Credit Opinion

7 August 2026

Eurasian Development Bank

Initial credit rating report

Ratings	
Category	Multilateral Development Organizations
Domicile	Global
Rating Type	Solicited Rating
Long-Term Credit Rating	A_g
Outlook	Stable

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CCXAP assigns first-time long-term credit rating of A_g to Eurasian Development Bank, with stable outlook.

Summary

The A_g long-term credit rating of Eurasian Development Bank ("EDB" or the "Bank") is underpinned by the Bank's (1) high strategic position as the leading multilateral development bank in the region; (2) clear business strategy and prudent risk management; and (3) strong capital structure and sufficient liquidity resources.

However, the rating is constrained by the Bank's (1) challenging operating environment constrained by geopolitical situation and macroeconomic conditions; (2) asset portfolio highly concentrated geographically with tight economic linkages among members; and (3) moderate funding channels.

The rating also incorporates our expectation that the Bank has a high likelihood of receiving extraordinary support from the member countries given its (1) important policy role in regional economic and trade development; (2) large stake owned by founding member countries; and (3) good track record of contractual support, along with strong prospects for support following the accession of new member states.

The stable outlook on EDB's rating reflects our expectation that the Bank will sustain its leading regional position and solid financial profile. It also reflects our expectation that the operating environment and the creditworthiness of major member countries will remain stable in the next 12 to 18 months.

Rating Drivers

- High strategic position as the leading multilateral development bank in the region
- Clear business strategy and prudent risk management
- Strong capital structure supported by the planned capital injection
- Operating environment constrained by geopolitical situation and macroeconomic conditions
- Asset portfolio highly concentrated geographically with tight economic linkages among members
- Sufficient liquidity resources mitigate moderate funding channels

Rating Sensitivities

What could upgrade the rating?

The rating could be upgraded if (1) member states' willingness and capacity to provide support increases; (2) the Bank’s stand-alone credit profile improves significantly, such as enhanced asset quality or increase in liquidity and stability.

What could downgrade the rating?

The rating could be downgraded if (1) member states' willingness and capacity to provide support decreases; (2) the Bank’s stand-alone credit profile weakens significantly, such as material deterioration in asset quality or unexpected decline in liquidity.

Key Indicators

	2023FY	2024FY	2025FY
Total Assets (USD billion)	8.2	6.0	6.6
Authorized Share Capital (USD billion)	7.0	8.5	8.5
Paid-in Share Capital (USD billion)	1.5	1.5	1.5
Operating Income (USD million)	206.2	243.5	183.6
Net Interest Income (USD million)	189.6	197.6	124.5
Usable Equity/Risk-weighted Assets (%)	48.2	46.7	42.3
Net Profit/Usable equity (%)	6.3	10.1	5.7
Total Debts/Usable equity (%)	296.4	159.8	170.9
Non-performing Loan Ratio (%)	0.00	0.00	0.01

All ratios and figures are calculated using CCXAP’s adjustments.

Source: Bank data, CCXAP research

Organization Profile

Founded by Russia and Kazakhstan in 2006, EDB is an international multilateral development bank headquartered in Almaty, Kazakhstan. In October 2025, Uzbekistan officially joined the Bank and became a member country, with agreed 10% stake in paid-in capital (after completion of its payments), positioned as the third-largest shareholder of EDB. As of 31 December 2025, the Bank has 7 member countries including Kazakhstan, Russia, Armenia, Tajikistan, Belarus, Kyrgyzstan and Uzbekistan.

With the aim of promoting economic development in member countries and expanding trade and economic ties among them, EDB’s main business is financing projects within the region, including providing loans and making debt investments. As of 31 March 2026, the Bank’s major shareholders were Russia and Kazakhstan, holding

42.30% and 35.21% of the shares, respectively, while other member countries collectively held 22.49%. At the same time, the Bank's authorized capital stood at USD8.8 billion, with paid-in capital of USD1.6 billion. With the accession of new member states, the Bank's shareholding structure has continued to diversify with declining Russia's ownership share.

