

(Free translation from the original issued in Spanish)

FONPLATA – BANCO MULTILATERAL DE DESARROLLO

Financial Statements  
December 31, 2025, 2024 and 2023  
with Independent Auditor's Report

(Free translation from the original issued in Spanish)

FONPLATA – BANCO MULTILATERAL DE DESARROLLO

## Financial Statements

December 31, 2025, 2024 and 2023

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## INDEPENDENT AUDITORS' REPORT

To the Assembly of Governors of  
Fondo Financiero para el Desarrollo de la Cuenca del Plata  
(FONPLATA) - Banco Multilateral de Desarrollo

### *Opinion*

We have audited the financial statements of Fondo Financiero para el Desarrollo de la Cuenca del Plata - Banco Multilateral de Desarrollo ("FONPLATA" or "the Bank"), which comprise the statement of financial position as of December 31, 2025, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of FONPLATA as of December 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "*Auditor's responsibilities for the audit of the financial statements*" section of our report. We are independent of FONPLATA in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) ("*IESBA Code*") as applicable to audits of financial statements of public interest entities, along with the relevant ethical requirements applicable to our audit of the financial statements of public interest entities in Mexico according with the "*Código de Ética Profesional del Instituto Mexicano de Contadores Públicos*" ("*IMCP Code*"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

#### *Valuation of hedging instruments*

##### *Description and why matter is of most material*

We have considered the valuation of hedging instruments and their classification as a key audit matter, since Management uses valuation techniques that involve judgments when the use of inputs from various sources and complex valuation models is required, as well as requiring the involvement of the auditor's specialists to validate the valuation.

Notes 4.10 and 8.6 (ii) and (iii) to the accompanying financial statements as of December 31, 2025 describe the accounting policy on the valuation techniques and assumptions used in the recognition of investments in hedging instruments, as well as their integration.

##### *How our audit addressed the key audit matter*

As part of the audit procedures, we obtained an understanding of the process and control environment established by FONPLATA on the valuation process of investments in hedging instruments. In addition, we inspected the contractual origin of the transactions by obtaining the financing contracts, as well as the respective derivative contracts and we evaluated the selection of the accounting criteria of the financial instruments as "Cash Flow Hedge or Fair Value Hedge".

We also involved our specialists to review the reasonableness of the valuation of hedging instruments. We reviewed the calculation of the fair value of derivatives, through the appropriate selection of valuation curves. In addition, we obtained confirmation of collateral balances at year-end from counterparties.

We also assessed the adequacy of disclosures related to hedging financial instruments in the accompanying financial statements as of December 31, 2025.

#### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the Annual Report submitted to the National Banking and Securities Commission (the CNBV or the Commission), but does not include the financial statements or our corresponding audit report. We expect to have the other information available after the date of this audit report.

Our opinion on the financial statements does not cover the other information, and we will not express any form of conclusion that provides a degree of assurance on it.

In relation to our audit of the financial statements, our responsibility is to read and consider the other information we identified earlier when it becomes available and, in doing so, to consider whether there is a material inconsistency between the other information and the financial statements or the knowledge obtained by us in the audit, or if it appears that there is a material misstatement in the other information for any other reason.

When we read and consider the Annual Report submitted to the CNBV, if we conclude that it contains a material misstatement, we are required to communicate the matter to those charged with governance of the Bank and issue the declaration regarding the Annual Report required by the Commission, in which the matter will be described.

#### *Responsibilities of management and those charged with governance for the financial statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FONPLATA'S internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on FONPLATA'S ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause FONPLATA to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

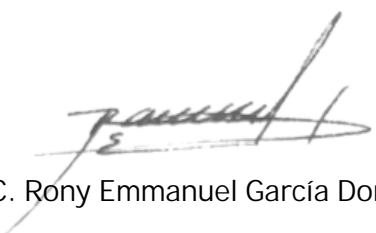
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report, is who signs it.

This Independent Auditor's Report and the accompanying financial statements have been translated into English for convenience purposes only.

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



C.P.C. Rony Emmanuel García Dorantes

Mexico City,  
February 20, 2026

FONPLATA – Banco Multilateral de Desarrollo  
 STATEMENT OF FINANCIAL POSITION  
 (All amounts expressed in millions of U.S. dollars)

As of December 31,

ASSETS	<u>2025</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$
Cash and cash equivalents – Note 8.1 and 8.4	380.7	339.4	324.2
Investments			
At fair value with changes in income – Note 8.2	51.3	--	--
At fair value with changes in other comprehensive income – Note 8.3	1,024.5	409.6	376.4
At amortized cost – Note 8.4	<u>--</u>	<u>19.2</u>	<u>30.0</u>
Loan portfolio – Note 8.5	2,564.8	2,352.3	1,853.3
Accrued interest			
On investments	9.3	3.1	3.3
On loans – Note 8.5	<u>48.1</u>	<u>47.3</u>	<u>39.5</u>
Other assets			
Fair value hedge derivatives – Note 8.6 (ii)	--	--	6.8
Property and equipment, net – Note 9.1	4.3	4.9	5.2
Miscellaneous – Note 9.2	3.9	1.5	1.4
Total assets	<u>4,086.9</u>	<u>3,177.3</u>	<u>2,640.1</u>
LIABILITIES AND EQUITY			
Liabilities			
Fair value hedge derivatives – Notes 2 and 8.6 (ii)	3.2	1.7	--
Borrowings – Note 8.6	2,177.9	1,380.1	1,050.0
Other liabilities – Note 9.3	25.9	18.0	16.0
Special funds – Note 8.7	27.6	27.3	24.5
Total liabilities	<u>2,234.6</u>	<u>1,427.1</u>	<u>1,090.5</u>
Equity			
Capital – Note 10.1			
Authorized	6,500.0	6,500.0	3,014.2
Less unissued shares	(3,485.8)	(3,485.8)	--
Less callable portion	<u>(1,665.0)</u>	<u>(1,665.0)</u>	<u>(1,665.0)</u>
Paid-in capital	1,349.2	1,349.2	1,349.2
Paid-in capital pending integration	<u>(19.3)</u>	<u>(28.1)</u>	<u>(138.8)</u>
Other reserves – Note 10.2	3.3	(2.5)	0.2
General reserve – Note 10.3	424.0	332.9	246.9
Retained earnings – Note 10.3	95.1	98.7	92.1
Total equity	<u>1,852.3</u>	<u>1,750.2</u>	<u>1,549.6</u>
Total liabilities and equity	<u>4,086.9</u>	<u>3,177.3</u>	<u>2,640.1</u>

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

Fernando A. Fernandez Mantovani  
 SENIOR FINANCIAL ADVISOR

Luciana Botafogo Brito  
 EXECUTIVE PRESIDENT

Oscar A. Pérez López  
 CHAIRPERSON BOARD OF EXECUTIVE DIRECTORS

German Cepparo  
 CHIEF BUDGET AND ACCOUNTING

Matías Mednik  
 VICEPRESIDENT OF FINANCE

FONPLATA – Banco Multilateral de Desarrollo  
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
(All amounts expressed in millions of U.S. dollars)

January 1 through December 31,

	<u>2025</u>	<u>2024</u>	<u>2023</u>
INCOME – Note 11			
Loan portfolio			
Interest	179.1	169.6	139.4
Other loan income	8.0	7.1	7.3
	<u>187.1</u>	<u>176.7</u>	<u>146.7</u>
Investments			
Interest	46.2	33.9	28.9
Other	0.4	0.4	0.8
	<u>46.6</u>	<u>34.3</u>	<u>29.7</u>
Income from financial assets	<u>233.7</u>	<u>211.0</u>	<u>176.4</u>
EXPENSES			
Interest expense	(107.2)	(77.4)	(65.3)
Income from financial assets, net	126.5	133.6	111.1
Other income/expenses	(18.4)	(18.6)	(0.7)
Income before provision and administrative expenses	108.1	115.0	110.4
Provision for loan impairment Notes 3 and 8.5	2.0	(2.4)	(5.9)
Income after provision for loan impairment	110.1	112.6	104.5
Administrative expenses – Note 12	(15.0)	(13.9)	(12.4)
Net income	<u>95.1</u>	<u>98.7</u>	<u>92.1</u>
<i>Items that may be reclassified to profit or loss:</i>			
Changes in fair value of investments	5.8	(2.6)	4.2
<i>Items that will be not reclassified to profit or loss:</i>			
Technical appraisal of property	-.-	(0.1)	-.-
Comprehensive income	<u>100.9</u>	<u>96.0</u>	<u>96.3</u>

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FONPLATA – Banco Multilateral de Desarrollo  
STATEMENT OF CASH FLOWS  
(All amounts expressed in millions of U.S. dollars)

	January 1 through December 31,		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
Cash Flows from Operating Activities			
Lending			
Disbursements	(430.9)	(737.0)	(291.9)
Cash received from loan principal amortizations	222.3	232.2	175.5
Net disbursements	<u>(208.6)</u>	<u>(504.8)</u>	<u>(116.4)</u>
Cash received from interest and other loan charges	184.5	172.2	137.0
<i>Net flows in lending activities</i>	<u>(24.1)</u>	<u>(332.6)</u>	<u>20.6</u>
Other operating flows:			
Payment of salaries, benefits, and other personnel expenses	(11.1)	(7.9)	(7.2)
Payment of administrative expenses	(4.2)	(4.5)	(3.7)
Increase in trade accounts payable and with special funds	<u>(2.6)</u>	<u>(3.1)</u>	<u>(1.7)</u>
<i>Net flows used in other operating activities</i>	<u>(17.9)</u>	<u>(15.5)</u>	<u>(12.6)</u>
<i>Net flows from operating activities</i>	<u>(42.0)</u>	<u>(348.1)</u>	<u>8.0</u>
Cash Flows from Financing Activities			
Proceeds from borrowings	718.2	662.5	114.4
Derivatives – Collateral deposited at counterparts	109.2	(49.5)	57.5
Repayment of borrowings and debt service	<u>(147.1)</u>	<u>(370.9)</u>	<u>(165.1)</u>
<i>Net flows from financing from third parties</i>	<u>680.3</u>	<u>242.1</u>	<u>6.8</u>
Collection of paid-in capital subscriptions	8.8	110.7	128.7
<i>Net flows from financing activities</i>	<u>689.1</u>	<u>352.8</u>	<u>135.5</u>
Cash flows from investing activities			
Collection of investment income	35.5	35.1	26.7
Net sales/(purchases) of investments	(641.2)	(24.3)	(63.4)
Capital expenditures	<u>(0.1)</u>	<u>(0.3)</u>	<u>(0.2)</u>
<i>Net flows from investment activities</i>	<u>(605.8)</u>	<u>10.5</u>	<u>(36.9)</u>
Increase in cash and equivalents during the year	41.3	15.2	106.6
Cash and Cash equivalents at the beginning of the year	<u>339.4</u>	<u>324.2</u>	<u>217.6</u>
Cash and Cash equivalents at the end of the year	<u><u>380.7</u></u>	<u><u>339.4</u></u>	<u><u>324.2</u></u>

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

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FONPLATA – Banco Multilateral de Desarrollo  
STATEMENT OF CHANGES IN EQUITY  
(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 revaluation of property</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance as of January 1, 2023	1,081.7	203.6	(4.6)	0.6	47.6	1,328.9
Capital increase – Paid-in portion	128.7	-	-	-	-	128.7
Allocated by the Assembly of Governors to:						
General Reserve	-	43.3	-	-	(43.3)	-
Fund for the Compensation of Interest Rate (FOCOM)	-	-	-	-	(4.3)	(4.3)
Net income for the year	-	-	-	-	92.1	92.1
Other comprehensive income for the year	-	-	4.2	-	-	4.2
Balance as of December 31, 2023	<u>1,210.4</u>	<u>246.9</u>	<u>(0.4)</u>	<u>0.6</u>	<u>92.1</u>	<u>1,549.6</u>
Balance as of January 1, 2024	<u>1,210.4</u>	<u>246.9</u>	<u>(0.4)</u>	<u>0.6</u>	<u>92.1</u>	<u>1,549.6</u>
Capital increase – Paid-in portion	110.7	-	-	-	-	110.7
Allocated by the Assembly of Governors to:						
General Reserve	-	86.0	-	-	(86.0)	-
Fund for the Compensation of Interest Rate (FOCOM)	-	-	-	-	(5.1)	(5.1)
Technical Cooperation Program (PCT)	-	-	-	-	(1.0)	(1.0)
Net income for the year	-	-	-	-	98.7	98.7
Other comprehensive income for the year	-	-	(2.6)	(0.1)	--	(2.7)
Balance as of December 31, 2024	<u>1,321.1</u>	<u>332.9</u>	<u>(3.0)</u>	<u>0.5</u>	<u>98.7</u>	<u>1,750.2</u>
Balance as of January 1, 2025	<u>1,321.1</u>	<u>332.9</u>	<u>(3.0)</u>	<u>0.5</u>	<u>98.7</u>	<u>1,750.2</u>
Capital increase – Paid-in portion	8.8	-	-	-	-	8.8
Allocated by the Assembly of Governors to:						
General Reserve	-	91.1	-	-	(91.1)	-
Fund for the Compensation of Interest Rate (FOCOM)	-	-	-	-	(6.3)	(6.3)
Technical Cooperation Program (PCT)	-	-	-	-	(1.3)	(1.3)
Net income for the year	-	-	-	-	95.1	95.1
Other comprehensive income for the year	-	-	5.8	-	-	5.8
Balance as of December 31, 2025	<u>1,329.9</u>	<u>424.0</u>	<u>2.8</u>	<u>0.5</u>	<u>95.1</u>	<u>1,852.3</u>

The accompanying notes are an integral part of these 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  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 and 2023  
(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 financing through loans, lines of credit and bond issuances with the guarantee of the Bank’s net assets; the financing of pre-investment studies with the purpose of identifying 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 Articles of Agreement that were approved by the Board of Governors in November 2018 came into force. The modifications were approved to pursue the goal of modernizing and ensuring the Bank’s continued growth and are aimed at enhancing its capacity and relevance as an active partner to promote integration as a vehicle for the regional and global development and integration of its member countries. The following are the most relevant modifications: (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 from a strictly geographic focus based on the countries, 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; (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. Furthermore, the modifications approved stipulate that the authorized capital shall also include shares class “B,” to be allocated to non-founding members (see Note 10.1 – Capital, for additional information).

On April 10, 2023, the Assembly of Governors appointed Luciana Botafogo Brito as the Executive President of FONPLATA, Development Bank for the period 2023 – 2028, and on March 21, 2025, and April 12, 2024, the Assembly of Governors approved the financial statements for the year ended December 31, 2024, and 2023, respectively.

On February 5, 2024, the Board of Governors approved increasing the amount of authorized capital from \$3,014.2 to \$6,500.0, and on June 12, 2024, as part of the commemoration of the 50th anniversary of the founding of FONPLATA in the City of Sucre, Plurinational State of Bolivia, the Board of Governors instructed the Administration, in coordination with the Board of Executive Directors, to prepare a document for the increase of the subscribed capital of the Bank, and approved the guidelines to be contemplated for said increase as well as the criteria for the admission of new members.

On July 31, 2025, the Board of Governors approved the capital increase proposal, giving decisive support towards a more relevant FONPLATA to support the efforts of its member countries to promote regional integration and development (RAG-213/2025). The increase of the subscribed capital approved provides for the admission of new members for up to an equivalent of 18.182% of the total outstanding capital to be reached at the end of the 10-year capitalization period, which will amount to \$6,498.8, keeping the proportion of paid-in to callable capital at 45% and 55%, respectively. This capital increase will more than double the Bank’s current lending capacity.

The Bank’s management is characterized by having a keen focus on strategic planning and results-based performance. The Strategic Institutional Plan 2022 – 2026 (a.k.a. PEI for its Spanish acronym), was approved by the Board of Governors in September 2021. The Bank’s management together with the Board of Executive Directors and the Board of Governors revalidated the strategic pillars and objectives driving the Bank’s direction and focus during 2026, while it prepares a new institutional strategy for 2027 – 2036. The Planning and Budget Document (a.k.a. DPP for its Spanish acronym) containing the expected results for the period 2026 – 2028, the activities required along with the administrative and capital budgets needed was approved by the Assembly of Governors on December 19, 2025 (ASG/RES 216/2025).

## NOTE 2 – SIGNIFICANT CHANGES DURING YEARS 2025, 2024, AND 2023

The following paragraphs provide a description of the most relevant operational and financial activities of the Bank during the years ending December 31, 2025, 2024, and 2023, which have directly contributed to the growth of its net earning assets and to the generation of net income for each year:

For the year 2025

- Loan income was primarily determined by the growth of the loan portfolio as a result of excess disbursements over principal amortizations by \$208.6, equivalent to 8.75%, as shown in the statement of cash flows. The average loan reference rate (SOFR) during the year was 4.24%, which when compared to 2024, represents a reduction of 17.7% (2024 – 5.15% average vs 2023 – 5.01% average).
- During the year ended December 31, 2025, the Bank approved 10 sovereign guaranteed financing operations in the amount of \$336.8. This represents a decrease in the number and amount of approved financing of 16.7%, and 51.2%, respectively, compared to 2024.
- Likewise, during the year ended December 31, 2025, \$430.9 were disbursed, including \$20.0 in non-sovereign guaranteed transactions and \$222.3 were received as principal repayments, of which \$22.5 correspond to non-sovereign guaranteed loans. As a result, the loan portfolio went from \$2,382.0 to \$2,590.6, which is equivalent to an annual growth rate of 8.8%, and an average rate for the triennium 2023 – 2025 of 9.9%.
- Optimizing the Statement of Financial Position – Sovereign Guaranteed Loan Portfolio Exchange Arrangements: The Bank reduced the concentration of credit risk in its portfolio of loans to sovereign guaranteed members by joining a Master Credit Exposure Exchange Agreement (EEA) with another multilateral development institution (MDB). The EEA reduces the concentration of credit risk in the portfolio by simultaneously exchanging coverage for possible non-revenue accumulation events between MDBs. This transaction is made possible through the exchange of guarantees on the exposures from borrowing countries in which the institution in question is concentrated to countries where it has low or no exposure. These guarantees offset a relative amount and credit risk at the inception of the guarantees.

Effective November 27, 2025, the Bank executed its first bilateral EEA operation with the Central American Bank for Economic Integration (CABEI). Through this operation, the Bank received a financial guarantee of \$450.0 and granted CABEI a guarantee of \$468.0. For more information, see Note 6.4 Credit Risk and Note 8.5 (iv).

- During the 2025 fiscal year, and in compliance with its liquidity and debt policies, the Bank raised \$718.2, mainly to leverage the growth of its loan portfolio. As shown in the table below, this amount consisted mainly of bond issuances raised under the Medium-Term Note Program that was registered by the Bank with the London Stock Exchange at the end of 2024 (MTNP), 86.6%, and the remainder in credit lines with other Multilateral Development Banks (MDBs), and multilateral international cooperation organizations, 13.4%.
- Financial costs for the year ended as of December 31, 2025, of 600 basis points, have decreased on average by 5.36% compared to 2024, where they reached 634 basis points.
- The average return on net financial assets, in Note 3, shows a 13.4% decrease resulting from: (i) a decrease in the SOFR rate leading to a net decrease of 9.39% in the average on return on loans and, (ii) a decrease of 9.75% on the average return on liquid investments.

