

PRICING SUPPLEMENT

Inter-American Development Bank

Global Debt Program

Series No: 759

Tranche No.: 2

CAD600,000,000 0.875 percent Notes due August 27, 2027 (the “Notes”) as from January 27, 2021, to be consolidated and form a single series with the Bank’s CAD500,000,000 0.875 percent Notes due August 27, 2027, issued on August 27, 2020 (the “Series 759 Tranche 1 Notes”)

Issue Price: 99.129 percent plus 153 days’ accrued interest

Application has been made for the Notes to be admitted to the
Official List of the Financial Conduct Authority and
to trading on the London Stock Exchange plc’s
UK Regulated Market

CIBC World Markets
Scotiabank
TD Securities

The date of this Pricing Supplement is January 21, 2021.

PRICING SUPPLEMENT

*Inter-American Development Bank Global Debt Program Series No.: 759, Tranche 2
CAD600,000,000 0.875 percent Notes due August 27, 2027*

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 July 28, 2020 (the “Prospectus”) (which for the avoidance of doubt does not constitute a prospectus for the purposes of Part VI of the United Kingdom (“UK”) Financial Services and Markets Act 2000 or a base prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the “Prospectus Regulation”) or the Prospectus Regulation as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”)). 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 and UK MiFIR product governance / Retail investors, professional investors and ECPs target market – See “General Information—Additional Information Regarding the Notes—Matters relating to MiFID II and UK MiFIR” 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. Together with the applicable Conditions (as defined above), which are expressly incorporated hereto, these are the only terms that form part of the form of Notes for such issue.

1. (a) Series No.: 759
(b) Tranche No.: 2
2. Aggregate Principal Amount: CAD600,000,000

As from the Issue Date, the Notes will be consolidated and form a single series with the Series 759 Tranche 1 Notes.
3. Issue Price: 596,976,000, which amount represents the sum of (a) 99.129 percent of the Aggregate Principal Amount *plus* (b) the amount of CAD2,202,000 representing 153 days’ accrued interest
4. Issue Date: January 27, 2021

PRICING SUPPLEMENT

*Inter-American Development Bank Global Debt Program Series No.: 759, Tranche 2
CAD600,000,000 0.875 percent Notes due August 27, 2027*

5. Form of Notes
(Condition 1(a)):

Registered only, as further provided in paragraph 9(c) of “Other Relevant Terms” below

See also “Additional Information regarding the Description of the Notes—Form, Denomination and Registration” below.
6. Authorized Denomination(s)
(Condition 1(b)):

CAD1,000 and integral multiples thereof
7. Specified Currency
(Condition 1(d)):

Canadian Dollars (“CAD”) being the lawful currency of Canada
8. Specified Principal Payment
Currency
(Conditions 1(d) and 7(h)):

CAD
9. Specified Interest Payment Currency
(Conditions 1(d) and 7(h)):

CAD
10. Maturity Date
(Condition 6(a); Fixed Interest Rate):

August 27, 2027
11. Interest Basis
(Condition 5):

Fixed Interest Rate (Condition 5(I))
12. Interest Commencement Date
(Condition 5(III)):

August 27, 2020
13. Fixed Interest Rate (Condition 5(I)):

(a) Interest Rate:

0.875 percent per annum

(b) Fixed Rate Interest Payment
Date(s):

Semi-annually in arrears on February 27 and August 27 in each year, commencing on February 27, 2021, up to and including the Maturity Date.

Each Fixed Rate Interest Payment Date is subject to the Business Day Convention, but with no adjustment to the amount of interest otherwise calculated.

