

PRICING SUPPLEMENT

22 December 2008

European Bank for Reconstruction and Development
USD 10,000,000 Zero Coupon Callable Accreting Notes due 29 December 2038
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 11 August 2008 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 10,000,000
3.	Type of Note:	Zero Coupon
4.	Issue Date:	29 December 2008
5.	Issue Price:	100.00 per cent.
6.	Maturity Date:	29 December 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 10,000,000
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:	Not Applicable
	(b) Date(s) on which the Talons 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: 5.40 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 29 December in each year, from (and including) 29 December 2009 to (and including) 29 December 2037, subject to adjustment in accordance with the Modified Following Business Day Convention.

“Modified 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 unless it would thereby fall into the next calendar month, in which event such Optional Early Termination Date shall be brought forward to the immediately preceding 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 48,441,583 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 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: Condition 5(d) shall apply

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: HSBC Bank plc
8 Canada Square
London
E14 5HQ
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: 040555595
- ISIN Code: XS0405555953
- 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 Commissions: **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 29 December 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:  ^{EVS}
 Authorised signatory 

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 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 29 December 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 10,000,000 |
| (iii) | Estimated total expenses: | £300 |
- 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 RATES OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**
Not Applicable

ANNEX

Optional Early Termination Date	Optional Redemption Amount per Specified Denomination (USD)
29 December 2009	10,540,000.00
29 December 2010	11,109,160.00
29 December 2011	11,709,055.00
29 December 2012	12,341,344.00
29 December 2013	13,007,776.00
29 December 2014	13,710,196.00
29 December 2015	14,450,547.00
29 December 2016	15,230,876.00
29 December 2017	16,053,343.00
29 December 2018	16,920,224.00
29 December 2019	17,833,916.00
29 December 2020	18,796,948.00
29 December 2021	19,811,983.00
29 December 2022	20,881,830.00
29 December 2023	22,009,449.00
29 December 2024	23,197,959.00
29 December 2025	24,450,649.00
29 December 2026	25,770,984.00
29 December 2027	27,162,617.00
29 December 2028	28,629,398.00
29 December 2029	30,175,386.00
29 December 2030	31,804,856.00
29 December 2031	33,522,319.00
29 December 2032	35,332,524.00
29 December 2033	37,240,480.00
29 December 2034	39,251,466.00
29 December 2035	41,371,045.00
29 December 2036	43,605,082.00
29 December 2037	45,959,756.00