Research Update:

FONPLATA Upgraded To 'A+' On Criteria Revision; Outlook Stable

November 7, 2025

Primary Contact

Victor C Santana
Sao Paulo
55-11-3039-9744
victor.santana
@spglobal.com

Secondary Contacts

Patricio E Vimberg
Mexico City
52-55-1037-5288
patricio.vimberg
@spglobal.com

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

Overview

- Following a review of the Fondo Financiero para el Desarrollo de la Cuenca del Plata (FONPLATA) under our revised criteria for multilateral lending institutions (MLIs), its risk-adjusted capital (RAC) ratio increased to 32.4%, also reflecting a capital increase approval and efforts to rebalance its portfolio to strengthen its capital position.
- Meanwhile, we expect shareholder support to remain strong, as the institution's shareholders plan to execute a third general capital increase (GCI).
- We therefore raised the long-term issuer credit rating on FONPLATA to 'A+' from 'A'.
- The stable outlook reflects our expectations of a pristine preferred creditor treatment (PCT) supporting FONPLATA's enterprise risk profile, and that its financial risk profile will remain extremely strong, backed by prudent capital management with healthy funding and liquidity indicators.

Rating Action

On Nov. 7, 2025, S&P Global Ratings raised its long-term issuer credit rating on FONPLATA to 'A+' from 'A', and affirmed its 'A-1' short-term rating. The outlook is stable.

Outlook

The stable outlook reflects our expectations that member countries will remain supportive of FONPLATA and treat it as a preferred creditor, as they remain current on their debt payments to the institution. We expect FONPLATA will prudently manage its high capital levels along with ample and high-quality liquid assets.

Downside scenario

We could lower our ratings on FONPLATA in case of weaker shareholder support, such as persistent and significant delays in capital payments, or if members do not treat FONPLATA as a preferred creditor, such as Bolivia (CCC-/Negative/C) that is facing severe macroeconomic imbalances. A deterioration in the institution's capital or liquidity could also prompt us to lower the ratings.

Upside scenario

We could upgrade the institution if it continues to expand its policy importance or mitigate its concentrated nature through the incorporation of new members, while the institution maintains its extremely strong financial risk profile.

Rationale

The upgrade reflects FONPLATA's strengthened capital adequacy, resulting from the recalibration of PCT risk weights and changes to the single-name concentration charge, both under our revised criteria ("Multilateral Lending Institutions And Other Supranational Institutions Ratings Methodology," Oct. 13, 2025). As a result, FONPLATA's RAC ratio increased to 32.4% as of June 2025, according to our updated methodology, from 21.0% as of December 2024.

The recalibration of PCT risk weights applied to sovereign exposures had a significant impact, given that the weighted average foreign currency sovereign rating of FONPLATA's borrowers is 'B+'. These changes, which incorporate recent data on MLI loan performance, affect sovereign exposures rated 'BB-' or below that have a demonstrated a robust PCT track record.

We expect the institution's RAC ratio to be consistently above our extremely strong capital adequacy threshold of 23% over the next few years, sustained by continuity of capital adequacy oversight and progress on capital optimization efforts. This assumes that Bolivia will continue servicing its debt owed to FONPLATA.

Recently, FONPLATA and the Central American Bank for Economic Integration (CABEI) signed a letter of intentions, demonstrating commitment to advance on an Exposure Exchange Agreement (EEA). The EEA is planned to total US$450 million, with a maximum limit of 50% of borrower exposure to be exchanged. The capital optimization instrument is expected to be ratified over the next few months, and FONPLATA estimates a substantial beneficial effect on its RAC ratio through exposure diversification.

In addition, an update to the policy of a minimum RAC ratio rising to 23% (from current 18%) is expected to be formalized soon. At the same time, the third GCI will raise total paid-in capital to US$2.9 billion (US$2.4 billion from founding members and US$500 million from potential new members) from US$1.35 billion, with capital contribution installments expected to start in 2027 and last until 2036.

FONPLATA has also rebalanced its portfolio that strengthened the RAC ratio through a higher share of exposures to higher rated members (Uruguay and Brazil) than in previous years. FONPLATA also expects to moderate the increase in approvals and disbursements as part of its plan to balance policy importance with its financial sustainability. We expect approvals and disbursements to moderate at around US$750 million and US$700 million, respectively, for 2025 and 2026 following compounded annual growth rate of the loan portfolio of 20% in December 2015 - June 2025.

In addition, FONPLATA has received all capital instalments from its last GCI round, except from Brazil, which will make scheduled payments up to 2026, and from Bolivia that has delayed its US$10.4 million capital contribution due 2024, but we expect it to make the payment over the next few months. All members have continued to service debt owed to FONPLATA, preserving the institution's PCT status.

Supporting FONPLATA's extremely strong financial risk profile are its strong funding and liquidity ratios, which we expect to remain robust. As of June 2025, FONPLATA's six- and 12-month liquidity coverage ratios were 2.87x and 1.92x, respectively--an improvement from 2.50x and 1.26x as of December 2024.

FONPLATA has been active in expanding and diversifying its funding sources–-including different currencies--to reduce its borrowing costs through issuances under its $2 billion medium-term note program. As of Oct. 31, 2025, FONPLATA had secured $600 million, reaching 88% of its annual funding target which included $520 million raised through debt capital markets.

Related Criteria

- Criteria | Governments | General: Multilateral Lending Institutions And Other Supranational Institutions Ratings Methodology, Oct. 13, 2025
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- 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
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- FONPLATA 'A/A-1' Ratings Affirmed; Outlook Remains Stable, Aug. 21, 2025
- FONPLATA's Medium-Term Note Program Supports Efforts To Diversify Funding, Nov. 19, 2024
- Bolivia Long-Term Ratings Lowered To 'CCC-' From 'CCC+' On Heightened Debt Service; Outlook Negative, June 25, 2025
- Supranationals Edition 2025: Comparative Data For Multilateral Lending Institutions, Oct. 14, 2025
- S&P Global Ratings Definitions, Dec. 2, 2024

Ratings List

Ratings List		
Upgraded		
	To	**From**
FONPLATA		
Issuer Credit Rating		
Foreign Currency	A+/Stable/A-1	A/Stable/A-1
Senior Unsecured	A+	A
Ratings Affirmed		
FONPLATA		

Ratings List	
Senior Unsecured	A-1