

Final Terms dated 1 October, 2012

**International Bank for Reconstruction and Development**

Issue of

**Issue of USD 4,700,000 Zero Coupon USD/INR Rate Linked Redemption Notes due 4 October 2013**

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:                                 | 10835   |
| (ii) Tranche Number:                                  | 1   |
| 3. Specified Currency or Currencies (Condition 1(d)): | United States Dollars (“ <b>USD</b> ”)  |
| 4. Aggregate Nominal Amount:                          |   |
| (i) Series:   | USD 4,700,000   |
| (ii) Tranche:   | USD 4,700,000   |
| 5. (i) Issue Price:                                   | 94.9934 per cent. of the Aggregate Nominal Amount                             |
| (ii) Net Proceeds:                                    | USD 4,459,989.80  |
| 6. Specified Denominations (Condition 1(b)):          | USD 1,000 and multiples thereof   |
| 7. Issue Date:  | 4 October, 2012   |
| 8. Maturity Date (Condition 6(a)):                    | 4 October, 2013   |
| 9. Interest Basis (Condition 5):                      | Zero Coupon<br>(further particulars specified in Term 16 below)               |
| 10. Redemption/Payment Basis (Condition 6):           | USD/INR Linked Redemption<br>(further particulars specified in Term 17 below) |
| 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. Zero Coupon Note Provisions (Condition 5(c)):	Applicable
(i) Amortization Yield (Condition 6(c)(ii)):	5.27 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. Final Redemption Amount of each Note (Condition 6):	The Final Redemption Amount per Specified Denomination will be determined by the Calculation Agent on the Rate Fixing Date as follows:
---	--

Specified Denomination *multiplied by* the Initial Rate *divided by* the Reference Rate

Where:

“**Initial Rate**”: USD/INR = 53.20.

“**INR**” means the lawful currency of the Republic of India.

“**Reference Rate**” means the USD/INR Rate on the Rate Fixing Date.

“**USD/INR Rate**” means in respect of a Rate Fixing Date, the USD/INR official reference rate, expressed as the amount of INR per one USD for settlement in two Mumbai and New York Business Days, reported by the Reserve Bank of India, which is displayed on the Reuters Page “RBIB” (or such other page or service as may replace any such page for the purposes of displaying the USD/INR official reference rate) at approximately 12:30 p.m. Mumbai time, on that Rate Fixing Date. If the Reuters Page “RBIB” no longer reports such rate or is no longer available and has not been replaced by any other page or service, the Calculation Agent shall be entitled to obtain such USD/INR official reference rate as reported by the Reserve Bank of India from any other screen or information source that it deems appropriate in good faith and in a commercially reasonable manner.

If the USD/INR Rate is not available for any reason on any Rate Fixing Date, then the Reference Rate for such Rate Fixing Date shall be determined by the Calculation Agent by requesting quotations for the mid USD/INR spot foreign exchange rate at or about 12:00 p.m. Mumbai time on the first Business Day following the Rate Fixing Date from five Reference Banks as selected by the Calculation Agent.

If five or four quotations are provided as requested, the Reference Rate will be the arithmetic mean (rounded to the nearest five decimal places, 0.000005 being rounded upwards) of the remaining three or two such quotations, as the case may be, for such rate provided by the Reference Banks, after disregarding the highest such quotation and the lowest such quotation (provided that, if two or more such quotations are the highest such quotations, then only one of such quotations shall be disregarded, and if one or more such quotations are the lowest quotations, then only one of such lowest quotations will be disregarded).

If only three or two such quotations are provided as requested, the Reference Rate shall be determined as described above except that the highest and lowest quotations will not be disregarded. If only one or no such quotations are provided as requested, or if the Calculation Agent determines in its sole discretion that no suitable Reference Banks active in the USD/INR currency or foreign exchange markets will provide quotes, the Calculation Agent shall be entitled to calculate the Reference Rate acting in good faith and in a commercially reasonable manner, having taken into account relevant market practice, by reference to such additional sources as it deems appropriate; and in such case the Calculation Agent shall notify the Bank and the Global Agent as soon as reasonably practicable that the Reference Rate is to be so determined.

**“Reference Banks”** means four major banks in the Singapore interbank market selected by the Calculation Agent.

**“Rate Fixing Date”** means the date which is five Business Days prior to the Maturity Date or the date upon which the Notes become due and payable as provided in Condition 9; *provided however*, that if such a date is an Unscheduled Holiday, the Rate Fixing Date shall be the next following Business Day. If such next following Business Day is also an Unscheduled Holiday, the USD/INR Rate shall be considered not to be available, and the Reference Rate shall 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.

**“Business Day”** means for purposes of Terms 17 and 18, a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, Mumbai, New York and Singapore.

**“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. local time in Mumbai, two

Mumbai Business Days prior to the relevant Rate Fixing Date.

**"Mumbai 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 Mumbai.

**"Mumbai 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 Mumbai and New York.

**"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 5.27 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**

- |   |  |
|---|--|
| 19. Form of Notes (Condition 1(a)):   | Registered Notes:<br><br>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)): | London, Mumbai, Singapore 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<br><br>60 Threadneedle Street<br><br>London EC2R 8AP |
| 26. Total commission and concession:                                   | 0.10 per cent. of the Aggregate Nominal Amount                                 |
| 27. Additional selling restrictions:                                   | <b>The Republic of India</b>   |

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**

- |   |                               |
|---|-------------------------------|
| 28. ISIN Code:  | XS0838958451                  |
| 29. Common Code:  | 083895845                     |
| 30. Delivery:   | Delivery against payment      |
| 31. Registrar and Transfer Agent:   | Citibank, N.A., London Branch |
| 32. Intended to be held in a manner which would allow Eurosystem eligibility: | No                            |

#### **GENERAL INFORMATION**

IBRD's most recently published Information Statement was issued on September 19, 2012.

#### **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