

Final Terms dated June 6, 2012

International Bank for Reconstruction and Development

Issue of BRL 250,000,000 5.50 per cent. Notes due December 9, 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

- | | |
|---|---|
| 1. Issuer: | International Bank for Reconstruction and Development (“IBRD”) |
| 2. (i) Series Number: | 10774 |
| (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: | BRL250,000,000 |
| (ii) Tranche: | BRL250,000,000 |
| 5. (i) Issue Price: | 100.856 per cent. of the Aggregate Nominal Amount |
| (ii) Net proceeds: | BRL249,640,000 (equivalent to USD123,718,901.77 at the BRL/USD exchange rate of 2.0178) |
| 6. Specified Denomination (Condition 1(b)): | BRL5,000 and integral multiples thereof |
| 7. Issue Date: | June 8, 2012 |
| 8. Maturity Date (Condition 6(a)): | December 9, 2013 |
| 9. Interest Basis (Condition 5): | 5.50 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

- | | |
|--|------------|
| 16. Fixed Rate Note Provisions (Condition 5(a)): | Applicable |
|--|------------|

- (i) Rate of Interest: 5.50 per cent. per annum payable annually in arrear
- (ii) Interest Payment Dates: December 9, 2012, and the Maturity Date.
- (iii) Fixed Coupon Amount: BRL275.00 per Specified Denomination, payable in USD by applying the following formula:
BRL275.00 *divided by* the BRL Rate (as defined below)
- (iv) Broken Amount(s): Initial Broken Amount of BRL 138.25 per Specified Denomination, payable in USD by applying the following formula:
BRL138.25 divided by the BRL Rate (as defined below), payable on December 9, 2012
- (v) Day Count Fraction (Condition 5(l)): Actual/Actual (ICMA)
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes:
 - “**Calculation Agent**” means Citibank, N.A., London Branch
 - “**BRL Rate**” means, in respect of a BRL Valuation Date, the BRL/USD exchange rate, expressed as the amount of BRL per one USD:
 - (a) determined by the Calculation Agent on the relevant BRL Valuation Date by reference to the applicable BRL-PTAX Rate; or
 - (b) in the event that the BRL-PTAX Rate is not available on the applicable BRL Valuation Date, determined by the Calculation Agent on the relevant BRL Valuation Date by reference to the applicable EMTA BRL Industry Survey Rate (if such rate is available); or
 - (c) in the event that both the BRL-PTAX Rate and the EMTA BRL Industry Survey Rate are not available on the applicable BRL Valuation Date, determined by the Calculation Agent on the relevant BRL Valuation Date in good faith and in a commercially reasonable manner, having taken into account relevant market practice, provided that:
 - (i) if, on the applicable BRL Valuation Date, the Calculation Agent determines that a Price Materiality has occurred on such BRL Valuation Date, the BRL Rate will be the EMTA BRL Industry Survey Rate applicable in respect of such BRL Valuation Date; and
 - (ii) if, on the applicable BRL Valuation Date, the Calculation Agent determines that an EMTA Failure has occurred on such BRL Valuation Date, the BRL Rate will be determined by the Calculation Agent in good faith and in a commercially reasonable manner, having taken into account relevant market practice

“BRL-PTAX Rate” means, in respect of a BRL Valuation Date, the BRL/USD offered rate for USD, expressed as the amount of BRL per one USD, for settlement in two New York and São Paulo Business Days reported by the Banco Central do Brasil on SISBACEN Data System under transaction code PTAX-800 (“Consulta de Cambio” or Exchange Rate Inquiry), Option 5 (“Cotacões para Contabilidade” or Rates for Accounting Purposes) by approximately 8:30 p.m. São Paulo time on such BRL Valuation Date

“BRL Valuation Date” means for any Interest Payment Date or the Maturity Date or date on which an amount is payable the fifth Valuation Business Day prior to such date, provided however that if such date is an Unscheduled Holiday, the BRL Valuation Date shall be the next following Valuation Business Day. If the next day is also an Unscheduled Holiday, the BRL Rate will be determined by the Calculation Agent on such day in its sole discretion acting in good faith in a commercially reasonable manner having taken into account relevant market practice and by reference to such additional sources as it deems appropriate

“EMTA BRL Industry Survey Methodology” means a methodology, dated as of March 1, 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions in Brazil that are active participants in the BRL/USD spot markets for the purposes of determining the EMTA BRL Industry Survey Rate

“EMTA BRL Industry Survey Rate” means the foreign exchange rate as specified in the ISDA 1998 FX and Currency Option Definitions (as updated from time to time) – Settlement Rate Options: “EMTA BRL Industry Survey Rate (BRL12)”, meaning that the spot rate for a BRL Valuation Date will be the BRL/USD offered rate for USD, expressed as the amount of BRL per one USD, for settlement in two New York and São Paulo Business Days, calculated by EMTA (or a service provider EMTA may in its sole discretion select) pursuant to the EMTA BRL Industry Survey Methodology and published on EMTA's website (www.emta.org) at approximately 3:45 p.m. São Paulo time or as soon thereafter as practicable on such BRL Valuation Date

“EMTA Failure” means, in respect of a BRL Valuation Date, that the EMTA BRL Industry Survey Rate, having been requested as prescribed by EMTA, is not available for any reason. For the avoidance of doubt, an EMTA Failure may still occur notwithstanding that the BRL-PTAX Rate is available on the applicable BRL Valuation Date

“Price Materiality” means, in respect of a BRL Valuation Date, that the EMTA BRL Industry Survey Rate is available on such date and that the BRL-PTAX Rate differs from the EMTA BRL Industry Survey Rate by more than 3 per cent.

“Unscheduled Holiday” means a day that is not a Valuation 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 São Paulo Business Days prior to the relevant BRL Valuation Date.

“Valuation Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London, New York and São Paulo

PROVISIONS RELATING TO REDEMPTION

- | | |
|---|---|
| 17. Final Redemption Amount of each Note (Condition 6): | BRL 5,000 per Specified Denomination; <i>provided</i> that the Final Redemption Amount per Specified Denomination will be payable in USD and determined by the Calculation Agent on the BRL Valuation Date immediately preceding the Maturity Date by applying the following formula: |
| | Specified Denomination <i>divided by</i> BRL Rate (as defined in Term 16 above) |
| 18. Early Redemption Amount (Condition 6(c)): | The Final Redemption Amount as determined in accordance with Term 17 above plus accrued interest, payable in USD |

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

DISTRIBUTION

- | | |
|---|----------------|
| 24. (i) If syndicated, names of Managers: | Not Applicable |
| (ii) Stabilizing Manager(s) (if any): | Not Applicable |
| 25. If non-syndicated, name of Dealer: | HSBC Bank plc |

26. Total commission and concession: 1.00 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, including the information contained herein and in the Prospectus, 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: XS0791586745
29. Common Code: 079158674
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 October 4, 2011.

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