

Final Terms dated 11 January 2018

International Bank for Reconstruction and Development

**Issue of BRL75,000,000 7.50 per cent. Notes due 9 June 2021
payable in United States Dollars**

**(to be consolidated and form a single series with the existing
BRL150,000,000 7.50 per cent. Notes due 9 June 2021, issued on 9 June 2017)**

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

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|---|---|
| 1. Issuer: | International Bank for Reconstruction and Development ("IBRD") |
| 2. (i) Series Number: | 100032 |
| (ii) Tranche Number: | 2 |
| 3. Specified Currency or Currencies (Condition 1(d)): | Brazilian Real (" BRL ") being the lawful currency of the Federative Republic of Brazil, provided that all payments in respect of the Notes will be made in United States Dollars (" USD ") |
| 4. Aggregate Nominal Amount: | |
| (i) Series: | BRL225,000,000 |
| (ii) Tranche: | BRL75,000,000 |
| 5. (i) Issue Price: | 98.297 per cent. of the Aggregate Nominal Amount of this Tranche plus 222 days of accrued interest |
| (ii) Net proceeds: | BRL77,143,982.88 (equivalent to USD 23,730,038.72 at the BRL/USD exchange rate of 3.2509) |
| 6. Specified Denomination (Condition 1(b)): | BRL5,000 and integral multiples in excess thereof |
| 7. Issue Date: | 17 January 2018 |
| 8. Maturity Date (Condition 6(a)): | 9 June 2021 |
| 9. Interest Basis (Condition 5): | 7.50 per cent. Fixed Rate (further particulars specified below) |
| 10. Redemption/Payment Basis (Condition 6): | Redemption at par payable in USD |
| 11. Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12. Call/Put Options (Condition 6): | Not Applicable |
| 13. Status of the Notes (Condition 3): | Unsecured and unsubordinated |
| 14. Listing: | Luxembourg Stock Exchange |
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15. Method of distribution: Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. Fixed Rate Note Provisions (Condition 5(a)):
- (i) Rate of Interest: 7.50 per cent. per annum payable annually in arrear
 - (ii) Interest Payment Dates: 9 June in each year, from and including 9 June 2018, to and including the Maturity Date, not subject to adjustment in accordance with a Business Day Convention
 - (iii) Interest Period Date(s): Each Interest Payment Date
 - (iv) Business Day Convention: Not Applicable
 - (v) Fixed Coupon Amount: The Fixed Coupon Amount for the relevant Interest Period shall be BRL375 per Specified Denomination, payable in USD and determined by the Calculation Agent by applying the following formula on the applicable BRL Valuation Date:

BRL375 *divided by* BRL Rate (as defined in Term 17 below) on such BRL Valuation Date
 - (vi) Broken Amount(s): Not Applicable
 - (vii) Day Count Fraction (Condition 5(l)): Actual/Actual (ICMA)
 - (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: Not Applicable

PROVISIONS RELATING TO REDEMPTION

17. Final Redemption Amount of each Note (Condition 6): The Final Redemption Amount shall be BRL 5000 per Specified Denomination, payable in USD and determined by the Calculation Agent by applying the following formula on the BRL Valuation Date immediately prior to the Maturity Date:

Specified Denomination *divided by* BRL Rate (as defined below) on such BRL Valuation Date

Where:

“**BRL Rate**” means, in respect of a BRL Valuation Date, the BRL/USD exchange rate, expressed as the amount of BRL per one USD:

(a) as determined by the Calculation Agent on the relevant BRL Valuation Date by reference to the applicable BRL-PTAX Rate; or

(b) in the event that the BRL-PTAX Rate is not available on the applicable BRL Valuation Date, as determined by the Calculation Agent on the relevant BRL Valuation Date by reference to the applicable EMTA BRL Industry Survey Rate (if such rate is available); or

