

September 1996

**European Bank
for Reconstruction and Development**

BOND ISSUE IN PESETAS

Ptas. 11,500,000,000

Coupon 8.46% annual
Due 2025

BANCO BILBAO VIZCAYA, S.A.

ARGENTARIA BANCO DE NEGOCIOS

BANCO CENTRAL HISPANO

BANCO SANTANDER DE NEGOCIOS

BNP ESPAÑA, S.A.
(Grupo Banque Nationale de Paris)

DEUTSCHE MORGAN GRENFELL

Paying Agent

BANCO BILBAO VIZCAYA, S.A.

**European Bank
for Reconstruction and Development**

BOND ISSUE IN PESETAS

Ptas. 11,500,000,000

Due 2025

Coupon 8.46%

The bond issue of the European Bank for Reconstruction and Development with headquarters at One Exchange Square, London, EC2A 2EH, United Kingdom, which is the subject of the following Prospectus, shall mature on 1 December of the year 2025

The subscription period shall extend from 23 July 1996 to 22 September 1996 inclusive, there being no possibility of prorating.

The offering price shall be 102%.

Payment for the Issue shall be made on 23 September 1996.

Interest payments shall be subject to withholding by the Depository Institutions for the Bonds whenever the bondholders are resident in Spain. The withholding rate shall be that in force from time to time (currently 25%). Interest paid is not at present subject to any withholding in Spain when the bondholder is not resident in Spain.

The Bonds shall be listed on the AIAF fixed-income securities market.

INDEX

	PAGE
PRELIMINARY NOTICE	3
TERMS AND CONDITIONS OF THE BONDS.....	4
Nature.....	4
Amount.....	4
Interest Rate.....	4
Redemption and Redemption Price of the Bonds.....	5
Repurchase.....	5
Bonds.....	5
Book Entry Sistem.....	5
Financial Service.....	6
Legal Status of the Bonds.....	7
Prescription of the Bonds.....	7
Tax System.....	7
Issue of Replacement Bonds.....	8
Settlement and Clearing.....	8
Listing.....	8
Notices.....	9
New Issues.....	9
Law and Jurisdiction.....	9
SUMMARY OF THE TERMS AND CONDITIONS	
(Summary in English of the principal Terms and Conditions.....)	10
GENERAL INFORMATION.....	11
EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT	12
Introduction.....	12
The Agreement.....	12
Purpose and Functions.....	12
Legal statute, Privileges and Immunities.....	14
Taxation.....	14
Shareholders and Capital Stock.....	15
Increase in the Bank's authorized Capital Stock.....	16
Decision-making bodies.....	16
FINANCIAL INFORMATION.....	18
Balance Sheet.....	18
Profit and Loss Account.....	19

PRELIMINARY NOTICE

No person may give any information or make any representations not contained in this Prospectus, and any information or representations not contained in the same may not be taken as authorized by or on behalf of the EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT or any of the Underwriters, who are listed on the cover.

The delivery of this Prospectus at any time shall not imply that the information contained herein is correct at any time after the issue date of the same.

The distribution of this Prospectus and the offering or selling of Bonds in jurisdictions other than Spain may be subject to legal restrictions. All persons receiving this Prospectus are under an obligation to the EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT and the Underwriters to inform themselves on and comply with the said restrictions.

Neither the EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT nor any of the Underwriters have taken any action that may permit a public offering of the Bonds in any country or jurisdiction where an action is required for such purpose. Consequently, the Underwriters may not, directly or indirectly, offer, sell, deliver, distribute or publish any Prospectus in any country or jurisdiction other than Spain, save where this may be done in accordance with the law and legislation applicable and every offering and sale of the Bonds by the Underwriters shall be made on the above terms.

The Bonds have not, and will not, be registered under the "United States Securities Act of 1933". The Bonds may not be offered, sold or delivered in the United States of America to individuals or legal entities with U.S. nationality or residence, except under certain circumstances.

The Underwriters agree jointly to subscribe for, offer, sell or deliver Bonds only upon the terms and conditions and subject to the restrictions contained in this Prospectus.

The authorization of the Issue by the Spanish Ministry of Economy and Finance does not imply any subscription recommendation or favourable or adverse opinion of the Issuer, its profitability or the offer made.

