

A wide-angle photograph of a solar farm at sunset. The solar panels are arranged in neat rows, stretching towards the horizon. The sky is filled with soft, golden light from the setting sun, which is partially obscured by clouds. A single tree stands on the right side of the horizon. The overall scene is peaceful and emphasizes renewable energy.

INVESTOR PRESENTATION

August 2022



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01

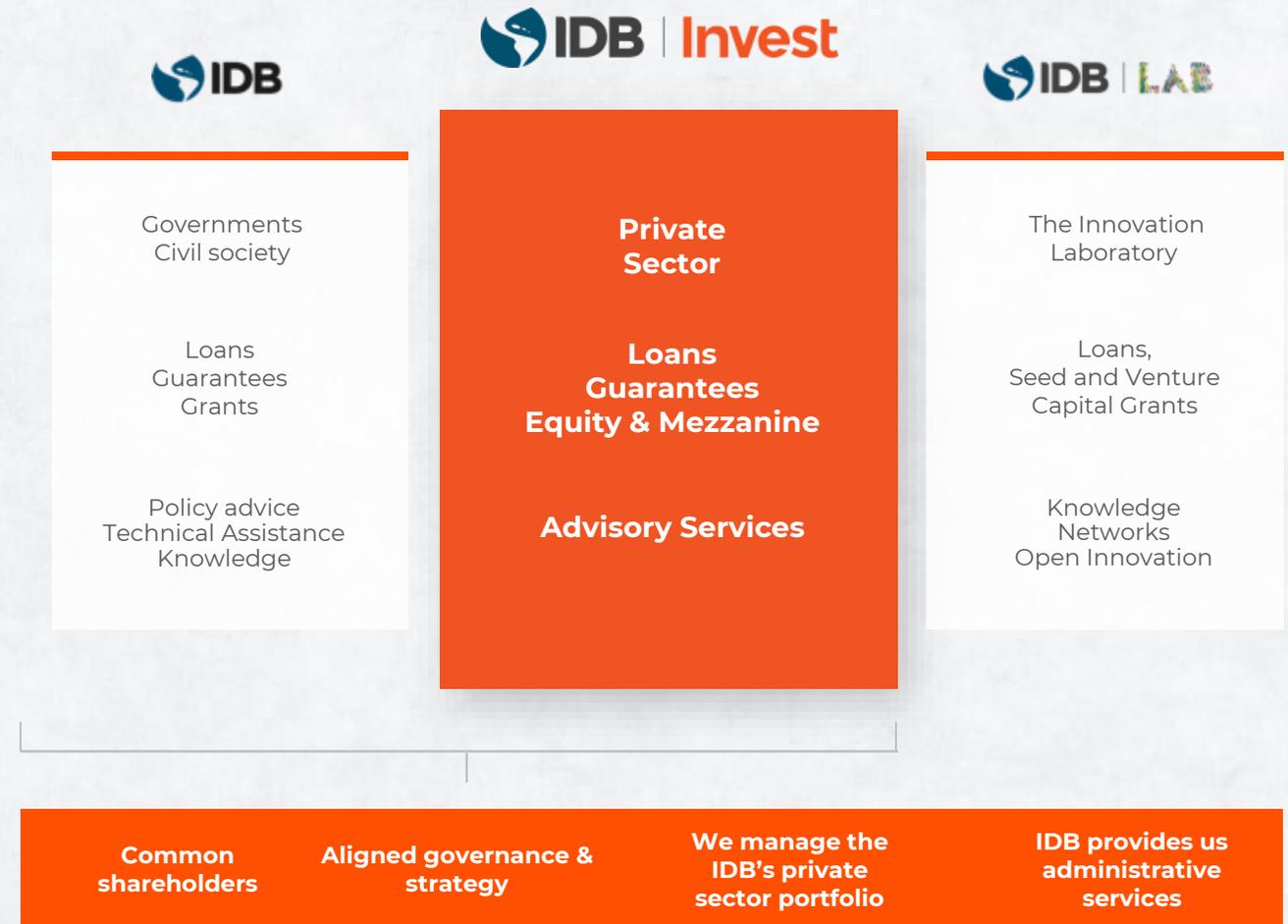
ABOUT US

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 June 2022, unless otherwise stated.*



