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Follow-Up  
Materials



M E M O R A N D U M

TO: DOCUMENT CONTROL

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

RE: INTERNATIONAL BANK RECORD DATA

FORM TYPE: ZADB

COMPANY NAME: Inter American Development Bank

COMPANY ADDRESS: \_\_\_\_\_  
\_\_\_\_\_ **PROCESSED**  
\_\_\_\_\_ **JUL 19 2004**  
\_\_\_\_\_ **THOMSON FINANCIAL** **B**  
\_\_\_\_\_

COMPANY STATUS: ACTIVE A BRANCH: \_\_\_\_\_

FILE NO.: 83-1 FISCAL YEAR: \_\_\_\_\_

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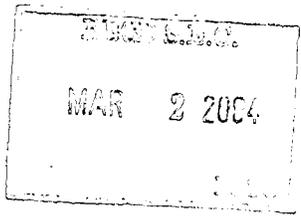
File No. 83-1  
Regulation IA  
Rule 2 (a)

IADB

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 December 31, 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.

Not applicable: There were no purchases or sales by the Bank of its primary obligations during the quarter.

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

Attached hereto as Annex A are the financial statements, as of December 31, 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.

**ORDINARY CAPITAL**

ORDINARY CAPITAL  
INTER-AMERICAN DEVELOPMENT BANK

**BALANCE SHEET**

*Expressed in thousands of United States dollars*

	December 31,			
	2003		2002	
<b>ASSETS</b>				
<b>Cash and investments</b>				
Cash .....	\$	347,038	\$	205,858
Investments				
Trading .....		11,371,657		11,298,628
Held-to-maturity .....		3,607,578	\$15,326,273	3,391,282
				\$14,895,768
<b>Loans outstanding</b> .....		50,654,815		47,957,857
Allowance for loan losses .....		(183,165)	50,471,650	(1,560,885)
				46,396,972
<b>Accrued interest and other charges</b>				
On investments .....		109,035		113,688
On loans .....		601,803		694,037
On swaps, net .....		188,304	899,142	181,719
				989,444
<b>Receivable from members</b>				
Capital subscriptions .....		2,270		6,191
Non-negotiable, non-interest bearing demand obligations .....		422,663		499,506
Amounts to maintain value of currency holdings .....		68,092	493,025	244,774
				750,471
<b>Currency and interest rate swaps</b>				
Investments—trading .....		140		18,860
Borrowings .....		1,680,486	1,680,626	1,293,803
				1,312,663
<b>Other assets</b>				
Property, net .....		293,690		287,152
Unamortized borrowing costs .....		243,248		143,972
Miscellaneous .....		261,700	798,638	254,386
Total assets .....			<u>\$69,669,354</u>	<u>\$65,030,828</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
<b>Borrowings</b>				
Short-term .....	\$	1,569,093	\$	729,434
Medium- and long-term .....		48,719,644	\$50,288,737	48,129,872
				\$48,859,306
<b>Currency and interest rate swaps</b>				
Investments—trading .....		306,077		288,829
Loans .....		46,736		64,932
Borrowings .....		666,520	1,019,333	613,362
				967,123
Payable for investment securities purchased .....			165,235	—
Amounts payable to maintain value of currency holdings .....			199,429	32,888
Accrued interest on borrowings .....			718,997	781,735
Accounts payable and accrued expenses .....			165,782	121,014
Total liabilities .....			52,557,513	50,762,066
<b>Equity</b>				
<b>Capital stock</b>				
Subscribed—8,368,379 shares .....		100,951,374		100,951,374
Less callable portion .....		(96,611,180)		(96,611,180)
		4,340,194		4,340,194
General reserve .....		9,622,616		7,217,356
Special reserve .....		2,665,500		2,665,500
Accumulated other comprehensive income .....		483,531	17,111,841	45,712
Total liabilities and equity .....			<u>\$69,669,354</u>	<u>\$65,030,828</u>

