

INVESTOR PRESENTATION

NOVEMBER 2021

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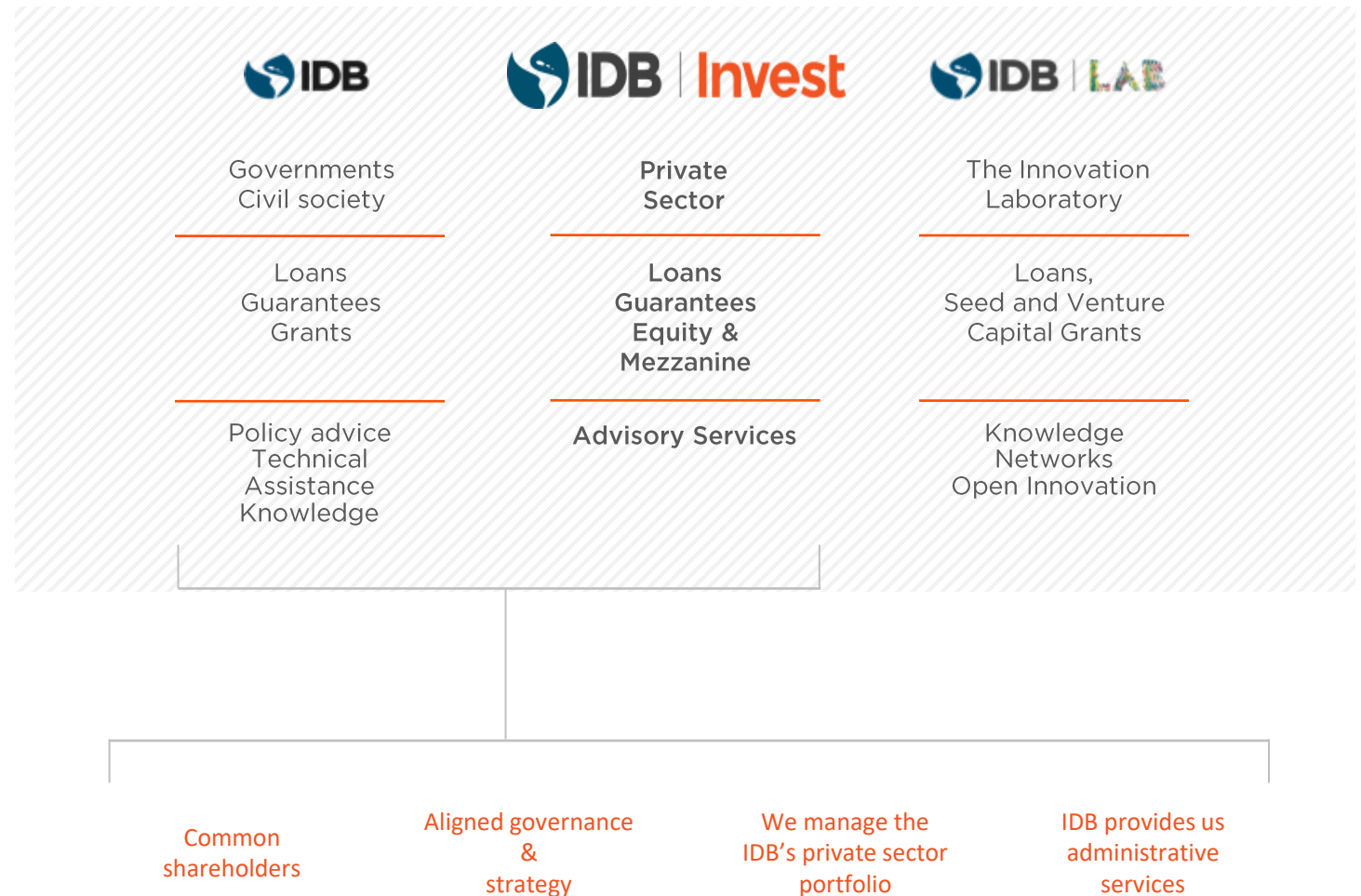
1. About IDB Invest
2. Our Financial Profile and Risk Management Framework
3. Our Approach to Sustainability

