

## PRICING SUPPLEMENT

29th January, 1998

**European Bank for Reconstruction and Development**  
**ITL 2,500,000,000,000 Zero Coupon Callable Notes (the "Notes") due February 2048**  
**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*

- |    |   |   |
|----|---|---|
| 1. | Specified Currency:   | Italian Lire ("ITL")  |
| 2. | Nominal Amount:   | ITL 2,500,000,000,000 consisting of one Tranche ("Tranche A Notes") of ITL 2,000,000,000,000 with an issue price of 6.133 per cent. of the nominal amount and a further Tranche ("Tranche B Notes") of ITL 500,000,000,000 with an issue price of 6.187 per cent. of the nominal amount |
| 3. | Type of Note:   | Zero Coupon Notes   |
| 4. | Issue Date:   | 4th February, 1998  |
| 5. | Maturity Date:  | 4th February, 2048  |
| 6. | Fungible with existing Notes:                                       | No  |
| 7. | Pricing Supplement to be read in conjunction with Prospectus dated: | 29th August, 1997   |

### *FORM OF THE NOTES*

- |     |                            |  |
|-----|----------------------------|--|
| 8.  | Form of Note:              | Bearer   |
| 9.  | Specified Denomination(s): | ITL 1,000,000, ITL 10,000,000 and ITL 100,000,000  |
| 10. | 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 in whole but not in part for definitive Notes only upon |

the occurrence of an Exchange Event (as defined in Part II of Schedule three to the Agency Agreement)

- |     |     |  |     |
|-----|-----|--|-----|
| 11. | (a) | Talons for future Coupons to be attached to definitive Bearer Notes: | No  |
|     | (b) | Date(s) on which the Talons mature:                                  | N/A |
| 12. | (a) | Registered holder of Registered Global Note:                         | N/A |
|     | (b) | Exchange of Registered Global Note:                                  | N/A |

***PROVISIONS RELATING TO INITIAL PAYMENT***

- |     |                    |    |
|-----|--------------------|----|
| 13. | Partly Paid Notes: | No |
|-----|--------------------|----|

***PROVISIONS RELATING TO INTEREST***

- |     |                             |     |
|-----|-----------------------------|-----|
| 14. | Interest Commencement Date: | N/A |
|-----|-----------------------------|-----|

***Fixed Rate Notes:***

- |     |     |   |     |
|-----|-----|---|-----|
| 15. | (a) | Fixed Rate(s) of Interest:              | N/A |
|     | (b) | Fixed Interest Date:                    | N/A |
|     | (c) | Initial Broken Amount per denomination: | N/A |
|     | (d) | Final Broken Amount per denomination:   | N/A |

***Zero Coupon Notes:***

- |     |     |                |  |
|-----|-----|----------------|--|
| 16. | (a) | Accrual Yield: | Tranche A Notes                              |
|     |     |                | - Accrual Yield to Call: 5.80 per cent.      |
|     |     |                | - Accrual Yield to Maturity: 5.80 per cent.  |
|     |     |                | Tranche B Notes                              |
|     |     |                | - Accrual Yield to Call: 5.768 per cent.     |
|     |     |                | - Accrual Yield to Maturity: 5.781 per cent. |

- |     |   |  |
|-----|---|--|
| (b) | Reference Price:  | Tranche A Notes - 6.133 per cent.<br><br>Tranche B Notes - 6.187 per cent. |
| (c) | Other formula or basis for determining Amortised Face Amount: | N/A  |

***Floating Rate Notes  
and Indexed Notes:***

- |     |  |     |
|-----|--|-----|
| 17. | (a) Manner in which Rate of Interest is to be determined:  | N/A |
|     | (b) Margin(s):   | N/A |
|     | (c) Minimum Interest Rate (if any):  | N/A |
|     | (d) Maximum Interest Rate (if any):  | N/A |
| 18. | <b>If ISDA Determination:</b>  |     |
|     | (a) Floating Rate Option:  | N/A |
|     | (b) Designed Maturity:   | N/A |
|     | (c) Reset Date:  | N/A |
| 19. | <b>If Screen Rate Determination:</b>   |     |
|     | (a) Reference Rate:  | N/A |
|     | (b) Relevant Screen Page:  | N/A |
|     | (c) Interest Determination Date:   | N/A |
| 20. | <b>If Indexed:</b>   | N/A |
| 21. | If Rate of Interest not to be determined by ISDA or Screen Rate Determination or by reference to an Index or Formula:        | N/A |
| 22. | <b>General Provisions for Floating Rate Notes and Indexed Notes:</b>   |     |
|     | (a) Specified Period (and, in the case of Notes where the Interest Payment Date(s) are fixed, the Interest Payment Date(s)): | N/A |

