

## PRICING SUPPLEMENT

29th September, 2003

**European Bank for Reconstruction and Development  
USD25,000,000 BRL Linked Notes due September 2013  
issued pursuant to a Global 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

- |    |   |   |
|----|---|---|
| 1. | Specified Currency:   | United States dollars ( <b>USD</b> )  |
| 2. | Nominal Amount:   | USD25,000,000   |
| 3. | Type of Note:   | Fixed Rate BRL Linked Note (see the Schedule hereto)  |
| 4. | Issue Date:   | 30th September, 2003  |
| 5. | Issue Price:  | 100 per cent.   |
| 6. | Maturity Date:  | 30th September, 2013 (the <b>Scheduled Maturity Date</b> ) subject as provided in the Schedule hereto |
| 7. | Fungible with existing Notes:                                       | No  |
| 8. | Pricing Supplement to be read in conjunction with Prospectus dated: | 29th August, 2003   |

### FORM OF THE NOTES

- |     |  |   |
|-----|--|---|
| 9.  | Form of Notes:   | Registered  |
| 10. | Specified Denomination(s):   | USD1,000,000  |
| 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 mature:                                  | Not applicable  |
| 13. | (a) Registered holder of Registered Global Notes:                        | Interests in Notes held through the Depository Trust Company, New York ( <b>DTC</b> ) will be represented initially by a Registered Global Note registered in the name of Cede and Co. as nominee for DTC.<br><br>Interests in Notes held through Euroclear and Clearstream, Luxembourg will be represented initially by a Registered Global Note registered in the name of Citivic Nominees Limited as nominee of Citibank, N.A. as common depository for Euroclear and Clearstream, Luxembourg. |
|     | (b) Exchange of Registered Global Note:                                  | The Registered Global Notes will only be exchangeable for definitive Registered Notes in  |

the limited circumstances described in page 29 of the Prospectus.

Each Registered Global Note shall be amended by the deletion of the first sentence of the fifth paragraph and the substitution of the following therefor:

"This Global Note may be exchanged, in whole or in part, for definitive Registered Notes only in the following circumstances:

- (a) upon the occurrence of an Event of Default;
- (b) if DTC, Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative depository is available; or
- (c) if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to this Global Note or ceases to be a "clearing agency" registered under the United States Securities Exchange Act of 1934, as amended from time to time, or is at any time no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC and the Registrar has received a notice from Cede & Co. requesting an exchange of a specified amount of this Global Note for definitive Registered Notes."

#### **PROVISIONS RELATING TO INITIAL PAYMENT**

14. Partly Paid Notes: No

#### **PROVISIONS RELATING TO INTEREST**

15. Interest Commencement Date: The Issue Date

#### **Fixed Rate Notes:**

16. (a) Fixed Rate(s) of Interest: As provided in paragraph 3(b) of the Schedule hereto

(b) Fixed Interest Date(s): 30th March and 30th September in each year from and including 30th March, 2004 to and including the Scheduled Maturity Date (each such date a **Scheduled Fixed Interest Payment**)

**Date**), subject as provided in the Schedule hereto

- |     |  |   |
|-----|--|---|
| (c) | Initial Broken Amount per denomination:  | Not applicable  |
| (d) | Final Broken Amount per denomination:  | Not applicable  |
| (e) | Fixed Day Count Fraction:  | Not applicable  |
| (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), <b>Business Day</b> means any day 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 London, Sao Paulo and New York City |
| (h) | Calculation of interest to be adjusted in accordance with Business Day Convention specified above: | No  |

**Zero Coupon Notes:**

- |     |     |  |                |
|-----|-----|--|----------------|
| 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**

- |     |                               |   |                |
|-----|-------------------------------|---|----------------|
| 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:        |   |                |
|     | (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
	(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)(iii) of Euro-zone:	Not applicable

#### PROVISIONS REGARDING PAYMENTS/DELIVERIES

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), <b>Payment Day</b> means any day on which commercial banks and foreign exchange markets settle payments and are open for business in London, Sao Paulo, New York City and in the relevant place of presentation of such Note for payment
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): | The Redemption Amount - See the Schedule hereto |
|     | (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 Redemption Amount - See the Schedule hereto |

**DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS**

- |     |   |  |
|-----|---|--|
| 31. | Method of distribution:   | Non-syndicated   |
| 32. | If syndicated, names of Managers or, if non-syndicated names of Purchasers:             | Deutsche Bank AG London  |
| 33. | Stabilising Agent   | Not applicable   |
| 34. | Additional sales restrictions:  | The offering of these Notes has not been, and will not be, registered or approved and this document has not been reviewed by the Brazilian Securities Commission ( <i>Comissão de Valores Mobiliários</i> ) in Brazil. The Notes may not be offered or sold in Brazil and the Purchaser has agreed not to offer or sell the Notes in Brazil, except in circumstances that do not constitute a public offering of securities under Brazilian law and regulations. |
| 35. | Details of additional/alternative clearing system approved by the Issuer and the Agent: | Not applicable   |
| 36. | Common Code:  | 17768557   |
|     | ISIN Code:  | US29874QBM50   |
|     | CUSIP Number:   | 29874QBM5  |
| 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: See the Schedule hereto

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 Global Medium Term Note Programme of European Bank for Reconstruction and Development (as from 30th September, 2003).

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CITIBANK, N.A.  
(as Agent)

## SCHEDULE

### Risk Warning

**There are significant risks associated with the Notes including, but not limited to exchange rate risk including, without limitation, inconvertibility risk, price risk, liquidity risk and credit risk. Investors should consult their own financial, legal, accounting and tax advisors about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes.**

#### 1. Inconvertibility Event

- (a) In the event that an Inconvertibility Event exists or is subsisting on a FX Coupon Valuation Date, then (i) the Fixed Interest Date immediately succeeding the relevant Scheduled FX Coupon Valuation Date shall be postponed to the Postponed Fixed Interest Date and (ii) such applicable FX Coupon Valuation Date shall be postponed to the day that is three Business Days prior to the Postponed Fixed Interest Date.
- (b) In the event that an Inconvertibility Event exists or is subsisting on the FX Maturity Valuation Date then (i) the Redemption Date shall be postponed to the Postponed Redemption Date and (ii) the FX Maturity Valuation Date shall be postponed to the day that is three Business Days prior to the Postponed Redemption Date.
- (c) The occurrence of an Inconvertibility Event shall be determined by the Calculation Agent in its sole discretion acting in good faith and in a commercially reasonable manner. The Calculation Agent shall give notice (an **Inconvertibility Notice**) to the Noteholders in accordance with Condition 13 and to the Agent, Euroclear, Clearstream, Luxembourg, DTC and the Issuer of the occurrence of an Inconvertibility Event as soon as reasonably practicable thereafter.
- (d) For the avoidance of doubt, no additional interest or other additional amounts shall be payable by the Issuer in the event that a Fixed Interest Date or the Redemption Date is postponed in accordance with this paragraph 1.
- (e) The Calculation Agent shall notify the Issuer, the Agent, DTC, Euroclear, Clearstream, Luxembourg and the Noteholders in accordance with Condition 13 if it determines in its sole discretion acting in good faith and in a commercially reasonable manner that, on any day during the period from (and including) the day falling 30 calendar days prior to a FX Coupon Valuation Date to (and including) such FX Coupon Valuation Date or from (and including) the day falling 30 calendar days prior to the FX Maturity Valuation Date to (and including) the FX Maturity Valuation Date, an Inconvertibility Event has occurred or is subsisting.

#### 2. Market Disruption Event and Hedge Disruption Event

- (a) Subject as provided in paragraph 2(d), paragraph 3(d) or paragraph 4(e) below, in the event that a Market Disruption Event or a Hedge Disruption Event occurs or is subsisting on (i) a FX Coupon Valuation Date or (ii) the FX Maturity Valuation Date then (x) in the case of (i), the Fixed Interest Date immediately succeeding the relevant Scheduled FX Coupon Valuation Date or (y) in the case of (ii), the Redemption Date, shall be postponed (such period of

postponement a **Disrupted Period**) to the day that is three Business Days immediately following the relevant Disruption Valuation Date.

- (b) The occurrence of a Market Disruption Event or a Hedge Disruption Event shall be determined by the Calculation Agent in its sole discretion acting in good faith and in a commercially reasonable manner. The Calculation Agent shall give notice to the Noteholders in accordance with Condition 13 and to the Agent, DTC, Euroclear, Clearstream, Luxembourg and the Issuer of (i) a Market Disruption Event or a Hedge Disruption Event occurring or subsisting on a FX Coupon Valuation Date or the FX Maturity Valuation Date and (ii) subject as provided in paragraph 3(d) or paragraph 4(e) below, when such Market Disruption Event or such Hedge Disruption Event, as the case may be, is no longer subsisting, in each case, as soon as reasonably practicable thereafter.
- (c) For the avoidance of doubt, no additional interest or other additional amounts shall be payable by the Issuer in the event that a Fixed Interest Date or the Redemption Date is postponed in accordance with this paragraph 2.
- (d) If during a Disrupted Period an Inconvertibility Event occurs or is subsisting, then the provisions of paragraph 1 above shall apply in relation to the relevant Fixed Interest Date or the Redemption Date, as applicable, and no further action shall be taken by the Issuer, the Calculation Agent or the Exchange Agent pursuant to this paragraph 2.

### 3. Interest Amount

- (a) Conditions 4(a)(i) and 4(a)(ii) shall be deleted and the following substituted therefor:

"Each Note accrues interest in respect of each Interest Period. The amount of interest payable in respect of each USD1,000,000 in nominal amount of Notes in relation to each Interest Period shall be the Interest Amount, such amount to be payable on one of (i) the Fixed Interest Date, or (ii) the Postponed Fixed Interest Date, or (iii) the third Business Day after the Disruption Valuation Date, or (iv) the Disruption Payment Date, as the case may be."

- (b) The Interest Amount in respect of the relevant Interest Period will be an amount in USD (rounded down to the nearest two decimal places) calculated by the Calculation Agent equal to:

$$(A \times B \times C)/D$$

Where:

"A" is the BRL Denomination Amount ;

"B" is 16.00 per cent. per annum (the **Fixed Rate of Interest**);

"C" is the Number of Accrual Days/365 in the relevant Interest Period; and

"D" is  $FX_{\text{INTERIM}}$  on the relevant FX Coupon Valuation Date,

subject as provided in paragraph 3(d).

- (c) In the case where an Inconvertibility Event is existing on the relevant FX Coupon Valuation Date, and the Calculation Agent in its sole discretion acting in good faith and in a commercially reasonable manner is unable to obtain the  $FX_{\text{INTERIM}}$ , the Calculation Agent in its sole discretion acting in good faith and in a commercially reasonable manner shall



determine the  $FX_{\text{INTERIM}}$  which may be such a value that the resulting Interest Amount may be zero.

- (d) If, in the determination of the Calculation Agent in accordance with paragraph 2(b), a Market Disruption Event or a Hedge Disruption Event is subsisting on each day during the period from and including the relevant FX Coupon Valuation Date to and including the Final Disruption Valuation Date, the Calculation Agent shall determine the relevant Interest Amount on the Final Disruption Valuation Date (notwithstanding the Market Disruption Event or Hedge Disruption Event, as the case may be,) as an amount in USD determined by the Calculation Agent in its sole discretion acting in good faith and in a commercially reasonable manner, which amount may be zero. Any amount payable pursuant to this paragraph 3(d) shall be paid on the Disruption Payment Date.

#### 4. Redemption Amount

- (a) The Redemption Amount (the **Redemption Amount**) in respect of each USD 1,000,000 in nominal amount of Notes will be an amount in USD calculated by the Calculation Agent equal to:

$$\text{BRL Denomination Amount} / FX_{\text{FINAL}},$$

subject as provided in paragraph 4(e) below.

