



Banco de Desarrollo

Institutional Presentation

Year-End 2019 Figures

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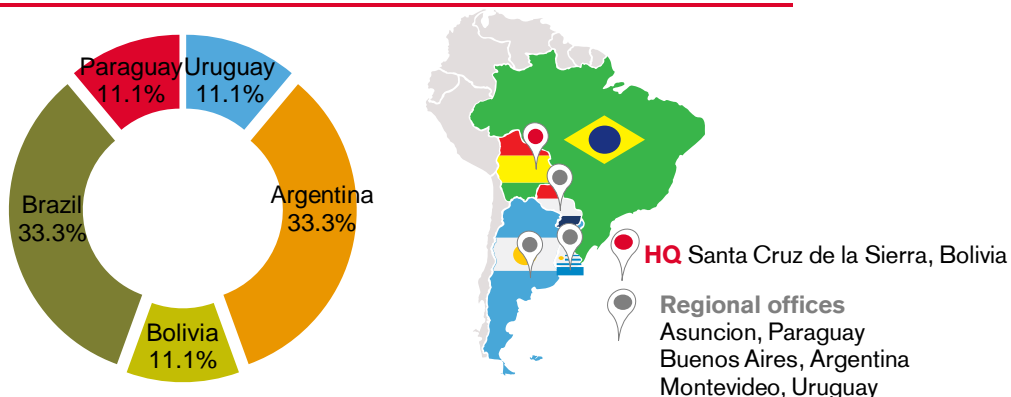
Institutional Overview

FONPLATA at a Glance

Overview

- FONPLATA is a multilateral development bank
- Consistent with its mission, it provides financing through loans and grants to support economic and social development to its member countries (Argentina, Bolivia, Brazil, Paraguay and Uruguay), with an aim of helping reduce socioeconomic differences
- FONPLATA was founded in 1974 by its five member countries, established by the *Tratado de la Cuenca del Plata*, and governed by the Vienna Convention
- FONPLATA is based in Santa Cruz de la Sierra and enjoys immunity of jurisdiction and exemption of taxes
- FONPLATA's loans are 100% sovereign-guaranteed financings as of to date. In 2019 we introduced our non-sovereign facility for public banks
- Preferred status: FONPLATA receives preferred creditor treatment granted by its borrowing members
- FONPLATA's authorized and subscribed capital is US\$ 3,014 million
- Rated A2/A- by Moody's & S&P since 2016

Shareholders and Member Countries



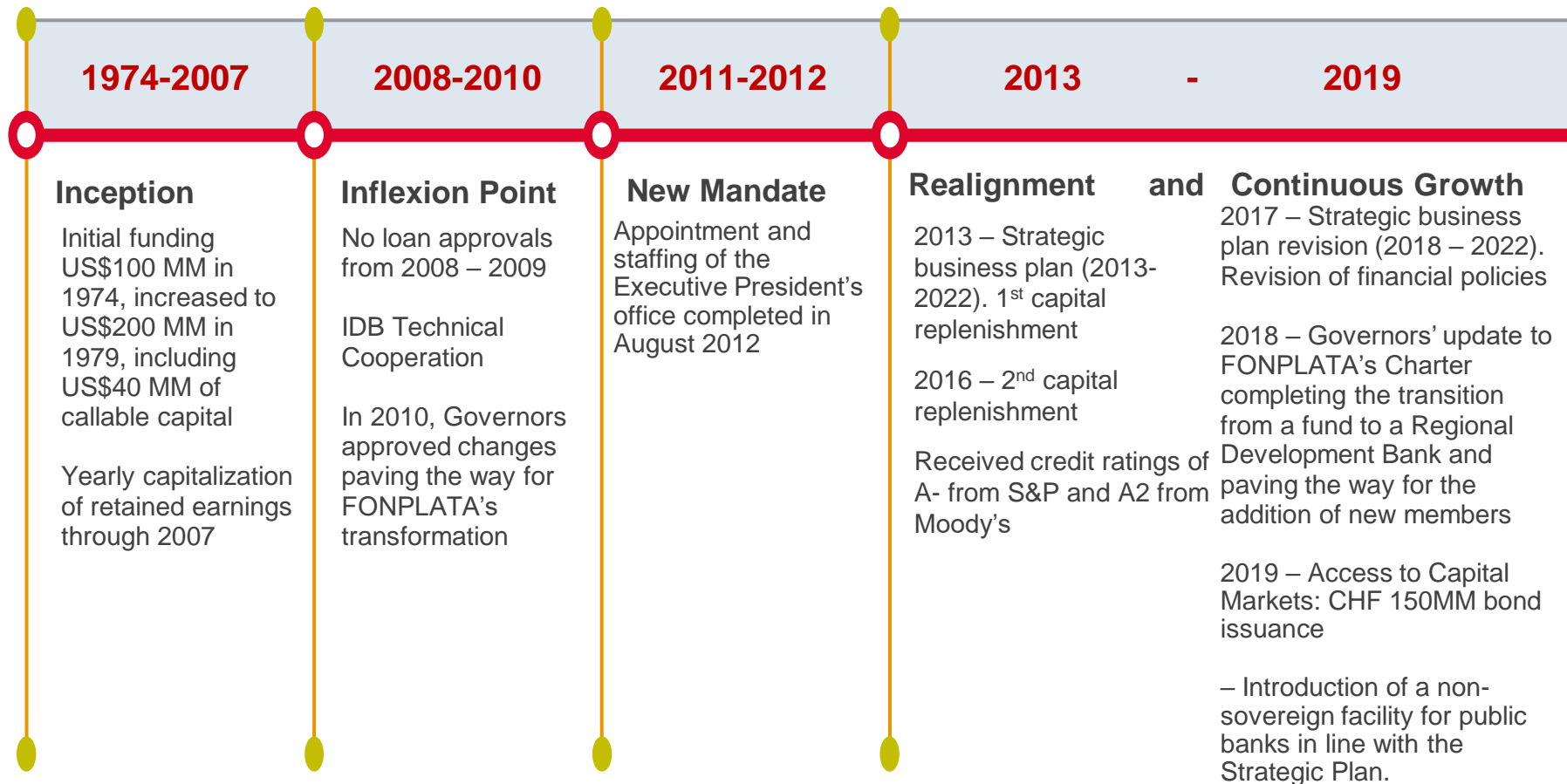
Financial Highlights

(in US\$ millions)

	2016	2017	2018	2019	% CAGR ¹
Income Statement					
Total income	20.5	27.5	40.4	54.4	38.5%
Net interest income	20.5	26.8	37.7	46.0	30.9%
Net income	14.8	20.1	26.6	28.3	24.1%
Balance Sheet					
Total Assets	758.6	851.6	1,042.9	1,307.7	19.9%
Gross loans	543.8	662.0	799.4	936.5	19.9%
Total net equity	733.0	815.8	952.9	1,028.1	11.9%
Key Ratios					
NPLs / Gross loans	0.0%	0.0%	0.0%	0.0%	
Liquidity ratio	27.8%	21.5%	22.5%	28.2%	
Equity / Total Assets	96.6%	95.8%	91.4%	78.6%	

FONPLATA's Journey

From a Financial Fund to a Full-Fledged Regional Development Bank



More than US\$ 2,134 million in loan approvals since 2013

FONPLATA's Core Pillars and Business Strategy

Business Strategy

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

Target sectors:

- Road Infrastructure
- Environment
- Sanitation & Water
- Social Infrastructure
- Disaster risk reduction
- Logistics
- Urban development in small cities
- Sustainable Energy

Urban Infrastructure program for job creation in Bolivia



Enabling Countries' Integration Through Infrastructure Investments, Such as improvements in the Port of Montevideo, Uruguay



