at their replacement values.

Changes in fair values of derivatives are recognised in the profit and loss.

#### 2 Loans and advances

Under EU Accounting Directives, all loans and advances are carried at amortised cost. Accrued interest is recorded under balance sheet items "Prepayments and accrued income" or "Accruals and deferred income".

Under IFRS certain loans are classified on initial recognition as "fair value loans" and valued at fair value through profit or loss. Accrued interest is reported on the balance sheet within the balance of the asset to which it relates.

Transitory accounts on loans are reclassified from other liabilities to the loan balance to which they relate.

#### 3 Borrowings

Under EU Accounting Directives, borrowings are recorded at amortised cost. Accrued interest is recorded under balance sheet items "Prepayments and accrued income" or "Accruals and deferred income".

Under IFRS, EIB applies the fair value option to a significant portion of its issued debt. Accrued interest is reported on the balance sheet within the balance of the debt instrument to which it relates.

### C Investment property

This category is not used under EU Accounting Directives. Assets in this category under IFRS are reported in the "Tangible Assets" category under EU Accounting Directives.

Under IFRS, assets in this category are held under the historical cost model.

### D Pension funds

Under EU Accounting Directives, a 10% corridor approach is adopted, whereby prior year cumulative actuarial surpluses or deficits in excess of 10% of the commitments for retirement benefits are recognised over the average remaining service lives of the plan's participants.

Under IFRS, the Group applies IAS 19 revised for determining the income or expense related to its post-employment defined benefit plans.

Cumulative actuarial surpluses and deficits are recognised in full in "Other comprehensive income". Net interest cost is recognised in the income statement under "Interest expense and similar charges".

### E Minority interest adjustment

EIB granted a put option to the minority shareholders on their entire holding of the subsidiary.

Under EU Accounting Directives, this put option does not influence the accounting treatment of minority interest on consolidation.

Under IFRS, the put option results in the non-controlling interest balance being classified as liability rather than equity and being carried at fair value through profit or loss.

The non-controlling interest in the IFRS profit for the year is therefore included in the interest expense for the year. Fair value adjustment is reported under "Interest expense and similar charges".

### F Discount of Subscribed capital and reserves, called but not paid

Under EU Accounting Directives, the caption "Subscribed capital and reserves, called but not paid" contains receivable from the Member States in 2015 in respect of their share of the capital increase and net receivable from the new Member State, Croatia.

Under IFRS, the capital and reserves to be received are discounted using discounted cash flow method.

Discounted interest is reported under "Interest expense and similar charges" and its amortisation under "Interest and similar income".

**EIB Group**  
**CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2014 UNDER EU ACCOUNTING DIRECTIVES**  
**(in EUR '000)**

<b>ASSETS</b>	30.06.2014 (Unaudited)	31.12.2013	<b>LIABILITIES</b>	30.06.2014 (Unaudited)	31.12.2013
1. Cash in hand, balances with central banks and post office banks	69 859	106 382	1. Amounts owed to credit institutions		
			a) repayable on demand	4 790 111	4 089 233
			b) with agreed maturity dates or periods of notice	<u>360 335</u>	<u>395 187</u>
2. Treasury bills and other bills eligible for refinancing with central banks	31 049 844	26 516 087			
			2. Amounts owed to customers		
3. Loans and advances to credit institutions			a) repayable on demand	1 872 894	1 949 610
a) repayable on demand	1 071 113	1 156 346	b) with agreed maturity dates or periods of notice	<u>420 313</u>	<u>537 775</u>
b) other loans and advances	43 913 303	45 570 984			
c) loans (Note B)	124 886 339	125 444 479	3. Debts evidenced by certificates (Note C)		
d) value adjustments	<u>0</u>	<u>- 35 900</u>	a) debt securities in issue	416 763 899	406 204 881
	169 870 755	172 135 909	b) others	<u>20 057 789</u>	<u>20 153 354</u>
4. Loans and advances to customers					
a) other loans and advances	87 173	62 083	4. Other liabilities		
b) loans (Note B)	292 350 318	289 513 697			
c) value adjustments	<u>- 342 635</u>	<u>- 325 542</u>	5. Accruals and deferred income	16 547 815	18 378 489
	292 094 856	289 250 238	6. Provisions		
5. Debt securities including fixed-income securities			a) pension plans and health insurance scheme	1 995 139	1 917 762
a) issued by public bodies	8 122 955	867 307	b) provision for guarantees issued	270 481	190 987
b) issued by other borrowers	<u>3 653 633</u>	<u>6 090 523</u>	c) provision for commitment on investment funds	<u>7 678</u>	<u>8 121</u>
	11 776 588	6 957 830			
6. Shares and other variable-yield securities	2 861 388	2 691 337	7. Subscribed capital		
			a) subscribed	243 284 155	243 284 155
7. Intangible assets	9 042	8 837	b) uncalled	<u>- 221 585 020</u>	<u>- 221 585 020</u>
8. Tangible assets	263 880	292 348	8. Reserves		
			a) reserve fund	24 328 415	22 828 922
9. Other assets	245 934	212 078	b) additional reserves	2 877 003	1 312 145
			c) special activities reserve	6 030 722	6 090 520
10. Subscribed capital, called but not paid	602 080	1 022 277	d) general loan reserve	<u>3 205 513</u>	<u>3 663 165</u>
11. Prepayments and accrued income	15 018 843	13 840 422	9. Profit for the period	1 376 907	2 546 424
			10. Equity attributable to minority interest	438 272	413 571
<b>TOTAL ASSETS</b>	<u>523 863 069</u>	<u>513 033 745</u>	<b>TOTAL LIABILITIES</b>	<u>523 863 069</u>	<u>513 033 745</u>

