



# Local Currency Lessons

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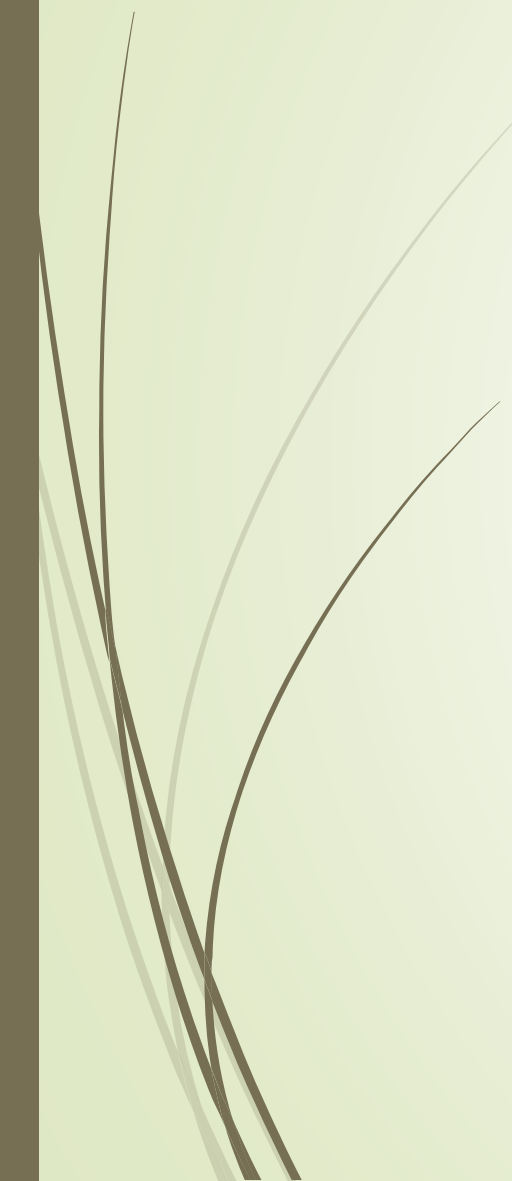


# Currency risk

- Why?
- Who?
- How?
- How much?



# Hedging Techniques

- Issue bonds
  - Swaps (& other derivatives...)
  - Guarantees
- 

# SWAP Reality

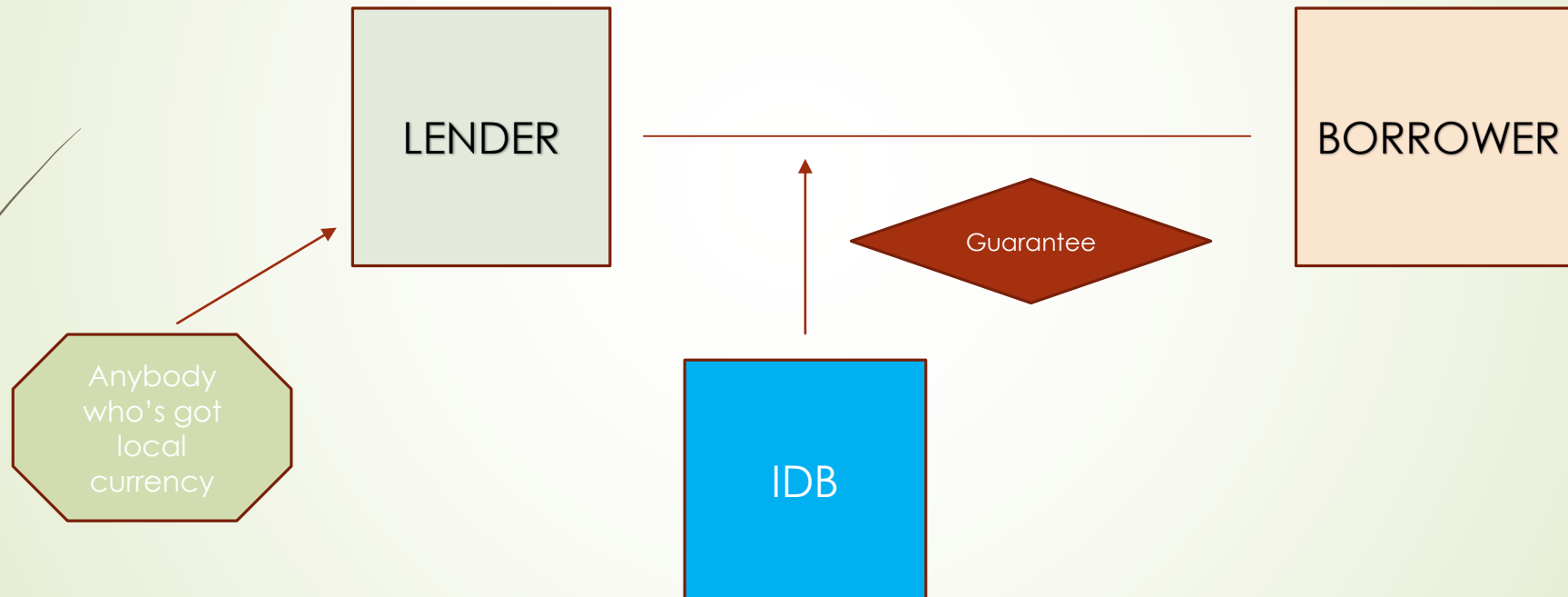
<b>Cross-currency Offshore* Swap Maturities</b>	
<b>Currency</b>	<b>Maturity (years)</b>
BRL	25
CLP	20
COP	25
MXN	30 **
PEN	10
<b><i>Illiquid/Frontier Currencies***:</i></b>	
UYU	16
CRC	10
JMD	10