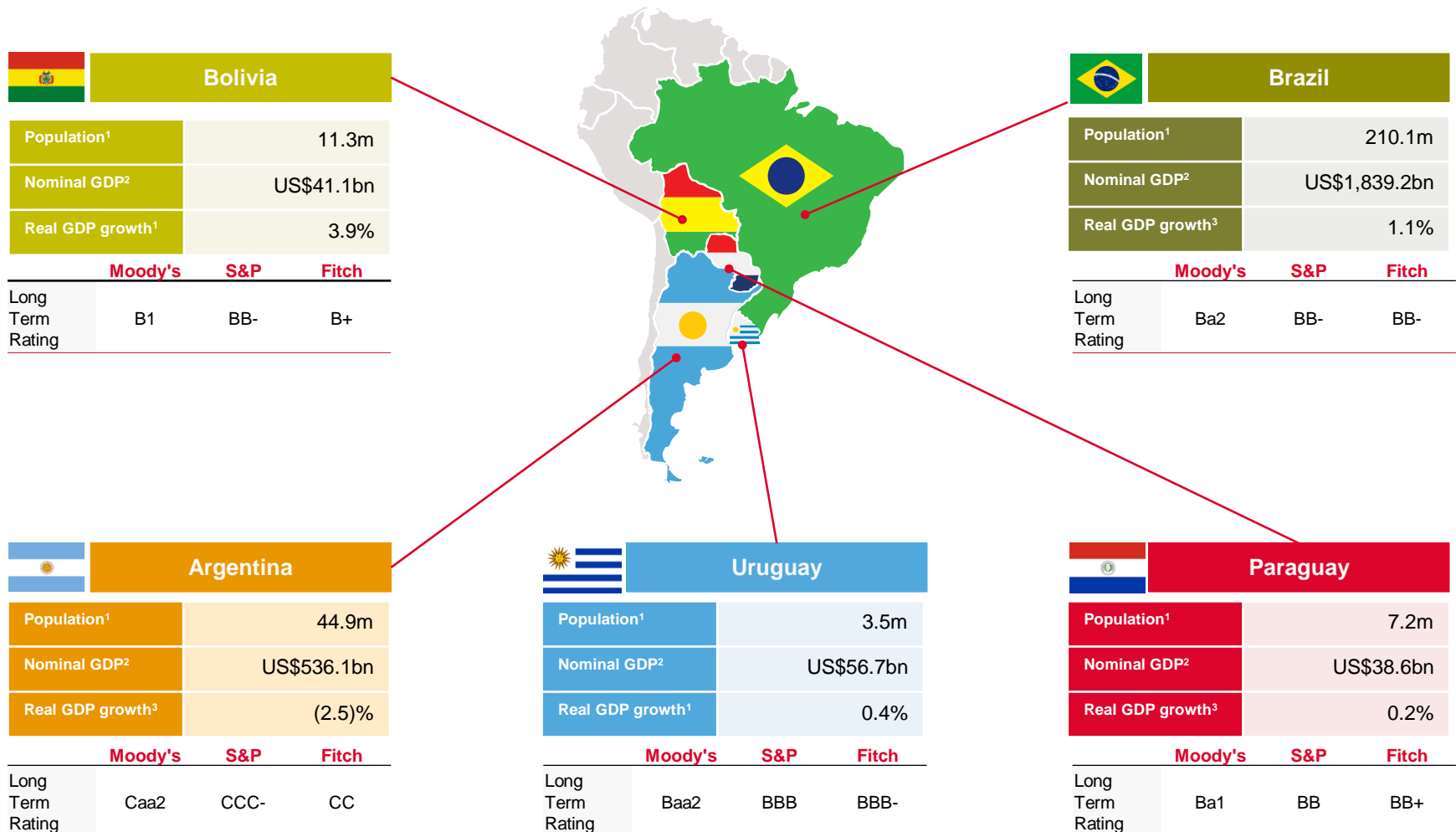
Five Strategic Pillars

- Institutional efficiency
- Functional specialization
- Strategic complementarity
- Focus on the value to member countries
- Financial strength and growth in loan capacity

In addition to lending, FONPLATA provides technical assistance grants for capacity building among member states