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	0.1%
 Belize	0.1%
 Bolivia	1.0%
 Brazil	11.0%
 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	0.6%
 Paraguay	0.5%
 Peru	3.5%
 Suriname	0.1%
 Trin. & Tobago	0.2%
 Uruguay	1.3%
 Venezuela	3.4%

OTHER MEMBER COUNTRIES

0.6%	Austria	
0.2%	Belgium	
3.0%	Canada	
0.01%	Croatia	
5.4%	China	
0.8%	Denmark	
0.7%	Finland	
2.1%	France	
1.1%	Germany	
0.2%	Israel	
3.1%	Italy	
3.6%	Japan	
4.8%	Korea	
0.8%	Netherlands	
0.7%	Norway	
0.2%	Portugal	
0.004%	Slovenia	
4.5%	Spain	
0.6%	Sweden	
1.5%	Switzerland	
14.3%	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
- 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



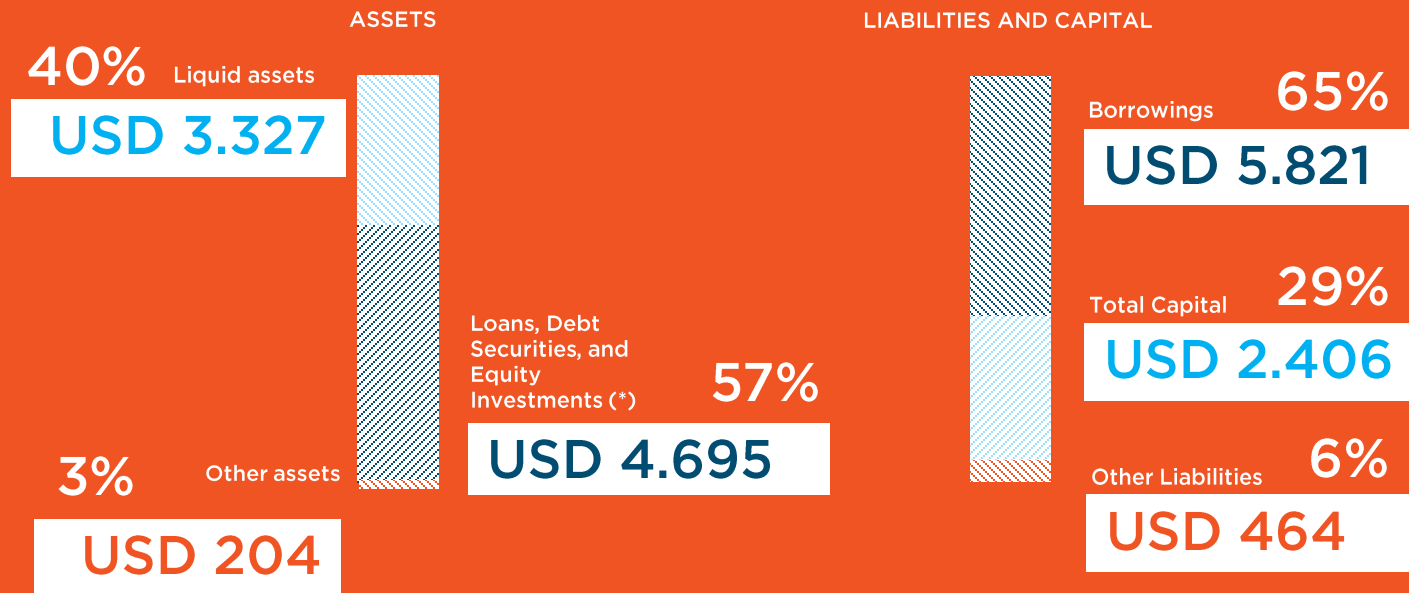
Telecommunications,
media and technology



OUR FINANCIAL PROFILE AND RISK MANAGEMENT FRAMEWORK

*All figures are expressed in million US dollar as of
September 2021, unless otherwise stated.*

