

Final Terms dated July 9, 2012

International Bank for Reconstruction and Development

Issue of USD 5,000,000 1.50 per cent. Notes due July 12, 2022

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: | 10789 |
| (ii) Tranche Number: | 1 |
| 3. Specified Currency or Currencies (Condition 1(d)): | United States Dollar ("USD") |
| 4. Aggregate Nominal Amount: | |
| (i) Series: | USD 5,000,000 |
| (ii) Tranche : | USD 5,000,000 |
| 5. (i) Issue Price: | 99.10 per cent. of the Aggregate Nominal Amount |
| (ii) Net proceeds: | USD 4,941,500 |
| 6. Specified Denominations (Condition 1(b)): | USD 10,000 |
| 7. Issue Date: | July 12, 2012 |
| 8. Maturity Date (Condition 6(a)): | July 12, 2022 |
| 9. Interest Basis (Condition 5): | 1.50 per cent. Fixed Rate
(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: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 16. Fixed Rate Note Provisions (Condition 5(a)): | Applicable |
| (i) Rate of Interest: | 1.50 per cent. per annum payable semi-annually in arrear |

- (ii) Interest Payment Date(s): 0 January 12 and July 12 in each year from and including January 12, 2013 to and including July 12, 2022
- (iii) Fixed Coupon Amount: USD 75 per Specified Denomination
- (iv) Broken Amount(s): Not Applicable
- (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

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

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 19. Form of Notes (Condition 1(a)): Registered Notes:
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

- 24. (i) If syndicated, names of Managers and underwriting commitments: Not Applicable
- (ii) Stabilizing Manager(s) (if any): Not Applicable
- 25. If non-syndicated, name of Dealer: Skandinaviska Enskilda Banken AB (publ) settling through SEB Enskilda Inc.
- 26. Total commission and concession: 0.27 per cent. of the Aggregate Nominal Amount
- 27. Additional selling restrictions: Not Applicable

OPERATIONAL INFORMATION

- 28. ISIN Code: US45905ULF92
- 29. Common Code: 080430582
- 30. CUSIP: 45905ULF9
- 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

Information Statement

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

**International Bank for Reconstruction
and Development**

1818 H Street, N.W.
Washington, D.C. 20433 U.S.A.

(202) 473-1000
Cable Address: INTBAFRAD

July 9, 2012

Citibank, N.A., London Branch
21st Floor, Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
England
Attention: Agency & Trust

International Bank for Reconstruction and Development

**USD 5,000,000 1.50 per cent. Notes due July 12, 2022
(the "Notes")
Series 10789
issued pursuant to a
Global Debt Issuance Facility (the "Facility")**

Ladies and Gentlemen:

We hereby advise you of the captioned issuance of Notes under the Facility and confirm to you the terms and conditions of the Notes as set out in detail in the Final Terms attached hereto. We authorize and direct you, as Global Agent under the Amended and Restated Global Agency Agreement dated as of May 28, 2008, to prepare and authenticate the DTC Global Certificate in respect of the Notes. We request you then to hold the DTC Global Certificate in safe custody for our account until such time as you have confirmed the receipt on our behalf of the full amount of the net subscription moneys for the Notes, namely USD 4,941,500, from Skandinaviska Enskilda Banken AB (publ) settling through SEB Enskilda, Inc. for value July 12, 2012. We direct you thereafter (i) to pay the net subscription moneys on our behalf to Wells Fargo Bank N.A. New York, N.Y. for the account of International Bank for Reconstruction and Development, account no. 2000192003476 (ABA 026005092) (Swift Code PNBPU3NNYC) and (ii) to hold the DTC Global Certificate as custodian for the account of The Depository Trust Company. Please advise us when you have fulfilled these instructions.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By:
Name:
Title:

