

PRICING SUPPLEMENT

23 June 2004

European Bank for Reconstruction and Development
USD 50,000,000 Turkish Lira Linked Zero Coupon Notes due June 2007
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

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|----|---|--|
| 1. | Specified Currency: | United States dollars (" USD ") |
| 2. | Nominal Amount: | USD 50,000,000 |
| 3. | Type of Note: | Zero Coupon |
| 4. | Issue Date: | 25 June 2004 |
| 5. | Issue Price: | 55.80 per cent. of the Nominal Amount |
| 6. | Maturity Date: | 25 June 2007 (the " Scheduled Maturity Date "),
subject as provided in the attached Annex. |
| 7. | Fungible with existing Notes: | No |
| 8. | Pricing Supplement to be read in conjunction with Prospectus dated: | 29 August 2003 |

FORM OF THE NOTES

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|-----|----------------------------|---|
| 9. | Form of Note: | Bearer |
| 10. | Specified Denomination(s): | USD 10,000 |
| 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 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

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|-----|--------------------|----|
| 14. | Partly Paid Notes: | No |
|-----|--------------------|----|

PROVISIONS RELATING TO INTEREST

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|-----|-----------------------------|----------------|
| 15. | Interest Commencement Date: | Not applicable |
|-----|-----------------------------|----------------|

Fixed Rate Notes:

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|-----|-----|--|----------------|
| 16. | (a) | Fixed Rate(s) of Interest: | Not applicable |
| | (b) | Fixed Interest Date(s): | Not applicable |
| | (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: | Not applicable |
| | (g) | Business Day definition if different from that in Condition 4(a)(iii): | Not applicable |
| | (h) | Calculation of interest to be adjusted in accordance with Business Day Convention specified above: | Not applicable |

Zero Coupon Notes:

- | | | | |
|-----|-----|--|--|
| 17. | (a) | Accrual Yield: | 21.466 |
| | (b) | Reference Price: | 55.80% |
| | (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: | Actual/365 (Fixed), as defined in Condition 4(b)(v)(B) |

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 |
| | (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), "Payment Business Day" means any day on which commercial banks and foreign exchange markets settle payments and are open for business (including dealings in foreign exchange and foreign currency deposits) in Istanbul, London, New York City, and the relevant place of presentation.
- 25. Dual Currency Notes: Not applicable
- 26. Physically Settled Notes: Not applicable

PROVISIONS REGARDING REDEMPTION/MATURITY

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|-----|-----|--|--|
| 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): | See the Annex attached |
| | (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: | Condition 5(d)(iii) applies, subject to the provisions of the Annex. |

DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS

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|-----|--|---|---|
| 31. | | Method of distribution: | Non-syndicated |
| 32. | | If syndicated, names of Managers or, if non-syndicated names of Purchasers: | HSBC Bank plc |
| 33. | | Stabilising Agent: | None |
| 34. | | Additional sales restrictions: | Republic of Turkey

The Purchaser has represented and agreed that it has not and will not offer or sell any Notes, directly or indirectly, in the Republic of Turkey or to any person or corporate or other entity resident in the Republic of Turkey except in accordance with the applicable laws and regulations of the Republic of Turkey in force from time to time. |
| 35. | | Details of additional/alternative clearing system approved by the Issuer and the Agent: | None |
| 36. | | Common Code: | 019445488 |

ISIN Code:	XS0194454889
CUSIP Number:	Not applicable
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:

Law Number 5083 relative to changes in the official currency of the Republic of Turkey applies as set out in Official Gazette of the Republic of Turkey, Issue: 25363 dated 31 January 2004.

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 25 June 2004).

CITIBANK, N.A.

(as Agent)

By:

Duly Authorised Officer

Annex

Risk Warning

There are significant risks associated with the Notes including, but not limited to exchange rate risk including price risk and liquidity 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, currency, market liquidity, structure and other risks associated with an investment in these Notes. Investors should be aware that the methodology for determining the foreign exchange rate may result in the Final Redemption Amount or any Early Redemption Amount (as the case may be) of the Notes being significantly less than anticipated or even zero. Investors should also be aware of the potential difficulties in determining the foreign exchange rate, and the Maturity Date of the Notes may be postponed as a result of such difficulties.