A SOLID BALANCE SHEET AND STRONG RATINGS



AAA

FITCH

AA+

S&P

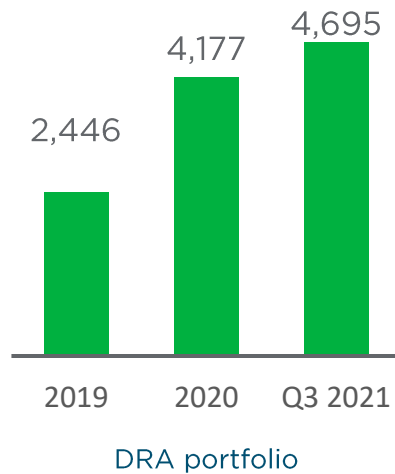
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MOODY'S

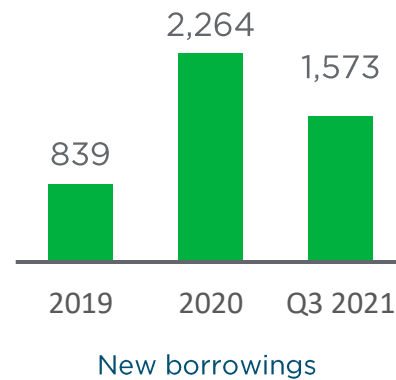
(*) Net of USD 171 million allowance for credit losses. Total equity Investments: USD 221 million

