

**PRICING SUPPLEMENT**

**Inter-American Development Bank**

**Global Debt Program**

Series No: 407

GBP 250,000,000 0.75 percent Notes due December 15, 2014

Issue Price: 99.662 percent

Application has been made for the Notes to be admitted to the  
Official List of the United Kingdom Listing Authority and  
to trading on the London Stock Exchange plc's  
Regulated Market

Deutsche Bank  
HSBC

The date of this Pricing Supplement is February 22, 2012.

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 January 8, 2001 (the “Prospectus”) (which for the avoidance of doubt does not constitute a “prospectus” for the purposes of Part VI of the UK Financial Services and Markets Act 2000 or a “base prospectus” for the purposes of the EU Prospectus Directive), which are incorporated by reference into the Inter-American Development Bank’s (the “Bank”) United Kingdom Listing Authority Listing Particulars dated August 10, 2011 (the “Listing Particulars”). This Pricing Supplement must be read in conjunction with the Prospectus and the Listing Particulars. This document is issued to give details of an issue by the Bank under its Global Debt Program and to provide information supplemental to the Prospectus and the Listing Particulars. Complete information in respect of the Bank and this offer of the Notes is provided on the basis of the combination of the information contained in this Pricing Supplement, the Prospectus and the Listing Particulars.

### **Terms and Conditions**

The following items under this heading “Terms and Conditions” are the particular terms which relate to the issue the subject of this Pricing Supplement. These are the only terms which form part of the form of Notes for such issue.

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| 1. | Series No.:  | 407   |
| 2. | Aggregate Principal Amount:  | GBP 250,000,000   |
| 3. | Issue Price:   | GBP 249,155,000, which is 99.662 percent of the Aggregate Principal Amount              |
| 4. | Issue Date:  | February 27, 2012   |
| 5. | Form of Notes<br>(Condition 1(a)):                                     | Registered only, as further provided in paragraph 9(c) of “Other Relevant Terms” below. |
| 6. | Authorized Denomination(s)<br>(Condition 1(b)):                        | GBP 1,000 and integral multiples thereof  |
| 7. | Specified Currency<br>(Condition 1(d)):                                | Great Britain Pound (GBP), being the lawful currency of the United Kingdom              |
| 8. | Specified Principal Payment<br>Currency<br>(Conditions 1(d) and 7(h)): | GBP   |

9. Specified Interest Payment Currency  
(Conditions 1(d) and 7(h)): GBP
10. Maturity Date  
(Condition 6(a); Fixed Interest Rate): December 15, 2014
11. Interest Basis  
(Condition 5): Fixed Interest Rate (Condition 5(I))
12. Interest Commencement Date  
(Condition 5(III)): Issue Date (February 27, 2012)
13. Fixed Interest Rate (Condition 5(I)):
- (a) Interest Rate: 0.75 percent per annum
- (b) Fixed Rate Interest Payment  
Date(s): Annually in arrear on December 15 in each  
year, commencing on December 15, 2012.
- Each Interest Payment Date is subject to  
adjustment in accordance with the  
Following Business Day Convention with  
no adjustment to the amount of interest  
otherwise calculated.
- (c) Initial Broken Amount: GBP 5.98 per minimum Authorized  
Denomination
- (d) Fixed Rate Day Count  
Fraction(s): Actual/Actual (ICMA)
14. Relevant Financial Center: London and New York
15. Relevant Business Days: London and New York
16. Issuer's Optional Redemption  
(Condition 6(e)): No
17. Redemption at the Option of the  
Noteholders (Condition 6(f)): No
18. Governing Law: New York

19. Selling Restrictions:

(a) United States:

Under the provisions of Section 11(a) of the Inter-American Development Bank Act, the Notes are exempted securities within the meaning of Section 3(a)(2) of the U.S. Securities Act of 1933, as amended, and Section 3(a)(12) of the U.S. Securities Exchange Act of 1934, as amended.

