

BEI ICB
EUROPEAN INVESTMENT
BANK

**annual report
1974**



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INVESTMENT
BANK



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1974

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Luxembourg



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Text finalised 30 April 1975.

Board of Governors

Chairman	Willem F. DUISENBERG (Netherlands)
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Denmark	Anders ANDERSEN, Minister of Finance, until February 1975 Knud HEINESEN, Minister of Finance, from February 1975
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* deceased 6 July 1974

Board of Directors

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Sir Raymond BELL, Vice-President

Departments

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Secretariat
Information
Staff and Administration
Representative Office in Brussels

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Michel LAUCHE, Adviser
Karl Georg SCHMIDT, Adviser
Hans HITZLBERGER, Deputy Manager
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Department for Operations in the Community

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

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Romeo dalla CHIESA, Associate Manager
Giorgio RATTI, Principal Adviser
Helmuth CRAMER, Deputy Manager
Luciano ROTONDI, Adviser
Dennis KIRBY, Deputy Manager
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Jean-Pierre LACAILLE, Adviser
Jacques SILVAIN, Deputy Manager
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Jean-Marie PAYEN, Adviser
Robert ALLOO, Adviser
Alfred KAWAN, Adviser

Monitoring

Finance and Treasury Department

Issues
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General Accountancy

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

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Economic Research
Financial Research
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Jean-Paul JACQUOT, Adviser
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Bruno EYNARD, Adviser
Xavier HERLIN, Adviser
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Technical Advisers' Department

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

* deceased 12 April 1975

Unit of account

Equivalents in national currencies

Articles 4 and 7 of the Statute of the European Investment Bank define the unit of account to be used in preparing the accounts and balance sheet and lay down the rules for conversion of national currencies into this unit of account at their gold parities. The validity of this statutory procedure has been overtaken by developments in the world monetary system, and steps have been taken to amend the Statute in order to define new rules. This process is however subject to the long delays attendant upon ratification by national parliaments.

The Bank's immediate need is for a perfectly clear and unambiguous basis on which to draw up its financial statements. This requires the conversion of national currencies into units of account at rates that reflect economic and financial reality.

As an interim measure, pending formal adoption of the revised Statute, the Board of Governors has therefore authorised the Bank to use a new system of conversion by reference to a basket consisting of the following amounts of Member States' currencies :

Deutsche Mark (DM)	:	0.828
Pounds sterling (£)	:	0.0885
French francs (Ffrs)	:	1.15
Italian lire (Lit)	:	109
Dutch guilders (Fl)	:	0.286
Belgian francs (Bfrs)	:	3.66
Luxembourg francs (Lfrs)	:	0.14
Danish kroner (Dkr)	:	0.217
Irish pounds (£Ir)	:	0.00759

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

The Council of Ministers of the European Communities has agreed in principle to apply the same system of conversion for calculating the amount of financial aid to be provided under the terms of the Lomé Convention, including loans financed from the resources of the Bank.

The rates for converting the unit of account into national currencies and vice versa that have been used in preparing the accounts and balance sheet for 1974 and in presenting the various statistical data on the Bank's lending and borrowing activities in 1974 were calculated on the basis of the rates of exchange operative on 30 December 1974, and are as follows :

1 unit of account (u.a.) =

DM	:	3.01774	Bfrs; Lfrs	:	45.4137
Ffrs	:	5.57964	Fl	:	3.13445
£ sterling	:	0.534530	Dkr	:	7.06637
£ Ir	:	0.534530	US dollars (\$)	:	1.25496
Lit	:	815.517	Swiss francs (Sfrs)	:	3.15176

With most currencies these rates differ widely from the official parities on which the Bank's accounts and balance sheet were previously based. This means, of course, that the comparison between 1974 and earlier years shows up quite considerable differences, which are reflected in the fairly appreciable exchange adjustments recorded in the accounts.

Finally, it should be remembered that the statistical tables summarising the Bank's lending and borrowing activities between 1958 and 1974 are based on a number of different conversion rates : official parities between 1958 and 1971 ; central rates in 1972 ; effective conversion rates adapted for statistical purposes in 1973, and the conversion rates defined above in 1974. This fact, coupled with the effects of price trends over such a long period, substantially reduces the significance of these tables which should be interpreted with circumspection.

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New loan contracts signed by the European Investment Bank in 1974 totalled 996.4 million units of account (1), compared with 816 million in 1973.

This progress was achieved in the face of generally worsening economic conditions, with the world economy in 1974 moving into a period of basic structural change and slackening growth.

From the end of 1973 production in Western Europe began to show a lower rate of expansion, although this was less marked than in the United States and Japan. The trend became more pronounced from the beginning of 1974 and in some countries there were signs of incipient recession. Inflation reached an alarming rate with the pressure of oil and raw material costs aggravated by wage-push effects, at least until the autumn. In several countries, waning confidence brought a steady decline in private consumption and a downturn in housing investment was recorded. Dwindling cashflow tended to narrow the scope for business investment and from the late summer on there was rising unemployment.

The radical shift in the terms of trade in favour of countries producing oil and raw materials adversely affected both developing countries that do not export these commodities and industrialised countries, whose balance of payments on current account in most cases showed a heavy deficit.

The **capital markets** were quick to feel the effects of restrictive credit and monetary policies and subsequently came under still greater pressure, conditions being very tight on the short and long-term markets during most of the year. Short-term interest rates reached exceptionally high levels and long-term capital became extremely difficult to raise on suitable terms on both European and international markets. In some countries inflation and balance of payments problems gave somewhat less cause for

concern in the second half of the year, but as the shadow of recession loomed larger monetary authorities in several countries began gradually and selectively to relax restrictive measures. There was, however, no appreciable improvement in market conditions until the final quarter, when there was some easing of interest rates and a very gradual lengthening of maturities offered on bond issues.

The gross national product of the Community expanded by less than 2% (2) in 1974, compared with 5.5% in 1973; this being the lowest rate on record since 1958. With worsening conditions in the world economy, what had been a relatively low rate of expansion in most Member Countries during the first half of the year gave way to stagnating, even declining, production from the summer onwards. Unemployment and short-time working reached a disquieting level, and the number of bankruptcies was exceptionally high. The impact of cyclical problems, in some cases compounded by structural problems, varied widely from one sector to another with housing construction, the motor and allied industries, and textiles being the hardest hit. At the same time, prices continued to rise sharply and in most Member Countries the current account of the balance of payments showed a substantial deficit. Towards the end of the year, however, came the first signs that the rise in prices might be easing and that there might be an improvement in the external balance, mainly because imports were rising more gradually and the prices of some raw materials and oil were either falling or levelling off.

In **Germany** reduced private demand and business investment and the decline in housing construction all but halted

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(2) Except where otherwise indicated, the rates quoted in this chapter refer to changes in real terms.

expansion. Exports, however, forged ahead keeping the external trade balance in surplus and staving off any general slackening in production. Anti-inflation measures enforced since 1973 successfully limited the rate of inflation during the year to less than 6%. Unemployment rose steadily until the end of the year to over 4% of the wage-earning population — even though in 1974 public sector finance was exerting a generally expansionary influence and monetary and credit policies were progressively relaxed towards the end of the year.

In **France**, where GDP showed a growth rate of 3.8% over the year as a whole, both demand and production grew fairly fast in the first six months only to slow down considerably in the autumn as a consequence of the tightening of monetary and credit policies introduced as part of the struggle against inflation. Conditions on the labour market then deteriorated, and during the final quarter about 3.5% of the working population was without employment at a time when strikes, especially in postal sorting offices, were adversely affecting production in a number of sectors. There was a sharp increase in consumer prices resulting mainly from the rise in wage costs, although this trend eased somewhat from November on. The balance of payments on current account was in heavy deficit, mainly because of increased oil prices, but there were signs of improvement towards the end of the year.

In the **United Kingdom** the lively expansion of 1973 gave way to a minor recession, although early in the second half of the year the quickening tempo of wage and salary increases provided something of a spur to consumption and production. The effects, however, were not so marked as to offset the toll taken in the early months of the year by the loss of production resulting from industrial disputes and the three-day working week. Business investment and new housing construction were reduced while the current account deficit and price inflation both reached very high levels. Unemployment rose, mainly as the result of increased short-time working. By the end of the year, the moderately

expansionist policy adopted had still not begun to show through in terms of investment.

In **Italy** economic growth remained vigorous throughout the year, but this did not prevent a deterioration of the general situation, which continues to be burdened by the cost of programmes for the Mezzogiorno : price increases accelerated; the current account deficit, exacerbated by the country's heavy reliance on outside sources of energy, increased considerably; and the weakness of domestic demand in the second half of the year led to a steady fall in industrial production and investment and to increasing unemployment. Towards the end of the year tight monetary and credit policies began to bring about a significant reduction in the balance of payments deficit and, to a lesser extent, in the pace of inflation.

Diminishing economic growth and increasing unemployment were also experienced in the **Netherlands**, although the current account surplus was only slightly reduced.

In **Belgium** the slowdown in economic expansion and rising unemployment were to appear more slowly but brought with them a swifter rise in consumer prices and a deterioration in the current account balance.

In **Luxembourg** the deterioration in conditions in the steel sector during the last months of 1974 scarcely affected a brisk rate of economic activity throughout the year.

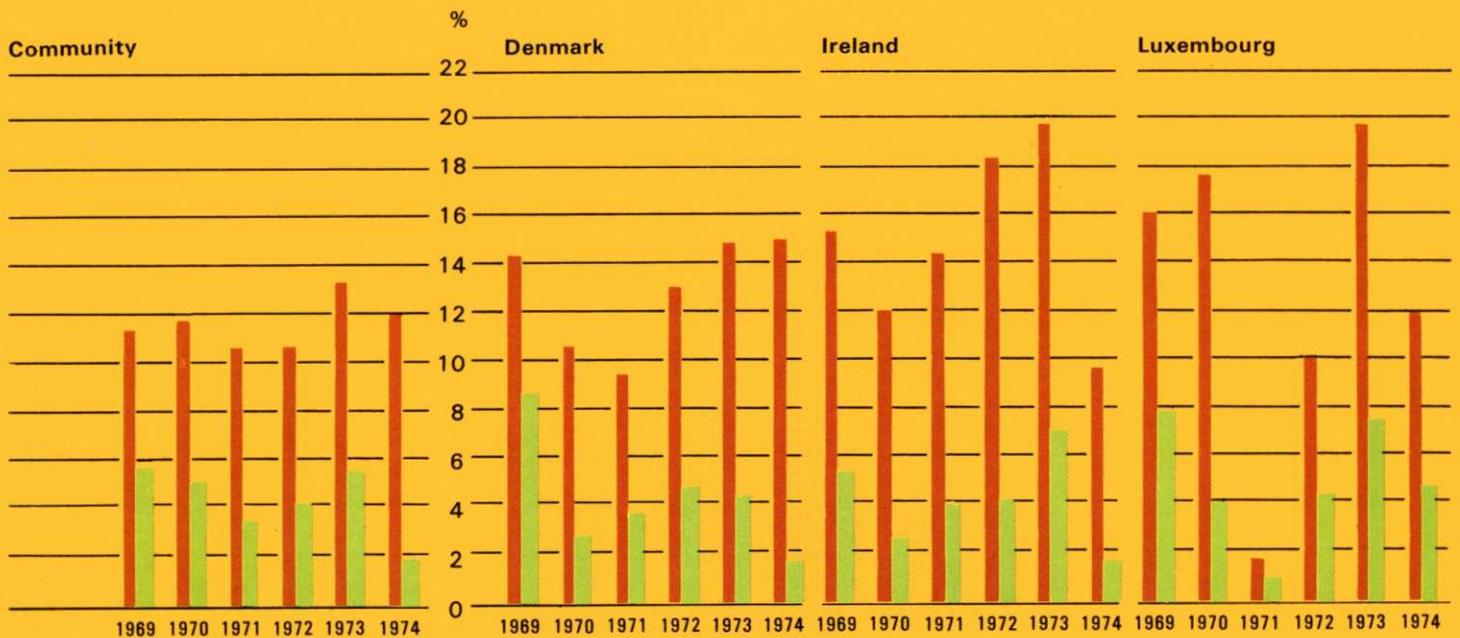
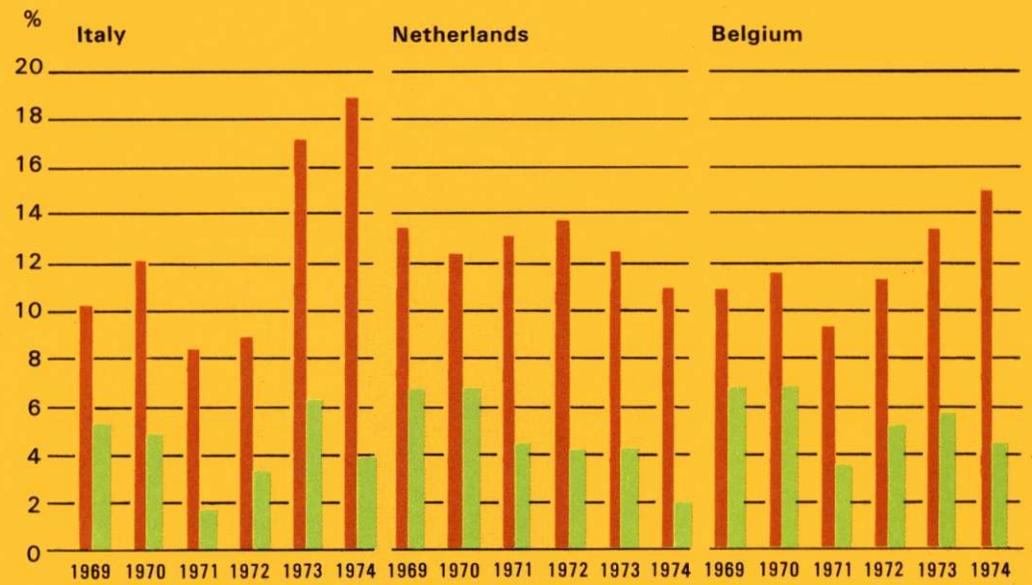
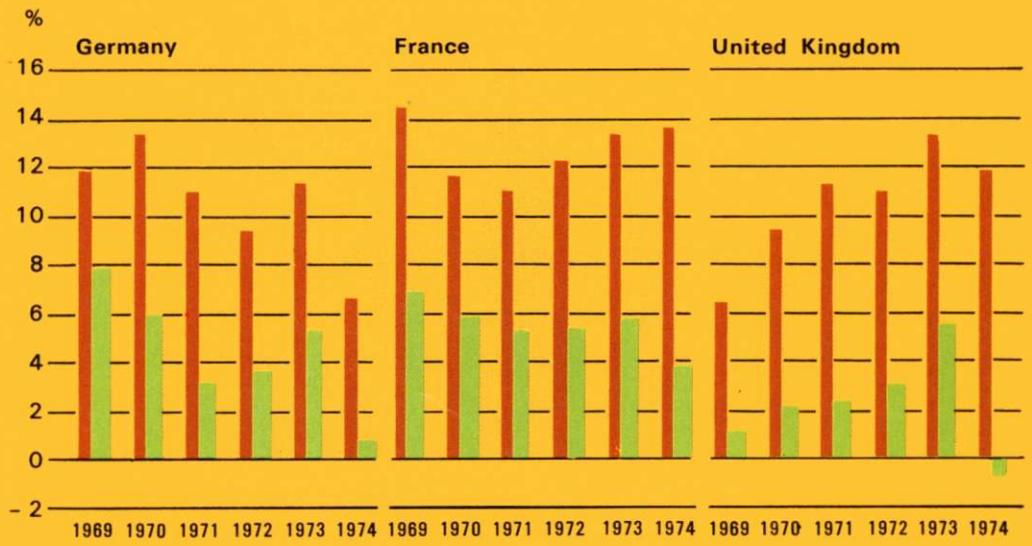
Faltering domestic demand and production in **Denmark** resulted in rising unemployment. Inflationary pressures remained strong and, despite a better tendency towards the end of the period, the balance of payments deficit grew still larger.

The pace of the economy in **Ireland** slowed even more from mid-year on,

Gross domestic product in the Community

% variations by comparison with previous year

■ at current prices
■ at constant prices



resulting in a marked rise in unemployment, but without inhibiting the sharp increase in prices.

The **Associated States** of the Community in which the Bank is authorised to operate were on the whole severely affected by the deterioration in the world economic situation.

In 1974 the economies of the **Associated African States, Madagascar and Mauritius (AASMM)** were subject to contradictory trends affecting their foreign trade. In the second half of the year there was a marked downturn in the prices of their staple export products, but the revenue accruing from these was on average still considerably greater than in 1973. What was gained overall was, however, far from sufficient to offset the leap in import bills resulting from the increased prices of petroleum products, as well as of consumer goods and capital equipment, under the influence of world inflation. The net result was a marked deterioration in the balance of trade and further strain on public finances, particularly in those countries — the majority — which have no oil or mineral resources of their own, and above all in those countries of the African interior where the catastrophic effects of years of drought are still far from being overcome.

In **Turkey** a good farming year served to offset a weakened rate of industrial expansion — the GNP growth rate was approaching 7.5% — whereas investment, especially in the public sector, fell far short of what had been targeted.

Mainly as a result of the events in Cyprus budgetary expenditure soared and public finances fell heavily into deficit, necessitating increased recourse to short-term advances from the Central Bank. Inflationary pressures were further heightened by brisk private consumption and rising oil and commodity costs : prices continued to rise at around 20%.

A pronounced increase in the trade deficit, stemming from a decline in the volume of exports when imports were increasing both in volume and, as a result of worldwide inflation, in cost, was accompanied by a smaller than normal increase in the flow of remittances by Turkish migrant workers. This was reflected in the balance of payments on current account, which showed a large deficit in 1974, in contrast to the surplus achieved in 1973. Nevertheless, gold and foreign exchange reserves at the end of the year, although reduced by some 350 million dollars, were still sufficient to cover the equivalent of six months' imports.

Community economic policies made progress in 1974, especially in three fields of vital interest to the Bank : regional development, energy and cooperation in development aid.

A decision was taken at the Summit Conference of Heads of State or Government of the Community in Paris on 9 and 10 December 1974 to set up the **European Regional Development Fund**, which had been under consideration since 1969. Its purpose is to help to correct marked regional imbalances, which stem mainly from concentration on farming, from the process of industrial change and from structural underemployment. The Fund will have 1 300 million units of account at its disposal for the years 1975 to 1977. It is proposed that three-quarters of these resources be used to aid the countries facing the most acute regional problems, namely Ireland, Italy and the United Kingdom. Regulations agreed since the Conference state that the Fund may help to finance investments in industrial, craft and service activities attracting national regional aid, as well as investments in infrastructural works in direct support of these activities undertaken wholly or in part by public authorities. In the case of infrastructural investments, all or part of the Fund's contribution, which will be limited to not more than thirty per cent of the expenditure borne by the authorities, may take the form of a three per cent interest rate subsidy on loans granted by the European Invest-

ment Bank under Article 130 (a) and (b) of the Treaty of Rome in eligible regions.

A Regional Policy Committee, on which the Bank is represented by an observer, has also been established with the aim of coordinating Member Countries' regional policies.

On the **energy** front the Community has set itself the objective of reducing its dependence on imports from 63% in 1973 to at most 50%, and if possible

40%, by 1985, which implies both that energy consumption would have to be reduced by 15% from the earlier forecasts and that new sources of energy would have to be developed. This would call for exploiting European oil and gas reserves, diversifying external sources of supply, preserving and rationalising coal mining and speeding up the nuclear power station construction programme. Already in 1974, there was a 10% reduction in Community consumption of petroleum products, whereas sales of gas and nuclear energy rose by around 15%.

Gross yields on bonds

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



The Community's negotiations with 46 **African, Caribbean, Pacific and Indian Ocean countries (the ACP)** (1) culminated on 28 February 1975 in the signature of the "Lomé Convention".

Provision has been made for Community aid up to 1 March 1980 totalling 3 390 million units of account for the ACP countries, and 160 million for the Overseas Countries, Territories and Departments (OCTD) that are dependencies of France, the Netherlands and the United Kingdom. These totals include 400 million units of account (390 million for the ACP and 10 million for the OCTD) in the form of loans by the Bank from its own resources, normally attracting interest rate subsidies at three per cent for which the European Development Fund will provide 100 million. In addition the Bank's Special Section is to administer that portion of the European Development Fund's resources that has been earmarked for risk capital, amounting to 100 million.

During the scheduled transitional period before the Lomé Convention comes into effect, the Bank may continue to mount financing operations in the AASMM and

(1) The ACP countries :

— **17 African States, Madagascar and Mauritius associated with the EEC under the Yaoundé Convention (AASMM) :**

Burundi, Cameroon, the Central African Republic, Chad, Congo, Dahomey, Gabon, Ivory Coast, Madagascar, Mali, Mauritania, Mauritius, Niger, Rwanda, Senegal, Somalia, Togo, Upper Volta and Zaïre.