OUR STRONG CONTRIBUTION TO REIGNITE THE ECONOMIC RECOVERY

Continued growth of the development portfolio



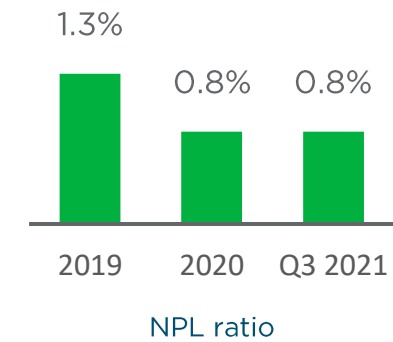
Strong activity in capital markets



Strengthened Capital



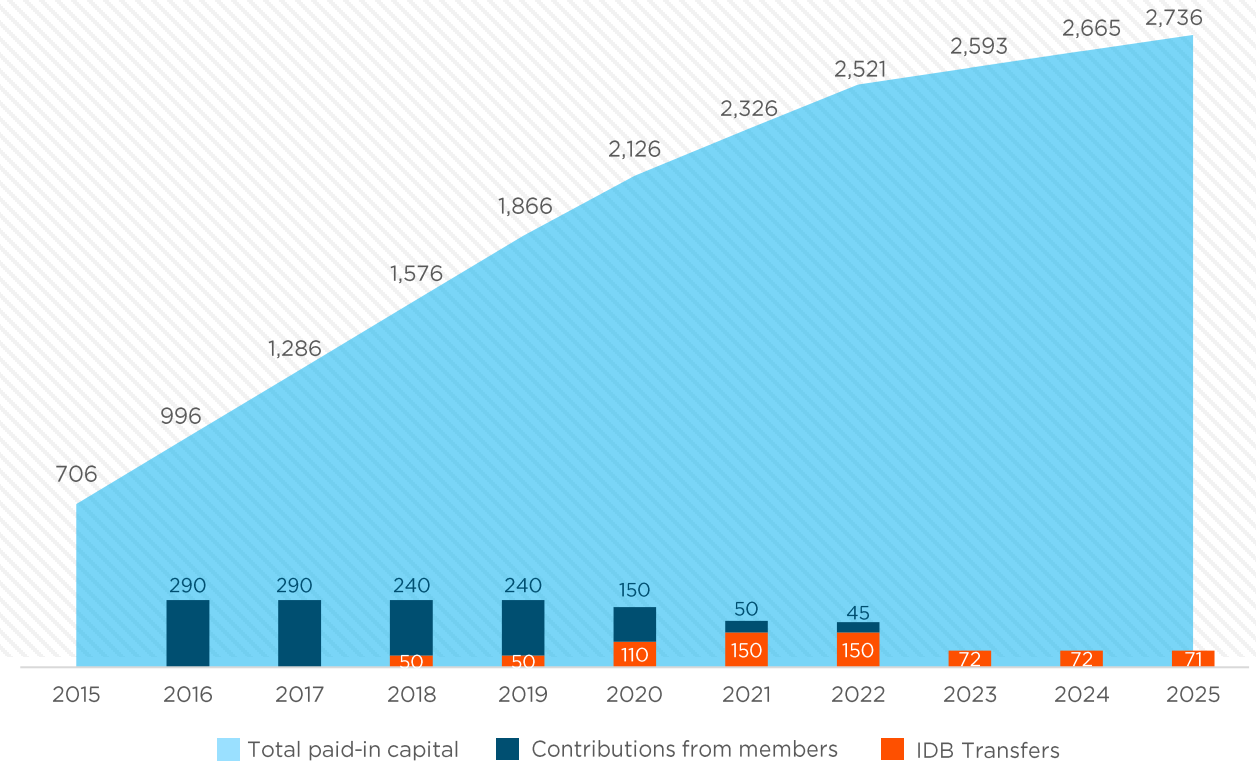
High asset quality



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

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

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 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

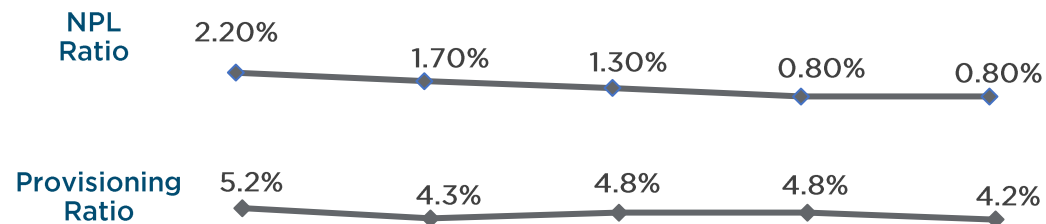
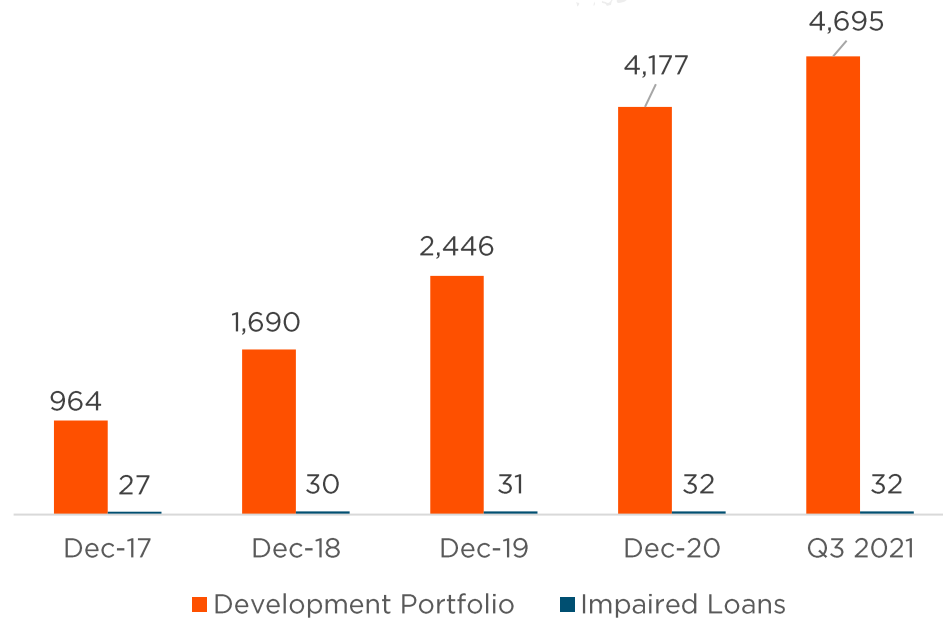
A

