

Final Terms

EUROPEAN INVESTMENT BANK

Debt Issuance Programme

Issue Number: 2216/0200

**INR 1,000,000,000 6.60 per cent. Bonds due March, 2019
(payable in USD)**

(to be consolidated and form a single series with the existing INR 2,000,000,000 6.60 per cent. Bonds due March, 2019 (payable in USD) issued on 4th March, 2016)

Issue Price: 101.680 per cent.

(plus 231 days' accrued interest from, and including, 4th March, 2016 to, but excluding, 21st October, 2016)

HSBC

The date of these Final Terms is 19th October, 2016.

These Final Terms, under which the bonds described herein (the **Bonds**) are issued, are supplemental to, and should be read in conjunction with, the offering circular (the **Offering Circular**) dated 8th December, 2014 issued in relation to the debt issuance programme of European Investment Bank (**EIB**). Terms defined in the Offering Circular have the same meaning in these Final Terms. The Bonds will be issued on the terms of these Final Terms read together with the Offering Circular.

EIB accepts responsibility for the information contained in these Final Terms which, when read together with the Offering Circular, contain all information that is material in the context of the issue of the Bonds.

These Final Terms do not constitute an offer of, or an invitation by or on behalf of anyone to subscribe or purchase any of, the Bonds.

The statements on page 8 of the Offering Circular regarding structured Bonds are drawn to the attention of the prospective purchaser of the Bonds. Such purchaser should ensure that it understands the nature of the terms of the Bonds and the extent of its exposure to risk, and that it considers the suitability of the Bonds as an investment in the light of its own circumstances and financial condition.

Unless otherwise specified or the context otherwise requires, references to **Indian Rupee**, and **INR** are to the lawful currency of the Republic of India and references to **USD** are to the lawful currency of the United States of America.

The Bonds are denominated in INR but all payments in respect of the Bonds shall be made in USD.

The terms of the Bonds and additional provisions relating to their issue are as follows:

GENERAL PROVISIONS

1. Issue Number: 2216/0200 (to be consolidated and form a single series with the existing INR 2,000,000,000 6.60 per cent. Bonds due March, 2019 issued on 4th March, 2016 from and including the Issue Date)
2. Security Codes:
 - (i) ISIN: XS1374303631
 - (ii) Common Code: 137430363
 - (iii) CUSIP: Not Applicable
 - (iv) WKN: Not Applicable
3. Specified Currency or Currencies: INR (provided that all payments will be made in USD)
4. Principal Amount of Issue: INR 1,000,000,000
5. Specified Denomination: INR 100,000
6. Issue Date: 21st October, 2016

INTEREST PROVISIONS

7. Interest Type: Fixed Rate
(Further particulars specified below)
8. Interest Commencement Date: 4th March, 2016
9. Fixed Rate Provisions: Applicable
 - (i) Interest Rate: 6.60 per cent. per annum
 - (ii) Interest Period End Dates: The dates that would be Interest Payment Dates but without adjustment for any Business Day Convention and without adjustment pursuant to the provisions set out in the Annex

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| (iii) | Interest Payment Dates: | 4th March in each year commencing 4th March, 2017, up to, and including, the Maturity Date subject in each case to adjustment in accordance with the Business Day Convention specified below and the provisions set out in the Annex |
| (iv) | Business Day Convention: | Following |
| (v) | Interest Amount: | INR 6,600 per INR 100,000 in principal amount, provided however, that the Interest Amounts will be paid on the relevant Interest Payment Date in USD, such USD amount obtained by dividing the relevant Interest Amount in INR by the applicable INR Rate (as defined in the Annex) |
| (vi) | Broken Amount: | Not Applicable |
| (vii) | Day Count Fraction: | Actual/Actual – ICMA |
| (viii) | Business Day Centres: | Not Applicable |
| (ix) | Other terms relating to the method of calculating interest for Fixed Rate Bonds: | Not Applicable |
| 10. | Floating Rate Provisions: | Not Applicable |
| 11. | Zero Coupon Provisions: | Not Applicable |
| 12. | Index-Linked Provisions: | Not Applicable |
| 13. | Foreign Exchange Rate Provisions: | Not Applicable |

