

Final Terms dated 22 August 2011

International Bank for Reconstruction and Development

Issue of USD 36,000,000 Zero Coupon USD/INR Rate linked Notes due 24 August 2012
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 28 May 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: 10646
(ii) Tranche Number: 1
3. Specified Currency or Currencies (Condition 1(d)): United States Dollars (“**USD**”)
4. Aggregate Nominal Amount:
(i) Series: USD 36,000,000
(ii) Tranche: USD 36,000,000
5. (i) Issue Price: 97.040272 per cent. of the Aggregate Nominal Amount
(ii) Net Proceeds: USD 34,934,497.92
6. (i) Specified Denominations (Condition 1(b)): USD 100,000 and integral multiples of USD 20,000 in excess thereof
(ii) Calculation Amount (Condition 5(j)): USD 20,000
7. Issue Date: 24 August 2011
8. Maturity Date (Condition 6(a)): 24 August 2012; provided, that, if the corresponding Rate Fixing Date is adjusted for Unscheduled Holidays or in the event that Disruption Event in respect of the USD/Indian rupee (“**INR**”) rate applies, the Maturity Date shall be five Business Days after the date on which the USD/INR Rate is determined.
9. Interest Basis (Condition 5): Zero Coupon
(further particulars specified in Term 16 below)
10. Redemption/Payment Basis (Condition 6): USD/INR Linked Redemption payable in USD
(further particulars specified in Term 17 below)
11. Change of Interest or Redemption/Payment Basis: Not Applicable

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| 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. Zero Coupon Note
Provisions (Condition
5(c)): | Applicable |
| (i) Amortization Yield
(Condition 6(c)(ii)): | 3.05 per cent. |
| (ii) Day Count
Fraction (Condition
5(l)): | 30/360 |
| (iii) Any other
formula/basis of
determining amount
payable: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 17. Final Redemption
Amount of each Note
(Condition 6): | The Final Redemption Amount per Calculation Amount shall be an amount in USD, calculated by the Calculation Agent in accordance with the following: |
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$\text{Calculation Amount} \times \text{USD/INR Initial Rate/USD/INR Final Rate}$

where

"USD/INR Final Rate" means the USD/INR Rate on the Rate Fixing Date.

"USD/INR Initial Rate" means 45.26, based on a rate of exchange of INR to USD on a trade date of 16 August 2011

USD/INR Rate

In respect of a Rate Fixing Date, the **"USD/INR Rate"** means the spot rate for such date that is equal to the INR/USD official fixing rate expressed as the amount of INR per one USD, for settlement in two Business Days, reported by the Reserve Bank of India, which appears on the Reuters screen "RBIB" (or such other page or service as may replace any such page for the purposes of displaying the INR/USD reference rate) at approximately 12:30 p.m. Mumbai Time on the corresponding Rate Fixing Date, subject to the Fall Back Provisions for USD/INR Rate.

Rate Fixing Date

The date that is five Mumbai and Singapore Business Days prior to the Maturity Date or the date upon which the Notes become due and payable as provided in Condition 9, is the “**Scheduled Rate Fixing Date**”. However in the event of an Unscheduled Holiday, the Rate Fixing Date shall be the first following day that is a relevant Business Day.

“**Unscheduled Holiday**” means a day that is not a Mumbai 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. Mumbai Time, two Mumbai Business Days prior to the Scheduled Rate Fixing Date.

Deferral Period for Unscheduled Holiday:

In the event the Scheduled Rate Fixing Date becomes subject to the Following Business Day Convention and if the Rate Fixing Date has not occurred on or before the 14th consecutive day after the Scheduled Rate Fixing Date (any such period being a “**Deferral Period**”), then the next day after the Deferral Period that would have been a Business Day but for the Unscheduled Holiday shall be deemed to be the Rate Fixing Date.

Fall Back Provisions for USD/INR Rate

“**Disruption Event**” means a Price Source Disruption occurs.

“**Price Source Disruption**” means it becomes impossible to obtain the USD/INR Rate on a Rate Fixing Date.

Applicable Disruption Fallbacks:

In the event of a Disruption Event, the Calculation Agent shall apply each of the following Disruption Fallbacks for the determination of the USD/INR Rate, in the following order, until the USD/INR Rate can be determined.

1. Valuation Postponement	
2. Fallback Reference Price	SFEMC INR Indicative Survey Rate (INR02)
3. Fallback Survey Valuation Postponement	
4. Calculation Agent Determination of USD/INR Rate	

“Cumulative Events”:

Except as provided below, in no event shall the total number of consecutive calendar days during which either (i) valuation is deferred due to an Unscheduled Holiday, or (ii) a Valuation Postponement shall occur (or any combination of (i) and (ii)), exceed 14 consecutive calendar days in the aggregate. Accordingly, (x) if, upon the lapse of any such 14 calendar day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period that otherwise would have been a Business Day, then such day shall be deemed to be a Rate Fixing Date, and (y) if, upon the lapse of any such 14 calendar day period, a Price Source Disruption shall have occurred or be continuing on the day following such period on which the Spot Rate otherwise would be determined, then Valuation Postponement shall not apply and the Spot Rate shall be determined in accordance with the next Disruption Fallback.

For the purposes of these provisions:

“Valuation Postponement”

means, for purposes of obtaining the USD/INR Rate, the relevant spot rate will be determined on the Business Day first succeeding the day on which the Price Source Disruption ceases to exist, unless the Price Source Disruption continues to exist (measured from the date that, but for the occurrence of the Price Source Disruption, would have been the Rate Fixing Date) for a consecutive number of calendar days equal to the Maximum Days of Postponement. In such event, the USD/INR Rate will be determined on the next Business Day after the Maximum Days of Postponement (which will, subject to the provisions relating to Fallback Survey Valuation Postponement, be deemed to be the applicable Rate Fixing Date) in accordance with the next applicable Disruption Fallback.

“Maximum Days of Postponement” means 14 calendar days.

“Fallback Reference Price” means, that if there is a Price Source Disruption with respect to the USD/INR spot rate reported by the Reserve Bank of India on Reuters Screen "RBIB" (or such other page or service as may replace such page for the purposes of displaying the USD/INR reference rate), and Valuation Postponement fails to produce the USD/INR Rate, then the USD/INR Rate for the Rate Fixing Date will be determined by the Calculation Agent by reference to the SFEMC INR Indicative Survey Rate (INR02).

“SFEMC INR Indicative Survey Rate (INR02)” means that the USD/INR rate for a given Rate Fixing Date will be the INR/USD specified rate for USD, expressed as the amount of INR per one USD, for settlement in two Business Days, as published on the web site of the Singapore Foreign Exchange Market Committee, EMTA Inc. (**“SFEMC”**) at approximately 3:30 p.m. (Singapore time), or as soon thereafter as practicable, on such date. The USD/INR rate shall be calculated by

SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC INR Indicative Survey Methodology (“**SFEMC INR Indicative Survey**”) for the purpose of determining the SFEMC INR Indicative Survey Rate.

“**SFEMC INR Indicative Survey**” means a methodology, dated as of December 1, 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the INR/USD markets for the purpose of determining the SFEMC INR Indicative Survey Rate (INR02).

“**Fallback Survey Valuation Postponement**” means that, in the event that the Fallback Reference Price is not available on or before the third Business Day (or day that would have been a Business Day but for an Unscheduled Holiday) succeeding the end of either (i) Valuation Postponement for Price Source Disruption, (ii) Deferral Period for Unscheduled Holiday, or (iii) Cumulative Events, then the Settlement Rate will be determined in accordance with the next applicable Disruption Fallback on such day (which will be deemed to be the applicable Rate Fixing Date). For the avoidance of doubt, Cumulative Events, if applicable, does not preclude postponement of valuation in accordance with this provision.

“**Calculation Agent Determination of USD/INR Rate**” means, if Fallback Survey Valuation Postponement fails to produce the USD/INR Rate, then the Calculation Agent will determine the USD/INR Rate for the Rate Fixing Date, taking into consideration all available information that in good faith it deems relevant.

“**Business Day**” means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, New York City, Singapore and Mumbai.

“**Mumbai Business Day**” means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Mumbai.

“**Mumbai and Singapore Business Day**” means any day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Mumbai and Singapore.

“**Calculation Agent**” means Citibank N.A., London Branch.

18. Early Redemption Amount (Condition 6(c)):

In the event of any Notes becoming due and payable prior to the Maturity Date in accordance with Condition 9, the Early Redemption Amount for each Note shall be the Amortized Face Amount of such Note in USD as

calculated and defined in Condition 6(c), where the Amortization Yield is 3.05 per cent., *multiplied* by the USD/INR Initial Rate *divided* by the USD/INR Final Rate (as defined in Term 17 above).

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 Center(s) or
other special
provisions relating to
payment dates
(Condition 7(h)): | Mumbai, Singapore, London and New York |
| 22. Governing law
(Condition 14) | English |
| 23. Other final terms: | Not Applicable |

DISTRIBUTION

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| 24. (i) If syndicated,
names and
addresses of
Managers and
underwriting
commitments: | Not Applicable |
| (ii) Stabilizing
Manager(s) (if
any): | Not Applicable |
| 25. If non-syndicated,
name and address of
Dealer: | J.P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ
England |
| 26. Total commission and
concession: | Not Applicable |
| 27. Additional selling
restrictions: | The Republic of India
The Notes have not been and will not be registered with the Securities and Exchange Board of India, the Reserve Bank of India or any other regulatory authorities in India. None of the Prospectus, these Final Terms or any other offering material related to the sale and distribution of the Notes has been or will be used on Indian territory and/or distributed to residents of India. |

OPERATIONAL INFORMATION

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| 28. ISIN Code: | XS0667237126 |
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29. Common Code: 066723712
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