



# INVESTOR PRESENTATION

SEPTEMBER 2019

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# ABOUT US

Three Institutions,  
one IDB Group

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



Governments  
Civil society

Loans  
Guarantees  
Grants

Policy advice  
Technical Assistance  
Knowledge



Private Sector

Loans  
Guarantees  
Equity &  
Mezzanine

Advisory Services



The Innovation  
Laboratory

Loans,  
Seed and Venture  
Capital Grants

Knowledge  
Networks  
Open Innovation

Common  
shareholders

Aligned  
governance &  
strategy

We manage the  
IDB's private sector  
portfolio

IDB provides us  
administrative  
services



OUR  
BUSINESS &  
IMPACT



## AT A GLANCE

**\$13.1B**

ASSETS UNDER  
MANAGEMENT

**\$3.1B**

TOTAL ASSETS

**60**

YEARS OF  
EXPERIENCE  
IN THE REGION  
AS IDB GROUP

**AAA**

FITCH

**400**

EMPLOYEES

**29**

OFFICES

**AA**

S&P (Pos)

**47**

SHAREHOLDERS

IN LATIN  
AMERICA  
AND THE  
CARIBBEAN,  
ASIA AND  
EUROPE

**Aa1**

MOODY'S

*\* Figures are as of June 2019*

# SHAREHOLDER OVERVIEW

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## REGIONAL MEMBER COUNTRIES

