

PRICING SUPPLEMENT

Inter-American Development Bank

Global Debt Program

Series No: 707

EUR 40,000,000 Callable Zero Coupon Notes due May 10, 2052 (the “Notes”)

Issue Price: 100.00 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

J.P. Morgan Securities plc

The date of this Pricing Supplement is May 7, 2019

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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.

MiFID II product governance / Retail investors, professional investors and ECPs target market – See “General Information—Additional Information regarding the Notes—Matters relating to MiFID II” below.

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.: 707
2. Aggregate Principal Amount: EUR 40,000,000
3. Issue Price: EUR 40,000,000, which is 100.00 percent of the Aggregate Principal Amount
4. Issue Date: May 10, 2019
5. Form of Notes (Condition 1(a)): Bearer only.

The Notes will initially be represented by a temporary global note in bearer form (the “**Temporary Bearer Global Note**”). Interests in the Temporary Bearer Global Note will, not earlier than the Exchange Date, be exchangeable for interests in a permanent global note in bearer form (the “**Permanent Bearer Global Note**”). Interests in the Permanent Bearer Global

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Note will be exchangeable for definitive Notes in bearer form (“**Definitive Bearer Notes**”), in the following circumstances: (i) if the Permanent Bearer Global Note is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of fourteen (14) days (other than by reason of holidays, statutory or otherwise) or announces its intention to permanently cease business or does in fact do so, by any such holder giving written notice to the Global Agent; and (ii) at the option of any such holder upon not less than sixty (60) days’ written notice to the Bank and the Global Agent from Euroclear and Clearstream, Luxembourg on behalf of such holder; provided, that no such exchanges will be made by the Global Agent, and no Noteholder may require such an exchange, during a period of fifteen (15) days ending on the due date for any payment of principal on the Notes.

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| 6. | Authorized
(Condition 1(b)): | Denomination(s) | EUR 100,000 |
| 7. | Specified
(Condition 1(d)): | Currency | Euro (“ EUR ”) |
| 8. | Specified
Currency
(Conditions 1(d) and 7(h)): | Principal Payment | EUR |
| 9. | Specified Interest Payment
Currency
(Conditions 1(d) and 7(h)): | | EUR |
| 10. | Maturity
(Condition 6(a); Zero Coupon): | Date | May 10, 2052 |

The Maturity Date is subject to adjustment in accordance with the Following Business Day Convention with no adjustment to the

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amount of interest otherwise calculated.

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| 11. Interest
(Condition 5): | Basis | Zero Coupon (Condition 5(IV)) |
| 12. Zero Coupon (Conditions 5(IV) and
6(c)): | | |
| (a) Amortization Yield: | | 1.541 percent per annum |
| (b) Reference Price: | | Issue Price |
| (c) Basis: | | Compounded quarterly |
| (d) Fixed Rate Day Count
Fraction(s) if not 30/360
basis: | | 30/360, unadjusted |
| 13. Relevant Financial Center: | | London, New York |
| 14. Relevant Business Days: | | London, New York and TARGET |
| 15. Redemption Amount (Condition
6(a)): | | Unless previously redeemed or purchased
and cancelled as specified in the Terms and
Conditions, the Notes will be redeemed by
the Bank by payment of the Redemption
Amount on the Maturity Date. The
Redemption Amount will be EUR
66,256,331.12, being 165.6408278 percent
of the Aggregate Principal Amount, subject
to Item 16 (Issuer's Optional Redemption)
below |
| 16. Issuer's Optional Redemption
(Condition 6(e)): | Redemption | Yes, in whole but not in part |
| (a) Notice Period: | | No less than five (5) Relevant Business
Days prior to the Optional Redemption Date |
| (b) Amount: | | 100.00 percent per Authorized |

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Denomination

(c) Date: May 10, 2035

(d) Early Redemption Amount Bank: 127.7211964% percent of the Aggregate Principal Amount

17. Redemption at the Option of the Noteholders (Condition 6(f)): No

18. Early Redemption Amount (including accrued interest, if applicable) (Condition 9): In the event of any Note becoming due and payable prior to the Maturity Date in accordance with Condition 9 (but, for the avoidance of doubt, not Condition 6(e)), the Early Redemption Amount will be an amount equal to the Amortized Face Amount of such Note (calculated in accordance with Condition 6(c)), except that:

(i) Condition 6(c)(ii)(B) shall be deleted and replaced in its entirety with the following: “(B) the aggregate amortization of the difference between the Reference Price and the Redemption Amount (on the Maturity Date) of the Note from the Issue Date to the date on which the Note becomes due and payable calculated using a rate per annum (expressed as a percentage) equal to the Amortization Yield specified on the Note applied to the Reference Price in the manner specified on such Note;” and

(ii) the last sentence of Condition 6(c)(iii) shall be deleted and replaced in its entirety with the following: “The calculation of the Amortized Face Amount in accordance with this Condition 6(c)(iii) will continue to be made (before and, to the extent permitted by applicable law, after judgment), until the Relevant Date (as defined in Condition 8) unless the Relevant Date falls on or after the

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Maturity Date, in which case the amount due and payable shall be the Redemption Amount of such Note (on the Maturity Date) together with any interest which may accrue in accordance with Condition 5(I).”

