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27 June 2023

Update

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RATINGS

Islamic Corp for the Development of the Private Sector

	Rating	Outlook
Long-term Issuer	A2	Stable
Short-term Issuer	P-1	--

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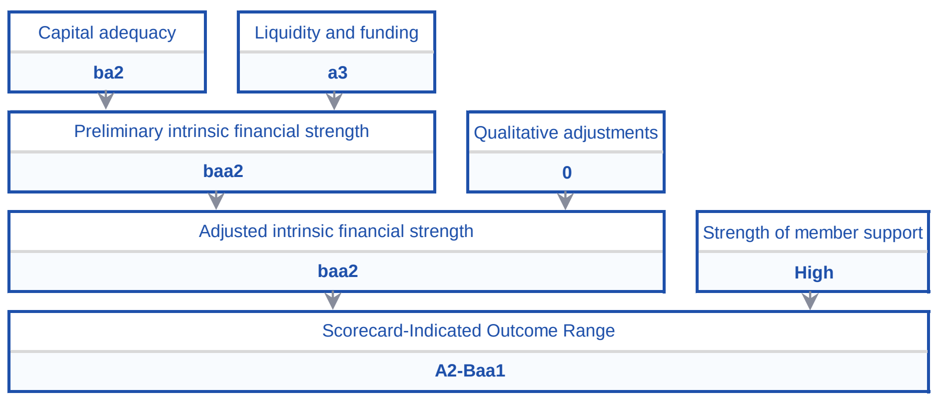
Islamic Corporation for the Development of the Private Sector – A2 Stable

Regular update

Summary

The credit profile of the Islamic Corporation for the Development of the Private Sector (ICD) reflects its solid capital position, robust liquidity and high strength of member support. These factors are balanced against the corporation's weak asset quality and performance that are in part driven by its private-sector mandate and exposure to private-equity investments.

Exhibit 1
ICD's credit profile is determined by three factors



Source: Moody's Investors Service

Credit strengths

- Robust capital position with leverage ratio lower than that of peers
- Ample liquidity buffers because of the sizeable treasury portfolio
- Strong support from key shareholders and high level of shareholder resources

Credit challenges

- Weak development asset credit quality given the private-sector mandate
- High nonperforming assets (NPAs) compared with those of peers, albeit improving
- Absence of formal contractual support in the form of callable capital

Rating outlook

The stable outlook reflects balanced risks to the rating. Although ICD's asset performance is likely to remain stronger over the next two to three years than in 2017-19 when equity-related losses were sizeable, continued global growth and financial market uncertainty while interest rates remain high pose risks to its operating environment and may constrain further improvements in its credit metrics.

Factors that could lead to an upgrade

Upward pressure on the rating would likely stem from sustained improvements in ICD's asset performance that led to structural improvements in the corporation's capital adequacy. This improvement may arise as a result of ongoing risk management enhancements and the corporation's strategy that pivots around lower-risk credit activity including term finance and onlending to financial institutions compared to private-equity investments.

Factors that could lead to a downgrade

Downward pressure on the rating would develop if there were sizeable losses on equity investments or a deterioration in the loan book's asset performance, indicating weaker risk management practices than we currently assess. A sharp increase in ICD's leverage as the corporation expands its core development portfolio, which we do not currently expect, would also likely exert downward pressure on the rating.

Key indicators

Exhibit 2

Islamic Corporation for the Development of the Private Sector	2017	2018	2019	2020	2021	2022
Total Assets (USD million)	3,000.7	3,070.8	2,529.1	3,267.8	2,960.9	2,882.6
Development-related Assets (DRA) / Usable Equity [1]	159.1	157.8	140.3	103.4	94.9	103.1
Non-Performing Assets / DRA	13.1	23.3	18.2	12.6	11.1	7.0
Return on Average Assets	-3.8	-10.7	-3.8	-0.5	0.3	0.4
Liquid Assets / ST Debt + CMLTD	648.3	402.0	451.6	273.3	1,459.9	395.2
Liquid Assets / Total Assets	43.2	50.2	47.1	67.0	64.1	59.8
Callable Capital / Gross Debt	0.0	0.0	0.0	0.0	0.0	0.0