- (b) In the case where an Inconvertibility Event is existing on the FX Maturity Valuation Date, and the Calculation Agent in its sole discretion acting in good faith and in a commercially reasonable manner is unable to obtain the  $FX_{\text{FINAL}}$ , the Calculation Agent in its sole discretion acting in good faith and in a commercially reasonable manner shall determine the  $FX_{\text{FINAL}}$  which may be such a value that the resulting Redemption Amount may be zero.
- (c) Upon receipt of an Inconvertibility Notice from the Calculation Agent in accordance with paragraph 1(a) above, each Noteholder shall have the right (but not the obligation) to elect to receive in lieu of the Redemption Amount in United States Dollars the BRL Denomination Amount on the relevant BRL Settlement Date by:
- (i) giving irrevocable notice in writing (the **BRL Payment Option Exercise Notice**) to the Issuer and the Exchange Agent (with a copy to the Calculation Agent) after receipt of the Inconvertibility Notice but no later than the day (the **BRL Payment Option Expiry Date**) falling ten Business Days immediately preceding the Postponed Redemption Date; and
  - (ii) on any Clearing System Business Day up to and including the tenth Clearing System Business Day immediately preceding the Postponed Redemption Date, delivering the nominal amount of Notes free of payment (the **Relevant Notes**) which are the subject of the BRL Payment Option Exercise Notice to the Exchange Account.

The BRL Payment Option Exercise Notice must:

- (i) specify the name and address of the relevant Noteholder;
- (ii) specify the nominal amount of Notes which are the subject of such notice; and
- (iii) specify the account details (the **BRL Account**) to which the Exchange Agent will pay the BRL Denomination Amount.

- (d) In the event that the provisions of paragraph 4(c) above are satisfied, the Exchange Agent will pay the BRL Denomination Amount to the relevant Noteholder's BRL Account on the day (the **BRL Option Payment Date**) falling four Business Days immediately succeeding the BRL Payment Option Expiry Date. A BRL Payment Option Exercise Notice may not be withdrawn after receipt thereof by the Issuer, the Exchange Agent and the Calculation Agent and after delivery of the BRL Payment Option Exercise Notice the relevant Noteholder may not transfer the Notes which are the subject of such BRL Payment Option Exercise Notice. The Issuer will be discharged from its obligation to pay the relevant BRL Denomination Amount by payment of the same to or to the order of the Exchange Agent.

**If no BRL Payment Option Exercise Notice is duly given on or prior to the BRL Payment Option Expiry Date, the Noteholder shall have no claim in respect of the BRL Denomination Amount and the Issuer's obligation in respect of the Postponed Redemption Date will be to pay the Redemption Amount in United States Dollars.**

- (e) If, in the determination of the Calculation Agent in accordance with paragraph 2(b), a Market Disruption Event or a Hedge Disruption Event is subsisting on each day during the period from and including the FX Maturity Valuation Date to and including the Final Disruption Valuation Date, the Calculation Agent shall determine the Redemption Amount on the Final Disruption Valuation Date (notwithstanding the Market Disruption Event or Hedge Disruption Event, as the case may be,) as an amount in USD determined by the Calculation Agent in its sole discretion acting in good faith and in a commercially reasonable manner, which amount may be zero. Any amount payable pursuant to this paragraph 4(e) shall be paid on the Disruption Payment Date.

## 5. Definitions

**Affiliate** means, in relation to any entity (the **First Entity**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes **control** means ownership of a majority of the voting power of an entity.

**BRL Denomination Amount** means, in respect of each USD1,000,000 in nominal amount of Notes, BRL 3,000,000.

**BRL Settlement Date** means the day that is four Business Days immediately succeeding the BRL Payment Option Expiry Date.

**Brazil** means the Federative Republic of Brazil.

**Calculation Agent** means Deutsche Bank AG London appointed pursuant to a Calculation Agency Agreement dated 29th September, 2003, as amended or supplemented from time to time, (the **Calculation Agency Agreement**) and all references to the Calculation Agent shall include any successor as Calculation Agent in respect of the Notes.

**Clearing System Business Day** means a day on which each of DTC, Euroclear and Clearstream, Luxembourg are open for business.

**Disruption Payment Date** means the day falling two Business Days after the Final Disruption Valuation Date.

**Disruption Valuation Date** means, in the event that a FX Coupon Valuation Date or the FX Maturity Valuation Date is postponed pursuant to paragraph 2 above, the first Business Day

after the day on which the relevant Market Disruption Event is no longer subsisting, subject as provided in paragraph 3(d) or paragraph 4(e) above.

