(Free translation from the original issued in Spanish)

FONPLATA – BANCO MULTILATERAL DE DESARROLLO

Interim financial statements

June 30, 2026
with the independent accountant's report

(Free translation from the original issued in Spanish)

FONPLATA – BANCO MULTILATERAL DE DESARROLLO

Interim Financial statements

June 30, 2026

Content:

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Assembly of Governors
FONPLATA - Banco Multilateral de Desarrollo

Introduction

We have reviewed the attached interim financial statements of FONPLATA – Banco Multilateral de Desarrollo (the "Bank") as of June 30, 2026, and the related interim statements of financial position, profit or loss and other comprehensive income, cash flows, and changes in equity for the six-month period then ended, as well as a summary of significant accounting policies and other explanatory notes. The Bank's Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with International Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of the Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the attached interim financial statements does not present fairly, in all material respects, the financial position of FONPLATA - Banco Multilateral de Desarrollo as of June 30, 2026 as well as its results and its cash flows for the six-month period the ended on that date, in accordance with International Accounting Standard No. 34 "Interim Financial Reporting”.

Mancera, S.C.
A member practice of
Ernst & Young Global Limited

C.P.C. Rony Emmanuel García Dorantes

México City,
August 21, 2026

FONPLATA
Banco de Desarrollo

(Free translation from the original issued Spanish)
FONPLATA – Multilateral Development Bank
INTERIM STATEMENT OF FINANCIAL POSITION[1]
(All amounts expressed in millions of U.S. dollars)

	As of June 30, 2026		As of December 31, 2025	
ASSETS				
Cash and cash equivalents – Notes 8.1 and 8.4		252.3		380.7
Investments				
At fair value with changes in income – Note 8.2	39.6		51.3	
At fair value with changes in other comprehensive income – Note 8.3	1,097.5		1,024.5	
At amortized cost – Note 8.4	355.7	1,492.8	-.-	1,075.8
Loan portfolio – Note 8.5		2,671.4		2,564.8
Accrued interest				
On investments	13.6		9.3	
On loans – Note 8.5	47.7	61.3	48.1	57.4
Other assets				
Fair value hedge derivatives– Notes 2, and 8.6 (ii)	1.9		-.-	
Property and equipment, net – Note 9.1	4.3		4.3	
Miscellaneous – Note 9.2	3.7	9.9	3.9	8.2
Total assets		4,487.7		4,086.9
LIABILITIES AND EQUITY				
Liabilities				
Fair value hedge derivatives– Notes 2, and 8.6 (ii)	-.-		3.2	
Borrowings – Note 8.6	2,523.1		2,177.9	
Special funds – Note 8.7	24.5		27.6	
Other liabilities – Note 9.3	24.8		25.9	
Total liabilities		2,572.4		2,234.6
Equity				
Capital – Note 10.1				
Authorized	6,500.0		6,500.0	
Less unissued shares	(3,485.8)		(3,485.8)	
Less callable portion	(1,665.0)		(1,665.0)	
Paid-in capital	1,349.2		1,349.2	
Paid-in capital pending integration	(10.4)	1,338.8	(19.3)	1,329.9
Other reserves – Note 10.2		(6.1)		3.3
General Reserve – Note 10.3		424.0		424.0
Retained earnings – Note 10.3		158.6		95.1
Total equity		1,915.3		1,852.3
Total liabilities and equity		4,487.7		4,086.9

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

[1] The information as of June 30, 2026, was subjected to a limited review. As explained in the independent auditor's report a limited review is less than an audit of financial statements.

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Fernando A. Fernández Mantovani
SENIOR FINANCIAL ADVISOR

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Luciana Botafogo Brito
EXECUTIVE PRESIDENT

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Oscar Perez Lopez
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Oscar A. Pérez López
CHAIRPERSON BOARD OF EXECUTIVE DIRECTORS

Firmado por:
German Cepparo
German Cepparo
CHIEF BUDGET AND ACCOUNTING

Signed by:
Matias Mednik
Matías Mednik
VICEPRESIDENT OF FINANCE

FONPLATA Banco de Desarrollo

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

	January 1 through June 30,	
	2026	2025
INCOME – Note 11		
Loan portfolio		
Interest	85.1	88.8
Other loan income	3.2	4.6
	88.3	93.4
Investments		
Interest	27.2	19.4
Other	0.1	0.2
	27.3	19.6
Income from financial assets	115.6	113.0
EXPENSES		
Interest expense	(59.4)	(48.3)
Income from financial assets, net	56.2	64.7
Other income/expenses–Note 11	13.9	3.2
Income before provision and administrative expenses	70.1	67.9
Provision for loan impairment – Notes 3 and 8.5	2.0	(0.8)
Income after provision for loan impairment	72.1	67.1
Administrative expenses – Note 12	(8.6)	(7.3)
Net income	63.5	59.8
Items that may be reclassified to profit or loss:		
Changes in fair value of investments	(9.4)	3.2
Items that will be not reclassified to profit or loss:		
Technical appraisal of property	-.-	0.1
Comprehensive income	54.1	63.1

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

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SENIOR FINANCIAL ADVISOR

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Luciana Botafogo Brito
EXECUTIVE PRESIDENT

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Signed by: Matias Mednik

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VICEPRESIDENT OF FINANCE

FONPLATA
Banco de Desarrollo

FONPLATA – Banco Multilateral de Desarrollo
INTERIM STATEMENTS OF CASH FLOWS[1]
(All amounts expressed in millions of U.S. dollars)

	January 1 through June 30, 2026	2025
Cash Flows from Operating Activities		
Lending		
Disbursements	(224.2)	(183.5)
Cash received from loan principal amortizations	120.0	117.0
Net disbursements	(104.2)	(66.5)
Cash received from interest and other loan charges	88.3	89.3
Net flows in lending activities	(15.9)	22.8
Other operating flows:		
Payment of salaries, benefits, and other personnel expenses	(6.4)	(5.2)
Payment of administrative expenses	(2.2)	(2.0)
Increase in trade accounts payable and with special funds	(3.6)	(0.6)
Net flows used in other operating activities	(12.2)	(7.8)
Net flows from operating activities	(28.1)	15.0
Cash Flows from Financing Activities		
Proceeds from borrowings	440.6	460.0
Derivatives – Collateral deposited at counterparts	(34.7)	120.3
Repayment of borrowings and debt service	(109.5)	(66.6)
Deferred loan charges	(3.0)	(2.4)
Net flows from financing from third parties	293.4	511.3
Collection of paid-in capital subscriptions	8.9	-.-
Net flows from financing activities	302.3	511.3
Cash flows from investing activities		
Collection of investment income	23.9	14.7
Net sales/(purchases) of investments	(426.3)	(360.0)
Capital expenditures	(0.2)	(0.1)
Net flows from investment activities	(402.6)	(345.4)
(Decrease) Increase in cash and equivalents during the period	(128.4)	180.9
Cash and Cash equivalents at the beginning of the period	380.7	339.4
Cash and Cash equivalents at the end of the period	252.3	520.3

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

[1] The information as of June 30, 2026, was subjected to a limited review. As explained in the independent auditor's report a limited review is less than an audit of financial statements.

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FONPLATA – Banco Multilateral de Desarrollo
INTERIM STATEMENTS OF CHANGES IN EQUITY[1]
(All amounts expressed in millions of U.S. dollars)

	Paid-in Capital (*)	General reserve	Reserve for changes in the value of investments at fair value	Reserve for revaluation of property	Retained Earnings	Total
Balance as of January 1, 2025	1,321.1	332.9	(3.0)	0.5	98.7	1,750.2
Capital increase – Paid-in portion	-.-	-.-	-.-	-.-	-.-	-.-
Net income for the period	-.-	-.-	-.-	-.-	59.8	59.8
Other comprehensive income for the period	-.-	-.-	3.2	0.1		3.3
Balance as of June 30, 2025	1,321.1	332.9	0.2	0.6	158.5	1,813.3
Balance as of January 1, 2026	1,329.9	424.0	2.8	0.5	95.1	1,852.3
Capital increase – Paid-in portion	8.9	-.-	-.-	-.-	-.-	8.9
Net income for the period	-.-	-.-	-.-	-.-	63.5	63.5
Other comprehensive income for the period	-.-	-.-	(9.4)	-.-	-.-	(9.4)
Balance as of June 30, 2026	1,338.8	424.0	(6.6)	0.5	158.6	1,915.3

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

(*) After deducting the amount of callable capital and the paid-in capital subscribed receivable (see note 10).
[1] The information as of June 30, 2026, was subjected to a limited review. As explained in the independent auditor's report a limited review is less than an audit of financial statements.

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VICEPRESIDENT OF FINANCE

Note 1 – Background

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

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

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

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

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

On January 27, 2024, the new Bank Charter approved by the Board of Governors in November 2018, entered into force. The enhancements introduced have the purpose to modernize it ensuring the Bank's continues its growth and are designed to strengthen its capacity and relevance as an active partner to promote integration both at the regional and global level, as a vehicle for development. The following are the most relevant enhancements: (i) FONPLATA's transformation from a "fund" into a "development bank"; (ii) a change in its name to be formally recognized as "FONPLATA", or "The Bank"; (iii) expansion of its scope of work with a geographic focus based on the countries conforming the River Plate basin, to one encompassing the region of its member countries and their integration in the global market; (iv) the expansion of its membership beyond its founding members, recognizing the possibility of incorporating non-founding members that could consist of either countries or institutions, to its capital base and (v) the redenomination of capital as "authorized capital" for an initial amount of $3,014.2, consisting of 301,420 class "A" shares, to be allocated to founding members only, with a par value of $0.01 each, and with a voting right of one vote per share. As approved, the authorized capital also includes class "B" shares, to be assigned to non-funding members. (see Note 10.1-Capital for further information).

On April 10, 2023, the Board of Governors appointed Luciana Botafogo Brito as the Executive President of FONPLATA, Development Bank for the period 2023 – 2028, and on February 20, 2026, the Board of Governors approved the financial statements for the year ended December 31, 2025.

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

On July 31, 2025, the Board of Governors approved the proposal to increase the subscribed capital, 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). 18.182% of the $6,498.8, of capital increase is set aside for the admission of new members will amount to $6,498.8. Integration of the capital increase by member countries will be done annually over a 10-year period. At the end of the integration paid-in capital will reach 45% and callable capital 55%, hence more than doubling the Bank's sustainable lending capacity.

The Bank Administration is characterized by a keen focus on strategic planning and results-based management. The Strategic Institutional Plan 2022 – 2026 (a.k.a. PEI for its Spanish acronym), was approved by the Board of Governors in September 2021. As part of drafting the new capital increase, the Administration together with the Board of Executive Directors revalidated the strategic pillars and objectives driving the Bank's direction and focus during 2026 and through the beginning of the new capital increase expected by mid-2027. The Planning and Budget Document (a.k.a. DPP for its Spanish acronym) containing the expected results for the period 2026 – 2028, the activities required along with the administrative and capital budgets needed was approved by the Board of Governors on December 19, 2025 (ASG/RES-216/2025). The financial statements of the Bank for the year ended December 31, 2025, were approved by the Board of Governors on April 6, 2026 (ASG/RES-217/26).

NOTE 2 – SIGNIFICANT CHANGES DURING THE INTERIM PERIOD ENDED JUNE 30, 2026, AND FOR THE YEAR ENDED DECEMBER 2025.

The following paragraphs provide a description of the most relevant operational and financial activities of the Bank during the interim period ending June 30, 2026, and for the year ending December 31, 2025, respectively, which have directly contributed to the growth of its net earning assets and to the generation of net income for each interim period and year:

- Loan income was mainly determined by the increase in the loan portfolio during the last quarter of 2025 and the first quarter of 2026. In the interim period from January to June 2026 loan disbursements amounted to $224.2, and collections of principal of $120.0, for a net portfolio increase of $104.2, as shown in the statement of cashflows. The average reference rate for loans in the first half of the year decreased by 15.7% compared to the first half of 2025 (January to June 2026- 3.64% vs January to June 2025-4.32%).