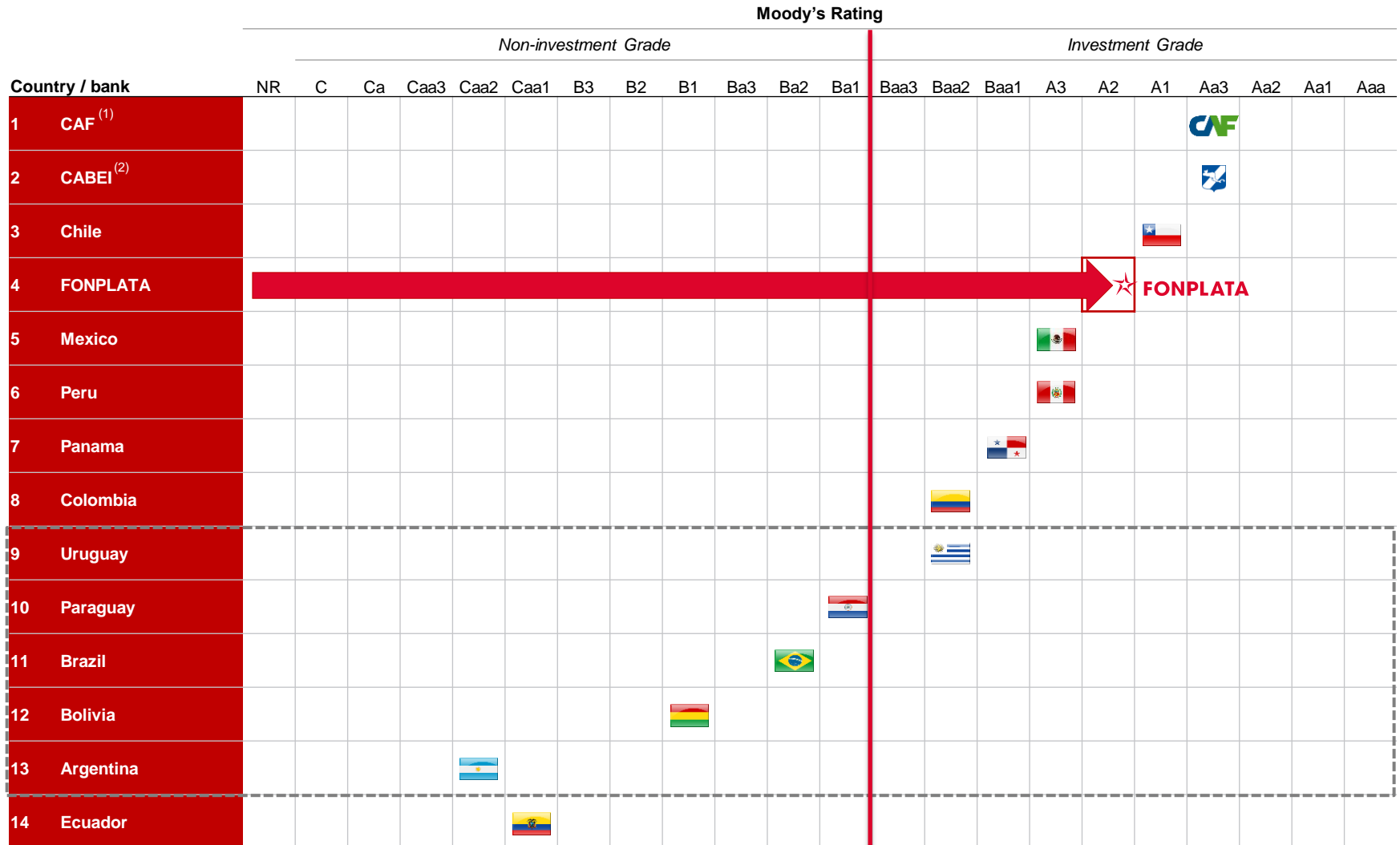
Well-Positioned in South America

Key Statistics



Geographic region covers nearly three-quarters of South American landmass

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



FONPLATA's Rating Trajectory

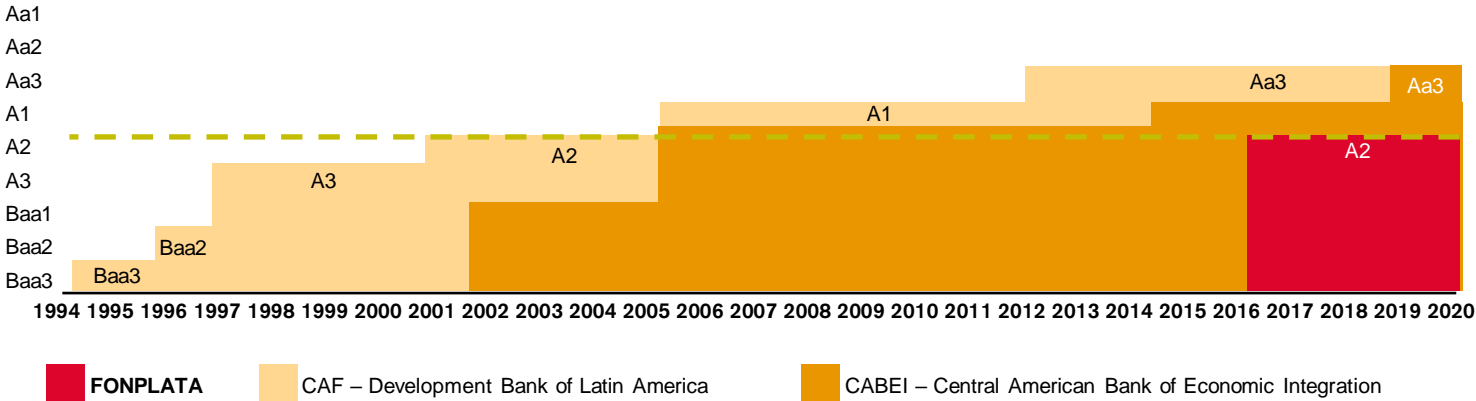
Moody's

Moody's

FONPLATA's
long-term issuer
rating:

A2

- Outlook:
Stable
- Last affirmed:
Nov. 22, 2019



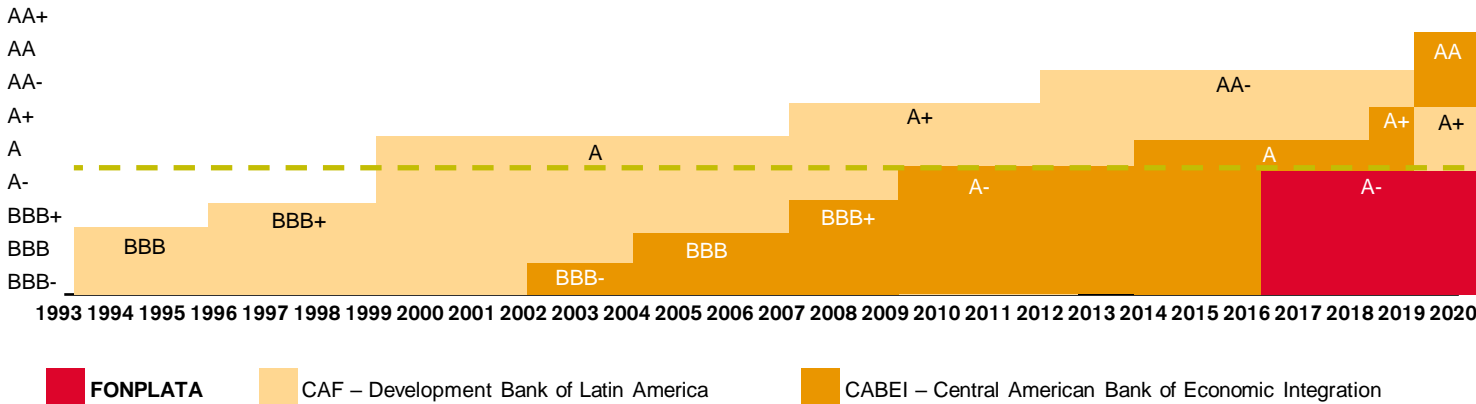
S&P

S&P Global
Ratings

FONPLATA's
long-term issuer
rating:

A-

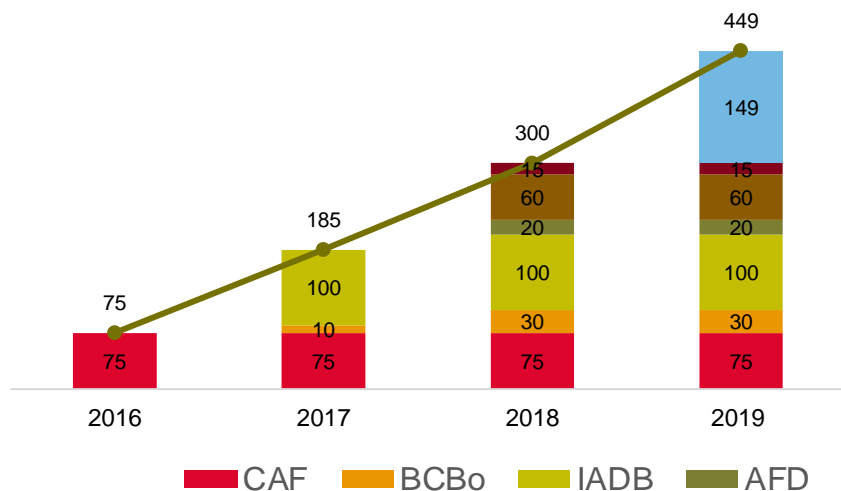
- Outlook:
Positive
- Last affirmed:
Sep. 25, 2019



FONPLATA's Medium Term Debt Strategy

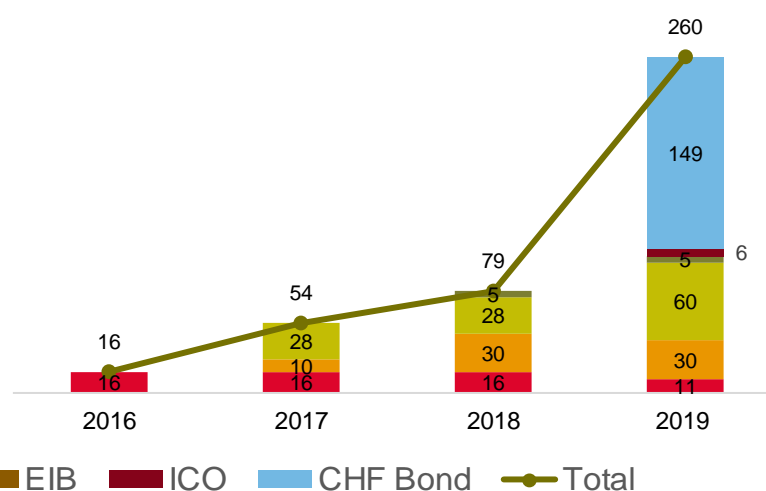
Signed Borrowings

(in US\$ millions)

