

CREDIT OPINION

3 June 2025

Update



Send Your Feedback

RATINGS

CAF

	Rating	Outlook
Long-term Issuer	Aa3	POS
Short-term Issuer	P-1	--

Contacts

Jaime Reusche +1.212.553.0358
 VP-Sr Credit Officer/ Sovereign
 jaime.reusche@moodys.com

Luisa de Carvalho +1.347.205.7217
 Leite
 Ratings Associate
 luisa.decarvalholeite@moodys.com

Ariane Ortiz-Bollin +1.212.553.4872
 Associate Managing Director
 ariane.ortiz-bollin@moodys.com

Marie Diron +44.20.7772.1968
 MD-Sovereign Risk
 marie.diron@moodys.com

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454

Corporacion Andina de Fomento – Aa3 positive

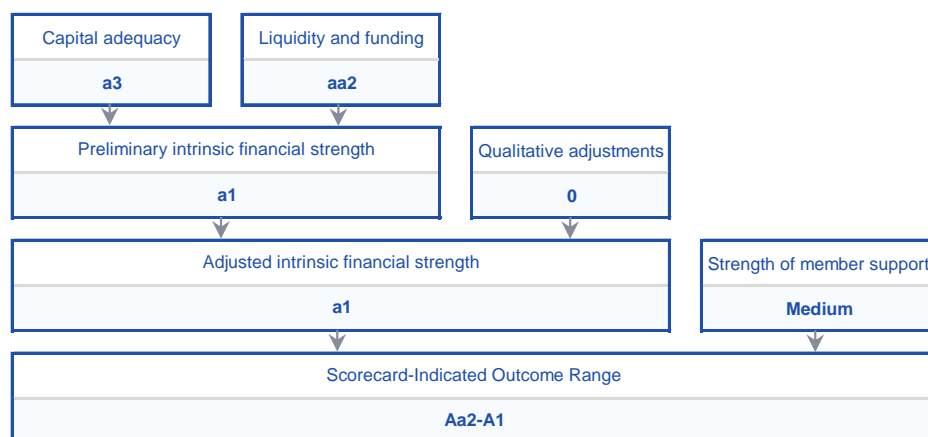
Update following change in outlook to positive

Summary

The credit profile of [Corporacion Andina de Fomento](#) (CAF) balances the bank's strong capital buffers and sound growth against its high exposure to low borrower credit quality. CAF's credit profile also incorporates its ample liquidity, underpinned by a robust liquidity risk management policy and prudent financial management. In line with strong growth in recent years, CAF's lending portfolio and shareholder base continues to diversify as a reflection of the bank's growing importance throughout Latin America and the Caribbean.

Exhibit 1

CAF's credit profile is determined by three factors



Source: Moody's Ratings

Credit strengths

- » Strong availability of liquid resources underpinned by a conservative liquidity policy
- » Prudent financial management reflected in diversified funding sources
- » A sustained diversification of the loan book and member base over many years

Credit challenges

- » Significant, although declining, credit exposure to low-rated countries
- » Limited presence of highly rated shareholders
- » An expected gradual, but limited, increase in non-performing loans from Venezuela

Rating outlook

The positive rating outlook reflects the broadening of CAF's shareholder base and associated improvement in its capitalization. By the end of 2025, CAF will likely have 24 member countries, compared to 15 in 2022. In combination with the 2022 capital increase, the inflow of capital payments has improved CAF's capital position while the broader membership base will also support the diversification of CAF's development assets. Moreover, CAF's declining exposure to [Venezuela](#) (C senior unsecured) supports asset performance and has contributed to lower cost of funding, which we expect will be maintained going forward.

Factors that could lead to an upgrade

CAF's rating could be upgraded if the observed improvements to date continued as expected. Specifically, we expect the sustained capital contributions to lead to a gradual decline in CAF's leverage as well as a continued diversification of the loan portfolio. An improvement in CAF's weighted average shareholder rating that signals increased member support or a proven improvement in asset credit quality through continued exposure exchange agreements, other credit enhancements or improving sovereign credit quality, would also support improved creditworthiness.

Factors that could lead to a downgrade

The outlook could be reverted back to stable if CAF was to face a strong deterioration in asset quality due to credit events involving borrowers other than Venezuela, jeopardizing the balanced growth that has led to a gradual strengthening of its credit profile. Downward credit pressure would arise if CAF were to experience an erosion of its capital and liquidity buffers due to a rapid expansion of its loan book not sufficiently compensated for by additional capital contributions.

