FitchRatings



# Corporacion Andina de Fomento

This report does not constitute a new rating action for this issuer. It provides more detailed credit analysis than the previously published Rating Action Commentary, which can be found on www.fitchratings.com.

## Ratings

**Foreign Currency**

| | |
|---|---|
| Long-Term IDR | AA- |
| Short-Term IDR | F1+ |

**Outlook**

| | |
|---|---|
| Long-Term Foreign-Currency IDR | Positive |

## Highest ESG Relevance Scores

| | |
|---|---|
| Environmental | 2 |
| Social | 3 |
| Governance | 4 |

## Financial Data

| | End-3Q24 | End-3Q25 |
|---|---|---|
| Total assets (USDm) | 58,446 | 63,824 |
| Equity to assets (%) | 28 | 28 |
| Fitch's usable capital to risk-weighted assets (FRA, %) | 46 | 49 |
| Average rating of loans and guarantees | B+ | B+ |
| Impaired loans (% of total loans) | 5.9 | 5.3 |
| Five largest exposures to total exposure (%) | 52 | 47 |
| Share of non-sovereign exposure (%) | 9.2 | 12.0 |
| Net income / equity (%) | 5.5 | 3.6 |
| Average rating of key shareholders | BB | BB |

Source: Fitch Ratings, CAF

## Applicable Criteria

National Scale Rating Criteria (December 2020)

Supranationals Rating Criteria (October 2024)

Metodología de Calificaciones en Escala Nacional (December 2020)

Metodología de Calificación de Supranacionales (February 2025)

## Related Research

Fitch Revises CAF's Outlook to Positive; Affirms at 'AA-' (December 2025)

Global Supranationals Outlook 2026 (December 2025)

Click here for more Fitch Ratings content on Corporacion Andina de Fomento

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## Key Rating Drivers

**Positive Outlook**: The Outlook revision reflects Fitch Ratings' expectation that Corporacion Andina de Fomento's (CAF) business profile will strengthen, due to improvements in governance, strategy execution, and enhancements to risk and internal control practices. A significant capital increase, together with CAF's focus on membership expansion, prudent capital management, geographical diversification and balance sheet optimisation, has supported sustained growth and capital adequacy, and further reduced portfolio concentration.

**SCP Drives Rating:** CAF's 'AA-' rating is driven by its Standalone Credit Profile (SCP), reflecting the lower of our solvency (aa-) and liquidity (aa+) assessments, and the 'Medium' risk business environment, which translates into a zero-notch adjustment to the Issuer Default Rating (IDR). The 'aa-' solvency assessment is underpinned by 'Excellent' capitalisation, balanced with a 'Moderate' risk profile.

**Excellent Capitalisation:** Fitch's usable capital to risk-weighted assets (FRA) ratio rose to 49% at end-3Q25, from 46% at end-3Q24, driven by strong capital payments, internal capital generation and the inaugural issuance of USD500 million hybrid capital instruments in June 2025, to which Fitch assigned 100% equity credit. The equity-to-assets (E/A) ratio was 28% at end-3Q24, unchanged year on year. Fitch expects the FRA and E/A ratios to stay above their respective 'Excellent' thresholds of 35% and 25% through 2028.

**'Medium' Credit Risk:** The weighted average rating of loans and guarantees (WARLG), 89% sovereigns, was 'B+' at end-3Q25. The WARLG would be resilient to the recent downgrade of Colombia's sovereign rating to 'BB'/Stable (11% of the country exposure) and potential one-notch upgrades of borrowers with Positive Outlooks (9%). CAF's 'Excellent' preferred creditor status (PCS), based on its strong record of sovereign loan repayments and low non-sovereign exposure, results in an uplift of three notches above the WARLG to 'BB+'.

**Declining NPLs and Venezuelan Exposure:** The non-performing loan (NPL) ratio declined to 5.3% at end-3Q25 (2023: 6.5%). This was due to loan growth and a reduction in Venezuelan exposure to 5.3% in 3Q25, following a share repurchase transaction in lieu of principal and interest payments. Fitch expects Venezuelan exposure to remain non-performing over the forecast horizon, with the NPL ratio staying within the 3%-6% 'Moderate' range through 2028.

**Reduced Portfolio Concentration:** The share of the five largest exposures in the total banking portfolio declined to 47% at end-3Q25, from 54% at end-2023. This was driven by increased lending in countries that recently joined or gained full membership and executed a USD700 million exposure exchange agreement with the Central American Bank for Economic Integration. Fitch expects a gradual reduction in portfolio concentration over the medium term, supported by membership expansion and increased lending to new full members in recent years.

**'Medium' Risk Business Environment:** Fitch assesses CAF's business profile and operating environment as 'Medium' risk. The business profile assessment reflects 'Medium' risk strategy, quality of governance and an expected increase in non-sovereign sector financing, balanced by a large banking portfolio and the importance of the bank's public mandate, highlighted by a large capital increase approved in 2022. The operating environment assessment reflects exposure to countries with elevated political risks, and moderate credit quality and income levels.

**National Scale Rating:** CAF's Long-Term IDR is materially above Mexico's sovereign rating, therefore the bank's issue rating on the Mexican national rating scale is 'AAA(mex)'.

## Rating Derivation Summary

| | Standalone Credit Profile | | | | | Support | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Solvency | Liquidity | Lower of solvency and liquidity | Business environment (+3/-3 notches) | Final SCP | Capacity | Propensity (+1/-3 notches) | Support adjustment (up to 3 notches) | Final rating |
| CAF | aa- | aa+ | aa- | 0 | aa- | bb | 0 | 0 | AA- |

Source: Fitch Ratings

## Rating Sensitivities

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

**Solvency (Risks):** A weakening in our assessment of the bank's 'Moderate' risk profile, which could arise from a significant deterioration in the credit quality of the loan portfolio, with the WARLG falling below 'B-'. This could result from a default by one of CAF's sovereign borrowers, leading to a breach of the bank's PCS and potentially driving the NPL ratio above the 6% 'High' risk threshold on a sustained basis.

**Solvency (Capitalisation):** A marked decline in capitalisation ratios that could affect our 'Excellent' capitalisation assessment. This could be due to higher-than-expected growth in the bank's lending operations or delays in capital payments, leading to either the FRA or the E/A ratios falling close to or below their respective 35% 'Excellent' or 15% 'Strong' thresholds.

### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

**Business Profile (Governance):** An improvement in our assessment of CAF's governance quality supported by continued membership expansion, resulting in greater geographical diversification, as well as enhancements to the risk and internal control practices.

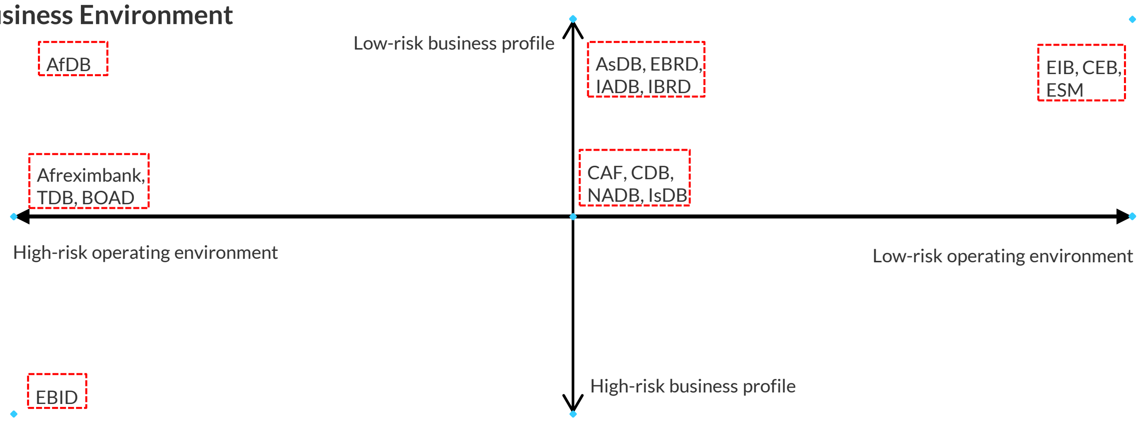
**Solvency (Concentration):** Further improvement in the portfolio concentration, with the bank's top five exposures accounting for less than 40% of the total banking portfolio on sustained basis. This could result from further diversification of lending operations.

**Solvency (Credit Risk):** An improvement in CAF's credit risk profile, as reflected in a WARLG above 'B+' and a material reduction in the NPL ratio towards the 3% 'Low' risk threshold.

## Business Environment

Fitch assesses CAF's overall business environment as 'Medium' risk, reflecting a 'Medium' risk business profile and a 'Medium' risk operating environment.

### Business Environment




AfDB - African Development Bank; AsDB - Asian Development Bank; BOAD - Banque Ouest Africaine de Developpement; CAF - Corporacion Andina de Fomento; CDB - Carribean Development Bank; CEB - Council of European Development Bank; EBID - Ecowas Bank for Investment and Development; EBRD - European Bank for Reconstruction and Development; EIB - European Investment Bank; ESM - European Stability Mechanism; IADB - Inter-American Development Bank; IBRD - International Bank for Reconstruction and Development; IsDB - Islamic Development Bank; NADB - North-American Development Bank; TDB - Trade and Development Bank.
Source: Fitch Ratings

## Brief Issuer Profile

CAF is a regional multilateral development bank (MDB), established in 1968. It began operating in 1970 following the signing of the Declaration of Bogota (1966) and the Cartagena Agreement (1969). The Bogota Declaration was signed by Bolivia (CCC-), Chile (A-/Stable), Colombia (BB/Stable), Ecuador (CCC+), Peru (BBB/Stable) and Venezuela (the founding members of CAF). The Cartagena Agreement excluded Venezuela from this list and the country only formally joined the Andean Pact (later named the Andean Community) in 1973.

The bank's membership expanded with the accession of Mexico (BBB-/Stable; 1990), Chile (A-/Stable; rejoined in 1992), Trinidad and Tobago (1994), Brazil (BB/Stable; 1995), Paraguay (BB+/Positive; 1997), Panama (BB+/Stable; 1997), Jamaica (BB-/Stable, 1999), Argentina (CCC+; 2001), Uruguay (BBB/Stable; 2001), Costa Rica (BB/Positive; 2002), Spain (A/Stable; 2002), Dominican Republic (BB-/Positive; 2004), Portugal (A/Stable; 2009) and Barbados (B+/Positive; 2015). More recently, El Salvador (B-/Stable; 2022), Honduras (2023), Bahamas (BB-/Stable; 2024), Antigua and Barbuda (2025), and Grenada (2025) have become members. The bank is owned by these 24 sovereign shareholders and 13 private banks (0.03% of subscribed capital) from the region.

### Business Profile

Fitch assesses CAF's business profile as 'Medium' risk, reflecting the following factors:

- CAF's total banking exposure (TBE) amounted to USD37.4 billion at end-3Q25, which is consistent with a 'Low' risk assessment.
- We assess the quality of CAF's governance as 'Medium' risk, reflecting its transparent organisational structure and comprehensive set of internal policies. This assessment is influenced by the large share of borrowing member countries in the capital structure, with 17 of 24 sovereigns accounting for 87% of the bank's subscribed capital. Continued improvements in governance, strategy execution and enhancements to risk and internal controls could support upward revisions to our assessments of CAF's governance quality and business profile.
- CAF's strategy is assessed as 'Medium' risk, given its moderate growth (6% in the past five years) trajectory and focus on lending to sovereign borrowers rated sub-investment grade (14 out of 18 rated below 'BBB' category). Initially focused on the Andean region, CAF has expanded its scope of operations to include most Latin American and Caribbean countries, with outstanding loan operations in 18 countries. Ongoing shareholder capital injections, membership expansion and balance sheet optimisation have supported sustained loan growth, greater portfolio diversification and strong capital adequacy.
- Fitch has revised its assessment of the bank's non-sovereign sector financing to 'Medium' risk from 'Low', reflecting anticipated increase in the share of non-sovereign sector financing (projected to reach 20% over the long term, up from 12% at end-3Q25 and 8% at end-2024). In line with its business plan, CAF plans to increase lending to subnational and sub-sovereign entities.
- The importance of CAF's public mandate is 'Low' risk. This reflects CAF's large level of financing activities, its membership expansion, and its record of regularly receiving capital contributions from shareholders.

### Operating Environment

Fitch considers CAF's operating environment as 'Medium' risk, based on the following factors:

- The credit quality of CAF's countries of operations is 'Medium' risk. The simple average rating of these countries is 'BB-', consistent with a 'Medium' risk assessment.
- Fitch assesses the income per capita in the countries of operations as 'Medium' risk. The estimated average GDP per capita income was about USD12,800 at end-2Q25. This is in line with the Inter-American Development Bank (IADB) at USD12,700 and compares favourably with the International Bank for Reconstruction and Development (IBRD) at USD9,100 and remains below the Caribbean Development Bank (CDB) at USD16,600.
- The political risk and business climate in those countries is considered as 'Medium' risk overall. The Latin America and Caribbean regions face challenges on political stability, government effectiveness and the rule of law according to the World Bank's Worldwide Governance Indicators (WGI), scoring below other regions, with the exception of Africa and the Middle East.
- Political risk in Venezuela, where the bank has its headquarters, is deemed 'High' risk based on WGI. The bank's headquarters remain in Caracas, but operationally CAF has moved most of its staff and operations to other capitals in the region.

## Solvency

Fitch assesses CAF's solvency at 'aa-', underpinned by the bank's 'Excellent' capitalisation, which balances a 'Moderate' risk profile.

### Capitalisation

CAF's 'Excellent' capitalisation is a key rating strength, reflecting two capital ratios, the FRA and the E/A, which have consistently exceeded their respective 'Excellent' thresholds of 35% and 25%.

The FRA ratio rose to 49% at end-3Q25 from 46% at end-3Q24, driven by stronger growth in usable capital relative to risk-weighted assets. This improvement was supported by strong shareholder capital payments (USD476 million in the first three quarters of 2025), solid internal capital generation (3Q25: 2.7%, 2024: 4.0%) and the inaugural issuance of USD500 million in hybrid capital instruments in June 2025, to which Fitch assigned 100% equity credit.

In 2025, CAF's leverage was stable, with the E/A ratio at 28% at end-3Q25, unchanged from the previous year. Leverage trends were aligned with shareholder capital payments and international capital generation.

Fitch expects the FRA and E/A ratios to stay above their respective 'Excellent' thresholds of 35% and 25% through 2028. Projections assume annual lending growth of about 8%, continued shareholder capital payments in line with the bank's 9th and 10th general capital increase programmes and the incorporation of the new full member states.

### Peer Comparison: Capital Ratios and Profitability

| | CAF (AA-) | | AfDB (AAA) | CDB (AA+) | IADB (AAA) |
|---|---|---|---|---|---|
| | Sep 2025 | Projection[a] | End-2024 | Sep 2024 | Jun 2025 |
| Equity/adjusted assets (E/A, %) | 28 | 25-30 | 30 | 45 | 25 |
| Usable capital/risk-weighted assets (FRA, %) | 49 | 45-50 | 60 | 68 | 52 |
| Net income/average equity | 3.6 | 2-3 | 2.4 | 2.1 | 4.2 |

[a] Medium-term projections, forecast range
Source: Fitch Ratings, MDBs

### Risks

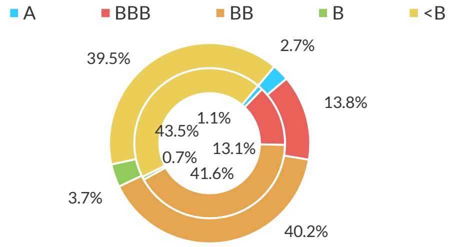
#### Risks Assessment

| Indicative value | Risk level |
|---|---|
| Credit risk | Moderate |
| Concentration | Moderate |
| Equity risks | Very low |
| Risk management policies | Strong |

Source: Fitch Ratings

#### Loans and Guarantees by Ratings

Inner 3Q24, Outer 3Q25




Notes: Figures may not sum to 100% due to rounding.
Source: Fitch Ratings, CAF

Fitch considers CAF's overall risk profile as 'Moderate', balancing 'Moderate' credit and concentration risks, 'Very Low' equity risks and 'Strong' risk management policies.

The WARLG was 'B+' at end-3Q25, with the portfolio predominantly comprising sovereign loans (89% of loans, average rating 'B+'). Non-sovereign loans accounted for 11% of the portfolio, with an average rating of 'BB+' at end-3Q25, up from 'BB' in the previous review.

Fitch expects the credit quality of CAF's loan portfolio to remain broadly stable over the forecast period, despite the bank's diversification strategy. The 'B+' WARLG would be resilient to the recent downgrade of Colombia's sovereign rating to 'BB'/Stable (11% of the country exposure) and potential one-notch upgrades of borrowers with Positive Outlooks (9%). CAF's 'Excellent' PCS, based on its strong record of sovereign loan repayments and low exposure to the non-sovereign sector, results in an uplift of three notches above the WARLG to 'BB+'.

Loan performance improved in 2025, as the NPL ratio declined to 5.3% at end-3Q25 from 5.9% at end-2024. This was due to loan book growth and a reduction in Venezuelan exposure to 5.3% in 3Q25 (from 14.2% in 3Q19), following a share-repurchase-transaction in lieu of principal and interest payments. The deal sharply reduced Venezuela's proportion in the bank's subscribed capital to 4.9% at end-3Q25, from 18% at end-2019. Fitch expects Venezuelan exposure to remain non-performing over the forecast horizon, with the NPL ratio remaing within the 3%-6% 'Moderate' range through 2028.

CAF's concentration risk is assessed as 'Moderate'. The bank advanced portfolio diversification modestly in 2025 by increasing lending in countries that recently joined or gained full membership (e.g. Chile, El Salvador). CAF also executed a USD700 million Exposure Exchange Agreement with the Central American Bank for Economic Integration in May 2025. As a result, the share of the five largest exposures in TBE declined to 47% at end-3Q25, from 51% at end-2024. Fitch expects a gradual reduction in portfolio concentration over the medium term, supported by membership expansion, and a higher proportion of approvals to these members in recent years.

Fitch assesses the equity risk as 'Very Low', with CAF's equity participations accounting for 1.1% of TBE as of end-3Q25. Equity participations are in the form of investments into equity securities of companies and funds based in the bank's countries of operations.

Fitch assesses CAF's risk management policies as 'Strong', reflecting the comprehensive risk appetite framework and an evolving set of risk management practices and tools. Relative to peers with an 'Excellent' assessment, CAF's assessment reflects weaker concentration metrics. CAF has recently tightened certain risk parameters, including lowering the single sovereign loan maximum exposure from 25% of the loan portfolio to 20% for founding members and aligned this for non-founding members to 20% (from 15%). In practice, single sovereign exposures have been capped at 15%.

### Peer Comparison: Risks

| | CAF (AA-) | | AfDB (AAA) | CDB (AA+) | IADB (AAA) |
|---|---|---|---|---|---|
| | Sep 2025 | Projection[a] | End-2024 | Sep 2024 | Jun 2025 |
| Estimated average rating of loans and guarantees | B+ | B+ | B+ | B | BB- |
| Impaired loans/gross loans (%) | 5.3 | 4-6 | 1.9 | 0.1 | 1.9 |
| Five largest exposures/total banking exposure (%) | 47 | 45-50 | 25 | 68 | 50 |
| Equity stakes/total banking exposure (%) | 1.1 | 1-2 | 4 | 0 | 0 |

[a] Medium-term projections, forecast range
Source: Fitch Ratings, MDBs

## Liquidity Analysis

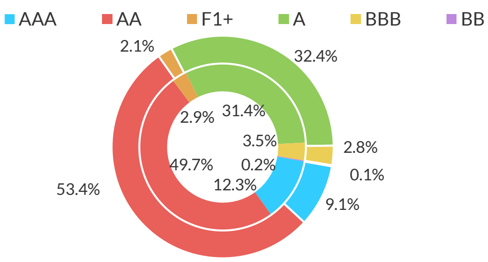
### Liquidity Assessment

| Indicative value | Risk level |
|---|---|
| Liquidity buffer | Strong |
| Quality of treasury assets | Strong |
| Access to capital markets and alternative sources of liquidity | Strong |

Source: Fitch Ratings

### Treasury Assets by Ratings

Inner end-2024, Outer end-3Q25




Notes: Figures may not sum to 100% due to rounding.
Source: Fitch Ratings, CAF

Fitch assesses CAF's liquidity at 'aa+', reflecting its 'Strong' liquidity buffers and credit quality of treasury assets, and access to capital markets and alternative liquidity sources.

### Liquid Assets to Short-Term Debt

CAF's liquidity buffer, measured as liquid assets to short-term debt, is assessed as 'Strong'. At end-3Q25, CAF's liquid assets covered 1.6x short-term debt, unchanged from the previous year. This coverage remains below the 'AAA'-'AA' median, primarily due to CAF's higher reliance on short-term funding, including deposits and commercial paper. Fitch expects the bank's liquidity buffer to moderate but remain within 1.0x-1.5x range for a 'Strong' assessment over the forecast period.

### Quality of Treasury Assets

Fitch assesses the credit quality of CAF's treasury assets as 'Strong'. The share of 'AAA'/'AA'/'F1+' rated assets increased to 65% at end-3Q25 from 59% at end-3Q24 and 57% in 2023, driven by increased investments in highly rated debt securities and deposits at top-rated financial institutions. Nearly all of treasury assets (97%) are rated above 'A-', with the majority maturing within one year. Fitch expects the share of 'AAA'/'AA'/'F1+' rated assets to remain in the 'Strong' range (40%-70%) over the medium term.

### Access to Capital Market, Alternative Source of Liquidity

Fitch assesses CAF's access to capital markets and alternative sources of liquidity as 'Strong', with the bank increasing its market presence in recent years. Approximately 84% of funding was sourced from capital markets, with the remainder from term deposits and long-term loans.

CAF has maintained a highly diversified investor base, issuing in 24 currencies across major international markets, including the US, Europe, Japan, Hong Kong, Australia and Switzerland, as well as in local Latin American markets. Year to date, the bank has raised USD8.3 billion in international capital markets, including four mid-term benchmark bonds in US dollars, pound sterling and euros, and the hybrid capital transaction. Expanded capital markets activity and diversified liquidity sources have contributed to reduced funding costs.

**Peer Comparison: Liquidity**

| | CAF (AA-) | | AfDB (AAA) | CDB (AA+) | IADB (AAA) |
|---|---|---|---|---|---|
| | Sep 2025 | Projection[a] | End-2024 | Sep 2024 | Jun 2025 |
| Liquid assets/short-term debt (%) | 160 | 120-150 | 400 | 961 | 201 |
| Share of treasury assets rated AA- and above (%) | 65 | 60-65 | 81 | 78 | 88 |

[a] Medium-term projections, forecast range
Source: Fitch Ratings, MDBs

## Shareholder Support

CAF's rating does not benefit from a credit uplift from shareholder support. Fitch assesses extraordinary support from CAF's shareholders at 'bb', reflecting their capacity (bb) and 'Strong' propensity to support the bank.

### Capacity to Provide Extraordinary Support

The weighted average rating of key shareholders (WARKS) remained at 'BB' at end-3Q25. The WARKS estimate is based on the credit quality of the largest shareholders, accounting for more than 50% of the bank's subscribed capital: Peru (16.1%), Colombia (16.1%), Argentina (10.6%) and Brazil (7.6%). The WARKS has been resilient to Colombia's recent downgrade.

CAF's callable capital, which totalled USD1.86 billion at end-3Q25, is insufficient to cover net debt.

### Propensity to Provide Extraordinary Support

Fitch considers shareholders' propensity to support CAF as 'Strong'. The bank has demonstrated its ability to operate smoothly during successive periods of instability in the region, supported by its conservative operating policies and ongoing backing from its member countries. CAF has served as one of the few providers of external funding for several sovereigns, and member countries have consistently granted PCS, even for private-sector loans.

**Peer Comparison: Shareholder Support**

| | CAF (AA-) | | AfDB (AAA) | CDB (AA+) | IADB (AAA) |
|---|---|---|---|---|---|
| | Sep 2025 | Projection[a] | End-2024 | Sep 2024 | Jun 2025 |
| Coverage of net debt by callable capital | NC | NC | AAA | BBB | A- |
| Average rating of key shareholders | BB | BC | BBB- | BBB- | A- |
| Propensity to support | 0 | 0 | 0 | 0 | 0 |

[a] Medium-term projections
Source: Fitch Ratings, MDBs

# ESG Relevance Scores

This Navigator report does not constitute a new rating action for this issuer. It provides a visual summary of the integrated scoring system that shows how environmental, social and governance (ESG) factors affect individual credit rating decisions.
The most recent Rating Action Commentary can be found on www.fitchratings.com.

FitchRatings

## Corporacion Andina de Fomento (CAF)

**Supranational ESG Navigator**
Supranational

### Credit-Relevant ESG Derivation

Corporacion Andina de Fomento (CAF) has 2 ESG rating drivers and 5 ESG potential rating drivers

- Corporacion Andina de Fomento (CAF) has exposure to board independence and effectiveness, ownership composition which, in combination with other factors, impacts the rating.
- Corporacion Andina de Fomento (CAF) has exposure to lack of supervision by an external authority and is not subject to banking regulation which, in combination with other factors, impacts the rating.
- Corporacion Andina de Fomento (CAF) has exposure to borrowers with limited access to external funding sources and/or extend concessional loans but this has very low impact on the rating.
- Corporacion Andina de Fomento (CAF) has exposure to social pressure to provide support at times of crisis but this has very low impact on the rating.
- Corporacion Andina de Fomento (CAF) has exposure to risk around the execution/predictability of its strategy but this has very low impact on the rating.
- Corporacion Andina de Fomento (CAF) has exposure to quality of financial reporting and medium-term financial forecasts but this has very low impact on the rating.

Showing top 6 issues

| | | | ESG Relevance to Credit Rating |
|---|---|---|---|
| key driver | 0 | issues | 5 |
| driver | 2 | issues | 4 |
| potential driver | 5 | issues | 3 |
| not a rating driver | 2 | issues | 2 |
| | 6 | issues | 1 |

### Environmental (E) Relevance Scores

| General Issues | E Score | Sector-Specific Issues | Reference | E Relevance |
|---|---|---|---|---|
| GHG Emissions & Air Quality | 1 | n.a. | n.a. | 5 |
| Energy Management | 1 | n.a. | n.a. | 4 |
| Water & Wastewater Management | 1 | n.a. | n.a. | 3 |
| Waste & Hazardous Materials Management; Ecological Impacts | 1 | n.a. | n.a. | 2 |
| Exposure to Environmental Impacts | 2 | Impact of extreme weather events and climate change on assets and corresponding risk appetite and management | Asset Quality; Risk Management | 1 |

### Social (S) Relevance Scores

| General Issues | S Score | Sector-Specific Issues | Reference | S Relevance |
|---|---|---|---|---|
| Human Rights, Community Relations, Access & Affordability | 3 | Lending to borrowers with limited or no access to other external sources of finance; extension of concessional loans or grants; credit protection schemes | Importance of the Public Mandate; Credit Risk; Propensity to Support | 5 |
| Privacy & Data Security | 1 | n.a. | n.a. | 4 |
| Labour Relations & Practices | 2 | Restriction on recruitment based on nationality and quotas | Governance | 3 |
| Employee Well-being | 1 | n.a. | n.a. | 2 |
| Exposure to Social Impacts | 3 | Counter-cyclical mandate and development role; social pressure to provide support at times of crisis | Credit Risk; NPLs; Capitalisation; Strategy | 1 |

### Governance (G) Relevance Scores

| General Issues | G Score | Sector-Specific Issues | Reference | G Relevance |
|---|---|---|---|---|
| Management Strategy (Operational Execution) | 3 | Lack of predictability and/or risk around the execution of strategy | Business Profile; Strategy; Governance | 5 |
| Governance Structure | 4 | Board independence and effectiveness, ownership composition, degree of political or external influence, control of one member state over the management of the institution | Business Profile; Strategy; Governance | 4 |
| Rule of Law, Institutional & Regulatory Quality | 4 | Supranationals are neither subject to bank regulation nor supervised by an external authority; all supranationals attract a score of '4' | Risk Management Policies; Governance | 3 |
| Financial Transparency | 3 | Quality and frequency of financial reporting and auditing processes, detail and scope of information, medium-term financial forecasts | Minimum Data Requirement | 2 |
| Policy Status and Mandate Effectiveness | 3 | Inherent obligor risk concentration; effectiveness of preferred creditor status; access to liquidity support from central bank | Concentration; Credit Risk; Access to Central Bank Refinancing | 1 |

**How to Read This Page**
ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.
**The Environmental (E), Social (S) and Governance (G) tables** break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.
**The Credit-Relevant ESG Derivation** table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.
**Classification** of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

**CREDIT-RELEVANT ESG SCALE**

**How relevant are E, S and G issues to the overall credit rating?**

| | |
|---|---|
| 5 | Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. |
| 4 | Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. |
| 3 | Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. |
| 2 | Irrelevant to the entity rating but relevant to the sector. |
| 1 | Irrelevant to the entity rating and irrelevant to the sector. |

# Data Tables

## Balance Sheet

**Corporacion Andina de Fomento**

| (USDm) | 30 Sep 25<br>9 months - 3rd quarter<br>Partial | 31 Dec 24<br>Year end<br>Original | 30 Sep 24<br>9 months - 3rd quarter<br>Partial | 31 Dec 23<br>Year end<br>Original |
|---|---|---|---|---|
| **A. Loans** | | | | |
| 1. To/guaranteed by sovereigns | 32,727.7 | 31,235.3 | 30,639.9 | 30,896.0 |
| 2. To/guaranteed by public institutions | 0.0 | 0.0 | 0.0 | 0.0 |
| 3. To/guaranteed by private sector | 4,030.1 | 2,425.1 | 2,639.9 | 2,407.4 |
| 4. Trade financing loans (memo) | 0.0 | 0.0 | 0.0 | 0.0 |
| 5. Other loans | 0.0 | 0.0 | 0.0 | 0.0 |
| 6. Loan loss reserves (deducted) | 91.6 | 84.8 | 49.3 | 56.9 |
| **A. Loans, total** | **36,666.2** | **33,575.6** | **33,230.5** | **33,246.5** |
| **B. Other earning assets** | | | | |
| 1. Deposits with banks | 4,552.8 | 3,369.9 | 4,028.0 | 4,963.9 |
| 2. Securities held for sale and trading | 16,000.1 | 13,672.7 | 14,925.5 | 9,988.2 |
| 3. Investment debt securities (including other investments) | 1,810.9 | 873.8 | 1,723.2 | 1,265.0 |
| 4. Equity investments | 417.3 | 399.8 | 389.6 | 392.2 |
| 5. Derivatives (including fair-value of guarantees) | 1,576.1 | 535.5 | 1,094.4 | 911.7 |
| **B. Other earning assets, total** | **24,357.2** | **18,851.7** | **21,160.7** | **17,521.0** |
| **C. Total earning assets (A+B)** | **61,023.4** | **52,427.3** | **55,391.2** | **50,767.5** |
| **D. Fixed assets** | **221.9** | **187.4** | **167.0** | **154.8** |
| **E. Non-earning assets** | | | | |
| 1. Cash and due from banks | 72.5 | 233.2 | 93.3 | 70.6 |
| 2. Other | 2,506.2 | 3,612.1 | 2,794.7 | 2,821.4 |
| **F. Total assets** | **63,824.0** | **56,460.0** | **58,446.2** | **53,814.3** |
| **G. Short-term funding** | | | | |
| 1. Bank borrowings (<1 year) | 289.9 | 430.5 | 763.2 | 432.2 |
| 2. Securities issues (<1 year) | 8,931.3 | 8,462.9 | 9,631.2 | 7,985.4 |
| 3. Other (including deposits) | 4,748.7 | 3,497.3 | 2,596.1 | 4,144.5 |
| **G. Short-term funding, total** | **13,969.9** | **12,390.7** | **12,990.5** | **12,562.1** |
| **H. Other funding** | | | | |
| 1. Bank borrowings (>1 year) | 1,938.7 | 1,694.0 | 1,531.0 | 1,614.6 |
| 2. Other borrowings (including securities issues) | 27,722.1 | 22,182.6 | 24,550.5 | 21,427.6 |
| 3. Subordinated debt | 0.0 | 0.0 | 0.0 | 0.0 |
| 4. Hybrid capital | 0.0 | 0.0 | 0.0 | 0.0 |
| **H. Other funding, total** | **29,660.7** | **23,876.6** | **26,081.5** | **23,042.2** |
| **I. Other (non-interest bearing)** | | | | |
| 1. Derivatives (including fair value of guarantees) | 1,369.0 | 2,936.5 | 1,990.2 | 2,340.6 |
| 2. Fair value portion of debt | 0.0 | 0.0 | 0.0 | 0.0 |
| 3. Other (non-interest bearing) | 1,916.4 | 1,266.9 | 1,571.9 | 1,139.8 |
| **I. Other (non-interest bearing), total** | **3,285.4** | **4,203.4** | **3,562.1** | **3,480.4** |
| **J. General provisions and reserves** | **0.0** | **0.0** | **0.0** | **0.0** |
| **L. Equity** | | | | |
| 1. Preference shares | 0.0 | 0.0 | 0.0 | 0.0 |
| 2. Subscribed capital | 10,053.9 | 10,010.9 | 10,009.7 | 9,988 |
| 3. Callable capital | -1,855.7 | -1,819.7 | -1,819.7 | -1,819.7 |

## Balance Sheet

**Corporacion Andina de Fomento**

| (USDm) | 30 Sep 25<br>9 months - 3rd quarter<br>Partial | 31 Dec 24<br>Year end<br>Original | 30 Sep 24<br>9 months - 3rd quarter<br>Partial | 31 Dec 23<br>Year end<br>Original |
|---|---|---|---|---|
| 4. Arrears/advances on capital | 2,205.3 | 2,365.7 | -2,432.0 | -2,570.0 |
| 5. Paid in capital (memo) | 5,993.0 | 5,825.6 | 10,433.2 | 5,598.3 |
| 6. Reserves (including net income for the year) | 10,915.1 | 10,163.8 | 10,054.1 | 9,131.3 |
| 7. Fair-value revaluation reserve | 0.0 | 0.0 | 0.0 | 0.0 |
| **K. Equity, total** | **16,908.1** | **15,989.4** | **15,812.4** | **14,729.6** |
| **M. Total liabilities and equity** | **63,824.0** | **56,460.0** | **58,446.2** | **53,814.3** |

Source: Fitch Ratings, Fitch Solutions, CAF

## Income Statement
**Corporacion Andina de Fomento**

| (USDm) | 30 Sep 25<br>9 months – 3rd quarter<br>Partial | 31 Dec 24<br>Year end<br>Original | 30 Sep 24<br>9 months – 3rd quarter<br>Partial | 31 Dec 23<br>Year end<br>Original |
|---|---|---|---|---|
| 1. Interest received | 2,536.8 | 3,568.6 | 2,819.5 | 3,302.5 |
| 2. Interest paid | 1,749.4 | 2,539.9 | 1,934.9 | 2,199.3 |
| **3. Net interest revenue (1. - 2.)** | **787.4** | **1,028.7** | **884.6** | **1,103.2** |
| 4. Other operating income | 0.6 | 16.0 | 33.3 | -1.5 |
| 5. Other income | -188.2 | -166.6 | -144.8 | 86.1 |
| 6. Personnel expenses | n.a. | n.a. | n.a. | n.a. |
| 7. Other non-interest expenses | 164.7 | 219.6 | 152.6 | 205.2 |
| 8. Impairment charge | -7.9 | 41.9 | -7.7 | 0.4 |
| 9. Other provisions | 0.0 | 0.0 | 0.0 | 0.0 |
| **10. Pre-derivative operating profit (3. + 4. + 5.) - (6. + 7. + 8. + 9.)** | **443.1** | **616.5** | **628.2** | **810.0** |
| 11. Net gains/(losses) on non-trading derivative instruments | n.a. | n.a. | n.a. | n.a. |
| **12. Post-derivative operating profit (10. + 11.)** | **443.1** | **616.5** | **628.2** | **810.0** |
| 13. Other income and expenses | n.a. | n.a. | n.a. | n.a. |
| **14. Net income (12. + 13.)** | **443.1** | **616.5** | **628.2** | **810.0** |
| 15. Fair value revaluations recognised in equity | n.a. | n.a. | n.a. | n.a. |
| **16. Fitch's comprehensive net income (14. + 15.)** | **443.1** | **616.5** | **628.2** | **810.0** |

Source: Fitch Ratings, Fitch Solutions, CAF

## Ratio Analysis

**Corporacion Andina de Fomento**

| (%) | 30 Sep 25<br>9 months – 3rd quarter<br>Partial | 31 Dec 24<br>Year end<br>Original | 30 Sep 24<br>9 months – 3rd quarter<br>Partial | 31 Dec 23<br>Year end<br>Original |
|---|---|---|---|---|
| **I. Profitability level** | | | | |
| 1. Net income/equity (average) | 3.6 | 4.0 | 5.5 | 5.7 |
| 2. Cost/income ratio | 20.9 | 21.0 | 16.6 | 18.6 |
| **II. Capital adequacy** | | | | |
| 1. Usable capital/risk-weighted assets (FRA ratio) | 49.3 | 51.6 | 46.4 | 44.5 |
| 2. Equity/adjusted total assets + guarantees | 27.8 | 29.7 | 28.0 | 28.6 |
| 3. Paid-in capital/subscribed capital | 59.6 | 58.2 | 56.1 | 56.1 |
| 4. Internal capital generation after distributions | 2.7 | 4.0 | 4.2 | 5.7 |
| **III. Liquidity** | | | | |
| 1. Liquid assets/short-term debt | 160.4 | 146.2 | 159.6 | 129.7 |
| 2. Share of treasury assets rated 'AAA'-'AA' | 64.6 | 64.9 | 59.3 | 56.7 |
| 3. Treasury assets/total assets | 35.2 | 32.2 | 35.5 | 30.3 |
| 4. Treasury assets investment grade + eligible non-investment grade/ total assets | 34.4 | 31.2 | 35.5 | 30.3 |
| 5. Liquid assets/total assets | 34.4 | 31.2 | 35.5 | 30.3 |
| **IV. Asset quality** | | | | |
| 1. Impaired loans/gross loans | 5.3 | 5.9 | 5.9 | 6.5 |
| 2. Loan loss reserves/gross loans | 0.2 | 0.3 | 0.2 | 0.2 |
| 3. Loan loss reserves/impaired loans | 4.7 | 4.3 | 2.5 | 2.6 |
| **V. Leverage** | | | | |
| 1. Debt/equity | 258.0 | 226.8 | 247.1 | 241.7 |
| 2. Debt/callable capital | 2,351.2 | 1,993.0 | 2,147.2 | 1,956.6 |

Source: Fitch Ratings, CAF

## Appendix

Corporacion Andina de Fomento

| | 30 Sep 25<br>9 months – 3rd quarter<br>Partial | 31 Dec 24<br>Year end<br>Original | 30 Sep 24<br>9 months – 3rd quarter<br>Partial | 31 Dec 23<br>Year end<br>Original |
|---|---|---|---|---|
| **1. Lending operations** | | | | |
| 1. Loans outstanding | 36,757.8 | 33,660.4 | 33,279.8 | 33,303.4 |
| Memo: Loans to sovereigns | 32,727.7 | 31,235.3 | 30,639.9 | 30,896.0 |
| Memo: Loans to non-sovereigns | 4,030.1 | 2,425.1 | 2,639.9 | 2,407.4 |
| **2. Other banking operations** | | | | |
| 1. Equity participations | 417.3 | 399.8 | 389.6 | 392.2 |
| 2. Guarantees (off balance sheet) | 260.8 | 273.5 | 76.8 | 83.9 |
| Memo: Guarantees to sovereigns | 200.0 | 215.3 | 15.2 | 15.2 |
| Memo: Guarantees to non-sovereigns | 60.8 | 58.2 | 61.6 | 68.7 |
| **3. Total banking exposure (balance sheet and off-balance sheet)** | | | | |
| 1. Total banking exposure (loans + equity participations + guarantees (off-balance sheet)) | 37,435.9 | 34,333.7 | 33,746.2 | 33,779.5 |
| 2. Growth in total banking exposure (%) | 10.9 | 1.6 | 3.9 | 9.1 |
| Memo: Non-sovereign exposure | 4,508.2 | 2,883.1 | 3,091.1 | 2,868.3 |
| **4. Support** | | | | |
| 1. Share of 'AAA'/'AA' shareholders in callable capital (%) | 0.0 | 0.0 | 0.0 | 0.0 |
| 2. Rating of callable capital ensuring full coverage of net debt | NC | NC | NC | NC |
| 3. Weighted average rating of key shareholders | BB | BB | BB | BB- |
| **5. Breakdown of banking portfolio** | | | | |
| 1. Loans to sovereigns/total banking exposure (%) | 87.4 | 91.0 | 90.8 | 91.5 |
| 2. Loans to non-sovereigns total banking exposure (%) | 10.8 | 7.1 | 7.8 | 7.1 |
| 3. Equity participation/total banking exposure (%) | 1.1 | 1.2 | 1.1 | 1.2 |
| 4. Guarantees covering sovereign risks/total banking exposure (%) | 0.5 | 0.6 | 0.1 | 0.0 |
| 5. Guarantees covering non-sovereign risks/total banking exposure (%) | 0.2 | 0.2 | 0.2 | 0.2 |
| Memo: Non-sovereign exposure (2. + 3. + 5.)/total banking exposure (%) | 12.0 | 8.4 | 9.2 | 8.5 |
| **6. Concentration measures** | | | | |
| 1. Largest exposure/equity (%) | 28.5 | 30.0 | 30.0 | 36.9 |
| 2. Five largest exposures/equity (%) | 104.7 | 111.3 | 111.2 | 123.7 |
| 3. Largest exposure/total banking exposure (%) | 12.9 | 14.0 | 14.1 | 16.1 |
| 4. Five largest exposures/total banking exposure (%) | 47.3 | 51.8 | 52.1 | 53.9 |
| **7. Credit risk** | | | | |
| 1. Average rating of loans and guarantees | B+ | B+ | B+ | B |
| 2. Loans to investment-grade borrowers/gross loans | 16.5 | 14.4 | 14.3 | 20.0 |
| 3. Loans to sub-investment grade borrowers/gross loans (%) | 83.5 | 85.6 | 85.7 | 80.0 |
| **8. Liquidity** | | | | |
| 1. Treasury assets | 22,436.3 | 18,149.6 | 20,770.0 | 16,287.7 |
| 2. Treasury assets of which investment grade + eligible non-investment grade | 22,406.2 | 18,119.6 | 20,770.0 | 16,287.7 |
| 3. Unimpaired short-term trade financing loans | 0.0 | 0.0 | 0.0 | 0.0 |
| 4. Unimpaired short-term trade financing loans - discounted 40% | 0.0 | 0.0 | 0.0 | 0.0 |
| 5. Liquid assets (2. + 4.) | 22,406.2 | 18,149.6 | 20,770.0 | 16,287.7 |

Source: Fitch Ratings, CAF

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