

Pricing Supplement

21 February 2017

European Bank for Reconstruction and Development
USD 5,570,000 (AZN Linked) Amortising Fixed Rate Notes due 22 October 2019
issued pursuant to a Global Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 3 July 2012 (the "Offering Circular"). This Pricing Supplement must be read in conjunction with such Offering Circular. Full information on the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. The Offering Circular is available for viewing and copies may be obtained from the Issuer at One Exchange Square, London, EC2A 2JN, United Kingdom.

SUMMARY OF THE NOTES

1	Specified Currency:	United States Dollars ("USD")
2	Nominal Amount:	USD 5,570,000
3	Type of Note:	Fixed Rate
4	Issue Date:	23 February 2017
5	Issue Price:	100.00 per cent. of the Nominal Amount
6	Maturity Date:	22 October 2019
7	Fungible with existing Notes:	No

FORM OF THE NOTES

8	Form of Note:	Registered
9	New Global Note:	No
10	Specified Denomination:	USD 500. The principal amount outstanding in respect of the value of the Specified Denomination will decrease as the AZN Redemption Amount is paid out, as set out in Annex A hereto.
11	Exchange of Bearer Notes:	Not Applicable
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) Depository for and registered holder of Registered Global Note:	Registered Global Note to be deposited with a common depository for Euroclear and Clearstream, Luxembourg and registered in the

name of Citivic Nominees Limited as nominee for the common depositary

(b) Exchange of Registered Global Note:

Registered Global Note will only be exchangeable for definitive Registered Notes upon 45 days' written notice in the limited circumstances as described on page 42 of the Offering Circular

PROVISIONS RELATING TO INITIAL PAYMENT

14 Partly Paid Notes: No

PROVISIONS RELATING TO INTEREST

15 Interest Commencement Date: Issue Date

16 Fixed Rate Notes:

(a) Fixed Rate of Interest: 11.40 per cent. per annum, payable semi-annually in arrear. The amount of interest payable on each Fixed Interest Date (the "Interest Amount") shall be calculated on the Reference AZN Amount, as further detailed in Annex A hereto.

(b) Fixed Interest Dates: 24 April 2017, 23 October 2017, 23 April 2018, 22 October 2018, 23 April 2019 and 22 October 2019, subject to the provisions set out in Annex A hereto.

(c) Initial Broken Amount per Specified Denomination: The amount due and payable per Specified Denomination on the first Fixed Interest Date shall be calculated on the Reference AZN Amount as described in Annex A hereto.

(d) Final Broken Amount per Specified Denomination: Not Applicable

(e) Fixed Day Count Fraction: Actual/360

(f) Business Day Convention: Following Business Day Convention

(g) Business Day definition if different from that in Condition 4(a)(iii): Condition 4(b)(iii) applies and, for the avoidance of doubt, New York City shall be the principal financial centre. London and Baku shall be additional business centres

(h) Calculation of interest to be adjusted in accordance with Business Day Convention specified above: Yes

17 Zero Coupon Notes: Not Applicable

18 Floating Rate Notes and Indexed Notes: Not Applicable

PROVISIONS REGARDING PAYMENTS/DELIVERIES

- | | | |
|----|--|------------------------|
| 19 | Definition of "Payment Day" for the purpose of Condition 6(e) if different to that set out in Condition 6: | Condition 6(e) applies |
| 20 | Dual Currency Notes: | Not Applicable |
| 21 | Physically Settled Notes: | Not Applicable |

PROVISIONS REGARDING REDEMPTION/MATURITY

- | | | |
|----|--|--|
| 22 | (a) Redemption at Issuer's option: | No |
| | (b) Redemption at Noteholder's option: | No |
| 23 | (a) Final Redemption Amount per Specified Denomination (<i>other than an Indexed or Formula Note where the index or formula applies to the redemption amount</i>): | See the provisions set out in Annex A hereto |
| | (b) Final Redemption Amount for each Indexed Note where the Index or Formula applies to the Final Redemption Amount: | Not Applicable |
| 24 | Instalment Note: | Not Applicable |
| 25 | Early Redemption Amount for each Note payable on an event of default: | Condition 9 applies, subject to the provisions set out in Annex A hereto |

DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS

- | | | |
|----|--|---|
| 26 | Method of distribution: | Non-syndicated |
| 27 | If Syndicated, names and addresses of Managers or, if Non-Syndicated name and address of the Dealer: | Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB |
| 28 | Date of Syndication Agreement: | Not Applicable |
| 29 | Stabilising Manager(s): | None |
| 30 | Additional selling restrictions: | The Dealer has represented, warranted and agreed that it will not, directly or indirectly, offer or sell the Notes in the Republic of Azerbaijan. |
| 31 | Details of additional/alternative clearing system approved by the Issuer and the Agent: | Euroclear and Clearstream, Luxembourg only |
| 32 | Intended to be held in a manner which | No |

would allow Eurosystem eligibility:

- 33** Common Code: 156765546
ISIN Code: XS1567655466
CUSIP Number: Not Applicable
- 34** Listing: Application will be made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List of the UK Listing Authority and trading on the Regulated Market of the London Stock Exchange plc
- 35** 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
- 36** (i) Additional Information: The provisions set out in Annex A hereto shall apply to the Terms and Conditions in accordance therewith.
- (ii) Investment considerations: **Azerbaijani Manat Exchange Risk**
The interest and redemption amounts on the Notes are linked to Azerbaijani Manat. Currency exchange rates may be volatile and will affect the return to the holder of the Notes. The Government of the Republic of Azerbaijan can from time to time intervene in the foreign exchange market. These interventions or other governmental actions could adversely affect the value of the Notes in U.S. Dollars, as well as the actual yield (in U.S. Dollar terms) on the Notes and the amounts payable on the Notes. Even in the absence of governmental action directly affecting currency exchange rates, political or economic developments in the Republic of Azerbaijan or elsewhere could lead to significant

and sudden changes in the exchange rate between the Azerbaijani Manat and the U.S. Dollar.

Notes are Not Liquid Instruments

There may exist at times only limited markets for the Notes resulting in low or non-existent volumes of trading in the Notes and such obligations, and therefore a lack of liquidity and price volatility of the Notes and such obligations.

37 Total Commissions: 0.36 per cent. of the Nominal Amount

This Pricing Supplement comprises the pricing supplement required for issue and admission to trading on the London Stock Exchange plc's Regulated Market of the Notes described herein pursuant to the Euro 35,000,000,000 Global Medium Term Note Programme of European Bank for Reconstruction and Development as from 23 February 2017, or as soon as practicable thereafter.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. The exchange rate information set out in Annex B has been extracted from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

For and on behalf of
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: *C. Smith F.L.*
Authorized signatory

A.S.

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CITIBANK, N.A.
(as Agent)

PART B – OTHER INFORMATION

1 LISTING

Application will be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange plc's Regulated Market with effect on or around 23 February 2017 or as soon as practicable thereafter. No assurance can be given that such listing and admission to trading will be obtained on such date, or, if obtained, that it will be maintained.

2 RATINGS

The Issuer and/or its debt obligations have been assigned an AAA credit rating from Standard & Poor's Credit Market Services Europe Limited ("**S&P**"), an Aaa credit rating from Moody's Investors Service Limited ("**Moody's**") and an AAA credit rating from Fitch Ratings France S.A. ("**Fitch**"). As defined by S&P, an "AAA" rating means that the ability of the Issuer to meet its financial commitment on its obligations is extremely strong. As defined by Moody's, an "Aaa" rating means that the Issuer's ability to meet its financial obligations is judged to be of the highest quality, with minimal credit risk. As defined by Fitch, an "AAA" rating denotes the lowest expectation of credit risk and means that the Issuer has an exceptionally strong capacity for timely payment of its financial commitments.