Key indicators

Exhibit 2

Corporacion Andina de Fomento (CAF)	2019	2020	2021	2022	2023	2024
Total Assets (USD million)	42,294	46,846	47,592	50,377	53,814	56,460
Leverage Ratio (%) [1]	218.5	230.6	243.6	235.0	235.2	225.1
Weighted-Average Borrower Rating (WABR)	Caa1	Caa2	Caa2	Caa2	Caa2	Caa2
Sovereign Exposures / Loans & Guarantees (%)	82.6	89.9	93.4	95.6	94.7	92.8
Equity Investments / DRA (%)	1.7	1.5	1.4	1.2	1.2	1.2
Non-Performing Assets / DRA (%)	0.3	0.3	0.4	0.4	0.2	0.3
Return on Equity (%)	2.7	2.0	0.6	1.5	5.8	4.1
Availability of Liquid Resources Ratio (ALR, %) [2]	280.6	236.8	225.1	203.4	277.2	202.6
Weighted-Average Shareholder Rating (WASR)	B2	B2	B2	B1	B1	Ba3
Callable Capital / Gross Debt (%)	6.2	5.6	5.5	5.8	5.8	5.6

[1] Development-related assets (DRA) + Treasury assets rated A3 or lower / Usable equity

[2] Discounted liquid assets / Projected net cash outflows during upcoming 18 months

Source: Moody's Ratings

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on <https://ratings.moody.com> for the most updated credit rating action information and rating history.

Profile

Corporacion Andina de Fomento's (CAF) mission is to support sustainable development and economic integration among its shareholder countries by helping them diversify their economies, making them competitive and more responsive to social needs. CAF seeks to encourage foreign investment and capital market development, promote the expansion of regional trade and exports, and support the development of small and medium-sized enterprises. However, its principal activity is to provide loans to finance economic and social infrastructure projects, as well as working capital and trade activities in its shareholder countries. Available products include short-, medium- and long-term loans, co-financing arrangements, guarantees and select equity investments. While the large majority of its loan operations are to the public sector, CAF offers its products to both member states, and the public and private financial institutions and corporations that operate within them.

Detailed credit considerations

Our determination of a supranational's rating is based on three rating factors: capital adequacy, liquidity and funding and strength of member support. For Multilateral Development Banks, the first two factors combine to form the assessment of intrinsic financial strength, as shown on the cover page graphic. Additional factors can affect the intrinsic financial strength, such as risks stemming from the operating environment or the quality of management. The strength of member support is then incorporated to yield a rating range. For more information please see our [Supranational Rating Methodology](#).

FACTOR 1: Capital adequacy score: a3

We assess CAF's capital adequacy to be "a3", which incorporates the institution's moderately leveraged capital position and "ba" development asset credit quality (DACQ), the latter of which reflects CAF's moderate portfolio concentration and low borrower quality (as measured by the weighted average borrower rating). The low borrower quality reflects CAF's development mandate and, as a result, is unlikely to change significantly over the medium term. Nevertheless, since 2023, the multilateral organization has focused on improving the credit quality of its portfolio by increasing its exposure to investment-grade credits and reducing its exposure to Caa-C ratings. Similarly, strong balance sheet growth and an increasing membership base are contributing to a gradual diversification of the loan book. Prudent financial and risk management has resulted in strong portfolio performance that is underpinned by a track record of very low nonperforming assets (NPA), even during severe credit stress among some of the institution's largest borrowers.

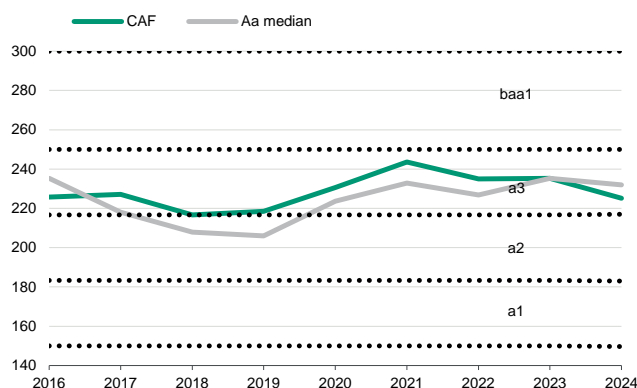
Capital position reflects modest leverage

CAF's capital position incorporates the coverage of development-related assets (DRA) in relation to its available capital. An institution's leverage ratio is measured as (Liquid Assets Rated A3 or Lower + DRA) / Usable Equity. CAF's leverage improved marginally to 225.1% in 2024 from 235.2% as of year-end 2023, remaining well in line with the Aa median (see Exhibits 3 & 4).

Exhibit 3

Leverage has increased slightly since 2019...