- In compliance with its policies and procedures for the maintenance of liquid assets and borrowings, during the year ending December 31, 2025, the Bank issued and contracted bonds and lines of credit, as detailed below:

Bono	Description
February 19, 2025, MTN #01	Issuance of bonds under the Medium-Term Note (MTN) Program for USD 40.0, maturing in 3 years, on February 19, 2028, with a semi-annual payment coupon on an SOFR basis.
March 14, 2025, MTN #02	Issuance of bonds under the MTN for USD 40.0, maturing in 5 years, on March 14, 2030, with a semi-annual payment coupon on a SOFR basis.
March 21, 2025, MTN #03	Issuance of bonds under the MTN for USD 50.0, maturing in 5 years, on March 21, 2030, with a semi-annual payment coupon on a SOFR basis.
March 26, 2025, MTN #04-1	Issuance of bonds under the MTN for USD 30.0, maturing in 5 years, on March 26, 2030, with an annual payment coupon based on a fixed rate. The Bank entered into a fixed-rate SOFR hedging operation with SMBC.
March 26, 2025, MTN #04-2	Issuance of bonds under the MTN for USD 50.0, maturing in 7 years, on March 26, 2032, with an annual payment coupon based on a fixed rate. The Bank entered into a fixed-rate SOFR hedging operation with SMBC.
April 10, 2025, MTN #05	Issuance of bonds under the MTN for USD 50.0, maturing in 10 years, on April 10, 2035, with a semi-annual payment coupon based on a fixed rate. The Bank contracted a fixed-rate hedging operation at the SOFR rate with BBVA.
May 19, 2025, MTN #06	Issuance of bonds under the MTN for USD 50.0 with a maturity of 5 years, on May 19, 2030, with a semi-annual payment coupon on a SOFR basis.
May 21, 2025, MTN #07	Issuance of bonds under the MTN for USD 100.0 with a maturity of 5 years, on May 21, 2030, with a semi-annual payment coupon on a SOFR basis.
August 5, 2025, MTN #8-1	Issuance of bonds under the MTN for AUD 38.0 equivalent to USD 25.1 with a maturity of 15 years, on August 5, 2040, with a fixed-rate coupon payable semi-annually. The Bank contracted a fixed-rate and currency hedging operation with SMBC denominated the debt in US dollars with a semi-annual coupon at the overdue SOFR rate.
August 5, 2025, MTN #8-2	Issuance of bonds under the MTN for USD 35.0, with a maturity of 15 years, with a fixed-rate coupon payable semi-annually. The Bank contracted a fixed-rate hedging operation at the SOFR rate with SMBC.
September 5, 2025, MTN #9	Issuance of bonds under the MTN for JPY 3,000.0, equivalent USD 20.4, with a maturity of 3 years, with a fixed-rate coupon, payable semi-annually. The Bank contracted a fixed-rate and currency hedging operation with SMBC denominated the debt in US dollars with a semi-annual coupon at the overdue SOFR rate.
September 30, 2025, MTN #10	Issuance of bonds under the MTN for USD 30.0 with a maturity of 5 1/2 years, on March 30, 2031, and coupon at the maturity rate SOFR, payable semi-annually.
November 25, 2025, MTN #11	Issuance of bonds under the MTN for INR 9,000.0 equivalent USD 101.5 with a maturity of 5 1/2 years on May 25, 2031, and annual coupon at the overdue SOFR rate. The Bank contracted a currency hedging operation with DB.

Bono	Description
December 5, 2025, KfW	Rate and currency coverage contracted with BBVA on disbursement of EUR 5.5 at the Euribor rate taken in the credit line contracted with KfW and exchanged for an obligation in US dollars \$6.4 with semi-annual interest payments at the SOFR rate due.

- During fiscal year 2025, the Bank took funds from the uncommitted revolving credit lines with CAF for \$50.0, \$22.2 with the IDB, \$17.8 with ICO, and EUR 5.5, equivalent to \$6.4 with KfW. On December 18, 2025, the Bank signed a new line of credit with Cassa Depositi e Prestiti S.P.A. (CDP) for \$50.0. This new line is focused on eligible environmentally sustainable projects benefiting the Brazilian Amazon region. Likewise, during fiscal year 2025, the Bank amortized \$44.4 of principal under outstanding lines of credit.

The following table shows in a comparative way the outstanding balance of debts incurred in relation to loans, lines of credit and bond issues in force as of December 31, 2025:

Entity	Outstanding	Principal repaid 2025	Funds	Total owed	Fair value	Outstanding
	as of December 31, 2024		received in 2025	in historical dollars 2025	adjustments and exchange differences	debt as of December 31, 2025
	\$	\$	\$	\$	\$	\$
Banco de Desarrollo de América Latina (CAF)	75.0	--	50.0	125.0	--	125.0
Banco Interamericano de Desarrollo (IDB)	167.8	(5.0)	22.2	185.0	--	185.0
Agencia Francesa de Desarrollo (AFD) <sup>1</sup>	49.5	(1.8)	--	47.7	2.9	50.6
Banco Europeo de Inversiones (BEI)	60.0	(0.4)	--	59.6	--	59.6
Instituto de Crédito Oficial E.P.E. (ICO)	14.4	(1.4)	17.8	30.8	--	30.8
Banco Bilbao Vizcaya Argentaria (BBVA)	175.0	(33.3)	--	141.7	--	141.7
Kreditanstalt für Wiederaufbau-(KfW) <sup>1</sup>	33.9	--	6.4	40.3	4.1	44.4
Cassa Depositi e Prestiti S.P.A. (CDP)	30.0	(2.5)	--	27.5	--	27.5
<i>Subtotal before deferred loan charges</i>	605.6	(44.4)	96.4	657.6	7.0	664.6
Deferred loan charges	(4.5)	1.0	--	(3.5)	--	(3.5)
<i>Subtotal multilaterals and other</i>	601.1	(43.4)	96.4	654.1	7.0	661.1
Bond issuance CHF FONPLATA 26 <sup>2</sup>	222.7	--	--	222.7	29.6	252.3
Bond issuance CHF FONPLATA 27 <sup>2</sup>	158.6	--	--	158.6	29.8	188.4
Bond issuance CHF FONPLATA 28 <sup>2</sup>	164.5	--	--	164.5	22.6	187.1
Bond issuance CHF FONPLATA 29 <sup>2</sup>	152.9	--	--	152.9	15.9	168.8
Bond issuance JPY Serie 1 28 <sup>2</sup>	22.5	--	--	22.5	(3.7)	18.8
Bond issuance JPY Serie 2 29 <sup>2</sup>	31.5	--	--	31.5	(5.8)	25.7
Bond issuance JPY Serie 3 27 <sup>2</sup>	40.2	--	--	40.2	0.1	40.3
Bond issuance JPY Serie 4 29 <sup>2</sup>	7.0	--	--	7.0	--	7.0
Bond issuance MTN USD #01	--	--	40.0	40.0	0.3	40.3
Bond issuance MTN USD #02	--	--	40.0	40.0	0.8	40.8
Bond issuance MTN USD #03	--	--	50.0	50.0	0.9	50.9
Bond issuance MTN USD #04-1	--	--	30.0	30.0	1.3	31.3
Bond issuance MTN USD #04-2	--	--	50.0	50.0	1.4	51.4
Bond issuance MTN USD #05	--	--	50.0	50.0	3.3	53.3
Bond issuance MTN USD #06	--	--	50.0	50.0	0.8	50.8
Bond issuance MTN USD #07	--	--	100.0	100.0	1.3	101.3
Bond issuance MTN AUD #8-1	--	--	25.1	25.1	--	25.1
Bond issuance MTN USD #8-2	--	--	35.0	35.0	2.4	37.4
Bond issuance MTN JPY #9	--	--	20.4	20.4	(1.2)	19.2
Bond issuance MTN USD #10	--	--	30.0	30.0	0.3	30.3
Bond issuance MTN INR #11	--	--	101.3	101.3	1.4	102.7
<i>Subtotal before deferred issuance charges</i>	799.9	--	621.8	1,421.7	101.5	1,523.2
Deferred issuance charges	(3.2)	1.2	(4.3)	(6.4)	--	(6.4)
<i>Subtotal bonds</i>	796.7	1.2	617.5	1,415.3	101.5	1,516.8
<i>Total borrowings<sup>3</sup></i>	1,397.8	(42.2)	713.9	2,069.4	108.5	2,177.9

<sup>1</sup>Lines of credit and borrowings contracted in currencies other than the US dollar at rates different than the loan interest reference rate are valued at their fair value (see Note 8.6 (ii) for more details). The total shown as "Fair value adjustments and exchange differences" includes exchange losses of \$3.6 and \$4.5, related to borrowings contracted with the AFD and KfW, respectively, for the year ended as of December 31, 2025 (see Note 8.6 (i), (4) and (8)).

<sup>2</sup>Bonds issued in currencies other than the US dollar at rates different than the loan interest reference rate are valued at their fair value (see Note 8.6 (ii) for further information).

<sup>3</sup>Opening balances and partial sums include differences due to rounding.

- Derivatives related to bond issues and the contracting of credit lines correspond to rate and currency hedging operations. These derivatives are designated as fair value hedging transactions in accordance with the reference framework established by IFRS 9 (see also Notes 4.10; 6; and 8.6 (ii)), and are covered by ISDA contracts signed with the Bank's counterparties, namely: JP Morgan (JPM); Deutsche Bank (DB); Hongkong and Shanghai Banking Corporation (HSBC); Banco Bilbao Viscaya Argentaria (BBVA), and Sumitomo Mitsui Banking Corporation (SMBC).
- In 2025, \$8.8 was received for the integration of capital quotas payable in cash from member countries (see Note 10.1 "Capital").
- The Bank is the fiduciary agent for the administration of the investment portfolio of the MERCOSUR Structural Convergence Fund (FOCEM). During the year ended December 31, 2025, FOCEM's investment portfolio managed by the Bank amounted to \$84.6, and the amount of management fee received by the Bank amounted to \$0.5.

For the year 2024

- Loan income was mainly determined by the increase in the lending portfolio resulting from the excess of disbursements over collections of principal by \$504.8, equivalent to 27%, as shown in the statement of cashflows, and to the lesser extent due to the increase in the loan reference interest rate that on average was 2.8% greater than in 2023 (2024 – 5.15% average compared to 2023 – 5.01%).
- As indicated in Note 6.2 "Interest Rate Risk"; and Note 7.1.1 "Expected Change from the 6 Month USD Libor Interest Rate to the SOFR Interest Rate, since July 1, 2023, date on which publication of the LIBOR rate discontinued, the reference rate for loans operations is The SOFR rate ("Secured Overnight Financing Rate"), published by the United States Federal Reserve Bank ("FED"). This reference rate has remained stable through August 2024 (January 2024 – 5.4%) and begun to decline in September (4.96%) to reach 4.3% at the closing of markets in December 2024, for an annual daily average of 5.15%. It is anticipated that SOFR would continue to be gradually reduced through the beginning of the second half of 2025 to reach from 2.8% to 3.0%. As of December 31, 2024, the Bank has migrated all its loan contracts to the SOFR in arrears. The annual average interest rate accrued during 2024 reached 796 basis points, or 3.7% greater than in 2023 (767 basis points).
- As of December 31, 2024, the Bank migrated all their loans contracts to the SOFR in arrears rate. On December 31, 2023, the Plurinational State of Bolivia as part of the approval of its annual budget (Law No. 1546), approved the required amendments on all loan contracts, which made it possible to adopt the SOFR in arrears rate in the contracts maintained with the Bank. As a result of this, on January 10, 2024, 15 of the 16 contracts in force on that date were migrated to the expired SOFR rate, and the remaining contract was migrated on March 14, 2024. As of December 31, 2023, current loan portfolio with the Plurinational State of Bolivia amounted to \$440.6, which on average accrued interest at a synthetic 6-month Libor rate of 830 basis points. This portfolio balance included a

transaction for an amount of \$35.3 that accrued interest under the 6-month Libor, and which was converted at the SOFR in arrears rate on January 10, 2024. Regarding the current portfolio in Brazil, it consisted of 22 operations for an amount of \$258.3. 91% of loan contracts in Brazil had been converted to the SOFR rate under the overdue modality. The remaining 9% corresponding to two operations for an amount of \$6.9, for financing granted to prefectures and municipalities, were converted at the SOFR in arrears rate during the first quarter of 2024. During the year ended as of December 31, 2024, the Bank approved 12 sovereign guaranteed financing operations for an amount of \$690.0 (December 31, 2023 - \$534.3 in 10 sovereign guaranteed operations); and 2 operations without sovereign guarantee for an amount of \$75.0 (December 31, 2023 - \$44.0). Likewise, \$737.0 was disbursed, including \$71.0 without sovereign guarantee (2023 -\$291.9 including \$59.5 in loans without sovereign guarantee); and received \$232.2 in principal repayments, of which \$40.3 corresponds to non-sovereign guaranteed loans (December 31, 2023 - \$175.5 in principal repayments, including \$37.2 in non-sovereign guaranteed loans).

- Financial costs decreased slightly on average by 10 basis points compared to the year ended as of December 31, 2023, which explains the increase of 38 basis points in the return on net financial assets during the year ended as of December 31, 2024, compared to 2023.
- In compliance with its policies and procedures for the maintenance of liquid assets and borrowings, during the year ending as of December 31, 2024, the Bank conducted the following redemption, issuance bond transactions, and listings:

Bond	Details
March 11, 2024 - FONPLATA 24- Redemption upon maturity	The Bank received CHF 150.0 from the counterparty plus CHF 0.9 in interest, and the Bank paid the counterparty \$148.8 in principal and \$5.3 in interest in repayment of the bond issued in the Swiss market in March 2019.
May 15, 2024- FONPLATA 27 – Issuance	Bonds were issued in the Swiss capital market for CHF 145.0 maturing on November 15, 2027, under the Sustainable Debt Framework with an annual payment coupon at a fixed rate. In accordance with its policy for the management of financial risks, the Bank contracted a cross-currency swap with BBVA to exchange the CHF debt with a US dollar denominated debt in the amount of \$158.6, with semi-manual interest payments at the SOFR in arrears on November 15, 2027.
June 20, 2024 – Third and Fourth Series 27 and 29 - Issuance	Two new series of bonds were issued in the Japanese capital market through a private issuance within the Sustainable Debt Framework (third and fourth series). The third series consisted of two tranches, the first for JPY 6,200.0 due and the second one for JPY 100.0, both with maturity on June 18, 2027; and the fourth series for JPY 1,100.0 maturing on June 20, 2029. The two series pay a fixed annual rate with semiannual interest coupons. In accordance with the financial risk management policy, the Bank contracted a cross-currency swap with SMBC that provide for the exchange of flows in such a way that the Bank will pay \$40.2 at the maturity of the third series of bonds in 2027, and \$7.0 at maturity of the fourth series bonds in 2029, with semiannual interest payments based on the SOFR in arrears.
October 24, 2024, FONPLATA 29 – Issuance	5-year Bonds were issued in the Swiss capital market under the Sustainable Debt framework of the Bank, for CHF 130.0 maturing on October 24, 2029, with an annual payment coupon at a fixed rate. In accordance with its policy for the management of financial risks, the Bank contracted a cross-currency swap with DB to exchange the CHF debt by a US dollar denominated debt in the amount of \$152.9 at the SOFR in arrears on November 24, 2029.
October 29, 2024 – Registration of long-term stock certificate program in México	In line with its strategy to diversify its funding sources, FONPLATA registered a public offering placement program in Mexico, which consists of long-term stock certificates. This program has been registered with the National Banking and Securities Commission (CNBV) and is valid for 5 years, with an authorized amount of up to 20,000 Mexican pesos, or its equivalent in Investment Units (UDIS) or US dollars, on a revolving basis.

Bond	Details
November 11, 2024 – Medium-Term Note Program Registration on the London Stock Exchange	FONPLATA conducted the registration of its first Medium-Term Note (MTN) Program on the London Stock Exchange. This program is capped at up to \$2,000, pursuant to Rule 144-A and Regulation S of the Securities Act of 1933 of the United States of America. This program provides the Bank with a flexible and effective mechanism for issuing debt in different markers, in multiple currencies and with different maturities.

- Additionally, the Bank took funds under existing credit lines for \$75.5, with AFD, KfW, and IADB, and drew-down \$24.6; \$11.1; and \$39.8, respectively. The Bank also contracted new loans with CDP, \$30.0, in May 2024, BBVA \$125.0, in November 2024; and with CAF \$75.0, in December 2024, and disbursed the total amount under these new borrowings, for which the total amount received in credit lines and loans for a total of \$305.5.

Amortization of principal outstanding under existing lines of credit amounted to \$141.2 (December 2023 - \$60.3 drawn-down on new lines of credit for at cumulative amount drawn-down of \$114.4, on new and existing lines of credit and loans; and repaid principal outstanding under lines of credit and loans in the amount of \$104.6).

The following chart depicts outstanding borrowing amounts as of the year ended December 31, 2024, and 2023, under the various lines of credit, loans and the amount owed to the Bank's bondholders for bond issuances:

Entity	Outstanding	Principal repaid 2024	Funds	Total owed	Fair value	Outstanding
	as of December 31, 2023		received in 2024	in historical U.S. dollars 2024	adjustments and exchange differences	debt as of December 31, 2024
	\$	\$	\$	\$	\$	\$
Banco de Desarrollo de América Latina (CAF)	100.0	(100.0)	75.0	75.0	--	75.0
Inter-American Development Bank (IDB)	133.0	(5.0)	39.8	167.8	--	167.8
French Development Agency (AFD) <sup>1</sup>	26.7	(1.8)	24.6	49.5	(0.7)	48.8
European Investment Bank (BEI)	60.0	--	--	60.0	--	60.0
Official Credit Institute E.P.E. (ICO)	15.5	(1.1)	--	14.4	--	14.4
Banco Bilbao Vizcaya Argentaria (BBVA)	83.3	(33.3)	125.0	175.0	--	175.0
Kreditanstalt für Wiederaufbau-(KfW) <sup>1</sup>	22.8	--	11.1	33.9	(0.4)	33.5
Cassa Depositi e Prestiti S.P.A. (CDP)	--	--	30.0	30.0	--	30.0
<i>Subtotal before deferred loan charges</i>	441.3	(141.2)	305.5	605.6	(1.1)	604.5
Deferred loan charges	(0.7)	0.1	(3.9)	(4.5)	--	(4.5)
<i>Subtotal multilaterals and other</i>	440.6	(141.1)	301.6	601.1	(1.1)	600.0
Bond issuance CHF FONPLATA 24 <sup>2</sup>	148.8	(148.8)	--	--	--	--
Bond issuance CHF FONPLATA 26 <sup>2</sup>	222.7	--	--	222.7	(3.8)	218.9
Bond issuance CHF FONPLATA 27 <sup>2</sup>	--	--	158.6	158.6	6.9	165.5
Bond issuance CHF FONPLATA 28 <sup>2</sup>	164.5	--	--	164.5	(3.2)	161.3
Bond issuance CHF FONPLATA 29 <sup>2</sup>	--	--	152.9	152.9	(6.3)	146.6
Bond issuance JPY Serie 1 28 <sup>2</sup>	22.5	--	--	22.5	(3.8)	18.7
Bond issuance JPY Serie 2 29 <sup>2</sup>	31.5	--	--	31.5	(5.5)	26.0
Bond issuance JPY Serie 3 27 <sup>2</sup>	--	--	40.2	40.2	(0.7)	39.5
Bond issuance JPY Serie 4 29 <sup>2</sup>	--	--	7.0	7.0	(0.1)	6.9
<i>Subtotal before deferred issuance charges</i>	590.0	(148.8)	358.7	799.9	(16.5)	783.4
Deferred issuance charges	(2.1)	0.4	(1.5)	(3.2)	(0.1)	(3.3)
<i>Subtotal bonds</i>	587.9	(148.4)	357.2	796.7	(16.6)	780.1
<i>Total borrowings<sup>3</sup></i>	1,028.5	(289.5)	658.6	1,397.8	(17.7)	1,380.1

<sup>1</sup>Lines of credit and borrowings contracted in currencies other than the US dollar at rates different than the loan interest reference rate are valued at their fair value (see Note 8.6 (ii) for more details). The total shown as "Fair value adjustments and exchange differences" includes exchange losses of \$0.9 and \$1.7, related to borrowings contracted with the AFD and KfW, respectively, for the year ended as of December 31, 2024 (see Note 8.6 (i) (4) and (8)).

