

**Final Terms dated 12 December 2011**

**International Bank for Reconstruction and Development**

Issue of USD 400,000,000 0.50 per cent. Notes due December 16, 2013

under the

**Global Debt Issuance Facility**

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Prospectus dated May 28, 2008. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with such Prospectus.

**SUMMARY OF THE NOTES**

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|---|--|
| 1. Issuer:  | International Bank for Reconstruction and Development ("IBRD")                                   |
| 2. (i) Series Number:                                 | 10686  |
| (ii) Tranche Number:                                  | 1  |
| 3. Specified Currency or Currencies (Condition 1(d)): | United States Dollar ("USD")   |
| 4. Aggregate Nominal Amount:                          |  |
| (i) Series:   | USD 400,000,000  |
| (ii) Tranche:   | USD 400,000,000  |
| 5. (i) Issue Price:                                   | 99.98 per cent. of the Aggregate Nominal Amount  |
| (ii) Net proceeds:                                    | USD 399,620,000  |
| 6. (i) Specified Denominations (Condition 1(h)):      | USD 50,000 and integral multiples of USD 10,000 in excess thereof up to and including USD 90,000 |
| (ii) Calculation Amount (Condition 5(j)):             | USD 10,000   |
| 7. Issue Date:  | 15 December 2011   |
| 8. Maturity Date (Condition 6(a)):                    | 16 December 2013   |
| 9. Interest Basis (Condition 5):                      | 0.50 per cent. Fixed Rate<br>(further particulars specified below)                               |
| 10. Redemption/Payment Basis (Condition 6):           | Redemption at par  |
| 11. Change of Interest or Redemption/Payment Basis:   | Not Applicable   |
| 12. Call/Put Options (Condition 6):                   | Not Applicable   |
| 13. Status of the Notes (Condition 3):                | Unsecured and unsubordinated   |
| 14. Listing:  | Luxembourg Stock Exchange  |
| 15. Method of distribution:                           | Syndicated   |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

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|--|------------|
| 16. Fixed Rate Note Provisions (Condition 5(a)): | Applicable |
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|---|--|
| (i) Rate of Interest:   | 0.50 per cent. per annum payable semi-annually in arrear   |
| (ii) Interest Payment Date(s):  | 16 June and 16 December in each year from and including 16 June 2012 to and including the Maturity Date. |
| (iii) Fixed Coupon Amount:  | USD 25 per Calculation Amount  |
| (iv) Broken Amount(s):  | Initial broken amount of USD 25.14 per Calculation Amount, payable on 16 June 2012                       |
| (v) Day Count Fraction (Condition 5(l)):  | 30/360   |
| (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: | Not Applicable   |

#### **PROVISIONS RELATING TO REDEMPTION**

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|---|-----------------------------------|
| 17. Final Redemption Amount of each Note (Condition 6): | USD 10,000 per Calculation Amount |
| 18. Early Redemption Amount (Condition 6(c)):           | As set out in the Conditions      |

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

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|---|--|
| 19. Form of Notes (Condition 1(a)):   | Registered Notes:<br>Global Registered Certificate available on Issue Date |
| 20. New Global Note:  | No   |
| 21. Financial Centre(s) or other special provisions relating to payment dates (Condition 7(h)): | London and New York  |
| 22. Governing law (Condition 14):   | English  |
| 23. Other final terms:  | Not Applicable   |

#### **DISTRIBUTION**

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|--|--|
| 24. (i) If syndicated, names of Managers and underwriting commitments: | Skandinaviska Enskilda Banken AB (publ) settling through SEB Enskilda Inc. (underwriting commitment: USD 400,000,000)<br><br>Credit Suisse Securities (Europe) Limited (underwriting commitment: zero) |
| (ii) Stabilizing Manager(s) (if any):                                  | Not Applicable   |
| 25. If non-syndicated, name of Dealer:                                 | Not Applicable   |
| 26. Total commission and concession:                                   | 0.075 per cent. of the Aggregate Nominal Amount  |
| 27. Additional selling restrictions:                                   | Not Applicable   |

#### **OPERATIONAL INFORMATION**

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|--|-------------------------------|
| 28. ISIN Code:                             | US45905UKC70                  |
| 29. Common Code:                           | 071894347                     |
| 30. CUSIP:                                 | 45905UKC7                     |
| 31. Delivery:                              | Delivery against payment      |
| 32. Registrar and Transfer Agent (if any): | Citibank, N.A., London Branch |

33. Intended to be held in a manner which would allow Eurosystem eligibility: Not Applicable

## GENERAL INFORMATION

IBRD's most recent Information Statement was issued on October 4, 2011.

## SPECIAL ACCOUNT

An amount equal to the net proceeds of the issue of the Notes will be credited to a special account that will support IBRD's lending for Eligible Projects. So long as the Notes are outstanding and the special account has a positive balance, at the end of every fiscal quarter, funds will be deducted from the special account and added to IBRD's lending pool in an amount equal to all disbursements from that pool made during such quarter in respect of Eligible Projects.

## ELIGIBLE PROJECTS

"Eligible Projects" means all projects funded, in whole or in part, by IBRD that promote the transition to low-carbon and climate resilient growth in the recipient country, as determined by IBRD. Eligible Projects may include projects that target (a) mitigation of climate change including investments in low-carbon and clean technology programs, such as energy efficiency and renewable energy programs and projects ("Mitigation Projects"), or (b) adaptation to climate change, including investments in climate-resilient growth ("Adaptation Projects").

Examples of Mitigation Projects include, without limitation:

- Rehabilitation of power plants and transmission facilities to reduce greenhouse gas emissions
- Solar and wind installations
- Funding for new technologies that permit significant reductions in GHG emissions
- Greater efficiency in transportation, including fuel switching and mass transport
- Waste management (methane emission) and construction of energy-efficient buildings
- Carbon reduction through reforestation and avoided deforestation

Examples of Adaptation Projects include, without limitation:

- Protection against flooding (including reforestation and watershed management)
- Food security improvement and stress-resilient agricultural systems which slow down deforestation
- Sustainable forest management and avoided deforestation

The above examples of Mitigation Projects and Adaptation Projects are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by IBRD during the term of the Notes.

## LISTING APPLICATION

These Final Terms comprise the final terms required for the admission to the Official List of the Luxembourg Stock Exchange and to trading on the Luxembourg Stock Exchange's regulated market of the Notes described herein issued pursuant to the Global Debt Issuance Facility of International Bank for Reconstruction and Development.

## **RESPONSIBILITY**

IBRD accepts responsibility for the information contained in these Final Terms.

Signed on behalf of IBRD:

**By:**

**Name:**

**Title:**

**Duty authorized**