[1] Usable equity is total shareholder's equity and excludes callable capital

Note: DRA are based on gross values
Source: Moody's Investors Service

Profile

The Islamic Corporation for the Development of the Private Sector (ICD) is a multilateral development financial institution and part of the Islamic Development Bank (IsDB, Aaa stable) Group. ICD was established by IsDB in November 1999 to support the economic development of its member countries by providing finance for private-sector projects, promoting competition and entrepreneurship, offering advisory services to governments and encouraging cross-border investments. ICD's capital is dominated by IsDB, which holds 42% of its paid-in capital while Saudi Arabia (A1 positive) and the kingdom's Public Investment Fund (A1 positive) hold 26% and 8% respectively. The IsDB Group has a cross-default policy that prevents shared obligors from selectively defaulting on any financing.

ICD has a private-sector mandate rather than a public-sector mandate, and its activities are Shariah-compliant. In addition to providing financing, and financial and advisory services, ICD also has a mandate to mobilise additional resources for projects, and promote the development of Islamic financing and capital markets.

Detailed credit considerations

Our determination of a supranational's rating is based on three rating factors: capital adequacy, liquidity and funding and strength of member support. For Multilateral Development Banks, the first two factors combine to form the assessment of intrinsic financial strength, as shown on the cover page graphic. Additional factors can affect the intrinsic financial strength, such as risks stemming from the operating environment or the quality of management. The strength of member support is then incorporated to yield a rating range. For more information please see our Supranational Rating Methodology.

FACTOR 1: Capital adequacy score: ba2

ICD's "ba2" capital adequacy balances its robust capital position with below-average leverage against its weaker development asset credit quality (DACQ) and asset performance than those of peers. This weakness is largely because of its private-sector mandate. We set the score below the adjusted score of "ba1" to take into account the volatility in asset performance, although ongoing risk management enhancements and the focus on lower-risk credit products may reduce this volatility over time.

Continued focus on lines of finance through financial institutions and term finance over private-equity participations

ICD's operations are broadly divided between private-equity participation in private-sector entities ($347 million, or 12% of the balance sheet as of the end of 2022), term finance provided directly to non-bank private-sector entities to cover working capital or raw material requirements, and lines of finance, an arrangement through which ICD extends medium- to long-term financing facilities to financial institutions for on-lending to small and medium-sized enterprises (SMEs) (term finance and lines of finance combined to account for $402 million, or 14% of the balance sheet). The remaining assets on the balance sheet are primarily liquid assets in the form of cash and commodity placements maturing in less than three months ($199 million, or 7% of the balance sheet), sukuk investments ($1,525 million, or 53% of assets) and other assets (predominantly Islamic derivative instruments, 1%).

Based on the current board-approved strategy (a 10-year strategy for 2016-25), ICD is targeting loans (both direct term finance and lines of finance through banks) to account for close to 90% of new disbursements in the next three years. The corporation is also de-prioritising private-equity participations and aims to reduce the share of its liquid assets portfolio to enhance financial performance. In part because of the focus on lines of finance, ICD is relatively exposed to the financial services sector, which accounted for 30% of its development-related assets (DRA) portfolio as of the end of 2022. This sectoral concentration is likely to gradually increase further as ICD continues to focus on lending through financial institutions to SMEs. However, lending through banks has also been less risky in terms of asset performance compared with direct lending to non-bank private entities.

As for the private-equity portfolio, it has kept declining in nominal terms and as a share of DRA based on the current strategy. Unless approved by ICD's board of directors, a single equity investment may not exceed 33% of ICD's paid-in share capital. In practice, private-equity investments are usually much smaller than this and have fallen further in significance following the downward revaluations since 2017. For example, as of the end of 2022, private-equity investments in Malaysia (A3 stable) and Senegal (Ba3 stable) were the largest single-name investments within private equities but amounted to only about 7% of usable equity each, despite accounting for 23%-25% of total equity investments.

Apart from repositioning to credit products such as term finance and lines of finance, ICD also aims to rebalance its revenue sources by boosting its advisory services — including on Islamic finance, infrastructure financing, securitisation, privatisation and special economic zones — to increase non-interest income. Advisory income reached $12 million in 2022 (14% of total revenue and 105% of net income), and is likely to rise further in nominal terms.

