



# CAF Development Bank of Latin America

Opportunities in the Region

October 2022

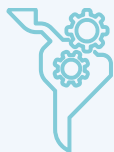


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# CAF Overview

# The Development Bank of Latin America



CAF is a Latin American and Caribbean **Supranational financial institution** owned by Latin American countries



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



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



Leading development bank in financing **infrastructure and energy** projects



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



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



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

# CAF, more than a bank...

**Regional  
Integration** and  
Sustainable  
Development

**Free from  
conditioned  
public policies**

**Tailor made  
solutions** in  
response to  
countries  
specific needs

Promotion of a  
**renewed  
development  
vision**

Generation and  
dissemination of  
knowledge in  
**favor of public  
policies** in the  
region

Catalytic role:  
Construction of  
**bridges and  
alliances**  
**between Latin  
America** and the  
world

# Broad Shareholder Base



From **five** shareholder countries at inception to its current **twenty one**



## Full Member Countries- Series "A"

Peru
Colombia
Venezuela
Argentina
Brazil
Ecuador
El Salvador
Bolivia
Uruguay
Paraguay
Panama
Trinidad & Tobago



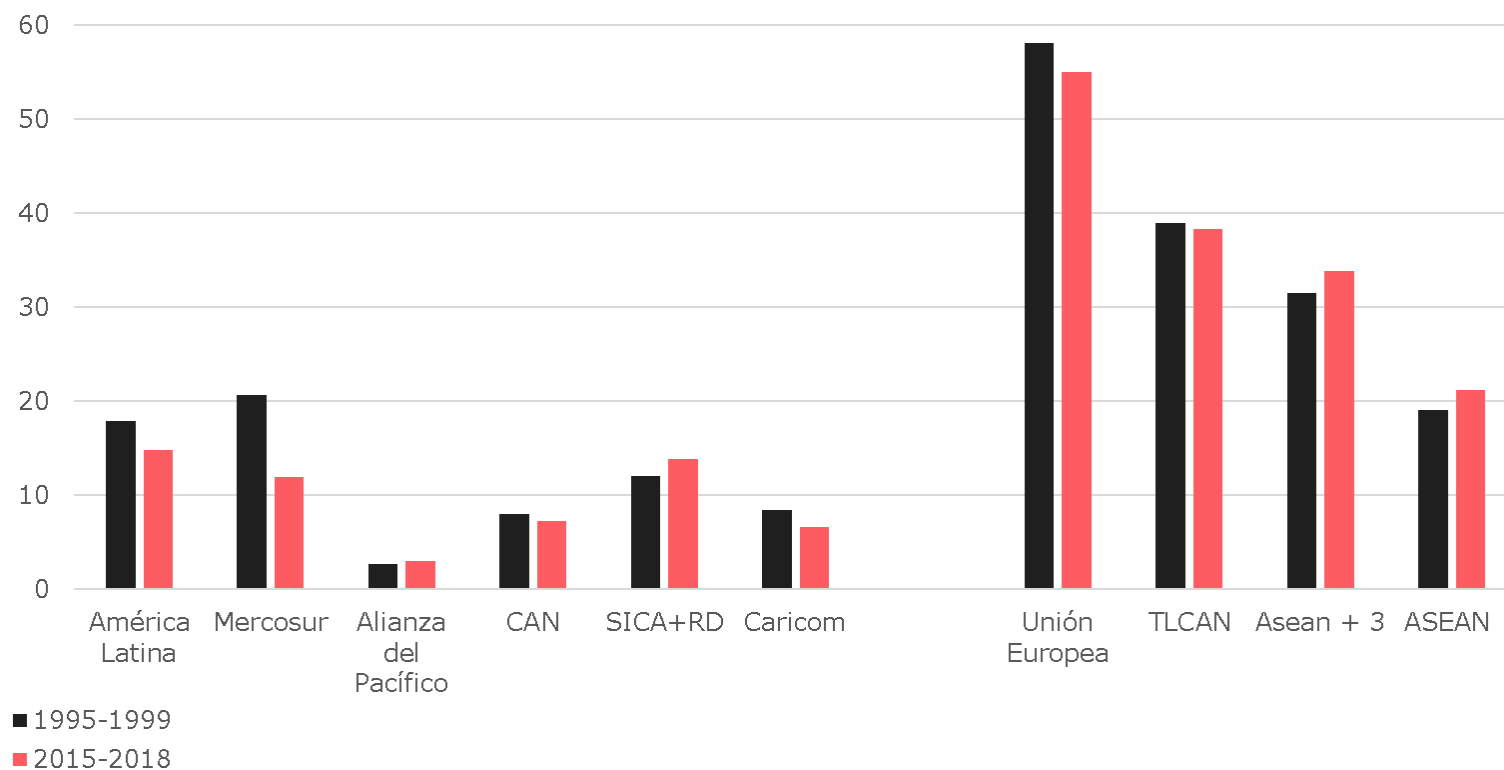
## Other Shareholders – Series "C"

