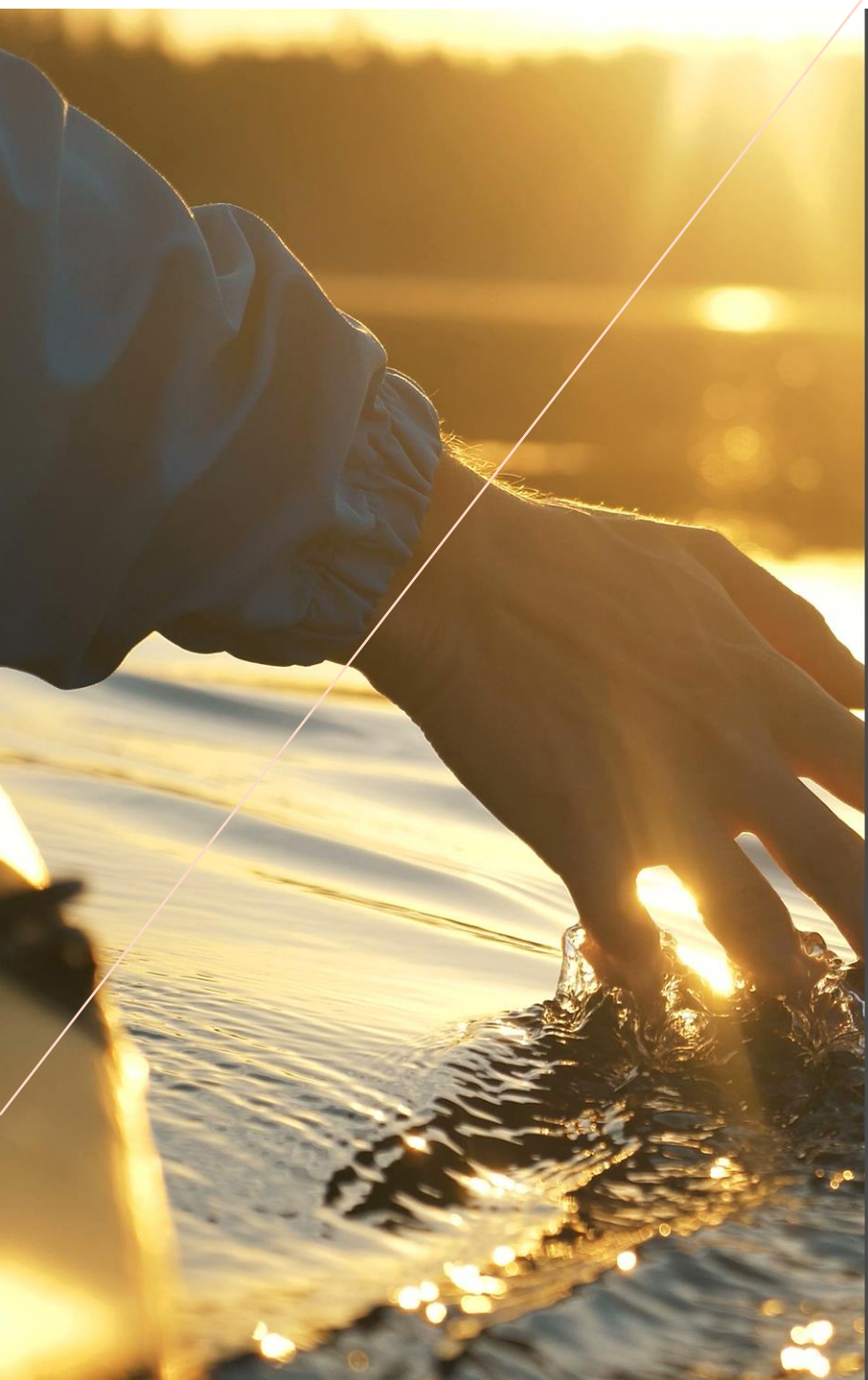




IMPACT INVESTMENT

August 2024



Content

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About IDB Invest

2

Our Financial Profile and Risk Management Framework

3

Our Funding Program

4

Our Approach to Sustainability

5

Our Sustainability Debt Framework

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 promote development and strengthening private sector enterprises in Latin America and the Caribbean.



EST. 1959

- Governments Civil society
- Loans Guarantees Grants
- Policy advice Technical Assistance Knowledge
- BBG: IADB



EST. 1984

- Private Sector
- Loans Guarantees
- Equity & Mezzanine
- Advisory Services
- **BBG: IDBINV**



EST. 1992

- The Innovation Laboratory
- Loans, Seed and Venture Capital Grants
- Knowledge Networks Open Innovation

Shareholder overview



Regional Member Countries 53.2%

Argentina	11.7%	Guyana	0.2%
Bahamas	0.2%	Haiti	0.5%
Barbados	0.2%	Honduras	0.5%
Belize	0.1%	Jamaica	0.4%
Bolivia	1.0%	Mexico	7.5%
Brazil	12.7%	Nicaragua	0.5%
Chile	3.0%	Panama	0.6%
Colombia	3.7%	Paraguay	0.5%
Costa Rica	0.5%	Peru	3.0%
Dom. Rep.	0.6%	Suriname	0.1%
Ecuador	0.6%	Trin. & Tobago	0.5%
El Salvador	0.5%	Uruguay	1.2%
Guatemala	0.6%	Venezuela	3.0%

Non-regional Member Countries 46.8%

Austria	0.5%	Italy	2.9%
Belgium	0.2%	Japan	3.7%
Canada	3.0%	Korea	4.3%
China	4.8%	Netherlands	0.6%
Croatia	0.01%	Norway	0.6%
Denmark	0.6%	Portugal	0.2%
Finland	0.6%	Slovenia	0.01%
France	2.0%	Spain	4.0%
Germany	1.1%	Sweden	0.6%
Israel	0.2%	Switzerland	1.3%
		UK	0.2%
		United States	15.3%

Member Countries
and Voting Power



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



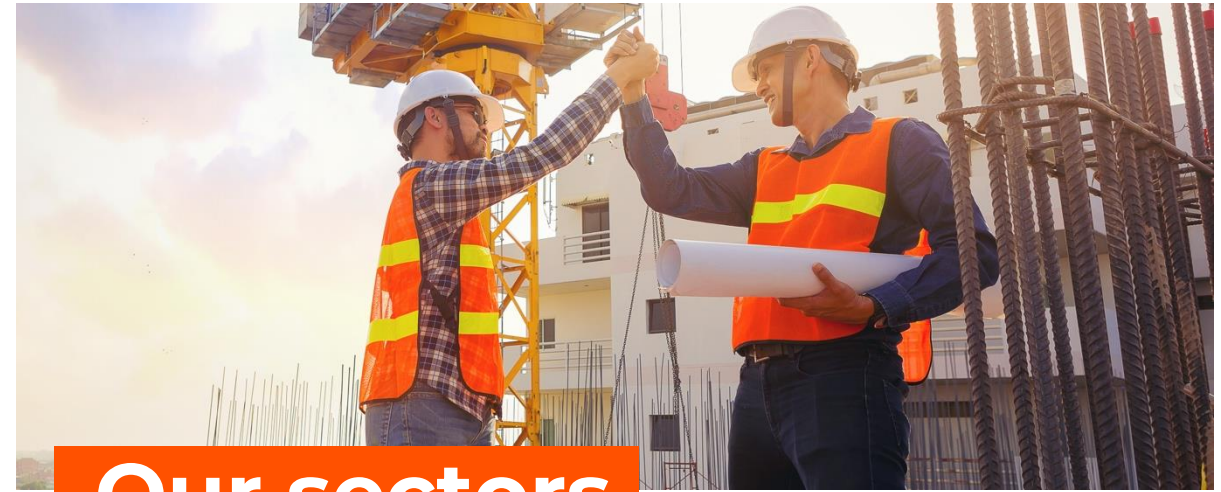
Advisory Services

- 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

BANCO BOLIVARIANO

SME Financing partnership

Category : Social and Green

Subcategory: Socioeconomic Advancement and empowerment
Energy efficiency

Ecuador



Approved amount:

\$10M

Allocated amount:

\$10M

Mobilization amount:

\$20M

Project consists in financing small and medium-sized enterprises (SMEs) in Ecuador and expand the bank's green lending portfolio

By the end of 2022, the following results have been achieved

1.063 loans disbursed to SMEs

40 green loans disbursed

261 SMEs clients benefited

80,000 KW/year of energy savings

51 tons of CO2 eq avoided through green projects financed

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



13 CLIMATE ACTION



17 PARTNERSHIPS FOR THE GOALS



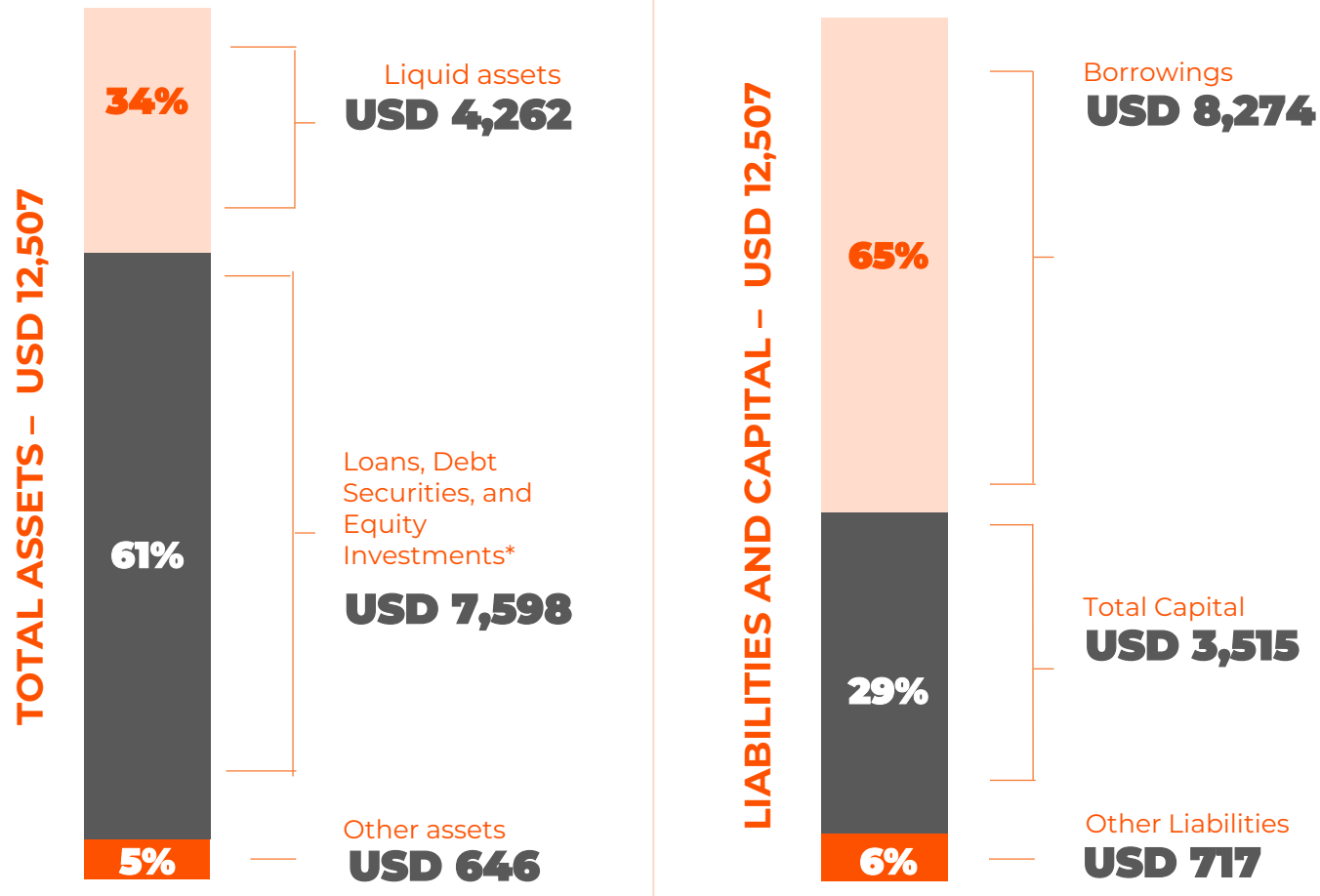
OUR FINANCIAL PROFILE AND RISK MANAGEMENT FRAMEWORK

2



A growing balance sheet and high credit rating

IMPACT INVESTMENT



(*) Net of USD 208 million allowance for credit losses. Total equity Investments: USD 307 million

AAA

FITCH (Stable)

“Excellent capitalization, reduced buffers relative to pre-pandemic levels (...) Fitch expects (...) the FRA and equity/assets ratio to remain above the ‘excellent’ threshold.”

AA+

S&P (Positive)

*“We believe that the approved capital increase suggests **enhancements to how shareholders view** the institution, its value to the global development agenda aimed at expanding the scale **and impact of private capital**”*

Aa1

MOODY'S (Stable)

*“IDB Invest’s **conservative risk-management** practices keeps its capital adequacy and **liquidity ratios strong.**”*

