03 NOV 2025

Fitch Affirms EBRD at 'AAA'; Outlook Stable

Fitch Ratings - London - 03 Nov 2025: Fitch Ratings has affirmed European Bank for Reconstruction and Development's (EBRD) Long-Term Issuer Default Rating (IDR) at 'AAA' with a Stable Outlook.

Key Rating Drivers

SCP Drives Rating: EBRD's Long-Term IDR reflects its Standalone Credit Profile (SCP) of 'aaa'. The SCP is based on the solvency assessment of 'aa+' and EBRD's 'low' risk business environment, which leads to a notching of '+1' over the lower of the solvency and liquidity assessments. The Stable Outlook reflects our expectation that EBRD's 'excellent' capital buffers will offset rising credit risks.

Credit Risks Constrain Solvency: EBRD's non-performing loan (NPL) ratio was over 6% in 2022, primarily due to the impact of the Russia-Ukraine war. The NPL ratio, as adjusted by Fitch, improved to 4.3% at end-2024 from 5.6% at end-2023, mainly driven by repayments of Ukrainian exposures, the sale of a Russian exposure and two Turkish exposures resuming payments. In 1H25, the NPL ratio improved further to 4.0%, reflecting the repayment of a Ukrainian exposure. We expect the NPL ratio to return to above 6% again due to the increasing exposure to Ukraine.

The average rating of loans and guarantees before preferred creditor status (PCS) was 'BB-' at end-1H25, up from 'B+' the previous year driven by sovereign upgrades in EBRD's countries of operation, particularly Egypt (B/Stable, 7% of total banking exposure - TBE - at end-1H25). However, we expect the average rating of loans and guarantees to return to 'B+' over the forecast horizon, mainly reflecting the increasing exposure to Ukraine.

Capital Increase Supportive: In December 2023, EBRD's shareholders approved a EUR4 billion general capital increase (GCI) to further support Ukraine (RD). Paid-in capital payments started at end-2024 and EBRD had received EUR544 million of new paid-in capital by end-1H25. The GCI and EBRD's role in providing support to Ukraine highlight the bank's high policy importance.

Excellent Capitalisation: The overall capitalisation assessment remains 'excellent' considering Fitch's usable capital to risk-weighted assets (FRA) ratio of 46% at end-1H25 (end-24: 44%) and an equity-to-assets ratio of 29% at end-1H25 (end-2024: 29%). Fitch expects the two ratios to remain above its 'excellent' thresholds of 35% and 25%, respectively, over the medium term. Our forecasts assume EBRD remains profitable in 2026 and 2027 and management of the leverage remains prudent. The increase in the bank's paid-in capital due to the GCI should further support capital ratios.

Increasing Exposure to Ukraine: EBRD committed EUR4.8 billion new investments in Ukraine in 2022, 2023 and 2024, reflecting the strong commitment from shareholders to supporting the country. In recognition of the heightened level of risk in Ukraine, the EUR4.9 billion of new investments benefits from either pari passu or first-loss guarantees by shareholders covering 50% on average. EBRD continued to receive guarantees for new Ukraine exposures until new paid-in capital started to come in at end-2024.

EBRD's exposure to the country net of shareholder guarantees increased to EUR3.7 billion or 9.3% of the bank's TBE at end-1H25, up from EUR3.1 billion (7.0% of TBE) at end-1H24. On top of guarantees, Ukrainian credit exposure is covered by a EUR0.8 billion loss provision. In 1H25, 47% of loans to Ukrainian counterparties were non-performing. A further marked increase in Ukrainian NPLs is a vulnerability for EBRD's risk profile.

Prudent Provisioning Against Ukraine Crisis: EBRD reported a profit of EUR0.5 billion in 1H25 (FY24: EUR1.7 billion). It had returned to profitability in 2023 (EUR2.1 billion) after a EUR1.1 billion loss in 2022, mainly driven by EUR1.4 billion impairment losses, primarily on loans based in Ukraine, Russia and Belarus., and EUR1.1 billion equity losses, reflecting a significant fall in the value of the bank's legacy equity investments in Russia. At end-1H25, exposure to Russia and Belarus was EUR79 million and EUR217 million, respectively. Fitch expects EBRD's prudent reserving and valuation approach to reduce the risk of significant further losses arising from the war in Ukraine.

