IDB Invest

INVESTOR PRESENTATION

MARCH 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

$13.4B
ASSETS UNDER MANAGEMENT

$3.9B
TOTAL ASSETS

407
EMPLOYEES

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 are as of December 2019

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

6

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

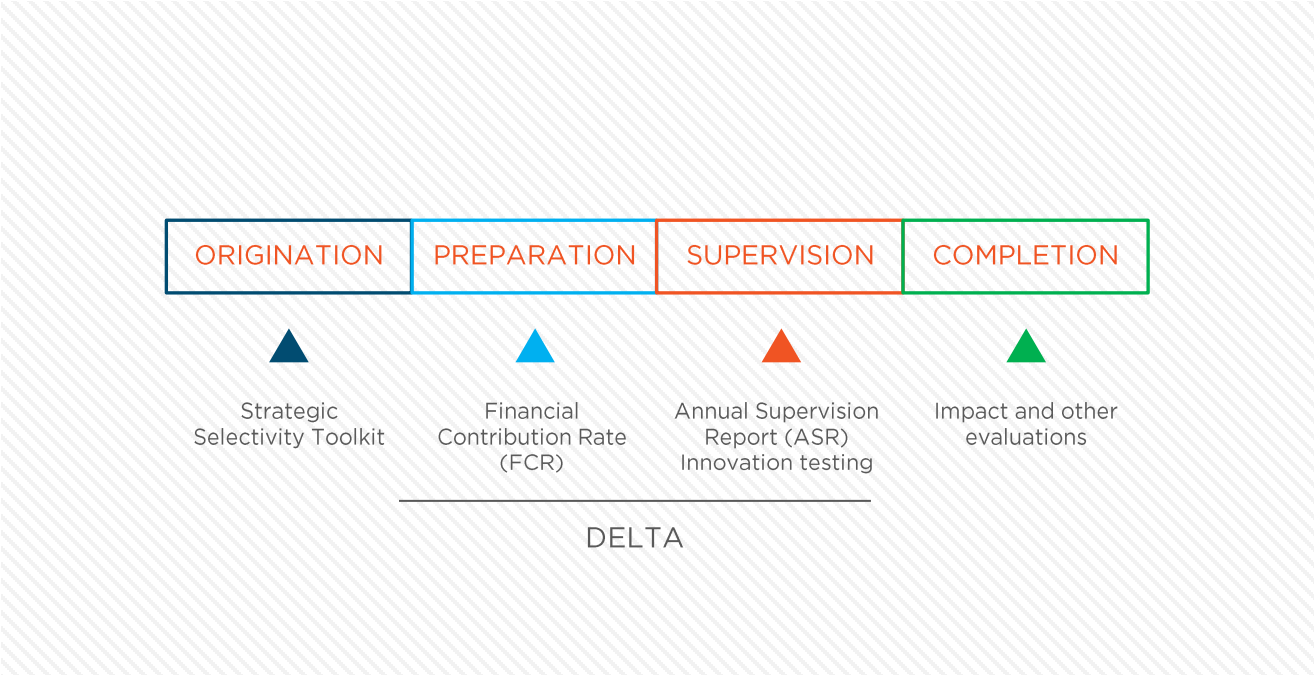
- Agribusiness
- Manufacturing
- Tourism
- Telecommunications, media and technology

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 aligned with SDG's

Social Inclusion and Equity

523.510

beneficiaries receiving health services

428.158

households with new/upgraded access to drinking water or sanitation

Productivity and Innovation

157.531

beneficiaries of on-the-job training

36.363

jobs created by supported firms

377.263

micro, small and medium enterprises financed

**Numbers are for the period 2016-2018*

DEVELOPMENT IMPACT

Priority Business aligned with SDG's

Economic Integration

200
km of roads built or upgraded

US$2.8 Billion
in international trade promoted

Gender Equality and Diversity

176.251
women beneficiaries of economic empowerment initiatives

Climate Change and Environmental Sustainability

264.112
households benefitting from housing solutions

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

100%
Installed power generation capacity from renewable sources

*Numbers are for the period 2016-2018

HOW WE REPORT DEVELOPMENT

How to achieve the maximum impact on development is one of our core concerns at IDB Invest.