2031
\$6.2B

Evolution of our paid in capital and mandate over time

IMPACT INVESTMENT

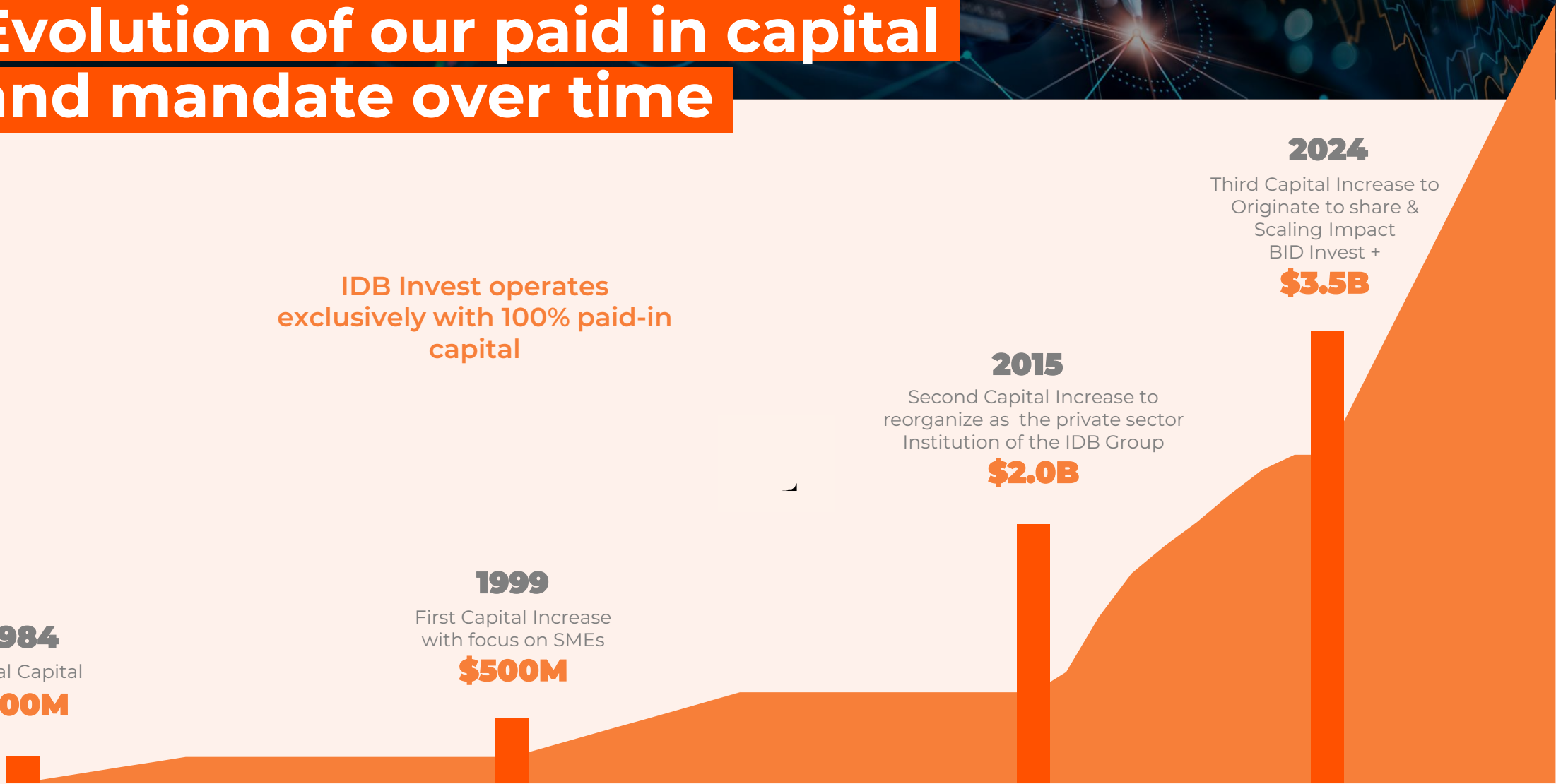
IDB Invest operates exclusively with 100% paid-in capital

2024
Third Capital Increase to Originate to share & Scaling Impact BID Invest +
\$3.5B

2015
Second Capital Increase to reorganize as the private sector Institution of the IDB Group
\$2.0B

1999
First Capital Increase with focus on SMEs
\$500M

1984
Initial Capital
\$200M



008

Strong risk management framework

Lending: Risk Appetite Policy

Concentration Limits

15%

Maximum exposure to single country

20%

Maximum exposure by sub sector *

5% / 6%

Per client & per economic group

20%

Maximum exposure Equity & quasi equity

Liquidity Portfolio: Guidelines

4 years

Maximum liquidity portfolio duration

A

Minimum rating required

Balance Sheet Management

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**

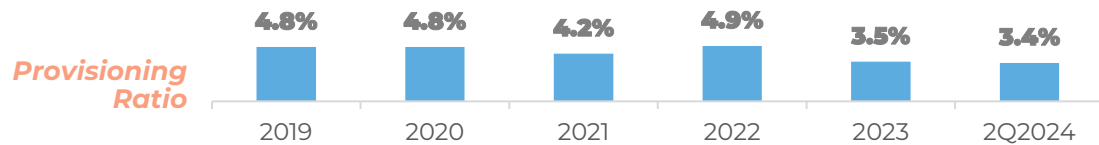
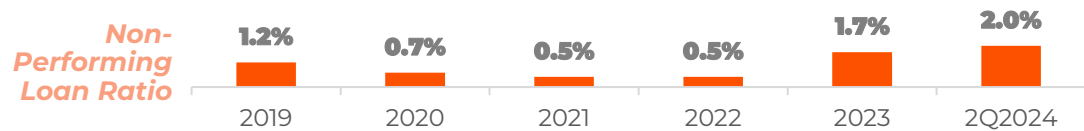
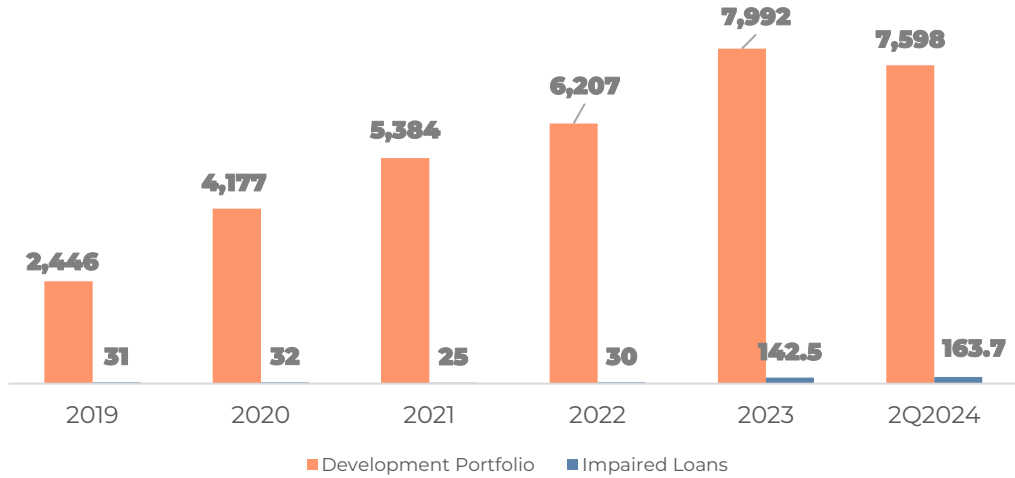
- Core metric: liquidity coverage ratio (LCR)
- LCR time horizon >12 months
- LCR time horizon and liquidity haircuts consistent with rating agency criteria

*Except for Financial Institutions sector (60%)

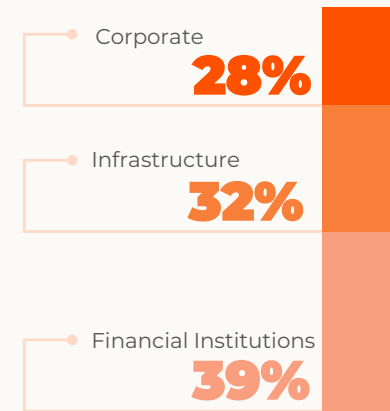
Limits are based on a concept of allocated capital except for limits per client and economic group, and Maximum Equity Exposure limit, which are based on total exposure

