

Supplemental Information Statement
**International Bank for Reconstruction
and Development**



DISCOUNT NOTES

The World Bank, officially known as the International Bank for Reconstruction and Development (the Bank), intends to offer on a continuous basis notes (Discount Notes) represented by certificates, in bearer form only, or in uncertificated form (Bookentry Discount Notes) with maturities of 360 days or less at a discount and, in the case of Discount Notes in certificated form only, on an interest-bearing basis. The Discount Notes are offered through a group of dealers consisting of Barclays Capital Inc.; HSBC Securities (USA) Inc.; Goldman, Sachs & Co.; Merrill Lynch Government Securities Inc.; and UBS Warburg LLC (the Dealers). The Discount Notes may be offered in the United States and Eurodollar markets. The Dealers will not accept any customer's order for Discount Notes to be issued by the Bank for less than \$50,000 aggregate face amount per maturity date. Bookentry Discount Notes are available in denominations of \$1,000 and integral multiples thereof. Discount Notes in certificated form are available in denominations of \$1,000, \$5,000, \$25,000, \$100,000 and \$1,000,000. The maturities of Discount Notes offered by the Bank and the discount rate for various maturities will be established from time to time by the Bank. Information as to the maturities available and such discount rates (as well as the corresponding interest rates for Discount Notes to be sold on an interest-bearing basis) may be obtained from the Dealers.

Each of the Dealers has undertaken to the Bank to use its best efforts to maintain a secondary market for the Discount Notes.

The Federal Reserve Bank of New York acts as Fiscal Agent of the Bank with respect to Discount Notes pursuant to a Fiscal Agency Agreement. On original issuance, all Discount Notes will be issued through the office of the Fiscal Agent in New York. Bookentry Discount Notes will be held by Holding Institutions designated by the Dealers including JP Morgan Chase Bank N.A. and Citibank N.A. as depositaries for Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme, respectively. After original issuance, all Bookentry Discount Notes will continue to be held by such Holding Institutions unless a purchaser arranges for the transfer of its Bookentry Bonds to another Holding Institution. There will be no conversions from Bookentry Discount Notes to Discount Notes in certificated form or vice versa. Payment of the purchase price for Discount Notes and payment of Discount Notes at maturity are to be made in immediately available funds to accounts of Holding Institutions.

The Discount Notes will not be obligations of any government.

The validity and the terms and conditions of the Discount Notes will be governed by the law of the State of New York.

November 7, 2008

Bookentry System

The Federal Reserve Bank of New York will take delivery of and hold Bookentry Discount Notes as record owner and custodian, but only for other Federal Reserve Banks and Holding Institutions located in the Second Federal Reserve District. Holding Institutions located in other Federal Reserve Districts can hold Bookentry Discount Notes through their respective Federal Reserve Bank or Branch. A Holding Institution is a depository institution that has an appropriate bookentry account with a Federal Reserve Bank or Branch. Transfers of Bookentry Discount Notes between Holding Institutions can be made through the Federal Reserve Communications System.

The aggregate holdings of Bookentry Discount Notes of each Holding Institution will be reflected in the bookentry account of such Holding Institution with its Federal Reserve Bank or Branch. Each Holding Institution, and each other intermediate holder in the chain to the ultimate beneficial owner, will have the responsibility of establishing and maintaining accounts for its customers having interests in Bookentry Discount Notes. Federal Reserve Banks will be responsible only for maintaining the bookentry accounts of Holding Institutions, effecting transfers on their books and ensuring that payments from the Bank, through the Federal Reserve Bank of New York, are credited to appropriate Holding Institutions. With respect to Bookentry Discount Notes, Federal Reserve Banks will act only on the instructions of Holding Institutions for which they maintain such Bookentry Discount Notes. The Federal Reserve Banks will not record pledges of Bookentry Discount Notes.

The Bank will not impose fees in respect of Bookentry Discount Notes. However, owners of Bookentry Discount Notes may incur fees payable in respect of the maintenance and operation of the bookentry accounts in which such Bookentry Discount Notes are held.