1. Redemption Amount

Provided that no Inconvertibility Event occurs, or has occurred and exists or is subsisting, on the Valuation Date, the Final Redemption Amount in respect of each Note shall be an amount in USD determined by the Calculation Agent in accordance with the following formula:

$$\text{USD } 10,000 \times 1,514,000 / \text{FX}_{\text{final}}$$

and, notwithstanding Condition 5(d), the Early Redemption Amount in respect of each Note shall be an amount in USD determined by the Calculation Agent in accordance with the following formula:

$$\text{Amortised Face Amount} \times 1,514,000 / \text{FX}_{\text{final}}$$

Where:

“Amortised Face Amount” means an amount per Note calculated in accordance with Condition 5(d)(iii);

“FX_{final}” means the average of such firm quotes (expressed as the number of TRL per one USD) from the Reference Dealers as the Calculation Agent is able to obtain for the sale of TRL and the purchase of USD at or about 11:00 a.m. London time on the Valuation Date for delivery on the Scheduled Maturity Date (or the date set for early redemption pursuant to Condition 9, as the case may be), provided, however that if fewer than four (but at least two) Reference Dealers provide such firm quote then the average of the quotes actually obtained shall apply, if only one Reference Dealer provides a firm quote then such quote shall apply, and if none of the Reference Dealers provides such a firm quote, FX_{final} will be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner.

2. **Inconvertibility Event**

Notwithstanding the provisions of Condition 5(a) (*At Maturity*), if the Calculation Agent determines in its sole discretion, acting in good faith and in a commercially reasonable manner, that an Inconvertibility Event occurs or has occurred and exists or is subsisting, on the Valuation Date, then:

- (i) it shall promptly notify the Issuer, the Agent and the Noteholders of the existence or subsistence, as the case may be, of such Inconvertibility Event (an "**Inconvertibility Notice**") and shall also notify the afore-mentioned parties if the Inconvertibility Event is no longer in existence or subsisting;
- (ii) the Notes shall not be redeemed on the Scheduled Maturity Date and each Note shall instead be redeemed on the Postponed Maturity Date by payment of the USD Settlement Amount or (at the option of the Noteholders) on the TRL Redemption Option Payment Date by the payment of the TRL Redemption Amount. Noteholders shall not be entitled to any additional amounts, of interest or otherwise, in respect of the period from and including the Scheduled Maturity Date to and including the Postponed Maturity Date;
- (iii) following the issue of an Inconvertibility Notice the Noteholders may, by delivering a written notice (which notice shall be irrevocable) to the Issuer via Euroclear and/or Clearstream, Luxembourg in accordance with Condition 13 (*Notices*) and the Calculation Agent (or such other person, address or number as the Issuer may notify from time to time in accordance with the Conditions) (the "**TRL Redemption Option Exercise Notice**") by no later than 5 p.m. London time on the day which falls ten Business Days prior to the Postponed Maturity Date (the "**TRL Redemption Option Expiry Time**"), elect to receive the TRL Redemption Amount (instead of the USD Settlement Amount). The TRL Redemption Option Exercise Notice shall specify details of the nominal amount of Notes owned by such Noteholder and giving instructions for wire transfer of the TRL Redemption Amount to a TRL denominated account. If a TRL Redemption Option Exercise Notice is given after the TRL Redemption Option Expiry Time or the Calculation Agent considers that the information contained in an TRL Redemption Option Exercise Notice is incomplete, such TRL Redemption Option Exercise Notice shall be deemed invalidly given;
- (iv) upon receipt of the TRL Redemption Option Exercise Notice the Calculation Agent will, on behalf of the Issuer, arrange the transfer of the TRL Redemption Amount to such account on the day which is the fourth Business Day following the TRL Redemption Option Expiry Date (the "TRL Redemption Option Payment Date"), provided that the Noteholder delivers the Notes free of payment to the Calculation Agent in the manner specified in the Inconvertibility Notice prior to the TRL Redemption Option Payment Date, but in no case later than the tenth Business Day prior to the Postponed Maturity Date. The Calculation Agent shall deliver the Notes so received to the Agent for cancellation upon the instructions of the Issuer. The Issuer will be discharged of its obligations with respect to the TRL

Redemption Amount by payment of the TRL Redemption Amount to or to the order of the Calculation Agent;

- (v) if no TRL Redemption Option Exercise Notice is received by the Calculation Agent before the TRL Redemption Option Expiry Date or the Noteholder fails to validly give such TRL Redemption Option Exercise Notice or to deliver the Notes free of payment to the Calculation Agent's Euroclear Account prior to the TRL Redemption Option Payment Date, the Noteholder shall forfeit any further claim to the TRL Redemption Amount and the Notes will be redeemed against receiving the USD Settlement Amount on the Postponed Maturity Date.

3. Market Disruption Event

- (i) The occurrence of a Market 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 promptly notify the Issuer, the Noteholders, the Agent and the Clearing Systems of such occurrence and shall also notify the aforementioned parties if the Market Disruption Event is no longer subsisting.
- (ii) In the event that a Market Disruption Event occurs or is subsisting on the Valuation Date, the Maturity Date shall be postponed to the third Business Day on which the Market Disruption Event is no longer subsisting, provided that, if the Market Disruption Event is still subsisting on the day falling three (3) Business Days prior to the Postponed Maturity Date, the Notes shall be redeemed on the Postponed Maturity Date at the Market Disruption Settlement Amount.

