Final Terms dated 19 July 2010

International Bank for Reconstruction and Development

Issue of USD 10,000,000 Zero Coupon Callable Notes due 26 July 2040

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: 3906
   (ii) Tranche Number: 1
3. Specified Currency or Currencies (Condition 1(d)): United States Dollars (“USD”)
4. Aggregate Nominal Amount:
   (i) Series: USD 10,000,000
   (ii) Tranche: USD 10,000,000
5. (i) Issue Price: 100.00 per cent. of the Aggregate Nominal Amount
   (ii) Net proceeds: USD 10,000,000
6. Specified Denominations (Condition 1(b)): USD 100,000
7. Issue Date: 26 July, 2010
8. Maturity Date (Condition 6(a)): 26 July, 2040
9. Interest Basis (Condition 5): Zero Coupon (further particulars specified below in Term 16)
10. Redemption/Payment Basis (Condition 6): Each Note will be redeemed at its Optional Redemption Amount, its Early Redemption Amount or its Final Redemption Amount, as applicable
11. Change of Interest or Redemption/Payment Basis: Not Applicable
12. Call/Put Options (Condition 6): Call Option (further particulars specified below in Term 17)
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. Zero Coupon Note Provisions (Condition 5(c)):
   (i) Amortization Yield (Condition 6(c)(ii)):
   5.00 per cent. per annum
   (ii) Day Count Fraction (Condition 5(l)):
   30/360
   (iii) Any other formula/basis of determining amount payable:
   Not Applicable

PROVISIONS RELATING TO REDEMPTION

17. Call Option (Condition 6(d)):
   Applicable
   (i) Optional Redemption Date(s):
   26 July in each year, from and including 26 July 2011, to and including 26 July 2039
   (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):
   The Optional Redemption Amount per Specified Denomination for each Optional Redemption Date is set out opposite such date in the table below, expressed as a percentage of the Specified Denomination, and payable on the applicable Optional Redemption Date:

<table>
<thead>
<tr>
<th>Optional Redemption Date</th>
<th>Amount expressed as a percentage of the Specified Denomination</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 26, 2011</td>
<td>105.000000 per cent.</td>
</tr>
<tr>
<td>July 26, 2012</td>
<td>110.250000 per cent.</td>
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<tr>
<td>July 26, 2013</td>
<td>115.762500 per cent.</td>
</tr>
<tr>
<td>July 26, 2014</td>
<td>121.550625 per cent.</td>
</tr>
<tr>
<td>July 26, 2015</td>
<td>127.628156 per cent.</td>
</tr>
<tr>
<td>July 26, 2016</td>
<td>134.009564 per cent.</td>
</tr>
<tr>
<td>July 26, 2017</td>
<td>140.710042 per cent.</td>
</tr>
<tr>
<td>July 26, 2018</td>
<td>147.745544 per cent.</td>
</tr>
<tr>
<td>July 26, 2019</td>
<td>155.132822 per cent.</td>
</tr>
<tr>
<td>July 26, 2020</td>
<td>162.889463 per cent.</td>
</tr>
<tr>
<td>July 26, 2021</td>
<td>171.033936 per cent.</td>
</tr>
<tr>
<td>July 26, 2022</td>
<td>179.585633 per cent.</td>
</tr>
<tr>
<td>July 26, 2023</td>
<td>188.564914 per cent.</td>
</tr>
<tr>
<td>July 26, 2024</td>
<td>197.993160 per cent.</td>
</tr>
<tr>
<td>July 26, 2025</td>
<td>207.892818 per cent.</td>
</tr>
<tr>
<td>July 26, 2026</td>
<td>218.287459 per cent.</td>
</tr>
<tr>
<td>July 26, 2027</td>
<td>229.201832 per cent.</td>
</tr>
<tr>
<td>July 26, 2028</td>
<td>240.661923 per cent.</td>
</tr>
<tr>
<td>July 26, 2029</td>
<td>252.695020 per cent.</td>
</tr>
<tr>
<td>July 26, 2030</td>
<td>265.329771 per cent.</td>
</tr>
</tbody>
</table>
July 26, 2031 278.596259 per cent.
July 26, 2032 292.526072 per cent.
July 26, 2033 307.152376 per cent.
July 26, 2034 322.509994 per cent.
July 26, 2035 338.635494 per cent.
July 26, 2036 355.567269 per cent.
July 26, 2037 373.345632 per cent.
July 26, 2038 392.012914 per cent.
July 26, 2039 411.613560 per cent.

(iii) Notice period: Not less than five (5) London and New York Business Days prior to the relevant Optional Redemption Date

18. Final Redemption Amount of each Note (Condition 6): 432.194238 per cent. of the Aggregate Nominal Amount (which, for the avoidance of doubt, equates to USD 432,194.24 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)): 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)): London and New York

23. Governing law (Condition 14): English

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: Banco Bilbao Vizcaya Argentaria, S.A.

27. Total commission and concession: Not Applicable

28. Additional selling restrictions: Not Applicable

OPERATIONAL INFORMATION

29. ISIN Code: XS0527205677

30. Common Code: 052720567
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): Not Applicable

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: Not Applicable

GENERAL INFORMATION
IBRD’s most recent Information Statement was issued on September 28, 2009

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