— **21 Commonwealth countries, including :**

In Africa : Kenya, Tanzania and Uganda (already linked with the EEC under the Arusha Agreement of 24.9.69), Botswana, the Gambia, Ghana, Lesotho, Malawi, Nigeria, Sierra Leone, Swaziland and Zambia.

In the Caribbean : the Bahamas, Barbados, Grenada, Guyana, Jamaica and Trinidad and Tobago.

In the Pacific : Fiji, Tonga and Western Samoa.

— **6 other African countries :**

Equatorial Guinea, Ethiopia, Guinea, Guinea Bissau, Liberia and Sudan.

the OCTD using the uncommitted balance of the funds provided for under the Yaoundé II Convention. At the same time, it will be joining with the Commission of the European Communities in organising studies and making contacts to prepare the way for implementation of the new Convention.

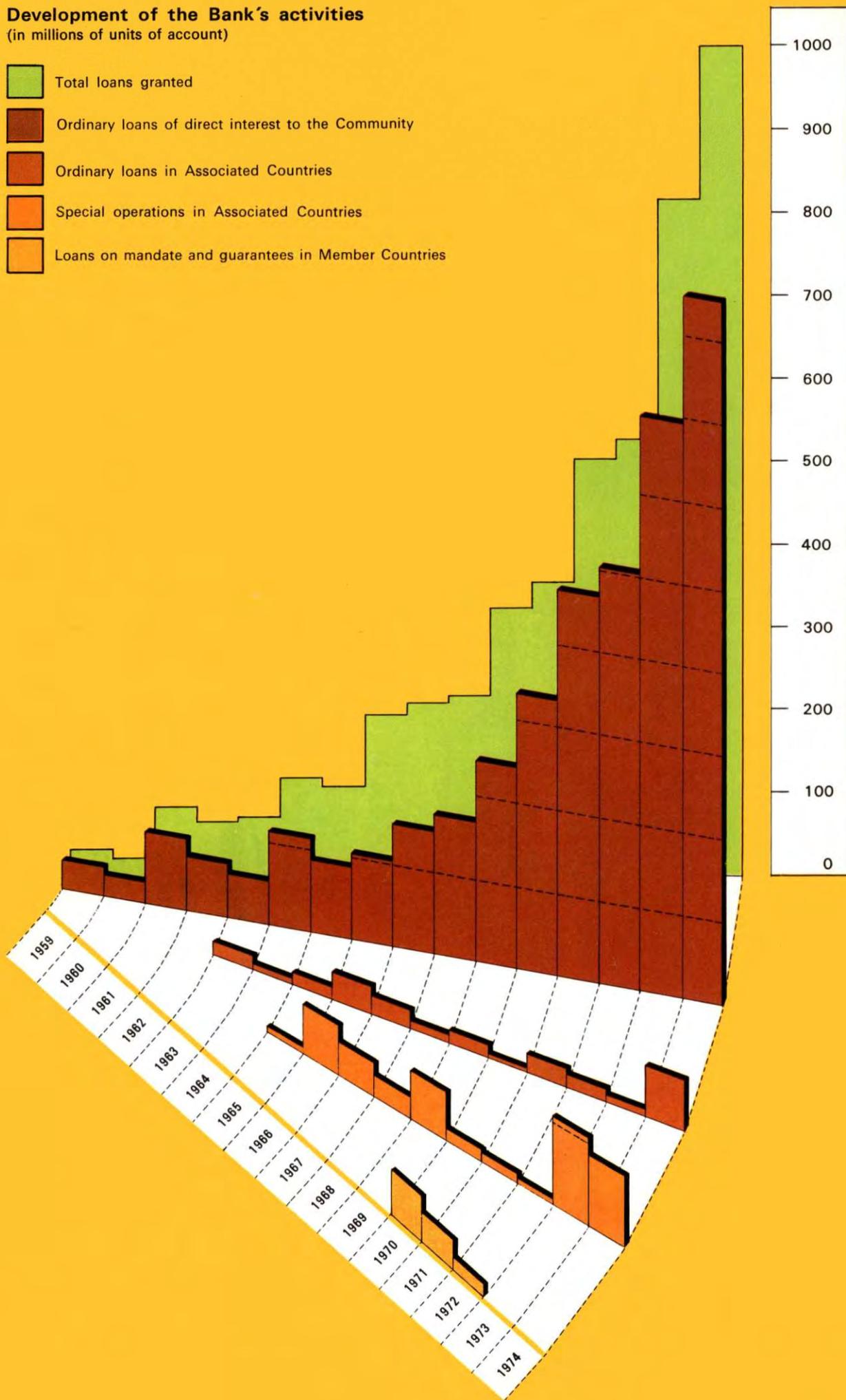
Following reactivation of the Association Agreement between the Community and **Greece** the Bank was authorised on 16 December 1974 by its Board of Governors to resume financing operations in that country in respect of the US \$ 56 million uncommitted balance of the US \$ 125 million financial aid specified in Protocol 19 annexed to the Association Agreement of 9 July 1961. Negotiations for a new Protocol, also envisaging EIB financing operations in Greece, are in prospect.

The Community's negotiations with the three **Maghreb countries** (Algeria, Morocco and Tunisia) over the conclusion of association agreements including financial cooperation continued in 1974. It seems likely that the Bank will be invited to grant loans in these countries from its own resources, involving substantial sums.

The trend of Community policy in all these fields opens up three main avenues for the development of the Bank's activities in coming years. Within the Community, it will endeavour to step up its finance in support of more balanced regional development and widen its operations in the field of investment of benefit to several Member Countries, especially in the energy sector and more particularly for the construction of nuclear power stations. Outside the Community, it will both increase the volume of its operations and extend them to additional developing countries in Africa, the Caribbean, the Pacific and the Indian Ocean, and in the Mediterranean.

Development of the Bank's activities
(in millions of units of account)

- Total loans granted
- Ordinary loans of direct interest to the Community
- Ordinary loans in Associated Countries
- Special operations in Associated Countries
- Loans on mandate and guarantees in Member Countries



LOANS GRANTED IN 1974

New loans worth
almost one thousand
million units of
account

In 1974 the European Investment Bank signed 84 loan contracts totalling 996.4 million units of account (1), compared with 72 contracts totalling 816 million in 1973.

This 22% increase, achieved under more difficult economic conditions than in 1973, when the rate of growth was 55%, stemmed mainly from a 29% increase in ordinary operations, financed from the Bank's own resources, which rose from 707.7 million in 1973 to 910.7 million in 1974. Some 849.7 million was lent in Member Countries and 61.0 million in Associated Countries. Within the framework of the Special Section a further 85.7 million was advanced in loans on special conditions for Turkey, financed by Member States, and for the Associated African States, Madagascar and Mauritius (AASMM), financed by the European Development Fund.

The year was marked by two developments : the doubling in value of loans granted in the United Kingdom, Ireland and Denmark and the major recovery in operations in Italy.

Projects located in the less favoured regions of the Community continued to attract the larger part of the Bank's financial support. More frequent recourse to the mechanism of global loans in support of small and medium-scale industrial ventures also served to boost financing operations of regional importance.

There was a further increase in loans for projects of common interest, especially in the energy sector.

In the Associated Countries ordinary lending operations from the Bank's own resources expanded considerably, although there was a slight decrease in lending operations on special conditions.

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

Table 1 : Loans granted in 1974

Breakdown by type of financing and by country

total 996.4 million u.a.



Country	Number of loans	Amount (million u.a.)	% of total	% Member Countries
Ordinary operations				
Member Countries				
Belgium	1	16.1	1.6	1.9
Denmark	5	19.6	2.0	2.3
Germany	7	96.1	9.7	11.3
France	16	193.7	19.4	22.8
Ireland	7	46.4	4.7	5.5
Italy	22	278.0	27.9	32.7
Netherlands	2	31.9	3.2	3.7
United Kingdom	9	149.5	15.0	17.6
Non-member countries (1)	1	18.4	1.8	2.2
Total	70	849.7	85.3	100.0
Associated Countries				
Turkey	2	25.0	2.5	
AASMM				
— Ivory Coast	2	19.4	1.9	
— Zaire	1	16.6	1.7	
Total	5	61.0	6.1	
Ordinary operations total	75	910.7	91.4	
Special operations (2)				
Turkey	5	71.5	7.2	
AASMM				
— Congo	1	1.0	0.1	
— Ivory Coast	2	7.4	0.7	
— Zaire	1	5.8	0.6	
Total	9	85.7	8.6	
Grand total	84	996.4	100.0	

(1) EKOFISK project, located in the Norwegian sector of the North Sea; financing outside the Community authorised by the Board of Governors in accordance with the second paragraph of Article 18(1) of the Bank's Statute.

(2) Accounts for loans on special conditions financed by Member States (Turkey) and by the European Development Fund (AASMM) kept under the Bank's Special Section.

Table 2 : Loans granted in 1974 (including allocations from global loans)
Sectoral breakdown

total 996.4 million u.a.

Energy, water 470.6

Industry and services 353.8

Transport 97.4

Telecommunications 61.6

Agriculture, forestry, fishing 13.1

	Of direct interest to the Community			Associated Countries		
	Number	Amount (million u.a.)	%	Number	Amount (million u.a.)	%
Infrastructure	37	545.7	64.2	6	93.9	64.0
□ Agricultural development	—	—	—	1	10.0	6.8
□ Energy	26	406.8	47.9	1	58.0	39.5
Power stations	14	252.2	29.7	1	58.0	39.5
Gas pipelines	3	51.8	6.1	—	—	—
Development of oil and natural gas deposits	4	47.7	5.6	—	—	—
Other	5	55.1	6.5	—	—	—
□ Water supply and distribution	—	—	—	1	5.8	4.0
□ Transport	7	77.3	9.1	3	20.1	13.7
Railways	1	7.5	0.9	2	19.1	13.0
Roads, bridges and tunnels	4	53.3	6.3	—	—	—
Sea and inland waterways	—	—	—	1	1.0	0.7
Airlines	2	16.5	1.9	—	—	—
□ Telecommunications	4	61.6	7.2	—	—	—
Agriculture, Industry and Services	220	304.0	35.8	14	52.9	36.0
□ Agriculture, forestry, fishing	1	0.7	0.1	1	2.4	1.6
□ Industry	215	300.8	35.4	11	49.8	33.6
Mining and quarrying	3	0.6	0.1	1	16.6	11.3
Metal production and semi-processing	10	65.8	7.8	—	—	—
Construction materials	9	11.4	1.3	—	—	—
Woodworking	15	4.2	0.5	—	—	—
Glass and ceramics	6	2.9	0.3	1	1.1	0.7
Chemicals	9	44.5	5.2	—	—	—
Metalworking and mechanical engineering	49	31.3	3.7	1	0.4	0.3
Motor vehicles, transport equipment	7	8.9	1.0	—	—	—
Electrical engineering, electronics	13	7.2	0.9	—	—	—
Foodstuffs	37	48.7	5.7	2	0.8	0.5
Textiles and leather	23	9.0	1.1	3	8.4	5.7
Paper pulp, paper	10	6.0	0.7	—	—	—
Rubber and plastics processing	6	1.6	0.2	—	—	—
Other	7	2.0	0.2	—	—	—
Global loans	11	56.7 (1)	6.7	3	22.4(2)	15.3
□ Services	4	2.5	0.3	2	0.7	0.5
Tourism	4	2.5	0.3	—	—	—
Other (pre-investment studies and technical assistance)	—	—	—	2	0.7	0.5
Grand total	257	849.7	100.0	20	148.8	100.0

(1) Difference between global loans granted in 1974 (132.9m u.a.) and allocations effected during 1974 (187 allocations for an amount of 76.2m u.a.) from global loans granted in previous years.

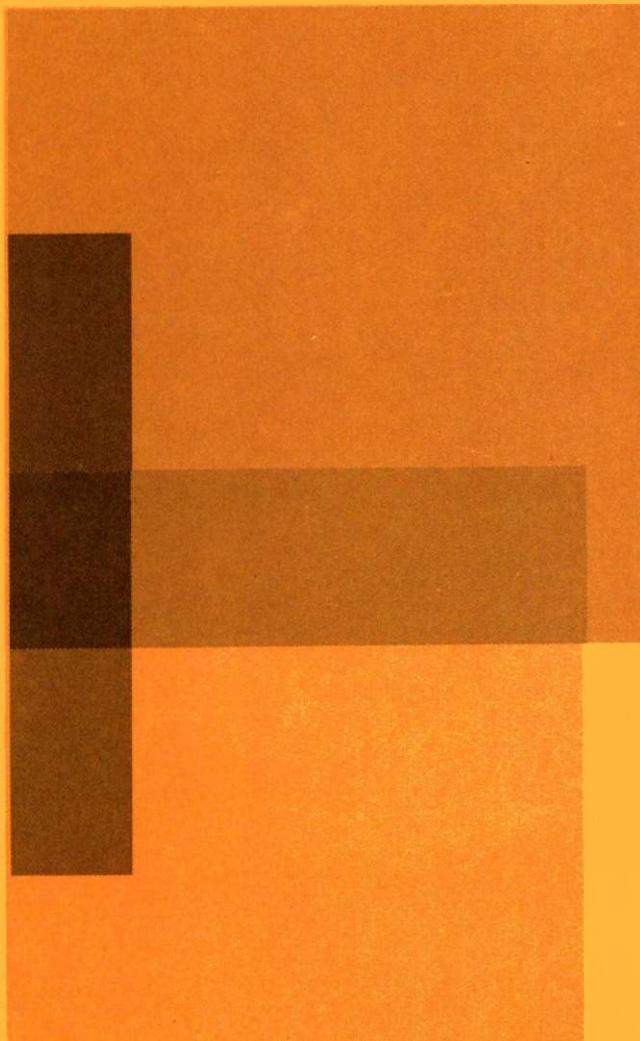
(2) Difference between global loans granted in 1974 in Turkey (25.4m u.a.) and allocations effected during 1974 (6 allocations for an amount of 3m u.a.) from global loans granted in 1973.

Breakdown of loans granted in 1974

Within the Community according to economic policy objective
(total : 849.7 million u.a.)

-  Regional interest (540.2m u.a.)
-  Common interest to several Member Countries (441.1m u.a.)
-  Sectoral interest (99.2m u.a.)

Note : Some loans satisfy more than one objective (see Table 5, page 65)



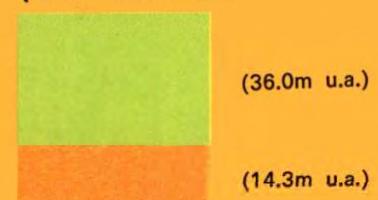
In Associated Countries according to source of funds
(total : 146.8 million u.a.)

-  Ordinary loans
-  Special operations financed by Member States (Turkey) or by the European Development Fund (AASMM-OCTD)

TURKEY
(total : 96.5m u.a.)



AASMM-OCTD
(total : 50.3m u.a.)



Loans within the Community

849.7 million for loans in Member Countries

The 70 loans granted by the Bank for projects in Community countries totalled 849.7 million (1), compared with 696.8 million for 52 loans in 1973. These accounted for 85.3% of the Bank's activities for the year.

This 22% increase in volume stemmed mainly from financing operations in the new Member Countries, in each of which they at least doubled, and from the 53% expansion in operations in Italy, plus a certain recovery in loans in Belgium and the Netherlands. Conversely, financing operations in France remained at an almost constant level, while there was a pronounced downturn in lending to Germany. As a result, the distribution of loans between Member Countries was more commensurate with the scale of regional needs and with external financing requirements than in 1973.

The distribution of loans by country also influenced the pattern of lending by economic objective (see Table 5, page 65 and the figure on page 18).

with two-thirds going to less favoured regions especially in Ireland, Italy and the United Kingdom

Loans in the less favoured regions of the Community increased by comparison with 1973 and continue to make up the larger part of finance to Member Countries. These include both operations that were in the interest of improving regional balance and operations justified as furthering other objectives such as the improvement of the Community's energy supplies or its internal transport infrastructure. On this basis, total lending in the regions to be developed or converted was 540.2 million, that is about two-thirds of all finance granted within the Community. Over three-quarters of these loans contributed to financing projects in Ireland, Italy and the United Kingdom, where regional problems are causing the greatest concern.

Of the finance so provided, 45% was used for improvement of infrastructure needed for the economic development of the regions concerned. The other 55% went towards their industrialisation, either through loans for large industrial projects or through global loans to banks and financing institutions which then distributed the sums involved, in agreement with the EIB, among a large number of small and medium-scale industrial ventures.

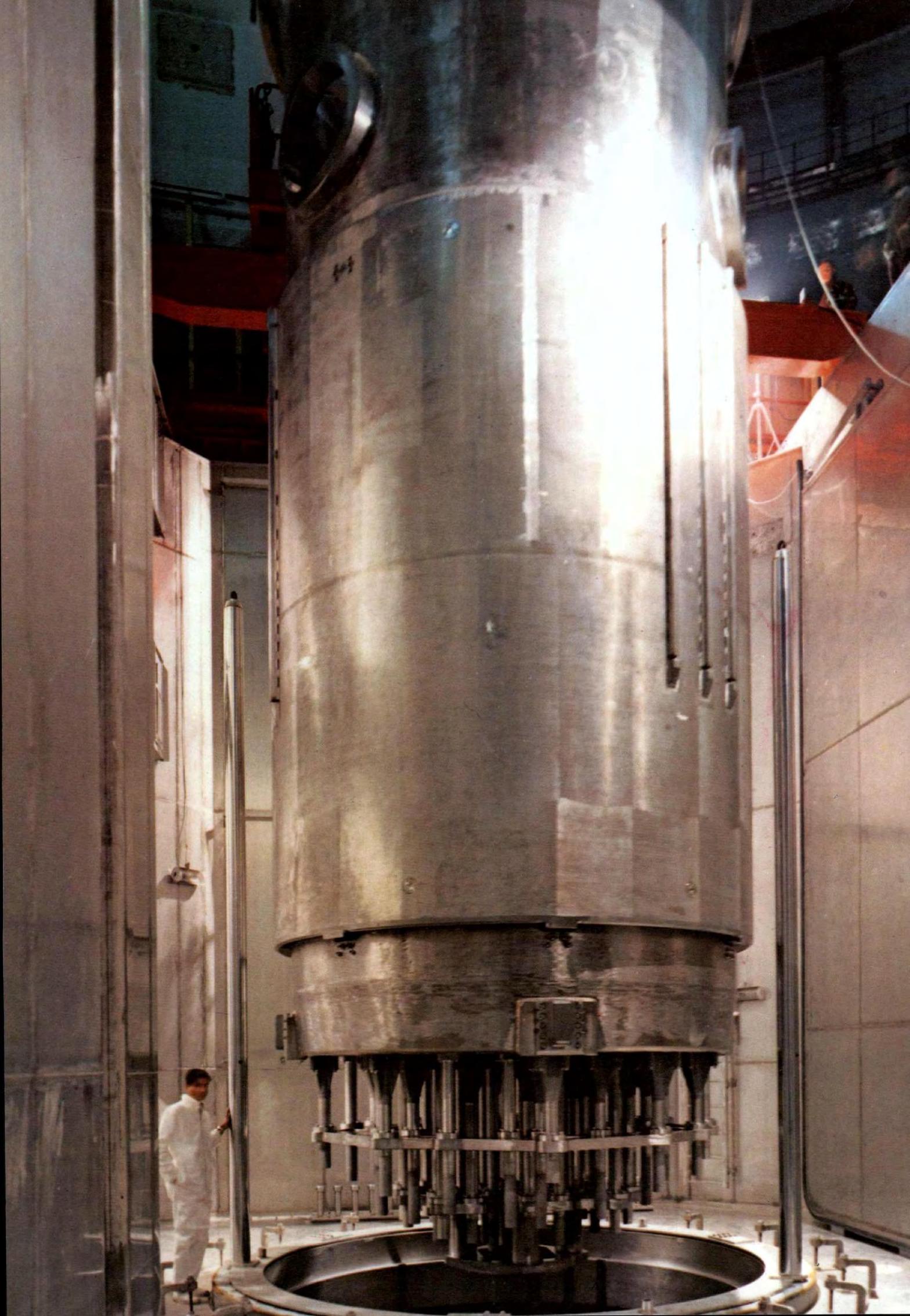
187 small and medium-scale industrial ventures

The 11 global loans concluded in 1974 totalled 132.9 million and accounted for some 45% of finance for industrial projects of regional interest. The amounts drawn down by intermediary institutions during the year from global loans granted in earlier years contributed 76.2 million for 187 ventures, or three times as much as in 1973 (25 million for 39 ventures). The global loan is a particularly effective device in the service of regional development. It encourages the establishment of a diversified industrial fabric, and the beneficiaries are generally labour-intensive. Hence in 1974 the investment per job created in industrial projects receiving individual loans averaged 152 000 units of account, whereas in the case of ventures financed through global loans (see map p. 36) it was only 24 000 units of account.