For the avoidance of doubt, no additional amounts shall be payable by the Issuer in respect of such postponement. Further, the Final Redemption Amount may be equal to but shall not be less than zero.

For the purpose of the calculation of the Final Redemption Amount, upon the occurrence of a Market Disruption Event:

“**FX_{final}**” means the average of such firm quotes (expressed as the number of TRL per one USD) from the Reference Dealers as the Calculation Agent is able to obtain for the sale of TRL and the purchase of USD at or about 11:00 am London time on the Market Disruption Valuation Date for delivery on the third Business Day on which the Market Disruption Event is no longer subsisting, provided, however, that if fewer than four (but at least two) Reference Dealers provide such a firm quote then the average of the quotes actually obtained shall apply, if only one Reference Dealer provides a firm quote then such quote shall apply and if none of the Reference Dealers provides such a firm quote, **FX_{final}** will be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner.

For the avoidance of doubt, if an Inconvertibility Event occurs or has occurred and is subsisting on the Valuation Date, the Notes will be redeemed in accordance with the Inconvertibility Event provisions irrespective of the occurrence of a Market Disruption Event.

4. Definitions

"Business Day" 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 Istanbul, London and New York City.

"Calculation Agent" means HSBC Bank plc in accordance with the provisions of the Calculation Agency Agreement entered into between the Issuer and the Calculation Agent dated 23 June 2004 (as amended or supplemented from time to time), (all references to the Calculation Agent or shall include any successor or successors to HSBC Bank plc as Calculation Agent in respect of the Notes). All determinations and calculations made by the Calculation Agent shall be made in its sole and absolute discretion and shall be binding on all parties.

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

"Inconvertibility Event" means any action, event or circumstance whatsoever which, from a legal or practical perspective:

- (i) has the direct or indirect effect of hindering, limiting or restricting the convertibility of TRL into Hard Currency, or the transfer of Hard Currency from the Republic of Turkey to other countries (including, without limitation, by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on repatriation of TRL into Hard Currency); or
- (ii) results in the unavailability of Hard Currency in the interbank foreign exchange market located in the Republic of Turkey in accordance with normal commercial practice.

"Market Disruption Event" means the occurrence of any event, excluding an Inconvertibility Event, as a result of which event the Calculation Agent is unable to determine any amount falling to be determined by it pursuant to the terms of the Notes, which event shall include, without limitation:

- (i) a natural or man-made disaster, armed conflict, act of terrorism, riot, labour disruption or any other circumstance beyond its control; or
- (ii) 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 or other governmental measure (howsoever described).

"Market Disruption Valuation Date" means the first Business Day on which the Market Disruption Event is no longer subsisting.

"Market Disruption Settlement Amount" means an amount in USD equal to the TRL Redemption Amount converted into USD at the prevailing USD/TRL exchange rate on the day falling 3 (three) Business Days prior to the Postponed Maturity Date for value on the Postponed Maturity Date, as determined by the Calculation Agent in its sole and absolute discretion.

"Postponed Maturity Date" means the thirty-second (32nd) calendar day following the originally scheduled Maturity Date.

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

"TRL" means the lawful currency of the Republic of Turkey.

"TRL Redemption Amount" means TRL 15,140,000,000 per Specified Denomination (i.e. TRL 1,514,000 x 10,000).

"USD Settlement Amount" means an amount in USD equal to the TRL Redemption Amount converted into USD at the prevailing USD/TRL exchange rate on the day falling 3 (three) Business Days prior to the Postponed Maturity Date for value on the Postponed Maturity Date, as determined by the Calculation Agent in its sole and absolute discretion, provided, however, that if the Calculation Agent notifies the Issuer that the Inconvertibility Event has ceased to exist on the day falling 3 (three) Business Days prior to the Postponed Maturity Date, the USD Settlement Amount shall be an amount in USD equal to the TRL Redemption Amount converted into USD at the prevailing USD/TRL exchange rate on the day falling 3 (three) Business Days prior to the Postponed Maturity Date for value on the Postponed Maturity Date, as determined by the Calculation Agent using the average of firm quotes (expressed as the number of TRL per one USD) from the Reference Dealers at or about 11.00 a.m. London time on such date. If fewer than four (but at least two) Reference Dealers provide such a firm quote then the average of the quotes actually obtained shall apply. If only one Reference Dealer provides a firm quote then such quote shall apply and if none of the Reference Dealers provides such a firm quote, FX_{final} will be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner. For the avoidance of doubt, the USD Settlement Amount could be equal to zero and shall not be less than zero.

"Valuation Date" means the day which falls three Business Days prior to the Scheduled Maturity Date, or in the case of the Early Redemption Amount 3 (three) Business Days prior to the date fixed for redemption.