



CAF Investor Presentation

May 2020



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CAF Overview

The Development Bank of Latin America

- CAF is a [Supranational](#) financial institution owned by Latin American countries
- 50 years financing [sustainable development and regional integration](#)
- Leading development bank in financing [infrastructure and energy](#) projects in Latin America
- Enjoys [Preferred Creditor Treatment](#) in its shareholder countries
- Rated [Aa3/A+/A+/AA](#) by Moody's, S&P, Fitch and JCR

Broad Shareholder Base

From five shareholder countries at inception to its current nineteen

1970



2019



Full Member Countries		Other Shareholders	
Peru	17.7%	Spain	4.9%
Colombia	17.1%	Mexico	1.4%
Venezuela	15.8%	Dominican Republic	0.9%
Argentina	10.0%	Chile	0.5%
Brazil	8.4%	Barbados	0.3%
Ecuador	5.4%	Costa Rica	0.3%
Bolivia	5.4%	Portugal	0.2%
Uruguay	3.2%	Jamaica	0.02%
Paraguay	3.1%	Commercial Banks	0.05%
Panama	3.1%		
Trinidad & Tobago	2.2%		

Figures as of December 31, 2019

Preferred Creditor Treatment

The Constitutive Agreement is an International Treaty that grants several privileges and immunities in its member countries

Art. 47: "...assets of the Corporation, wherever they may be, shall enjoy immunity from expropriations, ... or executive measures carried out by any of the Contracting States."

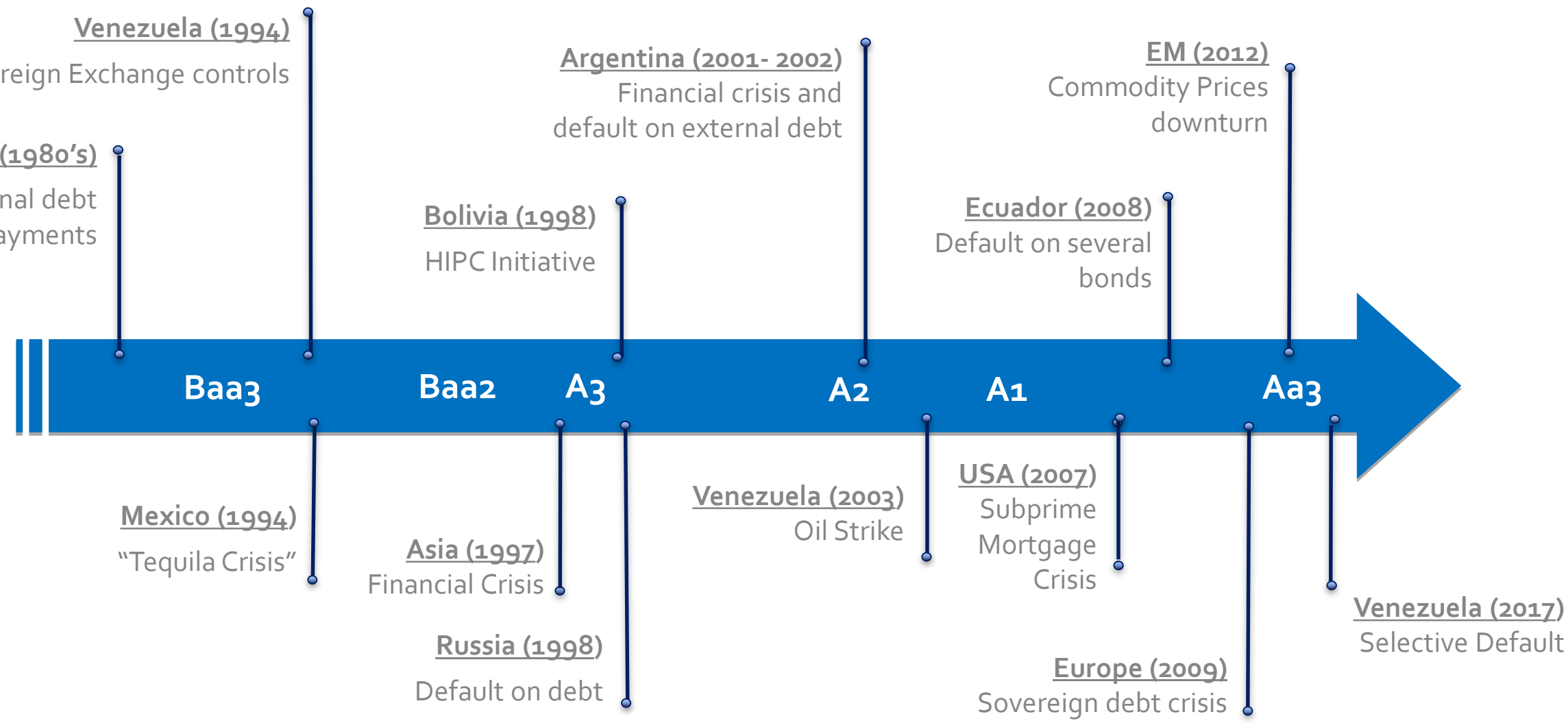
Art. 48: "The assets of any kind owned by the Corporation may be freely transferred and converted."

Art. 50: "...assets of the Institution are exempt from all kinds of restrictions, regulations and control and moratorium measures."

Art. 52: "The Corporation is exempt from all kinds of tax encumbrances..."

Proven Preferred Creditor Treatment

CAF's
Rating(*)



(*) Assigned by Moody's

Response to COVID-19

Response to COVID - 19

Committed to provide immediate assistance to our shareholder countries, derived from the COVID 19 outbreak, with the following initiatives:

- 1 Emergency credit line of countercyclical nature of up to **USD 2.5 billion**
- 2 Contingent credit line of up to **USD 300 million** to provide direct attention to public health systems
- 3 Technical assistance resources of **USD 400 thousand** per country