Further increase in loans for projects of common interest

There was a further marked increase in the amounts provided for projects of common interest to a number of Member Countries (441.1 million) covering infrastructure in the field of communications (60.0 million), a major project aimed at reducing pollution of the Rhine (16.6 million), and, above all, investments designed to improve Community energy supplies (344.9 million). The latter included six loans towards the construction of nuclear power stations (123.3 million) and several loans for hydroelectric power stations (79.0 million), gas pipelines (51.8 million), and the tapping of oil and natural gas reserves in the North Sea and the Ionian Sea, as well as loans to finance equipment for the exploration, production and transport of hydrocarbons on the European continental shelf (90.8 million).

(1) Including a loan for 18.4 million for exploiting the EKOFISK oil and natural gas deposits in the Norwegian sector of the North Sea with the aim of supplying energy to several Member Countries.



Through six loans totalling 123.3 million units of account granted for construction of nuclear power stations in Belgium, France and the United Kingdom, the EIB continued in 1974 to support investments which will improve and diversify the Community's energy supplies. A further 79 million units of account were granted for hydroelectric power stations and the total for all energy projects came to more than 400 million u.a.

Over 400 million
for energy
infrastructure

The last main category of project covers sectoral restructuring and the development of new technology of key interest to the Community, such as undersea pipelaying and the production of biosynthetic proteins, for which a total of 99.2 million was committed.

Broadly speaking, almost two-thirds of the total amount of loans in 1974 went towards infrastructural projects — 37 loans for 545.7 million in all — and the remainder for investments in agriculture, industry and services where, including allocations from global loans, 220 ventures received finance totalling 304 million.

Slower progress
in industrial
lending

Most of the Bank's infrastructural financing was channelled into energy production projects, which received 26 loans in all, amounting to 406.8 million, or 47.9% of all credit granted in Member Countries. In addition the Bank made a contribution to the improvement of communications, financing new sections of motorways, railway improvements and the purchase of airline equipment, as well as granting four new loans towards the modernisation and extension of telecommunications networks : a total of 11 financing operations amounting to 138.9 million.

The general slowdown in industrial production explains why financing in favour of industry progressed more slowly, reaching 304 million compared with 277.9 million in 1973, a rise of 10.9%. Nevertheless operations increased considerably in number, with 187 allocations from global loans apart from loans granted in the usual way.

The sectors attracting the largest sums, about two-thirds of all finance for industry, were metal production and semi-processing, foodstuffs, chemicals and mechanical engineering. Rather smaller sums were disbursed in numerous financing operations to other sectors, including textiles and the woodworking industry.

278 million for
loans in Italy, an
increase of 53 %

The volume of operations in **Italy** increased by 53% compared with 1973, reaching 278.0 million units of account (Lit 227 000 million) or almost one third of all lending within the Member Countries.

Of the 22 loans granted by the Bank 20 contributed to the development of the mainland Mezzogiorno, Sardinia and Sicily. The total amount of lending in Italy was equally divided between infrastructure and industrial projects.

mainly for the
development
of the Mezzogiorno

Loans for infrastructure projects included eight operations, totalling Lit 84 300 million, in support of the energy sector. ENEL received finance for two hydroelectric schemes in the Sila plateau in Calabria, a pumped storage power station project on the Taloro in Sardinia, and a project to erect high tension power lines between Calabria and Campania which will serve to interconnect the electricity networks in the South of Italy with the grid in Central and Northern Italy. Two loans were granted to AGIP, a member of the ENI group, for exploiting the Campo di Luna natural gas field in the Ionian Sea off Crotone (Calabria).

energy

SAIPEM, a subsidiary of the ENI group, received two loans to construct a vessel specially equipped for laying undersea pipelines at depths of up to 600 metres. This project uses advanced technology for exploiting new energy resources and carrying natural gas and crude oil to Europe.

telecommunications

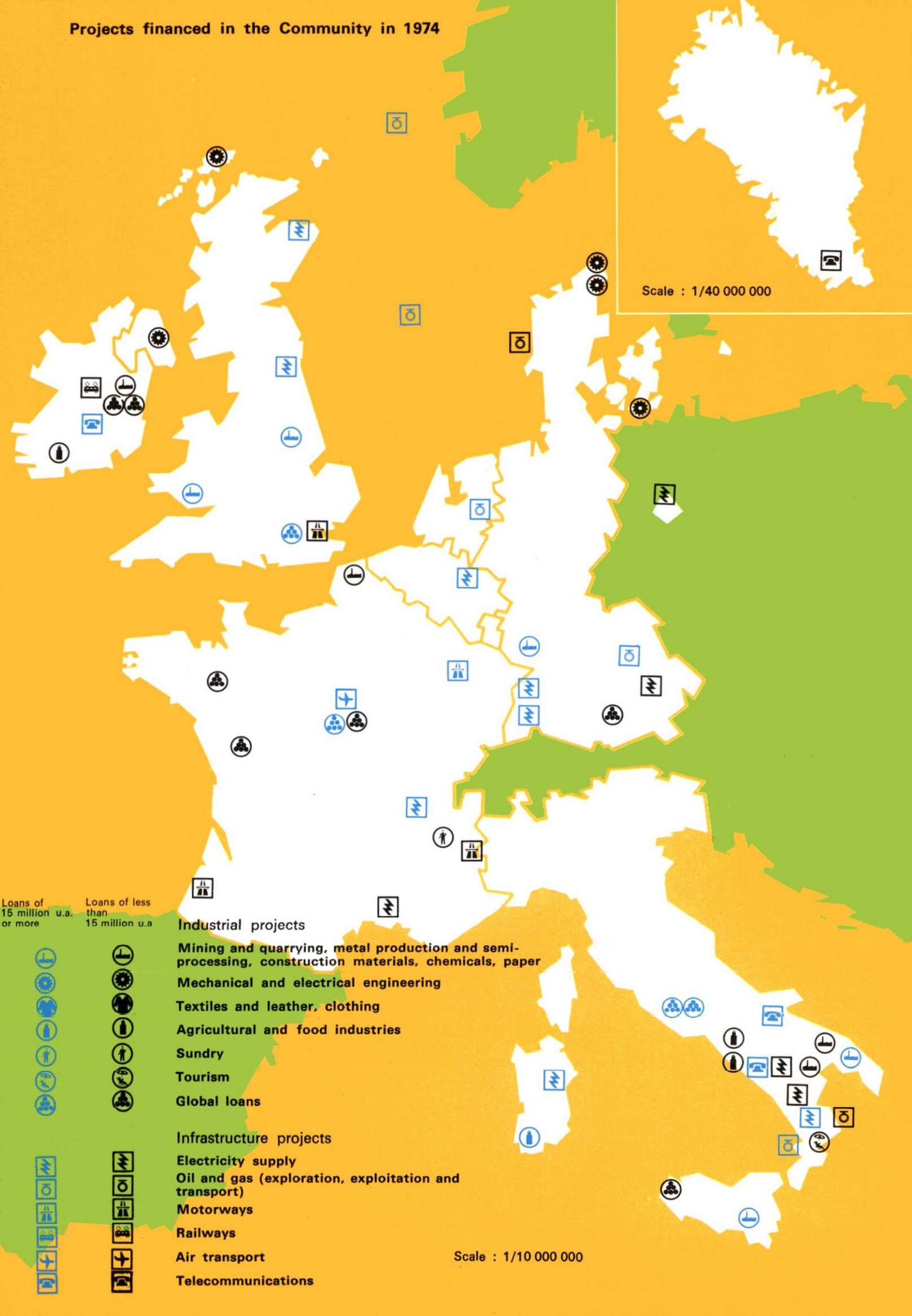
In continuance of its support for the telephone sector the Bank granted two loans amounting to Lit 31 400 million to extend telephone networks in Campania and Apulia. These two operations bring the number of loans which have been made available since 1965 for developing telecommunications in Italy to 12 and their amount to Lit 174 200 million.



More than a quarter of the loans in Italy went to the energy sector, projects ranging from development of a natural gas deposit in the Ionian Sea to the construction of power stations. Almost all the Italian projects which the Bank helped to finance were located in the Mezzogiorno, with loans granted for major infrastructure development and for the steel, chemicals, textiles, foodstuffs and tourism industries. These apart, many small and medium-scale ventures were financed by means of global loans.

iron and steel	In the industrial sector Italsider received a loan for constructing two continuous casting units in the Taranto iron and steel complex in Apulia. The loan is the latest in a series of operations in support of this complex, the capacity of which is expected to reach 11 million tonnes of crude steel in the course of 1975. A further loan in the same province was granted to the Vianini company to construct a factory for producing pre-stressed concrete tubes.
chemicals	Two loans were granted to ANIC, a member of the ENI group, one for expanding the Gela petrochemicals complex in Sicily, the other for extending an acrylic fibres plant at Pisticci (Basilicata). The Bank also helped to finance construction of a factory in Sardinia for producing biosynthetic animal feed proteins. This factory, built by Italproteine, a jointly owned subsidiary of ANIC and British Petroleum, and the result of close cooperation between the two parent companies, will apply advanced technology and at the same time contribute to the economic development of the island.
foodstuffs	In the food and drinks industry, the Bank contributed towards financing the extension of a factory for the catchment and bottling of mineral water in Caserta and the construction of an ice cream factory in the province of Naples. Financing was also provided for a holiday village near Catanzaro on the Ionian Coast as a further contribution to the development of tourist resorts in Calabria.
finance for small and medium-scale industrial ventures	The Bank continued to finance small and medium-scale ventures, granting three new global loans for a total of Lit 46 900 million. The largest of these went to Istituto Mobiliare Italiano (IMI) which received its first global loan from the Bank in 1972. A second global loan was also granted to IRFIS, an industrial financing institution in Sicily. The third loan went to Banca Nazionale del Lavoro for use by its « Sezione Speciale per il Credito Industriale ». In 1974 the EIB approved 35 allocations from global loans outstanding for a total of Lit 17 200 million in support of ventures in the Mezzogiorno, thereby contributing towards investments totalling Lit 47 000 million in projects which will create 3 100 new jobs.
193.7 million in France	The Bank granted 16 loans in France totalling 193.7 million units of account (Ffrs 1 081 million), an increase of 14% over 1973. The bulk of the funds went towards infrastructure projects in the energy and transport sectors.
including Bugey nuclear power station	Four loans amounting to Ffrs 435.3 million were granted for the second and third 900 MW nuclear reactors at Bugey power station which is being built at St Vulbas, on the Rhône, by Électricité de France. Finance provided for this power station, the net capacity of which will amount to 4 200 MW after completion of the final stage, so far totals Ffrs 518.6 million, including an initial loan granted in 1973. A further loan was granted for development of the Rhône, on this occasion for the Palier d'Arles section, between Beaucaire/Tarascon and the Mediterranean; the project will step up electricity generation at the Avignon barrage, already financed by the Bank, improve navigation on the river and go some way towards solving conversion and development problems facing areas along the Rhône.
road links	Loans totalling Ffrs 224.7 million helped to finance construction of the Basque coast motorway in Aquitaine from the Spanish frontier to St Geours-de-Mareme, the Verdun-Metz section of the Paris-Lorraine motorway and the Fréjus tunnel between Savoie and Piedmont. The last two projects are infrastructure works providing road links within the Community. Since June 1974, a loan enabling Air France to acquire three Airbuses will help to relieve congestion on the Paris-London and other routes. The Bank granted a loan in 1971 towards financing capital equipment needed for constructing this aircraft, which is the fruit of cooperation between companies in four Member Countries.

Projects financed in the Community in 1974



Scale : 1/40 000 000

Loans of 15 million u.a. or more
Loans of less than 15 million u.a.

- Industrial projects
- Mining and quarrying, metal production and semi-processing, construction materials, chemicals, paper
- Mechanical and electrical engineering
- Textiles and leather, clothing
- Agricultural and food industries
- Sundry
- Tourism
- Global loans
- Infrastructure projects
- Electricity supply
- Oil and gas (exploration, exploitation and transport)
- Motorways
- Railways
- Air transport
- Telecommunications

Scale : 1/10 000 000

industrial investment

partly in the form of four global loans

Loans in the United Kingdom more than doubled : 149.5 million

two-thirds of which went to problem areas

96.1 million for loans in Germany, mainly for improving energy supplies

Financing in support of industrial projects amounted to Ffrs 254 million. Two direct loans went to construct factories located in conversion areas, one, at Calais, for desulphurising zinc ore, the other for manufacturing self-adhesive products at Champ-sur-Drac (Isère), and four global loans, totalling Ffrs 209 million, were made available for financing small and medium-scale ventures. These global loans were granted to Crédit National, Société de Développement Régional de l'Ouest and Société de Développement de la Bretagne for financing projects located mainly in development and conversion areas, and to Crédit Naval for modernising the French deep-sea fishing fleet.

During its second year of operations in the **United Kingdom** the Bank granted 9 loans for a total of 149.5 million units of account (£ 79.9 million), compared with 3 loans totalling 67.1 million in 1973. Lending in this country in 1974 accounted for 18% of Bank financing within the Community.

In the industrial sector the Bank granted two further loans to the British Steel Corporation whose works are nearly all in conversion areas facing unemployment problems. One loan, for £ 12 million, helped to finance an extension of the Thybergh steel complex in Yorkshire, while the other, for £ 8 million, was for the Port Talbot steelworks in South Wales.

On the Isle of Lewis, in the Hebrides, the Bank helped to finance a construction yard for the assembly of structural steelwork for offshore drilling platforms to be used for exploiting oil and natural gas deposits in the North Sea. In Northern Ireland, Short Brothers & Harland Limited of Belfast received a loan for developing the new SD 3-30 aircraft. Both these projects will increase employment in particularly handicapped areas.

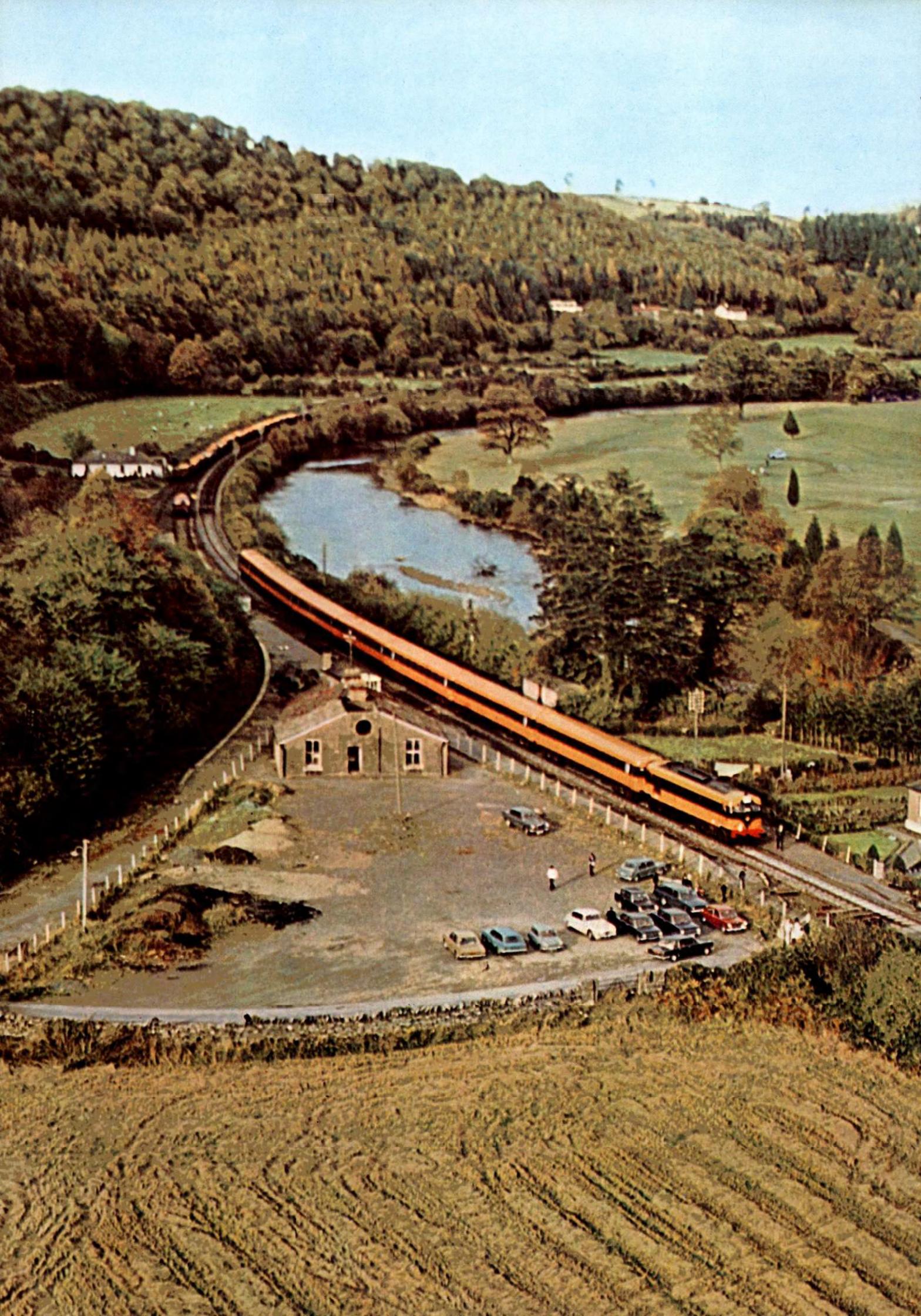
The Bank pursued its collaboration with Industrial and Commercial Finance Corporation Limited (ICFC) by granting a further global loan of £ 10 million for financing small and medium-scale ventures in development areas within the United Kingdom.

Among infrastructure projects, loans were granted for exploiting offshore natural gas deposits in the Frigg field and constructing the second Dartford road tunnel under the Thames to improve links with the Continent. A loan for Hartlepool nuclear power station will help to improve energy supplies and promote development in North-East England, while the Peterhead power station project will reduce the shortfall in electricity production in Scotland. Loans in support of these infrastructure projects totalled £ 43.4 million, or 54% of the financing provided in the United Kingdom.

In **Germany** Bank loans amounted to 96.1 million units of account (DM 290 million), most of which went to help to finance a gasline for carrying natural gas from the Czechoslovakian frontier to the main network in West Germany, a pumped storage power station in the southern area of the Black Forest, and a hydroelectric power station at Iffezheim on the Rhine. The Iffezheim plant complements the power station at Gamsheim (Alsace) for which the Bank provided finance in 1973; both projects are the result of cooperation between French and German electricity producers in developing the hydroelectric potential of this stretch of the Rhine.

The Bank also made a loan to BASF to construct a plant for purifying industrial effluent and sewage in the Ludwigshafen area; the project will reduce pollution of the Rhine downstream from this densely industrialised area.

Approximately 27% of the Bank's lending in Germany was in support of regional development or restructuring : one loan was granted for extending the electricity supply grid in Eastern Bavaria, while Bayerische Vereinsbank received a global loan for DM 30 million for financing small and medium-scale ventures in development and conversion areas. In addition, a loan for constructing a power station to meet peak demand in West Berlin brings total finance granted by the Bank for restructuring this city's economy to DM 110 million.



Projects located in the less developed regions of the Community, especially the Italian Mezzogiorno and Ireland, received loans totalling some 540 million units of account from the European Investment Bank in 1974. All seven loans to Ireland supported regional development and somewhat more than half of the 46.4 million total was used for railway modernisation and the improvement of telecommunications.

46.4 million in Ireland for projects of regional interest

Seven loans were granted in **Ireland**, all in favour of regional development projects, for a total of 46.4 million units of account (£1r 24.8 million), or more than double the 1973 amount of 22.6 million.

Just over half of these loans went to extending and improving telecommunications and modernising the railways.

Finance to industry covered a dairy products factory in Cork, a cement works in Meath and two global loans, one of which was granted to The Industrial Credit Company Limited (ICC) and the other to The Agricultural Credit Corporation Limited (ACC). ACC's activities cover mainly the agricultural and foodstuffs industries.

31.9 million in the Netherlands

In the **Netherlands** two loans amounting to 31.9 million units of account (Fl 100 million) were granted to Nederlandse Gasunie to help to finance a gasline for transporting, from the north of the Netherlands to the Belgian and German frontiers in southern Limbourg, natural gas from the Drenthe field and from fields in the Dutch and Norwegian sectors of the continental shelf.

19.6 million in Denmark

The Bank made five loans to **Denmark** for a total of 19.6 million units of account (Dkr 138.3 million), or three times the 1973 amount. One loan went to purchase and convert a ship for offshore oil drilling; the four others relate to projects located in development areas. The largest loan was in support of a UHF trunk telecommunications network in Greenland (Dkr 38 million).

16.1 million in Belgium

In **Belgium** Tihange nuclear power station in the province of Liège received a further loan of 16.1 million units of account (Bfrs 730 million), supplementing loans granted in previous years, and bringing finance provided by the Bank for this project to Bfrs 2 200 million.

18.4 million outside the Community

Following special authorisation from the Bank's Board of Governors, a loan of 18.4 million was granted to Norsk AGIP of the ENI group towards financing exploitation of the EKOFOSK field located in the Norwegian sector of the North Sea, which will supply oil and natural gas to Member Countries.



