



2022 ANNUAL REPORT



Petén, Guatemala

LATIN AMERICAN AGRIBUSINESS DEVELOPMENT CORPORATION S.A.

Latin American Agribusiness Development Corporation S.A. (LAAD) finances and develops private agribusiness projects in Latin America and the Caribbean involving all phases of production, processing, storage, services, technology and marketing in the fields of agriculture, livestock, forestry and fishing. Its shareholders are ten leading agribusiness and financial corporations, as well as one investment company held by LAAD's key officers.

FINANCIAL HIGHLIGHTS

CONSOLIDATED DATA FOR THE YEAR ENDED OCTOBER 31

	2022	2021	2020	2019	2018
Operating Income ('000)	\$ 40,407	\$ 39,050	\$ 35,913	\$ 31,321	\$ 27,882
Net Income ('000)	\$ 31,907	\$ 30,950	\$ 28,323	\$ 25,501	\$ 22,882
Basic Earnings per Share of Common Stock*	\$ 72,517	\$ 70,340	\$ 64,371	\$ 57,957	\$ 47,671

FINANCIAL RATIOS	2022	2021	2020	2019	2018
Return on Average Net Worth	11.8%	13.1%	13.2%	12.7%	12.3%
Return on Average Total Assets	2.7%	2.7%	2.6%	2.5%	2.6%
Total Net Debt to Net Worth	2.9:1	3.3:1	3.7:1	3.8:1	3.5:1
Noninterest Expenses to Gross Profit**	30.3%	29.6%	30.4%	33.9%	35.4%
Noninterest Expenses to Average Total Assets	1.5%	1.5%	1.5%	1.7%	1.8%
Reserve to Portfolio	2.6%	2.6%	2.4%	2.2%	2.2%

AT YEAR END	2022	2021	2020	2019	2018
Agribusiness Loans ('000)	\$ 1,070,709	\$ 1,055,832	\$ 1,029,688	\$ 948,791	\$ 847,622
Assets ('000)	\$ 1,218,435	\$ 1,175,883	\$ 1,145,572	\$ 1,057,413	\$ 949,156
Net Worth ('000)	\$ 287,696	\$ 250,846	\$ 222,535	\$ 205,840	\$ 196,022

* Based on the weighted average number of shares of common stock outstanding during the year.

** Gross Profit = Total Income - Interest Expenses

LETTER TO SHAREHOLDERS

In over half a century of LAAD's history, 2022 will be remembered as one of the most challenging years to date. As the world continued to deal with the ever-lingering effects of the pandemic, the ongoing supply chain constraints, the international impact of Russia's invasion of Ukraine, political turmoil continued throughout Latin America and worldwide inflation reached levels not seen in decades, LAAD's remained committed to its mission and supported clients during these turbulent times.

Loan portfolio growth compared with the previous year was just 1.4%, mainly due to our deliberate decision to temporarily halt loans to new clients in several countries, as well as our clients' reluctance to make investments and expansions due to the uncertainty caused by the lingering effects of the pandemic and political changes.

While the world was still dealing with the aftermath of the pandemic and ongoing supply chain constraints, Russia launched an invasion of Ukraine on February 24th that generated negative impacts on the international market. High oil prices, exorbitant fertilizer costs and the interruption of exports to Russia and Ukraine greatly affected our clients, especially banana growers in Ecuador. Worldwide inflation to levels not seen in many years has prompted interest rate increases, a combination that might result in a recession.

In addition to these worldwide issues, Latin America was also dealing with the uncertainty caused by developments in the political arena, which added reasons to be cautious, especially in certain countries. Despite another unconventional and very difficult year, LAAD reported good results for the fiscal year ended October 31, 2022. Net income was 3.1% greater than the previous year, and we achieved a solid average ROE of 11.8%.

The Company disbursed US\$281 million to 367 loans. New committed loans in FY2022 assisted in the creation of 10,233 new jobs and generated US\$300 million in additional foreign currency exports for the region. Recipients of new committed loans generated over US\$1.5 billion in annual revenues and new loans committed totaled US\$248 million.

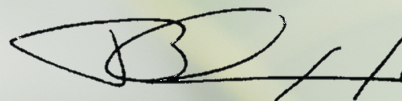
LAAD is no stranger to uncertainty. We will continue to learn from the circumstances, innovate and create opportunity for growth development in the region. In the coming fiscal year, we will continue to focus on portfolio quality while remaining active but cautious given the prevailing uncertainty in the markets. In addition, we expect our Strategic Business Unit (SBU) to consolidate and become profitable in 2023.

