

**(Free translation from the original issued in Spanish)**

**FONPLATA - BANCO MULTILATERAL DE  
DESARROLLO**

**Interim financial statements**

June 30, 2025  
with the independent auditor's report

(Free translation from the original issued in Spanish)

FONPLATA - BANCO MULTILATERAL DE DESARROLLO

**Interim Financial statements**

June 30, 2025

**Content:**

Independent auditor's report on review on interim financial information

Unaudited interim financial statements:

Interim statement of financial position

Interim statement of profit or loss and other comprehensive income

Interim statement of cash flows

Interim statement of changes in equity

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## REPORT ON REVIEW IN INTERIM FINANCIAL INFORMATION

To the Assembly of Governors  
FONPLATA - Banco Multilateral de Desarrollo

### Introduction

We have reviewed the attached interim financial statements of FONPLATA - Banco Multilateral de Desarrollo (the "Bank") as at June 30, 2025, and the related interim statements of financial position, profit or loss and other comprehensive income, cash flows, and changes in equity for the six-month period then ended and the material explanatory notes. The Bank's Management is responsible for the preparation and presentation of these interim financial statements in accordance with International Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim financial statements based on our review.

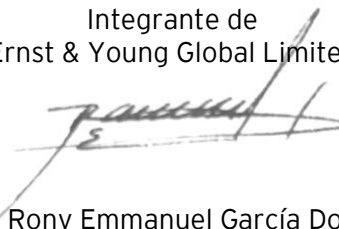
### Scope of the Review

We have conducted our review in accordance with the International Standard on Review Engagements (ISRE 2410) - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, as well as applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the attached interim financial information does not present fairly, in all material respects, the financial position of FONPLATA - Development Multilateral Bank as of June 30, 2025 as well as its results and its cash flows for the six-month period ended on that date, in accordance with International Accounting Standard No. 34 "Interim Financial Reporting".

Mancera, S.C.  
Integrante de  
Ernst & Young Global Limited



C.P.C. Rony Emmanuel García Dorantes

México City,  
August 20 2025

(Free translation from the original issued Spanish)

**FONPLATA – Multilateral Development Bank**
**INTERIM STATEMENT OF FINANCIAL POSITION<sup>1</sup>**

(All amounts expressed in millions of U.S. dollars)

	As of June 30, 2025		As of December 31, 2024	
<b>ASSETS</b>				
Cash and cash equivalents – Notes 8.1 and 8.3		520.3		339.4
<b>Investments</b>				
At fair value with changes in other comprehensive income – Note 8.2	737.8		409.6	
At amortized cost	<u>54.3</u>	792.1	<u>19.2</u>	428.8
<b>Loan portfolio – Note 8.4</b>		2,419.2		2,352.3
<b>Accrued interest</b>				
On investments	8.1		3.1	
On loans – Note 8.4	<u>50.2</u>	58.3	<u>47.3</u>	50.4
<b>Other assets</b>				
Property and equipment, net – Note 9.1	4.6		4.9	
Miscellaneous – Note 9.2	<u>1.3</u>	5.9	<u>1.5</u>	6.4
<b>Total assets</b>		<u><b>3,795.8</b></u>		<u><b>3,177.3</b></u>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Fair value hedge derivatives– Note 8.5 (ii)	0.6		1.7	
Borrowings – Note 8.5	1,935.4		1,380.1	
Other liabilities – Note 9.3	22.4		18.0	
Special funds – Note 8.6	<u>24.1</u>		<u>27.3</u>	
<b>Total liabilities</b>		<u><b>1,982.5</b></u>		<u><b>1,427.1</b></u>
<b>Equity</b>				
<b>Capital – Note 10.1</b>				
Authorized	6,500.0		6,500.0	
Less unissued shares	(3,485.8)		(3,485.8)	
Less callable portion	<u>(1,665.0)</u>		<u>(1,665.0)</u>	
Paid-in capital	1,349.2		1,349.2	
Paid-in capital pending integration	<u>(28.1)</u>	1,321.1	<u>(28.1)</u>	1,321.1
General reserve – Note 10.3		332.9		332.9
Other reserves – Note 10.2		0.8		(2.5)
Retained earnings – Note 10.3		<u>158.5</u>		<u>98.7</u>
<b>Total equity</b>		<u><b>1,813.3</b></u>		<u><b>1,750.2</b></u>
<b>Total liabilities and equity</b>		<u><b>3,795.8</b></u>		<u><b>3,177.3</b></u>

The accompanying notes are an integral part of these interim financial statements.

<sup>1</sup> The information as of June 30, 2025, was subjected to a limited review. As explained in the independent auditor's report a limited review is less than an audit of financial statements.

 Luciana Botafogo Brito  
 EXECUTIVE PRESIDENT

 Fabio Marvulle Bueno  
 CHAIRPERSON BOARD OF EXECUTIVE DIRECTORS

 Fernando A. Fernandez Mantovani  
 CHIEF ACCOUNTING AND BUDGET

 Rafael Robles  
 VICEPRESIDENT OF FINANCE a.i.

**FONPLATA – Banco Multilateral de Desarrollo**  
**INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME<sup>1</sup>**  
 (All amounts expressed in millions of U.S. dollars)

	<b>January 1 through June 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>INCOME – Note 11</b>		
<b>Loan portfolio</b>		
Interest	88.8	81.8
Other loan income	4.6	3.0
	<u>93.4</u>	<u>84.8</u>
<b>Investments</b>		
Interest	19.4	9.3
Other	0.2	0.3
	<u>19.6</u>	<u>9.6</u>
<b>Income from financial assets</b>	<u>113.0</u>	<u>94.4</u>
<b>EXPENSES</b>		
Interest expense	(48.3)	(36.0)
<b>Income from financial assets, net</b>	<u>64.7</u>	<u>58.4</u>
Other income/expenses	3.2	(11.9)
<b>Income before provision and administrative expenses</b>	<u>67.9</u>	<u>46.5</u>
Provision for loan impairment Notes 3 and 8.4	(0.8)	(0.4)
<b>Income after provision for loan impairment</b>	<u>67.1</u>	<u>46.1</u>
Administrative expenses – Note 12	(7.3)	(6.1)
<b>Net income</b>	<u>59.8</u>	<u>40.0</u>
<b>Items that may be reclassified to profit or loss:</b>		
Changes in fair value of investments	3.2	1.8
<b>Items that will be not reclassified to profit or loss:</b>		
Technical appraisal of property	0.1	-.-
<b>Comprehensive income</b>	<u>63.1</u>	<u>41.8</u>

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**FONPLATA – Banco Multilateral de Desarrollo**  
**INTERIM STATEMENTS OF CHANGES IN EQUITY<sup>1</sup>**  
(All amounts expressed in millions of U.S. dollars)

	<u>Paid-in Capital (*)</u>	<u>General reserve</u>	<u>Reserve for changes in the value of investments at fair value</u>	<u>Reserve for changes in value of cash flow hedges</u>	<u>Reserve for revaluation of property</u>	<u>Retained Earnings</u>	<u>Total</u>
<b>Balance as of January 1, 2024</b>	<b>1,210.4</b>	<b>246.9</b>	<b>(0.4)</b>	<b>-.-</b>	<b>0.6</b>	<b>92.1</b>	<b>1,549.6</b>
Capital increase – Paid-in portion	31.2	-.-	-.-	-.-	-.-	-.-	31.2
Allocated by the Board of Governors to:							
General Reserve	-.-	-.-	-.-	-.-	-.-	-.-	-.-
Net income for the year	-.-	-.-	-.-	-.-	-.-	40.0	40.0
Other comprehensive income for the year	-.-	-.-	1.8	-.-	-.-	-.-	1.8
<b>Balance as of June, 2024</b>	<b>1,241.6</b>	<b>246.9</b>	<b>1.4</b>	<b>-.-</b>	<b>0.6</b>	<b>132.1</b>	<b>1,622.6</b>
 <b>Balance as of January 1, 2025</b>	 <b>1,321.1</b>	 <b>332.9</b>	 <b>(3.0)</b>	 <b>-.-</b>	 <b>0.5</b>	 <b>98.7</b>	 <b>1,750.2</b>
Capital increase – Paid-in portion	-.-	-.-	-.-	-.-	-.-	-.-	-.-
Allocated by the Board of Governors to:							
General Reserve	-.-	-.-	-.-	-.-	-.-	-.-	-.-
Net income for the year	-.-	-.-	-.-	-.-	-.-	59.8	59.8
Other comprehensive income for the year	-.-	-.-	3.2	-.-	0.1	-.-	3.3
<b>Balance as of June 30, 2025</b>	<b>1,321.1</b>	<b>332.9</b>	<b>0.2</b>	<b>-.-</b>	<b>0.6</b>	<b>158.5</b>	<b>1,813.3</b>

The accompanying notes are an integral part of these interim financial statements.

(\*) After deducting the amount of callable capital and the paid-in capital subscribed receivable (see note 10).

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**FONPLATA – Banco Multilateral de Desarrollo**  
**INTERIM STATEMENTS OF CASH FLOWS<sup>1</sup>**  
(All amounts expressed in millions of U.S. dollars)

	January 1 through June 30, <u>2025</u>	<u>2024</u>
<b>Cash Flows from Operating Activities</b>		
Lending		
Disbursements	(183.5)	(230.4)
Cash received from loan principal amortizations	117.0	109.8
Net disbursements	(66.5)	(120.6)
Cash received from interest and other loan charges	89.3	79.8
<b>Net flows in lending activities</b>	<b>22.8</b>	<b>(40.8)</b>
<b>Other operating flows:</b>		
Payment of salaries, benefits, and other personnel expenses	(5.2)	(3.6)
Payment of administrative expenses	(2.0)	(2.6)
Increase in trade accounts payable and with special funds	(0.6)	0.3
<b>Net flows used in other operating activities</b>	<b>(7.8)</b>	<b>(5.9)</b>
<b>Net flows from operating activities</b>	<b>15.0</b>	<b>(46.7)</b>
 <b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	460.0	316.4
Derivatives – Collateral deposited at counterparts	120.3	(46.1)
Repayment of borrowings and debt service	(69.0)	(256.0)
<b>Net flows from financing from third parties</b>	<b>511.3</b>	<b>14.3</b>
Collection of paid-in capital subscriptions	-.-	31.2
<b>Net flows from financing activities</b>	<b>511.3</b>	<b>45.5</b>
 <b>Cash flows from investing activities</b>		
Collection of investment income	14.7	9.1
Net sales/(purchases) of investments	(360.0)	108.1
Capital expenditures	(0.1)	(0.1)
<b>Net flows from investment activities</b>	<b>(345.4)</b>	<b>117.1</b>
 <b>Increase in cash and equivalents during the period</b>	<b>180.9</b>	<b>115.9</b>
<b>Cash and Cash equivalents at the beginning of the period</b>	<b>339.4</b>	<b>324.2</b>
<b>Cash and Cash equivalents at the end of the period</b>	<b>520.3</b>	<b>440.1</b>

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**FONPLATA – Banco Multilateral de Desarrollo**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE INTERIM PERIODS ENDED JUNE 30, 2025, AND FOR THE YEAR ENDED DECEMBER 31, 2024**  
(All amounts expressed in millions of U.S. dollars)

**Note 1 – Background**

The “Fondo Financiero para el Desarrollo de la Cuenca del Plata,” hereinafter and for all intent and purposes denominated as “FONPLATA,” or “the Bank,” is an international legal entity of indefinite life, which is governed by the covenants contained in its Charter and on its Regulations as a multilateral development bank. The Bank is headquartered in the city of Santa Cruz de la Sierra, Estado Plurinacional de Bolivia and has country offices in Asuncion, Republic of Paraguay, since 1989, in Buenos Aires, Republic of Argentina since June 2018, in Montevideo, Uruguay, since December 2019, Brasilia, Brazil, since March 2021, and on April 2024, opened an office in La Paz, Bolivia, consolidating its presence in all five member countries. Country offices are an integral part of the Bank’s strategy to strengthen the working relationship with its member countries.

The Bank is formed by the governments of Argentina, Bolivia, Brazil, Paraguay and Uruguay, hereinafter “founding members”, based on the River Plate Basin Treaty, subscribed on April 23, 1969, which gave rise to its consolidation and recognition as a legal entity on October 14, 1976, when its Charter was approved and put into force.

The Bank was established by its founding members, within a spirit of cooperation and solidarity, persuaded that only cooperation and joint action could lead to harmonized, inclusive, and sustainable development to foster a better insertion of its member countries within the regional and global economy.

The Bank’s founding members maintain a close relationship among themselves sharing the same ecosystems, such as the hydrographic and energy systems, air, river and road transportation networks and other communication systems.

Among the main functions of the Bank, are the granting of loans and guarantees, obtaining external financing with the guarantee of the Bank’s net assets; the financing of pre-investment studies with the purpose of identifying investment opportunities or projects of interest to enhance the development and integration of its member countries at regional and global levels; the financing and contracting of technical assistance; and to undertake any other functions that are considered conducive to the attainment of its objectives.

On January 27, 2024, the new Bank Charter approved by the Board of Governors in November 2018, entered into force. The enhancements introduced have the purpose to modernize it ensuring the Bank’s continues its growth, and are designed to strengthen its capacity and relevance as an active partner to promote integration both at the regional and global level, as a vehicle for development. The following are the most relevant enhancements: (i) FONPLATA’s transformation from a “fund” into a “development bank”; (ii) a change in its name to be formally recognized as “FONPLATA”, or “The Bank”; (iii) expansion of its scope of work with a geographic focus based on the countries conforming the River Plate basin, to one encompassing the region of its member countries and their integration in the global market; (iv) the expansion of its membership beyond its founding members, recognizing the possibility of incorporating non-founding members that could consist of either countries or institutions, to its capital base and (v)



the redenomination of capital as “authorized capital” for an initial amount of \$3,014.2, consisting of 301,420 class “A” shares, to be allocated to founding members only, with a par value of \$0.01 each, and with a voting right of one vote per share (see Note 10.1-Capital for further information).

On April 10, 2023, the Board of Governors appointed Luciana Botafogo Brito as the Executive President of FONPLATA, Development Bank for the period 2023 – 2028, and on April 12, 2024, the Board of Governors approved the financial statements for the year ended December 31, 2023.

On February 5, 2024, the Board of Governors approved an increase in the authorized capital from \$3,014.2 to \$6,500.0, and on June 12, 2024, while meeting in the City of Sucre, Plurinational State of Bolivia, the Board of Governors, as part of the commemoration of the 50th anniversary of FONPLATA’s founding, instructed the Administration in coordination with the Executive Board to prepare a proposal for a new capital increase. In that opportunity the Board of Governors also approved the guidelines to be followed for the increase, as well as the criteria for the admission of new members.

On July 15, 2025, the Board of Executive Directors submitted to the Board of Governors a proposal for an increase of the subscribed capital. The proposal provides for the admission of new members with a participation percentage no to exceed 18.182% of the total authorized capital, and for an increase of paid-in capital from \$1,348.2 to \$2,924.5, including \$531.7 to be contributed by new members. It is anticipated that, once the capital increase is approved, its subscription and payment will begin in 2027, with installments continuing through 2036. On July 31, 2025, the Board of Governors approved the increase of the subscribed capital as proposed enabling the possibility of adding new members.

The Bank Administration is characterized by a keen focus on strategic planning and results-based management. The Strategic Institutional Plan 2022 – 2026 (a.k.a. PEI for its Spanish acronym), was approved by the Board of Governors in September 2021. As part of drafting the new capital increase, the Administration together with the Board of Executive Directors revalidated the strategic pillars and objectives driving the Bank’s direction and focus during 2025 and through the beginning of the new capital increase expected by mid-2027. The Planning and Budget Document (a.k.a. DPP for its Spanish acronym) containing the expected results for the period 2025 – 2027, the activities required along with the administrative and capital budgets needed was approved by the Board of Governors on December 27, 2024 (RAG 209).

## **NOTE 2 – SIGNIFICANT CHANGES DURING THE INTERIM PERIOD ENDED JUNE 30, 2025, AND FOR THE YEAR ENDED DECEMBER 2024.**

The following paragraphs provide a description of the most relevant operational and financial activities of the Bank during the interim period ending June 30, 2025 and for the year ending December 31, 2024, respectively, which have directly contributed to the growth of its net earning assets and to the generation of net income for each interim period and year:

### **June 2025**

- Loan income was mainly determined by the increase in the loan portfolio during the last quarter of 2024 and the first quarter of 2025. In the interim period from January to June 2025 loan disbursements amounted to \$183.5 and collections of principal \$117.0, as shown in the statement of cashflows. The average reference rate for loans in the first half of the year decreased by 18.8% compared to the first half of 2024 (January to June 2025- 4.32% vs January to June 2024-5.32%).

- As of June 30, 2025, the Bank has migrated all its loan contracts to the SOFR in arrears. The annual average interest rate accrued during 2025 reached 735 basis points, or 13.0% lower than in the same period in 2024 (845 basis points) and lower than the one registered as of December 2024, of 796 basis points.
- During the interim period ended as of June 30, 2025, the Bank approved 3 sovereign guaranteed financing operations for an amount of \$119.0. During the year ended as of December 31, 2024, the Bank approved 12 sovereign guaranteed financing operations for an amount of \$690.0 and 2 operations without sovereign guarantee for an amount of \$75.0, for a total of 14 operations amounting to \$765.0. Likewise, during the interim period ending as of June 30, 2025, loan disbursements amounted to \$183.5 including \$20.0 without sovereign guarantee, and the Bank collected \$117.0 in loan principal, of which \$13.5 correspond to non-sovereign guaranteed loans. During the year ended as of December 31, 2024, \$737.0 was disbursed, including \$71.0 without sovereign guarantee and received \$232.2 in loan principal repayments, of which \$40.3 corresponds to non-sovereign guaranteed loans.
- Financial costs for the interim period, amounting to 582 basis points, decreased on average by 85 basis points compared to the same period in 2024 (667 basis points), and by 52 basis points compared to the fiscal year ended December 31, 2024 (634 basis points).

The decrease in the reference rate for loans, offset by the growth in the gross loan portfolio, together with the annualized rate of return on investments—which reached 517 basis points as of June 30, 2025—net of financial costs, explains the 7 basis point decline in the average return on net financial assets.

- In compliance with its policies and procedures for the maintenance of liquid assets and borrowings, during the interim period ending as of June 30, 2025, the Bank conducted the following, issuance bond transactions:

Bond	Details
February 19, 2025- MTN #01-Issuance	Bonds issuance for \$40.0 under the LMTN with a 3-year maturity, due on February 19, 2028, and an annual coupon payment based on SOFR.
March 14, 2025- MTN #02-Issuance	Bonds issuance for \$40.0 under the MTN with a 5-year maturity, due on March 14, 2030, and a semiannual coupon payment based on SOFR.
March 21, 2025- MTN #03-Issuance	Bonds issuance for \$50.0, under the MTN with a 5-year maturity, due on March 21, 2030, and a semiannual coupon payment based on SOFR.
March 26, 2025- MTN #04-1-Issuance	Bonds issuance for \$30.0, under the MTN with a 5-year maturity, due on March 26, 2030, and an annual fixed-rate coupon. The fixed interest rate coupon was exchanged into the SOFR in arrears through an interest rate hedge agreement with SMBC Capital Markets Inc.
March 26, 2025- MTN #04-2-Issuance	Bonds issuance for \$50.0, under the MTN, with a 7-year maturity, due on March 26, 2032, and an annual fixed-rate coupon. The fixed interest rate coupon was exchanged into the SOFR in arrears through an interest rate hedge agreement with SMBC Capital Markets Inc.

April 10, 2025- MTN #05-Issuance	Bonds issuance for \$50.0, under the MTN with a 10-year maturity, due on April 10, 2035, and semiannual fixed-rate coupon. The fixed interest rate coupon was exchanged into the SOFR in arrears through an interest rate hedge agreement with SMBC Capital Markets Inc.
May 19, 2025- MTN #06-Issuance	Bonds issuance for \$50.0, under the MTN with a 5-year maturity, due on May 19, 2030, and a semiannual coupon payment based on SOFR.
May 21, 2025- MTN #07-Issuance	Bonds issuance for \$100.0, under the MTN with a 5-year maturity, due on May 21, 2030, and a semiannual coupon payment based on SOFR.

