



Investor Presentation

February 2021

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Institutional Overview



Overview

- FONPLATA is a **Supranational Development Financial Institution**
- Established in 1974 by five founding members: **Argentina, Bolivia, Brazil, Paraguay and Uruguay**
- More than 40 years advancing infrastructure and social development projects in support of its member countries
- **97% of the loan portfolio is sovereign-guaranteed, and 100% is made to the public sector**
- Enjoys Preferred Creditor status in all of its shareholder countries
- **Rated A2/A-** by Moody's & S&P with stable and positive outlooks, respectively

Key Indicators

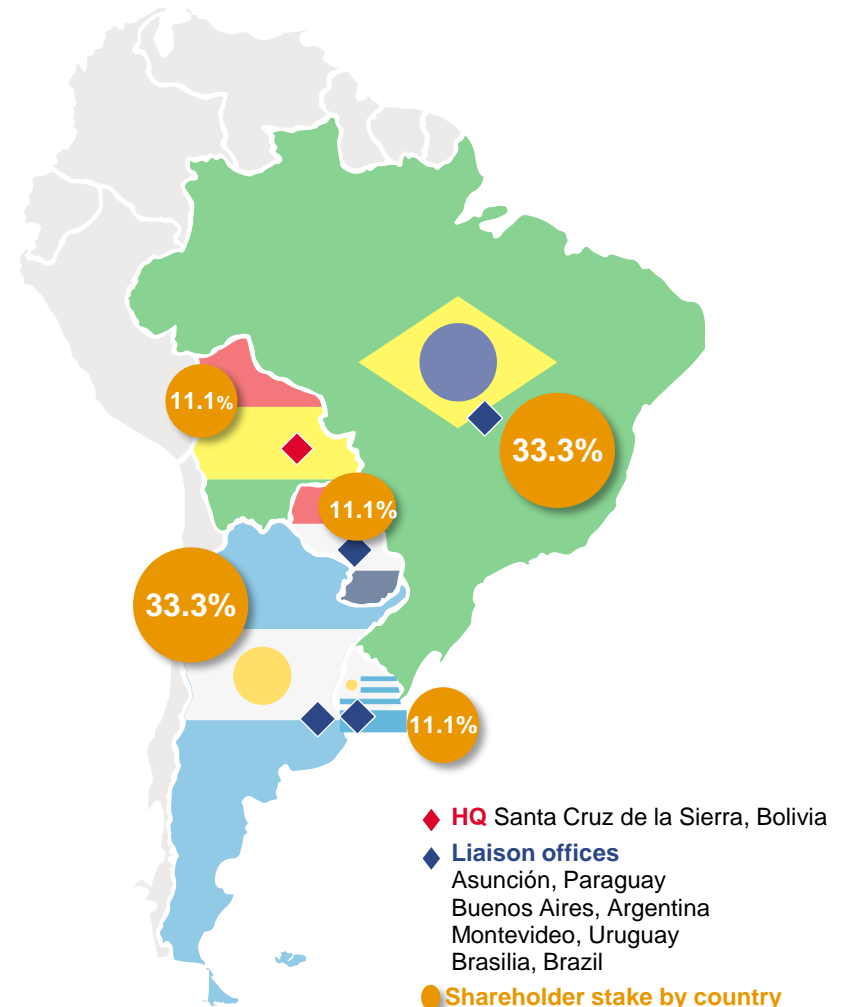
US\$ 1.1bn
Net loans

49%
Debt/ Equity Ratio

83%
RAC Ratio

0%
NPLs

Shareholders Countries



FONPLATA's Milestones

From a Fund to a Full-Fledged Regional Development Bank



1969

Subscription of the
Cuenca del Plata Treaty



1974

Fund Charter



1977

Signature of the
headquarters agreement
with Bolivia



1978

FONPLATA's first
loan



2010

Institutional reform and
a new governance
model



2012

Appointment of the first
Executive President



2013

First capital
replenishment

Strategic
Business Plan
(2013-2022)



2016

Second capital
replenishment

Received credit
ratings of A2/A-
from Moody's
and S&P



2018

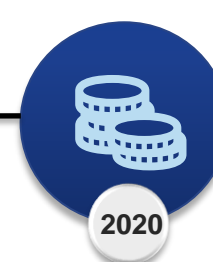
Revision of
FONPLATA's Charter
completing the transition
from a fund to a
Regional Development
Bank, paving the way for
the addition of new
members



2019

First bond issuance
CHF150mm

The Board approved
a non-sovereign risk
(NSG) facility for
state owned banks



2020

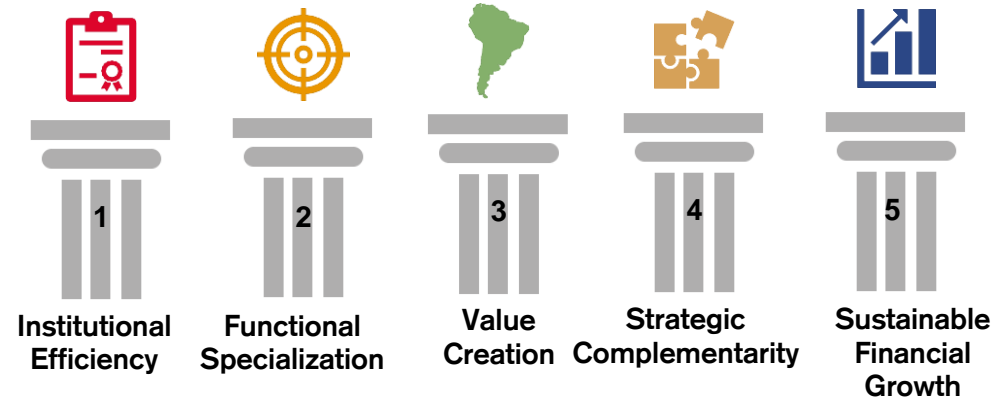
First two-NSG
financings

Approval of a
US\$1bn Economic
Recovery Line

Fiduciary agent of
FOCEM's funds

US\$ 2,600 million in approved loans since 2013

Five strategic pillars



- Small-to-medium-sized projects; average ticket US\$50-60mm
- Special focus on vulnerable zones, border regions and integration
- Balanced participation of member countries in loan portfolio

