Offering Circular

DISCOUNT NOTES

The Inter-American Development Bank (the “Bank”) is offering for sale Discount Notes with maturities of 360 days or less, payable only at maturity. The Discount Notes will be sold at a discount in book-entry form only in face amounts of $100,000 and additional integral multiples of $1,000.

The Discount Notes are being offered for sale on a continuous basis through a group of dealers consisting of Barclays Capital Inc., CastleOak Securities, L.P., Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, TD Securities (USA) LLC, and Wells Fargo Securities, LLC, as Dealers. The Bank may also sell Discount Notes to any Dealer acting as principal. The maturities of Discount Notes and the discount rate for various maturities will be established from time to time by the Bank. Information as to the maturities available and discount rates may be obtained from the Dealers. Each of the Dealers has undertaken to the Bank to use reasonable efforts to maintain a secondary market for the Discount Notes.

On original issuance, the Discount Notes will be issued in book-entry form through the Federal Reserve Bank of New York, as Fiscal Agent, and will be held by Holding Institutions designated by the Dealers. Payment of the purchase price for Discount Notes and payment of Discount Notes at maturity are to be made in immediately available funds. A more complete description of the Discount Notes appears under “Description of Discount Notes.”

DISCOUNT NOTES ARE NOT REQUIRED TO BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933. ACCORDINGLY, NO REGISTRATION STATEMENT HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE DISCOUNT NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

This Offering Circular should be read in conjunction with the Bank’s current Information Statement and any amendment or supplement thereto. See “Availability of Information and Incorporation by Reference”.

Barclays

CastleOak Securities, L.P.

Mizuho Securities

Morgan Stanley

TD Securities

Wells Fargo Securities

The date of this Offering Circular is March 15, 2019.
THE BANK

The Inter-American Development Bank is an international institution established in December of 1959, pursuant to the Agreement Establishing the Inter-American Development Bank (the “Bank Agreement”). The principal office of the Bank is located at 1300 New York Avenue, N.W., Washington, D.C. 20577. The Bank also maintains offices in each of its borrowing member countries and in Madrid and Tokyo.

The mission of the Bank is to improve lives in Latin America and the Caribbean countries by supporting efforts to reduce poverty and inequality in a sustainable, climate friendly way. The members of the Bank include 26 borrowing member countries and 22 non-borrowing member countries.

United States Membership in the Bank

The United States became a shareholder of the Bank pursuant to an Act of Congress (Inter-American Development Bank Act, 22 U.S.C. §§ 283 et seq.). As of December 31, 2018, the Bank’s largest member by shareholdings is the United States, with a 30% share of total voting power. The United States selects one of the Bank’s 14 Executive Directors, who is appointed by the President of the United States with the advice and consent of the Senate.

USE OF PROCEEDS

The net proceeds to the Bank from the sale of Discount Notes will be included in the ordinary capital resources of the Bank and used in its ordinary operations.

DESCRIPTION OF THE DISCOUNT NOTES

General

The Discount Notes are offered on a continuous basis and have maturities of 360 days or less. The Discount Notes are issued in face amounts of $100,000 and additional integral multiples of $1,000. The maturities of Discount Notes and the discount rate for various maturities will be established from time to time by the Bank. Information as to the maturities available and discount rates may be obtained from the Dealers.

The Discount Notes are sold on a discounted basis. The purchase price of a Discount Note will be the difference between the face amount of the Discount Note and the quotient arrived at by dividing by 360 the product of:

<table>
<thead>
<tr>
<th>Face Amount of Discount Note</th>
<th>Percentage of Discount</th>
<th>Number of Days Between Issue Date and Maturity Date*</th>
</tr>
</thead>
</table>

*Including the issue date, but excluding the maturity date.

The Bank is authorized to issue Discount Notes in an aggregate face amount outstanding at any time up to $10,000,000,000 pursuant to a Resolution of its Board of Executive Directors.

The Discount Notes will not be the obligations of any government.