**Domestic Currency** means Brazilian Real (**BRL**) or, if BRL ceases to exist, any other legal tender in effect in the jurisdiction of Brazil.

**Exchange Account** means Euroclear Account 91255 in the name of the Exchange Agent or such other account as may be notified to the Noteholders in accordance with Condition 13 from time to time.

**Exchange Agent** means Deutsche Bank AG London appointed pursuant to the Calculation Agency Agreement and all references to the Exchange Agent shall include any successor as Exchange Agent in respect of the Notes.

**Final Disruption Valuation Date** means the day falling 180 Business Days after the Scheduled Maturity Date.

**FX Coupon Valuation Date** means the date on which the Calculation Agent determines the **FX<sub>INTERIM</sub>** in respect of an Interest Period being (i) the day falling three Business Days immediately preceding the Scheduled Fixed Interest Payment Date for such Interest Period (the **Scheduled FX Coupon Valuation Date**) or (ii) if an Inconvertibility Event exists on such date, the FX Coupon Valuation Date shall be four Business Days prior to the Postponed Fixed Interest Date, provided that if the **FX<sub>INTERIM</sub>** is unable to be obtained by the Calculation Agent on such date then such FX Coupon Valuation Date shall be postponed to the first succeeding Business Day on which the **FX<sub>INTERIM</sub>** can be obtained by the Calculation Agent, such date to be no later than two Business Days prior to such Postponed Fixed Interest Date, or (iii), subject as provided in paragraph 3(d) above, if a Market Disruption Event or a Hedge Disruption Event exists on such date, such FX Coupon Valuation Date shall be the Disruption Valuation Date.

**FX Maturity Valuation Date** means the date on which the Calculation Agent determines the **FX<sub>FINAL</sub>** being (i) the day falling three Business Days immediately preceding the Scheduled Maturity Date or (ii) if an Inconvertibility Event exists on such date, the FX Maturity Valuation Date shall be four Business Days prior to the Postponed Redemption Date provided that if the **FX<sub>FINAL</sub>** is unable to be obtained by the Calculation Agent on such date then the FX Maturity Valuation Date shall be postponed to the first succeeding Business Day on which the **FX<sub>FINAL</sub>** can be obtained by the Calculation Agent, such date to be no later than two Business Days prior to the Postponed Redemption Date or (iii), subject as provided in paragraph 4(e) above, if a Market Disruption Event or a Hedge Disruption Event exists on such date, the FX Maturity Valuation Date shall be the Disruption Valuation Date or (iv) in the case of a redemption pursuant to Condition 9, the day that is three Business Days immediately preceding the date fixed for such early redemption.

**FX<sub>FINAL</sub>** means the lowest of the Quotations obtained by the Calculation Agent from the Reference Dealers at or about, 11:00 a.m. New York City time on such FX Maturity Valuation Date for delivery on the Scheduled Redemption Date or the Postponed Redemption Date, as the case may be, provided that if a Market Disruption Event or a Hedge Disruption Event occurs or is subsisting on the FX Maturity Valuation Date and no Inconvertibility Event has been determined by the Calculation Agent then the **FX<sub>FINAL</sub>** shall be the lowest of the Quotations obtained by the Calculation Agent from the Reference Dealers at or about 11.00 am New York City time on the Disruption Valuation Date for delivery on the third Business Day thereafter.

If none of the Reference Dealers provides a relevant Quotation,  $FX_{FINAL}$  will be determined by the Calculation Agent in its sole discretion acting in good faith and in a commercially reasonable manner.

**$FX_{INTERIM}$**  means, in respect of a FX Coupon Valuation Date, the lowest of the Quotations obtained by the Calculation Agent from the Reference Dealers at or about, 11:00 a.m. New York City time on such FX Coupon Valuation Date for delivery on the next occurring Scheduled Fixed Interest Payment Date or Postponed Fixed Interest Date, as the case may be, provided that if a Market Disruption Event or a Hedge Disruption Event occurs or is subsisting on the FX Coupon Valuation Date and no Inconvertibility Event has been determined by the Calculation Agent then the  **$FX_{INTERIM}$**  shall be the lowest of the Quotations obtained by the Calculation Agent from the Reference Dealers at or about 11.00 am New York City time on the relevant Disruption Valuation Date for delivery on the third Business Day thereafter.

