

## Final Terms dated 26 March 2014

### International Bank for Reconstruction and Development

Issue of NGN 6,500,000,000 14.00 per cent. NGN/USD FX Linked Notes due 31 March 2015 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 (“ <b>IBRD</b> ”)  |
| 2. (i) Series Number:                                 | 11056  |
| (ii) Tranche Number:                                  | 1  |
| 3. Specified Currency or Currencies (Condition 1(d)): | Nigerian Naira (“ <b>NGN</b> ”) provided that all payments in respect of the Notes will be made in United States Dollars (“ <b>USD</b> ”). |
| 4. Aggregate Nominal Amount:                          |  |
| (i) Series:   | NGN 6,500,000,000  |
| (ii) Tranche:   | NGN 6,500,000,000  |
| 5. (i) Issue Price:                                   | 100.00 per cent. of the Aggregate Nominal Amount.  |
| (ii) Net Proceeds                                     | USD 39,417,828.99 (equivalent to NGN 6,500,000,000 converted into USD at the initial exchange rate of NGN 164.90 per USD 1.00)             |
| 6. Specified Denominations (Condition 1(b)):          | NGN 1,000,000  |
| 7. Issue Date:  | 31 March 2014  |
| 8. Maturity Date (Condition 6(a)):                    | 31 March 2015 (the “ <b>Scheduled Maturity Date</b> ”) as may be postponed subject to the Disruption Provisions set out in Terms 19 and 20 |
| 9. Interest Basis (Condition 5):                      | 14.00 per cent. Fixed Rate<br>(further particulars specified below in Term 16)   |
| 10. Redemption/Payment Basis (Condition 6):           | FX Linked Redemption as set out in Term 17   |
| 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)):
- (i) Rate of Interest: 14.00 per cent.
  - (ii) Interest Payment Dates: The Scheduled Maturity Date (the “**Scheduled Interest Payment Date**”), subject to postponement as provided in Terms 19 and 20, with no additional interest amount or other amount payable in relation to such postponement.
  - (iii) Fixed Coupon Amount: NGN 140,000 per Specified Denomination to be paid on the Interest Payment Date in USD, and calculated by the Calculation Agent on the Rate Fixing Date as follows:  
140,000 *divided by* NGN/USD Exchange Rate (as defined below in Term 20).
  - (iv) Broken Amount(s): Not Applicable
  - (v) Day Count Fraction: Actual/Actual (ICMA)
  - (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: See Term 19 (Disruption Provisions) and Term 20 (Additional Definitions) below.

#### PROVISIONS RELATING TO REDEMPTION

17. Final Redemption Amount of each Note (Condition 6):

In cases where the Final Redemption Amount is Index Linked or other variable-linked:

- (i) Index/Formula/variable  
The Final Redemption Amount per Specified Denomination will be payable in USD and calculated by the Calculation Agent on the Rate Fixing Date as follows:  
Specified Denomination *divided by* NGN/USD Exchange Rate per Denomination (as defined below in Term 20).
- (ii) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: See Term 19 below
- (iii) Payment Date: The Scheduled Maturity Date (as defined in Term 8) subject to postponement in accordance with Terms 19 and 20 with no additional amounts payable in relation to such postponement.

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

The Final Redemption Amount payable in USD as determined in accordance with Term 17 above (plus accrued interest to, but excluding, the date of early redemption).

#### DISRUPTION PROVISIONS AND ADDITIONAL DEFINITIONS

19. Disruption Provisions:

- (a) In the event (i) the Scheduled Rate Fixing Date becomes subject to the Following Business Day Convention after the occurrence of an Unscheduled Holiday or (ii) Rate Fixing Postponement applies, the relevant Scheduled

Interest Payment Date, Scheduled Maturity Date or Early Redemption Payment Date, as applicable, shall be postponed by each day for which the relevant Scheduled Rate Fixing Date is so postponed.