Strategic niche

Target sectors

INFRASTRUCTURE

- Roads and Logistics
- Urban Development in Small Cities
- Energy

PRODUCTIVE DEVELOPMENT

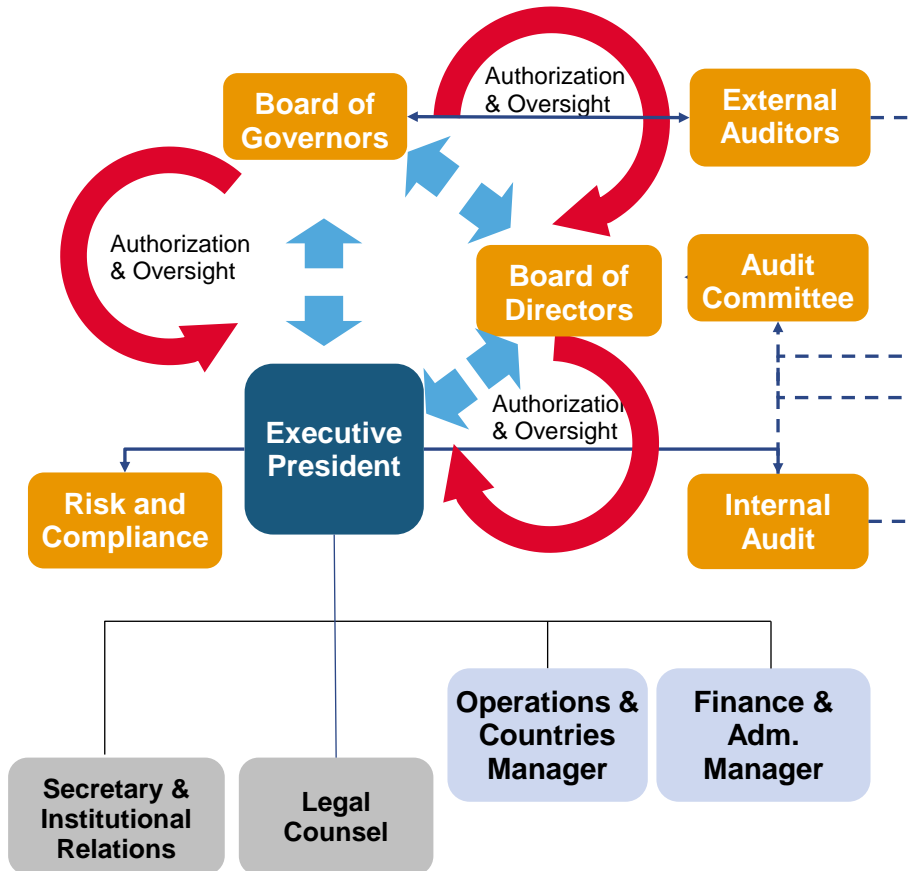
- Production
- Financial Services
- SMEs

SOCIO-ENVIRONMENTAL

- Health and Education
- Water and Sanitation
- Environment

In addition to lending, FONPLATA provides technical assistance through non-reimbursable grants designed to spur capacity building among member countries

Robust Control and Oversight Structures



Overview of Functions

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

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

Board of Executive Directors:
Representatives of member countries

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

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

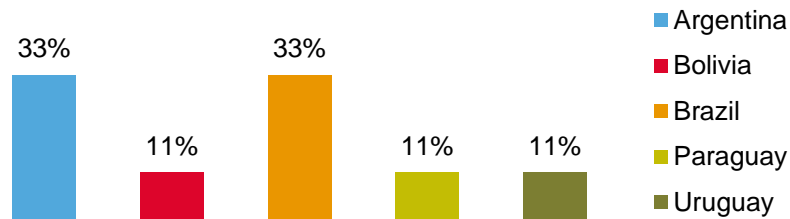
- Reviews FONPLATA's annual report and financial statements, with the corresponding external auditor's opinion, before submission to Board of Governors
- Current External Auditors: PricewaterhouseCoopers

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

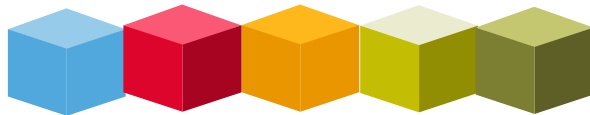
- Highest authority responsible for FONPLATA's overall supervision and management
- Chief of staff
- Appoints/terminates staff
- Authority to approve loans up to US\$5mm

Continuous Shareholder Support

Shareholder Breakdown



Equal Voting Power and Economic Benefits

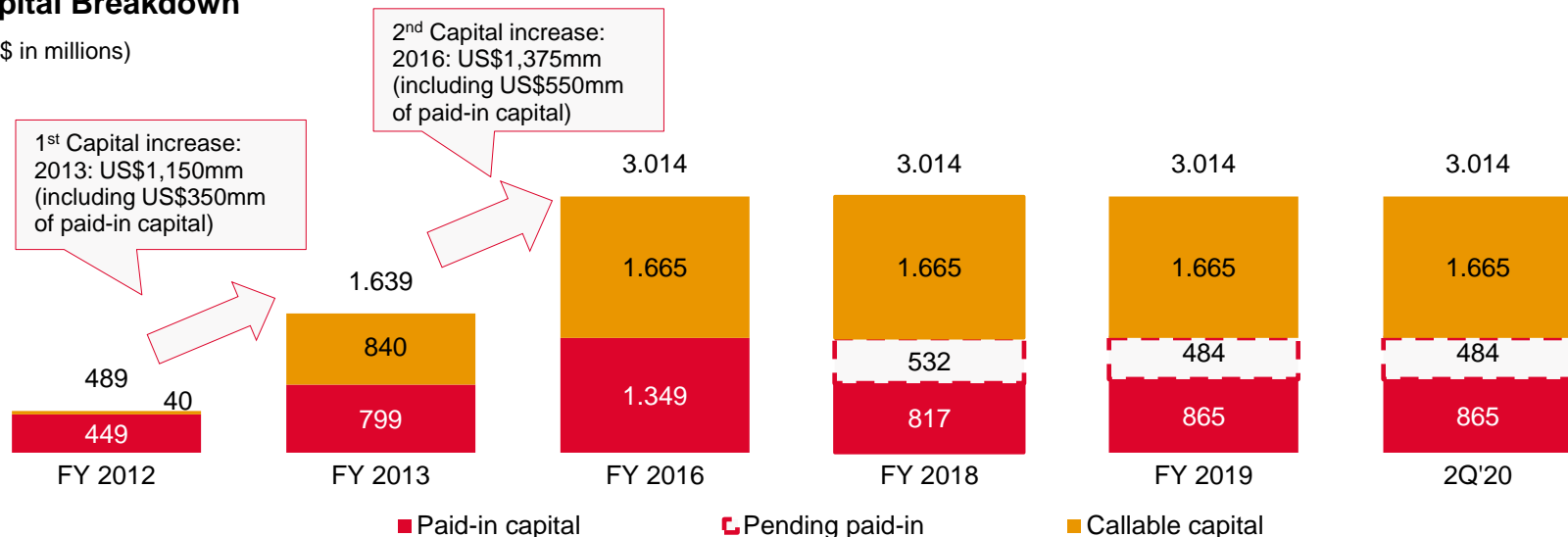


Capital Increases in Support of FONPLATA's Expansion Plan

- Following FONPLATA's 2010 reform, shareholders approved its 1st general capital increase in 2013, for US\$1,150mm, of which US\$350mm was paid-in capital, with annual installments beginning in 2014 and ending in 2018
- Shareholders approved the 2nd capital increase in 2016, for US\$1,375mm, including US\$550mm of paid-in capital to be integrated till 2026
- Solid capital base: US\$1,665mm of "callable capital", which provides an additional safety net, as FONPLATA is legally entitled to call upon these funds if needed

Capital Breakdown

(US\$ in millions)



Source: FONPLATA as of June 30, 2020.