- The Bank drew funds under an existing uncommitted revolving credit line with CAF for \$50.0. Additionally, \$20.9 of principal was amortized. During the year ending as of December 31, 2024, the Bank drew funds for \$305.5 (\$75.5 from existing credit lines and \$230.0 from new loans), and amortized principal for \$141.2.
- The following chart depicts outstanding borrowing amounts as of the interim period ended June 30, 2025, and the year ended December 31, 2024, respectively, under the various lines of credit, loans and the amount owed to the Bank's bondholders for bond issuances:

<u>Creditor</u>	<u>Outstanding as of December 31, 2024</u>	<u>Principal repaid</u>	<u>Funds received in 2025</u>	<u>Total debt in historical dollars</u>	<u>Fair value adjustments and exchange differences</u>	<u>Outstanding debt as of June 30, 2025</u>
Banco de Desarrollo de América Latina (CAF)	75.0	--	50.0	125.0	--	125.0
Inter-American Development Bank (IDB)	167.8	(2.5)	--	165.3	--	165.3
French Development Agency (AFD)	48.5	(0.9)	--	47.6	4.5	52.1
European Investment Bank (BEI)	60.0	(0.2)	--	59.8	--	59.8
Official Credit Institute E.P.E. (ICO)	14.4	(0.6)	--	13.8	--	13.8
Banco Bilbao Vizcaya Argentaria (BBVA)	175.0	(16.7)	--	158.3	--	158.3
KfW – Euros at Euribor rate	33.8	--	--	33.8	3.9	37.7
CDP Cassa Depositi	30.0	--	--	30.0	--	30.0
Deferred loan charges	--	--	--	--	(4.0)	(4.0)
<b>Subtotal multilaterals and other</b>	<b>604.5</b>	<b>(20.9)</b>	<b>50.0</b>	<b>633.6</b>	<b>4.4</b>	<b>638.0</b>
Bond issuance of CHF FONPLATA 26 <sup>2</sup>	222.7	--	--	222.7	26.7	249.4
Bond issuance of CHF FONPLATA 27 <sup>2</sup>	158.6	--	--	158.6	28.6	187.2
Bond issuance of CHF FONPLATA 28 <sup>2</sup>	164.5	--	--	164.5	19.5	184.0
Bond issuance of CHF FONPLATA 29 <sup>2</sup>	152.9	--	--	152.9	13.4	166.3
Bond issuance of JPY Serie 28 1	22.5	--	--	22.5	(2.1)	20.4
Bond issuance of JPY Serie 29 2	31.5	--	--	31.5	(3.3)	28.2
Bond issuance of JPY Serie 27 3	40.2	--	--	40.2	3.1	43.3
Bond issuance of JPY Serie 29 4	7.0	--	--	7.0	0.6	7.6
Bond issuance MTN USD #01	--	--	40.0	40.0	0.3	40.3
Bond issuance MTN USD #02	--	--	40.0	40.0	0.6	40.6

<u>Creditor</u>	<u>Outstanding as of December 31,2024</u>	<u>Principal repaid</u>	<u>Funds received in 2025</u>	<u>Total debt in historical dollars</u>	<u>Fair value adjustments and exchange differences</u>	<u>Outstanding debt as of June 30, 2025</u>
Bond issuance MTN USD #03	-.-	-.-	50.0	50.0	0.6	50.6
Bond issuance MTN USD #04-1	-.-	-.-	30.0	30.0	0.9	30.9
Bond issuance MTN USD #04-2	-.-	-.-	50.0	50.0	1.1	51.1
Bond issuance MTN USD #05	-.-	-.-	50.0	50.0	2.0	52.0
Bond issuance MTN USD #06	-.-	-.-	50.0	50.0	0.3	50.3
Bond issuance MTN USD #07	-.-	-.-	100.0	100.0	1.2	101.2
Deferred bonds charges	-.-	-.-	-.-	-.-	(6.0)	(6.0)
<b>Subtotal bonds</b>	<b>799.9</b>	<b>-.-</b>	<b>410.0</b>	<b>1,209.9</b>	<b>87.5</b>	<b>1,297.4</b>
<b>Total borrowings</b>	<b>1,404.4</b>	<b>(20.9)</b>	<b>460.0</b>	<b>1,843.5</b>	<b>91.9</b>	<b>1,935.4</b>

- Derivatives related to FONPLATA's bond issuances and lines that are hedged through cross-currency and interest rate swaps, were designated as of January 1, 2022, as fair value hedges used to finance disbursements on loans to member countries, in accordance with the framework provided by IFRS 9 (see Notes 4.10; 6; and 8(ii)). These derivative contracts are based on ISDA contracts signed with the Bank counterparts, namely JPM; Deutsche Bank (DB); HSBC; BBVA and SMBC.
- In compliance with its financial and risk management policies, the Bank uses derivatives for the sole purpose of reducing its risk exposure to changes in (i) exchange rates of currencies different than the United States dollar, and (ii) in interest rates different from its lending reference interest rate and not for speculative purposes.
- During the interim period from January to June 2025, no paid-in capital from member countries was received. In 2024 the Bank received \$110.7 in paid-in capital from member countries (see Note 10.1 "Capital").
- Administrative expenditures during the interim period offending on June 30, 2025, on average represented 81 basis points of the actual return on net financial assets, showing no variation compared to December 2024, and an increase of 5 basis points or 6.58%, compared to the interim period ended June 30, 2024. This reaffirms FONPLATA's commitment to ensuring the lowest transactional cost possible for its member countries.
- The Bank is the fiduciary agent for the management of the investment portfolio of the Structural Convergence Fund ("Fondo de Convergencia Estructural de MERCOSUR - FOCER"). During the interim period ended June 30, 2025, FOCER's investment portfolio managed by the Bank amounted to \$103.8, and the amount of administrative fee received by the Bank amounted to \$0.2 (December 2024- \$102.0 and \$0.5, respectively).

### Going Concern

On January 18, 2024, the Bank formally received a letter signed by the Governor of the Argentine Republic withdrawing the letter that was sent on April 21, 2023, by his predecessor in which he informed his country of his willingness to "initiate the process aimed at ceasing its membership" in FONPLATA.

Based on this official communication, the Government of the Argentine Republic ratifies that it continues to be a full member of FONPLATA.

In accordance with the transparency and prudence that characterizes Bank's management, upon receiving the letter from the Governor of the Argentine Republic, the Bank's senior management communicated its contents to its bondholders and creditors, as well as with the credit rating agencies. This news has been welcomed by Standard & Poor's which on January 30, 2024, revised FONPLATA's "A" rating outlook to "stable", changing the previous negative outlook from May 5, 2023. Meanwhile, Moody's have maintained their respective ratings of "A2" unchanged, with a "stable outlook".

On June 12, 2024, and within the framework of the 50th anniversary of the Bank's founding celebration, and following the decision to increase the authorized capital from \$3,014.2 to \$6,500.0, the Board of Governors approved the guidelines to be used for the preparation of the proposal to increase the subscribed capital, as well as the criteria for the addition of new members, instructing the Administration and the Executive Board to proceed to prepare a proposal for a new capital increase to be considered for approval by the beginning of the second semester of 2025.

On July 31, 2025, the Board of Governors approved an increase of the subscribed capital taking it from \$3,014.2 to \$6,498.8 (for further detail see notes 10.1 and 18).

This, together with the institution's robust financial profile, confirms that FONPLATA Development Bank focused on Mercosur, is a going-concern institution financially solvent and of relevance for the development agendas of its member countries.

### **NOTE 3 – HOW INCOME IS GENERATED**

The Bank derives most of its income from sovereign-guaranteed loans to its member countries, and starting in 2020, approximately 5% comes from non -sovereign guaranteed loans extended to estate-owned banks at national and subnational level at its member countries'. The Bank's ability to generate loan income relates to various relevant factors directly affecting the growth of its main earning asset, its loan portfolio. The following factors directly affect loan portfolio growth and its profitability:

- The lending capacity, which is based on three times the amount of equity.
- The amount of loan disbursements.
- The amount of principal collections received during the year; and,
- The 6-month Libor rate for legacy loans migrated to the SOFR rate during the first half of 2023, and the SOFR rate for loans approved starting on or after January 1, 2022, and for Legacy loans where the borrowers opted to convert into the SOFR rate prior to January 1, 2022; and the synthetic Libor rate for loans no converted as of December 31, 2023, plus a fix margin.

Investment income relates directly to the investment of the Bank's portfolio of liquid assets (i.e., cash and cash equivalents), for the purpose of reducing the cost of carry associated to maintaining the minimum level of liquidity required by policy. The Bank holds liquidity for the purpose of meeting expected loan disbursements, meeting its financial obligations, and defray its operational expenses for a period of 12 months (see Note 6.5).

The following table, which is based on average financial assets and liabilities and annual administrative expenses, illustrates how the Bank derives its revenues, expenses, and net income:

	January 1, through June 30,						January 1, through December 31,		
	2025			2024			2024		
	Average balance	Income	Return <sup>2</sup> %	Average balance	Income	Return <sup>2</sup> %	Average balance	Income	Return <sup>2</sup> %
Loans outstanding	2,415.3	93.4	7.73	1,937.6	84.8	8.75	2,129.6	176.7	8.30
Investments <sup>1</sup>	765.1	19.8	5.17	676.8	9.3	2.74	711.3	34.9	4.91
Cash at banks <sup>1</sup>	274.2	0.3	0.22	57.6	0.3	1.04	36.7	0.4	1.09
<b>Financial assets</b>	<b>3,454.6</b>	<b>113.5</b>	<b>6.57</b>	<b>2,672.0</b>	<b>94.4</b>	<b>7.07</b>	<b>2,877.6</b>	<b>212.0</b>	<b>7.37</b>
Borrowings	(1,624.0)	(48.3)	(5.95)	(1,078.8)	(36.0)	(6.67)	(1,217.4)	(77.4)	(6.36)
<b>Net financial assets</b>	<b>1,830.6</b>	<b>65.2</b>	<b>7.12</b>	<b>1,593.2</b>	<b>58.4</b>	<b>7.33</b>	<b>1,660.2</b>	<b>134.6</b>	<b>8.11</b>
Provisions and other charges <sup>3</sup>	-.	1.9	0.21	-.	(12.4)	(1.56)	-.	(22.4)	(1.35)
Administrative expenses <sup>4</sup>	-.	(7.3)	(0.80)	-.	(6.0)	(0.75)	-.	(13.5)	(0.81)
<b>Net assets</b>	<b>1,830.6</b>	<b>59.8</b>	<b>6.53</b>	<b>1,593.2</b>	<b>40.0</b>	<b>5.02</b>	<b>1,660.2</b>	<b>98.7</b>	<b>5.95</b>
<b>Equity</b>	<b>1,781.7</b>	<b>59.8</b>	<b>6.71</b>	<b>1,586.2</b>	<b>40.0</b>	<b>5.04</b>	<b>1,649.9</b>	<b>98.7</b>	<b>5.98</b>

<sup>1</sup>The average balance of investments as of June 30, 2025, includes \$387.2 reclassified as cash and equivalents for presentation purposes in the Financial Statements, as they correspond to investments where the time spanned between the day of purchase and of their contractual maturity is of 90 days or less and \$80.0 of investments in sweep account (June 30, 2024-\$218.6 and \$151.1, and December 31, 2024-\$288.7 and \$21.5 respectively). For the purpose of this table, investment income is shown gross before deducting the special funds participation (see 3-“Provisions and other charges”, below and Note 8.6-Special Funds).

<sup>2</sup>Returns are calculated based on actual income/expense line items at year-end divided by the average balance for each category of financial assets and liabilities. These averages are calculated by adding up the prior year-end balance plus the current year-end balance, divided by 2, for which they may differ from the actual average.

### <sup>3</sup>Provisions and other charges

	As of June 30,		As of December 31,
	2025	2024	2024
	\$	\$	\$
Provision for loan impairments – Note 8.4	(0.8)	(0.4)	(2.4)
Depreciation	(0.3)	(0.3)	(0.6)
Exchanges differences – Gain/(loss)	0.5	0.2	0.2
Special funds participation in investment income	(0.4)	(0.6)	(1.1)
Unrealized (losses)/gains on borrowings and on their related cross-currency and interest rate swaps classified as fair-value hedges – Note 8.5	2.9	(12.2)	(19.2)
Other income/expenses	-.	0.9	0.7
<b>Total provisions and other charges</b>	<b>1.9</b>	<b>(12.4)</b>	<b>(22.4)</b>

<sup>4</sup>Actual amount of incurred administrative budget – See Note 12 “Administrative Expenditures.”

## NOTE 4 – SUMMARY OF MATERIAL ACCOUNTING POLICIES

Below is a summary of the main accounting policies used in the preparation of these financial statements. Except when expressly noted, these accounting policies have been consistently applied during the periods and years presented.

#### **4.1 Basis for presentation**

##### **(i) Compliance with International Financial Reporting Standards**

The financial statements are presented in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretation Committee (IFRIC), applicable to entities that report under IFRS and comply with the standards issued by the International Accounting Standards Board (IASB).

The Bank presents a statement of financial position classifying assets and liabilities in accordance with their expected liquidity. Assets and liabilities are shown based on their expected recovery or repayment within a 12-month period, following the date of the financial statements (current), and those for which their expected recovery or repayment is expected to take more than a 12-month period following the date of the financial statements (non-current), see Note 13.

##### **(ii) Historical cost**

The financial statements have been prepared based on the historical cost, except for the following components:

- Investments available for sale valued at fair value with changes in other comprehensive income (OCI).
- Investments held-to-maturity and valued at amortized cost, which are adjusted through a provision to their fair value in those cases where there has been an impairment, in those cases in which the latter is lower.
- Debt contracted in currencies other than the U.S. dollar or at interest rates other than the interest reference rate adopted by the Bank for its loans to member countries and the related swaps contracted by the Bank with its counterparts, which are valued initially at fair value with changes in income.
- Property valued at fair value.

##### **(iii) New standards and modifications adopted by the Bank**

The Bank first applied certain rules and amendments, which are effective for annual periods beginning on or after January 1, 2024, (unless otherwise noted). The Bank has not pre-adopted any other rules, interpretations, or amendments that have been issued but are not yet effective as of June 30, 2025.

##### **Amendment to IAS 12, International Tax Reform - Second Pillar Model Rules**

The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantially enacted to implement the Pillar Two Model Rules published by the Organization for Economic Co-operation and Development (OECD).

The amendments introduce the following recognition and disclosure requirements:

Disclosure of current tax: Disclose the current tax expense related to the second pillar model in the periods in which the legislation is in force.



Disclosure in periods prior to the entry into force of the tax reform: In those legislations where the second pillar model has been enacted but is not yet effective, entities must disclose at the end of their reporting period quantitative and qualitative information about their exposure to income taxes related to the second pillar model.

Disclosure of the application of the exception: A mandatory exception was introduced in IAS 12 in May 2023 not to recognize and disclose deferred tax assets and liabilities related to income tax to the second pillar. This exception allows entities to assess the accounting implications that will arise from the application of this amendment once there is legislation adopted in the jurisdictions where the entity has a presence.

The amendments had no impact on the financial statements because the Bank is not subject to income tax.

#### **Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current with Covenants**

The amendments to IAS 1 affect the presentation of liabilities on the balance sheet and include disclosure requirements in this regard.

The amendments clarify that the classification of liabilities as short-term or long-term is based on the rights that are in existence at the end of the reporting period; They align the wording of the "right" to defer settlement for at least 12 months and detail that only the rights in form at the end of the reporting period are those that should affect the classification of a liability, not management's expectations.

Additionally, the concept of future covenants is introduced; An entity that is subject to compliance with future or subsequent covenants at the reporting date has the right to defer settlement of liabilities even if it is not in compliance with such covenants as of the reporting date.

The amendments had no impact on the Bank's financial statements since it classifies its liabilities according to contractual maturity. The Bank is not subject to compliance with *future covenants*.

#### **Measurement of a lease-for-sale liability with a lease-on-return - Amendments to IFRS 16**

The amendments specify the requirements to be used by the lessee-seller in measuring the lease liability arising in a sale-leaseback transaction, to ensure that the lessee (seller) does not recognize the amount of gain or loss that relates to the right of use that it retains.

The Bank has not entered into transactions for the sale of properties with subsequent lease, so no impact was generated by the adoption of these amendments.



### **Amendments to IAS 7 and IFRS 7 – Financing agreements with suppliers**

In these agreements, one or more financial providers pay amounts that an entity owes to its suppliers (reverse factoring) while the entity agrees to settle those amounts with the financial providers in accordance with the terms and conditions of the agreements.

The amendment introduces disclosure requirements for agreements with financial providers in liabilities and cash flows, including the terms and conditions of such agreements, as well as quantitative information on such agreements at the beginning and end of the period.

FONPLATA has not entered into reverse factoring agreements, therefore, there are no impacts from the adoption of these amendments within the financial statements.

### **New standards and interpretations that have not yet been adopted**

The following standards and interpretations are not yet effective as of the date of issuance of these financial statements, and the Bank will evaluate their applicability once they enter into force:

- Amendments to IAS 21 – Lack of exchangeability<sup>1</sup>
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments<sup>2</sup>
- Annual Amendments to International Financial Reporting Standards - Volume 11<sup>2</sup>
- IFRS 18 – Presentation and Disclosure in Financial Statements<sup>3</sup>
- IFRS 19 – Subsidiaries without Public Accountability<sup>3</sup>

<sup>1</sup> Effective for annual reporting periods beginning on January 1, 2025.

<sup>2</sup> Effective for annual reporting periods beginning on January 1, 2026.

<sup>3</sup> Effective for annual reporting periods beginning on January 1, 2027.

## **4.2 Information relevant operation**

Based on an analysis of its operations, the Bank has determined that its core business only has a single operating segment, which consists of the financing of the development needs of its member countries which corresponds to its single reportable segment.

The Bank continuously evaluates its performance and financial position as the basis for making decisions it considers appropriate for the attainment of its strategic objectives.

## **4.3 Foreign currency translation**

### **(i) Functional and reporting currency**

Account balances presented in the financial statements, as well as the underlying transactions that conform them, are measured using the United States dollar, which is the primary currency of the economic environment in which operates (“functional currency”).

## **(ii) Account balances and transactions**

Foreign currency transactions are converted to the functional currency using the exchange rate on the date of each transaction. Gains or losses on foreign currency transactions result from payments made in currencies other than the U.S. dollar and are generally related to administrative expenses incurred at the Bank's headquarters, or at its country offices in Asunción-Paraguay, Buenos Aires-Argentina, Montevideo-Uruguay, and in Brasília-Brazil and La Paz-Bolivia. Exchange gains and losses associated with the Bank's administration are shown in the income statement netting the total amount of administrative expenses.

Financial assets, such as investments and loans are denominated in U.S. dollars, except for those loans where the borrower has opted to change the disbursement currency to one other than the U.S. dollars under the Flexible Financing Facility (FFF). Likewise, financial liabilities are also denominated in U.S. dollars, with the exception of the Swiss Francs, and Japanese Yen denominated bonds, as well as disbursements denominated in Euros under the lines of credit with AFD and KfW. This loan and the bond issuances were swapped to U.S. dollars at the SOFR in arrears rate. The Bank does not have other financial liabilities in other currencies. Consequently, there is no exchange rate risk exposure related to the Bank's financial assets and liabilities.

Except for a small number of goods and services related to administrative expenses denominated in currencies other than the functional currency, most of the Bank's operational expenses are incurred in the functional currency and recorded at their fair value. The Bank keeps available a small amount of local currency both at its headquarters and country offices to pay for the cost of goods and services required at those locations. Amounts involved are translated into the functional currency using the exchange rate of the date in which the fair value of those expenditures is established. Exchange differences in assets and liabilities measured at fair value are shown together with gains and losses in fair value.

## **4.4 Revenue recognition**

Interest in loans and investments at amortized cost is recognized using the effective interest rate method.

The Bank recognizes revenues when their amount can be reliably measured and when it is likely that the resulting economic benefits will be received. The Bank based its estimates on historical results, considering both the type of transaction or borrower and the relevant terms of the corresponding signed contracts.

### **(i) Commissions Income**

Other loan income consists of the administrative commission and the commitment fee. These commissions relate to the Bank's service provided to its borrowers for inspection and supervision of loans and to ensure the availability of funds for borrowers to be disbursed at any time during the contractually agreed upon disbursement period, and as such are recognized ratably in income in accordance with IFRS 15.

## **4.5 Leases**

Lease contracts for terms of up to 12 months or less and that do not include a purchase option are recognized as an expense on a straight-line basis throughout the contract. And that due to their low value, they qualify for this accounting treatment. And that due to their low value qualify for this accounting treatment (refer to Note 9.2).

Lease contracts for terms greater than 12 months are initially recognized based on the right of use of the asset and as a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred. After lease commencement, the Bank measures the right-of-use of the asset using a cost model.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date, and less lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment.

#### **4.6 Cash and cash equivalents**

For presentation purposes in the statement of cash flows, cash and its equivalents include both cash at hand and highly liquid bank deposits and investments, with an original maturity of three months or less, that can be converted into determinable amounts, and which are not subject to significant risks affecting their value.

#### **4.7 Loan portfolio**

A loan portfolio is initially recorded at its fair value and subsequently measured at its amortized cost using the effective interest rate method, net of the provision for loan impairment. For additional information on how the Bank accounts for its loan portfolio, refer to Note 8.4.

#### **4.8 The Bank's business model and its effect on financial assets and liabilities**

Classification, measurement, recognition and disclosure of the Bank's financial assets and liabilities in the financial statements is driven by its business model. The Bank's business model architecture is designed with the purpose of helping its member countries in their efforts to improve their people's quality of life by financing projects designed to improve regional integration and socioeconomic development. The Bank, like any other multilateral development bank (MDB), finances its lending program through a combination of paid-in capital subscriptions; its retained earnings; and, by borrowing from capital markets; MDBs; cooperation agencies and private and governmental international financial institutions.

The Bank's capital consists of paid-in and callable capital. Callable capital is subscribed to and committed by member countries and can be called upon in case of a financial emergency such as a catastrophic event that would preclude the Bank from either accessing capital markets or borrowing directly from other institutions to comply with its financial obligations.

One of the key elements of the Bank's business model is its capacity to remain relevant. The Bank's relevance is measured through its ability to mobilize a sizable volume of fresh financial resources, through both on-lent and technical cooperation activities, sufficient to assist its member countries in their development needs.

To achieve its mission, MDBs are required to continuously grow their capital base, to increase their lending capacity over time. For this purpose, every 5 to 7 years, MDBs may go through capital replenishment that consists of an increase of both paid-in and callable capital or in some cases may also involve the addition of new members.

Lending capacity is determined through either the callable capital of investment grade members, like it is the case in the oldest and most mature MDBs that have a global membership, or based on a multiplier of their equity, as it is the case with younger and regional institutions, such as the Bank.

In the case of the Bank, lending capacity is measured based on a multiplier of 3-times its equity.

Based on its capital structure, which by the end of the current replenishment should consist of approximately 45% paid-in capital and 55% callable capital, the Bank needs to borrow funds to finance disbursements for a portion of its lending portfolio. Borrowing capacity is also determined based on 2-times the equity plus liquid assets.

The main financial earning asset of the Bank is its loans to member countries. Except for the loan granted to BADESUL without sovereign-guarantee, that at the borrower's option was denominated in BRLs under the FFF, all financial assets are contracted and denominated in U.S. dollars and bear interest based on reference interest rate plus a margin. Financial liabilities and within its prudential risk-management philosophy and policies, the Bank uses derivatives for the sole purpose of hedging the underlying cash-flows associated to borrowings contracted in currencies different than the U.S. dollars or that bear interest at a rate different than the loan reference rate. Derivatives are not used for speculative purposes. These derivatives are designated as fair value hedges. By way of these derivatives, the Bank changes the currency in which the original debt is denominated and its reference rate to the currency and reference interest rate in which all Bank loans are denominated. This way, the Bank mitigates the economic and financial exposure to changes in currency and interest rates.

According to Bank's financial policies, liquidity is maintained for the purpose of ensuring the ability to meet all planned loan disbursements, debt service requirements, and to pay for all planned and approved operating expenditures and capital investments expected to occur during the next 12 month following the end of the Bank's fiscal year. Liquidity is invested with the sole purpose of reducing the cost of carrying the required level of liquidity in compliance with the Bank's policies.

The main disclosures that follow form an integral part of these financial statements and provide specific information on each of the Bank's relevant financial assets and liabilities, as well as additional information on the Bank's business model, and how it determines manner and opportunity in which they are classified, measured, recognized, and disclosed.

#### **(i) Classification**

Classification of financial assets depends on the Bank's business model that contemplates the nature and purpose at the time of their acquisition and recognition. The Bank has two distinct investment portfolios, one where investments can be sold at any time prior to their contracted maturity, and the other one where investments are purchased with the intent of being held through their contractual maturity. Classification of investments on either portfolio is determined based on planned liquidity requirements and other factors.

