

Final Terms dated February 4, 2010

International Bank for Reconstruction and Development

Issue of
BRL 75,000,000 9.00 per cent. Notes due February 10, 2012
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

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| 1. Issuer: | International Bank for Reconstruction and Development (“ IBRD ”) |
| 2. (i) Series Number: | 10405 |
| (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 75,000,000 |
| (ii) Tranche: | BRL 75,000,000 |
| 5. (i) Issue Price: | 99.81 per cent. of the Aggregate Nominal Amount. |
| (ii) Net proceeds: | BRL 74,745,000 (equivalent to USD 40,228,740.58 at the USD/BRL FX Rate of 1.8580) |
| 6. Specified Denominations (Condition 1(b)): | BRL 5,000 and multiples thereof |
| 7. Issue Date: | February 10, 2010 |
| 8. Maturity Date (Condition 6(a)): | February 10, 2012 |
| 9. Interest Basis (Condition 5): | 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): | None |
| 13. Status of the Notes (Condition 3): | Unsecured and unsubordinated |
| 14. Listing: | Application has been made for the Notes to be admitted to trading on the Luxembourg Stock Exchange’s Regulated Market from February 10, 2010. |
| 15. Method of distribution: | Non-Syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions (Condition 5(a)):
- (i) Rate of Interest: 9.00 per cent. per annum payable annually in arrear
 - (ii) Interest Payment Date(s): February 10, 2011 and February 10, 2012.
 - (iii) Fixed Coupon Amount: The Fixed Coupon Amount for the relevant Interest Period shall be BRL 450.00 per Specified Denomination, payable in USD by applying the following formula:

BRL 450.00 *divided by* Reference Rate (as defined below)

Where:

The “**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, provided, however, that if the next day is also an Unscheduled Holiday, the Reference Rate will be determined by the Calculation Agent on such day in its sole discretion acting in good faith and in a commercially reasonable manner having taken into account relevant market practice and by reference to such additional sources as it deems appropriate.

“Relevant Business Day” means a day (other than a Saturday or a Sunday) on which the banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) 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.

(iv) Day Count Fraction
(Condition 5(l)):

Actual/Actual (ICMA)

PROVISIONS RELATING TO REDEMPTION

17. 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 Rate Fixing Date immediately preceding the Maturity Date by applying the following formula:
- BRL 5,000 *divided by* Reference Rate
(as defined in Term 16 above)
18. Early Redemption Amount (Condition 6(c)):
- The Final Redemption Amount payable in USD as determined in accordance with Term 17 above (plus accrued interest to, but excluding, the date of early redemption), save that the Reference Rate shall be determined on the day that is five (5) Business Days prior to the day on which the Early

Redemption Amount shall be due and payable (an “Early Redemption Rate Fixing Date”) and all the references to “Rate Fixing Date” shall be deemed replaced by “Early Redemption Rate Fixing Date”.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 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)): | São Paulo, London, 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: | Not Applicable |
| (ii) Stabilizing Manager(s) (if any): | Not Applicable |
| 25. If non-syndicated, name of Dealer: | The Toronto-Dominion Bank |
| 26. Total commission and concession: | 0.15 per cent. of the Aggregate Nominal Amount |
| 27. Additional selling restrictions: | <u>Brazil:</u>

The Dealer 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 Dealer has 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

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| 28. ISIN Code: | XS0484021869 |
| 29. Common Code: | 048402186 |
| 30. Delivery: | Delivery against payment |
| 31. Registrar and Transfer Agent (if any): | Citibank, N.A., London Branch |
| 32. 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 September 28, 2009.

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