United States Membership in the Bank

The United States became a shareholder of the Bank pursuant to an Act of Congress (Bretton Woods Agreements Act, 22 U.S.C. §§ 286 et seq.). The United States is the Bank's largest shareholder, having 16.84% of its shares and 16.38% of the total voting power at June 30, 2008. The United States is represented on the Bank's Board of Governors by the Secretary of the Treasury. The United States also selects one of the Bank's 24 Executive Directors, who is appointed by the President of the United States with the advice and consent of the Senate. The Bank is an instrumentality of its member governments including the United States Government.

Eligibility for Investment

The Discount Notes may be accepted as security for all fiduciary, trust, and public funds, the investment or deposit of which are under the authority and control of the United States or any officers thereof (31 C.F.R. § 202.6(b)). The Discount Notes are also acceptable as collateral for Treasury tax and loan accounts, subject to applicable margin adjustments (31 C.F.R. § 203.21(d)).

The Discount Notes are eligible, at the discretion of the Federal Reserve Banks, as security for advances by Federal Reserve Banks to member banks (12 U.S.C. § 347). National banks and state member banks of the Federal Reserve System may, under Federal law, deal in the Discount Notes without limitation and may hold Discount Notes for their own account subject to a limit of 10% of their unimpaired capital and surplus (12 U.S.C. § 24 (Seventh)). Surplus and reserve funds of Federal Home Loan Banks may be invested in the Discount Notes if obligations of the Bank are eligible investments for fiduciary and trust funds under the laws of the state where the Federal Home Loan Bank is located (12 U.S.C. §§ 1431(h) and 1436(a)). The Discount Notes are eligible for purchase by federally chartered savings associations in an amount not exceeding 30% of association assets (12 U.S.C. § 1464(c)(2)(D)). Under the laws of many states, the Discount Notes and other obligations of the Bank are legal investments for fiduciary and trust funds, savings banks and insurance companies.

Approval of the United States Government

As required by its Articles of Agreement, the Bank has obtained the approval of the United States Government for the raising of funds in or outside the United States through the issuance of the Discount Notes.

Status Under Securities Acts

Under the provisions of Section 15(a) of the Bretton Woods Agreements Act, as amended, the Discount Notes are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 3(a)(12) of the Securities Exchange Act of 1934, as amended.

Legal Matters

The legality of the Discount Notes has been passed upon by the Vice President and General Counsel of the Bank and by Brown & Wood, counsel for the Dealers, who, with respect to certain matters, have relied upon the opinion of the counsel of the Bank.

Use of Proceeds

The net proceeds to the Bank from the sale of Discount Notes will be used in the general operations of the Bank.

Tax Matters

The following is a summary of the provisions of the Articles affecting the taxation of Discount Notes and of certain anticipated United States Federal income, withholding and estate tax consequences resulting from the ownership of Discount Notes. This is a limited summary based upon certain generally applicable United States Federal income, withholding and estate tax laws as now in effect and as currently interpreted and does not include any description of the tax laws of any state, local or foreign government that may apply. It is not intended as tax advice to any person, and all persons considering the purchase of Discount Notes should consult their own tax counsel or other expert.

Discount Notes and the interest and original issue discount (“OID”) thereon generally will be subject to taxation, including United States Federal income and estate taxation. Under the Internal Revenue Code of 1986, as amended (the “Code”), a United States citizen or resident alien individual, as well as a United States domestic corporation, trust or estate, will be taxable on the interest and OID accrued or received with respect to Discount Notes depending on such taxpayer’s method of accounting and any special rules applicable to such taxpayer. Accrual-basis taxpayers generally will be required to include OID in income ratably over the period in which a Discount Note is held, under methods provided in the Code. For cash-basis taxpayers generally, OID will not be subject to ratable inclusion, but gain on the sale or redemption of Discount Notes will be treated as ordinary income to the extent of the OID attributable to the period during which the selling taxpayer held such Discount Notes.

The United States Treasury Department has issued to the Bank rulings dated May 4, 1988 and May 5, 1989 (the “Rulings”) regarding certain United States tax consequences under the Code of the receipt of interest on securities issued by the Bank. The Rulings provide that interest paid by the Bank on such securities, including accrued OID, constitutes income from sources outside the United States.

