FitchRatings

Supranational
United States

Inter-American Investment Corporation (IDB Invest)

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	AAA
Short-Term IDR	F1+

Outlooks

Long-Term Foreign-Currency IDR	Stable

Financial Data

	End-2021	Sep 2022
Total assets (USDbn)	7.6	8.5
Equity/assets (%)	29.1	33.2
Fitch's usable capital/risk-weighted assets (%)	45.0	42.7
Average rating of loan	BB-	BB
Impaired loans (% of total loans)	0.5	0.5
5 largest exposures/total banking exposure (%)	9.7	10.8
Share of non-sovereign (%)	100	100
Net income/equity (%)	5.3	4.1
Average rating of key shareholders	BBB	BBB

Source: Fitch Ratings, IDB Invest

Applicable Criteria

Supranationals Rating Criteria (April 2023)

Related Research

Fitch Affirms IDB Invest at 'AAA'; Outlook Stable (January 2023)

Supranationals Mid-Year Outlook 2023 (June 2023)

Supranationals Exposure to Ukraine Is Growing (June 2023)

Risk Transfers Could Support MDBs' Capital (April 2023)

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Amendment

This is a correction of the report originally published on 10 August 2023. It corrects the usable capital/risk-weighted assets ratio at end-September 2022 to 42.7%, on pages 1, 3, 4 and 10. All other content is as of the original publication date.

Key Rating Drivers

SCP Drives Rating: Inter-American Investment Corporation's (IDB Invest) 'AAA' Long-Term Issuer Default Rating (IDR) reflects its Standalone Credit Profile (SCP), underpinned by its solvency and liquidity assessments of 'aaa' and a 'medium' risk business environment. Moderation of growth in banking exposures and capital transfers from Inter-American Development Bank (IADB; AAA/Stable) will support the bank's 'excellent' capitalisation assessment, albeit with smaller buffers post-pandemic.

Excellent Capitalisation, Reduced Buffers: IDB Invest's 'excellent' capitalisation reflects its 'excellent' Fitch-calculated usable capital/risk-weighted assets (FRA) ratio (42.7% at end-September 2022) and 'excellent' equity/assets ratio (33.2%). Both ratios have declined significantly since 2020, partly as a result of the bank's policy response to the pandemic. Fitch expects both ratios to decline further but to remain above the 'excellent' thresholds of 35% and 25%, respectively.

Potential New Capital Increase: In March 2022, IADB's board of governors approved a roadmap for a series of institutional reforms and mandated a proposal for a capital increase for IDB Invest. The capital increase is being considered along with changes to the bank's business model. This follows the consolidation of the group's private sector activities into IDB Invest since 2016 and a USD2 billion capital increase, with payments scheduled through 2025.

Robust Asset Performance: Non-performing loans (NPLs) have been low compared with private sector-focused peers, reflecting robust asset performance and strong underwriting standards. The NPL ratio was 0.5% as of end-September 2022, consistent a with a 'very low' risk assessment (below 1%) and in line with recent years. Fitch expects a rise in NPLs as the loan portfolio seasons and against the backdrop of weaker macroeconomic and financial conditions for its borrowers, but for it to remain at a 'low' level (1%-3%).

Increased Credit Risk Transfers: Since 2020, IDB Invest has had recourse to unfunded credit protection to mobilise private capital and transfer the credit risk on a portion of the bank's loan portfolio (19.6% of loans and guarantees were covered as of end-September 2022) to highly rated insurers. Fitch factors the impact of these schemes in its assessment of credit risk and this has led to an improvement of the weighted average rating of loans and guarantees (WARLG) to 'BB' as of end-September 2022, from 'BB-' in recent years.

Low Solvency Risks: The 'low' solvency assessment is also supported by the bank's 'very low' equity (4.6% of total banking exposure, or TBE) and market risks, as well as its 'excellent' risk management policies. Comprehensive limits on countries, sectors, and obligors are conservative and well managed. As of end-September 2022, the five largest banking exposures accounted for 10.8% of TBE, consistent with a 'very low' risk assessment.