Exhibit 1. EDB's Shareholders as of 31 March 2026

Member-countries	Paid-in capital (USD million)	Share (%)
Russia	678.9	42.30
Kazakhstan	565.2	35.21
Uzbekistan	89.2	5.56
Belarus	79.0	4.92
Tajikistan	64.5	4.02
Armenia	64.1	3.99
Kyrgyzstan	64.1	3.99
Total	1,604.9	100.0

Source: Bank information, CCXAP research

Baseline Credit Assessment

Operating Environment

Operating environment constrained by geopolitical situation and macroeconomic condition

EDB has substantial footprint in Central Asia, Russia, and neighboring Eurasian Economic Union countries. Its macro profile is reflected by main members' (1) robust economy and fiscal strength; (2) abundant natural resources and strong industrial base; and (3) potential for economic growth, yet constrained by geopolitical situation and macroeconomic condition.

EDB operates primarily in Kazakhstan, with investments in Kazakhstan accounting for 69.0% of its balance investment portfolio[1] as of end-2025. Due to the geopolitical situation and western economic restrictions against Russia, the Bank's share of projects in Russia and Belarus has continued to decline since 2022. At the same time, the Bank has continued to optimize its regional investment strategy and increase its investment in member states with minority shareholder status. As of 31 December 2025, investments in Armenia, Kyrgyzstan, and Tajikistan accounted for 12% of the balance investment portfolio.

Kazakhstan's economic size and gross domestic product ("GDP") per capita rank among the highest in Central Asia. With a series of large-scale oil production expansion projects nearing completion, Kazakhstan's GDP reached approximately USD306.2 billion in 2025, with a year-over-year ("YoY") increase of 6.5% and GDP per capita at about USD14,700. Currently, the government has launched a large-scale initiative to support investment projects in the manufacturing sector, taking proactive measures to unlock Kazakhstan's investment potential. At the same time, the expansion of the Tengiz oil field is expected to further increase the oil industry's contribution to Kazakhstan's economic growth. However, due to the manufacturing sector's reliance on imports and an accommodative fiscal policy, Kazakhstan's economy has been subject to high inflationary pressures, with an annual inflation rate exceeding 10%.

[1] Balance investment portfolio includes loans to customers, loans to financial institutions and investment securities at FVOCI before provisions for impairment.

Russia has a large economy and high national income, with its economic development relying on oil and gas exports. In 2025, Russia achieved a GDP of approximately USD2.6 trillion, with a YoY growth rate of 1.0%. In recent years, Uzbekistan has continued to adopt market economy mechanisms and attract investment, demonstrating strong potential for economic growth. Substantial gold exports have, to some extent, offset the risks associated with energy price volatility. In 2025, Uzbekistan’s GDP was approximately USD147 billion, with a YoY growth rate of 7.7%, and GDP per capita was about USD3,882. Belarus, Armenia, Kyrgyzstan and Tajikistan have smaller economies but maintain relatively high rates of economic growth. Countries in the region generally have a solid industrial base, with Russia and Kazakhstan serving as key trading partners.

However, the regional economy may face challenges stemming from geopolitical instability and international economic restrictions, creating uncertainty regarding the future growth. Western restrictions triggered by the Russia-Ukraine conflict have kept Russian interest rates high, which has somewhat dampened domestic economic activity. U.S. tariff policies may also have an adverse impact on certain export industries in Kazakhstan and Uzbekistan. While EDB remains susceptible to macroeconomic and refinancing headwinds stemming from regional geopolitical volatility, its risk profile is increasingly anchored by proactive structural and geographical realignment. The Bank’s successful shareholding diversification—notably reducing single-shareholder concentration by lowering Russia's controlling stake—substantially mitigates geopolitical compliance and sanction contagion risks. Furthermore, expanding its membership footprint in Central Asia (exemplified by Uzbekistan's admission) not only enhances regional diversification but also reinforces the EDB's role as a primary catalyst for economic integration and infrastructure development across its core operating region.

