

Final Terms dated October 29, 2008
International Bank for Reconstruction and Development

Issue of USD 20,000,000 Currency Exchange Rate Linked Notes due May 6, 2010
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: | 3742 |
| (ii) Tranche Number: | 1 |
| 3. Specified Currency or Currencies (Condition 1(d)): | United States Dollars (“USD”) |
| 4. Aggregate Nominal Amount: | |
| (i) Series: | USD 20,000,000 |
| (ii) Tranche: | USD 20,000,000 |
| 5. Issue Price: | 100.00 per cent. of the Aggregate Nominal Amount |
| 6. Specified Denominations (Condition 1(b)): | USD 10,000 |
| 7. Issue Date: | November 3, 2008 |
| 8. Maturity Date (Condition 6(a)): | May 6, 2010 |
| 9. Interest Basis (Condition 5): | Not Applicable |
| 10. Redemption/Payment Basis (Condition 6): | Index Linked Redemption |
| 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 |
| 15. Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO REDEMPTION

16. Final Redemption Amount of each Note (Condition 6): Applicable

In cases where the Final Redemption Amount is Index Linked or other variable-linked:

- (i) Index/Formula/variable: The Final Redemption Amount per Specified Denomination on the Maturity Date shall be:

- (a) If the EUR/USD Fixing Rate has never been at or below the Limit Rate on any Business Day from and including the Strike Date to, and including, the Final Valuation Date, the holder of the Notes will receive an amount in USD equal to:

Specified Denomination x [1 + Participation Rate x EUR/USD Put]

- (b) If the EUR/USD Fixing Rate has ever been at or below the Limit Rate on any Business Day from and including the Strike Date to, and including, the Final Valuation Date, the holder of the Notes will receive an amount in USD equal to:

Specified Denomination x 100%

where:

"EUR/USD Fixing Rate" means the Euro/U.S. dollar exchange rate, expressed as the amount of U.S. dollar per one Euro which appears on Reuters Screen ECB37 to the right of the caption "EUR" at approximately 2:15 p.m., Central European time, on a Business Day, provided that if such rate does not appear on the Reuters screen ECB37 (or such other page that may replace that page on that service or a successor service) as at approximately 2:15 p.m., Central European time on such day, then "EUR/USD Fixing Rate" (or a method for determining such rate) shall be determined by the Calculation Agent taking into consideration all available information that in good faith it deems relevant.

"Limit Rate" means 1.1173, being 87% of EUR/USD (0) (as defined below);

"Participation Rate" means 170%;;

"EUR/USD Put" shall be calculated by the Calculation Agent on the Final Valuation Date as follows:

$$\text{EUR/USD Put} = \text{Max} \left[0; \frac{\text{EUR/USD}(0) - \text{EUR/USD}(t)}{\text{EUR/USD}(0)} \right]$$

EUR/USD (t) = EUR/USD Fixing Rate on the Final Valuation Date;

EUR/USD (0) = 1.2843 = the EUR/USD Fixing Rate on the Strike Date;

"Business Day" means, as used in these Final Terms, a day on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in New-York and Paris and a day on which the TARGET system is operating;

"Strike Date" means October 22, 2008;

"Final Valuation Date" means April 29, 2010 (the "Scheduled Final Valuation Date"), provided, however, that (i) in the event of an "Unscheduled Holiday" (as defined below), adjustment shall be made in accordance with the Following Business Day Convention, and (ii) if, in the event of the occurrence of an Unscheduled Holiday, the Final Valuation Date has not occurred on or before the third consecutive day after the Scheduled Final Valuation Date (any such period being a "Deferral Period"), then the next day after the Deferral Period that is a Business Day or would have been a Business Day but for the Unscheduled Holiday, shall be deemed to be the Final Valuation Date.

"Unscheduled Holiday" means that a day is not a 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 am Central European Time two Business Days prior to the Scheduled Final Valuation Date.

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| (ii) Party responsible for calculating the Final Redemption Amount (if not Citibank N.A.): | Société Générale acting as Calculation Agent |
| (iii) Payment Date: | Maturity Date |
| (iv) Minimum Final Redemption Amount: | 100% per Specified Denomination |
| (v) Maximum Final Redemption Amount: | Not Applicable. |
| 17. Early Redemption Amount (Condition 6(c)): | The Early Redemption Amount shall be calculated in the same manner as the Final Redemption Amount but as if the date for early redemption were the Maturity Date and as if the Final Valuation Date was five Business Days before the date for early redemption. |

by the Issuer under the Notes. Therefore, the determinations made by Société Générale as calculation agent in respect of the Notes will affect the amounts payable by Société Générale under the related swap transaction, and, in making such determinations, Société Générale may have economic interests adverse to those of the holders of the Notes.

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