

# CAF Investor Presentation

June  
2023

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# CAF Overview



# The Development Bank of Latin America



CAF is a Latin American and Caribbean **Supranational institution**



**53 years financing sustainable** development and regional integration



Benefits from **Preferred Creditor Treatment** in its shareholder countries



Rated by:  
Moody's: **Aa3**/Stable  
S&P: **AA**/Stable  
Fitch: **AA-**/Stable  
JCR: **AA+**/Stable



CAF's strategy is focused on **Green Development and Economic Recovery**



Continuous **Support from Shareholders** and strong capital base



Leading in financing **infrastructure and energy** projects

# Broad Shareholder Base: A success of integration in Latin America and the Caribbean

From **5** shareholder countries at inception to its current **20**

## Full Member Countries

(Subscribed Capital)

Colombia	18.8%
Peru	14.9%
Argentina	9.0%
Brazil	8.8%
<b>Chile</b>	7.4%
Venezuela	7.0%
Ecuador	5.8%
Bolivia	5.8%
Panama	4.1%
Uruguay	2.9%
Paraguay	2.7%
Trinidad & Tobago	2.5%
<b>El Salvador</b>	2.2%

## ■ New Full Member Countries



CAF continues working on expanding its shareholder base

## Other Shareholders

(Subscribed Capital)

Spain	3.6%
<b>Dominican Republic</b>	2.2%
<b>Mexico</b>	1.1%
<b>Costa Rica</b>	0.8%
Barbados	0.2%
Portugal	0.1%
Commercial Banks	0.04%
Jamaica	0.01%

Honduras is in process to join CAF as a full member country

## ■ In process of becoming Full Member Countries

# Benefits from Preferred Creditor Treatment in its shareholder countries

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The Constitutive Agreement is an International Treaty **that grants several privileges and immunities**

## 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**"

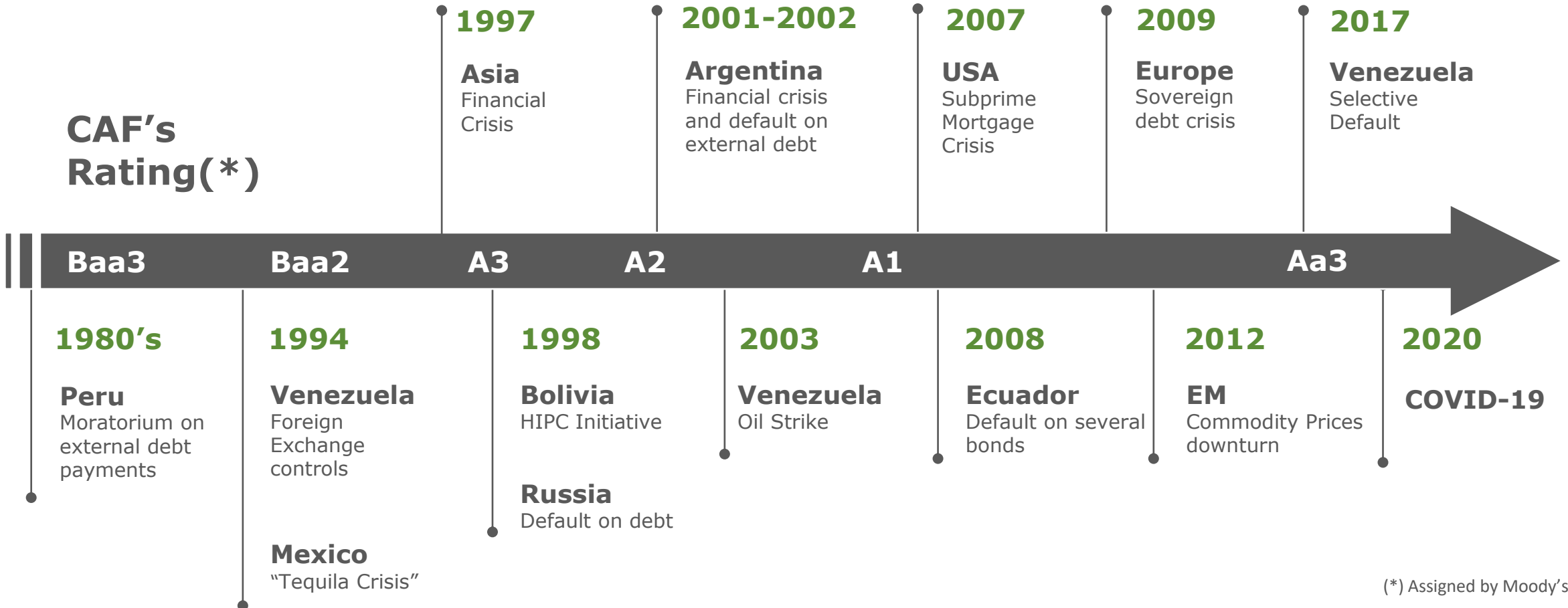
## Art. 50:

"...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



(\*) Assigned by Moody's



# New capital increase approval reflects the solid shareholder support

USD **7** Billion

- **Largest** capital increase approved, March 2022
- Reflects the **solid shareholder support**
- Fully allocated in **paid-in capital**
- Enables CAF to further **expand its operations and maintain its robust credit metrics**

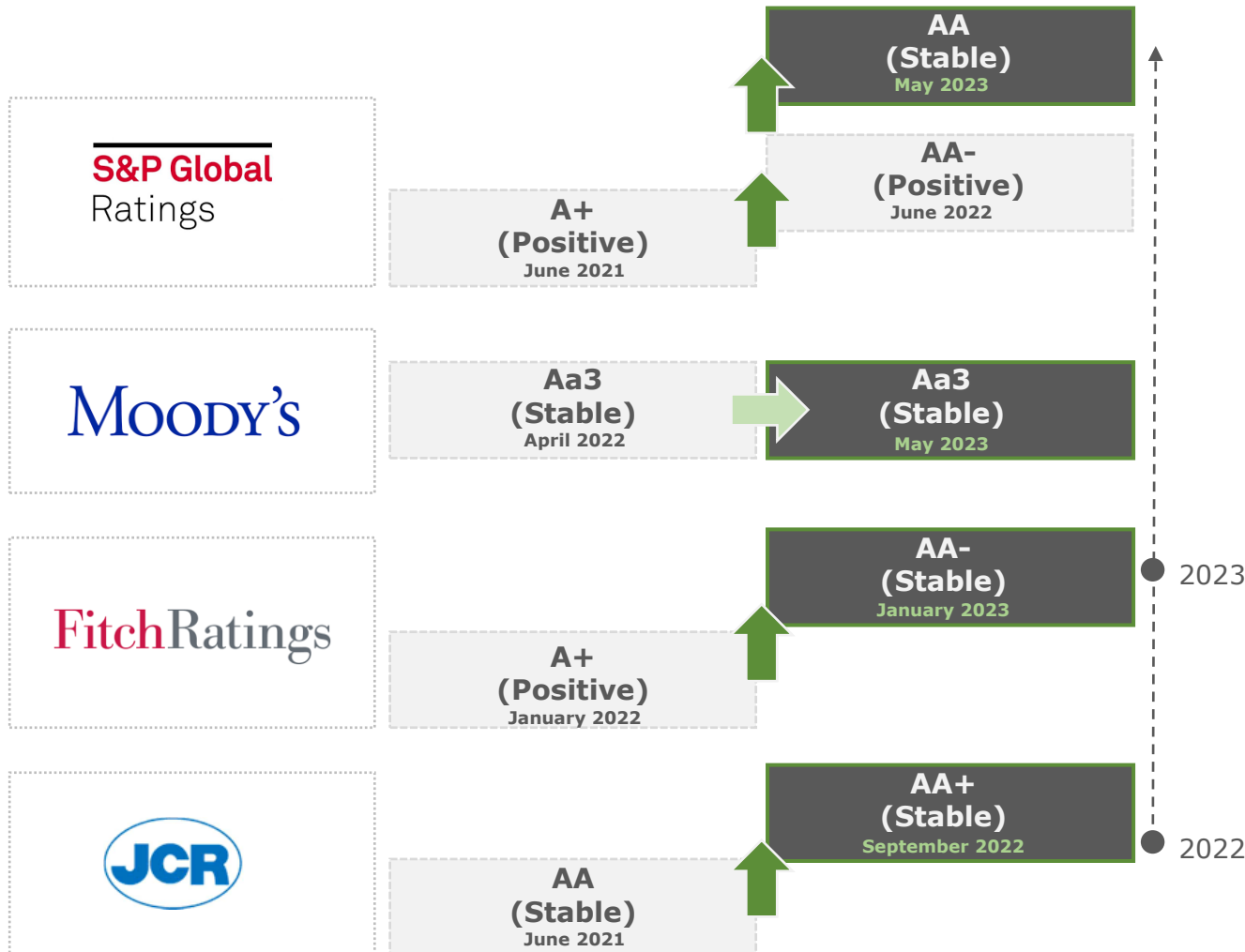
**Recent capital increases**  
*(USD Billion)*

<b>2022</b>	<b>+7.0</b>
2015	+4.5
2011	+2.0
2009	+2.5
2007	+1.5
2002	+0.2
1999	+0.6



# CAF achieved 4 upgrades in the last 12 months

Credit Ratings reflect CAF's robust financial position and management expertise

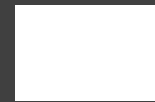


## Rating agencies highlights

- ✓ CAF's largest capital increase of US\$7 billion
- ✓ Recent incorporation of Chile as a full member country
- ✓ Shareholder expansion and outstanding role in the region
- ✓ Strong capital buffers
- ✓ Excellent liquidity and strong access to capital markets



