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RATINGS

FONPLATA

	Rating	Outlook
Long-term Issuer	A2	STA
Short-term Issuer	--	--

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FONPLATA – A2 stable

Annual credit analysis

OVERVIEW AND OUTLOOK

The credit profile of Fondo Financiero para el Desarrollo de la Cuenca del Plata (FONPLATA, A2 stable) reflects the bank's strong and growing balance sheet, which has historically operated with little to no debt. Moreover, the bank's conservative asset management strategy means it faces extremely limited liquidity risks, though planned increases in leverage will lead to a minor deterioration in liquidity indicators. Members' willingness to provide extraordinary support and callable capital from investment-grade Uruguay (Baa2 stable) also support creditworthiness.

By contrast, credit challenges include the lack of an active track record in market-based borrowing as well as an expected (albeit modest) deterioration in asset coverage and leverage ratios as the bank pursues more aggressive lending and borrowing strategies. The bank also operates in a relatively weak environment and its member countries have strong macroeconomic linkages: Argentina (B2 stable), Bolivia (Ba3 stable), Brazil (Ba2 stable), Paraguay (Ba1 stable), and Uruguay. Relatively high portfolio concentration (consistent with the development bank's mandate) is partially offset by a history of zero nonperforming loans. A low weighted median shareholder rating of Ba2 also weighs on creditworthiness.

Upward pressure on the credit profile would arise if (1) the implementation of FONPLATA's growth and debt strategies in the 2016-20 period leads to only marginal deteriorations in capital adequacy and liquidity indicators; and (2) the bank establishes a track record of accessing diversified funding sources. The incorporation of highly-rated investment-grade members that bolsters the quality of shareholder support would also support the credit profile. Conversely, downward pressure on the credit profile could arise in the event that key capital and liquidity metrics deteriorated more significantly than previously forecasted as a result of the bank's 2016-20 growth strategy.

This credit analysis elaborates on FONPLATA's credit profile in terms of capital adequacy, liquidity and strength of member support, which are the three main analytical factors in Moody's Supranational Rating Methodology.

Organizational structure and strategy

FONPLATA seeks to become a more active multilateral lender in the River Plate Basin region

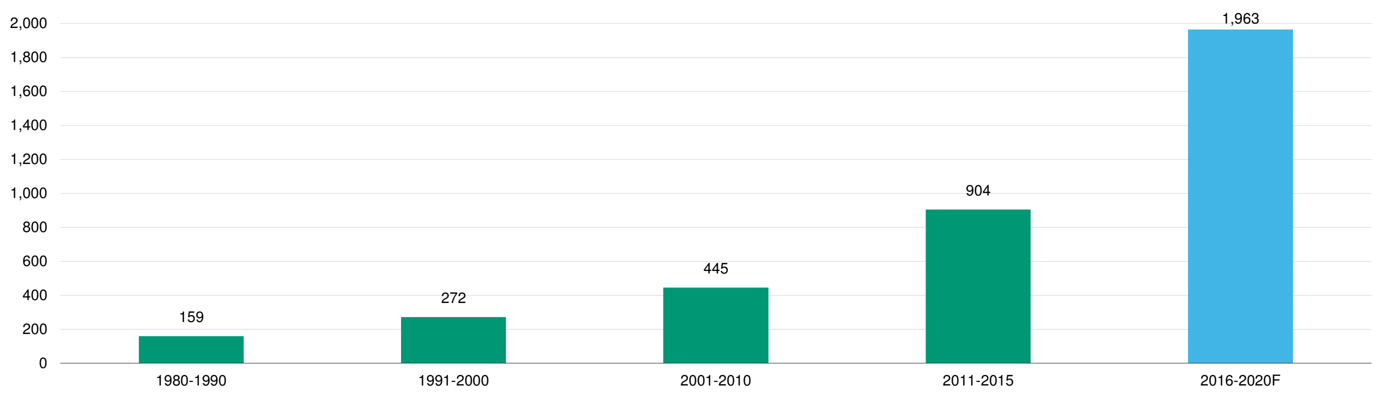
FONPLATA's main objective is to promote integration and inclusive development in the River Plate Basin and its areas of economic influence. The River Plate Basin is a geographic region that covers nearly a quarter of South American landmass and extends to all five member countries: Argentina, Bolivia, Brazil, Paraguay and Uruguay.

Established in 1974 and headquartered in Bolivia, FONPLATA's loans are centered around infrastructure projects, with a special focus on vulnerable zones and border regions that face inequalities in economic and social development. In addition to lending, FONPLATA provides technical assistance grants for capacity building among member states.

In 2009 and 2010, FONPLATA sought to redefine its mandate and did not approve any new lending during this time. In 2010, the board of governors decided to revamp FONPLATA's management model and take a far more active approach to lending. Among other things, it created the role of an executive president. Since the first executive president took office in 2012, the bank has established a clear timeline of short-term and long-term strategic goals to pursue a more aggressive lending strategy, and has updated its governance and risk management procedures. The bank concentrates its lending capacity in projects that are of small-to-medium scale, averaging $30-$50 million, executed in specific locations and always with the public sector, though average loan amounts are set to increase to $50 - $70 million over the next few years as it expands its overall portfolio.

Under its updated mandate, the bank expects to significantly increase loan approvals to $2.0 billion during the 2016-20 period (see Exhibit 1). This is nearly twice the amount of loans approved between 2011 and 2015 ($904.6 million), an approval period that outpaced loan originations made over the previous 30 years. FONPLATA has experienced a parallel jump in equity, as country members agreed to two capital increases starting in 2014. As a result, subscribed capital rose from $450.6 million in 2009 to $3 billion in 2017. While the Bank has so far taken on limited debt to fund its growth strategy, including an estimated $83 million in loans and non-market debt instruments from Corporacion Andina de Fomento (CAF, Aa3 stable), the Central Bank of Bolivia, the Inter-American Development Bank (IADB, Aaa stable) and Agence Française de Développement (AFD), we expect FONPLATA to continue to take on leverage to fund its loan portfolio growth strategy over the next three to five years. According to the bank's management, FONPLATA's borrowing could reach 17.1% of subscribed capital by 2019 (equivalent to about 26.7% of paid-in capital), which would include its first international bond issuance in 2019. While that figure will increase over the coming years, we expect it to remain within the confines of FONPLATA's leverage policy limit (two times its net assets plus the amount of its liquid assets portfolio).