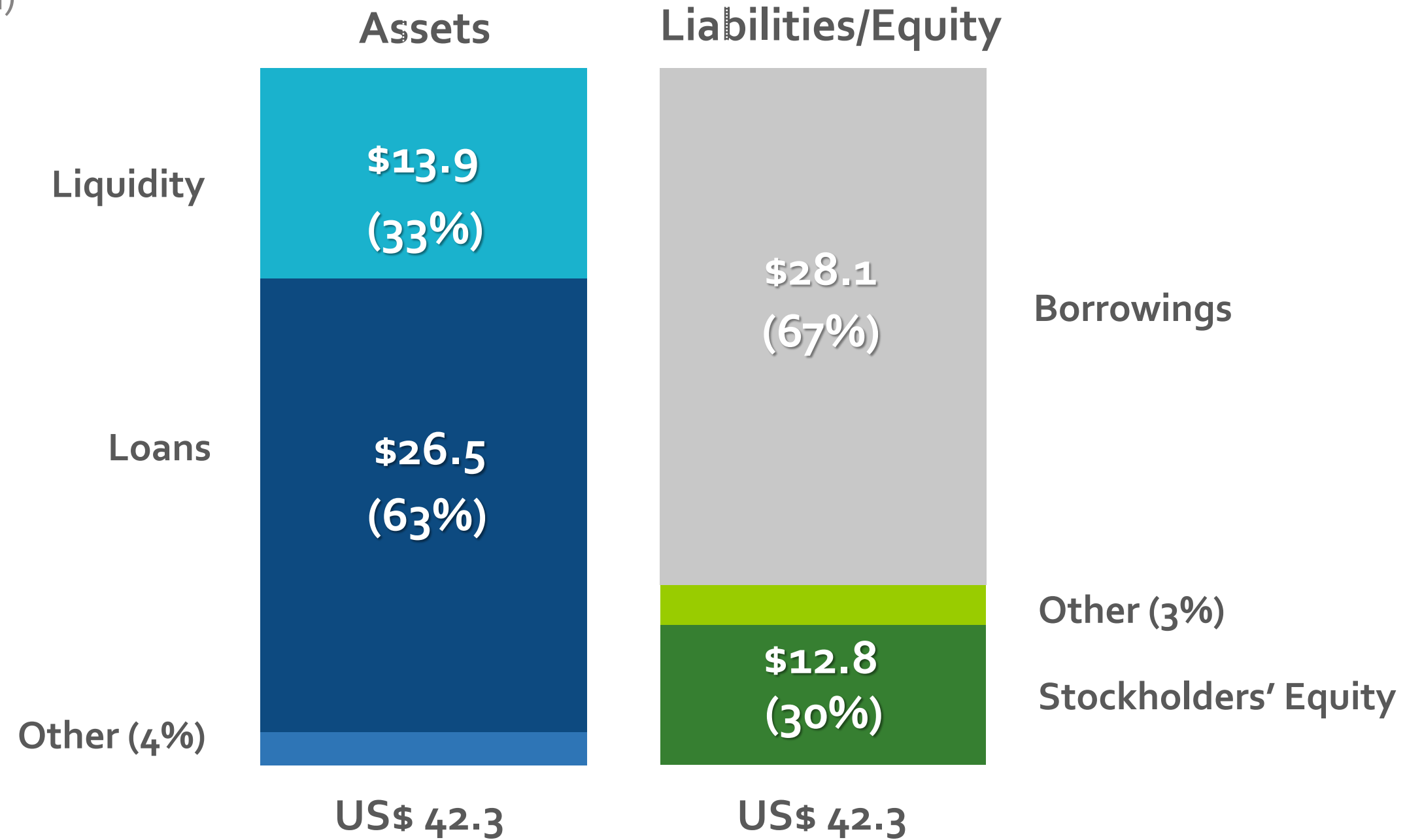


Help cope with the potential economic and health effects of the outbreak while facilitating adequate risk management

Financial Highlights

Strong & Liquid Balance Sheet

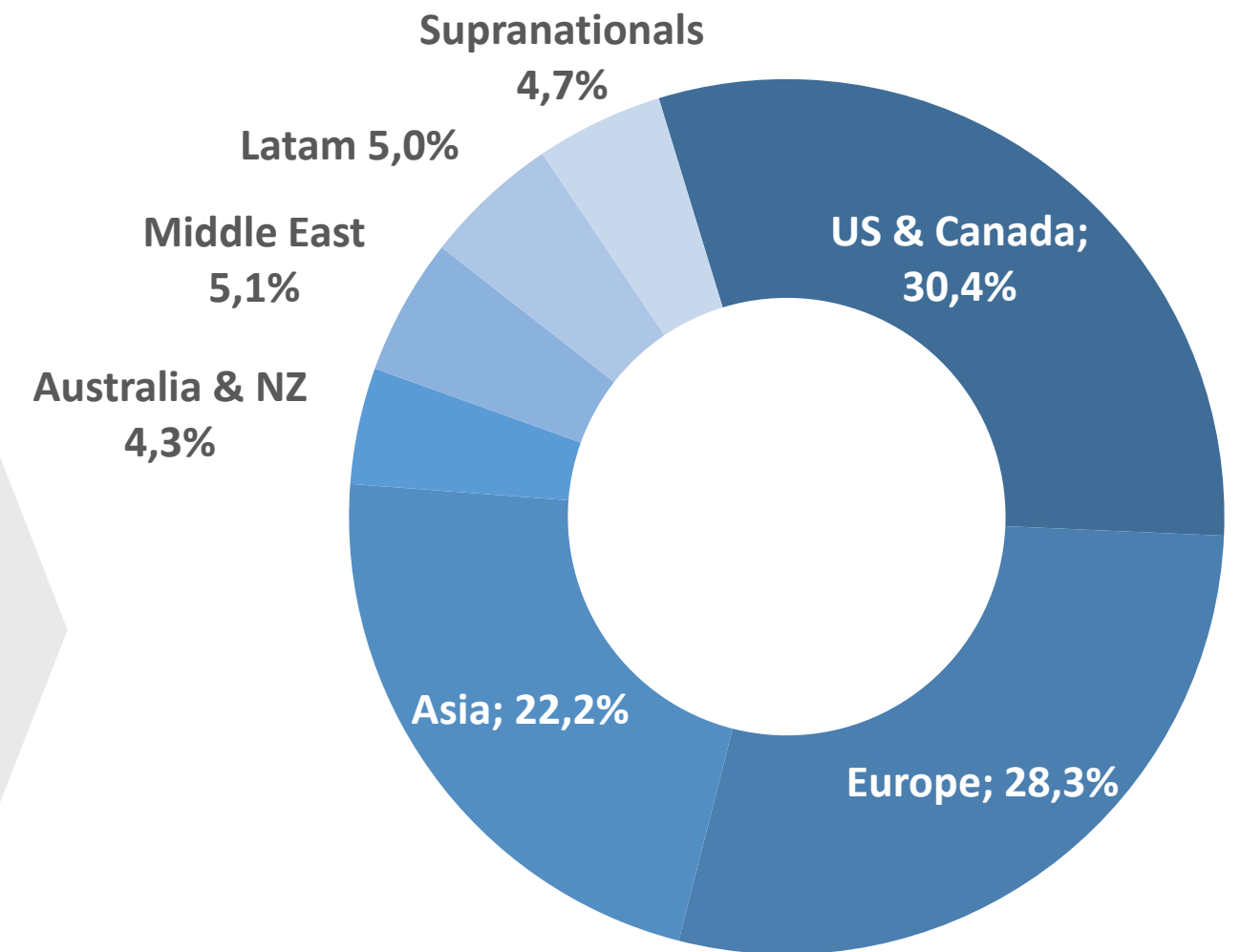
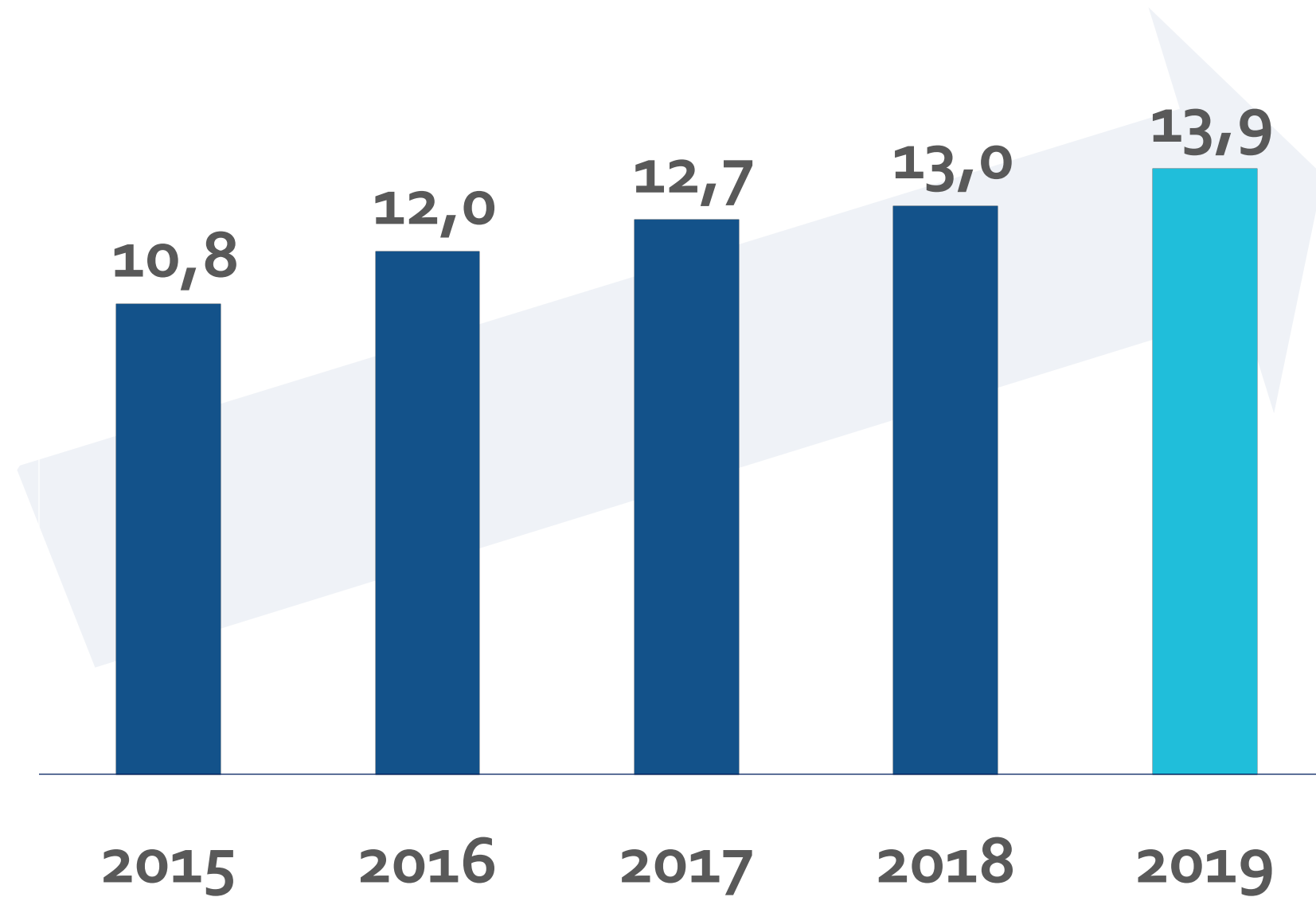
(USD billion)



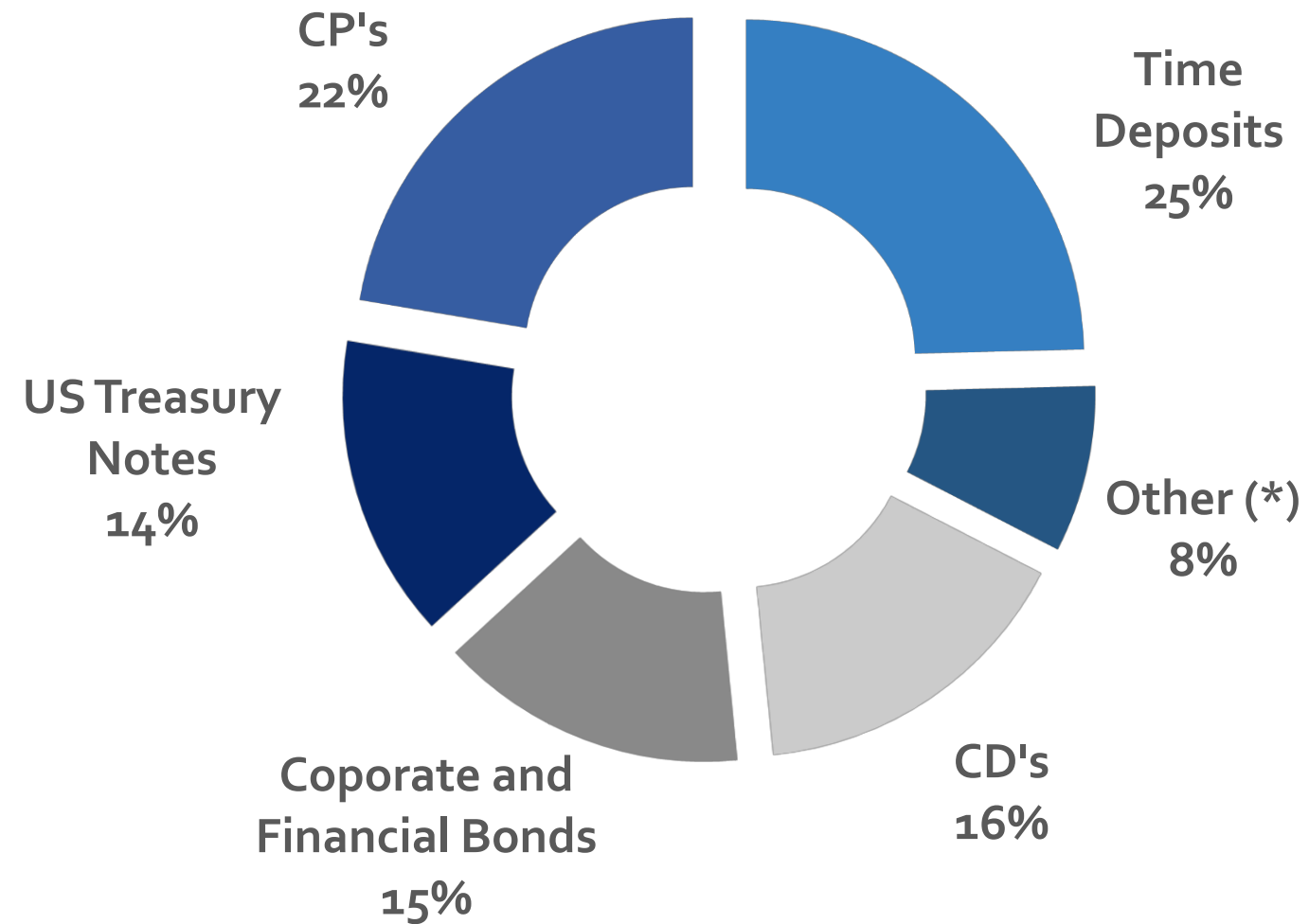
Figures as of December 31, 2019

Substantial Liquid Assets

(USD billion)



Short-term and High-rated Liquidity Portfolio

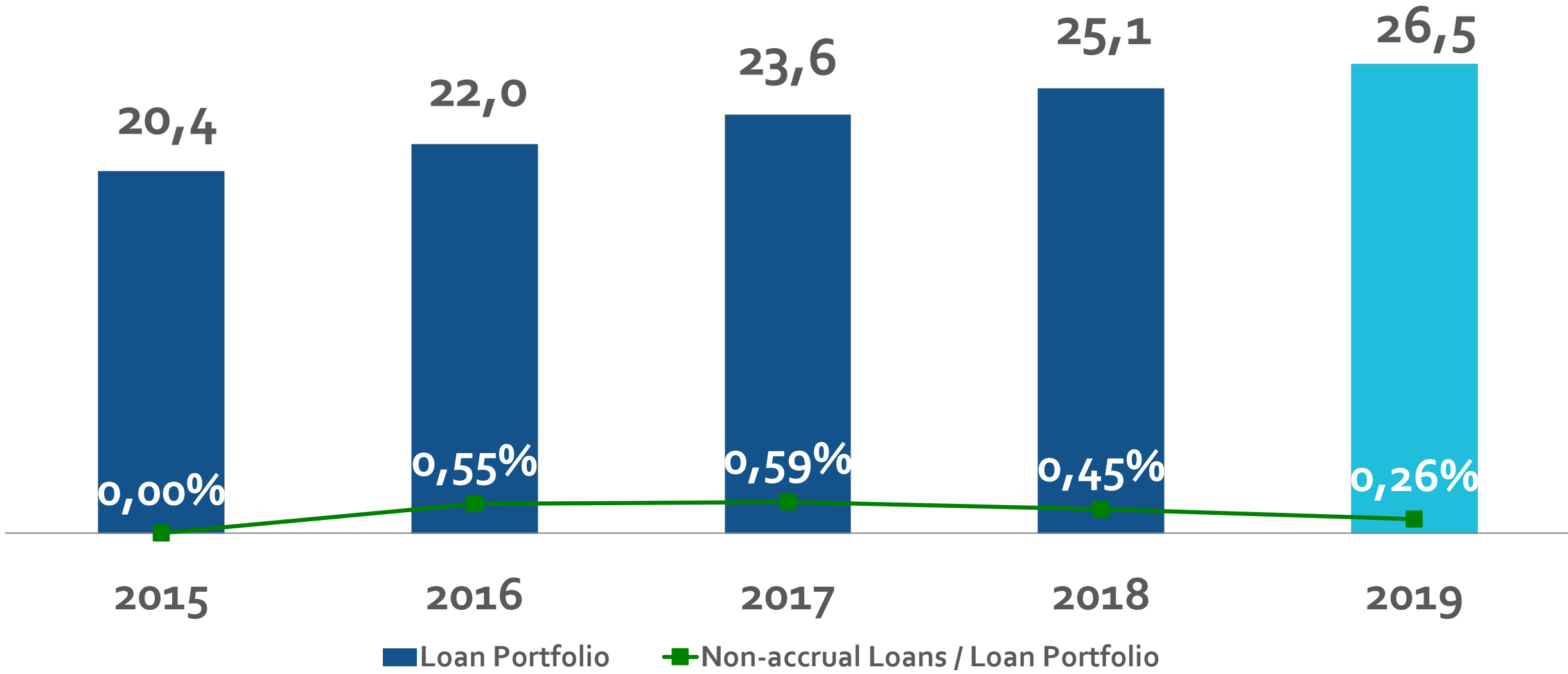


- 96% of liquid assets are rated A-/A3 or above with an overall AA/Aa2 average
- Maximum duration allowed: 1.5 years
- Present duration: 0.5 years

(*) Other correspond to cash and due from banks, liquidity funds and bonds of non-U.S. governments and other government entities.