TERMS AND CONDITIONS OF THE BONDS

NATURE

This Issue is authorised under the Resolution by the Board of Directors of EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT adopted at its meeting of 5th and 6th December 1995, and the consent given by the General Directorate of the Treasury and Financial Policy of the Spanish MINISTRY OF THE ECONOMY AND FINANCE dated 22nd July 1996.

AMOUNT

The aggregate face value amount of the Issue is ELEVEN BILLION FIVE HUNDRED MILLION PESETAS (Ptas. 11,500,000,000), represented by 11.500 unsecured bearer Bonds, with a face value of ONE MILLION PESETAS (Ptas. 1,000,000) each.

INTEREST RATE

The Bonds shall bear interest at a rate of 8.46 per cent p.a. on their face value.

Interest shall be payable yearly in arrears on the 1st December of each year, and the first interest payment will take place on 1st December of 1996. Bonds shall bear interest from 23th September of 1996 (this date included) and until Redemption Date (this date excluded).

Interest calculations shall be made on the basis of a 360-day year, consisting of 12 months of 30 days each.

REDEMPTION AND REDEMPTION PRICE OF THE BONDS

All of the Bonds shall be fully redeemed at a price equivalent to 100% of their face value on 1st December 2025 (hereinafter, the "Redemption Date").

REPURCHASE

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT may at any time repurchase the Bonds at their market price. In the event of repurchase, EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT may hold the Bonds in its portfolio, resell them or cancel them through the Issuing and Paying Agent.

BONDS

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT shall issue a single Global Bond, representing all the Bonds making up the issue, which shall be deposited with Banco Bilbao Vizcaya, S.A., for the account and benefit of the respective Bondholders.

Banco Bilbao Vizcaya, S.A. shall have custody of such Global Bond until its maturity.

Notwithstanding the foregoing, if any of the holders should request the delivery of physical bond certificates or the exclusion of his Bonds of the Espaclear system, EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT shall issue a Multiple Bond representing the relevant Bonds.

BOOK ENTRY SYSTEM

When the system of representation of securities by means of book entries (anotaciones en cuenta) established by the RD 116/92, of February 14 "sobre representación de valores por medio de anotaciones en cuenta y compensación y liquidación de operaciones bursátiles" is applicable in the AIAF fixed-income Securities market, the references in these terms and

conditions which are contradictory with the said regulation or any regulation which may be applicable shall be taken as not made and all the provisions relating to physical bond certificates as a form of representation of the Bonds shall be construed as if the Bonds were represented by book entries.

FINANCIAL SERVICE

The financial service for the Issue shall be the responsibility of Banco Bilbao Vizcaya, S.A. who shall act as Issuing and Paying Agent for the same as established in the Issuing and Paying Agency Agreement :

- (a) Payment of the principal of the Bonds shall be made in pesetas, in cash, upon the production of evidence of ownership of the Bonds in the Office of the Issuing and Paying Agent (Clara del Rey 26, Madrid) on the Redemption Date. If the Redemption Date falls on a day that is not a banking day in Madrid, payment shall be deferred to the next following banking day in Madrid and no interest shall accrue to the bondholders for this deferment.
- (b) Interest payments shall be made in pesetas, in cash, upon the production of evidence of ownership of the Bonds in the Office of the Issuing and Paying Agent (Clara del Rey 26, Madrid), on the interest payment dates. If an interest payment date falls on a day that is not a banking day in Madrid, payment shall be deferred to the next following banking day in Madrid and no interest shall accrue to the bondholders for this deferment.

For purposes of determination of payment dates under the foregoing paragraphs, Saturdays shall be considered non-banking days in Madrid.

For the purposes of determining what must be understood by "production of evidence of ownership of the Bonds", the following will apply:

- (a) In general, the payment of the principal of and the interest on the Bonds shall be carried out by the procedure established by Espaclear, so that the holders of the same need not carry out any action to obtain the amounts mentioned.

- (b) However, in the event that any of the holders have requested the exclusion of their Bonds from such system and the relevant issue of physical certificates, the payment of interest shall be made against presentation of the Bonds and the payment of principal against delivery of the same.

Payment of principal and/or interest will be subject to any legal tax and regulatory provisions applicable at any time during the life of the issue.

