

PRICING SUPPLEMENT

28th May 2003

European Bank for Reconstruction and Development
USD 50,000,000 Turkish Lira (TRL) Linked Zero Coupon Notes due 12 May 2007
(to be consolidated, form a single series and be fungible with
USD 125,000,000 Turkish Lira (TRL) Linked Zero Coupon Notes due 12 May 2007
issued on 21st March 2003)
issued pursuant to a Euro Medium Term Note Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions. A further explanation of such terms is set out in the Prospectus in the section headed "Issue Procedures".

SUMMARY OF THE NOTES

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| 1. | Specified Currency: | U.S. dollars ("USD") |
| 2. | Nominal Amount: | USD 50,000,000 |
| 3. | Type of Note: | Zero Coupon |
| 4. | Issue Date: | 30 th May 2003 |
| 5. | Issue Price: | 28.50 per cent. of the Nominal Amount |
| 6. | Maturity Date: | 12th May 2007, (i) provided that if 12 May 2007 is not a Business Day (as such term is defined in Condition 4(a)(iii)) in each of London, New York City and Istanbul, the Maturity Date shall be postponed to the next day which is such a Business Day, and (ii) subject further to the provisions of Annex A. |
| 7. | Fungible with existing Notes: | Yes. The Notes will be immediately consolidated and will be fungible and form a single series with the USD 125,000,000 Turkish Lira (TRL) Linked Zero Coupon Notes due 12 May 2007 issued on 21st March 2003. Upon consolidation the aggregate nominal amount will be USD 175,000,000. |
| 8. | Pricing Supplement to be read in conjunction with Prospectus dated: | 30th August 2002 |

FORM OF THE NOTES

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| 9. | Form of Note: | Registered |
| 10. | Specified Denomination(s): | USD 10,000 |
| 11. | Exchange of Bearer Notes: | Not applicable |

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| 12. | (a) Talons for future Coupons to be attached to definitive Bearer Notes: | No |
| | (b) Date(s) on which the Talons mature: | Not applicable |
| 13. | (a) Registered holder of Registered Global Note: | Cede & Co. as nominee for the Depository Trust Company, New York (the "DTC") |
| | (b) Exchange of Registered Global Note: | <p>The Registered Global Note shall be exchangeable, in whole or in part, for definitive Registered Notes only in the following circumstances:</p> <p>(i) upon the occurrence of an Event of Default;</p> <p>(ii) if Clearstream, Luxembourg or Euroclear is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system is available;</p> <p>(iii) if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the Registered Global Note or ceases to be a "clearing agency" registered under the United States Securities Exchange Act of 1934, as amended, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC and the Registrar has received a notice from Cede & Co. requesting an exchange of a specified amount of the Registered Global Note for definitive Registered Notes.</p> <p>For this purpose, the fifth paragraph of the Registered Global Note shall be deemed to be amended accordingly.</p> |

PROVISIONS RELATING TO INITIAL PAYMENT

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| 14. | Partly Paid Notes: | No |
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PROVISIONS RELATING TO INTEREST

15. Interest Commencement Date: Not applicable

Fixed Rate Notes:

16. (a) Fixed Rate(s) of Interest: Not applicable

(b) Fixed Interest Date(s): Not applicable

(c) Initial Broken Amount per denomination: Not applicable

(d) Final Broken Amount per denomination: Not applicable

(e) Fixed Day Count Fraction: Not applicable

(f) Business Day Convention: Not applicable

(g) Business Day definition if different from that in Condition 4(a)(iii): For the purposes of Condition 4(a)(iii), "Business Day" means any day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for business in Istanbul, London and New York City.

(h) Calculation of interest to be adjusted in accordance with Business Day Convention specified above: Not applicable

Zero Coupon Notes:

17. (a) Accrual Yield: 35.947 per cent. per annum

(b) Reference Price: 28.00 per cent. of the Nominal Amount of the Notes

(c) Other formula or basis for determining Amortised Face Amount: For the purpose of calculating the Amortised Face Amount the "Issue Date", as such term is used in Condition 5(d)(iii)(B), shall be deemed to be 21st March 2003.

