

Final Terms dated 22 June 2018

International Bank for Reconstruction and Development

**Issue of CNY 54,900,000 3.55 per cent. Notes due 19 August 2023
payable in United States Dollars**

**(to be consolidated and form a single series with the existing
CNY 52,000,000 3.55 per cent. Notes due 19 August 2023 issued on 19 June 2018)**

**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.

MiFID II product governance / Retail investors, professional investors and ECPs only target markets – See Term 30 below.

SUMMARY OF THE NOTES

- | | |
|---|---|
| 1. Issuer: | International Bank for Reconstruction and Development (“ IBRD ”) |
| 2. (i) Series Number: | 100438 |
| (ii) Tranche Number: | 2 |
| 3. Specified Currency or Currencies (Condition 1(d)): | The lawful currency of the People’s Republic of China, the Chinese Renminbi (“ CNY ”), provided that all payments in respect of the Notes will be made in United States Dollars (“ USD ”) |
| 4. Aggregate Nominal Amount: | |
| (i) Series: | CNY 106,900,000 |
| (ii) Tranche: | CNY 54,900,000 |
| 5. (i) Issue Price: | 100 per cent. of the Aggregate Nominal Amount of this Tranche, plus 8 days’ accrued interest |
| (ii) Net proceeds: | USD 8,502,432.33 (equivalent to CNY 54,942,717.69 at the USD/CNY exchange rate of CNY 6.4620 per USD 1.00) |
| 6. Specified Denominations (Condition 1(b)): | CNY 100,000 |
| 7. (i) Issue Date: | 27 June 2018 |
| (ii) Interest Commencement Date (Condition 5(l)): | 19 June 2018 |
| 8. Maturity Date (Condition 6(a)): | 19 August 2023 |
| 9. Interest Basis (Condition 5): | 3.55 per cent. Fixed Rate
(further particulars specified below) |
| 10. Redemption/Payment Basis (Condition 6): | Redemption at par, payable in USD
(further particulars specified below) |
| 11. Change of Interest or | Not Applicable |

Redemption/Payment Basis:

- | | |
|--|------------------------------|
| 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: | 3.55 per cent. per annum payable annually in arrear |
| (ii) Interest Payment Date(s): | 19 August in each year, from and including 19 August 2018 to and including the Maturity Date, not subject to adjustment in accordance with a Business Day Convention |
| (iii) Interest Period Date(s): | Each Interest Payment Date |
| (iv) Business Day Convention: | Not Applicable |
| (v) Fixed Coupon Amount(s): | <p>The Fixed Coupon Amount for the relevant Interest Period shall be CNY 3,550 per Specified Denomination, payable in USD and determined by the Calculation Agent by applying the following formula on the applicable Rate Fixing Date:</p> <p style="padding-left: 40px;">CNY 3,550 <i>divided by</i> the Reference Rate (as defined in Term 19 below) on such Rate Fixing Date.</p> <p>The Calculation Agent shall notify the Issuer, the Global Agent and the Noteholders of its determination of the Fixed Coupon Amount per Specified Denomination payable in USD on the relevant Interest Payment Date as soon as practicable after such determination (but in no event later than four (4) Business Days prior to the relevant Interest Payment Date).</p> |
| (vi) Broken Amount(s): | <p>Initial Broken Amount of CNY 593.29 per Specified Denomination, payable in USD on 19 August 2018 and determined by the Calculation Agent by applying the following formula on the applicable Rate Fixing Date:</p> <p style="padding-left: 40px;">CNY 593.29 <i>divided by</i> the Reference Rate (as defined in Term 19 below) on such Rate Fixing Date.</p> <p>The Calculation Agent shall notify the Issuer, the Global Agent and the Noteholders of its determination of the Fixed Coupon Amount per Specified Denomination payable in USD on 19 August 2018 as soon as practicable after such determination (but in no event later than four (4) Business Days prior to this Interest Payment Date).</p> |
| (vii) Day Count Fraction (Condition 5(l)): | Actual/Actual (ICMA) |
| (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

