

Pricing Supplement



**International Bank for Reconstruction and Development**

Global Debt Issuance Facility

No. 3378

USD 10,000,000 Callable Fixed to CMS Linked Notes due November 21, 2022

**MORGAN STANLEY**

The date of this Pricing Supplement is November 16, 2007

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:

1. No: 3378
2. Aggregate Principal Amount: USD 10,000,000
3. Issue Price: 100 per cent. of the Aggregate Principal Amount
4. Issue Date: November 21, 2007
5. Form of Notes (Condition 1(a)): Registered Notes only
6. Authorized Denominations (Condition 1(b)): USD 25,000 and integral multiples of USD1,000 in excess thereof
7. Specified Currency (Condition 1(d)): United States Dollar ("USD")
8. Maturity Date: November 21, 2022
9. Interest Basis (Condition 5):
  - (i) Fixed Interest Rate (Condition 5(I)) in respect of the period commencing on and including the Issue Date and ending on but excluding November 21, 2008; and thereafter
  - (ii) Variable Interest Rate (Condition 5(II)) for the period commencing on and including November 21, 2008 and ending on but excluding the Maturity Date  
(further particulars specified below)
10. Fixed Interest Rate (Condition 5(I)):
  - (a) Calculation Amount: USD1,000
  - (b) Interest Rate(s): In respect of the period from and including the Issue Date, to but excluding November 21, 2008, the Interest Rate shall be 10.00 per cent. per annum
  - (c) Fixed Rate Interest Payment Date(s): May 21, 2008 and November 21, 2008

- (d) Fixed Rate Day Count Fraction(s) if not 30/360 basis: 30/360
11. Variable Interest Rate (Condition 5(II)): Applicable
12. Basis of calculation of Variable Interest Rate and Interest Payment Dates and default interest where Condition 5(II)(b)(i) to (vii) do not apply (Condition 5(II)(b)):
- (a) Calculation Amount: USD1,000
- (b) Interest Payment Dates: May 21 and November 21 in each year commencing on May 21, 2009 up to and including the Maturity Date
- (c) Interest Determination Date: 2 U.S. Government Securities Business Days prior to the first day of each Interest Period, the first Interest Period commencing on November 21, 2008
- (d) Rate of Interest: Notwithstanding the provisions of Condition 5(II)(b), the Rate of Interest for each Interest Period shall be calculated and determined by the Calculation Agent as soon as practicable on the relevant Interest Determination Date for such Interest Period in accordance with the following formula:
- $$50 \times (30 \text{ year USD-ISDA-Swap Rate} \text{ minus } 10 \text{ year USD-ISDA-Swap Rate})$$
- where:
- “30 year USD-ISDA-Swap Rate”** and **“10 year USD-ISDA-Swap Rate”** mean the rate for USD swaps with a maturity of 30 years and 10 years, respectively, expressed as a percentage which appear on the Reuters screen on the “ISDAFIX1” page (or such other page that may replace that page on that service or a successor service) as at 11:00AM (New York City time) on the relevant Interest Determination Date.
- If such rates do not appear on the Reuters screen on the “ISDAFIX1” Page (or such other page that may replace that page on that service or a successor service) as at 11.00 a.m. (New York City time) on the Interest Determination Date, then “30 year USD-ISDA-Swap Rate” and “10 year USD-ISDA-Swap Rate” shall be determined by the Calculation Agent in accordance with the procedures set forth in “USD-CMS-Reference Banks”, in the case of “USD-ISDA-Swap Rate” (as defined in Article 7.1(ab)(x) and Article 7.1(ab)(vi), respectively, of the 2006 ISDA Definitions provided that (i) “Designated

Maturity” shall mean 30 year or 10 year, as applicable, (ii) “Representative Amount” shall mean USD 10,000,000, (iii) “Reference Banks” shall mean, five leading swap dealers in the New York City interbank market selected by the Calculation Agent, and (iv) if fewer than three quotations are provided as requested, the rates will be determined by the Calculation Agent in good faith and in a commercially reasonable manner.

**“U.S. Government Securities Business Day”** means any day except Saturday, Sunday or a day on which The Bond Market Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

	(e) Calculation Agent:	Citibank, N.A.
13.	Other Variable Interest Rate Terms (Conditions 5(II) and (III)):	
	(a) Minimum Interest Rate:	0.00 per cent.
	(b) Maximum Interest Rate:	Not Applicable
	(c) Variable Rate Day Count Fraction:	30/360
14.	Relevant Financial Center:	New York
15.	Relevant Business Days:	London and New York
16.	Redemption Amount (if other than Principal Amount) (Condition 6(a)):	100.00 per cent. of the Aggregate Principal Amount
17.	Issuer's Optional Redemption (Condition 6(e)):	Yes
	(a) Notice Period:	Not less than ten Relevant Business Days.
	(b) Amount:	All (and not less than all).
	(c) Date(s):	Each Interest Payment Date from and including November 21, 2008 to and including May 21, 2022.
	(d) Early Redemption Amount:	100.00 per cent. of the Aggregate Principal Amount.
	(e) Notices:	So long as the Notes are represented by a Global Note and the Global Note is 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 account holders.  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
18.	Redemption at the option of the Noteholders (Condition 6(f)):	No
19.	Long Maturity Note (Condition 7(f)):	No
20.	Early Redemption Amount (including accrued interest, if applicable) (Condition 9):	100.00 per cent of the Aggregate Principal Amount plus accrued interest
21.	Prescription (Condition 8):	
	(a) Principal:	10 years
	(b) Interest:	5 years
22.	Governing Law of the Notes:	English

#### **Other Relevant Terms**

1.	Listing (if yes, specify Stock Exchange):	Luxemburg
2.	Details of Clearance System approved by the Bank and the Global Agent and Clearance and Settlement Procedures:	Clearstream Banking, société anonyme, Euroclear Bank S.A./N.V. and The Depository Trust Company
3.	Syndicated:	No
4.	Commissions and Concessions:	None
5.	Codes:	
	(a) ISIN:	US45905U FK51
	(b) Common Code:	032821600
	(c) CUSIP:	45905U FK5
6.	Identity of Dealer:	Morgan Stanley & Co. Incorporated
7.	Provisions for Registered Notes:	
	(a) Individual Definitive Registered Notes available on Issue Date:	No
	(b) DTC Global Note:	Yes, one
	(c) Other Global Registered Notes:	No

#### **General Information**

The Bank's latest Information Statement was issued on 14 September 2007.

#### **CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES**

*United States Internal Revenue Service Circular 230 Notice:* To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of

U.S. federal tax issues contained or referred to in this Pricing Supplement, the Prospectus or any other document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussions are written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

***This summary supplements, and to the extent inconsistent therewith, supersedes the summary entitled "Tax Matters" in the Prospectus.***

Under the provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003 ("JAGTRRA"), a capital gain of a noncorporate United States Holder that is recognised before 1 January 2009 is generally taxed at a maximum rate of 15% for property that is held more than one year. Holders should consult their tax advisors with respect to the provisions of JAGTRRA.

The following additional selling restrictions apply to the issue:

1. United Kingdom: The Dealer has represented and agreed that it has complied and will 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: