

PRICING SUPPLEMENT

Inter-American Development Bank

Global Debt Program

Series No.: 538

Tranche No.: 3

U.S.\$500,000,000 Floating Rate Notes due October 15, 2020 (the “Notes”) as from February 11, 2016 to be consolidated and form a single series with the Bank’s U.S.\$575,000,000 Floating Rate Notes due October 15, 2020, issued November 20, 2015 (the “Series 538 Tranche 1 Notes”) and the Bank’s U.S.\$100,000,000 Floating Rate Notes due October 15, 2020, issued January 22, 2016 (the “Series 538 Tranche 2 Notes”)

Issue Price: 99.645 percent plus 27 days’ accrued interest

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

BMO Capital Markets
BofA Merrill Lynch

The date of this Pricing Supplement is February 8, 2016.

*PRICING SUPPLEMENT
Inter-American Development Bank Global Debt Program Series No: 538, Tranche No. 3
U.S.\$500,000,000 Floating Rate Notes due October 15, 2020*

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.: 538
Tranche No.: 3
2. Aggregate Principal Amount: U.S.\$500,000,000

As from the Issue Date, the Notes will be consolidated and form a single series with the Series 538 Tranche 1 Notes and the Series 538 Tranche 2 Notes
3. Issue Price: U.S.\$498,540,750.00, which amount represents the sum of (a) 99.645 percent of the Aggregate Principal Amount *plus* (b) the amount of U.S.\$315,750.00 representing 27 days’ accrued interest, inclusive.
4. Issue Date: February 11, 2016
5. Form of Notes (Condition 1(a)): Registered only, as further provided in paragraph 10 of “Other Relevant Terms” below
6. Authorized Denomination(s) (Condition 1(b)): U.S.\$1,000 and integral multiples thereof

7.	Specified Currency (Condition 1(d)):	United States Dollars (U.S.\$ or USD) being the lawful currency of the United States of America
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)):	October 15, 2020
11.	Interest Basis (Condition 5):	Variable Interest Rate (Condition 5(II))
12.	Interest Commencement Date (Condition 5(III)):	January 15, 2016
13.	Variable Interest Rate (Condition 5(II)):	
	(a) Calculation Amount (if different than Principal Amount of the Note):	Not Applicable
	(b) Business Day Convention:	Modified Following Business Day Convention
	(c) Specified Interest Period:	Not Applicable
	(d) Interest Payment Date:	Quarterly in arrear on January 15, April 15, July 15, and October 15, commencing on April 15, 2016, up to and including the Maturity Date.
		Each Interest Payment Date is subject to adjustment in accordance with the Modified Following Business Day Convention.
	(e) Reference Rate:	3-Month USD-LIBOR-BBA.
		<u>“3-Month USD-LIBOR-BBA”</u> means the rate for deposits in USD for a period of 3

months which appears on Reuters Screen LIBOR01 (or such other page that may replace that page on that service or a successor service) as of the Relevant Time on the Interest Determination Date;

“Relevant Time” means 11:00 a.m., London time;

“Interest Determination Date” means the second London Banking Day prior to the first day of the relevant Interest Period; and

“London Banking Day” means a day on which commercial banks are open for general business, including dealings in foreign exchange and foreign currency deposits, in London.

If such rate does not appear on Reuters Screen LIBOR01 (or such other page that may replace that page on that service or a successor service) at the Relevant Time on the Interest Determination Date, then the rate for 3-Month USD-LIBOR-BBA shall be determined on the basis of the rates at which deposits in USD are offered at the Relevant Time on the Interest Determination Date by five major banks in the London interbank market (the “Reference Banks”) as selected by the Calculation Agent, to prime banks in the London interbank market for a period of 3 months commencing on the first day of the relevant Interest Period and in an amount that is representative for a single transaction in the London interbank market at the Relevant Time. The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation of its rate.

If at least two such quotations are provided, the rate for 3-Month USD-LIBOR-BBA shall be the arithmetic mean of such

quotations. If fewer than two quotations are provided as requested, the rate for 3-Month USD-LIBOR-BBA shall be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Calculation Agent, at approximately 11:00 a.m., New York City time, on the first day of the relevant Interest Period for loans in USD to leading European banks for a period of 3 months commencing on the first day of the relevant Interest Period and in an amount that is representative for a single transaction in the London interbank market at such time.

If no quotation is available or if the Calculation Agent determines in its sole discretion that there is no suitable bank that is prepared to provide the quotes, the Calculation Agent will determine the rate for 3-Month USD-LIBOR-BBA for the Interest Determination Date in question in a manner that it deems commercially reasonable by reference to such additional resources as it deems appropriate.

- | | | |
|-----|--|---|
| (f) | Primary Source for Interest Rate Quotations for Reference Rate: | Reuters |
| (g) | Calculation Agent: | See "9. Identity of Calculation Agent" under "Other Relevant Terms" |
| 14. | Other Variable Interest Rate Terms (Conditions 5(II) and (III)): | |
| (a) | Spread: | plus (+) 0.220 percent |
| (b) | Variable Rate Day Count Fraction if not actual/360: | Act/360, adjusted |
| (c) | Relevant Banking Center: | London and New York |
| 15. | Relevant Financial Center: | London and New York |

16. Relevant Business Day: London and New York
17. Issuer's Optional Redemption (Condition 6(e)): No
18. Redemption at the Option of the Noteholders (Condition 6(f)): No
19. Governing Law: New York
20. 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 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 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.
2. Details of Clearance System Approved by the Bank and the Global Agent and Clearance and Settlement Procedures: Depository Trust Company (DTC); Euroclear Bank S.A./N.V.; Clearstream Banking, société anonyme
3. Syndicated: Yes
4. If Syndicated:
 - (a) Liability: Several and not joint
 - (b) Managers: BMO Capital Markets Corp.
Merrill Lynch International
5. Commissions and Concessions: None
6. Estimated Total Expenses: None. The Managers have agreed to pay for all material expenses related to the issuance of the Notes.
7. Codes:
 - (a) CUSIP 45818WBH8
 - (b) Common Code: 132306176
 - (c) ISIN: US45818WBH88
8. Identity of Managers: BMO Capital Markets Corp.
Merrill Lynch International

9. Identity of Calculation Agent: The Global Agent, Citibank, N.A., London branch, will act as the Calculation Agent.

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.

10. Provisions for Registered Notes:

(a) Individual Definitive Registered Notes Available on Issue Date: No

(b) DTC Global Note(s): 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.

(c) Other Registered Global Notes: No

General Information

Additional Information Regarding the Notes

1. 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.”

The Notes should be treated as variable rate debt instruments that are issued without original issue discount. 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 27 days of accrued interest that a United States holder paid as part of the Issue 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 Issue Price and a holder will reduce its basis in the Notes by such amount. Upon the sale, exchange, repurchase or maturity of the Notes, a United States holder should generally recognize gain or loss, which should generally be capital gain or loss except to the extent that such gain or loss is attributable to accrued but unpaid interest. Such capital gain or loss should be treated as long-term capital gain or loss to the extent the United States holder has held the Notes for more than one year.

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.

INTER-AMERICAN DEVELOPMENT BANK