

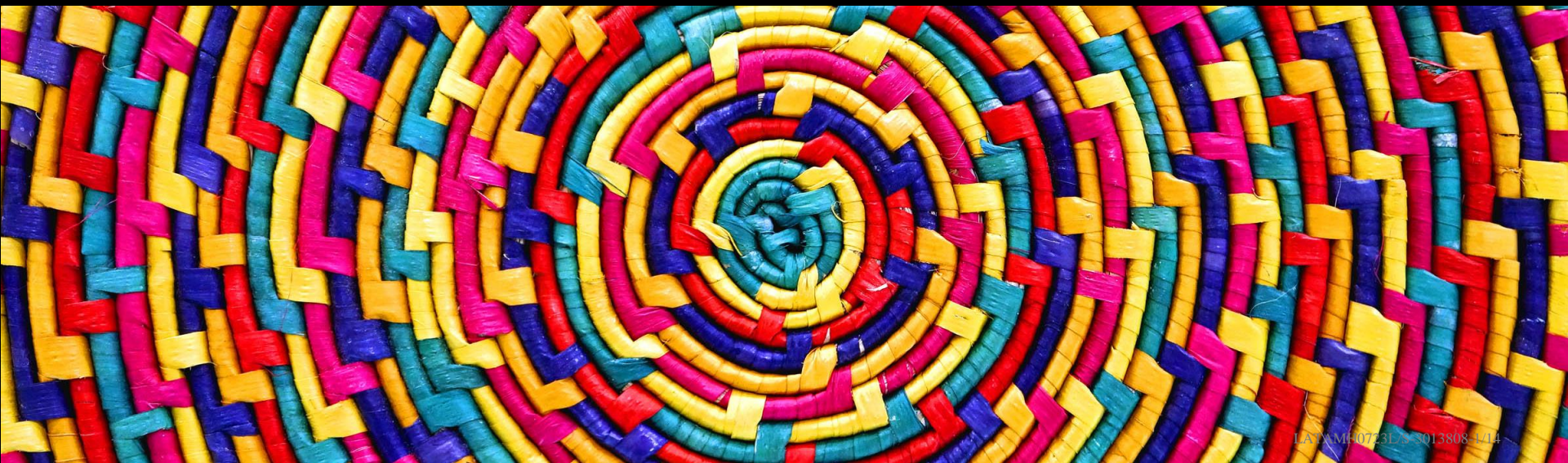
Diego Mora

Head of Colombia, Central America and Peru

July 25th, 2023

BlackRock

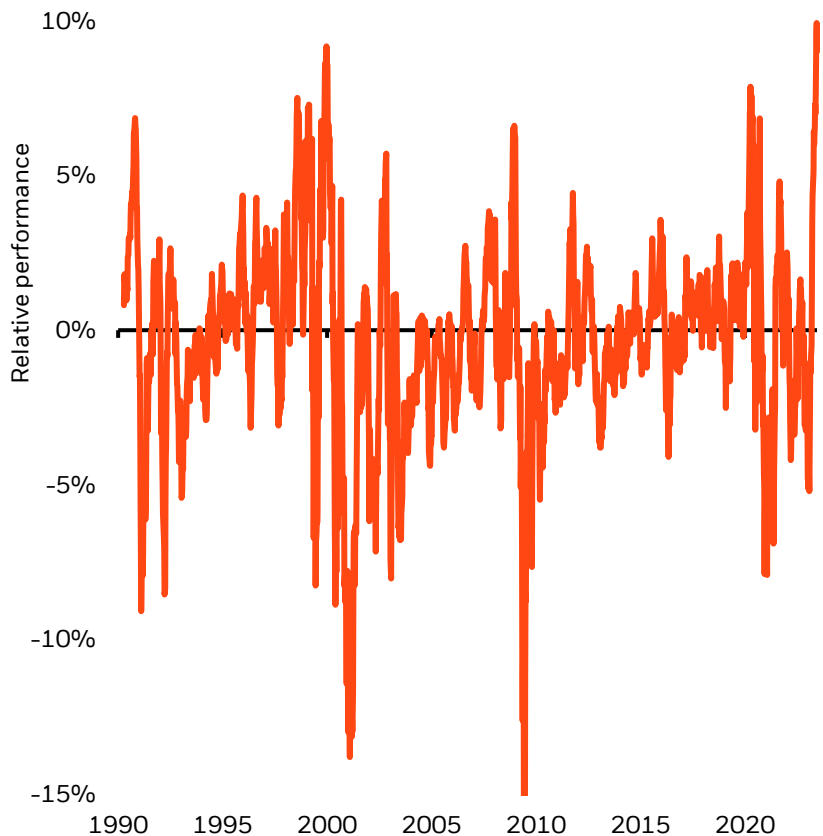
Perspectives for Colombia



2023 midyear outlook

The new regime rolls on...

