

Investor Presentation



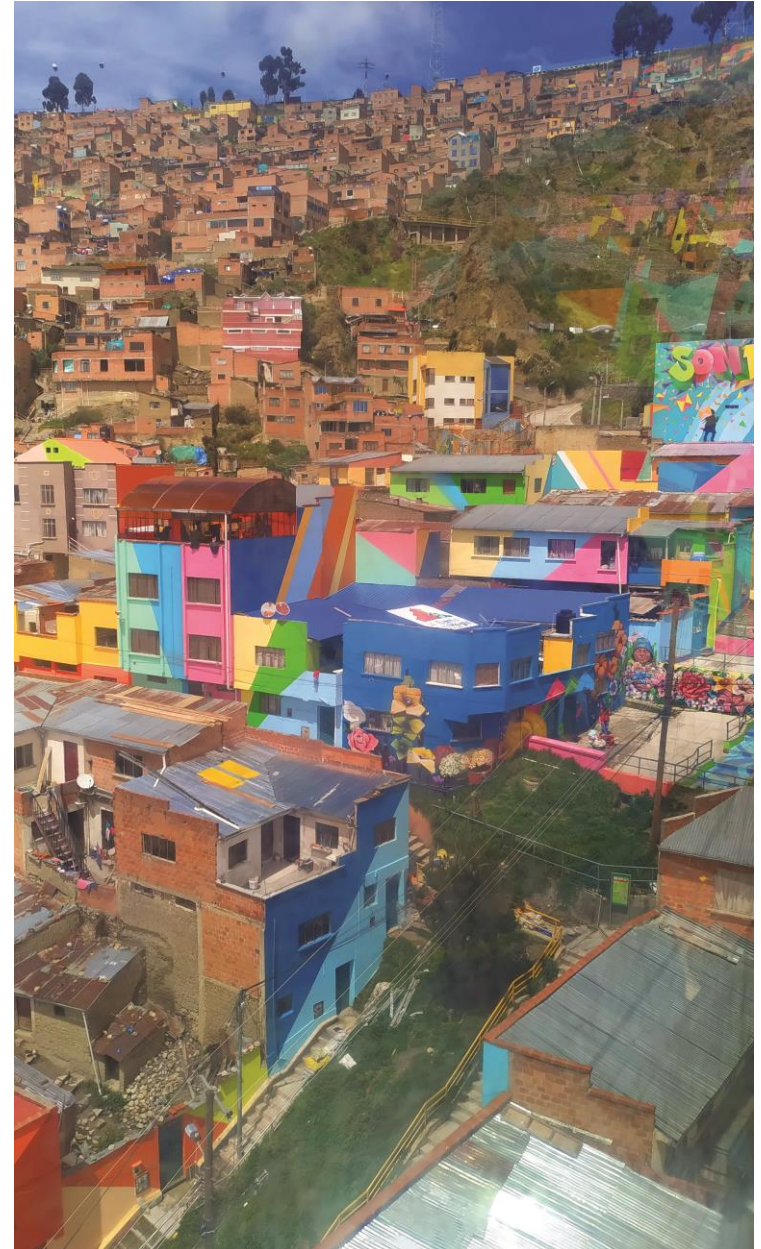
FONPLATA

Development Bank

November 2023

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2. Financial Highlights
3. Funding Strategy





1. Fonplata Overview

An evolving Development Bank

- FONPLATA is a **Supranational Development Financial Institution**
- Established in 1974 by five founding members: **Argentina, Bolivia, Brazil, Paraguay and Uruguay**
- More than **45 years** supporting and financing its member countries
- Enjoys **Preferred Creditor Treatment** with its shareholder countries
- **Loan portfolio 95% Sovereign-guaranteed allocated in the public sector**
- **Rated A/A2** by S&P and Moody's