- During the period ended as of June 30, 2026, the Bank approved 4 financings for an aggregate amount of $255.0, consisting of 2 sovereign guaranteed loans in the amount of $170.0, and 2 non-sovereign guaranteed loan in the amount of $85.0 (June 30, 2025 – 3 sovereign guaranteed loans approved for an aggregate amount of $119.0). This represents an increase in the amount of approved financings of 42.9% in sovereign guaranteed loans, and a 100% increase in non-sovereign guaranteed loans, compared to the interim period ended as of June 30, 2025. During the year ended December 31, 2025, the Bank approved 10 sovereign guaranteed financing operations in the amount of $336.8.

- In the interim period ended as of June 30, 2026, disbursements on loans amounted to $224.2, showing an increase of $40.7, or 22.2%, with respect to the same interim period in 2025 (June 30, 2025 - $183.5, including $20.0, without sovereign guarantee). All disbursements made in 2026 corresponded to sovereign-guaranteed operations, which increased by $60.7, or 37.1%, compared to the same period in 2025. Likewise, collections of loan principal on outstanding during the interim period ended as of June 30, 2026, amounted to $120.0, of which $7.5 were on loans without sovereign guarantee, showing a increase of $3.0, or 2.6% when compared to the same interim period in 2025. As a result, the loan portfolio went from $2,448.6 as of June 30, 2025, to $2,694.4, as of June 30, 2026, for a growth rate of 10.0% (December 31, 2025 – Loans outstanding reached $2,590.6, for a growth rate of 4.0%).

- During the interim period ended as of June 30, 2026, and in compliance with its liquidity and debt policies, the Bank raised $440.6, mainly to leverage the growth of its loan portfolio as shown in the table below. This amount consisted of three 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), 45.0%, and the remainder in credit lines with multilateral international cooperation organizations and a syndicated facility with several private banks, 55.0%.

- Financial costs during the interim period ended as of June 30, 2026, amount to $59.4, equivalent to 503 basis points based on the average debt outstanding, which when compared to the same interim period in 2025, of 595 basis points, show a decrease of 92 basis points equivalent to 15.5% (December 31, 2025 - 600 basis points). This decrease is mainly due to a decrease on the SOFR rate coupled with lower borrowing costs on debt issuances during the interim period.

- The average return on net financial assets, in Note 3, shows a 13.4% decrease resulting from: (i) an decrease in the SOFR rate leading to a net decrease of 13.6% in the average on return on loans, (ii) a decrease of 31.3% on the average return on liquid investments.

- In compliance with its policies and procedures for the maintenance of liquid assets and indebtedness, during the period ended June 30, 2026, the Bank carried out the following bond issuances and contracted hedging operations in those cases in which the indebtedness was denominated in currencies other than the U.S. dollar or the reference interest rate was different from the SOFR under the expired modality:

Debt	Details
January 27, 2026 - CDP	$35.0 was received from Cassa Depositi e Prestiti S.P.A. (CDP), corresponding to the first disbursement of the second credit facility subscribed in December 2025.
March 18, 2026 - ICO	$7.2 funds were disbursed from ICO's third credit line subscribed in May 2024, using the total amount availableof $25.0.
April 30, 2026 – Syndicated facility	Contracting of a syndicated credit facility denominated in dollars based on the SOFR rate. This facility consisted of two tranches with 5- and 7-years maturity, $80.0 and $120.0, respectively. These lines were fully disbursed on May 13, 2026.
May 22, 2026 - MTN #12	Issuance of bonds under the Medium-Term Note Program (MTNP) for $ 50.0, maturing in 7 years, on May 22, 2033, with a semi-annual payment coupon on a SOFR basis.
June 10, 2026 - MTN #13	Issuance of bonds under the MTNP for EUR 100.0 equivalent to $ 116.4, maturing in 10 years, on June 10, 2036, with an annual fixed-rate coupon. The Bank contracted a rate and currency hedging operation with SMBC denominated the debt in US dollars with a semi-annual coupon at the overdue SOFR rate.
June 30, 2026 - MTN#14	Issuance of bonds under the MTNP for $32.0, maturing in 5 years, on June 30, 2031, with a semi-annual payment coupon on an SOFR basis.

- 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 June 30, 2026:

Entity	Outstanding as of December 31, 2025 Historical $	Principal repaid interim period Historical $	Funds received during interim period Historical $	Total owed in dollars June 30, 2026 Historical $	Fair value adjustments and exchange differences $	Outstanding debt as of June 30, 2026 $
Banco de Desarrollo de América Latina (CAF)	125.0	(25.0)	-.-	100.0	-.-	100.0
Banco Interamericano de Desarrollo (BID)	185.0	(2.5)	-.-	182.5	-.-	182.5
Agencia Francesa de Desarrollo (AFD)[1]	47.7	(0.9)	-.-	46.8	1.1	47.9
Banco Europeo de Inversiones (BEI)	59.6	(0.4)	-.-	59.2	(0.1)	59.1
Instituto de Crédito Oficial E.P.E. (ICO)	30.8	(1.1)	7.2	36.9	(0.1)	36.8
Banco Bilbao Vizcaya Argentaria (BBVA)	141.7	(16.7)	-.-	125.0	-.-	125.0
Kreditanstalt für Wiederaufbau-(KfW)[1]	40.3	-.-	-.-	40.3	2.8	43.1
Cassa Depositi e Prestiti S.P.A. (CDP)	27.5	(2.5)	35.0	60.0	-.-	60.0
Syndicated Facility	-.-	-.-	200.0	200.0	-.-	200.0
Subtotal before deferred loan charges	657.6	(49.1)	242.2	850.7	3.7	854.4
Deferred loan charges	(3.5)	0.5	(0.3)	(3.3)	(0.2)	(3.5)
Subtotal multilaterals and other	654.1	(48.6)	241.9	847.4	3.5	850.9
Bond issuance CHF FONPLATA 26[2]	222.7	-.-	-.-	222.7	24.3	247.0
Bond issuance CHF FONPLATA 27[2]	158.6	-.-	-.-	158.6	24.7	183.3
Bond issuance CHF FONPLATA 28[2]	164.5	-.-	-.-	164.5	19.8	184.3
Bond issuance CHF FONPLATA 29[2]	152.9	-.-	-.-	152.9	12.1	165.0
Bond issuance JPY Serie 1 28[2]	22.5	-.-	-.-	22.5	(4.4)	18.1
Bond issuance JPY Serie 2 29[2]	31.5	-.-	-.-	31.5	(6.8)	24.7

Entity	Outstanding as of December 31, 2025 Historical	Principal repaid interim period Historical	Funds received during interim period Historical	Total owed in dollars June 30, 2026 Historical	Fair value adjustments and exchange differences	Outstanding debt as of June 30, 2026
Bond issuance JPY Serie 3 27[2]	40.2	-.-	-.-	40.2	(1.3)	38.9
Bond issuance JPY Serie 4 29[2]	7.0	-.-	-.-	7.0	(0.3)	6.7
Bond issuance MTN USD #01	40.0	-.-	-.-	40.0	0.2	40.2
Bond issuance MTN USD #02	40.0	-.-	-.-	40.0	0.5	40.5
Bond issuance MTN USD #03	50.0	-.-	-.-	50.0	0.5	50.5
Bond issuance MTN USD #04-1[2]	30.0	-.-	-.-	30.0	-.-	30.0
Bond issuance MTN USD #04-2[2]	50.0	-.-	-.-	50.0	(0.1)	49.9
Bond issuance MTN USD #05[2]	50.0	-.-	-.-	50.0	2.4	52.4
Bond issuance MTN USD #06	50.0	-.-	-.-	50.0	0.2	50.2
Bond issuance MTN USD #07	100.0	-.-	-.-	100.0	(1.3)	98.7
Bond issuance MTN AUD #8-1	25.1	-.-	-.-	25.1	0.9	26.0
Bond issuance MTN USD #8-2[2]	35.0	-.-	-.-	35.0	2.3	37.3
Bond issuance MTN JPY #9[2]	20.4	-.-	-.-	20.4	(1.9)	18.5
Bond issuance MTN USD #10	30.0	-.-	-.-	30.0	0.2	30.2
Bond issuance MTN INR #11[2]	101.5	-.-	-.-	101.5	(6.7)	94.8
Bond issuance MTN USD #12	-.-	-.-	50.0	50.0	(0.5)	49.5
Bond issuance MTN EUR #13[2]	-.-	-.-	116.4	116.4	(4.2)	112.2
Bond issuance MTN USD #14	-.-	-.-	32.0	32.0	-.-	32.0
Subtotal before deferred issuance charges	1,421.9	-.-	198.4	1,620.3	60.6	1,680.9
Deferred issuance charges	(6.4)	0.7	(3.2)	(8.9)	0.2	(8.7)
Subtotal bonds	1,415.5	0.7	195.2	1,611.4	60.8	1,672.2
Total borrowings[3]	2,069.6	(47.9)	437.1	2,458.8	64.3	2,523.1

[1]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 $11.1 and $1.3, related to borrowings contracted with the AFD and KfW, respectively, for the interim period ended as of June 30, 2026.

[2]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).

- 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 Vizcaya Argentaria (BBVA), and Sumitomo Mitsui Banking Corporation (SMBC).

- During the interim period ended as of June 30, 2026, the Bank received, $8.9, for the integration of capital quotas payable in cash from member countries (June 30, 2025 - $0.0). See Note 10.1 "Capital".

- Administrative expenditures during the interim period ended as of June 30, 2026, on average represented 96 basis points of the actual return on net financial assets, showing an increase of 16 basis points compared to June 30, 2025.

- The Bank is the fiduciary agent for the administration of the investment portfolio of the MERCOSUR Structural Convergence Fund (FOCEM). During the interim period ended as of June 30, 2026, FOCEM's investment portfolio managed by the Bank amounted to $107.8, and the amount of management fee received by the Bank amounted to $0.2 (June 30, 2025 – Investment portfolio managed $104.5, and $0.2, administrative fee collected).

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 corresponds 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 liquid assets and borrowings, during the year ended December 31, 2025, the Bank carried out bond issuances, drew down loans and credit facilities, and entered into hedging transactions in cases where borrowings were denominated in currencies other than the U.S. dollar or where the reference interest rate differed from SOFR in arrears, as detailed below:
- :

Debt	Description
February 19, 2025, MTN #01	Issuance of bonds under the Medium-Term Note (MTN) Program for $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 $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 $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 $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 $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 3, 2025, CAF credit facility	Funds amounting to $50.0 were drawn under the first uncommitted revolving credit facility (Tranche 2)
April 10, 2025, MTN #05	Issuance of bonds under the MTN for $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 $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 $100.0 with a maturity of 5 years, on May 21, 2030, with a semi-annual payment coupon on a SOFR basis.
July 9, 2025, IDB	Loan 2022 – $11.4 corresponding to disbursement #6.
August 5, 2025, MTN #8-1	Issuance of bonds under the MTN for AUD 38.0 equivalent to $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 $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 $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

Debt	Description
	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 $30.0 with a maturity of 5 1/2 years, on March 30, 2031, and coupon at the maturity rate SOFR, payable semi-annually.
October 17, 2025, ICO	ICO funds amounting to $17.8 (Tranche 1) were drawn under the third credit facility approved in 2024.
November 25, 2025, MTN #11	Issuance of bonds under the MTN for INR 9,000.0 equivalent $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.
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.
December 8, 2025, IDB	Loan 2022 – $10.8 corresponding to disbursement #7.

- 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.

