

FONPLATA's Proposed Senior Unsecured CHF150 Million Notes Rated 'A-'

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BUENOS AIRES (S&P Global Ratings) Feb. 27, 2019--S&P Global Ratings today assigned its 'A-' issue-level rating to development bank FONPLATA's proposed senior unsecured notes in the Swiss market for a total of CHF150 million. The notes mature in five years, with coupon of 0.578% in Swiss francs. This is FONPLATA's first placement in the international capital markets, and we expect it to use the proceeds from these notes for general funding purposes of the bank's projects.

We base our ratings on FONPLATA on its moderate enterprise risk profile and very strong financial risk profile. We assess FONPLATA's stand-alone credit profile at 'a-', the same as the long-term issuer credit rating of 'A-', given that it does not benefit from extraordinary support in the form of callable capital.

We recently revised our outlook on FONPLATA to positive based on its efforts in strengthening multiple aspects of its business, such as its governance and institutional structure, and its financial and risk management framework, combined with our expectation that it will continue expanding its presence in the region. This is informed by our view of FONPLATA's steady progress achieving its operational and lending targets.

Historically, the bank's ability to fulfill its mandate had been constrained by gaps in governance and management, as well as uneven shareholder support. However, the institutional overhaul and reform beginning in 2012, followed by the creation of the executive presidency and the first strategic business plan

in 2013, have strengthened FONPLATA's capacity to increase the pace of lending and have bolstered shareholder support.

(For the complete issuer credit rating rationale, please see "FONPLATA Outlook Revised To Positive; 'A-/A-2' Ratings Affirmed Under Revised Criteria," published Feb. 21, 2019.)

RELATED CRITERIA

- Criteria | Governments | General: Multilateral Lending Institutions And Other Supranational Institutions Ratings Methodology, Dec. 14, 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings , April 7, 2017
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

RELATED RESEARCH

- FONPLATA Outlook Revised To Positive; 'A-/A-2' Ratings Affirmed Under Revised Criteria, Feb. 21, 2019

RATINGS LIST

FONPLATA

Issuer Credit Rating A-/Positive/A-2

New Rating

FONPLATA

Senior unsecured
prop CHF150 million notes A-

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 www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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