(b) United Kingdom:

Each of the Joint Lead Managers represents and agrees that it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

(c) General:

No action has been or will be taken by the Issuer that would permit a public offering of the Notes, or possession or distribution of any offering material relating to the Notes in any jurisdiction where action for that purpose is required. Accordingly, each of the Joint Lead Managers agrees that it will observe all applicable provisions of law in each jurisdiction in or from which it may offer or sell Notes or distribute any offering material.

**Other Relevant Terms**

1. Listing:

Application has been made for the Notes to be admitted to the Official List of the United Kingdom Listing Authority and to trading on the London Stock Exchange plc's Regulated Market

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|----|---|---|
| 2. | Details of Clearance System<br>Approved by the Bank and the<br>Global Agent and Clearance and<br>Settlement Procedures: | Euroclear; Clearstream, Luxembourg  |
| 3. | Syndicated:   | Yes   |
| 4. | If Syndicated:  |   |
|    | (a) Liability:  | Several and not joint   |
|    | (b) Lead Managers:  | Deutsche Bank AG, London Branch<br>HSBC Bank plc  |
| 5. | Commissions and Concessions:  | None. An affiliate of each of the Joint Lead<br>Managers has arranged a swap with the<br>Bank in connection with this transaction and<br>will receive amounts thereunder that may<br>comprise compensation. |
| 6. | Estimated Total Expenses:   | None. The Joint Lead Managers have<br>agreed to pay for certain expenses related to<br>the issuance of the Notes.   |
| 7. | Codes:  |   |
|    | (a) Common Code:  | 075012748   |
|    | (b) ISIN:   | XS0750127481  |
| 8. | Identity of Managers:   | Deutsche Bank AG, London Branch<br>HSBC Bank plc  |
| 9. | Provisions for Registered Notes:  |   |
|    | (a) Individual Definitive<br>Registered Notes Available<br>on Issue Date:   | No  |
|    | (b) DTC Global Note(s):   | No  |

(c) Other Registered Global  
Notes:

Yes, issued in accordance with the Global Agency Agreement, dated January 8, 2001, as amended, among the Bank, Citibank, N.A. as Global Agent, and the other parties thereto.

## **General Information**

### **Additional Information Regarding the Notes**

1. The EU has adopted a Directive regarding the taxation of savings income (the “Savings Directive”). The Savings Directive requires Member States (as defined below) to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual in another Member State, except that Austria and Luxembourg will instead impose a withholding system for a transitional period unless during such period they elect otherwise.

The Bank undertakes that it will ensure that it maintains a paying agent in a country which is a member of the European Union (a “Member State”) that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

#### **2. United States Federal Income Tax Matters**

*A) United States Internal Revenue Service Circular 230 Notice: To ensure compliance with Internal Revenue Service Circular 230, prospective investors are hereby notified that: (a) any discussion of U.S. federal tax issues contained or referred to in this Pricing Supplement, the Prospectus or any other document referred to herein is not intended or written to be used, and cannot be used, by prospective investors for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussions are written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.*

B) The “Tax Matters” section of the Prospectus and any tax disclosure in this pricing supplement is of a general nature only, is not exhaustive of all possible tax considerations and is not intended to be, and should not be construed to be, legal, business or tax advice to any particular prospective investor. Each prospective investor should consult its own tax advisor as to the particular tax consequences to it of the acquisition, ownership, and disposition of the Notes, including the effects of applicable U.S. federal, state, and local tax laws and non-U.S. tax laws and possible changes in tax laws.

C) Due to a change in law since the date of the Prospectus, the second paragraph of “—Payments of Interest” under the United States Holders section should be read as follows: “Interest paid by the Bank on the Notes constitutes income from sources outside the United States and will, depending on your circumstances, be “passive” or “general” income for purposes of computing the foreign tax credit.”

D) Due to a change in law since the date of the Prospectus, the fourth paragraph of “—Purchase, Sale and Retirement of the Notes” under the United States Holders section should be read as follows: “Capital gain of a noncorporate United States holder that is recognized in taxable years beginning before January 1, 2013 is generally taxed at a maximum rate of 15% where the holder has a holding period greater than one year.”