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

## OTHER MEMBER COUNTRIES

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

# WHAT WE OFFER

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



## Financial Products and Services

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



## Advisory Services

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



## Knowledge

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

# OUR SECTORS

## Financial Intermediaries



Banks and other financial intermediaries



Financial Inclusion



Funds

## Infrastructure



Energy



Transport



Water and sanitation



Social infrastructure

## Corporates



Agribusiness



Manufacturing



Tourism

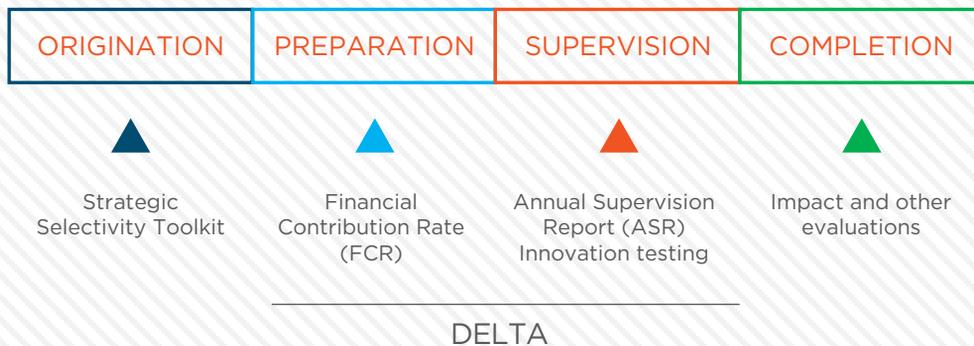


Telecommunications, media and technology

# HOW WE MEASURE DEVELOPMENT

Adding value beyond financing

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



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

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

*\* Development effective learning tracking and assessment tool.*

# DEVELOPMENT IMPACT

Priority Business aligned with SDG's

## Social Inclusion and Equity



**523,510**

beneficiaries receiving health services

**428,158**

households with new/upgraded access to drinking water or sanitation

## Productivity and Innovation



**157,531**

beneficiaries of on-the-job training

**36,363**

jobs created by supported firms

**377,263**

micro, small and medium enterprises financed

## Economic Integration



**200**

km of roads built or upgraded