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED JUNE 30, 2014 UNDER EU ACCOUNTING DIRECTIVES (in EUR '000)**

	H1 2014 (Unaudited)	H1 2013 (Unaudited)	2013
1. Interest receivable and similar income	11 303 775	11 603 454	23 033 103
2. Interest payable and similar charges	- 9 742 392	- 10 142 164	- 19 996 050
3. Income from securities	53 323	29 716	54 344
4. Commissions receivable	133 813	159 347	357 596
5. Commissions payable	- 45	212	- 21
6. Net result on financial operations	9 028	- 40 312	- 151 584
7. Other operating income	3 966	5 157	3 332
8. General administrative expenses			
a) staff costs	- 229 613	- 220 150	- 461 595
b) other administrative expenses	<u>- 57 692</u>	<u>- 51 917</u>	<u>- 137 528</u>
	- 287 305	- 272 067	- 599 123
9. Value adjustments in respect of intangible and tangible assets			
a) tangible assets	- 2 075	- 10 869	- 24 352
b) intangible assets	<u>- 10 135</u>	<u>- 2 619</u>	<u>- 6 499</u>
	- 12 210	- 13 488	- 30 851
10. Value adjustments in respect of loans and advances and provisions for contingent liabilities	- 55 536	- 3 272	- 109 463
11. Profit for the financial period	1 406 417	1 326 583	2 561 283
12. Profit attributable to minority interest	- 29 510	- 2 439	- 14 859
13. Profit attributable to equity holders of the Bank	<u>1 376 907</u>	<u>1 324 144</u>	<u>2 546 424</u>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED JUNE 30, 2014 UNDER EU ACCOUNTING DIRECTIVES**  
(in EUR '000)

