

Research Update:

IDB Invest Upgraded To 'AAA' From 'AA+' On Strong Shareholder Support And Governance, Outlook Stable

June 8, 2026

Overview

- IDB Invest's (IDBI) shift to its innovative "originate-to-share" model--with 100% subscription of its capital increase and enhanced governance--in our view underpins strengthening in IDBI's enterprise risk profile.
- We believe the institution has demonstrated a record of stronger risk management that will support continued expansion of IDB Invest's lending footprint, which represents roughly 50% of all of IADB Group approvals.
- We therefore raised our rating on IDB Invest to 'AAA' from 'AA+'.
- The stable outlook reflects our view that over the next 24 months, shareholders will maintain very strong support to IDBI as the institution expands lending and scales capital deployment while it maintains superior risk management practices.

Rating Action

On June 8, 2026, S&P Global Ratings raised its long-term issuer credit rating on Inter-American Investment Corp. (IDB Invest) to 'AAA'. The outlook is stable.

Outlook

The stable outlook reflects our expectations that IDBI, over the next 24 months, will continue to strengthen its role through its originate to share model. It will also expand the scale and impact of private capital while shareholders remain supportive through timely capital installment payments.

We also assume that IDBI will maintain conservative financial and risk frameworks, and its operational structure will support increased lending volumes. At the same time, we expect IDBI's financial risk profile to remain extremely strong.

Primary Contact

Alexis Smith-juvelis
Englewood
1-212-438-0639
alexis.smith-juvelis
@spglobal.com

Secondary Contact

Lisa M Schineller, PhD
New York
1-212-438-7352
lisa.schineller
@spglobal.com

Downside scenario

We could downgrade IDB Invest if there are delays or material arrears in capital payments, hampering IDBI's business expansion. Downward pressure on the rating could also stem from a marked deterioration in the lender's financial risk profile, for example, should IDBI's nonperforming assets rise markedly.

Rationale

The upgrade reflects IDBI's very strong support from shareholders, which will enable it to continue to scale and expand private-sector-led development solutions and capital mobilization in Latin America. At the same time, we think that IDBI has built a track record of strong risk management capabilities, underpinned in part by its comprehensive portfolio management approach as it scales its "originate-to-share" capital deployment model, which supports a stronger enterprise risk profile. We view IDBI's role in the private-sector as transformative and think it cannot be readily fulfilled by other private or domestic public lenders.

While still a small institution compared to peers, IDBI has bolstered its relevance within the IADB Group: IDBI currently accounts for half of the group's approvals. The IADB Group's institutional strategy has three core objectives:

- reduce poverty and inequality,
- address climate change, and
- bolster sustainable regional growth.

The role of the private sector within the IADB Group has become increasingly more pronounced with the board of governors unanimously approving a \$3.5 billion capital increase during the 2024 annual meetings, which was explicitly linked to scaling up mobilization.

Shareholders have demonstrated significant support to the institution. The subscription period for the capital increase concluded in March 2026, with 96.1% participation from 45 shareholders, including the U.S. The remaining 3.9% shares were fully allocated, bringing the total subscription rate to 100% as of May 2026. The capital increase will allow IDBI to increase its capital mobilization and ability to channel resources to the region to around \$20 billion annually by 2030 from the current \$10.3 billion.

We believe the institution has demonstrated a record of conservative and comprehensive risk management, which in our view offsets potential agency risk from its slightly larger concentration of regional member countries. To support its significant loan growth, IDBI retooled and upgraded its operational capabilities, risk practices, and systems.

In our view, IDBI successfully implemented its business plan as defined by its 10-year strategic framework through an increased, reorganized, and decentralized workforce. It also developed a financial risk framework and risk taxonomy, while establishing and consistently meeting lending and development targets.

In 2025, IDBI shifted to an "originate-to-share" capital deployment model from a "buy-and-hold" model. Core mobilization reached a record \$7.6 billion for 2025 from \$5.0 billion in 2024, exceeding the \$4.1 billion target. The two largest mobilizations in the last four years were in 2023: a loan to Liberty Costa Rica for digital access and broadband quality (\$400 million) and a liquidity facility for tariff stabilization in Chile (\$1.1 billion).

IDB Invest Upgraded To 'AAA' From 'AA+' On Strong Shareholder Support And Governance, Outlook Stable

Short-term mobilization grew significantly in the last four years, reaching \$2.3 billion in 2025 from \$1.4 billion in 2023 and \$869 million in 2022. Other novel transactions include its landmark \$1 billion synthetic securitization launched in 2024, involving a tranche structure covering assets across 20 countries and 10 sectors, which was retaped for an additional \$450 million in December 2025.

We expect the capital increase will provide IDBI additional capacity to provide more equity and domestic-currency loans. Through IDBI, IADB Group will have greater investment power to mobilize needed investments to development goals, such as promoting the energy transition and climate change resilience, reducing food insecurity, and promoting biodiversity and nature.

IDBI's development-related investments (at cost) increased to \$10.2 billion in 2025 from \$8.6 billion in 2024. Of IDBI's overall investments, 38% is in FIs, followed by the energy sector (17%), manufacturing (12%), transport (10%), digital economy (7%), agribusiness (6%), and water and sanitation (5%).

