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Follow-Up
Materials



MEMORANDUM

TO: DOCUMENT CONTROL

FROM: Paul M. Dudek, Chief
Office of International Corporate Finance
Division of Corporation Finance

RE: INTERNATIONAL BANK RECORD DATA

PROCESSED
AUG 27 2003
THOMSON
FINANCIAL

FORM TYPE: IADB

COMPANY NAME: Inter American Development Bank

COMPANY ADDRESS: _____

COMPANY STATUS: ACTIVE A BRANCH: _____

FILE NO.: 83-1 FISCAL YEAR: _____

IADB

03 AUG 18 AM 7:21

File No. 83-1
Regulation IA
Rule 2 (a)

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

PERIODIC REPORT

Pursuant to Regulation IA, Rule 2(a), adopted pursuant to Section 11(a) of the Inter-American Development Bank Act.

**For the fiscal quarter ended June 30, 2003
INTER-AMERICAN DEVELOPMENT BANK (the "Bank")
Washington, D.C. 20577**

- (1) Information as to any purchases or sales by the Bank of its primary obligations during such quarter.

Attached hereto as Annex A is a table which lists sales by the Bank of its primary obligations, all of which were of the Bank's ordinary capital. There were no purchases by the Bank of its primary obligations.

- (2) Copies of the Bank's regular quarterly financial statements.

Attached hereto as Annex B are the financial statements, as of June 30, 2003 of the Bank's ordinary capital.

- (3) Copies of any material modifications or amendments during such quarter of any exhibit (other than (i) constituent documents defining the rights of holders of securities of other issuers guaranteed by the Bank, and (ii) loans and guaranty agreements to which the Bank is a party) previously filed with the Commission under any statute.

Not applicable: there have been no modifications or amendments of any exhibits previously filed with the Commission.

Annex A

**Sales by the Inter-American Development Bank
of its Ordinary Capital Primary Obligations**

Coupon	Borrowing Currency	Borrow Amount	Issue Price	Issue Date	Maturity Date
1.00	USD	193,000,000	63.828%	14-Apr-2003	16-Apr-2018
0.50	CAD	1,600,000,000	62.100	22-Apr-2003	22-Apr-2015
0.50	USD	200,000,000	45.800	15-Apr-2003	17-Apr-2023
1.00	USD	200,000,000	62.420	30-Apr-2003	26-Apr-2018
Callable 5.01	USD	50,000,000	100.00	29-Apr-2003	28-Apr-2023
0.50	USD	600,000,000	69.330	29-May-2003	29-May-2014
1.00	USD	200,000,000	64.650	29-May-2003	29-May-2018
0.50	CAD	300,000,000	42.700	22-May-2003	23-May-2023
0.50	NZD	60,000,000	63.250	10-June-2003	10-June-2013
1.00	USD	160,000,000	67.450	12-June-2003	12-June-2018
1.00	USD	100,000,000	69.530	26-June-2003	19-June-2018

ORDINARY CAPITAL

Ordinary Capital
Balance Sheet - As of June 30, 2003
(Expressed in thousands of United States dollars)

Assets		
Cash		\$ 380,294
Investments		
Trading		
Obligations issued or guaranteed by governments or issued by U.S. Agencies	\$ 1,482,812	
Time deposits and other obligations of banks	3,552,689	
Asset- and mortgage- backed and corporate securities	5,965,343	
	\$ 11,000,844	
Held to maturity		
Obligations issued or guaranteed by governments or issued by U.S. Agencies	2,105,582	
Time deposits and other obligations of banks	240,872	
Asset- and mortgage- backed, corporate securities and commercial paper	962,371	
	3,308,825	14,309,669
Loans outstanding (1)		
Total loans approved, less cancellations	104,417,430	
Less principal collected	(37,284,121)	
Less loans sold	(890,977)	
Less undischursed balance (2)	(17,917,469)	
	48,324,863	
Allowance for loan losses	(1,626,176)	
	46,698,687	
Accrued interest and other charges		
On investments	98,658	
On loans	734,701	
On swaps, net	271,031	
	1,104,390	
Receivable from members		
Capital subscriptions	2,270	
Non-negotiable, non-interest bearing demand obligations	443,600	
Amounts required to maintain value of currency holdings	56,940	
	502,810	
Currency and interest rate swaps		
Investments	7,621	
Borrowings	1,899,322	
	1,906,943	
Other Assets		
Property, improvements and equipment, at cost	497,956	
Less Accumulated Depreciation & Amortization	(210,203)	
	287,753	
Unamortized borrowing costs	237,784	
Miscellaneous	275,044	
	800,581	
Total assets		\$ 65,703,374