Payment of Face Amount

Payment of a Discount Note is due in full on its maturity date. Payments will be made on the maturity date to the Holding Institution that holds the Discount Note as of the close of business on the Business Day preceding the maturity date by credit of the payment to the Holding Institution’s account at the Federal Reserve Bank of New York. The Holding Institution and each other financial intermediary in the chain to the beneficial owner will have
the responsibility of remitting payments for the accounts of their customers. A “Holding Institution” is a depository
or other designated institution that has an appropriate book-entry account with a Federal Reserve Bank or Branch.
The term “Business Day” shall mean any day other than a Saturday, a Sunday or a day on which the Federal Reserve
Bank of New York is not open for business. Transfers of Discount Notes between Holding Institutions can be made
through the Federal Reserve Book-entry System.

In any case in which the maturity date is not a business day, payment of a Discount Note shall be made on the
next succeeding Business Day with the same force and effect as if made on the maturity date.

Original Issuance

On original issuance, all Discount Notes will be issued in book-entry form through the Federal Reserve Bank of
New York and held by certain financial institutions as Holding Institutions. After original issuance, Discount Notes
will continue to be held by such Holding Institutions unless a purchaser arranges for the transfer of its Discount
Notes to another Holding Institution. Holding Institutions may include depositories for Euroclear Bank S.A./N.V.,
as operator of the Euroclear System, and Clearstream Banking, société anonyme.

Book-entry System

The Federal Reserve Bank of New York, as Fiscal Agent, will take delivery of and hold Discount Notes as
record owner and custodian for Holding Institutions located in the Second Federal Reserve District. Holding
Institutions located in other Federal Reserve Districts can hold Discount Notes through their respective Federal
Reserve Bank or Branch.

The aggregate holdings of Discount Notes of each Holding Institution will be reflected in the book-entry
account of such Holding Institution with its Federal Reserve Bank or Branch. Each Holding Institution, and each
other intermediate holder in the chain to the ultimate beneficial owner, will have the responsibility of establishing
and maintaining accounts for its customers having interests in Discount Notes. Federal Reserve Banks will be
responsible only for maintaining the book-entry accounts of Holding Institutions, effecting transfers on the books of
the Federal Reserve Banks and ensuring that payments from the Bank, through the Federal Reserve Bank of New
York, are credited to appropriate Holding Institutions. Federal Reserve Banks will act only on the instructions of
Holding Institutions for which they maintain Discount Notes. The Federal Reserve Banks will not record pledges of
Discount Notes.

The Bank will not impose fees in respect of Discount Notes. However, owners of Discount Notes may incur
fees payable in respect of the maintenance and operation of the book-entry accounts in which Discount Notes are
held.

Eligibility for Investment

The Discount Notes may be accepted as security for all fiduciary, trust, and public funds, the investment or
deposit of which are under the authority and control of the United States or any officers thereof (31 C.F.R. §
202.6(b)). The Discount Notes are also acceptable as collateral for Treasury tax and loan accounts, subject to
applicable margin adjustments (31 C.F.R. § 203.21(d)).

National banks and state member banks of the Federal Reserve System may, under Federal law, deal in the
Discount Notes without limitation and may hold Discount Notes for their own account subject to a limit of 10% of
their unimpaired capital and surplus (12 U.S.C. § 24 (Seventh)). Surplus and reserve funds of Federal Home Loan
Banks may be invested in the Discount Notes if obligations of the Bank are eligible investments for fiduciary and
trust funds under the laws of the state where the Federal Home Loan Bank is located (12 U.S.C. §§ 1431(h) and
1436(a)).

Approval of the United States Government

As required by the Bank Agreement, the Bank has obtained the approval of the United States Government for
the raising of funds in or outside the United States through the issuance of the Discount Notes.
Status Under U.S. Securities Laws

Under the provisions of Section 13(a) of the Inter-American Development Bank Act, as amended, the Discount Notes are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 3(a)(12) of the Securities Exchange Act of 1934, as amended.

Governing Law

The Notes will be governed by the laws of the State of New York.

VALIDITY OF THE DISCOUNT NOTES

The validity of the Discount Notes has been passed upon by the General Counsel or Chief Counsel, Corporate Legal Affairs Division of the Bank and by Sullivan & Cromwell LLP, Washington, D.C., counsel for the Dealers, who, with respect to certain matters, has relied upon the opinion of counsel of the Bank. The opinions of counsel of the Bank and Sullivan & Cromwell LLP are conditioned upon, and subject to certain assumptions regarding, future action required to be taken by the Bank in connection with the issuance and sale of any particular Discount Note and other matters which cannot be ascertained on the date of their opinions.

TAXATION

The following is a summary of the provisions of the Bank Agreement concerning taxation of the Discount Notes and of certain anticipated United States federal income tax consequences resulting from the ownership of the Discount Notes. This section does not cover all of the possible tax consequences relating to the ownership of the Discount Notes, and it is not intended as tax advice to any person. This summary applies only to United States Holders (as defined below) who are initial purchasers of the Discount Notes and who hold the Discount Notes as capital assets. This section addresses only United States federal income taxation and does not discuss all of the tax consequences that may be relevant to a United States Holder in light of its individual circumstances, including foreign, state or local tax consequences, and tax consequences arising under the Medicare contribution tax on net investment income or the alternative minimum tax. This summary is based upon the United States federal income tax laws as currently in effect and as currently interpreted. These laws are subject to change, possibly on a retroactive basis.

General

The Discount Notes and payments thereon generally will be subject to taxation, including United States federal income taxation. Under the Bank Agreement, however, the Discount Notes and payments thereon are not subject to any tax by a member country of the Bank (i) which tax discriminates against the Discount Notes solely because they were issued by the Bank or (ii) if the sole jurisdictional basis for the tax is the place or currency in which the Discount Notes are issued, made payable or paid, or the location of any office or place of business maintained by the Bank. Also, under the Bank Agreement, the Bank is not under any obligation to withhold or pay any tax imposed by any member on payments on the Discount Notes. Accordingly, payments on the Discount Notes will be made to the Fiscal Agent without deduction in respect of any such tax. The imposition of United States federal income tax in the manner described herein is not inconsistent with the Bank Agreement.

Taxation of Discount Notes

The following is a description of certain United States federal income tax consequences of the ownership of Discount Notes by a United States Holder. A “United States Holder” is a beneficial owner of a Discount Note, for United States federal income tax purposes, that is (i) a United States citizen or resident, (ii) a domestic corporation,
(iii) an estate the income of which is subject to United States federal income taxation without regard to its source, or
(iv) a trust if the trust is subject to the administration of a United States court and one or more United States persons
have the authority to control all substantial decisions of the trust.

The Discount Notes will be issued with discount from their face amount. The excess of the face amount of a
Discount Note over its issue price will constitute original issue discount (“OID”). In general, an individual or other
cash basis United States Holder of a Discount Note is not required to accrue OID for United States federal income
tax purposes unless such individual or other cash basis United States Holder elects to do so. Accrual basis United
States Holders and certain other United States Holders, including, but not limited to, regulated investment
companies, common trust funds, certain pass-through entities and cash basis United States Holders who so elect, are
required to accrue OID on Discount Notes on either a straight-line basis or under the constant-yield method (based
on daily compounding). In the case of a United States Holder not required and not electing to include OID in
income currently, any gain realized on the sale or retirement of the Discount Note will be ordinary income to the
extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-
yield method) through the date of sale or retirement. United States Holders who are not required and do not elect to
accrue OID on Discount Notes will be required to defer deductions for interest on borrowings allocable to Discount
Notes in an amount not exceeding the deferred income until the deferred income is realized.

United States Holders that use an accrual method of accounting for tax purposes generally will be required to
include certain amounts in income no later than the time such amounts are reflected on certain financial statements.
The application of this rule thus may require the accrual of OID on the Discount Notes earlier than would be the
case under the general tax rules described above, although the precise application of this rule is unclear at this time.
United States Holders that use an accrual method of accounting should consult with their tax advisors regarding the
potential applicability of this requirement to their particular situation.

A United States Holder’s tax basis in a Discount Note will generally be the U.S. dollar cost of the note, adjusted
by adding any OID previously included in income with respect to such note. A United States Holder will generally
recognize gain or loss on the sale or retirement of a Discount Note equal to the difference between the amount
realized on the sale or retirement and such holder’s tax basis in the Discount Note. Such gain or loss will generally
be capital gain or loss, except to the extent described above with respect to United States Holders who are not
required and who do not elect to include OID in income currently. The deductibility of capital losses is subject to
limitations.

The United States Treasury Department has issued to the Bank rulings dated May 4, 1988 and May 5, 1989 (the
“Rulings”) regarding certain United States tax consequences under the Internal Revenue Code of the receipt of
interest, including OID, on securities issued by the Bank. The Rulings provide that interest paid by the Bank on
such securities constitutes income from sources outside the United States. The Rulings further determine that
neither the Bank nor an agent appointed by it as principal for the purpose of paying interest on securities issued by
the Bank is required to withhold tax on interest paid by the Bank.

The Bank is not subject to the reporting requirements that are imposed by United States law with respect to
certain payments of interest or principal on debt obligations, nor is it subject to backup withholding tax imposed, in
certain circumstances, by United States law with respect to such payments. Brokers, trustees, custodians and other
intermediaries within the United States are subject to the information reporting and backup withholding
requirements with respect to payments on the Discount Notes received by them for the account of certain non-
corporate United States Holders.

Information with Respect to Foreign Financial Assets. A United States Holder that owns “specified foreign
financial assets” with an aggregate value in excess of $50,000 (and in some circumstances, a higher threshold) may
be required to file an information report with respect to such assets with its 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. United States Holders are urged to consult their tax advisors
regarding the application of this reporting requirement to their ownership of the Discount Notes.
DISTRIBUTION ARRANGEMENTS

The Discount Notes are offered on a continuous basis for sale through Barclays Capital Inc., CastleOak Securities, L.P., Mizuho Securities USA LLC, Morgan Stanley & Co. LLC, TD Securities (USA) LLC, and Wells Fargo Securities, LLC, as Dealers. The sales may be held on a daily basis and there may be more than one sale on a day. Current quotations for Discount Notes of various maturities can be obtained from the above-named Dealers. Each named Dealer has entered into a Selling Group Agreement with the Bank establishing the terms and conditions for sale of the Discount Notes, and each Dealer has agreed to use reasonable efforts to maintain a secondary market in the Discount Notes. The Bank may also sell Discount Notes to any Dealer acting as principal.

AVAILABILITY OF INFORMATION AND INCORPORATION BY REFERENCE

The Bank periodically prepares an information statement (the “Information Statement”) that describes the Bank, including its capital, operations and administration, the Bank Agreement, the Bank’s legal status and its principal financial policies. Each Information Statement also contains the Bank’s latest audited annual financial statements. The current Information Statement, dated March 1, 2019 contains the Bank’s audited annual financial statements as of and for the period ended December 31, 2018. The Bank also prepares an annual report to its Board of Governors and unaudited quarterly financial statements.

The Bank is subject to certain informational requirements of Regulation IA, promulgated by the Securities and Exchange Commission under Section 11(a) of the Inter-American Development Bank Act, and in accordance therewith files its Information Statement, its regular quarterly and annual financial statements, and other information (the “Bank Information”) with the Commission.

Documents filed with the Commission may be accessed through the following link to the Commission’s website: http://www.sec.gov. Some of the documents filed with the Commission, as well as this Offering Circular, may be accessed through the following link to the Bank’s website: https://www.iadb.org/en/idb-finance/investors. This link to the Bank’s website is provided only for the purpose of accessing these documents. The Bank’s website is NOT incorporated in, nor does it form part of, this Offering Circular.

Incorporation by Reference

The Bank’s latest Information Statement, any quarterly or annual financial statements filed with the Commission subsequent to the date of such Information Statement and any supplements or amendments to this Offering Circular circulated by the Bank from time to time shall be deemed to be incorporated in, and to form part of, this Offering Circular, and references to “this Offering Circular” shall mean this document and any documents incorporated by reference in, and forming part of, this document, except, and to the extent, any such document is superseded or modified by any subsequent document incorporated by reference in, and forming part of, this Offering Circular.

The Bank will, in the event of any material adverse change in the financial position of the Bank that is not reflected in this Offering Circular, prepare an amendment or supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Discount Notes by the Bank.