MOODY'S INVESTORS SERVICE

CREDIT OPINION
4 October 2022

Update

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EBRD – Aaa stable

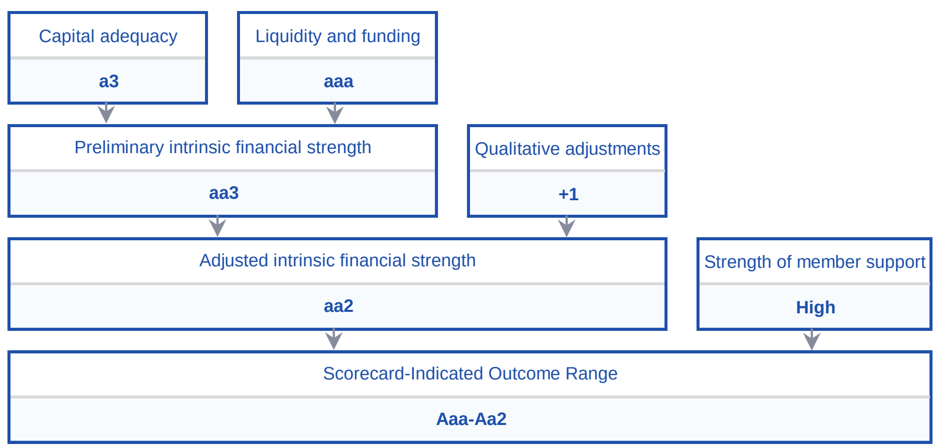
Regular update

Summary

The credit profile of the European Bank for Reconstruction and Development (EBRD) reflects its moderate leverage and high share of paid-in capital, 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 two-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 supported by conservative internal requirements

» Strong support of shareholders

Credit challenges

» Comparatively weak asset quality and volatile asset performance, which will be exacerbated by impact of Russia's invasion of Ukraine (Caa3 negative)

Rating outlook

The stable outlook reflects our view that the EBRD's strong financial metrics and shareholder support will be maintained in the coming years. Specifically, we expect the bank to be able to contain the fallout from Russia's invasion of Ukraine as well as financial stress in other countries of operations such as Turkiye (B3 stable), similar to past episodes.

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 combined with a lack of shareholder response in the form of additional paid-in capital.

Key indicators

Exhibit 2

EBRD	2016	2017	2018	2019	2020	2021
Total Assets (USD million)	59,321.4	67,392.2	70,819.6	76,617.4	85,617.2	84,688.3
Development-related Assets (DRA) / Usable Equity [1]	187.9	177.5	186.2	187.2	196.6	184.3
Non-Performing Assets / DRA	4.4	3.1	4.5	3.7	5.1	4.0
Return on Average Assets	1.5	1.1	0.4	2.2	0.4	3.5
Liquid Assets / ST Debt + CMLTD	169.5	166.9	169.1	170.3	204.1	216.5
Liquid Assets / Total Assets	42.7	44.5	46.8	46.9	45.4	45.4
Callable Capital / Gross Debt	61.8	62.3	54.9	49.6	48.8	47.0

[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.

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.

Over the years, the EBRD has progressively extended its operations, including to Turkiye in 2009 and to the Southern and Eastern Mediterranean (SEMED) region in 2011.

The Bank ceased approving new loans in the Russian Federation since the annexation of Crimea in 2014 and also stopped its public and private-sector activities in Belarus (Ca negative) following the election in 2020 and Q4 2021 respectively. 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 less than 4% of operating assets as of June 2022. The EBRD's exposure to Ukraine stands at 6.8%, while the single-largest country exposure is to Turkiye with a share of 16%. The bank's total development-related loans and equity investments stood at €34.8 billion as of June 2022.

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.

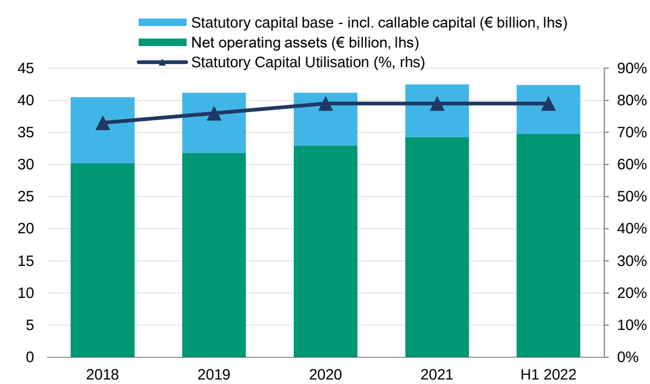
FACTOR 1: Capital adequacy score: a3

We score the EBRD's capital adequacy at "a3", which balances the Bank's moderate leverage against a stable but relatively low development asset quality and comparatively weak and volatile asset performance.