(d) Day Count Fraction in relation to Early Redemption Amounts and late payment: Notwithstanding Conditions 5(d) (iii) and 5(h), any amount shall be calculated on the basis of Actual/365 (Fixed) as defined in Condition 4(b)(v)(B)

Floating Rate Notes and Indexed Notes: Not applicable

18. (a) Manner in which Rate of Interest is to be determined: Not applicable

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| | (b) Margin(s): | Not applicable |
| | (c) Minimum Rate of Interest (if any): | Not applicable |
| | (d) Maximum Rate of Interest (if any): | Not applicable |
| | (e) Floating Day Count Fraction: | Not applicable |
| 19. | If ISDA Determination: | |
| | (a) Floating Rate Option: | Not applicable |
| | (b) Designated Maturity: | Not applicable |
| | (c) Reset Date: | Not applicable |
| 20. | If Screen Rate Determination: | |
| | (a) Reference Rate: | Not applicable |
| | (b) Relevant Screen Page: | Not applicable |
| | (c) Interest Determination Date: | Not applicable |
| 21. | If Indexed: | Not applicable |
| 22. | If Rate of Interest not to be determined by ISDA or Screen Rate Determination or by reference to an Index or Formula: | Not applicable |
| 23. | General Provisions for Floating Rate Notes and Indexed Notes: | |
| | (a) Specified Period (and, in the case of Notes where the Interest Payment Date(s) are fixed, the Interest Payment Date(s)): | Not applicable |
| | (b) Business Day Convention: | Not applicable |
| | (c) Business Day definition if different from that in Condition 4(b)(i): | Not applicable |
| | (d) Calculation of interest to be adjusted in accordance with Business Day Convention specified above: | Not applicable |
| | (e) Terms relating to calculation of Interest Amount: | Not applicable |

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| (f) | Party responsible for calculation of the Interest Amount: | Not applicable |
| (g) | Party responsible for making any determinations ancillary to or in connection with the calculation of the Interest Amount, including Rate of Interest (if applicable): | Not applicable |
| (h) | Any amendment to the definition in Condition 4(b)(iii) of Euro-zone: | Not applicable |

PROVISIONS REGARDING PAYMENTS/DELIVERIES

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| 24. | Definition of "Payment Day" for the purpose of Condition 6(e) if different to that set out in Condition 6: | For the purposes of Condition 6(e), "Payment Business Day" means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for business in Istanbul, London, New York City, and the relevant place of presentation. |
| 25. | Dual Currency Notes: | Not applicable |
| 26. | Physically Settled Notes: | Not applicable |

PROVISIONS REGARDING REDEMPTION/MATURITY

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| 27. | (a) Redemption at Issuer's option: | No |
| | (b) Redemption at Noteholder's option: | No |
| 28. | (a) Final Redemption Amount for each Note (other than an Indexed or Formula Note where the index or formula applies to the redemption amount): | See Annex A |
| | (b) Final Redemption Amount for each Indexed Note where the Index or Formula applies to the Final Redemption | Not applicable |

Amount:

29. Instalment Note: Not applicable
30. Early Redemption Amount for each Note payable on an event of default: See Annex A

DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS

31. Method of distribution: Non-syndicated
32. If syndicated, names of Managers or, if non-syndicated names of Purchasers: Deutsche Bank AG London
33. Stabilising Agent: None
34. Additional sales restrictions: **Republic of Turkey**
The Purchaser has represented and agreed that it has not and will not offer or sell any Notes, directly or indirectly, in the Republic of Turkey or to any person or corporate or other entity resident in the Republic of Turkey except in accordance with the applicable laws and regulations of the Republic of Turkey in force from time to time.
35. Details of additional/alternative clearing system approved by the Issuer and the Agent: None
36. Common Code: 16465372
ISIN Code: US29874QBC78
CUSIP Number: 29874QBC7
37. Listing: Official List of the UK Listing Authority and trading on the London Stock Exchange.

38. In the case of Notes denominated in the currency of a country that subsequently adopts the euro in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union, whether the Notes will include a redenomination clause providing for the redenomination of the Specified Currency in euro (a "Redenomination Clause"), and, if so specified, the wording of the Redenomination Clause in full and any wording in respect of redenominalisation and/or consolidation (provided they are fungible) with other Notes denominated in euro. Not applicable
39. Additional Information: Not Applicable

For and on behalf of

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

By:

Authorised signatory

Application is hereby made to list this issue of Notes pursuant to the listing of the Euro 20,000,000,000 Euro Medium Term Note Programme of European Bank for Reconstruction and Development (as from 30 May 2003).

