



2025 ANNUAL REPORT

AUDITED
FINANCIAL
STATEMENTS



AUDITED FINANCIAL STATEMENTS

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Management’s Report on the Effectiveness of Internal Control over Financial Reporting

Corporación Andina de Fomento (“CAF”)’s internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity’s assets that could have a material effect on the financial statements.

Management of CAF is responsible for designing, implementing, and maintaining effective internal control over financial reporting. Management assessed the effectiveness of CAF’s internal control over financial reporting as of December 31, 2025, based on the criteria established in Internal Control – Integrated Framework (2013) issued by the *Committee of Sponsoring Organizations of the Treadway Commission* (“COSO”). Based on that assessment, CAF’s Management concluded that CAF’s internal control over financial reporting is effective as of December 31, 2025.

There are inherent limitations in the effectiveness of any internal control system, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even an effective internal control can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time.

CAF’s financial statements as of December 31, 2025 and for the year then ended, have been audited by an independent accounting firm, which has also issued an independent auditor’s report on CAF’s internal control over financial reporting. The Independent Auditor’s Report on Internal Control over Financial Reporting, which is included in this document, expresses an unmodified opinion on CAF’s internal control over financial reporting as of December 31, 2025.

February 6, 2026



Sergio Díaz-Granados Guida
Executive President



Gabriel Felpeto
Vice-President of Finance



Ramón Ferro
Acting Corporate Risk
Manager



Gianpiero Leoncini
Executive Vice-President



Paulo Ramiro Díaz
Director of Market, Operational
and Internal Control Risks

Independent Auditor's Report

To the Board of Directors and Shareholders of
Corporación Andina de Fomento (CAF)

Opinion on Internal Control Over Financial Reporting

We have audited the internal control over financial reporting of **Corporación Andina de Fomento (CAF)** as of December 31, 2025, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, CAF maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We also have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS), the financial statements of CAF as of and for the years ended December 31, 2025 and 2024, and our report dated February 6, 2026 expressed an unmodified opinion on those financial statements.

Basis for Opinion

We conducted our audit in accordance with GAAS. Our responsibilities under those standards are further described in the Independent Auditor's Responsibilities for the Audit of Internal Control Over Financial Reporting section of our report. We are required to be independent of **CAF** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for Internal Control over Financial Reporting

Management is responsible for designing, implementing, and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on the Effectiveness of Internal Control over Financial Reporting.

Independent Auditor's Responsibilities for the Audit of Internal Control Over Financial Reporting

Our objectives are to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects and to issue an independent auditor's report that includes our opinion on internal control over financial reporting. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of internal control over financial reporting conducted in accordance with GAAS will always detect a material weakness when it exists.

In performing an audit of internal control over financial reporting in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Obtain an understanding of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



February 6, 2026
Caracas, Venezuela.

Independent Auditor's Report

To the Board of Directors and Shareholders of
Corporación Andina de Fomento (CAF)

Opinion

We have audited the financial statements of **Corporación Andina de Fomento (CAF)**, which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income, shareholders' equity, and cash flows for the years then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **CAF** as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with auditing standards generally accepted in the United States of America (GAAS), CAF's internal control over financial reporting as of December 31, 2025, based on the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 6, 2026 expressed an unmodified opinion on CAF's internal control over financial reporting.

Basis for Opinion

We conducted our audits in accordance with GAAS. Our responsibilities under those standards are further described in the Independent Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CAF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CAF ability to continue as a going concern for one year after the date that the financial statements are issued.

Independent Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CAF ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



February 6, 2026
Caracas, Venezuela.

Corporación Andina de Fomento (CAF)

Balance Sheet

As of December 31, 2025 and 2024
(In thousands of U.S. dollars)

	NOTES	2025	2024
ASSETS			
Cash and due from banks		87,152	233,196
Deposits with banks		5,229,772	3,369,941
Cash and due from banks and deposits with banks	3	5,316,924	3,603,137
Marketable securities – trading	4 and 18	12,647,266	13,672,716
Other investments	5	3,683,790	873,792
Loans (US\$ 3,739,293 and US\$ 3,003,195 at fair value as of December 31, 2025 and 2024, respectively)	6 and 18	38,322,215	33,835,802
Less loan commissions, net of origination costs		177,992	175,371
Less allowance for loan losses	6	100,169	84,757
Loans, net		38,044,054	33,575,674
Accrued interest and commissions receivable:	18		
Loans		451,135	438,237
Others		784,758	569,565
		1,235,893	1,007,802
Derivative financial instruments	17 and 18	1,691,519	535,457
Equity investments	7	429,666	399,765
Property and equipment, net		108,192	100,081
Other assets	8	1,557,513	2,691,529
TOTAL		64,714,817	56,459,953
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES:			
Deposits (US\$ 116,683 and US\$ 0 at fair value as of December 31, 2025 and 2024, respectively), net	9 and 18	4,193,662	3,497,338
Commercial papers	10	3,854,478	3,249,108
Borrowings from other financial institutions (US\$ 503,070 and US\$ 562,522 at fair value as of December 31, 2025 and 2024, respectively), net	11 and 18	2,143,204	2,124,547
Bonds (US\$ 33,021,958 and US\$ 27,250,667 at fair value as of December 31, 2025 and 2024, respectively), net	12 and 18	33,199,021	27,396,412
Accrued interest payable	18	1,212,723	1,011,611
Derivative financial instruments	17 and 18	1,450,795	2,936,482
Accrued expenses and other liabilities	13	985,871	255,082
Total liabilities		47,039,754	40,470,580
SHAREHOLDERS' EQUITY:	15		
Subscribed capital		10,358,910	10,010,895
Less callable capital portion		1,891,660	1,819,660
Less capital subscriptions receivable		2,267,575	2,365,685
Paid-in capital		6,199,675	5,825,550
Additional paid-in capital		5,484,730	4,796,340
Reserves		5,367,483	4,750,983
Retained earnings		623,175	616,500
Total shareholders' equity		17,675,063	15,989,373
TOTAL		64,714,817	56,459,953

The notes to the financial statements form an integral part thereof;
see notes to the financial statements at <http://scioteca.caf.com>

Statements of Income

For the years ended December 31, 2025 and 2024
(In thousands of U.S. dollars)

	NOTES	2025	2024
Interest income:			
Loans	2 (h)	2,198,116	2,427,594
Investments and deposits with banks	2 (e), 4 and 5	1,104,039	1,082,927
Loan commissions	2 (h)	55,781	58,034
Total interest income		3,357,936	3,568,555
Interest expense:			
Bonds		1,802,206	1,956,078
Deposits		197,257	187,814
Commercial papers		175,812	234,915
Borrowings from other financial institutions		121,420	145,982
Commissions		13,481	15,078
Total interest expense		2,310,176	2,539,867
Net interest income		1,047,760	1,028,688
(Credit) Provision for loan losses	6	(6,043)	41,929
Net interest income, after (Credit) Provision for loan losses		1,053,803	986,759
Non-interest income:			
Dividends and equity in earnings of investees	7	15,127	11,053
Other commissions		3,249	4,491
Other income	6 and 7	11,985	4,869
Total non-interest income		30,361	20,413
Non-interest expenses:			
Administrative expenses	21	232,438	219,646
Other expenses	7	14,647	33,428
Total non-interest expenses		247,085	253,074
Income before unrealized changes in fair value related to other financial instruments and contributions to Shareholders' Special Funds		837,079	754,098
Unrealized changes in fair value related to other financial instruments	19	(13,904)	402
Income before contributions to Shareholders' Special Funds, net		823,175	754,500
Contributions to Shareholders' Special Funds	22	200,000	138,000
Net income		623,175	616,500

Corporación Andina de Fomento (CAF)

Statements of Shareholders' Equity

For the years ended December 31, 2025 and 2024
(In thousands of U.S. dollars)

	NOTES	Paid-in capital	Additional paid-in capital	Reserves			Retained earnings	Total shareholders' equity
				General reserve	Article N° 42 of the Constitutive Agreement	Total reserves		
BALANCES AS OF DECEMBER 31, 2023		5,598,310	4,380,427	3,341,342	599,593	3,940,935	810,048	14,729,720
Capital increase	15	329,960	604,918	-	-	-	-	934,878
Capital decrease due to shares' repurchase	6	(102,720)	(189,005)	-	-	-	-	(291,725)
Net income	15	-	-	-	-	-	616,500	616,500
Appropriated for general reserve	15	-	-	728,548	-	728,548	(728,548)	-
Appropriated for reserve pursuant to Article N° 42 of the Constitutive Agreement	15	-	-	-	81,500	81,500	(81,500)	-
BALANCES AS OF DECEMBER 31, 2024		5,825,550	4,796,340	4,069,890	681,093	4,750,983	616,500	15,989,373
Capital increase	15	374,125	688,390	-	-	-	-	1,062,515
Net income	15	-	-	-	-	-	623,175	623,175
Appropriated for general reserve	15	-	-	554,500	-	554,500	(554,500)	-
Appropriated for reserve pursuant to Article N° 42 of the Constitutive Agreement	15	-	-	-	62,000	62,000	(62,000)	-
BALANCES AS OF December 31, 2025		6,199,675	5,484,730	4,624,390	743,093	5,367,483	623,175	17,675,063

Statement of Cash Flows

For the years ended December 31, 2025 and 2024

(In thousands of U.S. dollars)

	NOTES	2025	2024
OPERATING ACTIVITIES:			
Net income		623,175	616,500
Adjustments to reconcile net income to net cash provided (used) in operating activities:			
Unrealized gain on marketable securities - trading		(2,304)	(39,176)
Loan commissions, net of amortization of origination costs		(18,551)	(20,804)
(Credit) Provision for loan losses	6	(6,043)	41,929
Impairment charge for equity investments	7	27	7,797
Unrealized changes in fair value related to equity investments	7	6,930	14,608
Equity in earnings of investees	7	(9,943)	(4,300)
Amortization of deferred charges	21	7,030	7,116
Depreciation of property and equipment	21	7,741	7,948
Provision for employees' severance benefits		19,896	18,871
Provision for employees' savings plan		552	581
Unrealized changes in fair value related to other financial instruments	19	13,904	(402)
Net changes in operating assets and liabilities:			
Marketable securities - trading, net		1,017,914	(3,648,306)
Accrued interest and commissions receivable		(228,091)	(50,231)
Other assets		(101,173)	(34,675)
Accrued interest payable		201,112	165,077
Severance benefits paid or advanced		(12,885)	(12,387)
Employees' savings plan paid or advanced		(858)	837
Accrued expenses and other liabilities		57,507	917
Total adjustments and net changes in operating assets and liabilities		952,765	(3,544,600)
Net cash provided (used) in operating activities		1,575,940	(2,928,100)
INVESTING ACTIVITIES:			
Purchases of other investments	5	(5,989,978)	(5,007,290)
Maturities of other investments	5	3,179,980	5,398,536
Loan origination and principal collections, net	6	(4,165,303)	(687,545)
Equity investments, net	7	(26,915)	(25,686)
Property and equipment, net		(15,852)	(16,354)
Net cash used in investing activities		(7,018,068)	(338,339)
<i>Continued on next page</i>		<u>(5,442,128)</u>	<u>(3,266,439)</u>

Corporación Andina de Fomento (CAF)

Statement of Cash Flows

For the years ended December 31, 2025 and 2024
(In thousands of U.S. dollars)

	NOTES	2025	2024
	<i>From previous page</i>	<u>(5,442,128)</u>	<u>(3,266,439)</u>
FINANCING ACTIVITIES:			
Net increase (decrease) in deposits	9	688,235	(647,157)
Proceeds from commercial papers	10	15,721,664	22,518,839
Repayment of commercial papers	10	(15,116,294)	(23,923,243)
Net increase (decrease) in derivative-related collateral		1,890,226	(775,457)
Proceeds from issuance of bonds	12	9,415,928	7,027,579
Repayment of bonds	12	(6,460,678)	(3,352,877)
Proceeds from borrowings from other financial institutions		468,152	646,970
Repayment of borrowings from other financial institutions		(513,832)	(594,486)
Proceeds from issuance of shares	15	1,062,514	934,878
Net cash provided by financing activities		<u>7,155,915</u>	<u>1,835,046</u>
NET INCREASE (DECREASE) IN CASH AND DUE FROM BANKS AND DEPOSITS WITH BANKS		1,713,787	(1,431,393)
CASH AND DUE FROM BANKS AND DEPOSITS WITH BANKS AT BEGINNING OF THE YEAR		<u>3,603,137</u>	<u>5,034,530</u>
CASH AND DUE FROM BANKS AND DEPOSITS WITH BANKS AT END OF THE YEAR		<u>5,316,924</u>	<u>3,603,137</u>
SUPPLEMENTAL DISCLOSURE:			
Interest paid during the year		<u>2,092,922</u>	<u>2,316,780</u>
NONCASH FINANCING ACTIVITIES:			
Principal collections - Loans		<u>-</u>	<u>291,725</u>
Capital decrease		<u>-</u>	<u>(291,725)</u>
Change in derivative instruments assets		<u>(1,156,062)</u>	<u>376,292</u>
Change in derivative instruments liabilities		<u>(1,485,687)</u>	<u>595,835</u>

CORPORACIÓN ANDINA DE FOMENTO (CAF)

Notes to the Financial Statements
For the years ended December 31, 2025 and 2024
(In thousands of U.S. dollars)

1. ORIGIN

Business description – Corporación Andina de Fomento (CAF) began its operations on June 8, 1970 and was established under public international law which abides by the provisions set forth in its Constitutive Agreement. Series “A” and “B” shareholder countries are: Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay and Venezuela. Series “C” shareholder countries are: Antigua and Barbuda, Bahamas, Barbados, Grenada, Jamaica, Mexico, Portugal and Spain. In addition, there are 13 commercial banks which are Series “B” shareholders.

CAF is headquartered in Caracas, Venezuela and has offices in Asuncion, Paraguay; Bogota, Colombia; Brasilia and Sao Paulo, Brazil; Bridgetown, Barbados; Buenos Aires, Argentina; La Paz, Bolivia; Lima, Peru; Madrid, Spain; Mexico City, Mexico; Montevideo, Uruguay; Panama City, Panama; Port of Spain, Trinidad and Tobago; Quito, Ecuador; San Jose, Costa Rica; San Salvador, El Salvador; Santiago de Chile, Chile; Santo Domingo, Dominican Republic and Tegucigalpa, Honduras.

