Inter-American Development Bank

$1,250,000,000

Medium-Term Notes

Due at least one year from the Date of Issue

The Inter-American Development Bank (the "Bank") may offer in the United States from time to time its Medium-Term Notes (the "Notes"). The aggregate proceeds of Notes to be offered hereby, together with the notes being concurrently offered outside the United States ("Euro-Notes"), will not exceed U.S. $1,250,000,000 (or the equivalent thereof to the extent Euro-Notes are issued in foreign currencies or foreign currency units) at any one time outstanding. The Bank may from time to time authorize an increase in the aggregate proceeds of Notes to be sold, which Notes will constitute a part of the same series as the Notes offered hereby. The Notes will be offered at varying maturities at least one year from their dates of issue and may be subject to redemption at the option of the Bank or repayment at the option of the Noteholder prior to the Stated Maturity (as defined below) thereof as set forth in a Pricing Supplement to this Information Statement (a "Pricing Supplement"). The Notes, which may be issued at their principal amount or at a premium or discount to their principal amount, may bear interest on a fixed or floating rate basis.

The Bank will pay commissions and fees to the appropriate Agent (as defined below) of .075%-1.00% of the principal amount, depending upon the final maturity, of the Notes sold by such Agent acting as agent. See "Plan of Distribution."

The Notes are being offered on a continuing basis by the Bank through the Agents, each of which has agreed to use its best efforts to solicit offers to purchase the Notes. The Bank also may sell Notes to any Agent, acting as principal, for resale to one or more investors or to one or more broker-dealers (acting as a principal for purposes of resale) at varying prices related to prevailing market prices at the time of resale, as determined by such Agent, or, if so agreed, at a fixed public offering price. The Bank reserves the right to appoint other agents and the right to sell Notes directly to investors. The Bank reserves the right to withdraw, cancel or modify the offer made hereby without notice. The Bank or the Agent that solicits any offer to purchase Notes may reject any offer in whole or in part. See "Plan of Distribution."

Lehman Brothers
Merrill Lynch & Co.

The First Boston Corporation
Salomon Brothers Inc

Agents

May 14, 1993
THE NOTES OFFERED HEREBY ARE NOT REQUIRED TO BE REGISTERED UNDER THE SECURITIES ACT OF 1933. ACCORDINGLY, NO REGISTRATION STATEMENT HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS INFORMATION STATEMENT SUPPLEMENT. THE MAKING OF ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

IN CONNECTION WITH THIS OFFERING, THE AGENTS MAY OVER-ALLOCATE OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE NOTES OR OF OTHER SECURITIES OF THE BANK AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

AVAILABILITY OF INFORMATION AND INCORPORATION BY REFERENCE

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

In addition, the Bank has filed with the Commission an Information Statement dated March 9, 1993 (the "Information Statement"), which describes the Bank, its capital, operations, administration, the Agreement Establishing the Inter-American Development Bank (the "Agreement"), legal status, certain features of its debt securities and methods whereby the Bank may distribute its debt securities. The Information Statement also contains the Bank’s audited financial statements as of December 31, 1992.

The Information Statement, as amended or replaced from time to time, and any quarterly or annual financial statements filed by the Bank pursuant to Regulation IA subsequent to the date of the Information Statement and prior to the termination of the offering of the Notes shall be deemed to be incorporated by reference in this Information Statement Supplement and to be a part hereof.

The Bank will provide copies of its annual report to its Board of Governors, the Information Statement and quarterly financial statements incorporated herein by reference. Written or telephone requests should be directed to the Inter-American Development Bank, 1300 New York Avenue, N.W., Washington, D.C. 20577, Attention: Finance Department, (202) 623-2277. Such reports, financial statements and other information may be inspected and copied at the offices of the Commission at Room 1026, 450 Fifth Street, N.W., Washington, D.C. 20549 and copies of such material may be obtained from the Public Reference Section of the Commission at the above address at prescribed rates. Such annual reports and quarterly financial statements also may be inspected at the SEC Library of the New York Stock Exchange.

TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of Information and Incorporation by Reference</td>
<td>S-2</td>
</tr>
<tr>
<td>Summary of Terms and Condition of the Notes</td>
<td>S-3</td>
</tr>
<tr>
<td>The Bank</td>
<td>S-5</td>
</tr>
<tr>
<td>Description of the Notes</td>
<td>S-5</td>
</tr>
<tr>
<td>Tax Status of the Notes</td>
<td>S-19</td>
</tr>
<tr>
<td>Plan of Distribution</td>
<td>S-20</td>
</tr>
<tr>
<td>Validity of Notes</td>
<td>S-21</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>S-21</td>
</tr>
</tbody>
</table>
SUMMARY OF TERMS AND CONDITIONS OF THE NOTES

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the full text of this document and, in relation to the terms and conditions of any particular Note, the Pricing Supplement relevant thereto. Terms not defined in this summary are defined elsewhere herein.

Issuer ......................... Inter-American Development Bank (the "Bank")
Agents ......................... Lehman Brothers, Shearson Lehman Brothers Inc. (including Lehman Special Securities Inc.), The First Boston Corporation, Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Salomon Brothers Inc.
Fiscal Agent ..................... The Federal Reserve Bank of New York or Bankers Trust Company, as indicated in the Pricing Supplement.
Amount ......................... Up to U.S.$1,250,000,000 aggregate proceeds of Notes and Euro-Notes outstanding at any one time (or its equivalent, in the case of Euro-Notes, in other currencies or composite currencies calculated at the date of issue), subject to the right of the Bank to increase such limit.
Maturities ...................... At least one year from the date of issue.
Issue Price ..................... Notes may be issued at their principal amount, or at a premium or discount to their principal amount, as specified in the Pricing Supplement relating to such Notes.
Fixed Rate Notes .............. Fixed Rate Notes will bear interest which will be payable in arrears on such date or dates as shall be indicated in the relevant Pricing Supplement and upon redemption or maturity and will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each, all as more fully described in "Description of the Notes — Fixed Rate Notes".
Floating Rate Notes ........... Floating Rate Notes will bear interest calculated by reference to the CD Rate, Prime Rate, Federal Funds Rate, LIBOR, Treasury Rate (each of which, as defined herein) or such other reference rate as is specified in the relevant Pricing Supplement, as adjusted by addition or subtraction of any applicable spread and/or by multiplication by any applicable spread multiplier, and interest will be payable monthly, quarterly, semi-annually or annually (or such other period(s) as the Bank and the relevant Purchaser may agree) and upon redemption or maturity, all as more fully described in "Description of the Notes — Floating Rate Notes". Interest payment periods will be determined prior to issue and will be specified in the relevant Pricing Supplement. Floating Rate Notes may have a maximum interest rate, a minimum interest rate or both.
Form of Notes ................. All Notes will be issued as either Book-Entry or Certificated Notes.
Redemption and Repayment .... If permitted in the applicable Pricing Supplement, the Notes may be redeemed at the option of the Bank or repaid at the option of the Noteholders subject to the conditions stated herein and therein.
Other Provisions .............. If permitted in the applicable Pricing Supplement, the principal of the Note may be amortized, the interest rate on a Note may be reset, the maturity may be extended, and the term of the Note may be renewed at the option of the Bank or a Noteholder.
<table>
<thead>
<tr>
<th>Taxation</th>
<th>Payments of principal of (premium, if any) and interest on the Notes will be made without deduction for or on account of any withholding taxes imposed by any country that is a member of the Bank.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status of the Notes; Negative Pledge</td>
<td>The Notes will represent unconditional and direct obligations of the ordinary capital resources of the Bank and will rank pari passu, without any preference among themselves, with all other outstanding obligations of the ordinary capital resources of the Bank. The Notes will have the benefit of a negative pledge, as described in and subject to the exceptions set forth under “Description of the Notes—Negative Pledge” below.</td>
</tr>
<tr>
<td>Rating</td>
<td>The Notes have been rated Aaa by Moody’s Investors Service, Inc. (“Moody’s”) and AAA by Standard &amp; Poor’s Corporation (“S&amp;P”).</td>
</tr>
</tbody>
</table>
THE BANK

The Bank is an international institution established in December of 1959. Forty-five governments are now members of the Bank, including twenty-eight American governments and the governments of seventeen non-regional countries outside the Western Hemisphere. The purpose of the Bank is to further the economic and social development of Latin America and the Caribbean. To this end, the Bank promotes the investment of public and private capital for development purposes and the orderly growth of foreign trade, primarily by providing from its resources loans for specific projects and for institutional and policy reforms that will contribute most effectively to economic growth and by providing technical assistance.

DESCRIPTION OF THE NOTES

The following description of the terms of the Notes covers certain general terms and provisions of the Notes. The particular terms and provisions of the Notes of any series will be set forth in a pricing supplement (a “Pricing Supplement”) relating to such series of Notes.

General

The Notes, together with the Euro-Notes which are to be offered and sold outside the United States under a Distribution Agreement dated May 14, 1993, between the Bank and the Dealers named therein, will not exceed U.S.$1,250,000,000 (or the equivalent thereof, determined at the respective time of issuance, to the extent Euro-Notes are issued in foreign currencies or foreign currency units) aggregate proceeds at any one time outstanding. The Bank reserves the right, however, to increase such amount.

All Notes will mature at least one year from the date of issue. Each Note will bear interest at either (i) a fixed rate (a “Fixed Rate Note”), or (ii) a floating rate (a “Floating Rate Note”) determined by reference to the interest rate basis or combination of interest rate bases specified in the applicable Pricing Supplement, which may be adjusted by a Spread and/or Spread Multiplier (each as defined below) and subject to maximum and/or minimum interest rates.

Notes may be offered as Amortizing Notes, Resettable Notes, Extendible Notes, or Renewable Notes (each, as defined below). A Note may also be redeemable at the option of the Bank or also repayable at the option of the Noteholders prior to maturity at the price or prices specified in the applicable Pricing Supplement.

As used herein, the following terms shall have the meaning set forth below.

“Business Day” means any day except a Saturday, Sunday or other day on which banking institutions are required or authorized by law or executive order to close in New York, New York.

“Holding Institutions” are entities eligible to maintain book-entry accounts with the Federal Reserve Banks and are the entities whose names appear on the book-entry records of a Federal Reserve Bank as the entities for whose accounts the Notes have been deposited.

“London Banking Day” means any day on which dealings in deposits in the Specified Currency (as defined below) are transacted in the London interbank market and the principal financial center of the country issuing the Specified Currency.

“Noteholder” is the beneficial owner of a Note.

Form and Denomination

Notes will be available in book-entry form (“Book-Entry Notes”) on the Depository Trust Company’s Book-Entry System or the Federal Reserve Bank Book-Entry System and/or in certificated form issued pursuant to the Bankers Fiscal Agency Agreement, as defined below, (“Certificated Notes”) as specified in the relevant Pricing Supplement. In addition, beneficial owners of Fed Book-Entry Notes (as defined below) may exchange such Notes for definitive Notes (“Fed Definitive Notes”). Except as set forth below under “Exchanges and Transfers”, Book-Entry Notes will not be exchangeable for Certificated Notes or Fed Definitive Notes.
Unless otherwise specified in the applicable Pricing Supplement, the Notes shall be issued in denominations of $100,000 and in integral multiples of $1,000 in excess thereof.

**Fixed Rate Notes**

Each Fixed Rate Note will bear interest from its Original Issue Date or such other date as specified in the applicable Pricing Supplement, or from the most recent date to which interest on such Note has been paid or duly provided for at the rate per annum stated therein until the principal amount thereof is paid or made available for payment. Interest on each Fixed Rate Note will be payable in arrears on such date or dates as shall be indicated in the relevant Pricing Supplement in each year (an “Interest Payment Date”) commencing with the first such Interest Payment Date falling at least fifteen days after the Original Issue Date of such Note, and on the date on which the Notes mature (the “Maturity Date”) or upon earlier redemption or repayment. Interest payments (other than interest due at any redemption of a Note or at maturity thereof) will be made to the Noteholders registered at the close of business on the fifteenth calendar day (whether or not a Business Day) next preceding such Interest Payment Date (in each case a “Record Date”), except that interest on Fed Book-Entry Notes shall be paid to the Holding Institutions that hold such Notes at the close of business on the Business Day preceding such Interest Payment Date. Each payment of interest in respect of any such date shall include interest accrued through the day before such date. If any Interest Payment Date or Maturity Date is not a Business Day, the payment of interest shall be postponed to the next succeeding day that is a Business Day, and no interest shall accrue on such payment as a result of such delay. Interest on Fixed Rate Notes will be computed on the basis of a 360-day year of twelve 30-day months and for an incomplete month, the actual number of days elapsed.

**Floating Rate Notes**

The interest rate on each Floating Rate Note will be equal to the interest rate determined by reference to the Interest Rate Basis (as defined below) specified in the applicable Pricing Supplement, plus or minus the Spread, if any, and/or multiplied by the Spread Multiplier, if any. The “Spread” is the number of basis points (one-hundredth of a percentage point) specified in the applicable Pricing Supplement to be added to or subtracted from the Interest Rate Basis of such Floating Rate Note, and the “Spread Multiplier” is the percentage specified in the applicable Pricing Supplement to be applied to the Interest Rate Basis for such Floating Rate Note. Any Floating Rate Note may also have either or both of the following, each as may be set forth in the applicable Pricing Supplement: (i) a maximum interest rate limitation, or ceiling, on the rate at which interest may accrue during any interest period (“Maximum Interest Rate”) and/or (ii) a minimum interest rate limitation, or floor, on the rate at which interest may accrue during any interest period (“Minimum Interest Rate”). The applicable Pricing Supplement will designate one of the following interest rate bases (individually an “Interest Rate Basis”) as applicable to each Note: (a) the CD Rate, in which case such Note will be a “CD Rate Note”; (b) the Prime Rate, in which case such Note will be a “Prime Rate Note”; (c) the Federal Funds Rate, in which case such Note will be a “Federal Funds Note”; (d) LIBOR, in which case such Note will be a “LIBOR Note”; (e) the Treasury Rate, in which case such Note will be a “Treasury Rate Note”; or (f) such other interest rate formula as is set forth in such Pricing Supplement.

Interest on each Floating Rate Note will be payable in arrears by the Bank monthly, quarterly, semiannually or annually on the dates in each year specified in such Note, as described in the applicable Pricing Supplement (or if any such day is not a Business Day, on the next succeeding Business Day (provided, however, that if such Note is both a LIBOR Note and not a Fed Book-Entry Note or a Fed Definitive Note and if such next succeeding Business Day would fall in the next calendar month, then such interest shall be payable on the immediately preceding Business Day)) (each, an “Interest Payment Date”), and at the Maturity Date, or upon earlier redemption or repayment, commencing on the date specified in such Note. If the Maturity Date (or date of redemption or repayment) of any Floating Rate Note would fall on a day that is not a Business Day, the payment of interest and principal (and premium, if any) may be postponed until the next succeeding Business Day, and no interest on such payment will accrue as a result of such delay. Interest payments (other than interest due at any redemption of a Note or at maturity thereof) will be made to the
Noteholders registered on the Record Date, except that interest on Fed Book-Entry Notes shall be paid to the Holding Institutions that hold such Notes at the close of business on the Business Day preceding such Interest Payment Date.

The rate of interest on each Floating Rate Note will be reset for the subsequent period daily, weekly, monthly, quarterly, semi-annually, annually or otherwise (each such period an "Interest Reset Period"), as specified in the applicable Pricing Supplement (each date upon which interest is so reset an "Interest Rate Reset Date"), provided, however, that (i) the interest rate in effect for the period ending on the first Interest Rate Reset Date will be the initial interest rate specified in the Pricing Supplement for such Note (the "Initial Interest Rate") and (ii) the interest rate in effect for the ten calendar days immediately prior to the Maturity Date of such Note will be that in effect on the tenth calendar day immediately preceding such Maturity Date. Notwithstanding the foregoing, the interest rate on any Note shall not be greater than the Maximum Interest Rate, if any, or less than the Minimum Interest Rate, if any, and in no event shall be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application. Except as provided in the next succeeding sentence, the Interest Rate Reset Date with respect to each Floating Rate Note will be, if the Interest Reset Period specified in the Pricing Supplement for such Note is daily, each Business Day, if the Interest Rate Reset Period specified in the Pricing Supplement for such Note is weekly (unless the Note is a Treasury Rate Note), the Wednesday of each week; if the Interest Reset Period specified in the Pricing Supplement for such Note is monthly, the third Wednesday of each month; if the Interest Reset Period specified in the Pricing Supplement for such Note is quarterly, the third Wednesday of each March, June, September and December; if the Interest Reset Period specified in the Pricing Supplement for such Note is semi-annually, the third Wednesday of the two months in each year specified in the Pricing Supplement for such Note; and if the Interest Reset Period specified in the Pricing Supplement for such Note is annually, the third Wednesday of the one month in each year specified in the Pricing Supplement for such Note. If, pursuant to the preceding sentence, any Interest Rate Reset Date would otherwise be a day that is not a Business Day with respect to such Note, the Interest Rate Reset Date shall be the next succeeding day that is a Business Day with respect to such Note, except that if the Note is both a LIBOR Note and not a Fed Book-Entry Note or a Fed Definitive Note (i) the Business Day must also be a London Banking Day and (ii) if the next succeeding such Business Day falls in the next succeeding calendar month, such Interest Rate Reset Date shall be the immediately preceding Business Day. Subject to applicable provisions of law and except as may be provided in a Floating Rate Note, on each Interest Rate Reset Date the rate of interest on such Note shall be the rate determined in accordance with the description under the applicable heading below.

Unless otherwise indicated in the applicable Pricing Supplement, interest payments on an Interest Payment Date for a Floating Rate Note will include interest accrued from, and including, the Original Issue Date or from and including the most recent Interest Payment Date to which interest has been paid or duly provided for, to, but excluding, such Interest Payment Date (or, if the Interest Reset Period with respect to such Note is daily or weekly, from the Original Issue Date or from and including the last date in respect of which interest has been paid to and including the Record Date immediately preceding such Interest Payment Date) and interest payable on the Maturity Date will include interest accrued to but excluding the Maturity Date.

Interest accrued from the Original Issue Date or from the last Interest Payment Date is calculated by multiplying the principal amount of a Note by an accrued interest factor. The accrued interest factor is computed by adding together the interest factors calculated for each day from the Original Issue Date, or from the last Interest Payment Date, to the date for which accrued interest is being calculated. The interest factor for each such day is computed by dividing the interest rate applicable to such day by 360, in the cases of CD Rate Notes, LIBOR Notes, Federal Funds Rate Notes and Prime Rate Notes, or by the actual number of days in the year, in the case of Treasury Rate Notes. The interest rate in effect on each day will be (a) if such day is an Interest Rate Reset Date, the interest rate with respect to the Interest Determination Date (as defined below) pertaining to such Interest Rate Reset Date or (b) if such day is not an Interest Rate Reset Date, the interest rate with respect to the Interest Determination Date pertaining to the immediately

S-7
preceding Interest Rate Reset Date, subject in either case to any Maximum or Minimum Interest Rate referred to above and to any adjustment by a Spread or a Spread Multiplier referred to above.

The “Interest Determination Date” pertaining to an Interest Rate Reset Date for a CD Rate Note (the “CD Interest Determination Date”), a Federal Funds Rate Note (the “Federal Funds Interest Determination Date”), a Prime Rate Note (the “Prime Interest Determination Date”), or a LIBOR Note (the “LIBOR Interest Determination Date”) will be the second Business Day (or, in the case of LIBOR Interest Determination Date, the second London Banking Day) immediately preceding such Interest Rate Reset Date. The Interest Determination Date pertaining to an Interest Rate Reset Date for a Treasury Rate Note (the “Treasury Interest Determination Date”) will be the day of the week in which such Interest Rate Reset Date falls on which Treasury bills would normally be auctioned. Treasury bills are normally sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is normally held on the following Tuesday, except that such auction may be held on the preceding Friday. If, as the result of a legal holiday, an auction is so held on the preceding Friday, such Friday will be the Treasury Interest Determination Date pertaining to the Interest Rate Reset Date occurring in the next succeeding week. If an auction date falls on an Interest Rate Reset Date, such Interest Rate Reset Date will be the first Business Day immediately following such auction date.

The Calculation Agent (as defined below) will notify the Bank of each determination of the interest rate applicable to any such Floating Rate Note on or before fifteen calendar days prior to the Interest Payment Date. The Bank will then notify the applicable Fiscal Agent of such information. The “Calculation Date”, where applicable, pertaining to any Interest Determination Date will be the earlier of (i) the tenth calendar day after such Interest Determination Date or if such day is not a Business Day, the next succeeding Business Day or (ii) the Business Day preceding the applicable Interest Payment Date or Maturity Date, as the case may be. The Calculation Agent shall calculate the interest rate on or before each Calculation Date. At the request of a Noteholder, the Calculation Agent will provide to such Noteholder the interest rate then in effect and, if determined, the interest rate which will become effective on the next Interest Rate Reset Date.

Unless otherwise provided for in the applicable Pricing Supplement, the interest rate for each Interest Rate Reset Date will be calculated as described below by the calculation agent, appointed from time to time in respect of an issuance of Notes (each such agent, a “Calculation Agent”; the Calculation Agent may be the Bank, the Bankers Fiscal Agent or any Dealer or any other person so appointed pursuant to a Calculation Agency Agreement between the Bank and such Calculation Agent). All percentages resulting from any calculation with respect to Floating Rate Notes will be rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, with five or more one-millionths of a percentage point being rounded upwards to the next higher one-hundred thousandth of a percentage point (e.g., 9.876545% (or .09876545) being rounded to 9.876555% (or .0987655))

Floating Rate Notes will bear interest as follows:

**CD Rate Notes.** The interest rate with respect to a CD Rate Note for any Interest Rate Reset Date shall equal (a) the rate on the corresponding CD Rate Interest Determination Date for negotiable certificates of deposit having the maturity specified in the Pricing Supplement for such Note (i) as published in the weekly statistical release entitled “Statistical Release H.15(519), Selected Interest Rates,” or any successor publication, published by the Board of Governors of the United States Federal Reserve System (“H.15(519)”) under the heading “CD (Secondary Market)” or (ii) if such rate is not so published by 9:00 a.m., New York City time, on the Calculation Date pertaining to such CD Rate Interest Determination Date, then as published in the daily statistical release entitled “Composite 3:30 p.m. Quotations for U.S. Government Securities”, or any successor publication, published by the Federal Reserve Bank of New York (“Composite Quotations”) under the heading “Certificates of Deposit”, or (b) if such rate is not published in either H.15(519) or Composite Quotations by 3:00 p.m., New York City time, on such Calculation Date, the arithmetic mean, as calculated by the Calculation Agent on such Calculation Date, of the secondary market offered rates, as of 10:00 a.m., New York City time, on such CD Rate Interest Determination Date, of three leading nonbank dealers in negotiable U.S. dollar certificates of deposit in the City of New York, selected by the Calculation Agent, for negotiable
certificates of deposit of major United States money market banks with a remaining maturity closest to the maturity specified in such Note in a denomination of U.S.$5,000,000, in each of the above cases adjusted by the addition or subtraction of the Spread, if any, specified in the Pricing Supplement for such Note; or by multiplication by the Spread Multiplier, if any, specified in the Pricing Supplement for such Note; provided, however, that if fewer than three dealers selected as aforesaid by the Calculation Agent are quoting as mentioned in this sentence, the CD Rate for such Interest Rate Reset Date shall be the CD Rate in effect on such CD Rate Interest Determination Date.

**Prime Rate Notes.** The interest rate with respect to a Prime Rate Note for any Interest Rate Reset Date shall equal (a) the rate on the corresponding Prime Rate Interest Determination Date as published in H.15(519) under the heading “Bank Prime Loan”, or (b) if such rate is not so published prior to 9:00 a.m., New York City time, on the Calculation Date pertaining to such Prime Rate Interest Determination Date, the arithmetic mean of the rates of interest publicly announced by each bank that appears on the display designated as page “NYMF” on the Reuters Monitor Money Rates Service (or such other page as may replace the NYMF page on that service for the purpose of displaying prime rates or base lending rates of major United States banks) (“Reuters Screen NYMF Page”) as such bank’s prime rate or base lending rate as in effect for that Prime Rate Interest Determination Date, or (c) if fewer than four such rates appear on the Reuters Screen NYMF Page for the Prime Rate Interest Determination Date, the arithmetic mean of the prime rates or base lending rates (quoted on the basis of the actual number of days in the years divided by a 360-day year) as of the close of business on such Prime Rate Interest Determination Date publicly announced by three major banks in the City of New York selected by the Calculation Agent as each of their prime rates or base lending rates, in each of the above cases adjusted by the addition or subtraction of the Spread, if any, specified in the Pricing Supplement for such Note, or by multiplication by the Spread Multiplier, if any, specified in the Pricing Supplement for such Note; provided, however, that if fewer than three banks selected as aforesaid by the Calculation Agent are quoting as mentioned in this sentence, the Prime Rate for such Interest Rate Reset Date will be the Prime Rate in effect on such Prime Rate Interest Determination Date.

**Federal Funds Rate Notes.** The interest rate with respect to a Federal Funds Rate Note for any Interest Rate Reset Date shall equal (a) the rate on the corresponding Federal Funds Interest Determination Date for Federal Funds (i) as published in H.15(519) under the heading “Federal Funds (Effective)” or (ii) if such rate is not so published prior to 9:00 a.m., New York City time, on the Calculation Date pertaining to such Federal Fund Interest Determination Date, then as published in Composite Quotations under the heading “Federal Funds/Effective Rate” or (b) if by 3:00 p.m., New York City time, on such Calculation Date such rate is not published in either H.15(519) or Composite Quotations, the arithmetic mean, as calculated by the Calculation Agent on such Calculation Date, of the rates, as of 9:00 a.m., New York City time, on such Federal Funds Interest Determination Date, for the last transaction in overnight Federal Funds arranged by three leading brokers of Federal Funds transactions in the City of New York selected by the Calculation Agent, in each of the above cases adjusted by the addition or subtraction of the Spread, if any, specified in the Pricing Supplement for such Note, or by multiplication by the Spread Multiplier, if any, specified in the Pricing Supplement for such Note; provided, however, that if fewer than three brokers selected as aforesaid by the Calculation Agent are quoting as mentioned in this sentence, the Federal Funds Rate for such Interest Rate Reset Date will be the Federal Funds Rate in effect on such Federal Funds Interest Determination Date.

**LIBOR Notes.** The interest rate with respect to a LIBOR Note for any Interest Rate Reset Date shall be determined by the Calculation Agent in accordance with the following provisions:

(i) On the corresponding LIBOR Interest Determination Date, the Calculation Agent will determine LIBOR on the basis of the offered rates for deposits of a specified maturity in the Specified Currency (as defined below) and LIBOR shall equal either: (A) the arithmetic mean, as determined by the Calculation Agent, of the offered rates which appear on the display specified in the Pricing Supplement on the Reuters Monitor Money Rates Service (or such other relevant page as may replace that page on that service) (the “Reuters Screen”) or (B) the offered rate which appears on the page on the Dow Jones Telerate
Service (or such other page as may replace that page on that service) (the "Telerate Page"), in each case as of 11:00 a.m., London time, on such LIBOR Interest Determination Date, adjusted by the addition or subtraction of the Spread, if any, specified in the Pricing Supplement for such Note, or by multiplication by the Spread Multiplier, if any, specified in the Pricing Supplement for such Note; if neither the Reuters Screen nor the Telerate Page is specified in the applicable Pricing Supplement, LIBOR will be determined as if the Telerate Page had been specified; provided, however, in the case of (A) above, if fewer than two such offered rates so appear on the Reuters Screen, LIBOR for such LIBOR Interest Determination Date will be determined as if the Telerate Page had been chosen, and in the case of (B) above, if no rate appears on the Telerate Page, LIBOR for such LIBOR Interest Determination Date will be determined as if the Reuters Screen had been chosen, provided, further, that if fewer than two such offered rates so appear on the Reuters Screen and no rate appears on the Telerate Page, LIBOR for such LIBOR Interest Determination Date will be determined as described in (ii) below.

(ii) If, on any LIBOR Interest Determination Date, fewer than two offered rates appear on the Reuters Screen and if no rate appears on the Telerate Page, as the case may be, the Calculation Agent will request the principal London office of each of four major banks in the London interbank market, as selected by the Calculation Agent, to provide the Calculation Agent with its quotation of the rate offered to prime banks in the London interbank market at approximately 11:00 a.m., London time, on such LIBOR Interest Determination Date for deposits in U.S. dollars having the maturity specified in the Pricing Supplement for such Note, and in a principal amount equal to an amount not less than U.S.$1,000,000 that in the Calculation Agent's judgment is representative of a single transaction in such market at such time (a "Representative Amount"). If at least two such quotations are provided, LIBOR will be the arithmetic mean of such quotations, adjusted by the addition or subtraction of the Spread, if any, specified in the Pricing Supplement for such Note, or by multiplication by the Spread Multiplier, if any, specified in the Pricing Supplement for such Note. If fewer than two quotations are provided, LIBOR will be the arithmetic mean of the rates quoted at approximately 11:00 a.m., New York City time, on such LIBOR Interest Determination Date by three major U.S. banks selected by the Calculation Agent, for loans in U.S. dollars to leading European banks having the maturity specified in the Pricing Supplement for such Note, commencing on the Interest Rate Reset Date and in a Representative Amount, adjusted by the addition or subtraction of the Spread, if any, specified in the Pricing Supplement for such Note, or by multiplication by the Spread Multiplier, if any, specified in the Pricing Supplement for such Note; provided, however, that if fewer than three banks selected as aforesaid by the Calculation Agent are quoting as mentioned in this sentence, LIBOR for such Interest Rate Reset Date will be LIBOR in effect on such LIBOR Interest Determination Date.

"Specified Currency" means the currency (including composite currencies) specified in the applicable Pricing Supplement as the currency for which LIBOR shall be calculated. If no such currency is specified in the applicable Pricing Supplement, the Specified Currency shall be U.S. dollars.

_Treasury Rate Notes._ The interest rate with respect to a Treasury Rate Note for any Interest Rate Reset Date shall equal (a) the rate for the auction on the relevant Treasury Interest Determination date of direct obligations of the United States ("Treasury Bills") having the maturity specified in the Pricing Supplement for such Note as published in H.15(519) under the heading "U.S. Government Securities/Treasury Bills/Auction Average (Investment") or (b) if such rate is not so published by 9:00 a.m., New York City time, on the Calculation Date pertaining to such Treasury Interest Determination Date, the auction average rate (expressed as bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) for such auction as otherwise announced by the United States Department of the Treasury or (c) in the event that the results of the auction of Treasury Bills having the
maturity specified in the Pricing Supplement for such Note are not published or reported as provided in (a) or (b) above by 3:00 p.m., New York City time, on such Calculation Date, or if no such auction is held during such week, then the rate as published in H.15(519) under the heading “U.S. Government Securities/Treasury Bills/Secondary Market” on the Treasury Interest Determination Date for the maturity specified in the Pricing Supplement for such Note or (d) in the event no such rate is published as provided in (c) above by 3:00 p.m., New York City time, on such Calculation Date, the yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, as calculated by the Calculation Agent, as of approximately 3:30 p.m., New York City time, on such Treasury Interest Determination Date, of three primary United States government securities dealers in the City of New York selected by the Calculation Agent for the issue of Treasury Bills with a remaining maturity closest to the maturity specified in the Pricing Supplement for such Note, in each of the above cases adjusted by the addition or subtraction of the Spread, if any, specified in the Pricing Supplement for such Note, or by multiplication by the Spread Multiplier, if any, specified in the Pricing Supplement for such Note; provided, however, that if fewer than three dealers selected as aforesaid by the Calculation Agent are quoting as mentioned in this sentence, the Treasury Rate for such Interest Rate Reset Date shall be the Treasury Rate in effect on such Treasury Interest Determination Date.

Amortizing Notes

Amortizing Notes are Fixed Rate Notes for which payments combining principal and interest are made in installments over the life of the Note (“Amortizing Notes”). Unless otherwise specified in the applicable Pricing Supplement, interest on each Amortizing Note will be computed on the basis of a 360-day year of twelve 30-day months. Payments with respect to Amortizing Notes will be applied first to interest due and payable thereon and then to the reduction of the unpaid principal amount thereof. Further information concerning additional terms and conditions of any issue of Amortizing Notes will be provided in the applicable Pricing Supplement. A table setting forth repayment information in respect of each Amortizing Note will be included in the applicable Pricing Supplement and set forth on such Notes.

Redemption at the Option of the Bank

Unless otherwise specified in the applicable Pricing Supplement, the Notes will not be subject to any Sinking Fund. If specified on the applicable Note, a Note will be redeemable at the price or prices set forth in the applicable Pricing Supplement on and after a date fixed at the time of sale and indicated in the Pricing Supplement for such Note (the “Initial Redemption Date”) either in whole or in part, at the option of the Bank, on written notice (or in the case of Fed Book-Entry Notes, notice broadcast to each Holding Institution on the book-entry system of the Federal Reserve Banks) given not more than 60 nor less than 30 calendar days prior to the date of redemption by the Bank to the Noteholders (unless otherwise specified in the applicable Note). On and after the Initial Redemption Date, if any, such Note will be redeemable in increments of $1,000 (provided that any remaining principal amount of such Note shall be at least the minimum denomination specified in the Pricing Supplement) at the option of the Bank at the applicable Redemption Price, together with accrued and unpaid interest thereon at the applicable rate borne by such Note to the date of redemption. Whenever less than all the Notes at any time outstanding are to be redeemed, the terms of the Notes to be so redeemed shall be selected by the Bank. If less than all the Notes with identical terms at any time outstanding are to be redeemed, the Notes to be so redeemed shall be selected by the Bank by lot or in any usual manner approved by it, except, in the case of Fed Book-Entry Notes, the Notes to be so redeemed shall be on a pro rata basis. If no Initial Redemption Date is specified in the Pricing Supplement for such Note, such Note will not be redeemable prior to maturity, other than following an event of default or for taxation reasons. The Bank is not required to register the transfer of any Note that has been called for redemption during a period beginning at the opening of business fifteen calendar days before the day of mailing or broadcasting of a notice of such redemption and ending at the close of business on the day of such mailing or broadcasting.

S-11
Repayment at the Option of the Noteholder

The Notes will be subject to repayment at the option of the Noteholders thereof in accordance with the terms of the Notes on their respective optional repayment dates, if any, as specified in the applicable Pricing Supplement (each, a “Noteholder’s Optional Repayment Date”). If no Noteholder’s Optional Repayment Date is specified in the Pricing Supplement for the Note, such Note will not be repayable at the option of the Noteholder thereof prior to maturity. On any Noteholder’s Optional Repayment Date with respect to a Note, such Note will be repayable in whole (or, if the Pricing Supplement so permits, in part in increments of $1,000, provided that any remaining principal amount of such Note will be at least the minimum denomination specified in the Pricing Supplement) at the option of the Noteholder thereof at a repayment price equal to 100% of the principal amount to be repaid, together with accrued and unpaid interest thereon payable to the date of repayment. The Noteholder must give notice to the applicable Fiscal Agent not more than 60 nor less than 30 days prior to the Noteholder's Optional Repayment Date (unless some other period of time is specified in the applicable Pricing Supplement, but in no event shall the specified time be less than 7 days prior to the Noteholder's Optional Repayment Date).

If such Note is not a Fed Book-Entry Note or a Fed Definitive Note and the Noteholder elects to have the Note repaid, such Note must be presented to the Bankers Fiscal Agent simultaneously with notice of such election (or, in the event notice of such election, together with a guarantee of delivery within five Business Days, is transmitted on behalf of a Noteholder from a member of a national securities exchange, the National Association of Securities Dealers, Inc. (the “NASD”) or a commercial bank or trust company in the United States, within five Business Days of the date of such notice). If such Note is a Fed Book-Entry Note and the Noteholder elects to have the Note repaid, the Noteholder must give written notice to the Fed Fiscal Agent through the relevant Holding Institution. If such Note is a Fed Definitive Note and the Noteholder elects to have the Note repaid, such Note must be presented to the Fed Fiscal Agent simultaneously with notice of such election.

Interest Rate Reset

If the Bank has the option with respect to any Note to reset the interest rate, in the case of a Fixed Rate Note, or to reset the Spread and/or Spread Multiplier, in the case of a Floating Rate Note, the Pricing Supplement relating to such Note (a “Resettable Note”) will indicate such option, and, if so, (i) the date or dates on which such interest rate or such Spread and/or Spread Multiplier, as the case may be, may be reset (each an “Optional Reset Date”) and (ii) the basis or formula, if any, for such resetting.

The Bank may exercise such option with respect to a Note by notifying the applicable Fiscal Agent of such exercise at least 45 but not more than 60 days prior to an Optional Reset Date for such Note. Not later than 40 days prior to such Optional Reset Date, the applicable Fiscal Agent will mail first class, postage prepaid (or in the case of Fed Book-Entry Notes, notice broadcast to each Holding Institution on the book-entry system of the Federal Reserve Banks) to the Noteholders of such Note a notice (the “Reset Notice”), setting forth (i) the election of the Bank to reset the interest rate, in the case of a Fixed Rate Note, or the Spread and/or Spread Multiplier, in the case of a Floating Rate Note, (ii) such new interest rate or such new Spread and/or Spread Multiplier, as the case may be, and (iii) the provisions, if any, for redemption during the period from such Optional Reset Date to the next Optional Reset Date or, if there is no such next Optional Reset Date, to the Maturity Date of such Note (each such period a “Subsequent Interest Period”), including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during such Subsequent Interest Period.

Notwithstanding the foregoing, not later than 20 days prior to an Optional Reset Date for a Note, the Bank may, at its option, revoke the interest rate, in the case of a Fixed Rate Note, or the Spread and/or Spread Multiplier, in the case of a Floating Rate Note, in either case provided for in the Reset Notice and establish a higher interest rate, in the case of a Fixed Rate Note, or a higher Spread and/or Spread Multiplier, in the case of a Floating Rate Note, for the Subsequent Interest Period commencing on such Optional Reset Date by mailing or causing the applicable Fiscal Agent to mail, first class, postage prepaid or broadcast, as the case may be, notice of such higher interest rate or higher Spread and/or Spread Multiplier, as the case may
be, to the Noteholder of such Note. Such notice shall be irrevocable. All Notes with respect to which the interest rate or Spread and/or Spread Multiplier is reset on an Optional Reset Date will bear such higher interest rate, in the case of a Fixed Rate Note, or higher Spread and/or Spread Multiplier, in the case of a Floating Rate Note.

If the Bank elects to reset the interest rate or the Spread and/or Spread Multiplier of a Note, the Noteholder of such Note will have the option to elect repayment of such Note by the Bank on any Optional Reset Date at a price equal to the principal amount thereof plus any accrued interest to such Optional Reset Date. In order for a Note to be so repaid on an Optional Reset Date, the Noteholder thereof must follow the procedures set forth above under "Repayment at the Option of the Noteholder" for optional repayment, except that the period for delivery of such Note or notification to the applicable Fiscal Agent shall be at least 25 but not more than 35 days prior to such Optional Reset Date and except that a Noteholder who has given written notice to the applicable Fiscal Agent of such Noteholder's request for repayment pursuant to a Reset Notice may, by written notice to the applicable Fiscal Agent revoke any such notice of repayment until the close of business on the tenth day prior to such Optional Reset Date.

Extension of Maturity

If the Bank has the option to extend the Maturity Date of any Note ("Extendible Note") for one or more periods (each an "Extension Period") up to but not beyond the date (the "Final Maturity Date") set forth in the Pricing Supplement relating to such Note, such Pricing Supplement will indicate such option and the basis or formula, if any, for setting the interest rate or the Spread and/or Spread Multiplier, as the case may be, applicable to any such Extension Period.

The Bank may exercise such option with respect to a Note by notifying the applicable Fiscal Agent of such exercise at least 45 but not more than 60 days prior to the Maturity Date of such Note in effect prior to the exercise of such option (the "Original Maturity Date"). No later than 40 days prior to the Original Maturity Date, the applicable Fiscal Agent will mail first class, postage prepaid (or in the case of Fed Book-Entry Notes, notice broadcast to each Holding Institution on the book-entry system of the Federal Reserve Banks) to the Noteholders a notice (the "Extension Notice") relating to such Extension Period, setting forth (i) the election of the Bank to extend the Maturity Date of such Note, (ii) the new Maturity Date, (iii) in the case of a Fixed Rate Note, the interest rate applicable to the Extension Period or, in the case of a Floating Rate Note, the Spread and/or Spread Multiplier applicable to the Extension Period, and (iv) the provisions, if any, for redemption during the Extension Period, including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during the Extension Period. Upon the mailing or broadcast, as the case may be, by the applicable Fiscal Agent of an Extension Notice to the Noteholder, the Maturity Date of such Note shall be extended automatically as set forth in the Extension Notice, and, except as modified by the Extension Notice and as described in the next paragraph, such Note will have the same terms as prior to the mailing of such Extension Notice.

Notwithstanding the foregoing, not later than 20 days prior to the Original Maturity Date for a Note, the Bank may, at its option, revoke the interest rate, in the case of a Fixed Rate Note, or the Spread and/or Spread Multiplier, in the case of a Floating Rate Note, provided for in the Extension Notice and establish a higher interest rate, in the case of a Fixed Rate Note, or a higher Spread and/or Spread Multiplier, in the case of a Floating Rate Note, for the Extension Period by mailing or causing the applicable Fiscal Agent to mail first class, postage prepaid notice (or in the case of Fed Book-Entry Notes, notice broadcast to each Holding Institution on the book-entry system of the Federal Reserve Banks) of such higher interest rate or higher Spread and/or Spread Multiplier, as the case may be, to the Noteholders. Such notice shall be irrevocable. All Notes with respect to which the Maturity Date is extended will bear such higher interest rate, in the case of a Fixed Rate Note, or higher Spread and/or Spread Multiplier, in the case of a Floating Rate Note, for the Extension Period.

If the Bank elects to extend the Maturity Date of a Note, the Noteholders of such Note will have the option to elect repayment of such Note by the Bank at the Original Maturity Date at a price equal to the principal amount thereof plus any accrued interest to such date. In order for a Note to be so repaid on the
Original Maturity Date, the Noteholders thereof must follow the procedures set forth above under “Repayment at the Option of the Noteholders” for optional repayment, except that the period for delivery of such Note or notification to the applicable Fiscal Agent shall be at least 25 but not more than 35 days prior to the Original Maturity Date and except that a Noteholder who has given written notice to the applicable Fiscal Agent of such Noteholder’s request for repayment pursuant to an Extension Notice may, by written notice to the applicable Fiscal Agent revoke any such notice of repayment until the close of business on the tenth day prior to the Original Maturity Date.

Renewable Notes

The Bank may from time to time offer Notes which will mature on an Interest Payment Date specified in the applicable Pricing Supplement occurring in or prior to the twelfth month following the Original Issue Date of such Notes (the “Initial Maturity Date”) unless the term of all or any portion of any such Note (a “Renewable Note”) is renewed in accordance with the procedures described below.

On the Interest Payment Date occurring in the sixth month (unless a different interval (the “Special Election Interval”) is specified in the applicable Pricing Supplement) prior to the Initial Maturity Date of a Renewable Note (the “Initial Renewal Date”) and on the Interest Payment Date occurring in each sixth month (or in the last month of each Special Election Interval) after such Initial Renewal Date (each, together with the Initial Renewal Date, a “Renewal Date”), the term of such Renewable Note may be extended to the Interest Payment Date occurring in the twelfth month (or, if a Special Election Interval is specified in the applicable Pricing Supplement, the last month in a period equal to twice the Special Election Interval) after such Renewal Date, if the Noteholder of such Renewable Note elects to extend the term of such Renewable Note or any portion thereof described below. If a Noteholder does not elect to extend the term of any portion of the principal amount of a Renewable Note during the specified period prior to any Renewal Date, such portion will become due and payable on the Interest Payment Date occurring in the sixth month (or the last month in the Special Election Interval) after such Renewal Date (the “New Maturity Date”).

A Noteholder of a Renewable Note may elect to renew the term of such Renewable Note, or if so specified in the applicable Pricing Supplement, any portion thereof, by delivering a notice to such effect to the applicable Fiscal Agent at its New York office not less than 15 nor more than 30 days prior to such Renewal Date (unless another period is specified in the applicable Pricing Supplement as the “Special Election Period”). Such election will be irrevocable and will be binding upon each subsequent Noteholder of such Renewable Note. An election to renew the term of a Renewable Note may be exercised only if so specified in the applicable Pricing Supplement and only in such principal amount, or any integral multiple in excess thereof, as is specified in the applicable Pricing Supplement. Notwithstanding the foregoing, the term of the Renewable Notes may not be extended beyond the Maturity Date specified for such Renewable Notes in the applicable Pricing Supplement. A Noteholder may elect not to renew the term of such Renewable Note by following the procedures set forth above under “Repayment at the Option of the Noteholder” for optional repayment.

With respect to a Renewable Note that is not a Fed Book-Entry Note, as soon as practicable following receipt of such Note the relevant Fiscal Agent shall issue in exchange therefor in the name of such Noteholder, if such election is made with respect to less than the full principal amount of such Noteholder’s Renewable Note, a replacement Renewable Note, in a principal amount equal to the principal amount of such exchanged Renewable Note for which the election was made, with terms identical to such exchanged Renewable Note.

Further Issues

The Bank may from time to time without the consent of the relevant Noteholders create and issue further Notes, with final maturities, interest rates and other terms and conditions identical to already outstanding
Notes of any Series, or the same except for the issue price and issue date, which may be consolidated and form a single series with the outstanding Notes of any Series. Such new Notes will be fungible with such outstanding Notes of such Series.

Events of Default

If the Bank shall default in the payment of the principal of, premium (if any) or interest on, or in the performance of any covenant in respect of a purchase fund or a sinking fund in, any bonds or notes (including the Notes) or similar present or future obligations which have been issued, assumed or guaranteed by the Bank and such default shall continue for a period of 30 days in the case of a default in respect of the Notes or 90 days in the case of a default in respect of any such other obligation as aforesaid, then at any time thereafter and during the continuance of such default the Noteholder of any of the Notes may deliver or cause to be delivered to the Bank at its Head Office in the City of Washington, District of Columbia, United States of America, written notice that such Noteholder elects to declare the principal of all Notes held by him to be due and payable, and on the thirtieth day after such notice shall be so delivered to the Bank the principal of such Notes shall become due and payable, together with interest accrued to the date of repayment, unless prior to that time all such defaults theretofore existing shall have been cured.

Ranking

The Notes represent unconditional and direct obligations of the ordinary capital resources of the Bank and rank pari passu, without any preference among themselves, with all other outstanding obligations of the ordinary capital resources of the Bank.

Negative Pledge

So long as any of the Notes shall be outstanding and unpaid, but only up to the time all amounts of principal and interest thereon have been placed at the disposal of the Fiscal Agent, the Bank will not cause or permit to be created on any of its property or assets any mortgage, pledge or other lien or charge as security for any bonds, notes, or other evidences of indebtedness heretofore or hereafter issued, assumed or guaranteed by the Bank for money borrowed (other than purchase money mortgages, pledges or liens on property purchased by the Bank as security for all or part of the purchase price thereof), unless the Notes shall be secured by such mortgage, pledge or other lien or charge equally and ratably with such other bonds, notes, or evidences of indebtedness.

Fiscal Agents

The Notes will be issued in one or more series (each a “Series”) of one or more Notes under the Fiscal Agency Agreements (as defined below). This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to the Fiscal Agency Agreements referred to below, any relevant Pricing Supplement and the Notes. Copies of each of the Fiscal Agency Agreements are available for inspection at the offices of the relevant Fiscal Agent.

The Notes, except as otherwise set forth in the applicable Pricing Supplement, are to be issued pursuant to a Fiscal Agency Agreement, dated as of December 7, 1962, as amended and supplemented (the “Fed Fiscal Agency Agreement”), between the Bank and the Federal Reserve Bank of New York, as fiscal agent (the “Fed Fiscal Agent”).

If specified in the applicable Pricing Supplement, certain other Notes will be issued pursuant to a separate Fiscal Agency Agreement, dated as of May 14, 1993 (the “Bankers Fiscal Agency Agreement”), between the Bank and Bankers Trust Company, as fiscal agent (the “Bankers Fiscal Agent” (the Bankers Fiscal Agent together with the Fed Fiscal Agent, the “Fiscal Agent”).

S-15
Book-Entry Notes

The Pricing Supplement of a Book-Entry Note will designate whether the Notes are to be kept on the book-entry system of the Federal Reserve Bank of New York ("Fed Book-Entry Notes") or the book-entry system of The Depository Trust Company ("DTC Book-Entry Notes"). The Bank will not impose fees in respect of Book-Entry Notes; however, owners of Book-Entry Notes may incur fees payable in respect of the maintenance and operation of the book-entry accounts in which such Book-Entry Notes are held.

Fed Book-Entry Notes. If the Pricing Supplement indicates that the Notes will be Fed Book-Entry Notes, the Federal Reserve Bank of New York will take delivery of and hold such Notes as record owner and custodian for other Federal Reserve Banks and for its Holding Institutions located in the Second Federal Reserve District. Holding Institutions located in other Federal Reserve Districts can hold Fed Book-Entry Notes through their respective Federal Reserve Banks or Branches. Transfers of Fed Book-Entry Notes between Holding Institutions can be made through the Federal Reserve Communications System. The aggregate holdings of Fed Book-Entry Notes of each Holding Institution will be reflected in the book-entry account of such Holding Institution with its Federal Reserve Bank or Branch.

The Notes may be held of record only by Holding Institutions, which are entities eligible to maintain book-entry accounts with the Federal Reserve Banks. A Holding Institution is not the beneficial owner of a Note. Beneficial owners will ordinarily hold the Notes through one or more financial intermediaries, such as banks, brokerage firms and securities clearing organizations. Each Holding Institution, and each other intermediate Holding Institution in the chain to the ultimate beneficial owner, will have the responsibility of establishing and maintaining accounts for its customers having interests in Fed Book-Entry Notes.

Federal Reserve Banks will be responsible only for maintaining the book-entry accounts of Holding Institutions, effecting transfers on their books, ensuring that payments from the Bank, through the Federal Reserve Bank of New York, are credited to appropriate Holding Institutions and transmitting to the Bank, through the Federal Reserve Bank of New York, any notices received from the beneficial owner of Fed Book-Entry Notes pursuant to the various provisions described under "Description of the Notes." With respect to Fed Book-Entry Notes, Federal Reserve Banks will act only on the instructions of Holding Institutions for which they maintain such Fed Book-Entry Notes. The Federal Reserve Banks will not record pledges of Fed Book-Entry Notes.

Pursuant to the procedures established by the Federal Reserve Bank of New York, beneficial owners of the Fed Book-Entry Notes may exchange such Notes for Fed Definitive Notes. See "Exchanges and Transfers".

DTC Book-Entry Notes. If the Pricing Supplement indicates that the Notes will be DTC Book-Entry Notes, such Notes will be represented by one or more global notes representing such DTC Book-Entry Notes ("Global Notes"). Such Global Notes will be deposited with, or on behalf of, The Depository Trust Company, as depositary (the "Depositary"), located in the Borough of Manhattan, The City of New York, and will be registered in the name of the Depositary or a nominee of the Depositary.

Ownership of Book-Entry Notes will be limited to institutions that have accounts with such Depositary or its nominee (each, a "participant" and collectively the "participants") or persons that may hold interests through participants. In addition, ownership of Book-Entry Notes by participants will only be evidenced by, and transfers of such ownership interest will be effected only through, records maintained by the Depositary (or its successor or nominee) and its participants. Ownership of Book-Entry Notes by persons that hold through participants will only be evidenced by, and transfers of such ownership interest within such participants will be effected only through, records maintained by such participants. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. Such laws may impair the ability to transfer Book-Entry Notes.

The Bank has been advised by the Depositary that upon the issuance of a Global Note or Global Notes representing Book-Entry Notes, and the deposit of such Global Note or Global Notes with the Depositary, the Depositary will immediately credit, on its book-entry registration and transfer system, the respective principal amounts of the Book-Entry Notes represented by such Global Note or Global Notes to the accounts of
participants. The accounts to be credited will be designated by the soliciting Agent, or by the Bank if the Notes are offered and sold directly by the Bank.

The Bank has been advised by the Depositary that upon receipt of any payment of principal, or premium, if any, or interest in respect of, a Global Note, the Depositary will immediately credit, on its book-entry registration and transfer system, accounts of participants with payments in the amounts proportionate to their respective beneficial interest in the principal amount of such Global Note or Global Notes as shown on the records of the Depositary. Payments by participants to owners of Book-Entry Notes held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in “street name”, and will be the responsibility of such participants.

No Global Note or Global Notes described above may be transferred except as a whole by the Depositary for such Global Note or Global Notes to a nominee of the Depositary or by a nominee of the Depositary to another nominee of the Depositary.

The Depositary has advised the Bank that the Depositary is a limited-purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. The Depositary was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movements of securities certificates. The Depositary’s participants include securities brokers and dealers (including the Agents), banks, trust companies, clearing corporations and certain other organizations, some of whom (and/or their representatives) own the Depositary. Access to the Depositary’s book-entry system is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly.

Certificated Notes

The Bank has appointed the Bankers Fiscal Agent to act as registrar in respect of the Certificated Notes. The Bank shall cause to be kept at the specified office of the Bankers Fiscal Agent a register (the “Note Register”) on which shall be entered the name and address of the Noteholders of the Notes (“Noteholders”) and particulars of all transfers of title to the Notes. The transfer of the Notes will be registrable and Notes will be exchangeable for Notes bearing identical terms and provisions at the office of the Bankers Fiscal Agent, in New York. All interest payments on Certificated Notes except interest due at maturity or upon redemption, will be made on the relevant Interest Payment Date by the Bankers Fiscal Agent either (i) by transfer of immediately available funds to such account at a bank in New York City (or at a bank in such other place as may be consented to by the Bank) as any Noteholder of Certificated Notes shall have designated at least fifteen calendar days prior to the relevant Interest Payment Date, or (ii) at such Noteholder’s option or in the absence of such designation, by check of the Bankers Fiscal Agent mailed, charges prepaid, payable to the order of the Noteholder at its address appearing in the Note Register or to such other address as such Noteholder shall designate to the Bankers Fiscal Agent in writing not later than fifteen calendar days prior to the relevant Interest Payment Date. The Bankers Fiscal Agent shall have no responsibility to obtain wire transfer instructions from any Noteholder of Certificated Notes.

Upon presentation of any Certificated Note on or after the Maturity Date or any redemption or repayment date applicable thereto, the Bankers Fiscal Agent shall pay the principal amount (including premium, if any) of such Note in accordance with the terms of such Note together with accrued interest due at maturity or upon such redemption or repayment either (i) by transfer of immediately available funds to such account at a bank in New York City (or at a bank in such other place as may be consented to by the Bank) as the Noteholder of such Note shall have designated at least fifteen calendar days prior to the due date for payment or (ii) at such Noteholder’s option or in the absence of such designation, by check of the Bankers Fiscal Agent mailed, charges prepaid, payable to the order of the Noteholder at its address appearing in the Note Register or to such other address as such Noteholder shall designate to the Bankers Fiscal Agent in writing not later than fifteen calendar days prior to the relevant Interest Payment Date. The Bankers Fiscal Agent shall have no responsibility to obtain wire transfer instructions from any Noteholder of Certificated Notes.

S-17
Fiscal Agent mailed, charges prepaid, payable to the order of the Noteholder at its address appearing in the Note Register or to such other address as such Noteholder shall designate to the Bankers Fiscal Agent in writing not later than fifteen calendar days prior to the date such payment becomes due. The Bankers Fiscal Agent will cancel the Note so presented and, unless otherwise instructed by the Bank, destroy the Note.

Title

The Bank may deem and treat the Fed Fiscal Agent, in respect of all Fed Book-Entry Notes, and the registered owner, in respect of any other Note, as the absolute owner thereof for all purposes whatsoever notwithstanding any notice to the contrary; and all payments to or on the order of the Fed Fiscal Agent and such registered owner, respectively, shall be valid and effectual to discharge the liability of the Bank upon the Fed Book-Entry Notes and such other Notes to the extent of the sum or sums so paid. As custodian of Fed Book-Entry Notes, the Fed Fiscal Agent may deem and treat the other Federal Reserve Banks and Branches, and Holding Institutions located in the Second Federal Reserve District, holding any Fed Book-Entry Notes as the absolute owner thereof for all purposes whatsoever notwithstanding any notice to the contrary; and all payments to or on the order of such Federal Reserve Banks or Branches or Holding Institutions, as the case may be, will be valid and effectual to discharge the responsibility of the Fed Fiscal Agent with respect to such Fed Book-Entry Notes, to the extent of the sum or sums so paid.