- (b) In the event (i) the Scheduled Rate Fixing Date becomes subject to the Following Business Day Convention after the occurrence of an Unscheduled Holiday or (ii) Rate Fixing Postponement applies, and if the Rate Fixing Date has not occurred on or before the 14th consecutive calendar day after the Scheduled Rate Fixing Date (any such period being a “**Deferral Period**”) then:
  - (i) the next day after the Deferral Period that would have been a Business Day but for the Unscheduled Holiday, or the next day after the Deferral Period that is a Business Day in the event of a continuing Disruption Event, shall be deemed to be the Rate Fixing Date (the “**Postponed Rate Fixing Date**”); and
  - (ii) the Calculation Agent shall be entitled to determine the NGN/USD Exchange Rate on such Postponed Rate Fixing Date, acting in good faith and in a commercially reasonable manner, having taken into account all available information that it deems relevant.
  - (iii) For the avoidance of doubt, no additional interest or other additional amounts shall be payable by IBRD in the event that the relevant Scheduled Interest Payment Date or Scheduled Maturity Date or Early Redemption Payment Date, as applicable, is postponed in accordance with this Term 19.
- (c) Notwithstanding anything herein to the contrary, in no event shall the total number of consecutive calendar days during which either (i) the Rating Fixing Date is postponed due to an Unscheduled Holiday or (ii) a Rate Fixing Postponement shall occur (or any combination of (i) and (ii)), exceed 14 consecutive days in the aggregate. Accordingly, (x) if, upon the lapse of any such 14 day period, an Unscheduled Holiday shall have occurred or be continuing on the day following such period, then such day shall be deemed to be a Rate Fixing Date and (y) if, upon the lapse of any such 14 day period, a Disruption Event shall have occurred or be continuing on the day following such period, then Rate Fixing Postponement shall not apply and in each case, the NGN/USD Exchange Rate shall be determined in accordance with Term 19(b)(ii) above.
- (d) If an event or a circumstance which would

otherwise constitute or give rise to an Inconvertibility Event also constitutes a Price Source Disruption, it will be treated as a Price Source Disruption and not an Inconvertibility Event.

(e) The Calculation Agent shall, in each case, as soon as reasonably practicable, give notice to the Noteholders in accordance with Condition 12 and to the Paying Agent, IBRD and the Clearing Systems of:

(i) the occurrence of any Unscheduled Holiday or Disruption Event;

(ii) the date on which an Unscheduled Holiday or a Disruption Event ceases to exist and the Postponed Rate Fixing Date (if any); and/or

(iii) the fact that the NGN/USD Exchange Rate is to be determined by the Calculation Agent in accordance with Term 19 (b)(ii) above. Copies of all quotes obtained by the Calculation Agent will be provided by the Calculation Agent to the Issuer upon request. For the avoidance of doubt, the NGN/USD Exchange Rate may be such that the resulting USD amount is zero and in such event no USD amount will be payable. For the avoidance of doubt, the resulting amount cannot in any circumstances be less than zero, as applicable.

## 20. Additional Definitions

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

**“Calculation Agent”** means J. P. Morgan Chase Bank, N.A., London.

**“Clearing Systems”** means Euroclear Bank S.A./N.V., Clearstream Banking, *société anonyme* and any successor or alternative clearing system(s) as may be appointed by the Issuer from time to time in relation to the Notes.

**“Deferral Period”**: has the meaning given to it in Term 19 above.

**“Disruption Event”** means each and any of a Price Source Disruption, an Inconvertibility Event and a Market Disruption Event.

**“Early Redemption Payment Date”** means, in relation to redemption of a Note pursuant to Condition 9, the day on which the Note becomes due and payable in accordance with the terms of such Condition 9.

**“EMTA NGN Indicative Survey Rate”** means the NGN/USD exchange rate for USD expressed as the amount of NGN per one USD, for settlement in two Lagos and New York Business Days, as published on

EMTA's website ([www.emta.org](http://www.emta.org)) at or around 12:00 p.m., Lagos time, or as soon thereafter as practicable, on such Rate Fixing Date. The rate shall be calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA NGN Indicative Survey Rate Methodology (which means a methodology dated as of 27 December 2010, as amended from time to time, for a centralized industry-wide survey of financial institutions that are active participants in NGN/USD markets for the purpose of determining the EMTA NGN Indicative Survey Rate).

**"Inconvertibility Event"** means in the sole and absolute determination of the Calculation Agent any action, event or circumstance whatsoever which from a legal or practical perspective:

- (i) has the direct or indirect effect of hindering, limiting or restricting (1) the convertibility of NGN into USD through customary legal channels or (2) the transfer of NGN (x) from Nigeria to any other country or (y) between accounts in Nigeria or to a party that is a non-resident of Nigeria (including, without limitation, any delay, increased costs, discriminatory rates of exchange or current or future restrictions on the conversion of NGN into USD or transferability of NGN outside Nigeria or to non-residents of Nigeria); and/or
- (ii) results in the unavailability of NGN in the interbank foreign exchange market in accordance with normal commercial practice.

