

Green Bond Fact Sheet

Issuer Name: CABI		Date: 05/02/2020	
Issue date: 15-11-2019 Maturity date: 15-11-2024 Tenor: 5			
Issuer Name	CABI (Central American Bank for Economic Integration)	Amount Issued	USD375m
Country of risk	Supranational	CBI Database	Included
Issuer Type ¹	Development Bank	Bond Type	Sr Unsecured
Green Bond Framework	Link to Framework	Second party opinion	Sustainalytics
Certification Standard	Not certified	Assurance report	N/A
Certification Verifier	N/A	Green bond rating	N/A
Use of Proceeds			
<input checked="" type="checkbox"/> Energy	<input checked="" type="checkbox"/> Solar <input checked="" type="checkbox"/> Onshore wind <input type="checkbox"/> Offshore wind <input checked="" type="checkbox"/> Geothermal <input checked="" type="checkbox"/> Hydro	<input type="checkbox"/> Tidal <input checked="" type="checkbox"/> Biofuels <input checked="" type="checkbox"/> Bioenergy <input type="checkbox"/> District heating <input checked="" type="checkbox"/> Electricity grid	<input type="checkbox"/> Energy storage <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Buildings	<input type="checkbox"/> Certified Buildings <input type="checkbox"/> HVAC systems <input type="checkbox"/> Energy performance	<input type="checkbox"/> Water performance <input type="checkbox"/> Energy storage/meters <input type="checkbox"/> Other energy related	<input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Transport	<input checked="" type="checkbox"/> Electric vehicles <input checked="" type="checkbox"/> Low emission vehicles <input checked="" type="checkbox"/> Bus rapid transit <input checked="" type="checkbox"/> Passenger trains <input checked="" type="checkbox"/> Urban rail	<input type="checkbox"/> Freight rolling stock <input checked="" type="checkbox"/> Coach / public bus <input checked="" type="checkbox"/> Bicycle infrastructure <input type="checkbox"/> Energy performance	<input type="checkbox"/> Transport logistics <input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Water & wastewater	<input checked="" type="checkbox"/> Water distribution <input checked="" type="checkbox"/> Water treatment <input checked="" type="checkbox"/> Wastewater treatment <input type="checkbox"/> Water storage	<input type="checkbox"/> Storm water mgmt <input checked="" type="checkbox"/> Flood protection <input checked="" type="checkbox"/> Desalination plants <input type="checkbox"/> Erosion control <input type="checkbox"/> Energy performance	<input checked="" type="checkbox"/> Infrastructure <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience

<input type="checkbox"/> Waste management	<input type="checkbox"/> Recycling <input type="checkbox"/> Waste prevention <input type="checkbox"/> Pollution control	<input type="checkbox"/> Landfill, energy capture <input type="checkbox"/> Energy performance <input type="checkbox"/> Infrastructure	<input type="checkbox"/> Waste to energy <input type="checkbox"/> Industry: components <input type="checkbox"/> Adaptation & resilience
<input checked="" type="checkbox"/> Land use & agriculture	<input type="checkbox"/> Afforestation/parks <input checked="" type="checkbox"/> FSC Forestry <input type="checkbox"/> FSC Cellulose & paper	<input type="checkbox"/> Land remediation <input type="checkbox"/> Energy/water efficiency	<input checked="" type="checkbox"/> Sustainable agriculture <input type="checkbox"/> Adaptation & resilience
<input type="checkbox"/> Other	<input type="checkbox"/> Adaptation & resilience	<input type="checkbox"/> ICT	<input type="checkbox"/> Industry: process
Issue details			
Reporting	CABEI intends to report on the allocation and impact of the use of proceeds on a yearly basis (for the duration of the green bond) on its website.		
Company information	CABEI (Central American Bank for Economic Integration) is Central America’s multilateral development bank. Its resources are invested in projects that foster development to reduce poverty and inequality; strengthen regional integration and the competitive insertion of its member countries in the global economy; providing special attention to environmental sustainability. Its headquarters are in Tegucigalpa (Honduras) and it has regional offices in Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica and Panama.		
Firsts, records and certifications	First supranational issuance from 2019 from the Latam region.		
Proceeds description	<p>Will finance projects that contribute to the transition to a low-carbon economy and have positive environmental impact. The Framework defines eligibility criteria in four areas, with multiple sub-categories possibly being financed in each:</p> <ol style="list-style-type: none"> 1. Sustainable land use (namely forestry and agriculture) 2. Renewable energy (wind, solar, geothermal, bioenergy and hydro) 3. Sustainable water management (flood defences, water distribution and water treatment) 4. Clean transport (private transport – e.g. EVs, low-emission/hybrid vehicles – and public transport – trains, no/low-emission buses – including infrastructure services) 		
Climate Bonds view	<p>The Latam and particularly Central American green bond markets have lagged behind those of other regions in terms of issuance. However, the last year or so has been positive for the region and we expect green investment to grow robustly in order to finance much-needed sustainable infrastructure as well as agriculture, ocean-based activities and adaptation/resilience.</p> <p>CABEI’s green bond fits in with this trend and we are pleased to see the bank committed to scaling up sustainable projects in its member countries. Following a ‘thematic’ green issuance in 2016 denominated in ZAR, CABEI’s recent bond has more structure around its green credentials and we are eager to see what projects it will fund. It is also very positive to see a deal from a large public sector organisation in Central America, which could help boost and increase the visibility of the region’s market.</p>		
Underwriters			
Deal comments			
Credit Rating	Issuer rating: Standard & Poor’s (AA/stable outlook) and Moody’s (Aa3/stable outlook)		

Pricing summary	Interest spread: 85bps over 3M-LIBOR (2.37% fixed rate equivalent)
Investors summary	“Demand was driven by Asian (75%) and European (25%) investors, including Banks, SSAs/Central Banks, Asset Managers, Broker Dealers and Private Banks among others, resulting in a well-diversified/high-quality transaction.”

¹ Issuer categories: ABS, development bank, financial corporate, government-backed entity, loan, local government, non-financial corporate, sovereign