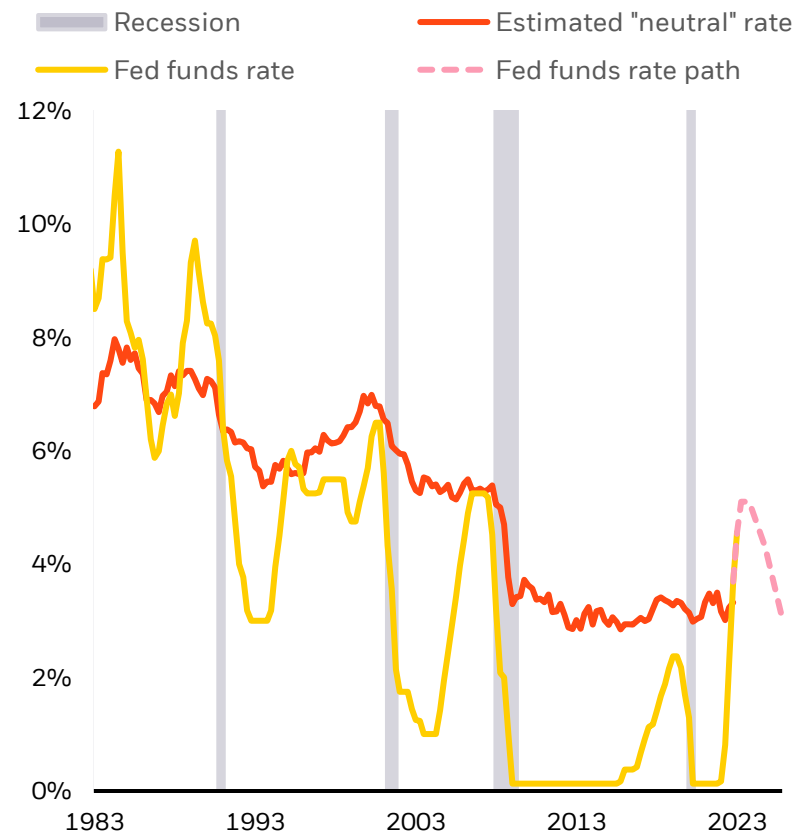
S&P market cap vs. equal weight index



Source: BlackRock Investment Institute. <https://www.blackrock.com/us/individual/insights/blackrock-investment-institute/outlook>

...while central Banks hold tight

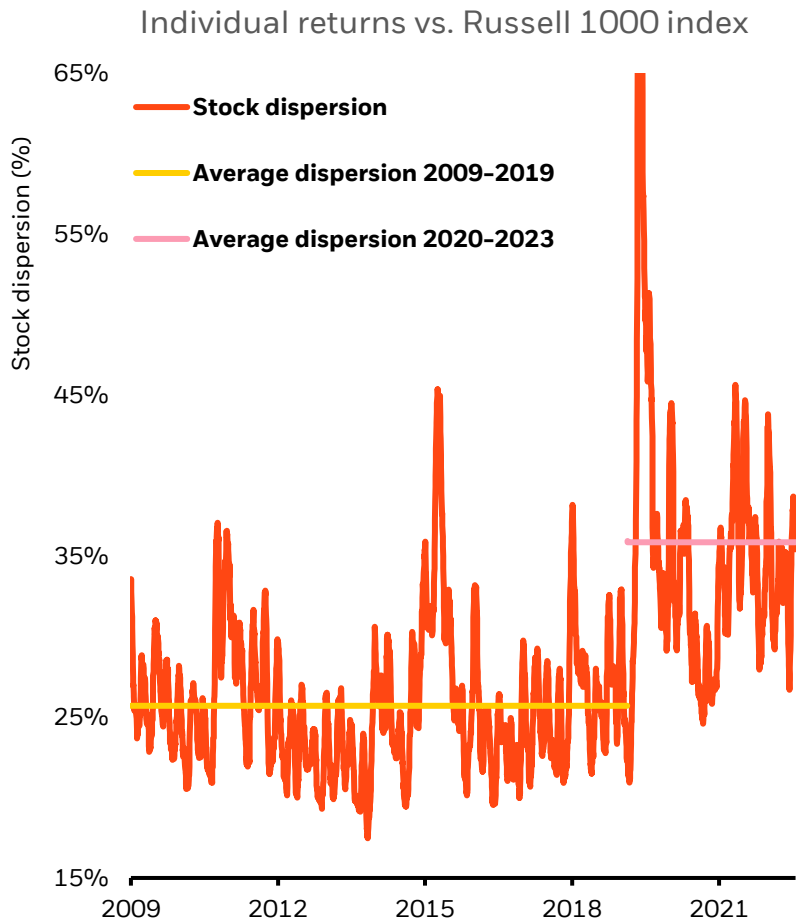
U.S. Fed policy rate vs. Neutral rate estimate



