

A wide-angle photograph of a solar farm at sunset. The foreground and middle ground are filled with rows of solar panels, which reflect the golden light of the setting sun. The sun is a bright, glowing orb on the horizon, partially obscured by a single, dark tree on the right. The sky is a mix of orange, yellow, and blue, with scattered clouds. In the far distance, a line of trees and some buildings are visible under the twilight sky.

# INVESTOR PRESENTATION

June 2022





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**03** Our Funding Program

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01

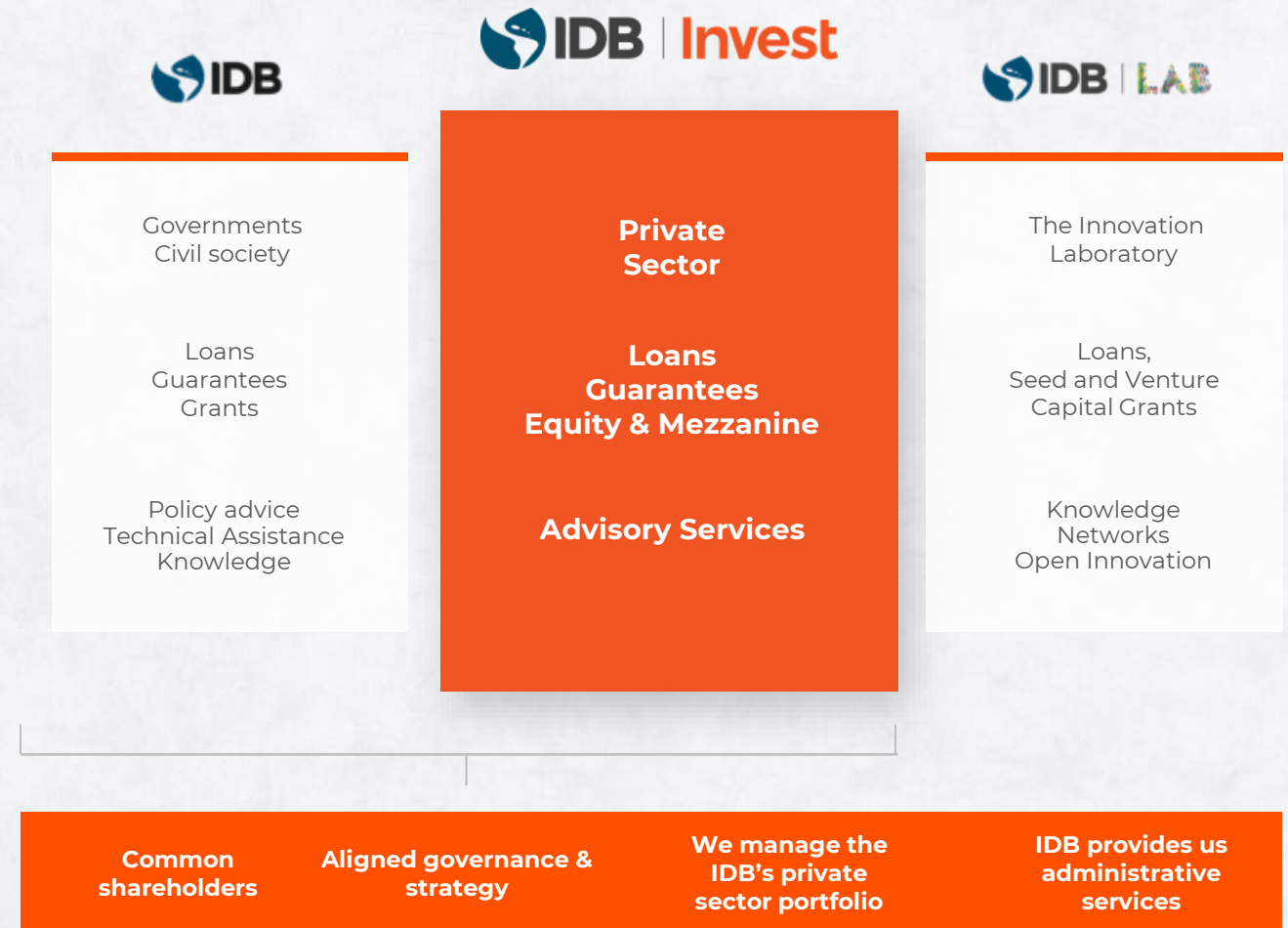
# ABOUT US

*Investing in sustainable impact*

## Three Institutions, One IDB Group

We are IDB Invest, the private sector institution of the IDB Group, a multilateral development bank committed to strengthening private sector enterprises in Latin American and the Caribbean.