<sup>2</sup>Bonds issued in currencies other than the US dollar at rates different than the loan interest reference rate are valued at their fair value (see Note 8.6 (ii) for further information).

<sup>3</sup>Opening balances and partial sums include differences due to rounding.

- 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; DB; HSBC; BBVA and SMBC.
- In compliance with its financial and risk management policies, the Bank use of 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.
- In 2024 the Bank received \$110.7 in paid-in capital from member countries (see Note 10.1 "Capital").
- Administrative expenditures during the year ended as of December 31, 2024, on average represented 81 basis points of the actual return on net financial assets, showing a decrease of 2 basis points compared to December 2023. 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 - FOCEM). During the year ended December 31, 2024, FOCEM's investment portfolio managed by the Bank amounted to \$102.0, and the amount of administrative fee received by the Bank amounted to \$0.5.

For the year 2023

- 94% of the amount of loan income was determined by the increase in interest rates, with the remaining 6% being the result of disbursements more than the collection of principal amortizations in the amount of \$116.4, as shown in the statement of cash flows. The increase in interest rates is the result of the effort of the most developed economies to counter inflationary pressures as a result of the disruption in global production and supply chains during the COVID-19 pandemic, followed by the disruption to international trade caused by the Russian invasion of Ukraine, compounded with the instability resulting from the conflict in the Middle East. The SOFR rate (Secured Overnight Financing Rate), which in December 2021 was 5 base points, during 2022 registered an increase of 425 base points, and during the year ended December 31, 2023, it increased another 108 base points. The cycle of monetary contraction started by the United States Federal Reserve in 2022 is expected to end. However, the interest rate is expected to remain at the current level if there is no conclusive evidence of a slowdown in the general inflation rate, and particularly in the core inflation rate driving it towards the target level around 2%. As of December 31, 2023, approximately 97% of loan contracts have the SOFR in arrears as the reference rate. The average SOFR, LIBOR and Synthetic LIBOR rate accrued during the year ended as of December 31,

2023, was 790, 740 and 830 basis points, respectively, for a weighted average of 780 base points, significantly higher than that registered in 2022, of 393 basis points. This is explained in the process of gradual adoption of the SOFR rate and in the fact that the 6-month Libor rate is applied in arrears (i.e., the applicable rate is that of the previous semester). Except for two loan contracts in municipal administrations in Brazil, the process of adopting the SOFR rate for all financing granted by the Bank was completed as of December 31, 2023.

- In compliance with its financial and risk management policies, the Bank manages its risk from exposure to changes in exchange and interest rates by denominating all its loan contracts in United States dollars and through December 31, 2021, by adopting the 6-month Libor rate as its reference rate component of its lending rate. Effective January 1, 2022, all loan contracts signed incorporate the compounded SOFR in arrears as its reference rate.

Furthermore, on all legacy loan contracts signed prior to December 31, 2021, due to the replacement of the 6-month Libor rate by the SOFR rate, the Bank agreed with its member countries to a voluntary conversion process by some countries adopted the compounded SOFR in arrears plus an adjusting margin in replacement of the 6-month Libor rate. Loan contracts that remained on the 6-month Libor rate as of June 30, 2023, date on which its use was formally discontinued because it was no longer published, accrue interest based on the synthetic Libor rate, which is based on the SOFR Term.

- Prior to the Libor rate being discontinued, and in mutual agreement with its member countries, the Bank replaced this rate as its loan reference rate in all its loan contracts with Argentina, Paraguay and Uruguay (December 31, 2022 – 64 loan contracts had already been migrated to the SOFR rate in arrears for a total amount of \$1,040.6, while 52 loan contracts amounting to \$712.3, remained on the 6-month Libor rate). On December 31, 2023, the Plurinational State of Bolivia as part of the approval of its annual budget approved by Law No. 1546, approved the required amendments on all loan contracts to effectively pave the way for the adoption of the SOFR in arrears on all loan contracts with the Bank. Migration to the SOFR rate in 15 of the 16 loan contracts with Bolivia will become effective on January 10, 2024, and on March 14, 2024, for the remaining contract. The loan portfolio outstanding with the Plurinational State of Bolivia amounts to \$440.6, which on average accrue interest at the 6-months synthetic Libor rate of 830 base points. The outstanding loan balance includes one operation amounting to \$35.3 which accrues interest at the 6-month Libor rate and that it would be converted to the SOFR in arrears on January 10, 2024. The outstanding loan portfolio in Brazil consists of 22 operations amounting to \$258.3. The 91% of the outstanding loan contracts in Brazil were converted to the SOFR in arrears. The 9% remaining corresponds to two operations amounting to \$6.9, on financings granted to municipal authorities in Brazil that are expected to be converted to the SOFR in arrears in the following months. During the year ended as of December 31, 2023, the Bank approved 10 sovereign guaranteed operations in the total amount of \$534.3 (as of December 31, 2022, was \$456.0 in 12 operations with sovereign guarantee); and two operations without sovereign-guarantee in the amount of \$44.0 (2022 - \$0). Disbursements amounted to \$291.9, including \$59.5 without sovereign-guarantee (2022 - \$354.6, including \$10.0 without sovereign guarantee); and received \$175.5 in principal amortizations, of which \$37.2 correspond to loans without sovereign guarantee (2022 - \$107.4 of loan principal amortizations on sovereign-guaranteed loans).

- As stated in greater detail in the following subsection and in Note 3 – How Income is Generated, during the year ended as of December 31, 2023, the loan reference rate has experienced constant increases. This in turn has driven a recovery in nominal terms of loan revenues though still lower than before the pandemic when measured in terms of actual return. This has contributed to the Bank's reaching a level of income from net financial assets that is 125% higher than the one attained in 2022, strengthening its already robust financial profile.
- Financial costs increased on average by 380 basis points due to the sudden increase in interest rates. The increase is 8 basis points higher than the average Bank's return on interest and commission loans. In December 2022, and in agreement with its counterparts, the Bank migrated its swaps design to protect the debt contracted through the issuance of Swiss bonds, namely FONPLATA 24 and FONPLATA 28, from the 6-month Libor to the SOFR. The migration was formalized in March and June 2023, respectively. The FONPLATA 26 bond migrated to SOFR in arrears in the third quarter of 2023 according to the fallback covenants.

The swaps contracted to protect the sustainable bonds issued in Japan in March 2023 were contracted at the SOFR in arrears rate. Finally, the cross-currency swap contracted in December 2022 in connection with the debt contracted with the AFD at the Euribor rate and the drawdown on the line of credit contracted with the KfW on August 24, 2023, were converted into the SOFR rate in arrears.

- In compliance with its policies and procedures for the maintenance of liquid assets and borrowings, on March 24, 2023, the Bank made its entrance for the first time in the Japanese capital markets and launched its first sustainable bond through a private issuance raising JPY 7,200.0 equivalent to \$54.0. Furthermore, the Bank drew \$60.3, on existing lines of credit and loans for a total of \$114.4, and amortized principal on outstanding borrowings and lines of credit for \$104.6 (2022 - \$66.0). The following chart shows, on a comparative basis, the outstanding borrowing amounts under the various credit lines, loans and the amount owed to the Bank's bondholders for the fourth bond issuances as at today:

Entity	Outstanding	Principal	Funds	Total owed	Fair value	Outstanding
	as of		received in	in historical	adjustments	debt as of
	December	repaid 2023	2023	dollars 2023	and	December
	31, 2022				exchange	31, 2023
	\$	\$		\$	differences	\$
Banco de Desarrollo de América Latina (CAF)	100.0	--	--	100.0	--	100.0
Inter-American Development Bank (IDB)	118.4	(5.0)	19.6	133.0	--	133.0
French Development Agency (AFD) <sup>1</sup>	28.5	(1.8)	--	26.7	0.2	26.9
European Investment Bank (BEI)	42.0	--	18.0	60.0	--	60.0
Official Credit Institute E.P.E. (ICO)	16.6	(1.1)	--	15.5	--	15.5
Banco Bilbao Vizcaya Argentaria (BBVA)	100.0	(16.7)	--	83.3	--	83.3
Banco Central del Uruguay (BCU)	80.0	(80.0)	--	--	--	--
Kreditanstalt für Wiederaufbau (KfW) <sup>1</sup>		--	22.8	22.8	1.3	24.1
<i>Subtotal before deferred loan charges</i>	485.5	(104.6)	60.4	441.3	1.5	442.8
Deferred loan charges	(0.5)	0.1	(0.3)	(0.7)	--	(0.7)
<i>Subtotal multilaterals and other</i>	485.0	(104.5)	60.1	440.6	1.5	442.1

Entity	Outstanding		Funds received in 2023	Total owed in historical dollars 2023	Fair value adjustments and exchange differences	Outstanding debt as of December 31, 2023
	as of December 31, 2022	Principal repaid 2023				
Bond issuance CHF FONPLATA 24 <sup>2</sup>	148.8	--	--	148.8	28.8	177.6
Bond issuance CHF FONPLATA 26 <sup>2</sup>	222.7	--	--	222.7	1.1	223.8
Bond issuance CHF FONPLATA 28 <sup>2</sup>	164.5	--	--	164.5	(6.3)	158.2
Bond issuance JPY Serie 1 <sup>2</sup>	--	--	22.5	22.5	(1.4)	21.1
Bond issuance JPY Serie 2 <sup>2</sup>	--	--	31.5	31.5	(2.2)	29.3
<i>Subtotal before deferred issuance charges</i>	536.0	--	54.0	590.0	20.0	610.0
Deferred issuance charges	(2.0)	0.9	(1.0)	(2.1)	--	(2.1)
<i>Subtotal bonds</i>	534.0	0.9	53.0	587.9	20.0	607.9
<i>Total borrowings</i>	1,019.0	(103.6)	113.1	1,028.5	21.5	1,050.0

<sup>1</sup>Credit lines and borrowings contracted in currencies other than the US dollar at rates different than the loan interest reference rate are valued at their fair value (see Note 8.6 (ii)). The total shown as "Fair value adjustments and exchange differences" includes exchange losses of \$0.3 and \$0.4, related to borrowings contracted with the AFD and KfW, respectively, for the year ended as of December 31, 2023 (see Notes 8.6 (i) (4) and (8)).

<sup>2</sup>Bonds issued in currencies other than the US dollar at rates different than the loan interest reference rate are valued at their fair value (see Note 8.6 (ii)).

- Derivatives related to bond issuances and credit 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 8.6(ii)). These derivative contracts are based on ISDA contracts signed with the Bank counterparts, namely Credit Suisse (CS); JPM; DB; HSBC and BBVA.
- In compliance with its financial and risk management policies, the Bank use of 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.
- On January 3, 2023, the Bank received from Brazil the sum of \$69.8, corresponding to its paid-in capital contributions for the period 2020 to 2022, and thereafter, on April 14, 2023, it received the sum of \$0.1, thus completing the amount of paid-in capital subscribed and due as of December 31, 2022. Finally, on April 27, 2023, Brazil paid its 2023 paid-in capital subscription in the amount of \$27.6.
- Administrative expenses during the year ended as of December 31, 2023, on average represented 83 basis points of the actual return on net financial assets, which is the same level as in 2022. 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 - FOCEM). During the year ended December 31, 2023, FOCEM's investment portfolio managed by the Bank amounted to \$98.2, and the amount of administrative fee received by the Bank amounted to \$0.6.

## NOTE 2 - 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 ratified its decision to continue as a full member of FONPLATA.

In accordance with the transparency and prudence that characterize the Bank's management; after receiving the communication from the Governor of the Argentine Republic, the Bank's senior management has shared the terms of the communication with its bondholders and creditors, as well as with the risk rating agencies. This news has been welcomed and although the rating agencies have not modified their rating, Standard & Poor's which on May 5, 2023, modified FONPLATA's outlook to "negative", revised it to "stable" effective January 30, 2024.

On July 31, 2025, the Board of Governors approved the capital increase proposal, giving decisive support towards a more relevant FONPLATA to support the efforts of its member countries to promote regional integration and development (RAG-213/2025). 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. It will also more than double annual sustainable lending capacity over the next decade, maintaining the ratio of 45.0% of capital payable in cash and 55.0% of callable capital of 2025. In recognition of the support from its member countries and of its robust financial profile, in November 2025, Standard & Poor's raised the credit risk rating of the Bank from A to A+, with a "stable" outlook.

This, together with the Bank'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). 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 December 31,								
	2025			2024			2023		
	Average balance	Income	Return <sup>2</sup> %	Average balance	Income	Return <sup>2</sup> %	Average balance	Income	Return <sup>2</sup> %
Loans outstanding	2,486.4	187.1	7.52	2,129.6	176.7	8.30	1,819.1	146.7	8.06
Investments <sup>1</sup>	1,086.4	46.9	4.32	711.3	34.9	4.91	603.0	29.8	4.94
Cash at banks <sup>1</sup>	24.9	0.4	1.61	36.7	0.4	1.09	39.3	0.8	2.04
<i>Financial assets</i>	<i>3,597.7</i>	<i>234.4</i>	<i>6.52</i>	<i>2,877.6</i>	<i>212.0</i>	<i>7.37</i>	<i>2,461.4</i>	<i>177.3</i>	<i>7.20</i>
Borrowings	(1,787.8)	(107.2)	(6.00)	(1,220.4)	(77.4)	(6.34)	(1,015.1)	(65.3)	(6.43)
<i>Net financial assets</i>	<i>1,809.9</i>	<i>127.2</i>	<i>7.03</i>	<i>1,657.2</i>	<i>134.6</i>	<i>8.12</i>	<i>1,446.3</i>	<i>112.0</i>	<i>7.74</i>
Provisions and other charges <sup>3</sup>	-.	(15.9)	(0.88)	-.	(22.4)	(1.35)	-.	(7.8)	(0.54)
Administrative expenses <sup>3 4</sup>	-.	(16.2)	(0.90)	-.	(13.5)	(0.81)	-.	(12.1)	(0.83)
<i>Net assets</i>	<i>1,809.9</i>	<i>95.1</i>	<i>5.25</i>	<i>1,657.2</i>	<i>98.7</i>	<i>5.96</i>	<i>1,446.3</i>	<i>92.1</i>	<i>6.37</i>
<i>Equity</i>	<i>1,801.3</i>	<i>95.1</i>	<i>5.28</i>	<i>1,649.9</i>	<i>98.7</i>	<i>5.98</i>	<i>1,439.2</i>	<i>92.1</i>	<i>6.40</i>

<sup>1</sup>The average balance of investments as of December 31, 2025, includes \$309.9 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 \$48.1 of investments in sweep account (December 2024, \$288.7, and \$21.5, and 2023- \$264.9 and \$12.3, 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 8.7-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>Return on "Provisions and Other Charges" and "Administrative expenses" is calculated based on "Net Financial Assets".

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

<u>Provisions and other charges</u>	<u>January 1, through December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Provision for loan impairments – Note 8.5	2.0	(2.4)	(5.8)
Depreciation	(0.6)	(0.6)	(0.6)
Exchanges differences – Gain/(loss)	1.8	0.2	0.3
Special funds participation in investment income	(0.7)	(1.1)	(0.9)
Unrealized losses/gains on borrowings and on their related cross-currency and interest rate swaps classified as fair-value hedges – Note 8.6	(19.3)	(19.2)	(1.4)
Other income	0.9	0.7	0.6
Total provisions and other charges	<u>(15.9)</u>	<u>(22.4)</u>	<u>(7.8)</u>

#### 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretation Committee (IFRIC).

The Bank presents a statement of financial position classifying assets and liabilities in accordance with their expected liquidity. In Note 13, 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).

### (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 evaluated the impact of amendments to or new IFRS Accounting Standards, which are effective for annual periods beginning on or after January 1, 2025, (unless otherwise noted).

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21, “The Effects of Changes in Foreign Exchange Rates”, specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The amendments did not have a material impact on the Bank’s 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 become effective:

- **Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments**

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognized on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognize financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only.

The Bank does not anticipate that these amendments will have a material effect on its financial statements.

- **Annual Amendments to International Financial Reporting Standards - Volume 11**

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed.

These amendments are not expected to have a material impact on the Bank's financial statements.

- **IFRS 18 – Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and it also includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Bank is currently working to identify all potential impacts these amendments will have on its financial statements and related disclosures.

- IFRS 19 – Subsidiaries without Public Accountability

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

This standard is not applicable to FONPLATA because it does not maintain subsidiaries that present a complete set of financial statements as individual entities under IFRS.

- IFRS S1 and S2 – These standards establish the general framework for disclosing financial information related to environmental sustainability and require disclosure of risks and opportunities that may affect cash flows, access to finance and cost of capital (IFRS S1). IFRS S2 is a thematic standard focused exclusively on climate change, including physical climate risks, transition risks (regulation, technology, and market), greenhouse gas (GHG) emissions, analysis of climate transition scenarios and plans, and targets for climate sustainability and their monitoring. The adoption of these standards is indicative but not mandatory except in those countries that adopted these new standards, such as Mexico, which requires the implementation of IFRS S1 and S2 by all public issuers registered with the Mexican National Securities Commission (CNBV), for years beginning January 1, 2026. The Bank, in its capacity as a public issuer registered since the end of 2024 with the CNBV, is in the process of implementation of these standards, and plans to comply with them and issue a sustainability report as part of its filing of its Mexican Annual Report.

#### 4.2 Information on relevant operations

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. Except for a small number of goods and services related to administrative expenses denominated in currencies other than the functional currency, the majority of the operating expenses of the Bank are incurred in the functional currency and recorded at their cost.

Financial assets and liabilities, such as investments and loans, are denominated in U.S. dollars, with the exception of Bonds denominated in Swiss Francs and Yen, and the issuance of debt under the Medium-Term Borrowing Program (MTN) denominated in Australian Dollars, Yen and Indian Rupees; and the disbursements denominated in Euros under the credit lines with the AFD and KfW. These debts were exchanged for US dollars obligations. 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.

### 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.

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 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 month or less and that do not include a purchase option are recognized as an expense on a straight-line basis throughout the contract.

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 8.5.

#### 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 replenishments 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 approved in July 2025, should consist of 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 disbursements under loans granted to BADESUL without sovereign-guarantee, where the borrower's exercised the option to denominate them in BRLs, all financial assets are contracted and denominated in U.S. dollars and bear interest based on the reference interest rate plus a margin. With regards to 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 months 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 nature and purpose for which investments are acquired. The Bank classifies its investments in three distinct portfolios. Classification of investments on either portfolio is determined based on planned liquidity requirements and other factors at the time of their purchase and recognition. Note 8 shows greater detail on each type of financial asset.