**US\$2.8 Billion**

in international trade promoted

## Gender Equality and Diversity



**176,251**

women beneficiaries of economic empowerment initiatives

## Climate Change and Environmental Sustainability



**264,112**

households benefitting from housing solutions

**9 Million**

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

**100%**

Installed power generation capacity from renewable sources

# HOW WE REPORT DEVELOPMENT

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



Development effectiveness at IDB Invest:  
a way to add value

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

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

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

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

# PROJECT HIGHLIGHTS



## Pirapora I solar PV Project



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

### Key facts

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

### Expected results

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

# PROJECT HIGHLIGHTS



## Danper - Peru



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

### Key facts

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

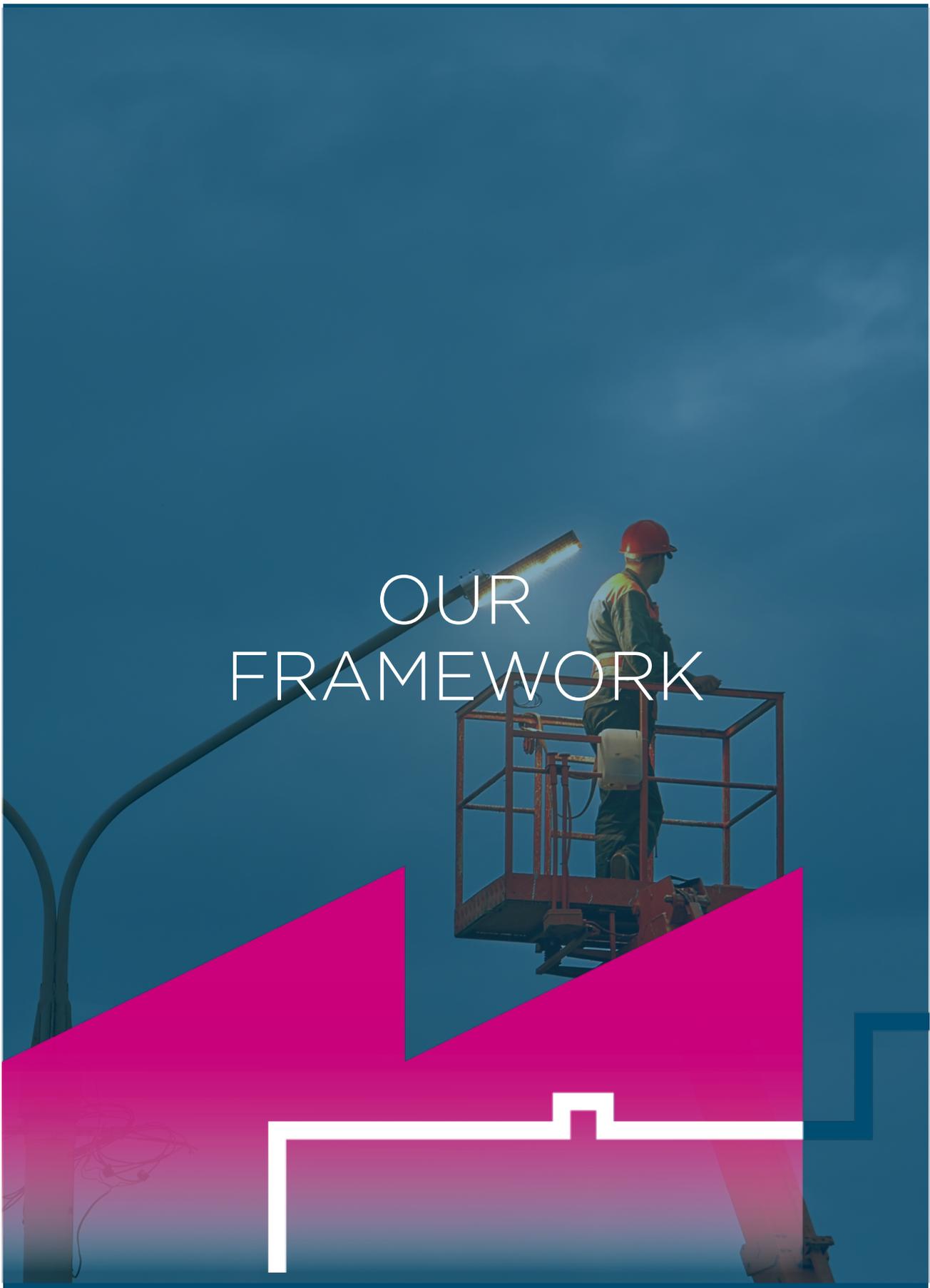
### Expected results

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





# OUR FRAMEWORK



# STRONG RISK MANAGEMENT FRAMEWORK

Typical Lending Cycle



Risk Appetite



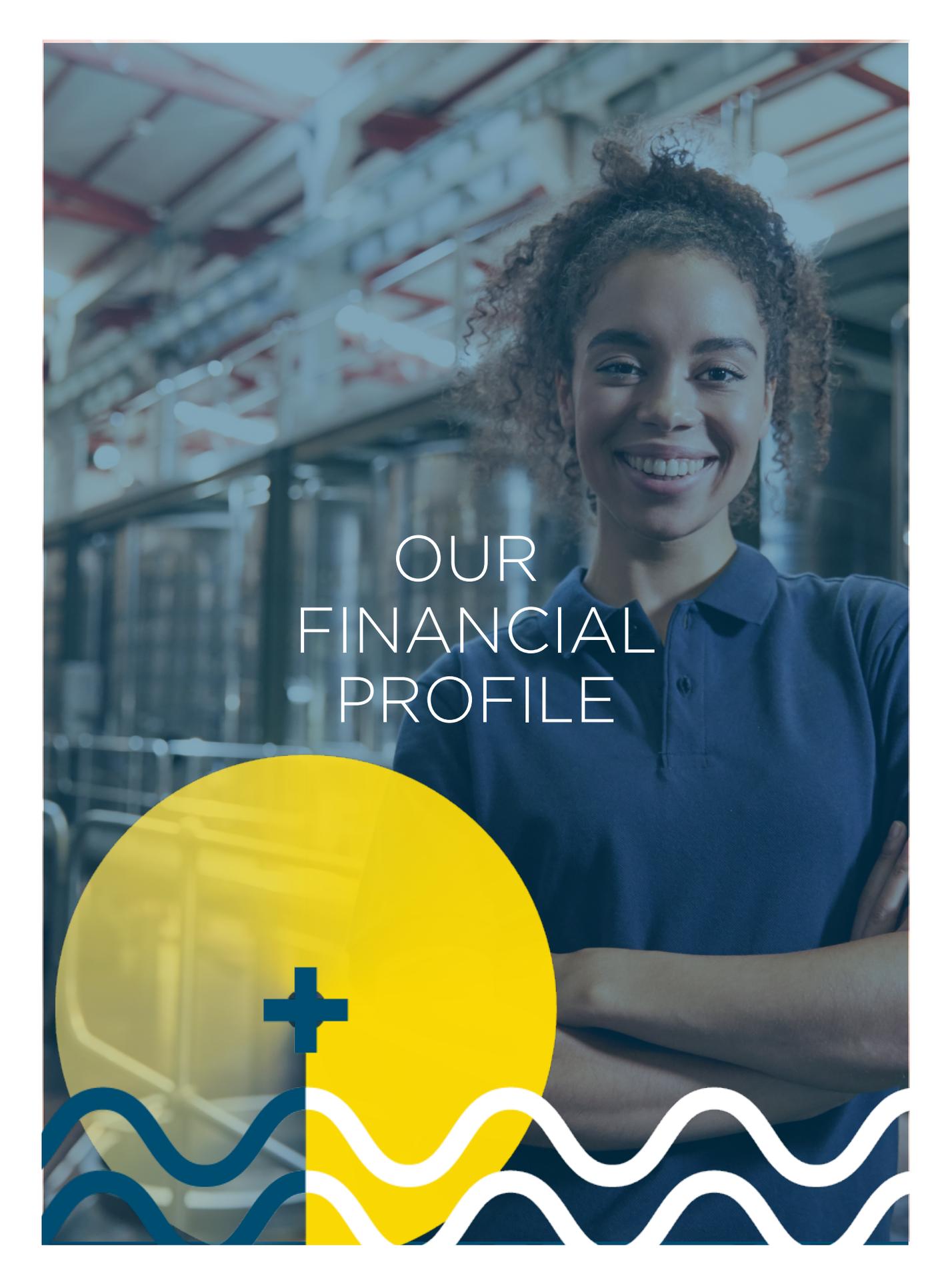
Liquidity Portfolio



Key Balance Sheet Metrics



Limits are set based on allocated capital  
\*with the exception of Financial Institutions sector (75%)



