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EUROPEAN BANK TO MAKE FIRST PUBLIC OFFERING

WASHINGTON, D. C., June 29 -- The European Investment Bank, the financial institution of the Common Market, will make its first public offering in Holland on July 7 with a bond issue in Netherlands guilders, it was announced in Brussels today.

The public subscription will be handled by a group of seven Dutch banks headed by the Amsterdamsche Bank. The principal amount of the issue will be 50 million guilders (\$12.5 million). The 20-year bonds, bearing an interest rate of 4½ per cent per annum, will be issued at par. The net proceeds will be used by the European Investment Bank for its general lending operations.

The loan is redeemable from July 15, 1967, at par in 14 annual installments of 3,350,000 guilders (\$837,000) and a fifteenth of 3,100,000 guilders (\$775,000). After July 15, 1971, the E. I. B. will have the option of carrying out anticipated redemption as a whole or in part. It may do so at 101½ per cent from 1971 to 1975 and at 101 per cent thereafter.

Last March the E. I. B. placed a loan for 20 million guilders (\$5 million) privately with a similar group of Dutch banks.

Loan agreements signed by the Bank for the purpose of stimulating economic growth in the Six totaled \$59,584,928.03 up to December 31, 1960. The most recent E. I. B. loan of \$25 million, on June 17, went to the German Railways System to help electrify the north-south rail link between the northern port towns of Hanau and Gemünden.

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