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CREDIT OPINION
21 June 2023

Update

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RATINGS

EBRD

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

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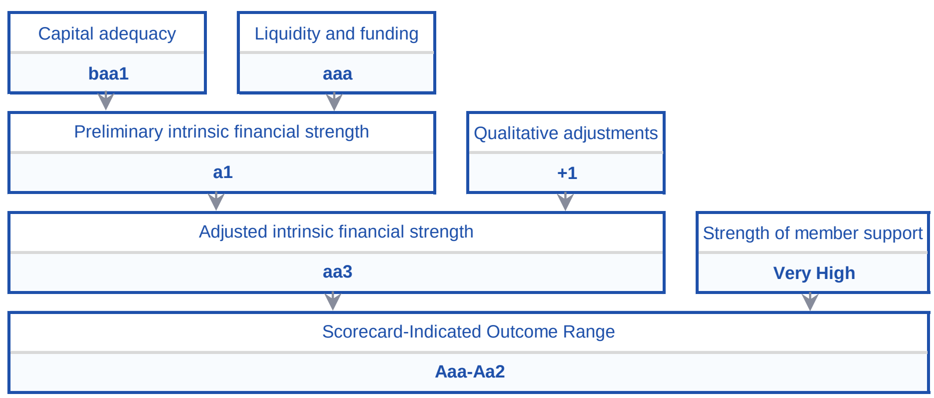
EBRD – Aaa stable

Regular update

Summary

The credit profile of the European Bank for Reconstruction and Development (EBRD) reflects its moderate leverage as well as a strong liquidity profile, prudent risk management and solid shareholder support. The EBRD is a large and established issuer among multilateral development banks (MDBs), with secure market access. The size and quality of the bank's liquid asset base provide a solid cushion against macroeconomic and financial shocks. Shareholders' strong ability and willingness to provide support provides a three-notch uplift to EBRD's already solid intrinsic financial strength; the EBRD stands out for the high share of callable capital being committed by Aaa and Aa-rated shareholders.

Exhibit 1
The EBRD's credit profile is determined by three factors



Source: Moody's Investors Service

Credit strengths

» High cushion of paid-in capital and relatively moderate leverage

» Strong liquidity levels and unquestioned market access, supported by conservative internal requirements

» Very strong support of shareholders

This report was republished on 22 June 2023 with a correction of an in-text reference to the Liquid Resources sub-factor score and a change to EIF's weighted average shareholder rating in Exhibit 7.

Credit challenges

» Comparatively weak asset quality and volatile asset performance, exacerbated by the impact of Russia's invasion of Ukraine (Ca stable).

Rating outlook

We affirmed the Aaa rating and stable outlook on 3 February 2023. The stable outlook reflects our view that the bank will be able to maintain its solid financial metrics and in particular contain any further deterioration of its asset performance, helped by grants and donor funding for its Ukrainian exposure. We also expect that the bank will return to profits after the substantial loss in 2022, allowing it to rebuild its capital buffer again in coming years.

Factors that could lead to a downgrade

Downward pressure on the EBRD's rating would emerge if the bank experienced a significant deterioration in asset quality and losses over several years – possibly in the context of a broadening of the current Russia-Ukraine conflict -, combined with a lack of shareholder response in the form of additional paid-in capital.

Key indicators

Exhibit 2

EBRD	2017	2018	2019	2020	2021	2022
Total Assets (USD million)	67,392.2	70,819.6	76,617.4	85,617.2	84,688.3	76,395.1
Development-related Assets (DRA) / Usable Equity [1]	177.5	186.2	187.2	196.6	184.3	202.6
Non-Performing Assets / DRA	3.1	4.5	3.7	5.1	4.0	6.6
Return on Average Assets	1.1	0.4	2.2	0.4	3.5	-1.5
Liquid Assets / ST Debt + CMLTD	166.9	169.1	170.3	204.1	216.5	227.5
Liquid Assets / Total Assets	44.5	46.8	46.9	45.4	45.4	42.6
Callable Capital / Gross Debt	62.3	54.9	49.6	48.8	47.0	53.5

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

Source: Moody's Investors Service

Profile

The EBRD was established in 1991 to assist the economies of Central and Eastern Europe (CEE) and the Commonwealth of Independent States (CIS) in their transition from centrally planned to market economies. Unlike many of its peers, the EBRD focuses on lending to the private sector. It also invests in equity participations and provides various technical assistance programmes to its recipients, most notably in the development of private enterprise. The EBRD's mandate stipulates that it must only work in countries that are committed to democratic principles. Over the years, the EBRD has progressively extended its operations, including to Turkiye (B3 stable) in 2009 and to the Southern and Eastern Mediterranean (SEMED) region in 2011.

