

## Securities Note



# European Bank for Reconstruction and Development

## ***RON 15,000,000 11.25% Notes due 5 February 2019 (the "Notes") (to be consolidated and form a single series with the RON115,000,000 11.25% Notes due 5 February 2019 issued on 5 February 2009 (the "Original Notes"))***

This document constitutes a securities note (the "Securities Note") for the purposes of Article 5.3 of EU Directive 2003/71/EC (the "Prospectus Directive"). This Securities Note contains information relating to the Notes. This Securities Note shall be read in conjunction with the registration document (the "Registration Document") dated 11 August 2008 containing information in respect of the European Bank for Reconstruction and Development (the "Issuer" or "EBRD") and, if applicable, the summary note (the "Summary Note") dated 2 June 2009 conveying the essential characteristics of, and risks associated with, the Issuer and the Notes, each as prepared for the purposes of Articles 5.2 and 5.3 of the Prospectus Directive. Together, the Registration Document (including the information incorporated by reference therein), this Securities Note (including the information incorporated by reference herein) and the Summary Note shall comprise the prospectus (the "Prospectus") for the Notes, prepared for the purposes of Article 5.1 of the Prospectus Directive.

This Securities Note itself comprises a pricing supplement (the "Pricing Supplement") which sets out the specific terms and conditions of the Notes and certain information relating thereto. The Securities Note incorporates by reference the base terms and conditions of the Notes which are supplemented by the specific terms and conditions set out in the Pricing Supplement.

Any person (an "Investor") intending to acquire or acquiring any securities from any person (an "Offeror") should be aware that, in the context of an offer to the public as defined in section 102B of the FSMA, the Issuer may be responsible to the Investor for the Prospectus under section 90 of the FSMA, only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Prospectus for the purposes of section 90 of the FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Prospectus and/or who is responsible for its contents it should take legal advice.

**Certain information relating to the terms of an offer by an Offeror to an Investor may not be available at the time of publication of this Securities Note. The Investor must look to the Offeror at the time of such offer for the provision of such information and it is the responsibility of the Offeror to ensure that information relating to the offer that has been omitted from this Securities Note is provided to the Investor at the time such offer is made.**

*Dealer*

**Société Générale Corporate & Investment Banking**

2 June 2009

The Issuer accepts responsibility for the information contained in this Securities Note and in the Summary Note. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Securities Note and in the Summary Note is in accordance with the facts and does not omit anything likely to affect the importance of such information.

The previous paragraph should be read in conjunction with the third paragraph on the first page of this Securities Note.

An Investor intending to acquire or acquiring any Notes from an Offeror will do so, and offers and sales of the Notes to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors (other than the Dealers) in connection with the offer or sale of the Notes and, accordingly, this Securities Note, the Registration Document and the Summary Note will not contain such information and an Investor must obtain such information from the Offeror. Subject as provided above, neither the Issuer nor any of its affiliates shall have any responsibility to an Investor in respect of such information.

Application has been made for the Notes to be admitted to the Official List of the UK Listing Authority (the "Official List") and to be admitted to trading on the EEA Regulated Market (within the meaning of the Markets in Financial Instruments Directive (2004/39/EC) of the London Stock Exchange plc (the "Regulated Market"). The Regulated Market is a regulated market for the purposes of EU Directive 2004/39/EC on markets in financial instruments. Applications will be made for (1) a certificate of approval under Article 18 of the Prospectus Directive as implemented in the United Kingdom to be issued by the UK Listing Authority to Comisia Nationala a Valorilor Mobiliare ("CNVM"), the competent authority in Romania, and (2) the Notes to be admitted to trading on the Spot Regulated Market of the Bucharest Stock Exchange (the "Romanian Market"), which is a regulated market for the purposes of the EU Directive 2004/39/EC on markets in financial instruments. References in the Prospectus 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 relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be admitted to the Official List or the Bucharest Stock Exchange and admitted to trading on the Regulated Market (or the Romanian Market or any other stock exchange).

In respect of the Notes, no person has been authorised to give any information or to make any representations other than those contained in the Prospectus and the documents incorporated by reference therein in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Dealer (as defined herein). Neither the delivery of the Prospectus or any document forming part of that Prospectus nor any sale made in connection therewith shall imply that the information contained therein 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 concerning the same. The Dealer expressly does not undertake to review the financial condition or affairs of the Issuer during the life of the Notes. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any of the Notes.

To the fullest extent permitted by law, the Dealer does not accept any responsibility for the contents of the Prospectus or for any other statement, made or purported to be made by the Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The 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 the Prospectus or any other information provided by the Issuer in connection with the Notes. Neither the Prospectus 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 a recommendation by the Issuer or the Dealer that any recipient of the Prospectus or any other 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 and of the tax, accounting and legal consequences of an investment in any of the Notes for such investor. Each Noteholder takes full responsibility for its decision to purchase any Notes and the terms on which it does so.

The Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer or the Dealer to subscribe for, or purchase, any Notes. The distribution of the Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession the Prospectus comes are required by the Issuer and the Dealer to inform themselves about and to observe any such restrictions. In particular, there are restrictions on the distribution of the Prospectus and the offer or sale of the Notes in the United States, the United Kingdom, the European Economic Area (in respect of Notes having a denomination of less than €50,000 or its equivalent in any other currency as at the date of the issue of the Notes), Japan, the Republic of France, Singapore and Romania.

The Notes have not been and will not be registered under the U.S. 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 THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

If the Notes are in bearer form (“Bearer Notes”), they 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.