The bank classifies its financial assets in the following categories (see Note 8 for more details):

- **Financial assets at amortized cost - Loan and investment portfolios (FAVAC):** are assets generated or purchased with the objective of collecting contractual cash flows resulting from principal amortization and accrued interest. These financial assets are not designated as “financial assets at fair value with changes in income,” and are measured at their amortized cost. The value of these financial assets is adjusted by the provision for estimated losses, which is calculated and recognized as stated in this note.
- **Financial assets at fair value with changes in other comprehensive income (FVOCI):** are assets purchased with the purpose of collecting contractual cash flows resulting from principal amortization and accrued interest, as well as from the sale of the underlying assets. These assets are designated as “financial assets at fair value with changes in the Income Statement,” and are measured at their fair value with changes recognized in other comprehensive income.
- The Bank does not have financial assets at fair value with changes in income.
- Derivatives resulting from the cross-currency and interest rate swaps entered into as an integral part of the Bank’s risk management strategy designed to hedge the interest rate and foreign exchange risk associated with the granting of loans under the FFF, which allows the borrower to denominate one or more disbursement in a currency other than the U.S. dollar or at interest rates other than the SOFR in arrears, and with borrowings contracted in currencies other than the U.S. dollar or at interest rates other than the SOFR in arrears, which is the Bank’s reference rate for its loans. Derivatives have been designated as a Fair value hedges, and are considered completely effective. Changes in fair value of these derivatives, given the Bank’s right to offset and be compensated in the event of counterparty’s default, are shown forming part of Other Assets, as derivatives, together with the resulting collateral in the statement of financial position. Bonds issued and outstanding are valued at their amortized cost and shown under borrowings in the statement of financial position. Changes in the fair value of the cross-currency swaps are accounted for in other income (see Notes 2; 4.10 and 8.5-(ii)).

## **(ii) Reclassification**

Financial assets other than loans could be reclassified under a different category of “investments at fair value with changes in other comprehensive income,” based on the business model in use to manage them or according to the characteristics of their contractual cash flows.

The Bank reclassifies financial assets only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

**(iii) Recognition and disposal**

Normal origination purchases or the contracting and sales of financial assets and liabilities are recognized on the date on which they are transacted, which is the date on which the Bank generates them or commits/contracts to their purchase or sale. Financial assets and liabilities are disposed of or extinguished upon expiration of the rights to receive or the obligation to pay a flow of funds or upon transferring their risk of ownership.

Financial assets and liabilities are valued according to their classification as amortized cost or at their fair value with changes in income or changes in other comprehensive income.

**(iv) Measurement**

Initially, the Bank measures financial assets at their fair value plus those transaction costs directly attributable to their acquisition.

Loans and investments held to maturity are subsequently valued at their amortized cost using the effective interest rate method.

Investments which will be maintained at fair value with changes in other comprehensive income, are subsequently valued at their corresponding reasonable value. Gains and losses resulting from changes in fair value are recognized in other comprehensive income. Interest resulting from financial assets carried either at reasonable value through other comprehensive income or at amortized cost and loans, calculated based on the effective interest rate method, is recognized in the income statement as part of operating income.

Note 8.7 includes details pertaining to the determination of fair values of financial instruments.

**(v) Impairment**

The Bank assesses the likelihood of potential impairment affecting either a financial asset or a group of financial assets. The Bank determines the adequacy of the provision for potential impairment on its loans by applying a standard methodology also adopted by the leading MDBs, considered as a leading practice. The methodology used assesses the expected loss based on the following factors: (i) the maximum exposure to risk at default; (ii) the probability of default; and (iii) the loss given default. Although the Bank uses the same formulae, the values used in connection with each factor are different for sovereign guaranteed loans than those used for non-sovereign guaranteed loans.

For sovereign loans, the Bank assesses the probability of default by its member countries using the most recent sovereign credit risk rating assigned to each country, by three of the internationally recognized credit rating agencies, adjusted by the Bank's preferred creditor status.

For non-sovereign guaranteed loans, the Bank assesses the probability of default, using the most recent credit risk rating developed and maintained by the Bank's.

The provision for potential loan losses is shown as a deduction of the amount of the loan portfolio.

Should there be a reduction in the amount of potential loan losses in a subsequent period, and such reduction is objectively related to an event occurring after recognition of the impairment (such as an improvement in the credit risk rating of the borrower), the reversal of the impairment losses previously recognized will be included in the income statement.

The accrual of interest on loans is discontinued for loans balances that have been in arrears for more than 180 days. The amount of loan interest accrued receivable on loans declared on non-accrual status is recognized at the time of collection until such date when those loans are in accrual status. Accrual status requires the borrower to pay in full the amount of principal and interest or commissions in arrears, as well as the assurance that the borrowing member country has resolved the financial difficulties that caused it to fall behind on meeting its obligations on a timely basis.

Note 8.4-(iii), has a detailed explanation of this methodology as well as the determination of the provision for loan impairment.

Expected impairment of the value of investments carried at fair value with changes in other comprehensive income (FVOCI), is already embedded in the market value.

For investments carried at amortized cost, the Bank assesses expected impairment by comparing the dirty price and the bid market price of each investment held in the portfolio to their respective carrying amount and recognizing a potential impairment based on the difference between the carrying amount and the bid market price, whenever the latter is lower than the carrying amount at amortized cost.

For investments held-to-maturity and valued at amortized cost, the Bank assesses any potential impairments by reviewing any downgrades in the credit risk rating of issuers and using valuation models to assess if the potential impairment is other than temporary. Should a potential impairment be deemed to be permanent then the Bank proceeds to value it at its impaired value through a provision for loan impairment.

Except for determining the adequacy of the amount of provision for expected losses on loans with sovereign guarantee and non-sovereign guarantee, and for purposes of estimating the expected credit loss (ECL) on other - 18 - financial assets, in accordance with its internal policies the Bank classifies its financial instruments measured at amortized cost or fair value through OCI, in one of the following categories:

**Stage 1:** includes all instruments that have not experienced a significant increase in credit risk since their initial purchase and recognition, where the ECL equals the impairment expected in the next 12 months.

**Stage 2:** includes all instruments that have experienced significant increases in credit risk since initial recognition but are not yet deemed credit impaired.

**Stage 3:** includes financial instruments, close to overdue, which are credit impaired. Likewise, loan commitments or financial guarantees whose payment is probable and their recovery doubtful.

**Classification into stages:** Following immediate recognition of the financial asset, determination of whether an asset credit quality is impaired and of the degree to which it is impaired is based on the following relevant criteria:

- Contractual payments of either principal or interest are more than 180 days overdue.
- Significant decrease in the credit rating of the assets; and
- Whether the financial asset is credit impaired.

#### **(vi) Revenue recognition**

Interest revenues are recognized based on the effective interest rate method. Should there be loans in nonaccrual status, they are considered impaired loans. A loan is impaired when the analysis of available information and current events is indicative of the probability that the Bank could not recover the full amount of principal and interest accrued, based on the agreed upon loan agreements. When a loan is impaired, the Bank reduces the carrying amount of such loan to its net realizable value, based on the discounted cash flows using the loan's original effective interest rate, and reverts the discounted amount against loan revenues. Interest revenues on impaired loans are recognized using the original effective interest rate.

### **4.9 Property and equipment**

Property is carried at fair value, which includes revaluations. Increases to the carrying amount of property resulting from revaluations are included in other comprehensive income and shown as part of the accumulated balance of revaluation reserves within equity. Subsequent increases to the carrying amount due to revaluations should be recognized affecting income to the extent that revaluation increases had been previously reverted affecting the income statement. Any decreases reverting revaluation increases of the same assets are initially recognized in other comprehensive income to the extent there are revaluation surpluses attributable to those assets. All other decreases are reflected in the income statement.

Equipment is carried at their historical cost less depreciation. The historical cost includes all related acquisition expenses.

Subsequent costs are either included as part of the carrying amount of property and equipment or recognized as a separate asset, only when it is probable that there are future economic benefits to be derived from that asset and its cost can be reliably determined. The carrying amount of each component recognized as a separate asset is written off at the time of its disposal or replacement. Repair and maintenance expenses are included in the income statement during the period in which they are incurred.

Note 9.1 shows the depreciation methods and useful lives used by the Bank.

Gains and losses on the sale of fixed assets are determined by comparing the carrying amount with the sale price and accounted for in the income statement. In the case of the sale of revalued assets, it is the Bank's policy to transfer the amounts carried in revaluation reserves into retained earnings.



#### 4.10 Financial liabilities

Financial liabilities consist of borrowings and derivative financial instruments that are an integral part of the Bank's hedging activities designed to effectively manage interest rate and exchange rate risks in connection with bond issuances. The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 8.5.

At inception of the hedge relationship, the Bank documents its risk management objective and strategy and the economic relationship between hedging instruments and hedged items, including whether changes in the fair value of the hedging instruments are expected to offset changes in the fair value of hedged items.

The following is an explanation of borrowing and derivative financial instruments, hedging activities and accounting policies used in connection with these instruments.

**Borrowings:** Borrowings contracted in currencies other than the US dollar, which is the Bank's functional currency, and at different interest rates from the loan reference interest rate are initially recognized at their cost, net of transaction expenses and subsequently valued at their fair value. The difference between the fair value and the amortized cost basis is included in the Income Statement together with the net difference between the receivable and payable swaps which are also at fair value. These net differences correspond to changes in exchange and interest rates which are not expected to affect future cashflows nor to result in realized gains and losses, since they will converge to zero at the maturity of the original debt. Upon maturity, the Bank will exchange the contracted amounts with its counterparts, thereby cancelling the original debt and the related receivable and payable swaps.

Borrowings contracted in the US dollars and at the loan's interest reference rate are initially recognized at their fair value, net of related transaction costs. Subsequently, borrowings are valued at their amortized cost. Any difference between the value initially recognized for the liability and the amount effectively paid is reflected in the statement of income based on the effective interest rate method over the contractual term of the loan. For more details, see Note 2, which shows outstanding borrowings denominated in US dollars including the dollar amount related to cross-currency hedges that would be paid to the counterparts upon maturity of the original borrowings contracted in currencies other than the US dollar.

**Derivative financial instruments and hedging activities:** Derivatives are solely used for hedging interest and exchange rate risk associated with its three bond issuances in the Swiss capital market on 2021, namely "FONPLATA26"; "FONPLATA28", and in May and in October, 2024, "FONPLATA27" and "FONPLATA29", respectively; and the bonds issued in the Japanese market in March 2023 namely "Japon I" and "Japon II", and on June 2024 namely "Japon III" and "Japon IV", and for the bond issuances under the Medium Term Note Program (MTNP), namely " MTN #04-1" "MTN #04-2" and "MTN #05" as well as other liabilities and assets originally contracted in currencies other than the dollar or in dollars at a fixed rate (see notes 2 and 8.5-(ii)).

Derivatives carry inherent market and credit risks. The inherent market risk on a financial instrument is the potential fluctuation in the interest rate, currency exchange rate or other factors, and it is a function of the type of product, the volume of the transactions, the tenor and other terms of each contract and the underlying volatility.

The inherent credit risk is the counterparty's possible non-compliance in the delivery of collateral to recover the balance due.

The Bank mitigates the credit risk in derivative financial instruments through transactions with highly qualified counterparties, and by signing an ISDA master netting agreement coupled with a credit support annex (CSA), with its derivatives counterparties.

The Bank formally documents the hedging relationship and its risk-management objective and strategy for undertaking the hedge, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed prospectively and retrospectively, and a description of the method of measuring ineffectiveness.

This process includes linking all derivatives that are designated as fair-value, cash flow, or foreign-currency hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecast transactions.

The Bank also monitors, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items, or to specific firm commitments or forecasted transactions, as applicable.

Changes in the fair value of a derivative financial instrument together with the changes in the fair value of the original debt that is the subject of the hedges are included in other income, as gains or losses in the determination of net income for the year.

The master ISDA agreements signed with its counterparts confer the Bank the possibility to exchange the contracted flows either during the repayment period or upon maturity of the original debt, and the Bank is fully intent in doing so. Furthermore, the Bank expects its counterparts to fully comply with their obligations under the swaps, and it does not anticipate noncompliance on their part.

The ineffective portion of the change in the fair value of a derivative instrument that qualifies as a hedge is reported in the income statement.

The Bank discontinues hedge accounting when it is determined that the derivative instrument is no longer effective in offsetting changes in fair value of the hedged item; the derivative expires, is sold, terminated, or exercised; the hedge asset or liability expires, is sold, terminated, or exercised; the derivative is not designated as a hedging instrument because it is unlikely that a forecasted transaction will occur; or management determines that designation of the derivative as a hedging instrument is no longer appropriate.

#### **4.11 Other liabilities and commitments**

These amounts represent outstanding liabilities for goods and services received by the Bank prior to the date of the financial statements. Other liabilities do not include guarantees and are usually paid within 30 days of their initial recognition. These liabilities are initially recognized at their fair value and subsequently measured at amortized cost.

#### **4.12 Special funds**

These balances represent liabilities equaling the investment amount administered on behalf of special funds. These liabilities do not represent guarantees and are usually paid based upon fund requests to settle the liabilities of special Funds. These liabilities are initially recognized at their fair value and subsequently measured at amortized cost using the effective interest rate method. Note 8.6), contains a detailed explanation of the special funds and their purpose, and the balance owed to each one as of the end of the interim period ending June 30, 2025, and for the year ending as of December 31, 2024, respectively.

#### **4.13 Other benefits to employees**

The amount included under “Other benefits to employees,” represent accrued liabilities associated to benefits granted to the Bank’s staff under a joint savings program “Programa de Ahorro Compartido” or PAC, by its name in Spanish. PAC liabilities are paid to the staff upon termination of their employment. The Bank’s matching contribution on the amount of an employee’s voluntary saving is subject to a withholding percentage based on the years of service required for full vesting under the program. Withheld amounts are deferred and subsequently expensed as employees accumulate the required years of service for full vesting under the PAC. Note 8.6 – c), provides a detailed explanation and breakdown of the PAC liability as of December 31, 2024, and 2023, respectively.

#### **4.14 Capital**

The authorized capital consists of paid-in shares and callable shares. Paid-in capital consists of the amount of capital subscriptions paid to the Bank by its member countries.

### **NOTE 5 – SIGNIFICANT ESTIMATES AND JUDGEMENTS**

The financial statements are prepared in accordance with International Financial Reporting Standards, which require the Bank’s Management to make assumptions and estimates affecting the amounts shown for assets and liabilities, as well as revenues and expenses during the fiscal year. The estimates and judgements are continuously assessed and are based on legal requirements and other prevailing factors, including the expectation of future events considered reasonable within the current circumstances.

This note provides a general overview of the areas that entail more management judgment or inherent complexity to each estimate, and the items that are more likely to be materially adjusted because actual results could differ from those estimates. Detailed information pertaining to each estimate and judgement made are included in Notes 6 and 7, respectively, together with the information regarding the basis used for computing each item affecting the financial statements.

The most relevant estimates affecting the preparation of the Bank’s financial statements relate to:

- Degree of uncertainty pertaining the estimate of the probability of borrowers disbursing the amount approved for financing during the contractually agreed upon disbursement period which determines recognition of the commitment fee on a straight-line basis – Note 4.4,

- Potential impairment of investments carried at amortized cost – Note 8.3 – (ii),
- Potential impairment of the loan portfolio – Note 8.4 – (iii).
- Overall effectiveness of derivatives to ensure adequate hedging of loan disbursements under the Flexible Financing Facility (FFF), and of borrowings, denominated in currencies other than the US dollar and at rates other than the SOFR in arrears – Note 8.5 (ii).

### Climate-related issues

The Bank and its operations are not exposed to a relevant risk in the judgments and estimates it makes as an issuer because of climate change. As a Multilateral Development Bank, FONPLATA adheres to and complies with internationally accepted best practices for the management of environmental risks in the projects it finances, while since 2021 it has implemented a Sustainable Debt Framework and promotes, through direct subsidies, projects that contribute to the preservation of the environment and reduce the impact of climate change.

### Macroeconomic and geopolitical uncertainty

In relation to these issues, the prices in the valuations of investments and derivative financial instruments are considered as a component of evaluating them at market value.

## NOTE 6 – FINANCIAL RISK MANAGEMENT

This note explains the Bank's financial risk exposures and how they could potentially affect its future financial performance.

Risk	Source of Exposure	Measurement	Risk Management
Market risk – foreign exchange	Except for the loan granted to BADESUL, and apart from the bond issuances, and lines of financing denominated in currencies other than the U.S. dollar, which were effectively hedged through cross-currency swaps as discussed in Notes 2; 4.10; and 8.5 – (ii), 99.2% of financial assets and 53.0% of financial liabilities are denominated in U.S. dollars (functional currency). 0.8% of assets and 47.0% of liabilities have been denominated in currencies other than the Bank's	Cash flow budget	<p>All loan and investment transactions, as well as the most relevant liabilities shown in the financial statements have been transacted in U.S. dollars.</p> <p>The Bank signed enforceable ISDA Master agreements along with CSA (Credit Support Annex) to cover the credit risk using collateral guarantees with the right to offset with JPM, DB, HSBC, BBVA and SMBC.</p> <p>Based on these agreements, the Bank contracted cross-currency swaps to offset both the interest rate and foreign currency exchange</p>

Risk	Source of Exposure	Measurement	Risk Management
	functional currency and are hedged through cross-currency swaps.		<p>risks associated to its operations in currencies other than the U.S. dollar.</p> <p>These derivatives are an integral part of the Bank's risk management process designed to minimize exposure to financial risks in the financing of loan disbursements and as such were designated as a fair value hedge.</p>
Market risk – Interest rate risk	<p>Risk of experiencing fluctuations in lending and borrowing rates applicable to the Bank's loans, and debt.</p> <p>See Notes 2; 4; 8.4; 8.5 (ii); and 10, explaining the transactions whose reference interest rate differs from the SOFR in arrears rate, which is the Bank's financial asset and liability reference rate.</p>	Sensitivity analysis	<p>The Bank has established policies for the determination of interest rates, allowing it to mitigate the potential effects of interest rate fluctuations. The Bank seeks to minimize the negative impact associated with potential mismatches on the duration of the loan portfolio and the debt incurred to finance such loans.</p> <p>Potential exposures from the issuance of the bonds denominated in currencies other than the US dollar and at interest rates other than the reference rate, are effectively managed through cross-currency swaps.</p> <p>These currency and interest rate hedges were designed to replace the currency and interest rate in which the original debt was contracted, by a debt denominated in US dollar that bears interest on the compounded SOFR in arrears, which is the Bank loan interest reference rate, effectively eliminating currency and interest rate risks.</p>

<b>Risk</b>	<b>Source of Exposure</b>	<b>Measurement</b>	<b>Risk Management</b>
Market risk – Security prices	The Bank does not have investments in equity instruments that might be exposed to price risk. All investments consist of bonds that according to the Bank's business model can either be classified as available for sale or held-to-maturity.	Sensitivity analysis based on changes in interest rate for bonds classified as available for sale, valued at fair value with changes in OCI. The analysis also focuses on changes in the credit risk rating of issuers of bonds classified as held-to-maturity, which are valued at the lower of amortized cost or fair value	The Bank does not have investment in equity instruments that might be exposed to price risk.  Bonds classified in the available for sale portfolio are monitored on a regular basis. The Bank does not engage in trading book and trading activities.
Credit risk	Cash and cash equivalents, investments valued at fair value with changes in OCI, investments valued at amortized cost, and derivative financial instruments designated as fair value hedges of specific borrowings.	- Arrears analysis based on the aging of loans, derivatives, bonds, and other instruments. - Credit ratings - Loan loss provision	Diversification of bank deposits and applicable loan limits.  Investment policies and guidelines and credit rating of counterparts.  Limits for concentration of credit risk applied to member countries and non-sovereign loans. No private sector loans.
Liquidity risk	Borrowings, other liabilities, and obligations with special funds.	Rolling cash flow forecasts	Availability of funds required to meet obligations and commitments, at least for a 12-month period following the date of the financial statements.

The Bank manages its risks exposures in accordance with its enterprise-wide risk management policy. This policy encompasses the management of market and interest rate risks, operational and strategic risks. The focus of the Bank's enterprise-wide risk management is to ensure risks will remain within established limits. Those limits are formally established in the Bank's financial policies and reflect its capacity to assume risks as defined by its governance bodies. Within the scope of its enterprise-wide risk management policy, risk management is oriented to avoid risks that may exceed its tolerable risk level, and to mitigate all financial, operational, and strategic risks in accordance with the limits established for each risk related to its operations.

In line with international best practices for risk management, the Bank adopted the risk classification and definitions issued by the Office of the Comptroller of the Currency of the United States ("OCC") and Basle

The Bank's integrated risk management rests upon a cash flow forecast model covering the short, medium, and long-term and a set of projected statements of financial position and income, which is constantly adjusted to actuals and closely monitored to forecast loan approvals; loan disbursements; borrowings; commitments and obligations as well as administrative expenditures, in order to meet expected income and to maintain liquidity requirements.

### **6.1 Currency risk**

All financial assets and approximately 99.9% of liabilities after considering existing cross-currency swap agreements, are denominated in U.S. dollars, which constitutes the Bank's functional currency. Consequently, the Bank's financial statements are not exposed to significant levels of risk resulting from potential changes in exchange rates.

### **6.2 Interest rate risk**

As of June 30, 2025, and December 31, 2024, all loan contracts that make up the loan portfolio pending collection have been converted at the SOFR in arrears rate modality plus a fixed margin. Loans that have been converted, at the option of the borrower to the SOFR in arrears rate, in addition to the fixed operating margin, have a margin of SOFR correction. Loans approved since January 1, 2022, have the SOFR in arrears rate, plus a fixed margin, as the reference rate.

The Bank's fixed margin is reviewed annually for new loans based on the Bank's policy guidelines for income management and financial charges. The objective of this policy is to achieve a balance between the accumulation of a level of capital in the long-term to ensure its self-sustainability and to ensure obtaining the best financial terms for the benefit of its member countries. The Bank applies a financial income model as a tool to achieve results over a planning horizon covering the medium and long-term. The Bank's income model allows through the management of various parameters and assumptions to ensure the relative stability and sufficiency of loan charges to cover the Bank's financial costs and operating expenses as stated in its financial policies, and to make timely adjustments that might be required from time to time to its fix lending margin in response to sudden and significant changes in relevant assumptions used. The Bank regularly reassess the reasonableness of its underlying assumptions and the model to ensure the proper management of exposure to interest rate risk.

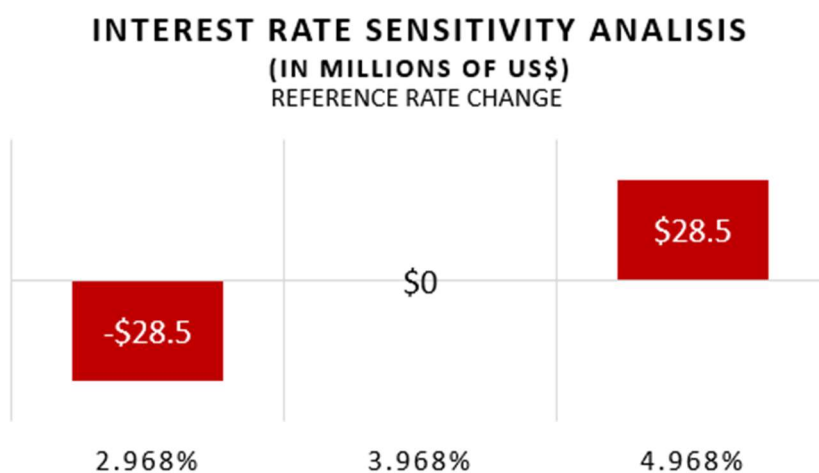
In compliance with its income management and financial charges policy, the Bank annually establishes a fixed margin applicable to new loans to be granted in the upcoming year (Operating Lending Rate or “TOC”). For non-sovereign loans approved after March 3, 2023, the Board of Executive Directors approved maintaining the current lower threshold and a reduction of 25 basis points to the upper threshold for the fixed-margin or TOC (DEJ/RES-1532/24), maintaining unchanged all financial conditions approved for sovereign guaranteed loans with maturities of up to 20 years, and adding an additional TOC category for investment-grade credit rating (DEJ/RES-1552/25).

