



World Bank Green Bonds Linked to the Solactive SPG US Low Carbon Leaders ex-Fossil Fuel Index Target Vol 5 due August 31, 2026 (the "Notes")

Indicative Levels | For Discussion Purposes Only



Prior to purchasing any Notes, you must read the disclosure materials that will set out the specific terms and certain risks of purchasing the Notes.

August, 2016

Repayment of the Notes is not linked to the credit or performance of the projects, and investors do not assume the specific project risk. See page 4 for applicable risks. Prior to purchasing any Notes, you must read the disclosure materials that will set out the specific terms for such Notes, which describe certain risks of purchasing the Notes.

Introduction

The World Bank (IBRD, Aaa/AAA)¹ is offering unsecured and unsubordinated debt securities with a return at maturity based on the performance ("Index Return") of the Solactive SPG US Low Carbon Leaders ex-Fossil Fuel Index Target Vol 5 (the "Index"). At maturity, if the Index Return is positive, the World Bank will pay you the initial investment amount plus a return equal to the Index Return multiplied by the Participation Rate. However, if the Index Return is zero or negative, the World Bank will pay only your initial investment at maturity and you will not receive a positive return on your investment. Any payment on the Notes at maturity, including the repayment of your initial investment, is subject to the creditworthiness of the World Bank. For additional information relating to the terms and conditions of the Notes, please read the Preliminary Final Terms document, August 1, 2016 (the "Preliminary Final Terms"), which has been delivered to you together with these materials, as well as the World Bank's Prospectus, dated May 28, 2008 (the "Prospectus"), attached to the Preliminary Final Terms. (See www.greengrowthbond.com for copies of the Preliminary Final Terms and World Bank Prospectus). In the event of any discrepancy between the information set forth herein, and the information in the Preliminary Final Terms and Prospectus, the contents of the Preliminary Final Terms and Prospectus shall prevail.

Summary of Indicative Terms and Conditions

Issuer: World Bank (International Bank for Reconstruction and Development or IBRD)	Premium Paid at Maturity: The premium paid at maturity, per US\$1,000 nominal amount of Notes will equal US\$1,000 <i>multiplied by</i> the Participation Rate <i>multiplied by</i> the greater of (i) the Index Return and (ii) zero.
Dealer: BNP Paribas Securities Corp. The Dealer may make sales through its affiliates or selling agents.	Participation Rate: [100-120]%, to be determined on the Trade Date
Issuance Type: Senior, unsecured and unsubordinated obligations of the Issuer.	Subscription Period: From August 1, 2016 to August 24, 2016
Index: The return on the Notes is linked to the performance of the Solactive SPG US Low Carbon Leaders ex-Fossil Fuel Index Target Vol 5. Bloomberg: <USCAFG5E>.	Issue Price: Each Note will have an Issue Price and an initial offering price of US\$1,000.
Base Index: Solactive SPG US Low Carbon Leaders ex-Fossil Fuel Index Target Vol 5 Bloomberg: <USLCXFGR>	Trade Date: August 24, 2016
Initial Index Level: The Index Closing Level on the Initial Observation Date.	Settlement Date: August 31, 2016
Final Index Level: The Index Closing Level on the Final Observation Date.	Initial Observation Date: August 24, 2016
Final Redemption Amount: The amount you will receive at maturity, for each US\$1,000 nominal amount of Notes you own, will equal US\$1,000 <i>plus</i> the Premium Paid at Maturity.	Final Observation Date: August 24, 2016
	Maturity Date: August 31, 2016
	Fees: 3.675%

¹ Moody's rating as of 02/19/2016; S&P's rating as of 05/24/2016. A credit rating (i) is subject to downward revision, suspension or withdrawal at any time by the assigning rating organization, (ii) does not take into account market risk or the performance-related risks of the investment, and (iii) is not a recommendation to buy, sell or hold securities. A credit rating relates to the ability of the issuer to pay its obligations generally. The Notes have not been, and will not be rated.

² The "Index Closing Level" on any Trading Day will equal the official closing level of the Index or any Successor Index published by Solactive AG.

Mechanism

A debt security with a 10-year maturity linked to the performance of the Solactive SPG US Low Carbon Leaders ex-Fossil Fuel Index Target Vol 5.

Calculating the Index Performance:

- The Index performance will be calculated by comparing the Final Index Level with the Initial Index Level.

Final Redemption Amount:

(i) When the level of the Index rises above the Initial Index level:

- If, on the Final Observation Date, the Index Level is equal to, or greater than, the Initial Index Level, the investor receives its initial principal plus a premium equal to the product of such initial principal, times the Index Return, times the Participation Rate.

(ii) When the level of the Index drops below the Initial Index level:

- If, on the Final Observation Date, the Index Level is lower than the Initial Index Level, the investor receives its initial principal.
- The Premium Paid at Maturity, if any, will depend on the Participation Rate, and the extent, if any, to which the Final Index Level exceeds the Initial Index Level, relative to the Initial Index Level.

Investment Scenarios

For the hypothetical scenarios below, we assume a hypothetical Participation Rate of 100% and a hypothetical Initial Index level of 123.¹

Hypothetical Final Index Level	Hypothetical Index Return ²	Hypothetical Total Return on the Notes ²
184.5	50.0%	50.0%
135.3	10.0%	10.0%
123	0.0%	0.0%
110.7	-10.0%	0.0%
61.5	-50.0%	0.0%

¹ To be determined on the Initial Observation Date

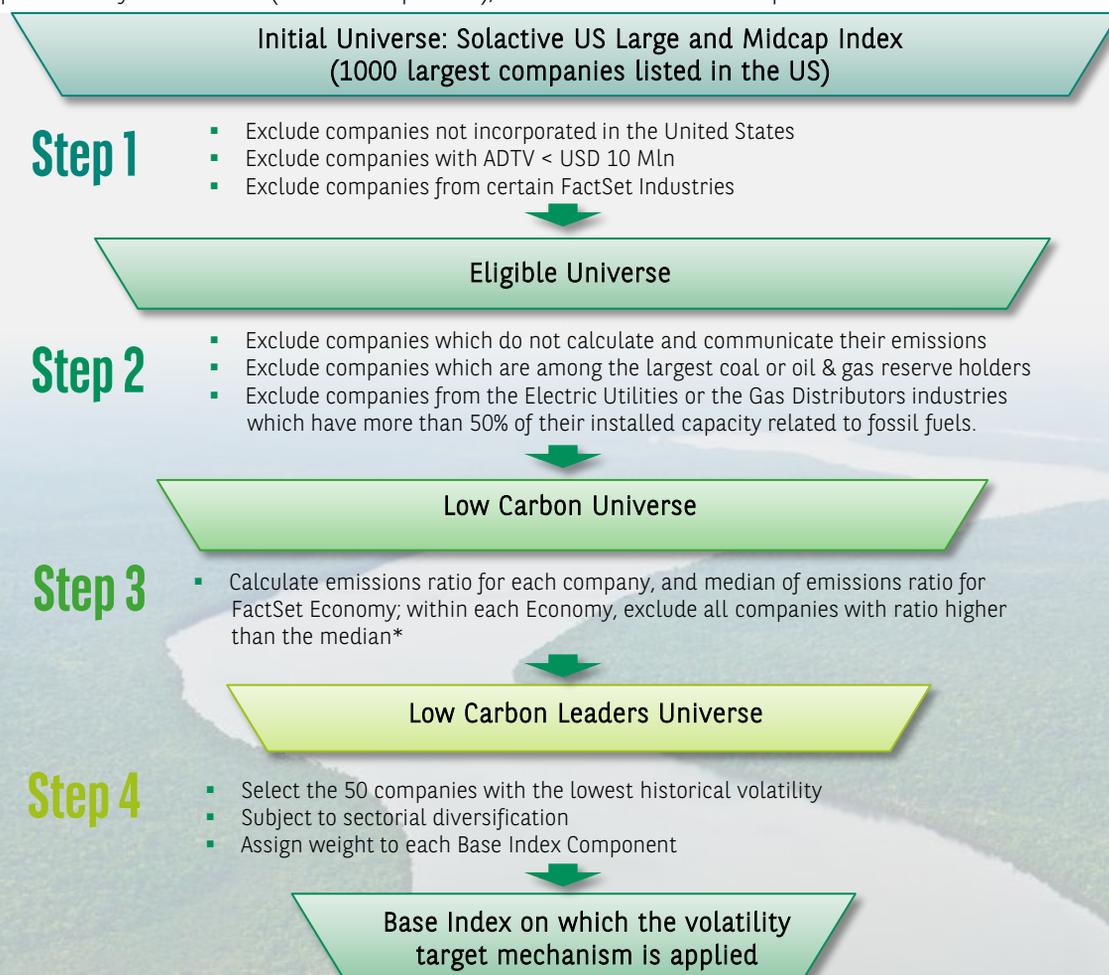
² Hypothetical Index Performance is calculated as described in Calculating the Index Performance above. Excluding fees and taxation applicable to the type of investment and except in the event of bankruptcy or default of payment by the Issuer and Guarantor

Selected Risk Considerations of the Notes

- You should reach a decision to invest in the Notes after carefully considering, with your advisors, the suitability of the Notes in light of your investment objectives and the specific information set out in the applicable Preliminary Final Terms and the Prospectus.
- An investment in the Notes is subject to the credit risk of the Issuer. If the Issuer cannot make a payment when due, you could lose up to your entire investment. The actual or perceived creditworthiness of the Issuer may affect the market value of the Notes.
- The Notes do not pay interest. You may receive less at maturity than you could have earned on ordinary interest bearing-debt securities. If the final Index level has not increased or has declined, as compared to the initial level, on the Final Observation Date, you will only receive the principal amount at maturity, subject to the credit risk of the Issuer.
- The Index does not necessarily include securities that have experienced price increases in the past. No assurance can be given that the stock selection criteria for the Index will result in any Premium Paid at Maturity or that the Index will perform well or outperform any alternative investment that might be constructed from the Index Components.
- The yield that you will receive on your Notes may be less than the return you could earn on other investments of comparable maturity.
- As a holder of the Notes, you will not be entitled to receive any dividend payments or other distributions on the Index Components, nor will you have voting rights or any other rights that holders of the Index Components may have.
- Investing in the Notes is not the same as investing in the securities comprising the Index.
- Many economic and market factors will impact the value of the Notes in addition to the performance of the Index. The value of the Notes may be less than the issue price or the amount expected at maturity. Investors must hold the Notes to maturity to receive the Final Redemption Amount from the Issuer.
- The policies of the Index Sponsor and changes that affect the Index or the Index Components, including the discontinuation of the Index, could affect the amount payable on the Notes, and their market value.
- The Index has limited actual historical information. Historical levels of the Index should not be taken as an indication of the future levels of the Index during the term of the Notes.
- The strategy underlying the Index may not be successful.
- Hedging transactions may affect the return on, and market value of the Notes
 - The Index components may be highly concentrated in one or more countries or regions, industries or economic sectors.
 - The Notes will not be listed on any securities exchange and may not have an active trading market. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Notes.
 - The Notes will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state.
 - The Index's volatility control mechanism may result in a lower Index Level and the actual volatility of the Index may not equal the target volatility. The built-in volatility control mechanism allows the Index to dynamically adjust the exposure to the Base Index and cash component, depending on the volatility environment. However, the volatility control mechanism might limit overall performance of the Index in rising equity markets and may provide imperfect, limited protection in falling equity markets, particularly against sudden, large equity losses. No assurance can be given that the Index methodology will achieve its target volatility goals or that the Index will outperform any alternative investment.

The Solactive SPG US Low Carbon Leaders ex-Fossil Fuel Index Target Vol 5 tracks the price movements in shares of a maximum of 50 companies that pass several corporate social responsibility (“CSR”) screens by Factset and Southpole, as well as meet certain criteria including dividend yield, liquidity and, in some cases, historical volatility.

The Index tracks the return of a portfolio consisting of (i) an exposure to the Base Index and (ii) a cash component that earns interest at 3-month USD LIBOR, less (iii) a borrowing cost accrued. The Index has a built-in volatility control mechanism which adjusts the exposure to the Base Index on a daily basis with the aim of maintaining a target volatility of 5%. During periods of low volatility, the Index may be exposed up to 150% in the Base Index. If the volatility level of the Base Index reaches a threshold that is above the target volatility of 5%, the exposure of the Index to the Base Index is reduced to as low as 0% and the hypothetical cash component is increased to maintain the target volatility. The Index is calculated, maintained and published by Solactive AG (the “Index Sponsor”), and is constructed in 4 steps:



Sources: Factset, South Pole Group, Solactive 2016

*The ratio is calculated by SPG as Eco2 / revenue and provides a measure of a company's footprint relative to its size.