- 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 as of December 31, 2024	Principal repaid 2025	Funds received in 2025	Total owed in historical dollars 2025	Fair value adjustments and exchange differences	Outstanding 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 (BID)	167.8	(5.0)	22.2	185.0	-.-	185.0
Agencia Francesa de Desarrollo (AFD)[1]	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)[1]	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
Subtotal before deferred loan charges	605.6	(44.4)	96.4	657.6	7.0	664.6
Deferred loan charges	(4.5)	1.0	-.-	(3.5)	-.-	(3.5)
Subtotal multilaterals and other	601.1	(43.4)	96.4	654.1	7.0	661.1
Bond issuance CHF FONPLATA 26[2]	222.7	-.-	-.-	222.7	29.6	252.3
Bond issuance CHF FONPLATA 27[2]	158.6	-.-	-.-	158.6	29.8	188.4
Bond issuance CHF FONPLATA 28[2]	164.5	-.-	-.-	164.5	22.6	187.1
Bond issuance CHF FONPLATA 29[2]	152.9	-.-	-.-	152.9	15.9	168.8
Bond issuance JPY Serie 1 28[2]	22.5	-.-	-.-	22.5	(3.7)	18.8
Bond issuance JPY Serie 2 29[2]	31.5	-.-	-.-	31.5	(5.8)	25.7
Bond issuance JPY Serie 3 27[2]	40.2	-.-	-.-	40.2	0.1	40.3
Bond issuance JPY Serie 4 29[2]	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

Entity	Outstanding as of December 31, 2024	Principal repaid 2025	Funds received in 2025	Total owed in historical dollars 2025	Fair value adjustments and exchange differences	Outstanding debt as of December 31, 2025
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
Subtotal before deferred issuance charges	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)
Subtotal bonds	796.7	1.2	617.5	1,415.3	101.5	1,516.8
Total borrowings[3]	1,397.8	(42.2)	713.9	2,069.4	108.5	2,177.9

[1]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)).

[2]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).

[3]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 Vizcaya 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 $106.4, and the amount of management fee received by the Bank amounted to $0.5.

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 SOFR rate for most loans outstanding; 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 June 30,						January 1, through December 31,		
	2026			2025			2025		
	Average balance	Income	Return[2] %	Average balance	Income	Return[2] %	Average balance	Income	Return[2] %
Loans outstanding	2,642.6	88.3	6.68	2,415.3	93.4	7.73	2,486.4	187.1	7.52
Investments[1]	1,577.5	28.0	3.55	765.1	19.8	5.17	1,086.4	46.9	4.32
Cash at banks[1]	22.6	0.1	0.88	274.2	0.3	0.22	24.9	0.4	1.61
Financial assets	4,242.7	116.4	5.49	3,454.6	113.5	6.57	3,597.7	234.4	6.52
Borrowings	(2,361.5)	(59.4)	5.03	(1,624.0)	(48.3)	(5.95)	(1,787.8)	(107.2)	(6.00)
Net financial assets	1,881.2	57.0	6.06	1,830.6	65.2	7.12	1,809.9	127.2	7.03
Provisions and other charges[3]	-.-	15.5	1.65	-.-	2.1	0.23	-.-	(15.9)	(0.88)
Administrative expenses[4]	-.-	(9.0)	(0.96)	-.-	(7.5)	(0.82)	-.-	(16.2)	(0.90)
Net assets	1,881.2	63.5	6.75	1,830.6	59.8	6.53	1,809.9	95.1	5.25
Equity	1,813.2	63.5	7.00	1,781.7	59.8	6.71	1,801.3	95.1	5.28

[1]The average balance of investments during the interim period ended as of June 30, 2026, includes $112.8 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 $115.7, of investments in sweep account (June 30, 2025 - $387.2 reclassified as cash and equivalents, and $80.0, of investments in sweep account and December 31,2025- $309.9 reclassified as cash and equivalents and $48.1, of investments in sweep account). 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).

[2]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 and are annualized. 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.

[3]Provisions and other charges	As of June 30,		As of December 31,
	2026	2025	2025
	$	$	$
Provision for loan impairments – Note 8.5	2.0	(0.8)	2.0
Depreciation	(0.2)	(0.3)	(0.6)
Exchanges differences – Gain/(loss)	0.6	0.5	1.8
Special funds participation in investment income	(0.7)	(0.4)	(0.7)
Unrealized losses/gains on borrowings and on their related cross-currency and interest rate swaps classified as fair-value hedges – Note 11	13.8	2.9	(19.3)
Other income/expenses	0.1	0.2	0.9
Total provisions and other charges[5]	15.5	2.1	(15.9)

[4]Actual amount of incurred administrative budget – See Note 12 “Administrative Expenditures”.

[5] Subtotal may differ from totals due to rounding into millions.

FONPLATA

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

These condensed interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), including interpretations issued by the IFRS Interpretations Committee (IFRIC). The Bank's operations are not subject to material seasonal or cyclical factors during the interim reporting period.

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 amendments adopted by the Bank

The Bank first applied the following amendments, which are effective for annual periods beginning on or after January 1, 2026. The Bank has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective as of June 30, 2026.

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

In May 2024, the IASB published amendments to IFRS 9 and IFRS 7, modifications in the classification and measurement of financial instruments. These modifications include:

1. The clarification that financial liabilities must be derecognized on the "settlement date" and the inclusion of an accounting policy option (if specific conditions are met) to derecognize financial liabilities settled through an electronic payment system prior to the settlement date.
2. Additional guidance on how to assess contractual cash flows from financial assets with environmental, social, and governance ("ESG") and similar characteristics.
3. Clarifications on what is included in the term "non-recourse characteristics" and what are the characteristics of contractually bound instruments.
4. The inclusion of disclosures on financial instruments with contingent characteristics and additional disclosure requirements for equity instruments classified at fair value through changes to other comprehensive income (IRI).

The amendments came into effect as of January 1, 2026. The Bank reports that they had no material effect on its financial statements

Annual Amendments to International Financial Reporting Standards – Volume 11

In July 2024, the IASB published nine limited-scope amendments as part of its periodic maintenance of IFRS accounting standards. Amendments include clarifications, simplifications, corrections or changes to improve the consistency of IFRS 1, First Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its related Implementation Guidance; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statements of Cash Flows.

The amendments came into effect as of January 1, 2026. . The Bank reports that they had no material effect on its financial statements.

New Standards and Interpretations Not Yet Adopted

The standards and interpretations issued and listed below are not yet effective as of the date of issuance of these financial statements. The Bank will assess their applicability once they become effective:

• IFRS 18 – Presentation and Disclosure in Financial Statements[1]

[1] Effective for interim and annual reporting periods beginning on or after January 1, 2027.

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 be disbursed at any time during the contractually agreed upon disbursement period, and as such are recognized ratably in income in accordance with IFRS 15.

4.5 Leases

Lease contracts for terms of up to 12 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 approximately 45% paid-in capital and 55% callable capital, the Bank needs to borrow funds to finance disbursements for a portion of its lending portfolio. Borrowing capacity is also determined based on a multiplier of 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 improving the duration and liquidity of the investment portfolio. In accordance with the criteria adopted, these investments are classified in the portfolio of trading investments and measured at fair value, with changes in fair value recognized in investment income for the period.

- *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 SOFR, 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, provided that such assets are not subsequently measured at fair value through profit or loss.

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, overdue and close to become 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 arising from the application of reference rate and the operating margin 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 incurred to fund expected loan disbursements. The Bank contracts derivative instruments as an integral part of its risk management strategy in cases where borrowings are denominated in currencies other than the U.S. dollar or at interest rates other than SOFR in arrears. The fair value of derivatives designated as cash flow hedges is 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, or 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 the protection accounting treatment when it is sold; completed; or executed; the protected asset or liability expires, is sold, terminated or executed, the derivative is not designated as a protective instrument because it is unlikely that a projected transaction will occur; or if the Administration determines that the designation of a derivative as protection for an item 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 June 30, 2026, and December 31, 2025.

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 June 30, 2026, and December 31, 2025.

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:

- Estimation of the probability that borrowers will disburse the total of the approved financing during the contractually established period is uncertain, which determines the recognition of the commitment or service fee on a linear basis during the disbursement period – Note 4.4.
- Potential impairment of investments carried at amortized cost – Note 8.4 – (ii),
- Potential impairment of the loan portfolio – Note 8.5 – (iii).
- Estimation of the effectiveness of derivatives held for the protection of cash flows – Note 8.6 – (ii).

Climate-related issues

The Bank recognizes the importance of managing climate risks and environmental sustainability to help achieve the desired development impact through its financings. All the projects promoted by the Bank incorporate the mitigation of the impact on the environment and the reduction of the carbon footprint, and some of them are specifically focused on climate change mitigation, through adherence to best practices in environmental matters. The Bank also promotes green line projects through subsidies to the fixed margin that form part of the interest rate on its loans.

Since 2025, the Bank has been in the process of adopting the new standards for the disclosure of sustainability-related financial information required by the International Accounting Standards Board (IASB), IFRS S1 and S2. These standards require disclosure of environmental sustainability risks and opportunities. In this regard, the Bank has initiated the necessary actions to adopt and comply with these standards in order to issue a sustainability report in relation to its financial statements for the year ended December 31, 2026, while also updating its Sustainable Debt Framework.

In terms of its direct impact or carbon footprint, in 2025 the Bank developed its own internal processes to capture and measure the direct impact on the carbon footprint derived from its operations, and implemented its own carbon footprint calculator. In this regard, in 2025, it issued its first report containing the inventory of greenhouse gas (GHG) emissions, associated with its operations. The calculator applies 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. The total GHG emissions derived from the Bank's operation for the fiscal year ended December 31, 2025, amount to 1,281.6 tCO_2e equivalent to $0.04. As of June 30, 2026, the Bank does not have an interim measurement of its operational GHG emissions, as its institutional inventory is updated annually.

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 52.5% of financial liabilities are denominated in U.S. dollars. 0.7% of assets and 47.5% of liabilities have been denominated in currencies other than the Bank's functional currency and are hedged through cross-currency swaps.	Cash flow budget	All loan and investment transactions, as well as the most relevant liabilities shown in the financial statements have been transacted in U.S. dollars. 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. 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. 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.
Market risk – Interest rate risk	Risk of experiencing fluctuations in lending and borrowing rates applicable to the Bank's loans, and debt. 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.	Sensitivity analysis	The Bank has established policies for the determination of interest rates, allowing it to mitigate the potential effects of interest rate fluctuations. The Bank seeks to minimize the negative impact associated with potential mismatches on the duration of the loan portfolio and the debt incurred to finance such loans. Potential exposures from the issuance of the bonds

Risk	Source of Exposure	Measurement	Risk Management
			denominated in currencies other than the US dollar and at interest rates other than the reference rate, are effectively managed through cross-currency swaps. 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.
Market risk – Security prices	The Bank does not have investments in equity instruments that might be exposed to price risk. All investments consist of bonds that according to the Bank's business model can either be classified as available for sale or held-to-maturity.	Sensitivity analysis based on changes in interest rate for bonds classified as available for sale, valued at fair value with changes in OCI. The analysis also focuses on changes in the credit risk rating of issuers of bonds classified as held-to-maturity, which are valued at the lower of amortized cost or fair value	The Bank does not have investment in equity instruments that might be exposed to price risk. Bonds classified in the available for sale portfolio are monitored on a regular basis. Based on a a pilot program which run from March 2025 through February 2026, the Bank started investing in ETFs where the underlying asset are U.S. Treasuries. Starting February 9, 2026, investment on ETFs was formally incorporated to the list of approved investment instruments. Given their nature, ETFs are classified in the Trading Investments portfolio, and valued at fair value. .
Credit risk	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 financial instruments designated as fair value	- Arrears analysis based on the aging of loans, derivatives, bonds, and other instruments. - Credit ratings - Loan loss provision	Diversification of bank deposits and applicable loan limits. Investment policies and guidelines and credit rating of counterparts. Limits for concentration of credit risk applied to member countries and non-sovereign loans.