The bank classifies its financial assets in the following categories:

- *Financial assets valued at fair value with changes in income*: are assets purchased with the purpose of generating income in the short-term through their sale to realize gains resulting from changes in their market value or by dividend income.

- Financial assets at fair value with changes in other comprehensive income (investments available for sale): 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.
- Financial assets at amortized cost (loan portfolio and investments held to maturity): 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 previously stated under (v.), “Impairment”, above.
- Financial liabilities – Derivatives: 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 to borrowings contracted in currencies other than the U.S. dollar or at interest rates other than the 6-month Libor, which is the Bank’s reference rate for its loans, have been designated as a Fair value hedges, and are considered completely effective. The reference interest rate for loans is the compounded SOFR in arrears. Considering the Bank’s right to compensation in the event of a fall in the counterparty, changes in the fair value of the derivatives contracted are exposed in net form, together with the collateral received from the counterparty as part of the asset, under the heading of “derivatives”, in the statement of financial position. The bonds are valued at their fair value within the balance of Indebtedness, in the statement of financial position. Changes in the fair value of the interest rate and currency exchange transaction are part of other income and expenses in the income statement for the year (see notes 2; 4.10 and 8.6 (ii)).

#### (ii) Reclassification

Financial assets other than loans could be reclassified under a different category of “investments at fair value with changes in income or 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.

Marketable investments are valued initially at their actual purchase value and then at fair value. Changes in the fair value of investments are recognized as an integral part of investment performance for the year.

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.

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

Note 8.8 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 formula, 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 8.5-(iii), has a detailed explanation of this methodology as well as the determination of the provision for loan impairment.

The expected impairment in the value of marketable investments is part of the market value recognized as an integral part of investment performance for the period. The expected impairment in the value of available-for-sale investments that are measured at fair value through other comprehensive income (OCI) is part of 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 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, as previously stated in (v.) above, all interest accrued receivable is reverted and those loans are considered to be 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.

#### 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. Assets' residual values and useful lives are reassessed and adjusted as appropriate at year end. In those instances, where the carrying amount of assets exceeds their recoverable value, carrying amounts are adjusted to their recoverable value.

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 8.6.

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.

*Derivative financial instruments and hedging activities:* Derivatives are used solely to hedge interest and exchange rate risk associated with bonds issued, and other assets and liabilities that are denominated in currencies and rates other than the U.S. dollar and the SOFR in-arrears rate. (see notes 2, and 8.6-(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 with investment grade credit rating, 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.

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 Bank discontinues hedge accounting when it the derivative expires, is sold, terminated, or exercised; the hedge asset or the liability expires, is sold, terminated, or exercised; or when 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 8.7, contains a detailed explanation of the special funds and their purpose, and the balance owed to each one as of December 31, 2025, 2024, and 2023.

#### 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 8.7 – c), provides a detailed explanation and breakdown of the PAC liability as of December 31, 2025, 2024, and 2023.

#### 4.14 Capital

Authorized capital consists of capital shares payable in cash and shares of callable capital. The capital payable in cash represents the portion of the authorized capital that must be subscribed and paid by the member countries.

#### NOTE 5 – SIGNIFICANT ESTIMATES AND JUDGEMENTS

The financial statements are prepared in accordance with IFRS Accounting 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:

- Potential impairment of investments carried at amortized cost – Note 8.4 – (ii),
- Potential impairment of the loan portfolio – Note 8.5 – (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 8.6 (ii).

#### Climate-related issues

The Bank recognizes the importance of managing climate risks and environmental sustainability to achieve the desired development impact through its financing. The Bank promotes projects to mitigate the impact on the environment and reduce the carbon footprint in all its operations by adhering to best practices in environmental matters and direct subsidies through specific lines of financing with reduced rates for green and sustainable projects.

Starting in 2025, the Bank is in the process of adopting the new standards for sustainability-related financial disclosure, IFRS S1 and S2, which require it to disclose information on risks and opportunities in environmental sustainability. In this regard, the Bank has taken the necessary measures to comply with the new standards and start reporting such information in 2026, as well as updating its Sustainable Debt Framework.

In terms of its direct impact or carbon footprint, by 2025 the Bank has developed and implemented an internal process to capture and measure the direct impact of its operation, resulting in a report with its first inventory of greenhouse gas (GHG) emissions, associated with its operation. This measurement was conducted by applying the methodology of the GHG Protocol and the ISO 14064-1:2018 standard, an approach that ensures comparability with international best practices, reinforces the traceability of the results, and facilitates the repetition and improvement of subsequent measurements. Total GHG emissions from the Bank's operation in 2025 amount to 1,281.6 tCO<sub>2</sub>e equivalent to an average cost of \$0.04 in carbon credits.

#### Macroeconomic and geopolitical uncertainty

The Bank considers that changes in macroeconomic and geopolitical conditions and their effect on the price of investments and derivative financial instruments are contemplated within their 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 8.6 – (ii), 99.3% of financial assets and 49.0% of financial liabilities are denominated in U.S. dollars. 0.7% of assets and 51.0% of liabilities have been denominated in currencies other than the Bank's functional currency and are hedged through cross-currency swaps.	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 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	Risk of experiencing fluctuations in lending and borrowing rates applicable to the Bank's loans, and debt.	Sensitivity analysis	The Bank has established policies for the determination of interest rates, allowing it to mitigate the potential effects of

Risk	Source of Exposure	Measurement	Risk Management
	<p>See Notes 2; 4; 8.5; 8.6 (ii), 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>		<p>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>
<p>Market risk – Security prices</p>	<p>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.</p>	<p>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</p>	<p>The Bank does not have investment in equity instruments that might be exposed to price risk.</p> <p>Bonds classified in the available for sale portfolio are monitored on a regular basis. Starting 2025, the Bank opened a pilot program for the investment in ETFs focused on US T-Bills which given their nature, are classified as trading investments.</p>
<p>Credit risk</p>	<p>Cash and cash equivalents, investments valued at fair value with changes in profit and loss, investments valued at fair value with changes in OCI, investments valued at amortized cost, and derivative</p>	<ul style="list-style-type: none"> <li>- Arrears analysis based on the aging of loans, derivatives, bonds, and other instruments.</li> <li>- Credit ratings</li> <li>- Loan loss provision</li> </ul>	<p>Diversification of bank deposits and applicable loan limits.</p> <p>Investment policies and guidelines and credit rating of counterparts.</p> <p>Limits for concentration of credit risk applied to member</p>

Risk	Source of Exposure	Measurement	Risk Management
	financial instruments designated as fair value hedges of specific borrowings.		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 II.

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

Approximately 99.9% of financial assets and 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 December 31, 2024, all loan contracts that make up the loan portfolio pending collection had been converted at the SOFR in arrears rate modality plus a fixed margin. As of December 31, 2023, the loan contracts signed with Bolivia were pending conversion, which were temporarily expressed at the synthetic Libor rate, and three loan contracts in municipalities in Brazil that continued at the 6-month Libor rate until its conversion to the SOFR in arrears rate in the first quarter of 2024. 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 fixed lending margin in response to sudden and significant changes in relevant assumptions used. The Bank regularly reassesses the reasonableness of its underlying assumptions and the model to ensure the proper management of exposure to interest rate risk.

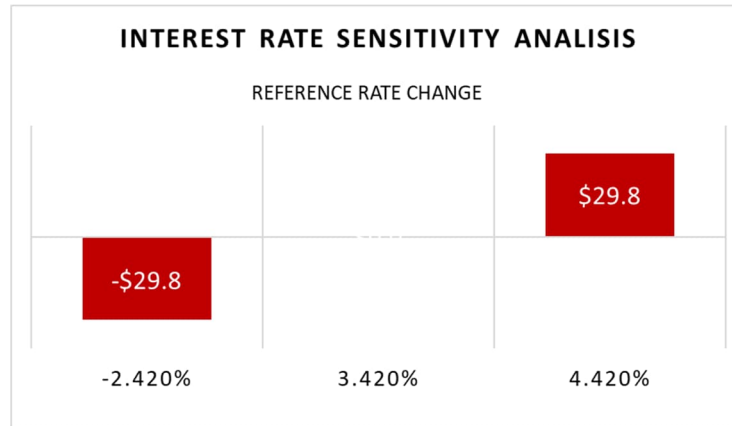
In compliance with its income management and financial charges policy, the Bank annually establishes a fixed margin applicable to new loans to be granted in the upcoming year (Operating Lending Rate or "TOR"). For non-sovereign guaranteed loans approved after March 3, 2023, the Board of Executive Directors approved maintaining the current lower threshold and a reduction of 25 basis points to the upper threshold for the fixed-margin or TOR (RES/DEJ-1532/24), maintaining unchanged all financial conditions approved for sovereign guaranteed loans on March 15, 2022 (RES/DEJ1490/22).

In compliance with its policy of managing income and financial charges, the Bank establishes annually a fixed margin applicable to new lending operations during the coming year ("Tasa Operativa Compensada" or TOC). For non-sovereign guaranteed loans approved after March 3, 2023, the Executive Board approved maintaining the current limits between 240 and 440 basis points (DEJ/RES-1553/25). For sovereign-guaranteed loans, the Board of Executive Directors approved maintaining the TOC within the current limit of 280 basis points for loans between 15 and 20 years (DEJ/RES-1552/25), authorizing the Executive President to determine the TOC for each financing without exceeding the current limit. An additional category of the TOC was also added for members with investment grade risk ratings, the commitment fee was maintained at 35 basis points, and the administration fee at 15 basis points, respectively.

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 342 basis points.

Accordingly, the analysis yields a maximum and a minimum for the weighted average reference rate of 442 – 242 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 \$29.8.



### 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).

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 three portfolios:

- Marketable investments: they consist of "Exchange Traded Funds" or ETFs, bonds, and other instruments that due to their high liquidity are listed on the stock exchange and can be liquidated immediately. These investments are valued at fair value through profit or loss (FVPL).
- 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 8.8, 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 trading valued at fair value with changes in income and 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 December 31, 2025, 2024, and 2023:

	Sensitivity analysis of investments								
	December 31, 2025			December 31, 2024			December 31, 2023		
	Book value <sup>1</sup>	Maximum		Book value <sup>1</sup>	Maximum		Book value <sup>1</sup>	Maximum	
		loss exposure	Variation		loss exposure	Variation		loss exposure	Variation
\$	\$	%	\$	\$	%	\$	\$	%	
Trading investments with changes in income	51.3	1.0	1.95	--	--	--	--	--	--
Available for sale investments up to 12-months – OCI <sup>2</sup>	289.8	1.3	0.45	290.4	1.0	0.35	176.8	0.7	0.42
Available for sale investments greater than 12-months – OCI	734.7	17.1	2.33	119.2	2.2	1.86	199.6	3.8	1.89
<i>Total</i>	<u>1,075.8</u>	<u>19.4</u>	<u>1.80</u>	<u>409.6</u>	<u>3.2</u>	<u>0.79</u>	<u>376.4</u>	<u>4.5</u>	<u>1.20</u>

<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 December 31, 2025, the held-to maturity investment portfolio includes fixed –term certificates of deposits and commercial paper for an amount of \$309.9 (December 2024 and 2023 - \$288.7, and \$264.9, respectively in held-to-maturity investments corresponding to certificates of deposit and December 2023, \$24.4 in available-for-sale bonds) and investment in sweep accounts of \$48.1 (December 2024 and 2023 - \$21.5, and \$12.3, respectively). 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 December 31, 2025, 95% of loans outstanding consist of sovereign guaranteed loans granted to member countries (December 2024 and 2023 – 95%). In 2020, following the approval of a new line of financing without the sovereign guarantee, the Bank begun lending to government majority owned financial institutions and enterprises. Since then and through December 31, 2025, the Bank has approved NSG financings for an amount of \$239.0 in eight loans of which two for \$48.0 were cancelled, and \$221.0, were disbursed (December 2024 - \$239.0 approved and \$201.0, disbursed, and 2023 - \$164.0 approved and \$141.5 disbursed), and received principal amortizations for \$101.5 (December 2024 and 2023 - \$79.0, and \$43.2, respectively), for a total outstanding of \$126.5 (December 2024 and 2023 - \$129.0 and \$98.3, respectively). For further detail see Notes 2, and 8.5 (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.

Sovereign Guaranteed Loan Portfolio Credit Risk Exchange Agreement: The Bank reduces the credit risk concentration of its sovereign guaranteed loan portfolio by joining and transacting under a Master Credit Exposure Exchange Agreement (EEA) with another MDB. This Agreement has the effect of reducing the concentration of the loan portfolio to credit risk by simultaneously exchanging with another MDB hedging for possible cases of non-accumulation of income in exposures to borrowing countries in which the institution maintains a concentration in other countries in which the institution has low or no exposure. using guarantees that compensate for the amount and level of risk relative to the time of entry into force of the Agreement.

Effective November 27, 2025, the Bank executed its first transaction under the EEA signed with CABEL. The amount of credit exposures exchanged between the two institutions is less than 50% of each individual exposure after considering all credit protections. The EEA is recorded as an exchange of separate financial guarantees (granted and received). For more information, see Note 8.5 (iv).

As of December 31, 2025, the Bank is a buyer (received a financial guarantee from another MDB) and seller (provided a financial guarantee in favor of another MDB) of the following sovereign guaranteed loans, and exposure amounts held with borrowing countries:

Guarantee Granted to CABEL - EEA December 31, 2025		
Country	Amount \$	Credit Rating
El Salvador	104.0	B-
Nicaragua	208.0	B+
Honduras	52.0	BB-
Panamá	52.0	BBB-
República Dominicana	52.0	BB
<i>Total</i>	<u>468.0</u>	

Guarantee Received from CABEL - EEA December 31, 2025		
Country	Amount \$	Credit Rating
Argentina	84.2	CCC
Uruguay	55.0	BBB+
Bolivia	117.0	CCC-
Paraguay	93.8	BB+
Brazil	100.0	BB
<i>Total</i>	<u>450.0</u>	

As of December 31, 2025, and since the entry into force of the portfolios exchanged under the EEA, there have been no non-revenue accrual events with the countries covered by the EEA (both buyer and seller). The Bank expects to fully recover all its sovereign-guaranteed exposures.

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 December 31, 2025, 2024, and 2023, the average credit risk rating of the investment portfolio was AA, 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 8.7), loan disbursements, debt service, and the payment of obligations stemming from its administrative and capital expenditure requirements for a 12-month period. For the year ended as of December 31, 2025, 2024, and 2023, 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 December 31, 2025, 2024 and 2023:

	<u>As of December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Financial Assets			
Cash and cash equivalents – Note 8.1 and 8.3	380.7	339.4	324.2
Investments – Notes 8.2 and 8.3 <sup>1</sup>	1,075.8	428.8	406.4
Gross liquidity	<u>1,456.5</u>	<u>768.2</u>	<u>730.6</u>
Financial Liabilities			
Fair value hedge derivatives– Note 8.6 (ii)	3.2	1.7	--
Borrowings – Note 8.6	2,177.9	1,380.1	1,050.0
Other liabilities – Note 9.3	25.9	18.0	16.0
Special funds – Note 8.7	27.6	27.3	24.5
Total Liabilities	<u>2,234.6</u>	<u>1,427.1</u>	<u>1,090.5</u>

<sup>1</sup>Includes investments at amortized cost in the amount of \$0.0 in 2025 (2024 - \$19.2, and 2023 - \$30.0, respectively).

Liquid assets coverage of the amount of net estimated disbursements was equivalent to 1.69, 1.21, and 1.23, years, as of December 31, 2025, 2024 and 2023, 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.

### 7.1.1 Change from the 6-month USD LIBOR interest rate to the SOFR interest rate

As explained in 6.2, the Bank's loan interest rate until December 31, 2021, is based on the 6-month USD LIBOR plus a fixed margin. The 6-month LIBOR is calculated and published daily by ICE Benchmark Administration (IBA); an organization regulated by the United Kingdom's Financial Conduct Authority (FCA). IBA has announced that following consultation to and authorization from FCA, starting on January 1st, 2022, it will discontinue the publication of 7-days and 60-day LIBOR. Additionally, IBA announced that the rest of the term-LIBORs, which includes the 6-month USD LIBOR in use by the Bank, will be discontinued on July 1, 2023, also following consultation to and authorization from FCA. Such change has implications for all transactions that have a 6-month USD LIBOR variable component; namely, the totality of the Bank's loan portfolio, borrowings from other multilaterals and agencies, and the variable leg of existing derivatives designated as fair value hedges.

The ARRC is the organization that oversaw the alternative rate to replace the USD LIBOR. In 2017 the ARRC identified the Secured Overnight Financing Rate (SOFR) as the replacement rate for the USD LIBOR. The New York Federal Reserve Bank is the administrator of SOFR and produces and publishes the rate daily, including averages for various maturities and the SOFR index. The ARRC has issued recommendations on fallback language, the use of a USD LIBOR/SOFR margin and other topics.

As of the end of the first quarter of 2024, the Bank has completed the transition from the 6-month Libor rate to the SOFR in arrears rate in all loan agreements that were signed prior to January 1, 2022.