Exhibit 1
Loan approvals will continue to far outpace historical figures through 2020
Historical and projected loan approvals, 2016-20 ($US millions)



Sources: FONPLATA and Moody's Investors Service

Corporate governance

FONPLATA's board of governors is comprised of the finance or planning ministers of the five member countries. This board approves audited financial statements, administrative and capital budgets and the allocation of net income. The board of executive directors, which reports to the board of governors, consists of representatives of the five member countries and its role is to approve overall credit operations in the countries, approve institutional policies, and authorize financial obligations. Finally, the executive president, appointed for the first time in 2012, is in charge of the institution's management and overall supervision. Before, every single loan was approved by consensus and required unanimity from all country representatives, slowing the decision-making process. The process has been streamlined since the appointment of the president, with the board of governors and executive directors approving by majority and executive management having the capacity to implement a lending strategy based on three-year results guidelines per country.

Business model focused on lending for small- and medium-sized projects

FONPLATA business focuses primarily on providing concessional loans to promote geographic integration in the river basin and grants in the form of technical assistance. To this effect, a majority of its projects target inland and border towns, which are often the most geographically isolated and tend to be the poorest in the region. Additionally, the fund's strategic niche focuses on small- and medium-sized projects. In contrast to regional peers such as CAF and Central American Bank of Economic Integration (CABEI, A1 stable), FONPLATA's loans tend to be relatively small, usually capped at $50 million each (see Exhibit 2).

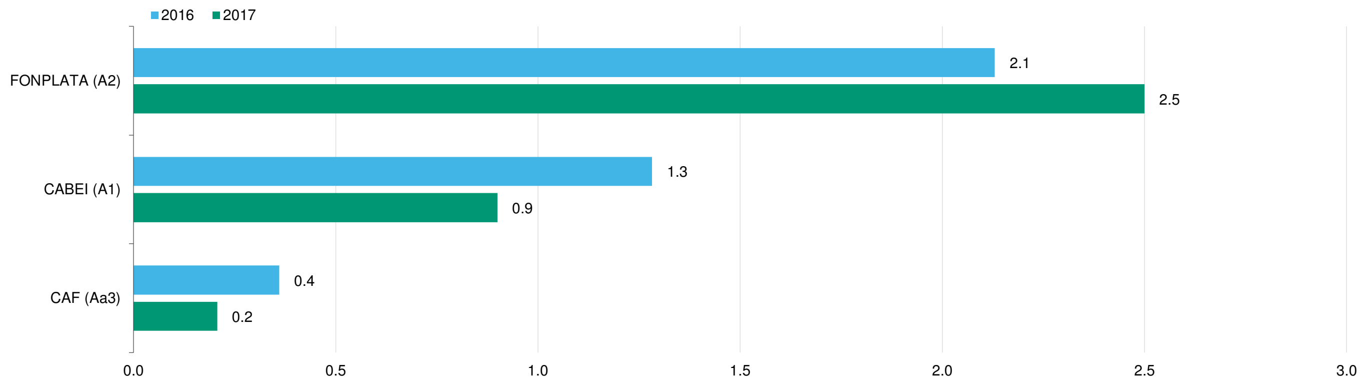
Exhibit 2
Examples of loan projects by country

Country	Main lending focus	Sample project
Argentina	Economic & productive development	Improving 16 border facilities and the provision of basic services in provinces in the northern region.
Bolivia	Transport infrastructure	Program to develop the country's main highways (integration corridor East-West)
Brazil	Physical & social infrastructure	Urban and rural development in Pelotas that include lighting, sewer and mechanization of rural properties
Paraguay	Transport infrastructure	Development of road integration corridors South-West from Alberdi to Pilar; Funding line to improve production by small & medium sized producers at national level.
Uruguay	Transport infrastructure	A program to develop and maintain the country's roadways, which are the primary form of transport.

Sources: FONPLATA and Moody's Investors Service

Although the bank is not highly profitable (given its development mandate), FONPLATA's net income grew healthily in 2017 as interest revenue from its growing loan portfolio increased by 38%. Accordingly, return on average assets (ROA) and return on average equity (ROE) grew to 2.5% and 2.6% in 2017, from 2.1% and 2.2% in 2016, respectively. ROA continues to compare favorably to regional peers CABEI and CAF (see Exhibit 3).

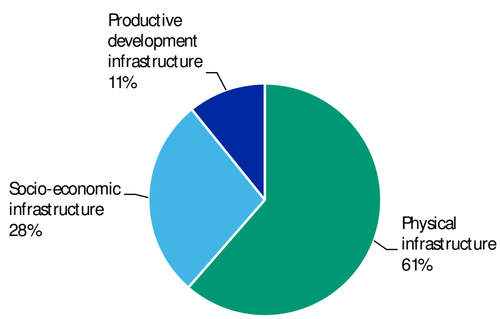
Exhibit 3
Profitability declined in 2017 but compares favorably to regional peers
(Net income/Two-year average assets)



Sources: FONPLATA and Moody's Investors Service

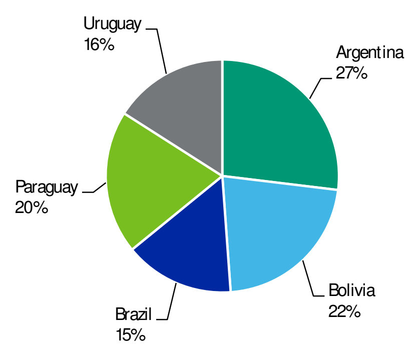
The operating risks FONPLATA accepts are also limited. As of 2017, the fund had zero nonperforming loans (NPLs). Lending by the bank is always to the public sector, and in instances where the borrower is a local or state government, the loan carries a sovereign guarantee. FONPLATA also enjoys preferred creditor status in its operations. The majority of projects (61%) are physical infrastructure projects — e.g., railways connecting Bolivia and Argentina, a port in Pilar, Paraguay — while just over a quarter are socio-economic and environment-related investment projects (e.g., health, education) (see Exhibit 4). The remainder of the portfolio, approximately 11%, is devoted to productive development infrastructure (e.g., support for the development of small and medium enterprises), up from 2% of total projects in 2015.