Moderate leverage helped by high share of paid-in capital and prudent capital management…
The EBRD has one of the highest shares of paid-in capital among rated MDBs; at close to 21% of total capital its ratio is significantly higher than the standard ratio of 5%-10% for most other Aaa-rated MDBs. The bank also has accumulated significant retained earnings over the years, further bolstering its capital buffer. Its leverage – defined as development-related assets and treasury assets rated A3 or lower in relation to useable equity – was also comparatively low at 193% in 2021, down from 210.7% in 2020. The leverage ratio declined in 2021, after several years of a gradual increase, as useable equity rose faster than development-related assets. The leverage score of "a2" benefits from a one-notch uplift for EBRD's good profitability.

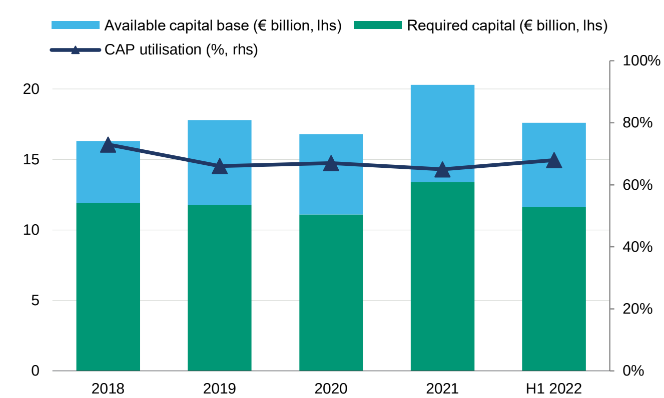
The high capital level provides a solid buffer against the potentially more acute credit risks from its private sector focus and its sizeable equity investments which are prone to volatility in mark-to-market valuations. The EBRD also operates with a range of prudential limits, including a maximum gearing 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 79% at June 2022 and a similar ratio in the two previous years, which is comfortably below the ceiling. The bank's current 2022-24 Strategy Implementation Plan (SIP) expects the ratio to rise to 84% by the end of 2024. As of June 2022, economic capital utilisation stood at 68%, 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 63% by the end of 2024, 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
Source: EBRD, Moody's Investors Service

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



Source: EBRD, Moody's Investors Service

…which supports the bank'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. As of June 2022, 58% of operating assets were private-sector loans and 13% 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, with only the energy sector accounting for slightly more than a quarter of development-related exposure as of June 2022, is a further strength. Other concentration metrics such as the share of the Top10 exposures and single largest exposures are also strong.

Our assessment of asset performance at “baa2” reflects the bank’s relatively high share of non-performing assets (NPAs, 4% in 2021), which includes non-performing loans (NPLs), losses on equity investments and called guarantees, with most of the NPAs resulting from the loan portfolio. The NPA ratio improved materially in 2021 compared to a year earlier, when the pandemic impact was greatest. But asset performance indicators have worsened again significantly in 2022, reflecting the impact of the Russia-Ukraine conflict on the Ukrainian exposure as well as on equity valuations for the remaining exposure in Russia. Exposures in Turkiye also remain challenging, given the difficult operating environment in the country. In addition, the impact of higher energy and food prices may impact borrowers across EBRD's countries of operations this year.

However, 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 9.0% of total loans as of June 2022 (5.7% in 2021), equivalent to 1.4x 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 profits – excluding valuation changes – have been relatively stable in recent years.