OUR  
FINANCIAL  
PROFILE

# A SOUND BALANCE SHEET



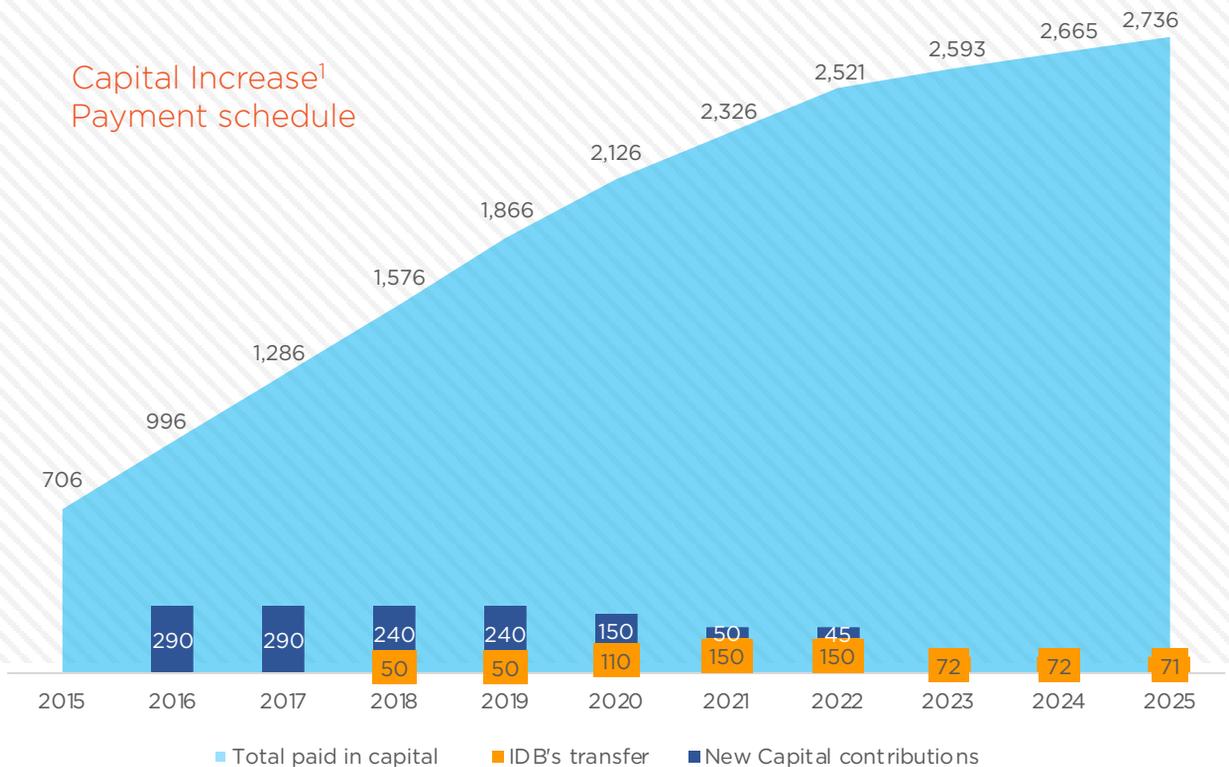
*Figures are expressed in million US dollar as of June 2019  
 (\*) Net of USD 74.9 million in provisions. Total equity Investments: USD 82 million*

## Robust capitalization & Low leverage

Capital / total assets ratio of 62% and leverage ratio of 0.6x leave ample room for growth.

