



## **Within the framework of COP16, Banco Davivienda signed an agreement with the IFC to issue a COP 210 billion biodiversity bond.**

- At the United Nations Conference on Biodiversity (COP16) in Cali, Banco Davivienda and the International Finance Corporation (IFC), a member of the World Bank Group, signed an agreement to issue a biodiversity bond, the second of its kind in the world.
- With these resources, Davivienda aims to support companies and other entities that address environmental challenges by financing projects focused on biodiversity conservation and usage, agricultural development, sustainable water management, sustainable production, circular economy, and bioenergy. The impact of these activities will be measured by performance indicators associated with the conservation and responsible use of natural resources.
- This initiative, along with the alliance with the public sector, represents a significant step toward executing projects that contribute to Colombia's biodiversity conservation.

**October 28, 2024.** During the Finance and Biodiversity Day at COP16 in Cali, a space for discussion and negotiation of the Convention on Biological Diversity (CBD) financing targets, Banco Davivienda and the IFC signed a subscription agreement to issue a Biodiversity Bond for COP 210.550.000.000 (USD 50 million equivalent) in the Colombian capital market. This bond aims to mobilize resources for projects with positive impacts on nature that protect, conserve, and restore the country's biodiversity, in alignment with Colombia's Biodiversity Action Plan to 2030.

Colombia, the second most biodiverse country in the world, hosts 10% of the world's biodiversity in only 0.7% of the earth's surface. However, its natural wealth faces significant threats affecting the national economy. Davivienda recognizes its role as a key player in preserving biodiversity by directing investments toward sustainable solutions that responsibly use natural resources and minimize the negative impact on ecosystems.

For this reason, and aligned with its commitment to making the world greener, Davivienda has designed a financial instrument to address the necessity of tackling biodiversity loss. This bond, approved by the Financial Superintendence of Colombia (SFC), has set a milestone in Colombian capital markets development toward protecting and regenerating nature.

The issuance has a four-year term and will mobilize resources for projects aimed at the conservation, management, and sustainable use of natural forests through the adoption of practices for restoring degraded soils, implementing wastewater treatment systems, and conserving and restoring wetlands and marine areas, among other things.

The structuring process for this issuance included a second opinion from Standard & Poor's



(S&P) and expert guidance from the IFC in defining the categories, eligibility criteria, and indicators to identify and measure these projects' impact on biodiversity.

Javier Suárez Esparragoza, president of Banco Davivienda, said during the signing of the agreement: *“At Davivienda, we support and encourage our clients to adopt agricultural practices that promote reforestation, the use of biological alternatives for crop nutrition, the protection of native species and climate resilience with nature-based solutions. With the first biodiversity bond, Davivienda will finance projects with agro-sustainable certifications that, in terms of biodiversity, limit land use change, conserve sensitive ecosystems and protect wildlife. Additionally, as part of our commitment to the region and country’s goals, in alliance with the Ministry of Environment and Sustainable Development, we will aim to allocate at least 10% of these resources to mangrove restoration in the Pacific and potentiate local community development.”*

Davivienda has mobilized over COP 1.5 trillion in projects with biodiversity benefits related to water management, sustainable agriculture, and bioenergy. Out of these resources, close to COP 1 trillion have been mobilized to sustainable agriculture with internationally endorsed certifications. As of June 2024, Banco Davivienda's consolidated sustainable loan portfolio reached a balance of COP 18.8 trillion, growing by 25% annually and accounting for 13.4% of the total portfolio: a significant achievement towards the goal of having 30% of Davivienda’s loan portfolio to be sustainable by 2030.

Alfonso Garcia Mora, IFC Vice President for Europe, Latin America and the Caribbean, said: *“IFC and Davivienda have a long history of working together to promote sustainability in Colombia. This investment in the biodiversity bond aims to increase access to financial resources for activities that conserve, restore, and protect Colombia’s biodiversity. We proudly support Davivienda in this pioneering initiative and reaffirm our commitment to sustainable development and environmental protection in Colombia”.*

This transaction reflects that rather than having an individual sustainability strategy, Davivienda’s business strategy is sustainable.

#### **About Davivienda**

*At Davivienda we believe in a financial world that simplifies life for people, communities, businesses, and cities. As a result, today we are a team of over 18,000 people in Colombia, Panama, Costa Rica, Honduras, El Salvador and Miami, innovating, investing in knowledge, talent, and technology, partnering and seeking best practices worldwide. We do all this to give everyday solutions and exclusive offerings to more than 24.3 million customers, supporting financial inclusion and sustainable development. We are currently the second largest bank by portfolio in Colombia\*, with a network of over 660 branches and more than 2,800 ATMs in Colombia and our international subsidiaries. We are proud to be one of the companies of Grupo Bolívar. \*Financial Superintendence of Colombia.*

#### **About the International Finance Corporation (IFC)**

*IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in emerging markets. They work in more than 100 countries, using their capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2024, IFC committed a record \$56 billion to private companies and financial institutions in developing countries, leveraging private sector solutions and mobilizing private capital to create a world free of poverty on a livable planet.*