NORMAL REDEMPTION PROVISIONS

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| 14. | Redemption Basis: | Redemption at par, subject as provided in paragraph 15 |
| 15. | Redemption Amount: | Principal Amount, provided however, that the Redemption Amount will be paid on the Maturity Date in USD, such USD amount obtained by dividing the Principal Amount in INR by the applicable INR Rate |
| 16. | Maturity Date: | 4th March, 2019 subject to adjustment in accordance with the provisions set out in the Annex |

17. Business Day Convention: Following

OPTIONS AND EARLY REDEMPTION PROVISIONS

18. Unmatured Coupons to become void upon early redemption (Bearer Bonds only): Not Applicable
19. Issuer's Optional Redemption: Not Applicable
20. Bondholders' Optional Redemption: Not Applicable
21. Redemption Amount payable on redemption for an Event of Default: Redemption at par, provided however, that the Redemption Amount will be paid in USD, such USD amount obtained by dividing the Principal Amount in INR by the applicable INR Rate

GENERAL PROVISIONS APPLICABLE TO THE BONDS

22. Form of Bonds: Registered Bonds
- Global Certificate registered in the name of a nominee for a common depository for the relevant clearing system which is exchangeable for Definitive Certificates in the limited circumstances specified therein
23. New Global Note: No
24. Intended to be held in a manner which would allow Eurosystem eligibility: No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Bonds are capable of meeting them the Bonds may then be deposited with one of the ICSDs as common safekeeper and registered in the name of a nominee of one of the ICSDs acting as common safekeeper. Note that this does not necessarily mean that the Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met
25. Details relating to Partly Paid Bonds: Not Applicable
26. Details relating to Instalment Bonds: Not Applicable
27. Redenomination, renominalisation and reconventioning provisions: Not Applicable

28. Consolidation provisions: Not Applicable
29. Business Day Centres: London, Mumbai and New York
30. Other terms or special conditions: Not Applicable

DISTRIBUTION PROVISIONS

31. Method of distribution: Non-Syndicated
- (i) If syndicated, names of Managers: Not Applicable
- (ii) If non-syndicated, name of Relevant Dealer: HSBC Bank plc
- (iii) Stabilising manager (if any): Not Applicable
- (iv) Commissions: A combined management and underwriting commission of 0.175 per cent. of the Principal Amount of the Bonds being issued

OPERATIONAL INFORMATION AND LISTING

32. Any clearing system(s) other than Euroclear Bank S.A./N.V. (**Euroclear**) or Clearstream Banking S.A. (**Clearstream, Luxembourg**) and the relevant identification number(s): Not Applicable
33. Agents appointed in respect of the Bonds:
- Fiscal Agent, principal Paying Agent, Registrar, Exchange Agent and Transfer Agent**
- Citibank, N.A., London Branch
13th Floor, Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
- Paying Agent and Listing Agent**
- Banque Internationale à Luxembourg, SA
69, route d'Esch
L-2953 Luxembourg
- Calculation Agent**
- HSBC Bank plc
8 Canada Square
London E14 5HQ

34. Listing: Luxembourg

35. Governing law: English

EUROPEAN INVESTMENT BANK:

By: **SANDEEP DHAWAN**

By: **JORGE GRASA**

ANNEX

The Interest Amount, the Redemption Amount and the amount payable in accordance with paragraph 21 of these Final Terms shall be payable in USD and determined by the Calculation Agent on the relevant Rate Fixing Date by reference to the Reference Rate where such “Reference Rate” means:

- (i) the INR Rate determined by the Calculation Agent on the Scheduled Rate Fixing Date; or
- (ii) in the event that a Price Source Disruption Event occurs or otherwise subsists on the Scheduled Rate Fixing Date, the Reference Rate shall be (a) the INR Rate determined by the Calculation Agent on the Adjusted Rate Fixing Date, or if such rate is unavailable, (b) the average of firm quotes (expressed as the amount of INR per one USD) from four Reference Dealers as the Calculation Agent is able to obtain for the sale of INR and the purchase of USD at or about 1:30 p.m. Mumbai time on the Adjusted Rate Fixing Date for settlement two Fixing Business Days thereafter, provided, however that if fewer than four (but at least two) Reference Dealers provide such firm quote then the average of the quotes actually obtained shall apply, and if only one or none of the Reference Dealers provides such a firm quote, the INR Rate will be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner.

Following the occurrence of a Price Source Disruption Event, the applicable Interest Payment Date, Maturity Date or date on which the amount is payable in accordance with paragraph 21 of these Final Terms shall be postponed to the earlier of:

- (i) the date falling five Business Days after the day on which EIB is notified by the Calculation Agent that the Price Source Disruption Event no longer subsists; and
- (ii) the tenth Business Day following the originally scheduled Interest Payment Date, Maturity Date or date on which the amount is payable in accordance with paragraph 21 of these Final Terms, as the case may be.

Where:

Adjusted Rate Fixing Date means, with respect to any Scheduled Rate Fixing Date on which a Price Source Disruption Event occurs, the earlier of (i) the Business Day on which EIB is notified by the Calculation Agent that such Price Source Disruption Event no longer subsists and (ii) the tenth Fixing Business Day following such Scheduled Rate Fixing Date.

Business Day means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, Mumbai and New York.

Fixing Business Day means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Mumbai.

INR Rate means the spot rate for a Rate Fixing Date will be the INR/USD rate (expressed as the amount of INR per one USD) as published by the Reserve Bank of India, at approximately 1:30

p.m., Mumbai time, on the Reuters page “RBIB” (or such other page or service as may replace any such page for the purposes of displaying the INR/USD rate) on that Rate Fixing Date.

Price Source Disruption Event shall mean that the INR Rate is unavailable on the Reuters page “RBIB” or any successor page on the relevant Rate Fixing Date, and the Calculation Agent shall have determined such fact, informing EIB and the Fiscal Agent promptly thereafter.

Rate Fixing Date shall mean the Scheduled Rate Fixing Date, however, if a Price Source Disruption Event occurs on such date, it shall mean the Adjusted Rate Fixing Date provided that if the Scheduled Rate Fixing Date or the Adjusted Rate Fixing Date (as applicable) falls on an Unscheduled Holiday (for purposes of this proviso deeming such day to be a Fixing Business Day), then the Rate Fixing Date will be the next following Fixing Business Day. In the event that such next following Fixing Business Day is also an Unscheduled Holiday, the Calculation Agent shall be entitled to calculate the INR Rate acting in good faith and in a commercially reasonable manner, having taken into account relevant market practice, by reference to such additional sources as it deems appropriate; and in such case the Calculation Agent shall notify the Issuer and the Fiscal Agent as soon as reasonably practicable that the INR Rate is to be so determined.

Reference Dealers means leading dealers, banks or banking corporations which regularly deal in the INR/USD exchange market, as selected by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner.

Scheduled Rate Fixing Date means, with respect to any Interest Payment Date, the Maturity Date or the date on which an amount is payable in accordance with paragraph 21 of these Final Terms, as applicable, the date that is five Fixing Business Days prior to such Interest Payment Date, Maturity Date or date on which an amount is payable in accordance with paragraph 21 of these Final Terms, as applicable.

Unscheduled Holiday shall mean a day that is not a Mumbai Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in Mumbai, two Mumbai Business Days prior to the relevant Rate Fixing Date.

For the avoidance of doubt, the INR Rate may be such that the resulting USD amount is zero and in such event no USD or INR amount will be payable.