

Pricing Supplement

10 August 2016

**European Bank for Reconstruction and Development
AMD 1,250,000,000 Amortising Fixed Rate Notes due 12 February 2021 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

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|---|-------------------------------|--|
| 1 | Specified Currency: | Armenian Dram ("AMD"), the lawful currency of the Republic of Armenia provided that all payments in respect of the Notes shall be made in United States Dollars ("USD"). |
| 2 | Nominal Amount: | AMD 1,250,000,000 |
| 3 | Type of Note: | Fixed Rate. |
| 4 | Issue Date: | 12 August 2016 |
| 5 | Issue Price: | 100.00 per cent. of the Nominal Amount |
| 6 | Maturity Date: | 12 February 2021 (subject to the provisions set out in Annex A hereto) |
| 7 | Fungible with existing Notes: | No |

FORM OF THE NOTES

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| 8 | Form of Note: | Registered |
| 9 | New Global Note: | No |
| 10 | Specified Denomination: | AMD 250,000,000. The principal amount outstanding in respect of the value of the Specified Denomination will decrease as the AMD 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: | Not Applicable |
| | (b) Date(s) on which the Talons | Not Applicable |

- mature:
- 13 (a) Depository for and registered holder of Registered Global Note: Citivic Nominees Limited
- (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: Not Applicable

PROVISIONS RELATING TO INTEREST

- 15 Interest Commencement Date: 12 August 2016
- 16 Fixed Rate Notes:
- (a) Fixed Rate of Interest: 9.70 per cent. per annum, payable semi-annually in arrear. on the Fixed Interest Date (the "**Fixed Interest Amount**") provided that the Fixed Interest Amount shall be payable in USD, as further described in Annex A hereto.
- (b) Fixed Interest Dates: 12 February 2017, 12 August 2017, 12 February 2018, 12 August 2018, 12 February 2019, 12 August 2019, 12 February 2020, 12 August 2020 and the Maturity Date, subject to adjustment for payment purposes in accordance with the business day convention specified below and subject to the provisions set out in Annex A hereto.
- (c) Initial Broken Amount per Specified Denomination: Not Applicable
- (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(a)(iii) applies and, for the avoidance of doubt, Yerevan shall be the principal financial centre. London and New York City 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 (*other than* an Indexed or Formula Note where the index or formula applies to the redemption amount): As 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 Joint Lead Managers or, if Non-Syndicated name and address of the Dealer: ING Bank N.V.
60 London Wall
London EC2M 5TQ
United Kingdom
- 28 Date of Syndication Agreement: Not Applicable
- 29 Stabilising Manager(s): None
- 30 Additional selling restrictions: Not Applicable

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 would allow Eurosystem eligibility:	No
33	Common Code:	147172532
	ISIN:	XS1471725322
	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
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 redenominationalisation and/or consolidation (provided they are fungible) with other Notes denominated in euro.	Not Applicable
36	Additional Information:	
	(i)	The provisions set out in Annex A hereto shall apply to the Terms and Conditions in accordance herewith.
	(ii) Investment Considerations:	<p>Armenian Dram Exchange Risk</p> <p>The Redemption Amounts on the Notes are linked to Armenian Dram. Currency exchange rates may be volatile and will affect the return to the holder of the Notes. The Government of the Republic of Armenia 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</p>

economic developments in the Republic of Armenia or elsewhere could lead to significant and sudden changes in the exchange rate between the Armenian Dram 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: 0.76 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 12 August 2016, 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. Burtov* *EVS* *SN*
Duly Authorised Officer

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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 the Official List of the UK Listing Authority and trading on the London Stock Exchange plc's Regulated Market with effect on or around 12 August 2016 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 France S.A.S. ("**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 AMD 1,240,500,000 but payable in USD in the amount of 2,604,724.41) will be included in the ordinary capital resources of the Issuer and used in its ordinary operations.
 - (ii) Estimated net proceeds: AMD 1,240,500,000 (USD equivalent: USD 2,604,724.41)
 - (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/AMD 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 may be affected by the USD/AMD foreign exchange rate. Information in respect of the USD/AMD foreign exchange rate can also be found on the Central Bank of the Republic of Armenia website.

Annex A

Calculation of Fixed 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 Rate Fixing Date, as follows, rounded up to the nearest cent:

AMD 35,714,285.74 *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 Rate Fixing Date, as follows, rounded up to the nearest cent:

Outstanding Denomination Amount *divided by* the Exchange Reference Rate

On each Fixed Interest Date Noteholders will receive in respect of the relevant Fixed Interest Period, per Specified Denomination, (i) the Fixed Interest Amount, plus (ii) the AMD Redemption Amount, payable in USD, as determined by the Calculation Agent on the relevant Rate Fixing Date, as follows, rounded up to the nearest cent:

- (i) (Fixed Rate of Interest x Outstanding Denomination Amount x Fixed Day Count Fraction) divided by the Exchange Reference Rate

plus

- (ii) AMD Redemption Amount divided by the Exchange Reference Rate (the "**Amortising Amount**")

As soon as possible on or after each Rate Fixing Date (but in no event later than the Business Day immediately following the applicable Rate Fixing Date), 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, Fixed 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 practicable after such determination (but in no event later than the Business Day immediately following the applicable Rate Fixing Date).

