1. About IDB Invest
2. Our Financial Profile and Risk Management
3. Our Approach to Sustainability
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.

IDB Invest finances sustainable enterprises and projects to achieve financial results that maximize economic, social and, environmental development for the region.
# Shareholder Overview

## Member Countries and Voting Power

<table>
<thead>
<tr>
<th>Regional Member Countries</th>
<th>Other Member Countries</th>
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<tbody>
<tr>
<td>Argentina</td>
<td>Austria</td>
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<tr>
<td>Bahamas</td>
<td>Belgium</td>
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<td>Barbados</td>
<td>Canada</td>
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<td>Belize</td>
<td>Croatia</td>
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<td>Bolivia</td>
<td>China</td>
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<td>Brazil</td>
<td>Denmark</td>
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<td>Chile</td>
<td>Finland</td>
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<td>Colombia</td>
<td>France</td>
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<td>Costa Rica</td>
<td>Germany</td>
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<td>Dom. Rep</td>
<td>Israel</td>
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<td>Ecuador</td>
<td>Italy</td>
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<td>El Salvador</td>
<td>Japan</td>
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<td>Guatemala</td>
<td>Korea</td>
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<td>Guyana</td>
<td>Netherlands</td>
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<td>Haiti</td>
<td>Norway</td>
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<td>Honduras</td>
<td>Portugal</td>
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<td>Jamaica</td>
<td>Slovenia</td>
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<tr>
<td>Mexico</td>
<td>Spain</td>
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<td>Nicaragua</td>
<td>Sweden</td>
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<td>Panama</td>
<td>Switzerland</td>
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<tr>
<td>Paraguay</td>
<td>United States</td>
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</tbody>
</table>

- Argentina: 12.1%
- Bahamas: 0.2%
- Barbados: 0.1%
- Belize: 0.1%
- Bolivia: 1.0%
- Brazil: 10.9%
- Chile: 3.1%
- Colombia: 3.1%
- Costa Rica: 0.5%
- Dom. Rep: 0.7%
- Ecuador: 0.7%
- El Salvador: 0.5%
- Guatemala: 0.6%
- Guyana: 0.2%
- Haiti: 0.3%
- Honduras: 0.5%
- Jamaica: 0.4%
- Mexico: 7.7%
- Nicaragua: 0.5%
- Panama: 0.6%
- Paraguay: 0.5%
- Peru: 3.4%
- Suriname: 0.1%
- Trin. & Tobago: 0.2%
- Uruguay: 1.3%
- Venezuela: 3.4%
- Austria: 0.6%
- Belgium: 0.2%
- Canada: 2.7%
- Croatia: 0.0%
- China: 5.4%
- Denmark: 0.8%
- Finland: 0.7%
- France: 2.1%
- Germany: 1.1%
- Israel: 0.2%
- Italy: 3.1%
- Japan: 3.6%
- Korea: 4.8%
- Netherlands: 0.8%
- Norway: 0.7%
- Portugal: 0.2%
- Slovenia: 0.0%
- Spain: 4.5%
- Sweden: 0.6%
- Switzerland: 1.5%
- United States: 14.1%
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/sectoral expertise

OUR SECTORS

Financial Intermediaries
- Banks and other financial intermediaries

Infrastructure
- Energy
- Transport
- Water and sanitation
- Social infrastructure

Corporates
- Agribusiness
- Manufacturing
- Tourism
- Telecommunications, media and technology
OUR FINANCIAL PROFILE AND RISK MANAGEMENT

All figures are in million US dollar as of September 2020, unless otherwise stated.
A SOLID BALANCE SHEET

**ASSETS**
- 36% Liquid assets
  - USD 2,177
- Loans, Debt Securities, and Equity Investments (*)
  - 62%
  - USD 3,766
- 2% Receivables and other assets
  - USD 114

**LIABILITIES AND CAPITAL**
- Debt
  - 60%
  - USD 3,628
- Total Capital
  - 35%
  - USD 2,108
- Other Liabilities
  - 5%
  - USD 320

(*) Net of USD 167 million allowance for credit losses. Total equity investments: USD 13 million

Robust capitalization & Low leverage

Capital / Total Assets ratio of 35% and Debt / Capital ratio of 1.7x provide ample room for growth.
STRONG SHAREHOLDER SUPPORT

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

IDB Invest operates exclusively with 100% paid-in capital

1 Figures in USD millions. IDB transfers are subject to annual approval by IDB’s Board of Governors
Conservative Risk Appetite Policy

- 15% Maximum exposure to single country
- 20% Maximum exposure by subsector *
- 5% / 6% Per client & per economic group
- 20% Maximum exposure Equity & quasi equity

Liquidity Portfolio

- 4 years Maximum liquidity portfolio duration
- A Minimum rating for securities at purchases in liquidity portfolio