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

### REGIONAL MEMBER COUNTRIES

|  |       |
|--|-------|
|  Argentina        | 12.1% |
|  Bahamas          | 0.2%  |
|  Barbados         | 0.2%  |
|  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            | 0.4%  |
|  Honduras         | 0.5%  |
|  Jamaica         | 0.4%  |
|  Mexico         | 7.7%  |
|  Nicaragua      | 0.5%  |
|  Panama         | 0.6%  |
|  Paraguay       | 0.5%  |
|  Peru           | 3.2%  |
|  Suriname       | 0.1%  |
|  Trin. & Tobago | 0.3%  |
|  Uruguay        | 1.3%  |
|  Venezuela      | 3.2%  |

### OTHER MEMBER COUNTRIES

|       |               |   |
|-------|---------------|---|
| 0.5%  | Austria       |    |
| 0.2%  | Belgium       |    |
| 3.1%  | Canada        |    |
| 0.01% | Croatia       |    |
| 5.3%  | China         |    |
| 0.7%  | Denmark       |    |
| 0.6%  | Finland       |    |
| 2.0%  | France        |    |
| 1.1%  | Germany       |    |
| 0.3%  | Israel        |    |
| 3.0%  | Italy         |    |
| 3.8%  | Japan         |    |
| 4.7%  | Korea         |    |
| 0.7%  | Netherlands   |    |
| 0.6%  | Norway        |    |
| 0.2%  | Portugal      |    |
| 0.01% | Slovenia      |   |
| 4.3%  | Spain         |  |
| 0.6%  | Sweden        |  |
| 1.4%  | Switzerland   |  |
| 14.9% | 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.



## Finance Solutions

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



## Advisory Services

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



## Knowledge

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

## OUR SECTORS

### Financial Intermediaries



Financial Institutions



Non-Bank Financial Institutions



Investment Funds

### Infrastructure



Energy



Transport



Water and sanitation



Social infrastructure

### Corporates



Agribusiness



Manufacturing



Tourism



Telecommunications media and technology

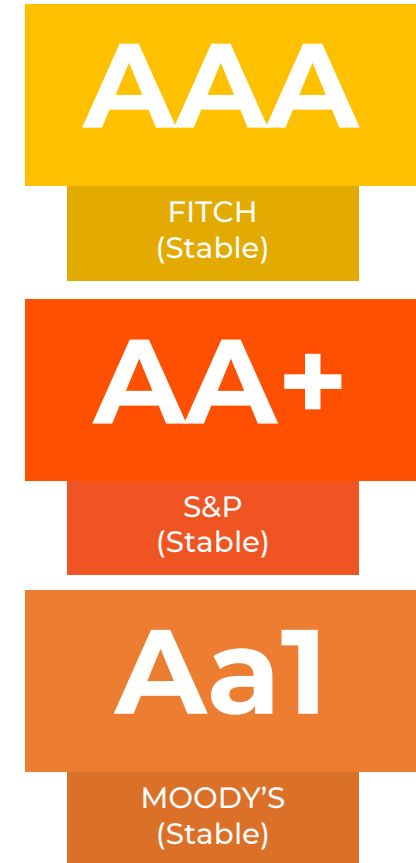


# OUR FINANCIAL PROFILE AND RISK MANAGEMENT FRAMEWORK

*All figures are expressed in million US dollar  
as of March 2022, unless otherwise stated.*

