

## PRICING SUPPLEMENT

5th February, 1998

**European Bank for Reconstruction and Development  
Australian Dollar 1,000,000,000 Zero Coupon Notes due 10th February, 2028  
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*

1.	Specified Currency:	Australian Dollar ("A\$") being the lawful currency of the Commonwealth of Australia
2.	Nominal Amount:	A\$1,000,000,000
3.	Type of Note:	Zero Coupon Notes
4.	Issue Date:	10th February, 1998
5.	Issue Price:	15.31 per cent.
6.	Maturity Date:	10th February, 2028
7.	Fungible with existing Notes:	No
8.	Pricing Supplement to be read in conjunction with Prospectus dated:	29th August, 1997

### *FORM OF THE NOTES*

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:	A\$10,000 and multiples thereof
11.	Exchange of Bearer Notes:	N/A

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|-----|-----|--|--|
| 12. | (a) | Talons for future Coupons to be attached to definitive Bearer Notes: | N/A  |
|     | (b) | Date(s) on which the Talons mature.                                  | N/A  |
| 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<br><br>DTC Registered Global Note: Cede & Co. as DTC's nominee   |
|     | (b) | Exchange of Registered Global Notes:                                 | <p>The Registered Global Notes shall be exchangeable in whole or in part for Registered Definitive Notes only in the following circumstances:</p> <ul style="list-style-type: none"> <li>(i) upon the occurrence of an Event of Default;</li> <li>(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</li> <li>(iii) if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary 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 &amp; Co. requesting an exchange of a specified amount of the DTC Registered Global Note for Registered Definitive Notes.</li> </ul> |

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: 6.455 per cent. per annum

(b) Reference Price: 15.31 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

(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(h)(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 Sydney 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  
ABN AMRO Bank N.V.  
Deutsche Bank AG London  
Merrill Lynch International

32. Stabilising Dealer/Manager: The Toronto-Dominion Bank

33. Additional sales restrictions. The Notes may not, in connection with their initial distribution, be offered or sold, directly or indirectly, in the Commonwealth of Australia, its territories or possessions ("Australia") or to any resident of Australia. Each Manager has severally represented and agreed that, in connection with the initial distribution of the Notes, it (i) has not, directly or indirectly, offered for subscription or purchase or issued invitations to subscribe for or buy, nor has it sold, the Notes; (ii) will not directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for

or buy, nor will it sell, the Notes; and (iii) has not distributed and will not distribute any draft or definitive Offering Memorandum, advertisement or other offering material, in Australia or to any resident of Australia (including corporations and other entities organised under the laws of Australia, but not including a permanent establishment of such corporations or other entities located outside Australia). In addition, each Manager has agreed that after the initial distribution of the Notes, it will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy or sell the Notes or distribute any draft or definitive document in relation to any such offer, invitation or sale in Australia, except in accordance with the Corporations Law, the Corporations Regulations and any other applicable laws.

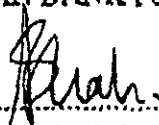
34. Details of additional/alternative clearing system approved by the Issuer and the Agent: None
35. Additional Information: N/A
36. Security Codes:
- Notes held through Euroclear or Cedel Bank:  
 ISIN: XS0084124725  
 Common Code: 8412472
- Notes held through DTC:  
 CUSIP Number: 29874QAG9
- (a) Notes 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 10th February, 1998).

.....  
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."