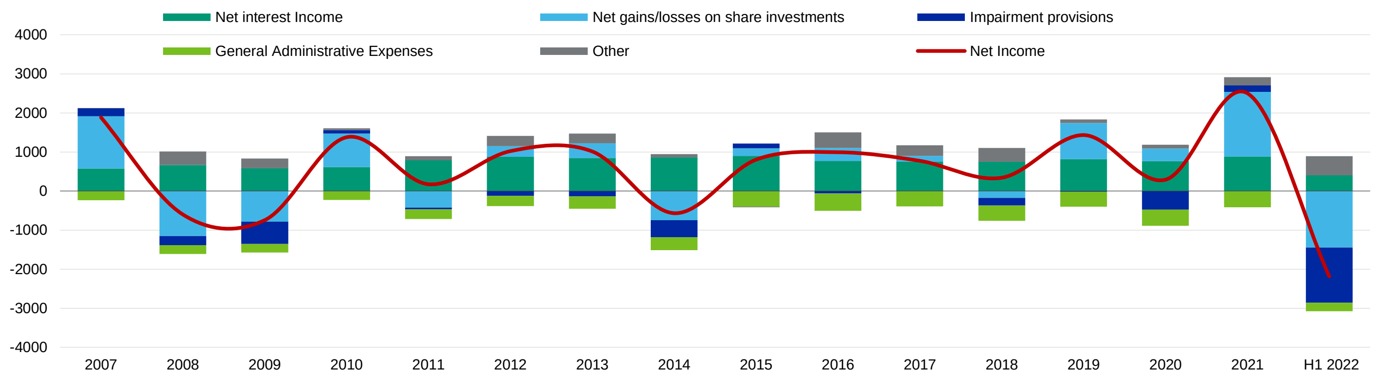
Last year, EBRD recorded its highest profit ever last year at €2.5 billion of which €2.4 billion were retained, adding to the already sizeable capital buffer. The largest profit driver were valuation gains from the equity portfolio, amounting to €1.5 billion compared to €0.2 billion in 2020. At the same time, income from lending operations and fees are much more stable at around €1 billion per year. Profitability has reversed again in the first half of this year, with the EBRD posting a net loss of nearly €2.2 billion, thus using up most of the additional capital buffer achieved in 2021. Realised profits (before provisions and valuation changes) were around €0.8 billion, compared to €1.1 billion for 2021 as a whole.

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. As of June 2022, cumulative retained earnings stood at €11.3 billion, supplementing paid-in capital of €6.2 billion.

Exhibit 5

Russia-Ukraine conflict drove large loss in first half of 2022

€ million



Source: EBRD, Moody's Investors Service

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 "aaa", 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 close to €35 billion in June 2022. The credit quality of the treasury portfolio is high, with 87% of the assets rated Aaa and Aa, and 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 about one year as of June 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 June 2022, net liquid assets represented 181% (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 around 240% of net cash outflows as of end-2021.

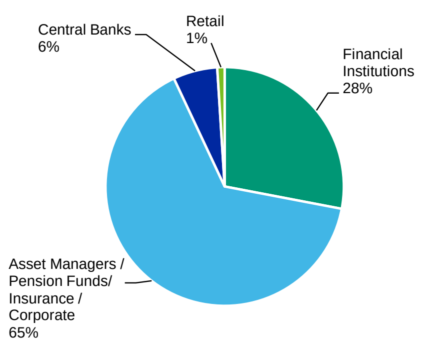
Strong market access provides a consistent and stable source of funding

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 (68% as of Q2 2022) of its investor base is located in EMEA, with a further 22% and 10% 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. Last year, the bank issued €9.6 billion (€12.1 billion including pre-funding), and this year's borrowing programme stands at a similar level of up to €10 billion, although borrowing is expected to be lower at around €7 billion due to the Bank's strong liquidity position. Up to June, the Bank has raised €5.6 billion. Total outstanding debt stands at €41.6 billion, of which around half is denominated in US dollars (before swaps).

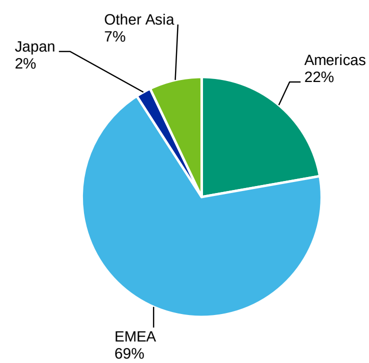
In addition to maintaining a conservative debt maturity profile, the EBRD matches its assets and liabilities by: (1) hedging foreign-currency and interest-rate risks through swaps and derivatives; and (2) borrowing and lending in a wide range of currencies and interest-rate structures. Its local-currency issuances also support its efforts to develop the private sector and capital markets in emerging and recipient economies. As of June 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 those currencies was considerably smaller at around 3%. Currently, EBRD has several Russian rouble-denominated bonds outstanding with a nominal value of around €600 million (1.5% 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 6
EBRD investor base is diversified in terms of type...
Issuance by investor type, June 2022 (% of total)



Source: EBRD, Moody's Investors Service

Exhibit 7
...and geography
Issuance by region, June 2022 (% of total)



Source: 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, such as in Russia in 2014-15 and more recently Turkiye. Similarly the strong quality of management has helped the institution to 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, which is mainly a reflection of the good level of diversification across countries and regions, with limited correlation among them.