Corporate Governance

High strategic position as the leading multilateral development bank in the region

The Bank is an international financial institution established in 2006 by Russia and the Republic of Kazakhstan. The Bank’s mission is to promote economic growth in its member states and expand trade and economic ties among them. From 2009 to 2011, Armenia, Tajikistan, Belarus, and Kyrgyzstan successively became members of the Bank. In October 2025, Uzbekistan officially joined EDB, becoming the Bank’s seventh member country and third-largest shareholder. The Bank remains open to the accession of neighboring countries, as well as Asian states and member states of the Gulf Cooperation Council, which will help further diversify its shareholding structure.

As a traditional multilateral development bank, the Bank’s core business is financing projects within the region, including providing loans, making debt investments, and offering guarantees. As of the end of 2025, EDB’s cumulative portfolio comprised 326 projects with a total investment of USD19.6 billion. Its portfolio consists principally of projects with an integration effect in transport infrastructure, digital systems, green energy, agriculture, manufacturing and mechanical engineering. The Bank adheres to the UN Sustainable Development Goals and ESG principles in its operations. As the membership continues to expand, the Bank’s ownership structure is expected to become more diverse, and support from member countries as well as its regional influence are also expected to grow in the near to medium term.

Clear business strategy and prudent risk management

With a clear governance structure, the EDB has a clear strategic positioning and is able to achieve its established strategic objectives. It has a robust risk management system, a prudent risk appetite, and is able to effectively meet its prescribed internal targets.

In terms of governance structure, the Bank's Council is its highest decision-making body and the current Chairman of the Bank's Council is the Prime Minister of Kazakhstan. After the redistribution of capital shares in 2022, Russia's shareholding stake significantly declined by more than 20%, which increased share of other participants, including Kazakhstan as the largest among those. Currently, no single member country holds more than 50% of the shares. Furthermore, the Bank is continuously diversifying its shareholding structure by admitting new member countries, with the long-term goal of ensuring that no single member country holds more than 25% of the shares. Voting weight within the Bank is calculated based on shareholding proportions and major decisions of the Bank's Council require a voting threshold of at least 75%. Major decisions are made by unanimous consent of all the member countries and the Bank does not have an ultimate controlling party.

The Bank's 2022–2026 Strategy is committed to strengthen its role as a leading development bank in the countries where it operates, and to actively identify and implement projects that demonstrate significant synergy effects, involve substantial investment, feature a diversified portfolio, exhibit sound financial performance, and promote sustainable development. To achieve its strategic objectives, the Bank has established detailed strategic indicators such as annual investment volume, average return on equity and the proportion of projects in member countries with minority shareholder stakes. In 2025, the Bank made good progress toward meeting all of these strategic indicators and is currently finalizing its 2027–2031 Strategy. In the next strategic cycle, EDB targets to become a new scale Bank in the league of regional MDBs through membership expansion. In terms of risk management, the Bank has established risk management procedures in accordance with internal guidelines to address various risks at different levels. The Bank has an independent department responsible for formulating risk management policies, conducting independent risk assessments, and providing independent evaluations of the effectiveness of the risk management framework. The Bank has established a relatively comprehensive and prudent risk management policy and risk architecture, providing comprehensive monitoring of market risk, credit risk, liquidity risk, and operational risk to ensure the Bank's sustainable operations even amid fluctuations in the overall business environment.

Capital Strength

Strong capital structure supported by the planned capital injection

The Bank has a strong capital structure, with usable equity providing a high level of coverage for risk-weighted assets. In July 2024, the Bank's Council resolved to increase the Bank's authorized capital from USD7.0 billion to USD8.5 billion with the additional capital to be allocated among existing and new member countries. In 2025, Uzbekistan joined the EDB as its seventh member country with the agreed stake of 10% of the Bank's paid-in capital. As of 31 March 2026, the Bank's paid-in capital stood at USD1.6 billion, with USD0.8 billion payable shares and USD6.3 billion callable capital, which is intended to provide emergency financing if the Bank is unable to meet its debt obligations. With the future accession of new member countries and the payment of their capital contributions, the EDB's capital level is expected to remain sustainable and sufficient to absorb any normal losses, and to support growth over the medium term.