CAF is a development bank committed to supporting the countries of Latin America and the Caribbean and improving the quality of life in the region. CAF promotes sustainable development and regional integration. We serve the public and private sectors, through credit, non-refundable resources, and supports in the technical and financial structuring of projects to a broad client base of 24 countries, private companies, and financial institutions.

CAF offers financial and related services to the governments of its shareholder countries, as well as their public and private institutions, corporations and joint ventures. CAF’s principal activity is to provide short, medium and long-term loans to finance projects, working capital, trade activities and to undertake feasibility studies for investment opportunities in shareholder countries. Furthermore, CAF manages and supervises third-party cooperation funds owned and sponsored by other countries and organizations, destined to finance programs agreed upon with donor countries and organizations which are in line with CAF’s policies and strategies.

CAF raises funds to finance its operations from sources both within and outside its shareholder countries.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

- a. **Financial statement presentation** – The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles with the U.S. dollar as the functional currency.
- b. **Use of estimates** – The preparation of the accompanying financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the balance sheets, as well as the amounts reported as revenues and expenses during the corresponding reporting period. The most important estimates related to the preparation of the accompanying financial statements refer to estimating the allowance for loan losses, and valuation and classification at fair values of financial instruments, among others. Management believes these estimates are adequate. Actual results could differ from those estimates.

CORPORACIÓN ANDINA DE FOMENTO (CAF)

Notes to the Financial Statements
For the years ended December 31, 2025 and 2024
(In thousands of U.S. dollars)

- c. **Transactions denominated in other currencies** – Transactions denominated in currencies other than U.S. dollars are converted into U.S. dollars at exchange rates in effect at the dates of the transactions. Currency balances other than U.S. dollars are converted into U.S. dollars at year-end exchange rates. Any foreign exchange gains or losses, including related hedge effects, are included in the statements of income.
- d. **Cash and due from banks and deposits with banks** – Cash and due from banks and deposits with banks comprised of cash, due from banks and short-term deposits with banks with an original maturity of three months or less.
- e. **Marketable securities – trading** – These investments are classified as trading marketable securities, according to management's intention and are recorded on the trade date. Trading marketable securities are securities that are mainly bought and held principally for the purpose of selling them in the near term and therefore held for only a short period of time. Trading marketable securities are recorded at fair value. Gains and losses from sales of trading marketable securities and changes in the fair value of trading marketable securities are included in interest income of investments and deposits with banks in the statements of income.

CAF's marketable securities policies require: (i) at least 90% of investments with a long-term rating of A-, A3, A- or above, the rating is determined for the lowest among Standard & Poors (S&P), Moody's and/or Fitch, respectively, in US dollar or its equivalent in local currency; (ii) No investment can have a long-term rating lower than B, B2, B; or short-term rating lower than A-2, P-2; F-2, determined for the lowest rating among S&P, Moody's and/or Fitch, respectively; or be unrated; (iii) Investments with governments or governments' agencies rated AA+ have a limit of up to 7% of the liquid assets excluding US Government securities (bonds, notes and treasury bills) and Bank for International Settlements securities where the limit is up to 50% of the liquid assets.
- f. **Other investments** – mainly includes the following: (i) Deposits with banks due more than 90 days (original maturity), and (ii) Special Drawing Rights (SDR). SDR are an international reserve asset issued by the International Monetary Fund (IMF) as a complementary official reserve for member countries. SDR's value is based on a five currencies basket (the US dollar, the Euro, the Chinese renminbi, the Japanese yen, and the British pound sterling).
- g. **Reverse repurchase agreements** – CAF has entered into reverse repurchase agreements as part of liquidity management. Under a reverse repurchase agreement, CAF purchases securities with an agreement to resell them to the counterparty on a specific date for a specific price plus interests, with earlier resale permitted. Securities purchased under reverse repurchase agreements are included in the balance sheets under account "Securities purchased under resale agreement" and interests thereon are included in the statements of income under "Investments and deposits with banks".

All securities covered under reverse repurchase agreements are carried at face value, which approximate fair value due to their short-term in nature and minimal credit risk. There are no open positions as of December 31, 2025 and 2024.

CORPORACIÓN ANDINA DE FOMENTO (CAF)

Notes to the Financial Statements
For the years ended December 31, 2025 and 2024
(In thousands of U.S. dollars)

- h. Loans** – CAF grants short, medium and long-term loans for execution of projects, working capital, trade activities and to undertake feasibility studies for investment opportunities, both to public and private entities, for development and integration programs and projects in shareholder countries.

For credit risk purposes, CAF classifies its loans as follow:

- (i) *Sovereign loans* – Include loans granted to national, regional or local governments or decentralized institutions and other loans fully guaranteed by national governments.
- (ii) *Non-sovereign loans* – Include loans granted to corporate and financial sectors (public and private sectors), among others, which are not guaranteed by national governments.

Loans are carried at their unpaid principal balances less: (i) write-offs, (ii) the allowance for loan losses, and (iii) loan commission fees received upon origination net of certain direct origination costs. Interest income is accrued on the unpaid principal balance. Loan commission fees, net of certain direct origination costs, are deferred and recognized as an adjustment of the related loan yield using the effective interest method and are presented as interest income - loan commissions in the statements of income.

Factors considered by management in determining non-accrual loans are payment status and the probability of collecting scheduled principal and interest payments when due.

Private sector loans that are 90 days overdue or public sector loans that are over 180 days overdue are placed on non-accrual status and, as result, the accrual for interest on non-accrual loans is discontinued.

Interest accrued but not collected for loans that are placed on non-accrual loans status is reversed against interest income. The interest on non-accrual loans is accounted for on a cash-basis, until the loans qualify for return to accrual status. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

When a loan is overdue, CAF will immediately suspend any pending disbursement for said loan and for any other loans in which the client is the borrower, beneficiary or guarantor for CAF. CAF charges late payments fees on these overdue loans included in the statements of income as part of loans' interest income.

Loan losses, partial or total, are written off against the allowance for loan losses when management confirms the uncollectability of a loan balance. Subsequent recoveries on written off loans, if any, will be credited to the allowance for loan losses.

CAF maintains risk exposure policies to avoid concentrating its loans in any one country or economic group, which might be affected by market situations or other circumstances. According to CAF's policies on risk exposure, the consolidated exposure of a member country (Series "A" and "B" shareholders) must not exceed 20% of the consolidated exposure of all CAF loans operations, and 75% of the CAF's net shareholders' equity. For Series "C" shareholders, the risk exposure must not exceed

CORPORACIÓN ANDINA DE FOMENTO (CAF)

Notes to the Financial Statements
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eight times the contributions received by CAF from that country. Additionally, the consolidated exposure of a client in the public or mixed sector classified as non-sovereign risk must not exceed 7.5% of CAF's net shareholders' equity. In the case of private-sector clients, the maximum consolidated exposure limit is 5%.

CAF reviews, on a semi-annual basis, the credit risk rating of its non-sovereign loans portfolio and classifies the risk into the following categories*:

- (i) AAA: A client/issuer classified as “AAA” presents an extremely strong capacity to meet financial commitments. “AAA” is the highest rating granted.
- (ii) AA: A client/issuer classified as “AA” presents a very strong capacity to meet financial commitments. This client/issuer differs from the highest-rated clients/issuers only to a small degree.
- (iii) A: A client/issuer classified as “A” presents a strong capacity to meet financial commitments but is a little more vulnerable to adverse effects of changes in economic conditions and situations than the highest-rated clients/issuers.
- (iv) BBB: A client/issuer classified as “BBB” presents an adequate capacity to meet financial commitments. However, it is more likely that adverse economic conditions or changing circumstances will undermine the debtor's capacity to meet financial commitments.
- (v) BB: A client/issuer classified as “BB” is less vulnerable, in the short term, than other issuers with lower ratings. However, this client/issuer is always facing uncertainty and exposure in the event of adverse business, financial or economic situations, which may make its capacity to meet financial commitments inadequate.
- (vi) B: A client/issuer classified as “B” is more vulnerable to payment default than clients/issuers with “BB” rating, but currently presents capacity to meet financial commitments. Adverse business, financial or economic conditions would probably undermine the capacity or will of the client/issuer to meet financial commitments.
- (vii) CCC: A client/issuer classified as “CCC” is currently vulnerable and dependent on favorable business, financial and economic conditions to meet financial commitments.
- (viii) D: A client/issuer is classified as D in case of payment default with CAF exceeding 90 days.

*Ratings “AA” – “CCC” may be modified by adding a plus (+) or minus (-) sign to show their relative position in the rating categories.

CAF invests in debt securities primarily within the non-sovereign loans to support its development objectives in the region and provide financial assistance. These development-related debt securities are classified as held-to-maturity, as CAF has both the intent and ability to hold them until maturity.

The securities are initially recognized at disbursement and subsequently measured at amortized cost on the Balance Sheet. Interest income from debt securities is recorded on an accrual basis and is included in Interest Loans.

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CAF considers an investment in debt securities to be past due when scheduled principal or interest payments are not received by their contractual due date and applies the same non-accrual policy as for non-sovereign loans. Income on debt securities in non-accrual status is recognized on a cash basis until contractual payments are current.

CAF evaluates the credit quality of its debt securities using the same methodology applied to its non-sovereign loan portfolio. Expected credit losses on these securities are estimated in accordance with CAF's methodology.

- i. ***Allowance for loan losses*** – The allowance for credit losses is maintained at a level CAF believes to be appropriate to absorb expected lifetime credit losses over the contractual life of the loan portfolio and consider available information relevant to assessing the collectability of cash flows including a combination of internal and external information relating to past events, current conditions, and reasonable and supportable forecasts.

The allowance for loan losses reflects CAF's current estimate of all expected credit losses based on the information available at the date of the balance sheet, and this information is assessed and updated timely taking into account the market's characteristics, policies and macroeconomic perspectives to adequately reflect the effect of those changes in borrower credit ratings and therefore in expected credit losses.

For purposes of determining the allowance for expected credit losses, CAF management classifies its loans for credit risk purposes into sovereign loans and non-sovereign loans. The allowance for loan losses is estimated considering the credit risk exposure, default probability in each point of the credit exposure lifetime and loss given default, recognizing such lifetime expected effects in profit or loss for the reporting period.

The credit quality of the sovereign loans used to estimate the allowance for credit losses is based on the individual long-term foreign currency debt rating assigned to each borrower country; This rating, determined in accordance with the Basel Committee criteria, relies on the current risk assessment issued by three recognized international rating agencies as of the date the financial statements are prepared. The long-term debt rating incorporates an evaluation of default probability. Given CAF's status as a de facto preferred creditor, its multilateral financial institution condition, and its borrowers' interest in maintaining their credit standing with CAF, and considering as well the immunities and privileges conferred by its shareholder countries, which are established in CAF's Constitutive Agreement and other similar agreements, adjustments are made to reflect a lower default probability equivalent to four levels to the average rating referred above. Historically, none of its sovereign loans has ever been written off. It is not the policy of CAF to restructure its sovereign loans, and management does not have any expectation of writing off such loans.

CAF assesses and determine the sovereign loans loss given default which considers the CAF's status as a de facto preferred creditor, the immunities and privileges conferred by its shareholder countries, the collateral of each loan, the effect of interest on late payments to avoid the potential impairment derived by the time value of money and the evidence of historical loss data collected for each country

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through the years. In addition, given the nature of CAF's lending activities as multilateral bank, in case of delay on payments of sovereign loans, the loss given default reflects the expectation to collect the total amount due, including accrued interests and commissions receivable for the period of delay.

CAF applies an internal risk appraisal methodology to assess the credit quality of non-sovereign loans and determine the allowance for loan losses. Each loan is evaluated individually using CAF's internal rating system, which provides a standardized framework for analyzing and reviewing each borrower. This process incorporates the probability of default associated with the assigned rating, the credit exposure, loss given default and other risk parameters.

CAF considers that external data provided by risk rating agencies used to determine the probability of default reflects its expectations about the future economic conditions and there are no other adjustments regarding historical loss information and future conditions that should be considered as significant factor to determining the expected collectability.

A specific allowance for loan losses is individually evaluated and established by CAF for loans in non-accrual status as these loans do not have the same risk characteristics as other loans. The allowance for loan losses is determined on a loan-by-loan basis based on the present value of expected future cash flows, discounted at the original loan's effective interest rate.

- j. **Equity investments** – CAF invests in equity securities of companies and funds in strategic sectors, with the objective of promoting the development of such companies and funds and their participation in the securities markets and to serve as a catalyst in attracting resources to shareholder countries.

If CAF has the ability to exercise significant influence over the operating and financial policies of the investee, which is generally presumed to exist when CAF holds an ownership interest in the voting stock of an investee between 20% and 50%, the equity investments are accounted for using the equity method. Under the equity method, the carrying amount of the equity investment is adjusted to reflect CAF's proportionate share of earnings or losses, dividends received and certain transactions of the investee Company.

Other than those accounted for under the equity method, CAF recorded investments in equity securities without readily determinable fair value, as follows:

- (i) Direct investments in equity securities of companies – These investments without readily determinable fair value, which do not qualify for the net asset value practical expedient to estimate fair value, are accounted for at cost minus impairment (if any), plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer.
- (ii) Equity investments in funds – These investments are carried at fair value using the net asset value practical expedient to estimate fair value.

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Dividend income from equity investments without readily determinable fair value is recognized when CAF's right to receive payment has been established.

Impairment of investment accounted for under the equity method.

An investment accounted for under the equity method is considered impaired and an impairment loss is recognized only if there are circumstances that indicate impairment as a result of one or more events ("loss events") that have occurred after recognition of such investment.

An impairment charge is recorded whenever a decline in value of an investment below its carrying amount is determined to be other-than-temporary. In determining if a decline is other-than-temporary, factors such as the length of time and extent to which the fair value of the investment has been less than the carrying amount of the investment, the near-term and longer-term operating and financial prospects of the affiliate and the intent and ability to hold the investment for a period of time sufficient to allow for any anticipated recovery are considered. Which are included in the statements of income as part of other expenses.

- k. **Property and equipment, net** – Property and equipment are stated at cost less accumulated depreciation. Maintenance and repair expenses are charged directly to the statements of income for the year as incurred, while improvements and renewals are capitalized. Depreciation is calculated using the straight-line method and charged to the statements of income over the estimated useful life of assets.