High quality and diversified development portfolio

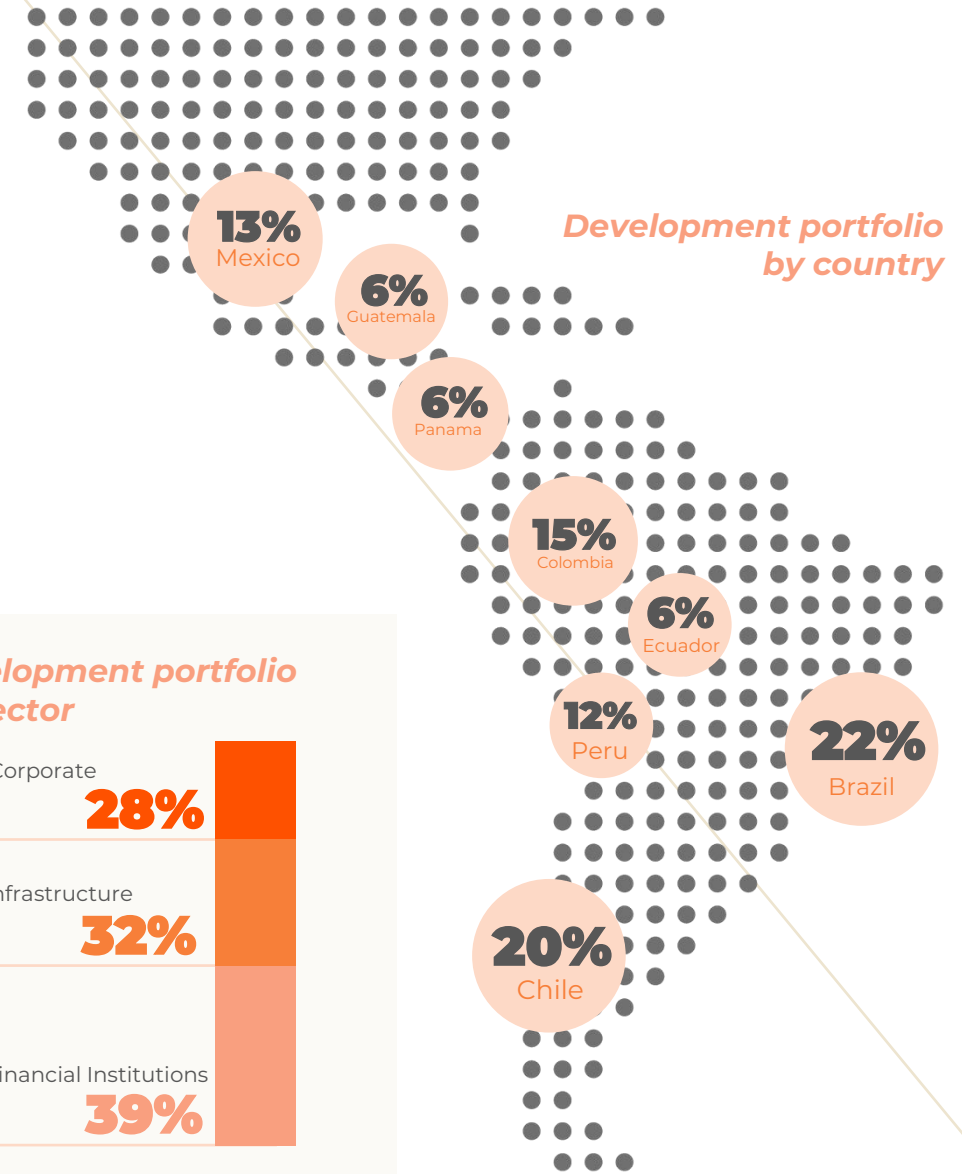
IMPACT INVESTMENT



Development portfolio by Sector



Development portfolio by country



Non-Performing Loan Ratio: Unpaid principal balance of nonperforming loans divided by the unpaid principal balance of development related debt investments.
 Provisioning Ratio: loan loss allowance divided by loans and debt securities at amortized cost

All other countries show exposures below 5%
 Country and Sector Breakdown are as of Dec 2023

NEW JUAZEIRO

Expanding solar energy power in Brazil through
Solar power project

Category : Green

Subcategory: Renewable energy

Brazil



Approved amount:

\$47M

Allocated amount:

\$47M

Mobilization amount:

\$15M

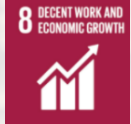
Project consists of the design, construction, and operation of four photovoltaic plants in Bahia in northeastern Brazil. The project is the second solar project in Brazil to incorporate bifacial panels. This operation supports small independent generator, while expanding Brazil's clean energy matrix and contributing to avoiding GHG emissions

By the end of 2022, the following results have been achieved

409,000 MWh of renewable energy generated

121,273 tons of CO2

10% of workforce were women



OUR FUNDING PROGRAM

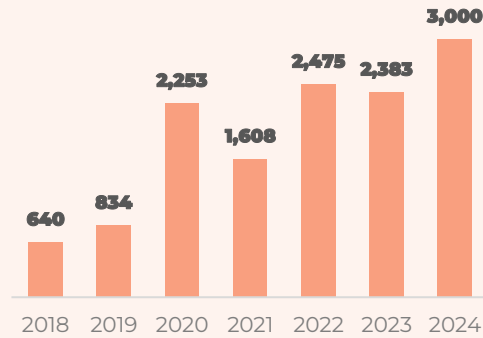
3



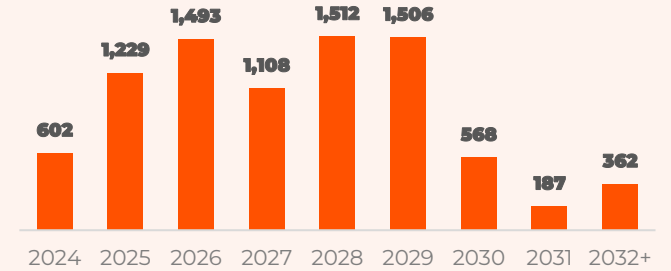
Funding strategy

- **2024 Funding Program: USD 3.0bn**
 - 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**

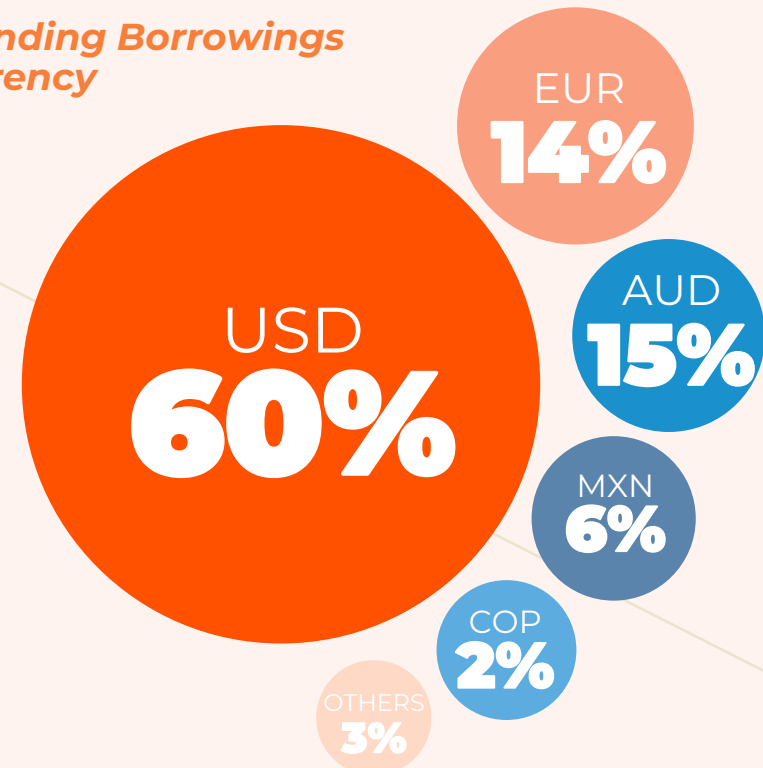
Annual Funding Volume



Maturity Profile



Outstanding Borrowings By Currency



USD Global Benchmark Market

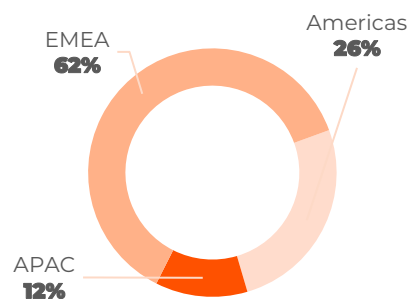
- IDB Invest has been a recurrent USD issuer since 2012
- One USD benchmark issued per year in the last 4 years
- Attractive yield pickup vs US Treasuries
- All global bonds listed at the London Stock Exchange

Global Program (SEC Exempt)

