IDB | Invest

INVESTOR PRESENTATION

JULY 2020

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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.

IDB	IDB Invest	IDB LAB
Governments Civil society	**Private Sector**	The Innovation Laboratory
Loans Guarantees Grants	**Loans Guarantees Equity & Mezzanine**	Loans, Seed and Venture Capital Grants
Policy advice Technical Assistance Knowledge	**Advisory Services**	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

$3.9B
TOTAL ASSETS

$13.5B
ASSETS UNDER MANAGEMENT

47
SHAREHOLDERS

60
YEARS OF EXPERIENCE IN THE REGION AS IDB GROUP

29
OFFICES
IN LATIN AMERICA AND THE CARIBBEAN, ASIA AND EUROPE

AAA
FITCH

AA
S&P (Pos)

Aa1
MOODY'S

*Figures as of March 31, 2020

SHAREHOLDER OVERVIEW

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

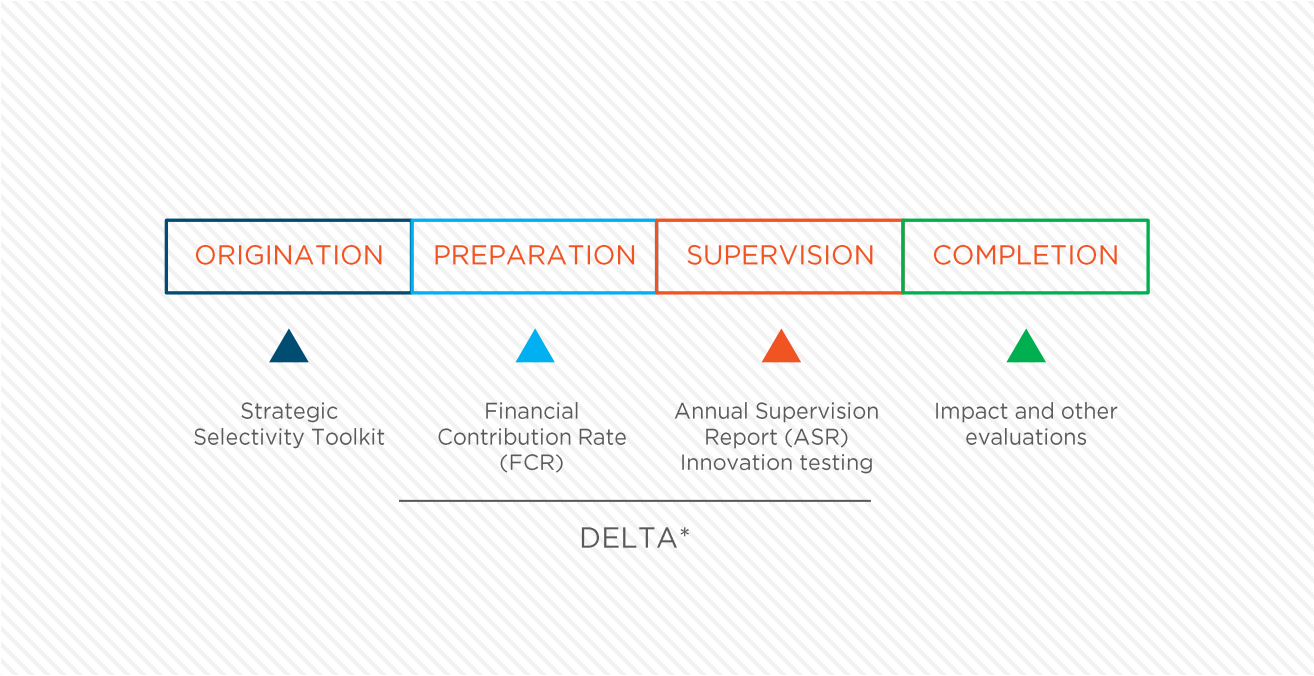
- Agribusiness
- Manufacturing
- Tourism
- Telecommunications, media and technology

HOW WE MEASURE DEVELOPMENT

Adding value beyond financing

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.