The estimated useful life for assets is as follows:

Buildings	30 years
Building improvements	15 years
Leasing building improvements	Term of leasing contract
Furniture and equipment	3 to 10 years
Vehicles	5 years

- l. **Other assets** – Other assets mainly include the following:

- (i) *Derivative-related collateral* – CAF receives or provides cash collateral from or to individual swap and futures counterparties to mitigate its credit exposure to these counterparties. It is the policy of CAF to restrict and invest cash collateral received from swap and futures counterparties for fulfilling its obligations under the collateral agreement. CAF records cash collateral received in other assets with a corresponding obligation to return the cash collateral received recorded in accrued expenses and other liabilities. Cash collateral provided to swap and futures counterparties, under the collateral agreement, are recorded in other assets.
- (ii) *Intangible assets* – Include software investments which are reported at cost less accumulated amortization. The amortization is calculated with the straight-line method over the useful life estimated by CAF. The estimated useful life of these assets is between 3 and 5 years.

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- m. **Deposits** – Deposits are recorded at amortized cost, except for some deposits that are designated a fair value hedge or as an economic hedge. Gains or losses resulting from changes in the fair value of these deposits are recognized in the statements of income when they occur.
- n. **Commercial papers** – Commercial papers are recorded at amortized cost net of premiums and discounts.
- o. **Borrowings from other financial institutions** – The borrowings from other financial institutions, both local or foreign financial institutions, are recorded at amortized cost, except for some borrowings that are designated a fair value hedge or as an economic hedge. The up-front costs and fees related to the issuance of borrowings recorded at amortized cost are deferred and reported in the balance sheets as a direct deduction from the face amount of borrowings and amortized during the term of the borrowings as interest expense. The up-front cost and fees related to borrowings that are designated a fair value hedge or as an economic hedge are recognized in the statements of income when they occur.
- p. **Bonds** – Medium and long-term bond issuances, whose objective is to provide the financial resources required to finance CAF's operations, are recorded as follows:
 - (i) Bonds denominated in currencies other than the US\$ are recognized at fair value. Gains or losses resulting from changes in the fair value of these bonds, as well as the related bond's up-front costs and fees, are recognized in the statements of income when they occur. CAF enters into cross-currency and interest rate swaps to economically hedge the interest rate and foreign exchange risks related with these bonds.
 - (ii) Bond denominated in US\$ are recognized at fair value. The interest rate risk on US\$ denominated bonds is hedged using interest rate swaps, and such interest rate swaps are designated as part of fair value hedge accounting relationships assuming no hedge ineffectiveness (the "shortcut method"). The related bond's up-front costs and fees are deferred and reported in the balance sheets as a direct deduction from the face amount of the bonds and amortized during the term of the bonds as interest expense.

CAF issued hybrid bonds are classified mainly based on their legal form and the existence of required contractual obligations. Accordingly, when the financial instrument includes any obligation to pay interest or principal, or meets the criteria under ASC 480, it is recognized entirely as a financial liability. Although hybrid bonds may exhibit equity-like economic characteristics—such as subordination, perpetuity, or discretionary coupon cancellation—the presence of required contractual obligations for the issuer takes precedence in determining that the instrument to be classified as a liability.

Partial repurchases of bond issuances result in derecognition of the corresponding liabilities. The difference between the repurchase price and the bond's carrying amount is recognized as income/loss for the year.

- q. **Employees' severance benefits** – Accrual for severance benefits comprises all the liabilities related to the workers' vested rights according to CAF's employee policies and the applicable labor law of the member countries. The accrual for employee severance benefits is presented as part of "Employees' severance benefits and savings plan" account under "Accrued expenses and other liabilities" caption.

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Under CAF's employee policies, employees earn a severance benefit equal to five days of salary per month, up to a total of 60 days per year of service. From the second year of service, employees earn an additional two days salary for each year of service (or fraction of a year greater than six months), cumulative up to a maximum of 30 days of salary per year. Severance benefits are recorded in the accounting records of CAF as they are incurred and interest on the amounts owed to employees are paid annually as a result of employees' rights to receive severance benefits accrued in the year in which they are earned.

In the case of unjustified dismissal or involuntary termination, employees have the right to an additional severance benefit of one month of salary per year of service, until a top of 150 salary days.

- r. ***Pension plan*** – CAF has established a defined benefit plan (the Plan), which is mandatory for all employees hired on or after the establishment of the Plan and voluntary for all other employees. The Plan's benefits are calculated based on years of service and the average salary of the three consecutive years in which the employee received the highest salary. CAF periodically updates the benefit obligations considering actuarial assumptions.
- s. ***Derivative financial instruments and hedging activities*** – CAF records all derivative financial instruments on the balance sheet at fair value, regardless of the purpose or intent for holding them.

CAF's policy is not to enter into derivative financial instruments for speculative purposes. CAF also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivative financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values of the hedged items.

Derivative financial instruments that are considered to be hedges from an accounting perspective are recognized in the balance sheet at fair value with changes in fair value either: (1) offset by changes in fair value of the hedged assets, liabilities or firm commitments through earnings within "Derivative financial instruments assets" or "Derivative financial instruments liabilities" if the derivative is designated as a fair value hedge, or (2) recognized in other income until the hedged item is recognized in earnings if the derivative is designated as a cash flow hedge. The ineffective portion of the change in fair value for a hedged derivative is immediately recognized in earnings as a component of "Unrealized changes in fair value related to other financial instruments", regardless of whether the hedged derivative is designated as a cash flow or fair value hedge. In all situations in which hedge accounting is discontinued, CAF, recognizes any changes in its fair value in the statements of income.

CAF discontinues hedge accounting prospectively upon determining that the derivative financial instrument is no longer effective in offsetting changes in the fair value of the hedged item; the derivative expires or is sold, terminated or exercised; the derivative is de-designated as a hedging instrument, because it is unlikely that a forecasted transaction will occur, a hedged firm commitment no longer meets the definition of a firm commitment, or management determines that the designation of the derivative financial instrument as a hedging instrument is no longer appropriate.

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When hedge accounting is discontinued because it is determined that the derivative financial instrument no longer qualifies as an effective fair value hedge, CAF continues to carry the derivative financial instrument on the balance sheets at its fair value, but no longer adjusts the hedged asset or liability for changes in fair value.

Certain derivative financial instruments, although considered to be an effective hedge from an economic perspective (economic hedge), have not been designated as a hedge for accounting purposes. The changes in the fair value of such derivative financial instruments are recognized in the statements of income, concurrently with the change in fair value of the underlying assets and liabilities.

- t. ***Fair value of financial instruments and fair value measurements*** – An entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Accounting guidance establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Inputs used to measure fair value may fall into one of three levels:

Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 – Applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

- u. ***Guarantee fee income*** – CAF provides guarantees on loans originated by third parties to support projects located within a shareholder country that are undertaken by public and private entities. CAF may offer guarantees of private credit agreements or it may offer public guarantees of obligations of the securities of third-party issuers. CAF generally offers partial credit guarantees with the intention of sharing the risk with private lenders or holders of securities. CAF's responsibility is limited to paying up to the amount of the guarantee upon default by the client. The guarantee fee income received is deferred and recognized in statement of income – Loan commissions over the period covered by the guarantee.

Exposure Exchange Agreements (EEA)

On 2025, CAF entered into an EEA to reduce its sovereign-guaranteed loan portfolio risk concentration. Under an EEA, there is no direct exchange of assets, and all aspects of the client relationship remain with the originating Multilateral Development Banks (MDB). However, each MDB assumes the credit risk on a specified EEA amount for a set of borrowing countries (the EEA seller of

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protection, or EEA Seller) in exchange for passing on the credit risk on a set of different borrowing countries to the other MDB (the EEA buyer of protection, or EEA Buyer). If a nonaccrual event occurs for one of the countries that is part of the EEA transactions, the EEA Seller compensates the EEA Buyer at an agreed upon rate. Each participating MDB is required to retain a minimum of 50% of the total exposure to each country that is part of the EEA. If no events of non-accrual occur during the life of the EEA, the EEA expires at the end of the agreed upon period.

EEA transaction was accounted for as an exchange of two separate financial guarantees (provided and received).

The fair value of the guarantee provided is initially recorded as an asset (equivalent to the present value of the theoretical guaranteed fees receivable) and a liability (the non-contingent portion of the guarantee stand ready to perform), respectively, included in Other Assets and Accrued expenses and other liabilities, respectively. These amounts will be amortized over the term of the guarantee on the exchanged exposure and recorded in Non-interest income – Other Income and Non-interest expenses – Other Expenses.

- v. ***Provision for guarantees losses*** – Provision for guarantees is maintained at a level CAF believes adequate to absorb probable losses inherent to the guaranteed loans originated by third parties as of the date of the financial statements. Guaranteed loans are classified as either sovereign or non-sovereign. Provision for guarantees is estimated by CAF considering the credit risk exposure, default probability and loss given default. Provision for sovereign guarantees losses is based on the individual long-term foreign currency debt rating of the guarantor countries (“sovereign risk rating”) under the Basel Committee criteria based on the existing risk ratings of three recognized international risk rating agencies at the date of the financial statements’ preparation. These sovereign risk ratings have associated default probability. Given CAF’s status as a de facto preferred creditor, arising from its status as a multilateral financial institution and from the interest of its borrowers in maintaining their credit standing with CAF, and taking into account the immunities and privileges conferred by its shareholder countries, which are established in CAF’s Constitutive Agreement and other similar agreements, a factor that reflects a lower default probability – usually equivalent to four levels up in this weighted average rating is used. For non-sovereign guarantees, the provision is determined by considering the CAF internal individual rating of each client, internally assigned and the loss given default.

The provision for guarantees losses are reported as other liabilities.

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w. *Recent accounting pronouncements –*

Accounting pronouncements pending adoption

ASU 2023-06, Disclosure Improvements

On October 9, 2023, the FASB issued ASU 2023-06, which amends the disclosure or presentation requirements related to various subtopics in the FASB Accounting Standards Codification (the “Codification”). The ASU was issued in response to the Security Exchange Commission (SEC) Disclosure Update and Simplification Initiative, that updated and simplified disclosure requirements that the SEC believed were “redundant, duplicative, overlapping, outdated, or superseded.” The new guidance is intended to align U.S. GAAP requirements with those of the SEC and to facilitate the application of U.S. GAAP for all entities. CAF will not early adopt this ASU and estimates it will not have material effects in the financial statements. For all entities within the scope of the affected Codification subtopics, if by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K, the pending content of the associated amendment will be removed from the Codification and will not become effective for any entities.

ASU 2024-04, Debt with Conversion and Other Options

On November 26, 2024, the FASB issued ASU 2024-04 to improve the relevance and consistency in application of the induced conversion guidance in Subtopic 470-20 for (a) convertible debt instruments with cash conversion features and (b) debt instruments that are not currently convertible. This ASU is effective for all entities for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities that have adopted the amendments in Update 2020-06. The adoption of this ASU will not have material effects in the CAF’s financial statements.

ASU 2025-09, Derivatives and Hedging

On November 25, 2025, the FASB issued ASU 2025-09, which amends the existing requirement that cash flow hedges of groups of individual forecasted transactions that use a single derivative as the hedging instrument share the same risk exposure. Instead, the ASU requires such groups to have similar risk exposure. The amended guidance is intended to expand the population of hedged risks eligible for aggregation in a single group or pool, thereby reducing cost, complexity, and the risk of unintuitive missed forecasts in the application of these hedging strategies. This ASU is effective for all entities for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted at any time after its release. The adoption of this ASU will not have material effects in the CAF’s financial statements.

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3. CASH AND DUE FROM BANKS AND DEPOSITS WITH BANKS

Cash and due from banks and deposits with banks with original maturity of three months or less include the following:

	December 31, 2025	December 31, 2024
Cash and due from banks	87,152	233,196
Deposits with banks:		
U.S. dollars	5,227,423	3,337,799
Euro	2,349	32,142
	<u>5,316,924</u>	<u>3,603,137</u>

4. MARKETABLE SECURITIES - TRADING

A summary of trading securities follows:

	December 31, 2025		December 31, 2024	
	Amount	Average maturity (years)	Amount	Average maturity (years)
U.S. securities ⁽¹⁾	<u>6,078,910</u>	0.98	<u>5,916,834</u>	0.69
Non-U.S. governments and government entities bonds	<u>225,960</u>	3.37	<u>324,895</u>	2.46
Financial institutions and corporate securities:				
Commercial papers	1,167,348	0.23	2,417,869	0.30
Certificates of deposits ⁽²⁾	1,911,157	0.36	1,995,211	0.31
Bonds	2,313,528	2.53	2,197,129	2.28
Collateralized mortgage obligations	501,399	4.72	409,345	4.68
Liquidity funds ⁽³⁾	338,594	-	307,422	-
Exchange-traded fund ⁽⁴⁾	110,370	-	104,011	-
	<u>6,342,396</u>	1.52	<u>7,430,987</u>	1.15
	<u>12,647,266</u>	1.29	<u>13,672,716</u>	0.98

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- (1) U.S. securities mainly include Treasury Notes and U.S. Treasury Bills.
- (2) Each certificate of deposit bears a maturity date and specified fixed interest rate. It also is held through The Depository Trust Company and has a CUSIP number, which is a code that identifies a financial security and facilitates trading.
- (3) The liquidity funds are comprised of short-term (less than one year) securities representing high-quality liquid debt and monetary instruments.
- (4) The exchange-traded fund (ETF) is a type of pooled investment security that holds multiple underlying assets.

The fair value of marketable securities includes net unrealized gains of US\$ 97,505 and US\$ 95,201 as of December 31, 2025 and 2024, respectively.

For the years ended December 31, 2025 and 2024, Interest income - Investments and deposits with banks includes interest income for US\$ 621,792 and US\$ 736,056 respectively, and gains on the mark-to-market valuations for US\$ 469,096 and US\$ 347,679, respectively. The fluctuation in interest income is mainly due to decrease in the U.S. Federal Reserve System's (FED) benchmark interest rates since September 2024.

CAF places its short-term (less than one year) investments mainly in high-grade financial institutions and corporate securities. CAF has conservative investment guidelines that limit the amount of credit risk exposure, considering among other factors, limits as to credit ratings, limits as to duration exposure, specific allocations by type of investment instruments and limits across sector and currency allocation. As of December 31, 2025 and 2024, CAF does not have any significant concentrations of credit risk according to its investment guidelines. Non-U.S. dollar-denominated securities included in marketable securities amounted to the equivalent of US\$ 79,998 and US\$ 421,568 as of December 31, 2025 and 2024, respectively.