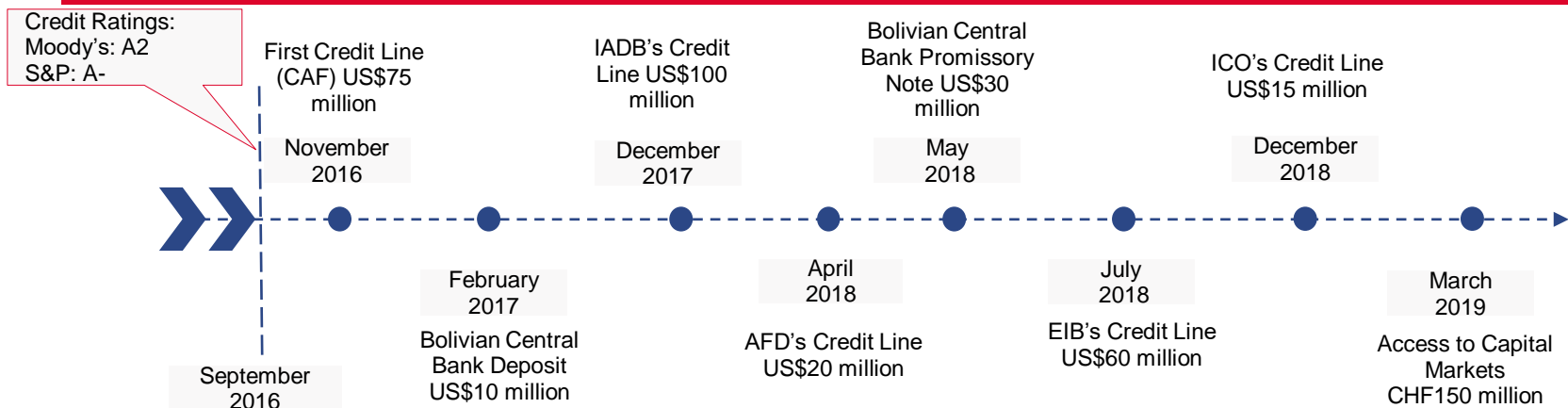


Outstanding Borrowings¹

(in US\$ millions)



Medium Term Debt Strategy Execution Timeline



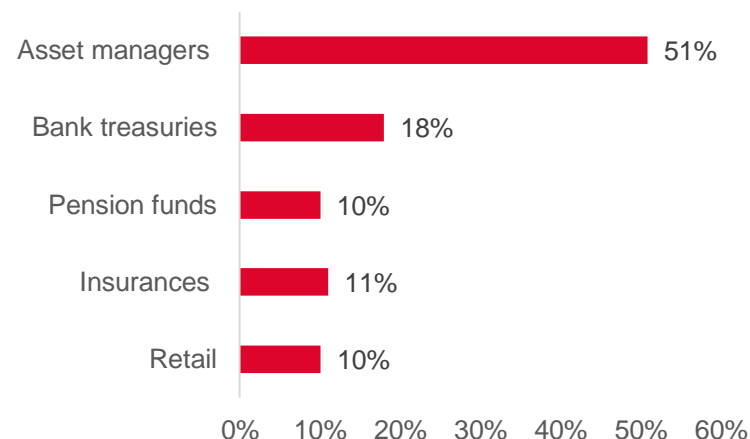
FONPLATA's Inaugural Bond Issuance

CHF 150m 0.578% Inaugural Bond Issuance Due March 2024

Deal at a Glance

Issuer	FONPLATA
Issuer Rating	Moody's: A2 (stable) S&P: A- (stable)
Type	Senior unsecured
Transaction Size	CHF 150mm
Maturity	March 11, 2024
Coupon	0.578%
Spread at Launch	MS+90bps
Launch & Pricing Date	February 11, 2019
ISIN	CH0463112042
Listing	SIX Swiss Exchange
Documentation	Stand-alone
Bookrunners	UBS AG, Credit Suisse AG

Distribution by Investor Type



Transaction Highlights

- Investor marketing conducted during a two-day roadshow, with a senior delegation led by the Executive President
- Oversubscribed book with total demand over CHF200mm which allowed the issuer to price the targeted size of CHF150mm at the tight end of the pricing range
- First transaction out of the LatAm region in the CHF market in 2019



Credit Highlights

FONPLATA's Strengths: Credit Highlights



1

High quality governance with commitment and responsibility to social and environmental issues

- ✓ Robust governance structure with clear accountability and reporting lines
- ✓ Focus on projects aimed at sustainable development impacting more than one member country
- ✓ Firm commitment to the UN's Sustainable Development Goals, to climate change and the sustainable use of natural resources

2

Continuous shareholders' support

- ✓ Stable relationship with its shareholders
- ✓ 6-fold increase of subscribed capital in the last 5 years to increase lending capital
- ✓ Willingness to incorporate new members, entailing further commitment to regional development

3

Focus on risk management

- ✓ Updated governance and risk management procedures
- ✓ Prudent financial policies and risk tolerance
- ✓ Ensures continuous development, implementation and application of multiple controls in managing exposures to all types of risks

4

Strong financial position with superior capitalization and ample liquidity

- ✓ FONPLATA's solid capitalization is reflected in its capital adequacy ratio which stood at 99,3% in December 2019, well above the 35% minimum required by financial policies
- ✓ Track record for having funds available to fulfill all applicable obligations

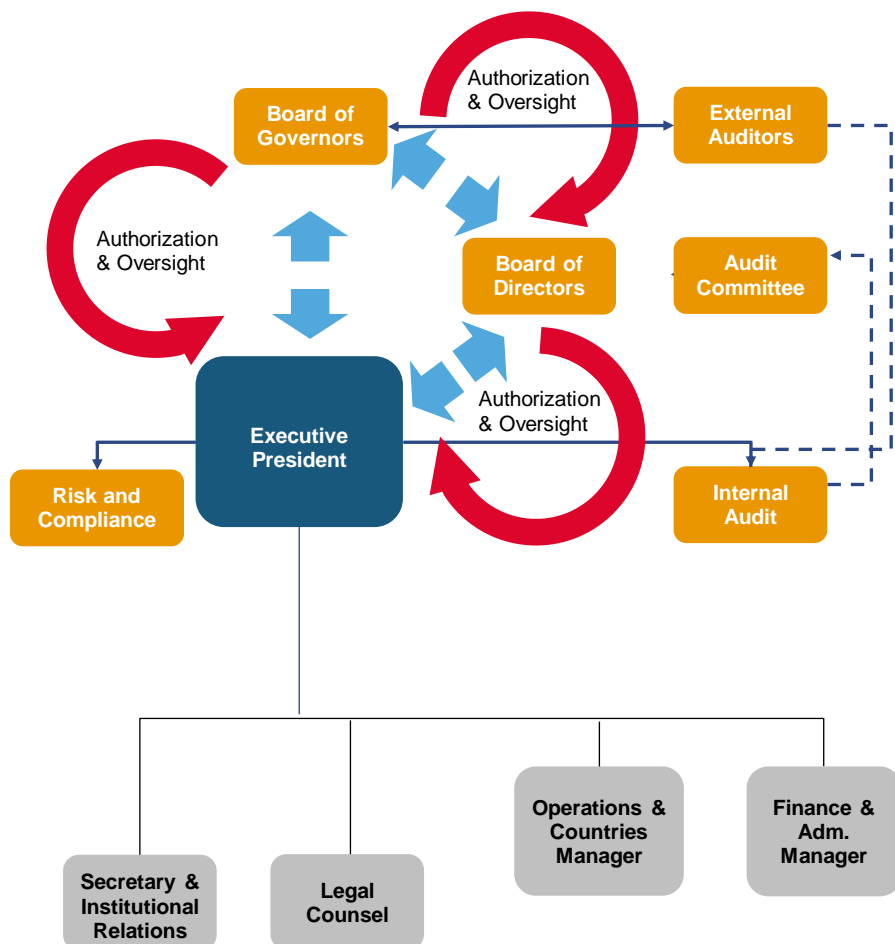
5

Sound financial performance supported by high-quality assets

- ✓ Preferred creditor treatment. Key factor behind FONPLATA's historically superior asset performance
- ✓ In FONPLATA's history, all loans have been fully paid by its member countries

1 Robust Governance Structure

Supervisory Body



Overview of Functions

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

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

Board of Executive Directors:
Representatives of member countries

- Approves credit operations, policies, and authorizes financial obligations
- Approves structural modifications at executive level and reviews administrative and capital budgets before submission to BoG

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

- Highest authority responsible for FONPLATA's overall supervision and management
- Leads all the operational areas
- Appoints/terminates staff
- Can approve credit operations up to US\$ 5 million

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

1 Strong Commitment and Responsibility to Social and Environmental Issues

Smog Reduction Through the Implementation of Bike Ways



Rehabilitation of Damaged Infrastructure, Emergency Housing for Affected Population as a Result of *El Niño* Climate Effects



