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OFFERING CIRCULAR

European Bank for Reconstruction and Development €35,000,000,000 Global Medium Term Note Programme for the issue of Notes

On 31 July 1992, the European Bank for Reconstruction and Development (the "Issuer") entered into a €1,000,000,000 Medium Term Note Programme (the "Programme").

On 26 August 1994, 26 August 1997, 28 August 1998, 27 August 1999, 1 September 2000, 31 August 2001, 30 August 2002, 29 August 2003, 27 August 2004, 10 August 2005, 10 August 2006, 10 August 2007, 11 August 2008, 11 August 2009, 11 August 2010 and 11 August 2011 the Programme was amended and restated. With effect from the date hereof, the Programme has been further amended and restated and this Offering Circular supersedes any previous prospectus published in connection with the Programme. Any Notes to be issued after the date hereof under the Programme are issued subject to the provisions set out herein save that Notes which are to be consolidated and form a single series with Notes issued prior to the date hereof will be issued subject to the Conditions of the Notes applicable on the date of Issue for the first Tranche of Notes of such Series. Subject as aforesaid, this does not affect any Notes issued prior to the date hereof.

Under the Programme the Issuer may from time to time issue Notes in bearer or registered form (respectively, "Bearer Notes" and "Registered Notes" and, together, the "Notes") denominated in any currency agreed by the Issuer and the relevant Purchaser(s) (as defined below). Subject as set out herein, the maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed €35,000,000,000 (or its equivalent in other currencies at the time of agreement to issue, calculated as described herein).

The Notes will be issued to one or more of the Dealers specified on pages 5-6 (each a "Dealer" and together the "Dealers", which expression shall include any additional Dealer appointed under the Programme from time to time) on a continuing basis by way of private or syndicated placements. Notes may also be issued to third parties other than Dealers on the basis of enquiries made by such third parties to the Issuer. Dealers and such third parties are referred to as "Purchasers".

In respect of any Notes which are to be listed, application is expected to be made to the United Kingdom Financial Services Authority in its capacity as competent authority (the "UK Listing Authority") under the Financial Services and Markets Act 2000 (the "FSMA") for Notes issued under the Programme to be admitted to the official list of the Financial Services Authority (the "UKLA Listing Authority") (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's Regulated Market (the "Regulated Market"). References in this Offering Circular to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the Regulated Market and have been admitted to the Official List. The Regulated Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments) (the "MiFID"). Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, and any other terms and conditions not contained herein which are applicable to, each Series (as defined below) of Notes will be set forth in a pricing supplement prepared by, or on behalf of, the Issuer (the "Pricing Supplement") which, with respect to Notes admitted to the Official List and admitted to trading on the Regulated Market, will be delivered to the UK Listing Authority on or before the date of issue of the Notes of such Series.

The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Purchaser(s) in relation to each issue. The Issuer may also issue unlisted Notes.

Unless otherwise agreed, each issue of Registered Notes will initially be represented by one or more registered global Notes which will be deposited on the issue date thereof with, and registered in the name of a nominee for, The Depository Trust Company or deposited with a common depositary for Euroclear and Clearstream, Luxembourg (the "Common Depositary") and registered in the name of Citivic Nominees Limited as nominee for the Common Depositary, as further described in "Issue Procedures" herein. Each issue of Bearer Notes will initially be represented on issue by one or more bearer temporary global Notes. If an issue of Bearer Notes is stated in the applicable Pricing Supplement as being issued in new global note ("NGN") form, then that issue of Bearer Notes may be intended to be eligible collateral for Eurosystem monetary policy and the applicable temporary global Note will be delivered to a common safekeeper (the "Common Safekeeper") for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg") on or prior to the original issue date for that issue of Bearer Notes, as further described in "Issue Procedures" herein.

If an issue of Bearer Notes is not issued in NGN form ("classic global Notes" or "CGNs"), the applicable temporary global Note will be deposited with the Common Depositary on the issue date for that issue of Bearer Notes.

The Issuer and/or its debt obligations have been assigned an AAA credit rating from Standard & Poor's Credit Market Services Europe Limited ("S&P"), an Aaa credit rating from Moody's Investors Service Limited ("Moody's") and an AAA credit rating from Fitch France S.A.S. ("Fitch"). As defined by S&P, an "AAA" rating means that the ability of the Issuer to meet its financial commitment on its obligations is extremely strong. As defined by Moody's, an "Aaa" rating means that the Issuer's ability to meet its financial obligations is judged to be of the highest quality, with minimal credit risk. As defined by Fitch, an "AAA" rating denotes the lowest expectation of credit risk and means that the Issuer has an exceptionally strong capacity for timely payment of its financial commitments.

The ratings mentioned above are accurate as at the date of this Offering Circular. Notes issued under the Programme may be rated or unrated. Whether or not a rating in relation to any Tranche of Notes (to the extent any such Tranche will be rated) has been issued by a credit rating agency will be disclosed in the relevant Pricing Supplement. Where an issue of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to the Issuer. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The issue price and the amount of the relevant Notes will be determined before filing of the relevant Pricing Supplement for each Tranche based on then prevailing market conditions.

Prospective investors should consider carefully the risks set forth herein under "Risk Factors" prior to making any investment decisions with respect to the Notes.

The Issuer may agree with any Dealer and the Agent (as defined below) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which case a supplementary Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Arranger

BofA Merrill Lynch

Dealers

BofA Merrill Lynch | **Goldman Sachs International**

J.P. Morgan | **Morgan Stanley**

Dated 3 July 2012

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This Offering Circular comprises neither a base prospectus for the purposes of Article 5.4 of EU Directive 2003/71/EC nor listing particulars for the purposes of Section 79 of the FSMA, and has not been submitted to, reviewed or approved by the UK Listing Authority or the London Stock Exchange. The purpose of this Offering Circular is to give information with regard to the Issuer which, according to the particular nature of the Issuer and the Notes, may assist investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer.

The Issuer accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are incorporated herein by reference (see "Documents Incorporated By Reference").

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Offering Circular or any further information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by either the Issuer or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as recommendations by either the Issuer or any of the Dealers that any recipient of this Offering Circular or any further information supplied in connection with the Notes should purchase any of the Notes. Each investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any of the Notes. Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Offering Circular. This Offering Circular does not describe all of the risks of an investment in the Notes.

The delivery of this Offering Circular does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any of the Notes.

The distribution of this Offering Circular and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of the Notes in the United States, the United Kingdom, Japan, the Republic of France and in other jurisdictions (see "Subscription and Sale").

The Notes are not required to be registered under the United States Securities Act of 1933, as amended (the "Securities Act"). Accordingly, no registration statement has been filed with the U.S. Securities and Exchange

Commission (the "Commission"). THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Bearer Notes may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, U.S. persons (see "Subscription and Sale").

In this Offering Circular references to "€" or "euro" are to euro as set out in Condition 8 of the Terms and Conditions of the Notes below, references to "USD" are to United States dollars, references to "JPY" are to Japanese yen and references to the "United Kingdom" are to the United Kingdom of Great Britain and Northern Ireland.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

The Issuer authorises the Stabilising Manager(s) to make adequate public disclosure of the information required by the Market Abuse Directive.

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SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference, together with any supplements thereto and as completed by the relevant Pricing Supplement.

Words and expressions defined in "Issue Procedures" and the Terms and Conditions of the Notes shall have the same meaning in this summary:

Issuer	European Bank for Reconstruction and Development. The Issuer is an international organisation formed under the Agreement Establishing the European Bank for Reconstruction and Development dated 29 May 1990 (the "Agreement") signed by 40 countries, together with the European Economic Community and the European Investment Bank. The Agreement came into force on 28 March 1991 and the Issuer commenced operations on 15 April 1991. The Issuer currently has 65 members. The Issuer's principal office is in London. The purpose of the Issuer is to foster the transition towards open market-oriented economies and to promote private and entrepreneurial initiatives in its countries of operations which are committed to and applying the principles of multi-party democracy, pluralism and market economics. The Issuer's "countries of operations" currently include the countries of Central and Eastern Europe and the former Soviet Union, the Republic of Turkey and Mongolia.
Risk Factors	There are certain risk factors relating to the Notes. These include considerations relating to the development of a liquid secondary market in the Notes of a particular Series and the suitability of any Series of Notes for investment by certain investors due to legal and regulatory constraints which may be applicable to them. In the case of Notes the return on which is determined by reference to a formula or index, there are additional potential risks, including the possibility that no principal, premium or interest will be payable on such Notes.
Arranger	Merrill Lynch International
Dealers	Goldman Sachs International J.P. Morgan Securities Ltd. Merrill Lynch International Morgan Stanley & Co. International plc Notes may also be issued to third parties other than Dealers on the basis of enquiries made by such third parties to the Issuer, including Dealers appointed in relation to issues of Notes denominated in particular currencies in compliance

	with applicable regulations and guidelines from time to time (see "Subscription and Sale").
	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale").
Distribution	Notes may be distributed by way of private or public placement and in each case on a syndicated or a non-syndicated basis.
Use of Proceeds	The net proceeds to be received by the Issuer from the issue of Notes will be included in the ordinary capital resources of the Issuer and used in its ordinary operations.
Agent	Citibank, N.A.
Amount	Up to €35,000,000,000 (or its equivalent in other currencies calculated on the Agreement Date) outstanding at any one time. As provided in the Programme Agreement (as defined below - see "Subscription and Sale") the nominal amount of Notes outstanding under the Programme may be increased.
Description	Continuously offered Global Medium Term Note Programme.
Currencies	Subject to any applicable legal or regulatory restrictions, Notes may be denominated in any currency, including without limitation, euro, United States dollars, Japanese yen, pounds sterling, Swiss francs and Singapore dollars.
Redenomination	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, may be subject to redenomination, renominalisation and/or consolidation with other Notes (provided they are fully fungible) then denominated in euro. The Issuer may specify in the applicable Pricing Supplement that such Notes will include a Redenomination Clause (as defined on page 55) for the redenomination of the Specified Currency in euro, and, if so specified, the wording of the Redenomination Clause will be set out in full in the applicable Pricing Supplement.
Maturities	Notes may be of any maturity (subject to such minimum or maximum maturity restrictions as may be required from time to time by the relevant monetary authority).
Issue Price	Notes may be issued at par or at a discount to, or premium over, par and either on a fully paid or partly paid basis.
Form	Notes will be issued in either bearer or registered form. Registered Notes will initially be represented by one or more

	registered global Notes which will, unless otherwise specified in the applicable Pricing Supplement, be deposited with, and registered in the name of a nominee for, The Depository Trust Company or a common depository for Euroclear and Clearstream, Luxembourg, as the case may be. Bearer Notes will initially be represented by one or more bearer temporary global Notes which will (i) in the case of NGNs, be delivered to the Common Safekeeper for Euroclear and Clearstream, Luxembourg on or prior to the original issue date for that issue of Bearer Notes; or (ii) in the case of CGNs, be deposited with a depositary or, as the case may be, common depositary for Euroclear and Clearstream, Luxembourg or any other agreed clearance system on the issue date for that issue of Bearer Notes, and which will be exchanged for one or more bearer permanent global Notes or for definitive Notes not earlier than 40 days after the Issue Date upon certification of non-U.S. beneficial ownership. A bearer permanent global Note may be exchanged in whole, but not in part, for definitive Notes only upon the occurrence of an Event of Default or if Euroclear or Clearstream, Luxembourg (or any other relevant clearing system) 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 clearing system is available as described in Issue Procedures below. Interests in a global Note will be transferable in accordance with the rules and procedures for the time being of The Depository Trust Company, Euroclear, Clearstream, Luxembourg or any other agreed clearance system.
Specified Denominations	Notes will be in such denominations as may be specified in the relevant Pricing Supplement subject to applicable laws and regulations.
Fixed Rate Notes	Fixed rate interest will be payable on such day(s) as specified and on redemption, and will be calculated on the basis of such Fixed Day Count Fraction and, in certain circumstances, such business day convention, as may be agreed between the Issuer and the relevant Purchaser.
Floating Rate Notes	Floating Rate Notes will bear interest at a rate determined on: (i) the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2000 or 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., as amended and/or supplemented as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (ii) on the basis of a

	reference rate appearing on the agreed screen page of a commercial quotation service; or (iii) on such other basis as may be agreed between the Issuer and the relevant Purchaser(s) (as indicated in the applicable Pricing Supplement). Floating Rate Notes may also have a Maximum Rate of Interest, a Minimum Rate of Interest or both. Interest on Floating Rate Notes will be payable, and will be calculated, as specified prior to issue.
Interest Payment Date(s) or Interest Period(s)	Such date(s) or period(s) as the Issuer and the relevant Purchaser(s) may agree (as indicated in the applicable Pricing Supplement).
Dual Currency Notes	Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies and based upon such rates of exchange as specified in the applicable Pricing Supplement.
Indexed Notes	Payments (whether in respect of principal and/or interest and whether at maturity or otherwise) in respect of Indexed Notes will be calculated by reference to such Index and/or Formula as specified in the applicable Pricing Supplement.
Physically Settled Notes	Delivery of underlying assets in settlement of Notes which provide for settlement by physical delivery will be effected as indicated in the applicable Pricing Supplement.
Zero Coupon Notes	Zero Coupon Notes will not bear interest other than in relation to interest due after the Maturity Date.
Redemption	Notes may be redeemable prior to their stated maturities, either at the option of the relevant holder or the Issuer or in instalments, in each case, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms, as specified prior to issue.
Taxation	All payments of principal and/or interest in respect of the Notes shall be made by the Issuer to the Paying Agent without withholding or deduction for or on account of tax.
Status of the Notes	The Notes will constitute direct and unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves, and, subject to the provisions of Condition 3, equally with all its other unsecured and unsubordinated obligations. The Notes will not be obligations of any government or member of the Issuer.
Negative Pledge	The terms of the Notes will contain a negative pledge in respect of bonds, notes or other evidence of indebtedness issued or guaranteed by the Issuer which are listed or quoted on any stock exchange or other organised securities market.

Cross-Default	The terms of the Notes will contain a cross default clause in respect of bonds, notes or similar obligations which have been issued, assumed or guaranteed by the Issuer and in respect of which such default shall continue for a period of 90 days.
Rating	The Issuer and/or its debt obligations have been assigned an AAA credit rating from Standard & Poor's Credit Market Services Europe Limited ("S&P"), an Aaa credit rating from Moody's Investors Service Limited ("Moody's") and an AAA credit rating from Fitch France S.A.S. ("Fitch"). As defined by S&P, an "AAA" rating means that the ability of the Issuer to meet its financial commitment on its obligations is extremely strong. As defined by Moody's, an "Aaa" rating means that the Issuer's ability to meet its financial obligations is judged to be of the highest quality, with minimal credit risk. As defined by Fitch, an "AAA" rating denotes the lowest expectation of credit risk and means that the Issuer has an exceptionally strong capacity for timely payment of its financial commitments. Whether or not a rating in relation to any Tranche of Notes (to the extent any such Tranche will be rated) has been issued by a credit rating agency will be disclosed in the relevant Pricing Supplement. The ratings mentioned above are accurate as of the date of this Offering Circular. Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to the Issuer. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing and Admission to Trading	Application has been made for Notes issued under the Programme to be admitted to the Official List and to be admitted to trading on the Regulated Market. Notes may also be listed on additional or other stock exchange(s). Unlisted Notes may also be issued. The Pricing Supplement for each issue will state whether or not, and on what exchange(s), the Notes are to be listed.
Governing Law	English.
Selling Restrictions	There are restrictions on the sale of Notes in the United States, the United Kingdom, Japan, the Republic of France and other jurisdictions that may be applicable in connection with a particular issue of Notes, further details of which are set out in "Subscription and Sale".

RISK FACTORS

Prospective investors should consider carefully the risks set forth below and the other information contained in this Offering Circular prior to making any investment decision with respect to the Notes. Each of the risks highlighted below could have a material adverse effect on the Issuer's business, operations, financial condition or prospects, which, in turn, could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, some or all of the risks highlighted below could adversely affect the trading price of a particular Series of Notes or the rights of investors under a particular series of Notes and, as a result, investors could lose some or all of their investment.

Prospective investors should note that the risks described below are not the only risks the Issuer faces. The Issuer has described only those risks relating to its operations that it considers to be material. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above.

Risk Factors relating to the Notes

Market, liquidity and yield considerations

The Notes may not have an established trading market when issued. There can be no assurance of a secondary market for any Notes or the liquidity of such market if one develops. Consequently, investors may not be able to sell their Notes readily or at prices that will enable them to realise a yield comparable to that of similar instruments, if any, with a developed secondary market.

The credit rating of the Issuer may not reflect all risks affecting the Notes

The credit ratings assigned to the Issuer may not reflect the potential impact of all risks related to structure, market and other factors that may affect the value of the Notes issued under the Programme. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the credit rating agency at any time.

Notes indexed to interest rate or other indices or formulas may have risks not associated with conventional debt securities

An investment in Notes indexed to one or more interest rates or other indices or formulas, either directly or indirectly, entails significant risks that are not associated with similar investments in a conventional fixed rate or floating rate debt security. Such risks include, without limitation, the possibility that such indices or formulas may be subject to significant changes and that no principal, premium (if any), or interest will be payable with respect to such Notes or that any such principal, premium or interest will be payable in an amount that is lower or at times that are different than otherwise expected. The existence, magnitude and longevity of these risks and their results depend on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control. Additionally, if the formula used to determine the amount of any payment in respect of such Notes contains a multiplier or leverage factor, the effect of any change in the applicable index or indices or formula or formulas will be magnified. In recent years, values of certain indices and formulas have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in the value of any particular index or formula that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur in the future.

Any redemption terms of the Notes, whether mandatory or exercisable at the direction of the Issuer, might affect the market value of such Notes. Since the Issuer could be required to redeem Notes when prevailing interest rates are relatively low, investors generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the then current interest rate on the Notes.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, should definitive Notes be printed, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Legal Investment Considerations

Investors should consult their own legal advisers in determining whether and to what extent the Notes constitute legal investments for such investors and whether and to what extent the Notes can be used as collateral for various types of borrowings. In addition, financial institutions should consult their legal advisers or regulators in determining the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

Investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities, which may include certain Notes. Investors should review and consider such restrictions prior to investing in any Notes.

Risk Factors relating to the Issuer

The Issuer extends loans, makes equity investments and issues guarantees primarily to the private sector in its countries of operation. Changes in the macroeconomic environment and financial markets in these countries may affect the creditworthiness of the Issuer's clients. Even severe changes in the macroeconomic and financial climate should, however, not affect the Issuer's ability to repay its borrowings, which is assured above all through the Issuer's prudent provisioning policy, ample liquidity, and limitations in the Agreement on its outstanding loans, equity investments and guarantees to the total amount of its subscribed capital, reserves and surpluses.

The Issuer has authorised share capital totalling €30 billion. As at 3 July 2012, the amount of subscribed share capital was €29.5 billion of which €6.2 billion is paid-in and €23.3 billion is callable to cover the unlikely eventuality that the Issuer encounters difficulties meeting its liabilities. The Issuer's subscribed capital that has not been paid in ranks among the highest quality callable capital of any multilateral development bank, with approximately 60 per cent. from shareholders rated AAA/Aaa and 94 per cent. from shareholders rated investment grade, by at least one of S&P and Moody's at 3 July 2012.* Due to its conservative risk management and provisioning policy and limitations in the Agreement on its exposures, it is highly unlikely that any call on the Issuer's shareholders will have to be made.

Since the second half of 2008, disruption to the global financial markets, the re-pricing of credit risk and increased volatility have created challenging global market conditions and adversely affected the economies of many countries. It is difficult to predict how long these conditions will continue to exist and the effectiveness of measures taken by many countries to reduce their budget deficits and bring about recovery.

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* To the extent S&P and Moody's have rated shareholders of the Issuer at different levels, the higher of these ratings has been used for the purpose of these calculations.

The operations and financial position of the Issuer may be affected by any lengthy continuation of such conditions.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with the most recent financial statements of the Issuer (as published on its website from time to time) which shall be incorporated in, and form part of, this Offering Circular save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statements so modified or superseded shall not, except as modified or superseded, constitute a part of this Offering Circular. Any documents themselves incorporated by reference in the documents incorporated by reference shall not form part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular may be obtained (without charge) from the principal office of the Issuer (set out at the end of this Offering Circular) and the website of the Issuer (www.ebrd.com).

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme the Issuer may from time to time issue Notes denominated in any currency. The applicable terms of any Notes will be agreed between the Issuer and the relevant Purchaser(s) prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or incorporated into, such Notes, as more fully described under "Issue Procedures".

This Offering Circular and any supplement will only be valid for admitting Notes to the Official List and for the admission of Notes to trading on the Regulated Market in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under this Programme, does not exceed €35,000,000,000 or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

(a) the euro equivalent of Notes denominated in another Specified Currency (as defined under "Issue Procedures") shall be determined, at the discretion of the Issuer, as of the date of agreement to issue such Notes (the "Agreement Date") or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading bank selected by the Issuer on such date;

(b) the amount (or, where applicable, the euro equivalent) of Dual Currency Notes, Indexed Notes and Physically Settled Notes (each as described under "Issue Procedures") shall be calculated by reference to the original nominal amount of such Notes and, in the case of Notes not denominated in euro, in the manner specified above;

(c) the amount (or, where applicable, the euro equivalent) of Zero Coupon Notes (as described under "Issue Procedures") and other Notes issued at a discount or premium shall be calculated by reference to the net proceeds received by the Issuer for the relevant issue and, in the case of Notes not denominated in euro, in the manner specified above; and

(d) the amount (or, where applicable, the euro equivalent) of Partly Paid Notes (as defined under "Issue Procedures") shall be calculated by reference to the nominal amount regardless of the amount of moneys paid up on such Notes and, in the case of Notes not denominated in euro, in the manner specified above.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be attached to or incorporated by reference into each global Note and which will be endorsed upon each definitive Note. The applicable Pricing Supplement prepared by, or on behalf of, the Issuer in relation to any Notes may specify other Terms and Conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace the following Terms and Conditions for the purposes of a specific issue of Notes. The applicable Pricing Supplement will be incorporated into, or attached to, each global Note and endorsed upon each definitive Note. All capitalised terms shall have the meanings defined herein. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of the issue in accordance with prevailing market conditions.

This Note is one of a Series of the Notes ("Notes", which expression shall mean (i) in relation to any Notes represented by a Note in global form (a "Global Note"), units of the lowest Specified Denomination in the Specified Currency of the relevant Notes, (ii) definitive Notes issued in exchange (or part exchange) for a Global Note and (iii) any Global Note) issued subject to, and with the benefit of, an amended and restated Agency Agreement dated 3 July 2012 (the "Agency Agreement") and made between European Bank for Reconstruction and Development (the "Issuer"), Citibank, N.A. as issuing agent, principal paying agent, agent bank and, if so specified in the applicable Pricing Supplement, calculation agent and/or determination agent, as the case may be, (the "Agent", which expression shall include any successor as agent or any other calculation agent and/or determination agent, as the case may be, specified in the applicable Pricing Supplement), Citibank, N.A., as registrar (the "Registrar", which expression shall include any successor registrar) and the other paying agents named therein (together with the Agent, the "Paying Agents" which expression shall include any additional or successor paying agents).

As used herein, "Series" means each original issue of Notes together with any further issues expressed to form a single series with the original issue which are denominated in the same currency and which have the same Maturity Date, interest basis and interest payment dates (if any) and the terms of which (save for the Issue Date or Interest Commencement Date and the Issue Price) are otherwise identical (including whether or not the Notes are listed) and the expressions "Notes of the relevant Series" and "holders of Notes of the relevant Series" and related expressions shall be construed accordingly.

To the extent the Pricing Supplement for this Series of Notes specifies other Terms and Conditions which are in addition to, or inconsistent with, these Terms and Conditions, such other Terms and Conditions shall apply to this Series of Notes.

The holders for the time being of the Notes ("Noteholders"), which expression shall, in relation to any Notes represented by a Global Note, be construed as provided in Condition 1, the holders of the Coupons (as defined below) appertaining to interest-bearing definitive Bearer Notes (the "Couponholders"), the holders of the Talons (as defined below) (the "Talonholders") and the holders of the Receipts (as defined below) (the "Receiptholders") are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the applicable Pricing Supplement, which are binding on them. The statements in these Terms and Conditions are summaries of, and are subject to, the detailed provisions of the Agency Agreement. Copies of the Agency Agreement (which contains the form of Pricing Supplement) and the Pricing Supplement for the Notes of this Series are available from the principal office of the Agent and the Paying Agents set out at the end of these Terms and Conditions.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the amended and restated Deed of Covenant (the "Deed of Covenant") dated 3 July 2012 and made by the Issuer. The original

of the Deed of Covenant is held by a common depositary on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg").

Any reference herein to The Depository Trust Company and/or Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Agent.

Words and expressions defined in the Agency Agreement or defined or set out in the applicable Pricing Supplement (which term, as used herein, means, in relation to this Note, the Pricing Supplement attached hereto or endorsed hereon) shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated.

1 Form, Denomination, Title and Transfer

The Notes are in bearer form ("Bearer Notes") or registered form ("Registered Notes") in the Specified Currency and Specified Denomination(s) and definitive Notes will be serially numbered. This Note is to the extent specified in the applicable Pricing Supplement a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Indexed Note or a Dual Currency Note, or any appropriate combination thereof. If it is a definitive Bearer Note, it is issued with coupons for the payment of interest ("Coupons") attached and, if applicable, talons for further Coupons ("Talons") attached unless it is a Zero Coupon Note in which case references to interest (other than in relation to interest due after the Maturity Date) and Coupons in these Terms and Conditions are not applicable. If it is a definitive Bearer Note redeemable in instalments it is issued with receipts ("Receipts") for the payment of instalments of principal prior to stated maturity attached. Wherever Dual Currency Notes or Indexed Notes are issued to bear interest on a fixed or floating rate basis or on a non-interest-bearing basis, the provisions in these Terms and Conditions relating to Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes respectively shall, where the context so admits, apply to such Dual Currency Notes or Indexed Notes. Any reference in these Terms and Conditions to Coupon(s), Couponholder(s) or coupon(s) shall, unless the context otherwise requires, be deemed to include a reference to Talon(s), Talonholder(s) or talon(s).

Subject as set out below, title to the Bearer Notes, the Coupons and Receipts will pass by delivery. The holder of each Coupon or Receipt, whether or not such Coupon or Receipt is attached to a Bearer Note, in his capacity as such, shall be subject to and bound by all the provisions contained in the relevant Note. The Issuer and any Paying Agents may deem and treat the bearer of any Bearer Note, Coupon or Receipt as the absolute owner thereof (whether or not such Bearer Note, Coupon or Receipt shall be overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out below.

The Issuer has appointed the Registrar at its office specified below to act as registrar in respect of the Registered Notes. The Issuer shall cause to be kept at the specified office of the Registrar for the time being a register (the "Register") on which shall be entered, *inter alia*, the names and addresses of the holders of the Registered Notes and particulars of all transfers of title to the Registered Notes. The Issuer and the Registrar may deem and treat the registered owner of a Registered Note as the absolute owner thereof (whether or not such Note shall be overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof). The Issuer reserves the right at any time to vary or terminate the appointment of the Registrar and to appoint another Registrar provided that it will at all times maintain a Registrar. Notice of any termination or appointment and of any changes in specified offices will be given to the Registered Noteholders promptly by the Issuer in accordance with Condition 13.

A Global Note in registered form (a "Registered Global Note") may be transferred, in whole, to another nominee for The Depository Trust Company or other common depositary for Euroclear and Clearstream,

Luxembourg or such other clearing system and common depositary or person as may be specified in the applicable Pricing Supplement or otherwise as may be specified separately in the applicable Pricing Supplement, by the registered holder depositing the Registered Global Note at the specified office of the Registrar with the form of transfer attached thereto duly completed and signed by or on behalf of the transferor, upon payment of any applicable taxes or other governmental charges and upon the Registrar, after due and careful enquiry, being satisfied with the title and identity of the person making the request and subject to such other reasonable regulations as the Issuer and the Registrar may prescribe, all as described in the Agency Agreement. Subject as provided above, the Registrar will, within three business days (being days when banks are open for business in the city where the Registrar is located) of such deposit (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver a new Registered Global Note at its specified office to and in the name of the transferee. Notwithstanding the above provisions the holder of a Registered Global Note may not require the transfer of a Registered Global Note to be registered during the period of 15 days ending on the due date for any payment of principal or interest on the Registered Global Note.

A definitive Registered Note may be transferred in whole or in part (in the amount of the lowest Specified Denomination or any integral multiple thereof) by the transferor depositing such Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar, with the form of transfer endorsed on the definitive Registered Note duly completed and signed by or on behalf of the transferor and upon the Registrar after due and careful enquiry being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar may prescribe. Subject as provided above, the Registrar will, within three business days (being days when banks are open for business in the city where the Registrar is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request a new Registered Note of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note, a new Registered Note in respect of the balance of the Registered Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

In the event of a partial redemption of Registered Notes under Condition 5, the Registrar shall not be required:

(a) to register the transfer of definitive Registered Notes (or parts of Registered Notes) during the period beginning on the 45th day before the date of the partial redemption and ending on the day on which notice is given specifying the serial numbers of definitive Registered Notes called (in whole or in part) for redemption (both inclusive); or

(b) to register the transfer of any definitive Registered Note, or part of a definitive Registered Note, called for partial redemption.

Registered Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer or any exchange as provided above, except for any costs or expenses of delivery other than by regular mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration or exchange.

For so long as any of the Notes are represented by a Global Note in bearer form, each person (other than a clearing system which is an account holder with another clearing system for the purpose of operating any "bridge" between two or more clearing systems) who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount

of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Agent and any other Paying Agent as a holder of such nominal amount of such Notes for all purposes other than for the payment of principal (including premium (if any)) and interest on such Notes or the delivery of securities or any other assets deliverable pursuant to such Notes, the right to which shall be vested, as against the Issuer, the Agent and any other Paying Agent, solely in the bearer holder of the Global Note in accordance with and subject to its terms (and the expressions "Noteholder", "holder of Notes" and related expressions shall be construed accordingly).

