

**Final Terms dated 24 January 2011**

**International Bank for Reconstruction and Development**

Issue of USD 10,000,000 Zero Coupon Callable Notes due 27 January 2041

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 (“ <b>IBRD</b> ”)
2. (i) Series Number:	3949
(ii) Tranche Number:	1
3. Specified Currency or Currencies (Condition 1(d)):	United States Dollar (“ <b>USD</b> ”)
4. Aggregate Nominal Amount:	
(i) Series:	USD 10,000,000
(ii) Tranche:	USD 10,000,000
5. Issue Price:	100 per cent. of the Aggregate Nominal Amount
6. Specified Denominations (Condition 1(b)):	USD 1,000,000
7. Issue Date:	27 January 2011
8. Maturity Date (Condition 6(a)):	27 January 2041
9. Interest Basis (Condition 5):	Zero Coupon (further particulars specified in Term 16 below)
10. Redemption/Payment Basis (Condition 6):	Each Note will be redeemed at its Optional Redemption Amount, its Early Redemption Amount or its Final Redemption Amount, as applicable.
11. Change of Interest or Redemption/Payment Basis:	Not Applicable
12. Call/Put Options (Condition 6):	Call Option (further particulars specified in Term 17 below)
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**

16. Zero Coupon Note Provisions (Condition 5(c)):	Applicable
(i) Amortization Yield (Condition 6(c)(ii)):	5.20 per cent. on an annual basis
(ii) Day Count Fraction (Condition 5(l)):	30/360
(iii) Any other formula/basis of determining amount payable:	Not Applicable

# **PROVISIONS RELATING TO REDEMPTION**

17. Call Option (Condition 6(d)):	Applicable
(i) Optional Redemption Date(s):	27 January in each year from and including 27 January 2012 to and including 27 January 2040.
(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	The Optional Redemption Amount per Specified Denomination for each Optional Redemption Date is set out opposite such date in the table below, expressed as a percentage of the Specified Denomination, and payable on the applicable Optional Redemption Date:

<b>Optional Redemption Date</b>	<b>Optional Redemption Amount expressed as a percentage of the Specified Denomination</b>
27 January 2012	105.200000 per cent.
27 January 2013	110.670400 per cent.
27 January 2014	116.425261 per cent.
27 January 2015	122.479374 per cent.
27 January 2016	128.848302 per cent.
27 January 2017	135.548414 per cent.
27 January 2018	142.596931 per cent.
27 January 2019	150.011971 per cent.
27 January 2020	157.812594 per cent.
27 January 2021	166.018849 per cent.
27 January 2022	174.651829 per cent.
27 January 2023	183.733724 per cent.
27 January 2024	193.287878 per cent.
27 January 2025	203.338847 per cent.
27 January 2026	213.912467 per cent.
27 January 2027	225.035916 per cent.
27 January 2028	236.737783 per cent.
27 January 2029	249.048148 per cent.

27 January 2030	261.998652 per cent.
27 January 2031	275.622582 per cent.
27 January 2032	289.954956 per cent.
27 January 2033	305.032614 per cent.
27 January 2034	320.894310 per cent.
27 January 2035	337.580814 per cent.
27 January 2036	355.135016 per cent.
27 January 2037	373.602037 per cent.
27 January 2038	393.029343 per cent.
27 January 2039	413.466869 per cent.
27 January 2040	434.967146 per cent.

(iii) Notice period: A minimum of 5 (five) London and New York Business Days prior to the relevant Optional Redemption Date.

18. Final Redemption Amount of each Note (Condition 6): 457.585437 per cent. of the Specified Denomination (which equates to USD4,575,854.37 per Specified Denomination)

19. Early Redemption Amount (Condition 6(c)): As set out in the Conditions

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

20. Form of Notes (Condition 1(a)): Registered Notes:  
Global Registered Certificate available on Issue Date.

21. New Global Note: No

22. Financial Centre(s) or other special provisions relating to payment dates (Condition 7(h)): London and New York

23. Governing law (Condition 14): English

24. Other final terms: Not Applicable

#### **DISTRIBUTION**

25. (i) If syndicated, names of Managers and underwriting commitments: Not Applicable

(ii) Stabilizing Manager(s) (if any): Not Applicable

26. If non-syndicated, name of Dealer: The Royal Bank of Scotland plc

27. Additional selling restrictions: Not Applicable

#### **OPERATIONAL INFORMATION**

28. ISIN Code: XS0580462561

29. Common Code: 058046256

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: No

### **GENERAL INFORMATION**

IBRD's most recent Information Statement was issued on 22 September, 2010.

### **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