

EUROPEAN INVESTMENT BANK

June 2002

PV/02/8

BOARD OF GOVERNORS

Minutes of the Decision of the Annual Meeting on 4 June 2002

CAPITAL INCREASE

CONFIDENTIAL

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CAPITAL INCREASE

On 30 April 2002, the BOARD OF DIRECTORS had approved a draft decision for submission to the Board of Governors authorising the Bank to increase its capital, according to the following terms:

The BOARD OF GOVERNORS of the EUROPEAN INVESTMENT BANK,

HAVING REGARD to the recent development of Bank activity and the likely evolution of lending, in particular with a view to financing needs to prepare the candidate countries of Central and Eastern Europe, Malta and Cyprus for accession and to financing other priority areas; to the new tasks – such as support for a knowledge-based economy - the Bank has assumed and may in future be called upon to accept, and to the general orientation of its policies,

PURSUANT TO Articles 4(3) and 5(2) of the Statute,

PURSUANT TO the general principles common to the laws of the Member States,

PURSUANT TO the task of the Bank as set out in Article 267 of the Treaty Establishing the European Community,

HAVING REGARD to the deliberations of the Board of Directors on the Bank's requirements for capital and own funds, and on the objective of maximising the value-added of Bank operations, by identifying clear criteria to that effect, and by reducing the Bank's overall lending to large corporates with easy access to capital markets. This reduction does not affect lending to large corporates in assisted areas. In anticipation of Enlargement, the Board of Governors will review its position on lending to large corporates as far as lending in new Member States is concerned.

HAVING REGARD to the deliberations of the Board of Directors on the Bank's requirements for capital and own funds, and to its conclusions at its meeting on 30 April 2002, viz. that the subscribed capital of the Bank should be increased to EUR 150 billion; that the portion to be paid in should be 5 percent, funded entirely by the Bank from its Additional Reserves, and that absolute priority should be given to the progressive reconstitution of the Reserve Fund up to its statutory requirement of 10 percent of subscribed capital,

UNANIMOUSLY DECIDES during its annual meeting of 4 June 2002 that :

1. the capital of the Bank shall be increased as follows:
 - 1.1 the capital subscribed by the Member States shall be raised pro rata, with effect from 1 January 2003, by 50 percent from EUR 100 000 million to EUR 150 000 million, so as to arrive at the following amounts (EUR) :

Germany	26 649 532 500
France	26 649 532 500
Italy	26 649 532 500
United Kingdom	26 649 532 500
Spain	9 795 984 000
Belgium	7 387 065 000
Netherlands	7 387 065 000
Sweden	4 900 585 500
Denmark	3 740 283 000
Austria	3 666 973 500
Finland	2 106 816 000
Greece	2 003 725 500
Portugal	1 291 287 000
Ireland	935 070 000
Luxembourg	187 015 500
TOTAL	150 000 000 000

- 1.2 Additional Reserves of the Bank in the amount of EUR 3 717 059 887 be considered as free reserves ;
- 1.3 of the free reserves, EUR 1 500 000 000 be transformed into paid-in capital by way of transfer from the Bank's Additional Reserves to its capital ;
- 1.4 with effect from 1 January 2003 this capital shall be deemed to be part of the subscribed and paid-in capital, so increasing the Bank's paid-in capital from EUR 6 000 million to EUR 7 500 million ;
- 1.5 of the free reserves, the balance of EUR 2 217 059 887 be transferred to the Bank's Statutory Reserve Fund ;

WHEREAS, furthermore

according to Article 4(1), second subparagraph, of the Bank's Statute the unit of account shall be defined as being the euro, the single currency of the Member States participating in the third stage of Economic and Monetary Union;

CONSEQUENTLY

2. The Bank's Statute shall be amended as follows:
 - 2.1 As from 1 January 2003, the first subparagraph of Article 4(1) of the Bank's Statute shall read :

“The capital of the Bank shall be one hundred and fifty thousand million (150 000 000 000) euro, subscribed by the Member States as follows :

Germany	26 649 532 500
France	26 649 532 500
Italy	26 649 532 500
United Kingdom	26 649 532 500
Spain	9 795 984 000
Belgium	7 387 065 000
Netherlands	7 387 065 000
Sweden	4 900 585 500
Denmark	3 740 283 000
Austria	3 666 973 500
Finland	2 106 816 000
Greece	2 003 725 500
Portugal	1 291 287 000
Ireland	935 070 000
Luxembourg	187 015 500
TOTAL	150 000 000 000

2.2 As from 1 January 2003, Article 5(1) of the Bank’s Statute shall read :

“The subscribed capital shall be paid in by Member States to the extent of 5 percent on average of the amounts laid down in Article 4(1)”.

3. This decision shall be published in the Official Journal of the European Communities.

Date:

The Chairman:

B. BENDTSEN
(signed)

The Secretary:

F.A.W. CARPENTER
(signed)