	H1 2014 (Unaudited)	2013
<b>A. Cash flows from operating activities:</b>		
<b>Profit for the financial period</b>	<b>1 406 417</b>	<b>2 561 283</b>
Adjustments for:		
Change in value adjustments on loans and advances	- 18 807	83 627
Change in provisions on pension plans and health insurance scheme	77 377	154 769
Change in provisions for commitment on investment funds and guarantees on venture capital operations	74 893	20 103
Value adjustments in respect of tangible and intangible assets	12 210	30 851
Value (re-)adjustments in respect of shares and other variable-yield securities	3 109	24 435
Held to maturity portfolio amortisation	57 660	12 290
Effect of exchange rate changes	291 293	- 2 732 733
<b>Profit on operating activities</b>	<b>1 904 152</b>	<b>154 625</b>
Disbursements of loans and advances to credit institutions and customers	- 24 989 963	- 52 925 197
Repayments of loans and advances to credit institutions and customers	21 040 417	33 990 545
Change in deposits with central banks	36 508	51 000
Change in treasury securities liquidity portfolios	- 1 036 219	198 571
Change in venture capital operations included in shares and other variable-yield securities	- 157 590	- 187 308
Change in shares and other variable-yield securities excluding venture capital operations	- 15 570	- 57 780
Change in amounts owed to credit institutions and customers	471 848	- 7 419 070
Change in prepayments and accrued income	1 667 336	- 1 783 382
Change in other assets	32 797	- 6 126
Change in short term treasury derivative valuations	- 33 856	187
Change in accruals and deferred income	- 1 564 495	2 262 100
Change in other liabilities	133 387	45 902
<b>Net cash used in operating activities</b>	<b>- 2 511 248</b>	<b>- 25 675 933</b>
<b>B. Cash flows from investing activities:</b>		
Securities in long term hedge portfolio purchased during the year	- 1 433 866	0
Securities from long term hedge portfolio matured during the year	67 783	261 000
Purchase of loan substitutes included in the debt securities portfolios	- 2 031 810	- 2 045 921
Redemption of loan substitutes included in the debt securities portfolios	1 215 399	1 439 864
Purchase and disposal of tangible and intangible assets	16 053	- 25 426
<b>Net cash used in investing activities</b>	<b>- 2 166 441</b>	<b>- 370 483</b>
<b>C. Cash flows from financing activities:</b>		
Issuance of debts evidenced by certificates	68 322 133	84 933 795
Redemption of debts evidenced by certificates	- 62 542 855	- 69 500 489
Member States' contribution	420 197	9 178 016
Net cash flow from change in stake in subsidiary undertakings	0	- 56
Dividend paid to minority interest	- 5 923	- 2 322
<b>Net cash from financing activities</b>	<b>6 193 552</b>	<b>24 608 944</b>
<b>Summary statement of cash flows:</b>		
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>60 475 846</b>	<b>60 518 141</b>
Net cash from:		
Operating activities	- 2 511 248	- 25 675 933
Investing activities	- 2 166 441	- 370 483
Financing activities	6 193 552	24 608 944
Effect of exchange rate changes on cash held	- 175 789	1 395 177
<b>Cash and cash equivalents at end of the financial period</b>	<b>61 815 920</b>	<b>60 475 846</b>
<b>Cash and cash equivalents are composed of:</b>		
Cash in hand, balances with central banks and post office banks, excluding deposits with Central Bank of Luxembourg to cover minimum reserve requirement	108	124
Bills maturing within three months of issue (A1 portfolio)	21 419 839	15 288 392
Loans and advances to credit institutions		
Repayable on demand	1 071 113	1 156 346
Other loans and advances	39 324 860	44 030 984
	<b>61 815 920</b>	<b>60 475 846</b>

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

**NOTE A Basis of presentation**

The unaudited condensed consolidated financial statements of the European Investment Bank (the “Bank”) as at June 30, 2014 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, 2014 is not necessarily indicative of the results that may be expected for the year ending December 31, 2014.

The audited consolidated financial statements as at and for the year ended December 31, 2013 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, as amended by Directive 2001/65/EC of 27 September 2001, by Directive 2003/51/EC of 18 June 2003 and by Directive 2006/46/EC of 14 June 2006 (the ‘Directives’), without making use of the option available to apply fair value accounting.

For further information, refer to the consolidated financial statements and footnotes thereto included in the Bank’s annual report for the year ended December 31, 2013.

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

<u>Analysis of aggregate loans granted (before specific provisions)</u>	Loans granted		
	to intermediary credit institutions	directly to final beneficiaries	Total
- Disbursed portion	124 886 339	292 350 318	417 236 657
- Undisbursed portion	30 927 260	64 256 714	95 183 974
Aggregate loans granted	155 813 599	356 607 032	512 420 631