IDBI successfully executed its expanded mandate following a full-scale reorganization in 2015 to manage all private-sector lending within the IADB Group. The mandate broadened IDBI's direct lending to corporate and infrastructure sectors and was accompanied by a \$2.03 billion capital increase to support larger lending volumes.

Shareholders committed to \$1.3 billion over seven years (2016-2022) and \$725 million in transfers from IADB on behalf of its shareholders during 2018-2025. IDBI's larger presence in the region has also been central to its expanded mandate.

As a fully specialized private-sector lender, IDBI doesn't benefit from preferred creditor treatment (PCT), which we only apply to sovereign exposures. Consequently, we do not incorporate PCT in our assessment of IDBI's enterprise risk. However, there is a track record of member governments providing preferential treatment by not restricting borrowers' access to foreign exchange for debt service or dividend payments to IDBI.

IDBI has a diverse and balanced composition of government shareholders and well-established governance standards. Its ownership structure consists of 48 government shareholders and no private-sector shareholders. Following IDBI's 2015 restructuring, shareholder concentration has been declining, although the voting power of regional borrowing members is 54%, which is the minimum established by the Busan Resolution adopted by the board of governors.

The U.S. is the largest shareholder (14.5%), followed by Argentina and Brazil (both at 12.02%) and Mexico (7.07%) as of April 30, 2026. The last capital increase resulted in a redistribution of voting shares.

IDBI's risk-adjusted capital (RAC) ratio dropped to 32.7% as of December 2025 from 38.0% as of December 2024, driven by growth in its lending book. IDBI reported its tenth consecutive year of profits in 2025, although net income declined 42% to \$157 million from \$274 million in 2024, primarily due to a \$96.9 million (53%) increase in credit loss provisions amid portfolio expansion.

Continued growth in outstanding loans, combined with taking on more risk in projects to support mobilization, could decrease the RAC ratio over the next few years. Regardless, we expect to continue to view IDBI's capital adequacy as extremely strong because the institution targets an annual sustainable lending level and manages its capital according to its internal financial risk framework.

We believe the bank has comprehensive risk management oversight. The institution's asset quality metrics are strong, with a lower nonperforming loan (NPL) ratio than those of peers, particularly other private-sector lenders, even though the ratio ticked up in 2025. IDBI's NPLs

IDB Invest Upgraded To 'AAA' From 'AA+' On Strong Shareholder Support And Governance, Outlook Stable

rose to \$249.2 million at year-end 2025 from \$190.0 million at year-end 2024, driven by portfolio expansion, which pushed up the NPL ratio to 2.5% from 2.3%.

We think IDBI has a conservative funding profile and is gradually expanding its activity in local and international capital markets. Total borrowing increased to \$10.5 billion in 2025 from \$8.3 billion in 2024. In 2025, its new borrowings were denominated in nine currencies, with final contractual maturities ranging from two to 20 years.

At year-end 2025, IDBI's green, social, and sustainable bonds under its Sustainable Debt Framework were \$5.3 billion, which accounted for 50.3% of total outstanding borrowings.

IDBI's liquidity is high. Our calculated 12-month liquidity ratio, including loan disbursements, was 1.5x as of December 2025. The six-month ratio was 2.2x as of December 2025. IDBI has maintained higher liquidity than our additional stress test, which considers 50% of all undisbursed loans coming due in the next 12 months. Therefore, we expect the lender to accommodate unplanned disbursements.

Environmental, social, and governance (ESG) credit factors for this change in credit rating/outlook and/or CreditWatch status:

- Risk management, culture, and oversight

Ratings Score Snapshot

Issuer credit rating	AAA
Stand-alone credit profile	aaa
Enterprise risk profile:	Very strong
Policy importance	Strong
Governance and management expertise	Strong
Financial risk profile:	Extremely strong
Capital adequacy	Extremely strong
Funding and liquidity	Strong
Extraordinary support	0
Callable capital:	0
Group support:	0
Holistic approach	0

Related Criteria

- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), May 5, 2026
- [Criteria | Governments | General: Multilateral Lending Institutions And Other Supranational Institutions Ratings Methodology](#), Oct. 13, 2025
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017

IDB Invest Upgraded To 'AAA' From 'AA+' On Strong Shareholder Support And Governance, Outlook Stable

- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Abridged Supranationals Interim Edition 2026: Multilateral Lending Institutions Sector Updates](#), May 28, 2026
- [Abridged Supranationals Interim Edition 2026: Comparative Data For Multilateral Lending Institutions](#), May 28, 2026

Ratings List

Ratings List

Upgraded; Outlook Action

	To	From
IDB Invest		
Issuer Credit Rating		
Foreign Currency	AAA/Stable/A-1+	AA+/Positive/A-1+

Upgraded

	To	From
IDB Invest		
Senior Unsecured	AAA	AA+

Ratings Affirmed

IDB Invest		
Commercial Paper	A-1+	

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

IDB Invest Upgraded To 'AAA' From 'AA+' On Strong Shareholder Support And Governance, Outlook Stable

Copyright © 2026 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.