The Executive President is authorized to set lending rates applicable to loan maturities for periods shorter than 15 years, approving operating lending rates as an incentive for member countries to borrow at shorter terms.

The Bank’s interest rate risk is limited to the risk associated with the variable component of its lending rate. The Bank performs sensitivity analysis to determine the variance in income or in net equity associated with changes in interest rates.

The sensitivity analysis was performed based on future projections of SOFR rate, which is the reference rate of the Bank’s lending operations, which equals 396.8 basis points.

Accordingly, the analysis yields a maximum and a minimum for the weighted average reference rate of 296.8 – 496.8 basis points, respectively. Should the positive or negative variation of the weighted average reference rate of 100 basis points were to materialize, future net income could be increased or decreased by \$28.5, respectively.





### 6.3 Market risk

Market risk is the risk of losses in the value of financial assets and liabilities because of changes in market conditions. The Bank manages market risks affecting its investment and loan portfolios through various measures to ensure risk exposures will remain within established policy limits (see Notes 4.8, 8.2; and 8.3, for further details).

Bank investments pursue the objective of reducing the cost of carrying the required liquidity comply with expected loan disbursements, service the debt, and defray Bank operational costs. The Bank classifies its liquid investments according to specific objectives in the following two portfolios:

**Investments available for sale:** valued at their fair value with changes in other comprehensive income (FVOCI).

**Investments held to maturity:** consisting of time-deposits and commercial paper valued at the lower of their amortized cost or fair value (FVAC).

As stated in Note 8.7, the Bank adopts a methodology for the determination of fair value based on three distinct levels, associated with the availability of objective market value information for each type of investment. Based on this methodology, the Bank performs a sensitivity analysis of its investment portfolios to gauge the maximum loss in the event of price changes because of changes in interest rate for investments classified as available for sale and valued at FVOCI, and for changes in credit rating of investments classified as held-to maturity and valued at amortized cost or lowered to their fair value through a provision, when applicable.

The following chart shows the maximum exposure to losses related to price changes for investments classified as available for sale valued at fair value with changes in other comprehensive income assuming a 100 basis points change in interest rates, and the maximum exposure to losses associated to one notch downgrade in the credit risk rating of investments classified as held-to-maturity and valued at amortized cost as of June 30, 2025 and 2024, and December 31, 2024, respectively:

	<b>Sensitivity analysis of investments</b>					
	<b>June 30, 2025</b>			<b>December 31, 2024</b>		
	<b>Book value<sup>1</sup></b>	<b>Maximum loss exposure</b>	<b>Variation</b>	<b>Book value<sup>1</sup></b>	<b>Maximum loss exposure</b>	<b>Variation</b>
	\$	\$	%	\$	\$	%
Available for sale investments up to 12-months – OCI <sup>2</sup>	248.4	0.9	0.36	119.2	2.2	1.86
Available for sale investments greater than 12-months – OCI	489.4	12.5	2.55	290.4	1.0	0.35
<b>Total</b>	<b>737.8</b>	<b>13.4</b>	<b>1.82</b>	<b>409.6</b>	<b>3.2</b>	<b>0.79</b>

<sup>1</sup> Book value amounts for investments are based on the fair value for investments classified as available for sale and on the amortized cost for investments classified as held-to-maturity. All investment instruments designated valued at their fair value with changes in other comprehensive income, and most of those included in the held-to-maturity investment portfolio quote on the market, for which their fair value can be established objectively as of the date of the financial statements (Level 1). For those investment instruments classified at amortized cost that do not register at least one market transaction a month, there are recent market transactions that provide reasonable basis for estimating their fair value as of the date of the financial statements for purposes of comparing it to their amortized cost (Level 2). The Bank does not hold any investment for which their fair value could not be established and hence requires use of a valuation model (Level 3).

<sup>2</sup> As of June 30, 2025, the held-to maturity investment portfolio includes fixed –term certificates of deposits and commercial paper for an amount of \$387.2 (December 31, 2024 - \$288.7 in held-to-maturity investments corresponding to certificates of deposit) and investment in sweep accounts of \$80.0 (December 31, 2024 - \$21.5). These investments are included in cash and equivalent balance, since the time spanned from their date of purchase to their contractual maturity is up to 90 days or less. The Bank periodically assesses its portfolio of held-to-maturity investments valued at their amortized cost for potential impairment due to changes in the credit rating of issuers that might be indicative of a permanent impairment in their value (see Note 4.8).

#### **6.4 Credit risk**

Credit risk is the risk resulting from non-compliance with contract terms by the borrower. Financial policies establish individual limits of credit by member countries, with the objective of reducing excessive risk exposures and complying with an equitable distribution of the lending capacity. The capital adequacy coefficient which relates the risk-weighted financial assets with the amount of equity ensures a reasonable coverage against potential exposure to credit risk, both for the lending portfolio and at the level of each borrowing member country.

As of June 30, 2025, 94.5% of loans outstanding consist of sovereign guaranteed loans granted to member countries (December 31, 2024– 95%). In 2020, following the approval of a new line of financing without the sovereign guarantee, the Bank began lending to government majority owned financial institutions and enterprises. Since then and through June 30, 2025, the Bank has approved NSG financings for an amount of \$191.0 in six loans, and disbursed \$221.0 (December 31, 2024 – disbursed \$201.0), and received principal amortizations for \$85.5 (December 31, 2024 - \$72.0), for a total outstanding of \$135.5 (December 31, 2024 - \$129.0). For further detail see Notes 2, and 8.4 (i).

The Bank’s financial policies and lending guidelines provide for the actions to be taken in connection with overdue loan balances and non-compliance. These policies and regulations form an integral part of loan agreements included in all loan contracts and use a methodology for determining the adequacy of the provision for potential impairment in loans that provide for varied factors for its sovereign guaranteed and non-sovereign guaranteed loan portfolios, as explained in Note 4.8.

The credit risk associated with the investment of liquid assets is based on internal guidelines governing the investment of liquid assets, which establish the prudential investment limits by each asset class, sector, and issuers, to guarantee an adequate diversification and mix of investment sources and maturities. As of June 30, 2025, and December 31, 2024, the average credit risk rating of the investment portfolio was AA, respectively, above the AA- minimum required limit by the investment policy.

#### **6.5 Liquidity risk**

Liquidity risk is the risk related to the inability of the institution to meet its obligations without incurring unacceptable losses. The Bank has a minimum required level of liquidity which is defined by its liquidity policy as the level required to meet all its commitments, including liabilities with special funds (see Note 8.6), loan disbursements, debt service, and the payment of obligations stemming from its administrative and capital expenditure requirements for a 12-month period.

For the interim period ended as of June 30, 2025, and for the year ended as of December 31, 2024, respectively, the Bank did not acquire commitments and obligations that would carry liquidity risk either in the short or medium term.

The following table shows financial assets as well as liabilities, as of June 30, 2025, and 2024 and December 31, 2024, respectively:

	As of June 30, 2025 \$	As of December 31, 2024 \$
<b>Financial Assets</b>		
Cash and cash equivalents – Note 8.1 and 8.3	520.3	339.4
Investments – Notes 8.2	737.8	409.6
Gross liquidity	1,258.1	749.0
<b>Financial Liabilities</b>		
Borrowings – Note 8.5	1,935.4	1,380.1
Other liabilities – Note 9.3	22.4	18.0
Special funds – Note 8.6	24.1	27.3
Total Liabilities	1,981.9	1,425.4

Liquid assets coverage of estimated disbursements was equivalent to 2.6, and 1.21 years, as of June 30, 2025, and December 31, 2024, respectively.

## NOTE 7 – MANAGEMENT OF OTHER NON-FINANCIAL RISKS

### 7.1 Operational risk

Operational risk is defined as the risk of an economic or financial loss resulting from a failure in internal processes or systems, due to either commission, omission, or adverse external events. The Bank has in place an organized and updated set of policies, procedures, and practices for the administration of its operations that prevent and prepare it for inherent risks associated with its day-to-day operations. The Bank has an effective governance and system of internal controls, as well as ethical and reputational standards, with clear norms to ensure compliance with applicable fiduciary, environmental, and legal matters required by both of its policies and those of its member countries.

### 7.2 Management of strategic risks

**Strategic risk** – Is the risk derived from the adverse or incorrect application of decisions or the absence of responses to changes affecting development financial institutions. The Bank has a Strategic Institutional Plan (“ISP”) approved by its Board of Governors, which establishes the strategic objectives to be attained, as well as the indicators required to measure progress over time. Annually, the Board of Governors approves the Budget for the upcoming year, which contains a summary of all achievements attained in the previous fiscal year, as well as the objectives and results to be attained in the next fiscal year. The Bank’s budget summarizes the medium-term work plan and contains results-based indicators and their related costs, which are all based on the ISP results matrix.

This ensures an adequate alignment between the long-term strategic objectives and results to be attained in the short run to move towards the attainment of those strategic objectives.

The financial statements show the compatibility and consistency between results and the strategic objectives established in the institutional mission and vision in terms of the attainment of annual goals for the approval of operations and their related costs.

**Non-compliance risk** – Is the risk derived from violations of laws, norms, regulations, prescribed practices, and ethics policies or norms. Non-compliance risk could negatively affect the institution’s reputation. The Bank is a self-regulated supra-national international institution that is governed by its Charter, policies, and regulations. The Bank has an Administrative Tribunal, an Audit Committee of the Board of Executive Directors, a Legal Counsel, a Compliance Officer, and an Internal Auditor, all of whom oversee compliance with those matters that could otherwise trigger non-compliance risks.

**Reputational risk** – Is the risk derived from a negative public opinion. This risk affects the capacity of an organization to establish new relationships or to maintain existing ones, directly affecting current and future revenues. This risk could expose the entity to litigation or to a financial loss or jeopardize its competitiveness. The Bank periodically monitors this risk through its Office of Communications. Additionally, the Operations Department specifically follows up on each financed project under implementation. As of the date of these financial statements, there is no evidence that this risk has materialized and affected the Bank.

## NOTE 8 – FINANCIAL ASSETS AND LIABILITIES

This note provides information about FONPLATA’s financial instruments, including:

- A general overview of all financial instruments held by the Bank.
- Specific information about each type of financial instrument.
- Accounting policies.
- Information on the determination of fair values of financial instruments, including the professional judgement used, and the uncertainties affecting those estimates.

The Bank maintains the following financial assets and liabilities:

	<u>Note</u>	<u>Financial assets and liabilities carried at fair value <sup>1</sup></u> ₹	<u>Financial assets and liabilities carried at amortized cost</u> ₹	<u>Total</u> ₹
<b><u>June 30, 2025</u></b>				
<b>Financial assets:</b>				
Cash at banks	8.1	51.8	-.-	51.8
Cash equivalents (investments at amortized cost and sweep account)	8.1 8.3	-.-	468.5	468.5
Investments at fair value with changes in OCI <sup>1</sup>	8.2	745.0	-.-	745.0

		<u>Financial assets and liabilities carried at fair value <sup>1</sup></u>	<u>Financial assets and liabilities carried at amortized cost</u>	<u>Total</u>
	<u>Note</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Investments at amortized cost <sup>2</sup>	8.3	-.-	55.2	55.2
Loan portfolio <sup>3</sup>	8.4	-.-	2,469.3	2,469.3
<b>Total financial assets</b>		<b>796.8</b>	<b>2,993.0</b>	<b>3,789.8</b>

**Financial liabilities:**

Borrowings	8.5	(1,378.6)	(556.8)	(1,935.4)
Other liabilities	9.3	-.-	(22.4)	(22.4)
Special funds	8.6	-.-	(24.1)	(24.1)
<b>Subtotal</b>		<b>(1,378.6)</b>	<b>(603.3)</b>	<b>(1,981.9)</b>
Fair value hedge derivatives	8.5	(0.6)	-.-	(0.6)
<b>Total financial liabilities</b>		<b>(1,379.2)</b>	<b>(603.3)</b>	<b>(1,982.5)</b>
<b>Net financial assets</b>		<b>(582.4)</b>	<b>2,389.7</b>	<b>1,807.3</b>

		<u>Financial assets and liabilities carried at fair value <sup>1</sup></u>	<u>Financial assets and liabilities carried at amortized cost</u>	<u>Total</u>
<b>December 31, 2024</b>	<u>Note</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>Financial assets:</b>				
Cash at banks	8.1	28.0	-.-	28.0
Cash equivalents (investments at amortized cost)	8.1 y 8.3	-.-	311.4	311.4
Investments at fair value with changes in OCI	8.2	412.5	-.-	412.5
Investments at amortized cost <sup>2</sup>	8.3	-.-	19.4	19.4
Loan portfolio <sup>2</sup>	8.4	-.-	2,397.6	2,397.6
<b>Total financial assets</b>		<b>440.5</b>	<b>2,728.4</b>	<b>3,168.9</b>

**Financial liabilities:**

Borrowings	8.5	(925.3)	(454.8)	(1,380.1)
Other liabilities	9.3	-.-	(18.0)	(18.0)
Special funds	8.6	-.-	(27.3)	(27.3)
<b>Subtotal</b>		<b>(925.3)</b>	<b>(500.1)</b>	<b>(1,425.4)</b>
Derivatives		(1.7)	-.-	(1.7)
<b>Total financial liabilities</b>		<b>(927.0)</b>	<b>(500.1)</b>	<b>(1,427.1)</b>
<b>Net financial assets</b>		<b>(486.5)</b>	<b>2,228.3</b>	<b>1,741.8</b>

<sup>1</sup> Changes in fair value of investments are shown in OCI and changes in fair value of borrowings related to fair value hedges are shown in other income in the Statement of profit or loss and other comprehensive income.

<sup>2</sup> Include interest and other investment income.

<sup>3</sup> Include interest and other loan income.

The exposure of the institution to the various risks related to financial instruments is disclosed in Note 8.5(ii). The maximum exposure to credit risk as of June 30, 2025, and December 31, 2024, respectively, corresponds to the balances shown for each of the above-mentioned financial assets.

## 8.1 Cash and cash equivalents

Cash at banks and deposits with original contractual maturities of up to three months from their date of purchase consist of:

	<u>As of June 30,</u> <u>2025</u> \$	<u>As of December 31,</u> <u>2024</u> \$
Cash at banks	51.8	28.0
Time deposits and short-term bonds and sweep accounts <sup>1</sup>	468.5	311.4
<b>Total</b>	<b>520.3</b>	<b>339.4</b>

<sup>1</sup>The total shown under this line item as of June 30, 2025, consists of investments and accrued interest with an original maturity of up to 90 days from the date of their purchase and until its maturity for \$387.2 and \$1.4, respectively (December 31, 2024- \$288.7 and \$1.2, respectively). In addition, it includes investments held in an interest-bearing sweep account opened with the Bank for International Settlements (BIS) for \$80.0, and \$0.009 of accrued interest (December 31, 2024- \$21.5 and \$0.003, respectively) (see Note 8.3).

### (i) Classification of cash equivalents

Time deposits and short-term bonds are considered as cash equivalents provided their contractual maturity is up to three months from their date of purchase. Note 4.6 includes a disclosure of the cash and cash equivalents policy.

## 8.2. Investments carried at fair value through other comprehensive income (OCI).

Investments classified under this category correspond to bonds issued by high-quality issuers, and consist of:

	<u>As of June 30,</u> <u>2025</u> \$	<u>As of December 31,</u> <u>2024</u> \$
Sovereign bonds	469.4	275.1
Multilateral development institutions – Bonds	265.4	131.5
Argentine treasury bonds	3.0	3.0
<b>Subtotal</b>	<b>737.8</b>	<b>409.6</b>
Accrued interest receivable	7.2	2.9
<b>Total</b>	<b>745.0</b>	<b>412.5</b>

At the date of disposal of these investments, the balance recognized in the “reserves for investments at fair value with changes in other comprehensive income” is part of the determination of the results of the year.

### (i) Investments with related parties

As of June 30, 2025, and December 31, 2024, respectively, the Bank did not maintain investments with related parties.

## (ii) Classification of investments carried at fair value with changes in other comprehensive income

Investments are designated as financial assets and carried at their respective fair value with changes in other comprehensive income when contractual cash flows are solely from principal and interest and the objective of the Bank's business model for these assets is achieved both by collecting contractual cash flows and selling the underlying assets.

## (iii) Impairment

See Note 4.8, for further detail regarding applicable policies for the measurement and presentation of impairment of financial assets.

## (iv) Amounts recognized in the statement of other comprehensive income

For the interim period ending as of June 30, 2025 the Bank has accumulated unrealized gains in the amount of \$3.3 in its statement of comprehensive income (June 30, 2024-\$1.8 of unrealized gains, in other comprehensive income). These unrealized gains consist of a gain in market value adjustments of investments of \$3.2 (June 30, 2024- \$1.8 of unrealized gains); and \$0.1 for depreciation of the property revaluation reserve (June 30, 2024-\$0).

## (v) Fair value, impairment, and exposure to risk

Information regarding the methods and assumptions used in the determination of fair value is disclosed in Note 8.7.

All investments carried at fair value have been and are denominated in U.S. dollars, which is the functional currency in which the financial statements are expressed.

## 8.3 Investments carried at amortized cost (included in cash and cash equivalents)

Investments classified under this category correspond to certificates of deposit. As of June 30, 2025, these investments amount to \$441.5, consisting of investments with an original maturity that does not exceed 90 days for \$387.2 for which these deposits were reclassified as cash and cash equivalents, and sweep account deposits \$54.3 with an original maturity in excess of 90 days, respectively, (December 2024-\$288.7 and \$19.2, respectively). The following table shows the composition of investments prior reclassifications.

	<u>As of June 30,</u> <u>2025</u> \$	<u>As of December 31,</u> <u>2024</u> \$
<u>Investments and certificates of deposit</u>		
Sovereign	145.0	63.9
Multilateral development institutions	99.6	144.6
Financial entities	196.9	99.5
<b>Subtotal</b>	<b>441.5</b>	<b>308.0</b>
Principal invested	441.5	308.0
Accrued interest receivable	2.3	1.3
<b>Total</b>	<b>443.8</b>	<b>309.3</b>

## (i) Investments held-to-maturity

The Bank measures its hold-to-maturity investments at amortized cost when financial assets are held as part of a business model whose objective can be achieved by collecting contractual cash flows, and the applicable contractual covenants of those financial assets give rise, at the specified maturities, to cash flows corresponding to repayments of principal and interest.

As of June 30, 2025, and December 31, 2024, based on the results of the Bank's assessment of ECL on investments carried at amortized cost, no allowance was deemed necessary, since the carrying amount of investments was lower than the respective fair values based on bid market prices.

## 8.4 Loan portfolio

Composition of the balance of loan portfolio outstanding by member country, is as follows:

<u>Country</u>	<u>As of June 30,</u> <u>2025</u> \$	<u>As of December 31,</u> <u>2024</u> \$
Argentina	611.1	643.2
Bolivia	448.4	434.0
Brazil	294.6	268.5
Paraguay	385.6	379.9
Uruguay	573.4	527.4
<b>Gross loan portfolio with sovereign guarantee (SG)</b>	<b>2,313.1</b>	<b>2,253.0</b>
<b>Gross loan portfolio with non-sovereign guarantee (NSG)</b>	<b>135.5</b>	<b>129.0</b>
<b>Total gross loan portfolio</b>	<b>2,448.6</b>	<b>2,382.0</b>
Less: Unaccrued administrative fee	(6.7)	(7.9)
<b>Subtotal loan portfolio</b>	<b>2,441.9</b>	<b>2,374.1</b>
Less: Provision for potential impairment on SG loans	(19.5)	(18.6)
Less: Provision for potential impairment on NSG loans	(3.2)	(3.2)
<b>Net loan portfolio</b>	<b>2,419.2</b>	<b>2,352.3</b>

As of June 30, 2025, and December 31, 2024, accrued loan interest and commissions receivable amounts to \$50.2, and \$47.3, respectively.

As of June 30, 2025, and December 31, 2024, all loans were classified in stage 1. The amount of provision for potential impairment of loans was as follows:

	<u>As of June 30,</u> <u>2025</u> \$	<u>As of December 31,</u> <u>2024</u> \$
Provision as of the beginning of the period or year SG	18.7	17.8
Increase/decrease on provision of SG loans	0.8	0.8
<b>Subtotal Provision GS</b>	<b>19.5</b>	<b>18.6</b>
Opening NSG provision	3.2	1.6
Increase/decrease on NSG provision	-.-	1.6
<b>Subtotal NSG Provision</b>	<b>3.2</b>	<b>3.2</b>
<b>Total provision for potential impairment on loans</b>	<b>22.7</b>	<b>21.8</b>

<sup>1</sup>Opening balances and partial sums include differences due to rounding.



Based on their scheduled maturities, the gross loan portfolio is classified as follows:

	As of June 30, 2025	As of December 31, 2024
	\$	\$
Up to one year	212.1	221.4
Greater than one and up to two years	218.7	208.9
Greater than two and up to three years	251.6	224.9
Greater than three and up to four years	277.9	255.4
Greater than four and up to five years	256.5	248.3
Greater than five years	1,231.7	1,223.1
<b>Total gross loan portfolio</b>	<b>2,448.5</b>	<b>2,382.0</b>

#### (i) Loan portfolio classification

Approximately, 94.5% of the loan portfolio consists of loans granted with the sovereign guarantee of the member country. Beginning 2020, the Bank began to grant non-sovereign guaranteed financing to government majority owned banks and enterprises at the central and local levels. The outstanding balance from those loans represents approximately 5.5% of gross loans outstanding as of June 30, 2025 (December 2024-5.0% and June 2024 – 5.0%).

Sovereign guaranteed loans are loans for which the member countries recognize the Bank's preferred creditor status.

The financings included in the loan portfolio, based on their nature and relevant terms, do not constitute derivative instruments. Collections or principal repayments are based on fixed or determinable amounts, and they do not quote on an active market. As explained in Note 13, the balance of principal repayments to be received within 12 months following year end, is classified as current, with the remaining balance classified as non-current. Notes 4.7 and 4.8 (v), describe accounting policies used in connection with the accounting of the loan portfolio and the recognition of its impairment, respectively.