LEGAL STATUS OF THE BONDS

Each of the Bonds is a direct, unconditional and unsecured debt of EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT and ranks *pari passu* with all other unsecured and not subordinated debts, either present or future, of EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT, except for those obligations specially privileged by virtue of law. The Bonds do not constitute obligations of any Government or member of the EBRD.

PRESCRIPTION OF THE BONDS

Any Bonds not presented for payment of principal within FIFTEEN (15) years after the Redemption Date with respect to the Payment of Principal, as well as any interests of which payment has not been asked for within FIVE (5) years following their respective interest payment dates, shall be deemed void, and EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT shall be discharged of any claims with respect thereto provided that such expiration or status of limitation has not been interrupted by any means permitted by law.

TAX SYSTEM

Payments of interest on the Bonds will be made by EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT to the Issuing and Paying Agent without withholding or deduction for or on account of tax.

ISSUE OF REPLACEMENT BONDS

In the event of theft, robbery, loss, mutilation or destruction of any Bond, the affected bondholders may send a written request for replacement to the Issuing and Paying Agent (Clara del Rey 26, Madrid), who shall promptly forward any such request to EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT.

After EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT gives written notice to this effect, the Issuing and Paying Agent shall proceed with the replacement of said Bonds, in accordance with the applicable rules and upon such terms in respect of evidence, security and indemnity as EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT and the Issuing and Paying Agent may require in each case. All costs incurred in the replacement of any bond shall be borne by the applicant bondholder. Mutilated Bonds shall be surrendered by the bondholder to the Issuing and Paying Agent prior to the issue of replacement Bonds.

As soon as EBRD receives any request for replacement of Bonds from the Issuing and Paying Agent, and in no case later than FORTY-FIVE (45) days after said receipt, EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT shall provide written instructions to the Issuing and Paying Agent on the handling of such request.

SETTLEMENT AND CLEARING

Clearing and settlement for the Bonds included within the Issue shall be carried out through CEDEL (Centrale de Livraison de Valeurs Mobilières, S.A.), EUROCLEAR, and ESPACLEAR.

LISTING

After the Issue has been subscribed for, an application shall be made for the Bonds to be listed on the AIAF (Association of Securities Dealers) (Asociación de Intermediarios de Activos Financieros) fixed-income securities market.

NOTICES

Any information, announcement or notice that EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT desires to give to the bondholders shall be deemed validly made when placed in the "Official State Gazette" ("Boletín Oficial del Estado") or the "Official Mercantile Registry Gazette" ("Boletín Oficial del Registro Mercantil"), as applicable, in a daily newspaper of national circulation and in another of international circulation.

NEW ISSUES AND CONSOLIDATION

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT reserves the right to agree at any time to issue bonds which may consolidate with this Issue, without any need to obtain approval of the bondholders of this Issue. The terms and conditions of any new Bonds thus issued shall be the same as those provided for the Bonds included in this Issue, except for the offering price, which may vary depending on the market conditions prevailing at the time of carrying out each new issue.

LAW AND JURISDICTION

This Issue is governed by the laws of Spain.

For any lawsuit or claim arising from this Issue, the bondholders and EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT expressly submit to the exclusive jurisdiction of the Courts and Tribunals of Madrid, waiving any other preferred jurisdiction to which they may be entitled.

For the purposes of any legal action brought against EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT, EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT hereby designates, as its address for service of process under such action, the address of the Issuing and Paying Agent in Madrid, at calle Alcalá 45, 3rd floor.

SUMMARY OF THE TERMS AND CONDITIONS

The following is a non-binding summary in English of the principal terms and conditions of the Bonds included in this Issue. For the definitive terms and conditions, please refer to pages 4 to XX of this Offering Circular.