(Liquid Assets Rated A3 or Lower + DRA) / Usable Equity (%)

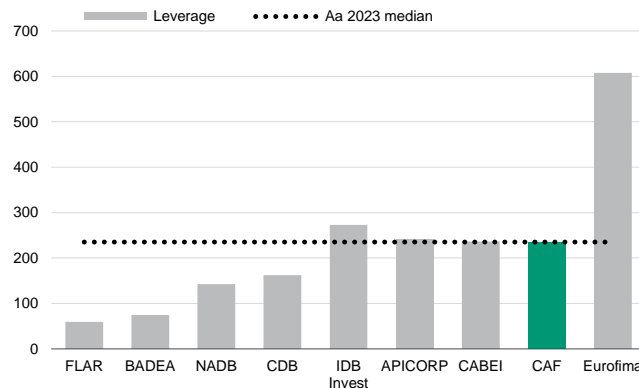


Sources: CAF and Moody's Ratings

Exhibit 4

...but remains in line with the Aa median

(Liquid Assets Rated A3 or Lower + DRA) / Usable Equity (%), 2023 or latest available



Sources: CAF and Moody's Ratings

CAF's debt rose to \$32.8 billion in 2024 from \$31.5 billion a year earlier. The increase was driven largely by the stock of outstanding bonds, which grew to \$27.4 billion in 2024, up from \$24.8 billion in 2023. With this increase, bonds comprised 83.6% of total debt (relative to 78.7% in 2023) and commercial paper 9.9% (14.8% in 2023). This reflects a return to larger issuances in global markets despite the relatively high interest rate environment. CAF prudently opted for longer duration issuances to maintain its presence in global markets and was able to absorb the higher interest costs without affecting financial performance.

Usable equity, the denominator for the leverage ratio, rose to \$16.0 billion in 2024 from \$14.7 billion in 2023, reflecting the continued increase in the bank's member base and capital contributions. CAF's capital adequacy and leverage are bolstered by high levels of paid-in capital, given that, in 2024 paid in capital represented 66.4% of total equity, and 11.4% was callable. CAF's modest leverage reflects

regular capital injections from members. CAF is currently in its 10th and largest general capital increase to date, with a fresh injection of \$7 billion in paid-in capital, approved in 2022, that will facilitate an expansion in lending activities.

Net income declined to \$617 million in 2024 after reaching a record of \$810 million in 2023. Interest expense rose to \$2.5 billion in 2024 from \$2.2 billion in 2023, and net interest income decreased to \$1.03 billion in 2024 from \$1.1 billion in 2023.

DACQ is constrained by low ratings of sovereign borrowers and portfolio concentration

Our assessment of CAF's DACQ is constrained by low borrower quality (which, by design, is consistent with the institution's mandate) including its exposure to Venezuela, which is mitigated by a strong track record of PCS, and a moderate, but declining, degree of portfolio concentration, which are two credit challenges for CAF. Portfolio concentration is reflected by the fact that most (60.2%) outstanding loans were to non-investment-grade countries in 2024. There has been an improvement in exposure to non-investment-grade countries since 2023, when 69% of loans were to non-investment grade countries. However, the weighted average borrower rating remains below investment grade at Caa2.

CAF has made great strides in diversifying country exposure within its portfolio, but the top five geographic exposures — [Argentina](#) (Caa3 positive), [Ecuador](#) (Caa3 stable), [Colombia](#) (Baa2 negative), [Brazil](#) (Ba1 stable) and [Bolivia](#) (Ca stable) — account for 56.3% of the portfolio. In particular, CAF has actively managed the credit risk from exposure to Venezuela. Efforts began before the sovereign defaulted on its external debt in 2017 and have continued through its lengthy, ongoing crises without compressing CAF's balance sheet. The vast majority of CAF's loans are to sovereigns (93%)¹, with non-sovereign loans² making up 7% of the portfolio. The most significant concentration risk for the bank relates to the fact that its top 10 exposures made up 67.9% of the loan portfolio at the end of 2024; the top five exposures amounted to 47.1% of the portfolio. These traits are common in regional MDBs and although they signal some degree of concentration, CAF has steadily diversified its loans to members such that concentration is gradually decreasing.

Strong asset performance is a key credit strength

Per our methodology, we measure asset performance through the ratio of NPA to total DRA, which includes the performance of loans, guarantees and equity investments. However, because CAF has relatively minimal equity exposure (\$399.8 million in 2024), its asset performance largely reflects the strength of its lending operations.