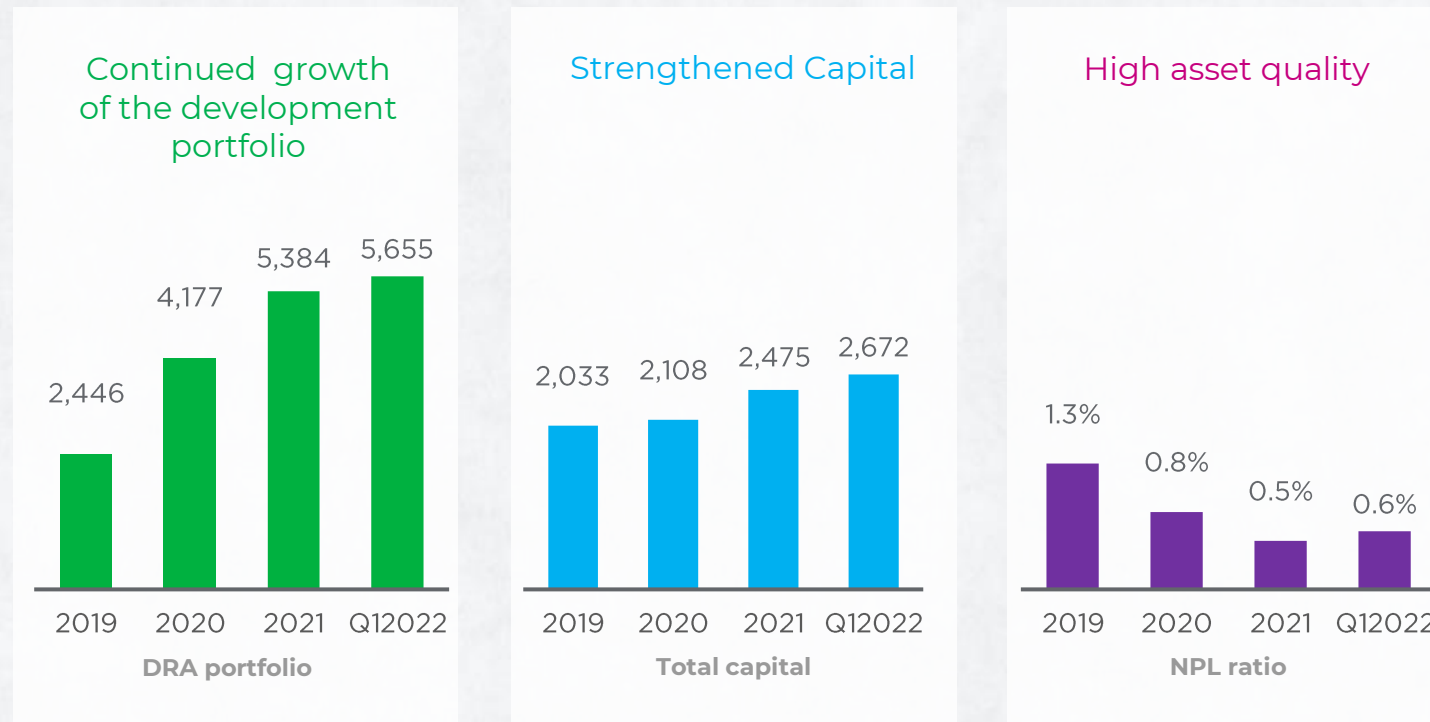


## A Solid Balance Sheet





## Strong Contribution to Reignite the Economic Recovery

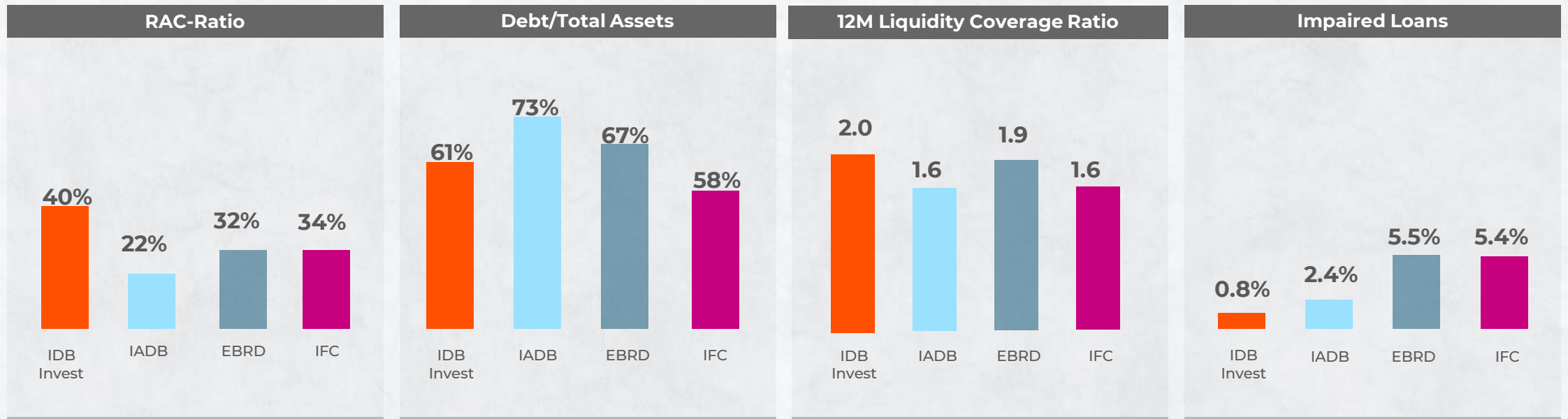


## Strong Financial Profile

### AAA Rated Peer Comparison

| Multilateral      | Assets<br>(USD Millions) | S&P Long Term<br>Issuer Rating |
|-------------------|--------------------------|--------------------------------|
| <b>IDB-Invest</b> | 6.424                    | AA+                            |
| <b>IADB</b>       | 151.737                  | AAA                            |
| <b>EBRD</b>       | 85.87                    | AAA                            |
| <b>IFC</b>        | 95.800                   | AAA                            |

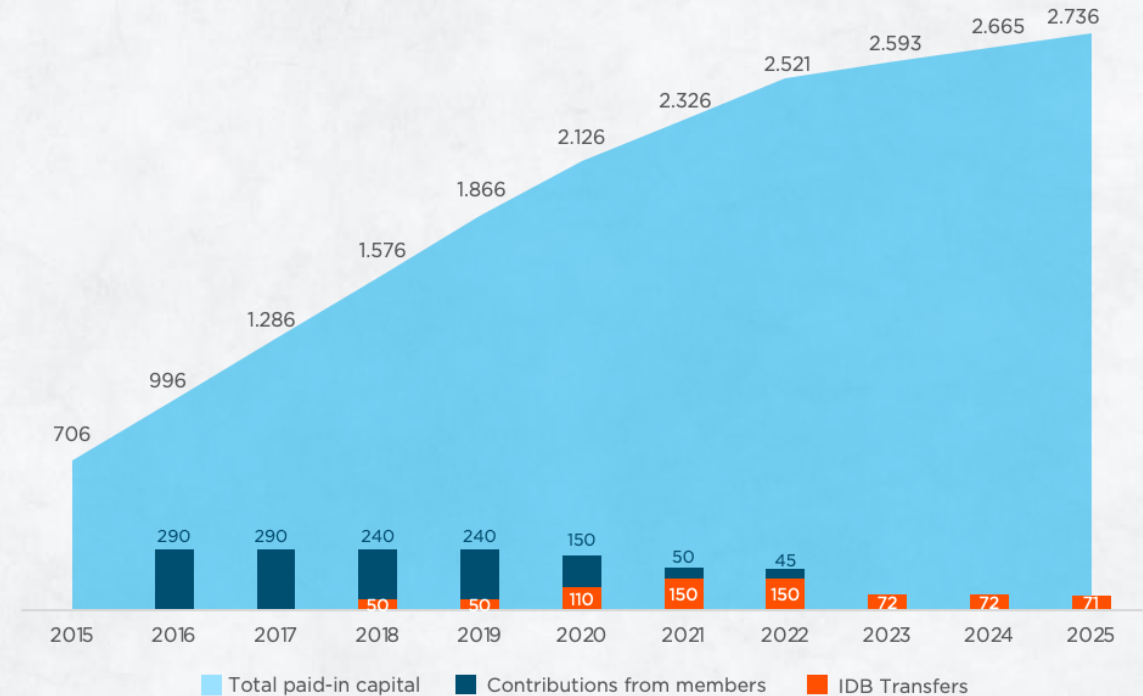
Source: S&P Global Ratings "Supranational Special Edition, October 2021"  
Data as of December 31, 2020, except for IFC, whose data are as of June 30, 2020.