**NOTE C Summary statement of debts evidenced by certificates as at June 30, 2014 (in EUR' 000)**

PAYABLE IN	OUTSTANDING AT 30.06.2014	AVERAGE RATE 30.06.2014	DUE DATES	OUTSTANDING AT 31.12.2013	AVERAGE RATE 2013
EUR	219 195 300	2.78	2014/2057	213 296 314	2.86
USD	104 937 904	1.99	2014/2058	105 047 833	2.06
GBP	62 379 059	3.13	2014/2054	59 215 161	3.48
AUD	12 955 911	5.20	2015/2042	13 189 620	5.27
CHF	8 053 636	2.15	2015/2036	8 545 129	2.31
JPY	7 586 977	1.15	2014/2053	7 702 874	1.03
SEK	5 207 275	3.40	2015/2039	5 645 382	3.56
NOK	4 909 031	3.63	2015/2033	4 856 511	3.81
TRY	3 300 885	7.85	2014/2024	2 444 024	7.99
CAD	2 478 203	2.60	2018/2045	1 304 582	3.31
ZAR	2 059 175	7.42	2014/2021	1 505 949	7.44
NZD	1 295 917	6.06	2014/2021	1 133 516	6.05
RUB	874 554	6.57	2014/2025	914 735	6.50
DKK	549 915	2.55	2024/2026	549 649	2.55
CZK	460 390	2.93	2015/2034	387 643	3.39
PLN	258 495	5.92	2014/2022	246 615	6.00
HUF	201 510	6.47	2015/2016	209 827	6.47
RON	54 301	8.61	2016/2019	100 649	8.88
MXN	39 631	4.32	2015/2015	38 840	4.32
HKD	23 619	5.27	2017/2019	23 382	5.27
<b>TOTAL</b>	<b>436 821 688</b>			<b>426 358 235</b>	

The principal and interest of certain structured borrowings are index linked to stock exchange indexes (historical value: nil at 30 June 2014 and EUR 288 million in 2013). All such borrowings are hedged in full through structured swap operations.

**NOTE D            Commitment to purchase the remaining European Investment Fund (“EIF”) shares at a fixed price**

As at June 30, 2014, the Bank holds 62.10% of the EIF’s subscribed capital (62.10% as at December 31, 2013).

Under the terms of the Replacement Share Purchase Undertaking, the Bank is offering to buy the remaining subscribed shares from the EIF’s other shareholders for a price of EUR 383,040.05 per share as at June 30, 2014. 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.

It should also be noted that the Bank will participate in the increase of capital of the EIF by subscribing to 923 shares for a price of EUR 383,040.05 per share as of July 15 for a total of EUR 353,545,966.15.

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

	30.06.2014 (Unaudited)	31.12.2013
<b>Commitments</b>		
- EBRD capital uncalled	712 630	712 630
- Undisbursed loans		
credit institutions	30 927 260	27 925 402
customers	<u>64 256 714</u>	<u>65 418 280</u>
	<b>95 183 974</b>	<b>93 343 682</b>
- Undisbursed venture capital operations	<b>2 806 737</b>	<b>2 449 427</b>
- Borrowings launched but not yet settled	<b>1 065 212</b>	<b>309 566</b>
- Undisbursed investment funds	<b>663 555</b>	<b>605 414</b>
- Securities receivable	<b>200 000</b>	<b>200 000</b>
<b>Contingent liabilities and guarantees</b>		
- In respect of loans granted by third parties	<b>4 925 944</b>	<b>5 057 349</b>
<b>Assets held on behalf of third parties</b>		
- Investment Facility - Cotonou	2 351 790	2 257 147
- NER300	2 208 731	2 117 916
- Guarantee Fund	2 004 066	2 004 357
- JESSICA (Contribution and Holding Funds)	1 767 964	1 774 316
- RSFF	1 322 941	1 307 753
- Special Section	615 183	670 986
- EU-Africa Infrastructure Trust Fund	561 503	519 444
- JEREMIE	541 047	594 971
- GF Greece	299 755	300 041
- LGTT	214 031	163 409
- SMEG 2007	186 247	126 153
- ENPI	177 418	159 098
- PBI	142 920	68 885
- AECID	100 091	100 210
- GIF 2007	88 758	117 358
- NIF Trust Fund	61 457	61 566
- SME Guarantee Facility	60 043	59 735
- WB EDIF	52 130	52 814
- GAGF	46 933	47 975
- HIPC	36 266	38 969
- FEMIP Trust Fund	32 391	33 055
- RSI	31 912	21 827
- Map Equity	26 468	24 813
- Map guarantee	17 442	19 178
- G43 Trust Fund	15 437	15 694
- ECHA	15 000	76 117
- EPMF	14 130	15 125
- EPTA Trust Fund	11 674	12 847
- European Technology Facility	9 154	7 785
- Bundesministerium für Wirtschaft und Technologie	7 675	2 823
- BIF - Trust account	2 551	9
- PGFF	2 456	4 183
- GEEREF Technical Support Facility	1 661	1 917
- TTP	1 339	1 387
- EPPA	1 216	515
- LfA-EIF Facility	651	571
- GEEREF	274	277
- MDD	35	5
- GGF	5	5
- FP7 Guarantee Fund	0	1 621 977
- JASPERS	<u>0</u>	<u>2 529</u>
	<b>13 030 745</b>	<b>14 405 742</b>
<b>Other items</b>		
- Nominal value of interest-rate sw ap and deferred rate-setting contracts	<b>450 098 090</b>	<b>444 567 235</b>
- Nominal value of currency sw ap contracts receivable	<b>195 281 653</b>	<b>171 759 216</b>
- Nominal value of currency sw ap contracts payable	<b>195 225 419</b>	<b>174 648 752</b>
- Currency forwards	<b>492 832</b>	<b>372 040</b>
- Value of put option granted to EIF minority shareholders	<b>435 517</b>	<b>441 336</b>
- Special deposits for service of borrowings	<b>221 570</b>	<b>79 141</b>
- Sw aps launched but not yet settled	<b>20 536</b>	<b>18 717</b>

