



# INVESTOR PRESENTATION



JANUARY 2020

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4. Our Financial Profile



# ABOUT US

## Three Institutions, one IDB Group

We are IDB Invest, the private sector institution of the IDB Group, a multilateral development bank committed to strengthening Latin American and the Caribbean businesses. We combine the speed and agility of the private sector with the strength and stability of the IDB Group, we're driving business to revolutionize markets.



Governments  
Civil society

Loans  
Guarantees  
Grants

Policy advice  
Technical  
Assistance  
Knowledge



Private Sector

Loans  
Guarantees  
Equity &  
Mezzanine

Advisory Services



The Innovation  
Laboratory

Loans,  
Seed and Venture  
Capital Grants

Knowledge  
Networks  
Open Innovation

Common  
shareholders

Aligned governance  
&  
strategy

We manage the  
IDB's private sector  
portfolio

IDB provides us  
administrative  
services



# OUR BUSINESS & IMPACT

## AT A GLANCE

**\$3.4B**

TOTAL ASSETS

**60**

YEARS OF  
EXPERIENCE  
IN THE REGION  
AS IDB GROUP

**AAA**

FITCH

**\$13.3B**

ASSETS UNDER  
MANAGEMENT

**29**

OFFICES

IN LATIN  
AMERICA  
AND THE  
CARIBBEAN,  
ASIA AND  
EUROPE

**AA**

S&P (Pos)

**47**

SHAREHOLDERS

**Aa1**

MOODY'S



























*\* Figures are as of September 2019*



# SHAREHOLDER OVERVIEW

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## REGIONAL MEMBER COUNTRIES

 Argentina  
 Bahamas  
 Barbados  
 Belize  
 Bolivia  
 Brazil  
 Chile  
 Colombia  
 Costa Rica  
 Dominican Republic  
 Ecuador  
 El Salvador  
 Guatemala  
 Guyana  
 Haiti  
 Honduras  
 Jamaica  
 Mexico  
 Nicaragua  
 Panama  
 Paraguay  
 Peru  
 Suriname  
 Trinidad and Tobago  
 Uruguay  
 Venezuela

## OTHER MEMBER COUNTRIES

Austria   
Belgium   
Canada   
Croatia   
China   
Denmark   
Finland   
France   
Germany   
Israel   
Italy   
Japan   
Korea   
Netherlands   
Norway   
Portugal   
Slovenia   
Spain   
Sweden   
Switzerland   
United States 

# WHAT WE OFFER

We support our clients by providing finance solutions, advisory services and knowledge that meet the evolving demands of the regions private sector.



## Financial Products and Services

- Loans
- Guarantees
- Equity and mezzanine
- Resource mobilization
- Blended finance



## Advisory Services

- Climate change
- Gender, diversity and inclusion
- Sustainability and MSMEs
- Public-private partnerships



## Knowledge

- Publications
- Conferences and workshops
- Market trends
- Feasibility studies
- Regional/sectorial expertise

# OUR SECTORS

## Financial Intermediaries



Banks and other financial intermediaries



Financial Inclusion



Funds

## Infrastructure



Energy



Transport



Water and sanitation



Social infrastructure

## Corporates



Agribusiness



Manufacturing



Tourism



Telecommunications, media and technology

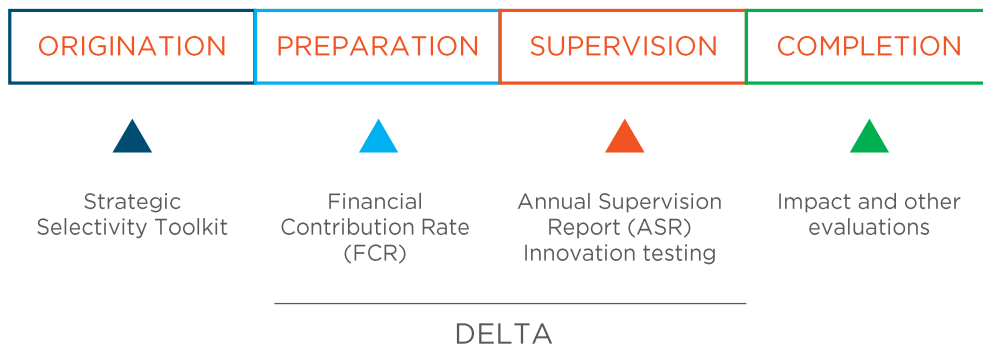
# HOW WE MEASURE DEVELOPMENT

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## Adding value beyond financing