Benefiting from the profit accumulation and the capital injections resulting from the accession of new member states, the Bank's usable equity has continued to grow in recent years. The usable equity increased by approximately 21.7% compared to end-2023, reaching USD2.4 billion as of end-2025. The growth of the Bank's investment portfolio resulted in a steady increase in risk-weighted assets in recent years, with risk-weighted assets rising from USD4.1 billion to USD5.7 billion over the same period. However, the Bank's coverage ratio of usable equity to risk-weighted assets remained at a high level of approximately 42.3%.

Compared to the size of the total debt, the Bank has a relatively ample level of usable equity. In 2024, the Bank reduced its short-term interbank borrowings and deposits, resulting in a YoY decrease of 38.5% in total debt to USD3.6 billion at the year-end. In 2025, the Bank expanded its financing, with a significant increase in attracted long-term credit lines from Chinese banks and bond issuance. As of 31 December 2025, the Bank's total debt had risen by 14.1% from the end of 2024 accounting for USD4.1 billion, and the total debt to useable equity ratio increased to 170.9%, but remained at a relatively low level. The Bank with lower leverage is typically better equipped to cover its debts and thereby protect its credit profile.

As a multilateral development institution, the Bank does not regard profitability as its primary development objective. However, sustained profitability remains a crucial foundation for its capital accumulation and the sustainable development of its operations. In 2024, benefiting from a widening net interest margin and favorable money market conditions as well as reversal of provisions, the Bank's net income amounted to USD229.3 million. In 2025, affected by interest rate hikes in major countries within the region and reduction in provision reversal, the Bank's net profit decreased to USD136.7 million, resulting in a stabilized net profit to usable equity ratio of 5.7%. The Bank's profit levels remained sufficient to support capital accumulation, with its capital strength remaining at a very high level.

Asset Quality

Asset portfolio highly concentrated geographically with tight economic linkages among members

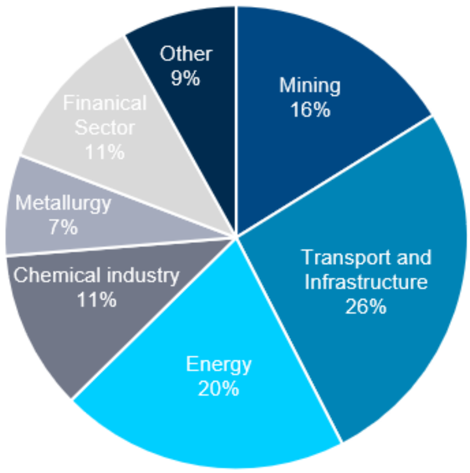
EDB provides financing for major projects in the region through long-term loans and debt investments, with key investment areas consisting of energy, transportation, and infrastructure. From 2023 to 2024, the Bank's balance investment portfolio declined due to a reduction in investment activities in Russia and early redemption of loans. At the same time, the Bank significantly increased its investment in projects in Kazakhstan. As of the end of 2025, the Bank's balance investment portfolio stood at USD3.4 billion, representing a YoY increase of 27.9%.

Projects in the Bank's portfolio are primarily located in member countries of in Central Asian region and South Caucasus, with Kazakhstan accounting for the Bank's largest exposure. Consequently, the Bank's investment portfolio exhibits a high degree of regional concentration. However, due to the geopolitical challenges and western economic restrictions against Russia, the share of the Bank's projects in Russia has substantially declined since 2022. The share of the outstanding balance investment portfolio attributable to Russian projects had fallen from 41.0% at end-2021 to 10.0% as of end 2025. At the same time, the share of the outstanding balance investment portfolio attributable to projects in Kazakhstan increased significantly, rising from 40.0% to 69.0%, with new project investments primarily consisting of loans for projects in the energy and transportation sectors. In the future, the Bank's project investments in Uzbekistan, a new member state, are expected to grow.

