Final Terms dated 13 January 2011

International Bank for Reconstruction and Development

Issue of USD 30,000,000 Zero Coupon Callable Notes due 20 January 2041 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: 3947
   (ii) Tranche Number: 1
3. Specified Currency or Currencies (Condition 1(d)): United States Dollar (“USD”)
4. Aggregate Nominal Amount:
   (i) Series: USD 30,000,000
   (ii) Tranche: USD 30,000,000
5. Issue Price: 100 per cent. of the Aggregate Nominal Amount
6. Specified Denominations (Condition 1(b)): USD 1,000,000
7. Issue Date: 20 January 2011
8. Maturity Date (Condition 6(a)): 20 January 2041
9. Interest Basis (Condition 5): Zero Coupon
   (further particulars specified in Term 16 below)
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 in Term 17 below)
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)): 5.37 per cent. on an annual basis
   (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)):
   (i) Optional Redemption Date(s): 20 January in each year from and including 20 January 2012 to and including 20 January 2040.
   (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):

<table>
<thead>
<tr>
<th>Optional Redemption Date</th>
<th>Optional Redemption Amount expressed as a percentage of the Specified Denomination</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 January 2012</td>
<td>105.370000 per cent</td>
</tr>
<tr>
<td>20 January 2013</td>
<td>111.028369 per cent</td>
</tr>
<tr>
<td>20 January 2014</td>
<td>116.990592 per cent</td>
</tr>
<tr>
<td>20 January 2015</td>
<td>123.272987 per cent</td>
</tr>
<tr>
<td>20 January 2016</td>
<td>129.892747 per cent</td>
</tr>
<tr>
<td>20 January 2017</td>
<td>136.867987 per cent</td>
</tr>
<tr>
<td>20 January 2018</td>
<td>144.217798 per cent</td>
</tr>
<tr>
<td>20 January 2019</td>
<td>151.962294 per cent</td>
</tr>
<tr>
<td>20 January 2020</td>
<td>160.122669 per cent</td>
</tr>
<tr>
<td>20 January 2021</td>
<td>168.721256 per cent</td>
</tr>
<tr>
<td>20 January 2022</td>
<td>177.781588 per cent</td>
</tr>
<tr>
<td>20 January 2023</td>
<td>187.328459 per cent</td>
</tr>
<tr>
<td>20 January 2024</td>
<td>197.387997 per cent</td>
</tr>
<tr>
<td>20 January 2025</td>
<td>207.987733 per cent</td>
</tr>
<tr>
<td>20 January 2026</td>
<td>219.156674 per cent</td>
</tr>
<tr>
<td>20 January 2027</td>
<td>230.925387 per cent</td>
</tr>
<tr>
<td>20 January 2028</td>
<td>243.326081 per cent</td>
</tr>
<tr>
<td>20 January 2029</td>
<td>256.392691 per cent</td>
</tr>
</tbody>
</table>
20 January 2030  270.160979 per cent
20 January 2031  284.668623 per cent
20 January 2032  299.955328 per cent
20 January 2033  316.062929 per cent
20 January 2034  333.035509 per cent
20 January 2035  350.919516 per cent
20 January 2036  369.763894 per cent
20 January 2037  389.620215 per cent
20 January 2038  410.542820 per cent
20 January 2039  432.588970 per cent
20 January 2040  455.818997 per cent

(iii) Notice period:
A minimum of 5 (five) London and New York Business Days prior to the relevant Optional Redemption Date.

18. Final Redemption Amount of each Note (Condition 6):
480.296478 per cent. of the Specified Denomination (which equates to USD4,802,964.78 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:
The Royal Bank of Scotland plc

27. Additional selling restrictions:
Not Applicable

OPERATIONAL INFORMATION

28. ISIN Code:
XS0577436628

29. Common Code:
057743662

30. Delivery:
Delivery against payment
31. Registrar and Transfer Agent (if any):  Citibank, N.A., London Branch

32. Intended to be held in a manner which would allow Eurosystem eligibility:  No

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

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