Strong Commitment and Responsibility to Social and Environmental Issues

- Environmental and social policy with a rigorous fulfillment of international standards and best practices
- FONPLATA has been working closely with institutional partners and has received technical assistance from the AFD, EIB and IADB, to align its policies and procedures to best practices on social and environmental management
- FONPLATA established a Green Fund facility to entice members to implement environmentally sound projects

Green Fund Facility:

Mitigation: reduce greenhouse gases

- Renewable Energies and Energy efficiency
- Reforestation
- Sustainable Transportation
- Sustainable Infrastructure

Adaptation: reduce vulnerability to climate change risks

- Technified irrigation and sustainable agriculture
- Stormwater drainage
- Water use efficiency

Resiliency:

- Climate Changes Related Emergencies
- Resilient Infrastructure

Active Member in



Committed to Gender-Equality

- 51% of FONPLATA's staff are women

FONPLATA's Response to COVID-19 Pandemic

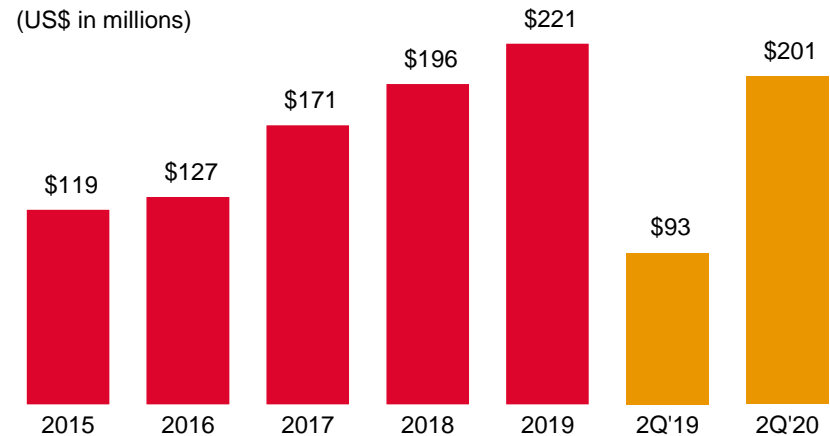
Designed to extend liquidity to member countries to help confront the effects of the pandemic early-on

Response by Type of Instrument As of 2Q'20 in US\$ millions

| | |
|-------------------------------|------------|
| Technical Assistance - grants | 2 |
| Emergency line COVID-19 | 60 |
| Emergency Clause (5%) | 30 |
| Reallocation | 18 |
| TOTAL | 110 |

- **Approved a US\$ 1 bn Economic Recovery Line, to help spur economic recovery**

Loan disbursements (US\$ in millions)



- In March 2020, FONPLATA went into a teleworking modality ensuring seamless continuity of its operations and protecting the health of its employees and families
- FONPLATA seized this opportunity and accelerated the use of its liaison offices effectively decentralizing its operations