**EIB**  
**BALANCE SHEET AS AT JUNE 30, 2014 UNDER EU ACCOUNTING DIRECTIVES**  
**(in EUR '000)**

<b>ASSETS</b>	30.06.2014 (Unaudited)	31.12.2013	<b>LIABILITIES</b>	30.06.2014 (Unaudited)	31.12.2013
1. Cash in hand, balances with central banks and post office banks	69 859	106 382	1. Amounts owed to credit institutions		
			a) repayable on demand	4 790 111	4 089 233
			b) with agreed maturity dates or periods of notice	<u>360 335</u>	<u>395 187</u>
2. Treasury bills and other bills eligible for refinancing with central banks	30 086 049	25 594 364		5 150 446	4 484 420
3. Loans and advances to credit institutions			2. Amounts owed to customers		
a) repayable on demand	969 165	1 080 135	a) repayable on demand	1 872 894	1 949 610
b) other loans and advances	43 835 638	45 486 434	b) with agreed maturity dates or periods of notice	<u>420 463</u>	<u>537 775</u>
c) loans (Note B)	124 886 339	125 444 479		2 293 357	2 487 385
d) value adjustments	<u>0</u>	<u>- 35 900</u>	3. Debts evidenced by certificates (Note D)		
	169 691 142	171 975 148	a) debt securities in issue	416 763 899	406 204 881
4. Loans and advances to customers			b) others	<u>20 057 789</u>	<u>20 153 354</u>
a) other loans and advances	87 173	62 083		436 821 688	426 358 235
b) loans (Note B)	292 350 318	289 513 697	4. Other liabilities	810 648	673 306
c) value adjustments	<u>- 342 635</u>	<u>- 325 542</u>	5. Accruals and deferred income	16 547 815	18 378 489
	292 094 856	289 250 238	6. Provisions		
5. Debt securities including fixed-income securities			a) pension plans and health insurance scheme	1 932 394	1 858 838
a) issued by public bodies	8 113 937	858 222	b) provision for guarantees issued in respect of loans granted by third parties	113 900	13 900
b) issued by other borrowers	<u>3 653 633</u>	<u>6 090 523</u>	c) provisions for commitment on investment funds	<u>7 678</u>	<u>8 121</u>
	11 767 570	6 948 745		2 053 972	1 880 859
6. Shares and other variable-yield securities	2 653 404	2 485 561	7. Subscribed capital		
7. Shares in affiliated undertakings (Note C)	493 588	493 588	a) subscribed	243 284 155	243 284 155
8. Intangible assets	9 042	8 837	b) uncalled	<u>- 221 585 020</u>	<u>- 221 585 020</u>
9. Tangible assets	260 981	289 281		21 699 135	21 699 135
10. Other assets	220 931	203 199	8. Reserves		
11. Subscribed capital, called but not paid	602 080	1 022 277	a) reserve fund	24 328 415	22 828 922
12. Prepayments and accrued income	15 006 495	13 825 641	b) additional reserves	2 676 782	1 144 024
			c) special activities reserve	6 030 722	6 090 520
			d) general loan reserve	<u>3 205 513</u>	<u>3 663 165</u>
				36 241 432	33 726 631
			9. Profit for the financial period	1 337 504	2 514 801
<b>Total ASSETS</b>	<u>522 955 997</u>	<u>512 203 261</u>	<b>Total LIABILITIES</b>	<u>522 955 997</u>	<u>512 203 261</u>