### 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:

	Note	Financial assets and liabilities carried at fair value <sup>1</sup> \$	Financial assets and liabilities carried at amortized cost \$	Total \$
<u>December 31, 2025</u>				
Financial assets:				
Cash at banks	8.1	21.8	-.	21.8
Cash equivalents (investments at amortized cost and sweep account)	8.1 and 8.4	-.	358.9	358.9
Investments at fair value with changes in income	8.2	51.3	-.	51.3
Investments at fair value with changes in OCI <sup>1</sup>	8.3	1,033.8	-.	1,033.8
Investments at amortized cost <sup>2</sup>	8.4	-.	-.	-.
Loan portfolio <sup>3</sup>	8.5	-.	2,612.6	2,612.6
<i>Total financial assets</i>		<u>1,106.9</u>	<u>2,971.5</u>	<u>4,078.4</u>
Financial liabilities:				
Borrowings	8.6	(1,604.6)	(573.3)	(2,177.9)
Special funds	8.7	-.	(27.6)	(27.6)
Other liabilities	9.3	-.	(25.9)	(25.9)
<i>Subtotal</i>		<u>(1,604.6)</u>	<u>(626.8)</u>	<u>(2,231.4)</u>
Fair value hedge derivatives	8.6	(3.2)	-.	(3.2)
<i>Total financial liabilities</i>		<u>(1,607.8)</u>	<u>(626.8)</u>	<u>(2,234.6)</u>
<i>Net financial assets</i>		<u>(500.9)</u>	<u>2,344.7</u>	<u>1,843.8</u>

	<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> \$
<u>December 31, 2024</u>				
Financial assets:				
Cash at banks	8.1	28.0	--	28.0
Cash equivalents (investments at amortized cost and sweep account)	8.1 and 8.4	--	311.4	311.4
Investments at fair value with changes in OCI <sup>1</sup>	8.3	412.5	--	412.5
Investments at amortized cost <sup>2</sup>	8.4	--	19.4	19.4
Loan portfolio <sup>3</sup>	8.5	--	2,397.6	2,397.6
<i>Total financial assets</i>		<u>440.5</u>	<u>2,728.4</u>	<u>3,168.9</u>
Financial liabilities:				
Borrowings	8.6	(925.3)	(454.8)	(1,380.1)
Special funds	8.7	--	(27.3)	(27.3)
Other liabilities	9.3	--	(18.0)	(18.0)
<i>Subtotal</i>		<u>(925.3)</u>	<u>(500.1)</u>	<u>(1,425.4)</u>
Fair value hedge derivatives	8.6	(1.7)	--	(1.7)
<i>Total financial liabilities</i>		<u>(927.0)</u>	<u>(500.1)</u>	<u>(1,427.1)</u>
<i>Net financial assets</i>		<u>(486.5)</u>	<u>2,228.3</u>	<u>1,741.8</u>
	<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> \$
<u>December 31, 2023</u>				
Financial assets:				
Cash at banks	8.1	45.3	--	45.3
Cash equivalents (investments at amortized cost)	8.1 and 8.4	--	278.9	278.9
Investments at fair value with changes in OCI	8.3	379.4	--	379.4
Investments at amortized cost <sup>2</sup>	8.4	--	30.3	30.3
Loan portfolio <sup>3</sup>	8.5	--	1,892.8	1,892.8
<i>Subtotal</i>		<u>424.7</u>	<u>2,202.0</u>	<u>2,626.7</u>
Fair value hedge derivatives	8.6	6.8	--	6.8
<i>Total financial assets</i>		<u>431.5</u>	<u>2,202.0</u>	<u>2,633.5</u>
Financial liabilities:				
Borrowings	8.6	(743.7)	(306.3)	(1,050.0)
Special funds	8.7	--	(24.5)	(24.5)
Other liabilities	9.3	--	(16.0)	(16.0)
<i>Total financial liabilities</i>		<u>(743.7)</u>	<u>(346.8)</u>	<u>(1,090.5)</u>
<i>Net financial assets</i>		<u>(312.2)</u>	<u>1,855.2</u>	<u>1,543.0</u>

<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 8.6(ii). The maximum exposure to credit risk as of December 31, 2025, 2024, and 2023 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 December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$
Cash at banks	21.8	28.0	45.3
Time deposits and short-term bonds and sweep accounts <sup>1</sup>	358.9	311.4	278.9
Total <sup>2, 3</sup>	<u>380.7</u>	<u>339.4</u>	<u>324.2</u>

<sup>1</sup>The total shown under this line item as of December 31, 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 \$309.9 and \$0.9, respectively (December 2024 and 2023 - \$288.7 and \$1.2, \$264.9, and \$1.8, respectively). In addition, it includes investments held in an interest-bearing sweep account opened with the Bank for International Settlements (BIS) for \$48.1, and \$0.005 of accrued interest (December 2024 and 2023 - \$21.5 and \$0.003; and \$12.3 and \$0.001, respectively) (see Note 8.4).

<sup>2</sup>Opening balances and partial sums include differences due to rounding.

<sup>3</sup>The balances do not include any restrictions.

### 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.

## 8.2. Investments carried at fair value through profit or loss.

Investments classified under this category correspond to exchange-traded funds (“ETFs”) concentrated in U.S. Treasury bonds and are part of a pilot program launched by the Bank in 2025. As of December 31, 2025, the Bank held \$51.3. As indicated in Note 4.8 (i), these investments are measured at fair value, with changes in profit or loss.

## 8.3. 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 December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$
Sovereign bonds	428.1	278.1	262.2
Multilateral development institutions – Bonds	596.4	131.5	114.2
<i>Subtotal</i>	<u>1,024.5</u>	<u>409.6</u>	<u>376.4</u>
Accrued interest receivable	9.3	2.9	3.0
<i>Total</i>	<u>1,033.8</u>	<u>412.5</u>	<u>379.4</u>

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 included in the determination of the results of the year.

(i) Investments with related parties

As of December 31, 2025, 2024, and 2023, 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 year ended as of December 31, 2025, the Bank has accumulated unrealized gains in the amount of \$5.8 in its statement of comprehensive income (December 2024 and 2023 - \$2.7 of unrealized losses, and \$4.2 of unrealized gains, respectively, in other comprehensive income). These unrealized gains and losses consist of a gain in market value adjustments of investments of \$5.8 (December 2024 and 2023 - \$2.6 of unrealized losses, and \$4.2 of unrealized gains, respectively); and \$0.025 for depreciation of the property revaluation reserve in 2025 (December 2024 and 2023 - \$0.1, and \$0.024, resulting from the reduction on the revaluation reserve).

(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 8.8.

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.

8.4 Investments carried at amortized cost (*included in cash and cash equivalents*)

The Bank values investments held at maturity at amortized cost, when the financial assets are held within a business model whose objective is achieved by obtaining cash flows stipulated in the respective contract, on specified dates, which correspond to principal amortizations and interest payments.

Based on the results of the potential impairments affecting investments held at amortized cost, the Bank determined that their carrying amount as of December 31, 2025, 2024, and 2023, is lower than the fair value established based on the market price, so no valuation adjustment was made.

Investments classified under this category correspond to certificates of deposit and bonds. As of December 31, 2025, these investments amount to \$309.9, consisting of investments with an original maturity that does not exceed 90 days. These deposits were entirely reclassified as cash and cash equivalents (December 2024 and 2023 - \$308.0, and \$288.7, including \$19.2 with an original maturity of up to 90 days, and \$264.9 and \$30.0, respectively). The following table shows the composition of investments prior to any reclassifications.

	<u>2025</u>	<u>As of December 31,</u> <u>2024</u>	<u>2023</u>
	\$	\$	\$
<u>Investments and certificates of deposit</u>			
Sovereign	9.9	63.9	40.6
Multilateral development institutions	20.0	144.6	132.7
Financial entities	280.0	99.5	121.5
<i>Subtotal</i>	<u>309.9</u>	<u>308.0</u>	<u>294.8</u>
Principal invested	309.9	308.0	294.8
Accrued interest receivable	0.9	1.3	2.1
<i>Total</i>	<u><u>310.8</u></u>	<u><u>309.3</u></u>	<u><u>296.9</u></u>

## 8.5 Loan portfolio

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

	<u>2025</u>	<u>As of December 31,</u> <u>2024</u>	<u>2023</u>
<u>Country</u>	\$	\$	\$
Argentina	598.9	643.2	460.8
Bolivia	431.7	434.0	440.6
Brazil	379.0	268.5	206.3
Paraguay	455.7	379.9	342.3
Uruguay	598.8	527.4	328.9
<i>Gross loan portfolio with sovereign guarantee (SG)</i>	<u>2,464.1</u>	<u>2,253.0</u>	<u>1,778.9</u>
<i>Gross loan portfolio with non-sovereign guarantee (NSG)</i>	<u>126.5</u>	<u>129.0</u>	<u>98.3</u>
<i>Total gross loan portfolio</i>	<u>2,590.6</u>	<u>2,382.0</u>	<u>1,877.2</u>
Less: Unaccrued administrative fee	(6.1)	(7.9)	(4.5)
More: Deferred loan origination costs	0.2	-.-	-.-
<i>Subtotal loan portfolio</i>	<u>2,584.7</u>	<u>2,374.1</u>	<u>1,872.7</u>
Less: Provision for potential impairment on SG loans	(16.8)	(18.6)	(17.8)
Less: Provision for potential impairment on NSG loans	(3.1)	(3.2)	(1.6)
<i>Net loan portfolio</i>	<u><u>2,564.8</u></u>	<u><u>2,352.3</u></u>	<u><u>1,853.3</u></u>

As of December 31, 2025, 2024, and 2023, loan interest and commission receivable amounts to \$48.1, \$47.3, and \$39.5, respectively.

As of December 31, 2025, 2024, and 2023, all loans were classified in stage 1. The amount of provision for potential impairment of loans was as follows:

	<u>As of December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$
Provision as of the beginning of the period or year SG <sup>1</sup>	18.7	17.8	12.4
Increase/decrease on provision of SG loans	(1.9)	0.8	5.4
<i>Subtotal Provision GS</i>	<u>16.8</u>	<u>18.6</u>	<u>17.8</u>
Opening NSG provision	3.2	1.6	1.1
Increase/decrease on NSG provision	(0.1)	1.6	0.5
<i>Subtotal NSG Provision</i>	<u>3.1</u>	<u>3.2</u>	<u>1.6</u>
<i>Total provision for potential impairment on loans</i>	<u><u>19.9</u></u>	<u><u>21.8</u></u>	<u><u>19.4</u></u>

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

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

	<u>As of December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$
Up to one year	215.7	221.4	217.0
Greater than one and up to two years	241.4	208.9	195.6
Greater than two and up to three years	285.7	224.9	184.4
Greater than three and up to four years	285.7	255.4	189.1
Greater than four and up to five years	269.1	248.3	195.9
Greater than five years	1,293.0	1,223.1	895.2
<i>Total gross loan portfolio</i>	<u><u>2,590.6</u></u>	<u><u>2,382.0</u></u>	<u><u>1,877.2</u></u>

(i) Loan portfolio classification

95% 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% of gross loans outstanding as of December 31, 2025 (December 2024 and 2023 – 5%).

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.

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 December 31, 2025, the balance of non-sovereign guaranteed loans pending collection amounts to \$126.5 (December 2024 and 2023 - \$129.0, and \$98.3, respectively), which represents a decrease of approximately 1.9% (2024 and 2023, increase of 31.2% and 29.4%, respectively).

These financings consist of revolving credit lines with 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 Flexible Financing Facility (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 with its policy on financial assets and liabilities, the Bank contracted a cross-currency swap with HSBC. Furthermore, on January 24, 2025, the Bank approved another operation within this framework for \$20.0, which was disbursed in full on March 24, 2025, in BRL and at the CDI rate. The Bank also contracted a cross-currency swap to hedge this transaction 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.

For credit exposures for financial guarantees granted and received, the Bank records a liability and an asset during the contractual period in which the Bank is exposed to credit risk.

### (iv) Exposure Exchange Risk Agreement (EEA) of loan portfolio with sovereign guarantee

As of December 31, 2025, the Bank executed its first credit exposure swap transaction with Central American Bank for Economic Integration (CABEI), which is another MDB. Through this transaction, the Bank received a guarantee to reduce its exposure to credit risk in its sovereign guaranteed loan portfolio for \$450.0 and granted a financial guarantee to CABEI in the amount of \$468.0. The expiration date of this EEA is November 27, 2040.

Under the Agreement, both institutions must retain at least 50% of each individual credit risk exposure after considering all credit protections.

This credit risk exposure exchange transaction was recognized in the Bank's accounting records as an exchange of two separate financial guarantees (granted and received). As of December 31, 2025, the Bank is a buyer of \$468.0 in the loan portfolio of CABEL, for which it receives a financial guarantee, and seller of \$450.0 in loans granted to its member countries for which it provides a financial guarantee to CABEL (see Note 6.4, for a detailed composition of the CABEL and FONPLATA's concentration of risk exchanged).

As of December 31, 2025, and since the effective date of the portfolios exchanged under the EEA, there has been no event of non-cumulative income under the guarantee granted and received by the Bank. The carrying amount of the guarantee granted amounted to \$468.0, and that of the guarantee received to \$450.0, as of December 31, 2025, and are recorded in Other Liabilities and Miscellaneous Assets, respectively. The net change between the estimated provision for potential loan losses on the portion of the portfolio ceded by the Bank to CABEL and the portion insured by the Bank to CABEL as of December 31, 2025, resulted in a reduced charge for loan provisioning of \$0.3.

## 8.6 Borrowings

Borrowings include outstanding loans with multilateral development banks and other bilateral organizations; financial institutions; bonds and certificates of deposit from Central Banks of the member countries that were repaid on May 5, 2023. 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 swap's receivable and payable together with the amount of collateral received from JPM, HSBC, BBVA, DB, and SMBC consists of a net payable of \$3.0 as of December 31, 2025, which was settled in January 2026. As of December 31, 2024, and 2023, the balance was receivable and amounted to \$0.4 and \$6.8, respectively. The \$6.8 balance was settled in January 2025. These balances are shown under "Fair value hedged derivatives", in the statement of financial position.

Total borrowings as of December 31, 2025, 2024, and 2023, are as follows:

	<u>2025</u>	<u>As of December 31,</u> <u>2024</u>	<u>2023</u>
	\$	\$	\$
Borrowings			
Borrowings and lines of credit	569.6	537.6	309.1
Borrowings at fair value <sup>1</sup>	95.0	66.9	133.7
<i>Subtotal</i>	<u>664.6</u>	<u>604.5</u>	<u>442.8</u>
Bonds at fair value	1,523.2	783.4	610.0
<i>Gross portfolio</i>	<u>2,187.8</u>	<u>1,387.9</u>	<u>1,052.8</u>
Less: unamortized borrowing costs	(9.9)	(7.8)	(2.8)
<i>Total</i>	<u><u>2,177.9</u></u>	<u><u>1,380.1</u></u>	<u><u>1,050.0</u></u>

<sup>1</sup>Include borrowings denominated in Euros at the Euribor rate contracted with the AFD and KfW, which has been swapped into US dollars at the compounded SOFR in arrears rate. These borrowings as well as their corresponding hedges are valued at their fair value as of December 31, 2025, of \$50.6 and \$44.4, respectively (December 2024, and 2023 - \$33.3 and \$33.5, and \$9.6 and \$24.1, respectively) (see Note 8.6 (i)).

(i) Loans and lines of credit from MDBs and other institutions

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 December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$
Corporación Andina de Fomento (CAF) – See (1) below	125.0	75.0	100.0
Inter-American Development Bank (IDB) – See (2) below	185.0	167.8	133.0
French Development Agency (AFD) – See (3) below	50.6	48.8	26.9
European Investment Bank (EIB) - See (4) below	59.6	60.0	60.0
Official Credit Institute E.P.E. (ICO) – See (5) below	30.8	14.4	15.5
Banco Bilbao Vizcaya Argentaria (BBVA) – See (6) below	141.7	175.0	83.3
Kreditanstalt für Wiederaufbau (KfW) – See (7) below	44.4	33.5	24.1
CDP – Cassa Depositi e Prestiti S.P.A. – See (8) below	27.5	30.0	-.
Total	<u>664.6</u>	<u>604.5</u>	<u>442.8</u>

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 8.6 (ii)).

Among the contractual clauses of the debts contracted with the AFD and 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) Within the framework of its financial policy for strategic liquidity management, on September 17, 2021, the Bank signed a non-revolving line of credit in the amount of \$100.0 which expired on June 10, 2022. On June 9, 2022, the Bank canceled the amount pending payment under the line of credit maintained with CAF, since November 2016. 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. 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 8.6 (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. 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, and on April 3, 2025, the Bank drew-down \$50.0.

- (2) On March 7, 2022, the Bank entered into a second financing agreement in the amount of \$100.0 with 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 the 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, funds 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, 2025, the Bank drew-down \$22.2 against this new line of credit (December 31, 2024, and 2023 disbursed \$39.8, and \$19.6, respectively). During the year ended December 31, 2025, the Bank amortized \$5.0 against the first tranche (2024 and 2023 - \$5.0, respectively).

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:

Loans	As of December 31, 2025	
	IDB	
	Eligible	Disbursed <sup>3</sup>
<u>Active line of credit 2022 \$100.0:</u>		
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	9.7
BOL-34/2021-Employment generation	40.7	39.2
BRA-21/2018 Itajaí 2040 <sup>1</sup>	40.3	28.7
BRA-23/2019 Ponta Pora	25.0	7.9
<i>Subtotal</i>	148.9	100.0
<i>Not financed by IADB</i>	(48.9)	-.-
<i>Total credit line</i>	100.0	100.0

<sup>3</sup> The amounts to be disbursed by the IDB in eligible operations have been fully disbursed as of December 31, 2025.

<u>Loans</u>	As of December 31, 2024		
	IDB		
	<u>Eligible</u>	<u>Disbursed</u>	<u>To be disbursed<sup>2</sup></u>
<u>Active line of credit 2022 \$100.0:</u>			
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	-.-
<i>Subtotal</i>	<u>148.9</u>	<u>77.8</u>	<u>22.2</u>
<i>Not financed by IADB</i>	<u>(48.9)</u>	<u>-.-</u>	<u>-.-</u>
<i>Total credit line</i>	<u>100.0</u>	<u>77.8</u>	<u>22.2</u>

<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.

	As of December 31, 2023		
	IDB		
	<u>Eligible</u>	<u>Disbursed</u>	<u>To be disbursed</u>
<u>Active line of credit 2022:</u>			
ARG-28/2016 Compl. Fronterizos	20.0	10.4	9.6
ARG-40/2018 Acceso Pto. Las Palmas	10.0	-.-	10.0
BRA-21/2018 Itajaí 2040	45.0	19.6	25.4
BRA-23/2019 Ponta Pora	25.0	7.9	17.1
<i>Total credit line</i>	<u>100.0</u>	<u>37.9</u>	<u>62.1</u>

- (3) As of June 29, 2022, the Bank signed a second line of credit with 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, 2025, amounts to \$50.6, consisting of \$13.7 and EUR 30.0 equivalent to \$36.9 (2024- \$48.8 consisting of \$15.5 and EUR 30.0 equivalent to \$33.3 and 2023- \$26.9 consisting of \$20.0 and EUR 8.0 equivalent to \$6.9). 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 8.6 (ii)). During the year ending as of December 31, 2025, the bank amortized \$1.8 against the dollar denominated line (2024 - \$1.8).

As of December 31, 2025						
AFD						
<u>Loans</u>	<u>Total project cost</u>	<u>Eligible</u>	<u>Disbursed</u>	<u>Available</u>	<u>To be financed by FONPLATA</u>	
ARG-48/2020-CHACO HOSPITALS – Stage II <sup>1</sup>	20.0	9.0	9.0	-.-	11.0	
BRA-33/2022-DOURADOS <sup>2</sup>	38.5	12.0	11.0	1.0	27.5	
BRA-29/2021-INDAIATUBA <sup>2</sup>	28.9	14.2	10.0	4.2	18.9	
<i>Total Euros</i>	87.4	35.2	30.0	5.2	57.4	
<i>Not financed by AFD</i>	-.-	(5.2)	-.-	-.-	-.-	
<i>Total credit line Euros</i>	87.4	30.0	30.0	5.2	57.4	
<i>USD equivalent</i>	102.8	35.3	35.3	6.1	67.5	
Line denominated in USD 2018	20.0	20.0	20.0	-.-	-.-	
<i>Total</i>	122.8	55.3	55.3	6.1	67.5	

<sup>1</sup>The ARG-48/2020 project replaces the ARG-51/2021 PROSAF Project.

<sup>2</sup>The amounts shown as disbursed in 2024 are subject to change as a result of the advance funds accountability process.