Impact Management Framework supports IDB Invest's dual objective of achieving the highest development impact while maintaining long-term financial sustainability.

It allows us to standardize how we score the potential development impact of each project upfront and track the actual impact achieved across the investment lifecycle.



We help our clients optimize the social returns of their business, in turn making them more competitive, resilient, and sustainable.



# DEVELOPMENT IMPACT

## Priority Business aligned with SDG's

### Social Inclusion and Equity



**523.510**

beneficiaries receiving health services

**428.158**

households with new/upgraded access to drinking water or sanitation

### Productivity and Innovation



**157.531**

beneficiaries of on-the-job training

**36.363**

jobs created by supported firms

**377.263**

micro, small and medium enterprises financed

### Economic Integration



**200**

km of roads built or upgraded

**US\$2.8 Billion**

in international trade promoted

### Gender Equality and Diversity



**176.251**

women beneficiaries of economic empowerment initiatives

### Climate Change and Environmental Sustainability



**264.112**

households benefitting from housing solutions

**9 Million**

metric tons of emissions (CO<sub>2</sub> equivalent) expected to be reduced per year

**100%**

Installed power generation capacity from renewable sources

# HOW WE REPORT DEVELOPMENT

How to achieve the maximum impact on development is one of our core concerns at IDB Invest.



Development effectiveness at IDB Invest:  
a way to add value

**LAC Society**  
A way to identify and tackle development challenges, improving lives in partnership with the private sector

**Clients**  
A differentiator in the market as a responsible knowledge-based organization

**IDB Invest**  
A means to grow sustainably, to benefit their stakeholders, and to strengthen their brand

**Shareholders**  
A means to ensure timely and transparent reporting

# PROJECT HIGHLIGHTS



## Pirapora I solar PV Project



Objective: To support the Country's efforts to diversify its energy matrix, by adding 191.5 MW of solar generation capacity

### Key facts

- Approval Year: 2018
- Segment: Infrastructure s
- Delta Score: 9.4
- Total Project: R\$ 954 million
  - IDB Invest :25%
  - Tenor: 20 years
- Resource Mobilization: 75%

### Expected results

- 3.3 million tons of CO<sub>2</sub> eq reduced during the life of the project (20 years)
- 338.699 MWh/year of clean solar energy supply

# PROJECT HIGHLIGHTS



## Danper - Peru



Objective: Increase Danper's agricultural and industrial production by applying sustainable agricultural practices and integrating smallholder farmers, especially women, into its supply chain.

### Key facts

- Approval Year: 2017
- Segment: Corporates
  - Delta Score: 8.6
- Total Project: US\$41M
- IDB Invest : US\$20.7M
  - Tenor: 10 years
- Resource Mobilization: US\$6.8M

