

SUPPLEMENT NUMBER 1 DATED 7 JULY 2020 TO THE INFORMATION MEMORANDUM DATED 19 MARCH 2020

**Inter-American Investment Corporation
U.S.\$10,000,000,000 (increased from U.S.\$3,000,000,000)
Euro Medium Term Note Programme**

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the Information Memorandum dated 19 March 2020 (the "**Information Memorandum**") prepared by Inter-American Investment Corporation (the "**Issuer**" or "**IDB Invest**") in connection with its Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.\$10,000,000,000 in aggregate principal amount of notes ("**Notes**"). Terms given a defined meaning in the Information Memorandum shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

The purpose of the Supplement is:

- (i) to reflect an increase in the Authorised Amount (as defined below) from U.S.\$3,000,000,000 to U.S.\$10,000,000,000; and
- (ii) update the section entitled "Description of the Issuer" in the Information Memorandum in light of the coronavirus ("**COVID-19**").

This Supplement does not comprise a prospectus for the purposes of Regulation (EU) 2017/1129.

IMPORTANT NOTICES

The Issuer accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Information Memorandum by this Supplement and (b) any other statement in, or incorporated by reference into, the Information Memorandum, the statements in (a) above will prevail.

INCREASE IN AUTHORISED AMOUNT

Pursuant to the Dealer Agreement dated 20 March 2019 (as modified, supplemented or restated from time to time, the "**Dealer Agreement**"), the maximum aggregate principal amount of Notes issued by the Issuer under the Programme that may be outstanding at any one time (the "**Authorised Amount**") has been increased from the current Authorised Amount of U.S.\$3,000,000,000 to U.S.\$10,000,000,000 (or its equivalent in other currencies, calculated as described in the Dealer Agreement). From the date of this Supplement, all references in the Information Memorandum to the Authorised Amount of U.S.\$3,000,000,000 shall be deemed to be references to the Authorised Amount of U.S.\$10,000,000,000. The Authorised Amount may be further increased from time to time in accordance with the Dealer Agreement.

The increase of the Authorised Amount from U.S.\$3,000,000,000 to U.S.\$10,000,000,000 has been duly authorised by a Memorandum of the General Manager of the Issuer issued on 29 June 2020.

AMENDMENTS TO "DESCRIPTION OF THE ISSUER " SECTION

With effect from the date of this Supplement, the following paragraphs shall be added after the section titled "*Ratings*" on page 84 of the Information Memorandum:

"COVID-19 UPDATE

On April 2020, the Board of Executive Directors approved IDB Invest's COVID-19 Response. Given the deepening crisis, IDB Invest increased its lending capacity to US\$7 billion in financing, which includes an additional US\$500 million in long-term investments and US\$2 billion in trade finance operations, to support new and existing clients who experience short-term financial or operational issues as a result of the health pandemic and economic downturn. The goal is to finance interventions that alleviate healthcare constraints, maintain jobs, restore supply chains and sustain sources of income, especially for micro, small and medium enterprises (MSMEs).

In light of COVID-19, IDB Invest faces additional credit, market and operational risks for its financial activities. IDB Invest continues to monitor the developments and to manage the risks associated with all its portfolios. IDB Invest's response to the outbreak was estimated within its existing financial, operational and risk management policies, which have not been modified for this response to the outbreak.

The outbreak of the novel strain of COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, including travel bans, quarantine periods and social distancing, have caused material disruption to businesses globally, resulting in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilise economic conditions.

In May 2020, IDB Invest raised US\$1 billion through the issuance of its largest ever U.S. dollar benchmark note, further strengthening its robust liquidity position and highlighting its flexibility to raise liquidity in the markets as needed. Management remains vigilant in assessing funding needs in the medium and longer-term to manage the effect of severe market movements.

As of 16 March 2020, all IDB Invest staff were put on mandatory telework status, with restricted access to office facilities. In addition, IDB Invest has adopted other prudential measures to ensure the health and safety of its employees, including imposing travel restrictions, rescheduling events or holding them virtually. IDB Invest operations remain functional, even with these changes in working arrangements.

The duration of the COVID-19 pandemic and its effects are difficult to predict at this time. The length and severity of these developments as well as the impact on the financial results and condition of IDB Invest in future periods cannot be reasonably estimated at this point in time. IDB Invest continues to monitor the situation closely and will continue to manage the associated risks within its existing risk management policies and prescribed limits."