We capture the Bank's development mandate and focus on strengthening private enterprise in transition economies, often acting as anchor investor or lender, in our positive social risk assessment.

The Bank ceased approving new loans in the Russian Federation since the annexation of Crimea in 2014 and later also stopped its activities in Belarus (C stable). Following Russia's invasion of Ukraine in February 2022, the EBRD's Board of Governors approved the formal suspension of access by both countries to the resources of the Bank. This has meant that further disbursements under existing projects have been stopped, as have technical assistance projects. The combined exposure to both countries has been reduced to around 2.4% of development-related assets as of end-2022. The EBRD's exposure to Ukraine stands at 6.1%, while the single-largest country exposure is to Turkiye with a share of 15.2%. The bank's total development-related loans and equity investments stood at €37.0 billion as of December 2022.

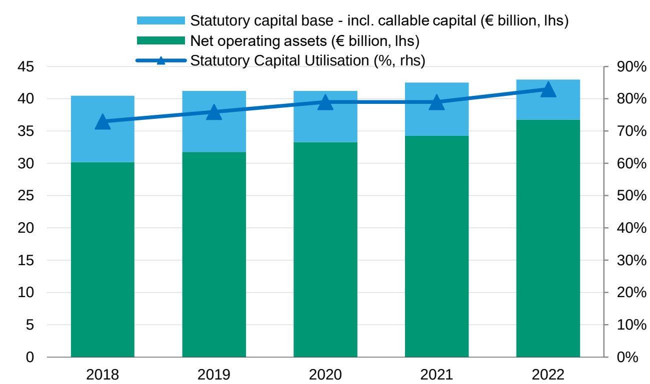
Detailed credit considerations

We score the EBRD's capital adequacy at "baa1", which balances the Bank's moderate leverage against a stable but relatively low development asset credit quality and comparatively weak and volatile asset performance.

Moderate leverage based on high level of paid-in capital and retained earnings and supported by prudent capital management...
The EBRD has a high level of paid-in capital of €6.2 billion, augmented by significant retained earnings and reserves of €14.1 billion accumulated up to 2021, which provides the bank with a large cushion to absorb losses. Despite a substantial loss in 2022, the EBRD's leverage – defined as development-related assets and treasury assets rated A3 or lower in relation to useable equity – remained moderate at around 210% last year, somewhat higher than the ratio of 193% in 2021 but very similar to its leverage in 2020. This compares to a median leverage ratio of 255% at Aaa-rated MDBs. The leverage score of "a1" incorporates a one-notch uplift for EBRD's good profitability.

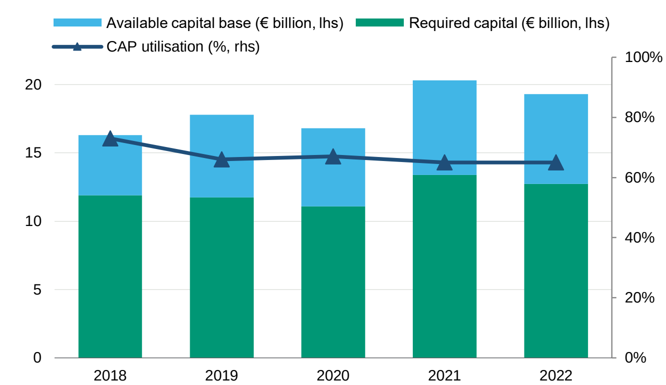
The high capital level provides a solid buffer against the higher credit risks from its private sector focus and its sizeable equity investments which are prone to volatility in mark-to-market valuations. The EBRD also operates with a range of prudential limits, including a maximum gearing ratio of 92% of operating assets and limits to risk-weighted economic capital usage, also set at 90% of available economic capital. Actual capital usage has historically been materially lower than the thresholds. The statutory capital utilisation was 83% in 2022, higher than the 79% level of the previous two years but comfortably below the ceiling. The bank's current 2023-25 Strategy Implementation Plan (SIP) expects the ratio to remain at 83% by the end of 2025. Economic capital utilisation stood at 65% in 2022, broadly similar to the previous three years but lower than in prior years when the ratio was generally at or above 70%. The ratio is expected to decrease to 60% by the end of 2025, as per the current SIP.