CAF's asset performance is very strong, reflected by our initial score of "aaa". However, in anticipation of the potential incurrence of NPLs from Venezuela, we have assigned a "-3" trend adjustment, resulting in the "aa3" score for this metric. Equity impairments rose to \$7.8 million in 2024 from \$1.3 million in 2023. NPLs rose to \$94.9 million in 2024 from \$50.3 million in 2023, reflecting new NPLs from Venezuela, which accounted for \$59 million of the impairments, leading CAF's NPA ratio (relative to DRA) to rise to 0.3% in 2024 from 0.2% in 2023. Since its inception, CAF has had virtually no NPLs despite sustained growth of its portfolio and the low credit quality of some of its public-sector borrowers. Repayment capacity from lower-quality non-sovereign borrowers has been impaired in the past, mainly because of currency depreciation, but NPAs have not yet exceeded 1% of DRA.

FACTOR 2: Liquidity and funding score: aa2

CAF's "aa2" liquidity and funding score is supported by strong liquidity coverage of "aaa" and a quality of funding assessment of "aa". The "aa2" liquidity and funding score is in line with that of [Arab Energy Fund](#) (TAEF, formerly known as APICORP, Aa2 stable) and [Eurofima](#) (Aa2 stable).

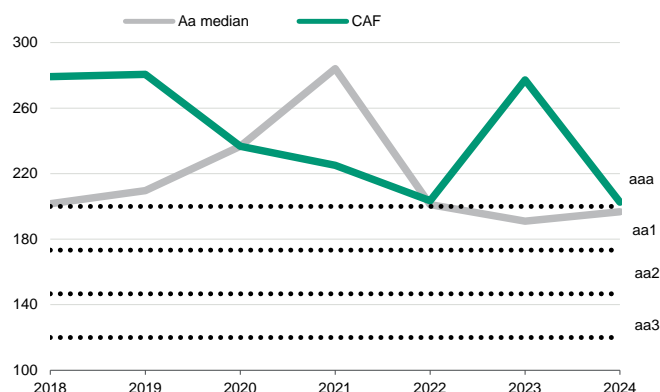
CAF's highly liquid position provides strong coverage of debt and operations

Since most MDBs are not eligible to access emergency lines offered by central banks, we assign a high value to strong liquidity positions in the credit assessment of MDBs. CAF's availability of liquid resources ratio, measured as high-quality liquid assets/net outflows from uninterrupted net loan disbursements, debt repayment and administrative costs, scores "aaa" and shows that the bank holds enough liquid assets to sustain operations for more than 18 months. CAF's availability of liquid resources decreased to 202.6% in 2024 from 277.2% in 2023, remaining in line with the median for Aa-rated MDBs (see Exhibit 5).

Exhibit 5

CAF continues maintaining strong liquidity

Discounted Liquid Assets/ Net Outflows (%)*

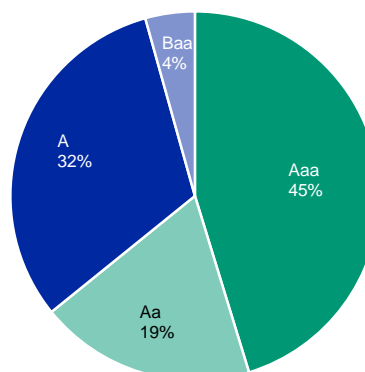


* 2024 Aa median excludes CDB, Eurofirma and FLAR as figures not yet available
Sources: CAF and Moody's Ratings

Exhibit 6

Treasury Assets remain of high quality

Liquid assets by Moody's (or equivalent) rating, % of total



Sources: CAF and Moody's Ratings

CAF's strong liquidity position is the result of its conservative liquidity policy, which was updated in September 2014 to bring it more in line with the bank's established practice of over-compliance with its previously more relaxed minimum liquidity requirements. The policy requires CAF to maintain sufficient liquid assets to cover at least 12 months of net cash requirements.

Total liquidity as of December 2024 covers over 24 months of net cash requirements, with liquidity more than twice the minimum liquidity required under its stringent liquidity policy. This suggests that CAF could stay out of funding markets for two years and still fulfill all its debt servicing commitments during that time.

Consistent and diversified access to capital markets and private funding

CAF's credit profile is supported by a relatively high quality of funding, which we score "aa", reflected by its regular access to the capital markets across a wide range of currencies. CAF has an established and recognized presence in the international capital markets, and has demonstrated its ability to raise funds in difficult market conditions. The bank benefits from significant diversification in the financial markets that it accesses. In 2024, CAF issued \$7 billion in 11 currencies. As of end of March 2025, CAF had \$30.2 billion in bonds outstanding across 22 different currencies. The top three currencies in which CAF issues debt (US dollar, euro and Swiss franc) represent about 70% of outstanding bond debt. CAF swaps all non-U.S. dollar bonds and exposures back into U.S. dollars to avoid exchange rate risk.

