

**PRICING SUPPLEMENT****Inter-American Development Bank****Global Debt Program**

Series No.: 553

Tranche No.: 17

IDR 420,000,000,000 7.875 percent Notes due March 14, 2023 (the “Notes”) as from January 29, 2020, to be consolidated and form a single series with the Bank’s IDR 950,000,000,000 7.875 percent Notes due March 14, 2023, issued on March 14, 2016 (the “Series 553 Tranche 1 Notes”), the Bank’s IDR 327,250,000,000 7.875 percent Notes due March 14, 2023, issued on November 18, 2016 (the “Series 553 Tranche 2 Notes”), the Bank’s IDR 334,000,000,000 7.875 percent Notes due March 14, 2023, issued on May 24, 2017 (the “Series 553 Tranche 3 Notes”), the Bank’s IDR 1,332,000,000,000 7.875 percent Notes due March 14, 2023, issued on July 27, 2017 (the “Series 553 Tranche 4 Notes”), the Bank’s IDR 250,000,000,000 7.875 percent Notes due March 14, 2023, issued on September 19, 2017 (the “Series 553 Tranche 5 Notes”), the Bank’s IDR 1,645,000,000,000 7.875 percent Notes due March 14, 2023, issued on November 14, 2017 (the “Series 553 Tranche 6 Notes”), the Bank’s IDR 800,000,000,000 7.875 percent Notes due March 14, 2023, issued on December 7, 2017 (the “Series 553 Tranche 7 Notes”), the Bank’s IDR 250,000,000,000 7.875 percent Notes due March 14, 2023, issued on December 18, 2017 (the “Series 553 Tranche 8 Notes”), the Bank’s IDR 670,800,000,000 7.875 percent Notes due March 14, 2023, issued on January 24, 2018 (the “Series 553 Tranche 9 Notes”), the Bank’s IDR 360,000,000,000 7.875 percent Notes due March 14, 2023, issued on July 26, 2018 (the “Series 553 Tranche 10 Notes”), the Bank’s IDR 850,000,000,000 7.875 percent Notes due March 14, 2023, issued on February 20, 2019 (the “Series 553 Tranche 11 Notes”), the Bank’s IDR 674,000,000,000 7.875 percent Notes due March 14, 2023, issued on March 11, 2019 (the “Series 553 Tranche 12 Notes”), the Bank’s IDR 450,000,000,000 7.875 percent Notes due March 14, 2023, issued on May 22, 2019 (the “Series 553 Tranche 13 Notes”), the Bank’s IDR 200,000,000,000 7.875 percent Notes due March 14, 2023, issued on June 10, 2019 (the “Series 553 Tranche 14 Notes”), the Bank’s IDR 406,950,000,000 7.875 percent Notes due March 14, 2023, issued on November 22, 2019 (the “Series 553 Tranche 15 Notes”), and the Bank’s IDR 1,050,000,000,000 7.875 percent Notes due March 14, 2023, issued on December 6, 2019 (the “Series 553 Tranche 16 Notes”).

payable in United States Dollars

Issue Price: 106.949084 percent plus 321 days’ accrued interest

*PRICING SUPPLEMENT**Inter-American Development Bank Global Debt Program Series No.: 553, Tranche No.: 17**IDR 420,000,000,000 7.875 percent Notes due March 14, 2023*

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 Regulated Market

J.P. Morgan

The date of this Pricing Supplement is as of January 24, 2020

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 January 8, 2001 (the “Prospectus”) (which for the avoidance of doubt does not constitute a prospectus for the purposes of Part VI of the United Kingdom Financial Services and Markets Act 2000 or a base prospectus for the purposes of Regulation (EU) 2017/1129). 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 product governance / Retail investors, professional investors and ECPs target market** – See “General Information—Additional Information Regarding the Notes—Matters relating to MiFID II” 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. These are the only terms which form part of the form of Notes for such issue.

1. Series No.: 553  
Tranche No.: 17
2. Aggregate Principal Amount: IDR 420,000,000,000

As from the Issue Date, the Notes will be consolidated and form a single series with the Series 553 Tranche 1 Notes, the Series 553 Tranche 2 Notes, the Series 553 Tranche 3 Notes, the Series 553 Tranche 4 Notes, the Series 553 Tranche 5 Notes, the Series 553 Tranche 6 Notes, the Series 553 Tranche 7 Notes, the Series 553 Tranche 8 Notes, the Series 553 Tranche 9 Notes, the Series 553 Tranche 10 Notes, the Series 553 Tranche 11 Notes, the Series 553 Tranche 12 Notes, the Series 553 Tranche 13 Notes, the Series 553 Tranche 14 Notes, the Series 553 Tranche 15 Notes, and the Series 553 Tranche 16 Notes.

3. Issue Price: IDR 478,194,553,200 which amount represents the sum of (a) 106.949084

percent of the Aggregate Principal Amount *plus* (b) the amount of IDR 29,008,400,400 representing 321 days' accrued interest, inclusive.

The Issue Price will be payable in USD in the amount of USD 34,930,208.41 at the agreed rate of 13,690 IDR per one USD.

4. Issue Date: January 29, 2020
5. Form of Notes  
(Condition 1(a)): Registered only, as further provided in paragraph 9(c) of "Other Relevant Terms" below.
6. Authorized Denomination(s)  
(Condition 1(b)): IDR 10,000,000 and integral multiples thereof
7. Specified Currency  
(Condition 1(d)): The lawful currency of the Republic of Indonesia ("Indonesian Rupiah" or "IDR"), provided that all payments in respect of the Notes will be made in United States Dollars ("U.S.\$" or "USD")
8. Specified Principal Payment  
Currency  
(Conditions 1(d) and 7(h)): USD
9. Specified Interest Payment Currency  
(Conditions 1(d) and 7(h)): USD
10. Maturity Date  
(Condition 6(a); Fixed Interest Rate): March 14, 2023
11. Interest Basis  
(Condition 5): Fixed Interest Rate (Condition 5(I))
12. Interest Commencement Date  
(Condition 5(III)): March 14, 2019

13. Fixed Interest Rate (Condition 5(I)): Condition 5(I) as amended and supplemented below, shall apply to the Notes. The bases of the Calculation of the Interest Amount, Interest Payment Dates and default interest are as set out below.

(a) Interest Rate: 7.875 percent per annum

(b) Business Day Convention: Following Business Day Convention

(c) Fixed Rate Interest Payment Date(s): Annually on each March 14, commencing on March 14, 2020 and ending on, and including, the Maturity Date.

Each Interest Payment Date is subject to adjustment in accordance with the Following Business Day Convention with no adjustment to the amount of interest otherwise calculated.

(d) Interest Period: Each period from and including each Interest Payment Date to but excluding the next following Interest Payment Date, *provided* that the initial Interest Period will commence on and include the Interest Commencement Date, and the final Interest Period will end on but exclude the Maturity Date.

For the purposes of the calculation of the Interest Amount payable for any Interest Period, there shall be no adjustment pursuant to the Business Day Convention specified above.

(e) Fixed Rate Day Count Fraction(s): Actual/Actual ICMA

(f) Calculation of Interest Amount: As soon as practicable and in accordance with the procedure specified herein, the Calculation Agent will determine the IDR Rate (as defined below) and calculate the amount of interest payable (the “Interest Amount”) with respect to each minimum

Authorized Denomination for the relevant Interest Period.

The Interest Amount with respect to any Interest Period shall be a USD amount calculated on the relevant Rate Fixing Date (as defined below) as follows:

7.875% *times* the minimum Authorized Denomination

*times*

the Fixed Rate Day Count Fraction

*divided by*

the IDR Rate

(and rounding, if necessary, the entire resulting figure to the nearest two decimal places, with USD 0.005 being rounded upwards).

The “IDR Rate” means the rate determined by the Calculation Agent that is equal to the USD/IDR weighted average spot rate in the interbank market, based on traded USD/IDR spot foreign exchange transactions during a specified time period which are captured on a real time basis, expressed as the amount of IDR per one USD, for settlement in two Fixing Business Days, as published by Bank Indonesia as the “Jakarta Interbank Spot Dollar Rate USD – IDR”, which appears on Bank Indonesia’s website ([www.bi.go.id](http://www.bi.go.id)), or as published on Thomson Reuters Screen JISDOR Page (or any replacement page or replacement service as may be implemented for the purposes of displaying the USD/IDR weighted average spot rate), or as otherwise made available by Bank Indonesia (or its successor as administrator), at approximately 10:00 a.m., Jakarta time, on

the Rate Fixing Date. Fallback Provisions apply as set out below.

The “Rate Fixing Date” means the date that is five (5) Fixing Business Days prior to the applicable Fixed Rate Interest Payment Date or Maturity Date, as the case may be. The Rate Fixing Date shall be subject to adjustment as follows: if the scheduled date of the Rate Fixing Date is not a Relevant Business Day, then the Rate Fixing Date will be the first preceding day that is a Relevant Business Day.

“Fixing Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Jakarta.

“Fallback Provisions”: Should no USD/IDR weighted average spot rate appear on Bank Indonesia’s website ([www.bi.go.id](http://www.bi.go.id)) as the “Jakarta Interbank Spot Dollar Rate USD – IDR”, or on Thomson Reuters Screen JISDOR Page (or on such replacement page or replacement service as described above), or be otherwise made available by Bank Indonesia (or its successor as administrator), on the Rate Fixing Date, then the IDR Rate for such Rate Fixing Date shall be determined by the Calculation Agent by requesting quotations for the mid USD/IDR spot foreign exchange rate from five banks active in the USD/IDR currency and foreign exchange markets as selected by the Calculation Agent (such banks, the “Reference Banks”) either (i) at or about 10:00 a.m. Jakarta time on the first day (other than a Saturday or a Sunday) following the Rate Fixing Date, if such day is a Relevant Business Day or (ii) at or about 10:00 a.m. Jakarta time on the Rate Fixing Date, if the first day (other than a

Saturday or a Sunday) following the Rate Fixing Date is not a Relevant Business Day.

If five or four quotations are provided by Reference Banks as requested, the IDR Rate shall be the arithmetic mean (rounded to the nearest whole IDR, with IDR 0.5 being rounded upwards) of the remaining three or two such quotations (expressed as the number of IDR per one USD), as the case may be, after disregarding the highest quotation and the lowest quotation; provided, that if two or more such quotations are the highest such quotations, then only one of such quotations shall be disregarded; and provided further, that if two or more such quotations are the lowest such quotations, then only one of such lowest quotations shall be disregarded.

If only three or two quotations are provided as requested, the IDR Rate shall be the arithmetic mean (rounded to the nearest whole IDR, with IDR 0.5 being rounded upwards) of such quotations (expressed as the number of IDR per one USD).

If only one or no quotations are provided as requested, or if the Calculation Agent determines in its sole discretion that no suitable Reference Banks active in the USD/IDR currency or foreign exchange markets will provide quotations, the Calculation Agent shall be entitled to calculate the IDR Rate acting in good faith in a commercially reasonable manner, having taken into account relevant market practice, by reference to such additional sources as it deems appropriate; and in such case the Calculation Agent shall notify the Bank and the Global Agent as soon as reasonably practicable that the IDR Rate is to be so determined.



- (g) Calculation Agent: See “8. Identity of Calculation Agent” under “Other Relevant Terms”
- (h) Notification: If the Interest Amount payable on any Fixed Rate Interest Payment Date or the Redemption Amount, as the case may be, is calculated in any manner other than by utilizing the USD/IDR reference rate that appears on Bank Indonesia’s website ([www.bi.go.id](http://www.bi.go.id)), or on Thomson Reuters Screen JISDOR Page (or on such replacement page as described above), or as otherwise made available by Bank Indonesia (or its successor as administrator), the Global Agent on behalf of the Bank shall give notice as soon as reasonably practicable to the Noteholders in accordance with Condition 14 (*Notices*).
14. Relevant Financial Center: New York, London and Jakarta
15. Relevant Business Day: New York, London and Jakarta
16. Redemption Amount (Condition 6(a)):
- The Redemption Amount with respect to each minimum Authorized Denomination will be a USD amount calculated by the Calculation Agent as of the Rate Fixing Date with respect to the Maturity Date as follows:
- $$\frac{\text{minimum Authorized Denomination}}{\text{divided by the IDR Rate}}$$
- (and rounding, if necessary, the entire resulting figure to the nearest 2 decimal places, with USD 0.005 being rounded upwards).
17. Issuer's Optional Redemption (Condition 6(e)): No

18. Redemption at the Option of the Noteholders (Condition 6(f)): No
19. Early Redemption Amount (including accrued interest, if applicable) (Condition 9):  
 In the event the Notes become due and payable as provided in Condition 9 (Default), the Early Redemption Amount with respect to each minimum Authorized Denomination will be a USD amount equal to the Redemption Amount that is determined in accordance with “16. Redemption Amount” plus accrued and unpaid interest, if any, as determined in accordance with “13. Fixed Interest Rate (Condition 5(I))”; provided, that for purposes of such determination, the “Rate Fixing Date” shall be the date that is five Fixing Business Days prior to the date upon which the Notes become due and payable as provided in Condition 9 (Default).
20. Governing Law: New York
21. 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: The Dealer 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 the Notes in, from or otherwise involving the United Kingdom.
- (c) Indonesia: The Notes are not and will not be registered with the Financial Services Authority previously known as the Capital Market and

Financial Institutions Supervisory Agency (the "OJK") in Indonesia. As such, the Notes (including the distribution and dissemination of the Pricing Supplement, other written materials either through advertisements or other media authorized) are not authorized by the OJK for their sale by public offering in the Indonesian territory and/or to Indonesian entities or residents in the Indonesian territory in circumstances which constitute a public offering of securities under the Indonesian Law No. 8/1995 regarding Capital Markets. Likewise, the Notes and the Pricing Supplement have not been reviewed, registered or authorized by the Central Bank (Bank Indonesia) for their distribution through banking institutions in Indonesia.

(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, the 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.

### **Other Relevant Terms**

1. Listing:

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 Regulated Market.

2. Details of Clearance System Approved by the Bank and the Global Agent and Clearance and Settlement Procedures:

Euroclear Bank SA/NV and Clearstream Banking S.A.

3. Syndicated: No
4. Commissions and Concessions: 0.029428% of the Aggregate Principal Amount
5. Estimated Total Expenses: None. The Dealer has agreed to pay for all material expenses related to the issuance of the Notes.
6. Codes:
  - (a) Common Code: 137749645
  - (b) ISIN: XS1377496457
7. Identity of Dealer: J.P. Morgan Securities plc
8. Identity of Calculation Agent: The Toronto-Dominion Bank, Toronto

In relation to the Rate Fixing Date, as soon as is reasonably practicable after the determination of the IDR Rate in relation thereto, on the date on which the relevant IDR Rate is to be determined (or, if such date is not a Relevant Business Day, then on the next succeeding Relevant Business Day), the Calculation Agent shall notify the Issuer and the Global Agent of the IDR Rate, and the Interest Amount, and the Redemption Amount or Early Redemption Amount, as the case may be, in relation thereto.

All determinations of the Calculation Agent shall (in the absence of manifest error) be final and binding on all parties (including, but not limited to, the Bank and the Noteholders) and shall be made in its sole discretion in good faith and in a commercially reasonable manner in accordance with a calculation agent agreement between the Bank and the Calculation Agent.

9. Provision 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 Global Agency Agreement, dated January 8, 2001, among the Bank, Citibank, N.A., as Global Agent, and the other parties thereto.

## General Information

### Additional Information Regarding the Notes

1. Matters relating to MiFID II

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

**MiFID II product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of the 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 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 manufacturer’s target market assessment) and determining appropriate distribution channels.

For the purposes of this provision, the expression MiFID II means Directive 2014/65/EU, as amended.

2. United States Federal Income Tax Matters

The following supplements the discussion under the “Tax Matters” section of the Prospectus regarding the U.S. federal income tax treatment of the Notes, and is subject to the limitations and exceptions set forth therein. Any tax disclosure in the Prospectus or this pricing supplement is of a general nature only, is not exhaustive of all possible tax considerations and is not intended to be, and should not be construed to be, legal, business

or tax advice to any particular prospective investor. Each prospective investor should consult its own tax advisor as to the particular tax consequences to it of the acquisition, ownership, and disposition of the Notes, including the effects of applicable U.S. federal, state, and local tax laws and non-U.S. tax laws and possible changes in tax laws.