**EIB OFF BALANCE SHEET AS AT JUNE 30, 2014 UNDER EU ACCOUNTING DIRECTIVES (in EUR '000)**

	<b>30.06.2014</b>		<b>31.12.2013</b>
	<b>(Unaudited)</b>		
<b>Commitments</b>			
- EBRD capital uncalled		<b>712 630</b>	<b>712 630</b>
- EIF capital uncalled		<b>1 490 400</b>	<b>1 490 400</b>
- Undisbursed loans			
credit institutions	30 927 260	27 925 402	
customers	<u>64 256 714</u>	<u>65 418 280</u>	
		<b>95 183 974</b>	<b>93 343 682</b>
- Undisbursed venture capital operations		<b>2 603 307</b>	<b>2 257 754</b>
- Borrowings launched but not yet settled		<b>1 065 212</b>	<b>309 566</b>
- Undisbursed investment funds		<b>663 555</b>	<b>605 414</b>
- Securities receivable		<b>200 000</b>	<b>200 000</b>
<b>Contingent liabilities and guarantees</b>			
- In respect of loans granted by third parties		<b>1 799 743</b>	<b>1 808 688</b>
<b>Assets held on behalf of third parties</b>			
- Investment Facility – Cotonou	2 351 790	2 257 147	
- NER300	2 208 731	2 117 916	
- Guarantee Fund	2 004 066	2 004 357	
- JESSICA (Contribution and Holding Funds)	1 767 964	1 774 316	
- RSFF	1 322 941	1 307 753	
- EIF	1 056 673	1 035 076	
- Special Section	615 183	670 986	
- EU-Africa Infrastructure Trust Fund	561 503	519 444	
- GF Greece	299 755	300 041	
- LGTT	214 031	163 409	
- ENPI	177 418	159 098	
- FBI	142 920	68 885	
- AECID	100 091	100 210	
- NIF Trust Fund	61 457	61 566	
- HIPC	36 266	38 969	
- FEMIP Trust Fund	32 391	33 055	
- ECHA	15 000	76 117	
- EPTA Trust Fund	11 674	12 847	
- FP7 Guarantee Fund	0	1 621 977	
- JASPERS	<u>0</u>	<u>2 529</u>	
		<b>12 979 854</b>	<b>14 325 698</b>
<b>Other items</b>			
- Nominal value of interest-rate sw ap and deferred rate-setting contracts		<b>450 098 090</b>	<b>444 567 235</b>
- Nominal value of currency sw ap contracts receivable		<b>195 281 653</b>	<b>171 759 216</b>
- Nominal value of currency sw ap contracts payable		<b>195 225 419</b>	<b>174 648 752</b>
- Currency forwards		<b>492 832</b>	<b>372 040</b>
- Nominal value of put option granted to EIF minority shareholders		<b>435 517</b>	<b>441 336</b>
- Special deposits for service of borrowings		<b>221 570</b>	<b>79 141</b>
- Sw aps launched but not yet settled		<b>20 536</b>	<b>18 717</b>