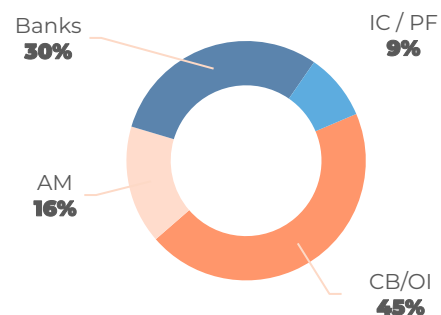
2023

USD 1 billion - 5 Years - Sustainability Bond
4.125% Mar 2028 - MS+59bp - T+38.5
US45828Q2B29

Allocation by geography



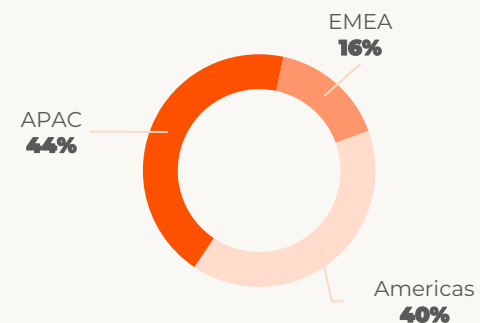
Allocation by Investor Type



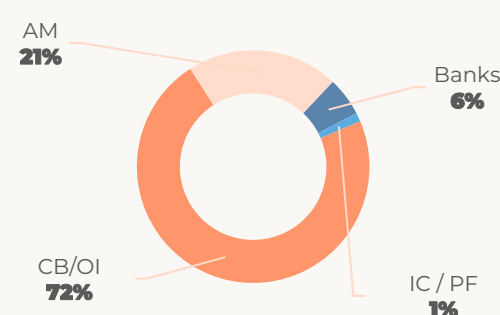
2024

USD 1 billion - 5 Years
4.25% Feb 2029 - MS+51bp - T+26.3
US45828Q2D84

Allocation by geography



Allocation by Investor Type

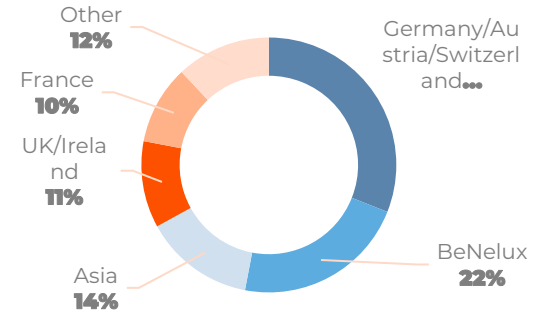


Euro market

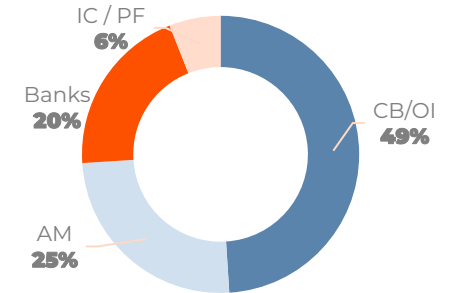
- Strategic Market for IDB Invest
- Inaugural EUR issue launched in 2022
- Attractive yield pickup vs Bunds
- Broad participation across Euro Zone countries
- Provide a unique opportunity for European investors to combine impact and top credit quality with an attractive yield

Global Program (SEC Exempt)

Allocation by geography



Allocation by Investor Type

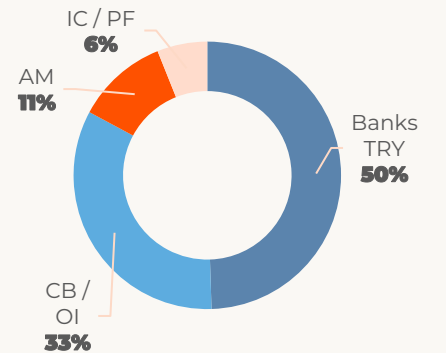
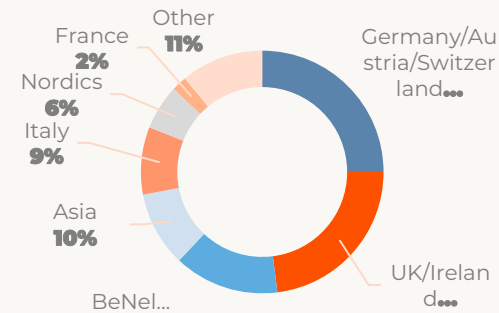


2022
 EUR 650 million
 5-Years Fixed Rate
 Social Bond

3.125% Nov 2027
 MS+12bp
 DBR+96.8bp
 XS2547604715

2023
 EUR 500 million
 7 Years Fixed Rate

3.125% Jun 2030
 MS+21bp
 DBR+97.3bp
 XS2547604715



Kangaroo Market

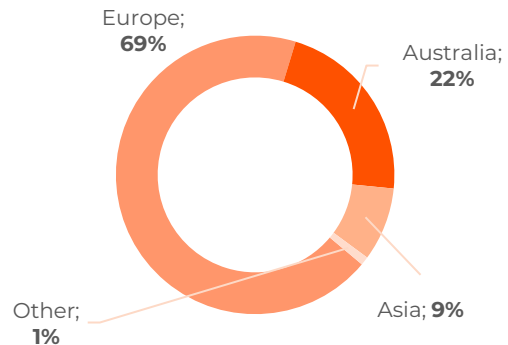
- Strategic market for IDB Invest
- Growing domestic and international investor base
- Attractive yield pickup vs Australian and semi-government bonds

AUD (Kangaroo) Program

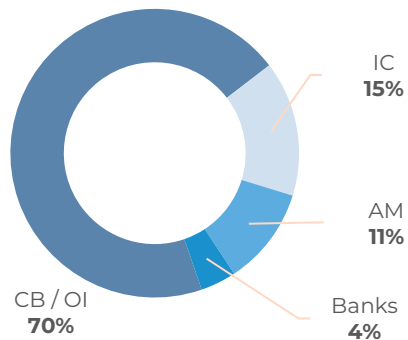
2022

AUD 300 million - 5 Years - Fixed Rate - Green Bond
2.30% Feb 2027 - ACGB+58bp
AU3CB0286557

Allocation by geography



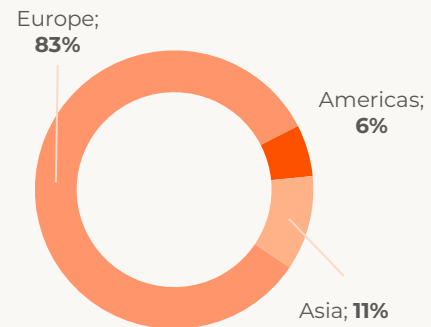
Allocation by Investor Type



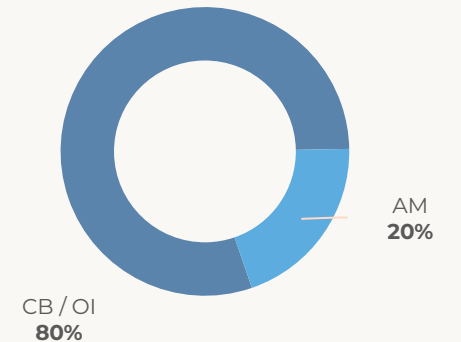
2024

AUD 700 million - 5 Years - Fixed Rate - Green Bond
4.65% May 2029 - ACGB+69bp
AU3CB0309805

Allocation by geography



Allocation by Investor Type



Mexican market

- IDB Invest is a frequent issuer since 2007
- Issued one benchmark per year since 2018
- Currently 3 bonds outstanding listed in BIVA Stock Exchange
- Strategic market to finance local currency projects