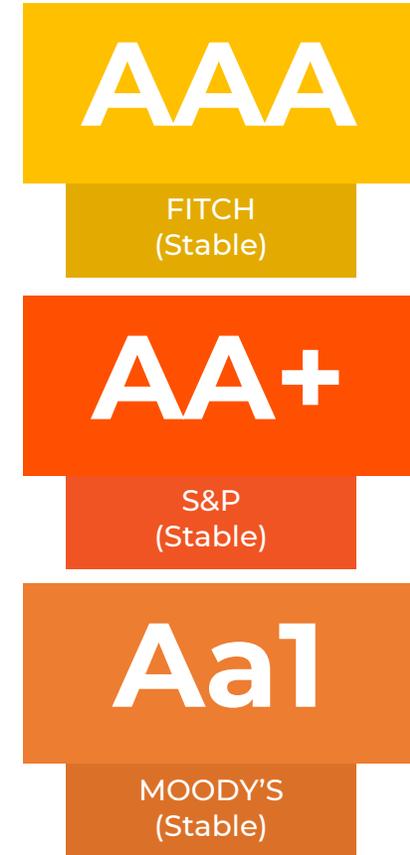
A Solid Balance Sheet



ASSETS



LIABILITIES AND CAPITAL



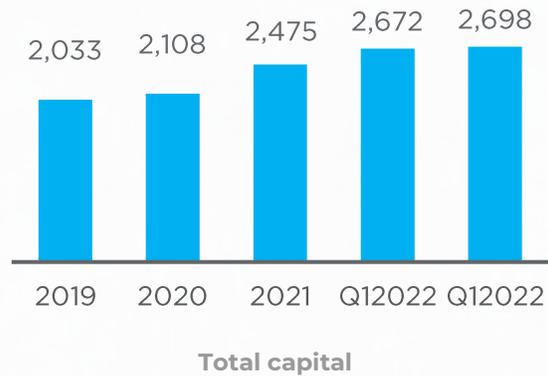
(*) Net of USD 221 million allowance for credit losses. Total equity Investments: USD 277 million