### Expected results

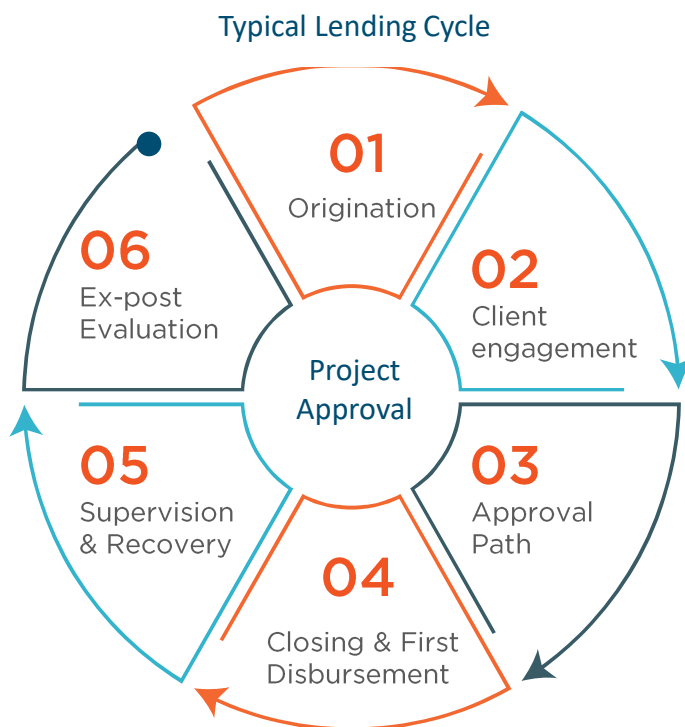
- Integrate 132 small farmers into the supply chain
- Create 5,000 jobs, with over half going to women
- Develop a gender action plan to further enhance gender equality practices



The image features a worker in a red hard hat and safety gear standing on a red scissor lift. The worker is holding a long, illuminated tool, possibly a torch or a long pipe, which extends diagonally across the frame. The background is a clear blue sky. In the foreground, there are abstract geometric shapes: a large pink shape on the left and a white shape on the right, both with sharp, angular edges. The overall composition is modern and industrial.

# OUR RISK MANAGEMENT FRAMEWORK

# STRONG RISK MANAGEMENT FRAMEWORK



## Risk Appetite

**15%**

Maximum exposure to single country

**20%**

Maximum exposure by sector\*

**5% / 6%**

Maximum exposure Per client and per economic group

**20%**

Maximum exposure in Equity & quasi equity

## Liquidity Portfolio

**4 years**

Maximum liquidity portfolio duration

**A**

Minimum rating for securities at purchase in liquidity portfolio

## Key Balance Sheet Metrics

**3x**

Maximum leverage ratio

**105%**

Minimum liquidity coverage ratio

Limits are set based on allocated capital

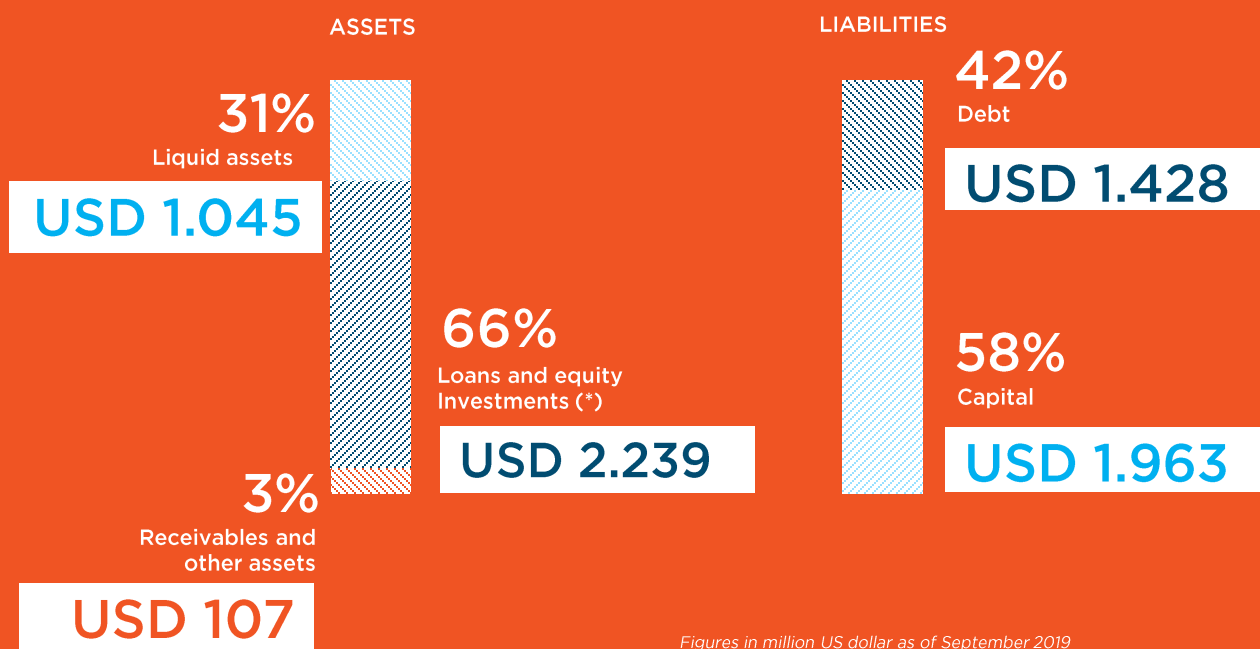
\*with the exception of Financial Institutions sector (75%)