17. Final Redemption Amount of each Note (Condition 6):
- The Final Redemption Amount per Specified Denomination will be payable in USD on the Maturity Date, and determined by the Calculation Agent on the Rate Fixing Date immediately prior to the Maturity Date by applying the following formula:
- $$\text{Specified Denomination} \div \text{the Reference Rate (as defined in Term 19 below)}$$
- The Calculation Agent shall notify the Issuer, the Global Agent and the Noteholders of its determination of the Final Redemption Amount per Specified Denomination payable in USD on the Maturity Date as soon as practicable after such determination (but in no event later than four (4) Business Days prior to the Maturity Date).
18. Early Redemption Amount (Condition 6(c)):
- The Final Redemption Amount per Specified Denomination as determined in accordance with Term 17 above plus accrued and unpaid interest, if any, as determined in accordance with Term 16 above, save that the Reference Rate shall be determined by the Calculation Agent on the day that is five (5) Business Days prior to the day on which the Early Redemption Amount shall be due and payable as provided in Condition 9 (an “**Early Redemption Valuation Date**”) and all the references to “Rate Fixing Date” shall be deemed to be replaced by “Early Redemption Valuation Date”.
- The Calculation Agent shall notify the Issuer, the Global Agent and the Noteholders of its determination of the Early Redemption Amount per Specified Denomination payable in USD on the day on which the Early Redemption Amount shall be due and payable as soon as practicable after such determination (but in no event later than four (4) Business Days prior to the day on which the Early Redemption Amount shall be due and payable).

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19. Additional Definitions and Disruption Provisions:
- “**Beijing Business Day**” means a day (other than a Saturday or Sunday) 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 Beijing.
- “**Business Day**” means a day (other than a Saturday or Sunday) 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 each of Beijing, London, New York and Singapore.
- “**Calculation Agent**” means Citibank N.A., London Branch, or its duly appointed successor.

“Rate Fixing Date” means the date that is five (5) Business Days prior to each Interest Period Date, the Maturity Date or the date upon which the Notes become due and payable as provided in Condition 9 (the **“Scheduled Rate Fixing Date”**); *provided, however*, that if such date is an Unscheduled Holiday, the Rate Fixing Date shall be postponed to the day immediately succeeding the Scheduled Rate Fixing Date that is a Business Day or that would have been a Business Day but for an Unscheduled Holiday shall be deemed to be the Rate Fixing Date.

“Reference Rate” means, in respect of a Rate Fixing Date, the USD/CNY official fixing rate for such Rate Fixing Date, expressed as the amount of CNY per one USD:

- (a) as authorised by the People’s Bank of China of the People’s Republic of China for reporting by the China Foreign Exchange Trade System (CFETS) (www.chinamoney.com.cn), which appears on Reuters Screen “CNY= SAEC” opposite the symbol “USDCNY=” (or any successor page) at approximately 9:15 a.m., Beijing time, on that Rate Fixing Date (“CNY SAEC” or “CNY01”); or
- (b) in the event the Reuters Screen “USDCNY=” (or any successor page) no longer reports such rate or is no longer available and has not been replaced by any other page or service, which has been obtained by the Calculation Agent from any other screen or information source that it deems appropriate in good faith and in a commercially reasonable manner on such Rate Fixing Date; or
- (c) if it becomes impossible to obtain the USD/CNY official fixing rate on the relevant Rate Fixing Date as outlined in the previous paragraphs, as reported by the Treasury Markets Association, Hong Kong (www.tma.org.hk) as its USD/CNY (HK) spot rate, which appears on Reuters Screen “CNHFIX=” (or any successor page) at approximately 11:30 a.m., Hong Kong time, on that Rate Fixing Date (“CNY CNHHK” or “CNY03”); or
- (d) if it becomes impossible to obtain the USD/CNY official fixing rate on the relevant Rate Fixing Date as outlined in the previous paragraphs, as published on the website of the Singapore Foreign Exchange Market Committee (“SFEMC”) (www.sfemc.org) at approximately 3:30 p.m., Singapore time, or as soon thereafter as practicable, on such Rate

Fixing Date. The exchange rate will be calculated by SFEMC (or a service provider SFEMC may select in its sole discretion) pursuant to the SFEMC CNY Indicative Survey Rate Methodology (which means a methodology, dated as of 1 December 2004, as amended from time to time, for a centralised industry-wide survey of financial institutions that are active participants in the USD/CNY markets for the purpose of determining the SFEMC CNY Indicative Survey Rate) (“**SFEMC CNY INDICATIVE SURVEY RATE**” or “**CNY02**”); or

- (e) if it becomes impossible to obtain the USD/CNY official fixing rate on the relevant Rate Fixing Date as outlined in the previous paragraphs, the Calculation Agent will determine the Reference Rate for the relevant Rate Fixing Date, taking into consideration all available information that in good faith it deems relevant.

If Annex A to the 1998 FX and Currency Option Definitions published by the International Swaps and Derivatives Association, Inc., the Emerging Markets Traders Association and the Foreign Exchange Committee (the “**FX Definitions**”) is amended such that CNY01, CNY02 or CNY03 is replaced by a successor price source for the USD/CNY exchange rate in such Annex A to the FX Definitions (each, a “**Successor Price Source Definition**”), the Reference Rate for the relevant Rate Fixing Date will be determined in accordance with the relevant Successor Price Source Definition without changing the order of the Reference Rate determination described above.

