MOODY'S
RATINGS

Announcement of Periodic Review: Moody's Ratings announces completion of a periodic review of ratings of European Bank for Reconstruction & Devlpmnt.

21 Aug 2026

London, August 21, 2026 -- Moody's Ratings (Moody's) has completed a periodic review of the ratings of European Bank for Reconstruction & Development and other ratings that are associated with this issuer.

The review was conducted through a rating committee held on 13 August 2026 in which we reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), and recent developments.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Please see the Issuer page on https://ratings.moodys.com for the most updated credit rating action information and rating history.

Key Rating considerations and rationale are summarized below.

EBRD's ratings, including its Aaa long-term issuer rating, reflect its strong solvency and liquidity profile, prudent risk management and strong shareholder support. The Bank's high capital buffer helps to mitigate asset performance risks from its predominant focus on private sector lending. The credit profile also reflects its robust market access, benefitting from its long-established presence in international bond markets. The size and quality of the Bank's liquid asset base provide a solid cushion against macroeconomic and financial shocks. Finally, the very strong support by highly rated shareholders, evidenced by the recent capital increase to continue supporting Ukraine (Ca stable), also underpins the credit profile.

The Bank's MFI adjusted capital (MAC) ratio – defined as usable equity over risk-adjusted development related assets - stood at 41% in 2025, reflecting continued capital growth through sustained profitability as well as additional paid-in capital from the ongoing capital increase. The Bank's financial performance remained strong in 2025, the third year of profitability since the large loss reported in 2022. Net profit stood at €1.3 billion in 2025, down slightly from 2024 (€1.7 billion). The strong financial performance has carried into 2026 with a €0.4 billion net profit in Q1 according to EBRD's unaudited quarterly financial statements, with ongoing profitability helping to boost retained earnings and reserves which stood at €19.3 billion in Q1 2026.

The EBRD's reported non-performing loan (NPL) ratio grew to 8.4% at the end of 2025 from 6.3% at the end of 2024, but fell back to 7.3% by Q1 2026. The reported NPL ratio deteriorated in 2022 following Russia's invasion of Ukraine when the Bank pursued a collective impairment approach to its large exposures in the latter. However, 75% of the reported NPLs at end 2025 were actually performing; excluding those we assess the ratio of non-performing assets (NPAs) under our methodology at 1.2% of development related assets. Also, the portfolio is well diversified and benefits from extensive credit protections, which limit risks to capital. We expect the Bank's prudent risk management will continue to help contain risks to asset performance from its private sector focus, and expect only a minimal impact from EBRD's limited exposure to the Middle East.

The strong participation by members in the €4.0 billion capital increase, which is nearing completion, demonstrates the shareholders' commitment to EBRD's ongoing operations in Ukraine. Around 95% of the general capital increase from eligible shareholders, including G7 governments and the European Union

(EU, Aaa stable) members, had been subscribed as at end 2025, reinforcing our assessment of very high shareholder support and policy relevance of the institution. As part of the Bank's effort towards private sector capital mobilization, the EBRD launched its first €1 billion securitization in May 2026, with a €145 million mezzanine tranche placed with institutional investors. The transaction demonstrates the Bank's capacity to provide a new vehicle for investors to engage with EBRD, although it is not at a scale which will materially change its lending capacity.

EBRD's "a1" solvency balances the Bank's robust capital adequacy supported by a highly diversified portfolio of development assets, albeit of low credit quality, against risks to asset performance from its private sector focus. Its "aaa" liquidity and funding reflects the institution's very strong and lengthy track record of access to market funding, as well as the substantial liquidity buffer supported by conservative internal requirements. Our assessment of "Very High" strength of member support reflects the strong ability of a highly rated and diverse group of shareholders to provide support, the strong track record of their willingness to support the Bank's mandate as well as the large presence of highly rated non-borrowing members, which is balanced by a moderate buffer of callable capital.

The EBRD's positive credit impact score (CIS-1) indicates that the credit rating is higher than it would have been in the absence of Environmental, Social and Governance considerations. EBRD has 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.

The stable outlook reflects our view that, EBRD will be able to maintain its solid capital adequacy and contain risks to asset performance. In particular, it's very large capital base – supported by ongoing profitability and the general capital increase underway – will continue to provide a solid buffer against the comparatively higher credit risks from its private sector focus and its sizeable equity investments which are prone to volatility in mark-to-market valuations.

An upgrade of EBRD's ratings is not possible as its Aaa ratings are at the highest level on Moody's rating scale.

Downward pressure on the EBRD's rating would emerge in the unlikely event that the Bank experienced a significant deterioration in asset quality and losses over several years, eroding its capital buffer. This could arise in the context of a broadening of the current Russia-Ukraine conflict or a faster than expected expansion to new regions, combined with a lack of management or shareholder response. The financial disengagement of one or more shareholders which is not compensated by other member states and constrains EBRD's capacity to meet its strategic objectives would signal weaker than expected member support and also be negative for the rating.

This document summarizes our view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Multilateral Financial Institutions published in June 2026. Please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

The net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

This announcement applies only to EU rated, UK rated, EU endorsed and UK endorsed ratings. Non-EU rated, non-UK rated, non-EU endorsed and non-UK endorsed ratings may be referenced herein to the extent necessary, if they are part of the same organization list.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on https://ratings.moodys.com for the most updated credit rating action information and rating history.

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