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## PRICING SUPPLEMENT

12th March, 1999

**European Bank for Reconstruction and Development**  
**€50,000,000 Yield Curve Accumulator Notes due 2024**  
**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:   | Euros (€) (being the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union) |
| 2. | Nominal Amount:   | €50,000,000   |
| 3. | Type of Note:   | Fixed Rate (Yield Curve Accumulator) Notes  |
| 4. | Issue Date:   | 12 <sup>th</sup> March, 1999  |
| 5. | Issue Price:  | 100.00 per cent.  |
| 6. | Maturity Date:  | 12 <sup>th</sup> March, 2024  |
| 7. | Fungible with existing Notes:                                       | No  |
| 8. | Pricing Supplement to be read in conjunction with Prospectus dated: | 28 <sup>th</sup> August, 1998   |

### *FORM OF THE NOTES*

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|-----|---------------------------|--|
| 9.  | Form of Note:             | Bearer   |
| 10. | Specified Denomination:   | €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 for definitive Notes only upon an "Exchange Event". |
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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: Not applicable.
- (b) Exchange of Registered Global Note: Not applicable.

*PROVISIONS RELATING TO INITIAL PAYMENT*

14. Partly Paid Notes: No.

*PROVISIONS RELATING TO INTEREST*

15. Interest Commencement Date: 12<sup>th</sup> March, 1999

*Fixed Rate Notes:*

16. (a) Fixed Rates of Interest:
- 12.00 per cent. per annum in respect of the period from, and including, the Issue Date to, but excluding, 12th March, 2000;
- 5.00 per cent. per annum in respect of the period from, and including, 12th March, 2000 to, but excluding, 12th March, 2002;
- 4.00 per cent. per annum in respect of the period from, and including, 12th March, 2002 to, but excluding, 12th March, 2004;
- Zero per cent. per annum in respect of the period from, and including, 12th March, 2004 to, but excluding, 12th March, 2019 (the "Interest Deferral Period");
- 4.00 per cent. per annum in respect of the period from, and including, 12th March, 2019 to, but excluding, 12th March, 2021;
- 5.00 per cent. per annum in respect of the period from, and including, 12th March, 2021 to, but excluding, 12th March, 2023; and
- 12.00 per cent. per annum in respect of the period from, and including, 12th March, 2023 to, but excluding, 12th March, 2024.

Each period from, and including, a Fixed Interest Date to, but excluding, the immediately following Fixed Interest Date is a "Fixed Interest Period", except for (i) the period from, and including, the Fixed Interest Date falling on 12th March, 2004, and (ii) the period from, and including, the Fixed Interest Date falling on 12th March, 2024.

Interest shall be calculated on the basis of the number of days in the period from, and including, the last preceding Fixed Interest Date (or, if none, the Interest Commencement Date) to, but excluding, the relevant payment date divided by 365 (or, if any portion of that Fixed Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Fixed Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Fixed Interest Period falling in a non-leap year divided by 365).

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|-----|---|---|
| (b) | Fixed Interest Dates:                   | 12th March, 2000; 12th March, 2001; 12th March, 2002; 12th March, 2003; 12th March, 2004; 12th March, 2020; 12th March, 2021; 12th March, 2022; 12th March, 2023; and 12th March, 2024. |
| (c) | Initial Broken Amount per denomination: | Not applicable.   |
| (d) | Final Broken Amount per denomination:   | Not applicable.   |

*Zero Coupon Notes:*

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|-----|-----|---|-----------------|
| 17. | (a) | Accrual Yield:  | Not applicable. |
|     | (b) | Reference Price:  | Not applicable. |
|     | (c) | Other formula or basis for determining Amortised Face Amount: | Not applicable. |

*Floating Rate Notes and Indexed Notes:*

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|-----|-----|---|-----------------|
| 18. | (a) | Manner in which Rate of Interest is to be determined: | Not applicable. |
|     | (b) | Margin(s):  | Not applicable. |

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- (c) Minimum Interest Rate  
(if any): Not applicable.
- (d) Maximum Interest Rate  
(if any): 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.
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- (c) Business Day definition if different from that in Condition 4(b)(i): Not applicable.
- (d) Terms relating to calculation of Interest Amount: Not applicable.
- (e) Party responsible for calculation of interest: Not applicable.

**PROVISIONS REGARDING PAYMENTS**

24. Definition of "Payment Business Day" for the purpose of Condition 6(a) or (b) if different to that set out in Condition 6:
- For the purpose of Condition 6(a), "Payment Business Day" means any day on which both (i) the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the "TARGET System") is open and (ii) banks are open for business in the relevant place of presentation.
- Payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee with a bank having access to the TARGET System or, at the option of the payee, by a euro cheque. The fourth paragraph of Condition 6(a) is deleted.
25. Dual Currency Notes: Not applicable.

**PROVISIONS REGARDING REDEMPTION/MATURITY**

26. (a) Redemption at Issuer's option: No
- (b) Redemption at Noteholder's option: No
27. (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 Schedule.

(b) Final Redemption Amount for each Indexed Note where the Index or Formula applies to the Final Redemption Amount: Not applicable.

28. Instalment Note: Not applicable.

29. Early Redemption Amount for each Note payable on an event of default:

For the purposes of Condition 5(d)(ii), the Early Redemption Amount shall be calculated as follows:

In the event of the date set for early redemption (the "Early Redemption Date") occurring prior to the Interest Deferral Period, the Early Redemption Amount in respect of each Note shall be equal to the face value of such Note.

In the event of the Early Redemption Date occurring during the Interest Deferral Period, the Early Redemption Amount of each Note shall be equal to the face value of such Note plus the product of the face value of such Note multiplied by the sum of the Notional Interest Rates that have been calculated up to, but excluding, the Early Redemption Date.

