

PRICING SUPPLEMENT

Inter-American Development Bank

Global Debt Program

Series No: 394

Tranche: 9

U.S.\$100,000,000 1.75 percent Notes due August 24, 2018 (the “Notes”) as from November 20, 2015 to be consolidated and form a single series with the Bank’s U.S.\$1,300,000,000 1.75 percent Notes due August 24, 2018, issued August 24, 2011 (the “Series 394 Tranche 1 Notes”), the Bank’s U.S.\$100,000,000 1.75 percent Notes due August 24, 2018, issued on November 23, 2011 (the “Series 394 Tranche 2 Notes”), the Bank’s U.S.\$200,000,000 1.75 percent Notes due August 24, 2018, issued on January 24, 2012 (the “Series 394 Tranche 3 Notes”), the Bank’s U.S.\$100,000,000 1.75 percent Notes due August 24, 2018, issued on July 26, 2012 (the “Series 394 Tranche 4 Notes”), the Bank’s U.S.\$100,000,000 1.75 percent Notes due August 24, 2018, issued on October 30, 2013 (the “Series 394 Tranche 5 Notes”), the Bank’s U.S.\$100,000,000 1.75 percent Notes due August 24, 2018, issued on November 7, 2013 (the “Series 394 Tranche 6 Notes”), the Bank’s U.S.\$100,000,000 1.75 percent Notes due August 24, 2018, issued on November 4, 2015 (the “Series 394 Tranche 7 Notes”) and the Bank’s U.S.\$100,000,000 1.75 percent Notes due August 24, 2018, issued on November 9, 2015 (the “Series 394 Tranche 8 Notes”).

Issue Price: 101.360 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 November 18, 2015.

PRICING SUPPLEMENT

*Inter-American Development Bank Global Debt Program Series No: 394, Tranche No: 9
U.S.\$100,000,000 1.75 percent Notes due August 24, 2018*

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. The master fiscal agency agreement, dated as of December 7, 1962, as amended and supplemented from time to time, between the Bank and the Federal Reserve Bank of New York, as fiscal and paying agent, has been superseded by the Uniform Fiscal Agency Agreement, dated as of July 20, 2006 (the “New Fiscal Agency Agreement”), as may be amended, restated, superseded or otherwise modified from time to time, between the Bank and the Federal Reserve Bank of New York, as fiscal and paying agent. All references to the “Fiscal Agency Agreement” under the heading “Terms and Conditions of the Notes” and elsewhere in the Prospectus shall be deemed references to the New Fiscal Agency Agreement.

1. Series No.: 394
Tranche No.: 9
2. Aggregate Principal Amount: U.S.\$100,000,000

As from the Issue Date, the Notes will be consolidated and form a single series with the Series 394 Tranche 1 Notes, the Series 394 Tranche 2 Notes, the Series 394 Tranche 3 Notes, the Series 394 Tranche 4 Notes, the Series 394 Tranche 5 Notes, the Series 394 Tranche 6 Notes, the Series 394 Tranche 7 Notes and the Series 394 Tranche 8 Notes.

3. Issue Price: U.S.\$ 101,778,000.00, which amount represents the sum of (a) 101.360 percent of the Aggregate Principal Amount *plus* (b) the amount of U.S.\$418,000.00 representing 86 days' accrued interest, inclusive.
4. Issue Date: November 20, 2015
5. Form of Notes
(Condition 1(a)): Book-entry only (not exchangeable for Definitive Fed Registered Notes, Conditions 1(a) and 2(b) notwithstanding)
6. Authorized Denomination(s)
(Condition 1(b)): Book-entry only, U.S.\$1,000 and integral multiples thereof
7. Specified Currency
(Condition 1(d)): United States Dollars (U.S.\$) being the lawful currency of the United States of America
8. Specified Principal Payment
Currency
(Conditions 1(d) and 7(h)): U.S.\$
9. Specified Interest Payment Currency
(Conditions 1(d) and 7(h)): U.S.\$
10. Maturity Date
(Condition 6(a); Fixed Interest Rate): August 24, 2018
11. Interest Basis
(Condition 5): Fixed Interest Rate (Condition 5(I))
12. Interest Commencement Date
(Condition 5(III)): August 24, 2015
13. Fixed Interest Rate (Condition 5(I)):
- (a) Interest Rate: 1.750 percent per annum

- (b) Fixed Rate Interest Payment Date(s): Semi-annually in arrear on February 24 and August 24 in each year, commencing on February 24, 2016.
- 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) Fixed Rate Day Count Fraction(s): 30/360
14. Relevant Financial Center: New York and London
15. Relevant Business Days: New York and London
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: 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) 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

