What does it mean for a bank to transform to green?

Taking action to the unnoticed major disruption of the banking sector:

**Climate Change**

- **Risks**
  - Reduce coal exposure and other climate and E&S risks down to zero

- **Opportunities**
  - Increase climate related lending to 30% by 2030

---

[GBAC Green Banking Academy]
[International Finance Corporation]
[World Bank Group]
From IFC we support financial institutions in their transformation towards green banking

...integrating 4 dimensions:

- Eco-efficiency
- Environmental Risk Management
- Green Products and Services
- Green Strategic Commitment

The Green Banking Journey
Green business is a cross-cutting opportunity for banks

- **Green Strategic Commitment**
  - Green Products & Services
    - Assets
    - Liabilities
    - Non-financial Services
  - Environmental Risk Management
  - Internal & Value Chain Eco-efficiency

- Better reputation
- More business, More clients
- Less risk
- More Efficiency

[GBAC Green Banking Academy] [World Bank Group]
Knowledge initiative to accelerate the green transformation of banking, strengthening its business and contributing to a more sustainable world.

https://www.youtube.com/watch?v=5_FSfcSopak
IFC - GBAC (Green Banking Academy): Knowledge initiative to complement IFC AS & IS

“From climate finance experts for commercial bankers to transform banking”

**Vision**
Knowledge sharing initiative to accelerate the green transformation on banking, strengthening its business and contributing to a more sustainable world.

**Value proposition**
Integral educational solutions tailored to all the professionals in a bank, from top to bottom.

**Attributes**
- Innovative: 100% focus on Green Banking
- Transformative: Promotes a more sustainable world through green business
- Integral & tailor-made: Every role, with its solution & format
- Open: Aggregates new contents and partners
- Quality: Leading allies

In alliance with:
- Business school
  - Fundamentals of Green Banking
- Technical school
  - Technical knowledge & expertise
- Banking Associations
  - Business development & industry access
The value proposition of the IFC-GBAC (Green Banking Academy)

<table>
<thead>
<tr>
<th>Target Audience</th>
<th>Role Regarding Green Business</th>
<th>Training Focus</th>
<th>Offering</th>
<th>Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>President /CEO</td>
<td></td>
<td></td>
<td>Strategic</td>
<td>Conferences &amp; Round Tables</td>
</tr>
<tr>
<td>Senior Management C-level</td>
<td></td>
<td></td>
<td>Customized Training &amp; Advisory</td>
<td>Customized Workshops</td>
</tr>
<tr>
<td>Middle Management, Relationship Management, Product Specialist, Sales Force</td>
<td></td>
<td></td>
<td>Specialized Training &amp; Advisory</td>
<td></td>
</tr>
<tr>
<td>All Employees of the Bank Open Market</td>
<td></td>
<td></td>
<td>On-line Pills &amp; Webinars</td>
<td></td>
</tr>
</tbody>
</table>

**Training Focus**
- **Strategic**
- **Technical**
- **Green Culture**

**Offering**
- Conferences & Round Tables
- Customized Training & Advisory
- Specialized Training & Advisory
- On-line Pills & Webinars

**Format**
- Customized Workshops
IFC GBAC: Knowledge and sensitizing offering

Customized training: Specialized workshops and sensitizing plans

- Identification, diagnostic and definition of training needs
- Massively sensitizing plans
- Short on-line courses development to sensitize all the bank’s employees in knowledge pills format
- Green Banking 101: Initial sensitizing and Green Finance co-creation
- Green Banking for Corporate, Business, SME and Retail banking segments
- Green Bonds and Green Capital Markets
- Digital Green Banking
- Energy Efficiency (EE) and Renewable Energy (RE)
- Climate-Smart Agriculture
- Transport and Sustainable Mobility
- Green Buildings & EDGE certification
- Green Project Finance & Infrastructure
- Climate Risk, TCFD and ESG alignment

Standardized training & scholarships

- Access to +300 on-line courses available at the World Bank Group OLC (Open Learning Campus) Platform
- RENAC Online & blended training on EE and RE, and Delegation Tours and Train-the-Trainees programs in Berlin. Offered in scholarship format for Central-America, Colombia & Peru
- Green Finance Specialization Program in Universidad Javeriana (Colombia)
- Sustainable Project Finance (BEEL Infrastructure Partners)