Disruption Event Provisions

If the Exchange Reference Rate is not available for any reason under the designated source or on any successor page on any 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.

The Calculation Agent shall then determine the Exchange Reference Rate on the following basis:

the Exchange Reference Rate shall be the arithmetic mean of such firm quotes (expressed as the number of AMD per one USD) from the Reference Dealers as the Calculation Agent is able to obtain for the sale of AMD and the purchase of USD at or about 4.00 p.m. (Yerevan time) on the Business Day following the Rate Fixing Date, for settlement on the next Yerevan Business Day, provided however, that if fewer than four (but at least two) Reference Dealers provide such firm quotes then the Exchange Reference Rate shall be the arithmetic mean of the quotes actually obtained. If none, or only one, of the Reference Dealers provides such a firm quote, the relevant Exchange Reference

Rate shall be determined by the Calculation Agent in its discretion, acting in good faith and in a commercially reasonable manner.

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 Yerevan, London and New York City.

"Calculation Agent" means ING Bank N.V., in accordance with the provisions of the Calculation Agency Agreement, entered into between the Issuer and the Calculation Agent, dated 1 April 1998 (as amended and/or supplemented from time to time). All references to the Calculation Agent shall include any successor or successors to ING Bank N.V. as Calculation Agent in respect of the Notes.

"Early Redemption Date" means the date on which the Notes become due and payable pursuant to Condition 9.

"Exchange Reference Rate" means the USD/AMD rate of exchange, expressed as the amount of AMD per one USD, as determined by the CBA and published on their website: <http://www.cba.am/en/sitepages/ExchangeArchive.aspx> (or successor website) at approximately 3:45 p.m. Yerevan time on the Rate Fixing Date. This information is also available on the Bloomberg page AMD CBRA Curncy (in case of any discrepancy between the rate of exchange, as published on the Bloomberg page and as published on the CBA website, the rate of exchange, as published on the CBA website will prevail);

"CBA" means the Central Bank of Armenia.

"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;

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

"Yerevan Business Day" means a day on which commercial banks are open for business (including dealings in a foreign exchange in accordance with the market practice of the foreign exchange market) in Yerevan.

The **"Outstanding Denomination Amount"** and the **"AMD Redemption Amount"** are determined per Specified Denomination by the reference to the following table:

Fixed Interest Period from and including	Fixed Interest Period to but excluding	Fixed Interest Date	Outstanding Denomination Amount	AMD Redemption Amount
12-Aug-16	12-Feb-17	12-Feb-17	AMD 250,000,000.00	AMD 0.00
12-Feb-17	12-Aug-17	12-Aug-17	AMD 250,000,000.00	AMD 0.00
12-Aug-17	12-Feb-18	12-Feb-18	AMD 250,000,000.00	AMD 35,714,285.71
12-Feb-18	12-Aug-18	12-Aug-18	AMD 214,285,714.29	AMD 35,714,285.71
12-Aug-18	12-Feb-19	12-Feb-19	AMD 178,571,428.58	AMD 35,714,285.71
12-Feb-19	12-Aug-19	12-Aug-19	AMD 142,857,142.87	AMD 35,714,285.71
12-Aug-19	12-Feb-20	12-Feb-20	AMD 107,142,857.16	AMD 35,714,285.71
12-Feb-20	12-Aug-20	12-Aug-20	AMD 71,428,571.45	AMD 35,714,285.71
12-Aug-20	12-Feb-21	12-Feb-21	AMD 35,714,285.74	AMD 35,714,285.74

Annex B Historical Data

The following table summarises certain historical information regarding the USD/AMD foreign exchange rate since January 2006.

Period	High	Low
January 2006 – December 2006	455.92	362.33
January 2007 – December 2007	367.85	301.51
January 2008 – December 2008	310.59	300.73
January 2009 – December 2009	388.01	304.78
January 2010 – December 2010	404.36	357.98
January 2011 – December 2011	385.77	362.26
January 2012 – December 2012	418.66	385.77
January 2013 – December 2013	419.08	403.58
January 2014 – December 2014	527.20	405.95
January 2015 – December 2015	485.61	469.79
January 2016 – July 2016	496.11	475.94

Armenian Central Bank Rate (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.

NEITHER THE ISSUER NOR THE DEALER MAKE ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION WHATSOEVER AS TO THE RESULTS TO BE OBTAINED FROM AN INVESTMENT IN THE NOTES. THE FOREGOING INFORMATION IS BASED UPON PUBLICLY AVAILABLE INFORMATION AS PUBLISHED BY THE APPLICABLE SOURCE. HOWEVER, NEITHER THE DEALER NOR ANY OF ITS AFFILIATES SHALL BE LIABLE (WHETHER IN NEGLIGENCE OR OTHERWISE) TO ANY PERSON FOR ANY ERROR IN THE INFORMATION SET FORTH ABOVE NOR SHALL IT OR ANY SUCH AFFILIATE BE UNDER ANY OBLIGATION TO ADVISE ANY PERSON OF ANY ERROR THEREIN.

Post-Issuance Information

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