Development effectiveness at IDB Invest:
a way to add value

LAC Society
A way to identify and tackle development challenges, improving lives in partnership with the private sector

Clients
A differentiator in the market as a responsible knowledge-based organization

IDB Invest
A means to grow sustainably, to benefit their stakeholders, and to strengthen their brand

Shareholders
A means to ensure timely and transparent reporting

PROJECT HIGHLIGHTS

Pirapora I solar PV Project

Objective: To support the Country´s efforts to diversify its energy matrix, by adding 191.5 MW of solar generation capacity

Key facts

- Approval Year: 2018
- Segment: Infrastructure s
- Delta Score: 9.4
- Total Project: R$ 954 million
- IDB Invest :25%
- Tenor: 20 years
- Resource Mobilization: 75%

Expected results

- 3.3 million tons of $CO_{2\ eq}$ reduced during the life of the project (20 years)
- 338.699 MWh/year of clean solar energy supply

PROJECT HIGHLIGHTS

Danper - Peru

Objective: Increase Danper's agricultural and industrial production by applying sustainable agricultural practices and integrating smallholder farmers, especially women, into its supply chain.

Key facts

- Approval Year: 2017
- Segment: Corporates
- Delta Score: 8.6
- Total Project: US$41M
- IDB Invest : US$20.7M
- Tenor: 10 years
- Resource Mobilization: US$6.8M

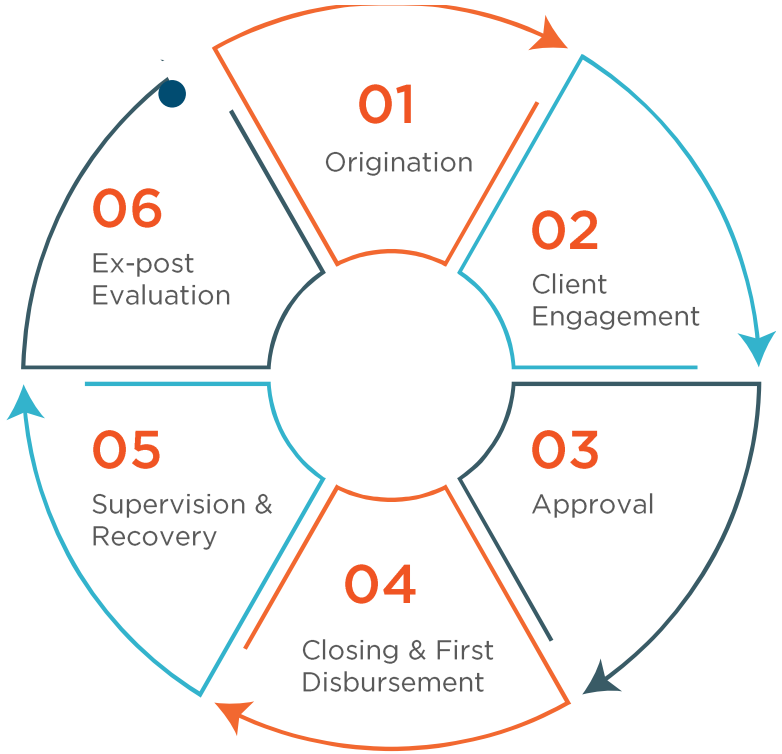
Expected results

- Integrate 132 small farmers into the supply chain
- Create 5,000 jobs, with over half going to women
- Develop a gender action plan to further enhance gender equality practices