Strong Contribution to Reignite the Economic Recovery

Continued growth of the development portfolio



Strengthened Capital



High asset quality

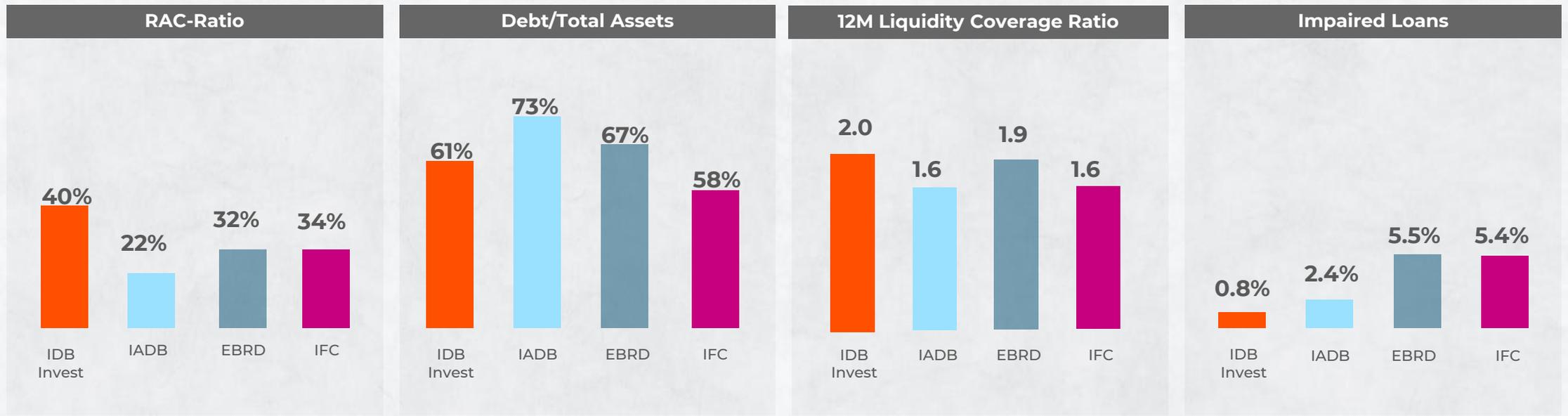


Strong Financial Profile

AAA Rated Peer Comparison

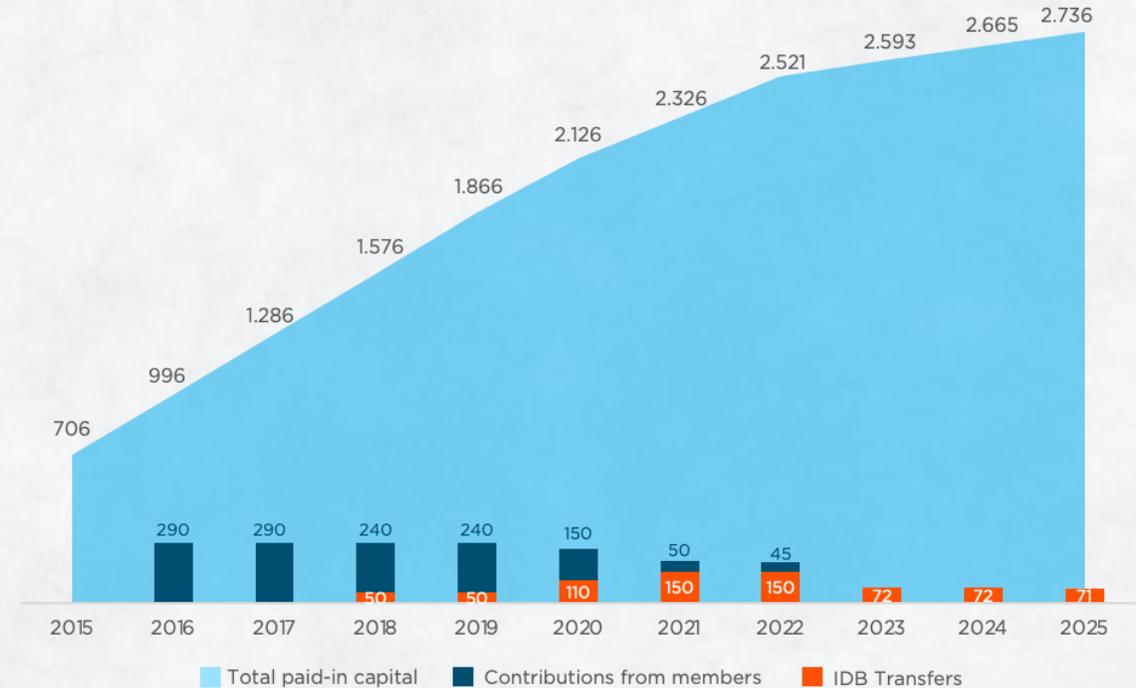
Multilateral	Assets (USD Millions)	S&P Long Term Issuer Rating
IDB-Invest	6.424	AA+
IADB	151.737	AAA
EBRD	85.87	AAA
IFC	95.800	AAA

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 Schedule¹

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

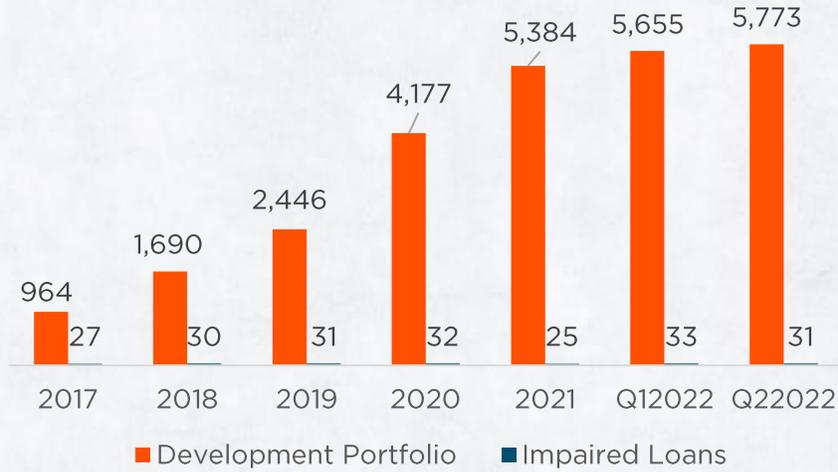
4 years

Maximum liquidity portfolio duration

A

Minimum rating required

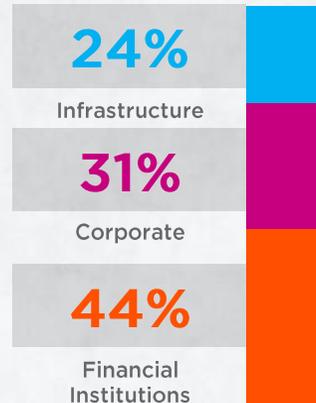
High Quality and Diversified Development Portfolio



Development Portfolio By country



Development Portfolio By Sector



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

NPL Ratio: Loans and debt securities past due for more than 90 days
Provisioning Ratio: loan loss allowance / loans and debt securities at amortized cost