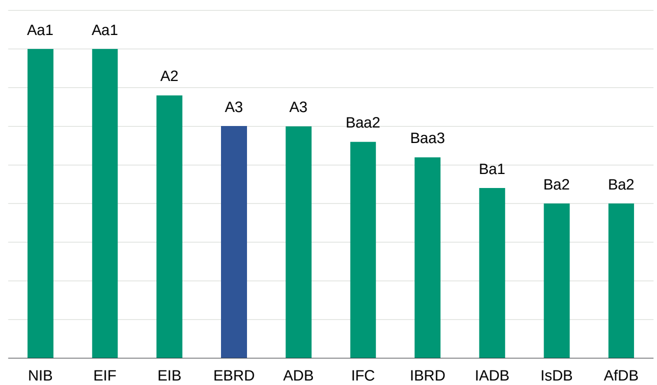
FACTOR 3: Strength of member support score: High

Our "High" assessment of the strength of member support provides two notches of uplift from the bank's "aa2" adjusted standalone intrinsic financial strength. The score reflects a combination of the very strong ability of shareholders to provide support, a moderate buffer of callable capital and our assessment of "High" non-contractual willingness to support.

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

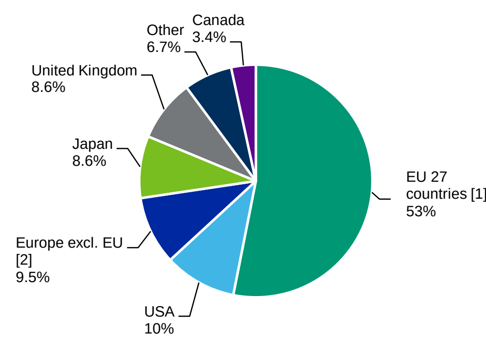
We assess shareholder's ability to support at "a3" in line with the weighted average shareholder rating of A3, which is one of the strongest assessments among all MDBs in our rated universe. The score has recently deteriorated from "a2", given the ratings downgrades of Ukraine, Belarus and Russia, which together account for 5% of subscribed capital. 95% of the shareholder capital is held by investment-grade issuers, while 64% of the weighted shareholders are rated Aaa or Aa. Also, the shareholder base is broad and regionally diverse, limiting correlation between shareholders' creditworthiness. The largest shareholders are the United States (Aaa stable, 10.1%) and France (Aa2 stable), Germany (Aaa stable), Italy (Baa3 negative), Japan (A1 stable) and the UK (Aa3 stable) with a share of 8.6% each, while borrowing members account for just 14% of the total.

Exhibit 8
EBRD's shareholder base is highly-rated
Weighted average shareholder rating by MDB (June 2022)



Source: Moody's Investors Service

Exhibit 9
...with a large share 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.

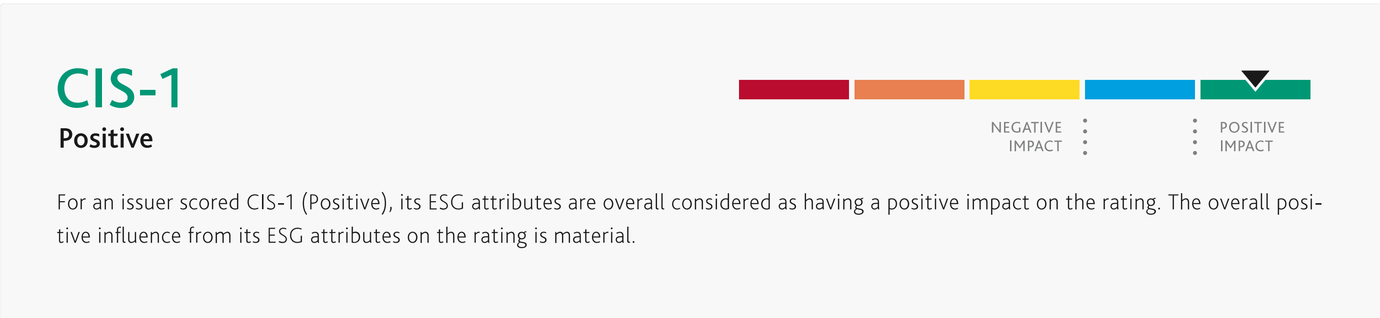
...and non-contractual willingness to support is high