Exhibit 4
FONPLATA's lending portfolio primarily funds physical and socio-economic infrastructure projects
FONPLATA's lending by sector, 2017



Sources: FONPLATA and Moody's Investors Service

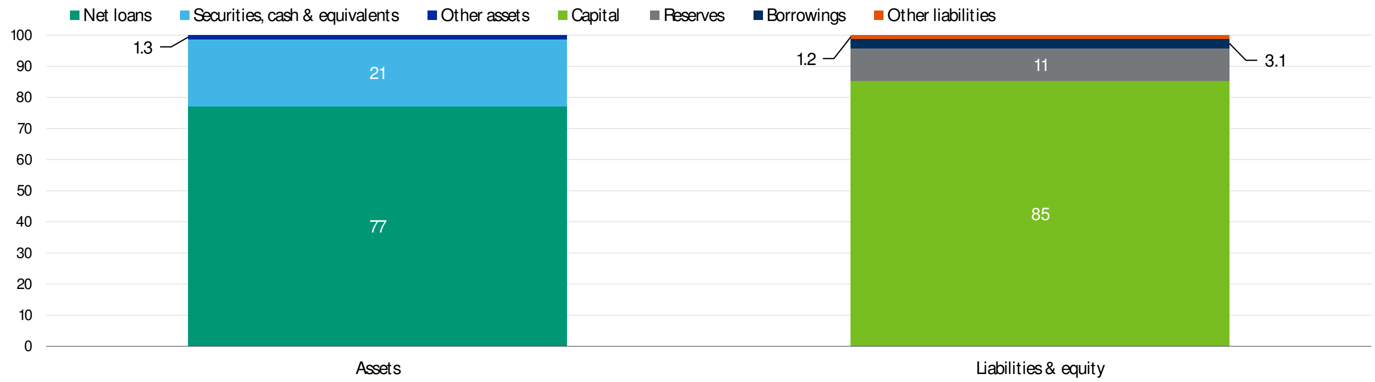
Exhibit 5
Half of lending flows to Argentina and Bolivia
Lending breakdown by country, 2017



Sources: FONPLATA and Moody's Investors Service

As of 2017, lending is dedicated entirely to the fund's member countries. No single country had received less than 15% of the fund's loan portfolio as of 2017 and the highest concentrations are in Argentina and Bolivia (see Exhibit 5). There is no one-to-one relation between the share of paid-in-capital provided by a country and its share in the bank's total lending. To date, FONPLATA's lending has favored Bolivia, Paraguay and Uruguay, which have received a large share of the lending relative to their equity contribution. According to the fund's recently approved Institutional Strategic Plan for 2018-22, the bank intends to incorporate more members as it expands its lending portfolio and role in the region.

Exhibit 6
FONPLATA's 2017 balance sheet was strong and heavily weighted towards capital
(% of assets and liabilities & equity)

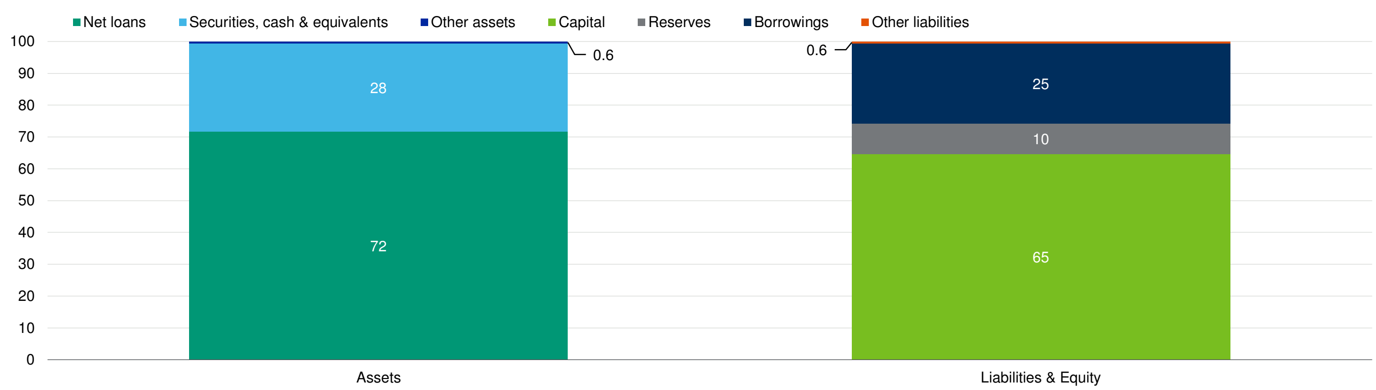


Sources: FONPLATA and Moody's Investors Service

FONPLATA had a strong balance sheet as of year-end 2017. The fund had more capital than loans and carried just $26 million in borrowings from CAF and the Central Bank of Bolivia. Just over a fifth of the fund's assets were held either in cash (4%) or in securities (17%). Loans represented 77% of total assets (see Exhibit 6). Going forward, FONPLATA's balance sheet will both expand and shift toward carrying additional debt, including a potential $100 million global bond issuance in 2019.

Based on lending and borrowing plan projections, we estimate that FONPLATA's assets will grow to around $1.3 billion in 2020 from $852 million in 2017 and the bank will take on about $350 million in debt to finance that growth. Even so, we calculate that borrowings will represent only around 25% of FONPLATA's projected liabilities and equity as annual increases in paid-in capital (approved in 2016) help to keep the Bank's capital buffers strong (see Exhibit 7).

Exhibit 7
Stylized 2020 balance sheet pro forma
(% of assets and liabilities & equity)



Sources: FONPLATA and Moody's Investors Service

CREDIT PROFILE

Our determination of a supranational's rating is based on three rating factors: capital adequacy, liquidity and strength of member support. For Multilateral Development Banks, the first two factors combine to form the assessment of intrinsic financial strength, which provides a preliminary rating range. The strength of member support can provide uplift to the preliminary rating range. For more information please see our Supranational Rating Methodology.