<i>Amount, Form and Denomination</i>	The Bonds will be issued in bearer form in the principal amount of 11,500,000,000 Pesetas at the price of 102.00% of their principal amount, in the denomination of 1,000,000 Pesetas each.
<i>Interest</i>	The Bonds will bear interest from September 23, 1996 at a rate of 8.46% per annum, payable on December 1 in each year. The first payment of interest (for the period between September 23, 1996 and December 1, 1996) will be made on December 1, 1996. From then on interest shall be payable on annual basis. Interest shall be calculated on the basis of a 360 day year consisting of 12 months of 30 days each. Each Bond will cease to bear interest on December 1, 2025.
<i>Redemption</i>	The Bonds will be redeemed at their principal amount on December 1, 2025.
<i>Purchase</i>	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereafter "EBRD") may at any time repurchase the Bonds at any price in the open market or otherwise. Such Bonds may, at the option of EBRD, be held, resold or cancelled through the Issuing and Paying Agent.
<i>Payments</i>	Payments of principal and interest will be made in Pesetas by Banco Bilbao Vizcaya, S.A. as Issuing and Paying Agent.
<i>Status</i>	The Bonds are direct and unsecured obligations of EBRD, ranking paripassu without any preference among themselves and with all other outstanding unsecured and unsubordinated obligations, present or future, of EBRD.
<i>Prescription</i>	The period of prescription in relation to the payment of interest will be five years, and in relation to the payment of principal will be fifteen years, in each case from the due date thereof.
<i>Taxation</i>	Payment of interest on the Bonds will be made by the EBRD to the Issuing and Paying Agent without withholding or deduction for or on account of tax.
<i>Notices</i>	All notices regarding the Bondholders shall be validly given by EBRD if published in the "Boletín Oficial del Estado", or in the "Boletín Oficial del Registro Mercantil", as applicable, in one leading spanish newspaper and in one leading international newspaper.
<i>Listing</i>	Application has been made for the Bonds to be listed on the AIAF Market (Mecado AIAF de Renta Fija)
<i>Clearing</i>	The bonds are intended to be cleared by CEDEL, Euroclear and Espaclear (Espaclear Sistemas de Compensación de Activos Financieros).
<i>Governing Law and Jurisdiction</i>	The Bonds shall be governed by Spanish law and shall be subject to the jurisdiction of the Courts of Madrid.

GENERAL INFORMATION

Interest payments shall be subject to withholding by the Depository Institutions for the Bonds whenever the bondholders are resident in Spain or not being resident, they have a permanent establishment in Spain.

The withholding rate shall be that in force from time to time (currently 25%), the withholding made being deductible from the bondholder's Personal Income Tax (Impuesto sobre la Renta de las Personas Físicas) or Corporation Tax (Impuesto de Sociedades) liability.

However, interest paid is not at present subject to any withholding in Spain when the bondholder is not resident in Spain.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

Introduction The issuer is an international organisation established under the Agreement Establishing the European Bank for Reconstruction and Development ("the Agreement"), signed on 29 May 1990 by 40 countries, the European Economic Community and the European Investment Bank. The Agreement entered into force on 28 March 1991 and the Issuer commenced its activity on 15 April 1991. It currently has 60 members and its headquarters is in London.

The Agreement The Agreement is the document constituting the Issuer. It determines the purpose of the Issuer and its functions, its organisation and its capital structure, authorizes the operations in which it can participate, fixes the limits on the performance of the same and establishes its statute, exemptions, immunities and privileges. Likewise the Agreement contains the provisions regarding the admission, withdrawal or suspension of its members, increases in authorized capital, the terms and conditions under which the Issuer can make or guarantee loans and make investments, the use of the currencies in which it is financed, the amendments and interpretations of the Agreement itself and the suspension and termination of the activities of the Issuer.

Purpose and Functions

The purpose of the Issuer is to facilitate transition towards the market economy and to promote private business initiatives in the member countries of Central and Eastern Europe which have agreed to apply the principles of democracy, a multi-party system, pluralism and a market economy. The countries in which the Issuer performs its activities are situated in Central and Eastern Europe and the territories of the former Soviet Union.

To achieve this purpose, the Issuer collaborates in the implementation of structural and sectoral economic reforms, such as demonopolisation, decentralisation and privatisations, in order for economies of these countries to be fully integrated into the international economy. In this respect its main functions are:

- to promote, through private investors, the establishment, improvement and expansion of productive and competitive private economic activities, in particular in small and medium-sized businesses;
- to mobilise for such purpose, domestic or foreign capital and management teams;
- to facilitate productive investments, including in addition the financial and services sectors and infrastructure, when necessary to support business initiative, thereby collaborating in the creation of a competitive environment and in the improvement of productivity, the standard of living and working conditions;
- to provide technical assistance in the preparation, financing and start-up of relevant projects, whether individual or as part of specific investment programmes;
- to stimulate and support the development of capital markets;
- to support economically viable projects involving two or more countries;
- to promote satisfactory development from the environmental viewpoint; and
- to carry out any other activity or provide any other service which may improve or strengthen these functions.