Exhibit 3
Capital utilisation is well within the 92% statutory capital limit...
Statutory capital base in EUR billion and capital utilisation in %...



Additional buffer of 2% was introduced for 2021 onward
Sources: EBRD, Moody's Investors Service

Exhibit 4
...and also below the limit of 90% for economic capital
Available economic capital (EUR billion), CAP utilisation (%)



Sources: EBRD, Moody's Investors Service

...mitigate EBRD's relatively risky business profile
Strong capitalisation, moderate leverage and prudential capital management are key mitigating factors for EBRD's comparatively risky business profile given its focus on private-sector lending and equity investments. In 2022, 57% of operating assets were private-sector loans and 12% were equity investments, with the remainder sovereign and other public-sector loans.

The EBRD's business profile is captured by our assessment of the credit quality of its development-related assets. The DACQ score of "baa" is primarily anchored by the EBRD's stable but low weighted average borrower rating of "b2", which reflects the higher credit risk inherent in the bank's private-sector focus. However, we also take account of the EBRD's high-quality exposures in its markets of operation and its significant experience in operating within transition economies. The high degree of country and sector diversification is a further strength, with only the energy sector accounting for more than 20% of development-related exposure in 2022. Other concentration metrics such as the share of the Top10 exposures and single largest exposures are also strong.

Our assessment of asset performance at "ba1" reflects the bank's relatively high share of non-performing assets (NPAs) which includes non-performing loans (NPLs), losses on equity investments and called guarantees, with most of the NPAs resulting from the loan portfolio. The overall NPA ratio was 6.6% of total development-related assets in 2022, up from 4% in 2021, predominantly driven by the war in Ukraine. While a significant increase, the NPA ratio is lower than it was in 2014, the last time of a major crisis in Ukraine and Russia.

The NPA numbers do not incorporate the impact of the substantial guarantees and donor commitments even though those will materially reduce any losses that the EBRD might incur on its lending to Ukraine. Shareholders agreed to provide €1.4 billion to cover around half of EBRD's commitment to Ukraine over 2022-23. In addition, EBRD's strong risk management and prudent provisioning policies should help to limit the impact of its volatile asset performance on the overall credit profile. Provisions and loan loss reserves stood at 9.7% of total loans in 2022 (5.7% in 2021), equivalent to 1.2x gross impaired assets.

Underlying profitability has remained relatively stable, despite volatility in equity valuations

We assign a positive adjustment to the leverage ratio due to EBRD's strong underlying profitability. Headline financial results are heavily affected by valuation changes in its equity portfolio. At the same time, underlying realised income – excluding valuation changes – has been robust and much more stable in recent years.

In 2022, the EBRD recorded a loss of over €1.1 billion according to its audited financial accounts, driven by a €1.15 billion revaluation of equity investments in Russia, Ukraine and Belarus and a €1.4 billion increase in provisions for expected credit losses in these countries. The large loss comes after a record profit of €2.5 billion in 2021, of which €2.4 billion were retained, adding to the already sizeable capital buffer. Useable equity still remains above the 2020 level.

While profitability considerations are generally not a key determinant of MDB ratings, the EBRD's financial performance matters more than is the case for most peers. Shareholders have provided a solid buffer of paid-in capital, with the expectation that the bank will manage to grow its operations through retained earnings. The bank works with a Net Income Allocation Framework, which it adopted in 2016 and which – among other things – proposes that on a rolling three-year basis, at least 75% of the bank's growth in member's equity should be retained in reserves. In the past three years, only 4% have been distributed on average. In 2022, cumulative retained earnings stood at €12.1 billion, supplementing paid-in capital of €6.2 billion and other reserves of close to €1 billion.

FACTOR 2: Liquidity and funding score: aaa

The EBRD's liquidity and funding score of "aaa" incorporates its very strong and lengthy track record of access to market funding, as well as the strong liquidity levels supported by conservative internal requirements.

EBRD benefits from a sizeable liquid asset buffer which helps to absorb shocks

We score the EBRD's liquid resources sub-factor at "aa1", reflecting the size and quality of its liquid asset base, which provides a substantial cushion to cope with macroeconomic and financial shocks. The bank's liquid assets stood at €30.5 billion in 2022. The credit quality of the treasury portfolio is high, with the vast majority of the assets rated Single A or higher. Asset holdings are well diversified across mostly advanced economies. As a rule, the EBRD targets an average credit rating of its treasury assets of Aa2 or better. The average maturity has declined somewhat since 2018, standing at 0.9 years as of December 2022.