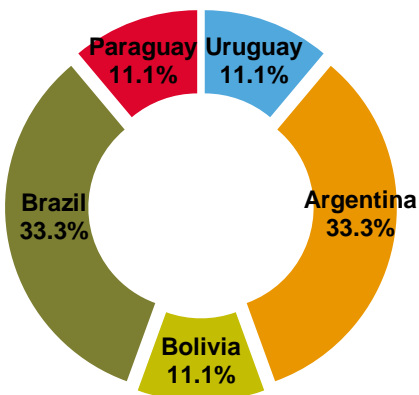
- Environmental and social policy with a rigorous fulfillment of top international standards
- FONPLATA has been working closely with institutional partners and has received technical assistance from the AFD, EIB and IADB, to align its policies and procedures to best practices on social and environmental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

SUSTAINABLE DEVELOPMENT GOALS



2 Continuous Shareholders' Support

Shareholders Breakdown

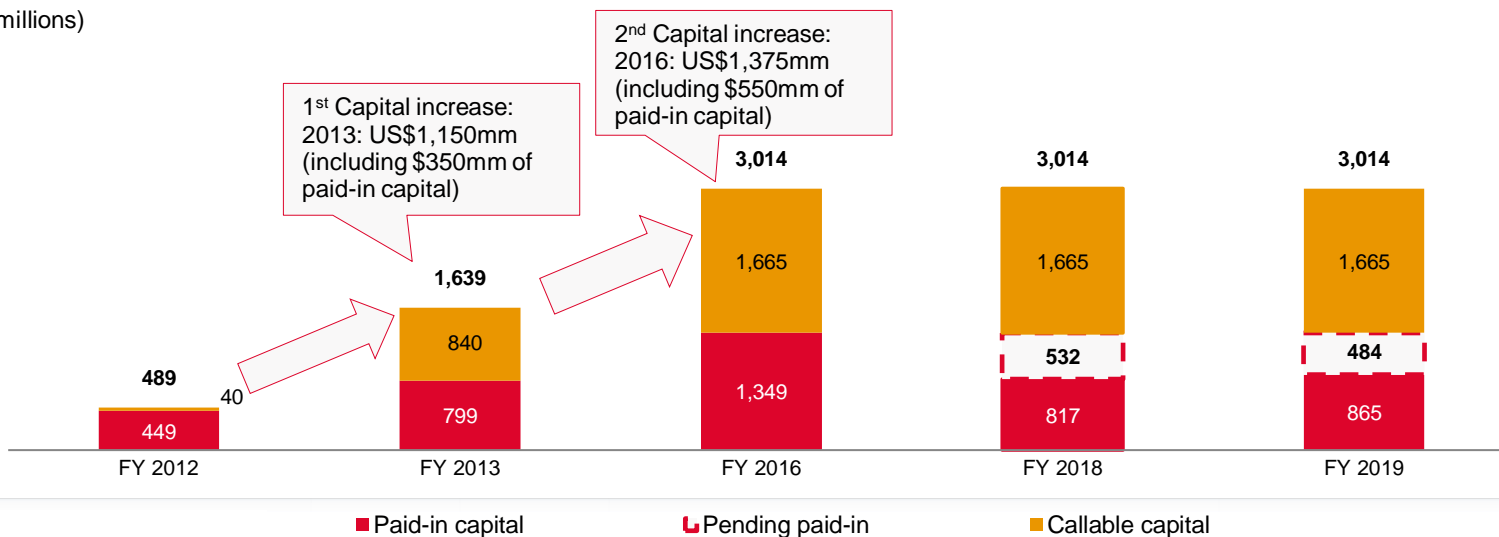


Capital Increases in Support of FONPLATA's Expansion Plan

- Following FONPLATA's 2010 reform, shareholders approved its first 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 second capital increase in 2016, for US\$1,375mm, including US\$550mm of paid-in capital to be integrated on 9 annual installments beginning in 2018
- Solid capital base: US\$1,665mm of "callable capital", which serves as an additional cushion as FONPLATA is legally entitled to call upon these funds if needed

Capital Breakdown

(US\$, in millions)



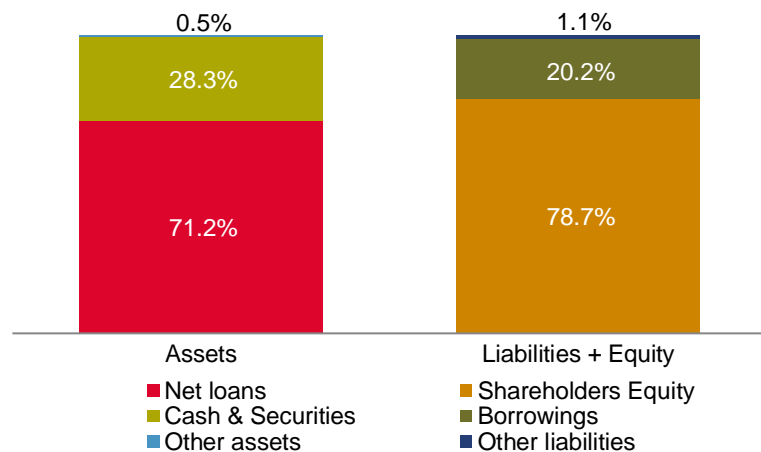
3 Focus on Risk Management

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 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 market price movements 	<ul style="list-style-type: none"> ■ All bonds available for sale bonds are marked to market 	<ul style="list-style-type: none"> ■ Bonds available for sale are monitored on a regular basis which account for a significant percentage of the investment portfolio to date.
Credit Risk	<ul style="list-style-type: none"> ■ Loans and investment portfolio 	<ul style="list-style-type: none"> ■ Arrears analysis ■ Credit risk analysis ■ Loan loss provision 	<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
Liquidity Risk	<ul style="list-style-type: none"> ■ Risk originated in the inability of the institution to meet its 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 (12 months period), monitored formally on a monthly basis

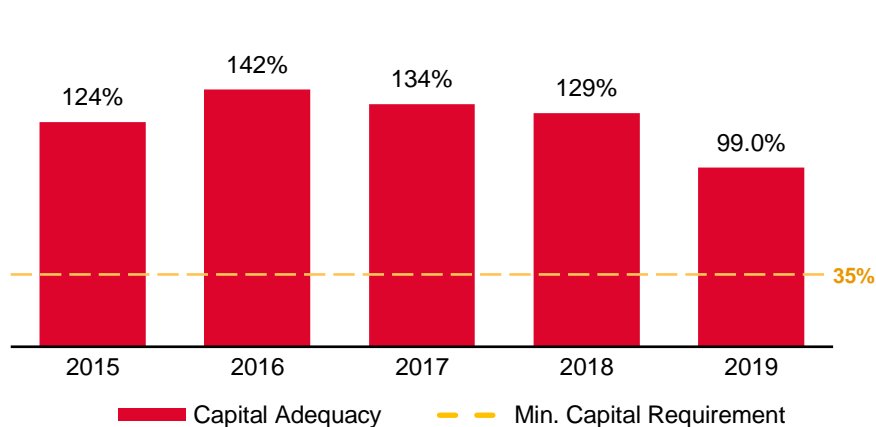
Financial policies are conservative to ensure prudent risk tolerance

4 Strong Financial Position

Balance Sheet Composition...