## Strong Shareholder Support

In 2015 the Board of Governors approved a capital increase of USD 2.0 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.



**Capital Increase Payment Schedule<sup>1</sup>**

IDB Invest operates exclusively with 100% paid-in capital

# Strong Risk Management Framework

## Risk Appetite Policy

### Concentration Limits

**15%**

Maximum exposure to single country

**20%**

Maximum exposure by subsector \*

**5% / 6%**

Per client & per economic group

**20%**

Maximum exposure Equity & quasi equity

### Leverage

**3.0x**

Maximum Debt / Capital

### Market Risk

**Guiding principle:** match the structure of assets and liabilities: tenor, interest rate and currency risk

**Market risk** exposures are managed with Value at Risk and DV01 limits

## Capital Adequacy Policy\*\*

- Defines minimum capital adequacy ratio (CAR)
- Internal models deliver capital requirements i.a. for credit and market risk
- CAR incorporates rating agencies' AA capital requirements

## Liquidity Policy\*\*

- Core metric: liquidity coverage ratio (LCR)
- LCR time horizon >12 months
- LCR time horizon and liquidity haircuts consistent with rating agency criteria

### Liquidity Portfolio Guidelines

**4 years**

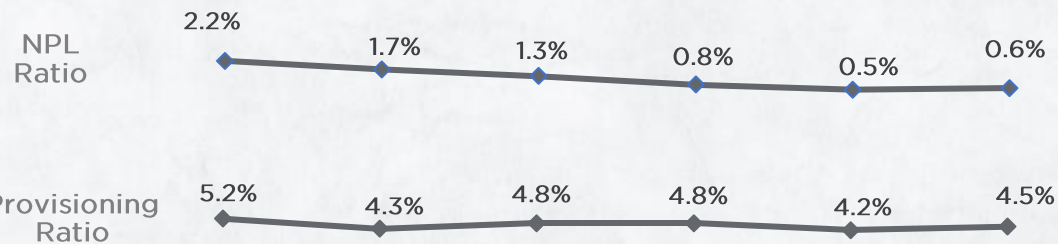
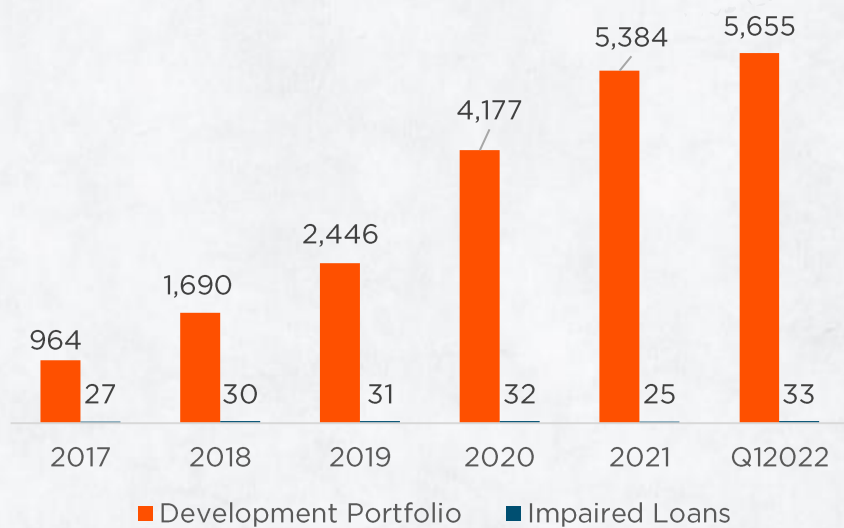
Maximum liquidity portfolio duration