Source: BlackRock Investment Institute. <https://www.blackrock.com/us/individual/insights/blackrock-investment-institute/outlook>

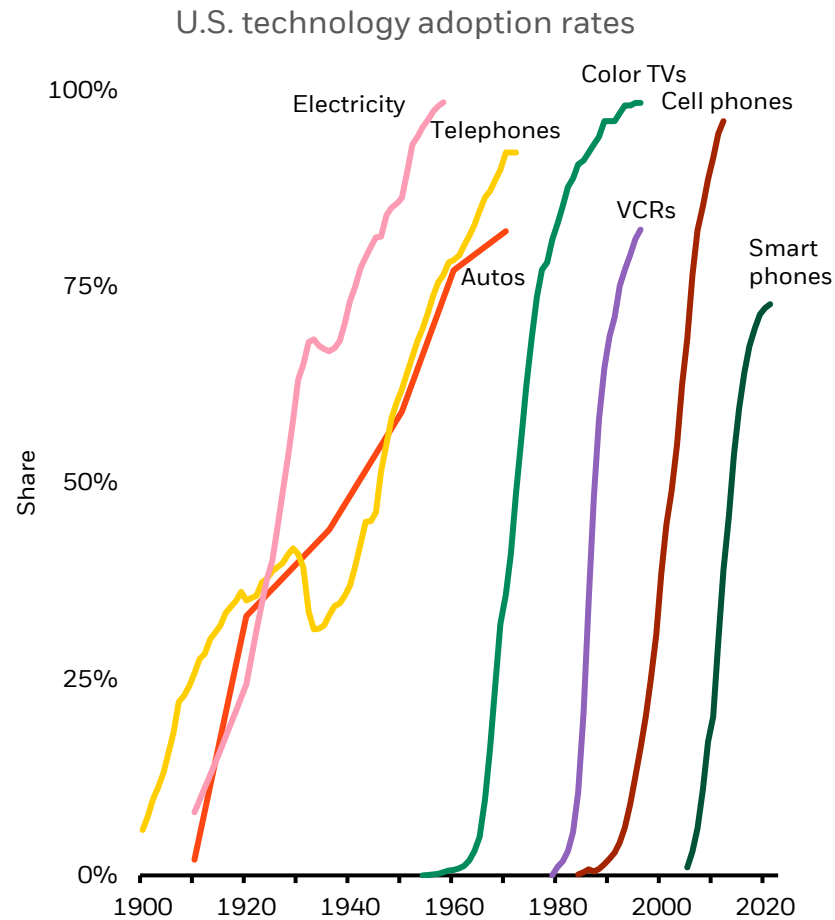
2023 midyear outlook

Time to pivot to new opportunities...



Source: BlackRock Investment Institute. <https://www.blackrock.com/us/individual/insights/blackrock-investment-institute/outlook>

...and harness mega trends



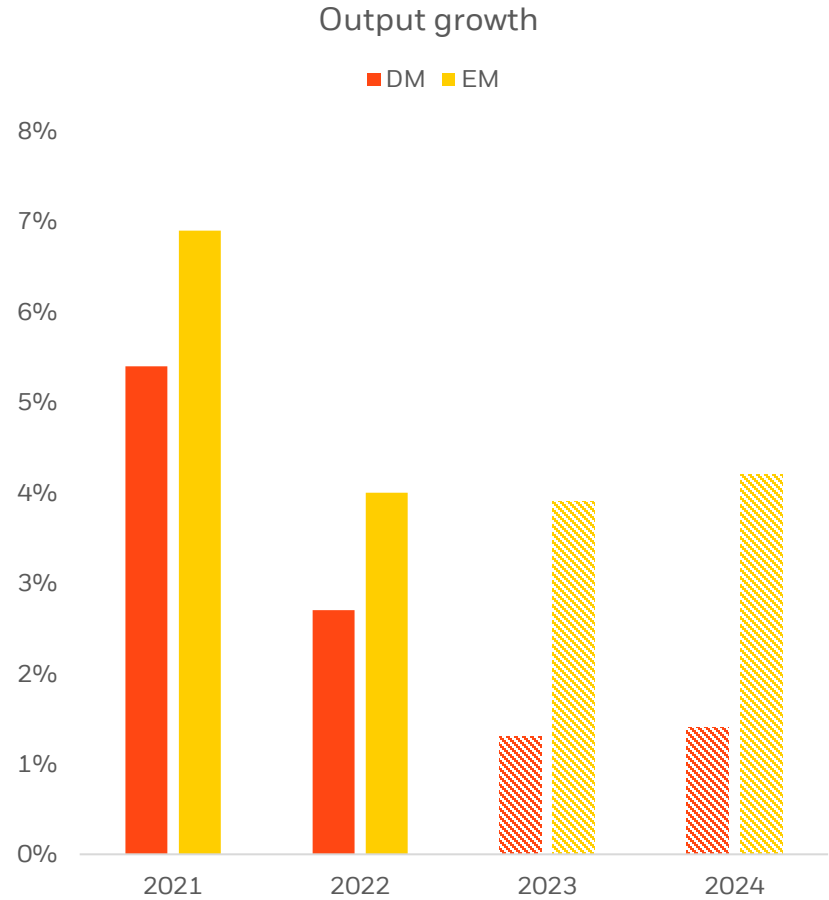
Source: BlackRock Investment Institute. <https://www.blackrock.com/us/individual/insights/blackrock-investment-institute/outlook>