The Bank's 2022 – 2026 ISP, approved by the Board of Governors on September 17, 2021, provides for extending financing for activities such as pre-investment, investment, technical cooperation, and knowledge generation. To this end, the 2022 – 2026 ISP builds upon the approval by the Board of Governors in 2019, of an amendment to the "Policy for the Appropriation of Lending Resources," to allow the financing of majority-owned government enterprises of member countries, at the national and subnational levels, with non-sovereign guarantee (NSG). This amendment was preceded by the approval by the Board of Executive Directors of a new line for the financing of NSG operations in November 2019.

Under the NSG financing, the Bank is authorized to grant loans and guarantees to government majority-owned institutions and public enterprises at either the national or subnational levels. To be eligible for financing, those institutions must have a minimum credit risk rating and comply with the Bank's financial capacity and solvency requirements.

As indicated in Note 6.4, as of June 30, 2025, the balance of non-sovereign guaranteed loans pending collection amounts to \$135.5 (December 2024- \$129.0), which represents an increase of approximately 5.04% compared to the balance as of December 31, 2024.

These financings consist of revolving credit lines with up to 8-year validity and a maximum 2-year grace period and up to 8-year amortization period.

As well as sovereign loans, these loans accrue interest based on the SOFR in arrears rate plus a margin established based on the credit risk rating at the time the financing is approved. Like the sovereign guaranteed loans, these financings accrue a commitment commission on the undisbursed balance of each approved stage within the credit line, plus an administration commission based on the validity of each stage.

Loans approved under the FFF, allow borrowers to modify the frequency of principal amortizations, the type of interest rate and the currency of disbursement. On November 23, 2023, the Bank approved the first financing under this new framework to BADESUL, a state-owned financial institution located at Rio Grande do Sul, Brazil in the amount of \$10.0. These financings were disbursed in full on January 29, 2024, and the borrower opted to denominate the currency of disbursement in BRL at CDI interest rate ("Certificado de Deposito Interbancario del Banco Central de Brasil"). In compliance of its asset/liability management the Bank entered into a cross-currency agreement with HSBC to hedge this transaction. Likewise, on January 24, 2025, the Bank approved a second operation for BADESUL under this facility in the amount of \$20.0, which was fully disbursed on March 24, 2025, in BRL and at the CDI interest rate. The interest rate and cross-currency hedge were contracted with BBVA.

Furthermore, NSG operations require the borrower to pay an initial non-refundable fee intended to cover legal and credit risk costs inherent to the loan origination process.

#### **(ii) Fair value of the loan portfolio**

The book value of the loan portfolio approximates its fair value, because the future cash flows from loans granted approximate the accounted book value.

#### **(iii) Impairment and exposure to risk**

The provisions for potential impairment on sovereign guaranteed and non-sovereign guaranteed loans are maintained at a level considered adequate by the Bank to absorb potential losses related to the loan portfolio as of the date of the financial statements.

As stated in Note 4.7, the accrual of interest on loans is discontinued for loans balances that have been overdue for more than 180 days. Accrued interest receivable on loans placed in non-accrual status is recognized in income upon collection until the loans are reclassified to full accrual status. Reclassification to full accrual status requires the borrower to repay in full all principal, interest, and commissions in arrears, as well as providing assurance that it has overcome its financial difficulties that had prevented it repaying its obligations when they became due.

The Bank did not have, nor currently has loans balances in non-accrual status. However, and consistent with its enterprise-wide risk management policy, the Bank accounts for a provision to reflect the potential impairment on its loan portfolio. Loan loss provisioning is an integral part of the Bank's financial policies. Under the current policy, the provision for future losses on sovereign guaranteed and non-sovereign guaranteed loans are computed differently.

Provision for loan losses is based on the receivable balance from each member country. The outstanding balance is then multiplied by the probability of default for each member country and by the probability

of maximum expected loss. Determination of the probability of default for each member country is based on the credit rating assigned by three internationally recognized credit rating agencies. This probability is then adjusted to consider the Bank's preferred creditor status.

For non-sovereign guaranteed loans, the probability of default is based on the Bank's own credit rating process of the prospective borrower. The initial following approval of the loan, credit rating is periodically reassessed. The maximum loss probability for non-sovereign guaranteed loans is based on the risk guidance issued by the Basle Committee.

In addition, the Bank maintains policies on risk exposure to avoid concentrating its lending on one country only, which could be affected by market conditions or other circumstances. In this regard, the Bank uses certain measurements or indicators, such as equity and total assets. The Bank reviews the status of its loan portfolio, on a quarterly basis, to identify potential impairments affecting its collectability, in full or in part. Information about the overall credit quality of the loan portfolio, its exposure to credit risk, currency exchange and interest risk is disclosed Notes 4.7 and 6.

## 8.5 Borrowings

Borrowings include outstanding loans with multilateral development banks and other bilateral organizations; financial institutions and bonds. As stated in (ii) below, the Bank contracts cross-currency swaps to reduce its exposure to exchange and interest rate risk in those instances where it contracts debt in currencies other than the U.S. dollar or with a reference rate different from that of its loan portfolio. The net balance of the swaps' receivable and payable together with the amount of collateral received from JP Morgan (JPM), HSBC, BBVA, Deutsche Bank (DB), and SMBC consists of a net payable of \$0.6 as of June 30, 2025 (December 2024-\$0.4 net receivable), and is shown under "Fair value hedged derivatives", in the statement of financial position.

Total borrowings as of June 30, 2025, and December 31, 2024, are as follows:

	<u>As of June 30,</u> <u>2025</u> \$	<u>As of December 31,</u> <u>2024</u> \$
<b>Borrowings</b>		
Borrowings and time deposits at amortized cost	552.2	537.6
Borrowings at fair value <sup>1</sup>	89.8	66.9
Bonds at fair value <sup>2</sup>	1,303.4	783.4
<b>Gross portfolio</b>	<b>1,945.4</b>	<b>1,387.9</b>
Less: unamortized borrowing costs	(10.0)	(7.8)
<b>Total</b>	<b>1,935.4</b>	<b>1,380.1</b>

<sup>1</sup>Include borrowings denominated in Euros at the Euribor rate contracted with the AFD and KfW, which has been swapped into US Dollar at the compounded SOFR in arrears rate. These borrowings as well as their corresponding hedges are valued at their fair value as of June 30, 2025, of \$52.1 and \$37.7, respectively (December 2024- \$33.3 and \$33.5, respectively) (see Note 8.5 (i)).

<sup>2</sup>Effective January 1, 2022, the Bank classified its hedging transactions designed to protect debt flows contracted in currencies other than the US dollars and at interest rates other than Bank's interest reference rate for its loan portfolio, as fair value hedges in accordance with IFRS 9. This change was made prospectively within the framework of IAS 8, due to the net effect being immaterial in prior years.

## 1. Loans from MBDs and other institutions and time deposits from central banks

The outstanding balance of loans contracted by the Bank to finance disbursements on its approved loans to its member countries is as follows:

	<u>As of June 30,</u>	<u>As of December 31,</u>
	2025	2024
	\$	\$
Corporación Andina de Fomento – See (1) below	125.0	75.0
Inter-American Development Bank (IDB) – See (2) below	165.3	167.8
French Development Agency (AFD) – See (3) below	52.1	48.8
European Investment Bank (EIB) - See (4) below	59.8	60.0
Official Credit Institute E.P.E. (ICO) – See (5) below	13.8	14.4
Banco Bilbao Vizcaya Argentaria (BBVA) – See (6) below	158.3	175.0
KfW – See (7) below	37.7	33.5
CDP – Cassa Depositi e Prestiti S.P.A. – See (8) below	30.0	30.0
<b>Total</b>	<b>642.0</b>	<b>604.5</b>

Outstanding borrowings contracted with MDBs, and other institutions include lines of credit contracted with the AFD and KfW, which are hedged with cross-currency swaps and hence are valued at their fair value (see Note 8.5 (ii)).

Among the contractual clauses of the debts contracted with the AFD and the KfW, is the requirement to issue compliance certificates, certified by the independent auditors.

In March 2018, the Board of Executive Directors updated its financial policies through RDE 1409. Among the changes introduced, the Bank revised its methodology to determine its lending capacity basing it on a multiple of three times the value of the Bank's equity; and also updated the methodology to determine its borrowing capacity, basing it on a multiplier of two times the value of the Bank's equity, plus the sum of liquid assets.

The Bank has designed its borrowing and financial programming strategies with the objective of diversifying its funding sources and obtaining the best possible financial terms based on its credit risk rating and its preferred creditor status.

- (1) On December 1 and December 6, 2022, respectively, the Bank disbursed \$50.0 under the line of credit agreed with CAF on September 17, 2021. The first disbursement was amortized in two equal payments of \$25.0, with matured on June 1 and December 2, 2024, respectively, and the second disbursement was also repaid in two equal installments on June 6 and December 6, 2024, respectively. Both loans accrued interest in SOFR term plus a fixed margin. On January 27, 2023, the Bank contracted with DB two interest rate swaps to hedge the two disbursements received from CAF, which bear interest at the Term SOFR interest rate, into the compounded SOFR in arrears interest rate which is the Bank's loan interest reference rate. These swaps are retroactive to December 1 and 6, 2022, which are the original dates of each disbursement (see Note 8.5 (ii)). On December 6, 2023, the Bank and CAF agreed on a new non-committal revolving line of credit in the amount of \$75.0, based on the SOFR Term rate.

On January 26, 2024, the Bank disbursed the whole amount undisbursed under this non-committal revolving line of credit. This line would be repaid in three equal semiannual installments of \$25.0, each, maturing on January 26, 2026; July 27, 2026; and January 27, 2027. These disbursements remain indexed to Term SOFR and have not been hedged, as the potential difference with overnight SOFR is deemed to be negligible. On December 26, 2024, the Bank signed an addendum increasing the amount under the non-committal revolving line of credit with CAF to \$150.0. As part of this increase, on April 3, 2025, a disbursement of \$50.0 was approved.

- (2) On March 7, 2022, the Bank subscribed a second financing agreement in the amount of \$100.0 with the Inter-American Development Bank (IADB), raising the total amount to be financed with the IADB to \$200.0, of which \$100.0 were approved in 2017. The new loan is based on SOFR in arrears and provides for a 4-year disbursement period, and a 25-year amortization period, with an average duration of 14.95 years. The first amortization of principal is scheduled to take place on May 15, 2027, with the last amortization of principal occurring on November 15, 2046. The terms of financing agreement, which entered into force upon signature of the loan contract, provide for recognition of prior eligible project expenditures incurred on and after December 8, 2021, and through the effective date for the last disbursement under this line of credit. Furthermore, with the purpose of optimizing cash flows under this line of credit, both parties agreed that the Bank could make disbursements on eligible loans and that the IADB would reimburse the Bank those amounts under the modality of reimbursement of expenditures.

The first line of credit expired in November 2022, date for the last disbursement. Hence, monies drawn down from the IADB under this line of credit can be used by the Bank as it sees fit. During the year ended as of December 31, 2024, the Bank drew-down \$39.8 against this new line of credit (December 31, 2023 - \$19.6 disbursed). During the interim period ending June 30, 2025, the Bank amortized \$2.5 against the first tranche (December 2024- \$5.0).

The following chart provides a detailed account of the eligible loans under the line of credit approved with the IDB, the total amount to be financed for each eligible loan, the amount disbursed to date and their respective undisbursed balance:

<u>Loans</u>	As of June 30, 2025			
	BID			
	<u>Eligible</u>	<u>Disbursed</u>	<u>To be disbursed<sup>2</sup></u>	<u>To be financed by FONPLATA<sup>2</sup></u>
<b><u>Active line of credit 2017-2030:</u></b>				
ARG-28/2016 Compl. Fronterizos <sup>1</sup>	18.0	11.6	-.-	-.-
ARG-40/2018 Acceso Pto. Las Palmas	10.0	-.-	-.-	-.-
BOL-32/2018 Infra Urbana- Stage II	5.0	2.9	-.-	-.-
BOL-33/2019-Acheral Choere	9.9	8.5	-.-	-.-
BOL-34/2021-Employment generation	40.7	34.1	-.-	-.-
BRA-21/2018 Itajaí 2040 <sup>1</sup>	40.3	24.2	-.-	-.-
BRA-23/2019 Ponta Pora	25.0	7.9	-.-	-.-
Projects to be identified	-.-	-.-	10.8	-.-
<b>Subtotal</b>	<b>148.9</b>	<b>89.2</b>	<b>10.8</b>	<b>48.9</b>
<b>Not financed by IADB</b>	<b>(48.9)</b>	<b>-.-</b>	<b>-.-</b>	<b>-.-</b>
<b>Total credit line</b>	<b>100.0</b>	<b>89.2</b>	<b>10.8</b>	<b>-.-</b>

<u>Loans</u>	As of December 31, 2024			
	BID			
	<u>Eligible</u>	<u>Disbursed</u>	<u>To be disbursed<sup>2</sup></u>	<u>To be financed by FONPLATA<sup>2</sup></u>
<b><u>Active line of credit 2022 \$100.0:</u></b>				
ARG-28/2016 Compl. Fronterizos <sup>1</sup>	18.0	11.6	-.-	-.-
ARG-40/2018 Acceso Pto. Las Palmas	10.0	-.-	-.-	-.-
BOL-32/2018 Infra Urbana- Stage II	5.0	-.-	-.-	-.-
BOL-33/2019-Acheral Choere	9.9	-.-	-.-	-.-
BOL-34/2021-Employment generation	40.7	34.1	-.-	-.-
BRA-21/2018 Itajaí 2040 <sup>1</sup>	40.3	24.2	-.-	-.-
BRA-23/2019 Ponta Pora	25.0	7.9	-.-	-.-
Projects to be identified	-.-	-.-	22.2	-.-
<b>Subtotal</b>	<b>148.9</b>	<b>77.8</b>	<b>22.2</b>	<b>48.9</b>
<b>Not financed by IADB</b>	<b>(48.9)</b>	<b>-.-</b>	<b>-.-</b>	<b>-.-</b>
<b>Total credit line</b>	<b>100.0</b>	<b>77.8</b>	<b>22.2</b>	<b>-.-</b>

<sup>1</sup> Adjustment in the eligible amounts of loans ARG-28/2016 for \$2.0 and BRA-21/2018 for \$4.7 compared to the balances reported as of December 31, 2023.

<sup>2</sup>To be decided based upon disbursement requests from executing agencies on a project-by-project basis.

(3) As of June 29, 2022, the Bank signed a second line of credit with the French Development Agency (AFD) to borrow up to EUR 30.0 with a 12-year maturity at the 6-month Euribor rate plus a margin. This credit line is added to the credit line denominated in U.S. dollars that was approved in October 2018, for \$20.0, and that was fully executed in 2021, therefore it is in repayment process. As of December 31, 2022, eligible loans were financed under this new line of credit for a total of EUR 8.0, equivalent to \$8.5. On September 23, 2024, the Bank disbursed EUR 22.0, equivalent to \$24.6, using the available balance under this line.

The total amount owed to AFD under these two lines as of December 31, 2024, amounts to \$48.8, consisting of \$15.5 and EUR 30.0 (2023- \$20.0 and EUR 8.0). To hedge the currency and interest rate potential exposures related to the Euro denominated disbursement and to the Euribor, the Bank contracted a cross-currency swap with JPM in 2022, and with SMBC in 2024 (see Note 8.5 (ii)). During the interim period ending June 30, 2025, the bank amortized \$0.9 against the dollar denominated line (December 2024- \$1.8 against the dollar denominated line).

<u>Loans</u>	AFD as of June 30, 2025				
	<u>Total project cost</u>	<u>Eligible</u>	<u>Disbursed</u>	<u>Available</u>	<u>To be financed by FONPLATA</u>
ARG-48/2020 HOSTPITALES CHACO Etapa II <sup>1</sup>	20.0	9.0	3.8	5.2	11.0
BRA-33/2022-DOURADOS	38.5	12.0	12.0	-.-	26.5

AFD as of June 30, 2025					
<b>Loans</b>	<u>Total project cost</u>	<u>Eligible</u>	<u>Disbursed</u>	<u>Available</u>	<u>To be financed by FONPLATA</u>
BRA-29/2021-INDAIATUBA	28.9	14.2	14.2	-.-	14.7
<b>Total Euros</b>	<b>87.4</b>	<b>35.2</b>	<b>30.0</b>	<b>5.2</b>	<b>52.2</b>
<b>USD equivalent</b>	<b>102.3</b>	<b>41.2</b>	<b>35.1</b>	<b>6.1</b>	<b>61.1</b>
Line denominated in USD 2018	20.0	20.0	20.0	-.-	-.-
<b>Total</b>	<b>122.3</b>	<b>61.2</b>	<b>55.1</b>	<b>6.1</b>	<b>61.1</b>

<sup>1</sup> Project ARG-48/2020 HOSPITALES CHACO replaces Project ARG-51/2021 PROSAF

AFD as of December 31, 2024					
<b>Loans</b>	<u>Total project cost</u>	<u>Eligible</u>	<u>Disbursed</u>	<u>Available</u>	<u>To be financed by FONPLATA</u>
ARG-51/2021-PROSAF	12.8	3.8	3.8	-.-	9.0
BRA-33/2022-DOURADOS	38.5	12.0	12.0	-.-	26.5
BRA-29/2021-INDAIATUBA	28.9	14.2	14.2	-.-	14.7
<b>Total Euros</b>	<b>80.2</b>	<b>30.0</b>	<b>30.0</b>	<b>-.-</b>	<b>50.2</b>
<b>USD equivalent</b>	<b>83.4</b>	<b>31.2</b>	<b>31.2</b>	<b>-.-</b>	<b>52.2</b>
Line denominated in USD 2018	20.0	20.0	20.0	-.-	-.-
<b>Total</b>	<b>103.4</b>	<b>51.2</b>	<b>51.2</b>	<b>-.-</b>	<b>52.2</b>

- (4) On April 29 and December 6, 2022, the Bank received from the European Investment Bank (EIB), an amount of \$10.0 and \$20.0, respectively, within the framework of the financing line that was signed in August 2020, for \$60.0. This disbursement is added to the one that was executed in December 2021, for \$12.0. On July 6, 2023, the Bank drew down \$18.0, completing the total amount approved under this line of credit. There were no principal repayments under this line of credit during the year ended as of December 31, 2024. As of June 30, 2025, the Bank amortized \$0.2.
- (5) During the year ended as of December 31, 2022, the Bank received \$12.2, under the second line of credit subscribed on June 9, 2022, with the "Instituto de Crédito Oficial E.P.E. – (ICO)," in the amount of \$15.0, which eligibility for disbursements expired in June 2023. This line was added to the one signed in 2018, which the undisbursed balance of \$9.5 was cancelled on December 17, 2020, leaving an outstanding balance of \$5.5, of which the Bank amortized \$0.6 during the interim period ending June 30, 2025, leaving the outstanding balance in \$13.8. Furthermore, during the interim period ending June 30, 2025, no disbursements were made under the third credit line approved in May 2024 for \$25.0 (December 2024 - no disbursements were made under the line signed on May 2024 and amortized \$1.1 for an outstanding balance of \$14.4).

The following chart provides a detailed account of the eligible loans financed under the line of credit approved with the ICO, the total amount to be financed for each eligible loan, the amount disbursed to date and their respective undisbursed balance:

		ICO as of June 30, 2025		
Loans		Eligible	Disbursed	Available
PAR 29/2022 ANDE CHACO <sup>1</sup>		25.0	-.-	25.0
Total		<b>25.0</b>	<b>-.-</b>	<b>25.0</b>

		ICO as of December 31, 2024		
Loans		Eligible	Disbursed	Available
BRA-31/2021 CRICIUMA II		3.7	-.-	3.7
URU-25/2024 Universalización Saneamiento I		8.3	-.-	8.3
URU-25/2024 Universalización Saneamiento II		1.7	-.-	1.7
URU-27/2024 Univ. Saneamiento Maldonado		11.3	-.-	11.3
Total		<b>25.0</b>	<b>-.-</b>	<b>25.0</b>

<sup>1</sup> No disbursements were recorded for eligible projects in 2024. In 2025, a project was identified that finances electrical works in Chaco, Paraguay, executed by ANDE. As of June 30, 2025, the entire eligible amount pending disbursement under this project has been reclassified, and disbursements are expected to begin in the second half of 2025.

- (6) As of December 31, 2024, the amount owed to Banco Bilbao Vizcaya Argentaria S.A. (BBVA) consists of \$50.0, which is part of the \$100.0 financing agreement entered into with in June 2021, with a five-year term, and a new financing agreement contracted in November 2024 for \$125.0, which was fully disbursed. During the interim period ending June 30, 2025, the Bank amortized \$16.7 under the first financing.
- (7) On December 16, 2022, the Bank signed a loan contract with KfW intended to finance green line projects that contribute to mitigating negative impacts on the environment and climate change. This line of credit is denominated in Euros at the Euribor interest rate plus a fixed margin. This line of credit amounts to EUR 37.0. This line had an original eligibility for disbursements through December 31, 2024. In November 2024, the Bank obtained a postponement of the last disbursement date through December 31, 2025. Amortization of this loan will commence on May 15, 2027, and end on May 15, 2030, based on 7 semi-annual equal installments. On August 24, 2023, the Bank disbursed EUR 21.0 equivalent to \$22.8 under this line of credit. This disbursement was hedged through a cross-currency swap to align the cashflows with the US dollar and the interest rate with the SOFR in arrears which are the currency and reference rate of the Bank's lending operations. This disbursement was exchanged into a U.S. dollar denominated obligation with semiannual interest payments based on the SOFR in arrears through a cross-currency swap contracted with BBVA. On November 16, 2024, the Bank drew-down EUR 10.5 equivalent to \$11.1 under this line of credit. During the interim period ended as of June 30, 2025, and the year ended as of December 31, 2024, no disbursements or amortizations took place under this line.

The following chart shows the list of loans considered eligible for financing under this facility contracted with KfW, the total amount to be financed, the amount disbursed and the amount pending disbursement:



<u>Loans</u>	KfW as of June 30, 2025		
	<u>Eligible</u>	<u>Disbursed</u>	<u>Available</u>
ARG23/2015 Belgrano Sur	10.5	10.5	-.-
PAR26/2018 Ande Valenzuela	21.0	21.0	-.-
PAR29/2022 Ande Chaco	5.5	-.-	5.5
<b>Total Euros</b>	<b>37.0</b>	<b>31.5</b>	<b>5.5</b>
<b>US dollar equivalent</b>	<b>43.3</b>	<b>36.9</b>	<b>6.4</b>

<u>Loans</u>	KfW as of December 31, 2024		
	<u>Eligible</u>	<u>Disbursed</u>	<u>Available</u>
ARG23/2015 Belgrano Sur	10.5	10.5	-.-
PAR26/2018 Ande Valenzuela	21.0	21.0	-.-
PAR29/2022 Ande Chaco	5.5	-.-	5.5
<b>Total Euros</b>	<b>37.0</b>	<b>31.5</b>	<b>5.5</b>
<b>US dollar equivalent</b>	<b>38.4</b>	<b>32.7</b>	<b>5.7</b>

- (8) On May 23, 2024, the Bank signed \$30.0 under its first credit line with CDP - Cassa Depositi e Prestiti S.P.A., with the purpose of financing projects eligible within the Bank's Sustainable Debt Framework. This line has a maturity of 6 years and is amortizable at the SOFR in arrears rate composed of 12 semi-annual installments and was fully disbursed on June 18, 2024. During the interim period ending as of June 30, 2025, no principal amortization took place.