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Risk	Source of Exposure	Measurement	Risk Management
	hedges of specific borrowings.		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

All loan contracts issued by the Bank are denominated in United States dollars and accrue interest based on the SOFR in arrears. For those loans whereby virtue of the Flexible Financial Conditions (FFC), borrowers can, among other options, choose to denominate disbursements in a currency other than the United States dollar, or replace the SOFR in arrears for a different rate, the Bank purchases cross-currency swaps or interest rate swaps with approved counterparts to hedge the exchange and interest rate risk.

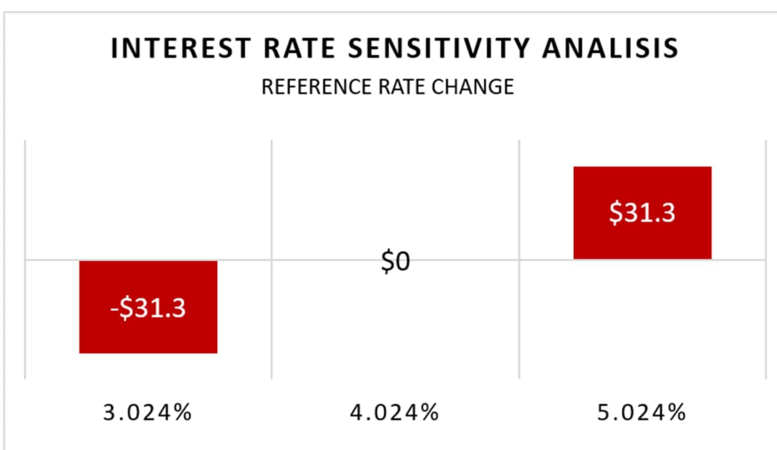
The loan interest rate is comprised of the loan reference rate plus a fixed margin. The Bank's fixed margin is reviewed annually for new loans based on the Bank's policy guidelines for income management and financial charges. The objective of this policy is to achieve a balance between the accumulation of a level of capital in the long-term to ensure its self-sustainability and to ensure obtaining the best financial terms for the benefit of its member countries. The Bank applies a financial income model as a tool to achieve results over a planning horizon covering the medium and long-term. The Bank's income model allows through the management of various parameters and assumptions to ensure the relative stability and sufficiency of loan charges to cover the Bank's financial costs and operating expenses as stated in its financial policies, and to make timely adjustments that might be required from time to time to its fix lending margin in response to sudden and significant changes in relevant assumptions used. The Bank regularly 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 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"). For non-sovereign guaranteed loans approved the Board of Executive Directors approved the new margins applicable to new financings to range between 230 and 420 basis points (DEJ/RES-1580/26). For sovereign guaranteed loans, the Board of Executive Directors approved a set of new fixed margins ranging from 225 basis points for 8-year loans; 235 basis points for 15-year loans and 245 basis points for 20-year loans, which represents a reduction of 15, 25 and 35 basis points, respectively. Furthermore, the Board of Executive Directors approved a new compensation schema reducing the fixed margins to promote financings associated to the "Economic Development", and other thematic lines up to a minimum floor of 130 basis points (DEJ/RES – 1579/26). The commitment fee was maintained at 35 basis points, and the administrative fee between 45 and 65 basis points, according to the duration of the loan.

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 402.4 basis points.

Accordingly, the analysis yields a maximum and a minimum for the weighted average reference rate of 502.4 – 302.4 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 $31.3.



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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).

In compliance with its liquidity policy, the Bank invests its liquid assets to ensure the availability of funds for projected loan disbursements to its borrowers, as well as to service the debt and principal repayment obligations to bondholders and financial institutions, and to cover its operating expenses for a period of 12 months. Accordingly, the Bank classifies its investment assets into three distinct portfolios based on their purpose::

- Marketable investments: they consist of "Exchange Traded Funds" or ETFs, bonds, and other instruments that due to their 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 June 30, 2026, as well as at December 31, 2025:

	Sensitivity analysis of investments					
	June 30, 2026			December 31, 2025		
	Book value[1]	Maximum loss exposure	Variation	Book value[1]	Maximum loss exposure	Variation
	$	$	%	$	$	%
Trading investments with changes in income	39.6	0.7	1.77	51.3	1.0	1.95
Available for sale investments up to 12-months – OCI[2]	394.5	1.2	0.30	289.8	1.3	0.45
Available for sale investments greater than 12-months – OCI	703.0	15.7	2.23	734.7	17.1	2.33
Total	1,137.1	17.6	1.55	1,075.8	19.4	1.80

[1] 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).

[2] As of June 30, 2026, the held-to maturity investment portfolio includes fixed –term certificates of deposits and commercial paper for an amount of $112.8 in held-to-maturity investments corresponding to certificates of deposit and $115.7, in investment in sweep accounts (December 2025 - $309.9 and $48.1, respetively). These investments are included in cash and equivalent balance, since the time spanned from their date of purchase to their contractual maturity is up to 90 days or less. The Bank periodically assesses its portfolio of held-to-maturity investments valued at their amortized cost for potential impairment due to changes in the credit rating of issuers that might be indicative of a permanent impairment in their value (see Note 4.8).

6.4 Credit risk

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

As of June 30, 2026, 96% of loans outstanding consist of sovereign guaranteed loans granted to member countries (December 2025 – 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 June 30, 2026, the Bank has approved NSG financings for an amount of $324.0 in ten loans of which four for $84.0 were cancelled, and $262.5, were disbursed (December 2025 - $239.0 approved, $84.0 cancelled and $232.5, disbursed), and received principal amortizations for $113.5 (December 2025 - $106.0), for a total outstanding of $119.0 (December 2025 - $126.5). 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 CABEI. 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).

The following tables show the amount of guarantees received and granted by FONPLATA in relation to the loan portfolios negotiated, and the amount of exposure maintained with the borrowing countries:

Guarantee Granted to CABEI - EEA

	June 30, 2026		December 31, 2025	
Country	Amount $	Rating[1]	Amount $	Rating[1]
El Salvador	104.0	B-	104.0	B-
Nicaragua	208.0	B+	208.0	B+
Honduras	52.0	BB-	52.0	BB-
Panamá	52.0	BBB-	52.0	BBB-
República Dominicana	52.0	BB	52.0	BB
Total	468.0		468.0	

Guarantee Received from CABEI - EEA

	June 30, 2026		December 31, 2025	
Country	Amount $	Rating[1]	Amount $	Rating[1]
Argentina	84.2	B-	84.2	CCC+
Uruguay	55.0	BBB+	55.0	BBB+
Bolivia	117.0	CCC+	117.0	CCC-
Paraguay	93.8	BBB-	93.8	BBB-
Brasil	100.0	BB	100.0	BB
Total	450.0		450.0	

[1] Source: S&P Ratings

As of June 30, 2026, 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 June 30, 2026, and as of December 31, 2025, 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 interim period ended as of June 30, 2026, and for the year ended as of December 31, 2025, 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 June 30, 2026, and as of December 31, 2025, respectively:

Financial Assets	June 30, 2026 $	December 31, 2025 $
Cash and cash equivalents – Notes 8.1 and 8.4	252.3	380.7
Investments – Notes 8.2 and 8.3[1]	1,492.8	1,075.8
Gross liquidity	1,745.1	1,456.5
Financial Liabilities		
Fair value hedge derivatives– Note 8.6 (ii)	-.-	3.2
Borrowings – Note 8.6	2,523.1	2,177.9
Special funds – Note 8.7	24.5	27.6
Other liabilities – Note 9.3	24.8	25.9
Total Liabilities	2,572.4	2,234.6

[1]Includes investments at amortized cost in the amount of $355.7(December 2025 - $0).

Liquid assets coverage of the amount of net estimated disbursements was equivalent to 1.52, and 1.69, years, as of June 30, 2026, and as of December 31, 2025, respectively.

NOTE 7 – MANAGEMENT OF OTHER NON-FINANCIAL RISKS

7.1 Operational risk

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

7.2 Management of strategic risks

Strategic risk – Is the risk derived from the adverse or incorrect application of decisions or the absence of responses to changes affecting development financial institutions. The Bank has a Strategic Institutional Plan (“ISP”) approved by its Board of Governors, which establishes the strategic objectives to be attained, as well as the indicators required to measure progress over time. The Bank is currently in the process of developing a new ISP that incorporates the strategic guidelines set forth in the subscribed capital increase document for the 2027-2036 period. 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.

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 [1] $	Financial assets and liabilities carried at amortized cost $	Total $
June 30, 2026				
Financial assets:				
Cash at banks	8.1	23.3	-.-	23.3
Cash equivalents (investments at amortized cost and sweep account)	8.1 and 8.4	-.-	229.0	229.0
Investments at fair value with changes in income	8.2	39.6	-.-	39.6
Investments at fair value with changes in OCI[1]	8.3	1,108.6	-.-	1,108.6
Investments at amortized cost[2]	8.4	-.-	358.1	358.1
Loan portfolio[3]	8.5	-.-	2,719.1	2,719.1
Subtotal		1,171.5	3,306.2	4,477.7
Fair value hedge derivatives	8.6	1.9	-.-	1.9
Total financial assets		1,173.4	3,306.2	4,479.6
Financial liabilities:				
Borrowings	8.6	(1,759.0)	(764.1)	(2,523.1)
Special funds	8.7	-.-	(24.5)	(24.5)
Other liabilities	9.3	-.-	(24.8)	(24.8)
Total financial liabilities		(1,759.0)	(813.4)	(2,572.4)
Net financial assets		(585.6)	2,492.8	1,907.2

	Note	Financial assets and liabilities carried at fair value [1] $	Financial assets and liabilities carried at amortized cost $	Total $
December 31, 2025				
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[1]	8.3	1,033.8	-.-	1,033.8
Investments at amortized cost[2]	8.4	-.-	-.-	-.-
Loan portfolio[3]	8.5	-.-	2,612.6	2,612.6
Total financial assets		1,106.9	2,971.5	4,078.4
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)
Subtotal		(1,604.6)	(626.8)	(2,231.4)
Fair value hedge derivatives	8.6	(3.2)	-.-	(3.2)
Total financial liabilities		(1,607.8)	(626.8)	(2,234.6)
Net financial assets		(500.9)	2,344.7	1,843.8

[1] 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.
[2]Include interest and other investment income.
[3]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 June 30, 2026, and December 31, 2025, 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:

	As of June 30, 2026 $	As of December 31, 2025 $
Cash at banks	23.3	21.8
Time deposits and short-term bonds and sweep accounts[1]	229.0	358.9
Total	252.3	380.7

[1]The total shown under this line item as of June 30, 2026, 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 $112.8 and $0.5, respectively (December 2025 - $309.9 and $0.9, respectively). In addition, it includes investments held in an interest-bearing sweep account opened with the Bank for International Settlements (BIS) for $115.7, and $0.01 of accrued interest (December 31, 2025 - $48.1, and $0.005 of accrued interest, respectively) (see Note 8.4).
[2]Opening balances and partial sums include differences due to rounding.
[3]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. The policy regarding cash and cash equivalents is included in Note 4.6.