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

** Development effective learning tracking and assessment tool.*

DEVELOPMENT IMPACT

Priority Business Areas aligned with the Sustainable Development Goals

Social Inclusion and Equity

592.767

beneficiaries receiving health services

500.156

households with new/upgraded access to drinking water or sanitation

Productivity and Innovation

311.863

beneficiaries of on-the-job training

43.632

jobs created by supported firms

549.325

micro, small and medium enterprises financed

**Figures for the period 2016-2019*

DEVELOPMENT IMPACT

Priority Business Areas aligned with the Sustainable Development Goals

Economic Integration

296
km of roads built or upgraded

US$4.1 Billion
in international trade promoted

Gender Equality and Diversity

306.828
women beneficiaries of economic empowerment initiatives

Climate Change and Environmental Sustainability

298.651
households benefitting from housing solutions

9.5 Million
metric tons of emissions (CO_2 equivalent) expected to be reduced per year

2.595 MW
Installed power generation capacity from renewable sources

**Figures for the period 2016-2019*

PROJECT HIGHLIGHTS

Rutas 2/7 – Paraguay

Objective: contribute to improve the level of service and road safety in one of the main corridors in Paraguay with high importance for the economic activity

Key facts

- Approval Year: 2019
- Segment: Infrastructure
- Delta Score: 9.7
- Total Project: USD 530MM
- IDB Invest : USD 106MM (20%)
- Tenor: 15 years

Expected results

- Increased capacity due to the duplication of lanes in 80% of routes
- Reduce travel time between Asuncion and Ciudad del Este
- Increase safety for users

PROJECT HIGHLIGHTS

Banco Guayaquil – Ecuador

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%

PROJECT HIGHLIGHTS

Klabin II - Brazil

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 9000 new jobs
- Increase renewable energy generation to 524MW

OUR
RISK MANAGEMENT
FRAMEWORK

STRONG RISK MANAGEMENT FRAMEWORK

Lending Approval Cycle

Risk Appetite

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

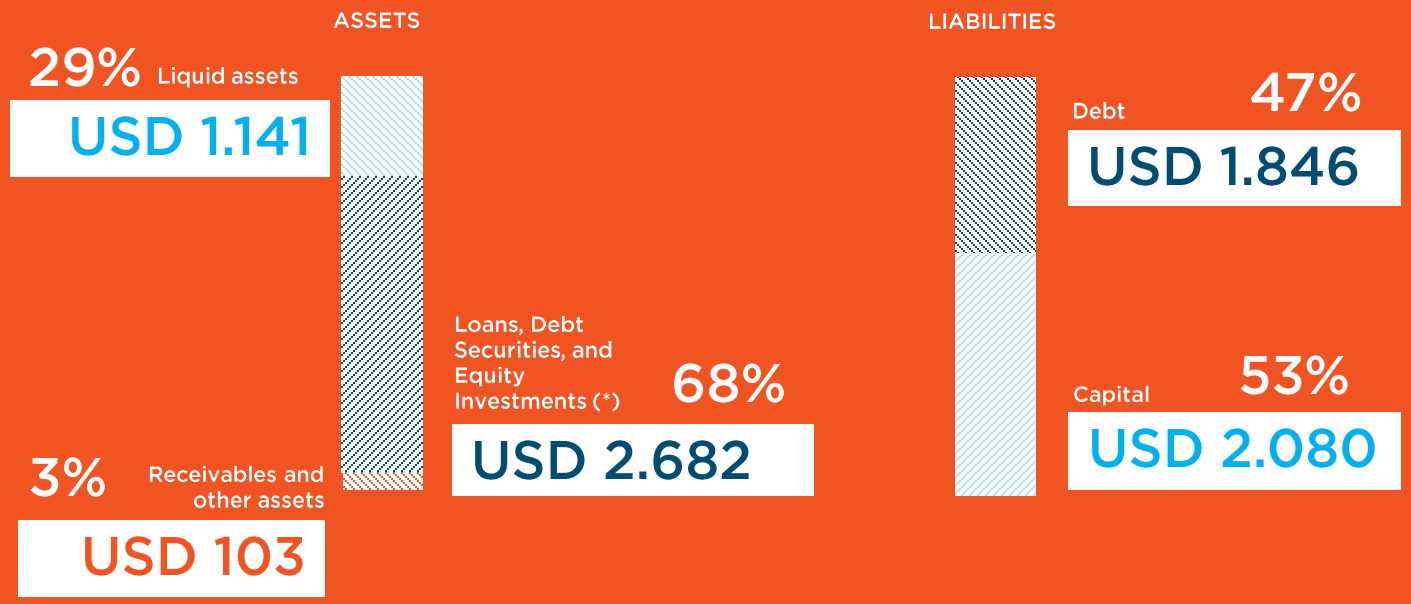
105%
Minimum liquidity coverage ratio

Limits are based on allocated capital

*Except for Financial Institutions sector (75%)