\* Settlement currency is USD, except for MXN

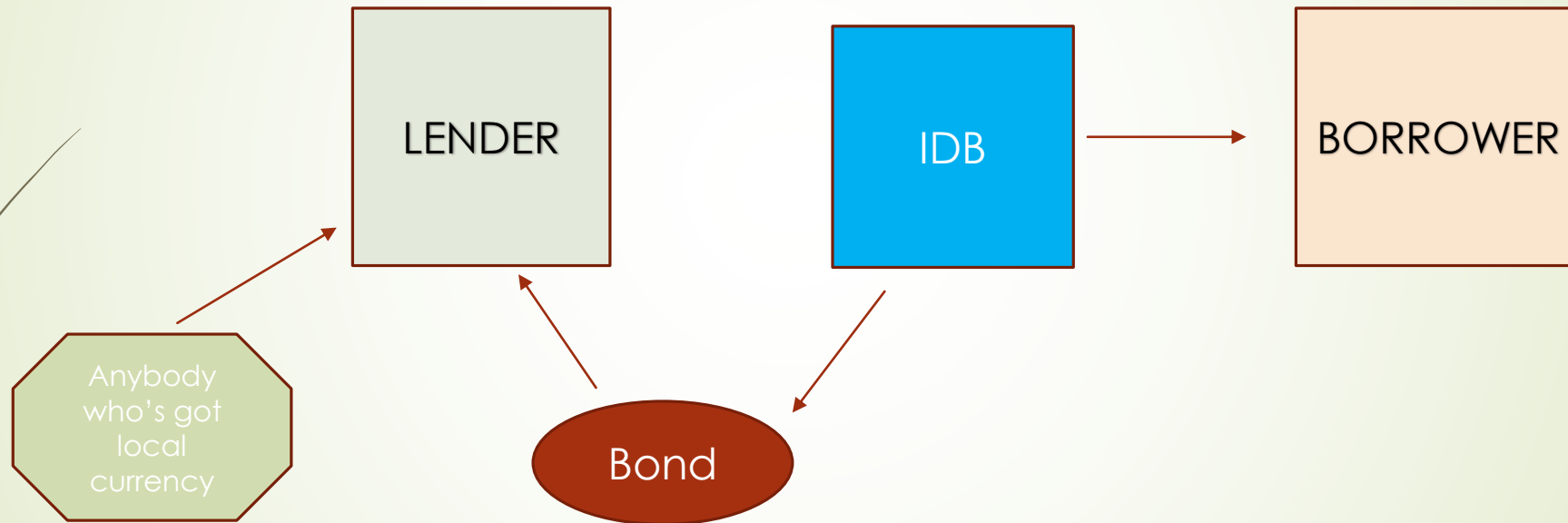
\*\* Maximum maturity for IDB INV loans is 25 yrs

\*\*\* Maturities of tailor-made operations we have executed for illiquid currencies as of May 2019 and may vary depending on market availability

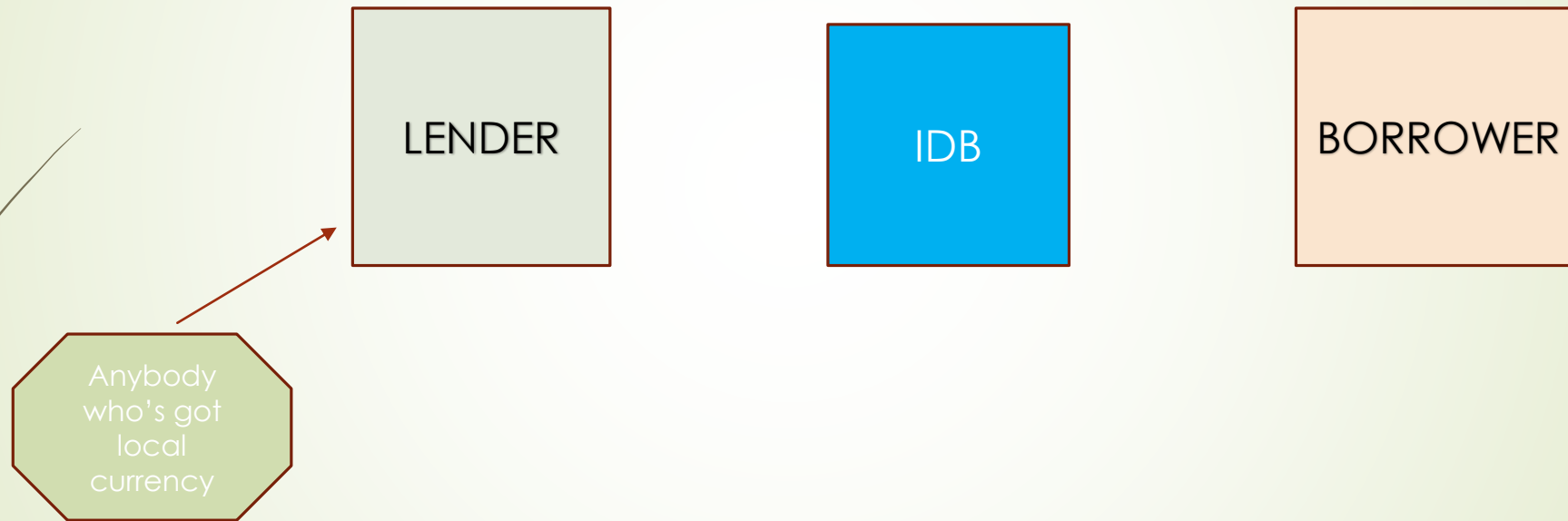
# Guarantee Structure




# Alternative Structure: Bond



# Guarantee Structure: Back to back (scratch my back, I'll scratch yours)





Moral (-eja)