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| 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 |
| 2. | Details of Clearance System Approved by the Bank and the Global Agent and Clearance and Settlement Procedures: | Federal Reserve Bank of New York; Euroclear; Clearstream, Luxembourg |
| 3. | Syndicated: | No |
| 4. | Commissions and Concessions: | 0.013% of the Aggregate Principal Amount |
| 5. | Estimated Total Expenses: | None. The Dealer has agreed to pay for certain expenses related to the issuance of the Notes. |
| 6. | Codes: | |
| | (a) Common Code: | 066790452 |
| | (b) ISIN: | US4581X0BR83 |
| | (c) CUSIP: | 4581X0BR8 |
| 7. | Identity of Dealer: | The Toronto-Dominion Bank |

General Information

Additional Information Regarding the Notes

1. The EU has adopted Council Directive 2003/48/EC on the taxation of savings income (the “Savings Directive”). The Savings Directive requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or secured by such a person for the benefit of) an individual resident, or to (or secured for) certain other types of entity established, in that other EU Member State, except that Austria will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise.

A number of non-EU countries and territories, including Switzerland, have adopted similar measures.

The Bank undertakes that it will ensure that it maintains a paying agent in a country which is an EU Member State that will not be obliged to withhold or deduct tax pursuant to the Savings Directive.

The Council of the European Union has adopted a Directive (the “Amending Savings Directive”) which would, when implemented, amend and broaden the scope of the requirements of the Savings Directive described above, including by expanding the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities, and by expanding the circumstances in which payments must be reported or paid subject to withholding. The Amending Savings Directive requires EU Member States to adopt national legislation necessary to comply with it by January 1, 2016, which legislation must apply from January 1, 2017.

The Council of the European Union has also adopted a Directive (the “Amending Cooperation Directive”) amending Council Directive 2011/16/EU on administrative cooperation in the field of taxation so as to introduce an extended automatic exchange of information regime in accordance with the Global Standard released by the OECD Council in July 2014. The Amending Cooperation Directive requires EU Member States to adopt national legislation necessary to comply with it by December 31, 2015, which legislation must apply from January 1, 2016 (January 1, 2017 in the case of Austria). The Amending Cooperation Directive is generally broader in scope than the Savings Directive, although it does not impose withholding taxes, and provides that to the extent there is overlap of scope, the Amending Cooperation Directive prevails. The European Commission has therefore published a proposal for a Council Directive repealing the Savings Directive from January 1, 2016 (January 1, 2017 in the case of Austria) (in each case subject to transitional arrangements). The proposal also provides that, if it is adopted, EU Member States will not be required to implement the Amending Savings Directive. Information reporting and exchange will however still be required under Council Directive 2011/16/EU (as amended).

2. United States Federal Income 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 updated to 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.”

Subject to the discussion in the following paragraph regarding amortizable bond premium, a United States holder will generally be taxed on interest on the Notes as ordinary income at the time such holder receives the interest or when it accrues, depending on the holder’s method of accounting for tax purposes. However, the portion of the first interest payment on the Notes that represents a return of the 86 days of accrued interest that a United States holder paid as part of the purchase price of the Notes will not be treated as an interest payment for United States federal income tax purposes, but will instead be treated as a return of such portion of the purchase price and a holder will reduce its basis in the Notes by such amount.

Because the purchase price of the Notes exceeds the principal amount of the Notes, a United States holder may elect to treat the excess (after excluding the portion of the purchase price attributable to accrued interest) as amortizable bond premium. A United States holder that makes this election would reduce the amount required to be included in such holder’s income each year with respect to interest on the Notes by the amount of amortizable bond premium allocable to that year, based on the Note’s yield to maturity. If a United States holder makes an election to amortize bond premium, the election would apply to all debt instruments, other than debt instruments the interest on which is excludible from gross income, that the United States holder holds at the beginning of the first taxable year to which the election applies or that such holder thereafter acquires, and the United States holder may not revoke the election without the consent of the Internal Revenue Service.

Information with Respect to Foreign Financial Assets. Owners of “specified foreign financial assets” with an aggregate value in excess of U.S.\$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, as well as the following, but only if they are held for investment and not held in accounts maintained by

financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts 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 requirement to their ownership of the Notes.

Medicare Tax. A United States 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, is subject to a 3.8% tax (the “Medicare tax”) on the lesser of (1) the United States holder’s “net investment income” (or “undistributed net investment income” in the case of an estate or trust) for the relevant taxable year and (2) the excess of the United States holder’s modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between U.S.\$125,000 and U.S.\$250,000, depending on the individual’s circumstances). A holder’s net investment income generally includes its interest income and its net gains from the disposition of Notes, unless such interest income 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). United States holders that are individuals, estates or trusts are urged to consult their tax advisors regarding the applicability of the Medicare tax to their income and gains in respect of their investment in the Notes.