Our assessment of shareholders' non-contractual willingness to support the EBRD is set at "High", which reflects the strong track record of shareholder support as reflected by their consistent support for the EBRD's expansion into new countries and regions, and more recently in the strong support for EBRD's role in supporting Ukraine and neighbouring countries affected by the conflict. 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. In addition, the score reflects the increase in subscribed capital that shareholders provided over the 2010-18 period. 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 & Development's ESG Credit Impact Score is Positive CIS-1

Exhibit 10
ESG Credit Impact Score



Source: Moody's Investors Service

The EBRD's credit impact score is positive (**CIS-1**), reflecting a strong ESG profile and further supported by strong shareholder support.

Exhibit 11
ESG Issuer Profile Scores

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 carbon transition and physical climate risk, we note that the EBRD is one of the leaders in 'green' financings to date, and is committed to align all 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 increases risks to asset performance but also raises EBRD profile

The EBRD has reacted swiftly to the outbreak of hostilities by suspending all lending to Russia and Belarus while affirming its commitment to support Ukraine and its existing borrowers in the country. In early March, the EBRD announced its Resilience and Livelihoods Framework in response to the war, which is expected to exceed €2 billion in investments to support businesses and public services in Ukraine and affected countries, split equally between 2022 and 2023. €751 million in investments has been approved as of June 2022, with approximately 50% of the total being funded by donor money and guarantees. Signed contributions from donors total €726 million of which the United States has provided $500 million, a substantial sign of support from the EBRD’s single-largest shareholder.

While the focus is currently on immediate needs such as providing energy, trade and food security support, by the end of 2022 the EBRD will start drafting plans for the post-war reconstruction; given its long-standing presence in the region and private-sector expertise, the bank will be a key institution to support reconstruction efforts in Ukraine. In fact the bank has already been asked by shareholders to play an active role in the reconstruction of the country after the end of hostilities. The strong donor support obviates the need for a more time consuming implementation of a general capital increase, but in case of need we would also expect shareholders to provide such additional paid-in capital.

Substantial negative impact of conflict on EBRD's financial and asset performance

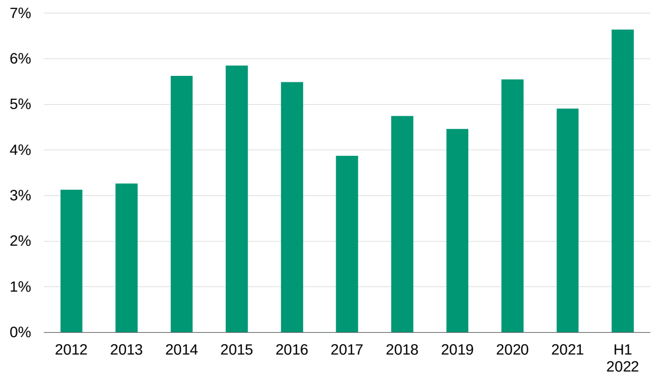
As expected, the conflict is having a significant adverse impact on the EBRD’s financial results and asset performance. The Bank reported a net loss of €2.2 billion for the first six months of 2022, as per its June unaudited financial report. This follows its highest-ever net profit of €2.5 billion in 2021. The loss was mostly driven by two factors: firstly, the conflict led to a substantial downward revaluation of equity exposure mostly in Russia, but also on the smaller equity exposures in Ukraine and Belarus in the first quarter. The mark-to-market adjustment on the equity portfolio amounts to €1.4 billion, with Russia accounting for €900 million. Secondly, the Bank booked provisions on loans and guarantees of a further €1.4 billion, to reflect the potential further deterioration of asset quality in the three countries. The majority of EBRD's exposure in the three countries has been moved onto the watchlist and Stage 2, requiring provisioning. Total provisions have more than doubled compared to end-2021 and also the pandemic year 2020.