Subject to the discussion below regarding amortizable bond premium, a United States holder will generally be taxed on interest on the Notes as ordinary income at the time such holder receives the interest or when it accrues, depending on the holder's method of accounting for tax purposes. However, the portion of the first interest payment on the Notes that represents a return of the 321 days of accrued interest that a United States holder paid as part of the Issue Price of the Notes ("Pre-Issuance Accrued Interest") will not be treated as an interest payment for United States federal income tax purposes, and will accordingly only be taxable to the extent that the U.S. dollar amount received in respect of such Pre-Issuance Accrued Interest differs from the U.S. dollar amount paid by the holder in respect of such interest. Any such difference should give rise to United States source foreign currency gain or loss.

Because the Notes are denominated in the Indonesian Rupiah, a United States holder of the Notes will generally be subject to special United States federal income tax rules governing foreign currency transactions, as described in the Prospectus in the last four paragraphs of "—Payments of Interest" under the "United States Holders" section. Pursuant to such rules, a United States holder should determine amounts received with respect to a Note (including principal and interest) by reference to the U.S. dollar value of the Indonesian Rupiah amount of the payment, calculated at the currency exchange rate in effect on the date of payment. The U.S. dollar amount that is actually received by the United States holder may differ from the amount determined under the preceding sentence, since the U.S. dollar amount of the payment will be determined by reference to the IDR Rate as of the relevant Rate Fixing Date. Accordingly, a United States holder of the Notes may recognize United States source foreign currency gain or loss in an amount equal to such difference (in addition to any foreign currency gain or loss otherwise recognized upon the receipt of an interest payment or a sale or retirement of the Notes). The U.S. Internal Revenue Service ("IRS") could take the position, however, that the amounts received by a United States holder in respect of a Note should be equal to the U.S. dollar amount that is actually received by the United States holder. Prospective United States holders of the Notes should consult their tax advisors regarding these rules.

Additionally, because the purchase price of the Notes exceeds the principal amount of the Notes, a United States holder may elect to treat the excess (after excluding the portion of the purchase price attributable to Pre-Issuance Accrued Interest) as amortizable bond premium. A United States holder that makes this election would reduce the amount required to be included in such holder's income each year with respect to interest on the Notes by the amount of amortizable bond premium allocable to that year, based on the Note's yield to maturity. Because the Notes are denominated in the Indonesian Rupiah, a United States holder would compute such holder's amortizable bond premium in units of

Indonesian Rupiah, and the United States holder's amortizable bond premium would reduce such holder's interest income in units of Indonesian Rupiah. Gain or loss recognized that is attributable to changes in exchange rates between the time the United States holder's amortized bond premium offsets interest income and the time of the holder's acquisition of the Notes is generally taxable as ordinary income or loss. If a United States holder makes an election to amortize bond premium, the election would apply to all debt instruments, other than debt instruments the interest on which is excludible from gross income, that the United States holder holds at the beginning of the first taxable year to which the election applies or that such holder thereafter acquires, and the United States holder may not revoke the election without the consent of the IRS.

Upon a sale, redemption or retirement of a Note, a United States holder will generally recognize gain or loss equal to the difference, if any, between (i) the U.S. dollar value of the amount realized on the sale, redemption or retirement (other than amounts attributable to accrued but unpaid interest, which would be treated as interest payments except to the extent that such amounts are a return of Pre-Issuance Accrued Interest), and (ii) the United States holder's adjusted tax basis in the Note. A United States holder's adjusted tax basis in a Note generally will equal the U.S. dollar cost of the Note to the United States holder, reduced by any bond premium that the United States holder previously amortized with respect to the Notes, and if such disposition occurs after the first interest payment, by an amount equal to the U.S. dollar value of the Pre-Issuance Accrued Interest on the Issue Date. Such gain or loss will be capital gain or loss except to the extent attributable to changes in exchange rates. Capital gain of individual taxpayers from the sale, redemption or retirement of a Note held for more than one year may be eligible for reduced rates of taxation. The deductibility of a capital loss is subject to significant limitations.