# OUR FINANCIAL PROFILE

# A SOUND BALANCE SHEET (USD 3,391 million)



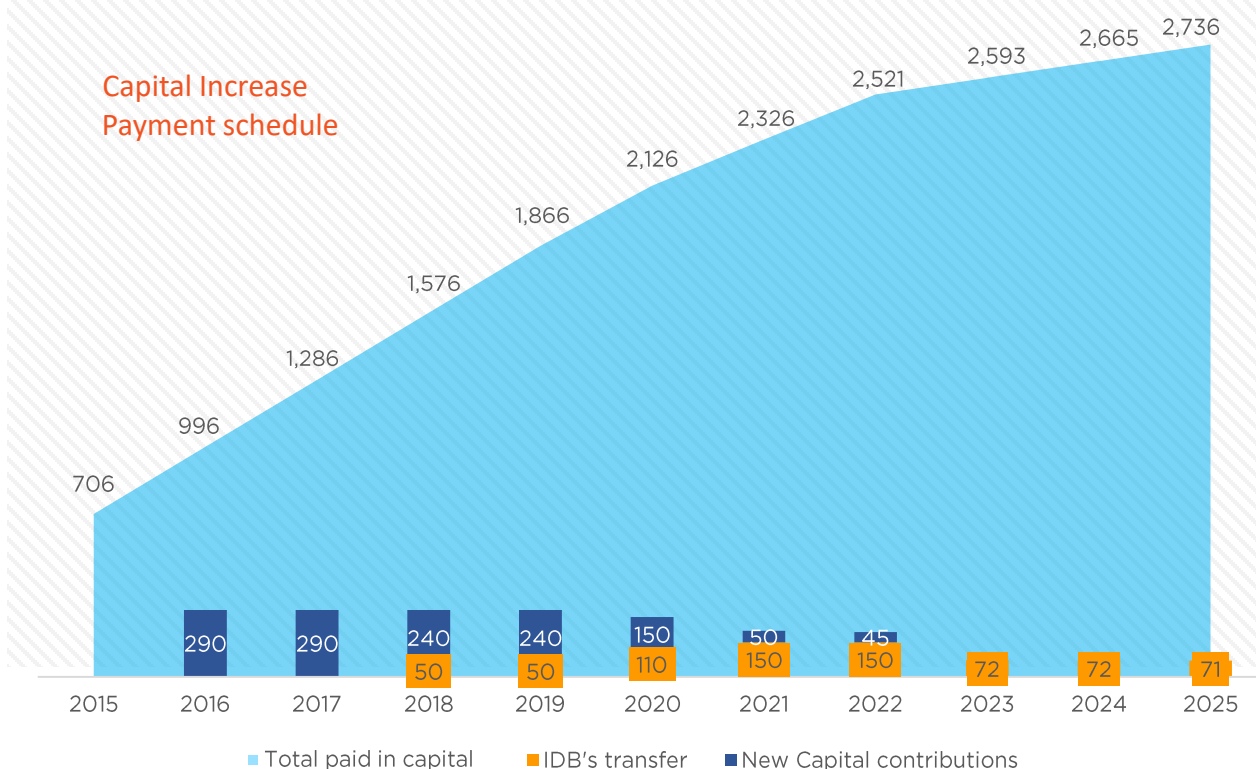
Figures in million US dollar as of September 2019  
(\*) Net of USD 90.6 million in loan loss provisions. Total equity investments: USD 87.6million

