



New Issue at Erste Bank: EIB Inflation Linked Bond 2006-2016

Erste Bank is one of twelve co-lead managers in the eurozone for a new European Investment Bank (EIB) bond

The European Investment Bank (EIB), the financing institution of the European Union which was set up to further European integration and the sustainable development, economic and social cohesion of the member states, is launching a bond with an issue volume of EUR 1 billion. The bond will be placed within the scope of a public offering in Luxembourg, Austrian, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Portugal, Spain and the Netherlands.

In Austria, the bond will be offered via Erste Bank, (part of oesterreichischen Sparkassen AG), a member of a twelve-bank European consortium (one from each country in the euro area) led by EIB and Merrill Lynch. The interest rate is linked to the future inflation rate of the eurozone.

In the first year the EIB Inflation Linked Bond 2006-2016 carries a fixed coupon of 5%; thereafter coupon payments are variable and depend upon the rate of inflation in the eurozone. The coupon for years 2-10 is 1.48 times the euro inflation rate (Harmonised Index of Consumer Prices, excluding tobacco), but at least 0% p.a.

This bond is ideal for investors who are looking for an investment which offers protection against inflation and on the other hand, for all those who wish to profit from the rising level of prices in the EU and who also value a 100% capital guarantee.

Name of Fund:	EIB Inflation linked bond 2006-2016
Subscription Period :	26 June 2006 to 17 July 2006
Volume in EUR:	EUR 1 billion
Initial Offering Price:	100 %, will be continuously adapted to the market
Sec. ID Number ISIN:	XS0258132272
Denomination:	EUR 1000,-
Interest Rate:	Year 1: 5 % p.a. as of 21.7.2006 Years 2-10: variable interest rate linked to the Harmonised Index of Consumer Prices (excluding tobacco) for the eurozone. 1.48 x annual inflation (rounded to the fifth decimal point), Minimum coupon: 0 % p.a.
Maturity Date:	10 years as of 21 July 2006
Flotation:	Luxembourg and in other 11 EU states (on the official market of the Vienna Stock Exchange)