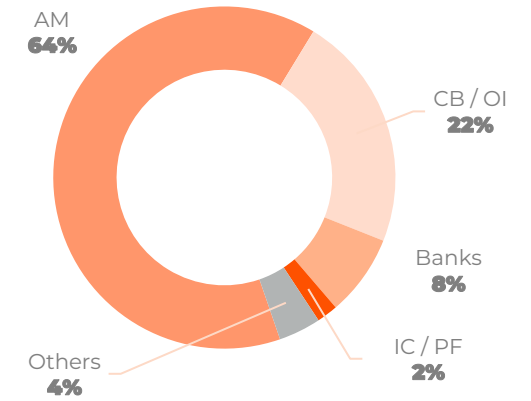
Mexican Domestic Program

Allocation by Investor Type

2023

MXN 3.5 Billion
3-Year Floating Rate
Social

TIIE28 + 10 Oct 2026
MXJIBI0K0051

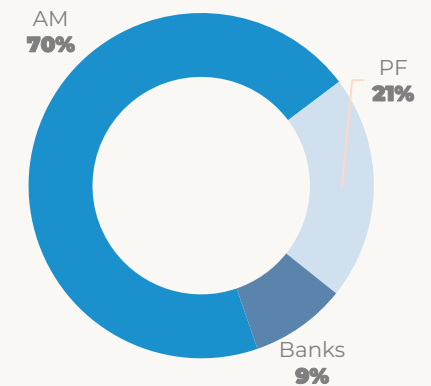


Allocation by Investor Type

2024

MXN 2.5 Billion
3-Year Floating Rate
Sustainability

TIIE28 + 10 Mar 2027
MXJIBI0K0069



Sustainable bond program

- All sustainable bonds are issued under the Sustainable Debt Framework (ICMA aligned)
- US\$ 5.1 bn bond were issued under sustainable format
- 64% of total debt are issued under sustainable format

\$965

Green Bonds

2024	US\$ 462.7M
2023	US\$ 43.1M
2022	US\$ 272.9M
2021	US\$ 186.6M

\$1,458

Social Bonds

2024	US\$ -
2023	US\$ 191.7M
2022	US\$ 843.1M
2021	US\$ 423.4M

\$3,190

Sustainability Bonds

2024	US\$ - 166.4M
2023	US\$ 1,020M
2022	US\$ 1,000M
2021	US\$ 1,000M

OUR INSTITUTIONAL APPROACH TO IMPACT AND SUSTAINABILITY

4

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



100% committed to sustainability

KEY SUSTAINABILITY TARGETS*

- 100% of new projects aligned with Paris Climate Agreement from 2023 on
- 60% of new commitments aligned with Green Agenda including green finance, climate finance and climate integration,
- 70% of # projects aligned with Social Agenda including 60% of # projects support Gender, Diversity and Inclusion and 30% of new commitments supporting MSMEs access to finance.

REPORTING AND IMPACT MANAGEMENT

- First development bank in Latin America and the Caribbean to report TCFD Disclosure in its [Annual Report](#), including Scope 1, 2 and 3 GHG emissions
- [Sustainability Report and GRI-Annex](#) following the standards of the Global Reporting Initiative.
- Founding signatory of the [Operating principles for Impact Management](#)

CORPORATE SUSTAINABILITY PROGRAM

- IDB Group **100% carbon** neutral since 2007
- Internationally Certified while also generating renewable energy HQ Buildings qualified for 2020 Energy Star label; several country offices building are LEED Certified, and some generates its own carbon free electricity.
- Waste Management: HQ waste diversion at **85% in 2021**
- Commitment to Gender Equality: First regional development bank and second Multilateral Development Bank worldwide to receive EDGE Certification in 2016 and EDGE Move and EDGE plus in 2023. **38% of staff** in mid and senior level positions are women.

EXTERNAL ASSESMENTS AND ESG INDICES



S&P Green Bond Index



* Select organizational targets according to the IDB Group Corporate Results Framework (CRF). For more information on the CRF visit [LINK](#)

Our strategic priorities

Transforming for greater impact scale

Objectives



Reduce poverty & inequality



Address climate change



Bolster sustainable regional growth

Focus areas



Biodiversity, Natural Capital and Climate Action



Gender Equality and Inclusion of Diverse Population



Regional Integration



Social Protection and Human Capital Development



Sustainable, Resilient and Inclusive Infrastructure

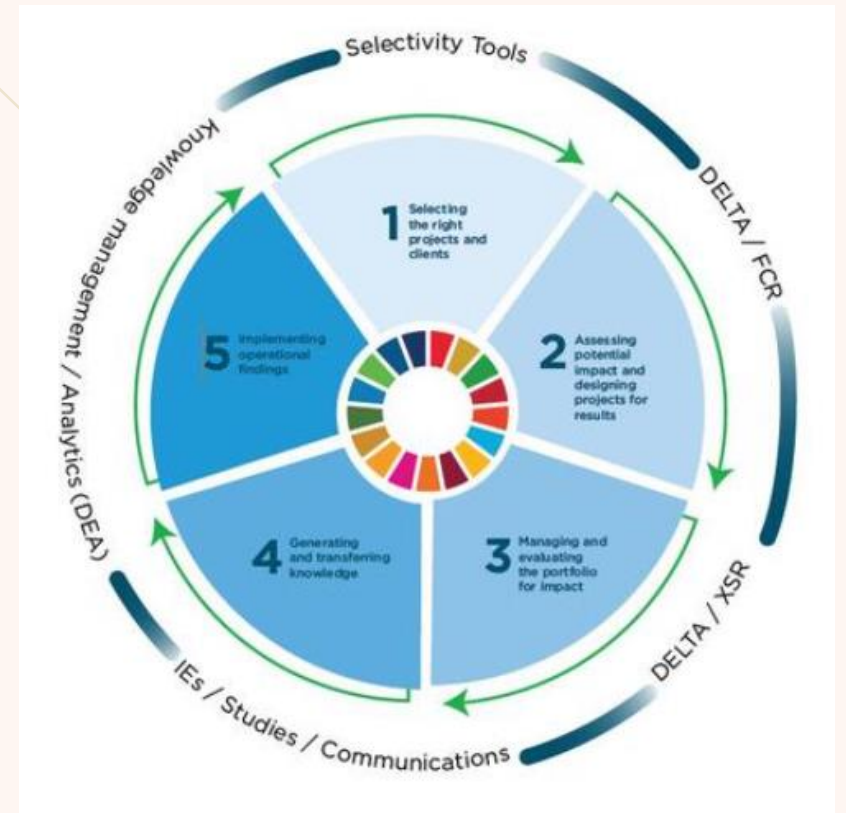


IMPACT INVESTMENT

Our Impact management framework

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



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](#)



Corporate Governance Development Framework



Access to Information Policy



Independent Consultation and Investigation Mechanism

Our project cycle

1 ORIGINATION

2 CLIENT ENGAGEMENT

3 APPROVAL

4 CLOSING & FIRST DISBURSEMENT

5 SUPERVISION & RECOVERY

ESG AND DEVELOPMENT IMPACT DUE DILIGENCE EMBEDDED IN EVERY STEP OF THE PROJECT CYCLE

- **Strategic selection** using the Selectivity Tool
- Screening against **exclusion list**

- Request to the client **to commit to comply** with IDB Invest Environmental and Social policy and practices

- Obtain information about the Client's assets and management of E&S risks and impact;
- 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;
- Prepare an **Environmental and Social Review Summary (ESRS) and E&S Action Plan (ESAP)**;
- Define **impact indicators** with DELTA tool;
- **Public Disclosure:** the Investment Summary, ESRS and ESAP are disclosed on our website prior to IDB Invest Board approval.

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

- The IDB Invest portfolio management and E&S Teams **supervise the Client's compliance** with E&S requirements, ESAP conditions and track impact indicators on a regular basis.

OUR SUSTAINABLE DEBT FRAMEWORK

5



Our Sustainable Debt Framework

Categories



Green

Finance projects with environmental impact



Social

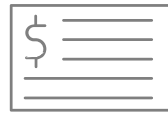
Finance projects with social impact



Sustainability

Finance projects with environmental and social impact

Debt products



Public Bond Offerings



Local Currency Bonds



Private Placements



Commercial Paper

Alignment

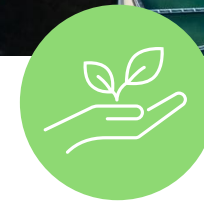


Use of proceeds



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**

Look-back period: **24 months**

Second party opinion

“ IDB Invest Sustainable Debt Framework **is aligned with the four components** of the Green Bond Principles 2018 and Social Bond Principle 2020 ...”

“... In our assessment, the bonds issued via this framework will provide an **‘advanced’** contribution to sustainability ...”

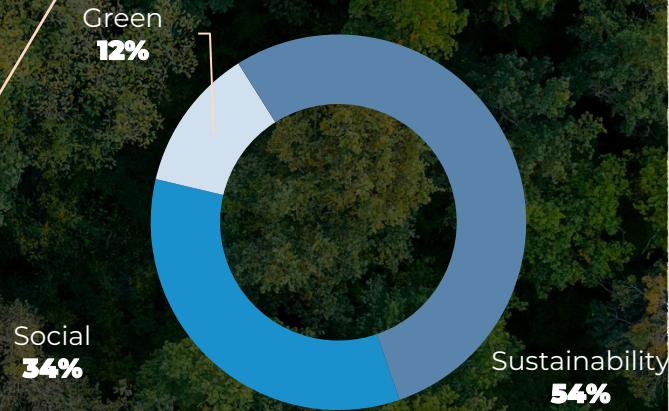
LINK



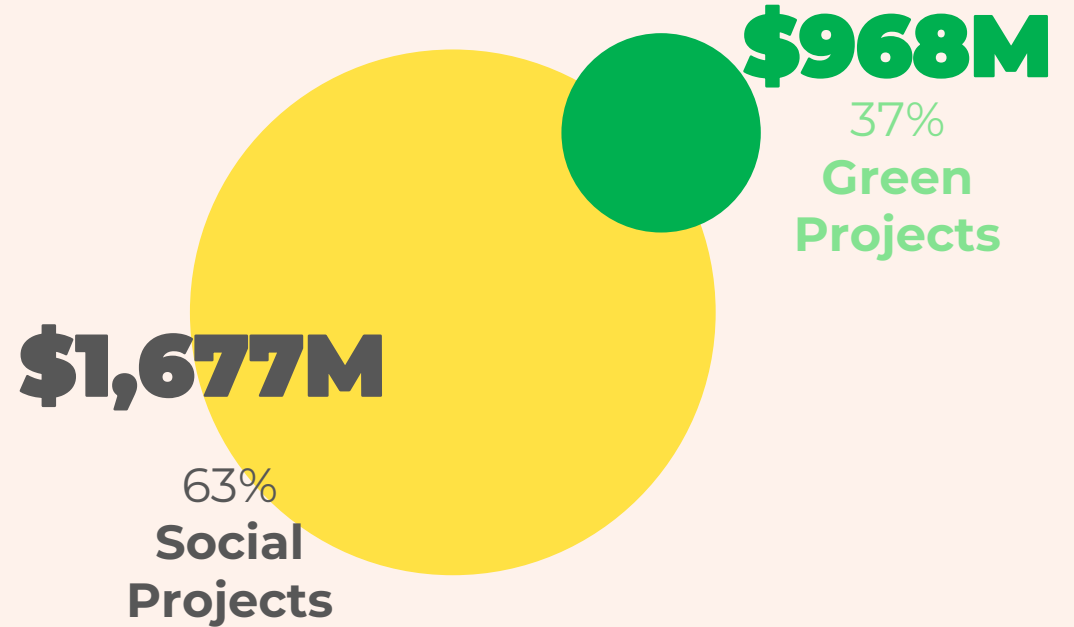
Outstanding Sustainable debt as of 2022

US\$ 3.7Bn

By type



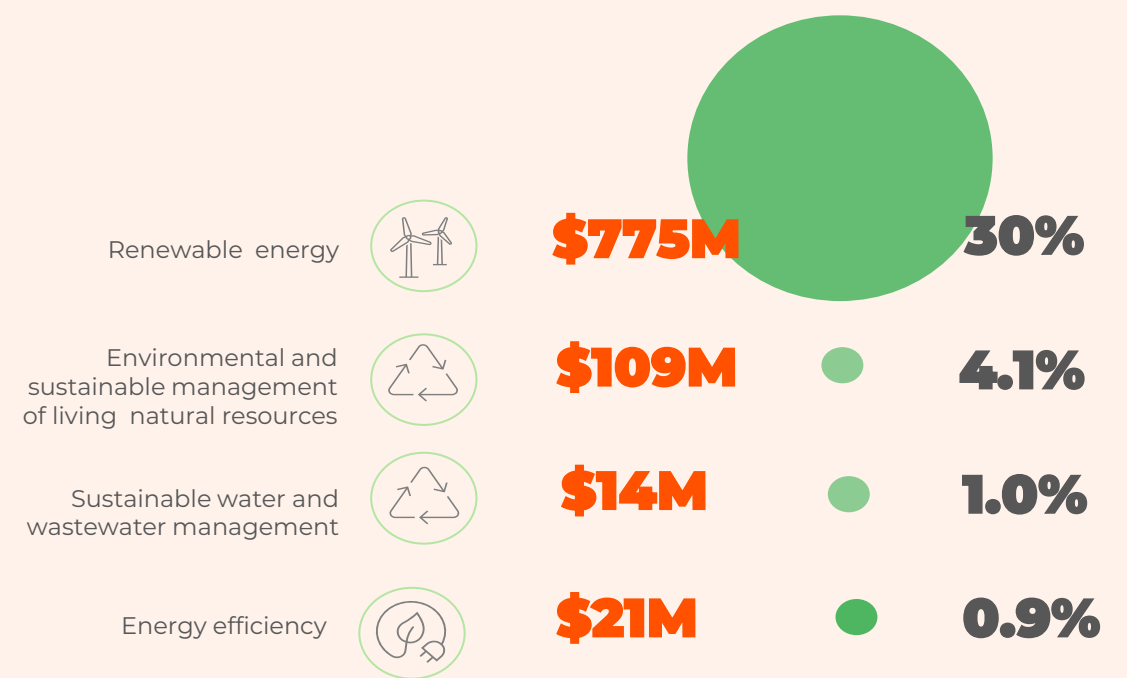
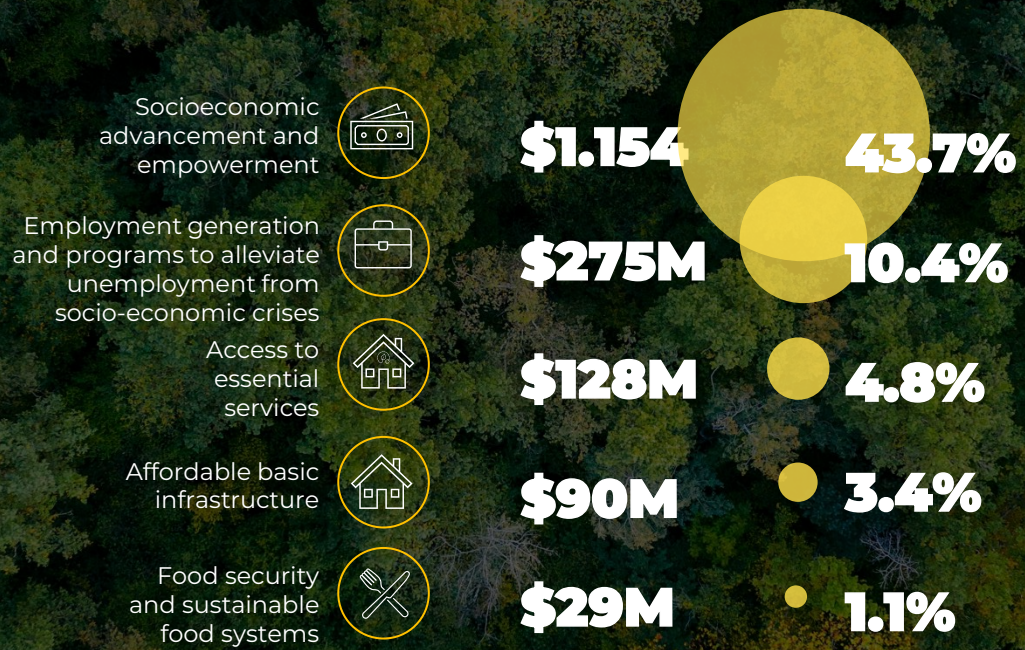
By currency