Low Risk Business Environment: EBRD's business environment leads to a +1 uplift over the solvency assessment. Our assessment of the business profile reflects the high quality of governance and the importance of its public mandate, as demonstrated by the bank's role in supporting Ukraine in line with the objectives of its shareholders, overcompensating for the high share of non-sovereign financing and an increased focus on less advanced economies. We assess the operating environment as 'medium' risk, reflecting the moderate average credit quality and political risk in most countries of operations.

Excellent Liquidity and Market Access: We assess EBRD's liquidity at 'aaa'. The bank's coverage of short-term debt by liquid assets was 2.7x at end-1H25. EBRD operates with a higher level of treasury assets (44% of total assets at end-1H25) than comparable peers and this weighs positively on our assessment of liquidity. The quality of treasury assets is 'excellent', with the share of treasury assets rated 'AAA' or 'AA' at 70% at end-1H25. Fitch expects the liquidity ratio to remain above the 1.5x 'excellent' threshold. In our view, EBRD has 'excellent' access to capital markets.

No Support Uplift: Fitch assesses shareholders' support at 'aa-', which is based on the weighted average rating of key shareholders as its coverage of net debt by callable capital is at lower (full coverage from shareholders rated at least 'BBB+' at end-1H25). Fitch views shareholders' propensity to support the bank as 'strong'.

RATING SENSITIVITIES

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

Solvency (Risk): A decline in the average rating of loans and guarantees below 'B+' or an increase of the NPL ratio markedly above the 6% threshold for 'high' risk over the medium term. This would be the case, for example, if EBRD's entire exposure to Ukraine (including to the sovereign) defaulted.

Solvency (Capitalisation): A decline in capitalisation metrics with an FRA ratio below 35% on a sustained basis or an equity-to-assets and guarantees ratio below 15%. This would affect our 'excellent' capitalisation assessment. This could be driven by significant losses, faster-than-expected growth, and/or a significant increase in risk-weighted assets.

Business Environment (Operating Environment Risk): Rapid expansion into 'high' risk countries in sub-Saharan Africa or a larger number of sovereign downgrades of EBRD's countries of operations that affect our assessment of the bank's operating environment.

Solvency (Capitalisation) /Business Profile: Withdrawal of a major shareholder from EBRD in a way that significantly affects its capitalisation or business profile, although this seems unlikely.

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

The rating is at the highest level on Fitch's scale and cannot be upgraded.

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

EBRD has an ESG Relevance Score of '4' for 'Exposure to Social Impacts'. To provide temporary liquidity support, the bank has allowed payment deferral for some of its borrowers affected by the coronavirus crisis but that had not experienced payment delays before the deferral was granted. This has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

EBRD has an ESG Relevance Score of '4' for 'Rule of Law, Institutional and Regulatory Quality'. All supranationals attract a score of '4' as they are neither subject to bank regulation nor supervised by an external authority. Instead, supranationals comply with their own set of prudential limits. Fitch pays particular attention to these internal prudential policies, including the bank's compliance with them. This has a negative impact on the credit profile, and is relevant to the ratings in conjunction with other factors.

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.

Fitch Ratings Analysts

Khamro Ruziev, CFA
Director

Primary Rating Analyst
+44 20 3530 1813
Fitch Ratings Ltd 30 North Colonnade, Canary Wharf London E14 5GN

Ralf Ehrhardt
Director
Secondary Rating Analyst
+49 69 768076 163

Carlos Masip
Senior Director
Committee Chairperson
+34 91 702 5773

Media Contacts

Peter Fitzpatrick
London
+44 20 3530 1103
peter.fitzpatrick@thefitchgroup.com

Rating Actions

ENTITY/DEBT	RATING			RECOVERY	PRIOR
European Bank for Reconstruction and Development	LT IDR	AAA	Affirmed		AAA
	ST IDR	F1+	Affirmed		F1+
• senior unsecured	LT	AAA	Affirmed		AAA
• senior unsecured	ST	F1+	Affirmed		F1+

RATINGS KEY	OUTLOOK	WATCH
POSITIVE	⊕	⬘
NEGATIVE	⊖	⬙
EVOLVING	◎	◆
STABLE	○	

Applicable Criteria

Supranationals Rating Criteria (pub.03 Oct 2024) (including rating assumption sensitivity)

Additional Disclosures

Solicitation Status

Endorsement Status

European Bank for Reconstruction and Development	UK Issued, EU Endorsed

DISCLAIMER & DISCLOSURES

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

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.