Maturity of marketable securities are as follows:

	December 31, 2025	December 31, 2024
No maturities ⁽¹⁾	448,964	411,433
Less than one year	7,074,325	8,417,721
Between one and two years	2,965,308	3,158,912
Between two and three years	970,097	667,831
Between three and four years	449,878	421,572
Between four and five years	322,173	246,651
Over five years	416,521	348,596
	<u>12,647,266</u>	<u>13,672,716</u>

- (1) Include liquidity funds and ETF.

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As part of its balance sheet optimization strategy, CAF engages in security lending transactions where eligible securities are loaned to other financial institutions for collateral -typically cash or other securities with similar ratings- equal to or exceeding the fair value of the loaned securities. There are no transfers in the property of the security in transactions. As of December 31, 2025, and 2024 security lending transactions included as part of marketable securities trading amounted US\$ 5,357,961 and US\$ 579,838, respectively. The interest, net of commissions and fees, amounted US\$ 3,652 and US\$ 2,007, are included in the statements of income as part of the Interest income - Investments and deposits with banks.

Maturity of security lending is as follows:

As of December 31, 2025

	Between 30 and 90 days	More than 90 days	Total
Securities Lending transactions			
U.S. Government obligations	2,003,136	3,349,161	5,352,297
Corporate securities	-	5,664	5,664
	<u>2,003,136</u>	<u>3,354,825</u>	<u>5,357,961</u>

As of December 31, 2024

	Between 30 and 90 days	More than 90 days	Total
Securities Lending transactions			
U.S. Government obligations	557,111	22,727	579,838
	<u>557,111</u>	<u>22,727</u>	<u>579,838</u>

5. OTHER INVESTMENTS

Other investments are as follows:

	December 31, 2025	December 31, 2024
Deposits with banks due more than 90 days (U.S. dollars)	3,516,144	712,598
Special drawing rights (SDR)	167,646	161,194
	<u>3,683,790</u>	<u>873,792</u>

The interest rates on deposits with banks ranged from 3.81% to 5.42% as of December 31, 2025 and from 4.14% to 5.62% as of December 31, 2024.

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Since February 2023, CAF was named authorized holder by the International Monetary Fund (IMF) allowing it to hold and exchange SDR only with other authorized holders. SDR holdings earn interest which is determined on weekly basis. The interest rate for the years ended December 31, 2025 and 2024 is 2.67% and 3.20%, respectively.

For the years ended December 31, 2025 and 2024, Interest income - Investments and deposits with banks includes interest income for US\$ 4,919 and US\$ 6,822, respectively, and gain in currency exposure for US\$ 8,232 and loss for US\$ 7,630, respectively, related to SDR investments.

6. LOANS

Loans mainly include loans with Series “A” and “B” shareholder countries, or private institutions or companies domiciled in those countries. Loans by country are summarized as follows:

	December 31, 2025	December 31, 2024
Shareholder countries:		
Argentina	4,914,893	4,874,550
Bahamas	80,000	-
Barbados	252,148	187,925
Bolivia	3,475,415	2,780,434
Brazil	3,606,901	3,217,994
Chile	1,164,283	408,698
Colombia	4,891,849	4,060,435
Costa Rica	448,853	485,505
Dominican Republic	442,170	445,937
Ecuador	4,162,943	4,230,310
El Salvador	789,312	469,083
Honduras	80,492	-
Mexico	1,462,500	1,062,500
Panama	2,685,129	2,630,681
Paraguay	2,680,252	2,488,370
Peru	1,915,532	1,751,423
Spain	40,633	-
Trinidad and Tobago	1,349,626	1,372,221
Uruguay	2,000,565	1,624,725
Venezuela	1,945,934	1,939,316
Total	38,389,430	34,030,107
Fair value adjustments	(67,215)	(194,305)
	<u>38,322,215</u>	<u>33,835,802</u>

Fair value adjustments of loans represent mainly adjustments to the amount of loans for which the fair value option is elected.

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As of December 31, 2025 and 2024, loans denominated in currencies other than U.S. dollar were granted for an equivalent of US\$ 1,919,914 and US\$ 1,188,035, respectively, mainly in Swiss francs, Costa Rican colones, Colombian pesos, Japanese yen, Uruguayan pesos, Brazilian reales, Paraguayan guarani, Euro, Chilean pesos, Dominican pesos and Bolivian bolivianos. All these loans are hedged with interest rate swaps, cross-currency swaps, borrowings from other financial institutions and bonds. As of December 31, 2025 and 2024, fixed interest rate loans amounted to US\$ 3,781,302 and US\$ 2,566,260, respectively.

Loans classified by sector borrowers and the weighted average yield of the loan portfolio is shown below:

	December 31, 2025		December 31, 2024	
	Amount	Weighted average yield (%)	Amount	Weighted average yield (%)
Public sector	36,474,248	5.76	32,599,975	6.44
Private sector	1,915,182	6.08	1,430,132	6.82
	<u>38,389,430</u>	<u>5.78</u>	<u>34,030,107</u>	<u>6.45</u>

The public sector includes entities of national governments, subnational entities, public companies owned by the latter, or mixed companies controlled by national governments or subnational entities.

The private sector includes entities controlled by private investors.

Loans by industry segments are as follows:

	December 31, 2025		December 31, 2024	
	Amount	%	Amount	%
Infrastructure programs	16,616,713	43	14,164,668	42
Transport, warehousing and communications	9,545,678	25	9,137,554	27
Electricity, gas and water supply	5,803,703	15	5,257,924	15
Health and social services	3,236,153	8	2,892,114	8
Financial services - Development banks	1,496,140	4	1,304,144	4
Financial services - Commercial banks	1,452,732	4	1,132,330	4
Agriculture, hunting and forestry	39,521	-	56,630	-
Others	198,790	1	84,743	-
	<u>38,389,430</u>	<u>100</u>	<u>34,030,107</u>	<u>100</u>

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Loans mature as follows:

	December 31, 2025	December 31, 2024
Less than one year	5,699,710	5,171,261
Between one and two years	4,288,494	3,367,270
Between two and three years	3,737,670	3,533,696
Between three and four years	3,769,385	3,199,251
Between four and five years	3,985,310	3,160,217
Between five and ten years	11,326,690	10,313,580
Between ten and fifteen years	4,531,917	4,302,935
Over fifteen year	1,050,254	981,897
	<u>38,389,430</u>	<u>34,030,107</u>

The credit quality of the sovereign loans portfolio by year of origination and taking the Standard & Poor's (S&P) rating as a reference as of December 31, 2025, is as follows:

Country	Credit Rating	Year of origination					Prior	Total
		2025	2024	2023	2022	2021		
Argentina	CCC+	300,000	507,007	900,164	570,579	821,659	1,742,596	4,842,005
Bahamas	BB-	80,000	-	-	-	-	-	80,000
Barbados	B+	75,000	-	-	-	46,252	130,896	252,148
Bolivia	CCC-	925,000	25,078	73,664	628,457	350,000	1,340,544	3,342,743
Brazil	BB	13,957	151,424	8,700	656,960	-	2,276,511	3,107,552
Colombia	BB	650,000	381,987	250,000	600,000	500,000	1,514,178	3,896,165
Costa Rica	BB	408,707	-	-	-	-	11,493	420,200
Dominican Republic	BB	4,677	-	-	300,000	97,267	40,226	442,170
Ecuador	B-	262,767	387,915	300,519	435,391	555,632	2,140,039	4,082,263
El Salvador	B-	150,000	257,456	306,856	75,000	-	-	789,312
Honduras	BB-	80,492	-	-	-	-	-	80,492
Mexico	BBB	300,000	-	-	300,000	-	187,500	787,500
Panama	BBB-	300,000	244,559	33,172	285,405	319,685	1,266,307	2,449,128
Paraguay	BBB-	-	193,771	198,213	369,596	272,431	1,480,641	2,514,652
Peru	BBB-	-	-	500,000	171,500	564,958	259,473	1,495,931
Trinidad and Tobago	BBB-	-	170,000	75,000	120,000	175,000	809,629	1,349,629
Uruguay	BBB+	355,000	801,760	99,473	164,555	240,000	168,664	1,829,452
Venezuela	NR	-	-	-	-	-	1,945,934	1,945,934
		<u>3,905,600</u>	<u>3,120,957</u>	<u>2,745,761</u>	<u>4,677,443</u>	<u>3,942,884</u>	<u>15,314,631</u>	<u>33,707,276</u>

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The credit quality of the sovereign loans portfolio by year of origination and taking the Moody's rating as a reference as of December 31, 2024, is as follows:

Country	Credit Rating	Year of origination					Prior	Total
		2024	2023	2022	2021	2020		
Argentina	Ca	474,202	869,607	516,970	819,346	662,000	1,448,327	4,790,452
Barbados	B3	-	-	-	49,143	100,000	38,782	187,925
Bolivia	Caa3	24,291	48,917	607,759	350,000	37,594	1,624,708	2,693,269
Brazil	Ba1	-	7,479	606,713	-	553,023	1,688,701	2,855,916
Colombia	Baa2	350,000	250,000	600,000	500,000	350,000	1,346,563	3,396,563
Costa Rica	Ba3	-	-	-	-	435,484	15,324	450,808
Dominican Republic	Ba3	3,297	-	300,000	84,773	-	57,866	445,936
Ecuador	Caa3	317,937	269,914	463,774	580,367	622,659	1,809,008	4,063,659
El Salvador	B3	127,770	266,313	75,000	-	-	-	469,083
Mexico	Baa2	500,000	-	300,000	-	262,500	-	1,062,500
Panama	Baa3	225,000	32,969	302,703	330,611	378,571	1,097,826	2,367,680
Paraguay	Baa3	72,190	191,281	353,072	257,000	454,615	1,088,694	2,416,852
Peru	Baa1	-	500,000	169,551	531,898	-	427,301	1,628,750
Trinidad and Tobago	Ba2	120,000	75,000	120,000	175,000	317,562	564,660	1,372,222
Uruguay	Baa1	743,088	114,369	165,817	240,000	35,714	165,088	1,464,076
Venezuela	C	-	-	-	-	-	1,939,316	1,939,316
		<u>2,957,775</u>	<u>2,625,849</u>	<u>4,581,359</u>	<u>3,918,138</u>	<u>4,209,722</u>	<u>13,312,164</u>	<u>31,605,007</u>

The credit quality of the non-sovereign loan portfolio by year of origination, as represented by credit risk classification provided by S&P as of December 31, 2025, is as follows:

Credit Rating	Year of origination					Prior	Total
	2025	2024	2023	2022	2021		
A+	50,000	75,000	-	-	-	-	125,000
A	870,000	-	-	-	-	-	870,000
A-	50,000	50,000	-	-	-	-	100,000
BBB+	-	3,617	11,262	1,902	12,251	97,433	126,465
BBB	1,124,450	-	60,000	-	-	-	1,184,450
BBB-	255,000	-	-	-	-	70,795	325,795
BB+	87,310	-	-	-	-	-	87,310
BB	1,014,776	158,862	44,653	45,620	19,099	151,853	1,434,863
BB-	54,648	119,005	23,333	-	-	22,222	219,208
B+	13,506	-	-	-	-	-	13,506
B-	39,250	30,000	46,169	-	-	37,946	153,365
CCC+	-	-	-	-	-	14,815	14,815
CCC-	7,671	-	-	-	-	19,706	27,377
	<u>3,566,611</u>	<u>436,484</u>	<u>185,417</u>	<u>47,522</u>	<u>31,350</u>	<u>414,770</u>	<u>4,682,154</u>

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The credit quality of the non-sovereign loan portfolio by year of origination, as represented by the internal credit risk classification as of December 31, 2024, is as follows:

Credit Rating	Year of origination						Total
	2024	2023	2022	2021	2020	Prior	
A	75,000	-	-	-	-	-	75,000
A-	400,000	-	-	-	-	48,000	448,000
BBB+	3,088	-	-	11,398	4,443	129,355	148,284
BBB-	150,000	10,604	1,762	-	-	-	162,366
BB+	50,000	60,000	-	-	-	4,697	114,697
BB	333,054	-	34,147	-	-	185,489	552,690
BB-	287,655	57,615	12,521	26,842	22,065	-	406,698
B+	96,152	30,000	-	-	44,444	-	170,596
B	15,000	-	-	-	-	-	15,000
B-	149,508	17,143	-	-	-	38,152	204,803
CCC+	2,166	-	-	-	-	-	2,166
CCC	-	47,500	-	-	-	16,598	64,098
CCC-	-	-	-	-	-	24,520	24,520
D	-	-	-	-	-	36,182	36,182
	<u>1,561,623</u>	<u>222,862</u>	<u>48,430</u>	<u>38,240</u>	<u>70,952</u>	<u>482,993</u>	<u>2,425,100</u>

The internal and external ratings have been updated as of December 31, 2025.

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Loan portfolio quality.

The loan portfolio quality indicators and the related amounts are presented below:

	December 31, 2025	December 31, 2024
During the year CAF recorded the following transactions:		
Loans written-off	-	14,160
Purchases of loan portfolio	-	-
Sales of loan portfolio	-	22,500
	December 31, 2025	December 31, 2024
CAF presented the following amounts and quality indicators as of the end of the year:		
Non-accrual loans	1,945,934	1,975,498
Troubled debt restructured	-	-
Overdue accrual loans	6,713	1,701
Allowance for loan losses as a percentage of loan portfolio	0.26%	0.25%
Non-accrual loans as a percentage of loan portfolio	5.08%	5.84%
Overdue loan principal as a percentage of loan portfolio	0.02%	0.01%

No loans were restructured during the years ended December 31, 2025 and 2024.

On March 31, 2020, CAF implemented the Support Program for the Liquidity Management in Exceptional Situations (the “Program”) approved by CAF’s Shareholders Assembly on March 3, 2020. The Program allowed CAF to reacquired the shares of a shareholder country that fulfills the requirements of the Program and applied the proceeds to that country’s outstanding loans principal and interest payments. Pursuant to the Program, CAF notified Venezuela, that it fulfilled the requirements. Since the inception of the Program to July 31, 2024, CAF reacquired 168,573 shares totaling US\$ 2,393,737 and applied that amount to repay due and overdue amounts of principal and interest and deducting the amount of paid-in capital and additional paid-in capital for US\$ 842,865 and US\$ 1,550,872, respectively. The Program was completed for Venezuela in July 2024. Currently, Venezuela holds 105 Series “B” shares and its Series “A” share.