OUR FINANCIAL PROFILE

A SOLID BALANCE SHEET



Figures in million US dollar as of March 31, 2020
(*) Net of USD 140 million allowance for credit losses Total equity Investments: USD 112.5 million

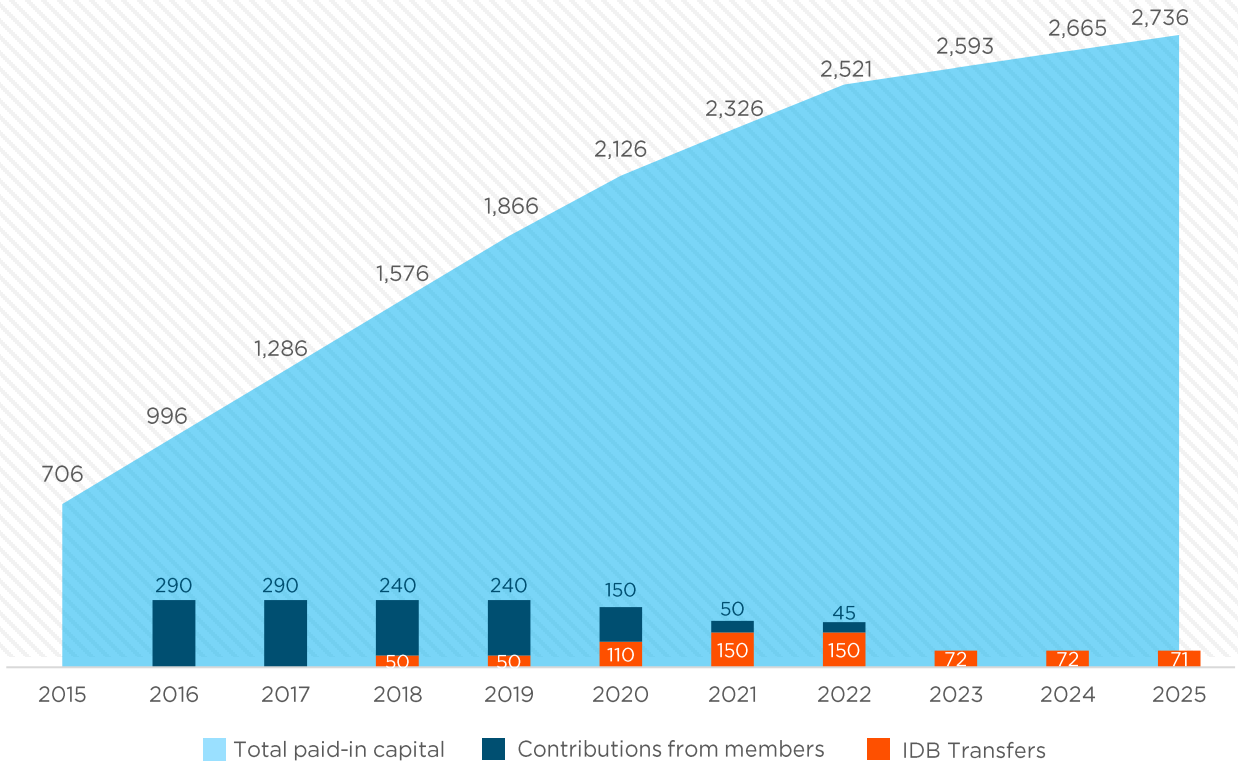
Robust capitalization & Low leverage

Capital / total assets ratio of 53% and leverage ratio of 0.9x leave 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.