The EIB increased its lending operations in the United Kingdom helping to finance a wide variety of projects, often located in development or special development areas, and including a nuclear power station, development of the Frigg gas field in the North Sea, the second Dartford Tunnel under the Thames, engineering and aircraft construction and two steel complexes. Finance was also provided by the Bank for steel industry projects in Italy.

Loans in the Associated Countries

In the AASMM,
36 million for loans
from the Bank's
own resources

mining equipment and
industrial plant in
Zaire

railways and textiles
in the Ivory Coast

14.2 million for loans on
special conditions
from the EDF

AASMM-OCTD

Seven contracts were signed in 1974 providing finance in the Associated African States, Madagascar and Mauritius (AASMM). Three relate to ordinary loans totalling 36 million units of account from the Bank's own resources, compared with 10.9 million in 1973, and four to loans on special conditions totalling 14.2 million from the European Development Fund (EDF), as against 31.9 million the preceding year.

Of the three **ordinary loans from the Bank's own resources**, one went to Zaire and two to the Ivory Coast.

In **Zaire** a loan of 16.6 million (Z 10 million) was granted to help to finance mining and industrial plant provided for under the second Five-Year Expansion Programme drawn up by Générale des Carrières et des Mines (GECAMINES), a state-owned company, which had already received a loan of 16 million from the Bank in 1971. The World Bank and Libyan Arab Foreign Bank also contributed to financing this latest phase. The project, which is of great importance for the economic development of Zaire, will create 2 200 skilled jobs and increase the company's copper and cobalt production capacity by around 25%.

The two loans in the **Ivory Coast** benefited railway infrastructure and the textiles industry.

One loan of 14 million (CFA F 3 917 million) went to Régie du Chemin de Fer Abidjan-Niger (RAN) to help to finance reconstruction of a 130 km section of track between Dimbokro and Bouaké in the Ivory Coast and the acquisition of locomotives. Implementation of this project will provide RAN with 320 km of entirely renovated track from Abidjan to Bouaké, the second largest town in the Ivory Coast. RAN had already received a loan on special conditions from the EDF in 1968 for modernising a 105 km section of track between Agboville and Dimbokro and, in 1972, an ordinary loan from the Bank's own resources for replacing and enlarging its pool of rolling stock.

The other loan, for 5.4 million (CFA F 1 506 million), went to Cotonnière Ivoirienne (COTIVO) for constructing a spinning and weaving mill at Agboville, with an initial capacity of 6 000 tonnes of cloth per annum half of which will be blue denim for a local clothing factory. Some 70% of COTIVO's production will be exported either as unfinished cloth or as printed fabrics and garments. As well as exploiting locally-grown cotton to the full, the project will help to improve the country's trade balance, lead initially to the creation of 1 040 jobs and diversify the economy of an area which has hitherto been solely agricultural.

On a proposal from the Bank, the Commission granted EDF interest subsidies on these loans of 2% for the textiles factory and 2.50% for the railway project.

The four **loans on special conditions granted from the EDF** and managed by the Bank under its Special Section as agent for the Community went towards financing infrastructure projects in the Congo, the Ivory Coast and Zaire and an agricultural project in the Ivory Coast.

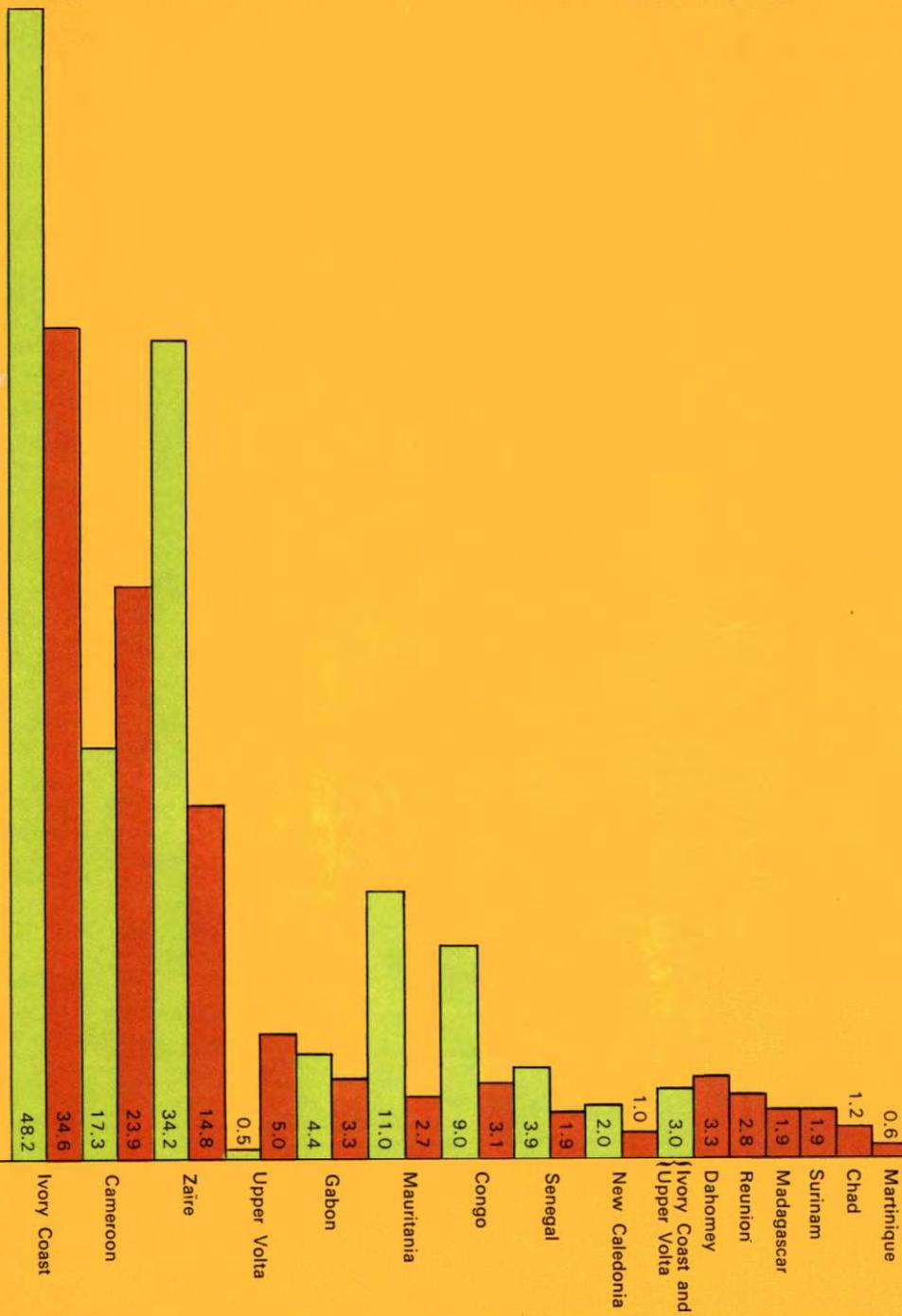
In the **Congo**, Agence Transcongolaise des Communications (ATC) received a loan of 1 million (CFA F 281 million) for financing the extension of port installations at Pointe-Noire.

AASMM-OCTD

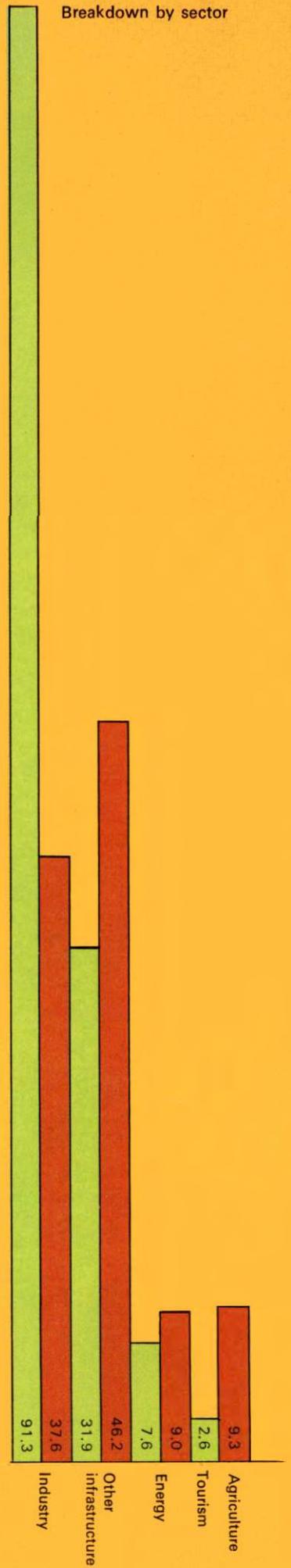
Ordinary loans and special operations from 1964 to 1974

■ Ordinary loans (total : 133.4 million u.a.)
■ Special operations financed by the European Development Fund (total : 102.0 million u.a.)

Breakdown by country



Breakdown by sector



In the **Ivory Coast** a loan of 5 million (CFAF 1 406 million) will supplement the loan mentioned above for assisting reconstruction of the Dimbokro-Bouaké railway line. Another loan, for 2.4 million (CFA F 667 million), will help to establish village cocoa plantations covering about 9 600 ha in the south-west of the country.

A loan of 5.8 million (Z 3.6 million) went to the Republic of **Zaire** to finance extension of the water distribution system in Kinshasa.

TURKEY

96.5 million in Turkey,
of which 25 million from
the Bank's own resources

In 1974 the Bank granted seven loans in **Turkey** for a total of 96.5 million (TL 1 677 million), compared with 76.4 million in 1973, an increase of 26%. The amount authorised for ordinary loans, under the second Financial Protocol which came into effect in 1973, was committed in the form of two global loans : one to the Turkish Industrial Development Bank (TSKB) for 20 million (TL 348 million) and the other to the Industrial Investment and Credit Bank (SYKB) for 5 million (TL 87 million). As with global loans in Member Countries, both these loans are intended to provide financing, in agreement with the Bank, for small and medium-scale ventures.

Five loans on special conditions totalling 71.5 million (TL 1 243 million), as against 76.4 million in 1973, were granted by the Bank under its Special Section, acting as agent for the Member States and drawing on funds provided by them.

58 million for
Elbistan power station

With financing amounting to 58 million (TL 1 008 million) for Elbistan thermal power station (Eastern Anatolia) and the lignite mine which will provide the fuel, Bank loans for infrastructure projects in 1974 accounted for more than two-thirds of total EIB lending in Turkey. The Elbistan project is a key feature of Turkey's energy programme, which is geared to exploiting indigenous resources, and in 1982 should meet around 20% of the country's electricity requirements. The project was also financed by the World Bank and bilateral aid from certain Member States (1).

A further infrastructure project supported by the Bank was the second stage of the Gediz valley land reclamation scheme for which the EIB granted a loan of 10 million (TL 174 million), supplementing the 15 million loan made for the first stage of the project in 1966.

Two loans were channelled to private sector industrial projects through the TSKB. One loan for 2 million (TL 34 million) helped to finance construction of an integrated cotton textile mill which will create 600 new jobs at Edirne, and another for 1.1 million (TL 20 million) went to a porcelain factory in Central Anatolia which will employ a workforce of 225.

In 1974 the Bank approved six allocations, totalling 3 million (TL 52 million), from global loans granted previously from funds provided by Member States. Four sub-loans went towards financing fixed investments amounting to 11.3 million (TL 196 million)

(1) The EIB granted a second loan of 19 million (TL 330 million) for this project in January 1975.



In Turkey, the EIB mounted a further operation in support of irrigation works and land reclamation in the Gediz Valley, where the principal crop is cotton, but the major part of the 96.5 million units of account lent in 1974 was provided for the Elbistan lignite mine and power station, a key project in the Turkish energy programme. For the first time the EIB also granted two loans in Turkey from its own resources, advancing 25 million u.a. for industrial projects.

and led to the creation of around 200 new jobs in the textiles, plumbing materials, vegetable oils and dairy products sectors. The two other sub-loans helped to finance technical assistance programmes and preinvestment studies.

The EIB also granted a global loan of TL 50 million under the revolving fund facility (1) to the Agricultural Bank (Ziraat Bankasi) for financing small and medium-scale agro-industrial ventures.

The projects financed in 1974 will contribute to total fixed investment of 1 000 million (TL 17 000 million) and lead to the creation of 3 400 new jobs.

(1) Bank loans in Turkey are generally granted to the Government at very long-term. The Government or intermediary institution then uses the proceeds to make much shorter-term loans to the final beneficiaries. Sums repaid in local currency by the final beneficiaries or intermediary institution and not required for a long period for servicing EIB loans are credited to a special Turkish Government account with the Central Bank and may be used, with the EIB's agreement, as local currency finance for further projects.

In the AASMM, the European Investment Bank granted three loans from its own resources, totalling 36 million units of account, for mining equipment in Zaïre and railways and a textiles mill in the Ivory Coast. Under the first and second Yaoundé Conventions the textiles sector has received seven loans from the EIB's own resources, and four loans on special conditions from the European Development Fund.



OPERATIONS BETWEEN 1958 AND 1974

564 contracts since 1958
for 4 650 million

Since its establishment in 1958 the European Investment Bank has signed 564 contracts providing for total financing of 4 654.4 million units of account. The total cost of the capital investments to which the Bank has contributed amounts to some 21 000 million (1). The Bank's average contribution was thus about 22%.

Tables 1, 2 and 4 to 12 give the breakdown of the Bank's activities by type of financing, country, sector and economic objective within the terms of reference of Article 130 of the Treaty of Rome.

4 000 million, i.e.
86%, for financing
operations within
the Community

In accordance with its principal objective the Bank's operations between 1958 and 1974 were primarily in **Member Countries**. The 432 loans and guarantees in respect of projects located within the Community or of direct benefit to Member Countries totalled 4 001.9 million, or 86% of the total.

The Bank thereby contributed towards a total investment of 17 200 million, which was expected to create some 103 000 new jobs and assure continued employment for 35 000 existing workers.

46.8% of this for
projects in Italy

Because the Bank is charged with fostering regional development and because the whole of the Mezzogiorno is lagging behind in its economic development, Italy has been by far the greatest beneficiary of financing through the EIB, having received 1 872.1 million, i.e. 46.8% of the Bank's support for projects of direct benefit to the Community. Next come France with 23.4%, Germany with 16.3% and the Benelux countries with 4.2%, followed by the new Member Countries : the United Kingdom with 5.4%, Ireland with 1.7% and Denmark with 0.7%. The remaining 1.5% relates to loans for projects which, although located outside Member Countries, were of importance for Community energy supplies.

Regions attract
about two-thirds of
loans within the
Community

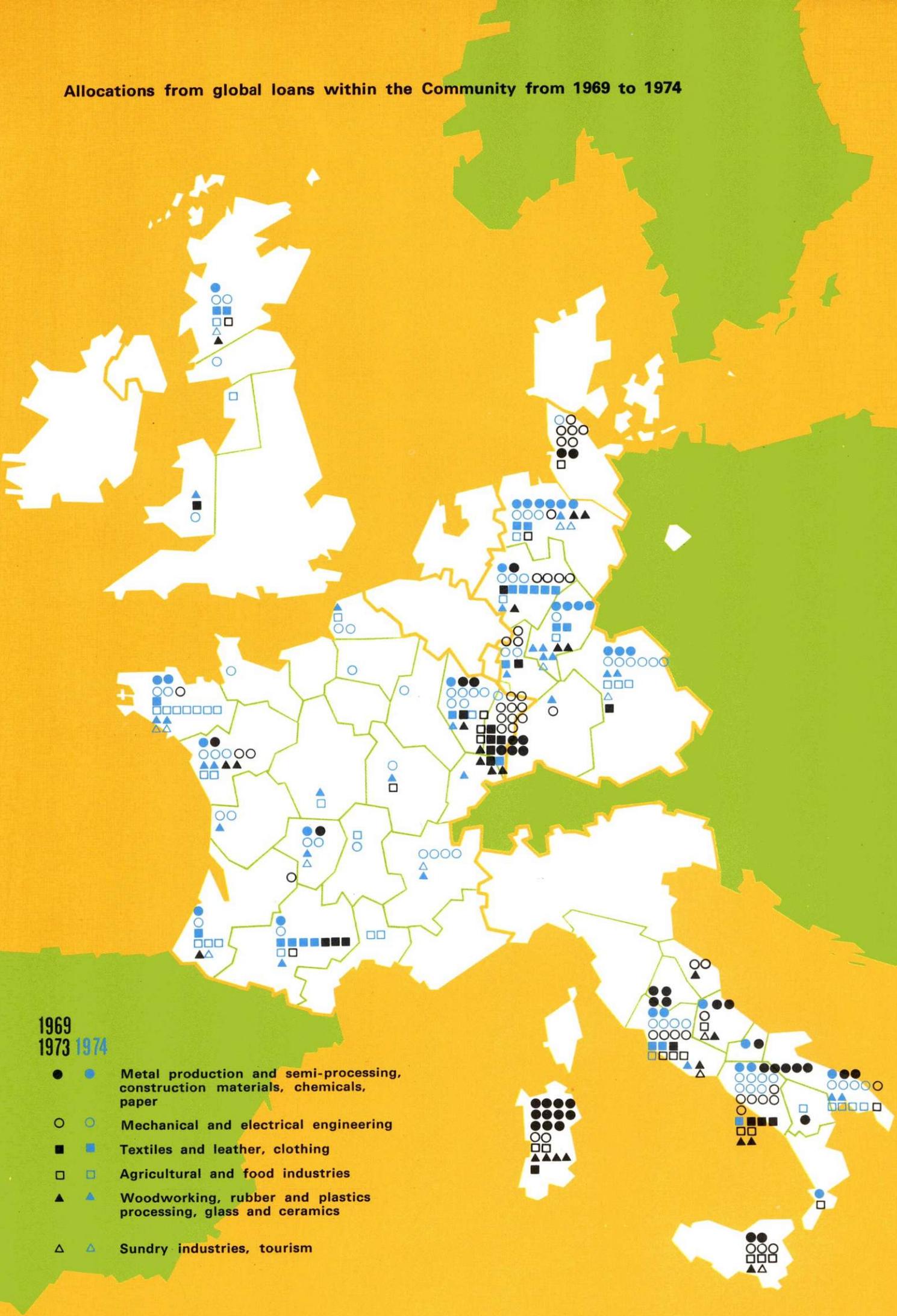
By far the greater part of the finance provided by the Bank in the Community since its foundation has been for projects in the less developed regions and in those facing conversion problems (see Table 5, page 65). Projects of common interest to several Member Countries have nevertheless assumed increasing importance in recent years. The main emphasis has been on improving Community energy supplies through projects which have included nuclear power stations, hydroelectric plant, gaslines and equipment for the extraction and transport of oil and natural gas; mention must also be made of major transport infrastructure projects (roads, rail and air links, etc.) and of projects fostering cooperation between industrial concerns in several Member Countries or contributing to the protection of the environment. The scale of lending for advanced technology and projects for industrial modernisation or conversion has so far been modest.

A sectoral breakdown of the projects financed by the Bank since 1958 shows infrastructure projects topping the list, with 158 projects receiving 60.3% of total commitments, headed by the energy sector (26.5%, two-thirds of which were for power stations), followed by transport (18.6%, mainly for roads, bridges and tunnels) and telecommunications (11.4%).

Almost 40% of total lending has been to productive enterprise. The fact that as many as 614 projects were financed is attributable to the application since 1969 of the formula of global loans to banks and other intermediary financial institutions which draw on the proceeds, in agreement with the EIB, to make sub-loans for small and medium-scale industrial ventures mainly in less favoured areas.

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

Allocations from global loans within the Community from 1969 to 1974



1969
1973 1974

- ● Metal production and semi-processing, construction materials, chemicals, paper
- ○ Mechanical and electrical engineering
- ■ Textiles and leather, clothing
- □ Agricultural and food industries
- ▲ ▲ Woodworking, rubber and plastics processing, glass and ceramics
- △ △ Sundry industries, tourism

Since 1969,
340 sub-loans in
support of smaller-scale
industrial ventures

Associated Countries
receive 652.6 million

including 235.4 million
for projects in the
AASMM and OCTD

347.9 million
in Turkey

Over the 1968-1974 period 28 global loans totalling 332.6 million were made available to the financial institutions listed in Table 11 on page 69. Up to 31 December 1974 a total of 152 million had been on-lent towards 340 smaller-scale industrial ventures, more than half this total in 1974 alone. The distribution of global loan allocations has tended to favour the Community's problem areas (see map, page 36). The average size of allocations was 0.45 million over the 1969-1974 period. They improved the labour situation in handicapped areas by creating 22 850 new jobs and safeguarding a further 7 700. The global loan formula has, in fact, enabled the Bank to help to finance 499 million of investments. Over the seven years the capital outlay for each new job created averaged 22 000 units of account for global loan projects and 61 000 units of account for industrial projects receiving individual loans.

The main industrial recipients of individual loans and sub-loans together were : — first, the metals sector (production and semi-processing) ; — second, the chemicals industry ; and then, some way behind, the mechanical engineering sector and transport equipment. A substantial number of allocations were made under the global loan system for mechanical and electrical engineering projects, the foodstuffs industry, the construction materials sector and the woodworking and paper industries.