CITIBANK, N.A.
(as Agent)

By:
Duly Authorised Officer

Annex A

- (i) Provided no Inconvertibility Event is subsisting on the Valuation Date, (a) the Final Redemption Amount in respect of each Note shall be an amount in USD determined by the Calculation Agent in accordance with the following formula:

$$\text{USD } 10,000 \times (\text{FX}_{\text{initial}} / \text{FX}_{\text{final}})$$

and, (b) notwithstanding Condition 5(d), the Early Redemption Amount in respect of each Note shall be an amount in USD determined by the Calculation Agent in accordance with the following formula:

$$\text{Amortised Face Amount} \times (\text{FX}_{\text{initial}} / \text{FX}_{\text{final}})$$

Where:

“Amortised Face Amount” means an amount calculated in accordance with Condition 5(d)(iii);

“FX_{initial}” means 1,626,000/1;

“FX_{final}” means the lowest of such firm offers (expressed as the number of TRL per one USD) from the Reference Dealers as the Calculation Agent is able to obtain for the sale of TRL and the purchase of USD at or about 11:00 am London time on the Valuation Date for delivery on the Maturity Date (or the date set for early redemption pursuant to Condition 9, as the case may be), provided, however, that if none of the Reference Dealers provides such a firm quote, FX_{final} will be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner;

“TRL” means the lawful currency of the Republic of Turkey;

“Reference Dealers” means four leading dealers, banks or banking corporations, which deal in the Domestic Currency, selected by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner, and acceptable to the Issuer;

“Calculation Agent” and “Exchange Agent” means Deutsche Bank AG London in accordance with the provisions of the Calculation Agency Agreement entered into between the Issuer and the Calculation Agent dated 19 March 2003 (as amended or supplemented from time to time), (all references to the Calculation Agent or Exchange Agent shall include any successor or successors to Deutsche Bank AG London as Calculation Agent or Exchange Agent in respect of the Notes). All determinations and calculations made by the Calculation Agent shall be made in its sole and absolute discretion and shall be binding on all parties;

“Valuation Date” means the day which is two Business Days immediately preceding the Maturity Date (or the date set for early redemption pursuant to Condition 9, as the case may be); and

“Business Day” means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business in Istanbul, London and New York City.

- (ii) Subject to the TRL Redemption Option, if an Inconvertibility Event exists or is subsisting on the Valuation Date then the Notes will be redeemed on the Postponed Maturity Date in an

amount equal to the USD Settlement Amount and Noteholders will not be entitled to any amounts nor any interest or other sum in respect of any such delay.

Where:

“USD Settlement Amount” means an amount in USD equal to the TRL Redemption Amount converted into USD at the USD/TRL exchange rate for value on the Postponed Maturity Date, as determined by the Calculation Agent in its sole and absolute discretion. For the avoidance of doubt, the USD Settlement Amount could be equal to zero;

“TRL Redemption Amount” means an amount in TRL determined by the Calculation Agent in respect of each Note in accordance with the following formula (which, for the avoidance of doubt, if calculated in respect of the Postponed Maturity Date, shall be TRL 16,260,000,000):

$$\text{USD } 10,000 \times \text{Issue Price} \times \text{FX}_{\text{initial}} \times (1 + \text{Non-compounded Yield} \times \text{Number of Days}/365).$$

Where:

“Non-compounded Yield” means 62.116 per cent. per annum; and

“Number of Days” means the number of calendar days from (and including) 21st March, 2003 to (but excluding) the Valuation Date;

“Postponed Maturity Date” means the thirty-second (32nd) calendar day following the originally scheduled Maturity Date;

“Inconvertibility Event” means any action, event or circumstance whatsoever which, from a legal or practical perspective:

- (i) has the direct or indirect effect of hindering, limiting or restricting the convertibility of Domestic Currency into Hard Currency, or the transfer of Hard Currency from the Republic of Turkey to other countries (including, without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on repatriation of Domestic Currency into Hard Currency); or
- (ii) results in the unavailability of Hard Currency in the interbank foreign exchange market located in the Republic of Turkey in accordance with normal commercial practice

The occurrence of an Inconvertibility Event shall be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner. The Calculation Agent shall notify the Issuer, the Agent, the Clearing Systems and the Noteholders of the occurrence of an Inconvertibility Event (“Inconvertibility Notice”).

The Calculation Agent shall notify the Issuer, the Agent, the Clearing Systems and the Noteholders if it determines in its sole discretion, acting in good faith and in a commercially reasonable manner that, on the day that is thirty calendar days prior to the Valuation Date, an Inconvertibility Event has occurred and is subsisting on that day;

“Hard Currency” means any of the lawful currencies of Canada, Japan, the United Kingdom and the United States of America or the euro (and any successor currency to any such currency); and

“Domestic Currency” means TRL;

(iii)