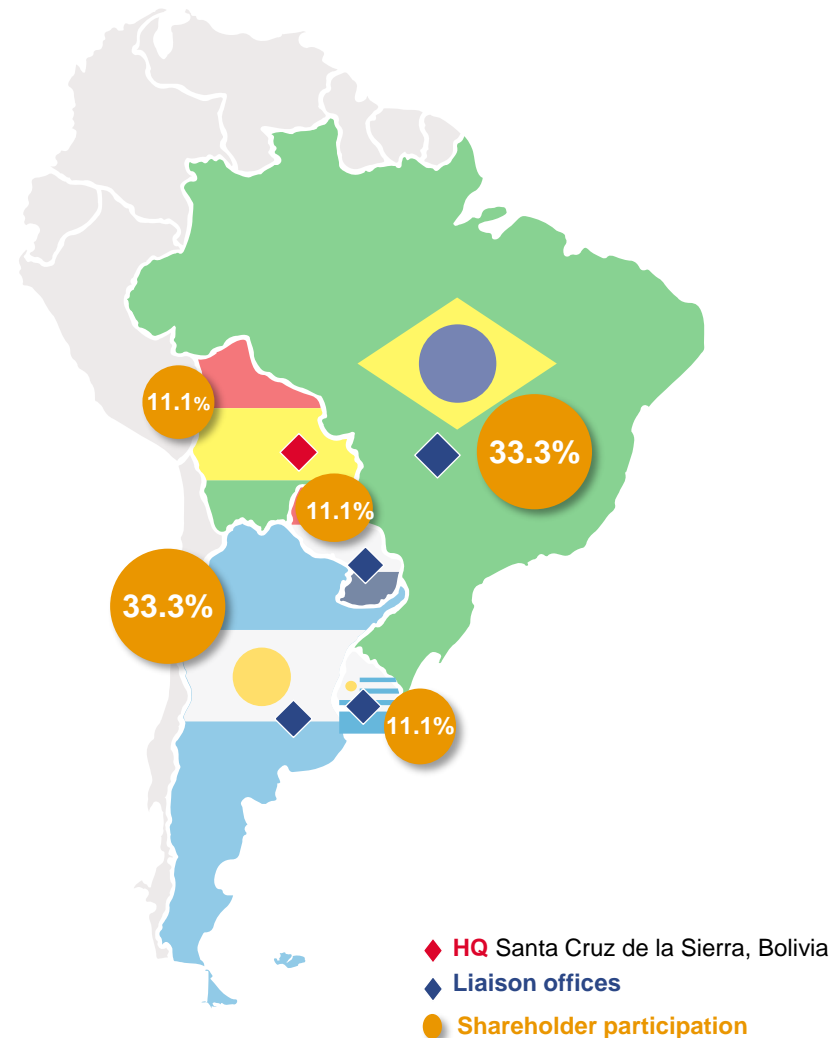
Key Indicators

USD 1.7bn
Net loans

66%
Debt/ Equity Ratio

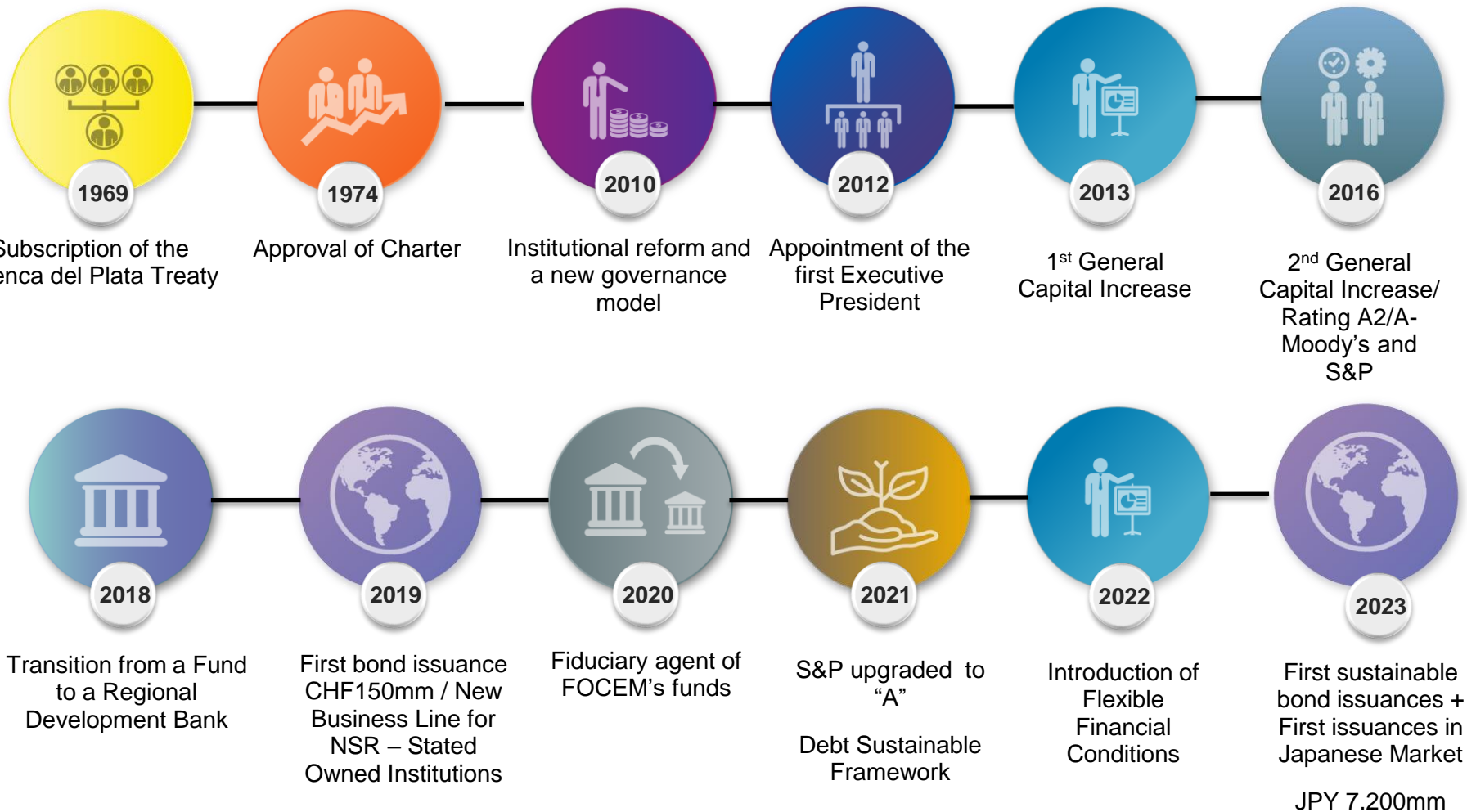
57%
Basel Ratio*

0%
NPLs



FONPLATA's Milestones

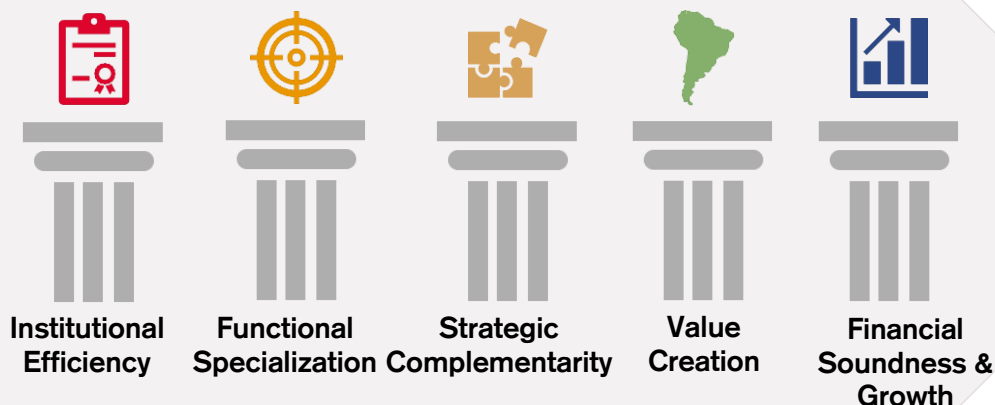
From a Fund to a Full-Fledged Regional Development Bank



More than USD 4.7bn in approved loans since inception, USD 3.5bn since 2013.

FONPLATA's Core Strategic Pillars and Business Plan

Five strategic pillars



- Small – to –medium size Projects: US\$50-60mm per project
- Focus on vulnerable zones, border regions and integration
- Grants through Technical Assistance

Strategic business orientation

Target sectors

- **INFRASTRUCTURE:** Road and Logistic, Small Cities Urban Development and Energy
- **PRODUCTIVE DEVELOPMENT:** Production, Financial Services and SMEs
- **SOCIAL AND GREEN FIELD:** Health and Education, Water and Sanitation and Environment

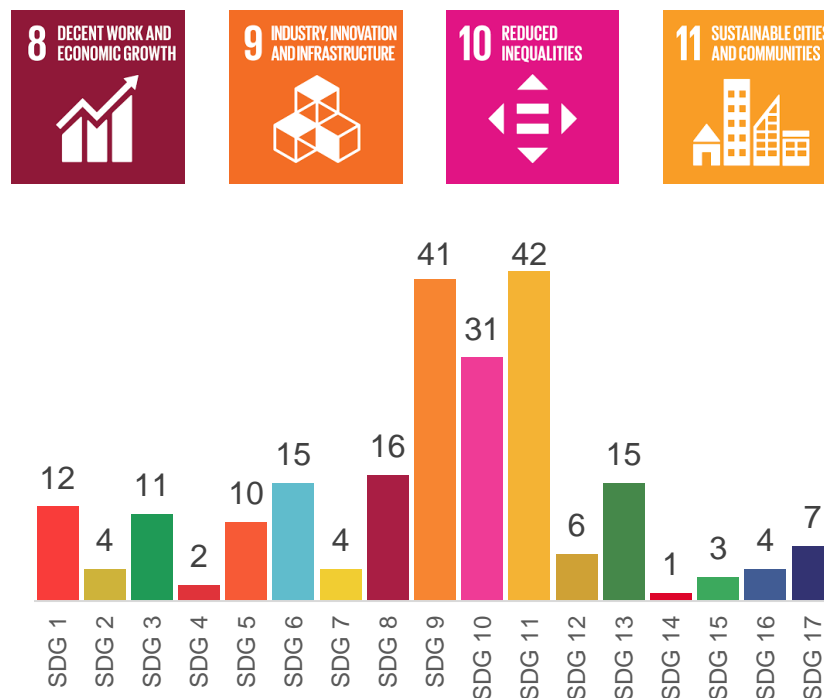
Strong Commitment and Responsibility to Social and Environmental Issues: A Sustainable Bank

Recognizing the urgency to foster responsible investing for present and future generations

- Aligning its Institutional Strategic Plan (2022-2026) according to the Paris Agreement 2030 Agenda based on SDGs.
- Environmental and Social Policy based on international standards and best practices.
- Green Fund facility to promote member countries to implement environmental components in sound projects.
- Economic Reactivation Facility to spark the economic recovery after the COVID-19 outbreak crisis.