Operations in the **Associated Countries** began only in 1963. These countries, taken together, have received 652.6 million, or 14% of the total funds provided by the Bank during the entire period 1958-1974, both from its own resources and from those of the European Economic Community and its Member Countries. The 132 contracts signed in favour of projects in the various Associated Countries were distributed between Turkey (347.9 million : 7.4%), the Associated African States, Madagascar and Mauritius, and the Overseas Countries, Territories and Departments (235.5 million : 5%), and Greece (69.2 million : 1.5%).

Between 1 January 1964, the date of entry into effect of the first Association Agreements, and 31 December 1974, the Bank signed 65 contracts for operations in the **Associated African States, Madagascar and Mauritius** and the **Overseas Countries, Territories and Departments**. These contracts covered 32 ordinary loans amounting to 133.4 million from the Bank's own resources and 33 operations financed from the European Development Fund, comprising 30 loans on special conditions totalling 99.5 million and 3 contributions to the formation of risk capital for 2.5 million. The figure on page 30 shows the breakdown of these operations by sector and by country. They represent contributions to investments amounting to some 1 100 million, which are estimated to give rise directly to nearly 50 000 new jobs.

Loans for infrastructure have accounted for 40% of the total amount lent in the AASMM and OCTD (transport 30%, energy supplies 7%).

Productive enterprise absorbed 60% of the Bank's lending ; 22.3% of the total amount was allocated to projects in the mining and quarrying industries, while the food industry attracted 19.4% and textiles 8.8%.

In **Turkey** the Bank's lending under the first and second Financial Protocols during the period 1965-1974 comprised 52 loans for a total of 347.9 million, consisting of 322.9 million in the form of loans on special conditions from budgetary funds provided by Member States and 25 million in ordinary loans from the Bank's own resources.

Loans provided by the Bank have accounted for around 11% of total government aid to Turkey granted on a bilateral or multilateral basis between 1965 and 1974, and represent roughly one-fifth of the aid allocated to specific projects.

EIB loans have contributed towards financing capital investment totalling 2 460 million, representing some 6% of all capital investment in Turkey in the period 1965-1974 ; the projects concerned have led to the direct creation of 17 700 new jobs.

Projects financed in the AASMM from 1964 to 1974

Ordinary loans by the EIB and special operations from the resources of the European Development Fund

	1964-73		1974	
	Ordinary loans	Special operations	Ordinary loans	Special operations
Industry				
Infrastructure				
Energy				
Agriculture				
Tourism				

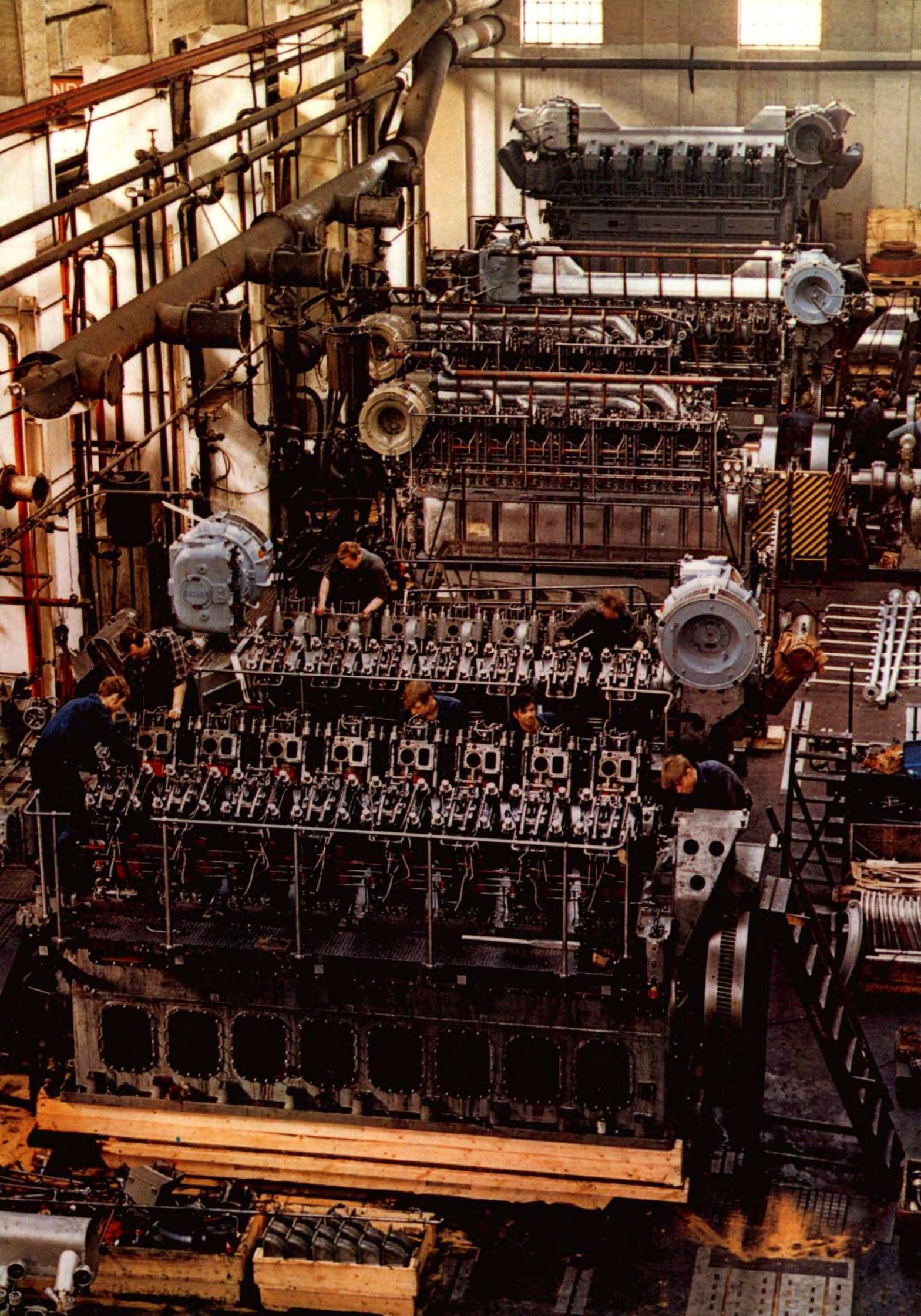


- 1 Islamic Republic of Mauritania
- 2 Republic of Senegal
- 3 Republic of Mali
- 4 Republic of the Ivory Coast
- 5 Republic of Upper Volta
- 6 Republic of Niger
- 7 Republic of Togo
- 8 Republic of Dahomey
- 9 Republic of Chad
- 10 United Republic of Cameroon
- 11 Central African Republic
- 12 Gabonese Republic
- 13 People's Republic of the Congo
- 14 Republic of Zaire
- 15 Republic of Rwanda
- 16 Republic of Burundi
- 17 Somali Democratic Republic
- 18 Malagasy Republic
- 19 Mauritius
- 20 Overseas Department of Reunion

Of the total amount lent by the Bank, 210.4 million, or 60.5%, went into infrastructure, while industrial projects and preinvestment studies absorbed 135.5 million and 2 million respectively. In the energy sector alone the EIB contributed 117.9 million, or one third of total lending by the Bank in Turkey. Projects in the paper and chemicals industries received 82 million, or about 60% of financing provided for industrial sector projects, part of which was made available through seven global loans. Generally arranged in collaboration with TSKB global loans are the Bank's main technique for financing industrial projects in Turkey.

69.2 million lent in Greece

Of the 69.2 million lent in **Greece** over the period 1963-1967, 53.3 million, or 77%, was devoted to infrastructure, especially in agriculture (30.3 million), transport (17 million) and energy (power transmission lines). The remaining 15.9 million helped to finance seven industrial projects in the non-ferrous metals industry, the construction materials sector and the chemicals and textiles industries. As a result of the decision taken in December 1974 to reactivate the Financial Protocol the Bank will now be able to resume lending operations in Greece.



RESOURCES

Lending operations in Denmark totalled 19.6 million units of account, most of this being channelled into projects in less developed areas. These included telecommunications in Greenland, a drydock and factories producing engines and marine propulsion systems in North Jutland and the Island of Lolland. The doubling in volume of loans to Denmark, the United Kingdom and Ireland, and the marked upswing in operations in Italy, were two of the most striking features of the Bank's activities in 1974.

Resources increased
to 3 800 million

825.5 million raised
on the capital markets

Second Eurco issue

The Bank's total resources at 31 December 1974 (comprising paid-up capital, net income appropriated to the statutory and other reserves, and borrowings) amounted to 3 804.2 million units of account, compared with 2 856.5 million at 31 December 1973.

This increase was made up of an additional 838.8 million in borrowings, taking into account the increase in value resulting from application of the new conversion rates, and 36.3 million in net income appropriated to the statutory and other reserves, with the balance being provided by Member States' contributions to the Bank's capital and its statutory and other reserves.

In 1974, in spite of the oil crisis, the Bank made calls on the financial markets for a total of 825.5 million, compared with 612.3 million in 1973 and 479.5 million in 1972.

Capital market conditions during the year under review restricted to four the number of bond issues denominated in the currencies of Member States; these raised a total of 64.5 million. Two of the issues, totalling only 41.9 million, were placed on the domestic markets of Member States, compared with 194 million raised in this way during 1973.

Early in 1974 the Bank launched a second issue denominated in the new Eurco unit for approximately 61 million.

The Eurco (European Composite Unit) consists of the sum of fixed amounts of the currencies of all the Member States of the European Economic Community: DM 0.9, Ffrs 1.20, £ 0.075, Lit 80.0, Fl 0.35, Bfrs 4.5, Dkr 0.2, £lr 0.005 and Lfrs 0.5.

As in the case of the first Eurco issue in September 1973 the subscriptions were paid in United States dollars, which were immediately converted into the Community currencies in the proportions comprising the Eurco.

Most of the loans issued by the Bank in 1974 were denominated in US dollars. Funds raised in this currency totalled 665 million units of account, compared with 143.7 million in 1973. On the other hand, funds raised by means of private placings on the Swiss capital market amounted to 34.9 million, compared with the 53.4 million raised in 1973.

Table 3 : Issues made up to and including 1974

Year	Number	Amount (million u.a.)
1961	3	21.4
1962	2	32.3
1963	3	35.2
1964	5	66.8
1965	4	65.0
1966	6	138.5
1967	8	194.5
1968	13	212.5
1969	9	146.0
1970	7	168.9
1971	20	412.9
1972	19	462.0
1973	22	608.0
1974	16	825.5
1961-1974	137	3 389.5



The EIB has supported efforts to reduce pollution of the Rhine, helping to finance a major effluent treatment works to process outfall from the BASF plant at Ludwigshafen and domestic sewage from both Ludwigshafen and Frankenthal. Although this problem affects much of Europe, it is especially serious for the Netherlands, where the Rhine provides much of the country's water supply.

Lending rate revised on three occasions in 1974

Table 13 on page 71 gives details of borrowings during the year. After deduction of repayments and allowing for exchange adjustments, total borrowings outstanding amounted to 3 113.2 million at 31 December 1974, as against 2 274.4 million at 31 December 1973, representing an increase of 838.8 million, of which 32.8 million was received after the end of the financial year.

Interest rate trends on the capital markets in 1974 were significantly affected by the repercussions of the oil crisis. The increased cost of long-term capital had already forced the Bank to raise its lending rate to 8.75% in December 1973. The continued increase in borrowing costs in 1974 led the Bank to raise its rate to 9.50% in April, 9.875% in June and 10.50% in September 1974 (1).

(1) Following the slight easing of conditions on capital markets at the beginning of 1975 the lending rate was lowered to 9.875 % in February and to 9.50 % at the end of April.



The EIB provided more finance for development of the Community's gas pipeline network : three loans were granted for projects in the Netherlands and Germany. The quest for improved hydrocarbon energy supplies also led to EIB loans for exploitation of oil and gas deposits in the North Sea and Ionian Sea and for the laying of undersea pipelines. Finance provided for these sectors totalled 142.6 million units of account.

RESULTS FOR THE YEAR

Net income amounted to
36.3 million

The results for 1974 were greatly influenced, as in 1973, by the exceptionally high call money and short-term interest rates on the money market. Short-term investment of the proceeds of borrowing operations, prior to their employment in long-term loans, added 50% to the Bank's investment income, after a doubling of this item in 1973. Some of this exceptional income was used for immediate amortisation of part of the issuing charges incurred during the year.

The increase in receipts of interest on loans was offset by an approximately equal rise in the amounts of interest and charges on borrowings incurred over the year.

The results for 1974 have been affected by the application of conversion rates derived from the new European unit of account. An amount of 6 million has had to be charged to the Bank's profit and loss account in respect of the net loss resulting from revaluation at the new conversion rates of the Bank's assets not subject to adjustment under the terms of Article 7 of the Bank's Statute, together with 1.2 million resulting primarily from calculation of unamortised issuing charges on the basis of the new conversion rates. After allowing for the exceptional amortisation of 5 million for issuing charges incurred during 1974 in addition to normal amortisation of issuing charges and redemption premiums amounting to 8.1 million, compared with 6.9 million in 1973, the surplus on the profit and loss account available for appropriation to the statutory and other reserves amounted to 36.3 million, as against 25.9 million in 1973.

and was appropriated
to the statutory and
other reserves

Balance sheet total
4 500 million

Of this balance 12.3 million was appropriated to the statutory reserve and the remainder to the other reserves. At 31 December 1974 total reserves consequently amounted to 296 million, of which 110 million in the statutory reserve.

At the same date the Bank's balance sheet total stood at 4 503 million, compared with 3 484 million at 31 December 1973, representing an increase of 29.2%.

Development of the Rhône between Lyons and the Mediterranean, a project promising many benefits, received a loan from the EIB in 1970 and again in 1974. The purpose of the latest operation was to step up electricity generation, using the head of water at Avignon, and to improve navigability, both of which should help to solve some of the development and conversion problems facing areas along the river.



LIST OF PROJECTS FINANCED IN 1974

ORDINARY OPERATIONS

million u.a.

MEMBER COUNTRIES

million u.a.

BELGIUM Bfrs 730 million **16.1**

1. Tihange nuclear power station (Liège)

Société Belgo-Française d'Énergie Nucléaire Mosane (SEMO) S.A.

Bfrs 730 million **16.1**

DENMARK Dkr 138.3 million **19.6**

2. Creation of a UHF (ultra-high frequency) trunk telecommunications network in Greenland

Denmark - Ministry for Greenland

Dkr 38 million **5.4**

3. Purchase and conversion of a ship for offshore oil drilling

Atwood-Lauritzen Offshore Drilling K/S

Dkr 55.3 million **7.8**

4. Extension of a diesel engine factory at Holeby (Island of Lolland)

Aktieselskabet Holeby Dieselmotor Fabrik

Dkr 15 million **2.1**

5. Expansion of a factory for producing propulsion systems for ships at Frederikshavn (Northern Jutland)

Alpha-Diesel A/S

Dkr 14 million **2.0**

6. Construction of a dry repair dock at Frederikshavn (Northern Jutland)

Frederikshavn Vaerft A/S

Dkr 16 million **2.3**

GERMANY DM 290 million **96.1**

7. Hydroelectric power station on the Rhine at Iffezheim (Baden-Württemberg)

Rheinkraftwerk Iffezheim GmbH

DM 50 million **16.6**

8. Gas turbine generator sets for the Charlottenburg thermal power station to meet peak demand in West Berlin

Berliner Kraft- und Licht (BEWAG) AG

DM 30 million **9.9**

9. Pumped storage power station at Hornberg in the Black Forest (Baden-Württemberg)

Schluchseewerk AG

DM 50 million **16.6**

10. Improvement and extension of the electricity grid in Eastern Bavaria

Energieversorgung Ostbayern AG

DM 20 million **6.6**

11. Construction of pipelines to carry Russian natural gas from the German-Czechoslovakian frontier to the Bavarian distribution network and the main German interconnecting network

Ruhrgas AG

DM 60 million **19.9**

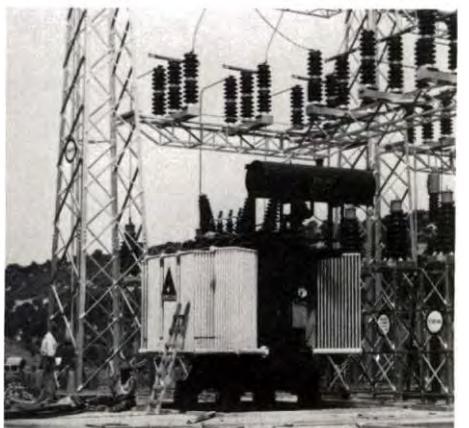
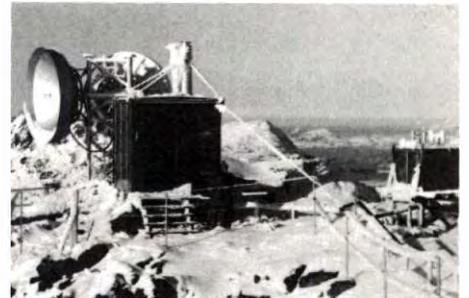
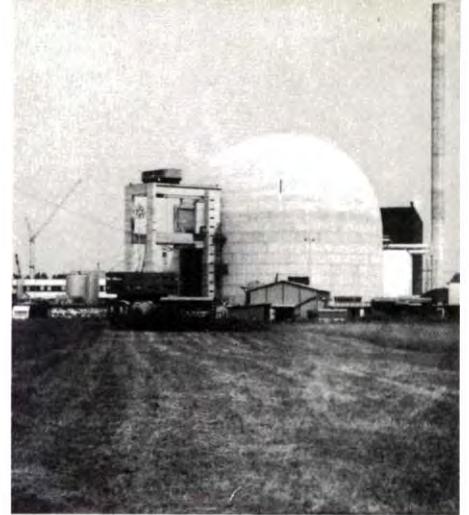
12. Construction of water-purification plant for treating industrial effluent from BASF's Ludwigshafen works and sewage from the towns of Ludwigshafen and Frankenthal (Rhineland-Palatinate)

BASF Aktiengesellschaft

DM 50 million **16.6**

13. Global loan to **Bayerische Vereinsbank**, Munich, for financing small and medium-scale in ventures Bavaria

DM 30 million **9.9**





million u.a.

FRANCE Ffrs 1 081 million **193.7**

14.-15. Bugey nuclear power station at St Vulbas (Rhône-Alpes) - second stage

Électricité de France (EDF) - French National Electricity Board

Two loans : Ffrs 166.6 million **29.9**

16.-17. Bugey nuclear power station at St Vulbas (Rhône-Alpes) - third stage

Électricité de France (EDF) - French National Electricity Board

Two loans : Ffrs 268.7 million **48.1**

18. Development of the Rhône : « Palier d'Arles » between Beaucaire/Tarascon and the Mediterranean (Rhône-Alpes)

Compagnie Nationale du Rhône

Ffrs 75 million **13.4**

19. Construction of the Fréjus road tunnel under the Alps between France and Italy

Société Française du Tunnel Routier du Fréjus (SFTRF)

Ffrs 59.7 million **10.7**

20. A 63 Basque coast motorway between the Franco-Spanish border and St Geours-de-Maremne (Aquitaine)

Société Concessionnaire des Autoroutes de la Côte Basque (ACOBA)

Ffrs 55 million **9.9**

21. A 4 Paris-Metz motorway Verdun-Metz section (Lorraine)

Société Concessionnaire des Autoroutes Paris-Est-Lorraine (APEL)

Ffrs 110 million **19.7**

22.-23. Acquisition of three A 300 B2 Airbus by Air France

First loan :

Groupement d'Intérêt Économique Aérobail France :

Ffrs 29 million **5.2**

million u.a.