The founder countries of the Issuer considered that the transition of these countries towards market economies was closely linked to the development of multiparty plural democracies. Accordingly, the Issuer promotes and assesses these political aspects as being consubstantial with the process of transition to market economies. Thus it carries out assessments of the economic and political progress of these countries as part of the review, which it carries out periodically, of the strategy to follow in each of the countries in which it operates.

Legal statute, Privileges and Immunities

The Agreement contains provisions which grant the Issuer its legal statute and certain exemptions and immunities in the territories of each of its member countries.

The Issuer has full legal personality to enter into contracts, acquire and sell real property, and initiate legal proceedings. Under the Headquarters Agreement signed on 15 April 1991 between the Issuer and the United Kingdom, the Issuer, within the scope of its official activities, enjoys immunity from jurisdiction, subject to certain limitations such as civil actions which result from its capacity to borrow, to guarantee obligations and to purchase, sell or underwrite securities. Outside the United Kingdom, actions against the Issuer may be brought only in a court with competent jurisdiction in the territory of a country in which the Issuer has an office, has appointed an agent to accept process, or has issued or guaranteed securities. No action may be brought against the Issuer by its members or persons acting for the latter.

The property and assets of the Issuer are immune from any form of attachment, seizure or execution, prior to a judgment against the same. Such property and assets are also free from any search, requisition, confiscation, expropriation or any other forms of foreclosure or dispossession deriving from enforcement or legal actions. The files of the Issuer are inviolable.

The Governors, Alternate Governors, Directors, Alternate Directors, Officials and employees of the Issuer, including any experts performing tasks for the same, enjoy immunity from any legal procedure for acts carried out in the performance of their duties, except when the Issuer withdraws such immunity.

Taxation

Within the scope of its official activities, the Issuer, its assets, property, and income, are exempt from any direct tax established by any of its members. The exemption from indirect taxes applies to all purchases or services, carried out or requested by the Issuer, necessary for the performance of its official activities. The Issuer is also exempt from any customs duty or import or export duty and any restriction or prohibition on importing or exporting goods necessary for the performance of its activities.

Any bonds or securities issued by the Issuer, including the dividends or interest on the same, shall not be subject to any tax which discriminates against the bonds or securities merely on the basis of their having been issued by the Issuer, or when the sole justification for seeking to impose such tax is the place or the currency in which the issue is made, is payable or is paid, or the place at which any office or business centre of the Issuer is situated.

In accordance with the international practice of granting certain immunities and privileges to international organisations, the Government of the United Kingdom has approved legal provisions aiming to exempt from the obligation to withhold taxes on interest and other payments made by international organisations, including the Issuer. Thus interest payments may be made by the Issuer or a paying agent without any withholding or deduction for or on account of United Kingdom income tax.

Shareholders and Capital Stock

As at 31 December 1995, the principal members of the Issuer were those listed below, along with the total capital subscribed by each of them:

Member State	Subscribed capital (thousands of ECUS)
United States	1,000,000
Japan	851,750
Germany	851,750
France	851,750
United Kingdom	851,750
Italy	851,750
Russian Federation	400,000
Canada	340,000
Spain	340,000
European Communities	300,000
EIB	300,000
Other Members	<u>3,796,750</u>
	9,883,750

Increase in the Bank's authorized Capital Stock

At the annual Convention of the Issuer held in Sofia on 15 and 16 April 1996, the Board of Governors resolved to increase the authorized capital stock of the Bank by 1,000,000 shares, each with a nominal value of ECU 10,000. The deadline to subscribe for shares for each member or potential member wishing to do so shall be 15 April 1997, or, if so determined by the Board of Governors, a later date, subject to the limit of 31 December 1997. The Resolution shall take effect on the date on which the subscriptions received satisfactorily by the Bank reach a total number of 494,188 shares.

Decision-making bodies

The Issuer's decision-making bodies are the Board of Governors and the Board of Directors.

The Board of Governors has all the decision-making powers. It is made up of Governors and Alternate Governors, who are those who represent the diverse members by alternation. This Committee delegates many of its powers to the Board of Directors, which is responsible for the general management of the operations of the Issuer.

