

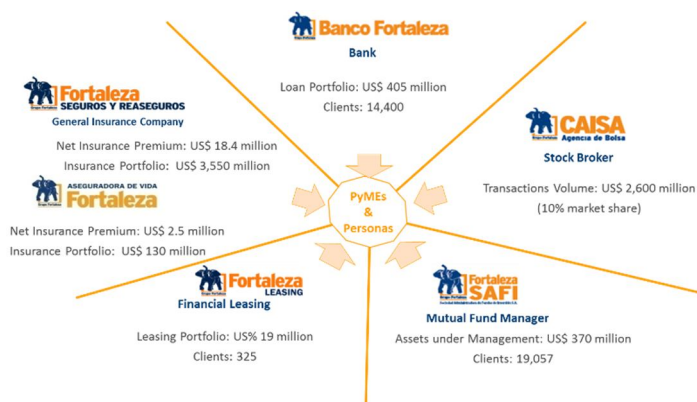
Investor Information Memo

This memo was made to submit important information related to Banco Fortaleza S.A ("Banco Fortaleza") performance for potential investors with some interest to consider an investment in the firm.

Who is Banco Fortaleza?

Banco Fortaleza is a bank with a license granted by the regulator (Financial System Supervision Authority – "ASFI") to operate in the territory of the Plurinational State of Bolivia, with the capacity to provide all the banking operations and services allowed by the Financial Services Act (FSA). The bank is a member of a financial Group denominated "Grupo Fortaleza" which is comprised by six firms: the bank, a stock broker, a mutual fund administrator, a general insurance company, and a life insurance company. Grupo Fortaleza is controlled by the local family Hinojosa.

Grupo Fortaleza, since its creation in the 90's, has been oriented to attend the SME's and retail banking, a market segment that hadn't been properly attended by other banks, both corporative banks and microfinance banks. Considering this, Grupo Fortaleza has been developed upon a clear concept of a financial services supermarket.



Banco Fortaleza's key figures

By the end of the third quarter 2018 Banco Fortaleza registered a total Assets of US\$ 510.8 million, mainly concentrated in its loan portfolio, investments portfolio and cash.

Between December 2015 and third quarter 2018, its loan portfolio has shown a CAGR of 16.0%, above the banking system loan portfolio CAGR of 12.8%. On the other hand, its delinquency rate has shown a clear downward trend since the last three years, having decreased since 2.2% to 2.0% while the delinquency rate of the banking system has, on the contrary, increased in that period.

Item	2015	2016	2017	2018Q3
Total Assets	355.7	416.3	504.3	510.8
Loan Portfolio	264.5	321.5	377.0	404.9
Delinquency Rate	2.2%	1.9%	1.9%	2.0%
Delinq. Coverage	158%	184%	109%	100%
Investments	36.7	61.9	73.2	65.6
Contingent Assets	32.2	57.2	70.0	72.5
Liabilities	323.2	381.5	467.1	472.8
Deposits	303.0	342.9	401.2	398.3
Debt Securities	0.0	5.1	5.1	2.6
Subordinated Debt	5.3	11.9	11.9	12.1
Equity	32.4	34.8	37.2	37.9
Capital Adeq. Ratio	10.4%	12.9%	11.5%	11.4%
ROAE	6.7%	10.0%	11.4%	9.5%
ROAA	0.7%	0.9%	0.9%	0.7%
Income Diversif.	9.8%	9.3%	11.4%	9.7%
Efficiency Ratio	9.8%	7.4%	6.4%	6.4%
Spread	10.7%	9.8%	9.3%	7.4%

Contingent Assets, mainly performance bonds, has reached US\$ 72.5 million as of third quarter 2018, reaching an annual growth rate of 31.1%, giving to the bank an important market share in this product.

The main funds source of Banco Fortaleza are the deposits, specially term deposits, having reached US\$ 409.9 million as of third quarter 2018 with an CAGR of 8.2%. Between 2015 and 2018, Banco Fortaleza had diversified its funds sources by issuing senior and subordinated debt and increasing its funding from other financial institutions.

After the last equity injection in 2013, the equity had reached a CAGR of 5.6% and closing the third quarter of 2018 in US\$ 38.0 million. The equity increase, alongside with the US\$ 11.9 million of subordinated debt issued, have allowed the institution to reach a 11.4% Capital Adequacy Ratio as of the third quarter 2018.