As of December 31, 2025 and 2024, the total amount of past due principal for operations in Venezuela amounted to US\$ 541,140 and US\$ 287,682, respectively. Uncollected interests and commissions amounted to US\$ 229,281 and 92,248, respectively, and the related individually assessed allowance for credit losses was US\$ 66,607 and US\$ 52,860. As of December 31, 2025 and 2024, all outstanding loans with Venezuela were placed in non-accrual status.

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CAF expects to collect all amounts due, including interest and fees. Venezuela is one of the founding shareholders of CAF and has reiterated its commitment and its intention to undertake payments. CAF's Management monitors its credit exposure periodically.

As of December 31, 2025, there were no non-accrual loans related to private sector borrowers (non-sovereign loans). As of December 31, 2024, the total principal amount of non-accrual loans related to private sector borrowers (non-sovereign loans) was US\$ 36,182, which were 3,023 days overdue. The allowance of loan losses for non-accrual loans with the private sector is none as of December 31, 2025 and amount to US\$ 4,739 as of December 31, 2024. For the years ended December 31, 2025 and 2024, there was no interest income recognized for non-accrual loans.

Debt Securities

As of December 31, 2025 and 2024, debt securities classified as held to maturity were US\$ 180,000 and US\$ 10,000, respectively. CAF recognizes an allowance for debt securities losses according to its current expected loan losses model. As of December 31, 2025 and 2024, the allowance amounted US\$ 477 and US\$ 18, respectively.

Exposure Exchange Agreements

On May 23, 2025, as part of its balance sheet optimization strategy, CAF entered into an Exposure Exchange Agreement (EEA) to reduce its sovereign-guaranteed loan portfolio risk concentration. Through EEA, Multilateral Development Banks (MDB) reduce portfolio concentration by simultaneously exchanging coverage for potential nonaccrual events for sovereign exposures from borrowing countries in which an MDB is concentrated, to countries in which an MDB has no, or low, exposure.

As of December 31, 2025, CAF executed a bilateral EEA transaction with another MDB. In this transaction, CAF is the EEA Seller (provided a financial guarantee for its counterparty) and the EEA Buyer (received a financial guarantee from its counterparty) for the following countries and exposure amounts:

EEA Seller			EEA Buyer		
Country	Amount	S&P Rating	Country	Amount	S&P Rating
Costa Rica	90,000	BB	Argentina	100,000	CCC+
Dominican Republic	150,000	BB	Brazil	250,000	BB
El Salvador	250,000	B-	Colombia	136,000	BB
Honduras	210,000	BB-	Ecuador	214,000	B-
	<u>700,000</u>			<u>700,000</u>	

The carrying amount under the guarantees received or provided amounted to US\$ 34,272 which is being amortized on a semi-annual basis according to the agreement. Final maturity date will be May 2040. As of December 31, 2025, no non-accrual events have occurred.

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As of December 31, 2025, CAF recognized US\$ 471 as Other expenses and US\$ 557 as Other income related to the allowance for Current Expected Credit Losses of the guarantees exchanged.

A/B Loans

CAF only assumes the credit risk for the portion of its participations of the loan. As of December 31, 2025, and 2024, CAF maintains loans of this nature amounting to US\$ 1,761,160 and US\$ 1,215,792, respectively, whereas other financial institutions provided funds for US\$ 1,181,817 and US\$ 978,988, respectively.

Allowance for Loan Losses

Changes in the allowance and the balance for loan losses over the outstanding amounts, individually and collectively evaluated, are presented below:

	For the years ended					
	December 31, 2025			December 31, 2024		
	Credit risk			Credit risk		
	Non-		Total	Non-		Total
	Sovereign	sovereign		Sovereign	sovereign	
Balances at beginning of the year	58,220	26,537	84,757	-	56,913	56,913
(Credit) provision for loan losses	15,858	(21,901)	(6,043)	58,220	(16,291)	41,929
Loans written-off	-	-	-	-	(14,160)	(14,160)
Recoveries	-	21,455	21,455	-	75	75
Balances at end of the year	74,078	26,091	100,169	58,220	26,537	84,757

For the years ended December 31, 2025, and 2024, CAF recorded US\$ 21,455 and US\$ 75, respectively, as revenue from recovery of written-off portfolio in caption “(Credit) provision for loan losses”.

Changes in the provision for contingencies and the off-balance-sheet undisbursed loan commitments and financial guarantees, individually and collectively evaluated, are presented below:

	For the years ended					
	December 31, 2025			December 31, 2024		
	Credit risk			Credit risk		
	Non-		Total	Non-		Total
	Sovereign	sovereign		Sovereign	sovereign	
Balances at beginning of the year	-	6,230	6,230	-	6,849	6,849
Provision (credit) contingencies	2,113	996	3,109	-	(619)	(619)
Balances at end of the year	2,113	7,226	9,339	-	6,230	6,230

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For the years ended December 31, 2025 and 2024, provision for contingencies and the off-balance-sheet undisbursed loan commitments and financial guarantees are included in the statements of income as part the Non-interest expenses-other expenses.

7. EQUITY INVESTMENTS

Equity investments, which have no readily determinable fair value, are as follows:

	December 31, 2025	December 31, 2024
Investments - Equity securities	363,820	340,200
Investments - Equity method	65,846	59,565
	<u>429,666</u>	<u>399,765</u>

CAF recognized the following in the statements of income related to investment in equity securities:

	For the years ended December 31, 2025	2024
Dividends	5,184	6,753
Unrealized changes in fair value related to equity investments	(6,930)	(14,608)
Impairment charge for equity investments	(27)	(7,797)

For the years ended December 31, 2025 and 2024, CAF recognized losses of US\$ 6,930 and US\$ 14,608, respectively, corresponding to the net decrease in the fair value of investments in equity securities, which are included in the statements of income as part of other expenses, respectively. Dividends are recognized in the statements of income as part of Dividends and equity in earnings of investees.

In addition, for the years ended December 31, 2025 and 2024, CAF recognized gains of its equity in earnings of the investees for US\$ 9,943 and US\$ 4,300, respectively, for investments under the equity method, which are recorded in the statements of income as part of Dividends and equity in earnings of investees.

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8. OTHER ASSETS

A summary of other assets follows:

	December 31, 2025	December 31, 2024
Derivative-related collateral	1,323,369	2,537,059
Intangible assets, net of accumulated amortization of US\$ 13,880 and US\$ 15,245, respectively	147,107	87,290
EEA Guaranteed fees receivable (Note 6)	34,272	-
Receivable from investment securities sold	16,930	30,842
Other	35,835	36,338
	<u>1,557,513</u>	<u>2,691,529</u>

9. DEPOSITS

A summary of deposits follows:

	December 31, 2025	December 31, 2024
Demand deposits	170,335	194,935
Time deposits:		
Less than one year	<u>4,021,126</u>	<u>3,302,403</u>
	4,191,461	3,497,338
Fair value adjustments	<u>2,201</u>	<u>-</u>
	<u>4,193,662</u>	<u>3,497,338</u>

As of December 31, 2025 and 2024, the weighted average interest rate was 4.04% and 5.18%, respectively. Deposits are issued for amounts equal to or more than US\$ 100. Total deposits denominated in currencies other than the U.S. dollar amount to an equivalent of US\$ 117,910 and US\$ 105,726 as of December 31, 2025 and 2024, respectively.

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10. COMMERCIAL PAPERS

A summary of commercial papers follows:

	December 31, 2025	December 31, 2024
U.S. dollars	3,822,760	3,023,627
British pound sterling	26,932	170,640
Euros	53,559	98,793
	<u>3,903,251</u>	<u>3,293,060</u>
Less commercial papers issuance discount	<u>(48,773)</u>	<u>(43,952)</u>
	<u><u>3,854,478</u></u>	<u><u>3,249,108</u></u>

As of December 31, 2025 and 2024, the weighted average interest rate was 4.43% and 5.54%, respectively. As of December 31, 2025, commercial papers mature in 2026. Likewise, as of December 31, 2024, commercial papers mature in 2025.

11. BORROWINGS FROM OTHER FINANCIAL INSTITUTIONS

A summary of borrowings from other financial institutions by currency follows:

	December 31, 2025	December 31, 2024
U.S. dollars	1,642,023	1,575,801
Euros	484,361	573,765
Colombian pesos	-	25,243
Others	4,881	2,165
	<u>2,131,265</u>	<u>2,176,974</u>
Fair value adjustments	12,042	(52,295)
Less debt issuance costs	103	132
	<u><u>2,143,204</u></u>	<u><u>2,124,547</u></u>

As of December 31, 2025 and 2024, the fixed interest-bearing borrowings amounted to US\$ 270,800 and US\$ 242,010, respectively. As of December 31, 2025 and 2024, the weighted average interest rate after considering the impact of interest rate swaps was 5.54% and 6.85%, respectively.

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Borrowings from other financial institutions, by remaining maturities, are summarized below:

	December 31, 2025	December 31, 2024
Less than one year	320,069	430,458
Between one and two years	430,220	234,226
Between two and three years	204,770	228,185
Between three and four years	202,574	206,237
Between four and five years	200,321	187,593
Over five years	773,311	890,275
	<u>2,131,265</u>	<u>2,176,974</u>

As of December 31, 2025 and 2024, there were unused term credit facilities amounting to US\$ 923,185 and US\$ 1,445,913, respectively.

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12. BONDS

A summary of outstanding bonds follows:

	December 31, 2025			December 31, 2024		
	At original exchange rate	At spot exchange rate	Weighted average cost, after swaps (%) (period end)	At original exchange rate	At spot exchange rate	Weighted average cost, after swaps (%) (year end)
U.S. dollars	11,187,137	11,187,137	4.96	9,328,042	9,328,042	5.61
Euro	10,036,737	10,298,685	5.32	9,751,807	8,827,267	6.19
Great British pound sterling	2,516,216	2,693,240	4.87	1,261,108	1,254,705	5.39
Swiss francs	1,675,339	1,988,385	5.35	2,336,350	2,434,706	6.06
Australian dollars	1,531,553	1,495,398	5.26	1,756,001	1,570,852	5.93
Japanese yen	1,226,887	967,783	4.99	1,540,983	1,148,597	5.93
Mexican pesos	1,190,494	1,329,464	5.24	1,190,208	1,158,240	5.94
Indian rupee	588,995	554,658	4.85	338,717	329,694	5.62
Norwegian kroner	549,486	388,137	5.35	549,486	344,122	6.09
Hong Kong dollars	533,061	531,741	5.49	533,062	532,686	6.15
Colombian pesos	405,951	357,786	4.94	405,959	306,630	5.57
Costa Rica colon	287,313	296,191	4.93	223,336	225,770	5.78
Indonesian rupee	257,893	253,414	4.53	-	-	-
Uruguayan pesos	224,813	236,840	4.43	53,213	47,951	3.53
Brazilian real	201,663	194,901	4.75	201,662	172,746	5.47
Paraguay guarani	130,865	136,498	5.06	85,284	82,096	5.86
Turkish lira	128,122	62,296	4.59	128,121	75,713	5.29
Chinese renminbi	52,751	54,778	4.39	52,751	52,350	5.06
New Zealand dollar	46,247	41,604	4.87	59,898	52,540	5.72
Jamaican dollars	41,722	40,860	4.40	26,101	25,725	5.30
Canadian dollars	30,395	29,199	5.44	30,395	27,869	6.12
South African rand	26,939	30,132	5.11	-	-	-
Philippines peso	25,135	23,790	4.42	-	-	-
Polish zloty	-	-	-	61,130	65,777	5.29
Czech koruna	-	-	-	11,211	10,335	5.58
	<u>32,895,714</u>	<u>33,192,917</u>		<u>29,924,825</u>	<u>28,074,413</u>	
Fair value adjustments		17,324			(670,944)	
Less debt issuance costs		<u>11,220</u>			<u>7,057</u>	
		<u>33,199,021</u>			<u>27,396,412</u>	

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A summary of the bonds issued, by remaining maturities at original exchange rate, follows:

	December 31, 2025	December 31, 2024
No maturities	500,000	-
Less than one year	5,493,860	5,213,782
Between one and two years	4,610,272	5,493,209
Between two and three years	5,666,610	4,608,073
Between three and four years	4,022,509	4,377,320
Between four and five years	5,900,512	3,954,230
Over five years	6,701,951	6,278,211
	32,895,714	29,924,825

As of December 31, 2025 and 2024, fixed interest rate bonds amounted to US\$ 32,564,608 and US\$ 29,624,973, respectively, of which US\$ 21,661,285 and US\$ 20,586,650, respectively, are denominated in currencies other than U.S. dollar.

As part of its balance sheet optimization strategy, in September 2025, CAF issued a bond with characteristics of a hybrid debt instrument, aimed at strengthening its capital base and increasing its lending capacity. CAF issued a US\$ 500 million perpetual subordinated hybrid debt note with a 6.75% coupon, callable after 5.5 years and every five years thereafter at CAF's discretion or under specific events, such as rating methodology change or at any time pursuant to a substantial repurchase event, understanding the latter as the purchase and cancellation of more than seventy-five percent (75%) of the principal amount of the notes originally issued by or on behalf of CAF. The bond has a coupon, which CAF may, at its sole discretion, declare and pay, cancel, or defer indefinitely. It also contains a feature requiring CAF to permanently reduce the principal amount of the notes to zero, cancelling any accrued and unpaid interest (permanent write-down feature), triggered upon the occurrence of certain financial indicators included in the bond's Term Sheet. The exercise of this write-down feature, as well as the cancellation or indefinite deferral of interest, does not constitute an event of default.

Bond's investors are exposed to residual risk. CAF has no contractual obligation to repay the principal or coupon on the hybrid debt; any such repayment is entirely at the CAF's sole discretion.

There were no bonds repurchased during the years ended December 31, 2025 and 2024.