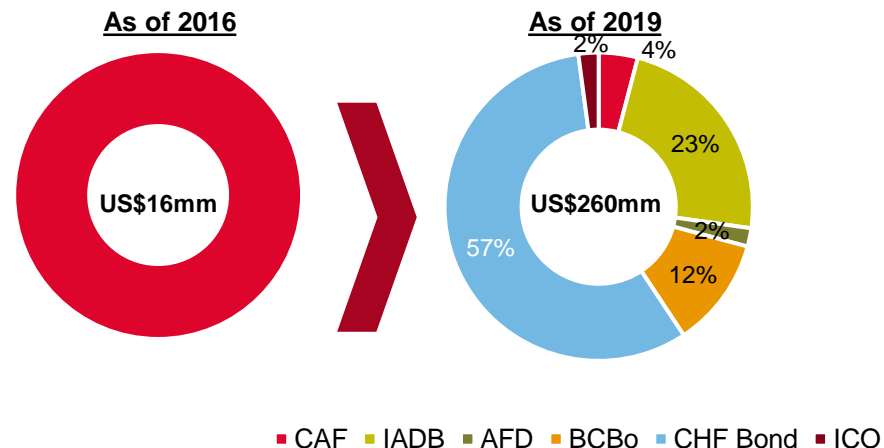


...a Strong Capital Adequacy Standing, Well Above Requirements...

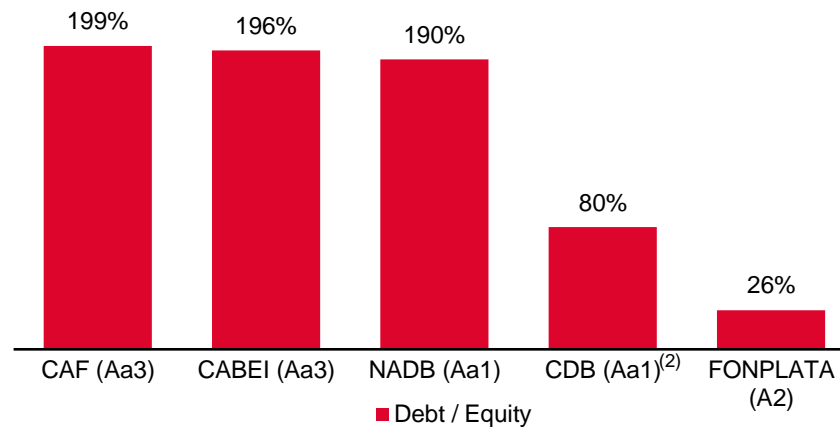


...with a Track Record of Diversifying Funding Sources⁽¹⁾...

(US\$, in millions)



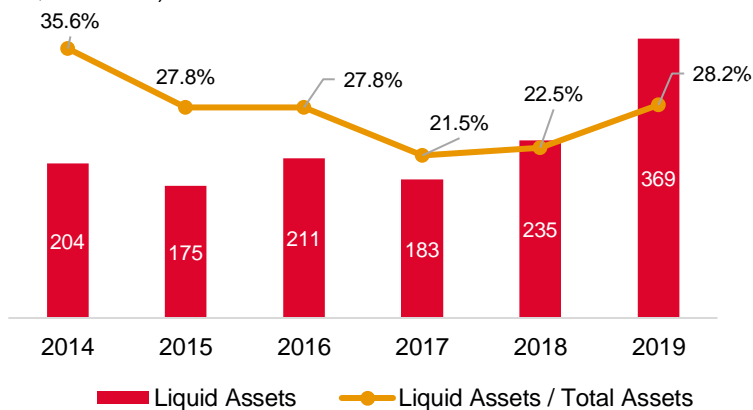
...and a Low Leverage Profile Versus Peers



4 Prudential Liquidity Management

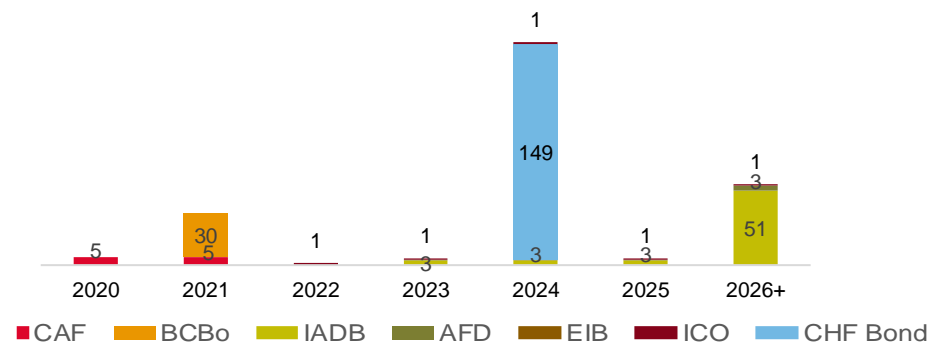
Liquidity Evolution

(US\$, in millions)



Debt Maturity Profile

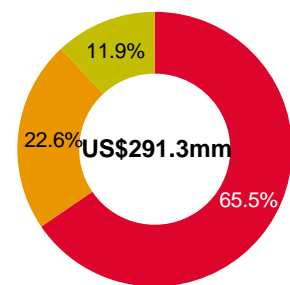
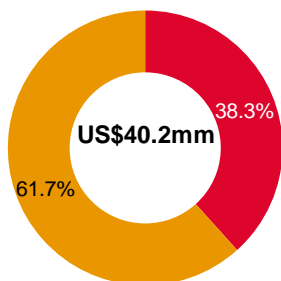
(US\$, in millions)



Investment Portfolio by Asset

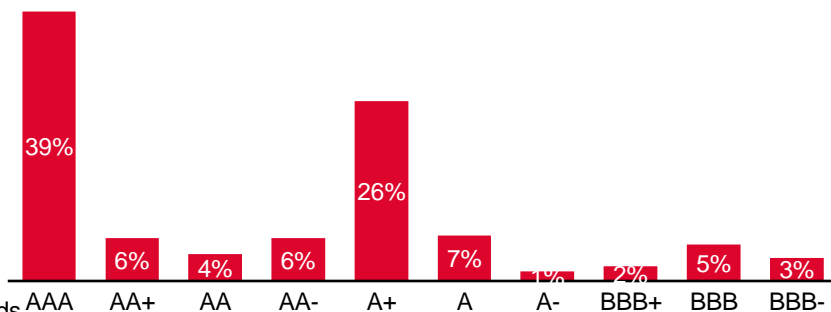
Investments in time deposits⁽¹⁾

Investment in other values⁽²⁾



- Sovereign
- Multilateral development institutions' bonds
- Financial sectors bonds

Investment Portfolio by Credit Rating ⁽³⁾



Liquidity in December 2019 exceeded the liquidity required to fulfill all applicable obligations for the next 12 months, in line with FONPLATA's internal policy

Source: FONPLATA as of December 31, 2019.

(1) Investments correspond to time deposits with original maturities greater than 3 months.

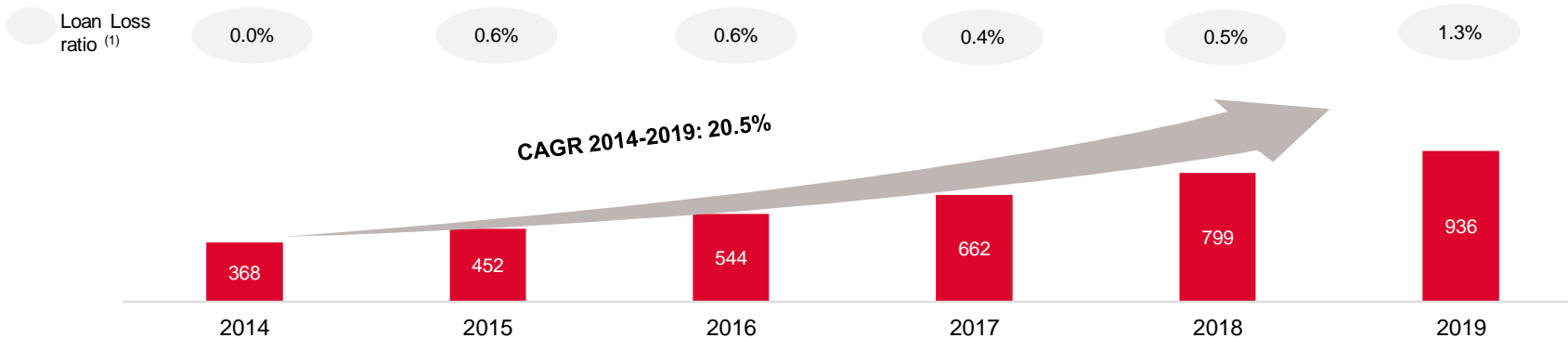
(2) Investments include sovereign, multilateral development institutions and financial sector bonds with a risk profile falling within FONPLATA's investment risk guidelines. Excludes Argentine treasury bonds in amount of US\$3,0mm.