## 2. Bonds and derivative financial instruments designated as fair value hedge

As stated in Notes 2 and 4.10, between 2019 and 2021, the Bank launched three bond issuances, a.k.a., FONPLATA 24, FONPLATA26, and FONPLATA28, according to their respective year of maturity. These bond issuances are denominated in Swiss Francs with an annual fixed rate coupon and principal payment at maturity. FONPLATA 24, consisted of CHF 150.0 and was redeemed at its maturity on March 11, 2024; FONPLATA26, consisted of CHF 200.0 with a 5 ½ - years of maturity on September 3, 2026; and FONPLATA28, CHF 150.0, with a 7-year maturity on December 1, 2028, and a fixed rate coupon. As indicated in Note 2, "Significant Changes During the Current Year", on May 15, 2024, the Bank issued a new bond in the Swiss capital market, called FONPLATA 27, for CHF 145.0 maturing on November 15, 2027. This bond was the first Bank's issuance in the Swiss market under its Sustainable Debt Framework. This bond was issued at a fixed rate with an annual interest coupon and exchanged for an obligation in US dollars for \$158.6 at the SOFR rate with semiannual interest payment through a rate and currency hedging operation contracted with Banco Bilbao Viscaya Argentaria (BBVA). On October 24, 2024, the Bank issued a new bond in the Swiss capital markets. This new issuance consisted of a 5-year bond, called FONPLATA 29, for a total of CHF 130.0 equivalent to \$152.9, with a fixed rate coupon, which was hedged through a cross-currency swap contracted with DB.

As of the end of March 2023, the Bank entered for the first time the Japanese capital markets and launched the issuance of its first sustainable bonds. This issuance consisted of two series, the first one with maturity in March 2028 in the amount of JPY 3,000.0, equivalent to \$22.5 at fix rate with a semiannual coupon, and the second one maturing in October 2029 in the amount of JPY 4,200.0, equivalent to \$31.5.

On June 20, 2024, the Bank conducted another sustainable bond issuance in the Japanese market through a private placement that consisted of two more series (i.e., third and fourth series). The third series for JPY 6,300.0 consists of two tranches of JPY 6,200.0 and JPY 100.0, respectively, both with a 3-year maturity, on June 18 from 2027; and the fourth series for ¥1,100.0, maturing in 5 years on June 20, 2029. As indicated in Note 2, these issuances were the subject of two cross-currency swaps contracted with Sumitomo Banking Corporation (SMBC), for \$40.2, covering the third series maturing in 2027, and \$7.0 for the fourth series maturing in 2029, respectively.

In February 2025, the Bank launched its first bond issuance under the MTNP registered with the London Stock Exchange. During the interim period from January to June 2025, eight issuances were completed, totaling \$410.0, all denominated in U.S. dollars. Three of these issuances involved bonds with fixed interest rates. Consequently, these bonds were subject to interest rate hedging transactions. Two of these hedges were contracted with Sumitomo Banking Corporation (SMBC), and the third, consisting of a 10-year bond, was contracted with BBVA (see Note 2).

In compliance with its financial and risk management policies, the Bank contracts derivatives to exchange obligations denominated in currencies other than the U.S. dollar, and at interest rates other than the 6-month Libor, into U.S. dollars denominated obligations bearing interest based on the 6-month Libor rate. Based on the nature of these transactions, the Bank considered cross-currency and interest rate swaps effective to offset both the interest rate and currency exchange risks. Accordingly, the Bank designated the derivatives assumed as a fair value hedge in accordance with IFRS 9.

The following are the cross-currency swaps outstanding as of June 30, 2025, and December 31, 2024, respectively:

#### **June 30, 2025**

1. SMBC – Cross-currency swaps in connection with the issuance of: (i) sustainable bonds FONPLATA JPY 2027, series 3, JPY 6,300.0, (A and B tranches), maturing in 3 years at a fixed annual rate of 1.60% with semiannual coupon exchanged for \$40.2, maturing in 3 years with interest payment based on SOFR in arrears plus a margin; (ii) sustainable bonds FONPLATA JPY 2024, JPY 1,100.0, maturing in 5 years at a fixed annual rate of 1.79% with semiannual coupon, exchanged for \$7.0, maturing in 5 years with interest payment based on the SOFR in arrears plus a margin; and (iii) disbursement received from AFD on September 26, 2024, maturing in 9 ½ yrs., EUR 22.0 at the Euribor rate equivalent to \$24.6 at the SOFR in arrears plus a fixed margin to be exchanged on February 1, 2034.

Interest rate to hedge bonds issued under the Medium Term Note Program (i) MTN #04-1 for \$30.0 million, with a 5-year maturity and fixed annual interest rate with annual interest payments; (ii) MTN #04-2 for \$50.0 million, with a 7-year maturity and fixed annual interest rate with annual interest payment.

2. JPM – Cross currency swap to hedge EUR 8.0, corresponding to the first disbursement under the second loan contracted with AFD (see Note 8.5 (i) (4)), to a fixed margin over Euribor. This swap transaction covers the debt period from December 23, 2022, through its maturity on January 31, 2034, and accrues interest on a total equivalent of \$8.5 based on the overnight SOFR rate.

Cross currency swap to convert CHF 150.0 under the FONPLATA 28 issuance, with a 7-year maturity and a fixed annual coupon rate. The swap has a 7-year maturity and features semiannual interest payments based on the SOFR in arrears.

3. DB – Cross-currency swap to hedge FONPLATA 29 5yr bond issuance effective on October 24, 2024, in the amount of CHF 130.0, maturing on October 24, 2029, with fixed rate coupon, exchanged for \$152.9 with semiannual interest based on the SOFR in arrears. DB assumed under the same conditions the cross-currency swap originally contracted with CS (see 9, below).

Cross-currency swap to hedge FONPLATA 26, CHF 200.0, 5 ½ yrs maturity with fix rate annual interest payments with a fixed payment of \$222.7, and semiannual interest payments at the SOFR in arrears.

4. BBVA – Cross-currency swap in connection with the EUR 10.5 draw-down on November 16, 2024, from the line of credit contracted with KfW, with interest payments based on the Euribor rate, exchanged for \$10.9, and with semiannual interest payments based on the SOFR in arrears. Cross-currency swap to cover the issuance of the sustainable bond FONPLATA 27, effective May 15, 2024, CHF 145.0 maturing at 3.5 years on November 15, 2027, fixed-rate coupon, exchanged for \$158.6, with semi-annual interest payments at the SOFR rate plus a fixed margin.

Interest rate to hedge bond issued under the Medium Term Note Program MTN #05 for \$50.0 million, with a 10-year maturity and a fixed interest rate, featuring semiannual interest payments.

Cross-currency swap contracted on March 25, 2025, associated to the \$20.0, non-sovereign loan granted to BADESUL, which exercised the option granted under the FFF to denominate the loan in local currency at the CDI. Under this swap the Bank will receive the original amount disbursed \$20.0, and semiannual interest payments based on the SOFR in arrears and pay the counterpart the principal amortization and interest payments based in the CDI, in Brazilian Reais.

5. HSBC – Cross-currency swap contracted on January 29, 2024, associated to the \$10.0, non-sovereign loan granted to BADESUL, which exercised the option granted under the FFF, to denominate the loan in local currency at the CDI rate. Under this swap the Bank will receive the original amount disbursed \$10.0, and semiannual interest payments based on the SOFR in arrears and pay the counterpart the principal amortization and interest payments based in the CDI, in Brazilian Reais.

Cross currency swaps were executed to convert Sustainable Bonds Series 1, JPY 3,000.0, with a 5-year maturity and a fixed annual interest rate, into \$22.5, with a 5-year maturity and interest payments based on overnight SOFR plus a margin; and Sustainable Bonds Series 2, JPY 4,200.0, with a 6½-year maturity and a fixed annual interest rate with semiannual coupons, into \$31.5, with a 6½-year maturity and interest payments based on overnight SOFR plus a margin.

**December 31, 2024**

1. SMBC – Cross-currency swaps in connection with the issuance of: (i) sustainable bonds FONPLATA JPY 2027, series 3, JPY 6,300.0, (A and B tranches), maturing in 3 years at a fixed annual rate of 1.60% with semiannual coupon exchanged for \$40.2, maturing in 3 years with interest payment based on SOFR in arrears plus a margin; (ii) sustainable bonds FONPLATA JPY 2024, JPY 1,100.0, maturing in 5 years at a fixed annual rate of 1.79% with semiannual coupon, exchanged for \$7.0, maturing in 5 years with interest payment based on the SOFR in arrears plus a margin; and (iii) disbursement received from AFD on September 26, 2024, maturing in 9 ½ yrs., EUR 22.0 at the Euribor rate equivalent to \$24.6 at the SOFR in arrears plus a fixed margin to be exchanged on February 1, 2034.
2. JPM – Cross currency swap to hedge EUR 8.0, corresponding to the first disbursement under the second loan contracted with AFD (see Note 8.5 (i) (4)), to a fixed margin over Euribor. This swap transaction covers the debt period from December 23, 2022, through its maturity on January 31, 2034, and accrues interest on a total equivalent of \$8.5 based on overnight SOFR.

Cross currency swap to convert CHF 150.0 under the FONPLATA 28 issuance, with a 7-year maturity and a fixed annual coupon rate. The swap has a 7-year maturity and features semiannual interest payments based on the SOFR in arrears.

3. DB – Cross-currency swap to hedge FONPLATA 29 5yr bond issuance effective on October 24, 2024, in the amount of CHF 130.0, maturing on October 24, 2029, with fixed rate coupon, exchanged for \$152.9 with semiannual interest based on the SOFR in arrears. DB assumed under the same conditions the cross-currency swap originally contracted with CS (see 9, below).

Cross-currency swap to hedge FONPLATA 26, CHF 200.0, 5 ½ yrs maturity with fix rate annual interest payments with a fixed payment of \$222.7, and semiannual interest payments at the SOFR in arrears.

4. BBVA – Cross-currency swap in connection with the EUR 10.5 draw-down on November 16, 2024, from the line of credit contracted with KfW, with interest payments based on the Euribor rate, exchanged for \$10.9, and with semiannual interest payments based on the SOFR in arrears. Cross-currency swap to cover the issuance of the sustainable bond FONPLATA 27, effective May 15, 2024, CHF 145.0 maturing at 3.5 years on November 15, 2027, fixed-rate coupon, exchanged for \$158.6, with semi-annual interest payments at the SOFR rate plus a fixed margin.

5. HSBC – Cross-currency swap contracted on January 29, 2024, associated to the \$10.0, non-sovereign loan granted to BADESUL, which exercised the option granted under the FFF, to denominate the loan in local currency at the CDI rate. Under this swap the Bank will receive the original amount disbursed \$10.0, and semiannual interest payments based on the SOFR in arrears and pay the counterpart the principal amortization and interest payments based in the CDI, in Brazilian Reais.

Cross currency swaps to hedge Sustainable Bonds Series 1, JPY 3,000.0, with a 5-year maturity and a fixed annual interest rate, into \$22.5, with a 5-year maturity and interest payments based on the SOFR in arrears plus a margin; and Sustainable Bonds Series 2, JPY 4,200.0, with a 6½-year maturity and a fixed annual interest rate with semiannual coupons, into \$31.5, with a 6½-year maturity and interest payments based on the SOFR in arrears plus a margin.

The Bank has signed ISDA master netting agreements with its counterparts. Under these agreements, each party must compensate the other with collateral for any differences in credit risk resulting from daily changes in valuation of the swaps due to changes in interest and foreign exchange rates. Collateral is to be made effective, either in cash or U.S. Treasury bills by the party that is deficient when the net daily difference in valuation exceeds a given threshold. Collateral is determined based on a proprietary valuation model.

The Bank closely monitors the fairness and reasonableness of those valuation models used by its counterparts through its own valuation model based on market information provided by Bloomberg financial services regarding interest and exchange rates.

In the event the collateral is satisfied in cash, the party receiving collateral from the counterpart is obliged to pay interest based on the U.S. Federal Reserve interest rate.

Interest received or paid by the Bank on the amount of collateral held by the counterparts is recognized as part of other incomes in the statement of profit or loss and other comprehensive income. As of June 30, 2025, the Bank has a net payable position with its derivative counterparts in the amount of \$91.4 (December 2024-\$28.9 receivable and June 2024 - \$25.5 receivable).

Interest paid/received in collateral deposits with derivative counterparts is based on the interest rate published by the Federal Reserve Bank of the United States of America for overnight deposits. During the period from January 1 to June 30, 2025, the Bank received interest on collateral deposited with its counterparties for \$0.4 (December 2024- \$1.1 and June 2024- \$0.7, respectively) and paid interest on collateral received from its counterparties for \$0.7 (December 2024- \$0.6 and June 2024- \$0.2, respectively).

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position where the Bank currently has a legally enforceable right to offset the recognized amounts, and there is the intention to settle on a net basis or realize the asset and settle the liability simultaneously.

The following table presents the recognized financial instruments as if all set-off rights were exercised (i.e., cross-currency and interest rate swaps and collateral), based on the set-off and netting right arising from the contract. As of June 30, 2025, neither of the parties exercised their rights to set off and netting. The column “net amount” shows the impact on the Bank’s statement of financial position if all set-off rights were exercised.

	Gross amounts \$	Gross amounts offset in the Statement of Financial Position \$	Net amounts presented in the Statement of Financial Position \$
<b>As of June 30, 2025</b>			
<b>J.P. Morgan (JPM):</b>			
<b>Financial assets:</b>			
Cross-currency and interest rate swaps receivable	204.4	(181.1)	23.3
<b>Subtotal Derivatives Receivable</b>	<b>204.4</b>	<b>(181.1)</b>	<b>23.3</b>
<b>Financial Liabilities:</b>			
Cross-currency and interest rate swaps payable	(181.1)	181.1	-.-
Collateral payable	(23.3)	-.-	(23.3)
<b>Subtotal Derivatives Payable</b>	<b>(204.4)</b>	<b>181.1</b>	<b>(23.3)</b>
<b>Derivatives net JPM</b>	<b>-.-</b>	<b>-.-</b>	<b>-.-</b>
<b>Deutsche Bank (DB):</b>			
<b>Financial assets:</b>			
Interest rate swaps receivable	51.6	(51.6)	-.-
Cross-currency and interest rate swaps receivable	399.5	(363.3)	36.2
<b>Subtotal Derivatives Receivable</b>	<b>451.1</b>	<b>(414.9)</b>	<b>36.2</b>
<b>Financial Liabilities:</b>			
Interest rate swaps payable	(51.6)	51.6	-.-
Cross-currency and interest rate swaps payable	(363.3)	363.3	-.-
Collateral payable	(36.2)	-.-	(36.2)
<b>Subtotal Derivatives Payable</b>	<b>(451.1)</b>	<b>414.9</b>	<b>(36.2)</b>
<b>Derivatives net DB</b>	<b>-.-</b>	<b>-.-</b>	<b>-.-</b>
<b>HSBC<sup>1</sup>:</b>			
<b>Financial assets:</b>			
Cross-currency and interest rate swaps receivable	61.9	(68.4)	(6.5)
Collateral receivable	6.7	-.-	6.7
<b>Subtotal Derivatives Receivable</b>	<b>68.6</b>	<b>(68.4)</b>	<b>0.2</b>
<b>Financial Liabilities:</b>			
Cross-currency and interest rate swaps payable	(68.4)	68.4	-.-
<b>Subtotal Derivatives Payable</b>	<b>(68.4)</b>	<b>68.4</b>	<b>-.-</b>
<b>Derivatives net HSBC</b>	<b>0.2</b>	<b>-.-</b>	<b>0.2</b>

	Gross amounts \$	Gross amounts offset in the Statement of Financial Position \$	Net amounts presented in the Statement of Financial Position \$
<b>BBVA<sup>1</sup>:</b>			
<b><u>Financial assets:</u></b>			
Cross-currency and interest rate swaps receivable	314.0	(281.7)	32.3
<b><i>Subtotal Derivatives Receivable</i></b>	<b>314.0</b>	<b>(281.7)</b>	<b>32.3</b>
<b><u>Financial Liabilities:</u></b>			
Cross-currency and interest rate swaps payable	(281.7)	281.7	-.-
Collateral payable	(32.7)	-.-	(32.7)
<b><i>Subtotal Derivatives Payable</i></b>	<b>(314.4)</b>	<b>281.7</b>	<b>(32.7)</b>
<b><i>Derivatives net BBVA</i></b>	<b>(0.4)</b>	<b>-.-</b>	<b>(0.4)</b>
<b>SMBC:</b>			
<b><u>Financial assets:</u></b>			
Cross-currency and interest rate swaps receivable	169.0	(163.5)	5.5
<b><i>Subtotal Derivatives Receivable</i></b>	<b>169.0</b>	<b>(163.5)</b>	<b>5.5</b>
<b><u>Financial Liabilities:</u></b>			
Cross-currency and interest rate swaps payable	(163.5)	163.5	-.-
Collateral payable	(5.9)	-.-	(5.9)
<b><i>Subtotal Derivatives Payable</i></b>	<b>(169.4)</b>	<b>163.5</b>	<b>(5.9)</b>
<b><i>Derivatives net SMBC</i></b>	<b>(0.4)</b>	<b>-.-</b>	<b>(0.4)</b>
<b><i>Net derivative payable position</i></b>	<b>(0.6)</b>	<b>-.-</b>	<b>(0.6)</b>
<b>As of December 31, 2024</b>			
<b>J.P. Morgan (JPM):</b>			
<b><u>Financial assets:</u></b>			
Cross-currency and interest rate swaps receivable	180.4	(182.0)	(1.6)
Collateral receivable	1.6	-.-	1.6
<b><i>Subtotal Derivatives Receivable</i></b>	<b>182.0</b>	<b>(182.0)</b>	<b>-.-</b>
<b><u>Financial Liabilities:</u></b>			
Cross-currency and interest rate swaps payable	(182.0)	182.0	-.-
<b><i>Subtotal Derivatives Payable</i></b>	<b>(182.0)</b>	<b>182.0</b>	<b>-.-</b>
<b><i>Derivatives net JPM</i></b>	<b>-.-</b>	<b>-.-</b>	<b>-.-</b>
<b>Deutsche Bank (DB):</b>			
<b><u>Financial assets:</u></b>			
Interest rate swaps receivable	51.6	(51.6)	-.-
Cross-currency and interest rate swaps receivable	367.5	(377.0)	(9.5)
Collateral receivable	18.6	-.-	18.6
<b><i>Subtotal Derivatives Receivable</i></b>	<b>437.7</b>	<b>(428.6)</b>	<b>9.1</b>

	Gross amounts \$	Gross amounts offset in the Statement of Financial Position \$	Net amounts presented in the Statement of Financial Position \$
<b>Financial Liabilities:</b>			
Interest rate swaps payable	(51.6)	51.6	-.-
Cross-currency and interest rate swaps payable	(386.0)	377.0	(9.0)
<b>Subtotal Derivatives Payable</b>	<b>(437.6)</b>	<b>428.6</b>	<b>(9.0)</b>
<b>Derivatives net DB</b>	<b>0.1</b>	<b>-.-</b>	<b>0.1</b>
<b>HSBC<sup>1</sup>:</b>			
<b>Financial assets:</b>			
Cross-currency and interest rate swaps receivable	58.5	(67.9)	(9.4)
Collateral receivable	9.6	-.-	9.6
<b>Subtotal Derivatives Receivable</b>	<b>68.1</b>	<b>(67.9)</b>	<b>0.2</b>
<b>Financial Liabilities:</b>			
Cross-currency and interest rate swaps payable	(67.9)	67.9	-.-
<b>Subtotal Derivatives Payable</b>	<b>(67.9)</b>	<b>67.9</b>	<b>-.-</b>
<b>Derivatives net HSBC</b>	<b>0.2</b>	<b>-.-</b>	<b>0.2</b>
<b>BBVA:</b>			
<b>Financial assets:</b>			
Cross-currency and interest rate swaps receivable	190.2	(190.2)	-.-
<b>Subtotal Derivatives Receivable</b>	<b>190.2</b>	<b>(190.2)</b>	<b>-.-</b>
<b>Financial Liabilities:</b>			
Cross-currency and interest rate swaps payable	(186.5)	190.2	3.7
Collateral payable	(3.7)	-.-	(3.7)
<b>Subtotal Derivatives Payable</b>	<b>(190.2)</b>	<b>190.2</b>	<b>-.-</b>
<b>Derivatives net BBVA</b>	<b>-.-</b>	<b>-.-</b>	<b>-.-</b>
<b>SMBC:</b>			
<b>Financial assets:</b>			
Cross-currency and interest rate swaps receivable	73.4	(76.0)	(2.6)
Collateral receivable	2.7	-.-	2.7
<b>Subtotal Derivatives Receivable</b>	<b>76.1</b>	<b>(76.0)</b>	<b>0.1</b>
<b>Financial Liabilities:</b>			
Cross-currency and interest rate swaps payable	(76.0)	76.0	-.-
<b>Subtotal Derivatives Payable</b>	<b>(76.0)</b>	<b>76.0</b>	<b>-.-</b>
<b>Derivatives net SMBC</b>	<b>0.1</b>	<b>-.-</b>	<b>0.1</b>
<b>Net derivative receivable position</b>	<b>0.4</b>	<b>-.-</b>	<b>0.4</b>

<sup>1</sup>For presentation purposes, the outstanding balance of non-sovereign loans granted with the FFF (see Note 8.4 (i)), the net derivative receivable excludes \$1.0 of exchange loss differences on cross-currency swaps contracted with HSBC (December 2024-\$2.0) and \$0.9 of exchange gain differences on cross-currency swaps contracted with BBVA (December 2024-\$0). This amount is shown as part of the amount of loans outstanding.



Derivatives are valued at fair value using valuation techniques using reliable and observable market information whenever possible, and as such, are classified as Level 2 (see Note 8.7).

Borrowings outstanding classified based on their scheduled maturities before deferred charges of \$10.0, (December 31, 2024 - \$7.8), are as follows:

	As of June 30, 2025	As of December 31, 2024
	\$	\$
Up to one year <sup>1</sup>	86.3	46.8
More than one and up to two years	410.3	306.9
More than two and up to three years	354.5	300.8
More than three and up to four years	273.1	261.7
More than four and up to five years	515.8	254.6
More than five years	305.4	217.1
<b>Total</b>	<b>1,945.4</b>	<b>1,387.9</b>

<sup>1</sup>The "up to one year" tranche includes exchange differences and market adjustments of the debt for a total of \$12.3 for June 2025, and \$2.3 for December 2024.