The information set forth herein, to the extent that it comprises a description of certain provisions of the documentation relating to the transactions described herein, is a summary and is not presented as a full statement of the provisions of such documentation. Such summary is qualified by reference to and is subject to the provisions of such documentation.

In this Securities Note, unless otherwise specified or the context otherwise requires, any references to “USD” are to United States dollars, references to “euro”, “euros” or “€” are to euros, references to “RON” are to Romanian New Leu, references to “£” are to pounds Sterling and references to the “United Kingdom” are to the United Kingdom of Great Britain and Northern Ireland.

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# Risk Factors

The Notes may involve substantial risks and are suitable only for investors who have the knowledge and experience in financial and business matters (including but not limited to investments in credit linked investments) necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Prospective investors should ensure that they understand the nature of the risks posed by, and the extent of their exposure under, the Notes.

Prospective investors should make all pertinent inquiries they deem necessary without relying on the Issuer, the Arranger, the Dealer, any Agent or any officers or employees of the Issuer. Prospective investors should consider the suitability of the Notes as an investment in light of their own circumstances, investment objectives, tax position and financial condition.

Prospective investors should consider carefully all the information set forth in the Prospectus. However, the Prospectus cannot disclose all of the risks and other significant aspects of the Notes to the investor. Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to loss of their initial investment and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition.

Prospective investors should also pay specific attention to the risks highlighted below.

## **Market, Liquidity and Yield Considerations**

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.

## **Legal Investment Considerations**

Investors should be aware of the risk of Settlement Disruption Events and the consequences thereof (also see “Currency Warning” and “Investor Suitability” below). Investors should consult their own legal advisers in determining whether and to what extent Notes constitute legal investments for such investors and whether and to what extent 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 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 makes loans and equity instruments 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 Establishing the European Bank for Reconstruction and Development dated 29 May 1990 on its outstanding loans, equity investment and guarantees to the total amount of its subscribed capital, reserves and surpluses.

Of the Issuer’s €20 billion of authorised share capital, €5 billion has been paid in. €15 billion is callable to cover the unlikely eventuality that the Issuer encounters difficulties meeting its liabilities. The Issuer has among the highest quality callable capital of any multilateral development bank, with over 60 per cent. from shareholders rated AAA/Aaa and over 95 per cent. from shareholders rated investment grade, as rated by both S&P and Moody’s at 11 August 2008. It is therefore unlikely that a call will not be honoured.

## **Currency Warning**

There are significant risks associated with the Notes including, but not limited to:

- the imposition of restrictions that would affect the acquisition, the holding and/or transfer of RON;
- exchange rate risk;
- settlement risk;
- price risk; and
- liquidity risk.

Investors should consult their own financial, legal, accounting and tax advisors about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor's particular circumstances. No investor should purchase the Notes unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Notes (including, but not limited to, any political, economic and other factors which could affect the value of, and return on, the Notes).

## **Emerging Market Risk**

Emerging markets, such as Romania, are subject to greater risks than more developed markets, including significant legal, economic and political risks. These risks may affect the value, liquidity, volatility and availability of the RON in which the Notes are denominated.

Investors should also note that emerging economies, such as the economy of Romania, are subject to rapid change. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets, or the currency of an emerging market country, is only suitable for sophisticated investors who fully appreciate the significance of the risks involved, and investors are urged to consult their own legal and financial advisers before making an investment in the Notes. Romania entered the European Union in January 2007 and has undergone and continues to undergo changes in legislation due to its EU accession. As a result of these changes, there is a lack of an established practice under many securities, tax and other regulatory regimes in Romania and new regulations are subject to contradictory or ambiguous and frequently changing interpretations by the Romanian regulatory authorities. Consequently, investors and agencies investing and operating in Romania or in the RON may face tax, securities and other regulatory compliance-related risks that may be less predictable than in countries with more stable regulatory systems.

As part of the EU accession process, the European Union has established a series of measures for new member states to adhere to in order to fulfil basic EU membership requirements. Similarly, the European Commission interim progress reports on the Co-operation and Verification Mechanism with Romania, approved and published by the Commission on 4 February 2008 (and republished on 14 February 2008), indicated that, as a general remark, although efforts to remedy weaknesses that would otherwise prevent an effective application of EU laws were made in key areas such as the fight against high-level corruption, convincing results have not yet been demonstrated in Romania. On 12 February 2009, the Commission published an interim report concluding that the next assessment of progress by the Commission, to be made in the summer 2009 will show to which extent Romania has been able to successfully address the shortcomings identified in the reform of the judiciary and to produce convincing and tangible results in the fight against corruption. Unless satisfactory reforms are made in the near future, Romania could face EU sanctions, which could have a material adverse effect on the trading price of the Notes.

In respect of Romania's excess deficit in the year 2008, the Commission's report published in May 2009 states that the breach of the deficit's threshold reflects mainly significant slippages with respect to current spending, notably on public wages and social benefits as well as overly optimistic revenue projections and, to a lesser extent, a sudden drop in revenue collection in the last quarter of 2008 owing to the economic slowdown. In view of the significant external and internal imbalances, the Romanian authorities' economic programme adopted in April 2009 in response to the international financial assistance extended to Romania, reflects a fiscal policy for 2009 onwards, more clearly aiming at correcting such imbalances. Nevertheless, the Commission services' spring 2009 forecast projected the general government deficit to reach 5.1% of GDP in 2009 and 5.6% of GDP in 2010 against a background of a significant economic slowdown. These

deficit developments also reflect a lack of fiscal consolidation efforts when economic conditions were favourable.