Our assessment of EBRD's liquidity is also supported by its prudent liquidity policies, with operational targets set comfortably above the policy minimum. Under its internal guidelines, net liquid assets must cover a minimum of 75% of projected net cash requirements over the next two years, and the bank must be able to meet its obligations for at least 12 months under an extreme stress test scenario (1 in 100-year event based on EBRD stress tests). As of December 2022, net liquid assets represented 137% (2021: 148%) of requirements, significantly above the 75% limit.

Our own liquidity coverage calculations differ somewhat from the EBRD's internal guidelines but equally show very prudent levels of liquidity. We compare the size of the available liquid assets to cash outflows in a stressed scenario over the coming 18 months, in which the EBRD has no access to markets but continues its normal business operations. EBRD's liquid assets ratio stands at close to 190% of net cash outflows as of end-2022.

Strong market access provides a consistent and stable source of funding

The EBRD's quality and structure of funding is assessed at "aaa", given its strong market access which provides a consistent and stable source of funding for its operations, as reflected by the frequency and diversity of issuances. The EBRD has a long-established presence in international bond markets. It issues in a variety of markets and currencies, as well as in diverse formats and at consistently low costs. Its investor base is very diversified across both regions and types of investors, including a large share of buy-and-hold investors and central banks. The majority (66% as of end-2022) of its investor base is located in EMEA, with a further 19% and 15% in the Americas and Asia respectively, demonstrating the EBRD's ability to obtain funding in different markets.

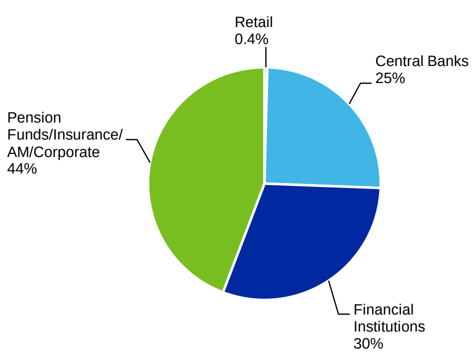
Apart from benchmark issuances in core currency markets, the EBRD also focuses on developing capital markets in its countries of operations, issuing regularly in their local currencies. In addition, the EBRD actively uses buybacks to offer its investors a secondary market bid for all its bonds. The bank also uses private placements and innovative structures to meet specific investor demands, including exotic currencies and equity-linked structures, and the frequency of issuance allows the bank to tap existing issuances. In 2022, the bank issued €6.7 billion, a comparatively low issuance due to the bank's very strong liquidity position. The 2023 borrowing programme envisages up to €10 billion, which includes funding needs of €8 billion and potential pre-funding for 2024 of €2 billion. As of March 2023, total outstanding debt stands at €40.5 billion, of which around half is denominated in US dollars (before swaps).

In addition to maintaining a conservative debt maturity profile, the EBRD matches its assets and liabilities by: (1) hedging foreign-currency and interest-rate risks through swaps and derivatives; and (2) borrowing and lending in a wide range of currencies and interest-rate structures. Its local-currency issuances also support its efforts to develop the private sector and capital markets in emerging and recipient economies. As of December 2022, around 23% of the EBRD's outstanding bonds were denominated in emerging market currencies, of which a third were denominated in Turkish lira and Kazakhstani tenge. After swaps, the exposure to emerging market currencies is typically considerably smaller. Currently, EBRD has several Russian rouble-denominated bonds outstanding, accounting for only around 1.4% of outstanding bonds. According to the bonds' terms & conditions EBRD would repay in US dollars in the event of a settlement disruption event. There is therefore no risk of an EBRD default because the bank cannot obtain rouble.