**EIB PROFIT AND LOSS ACCOUNT**  
**FOR THE PERIOD ENDED JUNE 30, 2014 UNDER EU ACCOUNTING DIRECTIVES**  
(in EUR '000)

	H1 2014 (Unaudited)	H1 2013 (Unaudited)	2013
1. Interest receivable and similar income	11 290 966	11 589 110	23 005 046
2. Interest payable and similar charges	- 9 744 074	- 10 143 388	- 19 998 604
3. Income from securities			
a) income from shares and other variable-yield securities	49 328	26 614	48 410
b) income from shares in affiliated undertakings	<u>9 737</u>	<u>3 810</u>	<u>3 810</u>
	59 065	30 424	52 220
4. Commission receivable	104 293	128 619	292 821
5. Commission payable	- 8 393	- 7 156	- 16 081
6. Net result on financial operations	- 18 074	- 27 564	- 148 729
7. Other operating income	5 913	6 716	6 510
8. General administrative expenses			
a) staff costs	- 206 443	- 196 170	- 415 948
b) other administrative expenses	<u>- 53 556</u>	<u>- 49 345</u>	<u>- 127 845</u>
	- 259 999	- 245 515	- 543 793
9. Value adjustments in respect of tangible and intangible assets			
a) tangible assets	- 9 918	- 10 697	- 23 988
b) intangible assets	<u>- 2 075</u>	<u>- 2 619</u>	<u>- 6 499</u>
	- 11 993	- 13 316	- 30 487
10. Value adjustments in respect of loans and advances and provisions for contingent liabilities	- 80 200	2 616	- 104 102
11. Profit for the financial period	<u>1 337 504</u>	<u>1 320 546</u>	<u>2 514 801</u>

**CASH FLOW STATEMENT FOR THE PERIOD ENDED JUNE 30, 2014 UNDER EU ACCOUNTING DIRECTIVES**  
(in EUR '000)

	H1 2014 (Unaudited)	2013
<b>A. Cash flows from operating activities:</b>		
<b>Profit for the financial period</b>	<b>1 337 504</b>	<b>2 514 801</b>
Adjustments for:		
Change in value adjustments on loans and advances	- 18 807	83 627
Change in provisions on pension plans and health insurance scheme	73 556	143 884
Change in provisions for commitment on investment funds and guarantees on venture capital operations	99 557	14 742
Value adjustments in respect of tangible and intangible assets	11 993	30 487
Value (re-)adjustments in respect of shares and other variable-yield securities	4 935	24 198
Held to maturity portfolio amortisation	57 644	7 204
Effect of exchange rate changes	285 545	- 2 730 084
<b>Profit on operating activities</b>	<b>1 851 927</b>	<b>88 859</b>
Disbursements of loans and advances to credit institutions and customers	- 24 989 963	- 52 925 197
Repayments of loans and advances to credit institutions and customers	21 040 417	33 990 545
Change in deposits with central banks	36 508	51 000
Change in treasury securities liquidity portfolios	- 970 198	293 038
Change in venture capital operations included in shares and other variable-yield securities	- 157 208	- 178 236
Change in shares and other variable-yield securities excluding venture capital operations	- 15 570	- 57 780
Change in amounts owed to credit institutions and customers	471 998	- 7 418 983
Change in prepayments and accrued income	1 664 903	- 1 784 068
Change in other assets	- 17 732	315
Change in short term treasury derivative valuations	- 1 564 495	- 6 126
Change in accruals and deferred income	32 797	2 262 100
Change in other liabilities	104 545	56 268
<b>Net cash used in operating activities</b>	<b>- 2 512 071</b>	<b>- 25 628 265</b>
<b>B. Cash flows from investing activities:</b>		
Purchase of EIF shares	0	- 56
Securities in long term hedge portfolio purchased during the year	- 1 433 866	0
Securities from long term hedge portfolio matured during the year	43 782	215 500
Purchase of loan substitutes included in the debt securities portfolios	- 2 031 810	- 2 045 921
Redemption of loan substitutes included in the debt securities portfolios	1 215 399	1 439 864
Purchase and disposal of tangible and intangible assets	16 102	- 25 088
<b>Net cash used in investing activities</b>	<b>- 2 190 393</b>	<b>- 415 701</b>
<b>C. Cash flows from financing activities:</b>		
Issuance of debts evidenced by certificates	68 322 133	84 933 795
Redemption of debts evidenced by certificates	- 62 542 855	- 69 500 489
Member States' contribution	420 197	9 178 016
<b>Net cash from financing activities</b>	<b>6 199 475</b>	<b>24 611 322</b>
<b>Summary statement of cash flows:</b>		
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>60 315 085</b>	<b>60 352 552</b>
Net cash from:		
Operating activities	- 2 512 071	- 25 628 265
Investing activities	- 2 190 393	- 415 701
Financing activities	6 199 475	24 611 322
Effects of exchange rate changes on cash held	- 175 789	1 395 177
<b>Cash and cash equivalents at the end of the financial period</b>	<b>61 636 307</b>	<b>60 315 085</b>
<b>Cash and cash equivalents are composed of:</b>		
Cash in hand, balances with central banks and post office banks, excluding deposits with Central Bank of Luxembourg to cover minimum reserve requirement	108	124
Bills maturing within three months of issue (A1 portfolio)	21 419 839	15 288 392
Loans and advances to credit institutions		
Repayable on demand	969 165	1 080 135
Other loans and advances	39 247 195	43 946 434
	<b>61 636 307</b>	<b>60 315 085</b>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS UNDER EU ACCOUNTING DIRECTIVES**