(c) in the event that both the BRL-PTAX Rate and the EMTA BRL Industry Survey Rate are not available on the applicable BRL Valuation Date, as determined by the Calculation Agent on the relevant BRL Valuation Date in

good faith and in a commercially reasonable manner, having taken into account relevant market practice. . It is unlikely that the EMTA BRL Industry Survey Rate will be available on the same date on which the BRL-PTAX Rate is first unavailable and, as a result, a determination by the Calculation Agent of the BRL Rate will, in such case be the only operable fallback,

Provided that:

(i) if, on the applicable BRL Valuation Date, the Calculation Agent determines that a Price Materiality has occurred on such BRL Valuation Date, the BRL Rate will be the EMTA BRL Industry Survey Rate applicable in respect of such BRL Valuation Date; and

(ii) if, on the applicable BRL Valuation Date, the Calculation Agent determines that an EMTA Failure has occurred on such BRL Valuation Date, the BRL Rate will be determined by the Calculation Agent in good faith and in a commercially reasonable manner, having taken into account relevant market practice

"BRL-PTAX Rate" (or **"BRL09"**) means, in respect of each relevant BRL Valuation Date, the closing USD/BRL offered rate for USD, expressed as the amount of BRL per one USD, as reported by the Banco Central do Brasil by approximately 1:15 p.m. São Paulo time on such BRL Valuation Date and published on Reuters Screen "BRLUSDPTAX= CBBR" page (or its successor page for the purpose of displaying such rate) or on the web site of the Central Bank of Brazil (www.bcb.gov.br; see "Cotações e boletins"), provided that the USD/BRL-PTAX Rate found on the Central Bank website shall prevail in case of conflict with the USD/BRL-PTAX Rate appearing on Reuters Screen "BRLUSDPTAX= CBBR" page.

"BRL Valuation Date" means the date that is five (5) Business Days prior to the relevant Interest Payment Date or the Maturity Date, as applicable (the **"Scheduled BRL Valuation Date"**). If such Scheduled BRL Valuation Date is an Unscheduled Holiday, or an Unscheduled Holiday occurs between such Scheduled BRL Valuation Date and the relevant Interest Payment Date, the Maturity Date or the date upon which the Notes become due and payable as provided in Condition 9, as applicable, such Scheduled BRL Valuation Date shall not be subject to any postponement or adjustment and the BRL Valuation Date shall be such Scheduled BRL Valuation Date

"Brazil Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in any of São Paulo, Rio de Janeiro or Brasília

"Business Day" means a day (other than a Saturday or Sunday) which is both (i) a Brazil Business Day and (ii) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and

foreign currency deposits) in London and New York

"Calculation Agent" means Citibank, N.A., London Branch, or its duly appointed successor

"EMTA" means the Emerging Markets Traders Association

"EMTA BRL Industry Survey Rate" (or **"BRL12"**) means the USD/BRL specified foreign exchange rate for USD expressed as the amount of BRL per USD 1.00, as published on EMTA's website (www.emta.org) at around 3:45 p.m. (São Paulo time) or as soon thereafter as practicable, on the applicable BRL Valuation Date. EMTA BRL Industry Survey Rate is calculated by EMTA (or a service provider EMTA may select in its sole discretion) pursuant to the EMTA BRL Industry Survey Methodology (which means a methodology, dated as of March 1, 2004, as amended from time to time, for a centralized industry-wide survey of financial institutions in Brazil that are active participants in the BRL/USD spot markets for the purpose of determining the EMTA BRL Industry Survey Rate)

"EMTA Failure" means, in respect of a BRL Valuation Date, that the EMTA BRL Industry Survey Rate, having been requested as prescribed by EMTA, is not available for any reason. For the avoidance of doubt, an EMTA Failure may still occur notwithstanding that the BRL-PTAX Rate is available on the applicable BRL Valuation Date

"Price Materiality" means, in respect of a BRL Valuation Date, that the EMTA BRL Industry Survey Rate is available on such date and that the BRL-PTAX Rate differs from the EMTA BRL Industry Survey Rate by more than 3 per cent.