In the event of the Early Redemption Date occurring subsequent to the Interest Deferral Period, the Early Redemption Amount shall be equal to the Final Redemption Amount.

***DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS***

30. Method of distribution: Syndicated

31. If syndicated, names of Managers or, if non-syndicated, names of Purchasers:

Morgan Stanley & Co. International Limited  
Banca Popolare di Novara  
Carisbo S.p.A.  
Banca Nazionale del Lavoro S.p.A.  
ICCREA S.p.A.

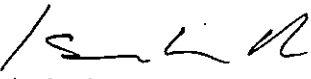

32. Stabilising Dealer/Manager: Morgan Stanley & Co. International Limited

33. Additional sales restrictions: No action has been or will be taken which would allow an offering of the Notes to the public in the Republic of Italy. Accordingly, the Notes may not be offered, sold or delivered and neither the Prospectus nor any other offering material relating to the Notes may be distributed or made available in the Republic of Italy, unless (i) such activities are carried out by a securities intermediary appropriately authorised to conduct such activities in the Republic of Italy and are directed only towards "professional investors" (as defined in CONSOB Resolution No.6430 of 26th August, 1992, as amended ("Resolution 6430")); and (ii) the applicable requirements for notices to CONSOB under Article 4 of Resolution 6430 and to the Bank of Italy under Article 129 of Legislative Decree No. 385 of 1st September, 1993, as amended, and the Bank of Italy's instructions issued thereunder are fully complied with.
34. Details of additional/alternative clearing system approved by the Issuer and the Agent: Not applicable.
35. Common Code: 9495452  
ISIN Code: XS0094954525  
CUSIP Number: Not applicable.
36. (a) Notes to be listed: Yes  
(b) Stock Exchange(s): London Stock Exchange
37. If Paris listed, insert Not applicable
38. Additional Provisions The Calculation Agent shall be Citibank N.A., London Office.

All certificates, communications, determinations, calculations and decisions made for the purposes of determining the Early Redemption Amount or the Final Redemption Amount under paragraphs 27 and 29 and the Schedule by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Agent, the other Paying Agents and all Noteholders, and (in the absence as aforesaid) no liability to the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties, and discretions pursuant to such provisions.

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 12th March, 1999).

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Citibank N.A.  
(as Agent)

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## SCHEDULE

The "Final Redemption Amount" for each Note shall be determined in accordance with the following formula:

Final Redemption Amount = the amount in euro equal to the face value of the Note plus the Cumulative Notional Interest Amount.

For the purposes of the above:

- (i) "Cumulative Notional Interest Amount" means the higher of (A) the face value of the Note multiplied by the sum of the Notional Interest Rates relating to the Notional Interest Periods during the Interest Deferral Period or (B) the face value of the Note multiplied by 75 per cent.;
- (ii) "Notional Interest Period" means each period during the Interest Deferral Period from, and including, 12th March in one year to, but excluding, 12th March in the following year, the first Notional Interest Period in the Interest Deferral Period being the period from, and including, 12th March, 2004 to, but excluding, 12th March, 2005, and the last Notional Interest Period in the Interest Deferral Period being the period from, and including, 12th March, 2018 to, but excluding, 12th March, 2019;
- (iii) "Notional Interest Rate" means, in relation to each Notional Interest Period, the rate equal to 9.00 per cent. per annum minus (12 month EURIBOR X 365/360 (or 366/360 in the case of a leap year)), all as determined by the Calculation Agent, subject to a minimum Notional Interest Rate of zero per cent. per annum;
- (iv) "12 month EURIBOR" means, in relation to a Notional Interest Period, the interbank offered rate for twelve month deposits in euro which appears on the Relevant Screen Page as of 11.00 a.m., Brussels time on the relevant Notional Interest Determination Date;

If such rate does not appear on the Relevant Screen Page on the Notional Interest Determination Date for a Notional Interest Period, then 12 month EURIBOR for that Notional Interest Period will be determined on the basis of the rates at which deposits in euro are offered by the Reference Banks at approximately 11.00 a.m., Brussels time, on the Notional Interest Determination Date in question to prime banks in the Euro-zone interbank market for a period of 12 months commencing on the first day of such Notional Interest Period and in a Representative Amount. The Calculation Agent shall request the principal Euro-zone office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided, 12 month EURIBOR for such Notional Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such quotations. If fewer than two quotations are provided as requested, 12 month EURIBOR for such Notional Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by the Reference Banks at approximately 11.00 a.m., Brussels time, on the Notional Interest Determination Date in question for loans in euro to leading European banks for a period of 12 months commencing on the first day of such Notional Interest Period and in a Representative Amount;

As soon as practicable after the determination of each Notional Interest Rate, the Calculation Agent shall notify the Issuer and Morgan Stanley Capital Services Inc. (or such other entity as

shall be notified by the Issuer to the Calculation Agent as being the calculation agent for the time being under the relevant swap transaction relating to the Notes) of such Notional Interest Rate.

- (v) "Euro-zone" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union;
  - (vi) "Relevant Screen Page" means the Telerate Screen Page 248, or such replacement page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying rates or prices comparable to 12 month EURIBOR;
  - (vii) "Notional Interest Determination Date" means, in relation to each Notional Interest Period, the second Business Day prior to the first day of such Notional Interest Period;
  - (viii) "Business Day" means a day on which the TARGET System is in operation;
  - (ix) "Reference Banks" means five major international banks active in the Euro-zone interbank market as selected by the Agent; and
  - (x) "Representative Amount" means an amount that is representative for a single transaction in the relevant market at the relevant time.
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