Capital adequacy: Medium

Balance sheet is strong but asset coverage and leverage ratios will deteriorate

Capital adequacy assesses the solvency of an institution. The capital adequacy assessment considers the availability of capital to cover assets in light of their inherent credit risks, the degree to which the institution is leveraged and the risk that these assets could result in capital losses.

FONPLATA's capital adequacy is assessed as "Medium" given that the fund's strong balance sheet is tempered by an anticipated decline in both asset coverage and leverage ratios as the bank pursues a more aggressive borrowing and lending strategy through 2020. The factor score also captures the challenging operating environment given strong macroeconomic linkages among its five member countries and prospects of weak economic and fiscal conditions in Brazil and Argentina.

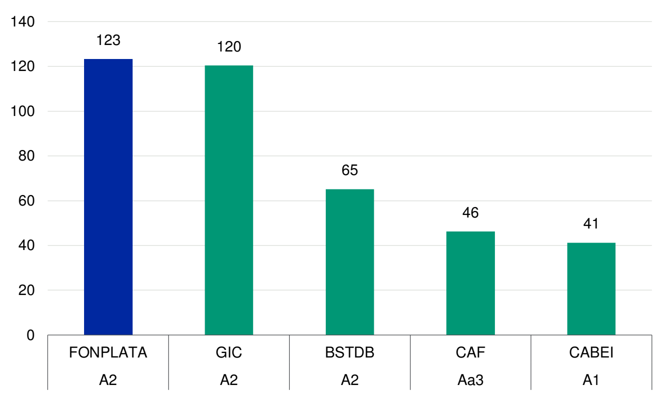
Very high capital position is indicative of a relatively small lending portfolio

FONPLATA has a "Very High" asset coverage ratio, a "Very High" leverage indicator and has never incurred NPLs. As of 2017, the bank had only $26 million in debt and has maintained a relatively small loan portfolio – qualities that support its very high intrinsic financial strength. FONPLATA's asset coverage ratio (Usable Equity as a % Gross Loans + Equity Operations + Risk Weighted Liquid Assets) in 2017 was higher than peer institutions such as the Gulf Investment Corporation (GIC, A2 stable) and Black Sea Trade & Development Bank (A2 stable), and almost three times that of regional peers CAF and CABEI (see Exhibit 8). Additionally, FONPLATA's limited leverage means its debt-to-equity also compares favorably with peers (see Exhibit 9). Even with the expected increase in debt in the coming years, FONPLATA's leverage ratios will likely continue to compare favorably to peers, who all report leverage ratios of at least 30%.

Exhibit 8

FONPLATA's asset coverage ratio comfortably outperforms peers

2017 asset coverage ratio

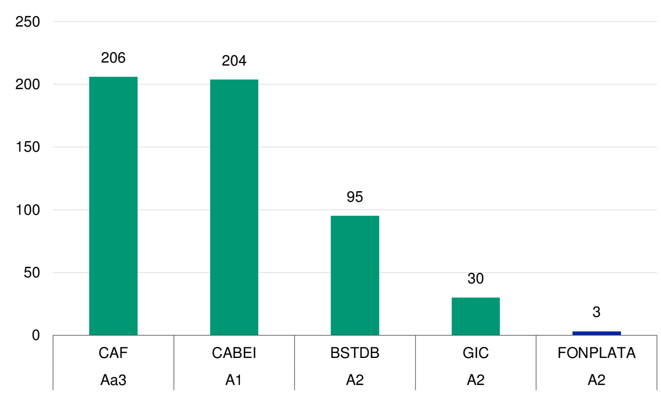


Source: Moody's Investors Service

Exhibit 9

FONPLATA's leverage ratio will remain well below peers

2017 debt as % of usable equity

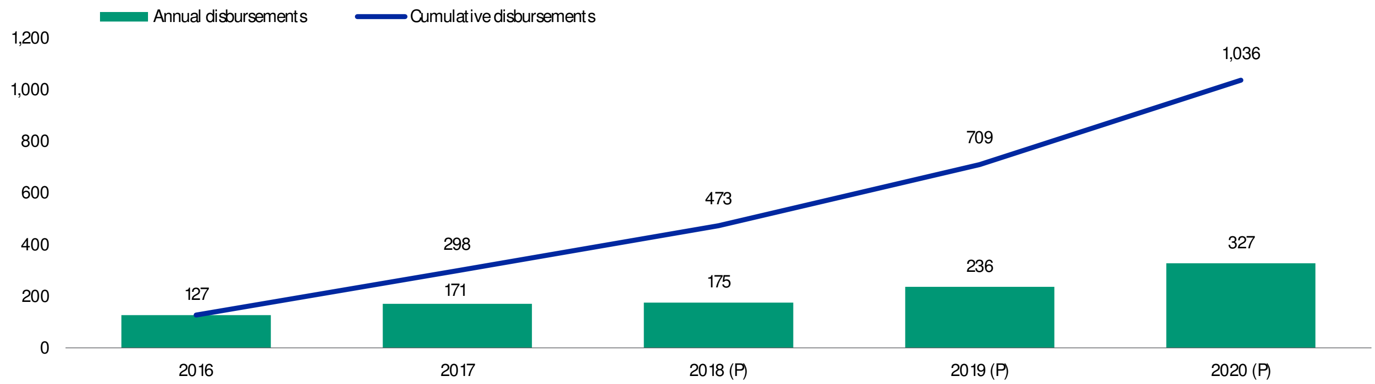


Source: Moody's Investors Service

As part of the bank's overhaul of its corporate structure and mandate, FONPLATA plans to expand its lending capacity through 2020, taking advantage of capital increases approved in 2013 and 2016 (for a total of $2.53 billion) and acquiring new debt. FONPLATA's loan approvals are planned to increase to around $500 million annually by 2020, from $280 million in 2015, which adds up to $2.0 billion cumulatively for the 2016-20 period. The expected increase for approvals through 2020 ($2.0 billion) is greater than the amount FONPLATA has lent in the last 25 years combined (a total of $1.62 billion for the 1991-15 period) and will contribute to an average annual portfolio growth rate of above 20%. Exhibit 10 illustrates FONPLATA's expected new loan disbursements over the 2016-20 period, showing an increasing loan growth rate trend over the years.

