FitchRatings

RATING ACTION COMMENTARY

Fitch Affirms IDB Invest at 'AAA'; Outlook Stable

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Fitch Ratings - Frankfurt am Main - 08 Jan 2026: Fitch Ratings has affirmed Inter-American Investment Corporation's (IDB Invest) Long-Term Issuer Default Rating (IDR) at 'AAA' with a Stable Outlook.

A full list of rating actions is at the end of this rating action commentary.

KEY RATING DRIVERS

SCP Drives Rating: IDB Invest's 'AAA' Long-Term IDR reflects its Standalone Credit Profile (SCP) of 'aaa', underpinned by its solvency and liquidity assessments of 'aaa' and a 'medium' risk business environment. The Stable Outlook reflects our view that the SCP will remain consistent with a 'AAA' rating over the medium term. Strong growth in banking exposures and new capital payments from its shareholders will support the bank's 'excellent' capitalisation assessment.

Capital Increase, New Business Model: In March 2024, IDB Invest secured approval for a USD3.5 billion capital increase to facilitate its transition to a new business model, with member countries having until March 2026 to subscribe. At 31 December 2025, 71% of countries had subscribed shares for USD1.82 billion, and received payments of USD213 million. The new business model will be gradually implemented in line with the received capital and is focussed on 'originate-to-share' projects, risk transfer solutions, higher equity investments, broadening product offerings and capacity to support riskier assets.

Excellent Capitalisation, Reduced Buffers: IDB Invest's 'excellent' capitalisation reflects its 'excellent' Fitch usable capital to risk-weighted assets (FRA) ratio (41% at end-September 2025) and equity/assets ratio (26.9%). Fitch expects the FRA ratio to slightly decline over the medium term due to the increase in riskier activities, which will be partly offset by additional paid in capital. We expect both ratios to remain above the 'excellent' thresholds of 35% and 25%, respectively.

'Low' Solvency Risks: Fitch assesses IDB Invest's overall risk profile as 'low', reflecting the bank's 'very low' equity participation (1.9% of total banking exposure), 'moderate' credit risk and 'excellent' risk management policies.

Look-Through Approach: Fitch applies a look-through approach to IDB Invest's investments in debt funds, classifying these assets as loans rather than equity. This reflects the funds' underlying credit nature, as they consist of development loans, with investment parameters defined by IDB Invest and subject to its risk analysis, screening, due diligence and legal review, making the exposure closer to a loan than to traditional equity. Fitch applies this look-through approach only when the debt fund holds no equity assets.

NPLs Forecast to Increase: Fitch's definition of non-performing loans (NPLs) decreased to 0.1% as of end-September 2025 (vs. 1.9% at end-September 2024). IDB Invest's definition of NPLs is more conservative than Fitch's definition as it considers not only past due assets but the ones in doubtful or with other indicators of financial deterioration. As the new business model increases activities in riskier projects, Fitch expects NPLs (under its own definition) to increase in the medium term but to remain within the 'low' threshold (defined as 1%-3% of total loans).

Risk Transfers Support Credit Risk: The use of unfunded credit protection (19% of loans) and synthetic securitisation (USD732 million in September 2025, which was re-tapped in December 2025 for USD450 million) support IDB Invest's weighted average rating of loans and guarantees (WARLG) of 'BB+' at end-September 2025 and FRA ratio. Fitch expects the WARLG to slightly deteriorate within the 'BB' category over the medium term due to the new business model plan.

Excellent Liquidity: Fitch assesses IDB Invest's liquidity at 'aaa'. At end-September 2025, liquid assets (including discounted short-term trade finance loans) decreased to 330.4% of short-term debt but were still well above the minimum 'excellent' threshold (above 150%). The credit quality of treasury assets is 'excellent', with the bulk invested in 'AAA' to 'AA' rated assets (86.9% of total). The bank's liquidity assessment is also supported by its 'strong' access to capital markets. The bank raised around USD2.9 billion in benchmark bond issuances in 2025.

Medium Risk Business Environment: We assess IDB Invest's overall business environment as 'medium risk', which does not translate into an adjustment from our solvency or liquidity assessments. IDB Invest's business profile is affected by its 'high' risk strategy and private sector focus. The strategy risk reflects the entity's growth trajectory and projection, evidenced with the new business model plans and increase exposure in riskier exposures. Our assessment also captures the 'medium risk' operating environment.

Support Assessment Unchanged: Given the bank's SCP, our assessment of support is not a rating driver. Our assessment of support (bbb-) reflects the average rating of the bank's key shareholders of 'BBB-' and the 'strong' propensity of shareholders to support the bank.

Mexican National Scale Rating: IDB Invest's Long-Term IDR is materially above Mexico's sovereign rating (BBB-/Stable); therefore, the bank's rating on the Mexican National Rating scale is 'AAA(mex)'.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to negative rating action/downgrade:

- Solvency (Risks): A combination of increased risks, driven by sustained higher levels of Fitch's definition of NPLs (above 3%) and/or a decline in the average rating of loans and guarantees below the 'BB' category, and/or a sustained increase in equity stakes above 5% of the total banking exposure.

- Solvency (Capitalisation): Decline in capitalisation metrics beyond Fitch's current expectations; with an FRA ratio close to or below 35% and/or an equity to assets and guarantees ratio sustained at a level close to or below 15%. This could be driven by losses, rapid growth in banking operations, delays in capital payments and/or a significant increase in risk-weighted assets.

- Solvency (Capitalisation/Business Profile): The unlikely event that a major shareholder withdrew from IDB Invest in a way that significantly affected its capitalisation or business profile.

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.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

IDB Invest has an ESG Relevance Score of '4' for Rule of Law, Institutional & Regulatory Quality. All supranationals attract a score of '4'. Supranationals are neither subject to bank regulation nor supervised by an external authority. Instead, supranationals comply with their own set of rules. Fitch pays particular attention to internal prudential policies, including compliance with these policies. This has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

IDB Invest has an ESG Relevance Score of '4' for Exposure to Social Impacts. IDB's policy response to the coronavirus crisis was one of the largest policy responses of the MDBs in the portfolio (in comparison with initial lending plans for 2020). This has diminished the capital buffers of the bank. This has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

RATING ACTIONS

ENTITY / DEBT	RATING	PRIOR
Inter-American Investment Corporation (IDB Invest)	LT IDR AAA Rating Outlook Stable Affirmed	AAA Rating Outlook Stable
	ST IDR F1+ Affirmed	F1+
senior unsecured	LT AAA Affirmed	AAA
senior unsecured	Natl LT AAA(mex) Affirmed	AAA(mex)

VIEW ADDITIONAL RATING DETAILS

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APPLICABLE CRITERIA

National Scale Rating Criteria (pub. 22 Dec 2020)

Metodología de Calificaciones en Escala Nacional (pub. 22 Dec 2020)

Supranationals Rating Criteria (pub. 03 Oct 2024) (including rating assumption sensitivity)

Metodología de Calificación de Supranacionales (pub. 12 Feb 2025)

ADDITIONAL DISCLOSURES

Dodd-Frank Rating Information Disclosure Form

Solicitation Status

Endorsement Policy

ENDORSEMENT STATUS

Inter-American Investment Corporation (IDB Invest)	EU Issued, UK Endorsed

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The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see Best- and Worst-Case Measures under the Rating Performance page on Fitch’s website.

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