8.2. Investments carried at fair value through profit or loss

Investments classified under this category correspond to exchange-traded funds ("ETFs") arise from a pilot program launched by the Bank between March 2025 and February 2026. Based on the assessment of the results of this pilot program, in May 2026 the Bank's Asset and Liability Committee (ALCO), approved the continued use of ETFs as an investment vehicle, subject to the development of the corresponding regulatory framework. In this context, the Bank is currently updating its internal policies and procedures with the aim of establishing general eligibility criteria that would allow for the expansion of the universe of eligible ETFs, within the Bank's defined risk appetite. As of June 30, 2026, and as of December 31, 2025, the Bank held $39.6, and $51.3, respectively. 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 consist of:

	As of June 30, 2026 $	As of December 31, 2025 $
Sovereign bonds	471.0	428.1
Multilateral development institutions – Bonds	626.5	596.4
Subtotal	1,097.5	1,024.5
Accrued interest receivable	11.1	9.3
Total	1,108.6	1,033.8

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 June 30, 2026, and as of December 31, 2025, 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 (v), for further detail regarding applicable policies for the measurement and presentation of impairment of financial assets.

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

For the interim period ended as of June 30, 2026, the Bank has accumulated unrealized losses in the amount of $9.4 in its statement of comprehensive income (December 2025- unrealized gains $5.8). These unrealized gains and losses consist of a loss in market value adjustments of investments of $9.4 and $0.01, for depreciation of the property revaluation reserve (December 2025- unrealized gains $5.8 and $0.025, respectively).

(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

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 June 30, 2026, and as of December 31, 2025, 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 June 30, 2026, these investments amount to $468.5, consisting of investments with an original maturity that does not exceed 90 days for $112.8, for which these deposits were reclassified as cash and cash and equivalents, and $355.7 that does not exceed 90 days (December 2025- $309.9 reclassified in their entirety as cash and cash equivalents).

	As of June 30, 2026	As of December 31, 2025
Investments and certificates of deposit	$	$
Sovereign	56.6	9.9
Multilateral development institutions	77.3	20.0
Financial entities	334.6	280.0
Principal invested	468.5	309.9
Accrued interest receivable	3.0	0.9
Total	471.5	310.8

8.5 Loan portfolio

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

	As of June 30, 2026 $	As of December 31, 2025 $
Country		
Argentina	625.3	598.9
Bolivia	441.2	431.7
Brazil	413.1	379.0
Paraguay	483.5	455.7
Uruguay	612.7	598.8
Gross loan portfolio with sovereign guarantee (SG)	2,575.8	2,464.1
Gross loan portfolio with non-sovereign guarantee (NSG)	119.0	126.5
Total gross loan portfolio	2,694.8	2,590.6
Less: Unaccrued administrative fee	(5.6)	(6.1)
More: Deferred loan origination costs	0.1	0.2
Subtotal loan portfolio	2,689.3	2,584.7
Less: Provision for potential impairment on SG loans	(15.0)	(16.8)
Less: Provision for potential impairment on NSG loans	(2.9)	(3.1)
Net loan portfolio	2,671.4	2,564.8

As of June 30, 2026, and as of December 31, 2025, loan interest and commission receivable amounts to $47.7, and to $48.1, respectively.

As of June 30, 2026, and as of December 31, 2025, all loans were classified in stage 1. The amount of provision for potential impairment of loans was as follows:

	As of June 30, 2026 $	As of December 31, 2025 $
Provision as of the beginning of the period or year SG[1]	16.8	18.7
Increase/decrease on provision of SG loans	(1.8)	(1.9)
Subtotal Provision GS	15.0	16.8
Opening NSG provision	3.1	3.2
Increase/decrease on NSG provision	(0.2)	(0.1)
Subtotal NSG Provision	2.9	3.1
Total provision for potential impairment on loans	17.9	19.9

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

	As of June 30, 2026 $	As of December 31, 2025 $
Up to one year	224.4	215.7
Greater than one and up to two years	267.4	241.4
Greater than two and up to three years	300.1	285.7
Greater than three and up to four years	286.6	285.7
Greater than four and up to five years	276.2	269.1
Greater than five years	1,340.1	1,293.0
Total gross loan portfolio	2,694.8	2,590.6

(i) Loan portfolio classification

95% of the loan portfolio consists of loans granted with the sovereign guarantee and the preferred creditor status recognized by the member country. Beginning 2020, the Bank begun 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 June 30, 2026 (December 31, 2025- 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 strategic guidelines approved by the Board of Governors as part of the capital increase approved in July 2025, provide for extending financing for activities such as pre-investment, investment, technical cooperation, and knowledge generation. To this end, the Bank is in the process of developing an updated ISP 2027 – 2036, and to expand the lending capacity available for financing majority-owned government enterprises of member countries, at the national and subnational levels, with non-sovereign guarantee (NSG).

Under the NSG financing approved by the Board of Governors in 2019, the Bank is authorized to grant loans and guarantees to government majority-owned institutions and public enterprises at either the national or subnational levels. To be eligible for financing, those institutions must have a minimum credit risk rating and comply with the Bank's financial capacity and solvency requirements.

As indicated in Note 6.4, as of June 30, 2026, and as of December 31, 2025, the balance of non-sovereign guaranteed loans pending collection amounts to $119.0, and to $126.5, respectively, which represents a decrease of approximately 5.9%.

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

Likewise 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 and financing fee payable upon each disbursement.

Loans approved under the Flexible Financial Conditions (FFC), allow borrowers to modify certain financial terms on their loans, such as their principal amortizations profile, the type of interest rate and the conversion of the loan currency throughout its life, for both disbursed and undisbursed balances. The first of these FFC financings was approved on November 23, 2023, to BADESUL, a state-owned financial institution located at Rio Grande do Sul, Brazil in the amount of $10.0.

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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 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 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 from EEA, 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 June 30, 2026, there are no new EEAs transacted. Accordingly, as of June 30, 2026, and as of December 31, 2025, the Bank is a buyer of $468.0 in the loan portfolio of CABEI, 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 CABEI (see Note 6.4, for a detailed composition of the CABEI and FONPLATA's concentration of risk exchanged).

As of June 30, 2026, 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 maximum exposure under the guarantee granted amounted to $468.0, and that of the guarantee received to $450.0, as of June 30, 2026, and 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 CABEI and the portion insured by the Bank to CABEI as of June 30, 2026, resulted in a reduction of the loan provisioning charge of $0.3, (December 31, 2025 – Reduction of the loan loss provisioning charge of $0.3).

8.6 Borrowings

Borrowings include outstanding loans with multilateral development banks, other bilateral organizations and official institutions; financial institutions; and bonds. As stated in (ii) below, the Bank contracts cross-currency swaps to mitigate 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 receivable of $0.2 as of June 30, 2026 (December 31, 2025 - $3.0 net payable settled in January 2026). These balances are shown under "Fair value hedged derivatives", in the statement of financial position.

Total borrowings as of June 30, 2026, and as of December 31, 2025:

	As of June 30, 2026 $	As of December 31, 2025 $
Borrowings		
Borrowings and lines of credit	776.2	569.6
Borrowings at fair value[1]	78.2	95.0
Subtotal	854.4	664.6
Bonds at fair value	1,680.9	1,523.2
Gross portfolio	2,535.3	2,187.8
Less: unamortized borrowing costs	(12.2)	(9.9)
Total	2,523.1	2,177.9

[1]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 June 30, 2026, of $35.2, and $43.1, respectively (December 31, 2025 - $50.6 and $44.4, respectively) (see Note 8.6 (i)).

(i) Loans and lines of credit from MDBs, official agencies and other financial institutions

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

	June 30, 2026 $	December 31, 2025 $
Corporación Andina de Fomento (CAF) – See (1) below	100.0	125.0
Inter-American Development Bank (IDB) – See (2) below	182.5	185.0
French Development Agency (AFD) – See (3) below	47.9	50.6
European Investment Bank (EIB) - See (4) below	59.1	59.6
Official Credit Institute E.P.E. (ICO) – See (5) below	36.8	30.8
Banco Bilbao Vizcaya Argentaria (BBVA) – See (6) below	125.0	141.7
Kreditanstalt für Wiederaufbau (KFW) – See (7) below	43.1	44.4
CDP – Cassa Depositi e Prestiti S.P.A. – See (8) below	60.0	27.5
Syndicated Facility– See (9) below	200.0	-.-
Total	854.4	664.6

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)).

As required by the borrowing contracts with the AFD and KfW, the Bank issues certificates of compliance with specific covenants, certified by its independent auditors.
According to Bank's financial policies its lending capacity is based on a multiple of three times the value of the Bank's equity; and its borrowing capacity, is based on a multiplier of two times the value of the its equity, plus the sum of its liquid assets.
The Bank has designed its borrowing and financial programming strategies with the objective of diversifying its funding sources and obtaining the best possible financial terms based on its credit risk rating and its preferred creditor status.

(1) On December 6, 2023, the Bank and CAF agreed on a 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. On January 26, 2026, the Bank amortized $25.0. No moneys were drawn down during the interim period ended as of June 30, 2026.

(2) On March 7, 2022, the Bank subscribed 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. These second loan, fully disbursed as of December 31, 2025, was based on SOFR in arrears and provided 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 second line of credit, completing the total approved amount of $100.0. During the interim period ended as of June 30, 2026, the Bank amortized $2.5, against the first tranche (December 31, 2025 - $5.0).

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

	As of June 30,2026	
	IDB	
Loans	Eligible	Disbursed [1]
Active line of credit 2022 $100.0:		
ARG-28/2016 Compl. Fronterizos	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	40.3	28.7
BRA-23/2019 Ponta Pora	25.0	7.9
Subtotal	148.9	100.0
Not financed by IADB	(48.9)	-.-
Total credit line	100.0	100.0

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Loans	As of December 31,2025 IDB Eligible	Disbursed [1]
Active line of credit 2022 $100.0:		
ARG-28/2016 Compl. Fronterizos	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	40.3	28.7
BRA-23/2019 Ponta Pora	25.0	7.9
Subtotal	148.9	100.0
Not financed by IADB	(48.9)	-.-
Total credit line	100.0	100.0

[1]The amounts to be disbursed by the IDB in eligible operations have been fully disbursed.

(3) As of June 29, 2022, the Bank signed a second loan contract with AFD to borrow up to EUR 30.0 with a 12-year maturity at the 6-month Euribor rate plus a margin. This loan is added to the loan 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 loan 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 loans as of June 30, 2026, amounts to $47.9, consisting of $12.7 and EUR 30.0 (December 31, 2025 - $50.6, consisting of $13.7 and EUR 30.0 equivalent to $36.9). 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 interim period ended as of June 30, 2026, the Bank amortized $0.9, against the dollar denominated line of credit (December 31, 2025 - $1.8).

Loans	As of June 30, 2026 AFD Total project cost	Eligible	Disbursed	Available	To be financed by FONPLATA
ARG-48/2020 HOSTPITALES CHACO Stage II[1]	20.0	9.0	9.0	-.-	11.0
BRA-33/2022-DOURADOS	38.5	12.0	11.0	1.0	27.5
BRA-29/2021-INDAIATUBA	28.9	14.2	10.0	4.2	18.9
Total Euros	87.4	35.2	30.0	5.2	57.4
Not financed by AFD	-.-	(5.2)	-.-	-.-	-.-
Total credit line -EUROS	87.4	30.0	30.0	5.2	57.4
USD equivalent	99.7	34.2	34.2	5.9	65.5
Line denominated in USD 2018	20.0	20.0	20.0	-.-	-.-
Total	119.7	54.2	54.2	5.9	65.5

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

[1]The ARG-48/2020 project replaces the ARG-51/2021 PROSAF Project.

(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. During the interim period ended as of June 30, 2026, the Bank amortized $0.4 under this line (December 31, 2025 - $0.4, 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 interim period ended as of June 30, 2026, the Bank received $7.2 under the third line of credit, completing the total amount of $25.0, and amortized $1.1, under the previous line, for an outstanding balance of $36.9 (December 31, 2025 - $17.8 drawn-down under the third line and $1.4, amortized for an outstanding balance of $30.8).