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of The Depository Trust Company and/or Euroclear and/or Clearstream, Luxembourg, as the case may be, or such other rules and procedures as may be specified in the applicable Pricing Supplement.

2 Status of the Notes

The Notes and (if applicable) the relative Coupons and Receipts are direct and, subject to Condition 3, unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves and, subject as aforesaid, with all its other obligations which are unsecured and not subordinated. The Notes and (if applicable) the relative Coupons and Receipts are not the obligations of any government or member of the Issuer.*

3 Negative Pledge

As long as any of the Notes shall be outstanding, the Issuer will not create on any of its property or assets any mortgage, pledge or other lien or charge as security for any bonds, notes or other evidences of indebtedness quoted, listed or ordinarily dealt in on any stock exchange or other organised securities market, heretofore or hereafter issued or assumed by the Issuer or for any guarantee thereof by the Issuer, unless all payments in respect of the Notes shall be secured by such mortgage, pledge, lien or charge equally and rateably with such bonds, notes, evidences of indebtedness or guarantees; provided, however, that the foregoing shall not apply to: (i) any lien created as security for the payment of such indebtedness or guarantee incurred for the purpose of financing or refinancing the purchase of any property; (ii) any lien arising in the ordinary course of business and securing a debt maturing not more than one year after the date on which it is originally incurred; or (iii) any extension or renewal of the foregoing.

4 Interest

(a) Interest on Fixed Rate Notes

(i) Each Fixed Rate Note bears interest from and including the Interest Commencement Date to but excluding the next following Fixed Interest Date or the Maturity Date, as the case may be, at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the Fixed Interest Date(s) in each year and on the Maturity Date, subject to Condition 6(e). The first payment of interest will be made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount. If the Maturity Date is not a Fixed Interest Date, interest from and including the preceding Fixed Interest Date (or the

* This disclaimer will also appear conspicuously on the face of the Notes, as required by Article 20.2 of the Agreement Establishing the European Bank for Reconstruction and Development dated 29 May 1990.

Interest Commencement Date, as the case may be) to but excluding the Maturity Date will amount to the Final Broken Amount.

(ii) Subject as aforesaid, such interest will be payable in respect of each Fixed Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) a Fixed Interest Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Date or the Maturity Date, as the case may be). If interest is required to be calculated for a period ending on a Fixed Interest Date, a period ending other than on a Fixed Interest Date, or for a period ending on a Fixed Interest Date as adjusted in accordance with the business day convention specified in the applicable Pricing Supplement (all in accordance with Clause 4(a)(iii) below) such interest shall be calculated by applying the Fixed Rate of Interest to each Specified Denomination or, where a Calculation Amount is specified in the applicable Pricing Supplement, to such Calculation Amount, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In these Terms and Conditions, the following expressions have the following meanings:

"Fixed Day Count Fraction" means:

(A) if "Actual/Actual - ISDA" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(B) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;

(C) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;

(D) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Fixed Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(E) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Fixed Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(F) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Fixed Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30;

(G) if "Actual/Actual - ICMA" is specified in the applicable Pricing Supplement,

- if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- if the Calculation Period is longer than one Determination Period, the sum of:

  (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

  (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"Determination Date" means each relevant Fixed Interest Date (except that the first Determination Date shall be deemed to be the Interest Commencement Date), unless otherwise specified in the applicable Pricing Supplement.

For the purposes of the definition of "Determination Date" in this Condition 4(a)(ii)(G), the adjustment of any Fixed Interest Date as a result of the application of any Business Day Convention shall be disregarded; or

(H) such other basis as may be agreed, as specified in the applicable Pricing Supplement;

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent; and

"Calculation Period" means, with respect to the relevant period for which interest is to be calculated on any Note, a period of time from and including the first day of such period to but excluding the last (whether or not constituting a Fixed Interest Period).

(iii) If any Fixed Interest Date would otherwise fall on a day which is not a Business Day, then payment of the interest due on such Fixed Interest Date, subject to Condition 6(e), shall be made after adjustment in accordance with the business day convention specified in the applicable Pricing Supplement. If the business day convention specified in the applicable Pricing Supplement is:

(A) the Following Business Day Convention, payment of the interest due on such Fixed Interest Date shall be postponed to the next day which is a Business Day, and if the amount of interest due has been specified to be adjusted, the Fixed Interest Date shall also be postponed to the next day which is a Business Day;

(B) the Modified Following Business Day Convention, payment of the interest due on such Fixed Interest Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event payment of the interest due on such Fixed Interest Date shall be brought forward to the immediately preceding Business Day, and if the amount of interest due has been specified to be adjusted, the Fixed Interest Date shall also be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event the Fixed Interest Date shall be brought forward to the immediately preceding Business Day; or

(C) the Preceding Business Day Convention, payment of the interest due on such Fixed Interest Date shall be brought forward to the immediately preceding Business Day, and if the amount of interest due has been specified to be adjusted, the Fixed Interest Date shall also be brought forward to the immediately preceding Business Day.

If the payment in respect of a Fixed Interest Date becomes subject to a business day convention, as set out above, there will be no adjustment to the calculation of interest payable in respect of the relevant Fixed Interest Date, unless it is specified in the applicable Pricing Supplement that the amount of interest payable in such circumstances will be calculated by reference to the period ending on the Fixed Interest Date as adjusted in accordance with the specified business day convention, in which case the Fixed Day Count Fraction specified in the applicable Pricing Supplement will also be applied.

In this Condition 4(a), "Business Day" means a day which is:

(1) either (x) in relation to Notes denominated in a Specified Currency other than euro, a 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 the principal financial centre of the country of the relevant Specified Currency or (y) in relation to Notes denominated in euro, a day on which the TARGET System is open for the settlement of payments in euro (a "TARGET Business Day"). In these Terms and Conditions, "TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) system or any successor thereto; and

(2) a 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 any additional business centre specified in the applicable Pricing Supplement and if "TARGET" is specified as an additional business centre in the applicable Pricing Supplement, a TARGET Business Day.

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

Each Floating Rate Note and Indexed Note bears interest on its nominal amount as specified in Condition 4(b)(ii) and such interest will be payable (subject to Condition 6(e)) in arrear on either:

(A) the Interest Payment Date(s) in each year; or

(B) if no express Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each an "Interest Payment Date") which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If any Interest Payment Date (or other date) which is specified in the applicable Pricing Supplement to be subject to adjustment in accordance with a business day convention would otherwise fall on a day which is not a Business Day, then, subject to Condition 6(e), if the business day convention specified is:

(1) in the case of (B) above, the Floating Rate Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date (or other date) shall be the immediately preceding Business Day and (B) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date (or other date) occurred;

(2) the Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day;

(3) the Modified Following Business Day Convention, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

If the payment in respect of an Interest Payment Date becomes subject to a business day convention, as set out above, there will be no adjustment to the calculation of interest payable in respect of the relevant Interest Payment Date, unless it is specified in the applicable Pricing Supplement that the amount of interest payable in such circumstances will be calculated by reference to the period ending on the Interest Payment Date, as adjusted in accordance with the specified business day convention, in which case the Floating Day Count Fraction specified in the applicable Pricing Supplement will also be applied.

In this Condition 4(b), "Business Day" means a day which is:

(A) either (1) in relation to Notes denominated in a Specified Currency other than euro, a 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 the principal financial centre of the country of the relevant Specified Currency or (2) in relation to Notes denominated in euro, a day on which the TARGET system is open for the settlement of payments in euro (a "TARGET Business Day"). In these Terms and Conditions, "TARGET System" means the Trans-European Automated

Real-Time Gross Settlement Express Transfer (known as TARGET2) system or any successor thereto; and

(B) a 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 any additional business centre specified in the applicable Pricing Supplement and if "TARGET" is specified as an additional business centre in the applicable Pricing Supplement, a TARGET Business Day.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Pricing Supplement. Interest (including any Rate of Interest, if applicable) in the case of Indexed Notes, will be determined in accordance with Condition 4(d).

(iii) ISDA Determination

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (iii), "ISDA Rate" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Pricing Supplement under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option is as specified in the applicable Pricing Supplement;

(B) the Designated Maturity is the period specified in the applicable Pricing Supplement; and

(C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London interbank offered rate ("LIBOR") or on the Euro-zone inter-bank offered rate ("EURIBOR") for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purpose of this sub-paragraph (iii) "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions; and the definition of "Banking Day" in the ISDA Definitions shall be amended to insert after the words "are open for" in the second line the word "general".

When this sub-paragraph (iii) applies, in respect of each relevant Interest Period the Agent will be deemed to have discharged its obligations under sub-paragraph (v) below in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (iii).

In these Terms and Conditions "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, and shall include any other country that has not adopted the aforementioned single currency, as may be specified in the applicable Pricing Supplement.

In these Terms and Conditions, "ISDA Definitions" means the 2006 ISDA Definitions (as amended and/or supplemented as at the Issue Date of the Notes) published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the applicable Pricing Supplement.

(iv) Screen Rate Determination

The provisions set out below in this sub-paragraph (iv) will apply unless otherwise specified in the applicable Pricing Supplement.

Where so specified in the applicable Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

(B) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations (expressed as a percentage rate per annum),

for deposits in the Specified Currency for the Specified Period which appears or appear, as the case may be, on the Relevant Screen Page as at 11:00 a.m. (London time, in the case of LIBOR, or Brussels time in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Agent (or such other entity specified in the applicable Pricing Supplement). If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest rate, one only of such rates) and the lowest (or, if there is more than one such lowest rate, one only of such rates) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three of such offered quotations appear as at such time specified above, the Agent (or such other entity specified in the applicable Pricing Supplement) shall request each of the Reference Banks (as defined below) to provide the Agent (or such other entity specified in the applicable Pricing Supplement) with its offered quotation (expressed as a percentage rate per annum) for deposits in the Specified Currency for the Specified Period to prime banks in the London inter-bank market at approximately 11:00 a.m. (London time) if the Reference Rate is LIBOR, or to prime banks in the Euro-zone inter-bank market at approximately 11:00 a.m. (Brussels time) if the Reference Rate is EURIBOR on the Interest Determination Date. If two or more of the Reference Banks provide the Agent (or such other entity specified in the applicable Pricing Supplement) with such offered quotations, the Rate of Interest for the relevant Interest Period shall be the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Agent (or such other entity specified in the applicable Pricing Supplement).

If on any Interest Determination Date one only or none of the Reference Banks provides the Agent (or such other entity specified in the applicable Pricing Supplement) with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent (or such other entity specified in the applicable Pricing Supplement) determines as being the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the rates, as

communicated to (and at the request of) the Agent (or such other entity specified in the applicable Pricing Supplement) by the Reference Banks or any two or more of them, at which such banks were offered, as at 11:00 a.m. (London time if the Reference Rate is LIBOR, or Brussels time, if the Reference Rate is EURIBOR) on the relevant Interest Determination Date, deposits in the Specified Currency for the Specified Period by prime banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, plus or minus (as appropriate) the Margin (if any), or if fewer than two of the Reference Banks provide the Agent (or such other entity specified in the applicable Pricing Supplement) with such offered rates, the offered rate for deposits in the Specified Currency for the Specified Period, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the Specified Period, which, at approximately 11:00 a.m. (London time) if the Reference Rate is LIBOR, or, at approximately 11:00 a.m. (Brussels time) if the Reference Rate is EURIBOR, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Agent and the Issuer suitable for such purpose) informs the Agent (or such other entity specified in the applicable Pricing Supplement) it is quoting to prime banks in the London inter-bank market, if the Reference Rate is LIBOR, or, the Euro-zone inter-bank market, if the Reference Rate is EURIBOR, as the case may be, (or, as the case may be, the quotations of such bank or banks to the Agent (or such other entity specified in the applicable Pricing Supplement)) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be established by the Agent (or such other entity specified in the applicable Pricing Supplement) in its sole and absolute discretion and acting in good faith, or as otherwise specified in the applicable Pricing Supplement.

(v) Determination of Rate of Interest and calculation of Interest Amount

The Agent will, on or as soon as practicable after each date on which the Rate of Interest is to be determined (the "Interest Determination Date"), determine the Rate of Interest (subject to any Minimum or Maximum Rate of Interest specified in the applicable Pricing Supplement) and calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination or, where a Calculation Amount is specified in the applicable Pricing Supplement, such Calculation Amount, multiplying such sum by the applicable Floating Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. In these Terms and Conditions, the following expressions have the following meanings:

"Floating Day Count Fraction" means:

(A) if "Actual/Actual - ISDA" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(B) if "Actual/365 (Fixed)" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;

(C) if "Actual/360" is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;

(D) if "30/360" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Floating Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(E) if "30E/360" or "Eurobond Basis" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Floating Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(F) if "30E/360 (ISDA)" is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Floating Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30;

(G) in relation to Indexed Notes only, if "Actual/Actual - ICMA" is specified in the applicable Pricing Supplement,

- if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- if the Calculation Period is longer than one Determination Period, the sum of:

  (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

  (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

"Determination Date" means each relevant Interest Payment Date (except that the first Determination Date shall be deemed to be the Interest Commencement Date), unless otherwise specified in the applicable Pricing Supplement.

For the purposes of the definition of "Determination Date" in this Condition 4(b)(v)(G), the adjustment of any Interest Payment Date as a result of the application of any Business Day Convention shall be disregarded; or

(H) such other basis as may be agreed, as specified in the applicable Pricing Supplement;

"sub-unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent; and

"Calculation Period" means, with respect to the relevant period for which interest is to be calculated on any Note, a period of time from and including the first day of such period to but excluding the last (whether or not constituting an Interest Period).

(vi) Notification of Rate of Interest and Interest Amount

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, (in the case of Floating Rate Notes which are admitted to the official list of the UK Listing Authority (the "Official List") and admitted to trading on the London Stock Exchange's Regulated Market (the "Regulated Market")), the UK Listing Authority and, if applicable, to any other stock exchange on which the relevant Floating Rate Notes are for the time being listed, and to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Business Day (or, in relation to the Noteholders, such other period as may be specified in the applicable Pricing Supplement) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(vii) Certificates to be final

All certificates, communications, determinations, calculations and decisions (the "determinations") made for the purposes of the provisions of this Condition 4(b), by the Agent, or for the purposes of Condition 4(d) by, if applicable, the Calculation Agent and/or the Determination Agent, as the case may be, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the Determination Agent (if applicable), the other Paying Agents and all Noteholders. In making such determinations, the Agent, the Calculation Agent and/or the Determination Agent, as the case may be, shall not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders and accordingly, no liability to the Noteholders shall attach to, respectively, as the case may be, any one of the Agent, the Calculation Agent (if applicable), or the Determination Agent (if applicable), in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to Condition 4(b) or 4(d), as the case may be.

