

PRICING SUPPLEMENT



**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

Global Debt Issuance Facility

No. 2532

EUR 100,000,000

Variable Interest Rate to Index -Linked Notes due March, 2010

**J.P. Morgan Securities Ltd.
ABAXBANK S.p.A.**

The date of this Pricing Supplement is 27 February, 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:

- | | | |
|-----------|--|---|
| 1 | No.: | 2532 |
| 2 | Aggregate Principal Amount: | EUR 100,000,000 |
| 3 | Issue Price: | 100 per cent. of the Aggregate Principal Amount |
| 4 | Issue Date: | 3 March, 2003 |
| 5 | Form of Notes (Condition 1(a)): | Bearer Notes |
| 6 | Authorized Denominations
(Condition 1(b)): | EUR 1,000 |
| 7 | Specified Currency (Condition 1(d)): | Euro ("EUR"). For the avoidance of doubt, references in the Terms and Conditions to "ECU" shall not be construed for the purposes of this issue of Notes as being references to EUR. |
| 8 | Maturity Date (Conditions 1(a) and 6(a)): | 3 March, 2010 |
| 9 | Interest Basis (Condition 5): | Variable Interest Rate (Condition 5(II)) to Index-Linked Rate |
| 10 | Variable Interest Rate (Condition 5(II)): | |
| | Initial Variable Interest Rate | Applicable for the period from and including the Issue Date to but excluding 3 March, 2005 (the "Initial Variable Interest Rate Period") |
| | (a) Interest Payment Dates: | Interest will be payable semi-annually in arrear on 3 rd March and 3 rd September in each year and for the purposes of the Initial Variable Interest Rate Period, commencing 3 rd September, 2003 up to and including 3 rd March, 2005. |
| | (b) Reference Rate(s): | Euro-zone Interbank Offered Rate ("EURIBOR") for deposits in EUR for a period of six months. |
| | (c) Primary Source for Interest
Rate Quotations for Reference
Rate(s): | Relevant Screen Service; provided that if the Reference Rate does not appear on Telerate page 248 (or such other page that may replace that page on that service or a successor service) on the Interest Determination Date, then the Reference |

Rate shall be determined in accordance with the definition of "EUR-EURIBOR-Reference Banks" set forth in the Annex to the 2000 ISDA Definitions published by the International Swaps and Derivatives Association (provided that references to "Reset Date" in that definition shall be deemed to be to the Interest Determination Date, references to "Designated Maturity" shall be deemed to be six months, and references to "Representative Amount" shall be deemed to be to an amount that is representative for a single transaction in the Euro-zone interbank market).

- (d) Specified Screen Page: Telerate page 248
- (e) Spread: plus 0.25 per cent. per annum
- (f) Interest Determination Date: Two TARGET Business Days prior to the first day of each relevant Interest Period during the Initial Variable Interest Rate Period, where "TARGET" is the Trans-European Automated Real-Time Gross Settlement Express Transfer system.

Index-Linked Rate Applicable for the period from and including 3 March, 2005 to but excluding the Maturity Date (the "Index-Linked Period")

(a) Interest Payment Dates: Interest will be payable annually in arrear on 3rd March in each year and for the purposes of the Index-Linked Period, commencing 3rd March, 2006 up to and including the Maturity Date.

(b) Rate of Interest: In respect of each Interest Period during the Index-Linked Period will be a rate per annum determined by the Calculation Agent in accordance with the following formula, expressed as a percentage rounded to the nearest two decimal places (with 0.005 EUR being rounded upwards):

$$1.30\% + \text{Max} \{[(\text{MUICP}_{t+12} - \text{MUICP}_t) / \text{MUICP}_t]; 0\}$$

where, the amounts designated "MUICP_{t+12}" and "MUICP_t" shall be the amounts as observed by the Calculation Agent as follows:

Interest Payment Date	Observation of MUICP _{t+12}	Observation of MUICP _t
3 rd March 2006	December 2004	December 2003
3 rd March 2007	December 2005	December 2004
3 rd March 2008	December 2006	December 2005

3 rd March 2009	December 2007	December 2006
3 rd March 2010	December 2008	December 2007

(c) Index:

Subject to paragraph 11(iv) below, the Monetary Union Index of Consumer Prices (excluding tobacco) ("MUICP") as calculated and published by the Statistical Office of the European Union in Luxembourg ("Eurostat") and displayed on the page designated as CPTFEMU on the Bloomberg service (or such other page on that service which displays the Index).