Emerging Markets Outlook



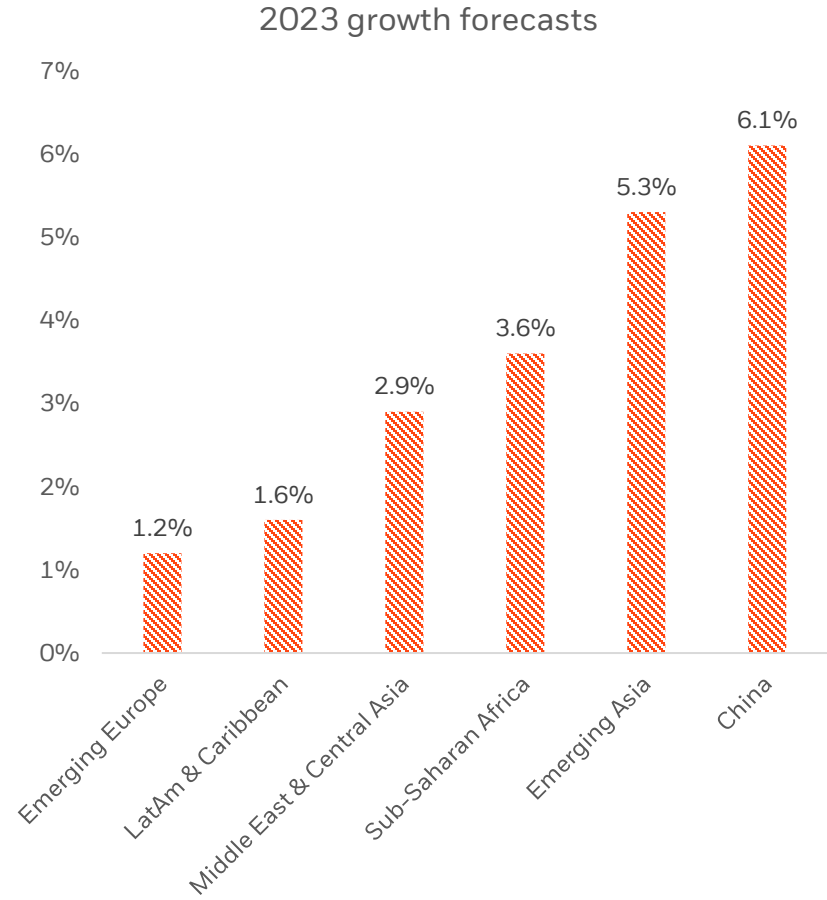
Broad outlook

Growth dynamics seem more favourable for EM...



Source: BlackRock. International Monetary Fund.
<https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>
 DM: Developed markets; EM: Emerging markets