Exhibit 10

Loan disbursements will increase annually through 2020, growing the loan portfolio
($, millions)



Sources: FONPLATA and Moody's Investors Service

FONPLATA's asset coverage ratio (ACR) will remain healthy relative to peers, but continue its downward trajectory through 2018. The bank's ACR averaged a strong 175% from 2008 through 2015, but has been on a declining trend since 2012 as the bank began to increase its lending activities in line with its redefined mandate. In 2017, the bank's ACR declined slightly to 123.1%, from 134.5% a year earlier. We expect the asset coverage ratio to continue to decline in 2018 as the borrowing strategy is implemented, but expect it to remain over 100% in the next two years (see Exhibit 11), still stronger than peers.

FONPLATA has been leveraging its balance since sheet since 2016 as part of an effort to fund its growing loan portfolio. In November 2016, the bank drew down $16 million on a line of credit with CAF, increasing its debt-to-equity ratio to 2.2%. In February 2017, the bank drew down $10 million in a contingency line of credit with the Central Bank of Bolivia, an amount that increased to $30 million in 2018. This year, FONPLATA will take on roughly $37 million in loans from the IADB and AFD. This trend will continue over the next three to five years, growing debt-to-usable equity, albeit at a slow pace, as the bank plans to fund its growing loan portfolio with a mix of market debt and diversified lending sources. Despite the expected rise of the Bank's liabilities in the coming years, we estimate FONPLATA's leverage ratio will remain below 35% in 2020.

Given the small portfolio and involvement solely with the public sector (with sovereign guarantees for state and municipality loans), the bank has not accumulated any NPLs over the last decade. FONPLATA considers loans as nonperforming after 180 days of payment delay.

Exhibit 11

Capital adequacy indicators will weaken through 2020 given increased leverage

	2013	2014	2015	2016	2017	2018F	2019F	2020F
Asset coverage ratio	165.2	152.3	136.3	134.5	123.1	122.6	113.4	100.3
Debt/Useable equity	0.0	0.0	0.0	2.2	3.2	8.8	21.9	34.1
Weighted average borrower rating	Ba2	Ba2	Ba2	Ba2	Ba2	--	--	--
Non-performing loans/Net loans	0	0	0	0	0	--	--	--

Source: Moody's Investors Service

Capital adequacy risks arise from regional concentration

Borrower quality has remained below investment grade at Ba2 as loans to Uruguay, the sole investment grade borrower, account for just 16% of total loans. Although our rating outlook for Brazil stabilized in 2018, we see very limited upward potential in average borrower quality in the short to medium term given weaker growth prospects and continued fiscal challenges across member countries. Indeed, we see a persistent output gap and low growth prospects in Brazil as well as negative growth for Argentina as hindrances to regional growth prospects through 2019. On the other hand, we expect Paraguay and Bolivia to remain the fastest growing economies in South America, offsetting some credit risks to FONPLATA's lending portfolio. Nonetheless, strong macroeconomic linkages, particularly as they pertain to trade relationships, among the five member countries continue to pose credit risk in the event of dampened growth prospects through 2019.

FONPLATA's regional portfolio concentration remains an additional credit challenge and reflects the bank's mandate to encourage economic development within the River Plate Basin. However, as highlighted by the fund's recently approved Strategic Institutional Plan, FONPLATA is taking initial steps to diversify its shareholder base, with the intent to add more members over the 2018-22 period.

Liquidity: High

Conservative risk management underpins the strong liquidity assessment

Factor 2

Scale	Very High	High	Medium	Low	Very Low
+		■			-

A financial institution's liquidity is important in determining its shock absorption capacity. We evaluate the extent to which liquid assets cover debt service requirements and the stability of the institution's access to funding.

FONPLATA's "High" score for liquidity captures the highly liquid nature of its assets and its conservative risk management policies, which are balanced by its inexperience in taking on debt and tapping financial markets. FONPLATA's lack of debt has historically limited liquidity risks to the adequate management of its investment portfolio, with most of its treasury assets invested in high-quality instruments. The bank started taking on debt in 2016 to fund its growing loan portfolio and will continue to do so over the next three to five years. As such, liquidity ratios such as the debt service coverage ratio (Short-Term Debt + Currently Maturing Long-Term Debt/ Liquid Assets) will begin to deteriorate in order to leverage a larger loan portfolio. However, liquidity ratios will remain strong relative to key peers over the medium term according to the authorities' estimates.

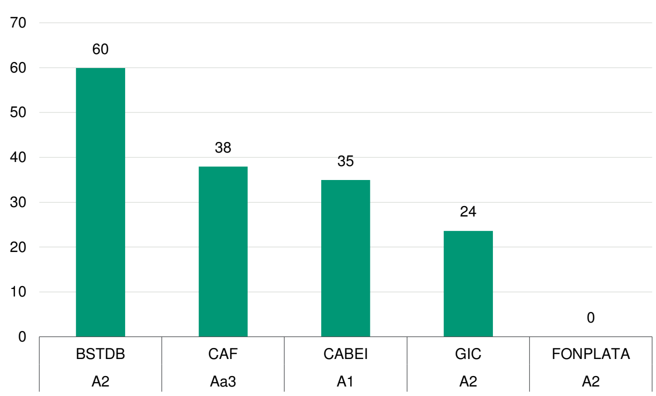
Given that principal is not due on the loan from CAF until 2019, debt service coverage remained at zero in 2017. Between 2008 and 2017, the fund's debt service coverage ratio has been zero and bond implied ratings did not apply to the Bank's credit profile. We expect the debt service coverage ratio to remain below 10% through 2020 given favorable amortization profiles of the concessional loan arrangements that FONPLATA is entering into with its multilateral and bilateral creditors.

Despite the expected deterioration in FONPLATA's debt service coverage ratio, it should continue to compare favorably to its regional and rating peers. As the increase of FONPLATA's liabilities will be gradual over the years, when projected debt is included on FONPLATA's balance sheet, debt service coverage is not expected to exceed 16% over the medium term. The three-year average debt service coverage ratio for banks rated Aaa to A2 ranges from 52% (IADB) to 60% (Black Sea Trade and Development Bank) (see Exhibit 12). Likewise, FONPLATA's weighted average cost of debt is low at 2.7% in 2017 as a result of its non-market based debt profile. Going forward, however, we expect the cost of debt to be similar to key peers (see Exhibit 13).