OUR RISK MANAGEMENT FRAMEWORK

STRONG RISK MANAGEMENT FRAMEWORK

Typical Lending Cycle



Risk Appetite

15%
Maximum exposure to single country

20%
Maximum exposure by sector

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

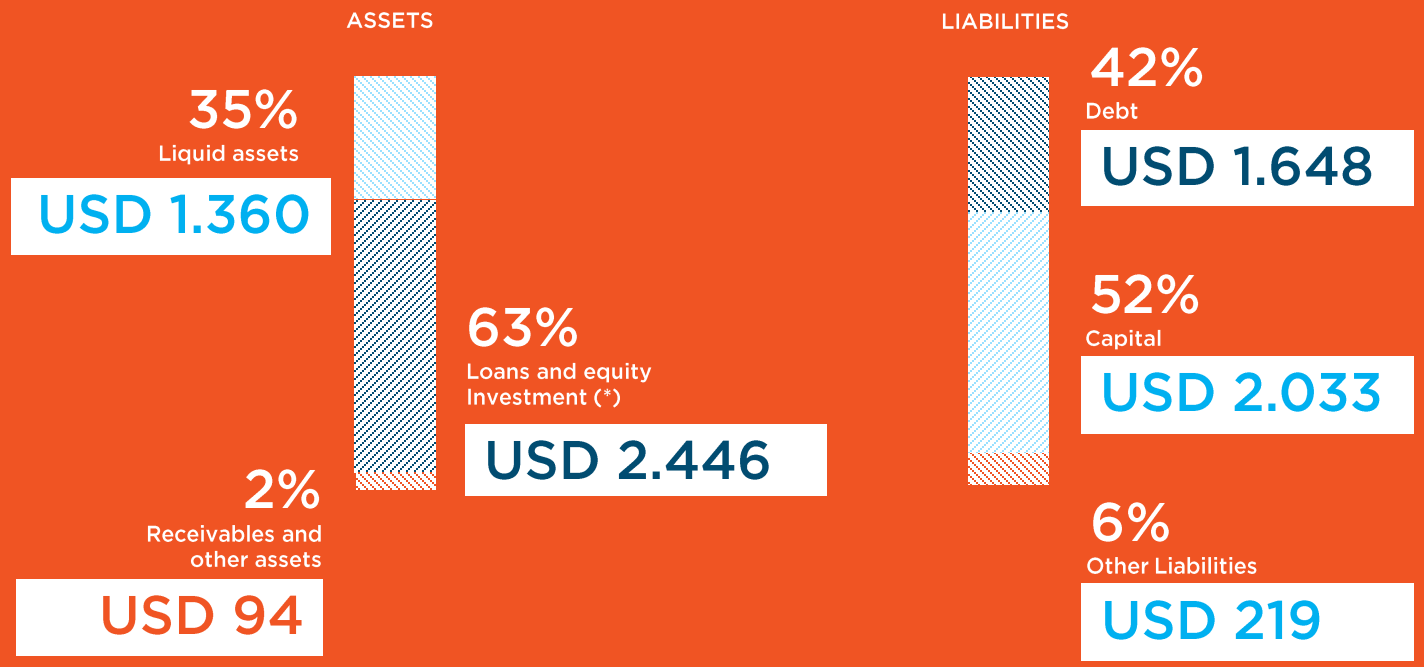
3.0x
Maximum leverage ratio

105%
Minimum liquidity coverage ratio

Limits are based on allocated capital

OUR FINANCIAL PROFILE

A SOLID BALANCE SHEET



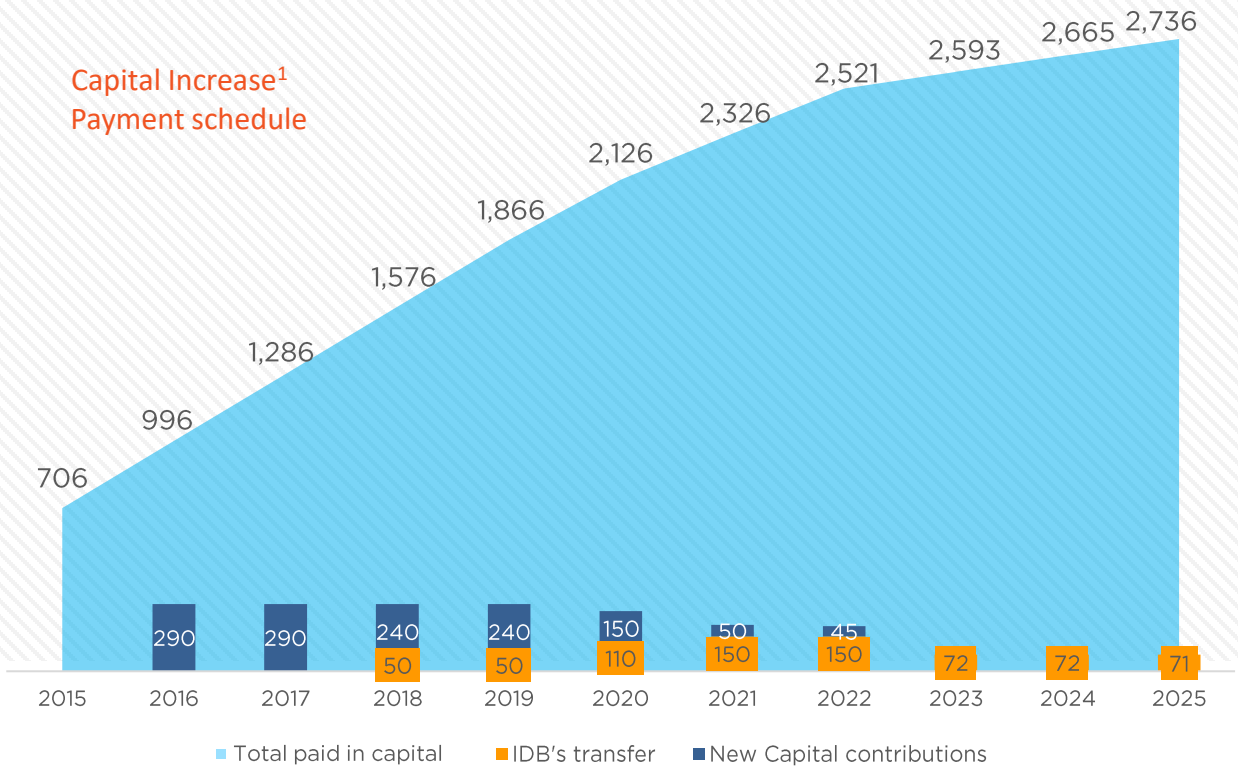
Figures are expressed in million US dollar as of December 2019
(*) Net of USD 97.6 million in provisions. Total equity Investments: USD 96.7 million