The Calculation Agent shall notify the Issuer as soon as reasonably practicable that the Reference Rate is to be so determined.

“**Reuters Screen**” means, when used in connection with any designated page, the display page so designated on the Reuters service, or (i) any successor display page, other published source, information vendor or provider that has been officially designated by the sponsor of the original page or source; or (ii) if the sponsor has not officially designated a successor display page, another published source, service or provider (as the case may be), the successor display page, other published source, service or provider, if any, designated by the relevant information vendor or provider (if different from the sponsor).

“**Unscheduled Holiday**” means a day that is not a Beijing 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 Beijing, two Beijing Business Days prior to the relevant Rate Fixing Date.
20. Form of Notes (Condition 1(a)): Registered Notes:
Global Registered Certificate available on Issue Date
21. New Global Note: No
22. Financial Centre(s) or other special provisions relating to payment dates (Condition 7(h)): Beijing, London, New York and Singapore
23. Governing law (Condition 14): English
24. Other final terms: The first sentence of Condition 7(a)(ii) is hereby replaced by the following: “Interest (which for the purpose of this Condition 7(a) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the calendar day before the due date for payment thereof (the “**Record Date**”).”
25. Additional risk factors **An investment in the Notes is subject to the risks described below, as well as the risks described under “Risk Factors” in the accompanying Prospectus.**
- Because the Notes are denominated in CNY but payable in USD, the Noteholders will be exposed to currency exchange rate risks with respect to such currencies. Changes in exchange rates relating to any of the currencies involved may result in a decrease in the effective yield of the Notes and, in certain circumstances, could result in a loss of all or a substantial portion of the principal of the Notes (including the Final Redemption Amount). For example, if, on any Rate Fixing Date, CNY has appreciated in value against USD, the payment in USD will be higher. Conversely, a depreciation in value of CNY against USD will have the opposite impact. Furthermore, since the Noteholders will receive payments on the Notes only on the Interest Payment Dates (including the Maturity Date), the Noteholders will not benefit from favourable changes in exchange rates at any other time during the term of the Notes.
- Exchange rate movements for a particular currency are volatile and are the result of numerous factors. A Noteholder’s net exposure will depend on the extent to which the payment currency (USD) strengthens or weakens against the denominated currency (CNY).
- In addition, the Noteholders whose financial activities are denominated principally in a currency (the “**Investor’s Currency**”) other than any of the Specified Currencies, will also be exposed to currency exchange rate risk that are not associated with a similar investment in a security denominated or paid in that Investor’s Currency. For more information, please see

“Risk Factors—Notes are subject to exchange rate and exchange control risks if the investor’s currency is different from the Specified Currency” in the accompanying Prospectus.

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: | Not Applicable |
| 29. Additional selling restrictions: | Not Applicable |
| 30. MiFID II product governance / Retail investors, professional investors and ECPs target markets: | <p>Directive 2014/65/EU (as amended, “MiFID II”) product governance / Retail investors, professional investors and eligible counterparties (“ECPs”) only target market: Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in MiFID II; and (ii) all channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.</p> <p>For the purposes of this provision, the expression “manufacturer” means the Dealer.</p> |

OPERATIONAL INFORMATION

- | | |
|---|------------------------------|
| 31. ISIN Code: | XS1839138671 |
| 32. Common Code: | 183913867 |
| 33. Delivery: | Delivery against payment |
| 34. Registrar and Transfer Agent (if any): | Citibank N.A., London Branch |
| 35. 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 2017.

USE OF PROCEEDS

Supporting sustainable development in IBRD’s member countries

The net proceeds from the sale of the Notes will be used by IBRD to finance sustainable development projects and programs in IBRD’s member countries (without being committed or earmarked for lending to, or financing of, any particular projects or programs). IBRD’s financing is made available solely to

middle-income and creditworthy lower-income member countries who are working in partnership with IBRD to eliminate extreme poverty and boost shared prosperity, so that they can achieve equitable and sustainable economic growth in their national economies and find sustainable solutions to pressing regional and global economic and environmental problems. Projects and programs supported by IBRD are designed to achieve a positive social impact and undergo a rigorous review and internal approval process aimed at safeguarding equitable and sustainable economic growth.

IBRD integrates five cross cutting themes into its lending activities helping its borrowing members create sustainable development solutions: climate change; gender; jobs; public-private partnerships; and fragility, conflict and violence.

IBRD's administrative and operating expenses are covered entirely by IBRD's various sources of revenue (net income) consisting primarily of interest margin, equity contribution and investment income (as more fully described in the Information Statement).

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 authorised