

## PRICING SUPPLEMENT

7 July 2008

### **European Bank for Reconstruction and Development USD 20,000,000 Callable Zero Coupon Notes due 9 July 2038 issued pursuant to a Global Medium Term Note Programme**

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 Pricing Supplement 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 the Issuer at One Exchange Square, London, EC2A 2JN, United Kingdom.

#### **SUMMARY OF THE NOTES**

- |    |                               |                              |
|----|-------------------------------|------------------------------|
| 1. | Specified Currency:           | United States Dollar ("USD") |
| 2. | Nominal Amount:               | USD 20,000,000               |
| 3. | Type of Note:                 | Zero Coupon                  |
| 4. | Issue Date:                   | 9 July 2008                  |
| 5. | Issue Price:                  | 100.00 per cent.             |
| 6. | Maturity Date:                | 9 July 2038                  |
| 7. | Fungible with existing Notes: | No                           |

#### **FORM OF THE NOTES**

- |     |  |  |
|-----|--|--|
| 8.  | Form of Note:  | Bearer   |
| 9.  | New Global Note:   | No   |
| 10. | Specified Denomination:  | USD 1,000,000  |
| 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 |
| 12. | (a) Talons for future Coupons to be attached to definitive Bearer Notes: | No   |
|     | (b) Date(s) on which the Talons Not Applicable mature:                   | Not Applicable   |
| 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: Not Applicable

**PROVISIONS RELATING TO INTEREST**

15. Interest Commencement Date: Not Applicable
16. Fixed Rate Notes: Not Applicable
17. Zero Coupon Notes: Applicable
- (a) Accrual Yield: 6.70 per cent. per annum
- (b) Reference Price: 100.00 per cent.
- (c) Other formula or basis for determining Amortised Face Amount: Not Applicable
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: Conditions 5(d)(iii) and 5(h) apply
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 and the additional business centres are London and New York City.
20. Dual Currency Notes: Not Applicable
21. Physically Settled Notes: Not Applicable

**PROVISIONS REGARDING REDEMPTION/MATURITY**

22. (a) Redemption at Issuer's option: Yes

The Issuer has the right to redeem the Notes (in whole but not in part) on an Optional Early Termination Date (as defined below) at the relevant Optional Redemption Amount (as set out in the Annex attached hereto) by giving notice to the Agent of such redemption not less than five (5) Business Days (as defined below) prior to the relevant Optional Early Termination Date.

The Agent shall give notice of such redemption to the holders of the Notes as soon as is practicable, but in any event not later than two (2) Business Days thereafter in accordance with Condition 5(b) (except that the timing of such notice as referred to therein shall be amended as set out above).

*Where:*

**“Business Day”** means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and New York City.

**“Optional Early Termination Date”** means 9 July in each year, from (and including) 9 July 2009 to (and including) 9 July 2037, subject to adjustment in accordance with the Following Business Day Convention.

**“Following Business Day Convention”** means that where an Optional Early Termination Date would otherwise fall on a day which is not a Business Day, then such Optional Early Termination Date shall be postponed to the next day which is a Business Day.

**“Optional Redemption Amount”** means the amount specified in the Annex attached hereto opposite the corresponding Optional Early Termination Date.

- (b) Redemption at Noteholder's No option:
23. (a) Final Redemption Amount for USD 6,997,500 per Specified Denomination each Note (*other than* an Indexed or Formula Note where the index or formula applies to the redemption amount):
- (b) Final Redemption Amount for Not Applicable each Indexed Note where the Index or Formula applies to the Final Redemption Amount:

24. Instalment Note: Not Applicable
25. Early Redemption Amount for each Condition 5(d) shall apply  
Note payable on an event of default:

**DISTRIBUTION, CLEARING AND SETTLEMENT PROVISIONS**

26. Method of distribution: Non-syndicated
27. If Syndicated, names and addresses of Managers or, if Non-Syndicated name and address of Dealer: Merrill Lynch International  
2 King Edward Street  
EC1A 1HQ London  
United Kingdom
28. Date of Syndication Agreement: Not Applicable
29. Stabilising Manager(s): Not Applicable
30. Non-exempt Offer: Not Applicable
31. Additional sales restrictions: Not Applicable
32. Details of additional/alternative clearing system approved by the Issuer and the Agent: Not Applicable
33. Intended to be held in a manner which would allow Eurosystem eligibility: No
34. Common Code: 037379905
- ISIN Code: XS0373799054
- CUSIP Number: Not Applicable
35. Listing: Official List of the UK Listing Authority and trading on the Market
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 redenominalisation and/or consolidation (provided they are fungible) with other Notes denominated in euro. Not Applicable
37. Additional Information: Not Applicable

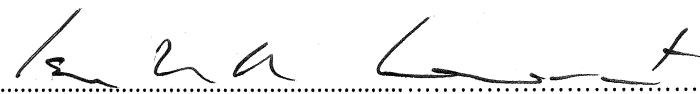

38. Total Comissions: None

This Pricing Supplement comprises the pricing supplement required for issue and admission to trading on the London Stock Exchange 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 9 July 2008.

**RESPONSIBILITY**

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

For and on behalf of  
**EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT**

By:   
.....  
Authorised signatory 

.....  
**CITIBANK, N.A.**  
(as Agent)

## PART B – OTHER INFORMATION

- 1 LISTING** Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange with effect from 9 July 2008.
- 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, a "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, a "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, a "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       | See "Use of Proceeds" wording in Base Prospectus |
| (ii) Estimated net proceeds:    | USD 20,000,000                                   |
| (iii) Estimated total expenses: | £ 350  |
- 6 YIELD**  
Indication of yield: Not Applicable
- 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 RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**  
Not Applicable

**ANNEX**

<b>Optional Early Termination Date</b>	<b>Optional Redemption Amount per Specified Denomination (USD)</b>
9 July 2009	1,067,000.00
9 July 2010	1,138,500.00
9 July 2011	1,214,800.00
9 July 2012	1,296,200.00
9 July 2013	1,383,000.00
9 July 2014	1,475,700.00
9 July 2015	1,574,600.00
9 July 2016	1,680,100.00
9 July 2017	1,792,700.00
9 July 2018	1,912,800.00
9 July 2019	2,041,000.00
9 July 2020	2,177,700.00
9 July 2021	2,323,600.00
9 July 2022	2,479,300.00
9 July 2023	2,645,400.00
9 July 2024	2,822,600.00
9 July 2025	3,011,700.00
9 July 2026	3,213,500.00
9 July 2027	3,428,800.00
9 July 2028	3,658,500.00
9 July 2029	3,903,600.00
9 July 2030	4,165,100.00
9 July 2031	4,444,200.00
9 July 2032	4,742,000.00
9 July 2033	5,059,700.00
9 July 2034	5,398,700.00
9 July 2035	5,760,400.00
9 July 2036	6,146,300.00
9 July 2037	6,558,100.00