If none of the Reference Dealers provides a relevant Quotation,  $FX_{INTERIM}$  for such FX Coupon Valuation Date will be determined by the Calculation Agent in its sole discretion acting in good faith and in a commercially reasonable manner.

**Hard Currency** means any of the lawful currencies of Canada, Japan, the United Kingdom and the United States of America and the euro (and any successor currency to any such currency).

**Hedge Counterparty** means any counterparty in respect of any hedging or related transaction entered into by Deutsche Bank AG London (or any of its agents or Affiliates including, but not limited to, Deutsche Bank S.A. (Brazil)) hedging its obligations or position in respect of the Hedge Transaction.

**Hedge Disruption Event** means, in the determination of the Calculation Agent:

- (a) any Hedge Counterparty is dissolved, becomes insolvent or is unable to pay its debts as they become due, makes a general assignment, arrangement or composition with or for the benefit of its creditors, institutes or has instituted against it a proceeding seeking a judgement of insolvency or bankruptcy or any other relief under any law, has a secured party take possession of all or substantially all its assets, or takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or
- (b) any Hedge Counterparty fails to do one or more of the following:
  - (i) deliver or credit any BRL amount, or obligations owned by or owed to Deutsche Bank AG London, to the account of Deutsche Bank AG London (or any of its agents or Affiliates including, but not limited to, Deutsche Bank S.A. (Brazil)) as instructed by Deutsche Bank AG London (or any of its agents or Affiliates including, but not limited to, Deutsche Bank S.A. (Brazil)); and/or
  - (ii) deliver BRL to a third party when requested to do so by Deutsche Bank AG London (or any of its agents or Affiliates including, but not limited to, Deutsche Bank S.A. (Brazil)); and/or
  - (iii) surrender any obligations owned by or owned to Deutsche Bank AG London (or its agents or Affiliates including, but not limited to, Deutsche Bank S.A. (Brazil)) when requested to do so by Deutsche Bank AG London (or any of

its agents or Affiliates including, but not limited to, Deutsche Bank S.A. (Brazil)); and/or

- (iv) purchase or sell any obligations or take any other action when instructed to do so by Deutsche Bank AG (or any of its agents or Affiliates including, but not limited to, Deutsche Bank S.A. (Brazil)),

which such failure results or, in the opinion of the Calculation Agent in its sole discretion acting in good faith and in a commercially reasonable manner, would result in a failure to make payment or delivery due to Deutsche Bank AG London (or any of its agents or Affiliates including, but not limited to, Deutsche Bank S.A. (Brazil)); or

- (c) the enactment, promulgation, execution, ratification or adoption of, or any change in or amendment to, any rule, law, regulation or statute (or in the applicability or official interpretation of any rule, law, regulation or statute) or the issuance of any order or decree which would result in Deutsche Bank AG London being required to pay additional amounts under any hedge or related transaction in respect of the Hedge Transaction which could not be reasonably avoided.

**Hedge Transaction** means any hedge or related transaction between the Issuer and Deutsche Bank AG London hedging the Issuer's obligations in respect of the Notes.

**Inconvertibility Event** means in the determination of the Calculation Agent any action, event or circumstance whatsoever which from a legal or practical perspective:

- (a) has the direct or indirect effect of hindering, limiting or restricting the convertibility of Domestic Currency into Hard Currency, or the transfer of Hard Currency from Brazil to any other country (including, without limitation, any delay, increased costs, discriminatory rates of exchange or current or future restrictions on repatriation of Domestic Currency into Hard Currency); and/or
- (b) results in the unavailability of Hard Currency in the interbank foreign exchange market located in Brazil in accordance with normal commercial practice.

**Interest Period** means the period from (and including) the Interest Commencement Date to (but excluding) the first Scheduled Fixed Interest Payment Date and each period from (and including) a Scheduled Fixed Interest Payment Date to (but excluding) the next occurring Scheduled Fixed Interest Payment Date.

