

CONFORMED COPY

PRICING SUPPLEMENT



**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

Global Debt Issuance Facility

No. 897
HUF 10,000,000,000
9.25 per cent. Notes due July 5, 2002

Commerzbank Capital Markets (Eastern Europe) a.s.

TD Securities

Tradename of The Toronto-Dominion Bank

Caboto (Gruppo IntesaBci)

**Deutsche Bank
Erste Bank
ING Barings
Morgan Stanley
UBM-UniCredit Banca Mobiliare**

DG BANK

**Deutsche Genossenschaftsbank AG
Dresdner Kleinwort Wasserstein
HypoVereinsbank
KBC International Group
RZB-Austria Raiffeisen Zentralbank Österreich AG
Westdeutsche Landesbank Girozentrale**

The date of this Pricing Supplement is July 2, 2001

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.:	897
2	Aggregate Principal Amount:	HUF 10,000,000,000
3	Issue Price:	100.595 per cent. of the Aggregate Principal Amount July 5, 2001
4	Issue (Settlement) Date:	Bearer Notes only
5	Form of Notes (Condition 1(a)):	HUF 100,000 and higher integral multiples thereof
6	Authorized Denominations (Condition 1(b)):	Hungarian Forint (" HUF ")
7	Specified Currency (Condition 1(d)):	July 5, 2002
8	Maturity Date (Conditions 1(a) and 6(a)):	Fixed Interest Rate (Condition 5(I))
9	Interest Basis (Condition 5):	
10	Fixed Interest Rate (Condition 5(I)):	9.25 per cent. per annum
	(a) Interest Rate:	July 5, 2002
	(b) Fixed Rate Interest Payment Date:	Actual/Actual-ISMA
	(c) Fixed Rate Day Count Fraction:	Budapest
11	Relevant Financial Centre:	London, Budapest and New York
12	Relevant Business Day:	No
13	Issuer's Optional Redemption (Condition 6(e)):	
14	Redemption at the option of the Noteholders (Condition 6(f)):	No
15	Long Maturity Note (Condition 7(f)):	No
16	Prescription (Condition 8):	10 years
	(a) Principal:	5 years
	(b) Interest:	
17	Early Redemption Amount (Condition 9):	Principal Amount plus accrued interest thereon
18	Governing Law of the Notes:	English

Other Relevant Terms

- 1 Listing (if yes, specify Stock Exchange): Yes — Luxembourg Stock Exchange
- 2 Details of Clearance System approved by the Bank and the Global Agent and Clearance and Settlement Procedures: Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and Euroclear Bank, S.A./N.V., as operator of the Euroclear System (“**Euroclear**”) Payment for the Notes will be on a delivery versus payment basis.
- 3 Syndicated: Yes
- 4 If Syndicated:
- (a) Liability: Joint and several
- (d) Lead Managers: Commerzbank Capital Markets (Eastern Europe) a.s.
The Toronto-Dominion Bank
- (e) Stabilizing Manager: The Toronto-Dominion Bank
- 5 Commissions and Concessions: Combined management and underwriting commission: 0.10 per cent. of the Aggregate Principal Amount.
Selling concession: 0.90 per cent. of the Aggregate Principal Amount.
- 6 Codes:
- (a) Common Code: 13195277
- (f) ISIN: XS0131952771
- (g) WKN (German Security Code): 689075
- 7 Identity of Dealer(s)/Manager(s): Commerzbank Capital Markets (Eastern Europe) a.s.
The Toronto-Dominion Bank
Bayerische Hypo- und Vereinsbank AG
Caboto Holding SIM S.p.A.
Deutsche Bank AG London
DG BANK Deutsche Genossenschaftsbank AG
Dresdner Bank AG London Branch
Erste Bank der oesterreichischen Sparkassen AG
ING Bank N.V., London Branch
KBC Bank NV
Morgan Stanley & Co. International Limited
Raiffeisen Zentralbank Österreich Aktiengesellschaft
UniCredit Banca Mobiliare S.p.A.
Westdeutsche Landesbank Girozentrale
- 8 Provisions for Bearer Notes:
- (a) Exchange Date: Not earlier than August 15, 2001
- (h) Permanent Global Note: Yes
- (i) Definitive Bearer Notes: No

The Bank's latest Information Statement was issued on September 15, 2000.

Recent Developments

Following completion of its normal year-end review of the credit quality of the loan portfolio, the Bank's Management has proposed to the Executive Directors that an additional provisioning charge of approximately \$400 million be taken at the end of the fourth quarter of the fiscal year ending June 30, 2001. This recommendation reflects Management's current assessment of the overall credit quality of the loan portfolio, and it does not reflect any increase in the volume of non-performing loans. The Executive Directors will review Management's recommendation shortly. At the end of the third quarter of fiscal year 2001, the Bank's accumulated provision for loan losses was \$3.6 billion, constituting about 3 per cent of its loans outstanding plus the present value of its exposure under guarantees, and its equity capital to loans ratio was approximately 21 per cent.

The following additional selling restrictions shall apply to the issue:—

Each Dealer is required to represent and agree that it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

2 Hungary:

No permit has been obtained from the Hungarian Financial Supervisory Authority with respect to the issue of the Notes in the Republic of Hungary. The Notes will not be offered in the Republic of Hungary in a public or private offer as defined in the Act CXI of 1996 on the Offering of Securities, Investment Services and the Stock Exchange (the "**Hungarian Securities Act**"), as amended. Each Manager confirms that it is aware that no permit has been obtained and represents and agrees that it has not offered, sold or delivered and that it will not offer, sell or deliver, any Notes in the Republic of Hungary in a public or a private offer as part of its initial distribution.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By: LAURA J. BURAKREIS-MADEJSKI

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RECONSTRUCTION AND DEVELOPMENT**

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GLOBAL AGENT

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**LISTING AND SPECIAL AGENT,
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AND TRANSFER AGENT**

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LEGAL ADVISERS TO THE MANAGERS

Linklaters
Linklaters & Alliance
One Silk Street_