Loan Portfolio Breakdown by SDG

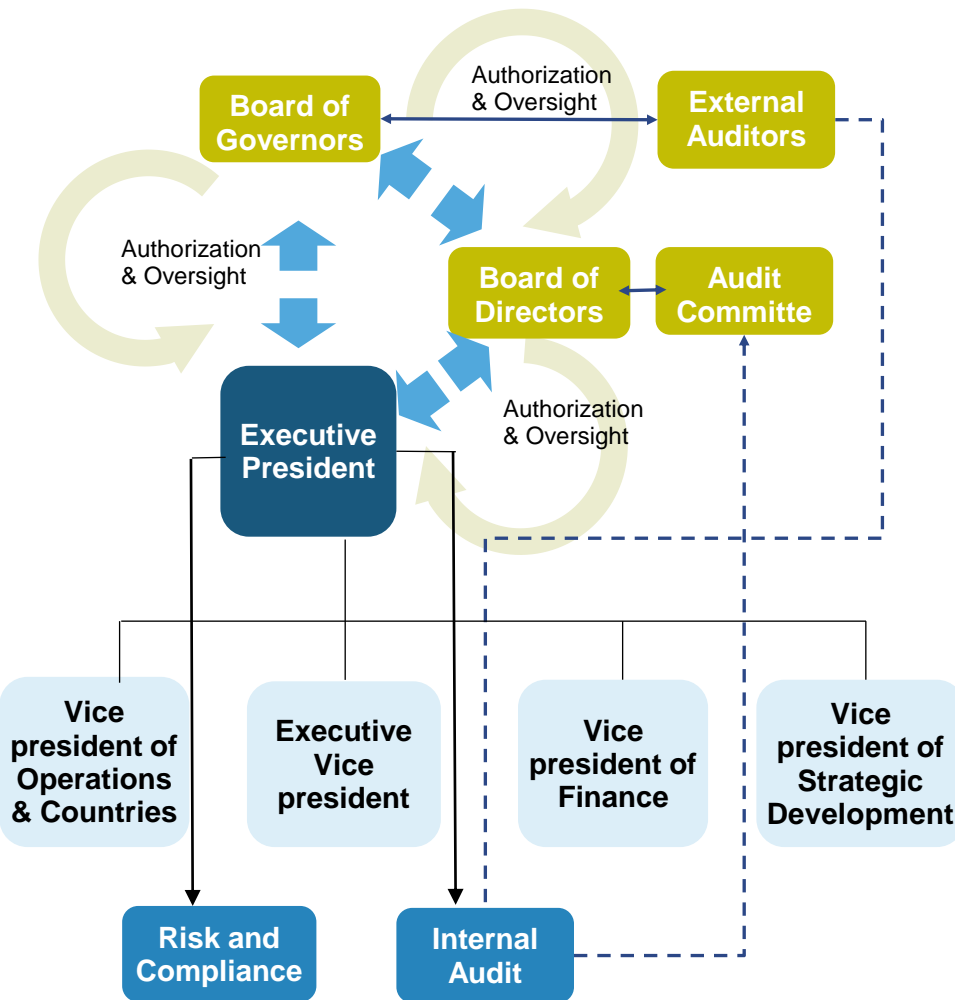
FONPLATA is most active with the following SDGs:



FONPLATA plays a vital role in supporting countries' efforts to achieve SDGs through financing and assistance for projects and programs in the public sector.

Robust Governance Structure

Control and Oversight Structures



Board of Governors (BoG):
 Finance or planning ministers of member countries

- Key functions include admission of new members, changes to capital structure, modifications to the Charter and to the Board of Directors
- Appoints external auditors, approves the audited financial statements, the annual budget, and the allocation of net income

Board of Executive Directors:
 Representatives of member countries

- Approves financings, policies, and authorizes the contracting of debt
- Approves organizational changes at executive levels and reviews budgets prior to submission to the BoG

Audit Committee:
 Chaired by one of the Executive Directors, integrated by the Board of Directors

- Reviews FONPLATA's annual report and financial statements, with the corresponding external auditor's opinion, before submission to Board of Governors
- Current External Auditors: Ernst & Young

Executive President:
 Appointed for a 5-year period by the Board of Governors

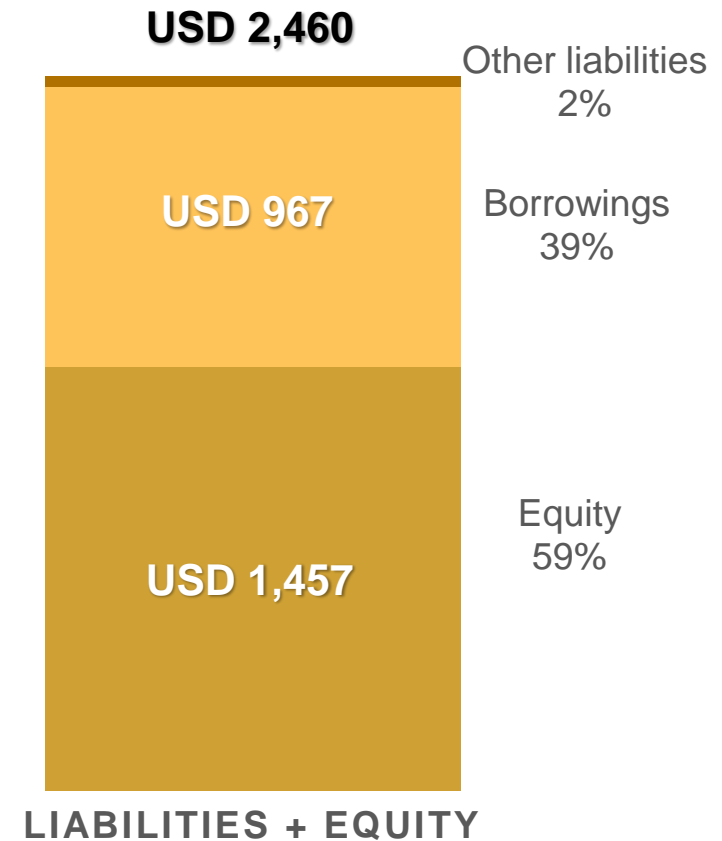
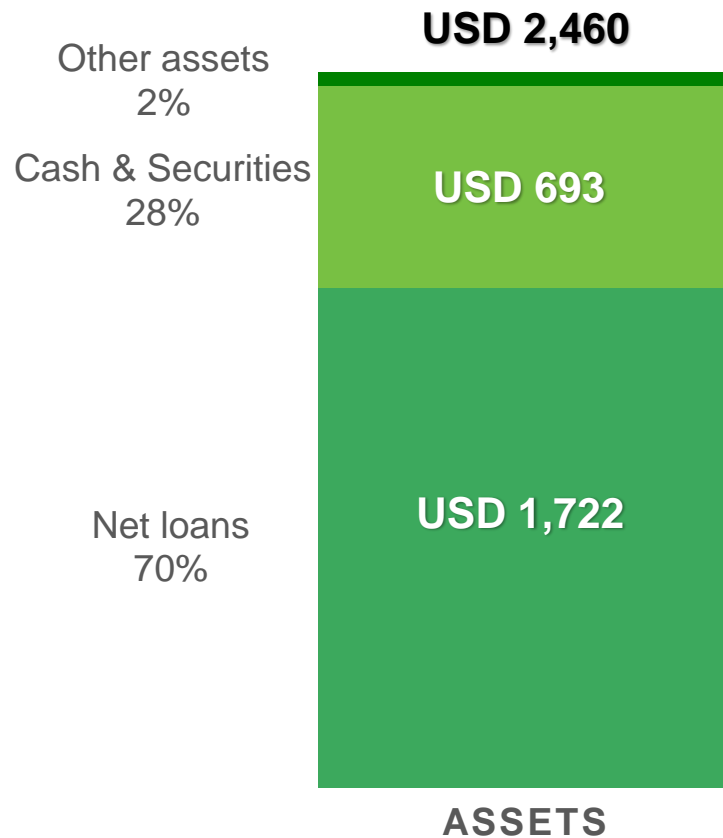
- Highest authority responsible for FONPLATA's overall supervision and management
- Chief of staff
- Appoints/terminates staff
- Authority to approve loans up to US\$5mm