Exhibit 12

Debt service coverage has been zero given lack of market debt until 2017

(%), 2014-17 average

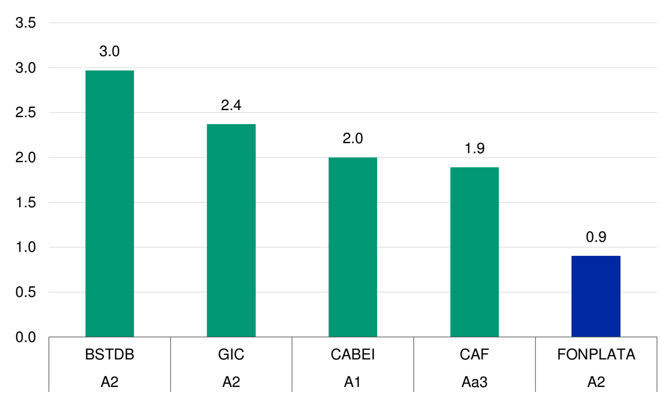


Sources: FONPLATA and Moody's Investors Service

Exhibit 13

Weighted average cost of loan debt is zero and will remain below the average of peers

(%), 2014-17 average



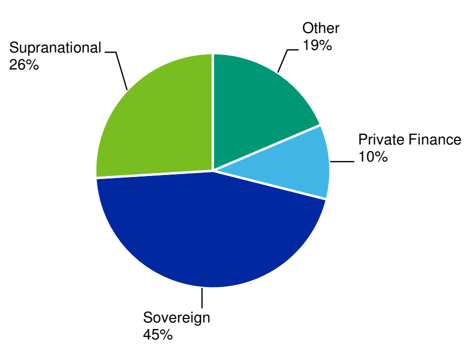
Sources: FONPLATA and Moody's Investors Service

In terms of treasury asset management, most of FONPLATA's liquid assets are in securities with ratings higher than 'A' (88%), and invested in sovereigns and supranationals (see Exhibits 14 & 15). FONPLATA follows a conservative approach of using the lowest rating among the three main credit rating agencies when assessing the risk of their investments.

Exhibit 14

FONPLATA's treasury portfolio is primarily invested in sovereign and supranational bonds

Investment portfolio by asset class, 2017

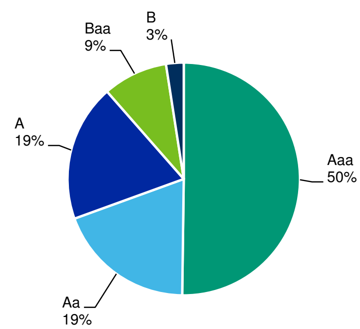


Source: FONPLATA

Exhibit 15

Over 85% of the portfolio is invested in bonds rated 'A' or higher

Investment portfolio by rating category, 2017



Source: FONPLATA

According to their guidelines, a single instrument cannot represent more than 10% of the total securities portfolio and they hold most instruments to maturity. The bank's liquidity policy requires it to hold the equivalent of 12 months of liquid assets to cover all financial obligations and disbursement commitments in a year. In this calculation, it only takes into account 66% of total upcoming amortization payments and two-thirds of paid-in capital receivables. Finally, the duration of the financial assets must be under two years and is currently around half a year.

Strength of member support: Medium

A low shareholder rating and high correlation of members and assets limit assessment

Factor 3

Scale	Very High	High	Medium	Low	Very Low
+			■		-

Contractual support primarily manifests itself in the callable capital pledge, which is a form of emergency support. Extraordinary support is a function of shareholders' ability and willingness to support the institution in ways other than callable capital. Strength of member support can increase the preliminary rating range determined by combining factors 1 and 2 by as many as three scores.

The third key factor in FONPLATA's credit profile is our "Medium" assessment of the strength of member support. This assessment considers a weighted median shareholder rating of Ba2, which scores "Low," countered by the high willingness of its members to provide extraordinary support. The presence of callable capital from an investment grade Uruguay is another supporting factor for a "Medium" score assessment. The strength of member support has a negative adjustment due to linkages among shareholders and a correlation between members and assets, as the loan book expands in the coming years.

Historically, FONPLATA has had a large amount of subscribed and paid-in capital relative to its lending. In 2008, the fund had $410 million in paid-in capital and $40 million in callable capital against a loan portfolio of $237 million. In 2017, FONPLATA had grown its integrated, paid-in capital to $706 million and its committed callable capital to $1.7 billion (see Exhibit 16) against a loan portfolio of only $662 million. The bank plans to further increase paid-in capital to $794 million and have a total of $1.665 billion in callable capital at the end of 2019. We project the loan portfolio will increase to $913 million, from an estimated $788 million in 2018.

Exhibit 16

FONPLATA's capital structure as of 2017
(US$ millions)

Shareholders	Subscribed Capital	Callable Capital	Payable Capital	Paid-In Capital
Argentina	951	502	450	243
Bolivia	317	167	150	81
Brazil	1,005	555	450	220
Paraguay	335	185	150	81
Uruguay	335	185	150	81
Total	2,943	1,594	1,349	706

The chart above refers to already committed callable capital and already integrated paid-in capital.
Source: FONPLATA

However, the callable capital buffer is much less significant when discounted. Only Uruguay had an investment grade rating at the end of 2017, resulting in a total discounted callable capital of $170 million, a large step down from the nominal total of $1.7 billion. Barring the addition of new, investment grade members, we believe FONPLATA's discounted callable capital buffer will remain limited over the next one to two years.

Our methodology considers discounted callable capital relative to debt to assess contractual support, and given that FONPLATA only held $26 million in loans as of 2017, the discounted callable capital coverage of debt stock is a low 15.3% and therefore assessed as very high. That said, we project that ratio to increase to 46% in 2018 and 121% in 2019 as the bank leverages its growing loan portfolio. The callable capital coverage ratio will likely continue to be assessed "Very High" as the projected three-year average ratio is 61%, higher than its 2017 level, but still lower than peers. CABEI's and CAF's callable capital coverage ratios have been above 500% and 2,000%, respectively in the last three years. FONPLATA's ratio compares more with that of EDB, which has averaged 85% in the last three years.