(b)	Business Day Convention:	N/A
(c)	Business Day definition if different from that in Condition 4(b)(i):	N/A
(d)	Terms relating to calculation of Interest Amount:	N/A
(e)	Party responsible for calculation of interest:	N/A

#### **PROVISIONS REGARDING PAYMENTS**

23.	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 (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in Milan and in the relevant place of presentation.
24.	Dual Currency Notes:	N/A

#### **PROVISIONS REGARDING REDEMPTION/MATURITY**

25.	(a)	Redemption at Issuer's option:	Yes
			By giving not more than ten nor less than five Business Days, as defined below, notice to the holders, the Issuer may redeem all the outstanding Notes (but not some only) at 32.380 per cent. of the nominal amount on 4th February, 2028. Business Day, for the purposes of this paragraph 25(a) only, means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in London and Milan.
	(b)	Redemption at Noteholder's option:	No
26.	(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 the nominal amount
	(b)	Final Redemption Amount for each Indexed Note where the Index or Formula applies to the Final Redemption Amount:	N/A
27.		Instalment Note:	N/A

28. Early Redemption Amount for each Note payable on an event of default: To be calculated by the Agent in accordance with Condition 5(d)

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

29. Method of distribution: Syndicated
30. If syndicated, names of Managers or, if non-syndicated names of Purchasers: MORGAN STANLEY & CO.  
INTERNATIONAL LIMITED
- BANCA COMMERCIALE ITALIANA  
CASSA DI RISPARMIO IN BOLOGNA S.P.A.  
CARIPLO-CASSA DI RISPARMIO DELLE PROVINCE LOMBARDE S.P.A.  
CREDITO ITALIANO S.P.A.  
ICCREA S.P.A.  
BANCA AKROS S.P.A.  
ARCADIA SECURITIES SA  
BANCA INTERMOBILIARE S.P.A.
31. Stabilising Dealer/Manager: MORGAN STANLEY & CO.  
INTERNATIONAL LIMITED
32. Additional sales restrictions: Each Manager represents and agrees that no action has been or will be taken which would allow an offering of the Notes to the public in the Republic of Italy. Accordingly, the Notes may not be offered, sold or delivered and neither the Prospectus nor any other offering material relating to the Notes may be distributed or made available in the Republic of Italy unless:
- (i) such activities are carried out by a securities intermediary appropriately authorised to conduct such activities in the Republic of Italy and in accordance with applicable Italian securities laws and requirements; and
  - (ii) the applicable requirements for notices to the Bank of Italy under article 129 of Legislative Decree No. 385 of 1st September, 1993, as amended, and the Bank of Italy's instructions issued thereunder are fully complied with.


Individual sales of the Notes to any person in the Republic of Italy may only be made in

accordance with Italian securities, tax and other applicable laws and regulations.

33. Details of additional/alternative clearing system approved by the Issuer and the Agent: None
34. Common Code: 8366292  
ISIN Code: XS0083662923  
CUSIP Number: N/A
35. (a) Notes to be listed: Yes  
(b) Stock Exchange: The London Stock Exchange Limited

For and on behalf of

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

By:  .....  
Authorised signatory

*[The following information is to be included only in the version of the Pricing Supplement which is submitted to the relevant Stock Exchange in the case of Notes to be listed on such Exchange:]*

Application is hereby made to list this issue of Notes pursuant to the listing of the ECU 10,000,000,000 Euro Medium Term Note Programme of European Bank for Reconstruction and Development (as from 4th February, 1998).

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Morgan Guaranty Trust Company of New York  
(as Agent)]

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