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:

Loans	Eligible	Disbursed	Available
	As of June 30, 2026		
	ICO		
PAR 29/2022 ANDE CHACO[1]	19.7	19.7	-.-
URU-27/2024 SANEAMIENTO MALDONADO - Stage I	5.3	5.3	-.-
Total	25.0	25.0	-.-

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

[1] No disbursements were registered for eligible projects during 2024. 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.

(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 interim period the Bank amortized the remaining $16.7 outstanding under the first facility. As of June 30, 2026, there is an outstanding balance corresponding to the second facility of $125.0 (December 31, 2025 - $33.3 amortized for an outstanding balance of $141.6).

(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 interim period ended as of June 30, 2026, there were no disbursements nor amortizations of principal (December 31, 2025 – $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 and the amount disbursed as of June 30, 2026, and as of December 31, 2025, respectively:

	As of June 30, 2026		
	KfW		
Loans	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	37.0	-.-
US dollar equivalent	42.2	42.2	-.-

Loans	As of December 31, 2025		
	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	37.0	-.-
USD equivalent	43.5	43.5	-.-

(8) On May 23, 2024, the Bank signed $30.0 under its first credit facility with CDP, with the purpose of financing projects eligible within the Bank's Sustainable Debt Framework. This facility has a maturity of 6 years and is amortizable at the SOFR in arrears rate composed of 12 semi-annual installments and was fully disbursed on June 18, 2024. During the interim period ended as of June 30, 2026, $2.5 was amortized (December 2025 - $2.5 amortized). On December 18, 2025, the Bank signed a new facility of credit with CDP for $50.0. This new facility is focused on eligible water sustainable projects benefiting the Brazilian Amazon region. This new credit facility may be disbursed to eligible projects through June 18, 2027. During the interim period ended as of June 30, 2026, the Bank disbursed $35.0, under this new credit facility(December 2025-$0).

(9) On May 13, 2026, the Bank received $200.0 structured through a syndicated facility contracted with several financial institutions coordinated by SFI Markets. This facility consists of two tranches denominated in U.S. dollars at the SOFR rate, the first tranche for $80.0 with a maturity of 5 years and semi-annual payments, and the second tranche for $120.0 with a maturity of 7 years and semi-annual payments.

(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, and was exchanged for an obligation denominated in US dollars for $148.8, with semiannual interest payments at the SOFR rate through a cross-currency swap contracted with JPM; FONPLATA 26, consisted of CHF 200.0 with a 5 ½ - years of maturity on September 3, 2026, and was exchanged for an obligation denominated in US dollars for $222.7 with semiannual interest payments at the SOFR rate through a cross-currency swap contracted with DB; and FONPLATA 28, CHF 150.0, with a 7-year maturity on December 1, 2028, and a fixed rate coupon and was exchanged for an obligation denominated in US dollars for $164.5 with semiannual interest payments at the SOFR rate through a rate and cross-currency swap contracted with JPM. 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 at fix rate with a semiannual coupon, and it was exchanged for an obligation denominated in US dollars for $22.5 with semiannual interest payments at the SOFR rate through a cross-currency swap contracted with HSBC, and the second one maturing in October 2029 in the amount of JPY 4,200.0, at fix rate with a semiannual coupon that was exchanged for an obligation denominated in US dollars for $31.5 with semiannual interest payments at the SOFR rate through a cross-currency swap contracted with HSBC.

On June 20, 2024, the Bank conducted their second transaction that consisted of 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.

As of June 30, 2026, and under the MTNP registered on the London Stock Exchange, the Bank raised funds for a total of $198.4, through 3 bond issuances (December 31, 2025- $621.8, through 11 bond issuances). Of this amount, $82.0 is denominated in U.S. dollars and accrues interest on coupons at the overdue SOFR rate (December 31, 2025- $475.0) and EUR 100.0 equivalent to $116.4 with fixed rate coupon. This latest issuance was subject of a cross-currency swap contracted with SMBC. 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 swaps under the MTNP for $427.5; $263.4 in cross-currency swaps; and $165.0 in interest rate swaps.

In 2022, the Bank contracted a second loanwith the AFD and another one with KfW, both denominated in EUR at the Euribor rate. As of June 30, 2026, the Bank had disbursed in full the EUR 30.0, equivalent to $35.2, and the EUR 37.0, equivalent to $43.1, with AFD and with KfW, respectively, before changes in fair value (December 31, 2025-EUR 30.0 equivalent to $31.2, and EUR 37.0 equivalent to $43.5, before changes in fair value).

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 details of the cross-currency and interest rate swap transactions outstanding by financial institution as of June 30, 2026, and as of 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 U.S. 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, U.S. 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 U.S. dollar denominated obligation maturing on February 1, 2034, with semiannual interest payments at the SOFR in arrears; and, (iv) EUR 100.0 received on June 10, 2026, through a private placement of bonds MTN #13, with a 10-years maturity and semiannual interest payments based on the EURIBOR, exchanged for a $116.4 U.S. dollar denominated obligation maturing in 10 years 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 $30.0 with a maturity of 5 years at an annual fixed rate with annual interest payments, and (ii) MTN #04-2 for $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 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, $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, U.S. dollar denominated obligation with semiannual interest rate payments at the SOFR in arrears.

   Cross-currency swap to hedge bond issued under MTNP #13, EUR 100.0 equivalent to $116.4, with a 10-year maturity and fixed-rate semiannual coupons exchanged for U.S. 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 U.S. dollar denominated obligation with semiannual interest rate payments at the SOFR in arrears.

   Cross currency swap to exchange CHF 150.0 received though the issuance of bond FONPLATA 2028, with a 7-years maturity, on December 1, 2028, and semiannual fixed rate coupons, with a $164.5 U.S. 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 FONPATA 26, with a 5 ½ year maturity, on September 3, 2026, and fixed rate annual coupon, for a $222.7 U.S. dollar denominated obligation with semiannual interest rate payments at the SOFR in arrears.

   Cross 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 semiannual coupon based on the SOFR in arrears, for a $101.5 U.S. 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 and (iii) EUR 5.5 received on December 5, 2025, at the EURIBOR rate for a $6.4, U.S. dollar denominated obligation with semiannual interest payments at the SOFR in arrears.

   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 $50.0 with a maturity of 10 years, on April 10, 2035, 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 FFC to denominate the loan disbursements into the local currency, BRL, 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 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.

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 FFC 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.

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

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

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

Interest received or paid by the Bank on the amount of collateral held by the counterparts is recognized as part of other incomes in the statement of profit or loss and other comprehensive income. As of June 30, 2026, the Bank has a net payable position with its derivative counterparts in the amount of $45.6 (December 2025 - $80.2, 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 June 30, 2026, the Bank received interest on collateral deposited with its counterparties for $0.3 (January- June 2025- $0.4 and January-December 31, 2025 - $0.6) and paid interest on collateral received from its counterparties for $1.6 (January- June 2025- $0.7 and January-December 31, 2025 - $2.6).

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

The following table presents the recognized financial instruments as if all set-off rights were exercised (i.e., cross-currency and interest rate swaps and collateral), based on the set-off and netting right arising from the contract. As of June 30, 2026, and for the year ended 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.

	Gross amounts	Gross amounts offset in the Statement of Financial Position	Net amounts presented in the Statement of Financial Position
	$	$	$
June 30, 2026			
Sumitomo Mitsui Banking Corporation (SMBC)			
Financial assets:			
Interest rate swaps receivable	128.7	(128.7)	-.-
Cross-currency and interest rate swaps receivable	249.9	(249.9)	-.-
Collateral receivable	8.4	-.-	8.4
Subtotal derivatives receivable	387.0	(378.6)	8.4
Financial liabilities:			
Interest rate swaps payable	(129.0)	128.7	(0.3)
Cross-currency and interest rate swaps payable	(257.8)	249.9	(7.9)
Subtotal derivatives payable	(386.8)	378.6	(8.2)
Net derivative exposure with SMBC	0.2	-.-	0.2
J.P. Morgan (JPM):			
Financial assets:			
Cross-currency and interest rate swaps receivable	198.7	(177.8)	20.9
Subtotal derivatives receivable	198.7	(177.8)	20.9
Financial liabilities:			
Cross-currency and interest rate swaps payable	(177.8)	177.8	-.-
Collateral payable	(20.6)	-.-	(20.6)
Subtotal derivatives payable	(198.4)	177.8	(20.6)
Net derivative exposure with JPM	0.3	-.-	0.3
Deutsche Bank (DB):			
Financial assets:			
Interest rate swaps receivable	51.6	(51.6)	-.-
Cross-currency swaps receivable	520.8	(499.0)	21.8
Subtotal derivatives receivable	572.4	(550.6)	21.8
Financial liabilities:			
Interest rate swaps payable	(51.6)	51.6	-.-
Cross-currency swaps payable	(499.0)	499.0	-.-
Collateral payable	(21.8)	-.-	(21.8)
Subtotal derivatives payable	(572.4)	550.6	(21.8)
Net derivative exposure with DB	-.-	-.-	-.-
Banco Bilbao Vizcaya Argentaria (BBVA) [2]:			
Financial assets:			
Interest rate swaps receivable	77.7	(56.9)	20.8
Cross-currency swaps receivable	232.4	(229.1)	3.3
Subtotal derivatives receivable	310.1	(286.0)	24.1

	Gross amounts	Gross amounts offset in the Statement of Financial Position	Net amounts presented in the Statement of Financial Position
Financial liabilities:			
Interest rate swaps payable	(56.9)	56.9	-.-
Cross-currency swaps payable	(229.1)	229.1	-.-
Collateral payable	(24.4)	-.-	(24.4)
Subtotal derivatives payable	(310.4)	286.0	(24.4)
Net derivative exposure with BBVA	(0.3)	-.-	(0.3)
HSBC[2]:			
Financial assets:			
Cross-currency swaps receivable	53.2	(53.2)	-.-
Collateral receivable	12.9	-.-	12.9
Subtotal derivatives receivable	66.1	(53.2)	12.9
Financial liabilities:			
Cross-currency swaps payable	(66.1)	53.2	(12.9)
Subtotal derivatives payable	(66.1)	53.2	(12.9)
Net receivable exposure with HSBC	-.-	-.-	-.-
Net receivable Exposure[2]	0.2	-.-	0.2

	Gross amounts	Gross amounts offset in the Statement of Financial Position	Net amounts presented in the Statement of Financial Position
	$	$	$
December 31, 2025			
Sumitomo Mitsui Banking Corporation (SMBC)			
Financial assets:			
Interest rate swaps receivable	133.6	(133.6)	-.-
Cross-currency and interest rate swaps receivable	125.1	(125.1)	-.-
Subtotal derivatives receivable	258.7	(258.7)	-.-
Financial liabilities:			
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)
Subtotal derivatives payable	(258.9)	258.7	(0.2)
Net derivative exposure with SMBC	(0.2)	-.-	(0.2)
J.P. Morgan (JPM):			
Financial assets:			
Cross-currency and interest rate swaps receivable	203.4	(203.4)	-.-
Subtotal derivatives receivable	203.4	(203.4)	-.-

	Gross amounts	Gross amounts offset in the Statement of Financial Position	Net amounts presented in the Statement of Financial Position
Financial liabilities:			
Cross-currency and interest rate swaps payable	(179.6)	203.4	23.8
Collateral payable	(24.6)	-.-	(24.6)
Subtotal derivatives payable	(204.2)	203.4	(0.8)
Net derivative exposure with JPM	(0.8)	-.-	(0.8)
Deutsche Bank (DB):			
Financial assets:			
Interest rate swaps receivable	51.6	(51.6)	-.-
Cross-currency swaps receivable	536.4	(536.4)	-.-
Subtotal derivatives receivable	588.0	(588.0)	-.-
Financial liabilities:			
Interest rate swaps payable	(51.6)	51.6	-.-
Cross-currency swaps payable	(503.7)	536.4	32.7
Collateral payable	(33.3)	-.-	(33.3)
Subtotal derivatives payable	(588.6)	588.0	(0.6)
Net derivative exposure with DB	(0.6)	-.-	(0.6)
Banco Bilbao Vizcaya Argentaria (BBVA)[2]:			
Financial assets:			
Interest rate swaps receivable	58.0	(58.0)	-.-
Cross-currency swaps receivable	258.8	(258.8)	-.-
Subtotal derivatives receivable	316.8	(316.8)	-.-
Financial liabilities:			
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)
Subtotal derivatives payable	(317.7)	316.8	(0.9)
Net derivative exposure with BBVA	(0.9)	-.-	(0.9)
HSBC[2]:			
Financial assets:			
Cross-currency swaps receivable	57.0	(67.9)	(10.9)
Collateral receivable	10.4	-.-	10.4
Subtotal derivatives receivable	67.4	(67.9)	(0.5)
Financial liabilities:			
Cross-currency swaps payable	(67.9)	67.9	-.-
Subtotal derivatives payable	(67.9)	67.9	-.-
Net receivable exposure with HSBC	(0.5)	-.-	(0.5)
Net receivable Exposure[2]	3.0	-.-	3.0

[1] 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.