Second loan :

Groupement d'Intérêt Économique Airbus Bail :

Ffrs 63 million **11.3**

24. Blende roasting plant for desulphurising zinc ore at Calais (Nord)

Société des Mines et Fonderies de Zinc de la Vieille Montagne

Ffrs 25 million **4.5**

25. Self-adhesive products factory at Champ-sur-Drac (Rhône-Alpes)

Fasson France
Ffrs 20 million **3.6**

26. Global loan to **Crédit National** for financing small and medium-scale ventures mainly in development and conversion areas

Ffrs 119 million **21.3**

27. Global loan to **Société de Développement Régional de la Bretagne** for financing small and medium-scale ventures in Brittany

Ffrs 20 million **3.6**

28. Global loan to **Société de Développement Régional de l'Ouest (SODERO)** for financing small and medium-scale ventures in the Pays de la Loire

Ffrs 20 million **3.6**

29. Global loan to **Crédit Naval - CMAF** to finance small and medium-scale ventures for the modernisation of the French deep-sea fishing fleet

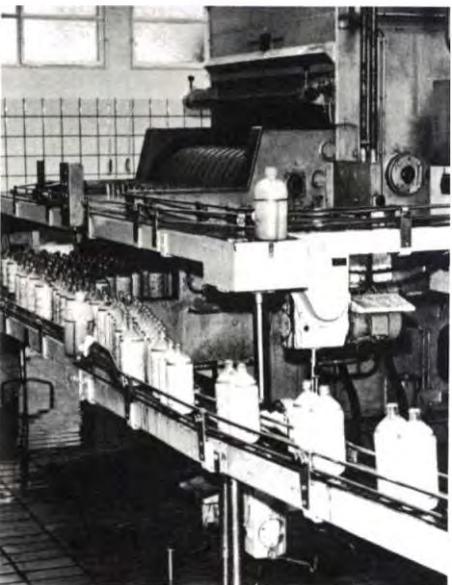
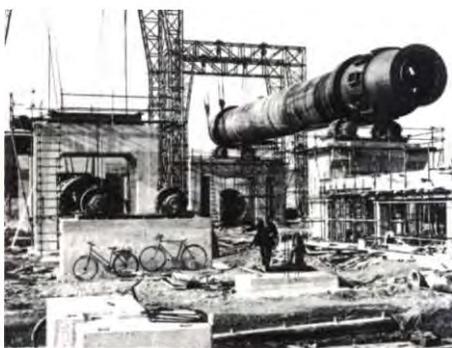
Ffrs 50 million **9.0**

IRELAND £Ir 24.8 million **46.4**

30. Modernisation of Irish railways

Coras Iompair Eireann (CIE), Irish public transport authority

£Ir 4 million **7.5**



	million u.a.		million u.a.
31. Modernisation and extension of the telecommunications system in Ireland			
Ireland - Department of Posts and Telegraphs			
£Ir 9.5 million	17.8		
32.-33. Expansion of a cement works at Platin, Co. Meath			
First loan :			
Cement Limited			
£Ir 1.5 million	2.8		
Second loan :			
Algemene Bank Nederland (Ireland) Limited			
£Ir 1.5 million	2.8		
34. Modernisation and expansion of a dairy products factory at Charleville (Rath Luire) - South-West Ireland			
Golden Vale Food Products Limited			
£Ir 3.3 million	6.2		
35. Global loan to The Agricultural Credit Corporation Limited (ACC) for financing small and medium-scale ventures in the agricultural and foodstuffs sectors			
£Ir 2.5 million	4.7		
36. Global loan to The Industrial Credit Company Limited (ICC) for financing small and medium-scale ventures			
£Ir 2.5 million	4.7		
ITALY Lit 226 700 million	278.0		
37.-38. Exploitation by AGIP S.p.A. of a natural gas deposit (Campo di Luna) in the Ionian Sea, off Crotona			
First loan :			
ENI - Ente Nazionale Idrocarburi			
Lit 5 000 million	6.1		
Second loan :			
Cassa per il Mezzogiorno			
Lit 3 000 million	3.7		
39. High-tension powerlines between the new Rossano Calabro power station (Calabria) and the Montecorvino junction (Campania)			
ENEL - Ente Nazionale per l'Energia Elettrica			
Lit 10 500 million	12.9		
40. Hydroelectric scheme in the Neto and Tacina river basins on the Sila Plateau (Calabria)			
ENEL - Ente Nazionale per l'Energia Elettrica			
Lit 15 250 million	18.7		
41. Hydroelectric scheme in the Alli and Simeri river basins on the Sila Plateau (Calabria)			
ENEL - Ente Nazionale per l'Energia Elettrica			
Lit 11 250 million	13.8		
42. Pumped storage power station on the Taloro river (Sardinia)			
ENEL - Ente Nazionale per l'Energia Elettrica			
Lit 16 700 million	20.5		
43.-44. Construction of a semi-submersible vessel for laying oil and gas pipelines			
First loan :			
SAIPEM S.p.A.			
Lit 10 000 million	12.3		
Second loan :			
Istituto Mobiliare Italiano (IMI)			
Lit 12 650 million	15.5		
45. Further extensions to telephone installations in Campania			
SIP - Società Italiana per l'Esercizio Telefonico p.A.			
Lit 16 100 million	19.7		
46. Further extensions to telephone installations in Apulia			
SIP - Società Italiana per l'Esercizio Telefonico p.A.			
Lit 15 250 million	18.7		



	million u.a.		million u.a.
47. Installation of two continuous casting units at Taranto iron and steel complex (Apulia) ITALSIDER S.p.A. Lit 16 000 million	19.6	55. Holiday village on the Ionian coast at Simeri Crichi (Calabria) Golfo di Squillace Turistica S.p.A. Lit 900 million	1.1
48. Factory for the production of prestressed concrete tubes at Ginosa (Apulia) VIANINI S.p.A. Lit 1 750 million	2.2	56. Global loan to Istituto Mobiliare Italiano (IMI) to finance small and medium-scale ventures in the mainland Mezzogiorno Lit 22 850 million	28.0
49. Expansion of the petrochemicals complex at Gela (Sicily) including construction of an acrylonitrile plant ANIC S.p.A. Lit 16 000 million	19.6	57. Global loan to Istituto Regionale per il Finanziamento alle Industrie in Sicile (IRFIS) for financing small and medium-scale ventures in Sicily Lit 8 000 million	9.8
50. Extension of an acrylic fibres plant at Pisticci (Basilicata) ANIC S.p.A. Lit 5 000 million	6.1	58. Global loan to the « Sezione Speciale per il Credito Industriale » of Banca Nazionale del Lavoro for financing small and medium-scale ventures in the Mezzogiorno Lit 16 000 million	19.6
51. Extension of a factory for the catchment and bottling of mineral water and the production of soft drinks at Riardo (Campania) Acqua Minerale di Sangemini S.p.A. Lit 1 800 million	2.2	NETHERLANDS Fl 100 million	31.9
52. Ice cream factory at Caivano (Campania) ALSO S.p.A. Lit 6 700 million	8.2	59.-60. Transmission system for conveying from the north of the Netherlands to the Belgian and German frontiers in southern Limbourg natural gas from the Drenthe field and from fields on the Dutch and Norwegian continental shelf. Two loans : N.V. Nederlandse Gasunie Fl 100 million	31.9
53.-54. Factory set up in Sarroch (Sardinia) by Italproteine S.p.A. to produce biosynthetic animal feed proteins First loan : ENI - Ente Nazionale Idrocarburi Lit 10 000 million	12.3	UNITED KINGDOM £ 79.9 million	149.5
Second loan : Istituto Mobiliare Italiano Lit 6 000 million	7.4	61. Peterhead thermal power station (Scotland) The North of Scotland Hydro-Electric Board £ 10.4 million	19.5



	million u.a.
62. Hartlepool nuclear power station (North-East England) The Central Electricity Generating Board £15.6 million	29.2
63. Extraction installations in the Frigg gas field in the British sector of the North Sea Elf Oil Exploration and Production (UK) Limited Total Oil Marine Limited Aquitaine Oil (UK) Limited £10.4 million	19.5
64. Second Dartford road tunnel under the Thames (South-East England) Essex County Council Kent County Council £7 million	13.1
65. New sinter plant at the Port Talbot steelworks (South Wales) British Steel Corporation £8 million	15.0
66. Construction of a bar mill at the Thybergh steel complex in Rotherham (Yorkshire) British Steel Corporation £12 million	22.4
67. Development of a construction yard on the Isle of Lewis for assembly of structural steelwork for offshore oil installations (Hebrides, Scotland) Lewis Offshore Limited £4 million	7.5
68. Construction of the new SD 3-30 commuter aircraft Short Brothers & Harland Limited £2.5 million	4.7

	million u.a.
69. Global loan to Industrial and Commercial Finance Corporation Limited (ICFC) for financing small and medium-scale ventures, mainly in development areas £10 million	18.7

OUTSIDE THE COMMUNITY 18.4

70. Development of oil and gas deposits in the Ekofisk field off the coast of Norway Norsk AGIP A/S US \$ 23.1 million	18.4
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ASSOCIATED COUNTRIES

IVORY COAST CFA F 5 400 million 19.4

71. Reconstruction of the Dimbokro-Bouaké section of the Abidjan-Ouagadougou railway line and acquisition of five locomotives Régie du Chemin de Fer Abidjan - Niger (RAN) CFA F 3 917 million	14.0
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72. Cotton spinning and weaving mill at Agboville - first stage La Cotonnière Ivoirienne - COTIVO CFA F 1 506 million	5.4
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ZAÏRE Z 10.4 million 16.6

73. Mining equipment and industrial plant for copper and cobalt production La Générale des Carrières et des Mines - GECAMINES Z 10.4 million	16.6
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million u.a.
TURKEY TL 435 million 25.0

74. Global loan for financing private sector industrial projects through the **Turkish Industrial Development Bank**

Türkiye Sinaî Kalkınma Bankası (TSKB)
 TL 348 million 20.0

75. Global loan to the **Industrial Investment and Credit Bank** to finance small and medium-scale industrial projects in the private sector

Sinaî Yatırım ve Kredi Bankası (SYKB)
 TL 87 million 5.0

SPECIAL OPERATIONS

CONGO CFA F 281 million 1.0

76. Extension of port installations at Pointe-Noire

Agence Transcongolaise des Communications (ATC)
 CFA F 281 million 1.0

IVORY COAST CFA F 2 073 million 7.4

77. Reconstruction of the Dimbokro-Bouaké section of the Abidjan-Ouagadougou railway line

Régie du Chemin de Fer Abidjan-Niger (RAN)
 CFA F 1 406 million 5.0

78. Village cocoa plantations in south-west Ivory Coast

Republic of the Ivory Coast
 CFA F 667 million 2.4

million u.a.
ZAÏRE Z 3.6 million 5.8

79. Extension of the primary water distribution network in Kinshasa

Republic of Zaïre
 Z 3.6 million 5.8

TURKEY TL 1 243 million 71.5

80. Land reclamation in the Gediz valley north of Izmir (second and final stage)

Devlet Su İşleri Genel Müdürlüğü - DSI (State Hydraulic Works, Ministry for Energy and Natural Resources)

Topraksu (Directorate-General for Land Reclamation and Irrigation, Ministry of Rural Affairs and Cooperatives)
 TL 174 million 10.0

81. Mining of a lignite deposit and construction of a thermal power station at Elbistan (Eastern Anatolia)

Türkiye Elektrik Kurumu - TEK (Turkish Electricity Authority)

Türkiye Kömür İşletmeleri Kurumu - TKİ (Turkish Coal Enterprises)
 TL 1 008 million 58.0

82. Cotton spinning and weaving mill at Edirne (North-West Turkey)

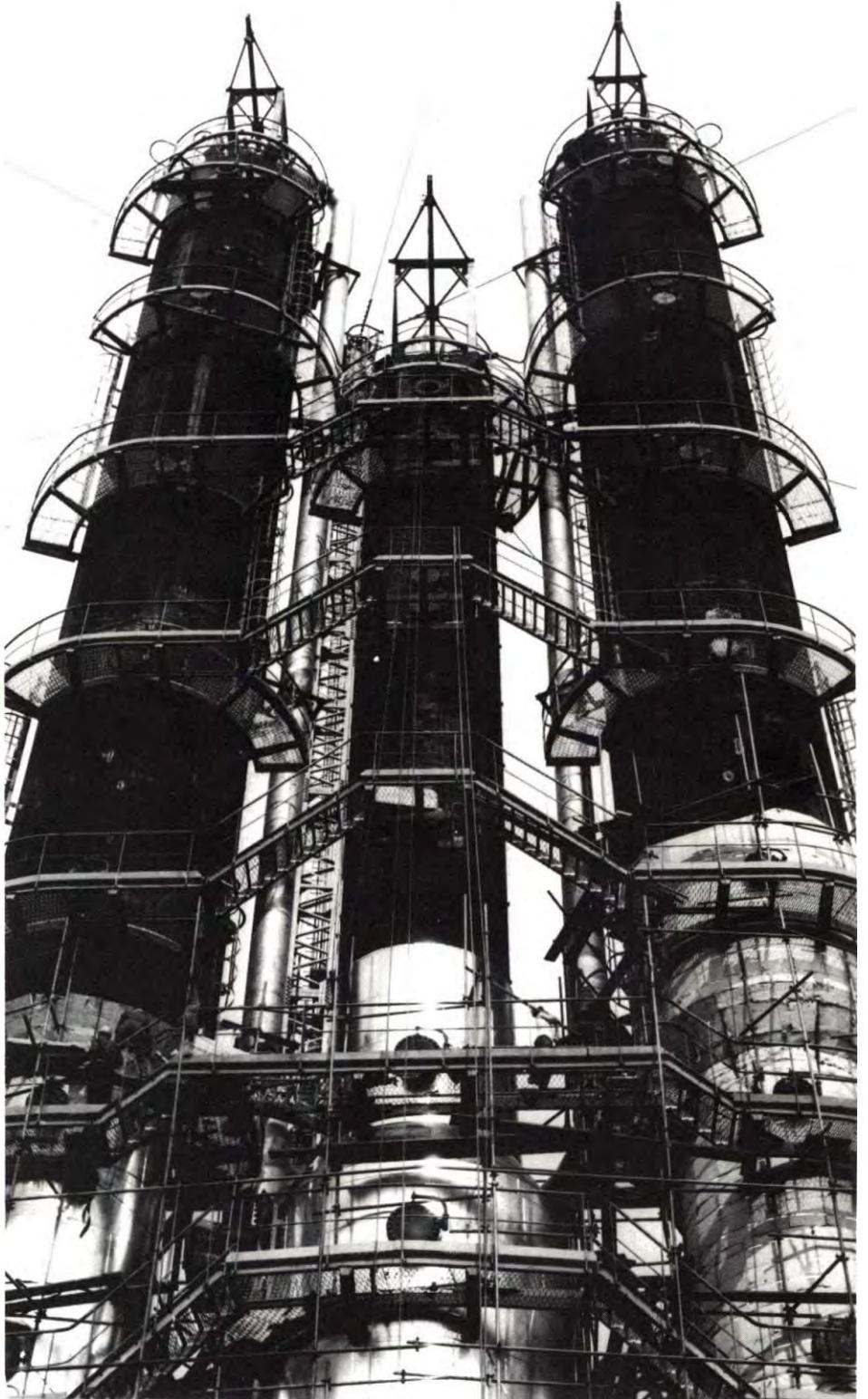
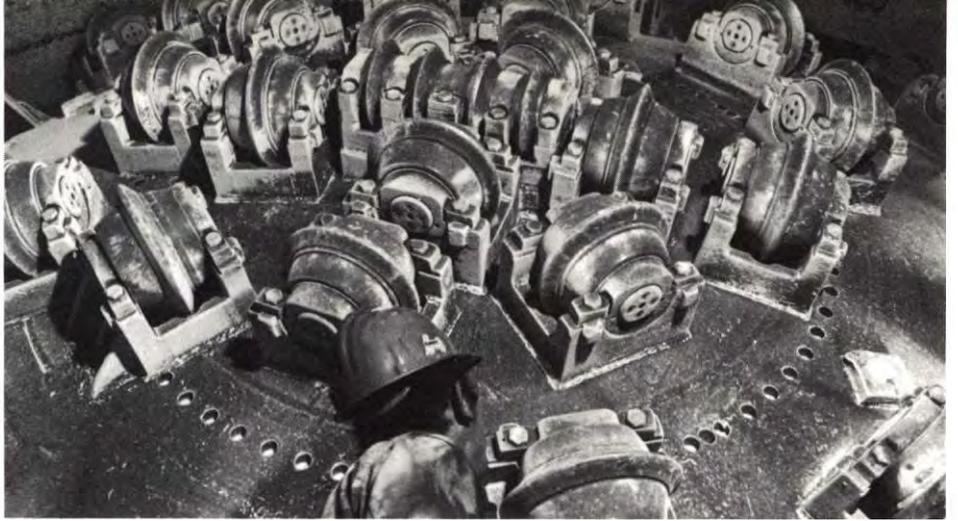
Kartaltepe Mensucat Fabrikası A.S.
 TL 34 million 2.0

83. Porcelain tableware factory at Kütahya in Central Anatolia

Kütahya Porselen ve Gıda Sanayii A.S.
 TL 20 million 1.1

84. Addition to global loan granted to **Türkiye Sinaî Kalkınma Bankası (TSKB)**

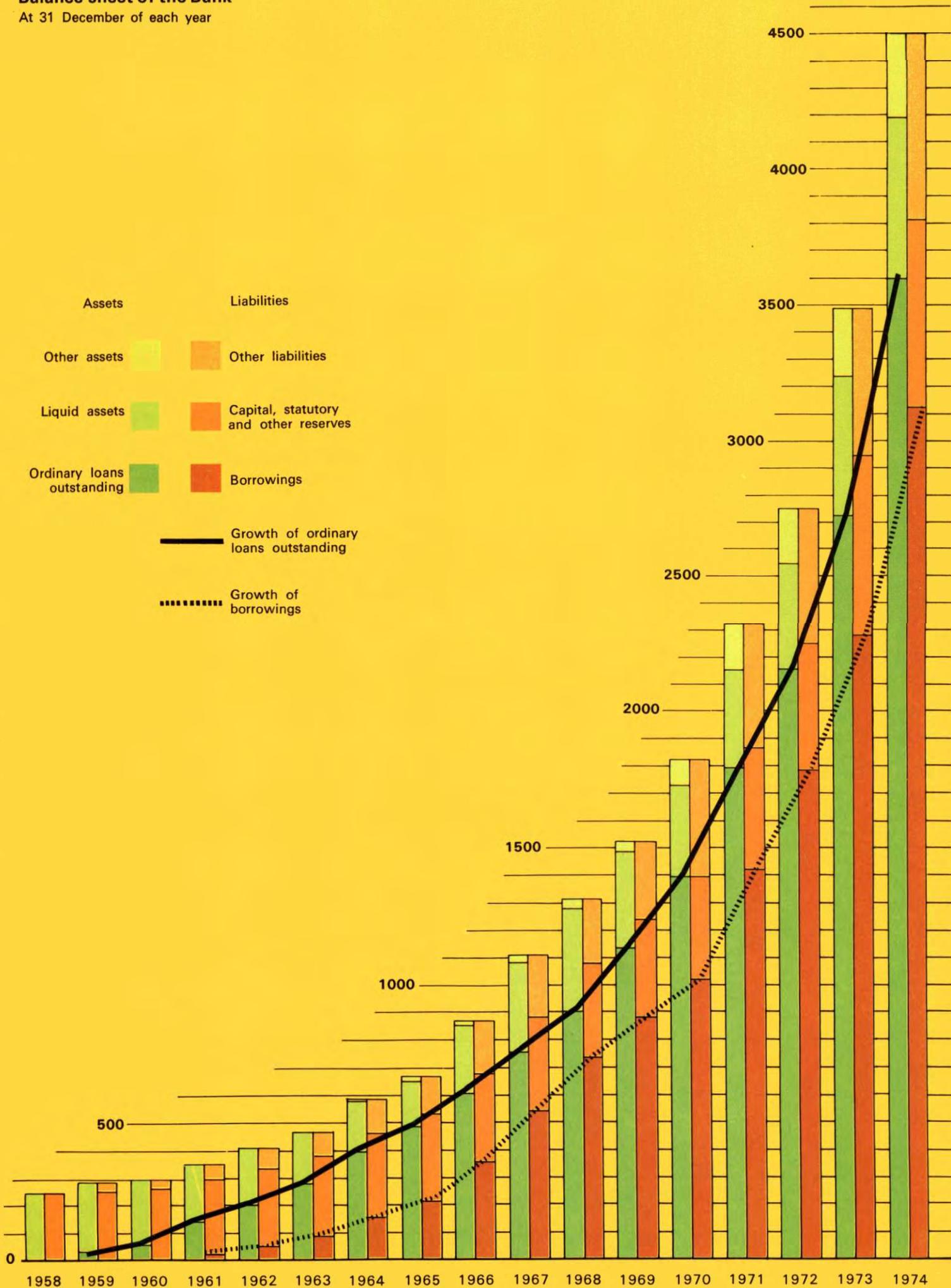
TL 7 million 0.4



Balance sheet of the Bank

At 31 December of each year

Million u. a.



ADMINISTRATION

Mr Pietro Campilli, who served as the Bank's first President in 1958, died on 8 July 1974 ; at the time of his death he was President of the National Economic and Labour Council in Rome. The Board of Directors wishes to place on record its appreciation of Mr Campilli's outstanding personal qualities and the important part that he played in the Bank's early development.

Mr Bernard Clappier resigned from the Board of Directors following his appointment as Governor of the Banque de France and was replaced by Mr André de Lattre, his successor as Chairman of Crédit National. The Board wishes to thank Mr Clappier for his valuable contribution to the Bank's activities.

Mr Jørgen Bredsdorff was appointed to succeed the late Mr Hans-Georg Dahlgrün who resigned from the Audit Committee on 19 June 1974 and died soon afterwards. The Board learned with sorrow of the loss of this esteemed colleague and will remember with gratitude Mr Dahlgrün's unstinting and expert services to the Bank over many long years.

In keeping with its expanding activities, especially in the new Member Countries, the Bank has recruited additional staff; at 31 December 1974 the Bank's personnel numbered 338, compared with 286 at 31 December 1973.