Capital Increase Payment Schedule[1]

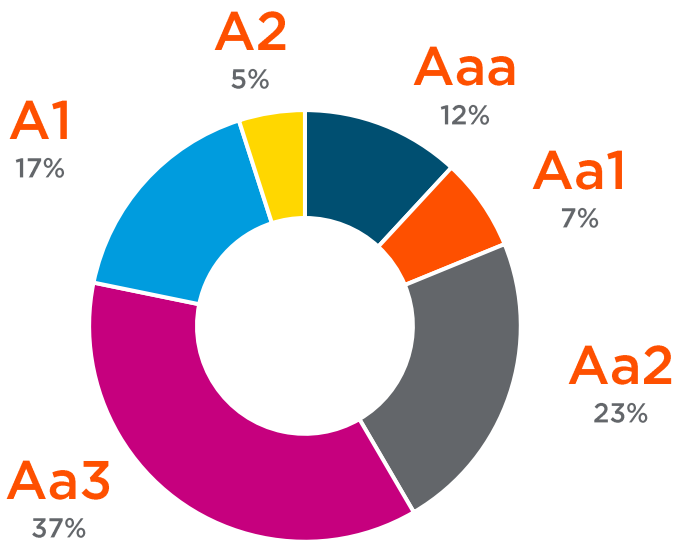


IDB Invest operates exclusively with 100% paid-in capital

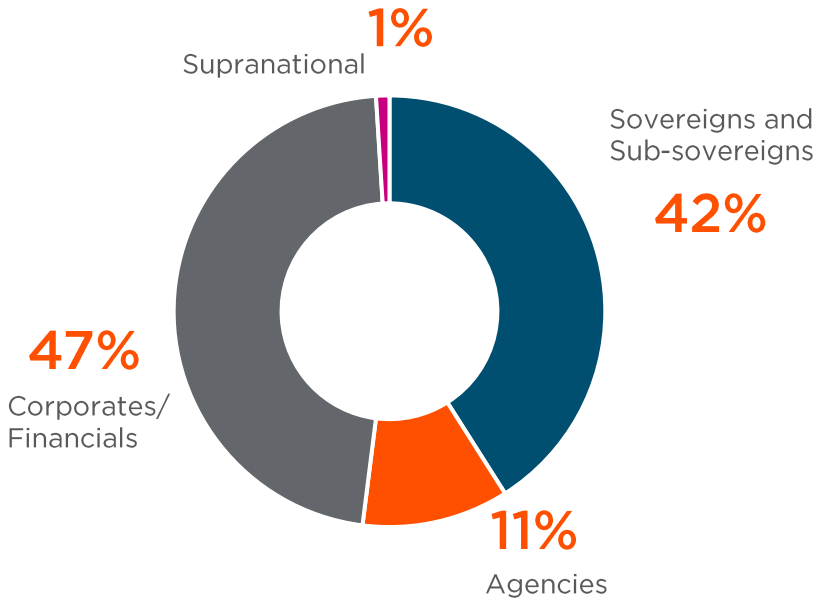
[1] Figures in USD millions. IDB transfers are subject to annual approval by IDB's Board of Governors