Minimum rating
required

Limits are based on allocated capital

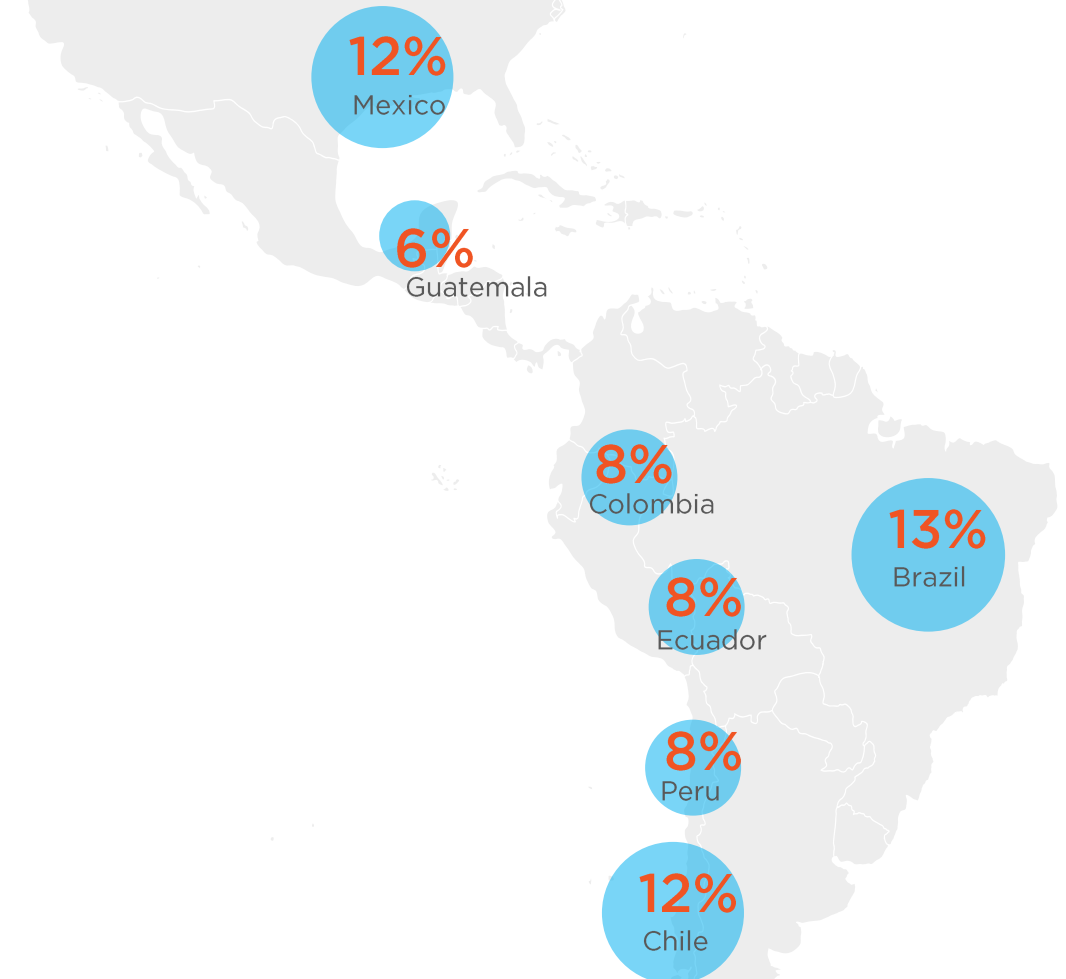
*Except for Financial Institutions sector (60%)

HIGH QUALITY AND DIVERSIFIED DEVELOPMENT PORTFOLIO



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

Development Portfolio By country



All other countries show exposures below 5%

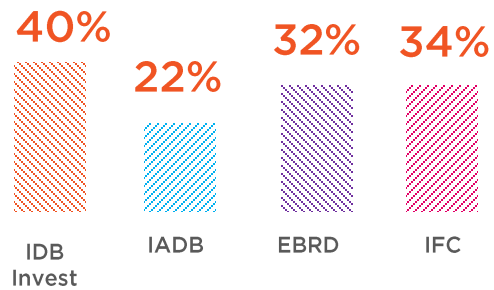
STRONG FINANCIAL PROFILE

AAA RATED PEER COMPARISON

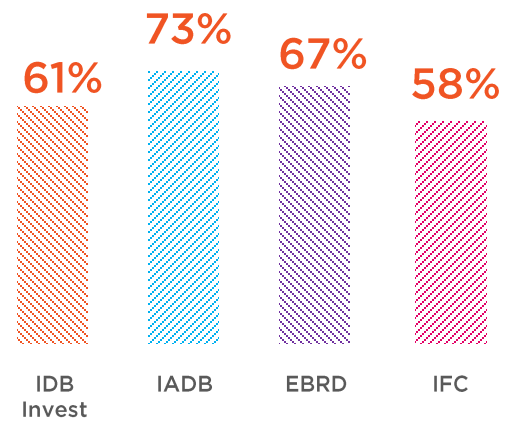
Multilateral	Assets (USD Millions)	S&P Long Term Issuer Rating
IDB-Invest	6.424	AA+
IADB	151.737	AAA
EBRD	85.87	AAA
IFC	95.800	AAA

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.