Due to a change in law since the date of the Prospectus, the second paragraph of "— Payments of Interest" under the "United States Holders" section should be updated to read as follows: "Interest paid by the Bank on the Notes constitutes income from sources outside the United States and will generally be "passive" income for purposes of computing the foreign tax credit."

*Treasury Regulations Requiring Disclosure of Reportable Transactions.* Treasury regulations require United States taxpayers to report certain transactions that give rise to a loss in excess of certain thresholds (a "Reportable Transaction"). Under these regulations, because the Notes are denominated in a foreign currency, a United States holder (or a non-United States holder that holds the Notes in connection with a U.S. trade or business) that recognizes a loss with respect to the Notes that is characterized as an ordinary loss due to changes in currency exchange rates (under any of the rules discussed above or under the "Tax Matters" section of the Prospectus) would be required to report the loss on IRS Form 8886 (Reportable Transaction Statement) if the loss exceeds the thresholds set forth in the regulations. For individuals and trusts, this loss threshold is \$50,000 in any single taxable year. For other types of taxpayers and other types of losses, the thresholds are higher.

Holders should consult with their tax advisors regarding any tax filing and reporting obligations that may apply in connection with acquiring, owning and disposing of notes.

*Information with Respect to Foreign Financial Assets.* Owners of “specified foreign financial assets” with an aggregate value in excess of U.S.\$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with their tax returns. “Specified foreign financial assets” may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts that have non-United States issuers or counterparties, and (iii) interests in foreign entities. Holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the Notes.

*Medicare Tax.* A United States holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax (the “Medicare tax”) on the lesser of (1) the United States holder’s “net investment income” (or “undistributed net investment income” in the case of an estate or trust) for the relevant taxable year and (2) the excess of the United States holder’s modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between U.S.\$125,000 and U.S.\$250,000, depending on the individual’s circumstances). A holder’s net investment income generally includes its interest income, foreign currency gain and its capital gains from the disposition of Notes, unless such interest income or gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). United States holders that are individuals, estates or trusts are urged to consult their tax advisors regarding the applicability of the Medicare tax to their income and gains in respect of their investment in the Notes.

### 3. Additional Investment Considerations:

The Notes offered by this Pricing Supplement are complex financial instruments and may not be suitable for certain investors. Investors intending to purchase the Notes should consult with their tax and financial advisors to ensure that the intended purchase meets the investment objective before making such purchase.

There are various risks associated with the Notes including, but not limited to, exchange rate risk, price risk and liquidity risk. Investors should consult with their own financial, legal and accounting advisors about the risks associated with an investment in these Notes, the appropriate tools to analyze that investment, and the suitability of the investment in each investor’s particular circumstances. Holders of the Notes should also consult with their professional tax advisors regarding tax laws applicable to them.



Payment of each Interest Amount and the Redemption Amount will be based on the IDR Rate, which is a measure of the rate of exchange between the Indonesian Rupiah and the USD. Currency exchange rates are volatile and will affect the holder's return. In addition, the government of Indonesia can from time to time intervene in the foreign exchange market. These interventions or other governmental actions could adversely affect the value of the Notes, as well as the yield (in USD terms) on the Notes and the amount payable at maturity or upon acceleration. Even in the absence of governmental action directly affecting currency exchange rates, political or economic developments in Indonesia or elsewhere could lead to significant and sudden changes in the exchange rate between the Indonesian Rupiah and the USD.

The Indonesian Rupiah is an emerging market currency. Emerging market currencies may be subject to particularly substantial volatility, as well as to government actions including currency controls, devaluations and other matters which could materially and adversely affect the value of the Notes.

The methodologies for determining the IDR Rate may result in a Redemption Amount (or Early Redemption Amount, as the case may be) of the Notes, or an Interest Amount on the Notes, being significantly less than anticipated or less than what an alternative methodology for determining the IDR-USD exchange rate would yield.