HIGH-QUALITY LIQUIDITY PORTFOLIO

Liquid Assets by Rating

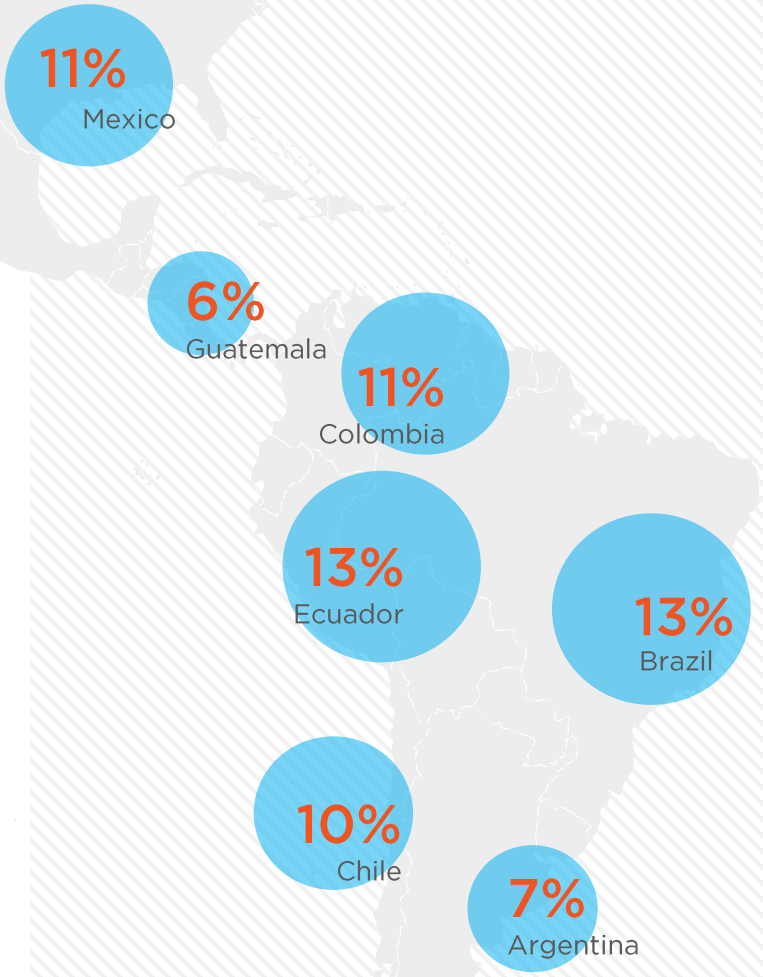


Liquid Assets by Sector



Figures are as of March 2020. Numbers may not add up to 100% due to rounding.

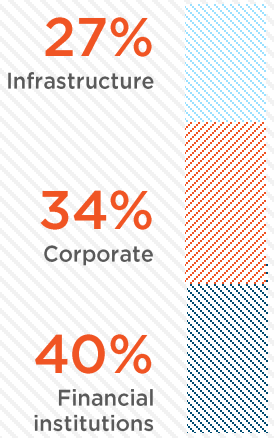
HIGH QUALITY & DIVERSIFIED LENDING AND INVESTMENT PORTFOLIO



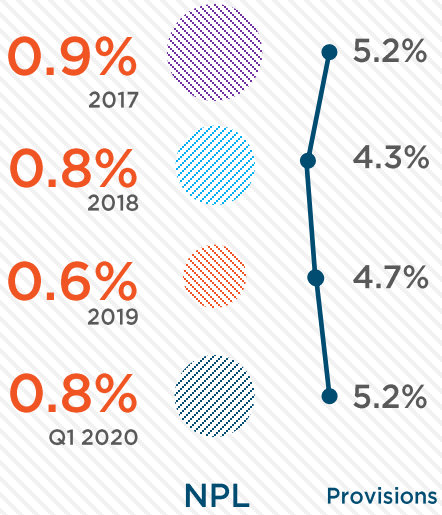
BY COUNTRY

Includes equity investments

BY SECTOR



Non-Performing Loans & Provisions



Nonperforming loans: defined as nonaccrual loans over 90 days as a percentage of total Loan portfolio.

Figures as of March 31, 2020 and include Loans, Debt Securities and Equity Investments.

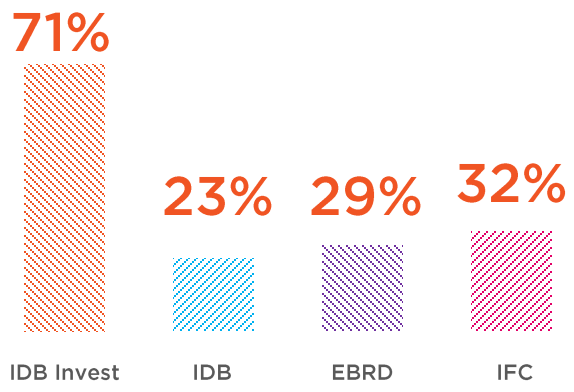
Percentages may not add up to 100% due to rounding

