



El Informe Anual 2019 de la Corporación Interamericana de Inversiones (cuyo nombre comercial es BID Invest y en adelante se denominará “BID Invest”) presenta los resultados corporativos y operativos del año.

Los datos operativos presentados en este documento se basan en la cartera combinada de operaciones sin garantía soberana del Banco Interamericano de Desarrollo (BID) y de BID Invest, denominados conjuntamente Grupo BID a efectos del presente Informe Anual. Los resultados financieros se refieren únicamente a BID Invest.

BID Invest es un banco multilateral de desarrollo comprometido con promover el desarrollo económico de sus países miembros en América Latina y el Caribe a través del sector privado. BID Invest financia empresas y proyectos sostenibles para que alcancen resultados financieros y maximicen el desarrollo económico, social y ambiental en la región.



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# CARTA DE ENVÍO

PRESIDENTE DE LA ASAMBLEA DE GOBERNADORES  
CORPORACIÓN INTERAMERICANA DE INVERSIONES  
(BID INVEST)  
WASHINGTON, D.C.

Señor Presidente:

De conformidad con lo dispuesto en el Convenio Constitutivo de la Corporación Interamericana de Inversiones, tengo el placer de presentar su Informe Anual correspondiente al año 2019 y los estados financieros auditados, incluidos el balance de situación al 31 de diciembre de 2019 y de 2018, y los estados correspondientes a los ejercicios terminados en dichas fechas.

El informe contiene un resumen de los principales logros de la Corporación, cuya marca es BID Invest, y los hechos más destacados camino al cuarto año de la ampliación de su mandato, como la creación de 38.000 nuevos empleos a partir de su portafolio, el apoyo a 343.000 PYMEs y el logro de venir gestionando cerca de US\$11.000 millones en activos.

Atentamente,



**LUIS ALBERTO MORENO**  
*PRESIDENTE DEL DIRECTORIO EJECUTIVO  
CORPORACIÓN INTERAMERICANA DE INVERSIONES (BID INVEST)*



# CARTA DEL GERENTE GENERAL

JAMES P. SCRIVEN  
GERENTE GENERAL

## BID INVEST

En un momento en que las economías lidian con un crecimiento magro, sumado a tensiones sociales y ambientales, la banca de desarrollo multilateral enfrenta una creciente demanda para entregar soluciones que permitan alcanzar los Objetivos de Desarrollo Sostenible de las Naciones Unidas y mejorar las vidas de las personas. Cuando asumimos nuestro mandato ampliado en el 2016, BID Invest tomó una serie de decisiones tempranas que nos ha permitido sobresalir bajo presión y ganarnos la confianza de nuestros clientes y socios. Cuatro años más tarde, me complace informar que estamos cumpliendo con nuestros objetivos financieros y de desarrollo.

## DECISIONES QUE DIERON FRUTOS

La primera decisión fue reinventar lo que implica ser un “Grupo”. En cada una de nuestras 26 representaciones en América Latina y el Caribe, el Grupo BID tiene una sola representante para el sector público y para el privado. Eso significa que en cada país donde operamos en la región hay una persona de alto nivel atendiendo a sus necesidades específicas de desarrollo y dándole prioridad a nuestro trabajo. Los beneficios de operar como Grupo BID han surtido efecto en cómo desarrollamos proyectos en conjunto con los gobiernos para luego financiarlos con empresas.

En turismo, por ejemplo, BID Invest apoyó el proyecto hotelero Tropicalia en Miches, República Dominicana, luego de que el BID financiara la construcción de una carretera para conectar esa zona remota. Nuestra capacidad para hacer un préstamo para este proyecto ambiental y socialmente sostenible pone de relieve la propuesta de valor de coordinar las acciones de nuestras ventanillas para los sectores público y privado. Además de nuestros representantes conjuntos, tenemos más funcionarios de BID Invest en terreno, incluyendo a 18 oficiales dedicados a países pequeños e insulares. Hemos aumentado nuestra presencia en la región en un 92% y ahora estamos en 24 oficinas en distintos países, mejorando el diálogo con nuestros clientes y partes interesadas en donde operamos y transversalmente en el Grupo BID.

La segunda decisión fue enfocarnos más en los mercados de capitales. Pasamos de ser una entidad con un solo producto denominado en una sola moneda a una capaz de adaptar una gama de productos a las necesidades de cada cliente. En los últimos años BID Invest experimentó con nuevas estructuras en los mercados de capitales. En Brasil, por ejemplo, pusimos a prueba nuestras primeras garantías de crédito totales, brindándoles a nuestros clientes un instrumento que mejora las calificaciones crediticias, amplía los plazos y les asegura precios competitivos. En Colombia, a su vez, apoyamos a una institución financiera local con una garantía para emitir el primer bono sostenible del país. Luego replicamos esa experiencia

en Argentina y Perú.

En Panamá colaboramos en el primer bono de género de la región, abriendo nuevas fuentes de financiamiento para préstamos que apoyan a emprendedoras. Esas operaciones han tenido un efecto demostrativo, impulsando a nuevos actores a seguir nuestro ejemplo, atrayendo más recursos a proyectos socialmente inclusivos y respetuosos del medio ambiente.

Por último, decidimos reforzar nuestro financiamiento para empresas e infraestructura. Siguiendo nuestro mandato de “ser audaces en infraestructura”, estamos ampliando nuestra exposición en energía, transporte, salud, educación, agroindustria, turismo, tecnología y manufactura.

Esto significa que no podemos rehuir a proyectos con complejos aspectos ambientales, sociales o de gobernanza corporativa. Por el contrario, los gestionamos proactivamente, seleccionando a los clientes más comprometidos con la sostenibilidad. Nos involucramos con los clientes desde la debida diligencia hasta el fin del proyecto, con herramientas y conocimientos que salvaguardan sus activos, a las comunidades circundantes y al medio ambiente. Poder seleccionar a nuestros clientes significa que cuando surgen problemas ambientales, sociales o de gobernanza, tenemos socios en la región que pueden tanto mitigar los riesgos como desplegar nuestros servicios de valor agregado para evitar daños y aportar beneficios.

## HEMOS CUMPLIDO

Hace cuatro años nos fijamos el objetivo de que 15% de nuestros proyectos contribuyeran a mejorar la igualdad de género. A la fecha, 18% cumplen ese criterio. Asimismo queríamos que 30% de nuestros proyectos mitigaran el cambio climático, y estamos logrando precisamente ese umbral, a la vez que duplicamos el número de proyectos de adaptación al cambio climático.

Al consolidarnos en 2016, vimos la oportunidad de aumentar nuestra huella en áreas desatendidas, como los países pequeños e isleños (S&I). En ese momento, nos comprometimos a llevar el negocio a los países S&I y enfocamos nuestra estrategia para incluir con una meta del 10% de objetivo de volumen de préstamos para 2020. En 2019, 14% de nuestros proyectos y 7% del financiamiento apoyaban a esas economías más pequeñas. Este año cerramos nuestro primer préstamo subordinado para un proyecto en Trinidad y Tobago y nuestro primer financiamiento en moneda local en la República Dominicana.

Si repasamos nuestros objetivos financieros, en el 2017 BID Invest se propuso generar USD 3.000 millones en proyectos de desarrollo. Al finalizar ese año, habíamos aprobado USD 3.200 millones. En el 2018 nos propusimos llegar a USD 3.500 millones y terminamos el año con USD 4.100 millones. Este año nos fijamos la meta de USD 3.800 millones y terminamos aprobando USD 4.700 millones. Pero lo que más nos enorgullece es lo que esto ha significado para el desarrollo. Nuestra cartera está ayudando a crear 38.000 nuevos puestos de trabajo, apoyando con financiamiento a 343.000 PYMEs y reduciendo emisiones de gases de efecto invernadero por el equivalente a 9,5 millones de toneladas de dióxido de carbono.

El mercado también comenzó a validar nuestra entrega. Este año tuvimos el honor de ganar el premio de LatinFinance a la Institución Financiera Multilateral Latina del Año por segundo año consecutivo. Este reconocimiento, más los otros 33 que hemos ganado en los últimos cuatro años, ponen de relieve las contribuciones de nuestros clientes, socios y empleados al desarrollo de la región.

## MIRANDO AL FUTURO

BID Invest se encuentra en un punto de inflexión, en donde el crecimiento seguirá siendo lineal pero nuestro impacto de desarrollo será exponencial. ¿Cómo lograremos esto?

Nuestra diversificación por sectores y la oferta de productos seguirán siendo iguales, en gran medida. Pero para potenciar lo que funciona, refinaremos nuestros procedimientos para gestionar los negocios de forma más eficiente. Probaremos nuevas estructuras de proyectos con una gama más amplia de socios e instrumentos que optimicen el uso del capital. Continuaremos ampliando nuestras actividades en el Caribe gracias a una robusta cartera de proyectos en preparación para países pequeños e insulares. La movilización futura se centrará en maximizar nuestro poder de convocatoria de inversionistas globales y en apalancar activos subaprovechados en los balances. Esto implicará un cambio de mentalidad de prestamista corporativo a gestor de activos.

Asimismo, nos mantenemos atentos a las macro tendencias mundiales, que se ven influidas por elecciones, la evolución de acuerdos comerciales, asuntos de integridad, el cambio climático, las migraciones masivas, la desigualdad y otros factores. Una cultura de riesgo que protege para promover hará que el sector privado de la región vaya más allá del cumplimiento. Aspiramos a que nuestras prácticas de gestión de temas ambientales, sociales y de gobernanza sean las mejores de su clase, con más recursos dedicados a los riesgos contextuales y a la participación de partes interesadas. Queremos que los inversionistas de todo el mundo sepan que asociarse con BID Invest es la mejor manera de mitigar riesgos e invertir en la región.

Por último, el impacto y la medición del desarrollo seguirán apuntalando todo lo que hacemos. Continuaremos evaluando la contribución de cada proyecto a los ODS. Más allá del financiamiento, seguiremos reforzando nuestros proyectos con conocimientos y servicios de asesoría para multiplicar nuestro impacto.

Si bien BID Invest ha cumplido sus audaces primeras promesas, lo que está en juego en el futuro es aún más importante. Seguimos dispuestos a asociarnos con clientes, socios y otras partes interesadas para crear mercados y dejar nuestra huella en el desarrollo de la región.



**JAMES P. SCRIVEN**  
GERENTE GENERAL  
BID INVEST

# 2019

# FUIMOS AUDACES

"EN INFRAESTRUCTURA"

NUESTRA CARTERA ESTÁ CREANDO **38,000** NUEVOS EMPLEOS

APOYAMOS EL FINANCIAMIENTO DE **343,000 PYMES** Y REDUCIMOS **9.5 MILLONES** DE TONELADAS DE DÍOXIDO DE CARBONO CADA AÑO.

HEMOS AUMENTADO NUESTRA PRESENCIA EN EL TERRENO UN **92%**

ESTAMOS EN **24 PAÍSES**

**US\$11** MIL MILLONES EN ACTIVOS ADMINISTRADOS



ALCANZAMOS UN PROMEDIO DE **8.9** EN DELTA



POR SEGUNDO AÑO CONSECUTIVO

**18%** de nuestros proyectos contribuyeron a mejorar la igualdad de género.

LA SEMANA DE LA SOSTENIBILIDAD 2019

**36 PAÍSES**  
**611 PARTICIPANTES**

MOVILIZAMOS **US\$1.4 MIL** MILLONES

INSTITUCIÓN MULTILATERAL DE AÑO **LATIN** FINANCE

**US\$4.7** MIL MILLONES EN APROBACIONES

ASESORAMIENTO DE **155** PROYECTOS

PROBAMOS NUEVAS ESTRUCTURAS EN LOS MERCADOS DE CAPITALES

**39** PRODUCTOS DE CONOCIMIENTO ALCANZARON **10 MILLONES** DE PERSONAS A NIVEL MUNDIAL

**33** PREMIOS Y RECONOCIMIENTOS EN EL MERCADO

**30%**

DE NUESTROS PROYECTOS MITIGAN EL

**CAMBIO CLIMÁTICO**

NUEVA POLÍTICA DE ACCESO A LA **INFORMACIÓN**



# ASPECTOS OPERATIVOS DESTACADOS 2019

<b>APROBACIONES</b>	
<b>Número de proyectos</b>	<b>271</b>
Múltiples Tipos de Productos	127
Préstamos	98
Garantías	41
Inversiones de capital	2
Títulos de deuda	3
<b>Monto</b>	<b>\$ 4.688</b>
Múltiples Tipos de Productos	\$ 633
Préstamos	\$ 3.393
Garantías	\$ 302
Inversiones de capital	\$ 80
Títulos de deuda	\$ 280
<b>Países C&amp;D (con base en monto)</b>	<b>45%</b>
<b>Desembolsos y Garantías</b>	
<b>Desembolsos</b>	<b>\$ 3.410</b>
<b>Garantías</b>	<b>\$ 441</b>
<b>Activos de Desarrollo en Cartera</b>	
<b>Cartera vigente</b>	<b>\$ 8.470</b>
<b>Cartera vigente C&amp;D (con base en monto)</b>	<b>44%</b>
<b>Movilización</b>	
Movilización básica	\$ 1.441
Compromiso ajustado <sup>2</sup>	\$ 4.313
Ratio de Movilización Básica (Veces)	0,33
<b>Servicios de asesoría</b>	
Porcentaje de aprobaciones para financiamiento contra el cambio climático	27%
Movilización de recursos de donantes para financiamiento mixto, clima y género	\$ 199,7
Porcentaje de proyectos con resultados de género <sup>1</sup>	18%
Número de actividades con clientes nuevos en servicios de asesoría	90
<p><sup>1</sup> Projects that score a "Somewhat," "Yes" or "Exceptional" on Development Outcome and/or Additionality Gender Indicator in the DELTA. Excludes Trade Finance Facilitation Program (TFFP) approvals and transactions approved without DELTA</p> <p><sup>2</sup> Los montos comprometidos fueron ajustados para reflejar la metodología empleada en los informes sobre movilización empleada por los bancos multilaterales de desarrollo.</p>	



# APOORTE AL DESARROLLO

La esencia de nuestra labor es buscar cómo lograr un máximo impacto de desarrollo. Diseñamos cada proyecto para que agregue valor más allá del financiamiento, ayudando a nuestros clientes a medir los beneficios sociales de sus inversiones y a ser más competitivos, resilientes y sostenibles. Este concepto de agregar valor más allá del financiamiento es la piedra angular del Marco de Gestión del Impacto de BID Invest, un enfoque integral centrado en el aprendizaje y la mejora continua a lo largo del ciclo operativo.

En el 2019 seguimos aplicando nuestro Marco de Gestión del Impacto, el cual está plenamente integrado con los ODS de las Naciones Unidas e incluye una serie de herramientas que apoyan el ciclo operativo

de principio a fin. Estas herramientas ayudan a guiar la selección de proyectos, a evaluar y hacer un seguimiento del impacto de desarrollo y las contribuciones a los ODS, a gestionar y evaluar el rendimiento de la cartera, a añadir valor a los clientes y a garantizar el aprendizaje continuo. Durante el transcurso del año compartimos este marco en varios foros con clientes, inversionistas de impacto y bancos de desarrollo multilaterales, reforzando así su relevancia como enfoque líder en el mercado. Para mayor información, refiérase al [Panorama de la Efectividad en el Desarrollo \(DEO\) 2019](#).

Concretamente, hemos puesto a prueba nuestra Tarjeta de Puntaje de Selectividad Estratégica, que apoya la originación

mediante la selección de proyectos que se ajustan a las principales brechas de desarrollo en cada sector y país, de acuerdo con las prioridades corporativas y las estrategias de país del Grupo BID. Pasando a la fase de diseño, evaluamos el potencial de impacto de desarrollo y la adicionalidad de cada proyecto utilizando la herramienta de Efectividad en el Desarrollo, Aprendizaje, Seguimiento y Evaluación (DELTA, por su sigla inglesa). La puntuación media del DELTA al momento de la aprobación aumentó del año anterior a 8,9 (de un total posible de 10), superando el objetivo de la cartera de 8,0. Esto se debió principalmente a la mejora de las puntuaciones entre los proyectos del segmento empresarial. Durante la supervisión del proyecto se hace un seguimiento de la evaluación inicial y, a medida que la cartera madura, se evalúan y validan independientemente los resultados de desarrollo finales asociados a estas inversiones.

Otro logro clave del 2019 fue el despliegue de una nueva metodología que mide cómo los proyectos de BID Invest contribuyen a lograr los ODS. Hemos analizado y etiquetado el 100% del portafolio de acuerdo con los ODS a los cuales aportará cada

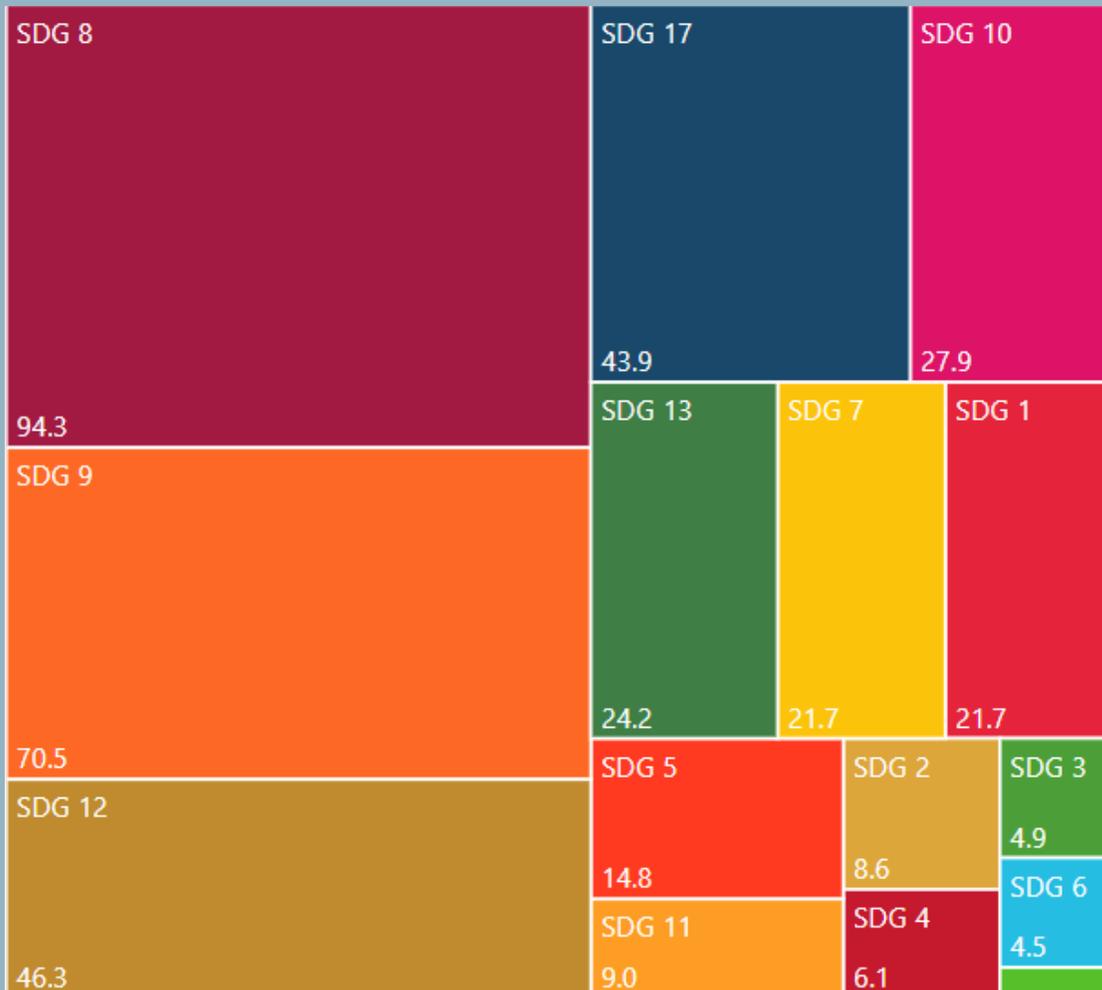
proyecto; esta evaluación se actualizará según corresponda durante la fase de supervisión. Nuestra capacidad instalada para medir las contribuciones a los ODS es una nueva forma de añadir valor para los clientes e inversionistas, quienes buscan cada vez más conectar sus operaciones e inversiones con la agenda global. Este creciente interés se reflejó en el taller “Medición y gestión del impacto de los ODS” que celebramos durante la Semana de la Sostenibilidad de 2019, que atrajo a más de 50 clientes y socios.

Por último, seguimos cosechando lecciones de proyectos pasados para informar el diseño de nuevas operaciones. En nuestra plataforma de Análisis de Efectividad en el Desarrollo disponemos actualmente de un conjunto de más de 500 lecciones aprendidas de casi 400 proyectos completados en 23 países. También profundizamos en la agroindustria, analizando las lecciones aprendidas de 20 proyectos terminados y sintetizándolas en conocimientos prácticos para los equipos de operaciones ([véase el capítulo 4 del DEO 2019](#) para un resumen de este análisis).



**Contribuciones  
esperadas de los ODS  
para proyectos aprobados  
de 2016-2019\***

\* % de transacciones en cartera activa  
 % de transacciones que contribuyen a los ODS





# PROYECTOS DESTACADOS

## INTERNET PARA TODOS PERÚ

### Conectividad y telecomunicaciones

Ampliar la conectividad es fundamental para que 100 millones de personas de América Latina y el Caribe que aún no disponen de banda ancha móvil puedan disfrutar de los beneficios sociales y económicos que conlleva el acceso a Internet. Este obstáculo es particularmente difícil en zonas rurales y remotas de la región, donde los operadores tradicionales no proporcionan una cobertura adecuada. Internet para Todos ayuda a resolver el problema de la conectividad móvil en las zonas rurales, mejorando el servicio y ofreciendo cobertura de Internet móvil en el marco de un modelo comercial mayorista económicamente sostenible, basado en el acceso abierto y nuevas tecnologías. Junto con Facebook, Telefónica y la CAF, BID Invest

participa en la creación de este operador mayorista de infraestructura móvil rural, cuyo objetivo es reducir la brecha digital y conectar a las comunidades rurales de Perú. Internet para Todos permite a cualquier operador de telefonía móvil y a las empresas del sector de telecomunicaciones con un cierto alcance utilizar su infraestructura de 3G y 4G para ofrecer servicios de comunicación de calidad a usuarios, empresas y organizaciones en comunidades rurales. Telefónica del Perú abre su actual negocio rural a Internet para Todos. Mientras tanto, BID Invest, Facebook y la CAF invierten en la nueva empresa. El éxito de este proyecto, la primera inversión de capital de BID Invest, puede sentar las bases para replicar este modelo de negocio en otros países de la región. Se prevé que la operación apoye a seis ODS: Fin de la pobreza (ODS 1); Igualdad de género (ODS 5); Trabajo decente y crecimiento económico (ODS 8); Industria, innovación e infraestructura (ODS 9); Reducción de las desigualdades (ODS 10) y Alianzas para lograr los objetivos (ODS 17).



# RUTAS 2 & 7 PARAGUAY

## Transporte

La infraestructura de transporte es fundamental para el crecimiento y el desarrollo de un país. Al mejorarla se fortalece la competitividad económica y se facilitan los procesos de producción, distribución y comercialización. BID Invest está ayudando a Paraguay a alcanzar estos objetivos mediante el financiamiento de las autopistas 2 y 7, las principales vías para la actividad económica del país. BID Invest otorgó un paquete financiero de USD 200 millones a la Concesionaria Rutas del Este, compuesta por las empresas Sacyr Concesiones S.A. y Ocho A S.A., para duplicar el número de carriles de estas rutas, mejorando así el servicio y la seguridad vial. El apoyo financiero de BID Invest incluye una garantía, asumiendo el riesgo de construcción en las etapas iniciales de las obras y otorgando el uso de los recursos de un bono emitido por el concesionario en el mercado internacional. Además, BID Invest proporcionó un préstamo a largo plazo para las últimas etapas del proyecto, que se desembolsará una vez que se pague la garantía. Este proyecto es el primer contrato de asociación público-privada (APP) firmado en el marco de la Ley de APP de Paraguay, que busca atraer más inversión extranjera directa. A través de esta innovadora estructura, BID Invest apoya el desarrollo de los mercados de capitales para financiar infraestructura en Paraguay. Es un modelo eficiente que puede replicarse en otros mercados de América Latina y el Caribe. Se prevé que la operación apoye a tres ODS: Trabajo decente y crecimiento económico (ODS 8); Industria, innovación e infraestructura (ODS 9) y Alianzas para lograr los objetivos (ODS 17).

# REPUBLIC BANK TRINIDAD AND TOBAGO

## Transformación digital, PYMEs y vivienda

La transformación tecnológica de las instituciones financieras es fundamental para fortalecer su posicionamiento. En paralelo, los compromisos de financiamiento para las pequeñas y medianas empresas (PYMEs) y la vivienda asequible son importantes para fomentar la inclusión social y el desarrollo económico. BID Invest concedió Republic Bank un préstamo subordinado de USD 75 millones para apoyar estos objetivos y consolidar su posición como una de las principales instituciones financieras del Caribe. Obtener financiamiento adecuado es un desafío para las PYMEs en Trinidad y Tobago, mientras que la escasez de terrenos residenciales y los altos precios son los principales desafíos para quienes buscan viviendas asequibles. Al obtener acceso al financiamiento a través del préstamo subordinado de BID Invest, Republic Bank puede contar con capital adicional para apoyar a sus clientes a superar las barreras actuales en estos dos segmentos. Adicionalmente, la operación contribuye a financiar el programa de digitalización de Republic Bank, tanto para los aspectos internos como externos de su infraestructura tecnológica. Así, BID Invest facilita el acceso al crédito a los trinitenses y apoya la expansión de Republic Bank en el Caribe, lo que contribuye a la adaptación de los servicios de esta institución a mercados desatendidos. Se prevé que la operación apoye a cinco ODS: Trabajo decente y crecimiento económico (ODS 8); Industria, innovación e infraestructura (ODS 9); Reducción de las desigualdades (ODS 10); Ciudades y comunidades sostenibles (ODS 11); y Producción y consumo responsables (ODS 12).







# PROPUESTA DE VALOR

Trabajamos con clientes de todos los sectores estratégicos de América Latina y el Caribe, proporcionándoles acceso a recursos financieros, así como a nuestros conocimientos técnicos y nuestra experiencia sectorial. En BID Invest, nuestro trabajo es darles a nuestros clientes las herramientas que necesitan para un crecimiento sostenible.



PROPUESTA DE VALOR

## INFRAESTRUCTURA

El desarrollo de la economía regional presenta múltiples desafíos y oportunidades. Uno de los mayores para reducir las brechas de desigualdad e incrementar la productividad de múltiples sectores económicos es continuar contribuyendo a la reducción del déficit de infraestructura de la región. En 2019, una de las líneas de trabajo centrales de BID Invest fue impulsar el desarrollo de los principales proyectos de infraestructura en la región, movilizar la mayor cantidad posible de inversiones y desarrollar innovadoras estructuras financieras para contribuir a la viabilidad de estos proyectos.

## AGUA Y SANEAMIENTO

En América Latina y el Caribe, alrededor de 30 millones de personas no tienen acceso a agua potable tratada de forma segura. Una de nuestras líneas de trabajo en este sector es el financiamiento a operadores privados y empresas estatales sin acceso a préstamos con garantía soberana.

Hemos buscado modelos innovadores de financiación en el sector que tengan gran potencial para ser replicados en la región. Por primera vez, BID Invest financió una asociación público-privada (APP) de agua y saneamiento en Brasil, con un préstamo de R\$442 millones a BRK Ambiental. El proyecto beneficia a la población urbana con una alta vulnerabilidad económica de la ciudad nordestina de Recife.

Por otro lado, estamos enfocando nuestros esfuerzos en apoyar la desalinización como una forma de ayudar a los países a adaptarse al cambio climático. A medida que las nuevas tecnologías reducen sus costos, estos proyectos se convierten en soluciones viables en aquellos lugares donde los acuíferos son sobreexplotados o afectados por el aumento del nivel del mar.

## INFRAESTRUCTURA SOCIAL

La salud y la educación son dos de los sectores que presentan grandes desafíos de desarrollo en la región. Un alto número

de personas no tiene acceso a servicios de salud de calidad, bien sea por razones económicas o por barreras geográficas. Por otro lado, en el sector educativo, hay un alto índice de fracaso escolar y muchas de las escuelas que carecen de infraestructura adecuada como agua potable o electricidad.

En BID Invest tenemos una estrategia para impulsar la salud y la educación, con foco en materias STEM (aquellas relacionadas con las ciencias, las tecnologías, la ingeniería y las matemáticas), especialmente con esquemas de asociaciones público-privadas (APP) que mejoren las condiciones de los servicios y permitan incluir a sectores sociales de bajos ingresos. Un ejemplo es la financiación de la apertura del primer campus de Texas Tech en Costa Rica. Esta nueva infraestructura educativa, con capacidad para 1.500 estudiantes, permitirá obtener un título universitario siguiendo el modelo educativo de esta universidad estadounidense a un costo más bajo que en Texas y con enfoque en áreas de estudio que responden a vacíos laborales en Costa Rica - ingeniería eléctrica e industrial, informática, matemáticas, administración

de negocios, comercialización y gestión de restaurantes y hoteles.

## TRANSPORTE

2019 fue un año de grandes proyectos de infraestructura y servicios de transporte en áreas como carreteras y puertos.

Un ejemplo es el proyecto Autopista al Mar en Colombia, donde BID Invest completó el financiamiento a largo plazo con COP443.000 millones, (aproximadamente US\$143 millones), en colaboración con bancos comerciales internacionales y bancos locales que aportaron recursos en dólares y pesos colombianos. Esta autopista conectará los centros de producción y de población del departamento de Antioquia, incluyendo la ciudad de Medellín, con la costa del Caribe colombiano y los desarrollos portuarios planificados en el golfo de Urabá. El principal objetivo es mejorar la conectividad e integración de las poblaciones beneficiadas, al reducir los tiempos y costos de viaje, mejorar la calidad de las carreteras, la seguridad y el servicio.



# ENERGÍA

Las energías renovables recibieron un importante impulso tras la firma del Acuerdo de París en el 2015 donde los países firmantes se comprometieron a reducir sus emisiones de gases de efecto invernadero para disminuir los impactos del cambio climático. Sin embargo, según las Naciones Unidas, en América Latina y el Caribe aproximadamente 44 por ciento de la electricidad aún se genera a partir de recursos no renovables.

Una de las líneas estratégicas de BID Invest es continuar fomentando la expansión de energías renovables en la región. Nuestro objetivo es promover nuevas soluciones de energía limpia para acelerar la transición energética en los países de América Latina y el Caribe. Para ello, respaldamos proyectos sólidos en términos financieros y económicos, prácticas de gobierno corporativo y responsabilidad social y ambiental con el fin de asegurar beneficios de largo plazo para el sector privado. En 2019, otorgamos un paquete de financiamiento de US\$34.9 millones a X-Elio para la construcción y mantenimiento de una planta solar fotovoltaica con capacidad de 200MW en el estado de Sonora, México. Esta planta fotovoltaica contribuirá al crecimiento económico mexicano al añadir una fuente de energía más competitiva, aumentando la capacidad instalada de generación renovable no convencional y diversificando la matriz energética del país.

Por otro lado, para hacer posible la expansión de energías renovables hace falta también aumentar la energía de base. Por eso, en BID Invest tenemos una apuesta decidida para apoyar la distribución de gas natural como fuente de generación eléctrica, desplazando otras fuentes mucho más contaminantes como el carbón o el petróleo. A finales de

2019, BID Invest financió con un préstamo de US\$60 millones la construcción en El Salvador de Energía del Pacífico, la primera planta generadora a base de gas natural licuado de todo el Triángulo Norte de América Central. Cuando comience a operar en 2021 generará 378MW, que reducirán la dependencia del país de los combustibles fósiles y disminuirán la importación de electricidad. Está previsto que Energía del Pacífico aumente la capacidad de generación de El Salvador en 30 por ciento, cambiando su matriz energética y haciéndola menos contaminante.

Otra área de trabajo es facilitar la atracción de inversiones para proyectos de infraestructura sostenibles de renta fija (por ejemplo, líneas de transmisión) mediante herramientas transparentes y sencillas que garanticen a los inversionistas la calidad “verde” de ciertos proyectos. Para ello, BID Invest continúa profundizando, sobre la base del marco de infraestructura sostenible elaborado juntamente con el BID, y ha desarrollado una metodología para catalogar líneas de transmisión verde. Esta metodología será llevada a consulta pública en los próximos meses para poder contar con un estándar internacional en el mercado. De esta manera, los inversionistas podrán fácilmente decidir dónde colocar su capital, con mayor certeza de que los proyectos verdes que estén analizando verdaderamente sean ambientalmente sostenibles.

# INSTITUCIONES FINANCIERAS

Durante el 2019, uno de los pilares estratégicos del segmento financiero fue liderar la creación de una nueva clase de activos en los mercados de capitales de América Latina y el Caribe, impulsando la emisión de bonos temáticos y sostenibles.

## PROYECTOS DESTACADOS

### PILAR ESTRATÉGICO I

Para apoyar ese objetivo, ayudamos al Grupo Bancolombia a emitir el primer bono sostenible de una entidad privada en Colombia, por un valor de COL 657.000 millones. El objetivo de esta emisión fue financiar 26 proyectos de Bancolombia con beneficios ambientales y sociales mensurables, ocho de los cuales se clasificaron como proyectos sociales centrados en infraestructura básica y vivienda social. Los 18 proyectos restantes se clasificaron como proyectos ecológicos y se centraron en construcción sostenible, eficiencia energética y producción más limpia.

También trabajamos con Banistmo, subsidiaria de Bancolombia en Panamá, para emitir el primer bono de género en América Latina y el Caribe, con un plazo a cinco años y por USD 50 millones, para mejorar el acceso al financiamiento de PYMEs dirigidas por mujeres, lo que promueve el emprendimiento femenino y su empoderamiento económico.

En el ámbito de los bonos verdes, BID Invest





también se asoció con Banco Pichincha para apoyar la primera emisión de bonos verdes en Ecuador. La participación de BID Invest en estas transacciones novedosas para la región fomenta la conciencia ambiental y social y refleja el compromiso y el interés de un amplio grupo de instituciones financieras por alcanzar los ODS.

El segundo pilar estratégico fue el compromiso de BID Invest de promover la inclusión financiera, centrando su actividad empresarial en instituciones que se esfuerzan por reducir la brecha de financiamiento en los sectores más vulnerables de la sociedad. Esta línea de trabajo tiene por objeto ampliar el acceso y la utilización de los servicios financieros formales para mejorar la capacidad financiera de la población carente de un fácil acceso a dichos servicios. A la fecha, solo 51% de los adultos en América Latina y el Caribe tiene una cuenta en una institución financiera formal.

Con el fin de lograr este objetivo, trabajamos con nuestros clientes para crear sistemas financieros inclusivos, fortalecer las instituciones financieras de la región y estimular la competencia. Nos esforzamos por lograr que los intermediarios financieros de nuestros países, lo que incluye a bancos y a instituciones no financieras como las cooperativas, las empresas de arrendamiento y de factoraje, se centren en prestar servicios financieros a segmentos marginados y con escaso financiamiento, incluidas las poblaciones urbanas de bajos ingresos, las comunidades rurales, las mujeres, las poblaciones indígenas, las PYMEs, los refugiados y los migrantes.

## PROYECTOS DESTACADOS

### PILAR ESTRATÉGICO II

Un ejemplo de esta labor es el préstamo de R\$ 100 millones concedido a Omni, un proveedor de soluciones crediticias para poblaciones desatendidas en Brasil. Los fondos le han permitido a la empresa ampliar su cartera de microcréditos en tres segmentos principales: clientes de fintech, camioneros y microempresarios inmigrantes. La transacción ayudó a Omni a sumar más microempresarios como clientes, contribuyendo a reducir la brecha de inclusión financiera del país.

También concedimos financiamiento revolvente por USD 25 millones a la institución financiera no bancaria Eurocapital para reforzar sus estrategias de crecimiento transnacional y de diversificación de productos. Los fondos han aumentado el financiamiento para PYMEs en Chile y Perú mediante el factoraje.

En Colombia, BID Invest otorgó un préstamo en moneda local por el equivalente a USD 35 millones a Bancamía, una institución microfinanciera cuyo objetivo principal es apoyar a las poblaciones vulnerables y





otorgar préstamos para usos productivos, ayudando a ampliar el financiamiento a microempresarios rurales y urbanos. Con el fin de fortalecer el trabajo de Bancamía en el financiamiento rural sostenible, BID Invest proporcionó asistencia técnica previa al préstamo utilizando recursos del Fondo de Agricultura Climáticamente Inteligente. El resultado es el programa “Crediverde Adaptación”, una línea de financiamiento para microempresarios rurales para enfrentar y mitigar el cambio climático. Bancamía fue la primera institución financiera privada en Colombia en desarrollar este tipo de producto financiero.

Además, fortalecimos nuestra capacidad de financiamiento en moneda local como parte de nuestra estrategia institucional para ofrecer productos más flexibles e innovadores en la moneda de cada país y promover los mercados de capitales locales. BID Invest otorgó un préstamo en pesos dominicanos por el equivalente a USD 50 millones al Banco Múltiple BHD León. Los recursos están destinados a financiar 400 PYMEs, de las cuales al menos 40% serán empresas pertenecientes o dirigidas por mujeres.

Por último, a nivel sectorial, BID Invest siguió apoyando a las asociaciones bancarias de la región en la realización de programas de sostenibilidad, fomentando el desarrollo y la adopción de protocolos verdes en El Salvador y Argentina.

# CORPORATIVOS

## TELECOMUNICACIONES, MEDIOS Y TECNOLOGÍA

En Telecomunicaciones, Medios y Tecnología, seguimos enfocándonos en mejorar la conectividad de la región. Esto abarca desde el financiamiento de infraestructura de banda ancha móvil e infraestructura compartida, como torres celulares, hasta el aumento de la accesibilidad de dispositivos móviles para que más personas disfruten de los beneficios de Internet. Los teléfonos inteligentes son la puerta de entrada para que grandes sectores de la población accedan a Internet de banda ancha, por lo que BID Invest ha desarrollado innovadoras estructuras de financiamiento, que el año pasado se replicaron en Chile y Ecuador.

## PROYECTOS DESTACADOS

En México, donde 40 millones de personas no tienen acceso a Internet y sólo 15% de las pequeñas empresas están conectadas, concedimos un préstamo de USD 50 millones a Red Compartida, una asociación público-privada entre el gobierno mexicano y Altán creada para mejorar la conectividad y fomentar la competencia en las telecomunicaciones. Red Compartida ha puesto en marcha un nuevo modelo en el sector, ofreciendo servicios móviles 4G-LTE (5G ready) al por mayor sobre infraestructura compartida, a precios competitivos y de forma no discriminatoria.

Por otra parte, BID Invest otorgó un paquete financiero de USD 75 millones a Telecom Argentina para seguir desarrollando las



telecomunicaciones en ese país, así como para financiar parte del plan de inversiones estratégicas de la empresa para el despliegue de una red 4G y proporcionar una mejor conectividad en todo su territorio.

En Bolivia, concedimos un préstamo de USD 58,5 millones a Phoenix Tower International (PTI) para impulsar el mercado de la infraestructura independiente en el sector de telecomunicaciones y desarrollarlo más eficientemente. El proyecto es una solución comercial innovadora para el mercado boliviano, ya que promueve el uso compartido de torres de telecomunicaciones. Compartir mejora la productividad, haciendo que el despliegue de nuevas redes sea más rentable y dinámico, a la vez que se reduce la brecha de la conectividad.

## AGRONEGOCIOS

La estrategia de BID Invest para este sector se basó en tres pilares: aumentar la competitividad, apoyar modelos de negocio inclusivos y mitigar y adaptarse al cambio climático. Con ese fin, se prestó asistencia financiera y técnica destinada a optimizar el uso de recursos, mejorar las cadenas de valor y ampliar la capacidad instalada y la productividad de las empresas agrícolas de la región.

## PROYECTOS DESTACADOS

Un ejemplo de nuestro apoyo a los modelos de negocio inclusivos es un préstamo de hasta USD 15 millones concedido a Belize Sugar Industries Limited (BSI). El préstamo, la primera operación de BID Invest en Belice, apoya la principal fuente de empleo y actividad económica de la región norte. La industria azucarera beliceña enfrenta desafíos de sostenibilidad debido a la caída de los precios y a los cambios en la política comercial de su principal mercado de

exportación, la Unión Europea. El préstamo le ha permitido a BSI invertir para mitigar esos problemas, aumentando la producción y la exportación de azúcares de mayor valor agregado (azúcar de consumo directo), lo que diversifica sus mercados de exportación y fortalece la cadena de valor. El aumento de los ingresos de BSI es una transferencia económica para su cadena de suministro, compuesta por más de 5.400 pequeños y medianos productores, que comparten las ventas netas de los azúcares de mayor valor producidos por BSI. BID Invest complementa el financiamiento con asistencia técnica para ayudar a mejorar la productividad agrícola y la sostenibilidad de los productores de caña de azúcar.

También aumentamos nuestro apoyo a los modelos de negocio inclusivos y a la cadena de valor del sector agrícola y forestal del Uruguay, al financiar a productores con hasta USD 30 millones. Esta estructura de transacción se diseñó dentro de un fideicomiso financiero que recaudó fondos a través de la provisión privada de títulos de deuda a ser suscritos por BID Invest. Los fondos se están utilizando para financiar a 60 productores agrícolas y forestales que son clientes de Interagrovia (John Deere Uruguay) para que adquieran nueva maquinaria con tecnologías modernas, aumentando así su productividad y rendimiento. En su primera operación de financiamiento para agricultores, BID Invest ha otorgado plazos y montos acordes con las necesidades financieras de los productores rurales uruguayos.

También apoyamos y asesoramos a empresas del sector agrícola de América Latina y el Caribe para que hagan inversiones inteligentes que mejoren su resiliencia al cambio climático. BID Invest y Rabobank concedieron un financiamiento a siete años por hasta USD 30 millones para apoyar a Desdelsur en su proyecto integral de ganadería, convirtiendo su corral de engorde en el más grande de Argentina, lo que ha fortalecido su posición

de liderazgo en la exportación de legumbres y semillas oleaginosas mediante el aumento de la producción, la expansión de la cadena de valor agrícola y el aumento de su flexibilidad financiera. Dada su ubicación en una región árida del norte de Argentina, Desdelsur está muy expuesta a los fenómenos climáticos.

Su rendimiento ya se ha visto afectado en el pasado, por lo que se incorporó una cláusula de resiliencia financiera en la estructura de financiamiento. Este mecanismo innovador permite que Desdelsur re programe los pagos de capital a lo largo de un determinado período si sus operaciones se ven obstaculizadas por fenómenos climáticos que le impidan pagar su deuda, lo que permite que la empresa se recupere y que sus operaciones vuelvan a la normalidad. BID Invest también otorgó a Desdelsur dos subvenciones de asistencia técnica: una para crear un plan de redes y capacitación para las comunidades indígenas vecinas (wichí, chorote y guaraní, entre otras), que les permita participar más plenamente en la economía regional, y otra para mejorar la estructura de gobierno corporativo de Desdelsur, aumentando su eficiencia operativa y consolidando su proceso de toma de decisiones.

## TURISMO

Durante 2019, la actividad de BID Invest en este sector se centró en explorar oportunidades de negocio para desarrollar el turismo sostenible en nuevos destinos, con la identificación de proyectos que puedan ayudar a recuperar el patrimonio histórico e impulsar la igualdad de género, así como el apoyo a las comunidades indígenas. También ha dado prioridad a proyectos que promueven la sostenibilidad social y ambiental, como el financiamiento de proyectos de eficiencia energética e hídrica. Sin embargo, para estas empresas, ya no se considera suficiente la gestión de

sus impactos ambientales y sociales directos. Cada vez hay más conciencia de la necesidad de considerar las cadenas de valor y el posible impacto exponencial de sus actividades en las comunidades locales.

BID Invest contribuye al desarrollo del sector turístico no sólo a través del financiamiento, sino también proporcionando soluciones innovadoras para incorporar a grupos vulnerables, como las mujeres y los pueblos indígenas, a la cadena de valor. También estamos explorando nuevos modelos de negocio de hospedaje que buscan captar el interés de los nómades digitales, viajeros que están en una constante búsqueda de experiencias auténticas y oportunidades para conectarse con comunidades locales.

## PROYECTOS DESTACADOS

BID Invest financió un préstamo de USD 37,2 millones para West Resort, un proyecto de turismo sostenible en el archipiélago de Bocas del Toro, en Panamá. West Resort construirá un hotel de 118 habitaciones, la primera fase de Casi Cielo, un complejo de uso mixto con diversos componentes turísticos. Se prevé que el proyecto impulsará el crecimiento económico de la zona gracias a la generación de empleos, la capacitación y la educación en las comunidades circundantes, así como la integración de agricultores locales y PYMEs en la cadena de valor del complejo turístico. Además, West Resort promoverá la diversificación de la industria turística en Panamá mediante el apoyo al crecimiento y desarrollo de Bocas del Toro como destino.

En Costa Rica, BID Invest otorgó un préstamo de USD 5 millones a Caribe Hospitality, un cliente recurrente del Grupo BID y uno de los más importantes promotores inmobiliarios de América Central, para la construcción de un hotel urbano en San José. El hotel de 120 habitaciones estará afiliado a la marca



Marriott Fairfield y tendrá la certificación sostenible LEED. Se ubicará dentro de un complejo de uso mixto, a pocos minutos del aeropuerto internacional, e intentará satisfacer las necesidades del segmento de reuniones de negocios y de turistas de ocio.

## MANUFACTURA

BID Invest colabora en la mejora de la productividad de empresas manufactureras de América Latina y el Caribe mediante la promoción del empleo productivo, la innovación, la adopción de nuevas tecnologías, la integración regional y la optimización del uso de recursos, incluyendo el reciclaje y la eficiencia energética.

## PROYECTOS DESTACADOS

BID Invest lideró un financiamiento de USD 800 millones para Klabin, el mayor productor, exportador y reciclador de papel para envoltura de Brasil y el mayor productor de papel de América Latina, para apoyar el crecimiento y mejorar la productividad de la industria brasileña de pulpa y papel. La operación consiste en un financiamiento de USD 180 millones por parte de BID Invest y USD 620 millones de otros bancos de desarrollo, fondos de cofinanciamiento y bancos comerciales, lo que fortalece la capacidad de BID Invest de movilizar inversionistas internacionales para emprender proyectos de mayor impacto y escala en la región.

El proyecto apunta a aumentar la producción industrial y la eficiencia de Brasil, promover el comercio mundial y regional mediante el crecimiento de las exportaciones, ampliar y racionalizar la cadena de valor de la industria de la pulpa y el papel, crear puestos de trabajo y aumentar la producción de energía renovable y la eficiencia energética. También busca mejorar las prácticas sociales y ambientales del sector en Brasil.



# FINANCIAL

**HOW TO USE:** Enter your budget for each category in the Summary by Category table below. Enter transactions on the Transactions sheet to see how your actual spending compares to your budget.

**ACTUAL SUMMARY**



Monthly contribution	THB1,500	THB1,750	THB2,000	THB2,250	THB2,500
TOTAL SAVED	THB1,500	THB1,750	THB2,000	THB2,250	THB2,500

SAVINGS GOAL	THB1,500	THB1,750	THB2,000	THB2,250	THB2,500
SAVINGS CALCULATOR	THB1,500	THB1,750	THB2,000	THB2,250	THB2,500

# SERVICIOS DE ASESORÍA Y FINANCIAMIENTO MIXTO

Durante el 2019 BID Invest aprobó un total de 90 compromisos de asesoría (59 en clima; 13 en género, diversidad e inclusión; 6 en asociaciones público-privadas (APP); y 12 en empresas sostenibles y micro, pequeñas y medianas empresas). Al final del año, la cartera activa de servicios de asesoría ascendía a un total de 155 (99 en clima; 29 en género, diversidad e inclusión; 6 en APP; y 21 en empresas sostenibles y MPYMEs).

A lo largo del año, el equipo pudo diversificar la cartera con un mejor equilibrio entre los segmentos (29% en Corporaciones, 31% en Intermediarios Financieros y 40% en Infraestructura y Energía), y con una mayor cobertura en toda la región, en la que 43% de los servicios de asesoría se prestaron a clientes de los países C y D. Se prestó especial atención al desarrollo de servicios de asesoría en países pequeños e insulares (S&I) como instrumento para el desarrollo y el impacto de las empresas, con un total de 23 proyectos activos en

tales países, 15 de los cuales se aprobaron en 2019. Además, BID Invest amplió su programa de asesoramiento sobre negocios sostenibles en áreas como los plásticos, la economía circular y el acceso de los inmigrantes al financiamiento.

Durante el 2019, el financiamiento para el clima ascendió a 27% del volumen aprobado; 18% de las transacciones promovieron la igualdad de género, la diversidad y la inclusión; y 33% del volumen aprobado apoya a MIPYMEs.

Durante el año, comprometimos USD 228.1 millones en recursos de Financiamiento Mixto en cinco proyectos, apoyando USD 236 millones en inversiones, con un DELTA promedio de 8,7. Además de fortalecer la oferta no financiera de BID Invest, se procuró aumentar su conocimiento e influencia con importantes hitos en términos de posicionamiento, recaudación de fondos y alianzas.



SERVICIOS DE ASESORÍA Y  
FINANCIAMIENTO MIXTO

## OTROS HITOS

BID Invest siguió elevando su perfil en la lucha contra el cambio climático. Durante la Conferencia de las Naciones Unidas sobre el Cambio Climático celebrada el año pasado, aportó soluciones financieras innovadoras para apoyar los objetivos del Acuerdo de París y posicionarse como un socio por excelencia en este ámbito. Además, BID Invest se sumó al Grupo de Trabajo sobre Declaraciones Financieras Relacionadas con el Clima (TCFD, por su sigla inglesa), que define un plan de acción para cumplir con las recomendaciones (consulte el apéndice para la primera declaración del TCFD). También facilitó la firma de protocolos verdes por parte de las Asociaciones Bancarias de El Salvador y Argentina y colaboró en el primer informe sobre el estado del mercado de bonos verdes en la región.

El Comité de Mujeres Empresarias de América Latina y el Caribe (WEforLAC) del Grupo BID fue aceptado por el Comité We-Fi, asegurando USD 24 millones para un programa enfocado en impulsar PYMES lideradas por mujeres. Con estos recursos, BID Invest implementará mecanismos de financiamiento innovadores para fomentar la integración de PYMEs lideradas por mujeres en cadenas de valor.

Con la escuela de negocios ESADE de Barcelona, BID Invest publicó el informe

“Gender Lens Investing: How finance can accelerate gender equality in Latin America and the Caribbean” (“Inversión con un enfoque de género: Cómo las finanzas pueden acelerar la igualdad de género en América Latina y el Caribe”), la primera investigación detallada sobre oportunidades de inversión para aumentar la igualdad de género en la región a través del sector privado.

BID Invest y Canadá lanzaron la segunda fase del proyecto del Fondo Canadiense para el Clima para el Sector Privado en las Américas (C2F), un programa de financiamiento mixto para el clima con un enfoque de género para América Latina y el Caribe. Se prevé que movilizará hasta USD 1.000 millones en inversiones del sector privado en áreas como energía renovable, agricultura y silvicultura sostenible para ayudar a los segmentos más vulnerables de la población regional, especialmente las mujeres y las niñas, a prepararse y adaptarse mejor al cambio climático.

Por último, BID Invest organizó el PPP Americas, el foro de debate más importante sobre asociaciones público-privadas en América Latina y el Caribe, con más de 300 participantes de los sectores público y privado.



# MOVILIZACIÓN DE RECURSOS

BID Invest continuó con sus esfuerzos por movilizar recursos externos para cumplir los ODS en América Latina y el Caribe. La estrategia empresarial se concibió para cumplir con los repetidos mandatos de la Asamblea de Gobernadores de aumentar la capacidad del Grupo BID para movilizar recursos de terceros.

En total, durante el 2019 se celebraron 30 transacciones sindicadas. La movilización central alcanzó los USD 1.400 millones, 36,8% más que el año previo.

La propuesta de valor de movilización de BID Invest para los inversionistas incluye su experiencia como organizador y *bookrunner* principal, con un fuerte conocimiento y una cartera de proyectos en todos los sectores de la región. Para hacer frente a los cambios en el panorama del financiamiento, en donde los bancos comerciales se han centrado más en sus mercados internos, BID Invest ha adaptado su oferta de productos y ha desarrollado nuevas soluciones para ampliar su base de inversionistas.

Algunas de las soluciones comprobadas para aumentar la capacidad de movilización incluyen:

- Bonos B para atraer a inversionistas institucionales que buscan títulos de deuda a largo plazo para igualar sus pasivos.

- Cuentas administradas establecidas para atraer fondos de inversionistas institucionales con un enfoque más mayorista. En la actualidad, BID Invest está en negociaciones para establecer tales programas con varios inversionistas institucionales.

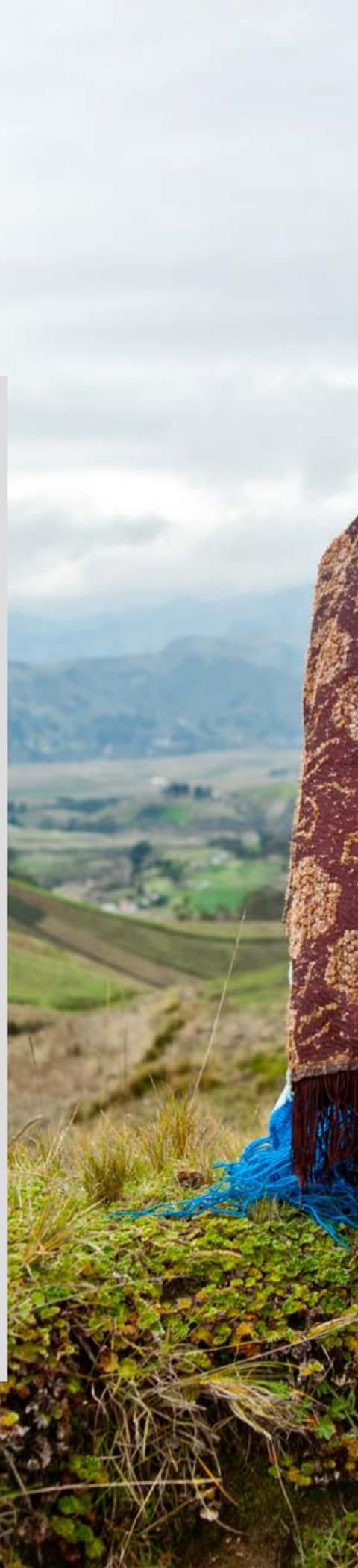
- Garantías de crédito totales destinadas a movilizar fondos de diferentes fondos comunes que contribuyen a los ODS que de lo contrario carecen de la tolerancia al riesgo asociado con ese tipo de activos.

Durante el año se mantuvieron los esfuerzos de originación de negocios, lo que ha incorporado un flujo constante de activos financiados y aumentado el interés de co-inversores. Además, se hicieron esfuerzos adicionales para abrir nuevas conversaciones con inversores en los mercados en los que opera BID Invest. Por último, se emprendieron varias actividades de divulgación y vinculación para aumentar nuestras asociaciones de movilización.



# ENFOQUE EN SOSTENIBILIDAD

En BID Invest, nos proponemos dejar huella en la consecución de los ODS de las Naciones Unidas mediante la promoción del desarrollo sostenible, la gobernanza empresarial y la protección del medio ambiente y las comunidades. Durante el 2019, la agenda de sostenibilidad de BID Invest llevó esta labor una fase superior.





## ESTÁNDARES VOLUNTARIOS DE SOSTENIBILIDAD PARA EL SECTOR FINANCIERO

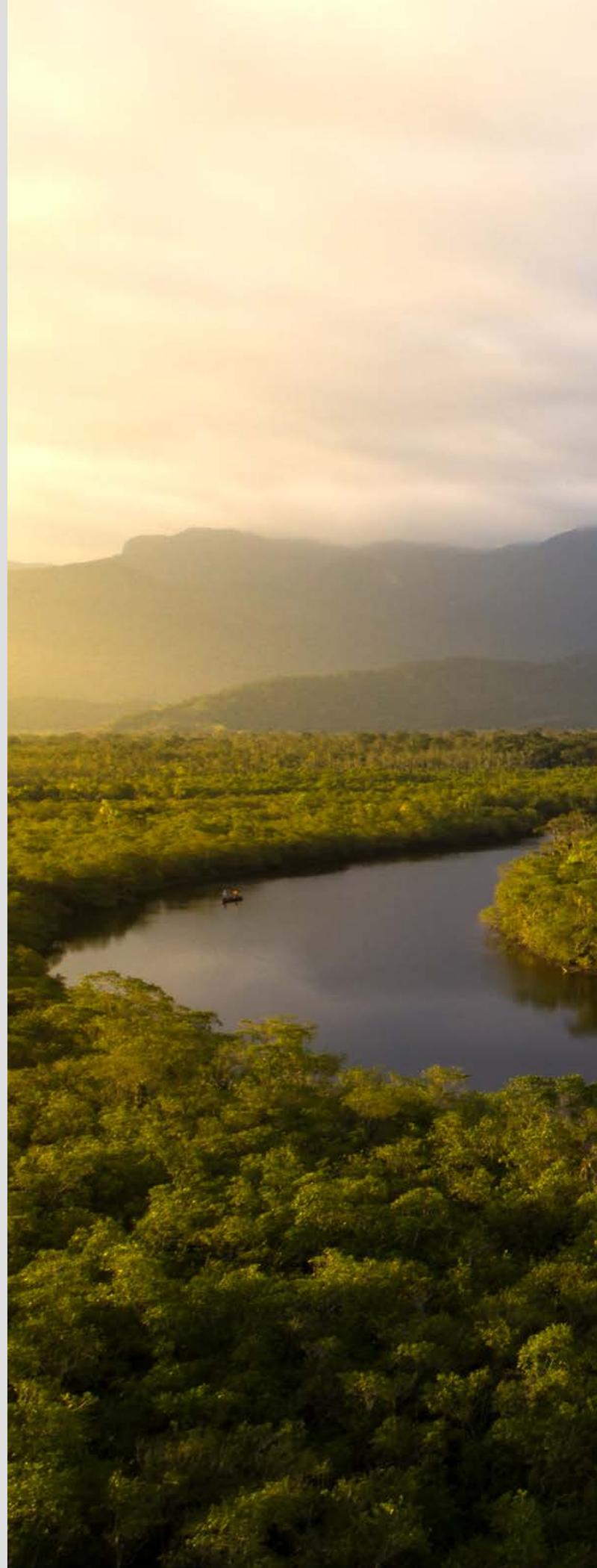
BID Invest considera que la elaboración de estándares de sostenibilidad en todo el sector financiero es un paso clave para mejorar la integración de la gestión ambiental, social y de gobernanza, para seguir promoviendo los préstamos verdes y ayudar a los países a alinear sus planes nacionales de desarrollo, como las Contribuciones Determinadas a Nivel Nacional de cambio climático, con los ODS. En el 2013 el Grupo BID comenzó a apoyar a cuatro bancos paraguayos para establecer la primera mesa redonda de finanzas sostenibles del país. Desde entonces, se ha ampliado a 15 bancos y cuenta con el apoyo del Banco Central paraguayo. Hace poco, estos esfuerzos llamaron la atención de otros bancos privados y organismos reguladores de toda la región. El año pasado BID Invest apoyó el desarrollo y lanzamiento de mesas redondas sostenibles similares en Argentina y El Salvador, con amplio apoyo del sector bancario, con la esperanza de que estos países marquen la pauta en la gestión ambiental y social y desplieguen capital para inversiones verdes y sostenibles.

## MEJORAR LA GESTIÓN DE RIESGOS DE LA GOBERNANZA CORPORATIVA

Los recientes acontecimientos en la región ponen de relieve la importancia de la gobernanza corporativa en el desarrollo y la creación de valor a largo plazo. Durante el 2019 BID Invest se centró en combinar la gestión de riesgos y el asesoramiento sobre gobernanza corporativa de valor agregado con el apoyo a un programa de asistencia técnica para cerrar las lagunas identificadas durante la debida diligencia. El objetivo del programa de gobierno corporativo de BID Invest es fortalecer el ambiente de negocios mediante la promoción de los valores éticos, el aumento de la transparencia, el fortalecimiento de la confianza y el fomento de la responsabilidad social corporativa. Por ejemplo, BID Invest ayudó a KUA Mex Foods, una empresa del sector de alimentos y bebidas saludables de México, a mejorar sus controles internos, sus procesos de gestión de riesgos y su programa de cumplimiento, acciones que mejorarán significativamente la supervisión general del Directorio.

## ACTUALIZACIÓN DE LA POLÍTICA DEL MARCO DE SOSTENIBILIDAD

Como parte de nuestro renovado enfoque en el acceso a la información, BID Invest implementó consultas públicas para la Actualización de la Política de Sostenibilidad



Ambiental y Social entre junio y octubre del 2019. Recibimos más de 350 comentarios de más de 150 participantes e incluimos sesiones virtuales para mejorar nuestra inclusividad y el acceso a la plataforma. Se prevé que la revisión de la política concluya a inicios del 2020.

## GESTIÓN Y DIVULGACIÓN DE RIESGOS RELACIONADOS CON EL CLIMA

El Grupo de Trabajo sobre Declaraciones Financieras Relacionadas con el Clima (TCFD) de la Junta de Estabilidad Financiera del G20 elaboró recomendaciones para medir y gestionar los riesgos y oportunidades relacionados con el clima. El año pasado BID Invest adoptó las recomendaciones del TCFD y está formando un comité directivo para supervisar el proceso de alineación. Actualmente, BID Invest revisa los riesgos climáticos de las propuestas de inversión de alto riesgo. BID Invest está actualizando las herramientas para incluir y examinar los riesgos físicos y de transición relacionados con el clima durante nuestro proceso de aprobación de la inversión. Si se considera necesario, se elaboran planes de acción que complementan la labor de BID Invest para identificar oportunidades de ejecutar intervenciones climáticas.

## PARTICIPACIÓN DE PARTES INTERESADAS Y RIESGOS CONTEXTUALES

La cartera de BID Invest incluye varios proyectos de alto riesgo, clasificados por sus niveles de riesgo ambiental y social, la atención de partes interesadas y la ubicación de alto riesgo contextual debido a conflictos armados, tensiones sociales o violencia. Dada la creciente atención que reciben estos proyectos, BID Invest ha reafirmado públicamente su compromiso con las buenas prácticas internacionales en el contexto de todos los aspectos sociales de los proyectos, incluidos los derechos humanos.

En lo que respecta a su cartera de transacciones, BID Invest trabaja proactivamente con clientes de proyectos sensibles en la participación significativa de partes interesadas y en la divulgación adecuada de información, especialmente cuando se trata de grandes proyectos de infraestructura. BID Invest anunció una invitación abierta a involucrarse con la sociedad civil de la región. Esto se realizó en el contexto de formar un grupo social con un equipo dedicado a la participación de partes interesadas para apoyar a clientes que se ocupan de riesgos contextuales, derechos humanos y la participación de la sociedad civil y la comunidad local, centrándose en la prevención de crisis.

Una cultura de riesgo que protege para promover tiene como objetivo llevar al sector privado de América Latina y el Caribe más allá del cumplimiento. BID Invest aspira a prácticas de gestión de temas ambientales, sociales y de gobernanza que sean las mejores de su clase, con más recursos dedicados a los riesgos contextuales, a la participación de las partes interesadas y a la buena gestión empresarial, a fin de aumentar la disposición de los inversionistas a asociarse con nosotros a largo plazo.

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## PLATAFORMA DE LA SEMANA DE LA SOSTENIBILIDAD

Con el fin de reforzar la capacidad del sector privado y ofrecer un espacio adicional para el intercambio de conocimientos y la creación de redes, BID Invest organizó la Plataforma de la Semana de la Sostenibilidad. El evento de 2019, celebrado en la Ciudad de Panamá, dio la bienvenida a 611 participantes de 36 países y 272 instituciones del sector privado, el gobierno y la sociedad civil.

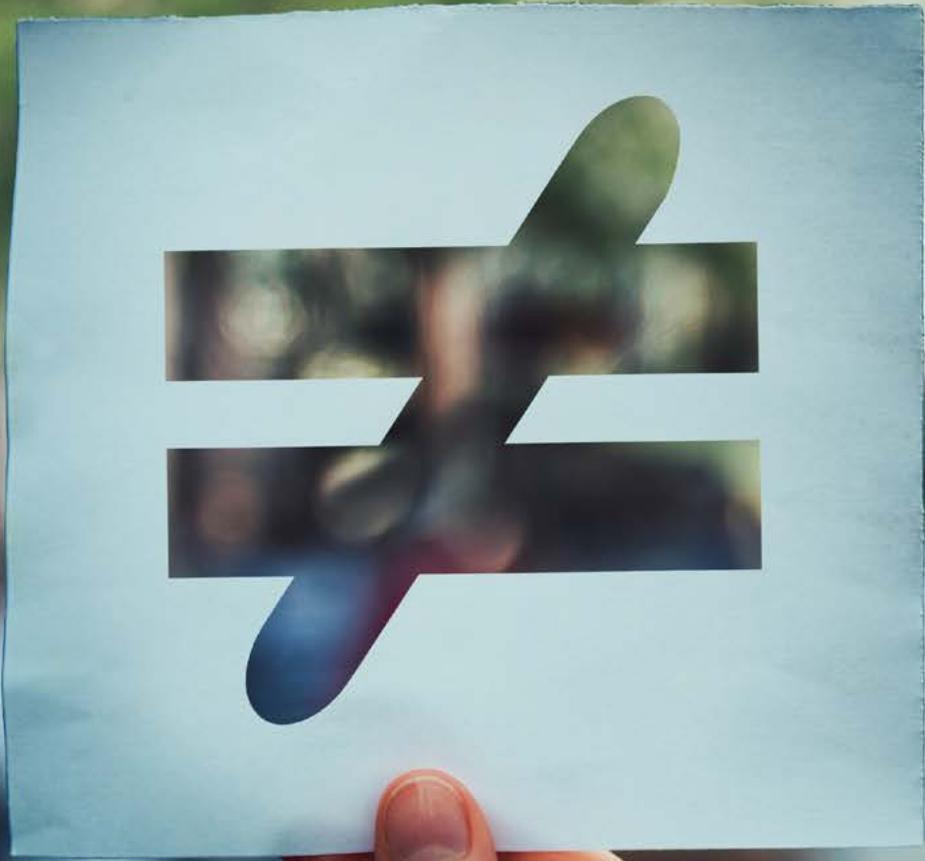
Los tres primeros días incluyeron temas sociales y ambientales sobre instituciones financieras, infraestructura sostenible, los ODS, la agricultura climáticamente inteligente y el turismo sostenible con un enfoque transversal en la participación de las partes interesadas y la gestión de crisis. La segunda mitad se centró en la gobernanza corporativa, que atrae a algunos de los principales líderes empresariales de la región. La participación tuvo un aumento de 23% con respecto al año anterior y un

incremento de 320% en comparación con el 2015.

La Semana de la Sostenibilidad también incluyó un evento de dos días para fomentar la capacidad en materia de evaluación de riesgos en materia de género.

La Semana de la Sostenibilidad fue mencionada 182 veces en medios de comunicación tradicionales, entre ellos medios internacionales como EFE y El País, lo que representa un aumento de 658% desde el 2018, y tuvo más de 1,5 millones de visitas en redes sociales, destacando nuestro papel como un intermediario de confianza en el conocimiento. Durante el evento, BID Invest firmó dos cartas de mandato con clientes del sector agroindustrial, destacando su relevancia para los clientes y para ampliar los negocios.





# CULTURA DE BID INVEST

En BID Invest ponemos mucha energía y un alto sentido de misión en nuestro trabajo. Nuestros clientes están en el corazón de todo lo que hacemos. Buscamos soluciones ágiles e innovadoras para satisfacer sus necesidades, junto con aportar nuestra experiencia técnica y compromiso con la excelencia.

Este año, nos hemos centrado en revigorizar nuestra cultura a través de la participación

de nuestros empleados y colaboradores internos a través de acciones grandes y pequeñas. Se elaboró un plan de acción para la participación con el fin de abordar las mejoras continuas en distintos niveles. El plan de acción incluye activar a más de 30 adalides que impulsan iniciativas en sus equipos. A través de estas acciones, esperamos inculcar un lenguaje y una experiencia comunes en toda la organización.

## CONSTRUYENDO TRADICIONES Y EXTENDIENDO LA CONFIANZA

Nuestro retiro anual corporativo, la Semana del Conocimiento, sigue siendo un punto de inflexión año tras año, donde reunimos a nuestros más de 400 empleados para aprender, conectar y reflexionar sobre nuestra cultura. Este año nos concentramos sobre todo en reforzar el concepto de la confianza, escuchando a Stephen Covey a través del taller “La Velocidad de la Confianza”.

Otros momentos de integración fueron las reuniones de Todas las Manos para mantener al personal actualizado sobre las iniciativas y el rendimiento empresarial, y otras experiencias culturales que fomentaron la formación de equipos, las actividades familiares y los espacios de conversación informal entre nuestros líderes y el personal.

## DIVERSIDAD E INCLUSIÓN

Nuestro objetivo es crear un lugar de trabajo inclusivo, en donde participen todos los empleados y puedan aportar su verdadero yo al trabajo. Para apoyar esta ambición, nos



enfocamos en la búsqueda de la diversidad, para dar un impulso a la inclusión y hacer responsables a nuestro equipo directivo, supervisores y empleados.

En noviembre fuimos recertificados en el nivel de Evaluación de la Certificación EDGE (Dividendos Económicos para la Igualdad de Género), reflejo de nuestro compromiso al 100% con la igualdad de género.

Como parte de este compromiso, los equipos de igualdad de género fueron creados por colegas de todos los niveles y departamentos para analizar y recomendar medidas centradas en la brecha salarial, la contratación, el trabajo flexible, el desarrollo de carreras y las promociones. Algunos de los resultados de esta iniciativa son un mejor seguimiento de los horarios de trabajo flexibles, el aumento del número de mujeres en puestos de liderazgo y la implementación de oportunidades de desarrollo profesional.

## PROGRAMA DE INTERCAMBIO DE PERSONAL (StEP)

El Programa de Intercambio de Personal (StEP) es una rotación de personal de un año entre el Departamento de Operaciones de Inversión y el Departamento de Gestión de Riesgos, en el que los participantes han tenido la oportunidad de ampliar su

experiencia profesional, mejorar la colaboración institucional y, con ello, mejorar los resultados de BID Invest. El programa ha permitido una comprensión mutua de las responsabilidades y perspectivas para un total de seis personas, y en 2020 se pondrá en marcha su segundo año exitoso.

## LÍDER RESIDENTE

El programa Líder Residente está diseñado para que ejecutivos de BID Invest viajen a las Representaciones por un período de uno a tres meses, para profundizar las relaciones con los clientes, fortalecer el intercambio de conocimientos y las prácticas de mejora continua, y fomentar las sinergias con los empleados del sector público y servir como mentores para el personal de BID Invest en terreno. Desde el lanzamiento del programa, tres gerentes viajaron a Colombia, Jamaica y Panamá. Esto ha llevado a una mejor comprensión de las actividades del Grupo, sus desafíos y oportunidades, y ha dado a los gerentes la oportunidad de acercarse más al personal de sus oficinas en terreno.

En resumen, nuestras mejoras culturales son parte de nuestra transformación empresarial para revitalizar nuestra fuerza de trabajo y mantenernos unidos en pos de nuestro objetivo común: mejorar vidas en la región, lo que también implica mejorar cómo trabajamos entre nosotros.

# APORTE A LAS COMUNICACIONES

## UNA NUEVA POLÍTICA DE ACCESO A LA INFORMACIÓN

El Directorio Ejecutivo de BID Invest aprobó una nueva Política de Acceso a la Información en abril del 2019. Después de realizar una amplia consulta pública el año anterior, tanto a través de una plataforma virtual en el sitio web como en reuniones presenciales en toda la región, BID Invest recibió comentarios de la sociedad civil, partes interesadas de los sectores público y privado, y también de organizaciones internacionales. Los comentarios fueron sistematizados y respondidos en un informe de consulta disponible para el público. Los aportes recibidos permitieron a BID Invest aclarar y mejorar muchos aspectos de la política.

Tras aprobar la política, BID Invest desarrolló y aplicó un plan de acción multidisciplinario para preparar su implementación, y estableció que la nueva política entraría en vigor el 1 de enero de 2020. El plan

consistió en tres enfoques principales: i) establecer los reglamentos necesarios para aplicar eficazmente la política, lo que incluyó las Pautas de Aplicación de la Política de Acceso a la Información, también sujetas a consulta pública; ii) desarrollar los sistemas necesarios para clasificar y revelar información en cumplimiento de la nueva política; y iii) desarrollar y aplicar la capacitación obligatoria para todos los empleados de BID Invest, así como actividades de divulgación. BID Invest seguirá desarrollando los tres aspectos del plan de acción en el Plan de Aplicación de la Política de Acceso a la Información 2020.

En octubre del 2019 BID Invest participó en la Reunión Anual del Grupo de Trabajo de Instituciones Financieras Internacionales sobre la divulgación de información y la participación de partes interesadas. Esta reunión brindó la oportunidad de conocer las experiencias de otras instituciones en materia de aplicación de políticas, compartir avances y problemas de aplicación y promover la adopción de prácticas óptimas que puedan contribuir a mejorar el acceso a la información.





## LIDERAZGO EN EL CONOCIMIENTO Y EL PENSAMIENTO

En su calidad de institución de desarrollo, BID Invest ha crecido sostenidamente en la producción de conocimientos que mejoran el impacto para todos los inversionistas, compartiendo las lecciones aprendidas de sus operaciones, trayendo las mejores prácticas a la región y destacando los proyectos innovadores que ayudan al sector privado a invertir con impacto.

El año pasado BID Invest publicó 55 blogs y 39 publicaciones sobre temas empresariales de tendencia, como la inversión con enfoque de género, el transporte urbano, la inclusión financiera, las asociaciones público-privadas y la inversión en cambio climático. Los tipos de publicaciones variaron desde informes de investigación de formato corto a largo, incluyendo la

serie de informes “El desarrollo a través del sector privado”.

Nuestros esfuerzos externos están rindiendo sus frutos. Por segundo año consecutivo, BID Invest duplicó con creces sus menciones en medios de comunicación, tanto en los principales medios de la región como a nivel internacional. La institución también promovió la valiosa labor de sus clientes y socios a través de más de 30 campañas de comercialización digital en sus canales de comunicación, aumentando su base de suscriptores de correo electrónico en 23% y un alcance de más de 10 millones de personas a nivel global.

Mirando al futuro, el desarrollo de nuestra agenda de conocimiento institucional está al centro de nuestros esfuerzos de comunicación externa. Compartir nuestros conocimientos con clientes, inversionistas y otras partes interesadas corresponde directamente a nuestra misión de impacto y objetivos comerciales.





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# LOGROS Y PREMIOS



Bonds & Loans  
**PROJECT FINANCE  
DEAL OF THE YEAR**

Porto Do Sergipe, Brazil

Bonds & Loans  
**BRAZIL DEAL OF  
THE YEAR**

Porto Do Sergipe, Brazil

The Banker  
**BEST INFRASTRUCTURE AND  
PROJECT FINANCE OF THE YEAR**

Porto Do Sergipe, Brazil



Bonds & Loans  
**BRAZIL STRUCTURED  
BOND OF THE YEAR**

Atlantic, Brazil

Bonds & Loans  
**STRUCTURED BOND  
OF THE YEAR**

El Naranjal, Uruguay

LatinFinance  
**RENEWABLE ENERGY  
FINANCING OF THE YEAR**

Villanueva I & III y Don José, Mexico



LatinFinance  
**MULTILATERAL  
DEVELOPMENT  
BANK OF THE YEAR**

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LatinFinance  
**PORT FINANCING OF  
THE YEAR**

Itapoá Container Terminal, Brazil

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LatinFinance  
**ROAD FINANCING AND  
INFRASTRUCTURE  
FINANCING OF THE YEAR**

Autopista al Mar 1, Colombia

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LatinFinance  
**WATER TREATMENT  
FINANCING OF THE YEAR**

Atlantic, Brazil

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LatinFinance  
**SOCIAL INFRASTRUCTURE  
FINANCING OF THE YEAR**

Internet para todos , Peru

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# OPERACIONES EN 2019

## US\$ Miles

Préstamos			
País	Nombre	Sector	Monto
Argentina	Desdelsur	Agricultura y Desarrollo Rural	\$15,000
	Envision Argentina	Energía	\$20,128
	Envision Argentina II	Energía	\$3,027
	Envision Argentina III	Energía	\$14,346
	Banco Galicia Green Financing Partnership	Mercados Financieros	\$20,000
	Emergencias Argentina Telecom Argentina CAPEX Financing	Salud	\$10,000
	Telecom Argentina Handset Financing	Ciencia y Tecnología	\$75,000
	Telecom Argentina Handset Financing	Ciencia y Tecnología	\$100,000
Bahamas	ALIV	Industria	\$14,000
Barbados	Caribbean LED Lighting Inc.	Industria	\$2,000
Brasil	Daycoval Sustainable Financing Partnership	Mercados Financieros	\$150,000
	Sicredi Green Financing	Mercados Financieros	\$100,000
	Klabin II	Industria	\$200,000
	Brookfield - BRK/RMR W&S Project in Recife	Agua y Saneamiento	\$25,916
Chile	Itelecom Efficiency Lighting Phase 2	Energía	\$16,500
	Eurocapital SME Financing Partnership	Mercados Financieros	\$15,000
	Movistar Chile Handset Financing	Ciencia y Tecnología	\$80,000
Colombia	Banco de las Microfinanzas Bancamía S.A	Mercados Financieros	\$35,000
	La Hipotecaria Colombia	Mercados Financieros	\$15,000
	Movistar Colombia CAPEX	Ciencia y Tecnología	\$102,494
	Movistar Colombia Handset Financing Puerto de Uraba	Ciencia y Tecnología Transporte	\$60,000 \$150,000
Costa Rica	Banco Promerica: SME Financing Partnership	Mercados Financieros	\$20,000
Ecuador	Agripac III	Agricultura y Desarrollo Rural	\$20,000
	Alianza con Banco Internacional para Fomentar el Financiamiento Verde para PYMES	Mercados Financieros	\$30,000
	BANCO GUAYAQUIL - Alianza con BG para financiamiento MIPYME con enfoque en género e inclusión	Mercados Financieros	\$50,000
	CTH Warehousing Line	Mercados Financieros	\$ 15,000
	Induglob	Industria	\$26,000
	Tiendas TIA	Otros	\$40,000
El Salvador	Energia del Pacifico LNG Thermo Power Project	Energía	\$60,000

**\$ Miles**

Préstamos			
País	Nombre	Sector	Monto
El Salvador	Scotiabank Let's PYME - Digital Financial Services for SMEs	Mercados Financieros	\$25,000
	American Industrial Park	Otros	8,000
Guatemala	Genesis: Microfinance Partnership Alliance	Mercados Financieros	\$20,000
Haití	Sigora Haiti Micrutility Project	Energía	\$1,500
	Delimart	Industria	\$4,500
Honduras	Grupo Kattan	Industria	\$5,000
México	Grupo Kowi	Agricultura y Desarrollo Rural	\$21,640
	NASE	Agricultura y Desarrollo Rural	\$15,000
	Banca Afirme -MSMEs	Mercados Financieros	\$30,999
	EDILAR IV	Mercados Financieros	\$18,877
	eFactor: Supply Chain Financing	Mercados Financieros	\$3,000
	Konfio: Senior Secured Revolving Credit Facility	Mercados Financieros	\$40,000
	HITEC	Industria	\$20,000
	Mabe	Industria	\$50,000
	Aguas de Rosarito Desalination Plant	Agua y Saneamiento	\$200,000
Nicaragua	Nicaragua Sugar	Agricultura y Desarrollo Rural	\$25,000
	Banpro DPR - supporting middle-sized agro-industry producers in Nicaragua	Mercados Financieros	\$27,000
	CRN - CCN Reciclaje	Industria	30,000
Panamá	St. Georges Financing Partnership for SMEs	Mercados Financieros	\$25,000
	West Resort	Turismo Sostenible	\$37,238
Paraguay	Tecnomyl - línea revolvente	Agricultura y Desarrollo Rural	\$15,000
	Banco Atlas Productive Sector Financing Partnership	Mercados Financieros	\$27,960
Perú	CMAC Huancayo Equity	Mercados Financieros	\$22,800
	Chimbote Bypass (Red Vial 4)	Transporte	\$125,000
	Los Portales	Desarrollo Urbano y Vivienda	\$40,000
Regional	SIGMA Alimentos	Agricultura y Desarrollo Rural	\$50,000
República Dominicana	ADOPEM Gender Bond	Mercados Financieros	\$18,000
	Banco Santa Cruz SME Partnership	Mercados Financieros	\$20,000
Trinidad y Tobago	Republic Bank - Caribbean Partnership	Desarrollo de Empresas Privadas y PYME	\$75,000
Uruguay	Conaprole - corporativo	Agricultura y Desarrollo Rural	\$40,000
	Fideicomiso Financiero		
	Conaprole	Agricultura y Desarrollo Rural	\$40,000
	PPP EDUCATIVA 2 URUGUAY	Educación	\$25,000
	RAILWAY PPP PROJECT FERROCARRIL CENTRAL	Transporte	\$300,000
			<b>\$2,890,923</b>

Garantías			
País	Nombre	Sector	Monto
México	EDILAR IV	Mercados financieros	\$9,438
Paraguay	Rutas 2/7	Transporte	\$200,000
			<b>\$209,438</b>
Inversiones de Capital			
País	Nombre	Sector	Monto
Regional	Kandeo Debt Fund	Mercados financieros	\$30,000
	Victory Park Capital (VPC)	Mercados financieros	\$50,000
			<b>\$80,000</b>
Títulos de Deuda			
País	Nombre	Sector	Monto
Colombia	Bancolombia Emisión de Bonos Sostenibles	Mercados financieros	\$200,000
Panamá	Banistmo Gender Bond	Mercados financieros	\$50,000
Uruguay	Interagrovia	Agricultura y Desarrollo Rural	\$30,000
			<b>\$280,000</b>

Programa TFFP - Préstamos		
País	Nombre	Monto
Argentina	Banco de Galicia y Buenos Aires - TFFP (AR-L1113)	\$54,000
	Banco de Inversion y Comercio Exterior (BICE) TFFP (AR-L1129)	\$75,000
	Banco Supervielle S.A. - TFFP (AR-L1093)	\$5,284
Bolivia	Banco Economico - TFFP (BO-X1009)	\$5,000
Brasil	Banco ABC Brasil S.A. - TFFP Line (BR-X1032)	\$150,000
	Banco Industrial do Brasil TFFP (BR-L1066)	\$13,515
	Banco Santander Brasil S.A. - TFFP (BR-X1034)	\$2,000
	Daycoval - TFFP (BR-L1286)	\$22,335
Chile	Banco Internacional - TFFP (CH-X1010)	\$20,000
Ecuador	Banco de Guayaquil TFFP (EC-L1028)	\$10,000
	Banco de la Produccion, S.A. (PRODUBANCO) (EC-L1024)	\$21,500
	Banco Internacional S.A. - TFFP (EC-L1042)	\$11,000
	TFFP Banco Pacifico (EC-X1013)	\$10,000
El Salvador	Banco Agricola S.A. - TFFP (ES-L1031)	\$10,000
	Banco Cuscatlan TFFP	\$5,000
	Banco Davivienda Salvadoreño, S.A. - TFFP (ES-L1042)	\$2,169
	Banco Promerica El Salvador -TFFP (ES-L1060)	\$2,939
	Banco Promerica El Salvador -TFFP (ES-L1060)	\$1,590
Guatemala	Banco G&T Continental - TFFP (GU-L1036)	\$44,000
	Banco Industrial - TFFP (GU-L1041)	\$65,000
	Banco Internacional, S.A. - TFFP (GU-L1061)	\$20,000
Honduras	Banco Atlantida S.A. - TFFP (HO-L1029)	\$17,347
	Banco Del Pais S.A. (Banpais) - TFFP (HO-L1074)	\$23,000
	Banco Ficensa Honduras TFFP (HO-X1023)	\$14,000
Jamaica	National Commercial Bank Jamaica Ltd TFFP (JA-X1009)	\$62,000
Panamá	Banco Aliado S.A. - TFFP (PN-L1030)	\$20,000
	Credicorp Bank Panama - TFFP (PN-X1008)	\$1,114
	Tower Bank - TFFP (PN-L1065)	\$17,213
Paraguay	Banco Continental S.A.E.C.A. - TFFP (PR-L1053)	\$3,355
	Banco Familiar - TFFP (PR-X1004)	\$2,052
	Banco para la Comercialización y la Producción (Bancop) - TFFP	\$3,000
	Banco Regional S.A. - TFFP (PR-L1038)	\$13,000
	Sudameris Bank SAECA - TFFP (PR-L1031)	\$10,000
Perú	Banco Interamericano de Finanzas - TFFP (PE-L1029)	\$50,000
		<b>\$786,413</b>

Programa TFFP - Garantías		
País	Nombre	Monto
Argentina	Banco CMF S.A. - TFFP (AR-L1115)	\$840
	Banco Industrial S.A. TFFP (AR-X1019)	\$1,432
	Banco Patagonia S.A. - TFFP (AR-L1094)	\$22,761
	Banco Rio de la Plata S/A - TFFP (AR-L1028)	\$4,724
Belice	Atlantic Bank - TFFP (BL-L1012)	\$1,070
Bolivia	Banco Nacional de Bolivia S.A. - TFFP (BO-L1049)	\$10,110
	TFFP-Banco BISA S.A. (BO-L1048)	\$8,716
Brasil	Banco Industrial do Brasil TFFP (BR-L1066)	\$1,390
	Banco Santander Brasil S.A. - TFFP (BR-X1034)	\$31,321
	Daycoval - TFFP (BR-L1286)	\$46,130
Costa Rica	Banco Improsa S.A. - TFFP (CR-L1020)	\$85
	Banco Lafise Costa Rica - TFFP (CR-L1027)	\$5,000
Ecuador	Banco Bolivariano - TFFP (EC-L1034)	\$17,700
	Banco de Guayaquil TFFP (EC-L1028)	\$3,500
El Salvador	Banco Cuscatlan TFFP	\$9,900
Guatemala	Banco Agromercantil de Guatemala - TFFP (GU-L1011)	\$10,000
Honduras	Banco Ficensa Honduras TFFP (HO-X1023)	\$10,100
	Banco FICOHSA TFFP (HO-L1012)	\$67,463
	Banhcafe Honduras TFFP (HO-X1022)	\$915
Nicaragua	BAC Nicaragua TFFP	\$16,225
	Banco de Finanzas - TFFP (NI-L1031)	\$7,000
	Banco de la Produccion S.A. - TFFP (NI-L1028)	\$31,557
	Banco Ficohsa Nicaragua - TFFP Line	\$13,250
Panamá	Unibank TFFP Line	\$5,544
Paraguay	Banco Continental S.A.E.C.A. - TFFP (PR-L1053)	\$4,000
	Banco Regional S.A. - TFFP (PR-L1038)	\$10,109
República Dominicana	Banco de Reservas - TFFP (DR-L1027)	\$100,000
		<b>\$440,842</b>

# GOBERNANZA INSTITUCIONAL

## ESTRUCTURA Y GESTIÓN

### MISIÓN

BID Invest promueve el desarrollo económico de sus países miembros regionales en desarrollo al fomentar el establecimiento, la expansión y la modernización de las empresas del sector privado. Nuestro objetivo es ser la principal institución financiera con los conocimientos y la experiencia necesarios para invertir con impacto en América Latina y el Caribe y para conectar a los países y las inversiones del sector privado con los Objetivos de Desarrollo Sostenible.

### MEMBER COUNTRIES

Alemania, Argentina, Austria, Bahamas, Barbados, Bélgica, Belice, Bolivia, Brasil, Canadá, Chile, China, Colombia, Corea, Costa Rica, Croacia, Dinamarca, Ecuador, El Salvador, Eslovenia, España, Estados Unidos de América, Finlandia, Francia, Guatemala, Guyana, Haití, Honduras, Israel, Italia, Jamaica, Japón, México, Nicaragua, Noruega, Países Bajos, Panamá, Paraguay, Perú, Portugal, República Dominicana, Suecia, Suiza, Surinam, Trinidad y Tobago, Uruguay y Venezuela.

### MANDATO

Guiado por los principios de fortalecimiento de la eficacia del desarrollo, BID Invest contribuye al desarrollo y maximiza el uso eficiente de los recursos y las sinergias entre las actividades con los sectores público y privado del Grupo BID. BID Invest es responsable de todas las operaciones sin garantía soberana del Grupo BID (incluyendo aquellas con empresas estatales y excluyendo las operaciones con gobiernos subnacionales).

### ASAMBLEA DE GOBERNADORES

Todos los poderes de BID Invest están conferidos a su Asamblea de Gobernadores, compuesta por un gobernador y un gobernador suplente designados por cada país miembro. Entre las facultades de la Asamblea de Gobernadores que no pueden delegarse en el Directorio Ejecutivo se encuentran la admisión de nuevos países miembros, la contratación de auditores externos, la aprobación de los estados financieros de BID Invest y la modificación del Convenio Constitutivo de la Corporación Interamericana de Inversiones..



De izquierda a derecha. Frente: Gina Montiel (Venezuela), Edna Camacho (Costa Rica), Marcelo Bisogno (Uruguay), Jing Chen (China), Federico Poli (Argentina) y Bosco Martí (México). Medio: Selwin Hart (Barbados), Sergio Savino (Brasil), Alex Foxley (Chile), Fernando de León de Alba (Panamá), Patrick Hervé (Francia), Eliot Pedrosa (Estados Unidos), Lucio Castro (Argentina). Atrás: Bjorn Olaf (Países Bajos), Marko Marcelo Machicao (Bolivia), José Guilherme Almeida dos Reis (Brasil), Bernardo Acosta (Ecuador).

## DIRECTORIO EJECUTIVO

El Directorio Ejecutivo es responsable de conducir las operaciones de BID Invest y ejerce todas las facultades que le otorga el Convenio Constitutivo de la Corporación Interamericana de Inversiones o que le delega la Asamblea de Gobernadores. El Directorio Ejecutivo establece la estructura organizativa básica de BID Invest. También aprueba el presupuesto de la institución. Los 13 directores ejecutivos y sus suplentes ejercen sus funciones por un período de tres años y representan a uno o más de sus países miembros. El Comité Ejecutivo del Directorio Ejecutivo está compuesto por una persona que es el director o suplente designado por el país miembro que tiene el mayor número de acciones en BID Invest, dos personas entre los directores que representan a los países miembros

regionales en desarrollo; y una persona entre los directores que representan a los otros países miembros. Todos los préstamos de BID Invest a empresas radicadas en los países miembros y las inversiones en ellas están sujetos a la consideración de este Comité.

El presidente del BID preside por derecho propio el Directorio Ejecutivo de BID Invest. El presidente preside las reuniones del Directorio Ejecutivo, pero no tiene derecho a voto salvo en caso de empate. El presidente puede participar en las reuniones de la Asamblea de Gobernadores, pero no tiene derecho a voto.



De izquierda a derecha: Rachel Robboy, Directora General de Riesgo, Rosemary Jeronimides, Directora General de Asesoría Jurídica, Orlando Ferreira, Director General de Estrategia y Director General de Finanzas y Administración ad int., Gema Sacristán, Directora General de Negocio, y James P. Scriven, Gerente General.

## GESTIÓN

El gerente general de BID Invest es nombrado por el Directorio Ejecutivo por una mayoría de cuatro quintos del total de los votos, por recomendación del presidente del Directorio Ejecutivo. Bajo la dirección del Directorio Ejecutivo y la supervisión general de su presidente, el gerente general se encarga de las actividades cotidianas de BID Invest.

En consulta con el Directorio Ejecutivo y su presidente, el gerente general es responsable de la organización, el nombramiento y la destitución de los funcionarios ejecutivos y el personal. El gerente general participa en las reuniones del Directorio Ejecutivo, establece la estructura operativa de BID Invest y puede modificarla para adaptarse a las necesidades cambiantes de la organización.

## PERSONAL

Para cumplir con su misión de desarrollo, BID Invest cuenta con 458 funcionarios distribuidos en 13 divisiones y 8 equipos. Del total, 25,5% de los empleados se encuentran en 25 de las 26 oficinas de la región: Argentina, Bahamas, Barbados, Brasil, Bolivia, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Haití, Jamaica, México, Nicaragua, Panamá, Paraguay, Perú, República Dominicana, Trinidad y Tobago y Uruguay. El resto se encuentra en la sede de BID Invest en Washington, D.C.

# CONTACT INFORMATION

## SEDE

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Cuauhtémoc México, D.F. 06600  
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2607



# APÉNDICE

## APÉNDICE 1: ESTADOS FINANCIEROS

\$ in thousands	Year ended December 31				
	2019	2018	2017	2016	2015 <sup>(1)</sup>
<b>Financial Highlights</b>					
<b>Statement of Income</b>					
Total income	222,265	170,168	134,229	111,575	62,451
Total income/(loss), net of borrowings expense	177,695	143,556	117,189	99,020	53,008
Total operating expenses	133,824	119,500	99,635	81,249	50,006
Net income	43,871	24,056	17,554	17,771	3,002
<b>Balance Sheet</b>					
Total development related investments, net	2,445,809	1,690,355	963,938	851,569	954,002
Total assets	3,899,824	3,209,253	2,185,395	2,146,724	1,505,296
Borrowings	1,648,146	1,286,372	646,741	1,062,383	598,456
Equity	2,033,062	1,819,250	1,444,580	1,021,982	857,324
<b>Ratios</b>					
Return on average assets	1.2%	0.9%	0.8%	1.0%	0.2%
Return on average equity	2.3%	1.5%	1.4%	1.9%	0.4%
Debt to equity	81%	71%	45%	104%	70%
Equity to assets	52%	57%	66%	48%	57%
Liquidity to total assets	35%	46%	55%	59%	35%
Provisions for loan losses to total loans	4.7%	4.3%	5.2%	4.1%	3.8%
Non-performing loans	0.6%	0.8%	0.9%	1.0%	0.8%

<sup>(1)</sup> Pre-private sector reform

**Return on average assets:** defined as Net income as a percentage of average of current and previous year's Total assets.

**Return on average equity:** defined as Net income as a percentage of average of current and previous year's Equity.

**Debt to equity:** defined as Borrowings and Interest and commitment fees payable as a percentage of Equity.

**Equity to assets:** defined as Equity as a percentage of Total assets.

**Liquidity to total assets:** defined as Cash and cash equivalents, Investment securities, excluding Held-to-maturity securities, as a percentage of Total assets.

**Provisions for loan losses to total loans:** defined as Allowance for loan losses as a percentage of Loan portfolio.

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

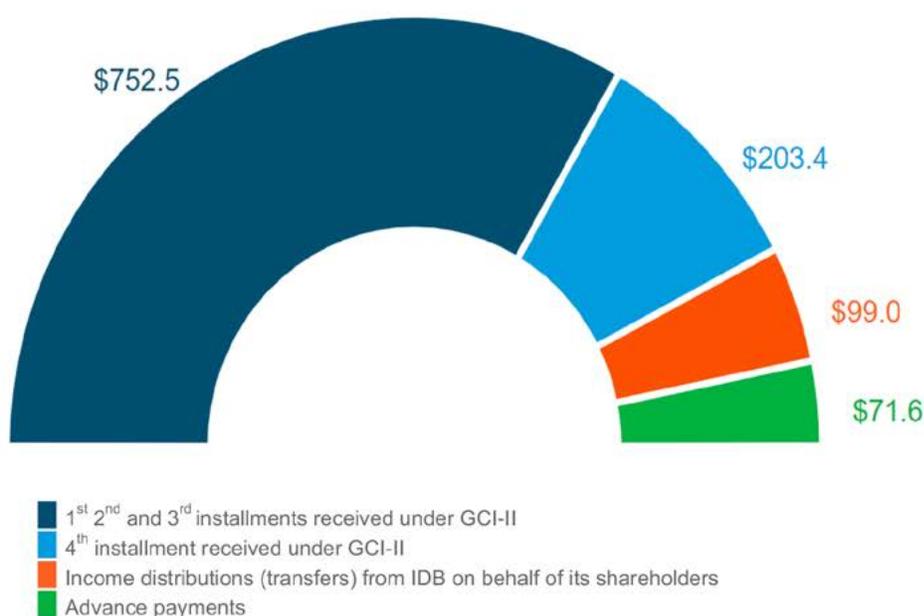
## Financial Results

IDB Invest has built a strong foundation after the private sector reform in 2016 achieving efficiency objectives expected from the merge-out. The results of this IDB Group effort are recognized by the market through dozens of awards for systemic importance and innovation including the **Multilateral of the Year** award by a prestigious industry publication in 2018 and now again in 2019. With a private sector client focus, IDB Invest continued to deliver on exponential portfolio growth in number, size and complexity while maintaining a strong level of shareholder support to achieve the strategic goal of **promoting development through the private sector**.

### Capital

As of December 31, 2019 (in US\$ million)

Total GCI-II capital contributions: \$1,126.5



IDB Invest's net income of \$43.9 million in 2019 increased by 82% (compared to \$24.1 million for 2018). During 2019, IDB Invest's total capital grew by 12%, from \$1.8 billion in 2018 to \$2.0 billion in 2019. This increase in IDB Invest's capital base resulted from \$210.2 million in capital contributions and the positive net income that are partially offset by other comprehensive losses of \$40.3 million comprised of unrealized valuation adjustment losses on pension obligations that are partially offset by unrealized gains on investment securities.

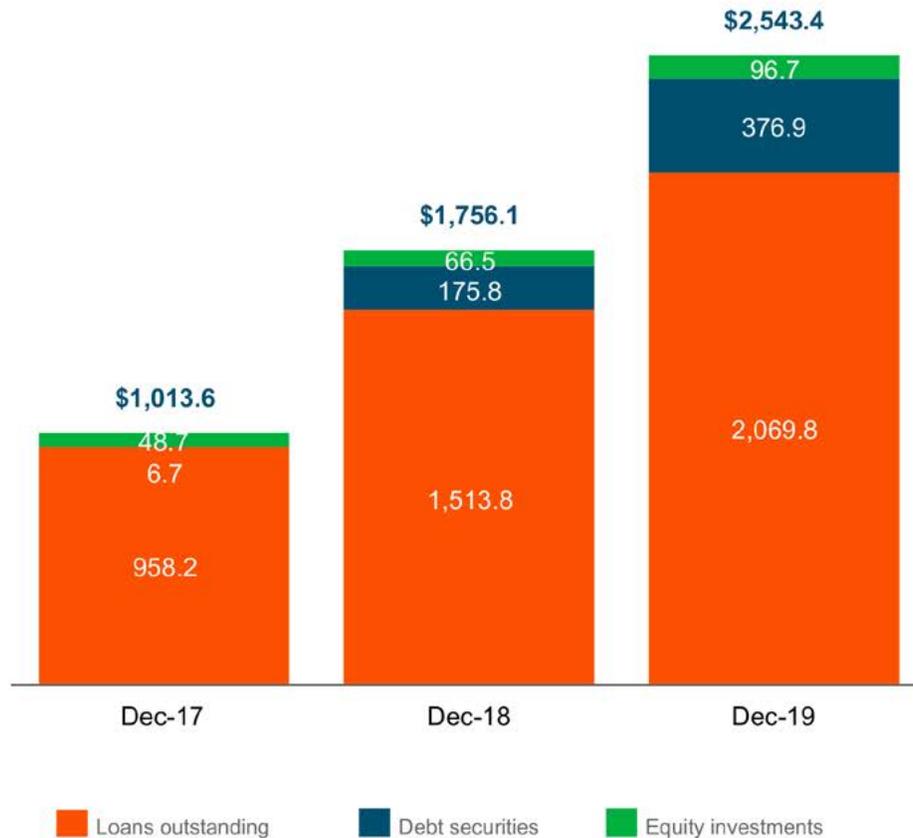
During 2019, IDB Invest continued to deliver on portfolio growth in new priority lines of business and sectors, expanding capital market solutions and reaching new sectors in social infrastructure, water and sanitation, tourism and telecommunications and the expansion of local currency funding issuances in markets as diverse as Mexico and Paraguay. IDB Invest issued its first bond in the Dominican Republic capital markets in 2019.

For the 2019 fiscal year, IDB Invest's gross development related investments, measured as gross loans, equity investments and purchased debt securities, grew from \$1.8 billion in 2018 to \$2.5 billion in 2019. In

addition, undisbursed commitments related to development related investments were 53% higher from the prior year end, providing evidence of continued growth forward in IDB Invest’s portfolio.

**Development related investments portfolio**

(in US\$million)



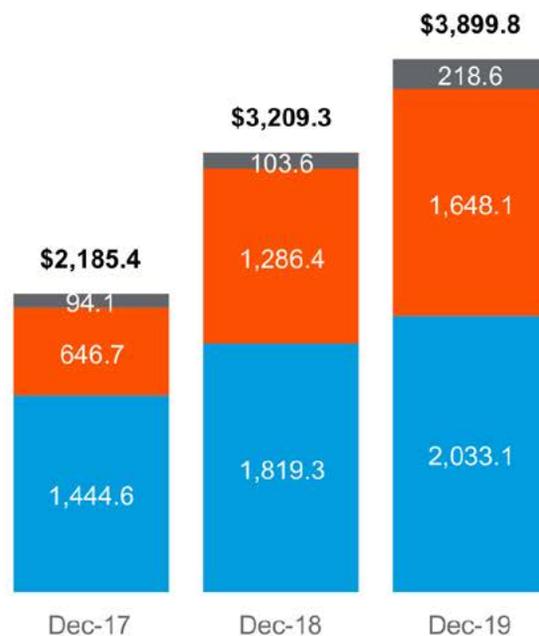
Total income, net of borrowings expense, amounted to \$177.7 million in 2019, \$34.1 million higher than in 2018. The increase in total income compared to the prior year end was primarily driven by higher gross development related investments income due to the portfolio growth, an increase of \$63.6 million that was partially offset by an increase of \$18.4 million in loan loss provisions. An additional contributor is higher income from the investment securities portfolio, an increase of \$7.8 million. The net increase in total income was partially offset by higher expenses from borrowings driven by increased borrowings volume, an increase of \$18.0 million.

Conversely, operating expenses, excluding unrealized gains and losses related to foreign currency, increased mildly from \$122.5 million in 2018 to \$130.3 million in 2019, reflecting administrative expenses increase of 6% compared to gross development related investments growth of 45% during 2019. Budgetary discipline in the first four years of operations led to more prudent growth in middle and back-office areas and system improvements; both of which will be a focus for 2020.

Unaudited supplemental information - see accompanying accountants’ report

**Assets**

(in US\$million)

**Liabilities and capital**

■ Liquid assets  
■ Equity investments  
■ Debt securities

■ Loans outstanding, gross  
■ Allowance for loan losses  
■ Other assets

■ Other liabilities ■ Borrowings ■ Capital

**Asset Quality**

IDB Invest's gross development related investments portfolio continued to grow from the prior year end while maintaining a consistent level of portfolio credit quality over the period of growth. The allowance for loan losses as a percentage of loans outstanding increased slightly compared to the end of 2018 (4.7% at the end of 2019 vs. 4.3% at the end of 2018). Also, the ratio of impaired loans to loan portfolio outstanding decreased from 2.0% in 2018 to 1.5% in 2019. The main indicators of asset quality remained stable despite the region facing a difficult political and economic outlook.

**Capital, Leverage and Liquidity Adequacy**

IDB Invest has a comprehensive risk management framework. In 2019, IDB Invest's capital adequacy ratio, liquidity coverage ratio and debt to equity ratio remained in full compliance with financial risk management policies and targets.

IDB Invest's solvency and liquidity ratios remained strong in 2019. IDB Invest's equity-to-total-assets ratio shifted to 52% at the end of 2019 (compared to 57% at the end of 2018). Still, leverage stayed well below the maximum level of 3.0x established by the Agreement Establishing the Inter-American Investment Corporation, with the debt-to-equity ratio increasing to just 81%. IDB Invest's liquidity to total assets ratio was 35% in 2019 and the liquidity to financial debt ratio was 82% in 2019.

The sound business and financial profiles of IDB Invest were reflected in its external ratings. As of December 31, 2019, IDB Invest was rated AAA, Aa1, and AA by Fitch, Moody's and S&P, respectively.

### **Pension Plans and Post Retirement Benefit Plan**

IDB Invest's Pension Plans are 75% funded (\$77.9 million underfunded) and the Post Retirement Benefit Plan (PRBP) is 90% funded (\$17.8 million underfunded) as of December 31, 2019. The funded status of the Pension Plans decreased by \$38.0 million and the PRBP decreased by \$13.7 million from 2018. The changes to the funded status of the Pension Plans and PRBP were driven by historically low discount rates, a decrease in the discount rates of 100bps and 99bps, respectively, as a result of the current economic and capital market environment, resulting in a higher actuarial value of the plans' projected liabilities. IDB Invest, in coordination with the IDB, actively monitors management strategies to address the short-term and long-term performance of the Pension Plans and PRBP.

# **INTER-AMERICAN INVESTMENT CORPORATION**

Financial Statements

December 31, 2019 and 2018



KPMG LLP  
Suite 12000  
1801 K Street, NW  
Washington, DC 20006

## Independent Auditors' Report

The Board of Governors  
Inter-American Investment Corporation:

We have audited the accompanying financial statements of Inter-American Investment Corporation (the Corporation), which comprise the balance sheets as of December 31, 2019 and 2018, and the related income statements, and statements of comprehensive income/(loss), changes in capital and cash flows for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Inter-American Investment Corporation as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

**KPMG LLP**

Washington, District of Columbia  
March 3, 2020

KPMG LLP is a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

## Inter-American Investment Corporation

## Balance Sheets

<i>Expressed in thousands of United States dollars</i>	Notes	December 31, 2019	December 31, 2018
<b>Assets</b>			
Cash and cash equivalents (\$523 and \$161 in restricted cash, respectively)		\$ 22,749	\$ 9,647
Investment securities	3 & 9	1,337,664	1,459,799
Development related investments			
Loans outstanding (\$27,527 and \$7,714 carried at fair value, respectively)		2,069,824	1,513,811
Allowance for loan losses		(97,614)	(65,776)
		1,972,210	1,448,035
Equity investments (\$91,980 and \$52,345 carried at fair value, respectively)		96,675	66,556
Debt securities (\$243,300 and \$91,295 carried at fair value, respectively)		376,924	175,764
Total development related investments	4 & 9	2,445,809	1,690,355
Receivables and other assets	5	93,602	49,452
<b>Total assets</b>		<b>3,899,824</b>	<b>3,209,253</b>
<b>Liabilities and capital</b>			
Accounts payable and other liabilities	6	211,284	96,291
Interest and commitment fees payable		7,332	7,340
Borrowings	7	1,648,146	1,286,372
<b>Total liabilities</b>		<b>1,866,762</b>	<b>1,390,003</b>
Capital			
Capital, par value		1,573,500	1,542,860
Additional paid-in-capital		546,751	523,949
Receivable from members		(287,840)	(444,603)
Total paid-in-capital	8	1,832,411	1,622,206
Retained earnings		279,227	235,356
Accumulated other comprehensive income/(loss)		(78,576)	(38,312)
<b>Total capital</b>		<b>2,033,062</b>	<b>1,819,250</b>
<b>Total liabilities and capital</b>		<b>\$ 3,899,824</b>	<b>\$ 3,209,253</b>

The accompanying notes are an integral part of these financial statements.

## Inter-American Investment Corporation

### Income Statements

<i>Expressed in thousands of United States dollars</i>	Notes	Year ended December 31	
		2019	2018
<b>Income</b>			
Investment securities	3	\$ 37,920	\$ 30,110
Development related investments			
Loans, guarantees and debt securities			
Interest income		120,451	65,532
Fees and other income		13,616	4,107
Gain/(loss) from changes in fair value, net		(798)	—
(Provision)/release of provision for loan and guarantee losses		(36,697)	(18,313)
		96,572	51,326
Equity investments			
Gain/(loss) from changes in fair value, net		329	(1,033)
Gain/(loss) from measurement adjustments, net		(100)	1,400
Gain/(loss) on sale, net		2,541	1,131
Dividends and other income		294	485
		3,064	1,983
Income from development related investments	4	99,636	53,309
Advisory services and other income			
Service fees from related parties	11	77,420	79,030
Mobilization fees and other income		7,289	7,719
		84,709	86,749
<b>Total income</b>		<b>222,265</b>	<b>170,168</b>
Borrowings expense	7	44,570	26,612
<b>Total income/(loss), net of borrowings expense</b>		<b>177,695</b>	<b>143,556</b>
<b>Operating expenses</b>			
Administrative expenses		130,031	121,358
Other components of pension benefit costs, net	12	(4,119)	(2,306)
(Gain)/loss on foreign exchange transactions, net		3,559	(2,971)
Other expenses		4,353	3,419
<b>Total operating expenses</b>		<b>133,824</b>	<b>119,500</b>
<b>Net income</b>		<b>\$ 43,871</b>	<b>\$ 24,056</b>

*The accompanying notes are an integral part of these financial statements.*

**Inter-American Investment Corporation**  
**Statements of Comprehensive Income/(Loss)**  
**Statements of Changes in Capital**

**Statements of Comprehensive Income/(Loss)**

<i>Expressed in thousands of United States dollars</i>	Notes	Year ended December 31	
		2019	2018
<b>Net income</b>		<b>\$ 43,871</b>	<b>\$ 24,056</b>
<b>Other comprehensive income/(loss)</b>			
Recognition of changes in assets/liabilities under the Pension Plans and Postretirement Benefit Plan	12	(50,064)	16,449
Recognition of unrealized gain/(loss) related to available-for-sale securities	3	9,800	(4,627)
<b>Total other comprehensive income/(loss)</b>		<b>(40,264)</b>	<b>11,822</b>
<b>Comprehensive income/(loss)</b>		<b>\$ 3,607</b>	<b>\$ 35,878</b>

**Statements of Changes in Capital**

<i>Expressed in thousands of United States dollars, except for share information</i>	Notes	Shares	Total paid-in capital	Retained earnings	Accumulated other comprehensive income/(loss)	Total capital
<b>As of December 31, 2017</b>		<b>151,248</b>	<b>\$ 1,283,414</b>	<b>\$ 208,471</b>	<b>\$ (47,305)</b>	<b>\$ 1,444,580</b>
Cumulative effect of adoption of ASU 2016-01	2		—	2,829	(2,829)	—
Year ended December 31, 2018						
Net income			—	24,056	—	24,056
Other comprehensive income/(loss)			—	—	11,822	11,822
Change in shares	8	3,038				
Payments received for capital			338,792	—	—	338,792
<b>As of December 31, 2018</b>		<b>154,286</b>	<b>1,622,206</b>	<b>235,356</b>	<b>(38,312)</b>	<b>1,819,250</b>
Year ended December 31, 2019						
Net income			—	43,871	—	43,871
Other comprehensive income/(loss)			—	—	(40,264)	(40,264)
Change in shares	8	3,064				
Payments received for capital			210,205	—	—	210,205
<b>As of December 31, 2019</b>		<b>157,350</b>	<b>\$ 1,832,411</b>	<b>\$ 279,227</b>	<b>\$ (78,576)</b>	<b>\$ 2,033,062</b>

*The accompanying notes are an integral part of these financial statements.*

**Inter-American Investment Corporation**

**Statements of Cash Flows**

<i>Expressed in thousands of United States dollars</i>	Year ended December 31	
	2019	2018
<b>Cash flows from investing activities</b>		
Loan disbursements	\$ (1,320,894)	\$ (906,566)
Loan proceeds	772,450	349,563
Equity investment disbursements	(37,624)	(18,232)
Equity investment proceeds	9,993	1,804
Development related debt securities purchases	(205,813)	(175,679)
Development related debt securities proceeds	413	278
Available-for-sale security purchases	(187,271)	(621,610)
Available-for-sale security proceeds	732,777	523,212
Capital asset expenditures	(3,835)	(5,224)
<b>Net cash provided by/(used in) investing activities</b>	<b>\$ (239,804)</b>	<b>\$ (852,454)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of borrowings	980,416	677,262
Borrowings repayments	(620,000)	(28,106)
Payments received for capital	210,205	338,792
<b>Net cash provided by/(used in) financing activities</b>	<b>\$ 570,621</b>	<b>\$ 987,948</b>
<b>Cash flows from operating activities</b>		
Net income	43,871	24,056
Adjustments to reconcile net income to net cash provided by/(used in) operating activities:		
Change in fair value of equity investments and measurement adjustments	(229)	(367)
Change in fair value of loans and debt securities	798	—
Provision for loan and guarantee losses	36,697	18,313
Net (gain)/loss on investment securities included in earnings	(10,828)	(1,549)
Realized (gain)/loss on sales of equity investments	(2,541)	(1,131)
Change in receivables and other assets	(59,701)	(17,687)
Change in accounts payable and other liabilities	74,678	16,644
Change in Pension Plans and Postretirement Benefit Plan, net	1,618	5,939
Change in trading investment securities	(403,822)	(195,798)
Other-than-temporary impairment losses on available-for-sale investment	—	628
Other, net	1,722	4,367
<b>Net cash provided by/(used in) operating activities</b>	<b>\$ (317,737)</b>	<b>\$ (146,585)</b>
Net effect of exchange rate changes on cash, cash equivalents and restricted cash	22	(17)
Net increase/(decrease) in cash, cash equivalents and restricted cash	13,102	(11,108)
Cash, cash equivalents and restricted cash as of January 1	9,647	20,755
<b>Cash, cash equivalents and restricted cash as of December 31</b>	<b>\$ 22,749</b>	<b>\$ 9,647</b>
Supplemental disclosure:		
Change in ending balances resulting from currency exchange rate fluctuations:		
Investment securities	3,689	(3,634)
Loans outstanding	2,072	196
Debt securities	(4,780)	(6,348)
Borrowings	(910)	9,314
	71	(472)
Interest paid during the period	44,569	21,302

*The accompanying notes are an integral part of these financial statements.*

## Inter-American Investment Corporation

### Notes to the Financial Statements

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#### Entity and Operations

The Inter-American Investment Corporation (the IIC or IDB Invest), an international organization, was established in 1986 and began operations in 1989, and is owned by its member countries. These members include 26 regional developing member countries, all of which are located in Latin America and the Caribbean (the Regional Developing Member Countries), and 21 members from other countries. The purpose of IDB Invest is to promote the economic development of its Regional Developing Member Countries by encouraging the establishment, expansion, and modernization of private enterprises in such a way as to supplement the activities of the Inter-American Development Bank (IDB). IDB Invest provides financing through loans, investments in debt securities, guarantees and equity investments where sufficient capital is not otherwise available on adequate terms in the market. IDB Invest also arranges additional project funding from other investors and lenders, either through joint financing or through loan syndications, loan participations and guarantees. In addition, IDB Invest provides financial and technical advisory services to clients. IDB Invest is an autonomous international organization and a member of the Inter-American Development Bank Group (the IDB Group), which also includes the IDB and the Multilateral Investment Fund (now commercially known as IDB Lab).

#### 1. Basis of Presentation

These financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (US GAAP). References to US GAAP issued by the Financial Accounting Standards Board (FASB) in these notes are to the FASB Accounting Standards Codification, sometimes referred to as the Codification or ASC.

All amounts presented in the accompanying financial statements and notes are expressed in United States dollars (US\$ or \$), which is IDB Invest's functional and reporting currency.

#### 2. Summary of Significant Accounting Policies

**Use of estimates** – The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. A significant degree of judgment has been used in the determination of the adequacy of the allowance for loan and guarantee losses, the evaluation for other-than-temporary impairment on available-for-sale and held-to-maturity debt securities and equity investments, the fair value of investment securities, loan and equity investments, debt securities, borrowings, and the determination of the projected benefit obligations of the pension and postretirement benefit plans, the fair value of plan assets, the funded status and net periodic benefit cost associated with these plans. There are inherent risks and uncertainties related to IDB Invest's operations including the potential impacts of changing economic conditions on IDB Invest's clients and the global investment markets that could have an adverse effect on the financial position of IDB Invest.

**Cash and cash equivalents** – Highly liquid investment instruments purchased with original maturities of three months or less are considered cash equivalents. IDB Invest may hold cash deposits in excess of Federal Deposit Insurance Corporation (FDIC) insured limits. In addition, cash and cash equivalents include restricted cash related to third party project origination costs.

**Investment securities** – As part of its overall portfolio management strategy and to provide liquidity and resources to finance development related investments, IDB Invest invests in debt securities issued by corporations, governments, supranationals and agencies. These investments may include fixed and floating rate bonds, notes, bills, certificates of deposit, commercial paper and mutual funds.

## Inter-American Investment Corporation

### Notes to the Financial Statements

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Investment securities are classified based on management's intention on the date of purchase. Purchases and sales of investment securities are recorded on a trade date basis. The first-in, first-out method is used to determine the cost basis of securities sold. The investment portfolio classified as trading is recorded at fair value with unrealized gains and losses reported in earnings from Investment securities<sup>1</sup>. The investment securities classified as available-for-sale are carried at fair value with net unrealized gains or losses included in Other comprehensive income/(loss). Interest and dividends on securities, amortization of premiums, accretion of discounts, and realized gains and losses from both trading and available-for-sale debt securities are reported in income from Investment securities.

Available-for-sale debt securities are evaluated for other-than-temporary impairment. IDB Invest considers various factors in determining whether a decline in fair value is other-than-temporary including the issuer's financial condition, the effects of changes in interest rates or credit spreads, the expected recovery period, and other quantitative and qualitative information. The evaluation of securities for impairment is intended to determine whether declines in fair value of investment securities should be recognized in current period earnings. The risks and uncertainties include changes in general economic conditions and future changes in assessments of the aforementioned factors. It is expected that such factors will change in the future. For impairments that are deemed to be other-than-temporary, the credit portion of the loss is recognized in earnings and the non-credit portion is recognized in Other comprehensive income/(loss). However, when impairment is recorded because IDB Invest intends to sell or considers it more likely than not that it will be required to sell the securities before the recovery of the amortized cost the full impairment is recognized in earnings.

**Loans** – Loans are recorded as assets when disbursed and are carried at the unpaid principal amount outstanding adjusted for allowance for loan losses or carried at fair value.

IDB Invest classifies its loan portfolio as either financial institution loans or corporate loans. Corporate loans are extended to enterprises operating in a variety of sectors further detailed in Note 4. IDB Invest's loans may be secured or unsecured. Secured loans may be guaranteed by mortgages and other forms of collateral security, as well as third-party guarantees.

**Allowance for loan and guarantee losses** – The allowance for loan and guarantee losses represents management's estimate of probable incurred losses in the related portfolio as of the balance sheet date and is recorded as a reduction of loans and as a contingent liability for guarantees. Changes in the allowance for loan and guarantee losses are recorded through the (Provision)/release of provision for loan and guarantee losses in the income statements. The estimate takes into consideration the rating of each loan or guarantee counterparty which incorporates qualitative and quantitative elements including country risk, industry risk as well as financial risk and the loss given default based on Standard and Poor's (S&P) methodology. IDB Invest believes that the allowance for loan and guarantee losses is adequate as of the balance sheet date; however, future changes to the allowance for loan and guarantee losses may be necessary based on changes in any of the factors discussed herein.

The allowance for loan losses reflects estimates of both probable losses inherent in the portfolio but not yet specifically identifiable (collective provision) and identified probable losses (specific provision).

As mentioned above, the collective provision is established via an internal credit risk classification system that estimates the probable loss inherent in the portfolio based on various analyses. The collective provision for each loan exposure considers: (i) the probability of default rate for each risk category and the applicable loss emergence period; (ii) the amount of credit exposure in each of these categories; and (iii) the loss given default (LGD) ratio.

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<sup>1</sup> References to captions in the financial statements are identified by the name of the caption beginning with a capital letter every time they appear in the notes to the financial statements.

## Inter-American Investment Corporation

### Notes to the Financial Statements

Each loan is individually monitored and rated by assigning an applicable probability of default rate and an LGD ratio on at least an annual basis.

- **Probability of Default** — A scorecard is completed that contemplates a variety of borrower-specific considerations including, but not limited to: country risk, industry risk, market risk, competitive position, any sponsor guarantees and support agreements, as well as an analysis of the financial performance and other information provided by the borrower. The scorecard result produces an internal risk rating that is comparable to a long-term issuer credit rating published by S&P. The credit rating is mapped to a probability of default (PD) according to the latest S&P Annual Global Corporate Default Study and Rating Transitions publication, as approved by management.
- **Loss Given Default** — IDB Invest calculates an LGD ratio for each individual loan or guarantee. A scorecard is completed that contemplates a variety of transaction-specific considerations for each loan or guarantee exposure, including, but not limited to: the seniority of the instrument, the collateral type, third party guarantees and jurisdiction risk or creditor rights under the law of the respective country. The scorecard produces an LGD ratio that is calibrated using empirical evidence of over 20 years of historical loss data collected by S&P.

IDB Invest utilizes these external inputs to calculate the allowance for loan losses because of IDB Invest's limited historical loss experience, relatively small volume of business, and variation in loan size, sector and geographic dispersion of the portfolio.

For the specific provision and for loans evaluated for impairment, the determination of the allowance for identified probable losses reflects management's best judgment of the creditworthiness of the borrower and is established based upon the periodic review of individual loans. This estimate considers all available evidence including, as appropriate, the present value of the expected future cash flows discounted at the loan's contractual effective rate, the fair value of collateral less disposal costs, and other market data. Because of the purpose of IDB Invest and the nature of the loans, secondary market values are usually not available.

IDB Invest considers a loan impaired when, based on current information and events, it is probable that IDB Invest will be unable to collect all amounts due according to the loan's contractual terms. Information and events considered in determining that a loan is impaired include the borrower's financial difficulties, the borrower's competitive position in the marketplace, the risk associated with the underlying collateral, the willingness and capacity of the sponsor who organized the project to support the investment, the borrower's management team, as well as geopolitical conflict and macroeconomic crises.

Further, a loan modification is considered a troubled debt restructuring when the borrower is experiencing financial difficulty and IDB Invest has granted a concession to the borrower that it otherwise would not grant in order to maximize recoveries on the existing loan. A loan restructured under a troubled debt restructuring is considered impaired, until its extinguishment, but it does not need to be disclosed as such after the year it was restructured, if the restructuring agreement specifies an interest rate equal to or greater than the rate that IDB Invest was willing to accept at the time of the restructuring for a new loan with comparable risk, and the loan is not impaired based on the terms specified in the restructuring agreement. Additional information is included in Note 4.

Loans are written off when IDB Invest has exhausted all possible means of recovery, by reducing the loan and related allowance for loan losses. Such reductions in the allowance are partially offset by recoveries, if any, associated with previously written off loans.

**Revenue recognition on loans** – Interest and fees are recognized in the periods earned. A loan is generally placed in nonaccrual status when collectability is in doubt or payments of interest or principal are past due more than 90 days. IDB Invest does not accrue income on loans in nonaccrual status, and any uncollected interest accrued on a loan placed in nonaccrual status is reversed out of income and is thereafter recognized as income when the payment is received and is included in Interest income in the income statements. The loan is returned

## Inter-American Investment Corporation

### Notes to the Financial Statements

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to accrual status once management has concluded that the borrower's ability to make periodic interest and principal payments has been demonstrated.

Loan origination fees and costs, net, are deferred and amortized over the life of the loan on a straight-line basis are included in Fees and other income in the income statements, which approximates how costs would be reflected under the effective interest method. These amounts are included in Accounts payable and other liabilities in the balance sheets.

**Equity investments** – Equity investments include ownership interests in limited partnerships and similar fund structures (LPs) and equity investments primarily in small and medium-sized enterprises and financial institutions.

Equity investments under ASC 321, *Investments-Equity Securities*, are accounted for at fair value through the income statements except for those investments that are accounted for under the cost-based measurement alternative (without a readily determinable fair value).

IDB Invest relies on the net asset value (NAV) reported by the fund managers as a practical expedient for the fair value measurement of LPs. The NAVs that have been reported by the fund manager are derived from the fair values of the underlying investments.

Equity investments accounted for under the cost-based measurement alternative are recorded at cost less impairment plus or minus adjustments resulting from observable price changes in orderly transactions for the identical investment or a similar investment of the same issuer. Adjustments related to impairment and observable price changes, if any, are recorded in Gain/(loss) from measurement adjustments, net in the income statements. IDB Invest reassesses periodically whether these equity investments continue to qualify for this cost-based measurement alternative. IDB Invest may subsequently elect to measure an equity investment at fair value; such election is irrevocable, and any resulting gains or losses would be recorded in earnings at the time of election and thereafter.

Equity investments not recorded at fair value are assessed for impairment periodically based on the latest financial information, operating performance and other relevant information including macroeconomic conditions, specific industry trends, the historical performance of the company, and IDB Invest's intent to hold the investment for an extended period. When impairment is identified, the investment is written down to its fair value, which becomes the new carrying value for the investment.

**Revenue recognition on equity investments** – Dividends and profit participations received from equity investments are recorded as income and reported as Dividends and other income in the income statements on a cash basis when dividend distributions are collected. Gains or losses on the sale or redemption of equity investments accounted for under the cost-based measurement alternative are recorded, at disposition, as income/(loss) and reported in Gain/(loss) on sale, net in the income statements.

For equity investments accounted for at fair value, unrealized gains and losses are recorded as Gain/(loss) from changes in fair value, net of equity investments in the income statements. Disbursements and distributions are recorded as changes to the outstanding balance of these equity investments and reflected as such in Equity investments in the balance sheets.

**Development related investments in debt securities** – Debt securities in the development related investment portfolio are carried at fair value through earnings or are designated in a held-to-maturity portfolio.

For the remaining portfolio, debt securities are classified as held-to-maturity and carried at amortized cost. Interest on these debt securities is included in Income from development related investments in the income statements. Held-to-maturity debt securities are assessed for other-than-temporary impairment on a quarterly basis.

## Inter-American Investment Corporation

### Notes to the Financial Statements

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**Variable interest entities** – ASC 810, *Consolidation*, provides for consolidation when a reporting entity is the primary beneficiary of a variable interest entity (VIE), or if an entity does not meet the definitional elements of a VIE, consolidation is required if a reporting entity has a controlling financial interest and/or holds a majority voting interest in an entity.

**Revenue recognition for service fees** – A series of service level agreements (SLAs) define the nature of the services and corresponding fees for services provided to the IDB. The most significant of these services relates to loan origination and servicing performed on the IDB's behalf. Revenue is recognized when services are rendered, as the corresponding fees are determinable, and collection is reasonably assured. Similarly, IDB Invest receives project administration and general administrative fees for services provided to several special purpose trust funds affiliated with IDB Invest or the IDB. Additional information about related-party transactions is included in Note 11.

**Guarantees** – IDB Invest offers credit guarantees covering, on a risk-sharing basis, third party obligations on loans undertaken for or securities issued in support of projects located within a member country to enhance their credit standing and enable them to complete a wide variety of business transactions. These financial guarantees are commitments issued by IDB Invest to guarantee payment performance by a borrower to a third party. IDB Invest's policy for requiring collateral security with respect to these instruments and the types of collateral security held is generally the same as for loans. Guarantees are regarded as issued when IDB Invest executes the guarantee agreement, outstanding when the underlying financial obligation of the third party is incurred and called when IDB Invest's obligation under the guarantee has been invoked. There are two obligations associated with the guarantees: (1) the stand-ready obligation to perform; and (2) the contingent obligation to make future payments. The stand-ready obligation to perform is recognized at the issuance date at fair value. The contingent liability associated with the financial guarantee is recognized when it is probable that the guarantee will be called and when the amount of the guarantee can be reasonably estimated. Any stand-ready and contingent liabilities associated with the guarantees are included in Accounts payable and other liabilities in the balance sheets. The expense related to the contingent liability is recorded in (Provision)/release of provision for loan and guarantee losses in the income statements. Guarantee fee income is recognized as IDB Invest is released from risk and its stand-ready obligation to perform. In the event the guarantees are called, the amount disbursed is recorded as a loan investment and specific reserves are established based on the estimated probable loss.

**Fixed and intangible assets** – Fixed and intangible assets (software costs) are presented at cost less accumulated depreciation and amortization and are included in Receivables and other assets in the balance sheets. Depreciation and amortization are recognized using the straight-line method over the estimated useful lives of the assets that range from three to seven years. Additional information about fixed and intangible assets is included in Note 5.

**Leases** – On January 1, 2019, IDB Invest adopted the new lease standard ASC 842, *Leases*, which requires lessees to recognize lease assets and lease liabilities in the balance sheets. IDB Invest follows lessee accounting related to its operating leases for office space with the IDB at headquarters and in its Regional Developing Member Countries.

IDB Invest recognizes a right-of-use asset and lease liability for its operating leases. The right-of-use assets are nonmonetary assets amortized based on each period's discounted cash flows included in Receivable and other assets and the lease liabilities are monetary liabilities reduced based on each period's discounted cash flows included in Accounts payable and other liabilities in the balance sheets. IDB Invest remeasures its lease liabilities originating in currencies other than US\$ at the current market exchange rate in effect at each reporting date. Operating lease expense is recorded on a straight-line basis and included in Administrative expenses in the income statements. Additional information related to IDB Invest's leases is included in Notes 5, 6 and 10.

**Borrowings** – To ensure funds are available for its operational liquidity needs, IDB Invest accesses the international capital markets, offering its debt securities to investors. IDB Invest's borrowings are carried at amortized cost. The amortization of premiums and accretion of discounts is calculated following a methodology

## Inter-American Investment Corporation

### Notes to the Financial Statements

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that approximates the effective interest method and is included in Borrowings expense in the income statements.

The unamortized balance of the borrowing issuance costs related to a recognized debt liability is included as a direct deduction from the carrying amount of the debt liability in Borrowings in the balance sheets.

Interest expense on borrowings is recognized on an accrual basis and is included in Borrowings expense in the income statements.

**Remeasurements of foreign currency transactions** – Monetary assets and liabilities denominated in currencies other than the United States dollar are recognized at the market exchange rate in effect at the transaction date or at monthly average rates. Resulting gains and losses from remeasurements are generally included in (Gain)/loss on foreign exchange transactions, net in the income statements.

**Fair value measurements** – The Codification requires entities to disclose information about recurring and non-recurring fair value measurements, as well as the fair value of financial instruments.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transfer between market participants at the measurement date under current market conditions. Fair value measurement further assumes that a transaction to sell the asset or assume a liability takes place either in the principal market or, in the absence of a principal market, in the most advantageous market for the asset or liability.

In determining fair value, IDB Invest uses various valuation approaches, including market, income and/or cost approaches. The Codification establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of IDB Invest. Unobservable inputs are inputs that reflect IDB Invest's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1—Unadjusted quoted prices for identical assets or liabilities in active markets.

Assets and liabilities utilizing Level 1 inputs include investment securities and equity investments that are actively traded and primarily include debt securities of the United States government and agencies.

- Level 2—Valuations based on quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not actively traded; or pricing models for which all significant inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.

Assets and liabilities utilizing Level 2 inputs include investment securities that are not actively traded, and primarily include investments in obligations of banks, governments and agencies or instrumentalities other than the United States, sovereigns, local and regional governments, corporate bonds, and structured borrowings.

- Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Assets utilizing Level 3 inputs include loans, equity investments and development related debt securities that are also measured for impairment or disclosed at fair value.

The availability of observable inputs is affected by a wide variety of factors, including, for example, the type of product, and other characteristics particular to the transaction. To the extent fair value is based on models or

## Inter-American Investment Corporation

### Notes to the Financial Statements

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inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

Fair value for the majority of IDB Invest's financial instruments is derived using pricing models. Pricing models take into account the contract terms (including maturity) as well as multiple inputs, including, where applicable, interest rate yield curves, credit spreads, creditworthiness of the counterparty, option volatility, and currency rates. In accordance with ASC 820, *Fair Value Measurements* (ASC 820), the impact of IDB Invest's own credit spreads would also be considered when measuring the fair value of liabilities. Where appropriate, valuation adjustments are made to account for various factors, including bid-ask spreads, credit quality, and market liquidity. These adjustments are applied on a consistent basis and are based upon observable inputs, where available.

**Fair value option** – The Fair Value Option (FVO) under ASC 825 permits the measurement of eligible financial assets, financial liabilities and firm commitments at fair value on an instrument-by-instrument basis, that are not otherwise permitted to be accounted for at fair value under other accounting standards. IDB Invest has elected the FVO for the following classes of financial assets: i) investments in LPs, ii) certain development related investments in debt securities that IDB Invest does not have the ability and intent to hold until maturity, iii) certain development related investments that meet the definition of a beneficial interest iv) certain development related investments in equity securities that do not have quoted market prices and v) certain hybrid instruments in the loan portfolio that would have otherwise required bifurcation of the host and embedded derivative. The classes of financial assets elected under the FVO are measured at fair value on a recurring basis and changes in fair value of these financial instruments are included in the income statements. Interest income on these financial instruments is recognized on an accrual basis in Interest income in the income statements.

**Loan participations and co-financing arrangements** – IDB Invest mobilizes funds from commercial banks and other financial institutions (Participants) by facilitating loan participations, without recourse. These loan participations are administered and serviced by IDB Invest on behalf of the Participants in exchange for a fee. Such fees are reported as Mobilization fees and other income in the income statements. IDB Invest also services co-financing arrangements with IDB Group related parties in exchange for a fee. Income for these arrangements are reported as Services fees from related parties in the income statements. The disbursed and outstanding balances of loan participations and co-financing arrangements that meet the applicable accounting criteria for sales are not included in IDB Invest's balance sheets.

**Pension and postretirement benefits** – The IDB Group has three defined benefit pension plans: The Staff Retirement Plan (SRP), the Complementary Staff Retirement Plan (CSR), and the Local Retirement Plan (LRP) (the Pension Plans and LRP), covering staff of the IDB Group entities. Under the Pension Plans and LRP, benefits are based on years of service and level of compensation, and are funded by contributions from employees, IDB Invest and the IDB, in accordance with the provisions of the Pension Plans and LRP. Any and all contributions to the Pension Plans and LRP are irrevocable and are held separately in retirement funds solely for the payment of benefits under the Pension Plans and LRP.

The IDB Group also provides certain health care, tax reimbursement and other benefits to retirees. Staff who retire, receive a monthly pension from the IDB or IDB Invest, and who meet certain requirements, are eligible for postretirement benefits under the Postretirement Benefit Plan (PRBP). Retirees contribute toward the PRBP based on an established premium schedule. IDB Invest and the IDB contribute the remainder of the actuarially determined cost of future health care and other benefits. While all contributions and all other assets and income of the PRBP remain the property of IDB Invest and the IDB, they are held and administered separately and apart from the other property and assets of each employer solely for the purpose of payment of benefits under the PRBP.

Since both the IDB and IDB Invest are sponsors of the Pension Plans and the PRBP, each employer presents its respective share of these plans. The amounts presented reflect IDB Invest's proportionate share of costs,

## Inter-American Investment Corporation

### Notes to the Financial Statements

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assets, and obligations of these Pension Plans and PRBP in accordance with ASC 715, *Compensation – Retirement Benefits*.

The service cost component of net periodic benefit costs allocated to IDB Invest is included in Administrative expenses and the other components are included in Other components of pension benefit costs, net in the income statements. The funded status of the Pension Plans and the PRBP is included in Receivables and other assets when the respective plan is in a funded status and included in Accounts payable and other liabilities when the respective plan is in an unfunded status in the balance sheets. Additional information about the Pension Plans and PRBP is included in Note 12.

**Taxes** – IDB Invest, its property, other assets, income, and the operations and transactions it carries out pursuant to the Agreement Establishing the Inter-American Investment Corporation are immune from all taxation and from all custom duties in its member countries. IDB Invest is also immune from any obligation relating to the payment, withholding or collection of any tax or duty in its member countries.

**Accounting and financial reporting developments** – In February 2016, the FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)* and supplemental guidance has been issued in the form of additional ASUs related to the lease topic. The FASB issued these Updates to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities in the balance sheets and disclosing key information about leasing arrangements. To meet this objective, the FASB amended the Codification and created Topic 842 that supersedes *Topic 840, Leases*. The key change from previous US GAAP and Topic 840 is the recognition of lease assets and lease liabilities by lessees in the balance sheets under Topic 842 for those leases classified as operating leases under previous US GAAP. IDB Invest adopted this Update effective January 1, 2019 applying the modified retrospective approach that permits entities to not adjust comparative periods. This Update did not have a material impact on IDB Invest's financial statements.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The amendments in this Update affect entities holding financial assets and net investments in leases that are not accounted for at fair value through earnings. The amendments affect loans, debt securities, trade receivables, net investments in leases, off-balance sheet credit exposures, reinsurance receivables, and any other financial assets not excluded from the scope that have the contractual right to receive cash. The amendments replace the incurred loss impairment methodology in current US GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to determine credit loss estimates. The use of forecasted information incorporates more timely information in the estimate of expected credit loss that will be more useful to users of the financial statements. Supplemental guidance has been issued in the form of additional ASUs related to the financial instruments - credit losses topic. The amendments in this Update are applied through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective (that is, a modified-retrospective approach). This Update permits early adoption and IDB Invest has elected to early adopt effective January 1, 2020. The estimated impact of this Update to IDB Invest's financial statements is an increase in the estimated credit loss of \$39 million, primarily driven by a new requirement to estimate a provision for undisbursed commitments and held-to-maturity debt securities.

In March 2017, the FASB issued ASU 2017-08, *Receivables – Nonrefundable Fees and Other Costs (Subtopic 310-20): Premium Amortization of Purchased Callable Debt Securities*. The amendment in this Update shortens the amortization period to the earliest call date for certain purchased callable debt securities held at a premium. This Update effective January 1, 2019 and it did not have a material impact on IDB Invest's financial statements.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement – Changes to the disclosure requirements for fair value measurement*. The amendments in this Update impact disclosure requirements for all entities that are required, under existing US GAAP, to make disclosures about recurring or nonrecurring fair value measurements. This Update eliminates, modifies, and adds to the existing disclosures. For IDB Invest, this Update is effective on January 1, 2020. This Update is not expected to have a material impact on IDB Invest's financial statements.

## Inter-American Investment Corporation

### Notes to the Financial Statements

In August 2018, the FASB issued ASU 2018-14, *Compensation – Retirement Benefits - Defined Benefit Plans – Changes to the disclosure requirements for defined benefit plans*. The amendments in this Update impact disclosure requirements for all employers that sponsor defined benefit pension or other postretirement plans by eliminating existing disclosures that are no longer deemed to be relevant while at the same time adding new disclosures deemed to improve disclosures and clarifying existing disclosures. Among the new disclosures, the explanation of the reasons for significant gains and losses related to changes in the benefit obligation for the period will be required. For IDB Invest, this Update is effective on January 1, 2020. This Update is not expected to have a material impact on IDB Invest's financial statements.

In August 2018, the FASB issued ASU 2018-15, *Intangibles – Goodwill and other – Internal-use software – Customer's accounting for implementation costs incurred in a cloud computing arrangement that is a service contract*. The amendments in this Update result in consistent capitalization of implementation costs of a hosting arrangement that is a service contract and implementation costs incurred to develop or obtain internal-use software and hosting arrangements that include an internal-use software license. For IDB Invest, this Update is effective on January 1, 2020 and is not expected to have a material impact on IDB Invest's financial statements.

In October 2018, the FASB issued ASU 2018-17, *Consolidation (Topic 810) – Targeted Improvements to Related Party Guidance for Variable Interest Entities (VIEs)*. The amendments in this Update eliminate the requirement that entities consider indirect interests held through related parties under common control in their entirety when assessing whether a decision-making fee is a variable interest. Instead, the reporting entity will consider such indirect costs on a proportional basis. For IDB Invest, this Update is effective on January 1, 2020, and is not expected to have a material impact on IDB Invest's financial statements.

### 3. Investment Securities

The total income from Investment securities is summarized below (US\$ thousands):

	Year ended December 31	
	2019	2018
Interests and dividends, net	\$ 27,092	\$ 29,189
Net gains/(losses)	10,828	1,549
Other-than-temporary losses on investment securities	—	(628)
<b>Total</b>	<b>\$ 37,920</b>	<b>\$ 30,110</b>

The trading portfolio consists of the following (US\$ thousands):

	December 31, 2019	December 31, 2018
Corporate securities	\$ 495,908	\$ 266,707
Government securities	189,268	70,907
Agency securities	66,093	—
<b>Total</b>	<b>\$ 751,269</b>	<b>\$ 337,614</b>

Net unrealized gains recognized in earnings for the year ended December 31, 2019 relating to trading securities still held as of December 31, 2019 were \$193 thousand (\$312 thousand net unrealized gains for the year ended December 31, 2018).

**Inter-American Investment Corporation**

**Notes to the Financial Statements**

The fair value of available-for-sale debt securities is as follows (US\$ thousands):

	December 31, 2019			
	Amortized cost	Gross unrealized		Fair value
		gains	losses	
Corporate securities	\$ 410,019	\$ 3,014	\$ (328)	\$ 412,705
Government securities	80,046	184	(6)	80,224
Agency securities	70,139	115	(11)	70,243
Supranational securities	23,042	183	(2)	23,223
<b>Total</b>	<b>\$ 583,246</b>	<b>\$ 3,496</b>	<b>\$ (347)</b>	<b>\$ 586,395</b>

	December 31, 2018			
	Amortized cost	Gross unrealized		Fair value
		gains	losses	
Corporate securities	\$ 798,368	\$ 384	\$ (5,429)	\$ 793,323
Agency securities	234,433	3	(1,157)	233,279
Government securities	47,984	2	(141)	47,845
Supranational securities	48,053	—	(315)	47,738
<b>Total</b>	<b>\$ 1,128,838</b>	<b>\$ 389</b>	<b>\$ (7,042)</b>	<b>\$ 1,122,185</b>

The length of time that individual available-for-sale debt securities have been in a continuous unrealized loss position is as follows (US\$ thousands):

	December 31, 2019					
	Less than 12 months		12 months or more		Total	
	Fair value	Unrealized loss	Fair value	Unrealized loss	Fair value	Unrealized loss
Corporate securities	\$ 34,975	\$ (51)	\$ 74,611	\$ (277)	\$ 109,586	\$ (328)
Government securities	6,981	(6)	—	—	6,981	(6)
Agency securities	—	—	52,416	(11)	52,416	(11)
Supranational securities	—	—	7,997	(2)	7,997	(2)
<b>Total</b>	<b>\$ 41,956</b>	<b>\$ (57)</b>	<b>\$ 135,024</b>	<b>\$ (290)</b>	<b>\$ 176,980</b>	<b>\$ (347)</b>

	December 31, 2018					
	Less than 12 months		12 months or more		Total	
	Fair value	Unrealized loss	Fair value	Unrealized loss	Fair value	Unrealized loss
Corporate securities	\$ 340,131	\$ (2,554)	\$ 201,577	\$ (2,875)	\$ 541,708	\$ (5,429)
Agency securities	13,886	(5)	116,864	(1,152)	130,750	(1,157)
Government securities	3,036	(3)	24,837	(138)	27,873	(141)
Supranational securities	29,978	—	17,761	(315)	47,739	(315)
<b>Total</b>	<b>\$ 387,031</b>	<b>\$ (2,562)</b>	<b>\$ 361,039</b>	<b>\$ (4,480)</b>	<b>\$ 748,070</b>	<b>\$ (7,042)</b>

## Inter-American Investment Corporation

### Notes to the Financial Statements

Changes in available-for-sale debt securities recognized in Other comprehensive income/(loss) are as follows (US\$ thousands):

	Year ended December 31	
	2019	2018
Unrealized gain/(loss) during the period	\$ 10,759	\$ (4,891)
Reclassification of (gain)/loss to net income	(959)	(242)
Reclassification to net income due to impaired securities	—	628
<b>Total recognized in other comprehensive income/(loss) related to available-for-sale investment securities</b>	<b>\$ 9,800</b>	<b>\$ (4,505)</b>

Sales of available-for-sale debt securities amounted to \$293.2 million during the year ended December 31, 2019 (\$315.9 million during the year ended December 31, 2018). Gross realized gains were \$884 thousand and there were \$4 thousand gross realized losses from the sale of available-for-sale debt securities during the year ended December 31, 2019 (\$534 thousand gross realized gains and \$292 thousand gross realized losses during the year ended December 31, 2018).

IDB Invest maintains a strict credit policy that all investment securities must be high quality credit rated investment grade. Unrealized losses on the available-for-sale investment securities are analyzed as part of IDB Invest's ongoing assessment of other-than-temporary impairments. For available-for-sale debt securities, IDB Invest recognizes impairment losses in earnings if IDB Invest has the intent to sell the debt security or if it is more likely than not that IDB Invest will be required to sell the debt security before recovery of its amortized cost. In these circumstances the impairment loss is equal to the full difference between the amortized cost and the fair value of the securities. During the year ended December 31, 2019, there were no other-than-temporary impairment losses on debt securities that IDB Invest would be more likely than not required to sell before recovery of the amortized cost (\$628 thousand during the year ended December 31, 2018). Further, for the remainder of the securities in the available-for-sale portfolio that are in an unrealized loss position, IDB Invest has the intent and ability to hold the securities until recovery of the non-credit portion recognized in Other comprehensive income/(loss).

The maturity structure of available-for-sale debt securities is as follows (US\$ thousands):

	December 31, 2019	December 31, 2018
Less than one year	\$ 154,521	\$ 466,233
Between one and five years	431,874	655,952
<b>Total</b>	<b>\$ 586,395</b>	<b>\$ 1,122,185</b>

#### 4. Development Related Investments

IDB Invest has specific metrics for concentrations and it monitors the development related investments for credit performance, market risk and any potential related effects of geographic or sectorial concentrations. IDB Invest's development related investments are the result of lending and investing activities that include loans, equity investments, debt securities and guarantees that promote the economic development of IDB Invest's Regional Developing Member Countries through the establishment, expansion and modernization of private enterprises. All development related investments are individually evaluated for purposes of monitoring and evaluating credit performance and market risk.

## Inter-American Investment Corporation

### Notes to the Financial Statements

The distribution of the outstanding portfolio by country and by sector is as follows (US\$ thousands):

	December 31, 2019				December 31, 2018			
	Loans	Equity investments	Debt securities	Total	Loans	Equity investments	Debt securities	Total
Brazil	\$ 273,290	\$ 20,590	\$ 45,894	\$ 339,774	\$ 226,201	\$ 10,453	\$ 30,962	\$ 267,616
Colombia	150,536	4,938	144,335	299,809	83,729	2,004	44,369	130,102
Chile	282,164	—	—	282,164	255,118	—	—	255,118
Ecuador	241,783	—	19,882	261,665	122,603	—	—	122,603
Argentina	196,864	—	12,000	208,864	155,962	—	12,000	167,962
Mexico	187,960	14,895	3,233	206,088	113,571	15,505	—	129,076
Panama	66,929	—	50,000	116,929	10,597	—	—	10,597
Regional <sup>(1)</sup>	47,288	36,611	16,000	99,899	41,790	35,594	5,333	82,717
Guatemala	59,890	—	39,877	99,767	69,987	—	40,000	109,987
Uruguay	79,648	—	17,703	97,351	65,077	—	15,100	80,177
Paraguay	96,663	—	—	96,663	95,980	—	—	95,980
Peru	77,878	—	13,000	90,878	62,421	—	13,000	75,421
Costa Rica	78,690	—	—	78,690	71,559	—	—	71,559
Nicaragua	65,717	—	—	65,717	34,666	—	—	34,666
Bolivia	38,566	19,641	—	58,207	569	3,000	—	3,569
El Salvador	27,982	—	15,000	42,982	24,684	—	15,000	39,684
Trinidad and Tobago	37,500	—	—	37,500	—	—	—	—
Honduras	24,273	—	—	24,273	48,310	—	—	48,310
Dominican Republic	13,265	—	—	13,265	6,119	—	—	6,119
Belize	7,500	—	—	7,500	—	—	—	—
Haiti	7,032	—	—	7,032	8,417	—	—	8,417
Suriname	6,515	—	—	6,515	7,894	—	—	7,894
Bahamas	1,891	—	—	1,891	2,337	—	—	2,337
Jamaica	—	—	—	—	6,220	—	—	6,220
<b>Total</b>	<b>\$2,069,824</b>	<b>\$ 96,675</b>	<b>\$ 376,924</b>	<b>\$2,543,423</b>	<b>\$1,513,811</b>	<b>\$ 66,556</b>	<b>\$ 175,764</b>	<b>\$1,756,131</b>
Financial intermediaries	\$ 791,027	\$ 4,141	\$ 253,391	\$1,048,559	\$ 635,804	\$ 3,116	\$ 80,000	\$ 718,920
Telecom & IT	274,991	20,195	89,831	385,017	185,927	4,695	75,331	265,953
Agribusiness	322,005	—	3,015	325,020	236,068	—	—	236,068
Energy	304,918	—	14,687	319,605	266,362	—	15,100	281,462
General manufacturing	148,380	—	—	148,380	90,731	—	—	90,731
Transportation	128,369	—	—	128,369	47,289	—	—	47,289
Investment funds	9,658	64,741	16,000	90,399	4,858	46,351	5,333	56,542
Services, dist. & retail	34,304	6,300	—	40,604	9,742	6,400	—	16,142
Commodities	13,770	—	—	13,770	14,455	—	—	14,455
Education	13,168	—	—	13,168	—	—	—	—
Water, sanitation and environment infr.	11,760	—	—	11,760	—	—	—	—
Health	10,468	—	—	10,468	4,511	—	—	4,511
Real estate, tourism and construction	6,847	1,298	—	8,145	16,896	5,994	—	22,890
Pulp and paper	159	—	—	159	180	—	—	180
Logistics	—	—	—	—	988	—	—	988
<b>Total</b>	<b>\$2,069,824</b>	<b>\$ 96,675</b>	<b>\$ 376,924</b>	<b>\$2,543,423</b>	<b>\$1,513,811</b>	<b>\$ 66,556</b>	<b>\$ 175,764</b>	<b>\$1,756,131</b>

<sup>(1)</sup> Represents investments with operations in multiple countries.

## Inter-American Investment Corporation

## Notes to the Financial Statements

Development related investments committed but not disbursed (net of cancellations) are summarized below (US \$ thousands):

	<b>December 31, 2019</b>
Loans	\$ 669,139
Debt securities	66,204
Equity investments	24,245
<b>Total</b>	<b>\$ 759,588</b>

**Loans**

The loan portfolio includes loans at amortized cost (fixed rate, variable rate and no stated interest rate) and fair value. The unpaid principal balance of the fixed rate loan portfolio amounted to \$709.3 million of which \$245.0 million relates to loans with no stated interest rate as of December 31, 2019 (\$369.5 million of which \$139.0 million relates to loans with no stated interest rate as of December 31, 2018). The unpaid principal balance of the variable rate loan portfolio amounted to \$1.4 billion as of December 31, 2019 (\$1.1 billion as of December 31, 2018). Variable rate loans generally reprice within one year. Base rates of variable rate loans reset at each repayment date at least annually or more frequently, but loan margins generally remain constant over the life of the variable rate loan. In the following disclosures, IDB Invest's loan portfolio is classified as financial institutions and corporates.

An age analysis, based on contractual terms, of loans outstanding by investment type is as follows (US\$ thousands):

	<b>December 31, 2019</b>				
	<b>1-90 days past due</b>	<b>&gt;90 days past due</b>	<b>Total past due</b>	<b>Total current loans</b>	<b>Total loan portfolio</b>
Financial institutions	\$ —	\$ —	\$ —	\$ 799,116	\$ 799,116
Corporates	6,530	14,516	21,046	1,249,662	1,270,708
<b>Total</b>	<b>\$ 6,530</b>	<b>\$ 14,516</b>	<b>\$ 21,046</b>	<b>\$ 2,048,778</b>	<b>\$ 2,069,824</b>
As % of total loan portfolio	0.3 %	0.7 %	1.0 %	99.0 %	100.0 %
Allowance for loan losses					\$ (97,614)
Allowance as a % of total loan portfolio					4.7 %

	<b>December 31, 2018</b>				
	<b>1-90 days past due</b>	<b>&gt;90 days past due</b>	<b>Total past due</b>	<b>Total current loans</b>	<b>Total loan portfolio</b>
Financial institutions	\$ —	\$ —	\$ —	\$ 621,644	\$ 621,644
Corporates	1,733	12,828	14,561	877,606	892,167
<b>Total</b>	<b>\$ 1,733</b>	<b>\$ 12,828</b>	<b>\$ 14,561</b>	<b>\$ 1,499,250</b>	<b>\$ 1,513,811</b>
As % of total loan portfolio	0.1 %	0.8 %	1.0 %	99.0 %	100.0 %
Allowance for loan losses					\$ (65,776)
Allowance as a % of total loan portfolio					4.3 %

## Inter-American Investment Corporation

### Notes to the Financial Statements

The recorded investment in nonaccrual loans outstanding is summarized by investment type as follows (US\$ thousands):

	December 31, 2019			December 31, 2018		
	Past due	Current	Total nonaccrual	Past due	Current	Total nonaccrual
Corporates	\$ 19,415	\$ 11,851	\$ 31,266	\$ 11,836	\$ 16,569	\$ 28,405
<b>Total nonaccrual loans</b>	<b>\$ 19,415</b>	<b>\$ 11,851</b>	<b>\$ 31,266</b>	<b>\$ 11,836</b>	<b>\$ 16,569</b>	<b>\$ 28,405</b>
Loan portfolio	\$ 2,069,824			\$ 1,513,811		
As % of loan portfolio	0.9 %	0.6 %	1.5 %	0.8 %	1.1 %	1.9 %

A current nonaccrual loan is a loan that was placed in nonaccrual status where the borrower is now current on payments but for which ongoing monitoring is necessary to determine whether the borrower has sufficiently demonstrated performance before returning the loan to accrual status. Interest income collected and interest income recognized on loans in nonaccrual status was \$857 thousand for the year ended December 31, 2019 (\$1.3 million for the year ended December 31, 2018).

The investment in impaired loans as of December 31, 2019 was \$31.3 million (\$30.1 million as of December 31, 2018). The average investment in impaired loans for the year ended December 31, 2019 was \$30.3 million (\$31.3 million for the year ended December 31, 2018). The total allowance related to impaired loans was \$12.8 million as of December 31, 2019 (\$13.2 million as of December 31, 2018).

As of December 31, 2019, there were no troubled debt restructurings in the portfolio (two with an outstanding balance of \$3.9 million and specific allowance of \$3.7 million as of December 31, 2018).

The maturity structure of loans outstanding is (US\$ thousands):

	December 31	
	2019	2018
Due in one year or less	\$ 622,921	\$ 471,115
Due after one year through five years	878,165	636,524
Due after five years through ten years	406,723	307,083
Due after ten years and thereafter	166,746	103,628
<b>Total loans outstanding, gross</b>	<b>\$ 2,074,555</b>	<b>\$ 1,518,350</b>
Unamortized discounts	(4,731)	(4,539)
<b>Total loans outstanding, net</b>	<b>\$ 2,069,824</b>	<b>\$ 1,513,811</b>

## Inter-American Investment Corporation

## Notes to the Financial Statements

The weighted average rates by currency for loans outstanding are summarized below (US\$ thousands):

	December 31			
	2019		2018	
	Amount outstanding	Weighted average rate	Amount outstanding	Weighted average rate
Colombian peso (COP)	\$ 41,177	11.4 %	\$ 15,008	10.9 %
Dominican Republic peso (DOP)	9,418	10.5 %	—	
Mexican peso (MXN)	34,555	10.1 %	15,835	11.2 %
Paraguayan guarani (PYG)	4,650	9.0 %	5,040	9.0 %
United States dollar	1,735,029	5.7 %	1,338,972	6.2 %
<b>Total loans outstanding, before discounted loans</b>	<b>\$ 1,824,829</b>		<b>\$ 1,374,855</b>	
Discounted loans	244,995		138,956	
<b>Total loans outstanding</b>	<b>\$ 2,069,824</b>		<b>\$ 1,513,811</b>	

Changes in the allowance for loan losses by investment type are summarized below (US\$ thousands):

	Year ended December 31, 2019		
	Financial institutions	Corporates	Total
Beginning balance	\$ (24,602)	\$ (41,174)	\$ (65,776)
Loans written off, net	—	2,352	2,352
Recoveries	(133)	(44)	(177)
(Provision)/release of provision for loan losses <sup>(1)</sup>	(8,191)	(25,822)	(34,013)
<b>Ending balance</b>	<b>\$ (32,926)</b>	<b>\$ (64,688)</b>	<b>\$ (97,614)</b>

<sup>(1)</sup> Does not include changes in (Provision)/release of provision for guarantee losses of \$(2.7) million that are recorded in the same line item in the income statements.

	Year ended December 31, 2018		
	Financial institutions	Corporates	Total
Beginning balance	\$ (21,028)	\$ (28,657)	\$ (49,685)
Loans written off, net	—	1,948	1,948
(Provision)/release of provision for loan losses <sup>(1)</sup>	(3,574)	(14,465)	(18,039)
<b>Ending balance</b>	<b>\$ (24,602)</b>	<b>\$ (41,174)</b>	<b>\$ (65,776)</b>

<sup>(1)</sup> Does not include changes in (Provision)/release of provision for guarantee losses of \$(274) thousand that are recorded in the same line item in the income statements.

## Inter-American Investment Corporation

### Notes to the Financial Statements

A description of credit quality indicators and a summary of loans at amortized cost by credit quality indicator and investment type are as follows as of December 31, 2019 and December 31, 2018 (US\$ thousands):

Rating categories	Credit quality indicator	Internal credit risk classification range	Description
aa- and better	Very strong	aa- or higher	An obligor in these categories has a very strong capacity to meet its financial commitment.
a+ to a-	Strong	a+, a, a-	An obligor in these categories has a strong capacity to meet its financial commitment.
bbb+ to bbb-	Adequate	bbb+, bbb, bbb-	An obligor in these categories exhibits an adequate financial profile. However, adverse economic conditions or changing circumstances are more likely to lead to a weakening of the obligor's capacity to meet its financial obligations.
bb+ to bb-	Moderate	bb+, bb, bb-	An obligor in these categories can face major uncertainties or exposures to adverse business, financial, or economic conditions that could lead to its inadequate capacity to meet its financial obligations.
b+ to b-	Weak	b+, b, b-	An obligor in these categories is more vulnerable to nonpayment than obligations rated bb-, but the obligor currently has the capacity to meet its financial obligations. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial obligations.
ccc+ and lower	Very weak	ccc+ or lower	An obligor in these categories faces significant challenges, and default may also already be a virtual certainty. The obligor is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial obligations. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial obligations.

Internal credit quality indicator	December 31, 2019		
	Financial institutions	Corporates	Total
Adequate	\$ 132,500	\$ 141,348	\$ 273,848
Moderate	402,726	484,971	887,697
Weak	246,458	537,470	783,928
Very weak	1,000	95,824	96,824
<b>Total loans at amortized cost</b>	<b>\$ 782,684</b>	<b>\$ 1,259,613</b>	<b>\$ 2,042,297</b>

Internal credit quality indicator	December 31, 2018		
	Financial institutions	Corporates	Total
Adequate	\$ 120,000	\$ 85,999	\$ 205,999
Moderate	282,726	397,051	679,777
Weak	218,918	365,709	584,627
Very weak	—	35,694	35,694
<b>Total loans at amortized cost</b>	<b>\$ 621,644</b>	<b>\$ 884,453</b>	<b>\$ 1,506,097</b>

Loans accounted for at fair value were \$27.5 million as of December 31, 2019 (\$7.7 million as of December 31, 2018). There were \$905 thousand net unrealized losses recognized in earnings for the year ended December 31, 2019 (none for the year ended December 31, 2018).

## Inter-American Investment Corporation

### Notes to the Financial Statements

#### Equity investments

As of December 31, 2019, IDB Invest's equity investments recorded at fair value were \$92.0 million that included LPs recorded at NAV as a practical expedient to fair value of \$64.7 million (\$52.3 million that included LPs recorded at NAV as a practical expedient to fair value of \$46.4 million as of December 31, 2018). Net unrealized gains recognized in earnings for the year ended December 31, 2019 relating to all equity investments carried at fair value and that are still held as of December 31, 2019 were \$329 thousand (net unrealized losses of \$1.0 million for the year ended December 31, 2018).

As of December 31, 2019, IDB Invest's equity investments recorded using the cost-based measurement alternative had a carrying value of \$4.7 million (\$14.2 million as of December 31, 2018). There were no measurement adjustments related to observable price changes and \$100 thousand related to impairment adjustments for the year ended December 31, 2019 (\$1.4 million in measurement adjustments and no impairment adjustment for the year ended December 31, 2018). During the fourth quarter of 2019, IDB Invest elected the FVO for equity investments previously recorded using the cost-based measurement alternative that had a carrying value of \$10.4 million as of December 31, 2019.

IDB Invest intends to hold investments in LPs until the final liquidation of the underlying assets of the LPs in order to participate fully in the performance of the LP. IDB Invest generally does not have redemption rights in any of these investments. IDB Invest estimates that the underlying assets of the LPs generally may be liquidated over a period of 10 years.

#### Debt securities

As of December 31, 2019, IDB Invest's development related investments accounted for as debt securities classified as held-to maturity were \$133.6 million (\$84.5 million as of December 31, 2018). There was no indication of other-than-temporary impairment losses on these debt securities for the year ended December 31, 2019 (none for the year ended December 31, 2018). Debt securities recorded at fair value were \$243.3 million as of December 31, 2019 (\$91.3 million as of December 31, 2018). Net unrealized gains on these securities were \$107 thousand for the year ended December 31, 2019 (\$12 thousand in net unrealized losses for the year ended December 31, 2018). For the year ended December 31, 2019, related interest income was \$17.3 million (\$3.4 million for the year ended December 31, 2018).

The maturity structure of development related investments in debt securities is as follows (US\$ thousands):

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Due in one year or less	\$ 24,132	\$ 442
Due after one year through five years	247,525	66,249
Due after five years through ten years	90,903	89,367
Due after ten years and thereafter	14,364	19,706
<b>Total</b>	<b>\$ 376,924</b>	<b>\$ 175,764</b>

#### Guarantees

Guarantees entered into by IDB Invest have maturities consistent with those of the loan portfolio. No notices of default have been received since inception of IDB Invest's guarantee program.

IDB Invest's current outstanding exposure for guarantees was \$46.6 million as of December 31, 2019 (\$17.1 million as of December 31, 2018). The maximum potential exposure, which represents the amounts that could be lost under the guarantees in the event the full guaranteed loan disbursed and there were a total default by the guaranteed party without taking into consideration possible recoveries under recourse provisions or from collateral held or pledged, amounted to \$66.4 million as of December 31, 2019 (\$37.1 million as of December 31, 2018). The allowance for losses on guarantees is \$3.2 million as of December 31, 2019 and is recorded in Accounts payable and other liabilities in the balance sheets (\$564 thousand as of December 31, 2018).

## Inter-American Investment Corporation

### Notes to the Financial Statements

#### Loan participations and co-financing arrangements

As of December 31, 2019, IDB Invest serviced loan participations and co-financing arrangements outstanding of \$1.8 billion (\$1.9 billion as of December 31, 2018) and recognized servicing fees of \$757 thousand for the year ended December 31, 2019 (\$366 thousand for the year ended December 31, 2018) included in Mobilization fees and other income in the income statements.

In addition, IDB Invest serviced co-financing arrangements outstanding of \$2.4 billion with IDB Group related parties as of December 31, 2019 (\$1.5 billion as of December 31, 2018). As explained in Note 11 income from these arrangements are included in SLA revenue.

#### Variable interest entities

Some of IDB Invest's development related investments are made through VIEs. These VIEs are mainly special purpose vehicles or investment funds, where the sponsor, the general partner or fund manager does not have substantive equity at risk.

IDB Invest has made development related investments amounting to approximately \$26.1 million in loans and \$3.0 million in debt securities as of December 31, 2019 to VIEs for which it is deemed to be the primary beneficiary (none as of December 31, 2018). IDB Invest's involvement with these three VIEs is limited to such development related investments, which are reflected as such in IDB Invest's financial statements. Based on the most recent available data, the size of these VIEs measured by total assets with a notional value of approximately \$31.5 million as of December 31, 2019, which is considered immaterial compared to the carrying value of \$29.1 millions, and thus not consolidated with IDB Invest's financial statements (none at December 31, 2018).

IDB Invest does not have a significant variable interest in any other VIE, which would require disclosure. Similarly, IDB Invest does not hold a controlling financial interest or majority voting interest in any other entity, and it does not have significant influence over any entities.

#### 5. Receivables and Other Assets

Receivables and other assets are summarized below (US\$ thousands):

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Operating lease right-of-use asset	\$ 52,536	\$ —
Interest receivable on development related investments	22,538	14,971
Fixed and intangible assets	11,033	12,611
Other assets	3,906	15,411
Interest receivable on investment securities	3,589	6,459
<b>Total receivables and other assets</b>	<b>\$ 93,602</b>	<b>\$ 49,452</b>

## Inter-American Investment Corporation

### Notes to the Financial Statements

#### 6. Accounts Payable and Other Liabilities

Accounts payable and other liabilities are summarized below (US\$ thousands):

	<b>Notes</b>	<b>December 31, 2019</b>	<b>December 31, 2018</b>
Pension Plans, net liability	12	\$ 77,920	\$ 39,892
Operating lease liability	10	53,388	—
Postretirement Benefit Plan, net liability	12	17,798	4,135
Loan origination fees and costs, net		17,769	16,815
Deferred revenue		12,884	13,596
Employment benefits payable		12,288	8,905
Accounts payable and other liabilities		10,811	8,210
Due to IDB, net	11	8,426	4,738
<b>Total accounts payables and other liabilities</b>		<b>\$ 211,284</b>	<b>\$ 96,291</b>

As of December 31, 2019, and December 31, 2018, the Pension Plans net liability and PRBP net liability reflect the underfunded status of the Pension Plans and PRBP. Refer to Note 12 for additional details. Deferred revenue includes service fees collected from related parties. Additional information about IDB Invest's related party transactions is included in Note 11.

Inter-American Investment Corporation

Notes to the Financial Statements

7. Borrowings

Borrowings outstanding by currency are as follows (US\$ thousands):

	Maturity	Interest payment terms	December 31, 2019			December 31, 2018		
			Amount outstanding	F/V rate <sup>(1)</sup>	Interest rate	Amount outstanding	F/V rate <sup>(1)</sup>	Interest rate
<b>Brazilian real (BRL):</b>								
2018 BRL 120 million	2021	Quarterly	\$ 29,776	V	4.1 %	\$ 30,974	V	5.5 %
2019 BRL 20 million	2021	Quarterly	4,963	V	3.9 %	—		
2019 BRL 15 million	2021	Quarterly	3,722	V	3.8 %	—		
2019 BRL 15 million	2021	Quarterly	3,722	V	3.5 %	—		
2019 BRL 15 million	2021	Quarterly	3,722	V	3.7 %	—		
			<u>45,905</u>			<u>30,974</u>		
<b>Colombian peso (COP):</b>								
2019 COP 328.5 billion	2024	Monthly	100,192	V	4.6 %	—		
2018 COP 144 billion	2025	Semi-annual	43,937	F	6.6 %	44,369	F	6.6 %
2018 COP 35 billion	2030	Quarterly	10,782	V	8.3 %	10,888	V	8.0 %
2019 COP 27 billion	2030	Quarterly	8,262	V	8.3 %	—		
2019 COP 47 billion	2035	Semi-annual	14,335	V	7.9 %	—		
2019 COP 6 billion	2035	Semi-annual	1,830	V	8.4 %	—		
2019 COP 5 billion	2035	Semi-annual	1,525	V	8.4 %	—		
			<u>180,863</u>			<u>55,257</u>		
<b>Dominican peso (DOP):</b>								
2019 DOP 500 million	2022	Semi-annual	9,418	F	8.8 %	—		
			<u>9,418</u>			<u>—</u>		
<b>Mexican peso (MXN):</b>								
2018 MXN 1.5 billion	2021	Monthly	79,515	V	7.8 %	76,331	V	8.5 %
2019 MXN 1.5 billion	2022	Monthly	79,515	V	7.7 %	—		
			<u>159,030</u>			<u>76,331</u>		
<b>Paraguayan guarani (PYG):</b>								
2018 PYG 30 billion	2023	Semi-annual	4,650	F	6.1 %	5,040	F	6.1 %
			<u>4,650</u>			<u>5,040</u>		
<b>United States dollar:</b>								
2018 \$500 million	2021	Quarterly	500,000	V	2.1 %	500,000	V	2.6 %
2019 \$250 million	2021	Quarterly	250,000	V	2.1 %	—		
2019 \$500 million	2024	Annual	500,000	F	1.8 %	—		
2016 \$500 million	2019	Quarterly	—			500,000	V	2.8 %
2011 \$50 million	2021	Semi-annual	—			20,000	V	3.5 %
1997 \$100 million	2023	Semi-annual	—			100,000	V	3.1 %
			<u>1,250,000</u>			<u>1,120,000</u>		
<b>Total borrowings, gross</b>			<b>\$ 1,649,866</b>			<b>\$ 1,287,602</b>		
<b>Unamortized premiums/ discounts and issuance costs, net</b>			(1,720)			(1,230)		
<b>Total borrowings, net</b>			<b>\$ 1,648,146</b>			<b>\$ 1,286,372</b>		

<sup>(1)</sup> F: fixed; V: variable

## Inter-American Investment Corporation

### Notes to the Financial Statements

Availability under existing credit facilities by currency are as follows (US\$ thousands):

	Available until	Contractual amount	December 31, 2019	
			Available amount	Drawdown amount
<b>Colombian peso (COP):</b>				
2018 COP 370 billion	2021	\$ 112,850	\$ 76,116	\$ 36,734
<b>Multi-currency:</b>				
1997 \$300 million	2022	\$ 300,000	\$ 149,165	\$ 150,835

The Borrowings expense is as follows (US\$ thousands):

	Year ended December 31	
	2019	2018
Interest expense	\$ 43,433	\$ 26,120
Fees expense	693	209
Amortization of premiums/discounts and issuance costs, net	444	283
<b>Total borrowings expense</b>	<b>\$ 44,570</b>	<b>\$ 26,612</b>

## Inter-American Investment Corporation

### Notes to the Financial Statements

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#### 8. Capital

IDB Invest's original authorized share capital was increased to \$705.9 million, equivalent to 70,590 shares, through a \$500.0 million general capital increase approved in 1999 (GCI-I), and several special increases. These increases allocated a total of \$505.9 million for subscriptions by new and existing member countries, with a par value and issuance price of \$10,000 per share.

On March 30, 2015, IDB Invest's Board of Governors authorized the Second General Capital Increase (GCI-II) for \$2.03 billion. The capital increase is comprised of: (i) \$1.305 billion in capital to be paid by IDB Invest shareholders during the 2016-2022 period; and (ii) annual transfers from the IDB, on behalf of its shareholders, to be paid to IDB Invest during the period 2018-2025, totaling \$725.0 million for the entire period, and conditional upon annual approval by the IDB Board of Governors. The GCI-II increases the authorized capital stock by 125,474 shares – 80,662 shares corresponding to capital contributions payable by the countries (Annex A Shares) and 44,812 shares corresponding to transfers from the IDB on behalf of its member countries (Annex B Shares) – with a share issuance price of \$16,178.60 per share. With this capital increase, total authorized shares amount to 196,064.

All Annex A Shares have been subscribed and are expected to be paid in over time. In the balance sheets, subscribed shares are recorded as Capital, par value, Additional paid-in capital and Receivable from members on the date of the subscription instrument at the share issuance price. Payments are due on October 31 of each year from 2016 to 2022, per a payment plan determined and communicated by management to each subscribing country. The Board of Executive Directors is authorized to extend payment deadlines. The price for Annex A Shares not paid within their corresponding annual installment is adjusted to reflect a 5.0% increase for each year of arrears; except that, shares corresponding to the first installment which were fully paid in by the end of the second installment were not subject to a price adjustment. The price adjustment for shares in arrears is recorded to Additional paid-in capital and to Receivable from members in the balance sheets.

Capital contributions of \$160.7 million were received during the year ended December 31, 2019 for a total of \$1.0 billion in contributions corresponding to Annex A Shares under GCI-II. In March 2019, the Board of Governors approved income distributions corresponding to Annex B Shares transfers from the IDB on behalf of its shareholders that are also member countries of IDB Invest. Following this approval, IDB Invest received \$49.5 million in income distributions (transfers) for a total of \$99.0 million contributions corresponding to Annex B Shares under GCI-II, which are included as part of Total paid-in capital in the balance sheets. Total capital contributions of \$1.1 billion have been received under GCI-II through December 31, 2019.

Under the Agreement Establishing the Inter-American Investment Corporation, any member may withdraw from IDB Invest, which shall become effective on the date specified in the notice but in no event prior to six months from the delivery date of such notice. Even after withdrawing, a member shall remain liable for all obligations to IDB Invest to which it was subject on the date of delivery of the withdrawal notice. In the event a member withdraws, IDB Invest and the member may agree to the repurchase of the shares of said member on terms appropriate under the circumstances. If such agreement is not reached within three months of the withdrawal notice, or within a term agreed upon between both parties, the repurchase price of the member's shares shall be equal to the book value on the date when the member ceases to belong to IDB Invest, such book value to be determined by the audited financial statements. Payment for shares shall be made in such installments, times, and currencies as IDB Invest shall determine, taking into account its financial position.

## Inter-American Investment Corporation

## Notes to the Financial Statements

The following table lists the capital and receivable from members (US\$ thousands, except for share and voting power information):

	December 31							
	Capital					Voting power		
	Shares <sup>(1)</sup>	Capital, par value	Additional paid-in capital <sup>(2)</sup>	Receivable from members <sup>(3)</sup>	Total paid in capital	Percent of total paid in capital <sup>(4)</sup>	Number of votes	Percent of total votes <sup>(4)</sup>
Argentina	18,078	\$ 180,780	\$ 61,953	\$ 234	\$ 242,499	13.23	16,331	12.12
Austria	896	8,960	3,419	1,683	10,696	0.58	792	0.59
Bahamas	320	3,200	1,106	518	3,788	0.21	288	0.21
Barbados	228	2,280	816	1,109	1,987	0.11	160	0.12
Belgium	189	1,890	128	—	2,018	0.11	189	0.14
Belize	108	1,080	46	—	1,126	0.06	108	0.08
Bolivia	1,454	14,540	4,974	2,297	17,217	0.94	1,312	0.97
Brazil	18,078	180,780	63,917	43,351	201,346	10.99	14,624	10.85
Canada	4,335	43,350	25,875	11,975	57,250	3.12	3,594	2.67
Chile	4,648	46,480	16,356	7,459	55,377	3.02	4,187	3.11
China	9,330	93,300	56,685	27,924	122,061	6.66	7,604	5.64
Colombia	4,648	46,480	15,842	—	62,322	3.40	4,200	3.12
Costa Rica	699	6,990	2,386	1,117	8,259	0.45	630	0.47
Croatia	3	30	19	—	49	0.00	3	0.00
Denmark	1,081	10,810	70	—	10,880	0.59	1,081	0.80
Dominican Republic	970	9,700	3,309	1,521	11,488	0.63	876	0.65
Ecuador	979	9,790	3,357	323	12,824	0.70	882	0.65
El Salvador	699	6,990	2,495	1,116	8,369	0.46	630	0.47
Finland	1,030	10,300	3,950	—	14,250	0.78	910	0.68
France	2,985	29,850	5,088	2,200	32,738	1.79	2,849	2.11
Germany	1,451	14,510	726	—	15,236	0.83	1,451	1.08
Guatemala	932	9,320	3,173	1,504	10,989	0.60	839	0.62
Guyana	265	2,650	912	341	3,221	0.18	239	0.18
Haiti	699	6,990	2,739	5,082	4,647	0.25	400	0.30
Honduras	699	6,990	2,453	1,187	8,256	0.45	625	0.46
Israel	400	4,000	1,419	749	4,670	0.25	315	0.23
Italy	4,740	47,400	15,935	7,522	55,813	3.05	4,275	3.17
Jamaica	455	4,550	227	—	4,777	0.26	455	0.34
Japan	5,259	52,590	17,099	7,539	62,150	3.39	4,793	3.56
Korea	8,293	82,930	50,278	24,769	108,439	5.92	6,762	5.02
Mexico	11,575	115,750	39,350	—	155,100	8.46	10,462	7.76
Netherlands	1,083	10,830	79	—	10,909	0.60	1,083	0.80
Nicaragua	699	6,990	2,384	1,117	8,257	0.45	630	0.47
Norway	1,026	10,260	3,919	1,925	12,254	0.67	907	0.67
Panama	1,000	10,000	4,161	1,990	12,171	0.66	877	0.65
Paraguay	733	7,330	2,512	1,197	8,645	0.47	659	0.49
Peru	5,265	52,650	19,659	1	72,308	3.95	4,683	3.47
Portugal	392	3,920	1,308	1,283	3,945	0.22	313	0.23
Slovenia	1	10	20	—	30	0.00	1	0.00
Spain	7,083	70,830	28,373	10,957	88,246	4.82	6,243	4.63
Suriname	106	1,060	38	—	1,098	0.06	106	0.08
Sweden	966	9,660	3,543	1,731	11,472	0.63	859	0.64
Switzerland	2,317	23,170	7,700	3,737	27,133	1.48	2,086	1.55
Trinidad and Tobago	697	6,970	2,777	6,175	3,572	0.19	340	0.25
United States	17,874	178,740	11,469	—	190,209	10.38	17,874	13.26
Uruguay	1,924	19,240	6,567	—	25,807	1.41	1,737	1.29
Venezuela	10,658	106,580	46,140	106,207	46,513	2.54	4,521	3.35
<b>Total as of December 31, 2019</b>	<b>157,350</b>	<b>\$ 1,573,500</b>	<b>\$ 546,751</b>	<b>\$ 287,840</b>	<b>\$ 1,832,411</b>	<b>100</b>	<b>134,785</b>	<b>100</b>
<b>Total as of December 31, 2018</b>	<b>154,286</b>	<b>\$ 1,542,860</b>	<b>\$ 523,949</b>	<b>\$ 444,603</b>	<b>\$ 1,622,206</b>		<b>118,007</b>	

(1) Includes Annex B shares for which income distributions (transfers) were made by IDB on behalf of its shareholders.

(2) Includes the amount in addition to par value for shares under GCI-II, partial payments in excess of full shares.

(3) Represents receivable from members under GCI-II.

(4) Data are rounded; detail may not add to total because of rounding.

## Inter-American Investment Corporation

### Notes to the Financial Statements

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#### 9. Fair Value Measurements

Many of IDB Invest's financial instruments are not actively traded in any market. Determining future cash flows for fair value estimation is subjective and imprecise, and minor changes in assumptions or methodologies may materially affect the estimated values. Therefore, while disclosure of estimated fair values of certain financial instruments is required, readers are cautioned about using these data for purposes of evaluating the financial condition of IDB Invest.

The methodologies and key assumptions used to estimate the fair values of IDB Invest's financial instruments are summarized below:

##### **Cash and cash equivalents**

The carrying amount reported in the balance sheets approximates fair value.

##### **Investment securities**

Fair values for investment securities are based on quoted prices in active markets for identical assets or liabilities or prices derived from alternative pricing models when these prices are not available from pricing vendors. These methodologies apply to certain investments in non-U.S. government obligations, agencies, supnationals and corporate bonds. Also included are commercial paper (CP) and certificates of deposit (CD) issued under large U.S. based CP or CD programs. For investments for which prices and other relevant information, generated by market transactions involving identical or comparable assets, are not available, the income approach valuation has been employed, using yield curves, bond or credit default swap spreads, and recovery rates based on collateral values as key inputs.

##### **Loans and development related investments in debt securities**

Loans and development related investments in debt securities for which a combination of observable and unobservable inputs is generally available, require the use of estimates and present value calculations of future cash flows. All loans measured at fair value are classified as Level 3. The fair value of loans is estimated using recently executed transactions, market price quotations (where observable), and market observable credit default swap levels along with proprietary valuation models where such transactions and quotations are unobservable. The lack of objective pricing standards adds a greater degree of subjectivity and volatility to these derived or estimated fair values.

IDB Invest's loans are generally carried at the principal amount outstanding. For disclosure purposes, IDB Invest estimates the fair value of its loan portfolio including impaired assets. Any excess or deficit resulting from the difference between the carrying amounts of the loan portfolio and the fair value disclosed does not necessarily reflect the realizable values since IDB Invest generally holds investments to maturity with the aim of realizing their contractual cash flows.

##### **Equity investments**

IDB Invest purchases the share capital of eligible private sector enterprises and also invests in LPs. In most cases, market prices are not available, and alternate valuation techniques require a significant degree of judgment.

**Equity investments at fair value** – Equity investments are valued at fair value if publicly traded in certain markets, or IDB Invest elects the FVO. IDB Invest also relies on the NAV as a practical expedient as reported by the fund manager for the fair value measurement of its LPs. The NAVs that have been reported by the fund manager are derived from the fair values of the underlying investments. If the NAV is not as of IDB Invest's measurement date, IDB Invest adjusts the most recent NAV, as necessary, to estimate a NAV for the investment that is calculated in a manner consistent with the fair value measurement principles.

## Inter-American Investment Corporation

## Notes to the Financial Statements

**Equity investments at cost-based measurement alternative** – IDB Invest’s methodology to measure equity investments using the cost-based measurement alternative requires the use of estimates and present value calculations of future cash flows for impairments and/or observable price change adjustments. IDB Invest relies on third-party valuation specialists when available, internal estimates, or a combination of both.

**Borrowings**

IDB Invest’s borrowings are recorded at amortized cost. The fair value of IDB Invest’s borrowings is estimated using either quoted market prices or discounted cash flow analyses based on IDB Invest’s current borrowing rates for similar types of borrowing arrangements.

**Other assets and liabilities**

The carrying value of financial instruments included in Receivables and other assets, and Accounts payable and other liabilities approximates fair value due to their liquid or short-term nature.

**Fair value of financial instruments**

IDB Invest’s financial instruments recorded or disclosed at fair value have been categorized based on a fair value hierarchy in accordance with ASC 820 and are as follows (US\$ thousands):

	December 31, 2019				
	Carrying amount	Level 1	Level 2	Level 3	Fair value
<b>Investment securities</b>					
Corporate securities	\$ 908,613	\$ —	\$ 908,613	\$ —	\$ 908,613
Government securities	269,492	2,995	266,497	—	269,492
Agency securities	136,336	—	136,336	—	136,336
Supranational securities	23,223	—	23,223	—	23,223
	1,337,664	2,995	1,334,669	—	1,337,664
<b>Loans</b>					
Amortized cost	2,042,297	—	—	2,099,284	2,099,284
Fair value	27,527	—	—	27,527	27,527
	2,069,824	—	—	2,126,811	2,126,811
<b>Equity investments</b>					
Cost-based measurement alternative	4,695	—	—	4,695	4,695
Fair value	27,239	1,298	—	25,941	27,239
NAV <sup>(1)</sup>	64,741	—	—	—	64,741
	96,675	1,298	—	30,636	96,675
<b>Debt securities</b>					
Held to maturity	133,624	—	—	144,720	144,720
Fair value	197,406	—	—	197,406	197,406
NAV <sup>(1)</sup>	45,894	—	—	—	45,894
	376,924	—	—	342,126	388,020
<b>Borrowings</b>	1,648,146	—	1,655,632	—	1,655,632

<sup>(1)</sup>In accordance with ASC 820, investments that are recorded using net asset value per share as a practical expedient to fair value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the balance sheets.

**Inter-American Investment Corporation**

**Notes to the Financial Statements**

	December 31, 2018				
	Carrying amount	Level 1	Level 2	Level 3	Fair value
<b>Investment securities</b>					
Corporate securities	\$ 1,060,030	\$ —	\$ 1,060,030	\$ —	\$ 1,060,030
Government securities	118,752	—	118,752	—	118,752
Agency securities	233,279	—	233,279	—	233,279
Supranational securities	47,738	—	47,738	—	47,738
	1,459,799	—	1,459,799	—	1,459,799
<b>Loans</b>					
Amortized cost	1,506,097	—	—	1,480,392	1,480,392
Fair value	7,714	—	—	7,714	7,714
	1,513,811	—	—	1,488,106	1,488,106
<b>Equity investments</b>					
Cost-based measurement alternative	14,211	—	—	14,211	14,211
Fair value	5,994	5,994	—	—	5,994
NAV <sup>(1)</sup>	46,351	—	—	—	46,351
	66,556	5,994	—	14,211	66,556
<b>Debt securities</b>					
Held to maturity	84,469	—	—	79,458	79,458
Fair value	60,333	—	—	60,333	60,333
NAV <sup>(1)</sup>	30,962	—	—	—	30,962
	175,764	—	—	139,791	170,753
<b>Borrowings</b>	1,286,372	—	1,286,691	—	1,286,691

<sup>1)</sup>In accordance with ASC 820, investments that are recorded using net asset value per share as a practical expedient to fair value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the balance sheets.

The following table presents changes in carrying value of IDB Invest's Level 3 financial instruments that are carried at fair value for the year ended December 31, 2019 and 2018 (US\$ thousands):

	Year ended December 31, 2019				
	Balance as of January 1, 2019	Net gains and losses included in earnings	Disbursements, purchases, fair value elections	Balance as of December 31, 2019	Net unrealized gains/(losses) included in earnings related to assets/liabilities held at December 31, 2019
Loans	\$ 7,714	\$ (905)	\$ 20,718	\$ 27,527	\$ (905)
Equity investments	—	1,141	24,800	25,941	1,141
Debt securities	60,333	(84)	137,157	197,406	(84)
<b>Total assets at fair value</b>	<b>\$ 68,047</b>	<b>\$ 152</b>	<b>\$ 182,675</b>	<b>\$ 250,874</b>	<b>\$ 152</b>

## Inter-American Investment Corporation

## Notes to the Financial Statements

## Year ended December 31, 2018

	Balance as of January 1, 2018	Net gains and losses included in earnings	Disbursements, purchases, fair value elections	Balance as of December 31, 2018	Net unrealized gains/ (losses) included in earnings related to assets/liabilities held at December 31, 2018
Loans	\$ —	\$ —	\$ 7,714	\$ 7,714	\$ —
Debt securities	—	—	60,333	60,333	—
<b>Total assets at fair value</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 68,047</b>	<b>\$ 68,047</b>	<b>\$ —</b>

The following table presents the valuation techniques and significant unobservable inputs for development related investments classified as Level 3 as of December 31, 2019 and 2018 (US\$ thousands):

## December 31, 2019

	Fair value	Valuation technique	Significant inputs	Range	Weighted average
Loans	\$ 26,096	Discounted cash flows	Discount rate	6.5%-15.0%	10.1%
	1,431	Recent transaction			
	<b>27,527</b>				
Equity investments	15,500	Recent transaction			
	10,441	Various techniques <sup>(1)</sup>			
	<b>25,941</b>				
Debt securities	177,524	Discounted cash flows	Discount rate	3.9%-9.3%	5.6%
	19,882	Listed price			
	<b>197,406</b>				
<b>Total</b>	<b>\$ 250,874</b>				

<sup>(1)</sup> Includes a combination of valuation techniques including discounted cash flows, recent transactions and valuation multiples.

## December 31, 2018

	Fair value	Valuation technique	Significant inputs	Range	Weighted average
Loans <sup>(1)</sup>	\$ 7,714	Discounted cash flows	Discount rate	15.0%	15.0%
Debt securities	60,333	Recent transaction			
<b>Total</b>	<b>\$ 68,047</b>				

<sup>(1)</sup> No range is provided as all of the projects that use this valuations technique are with the same institution.

There were no transfers between levels during the year ended December 31, 2019 nor December 31, 2018.

## 10. Contingencies and Leases

In the ordinary course of business, IDB Invest is from time to time named as a defendant, codefendant or party in litigation matters inherent to and typical of the operations in which it is engaged. In the opinion of IDB Invest's management, the ultimate resolution of these legal proceedings would not have a material adverse effect on the financial position, results of operations, or cash flows.

**Inter-American Investment Corporation**

**Notes to the Financial Statements**

**Office Space Leases**

IDB Invest has entered into office space leases with the IDB at headquarters and in its Regional Developing Member Countries that are accounted for as either short-term leases or operating leases. The current lease agreement with the IDB at headquarters will expire in 2020 and includes a renewal option to extend the lease term, of which IDB Invest is reasonably certain to exercise. The remaining current lease agreements with the IDB in the Regional Developing Member Countries are renewed annually with the exception of the Argentina, Brazil and Colombia offices which extend between 2019 and 2022. The lease agreements in Argentina and Colombia include renewal options to extend the lease term, all of which IDB Invest is reasonably certain to exercise for the duration established in the contract.

Refer to Notes 5 and 6 for additional information related to IDB Invest's operating lease right-of-use assets and operating lease liabilities outstanding as of December 31, 2019.

The following table details the lease expenses and quantitative disclosure requirements (US\$ thousands):

	<u>Year ended December 31</u>	
<b>Operating leases</b>		
Operating lease expense	\$	6,109
<b>Total lease expense</b>	<b>\$</b>	<b>6,109</b>
Supplemental disclosure:		
Weighted average of lease terms (years)		10.90
Discount rate		3.1 %

Discount rate is determined as IDB Invest's incremental borrowing rate under the IDB multi-currency facility.

Maturity analysis of operating lease liabilities with the IDB are as follows (US\$ thousands):

	<u>December 31, 2019</u>	
Undiscounted cash flows in 2020		5,238
Undiscounted cash flows in 2021		5,298
Undiscounted cash flows in 2022		5,232
Undiscounted cash flows in 2023		5,343
Undiscounted cash flows in 2024 and thereafter		42,167
<b>Total operating leases</b>	<b>\$</b>	<b>63,278</b>
Discount		(9,890)
<b>Operating lease liability</b>	<b>\$</b>	<b>53,388</b>

Prior to adoption of ASC 842, expenses incurred for leases amounted to \$4.6 million for the year end December 31, 2018 and expected payments under the prior year lease agreements with the IDB were as follows (US\$ thousands):

	<u>2019</u> <u>2020</u> <u>2021</u> <u>2022</u>							
Office space	\$	5,305	\$	5,203	\$	216	\$	49
<b>Total</b>	<b>\$</b>	<b>5,305</b>	<b>\$</b>	<b>5,203</b>	<b>\$</b>	<b>216</b>	<b>\$</b>	<b>49</b>

## Inter-American Investment Corporation

### Notes to the Financial Statements

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#### 11. Related Party Transactions

IDB Invest and the IDB entered into SLAs whereby IDB Invest provides certain services to the IDB and the IDB provides certain services to IDB Invest. These services are further described below. IDB Invest has also entered into office space leases with the IDB discussed in Note 10.

#### Service Level Agreements

The SLAs with the IDB outline the duration, scope of work, roles and responsibilities, remuneration, and performance metrics of each institution.

#### Co-financing Arrangements and SLA Revenue

Following the IDB Group private sector and non-sovereign guaranteed (NSG) reorganization, all new NSG activities are originated by IDB Invest and largely co-financed by IDB Invest and the IDB. IDB Invest and the IDB maintain separate legal and economic interests in their respective share of the loan principal balance for a co-financed loan. IDB Invest's portion is defined as a percentage of the overall transaction subject to certain minimum amounts as agreed between IDB Invest and the IDB.

IDB Invest earns revenue from an annual renewable SLA under which IDB Invest provides loan origination, credit risk evaluation and monitoring, and certain loan administration services for the IDB related to its private sector operations including operations that are co-financed by IDB Invest and IDB. IDB Invest also provides certain advisory services to the IDB Group. These amounts are included in Service fees from related parties in the income statements.

#### Management of External Funds

IDB Invest administers on behalf of other related party entities, which include donors and member countries, funds restricted for specific uses that include the co-financing of certain projects, technical studies for borrowers, project-related studies, and research and training programs. These funds are held in trust by IDB Invest and are not commingled with IDB Invest's funds, nor are they included in the assets of IDB Invest. IDB Invest receives a management fee that is generally a percentage of the funds received. These fees are included in Service fees from related parties in the income statements.

#### Access to IDB Administered Funds

In addition to the aforementioned funds, IDB Invest provides certain services for trust funds administered by the IDB on behalf of the trust fund donors (the Trust Funds). IDB Invest receives an allocation of the IDB's related Trust Fund fees. Such fees are intended to cover internal and external costs associated with administering the NSG activities for the Trust Funds and related operations over the expected lives of the Trust Funds and the underlying operations. Costs expected to be incurred approximate the allocable fee. The Trust Fund organizational documents provide for either the payment of a lump sum or scheduled payments. The timing of the payments may not correspond to the incurrence of the related costs.

For the year ended December 31, 2019, IDB Invest received \$1.2 million for these services (\$5.4 million for the year ended December 31, 2018). As of December 31, 2019, IDB Invest has recorded deferred revenue of \$12.5 million related to these services (\$12.8 million as of December 31, 2018), which will be recognized as revenue as services are provided. Deferred revenue is presented as a component of Accounts payable and other liabilities in the balance sheets.

**Inter-American Investment Corporation**

**Notes to the Financial Statements**

Revenue from related party transactions are as follows (US\$ thousands):

	Year ended December 31	
	2019	2018
SLA revenue	\$ 73,652	\$ 74,621
Management of external funds revenue	2,202	2,119
IDB administered funds revenue	1,566	2,290
<b>Total</b>	<b>\$ 77,420</b>	<b>\$ 79,030</b>

**SLA Expenses**

IDB Invest purchases various general and administrative services from the IDB under a series of annual renewable SLAs. IDB Invest incurred expenses of \$14.6 million for receiving these SLA services from the IDB for the year ended December 31, 2019 (\$12.8 million for the year ended December 31, 2018) that are included in Administrative expenses in the income statements. Payables related to these SLA expenses are included in the total due to IDB, net of \$8.4 million as of December 31, 2019 (\$4.7 million as of December 31, 2018). Refer to Note 6.

**Other Transactions with Related Parties**

IDB Invest has a renewable credit facility with the IDB amounting to \$300.0 million. On September 21, 2018, this renewable credit facility was modified from a United States dollar facility to a multicurrency facility and the original expiration date of November 2020 was modified and extended to December 2022. As of December 31, 2019, IDB Invest's total drawdowns from the IDB multi-currency credit facility were \$150.8 million and \$149.2 million remain available (\$131.0 million total drawdowns and \$169.0 million available as of December 31, 2018). Refer to Note 7 for additional details.

**12. Pension and Postretirement Benefit Plans**

Both the IDB and IDB Invest are sponsors of the Pension Plans and PRBP and each employer presents its respective share of these plans using a December 31 measurement date.

## Inter-American Investment Corporation

## Notes to the Financial Statements

**Obligations and funded status**

IDB Invest uses a December 31 measurement date for the Pension Plans and the PRBP. The following table summarizes the change in benefit obligation, change in plan assets, funded status of the Pension Plans and the PRBP, and the amounts recognized in the balance sheets (US\$ thousands):

	Pension Plans		PRBP	
	2019	2018	2019	2018
<b>Reconciliation of benefit obligation</b>				
Obligation as of January 1	\$ (224,152)	\$ (226,252)	\$ (136,934)	\$ (152,806)
Service cost	(12,303)	(13,551)	(5,228)	(5,586)
Interest cost	(9,317)	(7,900)	(5,525)	(5,105)
Participants' contributions	(3,458)	(3,204)	—	—
Plan amendments	—	—	—	78
Net transfers between IDB and IIC	1,590	(769)	1,516	(579)
Actuarial gains/(losses)	(62,204)	24,542	(35,997)	26,123
Benefits paid	3,346	2,982	1,695	952
Retiree Part D subsidy	—	—	(9)	(11)
<b>Obligation as of December 31</b>	<b>\$ (306,498)</b>	<b>\$ (224,152)</b>	<b>\$ (180,482)</b>	<b>\$ (136,934)</b>

**Reconciliation of fair value of plan assets**

Fair value of plan assets as of January 1	184,260	187,559	132,799	136,952
Net transfers between IDB and IIC	(1,590)	769	(1,516)	579
Actual return on plan assets	38,699	(10,870)	28,399	(8,113)
Benefits paid	(3,346)	(2,982)	(1,695)	(952)
Participants' contributions	3,458	3,204	—	—
Employer contributions	7,097	6,580	4,697	4,333
<b>Fair value of plan assets as of December 31</b>	<b>\$ 228,578</b>	<b>\$ 184,260</b>	<b>\$ 162,684</b>	<b>\$ 132,799</b>

**Funded status**

Funded/(Underfunded) status as of December 31	(77,920)	(39,892)	(17,798)	(4,135)
<b>Net amount recognized as of December 31</b>	<b>\$ (77,920)</b>	<b>\$ (39,892)</b>	<b>\$ (17,798)</b>	<b>\$ (4,135)</b>

**Amounts recognized as assets/(liabilities) consist of:**

Plan benefits assets/(liabilities)	(77,920)	(39,892)	(17,798)	(4,135)
<b>Net amount recognized as of December 31</b>	<b>\$ (77,920)</b>	<b>\$ (39,892)</b>	<b>\$ (17,798)</b>	<b>\$ (4,135)</b>

**Amounts recognized in Accumulated other comprehensive income/(loss) consist of:**

Net actuarial gains/(losses)	52,011	17,667	31,574	16,291
Prior service (credit)/costs	—	—	(1,836)	(2,273)
<b>Net amount recognized as of December 31</b>	<b>\$ 52,011</b>	<b>\$ 17,667</b>	<b>\$ 29,738</b>	<b>\$ 14,018</b>

The accumulated benefit obligation attributable to IDB Invest for the Pension Plans, which excludes the effect of future salary increases was \$248.4 million and \$183.7 million as of December 31, 2019 and 2018, respectively.