(viii) Reference Banks

In these Terms and Conditions, "Reference Banks" means:

(A) if "Agent's Selection" is specified in the applicable Pricing Supplement, in the case of a determination of LIBOR, the principal London office of five major international banks active in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of five major international banks active in the Euro-zone inter-bank market, in each case selected by the Agent; or

(B) the banks specified or the banks to be selected by such method as may be specified in the applicable Pricing Supplement; or

(C) if none of the above are specified in the applicable Pricing Supplement, those banks whose names appear on the Relevant Screen Page as at 11:00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the relevant Interest Determination Date or, if such page contains a single rate (without details of the relevant reference banks) which is itself the single arithmetic mean of the offered rates quoted by (in the case of LIBOR) the principal London offices of prime banks, or (in the case of EURIBOR) the principal Euro-zone offices of prime banks, such other page(s) on which the banks used to determine such average appear, provided that:

(1) if the Relevant Screen Page is then not available or fewer than three such names then appear, the Reference Banks shall be the banks whose names last appeared on such page(s) when no fewer than three such names appeared; and

(2) if the Relevant Screen Page is not then available but such page(s) when last available displayed only one London inter-bank offered rate (in the case of LIBOR), or one Euro-zone inter-bank offered rate (in the case of EURIBOR), which was itself the arithmetic mean of the offered rates quoted by (in the case of LIBOR) the principal London offices of prime banks, or (in the case of EURIBOR) the principal Euro-zone offices of prime banks, the Reference Banks shall be the banks which were used to determine such arithmetic mean.

In the case of a determination of LIBOR, references to Reference Banks are to their principal London offices and in the case of a determination of EURIBOR, references to Reference Banks are to their principal Euro-zone offices.

If the Reference Rate from time to time in respect of Floating Rate Notes of a Series is specified in the applicable Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Series will be determined as provided in the applicable Pricing Supplement.

(c) Zero Coupon Notes

Where a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the amount determined in accordance with Condition 5(d) as its Amortised Face Amount. As from the Maturity Date, any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield specified in the applicable Pricing Supplement. Such interest shall continue to accrue (both before and after any judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note and (ii) the day on which the Agent has notified the holder thereof (either in accordance with Condition 13 or individually) of receipt of all sums due in respect thereof up to that date. Such interest will be calculated on the basis of a 360 day year consisting of 12 months of 30 days each.

(d) Interest on Indexed Notes

In the case of Indexed Notes where the Rate of Interest and/or the Interest Amount, as the case may be, (whether on any Interest Payment Date, Fixed Interest Date, early redemption, maturity or otherwise) falls to be determined by reference to an index and/or a formula, the Rate of Interest and/or the Interest Amount, as the case may be, shall be determined in accordance with such index and/or formula in the

manner specified in the applicable Pricing Supplement (the "Index" and/or the "Formula", respectively). The provisions set out in Condition 4(b)(i) will apply to Indexed Notes, and, if a Floating Day Count Fraction is specified in the applicable Pricing Supplement, the relevant provisions in relation thereto set out in Condition 4(b)(v) will also apply.

(e) Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes) interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(f) Interest Payments

Interest will be paid subject to and in accordance with the provisions of Condition 6. Interest will cease to accrue on each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof unless, upon due presentation thereof, payment or, as the case may be, delivery of principal is improperly withheld or refused, in which event interest will continue to accrue (both before and after any judgment) until whichever is the earlier of (i) the day on which all sums or, as the case may be, all assets deliverable due in respect of such Note up to that day are received by or on behalf of the holder of such Note and (ii) the day on which the Agent has notified the holder thereof (either in accordance with Condition 13 or individually) of receipt of all sums or, as the case may be, all assets deliverable due in respect thereof up to that date.

(g) Interest on Dual Currency Notes

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

5 Redemption and Purchase

(a) At Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed by the Issuer by payment, subject to Condition 6(e), or, as the case may be, delivery of the Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the Specified Currency (if applicable) on the Maturity Date specified in the applicable Pricing Supplement. If the Maturity Date specified in the applicable Pricing Supplement falls on a date which was initially a Fixed Interest Date or Interest Payment Date prior to adjustment in accordance with Condition 4(a)(iii) or 4(b)(i), the Maturity Date will be adjusted in accordance with the business day convention applicable to such adjusted Fixed Interest Date or Interest Payment Date, as the case may be.

In the case of Zero Coupon Notes, if the business day convention specified in the applicable Pricing Supplement is:

(A) the Following Business Day Convention, payment of the Final Redemption Amount will be postponed to the next day which is a Business Day;

(B) the Modified Following Business Day Convention, payment of the Final Redemption Amount shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event payment of the Final Redemption Amount shall be brought forward to the immediately preceding Business Day; or

(C) the Preceding Business Day Convention, payment of the Final Redemption Amount shall be brought forward to the immediately preceding Business Day.

In this Condition 5(a), "Business Day" means a day which is:

(1) either (x) in relation to Notes denominated in a Specified Currency other than euro, a 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 the principal financial centre of the country of the relevant Specified Currency or (y) in relation to Notes denominated in euro, a day on which the TARGET System is open for the settlement of payments in euro (a "TARGET Business Day"). In these Terms and Conditions, "TARGET System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) system or any successor thereto; and

(2) a 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 any additional business centre specified in the applicable Pricing Supplement and, if "TARGET" is specified as an additional business centre in the applicable Pricing Supplement, a TARGET Business Day.

(b) Redemption at the option of the Issuer

If the applicable Pricing Supplement specifies that the Notes of a Series are redeemable at the option of the Issuer, they may be so redeemed, on giving not less than 30 nor more than 45 days' notice (or such other period as may be specified in the applicable Pricing Supplement) to the holders of Notes (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 13, on the date or dates and at the relevant price(s) specified in the applicable Pricing Supplement. In the case of a partial redemption of such Notes, Notes to be redeemed (the "Redeemed Notes") will be selected individually by lot in such place as the Agent may approve and in such manner as the Agent shall deem to be appropriate and fair, and in the case of Redeemed Notes represented by definitive Notes, to be done in accordance with the rules of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), and in the case of Redeemed Notes represented by a Global Note, not more than 60 days prior to the date fixed for redemption and a list of such Notes called for redemption will be published in accordance with Condition 13 not less than 30 nor more than 45 days prior to such date.

(c) Redemption at the option of the Noteholders

If the applicable Pricing Supplement specifies that any Note is redeemable at the option of the holder of such Note it may be so redeemed by the holder giving to the Issuer in accordance with Condition 13 not less than 65 nor more than 80 days' notice (which notice shall be irrevocable) and the Issuer will, upon the expiry of such notice redeem such Note on a date or dates and at the relevant price(s) as specified in the applicable Pricing Supplement.

(d) Early Redemption Amounts

For the purposes of paragraph (b) or (c) above and Condition 9, the Notes will be redeemed at an amount (the "Early Redemption Amount") calculated as follows, together, if appropriate, with interest accrued to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and redeemable (the "Early Redemption Date"):

(i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be lesser or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount set out in, or determined in the manner set out in, the applicable Pricing Supplement or, if no such amount or manner is set out in the Pricing Supplement, at their nominal amount; or

(iii) in the case of Zero Coupon Notes, at an amount (the "Amortised Face Amount") equal to the sum of:

(A) the Reference Price specified in the applicable Pricing Supplement; and

(B) the product of the Accrual Yield specified in the applicable Pricing Supplement (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and redeemable.

Where such calculation is to be made for a period of less than a full year or for a period which is not a whole number of years, (1) in the case of Fixed Rate Notes it shall be made on the basis of the Fixed Day Count Fraction specified in the applicable Pricing Supplement; (2) in the case of Floating Rate Notes it shall be made on the basis of the Floating Day Count Fraction specified in the applicable Pricing Supplement; (3) in the case of Zero Coupon Notes it shall be made on the basis of a 360 day year consisting of 12 months of 30 days each (unless otherwise specified in the applicable Pricing Supplement); and (4) in the case of any other Notes other than Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes, it shall be made on the basis of the relevant day count fraction as may be specified in the applicable Pricing Supplement.

(e) Purchase

The Issuer may at any time purchase or otherwise acquire Notes in the open market or otherwise. Notes purchased or otherwise acquired by the Issuer may be held or resold or, at the discretion of the Issuer, surrendered to the Agent for cancellation (together with (in the case of definitive Bearer Notes of this Series) any unmatured Coupons or Receipts attached thereto or purchased therewith). If purchases are made by tender, tenders must be made available to all holders of Notes of this Series alike.

(f) Cancellation

All Notes redeemed shall be, and all Notes purchased or otherwise acquired as aforesaid may, at the option of the Issuer, be cancelled (together, in the case of definitive Bearer Notes, with all unmatured Coupons and Receipts presented therewith) and thereafter may not be re-issued or re-sold.

(g) Instalments

Each Note in definitive form which is redeemable in instalments will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Pricing Supplement. All instalments (other than the final instalment) will be redeemed against surrender of, in the case of a definitive Bearer Note, the relevant Receipt (which must be presented with the Note to which it appertains) and, in the case of a definitive Registered Note, the relevant Note and issue of a new Note in the nominal amount remaining outstanding, all as more fully described in Condition 6.

(h) Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (b) or (c) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (d)(iii) above as though the references therein to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and

(ii) the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

(i) Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise in accordance with the provisions of this Condition 5 as amended or varied by the information specified in the applicable Pricing Supplement.

6 Payments, Delivery, Coupons and Exchange of Talons

(a) Method of Payment

Payments in respect of definitive Notes (other than Dual Currency Notes) denominated in a Specified Currency (other than euro) or, in the case of Dual Currency Notes, payable in a Specified Currency (other than euro) will (subject as provided below) be made by a cheque in the Specified Currency drawn on, or, at the option of the holder and upon 15 days' prior notice to the Agent, by transfer to an account (in the case of payment in Japanese yen to a non-resident of Japan, to a non-resident account) in the Specified Currency maintained by the payee with, a bank (in the case aforesaid, an authorised foreign exchange bank) in the principal financial centre of the country of the Specified Currency. Payments in euro will be made by credit or transfer to a euro account (or to any other account to which euro may be credited or transferred) specified by the payee with a bank in a city in which banks have access to the TARGET System.

(b) Presentation of definitive Notes, Receipts and Coupons

Payments of principal in respect of definitive Registered Notes will be made to the registered holder (or to the first named of joint holders) against presentation and surrender of the Note at the specified office of any Paying Agent. Payments of interest on each definitive Registered Note will be made to the holder (or to the first named of joint holders) of the Registered Note appearing on the register at the close of business on the fifteenth day before the relevant due date (the "Record Date") at his address shown on the Register on the Record Date.

Payments of principal in respect of instalments will be made to the registered holder (or to the first named of joint holders) against surrender of the relevant definitive Registered Note and (other than in the case of the final instalment) the issue of a new Registered Note in the nominal amount remaining outstanding.

Payments of principal and interest (if any) in respect of the definitive Bearer Notes will (subject as provided below) be made against presentation or surrender of such Bearer Notes or Coupons, as the case may be, at any specified office of any Paying Agent located outside the United States (which expression, as used herein, means the United States of America (including the States and the District of

Columbia, its territories, its possessions and other areas subject to its jurisdiction)). Payments of principal in respect of instalments (if any), other than the last instalment, will (subject as provided below) be made against surrender of the relevant Receipt. Payment of the last instalment will be made against surrender of the relevant Bearer Note. Each Receipt must be presented for payment of such instalment together with the relevant definitive Bearer Note against which the amount will be payable in respect of that instalment. If any definitive Bearer Notes are redeemed or become repayable prior to the Maturity Date in respect thereof, principal will be payable on surrender of each such Note together with all unmatured Receipts appertaining thereto. Unmatured Receipts and Receipts presented without the definitive Bearer Notes to which they appertain do not constitute obligations of the Issuer. All payments of interest and principal with respect to Bearer Notes will be made to accounts located outside the United States except as otherwise provided in the third succeeding paragraph.

(c) Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent.

All payments in respect of Notes represented by a Registered Global Note will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25 December and 1 January.

The Paying Agent to which a Registered Global Note or a Global Note that is not in new global note ("NGN") form is presented shall make a record of each payment made on such Global Note, distinguishing between any payment of principal and any payment of interest, on such Global Note and such record shall be prima facie evidence that the payment in question has been made. The Issuer shall, in the case of a Global Note that is in NGN form, procure that details of each payment, distinguishing between any payment of principal and any payment of interest, on such Global Note be entered pro rata in the records of the relevant clearing system and each payment so made will discharge the Issuer's obligations in respect thereof and any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

The holder of the relevant Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of The Depository Trust Company or of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of Notes must look solely to The Depository Trust Company and/or Euroclear and/or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant Global Note. No person other than the holder of the relevant Global Note shall have any claim against the Issuer in respect of any payments due on that Global Note.

(d) General provisions applicable to payments

Notwithstanding the foregoing, payments in respect of Bearer Notes denominated and payable in United States dollars will be made at the specified office of any Paying Agent in the United States (a) if (1) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount due on the Bearer Notes in the manner

provided above when due, (2) payment of the full amount due at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (3) such payment is then permitted under United States law, and (b) at the option of the relevant holder if such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents and/or to approve any change in the specified office of any Paying Agent, provided that it will, so long as any of the Notes is outstanding, maintain (i) an Agent, (ii) a Paying Agent (which may be the Agent) having a specified office in a leading financial centre in continental Europe and (iii) such other agents as may be required by any other stock exchange on which the Notes may be listed. Any such variation, termination or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13 below and provided further that neither the resignation nor removal of the Agent shall take effect, except in the case of insolvency as aforesaid, until a new Agent has been appointed. In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in (d)(2) of this Condition 6.

Payments in respect of the Notes will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

(e) Payment Day

If the due date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment at the place of presentation of the amount due until the next following Payment Day and shall not be entitled to any interest or other sum in respect of any such delay. In this paragraph (e) "Payment Day" means:

(i) in the case of definitive Notes and Receipts and Coupons relating thereto, any day on which commercial banks and foreign exchange markets are open for business in the relevant place of presentation;

(ii) any day on which commercial banks and foreign exchange markets are open for business in any additional business centre specified in the applicable Pricing Supplement;

(iii) in the case of any payment in respect of a registered global Note denominated in a Specified Currency other than United States dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such registered global Note) has elected to receive any part of such payment in United States dollars, a day on which commercial banks and foreign exchange markets settle payments in New York City; and

(iv) (A) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the Specified Currency, a day on which foreign exchange transactions may be carried on in the Specified Currency in the principal financial centre of the country of such Specified Currency; or

(B) (in the case of settlement of payments in euro) a TARGET Business Day.

If the due date for redemption of any interest bearing Note in definitive form is not a due date for the payment of interest relating thereto, interest accrued in respect of such Note from (and including) the

last preceding due date for the payment of interest (or from the Interest Commencement Date) will be paid against surrender of such Note.

(f) Coupons and Exchange of Talons

Fixed Rate Bearer Notes in definitive form should be presented for payment with all unmatured Coupons appertaining thereto (which expression shall include Coupons to be issued on exchange of Talons which will have matured on or before the relevant redemption date), failing which the full amount of any missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupon which the sum so paid bears to the total amount due) will be deducted from the sum due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon within a period of 10 years from the Relevant Date (as defined below) for the payment of such sum due for payment, whether or not such Coupon has become void pursuant to Condition 10 or, if later, five years from the due date for payment of such Coupon. Upon any Fixed Rate Bearer Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the due date for redemption of any Floating Rate Note, Dual Currency Note or Indexed Note in definitive bearer form, all unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to, and including, the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the interest payment date on which the final Coupon comprised in the relative Coupon sheet matures.

