Credit Analysis

Supranationals Outlook 2025

Excellent credit quality, rising geopolitical challenges, continued capital optimisation and climate initiatives drive balanced outlook

21 November 2024

Executive summary

Our rated supranationals and multilateral development banks (MDBs) maintain Stable Outlooks on their high credit ratings, signalling balanced credit risks. Very robust credit quality is underpinned by excellent intrinsic credit profiles and strong shareholder support.

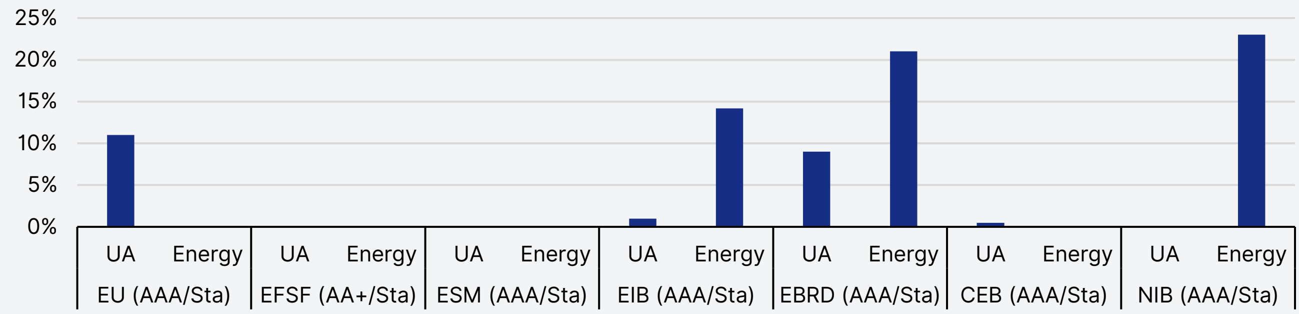
For 2025, these institutions will navigate geopolitical uncertainties, further optimise capital management, and advance climate finance initiatives in line with pledges to shareholders and developing economies. We identify these main credit trends for 2025:

- **Trump 2.0 presidency could boost role of institutions**

A second Trump administration will re-introduce volatility to international relations, potentially enhancing the role of supranationals if a unified European response can be mobilised to address the most important policy challenges. Developments in Ukraine and the consequences for the defence and energy sectors will be pivotal as shifts in US foreign, trade and energy policies could impact supranationals' strategies and disbursements.

Trump presidency could accelerate shift of supranationals' disbursements to Ukraine (UA), energy* and defence sector**

% of total loans, YE 2023



* In line with respective energy sector lending policies. ** Investments in the defence and security sectors are subject to dual-use requirements and exclusion criteria for weapons and ammunition. Source: Issuers, Scope Ratings

- **Resilience to sovereign rating spillovers highlights intrinsic credit strength**

Rated entities are resilient to the potential downside risks associated with sovereign rating downgrades which influence our supranational credit assessments through various channels, including the strength of shareholder support. This resilience highlights the institutions' intrinsic credit strength. Further downside protection could be achieved by enhancing callable capital via budgetary appropriations and issuing hybrid capital.

- **Continued support for Ukraine underlines sector's relevance**

Significant disbursements to Ukraine, backed by various forms of shareholder support, including direct capital increases and guarantees, highlight supranationals' importance to their shareholders. Future disbursements hinge on near-term developments, with much uncertainty surrounding US government policy after president-elect Donald Trump takes office.

- **Capital management enhancements will free up resources**

We expect the institutions to further improve their lending capacity in a balanced, risk-neutral manner with adjustments to statutory leverage limits, risk transfers and other forms of credit enhancements, and hybrid debt issuance. Overall, lending will continue to grow in line with shareholders priorities.

- **Growing funding volumes boost euro-denominated safe asset supply**

In line with robust disbursements, supranational funding volumes will remain high in 2025, still driven primarily by large net supply from the European Union.

- **Climate finance and risk management remain priorities**

Climate finance, along with rigorous reporting and risk management, remain cornerstones of activities. Supranationals are managing climate credit risks prudently, with manageable risks arising mostly from fossil-fuel projects to which exposure is declining steadily.

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1. Supranationals exhibit strong and stable credit quality entering 2025

Our rated supranationals and multilateral development banks (MDBs) all carry Stable Outlooks on their high credit ratings, signalling that credit risks are balanced going into the new year. Excellent intrinsic credit profiles and strong shareholder backing, in addition to prudent capital and risk management, underpin the institutions' creditworthiness, visible in selective capital increases and other forms of support.

For 2025, the institutions face an uncertain geopolitical outlook following the election of Donald Trump as the next US president. While such uncertainty may lead to shifts in global trade and capital flows and alter Europe's strategic and security outlook, we expect supranationals will further optimise capital management with the continued roll-out of select recommendations from the G20 review on capital adequacy. Climate finance and environmental risk management and associated reporting practices will remain priorities.

Supranationals will expand their activities in a balanced and broadly risk-neutral manner, leveraging capital retention and prudent adjustments to capital management. We expect broadly stable asset quality, underpinned by the preferred creditor status for sovereign lending and prudent underwriting standards and credit enhancements for private sector activities. Our rated supranationals' exposure to long-term climate credit risks is well managed, with legacy exposures to fossil-fuel based projects making up only a small and shrinking portions of lending.

Shareholder support will remain strong, highlighted by expected instalments in capital increases for the European Bank for Reconstruction and Development (EBRD) and the Council of Europe Development Bank (CEB). This is in support of the institutions' expanding activities in Ukraine (SD), along with other strategic priorities.

The gradual weakening in the credit quality of major shareholders, such as France, which we downgraded to AA-/Stable, did not affect final ratings, highlighting the intrinsic strengths of rated supranationals.

In 2024 we affirmed the ratings on the European Union (EU, AAA/Stable), European Investment Bank (EIB, AAA/Stable), European Stability Mechanism (ESM, AAA/Stable), the CEB (AAA/Stable), the European Financial Stability Facility (EFSF, AA+/Stable) and the EBRD (AAA/Stable). Additionally, we assigned a first-time AAA/Stable rating to the Nordic Investment Bank (NIB). For an overview of rating actions in 2024 and updated rating reports, see Annex III.

2. Trump 2.0 presidency could boost role of institutions

A second Trump presidency will re-introduce volatility and uncertainty for international cooperation, trade, defence and climate change mitigation. However, a unified European response (and shareholder structure) may reinforce the institutional profiles of selected rated institutions. At the same time, Russia's continuing war in Ukraine and questions about US support for NATO may shift loan exposures by country and by sector.

Trump's stated goal to swiftly end the war in Ukraine introduces significant uncertainty with potential implications for future disbursements from the EU, EBRD, and to a lesser extent the EIB and CEB. Exposure to Ukraine amounted to 11% of the total for the EU and 9% for the EBRD at YE 2023.

Defence and energy investments are also likely to increase in coming years. In the case of the EIB and the NIB, both institutions have adjusted their lending policies to include targeted investments in the defence and security sectors subject to dual-use requirements. Exclusion criteria on weapons and ammunitions remain. For the NIB, we also expect its Baltic shareholders to continue longer-term to invest in energy independence and defence.

In addition, the search for greater energy autonomy and security will remain a priority in Europe. Public-sector financing and co-financing remain crucial for further reducing reliance on gas imports from Russia, still important in some EU member states, and for providing stable, sustainable and renewable electricity generation and transmission for Europe's growing energy needs.

The EU and EIB will play a larger role in boosting European competitiveness in light of the recent Letta and Draghi reports, with European leaders stating their intent to enhance the role of European institutions in the Budapest Declaration.

A second Trump presidency may help strengthen the role of EU institutions. For institutions which have the US as a large shareholder, the impact of the new administration could prove more mixed. The president-elect will likely prioritise domestic issues with a more transactional approach to international cooperation. Here, the EBRD's diversified shareholder structure ensures a balanced governance, even though the US is the largest shareholder with 10% of subscribed capital, ahead of France, Germany, Italy, Japan and the UK with 8.6% each.

Conversely, some governance risks may emerge in cases where the US holds a blocking majority in major decision-making bodies. They include the World Bank (US with a 15.5% voting share) and the Inter-American Investment Bank (IADB, US with a 30% voting share). The IADB's mandate is to foster development in Latin America and the Caribbean which contrasts with Trump's statements during the election campaign to possibly introduce high tariffs on South American exports to the US.

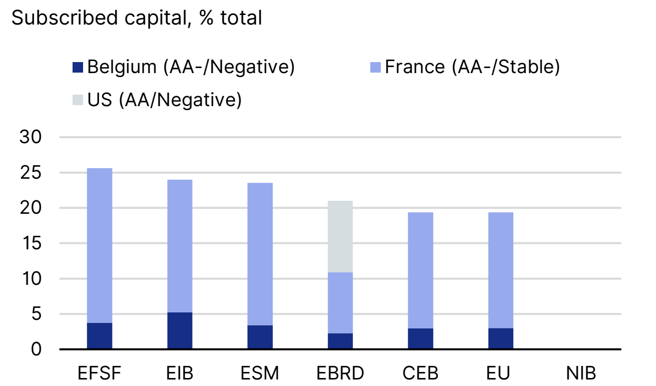
3. Resilience to sovereign rating spillovers highlights intrinsic credit strength

Our rated supranationals are resilient to adverse spillovers from sovereign rating downgrades given their strong intrinsic credit profiles. Any sovereign rating changes feed into our supranational ratings through assessments of the entity's shareholder support and financial profile, especially its capitalisation and asset quality.

Key shareholder ratings point to high ability to provide support despite downgrades

The downgrade of France to AA-/Stable in October 2024 did not impact any rated supranationals' ratings, despite France being a major shareholder in most rated entities. Looking ahead, we expect the credit quality of our rated entities to remain resilient to hypothetical further downward pressure on sovereign ratings with a Negative Outlook, namely Belgium (AA-/Negative) and the US (AA/Negative).

Figure 1: Belgium, France and the United States account for a sizable share of capital

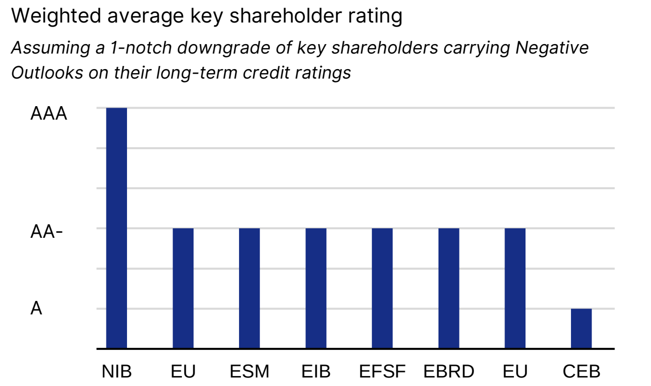


Source: Issuers, Scope Ratings. For the EU and EFSF, we refer to shares of the ECB capital key and guarantees, respectively.

While France and Belgium have relatively high shares in the EFSF, EIB and ESM, accounting together for about 25% of the total, all rated supranational issuers would retain their weighted average key shareholder ratings in a hypothetical scenario where in addition to France's recent downgrade, Belgium was also downgraded. Another reason is that our positive rating actions on Greece (BBB-/Positive), Spain (A/Stable) and Portugal (A-/Positive) this year moderately support the entities' key shareholder ratings overall. Similarly, if the EBRD's largest shareholder, the US, was downgraded, it would not affect our assessment of shareholder support.

We thus expect key shareholder ratings to remain very high, ranging from AAA for the NIB, which would not be affected from any of the sovereigns with a Negative Outlook as none belongs to its membership, to AA- for all others, except for the CEB (A).

Figure 2: Key shareholder ratings are resilient to potential downgrades



Source: Issuers, Scope Ratings

Track record of capital increases points to high willingness to provide support

The resilience of supranationals to key shareholder downgrades is complemented by a high willingness of shareholders to provide support. For capitalised institutions, this is reflected in regular and large general capital increases. The EBRD's paid-in capital increase of EUR 4bn will become effective at YE 2024, while the CEB's capital increase of up to EUR 4.25bn, of which up to EUR 1.2bn is to be paid in, became effective in February 2024.

Overall, potential downward pressure on selected sovereigns is not expected to have material implications on the capacity and willingness to provide support.

High-quality callable capital resilient to downside pressure

In this year's update to our supranational methodology, we revised our capitalisation assessment to account for high-quality callable capital, counting 10% of callable capital subscribed by shareholders rated AA- or above, and increasing the share to 25% if funds are authorised and appropriated. The inclusion reflected greater transparency in the public domain on capital call mechanisms and shareholder commitments to honour such calls provided via reports published by major institutions.

While this decision increases the link between sovereign ratings and our capitalisation assessment, the downgrade of France had no impact on capitalisation metrics of any MDB as France's callable capital remains highly rated in our methodology (AA- or above). Similarly, any hypothetical downgrade of the US by one notch will have no impact on capitalisation metrics. Conversely, a one-notch downgrade of Belgium would reduce highly rated callable capital of MDBs by the country's share, which, however, would not impact our capitalisation assessment.

Finally, the appropriation of callable capital by highly rated shareholders, and the issuance of hybrid debt securities, could further enhance downside protection of shareholder quality against exogenous shocks.

Strong asset quality resilient to sovereign downgrades

Most rated supranational issuers benefit from little or no impairments on their loan books. This reflects, among other factors, the institution's operating environment, sound financial management and preferred creditor status, both on sovereign and private sector exposures (transfer & convertibility risks).

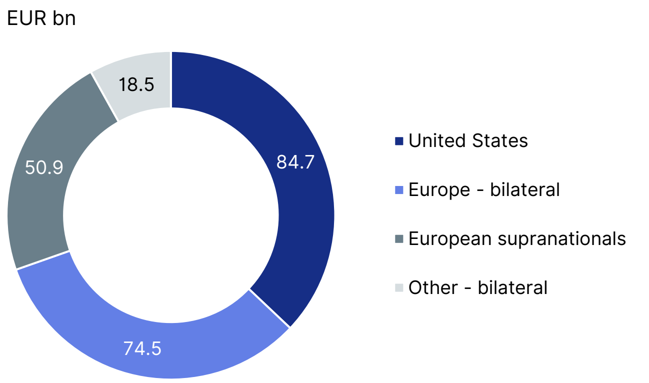
While most MDBs benefit from widely diversified loan exposures, lenders of last resort typically have more concentrated exposures linked to a few select sovereigns. This is particularly the case for the EU and the ESM. The top three sovereign exposures comprise about 58% and 100% of their loan portfolio respectively.

While both supranationals' asset quality has improved after recent upgrades of euro area sovereigns, the EU's could weaken in coming years depending on the size of support for Ukraine.

4. Continued support for Ukraine underlines sector's relevance

Since the escalation of Russia's war against Ukraine in 2022 the EU and its allies have delivered around EUR 230bn (approximately 130% of Ukraine's pre-war 2021 GDP) in support.

Figure 3: Supranationals account for more than a fifth of disbursed support to Ukraine since 2022



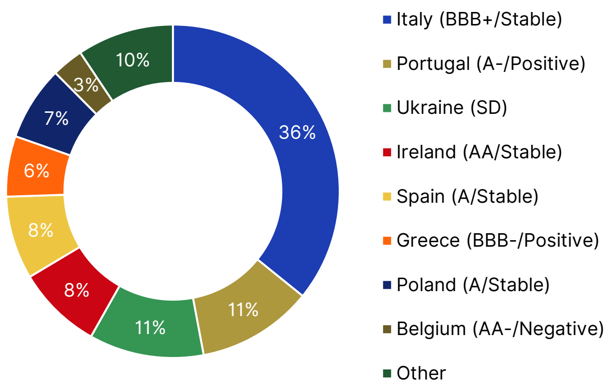
Source: IfW Kiel, EU, EBRD, EIB, CEB, Scope Ratings

Support for Ukraine has been channelled bilaterally from individual countries, while supranationals such as the EU, EBRD and EIB have provided funding for reconstruction, recovery and basic needs, amounting to around 22% of the total. Supranationals continue to provide financing to support Ukraine's economic and social development and will play a crucial role in the country's eventual reconstruction phase once the war ends.

EU

The EU has allocated significant funding support for Ukraine since Russia's escalation of the war. Direct exposures at the end of 2023 amounted to EUR 29.6bn, including (i) EUR 4.7bn in legacy Macro-Financial Assistance (MFA) and Euratom loans, (ii) EUR 1.2bn emergency MFA loans, (iii) EUR 6bn exceptional MFA loans, and (iv) EUR 18bn of MFA+ loans. Total outstanding exposure to Ukraine at end-2023 amounted to around 11% of EU loans. Despite the large upcoming payouts related to member states' recovery and resilience facilities under NextGenerationEU, the share of borrowings related to Ukraine is likely to increase over coming years and could reach around 15-20% based on support measures agreed to date.

Figure 4: European Union country exposure, loans (%)



Source: European Commission, Scope Ratings

Throughout 2024 further financial support measures were announced, including the launch of the Ukraine Facility in February 2024 with an overall capacity of EUR 50bn in the period 2024-2027, of which EUR 33bn will be distributed as loans and EUR 17bn as grants.

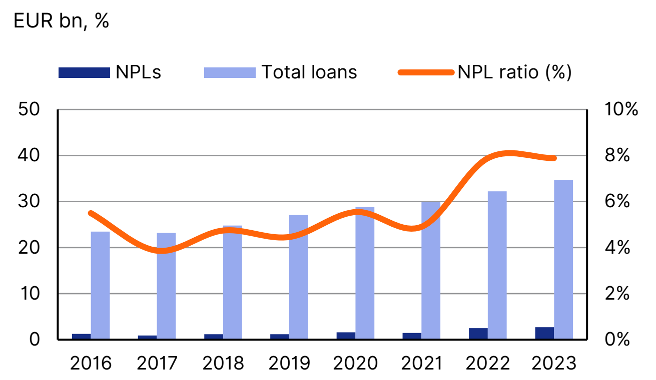
In October 2024, the European Council also adopted a financial assistance package, including an exceptional MFA loan of up to EUR 35bn and a loan cooperation mechanism that will support Ukraine in repaying loans for up to EUR 45bn provided by the EU and G7 partners. The loans will be repaid by profits from immobilised Russian sovereign assets.

EBRD

The EBRD suspended new lending to Russia at the time of the invasion of Crimea in 2014, and to Belarus with escalation of Russia's war in Ukraine. At the same time, the bank has significantly increased its activities in Ukraine, with new investments of just over EUR 3bn in 2022-23, of which on average 50% benefit from guarantees from shareholders. The bank aims at around EUR 1.5bn in investment commitments per annum during wartime.

To support this level of funding, the EBRD's capital base will be supported in coming years by an increase of EUR 4bn in paid-in capital. The increase will be effective from 31 December 2024, raising the bank's subscribed capital to around EUR 34bn, with paid-in capital at around EUR 10bn.

Figure 5: EBRD: War in Ukraine drives non-performing loans



Source: EBRD, Scope Ratings

The exposure in Ukraine also resulted in higher non-performing loans (NPLs), standing at 7.9% of total loans at end-2023, up from 4.9% at end-2021. Around half of loans in Ukraine were classified as non-performing as of H1 2024. Associated risks to the bank are well covered thanks to appropriate provisioning, post-model adjustments and donor guarantees.

EIB

Since early 2022, the EIB has disbursed more than EUR 2bn in emergency relief and project support to Ukraine. In March 2023, the EIB announced the *EU for Ukraine Fund*, demonstrating the bank's commitment to assist Ukraine and support its long-term goal of acceding to the EU. At end-2023, the disbursed lending exposure to Ukraine, including guarantees, was about EUR 3.1bn. This exposure is almost entirely covered by EU guarantees, mostly under the external lending mandate.

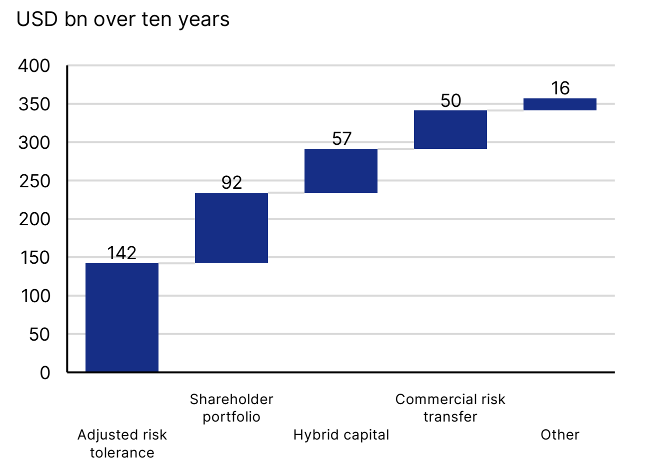
As a main implementing partner of the EU's Ukraine Facility, the EIB will help with the deployment of more than EUR 2bn. The EIB will therefore continue to play a crucial role in disbursing funds in Ukraine, especially during the country's reconstruction phase with investments in infrastructure, SMEs and larger businesses.

5. Capital management enhancements will free up resources

Next year will see the further roll-out of measures to boost multilateral development banks' (MDBs) lending capacity through balance sheet optimisation while ensuring their high credit ratings. The latest G20 report on progress of MDBs to increase their lending headroom shows that capital adequacy framework (CAF) reforms undertaken to date have already unlocked around USD 170bn in lending capacity to be deployed in the coming decade across the reporting MDBs, with USD 113bn more to be finalised by end-2024 and an additional USD 74bn targeted.

Most of the headroom increase is driven by changes in risk tolerance (USD 142bn), shareholder portfolio guarantees (USD 92bn), hybrid capital (USD 57bn) and commercial risk transfers (USD 50bn). MDBs most active in increasing their lending headroom with the various measures are the Asian Development Bank (USD 132bn), the World Bank/ IBRD (USD 121bn), and IDB Invest (USD 39bn).

Figure 6: Lending capacity gains from CAF reforms



Source: G20 Progress Report, Scope Ratings

An important change is that major MDBs will operate under updated gearing ratios, allowing for greater flexibility and expanded leeway. Examples include the EBRD, where the decision on statutory capital limitations will be transferred to a board of directors' level policy from the board of governors level. The CEB had also temporarily increased the bank's maximum statutory gearing ratio from 2.5 to 2.6 between April 2023 and February 2024. As the capital increase became effective, the bank's actual gearing ratio fell from a peak of 2.54 at end-2023 to 1.82 at end-June 2024, signifying the additional headroom.

The EIB's Board of Governors decided in June 2024 to increase the gearing ratio to 2.9 from 2.5 to allow the bank to deliver on its 2024-27 Strategic Roadmap, with the new limit effective once its statute has been amended by the Council of the European Union. The NIB had already updated its statutory leverage limits in 2020, freeing, in our estimations, around EUR 13.4bn in mandate-related lending capacity.

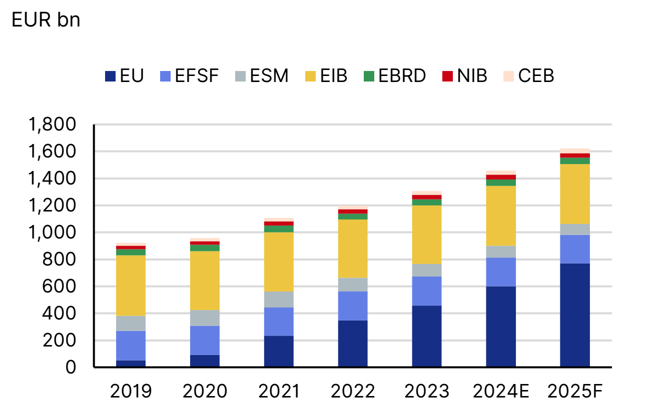
Regarding risk-sensitive capital metrics, the institutions are looking to more effective use of existing resources by reducing risk weights and capital charges. For our rated portfolio, this includes the EIB, which benefits from being the major implementing partner of InvestEU as well as other guarantees for its external lending, and the EBRD through donor guarantees for expanded activity in Ukraine since the further escalation of the war. Generally, risk-mitigation tools and risk transfers will grow in importance.

Finally, we expect the issuance of hybrid securities for private sector investors to increase, but only gradually. The EBRD is reviewing a potential hybrid debt issuance, but the capital increase underway will likely take priority in 2025.

6. Growing funding volumes boost euro-denominated safe asset supply

Total debt outstanding at our rated supranationals will increase to around EUR 1.6trn by YE 2025, reflecting mostly significant net issuance by the EU. Funding volumes for other rated issuers are likely to remain broadly stable. This is up from EUR 1.3trn at the end of 2023 and EUR 0.9trn in 2019, reflecting mostly higher EU issuance under the NGEU programme, under which EUR 328bn of disbursements had been executed at end-October 2024.

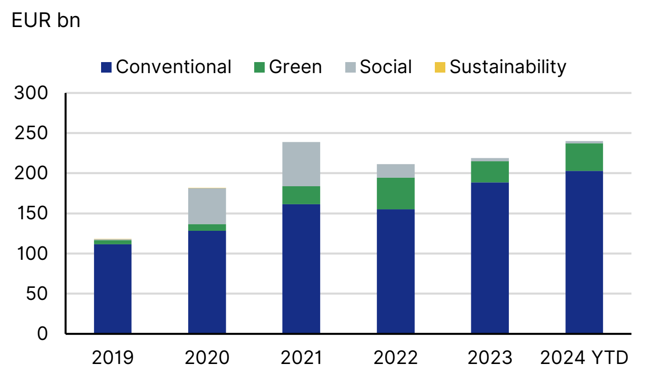
Figure 7: Debt outstanding for Scope-rated supranationals expected to increase over 2024-25



Source: Issuers, Scope Ratings

In 2024, 14% of the total issuance year-to-date was in green bonds. The EU is particularly prominent in green-bond issuance, driven by the target to finance up to 30% of the NGEU programme through green bonds. With a total of EUR 65bn of green bonds outstanding in September 2024, representing 19% of total NGEU funds, the EU is establishing itself as the world's largest issuer of green bonds, reinforcing the role of the euro as the main funding currency for green-bond initiatives.

Figure 8: ESG and conventional bond issuance for Scope-rated supranationals, 2019-2024 YTD

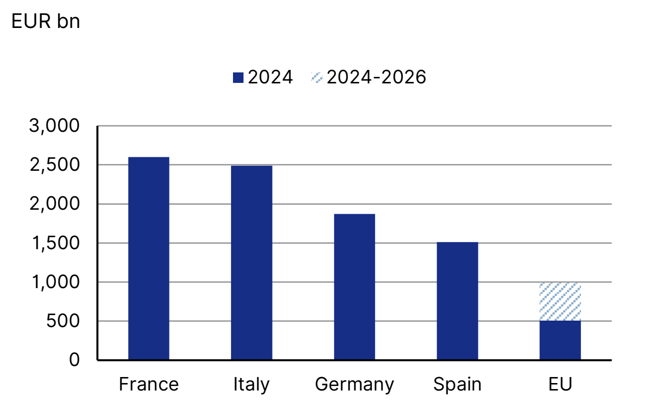


Source: Issuers, Bloomberg Finance L.P., Scope Ratings

The European Commission has engaged with market participants to further align investor perceptions and pricing of its bonds with those of highly rated sovereigns. This is driven by the regular, high-volume supply of AAA-rated EU bonds, the predictability of its issuance programmes (six-monthly funding plans), combined with a unified funding approach and the introduction of a price quoting system. These measures are attracting a diversity of investors, leading to improved secondary-market liquidity.

The average quarterly secondary market turnover of EU bonds surpassed that of European government bonds in 2023, reaching a record high of 70% of outstanding volume in the second quarter 2024, while the recent introduction of an EU repo facility will contribute to further deepening the EU bond market. In addition, total EU bonds outstanding should reach almost EUR 1trn in 2026, representing almost 40% of outstanding AAA-rated sovereign debt, further strengthening the role of EU bonds as a safe asset.

Figure 9: Central government outstanding debt of EU 4 major economies continues to exceed that of EU bonds



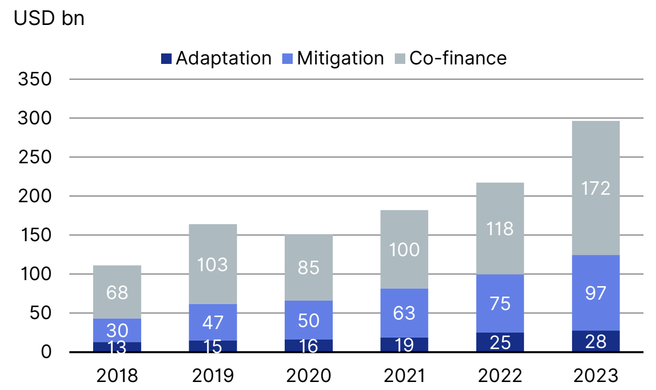
Source: National central banks, Debt Management Agencies, European Commission, Scope Ratings

Despite high issuance compared with supranational peers, outstanding EU bond volumes will remain below those of the biggest European sovereign issuers such as France (AA-/Stable, EUR 2.6trn), Italy (BBB+/Stable, EUR 2.5trn), Germany (AAA/Stable, EUR 1.9trn) and Spain (A/Stable, EUR 1.5trn). In 2024, the EU will issue EUR 140bn in bonds, with gross issuance remaining high in the next two years. Unless policymakers agree to additional programmes or convert the current ones to permanent facilities with the necessary political and budgetary support, net EU supply will shrink after 2026 even if gross supply will remain high in coming years as debt is rolled over.

7. Climate finance and risk management remain priorities

Climate finance and evolving climate risk management will remain supranational priorities. The institutions are likely to increase their lending volumes in support of climate goals, although we also see the risk of some political backsliding, in particular in the US. Based on the joint report on climate finance, supranationals mobilised a total USD 300bn in 2023, up significantly from USD 220bn in 2022. However, the caveat remains that a large share of financing goes to developed countries for mitigation projects, rather than adaptation projects in developing countries.

Figure 10: Climate finance

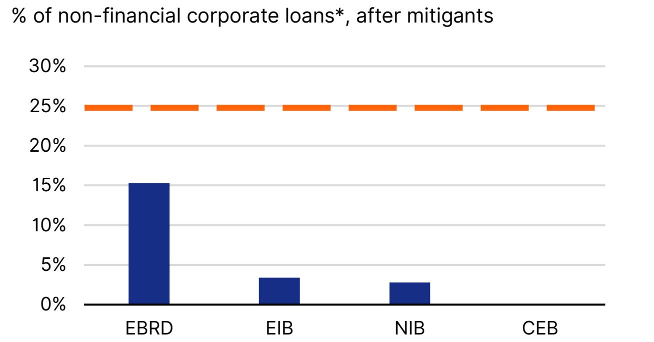


Source: Joint Report on Multilateral Development Banks' Climate Finance, Scope Ratings

Next, supranationals will continue to fine tune and harmonise their climate risk management in addition to relevant reporting standards. Rated entities have robust climate risk management in place which should ensure minimal risk of stranded assets and other negative impacts on aggregate borrower quality stemming from climate change.

In our updated methodology, we introduced a comprehensive climate risk assessment within the asset quality pillar. For the analysis, we focus on the corporate-lending segment, as we assume that our sovereign ratings, which we use to estimate borrower quality for sovereign, sub-sovereign and bank exposure, adequately capture environmental factors on aggregate for these lending segments.

Figure 11: Climate credit risk* exposure of selected supranationals



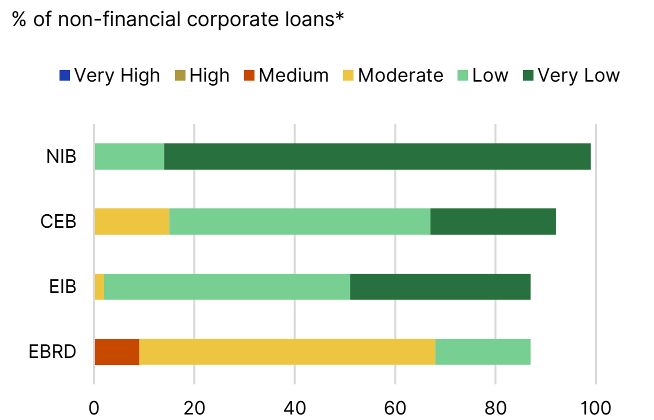
* Loan exposure with high transition or climate risk, after accounting for mitigants such as loan maturity and climate goal alignment.

Note: Dashed line indicates threshold for negative 1-notch adjustment to non-financial corporate borrower quality. Source: Issuers, Scope Ratings

For lending to non-financial corporates, we focus on geographical and sectoral distribution, as well as mitigating factors for any identified risks. Rated supranationals' corporate exposure exhibits very low to low environmental credit risk, as we do not adjust average corporate borrower quality based on climate credit risk for rated MDBs (**Figure 11**).

Generally, identified risks stem from small and declining portfolios of legacy exposures to fossil-fuel-based projects and heavy industry, such as basic metals, mining and chemicals. As all assessed entities subscribe to the Paris agreement and the joint approach to Paris alignment, climate risks are generally well managed, although some differences in reporting and management exist.

Figure 12: Physical climate risk assessment for selected supranationals



* Proxied using geographical distribution of overall portfolio. Source: Issuers, Scope Ratings

Annex I: Scope's supranational rating scorecards

Risk factors			Variables		EU	EFSF	ESM	EIB	EBRD	CEB	NIB
Intrinsic Credit Profile	Institutional Profile	Mandate & ESG	Mandate (50%)	Importance of mandate	Very High	High	Very High	Very High	Very High	Very High	Very High
				Social factors	Strong	Strong	Strong	Strong	Strong	Strong	Strong
				Environmental factors	Strong	Medium/ N/A	Medium/ N/A	Strong	Strong	Medium/ N/A	Strong
			Governance (50%)	Shareholder concentration	1100	3200	1600	1300	600	1000	2400
				Shareholder control	22	29	27	19	10	16	35
				Strategy and internal controls	Strong	Strong	Strong	Strong	Strong	Strong	Strong
		Institutional Profile			**Excellent**	**Adequate**	**Strong**	**Excellent**	**Excellent**	**Excellent**	**Excellent**
	Financial Profile	Capitalisation	Adjusted capital/ Potential assets		--	--	24	12	52	17	14
			(Adjusted capital/ Actual assets) - (Adjusted capital/ Potential assets)		--	--	119	8	10	2	10
			Profitability (Adjusted return on equity)		--	--	0	3	4	3	3
			Trend (-1; +1)		0	0	0	0	1	1	0
		Asset quality	Portfolio quality	Incl. risk mitigants	Very Strong	Adequate	Very Strong	Excellent	Adequate	Excellent	Excellent
			Asset performance	NPLs	0.0	0.0	0.0	0.0	7.6	0.0	0.1
			Trend (-1; +1)		0	0	0	0	0	0	0
		Liquidity & funding	Liquid assets ratio		115	20	340	55	125	115	110
			Funding access and flexibility		Excellent	Adequate	Very Strong	Excellent	Excellent	Very Strong	Excellent
			Trend (-1; +1)		1	0	0	1	0	0	0
		Financial Profile			**Excellent**	**Moderate**	**Excellent**	**Excellent**	**Very Strong**	**Excellent**	**Excellent**
		Intrinsic Credit Profile			**Excellent**	**Moderate**	**aaa**	**aaa**	**aaa**	**aaa**	**aaa**
Shareholder Support		Capacity to support	Weighted average rating of key shareholders		AA-	AA-	AA-	AA-	AA-	A	AAA
			Share of portfolio related to key shareholders		51	0	20	25	0	26	16
			Adjusted key shareholder rating		a+	aa-	aa-	aa-	aa-	a	aaa
		Willingness	Willingness		Neutral	N/A	High	High	High	High	High
			Additional support mechanisms (non-capitalised)		Very Strong	Strong	N/A	N/A	N/A	N/A	N/A
		Shareholder Support			**aa**	**aa**	**Excellent**	**Excellent**	**Excellent**	**Very High**	**Excellent**
Indicative Rating					**aaa**	**aaa / aa+**	**aaa**	**aaa**	**aaa**	**aaa**	**aaa**
Additional considerations (-1; +1)					Neutral	Neutral	Neutral	Neutral	Neutral	Neutral	Neutral
Final Rating					**AAA**	**AA+**	**AAA**	**AAA**	**AAA**	**AAA**	**AAA**

Overview of scorecards as published in latest rating announcements. Financial profile based on weighted 2021-23 figures. Source: Scope Ratings

Annex II: Statistics

In EUR m unless stated otherwise (financial year 2023)	EU	EFSF	ESM	EIB	EBRD	CEB	NIB
Capitalisation							
Scope mandated potential assets	N/A	N/A	500,000	768,287	44,600	22,033	36,805
Scope mandated assets (disbursed)	N/A	N/A	82,553	473,115	37,946	20,577	21,800
Scope total capital	N/A	N/A	120,819	92,969	23,860	3,784	5,301
Capitalisation ratio, potential (%)	N/A	N/A	24.2%	12.4%	53.5%	17.2%	14.4%
Capitalisation ratio, actual (%)	N/A	N/A	146.4%	20.1%	62.9%	18.4%	24.3%
Profitability							
Scope adjusted net income	N/A	N/A	321	2,280	1,710	116	189
Scope adjusted return on equity (%)	N/A	N/A	0.3%	2.5%	7.2%	3.1%	3.6%
Asset quality							
Non-performing loans / gross loans (%)	0.0%	0.0%	0.0%	0.4%	7.9%	0.0%	0.0%
Liquidity							
Liquid assets	167,743	5,464	90,319	74,446	27,168	11,038	14,167
Liabilities due within 12 months and disbursements	140,425	26,509	24,579	147,930	23,455	9,075	12,177
Scope liquid assets ratio (%)	119.5%	20.6%	367.5%	50.3%	115.8%	121.6%	116.3%
Funding							
Funding volume	159,495	20,000	8,000	49,800	9,600	6,981	7,200
Capital							
Paid-in capital	N/A	N/A	80,971	22,191	6,218	624	846
Retained earnings and reserves	N/A	N/A	3,603	56,245	16,050	2,895	3,504
Total equity	N/A	N/A	84,573	78,436	22,268	3,520	4,350
10% of callable capital rated ≥ AA-	N/A	N/A	39,194	12,898	1,461	245	555
25% of callable capital rated ≥ AA- and auth. & appr.	N/A	N/A	-	1,635	131	20	396
Callable capital counted towards capital*	N/A	N/A	36,246	14,533	1,592	265	951
Total capital	N/A	N/A	120,819	92,969	23,860	3,784	5,301

* Capped at 30% of total capital. Source: Issuers, Scope Ratings

Annex III: Rating actions in 2024

Date	Supranational	Rating action	Rating & Outlook	Rating Report
12 Apr	CEB	Affirmation	AAA/Stable	Available here*
28 Jun	EIB	Affirmation	AAA/Stable	Available here
19 Jul	EFSF	Affirmation	AA+/Stable	Available here
19 Jul	ESM	Affirmation	AAA/Stable	Available here
13 Sep	EBRD	Affirmation	AAA/Stable	Available here
20 Sep	NIB	New rating	AAA/Stable	Available here
18 Oct	EU	Affirmation	AAA/Stable	Available here

* Prior to the updated Supranational Rating Methodology, June 2024

Annex IV: Scope's sovereign ratings

Scope's global long-term foreign-currency issuer ratings, as of 18 November 2024

Europe				Rest of the World	
Euro area		**Non-euro area EU**		**Africa**	
Austria	AA+/Stable	Bulgaria	BBB+/Positive	Egypt	B-/Stable
Belgium	AA-/Negative	Czech Rep.	AA-/Stable	Morocco	BB+/Stable
Croatia	A-/Stable	Denmark	AAA/Stable	South Africa	BB/Stable
Cyprus	A-/Stable	Hungary	BBB/Stable	**North America & Asia**	
Estonia	A+/Stable	Poland	A/Stable	China	A/Stable
Finland	AA+/Stable	Romania	BBB-/Stable	Japan	A/Stable
France	AA-/Stable	Sweden	AAA/Stable	United States	AA/Negative
Germany	AAA/Stable	**Other western Europe**			
Greece	BBB-/Positive	Norway	AAA/Stable		
Ireland	AA/Stable	Switzerland	AAA/Stable		
Italy	BBB+/Stable	United Kingdom	AA/Stable		
Latvia	A-/Stable	**Emerging Europe**			
Lithuania	A/Positive	Georgia	BB/Stable		
Luxembourg	AAA/Stable	Serbia	BB+/Positive		
Malta	A+/Stable	Türkiye	B/Positive		
Netherlands	AAA/Stable	Ukraine	SD		
Portugal	A-/Positive				
Slovakia	A/Stable				
Slovenia	A/Stable				
Spain	A/Stable				

Annex V: Related research

Scope publishes updated supranational methodology following call for comments – 21 June 2024

Supranational Rating Methodology – 21 June 2024

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