PRICING SUPPLEMENT

*Inter-American Development Bank Global Debt Program Series No.: 759, Tranche 2
CAD600,000,000 0.875 percent Notes due August 27, 2027*

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|-----|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (c) | Business Day Convention: | Following Business Day Convention |
| (d) | Fixed Rate Day Count Fraction(s): | Actual/Actual Canadian Compound Method, which means when calculating interest for a full semi-annual fixed rate interest period, the day count convention is 30/360 and when calculating interest for a period other than a full semi-annual fixed rate interest period, the day count convention is Actual/365 (Fixed). |
| 14. | Relevant Financial Center: | London, Toronto, New York |
| 15. | Relevant Business Day: | London, Toronto, New York |
| 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 |

Other Relevant Terms

- | | | |
|----|----------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Listing (if yes, specify Stock Exchange): | Application has been made for the Notes to be admitted to the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange plc's UK 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: | <p>CDS Clearing and Depository Services Inc. ("CDS") and through direct or indirect participation in CDS: DTC, Euroclear Bank SA/NV and Clearstream Banking S.A.</p> <p>For Clearance and Settlement Procedures, see "Additional Information regarding Clearing and Settlement" below.</p> |

PRICING SUPPLEMENT

*Inter-American Development Bank Global Debt Program Series No.: 759, Tranche 2
CAD600,000,000 0.875 percent Notes due August 27, 2027*

3. Syndicated: Yes
4. If Syndicated:
 - (a) Liability: Several
 - (b) Lead Manager: Scotiabank Europe plc
5. Commissions and Concessions: 0.063% of the Aggregate Principal Amount
6. Estimated Total Expenses: None. The Managers have agreed to pay for certain expenses related to the issuance of the Notes.
7. Codes:
 - (a) Common Code: 221955811
 - (b) ISIN: CA458182EC20
 - (c) CUSIP: 458182EC2
8. Identity of Dealers: CIBC World Markets Inc.
Scotiabank Europe plc
The Toronto-Dominion Bank
9. Provisions 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 Amended and Restated Global Agency Agreement, dated as of July 28, 2020, between the Bank and Citibank, N.A., London Branch as Global Agent. See “Additional Information regarding the Description of the Notes—Form, Denomination and Registration” below.
10. Intended to be held in a manner which would allow Eurosystem eligibility: Not Applicable

PRICING SUPPLEMENT

*Inter-American Development Bank Global Debt Program Series No.: 759, Tranche 2
CAD600,000,000 0.875 percent Notes due August 27, 2027*

11. 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 UK.
- (c) Singapore: In the case of the Notes being offered into Singapore in a primary or subsequent distribution, and solely for the purposes of its obligations pursuant to Section 309B of the Securities and Futures Act (Chapter 289 of Singapore) (the “SFA”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are “prescribed capital markets products” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).
- (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, each 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.

PRICING SUPPLEMENT

*Inter-American Development Bank Global Debt Program Series No.: 759, Tranche 2
CAD600,000,000 0.875 percent Notes due August 27, 2027*

General Information

Additional Information Regarding the Notes

1. Use of Proceeds

The net proceeds from the sale of the Notes will be included in the ordinary capital resources of the Bank and, will not be committed or earmarked for lending to, or financing of, any specific loans, projects or programs. The Bank, in partnership with its member countries, works to reduce poverty and inequalities in Latin America and the Caribbean by promoting economic and social development in a sustainable, climate friendly way.

The Bank's strategic priorities include social inclusion and equality, productivity and innovation and economic integration along with three cross-cutting issues: gender equality and diversity, climate change and environmental sustainability, and institutional capacity and the rule of law. Each strategic priority of the Bank aligns to at least one of the United Nations Sustainable Development Goals ("SDGs"), with all goals covered within the Bank's institutional strategy, which may be adapted from time to time should the United Nations SDGs definition evolve.

All projects undertaken by the Bank go through the Bank's rigorous sustainability framework. The framework tracks measurable results, adherence to lending targets and the effectiveness of its environmental and social safeguards. The Bank's administrative and operating expenses are currently covered entirely by the Bank's various sources of revenue, consisting primarily of net interest margin and investment income (as more fully described in the Bank's Information Statement).

2. Matters relating to MiFID II and UK MiFIR

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

MiFID II product governance / Retail investors, professional investors and ECPs target market

Solely for the purposes of the EU 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 EU 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 EU manufacturer's target market assessment) and determining appropriate distribution channels.