Spain
Mexico*
Costa Rica*
Dominican Republic*
Chile*
Barbados
Portugal
Jamaica
Commercial Banks
Honduras*

# Strategic Priorities

# Latin America's place in the world

Intra-regional Exports (% global exports)



- Regional stagnation due to **low intra-regional trade**
- Benchmarked regions present much higher levels of **intra-regional exports**
- **SICA+RD was the only region** to increase their trade in the past 20 years\*

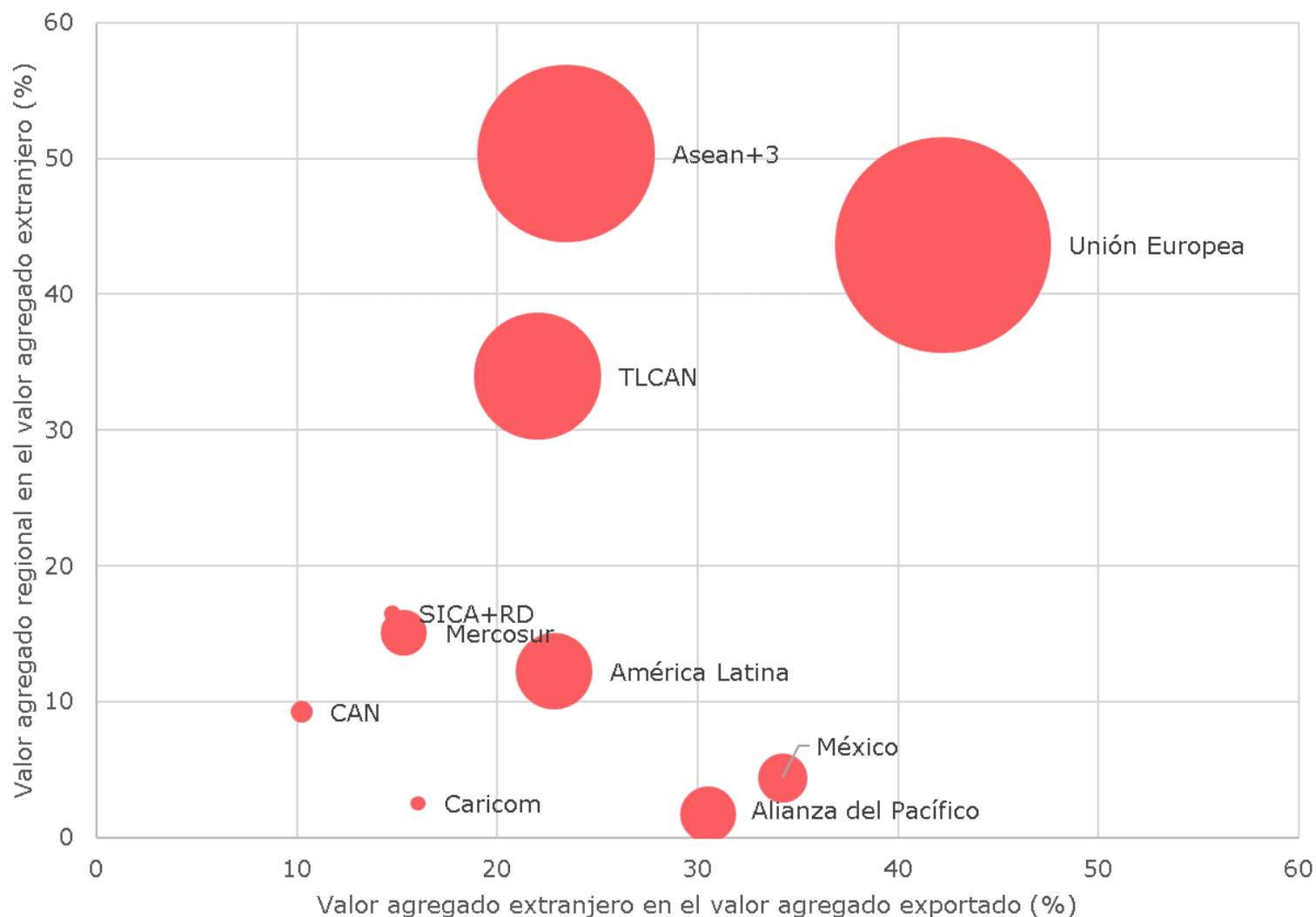
\*SICA members: Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama

Imperative investment in **regional integration infrastructure** proposed by CAF



# Latin America's place in the world

Global Value Chains possess a key regional component and promote intra-regional trade



