CONTENTS

1. About IDB Invest
2. Our Financial Profile and Risk Management Framework
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**

#### REGIONAL MEMBER COUNTRIES

- Argentina: 12.1%
- Bahamas: 0.2%
- Barbados: 0.2%
- Belize: 0.1%
- Bolivia: 0.9%
- 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: 0.7%
- Paraguay: 0.5%
- Peru: 3.5%
- Suriname: 0.1%
- Trin. & Tobago: 0.2%
- Uruguay: 1.3%
- Venezuela: 3.2%

#### OTHER MEMBER COUNTRIES

- Austria: 0.6%
- Belgium: 0.2%
- Canada: 3.0%
- Croatia: 0.01%
- China: 5.5%
- Denmark: 0.7%
- Finland: 0.6%
- France: 2.0%
- Germany: 1.1%
- Israel: 0.3%
- Italy: 3.1%
- Japan: 3.7%
- Korea: 4.9%
- Netherlands: 0.7%
- Norway: 0.6%
- Portugal: 0.2%
- Slovenia: 0.0%
- Spain: 4.5%
- Sweden: 0.6%
- Switzerland: 1.4%
- United States: 14.3%
We support our clients by providing finance solutions, advisory services and knowledge that meet the evolving demands of the regions private sector.

WHAT WE OFFER

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
- 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 31, 2021, unless otherwise stated.
A SOLID BALANCE SHEET AND STRONG RATINGS

**ASSETS**
- 42% Liquid assets
  - USD 3,193
- 2% Receivables and other assets
  - USD 187
- Loans, Debt Securities, and Equity Investments (*):
  - 56%
  - USD 4,306

**LIABILITIES AND CAPITAL**
- Debt:
  - 64%
  - USD 4,906
- Total Capital:
  - 30%
  - USD 2,313
- Other Liabilities:
  - 6%
  - USD 466

(*): Net of USD 181 million allowance for credit losses. Total equity investments: USD 135 million
## 2020 RESULTS
A STRONG RESPONSE TO THE PANDEMIC IN THE REGION

<table>
<thead>
<tr>
<th>Metric</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approvals increased</td>
<td>4,596</td>
<td>6,783</td>
</tr>
<tr>
<td>DRA Portfolio increased</td>
<td>2,446</td>
<td>4,177</td>
</tr>
<tr>
<td>3 COVID-19 response bonds issued</td>
<td>839</td>
<td>2,264</td>
</tr>
<tr>
<td>Strengthened capital</td>
<td>2,033</td>
<td>2,108</td>
</tr>
<tr>
<td>High asset quality and low NPLs</td>
<td>0.8%</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

**Figures in USD millions**
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.

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
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 ratio

**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

- **110%**
  - Minimum CAR

Liquidity Policy

- **105%**
  - Minimum liquidity coverage ratio

**Liquidity Portfolio Guidelines**

- **4 years**
  - Maximum liquidity portfolio duration

- **A**
  - Minimum rating required

*Limits are based on allocated capital
*Except for Financial Institutions sector (60%)
HIGH QUALITY AND DIVERSIFIED DEVELOPMENT PORTFOLIO

Development Portfolio
By Sector

Infrastructure: 25%
Corporate: 29%
Financial institutions: 46%

Development Portfolio
By country

Mexico: 14%
Guatemala: 7%
Colombia: 11%
Ecuador: 9%
Brazil: 18%
Peru: 6%
Chile: 10%

All other countries show exposures below 5%

NPL Ratio: Impaired Loans and debt securities / loans and debt securities at amortized cost
Provisioning Ratio: loan loss allowance / loans and debt securities at amortized cost
STRONG FINANCIAL PROFILE
AAA RATED PEER COMPARISON

<table>
<thead>
<tr>
<th></th>
<th>Multilateral</th>
<th>Assets (USD Millions)</th>
<th>S&amp;P Long Term Issuer Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>IDB Invest</td>
<td></td>
<td>6.424</td>
<td>AA</td>
</tr>
<tr>
<td>IDB</td>
<td></td>
<td>151.737</td>
<td>AAA</td>
</tr>
<tr>
<td>EBRD</td>
<td></td>
<td>85.87</td>
<td>AAA</td>
</tr>
<tr>
<td>IFC</td>
<td></td>
<td>95.800</td>
<td>AAA</td>
</tr>
</tbody>
</table>

Source: S&P Global Ratings "Supranational Special Edition: May 2021".
Data as of December 31, 2020, 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
USD BENCHMARK ISSUES

2019
US$ 500 million
5-Year Fixed Rate
Allocation by region
APAC 30%
EMEA 64%
Americas 6%
Allocation by Investor Type
Banks 14%
Asset Managers 17%
Ins/Corp 5%
CB/OI 64%

2020
US$ 1 billion
2-Year Fixed Rate
Allocation by region
Americas 35%
APAC 18%
EMEA 47%
Allocation by Investor Type
Banks 26%
Asset Managers 17%
Others 1%
CB/OI 56%