## Robust capitalization & Low leverage

Capital / total assets ratio of 58% and leverage ratio of 0.7x leave ample room for growth.

# STRONG SHAREHOLDER SUPPORT

In 2015 the Board of Governors approved a capital increase for up to USD 2 billion: USD 1.3 billion of new contributions from member countries and USD 725 million of by IDB's transfer on behalf of its member countries.

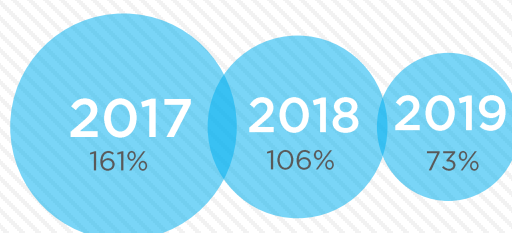


IDB Invest operates exclusively  
with 100% paid-in capital

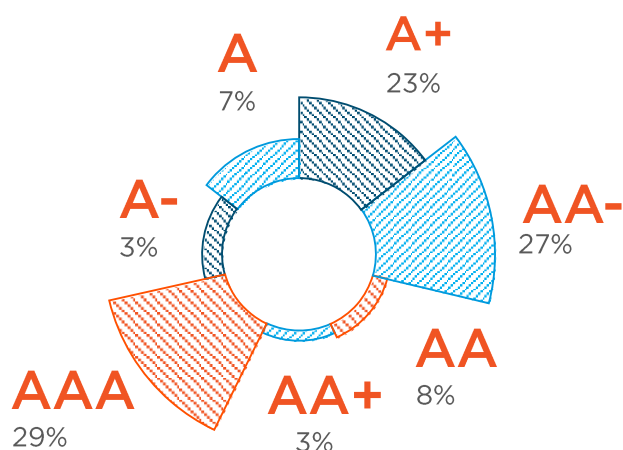
# AMPLE LIQUIDITY AND HIGH-QUALITY LIQUID ASSETS

