Morgan Stanley

EMTN / Global Issuance Interest Rate-Linked Products

Global Structured Notes

11yr EIB EUR CMS-Linked TARN (Italian Domestic, OPS)

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Final Terms

13 April, 2004

THIS NOTE PAYS FIXED COUPONS FOR THE FIRST 3 YEARS AND THEN COUPONS LINKED TO THE EUR CURVE SHAPE. THE NOTE HAS A TARGETED ACCRUAL REDEMPTION NOTE ("TARN") FEATURE THAT DEFINES THE TOTAL COUPONS PAID ON THE NOTE IS 25% IN ALL

Issuer:	European Investment Bank ("EIB")
Issuer Ratings:	Moody's: Aaa / S&P's: AAA / Fitch: AAA
Type:	Italian Domestic, Syndicated, OPS, Pre-approved by BoI
OPS Offer Period:	29 April – 10 May (inclusive)
Amount:	Up to EUR 250 million (Minimum Amount: EUR 100 million)
Settlement Date:	13 May 2004
Maturity:	13 May 2015 (11 Years)
Issue Price:	100.00%
Syndicate Price:	98.000%
Redemption:	100.00%
Coupons:	Year 1: **5.00%** Years 2 & 3: **4.00%** Years 4 – 11: **3*(CMS(10yr)-CMS(2yr))** Coupons paid annually in arrears, Act/Act (ISMA) mod. foll., unadj.
CMS(10yr):	means EUR-ISDA EURIBOR Swaps Rate-11:00 with a Designated Maturity of 10 years published on Reuters Page ISDAFIX2 on the day that is 5 Target Business Days prior to each Interest Period start Date.
CMS(2yr):	means EUR-ISDA EURIBOR Swaps Rate-11:00 with a Designated Maturity of 2 years published on Reuters Page ISDAFIX2 on the day that is 5 Target Business Days prior to each Interest Period start Date.
EXCEPT:	
1)	The coupon can never be less than zero
2)	The sum of all coupons paid cannot be higher than **25%** of Notional
3)	The Final Coupon will be **25%** of Notional - the sum of all previous coupons
Targeted Redemption:	The note will redeem when the sum of all annual coupons paid is **25%**
Notice to Investors:	The issuer will apply, after the issue date, for the bonds to be listed on the Italian Stock Exchange. The issuer does not undertake that listing will be granted. If listing is for any reason not granted, the bonds will remain unlisted.
Denominations:	EUR 1,000

Risk Factors:

Credit Risk
The holder of the Note will be exposed to the credit risk of the Issuer

Market Risk
The return on the Note is linked to the future path of interest rates & in particular the shape of the EUR swap curve going forward. The Note may give sub-market returns.

Liquidity Risk
Morgan Stanley will make a daily secondary market in this Note on a best efforts basis. There is no guarantee that any secondary market will exist at any given time.

Exit Risk
The secondary market price of the Note will depend on numerous factors including interest rates, interest rate volatility, perceptions of issuer credit quality and time remaining to maturity.

In addition, 100% of the principal amount is only protected at maturity. There is a risk that you may receive substantially less than 100% should you wish to redeem prior to maturity

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There are significant risks associated with the notes described above including, but not limited to interest rate risk, price risk, liquidity risk and credit risk. Investors should consult their own financial, legal, accounting and tax advisors about the risks associated with an investment in these notes, the appropriate tools to analyze that investment, and the suitability of that investment in each investor's particular circumstances. No investor should purchase the notes described above unless that investor understands and has sufficient financial resources to bear the price, market, liquidity, structure and other risks associated with an investment in these notes.

This memorandum has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation to buy or sell any security or instrument. Any decision to invest in securities or instruments should be made on the basis of a definitive offering document which will supersede this term sheet. Prospective investors should seek their own legal and tax advice having regard to their own circumstances. This memorandum is based on or derived from information generally available to the public from sources we believe to be reliable. No representation is made that it is accurate or complete. Certain assumptions may have been made in this analysis which have resulted in any returns detailed herein. No representation is made that any returns indicated will be achieved. Changes to the assumptions may have a material impact on any returns detailed. Past performance is not necessarily indicative of future results. Price and availability are subject to change without notice. Morgan Stanley & Co. International Limited and others associated with it may have positions in, and may effect transactions in securities and instruments of issuers mentioned herein and may also perform or seek to perform investment banking services for the Issuer of such securities and instruments. The Notes may not be offered, sold or transferred without compliance with all applicable securities laws. Additional information is available on request. This publication has been issued by Morgan Stanley & Co. International Limited, authorised and regulated by the U.K. Financial Services Authority.

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NOTE: In the event that the Notes described in this term sheet (or in the term sheet as finalised) are purchased from MSIL the Purchaser shall, in connection with such purchase, be deemed to have undertaken to the Issuer, MSIL and its affiliates that neither the Purchaser nor any of its affiliates shall directly or indirectly offer, sell, transfer or arrange the sale of any Notes or distribute or publish any offering materials in connection with the Notes in any country or jurisdiction, except under circumstances that will result in compliance with all applicable laws and regulations.