2. Financial Highlights

A Solid Balance Sheet

Robust capitalization and room for lending growth

(In millions of USD)



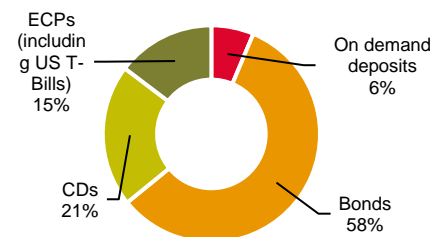
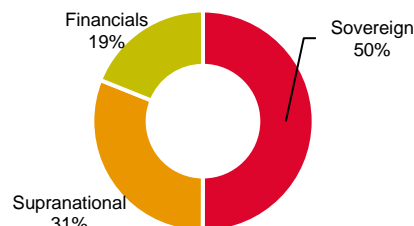
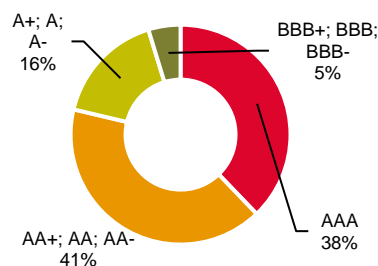
Source: FONPLATA as of June 30, 2023.

Liquidity Portfolio

Short-term and high- rated Liquidity Portfolio

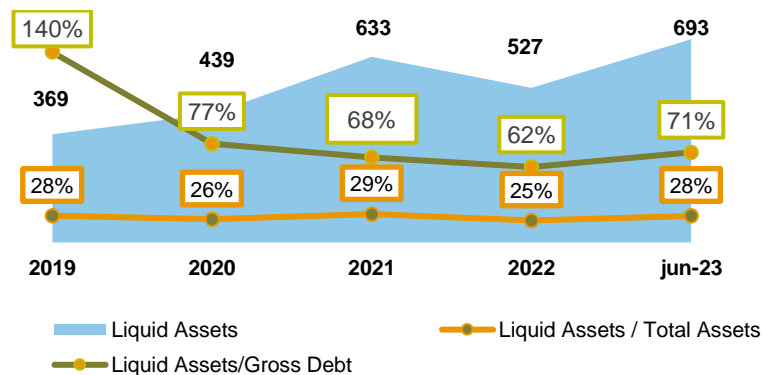
(In % and millions of USD)

Investment Portfolio by rating¹, issuer and asset class



Policy Limits and Liquidity trend

Real	Policy Limit
>24 months	12 months coverage of net cash requirements
0,46 years	2 years maximum liquidity portfolio duration
AA(*)	AA- Minimum average rating
BBB	BBB- Minimum rating for purchase



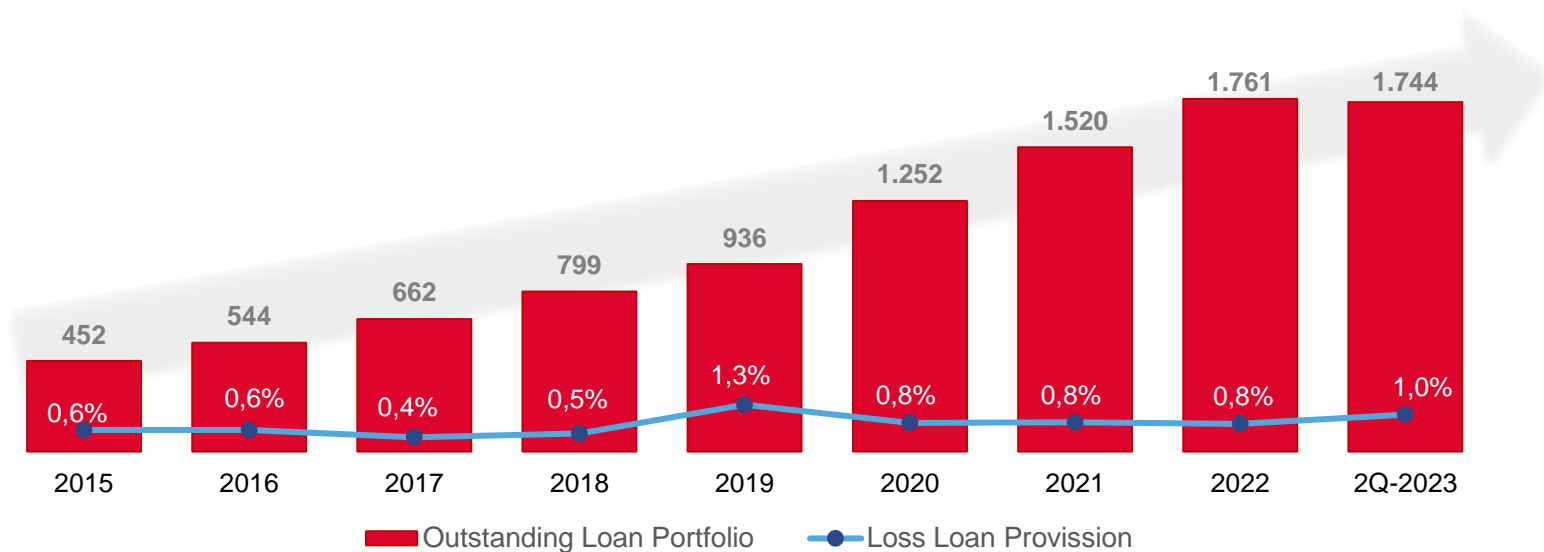
Source: FONPLATA as of June 30, 2023.

(*) Applies the lowest rating available within S&P and Moody's.