Asset performance is improving but NPAs remain high compared to peers

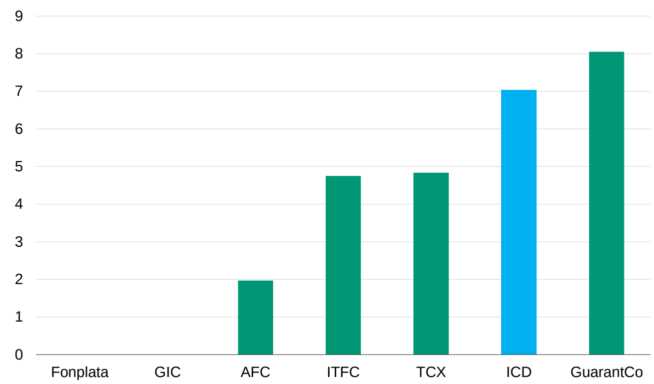
ICD's asset performance is a key credit challenge because the corporation's ratio of NPA to DRA is substantially higher than that of peers (see Exhibit 3), although we expect asset performance to improve in the coming years. This weaker asset performance is partly attributable to ICD's private-sector mandate in generally lowly rated countries and exposure to private equities amounting to around 30% of DRA. Equity-related losses had been a drag on asset performance over 2017-19 in particular, resulting in NPA/DRA exceeding 20% in 2018. The severity of the fair value losses arising from the private-equity investment portfolio significantly shrank the size of private-equity investments to just 12% of total assets in 2022 from 49% in 2015.

Apart from equity impairments, the level of nonperforming loans (NPLs) has also been high, averaging 12% of DRA over 2013-21. That said, ICD's loan asset performance has been improving, with the NPL ratio declining to 7% of DRA in 2022 and helping to reduce ICD's NPA/DRA ratio to 7% from around 11% in 2021 and 13% in 2020 (see Exhibit 4: NPLs fully accounted for NPAs over 2021-22 as there were no equity impairments taken across these years).

The improvement in loan asset performance is driven by the ongoing restructuring of some NPLs. Over the past year, a new Special Operations Division (SOD) was set up under the corporation's Risk Management Department to better manage NPAs. Key objectives of this division include consolidating ICD's entire NPA portfolio under a single division, and prioritising efforts to preserve value by implementing strategies such as restructuring, collections, and release of provisions to enhance the bottom line.

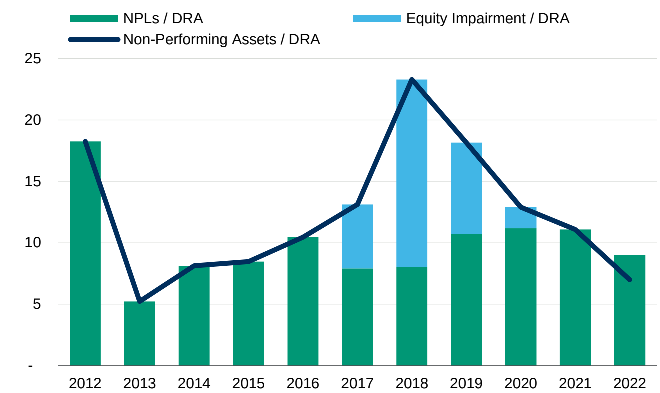
We expect the ongoing implementation of the current board-approved strategy and the presence of SOD to gradually enhance ICD's asset performance over time and reduce asset performance volatility. In addition, the already-low private-equity valuations will also limit the negative impact of this portfolio on our calculation of the corporation's NPAs in the coming years.

Exhibit 3
ICD's asset performance is weak compared with A-rated peers...
NPA ratio (%), 2022



Sources: ICD and Moody's Investors Service

Exhibit 4
… despite the improvement in recent years



Source: ICD and Moody's Investors Service

ICD's usable equity has been boosted by the second general capital increase (GCI) and return to profitability
Meanwhile, ICD's usable equity has been boosted by the second GCI, slightly exceeding the 2017 peak of $1.06 billion by reaching $1.09 billion as of the end of 2022. The increase in paid-in capital over 2017-22 more than offset the losses incurred by the poor performance of the corporation's equity portfolio that mostly occurred between 2017 and 2019.

Aside from the GCI, the absence of dividend payments in most years has helped the corporation accumulate shareholders' equity. The Articles of Agreement prohibit profit distribution unless the general reserve is greater than 12.5% of subscribed capital (this was lowered from 25% previously, 25% being the threshold at IsDB). A dividend payout was not made in 2022 and is unlikely to be paid for the foreseeable future, as accumulated losses in the reserve amounted to $465 million as of the end of 2022. ICD also maintained profitability for a second consecutive year in 2022, posting a small profit of $11.9 million, a development which, if sustained, will bolster the corporation's usable equity in the future.

FACTOR 2: Liquidity and funding score: a3

We assess ICD's liquidity and funding to be "a3", primarily reflecting the sizeable stock of liquid assets that is available in its treasury portfolio to cover loan disbursements, debt servicing and other potential cash outflows over the next 18 months. At the same time, our assessment of ICD's funding quality is constrained by its still-limited albeit gradually expanding track record of access to international debt capital markets. The corporation is aiming to become a regular issuer of sukuk over the next few years, although the modest size of its DRA portfolio and large liquidity buffer is likely to constrain its demand for public debt market funding. We set the score below the adjusted score of "a2" as the coverage by liquid assets of net cash outflows may decline as the corporation uses its liquidity buffer to finance new DRA.

Liquidity is supported by a robust stock of liquid assets and solid treasury asset quality

ICD benefits from strong liquidity, supported by low and declining levels of short-term debt relative to liquid assets, relatively high credit quality treasury assets and robust prudential liquidity ratios, which it meets comfortably.

Our calculation of ICD's availability of liquid resources ratio — which we define as the stock of liquid assets rated A2 or higher as a percentage of projected net outflows (including debt service and disbursements) over the following 18 months and is based on cash flow projections from the corporation — was 227% as of the end of 2022. This means that ICD's liquid assets are more than sufficient to cover its net outflows for more than 18 months, assuming a loss of market funding. We expect the availability of liquid resources ratio to remain ample over the next two years given the size of the liquidity buffer, although it is likely to decline from such high levels as liquid assets are used to fund new DRA.

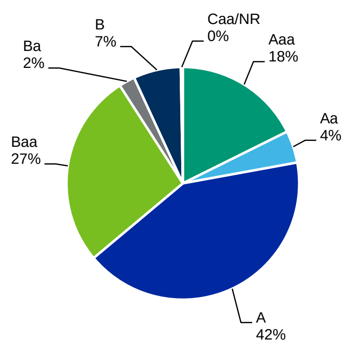
As with most MDBs, ICD does not have access to a lender of last resort. However, it could rely on regional central banks to provide emergency support, most likely in the form of deposits, in the event of liquidity stress.

Meanwhile, the quality of ICD's treasury portfolio is solid and stronger compared to pre-2016 levels (see Exhibits 5 and 6). The percentage of treasury assets rated A2 or higher increased to 57% in 2022 from just 9% in 2014, and the assets are mostly composed of liquid sukuk and, to a lesser extent, commodity placements with Islamic banks. Historically, the treasury portfolio was constrained by a lack of highly rated, liquid Shariah-compliant assets, but the availability of such instruments is improving. The coverage of short-term and currently maturing long-term debt by liquid assets decreased in 2022 from very high levels before, from close to 15x in 2021 to still ample levels of 4x at the end of 2022, primarily due to the shift to shorter-term financing as interest rates rise (to avoid locking in higher cost long-term financing).

Exhibit 5

93% of the treasury assets are investment grade...

Treasury asset quality by rating bracket

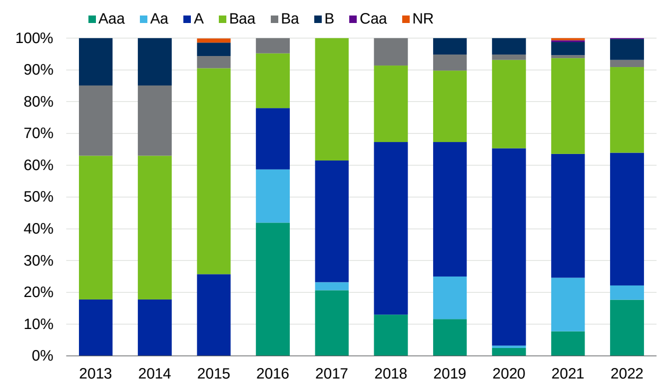


Sources: ICD and Moody's Investors Service

Exhibit 6

... while the credit quality of the treasury portfolio is significantly stronger compared to pre-2016 levels

Treasury asset quality by rating bracket



Sources: ICD and Moody's Investors Service

ICD has a relatively wide funding base despite a limited track record of market access

ICD generally borrows from commercial banks bilaterally, with tenors ranging from one month to seven years, and also taps the sukuk market for issuances opportunistically. Despite being a fairly new entrant to the sukuk market, ICD has a relatively competitive cost of market funding. Commodity placement costs are also anchored, supported by ample liquidity across the Gulf Cooperation Council (GCC).

ICD's track record of access to international debt capital markets remains limited. This is partly driven by the smaller and more geographically constrained pool of potential investors because of ICD's preference for Shariah-complaint forms of funding. We expect ICD to become a more regular issuer of benchmark-sized sukuk over the medium term to take advantage of its ability to access funds at relatively low spreads to risk-free equivalents, but this will likely depend on its funding needs, since its DRA portfolio is still modest compared to the size of its liquid asset portfolio, and bilateral sources of financing remain ample.

Qualitative adjustments to intrinsic financial strength

Operating environment

ICD's operational assets are primarily located within lowly rated sovereigns, including Bangladesh (B1 stable), Senegal (Ba3 stable) and Uzbekistan (Ba3 stable), while its private-sector focus means that assets do not benefit from preferred creditor status. However, the geographical diversification of assets, particularly in the lines of finance and term finance portfolios, reduces the corporation's exposure to developments in specific regions or that are driven by commodity price movements. ICD has projects in 49 member countries because of its wide membership.

Quality of management

As with almost all MDBs, ICD is not regulated by a central bank or other supervisory bodies. It maintains a self-imposed capital adequacy ratio target of 35%, which is ample for an MDB. However, between 2015 (1437H) and 2017, ICD was modestly in breach of this ratio. While it initially expected to reach the target in 2017, equity investment losses delayed the eventual correction until 2018. Other elements of the risk control framework include concentration limits that are imposed on the equity investment portfolio and the requirement that a single investment may not exceed 33% of ICD's paid-in share capital.

Liquidity management has improved in recent years, with an increased share of treasury assets rated A2 or higher and ample liquid assets to cover net outflows. The corporation's prudential minimum liquidity ratio has been set at one year of net cash requirements under stressed conditions, assuming no market access, which is a robust liquidity target although less stringent than that of IsDB, which mandates 45% of net cash outflows for the next three years under stressed market conditions. The 2017-19 losses arising from the equity investment portfolio largely relate to legacy transactions that were originated before the revamp of the risk management function from 2014 onwards.

ICD is undergoing restructuring aimed at aligning its organisational structure with the strategic direction and key objectives of the corporation and to strengthen internal controls and independent functions. This has included the winding down of a legacy Asset Management department and the establishment of SOD. If effective, improved coordination combined with ongoing implementation of ICD's strategic direction can help enhance the corporation's financial and asset performance in the coming years as well as its ability to deliver on its mandate of private-sector and Islamic finance development in member countries.

FACTOR 3: Strength of member support score: High

We have set ICD's strength of member support at "High", above the adjusted score of "Low", to reflect the extraordinary support that we expect to be forthcoming during times of stress by ICD's shareholders, including IsDB, given the corporation's role in developing private-sector Islamic finance. Our score also takes into account the very high level of potential shareholder resources that ICD has access to, whether from IsDB or member countries. However, unlike most similarly rated MDBs, ICD does not benefit from callable capital or other contractual forms of support.

Multilateral shareholder structure is unusual, but a credit strength

Having established ICD, IsDB remains a significant shareholder, with its share of ICD's paid-in capital standing at 42% in 2022. ICD shares a significant proportion of its shareholder base with IsDB, with around 45% of ICD's paid-in capital from the same member country shareholders, broadly replicating IsDB's structure.

In our view, IsDB affiliates benefit from potential support from IsDB. The Waqf fund (Special Account Resources Waqf Fund) and the Islamic Solidarity Fund for Development (ISFD, the poverty alleviation arm of the IsDB Group) could also be used to support IsDB affiliates outside of IsDB's Aaa-rated Ordinary Capital Resources. The Waqf fund, established as an endowment fund and fully owned by IsDB, consists essentially of accumulated interest income earned on liquid funds placed with conventional banks. The non-Shariah nature of these operations explains the transfer of what constitutes a reserve of liquidity for the group. Unlike callable capital, the Waqf fund and ISFD's capital cannot be called by ICD, but the IsDB board could decide to use these resources in case of financial stress at one of the group entities. IsDB has an influential role in promoting and setting standards for Islamic finance, and ICD serves as an adviser to several member governments. IsDB is supportive of other IsDB affiliates and it would be able to deploy a considerable amount of financial resources to other entities of the group. IsDB affiliates — the Waqf Fund, the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC, Aa3 stable), the International Islamic Trade Finance Corporation (A1 stable) and ISFD, in addition to ICD — have strong interlinkages and benefit from a common risk management framework. Although IsDB has no legal obligation to support ICD, we believe a scenario in which ICD failed to meet its obligations would pose significant reputational risk to IsDB and other affiliates, which reinforces the likelihood of support. Moreover, the very strong commitment of shareholders to IsDB Group is reflective not only of their economic strength but also of a binding community ethos.

Second GCI was well supported by shareholders, indicating strong noncontractual support and potential extraordinary support in a timely manner if needed

ICD has an established track record of shareholder support, with existing shareholders subscribing to 83% of new shares made available for subscription in the second GCI that covered 2017-21, a significant increase from the 65% subscription in the first GCI in 2010. All three largest shareholders (IsDB, Saudi Arabia and Saudi Arabia's Public Investment Fund) fully subscribed to their allotted shares. As of the end of 2022, the corporation had received $690 million from shareholders, leaving $125 million remaining.

Given that the shareholders that have yet to pay are generally facing political turmoil or economic sanctions, we expect ICD to eventually offer at least some of the unpaid subscriptions to other interested shareholders. We also expect the unpaid subscriptions to be taken up if offered because of support from the main shareholders for ICD's core activities.

Moreover, the financial resources available at ICD's largest and higher-rated shareholders dwarf the size of the corporation's balance sheet. This additionally implies that any recapitalisation needs that could arise in a distressed scenario would unlikely be viewed as onerous. In our view, weighed against ICD's track record of significant developmental and social impact, even the cost of a full recapitalisation, should one become necessary to ensure its viability, would likely be considered politically acceptable.

The absence of contractual support constrains our assessment of member support

In assessing the likelihood of recapitalisation in a high-stress scenario, we place emphasis on contractual commitments of an organisation's shareholders, most commonly exemplified by callable capital. Unlike most MDBs, ICD does not benefit from callable capital provisions or any other form of contractual support. While in its short history the corporation has never faced financial distress that would call for a capital infusion, the absence of contractual support mechanisms is a constraint on our assessment of shareholder support.

ESG considerations

ICD's ESG Credit Impact Score is Neutral-to-Low CIS-2

Exhibit 7
ESG Credit Impact Score

CIS-2
Neutral-to-Low

NEGATIVE IMPACT
POSITIVE IMPACT

For an issuer scored CIS-2 (Neutral-to-Low), its ESG attributes are overall considered as having a neutral-to-low impact on the current rating; i.e., the overall influence of these attributes on the rating is non-material.

Source: Moody's Investors Service

ICD's credit impact score is neutral to low (**CIS-2**), which reflects solid governance that supports resilience in the face of moderately negative exposure to environmental risks and low social risks.

Exhibit 8
ESG Issuer Profile Scores

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E-3	S-2	G-2
Moderately Negative	Neutral-to-Low	Neutral-to-Low

Source: Moody's Investors Service

Environmental
ICD's environmental issuer profile score is moderately negative (**E-3**), as its operating environment and borrowers, particularly in Africa and South Asia, are exposed to physical climate risks. That said, ICD's direct exposure to these risks based on its loan portfolio and private-equity investments is relatively low.

Social
The social issuer profile score is neutral to low (**S-2**). ICD enjoys strong relations with its customers given its responsibility to develop the private sector and Islamic finance in its member countries, and the diversification of loans and equity investments across countries reduce the corporation's exposure to demographic and societal trends.

Governance
ICD's governance issuer profile score is neutral-to-low (**G-2**). The organisational restructuring and continued enhancements to risk management reduce asset performance risks, although weaknesses due to legacy assets remain and a track record of solid performance has yet to be established.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

All of these considerations are further discussed in the "Detailed credit considerations" section above. Our approach to ESG is explained in our cross-sector methodology General Principles for Assessing ESG Risks. Additional information about our rating approach is provided in our Supranational Rating Methodology.