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13. ACCRUED EXPENSES AND OTHER LIABILITIES

A summary of accrued expenses and other liabilities follows:

	December 31, 2025	December 31, 2024
Derivative-related collateral	765,728	89,749
Employees' severance benefits and savings plan	121,909	110,008
EEA Guarantee stand ready to perform (Note 6)	34,272	-
Payable for investment securities purchased	24,912	34,314
Contributions to Shareholders' Special Funds (Note 22)	16,765	-
Provision for contingencies (Note 6)	9,339	6,230
Other	12,946	14,781
	<u>985,871</u>	<u>255,082</u>

14. PENSION PLAN

As of December 31, 2025 and 2024, the Plan has 800 and 754 participants and active employees, respectively. The date used to determine pension Plan benefit obligation is December 31 of each year.

For the years ended December 31, 2025 and 2024, a reconciliation of beginning and ending balances of the benefit obligation follows:

	2025	2024
Benefit obligation at beginning of year	54,349	48,647
Service cost	4,156	4,078
Interest cost	2,154	1,931
Plan participants' contributions	3,012	2,901
Actuarial gain	(1,145)	(1,141)
Benefit paid	<u>(1,689)</u>	<u>(2,067)</u>
Benefit obligation at the end of year	<u>60,837</u>	<u>54,349</u>

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For the years ended December 31, 2025 and 2024, a reconciliation of beginning and ending balances of the fair value of Plan assets follows:

	<u>2025</u>	<u>2024</u>
Fair value of plan assets at beginning of year	54,673	48,965
Actual return on Plan assets	1,959	1,835
Contributions	6,173	5,940
Benefit paid	(1,689)	(2,067)
Fair value of Plan assets at end of year	<u>61,116</u>	<u>54,673</u>

Plan assets are as follows:

	<u>December, 31</u>	
	<u>2025</u>	<u>2024</u>
Marketable securities	<u>61,116</u>	<u>54,673</u>

The table below summarizes the component of the amount of net benefit cost recognized for the years ended December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Service cost	4,156	4,078
Interest cost	2,154	1,931
Expected return on plan assets	(2,167)	(1,944)
	<u>4,143</u>	<u>4,065</u>

A summary of the net projected cost for the year ended December 31, 2026 follows:

Service cost	4,322
Interest cost	2,405
Expected return on plan assets	(2,416)
	<u>4,311</u>

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A summary of the benefits that are expected to be paid for the next years follows:

2026	1,425
2027	1,968
2028	1,877
2029	2,971
2030	2,151
2031-2035	16,537

Weighted-average assumptions used to determine net benefit cost of the Plan as of December 31, 2025 and 2024 follows:

	2025	2024
Discount rate	4.00%	4.00%
Expected long-term nominal rate return on Plan assets	4.00%	4.00%
Salary increases rate	3.00%	3.00%

15. SHAREHOLDERS' EQUITY

Authorized capital

The authorized capital of CAF as of December 31, 2025 and 2024 amounts to US\$ 25,000,000, of which US\$ 18,000,000 is ordinary capital shares and US\$ 7,000,000 is callable capital shares, distributed among Series "A", "B" and "C" shares.

Additional paid-in capital

The additional paid-in capital is the amount paid by Series "B" and Series "C" shareholders in excess of the par value. The additional paid-in capital of CAF as of December 31, 2025 and 2024 amounts to US\$ 5,484,730 and US\$ 4,796,340, respectively.

Subscribed callable capital

In addition to subscribed paid-in and un-paid capital, shareholders have subscribed to callable capital totaling US\$ 1,891,660 and US\$ 1,819,660 as of December 31, 2025 and 2024, respectively. Callable capital (comprised of Series "B" and Series "C" callable capital shares) may be called by the Board of Directors to meet obligations only to the extent that CAF is unable to meet such obligations with his own resources.

The Constitutive Agreement provides that the obligation of shareholders to pay for the shares of callable capital, upon demand by the Board of Directors, continues until such callable capital is paid in full. Thus, we consider the obligations of shareholder countries to pay for their respective callable capital subscriptions to be binding obligations backed by the full faith and credit of their respective governments.

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Shares

CAF's Shares are divided into Series "A" Shares, Series "B" Shares and Series "C" Shares.

- (i) Series "A" shares may be owned only by the Member Countries. The term "Member Country" is defined in Article 3 of CAF's General Regulations as any shareholder country that, is either: i) a signatory to the Constitutive Agreement; or ii) a Latin America or the Caribbean country that has adhered to it. As of the date hereof, the Member Countries are the Argentine Republic, the Plurinational State of Bolivia, the Republic of Chile, the Republic of Colombia, the Republic of Costa Rica, Dominican Republic, Republic of Ecuador, Republic of El Salvador, Republic of Honduras, Republic of Panama, Republic of Paraguay, Republic of Peru, Republic of Trinidad and Tobago, the Federative Republic of Brazil, the Oriental Republic of Uruguay, and the Bolivarian Republic of Venezuela. Each Member Country owns one Series "A" share, which is held by the government, either directly or through a government-designated social or public purpose institution. Each of the Member Countries owning a Series "A" share is entitled to elect one (1) Director and one (1) Alternate Director to the Board of Directors. The par value of the Series "A" Shares is one thousand two hundred US Dollars (US\$ 1,200).
- (ii) Series "B" shares are currently owned by the Member Countries and are held by the governments either directly or through designated governmental entities, except for certain Series "B" shares currently constituting approximately 0.05% of the outstanding shares, which are owned by thirteen (13) private sector financial institutions in the Member Countries. As owners of Series "B" shares, the funding Member Countries are entitled to elect one (1) additional Director and one (1) additional Alternate Director and the thirteen (13) private sector financial institutions collectively are entitled to elect one (1) Director and one (1) Alternate Director. The funding Member Countries are the Plurinational State of Bolivia, the Republic of Colombia, the Republic of Ecuador, the Republic of Peru, and the Bolivarian Republic of Venezuela. The nominal value of the Series "B" Shares is five US Dollars (US\$ 5).
- (iii) Series "C" shares are available for subscription by persons and legal entities outside the Member Countries, these are public, semipublic, or private institutions that are not national of the countries that has not subscribed or ratified the Constitutive Agreement, and also by international organizations to strengthen relationships between these countries and the Member Countries. Series "C" shares are currently owned by eight (8) associated shareholder countries: Antigua and Barbuda, Commonwealth of the Bahamas, Barbados, Grenada, Jamaica, United Mexican States, Portuguese Republic and Kingdom of Spain. Holders of Series "C" shares collectively are entitled to elect two (2) Directors and two (2) Alternate Directors, and up to two (2) additional Directors with their respective two (2) Alternate Directors if additional new Series "C" Shares are subscribed and paid beyond certain threshold. In order for an additional director to be elected by the Series "C" shareholders, the subscription and payment for new Series "C" shares must represent an increase of one point five percent (1.5%) of CAF's subscribed and paid-in capital equity in comparison with the total subscribed and paid-in capital at the end of the most recently completed fiscal year. The par value of the Series "C" Shares is five US Dollars (US\$ 5).

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A summary of the changes in subscribed and paid-in capital for the years ended December 31, 2025 and 2024 follows:

	Number of Shares			Nominal Amounts			Total
	Series "A"	Series "B"	Series "C"	Series "A"	Series "B"	Series "C"	
As of December 31, 2023	15	1,030,920	85,142	18,000	5,154,600	425,710	5,598,310
Issued for cash	1	52,105	13,647	1,200	260,525	68,235	329,960
Shares' repurchase	-	(20,544)	-	-	(102,720)	-	(102,720)
Share transfer	-	11,038	(11,038)	-	55,190	(55,190)	-
As of December 31, 2024	16	1,073,519	87,751	19,200	5,367,595	438,755	5,825,550
Issued for cash	-	65,329	9,496	-	326,645	47,480	374,125
As of December 31, 2025	16	1,138,848	97,247	19,200	5,694,240	486,235	6,199,675

Subscribed and paid-in capital as of December 31, 2025 is as follows:

	Number of Shares			Nominal Amounts			Total
	Series "A"	Series "B"	Series "C"	Series "A"	Series "B"	Series "C"	
Shareholder:							
Argentina	1	145,588	-	1,200	727,940	-	729,140
Bolivia	1	70,753	-	1,200	353,765	-	354,965
Brazil	1	126,201	-	1,200	631,005	-	632,205
Chile	1	29,200	-	1,200	146,000	-	147,200
Colombia	1	225,486	-	1,200	1,127,430	-	1,128,630
Costa Rica	1	19,679	-	1,200	98,395	-	99,595
Dominican Republic	1	24,432	-	1,200	122,160	-	123,360
Ecuador	1	73,527	-	1,200	367,635	-	368,835
El Salvador	1	18,512	-	1,200	92,560	-	93,760
Honduras	1	9,241	-	1,200	46,205	-	47,405
Panama	1	46,186	-	1,200	230,930	-	232,130
Paraguay	1	44,487	-	1,200	222,435	-	223,635
Peru	1	226,343	-	1,200	1,131,715	-	1,132,915
Trinidad and Tobago	1	35,341	-	1,200	176,705	-	177,905
Uruguay	1	43,210	-	1,200	216,050	-	217,250
Venezuela	1	105	-	1,200	525	-	1,725
Antigua and Barbuda	-	-	1,056	-	-	5,280	5,280
Bahamas	-	-	3,521	-	-	17,605	17,605
Barbados	-	-	8,316	-	-	41,580	41,580
Grenada	-	-	211	-	-	1,055	1,055
Jamaica	-	-	182	-	-	910	910
Mexico	-	-	15,367	-	-	76,835	76,835
Portugal	-	-	1,920	-	-	9,600	9,600
Spain	-	-	66,674	-	-	333,370	333,370
Commercial banks	-	557	-	-	2,785	-	2,785
	16	1,138,848	97,247	19,200	5,694,240	486,235	6,199,675

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As of December 31, 2025, the detail of unpaid subscribed capital and of subscribed callable capital is presented below:

	Capital subscriptions receivable				Capital portion			
	Series "B"		Series "C"		Series "B"		Series "C"	
	Number of shares	Nominal Amount	Number of shares	Nominal Amount	Number of shares	Nominal Amount	Number of shares	Nominal Amount
Shareholder:								
Argentina	42,816	214,080	-	-	25,200	126,000	-	-
Bolivia	13,002	65,010	-	-	14,400	72,000	-	-
Brazil	1,942	9,710	-	-	25,200	126,000	-	-
Chile	79,000	395,000	-	-	25,200	126,000	-	-
Colombia	47,795	238,975	-	-	50,400	252,000	-	-
Costa Rica	12,718	63,590	-	-	7,200	36,000	-	-
Dominican Republic	7,965	39,825	-	-	7,200	36,000	-	-
Ecuador	10,549	52,745	-	-	14,400	72,000	-	-
El Salvador	13,885	69,425	-	-	7,200	36,000	-	-
Honduras	23,156	115,780	-	-	7,200	36,000	-	-
Panama	13,002	65,010	-	-	7,200	36,000	-	-
Paraguay	14,221	71,105	-	-	7,200	36,000	-	-
Peru	47,372	236,860	-	-	50,400	252,000	-	-
Trinidad and Tobago	20,458	102,290	-	-	7,200	36,000	-	-
Uruguay	17,211	86,055	-	-	7,200	36,000	-	-
Venezuela	48,156	240,780	-	-	50,400	252,000	-	-
Barbados	-	-	33,562	167,810	-	-	7,200	36,000
Grenada	-	-	141	705	-	-	-	-
Mexico	-	-	-	-	-	-	1,600	8,000
Portugal	-	-	-	-	-	-	16,332	81,660
Spain	-	-	6,533	32,665	-	-	40,000	200,000
Commercial banks	31	155	-	-	-	-	-	-
	<u>413,279</u>	<u>2,066,395</u>	<u>40,236</u>	<u>201,180</u>	<u>313,200</u>	<u>1,566,000</u>	<u>65,132</u>	<u>325,660</u>

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Subscribed and paid-in capital as of December 31, 2024 is as follows:

	Number of Shares			Nominal Amounts			Total
	Series "A"	Series "B"	Series "C"	Series "A"	Series "B"	Series "C"	
Shareholder:							
Argentina	1	138,732	-	1,200	693,660	-	694,860
Bolivia	1	66,555	-	1,200	332,775	-	333,975
Brazil	1	120,887	-	1,200	604,435	-	605,635
Chile	1	22,018	-	1,200	110,090	-	111,290
Colombia	1	217,599	-	1,200	1,087,995	-	1,089,195
Costa Rica	1	15,439	-	1,200	77,195	-	78,395
Dominican Republic	1	20,699	-	1,200	103,495	-	104,695
Ecuador	1	71,987	-	1,200	359,935	-	361,135
El Salvador	1	13,884	-	1,200	69,420	-	70,620
Honduras	1	5,649	-	1,200	28,245	-	29,445
Panama	1	41,988	-	1,200	209,940	-	211,140
Paraguay	1	42,117	-	1,200	210,585	-	211,785
Peru	1	221,061	-	1,200	1,105,305	-	1,106,505
Trinidad and Tobago	1	32,789	-	1,200	163,945	-	165,145
Uruguay	1	41,460	-	1,200	207,300	-	208,500
Venezuela	1	105	-	1,200	525	-	1,725
Barbados	-	-	5,870	-	-	29,350	29,350
Bahamas	-	-	1,761	-	-	8,805	8,805
Jamaica	-	-	182	-	-	910	910
Mexico	-	-	15,367	-	-	76,835	76,835
Portugal	-	-	1,920	-	-	9,600	9,600
Spain	-	-	62,651	-	-	313,255	313,255
Commercial banks	-	550	-	-	2,750	-	2,750
	<u>16</u>	<u>1,073,519</u>	<u>87,751</u>	<u>19,200</u>	<u>5,367,595</u>	<u>438,755</u>	<u>5,825,550</u>

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As of December 31, 2024, the details of unpaid subscribed capital and subscribed callable capital is presented below:

	Capital subscriptions receivable				Capital portion			
	Series "B"		Series "C"		Series "B"		Series "C"	
	Number of shares	Nominal Amount	Number of shares	Nominal Amount	Number of shares	Nominal Amount	Number of shares	Nominal Amount
Shareholder:								
Argentina	49,672	248,360	-	-	25,200	126,000	-	-
Bolivia	17,200	86,000	-	-	14,400	72,000	-	-
Brazil	7,256	36,280	-	-	25,200	126,000	-	-
Chile	86,182	430,910	-	-	25,200	126,000	-	-
Colombia	55,682	278,410	-	-	50,400	252,000	-	-
Costa Rica	16,958	84,790	-	-	-	-	-	-
Dominican Republic	11,698	58,490	-	-	7,200	36,000	-	-
Ecuador	12,089	60,445	-	-	14,400	72,000	-	-
El Salvador	18,513	92,565	-	-	7,200	36,000	-	-
Honduras	26,748	133,740	-	-	7,200	36,000	-	-
Panama	17,200	86,000	-	-	7,200	36,000	-	-
Paraguay	16,591	82,955	-	-	7,200	36,000	-	-
Peru	52,654	263,270	-	-	50,400	252,000	-	-
Trinidad and Tobago	23,010	115,050	-	-	7,200	36,000	-	-
Venezuela	48,156	240,780	-	-	50,400	252,000	-	-
Uruguay	-	-	-	-	7,200	36,000	-	-
Bahamas	-	-	1,760	8,800	-	-	-	-
Barbados	-	-	1,174	5,870	-	-	-	-
Mexico	-	-	-	-	-	-	1,600	8,000
Portugal	-	-	-	-	-	-	16,332	81,660
Spain	-	-	10,556	52,780	-	-	40,000	200,000
Commercial banks	38	190	-	-	-	-	-	-
	<u>459,647</u>	<u>2,298,235</u>	<u>13,490</u>	<u>67,450</u>	<u>306,000</u>	<u>1,530,000</u>	<u>57,932</u>	<u>289,660</u>

General Reserve

CAF maintains a general reserve approved by the Shareholders' Assembly, which is considered an equity reserve. Shareholders approved the increase in the general reserve by US\$ 554,500 and US\$ 728,548 during the years ended December 31, 2025 and 2024, through appropriations from net income for the years ended December 31, 2024 and 2023, respectively.