In terms of our sustainability objectives within LAAD's strategy, this annual report incorporates our first set of Impact Indicators, including key metrics not only from our loan portfolio but also from our internal operations. We take this report as a "work in progress" as we continue to build our standard for impact and sustainability reporting. Moreover, we are glad to report that 100% of the green loan proceeds from the International Finance Corporation (US\$80 million) secured in FY2021 have been classified as green loans as per our Green Finance Framework.

Despite the difficulties in LATAM, we remain very optimistic about the future. Once again, "LAAD thrives in its ability to overcome challenges from the character and competence of its people." We would like to thank our clients, financial partners, LAAD management and staff and Directors for the continued trust, dedication, and support. The year 2023 will not be easier than the year just passed, but we are ready to face it as it comes. We are in very resilient industry, and with our experience and management we can overcome new challenges.



Gustavo Martínez Cappetta



Benjamín Fernández III



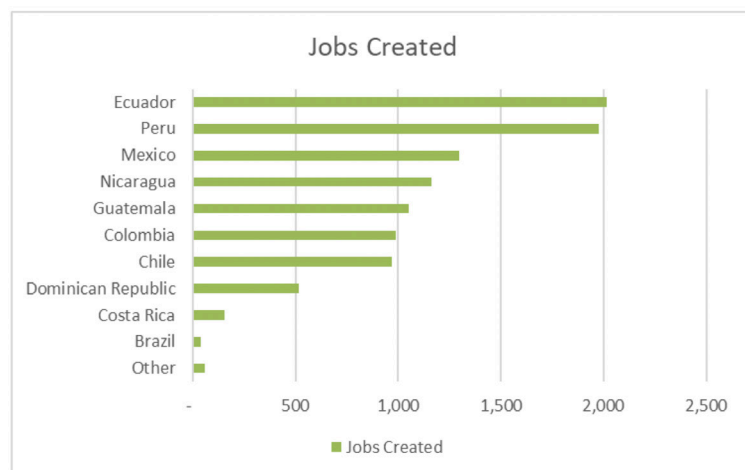
AGRIBUSINESS OPERATIONS

Our operations in fiscal year 2022 were impacted negatively by a series of adverse events. The recovery of investment in Latin America was limited due to the war in Europe and political and social instability in various regional countries. Our operations were defined by logistical issues at the beginning of the year, followed by cost increases and political tensions throughout. Despite these challenges, LAAD's focus, analysis, and creative strategies resulted in a solid financial performance with a growth of 9% in disbursements and a 3% increase in net income.



New Loans committed¹ : In the 2022 fiscal year, the Company disbursed a total of US\$281 million and committed US\$248 million in new loans towards 13 countries, which is comparable to the amount of loans committed in the previous year. These loans have facilitated the creation of 10,233 new job opportunities and led to the generation of US\$300 million in additional exports in the region. Overall, the loan recipients have a collective annual sales revenue of over US\$1.5 billion, primarily from the sale of food products.

Products: Banana and coffee projects were the highest new loan commitments for the year at 20% and 11%, respectively. Cattle and soybean followed with 8.3% and 5.3% each, respectively. LAAD's agribusiness portfolio reached a record US\$1,092 million at the end of fiscal year 2022, growing by 2% compared to 2021.



¹ New loans committed are loans approved, formalized, and partly or fully disbursed during the reporting period. The amount represents the total amount approved and committed through a loan contract

COUNTRY HIGHLIGHTS:

Brazil's offices focused their efforts on supporting existing clients with working capital or investment loans, competing with a low interest rate environment in the country. As a result, our offices committed a total of US\$12.8 million in 6 loans in the soybean and cotton industries.

Chile committed US\$22.4 million in 29 loans, mainly in the fresh fruit export industry (apples, table grapes, cherries, bananas, walnuts, blueberries, citrus, frozen berries, and avocados), corn, and cattle. During 2022, Chile went through the process of proposing a new Constitution, which was finally rejected on the referendum that took place in September 4th. Given this process, important business decisions were delayed especially in agribusiness, a situation that diminished the possibilities of closing additional business.

Colombia, one of LAAD's growth drivers, committed US\$30.5 million in 29 new loans despite a slow start. The projects included bananas, avocados, African palm, agricultural inputs, macadamia, roses, coffee, palm oil, mangoes and dairy.