Robust capitalization & Low leverage

Capital / total assets ratio of 52% and leverage ratio of 0.8x leave ample room for growth.

STRONG SHAREHOLDER SUPPORT

In 2015 the Board of Governors approved a capital increase for up to USD 2.0 billion: USD 1.3 billion of new contributions from member countries and USD 725 million of by IDB's transfer on behalf of its member countries.

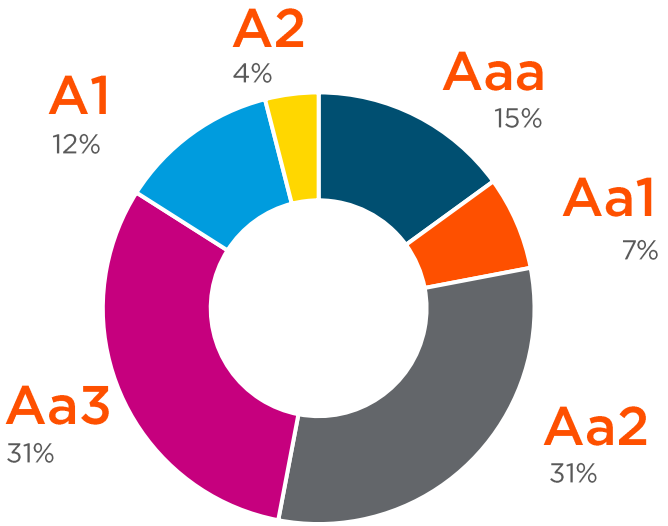


1 Figures are in USD million. IDB transfers are Subjects to annual approval by IDB's Board of Governors

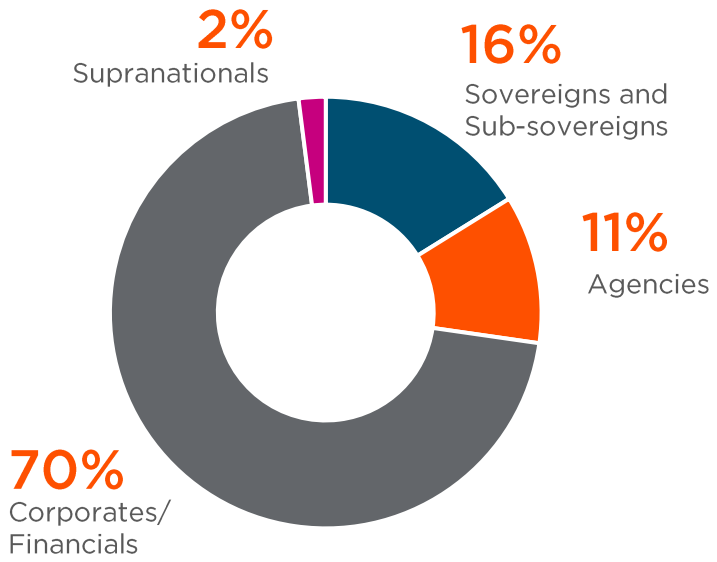
IDB Invest operates exclusively with 100% paid-in capital