| Record levels of new loan approvals, disbursements and grants

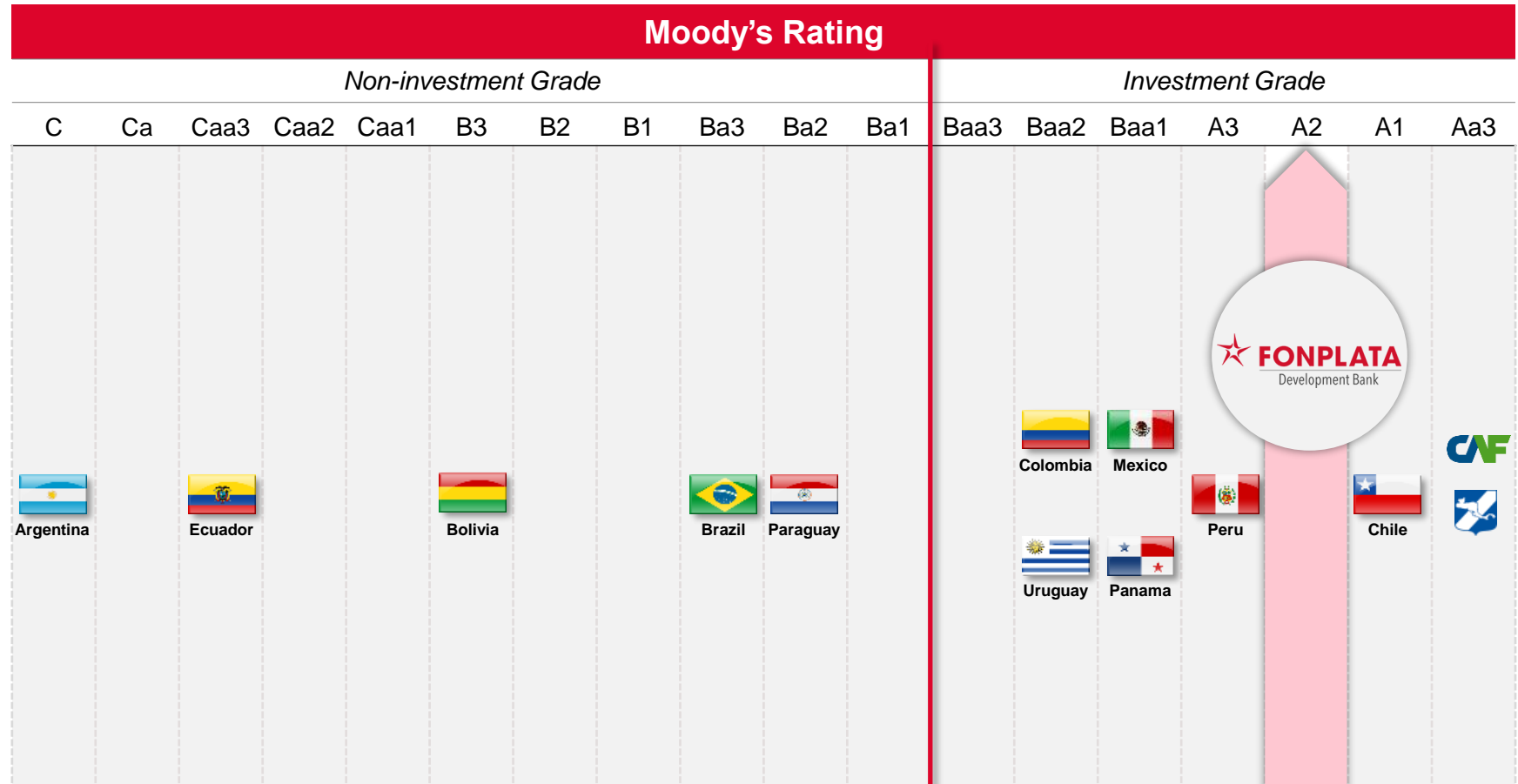


FONPLATA

Development Bank

Financial Profile and Risk Management

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



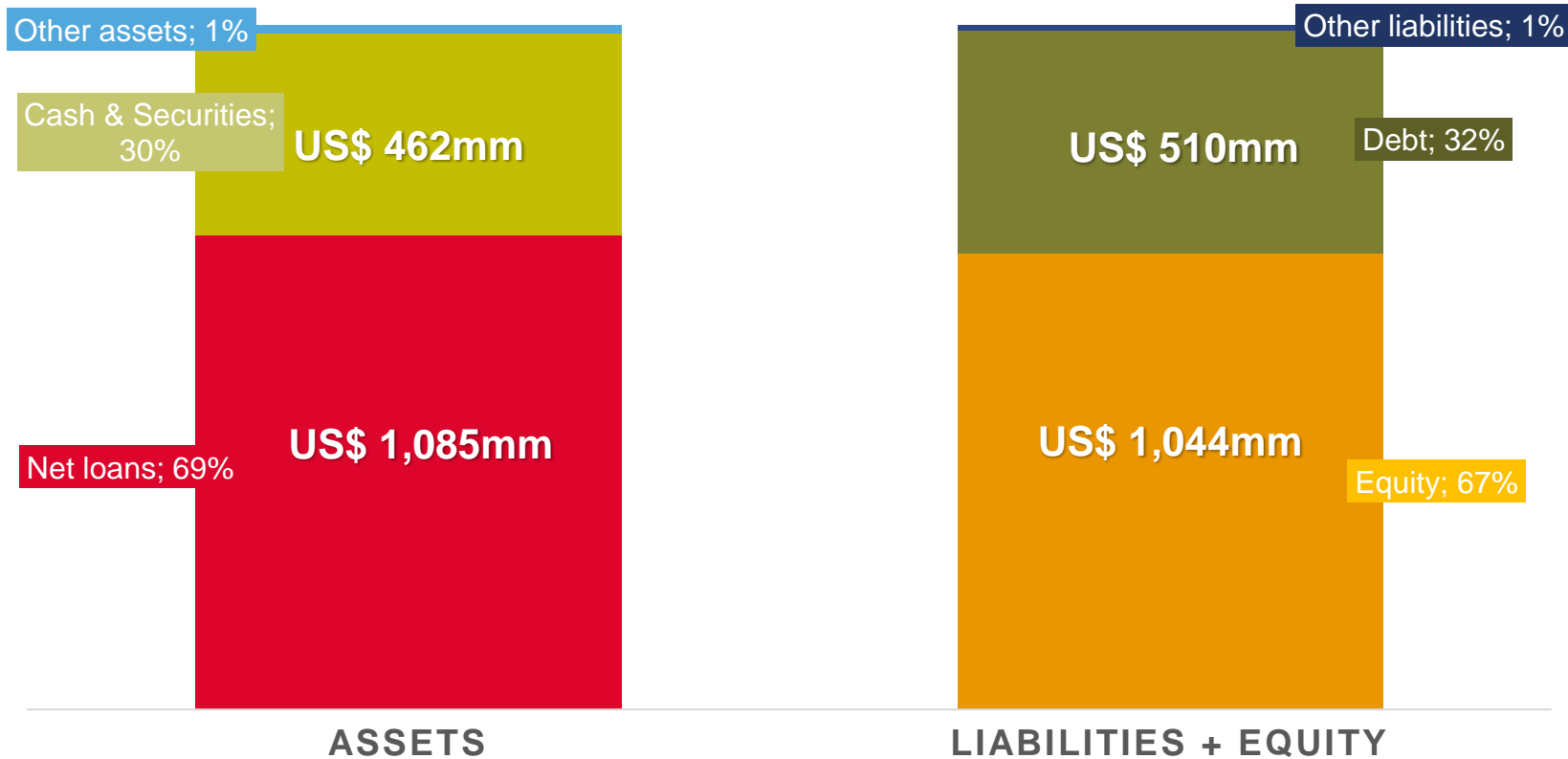
Source: Moody's as of January 13, 2021.

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

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

A Solid Balance Sheet

Robust capitalization and low financial leverage



 **Ample room for growth**

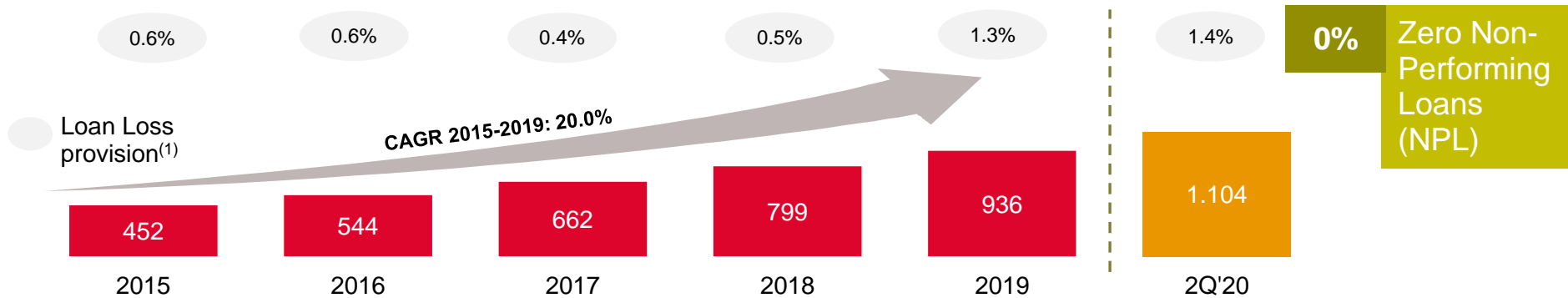
Source: FONPLATA as of June 30, 2020.

Assets: Loan Portfolios

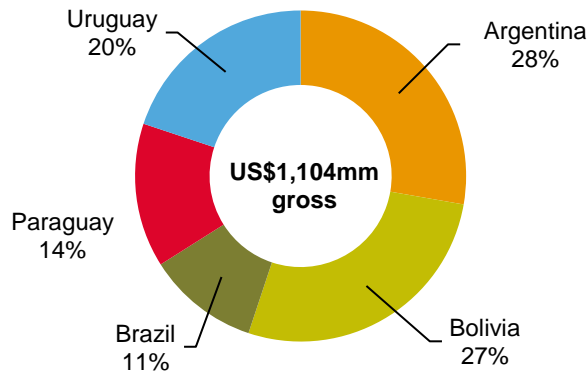
Strong asset performance

Outstanding Loan Portfolio Growth

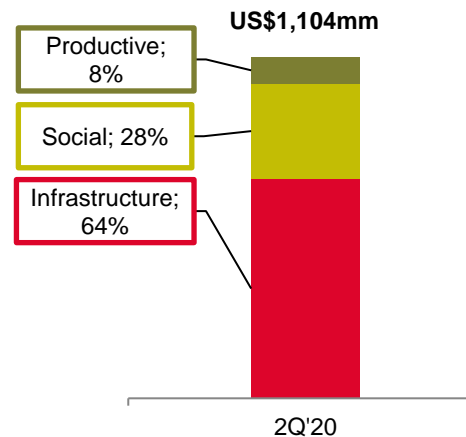
(US\$ in millions, gross)



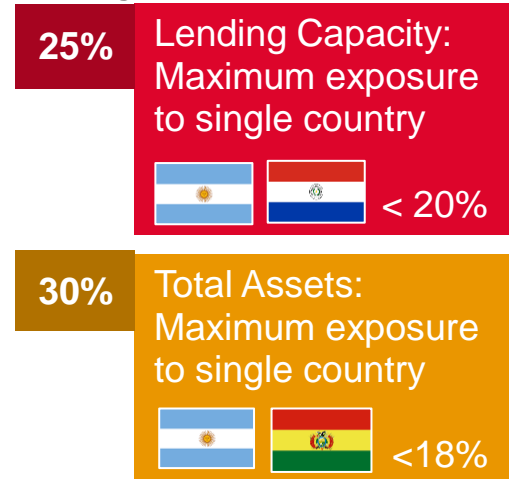
Outstanding Loan Portfolio by Member Country



Loan Portfolio by Sector



Sovereign Guaranteed Loans



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

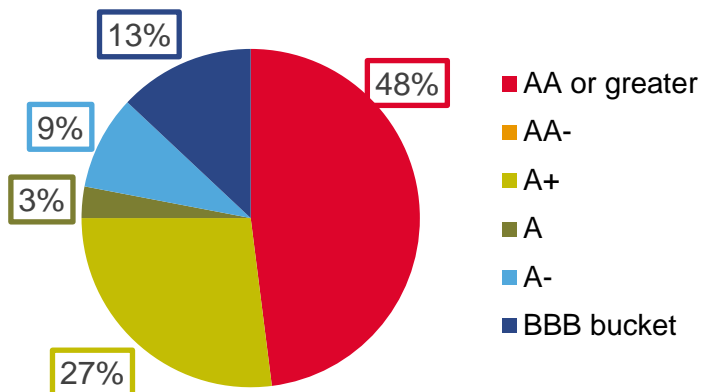
Source: FONPLATA as of June 30, 2020.

(1) Loan loss provision calculated as a percentage of the Allowance for Loan Losses / Gross Loans Receivable.