# Financial Highlights



# Financial highlights



Robust and  
Liquid  
**Balance Sheet**



Diversified and  
high-rated  
**Liquidity  
Portfolio**



Consistent  
Growth and  
**High Quality of  
the Loan  
Portfolio**

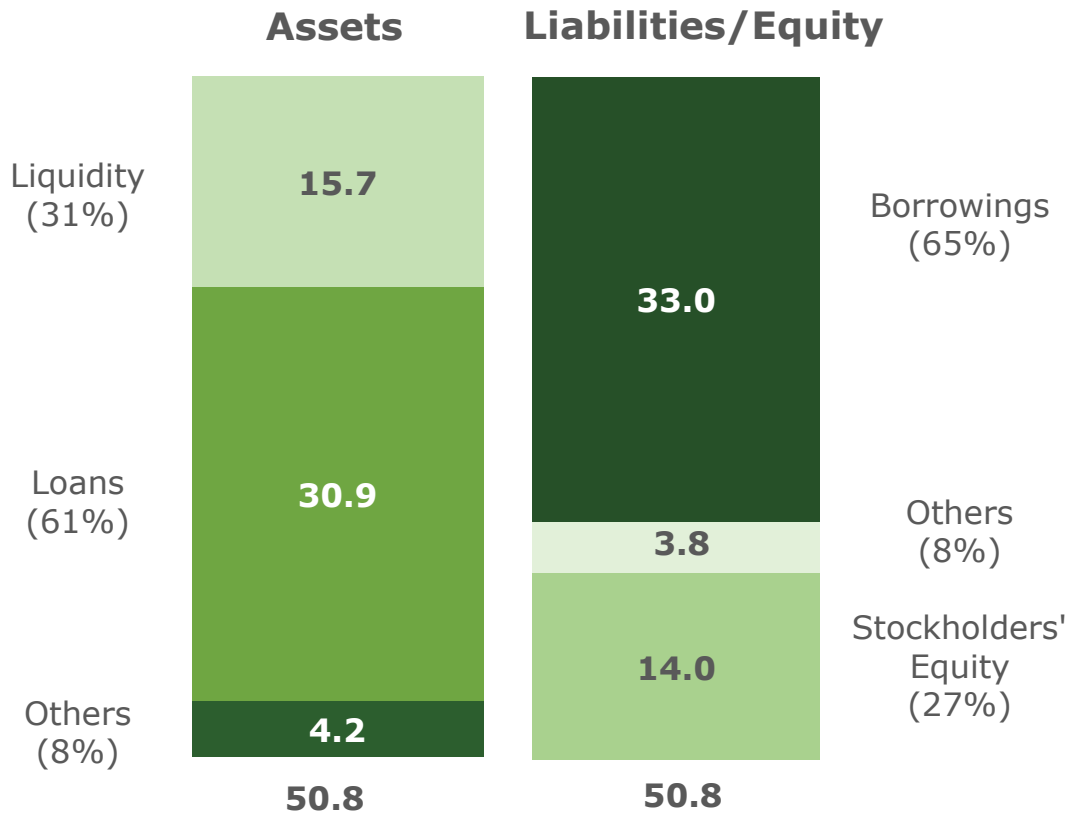


**Diversified  
Loan Portfolio**

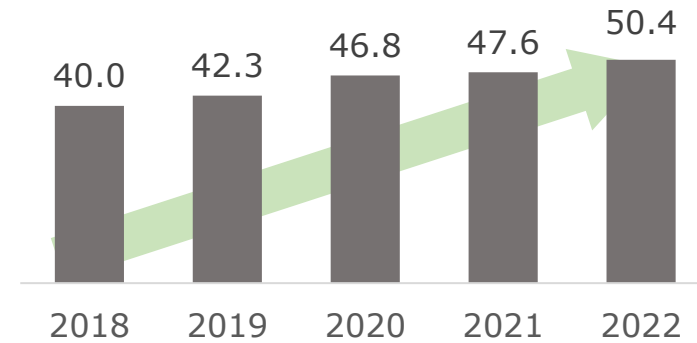


**Strong financial  
ratios** compared  
to its peers

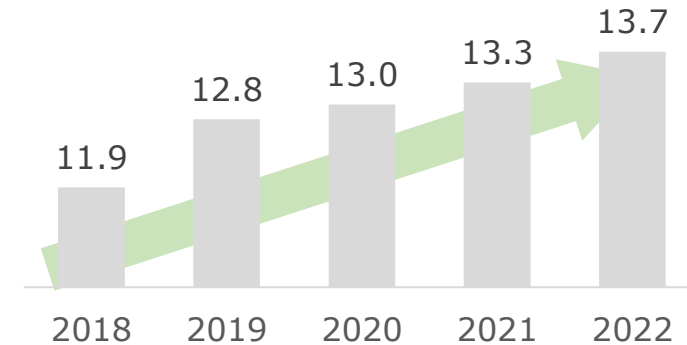
# Robust & Liquid Balance Sheet (USD billion)