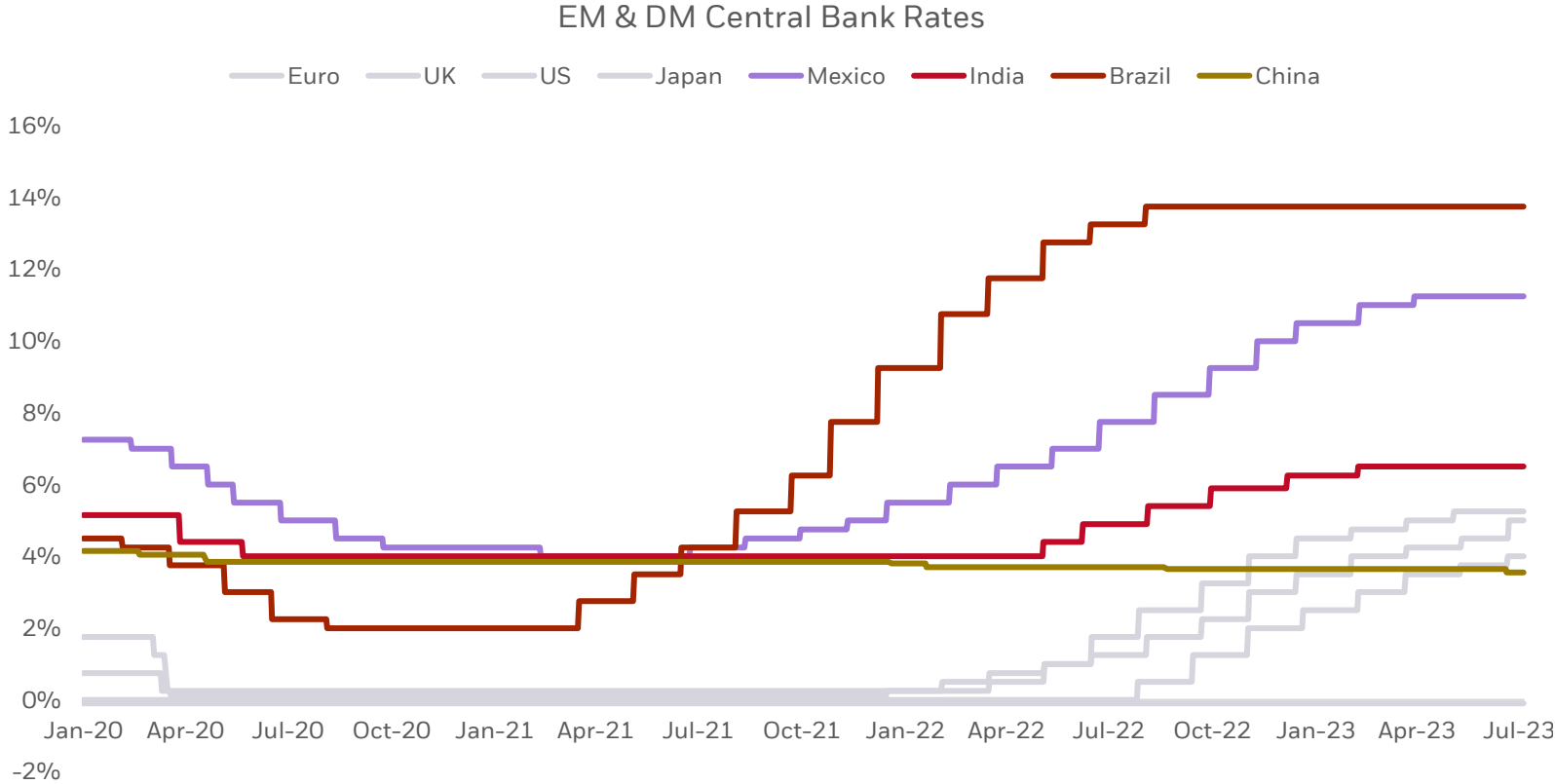
... but with differences within the group



Source: BlackRock. International Monetary Fund.
<https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

Broad outlook

EM Central Banks began tightening sooner with China even loosening now



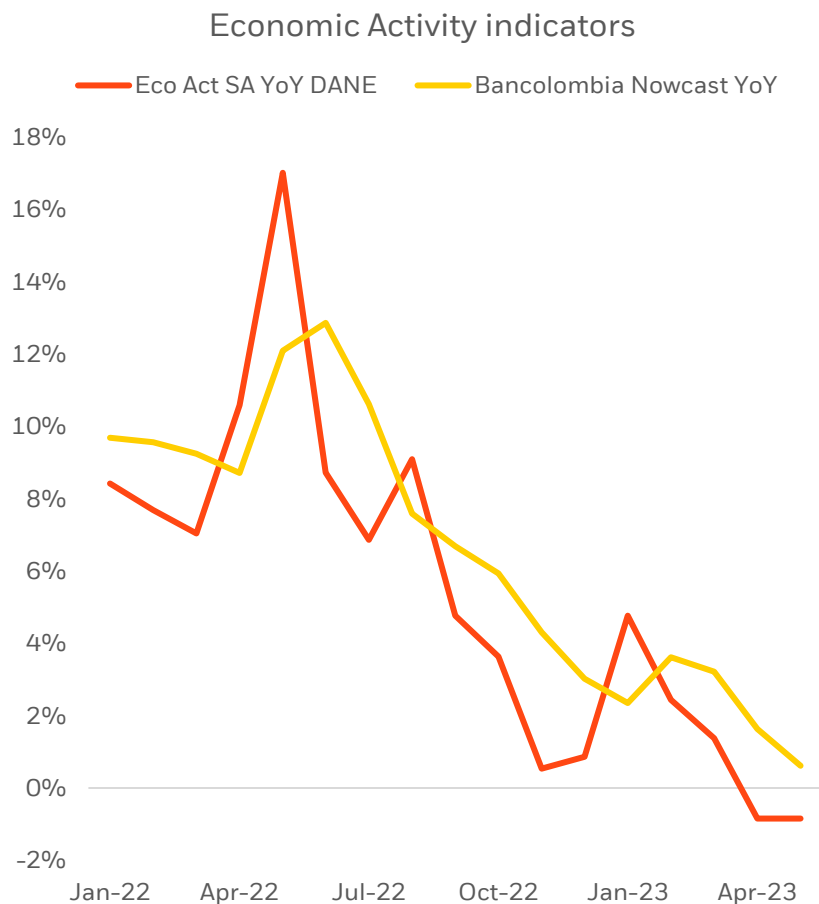
Source: Bloomberg as of July 18th, 2023.