FUNDING PROGRAM



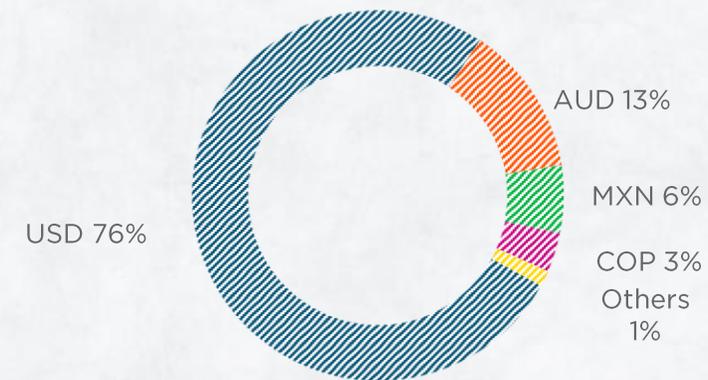
Funding Strategy

- 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

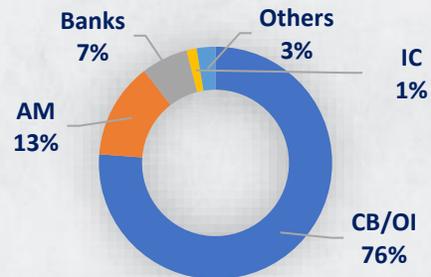
2021

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

Allocation by geography



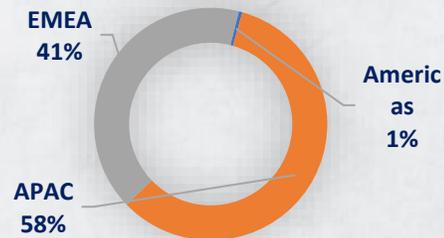
Allocation by Investor Type



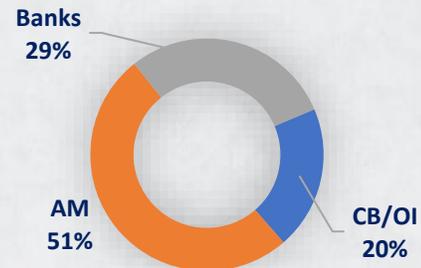
2021

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

Allocation by geography



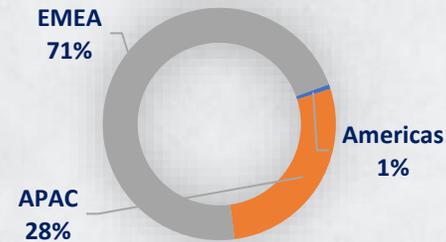
Allocation by Investor Type



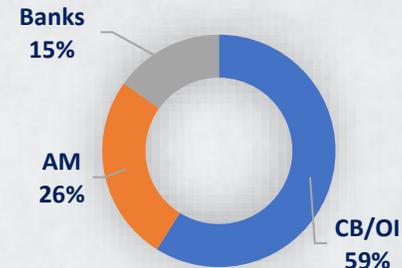
2022

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

Allocation by geography



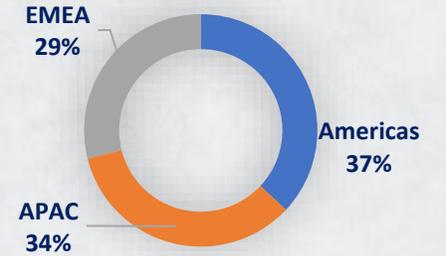
Allocation by Investor Type



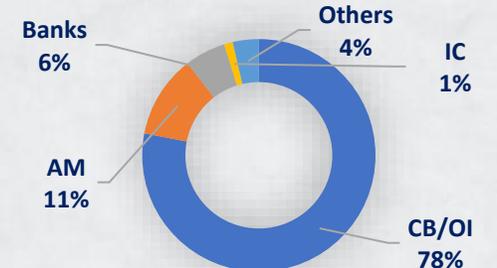
2022

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

Allocation by geography



Allocation by Investor Type



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

	663,815 Beneficiaries receiving health services	693,508 Jobs supported by firms	
	1.9 M Micro / small / medium enterprises financed	274,007 Women beneficiaries of economic empowerment initiatives	USD 6.1 B international trade promoted

GREEN INDICATORS

	5.0MW Installed power generation from renewable energy sources	12.5 Tons Reduction of emissions
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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

The screenshot displays a webpage titled "SECOND PARTY OPINION on the sustainability of IDB Invest's Sustainable Debt Framework". The page features the V.E. logo and a navigation menu. A key statement reads: "V.E is of the opinion that IDB Invest's Sustainable Debt Framework is aligned with the four core components the Green Bond Principles 2018 and the Social Bond Principles 2020." Below this, a "Framework" section includes a donut chart showing an "Advanced" contribution to sustainability, a table for "Expected impacts" and "ESG risks management" (both marked as "Advanced"), and an "SDG Mapping" grid. A "Characteristics of the Framework" table is also present.

Characteristics of the Framework	
Project Categories	⇒ Green: 6 categories ⇒ Social: 4 categories divided in 7 subcategories
Project locations	Latin America
Existence of framework	Yes
Share of refinancing	To be communicated for each issuance
Look back period	No more than 24 months in each issuance

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

A hand holding a small green plant with a white flower against a blurred background of green foliage.

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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