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

5 Sound Financial Performance

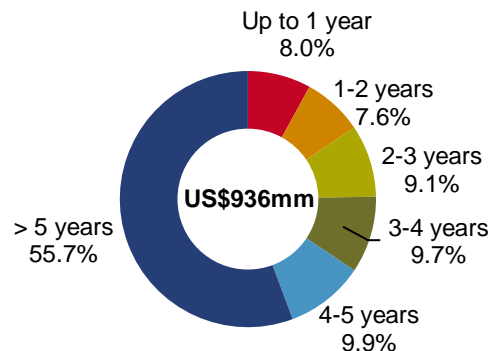
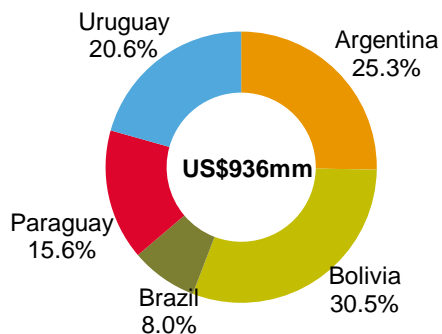
Outstanding Loan Portfolio Growth

(US\$, in millions)



Loan Portfolio by Member Country

Loan Portfolio by Remaining Term



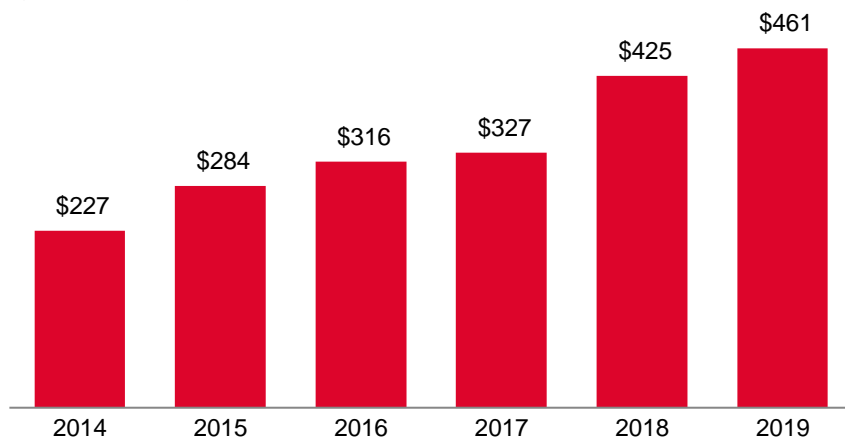
- FONPLATA receives Preferred Creditor Status from its borrowing member countries
- In FONPLATA's history, all loans have been fully repaid by its member countries

5 Sound Financial Performance Supported by High-Quality Assets

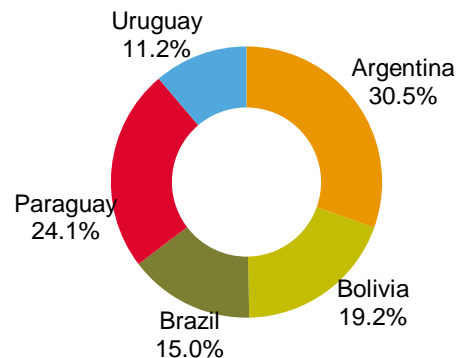
Loan Approvals and Disbursements

Loan Approvals

(US\$ in millions)

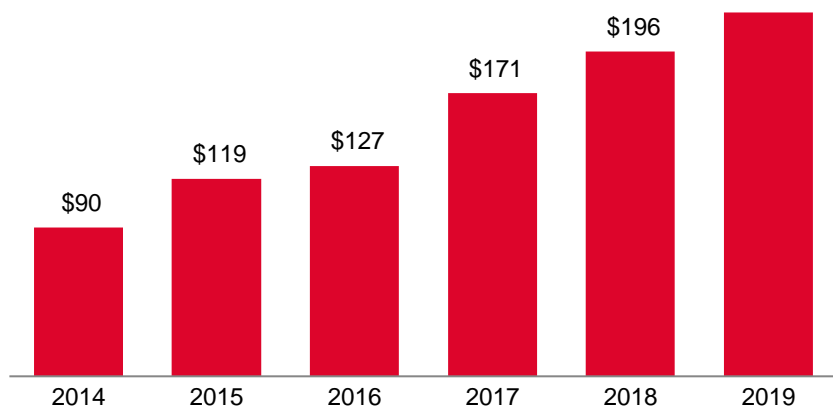


Loan Approvals by Country (2013-2019)

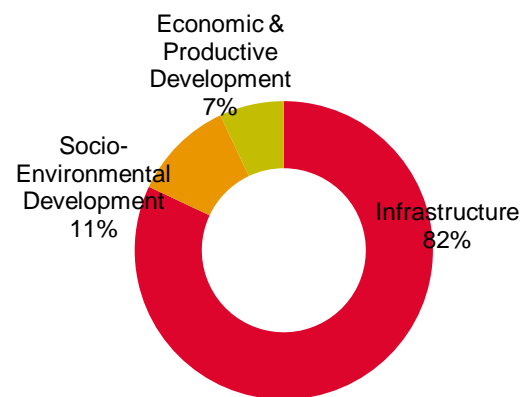


Loan Disbursements

(US\$ in millions)



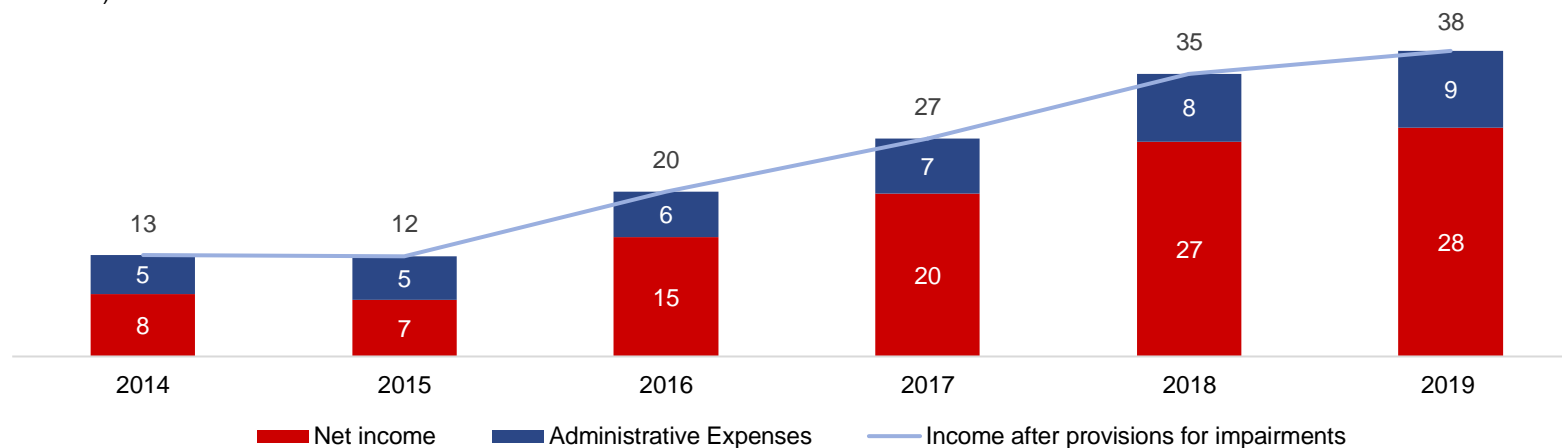
Loan Approvals by Sector (2019)