Assets: Cash and Securities Liquidity Portfolio

Prudential financial management philosophy

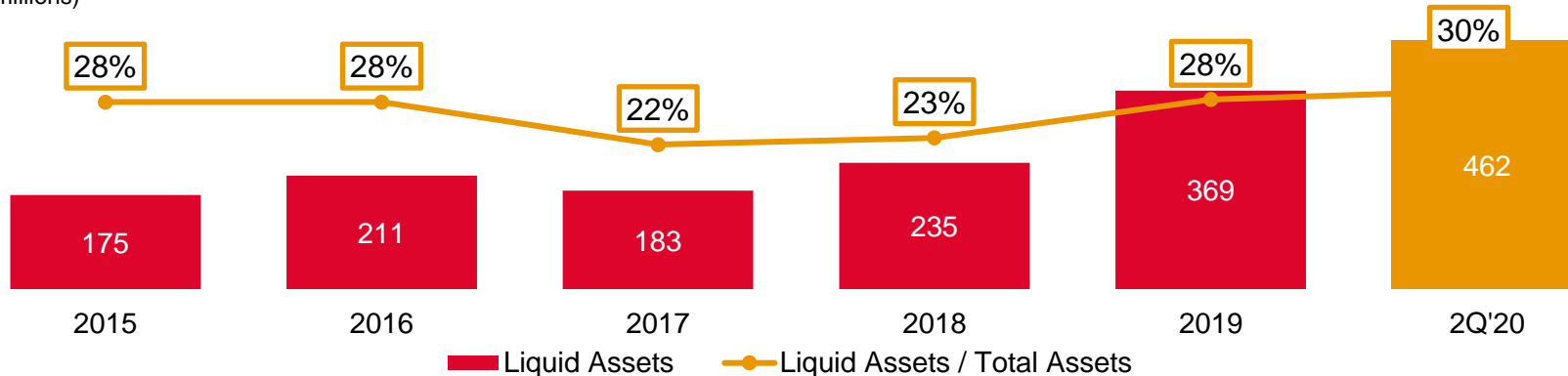
Investment Portfolio by Credit Rating⁽¹⁾



| | |
|-----------|---|
| 2 years | Maximum liquidity portfolio duration |
| AA- | Minimum average rating of liquidity portfolio |
| BBB- | Minimum rating for securities at purchase |
| 12 months | Minimum liquidity coverage ratio |

Liquidity Trend

(US\$ in millions)



Liquidity in June 2020, exceeded the liquidity required to fulfill expected obligations for the next 12 months, in-line with FONPLATA's financial policy

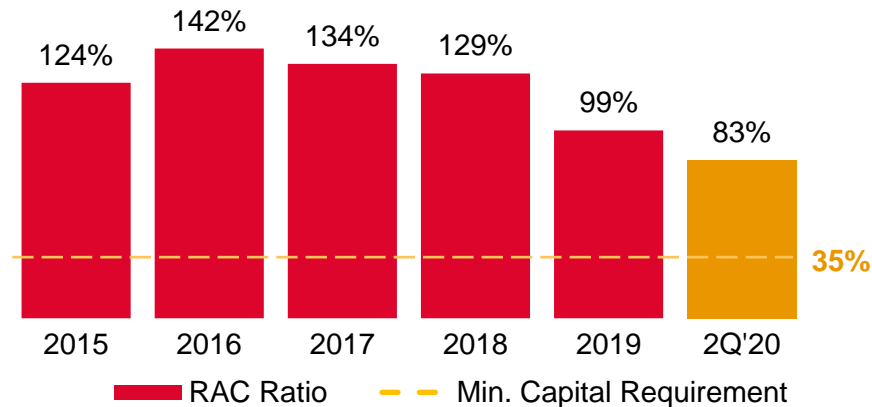
Source: FONPLATA as of June 30, 2020.

(1) Applies the lowest rating available among S&P and Moody's.

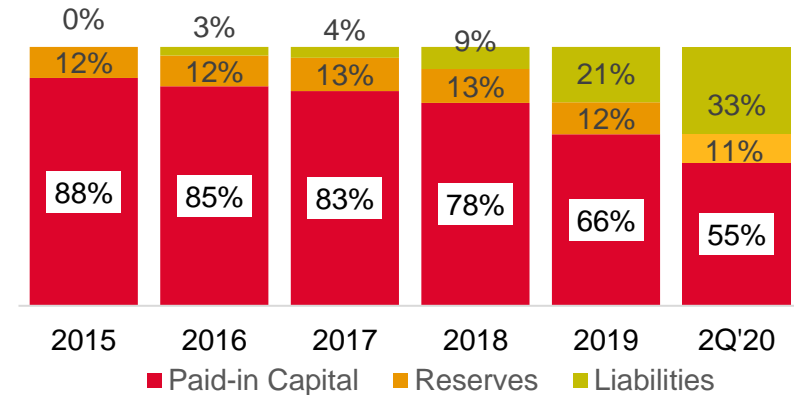
Equity: Superior Capitalization

Strong solvency indicators

Capital Adequacy Ratio

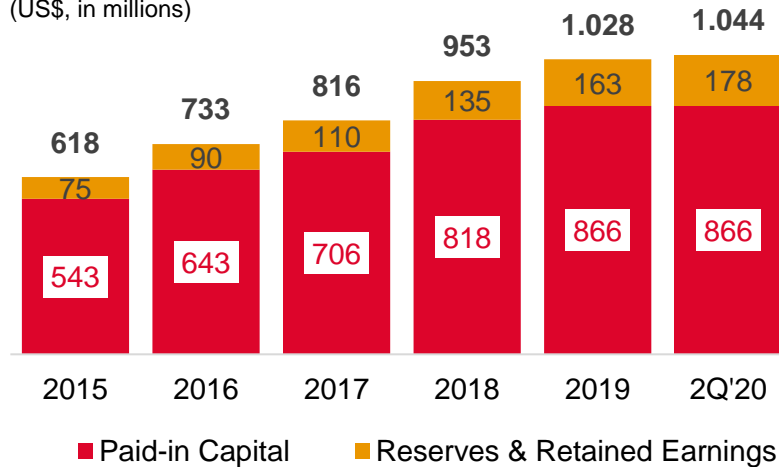


Capital Structure



Equity Structure

(US\$, in millions)



Key Equity Metrics

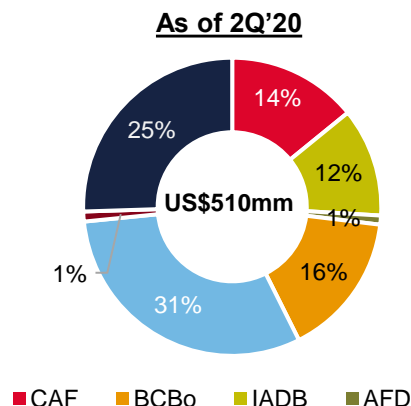
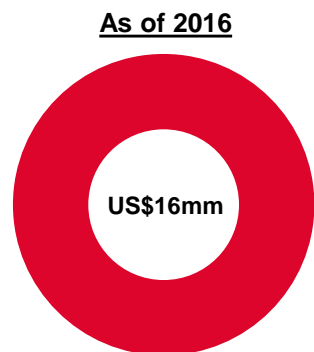
| | |
|---------------------------------------|-------------------------------------|
| 3 times Equity | Maximum Lending Capacity |
| 2 times Equity + Liquid Assets | Maximum Borrowing Capacity |
| 35% | Minimum Risk Adjusted Capital Ratio |