CUSTOMIZED TRAINING: All IFC-GBAC training courses can be tailored for you to meet your specific training requirements and objectives. Delivery options include digital and face-to-face learning.
Creating Green Markets: IFC-GBAC aims to become the leading “Think Tank” on Green Banking
Our offering

ICF-GBAC Deliverables

- **Green Banking Scholarship Program**
  - March 2019

- **Green Banking Leadership roundtable**
  - Fall 2019

- **Green Banking Certificate**
  - 2020

New allies

- **New alliances pipeline**
  - 2020

Green Finance Economics & Legal Face-to-face diploma
2nd cohort

Supported by:

- Federal Ministry for the Environment, Nature Conservation and Nuclear Safety
- International Climate Initiative (IKI)
- renac renewables academy
- FELABAN
- IDOM
- BEEL
- Stockholm School of Economics

Based on a decision of the German Bundestag
**IFC GBAC RENAC Scholarships:**
Strong interest from commercial banks to dive into the green finance space

<table>
<thead>
<tr>
<th>First Cohort - 2019</th>
<th>Second and Third cohorts (2020-2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>8</strong> Countries</td>
<td>Remaining scholarships</td>
</tr>
<tr>
<td><strong>USD 384,000</strong></td>
<td><strong>245</strong></td>
</tr>
<tr>
<td><strong>178</strong> Number of allocated scholarships</td>
<td><strong>USD 1.9 million</strong> Remaining value of scholarships offered</td>
</tr>
<tr>
<td><strong>42%</strong> Women professionals</td>
<td></td>
</tr>
<tr>
<td><strong>112</strong> Scholarships for bankers</td>
<td></td>
</tr>
<tr>
<td><strong>53</strong> Commercial banks</td>
<td></td>
</tr>
<tr>
<td><strong>5.1x</strong> Oversubscription</td>
<td></td>
</tr>
<tr>
<td><strong>27%</strong> of demand served</td>
<td></td>
</tr>
</tbody>
</table>

Most of applications received were originated by IFC-GBAC & allies (FELABAN, banking associations)

Commercial banks (9% of the banking sector in LAC)
IFC:FIG Climate full value proposition for greening the banks

Green Banking Transformation Journey: From Vision to Green DNA

1. Building Green Vision
   - Strategic reflection and initial diagnosis
   - Stakeholder analysis
   - High level business case
   - Defining green business appetite

2. Defining Green Model
   - Deep-dive diagnosis (ASIS)
   - Business Model definition (TOBE)
   - Action Plan (GAPS)
   - Green Balanced Scorecard
   - Deep Green Business Case

3. Implementing Green Model
   - Green Transformation Plan
   - Green PMO
   - Certifications
   - Appraisals
   - Green projects feasibility studies
   - Trainings

4. Transforming bank’s DNA to green
   - Specialist Program
   - Green Banking Certificate

Target
- Chairman / CEO / Board
- C-level executives
- Middle Management / Specialists / Sales Force
- Bank staff overall

Advisory
- 1.1 Strategic reflection and initial diagnosis
- 1.2 Stakeholder analysis
- 1.3 High level business case
- 1.4 Defining green business appetite

Knowledge
- • Leadership roundtables
- • Green Labs
- • Customized knowledge

Investment
- Investment preparation phase

IFC’s Climate Finance Program:
- Green Bonds, Green Loans, Green Equity, Guarantees, Structured products, Mobilization, Green Trade Finance
## IFC GBAC: Strategic consulting services

### Strategic Consulting in Green Banking

Customized to the client and its market context.

### Green Vision & Strategy
- Green vision and appetite definition
- Climate finance strategy definition and design
- Green finance strategic positioning
- Climate finance organization model and governance
- International frameworks & methodologies alignment
- Alignment workshops with Board & Top-level Executives
- Stakeholder alignment and participation in the climate change working groups

### Green Business

#### Institutional Banking
- Green Business alignment to corporate strategy
- Green Business Framework
- Green Assets Taxonomy
- Green segmentation
- Diagnostic, positioning, competitive analysis and benchmarking
- Identification & analysis of existing green portfolio
- Opportunity sizing and market studies
- Green Business Case definition
- Green Products & Services design and support of implementation and communication
- Green Commercial Model design
- Support in the Green Bond issuance process

#### Corporate & Investment Banking
- Green vision and appetite definition
- Climate finance strategy definition and design
- Green finance strategic positioning
- Climate finance organization model and governance
- International frameworks & methodologies alignment
- Alignment workshops with Board & Top-level Executives
- Stakeholder alignment and participation in the climate change working groups

