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Follow-Up
Materials



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MEMORANDUM

TO: DOCUMENT CONTROL

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

RE: INTERNATIONAL BANK RECORD DATA

FORM TYPE:

IADB

COMPANY NAME:

Inter American Development Bank

COMPANY

ADDRESS:

PROCESSED

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THOMSON
FINANCIAL

COMPANY STATUS: ACTIVE A

BRANCH: _____

FILE NO.: 83-1

FISCAL YEAR: _____

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OFFICE OF INTERNATIONAL
CORPORATE FINANCE

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

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

PERIODIC REPORT

SUPPL

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, 2005
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 December 31, 2005, 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.

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

Coupon (%)	Borrowing Currency	Borrowing Amount	Issue Price (%)	Issue Date	Maturity Date
8.67	MXN	1,000,000,000	100.00	7-Oct-2005	7-Oct-2015
4.375	USD	500,000,000	99.939	19-Oct-05	19-Oct-2007
7.25	ZAR	300,000,000	98.75	20-Oct-05	20-Oct-2010
7.65	MXN	165,000,000	100.00	26-Oct-05	26-Oct-2010
6.50	NZD	200,000,000	100.375	31-Oct-05	31-Oct-2007
4.89	AUD	58,100,000	100.00	1-Nov-05	4-Nov-2008
7.05	ZAR	600,000,000	100.00	9-Nov-05	9-Nov-2009
8.67	MXN	1,000,000,000	101.019982479	22-Nov-05	7-Oct-2015
7.65	MXN	162,000,000	100.00	28-Nov-05	26-Nov-2010
5.00	AUD	37,000,000	100.00	29-Nov-05	1-Dec-2008
6.07	NZD	270,000,000	99.98	1-Dec-05	5-Dec-2007
6.24	NZD	372,000,000	99.98	1-Dec-05	1-Dec-2008
7.05	ZAR	500,000,000	98.90	2-Dec-05	2-Dec-2010
9.00	ISK	5,000,000,000	100.857	20-Dec-05	4-Jan-2007
5.75	AUD	625,000,000	100.193	22-Dec-05	22-Dec-2010
7.65	MXN	165,000,000	100.00	27-Dec-05	27-Dec-2010

ORDINARY CAPITAL



Ordinary Capital
Balance Sheet - As of December 31, 2005
(Expressed in thousands of United States dollars)

Assets		
Cash		\$ 222,631
Investments		
Trading		
Obligations issued or guaranteed by governments or issued by U.S. Agencies	\$ 682,934	
Time deposits and other obligations of banks	2,260,042	
Asset- and mortgage- backed and corporate securities	7,240,435	\$ 10,183,411
Held to maturity		
Obligations issued or guaranteed by governments or issued by U.S. Agencies	2,338,719	
Time deposits and other obligations of banks	738,113	
Asset- and mortgage- backed, corporate securities and commercial paper	337,300	3,414,132
Loans outstanding (1)		
Total loans approved, less cancellations	117,464,484	
Less principal collected	(51,362,930)	
Less write offs	(71,859)	
Less loans sold	(894,745)	
Less undischursed balance (2)	(16,999,905)	
Allowance for loan losses	48,135,045	47,960,378
(174,667)		
Accrued interest and other charges		
On investments	85,292	
On loans	586,927	
On swaps, net	72,571	744,790
Receivable from members		
Non-negotiable, non-interest bearing demand obligations	370,205	
Amounts required to maintain value of currency holdings	73,281	443,486
Currency and interest rate swaps		
Investments	3,298	
Loans	4,472	
Borrowings	1,595,763	1,603,533
Other Assets		
Property, improvements and equipment, at cost	567,632	
Less accumulated depreciation & amortization	(241,637)	
Unamortized borrowing costs	325,995	
Miscellaneous	217,564	
Miscellaneous	265,654	809,213
Total assets		\$ 65,381,574

(1) Excludes private sector loan participations.

(2) The Bank has entered into irrevocable commitments to disburse \$4 million.

Ordinary Capital
Balance Sheet - As of December 31, 2005
(Expressed in thousands of United States dollars)

Liabilities and Capital		
Liabilities		
Borrowings		
Medium- and long-term borrowings.....	\$ 46,433,176	
Unamortized discount.....	(2,434,503)	
Bond hedge basis adjustments.....	168,175	
Short term borrowings, net.....	<u>44,166,848</u>	\$ 45,092,562
925,714		
Currency and interest rate swaps		
Investments.....	60,719	
Loans.....	10,468	
Borrowings.....	<u>490,777</u>	561,964
Amounts payable to maintain value of currency holdings.....		188,220
Other liabilities		
Payable for investment securities purchased.....	44,501	
Accrued interest on borrowings.....	607,356	
Accounts payable and accrued expenses.....	<u>159,537</u>	811,394
Total liabilities.....		<u>46,654,140</u>
Equity		
Capital stock		
Subscribed - 8,368,563 shares.....	100,953,594	
Less callable portion.....	<u>(96,613,304)</u>	
Paid-in.....	4,340,290	
General reserve.....	11,533,353	
Special reserve.....	2,665,500	
Accumulated other comprehensive income:		
Accumulated translation adjustments.....	\$ 195,662	
Accumulated SFAS 133 adjustments.....	<u>(7,371)</u>	188,291
Total liabilities and equity.....		<u>\$ 65,381,574</u>

Ordinary Capital
Statement of Income and General Reserve
For the Period Ended December 31, 2005
(Expressed in thousands of United States dollars)