Liabilities: Low Leverage

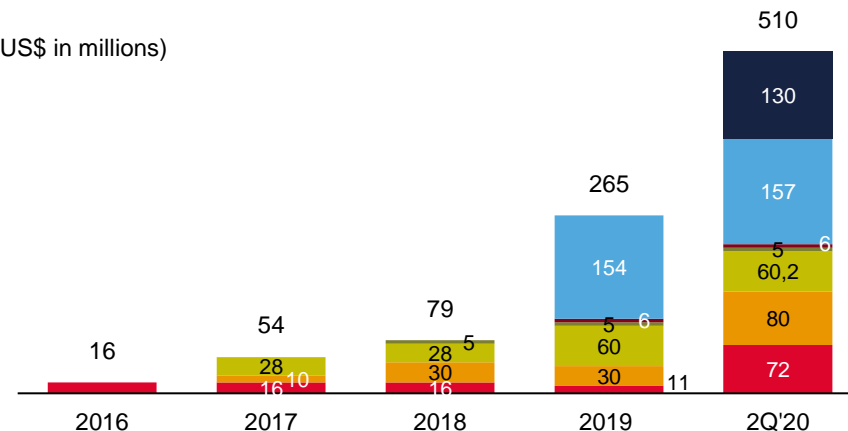
Diversified funding sources

Outstanding Borrowings ⁽¹⁾

(US\$ in millions)

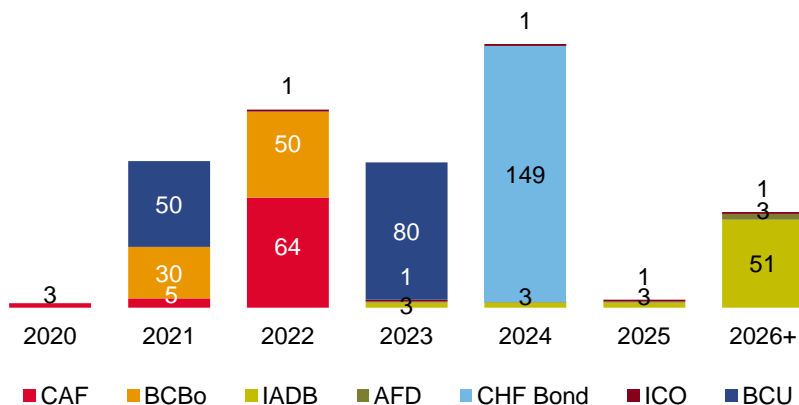


(US\$ in millions)

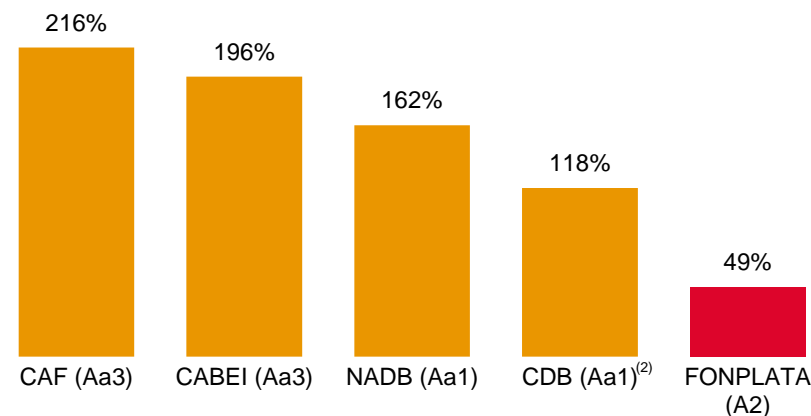


Debt Maturity Profile

(US\$ in millions)



Low Leverage Profile Compared to its Peers



Source: FONPLATA as of June 30, 2020.

(1) Lenders include Corporación Andina del Fomento ("CAF"), Bolivia Central Bank ("BCBo"), Inter-American Development Bank ("IADB"), French Development Agency ("AFD"), Instituto de Credito Oficial ("ICO"), Bond in Swiss Franc ("CHF bond"), Banco Central Uruguay ("BCU").

(2) As of December 31, 2019. CDB: Caribbean Development Bank.

| Risk | Source of Exposure | Measurement | Risk Management |
|---|--|--|--|
| Market Risk – Exchange Risk | <ul style="list-style-type: none"> Risk that financial assets and liabilities are denominated in currencies other than US\$ (functional currency) | <ul style="list-style-type: none"> N/A | <ul style="list-style-type: none"> All loan and investment transactions, as well as 99% of liabilities are contracted and denominated in U.S. dollars, which constitutes FONPLATA's functional currency |
| Market Risk – Interest Rate Risk | <ul style="list-style-type: none"> Risk of fluctuations in lending and borrowing rates applicable to FONPLATA's loans and debt | <ul style="list-style-type: none"> Sensitivity analysis | <ul style="list-style-type: none"> FONPLATA has established policies for the determination of interest rates, allowing it to mitigate the potential effects of interest rate fluctuations FONPLATA seeks to minimize the negative impact of potential mismatches on the duration of the loan portfolio and the debt incurred to finance such loans (ALM policy) Floating rate base (6M US\$ Libor + Spread) |
| Market Risk | <ul style="list-style-type: none"> Risk of significant variation in assets' value given changes in market price | <ul style="list-style-type: none"> All available for sale bonds are marked to market | <ul style="list-style-type: none"> Bonds in the available for sale portfolio, which account for a significant part of the current portfolio, are monitored on a regular basis |
| Credit Risk | <ul style="list-style-type: none"> Loans and investment portfolios | <ul style="list-style-type: none"> Arrear analysis Credit risk analysis Assessment of potential impairment of loans | <ul style="list-style-type: none"> Guidelines that require diversification of financial assets and applicable limits for concentration of credit risk applied to member countries Lending capacity limits are lower for sovereign loans without guarantee |
| Liquidity Risk | <ul style="list-style-type: none"> Risk originated in FONPLATA's inability to meet its financial obligations | <ul style="list-style-type: none"> Forward liquidity scenario analysis Liquidity positions monitored daily | <ul style="list-style-type: none"> Minimum required level of liquidity defined by the liquidity policy (covering a 12-month horizon), monitored formally on a monthly basis |
| Operational Risk | <ul style="list-style-type: none"> All transactions Actions from stakeholders or other third parties External events | <ul style="list-style-type: none"> Processes analyses and reviews Industry reports and best practices | <ul style="list-style-type: none"> Centralized database of operational events and near misses Continuous improvement on processes and controls |

Financial policies are set to conform to FONPLATA's prudential financial risk management

1

High Quality Governance with Commitment and Responsibility to Social and Environmental Issues

- ✓ Robust governance structure
- ✓ Strong commitment to the UN's Sustainable Development Goals, to climate change and the sustainable use of natural resources
- ✓ Focused on regional projects with sustainable development impact

2

Continuous and Strong Shareholders' Support

- ✓ Strong capital base
- ✓ 6-fold increase of subscribed capital in the last 5 years to increase lending capacity
- ✓ Willingness to incorporate new members, furthering commitment to regional development

3

Proactive Focus on Risk Management

- ✓ Updated and robust governance and risk management procedures
- ✓ Prudent financial and risk management policies
- ✓ Continuous assessment of the overall effectiveness of control and risk management processes

4

Strong Financial Position with High Capitalization and Substantial Liquidity

- ✓ Strong capitalization reflected in its Capital Adequacy Ratio of 83%
- ✓ Consistent and diversified portfolio growth
- ✓ Liquidity levels reported cover more than 18 months even under stress scenarios

5

Sound Financial Performance Supported by High-Quality Assets

- ✓ Proven preferred creditor status
- ✓ Historically superior asset performance
- ✓ High quality loan portfolio with 0% NPLs during FONPLATA's history