FONPLATA's weighted median shareholder rating is Ba2, down from Ba1 in 2015, which yields a low score in ability of extraordinary support. This median shareholder rating is in line with peer institutions like CAF, CABEI and BSTDB (see Exhibit 17). However, it is just below the Ba1 median rating for all A-rated supranational institutions.

Exhibit 17

Weighted median shareholder rating, 2017

BSTDB	CABEI	CAF	GIC	FONPLATA
Ba1	Ba2	Ba1	Aa3	Ba2

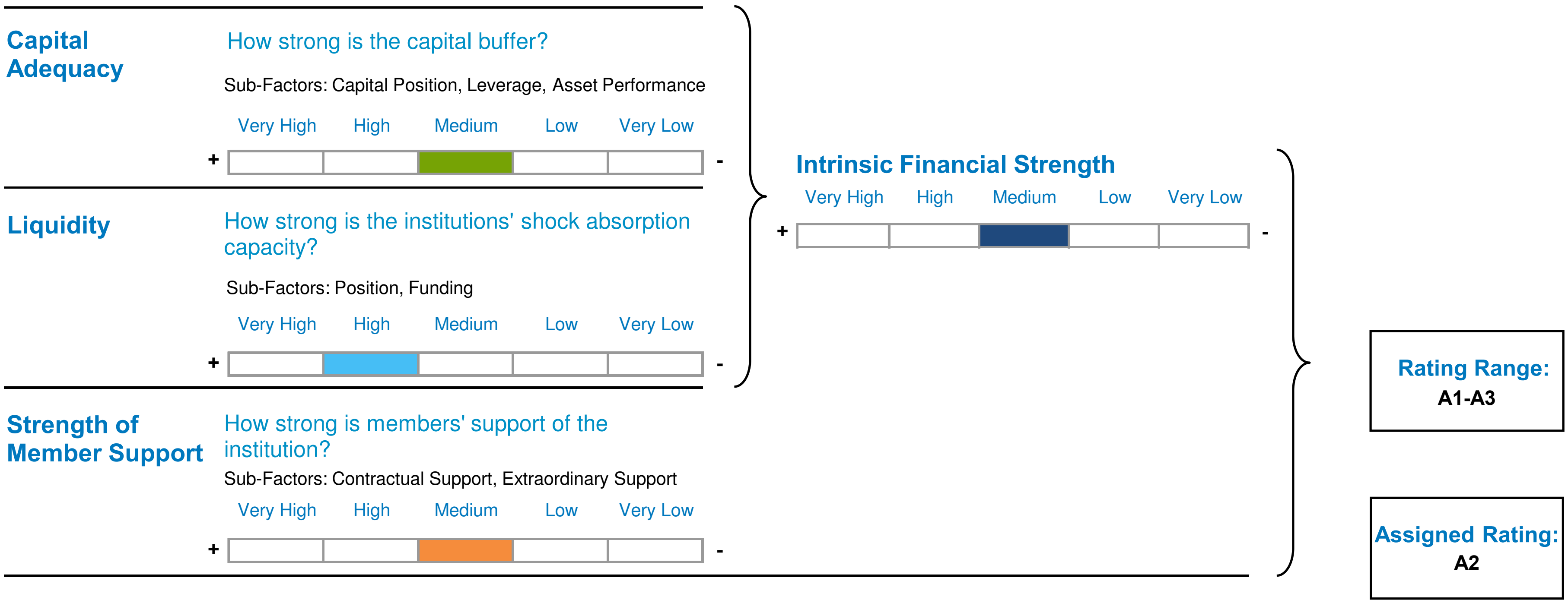
Source: Moody's Investors Service

Rating range

Combining the scores for individual factors provides an indicative rating range. While the information used to determine the grid mapping is mainly historical, our ratings incorporate expectations around future metrics and risk developments that may differ from the ones implied by the rating range. Thus, the rating process is deliberative and not mechanical, meaning that it depends on peer comparisons and should leave room for exceptional risk factors to be taken into account that may result in an assigned rating outside the indicative rating range. For more information please see our Supranational Rating Methodology.

Exhibit 18

Supranational rating metrics: FONPLATA



Source: Moody's Investors Service

Comparatives

This section compares credit relevant information regarding FONPLATA with other supranational entities that we rate. It focuses on a comparison with supranationals within the same rating range and shows the relevant credit metrics and factor scores.

FONPLATA is the smallest MDB among its peer group based on total assets. After adjusting for the expected deterioration in its asset coverage and leverage ratios, its capital adequacy compares favorably with the median of the group. Liquidity is high given the bank's liquid assets and limited outstanding debt. Although liquidity ratios will weaken over the next two years, they will continue to rest around that of the 'A' median. The overall ability of its members to support the bank – as defined by the weighted median shareholder rating – is just below the median for A-rated MDBs, indicative of FONPLATA's relatively challenging operating environment.

Exhibit 19
FONPLATA key peers

	Year	FONPLATA	CAF	CABEI	BSTDB	GIC	A Median
Rating/Outlook		A2/STA	Aa3/STA	A1/POS	A2/STA	A2/STA	--
Total Assets (US$ million)	2017	852	38,112	9,721	1,817	4,228	1,567
Factor 1		**Medium**	**High**	**High**	**Medium**	**Medium**	**--**
Usable Equity/Gross Loans Outstanding + Equity Operations (%)[1]	2017	123.2	46.2	41.2	65.3	121.8	61.8
Debt/Usable Equity (%)[1]	2017	3.2	206.0	203.8	95.2	30.1	95.2
Gross NPLs/Gross Loans Outstanding (%)[2]	2017	--	0.6	0.0	2.1	1.3	1.7
Factor 2		**High**	**Very High**	**Very High**	**High**	**Medium**	**--**
ST Debt + CMLTD/Liquid Assets (%)[3]	2017	0.0	36.1	28.7	13.6	29.0	13.2
Bond-Implied Ratings (Long-Term Average)	2011-2017	--	A3	A3	Ba1	Ba2	Baa3
Intrinsic Financial Strength (F1+F2)		**Medium**	**High**	**High**	**Medium**	**Medium**	**--**
Factor 3		**Medium**	**Low**	**Medium**	**Medium**	**Low**	**--**
Total Debt/Discounted Callable Capital (%)[4]	2017	15.3	3134.1	579.8	180.8	--	236.5
Weighted Median Shareholder Rating (Year-End)	2017	Ba2	Ba1	Ba2	Ba1	Aa3	Ba1
Rating Range (F1+F2+F3)		**A1-A3**	**Aa2-A1**	**Aa1-Aa3**	**A1-A3**	**A2-Baa1**	**--**