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.

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain circumstances permitted by U.S. tax regulations.

(b) United Kingdom:

The Dealer 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.

(d) General:

No action has been or will be taken by the Bank 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.

21. Amendment to Condition 7(a)(i):

Condition 7(a)(i) is hereby amended by **deleting the first sentence** thereof and **replacing it** with the following: *“Payments of principal and interest in respect of Registered Notes shall be made to the person shown on the Register at the close of business on the business day before the due date for payment thereof (the “Record Date”).”*

22. Amendment to Condition 7(h):

The following shall apply to Notes any payments in respect of which are payable in a Specified Currency other than United States Dollars:

Condition 7(h) is hereby amended by **deleting the words** *“the noon buying rate in U.S. dollars in the City of New York for cable transfers for such Specified Currency as published by the Federal Reserve Bank of New York on the second Business Day prior to such payment or, if such rate is not available on such second Business Day, on the basis of the rate most recently available prior to such second Business Day”* and **replacing them with the words** *“a U.S. dollar/Specified Currency exchange rate determined by the Calculation Agent as of the second Business Day prior to such payment, or, if the Calculation Agent determines that no such exchange rate is available as of such second Business Day, on the basis of the exchange rate most recently available prior to such second Business Day. In making such determinations, the Calculation Agent shall act in good faith and in a commercially reasonable manner having taken into account*

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all available information that it shall deem relevant”.

If applicable and so appointed, and unless otherwise defined herein, the “Calculation Agent” referred to in amended Condition 7(h) shall be the Global Agent under the Bank’s Global Debt Program – namely, Citibank, N.A., London Branch, or its duly authorized successor.

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: | Euroclear Bank SA/NV and/or Clearstream Banking, Luxembourg |
| 3. Syndicated: | No |
| 4. Commissions and Concessions: | 0.08% of the Aggregate Principal Amount (EUR 32,000) |
| 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: | 199150812 |
| (b) ISIN: | XS1991508125 |
| 7. Identity of Dealer: | J.P. Morgan Securities plc |

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8. Provisions for Bearer Notes:

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| (a) Exchange Date: | Not earlier than June 19, 2019, which is the date that is 40 (forty) days after the Issue Date. |
| (b) Permanent Global Note: | Yes |
| (c) Definitive Bearer Notes: | No, except in the limited circumstances described under “Form of Notes” herein and in the Prospectus |
| (d) Individual Definitive
Registered Notes: | No |
| (e) Registered Global Notes: | No |

General Information

Additional Information regarding the Notes

1. Matters relating to MiFID II

The Bank does not fall under the scope of application of the MiFID II regime. Consequently, the Bank does not qualify as an “investment firm”, “manufacturer” or “distributor” for the purposes of MiFID II.

MiFID II product governance / Retail investors, professional investors and ECPs target market – Solely for the purposes of the manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in MiFID II; and (ii) all channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

For the purposes of this provision, the expression MiFID II means Directive 2014/65/EU, as amended.

2. Additional Investment Considerations:

There are risks associated with the Notes, including but not limited to possible exchange rate risk, price risk and liquidity risk. Investors should consult their own financial, legal, accounting and tax 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.

The Bank may hedge its obligations under the Notes by entering into a swap transaction with the Dealer or one of its affiliates as swap counterparty. Assuming no change in market conditions or any other relevant factors, the price, if any, at which the Dealer or another purchaser might be willing to purchase Notes in a secondary market transaction is expected to be lower, and could be substantially lower, than the original issue price of the Notes. This is due to a number of factors, including that (i) the potential profit to the secondary market purchaser of the Notes may be incorporated into any offered price and (ii) the cost of funding used to value the Notes in the secondary market is expected to be higher than our actual cost of funding incurred in connection with the

issuance of the Notes. In addition, the original issue price of the Notes included, and secondary market prices are likely to exclude, any projected profit that our swap counterparty or its affiliates may realize in connection with this swap. Further, as a result of any dealer discounts, mark-ups or other transaction costs, any of which may be significant, the original issue price may differ from values determined by pricing models used by our swap counterparty or other potential purchasers of the Notes in secondary market transactions.

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