Qualitative adjustments to intrinsic financial strength

Operating environment

We do not apply any negative adjustments to CAF's intrinsic financial strength because of its operating environment. Although we expect some shareholder countries to likely face macroeconomic challenges in the near term, considering higher for longer interest rates in 2025-26, these factors will not significantly weigh on CAF's credit metrics beyond what the intrinsic financial strength ratios already capture.

Quality of management

As discussed in the above sections, CAF has strong liquidity management policies and effective risk management practices exemplified by the prudent management of its lending exposure to Venezuela. We make no adjustment for the quality of management.

FACTOR 3: Strength of member support score: Medium

We assess CAF's strength of member support as "Medium". The ability of the bank's membership to provide support — as measured by the weighted average shareholder rating (WASR) — is low, reflecting the relatively moderate credit quality and limited fiscal space of the bank's largest shareholders. At the same time, because most of CAF's capital is paid-in, it has limited callable capital, further constraining contractual member support. However, limited shareholder ability to provide extraordinary support is offset by a strong

and demonstrated willingness to support the institution, as illustrated by its PCS and regular capital contributions from its membership base.

Ability to provide support is moderate

We measure ability to provide support using the WASR, which in the case of CAF is “Ba3”, up from “B1” in 2023. Argentina, whose rating is in an improving trend, has a relatively a high share of subscribed capital at 10.7%, while Venezuela's relative shareholding has declined to 3.3% of subscribed capital from a much higher level in the past, when Venezuela was one of five founding members. Despite the macroeconomic challenges faced by Argentina, Ecuador and Bolivia in recent years, these governments have made their paid-in capital payments on time, demonstrating their ability to support CAF despite their own macroeconomic challenges. Argentina's rating was recently upgraded in January 2025 to Caa3 from Ca and has a positive outlook, and Bolivia was downgraded to Ca from Caa3 in April 2025.

Contractual support from members is low...

In our assessment of strength of member support, we also consider the members' willingness to provide contractual support, as measured by callable capital coverage of the debt stock. Because most of CAF's capital is paid-in, it has limited callable capital. CAF's callable capital stood at \$1.8 billion at the end of 2024 or 11.4% of total equity. As a result, callable capital only covers 5.6% of CAF's outstanding stock of debt, resulting in a very low level of contractual support.

...but members have strong willingness to provide extraordinary, non-contractual support

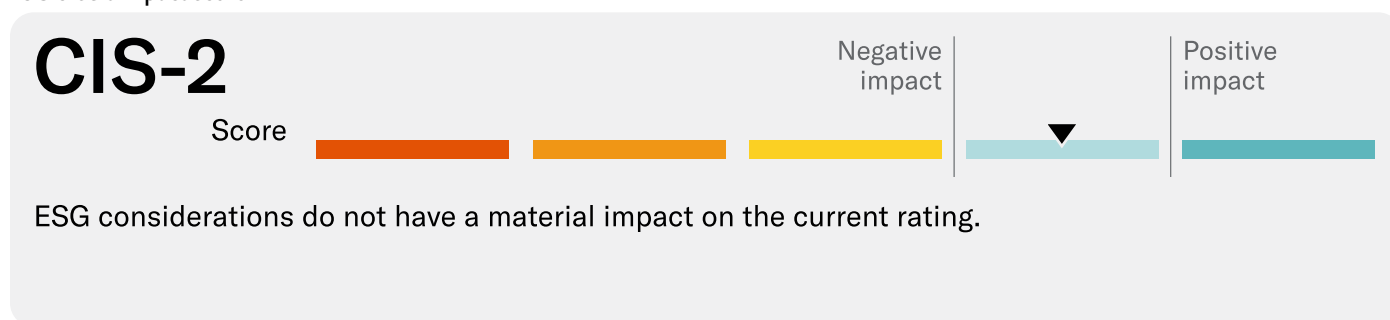
CAF's greatest credit weaknesses, the absence of highly rated non-borrowing members from outside the region and low levels of callable capital, are arguably also one of its key strengths. CAF is a development institution in which its borrowers are also its shareholders. This results in members' very strong willingness to support the institution. Although not counted as “contractual support” in our Supranational Rating Methodology, the bank's high level of paid-in capital reflects this commitment, as do the significant capital increases to which members have subscribed over the last few years. Without recent capital increases, relatively high levels of capital contributions through 2024 would have shortened the distance to the limit of authorized capital, eventually curtailing lending growth. The continued capital increase programs underscore members' commitment to CAF and afford the institution more room to boost its future operations and fulfill its countercyclical mandate.

ESG considerations

Corporacion Andina de Fomento's ESG credit impact score is CIS-2

Exhibit 7

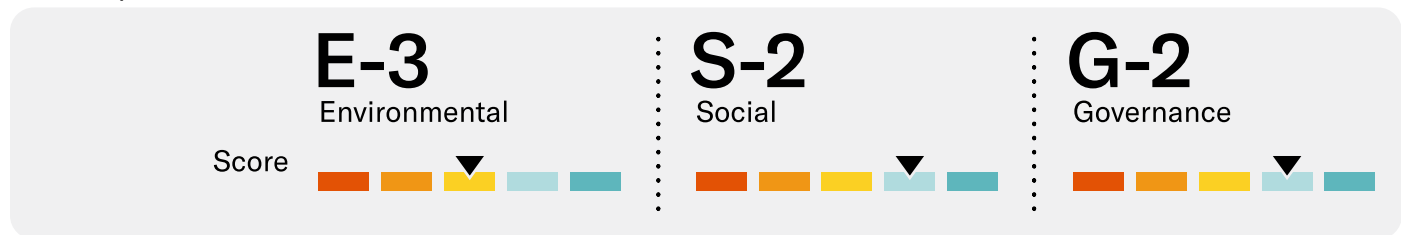
ESG credit impact score



Source: Moody's Ratings

CAF's credit impact score (**CIS-2**) indicates that ESG risks are not material to the rating. This reflects sound governance and a low exposure to social risks, that offset a moderate exposure to environmental risk. This assessment also reflects CAF's proactive policies to contain credit risks from uneven economic performance throughout its operating region.

Exhibit 8
ESG issuer profile scores



Source: Moody's Ratings

Environmental

CAF's environmental issuer profile score (**E-3**) reflects carbon transition risks through its lending exposure within hydrocarbon-producing countries in Latin America. These risks affect CAF's balance sheet indirectly given that CAF has had a longstanding commitment to developing sustainable projects, including hydroelectric generation and clean energy. Exposure to other environmental risks remains contained, reflecting CAF's diversified lending exposures throughout Latin America.

Social

CAF's social issuer profile score (**S-2**) reflects a strong track record of customer relations that has helped the institution grow its member base and lending portfolio substantially. CAF's public consultation processes are an integral part of its lending decisions and include affected communities and key stakeholders, which supports our assessment of responsible production.

Governance

CAF's governance issuer profile score (**G-2**) reflects its prudent risk management and the proactive approach to dealing with problematic loan exposures, in line with sector best practices. The bank continually explores credit enhancement tools to mitigate risks from possible shocks.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click [here](#) to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

All of these considerations are further discussed in the "Detailed credit considerations" section above. Our approach to ESG is explained in our cross-sector methodology [General Principles for Assessing Environmental, Social and Governance Risks](#). Additional information about our rating approach is provided in our [Supranational Rating Methodology](#).

Recent developments

CAF continues strengthening its capital buffers and diversifying members and assets

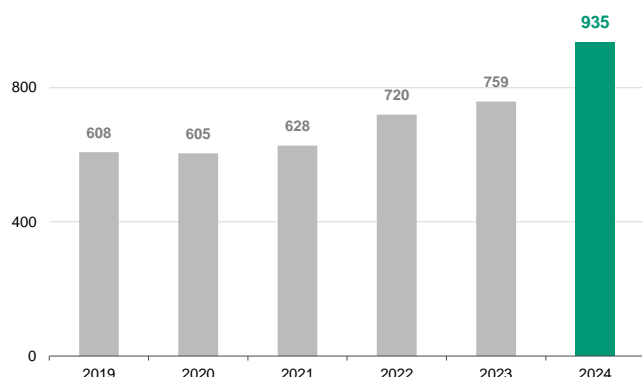
A rapid expansion of CAF's membership supported increased capital contributions and further diversification. The incorporation of new members since 2023 has strengthened CAF's mandate in the region, its capital base, and is helping to drive business diversification. Increased membership enhances CAF's governance by expanding participation and oversight in the board of directors, which now includes representatives from 23 countries. This contributes to balanced growth in the lending portfolio and helps reduce concentration risks. In 2024, [Costa Rica](#) (Ba3 positive) became a Full Member, pledging \$78 million in new capital, following the addition of [Chile](#) (A2 Stable), [Honduras](#) (B1 stable), and the [Dominican Republic](#) (Ba3 positive) in 2023. CAF's expansion in the Caribbean continued with [The Bahamas](#) (B1 positive). In addition, Antigua & Barbuda (NR) recently became the 23rd shareholder.

The expanded membership and the 2022 general capital increase have led to a steady inflow of capital. The incorporation of new members in 2023-24 has yielded \$3 billion in pledged capital contributions. This is in addition to the \$7 billion general capital increase in 2022, the largest in CAF's history, entirely allocated to paid-in capital, with none designated as callable capital. This increase underscores strong shareholder support for CAF's mandate and its growing importance in the region. The general capital increase will enable the bank to expand its operations while maintaining robust credit metrics. As a result, capital contributions received have increased on a yearly basis, providing a predictable inflow of cash to support balance sheet growth that will continue in 2025 and 2026 (see Exhibit 9).

Exhibit 9

Steady and growing inflow of contributions

Capital contributions received per year (\$ million)

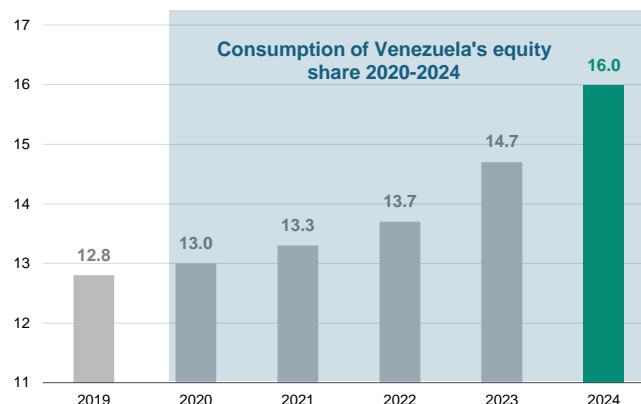


Source: CAF and Moody's Ratings

Exhibit 10

Equity growth likely to accelerate further

Total equity (capital + reserves) at year end (\$ billion)



Sources: CAF and Moody's Ratings

In addition to the capital contributions, strong profitability in recent years is further enhancing capital growth, more than offsetting the consumption of Venezuela's shares. In 2023 and 2024, CAF registered its highest net income levels at \$810 million and \$617 million, respectively. The increased profitability was driven by strong net interest income, and this was attributed to higher interest from loans and from the treasury portfolio, reflecting high global interest rates. CAF's exposure to Venezuela continued to decline in 2024, both in terms of loans outstanding and Venezuela's equity stake, given the mechanism by which CAF was repurchasing Venezuela's shares and applying the proceeds toward debt service from the outstanding loans to Venezuela. As a result, the total amount of loans outstanding to Venezuela declined to \$1.9 billion at year end (5.7% of total outstanding loans) from a peak of over \$3.7 billion in 2019, the year prior to the mechanism being enacted. Venezuela's equity stake was reduced to \$1.7 million out of a total \$5.8 billion in paid-in capital (0.03% of paid-in capital), such that Venezuela's capital is now considered to be exhausted. Despite the repurchase of Venezuela's shares in 2020-24, CAF's equity accelerated its growth (see Exhibit 10). The net impact has been an improvement in the leverage ratio to 225.1 in 2024 from 235.2 in 2023, that has led to continued growth and strengthening of CAF's balance sheet.

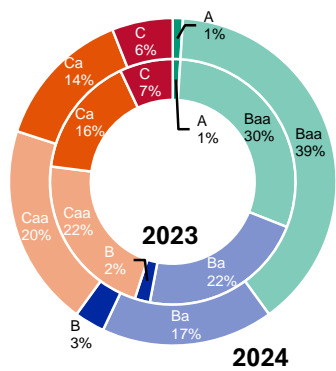
As a result of the strong balance sheet growth, we forecast that the peak non-performing asset (NPA) impact from Venezuela will be lower than previously expected. As Venezuela's capital was exhausted in mid-2024, the entire stock of outstanding loans to Venezuela is considered a non-accrual, but the NPA is registered as such when the corresponding loan comes due. By the end of the year, \$59 million of the Venezuela loans became NPLs, which added to the \$36 million in private sector NPLs and \$7 million in equity impairments. This led to a marginal increase in NPAs, rising to 0.3% of the development portfolio in 2024 up from 0.2% in 2023. Based on the latest data from the 2024 financial statements, we now forecast that the NPA ratio is likely to peak at 3% of total development assets by 2030. However, there is an increasing likelihood that the peak may be lower, if balance sheet growth continues its rapid pace.

Sustained decrease in cost of funding will support CAF's interest margins and growth

Since December 2023, the overall sovereign credit quality in Latin America has improved, positively impacting CAF's loan portfolio. These trends, combined with management's commitment to diversifying development assets, will help mitigate credit challenges arising from low borrower quality and concentration, which have previously constrained CAF's credit profile.