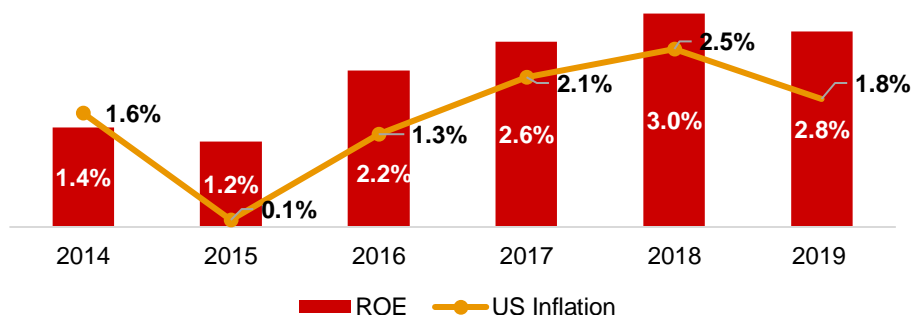
5 Consistently Profitable With Low Transaction Costs

Positive Evolution of Financial Results

(US\$, in millions)

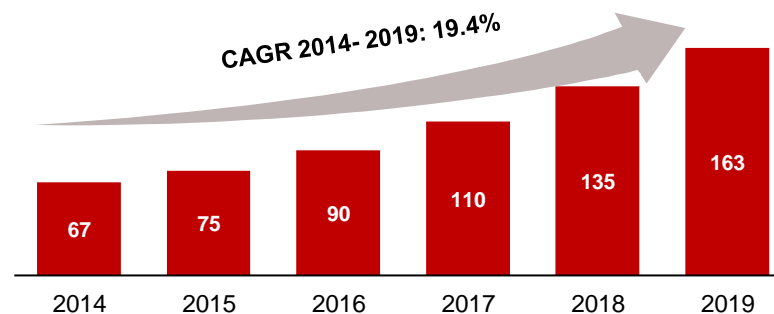


Profitability Consistent with Macroeconomic Environment









Reserves

(US\$, in millions)



Financial charges are determined by prioritizing net equity maintenance and the accumulation of retained earnings

5 Strong Performance Relative to Peers

(US\$, million)		 FY 2019	 FY 2019	 FY 2019	 ⁽¹⁾ FY 2019	 FY 2019	 FY 2019
Metrics	Loan portfolio	\$944	\$26,410	\$7,704	\$1,813	\$1,549	\$1,193
	Total assets	\$1,308	\$42,294	\$11,611	\$2,343	\$11,821	\$2,007
	Shareholder's equity	\$1,028	\$12,797	\$3,443	\$830	\$10,171	\$683
Key ratios	NIM	3.5%	1.7%	2.4%	1.8%	2.9%	2.0%
	Efficiency ratio	20.2%	43.2%	22.4%	58.7%	18.6%	39.9%
	NPLs / Gross loans	—	0.7%	1.6%	—	—	1.2%
	RoAE	2.9%	0.7%	3.3%	1.6%	7.4%	1.9%
	RoAA	2.8%	2.6%	6.9%	1.7%	2.2%	4.4%
	Equity / Assets	78.6%	30.3%	29.7%	35.4%	86.0%	34.0%
	Liabilities / Equity	0.3x	2.0x	2.0x	1.8x	0.2x	1.9x
Other	Ratings ⁽²⁾ (Moody's S&P Fitch)	A2 A- NR	Aa3 A+ A+	Aa3 AA NR	A2 A- NR	NR AA+ AA+	Aa1 NR AA

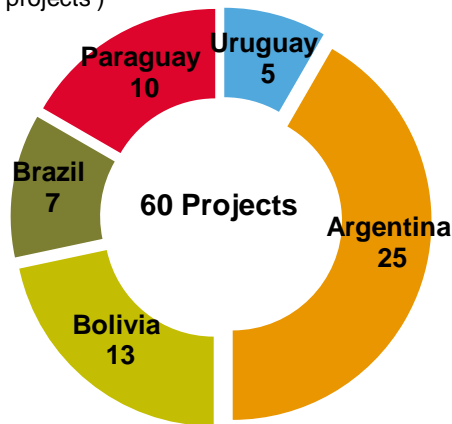


Appendix

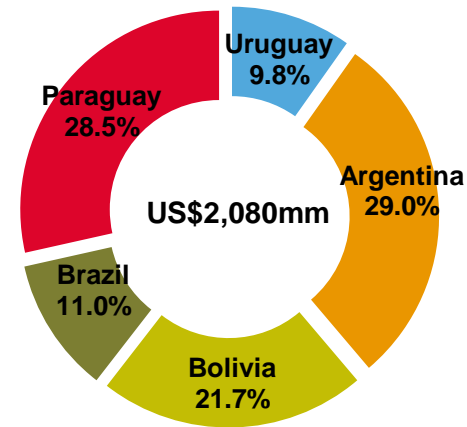
Country Operations

Operations per Country

(Number of projects)



Approved Operations per Country



Addressing Unsatisfied Basic Needs in Argentina (ARG-21)

- **Investment:** USD 31.3 million, of which 28.2 million 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



Country Operations

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

- **Investment:** USD 105 million; 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:** USD 80 million, of which 40 million are funded by FONPLATA
- **Location:** Corumbá, Mato Grosso do Sul, Brasil
- **Objectives:**
 - Improve socio-environmental conditions (housing, recreation and public services).
 - Social inclusion.
 - Sustainable development in intervention areas.



Country Operations

Connecting Paraguay (PAR-27)

- **Investment:** USD 220 million (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:** USD 127 million, of which USD 50 million 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

(In US\$ thousands)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Assets:					
Cash and cash equivalents	17,618	31,038	34,092	55,421	37,413
Investments	157,155	179,932	148,932	179,708	331,507
Loan portfolio, Net	447,327	539,517	657,087	792,580	920,387
Accrued interest	3,004	4,557	6,187	9,142	11,746
Property and equipment, net	2,377	3,191	5,161	5,791	5,721
Other assets	136	380	143	252	893
Total assets	627,617	758,615	851,602	1,042,894	1,307,667
Liabilities:					
Derivatives	0.0	0.0	0.0	0.0	1
Borrowings	0.0	16,000	26,000	78,750	264,708
Other liabilities	271	204	912	789	2,590
Special funds	9,836	9,393	8,915	10,440	12,230
Total liabilities	10,107	25,597	35,827	89,979	279,529
Net equity:					
Authorized capital	1,639,200	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)
Paid-in capital	799,200	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)
Capital	542,533	643,283	705,867	817,534	865,549
General reserve	65,654	74,979	89,740	107,871	132,443
Other reserves	(2)	(5)	37	938	1,838
Retained earnings	9,325	14,761	20,131	26,572	28,308
Total net equity	617,510	733,018	815,775	952,915	1,028,138
Total liabilities and net equity	627,617	758,615	851,602	1,042,894	1,307,667

Income Statement

(In US\$ thousands)	FY 2015	FY 2016	FY 2017	FY 2018	FY2019
Income					
Interest	10,911	15,554	21,407	31,667	41,841
Other loan income	2,863	3,382	3,645	4,490	4,836
Loan portfolio income	13,774	18,936	25,052	36,157	46,677
Interest	1,246	1,318	2,246	4,018	6,230
Other	43	44	117	128	1,350
Investments income	1,289	1,362	2,363	4,146	7,580
Other income	274	180	89	69	162
Income from financial assets	15,337	20,478	27,504	40,372	54,419
Expenses					
Interest expense	0	(19)	(716)	(2,645)	(8,442)
Income on net financial assets	15,337	20,459	26,788	37,727	45,977
Provision for impairments	(2,922)	(105)	142	(2,766)	(8,188)
Income after provision for impairments	12,415	20,354	26,930	34,961	37,789
Administrative expenses	(5,381)	(5,593)	(6,799)	(8,389)	(9,481)
Net income	7,034	14,761	20,131	26,572	28,308

Let's Continue the Conversation

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