Exchanges and Transfers

Without charge (i) Certificated Notes may be exchanged, upon presentation and surrender at a designated office or agency of the Bankers Fiscal Agent in New York City, for Certificated Notes of other authorized denominations or, if provided for in the applicable Pricing Supplement, for DTC Book-Entry Notes of any authorized denominations, or both, in the same aggregate principal amount and subject to the same terms and conditions, and (ii) any Certificated Note may be transferred by the registered Noteholder, or by its attorney-in-fact duly authorized in writing, at such office or agency upon presentation and surrender of such Note for cancellation, and upon any such transfer a new Certificated Note or Notes, of authorized denominations, in the same aggregate principal amount, subject to the same terms and conditions will be issued to the transferee; and (iii) DTC Book-Entry Notes may be exchanged for Certificated Notes, of any authorized denominations, subject to the same terms and conditions, only if the Depository notifies the Bank that it is unwilling or unable to continue as Depositary for such Global Note or if at any time the Depository ceases to be a clearing agency registered under the Exchange Act of 1934, and a successor depositary is not appointed by the Bank within 60 days or the Bank in its sole discretion determines that such DTC Book-Entry Notes shall be exchangeable for Certificated Notes.

Without charge (i) Fed Definitive Notes may be exchanged, upon presentation and surrender at a designated office or agency of the Bank in New York City, for Fed Definitive Notes of other authorized denominations or for Fed Book-Entry Notes of any authorized denominations, or both, in the same aggregate principal amount; (ii) any Fed Definitive Note may be transferred by the registered Noteholder, or by its attorney-in-fact duly authorized in writing, at such office or agency upon presentation and surrender of such Note for cancellation, and upon any such transfer a new Fed Definitive Note or Notes, of authorized denominations, in the same aggregate principal amount, subject to the same terms and conditions will be issued to the transferee; and (iii) Fed Book-Entry Notes may be exchanged for Fed Definitive Notes, of any authorized denominations, subject to the same terms and conditions, in accordance with procedures established for this purpose from time to time by the Fed Fiscal Agent.

Transfers or exchanges of Certificated Notes and exchanges of DTC Book-Entry Notes for Certificated Notes and transfers or exchanges of Fed Definitive Notes and exchanges of Fed Book-Entry Notes for Fed Definitive Notes may not be effected during the fifteen day period preceding any Interest Payment Date or the stated maturity date.

Governing Law

The validity and the terms and conditions of the Notes will be governed by, and construed according to, the law of the State of New York.
TAX STATUS OF THE NOTES

The following is a summary of certain anticipated United States Federal income and estate tax consequences resulting from ownership of the Notes and a summary of the provisions of the Agreement with regard to taxation of the Notes. This summary does not purport to cover all the possible tax consequences relating to the ownership of the Notes and the receipt of interest thereon and is not intended as tax advice to any person. It is based upon the United States Federal income and estate tax laws as now in effect and as currently interpreted, and does not include any description of the tax laws of any state, local or foreign government that may apply. A summary of additional tax consequences, if any, may be included in the Pricing Supplement for the respective Notes. All persons considering the purchase of the Notes should consult their own tax counsel or other tax expert concerning the application of the United States Federal income and estate tax laws, as well as the possible application of other tax laws, to their particular situation.

United States Federal Income Taxation

The Notes and the interest thereon generally will be subject to taxation, including United States Federal income taxation. Under the Internal Revenue Code of 1986, as amended (the Code), a United States citizen or resident alien individual, as well as a United States domestic corporation, trust or estate, will be taxable on interest accrued or received on the Notes depending on their method of accounting.

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 Code of the receipt of interest on the Notes. The Rulings provide that interest paid by the Bank on the Notes, including payments attributable to accrued original issue discount, 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.

Under the Rulings, interest paid by the Bank ordinarily would not be subject to United States Federal income tax, including withholding tax, if paid to a nonresident alien individual (or foreign partnership, estate or trust) or to a foreign corporation, whether or not such person is engaged in trade or business in the United States. However, absent any special statutory or treaty exception, such interest would be subject to United States Federal income tax in the following cases: (i) such interest is derived by such person in the active conduct of a banking, financing or similar business within the United States or is received by a corporation the principal business of which is trading in stock or securities for its own account, and in either case such interest is attributable to an office or other fixed place of business of such person within the United States or (ii) such person is a foreign corporation taxable as an insurance company carrying on a United States insurance business and such interest is attributable to its United States business.

Taxation Provisions of the Bank Agreement

The imposition of United States Federal income tax in the manner described above is not inconsistent with the Bank Agreement, which provides that the Notes and the interest thereon are not subject to any tax by a member of the Bank (a) which tax discriminates against the Notes solely because they are issued by the Bank, or (b) if the sole jurisdictional basis for the tax is the place or currency in which the 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 on the interest on the Notes.

United States Information Reporting and Backup Withholding

United States law imposes reporting requirements with respect to certain payments of interest or principal on debt obligations and, in limited circumstances, a backup withholding tax with respect to such payments. The Bank is not subject to the reporting requirements, and temporary regulations issued by the United States Internal Revenue Service (IRS) confirm that the backup withholding requirements do not apply to the Bank or its paying agent. Information returns may, however, be filed with the IRS by the Bank's paying agent with regard to certain payments on the Notes made within the United States to certain United States persons as if such returns were required of the paying agent. In addition, brokers, trustees, custodians and other middlemen are subject to the reporting and backup withholding requirements with respect to certain payments received by
them on Notes held for the account of certain United States persons. Foreign persons receiving payments on Notes may be required to establish their status in order to avoid the filing of information returns by the paying agent or such middlemen, or backup withholding of tax by such middlemen, in respect of such payments.

**United States Federal Estate Taxation**

In the case of United States Federal estate tax, the Rulings determined that unless an applicable death tax convention with a foreign country provides otherwise, the Notes are deemed to be situated outside the United States for purposes of the United States Federal estate tax and are not includable in the value of the gross estate for purposes of such tax in the case of the estate of a nonresident of the United States who is not a citizen of the United States.

**PLAN OF DISTRIBUTION**

Subject to the terms and conditions set out in the Distribution Agreement, dated as of May 14, 1993, the Notes are being offered on a continuous basis for sale by the Bank through the Agents, each of which has agreed to use its best efforts to solicit offers to purchase the Notes. The Bank will pay the applicable Agent a commission which, depending on the maturity of the related Notes, will range from .075% to .700% of the principal amount of any such Note sold through such Agent. The Bank may also sell Notes directly to, and may solicit and accept offers to purchase directly from, investors on its own behalf in those jurisdictions where it is authorized to do so.

In addition, the Agents may offer the Notes they have purchased as principal to other dealers who may receive compensation in the form of discounts, concessions or commissions. Unless otherwise indicated in the applicable Pricing Supplement, any Note sold to an Agent as principal will be purchased by such Agent at a price equal to 100% of the principal amount thereof less a percentage equal to the commission on the Note, and may be resold by such Agent to investors and other purchasers from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale or may be resold to certain dealers as described above. After the initial public offering of Notes to be resold to investors and other purchasers on a fixed public offering price basis, the public offering price, concession and discount may be changed.

The Bank reserves the right to withdraw, cancel or modify the offer made hereby without notice and may reject offers to purchase Notes in whole or in part whether placed directly with the Bank or through an Agent. Each Agent will have the right, in its reasonable discretion, to reject any offer to purchase Notes received by it, in whole or in part.

No Note will have an established trading market when issued. Each Agent has agreed to use its best efforts to facilitate secondary market transactions, but is not obligated to make a market in the Notes. The Notes will not be listed on any securities exchange. Certain Agents may make a market in the Notes, but such Agents are not obligated to do so and may discontinue any market-making at any time without notice. There can be no assurance of a secondary market for any Notes or that the Notes will be sold.

The Bank has agreed to indemnify the Agents against certain liabilities, including liabilities under the Securities Act, or to contribute to payments made in respect thereof.

Each Agent may engage in other transactions with, and perform services for, the Bank in the ordinary course of business.
VALIDITY OF NOTES

The validity of the Notes will be passed upon for the Bank by the General Counsel, any Deputy General Counsel or the Assistant General Counsel of the Bank, and for any dealers or agents by Sullivan & Cromwell, Washington, D.C. who, with respect to certain matters, will rely upon the opinion of counsel of the Bank.

MISCELLANEOUS

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 Securities Act of 1933, as amended, and Section 3(a)(12) of the Securities Exchange Act of 1934, as amended.