Extremely strong coverage of  
outstanding debt with liquid assets

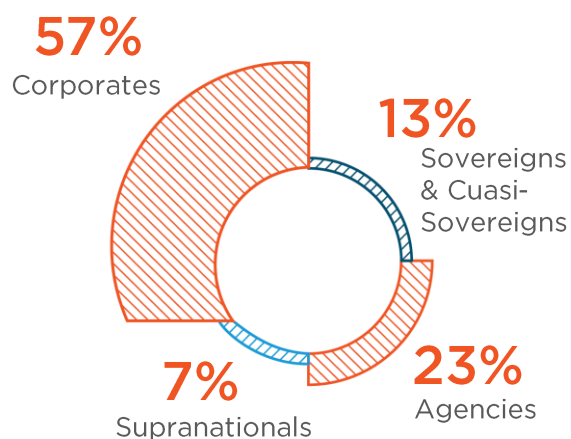
Liquid Assets / Total Debt



Liquid Assets by Rating



Liquid Assets by Sector

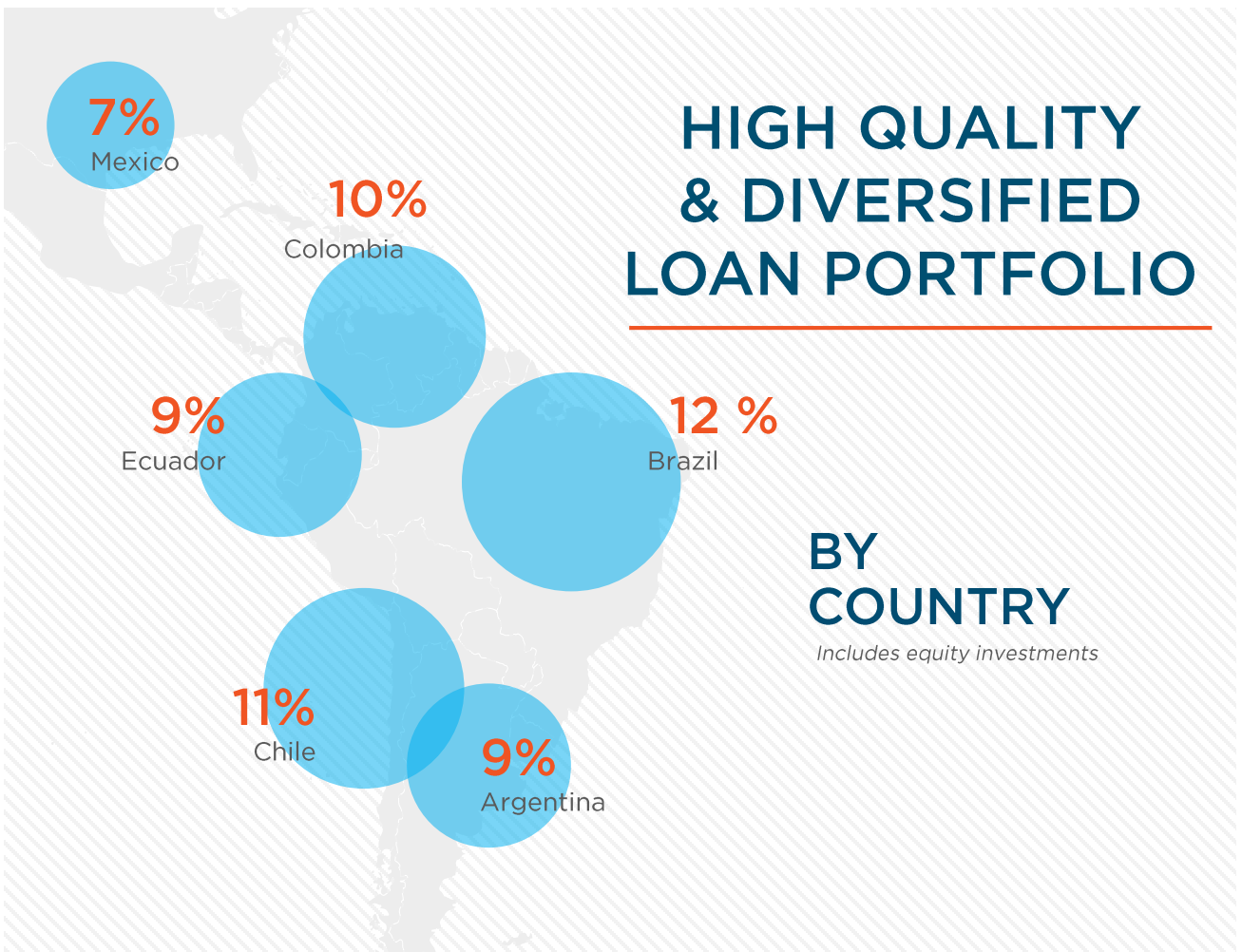


Figures are as of September 2019

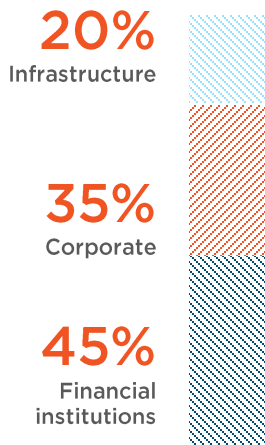
# HIGH QUALITY & DIVERSIFIED LOAN PORTFOLIO

