

PRICING SUPPLEMENT

19 September 2007

**European Bank for Reconstruction and Development (“EBRD”)
ISK 3,000,000,000 12.50 per cent Notes due 23 March 2009 (the “Notes”)
issued pursuant to a Global Medium Term Note Programme**

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 10 August 2007 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the Notes is only available on the basis of the combination of this Pricing Supplement and the Base Prospectus. The Base Prospectus is available for viewing and copies may be obtained from EBRD, One Exchange Square, London EC2A 2JN, United Kingdom.

SUMMARY OF THE NOTES

1	Specified Currency:	Icelandic Krona (“ ISK ”)
2	Nominal Amount:	ISK 3,000,000,000
3	Type of Note:	Fixed Rate
4	Issue Date:	21 September 2007
5	Issue Price:	100.660 per cent.
6	Maturity Date:	23 March 2009
7	Fungible with existing Notes:	No

FORM OF THE NOTES

8	Form of Note:	Registered
9	New Global Note:	No
10	Specified Denomination(s):	ISK 100,000
11	Exchange of Bearer Notes:	Not Applicable
12	(a) Talons for future Coupons to be attached to definitive Bearer Notes:	No
	(b) Date(s) on which the Talons mature:	Not Applicable
13	(a) Registered holder of Registered Global Note:	Citivic Nominees Limited
	(b) Exchange of Registered Global Note:	Registered Global Note will only be exchangeable for definitive Registered Notes upon 45 days’ written notice in the limited circumstances described on page 43 of the Base Prospectus

PROVISIONS RELATING TO INITIAL PAYMENT

14 Partly Paid Notes: No

PROVISIONS RELATING TO INTEREST

15 Interest Commencement Date: 21 September 2007

Fixed Rate Notes:

16 (a) Fixed Rate of Interest: 12.50 per cent. per annum payable annually

(b) Fixed Interest Date: 23 March in each year, commencing with a short first coupon payment on 23 March 2008

(c) Initial Broken Amount per Specified Denomination: ISK 6,284.15

(d) Final Broken Amount per Specified Denomination: Not Applicable

(e) Fixed Day Count Fraction: Actual/Actual – ICMA

(f) Business Day Convention: Following Business Day Convention

(g) Business Day definition if different from that in Condition 4(a)(iii): Condition 4(a)(iii) applies (and for the avoidance of doubt, Reykjavik shall be the principal business centre). London and New York shall be additional business centres.

(h) Calculation of interest to be adjusted in accordance with Business Day Convention specified above: No

17 Zero Coupon Notes: Not Applicable

18 Floating Rate Notes and Indexed Notes: Not Applicable

PROVISIONS REGARDING PAYMENTS/DELIVERIES

19 Definition of “Payment Day” for the purpose of Condition 6(e) if different to that set out in Condition 6: Condition 6(e) applies

20 Dual Currency Notes: Not Applicable

21 Physically Settled Notes: Not Applicable

PROVISIONS REGARDING REDEMPTION/MATURITY

22 (a) Redemption at Issuer’s option: No

(b) Redemption at Noteholder’s option: No

23 (a) Final Redemption Amount for each Note (*other than* an Indexed or Formula Note where the index or formula applies to the 100 per cent.

redemption amount):

(b) Final Redemption Amount for each Indexed Note where the Index or Formula applies to the Final Redemption Amount: Not Applicable

24 Instalment Note: Not Applicable

25 Early Redemption Amount for each Note payable on an event of default: 100 per cent.

DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS

26 Method of distribution: Non-syndicated

27 If syndicated, names of Managers or, if non-syndicated name and address of Dealer: Royal Bank of Canada Europe Limited
71 Queen Victoria Street
London EC4V 4DE
United Kingdom

28 Date of Syndication Agreement: None

29 Stabilising Agent(s) None

30 Non-exempt Offer: Not Applicable

31 Additional sales restrictions: Each Manager has represented and agreed that it will not offer Notes to the public in Iceland, except in compliance with the Icelandic Act on Securities Transactions (No.33/2003) and any applicable laws or regulations of Iceland.

32 Details of additional/alternative clearing system approved by the Issuer and the Agent: Euroclear and Clearstream, Luxembourg only

33 Intended to be held in a manner which would allow Eurosystem eligibility: No

34 Common Code: 032167926
ISIN Code: XS0321679267
CUSIP Number: Not Applicable

35 Listing: Official List of the UK Listing Authority and trading on the Gilt Edged and Fixed Interest Market of the London Stock Exchange

36 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.

- 37 Additional Information: None
- 38 Total Commissions: ISK 33,750,000

For and on behalf of

EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

By:
Authorised signatory

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 21 September 2007.

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CITIBANK, N.A.
(as Agent)

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

PART B – OTHER INFORMATION

1 LISTING

- (i) Listing: London
- (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 Gilt Edged and Fixed Interest Market with effect from 21 September 2007.

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

Not Applicable

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 ISK 2,986,050,000) will be included in the ordinary capital resources of the Issuer and used in its ordinary operations.
- (ii) Estimated net proceeds: ISK 2,986,050,000
- (iii) Estimated total expenses: £4,250 to cover legal expenses, listing and agency fees

6 YIELD

Indication of yield: 12.112 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

Not Applicable

10 TERMS AND CONDITIONS OF THE OFFER

Not Applicable