**72%
Allocated**

Allocation By Categories

IMPACT INVESTMENT



032

Cumulative Impact

Green Indicators

	Actual	Expected	%
Installed power generation from renewable energy sources	1,501 MW	2,932 MW	51%
Reduction of emissions	8.1 M Tons	52.5 M Tons	15%
Energy generated - renewable	12.1 M W/h	117.1 MW/h	10%
Treated wastewater (m3)	262.7 M3	214.6 M3	122%

Social Indicators

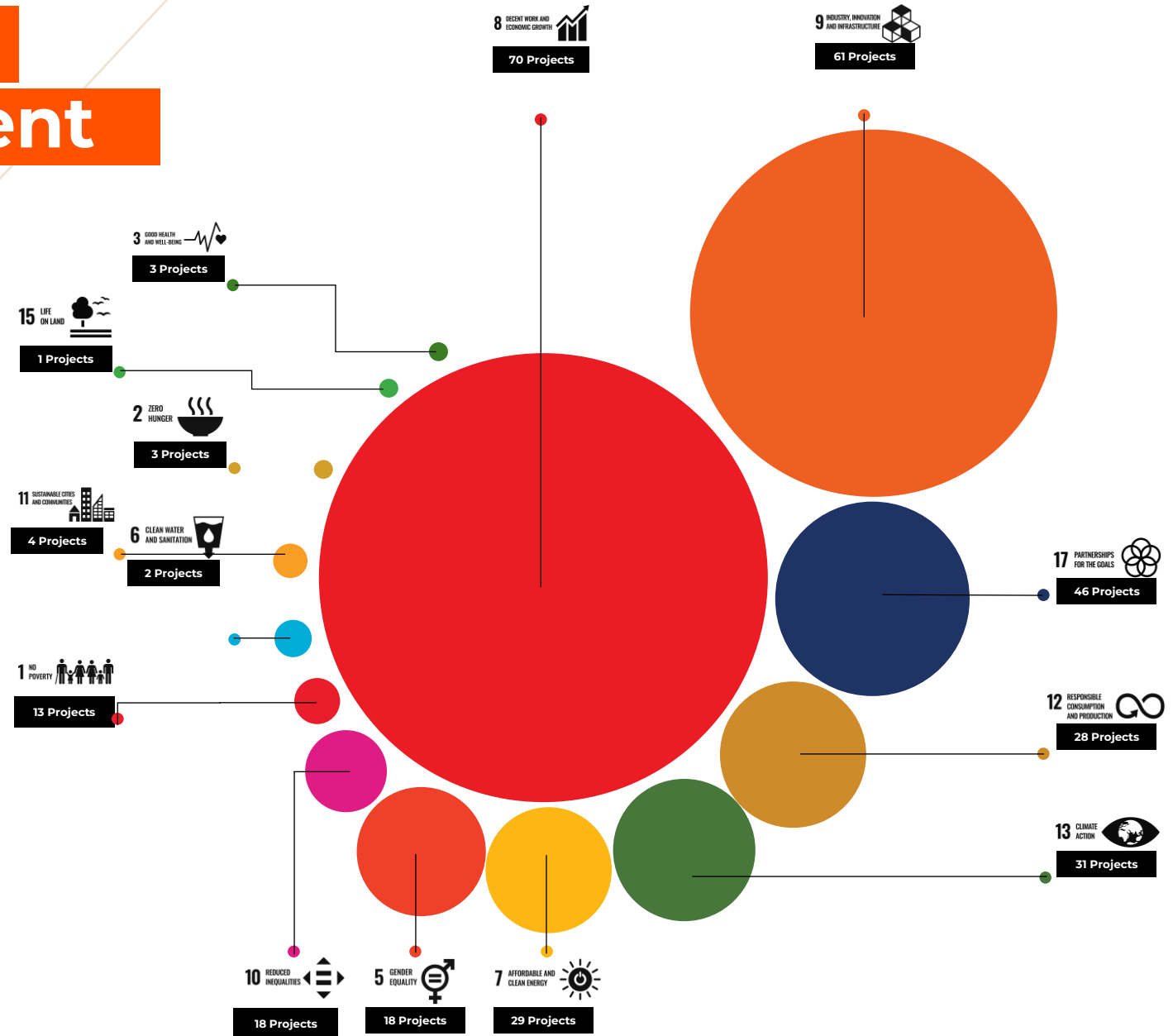
Jobs supported by firms	90.9K	Farmers with improved access to agricultural services and investments	5.6K
MSMEs financed	1.9M	Households with improved Access to water or sanitation	327.4K
Beneficiaries of employment support initiatives	16.4K	International trade promoted	\$8.3B
Women beneficiaries of economic empowerment initiatives	116.8K	Beneficiaries receiving health services	1.2M

The indicators presented herein have not been prorated for the portion of IDB Invest's contribution to the total project

	# Projects
Excluded Population	2
Low-Income Population	9
MSMEs	40
Poor population	0
Vulnerable	4
Women-led SMEs	5

* Projects may have more than one target population

SDG alignment



Independent External Review

“Based on the **limited assurance procedures** conducted, nothing has come to Sustainalytics’ attention that causes them to believe that, **in all material respects, the reviewed bond projects, funded through proceeds of IDB’s sustainability bonds, are not in conformance with the Use of Proceeds criteria outlined in the Framework. ...**”

“... No errors or Exceptions were identified ...”

[LINK](#)



An aerial photograph of a dense, green forest. A winding river flows through the center of the forest. In the lower right quadrant, a bright yellow biplane is flying over the trees. The sky is filled with soft, white clouds. The overall scene is vibrant and natural.

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 Latin American and the Caribbean

Join us in building tomorrow, today.

Website: www.idbinvest.org

Bloomberg: IDBINV Corp <GO>

LinkedIn: www.idbinvest.org/linkedin

Twitter: www.idbinvest.org/twitter

Facebook: www.idbinvest.org/facebook

Blog: www.idbinvest.org/blog

Funding Team



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