Bringing it home



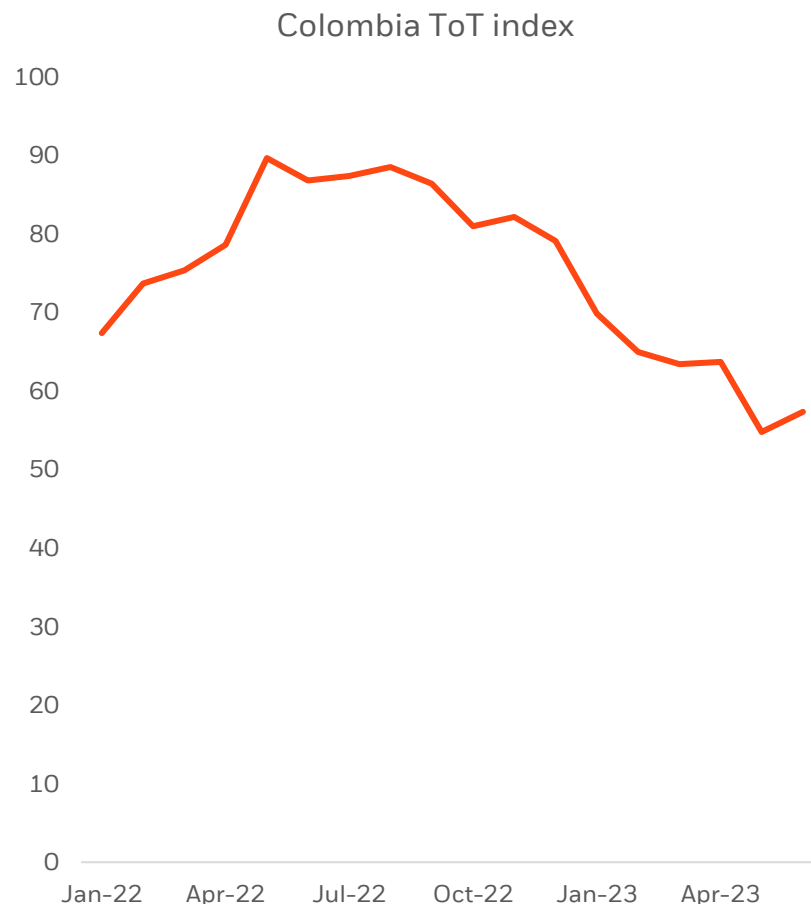
Colombia overview

Peak growth is behind...



Source: Bloomberg, DANE and Bancolombia.

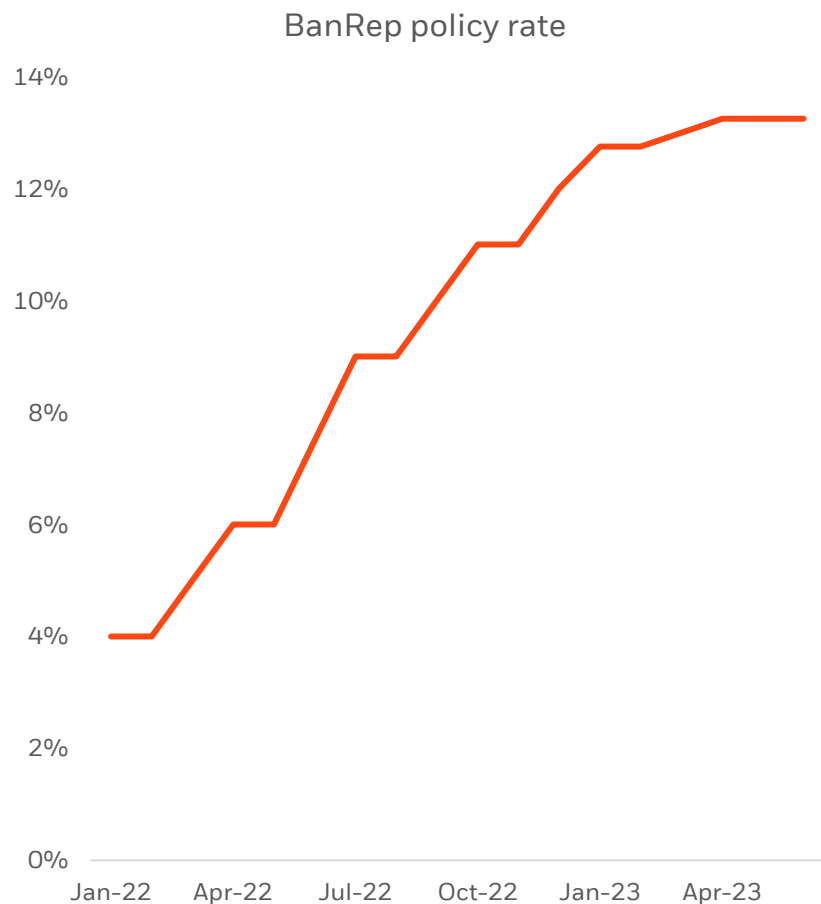
... while continued ToT deterioration may hurt the CA



Source: Bloomberg.