"Unscheduled Holiday" means a day that is not a Brazil Business Day and the market was not aware of such fact (by means of a public announcement or by reference to other publicly available information) until a time later than 9:00 a.m. local time in São Paulo two Brazil Business Days prior to the relevant BRL Valuation Date

18. Early Redemption Amount
(Condition 6(c)):

The Final Redemption Amount per Specified Denomination as determined in accordance with Term 17 above plus accrued and unpaid interest, if any, as determined in accordance with Term 16, except that the BRL Rate shall be determined by the Calculation Agent on the day that is five (5) Business Days prior to the day on which the Early Redemption Amount shall be due and payable (an **"Early Redemption Valuation Date"**) and all the references to "BRL Valuation Date" shall be deemed to be replaced by "Early Redemption Valuation Date"

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 19. Form of Notes (Condition 1(a)): | Registered Notes:
Global Registered Certificate available on Issue Date |
| 20. New Global Note: | No |
| 21. Financial Centre(s) or other special provisions relating to | London, New York and Brazil (where Brazil means any of Rio de Janeiro, Brasilia or São Paulo) |
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- payment dates (Condition 7(h)):
22. Governing law (Condition 14): English
23. Other final terms: The first sentence of Condition 7(a)(ii) is hereby replaced by the following: "Interest (which for the purpose of this Condition 7(a) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the calendar day before the due date for payment thereof (the "Record Date")."
24. Other risk factors: **An investment in the Notes is subject to the risks described below, as well as the risks described under "Risk Factors" in the accompanying Prospectus.**

Because the Notes are denominated in BRL and payable in USD, the Noteholders will be exposed to currency exchange rate risks with respect to such currencies. Changes in exchange rates relating to any of the currencies involved may result in a decrease in the effective yield of the Notes and, in certain circumstances, could result in a loss of all or a substantial portion of the principal of the Notes (including the Final Redemption Amount). For example, if, on any BRL Valuation Date, BRL has appreciated in value against USD, the payment in USD will be higher. Conversely, a depreciation in value of BRL against USD will have the opposite impact. Furthermore, since the Noteholders will receive payments on the Notes only on the Interest Payment Dates (including the Maturity Date), the Noteholders will not benefit from favorable changes in exchange rates at any other time during the term of the Notes.

Exchange rate movements for a particular currency are volatile and are the result of numerous factors. A Noteholder's net exposure will depend on the extent to which the payment currency (USD) strengthens or weakens against the denominated currency (BRL).

In addition, the Noteholders whose financial activities are denominated principally in a currency (the "Investor's Currency") other than any of the Specified Currencies, will also be exposed to currency exchange rate risk that are not associated with a similar investment in a security denominated or paid in that Investor's Currency. For more information, please see "Risk Factors—Notes are subject to exchange rate and exchange control risks if the investor's currency is different from the Specified Currency" in the accompanying Prospectus.

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: Citigroup Global Markets Limited

27. Total commission and concession: Not Applicable

28. Additional selling restrictions: **Brazil**

The Notes may not be offered or sold to the public in Brazil and that accordingly, the offering of the Notes has not been submitted to the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários, the CVM) for approval. The Dealer has represented and agreed that documents relating to such offering, as well as the information contained herein and therein, may not be supplied to the public, as a public offering in Brazil or be used in connection with any offer for subscription or sale to the public in Brazil

OPERATIONAL INFORMATION

29. ISIN Code: XS1619315861

30. Common Code: 161931586

31. Delivery: Delivery against payment

32. Registrar and Transfer Agent (if any): Citibank, N.A., London Branch

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

GENERAL INFORMATION

IBRD's most recent Information Statement was issued on 19 September 2017.

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: **Huy-Long Le**

Title:

Duly authorized