- **Foreign added-value participation in exports** allow to measure GVC participation
- The top three “**world factories**” **showcase open trade practices** boosted by regional productive integration
- **Low integration in Latin America's** regional value chains
- Even a **highly open region such as the Pacific Alliance** has low levels of regional productive integration
- Mexico has a **high participation in global value chains**, but low integration with the rest of LATAM
- **SICA+RD showcase low integration** in GVC and RVC

# Lines of Action

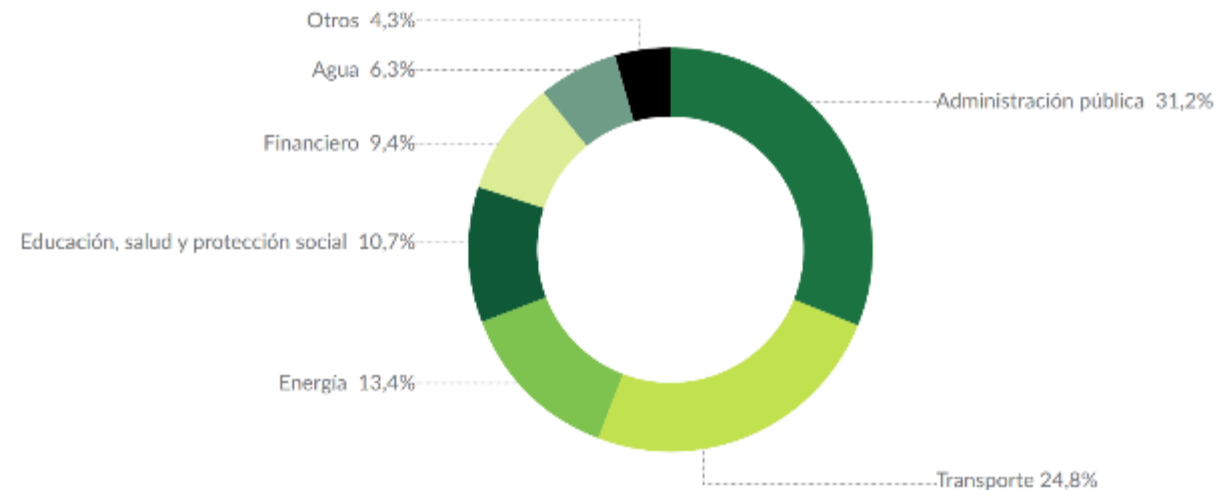


Due to COVID-19 CAF put in place specific programs for a rapid macroeconomic response, to help address the health crisis and economic slowdown caused by the pandemic

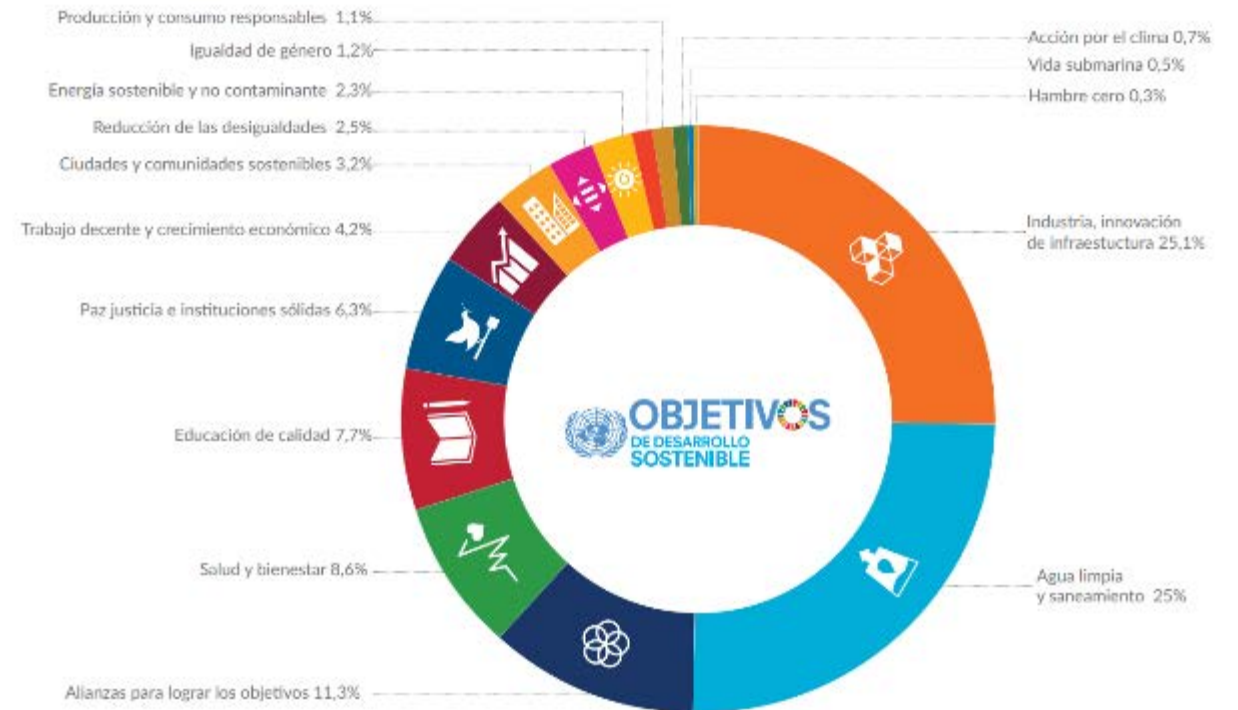
# CAF's development strategy

- CAF **adopts Sustainable Development Goals (SDG)**, with the conviction that Latin American countries can grow into more inclusive, resilient, prosper and low on carbon economies

Portfolio Distribution by Economic Sector



Approvals Distribution by SDG



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



**1.1 million**

of people traveling  
on new or improved  
sustainable modes  
of transport



**2.8 million**

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



**30 million**

of people benefited by a  
new telecommunication  
infrastructure



**304,060**

students benefited  
by education  
projects



**30,000**

of people benefited by new  
and/or rehabilitated irrigation  
infrastructure in vulnerable  
rural areas



**20%**

of CAF's total approvals  
correspond to green  
financing



# Sustainability strategy

- Support **Nationally Determined Contributions (NDC's)** adopted by **Paris Agreement** signatory countries
- 



- CAF is **accredited as a direct access implementing agency** for United Nations Funds, such as the following:
- 



*(accredited since July 2015)*



*(accredited since March 2014)*

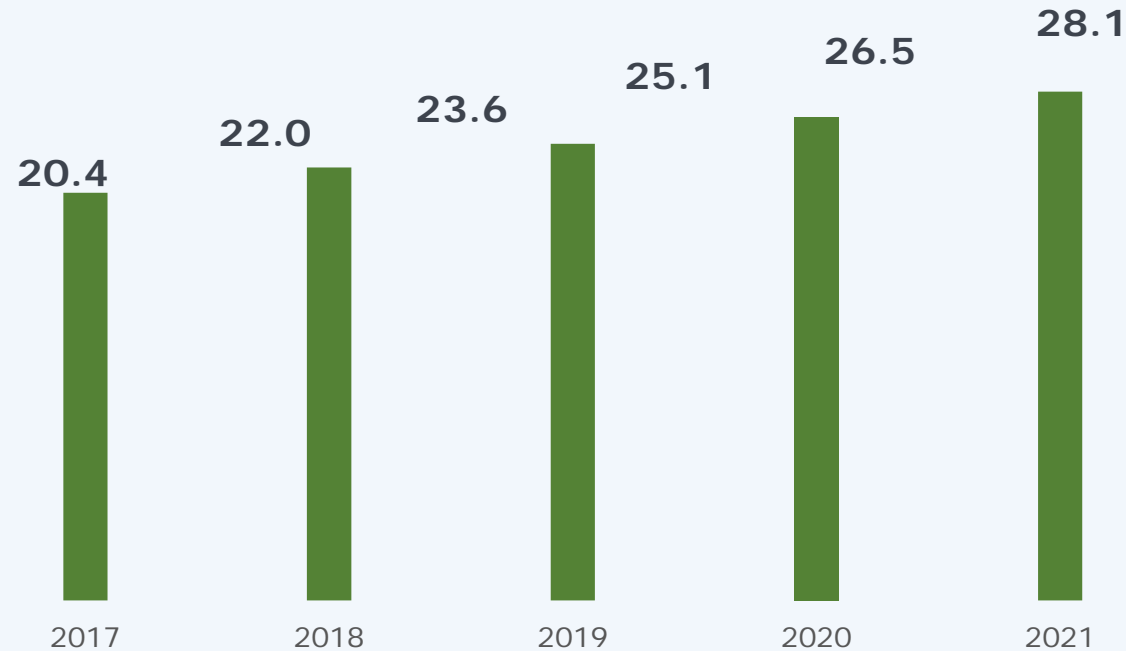


*(accredited since April 2015)*

# Financial Highlights

# Consistent Growth and High-Quality Loan Portfolio

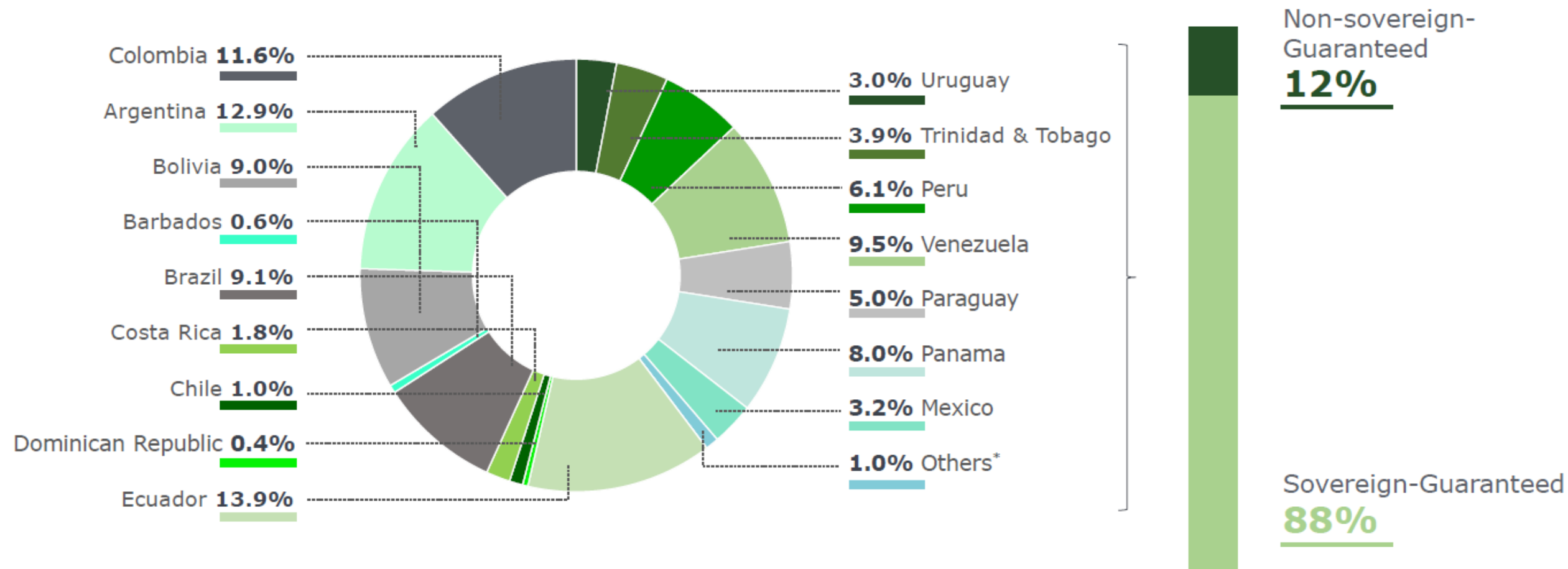
(USD billion)