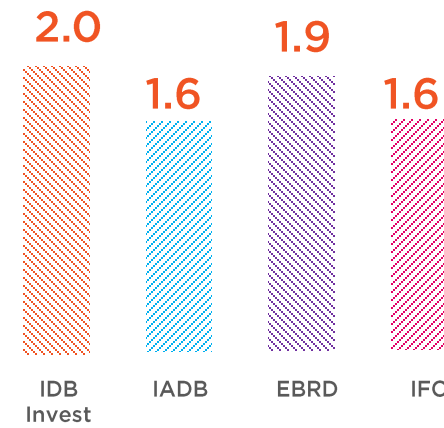
RAC-Ratio



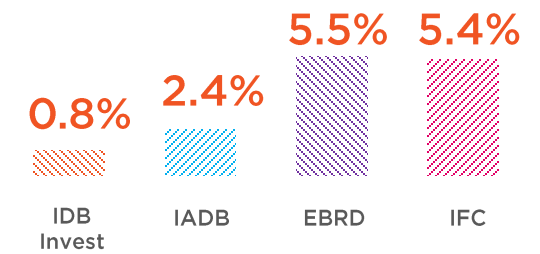
Debt/Total Assets



12M Liquidity Coverage Ratio



Impaired Loans



FUNDING STRATEGY

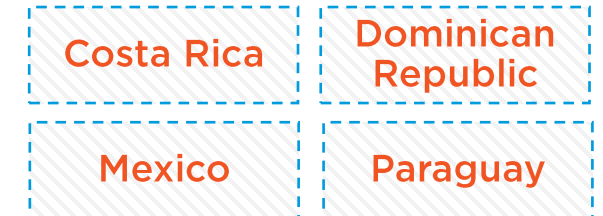
- 2021 Funding Program: USD 1.6bn
 - USD benchmark issues
 - Public issues in strategic markets
 - MTNs in selected currencies and tenors
 - Local currency issues to fund local projects
- Most borrowings are swapped into US dollar variable-rate
- Promote secondary market liquidity through underwriters