Costa Rica had a very good year, with portfolio quality still at adequate levels and reaching US\$18.2 million in new loan commitments. These disbursements included 18 loans in industries such as coffee, pineapples, bananas, orchids, melons, ferns, avocados, cattle, foliage and tomatoes.

Dominican Republic had a relatively stable year in terms of weather. During fiscal year 2022, the country committed US\$11.8 million in 16 loans in the following industries: bananas, melons, peppers, farm equipment and malangas.

Ecuador continued to be a key market for LAAD operations. Its portfolio closed at US\$151.3 million at the end of fiscal year 2022 committing US\$43.4 million in 41 new loans throughout the year. Although the two main products continue to be bananas and flowers, we remain committed to diversifying into other crops, such as broccoli, palm oil, avocado, blueberries, sugar cane and food distribution. Although the Ecuadorian banana sector previously exported over 25% of its product to the Ukraine/Russia region, portfolio quality continues to be outstanding despite the effects of the conflict.

Guatemala committed a total of US\$27.9 million in 25 loans related to palm oil, coffee, cattle, avocado and sugar cane. In addition to these very good results, portfolio quality continued to improve, reaching very healthy indicators.

During fiscal year 2022, our office in **Mexico** committed a total of US\$32.1 million to 42 loans involving lemons, avocados, cucumbers, blackberries, peppers, blueberries, broccolis and bananas. Total exposure reached US\$123.8 million. Our geographic targets continue to be the South-Southeast and Central-Western regions of the country.

In **Nicaragua**, LAAD continued to support existing clients with working capital for a total new loan commitments of US\$20.6 million during fiscal year 2022. Funding was provided to 22 loans involved in cattle, coffee, plantains, melons, peanuts, rice and wood. This well-diversified portfolio reached US\$134.8 million at the end of the fiscal year. LAAD continues to make a significant social impact on rural communities.

Local bank liquidity with very good conditions and restrictions on operations in the Chaco region affected our business in **Paraguay**. LAAD offered financial support only to existing clients, committing US\$6.8 million to 6 soybean and cattle loans.

Peru faced a strong political and social instability that caused a delay of important business decisions. Despite this situation, LAAD disbursed US\$9.8 million in 10 loans in avocado, citrus, lemon, grapes, peppers and seeds.

Finally, during fiscal year 2022, LAAD disbursed an additional US\$11.4million in **Honduras** and **Belize** to 5 loans involved in cardamom, bananas, sugar, wood and seeds.