Excellent Liquidity: Fitch assesses IDB Invest's liquidity at 'aaa'. As of end-September 2022, liquid assets (including discounted short-term trade finance loans) accounted for 212% of short-term debt, well above the minimum 'excellent' threshold (above 150%). The credit quality of treasury assets is 'excellent', with the bulk invested in 'AAA'-'AA' rated assets (86% of total).

Medium Risk Business Environment: IDB Invest's overall business environment is assessed as 'medium risk', which does not translate into an adjustment from Fitch's solvency or liquidity assessments of 'aaa'. Our assessment captures the increased importance of the bank's policy mandate, as the largest private-sector focused multilateral development bank in Latin America and Caribbean, and its 'medium-risk' operating environment.

Rating Derivation Summary

	Standalone Credit Profile (SCP)					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
IDB Invest	aaa	aaa	aaa	0	aaa	BBB	0	0	AAA

Source: Fitch Ratings

Rating Sensitivities

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

- **Solvency (Capitalisation):** Continued decline in capitalisation metrics with an equity to assets and guarantees ratio sustained at a level close to or below 25% or an FRA ratio close to or below 35%. This could be driven by losses, continued rapid growth in banking operations, and/or a significant increase in risk-weighted assets.
- **Solvency (Risk):** Increased risk profile, potentially driven by higher levels of NPLs (above 3%), a decline in the average rating of loans and guarantees below 'BB-', and/or increased equity risk.
- **Business Environment (Business Profile/Operating Environment):** Continued rapid growth in the bank's operations relative to its capital resources that affects our assessment of the bank's strategy. Further deterioration in the macroeconomic environment in the bank's countries of operations in Latin America.

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

The ratings are at the highest level on Fitch's scale and cannot be upgraded.

Business Environment

The overall business environment is considered a 'medium risk'.

Brief Issuer Profile

The Inter-American Investment Corporation (IIC) was established in 1986 as an international organisation in Washington D.C. to promote the economic development of its 26 Regional Developing Member Countries (RDMCs) from Latin America and the Caribbean. Endowed with an initial capital of USD200 million, IIC started lending and investing in the region in 1989, targeting small and medium-sized companies in the private sector.

The IIC rebranded in November 2017 and now refers to itself as IDB Invest. This rebranding did not entail a change in the legal name.

IDB Invest provides financing through loans, investments in debt securities, guarantees, and equity investments. The purpose of IDB Invest is to promote the economic development of its RDMCs by encouraging the establishment, expansion, and modernisation of private enterprises in such a way as to supplement the activities of IADB. IDB Invest is an autonomous organisation and a member of the Inter-American Development Bank Group (the IADB Group), which also includes IADB and the Multilateral Investment Fund (MIF, now commercially known as IDB Lab).

The Boards of Governors of the IADB and IIC passed a resolution in 2015 to consolidate the IADB Group's private sector activities under IIC. The operations of IADB's Structured and Corporate Finance Department and Opportunities for the Majority Department have since been consolidated into IDB Invest.

The transfer of operations of IADB's Structured and Corporate Finance Department and non-financial resources related to IADB's private-sector activities was completed on 1 January 2016. IADB and IDB Invest had been cross-booking operations from 2016 until 2022. All private-sector operations of the IADB Group will be booked to IDB Invest from 2023. The demerger will eventually shift IDB Invest's focus toward infrastructure, agriculture and energy projects. In Fitch's view, the demerger has been neutral for IDB Invest's financial profile as it also incorporates a comprehensive capitalisation plan, and has strengthened its mandate in private-sector development and its importance to shareholders.

The capitalisation plan was designed to preserve the financial strength of the IADB group. It included a USD2.03 billion capital increase for IDB Invest, of which USD1.305 billion consisted of new contributions by IDB Invest member countries which were paid over a seven-year period beginning in 2016 (Annex A). The remaining USD725million in capital has come from annual transfers from IADB (on behalf of its members) to IDB Invest from the ordinary income of the bank (Annex B), subject to annual approval by the IADB board of governors. As of August 2022, IDB Invest had received 91% of total Annex A payments and 80% of Annex B payments.

The IADB's board of governors approved a roadmap in March 2022 for a series of institutional reforms for the IDB and mandated a proposal for a capital increase for IDB Invest. The new business model envisioned for IDB Invest (IDB Invest 2.0) is being developed. The new approach will focus on originating more impactful projects, de-risking private-sector investment, and using new financial and technical tools, to help crowd-in investment. The new business model goes hand-in-hand with the mandate for a capital increase proposal for IDB Invest, the details of which will be disclosed in the coming months.

Business Profile

The business environment is assessed as 'medium risk'.

The size of the banking portfolio is assessed as 'medium' risk by Fitch. As of end-September 2022, IDB Invest's TBE was USD6.5 billion, projected by Fitch to increase close to USD9 billion by end-2025.

The quality of governance is assessed as 'low risk' in line with 'AAA' rated peers. There is a transparent organisational structure and a comprehensive set of internal policies that have been strictly enforced.

The size of IDB Invest's non-sovereign sector financing is assessed as 'high risk'. At end-September 2022, IDB Invest's TBE is exclusively to non-sovereign entities consistent with its private sector mandate.

The strategy of IDB Invest is assessed by Fitch as 'high risk' primarily reflecting its high growth trajectory and operations with the private sector in sub-investment=grade countries.

The importance of its public mandate is assessed as 'medium risk' considering IDB Invest's increasingly large level of financing operations, albeit small size compared to 'AAA' rated peers.

Operating Environment

The operating environment is assessed as 'medium risk' reflecting the credit quality, income-per-capita and political risk base on World Bank Governance indicators in IDB Invest's countries of operations.

The political risk in the United States of America (AA+/Stable), the country of IDB Invest's headquarters, is assessed as 'low risk'.

Operational support provided by the authorities of the member states of IDB Invest is assessed as 'low risk'. IDB Invest has supranational status within the US and throughout member countries and, as such, receives tax immunities and other privileges.

Solvency

IDB Invest's 'aaa' solvency is driven by the bank's 'excellent' capitalisation and 'low risk' risk profile.

Capitalisation

IDB Invest's overall capitalisation is assessed as 'excellent' given that Fitch's two capital ratios are above the respective 'excellent' thresholds. The equity/assets ratio was 33.2% at end-September 2022. Leverage, defined as debt/equity, has increased in recent years, reflecting the bank's growth and increased capital utilisation. Although IDB Invest's leverage limit is 3x, in practice IDB Invest's management intends to maintain leverage below the limit.

IDB Invest's Fitch FRA ratio was 42.7% as of end-September 2022, well above the 'excellent' threshold (35%).

Capital contributions from IADB, on behalf of shareholder, as well as a potential new capital increase being discussed, will support capital ratios while the bank continues to expand its operations.

Internal capital generation (ICG) was positive at 5.1% through 9M22. ICG is highly sensitive to the performance of the loan book given the potential high loss rates associated with private sector operations.

Peer Comparison: Capital Ratios and Profitability

(%)	IDB Invest (AAA) Sept 2022	IDB Invest (AAA) Projection[a]	AfDB (AAA) End-2022	CDB (AA+) Sept 2022	IADB (AAA) June 2022
Equity/adjusted assets	33.2	28-33	26.4	43.0	24.5
Usable capital/risk-weighted assets (FRA)	42.7	36-41	54.6	62.5	52.3
Net income/average equity	4.1	3.0-4.0	1.9	1.5	2.4

[a] Medium-term projections, forecast range
AfDB: African Development Bank, CDB: Caribbean Development Bank, IADB: Inter-American Development Bank
Source: Fitch Ratings, MDBs

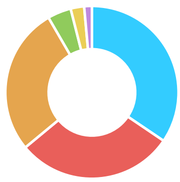
Risks

Risks Assessment

Indicative value	Risk level
Credit risk	Moderate
Concentration	Very low
Equity risks	Very low
Market risks	Very low
Risk management policies	Excellent

Source: Fitch Ratings

Loans, Debt Securities and Guarantees,
Breakdown by credit quality



Note : After accounting for credit risk mitigants
Source: Fitch Ratings, IDB Invest

Fitch assesses IDB Invest's overall solvency risks as 'low'.