All of the information contained in this brochure regarding Index, including, without limitation, its make-up, method of calculation and changes in its components as well as any information regarding the Solactive SPG US Low Carbon Leaders ex-Fossil Fuel Index, is derived entirely from, and solely based on, publicly available information prepared by Solactive and South Pole Group, as of the date of this brochure without independent verification and is for informational purposes only. **Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer as to the accuracy, completeness and timeliness of information concerning the Index.**

The World Bank aims to reduce poverty in middle-income countries and creditworthy poorer countries by promoting sustainable development through:

- Loans
- Guarantees
- Risk management products
- Analytical and advisory services¹

Financing & Risk Management

- The World Bank raises most of its funds on the world's financial markets and has become one of the most established borrowers since issuing its first bond in 1947. The income that it has generated over the years has allowed it to fund development activities and to ensure its financial strength.

World Bank Green Bonds

- In 2008, the World Bank launched the "Strategic Framework for Development and Climate Change" to help stimulate and coordinate public and private sector activity to combat climate change. World Bank Green Bonds are an example of the kind of innovation it is trying to encourage within this framework.²

Notes linked to the Solactive SPG US Low Carbon Leaders ex-Fossil Fuel Index Target Vol 5

- The proceeds from the issuance of the Notes linked to the Solactive SPG US Low Carbon Leaders ex-Fossil Fuel Index Target Vol 5 are credited to a separate account that is used to support the World Bank's lending to eligible green projects.
- Eligible projects promote the transition to low-carbon and carbon resilient growth in client countries. The projects may target (a) mitigation of climate change including in low-carbon and clean technology programs such as energy efficiency and renewable energy, or (b) adaptation to climate change, including investments in climate-resilient growth.
- The World Bank's green bond website includes examples of eligible projects. [Project examples are also provided in this brochure for illustrative purposes only.](#) These projects may not receive funding from the sale of the Notes.
- The payments made on the Notes are linked to the Index Return, and not linked to the implementation or success of any project.

Focus on World Bank Green Bonds

- **First issuance:** 2008
- Large size issue, diverse investor base geographically and across investor types, multiple clearing systems
- Transparent project reporting: the supervision process includes reports from implementing government agencies on project activities. The projects' progress, outcomes and impacts are monitored by the World Bank throughout implementation. Key impact indicators of the Green Bond Projects are summarized on the World Bank's Green Bond website.⁴

¹ The information above is available from the World Bank's website or derived from publicly available sources.

² World Bank: <http://treasury.worldbank.org/cmd/htm/WorldBankGreenBonds.html>

³ Moody's rating as of 02/19/2016; S&P's rating as of 05/24/2016. A credit rating (i) is subject to downward revision, suspension or withdrawal at any time by the assigning rating organization, (ii) does not take into account market risk or the performance-related risks of the investment, and (iii) is not a recommendation to buy, sell or hold securities. A credit rating relates to the ability of the issuer to pay its obligations generally. The Notes have not been and will not be rated

⁴ <http://treasury.worldbank.org/cmd/htm/MoreGreenProjects.html>

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Notes or passed upon the adequacy or accuracy of this document or the Preliminary Final Terms.

Use of Proceeds

- Like all World Bank projects, green projects are designed to support sustainable development focusing on poverty reduction and inclusive growth. Green Bond eligible projects are a subset that focus on climate change issues that directly impact developing countries and address the global climate challenge.
- Eligible projects promote the transition to low-carbon and carbon resilient growth in client countries targeting climate change mitigation or adaptation.
 - Examples of climate change mitigation projects:
Solar and wind installations, funding for new technologies that permit significant reductions in greenhouse gas emissions, rehabilitation of power plants and transmission facilities to reduce greenhouse gas emissions, greater efficiency in transportation, including fuel switching and mass transport, waste management and construction of energy-efficient buildings, carbon reduction through reforestation and avoided deforestation.
 - Examples of climate change adaptation projects:
Protection against flooding, food security improvement and implementing stress-resilient agricultural systems (which slow down deforestation), sustainable forest management and avoided deforestation.
- Eligibility criteria underwent an independent review by the Center for International Climate and Environmental Research at the University of Oslo (CICERO)¹



¹CICERO: <http://treasury.worldbank.org/cmd/pdf/CICERO-second-opinion.pdf>

Source: World Bank: <http://treasury.worldbank.org/cmd/htm/WorldBankGreenBonds.html>

Repayment of the Green Bonds is not linked to the credit or performance of the projects, and investors do not assume the specific project risk.



