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**PRICING SUPPLEMENT**

4th April, 1997

**European Bank for Reconstruction and Development  
South African Rand 4,500,000,000 Zero Coupon Notes due 7th April, 2017  
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 2,500,000,000 in respect of Tranche A<br>ZAR 2,000,000,000 in respect of Tranche B   |
| 3. | Type of Note:   | Zero Coupon Notes  |
| 4. | Issue Date:   | 7th April, 1997  |
| 5. | Issue Price:  | 7.10 per cent. of the nominal amount in respect of Tranche A<br>7.195 per cent. of the nominal amount in respect of Tranche B                  |
| 6. | Maturity Date:  | 7th April, 2017  |
| 7. | Fungible with existing Notes:                                       | No   |
| 8. | Pricing Supplement to be read in conjunction with Prospectus dated: | 18th September, 1995, as supplemented by a Supplemental Prospectus dated 12th March, 1996 and a Supplemental Prospectus dated 19th March, 1997 |

***FORM OF THE NOTES***

- |     |                            |   |
|-----|----------------------------|---|
| 9.  | Form of Note:              | Bearer  |
| 10. | Specified Denomination(s): | ZAR 5,000, ZAR 50,000, ZAR 500,000 and ZAR 5,000,000  |
| 11. | Exchange of Bearer Notes:  | Temporary Global Note exchangeable for definitive Notes on or after 40 days after the Issue Date on certification as to non-US beneficial ownership |
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|-----|-----|--|-----|
| 12. | (a) | Talons for future Coupons to be attached to definitive Bearer Notes: | No  |
|     | (b) | Date(s) on which the Talons mature:                                  | N/A |
| 13. | (a) | Registered holder of Registered Global Note:                         | N/A |
|     | (b) | Exchange of Registered Global Note:                                  | N/A |

***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:  | 14.14 per cent. |
|     | (b) | Reference Price:  | 7.10 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(s):  | N/A |

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|  |  |                        |
|--|--|------------------------|
|  | (c) Minimum Interest Rate (if any):  | N/A                    |
|  | (d) Maximum Interest Rate (if any):  | N/A                    |
| 19.                                      | <b>If ISDA Determination:</b>  |                        |
|  | (a) Floating Rate Option:  | N/A                    |
|  | (b) Designed Maturity:   | N/A                    |
|  | (c) Reset Date:  | N/A                    |
| 20.                                      | <b>If Screen Rate Determination:</b>   |                        |
|  | (a) Reference Rate:  | N/A                    |
|  | (b) Relevant Screen Page:  | N/A                    |
|  | (c) Interest Determination Date:   | N/A                    |
| 21.                                      | <b>If Indexed:</b>   | N/A                    |
| 22.                                      | <b>If Rate of Interest not to be determined by ISDA or Screen Rate Determination or by reference to an Index or Formula:</b> | N/A                    |
| 23.                                      | <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                    |
| <br><b>PROVISIONS REGARDING PAYMENTS</b> |  |                        |
| 24.                                      | Definition of "Payment Business Day" for the purpose of Condition 6(a) or (b) if different to that set out in Condition 6:   | Condition 6(a) applies |

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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

ABN AMRO Bank N.V.  
J.P. Morgan Securities Ltd.

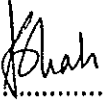
Bear, Stearns International Limited  
Commerzbank Aktiengesellschaft  
Credit Suisse First Boston (Europe) Limited  
IMI Bank (Lux) S.A.  
ING Bank N.V.  
Kredietbank N.V.  
Norddeutsche Landesbank Girozentrale  
Swiss Bank Corporation  
Vereins- und Westbank Aktiengesellschaft  
West Merchant Bank Limited

Coöperatieve Centrale Raiffeisen-  
Boerenleenbank B.A.  
Deutsche Bank AG London  
DG BANK Deutsche Genossenschaftsbank

- Merrill Lynch International  
Morgan Stanley & Co. International Limited
- Swissca Securities Limited  
WGZ-Bank Westdeutsche Genossenschafts-  
Zentralbank eG
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. Common Code: 7478933  
ISIN Code: XS0074789339  
CUSIP Number: N/A
37. (a) Notes to be listed: Yes
- (b) Stock Exchange(s): London Stock Exchange Limited

For and on behalf of

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

By:  .....

Authorised signatory

ICM2:249278.1

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