**A**

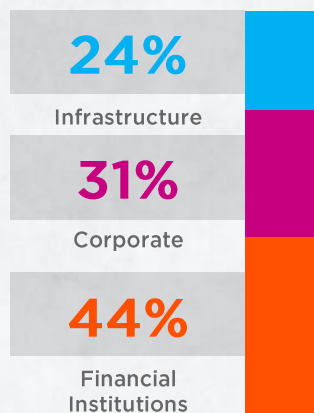
Minimum rating required



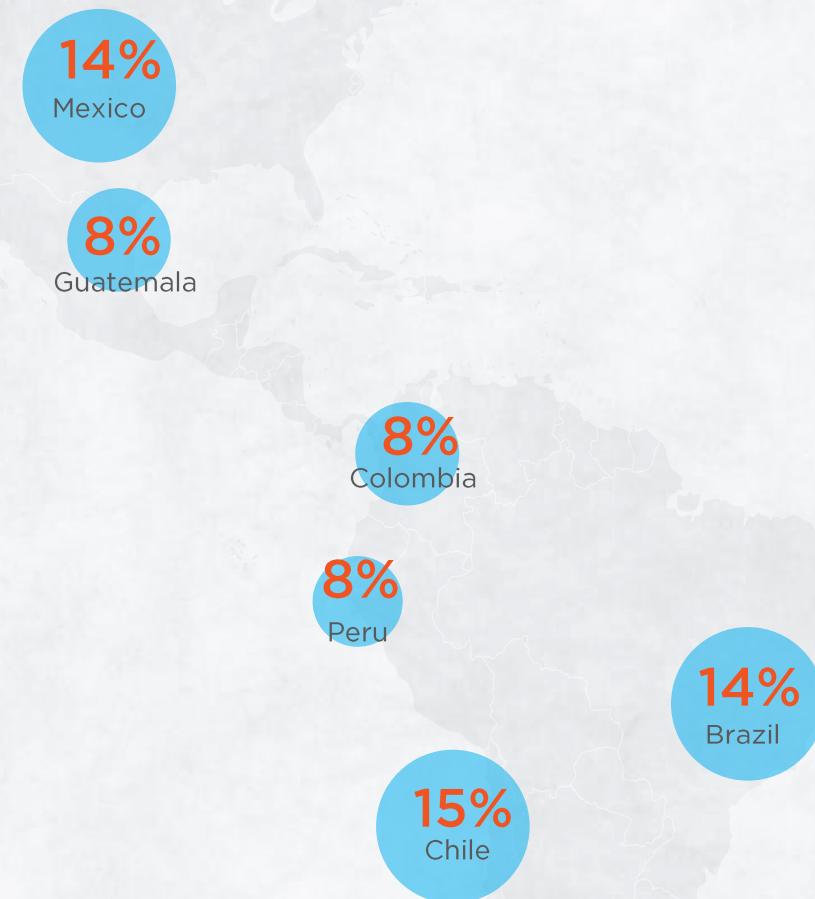
# High Quality and Diversified Development Portfolio



## Development Portfolio By Sector



## Development Portfolio By country



All other countries show exposures below 5%  
Country and Sector Breakdown per Year End 2021

03

# FUNDING PROGRAM





## Funding Strategy

- 2022 Funding Program: USD 1.5bn – USD 2.0bn
  - USD benchmark issues
  - Public issues in strategic markets
  - MTNs in selected currencies and tenors
  - Local currency issues to fund local projects
- Most borrowings are swapped into US dollar variable-rate
- Promote secondary market liquidity through underwriters