Reserve Pursuant to Article N° 42 of the Constitutive Agreement

CAF's Constitutive Agreement states that at least 10% of annual net income should be appropriated into a reserve fund until that reserve fund amounts to 50% of the subscribed capital. That reserve fund is considered an equity reserve. Additional appropriation may be approved by the shareholders. The Shareholders' Assembly held in March 2025 and 2024, authorized an increase in the reserve fund for US\$ 62,000 and US\$ 81,500, through an appropriation from net income for the years ended December 31, 2024 and 2023, respectively.

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16. TAX EXEMPTIONS

Pursuant to its Constitutive Agreement, CAF is exempt, in all of its Member Countries, from all taxes and tariffs on income, properties or assets, and from any liability involving payment, withholding or collection of any taxes.

In addition, CAF has entered into immunities, exceptions and privileges agreements with each of the Shareholder Countries (defined in Article 3 of CAF's General Regulations as any Shareholder Country holding directly or indirectly shares of CAF). Pursuant to these agreements, each Shareholder Country has agreed to extend to CAF, with respect to its activities in and concerning that country, the immunities and privileges granted to CAF as provided in the Constitutive Agreement.

17. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

CAF utilizes derivative financial instruments to reduce exposure to interest rate risk, price risk and foreign currency risk. CAF does not hold or issue derivative financial instruments for trading or speculative purposes.

The market risk associated with interest rate and foreign currency is managed by swapping marketable securities - trading, loans, deposits, borrowings from other financial institutions and bonds, subject to fixed interest rates and denominated in currency other than the U.S. dollar into floating interest rate instruments denominated in U.S. dollars. CAF enters into derivative financial instruments to offset the economic changes in value of specifically identified marketable securities – trading, loans, deposits, borrowings from other financial institutions and bonds.

Derivative financial instruments held by CAF consist of interest rate swaps designated as fair value hedges of specifically identified loans, bonds or borrowings from other financial institutions with fixed interest rates and denominated in U.S. dollars. Also, CAF enters into cross-currency and interest rate swaps as an economic hedge (derivative that is entered into to manage a risk but is not accounted as a hedge) for interest rate and foreign exchange risks related with deposits, bonds, borrowings or loans denominated in currencies other than the U.S. dollar where CAF's management elected to measure those liabilities and assets at fair value under the fair value option guidance in order to mitigate volatility in CAF's financial statements, considering that both the financial instruments and the associated hedging instruments are held until maturity.

When the fair value of a derivative financial instrument is positive, the counterparty owes CAF, creating credit risk for CAF. When the fair value of a derivative financial instrument is negative, CAF owes the counterparty and, therefore, it does not have credit risk. CAF minimizes the credit risk in derivative financial instruments by entering into transactions with high-quality counterparties whose credit rating is "A" or higher.

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In order to reduce the credit risk in derivative financial instruments, CAF enters into credit support agreements with its major swap counterparties. This provides risk mitigation, as the swap contracts are regularly marked-to-market, and the party being the net obligor is required to post collateral when net mark-to-market exposure exceeds certain predetermined thresholds. This collateral is in the form of cash.

CAF does not offset for each counterparty, the fair value amount recognized for derivative financial instruments with the fair value amount recognized for the collateral, whether posted or received, under master netting arrangements executed with the same counterparty. CAF reports separately the cumulative gross amounts for the receivable from and payable to for derivative financial instruments.

CAF also utilizes U.S. treasury futures to reduce exposure to price risk. These are contracts for delayed delivery of U.S. treasury notes in which the seller agrees to make delivery at a specified future date of a specified instrument at a specified price or yield. Initial margin requirements are met with cash or securities. CAF generally closes out open positions prior to maturity. Therefore, cash receipts or payments are limited to the change in fair value of the U.S. treasury futures. Additionally, CAF utilizes cross-currency forward contracts to reduce exposure to foreign currency risk.

The balance sheet details related to CAF's derivative financial instruments are as follows:

	Derivative assets		Derivative liabilities	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Cross-currency swap	1,340,152	209,657	1,356,226	2,707,319
Interest rate swap	351,096	323,324	94,502	228,970
U.S. treasury futures	237	483	41	171
Cross-currency forward contracts	34	1,993	26	22
	<u>1,691,519</u>	<u>535,457</u>	<u>1,450,795</u>	<u>2,936,482</u>

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The following table presents the notional amount and fair values of interest rate swaps and cross-currency swaps and the underlying hedged items:

	Notional amount		Fair value	
	Interest rate swap	Cross-currency swap	Derivative assets	Derivative liabilities
As of December 31, 2025:				
Loans	2,018,773	-	214,349	3,328
Loans	-	1,684,965	25,655	111,451
Deposits	-	108,594	5,957	-
Borrowings from other financial institutions	-	484,361	19,021	18,866
Borrowings from other financial institutions	6,667	-	-	59
Bonds	-	21,609,775	1,289,519	1,225,909
Bonds	11,098,323	-	136,747	91,115
	<u>13,123,763</u>	<u>23,887,695</u>	<u>1,691,248</u>	<u>1,450,728</u>
	Notional amount		Fair value	
	Interest rate swap	Cross-currency swap	Derivative assets	Derivative Liabilities
As of December 31, 2024:				
Loans	2,118,906	-	294,081	-
Loans	-	1,114,141	53,676	18,572
Borrowings from other financial institutions	-	573,765	-	75,608
Borrowings from other financial institutions	41,053	-	-	946
Bonds	-	20,533,438	155,981	2,613,139
Bonds	9,233,323	-	29,243	228,024
	<u>11,393,282</u>	<u>22,221,344</u>	<u>532,981</u>	<u>2,936,289</u>

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The following table presents the notional amount and fair values of U.S. treasury futures and cross-currency forward contracts:

As of December 31, 2025

	<u>Start date</u>	<u>Termination date</u>	<u>Contract Currency</u>	<u>Notional amount</u>	<u>Fair value Derivative assets</u>
Cross-currency Forwards	Various	Various	Various	14,013	34
Futures Short	Various	Until March 2026	US\$	70,500	224
Futures Long	Various	Until March 2026	US\$	54,000	13

	<u>Start date</u>	<u>Termination date</u>	<u>Contract Currency</u>	<u>Notional amount</u>	<u>Fair value Derivative liabilities</u>
Futures Long	Various	Until March 2026	US\$	144,200	(41)
Cross-currency Forwards	Various	Various	Various	4,074	(26)

As of December 31, 2024

	<u>Start date</u>	<u>Termination date</u>	<u>Contract Currency</u>	<u>Notional amount</u>	<u>Fair value Derivative assets</u>
Futures short	Various	Until March 2025	Various	58,152	453
Futures long	Various	Until March 2025	US\$	66,600	30
Forward contracts	Various	Various	Various	96,303	1,993

	<u>Start date</u>	<u>Termination date</u>	<u>Contract Currency</u>	<u>Notional amount</u>	<u>Fair value Derivative liabilities</u>
Futures long	Various	Until March 2025	Various	168,128	(171)
Forward contracts	Various	Various	Various	2,739	(22)

The amounts of collateral posted related to U.S. treasury futures as of December 31, 2025 and 2024 were US\$ 612 and US\$ 1,414, respectively. As of December 31, 2025 and 2024, the amount of collateral received related to U.S. treasury futures was US\$ 98 and US\$ 129, respectively.

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CAF enters into International Swaps and Derivatives Association, Inc. (ISDA) master netting arrangements with all of its derivative counterparties. These legally enforceable master netting arrangements give CAF the right to take cash or liquidate securities held as collateral and to offset receivables and payables with the same counterparty, in the event of default by the counterparty. The following tables present information about the effect of offsetting of derivative financial instruments, although CAF has elected not to offset any derivative financial instruments by counterparty in the balance sheet:

As of December 31, 2025

Derivative assets

Description	Gross amounts of recognized assets	Gross amounts not offset in the balance sheet		Net amount
		Financial instruments	Cash and securities collateral received	
Swaps	1,691,248	(909,990)	(765,630)	15,628

Derivative liabilities

Description	Gross amounts of recognized liabilities	Gross amounts not offset in the balance sheet		Net amount
		Financial instruments	Cash and securities collateral pledged	
Swaps	(1,450,728)	909,990	1,322,200	781,462

As of December 31, 2024

Derivative assets

Description	Gross amounts of recognized assets	Gross amounts not offset in the balance sheet		Net amount
		Financial instruments	Cash and securities collateral received	
Swaps	532,981	(435,335)	(89,620)	8,026

Derivative liabilities

Description	Gross amounts of recognized liabilities	Gross amounts not offset in the balance sheet		Net amount
		Financial instruments	Cash and securities collateral pledged	
Swaps	(2,936,289)	435,335	2,535,645	34,691

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18. FAIR VALUE MEASUREMENTS

The following section describes the valuation methodologies used by CAF to measure various financial instruments at fair value, including an indication of the level in the fair value hierarchy in which each financial instrument is classified. Where appropriate, the description includes details of the valuation methodologies and the key inputs to those methodologies.

When available, CAF generally uses quoted prices in active markets to determine fair value.

If quoted market prices in active markets are not available, fair value is based upon internally developed valuation methodologies that use, where possible, current market-based or independently sourced market inputs, such as interest rates, currency rates, etc.

Where available, CAF may also make use of quoted prices in active markets for recent trading activity in positions with the same or similar characteristics to the financial instrument being valued. The frequency and size of trading activity and the amount of the bid-ask spread are among the factors considered in determining the liquidity of markets and the relevance of observed quoted prices from those markets.

The following valuation methodologies are used to estimate the fair value and determine the classification in the fair value hierarchy of CAF's financial instruments:

- *Marketable securities - trading:* CAF uses unadjusted quoted prices in active markets to determine the fair value of marketable securities classified as Level 1; quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or pricing models with observable inputs for the term of the marketable securities classified as Level 2. These securities are classified in Level 1 and Level 2 of the fair value hierarchy.
- *Loans:* The fair value of fixed rate loans is determined using a discounted cash flow technique using the current variable interest rate for similar loans. These loans are classified in Level 2 of the fair value hierarchy.
- *Derivative assets and liabilities:* The fair value is calculated using market prices provided by an independent financial information services company, which are determined using discounted cash flow valuation technique using observable inputs. Derivative assets and liabilities are classified in Level 2 of the fair value hierarchy.
- *Bonds, borrowings from other financial institutions and deposits:* For CAF's bonds issued and medium and long term borrowings from other financial institutions and deposits, fair value is determined by using a discounted cash flow technique, taking into consideration benchmark interest yield curves at the end of the reporting period to discount the expected cash flows for the applicable maturity, thus reflecting market fluctuations of key variables such as interest and exchange rates. These yield curves are adjusted to incorporate CAF credit risk spread. Bonds, borrowings from other financial institutions and deposits are generally classified in Level 2 of the fair value hierarchy based on the observability of significant inputs to the discounted cash flow valuation technique.