# STRONG SHAREHOLDER SUPPORT

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



IDB Invest operates exclusively with 100% paid-in capital

<sup>1</sup> Figures are in USD million. IDB transfers are Subjects to annual approval by IDB's Board of Governors

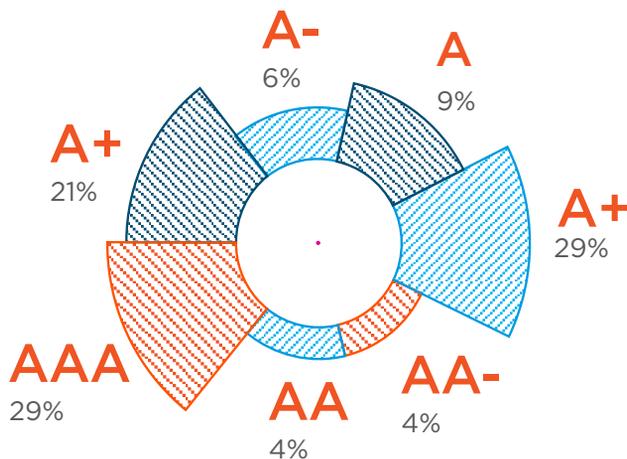
# AMPLE LIQUIDITY AND HIGH-QUALITY LIQUID ASSETS