(g) Method of Delivery for Notes to be Physically Settled

Any Notes which provide for settlement by delivery of underlying assets will be settled in accordance with the provisions for such physical delivery set out in the applicable Pricing Supplement.

References to payment of principal in this Condition 6 will, where the context so permits, be deemed to include delivery of underlying assets in settlement of Notes which provide for physical settlement.

7 Taxation

All payments of principal and/or interest in respect of the Notes shall be made by the Issuer to the Paying Agent without withholding or deduction for or on account of tax.

8 Euro

Euro means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.

9 Events of Default

(a) If any one or more of the following events ("Events of Default") shall have occurred and be continuing:

(i) the Issuer defaults for a period of 90 days in the payment of the principal of, or interest on, the Notes;

(ii) the Issuer defaults in the performance of any other covenant or agreement contained in the Notes and any such default shall continue for a period of 90 days after written notice thereof shall have been given to the Issuer at the office of the Agent by any Noteholder; or

(iii) the Issuer defaults in the payment of the principal of, or interest on, any bonds, notes or similar obligations which have been issued, assumed or guaranteed by the Issuer and such default shall continue for a period of 90 days,

the holder for the time being of any Note may give notice to the Issuer either directly or at the office of the Agent that such Note is redeemable upon the 30th day after such notice is received by the Issuer, whereupon such Note shall become so redeemable in accordance with paragraph

(b) below, unless prior to such time all events of default provided for herein in respect of the Notes shall have been cured.

If the Notes become so due and redeemable pursuant to this Condition 9, they shall be redeemable in accordance with the provisions of Condition 5(d).

10 Prescription

Claims for payment or delivery, as the case may be, of principal in respect of the Notes shall be prescribed upon the expiry of 10 years, and claims for payment or delivery, as the case may be, of interest (if any) in respect of the Notes shall be prescribed upon the expiry of 5 years, in each case from the Relevant Date (as defined below) thereof, subject to the provisions of Condition 6. There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment or delivery, as the case may be, in respect of which would be void pursuant to this Condition 10 or Condition 6 above.

For the purposes of these Conditions, "Relevant Date" means the date on which the payment or delivery, as the case may be, in respect of the Notes, Receipts or Coupons first becomes due and payable or deliverable, as the case may be, but, if the full amount of the moneys payable or the assets deliverable, as the case may be, on such date has not been received by the Agent on or prior to such date, the "Relevant Date" means the date on which, such moneys (or as the case may be, the deliverable assets) having been received, notice to that effect shall have been given to the Noteholders in accordance with Condition 13.

11 Replacement of Notes, Coupons and Receipts

If any Note (including any Global Note), Receipt or Coupon is mutilated, defaced, stolen, destroyed or lost it may be replaced at the specified office of the Agent upon payment by the claimant of the costs incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may require. Mutilated or defaced Notes, Receipts or Coupons must be surrendered before replacements will be issued.

12 Meetings of Noteholders and Modification

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including modifications by Extraordinary Resolution of the terms and conditions of the Notes. The quorum for any meeting convened to consider a resolution proposed as an Extraordinary Resolution shall be one or more persons holding or representing a majority in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes for the time being outstanding so held or represented,

except that at any meeting, the business of which includes, inter alia, (i) modification of the Maturity Date of the Notes or reduction or cancellation of the nominal amount payable or the assets deliverable upon maturity; (ii) reduction of the amount payable or modification of the payment date in respect of any interest in respect of the Notes or variation of the method of calculating the rate of interest in respect of the Notes; (iii) reduction of any Minimum Rate of Interest and/or Maximum Rate of Interest; (iv) modification of the currency in which payments under the Notes and/or the Coupons appertaining thereto are to be made; (v) modification of the majority required to pass an Extraordinary Resolution; or (vi) modification of the provisions of the Agency Agreement concerning this exception, the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than three-quarters, or at any adjourned such meeting not less than a majority, of the nominal amount of the Notes for the time being outstanding. A resolution in writing signed by or on behalf of persons holding directly, or, in relation to Notes held in global form, by (i) in the case of a Global Note that is in NGN form, by or on behalf of the common safekeeper for Euroclear and Clearstream, Luxembourg; or (ii) in any other case, the relevant common depositary or nominee of the applicable clearing system (in accordance with the rules and procedures of that applicable clearing system), holding, not less than 90 per cent. in principal amount of the Notes for the time being outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions contained in the Agency Agreement. Any such Resolution will be binding on all Noteholders (whether or not they are present at any meeting) and on all Receiptholders and Couponholders relating to the relevant Notes.

The Agent may agree, without the consent of the Noteholder, Receiptholder or Couponholder, to any modification to any of the provisions of the Agency Agreement or the Notes which is of a formal, minor or technical nature or is made to correct a manifest error. Any such modification shall be binding on all the Noteholders, Receiptholders or Couponholders and, if the Agent so requires, shall be notified to the Noteholders as soon as practicable thereafter in accordance with Condition 13.

13 Notices

(a) All notices to the holders of Registered Notes will be valid if mailed to their registered addresses.

(b) All notices regarding Bearer Notes will be valid if published in one leading London daily newspaper (which is expected to be the *Financial Times*). Any notice published as aforesaid shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication. Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of the Notes of this Series in accordance with this Condition.

(c) Until such time as any definitive Notes are issued, there may, so long as all the Global Note(s) for this Series is or are held in its or their entirety on behalf of The Depository Trust Company or Euroclear and Clearstream, Luxembourg (as the case may be), be substituted, in relation only to such Series, for such publication as aforesaid, the delivery of the relevant notice to The Depository Trust Company or to Euroclear and Clearstream, Luxembourg (as the case may be) for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the Noteholders on the day (or such other period thereafter as may be specified in the applicable Pricing Supplement) on which the said notice was given to The Depository Trust Company or to Euroclear and Clearstream, Luxembourg (as the case may be).

(d) Except as specified in Condition 9, notices to be given by any holder of any Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent. Whilst any Notes are represented by a Global Note, such notice may be given by a holder of any of the Notes so

represented to the Agent via The Depository Trust Company and/or Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and The Depository Trust Company and/or Euroclear and/or Clearstream, Luxembourg may approve for this purpose.

14 Agents

In acting under the Agency Agreement, the Agent, the Registrar and the Paying Agents will act solely as agents of the Issuer and do not assume any obligations or relationships of agency or trust to or with the Noteholders, Receiptholders or Couponholders, except (without affecting the obligations of the Issuer to the Noteholders, Receiptholders and Couponholders, to redeem Notes and pay interest thereon) funds received by the Agent for the payment of the principal of or interest on the Notes shall be held by it in trust for the Noteholders and/or Receiptholders or Couponholders until the expiration of the relevant period of prescription under Condition 10. The Issuer will agree to perform and observe the obligations imposed upon it under the Agency Agreement. The Agency Agreement contains provisions for the indemnification of the Paying Agents and for relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Issuer and any of its subsidiaries without being liable to account to the Noteholders, Receiptholders or the Couponholders for any resulting profit. Any reference herein to the Agent or the Agents or to a calculation agent or determination agent shall include any successor thereto.

15 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding notes of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition and forming a single series with the Notes.

16 Governing Law

The Notes, the Receipts, the Coupons and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England. The Issuer irrevocably agrees for the benefit of each of the Noteholders, the Receiptholders and the Couponholders that the Courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, Receipts or Coupons.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

USE OF PROCEEDS

The net proceeds to be received by the Issuer from the issue of Notes will be included in the ordinary capital resources of the Issuer and used in its ordinary operations. If the case is otherwise and there is a particular identified use of proceeds in respect of any issue of Notes, then such use of proceeds will be stated in the applicable Pricing Supplement.

ISSUE PROCEDURES

Unless otherwise specified in the applicable Pricing Supplement, each issue of Registered Notes will initially be represented by a registered Global Note which will either be (i) delivered to, and registered in the name of a nominee for, The Depository Trust Company or (ii) delivered to the Common Depositary and registered in the name of Citivic Nominees Limited as nominee for the Common Depositary, as specified in the applicable Pricing Supplement. Each issue of Bearer Notes will initially be represented by a temporary Global Note. If an issue of Bearer Notes is stated in the applicable Pricing Supplement as being issued in NGN form, then the applicable temporary Global Note will be delivered to the Common Safekeeper for Euroclear and Clearstream, Luxembourg on or prior to the original issue date for that issue of Bearer Notes. If an issue of Bearer Notes is issued in CGN form, the applicable temporary Global Note will be deposited with the Common Depositary on the issue date for that issue of Bearer Notes. A temporary Global Note will be exchanged for a permanent Global Note or Notes in definitive form (as specified in the applicable Pricing Supplement) not earlier than 40 days after the relevant issue date upon certification of non-U.S. beneficial ownership. A registered Global Note will be exchangeable, in whole or in part, for definitive Registered Notes only in the following circumstances:

(i) upon the occurrence of an Event of Default;

(ii) if 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 clearing system is available; or

(iii) if the Depository Trust Company notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the registered Global Note or ceases to be a "clearing agency" registered under the United States Securities Exchange Act of 1934, as amended, 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 the registered Global Note for definitive Registered Notes.

If an issue of Bearer Notes is stated in the applicable Pricing Supplement as being issued in NGN form, then it may be intended to be eligible collateral for Eurosystem monetary policy. The delivery of the temporary Global Note to the Common Safekeeper does not necessarily mean that the applicable issue of Bearer Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life.

If an interest payment date for any Bearer Notes occurs while such Notes are represented by a temporary Global Note, the related interest payment will be made (against presentation of the temporary Global Note if the temporary Global Note is not intended to be issued in NGN form) only to the extent that certification of non-U.S. beneficial ownership (in the form set out in the temporary Global Note) has been received by Euroclear and/or Clearstream, Luxembourg and a like certification (based on the certifications it has received) has been given by Euroclear and/or Clearstream, Luxembourg to the Issuer or the Agent. On or after the date (the "Exchange Date") which is 40 days after the date on which the temporary Global Note is issued, provided that certification of non-U.S. beneficial ownership has been received, interests in the temporary Global Note will be exchangeable either for interests in a permanent Global Note or for definitive Bearer Notes (as indicated in the applicable Pricing Supplement). No payments of interest will be made on a temporary Global Note after the Exchange Date. Payments of principal or interest (if any) on a permanent Global Note will be made through Euroclear and Clearstream, Luxembourg (against presentation or surrender, as the case may be, of the permanent Global Note if the permanent Global Note is not intended to be issued in

NGN form) without any requirement for further certification. A permanent Global Note will be exchangeable in whole, but not in part, for security-printed definitive Bearer Notes with, where applicable, Receipts, Coupons and/or Talons attached in the following circumstances:

(1) an Event of Default has occurred and is continuing; or

(2) the Issuer has been notified that either Euroclear or Clearstream, Luxembourg (or any other relevant clearing system) has been 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 clearing system is available.

If the temporary and permanent Global Note are in NGN form, then the Issuer shall procure that details of each payment of principal, interest (if any) or other amounts be entered pro rata in the records of the relevant clearing system and the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the temporary and permanent Global Note will be reduced accordingly. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. The Issuer shall also procure that any exchange, payment, cancellation, exercise of any option or right under the Notes, as the case may be, shall be entered in the records of the relevant clearing systems and upon such entry being made, the nominal amount of the Notes represented by such temporary and permanent Global Note shall be adjusted accordingly.

Temporary and permanent Global Notes and definitive Notes will be issued by the Agent acting on behalf of the Issuer. At the date hereof, neither Euroclear nor Clearstream, Luxembourg regard Bearer Notes in global form as fungible with Bearer Notes in definitive form.

For a description of clearance and settlement of Global Notes, see "Clearance and Settlement of Global Notes in Book Entry Form" below.

The following legend will appear on all Global Notes in bearer form, definitive Bearer Notes, Coupons, Receipts and Talons: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code".

Any Notes may be accelerated by the holder thereof in certain circumstances described in the Terms and Conditions of the Notes. In the case of an event of default, where such Notes are still represented by a Global Note and a holder with an interest in such Global Note credited to his securities account with The Depository Trust Company, Euroclear or Clearstream, Luxembourg gives notice that it wishes to accelerate such Notes, unless within a period of 15 days from the giving of such notice payment has been made in full in accordance with the terms of the Global Note, the Global Note will become void. At the same time, holders of interests in such Global Note with The Depository Trust Company, Euroclear or Clearstream, Luxembourg credited to their accounts will become entitled to proceed directly against the Issuer on the basis of statements of account provided by The Depository Trust Company, Euroclear and Clearstream, Luxembourg, under the terms of an amended and restated deed of covenant (the "Deed of Covenant") dated 3 July 2012 executed by the Issuer. The Pricing Supplement for each issue of Notes will contain information in respect of the Notes and will be substantially in the form set out below:

The following is the form of pricing supplement:

FORM OF PRICING SUPPLEMENT

[Date]

European Bank for Reconstruction and Development
[currency and amount] [description of Notes] Notes due [ ]
issued pursuant to a Global Medium Term Note Programme

[PART A – CONTRACTUAL TERMS]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 3 July 2012 [as supplemented by the Supplementary Offering Circular dated [●]].[1] This Pricing Supplement must be read in conjunction with such Offering Circular [as so supplemented]. Full information on the Notes is only available on the basis of the combination of this Pricing Supplement and the Offering Circular [as so supplemented]. [The Offering Circular [and the Supplementary Offering Circular] [is] [are] available for viewing and copies may be obtained from the Issuer, One Exchange Square, London, EC2A 2JN, United Kingdom.]

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus[2] or an Offering Circular with an earlier date.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the [Base Prospectus/Offering Circular] dated [original date] [as supplemented by the Supplementary [Prospectus/Offering Circular] dated [●][3]]. This Pricing Supplement must be read in conjunction with the Offering Circular dated 3 July 2012 [and the Supplementary Offering Circular dated [●]] save in respect of the Conditions which are extracted from the [Base Prospectus/Offering Circular] dated [original date] [as supplemented by the Supplementary [Prospectus/Offering Circular] dated [●]] and are attached hereto. Full information on the Notes is only available on the basis of this Pricing Supplement and the [Base Prospectus/Offering Circular] dated [original date] and 3 July 2012 [and the Supplementary [Prospectus/Offering Circular] dated [●] and [●]]. The [Base Prospectuses/Offering Circulars] [and the Supplementary [Prospectus/Offering Circulars] are available for viewing and copies may be obtained from the Issuer, One Exchange Square, London, EC2A 2JN, United Kingdom.]

[Include each item but specify items as "not applicable" where appropriate]

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[1] To be included where such Supplementary Offering Circular amends or modifies the Conditions set forth in the Offering Circular.

[2] To be included where the first tranche of an issue which is being increased was issued under a base prospectus for the purposes of Article 5.4 of EU Directive 2003/71/EC.

[3] To be included where such Supplementary Offering Circular amends or modifies the Conditions set forth in the Offering Circular.

