

**PRICING SUPPLEMENT**

**Inter-American Development Bank**

**Global Debt Program**

Series No.: 481

INR 2,500,000,000 6.00 percent Notes due September 5, 2017 (the “Notes”)  
payable in United States Dollars

Issue Price: 101.1205 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

TD Securities

The date of this Pricing Supplement is as of September 2, 2014

*PRICING SUPPLEMENT*

*Inter-American Development Bank Global Debt Program Series No: 481*

*INR 2,500,000,000 6.00 percent Notes due September 5, 2017*

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 United Kingdom Financial Services and Markets Act 2000 or a base prospectus for the purposes of Directive 2003/71/EC of the European Parliament and of the Council). This Pricing Supplement must be read in conjunction with the Prospectus. This document is issued to give details of an issue by the Inter-American Development Bank (the “Bank”) under its Global Debt Program and to provide information supplemental to the Prospectus. Complete information in respect of the Bank and this offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Prospectus.

## 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.

1. Series No.: 481
2. Aggregate Principal Amount: INR 2,500,000,000
3. Issue Price: INR 2,528,012,500, which is 101.1205 percent of the Aggregate Principal Amount.  
  
The Issue Price will be payable in USD in the amount of USD 41,716,377.89 at the agreed rate of 60.60 INR per one USD.
4. Issue Date: September 5, 2014
5. Form of Notes (Condition 1(a)): Registered only, as further provided in paragraph 9(c) of “Other Relevant Terms” below.
6. Authorized Denomination(s) (Condition 1(b)): INR 50,000 and integral multiples thereof
7. Specified Currency (Condition 1(d)): The lawful currency of the Republic of India (“Indian Rupee” or “INR”), provided that all payments in respect of the Notes will be made in United States Dollars (“U.S.\$” or “USD”).

8. Specified Principal Payment Currency  
(Conditions 1(d) and 7(h)): USD
9. Specified Interest Payment Currency  
(Conditions 1(d) and 7(h)): USD
10. Maturity Date  
(Condition 6(a); Fixed Interest Rate): September 5, 2017; provided that if the Rate Fixing Date (as defined below) for the scheduled Maturity Date is postponed due to an Unscheduled Holiday (as defined below), then the Maturity Date shall be five Relevant Business Days after the later of (i) the applicable Rate Fixing Date and (ii) the date on which the INR Rate in respect of such Rate Fixing Date is obtained.
11. Interest Basis  
(Condition 5): Fixed Interest Rate (Condition 5(I))
12. Interest Commencement Date  
(Condition 5(III)): Issue Date (September 5, 2014)
13. Fixed Interest Rate (Condition 5(I)): Condition 5(I) as amended and supplemented below, shall apply to the Notes. The bases of the Calculation of the Interest Amount, Fixed Rate Interest Payment Dates and default interest are as set out below.
  - (a) Interest Rate: 6.00 percent per annum
  - (b) Business Day Convention: Following Business Day Convention
  - (c) Fixed Rate Interest Payment Date(s): Annually on each September 5, commencing on September 5, 2015 and ending on, and including, the Maturity Date (subject, in each case, to the provisions set forth in the Fallback Provision).

(d) Interest Period: Each period from and including each Fixed Rate Interest Payment Date to but excluding the next following Fixed Rate Interest Payment Date, *provided* that the initial Interest Period will commence on and include the Interest Commencement Date, and the final Interest Period will end on but exclude the Maturity Date.

For the purposes of the calculation of the Interest Amount payable for any Interest Period, there shall be no adjustment pursuant to the Business Day Convention specified above.

(e) Fixed Rate Day Count Fraction(s):

Actual/Actual (ICMA)

(f) Calculation of Interest Amount:

As soon as practicable and in accordance with the procedure specified herein, the Calculation Agent will determine the INR Rate (as defined below) and calculate the Interest Amount with respect to each minimum Authorized Denomination for the relevant Interest Period.

The Interest Amount with respect to any Interest Period shall be a USD amount calculated on the relevant Rate Fixing Date (as defined below) as follows:

INR 3,000 per minimum Authorized Denomination  
*divided by*  
the INR Rate

(and rounding, if necessary, the entire resulting figure to the nearest two decimal places, with USD 0.005 being rounded upwards).

The “INR Rate” means in respect of a Rate Fixing Date, the USD/INR spot rate for such date equal to the USD/INR official reference rate expressed as the amount of

INR per one USD, for settlement in two Fixing Business Days, reported by the Reserve Bank of India, which is displayed on the Reuters Page “RBIB”, or any successor page, at approximately 12:30 p.m. Mumbai time on that Rate Fixing Date. If the Reuters Page “RBIB” no longer reports such rate or is no longer available and has not been replaced by any other page or service, the Calculation Agent shall be entitled to obtain such USD/INR official reference rate as reported by the Reserve Bank of India from any other screen or information source that it deems appropriate in good faith and in a commercially reasonable manner.