At the same time, the conflict is leading to a significant rise in non-performing loans. The NPL ratio increased to 6.6% of debt operating assets in June, compared to 4.9% at year-end 2021, with the main driver of this increase being the exposures in Belarus and Russia. Turkiye continues to account for the largest share of NPLs though (31%); it remains EBRD's single-largest country of operations, accounting for 16% of the total portfolio. The NPL ratio may well rise further in the coming quarters, probably reaching levels of around 7-7.5% if loans currently classified in Stage 2 become non-performing. In a worst case scenario, in which the entire Ukraine and Belarus portfolio were to become non-performing, the ratio could rise to as high as 10-12%. Back in 2014, when the EBRD halted new investments in Russia following the annexation of Crimea, the bank's nonperforming assets ratio rose to 7.3% from 2.5% the year before.

The EBRD has been explicitly exempt - alongside several other MDBs - from US sanctions on Russia, which should allow the Bank to continue to receive payments from the Russian government and other sanctioned entities.

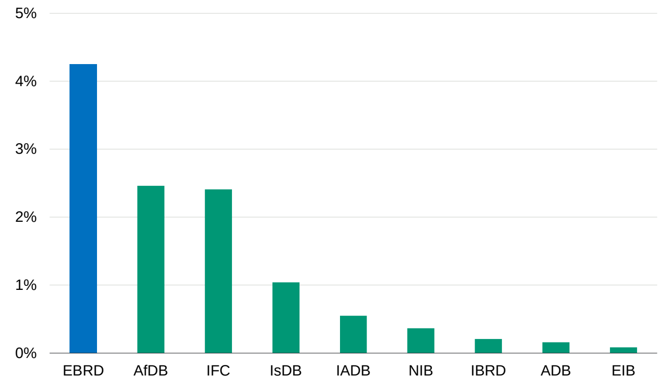
Despite the loss, the bank's capital base remains strong. Incorporating the half-year loss reduces the EBRD's capital base €17.6 billion, compared to €20.3 billion in 2021. However, the current level is similar to the useable equity in 2020, when it stood at €17.9 billion, providing a still solid capital buffer.

Exhibit 12
Increase in EBRD's non-performing loan ratio reflects impact of Russia-Ukraine conflict
Non-performing loans, % of total loans



Source: 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 2019-2021. The NPA ratio includes non-performing loans, called guarantees and write-offs on equity investments.
Source: 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. It follows the EBRD's previous GET1.0 programme, which targeted 40% of green investments relative to total annual investment by 2020. As of June 2022, the bank had financed over €16 billion in green investments under the GET initiative.

Rating methodology and scorecard factors

Rating factor grid - European Bank for Reconstruction and Development	Initial score	Adjusted score	Assigned score
Factor 1: Capital adequacy (50%)		a3	a3
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%)		baa2	
Non-performing assets	baa2		
Trend	0		
Excessive development asset growth	0		
Factor 2: Liquidity and funding (50%)		aaa	aaa
Liquid resources (10%)		aaa	
Availability of liquid resources	aaa		
Trend in coverage outflow	0		
Access to extraordinary liquidity	0		
Quality of funding (40%)		aaa	
Preliminary intrinsic financial strength			aa3
Other adjustments			1
Operating environment	0		
Quality of management	+1		
Adjusted intrinsic financial strength			aa2
Factor 3: Strength of member support (+3,+2,+1,0)		High	High
Ability to support - weighted average shareholder rating (50%)		a3	
Willingness to support (50%)			
Contractual support (25%)	baa1	baa1	
Strong enforcement mechanism	0		
Payment enhancements	0		
Non-contractual support (25%)		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.

Moody's related publications

- **Outlook:** Multilateral development banks – Global: 2022 outlook is stable given resilience to challenging economic and financial conditions in emerging markets, 31 January 2022
- **Sector In-Depth:** Preferred creditor status helps multilateral development banks navigate sovereign defaults, 26 September 2022
- **MDB Statbook:** Multilateral Development Banks and Other Supranational Entities
- **Credit Opinion**: European Bank for Reconstruction and Development – Aaa stable: Update following rating affirmation, outlook unchanged, 15 January 2021
- **Credit Analysis**: EBRD - Aaa stable: Annual credit analysis, 12 October 2021
- **Rating Methodology**: Multilateral Development Banks and Other Supranational Entities, 28 October 2020

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

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