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Items Measured at Fair Value on a Recurring Basis

The following tables present for each of the fair value hierarchy levels CAF's financial assets and liabilities that are measured at fair value on a recurring basis:

As of December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Marketable Securities:				
U.S. securities	6,078,910	-	-	6,078,910
Non-U.S. governments and government entities bonds	225,960	-	-	225,960
Financial institutions and corporate securities:				
Commercial papers	-	1,167,348	-	1,167,348
Certificate of deposits	1,911,157	-	-	1,911,157
Bonds	2,313,528	-	-	2,313,528
Collateralized mortgage obligations	500,612	787	-	501,399
Liquidity funds	338,594	-	-	338,594
Exchange-traded fund	110,370	-	-	110,370
	5,174,261	1,168,135	-	6,342,396
Sub-total financial assets at fair value	11,479,131	1,168,135	-	12,647,266
Loans	-	3,739,293	-	3,739,293
Derivative instruments:				
Cross-currency swap	-	1,340,152	-	1,340,152
Interest rate swap	-	351,096	-	351,096
U.S treasury futures	-	237	-	237
Corss-currency forward contracts	-	34	-	34
	-	1,691,519	-	1,691,519
Total financial assets at fair value	11,479,131	6,598,947	-	18,078,078
Liabilities:				
Deposits	-	116,683	-	116,683
Borrowings from other financial institutions	-	503,070	-	503,070
Bonds	-	33,021,958	-	33,021,958
Derivative instruments:				
Cross-currency swap	-	1,356,226	-	1,356,226
Interest rate swap	-	94,502	-	94,502
U.S treasury futures	-	41	-	41
Cross-currency forward contracts	-	26	-	26
	-	1,450,795	-	1,450,795
Total financial liabilities at fair value	-	35,092,506	-	35,092,506

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As of December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Marketable Securities:				
U.S. securities	5,916,834	-	-	5,916,834
Non-U.S. governments and government entities bonds	200,281	124,614	-	324,895
Financial institutions and corporate securities:				
Commercial papers	-	2,417,869	-	2,417,869
Certificate of deposits	1,995,211	-	-	1,995,211
Bonds	2,197,129	-	-	2,197,129
Collateralized mortgage obligation	407,921	1,424	-	409,345
Liquidity funds	307,422	-	-	307,422
Exchange-traded funds	104,011	-	-	104,011
	<u>5,011,694</u>	<u>2,419,293</u>	<u>-</u>	<u>7,430,987</u>
Sub-total financial assets at fair value	<u>11,128,809</u>	<u>2,543,907</u>	<u>-</u>	<u>13,672,716</u>
Loans	<u>-</u>	<u>3,003,195</u>	<u>-</u>	<u>3,003,195</u>
Derivative financial instruments:				
Cross-currency swaps	-	209,657	-	209,657
Interest rate swaps	-	323,324	-	323,324
U.S treasury futures	-	483	-	483
Cross-currency forward contracts	-	1,993	-	1,993
	<u>-</u>	<u>535,457</u>	<u>-</u>	<u>535,457</u>
Total financial assets at fair value	<u>11,128,809</u>	<u>6,082,559</u>	<u>-</u>	<u>17,211,368</u>
Liabilities:				
Borrowings from other financial institutions	-	562,522	-	562,522
Bonds	-	27,250,667	-	27,250,667
Derivative financial instruments:				
Cross-currency swaps	-	2,707,319	-	2,707,319
Interest rate swaps	-	228,970	-	228,970
U.S treasury futures	-	171	-	171
Cross-currency forward contracts	-	22	-	22
	<u>-</u>	<u>2,936,482</u>	<u>-</u>	<u>2,936,482</u>
Total financial liabilities at fair value	<u>-</u>	<u>30,749,671</u>	<u>-</u>	<u>30,749,671</u>

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Items that are not measured at fair value

The carrying amount and estimated fair values of CAF's financial instruments that are not recognized in the balance sheets at fair value are as follows:

Items that are not measured at fair value

		December 31, 2025		December 31, 2024	
	Hierarchy Levels	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Financial assets:					
Cash and due from banks	1	87,152	87,152	233,196	233,196
Deposits with banks	1	5,229,772	5,229,772	3,369,941	3,369,941
Other investments:					
Bank deposits	1	3,516,144	3,516,144	712,598	712,598
Special Drawing Rights	2	167,646	167,646	161,194	161,194
Loans, net	2	34,304,761	34,305,973	30,572,479	30,571,648
Accrued interest and commissions receivable	2	1,235,893	1,235,893	1,007,802	1,007,802
Derivate related collateral	1	1,323,369	1,323,369	2,537,059	2,537,059
Receivable from investment securities sold	1	16,930	16,930	30,842	30,842
Financial liabilities:					
Deposits	2	4,076,979	4,076,979	3,497,338	3,497,338
Commercial papers	2	3,854,478	3,854,478	3,249,108	3,249,108
Borrowings from other financial institutions, net	2	1,640,134	1,640,524	1,562,025	1,559,670
Bonds, net	2	177,063	178,504	145,745	151,544
Accrued interest payable	2	1,212,723	1,212,723	1,011,611	1,011,611
Derivate related collateral	1	765,728	765,728	89,749	89,749
Payable for investment securities purchased	1	24,912	24,912	34,314	34,314

The following methods and assumptions were used to estimate the fair value of those financial instruments not accounted for at fair value on recurring basis:

- *Cash and due from banks, deposits with banks, other investments* – Deposits with banks due more than 90 days, accrued interest and commissions receivable, deposits, commercial papers, accrued interest payable, derivative-related collateral, receivable from investment securities sold and payable for marketable securities purchased: The carrying amounts approximate fair value because of the short maturity of these instruments.

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- *Other investments – Special drawing rights:* The carrying amount approximates fair value because this asset is based on a basket of five international currencies (the U.S. dollar, the Euro, the Chinese renminbi, the Japanese yen, and the British pound sterling) reviewed and published by the IMF.
- *Loans:* CAF is one of the few institutions that grant loans for development projects in the shareholder countries. A secondary market does not exist for the type of loans granted by CAF. As rates on variable rate loans are reset on a semiannual basis, the carrying value, adjusted for credit risk, was determined to be the best estimate of fair value. The fair value of fixed rate loans is determined by using the current variable interest rate for similar loans. The fair value of non-accrual status loans is estimated using the discounted cash flow technique.
- *Equity investments:* The direct investments in equity securities of companies without a readily determinable fair values are measured at cost, less impairment plus or minus observable price changes of an identical or similar instrument of the same issuer. As of December 31, 2025 and 2024, the carrying amount of those investments amounted to US\$ 107,867 and US\$ 108,168, respectively. In addition, as of December 31, 2025 and 2024, investments in funds without a readily determinable fair value, with carrying amount of US\$ 255,953 and US\$ 222,547, respectively, and the net effects of impairment and the changes in fair value related to equity investment for the years ended December 31, 2025 and 2024 amounted to US\$ (6,957) and US\$ (22,405), respectively, are accounted for at fair value applying the practical expedient, using the net asset value per share. These financial instruments are generally classified in level 3 of the fair value hierarchy based on the observability of significant inputs to the valuation methodology (these instruments are not disclosed in the table above).
- *Bonds and borrowings from other financial institutions:* For CAF's bonds issued and medium and long term borrowings, fair value is determined using a discounted cash flow technique, taking into consideration yield curves to discount the expected cash flows for the applicable maturity, thus reflecting the fluctuation of variables such as interest and exchange rates. These yield curves are adjusted to incorporate CAF credit risk spread. Those financial instrument are generally classified in Level 2 of the fair value hierarchy based on the observability of significant inputs to the valuation methodology.

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19. UNREALIZED CHANGES IN FAIR VALUE RELATED TO OTHER FINANCIAL INSTRUMENTS

Changes in fair value of cross-currency swaps, financial assets and liabilities carried at fair value under the fair value option are as follows:

	Year ended December 31, 2025		
	Gain (loss) on derivatives	Gain (loss) on hedged item	Net Gain (loss)
Cross-currency swaps:			
Deposits	5,957	(8,089)	(2,132)
Bonds	2,520,766	(2,585,543)	(64,777)
Loans	(120,899)	178,018	57,119
Borrowings from other financial institutions	75,764	(63,450)	12,314
	<u>2,481,588</u>	<u>(2,479,064)</u>	<u>2,524</u>

	Year ended December 31, 2024		
	Gain (loss) on derivatives	Gain (loss) on hedged item	Net Gain (loss)
Cross-currency swaps:			
Bonds	(1,060,834)	1,040,314	(20,520)
Loans	71,330	(28,268)	43,062
Borrowings from other financial institutions	(16,153)	(22,977)	(39,130)
	<u>(1,005,657)</u>	<u>989,069</u>	<u>(16,588)</u>

In addition, for the years ended December 31, 2025 and 2024, CAF recorded net losses of US\$ 16,428 and gains of US\$ 16,990 , respectively, related to changes in fair value of U.S. treasury futures and U.S. treasury forwards and changes in fair value of the U.S. Treasury Notes.

20. COMMITMENTS AND CONTINGENCIES

Commitments and contingencies include the following:

	December 31, 2025	December 31, 2024
Loan commitments subscribed – eligible	5,899,624	6,028,158
Lines of credit	5,574,473	5,338,813
Loan commitments subscribed – non eligible	1,825,018	1,989,933
Equity investments agreements subscribed	167,046	187,266
Guarantees	261,021	273,450
EEA Guarantees (Note 6)	700,000	-

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These commitments and contingencies arose from the normal course of CAF's business and are related principally to loans that have been approved or committed for disbursement.

In the ordinary course of business, CAF has entered into commitments to extend loans; such loan commitments are reported in the above table upon signing the corresponding loan agreement and are reported as loans in the balance sheets when disbursements are made. Loan commitments that have fulfilled the necessary requirements for disbursement are classified as eligible.

The commitments to extend loans have fixed expiration dates and in some cases expire without a loan being disbursed. Therefore, the amounts of total commitment to extend loans do not necessarily represent future cash requirements. Also, based on experience, portions of the loan commitments are disbursed on average two years after the signing of the loan agreement.

The lines of credit are extended to financial and corporate institutions as a facility to grant short term loans basically to finance working capital and international trade activities.

Guarantees (including EEA guarantees) mature as follows:

	December 31, 2025	December 31, 2024
Less than one year	1,397	16,564
Between one and five years	26,522	12,304
Over five years	933,102	244,582
	<u>961,021</u>	<u>273,450</u>

To the best knowledge of CAF's management, CAF is not involved in any litigation that is material to CAF's business or that is likely to have any material impact on its business, financial condition or results of operations.

21. ADMINISTRATIVE EXPENSES

For the years ended December 31, 2025 and 2024, the details of administrative expenses are as follows:

	2025	2024
Salaries and employee benefit	133,187	131,436
Management and representation expenses	46,333	38,592
Telecommunications and technology	23,517	21,580
Depreciation and amortization	14,771	15,064
Logistics and infrastructure	14,630	12,974
	<u>232,438</u>	<u>219,646</u>

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22. SPECIAL FUNDS AND OTHER FUNDS UNDER MANAGEMENT

CAF, as a multilateral financial institution, acts as administrator of several funds owned by third parties and CAF's Shareholders' Special Funds, created to promote technical and financial cooperation, sustainable human development, and management of poverty relief funds in shareholder countries.

The Shareholders' Special Funds contribute to regional integration and sustainable development through capacity building, increased domestic and international exchanges, generation and use of knowledge, as well as training human resources and fortifying institutions. The Shareholders' Special Funds are governed by the provisions of the Constitutive Agreement and any other provisions that may be established by the Board of Directors.

The Shareholders' Assembly of CAF approves a maximum amount to be contributed to Shareholders' Special Funds during the fiscal year and to recognize these contributions as expenses.

The net assets of the Shareholders' Special Funds, that come from contributions by CAF, are completely independent from the net assets of CAF and are thus so maintained, accounted for, presented, utilized, invested, committed and otherwise disposed of. With regard to the use of the Shareholders' Special Funds, the financial responsibility of CAF, as administrator, is limited to the net assets of each of the constituted Shareholders' Special Funds. CAF has no residual interest in the net assets of the Shareholders' Special Funds.

In March 2025, the Shareholders' Assembly of CAF approved the contribution up to a maximum amount of US\$ 200,000 to some Shareholders' Special Funds for 2025. Subsequently, during the year ended December 31, 2025, based on the analysis of the new commitments contracted or the resources required by the Shareholders' Special Funds, authorized the contributions of US\$ 100,000, US\$ 90,500, US\$ 6,000 and US\$ 3,500 to Compensatory Financial Fund (FFC), Technical Cooperation Fund (FCT), Human Development Fund (FONDESHU) and Fund for the Development of Small and Medium Enterprises (FIDE), respectively. For the year ended December 31, 2025, CAF has recognized US\$ 200,000 as an expense and, as of December 31, 2025, recognized an unconditional obligation (accounts payable) for US\$ 16,765 which was paid in January 2026.

In March 2024, the Shareholders' Assembly of CAF approved the contribution up to a maximum amount of US\$ 138,000 to some Shareholders' Special Funds for 2024. As of December 31, 2024 based on the analysis of the new commitments contracted or the resources required by the Shareholders' Special Funds, CAF recognized contributions of US\$ 97,000, US\$ 34,000, US\$ 4,500 and US\$ 2,500 to FFC, FCT, FONDESHU and FIDE, respectively. For the year ended December 31, 2024, CAF recognized US\$ 138,000 as an expense.

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Managed funds net assets are:

	December 31, 2025	December 31, 2024
FFC ⁽¹⁾	311,855	261,389
FCT	155,650	100,315
FIDE	68,920	67,006
FONDESHU	6,533	3,378
Others non related with shareholders' special funds	126,882	103,794
	<u>669,840</u>	<u>535,882</u>

⁽¹⁾ FFC was created by CAF's shareholders for the purpose of compensating a portion of the interest costs of certain loans granted by CAF to finance economic and social infrastructure projects. For the years ended December 31, 2025 and 2024, FFC compensated interest amounting to US\$ 63,020 and US\$ 61,448, respectively, which amounts are included in interest income – loans in the statements of income.

23. SEGMENT REPORTING AND CONCENTRATIONS

CAF operates as one operating and reportable segment. CAF offers financial and related services to governments of its shareholder countries, as well as their public and private institutions, corporations and joint ventures. The Board Executive President act as the chief operating decision maker ("CODM") of CAF. The CODM reviews financial information presented in the statements of income and the balance sheets when making decisions related to assessing the operating performance and allocating resources.

Net income, which is reported in the accompanying statements of income, is the measure of segment profit or loss that is regularly reviewed by the CODM. Net income is used by the CODM in assessing the operating performance of the segment and to monitor budget versus actual results. Refer to the accompanying statements of income for the presentation of net income for the years ended December 31, 2025 and 2024.

The measure of segment assets is reported in the accompanying balance sheets as "Total" in the asset section. The accounting policies of the single operating and reportable segment are the same as those described in Note 2 – Basis of Presentation and Significant Accounting Policies.

For the years ended December 31, 2025 and 2024, loans made to or guaranteed by three countries individually generated in excess of 10% of interest income on loans, as follows:

	2025	2024
Argentina	322,793	356,036
Ecuador	274,610	325,854
Brazil	259,786	260,596
	<u>857,189</u>	<u>942,486</u>

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24. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 6, 2026, the date these financial statements were available to be issued. As a result of this evaluation, management has determined that there are no subsequent events that require a disclosure in these financial statements except for:

- On January 15, 2026, CAF issued bonds for US\$ 2,000 million, SOFR 4.625%, due 2036, under its US Shelf Programme.
- On January 16, 2026, Barbados officially completed the process to become Member Country of CAF. Barbados also exchanged its 8,316 Series “C” ordinary shares to the same amount of Series “B” ordinary shares.
- On January 27, 2026, CAF issued bonds for GBP 1,000 million, equivalent to US\$ 1,342.5 million, 4.375% due 2031, under its EMTN Programme.
- On February 3, 2026, CAF issued bonds for US\$ 61.6 million, 4.251%, due 2031, under its EMTN Programme.
- On February 4, 2026, CAF issued bonds for PHP 1,500 million, equivalent to US\$ 25.4 million, 5.30%, due 2031, under its EMTN Programme.

