

Final Terms dated February 17, 2011

International Bank for Reconstruction and Development

Issue of
BRL 100,000,000 9.25 per cent. Notes due February 22, 2013
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: | 10581 |
| (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 100,000,000 |
| (ii) Tranche: | BRL 100,000,000 |
| 5. (i) Issue Price: | 100.885 per cent. of the Aggregate Nominal Amount |
| (ii) Net proceeds: | BRL 99,760,000 (equivalent to USD 59,861,986.20 at the USD/BRL FX Rate of 1.6665) |
| 6. Specified Denominations (Condition 1(b)): | BRL 5,000 and multiples thereof |
| 7. Issue Date: | February 22, 2011 |
| 8. Maturity Date (Condition 6(a)): | February 22, 2013 |
| 9. Interest Basis (Condition 5): | 9.25 per cent. 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): | Not Applicable |
| 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

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| 16. Fixed Rate Note Provisions (Condition 5(a)): | Applicable |
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- (i) Rate of Interest: 9.25 per cent. per annum payable annually in arrear
- (ii) Interest Payment Date(s): February 22, 2012 and February 22, 2013.
- (iii) Fixed Coupon Amount: The Fixed Coupon Amount for the relevant Interest Periods shall be BRL 462.50 per Specified Denomination, payable in USD by applying the following formula:

$$\text{BRL 462.50 divided by Reference Rate (as defined below)}$$

Where:

The “**Reference Rate**” means the rate determined by the Calculation Agent that is equal to the BRL/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 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) 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 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 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.

“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 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

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 and New York
22. Governing law (Condition 14): English
23. Other final terms: Not Applicable

DISTRIBUTION

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: 1.125 per cent. of the Aggregate Nominal Amount
27. Additional selling restrictions: Brazil:
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

28. ISIN Code: XS0593856403
29. Common Code: 059385640
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 22, 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