PRICING SUPPLEMENT

*Inter-American Development Bank Global Debt Program Series No.: 759, Tranche 2
CAD600,000,000 0.875 percent Notes due August 27, 2027*

For the purposes of this provision, the expression “EU manufacturer” means CIBC World Markets Inc., and the expression “MiFID II” means Directive 2014/65/EU, as amended.

UK MiFIR product governance / Retail investors, professional investors and ECPs target market – Solely for the purposes of each UK 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 retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA, eligible counterparties, as defined in COBS, and professional clients, as defined in UK MiFIR; 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 UK manufacturers’ target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the UK manufacturers’ target market assessment) and determining appropriate distribution channels.

For the purposes of this provision, (i) the expression “UK manufacturer” means CIBC World Markets Inc., Scotiabank Europe plc and The Toronto-Dominion Bank, (ii) the expression “COBS” means the FCA Handbook Conduct of Business Sourcebook, (iii) the expression “UK MiFIR” means Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA and (iv) the expression “UK MiFIR Product Governance Rules” means the FCA Handbook Product Intervention and Product Governance Sourcebook.

Additional Information regarding the Description of the Notes

Form, Denomination and Registration

The Notes will be issued in the form of a fully registered global note registered in the name of CDS & CO., as nominee of CDS and held by CDS (the “Global Note”). Beneficial interests in the Global Note will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in CDS. Investors may elect to hold interests in the Global Note directly through any of CDS (in Canada), DTC (in the United States) or Clearstream Banking S.A. or Euroclear Bank SA/NV (in Europe) if they are participants of such systems, or indirectly through organizations which are participants in such systems. DTC will hold interests on behalf of its participants directly through its account at CDS and Clearstream Banking S.A. and Euroclear Bank SA/NV will hold interests on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective Canadian subcustodians, each of which is a Canadian schedule I chartered bank (“Canadian Subcustodians”), which in turn will hold such interests in customers’ securities accounts in the names of the Canadian Subcustodians on the books of CDS. Except in the limited circumstances described below under “Definitive Certificates”, owners of beneficial interests in the Global Note will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive form and will not be considered owners or holders thereof under the Global Agency Agreement.

All Notes will be recorded in a register maintained by the Registrar and will be registered in the

PRICING SUPPLEMENT

*Inter-American Development Bank Global Debt Program Series No.: 759, Tranche 2
CAD600,000,000 0.875 percent Notes due August 27, 2027*

name of CDS & CO. (or such other nominees of CDS as an authorized representative of CDS may advise) for the benefit of owners of beneficial interests in the Global Note, including participants of DTC, Clearstream Banking S.A. and Euroclear Bank SA/NV.

Definitive Certificates

No beneficial owner of the Notes will be entitled to receive physical delivery of the Notes in definitive form except in the following limited circumstances:

(i) CDS notifies the Bank that it is unwilling or unable to continue as depository for the Notes and a successor depository is not appointed by the Bank within 90 working days after receiving such notice; or (ii) CDS ceases to be a recognized clearing agency under applicable provincial or Canadian federal securities legislation and no successor clearing system satisfactory to the Bank is available within 90 days after the Bank becoming aware that CDS is no longer so recognized, the Bank will issue or cause to be issued fully registered Notes in definitive form upon registration of, transfer of, or in exchange for, the Global Note. The Bank may also at any time and in its sole discretion determine not to have any of the Notes held in the form of the Global Note and, in such event, will issue or cause to be issued fully registered Notes in definitive form upon registration of, transfer of, or in exchange for, such Global Note.

Additional Information regarding Clearing and Settlement

Links have been established among CDS, DTC, Clearstream Banking S.A. and Euroclear Bank SA/NV to facilitate initial issuance of the Notes and cross-market transfers of the Notes associated with secondary market trading. CDS will be directly linked to DTC and linked to Clearstream Banking S.A. and Euroclear Bank SA/NV through the CDS accounts of their respective Canadian Subcustodians.