Credit risk is considered 'moderate'. Fitch estimated the bank's WARLG at 'BB' at end-September 2022 ('BB-' at end-September 2021) based on Fitch's ratings where available and IDB Invest's ratings on remaining exposures. This is just above the threshold for 'BB' and is driven by increased use of unfunded credit protections (UCPs, covering 19.6% of loans and guarantees as of September 2022). The relatively high WARLG is partly explained by exposure to some strong banking and corporate credits, such as Bancolombia S.A. (BB+/Stable), Itau Unibanco S.A. (BB+/Stable)). IDB Invest's loan exposures are skewed towards financial institutions (47% of the loan book) with its largest exposures in Brazil, Colombia, and Mexico. Nevertheless, Fitch expects the WARLG to revert to 'BB-' over the medium term, which is higher than the average risk to private-sector borrowers in the region.

The bank's non-performing loan ratio fell to 0.5% at end-September 2022 from 0.7% at end-September 2021. The NPLs primarily relate to energy and industry exposures and other miscellaneous projects. The exposures to financial institutions (FIs) are fully performing and have driven the strong performance of the loan book.

We expect an increase in the absolute level of NPLs as the loan portfolio seasons but for the NPL ratio to remain within the 'low' risk range (1%-3%). This could result from further NPLs across exposures rated below 'B-', in particular with non-FI counterparties with weak credit fundamentals. However, loan growth dilution should prevent a significant increase in the NPL ratio. Downside risks to NPLs are present given the higher NPLs seen in other private-sector loan books, including IADB (which has had a non-sovereign NPL ratio above 6% in recent years).

Concentration is a 'very low' risk as measured by obligor metrics. The top-five and single largest exposure accounted for 11% and 3% of TBE at end-September 2022. However, sectorial concentration is high with about 50% of banking exposure to FIs. Country concentration is in line with regional MDBs.

Equity risk is 'very low'. The bank's target is to limit equity investments to less than 5% of TBE (4.6% of TBE as of end-September 2022). Equity exposures primarily relate to minority stake and exposure to investment funds (accounting for two-thirds of the total).

Market risks are 'very low'. The bank aligns the currency composition of its assets and liabilities through recourse to swaps and maintains all equity in US dollars. Borrowings are swapped into floating rates to match interest rate features of loan or on-lent directly at the same currency and rate. The bank is exposed to volatility in equity price risk, exacerbated by the foreign currency risk inherent to investing in equity capital in local currencies of member states.

The risk management function is independent and policies are assessed as 'excellent'. IDB Invest's operations are consistently well within its capital adequacy, lending, borrowing and liquidity policy limits. However, growth targets have been somewhat high and were further increased as the bank's policy response entailed accelerated growth in lending. Most limits are based on a maximum economic capital utilisation or a percentage of the bank's equity

Peer Comparison: Risks

	IDB Invest (AAA)		AfDB (AAA)	CDB (AA+)	IADB (AAA)
	Sept 2022	Projection[a]	End-2022	Sept 22	June 22
Estimated average rating of loans & guarantees	BB	BB-	B+	B-	BB-
Impaired loans/gross loans (%)	0.5	1.0-3.0	3.4	0.1	2.0
Five largest exposures/total banking exposure (%)	10.8	8-13	30.4	59.3	52.9
Equity stakes/total banking exposure (%)	4.6	1-5	4.6	0.0	0.0

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

Liquidity Analysis

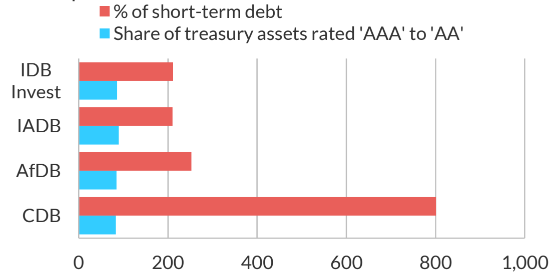
Liquidity Assessment

Indicative value	Risk level
Liquidity buffer	Excellent
Quality of treasury assets	Excellent
Access to capital markets & alternative sources of liquidity	Strong

Source: Fitch Ratings

Liquidity Buffers

As of Sept-2022[a]



[a]AfDB and IADB: end 2022
Source: Fitch Ratings, MDBs

Fitch assesses IDB Invest's liquidity at 'aaa' driven by 'excellent' liquidity buffers, 'excellent' credit quality of treasury assets, and 'strong' access to capital markets.

Liquid Assets to Short-Term Debt

The liquidity buffer, the ratio of liquid assets to short-term debt, was 'excellent' as of end-September 2022 (2.1x) and is expected to remain well above the 'excellent' threshold of 150%. IDB Invest's liquidity buffer includes a discounted portion of unimpaired, short-term trade finance loans.

Quality of Treasury Assets

Fitch considers the credit quality of treasury assets as 'excellent' as the share of 'AAA'-'AA' rated assets in the treasury portfolio was 86% at end-September 2022. The overwhelming majority of treasury assets are rated above 'A-', with the bulk maturing in less than one year.

Access to Capital Market, Alternative Source of Liquidity

Fitch assesses IDB Invest's access to capital markets and alternative sources of liquidity as 'strong', with the institution increasing its market presence in recent years. IDB Invest raised USD2.5 billion in 2022, of which 88% came from sustainable bond issuances.

Peer Comparison: Liquidity

	IDB Invest (AAA)		AfDB (AAA)	CDB (AA+)	IADB (AAA)
	Sept 2022	Projection[a]	End-2022	Sept 22	June 22
Liquid assets/short-term debt (%)	212	180-230	253.3	801.3	210
Share of treasury assets rated 'AA-' & above (%)	85.8	80-90	85.4	83.1	90

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

Shareholder Support

IDB Invest's subscribed capital is held by 48 member countries, including 26 regional member countries. IDB Invest's shareholders' support is assessed at 'bbb'. This reflects the weighted average rating of key shareholders and a strong propensity from shareholders to support the bank.

Capacity to Provide Extraordinary Support

The weighted average rating of key shareholders was 'BBB' at end-September 2022 reflecting the weights and ratings of the six largest shareholders: the US (AA+/Stable; 13%), Argentina (CC; 12%), Brazil (BB/Stable; 12%), Mexico (BBB-/Stable; 8%), China (A+/Stable; 6%) and Korea (AA-/Stable; 5%).

Propensity to Provide Extraordinary Support

Fitch views IDB Invest member states' propensity to provide extraordinary support as 'strong', given the ongoing and prospective capital increase coupled with the growing lending mandate.

Peer Comparison: Shareholder Support

	IDB Invest (AAA)		AfDB (AAA)	CDB (AA+)	IADB (AAA)
	Sept 2022	Projection[a]	End-2022	Sept 22	June 22
Coverage of net debt by callable capital	NC	NC	AAA	A+	A
Average rating of key shareholders	BBB	BBB	BBB-	BBB-	A-
Propensity to support	0	0	0	0	0

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

ESG Relevance Scores

FitchRatings

Inter-American Investment Corporation (IDB Invest)

Supranational ESG Navigator
Supranational

Credit-Relevant ESG Derivation

Inter-American Investment Corporation (IDB Invest) has 2 ESG rating drivers and 5 ESG potential rating drivers

- Inter-American Investment Corporation (IDB Invest) has exposure to social pressure to provide support at times of crisis which, in combination with other factors, impacts the rating.
- Inter-American Investment Corporation (IDB Invest) 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.
- Inter-American Investment Corporation (IDB Invest) 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.
- Inter-American Investment Corporation (IDB Invest) has exposure to risk around the execution/predictability of its strategy but this has very low impact on the rating.
- Inter-American Investment Corporation (IDB Invest) has exposure to board independence and effectiveness, ownership composition but this has very low impact on the rating.
- Inter-American Investment Corporation (IDB Invest) 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	4	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	3	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 result in 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

Inter-American Investment Corporation (IDB Invest)

Balance Sheet

		30 Sep 22		30 Sep 21		30 Sep 20	
	9 months - 3rd quarter (USDm) Original	9 months - 3rd quarter (USDm) Original	As % of Assets Original	9 months - 3rd quarter (USDm) Original	As % of Assets Original	9 months - 3rd quarter (USDm) Original	As % of Assets Original
A. Loans							
1. To/guaranteed by sovereigns	0.0	0.0	0.00	0.0	0.00	0.0	0.00
2. To/guaranteed by private sector	5,969.9	5,969.9	70.03	4,645.2	56.47	3,480.3	57.45
3. Trade financing loans (memo)	651.9	651.9	7.65	282.0	3.43	852.0	14.06
4. Loan loss reserves (deducted)	214.7	214.7	2.52	171.3	2.08	166.6	2.75
A. Loans, total	**5,755.2**	**5,755.2**	**67.51**	**4,473.9**	**54.38**	**3,313.7**	**54.70**
B. Other earning assets							
1. Deposits with banks	0.0	0.0	0.00	0.0	0.00	0.0	0.00
2. Securities held for sale & trading	0.0	0.0	0.00	0.0	0.00	339.6	5.61
3. Investment debt securities (including other investments)	1,882.7	1,882.7	22.08	3,268.0	39.72	2,126.1	35.10
4. Equity investments	295.3	295.3	3.46	221.3	2.69	113.2	1.87
5. Derivatives (including fair-value of guarantees)	138.3	138.3	1.62	15.2	0.18	1.0	0.02
B. Other earning assets, total	**2,316.3**	**2,316.3**	**27.17**	**3,504.5**	**42.60**	**2,579.9**	**42.59**
C. Total earning assets (A+B)	**8,071.5**	**8,071.5**	**94.68**	**7,978.4**	**96.98**	**5,893.6**	**97.29**
D. Fixed assets	**37.6**	**37.6**	**0.44**	**72.7**	**0.88**	**49.5**	**0.82**
E. Non-earning assets							
1. Cash and due from banks	47.1	47.1	0.55	59.3	0.72	50.6	0.84
2. Other	369.0	369.0	4.33	116.2	1.41	64.0	1.06
F. Total assets	**8,525.2**	**8,525.2**	**100.00**	**8,226.6**	**100.00**	**6,057.7**	**100.00**
G. Short-term funding							
1. Bank borrowings (<1 year)	0.0	0.0	0.00	0.0	0.00	0.0	0.00
2. Securities issues (<1 year)	0.0	0.0	0.00	0.0	0.00	0.0	0.00
3. Other (including deposits)	1,094.6	1,094.6	12.84	1,835.7	22.31	0.0	0.00
G. Short-term funding, total	**1,094.6**	**1,094.6**	**12.84**	**1,835.7**	**22.31**	**0.0**	**0.00**
H. Other funding							
1. Bank borrowings (>1 year)	0.0	0.0	0.00	0.0	0.00	0.0	0.00
2. Other borrowings (including securities issues)	3,894.5	3,894.5	45.7	3,521.4	42.8	3,628.7	59.9
3. Subordinated debt	0.0	0.0	0.00	0.0	0.00	0.0	0.00
4. Hybrid capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00
H. Other funding, total	**3,894.5**	**3,894.5**	**45.68**	**3,521.4**	**42.81**	**3,628.7**	**59.90**
I. Other (non-interest bearing)							
1. Derivatives (including fair value of guarantees)	383.7	383.7	4.50	48.3	0.59	4.1	0.07
2. Other (non-interest bearing)	386.4	386.4	4.53	415.4	5.05	316.2	5.22
I. Other (non-interest bearing), total	**770.1**	**770.1**	**9.03**	**463.7**	**5.64**	**320.3**	**5.29**
J. General provisions & reserves	**0.0**	**0.0**	**0.00**	**0.0**	**0.00**	**0.0**	**0.00**
L. Equity							
1. Preference shares	0.0	0.0	0.00	0.0	0.00	0.0	0.00
2. Subscribed capital	2,542.6	2,542.6	29.82	2,388.2	29.03	2,233.1	36.86
3. Callable capital	0.0	0.0	0.00	0.0	0.00	0.0	0.00
4. Arrears/advances on capital	-158.0	-158.0	-1.85	-207.9	-2.53	-268.6	-4.43
5. Paid in capital (memo)	2,384.6	2,384.6	27.97	2,180.3	26.50	1,964.5	32.43
6. Reserves (including net income for the year)	381.4	381.4	4.47	225.5	2.74	144.2	2.38
K. Equity, total	**2,766.0**	**2,766.0**	**32.44**	**2,405.8**	**29.24**	**2,108.7**	**34.81**
M. Total liabilities & equity	**8,525.2**	**8,525.2**	**100.00**	**8,226.6**	**100.00**	**6,057.7**	**100.00**
Exchange rate		USD1 = USD1		USD1 = USD1		USD1 = USD1	

Source: Fitch Ratings, Fitch Solutions

Inter-American Investment Corporation (IDB Invest)
Income Statement

		30 Sep 22		30 Sep 21		30 Sep 20	
	9 months - 3rd quarter (USDm) Original	9 months - 3rd quarter (USDm) Original	As % of Earning Assets	9 months - 3rd quarter (USDm) Original	As % of Earning Assets	9 months - 3rd quarter (USDm) Original	As % of Earning Assets
1. Interest received	220.2	220.2	3.65	137.4	2.30	119.5	2.71
2. Interest paid	75.3	75.3	1.25	43.0	0.72	33.5	0.76
3. Net interest revenue (1. - 2.)	**144.9**	**144.9**	**2.40**	**94.4**	**1.58**	**86.0**	**1.95**
4. Other operating income	226.4	226.4	3.75	130.4	2.19	99.3	2.25
5. Other income	23.7	23.7	0.4	12.7	0.2	-3.0	-0.1
6. Personnel expenses	2.4	2.4	0.04	5.4	0.09	1.5	0.03
7. Other non-interest expenses	123.1	123.1	2.04	113.7	1.91	100.6	2.28
8. Impairment charge	-9.2	-9.2	-0.2	-50.0	-0.8	79.5	1.8
9. Pre-derivative operating profit (3. + 4. + 5.) - (6. + 7. + 8.)	**278.7**	**278.7**	**4.62**	**168.4**	**2.82**	**0.7**	**0.02**
10. Net gains/(losses) on non-trading derivative instruments	-172.0	-172.0	-2.8	-30.8	-0.5	n.a.	-
11. Post-derivative operating profit (9. + 10.)	**106.7**	**106.7**	**1.77**	**137.6**	**2.31**	**0.7**	**0.02**
12. Net income	**106.7**	**106.7**	**1.77**	**137.6**	**2.31**	**0.7**	**0.02**
13. Fair value revaluations recognised in equity	28.2	28.2	0.5	-3.1	-0.1	-11.0	-0.2
14. Fitch's comprehensive net income (12. + 13.)	**134.9**	**134.9**	**2.23**	**134.5**	**2.25**	**-10.3**	**-0.23**