### (iii) Fair value of borrowings

Loans contracted with MDBs, and other institutions are held at amortized cost. It is estimated that their book value approximates their fair value since future cash flows to be paid are like the recorded amount for the borrowing.

Borrowings and bonds issued in currencies other than the US dollar and at rates other than the reference rate for lending operations are subject to currency and rate hedging transactions to mitigate exposure to changes in exchange rates and interest rates and are valued at fair value. The net effect of these changes is included in the statement of profit or loss and other comprehensive income under "Other income."

### (iv) Risk exposure

Notes 6 and 7, respectively, provide information regarding the risk exposure associated with borrowings.

## 8.6 Special funds

The balance maintained with special funds by the Bank as of June 30, 2025, and December 31, 2024, respectively, includes the following:

	As of June 30, 2025	As of December 31, 2024
	\$	\$
FOCOM	12.7	16.3
PAC	7.3	6.5
PCT	4.1	4.5
<b>Total</b>	<b>24.1</b>	<b>27.3</b>

The Board of Governors can create special funds for specific purposes. Special funds have their own specific rules and administrative procedures and are considered as separate and independent entities from the Bank. Special funds are directly controlled by the member countries through the Board of Governors, and their balances do not require to be consolidated by the Bank.

Special funds were incepted by the Board of Governors in 2014 and are funded through distribution of retained earnings maintained in the general reserve. On December 1, 2023, the Board of Governors approved a distribution of retained earnings as of December 31, 2022 (ASG-RES-200/2023), and on August 23, 2024, it approved a distribution of retained earnings as of December 31, 2023 (ASG-RES-207/2024).

- a. **“Fund for the Compensation of the Operational Rate (referred as FOCOM)”**: The scope of this fund, was expanded in 2020, from helping to reduce the financial cost incurred by Bolivia, Paraguay and Uruguay on their loans with the Bank, to also encompass projects under the “Green Financing Line” and projects financed under the “Economic Recovery Line”, through the payment of a portion of the interest to be paid semiannually for all five member countries. The payment of part of the interest accrued on loans by FOCOM on behalf of the borrowers is contingent and determined annually. On December 1, 2023, (RAG – 200), the Board of Governors approved a contribution of \$4.3 from retained earnings as of December 31, 2022. Since the inception of this fund, in May 2014, and until December 31, 2024, the Board of Governors allocated \$31.0 from retained earnings to this special fund (December 31, 2023 - \$25.9). On June 11, 2024, the Board of Executive Directors approved a new line of subsidies to the fixed lending margin, for projects fostering regional integration and MERCOSUR. On August 23, 2024, the Board of Governors allocated \$5.1 from FONPLATA’s retained earnings as of December 31, 2023.
- b. **“Technical Cooperation Program (PCT)”**: This fund was created through the restructuring and transfer of resources from the “Fondo para Desarrollo de Proyecto de Integración Regional” (FONDEPRO), to the PCT. The PCT pursues the purpose of fostering regional development and integration, through financing studies, technical knowledge exchange programs, and other initiatives that form an integral part of the Bank’s strategic focus. On December 16, 2022, the Board of Governors approved a contribution of \$0.5 from retained earnings as of December 31, 2021. No funds were allocated to the PCT in 2023. On August 23, 2024, the Board of Governors allocated \$1.0 from FONPLATA’s retained earnings as of December 31, 2023, to PCT. Since its inception and until June 30, 2025, the PCT has received \$6.0 in contributions approved by the Board of Governors from retained earnings.
- c. **“Joint Savings Program (PAC)”**: As stated in Note 4.13, “Other benefits to employees” on August 14, 2018, the Board of Executive Directors approved the PAC, which became effective, on November 1, 2018. The PAC combines the severance benefit for termination of employment, with a matching contribution benefit over participants’ voluntary savings. The severance benefit is equivalent to one month’s salary per year of service and is paid upon retirement or termination, based on the prevailing salary at the time of termination of employment. Until December 31, 2024, the matching contribution on voluntary savings consisted of an amount equal to the eligible voluntary savings, and this benefit was valid for the first eight years of service. As of January 1, 2025, and as part of a comprehensive review of the compensation package, the Executive Board approved modifications to the PAC on February 13, 2025. These modifications extend the validity of the matching contribution throughout the participants’ employment period and increase the contribution amount to twice the eligible savings.

Participants' contributions are optional and those employees who opt-out would only receive the severance payment benefit, upon termination of employment. Participant's voluntary savings contributions are limited to either a maximum of one month of salary for year of service (8.33%) or to a minimum of one-half months of salary for year of service (4.17%).

Participants' election of the percentage of voluntary savings contributions is performed annually prior to the beginning of each fiscal year. Furthermore, and as an incentive to foster personnel retention, the PAC provides a vesting period of four years. Upon termination of employment, participants are entitled to withdraw from the PAC the totality of their exit payment benefit; their voluntary savings contributions plus accumulated investment earnings, and the accumulated matching contributions made by the Bank on participant's voluntary savings contributions plus accumulated investment earnings.

During the vesting period, the Bank applies a withholding percentage reducing the amount available for withdrawal upon termination, for participants with less than four years of service. The withholding only applies to the amount of matching contributions to be made by the Bank and to the investment income accrued on them. Applicable withholding percentages are: 75% during the first year; 50% during the second year; 25% during the third year; and 0% at the end of the fourth year, when the participant employee reaches full eligibility to withdraw the totality of funds accumulated in his/her PAC account upon termination of employment.

The following table provides a breakdown of funds accumulated and total available PAC funds for the interim period ending June 30, 2025, and the year ended as of December 31, 2024, respectively:

	Severance payment contributions	Participants' voluntary savings contributions	Bank's matching contributions on voluntary savings	Accumulated total	Total amount available for termination	Deferred amount
	₡	₡	₡	₡	₡	₡
<b>June 30, 2025</b>						
Balance as of December 31, 2024 <sup>1</sup> :	2.6	2.3	1.6	6.5	6.5	-.-
Severance payment contributions	0.4	-.-	-.-	0.4	0.4	-.-
Participants' voluntary savings contribution	-.-	0.2	0.4	0.6	0.6	-.-
Additional participants' savings contributions	-.-	0.1	-.-	0.1	0.1	-.-
Investment income accrued	-.-	0.1	-.-	0.1	0.1	-.-
Withdrawals	(0.3)	(0.1)	(0.1)	(0.4)	(0.4)	-.-
<b>Balance due to the PAC June 30, 2025</b>	<b>2.7</b>	<b>2.6</b>	<b>1.9</b>	<b>7.3</b>	<b>7.3</b>	-.-
<b>December 31, 2024</b>						
Balance as of December 31, 2023 <sup>1</sup> :	2.1	1.6	1.1	4.8	4.8	-.-
Severance payment contributions	0.6	-.-	-.-	0.6	0.6	-.-
Participants' voluntary savings contribution	-.-	0.4	0.4	0.8	0.8	-.-
Additional participants' savings contributions	-.-	0.3	-.-	0.3	0.3	-.-
Investment income accrued	-.-	0.1	0.1	0.2	0.2	-.-
Withdrawals	(0.1)	(0.1)	-.-	(0.2)	(0.2)	-.-
<b>Balance due to the PAC December 31, 2024</b>	<b>2.6</b>	<b>2.3</b>	<b>1.6</b>	<b>6.5</b>	<b>6.5</b>	-.-

<sup>1</sup>The initial balance available for the payment of benefits has been adjusted to the nearest million.

Special funds' assets and liabilities are managed by the Bank independently of the management of its own affairs and their liquid funds are invested in accordance with the Bank's investment policies and all applicable guidelines. Accrued investment income attributable to each fund is calculated pro-rata based on the proportion that the amount of liquid assets of each fund bears relative to the total portfolio of liquid assets invested by the Bank, multiplied by the aggregate investment return accrued during the period or year. Investments managed by the Bank on behalf of special funds, as well as the related returns, are accounted for through accounts maintained with each special fund.

## 8.7 Recognition and measurement of fair value

This note includes information about judgments and estimates used in the determination of fair values of financial instruments in the financial statements.

Determination of fair values attributable to financial assets and liabilities is made by obtaining values in accordance with the three levels of the fair value hierarchy. An explanation for each of these three levels is as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>June 30, 2025</u>			
Investments at fair value with changes in OCI – Note 8.2	737.8	-.-	-.-
Borrowings at fair value with changes in income – Note 8.5 (i)	-.-	(1,393.2)	-.-
Receivable swaps at fair value with changes in income – Note 8.5 (ii)	-.-	1,200.5	-.-
Payable swaps at fair value with changes in income – Note 8.5 (ii)	-.-	(1,109.7)	-.-
<u>December 31, 2024</u>			
Investments at fair value with changes in OCI – Note 8.2	409.6	-.-	-.-
Borrowings at fair value with changes in income – Note 8.5 (i)	-.-	(850.3)	-.-
Receivable swaps at fair value with changes in income – Note 8.5 (ii)	-.-	921.6	-.-
Payable swaps at fair value with changes in income – Note 8.5 (ii)	-.-	(950.1)	-.-

The two series of sustainable bonds issued in Japan were issued through a private placement transaction. The fair value assigned to these bonds has been derived from the Bloomberg financial information platform based on the market value of similar bonds quoted in the Japanese stock exchange. Except for the valuation of these sustainable bonds, during the interim period ending June 30, 2025 and the year ended as of December 31, 2024, respectively, the Bank did not have other holdings of financial instruments that requires valuation at fair value in accordance with the fair value measurement methodologies prescribed under either level 2 and 3. Should changes in the methodology of obtaining applicable fair values for financial investment instruments exist, it is the Bank's policy to recognize the effect from such changes.

- **Level 1:** Fair value of financial instruments transacted in an active market (such as investments carried at fair value), are based on prevailing quoted market prices at year end. The market price used for financial assets held by the institutions is the quoted market price. These instruments are included under level 1.

- **Level 2:** Fair value of financial instruments not quoting in an active market is determined through valuation techniques, using as much as possible reliable and observable market information. If all information required to determine the applicable fair value for a financial instrument is observable information, then such an instrument is classified under level 2. The institution does not have financial instruments classified under this category.
- **Level 3:** If the information considered either significant or relevant for the determination of fair values cannot be obtained by reference to market sources, then the financial instrument is classified under level 3. The institution does not have financial instruments classified under this category.

## NOTE 9 – NON-FINANCIAL ASSETS AND LIABILITIES

This note provides information about non-financial assets and liabilities of the institution, including:

- Specific information on each type of non-financial asset and liability.
- Accounting policies used.
- Information about the determination of fair values attributable to those assets and liabilities, including professional judgements used and the uncertainties of the estimates applied.

### 9.1 Property and equipment, net

The composition of property and equipment includes the following:

	<u>Property</u> ₡	<u>Equipment and Furniture</u> ₡	<u>Art</u> ₡	<u>Vehicles</u> ₡	<u>Total</u> <sup>1</sup> ₡
<b><u>Book value</u></b>					
<b>Balance as of December 31, 2023</b>	<b>4.5</b>	<b>3.4</b>	<b>0.1</b>	<b>-.-</b>	<b>8.0</b>
Additions	-.-	0.3	-.-	-.-	0.3
Fixed Assets in transit	-.-	0.1	-.-	-.-	0.1
Disposals	-.-	(0.1)	-.-	-.-	(0.1)
<b>Balance as of December, 2024</b>	<b>4.5</b>	<b>3.7</b>	<b>0.1</b>	<b>-.-</b>	<b>8.3</b>
Additions	-.-	-.-	-.-	-.-	-.-
Fixed Assets in transit	-.-	-.-	-.-	-.-	-.-
Disposals	-.-	-.-	-.-	-.-	-.-
<b>Book value as of June 30, 2025</b>	<b>4.5</b>	<b>3.7</b>	<b>0.1</b>	<b>-.-</b>	<b>8.3</b>
<b><u>Accumulated depreciation</u></b>					
<b>Balance as of December, 2023</b>	<b>0.9</b>	<b>1.9</b>	<b>-.-</b>	<b>-.-</b>	<b>2.8</b>
Disposals	-.-	(0.1)	-.-	-.-	(0.1)
Depreciation	0.1	0.5	-.-	-.-	0.6
<b>Balance as of December 31, 2024</b>	<b>1.0</b>	<b>2.3</b>	<b>-.-</b>	<b>-.-</b>	<b>3.4</b>
Disposals	-.-	-.-	-.-	-.-	-.-
Depreciation	0.1	0.2	-.-	-.-	0.3
<b>Balance as of June 30, 2025<sup>1</sup></b>	<b>1.1</b>	<b>2.5</b>	<b>-.-</b>	<b>-.-</b>	<b>3.7</b>
<b><u>Net balance as of June 30, 2025<sup>1</sup></u></b>	<b>3.4</b>	<b>1.2</b>	<b>0.1</b>	<b>-.-</b>	<b>4.6</b>
<b><u>Net balance as of December 31, 2024</u></b>	<b>3.5</b>	<b>1.4</b>	<b>0.1</b>	<b>-.-</b>	<b>4.9</b>

<sup>1</sup> Opening balances and partial sums include differences due to rounding.

The net balance of offices, parking and storage spaces that form the Bank's headquarters includes a technical revaluation in the amount of \$0.8, recognized on December 31, 2018, based on the estimated fair value resulting from an independent appraisal as of that date. This revaluation resulted in the recognition of a revaluation reserve in other comprehensive income. During the interim period ending June 30, 2025 and 2024, and for the year ended as of December 31, 2024, the amount of the revaluation reserve was reduced by \$0.01, \$0.01 and \$0.03, respectively, because of the depreciation of the period, and in 2022, for the sale of the office space occupied by the Bank on the 3rd floor of its headquarters as explained below. The amount of the revaluation reserve is reduced by the depreciation and might be adjusted based on subsequent technical revaluations.

In January 2022, the Bank completed the opening of liaison offices in all its member countries, and reallocated part of its operational staff to those new offices. This, coupled with the adoption of a hybrid work model, allowed the Bank to optimize its physical space at its headquarters. As a result, the Bank considered it appropriate to sell the two offices occupied on the 3rd floor. The sale price amounted to \$0.5, based on the market value, and left a net profit of \$0.1, after deducting the netbook value of \$0.3 plus taxes.

#### (i) Depreciation methods, revaluation, and useful lives

Property is recognized at its fair value based on periodic independent appraisals net of depreciation. Other assets included under this caption are carried at their historical cost net of cumulative depreciation.

Depreciation is calculated using the straight-line method either on the historical cost or on the revalued amount and based on the estimated useful live the asset. Applicable useful lives for the assets, are as follows.

Asset	Useful life
Property:	
Land	Not depreciated
Buildings	The lesser of 40 years or the value of the assessment, the least
Furniture and equipment:	
Improvements on leased property	Over lease contract
Furniture and equipment	8 to 10 years
Computer equipment and software	4 to 7 years
Vehicles	5 years
Art	Not depreciated

Note 4.9 contains additional information on accounting policies applicable to property and equipment.

**(ii) Carrying amounts that would have been recognized if the properties had been stated at cost**

Had the value of property been determined at historical cost, the carrying amount of property would have been as follows:

	<u>As of June 30,</u> <u>2025</u> \$	<u>As of December 31,</u> <u>2024</u> \$
Cost	4.0	4.0
Accumulated depreciation	(0.9)	(0.8)
<b>Total</b>	<b>3.1</b>	<b>3.2</b>

**9.2 Miscellaneous**

This caption includes small balances owed to the Bank, resulting from loans to staff members, advances to suppliers, expenses paid in advance; deferred expenses; and guarantee deposit for the liaisons offices.

The Bank has entered medium-term leases to secure space for its liaison offices in Montevideo, Uruguay, Brasilia, Brazil, Buenos Aires, Argentina, and La Paz, Bolivia. Leases for periods longer than one year are recognized and accounted for in compliance with IFRS 16. During the interim period ended June 30, 2025, and the year ended as of December 31, 2024, the Bank paid implicit interest on these leases in the amount of \$0.1 and \$0.2, respectively. The following table shows the relevant information on those leases as of June 30, 2025, and December 31, 2024:

	<u>Lease Obligation</u>	
	<u>As of June 30,</u> <u>2025</u> \$	<u>As of December 31,</u> <u>2024</u> \$
Asuncion – Paraguay, a 3-year lease contract signed on January 1, 2023, and expiring on December 31, 2026. The contract provides for minimum lease payments of \$0.0025 and includes two parking spaces plus a third parking space at an additional monthly cost of \$0.075, and annual escalation of 4% starting on January 1, 2024.	0.02	0.04
Montevideo – Uruguay, 3-year lease contract signed on November 20, 2020, including extension for the lease of an additional 75 m2 in June 2022. Minimum monthly payments in U.S. dollars of \$0.0025, starting on February 1, 2021, and ending on January 1, 2024. In February 2024, the contract was renewed for 3 more years until January 31, 2027. Starting in 2024, the minimum payment is \$0.0042 monthly. Minimum rental payments are subject to a 4% annual increase.	0.09	0.11

### Lease Obligation

	<u>As of June 30,</u> <u>2025</u> \$	<u>As of December 31,</u> <u>2024</u> \$
Brasilia - Brazil, 3-year lease contract signed on March 15, 2021, and expire don 14 March 2024. This contract was extended through June 2024. In August 2024, the Bank signed a new 3-year lease agreement with another landowner which provides for a minimum monthly lease payment of BRL 0.018, and escalation costs based on the Brazilian IPCA.	0.18	0.18
Buenos Aires – Argentina, 3-year lease signed for 36 months, from February 1, 2022, to January 31, 2025, and was extended until September 30,2025 with a minimum payment of \$0.0054, including value-added tax and amortization of improvements. The original contract was paid in advance, and the extension is paid monthly in advance.	0.01	-.-
La Paz – Bolivia, 3-year lease contract starting on April 2024 and through March 2027, providing for a minimum monthly lease payment of \$0.0021, including two parking spaces.	0.04	0.05
<b>Total</b>	<b>0.34</b>	<b>0.38</b>

As of June 30, 2025, and December 31, 2024, the total amount of miscellaneous receivables amounts to \$1.3 and \$1.5, respectively.

### 9.3 – Other Liabilities

This caption includes interest and commissions payable accrued on borrowings, as well as small balances owed to suppliers and staff reimbursements. In addition, and as indicated in Note 9.2, it includes the recognition of the unamortized portion of the liability contracted by the lease contract in relation to the country offices.

The composition of other liabilities as of June 30, 2025, and December 31, 2024, are as follows:

	<u>As of June 30,</u> <u>2025</u> \$	<u>As of December 31,</u> <u>2024</u> \$
Interest and commissions accrued on borrowings	21.6	17.3
Trade payables and accruals	0.5	0.3
Unamortized financial lease obligations	0.3	0.4
<b>Total</b>	<b>22.4</b>	<b>18.0</b>

### NOTE 10 – EQUITY

#### 10.1 Capital

Capital consists of paid-in and callable capital. As of June 30, 2025, and December 31, 2024, subscribed paid-in capital amounts to \$1,349.2, of which \$1,321.1 have been paid and \$28.1 are expected to be paid between 2025 and 2026. Callable capital subscribed and fully committed amounts to \$1,665.0.



Payment of subscribed and committed callable capital will proceed when required and based on the Governors' approval, should the Bank be unable to comply with its financial obligations and commitments using its own resources.

As indicated in Note 1 – "Background", the Bank's new Charter, which was approved by the Board of Governors in November 2018 and was ratified by the Bank's five member countries on June 27, 2023, and entered into force on January 27, 2024. As of December 31, 2024, capital is expressed in terms of shares of \$10 thousand each.

Furthermore, on 5 February 2024, the Board of Governors, based on a recommendation from the Board of Executive Directors, approved an increase in the amount of authorized capital from \$3,014.2 to \$6,500.0. This increase provides for the addition of new members.

On June 12, 2024, the Board of Governors approved the guidelines for the increase in subscribed capital as well as the criteria for the addition of new members. Additionally, the Board of Governors instructed the Administration, working in coordination with the Board of Executive Directors, to work on the preparation of the capital increase proposal for consideration in the first part of the second semester of 2025.

On July 14, 2025, the Board of Executive Directors submitted its recommendation to the Board of Governors, to increase the Bank's subscribed capital. This proposal provides for the admission of new members, for which approximately 18.182% of the total share capital is expected to be allocated to Class 'B' shares, while approximately 81.818% will remain in Class 'A' shares, reserved for the founding member countries. On July 31, 2025, the Board of Governors approved the increase of the subscribed capital as proposed enabling the possibility of adding new members.

The following chart depicts the number of shares authorized, issued, outstanding and pending issuance as of June 30, 2025.

Shares of Authorized Capital Issued as of June 30, 2025, (number of shares)					
Member	Paid-in Capital			Shares of callable capital subscribed and committed	Total shares
	Shares subscribed and paid	Shares subscribed to be paid	Total shares		
Argentina	44,973	-.-	44,973	55,500	100,473
Bolivia	13,952	1,039	14,991	18,500	33,491
Brazil	43,200	1,773	44,973	55,500	100,473
Paraguay	14,991	-.-	14,991	18,500	33,491
Uruguay	14,991	-.-	14,991	18,500	33,491
Unissued shares	-.-	-.-	-.-	-.-	348,580
	<b>132,107</b>	<b>2,812<sup>1</sup></b>	<b>134,920</b>	<b>166,500</b>	<b>650,000</b>

<sup>1</sup>Due to rounding, the total of paid-in capital shares shows a difference of one share. This difference is due to rounding in the process of denominating the fund in equity capital and will be solved within the framework of the capital increase to be considered by the Board of Governors in 2025.

Composition of the Bank's capital by member country as of June 30, 2025, and December 31, 2024, is as follows:

<u>Member country<sup>i</sup></u>	<u>Subscribed capital</u>		<u>Authorized capital</u>		<u>Total</u>	<u>%</u>
	<u>Paid-in</u>	<u>Callable</u>	<u>Paid-in</u>	<u>Callable</u>		
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	
• Argentina	449.7	555.0	449.7	555.0	1,004.7	33.3%
• Bolivia	149.9	185.0	149.9	185.0	334.9	11.1%
• Brazil	449.7	555.0	449.7	555.0	1,004.7	33.3%
• Paraguay	149.9	185.0	149.9	185.0	334.9	11.1%
• Uruguay	149.9	185.0	149.9	185.0	334.9	11.1%
	<b>1,349.2</b>	<b>1,665.0</b>	<b>1,349.2</b>	<b>1,665.0</b>	<b>3,014.2</b>	<b>100.0%</b>

<sup>i</sup>Due to rounding the sum of the individual amounts may not add to the total amount stated for a given country or for the overall total amount of paid-in capital.