New loans amount committed by Country



IMPACT REPORT

PORTFOLIO

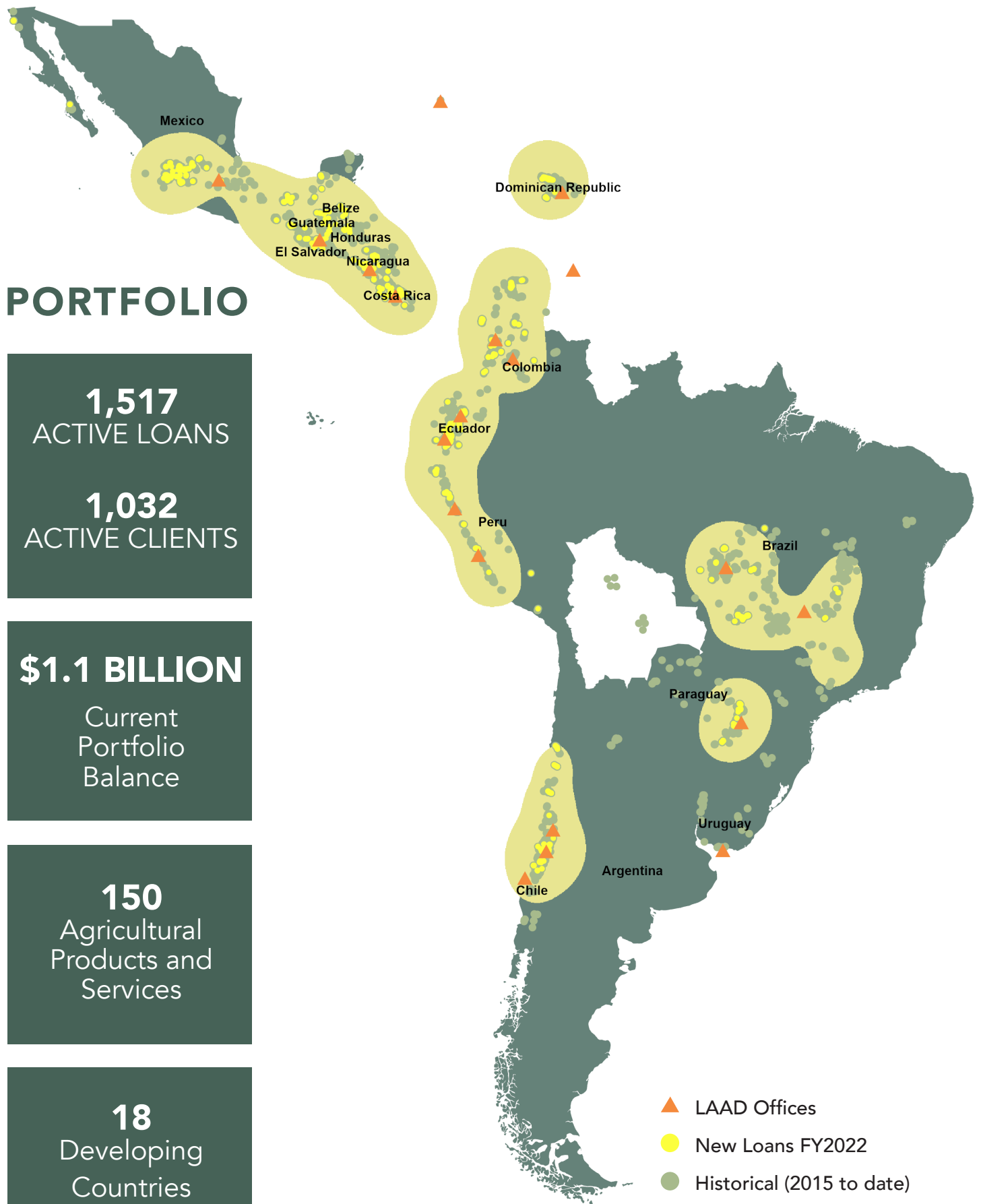
1,517
ACTIVE LOANS

1,032
ACTIVE CLIENTS

\$1.1 BILLION
Current
Portfolio
Balance

150
Agricultural
Products and
Services

18
Developing
Countries



FISCAL YEAR 2022



ECONOMIC IMPACT

249
Total
New loans

225
New loans
To SME
(90% of Total)

\$281 MILLION
Disbursement
amount

\$301 MILLION
Additional
Exports from

114,970
Production
Hectares financed



SUSTAINABLE DEVELOPMENT

\$36 MILLION
(14.6%)
green loans
committed Fiscal
Year 2022

\$80 MILLION
Total green
Loans committed

49%
New loans
Certified or
In process

10,233
Jobs created

\$178,324
Community
Donations &
scholarships

\$147,026
Employee
Training



GENDER

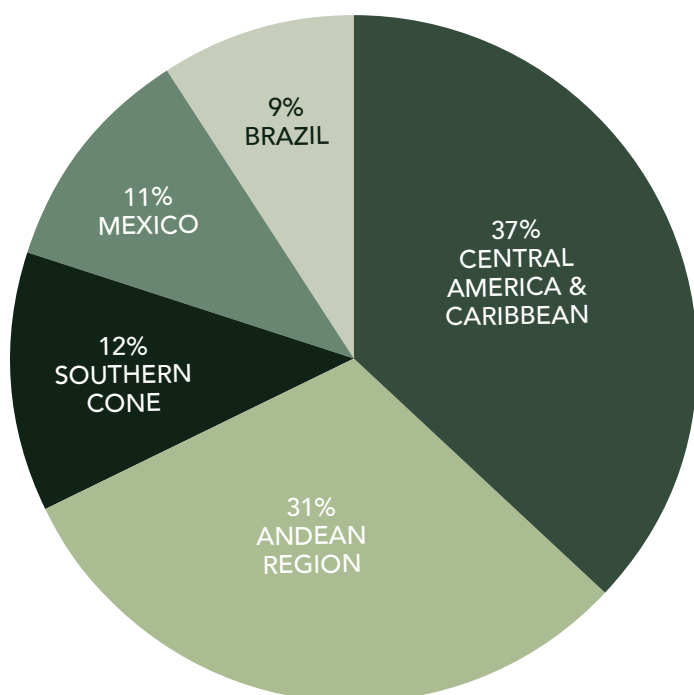
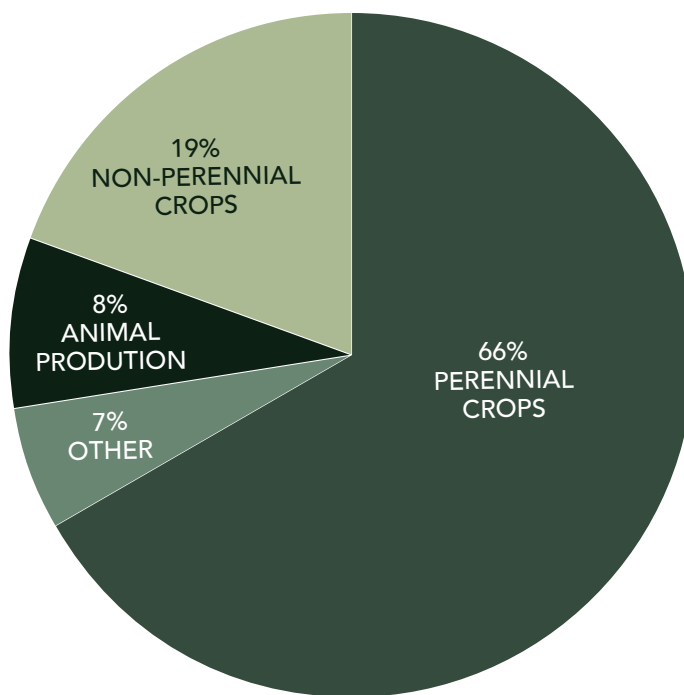
62
(25%)
Loans to
women-owned
business

112
(45%)
Loans to companies with 30%
or more female leadership

AGRIBUSINESS PORTFOLIO BY COUNTRY

US\$'000

COUNTRY	PROJECTS	DISBURSED	PRESENT HOLDING	PCT. OF HOLDING
Ecuador	647	462,623	151,332	13.9%
Nicaragua	611	468,610	134,816	12.4%
Mexico	366	243,784	123,846	11.3%
Colombia	258	226,121	106,534	9.8%
Guatemala	629	344,027	97,329	8.9%
Brazil	360	409,530	94,372	8.6%
Chile	558	274,831	92,154	8.4%
Costa Rica	448	308,109	88,961	8.2%
Peru	347	288,618	81,240	7.4%
Dominican Republic	578	221,759	48,509	4.4%
Paraguay	91	103,928	33,648	3.1%