**Assets Growth 2018-2022\***



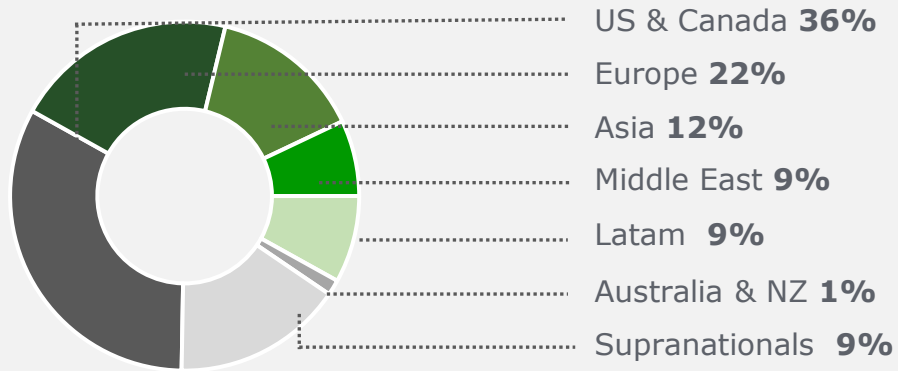
**Equity Growth 2018-2022\***



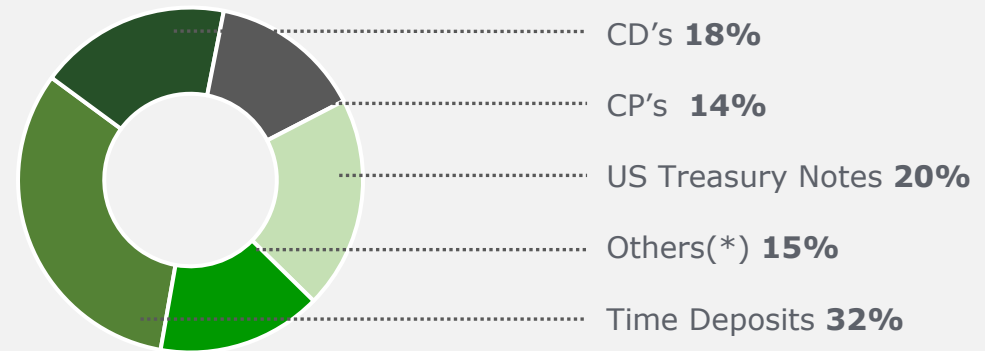
Figures as of March 31, 2023  
\*Figures as of end of each year

# Diversified and high-rated Liquidity Portfolio

### Breakdown by Geography



### Breakdown by Product



> **93.8%**  
of liquid assets  
are rated A- or  
above

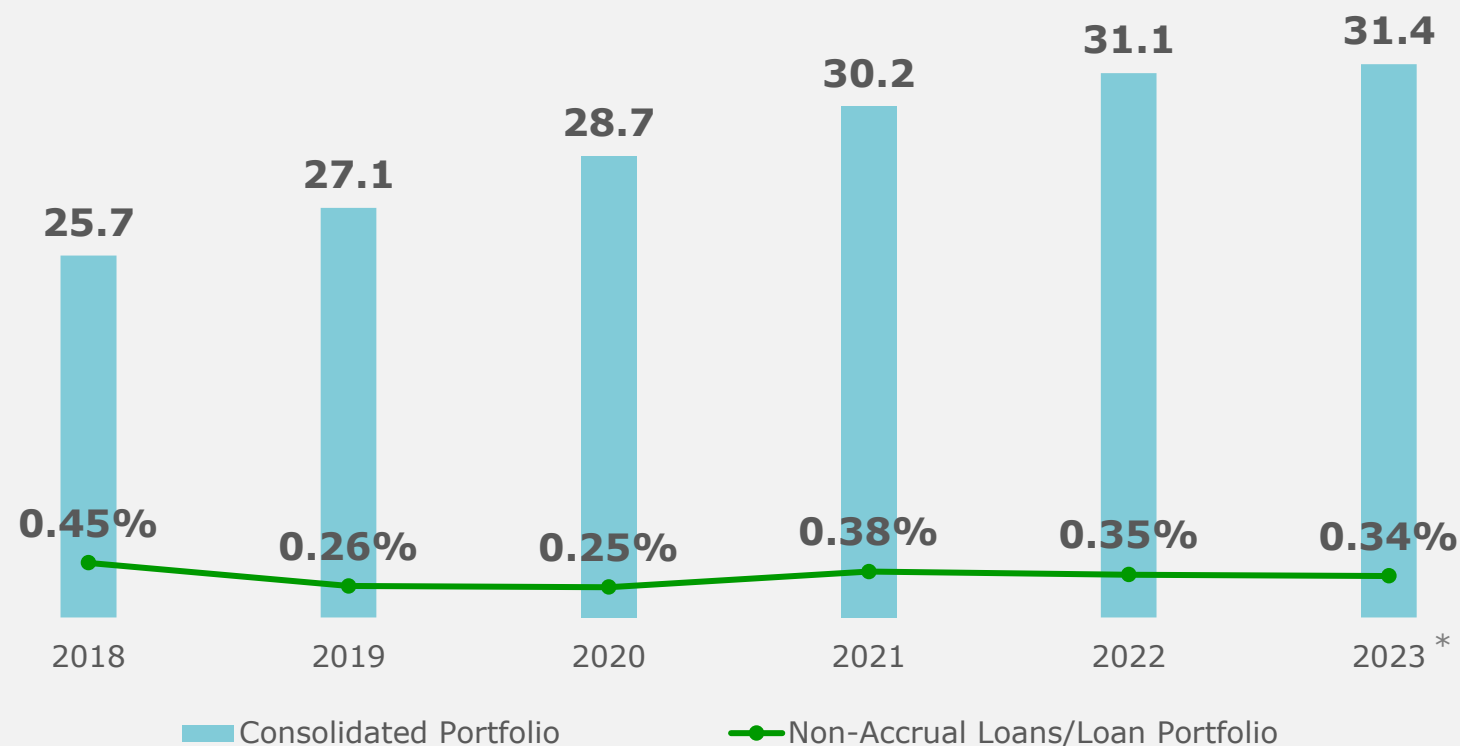
> **1.4 years**  
Maximum  
duration  
allowed

> **0.7 years**  
Current  
duration

Figures as of March 31, 2023

\*Others include corporates, cash and due from banks, liquidity funds and bonds of non-U.S. governments and other government entities

# Loan Portfolio: Consistent Growth and High Quality (USD billion)

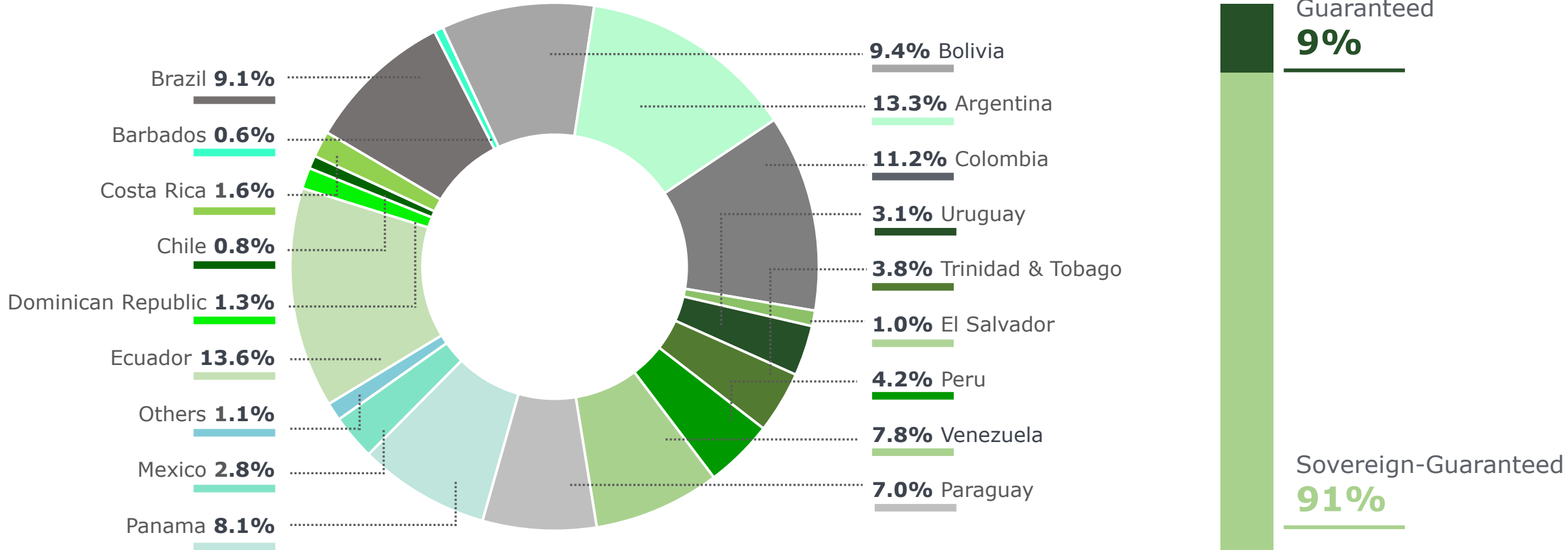


Compound  
annual growth rate  
**Last five years**  
**5.1%**

Consolidated Portfolio = Loan Portfolio + Equity Investments + Guarantees  
Figures as of the end of each year  
\*Figures as of March 31, 2023

# Diversified Loan Portfolio

## By Country & Sector



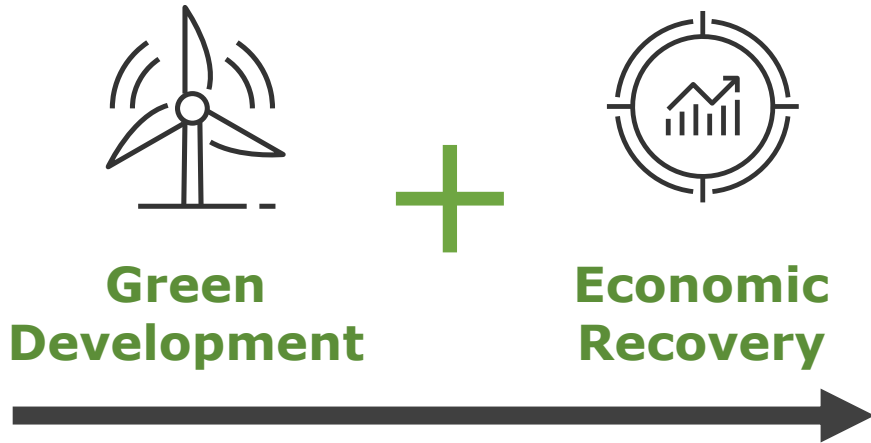
Consolidated Portfolio = Loan Portfolio + Equity Investments + Guarantees

\*Others include Portugal, Spain, and Multinational operations

Figures as of March 31, 2023



# CAF's strategy is focused on Green Development and Economic Recovery



**872,640**

women benefited by CAF interventions



**2.2 million**

of people benefited by a new or improved water connection and/or sewage system



**170,000**

of people benefited by new energy infrastructure



**22,535**

students benefited by education projects



**2.4 million**

of families benefiting from programs against vulnerability and food insecurity programs









**30%**

of CAF's total approvals correspond to green financing



# Strong financial ratios compared to its peers

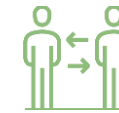
Multilateral Financial Institution	CAF's Ranking	 DEVELOPMENT BANK OF LATIN AMERICA					
<b>Ratings (Fitch/Moody's/S&amp;P)</b>		AA-/Aa3/AA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA	AAA/Aaa/AAA
<b>Equity / Assets (%)</b>	<b>1st</b>	<b>28</b>	23	24	19	27	15
<b>Liquidity / Gross Debt (%)</b>	<b>2nd</b>	<b>56</b>	35	52	36	69	35
<b>Largest Exposure / Total Portfolio (%)</b>	<b>2nd</b>	<b>14</b>	15	13	16	16	17
<b>Impaired loans and advances/ Total loans (%)</b>	<b>3rd</b>	<b>0.4</b>	2.2	3.2	0.1	4.8	0.2

Source: Standard & Poor's "Supranational Special Edition 2022". Figures as of end of year 2021

\*International Bank for Reconstruction and Development (IBRD)

# Funding Strategy

# Funding Strategy highlights



Well established and **expanding investor base**

**Broad access to international capital markets**

**Frequent issuer** in the SSA space

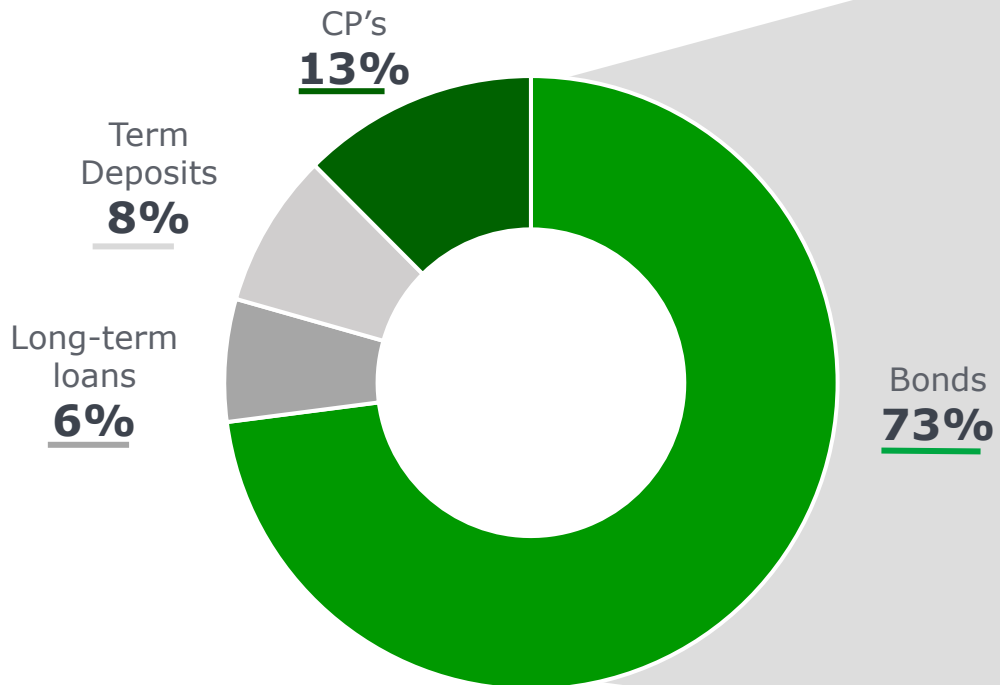
Financing **environmental and socially responsible** initiatives

