

Final Terms dated June 12, 2008

International Bank for Reconstruction and Development

Issue of
BRL 50,000,000 11.00 per cent. Notes due June 16, 2011
payable in United States Dollars

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

- | | |
|---|---|
| 1. Issuer: | International Bank for Reconstruction and Development (“ IBRD ”) |
| 2. (i) Series Number: | 10026 |
| (ii) Tranche Number: | 1 |
| 3. Specified Currency or Currencies (Condition 1(d)): | The lawful currency of the Federative Republic of Brazil (“Brazilian Real” or “BRL”); <i>provided</i> that all payments in respect of the Notes will be made in United States Dollars (“USD”) |
| 4. Aggregate Nominal Amount: | |
| (i) Series: | BRL 50,000,000 |
| (ii) Tranche: | BRL 50,000,000 |
| 5. (i) Issue Price: | 100.58 per cent. of the Aggregate Nominal Amount |
| (ii) Net proceeds: | BRL 49,602,500 |
| 6. Specified Denominations (Condition 1(b)): | BRL 5,000 and multiples thereof |
| 7. Issue Date: | June 16, 2008 |
| 8. Maturity Date (Condition 6(a)): | June 16, 2011 |
| 9. Interest Basis (Condition 5): | Fixed Rate
(further particulars specified below) |
| 10. Redemption/Payment Basis (Condition 6): | Redemption at par |

- | | |
|--|------------------------------|
| 11. Call/Put Options (Condition 6): | None |
| 12. Status of the Notes (Condition 3): | Unsecured and unsubordinated |
| 13. Listing: | Luxembourg |
| 14. Method of distribution: | Syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions
(Condition 5(a)):
- Condition 5(a), as amended and supplemented below, shall apply to the Notes. The bases of calculation of the Interest Amount, Interest Payment Dates and default interest are as set forth below.
- (i) Rate of Interest: 11.00 per cent. per annum payable annually in arrear
- (ii) Interest Payment Date(s): June 16 in each year, commencing on June 16, 2009 to and including the Maturity Date.
- (iii) Fixed Coupon Amount: BRL 550 per minimum Specified Denomination; *provided* that the Interest Amount (as defined below) per Specified Denomination will be paid in USD calculated as provided below.
- (iv) Day Count Fraction
(Condition 5(l)):
- Actual/Actual (ICMA)
- (v) Other terms relating to the method of calculating interest for Fixed Rate Notes:
- The amount of interest per Specified Denomination (the “Interest Amount”) in respect of an Interest Payment Date will be payable in USD and determined by Citibank, N.A., as calculation agent for the Notes (together with any successor calculation agent, the “Calculation Agent”), on the relevant Rate Fixing Date (as defined below) by applying the following formula:

Rate of Interest
multiplied by
Specified Denomination
divided by
Reference Rate

and multiplying this result by the Day Count Fraction and rounding down to the nearest cent.

Where:

“Reference Rate” means the rate determined by the Calculation Agent that is equal to the Brazilian Real/USD spot offer rate (i.e., the rate at which banks buy BRL and sell USD) expressed as the amount of BRL per one USD, for settlement in two São Paulo and New York Business Days, reported by the Banco Central do Brasil on SISBACEN Data System under transaction code PTAX-800 (“Consultas

de Câmbio” or “Exchange Rate Inquiry”), Option 5 (“Cotações para Contabilidade” or “Rates for Accounting Purposes”) (the “PTAX Rate” or BRL09 as set forth on Reuters Page BRFR or such other page or service as may replace any such page for the purposes of displaying the BRL/USD reference rate published by the Banco Central do Brasil) at around 8:30 p.m. São Paulo time on the relevant Rate Fixing Date as determined by the Calculation Agent, *provided, however*, that:

(1) in the event that the PTAX Rate is unavailable on the Rate Fixing Date, then the BRL/USD Rate shall be the BRL 12; and

(2) if both the PTAX Rate and BRL12 are not available on the relevant Rate Fixing Date, then the Reference Rate shall be determined by the Calculation Agent on the relevant Rate Fixing Date in good faith and in a commercially reasonable manner, having taken into account relevant market practice.