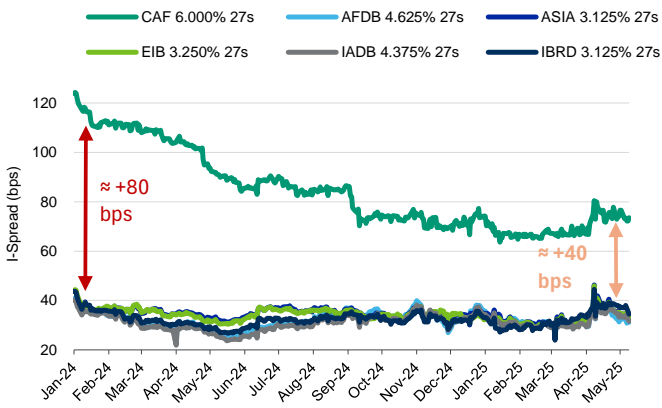
CAF's cost of funding relative to that of higher-rated MDBs has decreased, which will support interest margins and buffer its quality of funding. Since early 2024, the spread on CAF's US dollar bonds has consistently tightened as its presence in global markets continues to solidify. As a frequent issuer of large-denomination bonds, CAF's debt instruments are among the most liquid of Aa-rated supranationals. The spread on CAF's bonds to those of Aaa-rated Supranational institutions has been narrowing on a sustained basis. This reduction in funding costs enables CAF's lending to remain competitive, helps manage interest expenses, and supports interest margins and profitability.

Exhibit 11
Loans outstanding by Moody's credit rating category
% of total loan portfolio at year-end



Sources: CAF and Moody's Ratings

Exhibit 12
Spread over Aaa Supranationals continues to narrow
2027 US dollar bond spreads (basis points)



Sources: CAF and Moody's Ratings

Rating methodology and scorecard factors: CAF - Aa3 Stable

Factor / Subfactor	Metric	Initial score	Adjusted score	Assigned score
Factor 1: Capital adequacy (50%)			a3	a3
Capital position (20%)			a3	
	Leverage ratio	a3		
	Trend	0		
	Impact of profit and loss on leverage	0		
Development asset credit quality (10%)			ba	
	DACQ assessment	ba		
	Trend	0		
Asset performance (20%)			aa3	
	Non-performing assets	aaa		
	Trend	-3		
	Excessive development asset growth	0		
Factor 2: Liquidity and funding (50%)			aa2	aa2
Liquid resources (10%)			aaa	
	Availability of liquid resources	aaa		
	Trend in coverage outflow	0		
	Access to extraordinary liquidity	0		
Quality of funding (40%)			aa	
Preliminary intrinsic financial strength				a1
Other adjustments				0
Operating environment		0		
Quality of management		0		
Adjusted intrinsic financial strength				a1
Factor 3: Strength of member support (+3,+2,+1,0)			Low	Medium
Ability to support (50%)			Ba3	
	Weighted average shareholder rating	Ba3		
Willingness to support (50%)				
	Contractual support (25%)	caa3	caa3	
	Strong enforcement mechanism	0		
	Payment enhancements	0		
	Non-contractual support (25%)		Very High	
Scorecard-Indicated Outcome Range				Aa2-A1
Rating Assigned				Aa3

Note: Our ratings are forward-looking and reflect our expectations for future financial and operating performance. However, historical results are helpful in understanding patterns and trends of an issuer's performance as well as for peer comparisons. Additional considerations that may not be captured when historical metrics are used in the scorecard may be reflected in differences between the adjusted and assigned factor scores. Furthermore, in our ratings we often incorporate directional views of risks and mitigants in a qualitative way. For more information please see our Multilateral Development Banks and Other Supranational Entities rating methodology.

Source: Moody's Ratings

Related websites and information sources

- » [Moody's Supranational web page](#)
- » [Moody's Sovereign and supranational rating list](#)
- » [Corporacion Andina de Fomento webpage](#)

MOODY'S has provided links or references to third party World Wide Websites or URLs ("Links or References") solely for your convenience in locating related information and services. The websites reached through these Links or References have not necessarily been reviewed by MOODY'S, and are maintained by a third party over which MOODY'S exercises no control. Accordingly, MOODY'S expressly disclaims any responsibility or liability for the content, the accuracy of the information, and/or quality of products or services provided by or advertised on any third party web site accessed via a Link or Reference. Moreover, a Link or Reference does not imply an endorsement of any third party, any website, or the products or services provided by any third party.

Endnotes

- 1 Sovereign loans include those granted to national, regional, or local governments or decentralised institutions and other loans fully guaranteed by national governments
- 2 Nonsovereign loans include those granted to corporate and financial sectors, among others, which are not guaranteed by national governments (for both public and private sectors).

© 2025 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at ir.moody.com under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Clasificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.

CLIENT SERVICES

Americas	1-212-553-1653
Asia Pacific	852-3551-3077
Japan	81-3-5408-4100
EMEA	44-20-7772-5454