Honduras	279	132,228	17,734	1.6%
Belize	86	46,382	11,846	1.0%
Uruguay	76	51,742	5,893	0.5%
Argentina	2	4,000	2,590	0.2%
Bolivia	355	98,842	948	0.1%
El Salvador	69	20,516	150	-
Venezuela	34	12,488	61	-
Anguilla	1	35	-	-
Barbados	3	280	-	-
Dominica	2	215	-	-
Haiti	34	3,904	-	-
Jamaica	1	200	-	-
Panama	99	21,801	-	-
St Vincent	9	1,213	-	-
Turks & Caicos	2	334	-	-
Others	10	1,688	-	-
Total All Countries	5,955	3,747,814	1,091,963	100.0%

GEOGRAPHIC DISTRIBUTION

INDUSTRY DISTRIBUTION


AGRIBUSINESS OPERATIONS

TOP TEN PRODUCTS (US\$'000)



BANANAS
\$170,929



COFFEE
\$127,397



CATTLE
\$81,898



SOYBEAN
\$81,784



AVOCADO
\$54,102



GRAPES
\$39,069



ROSES
\$36,370



CHERRIES
\$25,347



AFRICAN PALM
\$24,496



PLANTAINS
\$23,407



FINANCIAL RESULTS

The Company reported a net income of US\$31.9 million for the fiscal year ended October 31, 2022, representing a 3.1% increase above prior year's result. The average return on net worth is 11.8%, with basic and fully diluted earnings per share reaching US\$72,517. LAAD's average return on total assets is 2.7%

LAAD's disbursements amounted to US\$281 million in loans during the year, increasing the agribusiness loan portfolio by 1.4% to US\$1,070.7 million. Interest income from Agribusiness loans increased by 7.1% to US\$92.6 million, mainly driven by the drastic increase in benchmark interest rates.