“BRL12” means the EMTA BRL Industry Survey Rate (BRL12), which is the BRL/USD specified rate for USD, expressed as the amount of BRL per one USD, for settlement in two Relevant Business Days, as set forth on Reuters Page EMTA at around 12:30 p.m. (São Paulo time), or as soon thereafter as practicable, on the relevant Rate Fixing Date. BRL12 is calculated by EMTA using the EMTA BRL Industry Survey Methodology, as amended from time to time, pursuant to which (as of the date of this Final Terms) EMTA conducts a twice-daily survey of up to 15 Brazilian financial institutions that are active participants in the BRL/USD spot market. BRL12 will be deemed to be unavailable on the Rate Fixing Date if (a) it is not published on Reuters Page EMTA at around 12:30 p.m. (São Paulo time), or as soon thereafter as practicable or (b) fewer than five (5) financial institutions participated in the survey.

“Rate Fixing Date” means the day that is five (5) Relevant Business Days prior to the Interest Payment Date or the Maturity Date or such other date on which an amount in respect of the Notes is due and payable; *provided, however*, that if such date is an Unscheduled Holiday, the Rate Fixing Date shall be the next following Relevant Business Day.

“Unscheduled Holiday” means a day that is not a São Paulo Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in São Paulo two Relevant Business Days prior to the relevant Rate Fixing Date.

“Relevant Business Day” means a day (other than a Saturday or a Sunday) on which the banks and foreign exchange markets are open for business in each of São Paulo, London and New York.

“São Paulo and New York Business Day” means a day

(other than a Saturday or a Sunday) on which the banks and foreign exchange markets are open for business in both São Paulo and New York.

“São Paulo Business Day” means a day (other than a Saturday or a Sunday) on which the banks and foreign exchange markets are open for business in São Paulo.

PROVISIONS RELATING TO REDEMPTION

16. Final Redemption Amount of each Note (Condition 6): BRL 5,000 per minimum Specified Denomination; *provided* that the Final Redemption Amount per Specified Denomination will be payable in USD and determined by the Calculation Agent on the relevant Rate Fixing Date by applying the following formula:
- $$\frac{\text{BRL } 50,000,000}{\text{divided by Reference Rate}} \div 10,000$$
- and rounding down to the nearest cent.
17. Early Redemption Amount (Condition 6(c)): The Final Redemption Amount payable in USD as determined in accordance with Term 16 above plus accrued interest to, but excluding, the date of early redemption.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

18. Form of Notes (Condition 1(a)): Registered Notes:
Global Registered Certificate available on Issue Date
19. New Global Note: No
20. Financial Centre(s) or other special provisions relating to payment dates (Condition 7(h)): São Paulo, London, New York
21. Governing law (Condition 14): New York
22. Other final terms: Not Applicable

DISTRIBUTION

23. (i) If syndicated, names of Managers and underwriting commitments:
- | | |
|-----------------------------|----------------|
| The Toronto-Dominion Bank | BRL 46,000,000 |
| J.P. Morgan Securities Ltd. | BRL 2,000,000 |
| KBC Bank NV | BRL 2,000,000 |
- (ii) Stabilizing Manager(s) (if any):
- The Toronto-Dominion Bank
24. Total commission and concession: 1.375 per cent. of the Aggregate Nominal Amount
25. Additional selling restrictions: Brazil: Each Manager has acknowledged that the Notes may not be offered or sold to the public in Brazil and that accordingly, the offering of the Notes has not been submitted to the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários, the CVM) for approval. The Managers have represented and agreed that documents relating to such offering, as well as the information contained herein and therein, may not be supplied to the public, as a public offering in Brazil or be used in connection with any offer for subscription or sale to the public in Brazil.

OPERATIONAL INFORMATION

26. ISIN Code: XS0369440135
27. Common Code: 036944013
28. Delivery: Delivery against payment
29. Registrar and Transfer Agent (if any): Citibank, N.A.
30. Intended to be held in a manner which would allow Eurosystem eligibility: No

GENERAL INFORMATION

IBRD's most recent Information Statement was issued on September 14, 2007.

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:

Duly authorized