



O relatório anual de 2019 da Corporação Interamericana de Investimentos (cujo nome comercial é BID Invest, denominação empregada no decorrer deste documento), apresenta os resultados institucionais e operacionais do ano em tela.

Os dados operacionais apresentados neste documento baseiam-se na carteira sem garantia soberana combinada do Banco Interamericano de Desenvolvimento (BID) e do BID Invest, referidos em conjunto como Grupo do BID para os fins deste relatório anual. Os destaques financeiros, os resultados financeiros e os anexos das declarações financeiras referem-se apenas ao BID Invest.

O BID Invest é um banco multilateral de desenvolvimento empenhado em promover o desenvolvimento econômico de seus países membros da América Latina e Caribe por meio do setor privado. Financiamos empresas e projetos sustentáveis para que obtenham resultados financeiros e maximizem o desenvolvimento econômico, social e ambiental na região.

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CARTA DE TRANSMISSÃO

PRESIDENTE DA ASSEMBLEIA DE GOVERNADORES
CORPORAÇÃO INTERAMERICANA DE INVESTIMENTOS (BID INVEST)
WASHINGTON, D.C.

Sr. Presidente:

Em conformidade com o disposto no Convênio Constitutivo da Corporação Interamericana de Investimentos, tenho o prazer de apresentar seu Relatório Anual correspondente ao ano de 2019 e suas demonstrações financeiras auditadas, compreendendo o balanço patrimonial em 31 de dezembro de 2018 e 2019 e as respectivas demonstrações referentes aos exercícios encerrados nessas datas.

Este relatório contém um resumo das principais realizações da Corporação, cuja marca é BID Invest, e os fatos mais destacados à medida que a Corporação inicia o quarto ano de seu mandato ampliado, como a geração de 38 mil novos empregos a partir de sua carteira, o apoio a 343 mil PMEs e cerca de US\$ 11 bilhões em ativos administrados.

Atenciosamente,



LUIS ALBERTO MORENO

*PRESIDENTE DA DIRETORIA EXECUTIVA
CORPORAÇÃO INTERAMERICANA DE INVESTIMENTOS (BID INVEST)*



CARTA DO GERENTE GERAL

JAMES P. SCRIVEN
GERENTE GERAL DO BID INVEST

As economias de hoje enfrentam uma combinação de crescimento deprimido e tensões sociais e ambientais. Nessa conjuntura, é cada vez maior a pressão para que o financiamento do desenvolvimento ofereça soluções que possibilitem alcançar os Objetivos de Desenvolvimento Sustentável da ONU e melhorar a vida das pessoas. Quando o BID Invest assumiu seu mandato ampliado em 2016, inicialmente tomamos algumas decisões que nos permitiriam superar pressões e conquistar a confiança de nossos clientes e demais interessados. Quatro anos depois, tenho o prazer de informar que estamos cumprindo nossos objetivos financeiros e de desenvolvimento.

AS DECISÕES INICIAIS FORAM RECOMPENSADAS

A primeira decisão foi reimaginar as implicações de ser um “Grupo”. Em cada um de nossos 26 escritórios na América Latina e Caribe, o Grupo do BID tem um único representante, tanto para o setor público como para o setor privado. Isso significa que, em todos os países da região, temos um alto executivo que está atento às necessidades específicas do país em termos de desenvolvimento e prioriza nosso trabalho. Os benefícios de atuar como um Grupo têm sido recompensados na forma de como desenvolvemos projetos a montante com os governos para, em seguida, financiá-los a jusante com as empresas privadas.

No turismo, por exemplo, o BID Invest apoiou o projeto do hotel Tropicalia em Miches, República Dominicana, após o BID haver financiado a construção de uma rodovia até uma área de praia pouco desenvolvida. Nossa capacidade de conceder crédito a esse projeto sustentável do ponto de vista socioambiental ressalta a proposta de valor de coordenar as ações de nossos guichês dos setores público e privado.

Além de nossos representantes conjuntos nos países, temos mais funcionários do BID Invest em campo. Aumentamos nossa presença global em campo em 92% e agora estamos presentes em 24 escritórios nos países. Ao aumentar essa presença, melhoramos nosso diálogo com nossos clientes e demais interessados tanto no local como em todo o Grupo do BID.

A segunda decisão foi a de aguçar nosso foco nos mercados de capitais. Passamos de uma entidade de um único produto e uma única moeda para uma entidade que pode adaptar uma variedade de produtos às necessidades de cada cliente. Nos últimos anos, o BID Invest vem testando novas estruturas nos mercados de capitais. No Brasil, oferecemos em caráter experimental nossas primeiras garantias de crédito totais para cobrir o pagamento integral da dívida de patrocinadores de infraestrutura aos portadores de títulos, fornecendo a nosso cliente um instrumento que melhora a classificação de crédito, amplia os prazos e assegura preços competitivos. Na Colômbia, apoiamos uma instituição financeira local com uma

garantia para a emissão do primeiro título sustentável do país. Posteriormente, replicamos essa experiência positiva na Argentina e no Peru.

No Panamá, trabalhamos no primeiro título de gênero da região, liberando novas fontes de financiamento para empréstimos subjacentes que apoiam mulheres empreendedoras. Agora novos atores estão seguindo nosso exemplo, atraindo mais capital para projetos socialmente inclusivos e favoráveis ao meio ambiente.

Nossa terceira decisão foi a de fortalecer os empréstimos a empresas e ao setor de infraestrutura. Seguindo nosso mandato de “ser arrojados em infraestrutura”, estamos aumentando nossa exposição nos setores de energia, transportes, saúde, educação, agronegócio, turismo, tecnologia e indústria.

Isso significa que não podemos nos afastar de projetos com questões ambientais, sociais e de governança corporativa complexas. Em vez disso, fazemos uma gestão proativa, selecionando clientes inteiramente comprometidos com a sustentabilidade. Nosso envolvimento começa com a devida diligência em toda a nossa carteira, com ferramentas e conhecimentos para salvaguardar seus ativos e as comunidades e o meio ambiente ao seu redor. A seletividade do cliente significa que, quando surgem questões sociais, ambientais ou de governança corporativa, temos parceiros na região que podem tanto mitigar os riscos quanto implementar nossos serviços de valor agregado para evitar danos e gerar benefícios.

CONSEGUIMOS

Há quatro anos, estabelecemos uma meta: 15% de nossos projetos contribuiriam para o aumento da igualdade de gênero. Atualmente, 18% deles cumprem esse critério. Além disso, queríamos que 30% de nossos projetos ajudassem a mitigar a mudança climática e conseguimos atingir exatamente esse patamar, ao mesmo tempo em que dobramos o número de projetos voltados para a adaptação ao clima.

Na fusão externa, vimos a oportunidade de aumentar nossa presença em áreas não assistidas, como os países pequenos e insulares. Naquela altura, comprometemo-nos a levar negócios para esses países e concentramos nossa estratégia de negócios em uma meta de 10% do volume de empréstimos até 2020. Em 2019, 14% de nossos projetos e 7% do volume de crédito apoiaram essas economias de menor porte. Nesse ano, também fechamos nosso primeiro empréstimo subordinado em Trinidad e Tobago e nosso primeiro financiamento em moeda local na República Dominicana.

Ao voltarmos a atenção para nossas metas financeiras, em 2017, o BID Invest se propôs a originar US\$ 3,0 bilhões em projetos de desenvolvimento. Ao fim daquele ano, havíamos aprovado US\$ 3,2 bilhões. Em 2018, elevamos a meta para US\$ 3,5 bilhões e encerramos o ano com US\$ 4,1 bilhões. No ano passado, o objetivo eram US\$ 3,8 bilhões, e aprovamos US\$ 4,7 bilhões. Mas o que me deixa mais orgulhoso é o que isso significa para o desenvolvimento. Nossa carteira ajudou a gerar 38 mil novos empregos e está apoiando o financiamento de 343 mil micro, pequenas e médias empresas, além de ajudar a reduzir o equivalente a 9,5 milhões de toneladas de dióxido de carbono em emissões de gases do efeito estufa.

O mercado de modo geral também validou nossos êxitos. No ano passado, tivemos a honra de ganhar o prêmio Instituição Multilateral do Ano da LatinFinance pelo segundo ano consecutivo. Esse reconhecimento, somado a outros 33 prêmios a que fizemos jus nos últimos quatro anos, demonstra como nossos clientes, parceiros e funcionários contribuem para o desenvolvimento de nossa região.

COM VISTAS AO FUTURO

O BID Invest se encontra em um ponto de inflexão: o crescimento continuará em uma linha de tendência linear, mas nosso impacto no desenvolvimento se tornará exponencial. Como alcançaremos isso?

Primeiro, nossa diversificação de setores e os produtos que oferecemos praticamente serão os mesmos, mas fortaleceremos nossa espinha dorsal para processar as operações de forma mais eficiente. Vamos testar novas estruturas para os projetos com uma gama mais ampla de parceiros e instrumentos para otimizar o uso do capital. A mobilização vai concentrar-se em maximizar nossa capacidade de agregar investidores em nível global e na alavancagem de ativos ociosos em balanços institucionais. Isso significa mudar nossa mentalidade de instituição de crédito a empresas para uma de gestora de ativos.

Também estamos de olhos bem abertos para as macrotendências mundiais, a evolução dos acordos comerciais, as questões de integridade, as mudanças climáticas, a migração, a desigualdade e muitos outros temas. Uma cultura de risco que protege no intuito de promover levará o setor privado da região para um estágio além da conformidade. Aspiramos às melhores práticas ambientais, sociais e de governança, com mais recursos destinados a riscos contextuais e ao envolvimento dos interessados. Queremos que investidores de todo o mundo saibam que uma parceria com o BID Invest é a melhor forma de mitigar os riscos e investir na região.

Por último, o impacto e a medição do desenvolvimento vão continuar a destacar tudo o que fazemos. Continuaremos a medir a contribuição de cada projeto para os ODS. Além do financiamento, continuaremos a fortalecer nossos projetos com conhecimento e serviços de assessoria para multiplicar nosso impacto. Embora o BID Invest tenha cumprido suas audaciosas promessas iniciais, muito mais está em jogo no futuro.

Continuamos a contar com nossos clientes, parceiros e interessados para que, juntos, possamos ampliar os mercados e deixar nossa marca no desenvolvimento da região.



JAMES P. SCRIVEN
GERENTE GERAL E CEO
BID INVEST

2019

FOMOS ARROJADOS

"EM INFRAESTRUTURA,"

NOSSA CARTEIRA ESTÁ GERANDO 38 MIL NOVOS EMPREGOS

AUMENTAMOS NOSSA PRESENÇA EM CAMPO EM **92%**

E AGORA ESTAMOS 24 PAÍSES

APOIANDO O FINANCIAMENTO DE 343 MIL PMES E REDUZINDO 9,3 MILHÕES DE TONELADAS DE DIÓXIDO DE CARBONO POR ANO.

\$11 BILHÕES EM ATIVOS ADMINISTRADOS



18% de nossos projetos contribuem para o aumento da igualdade de gênero

SEMANA DA SUSTENTABILIDADE 2019

36 PAÍSES 611 PARTICIPANTES

A PONTUAÇÃO MEDIANA DA DELTA ATINGIU **8,9**



PELO SEGUNDO ANO CONSECUTIVO

MOBILIZAÇÃO BÁSICA ATINGIU **US\$ 1,4 BILHÃO**

PRÊMIO INSTITUIÇÃO DE FINANCIAMENTO MULTILATERAL LATINA DO ANO

\$4,7 BILHÕES EM APROVAÇÕES

BID INVEST TESTOU **NOVAS ESTRUTURAS NOS MERCADOS DE CAPITAIS**

39 PRODUTOS DE CONHECIMENTO CHEGARAM A 10 MILHÕES EM TODO O MUNDO

155 COMPROMISSOS DE ASSESSORIA

33 PRÊMIOS E RECONHECIMENTOS NO MERCADO



30% DE NOSSOS PRODUTOS MITIGAM AS MUDANÇAS CLIMÁTICAS

MUDANÇAS CLIMÁTICAS

NOVA POLÍTICA DE ACESSO A **INFORMAÇÃO**

DESTAQUES OPERACIONAIS

Aprovações	
Número de projetos	271
Múltiplos tipos de produtos	127
Empréstimos	98
Garantias	41
Investimentos de capital	2
Títulos de dívida	3
Montante	\$ 4,688
Múltiplos tipos de produtos	\$ 633
Empréstimos	\$ 3,393
Garantias	\$ 302
Investimentos de capital	\$ 80
Títulos de dívida	\$ 280
Países C&D (com base no montante)	45%
Desembolsos e garantias	
Desembolsos	\$ 3,410
Garantias	\$ 441
Ativos de desenvolvimento em carteira	
Carteira ativa	\$ 8,470
Carteira ativa C&D (com base no montante)	44%
Mobilização	
Mobilização básica	\$ 1,441
Compromisso ajustado (2)	\$ 4,313
Coeficiente de mobilização básica (vezes)	0.33
Serviços de assessoria	
Porcentagem de aprovações para financiamento contra as mudanças climática:	27%
Mobilização de recursos de doadores para financiamento combinado, clima e g	\$ 199.7
Porcentagem de projetos com resultados de gênero (1)	18%
Número de atividades com clientes novos em serviços de assessoria	90
<p>1 Projetos que conseguiram a pontuação "Parcialmente", "Sim" ou "Excepcional" nos Resultados de Desenvolvimento e/ou no Indicador de Adicionalidade de Gênero da DELTA. Não abrange aprovações no âmbito do Programa de Facilitação do Financiamento do Comércio (PFFC) nem operações aprovadas sem a DELTA.</p> <p>2 Os montantes comprometidos foram ajustados de modo a refletir a metodologia usada nos relatórios sobre a mobilização pelos bancos multilaterais de desenvolvimento.</p>	



IMPACTO NO DESENVOLVIMENTO

A busca pelo máximo impacto no desenvolvimento constitui a essência do que fazemos. Concebemos cada projeto de modo a agregar valor além do financiamento, ajudando nossos clientes a medir o retorno social do investimento e a se tornar mais competitivos, resilientes e sustentáveis. Essa noção de agregar valor além do financiamento é a pedra angular da Estrutura de Gestão do Impacto do BID Invest, uma abordagem abrangente centrada no aprendizado e na melhoria contínua ao longo de todo o ciclo operacional.

Em 2019 continuamos a implementar essa estrutura, que está totalmente integrada com os Objetivos de Desenvolvimento Sustentável (ODS) da ONU e contém uma série de ferramentas para apoiar o ciclo operacional do início ao fim. Essas ferramentas ajudam a orientar a seleção de

projetos, avaliar e acompanhar o impacto no desenvolvimento e a contribuição para os ODS, gerenciar e avaliar o desempenho da carteira, agregar valor aos clientes e assegurar o aprendizado contínuo. Ao longo do ano, compartilhamos essa estrutura em vários fóruns com clientes, investidores de impacto e bancos multilaterais de desenvolvimento, reforçando sua pertinência como uma abordagem líder de mercado. Para mais informações, consulte o [Panorama da Eficácia no Desenvolvimento de 2019](#).

Mais especificamente, implementamos em caráter experimental nossa ficha de pontuação de Seletividade Estratégica, que apoia a originação de projetos que correspondam às principais lacunas no desenvolvimento de cada setor e país, de acordo com as prioridades institucionais e as estratégias de país do Grupo do BID.

Passando à fase de concepção, avaliamos o potencial de impacto no desenvolvimento e a adicionalidade de cada projeto usando a ferramenta de Eficácia no Desenvolvimento, Aprendizagem, Monitoramento e Avaliação, conhecida pela sigla DELTA (as iniciais de *Development Effectiveness, Learning, Tracking, and Assessment*). A pontuação mediana da DELTA no ato da aprovação subiu em relação ao ano anterior para 8,9 (em um máximo de 10), superando a meta de 8,0 para a carteira. Esse aumento foi impulsionado, sobretudo, pela melhoria das pontuações dos projetos no segmento das empresas. Essa avaliação inicial é acompanhada durante a supervisão dos projetos e, à medida que a carteira matura, os resultados finais em termos de desenvolvimento associados a esses investimentos são avaliados e validados de forma independente.

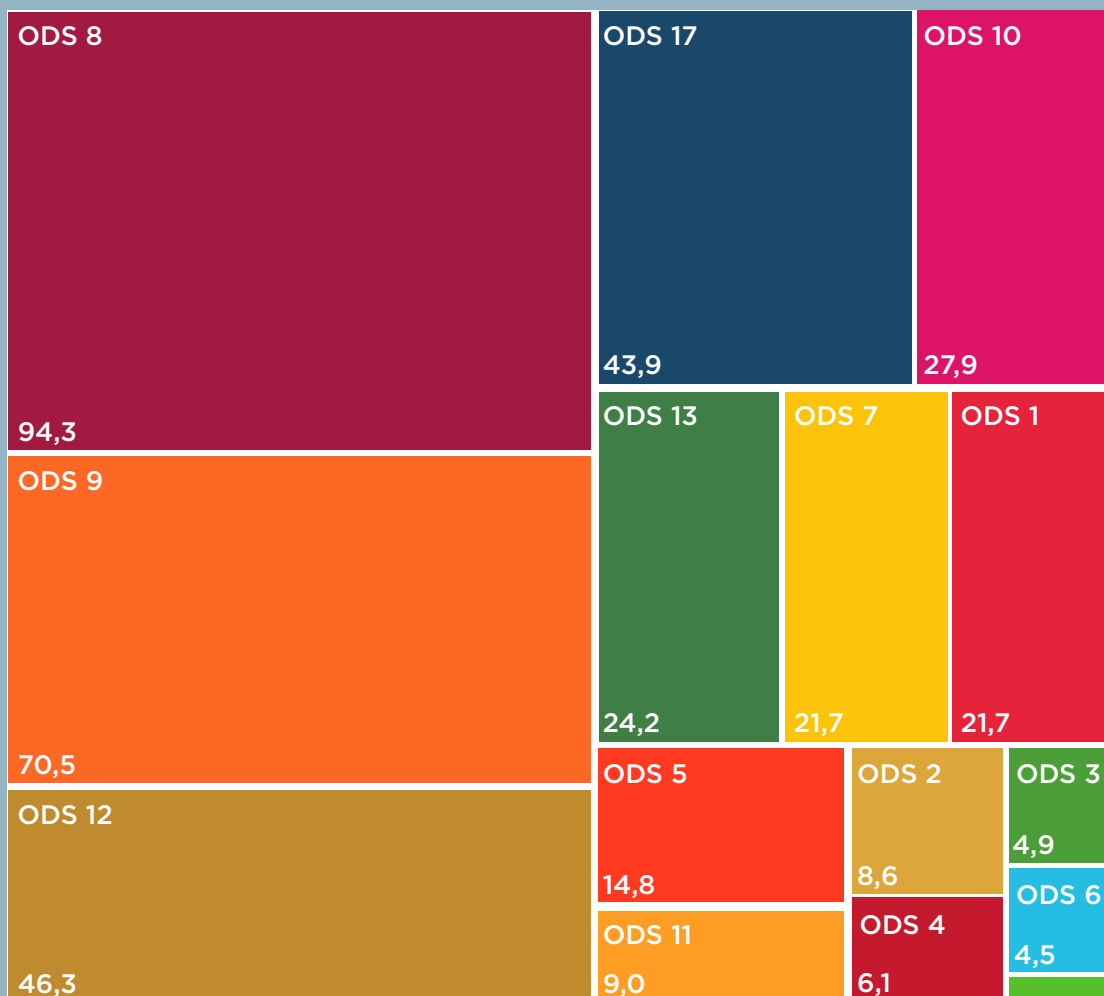
Em outra realização importante, no ano passado pusemos em prática uma nova metodologia para medir como os projetos do BID Invest contribuem para a consecução dos ODS. Analisamos e marcamos 100% da carteira de acordo com a meta ou metas dos ODS para qual cada projeto deve contribuir, uma avaliação que será atualizada devidamente durante

a fase de supervisão. Nossa capacidade instalada para medir a contribuição para os ODS é outra forma de agregar valor para clientes e coinvestidores, que cada vez mais buscam conectar suas operações e investimentos à agenda global. Como reflexo desse crescente interesse, nosso workshop sobre a medição e administração do impacto nos ODS, organizado durante a Semana da Sustentabilidade 2019, atraiu mais de 50 clientes e parceiros.

Por último, continuamos a captar as lições extraídas de projetos passados, a fim de melhorar a concepção das novas operações. Mais de 500 lições extraídas de quase 400 projetos concluídos em 23 países foram captadas em nossa plataforma de Análise da Eficácia no Desenvolvimento. Também fizemos uma profunda avaliação do setor do agronegócio, analisando as lições extraídas de 20 projetos concluídos e sintetizando-as em observações práticas para as equipes operacionais (um resumo dessa análise consta do [Capítulo 4 do Panorama da Eficácia no Desenvolvimento de 2019](#)).

→
**Contribuição prevista
dos projetos aprovados
de 2016 a 2019* para a
consecução dos ODS**

* Porcentagem das transações na carteira ativa
 Porcentagem das transações que contribuem para a consecução dos ODS





PROJETOS EM DESTAQUE

INTERNET PARA TODOS PERU

Conectividade e telecomunicações

Aumentar a conectividade é fundamental para que 100 milhões de pessoas na América Latina e Caribe, ora sem banda larga móvel, possam desfrutar dos benefícios sociais e econômicos do acesso à Internet. Vencer essa barreira é especialmente difícil nas áreas rurais e remotas da região, onde as operadoras tradicionais não conseguem oferecer uma cobertura adequada. A iniciativa Internet para Todos ajuda a resolver o problema da conectividade móvel na área rural ao melhorar o serviço e oferecer cobertura de Internet móvel sob um modelo de negócio atacadista economicamente sustentável, baseado no acesso aberto e em novas tecnologias. Junto com o Facebook, a Telefónica e a CAF, o BID Invest participa da criação dessa operadora de infraestrutura móvel rural sob um modelo

de atacado, cujo objetivo é reduzir a lacuna digital e conectar as comunidades rurais do Peru. Internet para Todos permite que qualquer operadora de telefonia móvel e empresas do setor de telecomunicações com um determinado alcance possam usar sua infraestrutura 3G e 4G e oferecer serviços de comunicação de qualidade a usuários, empresas e organizações em comunidades rurais. A *Telefónica del Perú* abre seu atual segmento rural à Internet para Todos. Enquanto isso, o BID Invest, o Facebook e a CAF investem na nova empresa. O êxito desse projeto, o primeiro investimento do BID Invest em uma participação societária, pode assentar as bases para a replicação desse modelo de negócio em outros países da América Latina e Caribe. Em caráter prospectivo, a operação apoia seis ODS: Erradicação da pobreza (ODS 1); Igualdade de gênero (ODS 5); Trabalho decente e crescimento econômico (ODS 8); Indústria, inovação e infraestrutura (ODS 9); Redução das desigualdades (ODS 10) e Parcerias (ODS 17).



ROTAS 2 E 7 PARAGUAI

Transportes

A infraestrutura de transportes é fundamental para o crescimento e desenvolvimento de um país. Sua melhoria fortalece a competitividade econômica e facilita os processos de produção, distribuição e comercialização. O BID Invest está ajudando o Paraguai a alcançar esses objetivos ao financiar a melhoria das Rotas 2 e 7, que formam o principal corredor para a atividade econômica do país. Concedemos um pacote financeiro de US\$ 200 milhões à *Concesionaria Rutas del Este*, composta pelas empresas Sacyr Concesiones SA e Ocho A SA, para duplicar as faixas dessas rodovias, ampliando sua capacidade e reforçando a segurança no trânsito. O apoio financeiro do BID Invest contém uma garantia, que assume o risco de construção das etapas iniciais das obras e concede o uso de recursos de um título emitido pela concessionária no mercado internacional. Com vista às etapas posteriores do projeto, o BID Invest concedeu um empréstimo de longo prazo a ser desembolsado no ato do pagamento da garantia. Trata-se do primeiro contrato de parceria público-privada (PPP) assinado no âmbito da Lei de PPP do Paraguai, cujo objetivo é atrair investimento direto estrangeiro. Por meio dessa estrutura inovadora, o BID Invest apoia o desenvolvimento dos mercados de capitais para financiar a infraestrutura no Paraguai. É um modelo eficiente que pode ser replicado em outros mercados da América Latina e Caribe. A operação contribui de forma prospectiva para três ODS: Trabalho decente e crescimento econômico (ODS 8); Indústria, inovação e infraestrutura (ODS 9) e Parcerias (ODS 17).

REPUBLIC BANK TRINIDADE TOBAGO

Transformação digital, PMEs e moradia

A transformação tecnológica das instituições financeiras é crucial para reforçar seu posicionamento. Em paralelo, os compromissos de financiar pequenas e médias empresas (PMEs) e a moradia a preços acessíveis são importantes para promover a inclusão social e o desenvolvimento econômico. O BID Invest concedeu ao Republic Bank um empréstimo subordinado de US\$ 75 milhões para apoiar esses objetivos e consolidar sua posição como uma das principais instituições financeiras do Caribe. A obtenção de financiamento adequado é um desafio para as PMEs em Trinidad e Tobago, onde os preços elevados e a escassez de terrenos residenciais são os principais desafios para quem busca moradias populares. Ao oferecer acesso a financiamento por meio do empréstimo subordinado do BID Invest, o Republic Bank pode contar com mais capital para ajudar seus clientes a superar as barreiras nesses dois segmentos. Ao mesmo tempo, a operação contribui para o financiamento do programa de digitalização do Republic Bank, abarcando aspectos internos e externos de sua infraestrutura tecnológica. Assim, o BID Invest facilita o acesso da população a crédito e apoia a expansão do Republic Bank no Caribe, contribuindo para a adaptação de seus serviços a mercados menos atendidos. De forma prospectiva, esta operação apoia cinco ODS: Trabalho decente e crescimento econômico (ODS 8); Indústria, inovação e infraestrutura (ODS 9); Redução das desigualdades (ODS 10), Cidades e comunidades sustentáveis (ODS 11) e Consumo e produção responsáveis (ODS 12).








PROPOSTA DE VALOR

Trabalhamos com clientes de diversos setores estratégicos na América Latina e Caribe, oferecendo acesso a recursos financeiros, bem como a nosso conhecimento técnico e experiência em diversos setores. No BID Invest, trabalhamos para proporcionar a nossos clientes as ferramentas de que necessitam para o crescimento sustentável.



NOSSA PROPOSTA DE VALOR

INFRAESTRUTURA

O desenvolvimento econômico na América Latina e Caribe apresenta múltiplos desafios e oportunidades. Um dos desafios mais significativos para reduzir a desigualdade e aumentar a produtividade de vários setores da economia é continuar a reduzir o déficit de infraestrutura da região. Nesse sentido, uma das principais linhas de ação do BID Invest em 2019 foi promover o desenvolvimento de grandes projetos de infraestrutura na região, mobilizando o máximo possível de investimento e elaborando estruturas inovadoras de financiamento para contribuir para a viabilidade desses projetos.

ÁGUA E SANEAMENTO

Na América Latina e Caribe, cerca de 30 milhões de pessoas não têm acesso a água tratada e potável. Uma de nossas linhas de ação nesse setor é financiar operadores privados e empresas públicas que não tenham acesso a empréstimos com garantia soberana.

Além disso, temos procurado identificar modelos inovadores de financiamento nesse setor com grande potencial de replicação na região. Pela primeira vez, o BID Invest financiou uma parceria público-privada (PPP) de água e saneamento no Brasil, com um empréstimo de R\$ 442 milhões à BRK Ambiental. O projeto beneficiará setores vulneráveis da população urbana da cidade do Recife, na região Nordeste do país.

Também estamos voltando nossos esforços para o apoio à dessalinização como forma de os países se adaptarem às mudanças climáticas. Com a queda do custo das novas tecnologias, esses projetos se tornarão soluções viáveis em áreas onde os aquíferos são superexplorados ou afetados pela elevação do nível do mar.

INFRAESTRUTURA SOCIAL

A saúde e a educação são dois dos setores que geram os maiores desafios para o desenvolvimento da região. Uma grande parcela da população da América

Latina e Caribe não tem acesso a serviços de saúde, seja por restrições financeiras, seja por barreiras geográficas. Já no setor da educação, a taxa de abandono escolar é elevada e muitas escolas carecem da infraestrutura adequada, como água potável e energia elétrica.

No BID Invest, formulamos uma estratégia para promover a saúde e a educação, com atenção especial para a ciência, tecnologia, engenharia e matemática, sobretudo por meio de parcerias público-privadas (PPPs) que melhorem as condições dos serviços prestados e permitam a inclusão de setores de baixa renda. Um exemplo disso é o financiamento concedido para a abertura do primeiro campus da Texas Tech na Costa Rica. Essa nova infraestrutura educacional, com capacidade para 1500 estudantes, permitirá aos alunos obter um diploma universitário seguindo o modelo educacional dessa universidade americana, porém a um custo inferior ao que teriam no campus do Texas, e com uma abordagem centrada em áreas de estudo de grande demanda no mercado de trabalho da Costa Rica: engenharia elétrica e industrial, TI, matemática,

administração de empresas, varejo, e gestão hoteleira e de restaurantes.

TRANSPORTES

Durante 2019, foram obtidos avanços significativos em grandes projetos e serviços de infraestrutura de transportes, em áreas como rodovias e portos.

Um exemplo é o projeto *Autopista al Mar*, na Colômbia, em que o BID Invest concedeu financiamento de longo prazo de 443 bilhões de pesos colombianos (cerca de US\$ 143 milhões), em conjunto com bancos comerciais internacionais e locais, que contribuiram recursos em dólares e pesos colombianos. Essa rodovia ligará os centros de produção e população do departamento de Antioquia, passando pela cidade de Medellín, e servirá a costa caribenha da Colômbia e os empreendimentos portuários planejados para o Golfo de Urabá. O principal objetivo é melhorar a conectividade e a integração das populações atendidas, reduzindo o tempo e o custo das viagens e melhorando a qualidade, a segurança e o atendimento nas estradas.



ENERGIA

As energias renováveis receberam um grande impulso após a assinatura do Acordo de Paris em 2016, por meio do qual os países signatários concordaram em reduzir suas emissões para conter os efeitos das mudanças climáticas. Contudo, segundo as Nações Unidas, na América Latina e Caribe, aproximadamente 44% da eletricidade ainda é gerada a partir de recursos não renováveis.

Uma das linhas estratégicas de ação do BID Invest é continuar a promover a expansão das energias renováveis na região. Nosso objetivo é promover novas soluções de energia limpa para acelerar a transição energética nos países da América Latina e Caribe. Para tanto, estamos apoiando projetos robustos do ponto de vista financeiro e econômico, práticas de governança corporativa e a responsabilidade social e ambiental no intuito de assegurar lucros no longo prazo para o setor privado. Em 2019, concedemos um pacote de financiamento de US\$ 34,9 milhões à X Elio para a construção e manutenção de uma usina de energia solar com capacidade de 200 MW no estado de Sonora, México. Essa usina contribuirá para o crescimento econômico mexicano ao agregar uma fonte de energia mais competitiva, ampliar a capacidade instalada de energia renovável não convencional e diversificar a matriz energética do país.

Por outro lado, a fim de expandir as energias renováveis, a geração de energia de base também deve ser aumentada. Por esse motivo, no BID Invest, tomamos a decisão firme de apoiar a distribuição de gás natural como fonte para a geração de energia elétrica, substituindo outras fontes mais poluentes, como o carvão e os hidrocarbonetos. No fim de 2019, o BID Invest financiou a construção da *Energía*

del Pacífico em El Salvador, a primeira usina elétrica baseada no GNL no Triângulo do Norte, América Central. Quando iniciar as operações em 2021, essa usina vai gerar 378 MW, tornando o país menos dependente de combustíveis fósseis e reduzindo a importação de eletricidade. A *Energía del Pacífico* deve ampliar a capacidade energética de El Salvador em 30%, alterando a matriz energética do país e reduzindo a poluição relacionada com a energia.

Outra linha de ação é facilitar o investimento em projetos de infraestrutura de renda fixa sustentável (por exemplo, linhas de transmissão) por meio de ferramentas simples e transparentes que ofereçam garantias aos investidores em relação às credenciais ambientais de determinados projetos. Para isso, o BID Invest continuará a operar de acordo com o quadro de infraestrutura sustentável elaborado em conjunto com o BID e formulou uma metodologia para classificar as linhas de transmissão verdes. Uma consulta pública sobre essa metodologia será feita nos próximos meses a fim de validar um padrão de mercado internacional. Assim, os investidores poderão decidir facilmente onde colocar seu capital com mais certeza de que os projetos verdes que estão analisando de fato respeitam o meio ambiente.

INSTITUIÇÕES FINANCEIRAS

Durante 2019, um dos pilares estratégicos do segmento financeiro foi liderar a criação de uma nova classe de ativos nos mercados de capitais da América Latina e Caribe, impulsionando o desenvolvimento de títulos temáticos e sustentáveis.

PROJETOS EM DESTAQUE

PILAR ESTRATÉGICO I

Em apoio a esse objetivo, ajudamos o Grupo Bancolombia com o primeiro título sustentável emitido por um ente privado na Colômbia, no valor de 657 bilhões de pesos colombianos (cerca de 212 milhões de dólares). Esse título visava financiar 26 projetos do Bancolombia com benefícios ambientais e sociais mensuráveis, oito dos quais foram classificados como projetos sociais voltados para a infraestrutura básica e moradia social. Os outros 18 projetos foram classificados como projetos verdes e estavam voltados para a construção sustentável, a eficiência energética e a produção mais limpa.

Também trabalhamos com o Banistmo, um subsidiário do Bancolombia no Panamá, no primeiro título de gênero na América Latina e Caribe, uma emissão de US\$ 50 milhões com prazo de cinco anos que busca melhorar o acesso de PMEs comandadas por mulheres a financiamento, promovendo o empreendedorismo feminino e o empoderamento econômico no país. No campo dos títulos verdes, o BID Invest também fez uma parceria com o Banco Pichincha para apoiar os primeiros títulos





verdes emitidos no Equador.

A participação do BID Invest nessas novas transações para a região promove a consciência ambiental e social e reflete o empenho e o interesse de um amplo grupo de instituições financeiras em alcançar os ODS.

O segundo pilar estratégico foi o compromisso do BID Invest de promover a inclusão financeira ao concentrar suas atividades operacionais em instituições que buscassem reduzir o déficit de financiamento entre os setores mais vulneráveis da sociedade. Essa linha de trabalho visa ampliar o acesso e o uso de serviços financeiros formais, melhorando a capacidade financeira da população que carece de acesso a esses serviços. Apenas 51% da população da América Latina e Caribe tem conta em uma instituição financeira formal.

O BID Invest trabalha com seus clientes para criar sistemas financeiros inclusivos, fortalecendo as instituições financeiras regionais e estimulando a concorrência. Buscamos fazer com que os intermediários financeiros de nossos países — bancos e instituições não financeiras, como cooperativas e empresas de *leasing* e de *factoring* — concentrem-se na prestação de serviços financeiros a populações marginalizadas e com pouco acesso a financiamento, tais como populações urbanas de baixa renda, comunidades rurais, mulheres, populações indígenas, PMEs, refugiados e migrantes.

PROJETOS EM DESTAQUE

PILAR ESTRATÉGICO II

Um exemplo desse trabalho é o empréstimo de R\$ 100 milhões concedido à Omni, uma instituição financeira que oferece soluções de crédito a populações mal atendidas no Brasil. Os recursos estão permitindo à empresa ampliar sua carteira de microcrédito em três segmentos principais: *fintechs*, transportes e microempresários imigrantes. Essa transação ajudou a Omni a agregar mais clientes do microempresariado, contribuindo para a redução da lacuna da inclusão financeira no Brasil. Além disso, concedemos financiamento rotativo de US\$ 25 milhões à instituição financeira não bancária Eurocapital a fim de reforçar suas estratégias de crescimento transnacional e diversificação de produtos. Os recursos aumentaram o financiamento para PMEs no Chile e Peru por meio do *factoring*.

Outro projeto pertinente é a Bancamía, uma instituição de microfinanciamento colombiana voltada principalmente para o apoio a grupos vulneráveis da população e para a concessão de empréstimos para usos produtivos. O BID Invest concedeu um empréstimo em moeda local em montante equivalente a US\$ 35 milhões,





que ajudará a estender financiamento a microempresários rurais e urbanos.

Para fortalecer o trabalho da Bancamía no financiamento rural sustentável, o BID Invest prestou assistência técnica anterior ao empréstimo usando recursos do Fundo para a Agricultura Climaticamente Inteligente. O resultado é o programa *Crediverde Adaptación*, uma linha de financiamento para que os microempresários rurais possam enfrentar e mitigar as mudanças climáticas. A Bancamía foi a primeira instituição financeira privada na Colômbia a desenvolver esse tipo de produto financeiro.

Além disso, fortalecemos nossa capacidade de financiamento em moeda local no âmbito de nossa estratégia institucional para oferecer produtos mais flexíveis e inovadores na moeda de cada país e promover os mercados de capitais locais. O BID Invest concedeu um empréstimo em pesos dominicanos equivalente a US\$ 50 milhões ao Banco Múltiple BHD León. Os recursos destinam-se ao financiamento de 400 PME, das quais pelo menos 40% serão empresas de propriedade de mulheres ou comandadas por mulheres.

Finalmente, no nível setorial, o BID Invest continua a apoiar as associações bancárias da região na execução de programas de sustentabilidade, promovendo a adoção ou a elaboração de protocolos verdes em El Salvador e na Argentina.

EMPRESAS

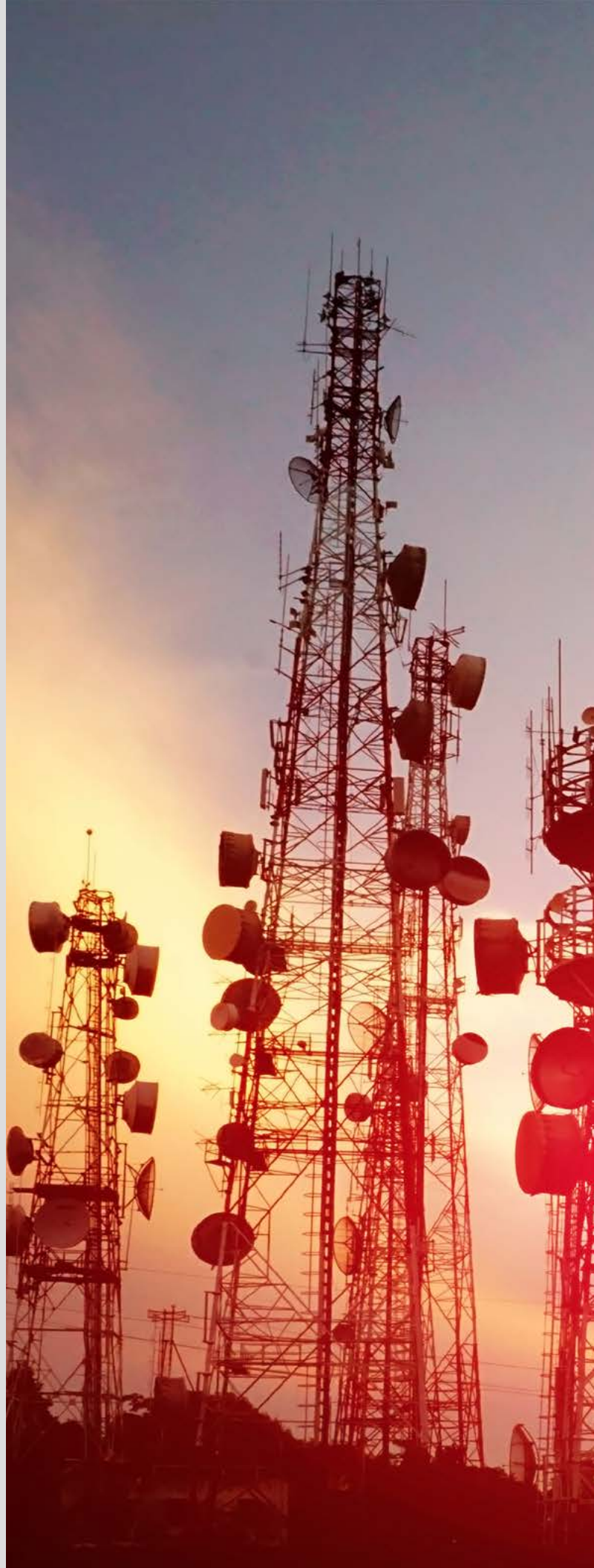
TELECOMUNICA- ÇÕES ,MIDIA E TECNOLOGIA

Nos setores de telecomunicações, mídia e tecnologia, continuamos concentrados na melhoria da conectividade na região. Isso abrange desde o financiamento de infraestrutura de banda larga móvel, infraestrutura compartilhada, como torres de telefonia celular, e o aumento da acessibilidade de dispositivos móveis para desfrutar dos benefícios da Internet. Os *smartphones* são a porta de entrada para que amplos setores da população acessem a Internet de banda larga, motivo pelo qual o BID Invest desenvolveu estruturas de financiamento inovadoras, replicadas no Chile e no Equador em 2019.

PROJETOS EM DESTAQUE

No México, onde 40 milhões de pessoas não têm acesso à Internet e apenas 15% das pequenas empresas estão conectadas, concedemos um empréstimo de US\$ 50 milhões à *Red Compartida*, uma PPP entre o governo mexicano e a Altán criada para melhorar o acesso à conectividade e promover a concorrência no setor de telecomunicações. A *Red Compartida* implementou um novo modelo no setor de telecomunicações, oferecendo serviços de telecomunicações móveis 4G-LTE por atacado (prontos para 5G) sobre uma infraestrutura compartilhada, a preços competitivos e de forma não discriminatória.

O BID Invest também concedeu um empréstimo



de US\$ 75 milhões à Telecom Argentina para continuar a desenvolver o setor de telecomunicações daquele país, além de financiar parte do plano estratégico de investimento da empresa para a implementação de uma rede 4G e oferecer melhor conectividade em todo o território.

Na Bolívia, concedemos um empréstimo de US\$ 58,5 milhões à Phoenix Tower International (PTI) para impulsionar o mercado de infraestrutura independente no setor de telecomunicações do país e desenvolvê-lo de forma mais eficiente. O projeto é uma solução empresarial inovadora para o mercado boliviano, pois promove o uso compartilhado de torres de telecomunicações. O compartilhamento aumenta a produtividade, tornando a implantação de novas redes mais econômica e dinâmica, ao mesmo tempo em que reduz o déficit de conectividade.

AGRONEGÓCIO

A estratégia do BID Invest para o setor estava assentada em três pilares: aumento da competitividade, apoio a modelos de negócios inclusivos e mitigação e adaptação às mudanças climáticas. Para isso, prestamos assistência financeira e técnica com o objetivo de otimizar o uso dos recursos, melhorar as cadeias de valor e ampliar a capacidade instalada e a produtividade do agronegócio na região.

PROJETOS EM DESTAQUE

Um exemplo de nosso apoio a modelos de negócios inclusivos é um empréstimo de até US\$15 milhões concedido à Belize Sugar Industries Limited (BSI). O empréstimo, a primeira operação do BID Invest em Belize, apoia a principal fonte de emprego e atividade econômica no norte do país. A indústria açucareira do país enfrenta desafios em termos de sustentabilidade devido à queda de preços

e a mudanças na política comercial de seu principal mercado de exportação, a União Europeia.

O empréstimo permitiu à BSI fazer investimentos que atenuam esses desafios ao aumentar a produção e exportação de açúcares de maior valor agregado (açúcar de consumo direto), diversificar os mercados de exportação e fortalecer a cadeia de valor. O aumento da renda da BSI constitui uma transferência econômica para sua cadeia de produção, formada por mais de 5400 pequenos e médios produtores, que compartilham as vendas líquidas dos açúcares de maior valor produzidos pela BSI. O BID Invest complementa o financiamento com assistência técnica para ajudar a aumentar a produtividade agrícola e a sustentabilidade dos produtores de cana-de-açúcar.

Também ampliamos nosso apoio a modelos de negócios inclusivos e à cadeia de valor do setor de agricultura e silvicultura do Uruguai, financiando os produtores com um crédito de até US\$ 30 milhões. A estrutura dessa transação foi projetada dentro de um fundo financeiro que captou recursos por meio de oferta privada de títulos de dívida a serem subscritos pelo BID Invest. Os recursos estão sendo usados para financiar 60 produtores agrícolas e florestais — clientes da *Interagrovia* (John Deere Uruguai) — para adquirir novas máquinas com tecnologias modernas e, assim, aumentar a produtividade e melhorar o desempenho. Em sua primeira operação de financiamento de produtores agrícolas, o BID Invest oferece prazos e montantes alinhados às necessidades financeiras dos agricultores e silvicultores uruguaios.

Também apoiamos e assessoramos empresas do setor agrícola da América Latina e Caribe para que fizessem investimentos inteligentes que pudessem aumentar sua resiliência às mudanças climáticas. Um financiamento de até US\$ 30 milhões, com prazo de sete anos, foi concedido pelo BID Invest e pelo Rabobank

para apoiar a Desdelsur. Essa operação financiou a conclusão de um abrangente projeto pecuário dos clientes, que transformou seu confinamento no maior da Argentina, reforçou sua posição de liderança na exportação de leguminosas e oleaginosas por meio do aumento da produção, ampliou a cadeia de valor agrícola e aumentou sua flexibilidade financeira. Dada sua localização em uma região árida do norte da Argentina, a Desdelsur está altamente exposta a fenômenos climáticos. Seu desempenho já foi afetado no passado, motivo pelo qual uma cláusula de resiliência financeira foi incorporada à estrutura de financiamento. Esse mecanismo inovador permite à Desdelsur reescalonar os pagamentos do principal durante um determinado período caso suas operações sejam prejudicadas por eventos climáticos que a impeçam de saldar sua dívida, permitindo que a empresa se recupere e suas operações voltem à normalidade. O BID Invest também forneceu à Desdelsur dois subsídios para assistência técnica: um para criar um plano de *networking* e capacitação para as comunidades indígenas vizinhas (Wichí, Chorote e Guaraní, entre outras), permitindo a elas participar plenamente da economia regional; o outro para melhorar a estrutura de governança corporativa da Desdelsur, de modo a aumentar sua eficiência operacional e consolidar seu processo de tomada de decisões.

TURISMO

Durante 2019, a atividade do BID Invest no setor concentrou-se em explorar oportunidades de negócios para desenvolver o turismo sustentável em novos destinos, identificar projetos que pudessem ajudar a recuperar o patrimônio histórico e impulsionar a igualdade de gênero, e apoiar as comunidades indígenas. Além disso, priorizou projetos que promovessem a sustentabilidade social e ambiental, como o financiamento de projetos de eficiência energética e hídrica. Entretanto, já se considera que não basta a essas empresas apenas gerir diretamente seus impactos ambientais e sociais. Elas estão cada vez mais conscientes da


necessidade de considerar as cadeias de valor e o impacto exponencial que suas atividades podem ter sobre as comunidades locais.

O BID Invest contribui para o desenvolvimento do setor turístico não apenas por meio de financiamento, mas também de soluções inovadoras para incluir grupos vulneráveis, como mulheres e povos indígenas, à cadeia de valor. Também estamos explorando novos modelos de negócios para a área de hospedagem que buscam captar o interesse dos nômades digitais, um grupo de viajantes que busca constantemente experiências autênticas e oportunidades para conectar-se com as comunidades locais.

PROJETOS EM DESTAQUE

O BID Invest financiou um empréstimo de US\$ 37,2 milhões ao West Resort, um projeto de turismo sustentável no Arquipélago de Bocas del Toro, Panamá. O West Resort vai construir um hotel de 118 quartos que constitui a primeira fase do Casi Cielo, um complexo multiuso com uma variedade de componentes turísticos. Estima-se que o projeto vai impulsionar o crescimento econômico da área graças à geração de emprego, à capacitação e educação das comunidades vizinhas e à integração dos agricultores e pequenas empresas locais à cadeia de valor do complexo turístico. Além disso, o West Resort vai promover a diversificação da indústria turística panamenha ao apoiar o desenvolvimento de Bocas del Toro como destino turístico.

O BID Invest concedeu um empréstimo de US\$ 5 milhões à Caribe Hospitality, cliente recorrente do Grupo BID e uma das mais importantes incorporadoras imobiliárias da América Central, para a construção de um hotel urbano em San José, Costa Rica. O hotel de 120 quartos, que será afiliado à marca Marriott Fairfield e terá a certificação sustentável LEED, estará



localizado dentro de um complexo multiuso a poucos minutos do aeroporto internacional da capital costarriquenha. O intuito é atender às necessidades do segmento de eventos de negócios, bem como as dos turistas que viajam a lazer.

INDÚSTRIA

O BID Invest trabalha para ajudar a aumentar a produtividade das empresas manufatureiras na América Latina e Caribe ao promover o emprego produtivo, a inovação, a adoção de novas tecnologias, a integração regional e a otimização do uso de recursos, passando pela reciclagem e eficiência energética.

PROJETOS EM DESTAQUE

O BID Invest liderou um financiamento de US\$ 800 milhões para a Klabin, o maior produtor, exportador e reciclador de papel de embalagem do Brasil e o maior produtor de papel da América Latina, apoiando assim o crescimento e o aumento da produtividade da indústria brasileira de papel e celulose. A operação consiste em US\$ 180 milhões em financiamento do BID Invest e US\$ 620 milhões de outros bancos de desenvolvimento, fundos de cofinanciamento e bancos comerciais, e fortalece a capacidade do BID Invest de mobilizar investidores internacionais para empreender projetos de maior impacto e escala na região.

O objetivo do projeto é aumentar a produção industrial brasileira e sua eficiência, promover o comércio mundial e regional por meio do crescimento das exportações, expandir e racionalizar a cadeia de valor da indústria de papel e celulose, gerar empregos e aumentar a produção de energia renovável e a eficiência energética. Busca também melhorar as práticas sociais e ambientais do setor no 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



Category	Monthly Contribution
Food	1000
Transportation	500
Utilities	300
Entertainment	200
Healthcare	150
Other	100

Category	Monthly Contribution
Food	1000
Transportation	500
Utilities	300
Entertainment	200
Healthcare	150
Other	100

SERVIÇOS DE ASSESSORIA E FINANCIAMENTO COMBINADO

Em 2019, o BID Invest aprovou um total de 90 compromissos de assessoria (59 em clima; 13 em gênero, diversidade e inclusão; seis em parcerias público-privadas (PPP); e 12 em empresas sustentáveis e micro, pequenas e médias empresas (MPMEs)). Até o fim do ano, a carteira ativa dos Serviços de Assessoria totalizava 155 compromissos (99 em clima; 29 em gênero, diversidade e inclusão; seis em PPPs; e 21 em empresas sustentáveis e MPMEs).

Ao longo do ano, nossa equipe conseguiu diversificar a carteira com equilíbrio entre os segmentos (29% em empresas, 31% em intermediários financeiros e 40% em infraestrutura e energia), e com um aumento da cobertura em toda a região, onde 43% dos serviços de assessoria foram prestados a clientes em países C&D. Foi dedicada atenção especial ao desenvolvimento de serviços de assessoria em países pequenos e insulares como ferramenta para gerar impacto e desenvolver negócios, com um

total de 23 projetos ativos nesses países, dos quais 15 foram aprovados em 2019. Além disso, o BID Invest ampliou sua agenda de assessoria a empresas sustentáveis, em áreas como plásticos, economia circular e acesso de migrantes a financiamento.

Em 2019, o financiamento do clima montou a 27% do volume aprovado, 18% das transações promoveram a igualdade, diversidade e inclusão de gênero, e 33% do volume aprovado apoiou as MPMEs.

Comprometemos US\$ 28,1 milhões em recursos de financiamento combinado em cinco projetos no ano passado, apoiando US\$ 236 milhões em investimentos, com uma pontuação média de 8,7 na DELTA. Além de reforçar a oferta não financeira do BID Invest, envidaram-se esforços para aumentar o conhecimento e a influência, com marcos importantes no posicionamento, captação de recursos e parcerias.



SERVIÇOS DE ASSESSORIA
E FINANCIAMENTO COMBINADO

OUTROS MARCOS

O BID Invest continuou a elevar seu perfil na abordagem das mudanças climáticas. Em 2019, durante a Conferência das Nações Unidas sobre Mudanças Climáticas, apresentamos soluções financeiras inovadoras para apoiar os objetivos do Acordo de Paris e posicionamo-nos como um parceiro preferencial em campo. Além disso, o BID Invest uniu-se à Força-Tarefa sobre Divulgações Financeiras Relacionadas ao Clima (TCFD), que define um plano de ação para cumprir as recomendações (a primeira divulgação da TCFD pode ser consultada no apêndice). Ademais, facilitou a assinatura de protocolos verdes pelas Associações Bancárias de El Salvador e da Argentina, e colaborou para o primeiro relatório sobre a situação do mercado de títulos verdes na região.

O programa do Grupo do BID WeforLAC (Mulheres Empreendedoras para a América Latina e Caribe) foi aceito pelo Comitê da Iniciativa de Financiamento para Mulheres Empreendedoras (We-Fi), assegurando US\$ 24 milhões para um programa voltado para a promoção das PMEs comandadas por mulheres. Com esses recursos, o BID Invest implementará mecanismos inovadores de financiamento para incentivar a integração das PMEs comandadas por mulheres às cadeias de valor.

Além disso, em conjunto com a ESADE Business School, de Barcelona, o BID Invest publicou o relatório “*Gender Lens Investing: How finance can accelerate gender equality in Latin America and the Caribbean*”, o primeiro estudo detalhado sobre oportunidades de investimento para aumentar a igualdade de gênero na região por meio do setor privado.

O BID Invest e o Canadá lançaram a segunda fase do projeto Fundo Climático Canadense para o Setor Privado das Américas (C2F), um programa diversificado de financiamento climático com um enfoque de gênero para a América Latina e Caribe. A previsão é que ele alavanque até US\$ 1 bilhão em investimentos no setor privado em áreas como energia renovável, agricultura sustentável e silvicultura para ajudar os segmentos mais vulneráveis da população da região, sobretudo mulheres e meninas, a se preparar e se adaptar melhor às mudanças climáticas.

Por último, o BID Invest organizou o PPP Américas, o principal fórum de discussão sobre parcerias público-privadas na América Latina e Caribe, com mais de 300 participantes dos setores público e privado.



MOBILIZAÇÃO DE RECURSOS

O BID Invest continuou seus esforços para mobilizar recursos externos na América Latina e Caribe. A estratégia de negócios foi concebida de modo a cumprir os mandatos estabelecidos reiteradamente pela Assembleia de Governadores de aumentar a capacidade do Grupo do BID para mobilizar fontes de terceiros. No total, foram concluídas 30 transações consorciadas em 2019. A mobilização alcançou US\$ 1,4 bilhão, um aumento de 36,8% em relação ao ano anterior.

A proposta de valor da mobilização do BID Invest aos investidores abrange sua experiência para atuar como organizador principal e coordenador com profundo conhecimento e um forte inventário de projetos em todos os setores da região. Para enfrentar as mudanças no cenário financeiro, em que os bancos comerciais voltaram sua atenção para seus mercados internos, o BID Invest vem adaptando sua oferta de produtos e elaborando novas soluções para ampliar sua base de investidores.

Entre as soluções já testadas para aumentar a capacidade de mobilização destacam-se as seguintes:

- Bônus B para atrair investidores institucionais que buscam papéis de longo prazo que casem com suas obrigações;

- Contas administradas criadas para atrair financiamento de investidores institucionais em uma abordagem de atacado mais ampla. O BID Invest está atualmente em negociações para estabelecer programas desse tipo com vários investidores institucionais;

- Garantias de crédito totais destinadas a mobilizar recursos para contribuir para os ODS de investidores diversos que, de outra maneira, não teriam interesse no risco de tais ativos.

Durante 2019, os esforços de originação de negócios continuaram a incorporar um fluxo constante de ativos financeiramente viáveis e um aumento do interesse dos coinvestidores. Mais esforços foram envidados para abrir novas discussões com investidores nos mercados em que o BID Invest atua. Por último, várias iniciativas de divulgação e relacionamento foram executadas para aumentar nossas parcerias de mobilização.



ABORDAGEM DE SUSTENTABILIDADE

No BID Invest, nosso objetivo é aumentar o desenvolvimento sustentável ao unir forças com nossos clientes e, por intermédio de nossas intervenções, contribuir para a consecução dos Objetivos de Desenvolvimento Sustentável da ONU. Promovemos o desenvolvimento sustentável por meio da governança corporativa e da salvaguarda do meio ambiente e das comunidades. Em 2019, a agenda de sustentabilidade do BID Invest levou esse trabalho a um novo patamar.





PADRÕES DE SUSTENTABILIDADE VOLUNTÁRIOS PARA O SETOR FINANCEIRO

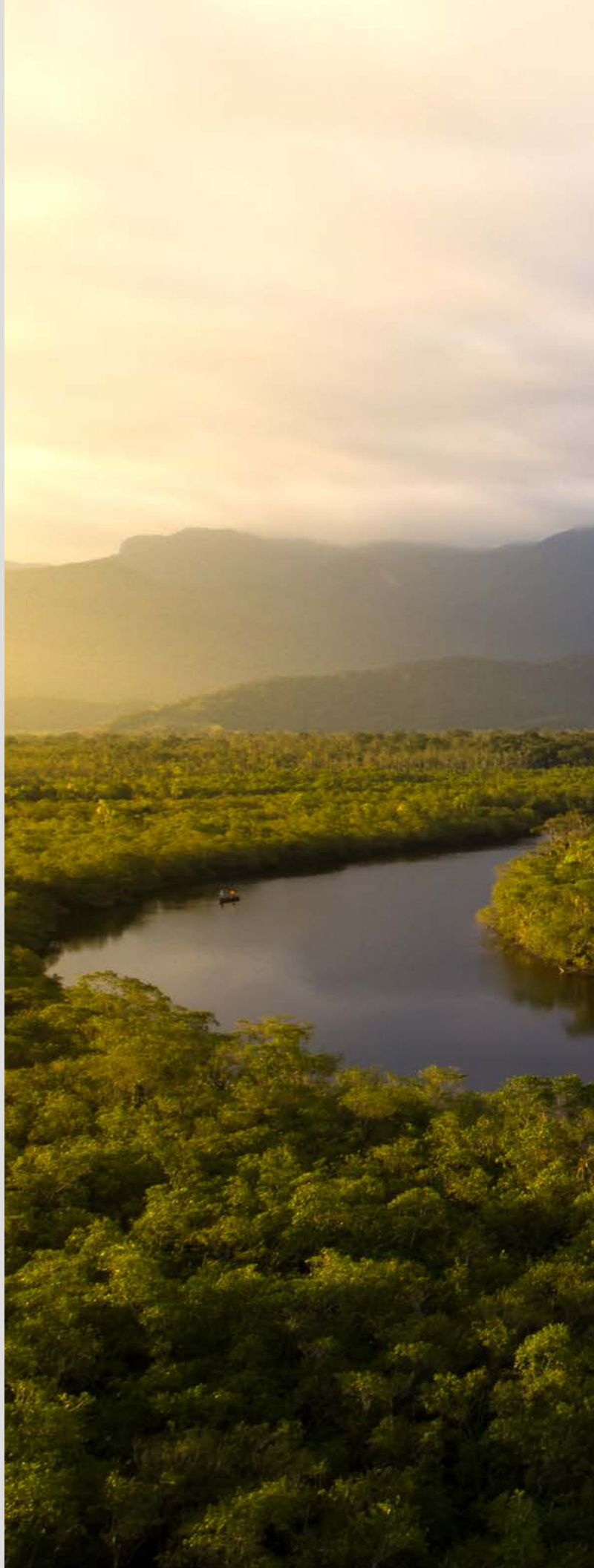
O BID Invest vê a elaboração de padrões de sustentabilidade setorial no setor financeiro como um fator fundamental para reforçar a integração dos aspectos ambientais, sociais e de governança, promover ainda mais os empréstimos verdes e ajudar os países a alinhar seus próprios planos de desenvolvimento, como a Contribuição Nacionalmente Determinada (CND) com os ODS. Em 2013, o Grupo do BID começou a ajudar quatro bancos paraguaios a estabelecer a primeira mesa redonda sobre financiamento sustentável no país. Desde então, ela cresceu, passou a contar com 15 bancos e tem o apoio do Banco Central. Esses esforços atraíram recentemente a atenção de outros bancos privados e reguladores de toda a região. Em 2019, o BID Invest apoiou a organização e lançamento de mesas redondas semelhantes na Argentina e em El Salvador, com amplo apoio do setor bancário, na esperança de que esses países elevem o nível de exigência na gestão ambiental e social e mobilizem capital para investimentos verdes e sustentáveis.

MELHORIA DA GESTÃO DE RISCO NA GOVERNANÇA CORPORATIVA

Eventos recentes na região destacam a importância da governança corporativa para o desenvolvimento e a geração de valor a longo prazo. Em 2019, o BID Invest concentrou-se em combinar a assessoria em gestão de risco e governança corporativa de valor agregado com o apoio de um programa de assistência técnica para preencher as lacunas em termos de governança corporativa identificadas durante o processo de devida diligência. O programa de governança corporativa do BID Invest visa fortalecer o clima de negócios ao promover valores éticos, reforçar a transparência, aumentar a confiança e promover a responsabilidade social corporativa. Por exemplo, o BID Invest ajudou a KUA Mex Foods, uma empresa do setor de alimentos e bebidas saudáveis no México, a melhorar os controles internos, os processos de gestão de risco e seu programa de conformidade, ações que vão melhorar consideravelmente a supervisão geral da diretoria.

ACTUALIZAÇÃO DA POLÍTICA DE SUSTENABILIDADE

Como parte de nosso foco renovado no acesso à informação, o BID Invest organizou consultas públicas de junho a outubro de 2019 para atualizar a Política de Sustentabilidade Ambiental e Social. Recebemos mais de 350 comentários de mais de 150 participantes e fizemos sessões virtuais para aumentar a inclusão e ampliar o acesso à plataforma.



O objetivo é concluir a revisão da política no início de 2020.

GESTÃO DOS RISCOS RELACIONADOS AO CLIMA E DIVULGAÇÃO DE INFORMAÇÕES

A Força-Tarefa sobre Divulgações Financeiras Relacionadas ao Clima (TCFD) do Conselho de Estabilidade Financeira do G-20 formulou recomendações para medir e gerir os riscos e oportunidades relacionados ao clima. Em 2019, o BID Invest passou a apoiar essas recomendações e está formando um comitê coordenador para supervisionar o processo de alinhamento. Atualmente, o BID Invest examina os riscos climáticos das propostas de investimento de alto risco. Além disso, está atualizando as ferramentas para considerar e detectar os riscos físicos e de transição relacionados ao clima durante nosso processo de aprovação de investimentos. Se necessário, são formulados planos de ação que complementam o trabalho a jusante do BID Invest para identificar oportunidades de executar intervenções climáticas.

ENVOLVIMENTO DOS INTERESSADOS E RISCOS CONTEXTUAIS

A carteira do BID Invest contém vários projetos de alto risco, classificados de acordo

com o nível de risco ambiental e social, atenção dos interessados e localização de alto risco contextual devido a conflitos armados, tensões sociais ou violência. Dada a crescente atenção a esses projetos, o BID Invest reafirmou publicamente seu compromisso com as boas práticas internacionais no contexto de todos os aspectos sociais dos projetos, incluídos os direitos humanos.

O BID Invest trabalha de forma proativa com clientes de projetos delicados, sobretudo os grandes projetos de infraestrutura, visando o envolvimento significativo dos interessados e a devida divulgação de informações. O BID Invest anunciou que a porta está aberta para o envolvimento com a sociedade civil da região. Isso foi feito no contexto da formação de um grupo social com uma equipe dedicada ao envolvimento dos interessados para ajudar os clientes a lidar com os riscos contextuais, os direitos humanos e a participação da sociedade civil e da comunidade local, com foco na prevenção de crises.

Uma cultura de risco que protege no intuito de promover visa levar o setor privado da América Latina e Caribe para além da conformidade. O BID Invest aspira às melhores práticas ambientais, sociais e de governança, com mais recursos destinados aos riscos contextuais, envolvimento dos interessados e boa governança corporativa, a fim de aumentar a satisfação dos investidores ao estabelecermos parcerias de longo prazo.

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PLATAFORMA DA SEMANA DA SUSTENTABILIDADE

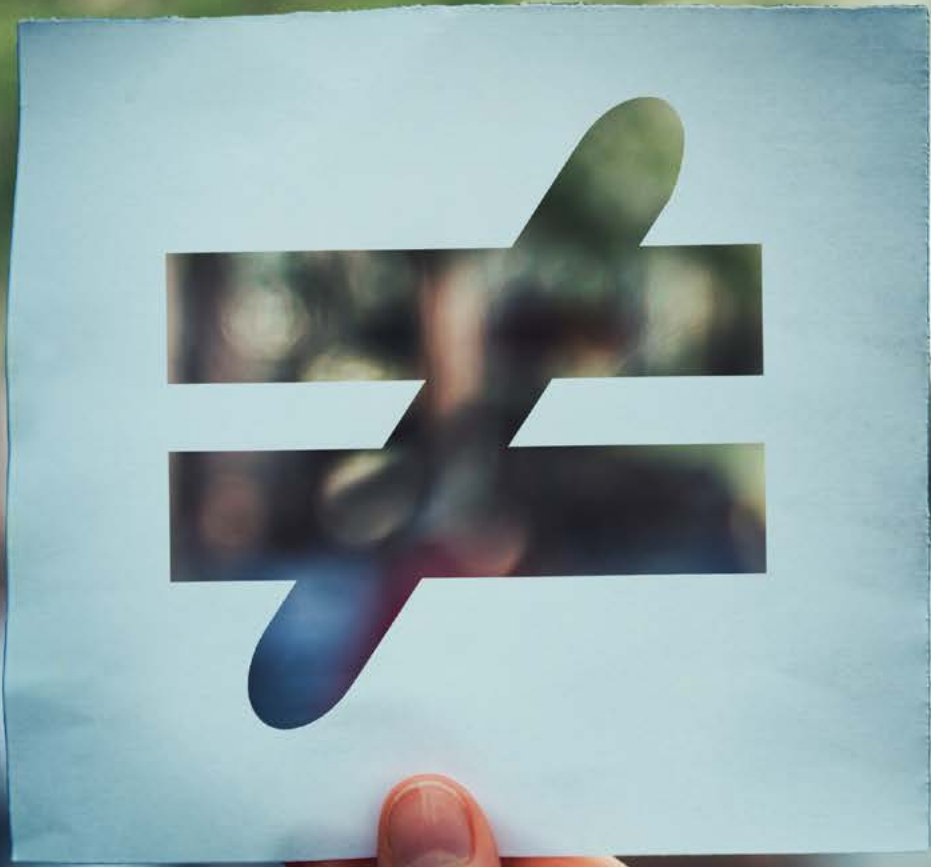
Para desenvolver a capacidade do setor privado e promover o *networking* e o intercâmbio de conhecimento, o BID Invest organizou a Plataforma da Semana da Sustentabilidade. O evento de 2019, na Cidade do Panamá, recebeu 611 participantes de 36 países e 272 instituições do setor privado, de governos e da sociedade civil.

Nos três primeiros dias, os tópicos sociais e ambientais foram, entre outros, instituições financeiras, infraestrutura sustentável, os ODS, agricultura climaticamente inteligente e turismo sustentável, com um foco transversal no envolvimento dos interessados e na gestão de crises. A segunda metade do evento concentrou-se na governança corporativa, que atualmente atrai alguns dos principais líderes empresariais da região e teve um aumento de 23% na participação em relação ao ano anterior e

um aumento de 320% em relação a 2015. Esta Semana da Sustentabilidade também contou com um evento de dois dias de capacitação sobre a avaliação de riscos ligados ao gênero.

A Semana da Sustentabilidade foi mencionada 182 vezes nos meios de comunicação tradicionais, como veículos internacionais como EFE e El País, representando um aumento de 658% em relação a 2018, e teve mais de 1,5 milhão de visualizações nas mídias sociais, destacando nosso papel como um confiável intermediário do conhecimento. O BID Invest firmou duas cartas de mandato com clientes do agronegócio durante o evento, destacando sua pertinência para os clientes e a expansão dos negócios.





CULTURA DO BID INVEST

No BID Invest, fazemos nosso trabalho com grande energia e o encaramos como um objetivo nobre. Nossos clientes estão no centro de tudo o que fazemos. Buscamos soluções ágeis e inovadoras para atender a suas necessidades e oferecemos nossos conhecimentos técnicos e nosso compromisso com a excelência.

Durante 2019 buscamos revigorar nossa cultura por meio do envolvimento dos

funcionários e de colaborações internas mediante ações grandes e pequenas. Formulou-se um plano de ação para lidar com melhorias contínuas em diferentes níveis. Esse plano previa a ativação de mais de 30 patrocinadores que estão conduzindo iniciativas dentro de suas equipes. Por meio dessas ações, pretendemos inculcar uma linguagem e experiência comuns a toda a organização.

CONSTRUIR TRADIÇÕES E AMPLIAR A CONFIANÇA

A Semana do Conhecimento, nosso evento anual que envolve toda a instituição, continua a ser um ponto de inflexão ano após ano, reunindo todos os nossos mais de 400 funcionários para aprender, conectar-se e refletir sobre nossa cultura. Neste ano, enfocamos o reforço do conceito de confiança, ao ouvir Stephen Covey e seu workshop “A Velocidade da Confiança”.

Outros momentos de integração foram as reuniões gerais para manter o pessoal atualizado sobre as iniciativas e o desempenho operacional, além de outras experiências culturais que promoveram a formação de equipes, atividades familiares e espaços para conversas informais entre nossos dirigentes e funcionários.

DIVERSIDADE E INCLUSÃO

Nosso objetivo é criar um local de trabalho inclusivo, onde todos os funcionários estejam envolvidos e consigam ser autênticos em seu trabalho. Em apoio a essa ambição, procuramos aumentar a diversidade,



impulsionar a inclusão e responsabilizar a nossa equipe de comando, os supervisores e os funcionários.

Em novembro fomos recertificados no nível Assess da Certificação EDGE, refletindo nosso compromisso integral com a igualdade de gênero.

Como parte desse compromisso, foram criadas Equipes de Igualdade de Gênero por colegas de todos os níveis e departamentos para analisar e recomendar ações voltadas para a diferença de remuneração, contratação, flexibilidade no trabalho, desenvolvimento de carreira e promoção. Alguns dos resultados dessa são um melhor acompanhamento do horário de trabalho flexível, o aumento do número de mulheres em funções de liderança e a implementação de oportunidades de desenvolvimento da carreira.

PROGRAMA DE INTERCÂMBIO DE PESSOAL

O Programa de Intercâmbio de Pessoal (StEP) consiste em um rodízio de pessoal de um ano entre o Departamento de Operações de Investimento e o Departamento de Gestão de Risco, em que os participantes têm a oportunidade de aprofundar seus conhecimentos profissionais, reforçar a colaboração institucional e, ao fazê-lo,

melhorar os resultados do BID Invest. O programa permitiu o entendimento mútuo das responsabilidades e perspectivas de um total de seis funcionários, e 2020, será seu segundo ano de êxito.

LÍDER RESIDENTE

Neste programa, funcionários em cargo de chefia viajam para escritórios nos países por um período de um a três meses para aprofundar o relacionamento com os clientes; fortalecer o intercâmbio de conhecimento e as práticas de melhoria contínua; promover sinergias com funcionários do setor público e atuar como mentores para os funcionários do BID Invest em campo. Desde seu lançamento, três gerentes viajaram para a Colômbia, Jamaica e Panamá. Isso possibilitou uma melhor compreensão das operações do Grupo, seus desafios e oportunidades, e proporcionou aos gerentes uma chance de estar mais perto dos funcionários em campo.

Em suma, as melhorias em nossa cultura fazem parte de nossa transformação operacional para revitalizar nossa força de trabalho e nos manter unidos rumo ao nosso objetivo comum: melhorar a vida na região, o que também implica melhorar a forma como trabalhamos entre nós.

IMPACTO DAS COMUNICAÇÕES

UMA NOVA POLÍTICA DE ACESSO À INFORMAÇÃO

A Diretoria Executiva do BID Invest aprovou a nova Política de Acesso à Informação em abril de 2019. Após uma ampla consulta pública em 2018, por meio de uma plataforma virtual no website do BID Invest e de reuniões presenciais em toda a região, o BID Invest recebeu comentários da sociedade civil, de interessados dos setores público e privado, e de organismos internacionais. Os comentários foram sistematizados e as respostas a eles foram disponibilizadas ao público em um relatório. Os comentários recebidos permitiram ao BID Invest esclarecer e aprimorar muitos aspectos da política.

Após a aprovação da política, o BID Invest desenvolveu e aplicou um plano de ação multidisciplinar para preparar-se para a implementação, considerando que a nova

política entraria em vigor em 1º de janeiro de 2020. O plano enfoca três áreas principais: i) estabelecer a regulamentação necessária para implementar efetivamente a política, incluídas as Diretrizes de Implementação da Política, também objeto de uma consulta pública; ii) montar os sistemas necessários para classificar e divulgar informações em conformidade com a nova política; e iii) desenvolver e implementar a capacitação obrigatória para todos os funcionários do BID Invest, além de atividades de divulgação. O BID Invest continuará a desenvolver os três aspectos do plano de ação no Plano de Implementação da Política de Acesso à Informação de 2020.

Em outubro de 2019, o BID Invest participou da Reunião Anual do Grupo de Trabalho das Instituições Financeiras Internacionais sobre a Divulgação de Informações e Envolvimento das Partes Interessadas. Essa reunião foi uma oportunidade para saber mais sobre as experiências de outras IFIs na implementação de políticas, compartilhar o progresso e os desafios na implementação e promover a adoção das melhores práticas que podem ajudar a ampliar o acesso a padrões de informação.





CONHECIMENTO E LIDERANÇA NO PENSAMENTO

Como uma instituição de profissionais do desenvolvimento, o BID Invest tem crescido constantemente na produção de conhecimento que aumenta o impacto para todos os investidores, compartilhando lições extraídas de suas operações, trazendo as melhores práticas para a região e destacando projetos de primeira linha que ajudam o setor privado a investir com impacto.

Em 2019, o BID Invest publicou 55 posts em seu blog e fez 39 publicações sobre temas de negócios atuais, como investimento com enfoque de gênero, transporte urbano, inclusão financeira, parcerias público privadas e investimentos relativos às mudanças climáticas. Os tipos de publicações variaram entre relatórios de pesquisa curtos a longos, como a série

de relatórios “Desenvolvimento por meio do Setor Privado”.

Nossos esforços externos estão rendendo frutos. Pelo segundo ano consecutivo, mais do que dobrou o número de menções ao BID Invest na mídia, nos principais veículos regionais e internacionais. A instituição também promoveu o valioso trabalho de clientes e parceiros por meio de mais de 30 campanhas de marketing digital em seus canais de comunicação, ampliando sua base de assinantes por e-mail em 23%.

Com vistas ao futuro, o desenvolvimento da nossa agenda de conhecimento institucional está no centro de nossos esforços de comunicação externa. O intercâmbio de nosso conhecimento com clientes, investidores e outros interessados está diretamente alinhado com nossa missão de impacto e objetivos de negócios.





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CONQUISTAS E PRÊMIOS



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**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**



LatinFinance
**PORT FINANCING OF
THE YEAR**

Itapoá Container Terminal, Brazil



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

Autopista al Mar 1, Colombia



LatinFinance
**WATER TREATMENT
FINANCING OF THE YEAR**

Atlantic, Brazil



LatinFinance
**SOCIAL INFRASTRUCTURE
FINANCING OF THE YEAR**

Internet para todos , Peru

OPERAÇÕES EM 2019

Em milhares de US\$

Empréstimos			
País	Nome	Setor	Montante
Argentina	Desdelsur	Agricultura e desenvolvimento rural	\$15,000
	Envision Argentina	Energia	\$20,128
	Envision Argentina II	Energia	\$3,027
	Envision Argentina III	Energia	\$14,346
	Banco Galicia Green Financing Partnership	Mercados financeiros	\$20,000
	Emergencias Argentina	Saúde	\$10,000
	Telecom Argentina CAPEX Financing	Ciência e tecnologia	\$75,000
	Telecom Argentina Handset Financing	Ciência e tecnologia	\$100,000
Bahamas	ALIV	Indústria	\$14,000
Barbados	Caribbean LED Lighting Inc.	Indústria	\$2,000
Brasil	Daycoval Sustainable Financing Partnership	Mercados financeiros	\$150,000
	Sicredi Green Financing	Mercados financeiros	\$100,000
	Klabin II	Indústria	\$200,000
	Brookfield - BRK/RMR W&S Project in Recife	Água e saneamento	\$25,916
Chile	Itelecom Efficiency Lighting Phase 2	Energia	\$16,500
	Eurocapital SME Financing Partnership	Mercados financeiros	\$15,000
	Movistar Chile Handset Financing	Ciência e tecnologia	\$80,000
Colômbia	Banco de las Microfinanzas Bancamía S.A	Mercados financeiros	\$35,000
	La Hipotecaria Colombia	Mercados financeiros	\$15,000
	Movistar Colombia CAPEX	Ciência e tecnologia	\$102,494
	Movistar Colombia Handset Financing	Ciência e tecnologia	\$60,000
	Puerto de Uraba	Transportes	\$150,000
Costa Rica	Banco Promerica: SME Financing Partnership	Mercados financeiros	\$20,000
República Dominicana	ADOPEM Gender Bond	Mercados financeiros	\$18,000
	Banco Santa Cruz SME Partnership	Mercados financeiros	\$20,000
Equador	Agripac III	Agricultura e desenvolvimento rural	\$20,000
	Alianza con Banco Internacional para Fomentar el Financiamiento Verde para PYMES	Mercados financeiros	\$30,000
	BANCO GUAYAQUIL - Alianza con BG para financiamiento MIPYME con enfoque en género e inclusión	Mercados financeiros	\$50,000
	CTH Warehousing Line	Mercados financeiros	\$15,000

Em milhares de US\$

Empréstimos			
País	Nome	Setor	Montante
Equador	Induglob	Indústria	\$26,000
	Tiendas TIA	Outros	\$40,000
El Salvador	Energia del Pacifico LNG Thermo Power Project	Energia	\$60,000
	Scotiabank Let's PYME - Digital Financial Services for SMEs	Mercados financeiros	\$25,000
	American Industrial Park	Outros	8,000
Guatemala	Genesis: Microfinance Partnership Alliance	Mercados financeiros	\$20,000
Haiti	Sigora Haiti Microuility Project	Energia	\$1,500
	Delimart	Indústria	\$4,500
Honduras	Grupo Kattan	Indústria	\$5,000
México	Grupo Kowi	Agricultura e desenvolvimento rural	\$21,640
	NASE	Agricultura e desenvolvimento rural	\$15,000
	Banca Afirme -MSMEs	Mercados financeiros	\$30,999
	EDILAR IV	Mercados financeiros	\$18,877
	eFactor: Supply Chain Financing	Mercados financeiros	\$3,000
	Konfio: Senior Secured Revolving Credit Facility	Mercados financeiros	\$40,000
	HITEC	Indústria	\$20,000
	Mabe	Indústria	\$50,000
	Aguas de Rosarito Desalination Plant	Água e saneamento	\$200,000
Nicarágua	Nicaragua Sugar	Agricultura e desenvolvimento rural	\$25,000
	Banpro DPR - supporting middle-sized agro-industry producers in Nicaragua	Mercados financeiros	\$27,000
	CRN - CCN Reciclaje	Indústria	30,000
Panamá	St. Georges Financing Partnership for SMEs	Mercados financeiros	\$25,000
	West Resort	Turismo sustentável	\$37,238
Paraguai	Tecnomyt - línea revolvente	Agricultura e desenvolvimento rural	\$15,000
	Banco Atlas Productive Sector Financing Partnership	Mercados financeiros	\$27,960
Peru	CMAC Huancayo Equity	Mercados financeiros	\$22,800
	Chimbote Bypass (Red Vial 4)	Transportes	\$125,000
	Los Portales	Desenvolvimento urbano e moradia	\$40,000
Regional	SIGMA Alimentos	Agricultura e desenvolvimento rural	\$50,000
Trinidad e Tobago	Republic Bank - Caribbean Partnership	Empresas privadas e desenvolvimento de PMEs	\$75,000
Uruguai	Conaprole - corporativo	Agricultura e desenvolvimento rural	\$40,000
	Fideicomiso Financiero Conaprole	Agricultura e desenvolvimento rural	\$40,000
	PPP EDUCATIVA 2 URUGUAY	Educação	\$25,000
	RAILWAY PPP PROJECT FERROCARRIL CENTRAL	Transportes	\$300,000
			\$2,890,923

Garantias			
País	Nome	Setor	Montante
México	EDILAR IV	Mercados financeiros	\$9,438
Paraguai	Rutas 2/7	Transportes	\$200,000
			\$209,438

Investimentos de capital			
País	Nome	Setor	Montante
Regional	Kandeo Debt Fund	Mercados financeiros	\$30,000
	Victory Park Capital (VPC)	Mercados financeiros	\$50,000
			\$80,000

Títulos de dívida			
País	Nome	Setor	Montante
Colômbia	Bancolombia Emisión de Bonos Sostenibles	Mercados financeiros	\$200,000
Panamá	Banistmo Gender Bond	Mercados financeiros	\$50,000
Uruguai	Interagrovia	Agricultura e desenvolvimento rural	\$30,000
			\$280,000

Programa PFFC – Empréstitos		
País	Nome	Montante
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
Peru	Banco Interamericano de Finanzas - TFFP (PE-L1029)	\$50,000
		\$786,413

Programa PFFC - Garantias		
País	Nome	Montante
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
Belize	Atlantic Bank - TFFP (BL-L1012)	\$1,070
Bolívia	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
República Dominicana	Banco de Reservas - TFFP (DR-L1027)	\$100,000
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
Nicarágua	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
Paraguai	Banco Continental S.A.E.C.A. - TFFP (PR-L1053)	\$4,000
	Banco Regional S.A. - TFFP (PR-L1038)	\$10,109
		\$440,842

GOVERNANÇA INSTITUCIONAL

ESTRUTURA E ADMINISTRAÇÃO

MISSÃO

O BID Invest promove o desenvolvimento econômico de seus países-membros em desenvolvimento na região ao estimular a criação, ampliação e modernização de empresas no setor privado. Nosso objetivo é ser a principal instituição financeira com conhecimento e experiência para investir com impacto na América Latina e Caribe e conectar os países e os investimentos do setor privado com os Objetivos de Desenvolvimento Sustentável.

PAÍSES-MEMBROS

Alemanha, Argentina, Áustria, Bahamas, Barbados, Bélgica, Belize, Bolívia, Brasil, Canadá, Croácia, Chile, China, Colômbia, Coreia, Costa Rica, Dinamarca, El Salvador, Equador, Eslovênia, Espanha, Estados Unidos da América, Finlândia, França, Guatemala, Guiana, Haiti, Honduras, Israel, Itália, Jamaica, Japão, México, Nicarágua, Noruega, Países Baixos, Panamá, Paraguai, Peru, Portugal, República Dominicana, Suécia, Suíça, Suriname, Trinidad e Tobago, Uruguai e Venezuela.

MANDATO

Da eficácia no desenvolvimento, o BID Invest contribui para o desenvolvimento e maximiza o uso eficiente dos recursos e sinergias entre as atividades com os setores público e privado do Grupo do BID. O BID Invest é responsável por todas as operações sem garantia soberana do Grupo do BID (incluídas as com empresas estatais e excluídas as operações com governos subnacionais).

ASSEMBLEIA DE GOVERNADORES

Todos os poderes do BID Invest estão investidos em sua Assembleia de Governadores, composta por um governador e um governador suplente indicados por cada país membro. Entre os poderes investidos na Assembleia de Governadores e que não podem ser delegados à Diretoria Executiva estão a admissão de novos países-membros, a contratação de auditores externos, a aprovação das demonstrações financeiras do BID Invest e a alteração do Convênio Constitutivo da Corporação Interamericana de Investimentos.



Da esquerda para a direita. Frente: Gina Montiel (Venezuela), Edna Camacho (Costa Rica), Marcelo Bisogno (Uruguai), Jing Chen (China), Federico Poli (Argentina) e Bosco Martí (México). Meio: Selwin Hart (Barbados), Sergio Savino (Brasil), Alex Foxley (Chile), Fernando de León de Alba (Panamá), Patrick Hervé (França), Eliot Pedrosa (Estados Unidos) e Lucio Castro (Argentina). Atrás: Bjorn Olaf (Países Baixos), Marko Marcelo Machicao (Bolívia), José Guilherme Almeida dos Reis (Brasil) e Bernardo Acosta (Equador).

DIRETORIA EXECUTIVA

A Diretoria Executiva é responsável pela condução das operações do BID Invest e exerce todos os poderes a ela conferidos pelo Convênio Constitutivo da Corporação Interamericana de Investimentos ou delegados pela Assembleia de Governadores. A Diretoria Executiva determina a estrutura organizacional básica do BID Invest, além de aprovar o orçamento da instituição. Os 13 membros e 13 suplentes da Diretoria Executiva têm mandatos de três anos e representam um ou mais países-membros da instituição. O Comitê Executivo da Diretoria Executiva é composto por quatro membros: o diretor ou suplente nomeado pelo país membro com maior quantidade de ações do BID Invest, dois diretores representando países-membros em desenvolvimento e um diretor representando os demais países-membros.

Todos os empréstimos e investimentos do BID Invest em empresas localizadas nos países membros são analisados por esse comitê.

O Presidente do BID é o presidente *ex officio* da Diretoria Executiva do BID Invest e preside suas reuniões, mas só tem direito a voto em caso de empate. O presidente pode participar das reuniões da Assembleia de Governadores, mas não tem direito a voto.



Da esquerda para a direita: Rachel Robboy (Diretora Geral de Riscos), Rosemary Jeronimides (Diretora Geral de Assessoria Jurídica), Orlando Ferreira (Diretor Geral de Estratégia e Diretor Geral Interino de Finanças e Administração), Gema Sacristan (Diretora Geral de Investimentos) e James P. Scriven, Gerente Geral e CEO.

ADMINISTRAÇÃO

Mediante recomendação de seu presidente, a Diretoria Executiva nomeia o Gerente Geral e CEO do BID Invest por maioria de quatro quintos dos votos. Sob a direção da Diretoria Executiva e a supervisão geral do Presidente da Diretoria Executiva, o Gerente Geral conduz os negócios correntes do BID Invest e, em consulta com a Diretoria Executiva e seu Presidente, responde pela organização, nomeação e dispensa de executivos e funcionários. O CEO participa das reuniões da Diretoria Executiva, determina a estrutura operacional do BID Invest e pode modificá-la para acompanhar a evolução das necessidades da organização.

PESSOAL

Para cumprir sua missão de desenvolvimento, o BID Invest conta com 458 funcionários distribuídos em treze divisões e oito equipes. Do total, 25,5% estão em 25 dos 26 escritórios na região: Argentina, Bahamas, Barbados, Brasil, Bolívia, Chile, Colômbia, Costa Rica, El Salvador, Equador, Haiti, Honduras, Jamaica, México, Nicarágua, Panamá, Paraguai, Peru, República Dominicana, Trinidad e Tobago e Uruguai. O restante do pessoal está lotado na sede do BID Invest em Washington, D.C.

INFORMAÇÕES DE CONTATO

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APÊNDICE

APÊNDICE 1: RESULTADOS E DEMONSTRAÇÕES FINANCEIRAS

\$ in thousands	Year ended December 31				
	2019	2018	2017	2016	2015 ⁽¹⁾
Financial Highlights					
Statement of Income					
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
Balance Sheet					
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
Ratios					
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%

⁽¹⁾ 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.

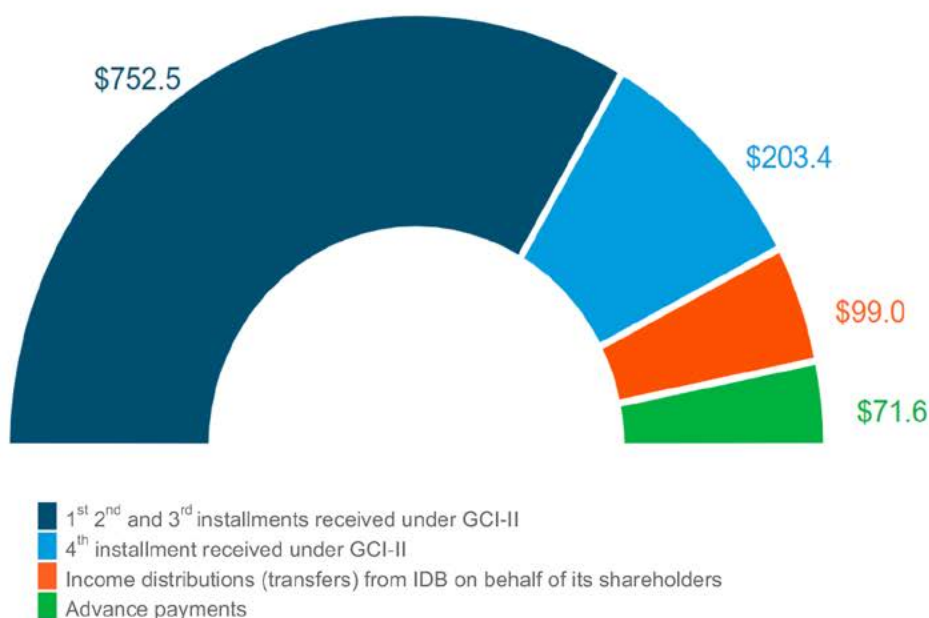
Financial Results

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.

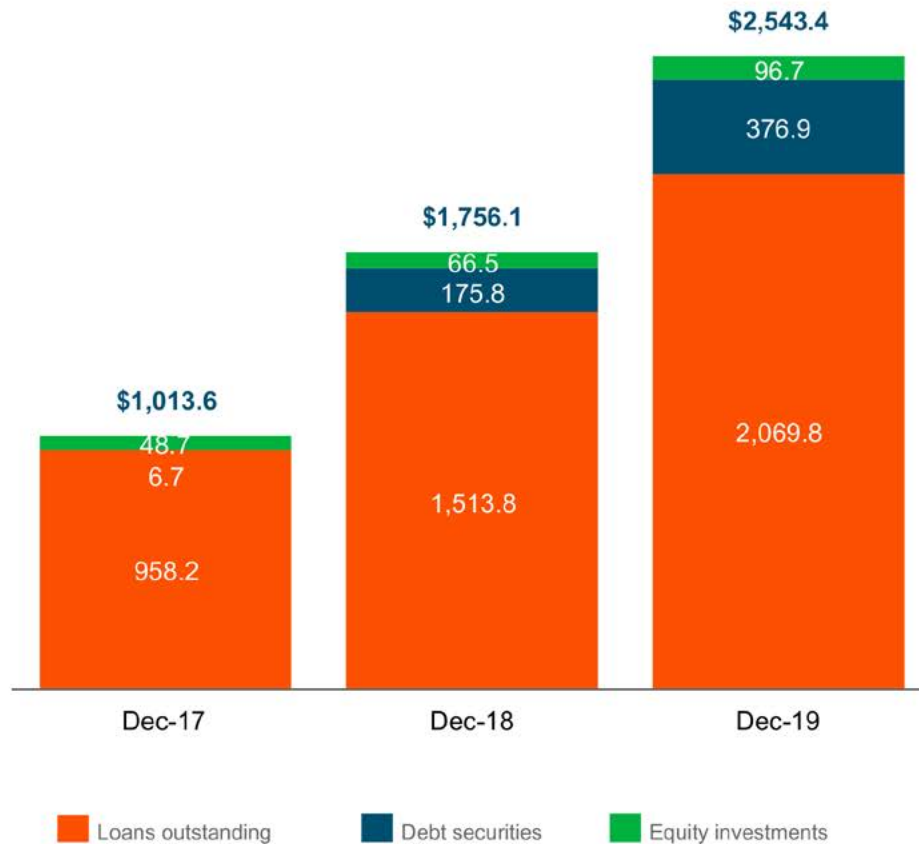
During 2019, IDB Invest continued to deliver on portfolio growth in new priority lines of business and sectors, expanding capital market solutions and reaching new sectors in social infrastructure, water and sanitation, tourism and telecommunications and the expansion of local currency funding issuances 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)



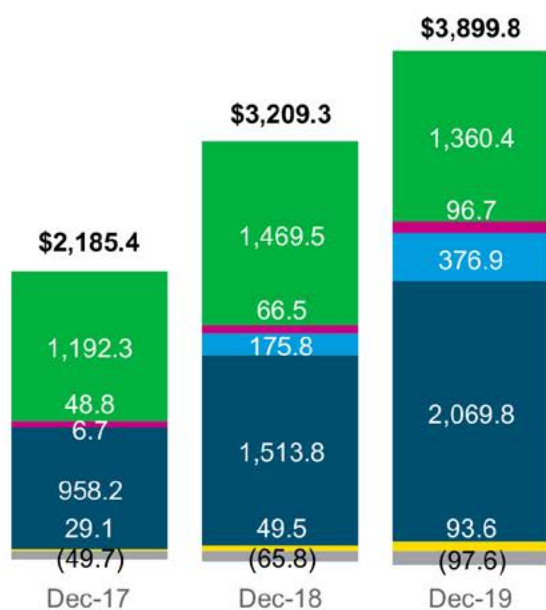
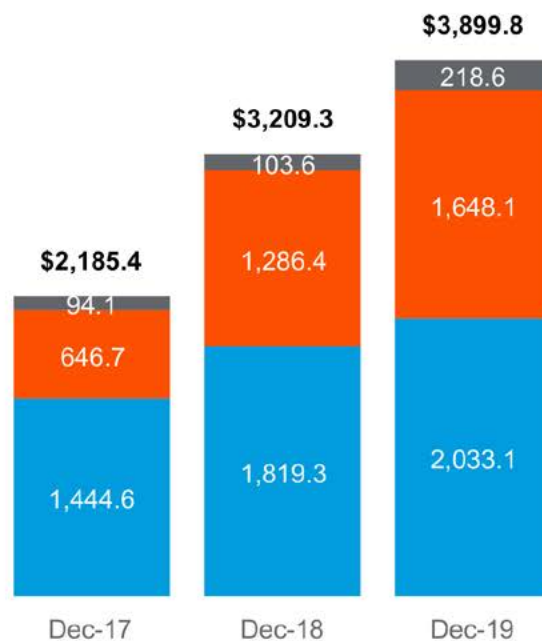
Total income, net of borrowings expense, amounted to \$177.7 million in 2019, \$34.1 million higher than in 2018. The increase in total income compared to the prior year end was primarily driven by higher gross development related investments income due to the portfolio growth, an increase of \$63.6 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
Assets			
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
Total assets		3,899,824	3,209,253
Liabilities and capital			
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
Total liabilities		1,866,762	1,390,003
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)
Total capital		2,033,062	1,819,250
Total liabilities and capital		\$ 3,899,824	\$ 3,209,253

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
Income			
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
Total income		222,265	170,168
Borrowings expense	7	44,570	26,612
Total income/(loss), net of borrowings expense		177,695	143,556
Operating expenses			
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
Total operating expenses		133,824	119,500
Net income		\$ 43,871	\$ 24,056

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
Net income		\$ 43,871	\$ 24,056
Other comprehensive income/(loss)			
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)
Total other comprehensive income/(loss)		(40,264)	11,822
Comprehensive income/(loss)		\$ 3,607	\$ 35,878

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
As of December 31, 2017		151,248	\$ 1,283,414	\$ 208,471	\$ (47,305)	\$ 1,444,580
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
As of December 31, 2018		154,286	1,622,206	235,356	(38,312)	1,819,250
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
As of December 31, 2019		157,350	\$ 1,832,411	\$ 279,227	\$ (78,576)	\$ 2,033,062

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
Cash flows from investing activities		
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)
Net cash provided by/(used in) investing activities	\$ (239,804)	\$ (852,454)
Cash flows from financing activities		
Proceeds from issuance of borrowings	980,416	677,262
Borrowings repayments	(620,000)	(28,106)
Payments received for capital	210,205	338,792
Net cash provided by/(used in) financing activities	\$ 570,621	\$ 987,948
Cash flows from operating activities		
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
Net cash provided by/(used in) operating activities	\$ (317,737)	\$ (146,585)
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
Cash, cash equivalents and restricted cash as of December 31	\$ 22,749	\$ 9,647
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

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.

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Notes to the Financial Statements

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 securities¹. 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.

¹ 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.

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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

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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.

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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

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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

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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

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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.

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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)
Total	\$ 37,920	\$ 30,110

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	—
Total	\$ 751,269	\$ 337,614

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).

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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
Total	\$ 583,246	\$ 3,496	\$ (347)	\$ 586,395

	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
Total	\$ 1,128,838	\$ 389	\$ (7,042)	\$ 1,122,185

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)
Total	\$ 41,956	\$ (57)	\$ 135,024	\$ (290)	\$ 176,980	\$ (347)

	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)
Total	\$ 387,031	\$ (2,562)	\$ 361,039	\$ (4,480)	\$ 748,070	\$ (7,042)

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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
Total recognized in other comprehensive income/(loss) related to available-for-sale investment securities	\$ 9,800	\$ (4,505)

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
Total	\$ 586,395	\$ 1,122,185

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.

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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 ⁽¹⁾	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
Total	\$2,069,824	\$ 96,675	\$ 376,924	\$2,543,423	\$1,513,811	\$ 66,556	\$ 175,764	\$1,756,131
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
Total	\$2,069,824	\$ 96,675	\$ 376,924	\$2,543,423	\$1,513,811	\$ 66,556	\$ 175,764	\$1,756,131

⁽¹⁾ Represents investments with operations in multiple countries.

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Notes to the Financial Statements

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

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

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):

	December 31, 2019				
	1-90 days past due	>90 days past due	Total past due	Total current loans	Total loan portfolio
Financial institutions	\$ —	\$ —	\$ —	\$ 799,116	\$ 799,116
Corporates	6,530	14,516	21,046	1,249,662	1,270,708
Total	\$ 6,530	\$ 14,516	\$ 21,046	\$ 2,048,778	\$ 2,069,824
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 %

	December 31, 2018				
	1-90 days past due	>90 days past due	Total past due	Total current loans	Total loan portfolio
Financial institutions	\$ —	\$ —	\$ —	\$ 621,644	\$ 621,644
Corporates	1,733	12,828	14,561	877,606	892,167
Total	\$ 1,733	\$ 12,828	\$ 14,561	\$ 1,499,250	\$ 1,513,811
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 %

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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
Total nonaccrual loans	\$ 19,415	\$ 11,851	\$ 31,266	\$ 11,836	\$ 16,569	\$ 28,405
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
Total loans outstanding, gross	\$ 2,074,555	\$ 1,518,350
Unamortized discounts	(4,731)	(4,539)
Total loans outstanding, net	\$ 2,069,824	\$ 1,513,811

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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 %
Total loans outstanding, before discounted loans	\$ 1,824,829		\$ 1,374,855	
Discounted loans	244,995		138,956	
Total loans outstanding	\$ 2,069,824		\$ 1,513,811	

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 ⁽¹⁾	(8,191)	(25,822)	(34,013)
Ending balance	\$ (32,926)	\$ (64,688)	\$ (97,614)

⁽¹⁾ 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 ⁽¹⁾	(3,574)	(14,465)	(18,039)
Ending balance	\$ (24,602)	\$ (41,174)	\$ (65,776)

⁽¹⁾ 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.

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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
Total loans at amortized cost	\$ 782,684	\$ 1,259,613	\$ 2,042,297

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
Total loans at amortized cost	\$ 621,644	\$ 884,453	\$ 1,506,097

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).

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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
Total	\$ 376,924	\$ 175,764

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).

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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):

	December 31, 2019	December 31, 2018
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
Total receivables and other assets	\$ 93,602	\$ 49,452

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Notes to the Financial Statements

6. Accounts Payable and Other Liabilities

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

	Notes	December 31, 2019	December 31, 2018
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
Total accounts payables and other liabilities		\$ 211,284	\$ 96,291

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.

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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 ⁽¹⁾	Interest rate	Amount outstanding	F/V rate ⁽¹⁾	Interest rate
Brazilian real (BRL):								
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>		
Colombian peso (COP):								
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>		
Dominican peso (DOP):								
2019 DOP 500 million	2022	Semi-annual	9,418	F	8.8 %	—		
			<u>9,418</u>			<u>—</u>		
Mexican peso (MXN):								
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>		
Paraguayan guarani (PYG):								
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>		
United States dollar:								
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>		
Total borrowings, gross			<u>\$ 1,649,866</u>			<u>\$ 1,287,602</u>		
Unamortized premiums/ discounts and issuance costs, net			(1,720)			(1,230)		
Total borrowings, net			<u>\$ 1,648,146</u>			<u>\$ 1,286,372</u>		

⁽¹⁾ F: fixed; V: variable

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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
Colombian peso (COP):				
2018 COP 370 billion	2021	\$ 112,850	\$ 76,116	\$ 36,734
Multi-currency:				
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
Total borrowings expense	\$ 44,570	\$ 26,612

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Notes to the Financial Statements

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.

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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 ⁽¹⁾	Capital, par value	Additional paid-in capital ⁽²⁾	Receivable from members ⁽³⁾	Total paid in capital	Percent of total paid in capital ⁽⁴⁾	Number of votes	Percent of total votes ⁽⁴⁾
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
Total as of December 31, 2019	157,350	\$ 1,573,500	\$ 546,751	\$ 287,840	\$ 1,832,411	100	134,785	100
Total as of December 31, 2018	154,286	\$ 1,542,860	\$ 523,949	\$ 444,603	\$ 1,622,206		118,007	

(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.

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Notes to the Financial Statements

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.

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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
Investment securities					
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
Loans					
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
Equity investments					
Cost-based measurement alternative	4,695	—	—	4,695	4,695
Fair value	27,239	1,298	—	25,941	27,239
NAV ⁽¹⁾	64,741	—	—	—	64,741
	96,675	1,298	—	30,636	96,675
Debt securities					
Held to maturity	133,624	—	—	144,720	144,720
Fair value	197,406	—	—	197,406	197,406
NAV ⁽¹⁾	45,894	—	—	—	45,894
	376,924	—	—	342,126	388,020
Borrowings	1,648,146	—	1,655,632	—	1,655,632

⁽¹⁾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.

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

¹⁾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)
Total assets at fair value	<u>\$ 68,047</u>	<u>\$ 152</u>	<u>\$ 182,675</u>	<u>\$ 250,874</u>	<u>\$ 152</u>

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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	—
Total assets at fair value	\$ —	\$ —	\$ 68,047	\$ 68,047	\$ —

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			
	27,527				
Equity investments	15,500	Recent transaction			
	10,441	Various techniques ⁽¹⁾			
	25,941				
Debt securities	177,524	Discounted cash flows	Discount rate	3.9%-9.3%	5.6%
	19,882	Listed price			
	197,406				
Total	\$ 250,874				

⁽¹⁾ 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 ⁽¹⁾	\$ 7,714	Discounted cash flows	Discount rate	15.0%	15.0%
Debt securities	60,333	Recent transaction			
Total	\$ 68,047				

⁽¹⁾ 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.

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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):

	Year ended December 31	
Operating leases		
Operating lease expense	\$	6,109
Total lease expense	\$	6,109
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):

	December 31, 2019	
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
Total operating leases	\$	63,278
Discount		(9,890)
Operating lease liability	\$	53,388

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):

	2019	2020	2021	2022
Office space	\$ 5,305	\$ 5,203	\$ 216	\$ 49
Total	\$ 5,305	\$ 5,203	\$ 216	\$ 49

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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.

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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
Total	\$ 77,420	\$ 79,030

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.

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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
Reconciliation of benefit obligation				
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)
Obligation as of December 31	\$ (306,498)	\$ (224,152)	\$ (180,482)	\$ (136,934)

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
Fair value of plan assets as of December 31	\$ 228,578	\$ 184,260	\$ 162,684	\$ 132,799

Funded status

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

Amounts recognized as assets/(liabilities) consist of:

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

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)
Net amount recognized as of December 31	\$ 52,011	\$ 17,667	\$ 29,738	\$ 14,018

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.

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

⁽¹⁾ Included in Administrative expenses.

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

⁽³⁾ 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
Total recognized in other comprehensive (income)/loss	\$ 34,344	\$ (4,882)	\$ 15,720	\$ (11,567)
Total recognized in Net periodic benefit cost and Other comprehensive (income)/loss	\$ 45,125	\$ 7,779	\$ 18,351	\$ (7,397)

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.

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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
Weighted average assumptions used to determine benefit obligation as of December 31				
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
Weighted average assumptions used to determine net periodic benefit cost for years ended December 31				
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
Health care cost trend rates assumed for next year		
Medical, Non-Medicare	4.75 %	5.00 %
Medical, Medicare	2.75 %	3.00 %
Prescription drugs	6.50 %	7.00 %
Dental	4.50 %	4.50 %
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)		
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

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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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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 CSR) 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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- 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;

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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).

	Pension Plans			Weighted average allocations
	December 31, 2019			
	Level 1	Level 2	Total	
Equity securities				
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 %
Government and diversified fixed income and fixed income funds				
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 %
Tactical asset allocation	5,211	4,851	10,062	4 %
Short-term fixed income funds	1,359	6,168	7,527	3 %
	\$ 96,532	\$ 125,100	\$ 221,632	
Investments measured at NAV				
Private real estate fund			9,101	4 %
			\$ 230,733	100 %
Other assets / (liabilities), net ⁽¹⁾			(2,155)	
			\$ 228,578	

⁽¹⁾ Includes receivables and payables carried at amounts that approximate fair value.

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	Pension Plans			
	December 31, 2018			
	Level 1	Level 2	Total	Weighted average allocations
Equity securities				
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 %
Government and diversified fixed income and fixed income funds				
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 %
Commodity index futures	—	27	27	0 %
Short-term fixed income funds	1,068	4,876	5,944	3 %
	\$ 67,491	\$ 109,277	\$ 176,768	
Investments measured at NAV				
Private real estate fund			8,276	4 %
			\$ 185,044	100 %
Other assets / (liabilities), net ⁽¹⁾			(784)	
			\$ 184,260	

⁽¹⁾Includes receivables and payables carried at amounts that approximate fair value.

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	PRBP			Weighted average allocations
	December 31, 2019			
	Level 1	Level 2	Total	
Equity and equity funds				
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 %
Government and diversified fixed income and fixed income funds				
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 %
Tactical asset allocation	3,833	3,800	7,633	4 %
Short-term fixed income funds	7,027	31	7,058	4 %
	\$ 72,912	\$ 91,540	\$ 164,452	100 %
Other assets / (liabilities), net ⁽¹⁾			(1,768)	
			\$ 162,684	

⁽¹⁾ Includes receivables and payables carried at amounts that approximate fair value.

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	PRBP			
	December 31, 2018			
	Level 1	Level 2	Total	Weighted average allocations
Equity and equity funds				
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 %
Government and diversified fixed income and fixed income funds				
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 %
Short-term fixed income funds	5,211	(83)	5,128	4 %
	\$ 50,595	\$ 81,649	\$ 132,244	100 %
Other assets / (liabilities), net ⁽¹⁾			555	
			\$ 132,799	

⁽¹⁾ 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>
Estimated future benefit payments		
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*.

APÊNDICE 2: FORÇA-TAREFA SOBRE DIVULGAÇÕES FINANCEIRAS RELACIONADAS AO CLIMA

A Força-Tarefa sobre Divulgações Financeiras Relacionadas ao Clima (TCFD) do Conselho de Estabilidade Financeira do G-20 formulou recomendações para empresas e investidores medirem e gerirem os riscos e oportunidades relacionados ao clima nos mercados financeiros. Essas recomendações estão organizadas em quatro pilares: governança, estratégia, gestão de riscos e parâmetros e metas.

O BID Invest passou a apoiar as recomendações da TCFD em 2019. Ele vinha adicionando metas para o financiamento climático à sua estratégia nos três anos anteriores. Durante esse período, o BID Invest não apenas dobrou seu financiamento climático, como também aumentou a proporção de financiamento da adaptação, de 2% para 40%, e diversificou sua carteira ao aumentar a proporção de financiamento climático destinada aos setores não energéticos e de infraestrutura, de menos de 25% em 2016 para mais de 50% em 2019.

Governança

Supervisão pela Diretoria:

O BID Invest assumiu o compromisso com sua Diretoria Executiva de fazer uma triagem de todos os investimentos para identificar riscos climáticos. A instituição é responsável perante a Diretoria por informar e cumprir as metas de financiamento climático e os parâmetros climáticos estabelecidos no Quadro de Resultados Institucionais. A Diretoria Executiva do BID Invest é informada trimestralmente sobre os compromissos de assessoria na área do clima e, anualmente, sobre o plano de ação climática. Por último, o BID Invest começará a prestar contas a sua Diretoria sobre o alinhamento com as recomendações da TCFD.

Administração

A Administração foi questionada sobre as implicações das mudanças climáticas e as tendências dos mercados financeiros e respondeu explorando estratégias para aumentar o financiamento climático. Ademais, a Administração do BID Invest apoia publicamente as recomendações da TCFD e o estabelecimento de um comitê coordenador multifuncional para identificar estratégias para a melhoria contínua das divulgações do BID Invest no âmbito da TCFD.

Estratégia

Tanto a mitigação das mudanças climáticas como a respectiva adaptação são prioridades estratégicas para as atividades de investimento e assistência técnica do BID Invest na região. Como parte do compromisso do BID Invest com o financiamento climático, estamos investindo na mitigação e adaptação. O BID Invest reduz sistematicamente os riscos de transição na preparação para uma economia de baixo carbono, bem como os riscos físicos impostos pelas mudanças climáticas. Além disso, o BID Invest destinou 10% de todo o financiamento a nove Estados pequenos e insulares, que apresentam uma clara oportunidade para o financiamento da adaptação. A diretriz da

Administração para aumentar a ambição de se tornar uma instituição climaticamente inteligente implica a integração transversal de considerações climáticas em todo o BID Invest. Uma equipe dedicada de serviços de assessoria desenvolve e dissemina conhecimento, ferramentas e capacidade climática para nossos clientes e para os mercados. A fim de cumprir nossos compromissos e metas, identificamos e financiamos mais produtos e serviços alinhados com as ambições da ação climática mundial. Nossas unidades de financiamento combinado e mobilização de recursos são fundamentais para multiplicar nosso impacto na região.

A maximização do impacto no desenvolvimento está no centro do que fazemos. Desenvolvemos a ferramenta de Eficácia no Desenvolvimento, Aprendizagem, Monitoramento e Avaliação, conhecida pela sigla DELTA (as iniciais de *Development Effectiveness, Learning, Tracking, and Assessment*), que atribui uma pontuação a cada projeto quanto ao impacto no desenvolvimento, incluído o clima. As pontuações têm um impacto nas nossas decisões de investimento, como a definição de limites mínimos claros e a busca pelo equilíbrio com o retorno econômico. Usamos os dados analíticos da DELTA para medir as contribuições dos projetos para cada um dos 17 ODS, permitindo uma abordagem pautada em dados para maximizar nosso impacto positivo na região.

Gestão de riscos

Nosso departamento de gestão de risco trabalha em estreita colaboração com nosso departamento comercial. Para cada projeto em consideração e em nossa carteira, é designado um oficial de risco de crédito, bem como um oficial ambiental e social. Isso significa que, como parte de nossa triagem e devida diligência, analisamos questões em potencial relacionadas ao clima nas propostas de investimento de alto risco. Estamos desenvolvendo ferramentas para levar em conta os riscos físicos e de transição relacionados ao clima durante nosso processo de aprovação de investimentos. Se forem consideradas necessárias, ações para mitigar e gerir esses riscos são incorporadas à documentação de nosso financiamento como requisitos a serem cumpridos por nossos mutuários. Por último, identificamos de forma proativa oportunidades e fazemos recomendações a nossos clientes para reduzir, limitar ou sequestrar as emissões de gases do efeito estufa, bem como para contribuir para a resiliência (incluída a resiliência socioeconômica) ou a adaptação às mudanças climáticas ao abordar uma vulnerabilidade climática específica no contexto de um projeto.

Parâmetros e metas

Acompanhamos nossa proporção no financiamento climático de acordo com uma metodologia conjunta dos bancos multilaterais de desenvolvimento e a comparamos anualmente com as metas estabelecidas no nosso Quadro de Resultados Institucionais. Além disso, exigimos que nossos clientes meçam as emissões brutas de projetos com níveis consideráveis de emissões de gases do efeito estufa e calculem as emissões líquidas evitadas para determinadas transações, conforme a metodologia conjunta. Esses dados servem de base para as pontuações DELTA dos projetos. O Programa de Sustentabilidade Institucional gerencia e estabelece metas para as emissões de

Escopo 1 e Escopo 2, bem como para as emissões de Escopo 3 pertinentes do Grupo do BID, que abrange o BID Invest. As emissões relacionadas às viagens a trabalho, a maior proporção da pegada do BID Invest, são compensadas por meio de projetos na região selecionados cuidadosamente a cada ano pelo programa.