Daily active trading in **short-term funding**

Over 90 **International funding partners**

# Funding Strategy

## Composition of Financial Liabilities



### Cost Optimization

Generate various reference points



### Investor Diversification

Capital market programs in place in strategic markets issuance of thematic bonds



### Asset / Liability Duration Match

Use of private placements to modify the average duration of liabilities



### Liquidity in Secondary Markets

Benchmark size issues

# Broad access to international capital markets

## US Shelf

- Schedule B Issuer
- US Dollar Benchmark deals
- Listed in LSE

## Japan Shelf

- Samurai and Uridashi

## Domestic Programs

- Colombia, Mexico, Peru, Uruguay

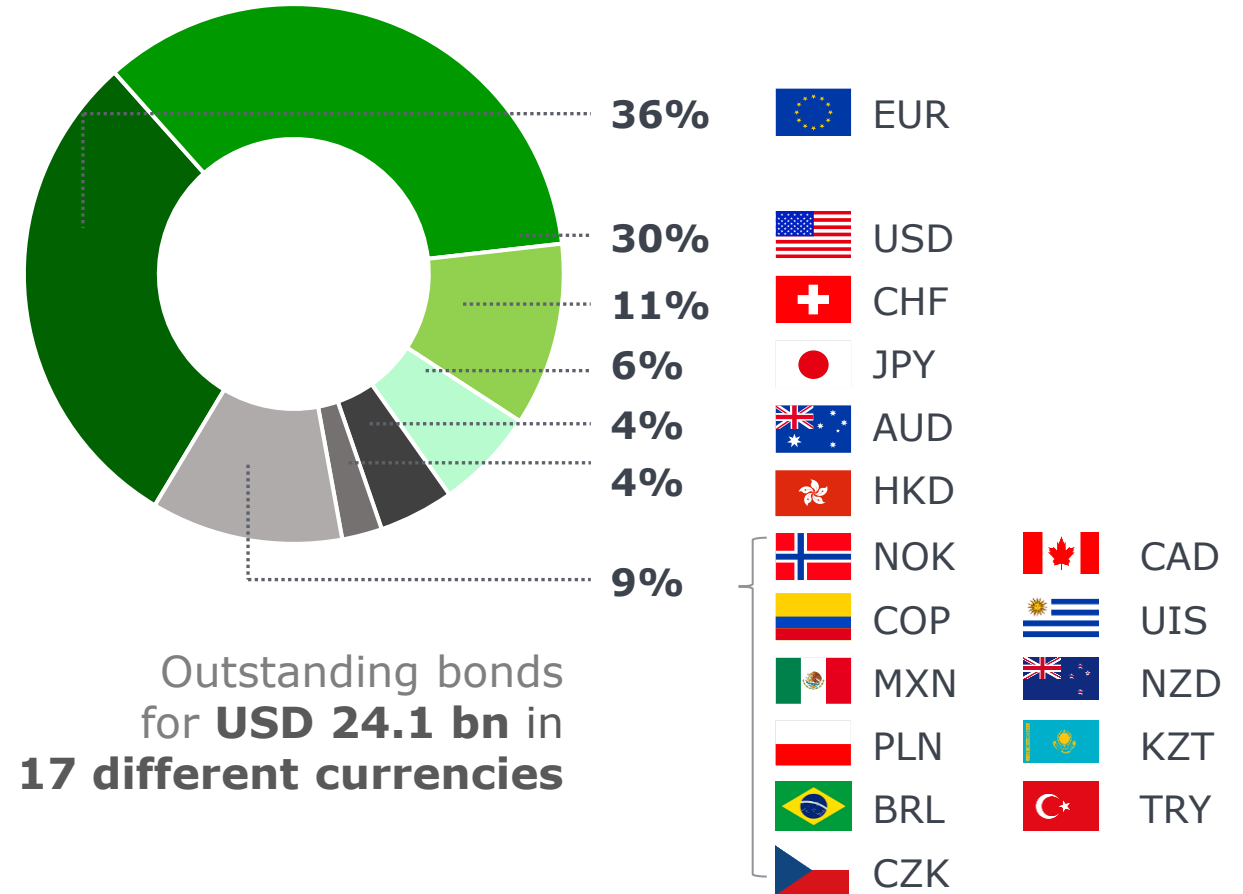
## EMTN

- Benchmark deals in different currencies

## AMTN

- Australian Dollar

## Bonds by Currency



Outstanding bonds for **USD 24.1 bn** in **17 different currencies**

# Recent Benchmark Issues



USD 1,500 MM

3 yr

4.75%

Maturity: 2026

Issued Jan, 2023

ISIN US219868CG98



EUR 1,000 MM

5 yr

4.50%

Maturity: 2028

Issued Mar, 2023

ISIN XS2594907664



CHF 190 MM

7 yr

2.44%

Maturity: 2030

Issued Mar, 2023

ISIN CH1243933590

High-quality order-books

- ✓ Largest issuance of in CAF's history with an order book of USD 2.3 billion
- ✓ Largest order book orders in CAF's history with 142 investors
- ✓ 10th point of reference on the CHF curve

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

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# Recent Private Transactions



**PLN 270.5MM**

March 22, 2023

**8.55% 2025**

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**MXN 2,000MM**

March 15, 2023

**10.35% 2033**

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**AUD 75MM**

March 10, 2023

**5.95% 2033**

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**COP 200,000MM**

March 06, 2023

**6.77% 2028**

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**NZD 50MM**

March 06, 2023

**5.55% 2028**

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**JPY 10,000MM**

March 02, 2023

**0.84% 2028**

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**EUR 110MM**

August 29, 2022

**2.72% 2046**

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**IDR 1.03BN**

March 16, 2018

**6.50% 2023**

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# CAF's Green Bond Program

- ✓ In 2018, CAF created its Green Bond Program. Since then, it has issued more than USD 1,800 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:

[CAF's Green Bond Framework](#)  
[CAF Green Bond Annual Report 2021](#)

## Green Bond issuances:



**USD 59MM**

March 31, 2023

**SOFR+1.15% 2028**

Private Placement



**CHF 350MM**

February 24, 2022

**CAF 0.46% 2027**

Public Transaction



**CHF 350MM**

September 4, 2020

**CAF 0.71% 2025**

Public Transaction



**EUR 750MM**

November 13, 2019

**CAF 0.625% 2026**

Public Transaction



# 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 follows the Social Bond Principles (SBP) and has a Second-Party opinion from **Sustainalytics** (October 2020)



- ✓ For more information, please visit:

[CAF's Social Bond Framework](#)  
[CAF Social Bond Annual Report 2021](#)

## Social Bond issuances:



**EUR 700MM**

June 03, 2020

**CAF 1.63% 2025**

Public Transaction



**JPY 3,800MM**

June 22, 2020

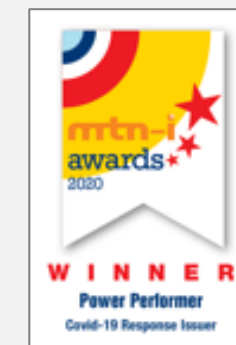
**CAF 0.70% 2023**



**JPY 3,500MM**

June 19, 2020

**CAF 0.65% 2025**



# Daily active trading in short-term funding



**Bloomberg CAF<GO>**



## USCP and ECP programs

- ✓ Ratings A1+ / P-1 / F1+
- ✓ Size: USCP USD 3.0 bn  
ECP USD 3.0 bn
- ✓ Tenors up to 397 days



## Dealers: USCP

- ✓ Bank of America
- ✓ Barclays
- ✓ Citibank
- ✓ Goldman Sachs
- ✓ JP Morgan

## ECP

- ✓ Barclays
- ✓ Bred Banque Populaire
- ✓ Citibank
- ✓ ING Bank NV
- ✓ CAF



## Term Deposits

- ✓ Clients: Corporate, Financial and Official Institutions
- ✓ Amounts vary between USD1 – 500 million
- ✓ Tenors up to one year

# Over 90 International Funding Partners

Europe 36



North America 15



Africa 1



South America 20



Asia 32



CAF is accredited from the following funds:

- GREEN CLIMATE FUND (accredited since July 2015)
- ADAPTATION FUND (accredited since March 2014)
- gef (accredited since April 2015)

# Key Investment Factors

# Key Investment Factors



Solid  
**Financial  
Profile**

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**53 years** of  
proven preferred  
**creditor status**

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Currently  
rated  
**Aa3/AA/AA-**

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Outstanding  
**"Green and  
Social"  
credentials**

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**Investment  
in Latin  
America** with  
limited risks

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**Offers  
value**  
compared to  
its peers

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# Project Snapshots

# Highlighted Projects

Country:  
**Bolivia**

Amount approved:  
**USD 130 million**



**Program to support the Vaccination Plan against COVID-19 and strengthening of the health system of the Plurinational State of Bolivia**

- ✓ More than 3 million people in Bolivia will benefit from the support for the vaccination plan to tackle COVID-19, as well as the strengthening of the health system for emergency actions

# Highlighted Projects

Country:  
**Brazil**

Amount approved:  
**USD 340 million**



## Sao Paulo State Project - Expansion of Green Line 2

- ✓ The expansion of Line Green 2 of the **São Paulo Metro** will connect users of the system with the Congonhas airport, this being CAF's largest loan operation in Brazil.

# Highlighted Projects

Country:

**Colombia**

Amount approved:

**USD 600 million**



**Programs: Sectoral support for biodiversity and climate change and Sectoral support for the orange economy.**

- ✓ The Prosperidad Colombia Program seeks to strengthen territorial development, supporting the strategy to meet the Sustainable Development Goals (SDGs).



# Highlighted Projects

Country:

**Paraguay**

Amount approved:

**USD 160 million**



## **Feasibility studies and an advanced basic design for sewer systems for five cities of Paraguay**

- ✓ Project for the construction of the sanitary sewer system, wastewater treatment plant and improvement of the water system in the Mariano Roque Alonso basin.

# Highlighted Projects

Country:  
**Peru**

Amount approved:  
**USD 500 million**



## **Contingent loan in the framework of the post-Covid 19 sustainable reactivation of Peru**

- ✓ Will help promote the availability and timely execution of public resources to address the economic and social impacts caused by the pandemic.

## Contact us

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Bloomberg: CAF<GO>

Website and Financial Statements : [www.caf.com/en/investors/](http://www.caf.com/en/investors/)

Access to Reports:

[Green and Social Bond Program  
Sustainability Report](#)





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begins with you



[www.caf.com](http://www.caf.com)  
**@AgendaCAF**

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