In April 1975 the Bank was deeply saddened by the death of Mr Armel Bellec, Manager of the Department for Operations in the Community. His ability and great humanity were appreciated by all.

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

Luxembourg, 30 April 1975

Yves Le Portz
Chairman of the Board of Directors

Balance sheet at 31 December 1974

(In units of account — see notes to the financial statements, Annex E)

Assets	31.12.1974	31.12.1973
Receivable from Member States on account of called capital	—	25 000 000
Receivable on account of statutory and other reserves	—	33 767 732
Cash and bank deposits		
At sight and up to one year's notice . . .	437 899 631	270 820 601
At more than one year's notice	3 010 446	2 083 523
	<u>440 910 077</u>	<u>272 904 124</u>
Investments (Note B)		
For not more than one year	42 483 789	76 930 709
For more than one year	71 521 209	87 823 422
	<u>114 004 998</u>	<u>164 754 131</u>
Borrowing proceeds to be received . . .	32 806 007	13 812 155
Receivable from Member States for adjustment of capital (Annex D) . . .	34 147 391	—
Loans (Annex B)	3 600 902 200	2 734 525 659
of which undisbursed		
1974 — 361 044 873 u.a.		
1973 — 302 385 248 u.a.		
Contra accounts to guarantees		
In respect of loans under mandate . . .	112 667 095	92 896 175
excluding those :		
(a) In respect of loans granted by third parties	(19 882 429)	(16 393 443)
(b) In respect of participations by third parties in the loans of the Bank	(26 188 475)	(21 490 655)
Land and buildings	507 445	382 398
Accrued interest and commission . . .	58 483 628	39 360 743
Unamortised issuing charges	55 562 755	50 328 801
Unamortised redemption premiums . . .	5 788 784	7 873 032
	<u>61 351 539</u>	<u>58 201 833</u>
Special deposits for service of loans (Note C)	41 854 702	41 035 663
Miscellaneous (Note D)	5 709 365	6 919 703
	<u>4 503 344 447</u>	<u>3 483 560 316</u>

Memorandum accounts

Securities received as guarantee for loans under mandate	28 166 774	23 224 044
Securities received on deposit	119 525 722	82 894 682

Liabilities

	31.12.1974	31.12.1973
Capital (Annex A)		
Subscribed	2 025 000 000	2 025 000 000
Uncalled	1 620 000 000	1 620 000 000
	405 000 000	405 000 000
Statutory reserve (Note I)	110 000 000	97 686 458
Other reserves (Note I)		
For risks on loans and guarantees	117 982 653	105 000 000
For equalisation of interest on borrowings	13 000 000	13 000 000
For monetary risks	29 000 000	23 000 000
For building	16 000 000	11 000 000
	175 982 653	152 000 000
Write-back of issuing charges previously amortised	23 127 079	23 127 079
Staff pension fund	6 514 640	4 406 795
Payable to Member States for adjustment of capital (Annex D)	20 878 986	102 631
Borrowings (Annex C)		
Bonds and notes	2 716 505 002	1 948 711 958
Other long and medium-term borrowings	396 734 338	325 686 135
	3 113 239 340	2 274 398 093
Redemption premiums on bonds	10 604 592	12 120 542
	3 123 843 932	2 286 518 635
Undisbursed balance of loans	361 044 873	302 385 248
Guarantees		
On loans under mandate	112 667 095	92 896 175
On loans granted by third parties	(19 882 429)	(16 393 443)
On participations by third parties in the loans of the Bank	(26 188 475)	(21 490 655)
Accrued interest and commission and interest received in advance	101 574 816	64 972 048
Coupons and liabilities due and not yet paid (Note C)	41 854 702	41 035 663
Miscellaneous (Note D)	20 855 671	13 429 584
	4 503 344 447	3 483 560 316

Profit and loss account for the year ended 31 December 1974

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

Debit	1974	1973
Administrative expenses and charges	11 339 398	8 339 009
Supplementary provision for administrative expenses	2 000 000	—
Interest and charges on borrowings	197 798 267	143 040 680
Amortisation of issuing charges and redemption premiums 8 099 950		6 942 417
Supplementary amortisation of issuing charges (Note E) 5 000 000	13 099 950	—
Financial charges	962 911	1 016 472
Depreciation		
on buildings	—	100 000
of net purchases of furniture and equipment	156 251	132 703
	156 251	232 703
Exchange differences (Note F)	1 172 608	8 718 527
Net decrease in value arising from revaluation of the assets of the Bank not subject to adjustment under Article 7 of the Statute (Note G)	5 991 566	—
Reserve for risks on loans and guarantees	12 982 653	10 151 426
Reserve for equalisation of interest on borrowings	—	976 941
Reserve for monetary risks	6 000 000	6 301 308
Reserve for building	5 000 000	2 316 680
Balance appropriated to the statutory reserve	12 313 542	6 109 723
	<u>268 817 146</u>	<u>194 145 886</u>

Statement of Special Section ⁽¹⁾ at 31 December 1974

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

Assets	1974	1973
Turkey		
<i>From resources of the Member States:</i>		
Loans	216 910 509	190 772 738
Undisbursed loans	103 783 658	59 599 384
Total (2)	<u>320 694 167</u>	<u>250 372 122</u>
AASMM- OCTD		
<i>From resources of the European Economic Community:</i>		
Loans (3)	63 285 655	47 286 984
Undisbursed loans	37 020 365	36 663 019
Contributions to the formation of risk capital (of which: 197 145 u.a. not yet paid up)	1 630 930	1 638 403
Total	<u>101 936 950</u>	<u>85 588 406</u>
Summary		
Loans	280 196 164	238 059 722
Undisbursed loans	140 804 023	96 262 403
Contributions to the formation of risk capital (of which: 197 145 u.a. not yet paid up)	1 630 930	1 638 403
Grand Total	<u>422 631 117</u>	<u>335 960 528</u>

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

(2) Original amount of loan contracts signed for financing projects in Turkey for the account of and under mandate from the Member States : 322 900 000

add :
— exchange adjustments 1 007 783

less :
— repayments 3 213 616

—2 205 833
320 694 167

Credit	1974	1973
Interest and commission on loans . . .	212 651 511	160 010 213
Interest and commission on investments .	51 965 392	30 238 494
Management commission (Note H) . . .	1 885 773	1 573 263
Financial and other income	2 314 470	999 622
Net surplus value arising from revaluation of the assets of the Bank not subject to adjustment under Article 7 of the Statute	—	1 324 294
	<u>268 817 146</u>	<u>194 145 886</u>

Liabilities	1974	1973
Trust management funds	216 910 509	190 772 738
Undisbursed funds	103 783 658	59 599 384
Total	<u>320 694 167</u>	<u>250 372 122</u>
Trust management funds	64 719 440	48 184 955
Undisbursed funds:		
loans	37 020 365	36 663 019
contributions to the formation of risk capital	197 145	740 432
Total	<u>101 936 950</u>	<u>85 588 406</u>
Trust management funds	281 629 949	238 957 693
Undisbursed funds:		
loans	140 804 023	96 262 403
contributions to the formation of risk capital	197 145	740 432
Grand Total	<u>422 631 117</u>	<u>35 960 528</u>
(3) Original amount of loan contracts signed for financing projects in the Associated African States, Madagascar and Mauritius and the Overseas Countries, Territories and Departments (AASMM-OCTD) for the account of and under mandate from the European Economic Community :		99 498 831
add :		
— capitalised interest	698 341	
— exchange adjustments	2 760 111	+ 3 458 452
less :		
— cancellations	1 269 141	
— repayments	1 382 122	-2 651 263
		<u>100 306 020</u>

Annex A

Statement of subscriptions to the capital of the Bank

At 31 December 1974

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

Member States	Subscribed capital	Uncalled capital (1)	Called capital
Germany	450 000	360 000	90 000
France	450 000	360 000	90 000
United Kingdom	450 000	360 000	90 000
Italy	360 000	288 000	72 000
Belgium	118 500	94 800	23 700
Netherlands	118 500	94 800	23 700
Denmark	60 000	48 000	12 000
Ireland	15 000	12 000	3 000
Luxembourg	3 000	2 400	600
TOTAL	2 025 000	1 620 000	405 000

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

Annex B

Analysis of loans outstanding

At 31 December 1974

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

Countries and territories in which loans have been granted (1) (2)	Number of loans	Amount disbursed	Amount undisbursed	Total (3)	%
Germany	67	573 822 348	9 941 214	583 763 562	16.21
France	82	797 464 580	79 814 468	877 279 048	24.36
United Kingdom	13	152 719 061	59 600 023	212 319 084	5.90
Italy	208	1 360 760 908	130 692 555	1 491 453 464	41.42
Belgium	7	77 134 336	—	77 134 336	2.14
Netherlands	7	68 705 516	—	68 705 516	1.91
Denmark	7	26 123 183	—	26 123 183	0.72
Ireland	10	58 250 613	9 354 012	67 604 625	1.88
Luxembourg	3	6 053 864	—	6 053 864	0.17
Greece	14	45 107 243	—	45 107 243	1.25
Cameroon	9	13 007 413	261 516	13 268 929	0.37
Congo	1	7 810 272	—	7 810 272	0.22
Ivory Coast	9	20 214 893	29 351 296	49 566 189	1.38
Gabon	4	3 589 925	429 789	4 019 714	0.11
Upper Volta	1	409 115	—	409 115	0.01
Mauritania	1	7 869 657	—	7 869 657	0.22
Senegal	2	2 808 532	—	2 808 532	0.08
Zaire	3	16 308 094	16 600 000	32 908 094	0.91
New Caledonia	1	1 697 774	—	1 697 774	0.05
Turkey	2	—	25 000 000	25 000 000	0.69
TOTAL	451	3 239 857 327	361 044 873	3 600 902 200	100.00

(1) Currencies in which loans are repayable:

Currency:	Amount
Currencies of the Member States	1 996 296 826 u.a.
Option of the Bank as between the currencies of the founder Member States of the Community	13 601 457 u.a.
Other currencies	1 229 959 044 u.a.
Disbursed portion of loans	3 239 857 327 u.a.
Add undisbursed portion of loans	361 044 873 u.a.
	3 600 902 200 u.a.

(2) Breakdown of loans at 31.12.1974 by principal form of guarantee*

Loans granted to or guaranteed by Member States	1 992 119 453 u.a.
Loans granted to or guaranteed by public institutions in the Community	712 024 409 u.a.
Loans granted to banks including certain long-term credit institutions or guaranteed by them	402 903 220 u.a.
Loans guaranteed by non-bank companies under majority control of Member States or public institutions in the Community	175 606 735 u.a.
Loans secured by fixed charge on real estate	114 598 232 u.a.
Loans guaranteed by non-bank companies in the private sector	99 260 269 u.a.
Loans granted to Associated States or guaranteed by them	102 980 573 u.a.
Loans secured by fixed charge on other property or other security	1 409 309 u.a.
	3 600 902 200 u.a.

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

(3) Original amount of loans calculated on the basis of the official parities notified to the International Monetary Fund and in effect on the date of signature:

	4 272 604 809 u.a.
Less:	
(a) terminations and cancellations	11 412 908 u.a.
(b) exchange adjustments	164 818 402 u.a.
(c) principal repayments to the Bank	469 282 824 u.a.
(d) third party participations in loans	26 188 475 u.a.
	671 702 609 u.a.
Loans outstanding	3 600 902 200 u.a.

The total volume of loans and guarantees granted by the Bank, which under Article 18(5) of the Statute must not exceed 250 % of its subscribed capital, amounted at 31 December 1974 to:

— loans	3 600 902 200 u.a.
— guarantees given:	
• in respect of loans under mandate	112 667 095 u.a.
• in respect of loans granted by third parties	19 882 429 u.a.
• in respect of third party participations in the loans of the Bank	26 188 475 u.a.
	158 737 999 u.a.
	3 759 640 199 u.a.

Annex C — Statement of funded debt

At 31 December 1974

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

Payable in	Borrowings at 31 December 1973	Operations during the financial year		Exchange adjustments	Amount (1)	Rate of interest (weighted averages)	Due dates
		Borrowings	Redemptions				
DM	551 366 120	39 764 857	44 945 355	+107 780 591	653 966 213	7.00	1975/1988
Ffrs	149 314 914		2 629 726	- 669 065	146 016 123	7.12	1975/1988
Lit	336 012 480		5 933 440	- 77 111 413	252 967 627	6.56	1975/1988
Bfrs	179 156 000		4 490 000	+ 17 639 406	192 305 406	7.40	1975/1993
Fl	165 345 304	15 951 762	1 754 144	+ 25 341 507	204 884 429	7.29	1975/1990
Lfrs	94 164 590	8 087 915	164 590	+ 9 492 999	112 300 914	7.40	1977/1988
Eurco (2)	30 159 191	60 667 793	837 420	+ 169 854	90 159 418	8.13	1975/1989
US \$	618 740 830	665 359 852	16 838 396	- 23 314 272	1 243 948 014	8.99	1975/1990
Sfrs	127 323 033	34 901 135		+ 37 664 148	199 888 316	7.01	1977/1988
£Lebanese	22 815 631		684 469	- 5 328 282	16 802 880	7.125	1975/1985
Total	2 274 398 093	825 453 314	78 277 540	+ 91 665 473	3 113 239 340		
Redemption premiums	12 120 542			- 1 515 950	10 604 592		
Grand total	2 286 518 635	825 453 314	78 277 540	90 149 523	3 123 843 932		

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

Year	1975	1976	1977	1978	1979
Amount	131 411 850	110 094 243	192 370 680	225 654 602	254 229 973

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

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

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

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

Receivable from:			
France	324 987	u.a.	
United Kingdom	19 844 854	u.a.	
Italy	13 316 055	u.a.	
Ireland	661 495	u.a.	
	34 147 391	u.a.	
Payable to:			
Germany	15 164 005	u.a.	
1961 revaluation balance	61 833	u.a.	15 225 838
Belgium			1 847 474
Netherlands	2 979 066	u.a.	
1961 revaluation balance	42 254	u.a.	3 021 320
Denmark			736 384
Luxembourg			47 970
			20 878 986

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

Annex E — Notes to the financial statements

At 31 December 1974

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

The definition of the unit of account of the European Investment Bank provided in Article 4 (1) of its Statute, and the method for converting it into the national currencies of Member States as prescribed in

Article 7 (3) can no longer be applied as originally intended when the Statute was drafted.

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

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

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

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

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

The following rates were used for drawing up the balance sheet at 31 December 1974:

3.01774	Deutsche Mark	7.06637	Danish kroner
5.57964	French francs	0.534530	Irish pounds
0.534530	Pounds sterling	45.4137	Luxembourg francs
815.517	Italian lire	1.25496	United States dollars
45.4137	Belgian francs	3.15176	Swiss francs
3.13445	Dutch guilders	2.88641	Lebanese pounds
		278.982	CFA francs

Note B — Investments

Investments include:

(a) non-negotiable, non-interest-bearing notes issued by the new Member States representing their contribution to the Bank's capital and its statutory and other reserves at their nominal value	24 817 264	u.a.
(b) treasury bonds, notes and bonds at the lowest of cost, nominal or market value	56 244 198	u.a.
(c) the Bank's own bonds at their redemption cost	19 184 242	u.a.
(d) bank bills at their nominal value	13 759 294	u.a.

The breakdown, according to maturity, is as follows:

— not exceeding 3 months	11 945 273	u.a.
— over 3 months but not exceeding 6 months	27 216 329	u.a.
— over 6 months but not exceeding 12 months	279 639	u.a.
— over 12 months	74 563 757	u.a.

Note C — Special deposits for service of loans

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

Note D — Miscellaneous balance sheet accounts

These accounts include:

- (a) on the assets side:
 - sundry debtors
- (b) on the liabilities side:
 - accrued expenses and sundry creditors.

Note E — Supplementary amortisation of issuing charges

An amount of 5m u.a. from exceptional income resulting from investment of proceeds of dollar denominated loans issued in 1974 was used for supplementary amortisation of the corresponding issuing charges.

Note F — Exchange differences

This represents the net loss arising from financial operations during the financial year 1974.

Note G — Net decrease in value arising from revaluation of the assets of the Bank not subject to adjustment under Article 7 of the Statute.

This includes :

• write-off of the estimated net surplus value at 31 December 1973 arising from revaluation of the assets of the Bank not subject to adjustment under Article 7 of the Statute	4 171 038	u.a.
• the decrease in value arising from revaluation of the assets of the Bank not subject to adjustment under Article 7 of the Statute on the basis of the rates given in Note A	1 820 528	u.a.
	<u>5 991 566</u>	<u>u.a.</u>

Note H — Management commission

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

Note I — Appropriation of the balance of the profit and loss account

The balance of the profit and loss account available for appropriation to the statutory and other reserves, after supplementary amortisation of 5 000 000 u.a. of issuing charges on 1974 borrowings denominated in US dollars, amounted to 36 296 195 u.a. in 1974, as against 25 856 078 u.a. in 1973.

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

- (a) 12 313 542 u.a. to the statutory reserve;
- (b) 12 982 653 u.a. to the reserve for risks on loans and guarantees;
- (c) 6 000 000 u.a. to the reserve for monetary risks;
- (d) 5 000 000 u.a. to the building reserve, to meet the projected expenses for the construction of new premises.

Report by Messrs Price Waterhouse & Co.

The President,
European Investment Bank,
Luxembourg

We have examined the financial statements of the European Investment Bank at 31 December 1974. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As explained in Note A to the financial statements, the Board of Governors decided on 18 March 1975 to apply as the rates for converting the currencies of the Member States into units of account of the Bank and vice versa, the rates of conversion applicable to the new European unit of account the value of which equals the amounts of the national currencies of the Member States set out in the Note. These new rates have been applied for the preparation of the balance sheet at 31 December 1974 whereas, in prior years, the accounts were expressed in the unit of account as defined in Article 4 (1) of the Statute of the Bank.

In our opinion, bearing in mind that a supplementary amortisation of 5 million u.a. was made in respect of certain issuing charges (see

Note E), the preceding financial statements present fairly the financial position of the European Investment Bank at 31 December 1974 and the results of its operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year, taking into account the adoption of the new definition of the unit of account for conversion of the currencies of the Member States.

The financial statements covered by our opinion are the following:

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

20 March 1975

PRICE WATERHOUSE & CO.

Statement by the Audit Committee

The Committee instituted in pursuance of Article 14 of the Statute and Article 25 of the Rules of Procedure of the European Investment Bank for the purpose of verifying that the operations of the Bank are conducted and its books kept in a proper manner,
— having studied the books, vouchers and documents which it deemed necessary to examine in the discharge of its duties,

— having examined the report of 20 March 1975 drawn up by Messrs Price Waterhouse & Co.,

considering the 1974 Annual Report as well as the balance sheet of the Bank as at 31 December 1974 and the profit and loss account for the financial year ending on that date, as drawn up by the Board of Directors at its meeting of 30 April 1975,

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

hereby certifies :

that the Bank's operations during the 1974 financial year have been carried out in compliance with the formalities and procedures laid down by the Statute and the Rules of Procedure,

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

Luxembourg, 15 May 1975

The Audit Committee
R. LÉONARD J. BREDSDORFF E. RAUS

Table 4 : Financing provided from 1958 to 1974 (1)

Breakdown by type of financing and by country

Country	Number	Amount (million u.a.)	% of total	% Member Countries
Ordinary operations				
Member Countries				
Belgium	7	83.3	1.8	2.1
Denmark	7	26.3	0.6	0.7
Germany	69	654.3	14.0	16.3
France	86	934.8	20.1	23.4
Ireland	10	69.0	1.5	1.7
Italy	228	1 872.1	40.2	46.8
Luxembourg	3	9.0	0.2	0.2
Netherlands	7	74.8	1.6	1.9
United Kingdom	12	216.6	4.7	5.4
Non-member countries (2)	3	61.7	1.3	1.5
Total	432	4 001.9	86.0	100
<i>Including guarantees (3)</i>	9	110.0	2.4	
Associated Countries				
Greece	15	69.2	1.5	
Turkey	2	25.0	0.5	
AASMM-OCTD	32	133.5	2.9	
Cameroon	9	17.3	0.4	
Congo	1	9.0	0.2	
Ivory Coast	9	48.2	1.0	
Gabon	4	4.4	0.1	
Upper Volta	1	0.5	—	
Mauritania	1	11.0	0.2	
Senegal	2	3.9	0.1	
Zaire	3	34.2	0.7	
Ivory Coast and Upper Volta	1	3.0	0.1	
New Caledonia	1	2.0	0.7	
Total	49	227.7	4.9	
Ordinary Operations Total	481	4 229.6	90.9	
Special Operations (4)				
Turkey	50	322.9	6.9	
AASMM-OCTD	33	102.0	2.2	
Cameroon	6	23.9	0.5	
Congo	2	3.1	0.1	
Ivory Coast	9	34.6	0.7	
Dahomey	1	3.3	0.1	
Gabon	2	3.3	0.1	
Upper Volta	1	5.0	0.1	
Madagascar	1	1.9	—	
Mauritania	1	2.7	0.1	
Senegal	2	1.9	—	
Chad	1	1.2	—	
Zaire	2	14.8	0.3	
New Caledonia	1	1.0	—	
Surinam	1	1.9	—	
Martinique	1	0.6	—	
Réunion	2	2.8	0.1	
Special Operations Total	83	424.9	9.1	
<i>including contributions to the formation of risk capital (5)</i>	3	2.5	—	
Grand Total	564	4 654.5	100.0	

(1) A summary of financing provided over such a long period should be interpreted very cautiously; data for successive years are affected by price movements and exchange rate variations occurring between 1958 and 1974.