Compound  
annual growth rate  
**(2017-2021):**  
**5.6%**

# Diversified Loan Portfolio

By Country & Sector

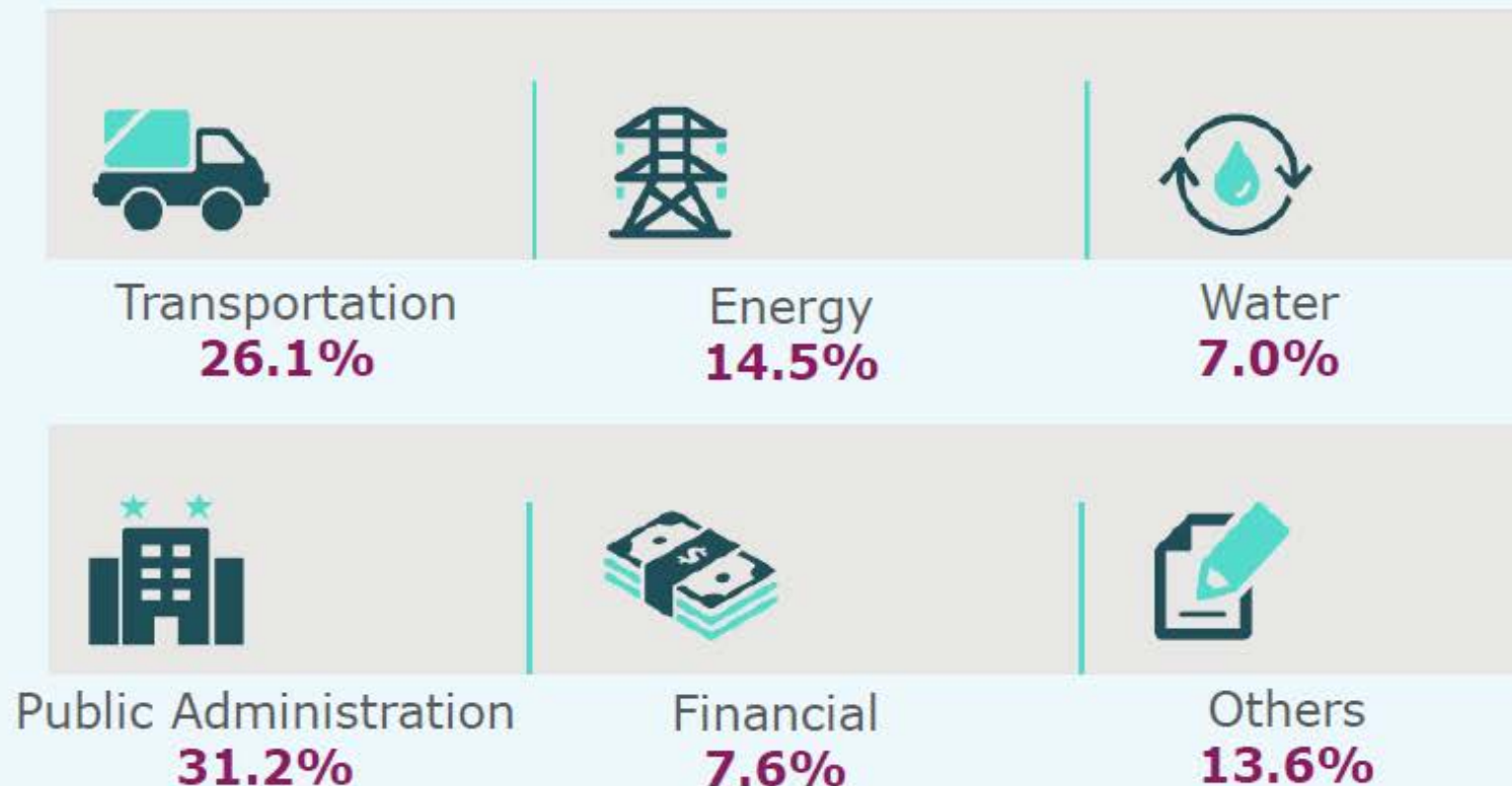


Figures as of September 30, 2021



# Diversified Loan Portfolio

By Industries



Figures as of September 30, 2021

# Continuous Support from Shareholders

Latest General Capital Increases  
(USD million)