The conclusion of the Commission was that the excess over the reference value cannot be qualified as exceptional within the meaning of the Treaty and the Stability and Growth Pact, neither can it be considered temporary. According to the Commission, this suggests that the deficit criterion in the Treaty is not fulfilled. Furthermore, the Commission concluded that given that the deficit in 2008 does not satisfy the double condition of closeness and temporariness, these factors cannot, according to the Stability and Growth Pact be taken into account in the steps leading to the decision on the existence of a excessive deficit. The relevant factors in this case, considered on their own merit, present a mixed picture on balance. As a consequence, the Commission believes that the existence of a severe economic downturn, with potential public finance implications, increases the need to undertake enhanced surveillance under the excessive deficit procedure.

Pursuant to art 104 of the Treaty establishing the European Union, when the Council decides that an excessive deficit exists in a Member State, it first of all makes recommendations to the State concerned, with a view to rectifying the situation within a given period. If the Member State fails to comply with these recommendations, the Council may instruct it to take appropriate measures for reducing the deficit. If necessary, the Council has the option of imposing penalties or fines and of inviting the European Investment Bank (EIB) to reconsider its lending policy towards the Member State concerned.

At the end of March 2009, the Romanian government reached agreement for financial support with the International Monetary Fund (the "IMF"), the European Union and certain other international institutions, in an overall amount of EUR 20 billion under a two-year stand-by loan facility. News of the agreement led to a strengthening of the RON and eased some of the liquidity constraints affecting the Romanian banking system. The IMF-supported program combines strong policy measures with sizeable financial support. Specific program objectives are, among others, a) reducing the fiscal imbalance to bring the deficit back under 3 percent of GDP by 2011; b) maintaining adequate capitalization of banks and liquidity in domestic financial markets; c) bringing inflation within the target range of the National Bank of Romania (NBR) by end-2009 and maintain it at this level and d) securing adequate external financing and improve confidence. Failure to meet such objectives could have a material adverse effect on the RON and the trading price of the Notes.

## **Settlement Disruption Events and Calculation of the Exchange Rate**

The Notes are subject to Settlement Disruption Events in the event that (i) non-residents of Romania may be subject to regulations restricting their ability to, among others, obtain, purchase, hold or transfer RON, (ii) obtaining RON becomes subject to certain additional costs or (iii) Euroclear or Clearstream suspend or cease acceptance of RON as a settlement currency. Although Romania's entry into the EU makes freedom of the movement of capital mandatory, there are certain exceptions to this and Romania could choose to leave the EU or have imposed upon it special conditions for continuing membership which in turn could permit national capital movement restrictions. Investors therefore face the risk that restrictions may be imposed during the term of the Notes that would constitute a Settlement Disruption Event (as determined by the Calculation Agent). Such an event may result in a delay of payments due from the Issuer under the Notes and in such payments having to be converted and paid in USD rather than RON.

Investors should be aware that the methodology for determining the Exchange Rate for converting RON into USD may result in a Fixed Interest Amount, the Final Redemption Amount or any Early Redemption Amount (as the case may be) of the Notes being significantly less than anticipated. It is not certain that the Calculation Agent will be able to establish a meaningful Exchange Rate for converting RON into USD rate in such a scenario. The determination of the Exchange Rate by the Calculation Agent may result in a rate of zero, and in this case a Fixed Interest Amount), the Final Redemption Amount and/or any Early Redemption Amount (as the case may be) of the Notes payable by the Issuer would also be zero.

Investors should also be aware that Société Générale (or any successor Calculation Agent) may face conflicts of interest in relation to its role as Calculation Agent for the Notes in determining the occurrence of a Settlement Disruption Event and in determining the Exchange Rate for converting RON into USD upon such an event. Société Générale (or any successor Calculation Agent) is required to carry out its duties as Calculation Agent in good faith and using its reasonable judgement, however investors should be aware that any such determination may potentially adversely affect the amount payable to Noteholders under the Notes and that potential conflicts of interest could arise.



Further, investors should be aware that a Fixed Interest Date, the Maturity Date and/or the date fixed for early redemption (if any, pursuant to Condition 5(d)) of the Notes (the “Early Redemption Date”), as the case may be, may be postponed and that no additional amounts shall be payable by the Issuer in respect of any delay in payment resulting from such postponement.

Offerings of debt instruments that are both denominated and settled in RON, such as the Notes, are a recent phenomenon in the international capital markets. This, coupled with inexperience of the clearing systems and the Romanian and international banking systems in dealing with RON payments and RON accounts, could lead to unforeseen difficulties, which may have an adverse effect on the liquidity, marketability or trading price of the Notes. In particular:

- Due to the limited experience of the clearing systems with settling, clearing and trading debt instruments that are both denominated and settled in RON and to the fact that the arrangements permitting the clearance of notes in RoClear have only recently been adopted, there can be no guarantee that such clearing, settlement and trading procedures will progress smoothly or in a way which is comparable to procedures carried out in international markets with respect to instruments denominated in more conventionally settled currencies, such as USD or euros.
- If restrictions or prohibitions were placed on the transfer and/or holding of RON offshore or if such legislation was reinterpreted by the Romanian regulators or courts to the effect that restrictions were still deemed to apply to the transfer and holding of RON offshore, this would severely hinder Noteholders’ ability to receive payments of principal or interest under the Notes or proceeds from the sale of the Notes.
- Payments of principal and interest under the Notes and proceeds from the sale of the Notes will, unless a Settlement Disruption Event occurs, be made in RON. Payments of RON to, from, or between RON accounts located outside Romania will involve the use of onshore correspondent accounts within the Romanian banking system. The Romanian banking system is less developed than many of its EU counterparts and at present has little experience in dealing with payments relating to Eurobonds or similar international debt instruments. Consequently there is a risk that payments of both principal and interest under the Notes and proceeds from the sale of the Notes, which need to pass through the Romanian banking system, will be subject to delays and disruptions which may not exist in more mature banking markets.
- In order for Noteholders to remove payments of principal and interest on the Notes and proceeds from the sale of the Notes from the clearing systems in RON, they will need to hold a bank account denominated in RON. The administrative difficulties associated with opening RON accounts outside Romania may be significant.

## **Investor Suitability**

*The purchase of the Notes involves substantial risks and is not suitable for all investors*

Each prospective investor must determine, based on its own independent review and such professional tax and accounting advice as it deems appropriate under the circumstances, that its acquisition and holding of the Notes is fully consistent with its financial needs, objectives and conditions, and complies and is fully consistent with, all investment policies, guidelines and restrictions applicable to it. None of the Issuer, the Dealer or the Calculation Agent acts as an investment adviser, or assumes any fiduciary obligation, to any prospective purchaser of the Notes.

In particular, but without prejudice to the generality of the above paragraph, prospective investors should note that an investment in the Notes is only suitable for investors who:

- (i) have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Notes;
- (ii) are capable of bearing the economic risk of an investment in the Notes for an indefinite period of time;

- (iii) are acquiring the Notes for their own account for investment, not with a view to resale, distribution or other disposition of the Notes (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (iv) who will recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all.

*Understanding and appropriateness of the investment*

Each investor (a) should be an investor with substantial knowledge of and/or experience in financial and business matters that is capable of evaluating the merits and risks (including tax, legal, regulatory, accounting) of an investment in the Notes because the Notes are not an appropriate investment for investors who are unsophisticated with respect to such transactions; (b) should be financially able to bear such risks; (c) in making such investment shall not rely on any advice or recommendations of or any information, representation or warranty provided by the Dealer, the Calculation Agent and/or any of their respective affiliates, the Issuer or any of their respective representatives; (d) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time; and (e) should seek advice from such advisors as such investor considers necessary and appropriate, to enable such investor to make its own independent decision with regard to the suitability and appropriateness of the Notes as an investment for its own account. Each investor should be capable of assessing and independently deciding, and should have assessed and independently decided, to assume the risks of an investment in the Notes.

Each investor in the Notes should consider the tax consequences of investing in the Notes. None of the Issuer, the Dealer, or any of their respective representatives makes any representation or has given prospective investors, and will give prospective investors, any advice concerning the appropriate accounting treatment or possible tax consequences of purchasing the Notes. Each investor should consult its own financial, tax, accounting and legal advisors about risks associated with an investment in the Notes and the suitability of investing in such Notes in light of the investor's particular circumstances.

Any information communicated (in any manner) to investors by the Issuer or the Dealer should not be relied upon as investment advice or as a recommendation to invest in the Notes, which shall include, amongst other things, any such information, explanations or discussions concerning the terms and conditions of the Notes, or related features.

Investment in the Notes should comply, and be fully consistent, with all investment policies, guidelines and restrictions applicable to an investor. It is the responsibility of each investor to ensure that it is compliant with all regulations relevant to its acquisition of the Notes and that it is lawful for it to enter into such investment.

Any information communicated (in any manner) to investors by the Issuer or the Dealer should not be relied upon, nor shall such be deemed to be an assurance or guarantee, as to the expected results of an investment in the Notes. Each investor should be aware that any return on the Notes may not exceed or even equal the return that might have been achieved had the amount of its initial investment been placed on deposit for the same period.

Each investor should be aware that neither the Issuer, the Dealer nor the Calculation Agent is acting as a fiduciary or trustee for, or as an advisor to the investor with regard to the investment in the Notes.

*Investment considerations relating to the Notes*

Investment in the Notes carries with it a degree of risk including, but not limited to, the risks referred to below.

The level of the RON/USD Rate may go down as well as up. Prospective investors may receive an amount less than their initial investment.

An investment in the Notes will entail significant risks not associated with a conventional fixed rate or floating rate debt security. Such risks include, without limitation, changes in the level or value of the RON/USD Rate and the possibility that a holder of the Notes will receive a lower amount of interest, repayment or other consideration than the holder expected. Depending on the Exchange Rate to be determined by the Calculation Agent upon a Settlement Disruption Event, such amount or amounts can even

be zero. The Issuer has no control over a number of matters that are important in determining the existence, magnitude and longevity of such risks and their results, including economic, financial and political events.

Past performance of the RON/USD Rate is not necessarily indicative of future performance.

*Risks relating to the Notes*

No assurances can be made that any meaningful secondary market will develop in the Notes. The Dealer may, but is not obligated to, make a market in the Notes. The Dealer may discontinue any market-making activities at any time without notice. If an active public market for the Notes does not develop, the market prices and liquidity of the Notes may be adversely affected.

Volatility is the term used to describe the size and frequency of price and/or market fluctuations. If the volatility, or anticipated volatility, of the RON/USD Rate increases or decreases, the trading value of the Notes may be adversely affected.