(1) Excludes private sector loan participations.

(2) The Bank has entered into irrevocable commitments to disburse \$15 million.

Ordinary Capital
Balance Sheet - As of June 30, 2003
(Expressed in thousands of United States dollars)

Liabilities and Capital			
Liabilities			
Borrowings			
Medium- and long-term borrowings		\$ 50,044,214	
Unamortized discount		(2,462,129)	
Bond hedge basis adjustments		1,458,601	
		<u>49,040,686</u>	
Short term borrowings, net		39,999	\$ 49,080,685
Currency and interest rate swaps			
Investments		262,488	
Loans		69,012	
Borrowings		<u>428,273</u>	759,773
Other liabilities			
Accrued interest on borrowings		796,525	
Accounts payable and accrued expenses		<u>129,424</u>	925,949
Total liabilities			<u>50,766,407</u>
Capital			
Capital stock			
Subscribed 8,368,379 shares		100,951,374	
Less callable portion		<u>(96,611,180)</u>	
		4,340,194	
General reserve		7,780,507	
Special reserve		2,665,500	
Accumulated other comprehensive income (loss):			
Accumulated translation adjustments	\$ 159,351		
Unrealized loss on cashflow hedges	(53,345)		
Cumulative effect of change in accounting principle	<u>44,760</u>		
		150,766	14,936,967
Total liabilities and capital			<u>\$ 65,703,374</u>

Ordinary Capital
Statement of Income and General Reserve
For the Period Ended June 30, 2003 and 2002
(Expressed in thousands of United States dollars)

	Month		Year-to-Date	
	2003	2002	2003	2002
Income				
From loans ⁽¹⁾				
- Interest	\$ 222,523	\$ 212,721	\$ 1,358,998	\$ 1,315,408
- Credit commissions	6,888	(756)	40,214	(207)
- Supervision and inspection	2,198	(7)	11,914	327
- Fees from private sector and emergency lending	5,750	1,305	17,947	10,822
	<u>237,359</u>	<u>213,263</u>	<u>1,429,073</u>	<u>1,326,350</u>
From investments	25,552	29,691	159,223	160,849
From other sources	5,568	7,496	8,801	12,919
Total income	<u>268,479</u>	<u>250,450</u>	<u>1,597,097</u>	<u>1,500,118</u>
Expenses				
Borrowing expenses	129,496	160,949	856,042	924,219
Administrative expenses	24,692	39,566	146,930	140,641
Provision for loan losses	(35,730)	1,624	53,160	64,014
	<u>118,458</u>	<u>202,139</u>	<u>1,056,132</u>	<u>1,128,874</u>
Operating income	150,021	48,311	540,965	371,244
Net gain (loss) from hedging activities under SFAS 133	16,504	3,105	22,186	(94)
Net income	166,525	51,416	563,151	371,150
Allocation to the Fund for Special Operations	-	-	-	-
Addition to general reserve for the year	166,525	51,416	563,151	371,150
General reserve, beginning of period	7,613,982	6,855,555	7,217,356	6,535,821
General reserve, end of period	<u>\$ 7,780,507</u>	<u>\$ 6,906,971</u>	<u>\$ 7,780,507</u>	<u>\$ 6,906,971</u>

(1) At June 30, 2003, Private Sector loans with an aggregate outstanding balance of \$308.4 million were on nonaccrual status. If all loans had been on accrual status, income from loans for 2003 would have been higher by \$8.2 million.

Ordinary Capital
Statement of Comprehensive Income
For the Period Ended June 30, 2003 and 2002
(Expressed in thousands of United States dollars)

	Month		Year-to-Date	
	2003	2002	2003	2002
Net income	\$ 166,525	\$ 51,416	\$ 563,151	\$ 371,150
Other comprehensive income (loss) :				
Translation adjustments				
General reserve	(71,779)	96,530	76,200	232,927
Special reserve	(15,734)	29,958	22,153	65,682
Total translation adjustments	(87,513)	126,488	98,353	298,609
Net income (loss) on cash flow hedges under SFAS 133	6,823	(1,504)	6,701	(27,670)
Total other comprehensive income (loss)	(80,690)	124,984	105,054	270,939
Comprehensive income	\$ 85,835	\$ 176,400	\$ 668,205	\$ 642,089

Ordinary Capital
Statement of Cash Flows
For the Period Ended June 30, 2003 and 2002
(Expressed in thousands of United States dollars)

	2003	2002
Cash flows from lending and investing activities		
Lending:		
Loan disbursements (net of participations)	\$ (3,867,979)	\$ (1,330,348)
Loan collections (net of participations)	3,904,136	1,490,464
Net cash provided by lending activities	36,157	160,116
Gross purchases of held to maturity investments	(11,063,564)	(6,165,515)
Gross proceeds from maturities of held to maturity investments	11,344,879	6,127,298
Miscellaneous assets and liabilities	(19,581)	(28,981)
Net cash provided by lending and investing activities	297,891	92,918
Cash flows from financing activities		
Borrowings:		
Medium- and long- term debt		
Gross proceeds	5,530,268	4,048,622
Repayments	(6,017,346)	(2,240,034)
Short term borrowings		
Gross proceeds	1,125,000	95,709
Repayments	(1,815,000)	(480,458)
Capital:		
Collections of receivables from members	60,753	83,837
Net cash (used in) provided by financing activities	(1,116,325)	1,507,676
Cash flows from operating activities		
Loan income collections	1,423,157	1,463,125
Interest and other costs of borrowings	(834,553)	(927,502)
Income from investments	153,358	161,458
Other income	4,395	6,144
Administrative expenses	(160,380)	(147,338)
Net cash provided by operating activities	585,977	555,887
Change in market value of trading investments	4,177	3,165
Effect of exchange rate fluctuations on cash and trading investments	116,983	255,347
Allocation to the Fund for Special Operations	-	-
Net (decrease) increase in cash and trading investments	(111,297)	2,414,993
Cash and trading investments at beginning of the period	11,237,568	8,561,427
Cash and trading investments at end of the period	\$ 11,126,271	\$ 10,976,420
Reconciliation of net income to net cash provided by operating activities:		
Net Income	\$ 563,151	\$ 371,150
Difference between amounts accrued and amounts paid or collected for:		
Loan income	38	136,775
Income from investments	(1,688)	3,774
Net unrealized (gain) loss on trading investments	(4,177)	(3,165)
Interest and other costs of borrowings	(211,273)	(50,915)
Administrative expenses, including depreciation	(17,856)	(13,472)
Net unrealized loss (gain) from hedging activities under SFAS 133	204,622	47,726
Provision for loan losses	53,160	64,014
Net cash provided by operating activities	\$ 585,977	\$ 555,887
Composition of cash and trading investments:		
Cash	\$ 380,294	\$ 304,328
Investments held in trading portfolio	11,000,844	10,929,072
Currency and interest rate swaps - Investments-trading, net	(254,867)	(256,980)
	\$ 11,126,271	\$ 10,976,420
Supplemental disclosure of noncash activities		
Increase resulting from exchange rate fluctuations:		
Held to maturity investments	\$ 32,449	\$ 82,382
Loans outstanding	403,156	1,280,167
Borrowings and related swaps	555,601	1,302,061