More than

**USD 18.6 bn**



# Broad access to international capital markets

## US Shelf

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

## EMTN

- Benchmark deals in different currencies

## Japan Shelf

- Samurai and Uridashi

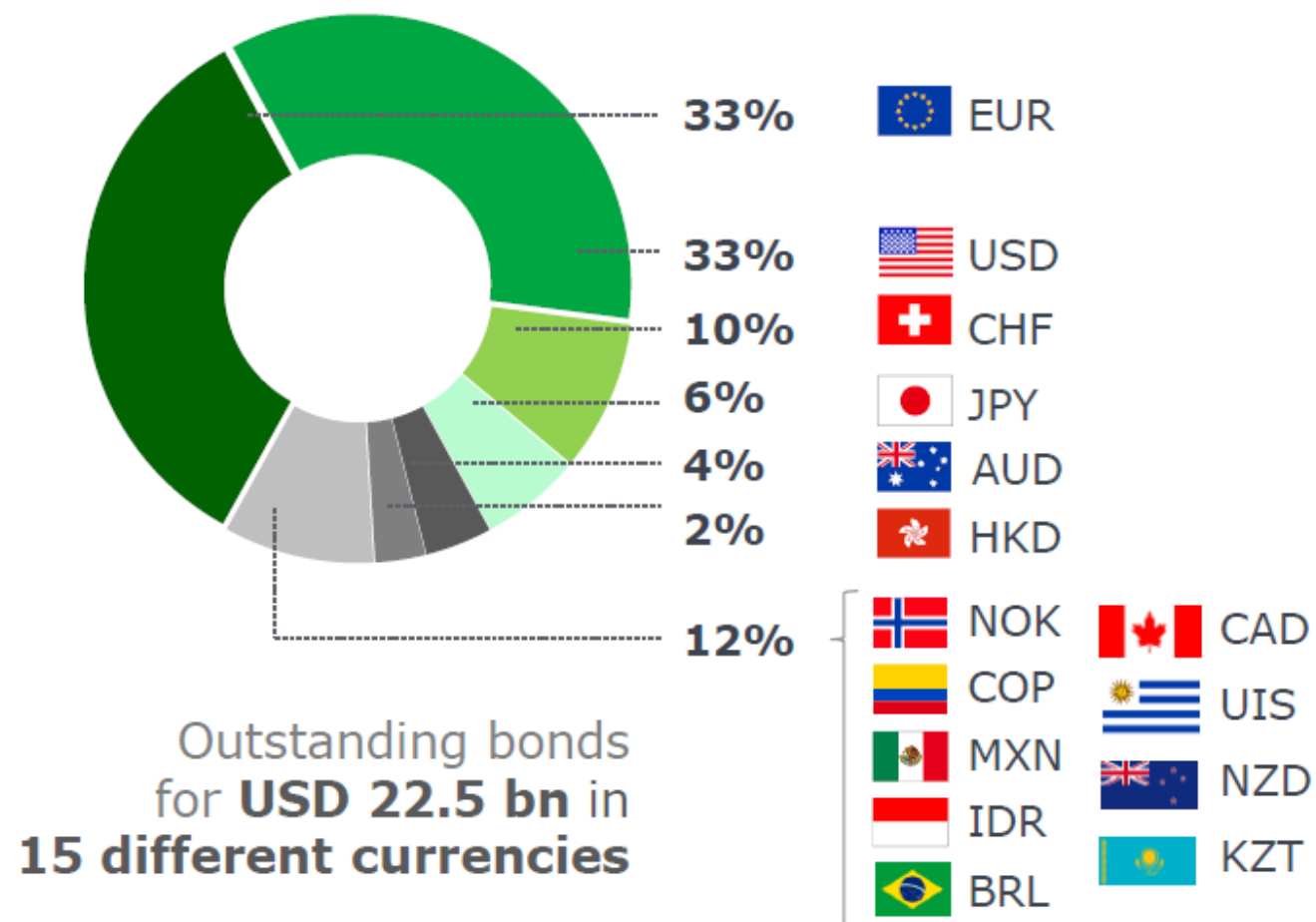
## AMTN

- Australian Dollar

## Domestic Programs

- Colombia, Mexico, Peru, Uruguay

## Bonds by Currency



# Other Sources of Funding and Cooperation



## Credit Facilities

- French Development Agency (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