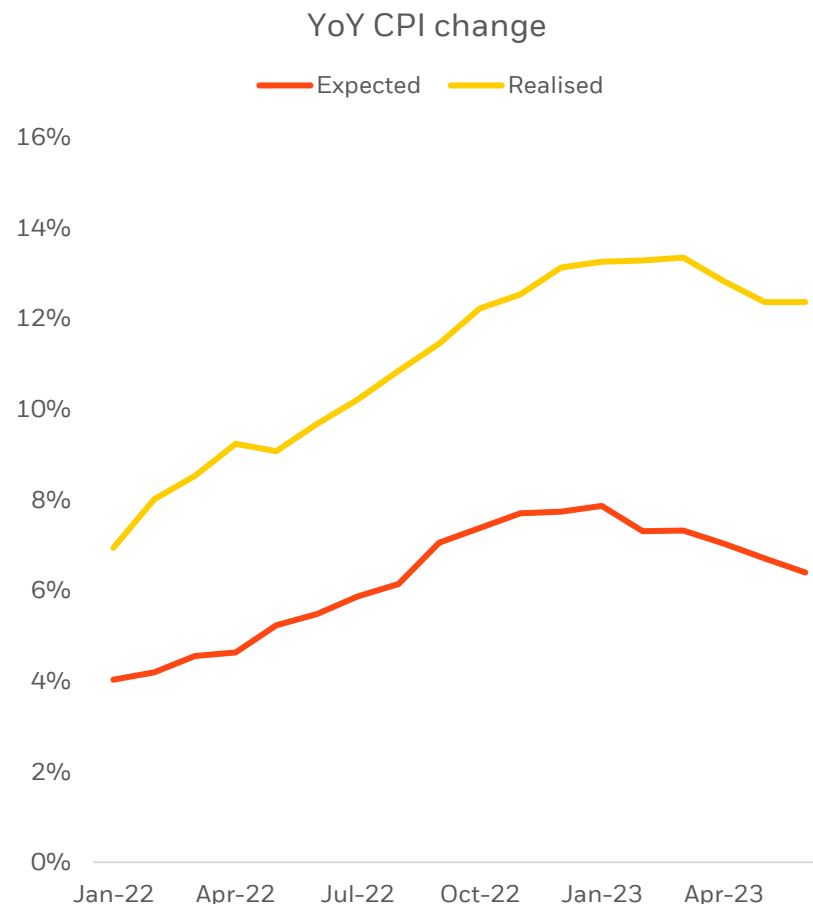
Colombia overview

BanRep may have reached its peak...



Source: Bloomberg.

...and inflation expectations may be falling



Source: Bloomberg.