#### Business & SME Banking
- Environmental & Social policies alignment
- Green portfolio exposure measurement
- Scenario analysis & climate risk stress-testing
- TCFD & regulatory alignment

#### Retail Banking
- Definition of eco-efficiency plans
- Internal policies design
- Implementation support

### Climate & Environmental Risks
- Green Business alignment to corporate strategy
- Green Business Framework
- Green Assets Taxonomy
- Green segmentation
- Diagnostic, positioning, competitive analysis and benchmarking
- Identification & analysis of existing green portfolio
- Opportunity sizing and market studies
- Green Business Case definition
- Green Products & Services design and support of implementation and communication
- Green Commercial Model design
- Support in the Green Bond issuance process

### Eco-Efficiency
- Definition of eco-efficiency plans
- Internal policies design
- Implementation support
FIG AS LAC Climate Finance Team

**Design & Execution Team**

- **Marcela Ponce**
  Climate Finance Lead LAC
  cponce@ifc.org
  Bogotá

- **Luis Fuente**
  Associate Operations Officer
  lfuenteterruga@ifc.org
  Bogotá

- **Agustín Figueroa**
  Consultant
  jfigueroa1@ifc.org
  Madrid

- **Carlos Serrano**
  Climate Finance Business Development Lead LAC
  cserrano1@ifc.org
  Ciudad de Mexico

- **Daniela Velandia**
  Associate Investment Officer
  dvelandiagodoy@ifc.org
  Ciudad de Mexico

- **Lorena Rodriguez**
  Operations Analyst
  lrodriguezorjuel@ifc.org
  Bogotá

**Management Team**

- **Alzbeta Klein**
  Director
  Climate Business Global
  aklein@ifc.org
  Washington D.C.

- **Peer Stein**
  Senior Adviser
  FIG Climate
  pstein@ifc.org
  Washington D.C.

- **Liliana Pozzo**
  Advisory Services Head
  LAC&ECA
  lpozzo@ifc.org
  Bogotá
Why IFC?
### IFC experience in Latin America and the Caribbean

In Latin America and the Caribbean, around USD 3 billion portfolio in 17 countries

#### Investment and Advisory in Climate Finance

<table>
<thead>
<tr>
<th>Bank</th>
<th>Country</th>
<th>Portfolio Size</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banco Atlántida</td>
<td>Perú</td>
<td>USD 50 Millones</td>
<td>2012</td>
</tr>
<tr>
<td>Banco Caixa Geral</td>
<td>Brasil</td>
<td>USD 104 Millones</td>
<td>2017</td>
</tr>
<tr>
<td>Multibank</td>
<td>Panamá</td>
<td>USD 10 Million</td>
<td>2014</td>
</tr>
<tr>
<td>Banco Consorcio</td>
<td>Chile</td>
<td>USD 30 Millones</td>
<td>2015</td>
</tr>
<tr>
<td>Bancolombia</td>
<td>Colombia</td>
<td>USD 115 Millones</td>
<td>2016</td>
</tr>
<tr>
<td>Banco Pichincha</td>
<td>Ecuador</td>
<td>USD 55 Millones</td>
<td>2016</td>
</tr>
<tr>
<td>Société Generale</td>
<td>Brasil</td>
<td>USD 62.7 Millones</td>
<td>2017</td>
</tr>
<tr>
<td>EPSA</td>
<td>Colombia</td>
<td>USD 147 Millones</td>
<td>2017</td>
</tr>
<tr>
<td>FHipo</td>
<td>México</td>
<td>USD 104 Millones</td>
<td>2017</td>
</tr>
<tr>
<td>Banco Internacional</td>
<td>Ecuador</td>
<td>USD 30 Millones</td>
<td>2018</td>
</tr>
<tr>
<td>Banco Galicia</td>
<td>Argentina</td>
<td>USD 100 Millones</td>
<td>2018</td>
</tr>
<tr>
<td>Banco Itaú</td>
<td>Argentina</td>
<td>USD 50 Millones</td>
<td>2018</td>
</tr>
<tr>
<td>Banco Lafise</td>
<td>Nicaragua</td>
<td>30 Millones</td>
<td>2017</td>
</tr>
<tr>
<td>Mercon</td>
<td>Honduras, Nicaragua, Guatemala</td>
<td>USD 40 Millones</td>
<td>2018</td>
</tr>
<tr>
<td>Itaú Corpbanca</td>
<td>Colombia</td>
<td>USD 40 Millones</td>
<td>2018</td>
</tr>
<tr>
<td>Davivienda</td>
<td>Colombia</td>
<td>USD 150 Millones</td>
<td>2017</td>
</tr>
<tr>
<td>Bancamia</td>
<td>Colombia</td>
<td></td>
<td>2015</td>
</tr>
<tr>
<td>Multibank</td>
<td>Panamá</td>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Bancoldex</td>
<td>Colombia</td>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Banco Galicia</td>
<td>Argentina</td>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>CMF</td>
<td>Argentina</td>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Banco Pichincha</td>
<td>Ecuador</td>
<td></td>
<td>2018</td>
</tr>
<tr>
<td>Banco Fassil</td>
<td>Bolivia</td>
<td></td>
<td>2019</td>
</tr>
</tbody>
</table>
Green Bonds Financial Institutions in Latin America