Loan Portfolio

Consistent Growth and High-Quality

(In millions of USD)



Compounded Annual Growth Rate (2016-2Q2023): 20%

Preferred Creditor Treatment – “remarkable” repaid tracking record (with all members)

0% Non-Performing Loans (NPL) or NAI Loans over the past decade

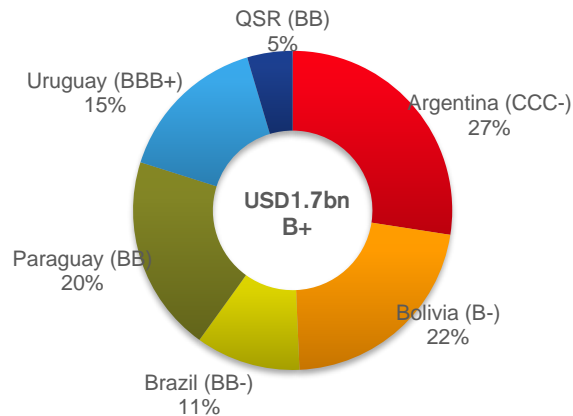
Source: FONPLATA as of June 30, 2023.

(*) Loan loss ratio defined as Loan Loss Provision/ Gross Loans.

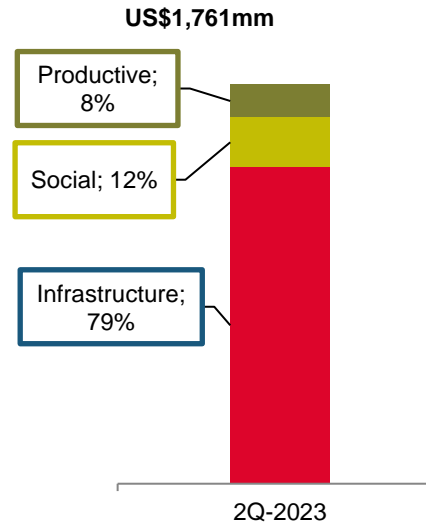
Diversified Loan Portfolio

In % over Loan Portfolio Outstanding

By Member Country



By Sector



Sovereign Guaranteed Loans

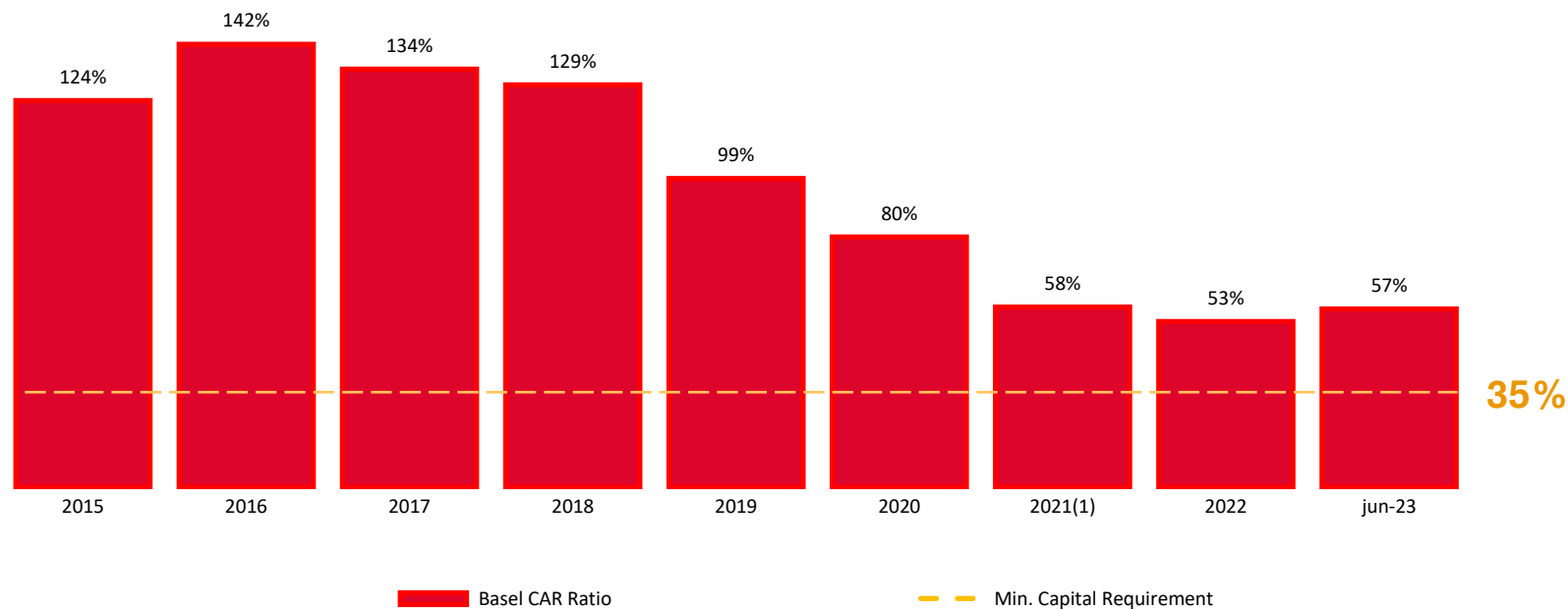
25% Lending Capacity:
Maximum exposure
to single country

30% Total Assets:
Maximum exposure
to single country

FONPLATA receives Preferred Creditor Status from its member countries, historically all loans have been fully repaid

Strong Capitalization

Adequate capitalization indicators



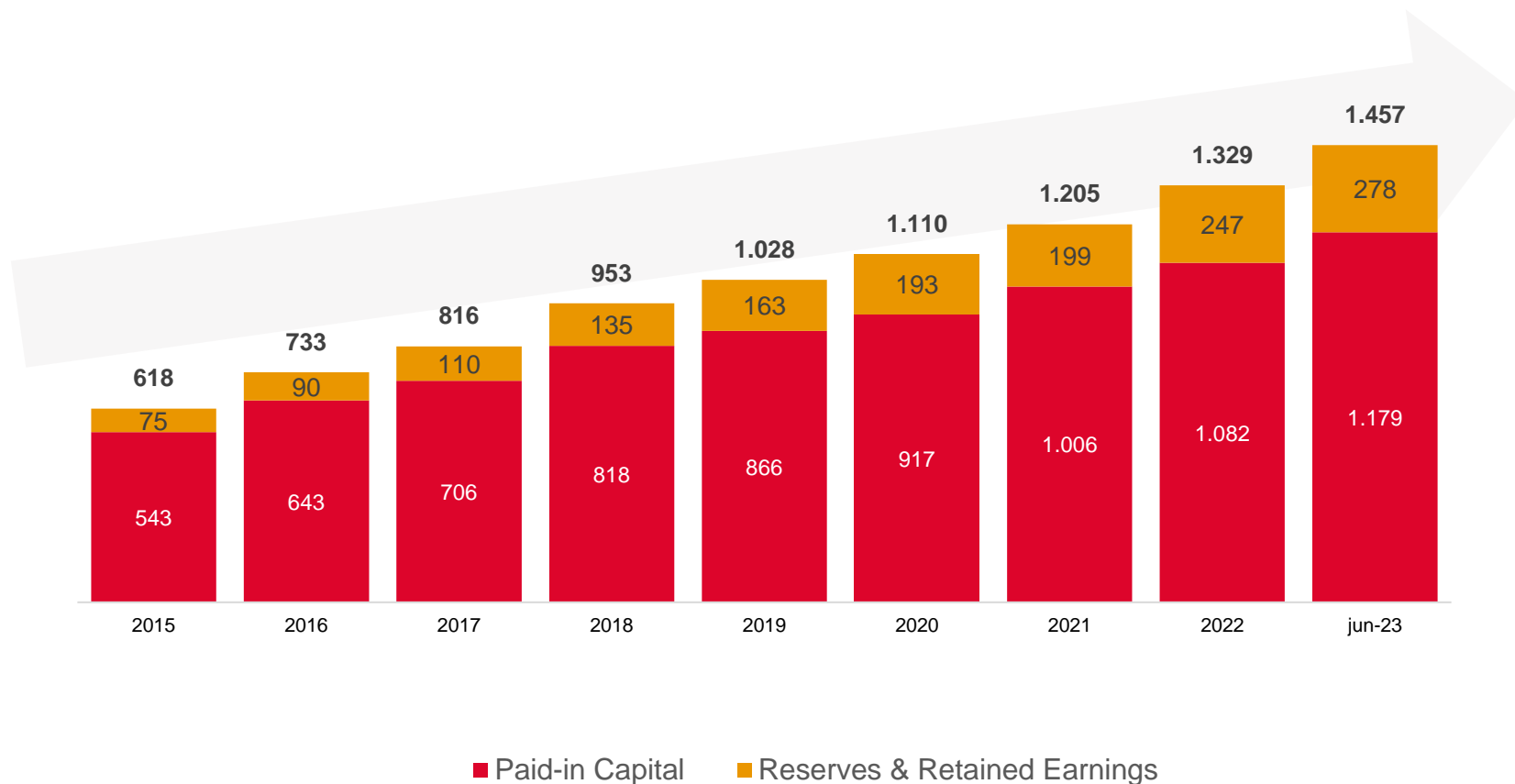
Source: FONPLATA as of June 30, 2023.

