

PRICING SUPPLEMENT

23rd February, 1998

**European Bank for Reconstruction and Development
ZAR 2,000,000,000 Zero Coupon Notes due 31st December, 2029
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: | South African Rand ("ZAR") being the lawful currency of the Republic of South Africa |
| 2. | Nominal Amount: | ZAR 2,000,000,000 |
| 3. | Type of Note: | Zero Coupon Notes |
| 4. | Issue Date: | 2nd March, 1998 |
| 5. | Issue Price: | 3.05 per cent. |
| 6. | Maturity Date: | 31st December, 2029 |
| 7. | Fungible with existing Notes: | No |
| 8. | Pricing Supplement to be read in conjunction with Prospectus dated: | 29th August, 1997 |

FORM OF THE NOTES

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| 9. | Form of Note: | Two Registered Global Notes, one in respect of interests in the Notes held through Euroclear and Cedel Bank (the "Euroclear/Cedel Bank Registered Global Note") and one in respect of interests in the Notes held through the DTC (the "DTC Registered Global Note"). |
| 10. | Specified Denomination: | ZAR 50,000 and multiples thereof |
| 11. | Exchange of Bearer Notes: | N/A |
| 12. | (a) Talons for future Coupons to be attached to definitive Bearer Notes: | N/A |
| | (b) Date(s) on which the Talons | N/A |

mature:

13. (a) Registered holder of Registered Global Notes: Euroclear/Cedel Bank Registered Global Note: MGTB Nominees as nominee for Morgan Guaranty Trust Company of New York
- DTC Registered Global Note: Cede & Co. as DTC's nominee
- (b) Exchange of Registered Global Notes: The Registered Global Notes shall be exchangeable in whole or in part for Registered Definitive Notes only in the following circumstances:
- (i) upon the occurrence of an Event of Default;
 - (ii) if Euroclear or Cedel Bank 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 DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depository with respect to the DTC 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 DTC Registered Global Note for Registered Definitive Notes.

For this purpose, the fifth paragraph of the Registered Global Notes shall be deemed to be amended accordingly.

PROVISIONS RELATING TO INITIAL PAYMENT

14. Partly Paid Notes: No

PROVISIONS RELATING TO INTEREST

15. Interest Commencement Date: N/A

Fixed Rate Notes:

16. (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:

17. (a) Accrual Yield: 11.59 per cent. per annum
 (b) Reference Price: 3.05 per cent.
 (c) Other formula or basis for determining Amortised Face Amount: N/A

**Floating Rate Notes
and Indexed Notes:**

18. (a) Manner in which Rate of Interest is to be determined: N/A
 (b) ~~Margin~~ Margin(s): N/A
 (c) Minimum Interest Rate (if any): N/A
 (d) Maximum Interest Rate (if any): N/A

19. If ISDA Determination:

(a) Floating Rate Option: N/A
 (b) Designed Maturity: N/A
 (c) Reset Date: N/A

20. **If Screen Rate Determination:**
- (a) Reference Rate: N/A
- (b) Relevant Screen Page: N/A
- (c) Interest Determination Date: N/A
21. **If Indexed:** N/A
22. **If Rate of Interest not to be determined by ISDA or Screen Rate Determination or by reference to an Index or Formula:** N/A
23. **General Provisions for Floating Rate Notes and Indexed Notes:**
- (a) Specified Period (and, in the case of Notes where the Interest Payment Date(s) are fixed, the Interest Payment Date(s)): 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

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, New York and Johannesburg and in the relevant place of presentation.
25. **Dual Currency Notes:** N/A

PROVISIONS REGARDING REDEMPTION/MATURITY

26. (a) Redemption at Issuer's option: No
- (b) Redemption at Noteholder's option: No

27. (a) Final Redemption Amount for each Note (*other than 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
28. Instalment Note: N/A
29. 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

30. Method of distribution: Syndicated
31. If syndicated, names of Managers or, if non-syndicated names of Purchasers:
- The Toronto-Dominion Bank
 Deutsche Bank AG London
 ING Bank N.V.
 J.P. Morgan Securities Ltd.
 ABN AMRO Bank N.V.
 Bayerische Vereinsbank Aktiengesellschaft
 Caboto Holding SIM S.p.A.
 Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
 DG BANK Deutsche Genossenschaftsbank
 IMI Bank (Lux) S.A.
 Kredietbank N.V.
 Merrill Lynch International
 Morgan Stanley & Co. International Limited
 Nordeutsche Landesbank Girozentrale
 Prudential-Bache Securities (U.K.) Inc.
 Société Générale Strauss Turnbull Securities Limited
 UBS Limited
 West Merchant Bank Limited
32. Stabilising Dealer/Manager: The Toronto-Dominion Bank
33. Additional sales restrictions: Each Manager represents and agrees that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes in the Republic of South Africa or to persons resident in the Republic of South Africa except in accordance with South African Exchange Control Regulations and in circumstances

- which would not constitute an offer to the public within the meaning of the South African Companies Act, 1973 (as amended).
34. Details of additional/alternative clearing system approved by the Issuer and the Agent: None
35. Additional Information: The South African Rand, legal currency of the Republic of South Africa, is not freely convertible and transferable. Although the dual exchange rate system, consisting of a commercial and a financial Rand, was abolished on 13th March, 1995, there are at present still restrictions on capital movements by South African residents. Please note that the relatively high yield of Rand-denominated Notes also reflects the expectations of the market participants with regard to the political and financial situation in South Africa. A negative change in the exchange rates of the Rand against other currencies may impair the value of the investment of non-Rand-based investors.
36. Security Codes: Notes held through Euroclear or Cedel Bank:
ISIN: XS0084291201
Common Code: 8429120
- Notes held through DTC:
CUSIP Number: 29874QAH7
- (a) Notes to be listed: Yes
- (b) Stock Exchange(s): London Stock Exchange Limited
37. Additional Provisions: Interests in the Euroclear/Cedel Bank Registered Global Note may be transferred to DTC Participants and interests in the DTC Registered Global Note may be transferred to Euroclear Participants or Cedel Participants on the terms described in Appendix A.
- Condition 13(c) of the Notes is amended by deleting all references to "(in the case of Registered Notes)" and "(in the case of Bearer Notes)" and replacing them with, respectively, "(in the case of the DTC Registered Global Note)" and "(in the case of the Euroclear/Cedel Bank Registered Global Note)".

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 2nd March, 1998).

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

APPENDIX A

The sixth and seventh complete paragraphs from the top on page 33 of the Prospectus dated 29th August, 1997 are deleted in their entirety and replaced with the following:

"Cross market transfers between Euroclear Participants or Cedel Participants and DTC Participants where the DTC Participant is the seller and the Euroclear Participant or Cedel Participant is the purchaser will be effected as follows:

The DTC Participant will deliver instructions for delivery to the relevant Euroclear or Cedel Bank accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant Euroclear or Cedel Bank accountholder. On the settlement date, the Custodian will instruct the Registrar to (i) decrease the amount of Notes registered in the name of Cede & Co. and evidenced by the DTC Registered Global Note and (ii) increase the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Cedel Bank and evidenced by the Euroclear/Cedel Bank Registered Global Note. Book-entry interests will be delivered free of payment to Euroclear or Cedel Bank, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Cross market transfers between Euroclear Participants or Cedel Participants and DTC Participants where the Euroclear Participant or Cedel Participant is the seller and the DTC Participant is the purchaser will be effected as follows:

The Euroclear or Cedel Bank Participant will send to Euroclear or Cedel Bank delivery free of payment instructions by 7.45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Cedel Bank, as the case may be, will in turn transmit appropriate instructions to the common depository for the Euroclear or Cedel Bank accountholder, as the case may be. On the settlement date, the common depository for Euroclear and Cedel Bank will (i) transmit appropriate instructions to the Custodian who will in turn deliver such book-entry interests in the Notes free of payment to the relevant account of the DTC Participant and (ii) instruct the Registrar to (a) decrease the amount of Notes registered in the name of the nominee of the common depository for Euroclear and Cedel Bank and evidenced by the Euroclear/Cedel Bank Registered Global Note and (b) increase the amount of Notes registered in the name of Cede & Co. and evidenced by the DTC Registered Global Note."