Consistent Growth and High Quality Loan Portfolio

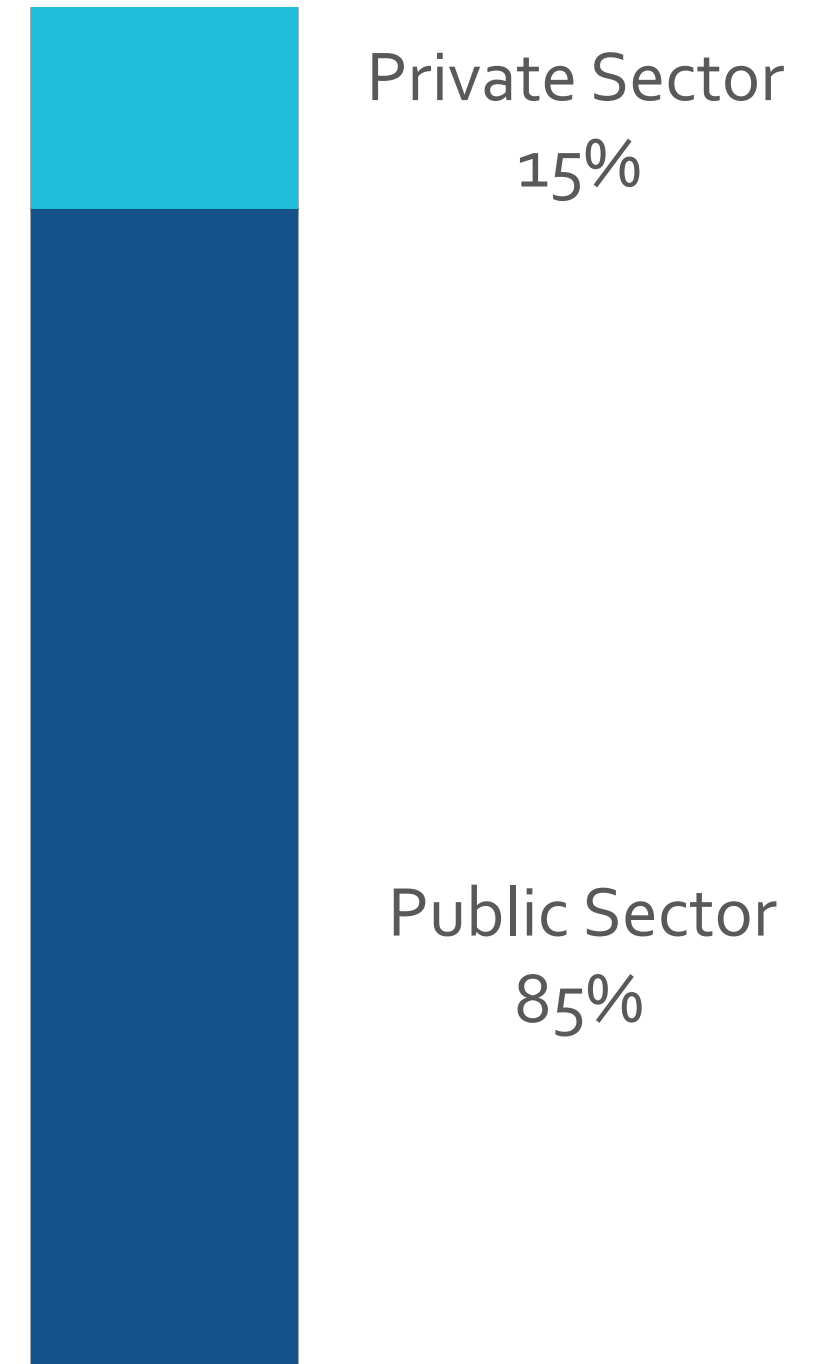
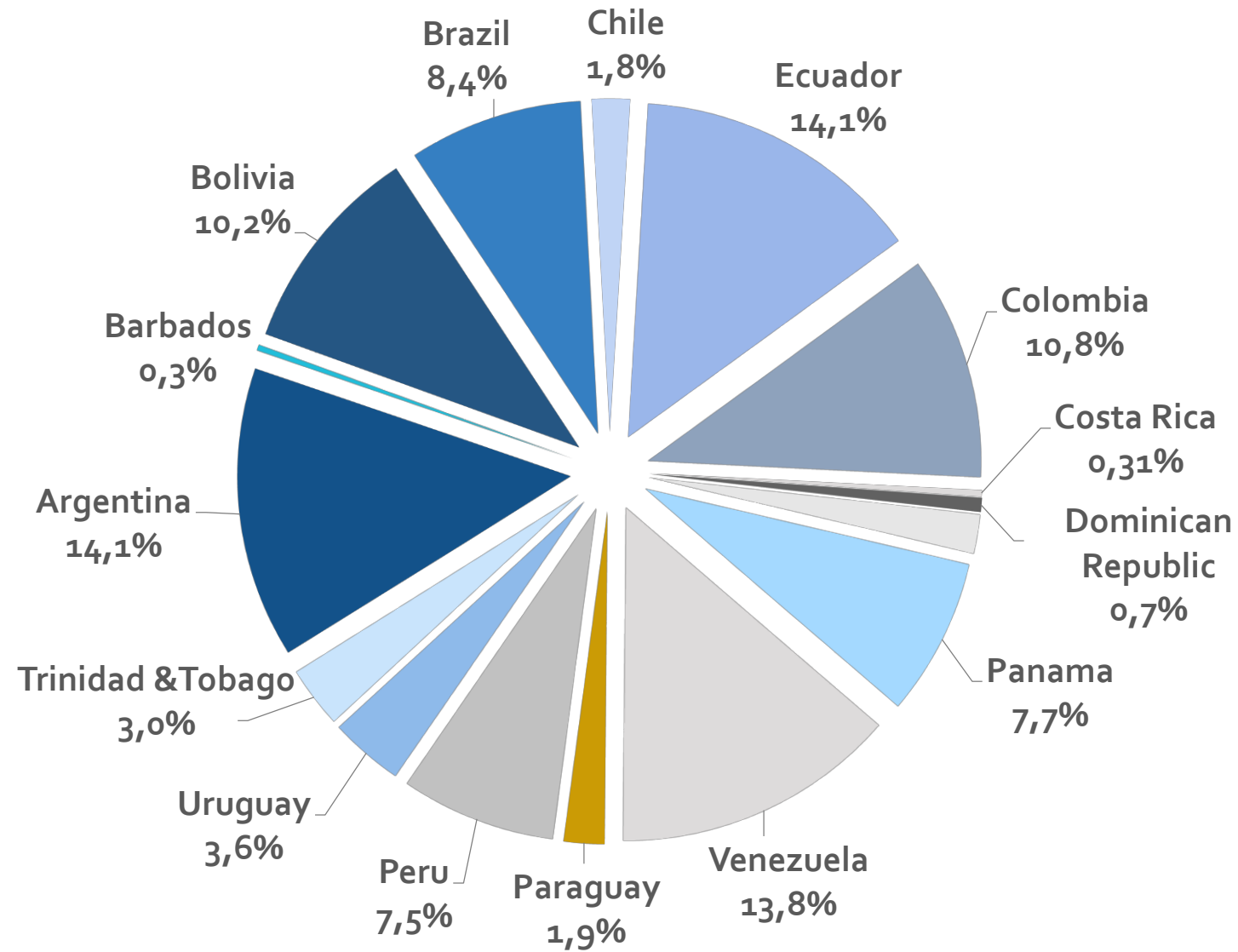
(USD billion)



Compound annual growth rate (2015-2019): 6.7%

Diversified Loan Portfolio

By Country & Sector



Diversified Loan Portfolio

By Industries

30%

Infrastructure



- Transport (road, railway, aerial, maritime)
- Urban mobility
- Telecommunications
- Logistics

26%

Energy



- Power generation (hydroelectric, thermal, wind, solar)
- Transmission and distribution