Exhibit 5

EBRD investor base is diversified in terms of type

Issuance by investor type, Q1 2023 (% of total)

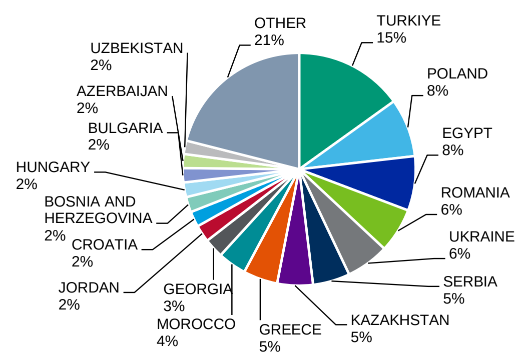


Sources: EBRD, Moody's Investors Service

Exhibit 6

EBRD's portfolio is well diversified geographically

Country exposure, % of total loans + equities, 2022



Sources: EBRD, Moody's Investors Service

Qualitative adjustments to intrinsic financial strength

Quality of management

We apply a "+1" adjustment to the EBRD's intrinsic financial strength on account of the high quality of management and particularly risk management, consistent with assessments for other large, well-established MDBs, including the International Bank for Reconstruction and Development (IBRD, Aaa stable). The adjustment reflects the EBRD's very prudent risk management framework and practices, as well as conservative treasury management policies, which have allowed the institution to successfully navigate periods of acute stress in large countries of operation and respond swiftly to shocks, as seen during the pandemic and currently in the Russia-Ukraine conflict.

More specifically, capital and liquidity are managed such that the bank preserves at all times some distance between its actual operational targets and minimum policy requirements. Its governance structures are solid and include a dedicated chief risk officer. The EBRD's policies have also been enhanced in recent years, including changes to the bank's liquidity policies in 2015 which linked liquidity requirements to the bank's own severe stress tests.

Operating environment

We do not assign a qualitative adjustment for the EBRD's operating environment. While several of its countries of operation are heavily affected by the conflict, EBRD's wide portfolio diversification across countries and sectors is an important mitigant (see Exhibit 6). Also, the bank benefits from substantial guarantees and donor support for its lending to Ukraine, which is and will remain its highest-risk large exposure.

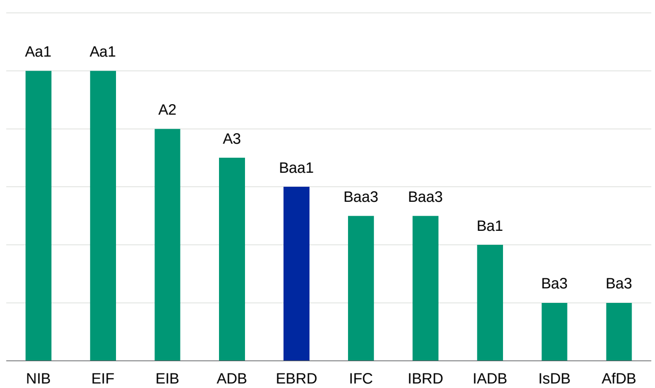
FACTOR 3: Strength of member support score: Very High

Our "Very High" assessment of the strength of member support provides three notches of uplift from the bank's "aa3" adjusted standalone intrinsic financial strength. The score reflects a combination of the strong ability of shareholders to provide support, a moderate buffer of callable capital and our assessment of "Very High" non-contractual willingness to support. The final score is one notch above the initial score, similar to other large Aaa-rated MDBs, to reflect our view that the support from highly rated shareholders is stronger than what the pure metrics would suggest.

The ability of the bank's shareholders to provide support is strong

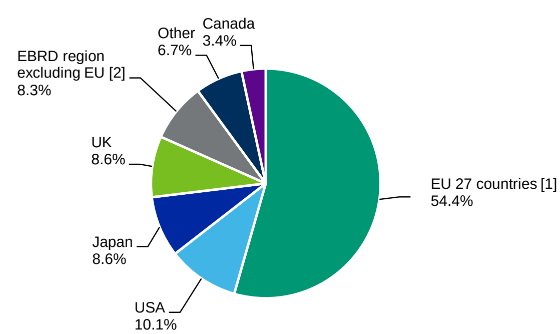
We assess shareholder's ability to support at "baa1" in line with the weighted average shareholder rating of Baa1. The downgrades of Belarus and Ukraine over the past few months have moved the average shareholder rating to Baa1 from the previous score of A3. However, their combined shareholding is minimal at around 1%, thus our overall assessment of the strength of member support at "Very High" is not changing. 91% of the shareholder capital is held by investment-grade issuers, while 64% of subscribed capital is provided by shareholders that are rated Aaa or Aa. Also, the shareholder base is broad and regionally diverse, limiting correlation between shareholders' creditworthiness. The single-largest shareholder is the United States (Aaa stable, 10.1%), with France (Aa2 stable), Germany (Aaa stable), Italy (Baa3 negative), Japan (A1 stable) and the United Kingdom (Aa3 negative) each holding a share of 8.6%, while borrowing members account for just 14.5% of the total. The EBRD continues to attract new shareholders, with the United Arab Emirates (Aa2 stable) and Algeria becoming the latest members in 2021.

