



June 22, 2010

Inter-American Development Bank

Daiwa Securities Group Inc.

IDB Issues Poverty Reduction Bonds

Supporting better living conditions for new generations in Latin America and the Caribbean

The Inter-American Development Bank (IDB) (rated Moody's: Aaa / S&P: AAA) and Daiwa Securities Group hereby announce an issuance of the Poverty Reduction Bonds (the "Bonds") to support poverty reduction and improve living conditions of new generations in Latin America and the Caribbean.

The Poverty Reduction Bonds, the first theme bond by the IDB, will be issued under the IDB's Global Debt Program. The bonds will be denominated in Brazilian real (payable in USD), and the offering period is expected to be in July, 2010. The proceeds raised through the bonds shall foster poverty reduction goals that support the economic and social developments in Latin America and the Caribbean.

Daiwa Securities Capital Markets Co. Ltd., the wholesale securities firm under the Daiwa Securities Group, is managing the sale and Daiwa Securities Co. Ltd., the Group's retail securities firm, will distribute the bonds to Japanese retail investors.

Established in 1959, the IDB is the leading source of long-term development lending for Latin America and the Caribbean. About 40 percent of its total lending goes to poverty alleviation programs, which support, for example, health services to reduce childbirth-related deaths in Peru, as well as nutrition programs in other countries of the region.

The IDB is also a supporter of innovative poverty alleviation programs in Latin America, including several conditional cash transfer programs, such as *Oportunidades* in Mexico. This government program seeks to stop intergenerational poverty by providing economic incentives to lower income families and improving their children's nutritional and health standards as well as education attainment.

Since 2002, the IDB has lent more than US\$ 4 billion to support *Oportunidades*. In this program low income households receive cash transfers only if they keep their children in school and take

them regularly to health clinics to follow preventive health protocols. The success of *Oportunidades* has encouraged many countries around the world to implement similar types of programs¹. The IDB has been closely working with cash transfer programs in 16 countries in the Latin America and the Caribbean.

The Bank's Poverty Reduction Bonds provide an opportunity to Japanese retail investors to contribute to poverty reduction in Latin America and the Caribbean.

Summary Terms of the Poverty Reduction Bonds (TBC)

Currency	Brazilian Real (Payable in US Dollar)
Tenor	Circa 4 years
Indicative Coupon*	8.10% ± 0.75% per annum
Offering Period	July 6, 2010 ~ July 12, 2010
Delivery of the Notes in Japan	July 15, 2010
Maturity Date	July 24, 2014

* Actual coupon may be outside of said range.

■ About the Inter-American Development Bank

The IDB is the main source of multilateral financing and development expertise for Latin America and the Caribbean. The IDB's main goals are to reduce poverty and inequality and promote sustainable economic in the region.

The IDB Group is made up of the Inter-American Development Bank, the Inter-American Investment Corporation (IIC) and the Multilateral Investment Fund (MIF). The IIC focuses on support for small and medium-sized businesses, while the MIF promotes private sector growth through grants and investments, with an emphasis on microenterprise.

¹ *Technically sound external evaluations have attributed Oportunidades impressive results in terms of better educational attainment, health and nutrition. For instance, in rural areas: children who benefit from Oportunidades have 64% higher chances of finishing 5 years of education; children under 6 years of age have 20% less sick days; and children between 24 and 71 months of age are 0.67 centimeters taller.*