Appendix

Well-Positioned in South America

Key statistics

| Bolivia | | | |
|------------------------------------|-------------|-----|-------|
| Population ⁽¹⁾ | 11.7m | | |
| Nominal GDP ⁽²⁾ | US\$41.19bn | | |
| Expected GDP Growth ⁽²⁾ | 5.6% | | |
| | Moody's | S&P | Fitch |
| Long Term Rating | B2 | B+ | B |

| Brazil | | | |
|------------------------------------|-------------|-----|-------|
| Population ⁽¹⁾ | 211.4m | | |
| Nominal GDP ⁽²⁾ | US\$1,834bn | | |
| Expected GDP Growth ⁽²⁾ | 2.8% | | |
| | Moody's | S&P | Fitch |
| Long Term Rating | Ba2 | BB- | BB- |

| Argentina | | | |
|------------------------------------|-------------|------|-------|
| Population ⁽¹⁾ | 45.4m | | |
| Nominal GDP ⁽²⁾ | US\$445.1bn | | |
| Expected GDP Growth ⁽²⁾ | 4.9% | | |
| | Moody's | S&P | Fitch |
| Long Term Rating | Ca | CCC+ | CCC |

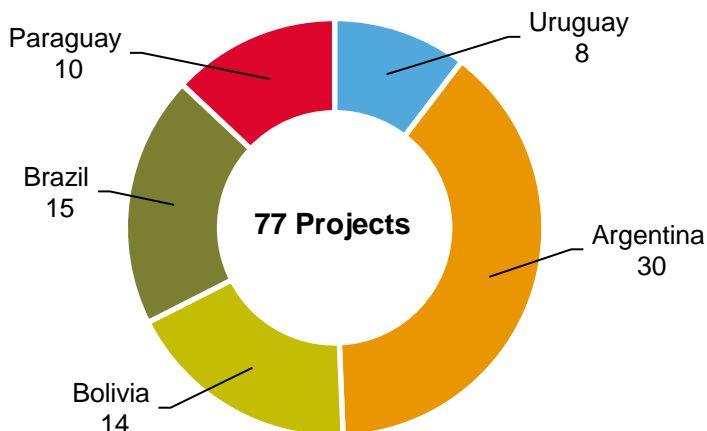
| Uruguay | | | |
|------------------------------------|------------|-----|-------|
| Population ⁽¹⁾ | 3.5m | | |
| Nominal GDP ⁽²⁾ | US\$56.7bn | | |
| Expected GDP Growth ⁽²⁾ | 4.3% | | |
| | Moody's | S&P | Fitch |
| Long Term Rating | Baa2 | BBB | BBB- |

| Paraguay | | | |
|------------------------------------|------------|-----|-------|
| Population ⁽¹⁾ | 7.3m | | |
| Nominal GDP ⁽²⁾ | US\$37.4bn | | |
| Expected GDP Growth ⁽²⁾ | 4.0% | | |
| | Moody's | S&P | Fitch |
| Long Term Rating | Ba1 | BB | BB+ |

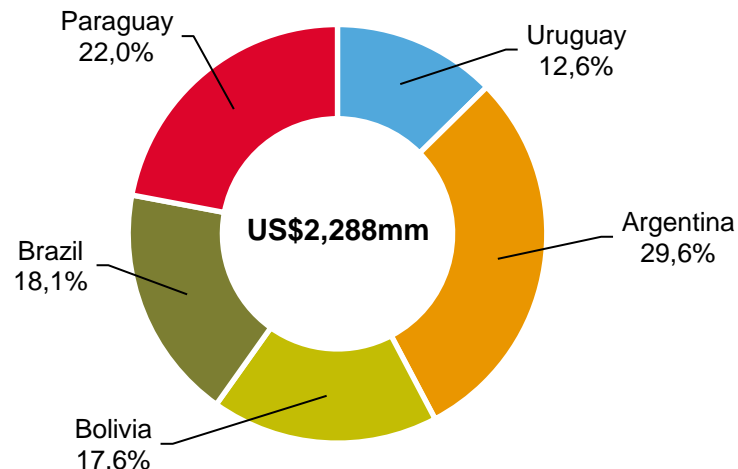
Geographic region covers nearly three-quarters of South American landmass and 70% of GDP

Source: Official data and WEO-IMF.
(1) 2020E.
(2) 2021.

Operations by country



Approved Operations by Country



Addressing Unfulfilled Basic Needs in Argentina (ARG-21)

- **Investment:** US\$ 31.3mm, of which 28.2mm are funded by FONPLATA
- **Location:** 9 provinces located in the north of Argentina.
- **Objectives:**
 - Increase water access and quality in urban and rural areas
 - Increase and improve basic and social infrastructure
 - Improve management systems
 - Strengthen social and human capital

Urban Infrastructure and Employment in Bolivia (BOL-30 / BOL-32)

- **Investment:** US\$ 105mm; 100% financed by FONPLATA
- **Location:** 21 small cities and the 4 biggest cities in the country (covering 70% of the country's population) in Bolivia
- **Objectives:**
 - Increase and improve street lighting
 - Create direct jobs for vulnerable people (especially young women)
 - Foster the creation of small and medium size enterprises
 - Urban roads improvement and construction



Improving Life Quality in Corumbá, Brazil (BRA-16)

- **Investment:** US\$ 80mm, of which 40mm are funded by FONPLATA
- **Location:** Corumbá, Mato Grosso do Sul, Brazil
- **Objectives:**
 - Improve socio-environmental conditions (housing, recreation and public services)
 - Social inclusion
 - Sustainable development in intervention areas

