

Final Terms dated 4 October, 2012

International Bank for Reconstruction and Development

Issue of AUD 42,200,000 0.50 per cent. Deep Discount Notes due 24 October 2022

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:	10839
	(ii) Tranche Number:	1
3.	Specified Currency or Currencies (Condition 1(d)):	Australian Dollars (“ AUD ”)
4.	Aggregate Nominal Amount:	
	(i) Series:	AUD 42,200,000
	(ii) Tranche:	AUD 42,200,000
5.	Issue Price:	74.45 per cent of the Aggregate Nominal Amount
6.	Specified Denominations (Condition 1(b)):	AUD 1,000
7.	Issue Date:	23 October 2012
8.	Maturity Date (Condition 6(a)):	24 October 2022
9.	Interest Basis (Condition 5):	0.50 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:	None
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 |
| (i) Rate of Interest: | 0.50 per cent. per annum payable semi-annually in arrear |
| (ii) Interest Payment Date(s): | 24 April and 24 October in each year, from and including 24 April 2013 to and including the Maturity Date |
| (iii) Fixed Coupon Amount(s): | AUD 2.50 per Specified Denomination |
| (iv) Broken Amount(s): | AUD 2.52 per Specified Denomination payable on 24 April 2013 |
| (v) Day Count Fraction
(Condition 5(l)): | 30/360 |
| (vi) Other terms relating to the
method of calculating interest
for Fixed Rate Notes: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 17. Final Redemption Amount of each
Note (Condition 6): | AUD 1,000 per Specified Denomination |
| 18. Early Redemption Amount
(Condition 6(c)): | <p>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 as defined in Condition 6(c), where the Amortization Yield is 3.150265 per cent., compounded on a semi-annual basis, plus any accrued but unpaid interest thereon.</p> <p>If, upon the presentation of such a Note on or after (1) the due date for redemption under Condition 9 (the "Early Redemption Date"), or (2) the Maturity Date, as the case may be, payment of principal is improperly withheld or refused, interest shall accrue (in the manner provided in Condition 5) thereon from the Early Redemption Date or the Maturity Date to the date on which payment is made at a rate per annum (expressed as a percentage) equal to the Amortization Yield plus the Fixed Interest Rate.</p> |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 19. Form of Notes (Condition 1(a)): | <p>Bearer Notes:</p> <p>Temporary Global Note exchangeable for a Permanent Global Note on the Exchange Date</p> <p>Exchange Date in respect of Temporary Global Note: 3 December 2012</p> |
| 20. New Global Note: | No |

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| 21. Financial Centre(s) or other special provisions relating to payment dates (Condition 7(h)): | London, New York and Sydney |
| 22. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature) (Condition 7(g)): | No |
| 23. Unmatured Coupons to become void (Condition 7(f)): | No |
| 24. Governing law (Condition 14): | English |
| 25. Other final terms: | Not Applicable |

DISTRIBUTION

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| 26. (i) If syndicated, names of Managers and underwriting commitments: | Not Applicable |
| (ii) Stabilizing Manager(s) (if any): | Not Applicable |
| 27. If non-syndicated, name of Dealer: | Daiwa Capital Markets Europe Limited |
| 28. Total commission and concession: | 1.30 per cent. of the Aggregate Nominal Amount |
| 29. Additional selling restrictions: | Not Applicable |

OPERATIONAL INFORMATION

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| 30. ISIN Code: | XS0840332869 |
| 31. Common Code: | 084033286 |
| 32. Delivery: | Delivery against payment |
| 33. Intended to be held in a manner which would allow Eurosystem eligibility: | No |

GENERAL INFORMATION

IBRD's most recent Information Statement was issued on 19 September 2012.

Special Account

An amount equal to the net proceeds of the issue of the Notes will be credited to a special account that will support IBRD's lending for Eligible Projects. So long as the Notes are outstanding and the special account has a positive balance, at the end of every fiscal quarter, funds will be deducted from the special account and added to IBRD's lending pool in an amount equal to all disbursements from that pool made during such quarter in respect of Eligible Projects.

Eligible Projects

“Eligible Projects” means all projects funded, in whole or in part, by IBRD that promote the transition to low-carbon and climate resilient growth in the recipient country, as determined by IBRD. Eligible Projects may include projects that target (a) mitigation of climate change, including investments in low-carbon and clean technology programs, such as energy efficiency and renewable energy programs and projects (“Mitigation Projects”) or (b) adaptation to climate change, including investments in climate-resilient growth (“Adaptation Projects”).

Examples of Mitigation Projects include, without limitation:

- Rehabilitation of power plants and transmission facilities to reduce greenhouse gas emissions
- Solar and wind installations
- Funding for new technologies that permit significant reductions in GHG emissions
- Greater efficiency in transportation, including fuel switching and mass transport
- Waste management (methane emission) and construction of energy-efficient buildings
- Carbon reduction through reforestation and avoided deforestation

Examples of Adaptation Projects include, without limitation:

- Protection against flooding (including reforestation and watershed management)
- Food security improvement and stress-resilient agricultural systems which slow down deforestation
- Sustainable forest management and avoided deforestation

The above examples of Mitigation Projects and Adaptation Projects are for illustrative purposes only and no assurance can be provided that disbursements for projects with these specific characteristics will be made by IBRD during the term of the Notes.

RESPONSIBILITY

IBRD accepts responsibility for the information contained in these Final Terms.

Signed on behalf of IBRD:

By
Name:
Title:
Duly authorised

**International Bank for Reconstruction
and Development**

1818 H Street, N.W.
Washington, D. C. 20433 U.S.A.

(202) 473-1000
Cable Address: INTBAFRAD

October 4, 2012

Citibank, N.A., London Branch
21st Floor, Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
England
Attention: Agency & Trust

International Bank for Reconstruction and Development

AUD 42,200,000 0.50 per cent. Deep Discount Notes due October 24, 2022
(the "Notes")
Series 10839
issued pursuant to a
Global Debt Issuance Facility (the "Facility")

Ladies and Gentlemen:

We hereby advise you of the captioned issuance of Notes under the Facility and confirm to you the terms and conditions of the Notes as set out in detail in the Final Terms attached hereto. We authorize and direct you, as Global Agent under the Amended and Restated Global Agency Agreement dated as of May 28, 2008, to prepare and authenticate the Temporary Global Note and Permanent Global Note in respect of the Notes. We request you then to hold the Temporary Global Note and the Permanent Global Note in safe custody for our account until such time as you have confirmed the receipt on our behalf of the full amount of the net subscription moneys for the Notes, namely AUD 30,869,300, from Daiwa Capital Markets Europe Limited for value October 23, 2012. We direct you thereafter (i) to pay the net subscription moneys on our behalf to HSBC Bank Australia Limited for the account of International Bank for Reconstruction and Development, account no. 011-796208-041 (Swift code: HKBAAU2SXXX) and (ii) to hold the Temporary Global Note on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**"), and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") for the accounts of the subscribers of the Notes until such time as it is exchanged for the Permanent Global Note in accordance with the terms thereof.

We direct you thereafter to hold the Permanent Global Note on behalf of Euroclear and Clearstream, Luxembourg for the account of the beneficial owners of the Notes. Please advise us when you have fulfilled these instructions.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By:
Name:
Title:

