MOODY'S RATINGS

Announcement of Periodic Review: Moody's Ratings announces completion of a periodic review of ratings of Council of Europe Development Bank

17 Sep 2026

Paris, September 17, 2026 -- Moody's Ratings (Moody's) has completed a periodic review of the ratings of Council of Europe Development Bank and other ratings that are associated with this issuer.

The review was conducted through a rating committee held on 11 September 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.

CEB's ratings, including its Aaa long-term issuer rating, remain unchanged. The credit profile of CEB reflects its strong solvency position, very strong liquidity and funding profile, prudent and robust risk management practices, as well as strong shareholder support. CEB has an instrumental role in addressing social demands across Europe, including a prominent role in supporting Ukraine (Ca stable), for which shareholders have provided significant additional paid-in capital with the 2024 general capital increase, the first since inception of CEB in 1956.

In 2025, lending activity remained strong, with EUR 4.5 billion of approvals across 54 projects in 26 member countries, while approved financing for Ukraine reached EUR 673 million by end-March 2026, reflecting a growing but still carefully managed role consistent with CEB's mandate and 2023-27 Strategic Framework. At the same time, CEB maintained very strong market access, raising EUR 5.9 billion through 18 transactions, including EUR 2.6 billion of Social Inclusion Bonds (45% of total issuance), a cornerstone of CEB's funding strategy. Financial performance remained robust, with total assets increasing to EUR 39.0 billion and the loan portfolio reaching a record EUR 23.6 billion, while net profit remained broadly stable at EUR 122.3 million (against EUR 124.3 million in 2024). Continued loan growth, recurring net interest income and solid profitability supported further internal capital generation, while CEB maintained its pristine track record of asset performance.

CEB's credit profile is supported by its 'aa3' capital adequacy score, with useable equity representing 54.8% of risk-weighted assets in 2025, according to our multilateral development bank adjusted capital (MAC) ratio. CEB benefits from preferred creditor status, as well as from material credit risk mitigation, mainly guarantee schemes, including under the European Union (Aaa stable) InvestEU Program. The credit profile is also supported by exceptionally strong asset performance. CEB's liquidity and funding score of 'aa2' reflects its very strong liquidity position and strong track record of stable access to diversified market funding. CEB's intrinsic financial strength benefits from high quality of management, exemplified by its unusually strong asset quality and stringent capital monitoring framework. 'High' strength of member support combines a A3 average weighted shareholder rating with low levels of callable capital compared to Aaa-Aa2 peers with a 'very high' track record of support and policy relevance.

CEB'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 (ESG) considerations. This reflects primarily the bank's very strong governance profile, a feature shared with most Aaa-rated supranationals. More uniquely, CEB's role as a dedicated development institution for social policy objectives enhances its role and relevance in addressing common social challenges, for instance related to demographic change. Furthermore, CEB's exposure to environmental risks is generally low.

The stable outlook reflects our view that CEB's ongoing credit strengths, including its very strong liquidity and funding profile, strong solvency position, as well as prudent and robust risk management, will offset somewhat rising risks to its asset portfolio because of the ongoing increase in operations in Ukraine. It also reflects our view that the level of shareholder support will remain strong, as exemplified by the capital increase that concluded successfully at the end of 2024.

An upgrade of CEB's Aaa ratings is not possible as they are at the highest level of our rating scale.

Downward pressure on the ratings would build if there was a material deterioration of asset performance, most likely because of its increasing exposure to Ukraine. While remote, downward pressure could also build if the growth of CEB's loan portfolio significantly exceeded the plans laid out in its strategic framework, leading to a material deterioration in CEB's MAC ratio in the coming years. Material rating downgrades of key shareholders, or evidence of materially lower shareholders' willingness to support, would also likely have negative implications for the ratings.

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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