Exhibit 7
EBRD's shareholder base is highly-rated
Weighted average shareholder rating by MDB (June 2023)



Source: ***Moody's Investors Service***

Exhibit 8
...with large shareholdings of EU countries and the US
% of subscribed capital



[1] Includes European Community and European Investment Bank each at 3.0%; France, Germany, Italy each at 8.6%.
[2] Includes Russia at 4.0%.
Source: EBRD, Moody's Investors Service

Moderate callable capital buffer is balanced by high paid-in capital...

Our key metric for assessing contractual willingness to provide support is the ratio of callable capital to the stock of debt. The EBRD has €23.5 billion of callable capital, a contractual obligation of each shareholder to provide additional equity in the unlikely event that the

EBRD encounters difficulties repaying its borrowings. The relatively low callable capital coverage reflects the EBRD's high level of paid-in capital, which is significantly higher than peers to buffer against the risks of the bank's private sector exposure.

...and non-contractual willingness to support is very high

Our assessment of shareholders' non-contractual willingness to support the EBRD has been changed to "Very High" from "High" in early 2023, to reflect the recent evidence of strong shareholder support. Shareholders have committed to provide substantial funding so that EBRD can increase its lending to Ukraine. Around half of the EBRD's €3 billion financial support commitment to Ukraine and neighbouring countries will be covered by grants and guarantees from highly-rated shareholders, thus limiting the EBRD's own exposure and risk of losses, a very strong signal of support. Around half of donor funding comes from the European Union (Aaa stable) with the US contributing a further $500 million, while other highly-rated shareholders have provided smaller amounts.

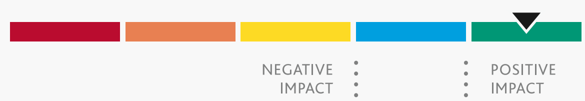
In our view, the EBRD's long-established presence in Ukraine and private-sector expertise is raising the bank's already high profile among key shareholders. We expect the bank to be one of the key financiers of Ukraine's reconstruction once hostilities end. Also, we believe that shareholders would provide further financial support in the unlikely event that EBRD were faced with significant losses as a result of the conflict. Overall, the EBRD's strategic importance for its shareholders is supported by its proven expertise in regions of political importance to shareholders.

ESG considerations

European Bank for Reconstruction & Devlpmnt.'s ESG Credit Impact Score is Positive CIS-1

Exhibit 9
ESG Credit Impact Score

CIS-1
Positive



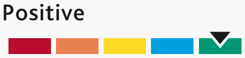
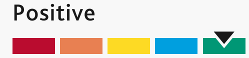
For an issuer scored CIS-1 (Positive), its ESG attributes are overall considered as having a positive impact on the rating. The overall positive influence from its ESG attributes on the rating is material.

Source: Moody's Investors Service

The EBRD's credit impact score is positive (**CIS-1**), reflecting its strong ESG profile with low exposure to environmental risks, a strong social profile which benefits from the EBRD's support for private enterprises in transition economies and a very strong governance profile as exemplified by conservative financial management and high management credibility, further supported by strong shareholder support.

Exhibit 10
ESG Issuer Profile Scores

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E-2	**S-1**	**G-1**
Neutral-to-Low	Positive	Positive

Source: Moody's Investors Service

Environmental

EBRD has a neutral-to-low environmental issuer profile score (**E-2**). While some of its countries of operation have high exposure to physical climate and carbon transition risk, we note that the EBRD is one of the leaders in 'green' financings to date, with total green economy financing amounting to 50% of total business volumes last year. The EBRD has also achieved its commitment to align its new financings with the Paris Agreement by the end of 2022.

Social

The EBRD's positive social issuer profile score (**S-1**) reflects strengths in the area of responsible production as well as benefits from demographic & societal trends, supporting private enterprise in transition economies, often acting as anchor investor or lender. Use of public consultation processes contributes to ensure buy-in from key stakeholders. EBRD does not face any issues attracting highly skilled personnel and there are no health & safety considerations that would negatively or positively affect the issuer profile.

Governance

The EBRD's positive issuer profile score for governance (**G-1**) reflects prudent and very strong risk management, including liquidity management. Credibility of management and its track record are very strong, reflected among others in the continuing expansion of the bank's membership and successive endorsement by the board to extend the geographical remit of the bank. It has a very high level of transparency and quality of reporting.