## BY COUNTRY

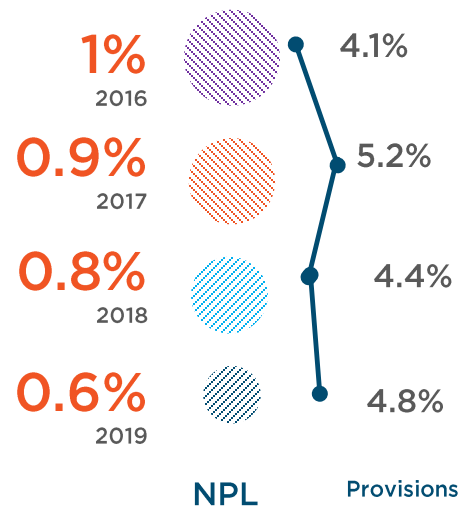
*Includes equity investments*



## BY SECTOR



## Non-Performing Loans\* & Provisions



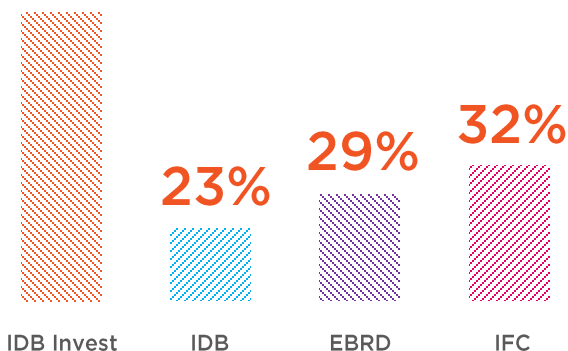
*Non performing loans: defined as Non accrual loans over 90 days overdue as a percentage of total Loan portfolio.*

Multilateral	Assets (USD Millions)	Long Term Issuer Rating <sup>1</sup>
IDB-Invest	3,209	AA
IDB	129,459	AAA
EBRD	70,716	AAA
IFC	94,272	AAA

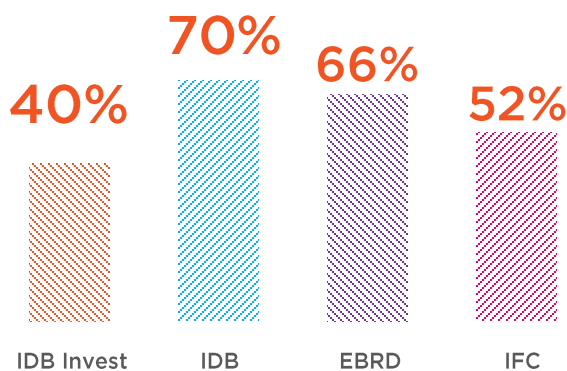
One of the  
strongest  
financial  
profiles among  
Multilateral  
Development  
Banks

RAC<sup>2</sup>

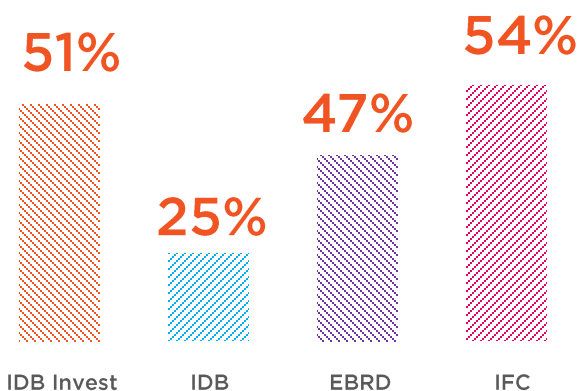
72%



Gross Debt/Equity<sup>3</sup>



Liquid assets / Total assets



Source:

S&P Global Supranationals Special Edition Junio 2019.

<sup>1</sup> S&P Global rating August 2018.