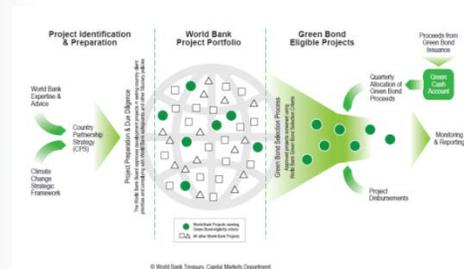
Use of Proceeds

- All projects supported by the World Bank go through a review and approval process to ensure that they meet countries' development priorities. The process includes:
 - Early screening to identifying potential environmental or social impacts and designing policies and concrete actions to mitigate any such impacts.
 - Approval by the Board of Executive Directors – a resident Board with 25 chairs representing member countries.
- Environmental specialists then screen approved World Bank projects to identify those that meet the World Bank's Green Bond eligibility criteria.



Allocation of Proceeds

- Green Bond proceeds only support the financing of eligible green projects.
- Net proceeds are credited to a special account and are invested in accordance with the World Bank's conservative liquidity policy until used for the support eligible Green Bond Projects.
- Disbursements to eligible projects are often made over a period of several years, depending on when each project milestone is reached. On a quarterly basis funds are deducted from the special account and added to the World Bank's lending pool in an amount equal to all disbursements of eligible projects.



Source: World Bank: <http://treasury.worldbank.org/cmd/htm/WorldBankGreenBonds.html>
 Repayment of the Green Bonds is not linked to the credit or performance of the projects, and investors do not assume the specific project risk.



Monitoring and Reporting

- The World Bank supervises the implementation of all projects it supports including Green Bond Projects.
- The supervision process includes regular reports by the implementing government agency on project activities.
- Project's progress, outcomes and impacts monitored by the government agency and the World Bank throughout the implementation phase.
- World Bank project information available on its website.¹ In addition, summaries and key impact indicators are provided on the World Bank's Green Bond website, as well as Green Bond factsheets and newsletters.²



¹ <http://www.worldbank.org/projects>

² <http://treasury.worldbank.org/cmd/htm/WorldBankGreenBonds.html>

Repayment of the Green Bonds is not linked to the credit or performance of the projects, and investors do not assume the specific project risk.

Examples of Eligible Projects



MEXICO

Efficient Lighting and Appliances Project

- **Objective:** Mitigate climate change by reducing Green House Gas (GHG) emissions through increasing use of energy efficient technologies in residential lighting, refrigerators and air conditioning.
- **Target outcomes:** Cumulatively reduce CO₂ emissions by more than 3.32 million tons over 5 years – equivalent to taking 700,000 cars off the road¹.



INDONESIA

Water Resources and Irrigation Management Program

- **Objective:** Improve climate resilience of water resources and food production through improved water basin resource and irrigation management and increased irrigated agriculture productivity.
- **Target outcomes:** 500,000 farmer households benefit from increased crop productivity because of more efficient and reliable irrigation.



CHINA

Eco-Farming Project

- **Objective:** Mitigate climate change by reducing GHG emissions through converting methane from livestock waste into biogas fuel in order to meet everyday needs of farming households.
- **Target outcomes:** Reduce CO₂ emissions by nearly 1 million tons annually – equivalent to taking 190,000 cars off the road each year.¹

¹Calculated using the Environmental Protection Agency (EPA) Greenhouse Gas Equivalency Calculator at <http://www.epa.gov/cleanenergy/energy-resources/calculator.html>. The projects outlined here are provided for illustrative purposes only. These projects may not receive funding from the sale of the Notes. Source: World Bank, 2014. All projects details and results are available at: <http://www.worldbank.org/projects>. Repayment of the Green Bonds is not linked to the credit or performance of the projects, and investors do not assume the specific project risk.

The accuracy, the exhaustiveness or the relevance of the information provided in this brochure are not guaranteed. Nothing in this brochure should be construed as a solicitation or offer, legal, tax or other advice, or recommendation to engage in any transaction. The information in this brochure does not constitute a recommendation of the instrument referred to. It merely provides information and is not intended to be either a recommendation to acquire financial products or an offer or invitation to tender. Any offer of the Notes will solely take place on the basis of the Prospectus and Preliminary Final Terms prepared by the Issuer or on behalf of the Issuer. A decision to invest in the Notes should not be made solely in reliance on this brochure but should be taken on the basis of the Prospectus and the Preliminary Final Terms.