1 This year the methodology was updated according to Basel III and new internal standards.

Strong Capital Base

Equity Structure and Key metrics

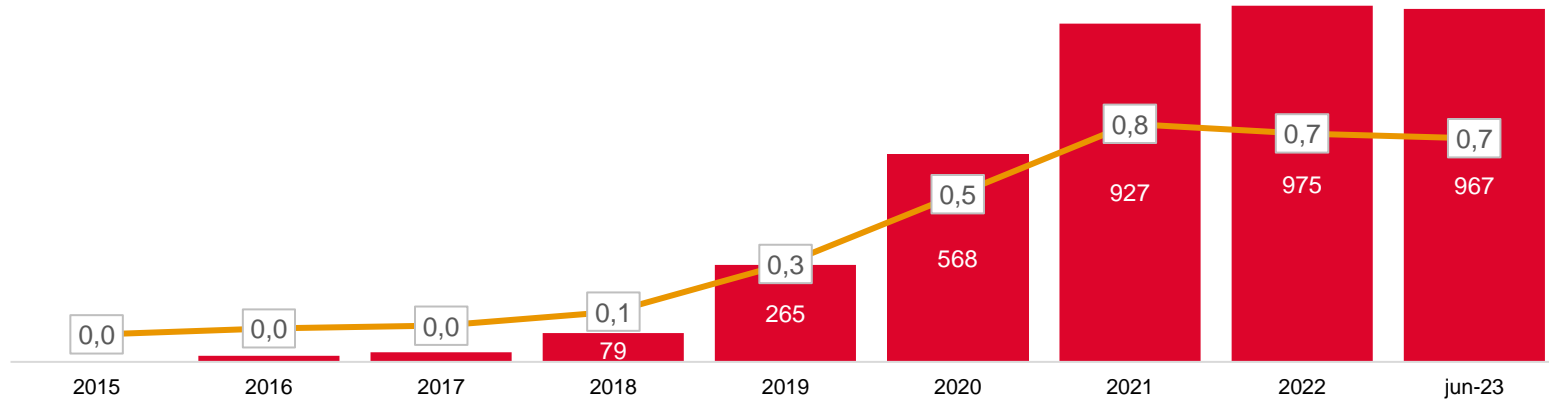
(In millions of USD)



Conservative Leverage Ratios

Fonplata borrowings and leverage

(In millions of USD)



Key Metrics

Real (D/E)	Policy Limit (D/E)
0.7	2.48 Max Leverage ¹

Increase in borrowings is supported by strong liquidity and capital position

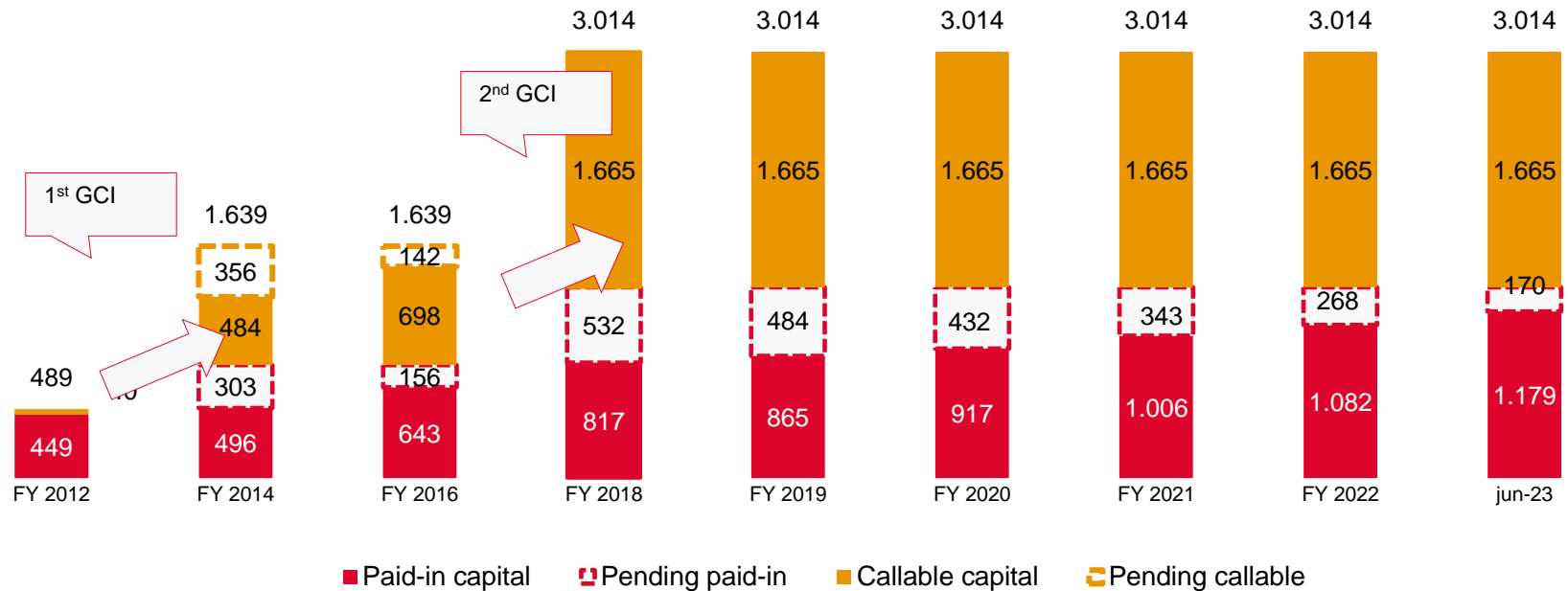
Source: FONPLATA as of June 30, 2023.