Since its approval in 2013, the FSA have had several effects in the banking system, and also in Banco Fortaleza. The main effect clearly is related to the loan portfolio required quotas to the productive sector and social interest housing alongside with the interest rate caps for these loans.

As can be seen in the main figures of Banco Fortaleza, these gradual quotas fulfillment had narrowed the institution spread since a 10.4% figure to 7.4% only between 2015 and third quarter 2018. This has had a negative effect in the return ratios of the bank and also increased its volatility. Nevertheless, the administration has managed to strengthen and stabilize the return ratios in the last three years around 10%, although the high tax scheme imposed to the banking sector.

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By the end of the first semester 2018, Banco Fortaleza Had reached the required FSA quota of 60%, and by the end of the third quarter 2018 the institution has reached a protection margin above the minimum required to assure the quota fulfillment by the end of the year.

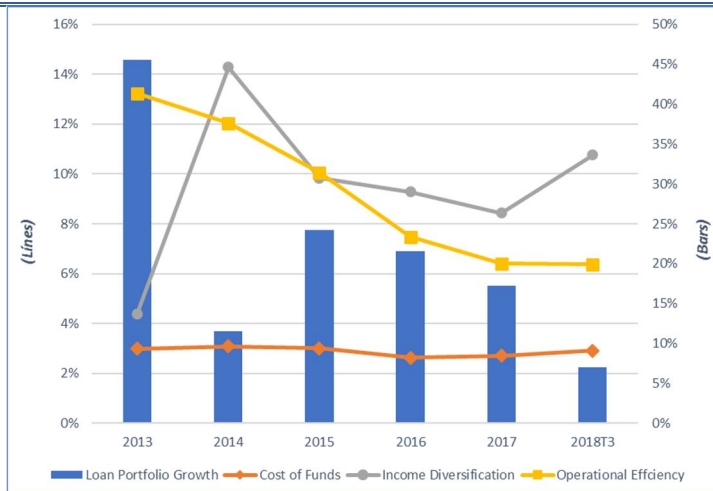
How did Banco Fortaleza Managed the FSA Effects?

To overcome the negative effects of FSA Banco Fortaleza Had implemented a well-defined plan, which comprised several actions to compensate the spread narrowing and other adverse effects.

In first place, Banco Fortaleza had leveraged its knowledge of the SME's segment through the application of a business model to foster transactions with clients. This allowed the institution to reach a growth above the banking system average, and therefore, compensate the negative effect of the decreasing interest rates through a positive volume effect mitigating the negative effect of the narrowing spread on the net income.

Additionally, Banco Fortaleza had worked in the diversification of its income through by fostering and creating other business lines. In the first place, the synergies with the general insurance company of the group had been capitalized through the issuing of performance bond backed-up with warranties to client already in the bank loan portfolio, which had generated an increase in the income related to performance bonds. On the other hand, securities trading activities were encouraged in the money market through a more active investment strategy, having achieved important profits. Beside the implementation of current accounts, foreign trade services were also implemented, mainly offering the international transfers for clients, which has been creating a new source of income and has dynamized the foreign currencies trade. Finally, in 2016 Banco Fortaleza had been granted by ASFI with the authorization to offer trustees services and had also started the credit card business line with a visa card. Considering all these new sources of income the income diversification ratio (non-financial income / total income) had been increased since 4.4% in 2013 to 9.7% by the end of the third quarter 2018.

Finally, an operational efficiency strategy was implemented. First, the sales locations grid had been reduced. It is important to highlight that this action had not affected growth because it was compensated by a new sales model. Second, beyond the personnel reduction that implied the closing of sales locations, every back-office area, upon an analysis of its procedures and internal controls, also reduced personnel.



What Can Be Expected Next Year?

Ahead it is expected that Banco Fortaleza will improve its return ratio reaching a ROAE about 11% in 2019, maintain its spread due to the fulfillment of the loan portfolio quotas, and to improve its income diversification ratio.

Banco Fortaleza has also closed a deal for a sale of shares in the secondary market, which will allow a US\$ 4 million equity injection in the first quarter 2019 by its larger shareholder. This will provide Banco Fortaleza with the equity required to reach the 9.8% growth projected for 2019 and also to increase the trustee under administration.

Finally, it is expected to finish the upgrade of its core system, a project that was initiated in 2018. This new improved system will allow the bank to implement a wide range of new digital services, increasing the digital customer services channels without increasing the costly points of sale.