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

Russia-Ukraine conflict has a substantial negative impact on EBRD's financial and asset performance...

As expected, the conflict is having a significant adverse impact on the EBRD's financial results and asset performance. The Bank reported a net loss of close to €1.12 billion for in 2022, as per its 2022 audited financial report. This follows its highest-ever net profit of €2.5 billion in 2021. The loss was driven by two factors: firstly, the conflict led to a substantial downward revaluation of the bank's equity exposure (of €1.2 billion) mostly in Russia, but also on the smaller equity exposures in Ukraine and Belarus. Secondly, the Bank booked provisions on loans and guarantees of €1.4 billion for expected credit losses in the loan portfolio, much of it again related to the war in Ukraine. 48% of the EBRD's loans to Ukraine were categorised as non-perfoming as of December 2022, with the bank expecting a further deterioration this year. All of EBRD's exposures in the three countries are either already in the non-performing category or on the watchlist, requiring provisioning. The evolution of NPLs is in line with our earlier expectations. Provision coverage of Stage 3 exposures was raised to 60% in 2022, from 51% a year earlier. The bank also increased provisions for expected credit losses on currently performing exposures, thus limiting any further impact on its financial results.

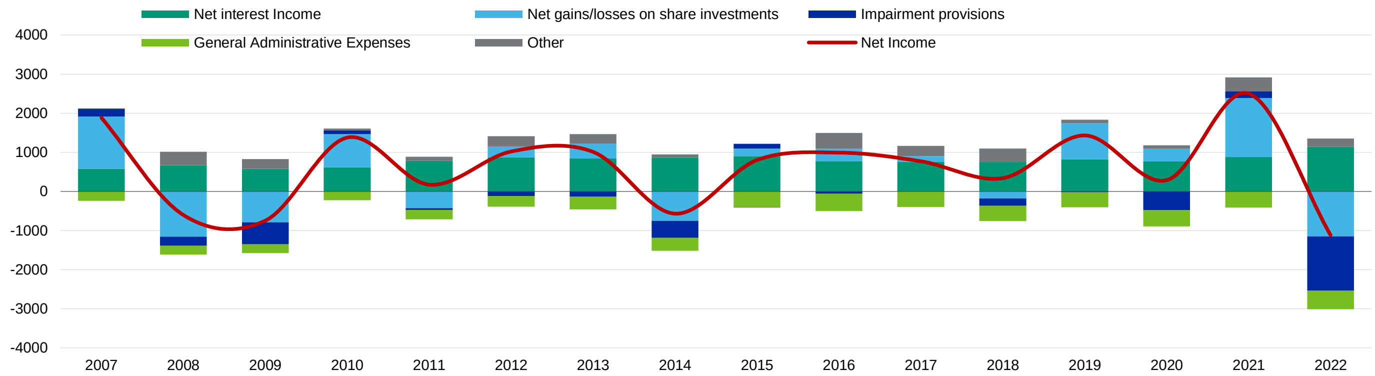
Despite the loss, the bank's capital base remains strong. Incorporating the accumulated loss reduces the EBRD's capital base to €19.3 billion as of end 2022, compared to €20.3 billion in 2021. However, the current level is still higher than useable equity in 2020, when it stood at €17.9 billion, providing a still solid capital buffer.

Our definition of non-performing assets differs somewhat from the NPL ratio of 7.9% reported in EBRD's financial reports because we also take into account the equity investments of around €5 billion (12.8% of development-related assets) and €2.3 billion in guarantees. According to our definition the NPA ratio stands at 6.6% as of end 2022. As stated above, these ratios do not incorporate the benefit from the substantial shareholder guarantees provided for EBRD's Ukraine exposures even though EBRD's potential losses are materially reduced.

