INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

Global Debt Issuance Facility

No. 1061-3

HUF 5,000,000,000 6.25 per cent. Notes due January 27, 2005
(to be consolidated and form a single series with the existing HUF 10,000,000,000
6.25 per cent. Notes issued on January 27, 2003 and
HUF 5,000,000,000 6.25 per cent. Notes issued on February 19, 2003)

TD Securities

Deutsche Bank

Banque et Caisse d'Epargne de L'Etat,
Luxembourg

KBC International Group

UBM-Unicredit Banca Mobiliare

The date of this Pricing Supplement is July 7, 2003
This document ("Pricing Supplement") is issued to give details of an issue by the International Bank for Reconstruction and Development (the "Bank") under its Global Debt Issuance Facility.

This Pricing Supplement supplements the terms and conditions in, and incorporates by reference, the Prospectus dated October 7, 1997 and all documents incorporated by reference therein (the "Prospectus"), and should be read in conjunction with the Prospectus. Unless otherwise defined in this Pricing Supplement, terms used herein have the same meaning as in the Prospectus.

**Terms and Conditions**

The following items under this heading "Terms and Conditions" are the particular terms which relate to the issue the subject of this Pricing Supplement. These are the only terms which form part of the form of Notes for such issue:

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 No.:</td>
<td>1061-3</td>
</tr>
<tr>
<td>2 Aggregate Principal Amount:</td>
<td>HUF 5,000,000,000 (to be consolidated and form a single series with the existing HUF 10,000,000,000 6.25 per cent. Notes issued on January 27, 2003 and HUF 5,000,000,000 6.25 per cent. Notes issued on February 19, 2003)</td>
</tr>
<tr>
<td>3 Issue Price:</td>
<td>99.06 per cent. of the Aggregate Principal Amount plus accrued interest for 163 days</td>
</tr>
<tr>
<td>4 Issue (Settlement) Date:</td>
<td>July 9, 2003</td>
</tr>
<tr>
<td>5 Form of Notes (Condition 1(a)):</td>
<td>Bearer Notes</td>
</tr>
<tr>
<td>6 Authorized Denomination(Condition 1(b)):</td>
<td>HUF 1,000,000 and HUF 10,000,000</td>
</tr>
<tr>
<td>7 Specified Currency (Condition 1(d)):</td>
<td>Hungarian Forint (&quot;HUF&quot;)</td>
</tr>
<tr>
<td>8 Maturity Date:</td>
<td>January 27, 2005</td>
</tr>
<tr>
<td>9 Interest Basis (Condition 5):</td>
<td>Fixed Interest Rate</td>
</tr>
<tr>
<td>10 Fixed Interest Rate (Condition 5(l))</td>
<td>6.25 per cent. per annum</td>
</tr>
<tr>
<td>(a) Interest Rate:</td>
<td></td>
</tr>
<tr>
<td>(b) Fixed Rate Interest Payment Dates:</td>
<td>January 27, 2004 and January 27, 2005</td>
</tr>
<tr>
<td>(c) Fixed Rate Day Count Fraction:</td>
<td>Act/Act-ISMA</td>
</tr>
</tbody>
</table>

Act/Act-ISMA means the number of days from and including the date on which interest begins to accrue during the relevant period to but excluding the date on which it actually falls due, divided by the number of days in the relevant period (including the first day but excluding the last).
11 Relevant Business Day: A day on which banks and foreign exchange markets are open for business in Budapest, New York and London.

12 Bank's Optional Redemption (Condition 6(e)): No

13 Redemption at the Option of the Noteholders (Condition 6(f)): No

14 Long Maturity Note (Condition 7(f)): No

15 Talons for Future Coupons to be Attached to Definitive Bearer Notes (Condition 7(h)): No

16 Prescription (Condition 8):
   (a) Principal: 10 years
   (b) Interest: 5 years

17 Early Redemption Amount (including accrued interest, if applicable) (Condition 9):
   Principal amount of the Notes plus interest accrued thereon

18 Governing Law of the Notes: English

Other Relevant Terms
1 Listing (if yes, specify Stock Exchange): Yes. Luxembourg Stock Exchange

2 Details of Clearance System approved by the Bank and the Global Agent and Euroclear System. Payment for the Notes will be on a delivery versus payment basis.

3 Syndicated: Yes

4 If Syndicated:
   (a) Lead Manager: The Toronto-Dominion Bank
   (b) Stabilizing Manager: The Toronto-Dominion Bank

5 Commissions and Concessions: 0.125 per cent. combined management and underwriting commission and 1.00 per cent. selling concession.

6 Codes:
   (a) Temporary Common Code: 17228927
   (b) Temporary ISIN: XS0172289273
   (c) Temporary WKN: 896761
(d) Common Code: 16104060  
(e) ISIN: XS0161040604  
(f) WKN: 724052

7 Identity of Dealer(s)/Manager(s): The Toronto-Dominion Bank  
Deutsche Bank AG London  
KBC Bank NV  
Banque et Caisse D'Epargne de l'Etat, Luxembourg  
Unicredit Banca Mobiliare S.p.A.

8 Provisions for Bearer Notes:  
(a) Exchange Date: Not earlier than August 18, 2003  
(b) Permanent Global Note: Yes  
(c) Definitive Bearer Notes: No

The Bank’s latest Information Statement was issued on September 17, 2002.

9 United Kingdom: Each Dealer is required to comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

10 Republic of Hungary: Each Dealer has acknowledged that no permit of the Hungarian Financial Supervisory Authority has been obtained and has represented and agreed that it has not offered, sold or delivered and that it will not offer, sell or deliver, any Notes in the Republic of Hungary other than in accordance with all applicable provisions of Act CXX of 2001 on the Capital Market.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
By:  
Authorized Officer
INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
1818 H Street, NW
Washington, D.C. 20433

GLOBAL AGENT
Citibank, N.A.
P.O. Box 18055
5 Carmelite Street
London EC4Y 0PA

LISTING AGENT
BNP Paribas Securities Services, Luxembourg Branch
23, Avenue de la Porte Neuve
L-2085 Luxembourg

SPECIAL AGENT, PAYING AGENT AND TRANSFER AGENT
BNP Paribas Luxembourg
10A Boulevard Royal
L-2093 Luxembourg

LEGAL ADVISERS TO THE MANAGERS
Linklaters
One Silk Street
London EC2Y 8HQ