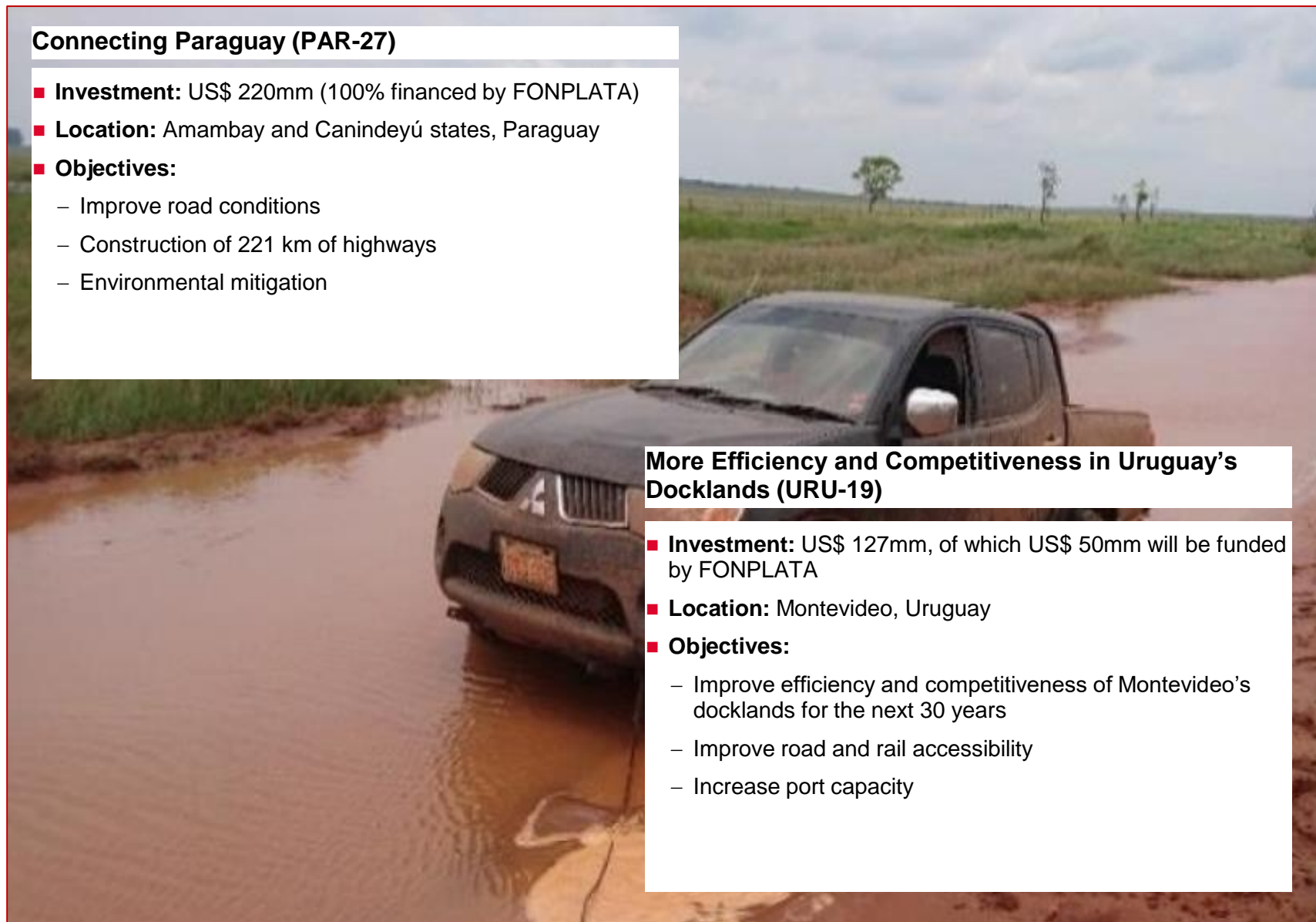


Connecting Paraguay (PAR-27)

- **Investment:** US\$ 220mm (100% financed by FONPLATA)
- **Location:** Amambay and Canindeyú states, Paraguay
- **Objectives:**
 - Improve road conditions
 - Construction of 221 km of highways
 - Environmental mitigation

More Efficiency and Competitiveness in Uruguay's Docklands (URU-19)

- **Investment:** US\$ 127mm, of which US\$ 50mm will be funded by FONPLATA
- **Location:** Montevideo, Uruguay
- **Objectives:**
 - Improve efficiency and competitiveness of Montevideo's docklands for the next 30 years
 - Improve road and rail accessibility
 - Increase port capacity



Balance Sheet

| (US\$ in thousands) | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | 2Q'19 | 2Q'20 |
|-------------------------------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|
| Assets: | | | | | | | |
| Cash and Cash Equivalents | 17,618 | 31,038 | 34,092 | 55,421 | 37,413 | 52,275 | 29,551 |
| Investments | 157,155 | 179,932 | 148,932 | 179,708 | 331,507 | 319,343 | 432,407 |
| Loan Portfolio, Net | 447,327 | 539,517 | 657,087 | 792,580 | 920,387 | 848,429 | 1,085,225 |
| Accrued Interest | 3,004 | 4,557 | 6,187 | 9,142 | 11,746 | 11,990 | 12,155 |
| Property and Equipment, Net | 2,377 | 3,191 | 5,161 | 5,791 | 5,721 | 5,737 | 5,551 |
| Other assets | 136 | 380 | 143 | 252 | 893 | 688 | 1,409 |
| Total assets | 627,617 | 758,615 | 851,602 | 1,042,894 | 1,307,667 | 1,238,462 | 1,566,298 |
| Liabilities: | | | | | | | |
| Derivatives | 0.0 | 0.0 | 0.0 | 0.0 | 1 | 0.0 | 0.0 |
| Debt | 0.0 | 16,000 | 26,000 | 78,750 | 264,708 | 228,608 | 509,533 |
| Other Liabilities | 271 | 204 | 912 | 789 | 2,590 | 2,453 | 2,362 |
| Special Funds | 9,836 | 9,393 | 8,915 | 10,440 | 12,230 | 10,546 | 10,897 |
| Total liabilities | 10,107 | 25,597 | 35,827 | 89,979 | 279,529 | 241,607 | 522,792 |
| Equity: | | | | | | | |
| Authorized Capital | 1,639,200 | 3,014,200 | 3,014,200 | 3,014,200 | 3,014,200 | 3,014,200 | 3,014,200 |
| Less Callable Option | (840,000) | (1,665,000) | (1,665,000) | (1,665,000) | (1,665,000) | (1,665,000) | (1,665,000) |
| Paid-in Capital | 799,200 | 1,349,200 | 1,349,200 | 1,349,200 | 1,349,200 | 1,349,200 | 1,349,200 |
| Paid-in Capital Pending Integration | (256,667) | (705,917) | (643,333) | (531,666) | (483,651) | (507,833) | (483,651) |
| Capital | 542,533 | 643,283 | 705,867 | 817,534 | 865,549 | 841,367 | 865,549 |
| General Reserve | 65,654 | 74,979 | 89,740 | 107,871 | 132,443 | 107,871 | 132,443 |
| Other Reserves | (2) | (5) | 37 | 938 | 1,838 | 2,303 | 3,456 |
| Retained Earnings | 9,325 | 14,761 | 20,131 | 26,572 | 28,308 | 45,315 | 42,058 |
| Total Equity | 617,510 | 733,018 | 815,775 | 952,915 | 1,028,138 | 996,855 | 1,043,506 |
| Total Liabilities and Equity | 627,617 | 758,615 | 851,602 | 1,042,894 | 1,307,667 | 1,238,462 | 1,566,298 |

Income Statement

| (US\$ in thousands) | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY2019 | 2Q'19 | 2Q'20 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Income | | | | | | | |
| Interest on Loans | 10,911 | 15,554 | 21,407 | 31,667 | 41,841 | 21,045 | 19,373 |
| Other Loan Income | 2,863 | 3,382 | 3,645 | 4,490 | 4,836 | 2,223 | 3,318 |
| Loan Portfolio Income | 13,774 | 18,936 | 25,052 | 36,157 | 46,677 | 23,268 | 22,691 |
| Interest on Investments | 1,246 | 1,318 | 2,246 | 4,018 | 6,230 | 2,848 | 2,033 |
| Other Investment Income | 43 | 44 | 117 | 128 | 1,350 | 354 | 1,438 |
| Investment Income | 1,289 | 1,362 | 2,363 | 4,146 | 7,580 | 3,202 | 3,471 |
| Other Income | 274 | 180 | 89 | 69 | 162 | 103 | 32 |
| Income from Financial Assets | 15,337 | 20,478 | 27,504 | 40,372 | 54,419 | 26,573 | 26,194 |
| Expenses | | | | | | | |
| Interest Expense | 0 | (19) | (716) | (2,645) | (8,442) | (3,629) | (4,238) |
| Income on Net Financial Assets | 15,337 | 20,459 | 26,788 | 37,727 | 45,977 | 22,944 | 21,956 |
| Provision for Potential Loan Impairments | (2,922) | (105) | 142 | (2,766) | (8,188) | 419 | (3,735) |
| Income after Provision for Impairments | 12,415 | 20,354 | 26,930 | 34,961 | 37,789 | 23,363 | 18,221 |
| Administrative Expenses | (5,381) | (5,593) | (6,799) | (8,389) | (9,481) | (4,620) | (4,471) |
| Net Income | 7,034 | 14,761 | 20,131 | 26,572 | 28,308 | 18,743 | 13,750 |

Source: FONPLATA.