“Rate Fixing Date” means the date that is five Fixing Business Days prior to each Interest Payment Date, Maturity Date or the date upon which the Notes become due and payable as provided in Condition 9 (*Default*); provided, however, that if such date is an Unscheduled Holiday, the Rate Fixing Date shall be the next following Fixing Business Day. In the event that such next following Fixing Business Day is also an Unscheduled Holiday, the Calculation Agent shall be entitled to calculate the INR Rate acting in good faith and in a commercially reasonable manner, having taken into account relevant market practice, by reference to such additional sources as it deems appropriate; and in such case the Calculation Agent shall notify the Issuer and the Fiscal Agent as soon as reasonably practicable that the INR Rate is to be so determined.

“Fixing Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Mumbai.

“Unscheduled Holiday” means a day that is

not a Fixing 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 Mumbai, two Fixing Business Days prior to the relevant Rate Fixing Date.

“Relevant Business Day” means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in London, New York City and Mumbai.

“Fallback Provision”:

If the USD/INR official reference rate is not available for any reason on any Rate Fixing Date, then the INR Rate for such Rate Fixing Date shall be determined by the Calculation Agent by requesting quotations for the mid USD/INR spot foreign exchange rate at or about 1:00 p.m. Mumbai time on the first Relevant Business Day following the Rate Fixing Date from five Reference Banks as selected by the Calculation Agent.

If five or four quotations are provided as requested, the INR Rate will be the arithmetic mean (rounded to the nearest five decimal places, 0.000005 being rounded upwards) of the remaining three or two such quotations, as the case may be, for such rate provided by the Reference Banks, after disregarding the highest such quotation and the lowest such quotation (provided that, if two or more such quotations are the highest such quotations, then only one of such quotations shall be disregarded, and if one or more such quotations are the lowest quotations, then only one of such lowest quotations will be disregarded).

If only three or two such quotations are provided as requested, the INR Rate shall be

determined as described above except that the highest and lowest quotations will not be disregarded.

If only one or no such quotations are provided as requested, or if the Calculation Agent determines in its sole discretion that no suitable Reference Banks active in the USD/INR currency or foreign exchange markets will provide quotes, the Calculation Agent shall be entitled to calculate the INR Rate acting in good faith and in a commercially reasonable manner, having taken into account relevant market practice, by reference to such additional sources as it deems appropriate; and in such case the Calculation Agent shall notify the Issuer and the Global Agent as soon as reasonably practicable that the INR Rate is to be so determined.

“Reference Banks” means leading dealers, banks or banking corporations which regularly deal in the INR/USD exchange market, as selected by the Calculation Agent in its sole discretion, acting in good faith and in a commercially reasonable manner.

(g) Calculation Agent:

See “8. Identity of Calculation Agent” under “Other Relevant Terms”

(h) Notification:

If the Interest Amount payable on any Fixed Rate Interest Payment Date or the Redemption Amount, as the case may be, is calculated in any manner other than by utilizing the INR Rate that appears on Reuters Screen “RBIB” Page (or on such replacement page as described above), the Global Agent on behalf of the Bank shall give notice as soon as reasonably practicable to the Noteholders in accordance with Condition 14 (*Notices*).

14. Relevant Financial Center:

Mumbai, London and New York

15. Relevant Business Day: Mumbai, London and New York
16. Redemption Amount (Condition 6(a)):
- The Redemption Amount with respect to each minimum Authorized Denomination will be a USD amount calculated by the Calculation Agent on the Rate Fixing Date with respect to the Maturity Date as follows:
- minimum Authorized Denomination  
*divided by*  
the INR Rate
- (and rounding, if necessary, the entire resulting figure to the nearest 2 decimal places, with USD 0.005 being rounded upwards).
- If payment of the Redemption Amount occurs later than on the scheduled Maturity Date in the event of any postponement described herein, no accrued interest shall be payable in respect of such period of postponement following the scheduled Maturity Date.
17. Issuer's Optional Redemption (Condition 6(e)): No
18. Redemption at the Option of the Noteholders (Condition 6(f)): No



19. Early Redemption Amount  
(including accrued interest, if  
applicable) (Condition 9):

In the event the Notes become due and payable as provided in Condition 9 (*Default*), the Early Redemption Amount with respect to each minimum Authorized Denomination will be a USD amount equal to the Redemption Amount that is determined in accordance with “16. Redemption Amount” plus accrued and unpaid interest, if any, as determined in accordance with “13. Fixed Interest Rate (Condition 5(I))”; *provided* that for purposes of such determination, the “Rate Fixing Date” shall be the date that is five (5) Fixing Business Days prior to the date upon which the Notes become due and payable as provided in Condition 9 (*Default*).

20. Governing Law:

New York

21. 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:

The Dealer 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) Republic of India:

The distribution of this Pricing Supplement and the offering and sale of the Notes in India is restricted by law. Persons into whose possession this Pricing Supplement comes are required to inform themselves about and to observe any such restrictions. This Pricing Supplement does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in India. No person in India (resident or otherwise) or any person regulated in India by any Indian government or any governmental agency or department, semi-governmental or judicial entity or authority including without limitation, any stock exchange or any self regulatory organisation established under statute or applicable law in India (such as foreign institutional investors registered with the Securities and Exchange Board of India), are, directly or indirectly, eligible to buy, sell or deal in the Notes and shall not be eligible to participate in this offering or directly or indirectly derive any ownership, economic or other benefits from or in such Notes.