2020
US$ 1 billion
3-Year Fixed Rate
Allocation by region
Americas 37%
APAC 25%
EMEA 37%
Allocation by Investor Type
Asset Managers 14%
Banks 7%
4% Insurance
CB/OI 75%

2021
US$ 1 billion
5-Year Fixed Rate
Sustainability Bond
Allocation by region
Americas 40%
APAC 25%
EMEA 35%
Allocation by Investor Type
Asset Managers 14%
Banks 7%
4% Insurance
CB/OI 76%
OUR APPROACH TO SUSTAINABILITY
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
   - 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

2. Access to Information Policy

3. Corporate Governance Development Framework

4. Policy for Independent Consultation and Investigation Mechanism ICIM
OUR SUSTAINABLE DEBT FRAMEWORK

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
## ALIGNED WITH GREEN AND SOCIAL BOND PRINCIPLES

<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 refinance, 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 until the maturity of the bond, with external validation on the allocation of funds</td>
</tr>
</tbody>
</table>
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
PROJECT EVALUATION AND SELECTION PROCESS

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

01 ORIGINATION

Strategic selection using the Selectivity Tool
Screening against exclusion list

02 CLIENT ENGAGEMENT

Request to the 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 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.

04 CLOSING & FIRST DISBURSEMENT

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.

05 SUPERVISION & RECOVERY

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.
MANAGEMENT OF PROCEEDS

- Commitment to allocate funds within 24 months
- Share of refinancing to be disclosed
- Look-back period: 24 months
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
- Beneficiaries receiving health services: 663,815
- Jobs supported by firms: 693,508
- Micro / small / medium enterprises financed: 1.9 M
- Women beneficiaries of economic empowerment initiatives: 274,007
- International trade promoted: USD 6.1 B

Green Indicators
- Installed power generation from renewable energy sources: 5.0MW
- Reduction of emissions: 12.5 Tons

Figures are for 2016-2020 period
EXTERNAL VALIDATION

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

Until the bonds mature, an independent auditor will annually verify the allocation of proceeds to eligible loans.
SABESP – Brazil

Category: Social
Access to essential services

Objective: support of the installation of: (i) five water quality restoration units for use in informal areas (“URQs”) 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 has operations.

Key facts
• Approval Year: 2020
• Delta Score: 8.3
• Total Project: US$ 176 MM
• IDB Invest: US$ 176 MM (100%)
• Tenor: 14 years

Expected results
(i) reduce water contamination along the Pinheiros River by treating wastewater from low-income areas of São Paulo; and
(ii) reduce Sabesp’s carbon footprint by installing a 73 MW solar distributed generation capacity.
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 (100%)
- Tenor: 5 years

Expected Results
- Growing MSMEs portfolio in 35%
- Growing the MSMEs portfolio lead by women in 10%
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
- (i) Enhanced availability of public education (early childhood, primary, and technical education) and public sports education;
- (ii) promotion of full-time education primarily in disadvantaged socio-educational contexts;
- (iii) improved conditions of buildings by replacing inadequate school infrastructure;
- (iv) improved conditions of facilities for sports activities at schools near sports centers
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$ 3 MM
- Tenor: up to 20 years
- Mobilization: US$ 27 MM

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
In summary, IDB Invest bonds represent 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

Eusebio Garre
Treasury - Head of Funding
eusebiog@idbinvest.org
Tel.: 202 623 1626

Monica Landaeta
Treasury - Funding Officer
monicala@idbinvest.org
Tel.: 202 623 3160

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
This presentation includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “anticipates”, “believes”, “estimates”, “expects”, “aims”, “continues”, “intends”, “may”, “plans”, “considers”, “projects”, “should” or “will”, or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places and include, but are not limited to, statements regarding the issuer’s intentions, beliefs or current expectations concerning the issuer’s economy. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results, performance, achievements or industry results of IDB Invest’s economy may differ materially from those described in, or suggested by, the forward-looking statements contained in this presentation.

These materials are not directed at or accessible by persons in the United States, or persons resident or located in Australia, Canada or any other jurisdiction where the extension of availability of the materials to which you are seeking access would breach any applicable law or regulation.

If you are not permitted to view materials or are in any doubt as to whether you are permitted to view these materials, please refrain from viewing them. These materials must not be, released or otherwise forwarded, distributed or sent in or into the United States or any jurisdiction in which such offers or sales are unlawful. Persons receiving such documents (including custodians, nominees and trustees) must not distribute or send them in, into or from the United States or any jurisdiction in which such offers or sales are unlawful.

Confirmation of understanding and acceptance of disclaimer
I warrant that I am not located in the United States or any other jurisdiction where accessing these materials is unlawful, and I agree that I will not transmit or otherwise send any materials to any person in the United States or any other territory where to do so would breach applicable local law or regulation.

I have read and understood the disclaimer set out above. I understand that it may affect my rights and I agree to be bound by its terms. I confirm that I am permitted to view the materials.