- French Development Agency
- 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)

# New capital increase reflects the solid shareholder support in 2022



● **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**

Consequence to CAF´s **strategic proposal** and successful **financial management**

# Processes, Products and Outstanding Projects

# Bidding process



Management Policy and  
Credit Guidelines

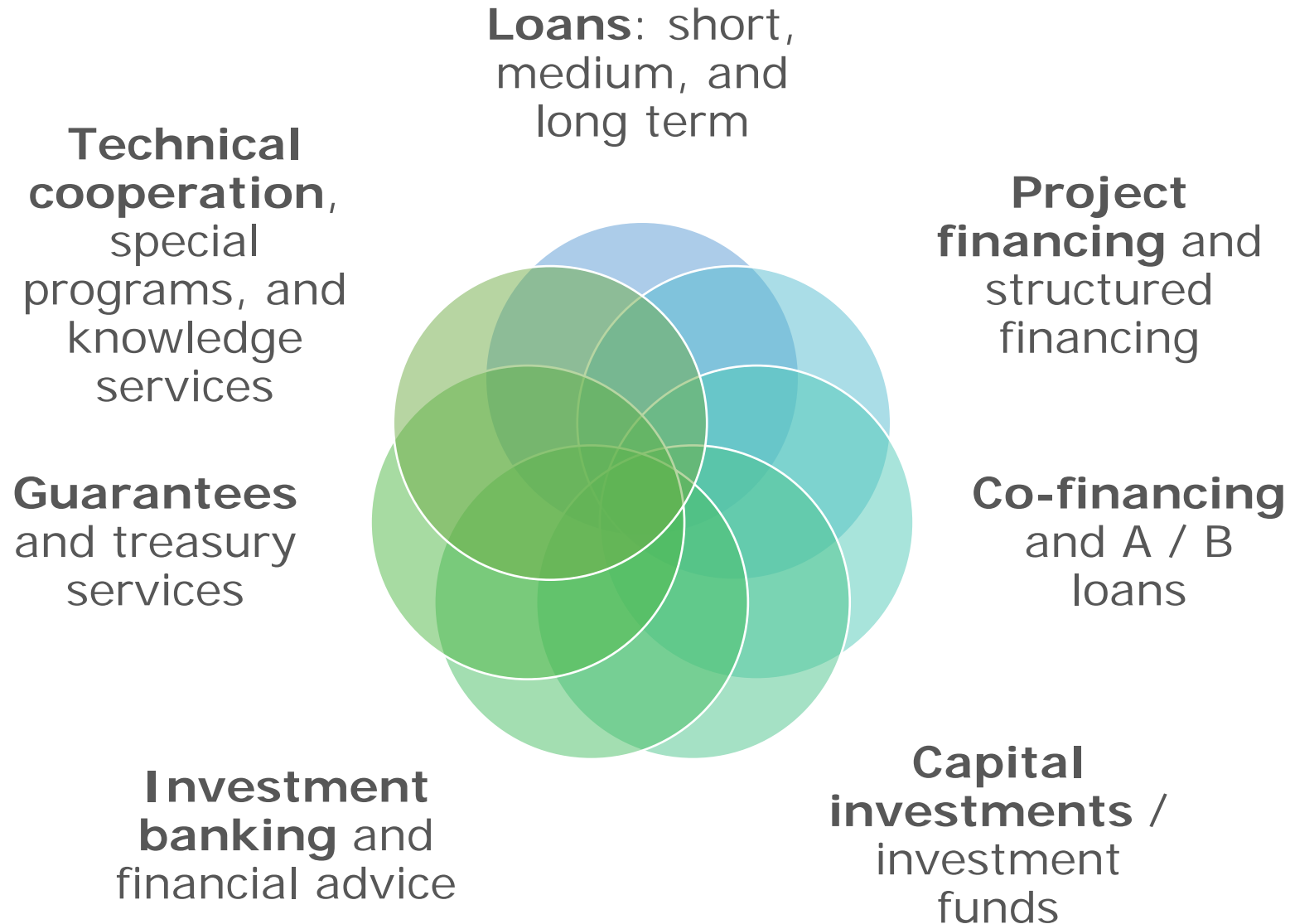
Main principles:  
**transparency and open  
competition**