This increase also affected interest expenses, reported at US\$37.2 million or 17.6% higher than the previous year. As a result, net interest income reached US\$55.4 million, 1.1% higher than prior net interest income of US\$54.8 million. This increase is slightly lower than the 1.4% annual loan portfolio growth as benchmark rate variances impact the funding side at a faster pace than the revenue side.

Non-interest expenses totaled US\$18.3 million, 6.7% higher than 2021 levels and within projected levels. Salaries and employee benefits, which represent 57.5% of total non-interest expenses, increased by 2.4% from US\$10.3 million in 2021 to US\$10.5 million in 2022. Travel and communication expenses increased by 63.2% to US\$1.4 million in 2022 as management has resumed travel frequency to pre-pandemic level.

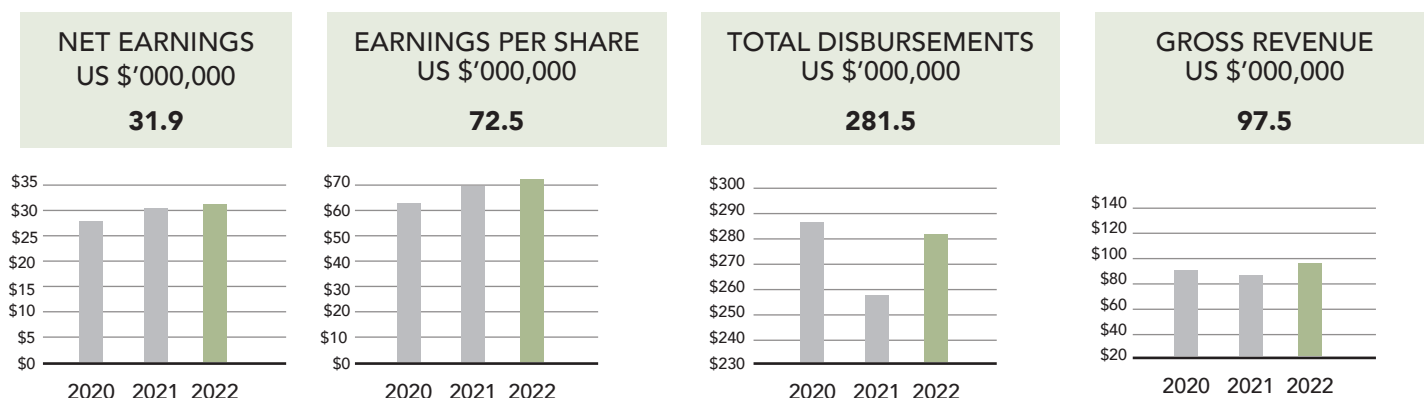
When compared to gross profit (total income less interest expenses), non-interest expenses represented 30.3% of gross profit in 2022, compared to 29.6% of gross profit in 2021.

The company reported US\$4.9 million in non-interest income, which increased by 56.7% when compared to fiscal year 2021, mainly as a result of gains in the sales of assets, including other real estate owned properties (OREOs).

Total assets of the company (net of loan-loss reserve) reached US\$1,218.4 million at the end of the fiscal year 2022. This represented an 3.6% increase compared to the previous year. Non-performing assets of US\$54.3 million represented 4.79% of the total portfolio, slightly higher than the 4.74% reported in 2021. The Company wrote off US\$7.2 million in loans to 53 clients in 12 countries, representing 0.65% of the loan portfolio. The reserve for possible losses stands at 2.6% of the agribusiness portfolio.

The Company secured US\$222.5 million in terms loans from several sources during the year. LAAD's net debt-to-equity ratio improved to 2.9:1 in 2022, compared to the 3.3:1 in 2021. This is the result of net debt increasing at a much slower pace than equity, 0.1% versus 14.7%, on a year-to-year basis.

The Company declared and paid cash dividends of US\$7.7 million on common stock, or US\$17,585 per share; this represented 25% of the net earnings for fiscal year 2021.



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Vice-Chairperson, Renato Acuna



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Director: Benjamin Fernandez III
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**DEG - Deutsche Investitions-und
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Director
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**BankAmerica International
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Gerber

Gerber Products Company
A Nestlé Company

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Cargill, Inc.

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**The Goodyear Tire
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Director: Mauricio Rodrigues
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North America Wholesale, Head of Atlanta Office
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