The Clearing Systems

CDS was formed in November 2006 pursuant to the restructuring of The Canadian Depository for Securities Limited ("CDS Ltd.") After the restructuring, CDS Ltd., incorporated in 1970, remains the holding company for CDS and two other operating subsidiaries. CDS is Canada's national securities clearing and depository services organization. Functioning as a service utility for the Canadian financial community, CDS provides a variety of computer automated services for financial institutions and investment dealers active in domestic and international capital markets. CDS participants ("CDS Participants") include banks (including the Canadian Subcustodians), investment dealers and trust companies and may include certain of the Managers. Indirect access to CDS is available to other organizations that clear through or maintain a custodial relationship with a CDS Participant. Transfers of ownership and other interests, including cash distributions, in Notes in CDS may only be processed through CDS Participants and will be completed in accordance with existing CDS rules and procedures. CDS operates in Montreal, Toronto, Calgary and Vancouver to centralize securities clearing functions through a central securities depository.

Global Clearance and Settlement Procedures

PRICING SUPPLEMENT

*Inter-American Development Bank Global Debt Program Series No.: 759, Tranche 2
CAD600,000,000 0.875 percent Notes due August 27, 2027*

Initial settlement for the Notes will be made in immediately available Canadian dollar funds.

Secondary market trading between CDS Participants will be in accordance with market conventions applicable to transactions in book-based Canadian domestic bonds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules. Secondary market trading between Clearstream Banking S.A. participants and or Euroclear Bank SA/NV participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream Banking S.A. and Euroclear Bank SA/NV and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

Transfers between CDS and DTC, Clearstream Banking S.A. or Euroclear Bank SA/NV. Cross-market transfers between persons holding directly or indirectly through CDS Participants, on the one hand, and directly or indirectly through DTC, Clearstream Banking S.A. or Euroclear Bank SA/NV participants, on the other, will be effected in CDS in accordance with CDS rules; however, such cross-market transactions will require delivery of instructions to the relevant clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines. The relevant clearing system will, if the transaction meets its settlement requirements, deliver instructions to CDS directly or through its Canadian Subcustodian to take action to effect final settlement on its behalf by delivering or receiving Notes in CDS, and making or receiving payment in accordance with normal procedures for settlement in CDS. DTC participants, Clearstream Banking S.A. participants and Euroclear Bank SA/NV participants may not deliver instructions directly to CDS or the Canadian Subcustodians.

Because of time-zone differences, credits of Notes received in Clearstream Banking S.A. or Euroclear Bank SA/NV as a result of a transaction with a CDS Participant will be made during subsequent securities settlement processing and dated the business day following the CDS settlement date. Such credits or any transactions in such Notes settled during such processing will be reported to the relevant Clearstream Banking S.A. participants or Euroclear Bank SA/NV participants on such business day. Cash received in Clearstream Banking S.A. or Euroclear Bank SA/NV as a result of sales of Notes by or through a Clearstream Banking S.A. participant or a Euroclear Bank SA/NV participant to a CDS Participant will be received with value on the CDS settlement date but will be available in the relevant Clearstream Banking S.A. or Euroclear Bank SA/NV cash account only as of the business day following settlement in CDS.

Transfers Between DTC, Clearstream Banking S.A. or Euroclear Bank SA/NV. Cross-market transfers between Clearstream Banking S.A., Euroclear Bank SA/NV and DTC participants will be effected in CDS.

When Notes are to be transferred from the account of a DTC participant to the account of a Clearstream Banking S.A. participant or Euroclear Bank SA/NV participant, the DTC participant will transmit instructions to DTC on settlement date and the Clearstream Banking S.A. participant or Euroclear Bank SA/NV participant will transmit instructions to Clearstream Banking S.A. or Euroclear Bank SA/NV at least one business day prior to the settlement date. One business day prior to settlement date Clearstream Banking S.A. and on settlement date Euroclear Bank SA/NV, will transmit trade instructions to its respective Canadian Subcustodian. The beneficial interests in the Notes and payments for such beneficial interests will be transferred in CDS by DTC and the

PRICING SUPPLEMENT

*Inter-American Development Bank Global Debt Program Series No.: 759, Tranche 2
CAD600,000,000 0.875 percent Notes due August 27, 2027*

respective Canadian Subcustodians for Clearstream Banking S.A. and Euroclear Bank SA/NV.