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: The net proceeds of the issue of the Notes (which is expected to be USD 5,549,948) will be included in the ordinary capital resources of the Issuer and used in its ordinary operations.
- (ii) Estimated net proceeds: USD 5,549,948
- (iii) Estimated total expenses: £10,000

5 HISTORIC INTEREST RATES

Not Applicable

6 PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Not Applicable

7 PERFORMANCE OF RATES OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Certain historical information in respect of the USD/Azerbaijani Manat, the lawful currency of the Republic of Azerbaijan ("**AZN**") foreign exchange rate is set out in Annex B (Historical

Data) hereto.

In the circumstances described in Annex A hereto, the amount of principal and/or interest received by holders of the Notes is affected by the USD/AZN foreign exchange rate. Information in respect of the USD/AZN foreign exchange rate can also be found on the Central Bank of the Republic of Azerbaijan website.

Annex A

Additional Terms Relating to the Calculation of Interest Amount, Early Redemption Amount and Final Redemption Amount

The Final Redemption Amount per Specified Denomination will be payable in USD on the Maturity Date and will be determined by the Calculation Agent on the relevant Exchange Rate Fixing Date, as follows, rounded up to the nearest cent:

AZN 216.26 *divided by* the Exchange Reference Rate

The Early Redemption Amount per Specified Denomination will be payable in USD on the Early Redemption Date and will be determined by the Calculation Agent on the relevant Exchange Rate Fixing Date, as follows, rounded up to the nearest cent:

Reference AZN Amount *divided by* the Exchange Reference Rate

On each Fixed Interest Date, Noteholders will receive in respect of the relevant Fixed Interest Period the following amounts in USD per Specified Denomination, (i) the Interest Amount, plus (ii) the USD equivalent of the Reference AZN Redemption Amount as determined by the Calculation Agent on the relevant Exchange Rate Fixing Date (subject to the Disruption Event Provision below), as follows, rounded up to the nearest cent:

- (i) (Reference AZN Amount x Fixed Rate of Interest x Fixed Day Count Fraction) divided by the Exchange Reference Rate; plus
- (ii) Reference AZN Redemption Amount divided by the Exchange Reference Rate (the "Amortising Amount").

As soon as possible on or after the relevant Exchange Rate Fixing Date (but in no event later than the Business Day immediately prior to each Fixed Interest Date, the Maturity Date or the Early Redemption Date, as applicable), the Calculation Agent shall notify the Agent and the Issuer of the relevant Exchange Reference Rate.

The Calculation Agent shall notify the Issuer, the Agent and the Noteholders of its determination of the Final Redemption Amount, the Early Redemption Amount, the Interest Amount and the Amortising Amount payable per Specified Denomination on the Maturity Date, Early Redemption Date or relevant Fixed Interest Date (as applicable), as soon as possible on or after the relevant Exchange Rate Fixing Date (but in no event later than the Business Day immediately prior to each Fixed Interest Date, the Maturity Date or the Early Redemption Date, as applicable).

Disruption Event Provisions

If the Exchange Reference Rate is not available for any reason on any Exchange Rate Fixing Date, then the Calculation Agent shall determine that a Price Source Disruption Event (a "Price Source Disruption Event") has occurred, and shall promptly inform the Issuer, the Agent and the Noteholders of such occurrence. In case of Price Source Disruption Event, the Exchange Reference Rate shall then be determined by the Calculation Agent by requiring firm quotes (expressed as the number of AZN per one USD) from Reference Dealers as the Calculation Agent is able to obtain for the sale of AZN and the purchase of USD at or about 4.00 p.m. (Baku time) on the Business Day following the Exchange Rate Fixing Date, for settlement on the next Baku Business Day.

If more than three quotations are provided, the Exchange Reference Rate will be the arithmetic mean of those quotations, after eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or in the event of equality, one of the lowest).

If two or three quotations are provided, the Exchange Reference Rate will be the arithmetic mean of those quotations.

If fewer than two quotations are provided, the Exchange Reference Rate will be determined by the Calculation Agent in its sole discretion, acting in good faith and in an impartial and in a commercially reasonable manner in accordance with its normal procedures for determining such exchange rate (or a comparable exchange rate) at such time.

The Calculation Agent shall notify the Issuer, the Agent and the Noteholders of its determination of the Exchange Reference Rate as soon as practicable after such determination.

For the purposes of this Annex A:

"Business Day" means, in relation to any place, any day (other than a Saturday or a Sunday) 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 that place, or if no such place is specified, any day (other than a Saturday or a Sunday) 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 Baku, London and New York City;

"Calculation Agent" means Citibank, N.A. Citibank, N.A. shall be responsible for those duties and functions specified herein in accordance with the provisions of the calculation agency agreement entered into between the Issuer and the Calculation Agent dated 20 February 2004, as amended and/or supplemented from time to time (the **"Calculation Agency Agreement"**). All references to the Calculation Agent shall include any successor or successors to Citibank, N.A. as Calculation Agent in respect of the Notes.

"Early Redemption Date" means the date (if any) on which the Notes become due and payable pursuant to Condition 9;

"Exchange Reference Rate" means the USD/AZN rate of exchange, expressed as the amount of AZN per one USD, for settlement on the next Baku Business Day, determined by the Central Bank of the Republic of Azerbaijan and published on their website, <http://en.cbar.az/> (or successor website), at approximately 3:45 p.m. Baku time, on the relevant Exchange Rate Fixing Date.

"Exchange Rate Fixing Date" means the date which is two Business Days prior to each of the applicable Fixed Interest Date, any Early Redemption Date or the Maturity Date, or in the case of a Price Source Disruption Event, on the Business Day immediately following such dates;

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

The **"Reference AZN Amount"** and **"Reference AZN Redemption Amount"** are each an amount in AZN specified by reference to the following table:

Fixed Interest Period from and including	Fixed Interest Period to but excluding	Fixed Interest Date*	AZN Notional Outstanding	AZN Redemption Amount	Reference AZN Amount	Reference AZN Redemption Amount
23/02/2017	24/04/2017	24/04/2017	9,636,657.00	0.00	0.00	0.00
24/04/2017	23/10/2017	23/10/2017	9,636,657.00	0.00	0.00	0.00
23/10/2017	23/04/2018	23/04/2018	9,636,657.00	2,409,164.25	865.05	216.26
23/04/2018	22/10/2018	22/10/2018	7,227,492.75	2,409,164.25	648.79	216.26
22/10/2018	23/04/2019	23/04/2019	4,818,328.50	2,409,164.25	432.53	216.26
23/04/2019	22/10/2019	22/10/2019	2,409,164.25	2,409,164.25	216.26	216.26

* subject to the adjustment in accordance with the Following Business Day Convention

For the avoidance of doubt, the initial AZN Notional Outstanding was calculated by multiplying the Nominal Amount by an initial Exchange Reference Rate as at 13 February 2017. The initial Exchange Reference Rate was fixed at AZN 1.7301 and therefore the AZN Notional Outstanding and the AZN Redemption Amount (and consequentially the Reference AZN Amount and Reference AZN Redemption Amount) in respect of each Fixed Interest Period are as set out in the table above.

Annex B
Historical Data

The following table summarises certain historical information regarding the USD/AZN foreign exchange rate since January 2009.

Period	High	Low
January 2009 – December 2009	0.8103	0.8035
January 2010 – December 2010	0.8051	0.7998
January 2011 – December 2011	0.7998	0.785
January 2012 – December 2012	0.7866	0.7839
January 2013 – December 2013	0.7852	0.7832
January 2014 – December 2014	0.7862	0.7830
January 2015 – December 2015	1.5620	0.7825
January 2016 – December 2016	1.8344	1.4840
January 2017	1.9481	1.8021

Source: Bloomberg

The delivery of this Pricing Supplement does not imply any representation on the part of the Issuer, the Calculation Agent or the Dealer or any other person that the information extracted from the source above is correct.

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Post-Issuance Information

The Issuer does not intend to provide any post-issuance information.