International bidding and  
national bidding processes

➤ **Thresholds** for international  
bidding processes:

- **Acquisition** of goods and equipment for amounts higher than **USD 1,500,000**
- **Works** for amounts higher than **USD 6,000,000**
- **Consultancies** for amounts higher than **USD 750,000**

# Products





# Outstanding Projects

Country:

**Argentina**

Amount:

**USD 150 million**



## Renewal of the Argentinean railway system - Phase II:

*Financing the renovation of the South Belgrano Railway line*



Increasing train speed and frequency, for an annual saving in travel time of 12 million hours



12,390 travelers will benefit from new sustainable means of transportation

# Outstanding Projects

Country:

**Brazil**

Amount:

**USD 220 million**



## Construction of Line 17 of the São Paulo Subway System



184,000 travelers will  
benefit from an improved  
means of transportation

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# Chile

Amount :  
**USD 79 million**



## Atacama Solar:

*Construction, operation and maintenance of a 144 MW Solar PV Farm in the Atacama desert in northern Chile, which cost a total of USD 179,5 millions. The project aims to sell energy in the country's spot market. However Atacama expects to access PPAs throughout the project cycle*



Indirectly JP Morgan holds a  
**100% of stakes** in the project

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**30 year concession** for the 1000  
hectare construction area to boost the  
diversification of the energy matrix

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# Ecuador

Amount:

**USD 2 millon**



## Effective Conservation Project for Galapagos protected areas (Global Environmental Facility - GEF):

*Galapagos protected areas biodiversity promotion and safeguarding through sea and land threat management, strengthening Galapagos Marine Reserve monitoring, control and surveillance activities*

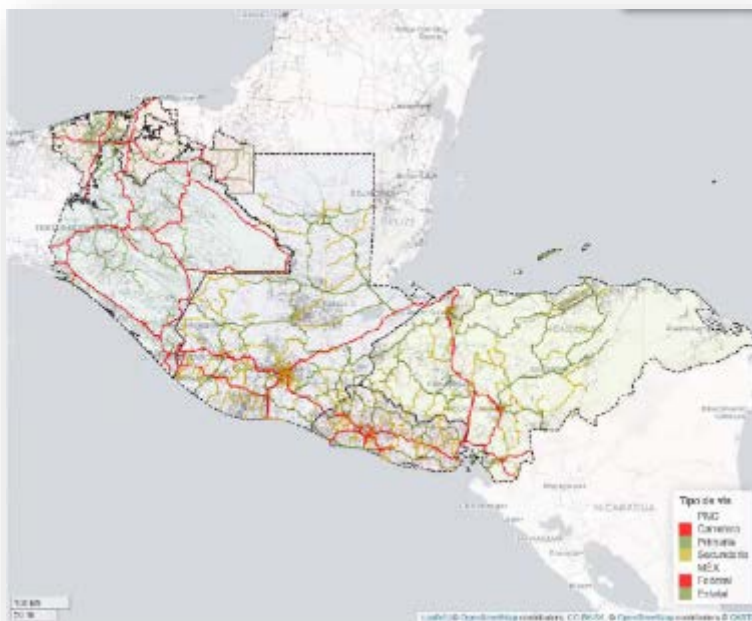
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# Mexico

Amount :

**USD 125 thousand**



## Trade Facilitation Project with Central America - CIDE:

*Development proposal for a multinational economic region consisting of: **Chiapas, Tabasco, El Salvador, Honduras y Guatemala**, with 6 concrete objectives: regional value chains, qualified human capital, intermodal transport, energy infrastructure, technified customs management and exclusive economic zone with regional cooperation mechanisms*

Roadmap construction with 164 identified projects such as: (i) multimodal terminals and logistic corridors; (ii) railway developments and extensions; and (iii) port/airport modernization





# Multinational\*

Amount :  
**USD 8.8 millon**



## Regional Programme for Local Financial Institutions (Green Climate Fund - GCF) :

*Entry barrier reduction for climate-related financing in favour of small and medium enterprises*

Promotion of the financial sector committed with the regions productive transformation and sustainability



# Paraguay

Amount :

**USD 170 million**



## Rural Electric Distribution and National Interconnected Transmission System Strengthening Programme:

*Improve the quality of electric supply in the country, as well as distribution infrastructure enhancement*



**5,259 km transmission and distribution lines** installed or rehabilitated



**2.000.000 people benefited** with new or improved energy infrastructure

# 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



**You are behind  
everything we do**