Extremely strong coverage of  
outstanding debt with liquid assets

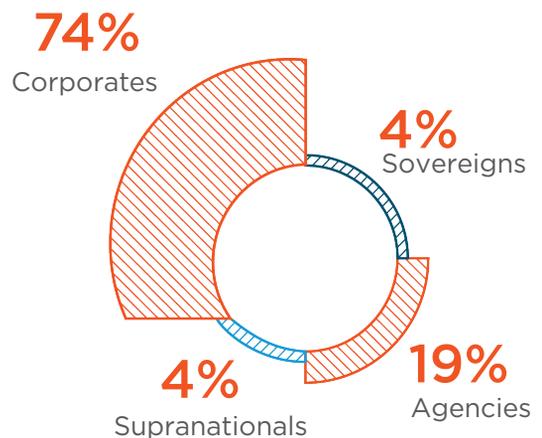
Liquid Assets / Total Debt



Liquid Assets by Rating

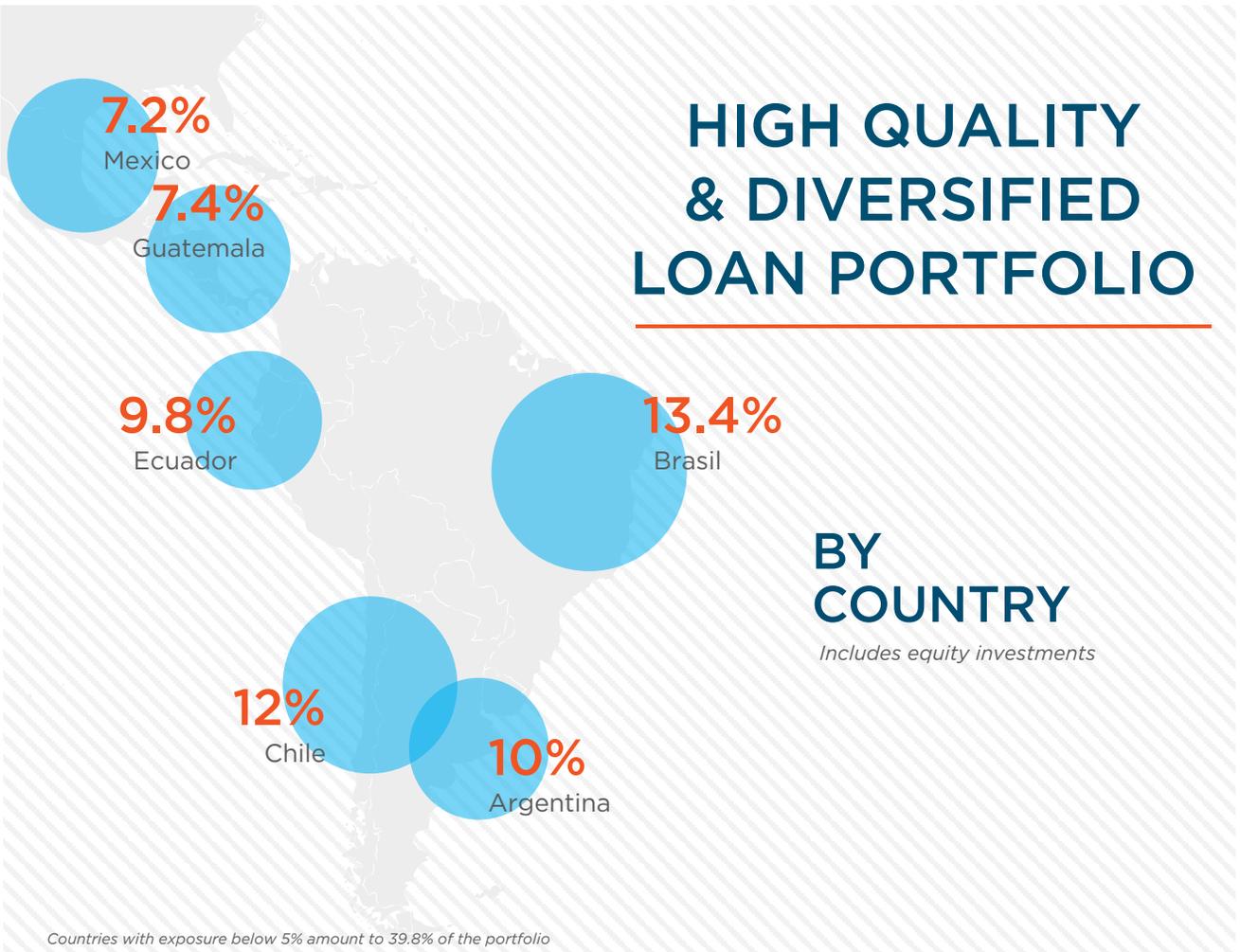


Liquid Assets by Sector



Figures are as of June 2019

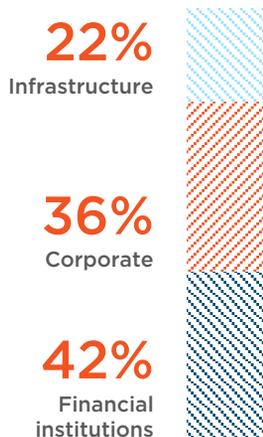
# HIGH QUALITY & DIVERSIFIED LOAN PORTFOLIO