**Inter-American Investment Corporation**

**Notes to the Financial Statements**

**Components of net periodic benefit cost**

Pension Plans and PRBP net periodic benefit costs recognized in the income statements consists of the following components (US\$ thousands):

	Year ended December 31			
	Pension Plans		PRBP	
	2019	2018	2019	2018
Service cost <sup>(1)</sup>	\$ 12,303	\$ 13,551	\$ 5,228	\$ 5,586
Interest cost <sup>(3)</sup>	9,317	7,900	5,525	5,105
Expected return on plan assets <sup>(2)(3)</sup>	(10,946)	(10,178)	(7,815)	(7,399)
Amortization of: <sup>(3)</sup>				
Net actuarial (gain)/loss	107	1,388	130	1,304
Prior service (credit)/cost	—	—	(437)	(426)
<b>Net periodic benefit cost</b>	<b>\$ 10,781</b>	<b>\$ 12,661</b>	<b>\$ 2,631</b>	<b>\$ 4,170</b>

<sup>(1)</sup> Included in Administrative expenses.

<sup>(2)</sup> The expected return of plan assets is 6.00% in 2019 and 6.00% in 2018.

<sup>(3)</sup> Included in Other components of pension benefit costs, net.

Other changes in plan assets and benefit obligations recognized in Other comprehensive income/(loss) (US\$ thousands):

	Year ended December 31			
	Pension Plans		PRBP	
	2019	2018	2019	2018
Current actuarial (gain)/loss	\$ 34,451	\$ (3,494)	\$ 15,413	\$ (10,611)
Current year prior service (credit)/cost	—	—	—	(78)
Amortization of:				
Net actuarial (gain)/loss	(107)	(1,388)	(130)	(1,304)
Prior service (credit)/cost	—	—	437	426
<b>Total recognized in other comprehensive (income)/loss</b>	<b>\$ 34,344</b>	<b>\$ (4,882)</b>	<b>\$ 15,720</b>	<b>\$ (11,567)</b>
<b>Total recognized in Net periodic benefit cost and Other comprehensive (income)/loss</b>	<b>\$ 45,125</b>	<b>\$ 7,779</b>	<b>\$ 18,351</b>	<b>\$ (7,397)</b>

The estimated amounts that will be amortized from accumulated other comprehensive income into net periodic benefit cost during 2020 are actuarial losses of \$4.4 million for the Pension Plans and net prior service credits of \$2.6 million for the PRBP.

**Actuarial assumptions**

The actuarial assumptions used in the Pension Plans and PRBP valuations are based on financial market interest rates, past experience, and management's best estimate of future benefit changes and economic conditions. Changes in these assumptions will impact future benefit costs and obligations. Actuarial gains and losses occur when actual results are different from expected results. Actuarial gains and losses recognized in Accumulated other comprehensive income, which exceed 10% of the greater of the benefit obligation or market-related value of the plan assets at the beginning of the period, are amortized to income over the average remaining service period of active participants expected to receive benefits under the Pension Plans and PRBP, which is approximately 10.5 and 12.5 years, respectively.

Unrecognized prior service credit is amortized over a range of 3.4 years to 6.0 years for the PRBP.

## Inter-American Investment Corporation

### Notes to the Financial Statements

The weighted-average assumptions used to determine the benefit obligation and the net periodic benefit cost were as follows:

	Pension Plans		PRBP	
	2019	2018	2019	2018
<b>Weighted average assumptions used to determine benefit obligation as of December 31</b>				
Discount rate	3.17 %	4.17 %	3.23 %	4.22 %
Inflation rate	2.20 %	2.21 %	2.20 %	2.21 %
Rate of compensation increase	4.34 %	4.27 %		

	Pension Plans		PRBP	
	2019	2018	2019	2018
<b>Weighted average assumptions used to determine net periodic benefit cost for years ended December 31</b>				
Discount rate	4.17 %	3.54 %	4.22 %	3.61 %
Expected long-term return on plan assets	6.00 %	6.00 %	6.00 %	6.00 %
Rate of compensation increase	4.27 %	4.14 %		

The expected long-term return on the Pension Plans and PRBP's assets represents Management's best estimate, after surveying external investment specialists, of the expected long-term (10 years or more) forward-looking rates of return of the asset categories employed by the Pension Plans and PRBP, weighted by the Pension Plans and PRBP's investment policy asset allocations. Accumulated and projected benefit obligations are measured as the present value of expected payments. The discount rate used is selected in reference to the year-end yield of AA corporate bonds within the approved Financial Times Stock Exchange Pension Liability Index, with maturities that correspond to the payment of benefits. For the assumed rate of inflation, the IDB has established a process by which a range of inputs is reviewed, including 10-year forward looking expert opinion forecasts, the average of the 10 year and 30 year U.S. Treasury Inflation Protected Securities (U.S. TIPS) breakeven inflation rate, and historical averages.

For participants assumed to retire in the United States, the accumulated postretirement benefit obligation was determined using the following health care cost trend rates at December 31:

	PRBP	
	2019	2018
<b>Health care cost trend rates assumed for next year</b>		
Medical, Non-Medicare	4.75 %	5.00 %
Medical, Medicare	2.75 %	3.00 %
Prescription drugs	6.50 %	7.00 %
Dental	4.50 %	4.50 %
<b>Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)</b>		
Medical, Non-Medicare	4.50 %	4.50 %
Medical, Medicare	2.50 %	2.50 %
Prescription drugs	6.00 %	6.00 %
Dental	4.50 %	4.50 %
Year that the rate reaches the ultimate trend rate	2021	2021

## Inter-American Investment Corporation

### Notes to the Financial Statements

For those participants assumed to retire outside of the United States, a 5.50% and 6.00% health care cost trend rate was used for 2019 and 2018, respectively with an ultimate trend rate of 4.50% in 2023.

Assumed health care cost trend rates have a significant effect on the amounts reported for the PRBP. A one-percentage-point change in assumed health care cost trend rates would have the following effects (US\$ thousands):

	Year ended December 31			
	One-percentage-point increase		One-percentage-point decrease	
	2019	2018	2019	2018
Effect on total of service and interest cost components	\$ 3,303	\$ 2,711	\$ (2,280)	\$ (1,895)
Effect on postretirement benefit obligation	45,672	33,244	(32,475)	(23,892)

#### Pension Plans and PRBP Assets

The assets of the Pension Plans and the PRBP are managed primarily by investment managers engaged by the IDB who are provided with investment guidelines that take into account the Pension Plans and PRBP investment policies. Investment policies with long-term strategic asset allocations have been developed so that there is an expectation of sufficient returns to meet long-term funding needs. The policies allocate 65% of the Pension Plans portfolio to growth-oriented assets (the Return Strategies), and 35% of assets to nominal and inflation-indexed U.S. fixed income (the Liabilities Hedging Strategies), to partially hedge the interest rate and inflation exposure in the Pension Plans and PRBP's liabilities, and to protect against disinflation.

The Pension and Managing Committees of the Pension Plans and PRBP approve Investment Policy Statements (IPS) and Strategic Asset Allocations (SAA), which comply with the IDB's Risk Appetite (RA) and Long-term Funding (LTF) policies.

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### Notes to the Financial Statements

The IPS SAA target allocations as of December 31, 2019, are as follows:

	Pension Plans	PRBP
U.S. equities	20%	20%
Non-U.S. equities	18%	18%
Emerging markets equities	4%	4%
Public real estate	3%	3%
Long duration diversified fixed income	27%	27%
Core fixed income	4%	4%
High yield fixed income	2%	2%
U.S. inflation-indexed fixed income	4%	4%
Emerging markets fixed income	3%	3%
Private real estate	5%	5%
Public Infrastructure	3%	3%
Private Infrastructure	2%	2%
Tactical Asset Allocation	5%	5%
Commodity index futures	0%	0%
Short-term fixed income funds	0%	0%
Stabilization Reserve Fund:		
Core fixed income	50%	50%
U.S. inflation-indexed fixed income	0%	0%
Short-term fixed income funds	50%	50%

Investment and asset class risk is managed by the continuous monitoring of each asset category level and investment manager. Investments are rebalanced monthly within policy targets using cash flows and rebalancing exercises. Investment managers are generally not allowed to invest more than 5% of their respective portfolios in the securities of a single issuer other than the U.S. Government. The use of derivatives by an investment manager for the Pension Plans and PRBP is limited, and subject to specific approval by the Managing Committees of the Pension Plans and PRBP.

For the Pension Plans (SRP and CSRP) and PRBP, the included asset classes are described below:

- U.S. equities - For the Pension Plans and PRBP, commingled funds that invest, long-only, in U.S. common stocks. Management of the funds replicates or optimizes the all capitalization (cap) Russell 3000 Index, for the SRP and PRBP only, approximately 40% of U.S. equities assets are managed in separate accounts holding individual stocks;
- Non-U.S. equities - For the Pension Plans and PRBP, commingled funds that invest, long-only, in non-U.S. common stocks. Management of the funds replicates or optimizes the large/mid-cap MSCI WORLD EX-USA IMI Index and/or the large/mid-cap MSCI EAFE Index. For the SRP and PRBP only, 60% of non-U.S. equities assets are actively-managed in separate accounts holding individual stocks;
- Emerging markets equities - For the Pension Plans and PRBP, actively managed commingled funds and/or mutual funds that invest, long-only, in emerging markets common stocks. Management of the funds select securities, based upon fundamental characteristics, which are generally comprised within the large/mid-cap MSCI Emerging Markets Free Index;
- Public real estate equities - For the SRP and PRBP, commingled funds that invest long-only, in real estate securities. Management of the funds replicates the MSCI U.S. REIT Index;

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### Notes to the Financial Statements

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- Long duration diversified fixed income - For the SRP and PRBP, long duration fixed income assets are invested in separate accounts holding individual bonds generally comprised within the Bloomberg Barclays U.S. Long Government/Credit Bond Index. For the CSR, actively managed commingled funds and/or mutual funds that invest, long-only, in long duration government and credit securities. Management of the funds select securities, based upon fundamental characteristics, which are generally comprised within the Bloomberg Barclays U.S. Long Government/Credit Bond Index, as well as opportunistic investments in non-index securities;
- Core fixed income - For the Pension Plans and PRBP, actively managed commingled funds that invest, long-only, in intermediate duration government and credit securities. Management of the funds select securities, based upon fundamental characteristics, which are generally comprised within the Bloomberg Barclays U.S. Aggregate Bond Index, as well as opportunistic investments in non-index securities;
- High yield fixed income - For the SRP, assets are actively managed in a separate account holding individual securities, and for the PRBP, in an actively managed commingled fund. For both the SRP and PRBP, the investible universe is generally comprised of the securities within the Bloomberg Barclays High Yield 2% Constrained Index, as well as opportunistic investments in non-index securities. High yield securities are financial obligations of U.S. companies, rated below investment-grade by at least one of the nationally recognized statistical rating organizations;
- U.S. inflation-indexed fixed income - For the Pension Plans and PRBP, investment in individual U.S. TIPS in accounts managed internally. For the SRP and PRBP, replicate or optimize the Bloomberg Barclays U.S. Treasury Inflation Notes 10+ Years Index. For the SRP and PRBP Stabilization Reserve Funds, replicate or optimize the Bloomberg Barclays U.S. Treasury Inflation TIPS 0-5 Years Index. For the CSR, replicates or optimizes the Bloomberg Barclays U.S. Treasury Inflation Notes 10+ Years Index;
- Emerging markets fixed income - For the Pension Plans and PRBP, actively managed commingled funds that invest, long-only, in emerging markets fixed income. The funds invest in sovereign and sub-sovereign United States dollar- and local-denominated debt. Management of the funds invests in securities generally comprised within the J.P. Morgan EMBI Global Diversified Index, as well as opportunistic investments in non-index securities;
- Private real estate - For the Pension Plans and PRBP, an open-end commingled funds which invest, long-only, in U.S. real estate properties. The funds are actively-managed based upon fundamental characteristics of the properties. The new asset class for the PRBP is not implement yet;
- Public Infrastructure - For the Pension Plans and PRBP, an enhanced index exchange-traded fund that invests, long-only, in U.S. and developed markets common stocks within the infrastructure industries. Management of the fund selects securities, based upon fundamental characteristics, which are generally comprised within the MSCI World Infrastructure Index. For the SRP and PRBP only, approximately 60% of assets are actively managed in a separate account holding individual stocks;
- Private Infrastructure - For the SRP and PRBP only, an actively management, open-end commingled fund which invests, long-only, U.S. and developed markets private equity within the infrastructure sector. This new asset class is not implemented yet.
- Tactical Asset Allocation - For the SRP and PRBP only, actively managed commingled funds and mutual funds that invest in U.S. and developed markets equities, fixed income, commodities and currencies, investments could shift due to opportunistic behavior within these markets;

## Inter-American Investment Corporation

### Notes to the Financial Statements

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- Commodity index futures - For the CSRP, investment in a commingled fund that invests, long-only in commodity index futures, management of the fund replicates or optimizes the Bloomberg Commodity Index.
- Short-term fixed income funds - Commingled fund that invests, long-only, in U.S. Government securities with maturities of less than 18 months. Management of the fund invests in short-term government securities only, and it is benchmarked against the Merrill Lynch 3-month Treasury Bill Index.

Effective December 2015, the IDB Board of Executive Directors approved the Long-Term Funding Policy (LTF) for the Pension Plans (SRP and CSRP) and the PRBP that established stable contribution rates of 20% (SRP), 0.71% (CSRP) and 12% (PRBP) of applicable salaries and established the Stabilization Reserve Funds (SRFs) for the SRP and PRBP for the IDB Invest and IDB. The LTF Policy had a five-year initial term. In July 2019, following a review of the LTF Policy components, the Board adopted and enhanced version of the LTF policy as part of the ongoing financial policies of the IDB. The enhanced version of the LTF policy removes its sunset period, continues to keep the IDB Invest and IDB contribution rates at a stable level, and establishes a rules based mechanism to guide Management decision making to allocate IDB Invest and IDB contributions when the SRFs reaches its limits, as well as when the Pension Plans and PRBP reach their fully funded status. IDB Invest contributions made in excess (deficit) of the actuary's theoretical contribution rate are allocated (withdrawn) to (from) the SRFs. The approved Investment Policy Strategic Asset Allocation for the Reserve Funds is 50% cash and 50% Core Fixed Income.

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The following tables set forth the investments of the Pension Plans and the PRBP as of December 31, 2019 and 2018, which are measured at fair value and presented together with their weighted average allocation, by level within the fair value hierarchy. As required by the fair value measurements accounting framework, these investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Investments in funds that do not have a readily determinable fair value are measured at NAV as a practical expedient and are not classified within the fair value hierarchy (US\$ thousands).

	<b>Pension Plans</b>			
	<b>December 31, 2019</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>	<b>Weighted average allocations</b>
<b>Equity securities</b>				
U.S. equities	16,489	28,172	44,661	20 %
Non-U.S. equities	25,756	14,101	39,857	17 %
Emerging markets equities	5,144	4,385	9,529	4 %
Public real estate equities	348	6,342	6,690	3 %
Public infrastructure	11,087	—	11,087	5 %
<b>Government and diversified fixed income and fixed income funds</b>				
Long duration U.S. Government and Agencies fixed income	21,501	1,334	22,835	10 %
Long duration diversified fixed income	386	35,312	35,698	15 %
Core fixed income	—	13,731	13,731	6 %
Emerging markets fixed income	—	6,567	6,567	3 %
High yield fixed income	125	4,137	4,261	2 %
U.S. inflation-indexed fixed income	9,126	—	9,126	4 %
<b>Tactical asset allocation</b>	5,211	4,851	10,062	4 %
<b>Short-term fixed income funds</b>	1,359	6,168	7,527	3 %
	<b>\$ 96,532</b>	<b>\$ 125,100</b>	<b>\$ 221,632</b>	
<b>Investments measured at NAV</b>				
Private real estate fund			9,101	4 %
			<b>\$ 230,733</b>	<b>100 %</b>
Other assets / (liabilities), net <sup>(1)</sup>			(2,155)	
			<b>\$ 228,578</b>	

<sup>(1)</sup> Includes receivables and payables carried at amounts that approximate fair value.

## Inter-American Investment Corporation

## Notes to the Financial Statements

	Pension Plans			Weighted average allocations
	December 31, 2018			
	Level 1	Level 2	Total	
<b>Equity securities</b>				
U.S. equities	\$ 12,125	\$ 27,938	\$ 40,063	22 %
Non-U.S. equities	17,475	16,818	34,293	19 %
Emerging markets equities	3,292	3,481	6,773	4 %
Public real estate equities	5,551	—	5,551	3 %
<b>Government and diversified fixed income and fixed income funds</b>				
Long duration U.S. Government and Agencies fixed income	18,593	—	18,593	10 %
Long duration diversified fixed income	613	30,526	31,139	17 %
Core fixed income	—	16,910	16,910	9 %
Emerging markets fixed income	—	6,333	6,333	3 %
High yield fixed income	154	2,368	2,522	1 %
U.S. inflation-indexed fixed income	8,620	—	8,620	5 %
<b>Commodity index futures</b>	—	27	27	0 %
<b>Short-term fixed income funds</b>	1,068	4,876	5,944	3 %
	<b>\$ 67,491</b>	<b>\$ 109,277</b>	<b>\$ 176,768</b>	
<b>Investments measured at NAV</b>				
Private real estate fund			8,276	4 %
			<b>\$ 185,044</b>	<b>100 %</b>
Other assets / (liabilities), net <sup>(1)</sup>			(784)	
			<b>\$ 184,260</b>	

<sup>(1)</sup>Includes receivables and payables carried at amounts that approximate fair value.

**Inter-American Investment Corporation**

**Notes to the Financial Statements**

	PRBP			Weighted average allocations
	December 31, 2019			
	Level 1	Level 2	Total	
<b>Equity and equity funds</b>				
U.S. equities	\$ 11,891	\$ 21,555	\$ 33,446	20 %
Non-U.S. equities	17,056	13,949	31,005	19 %
Emerging markets equities	3,217	3,243	6,460	4 %
Public real estate equities	245	4,487	4,732	3 %
Public Infrastructure	7,796	—	7,796	5 %
<b>Government and diversified fixed income and fixed income funds</b>				
Long duration U.S. Government and Agencies fixed income	15,354	888	16,242	10 %
Long duration diversified fixed income	—	24,713	24,713	15 %
Core fixed income	—	11,289	11,289	7 %
Emerging markets fixed income	—	4,534	4,534	3 %
High yield fixed income	—	3,051	3,051	2 %
U.S. inflation-indexed fixed income	6,493	—	6,493	4 %
<b>Tactical asset allocation</b>	3,833	3,800	7,633	4 %
<b>Short-term fixed income funds</b>	7,027	31	7,058	4 %
	<b>\$ 72,912</b>	<b>\$ 91,540</b>	<b>\$ 164,452</b>	<b>100 %</b>
Other assets / (liabilities), net <sup>(1)</sup>			(1,768)	
			<b>\$ 162,684</b>	

<sup>(1)</sup> Includes receivables and payables carried at amounts that approximate fair value.

## Inter-American Investment Corporation

## Notes to the Financial Statements

	PRBP			
	December 31, 2018			
	Level 1	Level 2	Total	Weighted average allocations
<b>Equity and equity funds</b>				
U.S. equities	\$ 8,819	\$ 20,768	\$ 29,587	23 %
Non-U.S. equities	10,614	18,024	28,638	22 %
Emerging markets equities	2,199	2,412	4,611	3 %
Public real estate equities	3,970	—	3,970	3 %
<b>Government and diversified fixed income and fixed income funds</b>				
Long duration U.S. Government and Agencies fixed income	13,400	—	13,400	10 %
Long duration diversified fixed income	—	21,332	21,332	16 %
Core fixed income	—	12,790	12,790	10 %
Emerging markets fixed income	—	4,465	4,465	3 %
High yield fixed income	—	1,941	1,941	1 %
U.S. inflation-indexed fixed income	6,382	—	6,382	5 %
<b>Short-term fixed income funds</b>	5,211	(83)	5,128	4 %
	<b>\$ 50,595</b>	<b>\$ 81,649</b>	<b>\$ 132,244</b>	<b>100 %</b>
Other assets / (liabilities), net <sup>(1)</sup>			555	
			<b>\$ 132,799</b>	

<sup>(1)</sup> Includes receivables and payables carried at amounts that approximate fair value.

Investment securities that are measured at fair value based on quoted market prices in active markets, a valuation technique consistent with the market approach, include U.S., non-U.S. infrastructure individual equity holdings, public infrastructure exchange trade funds, fixed income mutual funds, U.S. treasury and U.S. inflation-indexed fixed income. Such securities are classified within Level 1 of the fair value hierarchy.

Investment securities that are measured at fair value based on quoted market prices for similar assets in active markets, or quoted prices for identical or similar assets in markets that are not active, a valuation technique consistent with the market approach, include corporate, non-U.S. government, high yield and municipal fixed income, and commercial mortgage backed securities. Also included are proprietary investment managers' commingled funds investing in U.S. and global equities, emerging markets fixed income, fixed income funds, and/or short-term fixed income investments. These commingled funds are not publicly traded and are measured at fair value based on the net asset per share, which are determined and published and are the basis for current transactions. Such securities are classified within Level 2 of the fair value hierarchy.

Proprietary investment managers' funds investing in private real estate and tactical asset allocation do not have RDFVs and are measured at the NAV as a practical expedient. Such investments are not classified within the fair value hierarchy.

### Contributions

Contributions from IDB Invest to the Pension Plans and the PRBP during 2020 are expected to be approximately \$7.4 million and \$4.3 million, respectively. All contributions are made in cash.

**Inter-American Investment Corporation**

**Notes to the Financial Statements**

**Estimated future benefit payments**

The following table summarizes the benefit payments, which reflect expected future service, as appropriate, expected to be paid in each of the next five years and in the aggregate for the subsequent five years. These amounts are based on the same assumptions used to measure the benefit obligation as of December 31, 2019 (US\$ thousands).

	<u>Pension Plans</u>	<u>PRBP</u>
<b>Estimated future benefit payments</b>		
January 1, 2020 - December 31, 2020	\$ 4,403	\$ 1,444
January 1, 2021 - December 31, 2021	4,738	1,591
January 1, 2022 - December 31, 2022	5,148	1,760
January 1, 2023 - December 31, 2023	5,698	1,956
January 1, 2024 - December 31, 2024	6,293	2,158
January 1, 2025 - December 31, 2029	42,639	15,656

**13. Subsequent Events**

Management has evaluated subsequent events through March 3, 2020, which is the date the financial statements were issued. Management determined that there are no subsequent events that require disclosure under ASC Topic 855, *Subsequent Events*.

## APÉNDICE 2: GRUPO DE TRABAJO SOBRE DECLARACIONES FINANCIERAS RELACIONADAS CON EL CLIMA

El Grupo de Trabajo sobre Declaraciones Financieras Relacionadas con el Clima (TCFD por su sigla en inglés) de la Junta de Estabilidad Financiera del G20 elaboró recomendaciones para que inversionistas y empresas midan y gestionen los riesgos y oportunidades relacionados con el clima en los mercados financieros. Esas recomendaciones se organizan en torno a cuatro pilares: la gobernanza, la estrategia, la gestión de riesgos y métricas y objetivos.

En 2019, BID Invest adoptó las recomendaciones del TCFD. Desde el 2016, BID Invest ha incorporado objetivos de financiamiento climático en su estrategia. Desde entonces, BID Invest no sólo ha duplicado su financiamiento climático, sino que también ha aumentado la proporción de financiamiento para la adaptación de 2% a 40%, y ha diversificado su cartera aumentando la proporción de financiamiento climático dedicado a sectores no energéticos y de infraestructura, de menos de 25% en 2016 a más de la mitad en 2019.

### Gobernanza

#### Supervisión del Directorio:

BID Invest se ha comprometido ante su Directorio Ejecutivo a examinar todas las inversiones para detectar riesgos climáticos. La institución es responsable ante el Directorio de informar y cumplir los objetivos de financiamiento y la métrica climáticos establecidos en el Marco de Resultados Corporativos. Cada trimestre se presenta al Directorio Ejecutivo información actualizada sobre los compromisos de asesoría climática, y cada año también sobre el plan de acción climática. Por último, BID Invest comenzará a informar a su Directorio sobre su alineación con las recomendaciones del TCFD.

### Gestión

Se informó a la Administración de BID Invest sobre las consecuencias del cambio climático y las tendencias de los mercados financieros, a lo que respondió explorando estrategias para aumentar el financiamiento para el cambio climático. Además, la Administración apoya públicamente las recomendaciones del TCFD y el establecimiento de un comité directivo interfuncional para identificar estrategias para la mejora continua de las divulgaciones de BID Invest en materia de TCFD.

### Estrategia

Tanto la mitigación del cambio climático como la adaptación al mismo son prioridades estratégicas para las actividades de inversión y asistencia técnica de BID Invest. Como parte de nuestro compromiso de financiamiento climático, estamos invirtiendo en la mitigación, la adaptación o ambas. BID Invest reduce consistentemente los riesgos de la transición en preparación para una economía baja en carbono, así como para los riesgos físicos que plantea el cambio climático. Además, BID Invest ha destinado 10%

de todo el financiamiento a nueve estados pequeños e insulares, lo que presenta una clara oportunidad para financiar la adaptación. La directiva de la Administración de aspirar a convertirnos en una institución climáticamente inteligente significa incorporar consideraciones climáticas de manera transversal en BID Invest. Un equipo dedicado a los servicios de asesoría desarrolla y difunde el conocimiento, las herramientas y la capacidad en materia de clima a nuestros clientes y a los mercados. Para cumplir nuestros compromisos y objetivos, identificamos y financiamos más productos y servicios alineados con las ambiciones de la acción climática mundial. Nuestras unidades combinadas de financiamiento y movilización de recursos son clave para multiplicar nuestro impacto en la región.

Maximizar el impacto de desarrollo está en el corazón de lo que hacemos. Hemos desarrollado la herramienta de Efectividad en el Desarrollo, Aprendizaje, Seguimiento y Evaluación (DELTA), que califica cada proyecto en cuanto a su impacto sobre el desarrollo, incluyendo el clima. El puntaje impacta nuestra toma de decisiones de inversión, incluyendo umbrales mínimos equilibrados con los retornos económicos. Utilizamos los datos analíticos del DELTA para medir las contribuciones de los proyectos a cada uno de los 17 ODS de las Naciones Unidas, lo que permite un enfoque basado en datos para maximizar nuestro impacto positivo en la región.

## Gestión de Riesgos

Nuestro departamento de gestión de riesgos trabaja en estrecha colaboración con nuestro departamento de negocios. A cada proyecto en estudio y en cartera se le asigna un oficial de riesgo crediticio, así como un oficial ambiental y social. Esto significa que, como parte de nuestro análisis y debida diligencia, revisamos los posibles problemas relacionados con el clima para las propuestas de inversiones de alto riesgo. Concretamente, estamos desarrollando herramientas para tener en cuenta los riesgos físicos y de transición relacionados con el clima durante nuestro proceso de aprobación de inversiones. Si se considera necesario, las medidas para mitigar y gestionar esos riesgos se incorporan como requisitos de nuestros deudores en nuestra documentación financiera. Por último, identificamos proactivamente oportunidades y hacemos recomendaciones a nuestros clientes para reducir, limitar o secuestrar las emisiones de GEI y para contribuir a la resiliencia (incluida la resiliencia socioeconómica) o la adaptación al cambio climático, abordando una vulnerabilidad climática específica en el contexto de un proyecto.

## Métricas y objetivos

Hacemos un seguimiento de nuestra proporción de financiamiento para el clima de acuerdo con una metodología conjunta de los Bancos de Desarrollo Multilaterales y la medimos anualmente en relación con las metas establecidas en nuestro Marco de Resultados Corporativos. Además, exigimos que nuestros clientes midan las emisiones brutas de los proyectos con importantes emisiones de gases de efecto invernadero y calculen las emisiones netas evitadas para determinadas transacciones según el enfoque multilateral. Estos datos alimentan los puntajes DELTA de los proyectos. El Programa de Sostenibilidad Corporativa gestiona y establece objetivos para el Alcance

1 y el Alcance 2, así como las emisiones relevantes del Alcance 3 para el Grupo BID, que incluye a BID Invest. La proporción más grande de la huella de carbono de BID Invest, las emisiones relacionadas con viajes de negocios, se compensan a través de proyectos en la región cuidadosamente seleccionados cada año por el programa.