Final Terms dated 14 April 2011

International Bank for Reconstruction and Development

Issue of USD 20,000,000 Zero Coupon Callable Notes due 26 April 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: 3968
(ii) Tranche Number: 1

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

4. Aggregate Nominal Amount:
   (i) Series: USD 20,000,000
   (ii) Tranche: USD 20,000,000

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

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

7. Issue Date: 26 April 2011

8. Maturity Date (Condition 6(a)): 26 April 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)): 5.40 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): 26 April in each year from and including 26 April 2012 to and including 26 April 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>26 April 2012</td>
<td>105.400000 per cent.</td>
</tr>
<tr>
<td>26 April 2013</td>
<td>111.091600 per cent.</td>
</tr>
<tr>
<td>26 April 2014</td>
<td>117.090546 per cent.</td>
</tr>
<tr>
<td>26 April 2015</td>
<td>123.413436 per cent.</td>
</tr>
<tr>
<td>26 April 2016</td>
<td>130.077761 per cent.</td>
</tr>
<tr>
<td>26 April 2017</td>
<td>137.101961 per cent.</td>
</tr>
<tr>
<td>26 April 2018</td>
<td>144.505466 per cent.</td>
</tr>
<tr>
<td>26 April 2019</td>
<td>152.308762 per cent.</td>
</tr>
<tr>
<td>26 April 2020</td>
<td>160.533435 per cent.</td>
</tr>
<tr>
<td>26 April 2021</td>
<td>169.202240 per cent.</td>
</tr>
<tr>
<td>26 April 2022</td>
<td>178.339161 per cent.</td>
</tr>
<tr>
<td>26 April 2023</td>
<td>187.969476 per cent.</td>
</tr>
<tr>
<td>26 April 2024</td>
<td>198.119828 per cent.</td>
</tr>
<tr>
<td>26 April 2025</td>
<td>208.818298 per cent.</td>
</tr>
<tr>
<td>26 April 2026</td>
<td>220.094486 per cent.</td>
</tr>
<tr>
<td>26 April 2027</td>
<td>231.979589 per cent.</td>
</tr>
<tr>
<td>26 April 2028</td>
<td>244.506486 per cent.</td>
</tr>
<tr>
<td>26 April 2029</td>
<td>257.709837 per cent.</td>
</tr>
</tbody>
</table>
26 April 2030
26 April 2031
26 April 2032
26 April 2033
26 April 2034
26 April 2035
26 April 2036
26 April 2037
26 April 2038
26 April 2039
26 April 2040
271.626168 per cent.
286.293981 per cent.
301.753856 per cent.
318.048564 per cent.
335.223187 per cent.
353.325239 per cent.
372.404802 per cent.
392.514661 per cent.
413.710453 per cent.
436.050817 per cent.
459.597561 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): 484.415829 per cent. of the Specified Denomination (which equates to USD 4,844,158.29 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: XS0617530521

29. Common Code: 061753052

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