Although CDS, DTC, Clearstream Banking S.A. and Euroclear Bank SA/NV have agreed to the foregoing procedures in order to facilitate transfers of Notes among participants of CDS, DTC, Clearstream Banking S.A. and Euroclear Bank SA/NV, they are under no obligation to perform or continue to perform such procedures and such procedures may be changed or discontinued at any time.

Additional Information regarding Currency Conversions

Currency Conversions

Initial purchasers are required to make payment in Canadian dollars. The Managers are prepared to arrange for the conversion of U.S. dollars into Canadian dollars to enable United States investors to make payment in Canadian dollars. Each such conversion will be made by such Manager on such terms and subject to such conditions, limitations and charges as such Manager may from time to time establish in accordance with its regular foreign exchange practices, and subject to applicable United States laws and regulations. All costs of conversions will be borne by such investors. See “Certain Risk Factors—Notes are subject to exchange rate and exchange control risks if the investor’s currency is different from the Specified Currency” in the Prospectus.

Principal and interest payments in respect of the Notes (including Notes in definitive form issued in exchange for the Global Note as described above under “Definitive Certificates”) are payable in Canadian dollars, but owners of beneficial interests in Notes held through DTC (“DTC Beneficial Owners”) will receive such payments in U.S. dollars, unless they elect, through DTC and its participants, to receive payments in Canadian dollars as set forth below. Payments of principal and interest on Notes held through DTC will be converted to U.S. dollars in accordance with procedures established from time to time by CDS and DTC and paid to Cede & Co. for payment to DTC Beneficial Owners. All costs of such conversion will be borne by DTC Beneficial Owners receiving U.S. dollars by deduction from such payments. If there is no facility in place between CDS and DTC for the exchange of Canadian dollars into U.S. dollars, payment of the aggregate amount due to all DTC Beneficial Owners on the payment date will be made in Canadian dollars outside of DTC, unless alternative arrangements acceptable to both CDS and DTC are made by the Bank. A DTC Beneficial Owner may elect to receive payment in respect of the principal of or interest on the Notes in Canadian dollars by notifying the DTC participant through which its Notes are held on or prior to the applicable record date (in the case of an interest payment) or at least fifteen days prior to maturity (in the case of a principal payment) of (i) such DTC Beneficial Owner’s election to receive all or a portion of such payment in Canadian dollars and (ii) wire transfer instructions to a Canadian dollar account with respect to any payment to be made in Canadian dollars. Such DTC participant must notify DTC of such election and wire transfer instructions on or prior to the third New York business day after such record date for any payment of interest and on or prior to the twelfth day prior to the payment of principal. DTC will notify CDS of such election and wire transfer instructions on or prior to the fifth New York business day after such record date for any payment of interest and on or prior to the tenth day prior to the payment of principal. If complete instructions are received by the DTC participant and forwarded by the DTC participant to DTC and by DTC to CDS, on or prior to such dates, the DTC Beneficial

PRICING SUPPLEMENT

*Inter-American Development Bank Global Debt Program Series No.: 759, Tranche 2
CAD600,000,000 0.875 percent Notes due August 27, 2027*

Owner will receive payment in Canadian dollars outside of DTC; otherwise only U.S. dollar payments will be made through DTC. In this paragraph, “New York business day” means a day on which banking institutions in New York, New York are not authorized or obligated by law or regulation to close.

Investors will be subject to foreign exchange risks as to payments in respect of principal and interest that may have important economic and tax consequences to them.

PRICING SUPPLEMENT

*Inter-American Development Bank Global Debt Program Series No.: 759, Tranche 2
CAD600,000,000 0.875 percent Notes due August 27, 2027*