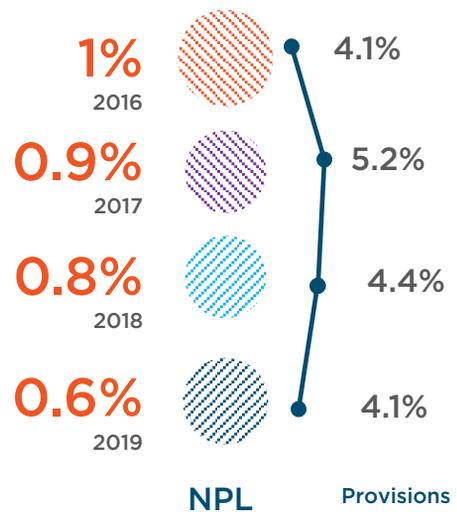
## BY COUNTRY

*Includes equity investments*

## BY SECTOR



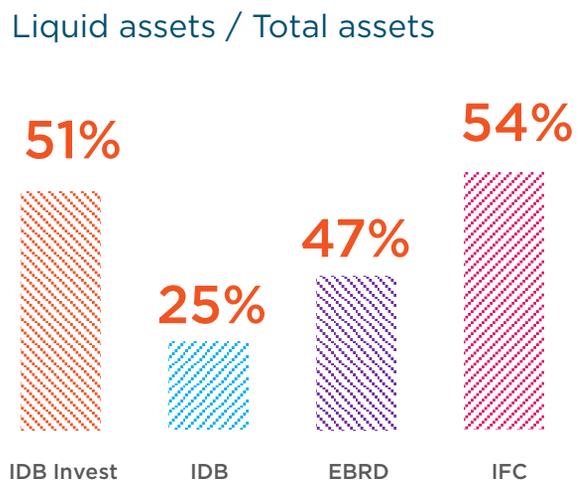
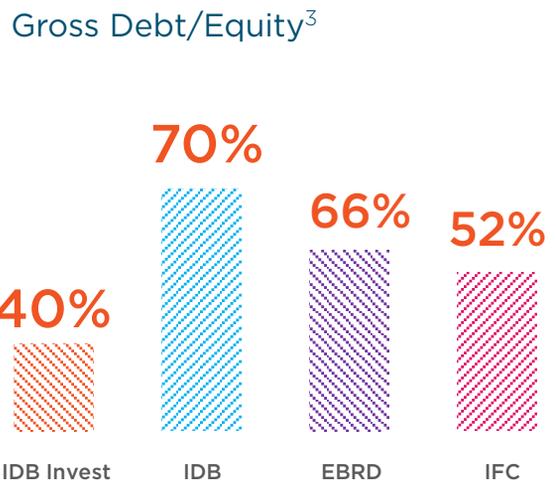
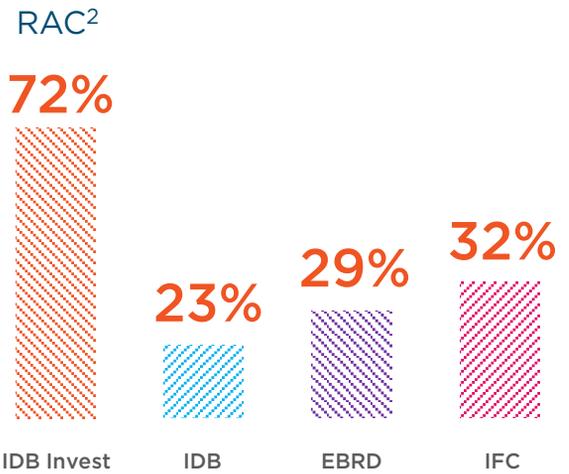
## Non-Performing Loans & Provisions



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

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

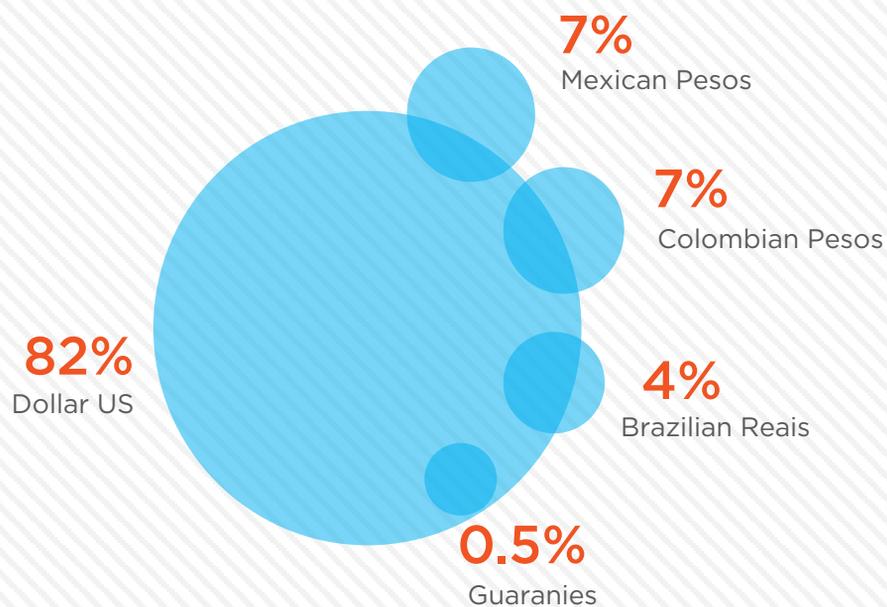
One of the strongest financial profiles among Multilateral Development Banks



Source:  
 S&P Global Supranationals Special Edition Junio 2019.  
 1 S&P Global rating August 2018.  
 2 RAC: Adjusted equity / Assets weighted by risk (%).  
 3 Gross debt / adjusted ordinary equity (%).  
 Data as of December 31, 2018, except for the IFC, whose data are as of June 30, 2018.