The first publication of the Index figure (disregarding estimates) by Eurostat for a given month shall be final. Any corrections or revisions shall be disregarded.

11 Other Variable Interest Rate Terms
(Condition 5(II) and 5(III)):

(i) Relevant Business Day:

Notwithstanding the definition set forth in Condition 5(III), a day which is both:

- (1) a day on which banks and foreign exchange markets are open for business in London and New York; and
- (2) a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

(ii) Variable Interest Rate Day Count Fraction:

For the purposes of the Initial Variable Interest Rate Period: Actual/ 360

For the purposes of the Index-Linked Period:
Actual/Actual - ISMA

where Actual/ Actual - ISMA means the number of days from and including the date on which interest begins to accrue during the relevant period to but excluding the date on which it actually falls due, divided by the number of days in the relevant period (including the first day but excluding the last).

(iii) Calculation Agent

Citibank, N.A.

(iv) Other terms (including fall back provisions) relating to the method of calculating the Rate of Interest or Interest Amounts, the value of which is based upon the level of the Index:

General information on the MUICP is provided in the Annex to this pricing supplement and is being

Annex to this pricing supplement, and is being provided for informational purposes only. This information has been compiled using publicly available sources. The Issuer makes no representation or warranty, whether express or implied, as to the completeness or accuracy of such information.

The following provisions apply in relation to the Index-Linked Period:

Amendments to Index

The method of calculation of the Index may change from time to time, as may the composition of the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (the "Eurozone"). Such changes shall not give rise to any right of Noteholders to an early redemption of the Notes or to any adjustment to the basis for calculating the amount payable under the Notes.

Delay in publication of Index

If the MUICP figure for any month (which is required for the purpose of the Rate of Interest in respect of the Index-Linked Period or the calculation of amounts in respect thereof) is not published on or before the fifth Relevant Business Day prior to the relevant Interest Payment Date in respect of the Index-Linked Period, the MUICP for such month shall be:

- (i) such substitute index figure (if any) as shall be published by Eurostat in respect of the relevant month; or
- (ii) if no substitute index figure in respect of the relevant month is published as aforesaid on or before the fifth Relevant Business Day before such relevant Interest Payment Date, then the Calculation Agent shall determine a substitute index figure after reviewing any such similar index figures as published by the Agence France Trésor on its internet website (see Annex) or such other sources as the Calculation Agent deems relevant.

Cessation of or fundamental changes to Index

If MUICP ceases to be calculated or published by Eurostat, but is calculated or published by a

successor entity without any modification of the calculation formula, the MUICP used shall be the MUICP calculated or published by such successor. If the MUICP ceases to be published or if the MUICP has not been published for two consecutive months or if any change is made which, in the reasonable opinion of the Calculation Agent constitutes a fundamental change in the rules governing the MUICP, the Calculation Agent shall determine a substitute index. The MUICP shall be replaced by the substitute index so determined and references to the MUICP shall be construed accordingly.

In making such determinations, the Calculation Agent may consult with JPMorgan Chase Bank, which has entered into an offsetting swap transaction with the Bank in relation to the Notes. Notwithstanding the possibility of such consultations, the Calculation Agent shall make its own independent judgments regarding fundamental changes and substitute indexes.

Change of Base

If at any time, MUICP is materially rebased, the Calculation Agent shall determine the MUICP figure to be applied for the purposes of calculating the Rate of Interest, by multiplying that figure representing the rebased MUICP for the applicable month in respect of which the MUICP is to be determined ("MUICP(R)") by the non rebased MUICP figure for the same month, divided by MUICP(R)). This procedure will be used on each occasion on which a material rebase of the Index is made during the term of the Notes.

