

PRICING SUPPLEMENT



**INTERNATIONAL BANK FOR RECONSTRUCTION AND
DEVELOPMENT**

Global Debt Issuance Facility

No. 2637

US\$25,050,000

**Callable Variable Interest Rate Range Notes
due August 13, 2018**

Morgan Stanley

The date of this Pricing Supplement is August 8, 2003

This document ("**Pricing Supplement**") is issued to give details of an issue by International Bank for Reconstruction and Development (the "**Bank**") under its Global Debt Issuance Facility.

This Pricing Supplement supplements the terms and conditions in, and incorporates by reference, the Prospectus dated October 7, 1997, and all documents incorporated by reference therein (the "**Prospectus**"), and should be read in conjunction with the Prospectus. Unless otherwise defined in this Pricing Supplement, terms used herein have the same meaning as in the Prospectus.

Terms and Conditions

The following items under this heading "**Terms and Conditions**" are the particular terms which relate to the issue the subject of this Pricing Supplement. These are the only terms which form part of the form of Notes for such issue:

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|-----------|---|--|
| 1 | No.: | 2637 |
| 2 | Aggregate Principal Amount: | US\$25,050,000 |
| 3 | Issue Price: | 100.00 per cent. of the Aggregate Principal Amount |
| 4 | Issue Date: | August 13, 2003 |
| 5 | Form of Notes (Condition 1(a)): | Registered Notes only |
| 6 | Authorized Denominations (Condition 1(b)): | US\$1,000 and increments of US\$1,000 thereafter |
| 7 | Specified Currency (Condition 1(d)): | United States dollars (" US\$ ") |
| 8 | Maturity Date (Conditions 1(a) and 6(a)): | August 13, 2018 |
| 9 | Interest Basis (Condition 5): | Variable Interest Rate (Condition 5(II)) |
| 10 | Basis of Calculation of Variable Interest Rate and Interest Payment Dates and default interest where Condition 5(II)(b)(i) to (vii), 5(II)(c), 5(II)(d) and 5(II)(e) do not apply (Condition 5(II)(b)): | |

- (a) Calculation of Interest Amounts: The Interest Amount per Authorized Denomination shall be determined by the Calculation Agent in accordance with the following formula:

$$7.00\% \times (N/365) \times \text{Authorized Denomination}$$

Where:

"**N**" is the total number of days in respect of each relevant Interest Period on which the Relevant Rate is within the Accrual Range as determined by the Calculation Agent.

"**Relevant Rate**" for any day in the relevant Interest Period means 6-month US\$-LIBOR-BBA being the rate for deposits in US\$ for a period of six months which appears on the

Moneyline Telerate Page 3750 (or such other page that may replace that page on that service or a successor service) at 11.00 a.m. London time on the day that is five Relevant Business Days prior to such day.

If such Relevant Rate does not appear on the Moneyline Telerate Page 3750 (or such other page that may replace that page on that service or a successor service) at the time and day designated above in respect of any day in the relevant Interest Period, the Calculation Agent shall determine the Relevant Rate by requesting the principal London office of each of four major banks in the London Interbank market to provide a quotation for the rate at which deposits in US\$ were offered to prime banks in the London Interbank market for a period of six months at approximately 11:00 a.m. London time on the day that is five Relevant Business Days prior to such day in an amount that is representative for a single transaction in the London Interbank market at such time. If at least two such quotations are provided, the Relevant Rate shall be the arithmetic mean of such quotations. If fewer than two quotations are provided as requested, the Relevant Rate shall be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Calculation Agent, at approximately 11:00 a.m., New York time, on such day for loans in US\$ to leading European banks for a period of six months in an amount that is representative for a single transaction in the New York market at such time.

“Accrual Range” means:

equal to or greater than zero per cent. but less than or equal to 7.00 per cent.;

Rounding

In applying the formula described above in respect of the Interest Amount, the Calculation Agent shall round the result of:

7.00% x (N/365)

to the nearest one-hundred thousandth of one per cent. prior to multiplying that result by the Authorized Denomination

	(b)	Interest Payment Dates:	February 13 and August 13 of each year commencing on February 13, 2004 and ending on the Maturity Date.
	(c)	Calculation Agent:	Citibank, N.A.
11		Relevant Financial Centre:	New York
12		Payments on Business Days:	If any Interest Payment Date in respect of the Notes falls on a day that is not a Relevant Business Day, the provisions of Condition 7(c)(iii) shall be deemed to apply to the Notes as if such Notes were Bearer Notes.
13		Relevant Business Day:	New York and London
14		Issuer's Optional Redemption (Condition 6(e)):	Yes
	(a)	Notice Period:	Not less than 10 Relevant Business Days
	(b)	Amount:	All and not less than all
	(c)	Date(s):	February 13 and August 13 in each year, from and including August 13, 2004, to and including February 13, 2018.
	(d)	Early Redemption Amount (Bank):	Principal amount of the Notes to be redeemed
	(e)	Notices:	<p>As long as the Notes are represented by a DTC Global Note and the DTC Global Note is being held on behalf of a clearing system, notwithstanding Condition 13, notices to Noteholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders, provided that so long as the Notes are listed on the Luxembourg Stock Exchange, and the rules of the exchange so require, notice shall be published in a leading daily newspaper in either the French or German language and of general circulation in Luxembourg</p> <p>Any notice delivered to a clearing system in accordance with the preceding sentence shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to the clearing system</p>

15	Redemption at the option of the Noteholders (Condition 6(f)):	No
16	Long Maturity Note (Condition 7(f)):	No
17	Talons for Future Coupons to be attached to Definitive Bearer Notes (Condition 7(h)):	No
18	Early Redemption Amount (including accrued interest, if applicable) (Condition 9):	Principal amount of the Notes to be redeemed plus accrued interest thereon
19	Governing Law of the Notes:	English

Other Relevant Terms

1	Listing (if yes, specify Stock Exchange Exchange):	Luxembourg Stock Exchange
2	Details of Clearance System approved by the Bank and the Global Agent and Clearance and Settlement Procedures:	DTC, Clearstream Banking, société anonyme and Euroclear Bank S.A./N.V., as operator of the Euroclear System. Payment for the Notes will be on a delivery versus payment basis
3	Syndicated:	No
4	Commissions and Concessions:	None
5	Codes:	
	(a) CUSIP	45905UDB7
	(b) ISIN	US45905UDB70
	(c) Common Code	017344587
6	Identity of Dealer(s)/Manager(s):	Morgan Stanley & Co. International Limited
7	Provisions for Registered Notes:	
	(a) Individual Definitive Registered Notes Available on Issue Date:	No. Interests in the DTC Global Note will be exchangeable for Definitive Registered Notes only in the limited circumstances described in the Prospectus
	(b) DTC Global Note(s):	Yes; one
	(c) Other Registered Global Notes:	No

General Information

The Bank's latest Information Statement was issued on September 17, 2002

The following additional selling restrictions shall apply to the issue:

United Kingdom:

Each Dealer is required to comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom

INTERNATIONAL BANK FOR
RECONSTRUCTION AND
DEVELOPMENT

By:

Authorized Officer

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