28%

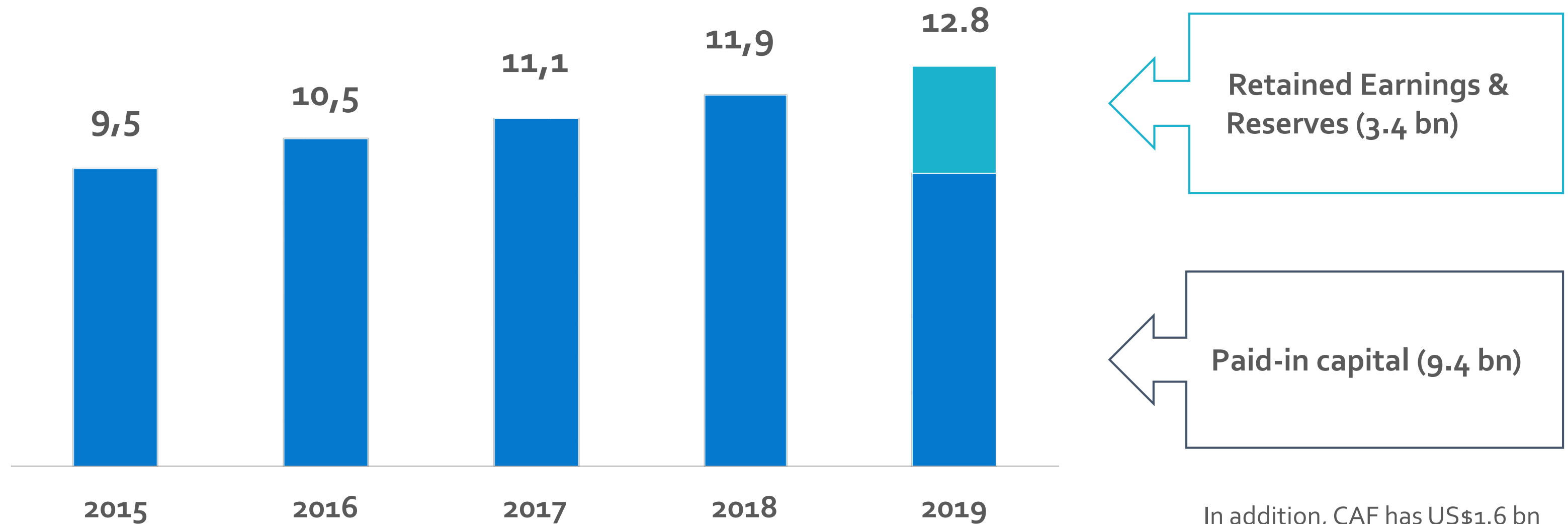
Social Development



- Water and sanitation
- Urban development
- Education
- Health
- Child nutrition

Strong Capital Base

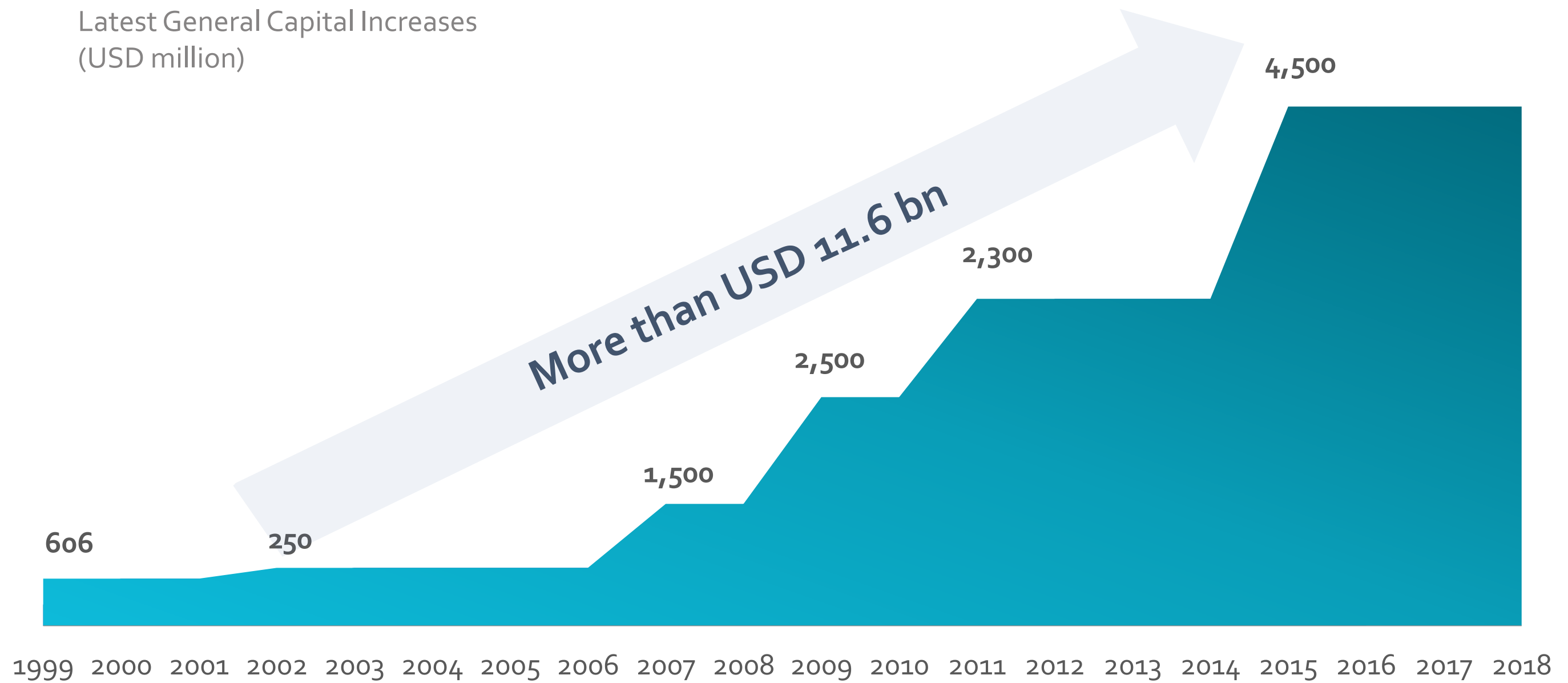
(USD billion)