HIGH-QUALITY LIQUIDITY PORTFOLIO

Liquid Assets by Rating

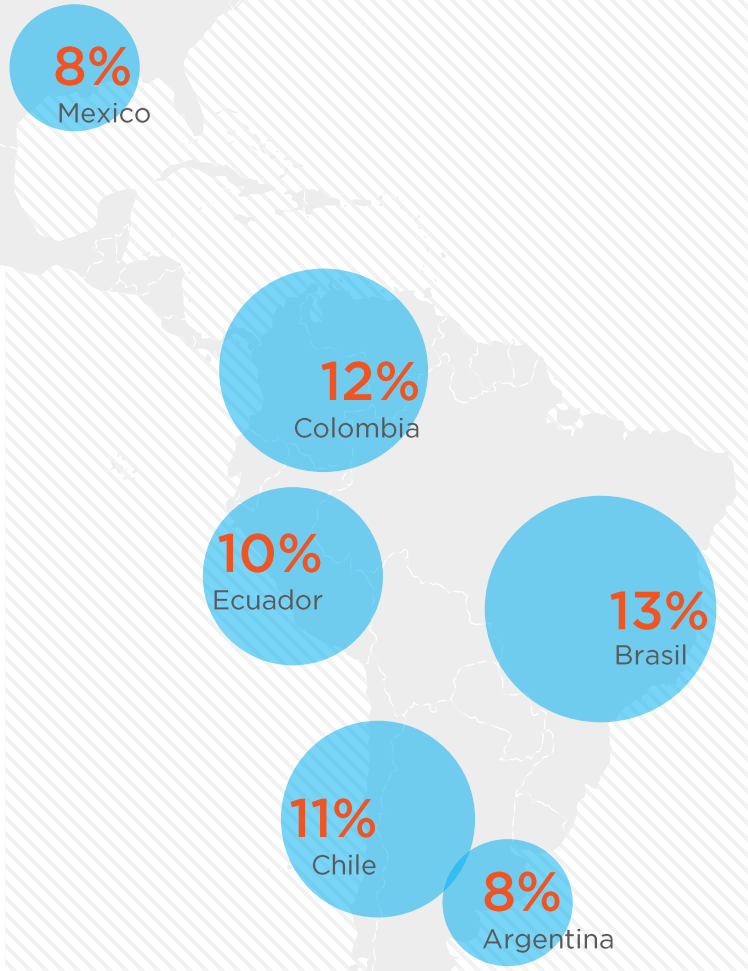


Liquid Assets by Sector



Figures are as of December 2019

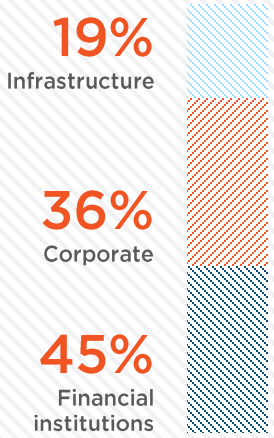
HIGH QUALITY & DIVERSIFIED LOAN PORTFOLIO



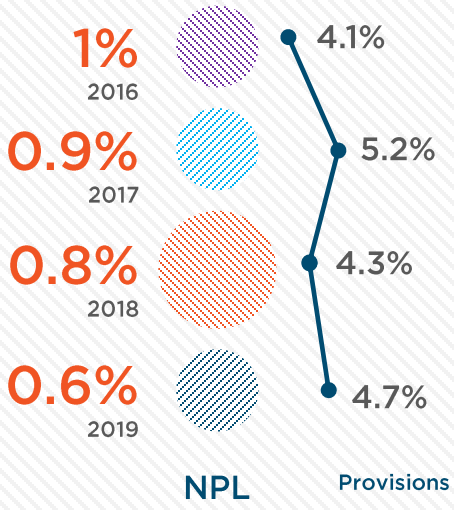
BY COUNTRY

Includes equity investments

BY SECTOR



Non-Performing Loans & Provisions



Non performing loans: defined as Non accrual loans over 90 days as a percentage of total Loan portfolio.