	Month		Year-to-Date	
	2005	2004	2005	2004
Income				
From loans ^{(1) (2)}				
- Interest	\$ 200,677	\$ 213,952	\$ 2,368,362	\$ 2,446,272
- Credit commissions	1,102	2,500	20,081	31,607
- Supervision and inspection	-	-	-	-
- Fees from private sector and emergency lending	990	(157)	24,692	19,967
	202,769	216,295	2,413,135	2,497,846
From investments	43,419	31,074	403,395	287,995
From other sources	3,433	2,372	13,875	10,831
Total income	249,621	249,741	2,830,405	2,796,672
Expenses				
Borrowing expenses	169,764	128,660	1,732,741	1,571,798
Administrative expenses	63,583	38,509	387,766	342,085
Special programs/grants expense	875	-	11,965	-
(Credit) provision for loan and guarantee losses	(8,619)	13,490	(14,185)	20,612
Total expenses	225,603	180,659	2,118,287	1,934,495
Income before SFAS 133 and currency transaction adjustments	24,018	69,082	712,118	862,177
Effects of SFAS 133 and currency transaction adjustments	150,948	37,233	50,050	313,592
Net income (loss)	174,966	106,315	762,168	1,175,769
Allocation to the Fund for Special Operations	-	(27,200)	-	(27,200)
Addition to (deduction from) general reserve for the period	174,966	79,115	762,168	1,148,569
General reserve, beginning of period	11,358,387	10,682,070	10,771,185	9,622,616
General reserve, end of period	\$ 11,533,353	\$ 10,771,185	\$ 11,533,353	\$ 10,771,185

(1) At December 31, 2005, Private Sector loans with an aggregate outstanding balance of \$192.0 million were on nonaccrual status. If all loans had been on accrual status, income from loans for 2005 would have been higher by \$2.6 million.

(2) In 2005, loan income includes the positive effect of a change in the income recognition method on nonaccrual loans of \$28.7 million.

Ordinary Capital
Statement of Comprehensive Income
For the Period Ended December 31, 2005
(Expressed in thousands of United States dollars)

	Month		Year-to-Date	
	2005	2004	2005	2004
Net income (loss)	\$ 174,966	\$ 106,315	\$ 762,168	\$ 1,175,769
Other comprehensive income:				
Translation adjustments				
General reserve.....	25,469	21,691	(483,410)	206,203
Special reserve.....	2,964	6,501	(70,353)	32,978
Total translation adjustments.....	28,433	28,192	(553,763)	239,181
Reclassification to income - cash flow hedges.....	715	756	8,491	10,850
Total other comprehensive income (loss)	29,148	28,948	(545,272)	250,031
Comprehensive income	\$ 204,114	\$ 135,263	\$ 216,896	\$ 1,425,800

Ordinary Capital
Statement of Cash Flows
For the Period Ended December 31, 2005
(Expressed in thousands of United States dollars)

	2005	2004
Cash flows from lending and investing activities		
Lending:		
Loan disbursements (net of participations)	\$ (4,899,458)	\$ (3,767,836)
Loan collections (net of participations)	5,223,866	5,198,602
Recoveries	9,465	-
Net cash provided by lending activities	333,873	1,430,766
Net (increase) decrease in trading investments	-	-
Gross purchases of held to maturity investments	(2,392,042)	(4,448,377)
Gross proceeds from maturities of held to maturity investments	2,530,904	4,419,995
Miscellaneous assets and liabilities	(30,059)	(17,336)
Net cash provided by lending and investing activities	442,676	1,385,048
Cash flows from financing activities		
Borrowings:		
Medium- and long- term debt		
Gross proceeds	5,039,363	4,518,732
Repayments	(5,711,446)	(7,798,222)
Short term borrowings, net	632,998	(1,265,852)
Collections of receivables from members	25,595	35,657
Net cash used in financing activities	(13,490)	(4,509,685)
Cash flows from operating activities		
Gross purchases of trading investments	(14,669,998)	(15,900,705)
Gross proceeds from sale or maturity of trading investments	13,329,398	17,976,985
Loan income collections	2,405,454	2,426,073
Interest and other costs of borrowings, after swaps	(1,544,107)	(1,412,084)
Income from investments	394,571	273,246
Other income	13,875	10,829
Administrative expenses	(335,002)	(352,112)
Special programs	(726)	-
Net cash provided by operating activities	(406,535)	3,022,232
Cash allocation to the Fund for Special Operations	-	(27,200)
Effect of exchange rate fluctuations on cash	(10,470)	(6,983)
Net increase (decrease) in cash	12,181	(136,588)
Cash, beginning of period	210,450	347,038
Cash, end of period	\$ 222,631	\$ 210,450
Reconciliation of net income to net cash provided by operating activities:		
Net Income	\$ 762,168	\$ 1,175,769
Difference between amounts accrued and amounts paid or collected for:		
Loan income	(7,681)	(71,775)
Income from investments	(7,448)	(1,247)
Net unrealized loss (gain) on trading investments	(1,376)	(13,502)
Interest and other costs of borrowings, after swaps	188,634	124,261
Administrative expenses, including depreciation	52,764	(10,026)
Special programs	11,239	-
Effects of SFAS 133 and currency transaction adjustments	(50,050)	(278,140)
Net decrease (increase) in trading investments	(1,340,600)	2,076,280
(Credit) provision for loan and guarantee losses	(14,185)	20,612
Net cash provided by operating activities	\$ (406,535)	\$ 3,022,232
Supplemental disclosure of noncash activities		
Increase (decrease) resulting from exchange rate fluctuations:		
Trading investments	\$ (271,863)	\$ 170,275
Held to maturity investments	(271,112)	194,232
Loans outstanding	(1,377,001)	623,593
Borrowings and related swaps	(1,228,776)	664,865
Receivable from members - net	186,535	(164,121)