Key Balance Sheet Metrics

- 3.0x Maximum leverage ratio
- 105% Minimum liquidity coverage ratio

Development Portfolio By country

- 12% Mexico
- 8% Guatemala
- 7% Peru
- 10% Ecuador
- 12% Colombia
- 17% Brazil
- 5% Chile

Limitations are based on allocated capital
*Except for Financial Institutions sector (75%)

Development Portfolio By Sector

- 19% Infrastructure
- 26% Corporate
- 55% Financial institutions

23 countries with exposures below 5% amount to 30% of the total portfolio.
ONE OF THE STRONGEST FINANCIAL PROFILES AMONG MULTILATERAL DEVELOPMENT BANKS

<table>
<thead>
<tr>
<th></th>
<th>Multilateral</th>
<th>Assets (USD Millions)</th>
<th>S&amp;P Long Term Issuer Rating</th>
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</thead>
<tbody>
<tr>
<td>IDB Invest</td>
<td>3,900</td>
<td>AA</td>
<td></td>
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<tr>
<td>IDB</td>
<td>136,358</td>
<td>AAA</td>
<td></td>
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<tr>
<td>EBRD</td>
<td>76,546</td>
<td>AAA</td>
<td></td>
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<tr>
<td>IFC</td>
<td>95,800</td>
<td>AAA</td>
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Data as of December 31, 2019, except for IFC, whose data are as of June 30, 2020.
FUNDING STRATEGY

- 2021 Funding Program: USD 2.0-2.5Bn
  - USD benchmark issues
  - Public issues in strategic markets
  - MTNs in selected currencies and tenors
  - Local currency issues to fund local projects
- Promote secondary market liquidity through underwriters
- Sustainable Debt Framework allows for the issue of Green, Social and Sustainability Debt Instruments (e.g. Bonds, Commercial Paper)
OUR APPROACH TO SUSTAINABILITY
STRATEGIC PRIORITIES ALIGNED WITH SDGs

Productivity and Innovation
Economic Integration
Gender Equality and diversity
Climate change and Environmental Sustainability
Social Inclusion and Equity
OBJECTIVES

1. Select operations in line with our mandate as a development bank

2. Ensure operations are structured to be strategically relevant, effective, and measurable

3. Manage our portfolio to maximize impact and sustainability

4. Foster continuous learning from our operations

5. Ensure accountability to stakeholders
OUR SUSTAINABILITY POLICY AND PRACTICES

1. The Sustainability Framework

   A. The IFC Performance Standards
   B. The World Bank Group’s Environmental, Health and Safety (EHS) Guidelines
   C. IDB Invest Exclusion List

2. The IDB Invest Access to Information Policy

3. IDB Invest Corporate Governance Development Framework

4. IDB Invest Policy for Independent Consultation and Investigation Mechanism ICIM
LEADING IN IMPACT AND SUSTAINABILITY

ACTIVE MEMBER IN LEADING IMPACT INVESTING AND REPORTING INITIATIVES

CARBON NEUTRAL SINCE 2007 – BUILDINGS WITH LEADING GREEN CERTIFICATIONS

100% COMMITTED TO GENDER EQUALITY

- Operating Principles for
- GIIN: Global Impact Investing Network
- U.S. Green Building Council LEED Platinum
- ENERGY STAR
- EDGE Certified

Private Sector Development Research Network
Harmonized Indicators for Private Sector Operations
Task Force for Climate Related Financial Disclosures
IMPACT MANAGEMENT PROJECT
OUR CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

1. We Map our business to the SDGs

2. We Track our impact throughout the life of the project

3. We Report on our impact

4. We Monitor our projects vs expected results
OUR SUSTAINABLE DEBT FRAMEWORK

Green Debt
Finance Projects with environmental benefits

Social Debt
Finance Projects with social benefits

Sustainability Debt
Finance project with environmental and social benefits

DEBT PRODUCTS
Public Bond Offerings
Local Currency Bonds
Private Placements
Commercial Paper
# ALIGNED WITH ICMA PRINCIPLES AND GUIDELINES

<table>
<thead>
<tr>
<th>USE OF PROCEEDS</th>
<th>PROJECT EVALUATION AND SELECTION PROCESS</th>
<th>MANAGEMENT OF PROCEEDS</th>
<th>REPORTING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance and/or re-finance, in whole or in part, new or existing projects, with short- or long-term tenors from any of the Eligible Project Categories</td>
<td>Follows our lending cycle in which we apply our Impact Management Framework throughout the project cycle</td>
<td>To be deposited on IDB Invest’s general treasury account and allocated annually</td>
<td>On an annual basis and until the maturity of the bond</td>
</tr>
</tbody>
</table>
FIRST PILLAR: USE OF PROCEEDS