SUMMARY OF THE NOTES

1	Specified Currency:	[●]
2	Nominal Amount:	[●]
3	Type of Note:	(Specify from the following: Fixed Rate/Floating Rate/Zero Coupon/Indexed/Other In the case of "Other" specify features including, if relevant, Dual Currency/Partly Paid/Instalment/ Physically Settled)
4	Issue Date:	[●]
5	Issue Price:	[●] per cent. [(*insert in the case of fungible issues only, if applicable*) plus [*insert number of days*] days accrued interest on the Nominal Amount from and including [*insert date*] to but excluding the Issue Date]
6	Maturity Date:	[●]
7	Fungible with existing Notes:	[No/Yes] [*If Yes, insert details of*: existing Notes, outstanding aggregate amount of Notes, existing Global Notes, ISIN and common code, if any, allocated to the current issue and the date on which the current issue becomes fully fungible]

FORM OF THE NOTES

8	Form of Note:	[Bearer] [Registered]
9	New Global Note:*	[Yes] [No]
10	[(a)] Specified Denomination(s):	[●] [[●] and integral multiples of [●] in excess thereof up to and including [●]. No Notes in definitive form will be issued with a denomination above [●]].
	[(b) Calculation Amount:	[●]]
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] [Temporary Global Note exchangeable for definitive Bearer Notes on or after 40 days after the Issue Date on certification as to non-US beneficial ownership] [*If the Specified Denominations of the Notes in paragraph 10 includes language substantially to the following effect: "[€50,000] and integral multiples of*

* Note that this Programme contemplates that Bearer Notes may be issued in NGN form even if they are not intended to be recognised as eligible collateral for Eurosystem marketing policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Before selecting the designation "Yes" consider whether the Issuer does in fact want to issue in NGN form even though the designation "No" may be selected for paragraph 37.

			[€1,000]" the Temporary Global Note must not be expressed to be exchangeable for definitive Bearer Notes and the following sentence should be inserted in this paragraph 11: "No exchange for definitive Notes will be possible in respect of a holding of Notes in an aggregate amount which is less than the Specified Denomination".]
12	(a)	Talons for future Coupons to be attached to definitive Bearer Notes:	[No/Yes]
	(b)	Date(s) on which the Talons mature:	[Insert details]
13	(a)	Depositary for and registered holder of Registered Global Note:	[Registered Global Note to be deposited with, or on behalf of, DTC and registered in the name of Cede and Co. as nominee for DTC][Registered Global Note to be deposited with a common depositary for Euroclear and Clearstream, Luxembourg and registered in the name of Citivic Nominees Limited as nominee for the common depositary] [*Other*]
	(b)	Exchange of Registered Global Note:	[Registered Global Note will only be exchangeable for definitive Registered Notes upon 45 days' written notice in the limited circumstances described on page [●] of the Offering Circular]

PROVISIONS RELATING TO INITIAL PAYMENT

14		Partly Paid Notes:	[No/Yes] [If Yes, insert details]

PROVISIONS RELATING TO INTEREST

15		Interest Commencement Date:	[●]

Fixed Rate Notes:

16	(a)	Fixed Rate(s) of Interest:	[●] per cent. per annum payable [annually/semi-annually/quarterly]
	(b)	Fixed Interest Date(s):	[●]
	(c)	Initial Broken Amount per [Specified Denomination/ Calculation Amount]:	[specify amounts] [*If using Actual/Actual - ICMA as the day count fraction, insert the fixed amount payable for at least the first short coupon (and any subsequent short coupon), otherwise the definition for Actual/Actual -ICMA in Condition 4(a)(ii) will require amendment and, further, consider whether to insert figures for all fixed amount calculations to ensure that they match the same calculations in the underlying swap transaction*[*]]

[*] The underlying swap is one that the Issuer may routinely enter into in connection with the issue of Notes.

	(d)	Final Broken Amount per [Specified Denomination/ Calculation Amount]:	[specify amounts]
	(e)	Fixed Day Count Fraction:	[specify whether: Actual/Actual – ISDA; or Actual/365 (Fixed); or Actual/360; or 30/360; or 30E/360 (Eurobond or ISDA basis); or Actual/Actual – ICMA; or other agreed basis]
	(f)	Business Day Convention:	[specify *one* of: Following Business Day/Modified Following Business Day/Preceding Business Day/other convention (insert details)]
	(g)	Business Day definition if different from that in Condition 4(a)(iii):	[Condition 4(a)(iii) applies] [*Insert, if applicable, additional business centres, for example, London] [other (insert details)*]
	(h)	Calculation of interest to be adjusted in accordance with Business Day Convention specified above:	[as required by Condition 4(a)(iii) [Yes/No]][**]
Zero Coupon Notes:			
17	(a)	Accrual Yield:	[Insert details]
	(b)	Reference Price:	[Insert details]
	(c)	Other formula or basis for determining Amortised Face Amount:	[Insert details]
	(d)	Business Day Convention:	[Following Business Day][Modified Following Business Day][Preceding Business Day]
	(e)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 5(d)(iii) and 5(h) apply] [*specify other*]
Floating Rate Notes and Indexed Notes:			
18	(a)	Manner in which Rate of Interest is to be determined:	[*If Floating Rate Notes, specify one of*: ISDA Determination/Screen Rate Determination/Other – *if Other is specified, insert* "as set out in paragraph 22 below"] *[If Indexed Notes, insert, "See [Annex]/[paragraph 23 below]" and insert relevant details of Index/ Formula and calculation of Interest Amount in Annex or paragraph 23 below, as applicable, and, when drafting, refer to paragraph 23(e) below, in so far as it relates to Indexed Notes, for the type of details required to be inserted]*

[**] The Business Day Convention as stated in paragraph 16(f) above will always apply to the payment of interest but in very few Note issues will it be applicable to the calculation of interest. Specify "No" unless otherwise instructed.

	(b)	Margin(s):	[plus] [minus] [●] per cent. per annum
	(c)	Minimum Rate of Interest (if any):	[●]
	(d)	Maximum Rate of Interest (if any):	[●]
	(e)	Floating Day Count Fraction:	[specify whether: Actual/Actual – ISDA; or Actual/ 365 (Fixed); or 30/360; or Actual/360; or /360; or Actual/Actual – ICMA (in the case of Indexed Notes only); or other agreed basis] [*If Indexed Notes and using Actual/Actual - ICMA as the day count fraction and in the case of any short coupons, insert in the appropriate place (e.g. in paragraph 23(e) below) the amount payable for at least the first short coupon (and any subsequent short coupon), otherwise the definition for Actual/Actual –ICMA in Condition 4(b)(v) will require amendment and, further, consider whether to insert figures for all other amounts to ensure that they match the same amounts in the underlying swap transaction*[*]]
19	If ISDA Determination:		
	(a)	Floating Rate Option:	[●]
	(b)	Designated Maturity:	[●]
	(c)	Reset Date:	[●]
	(d)	ISDA Definitions:	[2000/2006] [*If ISDA 2000 is specified, insert full text of the relevant Day Count Fraction from the ISDA 2000 Definitions*]
20	If Screen Rate Determination:		
	(a)	Reference Rate:	[*specify one* of: LIBOR or EURIBOR or other, although additional information is required if other, including fall back provisions]
	(b)	Relevant Screen Page:	[●]
	(c)	Interest Determination Date:	[●]
21	If Indexed:		[*Insert*, "See [Annex]/[paragraph 23 below]" *and insert relevant details in Annex or paragraph 23 below, as applicable, and, when drafting, refer to paragraph 23(e) below, in so far as it relates to Indexed Notes, for the type of details required to be inserted – N.B. check with relevant Conditions to ensure that sufficient levels of fall back provisions are inserted in the Annex/paragraph 23 below, including worst case scenario.*]

[*] The underlying swap is one that the Issuer may routinely enter into in connection with the issue of Notes.

22	If Rate of Interest not to be determined by ISDA or Screen Rate Determination or by reference to an Index or Formula:	[Insert details of basis of determination]
23	General Provisions for Floating Rate Notes and Indexed Notes:	
	(a) Specified Period (or, in the case of Notes where the Interest Payment Date(s) are fixed, the Interest Payment Date(s)):	[specify period or periods (in the case of Floating Rate Notes) or, if applicable, date or date(s)]
	(b) Business Day Convention:	[specify one of: Floating Rate/Following Business Day/Modified Following Business Day/Preceding Business Day/other convention (*insert details*) – *N.B. Floating Rate Convention may not precisely mirror the FRN Convention/Eurodollar Convention in Section 4.11 of the 2006 ISDA Definitions, so, if used, check that it matches the corresponding definition used for any underlying swap transaction*][*]
	(c) Business Day definition if different from that in Condition 4(b)(i):	[Condition 4(b)(i) applies] [(*Insert, if applicable, additional business centres, for example, London*)] [*Other (insert details*)]
	(d) Calculation of interest to be adjusted in accordance with Business Day Convention specified above:	[*as required by Condition 4(b)(i)* [Yes/No]][**]
	(e) Terms relating to calculation of Interest Amount:	[*If Floating Rate Notes, either insert*, "Condition 4(b)(v) applies" *or, if Condition 4(b)(v) does not apply*, specify other relevant details e.g. day count fraction and/or rounding up, names of Reference Banks/Agent's Selection/other method for selection of Reference Banks/leave blank if Reference Banks will be those banks whose names appear on the Relevant Screen Page at 11:00 a.m.] [*If Indexed Notes, either*: (i) insert full details of Index/Formula and, in accordance with Condition 4(b)(ii) and 4(d), set out how Interest Amount is to be calculated with respect thereto (including rounding conventions) and identify which party is responsible for notifying others (and the timing requirements of such notifications) of the calculation of the Interest Amount and of any other determinations (e.g. an FX rate

[*] The underlying swap is one that the Issuer may routinely enter into in connection with the issue of Notes.

[**] The Business Day Convention as stated in paragraph 23(b) above will always apply to the payment of interest but in very few Note issues will it be applicable to the calculation of interest. Specify "No" unless otherwise instructed.

component of a Formula); *or* (ii) if using an Annex for this purpose insert, "See Annex" and insert such details in the Annex].

[*If Indexed Notes, where the Rate of Interest or Interest Amount is to be determined by reference to an Index to be derived from a screen page, the remaining paragraphs hereunder are relevant for the purposes of determining the relevant Index (with information in brackets being by way of example only and assuming that the Index is called "FXn" as derived from JPY/USD exchange rate appearing on a screen page – if otherwise, information should be modified accordingly):*

"Where [FXn] means (i) the [arithmetic mean of the bid rate and offer rate] of the [JPY/USD] exchange rate (expressed in an amount of [JPY] per unit of [USD]) appearing on the [*insert source and relevant screen page*] (or such other page as may replace that page on such service or any successor for that service) (the "[*insert abbreviation*]") which is typically quoted in the row marked "[17:00]" as of [5:00 p.m.] [Tokyo] time on the day that is [10] Business Days prior to each Interest Payment Date (the "[Reference Date/FX Determination Date]") as determined by the [Calculation Agent/Determination Agent]; (ii) if no such rates appear on the [*insert abbreviation for source of screen rate*] on the [Reference Date/FX Determination Date], then the [arithmetic mean of the bid rate and offer rate] for the [JPY/USD] exchange rate (expressed as an amount of [JPY] per unit of [USD]) as announced by the [Bank of Japan] as appears on the [*insert source and relevant screen page*] (or such other page as may replace such page on such service) ("[*insert abbreviation*]") which are typically quoted in the column "JPY/USD" in the row marked "[17:00]" as of [5:00 p.m.] [Tokyo] time on the [Reference Date/FX Determination Date] as determined by the [Calculation Agent/Determination Agent] and (iii) if no such rates appear on [*insert abbreviation for 2nd source of screen rate*] on the [Reference Date/FX Determination Date], the [Calculation Agent/ Determination Agent] will determine [FXn] as follows:

The [Calculation Agent/Determination Agent] will request 5 leading reference banks (selected by the [Calculation Agent/Determination Agent] [and agreed to by the Issuer/at its discretion]) in the [Tokyo] interbank market for their [mid] market quotations of the [JPY/USD] spot exchange rate at approximately [5:00] p.m. [Tokyo] time on the [Reference Date/FX

Determination Date]. The highest and lowest of such quotations will be disregarded and the arithmetic mean of the remaining quotations shall be [FXn].

If only four quotations are so provided then [FXn] shall be the arithmetic mean of such quotations without regard to the highest and lowest quotations. If fewer than four quotations but at least two quotations are available [FXn] shall be the arithmetic mean of the quotations actually obtained by the [Calculation Agent/Determination Agent].

If only one quotation is available the [Calculation Agent/Determination Agent] will determine that such quotation shall be [FXn] and if no such quotation is available or if the [Calculation Agent/Determination Agent] determines in its sole discretion that no suitable reference bank who is prepared to quote is available, the [Calculation Agent/Determination Agent] will determine [FXn] in its sole discretion acting in good faith and in an impartial and commercially reasonable manner in accordance with its normal procedures for determining such exchange rate (or a comparable exchange rate) at such time.

The [Calculation Agent/Determination Agent] shall notify the [Agent/Calculation Agent] of its determination of [FXn] as soon as practicable after such determination (but in no event later than [8] Business Days prior to the relevant Interest Payment Date), whereupon the [Agent/Calculation Agent] shall promptly calculate the Interest Amount payable per Specified Denomination on the relevant Interest Payment Date and as soon as practicable thereafter (but in no event later than [●] Business Days prior to the relevant Interest Payment Date), notify the Issuer and the Noteholders thereof."]

(f) Party responsible for calculation of the Interest Amount:

[*If Floating Rate Notes, then insert*, "Agent"][*If Indexed Notes and the Agent is responsible for calculating interest, then* insert, "Citibank, N.A. (the "Calculation Agent") as set out herein and as agreed with the Issuer in accordance with Clause 8.4 of the Agency Agreement. All references to the Calculation Agent will include any successor or successors to Citibank, N.A. as Calculation Agent in respect of the Notes."][*]

[*] For any Indexed Notes where the Agent is the Calculation Agent and/or the Determination Agent, amend the standard form of Instruction Letter to the Agent to include additional wording as follows: "We hereby confirm our telephone instructions to you as [Agent/Registrar] and [Calculation Agent] [and] [Determination Agent] to undertake the duties set out in: 1. Part [●] of Annex A of the Procedures Memorandum....; and 2. the Pricing Supplement relating to the Notes in accordance with Clause 8.4 of the Agent Agreement".

		[*If Indexed Notes and swap counterparty[**] or entity other than Agent is responsible for calculating interest, then insert*, "[insert name of Calculation Agent] (the "Calculation Agent") shall be responsible for those duties and functions specified herein in accordance with the provisions of a calculation agency agreement entered into between the Issuer and the Calculation Agent dated [insert date], as amended and/or supplemented from time to time (the "Calculation Agency Agreement"). All references to the Calculation Agent shall include any successor or successors to [insert name of entity] as Calculation Agent in respect of the Notes."][***]
(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):	[*If Floating Rate Notes, then insert*, "Agent is responsible for determining Rate of Interest applicable to each Interest Period".] [*If Indexed Notes, and the Agent is responsible for making any determination (e.g. FX determination or other Index), then insert*, "Citibank, N.A. (the "Determination Agent") shall be responsible for those duties and functions specified herein and as agreed with the Issuer in accordance with Clause 8(D) of the Agency Agreement. All references to the Determination Agent shall include any successor or successors to Citibank, N.A. as Determination Agent in respect of the Notes."][****] [*If Indexed Notes and swap counterparty or entity other than Agent is responsible for making any determination (e.g. FX determination or other Index), then insert*, "[insert name of Determination Agent] (the "Determination Agent") shall be responsible for those duties and functions specified herein in accordance with the provisions of a calculation agency agreement entered into between the Issuer and the Determination Agent dated [insert date], as amended and/or supplemented from time to time (the "Calculation Agency Agreement"). All references to the Determination Agent shall include any successor or successors to [insert name of determination agent] as Determination Agent in respect of the Notes."][****]

[**] In the case of a "swap counterparty", this will be the entity with whom the Issuer enters into transaction in connection with the issue of Notes.