[2]For presentation purposes, the outstanding balance of non-sovereign loans granted with the FFC (see Note 8.5 (i)), the net derivative excludes $1.7 of exchange differences on cross-currency swaps contracted with HSBC and BBVA (December 31,2025- $0.2). This amount is shown as part of the amount of loans outstanding.

Derivatives are valued at fair value using valuation techniques using reliable and observable market information whenever possible, and as such, are classified as Level 2 (see Note 8.8).

Borrowings outstanding classified based on their scheduled maturities before deferred charges of $12.2, (December 31, 2025 - $9.9), are as follows:

	As of June 30, 2026 $	As of December 31, 2025 $
Up to one year[1]	388.2	363.1
Greater than one and up to two years	381.6	360.6
Greater than two and up to three years	297.6	364.6
Greater than three and up to four years	524.1	252.8
Greater than four and up to five years	176.7	330.9
Greater than five years	767.1	515.8
Total gross loan portfolio	2,535.3	2,187.8

[1]The "up to one year" tranche includes exchange differences and market adjustments of the debt for a total of $11.9 (December 31, 2025 - $24.8).

(iii) Fair value of borrowings

Loans and lines of credit contracted with MDBs, official agencies and other financial 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 June 30, 2026, and December 31, 2025, includes the following:

	As of June 30, 2026 $	As of December 31, 2025 $
FOCOM	10.0	14.4
PAC	9.8	8.4
PCT	4.7	4.8
Total	24.5	27.6

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)": This fund helps reduce member countries' financial costs associated with loans granted by the Bank that are eligible for compensation under the various lines provided under FOCOM. No funds were allocated to the FOCOM during the interim period ended as of June 30, 2026. 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.

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. Since its inception and until June 30, 2026, the PCT has received $7.4 in contributions approved by the Board of Governors from retained earnings (December 31, 2025-$7.4).

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. The PAC has a validity of eight years, counted from the date of employment of each participant. Furthermore, and as an incentive to foster personnel retention, the PAC provides a vesting period of four years. Upon termination of employment, participants are entitled to withdraw from the PAC the totality of their exit payment benefit; their voluntary savings contributions plus accumulated investment earnings, and the accumulated matching contributions made by the Bank on participant's voluntary savings contributions plus accumulated investment earnings.

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

The following table provides a breakdown of funds accumulated and total available PAC funds for the interim period ended as of June 30, 2026, and for the year ended as of December 31, 2025, respectively:

	Severance payment contributions	Participants' voluntary savings contributions	Bank's matching contributions on voluntary savings	Accumulated total	Total amount available for termination	Deferred amount
	$	$	$	$	$	$
June 30, 2026						
Balance as of December 31, 2025[1]:	3.0	2.9	2.5	8.4	8.3	0.1
Severance payment contributions	0.4	-.-	-.-	0.4	0.4	-.-
Participants' voluntary savings contribution	-.-	0.3	0.5	0.8	0.8	-.-
Additional participants' savings contributions	-.-	0.1	-.-	0.1	0.1	-.-
Investment income accrued	-.-	-.-	-.-	-.-	-.-	-.-
Withdrawals	(0.1)	0.1	0.1	0.1	0.1	-.-
Balance due to the PAC June 30, 2026	3.3	3.4	3.1	9.8	9.7	0.1
December 31, 2025						
Balance as of December 31, 2024[1]:	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

[1]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.
There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the interim period ended June 30, 2026.

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:

	Level 1 $	Level 2 $	Level 3 $
June 30, 2026			
Investments at fair value with changes in income - Note 8.2	39.6	-.-	-.-
Investments at fair value with changes in OCI – Note 8.3	1,097.5	-.-	-.-
Borrowings at fair value with changes in income – Note 2	-.-	(1,759.0)	-.-
Receivable swaps at fair value with changes in income – Note 8.6 (ii)	-.-	1,513.1	-.-
Payable swaps at fair value with changes in income – Note 8.6(ii)	-.-	(1,512.9)	-.-
December 31, 2025			
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)	-.-

The sustainable bonds issued in Japan and MTN issuances, 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 interim period ended as of June 30, 2026, and for the year ended as of December 31, 2025, the Bank did not have other holdings of financial instruments requiring valuation at fair value in accordance with the fair value measurement methodologies prescribed underlevel 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.

- *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:

	Property $	Equipment and Furniture $	Art $	Total[1] $
Book value				
Balance as of December 31, 2024	4.5	3.7	0.1	8.3
Additions	-.-	-.-	-.-	0.1
Fixed Assets in transit	-.-	-.-	-.-	-.-
Disposals	-.-	-.-	-.-	-.-
Balance as of December, 2025	4.5	3.7	0.1	8.3
Additions	-.-	0.2	-.-	0.2
Fixed Assets in transit	-.-	-.-	-.-	-.-
Disposals	-.-	-.-	-.-	-.-
Book value as of June 30, 2026	4.5	3.9	0.1	8.5
Accumulated depreciation				
Balance as of December, 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
Disposals	-.-	-.-	-.-	-.-
Depreciation	0.1	0.1	-.-	0.2
Balance as of June 30, 2026	1.2	2.9	-.-	4.2
Net balance as of December 31, 2025	3.4	0.9	0.1	4.3
Net balance as of June 30, 2026	3.3	1.0	0.1	4.3

[1] Opening balances and partial sums include differences due to rounding.

The net balance of offices, parking and storage spaces that form the Bank's headquarters includes a technical revaluation in the amount of $0.8, recognized on December 31, 2018, based on the estimated fair value resulting from an independent appraisal as of that date. This revaluation resulted in the recognition of a revaluation reserve in other comprehensive income. During the interim periods ended as of June 30, 2026, and 2025, the amount of the revaluation reserve was reduced by $0.01, (December 31, 2025 - $0.03), because of the depreciation of the period.

(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:	Not depreciated
Land	The lesser of 40 years or the value of the
Buildings	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:

	As of June 30, 2026 $	As of December 31, 2025 $
Cost	4.0	4.0
Accumulated depreciation	(0.9)	(0.8)
Total	3.1	3.2

9.2 Miscellaneous

This caption which as of the end of the interim period, June 30, 2026, shows a balance of $3.7, includes small balances owed to the Bank, resulting from loans to staff members, advances to suppliers, expenses paid in advance; deferred expenses for $2.6; and the right-of-use asset balance related to leases, for $1.1 (December 31, 2025 - $3.9, including deferred expenses for $2.7. and the right of use of asset balance related to leases for $1.2).

The Bank has entered medium-term leases to secure space for its liaison offices in Montevideo, Uruguay, Brasilia, Brazil, Buenos Aires, Argentina, and La Paz, Bolivia. Leases for periods longer than one year are recognized and accounted for in compliance with IFRS 16. During the interim period ended as of June 30, 2026, and for the year ended December 31, 2025, the Bank paid implicit interest on these leases in the amount of $0.2, and $0.4, respectively. The following table shows the relevant information on those leases as of June 30, 2026, and December 31, 2025:

	June 30, 2026 $	December 31, 2025 $
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.	0.15	0.17
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.	0.41	0.50
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.	0.14	0.16
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.	0.33	0.37
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.	0.01	0.02
Total	1.04	1.22

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 FFC, 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 the end of the interim period, June 30, 2026, and as of December 31, 2025, is as follows:

	As of June 30, 2026	As of December 31, 2025
	$	$
Interest and commissions accrued on borrowings	22.4	23.0
Net interest on FFC derivatives[1]	0.8	0.8
Trade payables and accruals	0.6	0.8
Unamortized financial lease obligations	1.0	1.3
Total	24.8	25.9

NOTE 10 – EQUITY

10.1 Capital

Capital consists of paid-in and callable capital. As of June 30, 2026, subscribed paid-in capital amounts to $1,349.2, of which $1,338.8 have been paid and $10.4, corresponding to the last installment agreed by a member country is expected to be paid in 2026 (December 31, 2025 - $1,329.9, paid-in, and $19.3 receivable from member countries). 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 back 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 the end of the interim period, June 30, 2026, and for the year ended December 31, 2025.

Shares of Authorized Capital Issued as of June 30, 2026, and as of December 31, 2025,
(number of shares)

Member	Paid-in Capital: Shares subscribed and paid	Paid-in Capital: Shares subscribed to be paid	Paid-in Capital: Total shares	Shares of callable capital subscribed and committed	Total shares
Argentina	44,974	-.-	44,974	55,500	100,474
Bolivia	13,951	1,039	14,990	18,500	33,490
Brazil	44,974	-.-	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
	133,879	1,039[1]	134,918[1]	166,500	650,000

[1] 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 member countries equivalent to two shares. 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 authorized and subscribed capital by member country as of June 30, 2026, and for the year ended December 31, 2025, is as follows:

Member country [i]	Subscribed capital: Paid-in $	Subscribed capital: Callable $	Authorized capital: Paid-in $	Authorized capital: Callable $	Total $	%
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%

[i]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.

During the interim period ended as of June 30, 2026, and for the year ended as of December 31, 2025, the Bank received paid-in contributions in the amount of $8.9, and $8.8, respectively. The amount of paid-in capital subscribed and pending integration, as well as the amount of callable capital and committed as of June 30, 2026, and as of December 31, 2025, are as follows:

	As of June 30, 2026 Paid-in capital subscribed: Paid-in [i] $	Receivable [i] $	Total $	As of December 31, 2025 Paid-in capital subscribed: Paid-in [i] $	Receivable [i] $	Total $
Argentina	449.7	-.-	449.7	449.7	-.-	449.7
Bolivia	139.5	10.4	149.9	139.5	10.4	149.9
Brazil	449.7	-.-	449.7	440.8	8.9	449.7
Paraguay	149.9	-.-	149.9	149.9	-.-	149.9
Uruguay	149.9	-.-	149.9	149.9	-.-	149.9
Total	1,338.8	10.4	1,349.2	1,329.9	19.3	1,349.2

[i]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.

On April 14, 2026, the Bank received $8.9, from Brazil in payment of its last installment of paid-in capital subscribed in connection with the capital increase approved in 2016, and 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 June 30, 2026, and as of December 31, 2025:

Subscribed Callable Capital [i]	
Member country	Committed [ii] $
Argentina	555.0
Bolivia	185.0
Brazil	555.0
Paraguay	185.0
Uruguay	185.0
Total	1,665.0

[i] As of December 31, 2018, all member countries had subscribed and committed their share of callable capital.
[ii] 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 June 30, 2026, and December 31,2025, includes the following:

i. Reserve for changes in the fair value of investments – OCI: For the interim periods ended June 30, 2026, this reserve was decreased by an unrealized loss of $9.4, for a cumulative loss of $6.6 (June 30, 2025 - $3.2 of unrealized gains, for a cumulative unrealized gain of $0.2 and December 31,2025- $5.8 of unrealized gains for a cumulative unrealized gain of $2.8).

ii. Reserve for revaluation of property: For the interim period ended June 30, 2026, this reserve was decreased by $0.01 for depreciation of the period, for a balance of $0.5 (June 30, 2025 – Decreased by $0.1 for depreciation for a balance of $0.6 and December 31,2025- $0.025 for depreciation for a balance of $0.5).