Exhibit 11

Russia-Ukraine conflict drove large loss in 2022

€ million



Sources: EBRD, Moody's Investors Service

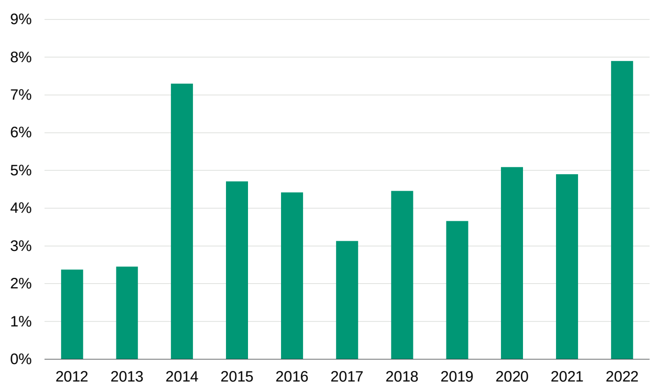
...but also raises EBRD's profile with shareholders further

The EBRD has continued to support Ukraine and raised its financial commitment to Ukraine to €3 billion over the 2022-23 period from €2 billion announced in March 2022. Shareholder support has been forthcoming as expected. As of year-end 2022 shareholders had provided €1.2 billion in guarantees and donor funding, of which around half has been deployed to support €1.1 billion in signed projects, a very strong signal of support from shareholders. The EBRD also announced that the Board of Governors will decide by the end of 2023 on a proposal for supporting Ukraine's reconstruction after the end of hostilities. The proposal also includes a potential paid-in capital increase, which would be further testament to the very strong shareholder support.

Exhibit 12

Increase in EBRD's non-performing loan ratio reflects impact of Russia-Ukraine conflict

Non-performing loans, % of total loans

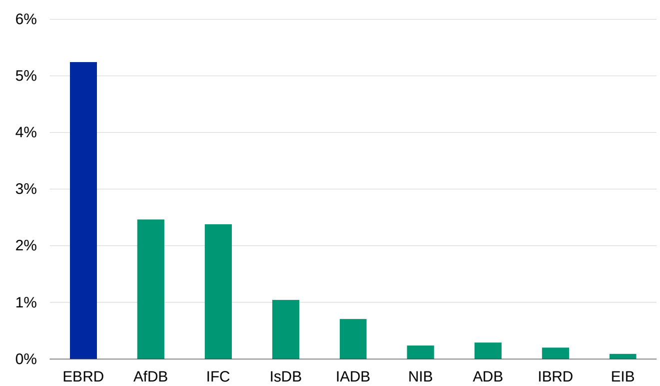


Sources: EBRD, Moody's Investors Service

Exhibit 13

EBRD tends to have weaker asset performance than peers due to its private-sector focus

NPA ratio 3-year average, %



The three-year average refers to the period 2020-2022., with the exception of AfDB and IsDB which have not reported 2022 financials. The NPA ratio includes non-performing loans, called guarantees and write-offs on equity investments.
Sources: EBRD, Moody's Investors Service

Shift towards green, low carbon financing and investment continues

The EBRD continues its shift towards more "green" financing with its latest Green Economy Transition (GET) plan, which sets out a target of increasing green financing to over 50% of its annual business volumes by 2025. As of end-2022, the Bank achieved its "green" financing target and also achieved its commitment to align all of its new financings with the Paris Agreement - one of the factors underpinning our neutral to low environment issuer profile score (E-2). As of end-2022, the bank had financed €18.3 billion in green investments under the GET initiative.

Rating methodology and scorecard factors: EBRD - Aaa stable

Factor / Subfactor	Metric	Initial score	Adjusted score	Assigned score
Factor 1: Capital adequacy (50%)			baa1	baa1
Capital position (20%)			a1	
	Leverage ratio	a2		
	Trend	0		
	Impact of profit and loss on leverage	+1		
Development asset credit quality (10%)			baa	
	DACQ assessment	baa		
	Trend	0		
Asset performance (20%)			ba1	
	Non-performing assets	ba1		
	Trend	0		
	Excessive development asset growth	0		
Factor 2: Liquidity and funding (50%)			aaa	aaa
Liquid resources (10%)			aa1	
	Availability of liquid resources	aa1		
	Trend in coverage outflow	0		
	Access to extraordinary liquidity	0		
Quality of funding (40%)			aaa	
Preliminary intrinsic financial strength				a1
Other adjustments				+1
Operating environment		0		
Quality of management		+1		
Adjusted intrinsic financial strength				aa3
Factor 3: Strength of member support (+3,+2,+1,0)			High	Very High
Ability to support (50%)			baa1	
	Weighted average shareholder rating	baa1		
Willingness to support (50%)				
	Contractual support (25%)	a3	a3	
	Strong enforcement mechanism	0		
	Payment enhancements	0		
	Non-contractual support (25%)		Very High	
Scorecard-Indicated Outcome Range				Aaa-Aa2
Rating Assigned				Aaa

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

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