

Series No.: 012
Tranche No.: D
Date: 17 January 2014

INTER-AMERICAN DEVELOPMENT BANK



Australian Dollar Medium Term Note Program

issue of

**A\$50,000,000 4.00% Medium Term Notes due 22 May 2023 (“MTNs”)
(to be consolidated and form a single Series with the Issuer’s existing A\$200,000,000 4.00%
Medium Term Notes due 22 May 2023, issued on 22 May 2013, A\$100,000,000 4.00%
Medium Term Notes due 22 May 2023, issued on 3 September 2013 and A\$100,000,000
4.00% Medium Term Notes due 22 May 2023, issued on 13 November 2013)**

***The Program has been rated AAA by Standard & Poor's
and Aaa by Moody's Investors Service, Inc.***

Each offer to purchase or invitation to buy MTNs must (a) constitute an offer or invitation which does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia such that the amount payable by each person who subscribes for MTNs must be at least A\$500,000 (disregarding moneys lent by the offeror or its associates), and (b) must comply with the Banking (Exemption) Order No. 82 dated 23 September 1996 promulgated by the Assistant Treasurer of Australia under the Banking Act 1959 of Australia (“Banking Act”) as if it applied to the Issuer, mutatis mutandis. The sale of the MTNs is also subject to other selling restrictions as set out in the Information Memorandum dated 18 December 2009 and this Pricing Supplement.

The Issuer is not a bank which is authorised under the Banking Act 1959 of Australia. The MTNs are not the obligations of any government and, in particular, are not guaranteed by the Commonwealth of Australia.

This Pricing Supplement (as referred to in the Information Memorandum dated 18 December 2009 (“**Information Memorandum**”) and Deed Poll dated 16 July 1999, as amended and restated on 18 December 2009, together the “**Deed Poll**”) in relation to the above Program) relates to the Tranche of MTNs referred to above.

The Terms and Conditions of the MTNs are as set out on pages 12 to 28 of the Information Memorandum, as supplemented and amended by this Pricing Supplement. The MTNs are constituted by the Deed Poll. Terms used but not defined in this Pricing Supplement have the meanings given to them in the Information Memorandum.

The most recent Information Statement incorporated by reference in the Information Memorandum is dated 8 March 2013.

The particulars to be specified in relation to such Tranche are as follows:

1	Description of MTNs:	Fixed Rate MTNs
2	Issuer:	Inter-American Development Bank
3	Registrar:	Reserve Bank of Australia
4	Type of Issue:	Underwritten
5	Dealers:	Commonwealth Bank of Australia (ABN 48 123 123 124) The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch (ABN 65 117 925 970)
6	Currency:	
	- of Denomination	Australian dollars
	- of Payment	Australian dollars
7	Aggregate principal amount of Tranche:	A\$50,000,000
8	If interchangeable with existing Series:	Yes. To be consolidated and form a single Series with the Issuer's existing A\$200,000,000 4.00% Medium Term Notes due 22 May 2023, issued on 22 May 2013, A\$100,000,000 4.00% Medium Term Notes due 22 May 2023, issued on 3 September 2013 and A\$100,000,000 4.00% Medium Term Notes due 22 May 2023, issued on 13 November 2013.
9	Issue Date:	23 January 2014
10	Issue Price:	93.498% of the Aggregate principal amount of the Tranche (plus accrued interest of 62 days of A\$342,500 for the period from and including 22 November 2013 to but excluding 23 January 2014)
11	Denomination:	A\$1,000, subject to the requirement that the amount payable by each person who

subscribes for MTNs when issued in or transferred within Australia must be at least A\$500,000.

12 Definition of Business Day:

A day (other than a Saturday or Sunday) on which commercial banks are open for general banking business in Sydney.

13 Interest:

(a) If Interest bearing:

(i) Interest Rate: 4.00% per annum paid semi-annually in arrear.

(ii) Interest Amount: A\$20.00 per MTN on each Interest Payment Date.

(iii) Interest Payment Dates: 22 May and 22 November of each year, commencing on 22 May 2014 and ending on the Maturity Date

(iv) Interest Period End Dates: Interest Payment Dates

(v) Applicable Business Day Convention: Following

- for Interest Payment Dates: As above

- for Maturity Date: Unadjusted

- for Interest Period End Dates: Unadjusted

- any other dates: As above

(vi) Day Count Fraction: RBA Bond Basis, which means one divided by the number of Interest Payment Dates in a year (or in respect of the calculation of interest for any period of time (where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

(i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and

(ii) the actual number of days in that

portion of the Calculation Period falling in a non-leap year divided by 365)).