ORDINARY CAPITAL  
INTER-AMERICAN DEVELOPMENT BANK

**STATEMENT OF INCOME AND GENERAL RESERVE**

*Expressed in thousands of United States dollars*

	Years ended December 31,	
	2003	2002
<b>Income</b>		
Loans		
Interest .....	\$2,602,359	\$2,615,576
Credit commissions .....	59,769	564
Supervision and inspection and other fees .....	48,585	22,731
	<u>2,710,713</u>	<u>2,638,871</u>
Investments .....	298,032	318,596
Other .....	18,732	27,384
Total income .....	<u>3,027,477</u>	<u>2,984,851</u>
<b>Expenses</b>		
Borrowing expenses		
Interest .....	1,577,381	1,801,147
Amortization of borrowing costs .....	49,428	37,520
Debt repurchase costs' .....	9,246	2,694
	<u>1,636,055</u>	<u>1,841,361</u>
Provision (credit) for loan and guarantee losses .....	(1,369,707)	99,884
Administrative expenses .....	327,795	315,972
Total expenses .....	<u>594,143</u>	<u>2,257,217</u>
Operating income .....	2,433,334	727,634
Net loss from hedging activities under SFAS 133 .....	(874)	(18,899)
Net income .....	<u>2,432,460</u>	<u>708,735</u>
Allocation to the Fund for Special Operations .....	(27,200)	(27,200)
Addition to general reserve for the year .....	2,405,260	681,535
General reserve, beginning of year .....	7,217,356	6,535,821
General reserve, end of year .....	<u>\$9,622,616</u>	<u>\$7,217,356</u>

**STATEMENT OF COMPREHENSIVE INCOME**

*Expressed in thousands of United States dollars*

	Years ended December 31,	
	2003	2002
Net income .....	\$2,432,460	\$ 708,735
Other comprehensive income		
Translation adjustments .....	449,246	372,928
Net loss on cash flow hedges under SFAS 133 .....	(11,427)	(38,891)
Total other comprehensive income .....	<u>437,819</u>	<u>334,037</u>
Comprehensive income .....	<u>\$2,870,279</u>	<u>\$1,042,772</u>

ORDINARY CAPITAL  
INTER-AMERICAN DEVELOPMENT BANK

**STATEMENT OF CASH FLOWS**

*Expressed in thousands of United States dollars*

	Years ended December 31,	
	2003	2002
<b>Cash flows from lending and investing activities</b>		
Lending:		
Loan disbursements (net of participations) .....	\$ (8,415,900)	\$ (5,521,825)
Loan collections (net of participations) .....	7,279,284	4,106,227
Net cash used in lending activities .....	(1,136,616)	(1,415,598)
Net decrease (increase) in trading investments .....	469,599	(2,482,936)
Gross purchases of held-to-maturity investments .....	(1,291,345)	(3,111,823)
Gross proceeds from maturities of held-to-maturity investments .....	1,582,409	3,056,072
Purchase of property .....	(23,997)	(25,328)
Miscellaneous assets and liabilities .....	(4,885)	(21,608)
Net cash used in lending and investing activities .....	(404,835)	(4,001,221)
<b>Cash flows from financing activities</b>		
Medium- and long-term borrowings:		
Gross proceeds .....	7,295,140	8,575,159
Repayments .....	(8,937,837)	(6,058,863)
Short-term borrowings:		
Gross proceeds .....	4,623,116	897,801
Repayments .....	(3,794,922)	(655,814)
Collections of receivables from members .....	81,763	83,415
Net cash (used in) provided by financing activities .....	(732,740)	2,841,698
<b>Cash flows from operating activities</b>		
Loan income collections .....	2,876,046	2,785,447
Interest and other costs of borrowings .....	(1,568,064)	(1,708,692)
Income from investments .....	295,766	309,070
Other income .....	10,232	14,677
Administrative expenses .....	(319,873)	(326,031)
Net cash provided by operating activities .....	1,294,107	1,074,471
Cash allocation to the Fund for Special Operations .....	(27,200)	(27,200)
Effect of exchange rate fluctuations on cash .....	11,848	50,633
Net increase (decrease) in cash .....	141,180	(61,619)
Cash, beginning of year .....	205,858	267,477
Cash, end of year .....	<u>\$ 347,038</u>	<u>\$ 205,858</u>