Leverage defined as borrowings divided by net equity

¹ Maximum Leverage = 2 times equity plus liquid assets

Continuous Shareholder's Support

(In millions of USD)



Source: FONPLATA as of June 30, 2023.

- An increase of the Bank's Authorized Capital (of at least US\$2 bn) is now under the consideration of the Board of Executive Directors, demonstrating the **willingness to futures GCI**.

New GCI:

- Subscriptions in 2024.
- Integration of paid-in beginning in 2026/2027

Preferred Creditor Status/Treatment (“PCS”)

Fonplata, as a Multilateral Lending Institutions (MLI's), benefit from the bank's **Preferred Creditor Status (PCS)**⁽¹⁾ from its member countries. PCS gives Fonplata priority for repayment of debt in the event of a borrower experiencing financial stress.

Fonplata has benefited from PCS **having not recorded any Non-Performing Loans (“NPL”)**⁽²⁾ **nor experienced any loans in Non-Accrual Interest (“NAI”)**⁽²⁾ **status over the last 10 years, resulting in a Strong Credit Quality.**

Fonplata has **strong track record of PCS**, given the **Strong Credit Quality of the loan portfolio**, and is expected to remain the same in the future considering the Sovereign Risk orientated business line.

The calculated arrears ratio is **zero**, and no country has gone into arrears with the institution for over 180 days in the last 10 years.

Source: FONPLATA as of June 30, 2023.

⁽¹⁾ Preferred creditor is a principle under which Multilateral Development Banks are given priority for repayment of debt if a borrower is experiencing financial stress.

⁽²⁾ Loan classified in Arrears:: FONPLATA will classify a loan in arrears if the payments of principal, interest, commissions, or other charges stipulated in the corresponding contract and its modifications, have not been canceled by the borrower as it is established in the contract.

Non-performing Loan: a loan is classified in a non-performing status after 30 days of delay in any payment.

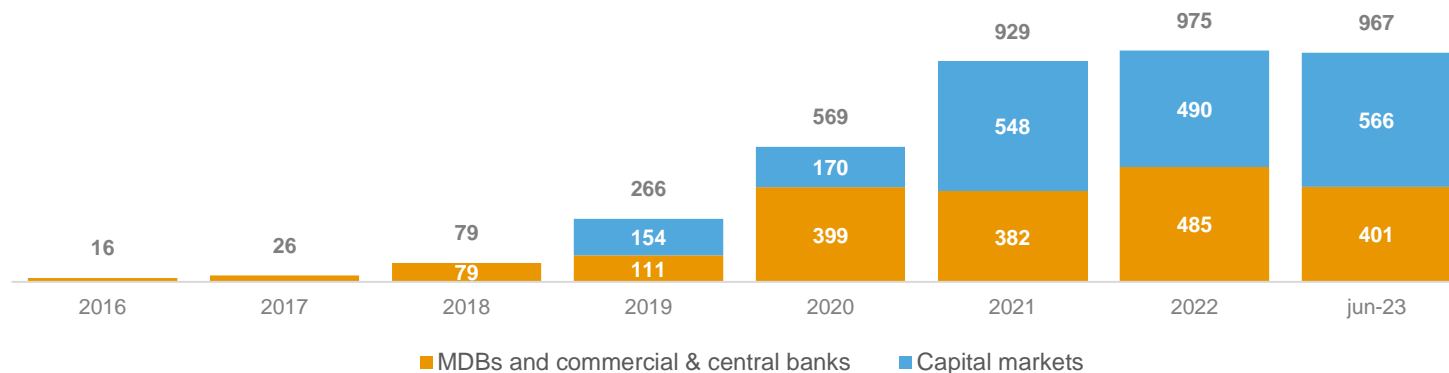
Non-accrual Interest Loan: a NPL is classified in NAI after 180 days of delay in any payment.

3. Funding Strategy

Liabilities by composition

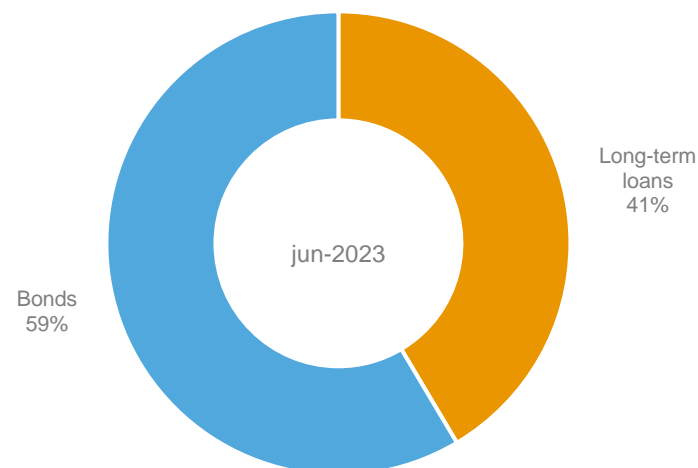
Funding base by type of counterparty and instrument

(In millions of USD)



Source: FONPLATA as of June 30, 2023.

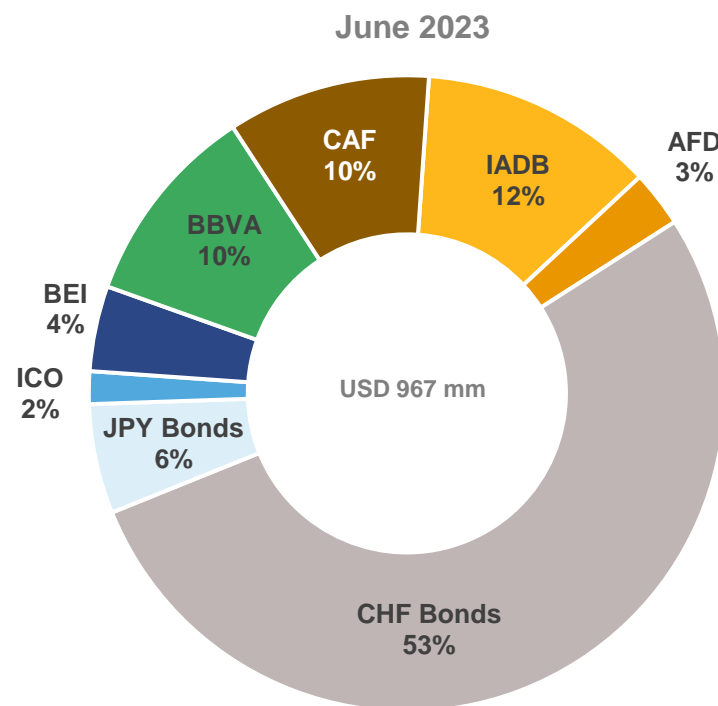
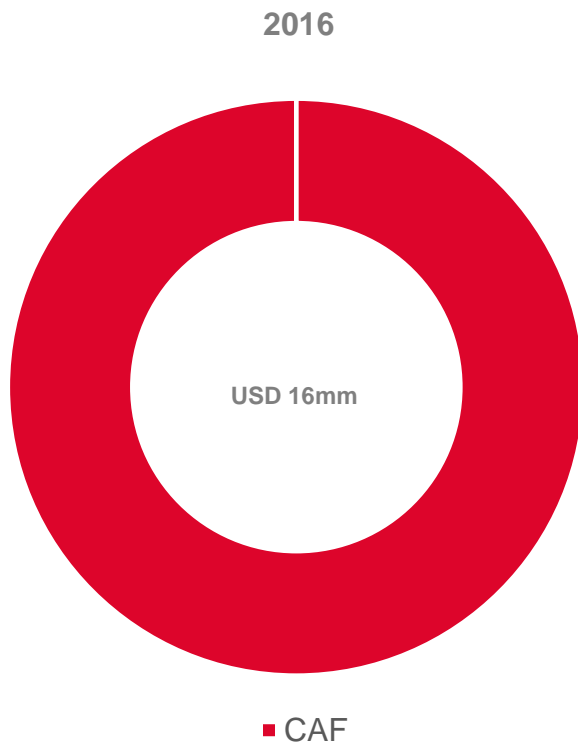
FONPLATA's debt maturity profile is in line with the average life of its financial assets