**"Lagos Business Day"** means a day (other than a Saturday or Sunday) on which the banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in Lagos.

**"Lagos and New York Business Days"** means a day (other than a Saturday or Sunday) on which the banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in Lagos and in New York.

**"Market Disruption Event"** means any event, other than an Inconvertibility Event, and a Price Source Disruption, as a result of which the Calculation Agent is unable to determine any amount falling to be determined by it in respect of the Notes, which event shall include, without limitation:

- (i) a natural or man-made disaster, armed conflict, act of terrorism, riot, labour disruption or any other circumstance beyond its control; or
- (ii) the enactment, promulgation, execution, ratification or adoption of, or any change in or amendment to, any rule, law, regulation or statute (or in the applicability or official interpretation of any rule, law, regulation or statute) or the issuance of any order or decree,

and in each case, which affects the ability of market

participants to enter into, maintain, unwind or dispose of any transaction(s) or asset(s) that are used in the market to hedge the currency risk arising from the exchange rate movements between NGN and USD.

**“NGN/USD Exchange Rate”** means the exchange rate (expressed as the amount of NGN per one USD) determined by the Calculation Agent on the relevant Rate Fixing Date by reference to the ASK side of the “NGN FMDA Rate” or, in the event the “NGN FMDA Rate” is not available on the relevant Rate Fixing Date, by reference to the applicable “EMTA NGN Indicative Survey Rate”, and, if applicable, in the event of an Unscheduled Holiday or a Disruption Event, in accordance with the provisions of Term 19(b)(ii) above.

**“NGN FMDA Rate”** means, in respect of a Rate Fixing Date, the NGN/USD exchange rate expressed as the amount of NGN per one USD for settlement in two Lagos and New York business days as reported by the Financial Market Dealers Association of Nigeria, which is published at [www.fmda.com.ng](http://www.fmda.com.ng) (and which may appear at Thomson Reuters Screen NIFEX01) not later than 10:00 am Lagos time on the first Business Day following the Rate Fixing Date. For the avoidance of doubt, if there is any discrepancy between the rate published at [www.fmda.com.ng](http://www.fmda.com.ng) and Thomson Reuters Screen NIFEX01, the rate published at [www.fmda.com.ng](http://www.fmda.com.ng) shall prevail.

**“Postponed Rate Fixing Date”** has the meaning given to it in Term 19 above.

**“Price Source Disruption”** means, in respect of a Rating Fixing Date, it becomes impossible to obtain both the NGN FMDA Rate and the EMTA NGN Indicative Survey Rate on such date.

**“Rate Fixing Date”** means the day that is five (5) Business Days prior to the relevant Interest Payment Date or Maturity Date or Early Redemption Payment Date, as applicable (**“Scheduled Rate Fixing Date”**), provided that the Scheduled Rate Fixing Date in question shall be adjusted in accordance with (i) the Following Business Day Convention (subject to the Disruption Provisions set forth above) in the event of an Unscheduled Holiday and/or (ii) Rate Fixing Postponement in the event of a Disruption Event.

**“Rate Fixing Postponement”** means, for the purposes of obtaining the NGN/USD Exchange Rate in the event of a Disruption Event, that the NGN/USD Exchange Rate will be determined on the Business Day first succeeding the day on which the Disruption Event ceases to exist.

**“Unscheduled Holiday”** means a day that is not a Lagos 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. Lagos time two Lagos

Business Days prior to the Scheduled Rate Fixing Date.

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

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|---|---|
| 21. Form of Notes (Condition 1(a)):   | Registered Notes<br>Global Registered Certificate available on Issue Date |
| 22. New Global Note:  | No  |
| 23. Financial Centre(s) or other special provisions relating to payment dates (Condition 7(h)): | Lagos, London and New York  |
| 24. Governing law (Condition 14):   | English   |
| 25. Other final terms:  | Not Applicable  |

#### **DISTRIBUTION**

- |  |   |
|--|---|
| 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:                                 | J.P. Morgan Securities plc  |
| 28. Total commission and concession:                                   | None  |
| 29. Additional selling restrictions:                                   | <b>Nigeria</b><br>Neither the Prospectus, these Final Terms nor the Notes has been registered with the Nigerian Securities and Exchange Commission or any other regulatory authority in Nigeria. The Notes shall not be offered for circulation, distribution, placement, sale, purchase or other transfer in the territory of Nigeria. Nothing in this document or any other documents, information or communications related to the Notes shall be interpreted as containing any offer or invitation to, or solicitation of, any such circulation, distribution, placement, sale, purchase or other transfer in the territory of Nigeria. |