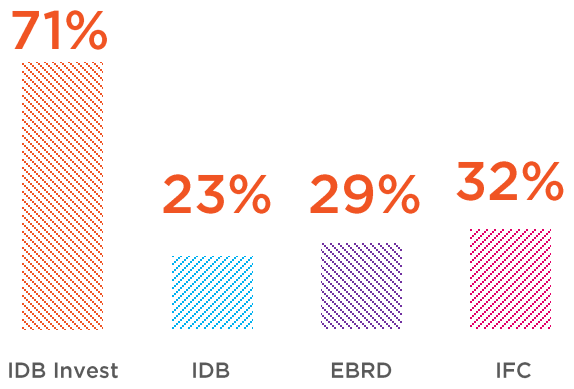
Figures are as of December 2019

ONE OF THE STRONGEST FINANCIAL PROFILES AMONG MULTILATERAL DEVELOPMENT BANKS

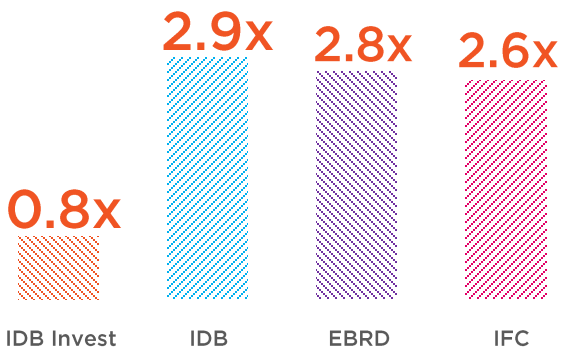
Multilateral	Assets (USD Millions)	Long Term Issuer Rating
IDB-Invest	3.209	AA
IDB	129,459	AAA
EBRD	70.716	AAA
IFC	99.257	AAA

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.

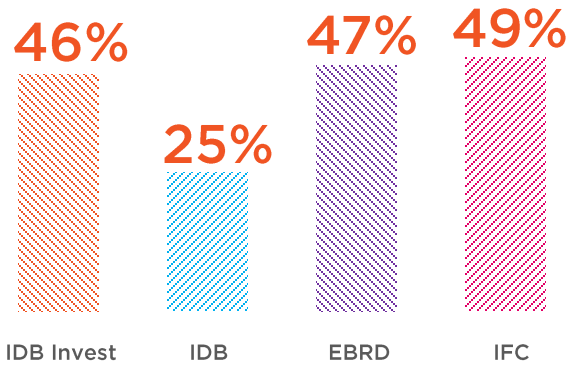
RAC[1]



Debt/Equity[2]



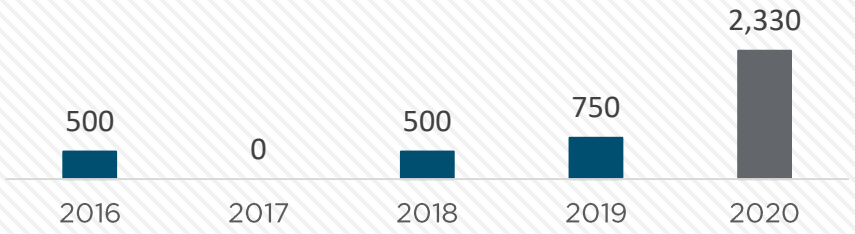
Liquid assets / Total assets



FUNDING PROGRAM

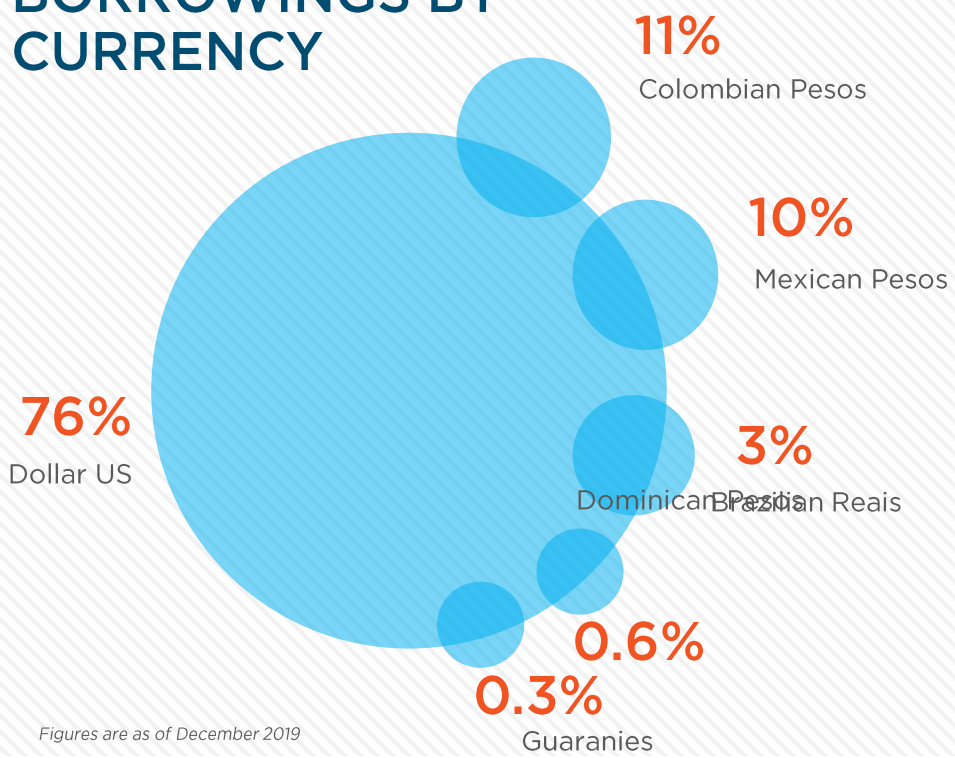
- Core elements of our funding strategy:
  - Optimize funding costs through product, currency and tenor diversification
  - Diversified funding sources:
    - Public Offerings in USD and other currencies
    - Private Placements
- Main Funding Instrument: Euro Medium Term Note Program
- Format: RegS
- 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 December 2019