12	Redemption Amount:	Principal Amount
13	Issuer's Optional Redemption (Condition 6(e)):	No
14	Redemption at the option of the Noteholders (Condition 6(f)):	No
15	Prescription	
	(a) Principal:	10 years
	(b) Interest:	5 years
16	Early Redemption Amount (including accrued interest if applicable) (Condition 9):	Principal Amount of the Notes

17 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 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: Yes
- 4** If syndicated:
- (a) Liability: Joint and Several
- (b) Lead Manager: J.P. Morgan Securities Ltd.
- (c) Stabilising Manager: Not Applicable
- 5** Codes:
- (a) Common Code: 016272876
- (b) ISIN: XS0162728769
- 6** Identity of Dealer(s)/Manager(s): J.P. Morgan Securities Ltd.
ABAXBANK S.p.A.
- 7** Provisions for Bearer Notes:
- (a) Exchange Date: Not earlier than 12 April, 2003
- (b) Permanent Global Note: Yes
- (c) Definitive Bearer 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 States: The Managers represent and agree that it has not and will not offer, sell or deliver any Notes within the United States or to United States persons.

United Kingdom: The Managers 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.

The Republic of Italy: The Managers acknowledge and agree that the offering of the Notes has not been cleared by CONSOB (the Italian Securities Exchange Commission) pursuant to Italian securities legislation

and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or any other document relating to the Notes be distributed in the Republic of Italy, except to:

(i) professional investors (*"operatori qualificati"*), as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of 1st July, 1998; or

(ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of 24th February, 1998 (the "Financial Services Act") and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14th May, 1999; or

(iii) to an Italian resident who submits an unsolicited offer to purchase the Notes.

Any offer, sale or delivery of the Notes or distribution of copies of the Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act and Legislative Decree No. 385 of 1st September, 1993 (the "Banking Act"); and

(b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy pursuant to which the issue or offer of securities in the Republic of Italy may need to be preceded and followed by an appropriate notice to be filed with the Bank of Italy depending, *inter alia*, on the aggregate value of the securities issued or offered in the Republic of Italy and their characteristics.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By:

Authorized Officer

ANNEX

Information about the Index

Note: The information contained in this section (in particular, website addresses and details of publication methods and dates) is stated as at the date of issue of the Notes only, and is subject to change. This information has been compiled using publicly available sources. The Issuer makes no representation or warranty, whether express or implied, as to the completeness or accuracy of such information.

Summary

The Monetary Union Index of Consumer Prices ex-tobacco ("MUICP") is an aggregation of relevant Harmonised Indices of Consumer Prices ("HICPs") and reflects consumer price inflation (excluding tobacco) in those EU member states that are members of the Eurozone – having adopted the euro as their currency as participants in the third stage of Economic and Monetary Union.

General Information

HICPs are indices of inflation compiled according to methodology developed by the national statistical institutes of member states of the European Union in conjunction with Eurostat. HICP figures are harmonized inflation figures required under Article 121 (consolidated version) of the Treaty establishing the European Community. They are designed for international comparison of consumer price inflation. HICP indices cover "household final monetary consumption expenditure". The relative importance of consumers' expenditure in terms of particular goods or services varies from country to country. Therefore, there is no uniform basket applying to all member states.