#### **OPERATIONAL INFORMATION**

- |   |                               |
|---|-------------------------------|
| 30. ISIN Code:  | XS1050202875                  |
| 31. Common Code:  | 105020287                     |
| 32. Delivery:   | Delivery against payment      |
| 33. Registrar and Transfer Agent (if any):                                    | Citibank, N.A., London Branch |
| 34. Intended to be held in a manner which would allow Eurosystem eligibility: | No                            |

#### **GENERAL INFORMATION**

IBRD's most recent Information Statement was issued on 18 September 2013.

#### **SUPPLEMENTAL PROSPECTUS INFORMATION**

The Prospectus is hereby supplemented with the following information, which shall be deemed to be incorporated in, and to form part of, the Prospectus.

The Executive Directors of IBRD approved two Management proposals on February 11, 2014.

The Executive Directors approved a package of measures designed to enhance IBRD's financial capacity to meet borrowing country needs, comprised of the following four elements:

- IBRD's target minimum equity-to-loans ratio was revised from 23 per cent. to 20 per cent., reflecting improvement in IBRD's portfolio credit quality since the previous target was adopted in 2008; as of December 31, 2013, IBRD's equity-to-loans ratio was 25.8 per cent.;
- IBRD's Single Borrower Limit (SBL) was increased to \$20 billion for India and \$19 billion for other SBL-eligible borrowing countries, with a surcharge of 50 basis points per annum on loan balances in excess of the previous SBL (\$17.5 billion for India and \$16.5 billion for other SBL-eligible borrowing countries) in order to help support the increase in the SBL;
- Commitment fees of 25 basis points per annum on undisbursed balances on IBRD loans will be restored, effective July 1, 2014; and
- The maximum maturity for most IBRD loans and guarantees will be extended from the current limits of 30 years final/18 years average to 35 years final/20 years average, with the application of a revised maturity premium schedule, effective July 1, 2014; the maturity premium charges will increase, with the starting point for these charges starting at 8 years average maturity rather than the prior level of 12 years average maturity.

The Executive Directors also approved a new Equity Management Framework (EMF), which shares the same objective as the equity duration extension strategy approved in 2007 - namely, to reduce the sensitivity of IBRD's equity income to fluctuations in short-term interest rates. The EMF provides more flexibility to manage equity income. In particular, the EMF allows for the possibility of shortening the duration of IBRD's equity, when warranted by market and macroeconomic conditions, whereas the equity duration extension strategy required that duration be maintained within a range of 4 to 5 years. The EMF also provides for a wider variety of tools and strategies for managing equity income than the equity duration extension strategy. The Executive Directors approved Management's recommendation to maintain a short duration for equity in the short-term, with the authority to enter into other approved strategies or combinations thereof as market conditions warrant.

## **CONFLICT OF INTEREST**

JPMorgan Chase Bank, N.A., the parent company of J.P. Morgan Securities plc. will be calculation agent under the Notes and will also be IBRD's counterparty in a related swap transaction entered into by IBRD in order to hedge its obligations under the Notes. The existence of such multiple roles and responsibilities for JPMorgan Chase Bank, N.A. creates possible conflicts of interest. For example, the amounts payable by JPMorgan Chase Bank, N.A. to IBRD under the related swap transaction are expected, as of the Issue Date, to be calculated on the same basis as the amounts payable by IBRD under the Notes. As a result, the determinations made by JPMorgan Chase Bank, N.A. in its discretion as Calculation Agent for the Notes may affect the amounts payable by JPMorgan Chase Bank, N.A. under the related swap transaction, and, in making such determinations, JPMorgan Chase Bank, N.A. may have economic interests adverse to those of the Noteholders. The Noteholder understands that although IBRD will enter into the related swap transaction with JPMorgan Chase Bank, N.A. as swap counterparty in order to hedge its obligations under the Notes, IBRD's rights and obligations under the related swap transaction will be independent of its rights and obligations under the Notes, and Noteholders will have no interest in the related swap transaction or any payment to which IBRD may be entitled thereunder.

## **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