We expect that changes in interest rates will affect the trading value of the Notes. In general, if interest rates increase, we expect that the trading value of the Notes will increase and, conversely, if interest rates decrease, we expect that the trading value of the Notes will decrease. If interest rates increase or decrease in markets based on any of the RON or the USD, the trading value of the Notes may be adversely affected. Interest rates may also affect the economies of Romania and the United States, and, in turn, the exchange rates and therefore the value of the RON/USD Rate.

**THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD THE NOTES. THE ATTENTION OF INVESTORS IS ALSO DRAWN TO THE SECTION HEADED “RISK FACTORS” ON PAGES 10 AND 11 OF THE BASE PROSPECTUS.**

## Documents Incorporated by Reference

The following sections from the Base Prospectus of the Issuer dated 11 August 2008 relating to the Programme shall be deemed to be incorporated in, and to form part of this Securities Note, save that any statement contained herein or in a document all or the relevant portion of which is deemed to be incorporated by reference herein shall be modified or superseded for the purpose of this Securities Note to the extent that a statement contained in any such subsequent document all or the relative portion of which is incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise):

Summary of the Programme	on pages 5 to 9
Risk Factors	on pages 10 to 11
General Description of the Programme	on page 14
Terms and Conditions of the Notes	on pages 15 to 41
Use of Proceeds	on page 42
Issue Procedures	on pages 43 to 60
Clearance and Settlement of Global Notes in Book Entry Form	on pages 61 to 63
Subscription and Sale	on pages 68 to 70
General Information	on pages 71 to 72

The Issuer will provide, without charge, to each person to whom a copy of this Securities Note has been delivered, upon the oral or written request of such person, a copy of the aforementioned sections deemed to be incorporated herein by reference. Written or telephone requests for such material should be directed to the Issuer at its principal office set out at the end of this Securities Note.

# Pricing Supplement

2 June 2009

**European Bank for Reconstruction and Development**  
**RON 15,000,000 11.25 per cent Notes due 5 February 2019 (the "Notes")**  
**issued pursuant to a Global Medium Term Note Programme, to be consolidated and form a single**  
**series with the RON115,000,000 11.25 per cent Notes due 5 February 2019 issued on 5 February 2009**  
**(the "Original Notes")**

## 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 Base Prospectus dated 11 August 2008 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This Pricing Supplement must be read in conjunction with such Base Prospectus, the Registration Document, the Securities Note and the Summary Note. Full information on the Issuer and the Notes is only available on the basis of the combination of this Pricing Supplement, the Base Prospectus, the Registration Document, the Securities Note and the Summary Note. The Base Prospectus, the Registration Document, the Securities Note and the Summary Note are available for viewing and copies may be obtained from EBRD, One Exchange Square, London, EC2A 2JN, United Kingdom.

### SUMMARY OF THE NOTES

- |          |                               |   |
|----------|-------------------------------|---|
| <b>1</b> | Specified Currency:           | Romanian New Leu ("RON")  |
| <b>2</b> | Nominal Amount:               | Series: RON 130,000,000<br>Tranche: RON 15,000,000<br>After the Exchange Date the total amount of the Series will be RON 130,000,000 consisting of the RON 115,000,000 Original Notes (Tranche 1) and the RON 15,000,000 Notes (Tranche 2)  |
| <b>3</b> | Type of Note:                 | Fixed Rate  |
| <b>4</b> | Issue Date:                   | 3 June 2009   |
| <b>5</b> | Issue Price:                  | 114.03 per cent plus 3.637 per cent of accrued interest (representing 118 days' accrued interest) on the Nominal Amount (calculated per Specified Denomination) from and including 5 February 2009 to, but excluding, the Issue Date.       |
| <b>6</b> | Maturity Date:                | 5 February 2019 (subject to the provisions set out in Annex A hereto).  |
| <b>7</b> | Fungible with existing Notes: | Yes. The Notes will be consolidated and form a single series with the Original Notes, when and to the extent that the Temporary Global Note evidencing the Notes is exchanged for the Permanent Global Note, on or after the Exchange Date. |

### FORM OF THE NOTES

- |          |                  |        |
|----------|------------------|--------|
| <b>8</b> | Form of Note:    | Bearer |
| <b>9</b> | New Global Note: | No     |

<b>10</b>	Specified Denomination(s):	RON10,000
<b>11</b>	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 (the " <b>Exchange Date</b> ") and thereafter permanent Global Note exchangeable only upon an Exchange Event.
<b>12</b>	(a) Talons for future Coupons to be attached to definitive Bearer Notes:	No
	(b) Date(s) on which the Talons mature:	Not Applicable
<b>13</b>	(a) Registered holder of Registered Global Note:	Not applicable
	(b) Exchange of Registered Global Note:	Not applicable

**PROVISIONS RELATING TO INITIAL PAYMENT**

<b>14</b>	Partly Paid Notes:	No
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**PROVISIONS RELATING TO INTEREST**

<b>15</b>	Interest Commencement Date:	5 February 2009
	<b>Fixed Rate Notes:</b>	
<b>16</b>	(a) Fixed Rate(s) of Interest:	11.25 per cent. per annum
	(b) Fixed Interest Date(s):	5 February in each year commencing 5 February 2010 (subject to the provisions set out in Annex A hereto).
	(c) Initial Broken Amount per Specified Denomination:	Not Applicable
	(d) Final Broken Amount per Specified Denomination:	Not Applicable
	(e) Fixed Day Count Fraction:	Actual/Actual – ICMA
	(f) Business Day Convention:	Modified Following Business Day
	(g) Business Day definition if different from that in Condition 4(a)(iii):	"Business Day" means 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 Bucharest, London and New York City and which is also a TARGET Business Day (as defined in Condition 4(a)(iii)).
	(h) Calculation of interest to be adjusted in accordance with Business Day Convention specified above:	No
<b>17</b>	Zero Coupon Notes:	Not Applicable
<b>18</b>	Floating Rate Notes and Indexed Notes:	Not Applicable