EDB reported a non-performing loan ratio overdue more than 90 days of 0.01% as of 31 December 2025. At the same time, the Stage 3 exposure comprised three borrowers totaling USD63,2 million, representing 1.9% of the balance investment portfolio. The non-performing loans amounted to USD0.6 million, which is expected to be written off after completion all necessary procedures. Exposures are provisioned according to IFRS 9 and secured against project and non-project assets, as well as guarantees from the sponsors and sponsors' other entities. EDB has a good track record of recovering non-performing loans. Furthermore, in its investment activities EDB complies with all applicable international sanction's laws and regulations. Therefore, we expect the impact of western economic restrictions against Russia on the asset quality of the Bank to be limited. In the short term, member countries continue to face risks stemming from macroeconomic volatility and uncertainties in the geopolitical landscape. However, we do not expect a significant deterioration in EDB's asset quality over the next 12-18 months as supported by its prudent client selection and effective risk-control measures.

Exhibit 2. Investment portfolio by country in 2025

Exhibit 3. Investment portfolio by industry in 2025



Source: Bank data, CCXAP research

Liquidity

Sufficient liquidity resources mitigate moderate funding channels

EDB maintains a prudent liquidity management policy, and its liquidity resources are sufficient to meet its expenditure needs and regulatory requirements. In addition, the Bank manages liquidity by analyzing the maturity structure of its assets and liabilities and raising funds to bridge liquidity gaps. As of 31 December 2025, the Bank's cash and cash equivalents totaled USD872.4 million, and its liquid assets to short-term debt ratio stood at around 1.8x, which is a high level. Overall, the Bank's current assets are sufficient to cover its short-term debt, and the pressure to repay short-term debt is relatively low.

The Bank's funding primarily comes from the paid-in capital of its member countries and funds raised in capital markets. As a multilateral development institution, the Bank has a track record of issuing multi-currency bonds in international capital markets. From 2023 to 2025, the Bank issued multiple tranches of bonds denominated in USD, CNY, AED, RUB, and KZT in the capital markets of Kazakhstan, UAE and Armenia. For example, in 2025, the Bank issued debut USD105 million dirham denominated bonds: AED185 million bonds on Astana International Exchange (AIX) and private placement of AED200 million bonds in the UAE market, and inaugural RMB500 million bonds denominated in Chinese yuan in Kazakhstan. In recent years, the Bank has taken various measures to broaden its financing channels, continuously strengthened cooperation with other multilateral development banks and international financial institutions, including signed loan agreements with large Chinese banks. EDB further targets develop financing in the capital markets of China and the Middle East.

However, given the limited size of local bond markets of member states and relatively high market interest rates in the region, we consider EDB's financing capacity to be moderate compared to other major multilateral development institutions.

Member Support

High likelihood to receive contractual support in times of need

We expect that EDB is very likely to receive contractual support from the Bank's shareholders in times of need, while the member states' capability to support is moderate. Given the Bank's high fundamental strength with its rating higher than the weighted median rating of shareholders, the member states' support has limited effect on the Bank's final credit rating.

This expectation incorporates the following considerations: (1) important policy role in regional economic and trade development; (2) large stake owned by founding member countries; and (3) good track record of contractual support, along with strong prospects for support following the accession of new member states. As of 31 March 2026, the Bank's paid-in capital from member countries was USD1.6 billion, and this figure is likely to continue growing in the future as the membership expands. At the same time, the Bank's callable capital amounted to USD6.3 billion, with the ratio of total debt to callable capital at 67.8%, indicating strong contractual support from shareholders. In addition, as a multilateral development institution, the Bank enjoys the status of a preferred creditor, and the governments of its major member states have issued letters of comfort explicitly expressing their support for the Bank's business development. Furthermore, the Bank is committed to invest in projects related to regional integration, playing an irreplaceable role in regional economic and trade development. We believe that the Bank's important position will continue over the medium to long term.

Rating Methodology

The methodology used in this rating is the Rating Methodology for Multilateral Development Organizations (August 2026).

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