## Funding Programs



## Outstanding Borrowings By Currency

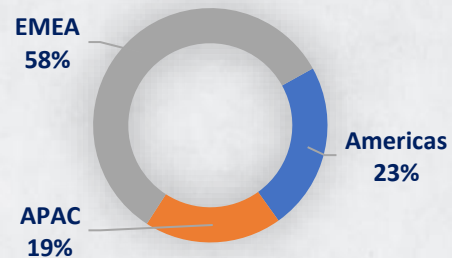


## Recent Benchmark Issues

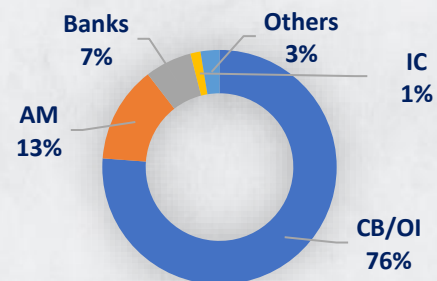
**2021**

### USD 1 billion 5-Year Fixed Rate Sustainability Bond

Allocation by geography



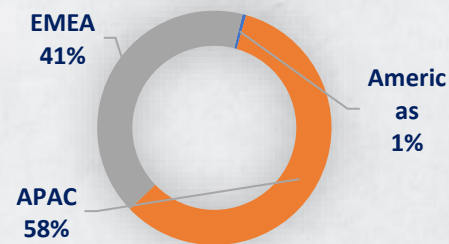
Allocation by Investor Type



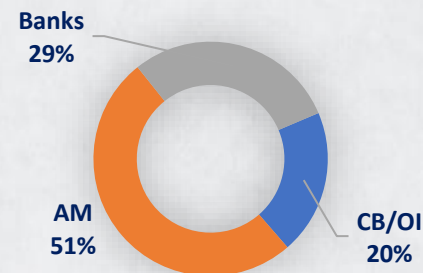
**2021**

### AUD 400 million 5-Year Fixed Rate Social Bond

Allocation by geography



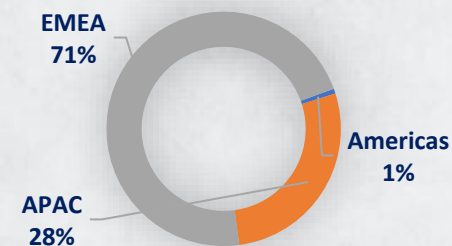
Allocation by Investor Type



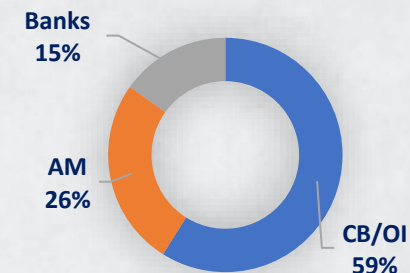
**2022**

### AUD 300 million 5-Year Fixed Rate Green Bond

Allocation by geography



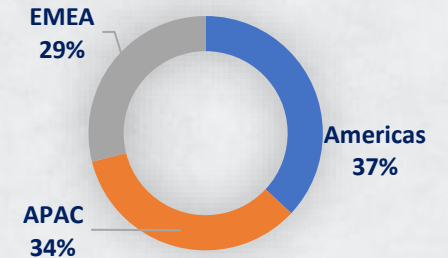
Allocation by Investor Type



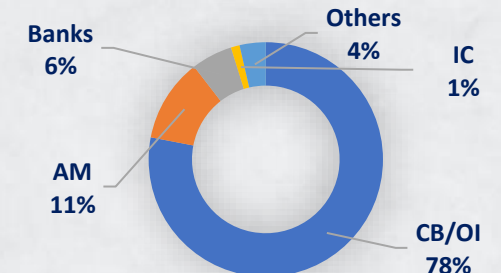
**2022**

### USD 1 billion 3-Year Fixed Rate Sustainability Bond

Allocation by geography



Allocation by Investor Type





04

# OUR APPROACH TO SUSTAINABILITY

*We believe that impact investing is  
the future of our region.*



# Strategic Priorities Aligned with Sustainable Development Goals







## Impact Management Framework

### Objectives

Select operations in line with our **mandate** as a development bank

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

**Manage our portfolio** to maximize impact and sustainability

Foster continuous **learning** from our operations

Ensure **accountability** to stakeholders

# Our Sustainability Policy and Practices

## Environmental and Social Sustainability Policy

- a. The IFC Performance Standards
- b. The World Bank Group's Environmental, Health and Safety (EHS) Guidelines
- c. IDB Invest Exclusion List

## Access to Information Policy

## Corporate Governance Development Framework

## Policy for Independent Consultation and Investigation Mechanism



# Our Sustainable Debt Framework



Aligned with GBP and SBP

## CATEGORIES



### Green Debt

Finance projects with environmental impact



### Social Debt

Finance projects with social impact



### Sustainability Debt

Finance projects with environmental and social impact

## DEBT PRODUCTS

Public Bond Offerings

Local Currency Bonds

Private Placements

Commercial Paper

## Sustainable Debt Issuances

|   |   |   |  |   |   |
|---|---|---|--|---|---|
|  <p><b>Green Bonds</b></p> <p>Finance projects with environmental impact</p>                       | <p><b>USD</b></p> <p><b>\$ 100M</b></p> <p>10 Years Fixed Rate</p> <p>June - 2021</p> | <p><b>USD</b></p> <p><b>\$ 100M</b></p> <p>10 Years Fixed Rate</p> <p>June - 2021</p> | <p><b>AUD</b></p> <p><b>68M</b></p> <p>10 Years Fixed Rate</p> <p>September - 2021</p> | <p><b>AUD</b></p> <p><b>50M</b></p> <p>10 Years Fixed Rate</p> <p>December - 2021</p> | <p><b>AUD</b></p> <p><b>300M</b></p> <p>5 Years Fixed Rate</p> <p>February - 2022</p> |
|  <p><b>Social Bonds</b></p> <p>Finance projects with social impact</p>                             | <p><b>MXN</b></p> <p><b>2.5B</b></p> <p>3 Years Floating Rate</p> <p>March - 2021</p> | <p><b>AUD</b></p> <p><b>400M</b></p> <p>5 years Fixed Rate</p> <p>June - 2021</p>     |  |   |   |
|  <p><b>Sustainability Bonds</b></p> <p>Finance projects with environmental and social impact</p> | <p><b>USD</b></p> <p><b>1.0 B</b></p> <p>5 Years Fixed Rate</p> <p>Feb - 2021</p>     | <p><b>USD</b></p> <p><b>1.0 B</b></p> <p>3 Years Fixed Rate</p> <p>April - 2022</p>   |  |   |   |

As a **Sustainable Issuer**, we have executed **\$2.8 B** bond issuances under the **Sustainable Debt Framework**



## Use of Proceeds



### SOCIAL PROJECT CATEGORIES

1. Affordable basic infrastructure
2. Access to essential services
3. Food security and sustainable food systems
4. Employment generation and programs to alleviate unemployment from socio-economic crises
5. 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



## Management of Proceeds



COMMITMENT TO ALLOCATE  
FUNDS WITHIN 24 MONTHS



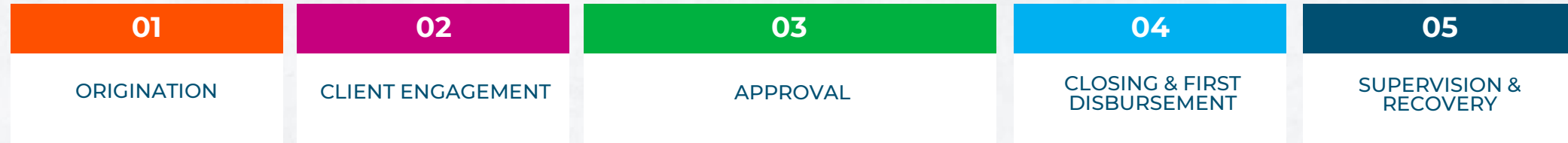
SHARE OF REFINANCING  
TO BE DISCLOSED



LOOK-BACK PERIOD:  
24 MONTHS



# Project Evaluation And Selection Process



## THE ENVIRONMENTAL, SOCIAL AND DEVELOPMENT IMPACT DUE DILIGENCE IS EMBEDDED ACROSS THE PROJECT CYCLE



# REPORTING

# 1

## ALLOCATION REPORT

Outstanding balance of debt  
under the framework

List of eligible projects

# 2

## IMPACT REPORT

Quantitative and qualitative  
Impact metrics



Mapping to the SDGs

## SOCIAL INDICATORS

|  |   |   |   |   |
|--|---|---|---|---|
| <div><div>1</div><div>NO POVERTY</div><div></div></div>        | <div><div>2</div><div>ZERO HUNGER</div><div></div></div>                | <div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div> | <div>663,815</div> <div>Beneficiaries receiving health services</div> | <div>693,508</div> <div>Jobs supported by firms</div> |
| <div><div>4</div><div>QUALITY EDUCATION</div><div></div></div> | <div><div>6</div><div>CLEAN WATER AND SANITATION</div><div></div></div> | <div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div>      |   |   |

|   |  |  |   |   |  |
|---|--|--|---|---|--|
| <div><div>4</div><div>QUALITY EDUCATION</div><div></div></div>                      | <div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div> | <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div> | <div>1.9 M</div> <div>Micro / small / medium enterprises financed</div> | <div>274,007</div> <div>Women beneficiaries of economic empowerment initiatives</div> | <div>USD 6.1 B</div> <div>international trade promoted</div> |
| <div><div>9</div><div>INDUSTRY INNOVATION AND INFRASTRUCTURE</div><div></div></div> | <div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div>       | <div><div>5</div><div>GENDER EQUALITY</div><div></div></div>                 |   |   |  |
| <div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div><div></div></div>            |  |  |   |   |  |

## GREEN INDICATORS

|   |   |   |  |  |
|---|---|---|--|--|
| <br>11 SUSTAINABLE CITIES AND COMMUNITIES | <br>12 RESPONSIBLE CONSUMPTION AND PRODUCTION | <br>13 CLIMATE ACTION | <b>5.0MW</b><br>Installed power generation from renewable energy sources | <b>12.5 Tons</b><br>Reduction of emissions |
| <br>14 LIFE BELOW WATER                  | <br>15 LIFE ON LAND                          |   |  |  |

Figures are for 2016-2020 period



# External Validations

## SECOND-PARTY OPINION

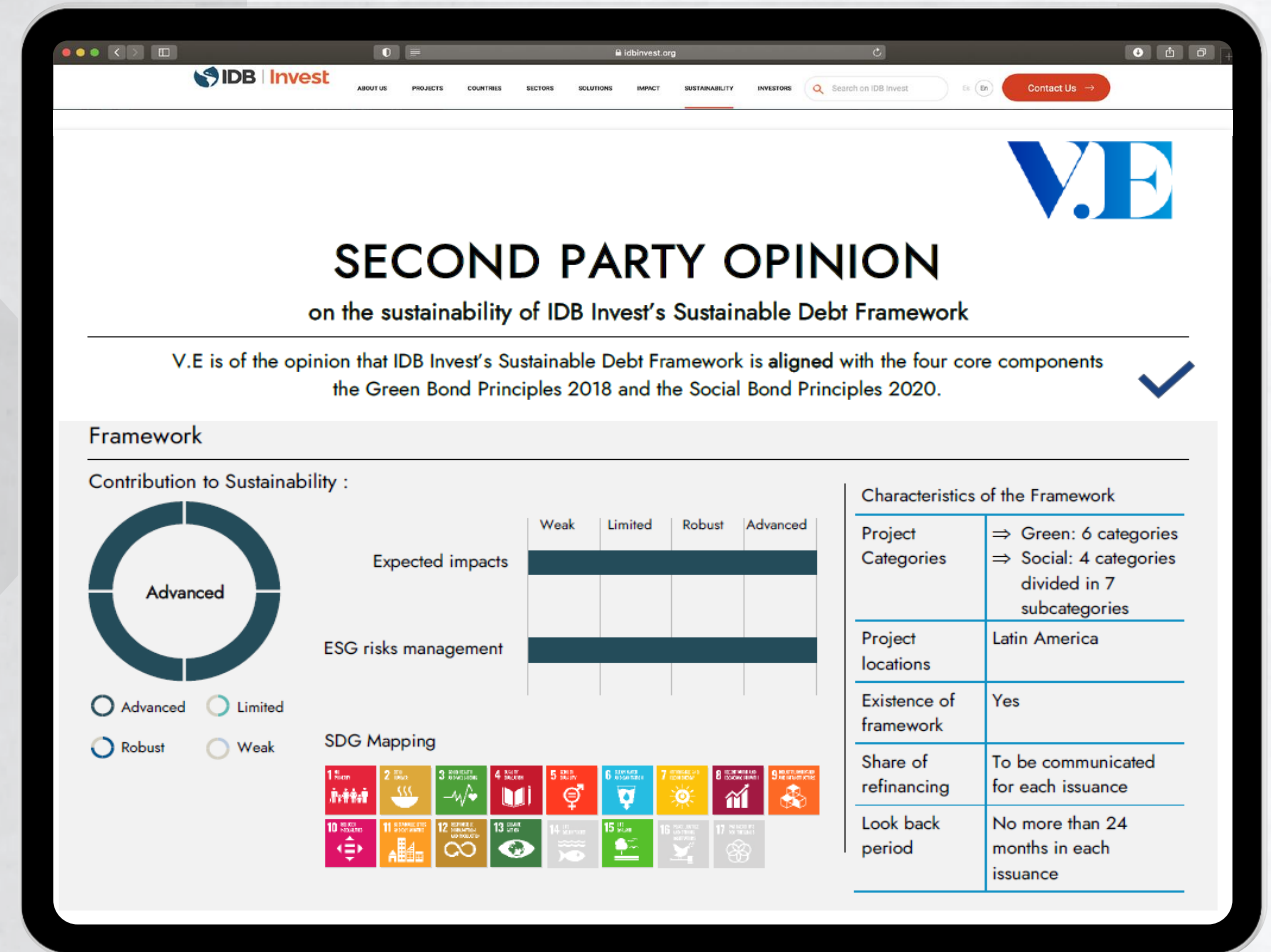


"... IDB Invest Sustainable Debt Framework is coherent with IDB Invest strategic sustainability priorities..."

"... In our assessment, the bonds issued via this framework will provide an 'advanced' contribution to sustainability ..."

## THIRD PARTY ASSURANCE

Third party will verify the allocation of proceeds to eligible loans on annual basis



# PROJECT HIGHLIGHTS



**SABESP  
Brazil**

## Category: Social Access to essential services

Objective: finance the installation of: (i) five water quality restoration units for use in low-income areas in the Pinheiros River basin; and (ii) up to 32 small solar power plants to be installed in areas of the state of São Paulo where Sabesp operates



### Key facts

Approval Year: **2020**

Delta Score: **8.3**

Total Project: **US\$ 176 MM**

IDB Invest : **US\$ 176 MM**

Tenor: **14 years**

### Expected results

- ◆ Reduce water contamination along the Pinheiros River by treating wastewater from low-income areas of São Paulo; and
- ◆ Reduce Sabesp's carbon footprint by installing a 73 MW solar distributed generation capacity



## 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**

Delta Score: **9.4**

Total Project: **USD 50MM**

IDB Invest : **US 50MM**

Tenor: **5 years**

#### Expected results

- ◆ Grow MSME portfolio by 35%
- ◆ Grow MSME portfolio lead by women by 10%

## PROJECT HIGHLIGHTS



PPP  
Educativa 2

### Category: Social Affordable basic infrastructure

Objective: Design, finance, build, operate, maintain, and equip 23 public schools, public technology centers, and 10 public sports centers



#### Key facts

Approval Year: **2019**

Delta Score: **9.4**

Total Project: **US\$ 95M**

IDB Invest : **US\$ 25 MM**

Tenor: **up to 20 years**

#### Expected results

- ◆ Enhance availability of public education (early childhood, primary, and technical education) and public sports education
- ◆ Promote of full-time education primarily in disadvantaged socio-educational contexts
- ◆ Improve conditions of buildings by replacing inadequate school infrastructure
- ◆ Improve conditions of facilities for sports activities at schools near sports centers



# PROJECT HIGHLIGHTS



**Natelu & Yarnel  
Uruguay**

## 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**

Delta Score: **8.6**

Total Project: **US\$ 30M**

IDB Invest : **US\$ 3MM**

Tenor: **up to 20 years**

Mobilization: **US\$ 27MM**

### Expected results

- ◆ Support the expansion of clean energy capacity
- ◆ Add 19 MW of solar capacity to the grid, helping to meet the goal to add new sources of electricity



**In summary,** our bonds represent a unique investment opportunity that combines 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 a demonstrated commitment to the development of sustainable enterprises in Latina American and the Caribbean



# Join us in building tomorrow, today.



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