(d) 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, the Dealer 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 with effect from the Issue Date.
2. Details of Clearance System  
Approved by the Bank and the  
Global Agent and Clearance and  
Settlement Procedures: Euroclear and Clearstream, Luxembourg
3. Syndicated: No
4. Commissions and Concessions: 1.3750% of the Aggregate Principal Amount (comprising a 1.1875% selling concession and a 0.1875% management and underwriting fee).
5. Estimated Total Expenses: None. The Dealer has agreed to pay for all material expenses related to the issuance of the Notes.
6. Codes:
  - (a) Common Code: 110371365
  - (b) ISIN: XS1103713654
7. Identity of Dealer: The Toronto-Dominion Bank

8. Identity of Calculation Agent: The Toronto-Dominion Bank, Toronto
- In relation to the Rate Fixing Date, as soon as is reasonably practicable after the determination of the INR Rate in relation thereto, on the date on which the relevant INR Rate is to be determined (or, if such date is not a Relevant Business Day, then on the next succeeding Relevant Business Day), the Calculation Agent shall notify the Issuer and the Global Agent of the INR Rate, and the Interest Amount, and the Redemption Amount or Early Redemption Amount, as the case may be, in relation thereto.
- All determinations of the Calculation Agent shall (in the absence of manifest error) be final and binding on all parties (including, but not limited to, the Bank and the Noteholders) and shall be made in its sole discretion in good faith and in a commercially reasonable manner in accordance with a calculation agent agreement between the Bank and the Calculation Agent.
9. Provision for Registered Notes:
- (a) Individual Definitive Registered Notes Available 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, 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)

-12-

*PRICING SUPPLEMENT*  
*Inter-American Development Bank Global Debt Program Series No: 481*  
*INR 2,500,000,000 6.00 percent Notes due September 5, 2017*

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 Tax Matters

The following supplements the discussion under the “Tax Matters” section of the Prospectus regarding the U.S. federal income tax treatment of the Notes, and is subject to the limitations and exceptions set forth therein. Any tax disclosure in the Prospectus or 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.

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 the circumstances, be “passive” or “general” income for purposes of computing the foreign tax credit.”

*Information with Respect to Foreign Financial Assets.* Owners of “specified foreign financial assets” with an aggregate value in excess of \$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with their tax returns. “Specified foreign financial assets” may include financial accounts maintained by foreign financial institutions (which may include the Notes), as well as the following, but only if they are not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts held for investment that have non-United States issuers or counterparties, and (iii) interests in foreign entities. Holders are urged to consult their tax advisors regarding the application of this reporting obligation to their ownership of the Notes.

*Medicare Tax.* A U.S. holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a 3.8% tax (the “Medicare tax”) on the lesser of (1) the U.S. holder’s “net investment income” for the relevant taxable year and (2) the excess of the U.S. holder’s modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual’s

circumstances). A holder's net investment income will generally include its gross interest income and its net gains from the disposition of Notes, unless such interest payments or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. holder that is an individual, estate or trust, you are urged to consult your tax advisors regarding the applicability of the Medicare tax to your income and gains in respect of your investment in the Notes."

### 3. Additional Investment Considerations:

The Notes offered by this Pricing Supplement are complex financial instruments and may not be suitable for certain investors. Investors intending to purchase the Notes should consult with their tax and financial advisors to ensure that the intended purchase meets the investment objective before making such purchase.

There are various risks associated with the Notes including, but not limited to, exchange rate risk, price risk and liquidity risk. Investors should consult with their own financial, legal and accounting advisors about the risks associated with an investment in these Notes, the appropriate tools to analyze that investment, and the suitability of the investment in each investor's particular circumstances. Holders of the Notes should also consult with their professional tax advisors regarding tax laws applicable to them.

Payment of each Interest Amount and the Redemption Amount will be based on the INR Rate, which is a measure of the rate of exchange between the Indian Rupee and the USD. Currency exchange rates are volatile and will affect the holder's return. In addition, the government of India can from time to time intervene in the foreign exchange market. These interventions or other governmental actions could adversely affect the value of the Notes, as well as the yield (in USD terms) on the Notes and the amount payable at maturity or upon acceleration. Even in the absence of governmental action directly affecting currency exchange rates, political or economic developments in India or elsewhere could lead to significant and sudden changes in the exchange rate between the Indian Rupee and the USD.

The Indian Rupee is an emerging market currency. Emerging market currencies may be subject to particularly substantial volatility, as well as to government actions including currency controls, devaluations and other matters which could materially and adversely affect the value of the Notes.

The methodologies for determining the INR Rate may result in a Redemption Amount (or Early Redemption Amount, as the case may be) of the Notes, or an Interest Amount on the Notes, being significantly less than anticipated or less than what an alternative methodology for determining the INR-USD exchange rate would yield.

INTER-AMERICAN DEVELOPMENT BANK

-15-

*PRICING SUPPLEMENT*

*Inter-American Development Bank Global Debt Program Series No: 481  
INR 2,500,000,000 6.00 percent Notes due September 5, 2017*