ONE OF THE STRONGEST FINANCIAL PROFILES AMONG MULTILATERAL DEVELOPMENT BANKS

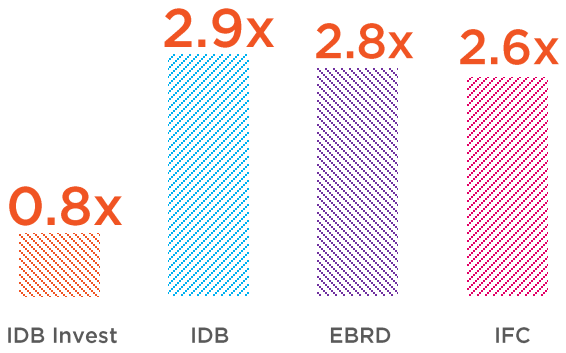
Multilateral	Assets (USD Millions)	Long Term Issuer Rating
IDB-Invest	3.209	AA
IDB	129,459	AAA
EBRD	70.716	AAA
IFC	99.257	AAA

Source:
S&P Global Supranationals Special Edition October 2019.
1 RAC: Adjusted equity / Assets weighted by risk (%).
2Total Liabilities / shareholder's equity (x).
Data as of December 31, 2018, except for the IFC, whose data are as of June 30, 2019.

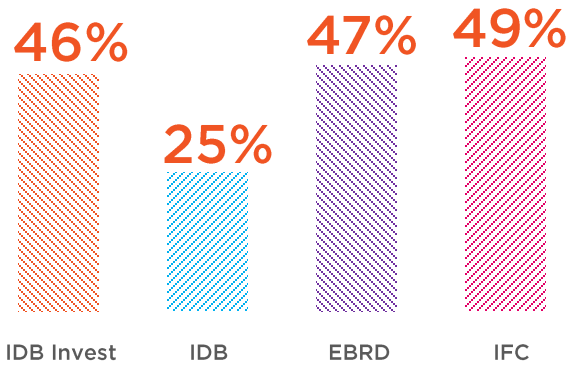
RAC



Debt/Equity[2]



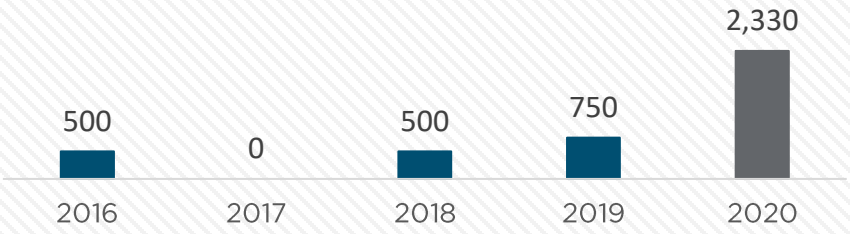
Liquid assets / Total assets



FUNDING PROGRAM

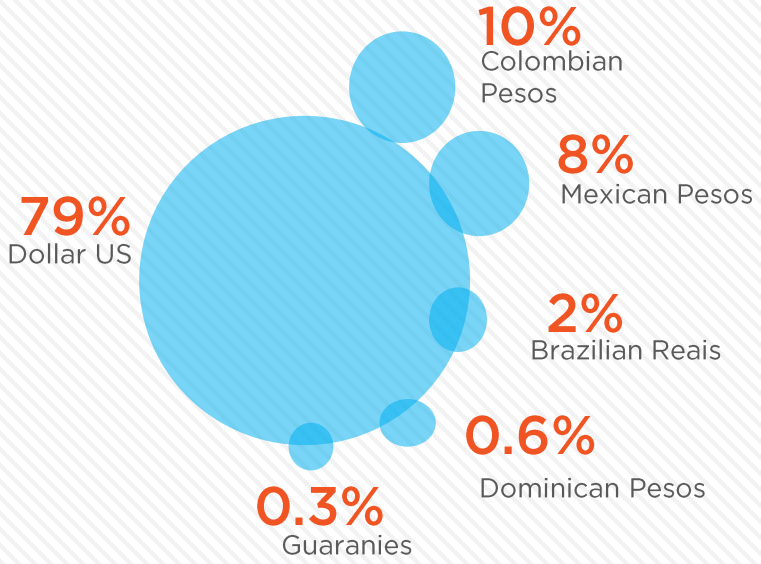
- Core elements of our funding strategy:
  - Optimize funding costs through product, currency and tenor diversification
  - Diversified funding sources:
    - Public Offerings in USD and other currencies
    - Private Placements
- Main Funding Instrument: Euro Medium Term Note Program
- Format: Reg S
- 2020 funding program: USD 2.3 billion