Recent developments

Asset performance is improving but remains vulnerable to risks in operating environment

In 2022, ICD's NPA/DRA ratio declined further to 7%, below 11% as of the end of 2021 from 13% in 2020 and a record high of 23.3% in 2018. This trajectory was helped by the ongoing restructuring of some NPLs and no negative equity impairment for the year (and since 2021). Nevertheless, the gap between ICD's asset performance and that of other similarly rated peers remains very wide. Even at lower levels of around 7%, ICD's NPA/DRA ratio is still significantly higher than the median for A-rated peers of 2.8% in 2022. ICD's NPA/DRA ratio is among the highest of all MDBs we rate.

Over the next few years, we expect ICD's NPA/DRA ratio to decline further, driven by the ongoing enhancements to risk management and corporate governance and organisational restructuring, as well as the expansion of DRA. Since the DRA expansion is likely to primarily comprise lower-risk loans and lines of finance (on-lending through banks) instead of higher-risk private-equity investments, the NPA/DRA ratio is also likely to become less volatile. Moreover, the already-low valuations in ICD's legacy private-equity portfolio imply limited further downside to NPAs from equities.

Our expectation of a continued improvement in asset performance also reflects still-solid growth prospects in many of ICD's key markets as economic activity continues to normalise from the successive shocks of the coronavirus pandemic and Russia's invasion of Ukraine (Ca stable). We forecast higher real GDP growth in half of ICD's top 10 markets over 2023-24 than in 2021-22 while in Cote d'Ivoire (Ba3 positive) and Uzbekistan (Ba3 stable) growth will be slower but nevertheless remain relatively robust. By contrast, Pakistan (Caa3 stable) and Tunisia (Caa2 negative) are likely to face more difficult growth headwinds. That said, global growth uncertainty amid higher interest rates may limit the scope of improvement in asset performance, and risks to ICD's operating environment are skewed to the downside.

ICD achieved profitability for the second year in a row in 2022. We expect the corporation's efforts to further reduce the share of liquid portfolio and to shift away from non-profitable products through divestments in its legacy portfolio to sustain its return to profitability over the coming years.

Rating methodology and scorecard factors: Islamic Corporation for the Development of the Private Sector - A2 Stable

Factor / Subfactor	Metric	Initial score	Adjusted score	Assigned score
Factor 1: Capital adequacy (50%)			ba1	ba2
Capital position (20%)			a1	
	Leverage ratio	a1		
	Trend	0		
	Impact of profit and loss on leverage	0		
Development asset credit quality (10%)			b	
	DACQ assessment	b		
	Trend	0		
Asset performance (20%)			b1	
	Non-performing assets	b1		
	Trend	0		
	Excessive development asset growth	0		
Factor 2: Liquidity and funding (50%)			a2	a3
Liquid resources (20%)			aaa	
	Availability of liquid resources	aaa		
	Trend in coverage outflow	0		
	Access to extraordinary liquidity	0		
Quality of funding (30%)			baa	
Preliminary intrinsic financial strength				baa2
Other adjustments				0
Operating environment		0		
Quality of management		0		
Adjusted intrinsic financial strength				baa2
Factor 3: Strength of member support (+3,+2,+1,0)			Low	High
Ability to support (50%)			baa3	
	Weighted average shareholder rating	baa3		
Willingness to support (50%)				
	Contractual support (25%)	ca	ca	
	Strong enforcement mechanism	0		
	Payment enhancements	0		
	Non-contractual support (25%)		High	
Scorecard-Indicated Outcome Range				A2-Baa1
Rating Assigned				A2

Note: Our ratings are forward-looking and reflect our expectations for future financial and operating performance. However, historical results are helpful in understanding patterns and trends of an issuer's performance as well as for peer comparisons. Additional considerations that may not be captured when historical metrics are used in the scorecard may be reflected in differences between the adjusted and assigned factor scores. Furthermore, in our ratings we often incorporate directional views of risks and mitigants in a qualitative way. For more information please see our Multilateral Development Banks and Other Supranational Entities rating methodology.

Source: Moody's Investors Service

Related websites and information sources

» Moody's Supranational web page

» Moody's Sovereign and supranational rating list

» Islamic Corporation for the Development of the Private Sector

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