In addition, CAF has US\$1.6 bn in callable capital

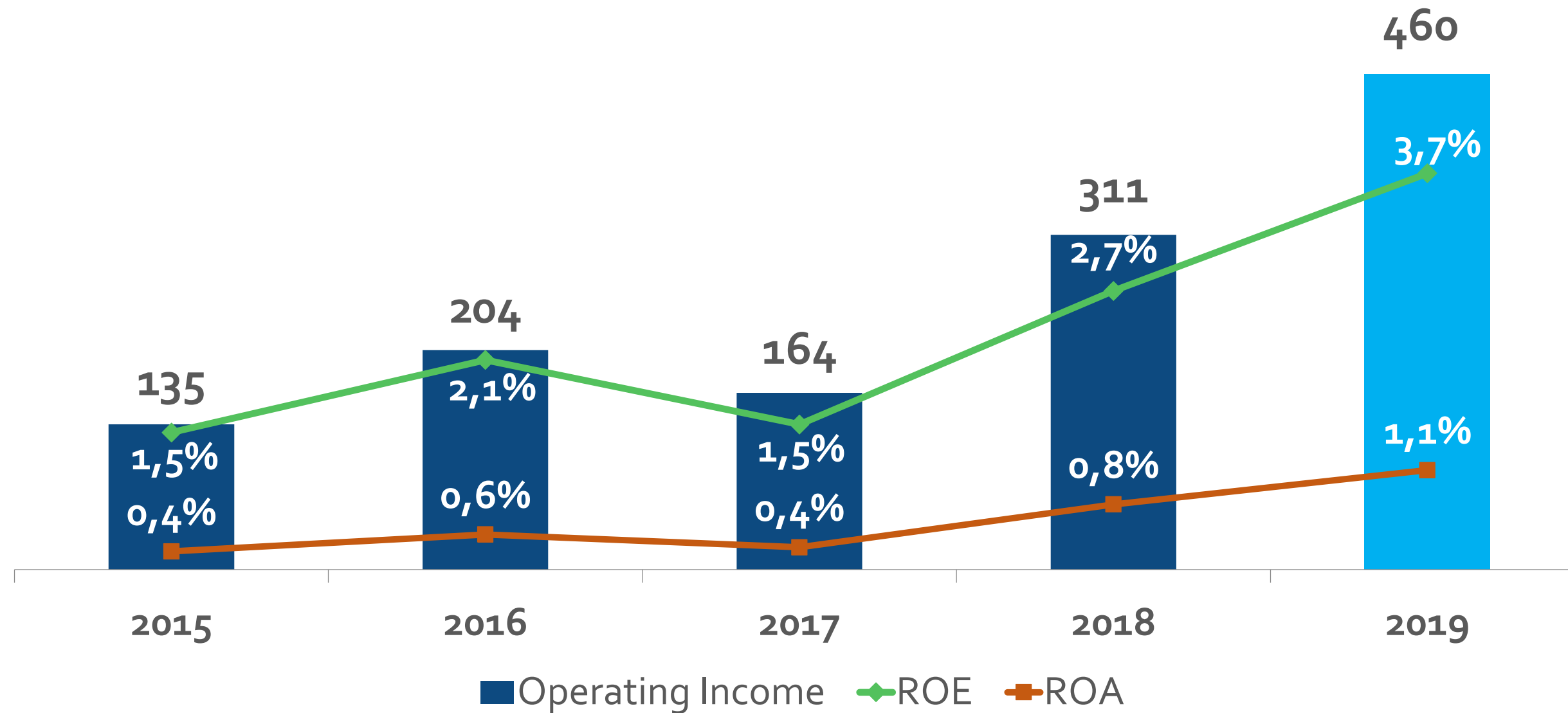
Continuous Support from Shareholders

Latest General Capital Increases
(USD million)









Consistent Profitability

(USD million)

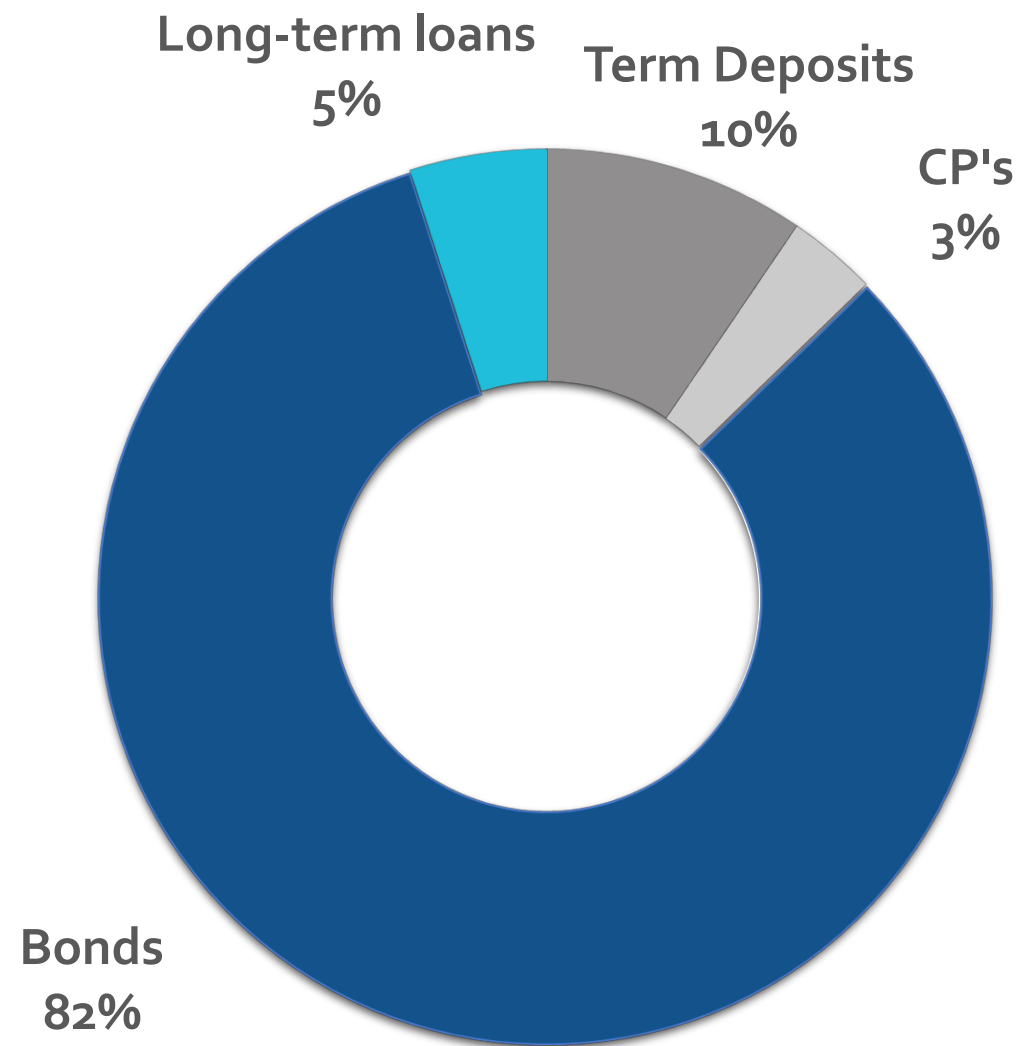


CAF vs AAA Rated Multilateral Institutions

Multilateral Financial Institution	CAF's Ranking						
Ratings (Fitch/Moody's/S&P)		A+/Aa3/A+	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA
Equity / Assets (%)	1 st	30	25	21	27	26	10
Liquidity / Total Assets (%)	3 rd	33	25	37	16	47	18
Largest Exposure /Total Portfolio (%)	2 nd	14	17	20	16	19	9
Non-accrual loans/ Loan portfolio (%)	3 rd	0.5	2.6	2.6	0.0	4.6	0.2

Funding Strategy

Composition of Financial Liabilities



CAF's debt maturity profile is in line with the average life of its assets

Bond Strategy

Investor Diversification

- i) Capital market programs in place in strategic markets
- ii) Issuance of thematic bonds

Cost Optimization

Generate various reference points

Asset / Liability Duration Match

Use of private placements to modify the average duration of liabilities

Liquid Bonds in Secondary Market

Benchmark size issues

Capital Markets Programs

US Shelf

- Schedule B Issuer
- US Dollar Benchmark deals (USD 1-2 Bn)
- Tenors 3-10 years
- Included in relevant indexes
- Listed in LSE exchange

EMTN

- Benchmark deals in different currencies
- EUR, CHF, CAD, HKD
- Targeted and custom made notes
- Tenors 2-30 years
- Listed (when required)
- Standard documentation

Japan Shelf

- Samurai and Uridashi
- Tenors 2-10 years

AMTN

- Australian Dollar Benchmark deals
- Program size: AUD 2 Bn
- Targeted towards local and foreign investors

Domestic Programs

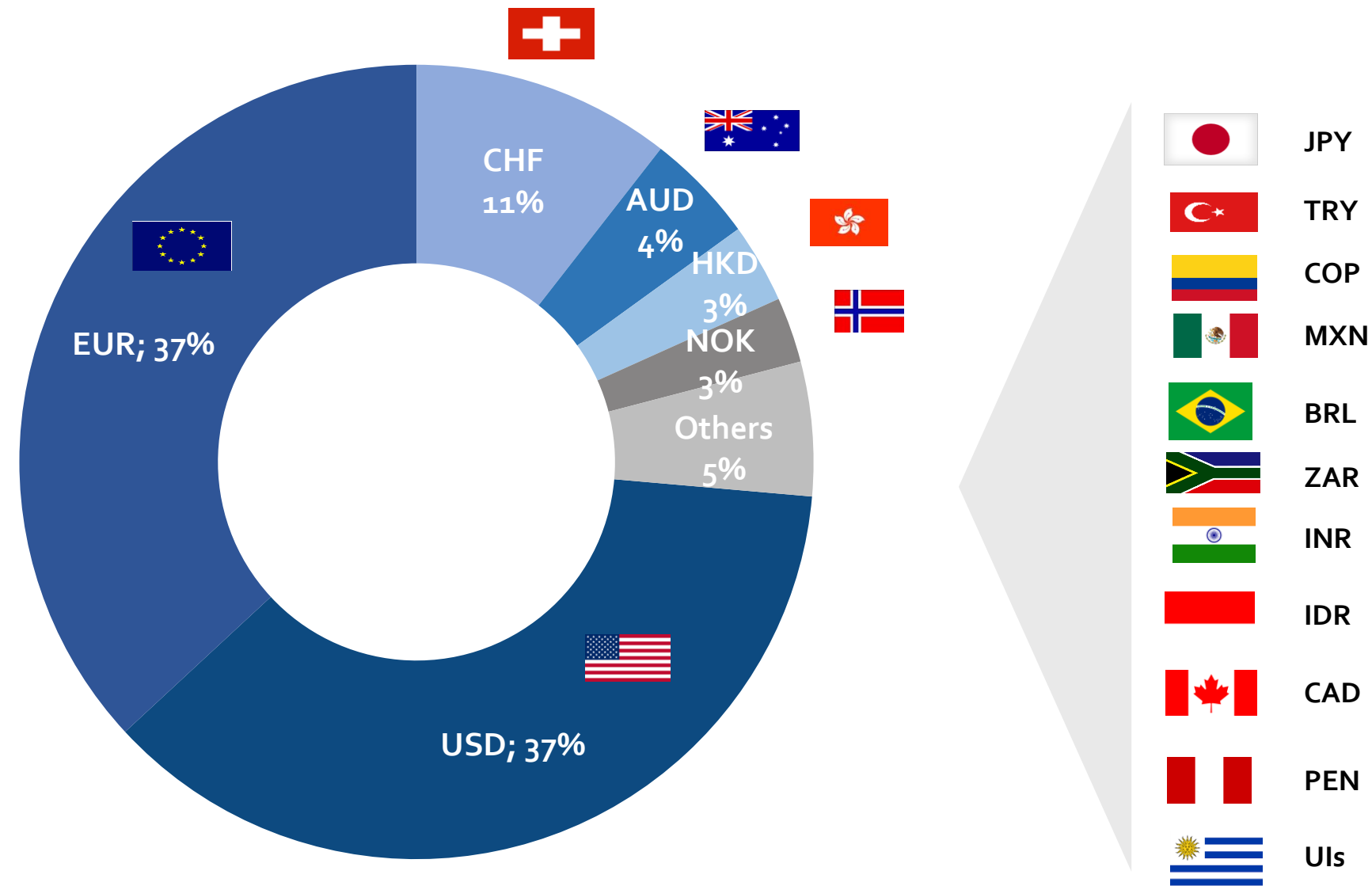
- Aimed to foster development of local financial markets
- Registered programs in Colombia, Peru, Mexico and Venezuela

Stand Alone Issues

- Schuldschein, other

Active in Debt Capital Markets

Bonds by currency



Outstanding bonds for USD 23.4 bn in 17 different currencies

Recent Benchmark Issues



USD 1.25 bn – 3yr
3.25%
Maturity: 2022
(Issued February, 2019)

- Order book of USD 1.7 billion
- Main investors were central banks and official institutions



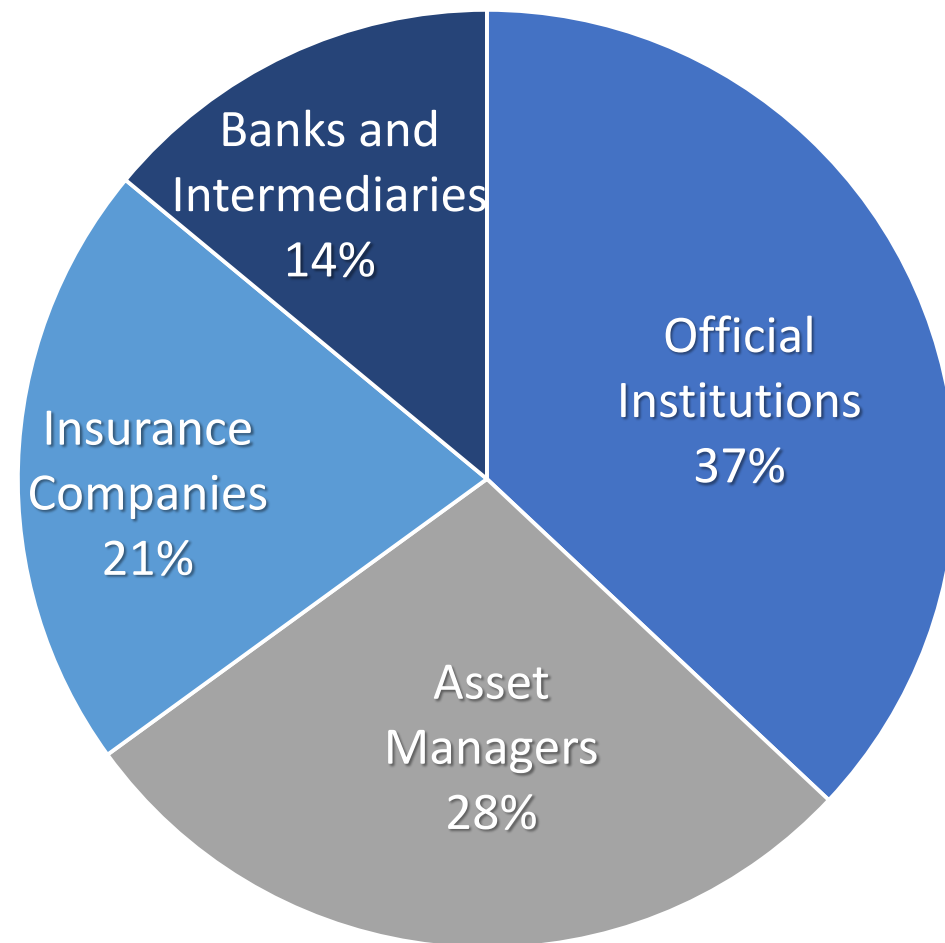
EUR 750 mm – 7yr
0.625%
Maturity: 2026
(Issued November, 2019)

- CAF's first public Green Bond
- Seventh reference point of its Euro curve
- 61% of the investors were labeled as ESG investors

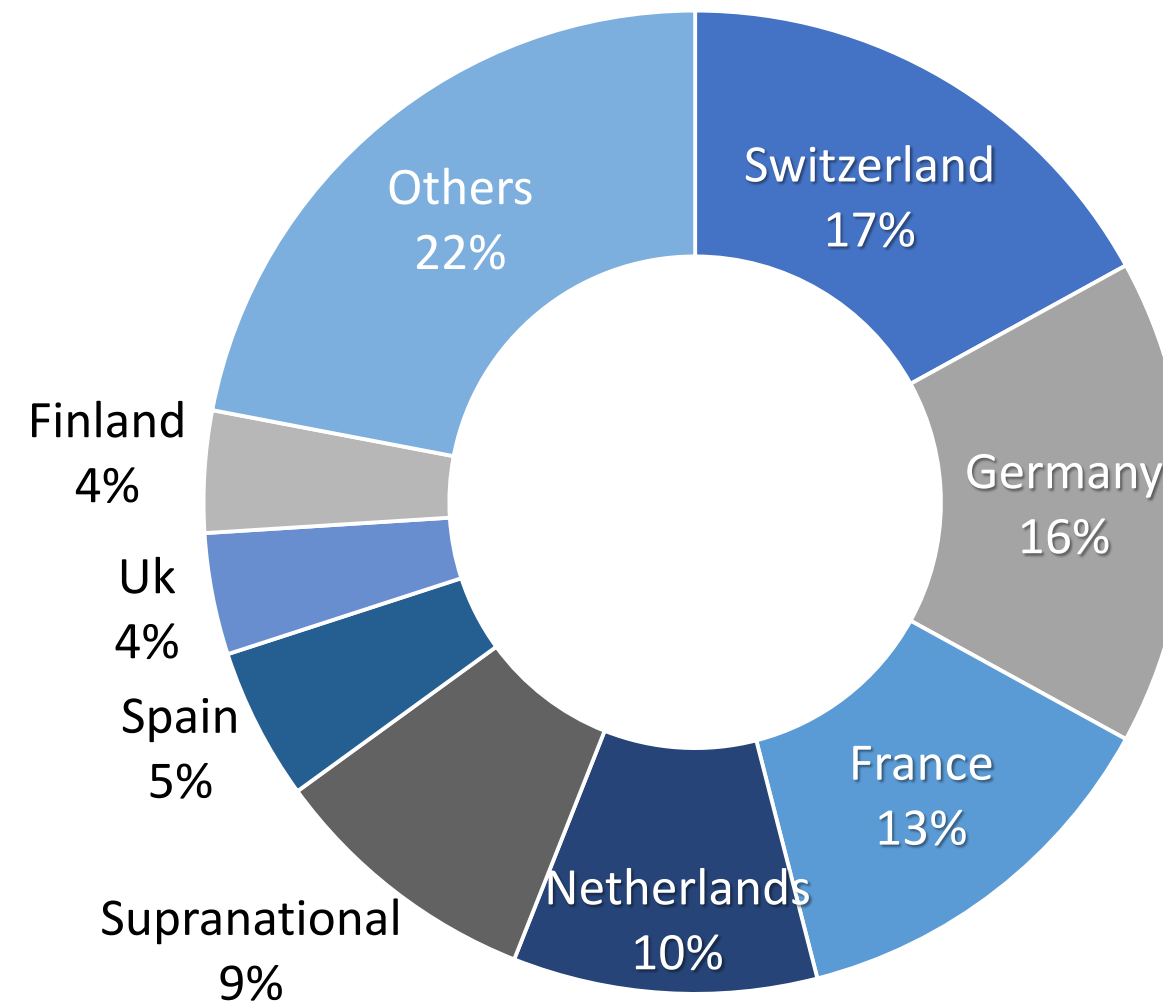
CAF's regular benchmark-size issuances are a testament to its strengthening credit history