**PROVISIONS REGARDING PAYMENTS/DELIVERIES**

<b>19</b>	Definition of "Payment Day" for the purpose of Condition 6(e) if different to that set out in	Condition 6(e) applies subject to the provisions
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	Condition 6:	set out in Annex A hereto.
<b>20</b>	Dual Currency Notes:	Not Applicable
<b>21</b>	Physically Settled Notes:	Not Applicable
<b>PROVISIONS REGARDING REDEMPTION/MATURITY</b>		
<b>22</b>	(a) Redemption at Issuer's option:	No
	(b) Redemption at Noteholder's option:	No
<b>23</b>	(a) Final Redemption Amount for each Note ( <i>other than</i> an Indexed or Formula Note where the index or formula applies to the redemption amount):	100 per cent. subject to the provisions set out in Annex A hereto.
	(b) Final Redemption Amount for each Indexed Note where the Index or Formula applies to the Final Redemption Amount:	Not Applicable
<b>24</b>	Instalment Note:	Not Applicable
<b>25</b>	Early Redemption Amount for each Note payable on an event of default:	100 per cent. subject to the provisions set out in Annex A hereto.

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

<b>26</b>	Method of distribution:	Non-Syndicated
<b>27</b>	If Syndicated, names and addresses of Managers or, if Non-Syndicated name and address of Dealer:	Société Générale Tour Société Générale 17 cours Valmy 92987 Paris-la Défense France
<b>28</b>	Date of Syndication Agreement:	Not Applicable
<b>29</b>	Stabilising Manager(s):	None
<b>30</b>	Non-exempt Offer:	Not Applicable
<b>31</b>	Additional sales restrictions:	<b>Romania</b>  The Notes may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Notes may be distributed or published in Romania except under circumstances that will result in compliance with any applicable rules and regulations of Romania, including Law no. 297/2004 regarding the capital markets as amended or supplemented and all implementing regulations issued by the Romanian National Securities Commission or by the European Commission.
<b>32</b>	Details of additional/alternative clearing system approved by the Issuer and the Agent:	In addition to the provisions of the Base Prospectus, whereby transactions in the Notes may be settled through Euroclear and Clearstream, Luxembourg, arrangements have been made for settlement through the Romanian National Clearing System

**"RoClear"**. For the purposes of settlement in RoClear, the relevant interests in the Notes will be held in RoClear's global account opened with Clearstream, Luxembourg. RoClear will then credit such interests in Notes in its book-entry systems for the benefit of the RoClear account-holders.

<b>33</b>	Intended to be held in a manner which would allow Eurosystem eligibility:	No
<b>34</b>	Temporary Common Code:	043046683
	Permanent Common Code:	041108835
	Temporary ISIN Code:	XS0430466838
	Permanent ISIN Code:	XS0411088353
	CUSIP Number:	Not Applicable
<b>35</b>	Listing:	Official List of the UK Listing Authority and trading on the Regulated Market.  Applications will be made for the Notes to be admitted to trading on the Romanian Market as soon as possible after the Issue Date.
<b>36</b>	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 redenominationalisation and/or consolidation (provided they are fungible) with other Notes denominated in euro.	Not Applicable
<b>37</b>	Additional Information:	The provisions set out in Annex A shall apply to the Terms and Conditions in accordance herewith.
<b>38</b>	Total Commissions:	0.00 per cent.

This Pricing Supplement comprises the pricing supplement required for issue and admission to trading on the London Stock Exchange's Regulated Market of the Notes described herein pursuant to the Euro 20,000,000,000 Global Medium Term Note Programme of European Bank for Reconstruction and Development (as from the Issue Date or as soon as possible after the Issue Date).

This Pricing Supplement comprises the pricing supplement required for issue and admission to trading on the Romanian Market of the Notes described herein pursuant to the Euro 20,000,000,000 Global Medium Term Note Programme of European Bank for Reconstruction and Development (as soon as possible after the Issue Date).



**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in this Pricing Supplement. The information set out in Annex B hereto has been extracted from Bloomberg. 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 Bloomberg, 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)

## **PART B – OTHER INFORMATION**

### **1 LISTING**

- (i) Listing: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to the Official List with effect from the Issue Date or as soon as possible after the Issue Date.
- (ii) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange’s Regulated Market with effect from the Issue Date or as soon as possible after the Issue Date.
- Application will be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Romanian Market as soon as possible after the Issue Date.

### **2 RATINGS**

The Issuer and/or its debt obligations have been assigned a AAA credit rating from Standard & Poor’s Ratings Services Limited (“S&P”) since 1991, a Aaa credit rating from Moody’s Investors Service Limited (“Moody’s”) since 1992 and a AAA credit rating from Fitch Ratings Limited (“Fitch”) since 2002. 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.

### **3 NOTIFICATION**

Applications will be made for a certificate of approval under Article 18 of the Prospectus Directive as implemented in the United Kingdom to be issued by the UK Listing Authority to the CNVM.

### **4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

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.

### **5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- (i) Reasons for the offer The net proceeds of the issue of the Notes (which is expected to be RON17,650,050) will be included in the ordinary capital resources of the Issuer and used in its ordinary operations.
- (ii) Estimated net proceeds: RON17,650,050
- (iii) Estimated total expenses: Approximately EUR30,000, none of which will be chargeable to the Issuer.

### **6 YIELD**

Indication of yield: 11.25 per cent.

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.

**7 HISTORIC INTEREST RATES**

Not Applicable

**8 PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Not Applicable

**9 PERFORMANCE OF RATES OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Certain historical information in respect of the RON/USD FX Rate is set out in Annex B (*Historical Data*) hereto. In the circumstances described in Annex A hereto, the amount received by holders of the Notes may be affected by the RON/USD FX Rate. Information in respect of the RON/USD FX Rate can also be found on Bloomberg.

**10 TERMS AND CONDITIONS OF THE OFFER**

Not Applicable

## Annex A

### Settlement Disruption Event and Fallback Provisions

All payments in respect of the Notes will be made in RON, subject to the occurrence of a Settlement Disruption Event (as defined below) and will in all cases be subject to any fiscal or other laws applicable thereto.

If the Calculation Agent (as defined below) determines (in its sole discretion acting in good faith and in a commercially reasonable manner) that a Settlement Disruption Event has occurred or is subsisting during the Determination Period (as defined below):

- A. The Calculation Agent shall notify the Issuer and the Agent of its determination as soon as practicable after making such determination (but in no event later than 8.00 a.m. London time one (1) Business Day after the last Day of the Determination Period) whereupon the Agent shall as soon as practicable thereafter (but in no event later than one (1) Business Day after receipt of the aforementioned notice from the Calculation Agent) notify the Noteholders thereof (in accordance with Condition 13 of the Notes), and
- B. Noteholders will not be entitled to any amounts in respect of the Notes until the earlier to occur of (i) the day falling two Business Days after the day on which the Issuer is notified by the Calculation Agent that a Settlement Disruption Event no longer subsists and (ii) the Postponed Fixed Interest Date (as defined below), the Postponed Maturity Date (as defined below), or the Postponed Early Redemption Date (as defined below), as the case may be.

If a Settlement Disruption Event no longer subsists, the Calculation Agent shall notify the Issuer and the Agent thereof as soon as practicable on or after the Business Day on which the Settlement Disruption Event no longer subsists (but in no event later than one (1) Business Day thereafter) whereupon the Agent shall as soon as practicable thereafter (but in no event later than one (1) Business Day after receipt of the aforementioned notice from the Calculation Agent) notify the Noteholders thereof (in accordance with Condition 13 of the Notes).

If any amount is to be paid on a Postponed Fixed Interest Date, Postponed Maturity Date or Postponed Early Redemption Date (as the case may be), regardless of whether a Settlement Disruption Event is still subsisting at such time, payment shall be made in United States Dollars (“USD”) and shall be calculated by the Calculation Agent (and promptly notified to the Agent and the Issuer (but in no event later than two Business Days before the Postponed Fixed Interest Date, Postponed Maturity Date or Postponed Early Redemption Date (as the case may be)) in an amount per Specified Denomination which shall be produced by the following provisions, such amount to be rounded to the nearest whole cent (with 0.5 cent being rounded upwards):

$$\text{Relevant RON Amount} \div \text{Exchange Rate}$$

For the avoidance of doubt, no additional amounts shall be payable by the Issuer in respect of any delay in payment beyond the originally scheduled Fixed Interest Date, Maturity Date, or as the case may be, Early Redemption Date (in each case, as adjusted, if appropriate, in accordance with the Following Business Day Convention) to the Postponed Fixed Interest Date, Postponed Maturity Date or Postponed Early Redemption Date (as appropriate) because of the operation of the provisions of this Annex A.

For the purposes of these provisions:

“**Business Day**” means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, New York City and Bucharest and which is also a Target Business Day (as defined in Condition 4(a)(iii)).

“**Calculation Agent**” means Société Générale in accordance with the provisions of the Calculation Agency Agreement entered into between the Issuer and the Calculation Agent dated 29 March 2004 (as amended and/or supplemented from time to time). All references to the Calculation Agent shall include any successor or successors to Société Générale as Calculation Agent in respect of the Notes. The determination by the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Calculation Agent under the Notes and pursuant to the Calculation Agency Agreement shall (in the absence of manifest error) be final and binding on all parties (including, but not limited to, the Issuer

and the Noteholders) and shall be made in its sole discretion in good faith and in a commercially reasonable manner in accordance with the Calculation Agency Agreement. In performing its duties under the Notes, the Calculation Agent shall act in accordance with the Calculation Agency Agreement;

**“Determination Period”** means (i) in relation to any Fixed Interest Date, the period which falls between five and three Business Days (inclusive) preceding any relevant Fixed Interest Date, as adjusted in accordance with the Following Business Day Convention; (ii) in relation to the Maturity Date, the period which falls between five and three Business Days (inclusive) preceding the Maturity Date, as adjusted in accordance with the Following Business Day Convention; and (iii) in relation to any Early Redemption Date, as adjusted in accordance with the Following Business Day Convention, the period which falls between five and three Business Days (inclusive) preceding any Early Redemption Date, as the case may be;

**“Exchange Rate”** means the average of such firm quotes (expressed in RON per 1 USD) as the Calculation Agent is able to obtain from the Reference Dealers at or about 11.00 a.m. London Time for the sale RON and the purchase of USD, on the day falling two Business Days prior to the Postponed Fixed Interest Date, Postponed Early Redemption Date (if any) or the Postponed Maturity Date (as the case may be). The highest and lowest of such quotes will be disregarded and the arithmetic mean of the remaining quotations shall be the Exchange Rate, provided, however, that if fewer than four (but at least two) Reference Dealers provide such a firm quote then the average of the quotes actually obtained shall apply. If only one Reference Dealer provides a firm quote then such quote shall apply, and if no Reference Dealer provides such a firm quote, then the Calculation Agent, acting in good faith and in a commercially reasonable manner, shall establish the Exchange Rate in its sole discretion, which may result in an exchange rate of zero;

**“Postponed Early Redemption Date”** means the tenth Business Day following the Early Redemption Date (if any);

**“Postponed Fixed Interest Date”** means the tenth Business Day following the originally scheduled Fixed Interest Date;

**“Postponed Maturity Date”** means the tenth Business Day following the originally scheduled Maturity Date;

**“Reference Dealers”** means five leading dealers, banks or banking corporations, which deal in the RON/USD exchange market, selected by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner;

**“Relevant RON Amount”** means the RON amount per Specified Denomination which would have been payable on the relevant date if the Settlement Disruption Event had not occurred; and

**“Settlement Disruption Event”** means each of the following events, as determined by the Calculation Agent in its sole discretion acting in good faith and in a commercially reasonable manner:

- (a) the imposition of laws or regulations by the National Bank of Romania or other legislative, governmental or regulatory authority of Romania which (i) require non-residents of Romania to obtain permission from the National Bank of Romania or other authority to obtain RON, or (ii) otherwise restrict a non-resident’s ability to obtain RON or (iii) otherwise regulate the purchase or holding of RON such that costs are imposed in obtaining RON which would not be imposed in the absence of such regulations, or (iv) has the direct or indirect effect of hindering, limiting or restricting the transfer of RON from Romania to recipients resident in another country; and
- (b) Euroclear and/or Clearstream, Luxembourg suspend or cease acceptance of RON as a settlement currency.

## Annex B Historical Data

The following table summarises certain historical information regarding the RON/USD FX Rate since 1 January 2001. (Prior to 1 July 2005, the legal tender of Romania was the Romanian Old Leu ("ROL"), converted into RON at a fixed rate of 10,000 ROL to 1 RON as of 1 July 2005. For ease of reference, in the following table ROL has been converted into RON at such rate for periods prior to 1 July 2005.)

Period	High	Low
01/01/2001 – 31/12/2001	3.1790 on 11 December 2001	2.5925 on 2 January 2001
01/01/2002 – 31/12/2002	3.3800 on 17 December 2002	3.1745 on 3 January 2002
01/01/2003 – 31/12/2003	3.4788 on 7 November 2003	3.1629 on 27 May 2003
01/01/2004 – 31/12/2004	3.4337 on 14 May 2004	2.7661 on 3 December 2004
01/01/2005 – 31/12/2005	3.1263 on 7 November 2005	2.6674 on 11 March 2005
01/01/2006 – 31/12/2006	3.1163 on 2 January 2006	2.5550 on 22 December 2006
01/01/2007 – 31/12/2007	2.6403 on 26 January 2007	2.2589 on 24 July 2007
01/01/2008 – 31/12/2008	3.0844 on 12 November 2008	2.2246 on 22 April 2008
01/01/2009 – 30/04/2009	3.4252 on 2 March 2009	2.8695 on 1 January 2009

Source: Bloomberg

The delivery of these Final Terms does not imply any representation on the part of the Issuer, the Calculation Agent or the Dealer or any other person that any such information is correct.

THESE RATES APPEAR FOR INFORMATION PURPOSES ONLY. NO REPRESENTATION IS MADE THAT THE RON COULD HAVE BEEN CONVERTED INTO U.S. DOLLARS AT ANY PARTICULAR RATE OR AT ALL.

THE DEALER AND THE ISSUER DO NOT MAKE ANY EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION WHATSOEVER AS TO THE RESULTS TO BE OBTAINED FROM AN INVESTMENT IN THE NOTES. THE FOREGOING INFORMATION IS BASED UPON PUBLICLY AVAILABLE INFORMATION AS PUBLISHED BY THE APPLICABLE SOURCE. HOWEVER, NEITHER THE DEALER NOR ANY OF ITS AFFILIATES SHALL BE LIABLE (WHETHER IN NEGLIGENCE OR OTHERWISE) TO ANY PERSON FOR ANY ERROR IN THE INFORMATION SET FORTH ABOVE NOR SHALL IT OR ANY SUCH AFFILIATE BE UNDER ANY OBLIGATION TO ADVISE ANY PERSON OF ANY ERROR THEREIN.

## **Use of Proceeds**

The net proceeds of the issue of the Notes (which is expected to be RON17,650,050) will be included in the ordinary capital resources of the Issuer and used in its ordinary operations.

## Ratings

The Issuer and/or its debt obligations have been assigned a AAA credit rating from Standard & Poor's Ratings Services Limited, a division of the M<sup>c</sup>Graw Hill Companies Inc. ("S&P"), since 1991, a Aaa credit rating from Moody's Investors Service Limited ("Moody's") since 1992 and a AAA credit rating from Fitch Ratings Limited ("Fitch") since 2002. As defined by S&P, a "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, a "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, a "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.

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.



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**LEGAL ADVISERS**

*To the Dealer*

*As to English and Romanian Law*

**Badea Asociatii in association with Clifford Chance**

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