As at 31 December 1995, the members of the Board of Directors and the member countries they represented were:

Directors	Alternate Directors	Members Represented
Peter Bod	Tomás Parízek	Hungary/Czech Rep./ Croatia/Slovak Rep.
John Coleman	David Horley	Canada/Morocco
Staffan Crona	Hakan Emsgard	Sweden/Iceland/Estonia
Robert Graham-Harrison	David Roe	United Kingdom
Johan Hilbers	Kees Spaans	The Netherlands
Brian Hillery	Asger Lund-Sorensen	Ireland/Denmark/Lithuania/ Macedonia
Plamen Ilchev	Jan Bielecki	Bulgaria/Poland/Albania
Lee Jackson	-	United States of America
Helge Kringstad	Rauli Sulkkänen	Norway/Finland/Latvia
Roger Lavelle	Terry Brown	EIB

Heiner Luschin	Amos Rubin	Austria/Israel/Cyprus/ Malta/Kazakhstan
Guisepe Maresca	Maurizio Serra	Italy
Patrick Mordacq	Didier Elbaum	France
Alan Morris	Huhn-Gunn Ro	Australia/Korea/New Zealand/Egypt
Philippe Petit-Laurent	Peter Blackie	European Community
Oleg Preksin	Serguei Ovseitchik	Russian Federation/ Belarus/Tajikistan
Jacques Reverdin	Seçuk Demiralp	Switzerland/Turkey/ Azerbaijan/Liechtenstein/ Uzbekistan/Kyrgyzstan
Oleksander Savchenko	Stanel Ghencca	Ukraine/Romania/Armenia/ Moldavia/Georgia
Bernard Snoy	Ernst Muhlen	Belgium/Luxembourg/ Slovenia
Fernando Soares Carneiro	Stefanos Vavalidis	Portugal/Greece
Kazumoto Suzuki	Takashi Osanai	Japan
Miguel Valle	Belén Cristino	Spain/Mexico
Günter Winkelmann	Hans-Heinrich Wrede	Germany

FINANCIAL INFORMATION

BALANCE SHEET AT 31 DECEMBER (in thousands of ECUS)

	1995	1994
ASSETS		
Time deposits	1.114.579	759.724
Fixed-income securities	4.443.536	3.476.120
Loans	1.584.895	753.063
Shares	490.808	365.605
Less Provisions	(61.931)	(64.066)
Other assets	2.013.772	1.054.602
Tangible fixed assets	733.739	1.217.362
Promissory notes issued by member countries	57.932	71.698
Subscribed capital:	241.338	256.793
¾ called and pending payment	94.700	74.250
¾ uncalled	28.118	617.325
TOTAL ASSETS	8.727.714	7.528.144
LIABILITIES		
Deposits by banks	325.972	142.579
Debt securities in issue	4.315.328	3.467.808
Other liabilities	1.018.267	935.369
Subscribed capital	9.883.750	9.883.750
Not paid in	(6.918.625)	(6.918.625)
Paid in	2.965.125	2.965.125
Reserves	51.743	33.784
Prior years' profits (losses)	(39.653)	(26.109)
Profit and loss account	7.507	1.013
Shareholders' Equity	2.984.722	2.973.813
TOTAL LIABILITIES	8.727.714	7.628.144

PROFIT AND LOSS ACCOUNT TO 31 DECEMBER
(in thousands of ECUS)

	1995	1994
Interest income	401.530	331.840
Interest payable	229.358	175.353
NET INTEREST INCOME	172.172	156.487
Dividends and commissions	39.711	27.623
Gains on financial transactions	29.286	(13.414)
OPERATING INCOME	241.169	170.696
Administration Expenses	(136.815)	(134.779)
Depreciation	(21.463)	(10.982)
Provisions	(75.384)	(23.922)
PROFIT FOR THE YEAR	7.507	1.013

Issuer

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

One Exchange Square
London EC2A 2EH
United Kingdom

Lead Manager

BANCO BILBAO VIZCAYA, S.A.

Alcalá, 45
28014 Madrid

Legal Adviser in Spanish for the Issuer

URÍA & MENENDEZ

London Office
Aldermanbury Square
London EC2V 7HR
United Kingdom

Paying Agent

BANCO BILBAO VIZCAYA