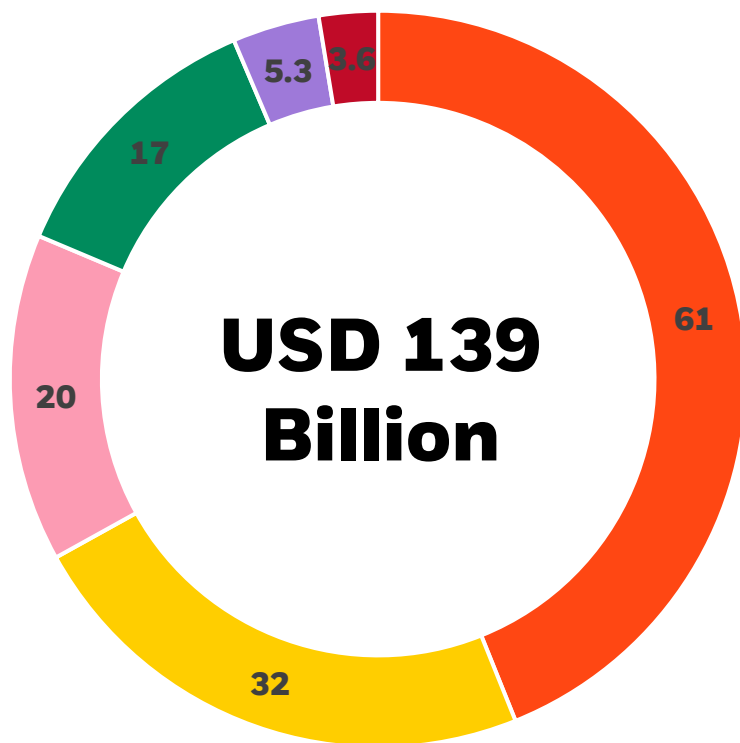
The role of infrastructure



Colombian overview

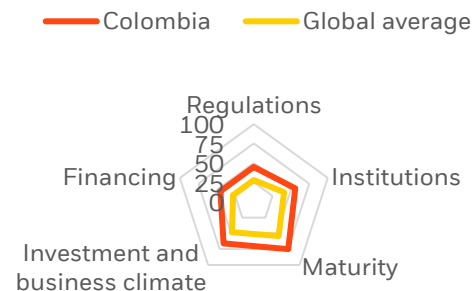
Investment needs in infrastructure up to 2035

- Road network intervention
- Education, justice and housing
- Others
- Healthcare
- Airport projects
- Railway rehabilitation



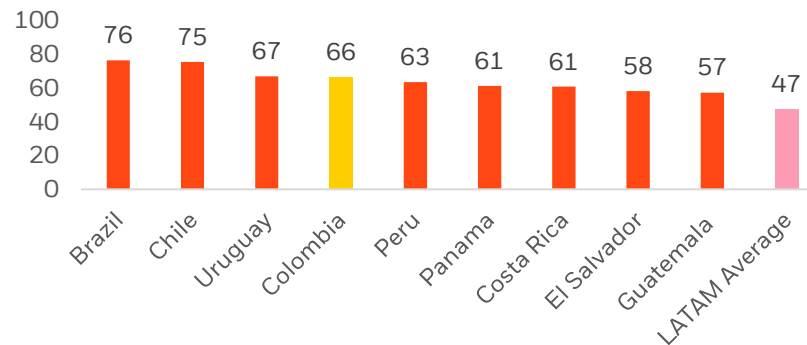
Source: DNP Colombia. USDCOP = 3,277
<https://assets.kpmg.com/content/dam/kpmg/co/pdf/2020/07/kpmg-colombia-infrastructure-opportunities-consultoria.pdf>

Infrastructure PPP market and regulatory framework



Source: The 2021/22 Infrascope, The Economist Intelligence Unit
https://infrascope.wpengine.com/wp-content/uploads/2019/04/EIU_INFRASCOPE_2021_12.pdf

Infrascope overall PPP score

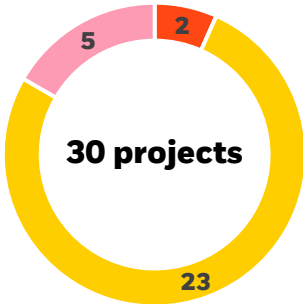


Source: The 2021/22 Infrascope, The Economist Intelligence Unit
https://infrascope.wpengine.com/wp-content/uploads/2019/04/EIU_INFRASCOPE_2021_12.pdf

PPP Programs in Colombia

4G roads program

■ Pre-construction ■ Construction ■ Operation and maintenance



+ 36 K direct employments



19 departments impacted

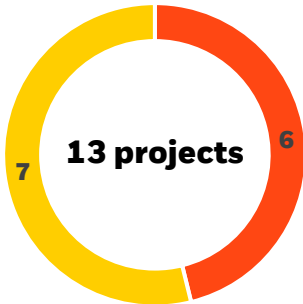


+ 5,000 Km

Source: ANISCOPIO
<https://aniscopio.ani.gov.co/>

5G roads program

■ Pre-construction ■ Structuring



+ 190 K employments



+ COP 9,000 billion CAPEX



+ 1,000 Km

Source: ANISCOPIO. La República.
<https://www.larepublica.co/especiales/por-mas-infraestructura/la-primera-ola-impacta-a-las-concesiones-del-bicentenario-o-vias-5g-3499477>

Case studies

Vía 40 Express

Financing the construction of the 3rd lane and improvement of the Bogota - Girardot 145 km toll road, Colombia



Transport
Sector

19.8 years
Term at financial close

Colombia
Location

Fully Amortizing
Amortization

COP 640,000,000,000
Funding amount

Brownfield
Stage



Transversal del Sisga

Re - financing the construction and improvement of a 138 km toll road that connects the center to the east of Colombia



Transport
Sector

14.6 years
Term at financial close

Colombia
Location

Fully Amortizing
Amortization

COP 99,000,000,000
Funding amount

Brownfield
Stage



Autopista Pamplona Cúcuta

Re-financing the construction and improvement of a 62 km toll road in the state of Norte de Santander, Colombia



Transport
Sector

17.8 years
Term at financial close

Colombia
Location

Fully Amortizing
Amortization

COP 675,000,000,000
Funding amount

Brownfield
Stage



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