<sup>2</sup> RAC: Adjusted equity / Assets weighted by risk (%).

<sup>3</sup> Gross debt / adjusted ordinary equity (%).

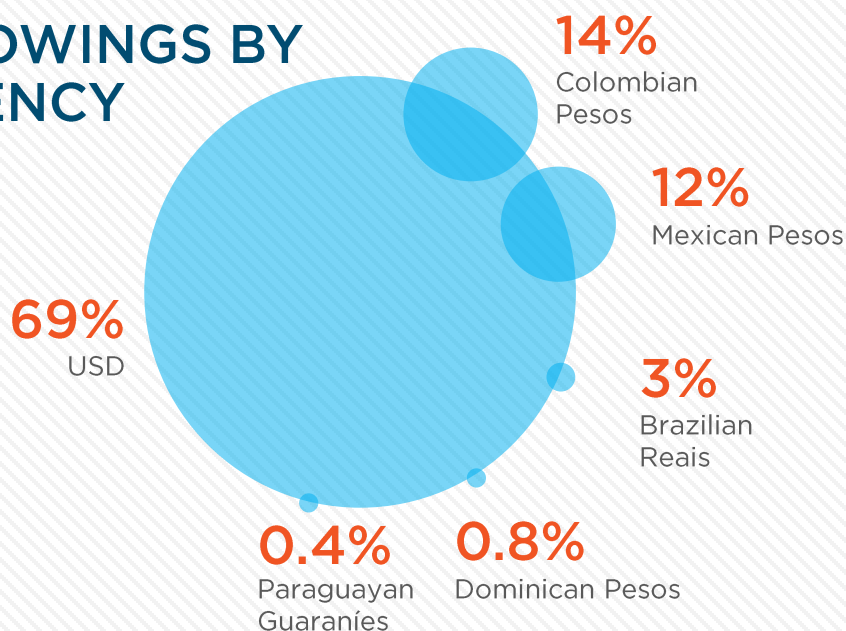
Data as of December 31, 2018, except for the IFC, whose data are as of June 30, 2018.



# DIVERSIFIED FUNDING STRATEGY

- Core elements of our funding strategy:
  - Optimize funding costs through product, currency and tenor diversification
  - Diversified funding sources:
    - Public Offerings in USD and other currencies
    - Private Placements
- Main Funding Instrument: Euro Medium Term Note Program
- Format: RegS
- 2020 funding program: USD 1.5-1.75B

## BORROWINGS BY CURRENCY



Figures as of September 2019

# OUR PRESENCE IN THE CAPITAL MARKETS

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USD

**500M**

5 Years  
Fixed Rate  
October 2019



DOP

**500M**

3 Years  
Fixed Rate  
September 2019



MXN

**1.5B**

3 Years  
Floating Rate  
September 2019



USD

**250M**

Increase  
2.3 Years  
Floating Rate  
June - 2019



PYG

**30B**

5 Years  
Fixed Rate  
December - 2018



USD

**500M**

3 Years  
Floating Rate  
October - 2018



COP

**144B**

7 Years  
Fixed Rate  
June - 2018



MXN

**1.5B**

3 Years  
Floating Rate  
February - 2018



USD

**500M**

3 Years  
Floating Rate  
April - 2016



USD

**400M**

3 Years  
Floating Rate  
October - 2014



USD

**50M**

Increase  
3 Years  
Floating Rate  
February - 2013



USD

**350M**

3 Years  
Floating Rate  
November - 2012

A low-angle, close-up shot of industrial machinery, likely a robotic arm or assembly line component, with a strong blue color overlay. The image shows complex metal structures, pipes, and mechanical parts, creating a sense of depth and industrial scale. The text is centered over the middle of the image.

In summary, as a member of the IDB Group, IDB Invest has strong shareholder support, a solid financial profile which includes high credit quality and top credit ratings, all while demonstrating its commitment to the development and sustainability of Latin America and the Caribbean.

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# Let's continue the conversation

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