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

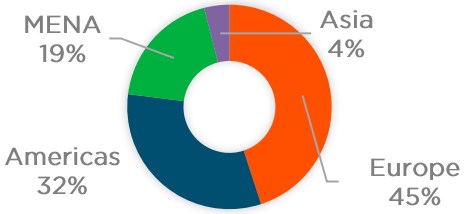
2016

US$ 500 million

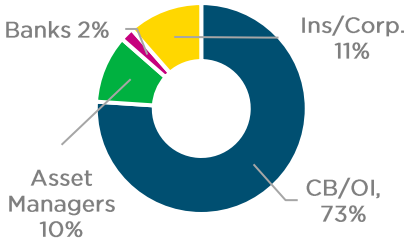
3 year - 3ML + 30bp

SSA(*) + 14

Allocation by region



Allocation by Investor Type



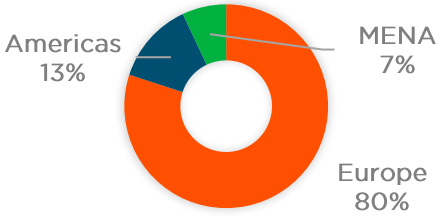
2018

US$ 500 million

3 year - 3ML + 9bp

SSA(*) + 11

Allocation by region



Allocation by Investor Type

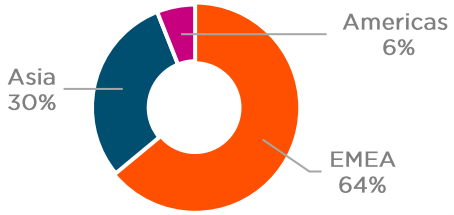
2019

US$ 500 million

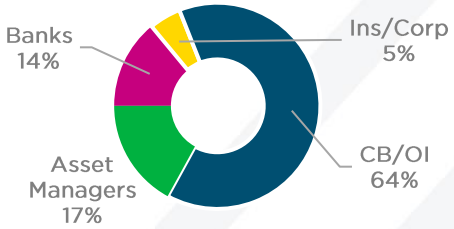
5 year - MS + 25bp

SSA(*) + 11

Allocation by region



Allocation by Investor Type



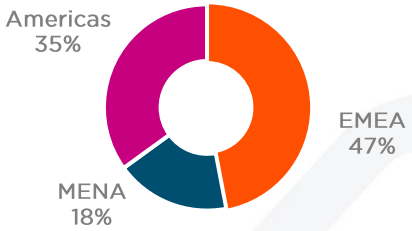
2020

US$ 1 billion

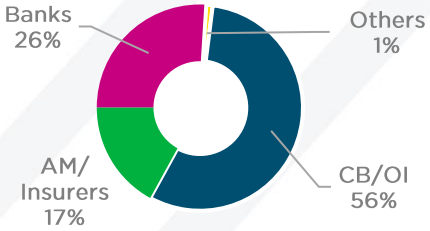
2 year – MS + 38bp

SSA(*) + 29

Allocation by region



Allocation by Investor Type



- Spread over Supranational (SSA) curve. Source: Bloomberg

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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