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

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

(4) Accounts for loans on special conditions financed by Member States (Turkey) and by the European Development Fund (AASMM-OCTD) kept under the Bank's Special Section.

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

Table 5 : Financing provided within the Community in 1974 and from 1958 to 1974 (1)
Breakdown by economic policy objective

	1974		1958-1974	
	Amount (million u.a.)	%	Amount (million u.a.)	%
I. Financing justified on the basis of a single economic objective				
Regional development and conversion (2) (Article 130 (a) and (b) of the Treaty of Rome)	372.1		2 331.6	
Sectoral interest: modernisation and conversion of undertakings, sectoral restructuring and new technology (Article 130 (b) of the Treaty of Rome)	—		7.8	
Common interest to several Member Countries (Article 130 (c) of the Treaty of Rome)	273.7		854.1	
II. Financing justified on the basis of double economic objectives				
Regional and sectoral interest	63.6		201.0	
Regional interest and common interest to several Member Countries	131.7		569.9	
Common interest to several Member Countries and sectoral interest	62.7		131.7	
III. Financing justified on the basis of triple economic objectives				
.	27.1		47.1	
To be deducted, as the amount against III has already been included in each of the amounts against II (see figure page 18)	- 81.3		- 141.3	
Total	849.7		4 001.9	
Summary of financing justified on the basis of one or more economic objectives under I, II or III above				
□ Regional development and conversion	540.2	100.0	3 044.1	100.0
Belgium	—	—	41.2	1.4
Denmark	11.7	2.2	18.5	0.6
Germany (2)	26.5	4.9	357.2	11.7
France	88.5	16.4	703.1	23.1
Ireland	46.4	8.6	69.0	2.3
Italy	250.2	46.3	1 627.0	53.5
Luxembourg	—	—	4.0	0.1
Netherlands	—	—	40.1	1.3
United Kingdom	116.9	21.6	184.0	6.0
□ Sectoral interest	99.2	100.0	293.4	100.0
□ Common interest to several Member Countries	441.1	100.0	1 494.0	100.0
Energy (production and distribution)	344.9	78.2	791.7	53.0
Nuclear power stations	123.3	28.0	360.9	24.2
Hydroelectric power stations	79.0	17.9	115.3	7.7
Gas pipelines	51.8	11.7	194.7	13.0
Natural gas and oil exploitation, drilling equipment	90.8	20.6	115.8	7.8
Other	—	—	5.0	0.3
Transport	60.0	13.6	493.8	33.0
Railways	—	—	94.9	6.3
Motorways, bridges and tunnels	43.5	9.9	353.5	23.7
Inland waterways	—	—	24.0	1.6
Airlines	16.5	3.7	16.5	1.1
Other (ethylene pipeline)	—	—	4.9	0.3
Other infrastructure	—	—	16.0	1.1
Protection of the environment	16.6	3.8	18.0	1.2
Industrial cooperation	19.6	4.4	171.7	11.5
Research	—	—	2.8	0.2

(1) See footnote 1, Table 4.

(2) Including, in West Berlin, one loan for 9.9m u.a. in 1974 and 6 loans totalling 36.5m u.a. between 1958 and 1974.

Table 6 : Financing provided within the Community from 1958 to 1974 (including allocations from global loans) (1)
Sectoral breakdown

Sector	Number		Amount		% of total
	Loans and guarantees	Allocations from global loans	Total (million u.a.)	of which allocations from global loans (million u.a.)	
Infrastructure	158	—	2 412.6	—	60.3
□ Agricultural development	7	—	93.8	—	2.3
□ Energy	72	—	1 059.7	—	26.5
Power stations	46	—	698.2	—	17.5
Gas pipelines	13	—	220.9	—	5.5
Development of oil and natural gas deposits	4	—	47.7	—	1.2
Other	9	—	92.9	—	2.4
□ Water supply and distribution	6	—	31.6	—	0.8
□ Transport	47	—	745.3	—	18.6
Railways	11	—	163.6	—	4.1
Roads, bridges and tunnels	30	—	507.6	—	12.7
Sea and inland waterways	2	—	27.5	—	0.7
Airlines	3	—	41.7	—	1.0
Other	1	—	4.9	—	0.1
□ Telecommunications	23	—	455.9	—	11.4
□ Other	3	—	26.3	—	0.6
Agriculture, Industry and Services	274	340	1 589.3	152.0	39.7
□ Agriculture, forestry, fishing	1	1	6.2	0.7	0.2
□ Industry (2)	270	336	1 571.0	149.9	39.2
Mining and quarrying*	3	11	9.9	3.5	0.2
Metal production and semi-processing*	32	12	402.3	8.7	10.0
Construction materials*	22	20	85.9	10.1	2.1
Woodworking	1	23	10.4	6.8	0.3
Glass and ceramics	11	9	26.3	4.0	0.7
Chemicals*	59	10	322.0	3.5	8.0
Metalworking and mechanical engineering	30	83	140.3	36.5	3.5
Motor vehicles, transport equipment	12	9	120.2	4.2	3.0
Electrical engineering, electronics	11	19	55.1	10.0	1.4
Foodstuffs	33	53	108.9	26.0	2.7
Textiles and leather	12	41	31.3	17.2	8.0
Paper pulp, paper*	5	17	27.2	8.0	0.7
Rubber and plastics processing	8	19	44.4	8.2	1.1
Other	3	10	6.2	3.2	0.2
Global loans	28	—	180.6 (3)	—	4.5
□ Services	3	3	12.1	1.4	0.3
Tourism	2	3	9.3	1.4	0.2
Research and development	1	—	2.8	—	0.1
Grand Total	432	340	4 001.9	152.0	100.0

(1) See footnote 1, Table 4.

(2) Of which basic industries (marked with an asterisk) 847.3m u.a.

(3) This amount represents the unallocated portion of the global loans (however, after cancellation of 4.3m u.a., the balance still to be allocated within the Community is actually 176.3m u.a.).

Table 7 : Financing provided in Turkey from 1965 to 1974 (including allocations from global loans) (1)
Sectoral breakdown

Sector	Number		Amount		% of total
	Loans	Allocations from global loans	Total (million u.a.)	of which allocations from global loans (million u.a.)	
Infrastructure	13		210.4		60.5
□ Agricultural development	2		25.0		7.2
□ Energy	6		117.9		33.9
Power stations	5		110.3		
Other	1		7.6		
□ Transport	5		67.5		19.4
Railways	3		38.9		11.2
Roads and bridges	1		20.0		5.7
Airlines	1		8.6		2.5
Industry and services	39	24	137.5	10.9	39.5
□ Industry	38	21	135.5	10.2	38.9
Mining and quarrying	—	1	0.8	0.8	0.2
Metal production and semi-processing	4	2	3.4	0.5	1.0
Construction materials	4	1	7.5	0.1	2.2
Woodworking	1	1	1.6	0.3	0.5
Glass and ceramics	2	—	3.2	—	0.9
Chemicals	9	4	35.6	1.5	10.2
Metalworking and mechanical engineering	—	5	2.6	2.6	0.8
Electrical engineering, electronics	1	1	1.1	0.3	0.3
Foodstuffs	—	4	2.2	2.2	0.6
Textiles and leather	5	2	5.6	1.9	1.6
Paper pulp, paper	5	—	46.4	—	13.4
Rubber and plastics processing	1	—	0.5	—	0.1
Global loans	6	—	25.0 (2)	—	7.2
□ Services	1	3	2.0	0.7	0.6
(global loan : preinvestment studies and technical assistance)					
Grand Total	52	24	347.9	10.9	100.0

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

Table 8 : Financing provided in Greece from 1963 to 1974 (1)
Sectoral breakdown

Sector	Number	Amount (million u.a.)	% of total
Infrastructure	8	53.3	77.0
Agricultural development	3	30.3	43.8
Energy (electricity transmission)	1	6.0	8.7
Transport (roads and bridges)	4	17.0	24.5
Industry	7	15.9	23.0
Metal production and semi-processing	2	10.1	14.6
Construction materials	2	3.0	4.3
Woodworking	1	0.6	0.9
Chemicals	1	2.0	2.9
Textiles and leather	1	0.2	0.3
Grand Total	15	69.2	100.0

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

Table 9 : Financing provided in the AASMM-OCTD from 1960 to 1974 (1)
Sectoral breakdown

Sector	Number	Amount (million u.a.)	% of total
Infrastructure	24	93.6	39.8
□ Agricultural development	1	0.7	0.3
□ Energy (electricity generation and transmission)	3	16.5	7.0
□ Water supply and distribution	1	5.8	2.5
□ Transport	18	69.9	29.7
Railways	5	33.1	14.1
Roads and bridges	6	22.4	9.5
Harbour installations	7	14.4	6.1
□ Telecommunications	1	0.7	0.3
Agriculture, Industry and Services	41	141.8	60.2
□ Agriculture, forestry, fishing	2	9.3	4.0
□ Industry	36	128.9	54.7
Mining and quarrying	4	52.6	22.3
Metal production and semi-processing	2	3.2	1.4
Construction materials	2	2.3	1.0
Chemicals	2	3.0	1.3
Motor vehicles, transport equipment	1	1.4	0.6
Foodstuffs	14	45.6	19.3
Textiles and leather	11	20.8	8.8
□ Services	3	3.6	1.5
Tourism	2	2.6	1.1
Other	1	1.0	0.4
Grand Total	65(2)	235.4	100.0

(1) Ordinary loans from the resources of the EIB (133.5m u.a.) and special operations financed from the resources of the EDF (102m u.a.), which have been the subject of an EIB financing proposal or opinion and a financing decision by the Commission of the European Communities.

(2) This sum includes 3 contributions, totalling 2.5m u.a., to the formation of risk capital.

Table 10 : Loans granted within the Community in 1973 and 1974 (1)
Breakdown by type of financing

Country	Direct individual loans		Indirect individual loans (2)		Global loans (3)		Total	
	Number	Million u.a.	Number	Million u.a.	Number	Million u.a.	Number	Million u.a.
Belgium	1	16.1	—	—	—	—	1	16.1
Denmark	5	19.6	—	—	—	—	5	19.6
Germany	6	86.2	—	—	1	9.9	7	96.1
France	10	139.8	2	16.5	4	37.4	16	193.7
Ireland	3	28.0	2	9.0	2	9.4	7	46.4
Italy	10	142.0	9	78.5	3	57.4	22	278.0
Netherlands	2	31.9	—	—	—	—	2	31.9
United Kingdom	8	130.8	—	—	1	18.7	9	149.5
Non-member countries	1	18.4	—	—	—	—	1	18.4
Total 1974	46	612.8	13	104.0	11	132.9	70	849.7
Total 1973	35	490.2	11	97.0	6	109.6	52	696.8

(1) Including two loans outside the Community granted in 1973 (43.3m u.a.) and one loan granted outside the Community in 1974 (18.4m u.a.).

(2) Loans granted through a financial institution.

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

Table 11 : Global loans granted within the Community from 1968 to 1974
Breakdown by intermediary institution

Year	Intermediary Institution (1)	Amount (million u.a.)	Allocations (1969-1974)	
			Number	Amount (million u.a.)
1968	ISVEIMER I	10.0	28	10.0 (2)
1969	CIS I	3.6	7	3.6 (2)
1970	IKB I	10.0	12	6.9 (3)
1970	SADE	6.3	24	6.3 (2)
1970	IRFIS	5.0	10	5.0 (2)
1971	CIS II	5.0	13	5.0 (2)
1971	SODERO I	2.0	2	0.8 (3)
1971	ISVEIMER II	15.0	19	14.7 (2)
1972	LORDEX	2.7	5	2.7 (2)
1972	LGSH	5.7	9	6.0 (2)
1972	IMI I	24.8	31	19.3
1973	IKB II	20.6	67	23.0 (2)
1973	Crédit National I	30.0	54	29.9 (2)
1973	ICFC I	7.1	14	3.3
1973	Crédit Hôtelier CCCHCI	18.0	40	11.9
1973	CIS III	13.6	—	—
1973	ISVEIMER III	20.3	5	3.5
1974	IRFIS II	9.8	—	—
1974	ICC	4.7	—	—
1974	Bayerische Vereinsbank	9.9	—	—
1974	BNL	19.6	—	—
1974	Crédit National II	21.3	—	—
1974	ACC	4.7	—	—
1974	ICFC II	18.7	—	—
1974	SODERO II	3.6	—	—
1974	Crédit Naval	9.0	—	—
1974	SDR Bretagne	3.6	—	—
1974	IMI II	28.0	—	—
	Total	332.6	340	152.0

(1) Istituto per lo Sviluppo Economico dell'Italia Meridionale, Naples (ISVEIMER)

Credito Industriale Sardo, Cagliari (CIS)

Industriekreditbank AG, Düsseldorf (IKB)

Société Alsacienne de Développement et d'Expansion, Strasbourg (SADE)

Istituto Regionale per il Finanziamento alle Industrie in Sicilia, Palermo (IRFIS)

Société de Développement Régional de l'Ouest, Nantes (SODERO)

Société Lorraine de Développement et d'Expansion, Nancy (LORDEX)

Landesbank und Girozentrale Schleswig-Holstein, Kiel (LGSH)

Istituto Mobiliare Italiano, Rome (IMI)

Crédit National, Paris

Industrial and Commercial Finance Corporation Limited, London (ICFC)

Caisse Centrale de Crédit Hôtelier, Commercial et Industriel, Paris (CCCHCI)

Industrial Credit Company Limited, Dublin (ICC)

Bayerische Vereinsbank, Munich

Banca Nazionale del Lavoro, "Sezione Speciale per il Credito Industriale", Rome (BNL)

Agricultural Credit Corporation Limited, Dublin (ACC)

Crédit Naval — CMAF, Paris

Société de Développement Régional de la Bretagne (SDR Bretagne), Rennes

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

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

Table 12 : Allocations from global loans within the Community in 1974 and from 1969 to 1974
Breakdown by region and by sector

	1974			1969-1974		
	Number	Amount of allocations (million u.a.)	%	Number	Amount of allocations (million u.a.)	%
REGIONS						
Baden-Württemberg	1	0.2	0.2	2	0.5	0.4
Bavaria	15	3.9	5.2	16	4.3	2.8
Hessen	13	4.9	6.4	15	6.0	4.0
Lower Saxony	15	4.9	6.5	19	6.8	4.4
North Rhine-Westphalia	11	5.1	6.7	18	8.7	5.7
Rhineland-Palatinate	4	0.8	1.1	8	2.9	1.9
Schleswig-Holstein	1	0.8	1.0	10	6.8	4.5
Germany	60	20.6	27.1	88	36.0	23.7
Alsace	2	0.3	0.5	28	8.4	5.5
Aquitaine	7	2.5	3.3	8	3.4	2.3
Auvergne	2	2.7	3.5	2	2.7	1.8
Lower Normandy	1	0.2	0.2	1	0.2	0.1
Burgundy	2	1.4	1.9	3	2.3	1.5
Brittany	16	6.3	8.2	17	6.5	4.3
Centre	2	0.7	0.9	2	0.7	0.5
Champagne-Ardenne	1	0.4	0.5	1	0.4	0.2
Franche-Comté	1	0.2	0.3	1	0.2	0.1
Languedoc-Roussillon	2	0.6	0.8	2	0.6	0.4
Limousin	5	1.2	1.5	6	1.8	1.2
Lorraine	10	5.2	6.8	15	9.8	6.4
Midi-Pyrénées	8	4.2	5.5	12	5.6	3.7
Nord	4	1.2	1.5	4	1.2	0.8
Pays de la Loire	8	1.7	2.3	13	4.6	3.0
Picardy	1	0.2	0.3	1	0.2	0.1
Poitou-Charentes	3	0.9	1.2	3	0.9	0.6
Rhône-Alpes	6	2.1	2.8	6	2.1	1.4
France	81	32.0	42.0	125	51.6	33.9
Abruzzi	1	0.6	0.7	7	3.9	2.6
Basilicata	1	0.7	0.9	2	1.3	0.9
Calabria	1	0.2	0.3	2	0.5	0.3
Campania	10	10.1	13.2	28	18.1	11.9
Latium	10	4.0	5.3	24	13.0	8.5
Marches	—	—	—	3	2.1	1.4
Molise	1	0.6	0.8	2	2.3	1.5
Apulia	11	4.9	6.5	15	6.3	4.2
Sardinia	—	—	—	20	8.6	5.6
Sicily	—	—	—	10	5.0	3.3
Italy	35	21.1	27.7	113	61.1	40.2
Scotland	7	1.6	2.1	9	2.0	1.4
North	1	0.1	0.1	1	0.1	0.1
North-West	1	0.4	0.5	1	0.4	0.2
Wales	2	0.4	0.5	3	0.8	0.5
United Kingdom	11	2.5	3.2	14	3.3	2.2
Total	187	76.2	100.0	340	152.0	100.0
SECTORS						
Agriculture, forestry, fishing	1	0.7	0.9	1	0.7	0.5
Mining and quarrying	3	0.6	0.8	11	3.5	2.3
Metal production and semi-processing	6	4.3	5.6	12	8.7	5.7
Construction materials	6	3.6	4.8	20	10.1	6.7
Woodworking	15	4.2	5.6	23	6.8	4.5
Glass and ceramics	6	2.9	3.8	9	4.0	2.6
Chemicals	6	2.1	2.8	10	3.6	2.3
Metalworking and mechanical engineering	46	19.7	25.8	83	36.4	24.0
Motor vehicles, transport equipment	5	1.9	2.5	9	4.2	2.7
Electrical engineering, electronics	13	7.2	9.5	19	10.0	6.6
Foodstuffs	32	12.5	16.3	53	26.0	17.1
Textiles and leather	23	9.0	11.8	37	17.2	11.3
Paper pulp, paper	9	2.5	3.2	17	8.0	5.3
Rubber and plastics processing	6	1.6	2.1	19	8.2	5.4
Other industries	7	2.0	2.6	10	3.2	2.1
Tourism	3	1.4	1.9	3	1.4	0.9
Total	187	76.2	100.0	340	152.0	100.0

Table 13 : List of Borrowings in 1974

Date of contract	Month of issue	Place of issue	Subscription currency	Amount in national currency (million)	Amount in million u.a.	Term	Coupon %	Type of issue
14.1.1974	January	Luxembourg	Eurco	60	60.7	15	8	Public placing (1)
6.2.1974	February	Switzerland	Sfrs	20	6.3	5	7.75	Private placing
	February	Switzerland	Sfrs	20	6.3	6	7.875	Private placing
	February	Switzerland	Sfrs	20	6.3	7	8	Private placing
20.2.1974	February	Luxembourg	\$	20	15.9	10	8.625	Private placing
27.3.1974	March	Luxembourg	\$	40	31.9	12	8.75	Public placing (2)
27.3.1974	March	Luxembourg	\$	50	39.8	10	8.75	Private placing
6.5.1974	May	Luxembourg	\$	50	39.8	5	variable rate	Private placing
10.5.1974	May	Netherlands	Fl	50	16.0	5	9.50	Private placing
27.5.1974	May	Luxembourg	\$	100	79.7	8	9.50	Private placing
	May	Luxembourg	\$	100	79.7	10	9.50	Private placing
5.6.1974	June	Luxembourg	\$	100	79.7	10	9.50	Private placing
14.8.1974	August	Germany	DM	20	6.6	7	10	Private placing
10.9.1974	September	Luxembourg	\$	300	239.1	10	10	Private placing
29.10.1974	October	Luxembourg	Lfrs	400	8.8	7	10	Public placing (3)
29.11.1974	November	Luxembourg	\$	50	39.8	10	10	Private placing
1.12.1974	December	Kuwait	\$	25	19.9	10	10	Public placing (4)
9.12.1974	December	Switzerland	Sfrs	50	15.9	5	9.375	Private placing
12.12.1974	December	Germany	DM	100	33.1	10	9.50	Private placing
Total: 825.5								

(1) Underwritten by a banking syndicate composed of N.M. Rothschild & Sons Ltd, Banca Commerciale Italiana, Banca Nazionale del Lavoro, Banque Nationale de Paris, Kredietbank SA Luxembourgeoise, Société Générale, Amsterdam-Rotterdam Bank NV, Deutsche Bank AG, Algemene Bank Nederland NV, Banque de Bruxelles SA, The Daiwa Securities Co. Ltd, Dresdner Bank AG, Kuhn, Loeb & Co., Société Générale de Banque SA, Union Bank of Switzerland (Underwriters) Ltd, S.G. Warburg & Co. Ltd, Kjøbenhavns Handelsbank A/S and Allied Irish Investment Bank Ltd, offered for public subscription at 100 %.

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