Liabilities by funding source

A broaden and diversified funding base

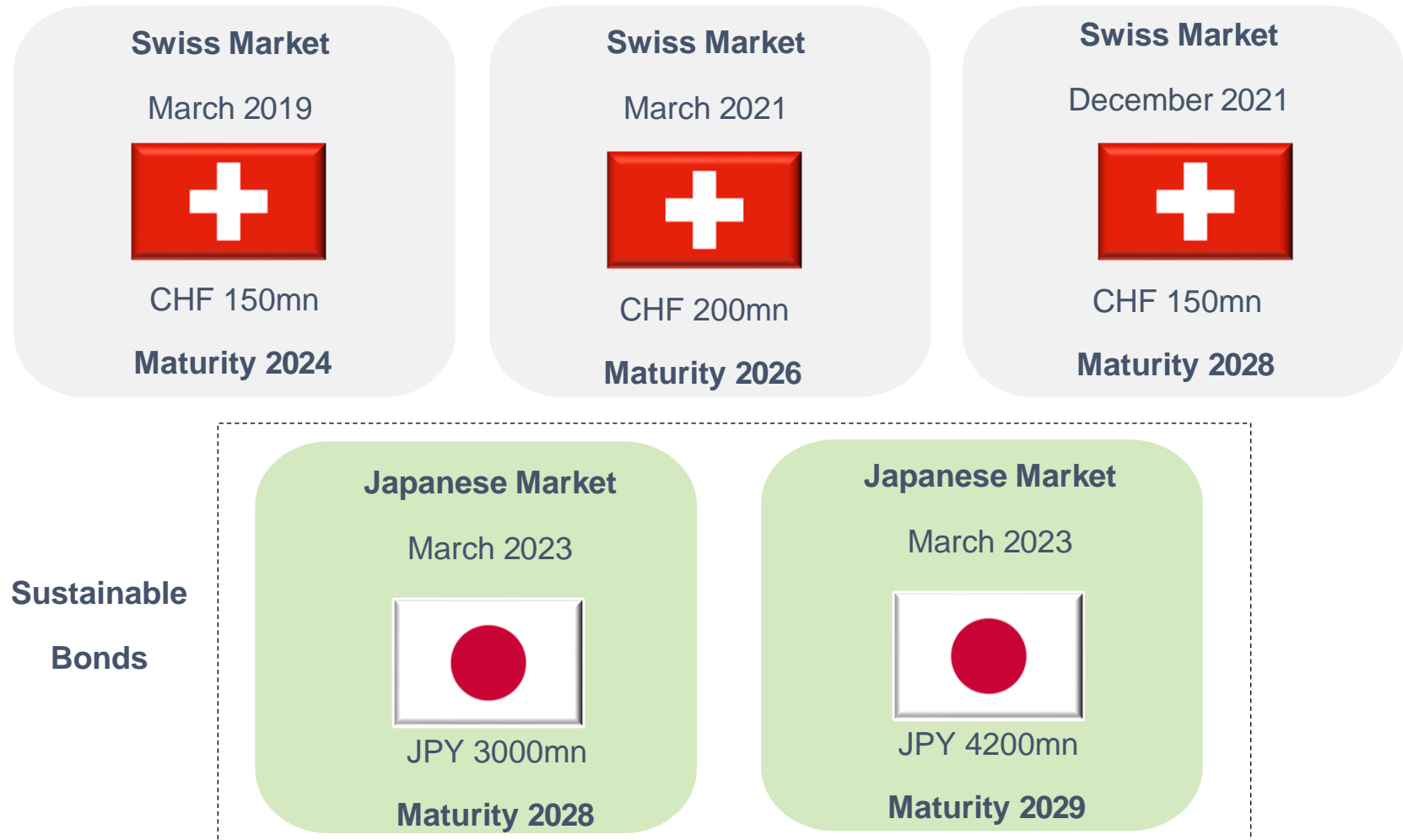
(In millions of USD)



Source: FONPLATA as of June 30, 2023.

An increasing participation in capital markets

A consolidated curve in the Swiss Market and inaugural issuance in the Japanese Market



Global Funding Partnership

Diversified base















Source: FONPLATA as of June 30, 2023.
Note: MIGA, CDP and NDB in negotiation.














Annex

FONPLATA's Credit Risk Rating is Among the Best in Latin America

S&P Rating

Non-investment Grade										Investment Grade							
C	CCC-	CCC	CCC+	B-	B	B+	BB-	BB	BB+	BBB-	BBB	BBB+	A-	A	A+	AA-	AA
	 Argentina			 Ecuador				 Brazil	 Paraguay	 Colombia	 Peru	 Panama		 Uruguay	 Chile		
				 Bolivia							 Mexico						

Moody's Rating

Non-investment Grade										Investment Grade							
Ca	Caa3	Caa2	Caa1	B3	B2	B1	Ba3	Ba2	Ba1	Baa3	Baa2	Baa1	A3	A2	A1	Aa3	Aa2
 Argentina	 Ecuador							 Brazil	 Paraguay		 Mexico	 Colombia		 Uruguay	 Chile		
			 Bolivia								 Panama	 Peru					

FONPLATA's rating is supported by its high capitalization and liquidity

Source: S&P and Moody's as of June 2023.

(1) CAF: Corporación Andina de Fomento – Development Bank of Latin America.

(2) CABI: Central American Bank of Economic Integration.

Projects Snapshot



Bioceanic Highway, Paraguay

To contribute to the economic development and integration of four Latinamerican countries (Argentina, Brazil, Paraguay and Chile) by improving the vehicular connectivity of a highway that will join the Atlantic and Pacific Oceans.



Florianópolis, Brazil

To help improve the urban mobility and economic and social development through the execution of Avenida Beira Mar Norte Continental Stage II.



AYSA, Argentina

To help improve the quality of life of the inhabitants of vulnerable populations through access to water and sanitation, promoting economic, social development and environment protection.



Belém do Pará, Brazil

To improve the environmental and social conditions that affect the population living in the area of influence and on the main channel of the Mata Fome watershed in Belém do Pará.



Harvesting water - sowing light, Bolivia

To improve the the quality of life of families in dispersed rural communities in conditions of poverty and extreme poverty, facilitating access to basic services in a sustainable manner.



National Road, Uruguay

to contribute to improving the competitiveness and integration of the national road network for the transportation of agro-industrial and forestry production through investments in



FONPLATA

Development Bank

Bringing development
closer to people



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capitalmarkets@fonplata.org

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