	(vii) Interest Commencement Date:	22 May 2013
	(viii) Minimum Interest Rate:	Not applicable
	(ix) Maximum Interest Rate:	Not applicable
	(x) Issue Yield:	4.875% per annum
	(b) If non-interest bearing:	
	- Amortisation Yield:	Not applicable
14	Maturity Date:	22 May 2023
15	Maturity Redemption Amount:	Outstanding Principal Amount
16	Early Termination Amount:	Outstanding Principal Amount
17	Any Clearing System other than Austraclear:	Interests in MTNs traded in the Austraclear System may also be traded through Euroclear and Clearstream, Luxembourg. See the section of the Information Memorandum entitled " <i>Clearing System</i> " on page 10.
18	Additional Tax Consequences and Disclosure:	See the section of the Information Memorandum entitled " <i>Taxation</i> " on pages 33 to 37.
19	Other Conditions:	Not applicable
20	Selling Restrictions:	The Selling Restrictions are amended as set out in the Schedule to this Pricing Supplement.
21	Address for Notices (if necessary):	Not applicable
22	Listing:	Not applicable
23	ISIN:	AU3CB0208627
24	Common Code:	093256905

SCHEDULE

The European Economic Area selling restriction set out on pages 39 and 40 of the Information Memorandum is deleted and replaced with the following:

"European Economic Area

Unless otherwise stated in this "Selling Restrictions" section, in relation to each Member State of the European Economic Area ("**EEA State**") which has implemented the Prospectus Directive (each, a "**Relevant EEA State**"), each Dealer has represented and agreed, and each further Dealer under the Program will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant EEA State (the "**Relevant Implementation Date**") it has not made and will not make an offer of MTNs which are the subject of the offering contemplated by this Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant EEA State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such MTNs to the public in that Relevant EEA State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant EEA State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of MTNs referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any MTNs in any Relevant EEA State means the communication in any form and by any means of sufficient information on the terms of the offer and the MTNs to be offered so as to enable an investor to decide to purchase or subscribe the MTNs, as the same may be varied in that EEA State by any measure implementing the Prospectus Directive in that EEA State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant EEA State), and includes any relevant implementing measure in each Relevant EEA State, and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU."

The Japan selling restriction set out on page 40 of the Information Memorandum is deleted and replaced with the following:

"Japan

The MTNs have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended) ("**Financial Instruments and Exchange Act**") and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless an applicable Pricing Supplement (or another supplement to this Information Memorandum) otherwise provides, it has not offered or sold nor will it offer or sell any MTNs directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to others for re-offering or resale, directly or indirectly, in Japan or for the benefit of a resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan."

The Singapore selling restriction set out on pages 41 and 42 of the Information Memorandum is deleted and replaced with the following:

"Singapore

The Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended ("SFA").

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless an applicable Pricing Supplement (or another supplement to this Information Memorandum) otherwise provides, the Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the MTNs has not been and will not be circulated or distributed by it nor have the MTNs been, nor will the MTNs be, offered or sold by it, or be made subject to an invitation for subscription or purchase by it, whether directly or indirectly to persons in Singapore other than:

- (a) to an institutional investor under Section 274 of the SFA;
- (b) to a relevant person pursuant to Section 275(1) of the SFA, or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the MTNs are subscribed or purchased in reliance of an exemption under Section 274 or 275 of the SFA, the MTNs shall not be sold within the period of 6 months from the date of the initial acquisition of the MTNs, except to any of the following persons:

- (A) an institutional investor (as defined in Section 4A of the SFA);
- (B) a relevant person (as defined in Section 275(2) of the SFA); or
- (C) any person pursuant to an offer referred to in Section 275(1A) of the SFA,

unless expressly specified otherwise in Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Where the MTNs are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (1) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (2) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

that securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the MTNs pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor (under Section 274 of the SFA) or to a relevant person (as defined in Section 275(2) of the SFA) and in accordance with the conditions specified in Section 275 of the SFA;
- (ii) (in the case of a corporation) where the transfer arises from an offer referred to in Section 276(3)(i)(B) of the SFA or (in the case of a trust) where the transfer arises from an offer referred to in Section 276(4)(i)(B) of the SFA;

- (iii) where no consideration is, or will be, given for the transfer;
- (iv) where the transfer is by operation of law;
- (v) as specified in Section 276(7) of the SFA; or
- (vi) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore."