Final Terms dated April 21, 2011

International Bank for Reconstruction and Development

Issue of

USD 15,000,000 Callable Step-Up Fixed Rate Notes due April 29, 2016

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 (“IBRD”)

2. (i) Series Number: 3966
   (ii) Tranche Number: 1

3. Specified Currency or Currencies (Condition 1(d)): United States Dollars (“USD”)

4. Aggregate Nominal Amount:
   (i) Series: USD 15,000,000
   (ii) Tranche: USD 15,000,000

5. Issue Price: 100 per cent. of the Aggregate Nominal Amount

6. Specified Denominations (Condition 1(b)): USD 1,000

7. Issue Date: April 29, 2011

8. Maturity Date (Condition 6(a)): April 29, 2016

9. Interest Basis (Condition 5): Step-Up 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): Call Option (further particulars specified below)

13. Status of the Notes (Condition 3): Senior Unsecured and unsubordinated

14. Listing: None

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: From and including the Issue Date, to but excluding October 29, 2013:
  2.00 per cent. per annum
From and including October 29, 2013, to but excluding October 29, 2014:
  2.50 per cent. per annum
From and including October 29, 2014, to but excluding April 29, 2015:
  3.00 per cent. per annum
From and including April 29, 2015, to but excluding October 29, 2015:
  4.00 per cent. per annum
From and including October 29, 2015, to but excluding April 29, 2016:
  6.00 per cent. per annum

(ii) Interest Payment Date(s): April 29 and October 29 in each year, from and including October 29, 2011 to and including the Maturity Date

(iii) Day Count Fraction (Condition 5(l)): 30/360

(iv) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable

PROVISIONS RELATING TO REDEMPTION
17. Call Option (Condition 6(d)): Applicable
   (i) Optional Redemption Date(s): January 29, April 29, July 29 and October 29 in each year, commencing July 29, 2011 to and including January 29, 2016.
   (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): USD 1,000 per Specified Denomination
   (iii) Notice period: Five (5) New York Business days prior to the Optional Redemption Date

18. Final Redemption Amount of each Note (Condition 6): USD 1,000 per Specified Denomination

19. Early Redemption Amount (Condition 6(c)): As set out in the Conditions

GENERAL PROVISIONS APPLICABLE TO THE NOTES
20. Form of Notes (Condition 1(a)): Fed Bookentry Notes:
    Fed Bookentry Notes available on Issue Date

21. New Global Note: No
22. Financial Centre(s) or other special provisions relating to payment dates (Condition 7(h)): New York


24. Other final terms: Not Applicable

**DISTRIBUTION**

25. (i) If syndicated, names of Managers and underwriting commitments: Not Applicable

(ii) Stabilizing Manager(s) (if any): Not Applicable

26. If non-syndicated, name of Dealer: Goldman Sachs International

27. Total commission and concession: Not Applicable

28. Additional selling restrictions: Not Applicable

**OPERATIONAL INFORMATION**

29. ISIN Code: US459058BF92

30. CUSIP: 459058BF9

31. Any clearing system(s) other than Euroclear Bank S.A./N.V., Clearstream Banking, société anonyme and The Depository Trust Company and the relevant identification number(s): Bookentry system of the Federal Reserve Banks

32. Delivery: Delivery against payment

33. Intended to be held in a manner which would allow Eurosystem eligibility: Not Applicable

**GENERAL INFORMATION**

IBRD’s most recent Information Statement was issued on September 22, 2010

**RESPONSIBILITY**

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

Signed on behalf of IBRD:

By:

Name:
Title:
Duly authorized