- (a) Upon receipt of an Inconvertibility Notice the Noteholders shall have the right to elect to receive the TRL Redemption Amount (instead of the USD Settlement Amount) (the "TRL Redemption Option") by validly notifying the Issuer and the Exchange Agent (attention: Marie Hamilton, Deutsche Bank AG London, Global Markets, EMTN, fax: +44 207 541 4078) (with a copy to the Calculation Agent attention: Marie Hamilton, Deutsche Bank AG London, Global Markets, EMTN, fax: +44 207 541 4078) (or such other person, address or number as the Issuer or Calculation Agent may notify from time to time in accordance with the Conditions) by delivering a written notice ("TRL Redemption Option Exercise Notice") to the aforementioned parties by no later than the tenth Business Day before the Postponed Maturity Date (the "TRL Redemption Option Expiry Date") electing to receive such TRL Redemption Amount and giving details of the nominal amount of Notes owned by such holder and giving instructions for wire transfer of such TRL Redemption Amount to a TRL account. If the notice is given late or the Calculation Agent considers that the information contained in the notice is incomplete the notice shall be deemed invalidly given. Once given such notice shall be irrevocable.
- (b) Upon receipt of the TRL Redemption Option Exercise Notice the Exchange Agent will, on behalf of the Issuer, arrange the transfer of the TRL Redemption Amount to such account on the day which is the fourth Business Day following the TRL Redemption Option Expiry Date (the "TRL Redemption Option Payment Date"), provided that the Noteholder delivers the Notes free of payment to the Exchange Agent's DTC Account in the manner specified in the Inconvertibility Notice prior to the TRL Redemption Option Payment Date, but in no case later than the tenth Business Day prior to the Postponed Maturity Date. The Exchange Agent shall deliver the Notes so received to the Agent for cancellation upon the instructions of the Issuer. The Issuer will be discharged of its obligations with respect to the TRL Redemption Amount by payment of the TRL Redemption Amount to or to the order of the Exchange Agent.
- (c) If no TRL Redemption Option Exercise Notice is received by the Exchange Agent before the TRL Redemption Option Expiry Date or the Noteholder fails to validly give such TRL Redemption Option Exercise Notice or to deliver the Notes free of payment to the Exchange Agent's Euroclear Account prior to the TRL Redemption Option Payment Date, the Noteholder shall forfeit any further claim to the TRL Redemption Amount and the Notes will be redeemed against receiving the USD Settlement Amount on the Postponed Maturity Date.
- (d) For the avoidance of doubt, no additional amounts shall be payable by the Issuer in respect of the period from the Maturity Date to the Postponed Maturity Date or TRL Redemption Option Payment Date, as the case may be.
- (e) The record date for the purposes of DTC shall be two Business Days prior to the Postponed Maturity Date.

(iv) Market Disruption Event

- (a) In the event that a Market Disruption Event occurs or is subsisting on the Valuation Date, the Maturity Date shall be postponed to the third Business Day on which the

Market Disruption Event is no longer subsisting, but no additional amounts shall be payable by the Issuer in respect of such postponement.

- (b) The occurrence of a Market Disruption Event shall be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner. The Calculation Agent shall notify the Issuer, the Noteholders, the Agent and the Clearing Systems of such occurrence and shall also notify the aforementioned parties if the Market Disruption Event is no longer subsisting.
- (c) Upon the termination of the Market Disruption Event the Issuer will pay the Final Redemption Amount on the Maturity Date (as so postponed).

For the purpose of the calculation of the Final Redemption Amount, upon the occurrence of a Market Disruption Event:

“FX_{final}” means the lowest of such firm offers (expressed as the number of TRL per one USD) from the Reference Dealers as the Calculation Agent is able to obtain for the sale of TRL and the purchase of USD at or about 11:00 am London time on the Market Disruption Valuation Date for delivery on the third Business Day on which the Market Disruption Event is no longer subsisting, provided, however, that if none of the Reference Dealers provides such a firm quote, FX_{final} will be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner; and

“Market Disruption Valuation Date” means the first Business Day on which the Market Disruption Event is no longer subsisting.

For the avoidance of doubt, if an Inconvertibility Event occurs or is subsisting on the Valuation Date, the Notes will be redeemed in accordance with the Inconvertibility Event provisions irrespective of the occurrence of a Market Disruption Event.

“Market Disruption Event” means the occurrence of any event, excluding an Inconvertibility Event, as a result of which event the Calculation Agent is unable to determine any amount falling to be determined by it pursuant to the terms of the Notes, which event shall include, without limitation:

- (i) a natural or man-made disaster, armed conflict, act of terrorism, riot, labour disruption or any other circumstance beyond its control; or
- (ii) the enactment, promulgation, execution, ratification or adoption of, or any change in or amendment to, any rule, law, regulation or statute (or in the applicability or official interpretation of any rule, law, regulation or statute) or the issuance of any order or decree.