SOCIAL PROJECT CATEGORIES

1. Affordable basic infrastructure
2. Access to essential services
3. Food security and sustainable food system and employment generation and program to alleviate unemployment from socio economic crises
4. Socio economic advancement and improvement

GREEN PROJECT CATEGORIES

1. Renewable energy
2. Energy efficiency
3. Clean transportation
4. Environmentally sustainable management of living natural resources and land use
5. Climate change adaptation and climate resilience
6. Sustainable water and wastewater management
Category: Social
Socioeconomic advancement and empowerment

Objective: finance the purchase of new pulp integrated packaging paper machinery and the construction of complementary installations for supporting the new lines for the recovery and utilities areas

Key facts
- Approval Year: 2019
- Segment: Corporates
- Delta Score: 9.7
- Total Project: US$ 2.3 bn
- IDB Invest: US$ 100MM (4%)
- Tenor: 7 years
- Resource Mobilization: US$ 600 MM

Expected results
- Increase total production capacity in 1.7MM tons per year
- Increase Klabin exports in 55%
- Create 9,000 new jobs
- Increase renewable energy generation to 524MW
PROJECT HIGHLIGHTS

Banco Guayaquil – Ecuador

Category: Social
Socioeconomic advancement and empowerment

Objective: To support the growth of Banco Guayaquil's MSME loan portfolio, with a focus on women-led MSMEs

Key facts
- Approval Year: 2019
- Segment: Financial Institutions
- Delta Score: 9.4
- Total Project: USD 50MM
- IDB Invest: US 50MM (100%)
- Tenor: 5 years

Expected Results
- Growing MSMEs portfolio in 35%
- Growing the MSMEs portfolio lead by women in 10%
Category: Green
Renewable energy

Objective: finance the construction, operation and maintenance of two photovoltaic power plants with a 9.5 MW capacity each, located in the surroundings of Young, Río Negro, and Mercedes, Soriano, Uruguay

Key facts
• Approval Year: 2020
• Segment: Energy
• Delta Score: 8.6
• Total Project: US$ 30M
• IDB Invest: US$ 3 MM
• Tenor: up to 20 years
• Mobilization: US$ 27MM

Expected Results
• Supporting the expansion of clean energy capacity
• Adding 19 MW of solar capacity to the grid, helping to meet the goal to add new sources of electricity
SECOND PILLAR: PROJECT EVALUATION AND SELECTION PROCESS

01 ORIGINATION

Strategic selection including screening against exclusion list

02 CLIENT ENGAGEMENT

Client to commit to comply with IDB Invest Environmental and Social policy and practices

03 APPROVAL

- Obtain information about the Client’s assets and management of E&S risks and impacts;
- Assign a project categorization based on E&S risk;
- Conduct a site visit to the project’s area of influence;
- Assess the project against IDB Invest Sustainability Policy requirements; and
- Prepare an E&S Review Summary and E&S Action Plan (ESAP)

04 CLOSING & FIRST DISBURSEMENT

The legal agreement includes standard E&S conditions and specific ESAP requirements tied to milestones.
Prior to each disbursement, IDB Invest verifies E&S conditions and ESAP requirements for compliance.

05 SUPERVISION & RECOVERY

The IDB Invest E&S Team supervises the Client’s compliance with E&S requirements and ESAP conditions on a regular basis.
The Client produces an E&S Compliance Report (ESCR) annually on the status of the ESAP.

ENVIRONMENTAL AND SOCIAL DUE DILIGENCE ALONG THE PROJECT CYCLE

CONSULTATION AND DISCLOSURE

Disclose on our website the Investment Summary, ESRs and ESAP prior to IDB Invest Board approval.
THIRD PILLAR: MANAGEMENT OF PROCEEDS

Commitment to allocate funds within 24 months
Share of refinancing to be disclosed
Look-back period: 24 months
FOURTH PILLAR: REPORTING

1. ALLOCATION REPORT
Outstanding balance of Sustainable Debt instrument by country and sector

2. IMPACT REPORT
1. Eligible projects
2. Quantitative and qualitative Impact metrics achieved
3. Mapping with SDGs
SECOND-PARTY OPINION

“... IDB Invest Sustainable Debt Framework is coherent with IDB Invest strategic sustainability priorities...”

“... In our assessment, the bonds issued via this framework will provide an ‘advanced’ contribution to sustainability ...”
In summary, IDB Invest Sustainable Debt represents a unique investment opportunity, combining the strength of IDB Invest as a member of the IDB Group with strong shareholder support, a solid financial profile and top credit ratings with our demonstrated commitment to the development of sustainable enterprises in Latin America and the Caribbean.
Let’s continue the conversation

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