Under the Rulings, the Bank’s payments of interest and original issue discount ordinarily would not be subject to United States Federal income tax, if paid to a nonresident alien individual (or foreign estate or trust) or to a foreign corporation, whether or not such person is engaged in trade or business in the United States. However, absent any special statutory or treaty exception, such payments would be subject to United States Federal income tax if: (a) such payments are derived by such person in the

active conduct of a banking, financing or similar business within the United States or are received by a corporation the principal business of which is trading in stock or securities for its own account, and in either case such payments are attributable to an office or other fixed place of business of such person within the United States; or (b) such person is a foreign corporation taxable as an insurance company carrying on a United States insurance business and such payments are attributable to its United States business.

The Bank's Articles provide that the Bank's securities and interest, if any, thereon are not subject to any tax by a member (a) which tax discriminates against the securities solely because they are issued by the Bank or (b) if the sole jurisdictional basis for the tax is the place or currency in which the securities are issued, made payable or paid, or the location of any office or place of business maintained by the Bank. The imposition of United States Federal income tax in the manner described above is not inconsistent with the Bank's Articles.

Under its Articles, the Bank is not under any obligation to withhold or pay any taxes on any interest on the securities it issues. The Rulings accordingly determined that neither the Bank nor an agent appointed by it for the purpose of paying interest on securities issued by the Bank is required to withhold tax on interest paid by the Bank. Payments of interest and accrued OID on Discount Notes will be made by the Fiscal Agent without deduction in respect of any such tax.

Furthermore, neither the Bank nor, under regulations effective January 1, 2001, the Fiscal Agent is subject to the reporting requirements that are imposed by United States tax law with respect to certain payments of interest and principal and accruals of OID on debt obligations. Neither the Bank nor the Fiscal Agent is required to implement backup withholding with respect to such payments and accruals. However, the Fiscal Agent may file information returns with the Internal Revenue Service with respect to payments of interest and principal and accruals of OID within the United States to certain non-corporate United States persons as if such returns were required of it.

In addition, brokers, trustees, custodians and other intermediaries within the United States are subject to the reporting and backup withholding requirements with respect to certain payments of interest and principal and accruals of OID on Discount Notes held for the account of certain non-corporate United States persons. Foreign persons holding Discount Notes within the United States through such intermediaries may be required to establish their status in order to avoid information reporting and backup withholding of tax by such intermediaries in respect of payments and accruals on such Discount Notes.

In the case of United States Federal estate tax, the Rulings determined that, unless an applicable death tax convention with a foreign country provides otherwise, securities of the Bank are deemed to be situated outside the United States for purposes of the United States Federal estate tax and are not includable in the value of the gross estate for purposes of such tax in the case of the estate of a nonresident of the United States who is not a citizen of the United States.

Availability of Information and Incorporation by Reference

The Bank is subject to certain informational requirements of Regulation BW, promulgated by the Securities and Exchange Commission (the Commission) under Section 15(a) of the Bretton Woods Agreements Act as amended, and in accordance therewith files its regular quarterly financial statements, the annual report of the Bank to its Board of Governors and other information with the Commission.

In addition the Bank periodically files with the Commission an information statement which describes the Bank, its capital, operations, administration, Articles of Agreement, legal status and certain features of its debt securities (the "Information Statement"). Each Information Statement also includes the Bank's latest audited financial statements and its latest unaudited quarterly financial

statements, if any. The current Information Statement dated September 25, 2008 contains the Bank's audited financial statements as of June 30, 2008.

The Information Statement dated September 25, 2008 and any Information Statement and any quarterly or annual financial statements filed by the Bank pursuant to Regulation BW subsequent to September 25, 2008 and prior to the termination of the offering of Discount Notes under this Supplemental Information Statement, including the Bank's audited annual financial statements as of June 30, 2008, shall be deemed to be incorporated by reference into this Supplemental Information Statement and to be a part hereof. The Information Statement dated September 25, 2008, this Supplemental Information Statement and the Bank's audited annual financial statements as of June 30, 2008 will be filed with the Commission electronically through the EDGAR System and will be available at the Internet address: <http://www.sec.gov/edgar.shtml>. Upon request, the Bank will provide without charge copies of the Information Statement and any quarterly or annual financial statements incorporated herein by reference. Written or telephone requests should be directed to the World Bank, 1818 H Street, N.W., Washington, D.C. 20433, *Attention:* Investment Management Department, (202) 477-0881.