For the interim period ending as of June 30, 2025, the Bank did not receive paid-in contributions. For the year ended as of December 31, 2024, the Bank received paid-in contributions in the amount of \$110.7. The amount of paid-in capital subscribed and pending integration, as well as the amount of callable capital committed as of June 30, 2025, and December 31, 2024, is as follows:

<u>As of June 30, 2025, and as of December 31, 2024</u>			
	<u>Paid-in capital subscribed</u>		<u>Total</u>
	<u>Paid-in<sup>i</sup></u>	<u>Receivable<sup>i</sup></u>	
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Argentina	449.7	-.-	449.7
Bolivia	139.5	10.4	149.9
Brazil	432.0	17.7	449.7
Paraguay	149.9	-.-	149.9
Uruguay	149.9	-.-	149.9
Total	<b>1,321.1</b>	<b>28.1</b>	<b>1,349.2</b>

<sup>i</sup>Due to rounding the sum of the individual amounts may not add to the total amount stated for a given country or for the overall total amount of paid-in capital.

As indicated in Note 2, on January 3, 2023, and April 27, 2023, the Bank received from Brazil the amount of \$69.8 and \$27.7, corresponding to paid-in capital installments agreed for the period 2020 to 2022, and paid-in contributions subscribed for 2023. In October 2023, the countries of Bolivia, Paraguay and Uruguay paid their respective paid-in quotas for \$10.4 each. On June 28, 2024, the Bank received \$31.2, from Argentina, in payment of its 2023 paid-capital installment, and on October 31, 2024, received in full the last paid-in installment in the amount of \$31.2. Furthermore, on September 10, 2024, the Bank received \$27.6 from Brazil; on October 18, 2024, \$10.4 from Paraguay; and on October 31, 2024, \$10.4 from Uruguay in payment of their last paid-in installment.

**As of June 30, 2025, and December 31, 2024:**

<u>Subscribed Callable Capital</u> <sup>i</sup>	
<u>Member country</u>	<u>Committed</u> <sup>ii</sup>
	\$
• Argentina	555.0
• Bolivia	185.0
• Brazil	555.0
• Paraguay	185.0
• Uruguay	185.0
<b>Total</b>	<b>1,665.0</b>

<sup>i</sup> As of December 31, 2018, all member countries had subscribed and committed their share of callable capital.

<sup>ii</sup> Subtotals may differ from totals due to rounding into millions.

## **10.2. Other reserves**

As explained in Note 8.2 (iv), other comprehensive income as of the interim periods ending June 30, 2025, and 2024, respectively, and for the year ending December 31, 2024, includes the following:

- (i) Reserve for changes in the fair value of investments – OCI: For the interim period ended June 30, 2025, this reserve was increased by an unrealized gains of \$3.2, for a cumulative unrealized gain of \$0.2 (December 2024 – \$2.6 of unrealized loss for a cumulative total of unrealized losses of \$3.0; and June 2024 - \$1.8 of unrealized gains for a cumulative unrealized gain of \$1.4).
- (ii) Reserve for revaluation of property: For the interim period ended June 30, 2025, this reserve was increased by \$0.1 for depreciation of the period, for a balance of \$0.6 (December 2024 - \$0.03 for a balance of \$0.6, and June 2024- \$0.01, for a balance of \$0.6)

## **10.3. Retained earnings and reserves**

Retained earnings for the period ending June 30, 2025, amount to \$59.8 correspond in full to the sum of net income earned between January 1 and June 30, 2025 (June 2024 - \$40.0). These earnings are after deducting \$3.0 of unrealized gains associated with the recognition of debt contracted in currencies other than the U.S. dollar and at rates other than the benchmark lending rate and hedging transactions contracted to mitigate the risks of exposure to movements in exchange rates and interest rates (June 2024 - \$12.2 of unrealized losses). Until December 31, 2021, unrealized derivative valuation gains and losses were part of the derivative valuation allowance for hedging transactions reported in Other Comprehensive Income. As explained in Note 8.5, as of January 1, 2022, the Bank classified its derivatives for rate and currency hedging transactions as fair value hedges, in accordance with IFRS 9. For this reason, the \$3.6 reserve for unrealized losses that was held in other comprehensive income as of December 31, 2021, became part of profit or loss within Other non-operating income.

The Bank does not anticipate incurring any gains or losses because of the valuation adjustment of assets and liabilities related to hedging transactions. These unrealized results result from the net valuation difference between the original debt and the hedges receivable and payable at year-end will converge to zero as the original debt and the hedge expires, at which time the Bank will exchange the contracted and agreed cash flows with its counterparties.

The Bank policies provide that unappropriated retained earnings are to be used to finance the preservation of the value of its equity over time and to also finance the Special Fund for the Compensation of the operational Rate (FOCOM), and the Technical Cooperation Program (PCT).

The amount of the general reserve as of June 30, 2025, and December 31, 2024, respectively is as follows:

	General Reserve
	\$
<b>Balance as of December 31, 2023</b>	246.9
Allocated by the Board of Governors as of December 31, 2024	86.0
<b>Balance as of December 31, 2024</b>	332.9
Allocated by the Board of Governors as of June 30, 2025	-.-
<b>Balance as of June 30, 2025</b>	<b>332.9</b>

## NOTE 11 – REVENUES

The composition of net income is as follows:

	January 1 through June 30, <u>2025</u>	<u>2024</u>
	\$	\$
<b>Loan income:</b>		
Interest	88.8	81.8
Commitment fee and commissions	2.3	2.1
Administrative fee	2.3	0.9
<b>Subtotal</b>	93.4	84.8
<b>Investment income:</b>		
Interest	19.7	9.8
Other	0.2	0.3
<b>Gross investment income</b>	19.9	10.1
Special fund's share of investment income – Note 8.6	(0.3)	(0.5)
<b>Investment income - Net</b>	19.6	9.6
<b>Income for financial assets</b>	<b>113.0</b>	<b>94.4</b>

	January 1 through June 30,	
	<u>2025</u>	<u>2024</u>
	\$	\$
<b>Other income</b>		
Unrealized gains due to the fair value adjustment of debt flows hedged with cross-currency and interest rate swaps – Note 4.10	(116.4)	41.9
Unrealized losses resulting from receivable and payable swaps – Note 4.10	119.4	(54.1)
<b>Net unrealized gains</b>	<b>3.0</b>	<b>(12.2)</b>
<i>Other income</i>	0.2	0.3
<b>Total other Income</b>	<b>3.2</b>	<b>(11.9)</b>

## NOTE 12 – ADMINISTRATIVE EXPENSES

Since 2013, the Bank has adopted a result-based budgeting system, including performance indicators allowing the measurement of results attained and their related cost. The system matches governance, operating and financial goals with the activities required to reach them and the resources required. During the interim periods ending as of June 30, 2025, and 2024, the Bank reached a percentage of execution of its administrative budget equivalent to 38.7% and 38.2%, respectively. The breakdown of administrative expenses by functional activity is as follows.

	January 1 through June 30,	
	<u>2025</u>	<u>2024</u>
	\$	\$
<b><u>Classification of expenses</u></b>		
Personnel expenses	5.4	4.0
Service expenses	0.4	0.4
Professional services	0.4	0.5
Credit risk rating	0.1	0.1
Information Technology	0.3	0.2
Administration costs	0.7	0.7
Financial services	0.2	0.1
<b>Total administrative budget</b>	<b>7.5</b>	<b>6.0</b>
<b><u>Classification of other expenses</u></b>		
Depreciation	0.3	0.3
(Gain)/loss on foreign exchange	(0.5)	(0.2)
<b>Total administrative expenses</b>	<b>7.3</b>	<b>6.1</b>

## NOTE 13 – MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The following tables provide an analysis of the expected time elapsed to maturity of assets and liabilities for the interim period ended as of June 30, 2025, and for the year ended as of December 31, 2024, respectively, based on their respective recovery or settlement date.

	<u>Current</u> <u>(Up to 1 year)</u> \$	<u>Non-Current</u> <u>(More than 1 year)</u> \$	<u>Total</u> \$
<b><u>June 30, 2025,</u></b>			
<b><u>ASSETS</u></b>			
Cash and cash equivalents	520.3	-.-	520.3
Investments			
At fair value <sup>1</sup>	737.8	-.-	737.8
At amortized cost	54.3	-.-	54.3
Loan portfolio			
Outstanding loans	208.9	2,210.3	2,419.2
Interest and other accrued charges			
On investments	8.1	-.-	8.1
Interest and commissions on loans	50.2	-.-	50.2
Other assets			
Property and equipment, net	-.-	4.6	4.6
Miscellaneous	1.1	0.2	1.3
<b>Total assets</b>	<b>1,580.7</b>	<b>2,215.1</b>	<b>3,795.8</b>
<b><u>LIABILITIES</u></b>			
Borrowings	(84.0)	(1,851.4)	(1,935.4)
Fair value hedge derivatives	(0.6)	-.-	(0.6)
Other liabilities	(22.4)	-.-	(22.4)
Special funds	(11.6)	(12.5)	(24.1)
<b>Total liabilities</b>	<b>(118.6)</b>	<b>(1,863.9)</b>	<b>(1,982.5)</b>
<b><u>December 31, 2024</u></b>			
<b><u>ASSETS</u></b>			
Cash and cash equivalents	339.4	-.-	339.4
Investments			
At fair value <sup>1</sup>	409.6	-.-	409.6
At amortized cost	19.2	-.-	19.2
Loan portfolio			
Outstanding loans	217.6	2,134.7	2,352.3
Interest and other accrued charges			
On investments	3.1	-.-	3.1
Interest and commissions on loans	47.3	-.-	47.3
Other assets			
Fair value hedge derivatives	-.-	4.9	4.9
Property and equipment, net	-.-	0.4	1.5
Miscellaneous	1.1	0.4	1.5
<b>Total assets</b>	<b>1,037.3</b>	<b>2,140.0</b>	<b>3,177.3</b>

	<u>Current</u> <u>(Up to 1 year)</u>	<u>Non-Current</u> <u>(More than 1 year)</u>	<u>Total</u>
	\$	\$	\$
<b>LIABILITIES</b>			
Borrowings	45.3	1,334.8	1,380.1
Fair value hedge derivatives	1.7	-	1.7
Other liabilities	18.0	-	18.0
Special funds	10.1	17.2	27.3
<b>Total liabilities</b>	<b>75.1</b>	<b>1,352.0</b>	<b>1,427.1</b>

<sup>1</sup>As of June 30, 2025, and 2024 and December 31, 2024, all investments classified as available for sale and valued at OCI, are held for the purpose of financing expected loan disbursements within the next 12 months.

#### NOTE 14 – IMMUNITIES, EXEMPTIONS AND PRIVILEGES

As stated in the Bank's "Agreement of Immunities, Exemptions and Privileges of the Fund for the development of the River Plate Basin Territory," an international legal instrument duly ratified by its five Member Countries, the Bank can hold resources on any currency, paper, shares, equities and bonds, and can freely transfer them from one country to the other and from one place to the other within the territory of any country and convert them into other currencies.

Furthermore, the Agreement establishes that the Bank and its assets are exempt, within the territory of its Member Countries, of any direct taxes and custom duties with respect either imported or exported goods for official use.

The Agreement also indicates that in principle, the Bank would not claim the exemption of consumption, sales taxes, and other indirect taxes. However, Member Countries commit, to the extent possible, to apply all administrative provisions that might be available to exempt or reimburse the Bank for such taxes, in connection with official purchases involving large amounts when such taxes are included in the price paid.

Complementary, both the Agreement on Immunities, Exemptions and Privileges as well as the Base Agreements signed by the Bank with Argentina, Bolivia, Paraguay, and Uruguay, establish that the Bank's properties, goods, and assets are exempt from all taxes, contributions, and charges, at the national, departmental, municipal or of any other type.

#### NOTE 15 – RELEVANT OPERATIONAL INFORMATION

##### (i) Segment description

Based on an analysis of its operations, the Bank determined that it only has a single reportable operational segment. This determination recognizes the fact that the Bank does not manage its operations, allocating resources among operations measuring the contribution of those individual operations to the Bank's net income. The Bank does not distinguish between the nature of loans or products, or the services rendered, their preparation process or the method followed in the preparation of loans and services rendered to its member countries. All operations are performed at the Bank's headquarters with the support of its liaison offices. The Bank's core business consists of operations consist of granting financing to its five member countries, which are considered as segments for geographical areas purposes of this disclosure: Argentina, Bolivia, Brazil, Paraguay, and Uruguay.

## (ii) Assets by geographical area

Composition of the loan portfolio by country is as follows:

	<u>Gross portfolio</u>	<u>Unaccrued commissions</u>	<u>Impairment</u>	<u>Loan portfolio</u>	<u>Interest and commissions receivable</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<b>As of June 30, 2025</b>						
Argentina	611.1	(0.1)	(8.6)	602.4	12.1	614.5
Bolivia	448.4	(0.9)	(8.1)	439.4	8.9	448.3
Brazil <sup>1</sup>	294.6	(2.5)	(3.5)	288.6	9.9	298.5
Paraguay <sup>1</sup>	385.6	(1.6)	(0.6)	383.4	7.3	390.7
Uruguay	573.4	(1.6)	(1.9)	569.9	12.0	581.9
<b>Total</b>	<b>2,313.1</b>	<b>(6.7)</b>	<b>(22.7)</b>	<b>2,283.7</b>	<b>50.2</b>	<b>2,333.9</b>

	<u>Gross portfolio</u>	<u>Unaccrued commissions</u>	<u>Impairment</u>	<u>Loan portfolio</u>	<u>Interest and commissions receivable</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<b>As of December 31, 2024:</b>						
Argentina	643.2	(0.9)	(9.4)	632.9	13.9	646.8
Bolivia	434.0	(0.7)	(6.4)	426.9	9.4	436.3
Brazil <sup>1</sup>	373.5	(2.6)	(3.4)	367.5	6.2	373.7
Paraguay <sup>1</sup>	403.9	(1.6)	(0.7)	401.6	7.8	409.4
Uruguay <sup>1</sup>	527.4	(2.1)	(1.9)	523.4	10.0	533.4
<b>Total</b>	<b>2,382.0</b>	<b>(7.9)</b>	<b>(21.8)</b>	<b>2,352.3</b>	<b>47.3</b>	<b>2,399.6</b>

<sup>1</sup> Include \$135.5 in five NSG loans outstanding (December 31, 2024 - \$129.0). As of June 30, 2025, unaccrued loan commissions on NSG loans and accrued interest receivable amount to \$0.4 and \$4.5, respectively. (December 31, 2024 - \$0.6 and \$1.4). The provision for potential impairment on NSG loans amounts to \$3.2 (December 31, 2024 - \$3.2). For further information, see Note 8.4.

Composition of the gross loan portfolio by country and its distribution by industry segment is as follows:

	<u>Communication, transportation, energy, and logistics infrastructure</u>	<u>Infrastructure for productive development</u>	<u>Infrastructure for socio-economic development</u>	<u>NSG Loans</u>	<u>Total</u>
	\$	\$	\$	\$	\$
<b>As of June 30, 2025</b>					
Argentina	213.3	38.9	358.9	-.-	611.1
Bolivia	399.0	40.0	9.4	-.-	448.4
Brazil <sup>1</sup>	247.1	-.-	47.5	119.0	413.6
Paraguay <sup>1</sup>	379.5	6.1	-.-	16.5	402.1
Uruguay	420.3	48.2	104.9	-.-	573.4
<b>Total</b>	<b>1,659.2</b>	<b>133.2</b>	<b>520.7</b>	<b>135.5</b>	<b>2,448.6</b>



	<u>Communication, transportation, energy, and logistics infrastructure</u>	<u>Infrastructure for productive development</u>	<u>Infrastructure for socio-economic development</u>	<u>NSG Loans</u>	<u>Total</u>
	₡	₡	₡	₡	₡
<b>As of December 31, 2024:</b>					
Argentina	229.9	43.7	369.6	-.-	643.2
Bolivia	383.5	40.0	10.5	-.-	434.0
Brazil <sup>1</sup>	236.7	-.-	31.8	105.0	373.5
Paraguay <sup>1</sup>	372.9	7.0	-.-	24.0	403.9
Uruguay <sup>1</sup>	373.2	50.5	103.7	-.-	527.4
<b>Total</b>	<b>1,596.2</b>	<b>141.2</b>	<b>515.6</b>	<b>129.0</b>	<b>2,382.0</b>

<sup>1</sup> Loans without sovereign guarantees do not fall into any of the categories used to classify financing granted to member countries with sovereign guarantees (see Note 8.4 for more information).

The outstanding balance of loans corresponds exclusively to loans in the execution stage of the sovereign-guaranteed loan portfolio. Its distribution by country is as follows:

	<u>As of June 30, 2025</u>	<u>As of December 31, 2024</u>
	₡	₡
Argentina	193.5	282.5
Bolivia	113.3	147.7
Brazil	496.6	534.4
Paraguay	251.1	270.0
Uruguay	98.8	159.8
<b>Total</b>	<b>1,153.3</b>	<b>1,394.4</b>

As June 30, 2025, and December 31, 2024, respectively, the loans approved by the Bank and pending disbursement because the loan contract had not been signed or was pending ratification by the Legislative Branch of the member country, are as follows:

	<u>As of June 30, 2025</u>	<u>As of December 31, 2024</u>
	₡	₡
Argentina	5.0	-.-
Bolivia	75.0	75.0
Brazil	271.0	157.0
Paraguay	-.-	-.-
Uruguay	-.-	-.-
<b>Total</b>	<b>351.0</b>	<b>232.0</b>

The average return on the loan portfolio is as follows:

	<u>As of June 30, 2025</u>		<u>2024</u>	
	<u>Average balance</u>	<u>Average return</u>	<u>Average balance</u>	<u>Average return</u>
	₡	%	₡	%
Loan portfolio	<b>2,415.3</b>	<b>7.73</b>	<b>1,937.6</b>	<b>8.75</b>

### (iii) Revenue by geographical area

Interest income and other by segment are as follows:

	<u>Loan interest</u> \$	<u>Other loan operating revenues</u> \$	<u>Total</u> \$
<b><u>January 1 through June 30, 2025:</u></b>			
Argentina	22.5	1.2	23.7
Bolivia	16.2	0.4	16.6
Brazil <sup>1</sup>	14.6	1.5	16.1
Paraguay <sup>1</sup>	14.9	0.8	15.7
Uruguay <sup>1</sup>	20.6	0.7	21.3
<b>Total</b>	<b>88.8</b>	<b>4.6</b>	<b>93.4</b>
<b><u>January 1 through June 30, 2024:</u></b>			
Argentina	19.5	0.8	20.3
Bolivia	18.0	0.3	18.3
Brazil <sup>1</sup>	11.3	0.8	12.1
Paraguay <sup>1</sup>	15.6	0.8	16.4
Uruguay	17.4	0.3	17.7
<b>Total</b>	<b>81.8</b>	<b>3.0</b>	<b>84.8</b>

<sup>1</sup> Includes accrued interest for \$5.3, and other charges for administrative commissions in the amount of \$0.3 corresponding to NSG loans granted to state-owned development banks in Brazil and Paraguay (June 30, 2024 - \$4.5 and \$0.06, respectively).

### NOTE 16 – RELATED PARTIES

As indicated in Notes 1 and 6.4, the Bank only grants financings to its five borrowing member countries with sovereign guarantee, who are also the owners and shareholders of the Bank, and to government owned development financial institutions and government owned enterprises, both at the national and subnational level, without sovereign guarantee. All lending operations are entered in full compliance with the policies and guidelines approved by the Board of Governors, the Board of Executive Directors, or the Executive President, as required. Consequently, the Bank does not have transactions with its member countries on other terms than those established in its policies and guidelines.

The balances and transactions maintained with related entities as of June 30, 2025, and December 31, 2024, correspond to the balances maintained with the FOCOM; PCT; and the PAC, as explained in further detail in notes 4.12, 4.13 and 8.6, respectively.

#### **NOTE 17 – CONTINGENCIES**

No contingencies have been identified that could materially affect the Bank's financial statements for the interim period ending June 30, 2025, and the year ended as of December 31, 2024, respectively.

#### **NOTE 18 – SUBSEQUENT EVENTS**

July 8 and August 11, 2025, two payments of \$5.5 and \$3.3 were received from Brazil, respectively, corresponding to the payment of their capital contribution for the year 2025, totaling \$8.8.

On July 14, 2025, the Board of Executive Directors submitted its recommendation to the Board of Governors, to increase the Bank's subscribed capital. This proposal provides for the admission of new members, for which approximately 18.182% of the total share capital is expected to be allocated to Class 'B' shares, while approximately 81.818% will remain in Class 'A' shares, reserved for the founding member countries. On July 31, 2025, the Board of Governors approved the increase of the subscribed capital as proposed enabling the possibility of adding new members.

On July 31, 2025, the Board of Governors approved the proposed capital increase. This approval signaled the members' decisive support for a more relevant FONPLATA, to aid its member countries in their efforts to promote regional integration and development (RAG213/2025). The approved capital increase allocates approximately 18.182% of the total share capital at the end of the capitalization period of \$6,498.8, to enable the admission of new members, with the aim of expanding and enriching governance. Furthermore, the increase will more than double the Bank's sustainable annual lending capacity over the next decade, while maintaining a ratio of paid-in capital and callable capital of 45% and 55%, respectively.

On July 24, 2025, as part of its Medium-Term Note Program (MTNP) registered with the London Stock Exchange, the Bank carried out a new transaction under its Sustainable Debt Framework, consisting of a fixed-rate issuance in Australian dollars for AUD 38.0, equivalent to \$25.1, and another fixed-rate issuance in U.S. dollars for \$35.0, totaling \$60.1. Both issuances have a 15-year term, maturing on August 5, 2040. With this issuance, the Bank has raised \$470.0 under the MTNP, of which approximately 50% falls within the scope of the Sustainable Debt Framework. In accordance with its asset and liability management policy, the Australian dollar issuance was swapped into a U.S. dollar obligation at the SOFR in arrears rate, while the fixed-rate U.S. dollar interest payments were swapped into an obligation based on the SOFR in arrears rate. Both swap transactions were contracted with Sumitomo Banking Corporation (SMBC), with whom the Bank has an ISDA agreement in place.

The Bank has evaluated subsequent events from the date of the closing of these financial statements and through August 20, 2025, the date on which the financial statements are ready to be issued by Luciana Botafogo Brito, Executive President. No matters were identified that might have a material impact on the financial statements for the interim period ended as of June 30, 2025, and the year ended as of December 31, 2024, respectively.

Luciana Botafogo Brito  
EXECUTIVE PRESIDENT

Fabio Marvulle Bueno  
CHAIRPERSON BOARD OF EXECUTIVE DIRECTORS

Fernando A. Fernandez Mantovani  
CHIEF BUDGET AND ACCOUNTING

Rafael Robles  
VICEPRESIDENT OF FINANCE a.i.