Compilation

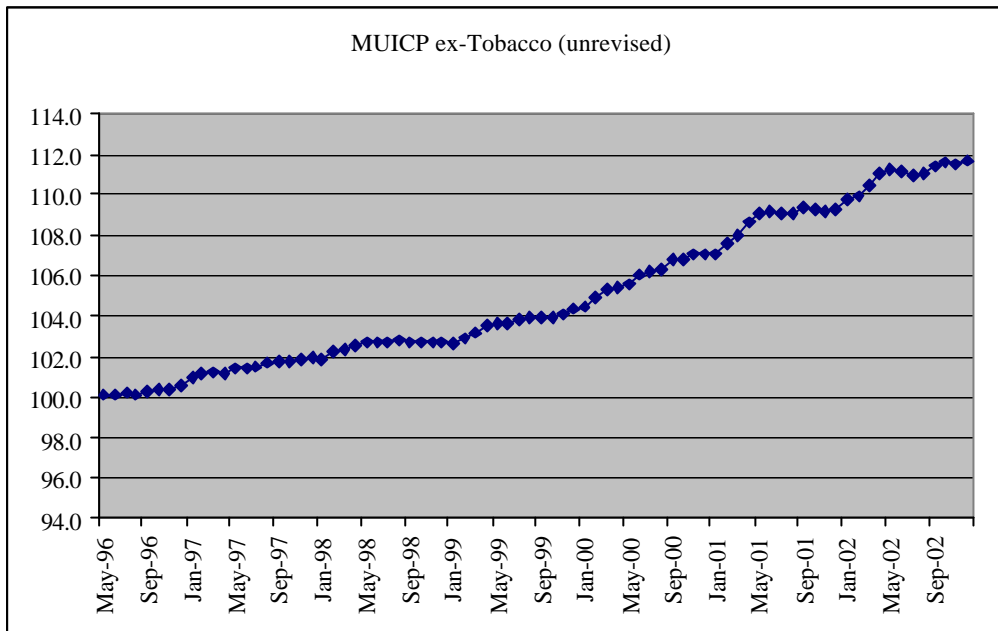
Individual countries first publish their own HICP figures in conjunction with their consumer price indices. Following each country's publication of its own HICP figures, Eurostat aggregates these and publishes aggregate HICP figures for the European Union (the European Index of Consumer Prices or EICP), for the Eurozone (the Monetary Union Index of Consumer Prices or MUICP) and for the European Economic Area (the European Economic Area Index of Consumer Prices or EEAICP).

Revisions and Publication

Eurostat generally publishes MUICP figures approximately 16 to 18 days following the end of the relevant month. MUICP figures as published by Eurostat are occasionally revised after publication upon more accurate data becoming available. The Index as used in connection with the Notes, however, consists only of the unrevised figures first published by Eurostat (disregarding preliminary estimates). The tables of historical data found on the main pages of Eurostat's website (<http://europa.eu.int/comm/eurostat/>) contain the revised figures and therefore will not reflect exactly the development of the Index. Unrevised figures can be obtained by subscription to Eurostat's New Cronos database. The most convenient source of information about the development of the Index is currently the internet site of Agence France Trésor (<http://www.aft.fr/oat/us/ipceuro.html>) as the Index is the same as the index used to calculate payments under the French Republic's OAT *ei* securities.

Disclaimer on behalf of Eurostat

The Notes are not in any way sponsored, endorsed, sold or promoted by Eurostat. Eurostat has no obligation to take the needs of Noteholders into consideration in composing, determining or calculating the Index (or causing the Index to be calculated). In addition, Eurostat makes no warranty or representation whatsoever, express or implied, as to the results to be obtained from the use of the Index and/or the level at which the Index stands at any particular time on any particular day or otherwise, and shall not be liable, whether in negligence or otherwise, to any person for any error in the Index or under any obligation to advise any person, including, without limitation, the Issuer or Noteholders, of any error therein.



<i>Index level</i>	<i>Year 2001</i>	<i>Year 2002</i>
<i>Maximum</i>	109.4	111.7
<i>Minimum</i>	107.1	109.7

<i>Month</i>	<i>Index level</i>	<i>Year-on-year change</i>
January 2002	109.7	2.40%
February 2002	109.9	2.10%
March 2002	110.5	2.30%
April 2002	111.0	2.20%
May 2002	111.2	1.90%
June 2002	111.1	1.70%

July 2002	110.9	1.60%
August 2002	111.0	1.70%
September 2002	111.4	1.80%
October 2002	111.6	2.10%
November 2002	111.5	2.10%
December 2002	111.7	2.20%

Sources for text: Eurostat and Agence France Trésor

Source for tables: Agence France Trésor