

PRICING SUPPLEMENT

21st October, 1998

**European Bank for Reconstruction and Development
GBP 200,000,000 5.625 per cent. Notes due 2028
issued pursuant to a Euro Medium Term Note Programme**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions. A further explanation of such terms is set out in the Prospectus in the section headed "Issue Procedures".

SUMMARY OF THE NOTES

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| 1. | Specified Currency: | Pounds sterling ("GBP") |
| 2. | Nominal Amount: | GBP 200,000,000 |
| 3. | Type of Note: | Fixed Rate Notes |
| 4. | Issue Date: | 21st October, 1998 |
| 5. | Issue Price: | 99.584 per cent. |
| 6. | Maturity Date: | 7th December, 2028 |
| 7. | Fungible with existing Notes: | No |
| 8. | Pricing Supplement to be read in conjunction with Prospectus dated: | 28th August, 1998 |

FORM OF THE NOTES

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| 9. | Form of Note: | Bearer |
| 10. | Specified Denomination(s): | GBP 1,000; GBP 10,000; GBP 100,000 |
| 11. | Exchange of Bearer Notes: | Temporary Global Note exchangeable for permanent Global Note on certification as to non-US beneficial ownership on or after 40 days after the Issue Date and thereafter permanent Global Note exchangeable only upon an "Exchange Event" (as defined in the permanent Global Note) |

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12. (a) Talons for future
Coupons to be attached to
definitive Bearer Notes: Yes
- (b) Date(s) on which the
Talons mature: 7th December, 2015
13. (a) Registered holder of
Registered Global Note: *Not applicable*
- (b) Exchange of Registered
Global Note: *Not applicable*

PROVISIONS RELATING TO INITIAL PAYMENT

14. Partly Paid Notes: No

PROVISIONS RELATING TO INTEREST

15. Interest Commencement Date: 21st October, 1998

Fixed Rate Notes:

16. (a) Fixed Rate of Interest: 5.625 per cent. per annum
- (b) Fixed Interest Date(s): 7th December in each year commencing on 7th
December, 1998
- (c) Initial Broken Amount
per denomination: GBP 1,000: 7.1875
GBP 10,000: 71.875
GBP 100,000: 718.75
- (d) Final Broken Amount
per denomination: *Not applicable*

Zero Coupon Notes:

17. (a) Accrual Yield: *Not applicable*
- (b) Reference Price: *Not applicable*
- (c) Other formula or basis
for determining
Amortised Face
Amount: *Not applicable*
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***Floating Rate Notes
and Indexed Notes:***

18. (a) Manner in which Rate of Interest is to be determined: *Not applicable*
- (b) Margin(s): *Not applicable*
- (c) Minimum Interest Rate (if any): *Not applicable*
- (d) Maximum Interest Rate (if any): *Not applicable*
19. **If ISDA Determination:**
- (a) Floating Rate Option: *Not applicable*
- (b) Designated Maturity: *Not applicable*
- (c) Reset Date: *Not applicable*
20. **If Screen Rate Determination:**
- (a) Reference Rate: *Not applicable*
- (b) Relevant Screen Page: *Not applicable*
- (c) Interest Determination Date: *Not applicable*
21. **If Indexed:** *Not applicable*
22. If Rate of Interest not to be determined by ISDA or Screen Rate Determination or by reference to an Index or Formula: *Not applicable*
23. **General Provisions for Floating Rate Notes and Indexed Notes:**
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| (a) | Specified Period (and, in the case of Notes where the Interest Payment Date(s) are fixed, the Interest Payment Date(s)): | <i>Not applicable</i> |
| (b) | Business Day Convention: | <i>Not applicable</i> |
| (c) | Business Day definition if different from that in Condition 4(b)(i): | <i>Not applicable</i> |
| (d) | Terms relating to calculation of Interest Amount: | <i>Not applicable</i> |
| (e) | Party responsible for calculation of interest: | <i>Not applicable</i> |

PROVISIONS REGARDING PAYMENTS

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| 24. | Definition of "Payment Business Day" for the purpose of Condition 6(a) or (b) if different to that set out in Condition 6: | "Payment Business Day" means any day on which banks are open for business in London and in the relevant place of presentation and which is an ECU Settlement Day |
| 25. | Dual Currency Notes: | <i>Not applicable</i> |

PROVISIONS REGARDING REDEMPTION/MATURITY

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| 26. | (a) Redemption at Issuer's option: | No |
| | (b) Redemption at Noteholder's option: | No |
| 27. | (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. of their nominal amount |

- (b) Final Redemption Amount for each Indexed Note where the Index or Formula applies to the Final Redemption Amount: *Not applicable*
28. Instalment Note: *Not applicable*
29. Early Redemption Amount for each Note payable on an event of default: 100 per cent. of their nominal amount
- DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS***
30. Method of distribution: Non-syndicated
31. If syndicated, names of Managers or, if non-syndicated names of Purchasers: The name of the Purchaser is Merrill Lynch International
32. Stabilising Dealer/Manager: *Not applicable*
33. Additional sales restrictions: None
34. Details of additional/alternative clearing system approved by the Issuer and the Agent: None
35. Additional provisions: In the case that the United Kingdom of Great Britain and Northern Ireland (the "United Kingdom") decides to move to the third stage of European economic and monetary union ("EMU") in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union (the "Treaty") and adopts the single currency (the "euro") adopted by the EMU participating Member States in accordance with article 109l(4) of the Treaty as its own currency, the Issuer may, without consent of the Noteholders, on giving prior notice to the Agent, Euroclear and Cedel Bank and at least 30 days' prior notice to the Noteholders in accordance with the notice requirements set forth in the Prospectus, take such measures as may be necessary in order to redenominate the Notes in euro and, if necessary, to renominalise and change certain conventions applicable to the Notes as so redenominated PROVIDED THAT the Agent shall agree such measures as being in keeping with market practice at the relevant time or such

measures are taken in accordance with article 109(4) of the Treaty or any Regulation or applicable national legislation enacted pursuant to the Treaty and PROVIDED THAT any such redenomination, renominatisation or change shall only take effect from any date for payment of interest under the Notes specified by the Issuer in the notice given to the Noteholders referred to above and which falls on or after the date on which the United Kingdom commences participation in the third stage of EMU.

36. Common Code: 9174001
ISIN Code: XS0091740018
CUSIP Number: None
Sedol Number: 0442204
37. (a) Notes to be listed: Yes
(b) Stock Exchange: London Stock Exchange

For and on behalf of

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

By:

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Authorised signatory