MOODY'S
RATINGS

Rating Action: Moody's Ratings assigns Baa3 rating to Bogota Distrito Capital's up to $600 million Notes

05 Nov 2025

New York, November 05, 2025 -- Moody's Ratings (Moody's) assigned a Baa3 rating to Bogota, Distrito Capital (Colombia) (Bogota, Baa3 Stable) proposed Senior Unsecured Notes for up to $600 million due 2035 (Notes) denominated in Colombian pesos.

The assigned ratings are based on preliminary documentation. Moody's Ratings does not anticipate changes in the main conditions that the notes will carry. Should issuance conditions and/or final documentation deviate from the original ones submitted and reviewed by the rating agency, We will assess the impact that these differences may have on the rating and act accordingly.

RATINGS RATIONALE

The assigned Baa3 rating considers that the Notes will be a direct obligation of Bogota, with the same ranking of its other senior unsecured debt outstanding. Proceeds will be used for eligible projects in clean transportation, sustainable water and waste water management and energy efficiency, among others.

The baa3 BCA considers Bogota's economic strength which benefits from a diversified local economy, which supports its elevated levels of own-source revenues representing approximately 65% of the district total revenue. Bogota's credit profile also reflects its solid governance and management practices, as well as manageable unfunded pension liabilities. Bogota's creditworthiness is constrained by its recurring cash financing deficits, which have contributed to a rising debt burden. Despite the increase in debt, it remains adequate for its rating category. Bogota also plans significant capital expenditure focused on mobility projects. We estimate these projects will result in further cash financing deficits that will be funded with incremental debt, including these Notes, and liquidity available. As a result, net direct and indirect debt to total revenue will reach 83% by 2026, up from 66.7% in 2024. Nonetheless, liquidity levels will remain strong, with the ratio of cash and equivalents to total revenue close to 21% by 2026. We also acknowledge Bogota's track record of successfully managing liquidity needs through access to local and international markets, as well as available credit facilities within the City Council's approved debt limits.

The Baa3 Issuer Rating for Bogota reflects the combination of its standalone credit profile, as reflected in its BCA of baa3, and our assumption of a strong likelihood of extraordinary support from the Colombian government if the entity faces acute liquidity stress.

The stable ratings outlook reflects the stable outlook on the Government of Colombia's rating, given the strong links between the sovereign and Bogota. Bogota's stable outlook also reflects our expectation that despite registering cash financing deficits, the city will maintain an adequate liquidity position and debt levels appropriate for its rating level.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATING

An upgrade is currently unlikely because Bogota ratings are constrained by the rating of Colombia. Moody's Ratings would consider upgrading its ratings in the event of an upgrade of Colombia's rating and if Bogota maintains a strong liquidity position, along with moderate debt levels.

Conversely, a further downgrade of Government of Colombia's rating or a significant increase in the district's cash financing deficits, leading to a higher-than-expected increase in debt levels or deterioration in liquidity metrics, could exert downward pressure on the ratings.

The principal methodology used in this rating was Regional and Local Governments published in May 2024 and available at https://ratings.moodys.com/rmc-documents/421891. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

This rating is solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website https://ratings.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the EU and UK and is(are) endorsed for use in the EU and UK in accordance with the EU and UK CRA Regulation.

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on https://ratings.moodys.com for additional regulatory disclosures for each credit rating.

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