10.3. Retained earnings and reserves

Retained earnings as of June 30, 2026 amounted to $158.6, consisting of net income obtained between January 1 and June 30, 2026 for $63.5, and $95.1 of the result obtained for the year ended December 31, 2025 (June 2025-$158.5, consisting of net income for the interim period $59.8, and 2024 profit or loss, $98.7, respectively). Net income for the interim period as of June 30, 2026, includes $13.8 of unrealized gains associated with the recognition of debt contracted in currencies other than the U.S. dollar and at rates other than the benchmark lending rate and hedging transactions contracted to mitigate the risks of exposure to changes in exchange and interest rates (June 30, 2025 - $59.8, after deducting $3.0 of unrealized gains associated with the recognition of debt contracted in currencies other than the U.S. dollar and at rates other than the benchmark lending rate and hedging transactions contracted to mitigate the risks of exposure to changes in exchange and interest rates).

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

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

The amount of the general reserve as of June 30, 2026, and for the year ended December 31, 2025, is as follows:

	General Reserve
	$
Balance as of December 31, 2024	332.9
Allocated by the Board of Governors in 2025	91.1
Balance as of December 31, 2025	424.0
Allocated by the Board of Governors in 2026	-.-
Balance as of June 30, 2026	424.0

NOTE 11 – REVENUES

The composition of net income is as follows:

	January 1 through June 30, 2026	2025
	$	$
Loan income:		
Interest	85.1	88.8
Commitment fee and commissions	1.7	2.3
Administrative fee	1.5	2.3
Subtotal	88.3	93.4
Investment income:		
Interest	27.9	19.7
Other	0.1	0.2
Gross investment income	28.0	19.9
Special fund's share of investment income – Note 8.7	(0.7)	(0.3)
Investment income - Net	27.3	19.6
Income for financial assets	115.6	113.0
Other income		
Unrealized gains/losses due to the fair value adjustment of debt– Note 4.10	45.2	(116.4)
Unrealized gain/losses resulting from receivable and payable swaps – Note 4.10	(31.4)	119.4
Net unrealized gains	13.8	3.0
Other income	0.1	0.2
Total other Income/Loss	13.9	3.2

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NOTE 12 – ADMINISTRATIVE EXPENSES

Since 2013, the Bank has adopted a result-based budgeting system, including performance indicators allowing the measurement of results attained and their related cost. The system matches governance, operating and financial goals with the activities required to reach them and the resources required. During the interim period ended as of June 30, 2026, the Bank reached a percentage of execution of its administrative budget equivalent to 39.1% (June 30, 2025 – 38.7%). The breakdown of administrative expenses by functional activity is as follows.

	January 1 through June 30,	
	2026	2025
Classification of expenses	$	$
Personnel expenses	6.3	5.4
Service expenses	0.5	0.4
Professional services	0.6	0.4
Credit risk rating	0.1	0.1
External auditors	0.1	-.-
Information Technology	0.3	0.4
Administrative expenses	0.8	0.5
Bank charges	0.1	0.1
Financial services	0.2	0.2
Total administrative budget	9.0	7.5
Classification of other expenses		
Depreciation	0.2	0.3
(Gain)/loss on foreign exchange	(0.6)	(0.5)
Total administrative expenses	8.6	7.3

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 June 30, 2026, and December 31, 2025, based on their respective recovery or settlement date.

	Current (Up to 1 year)	Non-Current (More than 1 year)	Total
	$	$	$
June 30, 2026,			
ASSETS			
Cash and cash equivalents	252.3	-.-	252.3
Investments			
At fair value – FVI	39.6	-.-	39.6
At fair value - FVOCI[1]	1,097.5	-.-	1,097.5
At amortized cost	355.7	-.-	355.7
Loan portfolio			
Outstanding loans	222.1	2,449.3	2,671.4
Interest and other accrued charges			
On investments	13.6	-.-	13.6
Interest and commissions on loans	47.7	-.-	47.7
Other assets			
Fair value hedge derivatives	1.9	-.-	1.9

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	Current (Up to 1 year) $	Non-Current (More than 1 year) $	Total $
Property and equipment, net	-.-	4.3	4.3
Miscellaneous	1.5	2.2	3.7
Total assets	2,031.9	2,455.8	4,487.7
LIABILITIES			
Borrowings	386.4	2,136.7	2,523.1
Special funds	23.8	1.0	24.8
Other liabilities	12.1	12.4	24.5
Total liabilities	422.3	2,150.1	2,572.4
December 31,2025,			
ASSETS			
Cash and cash equivalents	380.7	-.-	380.7
Investments			
At fair value – FVI	51.3	-.-	51.3
At fair value - FVOCI[1]	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	1,729.9	2,357.0	4,086.9
LIABILITIES			
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	398.8	1,835.8	2,234.6

[1]As of June 30, 2026, and December 31, 2025, 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:

As of June 30, 2026:	Gross portfolio	Unaccrued commissions and other	Impairment	Loan portfolio	Interest and commissions receivable	Total
	$	$	$	$	$	$
Argentina	625.3	(0.7)	(6.3)	618.3	10.5	628.8
Bolivia	441.2	(0.6)	(6.0)	434.6	7.8	442.4
Brazil[1]	527.6	(2.6)	(3.6)	521.4	10.5	531.9
Paraguay[1]	488.0	(1.1)	(0.2)	486.7	7.2	493.9
Uruguay	612.7	(0.6)	(1.8)	610.3	11.7	622.0
Total	2,694.8	(5.6)	(17.9)	2,671.3	47.7	2,719.0

As of December 31, 2025:	Gross portfolio	Unaccrued commissions and other	Impairment	Loan portfolio	Interest and commissions receivable	Total
	$	$	$	$	$	$
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[1]	498.0	(2.4)	(3.7)	491.9	9.9	501.8
Paraguay[1]	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

[1] Include $119.0 in five NSG loans outstanding and exclude $0.1 corresponding to origination fees (December 31,2025 – Include $126.5 in five NSG loans outstanding and exclude $0.2 corresponding to origination fees). As of June 30, 2026, unaccrued loan commissions on NSG loans and accrued interest receivable amount to $2.4 (December 31, 2025 - $4.5 of unaccrued loan commissions and accrued interest receivable on NSG loans). The provision for potential impairment on NSG loans amounts to $2.9 (December 31, 2025 - $3.1). For further information, see Note 8.5.

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

	Communication, transportation, energy, and logistics infrastructure	Infrastructure for productive development	Infrastructure for socio-economic development	NSG Loans	Total
	$	$	$	$	$
As of June 30, 2026:					
Argentina	236.2	33.4	355.7	-.-	625.3
Bolivia	368.9	40.0	32.3	-.-	441.2
Brazil[1]	333.0	-.-	80.1	114.5	527.6
Paraguay[1]	479.1	4.4	-.-	4.5	488.0
Uruguay	436.8	43.7	132.2	-.-	612.7
Total	1,854.0	121.5	600.3	119.0	2,694.8
As of December 31, 2025:					
Argentina	208.8	36.7	353.4	-.-	598.9
Bolivia	380.6	40.0	11.1	-.-	431.7
Brazil[1]	301.5	-.-	77.5	119.0	498.0
Paraguay[1]	450.4	5.3	-.-	7.5	463.2
Uruguay	430.2	45.9	122.7	-.-	598.8
Total	1,771.5	127.9	564.7	126.5	2,590.6

[1] 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 June 30, 2026, includes $61.5, corresponding to non-sovereign guaranteed loans (December 31, 2025 - $28.5). The break-down by country is as follows:

	As of June 30, 2026	As of December 31, 2025
	$	$
Argentina	87.2	97.0
Bolivia	171.1	150.8
Brazil	529.2	546.8
Paraguay	233.1	169.4
Uruguay	29.5	58.4
Total	1,050.1	1,022.4

The following are the loans approved by the Bank and pending disbursement because the loan contract had not been signed or it was pending ratification by the legislative branch of the member country, as of June 30, 2026, and as of December 31, 2025:

	As of June 30, 2026	As of December 31, 2025
	$	$
Argentina	60.0	65.0
Bolivia	-.-	50.0
Brazil	253.8	198.8
Paraguay	-.-	-.-
Uruguay	-.-	-.-
Total	313.8	313.8

The average return on the loan portfolio is as follows:

	June 30, 2026		June 30, 2025	
	Average balance $	Average return %	Average balance $	Average return %
Loan portfolio	2,642.6	6.68	2,415.3	7.73

(iii) Revenue by geographical area

Interest income and other by segment are as follows:

	Loan interest $	Other loan operating revenues $	Total $
January 1 through June 30, 2026:			
Argentina	19.3	0.2	19.5
Bolivia	14.3	0.4	14.7
Brazil[1]	16.7	1.5	18.2
Paraguay[1]	15.3	0.6	15.9
Uruguay[1]	19.5	0.5	20.0
Total	85.1	3.2	88.3
January 1 through June 30, 2025:			
Argentina	22.5	1.2	23.7
Bolivia	16.2	0.4	16.6
Brazil[1]	14.6	1.5	16.1
Paraguay[1]	14.9	0.8	15.7
Uruguay[1]	20.6	0.7	21.3
Total	88.8	4.6	93.4

[1] Includes accrued interest for $4.3, and other charges for administrative commissions in the amount of $0.1 corresponding to NSG loans granted to state-owned development banks in Brazil and Paraguay (June 30, 2025 - $5.3 of accrued interest, and $0.3 of accrued commissions).

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 June 30, 2026, and for the year ended as of December 31, 2025, 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.

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NOTE 17 – CONTINGENCIES

No contingencies have been identified that could materially affect the Bank's financial statements for the interim period ended as of June 30, 2026, and for the year ended as of December 31, 2025.

NOTE 18 – SUBSEQUENT EVENTS

On July 7, 2026, and on July 30, 2026, respectively, the Bank raised funds in the capital markets as part of its medium-term note (MTN) financing program within its Sustainable Debt Framework. These issuances correspond to fixed-rate bonds, denominated in U.S. dollars for $80.0 (MTN #15) with a 3-year term on July 7, 2029, and $50.0 (MTN #16), with a 15-year term on July 30,2041, respectively, and gave rise to a interest rate swap contracted with SMBC.

On August 4, 2026, the Bank increased the amount under the 5-year tranche of its syndicated credit facility by $15.0, in addition to the $80.0 originally contracted in May 2026, bringing the total amount of such tranche to $95.0. Furthermore, on August 13, 2026, the Bank executed a new transaction under its MTNP for a total amount of $300.0, structured in two floating-rate tranches linked to SOFR: $50.0 with a 3-year maturity and $250.0 with a 5.5-year maturity, maturing on August 13, 2029, and February 13, 2032, respectively.

On July 30, 2026, in recognition of the support of its member countries, evidenced by improvements in their credit risk profile and the magnitude of the subscribed capital increase approved in July 2025, Moody's upgraded FONPLATA's credit risk rating as a non-long-term debt issuer from A2 to A1, and keeping its outlook as stable.

The Bank has evaluated subsequent events from the date of the closing of these financial statements and through August 21, 2026, the date on which the financial statements are ready to be approved for issuance. No matters were identified that might have a material impact on the financial statements for the interim period ended as of June 30, 2026, and for the year ended as of December 31, 2025, respectively.

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