# DIVERSIFIED FUNDING SOURCES

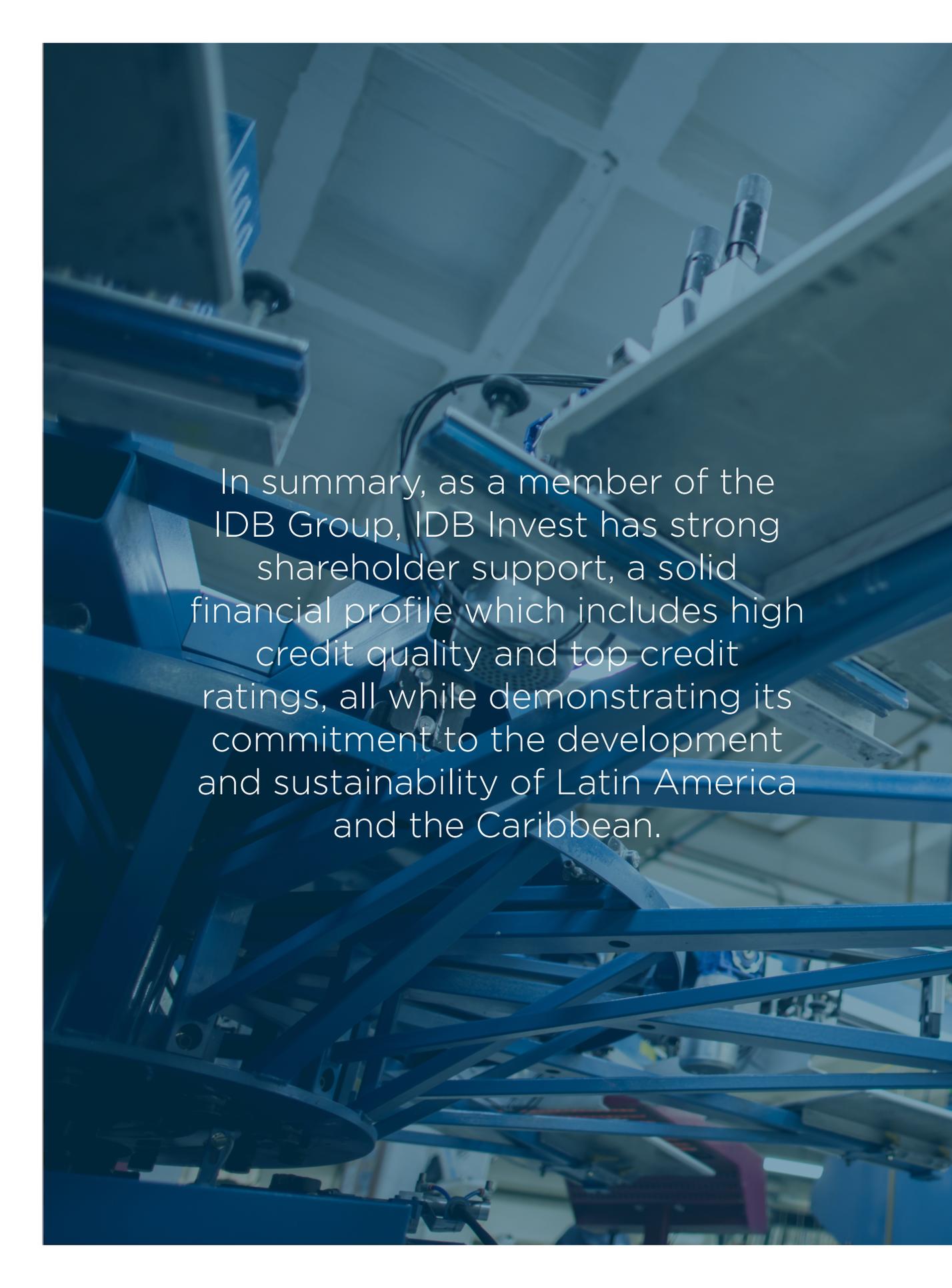
- Main Funding Instrument Euro Medium Term Note
- 2019 Global funding program USD\$ 750M - USD\$ 1B
- 2019 Local Currency program USD\$ 200- \$ 250M
- Preferred tenor 3 -5 years



# OUR PRESENCE IN THE CAPITAL MARKETS

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



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# Let's continue the conversation

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