

INTER-AMERICAN DEVELOPMENT BANK (IADB)

S&P: AAA/Stable/A-1+, Moody's: Aaa/Stable/P-1, Fitch: AAA/Stable/F1+

Overview

- Multilateral development institution/supranational established in 1959
- Headquartered in Washington, DC
- Owned by 48 sovereign shareholders
- US is the largest voting shareholder with 30.0%
- Largest non-borrowing shareholders: US (30.0%), Japan (5.0%) and Canada (4.0%)
- Largest borrowing shareholders: Brazil (11.4%), Argentina (11.4%) and Mexico (7.3%)
- Mission: To improve lives in Latin America and the Caribbean countries by supporting efforts to reduce poverty and inequality in a sustainable, climate friendly way
- Provide loans, guarantees and technical assistance to sovereign governments and non-sovereign entities (private sector corporates)
- IADB bonds are 0% risk weighted under BIS Basel II and III

Recent Development:

- In 2016 IADB's Board of Governors approved a proposal to transfer all assets and liabilities of the Fund for Special Operations (FSO) to the bank, effective Jan 1, 2017. This transfer would strengthen the Bank's financial position.
- In 2015 IADB's Board of Governors approved the consolidation of private sector activities for the IADB Group into IIC (Inter-American Investment Corporation) to maximize development impact, improve efficiencies and leverage synergies. From 2016 - 2022, IADB will cross-book private sector lending with IIC. From 2023 onwards, IADB will only lend to sovereigns. Private sector loans originated prior to 2023 shall remain on the IADB books till maturity.

Key Figures:

- Total Subscribed capital of \$170.7 bln, comprised of \$5.8 bln of paid-in capital and \$164.9 bln of callable capital
- Total Assets: \$113.3 bln with a net loan portfolio of \$81.4 bln
- Outstanding Borrowings: \$80.3 bln (before swaps basis)
- Total Equity: \$26.5 bln

Financial Strengths:

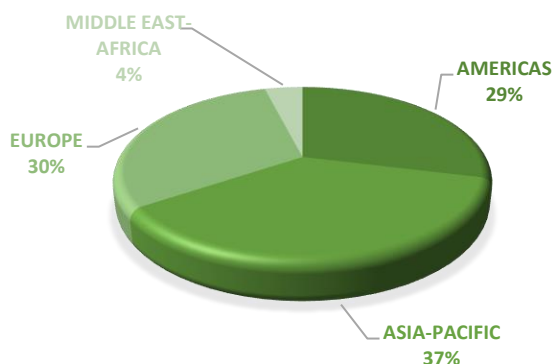
- **Solid Liquidity Holdings** sufficient to cover at least 12 months of debt repayments and expected loan disbursements
- **Excellent Loan Quality** with a fully performing sovereign loan portfolio and 0.6% of impaired loans all related to the non-sovereign guaranteed (private sector) loan portfolio
- **Conservative Financial and Risk Management Policies** which include prudent IADB borrowing capacity policy which limits

net outstanding bonds to the callable capital of the non-borrowing shareholders

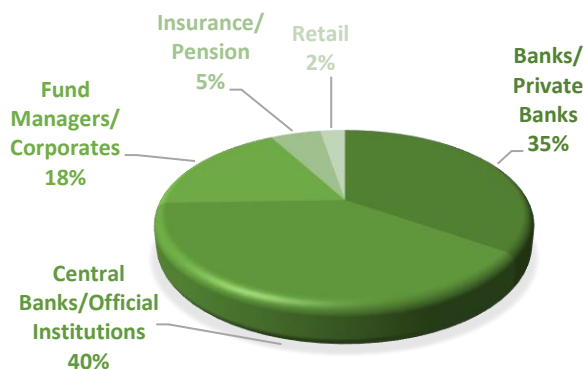
Borrowing Program

- 2017 borrowing program: \$18.5bln (2016-\$15.6bln)
- Committed to the US dollar market with issuance ranging from 1 to 30 years
- 2016 US dollar benchmark issuance:
 - \$3.50 bln of the 1.000% due May 2019
 - \$3.00 bln of the 1.875% due Mar 2021
 - \$2.10 bln of the 1.250% due Sep 2021
 - \$1.50 bln of the 2.000% due Jun 2026
- Discount Note Program in US dollars with maturities ranging up to 360 days
 - Bloomberg Page: IADN<Go>
- Historically, IADB has issued in 26 different currencies: AUD, BRL, CAD, CHF, CLP, COP, CRC, EUR, GBP, HKD, HUF, IDR, INR, ISK, JPY, KRW, MXN, NOK, NZD, PEN, PLN, RUB, TRY, TWD, USD and ZAR.

Geographic Distribution of all 2016 Bond Issues



Investor Type Distribution of all 2016 Bond Issues



All figures in this document are as of December 31, 2016 unless otherwise stated.