FUNDING PROGRAMS

INTERNATIONAL PROGRAMS



LOCAL CURRENCY PROGRAMS



OUTSTANDING BORROWINGS BY CURRENCY

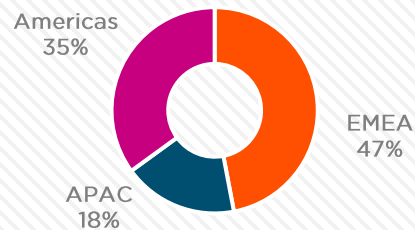


RECENT BENCHMARK ISSUES

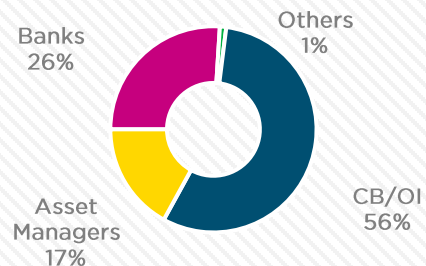
2020

USD 1 billion
2-Year Fixed Rate

Allocation
by geography



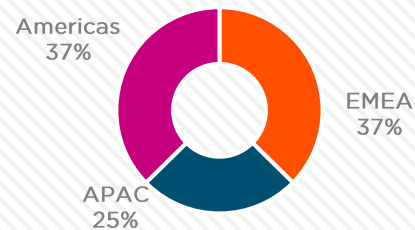
Allocation
by Investor Type



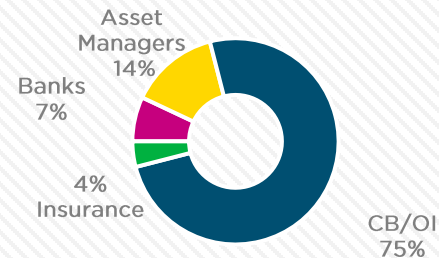
2020

USD 1 billion
3-Year Fixed Rate

Allocation
by geography



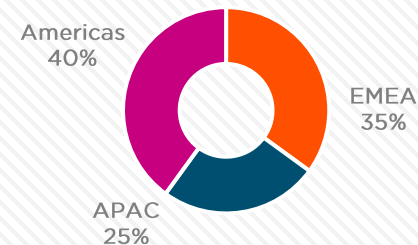
Allocation
by Investor Type



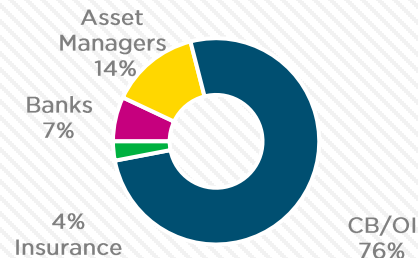
2021

USD 1 billion
5-Year Fixed Rate
Sustainability Bond

Allocation
by geography



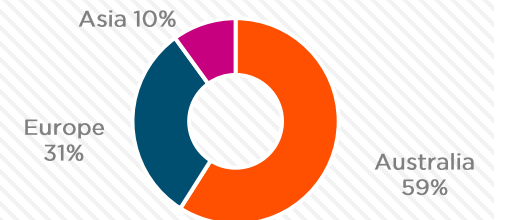
Allocation
by Investor Type



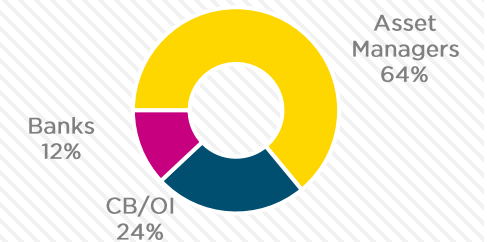
2021

AUD 500 million
5-Year Fixed Rate
Social Bond

Allocation
by geography



Allocation
by Investor Type





OUR APPROACH TO SUSTAINABILITY

STRATEGIC PRIORITIES ALIGNED WITH SUSTAINABLE DEVELOPMENT GOALS



PRODUCTIVITY AND INNOVATION



REGIONAL VALUE CHAINS



GENDER EQUALITY AND DIVERSITY



CLIMATE CHANGE AND ENVIRONMENTAL SUSTAINABILITY



SOCIAL INCLUSION AND EQUITY



DIGITALIZATION





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

The Sustainability Framework

1. 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

USE OF PROCEEDS	PROJECT EVALUATION AND SELECTION PROCESS	MANAGEMENT OF PROCEEDS	REPORTING
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	Follows our lending cycle in which we apply our Impact Management Framework throughout the project cycle	To be deposited on IDB Invest's general treasury account and allocated annually	On an annual basis until the maturity of the bond, with external validation on the allocation of funds



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

01 ORIGINATION

02 CLIENT ENGAGEMENT

03 APPROVAL

04 CLOSING & FIRST DISBURSEMENT

05 SUPERVISION & RECOVERY

THE ENVIRONMENTAL, SOCIAL AND DEVELOPMENT IMPACT DUE DILIGENCE IS EMBEDDED ACROSS 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.



MANAGEMENT OF PROCEEDS



COMMITMENT TO
ALLOCATE FUNDS
WITHIN 24 MONTHS



SHARE OF
REFINANCING TO
BE DISCLOSED



LOOK-BACK
PERIOD: 24
MONTHS

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

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.

The screenshot shows the V.E. Second Party Opinion report. The title is "SECOND PARTY OPINION on the sustainability of IDB Invest's Sustainable Debt Framework". The opinion states: "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." A checkmark icon is next to this statement.

Framework

Contribution to Sustainability :

Expected impacts

ESG risks management

SDG Mapping

Characteristics of the Framework

	Weak	Limited	Robust	Advanced
Expected impacts				
ESG risks management				

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: 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

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 (100%)
- Tenor: 5 years

Expected Results

- Growing MSMEs portfolio in 35%
- Growing the MSMEs portfolio lead by women in 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

- (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

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\$ 3 MM
- Tenor: up to 20 years
- Mobilization: US\$ 27MM

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



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