

RATING ACTION COMMENTARY

Fitch Affirms Caribbean Development Bank at 'AA+'; Outlook Stable

Thu 05 Feb, 2026 - 4:19 AM ET

Fitch Ratings - London - 05 Feb 2026: Fitch Ratings has affirmed Caribbean Development Bank's (CDB) Long-Term Issuer Default Rating (IDR) at 'AA+' with a Stable Outlook. A full list of rating actions is at the end of this rating action commentary.

CDB's 'AA+' Long-Term IDR reflects its Standalone Credit Profile (SCP) of 'aa+', underpinned by liquidity and solvency assessments of 'aaa' and 'aa+', respectively. Fitch assesses CDB's business environment as medium risk, which does not translate into any adjustment to the solvency and liquidity assessments.

KEY RATING DRIVERS

Excellent Capitalisation: CDB's solvency assessment is supported by its 'excellent' capitalisation. At end-September 2025, Fitch's usable capital/risk-weighted assets (FRA) ratio was 78%, well above the 35% threshold for an 'excellent' assessment, and the equity/adjusted assets and guarantees ratio was 46%, comfortably above the 25% threshold for an 'excellent' assessment. These metrics are strong relative to peers, which highlights the resilience of the bank's capitalisation, supported by its strong loan performance.

'Low' Credit Risk: Fitch's assessment of 'low' credit risk reflects the bank's very strong record of loan performance (non-performing loans: 0.1% at end-September 2025). CDB continues to have no arrears with sovereign borrowers, with the sole non-performing loan (NPL) being to a small, non-sovereign exposure (about USD1.6 million). Fitch assesses CDB's preferred creditor status as 'excellent'.

Average Rating of Loans Improving: For the second consecutive year, CDB's weighted average rating of loans has improved and at 9M25 was 'B+' (9M24: 'B' / 9M23: 'B-'). This positive trend has stemmed from an improvement in certain regional sovereign ratings, and

the bank's strategic objective to increase its lending exposure to higher-rated sovereigns in the Caribbean.

Exchange Exposure Agreement Eases Concentration: In May 2025, CDB executed an USD450 million exposure exchange agreement with Central American Bank for Economic Integration (not rated). This reduced CDB's top five borrower concentration to 38% at 9M25 from 61% at 9M24, improving our concentration assessment to 'low' from 'moderate'. Fitch acknowledges the improvement made since the last rating review, but CDB's concentration assessment is still constrained by the inherently higher geographical proximity and correlation with other borrowing-member countries' economies increases contagion risk.

Strategy: CDB is well-positioned to utilise its special development fund, a concessional fund administered by the bank, but delinked from its credit profile, to respond to climate-related catastrophes, as well as providing concessional resources to the poorest member countries in the Caribbean. Access to this fund could reduce the risk of any unexpected, negative impact on the bank's ordinary capital resources balance sheet, upon which Fitch's ratings are based, while maintaining its policy importance in the region.

Very High Liquidity: Fitch assesses CDB's liquidity at 'aaa'. This is driven by its 'excellent' liquidity buffers (coverage of short-term debt was 7.0x at end-September 2025) and the 'excellent' credit quality of the treasury portfolio. Unlike most other highly rated multilateral development banks, CDB does not issue public, benchmark issuance due to the small size of its balance sheet (9M25: USD2.2 billion), relative to the typical benchmark issue size. CDB relies on credit lines from development partners and non-benchmark public issuance (e.g. it issued a CHF100 million bond in 2025).

'Medium Risk' Business Environment: Fitch continues to assess CDB's business profile as 'medium risk', given the size of its banking portfolio (USD1.6 billion at end-September 2025), its sovereign lending focus (96% of total banking exposure) and high governance standards. The importance of CDB's public mandate further contributes to this assessment. Fitch also assesses CDB's operating environment as 'medium risk', reflecting the relatively weak credit quality and moderate income levels in the bank's countries of operations.