**Market Disruption Event** means any event, other than an Inconvertibility Event, as a result of which the Calculation Agent is unable to determine any amount falling to be determined by it in respect of the Notes, which event shall include, without limitation:

- (a) a natural or man-made disaster, armed conflict, act of terrorism, riot, labour disruption or any other circumstance beyond its control; or
- (b) the enactment, promulgation, execution, ratification or adoption of, or any change in or amendment to, any rule, law, regulation or statute (or in the applicability or official interpretation of any rule, law, regulation or statute) or the issuance of any order or decree.

**Number of Accrual Days/365** means, in respect of a Interest Period, a number calculated by the Calculation Agent equal to the number of calendar days in such Interest Period divided by 365.

**Postponed Fixed Interest Date** means, in respect of a Scheduled Fixed Interest Payment Date, the day that is 32 calendar days immediately succeeding such Scheduled Fixed Interest Payment Date or, in the event that the relevant Inconvertibility Event occurs during a Disrupted Period and if later the third Business Day immediately succeeding the Disruption Valuation Date.

**Postponed Redemption Date** means the day that is 32 calendar days following the Scheduled Redemption Date or, in the event that the relevant Inconvertibility Event occurs during a Disrupted Period and if later the third Business Day immediately succeeding the Disruption Valuation Date.

**Quotation** means, in respect of a relevant date, each of the firm offers (expressed as the number of BRL per USD1) obtained by the Calculation Agent from the Reference Dealers for the actual sale of BRL and the purchase of USD in the amount required to fulfil the obligations of the Issuer to all Noteholders at the relevant time for delivery on the relevant delivery date. The Calculation Agent shall attempt to obtain four such Quotations on a relevant date.

**Redemption Date** means (i) in the case of a redemption pursuant to Condition 5(a), the Maturity Date and (ii) in the case of a redemption pursuant to Condition 9, the date fixed for such early redemption.

**Reference Dealers** means four leading dealers, banks or banking corporations, which deal in the Domestic Currency, selected by the Calculation Agent in its sole discretion acting in good faith and in a commercially reasonable manner.

**Scheduled Redemption Date** means (a) the Scheduled Maturity Date or (b) in the case of a redemption pursuant to Condition 9, the date fixed for such early redemption.

## 6. Calculation Agent

The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent under the Notes and pursuant to the Calculation Agency Agreement shall (in the absence of manifest error) be final and binding on the Issuer, the Exchange Agent and the Noteholders and shall be made in its sole discretion in good faith and in a commercially reasonable manner in accordance with the Calculation Agency Agreement. In performing its duties under the Notes, the Calculation Agent shall act in accordance with the Calculation Agency Agreement. Any delay, deferral or forbearance by the Calculation Agent in the performance or exercise of any of its obligations or its discretion under the Notes or the Calculation Agency Agreement including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion, and neither the Calculation Agent nor the Issuer nor the Exchange Agent shall bear any liability in respect of, or consequent upon, any such delay, deferral or forbearance.

## 7. Notices to the Issuer, Exchange Agent and Calculation Agent

Any notice from a Noteholder to the Issuer, Exchange Agent or Calculation Agent regarding the Notes will be validly given if delivered in writing to:

- (a) the Issuer at:

European Bank for Reconstruction and Development  
One Exchange Square  
London EC2A 2JN

Fax: +44 20 738 6100  
Attention the Treasurer;

(b) the Exchange Agent at:

Deutsche Bank AG London  
Global Markets  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

Telephone: +44 20 7545 2761  
Fax: +44 20 7541 2761  
Telex: 94015555 DBLN G  
Attention: MTN Desk; and

(c) the Calculation Agent at:

Deutsche Bank AG London  
Global Markets  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB

Telephone: +44 20 7545 2761  
Fax: +44 20 7541 2761  
Telex: 94015555 DBLN G  
Attention: MTN Desk

Any such notice shall be deemed to have been given on the day when delivered or if delivered after 5.00 p.m. (London time) on any day or on any day on which commercial banks were not open for business in London, the first day thereafter on which commercial banks are open for business in London.