Source: Fitch Ratings, Fitch Solutions

Inter-American Investment Corporation (IDB Invest)
Ratio Analysis

	30 Sep 22 9 months - 3rd quarter (%) Original	30 Sep 21 9 months - 3rd quarter (%) Original	30 Sep 20 9 months - 3rd quarter (%) Original
I. Capital adequacy			
1. Usable capital/risk-weighted assets (FRA ratio)	42.7	45.0	46.7
2. Equity/adjusted total assets + guarantees	33.2	29.1	33.9
3. Paid-in capital/subscribed capital	93.8	91.3	88.0
II. Liquidity			
1. Liquid assets/short-term debt	212.0	190.5	2,755.0
2. Share of treasury assets rated 'AAA'-'AA'	85.8	91.5	75.0
3. Treasury assets/total assets	22.6	40.5	41.5
III. Asset quality			
1. Impaired loans/gross loans	0.5	0.7	0.8
2. Loan loss reserves/gross loans	3.6	3.7	4.8
3. Loan loss reserves/Impaired loans	756.0	533.6	523.9
IV. Leverage			
1. Debt/equity	180.4	222.7	172.1

Source: Fitch Ratings, Fitch Solutions

Inter-American Investment Corporation (IDB Invest)

Annex

	30 Sep 22 (USDm) Original	30 Sep 21 (USDm) Original	30 Sep 20 (USDm) Original
1. Lending operations			
1. Loans outstanding	5,969.9	4,645.2	3,480.3
2. Disbursed loans	2,822.3	2,236.4	2,185.7
4. Net disbursements	2,822.3	2,236.4	2,185.7
Memo: Loans to sovereigns	0.0	0.0	0.0
Memo: Loans to non-sovereigns	5,969.9	4,645.2	3,480.3
2. Other banking operations			
1. Equity participations	295.3	221.3	113.2
2. Guarantees (off balance sheet)	200.9	84.9	170.4
Memo: Guarantees to sovereigns	0.0	0.0	0.0
Memo: Guarantees to non-sovereigns	200.9	84.9	170.4
3. Total banking exposure (balance sheet and off balance sheet)			
1. Total banking exposure (loans + equity participations + guarantees (off balance sheet))	6,466.1	4,951.4	3,763.9
2. Growth in total banking exposure	30.6	31.5	89.2
Memo: Non-sovereign exposure	6,466.1	4,951.4	3,763.9
4. Support			
1. Weighted average rating of key shareholders	BBB	BBB	BBB
5. Breakdown of banking portfolio			
1. Loans to sovereigns/total banking exposure	0.0	0.0	0.0
2. Loans to non-sovereigns total banking exposure	92.3	93.8	92.5
3. Equity participation/total banking exposure	4.6	4.5	3.0
4. Guarantees covering sovereign risks/total banking exposure	0.0	0.0	0.0
5. Guarantees covering non-sovereign risks/total banking exposure	3.1	1.7	4.5
Memo: non sovereign exposure (2. + 3. + 5.)/total banking exposure	100.0	100.0	100.0
6. Concentration measures			
1. Largest exposure/equity (%)	6.8	4.2	6.4
2. Five largest exposures/equity (%)	25.3	20.3	28.1
3. Largest exposure/total banking exposure (%)	2.9	2.1	3.6
4. Five largest exposures/total banking exposure (%)	10.8	9.9	15.7
7. Credit risk			
1. Average rating of loans & guarantees	BB	BB-	BB-
2. Loans to investment-grade borrowers/gross loans	32.7	20.5	20.6
3. Loans to sub-investment grade borrowers/gross loans	67.3	79.5	79.4
8. Liquidity			
1. Treasury assets	1,929.8	3,327.3	2,516.3
2. Unimpaired short-term trade financing loans	651.9	282.0	852.0
3. Unimpaired short-term trade financing loans - discounted 40%	391.1	169.2	511.2
4. Liquid assets (1. + 3.)	2,320.9	3,496.5	2,614.0

Source: Fitch Ratings, Fitch Solutions

SOLICITATION & PARTICIPATION STATUS

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