- **Bancolombia**
  - Green Bond
  - COP 350.000 million
  - USD 115 million
  - December 2016
  - Colombia

- **DAVIVIENDA**
  - Green Bond
  - COP 433.000 million
  - USD 150 million
  - April 2017
  - Colombia

- **Galicia**
  - Green Bond and framework development
  - USD 100 million
  - April 2018
  - Argentina
Strong portfolio of Green Buildings Advisory in the region

- Mexico
- Guatemala
- El Salvador
- Panama
- Colombia
- Ecuador
- Brazil
- Bolivia
- Colombia
- Ecuador
- Brazil
- Bolivia
<table>
<thead>
<tr>
<th>Context</th>
<th>Project objectives</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>• High climate risk in the region</td>
<td>• Identification of investment opportunities in the agri-food segment, through energy audits to a sample of customers</td>
<td>• Sales force prepared to identify climate smart agri opportunities</td>
</tr>
<tr>
<td>• Economic consequences of climate change require to increase resilience in bank clients' customers</td>
<td>• Sensitization of the commercial network and with the Bank’s clients on the climate-smart agri opportunity</td>
<td>• Intent to redefine value proposition in agriculture with a sustainable component</td>
</tr>
<tr>
<td>• Good positioning of the bank in the agribusiness segment, with the intention of launching “green credit” lines</td>
<td>• Road map to strengthen the Bank’s green portfolio</td>
<td>• New investment opportunities identified</td>
</tr>
</tbody>
</table>
Colombia
Eco-efficiency project in corporate buildings

Context
- Colombia COP21: GHG reduction by 20% until 2020
- Bank oriented to develop a portfolio of green investments and reduction of carbon footprint

Project objectives
- Support the Bank to establish an Efficiency program in the use of energy, water and resources for its offices nationwide
- Methodologies for quantifying energy savings
- Identification of EE measures

Results
- Support in the definition of sustainability objectives
- Reduction of operating costs of the Bank associated with more efficient operations
Ecuador Sustainable Construction Strategy

Context

- COP 21: GHG reduction of 25% by 2030
- Bank in need of boosting the developer/construction portfolio in Ecuador
- Previous Bank projects with IFC: eco-efficiency, green business, Ecological Credits program

Project objectives

- Support the Bank to strengthen its green business and facilitate the issuance of a green bond in the medium term
- Boost the green developer-builder business of the Bank in the commercial and risk areas

Results

- Streamline the Bank's climate sustainability strategy by launching new green products
- Promotion of the green value proposition and its risk model in the developer-builder business
Argentina
Green project pipeline & green bond framework

Context

• Leading bank in the Argentine market with the intention of positioning itself as a leader in sustainability through the issuance of a green bond
• IFC previously collaborated with the bank in identifying opportunities in Climate Smart Agriculture

Project Objectives

• Identify green project pipeline in the existing portfolio, and potential improvements in their organization and processes to prepare the bank to issue a green bond
• Structure a framework for green bond issuance

Results

• IFC-Banco: Long-term financing, with a loan in 2010 and in 2016
• Financing for EE and ER projects with Green House Gas impact
• First green bond by a private bank in Argentina
Disclaimer

The information contained in this presentation is exclusive property of IFC and therefore requires confidential treatment.

It is prohibited the total or partial reproduction of this document, as well as its sending to third parties, by any means or procedure, without having the prior, express and written authorization of IFC.