GROWING FUNDING PROGRAM



2016-2019: Executed USD Funding. 2020: Total Funding Program, Million USD

BORROWINGS BY CURRENCY



Figures are as of March 2020

OUR PRESENCE IN THE CAPITAL MARKETS

USD

1B
2 Years
Fixed Rate

April - 2020

USD

500M
5 Years
Fixed Rate

October - 2019

DOP

500M
USD 10M
3 Years
Fixed Rate

September - 2019

MXN

1.5B
USD 76.2 M
3 Years
Floating Rate

September - 2019

USD

250M
Increase
2.3 Years
Floating Rate

June - 2019

PYG

30B
USD 5M
5 Years
Fixed Rate

December - 2018

USD

500M
3 Years
Floating Rate

October - 2018

COP

144B
USD 50M
7 Years
Fixed Rate

June - 2018

MXN

1.5B
USD 80M
3 Years
Floating Rate

February - 2018

USD

500M
3 Years
Floating Rate

April - 2016

USD

400M
3 Years
Floating Rate

October - 2014

USD

400M
3 Years
Floating Rate

November - 2012

DIVERSIFIED INVESTOR BASE

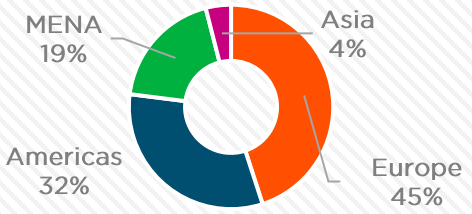
2016

US$ 500 million

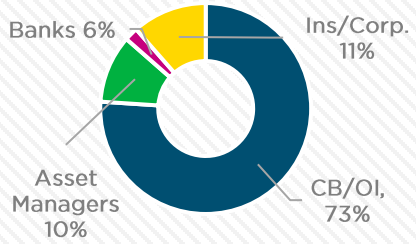
3 year - 3ML + 30bp

SSA(*) + 14bp

Allocation by region



Allocation by Investor Type



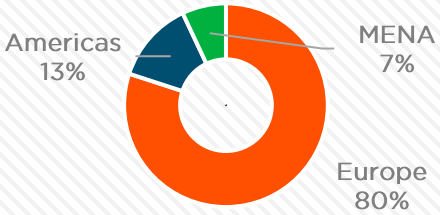
2018

US$ 500 million

3 year - 3ML + 9bp

SSA(*) + 11bp

Allocation by region



Allocation by Investor Type

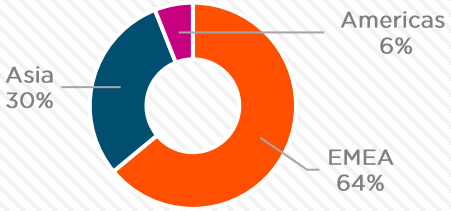
2019

US$ 500 million

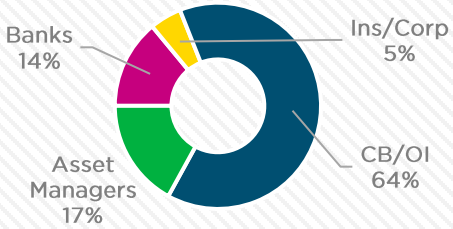
5 year - MS + 25bp

SSA(*) + 11bp

Allocation by region



Allocation by Investor Type



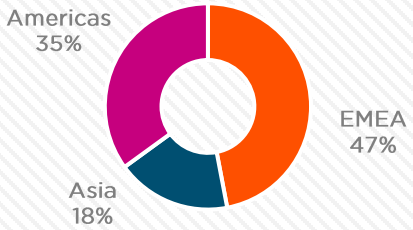
2020

US$ 1 billion

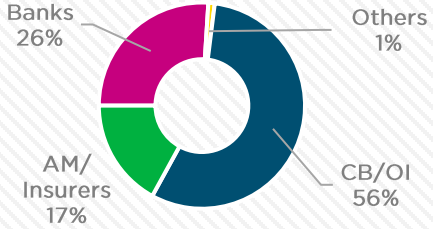
2 year – MS + 38bp

SSA(*) + 29bp

Allocation by region



Allocation by Investor Type



- Spread over Bloomberg USD SSA curve at the time of issuance

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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