Support Assessment Unchanged: Given the bank's SCP, our assessment of support (bbb-) is not a rating driver. It is unchanged from last year and reflects stability in the ratings of CDB's key shareholders, which Fitch defines as those shareholders that own the largest shares of subscribed capital and whose cumulative ownership accounts for at least 50%. The high ratio of paid-in to total capital (22%) is evidence of the bank's importance for shareholders. This translates into a 'strong' propensity to support.

RATING SENSITIVITIES

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

- **Solvency (Risk):** An increase in credit risk, potentially stemming from higher NPLs in the non-sovereign loan book, leading to a rise in the NPL ratio above the upper bound 'very low' risk threshold of 1%.
- **Solvency (Capitalisation):** Significant decline in the FRA ratio relative to recent historical performance. This could be driven by losses, rapid growth in banking operations or a significant increase in risk-weighted assets.

Factors that could, individually or collectively, lead to positive rating action/upgrade:

- **Solvency (Concentration Risk/Credit Risk):** Sustained improvement in the bank's credit risk profile, potentially driven by greater exposure to higher-rated borrowers; alongside continued 'very low' NPLs and a record of the bank's top five exposures remaining below 40% of total exposure.
- **Business Profile:** Increase in the bank's size (CDB is much smaller than highest-rated MDBs) coupled with the successful execution of the bank's new strategy, could lead to an improvement in our assessment of business profile (currently 'medium').

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

CDB has an ESG Relevance Score of '4[+]' for Human Rights, Community Relations, Access & Affordability. CDB provides grants funded by donor contributions and that are a significant part of the bank's business model. CDB has also acted as a lender of last resort to countries that had lost market access. This supports CDB's policy importance. This has a positive impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

CDB has an ESG Relevance Score of '4' for Policy Status and Mandate Effectiveness. Geographically concentrated exposure to small Caribbean islands with economies largely interconnected and highly vulnerable due to large tourism exposure and risk of natural

disasters. This has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

CDB has an ESG Relevance Score of '4' for 'Rule of Law, Institutional and 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.

CDB has an ESG Relevance Score of '3' for 'Exposure to Environmental Impacts'. Environmental risk is a key risk to CDB's borrowers but this is actively managed by the bank. CDB has set up (with other partners, such as the World Bank) an insurance vehicle against natural disasters and requires its sovereign borrowers to acquire minimum insurance cover. CDB has never suffered a loss due to the realisation of environmental risk.

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 www.fitchratings.com/topics/esg/products#esg-relevance-scores](https://www.fitchratings.com/topics/esg/products#esg-relevance-scores).

RATING ACTIONS

ENTITY / DEBT ⚡	RATING ⚡			PRIOR ⚡
Caribbean Development Bank	LT IDR	AA+	Rating Outlook Stable	AA+ Rating Outlook Stable
	Affirmed			
	ST IDR	F1+	Affirmed	F1+

[VIEW ADDITIONAL RATING DETAILS](#)

FITCH RATINGS ANALYSTS

Nick Perry

Director

Primary Rating Analyst

+44 20 3530 2727

nick.perry@fitchratings.com

Fitch Ratings Ltd

30 North Colonnade, Canary Wharf London E14 5GN

Khamro Ruziev, CFA

Director

Secondary Rating Analyst

+44 20 3530 1813

khamro.ruziev@fitchratings.com

Carlos Masip

Senior Director

Committee Chairperson

+34 91 702 5773

carlos.masip@fitchratings.com

MEDIA CONTACTS**Peter Fitzpatrick**

London

+44 20 3530 1103

peter.fitzpatrick@thefitchgroup.com

Additional information is available on www.fitchratings.com**PARTICIPATION STATUS**

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA[Suprationals Rating Criteria \(pub. 03 Oct 2024\) \(including rating assumption sensitivity\)](#)

ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Policy](#)

ENDORSEMENT STATUS

Caribbean Development Bank

UK Issued, EU Endorsed

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers.

Please read these limitations and disclaimers by following this link:

<https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices

in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

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.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address

the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001. Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Copyright © 2026 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.

[READ LESS](#)

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

Fitch's solicitation status policy can be found at www.fitchratings.com/ethics.

ENDORSEMENT POLICY

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's [Regulatory Affairs](#) page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.