

**Final Terms dated 26 May 2011**

**International Bank for Reconstruction and Development**

Issue of EUR 71,000,000 Callable Zero Coupon Notes due 3 June 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:                                 | 3964   |
| (ii) Tranche Number:                                  | 1  |
| 3. Specified Currency or Currencies (Condition 1(d)): | Euro (“ <b>EUR</b> ”)  |
| 4. Aggregate Nominal Amount:                          |  |
| (i) Series:   | EUR 71,000,000   |
| (ii) Tranche:   | EUR 71,000,000   |
| 5. (i) Issue Price:                                   | 28.1982163 per cent. of the Aggregate Nominal Amount   |
| (ii) Net Proceeds                                     | EUR 20,020,733.59  |
| 6. Specified Denominations (Condition 1(b))           | EUR 100,000  |
| 7. Issue Date:  | 3 June 2011  |
| 8. Maturity Date (Condition 6(a)):                    | 3 June 2041  |
| 9. Interest Basis (Condition 5):                      | Zero Coupon<br>(further particulars specified 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<br>(further particulars specified 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)):                 | 4.31 per cent. per annum |
| (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:   | 3 June 2031   |
| (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | 65.575339 per cent. of the Specified Denomination which equates to EUR 65,575.34 per Specified Denomination |
| (iii) Notice period:  | Not less than 5 London, New York and TARGET Business Days prior to the Optional Redemption Date             |
| 18. Final Redemption Amount of each Note (Condition 6):   | 100 per cent. of the Specified Denomination (which equates to EUR 100,000 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)):   | Bearer Notes:<br><br>Temporary Global Note exchangeable for a Permanent Global Note on the Exchange Date.<br><br>The Exchange Date in respect of the Temporary Global Note: 13 July 2011. |
| 21. New Global Note:  | Yes   |
| 22. Financial Centre(s) or other special provisions relating to payment dates (Condition 7(h)): | London, New York and TARGET   |
| 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:                                | Credit Suisse Securities (Europe) Limited |
| 27. Total commission and concession:                                  | Not Applicable                            |
| 28. Additional selling restrictions:                                  | Not Applicable                            |

#### **OPERATIONAL INFORMATION**

- |                  |              |
|------------------|--------------|
| 29. ISIN Code:   | XS0616119086 |
| 30. Common Code: | 061611908    |

- |   |  |
|---|--|
| 31. Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, <i>société anonyme</i> and The Depository Trust Company and the relevant identification number(s): | Not Applicable   |
| 32. Delivery:   | Delivery against payment   |
| 33. Intended to be held in a manner which would allow Eurosystem eligibility:   | <p>Yes</p> <p>Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.</p> |

## 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