

PRICING SUPPLEMENT

3rd July 2003

**European Bank for Reconstruction and Development
Australian Dollars 45,000,000 0.50 per cent. Discount Notes due 20th December 2018
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: | Australian Dollars ("AUD") |
| 2. | Nominal Amount: | AUD 45,000,000 |
| 3. | Type of Note: | Fixed Rate |
| 4. | Issue Date: | 7th July 2003 |
| 5. | Issue Price: | 55.40 per cent. |
| 6. | Maturity Date: | 20th December 2018 |
| 7. | Fungible with existing Notes: | No |
| 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: | Bearer |
| 10. | Specified Denomination(s): | AUD 1,000 |
| 11. | Exchange of Bearer Notes: | Temporary Global Note exchangeable for permanent Global Note on certification as to non-US beneficial ownership on or after 40 days after the Issue Date and thereafter permanent Global Note exchangeable only upon an Exchange Event |
| 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: | Not applicable |
| | (b) Exchange of Registered Global Note: | Not applicable |

PROVISIONS RELATING TO INITIAL PAYMENT

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

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| 15. | Interest Commencement Date: | 7th July 2003 |
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Fixed Rate Notes:

16. (a) Fixed Rate(s) of Interest: 0.50 per cent. per annum payable annually
- (b) Fixed Interest Date(s): 20th December in each year from and including 20th December 2003 to and including the Maturity Date
- (c) Initial Broken Amount per denomination: On the Fixed Interest Date falling on 20th December 2003, the following Broken Amount shall be due on the Notes:
AUD 2.27 per AUD 1,000 in Nominal Amount
- (d) Final Broken Amount per denomination: Not applicable
- (e) Fixed Day Count Fraction: Actual/Actual-ISMA
- (f) Business Day Convention: Following Business Day Convention
- (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 London, Sydney and New York City
- (h) Calculation of interest to be adjusted in accordance with Business Day Convention specified above: No

Zero Coupon Notes:

Not applicable

17. (a) Accrual Yield: Not applicable
- (b) Reference Price: Not applicable
- (c) Other formula or basis for determining Amortised Face Amount: Not applicable
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: Not applicable

Floating Rate Notes and Indexed Notes

Not applicable

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

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| | (b) Designated Maturity: | Not applicable |
| | (c) Reset Date: | Not applicable |
| 20. | If Screen Rate Determination: | Not applicable |
| | (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: | Not applicable |
| | (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 |
| | (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)(ii) 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 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 London, Sydney and New York City and in the relevant place of presentation |
| 25. | Dual Currency Notes: | Not applicable |
| 26. | Physically Settled Notes: | Not applicable |

PROVISIONS REGARDING REDEMPTION/MATURITY

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): 100 per cent. of the Nominal Amount of each Note
- (b) Final Redemption Amount for each Indexed Note where the Index or Formula applies to the Final Redemption Amount: Not applicable
29. Instalment Note: Not applicable
30. Early Redemption Amount for each Note payable on an event of default: The Early Redemption Amount per Note in the Specified Denomination shall be equal to the sum of (A) AUD 554.00 (the "Reference Price") and (B) the product of 3.895 per cent. per annum (compounded annually) being applied to the Reference Price from (and including) 7th July 2003 to (but excluding) the day upon which such Note becomes due and redeemable in accordance with Condition 9.
- Such calculation shall be made on the basis of an Actual/Actual – ISMA Day Count Fraction, as defined in Condition 4(a)(ii).
- If the amount payable in respect of any Note upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Note shall be calculated as provided in this item 30 as though the references therein to the date upon which the Note becomes due and repayable were replaced by references to the date which is the earlier of:
- (i) the date on which all amounts due in respect of the Note have been paid; and
 - (ii) the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholder (either in accordance with Condition 13 or individually).

DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS

31. Method of distribution: Non-syndicated
32. If syndicated, names of Managers or, if non-syndicated names of Purchasers: Royal Bank of Canada Europe Limited

33. Stabilising Agent None
34. Additional sales restrictions: In addition to the restrictions set out under the heading "Subscription and Sale" in the Prospectus, the following shall apply:
- Australia:
- No prospectus or other disclosure document (as defined in the Corporation Act 2001 of Australia in relation to the Programme or the Notes has been lodged with the Australian Securities and Investments Commission ("ASIC") or the Australian Stock Exchange Limited. The Purchaser has represented and agreed that it: (i) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Notes in Australia (including an offer or invitation which is received by a person in Australia); and (ii) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive offering memorandum, advertisement or other offering material relating to the Notes in Australia unless (1) the minimum aggregate consideration payable by each offeree or invitee is at least AUD 500,000 (or equivalent, but disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with part 6D.2 of the Corporations Act 2001 of Australia, and (2) such action complies with all applicable laws, regulations and directives.
35. Details of additional/alternative clearing system approved by the Issuer and the Agent: None
36. Common Code: 17178571
 ISIN Code: XS0171785719
 CUSIP Number: Not applicable
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:

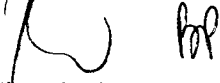
None

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 7th July 2003)

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CITIBANK, N.A.

(as Agent)