[***] Confirm that an appropriate Calculation Agency Agreement is entered into if one is not already in existence. Details of the Notes should be entered in the Schedule to the Calculation Agency Agreement.

[****] Confirm that an appropriate Calculation Agency Agreement is entered into if one is not already in existence. Details of the Notes should be entered in the Schedule to the Calculation Agency Agreement.

	(h)	Any amendment to the definition in Condition 4(b)(iii) of Euro-zone:	[specify any countries to be added to the definition of Euro-zone, if any]

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:	[Condition 6(e) applies] [*Insert, if applicable, additional business centres, for example, London] [Other special provisions relating to Payment Days (insert details)*] [*Note that the business centres specified in the definition of "Business Day" under Condition 4(a) and 4(b) relate to Fixed Interest Period end dates and Interest Period end dates, respectively, whereas the definition of "Payment Day" under Condition 6(e) relates to the date and place of presentation and as otherwise specified in Condition 6(e).*]
25	Dual Currency Notes:	[Insert details, including by whom and how the option is exercisable]
26	Physically Settled Notes:	[Insert details, including method of delivery, Calculation and Delivery Agent and fall back provisions]. [*If a Calculation and Delivery Agent is appointed, insert*, "All certificates, communications, determinations, calculations and decisions (the "determinations") made by the Calculation and Delivery Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders. In making such determinations, the Calculation and Delivery Agent shall not act as agent for the Issuer and shall not thereby assume any obligations towards or relationship of agency or trust for or with any of the Noteholders and, accordingly, no liability to the Noteholders shall attach to the Calculation and Delivery Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions herein. The Calculation and Delivery Agent agrees to always act in good faith and in an impartial and commercially reasonable manner in the exercise by it of its powers, duties and discretions pursuant to the provisions herein."][*]

PROVISIONS REGARDING REDEMPTION/MATURITY

27	(a)	Redemption at Issuer's option:	[No/Yes] [If Yes, insert date(s), price(s), whether in whole or part and, if applicable, any amendment to the number of days'

[*] Pursuant to Condition 1, for the purpose of physical deliveries in respect of the Notes represented by a Global Note in bearer form, the bearer holder of such Global Note is treated as Noteholder, unless otherwise specified herein. if physical delivery is permitted consideration should be given to need for a supplement to the Offering Circular.

			notice needed to be given to holders of Notes under Condition 5(b)]
	(b)	Redemption at Noteholder's option:	[No/Yes. If Yes, insert date(s) and price(s)]
28	(a)	Final Redemption Amount [for each Note/per Calculation Amount] (*other than* an Indexed or Formula Note where the index or formula applies to the redemption amount):	[insert percentage of the nominal amount of each Note]/[per Calculation Amount]
	(b)	Final Redemption Amount for each Indexed Note where the Index or Formula applies to the Final Redemption Amount:	[insert details (including method of calculation, party responsible for calculation and fall back provisions)]
29		Instalment Note:	[insert details regarding Instalment Amounts and Instalment Dates]
30		Early Redemption Amount for each Note payable on an event of default:	[insert amount or details (including, where required or different from the Conditions, method of calculation, party responsible for calculation and fall back provisions)] [check Condition 5(d)]

DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS

31	Method of distribution:	[Syndicated/Non-syndicated]
32	If Syndicated, names and addresses of Managers or, if Non-Syndicated name and address of Dealer:	[insert details]
33	Date of Syndication Agreement:	[None] [insert details, including material features]
34	Stabilising Manager(s):	[None] [insert details]
35	Additional selling restrictions:	[insert details]
36	Details of additional/alternative clearing system approved by the Issuer and the Agent:	[insert details, including name(s), number(s) and address(es)]
37	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes] [No] [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.][*include this text if "yes" selected in which case the Notes must be issued in NGN form*]

38	Common Code:	[●]
	ISIN Code:	[●]
	[CUSIP Number:	[●]]
39	Listing:	[Official List of the UK Listing Authority and trading on the Regulated Market/Other (insert details)/None]
40	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] [*insert details*]
41	Additional Information:	[if further information or disclosure is provided in the Pricing Supplement, which is supplemental to that provided in the Offering Circular, specify whether the Dealers will take responsibility and be liable for any part of it]
42	Total Commissions:	[●]

[*The following information is to be included only in the version of the Pricing Supplement which is submitted in connection with an application for admission to listing and/or trading:*

This Pricing Supplement comprises the pricing supplement required for issue [and admission to trading on [specify relevant regulated market] of the Notes described herein] pursuant to the Euro 35,000,000,000 Global Medium Term Note Programme of European Bank for Reconstruction and Development (as from [insert issue date of the Notes or such other date as may be applicable] [or as soon as practicable thereafter]).]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

For and on behalf of

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

By:
Authorised signatory

CITIBANK, N.A. (as Agent)

By:
Authorised signatory

PART B - OTHER INFORMATION

1 LISTING

[Application [is expected to be/has been/will be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [●] [or as soon as practicable thereafter]. No assurance can be given that such listing and admission to trading will be obtained on such date, or, if obtained, that it will be maintained.] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading).

2 RATINGS

[The Issuer and/or its debt obligations have been assigned an AAA credit rating from Standard & Poor's Credit Market Services Europe Limited ("S&P"), an Aaa credit rating from Moody's Investors Service Limited ("Moody's") and an AAA credit rating from Fitch France S.A.S. ("Fitch"). As defined by S&P, an "AAA" rating means that the ability of the Issuer to meet its financial commitment on its obligations is extremely strong. As defined by Moody's, an "Aaa" rating means that the Issuer's ability to meet its financial obligations is judged to be of the highest quality, with minimal credit risk. As defined by Fitch, an "AAA" rating denotes the lowest expectation of credit risk and means that the Issuer has an exceptionally strong capacity for timely payment of its financial commitments.]

[The Notes to be issued have been rated:

[S & P: [ ]]

[Moody's: [ ]]

[Fitch: [ ]]

[[Other]: [ ]]]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

4 [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer	[●] (*See "Use of Proceeds" wording in Offering Circular -if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.*)]
[(ii)] Estimated net proceeds:	[●] /(*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)
[(iii)] Estimated total expenses:	[●][*Include breakdown of expenses including the amount of any expenses and taxes specifically charged to the purchaser.*]

5 [*Fixed Rate Notes only* – YIELD

Indication of yield:	[●] Calculated as [*include details of method of calculation in summary form*] on the Issue Date. As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6 [*Floating Rate Notes only* – HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

7 [*Index-Linked or other variable-linked Notes only* – PERFORMANCE OF INDEX/FORMULA/ OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident. [Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

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

8 [*Dual Currency Notes only* – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

CLEARANCE AND SETTLEMENT OF GLOBAL NOTES IN BOOK ENTRY FORM

1 The Clearing Systems

(a) Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others who clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

(b) The Depository Trust Company

The Depository Trust Company, New York ("DTC") is a limited-purpose trust company organised under the banking laws of the State of New York, a "banking organization" within the meaning of New York Banking Law and a member of the Federal Reserve System. It is a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the U.S. Securities Exchange Act of 1934. DTC holds securities for DTC participants and facilitates the clearance and settlement of transactions between DTC participants through electronic book-entry changes in accounts of DTC participants. DTC participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organisations. Indirect access to DTC is also available to others who clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. The rules applicable to DTC and its participants are on file with the Commission.

Persons having a beneficial interest in Notes held in DTC's book-entry settlement system must rely on the procedures of their own bank or broker to exercise any rights of such persons in relation to such Notes. In particular, the ability of such persons to pledge their interest in such Notes to persons or entities that do not participate in the DTC book-entry settlement system may be limited. Transfers of beneficial interest in the Notes are to be accomplished by entries made on the books of DTC participants and indirect DTC participants acting on behalf of persons having a beneficial interest in the Notes.

Payments of principal and interest (if any) in respect of Notes represented by a Registered Global Note held by Cede & Co. as nominee for DTC and denominated in a Specified Currency other than United States dollars will be made by DTC in United States dollars in the manner described below unless DTC is notified by any of the DTC participants that such participant elects to receive such payment of principal or interest in such Specified Currency. DTC will notify the Agent on or prior to the fifth New York City business day after the record date for payment of interest and the tenth New York City business day prior to the date for payment of principal of the portion of such payment to be received in the Specified Currency and the applicable wire transfer instructions and the Agent will use such instructions to pay the participants directly. If an issue of Notes is denominated in a Specified Currency other than United States dollars, the Issuer's obligation under the Notes is to make payment of principal and interest (if any) in such Specified Currency. However the Issuer has arranged for such

Specified Currency to be converted into United States dollars in accordance with an Exchange Rate Agency Agreement between the Issuer and the Agent, as successor agent to the Morgan Guaranty Trust Company of New York, dated 31 July 1992 (the "Exchange Rate Agreement"). The Agent will enter into a contract on or prior to 11:00 a.m., New York City time, on the second New York City business day preceding the applicable payment date for the purchase of United States dollars with the Specified Amount of the non-United States dollar Specified Currency for settlement on such payment date. "Specified Amount" shall mean the aggregate amount of the Specified Currency payable to participants of DTC that have elected to receive United States dollars. If the payment date is not both a New York City business day and a business day in the Specified Currency, delivery of United States dollars will occur on the next succeeding New York City business day and business day in the Specified Currency. "New York City business day" and "business day in the Specified Currency" shall mean any day on which commercial banks and foreign exchange markets settle payments in New York City or in the Specified Currency, as the case may be. Copies of the Exchange Rate Agreement will be available for inspection at the specified office of the Agent.

2 Clearance and Settlement

(a) Registered Notes

Unless otherwise specified in the applicable Pricing Supplement, Registered Notes will either be (i) deposited with, or on behalf of, DTC and registered in the name of Cede & Co. as DTC's nominee or (ii) deposited with the Common Depositary and registered in the name of Citivic Nominees Limited as nominee for the Common Depositary, as specified in the applicable Pricing Supplement. Such Notes will be represented by one or more Registered Global Note.

(i) Registered Global Notes deposited with or on behalf of DTC

Investors may hold their interests in the Registered Global Note directly through DTC, Euroclear or Clearstream, Luxembourg if they are participants in such systems, or indirectly through organisations which are participants in such systems. Euroclear and Clearstream, Luxembourg will hold Notes on behalf of their participants through customers' securities accounts in their respective names on the books of DTC.

On original issuance of each series of Registered Notes, participants in DTC ("DTC Participants") acting on behalf of purchasers electing to hold Notes through DTC will follow the settlement practices applicable to securities eligible for DTC's Same-Day Funds Settlement ("SDFS") system. DTC Participants' securities accounts will be credited with Notes against payment in same day funds on the settlement date. Purchasers electing to hold Notes through Euroclear or Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional euro-medium term notes. Notes will be credited to securities custody accounts of participants in Euroclear and Clearstream, Luxembourg ("Euroclear Participants" and "Clearstream Participants", respectively) against payment on the settlement date in same-day funds.

Secondary market transfers between DTC Participants settled in United States dollars will be effected in the ordinary way and will be settled in same day funds in accordance with DTC rules and procedures applicable to securities eligible for SDFS system. Transfers between DTC Participants settled in currencies other than United States dollars will follow the delivery practices applicable to securities eligible for DTC's SDFS system but payment will be made outside DTC.

Secondary market transfers between Euroclear Participants and Clearstream Participants will be effected in accordance with their respective rules and operating procedures.

Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, on the other, transfers of interests in a Note within the various clearing systems will be made in accordance with the rules and operating procedures of the relevant clearing system applicable to the Specified Currency and the nature of the transfer.

For issues that are cleared and settled through both DTC and another clearing system, because of time zone differences, in some cases the securities account of an investor in one clearing system may be credited during the settlement processing day immediately following the settlement date of the other clearing system, and the cash account will be credited for value on the settlement date but may be available only as of the day immediately following such settlement date.

(ii) Registered Global Notes deposited with the Common Depositary for Euroclear and Clearstream, Luxembourg

Investors may hold their interests in the Registered Global Note directly through Euroclear or Clearstream, Luxembourg if they are participants in such systems, or indirectly through organisations which are participants in such systems. Transfers of interests in the Registered Global Note between participants in Euroclear and Clearstream, Luxembourg will be effected in accordance with their respective rules and operating procedures.

(b) Bearer Notes

Bearer Notes which will initially be represented by one or more temporary Global Notes which (i) in the case of NGNs, will be delivered to the Common Safekeeper for Euroclear and Clearstream, Luxembourg on or prior to the original issue date for that issue of Bearer Notes; or (ii) in the case of CGNs, will be deposited with, or on behalf of, the common depositary for Euroclear and Clearstream, Luxembourg on the issue date for that issue of Bearer Notes. Interests in such temporary Global Notes will be exchangeable for interests in a permanent Global Note upon certification of non-U.S. beneficial ownership. See "Issue Procedures".

Transfers of interests in Bearer Notes between participants in Euroclear and Clearstream, Luxembourg will be effected in accordance with their respective rules and operating procedures.

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

Introduction

The Issuer is an international organisation formed under the Agreement Establishing the European Bank for Reconstruction and Development dated 29 May 1990 (the "Agreement") signed by 40 countries, together with the European Economic Community and the European Investment Bank. The Agreement came into force on 28 March 1991 and the Issuer commenced operations on 15 April 1991. The Issuer currently has 65 members. The Issuer's principal office is in London.

The Agreement

The Agreement is the Issuer's governing constitution. It sets forth the Issuer's purpose and functions, its capital structure and organisation, authorises the operations in which it may engage, prescribes limitations on the carrying-out of those operations and establishes the status, immunities, exemptions and privileges of the Issuer. The Agreement also contains provisions with respect to the admission, withdrawal and suspension of members, increases of the Issuer's authorised capital stock, the terms and conditions under which the Issuer may make or guarantee loans or make equity investments, the use of currencies held by it, amendments to and interpretations of the Agreement and the suspension and termination of the Issuer's operations.

Organisation and Management

The Issuer consists of a Board of Governors, a Board of Directors, a President, one or more Vice-Presidents and such other officers and staff as may, from time to time, be considered necessary.

All the powers of the Issuer are vested in the Board of Governors to which each member appoints a governor. The Board of Governors delegates most powers to the Board of Directors, which is responsible for the direction of the Issuer's general operations and policies. The Board of Governors retains full power to exercise authority over any matter it has delegated or assigned to the Board of Directors under the Agreement.

Purpose and Functions of the Issuer

The purpose of the Issuer is to foster the transition towards open market-oriented economies and to promote private and entrepreneurial initiatives in its countries of operations which are committed to and applying the principles of multi-party democracy, pluralism and market economics. The Issuer's "countries of operations" currently include the countries of Central and Eastern Europe and the former Soviet Union, the Republic of Turkey and Mongolia.

The Issuer and its members are in the process of extending the geographical scope of the Issuer's operations to the Southern and Eastern Mediterranean ("SEMED") region, including Jordan. Such extension will require amendments to the Agreement. Pending the effectiveness of such amendments, the Issuer has allocated an amount of €1,000,000,000 to be made available to a special fund established by the Bank for the purpose of making investments primarily to the private sector in countries in the SEMED region, subject to certain conditions. This sum, previously allocated to surplus, will be treated as part of the Issuer's restricted reserves and, to the extent that it is not drawn down into the special fund, will remain part of the Issuer's ordinary capital resources. As at the date of this Offering Circular, (i) no amounts have been drawn down into this fund, and (ii) the member countries of the Issuer in the SEMED region in which the Issuer currently expects to invest are Egypt, Morocco, Tunisia and Jordan. Egypt and Morocco are founding members of the Issuer, and Jordan and Tunisia became members of the Issuer on 29 December 2011.

To fulfil its purpose on a long-term basis, the Issuer is to assist its countries of operations to implement structural and sectoral economic reforms, including de-monopolisation, decentralisation and privatisation, to help their economies become fully integrated into the international economy by measures:

- to promote, through private and other interested investors, the establishment, improvement and expansion of productive, competitive and private sector activity, in particular small and medium-sized enterprises;
- to mobilise domestic and foreign capital and experienced management to the end described above;
- to foster productive investment, including in the service and financial sectors and in related infrastructure, where that is necessary to support private and entrepreneurial initiative, thereby assisting in creating a competitive environment and raising productivity, the standard of living and conditions of labour;
- to provide technical assistance for the preparation, financing and implementation of relevant projects, whether individual or in the context of specific investment programmes;
- to stimulate and encourage the development of capital markets;
- to give support to sound and economically viable projects involving more than one recipient member country;
- to promote in the full range of its activities environmentally sound and sustainable development; and
- to undertake such other activities and provide such other services as may further these functions.

The Issuer's founders considered the successful transition of the countries of operations to market-oriented economies to be closely linked to parallel progress towards multi-party democracy, pluralism and the rule of law. Consequently, these political aspects of the Issuer's mandate are monitored and encouraged by the Issuer as part of the process of assisting the transition of the countries of operations to market economies. The Issuer assesses the economic and political progress made by the countries of operations as part of the regular review of its operations strategy for each country.

Sources of Funding

The Issuer has authorised share capital totalling €30 billion. As at 3 July 2012, the amount of subscribed share capital was €29.5 billion of which €6.2 billion is paid-in and €23.3 billion is callable.

These additional callable shares, if any, may be redeemed in whole or in part at no cost to the Issuer in 2016. The number of shares to be redeemed, if any, will be determined by a decision of the Issuer's Board of Governors at its Annual Meeting in May 2015 based on the financial accounts as at 31 December 2014, reasonable projections for the year 2015, and an assessment of the Bank's financial position and prevailing economic conditions. Such number of shares to be redeemed, if any, shall be equal to the "unutilised callable capital" as at 31 December 2015. "Unutilised callable capital" will be equal to the amount which is the lesser of (i) the total value of the Issuer's redeemable callable shares and (ii) (87% of A) - B, where A means the aggregate amount of the Issuer's unimpaired subscribed capital, reserves and surpluses as at 31 December 2015; and B means the aggregate amount of the Issuer's operating assets as at 31 December 2015. Any such redemption will be conditional upon the validation that there would be continued compliance with all the Issuer's statutory ratios once the redemption of callable capital has been effected, that no callable capital has been called to meet the Issuer's liabilities and that no decision to terminate the operations of the Issuer has been made. Any redemption would take place immediately following the Issuer's Annual Meeting in 2016.

The strength of the Issuer's capital and its operational and financial policies are reflected in the Issuer's credit rating of AAA from S&P, Aaa from Moody's and AAA from Fitch. The Issuer finances project lending and operational needs by borrowing funds on the international capital markets.

The Issuer does not directly utilise shareholders' capital to finance its loans. Instead, the Issuer's AAA/Aaa/AAA ratings enable it to borrow funds in the international markets by issuing bonds and other debt instruments at highly cost-effective market rates. By raising funds on competitive terms, the Issuer can structure loans which best match the requirements of its clients in its countries of operations. The Issuer manages its liabilities such that it does not incur significant foreign exchange nor interest rate risk in its funding operations. It interacts with major capital market participants on a daily basis in order to ascertain which market, currency or structure of debt can provide the Issuer with the most efficient cost of financing.

The Issuer's securities are sold to investors, such as central banks, pension funds, insurance companies and asset managers around the world.

Legal Status, Privileges and Immunities

The Agreement contains provisions which accord the Issuer legal status and certain immunities and privileges in the territories of each of its members. Certain of these provisions are summarised below.

The Issuer has full legal personality with capacity to contract, to acquire and dispose of immovable and movable property and to institute legal proceedings. Under the Headquarters Agreement between the United Kingdom and the Issuer, dated 15 April 1991, the Issuer, within the scope of its official activities, enjoys immunity from jurisdiction, subject to certain limited exceptions including civil actions arising out of its powers to borrow money, guarantee obligations and to buy or sell or underwrite securities. Outside the United Kingdom, actions may be brought against the Issuer only in a court of competent jurisdiction in the territory of a country in which it has an office, has appointed an agent for the purpose of accepting service or notice of process, or has issued or guaranteed securities. No action against the Issuer may be brought by its members or persons acting for or deriving claims from its members.

The property and assets of the Issuer are immune from all forms of seizure, attachment or execution before the delivery of final judgment against it. Such property and assets are also immune from search, requisition, confiscation, expropriation or any other form of taking or foreclosure by executive or legislative action. The archives of the Issuer are inviolable.

The Governors, Alternate Governors, Directors, Alternate Directors, officers and employees of the Issuer, including experts performing missions for it, are immune from legal process for acts performed by them in their official capacities, except when the Issuer waives such immunity.

Taxation

Within the scope of its official activities, the Issuer, its assets, property, and income are exempt from all direct taxes imposed by any member. An exemption from indirect taxes applies when purchases or services of substantial value necessary for the exercise of the official activities of the Issuer are made or used by the Issuer. The Issuer is also exempt from all import and export duties and taxes as well as from import and export prohibitions and restrictions with respect to goods necessary for the exercise of its official activities.

No tax of any kind is to be levied on any obligation or security issued by the Issuer, including any dividend or interest thereon, which discriminates against such obligation or security solely because it is issued by the Issuer, or if the sole jurisdictional basis for such taxation is the place or currency in which it is issued, made payable or paid, or the location of any office or place of business maintained by the Issuer.

Consistent with accepted international practice to accord certain immunities and privileges to international organisations, the Government of the United Kingdom has enacted legislation providing an exemption from the obligation to withhold tax from interest and certain other types of payments made by designated international organisations. The Issuer has been designated an international organisation to which this exemption is granted. Accordingly, payments of interest may be made by the Issuer or a paying agent without any withholding or deduction for or on account of United Kingdom income tax.

Board of Directors

Set forth below are the members of the Board of Directors of the Issuer, their Alternates, and the members which they represent.

Directors	Alternates	Members Represented
Memduh Akçay	Virginia Gheorghiu	Turkey/Romania/Azerbaijan/ Kyrgyz Republic
Kurt Bayer	Eran Pollak	Austria/Israel/Cyprus/Malta/ Kazakhstan/Bosnia and Herzegovina
Alain de Cointet	Jérôme Baconin	France
Toshiyuki Furui	Nobuyuki Oyama	Japan
Werner Gruber	Artem Shevalev	Switzerland/Ukraine/Liechtenstein/ Turkmenistan/Serbia/Montenegro/ Moldova
Thomas Hackett	Dominique de Crayencour	European Investment Bank
Zbigniew Hockuba	Stefka Slavova	Poland/Bulgaria/Albania
Ole Hovland	Jorma Korhonen	Finland/Norway/Latvia
James Hudson	—	United States of America
Suzanne Hurtubise	Brian Parrott	Canada/Morocco/Jordan/Tunisia
András Kármán	Klára Król	Czech Republic/Hungary/Slovak Republic/Croatia/Georgia
Giorgio Leccesi	Gianluca Grandi	Italy
Vassili Lelakis	Peter Basch	European Union
Abel Mateus	Anthony Bartzokas	Portugal/Greece
Bob McMullan	In-chang Song	Australia/Korea/New Zealand/ Egypt
Pedro Moriyón	Enrique Bal	Spain/Mexico
Denis Morozov	Sergey Verkashanskiy	Russian Federation/Belarus/ Tajikistan
Jonathan Ockenden	Alex Skinner	United Kingdom
Eoin Ryan	Ole Blöndal	Denmark/Ireland
Joachim Schwarzer	Herbert Junk	Germany
Jean-Louis Six	Irena Sodin	Belgium/Slovenia/Luxembourg
Eva Srejber	Kalle Killar	Sweden/Iceland/Estonia
Paul Vlaanderen	Jan Maas	Netherlands/Mongolia/FYR Macedonia/Armenia

For the purpose of the business of the Issuer the address of each of the Directors is the principal office of the Issuer which is at One Exchange Square, London EC2A 2JN.

SUBSCRIPTION AND SALE

The Dealers have in an amended and restated programme agreement (the "Programme Agreement") dated 3 July 2012 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "Terms and Conditions of the Notes" and "Issue Procedures" above. In the Programme Agreement the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme.

The following is a description of the contractual and certain other restrictions applicable to the Programme:

United States

Under the provisions of Section 9(A) of the European Bank for Reconstruction and Development Act of the United States, the Notes are exempted securities within the meaning of Section 3(a)(2) of the Securities Act and Section 3(a)(12) of the U.S. Securities Exchange Act of 1934, as amended.

Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Bearer Notes may not be offered, sold or delivered within the United States or its possessions or to U.S. persons. Each Dealer has agreed that it will not offer, sell or deliver a Bearer Note within the United States or its possessions or to U.S. persons except as permitted by the Programme Agreement.

Each issue of Indexed Notes and Dual Currency Notes may be subject to such additional U.S. selling restrictions which, if required, will be specified in the applicable Pricing Supplement. Each Dealer has agreed and each other Purchaser will be required to agree that it will offer, sell or deliver such Notes only in compliance with such additional U.S. selling restrictions.

United Kingdom

Each Dealer has represented and agreed and each other Purchaser will be required to represent and agree that it has complied and will comply with all applicable provisions of the FSMA with respect to anything done or to be done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Japan

In the case of Notes denominated in Japanese yen, each Dealer understands that the relevant Notes have not been, and will not be, registered under the Financial Instruments and Exchange Act of Japan (the "Financial Instruments and Exchange Act"). Accordingly, each of the Dealers has represented and agreed and each other Purchaser will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of France

Each Dealer has represented and agreed and each Purchaser will be required to represent and agree (i) that, it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in the Republic

of France and (ii) that offers and sales of Notes will be made in the Republic of France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (b) qualified investors (*investisseurs qualifiés*), as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

In addition, each Dealer has represented and agreed and each Purchaser will be required to represent and agree that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France this Offering Circular or any other offering material relating to the Notes other than to investors to whom offers and sales of Notes in the Republic of France may be made as described above.,

General

Each Dealer has agreed and each other Purchaser will be required to agree that (to the best of its knowledge and belief) it will comply with all relevant laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes the Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws, regulations and directives in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor.

GENERAL INFORMATION

Admitting Notes to the Official List

The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each issue of Notes which is to be admitted to the Official List and admitted to trading on the Regulated Market will be admitted on or around the relevant issue date.

Authorisations

All necessary internal authorisations in connection with the issue of the Notes under the Programme have been or will be obtained prior to the issue of any Notes. The Issuer has obtained all consents, approvals, authorisations and other orders of regulatory authorities required to be obtained by the Issuer in connection with the issue of the Notes (other than the approval of a member of the Issuer which is required pursuant to Article 20(1)(i) of the Agreement Establishing the European Bank for Reconstruction and Development dated 29 May 1990 which may not be obtained at the date of this Offering Circular but which will be obtained prior to the issue of any Notes denominated in the currency of such member and prior to any sale of any Notes in the territory of such member) and the amendments to, and increase in the maximum amount of, the Programme to enable the Issuer to undertake and perform its obligations under the Programme Agreement, the Agency Agreement and the Notes.

Clearance Systems

The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code and ISIN for each issue allocated by Euroclear and Clearstream, Luxembourg and details of any other agreed clearance system will be contained in the relevant Pricing Supplement. Transactions will normally be effected for settlement not earlier than three days after the date of the transaction. The Common Code and ISIN for each issue will be contained in the relevant Pricing Supplement.

Unless specified in the applicable Pricing Supplement, the Registered Notes have been accepted for clearance through The Depository Trust Company. The CUSIP number for each issue will be contained in the relevant Pricing Supplement.

Significant or Material Change

Since 31 December 2011 there has been no significant change in the financial or trading position of the Issuer and no material adverse change in the prospects of the Issuer.

Litigation

There are no nor have there been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve months prior to the date hereof which are likely to have, or have had in the recent past, significant effects on the financial position of the Issuer.

Informational Requirements

The Issuer is subject to certain informational requirements of Regulation EBRD promulgated by the Commission under Section 9(A) of the European Bank for Reconstruction and Development Act of the

United States, and in accordance therewith files its annual report, regular quarterly financial statements and other information with the Commission. Such reports, financial statements and other information can be inspected at the offices of the Commission at Room 1026, 450 Fifth Street, N.W., Washington, D.C. 20549, and copies of such material can be obtained from the Public Reference Section of the Commission at the above address at prescribed rates.

Documents Available for Inspection and Collection

From the date hereof and throughout the life of the Programme, copies of the following documents will, when published, be available, free of charge, for inspection at the principal office in London of the Issuer and from the specified office of the Agent:

(i) the Agreement Establishing the European Bank for Reconstruction and Development dated 29 May and the Headquarters Agreement dated 15 April 1991;

(ii) the most recent financial statements of the Issuer and the accounts of the Issuer as published on its website from time to time;

(iii) the unaudited quarterly Profit and Loss Account and Balance Sheet of the Issuer at 31 March 2012;

(iv) all future annual reports and annual accounts of the Issuer;

(v) the Agency Agreement (which contains the forms of the Global Notes and the definitive Notes, the Receipts, the Coupons and the Talons), the Exchange Rate Agreement and the Deed of Covenant;

(vi) this Offering Circular; and

(vii) any future prospectuses, offering circulars, information memoranda and supplements (including any supplementary Offering Circular and, in the case of Notes listed on a regulated market only, the Pricing Supplement) to this Offering Circular and the documents incorporated herein and therein by reference.

European Union Directive on the Taxation of Savings Income

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to, or received for, an individual or certain other persons resident in that other Member State. However, for a transitional period, Luxembourg and Austria may instead (unless during that period they elect otherwise) operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories have agreed to adopt similar measures. The European Commission has proposed certain amendments to Directive 2003/48/EC which may, if implemented, amend or broaden the scope of the requirements described above.

Holders of Notes who are individuals or certain other persons should note that no additional amounts would be payable by the Issuer in respect of any withholding tax imposed as a result of the requirements described above.

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