Investor Participation

Distribution by Investor Type




Distribution by Geographical Location



Recent Transactions

November 13, 2019
 EUR 750 MM

 CAF 0.625% 2026
 Green Bonds

February 11, 2019
 USD 1.25 BN

 CAF 3.25% 2022
 Global Note

January 30, 2019
 EUR 750 MM

 CAF 0.625% 2024
 European Market

October 13, 2018
 AUD 100 MM

 CAF 3.4% 2023
 Australian Market

Public Transactions

Private Placements

May 3, 2019
 MXN 965 MM

 CAF 9.60% 2039
 Private Placement

April 5, 2019
 COP 609,500 MM

 CAF 6.77% 2028
 Private Placement

October 29, 2018
 USD 400 MM

 CAF 3.345% 2021
 Private Placement

October 26, 2018
 USD 525 MM

 CAF Libor3M+0.28% 2020
 Private Placement

September 14, 2018
 PEN 177 MM

 CAF 4.44% 2021
 Private Placement

August 2, 2018
 EUR 100 MM

 CAF 1.00% 2020
 Private Placement

April 5, 2018
 USD 100 MM

 CAF Libor3M+0.30% 2021
 Private Placement

March 16, 2018
 IDR 1,034,100 MM

 CAF 6.50% 2023
 Private Placement

Social Responsible Investment

- Funding ESG related projects in the **water** and **education** sector for USD 350 million



Uridashi Market
January 28, 2016



TRY 192 mn & ZAR 590 mn
Maturity 2020

Samurai Market
February 12, 2016



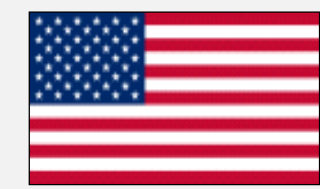
JPY 4.5 bn
Maturity 2026

Uridashi Market
January 24, 2017



BRL 220.2 mn
Maturity 2020

Education Bond
June 28, 2019



USD 140 mm
Maturity 2029

CAF's Social Bond Program

In 2020, CAF created its Social Bond Program with a Use of Proceeds focused on the response to the COVID-19 outbreak.

The Framework has been set up in alignment with the Social Bond Principles (SBP). CAF is in the process of obtaining a Second-Party Opinion which will be available post-trade.

Use of Proceeds:

An amount equal to the net proceeds of the Notes under CAF's Social Bond Framework will be allocated towards the financing and/or refinancing of new and existing Eligible Expenditures. Eligible Expenditures may include loans and direct financing provided directly by CAF or by shareholder countries, including:

- a) Health System Support
- b) Emergency Economic Support

For more information please visit: <https://www.caf.com/media/2678628/caf-s-social-bond-framework.pdf>



Sustainability Strategy

- CAF promotes sustainable development within the region by addressing financial flows to green and social projects
- Supporting the **Nationally Determined Contributions (NDC's)** undertaken by member countries in the context of the **Paris Climate agreement**
- CAF has adopted the **UN Sustainable Development Goals (SDG)** as its own, with the conviction that Latin American countries can achieve a more inclusive, low carbon and resilient economy
- CAF is accredited as an implementing agency by **United Nations Funds** to mobilize resources to green projects from the following funds:



(accredited since July 2015)



(accredited since March 2014)



(accredited since April 2015)

[Sustainability Report 2017-2018](#)



CAF's Green Bond Program

- In 2018, CAF created its Green Bond Program. Since then, it has issued approximately USD 950 million in green bonds
- The framework follows the Green Bond Principles (GBP) and has a Second-Party opinion from **Sustainalytics** (May 2019)



- For more information please visit:

<http://www.caf.com/en/investors/green-bonds-program/>

Recent Green Bond program issuances:

November 13, 2019
EUR 750 MM



CAF 0.625% 2026
Public Transaction

November 15, 2018
USD 50 MM



CAF 3.73% 2023
Private Placement

August 14, 2018
USD 30 MM



CAF 3.385% 2023
Private Placement

May 25, 2018
COP 150 Bn / USD 52



CAF 6.75% 2028
Private Placement



Short-term Liabilities

USCP and ECP programs

- Ratings A1/P-1/F1+
- Size: USCP USD 2.0 bn
ECP USD 3.0 bn
- Tenors up to 1 year
- Dealers:
 - Bank of America
 - Barclays
 - Goldman Sachs
 - Credit Suisse



Bloomberg CAF<GO>

Term Deposits

- Clients: Corporate, Financial and Official Institutions
- Amounts vary between US\$1 – 500 million

Other Sources of Funding and Cooperation



Credit Facilities

- Agence Française de Développement (Afd)
- European Investment Bank (EIB)
- China Development Bank (CDB)
- India Exim Bank
- JBIC
- KfW Bankengruppe
- Korea Exim Bank
- Nordic Investment Bank (NIB)
- SEK – Sweden



Technical Assistance

- Agence Française de Développement
- BMZ – KfW
- Caixa do Brasil
- European Commission – LAIF
- FASEP France
- OFID Fund
- Agencia Española de Cooperación Internacional (AECID)



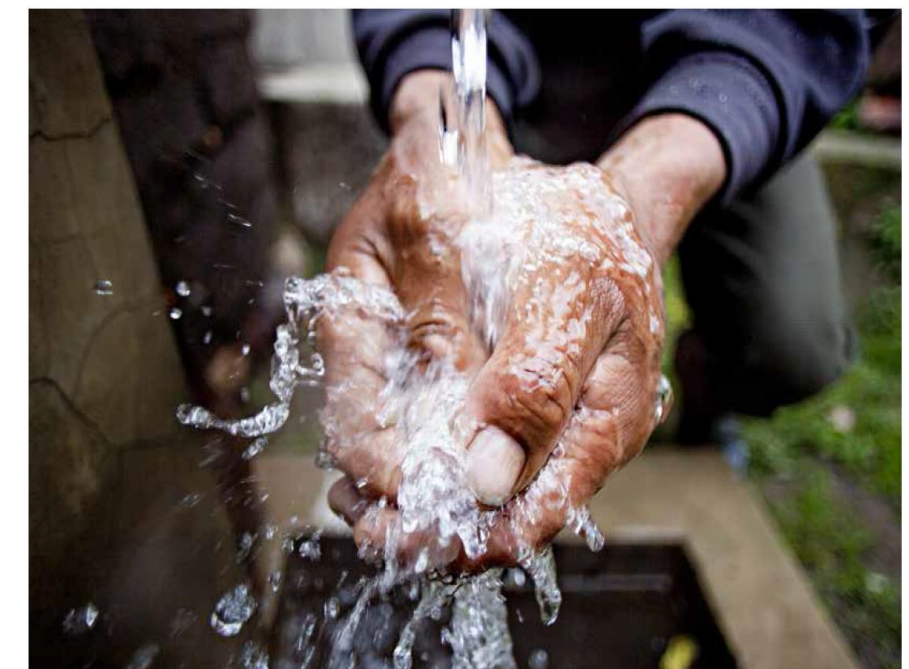
Green Funds

- Green Climate Fund
- Global Environmental Fund (GEF)

Key Investment Factors

Key Investment Factors

- Solid Financial Profile
- Proven preferred creditor status for 50 years
- Currently rated Aa3/A+/A+/AA
- Outstanding “Green and Social” credentials
- Offers relative value compared to its AAA peer’s bonds



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50
years

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