Notes:
[1] Usable equity is total shareholder's equity and excludes callable capital;
[2] Non performing loans;
[3] Short-term debt and currently-maturing long-term debt;
[4] Callable capital pledge by members rated Baa3 or higher, discounted by Moody's 30-year expected loss rates associated with ratings.
Source: Moody's Investors Service

DATA AND REFERENCES

Rating history

Exhibit 20
FONPLATA

	Issuer Rating		Senior Unsecured	Outlook	
	Long-term	Short-term			Date
Rating assigned	A2	--		Stable	Sep-16

Source: Moody's Investors Service

Annual statistics

Exhibit 21
Balance sheet (US$ Millions)

	2010	2011	2012	2013	2014	2015	2016	2017
Balance Sheet, USD Millions								
Assets								
Cash & Equivalents	62	110	118	116	45	18	31	34
Securities	178	132	129	94	159	157	180	149
Derivative Assets	0	0	0	0	0	0	0	0
Net Loans	248	258	261	306	364	447	540	657
Net Equity Investments	0	0	0	0	0	0	0	0
Other Assets	2	3	4	4	5	6	8	11
Total Assets	**490**	**503**	**512**	**520**	**573**	**628**	**759**	**852**
Liabilities								
Borrowings	0	0	0	0	0	0	16	26
Derivative Liabilities	0	0	0	0	0	0	0	0
Other Liabilities	6	6	6	6	11	10	10	10
Total Liabilities	**6**	**6**	**6**	**6**	**11**	**10**	**26**	**36**
Equity								
Subscribed Capital	489	489	489	489	1,639	1,639	3,014	3,014
Less: Callable Capital	40	40	40	40	840	840	1,665	1,665
Less: Other Adjustments		0	0	0	303	257	706	643
Equals: Paid-In Capital	449	449	449	449	496	543	643	706
Retained Earnings (Accumulated Loss)	16	29	38	46	8	9	15	20
Accumulated Other Comprehensive Income (Loss)	0	0	0	0	0	0	0	0
Total Equity	**484**	**497**	**506**	**514**	**562**	**618**	**733**	**816**

Source: FONPLATA

Exhibit 22
Income statement (US$ Millions)

	2010	2011	2012	2013	2014	2015	2016	2017
Income Statement, USD Millions								
Net Interest Income	**13**	**12**	**13**	**10**	**10**	**12**	**17**	**23**
Interest Income	13	12	13	10	10	12	17	24
Interest Expense	0	0	0	0	0	0	0	1
Net Non-Interest Income	**1**	**0**	**0**	**2**	**2**	**3**	**4**	**4**
Net Commissions/Fees Income	0	0	0	2	2	3	3	4
Income from Equity Investments		0	0	0	0	0	0	0
Other Income	0	0	0	0	0	0	0	0
Other Operating Expenses	**3**	**4**	**4**	**5**	**5**	**5**	**6**	**7**
Administrative, General, Staff	3	3	4	4	5	5	6	7
Grants & Programs	0	0	0	0	0	0	0	0
Other Expenses	0	0	0	0	0	0	0	0
Pre-Provision Income	**11**	**8**	**9**	**7**	**8**	**10**	**15**	**20**
Loan Loss Provisions (Release)	0	1	0	0	0	3	0	0
Net Income (Loss)	**11**	**8**	**9**	**8**	**8**	**7**	**15**	**20**
Other Accounting Adjustments and Comprehensive Income	0	0	0	0	0	0	0	0
Comprehensive Income (Loss)	**11**	**8**	**9**	**8**	**8**	**7**	**15**	**20**

Source: FONPLATA

Exhibit 23
Financial ratios

	2010	2011	2012	2013	2014	2015	2016	2017
Financial Ratios								
Capital Adequacy, %								
Usable Equity / (Loans + Equity)	190.2	191.4	191.3	166.0	152.8	136.6	134.8	123.2
Debt/Usable Equity	0.0	0.0	0.0	0.0	0.0	0.0	2.2	3.2
Allowance For Loan Losses / Gross NPLs	--	--	--	--	--	--	--	--
NPL Ratio: Non-Performing Loans / Net Loans	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Return On Average Assets	2.2	1.5	1.7	1.5	1.4	1.2	2.1	2.5
Interest Coverage Ratio (X)	-	-	-	-	-	-	777.9	29.1
Liquidity, %								
St Debt + CMLTD / Liquid Assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bond-Implied Rating	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liquid Assets / Total Debt	-	-	-	-	-	-	1,318.6	703.9
Liquid Assets / Total Assets	49.0	48.1	48.2	40.4	35.6	27.8	27.8	21.5
Strength of Member Support, %								
Callable Capital (CC) of Baa3-Aaa Members/Total CC	33.3	33.3	44.4	44.4	17.6	44.4	11.1	11.1
Total Debt/Discounted Callable Capital	0.0	0.0	0.0	0.0	0.0	0.0	9.8	15.3
Weighted Median Shareholder Rating (Year-End)	B1	B1	Ba3	Ba3	Ba2	Ba1	Ba2	Ba2

[1] Non performing loans (NPLS) refers to non-accrual loans
Source: Moody's Investors Service

Moody's related publications

» **Credit Opinion:** FONPLATA - A2 stable: Update following rating affirmation, 2 November 2018

» **Rating Action**: Moody's assigns first-time A2 issuer rating to FONPLATA; stable outlook, 2 November 2018

» **Rating Methodology:** Multilateral Development Banks and Other Supranational Entities, 17 September 2018

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Related websites and information sources

» Sovereign Risk Group Webpage

» Sovereign Ratings List

» FONPLATA Webpage

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