As of December 31, 2024						
AFD						
<u>Loans</u>	<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	
<i>Total Euros</i>	80.2	30.0	30.0	-.-	50.2	
<i>USD equivalent</i>	83.4	31.2	31.2	-.-	52.2	
Line denominated in USD 2018	20.0	20.0	20.0	-.-	-.-	
<i>Total</i>	103.4	51.2	51.2	-.-	52.2	

As of December 31, 2023						
AFD						
<u>Loans</u>	<u>Eligible</u>	<u>Disbursed</u>	<u>Available</u>	<u>FONPLATA</u>	<u>To pay</u>	
ARG-51/2021-PROSAF	3.8	3.8	-.-	9.5	-.-	
BRA-33/2022-DOURADOS	11.4	4.2	7.2	28.6	-.-	
Projects to be identified	14.8	-.-	14.8	-.-	-.-	
<i>Total Euros</i>	30.0	8.0	22.0	38.1	8.0	
<i>USD equivalent</i>	33.1	8.8	24.3	42.1	8.8	
Line denominated in USD 2018	20.0	20.0	-.-	-.-	17.3	
<i>Total</i>	53.1	28.8	24.3	42.1	26.1	

- (4) On April 29 and December 6, 2022, the Bank received from 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 in 2024. During the year ended December 31, 2025, principal amortizations were made under this credit facility for \$0.4 (2024 - \$0 amortized).
- (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 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, for \$15.0, of 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 \$1.1 in 2023, leaving the outstanding balance as of year-end in \$15.5. On May 16, 2024, the Bank signed a third line of credit in the amount of \$25.0. During the year ended December 31, 2025, \$17.8 were disbursed and \$1.4 were amortized for an outstanding balance of \$30.8 (2024 - \$1.1 amortized 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:

	As of December 31,2025		
	ICO		
	Eligible	Disbursed	Available
PAR 29/2022 ANDE CHACO <sup>1</sup>	25.0	17.8	7.2
Total	25.0	17.8	7.2

<sup>1</sup>During 2024, no disbursements were recorded in eligible projects. In 2025, the project that finances electrical works in the Paraguayan Chaco, executed by ANDE, was identified, so the entire eligible amount pending disbursement under this line was reclassified.

Loans	As of December 31,2024		
	ICO		
	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	25.0	-.	25.0

Loans	As of December 31,2023		
	ICO		
	Eligible	Disbursed	Available
ARG 23/2015 Ferrocarril Belgrano SUR	12.6	12.2	0.4
Total	12.6	12.2	0.4

- (6) In June 2021, the Bank signed and disbursed in full a 5-year term credit facility in the amount of \$100.0 with BBVA. Furthermore, on November 19, 2024, the Bank contracted a new line of credit in the amount of \$125.0, which was fully disbursed. During the year ended as of December 31, 2025, the Bank amortized \$33.3 under this line for a balance outstanding as of the end of the year of \$141.6 (during the years ended as of December 31, 2024, and 2023, the Bank amortized \$33.3, and \$16.7, respectively, leaving an outstanding balance as of the end of each year of \$175.0, and \$83.3, respectively).
- (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, which was also hedged through a cross-currency swap contracted with BBVA. On December 5, 2025, the Bank disbursed EUR 5.5 under this new line at the Euribor rate. This disbursement was also hedged through a cross-currency rate contracted with BBVA for \$6.4, at the SOFR in arrears. During the year ending as of December 31, 2025, there were no amortizations of principal (2024 - \$0.0 amortized).

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 as of December 31, 2025, 2024 and 2023, and the amount pending disbursement:

<u>Loans</u>	As of December 31, 2025			
	KfW			
	<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		--
<i>Total Euros</i>	<u>37.0</u>	<u>37.0</u>		--
<i>USD equivalent</i>	<u>43.5</u>	<u>43.5</u>		--

<u>Loans</u>	As of December 31, 2024			
	KfW			
	<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	
<i>Total Euros</i>	<u>37.0</u>	<u>31.5</u>	<u>5.5</u>	
<i>USD equivalent</i>	<u>38.4</u>	<u>32.7</u>	<u>5.7</u>	

Loans	As of December 31, 2023		
	KfW		
	Eligible	Disbursed	Available
ARG23/2015 Belgrano Sur	10.5	-.	10.5
PAR26/2018 Ande Valenzuela	21.0	21.0	-.
PAR29/2022 Ande Chaco	5.5	-.	5.5
Total Euros	37.0	21.0	16.0
USD equivalent	40.8	23.2	17.6

(8) On May 23, 2024, the Bank signed \$30.0 under its first credit line with CDP, 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 year ended as of December 31, 2025, \$2.5 was amortized (2024 and 2023 - \$0.0 amortized). During fiscal year 2025, the Bank took funds from the uncommitted revolving credit lines with CAF for \$50.0, \$22.2 IDB, \$17.8 with ICO, and EUR 5.5, equivalent to \$6.4 with KfW. On December 18, 2025, the Bank signed a new line of credit with Cassa Depositi e Prestiti S.P.A. (CDP) for \$50.0. This new line is focused on eligible environmentally sustainable projects benefiting the Brazilian Amazon region. Likewise, during fiscal year 2025, the Bank amortized \$44.4 of principal under outstanding lines of credit.

(ii) 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, FONPLATA 26, and FONPLATA 28, 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; FONPLATA 26, consisted of CHF 200.0 with a 5 ½ - years of maturity on September 3, 2026; and FONPLATA 28, 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 BBVA. On October 24, 2024, the Bank issued a new sustainable bond, called FONPLATA 29 in the Swiss capital markets. This new issuance is a 5-year bond for a total of CHF 130.0 equivalent to \$152.9, with a fixed rate coupon, and it is 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 at fix rate with a semiannual coupon.

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 JPY 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 SMBC, for \$40.2, covering the third series maturing in 2027, and \$7.0 for the fourth series maturing in 2029, respectively.

In 2025, and under the MTNP registered on the London Stock Exchange, the Bank raised funds for a total of \$621.8, through 11 bond issuances. Of this amount, \$475.0 is denominated in U.S. dollars and \$310.0 accrues interest on coupons at the overdue SOFR rate. In accordance with its risk management policy, the Bank hedged non-U.S. denominated bonds through contracting currency swaps and hedged bonds bearing interest at rates different from the SOFR in arrears by contracting interest rate swaps with counterparties with which it has ISDA contracts. As a result, the Bank contracted \$312.0 in currency swaps; \$146.8 in cross-currency swaps; and \$165.0, in interest rate swaps.

In 2022, the Bank contracted a second line of credit with the AFD and another one with KfW, both denominated in EUR at the Euribor rate. As of December 31, 2025, the Bank had disbursed in full the EUR 30.0, equivalent to \$31.2, and the EUR 37.0, equivalent to \$43.5, with AFD and with KfW, respectively, before changes in fair value (2024-EUR 30.0 equivalent to \$32.2, and EUR 31.5 equivalent to \$32.7 and 2023 – EUR 8.0 equivalent to \$8.8, and EUR 21.0, equivalent to \$23.2 and EUR 5.5 equivalent to \$6.5, before changes in fair value, were disbursed under these lines, respectively).

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.

The following are the currency exchanges and rates in effect as of December 31, 2025, 2024, and 2023:

#### December 31, 2025

1. SMBC – Exchange of currencies and rates to hedge (i) FONPLATA JPY 2027 sustainable bonds, series 3 JPY 6,300.0 (tranches A and B), with a maturity of 3 years at an annual fixed rate of 1.60%, and semi-annual coupons exchanged for a \$40.2 dollar denominated obligation with a 3-years maturity and semiannual interest payments based on the SOFR in arrears plus a margin; (ii) FONPLATA JPY 2029 series 4 sustainable bonds for JPY 1,100.0, with a 5 years maturity and with semiannual fixed-rate coupon of 1.79%, exchanged for \$7.0, dollar denominated obligation with a 5 years maturity with semiannual interest payments based on the SOFR in arrears plus a margin; (iii) EUR 22.0 received on September 26, 2024 from AFD, with a 9 1/2-years maturity and interest payments based on the EURIBOR rate plus a fixed margin, exchanged for a \$24.6 dollar denominated obligation maturing on February 1, 2034, with semiannual interest payments at the SOFR in arrears.

Interest rate swap to exchange the interest rate to the SOFR in arrears with semiannual interest payments for bonds issued under MTNP: (i) MTN #04-1 for USD 30.0 with a maturity of 5 years at an annual fixed rate with annual interest payments, and (ii) MTN #04-2 for USD 50.0 with a maturity of 7 years at an annual fixed rate with annual interest payments.

Cross-currency swap to hedge bond issued under MTNP #8-1, exchanging AUD 38.0, with fixed-rate annual coupons for a \$25.1 dollar denominated obligation with a 15-year maturity on August 5, 2040, and semiannual interest rate payments at the SOFR in arrears.

Interest rate swap in connection with bond issuance MTNP #8-2, USD 35.0, with a 15-year maturity to exchange the fixed-rate annual coupon for semiannual interest rate payments at the SOFR in arrears.

Cross-currency swap to hedge bond issued under MTNP #9, JPY 3,000,0, with a 3-year maturity and fixed-rate semiannual coupons, exchanged for a \$20.4, dollar denominated obligation with semiannual interest rate payments at the SOFR in arrears.

2. JPM – Cross currency swap to exchange EUR 8.0, corresponding to the first disbursement under the second loan contracted on December 23, 2022 with the AFD, and maturing on January 31, 2034 (see Note 8.6 (i) (4)), bearing interest payments based on the Euribor rate plus a fixed margin, for a \$8.5 dollar denominated obligation with semiannual interest rate payments at the SOFR in arrears.

Cross currency swap to exchange CHF 150.0 received through the issuance of bond FONPLATA 2028, with a 7-years maturity, and semiannual fixed rate coupons, with a \$164.5 dollar denominated obligation with semi-annual interest payments based on the overdue SOFR rate.

3. DB – Cross currency swap to exchange CHF 130.0, received on October 24, 2024, through the issuance of FONPLATA 29, a sustainable bond with a 5-years maturity on October 24, 2029, and an annual fixed-rate coupon, with a \$152.9, dollar denominated obligation with semi-annual interest payments at the SOFR in arrears plus a fixed margin. This swap is the replacement of the swap originally contracted with CS.

Cross currency swap to exchange CHF 200.0, received through bond issuance FONPLATA 26, with a 5 ½ year maturity and fixed rate annual coupon, for a \$222.7 dollar denominated obligation with semiannual interest rate payments at the SOFR in arrears.

Currency swap to exchange INR 9,000.0 received through the issuance of MTNP #11, with a 5 ½ years maturity on May 25, 2031, and annual coupon based on the SOFR in arrears, for a \$101.5 dollar denominated obligation.

4. BBVA – Cross currency swaps to exchange the following disbursements received under a credit line contracted with the KfW: (i) EUR 21.0 received on August 28, 2023, at the Euribor rate exchanged for a \$22.7 U.S. dollar denominated obligation maturing on November 15, 2028, with interest payments at the SOFR in arrears; and (ii) EUR 10.5 received on November 16, 2024 at the Euribor rate with semi-annual payments, exchanged for a \$10.9 U.S. dollar-denominated obligation and semiannual interest payments based on the SOFR in arrears plus a fixed margin.

Cross currency swap to exchange CHF 145.0 received on May 15, 2024, under FONPLATA 27, a sustainable bond issuance with a 3 ½ years maturity on November 15, 2027, and annual fixed rate coupon with a \$158.6 U.S. dollar denominated obligation with semiannual interest payments at the SOFR in arrears plus a fixed margin.

Interest rate swap under MTN #05 for USD 50.0 with a maturity of 10 years to exchange a fixed rate with semi-annual interest payments into the SOFR in arrears.

Cross currency swap contracted on March 25, 2025, in connection with the NSG \$20.0 loan granted to BADESUL, which exercised the option granted under the FFF to denominate the loan disbursements into the local currency and the reference interest based on the CDI (“Certificado de Deposito Interbancario” published by the Brazilian Central Bank). Under this swap the Bank will receive \$20.0 U.S. dollars and semiannual interest based on the SOFR in arrears and will pay the counterpart the required BRL to cover the amount of the semiannual loan principal amortizations and the interest payments based on the CDI.

Cross currency swap contracted on December 5, 2025, to exchange EUR 5.5 received from the KfW that bears interest at the EURIBOR rate for a \$6.4, U.S. dollar denominated obligation with semiannual interest payments at the SOFR in arrears.

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 on Bank loans, to denominate the loan in local currency at the CDI rate (“Certificado de Deposito Interbancario” published by the Brazilian Central Bank). 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 on the CDI, in BRL.

Cross – currency swap to exchange: (i) JPY 3,000.0, Sustainable Bonds series 1, with a 5-year maturity and annual fixed rate semi-annual coupons for a \$22.5, U.S. dollar denominated obligation with semiannual interest payments based on the SOFR in arrears plus a margin; and, (ii) JPY 4,200.0, Sustainable Bonds series 2, with a 6 ½ years maturity and semiannual fixed rate coupons for with a \$31.5, U.S. dollar denominated obligation with semiannual interest payment based on the SOFR in arrears plus a margin.

December 31, 2024

6. 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.
7. JPM – This derivative expired on March 11, 2024, the original maturity date of the bonds, giving rise to the exchange of the contracted flows with which the JPM paid CHF 150.0, plus 1 basis point of paying agent commission, and the Bank paid JPM \$148.8, plus interest corresponding to the last semester.

8. 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).
9. 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.
10. 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 Flexible Financing Facility on Bank loans, to denominate the loan in local currency at the CDI rate (“Certificado de Deposito Interbancario” published by the Brazilian Central Bank). 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.

December 31, 2023

11. HSBC – Cross-currency swap to exchange the proceeds from the issuance of sustainable bonds issued in the Japanese capital market series 1 JPY 3,000.0, with a 5-year maturity at a fix annual rate of 1.21% with semiannual coupons, for a U.S. dollar denominated debt of \$22.5, with a 5-year maturity at the SOFR in arrears plus a margin; and sustainable bonds series 2 JPY 4,200.0, maturing in 6 ½ years at a fix annual rate of 1.30% with semiannual coupon for a U.S. dollar denominated debt of \$31.5, with a 6 ½ year maturity at the SOFR in arrears plus a margin.
12. BBVA – Cross-currency swap to exchange EUR 21.0 draw-down on August 28, 2023, from KfW at the Euribor rate for \$22.8 at the SOFR in arrears maturing in 5 years on November 15, 2028. This hedge transaction provides for the semiannual exchange of interest by the counterpart at the 6-month Euribor rate plus a margin for semiannual interest payments based on the SOFR in arrears plus a margin to be made by the Bank.
13. JPM – Cross-currency swapping CHF 150.0, maturing in 5-years at fix rate with 0.578% annual coupon, plus 1 bps paying agent’s commission, exchanged for USD 148.8, maturing in 5-years with semiannual interest payments based on the 6-month Libor rate.
14. CS – Cross-currency swap to exchange CHF 200.0, 5 ½ year maturity at fix rate, with 0.556% annual coupon for USD 222.7, plus 1 bps paying agent fee, maturing in 5 ½ years, with semiannual payments based on the 6-month Libor rate.
15. JPM – Cross currency swap to exchange CHF 150.0, 7-year maturity at fix rate, with 0.7950% annual coupon for USD 164.5, plus 1 bps paying agent fee, maturing in 7 years, with semiannual payments based on the 6-month Libor rate.

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 December 31, 2025, the Bank has a net payable position with its derivative counterparts in the amount of \$80.2 (December 2024-\$28.9 receivable and 2023-\$20.6 payable).

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. As of December 31, 2025, the Bank received interest on collateral deposited with its counterparties for \$0.6 (2024 and 2023 - \$1.1, and \$1.3, respectively) and paid interest on collateral received from its counterparties for \$2.6 (2024 and 2023 - \$0.6, and \$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 December 31, 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.

	<u>Gross amounts</u>	<u>Gross amounts offset in the Statement of Financial Position</u>	<u>Net amounts presented in the Statement of Financial Position</u>
	\$	\$	\$
<u>December 31, 2025</u>			
Sumitomo Mitsui Banking Corporation (SMBC)			
<u>Financial assets:</u>			
Interest rate swaps receivable	133.6	(133.6)	.-
Cross-currency and interest rate swaps receivable	125.1	(125.1)	.-
<i>Subtotal derivatives receivable</i>	<u>258.7</u>	<u>(258.7)</u>	<u>.-</u>

	Gross amounts	Gross amounts offset in the Statement of Financial Position	Net amounts presented in the Statement of Financial Position
<u>Financial liabilities:</u>			
Interest rate swaps payable	(130.0)	133.6	3.6
Cross-currency and interest rate swaps payable	(127.4)	125.1	(2.3)
Collateral payable	(1.5)	-.-	(1.5)
<i>Subtotal derivatives payable</i>	<u>(258.9)</u>	<u>258.7</u>	<u>(0.2)</u>
<i>Net derivative exposure with SMBC</i>	<u>(0.2)</u>	<u>-.-</u>	<u>(0.2)</u>
J.P. Morgan (JPM):			
<u>Financial assets:</u>			
Cross-currency and interest rate swaps receivable	203.4	(203.4)	-.-
<i>Subtotal derivatives receivable</i>	<u>203.4</u>	<u>(203.4)</u>	<u>-.-</u>
<u>Financial liabilities:</u>			
Cross-currency and interest rate swaps payable	(179.6)	203.4	23.8
Collateral payable	(24.6)	-.-	(24.6)
<i>Subtotal derivatives payable</i>	<u>(204.2)</u>	<u>203.4</u>	<u>(0.8)</u>
<i>Net derivative exposure with JPM</i>	<u>(0.8)</u>	<u>-.-</u>	<u>(0.8)</u>
Deutsche Bank (DB):			
<u>Financial assets:</u>			
Interest rate swaps receivable	51.6	(51.6)	-.-
Cross-currency swaps receivable	536.4	(536.4)	-.-
<i>Subtotal derivatives receivable</i>	<u>588.0</u>	<u>(588.0)</u>	<u>-.-</u>
<u>Financial liabilities:</u>			
Interest rate swaps payable	(51.6)	51.6	-.-
Cross-currency swaps payable	(503.7)	536.4	32.7
Collateral payable	(33.3)	-.-	(33.3)
<i>Subtotal derivatives payable</i>	<u>(588.6)</u>	<u>588.0</u>	<u>(0.6)</u>
<i>Net derivative exposure with DB</i>	<u>(0.6)</u>	<u>-.-</u>	<u>(0.6)</u>
Banco Bilbao Vizcaya Argentaria (BBVA) <sup>2</sup> :			
<u>Financial assets:</u>			
Interest rate swaps receivable	58.0	(58.0)	-.-
Cross-currency swaps receivable	258.8	(258.8)	-.-
<i>Subtotal derivatives receivable</i>	<u>316.8</u>	<u>(316.8)</u>	<u>-.-</u>
<u>Financial liabilities:</u>			
Interest rate swaps payable	(57.3)	58.0	0.7
Cross-currency swaps payable	(229.1)	258.8	29.7
Collateral payable	(31.3)	-.-	(31.3)
<i>Subtotal derivatives payable</i>	<u>(317.7)</u>	<u>316.8</u>	<u>(0.9)</u>
<i>Net derivative exposure with BBVA</i>	<u>(0.9)</u>	<u>-.-</u>	<u>(0.9)</u>