**NOTE A Basis of presentation**

The unaudited condensed financial statements of the European Investment Bank (the “Bank”) as at June 30, 2014 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, 2014 is not necessarily indicative of the results that may be expected for the year ending December 31, 2014.

The audited financial statements as at and for the year ended December 31, 2013 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 (the ‘Directive’), as amended by Directive 2001/65/EC of 27 September 2001, by Directive 2003/51/EC of 18 June 2003 and by Directive 2006/46/EC of 14 June 2006 on the annual and consolidated accounts of certain types of companies, banks and other financial institutions (the ‘Directives’), without making use of the option available to apply fair value accounting.

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, 2013.

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

<u>Analysis of aggregate loans granted (before specific provisions)</u>	Loans granted		Total
	to intermediary credit institutions	directly to final beneficiaries	
- Disbursed portion	124 886 339	292 350 318	417 236 657
- Undisbursed portion	30 927 260	64 256 714	95 183 974
Aggregate loans granted	155 813 599	356 607 032	512 420 631



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

This item for EUR'000 493 588 corresponds to the capital paid in by the Bank in respect of its subscription (EUR'000 1 863 000) to the capital of the European Investment Fund ("EIF"), with its registered office in Luxembourg.

As at June 30, 2014, the Bank holds 62.10% of the EIF's subscribed capital (62.10% as at December 31, 2013).

The Bank will participate in the increase of capital of the EIF by subscribing to 923 shares for a price of EUR 383,040.05 per share as of July 15 for a total of EUR 353,545,966.15.

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

Under the terms of the Replacement Share Purchase Undertaking, the Bank is offering to buy the remaining subscribed shares from the EIF's other shareholders for a price of EUR 383,040.05 per share as at June 30, 2014. 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 - Summary statement of debts evidenced by certificates as at June 30, 2014 (in EUR' 000)**

PAYABLE IN	OUTSTANDING AT 30.06.2014	AVERAGE RATE 30.06.2014	DUE DATES	OUTSTANDING AT 31.12.2013	AVERAGE RATE 2013
EUR	219 195 300	2.78	2014/2057	213 296 314	2.86
USD	104 937 904	1.99	2014/2058	105 047 833	2.06
GBP	62 379 059	3.13	2014/2054	59 215 161	3.48
AUD	12 955 911	5.20	2015/2042	13 189 620	5.27
CHF	8 053 636	2.15	2015/2036	8 545 129	2.31
JPY	7 586 977	1.15	2014/2053	7 702 874	1.03
SEK	5 207 275	3.40	2015/2039	5 645 382	3.56
NOK	4 909 031	3.63	2015/2033	4 856 511	3.81
TRY	3 300 885	7.85	2014/2024	2 444 024	7.99
CAD	2 478 203	2.60	2018/2045	1 304 582	3.31
ZAR	2 059 175	7.42	2014/2021	1 505 949	7.44
NZD	1 295 917	6.06	2014/2021	1 133 516	6.05
RUB	874 554	6.57	2014/2025	914 735	6.50
DKK	549 915	2.55	2024/2026	549 649	2.55
CZK	460 390	2.93	2015/2034	387 643	3.39
PLN	258 495	5.92	2014/2022	246 615	6.00
HUF	201 510	6.47	2015/2016	209 827	6.47
RON	54 301	8.61	2016/2019	100 649	8.88
MXN	39 631	4.32	2015/2015	38 840	4.32
HKD	23 619	5.27	2017/2019	23 382	5.27
<b>TOTAL</b>	<b>436 821 688</b>			<b>426 358 235</b>	

The principal and interest of certain structured borrowings are index linked to stock exchange indexes (historical value: nil at 30 June 2014 and EUR 288 million in 2013). All such borrowings are hedged in full through structured swap operations.