	Gross amounts	Gross amounts offset in the Statement of Financial Position	Net amounts presented in the Statement of Financial Position
HSBC <sup>2</sup> :			
<u>Financial assets:</u>			
Cross-currency swaps receivable	57.0	(67.9)	(10.9)
Collateral receivable	10.4	--	10.4
<i>Subtotal derivatives receivable</i>	<u>67.4</u>	<u>(67.9)</u>	<u>(0.5)</u>
<u>Financial liabilities:</u>			
Cross-currency swaps payable	(67.9)	67.9	--
<i>Subtotal derivatives payable</i>	<u>(67.9)</u>	<u>67.9</u>	<u>--</u>
<i>Net receivable exposure with HSBC</i>	<u>(0.5)</u>	<u>--</u>	<u>(0.5)</u>
<i>Net receivable Exposure<sup>2</sup></i>	<u>3.0</u>	<u>3.0</u>	<u>3.0</u>
<u>December 31, 2024</u>			
J.P. Morgan (JPM):			
<u>Financial assets:</u>			
Cross-currency swaps receivable	180.4	(182.0)	(1.6)
Collateral receivable	1.6	--	1.6
<i>Subtotal derivatives receivable</i>	<u>182.0</u>	<u>(182.0)</u>	<u>--</u>
<u>Financial liabilities:</u>			
Cross-currency swaps payable	(182.0)	182.0	--
<i>Subtotal derivatives payable</i>	<u>(182.0)</u>	<u>182.0</u>	<u>--</u>
<i>Net derivatives exposure with JPM</i>	<u>--</u>	<u>--</u>	<u>--</u>
Deutsche Bank (DB):			
<u>Financial assets:</u>			
Interest rate swaps receivable	51.6	(51.6)	--
Cross-currency swaps receivable	367.5	(377.0)	(9.5)
Collateral receivable	18.6	--	18.6
<i>Subtotal Derivatives receivable</i>	<u>437.7</u>	<u>(428.6)</u>	<u>9.1</u>
<u>Financial liabilities:</u>			
Interest rate swaps payable	(51.6)	51.6	--
Cross-currency swaps payable	(386.0)	377.0	(9.0)
<i>Subtotal derivatives payable</i>	<u>(437.6)</u>	<u>428.6</u>	<u>(9.0)</u>
<i>Net derivative receivable exposure with DB</i>	<u>0.1</u>	<u>--</u>	<u>0.1</u>
HSBC <sup>2</sup> :			
<u>Financial assets:</u>			
Cross-currency swaps receivable	58.5	(67.9)	(9.4)
Collateral receivable	9.6	--	9.6
<i>Subtotal derivatives receivable</i>	<u>68.1</u>	<u>(67.9)</u>	<u>0.2</u>
<u>Financial liabilities:</u>			
Cross-currency swaps payable	(67.9)	67.9	--
<i>Subtotal derivatives payable</i>	<u>(67.9)</u>	<u>67.9</u>	<u>--</u>
<i>Net derivative receivable Exposure with HSBC</i>	<u>0.2</u>	<u>--</u>	<u>0.2</u>

	<u>Gross amounts</u>	<u>Gross amounts offset in the Statement of Financial Position</u>	<u>Net amounts presented in the Statement of Financial Position</u>
<b>BBVA:</b>			
<u>Financial assets:</u>			
Cross-currency swaps receivable	190.2	(190.2)	--
<i>Subtotal derivatives receivable</i>	<u>190.2</u>	<u>(190.2)</u>	<u>--</u>
<u>Financial liabilities:</u>			
Cross-currency swaps payable	(186.5)	190.2	3.7
Collateral payable	(3.7)	--	(3.7)
<i>Subtotal derivatives payable</i>	<u>(190.2)</u>	<u>190.2</u>	<u>--</u>
<i>Net derivative exposure with BBVA</i>	<u>--</u>	<u>--</u>	<u>--</u>
<b>SMBC:</b>			
<u>Financial assets:</u>			
Cross-currency swaps receivable	73.4	(76.0)	(2.6)
Collateral receivable	2.7	--	2.7
<i>Subtotal derivatives receivable</i>	<u>76.1</u>	<u>(76.0)</u>	<u>0.1</u>
<u>Financial liabilities:</u>			
Cross-currency swaps payable	(76.0)	76.0	--
<i>Subtotal derivatives payable</i>	<u>(76.0)</u>	<u>76.0</u>	<u>--</u>
<i>Net derivatives receivable exposure with SMBC</i>	<u>0.1</u>	<u>--</u>	<u>0.1</u>
<i>Net derivatives receivable<sup>2</sup></i>	<u>0.4</u>	<u>--</u>	<u>0.4</u>
<b>December 31, 2023</b>			
<b>Credit Suisse (CS):</b>			
<u>Financial assets:</u>			
Cross-currency swaps receivable <sup>1</sup>	238.5	(237.0)	1.5
Collateral receivable	5.5	--	5.5
<i>Subtotal derivatives receivable</i>	<u>244.0</u>	<u>(237.0)</u>	<u>7.0</u>
<u>Financial liabilities:</u>			
Cross-currency swaps payable <sup>1</sup>	(237.0)	237.0	--
<i>Subtotal derivatives payable</i>	<u>(237.0)</u>	<u>237.0</u>	<u>--</u>
<i>Net derivatives receivable with CS</i>	<u>7.0</u>	<u>--</u>	<u>7.0</u>
<b>JPM:</b>			
<u>Financial assets:</u>			
Cross-currency swaps receivable <sup>3</sup>	366.4	(366.4)	--
<i>Subtotal derivatives receivable</i>	<u>366.4</u>	<u>(366.4)</u>	<u>--</u>
<u>Financial liabilities:</u>			
Cross-currency swaps payable <sup>3</sup>	(336.2)	366.4	30.2
Collateral payable	(30.4)	--	(30.4)

	Gross amounts	Gross amounts offset in the Statement of Financial Position	Net amounts presented in the Statement of Financial Position
<i>Subtotal derivatives payable</i>	(366.6)	366.4	(0.2)
<i>Net derivative exposure payable with JPM</i>	(0.2)	--	(0.2)
DB:			
<u>Financial assets:</u>			
Interest rate swaps receivable	50.5	(50.5)	--
<i>Subtotal derivatives receivable</i>	50.5	(50.5)	--
<u>Financial liabilities:</u>			
Interest rate swaps payable	(50.5)	50.5	--
<i>Subtotal derivatives payable</i>	(50.5)	50.5	--
<i>Net derivatives exposure receivable with DB</i>	--	--	--
HSBC:			
<u>Financial assets:</u>			
Cross-currency swaps receivable	55.2	(55.2)	--
Collateral receivable	4.8	(4.8)	--
<i>Subtotal derivatives receivable</i>	60.0	(60.0)	--
<u>Financial liabilities:</u>			
Cross-currency swaps payable	(60.0)	60.0	--
<i>Subtotal derivatives payable</i>	(60.0)	60.0	--
<i>Net derivatives exposure payable with HSBC</i>	--	--	--
BBVA:			
<u>Financial assets:</u>			
Cross-currency swaps receivable	24.1	(24.1)	--
<i>Subtotal derivatives receivable</i>	24.1	(24.1)	--
<u>Financial liabilities:</u>			
Cross-currency swaps payable	(23.7)	24.1	0.4
Collateral payable	(0.4)	--	(0.4)
<i>Subtotal derivatives payable</i>	(24.1)	24.1	--
<i>Net derivatives exposures payable with BBVA</i>	--	--	--
<i>Net derivatives receivable</i>	6.8	--	6.8

<sup>1</sup>Based on the contractual clauses of the contract signed in connection with the cross-currency swap with CS, which was subsequently merged with the UBS Group AG (UBS) in March 2023, during the third quarter of 2023, the interest rate was automatically modified to 6-month Libor at SOFR. This modification is consistent with the rates applicable to the Bank's lending operations.

<sup>2</sup>For presentation purposes, the outstanding balance of non-sovereign loans granted with the FFF (see Note 8.5 (i)), the net derivative excludes \$0.2 of exchange differences on cross-currency swaps contracted with HSBC and BBVA. This amount is shown as part of the amount of loans outstanding (2024- \$2.0 and 2023- \$0).

<sup>3</sup>As stated in Note 2-B, in December 2022, the Bank replaced the 6-month Libor for the SOFR compounded in arrears in the cross-currency swaps with JPM, which is the interest reference rate for 60% of the loan portfolio as of December 31, 2022. This replacement is for maturities as of January 1, 2023.

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 8.8).

Borrowings outstanding classified based on their scheduled maturities before deferred charges of \$9.9, (2024 and 2023 - \$7.8 and \$2.8, respectively), are as follows:

	<u>As of December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$
Up to one year <sup>1</sup>	363.1	46.8	318.9
More than one and up to two years	360.6	306.9	42.0
More than two and up to three years	364.6	300.8	251.7
More than three and up to four years	252.8	261.7	17.2
More than four and up to five years	330.9	254.6	201.1
More than five years	515.8	217.1	221.9
Total	<u>2,187.8</u>	<u>1,387.9</u>	<u>1,052.8</u>

<sup>1</sup>The "up to one year" tranche includes exchange differences and market adjustments of the debt for a total of \$24.8 for 2025 (2024 and 2023 - \$2.3, and \$34.4, respectively).

### (iii) Fair value of borrowings

Loans and lines of credit 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 provide information regarding the risk exposure associated with borrowings.

## 8.7 Special funds

The balance maintained with special funds by the Bank as of December 31, 2025, 2024, and 2023, includes the following:

	<u>As of December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$
FOCOM	14.4	16.3	15.8
PAC	8.4	6.5	4.9
PCT	4.8	4.5	3.8
Total	<u>27.6</u>	<u>27.3</u>	<u>24.5</u>

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), on August 23, 2024, it approved a distribution of retained earnings as of December 31, 2023 (ASG-RES-207/2024), and on September 4, 2025, it approved a distribution of retained earnings as of December 31, 2024 (ASG-RES-215/2025).

- a. “Fund for the Compensation of the Operational Rate (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. On June 11, 2024, the Board of Executive Directors approved a new emblematic 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. On May 6, 2025, the Board of Executive Directors agreed that the availability of each of the five lines of subsidy to the operational margin will be considered in total and not by member countries. On September 4, 2025, the Board of Governors allocated \$6.3 to the FOCOM from the retained earnings as of December 31, 2024. Since the inception of this fund, in May 2014, and until December 31, 2025, the Board of Governors allocated \$37.3 from retained earnings to this special fund (2024 and 2023 - \$31.0, and \$25.9, respectively).
- 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. 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. On September 4, 2025, the Board of Governors allocated \$1.4 to PCT from the retained earnings as of December 31, 2024. Since its inception and until December 31, 2025, the PCT has received \$7.4 in contributions approved by the Board of Governors from retained earnings (2024, and 2023 - \$6.0, and \$5.0, respectively).

c. "Joint Savings Program (PAC)": As stated in Note 4.13, "Other employee benefits," on August 14, 2018, the Board of Executive Directors approved the Shared Savings Program (PAC for its name in Spanish). This program became effective on November 1, 2018, and integrates the benefit of compensation for employment termination or severance payment with a benefit based on a matching contribution over the voluntary savings made by Plan participants. The severance benefit is equivalent to one month's salary per year of work and is paid at the time of the participant's retirement or termination, whichever occurs first, based on the prevailing salary at that time. Until December 31, 2024, FONPLATA's contribution to the voluntary savings was equal to the maximum annual amount of voluntary savings eligible. FONPLATA's contribution to voluntary savings was valid for the first 8 years of employment. As of January 1, 2025, and as part of a comprehensive review of the overall compensation package, the Board of Executive Directors, on February 13, 2025, approved modifications to the PAC. These modifications extended the coverage of this benefit to encompass the entire period of participants' employment relationship and raised the amount of FONPLATA's contribution to two times the amount of eligible savings.

Participants' contributions are optional and those employees who opt-out would only receive the severance payment benefit, upon termination of employment. Participants' 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 year ended as of December 31, 2025, 2024 and 2023:

	Severance payment contributions	Participants' voluntary savings contributions	Bank's matching contributions on voluntary savings	Accumulated total	Total amount available for termination	Deferred amount
	\$	\$	\$	\$	\$	\$
December 31, 2025						
Balance as of December 31, 2024 <sup>1</sup> :	2.6	2.3	1.6	6.5	6.5	--
Severance payment contributions	0.7	--	--	0.7	0.7	--
Participants' voluntary savings contribution	--	0.5	0.9	1.4	1.3	0.1
Additional participants' savings contributions	--	0.2	--	0.2	0.2	--
Investment income accrued	--	0.1	0.1	0.2	0.2	--
Withdrawals	(0.3)	(0.2)	(0.1)	(0.6)	(0.6)	--
Balance due to the PAC December 31, 2025	3.0	2.9	2.5	8.4	8.3	0.1
December 31, 2024						
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)	--
Balance due to the PAC December 31, 2024	2.6	2.3	1.6	6.5	6.5	--
December 31, 2023						
Balance as of December 31, 2022:	1.8	1.4	1.0	4.2	4.1	0.1
Severance payment contributions	0.5	--	--	0.5	0.5	--
Participants' voluntary savings contribution	--	0.4	0.3	0.7	0.7	--
Investment income accrued	--	0.1	--	0.1	0.1	--
Withdrawals	(0.2)	(0.2)	(0.2)	(0.6)	(0.6)	--
Balance due to the PAC December 31, 2023 <sup>1</sup>	2.1	1.7	1.1	4.9	4.8	0.1

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

Special funds' 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.

## 8.8 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>December 31, 2025</u>			
Investments at fair value with changes in income - Note 8.2	51.3	--	--
Investments at fair value with changes in OCI – Note 8.3	1,024.5	--	--
Borrowings at fair value with changes in income – Note 2	--	(1,604.6)	--
Receivable swaps at fair value with changes in income – Note 8.6 (ii)	--	1,423.8	--
Payable swaps at fair value with changes in income – Note 8.6(ii)	--	(1,426.7)	--
<u>December 31, 2024</u>			
Investments at fair value with changes in OCI – Note 8.3	409.6	--	--
Borrowings at fair value with changes in income – Note 2	(850.3)	--	--
Receivable swaps at fair value with changes in income – Note 8.6 (ii)	--	921.6	--
Payable swaps at fair value with changes in income – Note 8.6 (ii)	--	(950.1)	--
<u>December 31, 2023</u>			
Investments at fair value with changes in OCI – Note 8.3	376.4	--	--
Borrowings at fair value with changes in income – Note 2	(743.6)	--	--
Receivable swaps at fair value with changes in income – Note 8.6 (ii)	--	734.7	--
Payable swaps at fair value with changes in income – Note 8.6 (ii)	--	(707.4)	--

The 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 year ended as of December 31, 2025, 2024, and, 2023, 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>Total<sup>1</sup></u> \$
<u>Book value</u>				
Balance as of December 31, 2022	4.5	3.3	0.1	7.9
Additions	-.-	0.1	-.-	0.1
Fixed Assets in transit	-.-	-.-	-.-	-.-
Disposals	-.-	-.-	-.-	-.-
Balance as of December, 2023	4.5	3.4	0.1	8.0
Additions	-.-	0.3	-.-	0.3
Fixed Assets in transit	-.-	0.1	-.-	0.1
Disposals	-.-	(0.1)	-.-	(0.1)
<i>Book value as of December 31, 2024</i>	4.5	3.7	0.1	8.3
Additions	-.-	-.-	-.-	-.-
Fixed Assets in transit	-.-	-.-	-.-	-.-
Disposals	-.-	-.-	-.-	-.-
<i>Book value as of December 31, 2025</i>	4.5	3.7	0.1	8.3
<u>Accumulated depreciation</u>				
Balance as of December, 2022	0.8	1.4	-.-	2.2
Disposals	-.-	-.-	-.-	-.-
Depreciation	0.1	0.5	-.-	0.6
Balance as of December 31, 2023	0.9	1.9	-.-	2.8
Disposals	-.-	(0.1)	-.-	(0.1)
Depreciation	0.1	0.5	-.-	0.6
Balance as of December 31, 2024	1.0	2.3	-.-	3.4
Disposals	-.-	-.-	-.-	-.-
Depreciation	0.1	0.5	-.-	0.6
Balance as of December 31, 2025	1.1	2.8	-.-	4.0
<u>Net balance as of December 31, 2023</u>	3.6	1.5	-.-	5.2
<u>Net balance as of December 31, 2024</u>	3.5	1.4	0.1	4.9
<u>Net balance as of December 31, 2025</u>	3.4	0.9	0.1	4.3

<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. As of December 31, 2025, 2024, and 2023, the amount of the revaluation reserve was reduced by \$0.03, \$0.03, and \$0.02, respectively, because of the depreciation of the period. The amount of the revaluation reserve is reduced by the depreciation and might be adjusted based on subsequent technical revaluations.

(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>2025</u>	<u>As of December 31,</u> <u>2024</u>	<u>2023</u>
	\$	\$	\$
Cost	4.0	4.0	4.0
Accumulated depreciation	(1.1)	(0.8)	(0.7)
Total	<u>2.9</u>	<u>3.2</u>	<u>3.3</u>

## 9.2 Miscellaneous

This caption which as of December 31, 2025, shows a balance of \$3.9, includes small balances owed to the Bank, resulting from loans to staff members, advances to suppliers, expenses paid in advance; deferred expenses for \$2.7; and the right-of-use asset balance related to leases, for \$1.2 (2024 - \$1.5, and 2023 - \$1.4).

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 years ended December 31, 2025, 2024, and 2023, the Bank paid implicit interest on these leases in the amount of \$0.4, \$0.2, and \$0.2, respectively. The following table shows the relevant information on those leases as of December 31, 2025, 2024, and 2023:

	<u>Lease Obligation</u>		
	<u>As of December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$
Asuncion – Paraguay, a 3-year lease contract signed don January 1, 2023, and expiring on December 31, 2026. In January 2025, the office space was enlarged, and the expiration of the contract was extended through December 31, 2028. The amount of minimum monthly payments under the lease for 2025 amounted to \$0.005, including leasehold improvements amortization, and 4% annual escalation.	0.17	0.04	0.07
Montevideo – Uruguay, In February 2024, the contract was renewed for an additional three years, until January 31, 2027. In September 2025, the office space was enlarged, and the contract term was extended through September 2030. As from 2025, the minimum monthly payment amounts to \$0.004. The new monthly rate becomes effective in 2026, and is subject to a 4% annual escalation.	0.50	0.11	0.01
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.	0.16	0.18	0.01
Buenos Aires – Argentina, 5-year lease signed for 60 months, from March 1, 2025, to February 28, 2030, with a minimum monthly payment of \$0.01, including value added tax and amortization of improvements. The minimum lease payments are subject to a 3% annual escalation.	0.37	-.-	0.08
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.	0.02	0.05	-.-
Total	<u>1.22</u>	<u>0.38</u>	<u>0.17</u>

### 9.3 – Other Liabilities

This caption includes interest and commissions payable accrued on borrowings, interest charges in connection with the cross-currency swaps contracted in connection with the conversion into BRLs of loans granted to BADESUL under the FFF, 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 Bank's country offices.

The composition of other liabilities as of December 31, 2025, 2024 and 2023, is as follows:

	<u>As of December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Interest and commissions accrued on borrowings	23.0	17.3	15.1
Net interest on FFF derivatives <sup>1</sup>	0.8	-.-	-.-
Trade payables and accruals	0.8	0.3	0.7
Unamortized financial lease obligations	1.3	0.4	0.2
Total	<u>25.9</u>	<u>18.0</u>	<u>16.0</u>

<sup>1</sup> For the years ended December 31, 2024, and 2023, respectively, the net accrued interest on FFF derivatives was a receivable in the amount of \$0.014 and \$0.06 classified under "Miscellaneous".

## NOTE 10 – EQUITY

### 10.1 Capital

Capital consists of paid-in and callable capital. As of December 31, 2024, subscribed paid-in capital amounts to \$1,349.2, of which \$1,329.9 have been paid and \$19.3 are expected to be paid by member countries 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 Assembly 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 Assembly 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.

On July 31, 2025, the Board of Governors approved the capital increase proposal, giving decisive support to a more relevant FONPLATA to support the efforts of its member countries to promote regional integration and development (RAG-213/2025). The approved capital increase of \$3,484.6 shall bring the Bank's total capital to \$6,498.8 at the end of the integration period and allocates approximately 18.182% to enable the admission of new members with the aim of expanding and enriching its governance. This capital increase will more than double the annual sustainable lending capacity over the next decade while maintaining the ratio of 45% of capital payable in cash and 55% of callable capital.

The following chart depicts the number of shares authorized, issued, outstanding and pending issuance as of December 31, 2025.

Shares of Authorized Capital Issued as of December 31, 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	44,974	--	44,974	55,500	100,474
Bolivia	13,951	1,039	14,990	18,500	33,490
Brazil	44,087	887	44,974	55,500	100,474
Paraguay	14,990	--	14,990	18,500	33,490
Uruguay	14,990	--	14,990	18,500	33,490
Unissued shares	--	--	--	--	348,582
	132,992	1,926 <sup>1</sup>	134,918 <sup>1</sup>	166,500	650,000

<sup>1</sup> For rounding reasons, the sum of the total shares of paid-in capital to be paid in cash contains a difference that reflects an excess of contributions by three member countries equivalent to one share, and a difference to be made up of two member countries that is equivalent to another share, for a total of two shares of paid-in capital. These differences, which are due to rounding will be addressed at or before the time of subscription of the increase of the subscribed capital approved by the Board of Governors on July 31, 2025.

Composition of the Bank's capital by member country as of December 31, 2025, 2024, and 2023, is as follows:

Member country <sup>i</sup>	Subscribed capital		Authorized capital		Total	%
	Paid-in	Callable	Paid-in	Callable		
	\$	\$	\$	\$	\$	
• 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%
	1,349.2	1,665.0	1,349.2	1,665.0	3,014.2	100.0%

<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 year ended as of December 31, 2025, 2024, and 2023, the Bank received paid-in contributions in the amount of \$8.8, \$110.7, and \$128.7, respectively. The amount of paid-in capital subscribed and pending integration, as well as the amount of callable capital and committed as of December 31, 2025, 2024, and 2023, are as follows:

	<u>As of December 31, 2025</u>			<u>As of December 31, 2024</u>			<u>As of December 31, 2023</u>		
	<u>Paid-in capital subscribed</u>			<u>Paid-in capital subscribed</u>			<u>Paid-in capital subscribed</u>		
	<u>Paid-in<sup>i</sup></u>	<u>Receivable<sup>i</sup></u>	<u>Total</u>	<u>Paid-in<sup>i</sup></u>	<u>Receivable<sup>i</sup></u>	<u>Total</u>	<u>Paid-in<sup>i</sup></u>	<u>Receivable<sup>i</sup></u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Argentina	449.7	--	449.7	449.7	--	449.7	387.4	62.3	449.7
Bolivia	139.5	10.4	149.9	139.5	10.4	149.9	139.5	10.4	149.9
Brazil	440.8	8.8	449.7	432.0	17.7	449.7	404.4	45.3	449.7
Paraguay	149.9	--	149.9	149.9	--	149.9	139.5	10.4	149.9
Uruguay	149.9	--	149.9	149.9	--	149.9	139.5	10.4	149.9
Total	<u>1,329.9</u>	<u>19.3</u>	<u>1,349.2</u>	<u>1,321.1</u>	<u>28.1</u>	<u>1,349.2</u>	<u>1,210.4</u>	<u>138.8</u>	<u>1,349.2</u>

<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. On July 8 and on August 11, 2025, the Bank received \$5.5, and \$3.3, respectively in payment of Brazil's paid-in capital for 2025.

As of December 31, 2025, 2024, and 2023:

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

<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 8.3 (iv), other comprehensive income as of December 31, 2025, 2024, and 2023, includes the following:

- i. Reserve for changes in the fair value of investments – OCI: For the year ended December 31, 2025, this reserve was increased by an unrealized gain of \$5.8, for a cumulative unrealized gain of \$2.8 (2024 and 2023 – \$2.6 of unrealized loss, and \$4.2 of unrealized gains, for a cumulative total of unrealized losses of \$3.0, and \$0.4, respectively).
- ii. Reserve for revaluation of property: For the year ended as of December 31, 2025, this reserve was reduced by \$0.025 for depreciation of the period, for a balance of \$0.6 (2024 and 2023 - \$0.03, for a balance of \$0.6, and \$0.02, for a balance of \$0.6, respectively)

## 10.3. Retained earnings and reserves

Retained earnings for the year ended December 31, 2025, amount to \$95.1 correspond in full to the sum of net income earned between January 1 and December 31, 2025 (2024 and 2023 - \$98.7, and \$92.1, respectively). These earnings are after deducting \$19.3 of unrealized losses 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 (2024 - \$19.2, and 2023 - \$1.4 of unrealized losses).

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 December 31, 2025, 2024, and 2023, is as follows:

	<u>General Reserve</u>
	\$
Balance as of December 31, 2022	203.6
Allocated by the Board of Governors in 2023	43.3
Balance as of December 31, 2023	<u>246.9</u>
Allocated by the Board of Governors in 2024	86.0
Balance as of December 31, 2024	<u>332.9</u>
Allocated by the Board of Governors in 2025	91.1
Balance as of December 31, 2025	<u><u>424.0</u></u>

## NOTE 11 – REVENUES

The composition of net income is as follows:

	<u>January 1 through December 31,</u>		
	<u>2025</u>	<u>2024</u>	<u>2023</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Loan income:			
Interest	179.1	169.6	139.4
Commitment fee and commissions	4.0	4.7	5.4
Administrative fee	4.0	2.4	1.9
<i>Subtotal</i>	<u>187.1</u>	<u>176.7</u>	<u>146.7</u>
Investment income:			
Interest	46.9	34.9	29.7
Other	0.4	0.5	0.9
<i>Gross investment income</i>	<u>47.3</u>	<u>35.4</u>	<u>30.6</u>
Special fund's share of investment income – Note 8.7	<u>(0.7)</u>	<u>(1.1)</u>	<u>(0.9)</u>
<i>Investment income - Net</i>	<u>46.6</u>	<u>34.3</u>	<u>29.7</u>
<i>Income for financial assets</i>	<u>233.7</u>	<u>211.0</u>	<u>176.4</u>
<i>Other income</i>			
Unrealized gains/losses due to the fair value adjustment of debt– Note 4.10	(125.1)	36.8	64.3
Unrealized gain/losses resulting from receivable and payable swaps – Note 4.10	105.8	(56.0)	(65.7)
Net unrealized gains	<u>(19.3)</u>	<u>(19.2)</u>	<u>(1.4)</u>
<i>Other income</i>	<u>0.9</u>	<u>0.6</u>	<u>0.6</u>
<i>Total other Income/Loss</i>	<u>(18.4)</u>	<u>(18.6)</u>	<u>(0.8)</u>

## 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 year ended as of December 31, 2025, 2024, and 2023, the Bank reached a percentage of execution of its administrative budget equivalent to 83%, 87%, and 84%, respectively. The breakdown of administrative expenses by functional activity is as follows.

Classification of expenses	January 1 through December 31,		
	2025	2024	2023
	\$	\$	\$
Personnel expenses	11.1	8.8	8.0
Service expenses	0.9	0.9	0.8
Professional services	1.2	1.1	0.9
Credit risk rating	0.1	0.1	0.1
External auditors	0.2	0.1	0.1
Information Technology	0.7	0.7	0.6
Administrative expenses	1.4	1.4	1.2
Bank charges	0.2	0.1	0.1
Financial services	0.4	0.3	0.2
<i>Total administrative budget</i>	<u>16.2</u>	<u>13.5</u>	<u>12.1</u>
<u>Classification of other expenses</u>			
Depreciation	0.6	0.6	0.6
Gain/loss on foreign exchange	(1.8)	(0.2)	(0.3)
<i>Total administrative expenses</i>	<u>15.0</u>	<u>13.9</u>	<u>12.4</u>

#### 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 year ended as of December 31, 2025, 2024, and 2023, based on their respective recovery or settlement date.

	Current	Non-Current	Total
	(Up to 1 year)	(More than 1 year)	
	\$	\$	\$
<u>December 31, 2025,</u>			
<u>ASSETS</u>			
Cash and cash equivalents	380.7	--	380.7
Investments			
At fair value – FVI	51.3	--	51.3
At fair value - FVOCI <sup>1</sup>	1,024.5	--	1,024.5
At amortized cost	--	--	--
Loan portfolio			
Outstanding loans	212.8	2,352.0	2,564.8
Interest and other accrued charges			
On investments	9.3	--	9.3
Interest and commissions on loans	48.1	--	48.1
Other assets			
Property and equipment, net	--	4.3	4.3
Miscellaneous	3.2	0.7	3.9
Total assets	<u>1,729.9</u>	<u>2,357.0</u>	<u>4,086.9</u>
<u>LIABILITIES</u>			
Borrowings	359.4	1,818.5	2,177.9
Fair value hedge derivatives	3.2	--	3.2
Special funds	10.3	17.3	27.6
Other liabilities	25.9	--	25.9
Total liabilities	<u>398.8</u>	<u>1,835.8</u>	<u>2,234.6</u>

	<u>Current</u> <u>(Up to 1 year)</u> \$	<u>Non-Current</u> <u>(More than 1 year)</u> \$	<u>Total</u> \$
<u>December 31, 2024,</u>			
<u>ASSETS</u>			
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			
Property and equipment, net	--	4.9	4.9
Miscellaneous	1.1	0.4	1.5
Total assets	<u>1,037.3</u>	<u>2,140.0</u>	<u>3,177.3</u>
<u>LIABILITIES</u>			
Borrowings	45.3	1,334.8	1,380.1
Fair value hedge derivatives	1.7	--	1.7
Special funds	10.1	17.2	27.3
Other liabilities	18.0	--	18.0
Total liabilities	<u>75.1</u>	<u>1,352.0</u>	<u>1,427.1</u>
 <u>December 31, 2023</u>			
<u>ASSETS</u>			
Cash and cash equivalents	324.2	--	324.2
At fair value <sup>1</sup>	376.4	--	376.4
At amortized cost	30.0	--	30.0
Loan portfolio			
Outstanding loans	214.6	1,638.7	1,853.3
Interest and other accrued charges			
On investments	3.3	--	3.3
Interest and commissions on loans	39.5	--	39.5
Other assets			
Fair value hedge derivatives	6.8	--	6.8
Property and equipment, net	--	5.2	5.2
Miscellaneous	1.1	0.3	1.4
Total assets	<u>995.9</u>	<u>1,644.2</u>	<u>2,640.1</u>
<u>LIABILITIES</u>			
Borrowings	318.5	731.5	1,050.0
Special funds	5.2	19.3	24.5
Other liabilities	16.0	--	16.0
Total liabilities	<u>339.7</u>	<u>750.8</u>	<u>1,090.5</u>

<sup>1</sup>As of December 31, 2025, 2024, and 2023, 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 its five member countries 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 operating 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 and other</u>	<u>Impairment</u>	<u>Loan portfolio</u>	<u>Interest and commissions receivable</u>	<u>Total</u>
As of December 31, 2025:	\$	\$	\$	\$	\$	\$
Argentina	598.9	(0.2)	(6.3)	592.4	11.1	603.5
Bolivia	431.7	(0.8)	(7.8)	423.1	8.4	431.5
Brazil <sup>1</sup>	498.0	(2.4)	(3.7)	491.9	9.9	501.8
Paraguay <sup>1</sup>	463.2	(1.3)	(0.2)	461.7	7.9	469.6
Uruguay	598.8	(1.2)	(1.9)	595.7	10.8	606.5
Total	2,590.6	(5.9)	(19.9)	2,564.8	48.1	2,612.9

	<u>Gross portfolio</u>	<u>Unaccrued</u>	<u>Impairment</u>	<u>Loan portfolio</u>	<u>Interest and</u>	<u>Total</u>
As of December 31, 2024:	\$	\$	\$	\$	\$	\$

	<u>commissions</u>			<u>commissions</u>		
	<u>\$</u>			<u>receivable</u>		
	<u>\$</u>			<u>\$</u>		
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>

	<u>Gross portfolio</u>	<u>Unaccrued</u>	<u>Impairment</u>	<u>Loan portfolio</u>	<u>Interest and</u>	<u>Total</u>
<u>As of December 31, 2023:</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>receivable</u>	<u>\$</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Argentina	460.8	(0.4)	(9.9)	450.5	10.7	461.2
Bolivia	440.6	(0.6)	(6.1)	433.9	8.9	442.8
Brazil <sup>1</sup>	258.3	(1.5)	(1.5)	255.3	4.0	259.3
Paraguay <sup>1</sup>	372.3	(1.0)	(0.8)	370.5	9.4	379.9
Uruguay	345.2	(1.0)	(1.1)	343.1	6.5	349.6
<b>Total</b>	<b>1,877.2</b>	<b>(4.5)</b>	<b>(19.4)</b>	<b>1,853.3</b>	<b>39.5</b>	<b>1,892.8</b>

<sup>1</sup> Include \$126.5 in five NSG loans outstanding and exclude \$0.2 corresponding to origination fees (2024 - \$129.0, and 2023 - \$98.3, respectively). As of December 31, 2025, unaccrued loan commissions on NSG loans and accrued interest receivable amount to \$4.5 (2024 - \$1.5, and 2023 - \$0.8, respectively). The provision for potential impairment on NSG loans amounts to \$3.1 (2024 and 2023 - \$3.2, and \$1.6, respectively). For further information, see Note 8.5.

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

	<u>Communication,</u>	<u>Infrastructure</u>	<u>Infrastructure for</u>	<u>NSG Loans</u>	<u>Total</u>
	<u>transportation,</u>	<u>for productive</u>	<u>socio-economic</u>		
	<u>energy, and</u>	<u>development</u>	<u>development</u>		
	<u>logistics</u>				
	<u>infrastructure</u>				
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>As of December 31, 2025:</u>					
Argentina	208.8	36.7	353.4	--	598.9
Bolivia	380.6	40.0	11.1	--	431.7
Brazil <sup>1</sup>	301.5	--	77.5	119.0	498.0
Paraguay <sup>1</sup>	450.4	5.3	--	7.5	463.2
Uruguay	430.2	45.9	122.7	--	598.8
<b>Total</b>	<b>1,771.5</b>	<b>127.9</b>	<b>564.7</b>	<b>126.5</b>	<b>2,590.6</b>

<u>As of December 31, 2024:</u>					
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>

As of December 31, 2023:

	<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>
	\$	\$	\$	\$	\$
Argentina	234.6	61.1	165.1	-.	460.8
Bolivia	392.7	35.3	12.6	-.	440.6
Brazil	192.3	-.	14.0	52.0	258.3
Paraguay	333.5	8.8	-.	30.0	372.3
Uruguay	238.0	28.8	62.1	16.3	345.2
<b>Total</b>	<b>1,391.1</b>	<b>134.0</b>	<b>253.8</b>	<b>98.3</b>	<b>1,877.2</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 8.5 for more information).

The undisbursed balance of loans under implementation as of December 31, 2025, includes \$28.5, corresponding to non-sovereign guaranteed loans. The break-down by country is as follows:

	<u>2025</u>	<u>As of December 31, 2024</u>	<u>2023</u>
	\$	\$	\$
Argentina	97.0	282.5	374.7
Bolivia	150.8	147.7	67.3
Brazil	546.8	534.4	412.5
Paraguay	169.4	270.0	340.7
Uruguay	58.4	159.8	152.3
<b>Total</b>	<b>1,022.4</b>	<b>1,394.4</b>	<b>1,347.5</b>

As December 31, 2025, 2024, and 2023, 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>2025</u>	<u>As of December 31, 2024</u>	<u>2023</u>
	\$	\$	\$
Argentina	65.0	-.	43.4
Bolivia	50.0	75.0	113.3
Brazil	198.8	157.0	201.0
Paraguay	-.	-.	-.
Uruguay	-.	-.	-.
<b>Total</b>	<b>313.8</b>	<b>232.0</b>	<b>357.7</b>

The average return on the loan portfolio is as follows:

	<u>2025</u>	<u>2024</u>	<u>2023</u>
	<u>Average balance</u>	<u>Average balance</u>	<u>Average balance</u>
	\$	\$	\$
	<u>Average return</u>	<u>Average return</u>	<u>Average Return</u>
	%	%	%
Loan portfolio	2,486.4	2,129.6	1,819.1
	7.52%	8.30%	8.06%

(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> \$
<u>January 1 through December 31, 2025:</u>			
Argentina	44.0	1.5	45.5
Bolivia	32.0	0.9	32.9
Brazil <sup>1</sup>	31.0	2.8	33.8
Paraguay <sup>1</sup>	30.9	1.5	32.4
Uruguay <sup>1</sup>	41.2	1.3	42.5
Total	<u>179.1</u>	<u>8.0</u>	<u>187.1</u>
<u>January 1 through December 31, 2024:</u>			
Argentina	42.9	2.0	44.9
Bolivia	35.3	0.7	36.0
Brazil <sup>1</sup>	23.6	2.1	25.7
Paraguay <sup>1</sup>	31.4	1.6	33.0
Uruguay	36.4	0.7	37.1
Total	<u>169.6</u>	<u>7.1</u>	<u>176.7</u>
Argentina	38.2	2.2	40.4
Bolivia	29.9	0.8	30.7
Brazil	17.0	1.5	18.5
Paraguay	30.4	2.7	33.1
Uruguay	23.9	0.1	24.0
Total	<u>139.4</u>	<u>7.3</u>	<u>146.7</u>

<sup>1</sup> Includes accrued interest for \$10.4, and other charges for administrative commissions in the amount of \$0.5 corresponding to NSG loans granted to state-owned development banks in Brazil and Paraguay (2024 - \$8.0 of accrued interest, and \$0.1 of accrued commissions, and 2023 - \$6.6 of accrued interest and \$0.08 of accrued commissions, respectively).

NOTE 16 – RELATED PARTIES

As indicated in Notes 1 and 6.4, the Bank only grants financing 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 December 31, 2025, 2024, and 2023, correspond to the balances maintained with the FOCOM; PCT; and the PAC, as explained in further detail in notes 4.12, 4.13 and 8.7.

NOTE 17 – CONTINGENCIES

No contingencies have been identified that could materially affect the Bank's financial statements for the year ended as of December 31, 2025, 2024, and 2023.

## NOTE 18 – SUBSEQUENT EVENTS

The Bank has evaluated subsequent events from the date of the closing of these financial statements and through February 20, 2026, the date on which the financial statements are ready to be approved for issuance by Luciana Botafogo Brito, Executive President and to be subsequently approved by the Board of Governors based on a recommendation by the Board of Executive Directors. No matters were identified that might have a material impact on the financial statements for the year ended as of December 31, 2025, 2024, and 2023.

Fernando A. Fernandez Mantovani  
SENIOR FINANCIAL ADVISOR

Luciana Botafogo Brito  
EXECUTIVE PRESIDENT

Oscar A. Pérez López  
CHAIRPERSON BOARD OF EXECUTIVE  
DIRECTORS

German Cepparo  
CHIEF BUDGET AND ACCOUNTING

Matias Mednik  
VICEPRESIDENT OF FINANCE