

Rating Object	Rating Information
<p><b>Nordea Bank Abp (Group)</b></p> <p>Creditreform ID: 5164060120</p>	<p>Long Term Issuer Rating / Outlook: <b>AA- / stable</b></p> <p>Short Term: <b>L1</b></p> <p>Type: Update / Unsolicited</p>
<p>Rating Date: <b>14 June 2023</b></p> <p>Monitoring until: withdrawal of the rating</p> <p>Rating Methodology: CRA "Bank Ratings v.3.2" CRA "Rating of Bank Capital and Unsecured Debt Instruments v.2.1" CRA "Environmental, Social and Governance Score for Banks v.1.0" CRA "Rating Criteria and Definitions v.1.3"</p> <p>Rating History: <a href="http://www.creditreform-rating.de">www.creditreform-rating.de</a></p>	<p>Rating of Bank Capital and Unsecured Debt Instruments:</p> <p>Preferred Senior Unsecured (PSU): <b>AA-</b></p> <p>Non-Preferred Senior Unsecured (NPS): <b>A+</b></p> <p>Tier 2 (T2): <b>BBB+</b></p> <p>Additional Tier 1 (AT1): <b>BBB</b></p>

## Rating Action

### Creditreform Rating affirms Nordea Bank's (Group) Long-Term Issuer Rating at AA- (Outlook: stable).

Creditreform Rating (CRA) affirms Nordea Bank's (Group) Long-Term Issuer Rating at AA-. The rating outlook is stable.

CRA affirms Nordea Bank's Preferred Senior Unsecured Debt at AA-, Non-Preferred Senior Unsecured Debt at A+, and downgrades Tier 2 Capital to BBB+ and AT1 Capital to BBB.

CRA affirms the Long-Term Issuer Rating of the Group's subsidiary Nordea Mortgage Bank Plc at AA-, which reflects Nordea Bank Abp's (Group) Long-Term Issuer Rating, in line with our methodology. The Tier 2 rating of Nordea Mortgage Bank Plc is set to not rated (n.r.) due to lack of eligible securities.

Please find a complete list of rating actions regarding the bank and its affected subsidiaries at the end of this rating update.

#### Analysts

Felix Schürmann  
f.schuermann@creditreform-rating.de  
Lead-Analyst

Tobias Stroetges  
t.stroetges@creditreform-rating.de  
Senior Analyst

Artur Kapica  
a.kapica@creditreform-rating.de  
Person Approving Credit Ratings  
Neuss, Germany

## Key Rating Drivers

- Continued, very good earnings quality in challenging market environment
- Further improving, excellent asset quality
- Solid capitalization, albeit with generous distribution, lowering capital buffers alongside strategic planning
- The bank's status as an Other Systemically Important Institution (O-SII)
- Uncertain market environment of high inflation and rapidly increasing interest rates

## Executive Summary

Quantitative:	Very Good	
Earnings	Very Good	
Assets	Very Good	
Capital	Good	
Liquidity	Good	
Qualitative:	Very Good	

The rating of Nordea Bank Abp is prepared on the basis of group (Nordea Group) consolidated accounts.

Rating Action: The Long-Term Issuer Rating and outlook of Nordea is affirmed. The rating of Preferred Senior Unsecured and Non-Preferred Senior Unsecured Debt is affirmed. Ratings of Tier 2 and AT1 have been notched down by a single notch due to a decrease in the equity position and a higher bail-in risk than previously assumed. For Nordea Mortgage Bank Plc, the rating of Tier 2 capital has been withdrawn ("not rated", n.r.) due to lack of eligible instruments.

Nordea exhibits excellent earnings and asset quality, while maintaining a good capital and liquidity position. Goals for the 2025 strategic plan have largely been met ahead of and are successfully maintained.

## Company Overview

Nordea Bank Abp (hereafter Nordea) is a full-service universal banking group. Nordea serves primarily the Nordic region (Sweden, Finland, Norway, and Denmark) and maintains a presence in a total of 20 countries. Moreover, the Group has an international network with banks across the globe in order to support its international business needs. Nordea Bank Abp is the parent company of Nordea Group, headquartered in Helsinki, Finland.

Nordea is considered as an "O-SII" and must therefore comply with additional regulatory capital requirements.

The Group is divided into four main business areas: *Personal Banking*, *Business Banking*, *Large Corporates & Institutions* and *Asset & Wealth Management*. In addition, Nordea maintains a *Group Functions and Other* business unit. *Personal Banking* serves Nordea's household customers through various channels with a range of financial and advisory services. *Business Banking* is responsible for servicing small and medium-sized corporates. Where against, Nordea's *Large Corporates & Institutions* unit provides financial solutions to large and international customers with a diverse range of financing and advisory services. *Asset & Wealth Management* is responsible for Nordea's affluent and high net worth customers as well as institutional investors, and provides individual investment, savings and pensions solutions. *Group Functions and Other* provides the Group with various management and administrative services such as asset and liability management, treasury operations, strategic frameworks and a common infrastructure.

Nordea's updated business plan (financial target 2025) considers the following three group priorities: optimize operational efficiency, drive income growth initiatives, and create great customer experience. These targets aim to achieve a cost income ratio of 45-47% and a return on equity (ROE) of >13% in fiscal year (FY) 2020. In addition, the bank aims to maintain a 150-200bp management buffer above the capital requirements and a dividend policy with a targeted payout ratio of 60-70%.

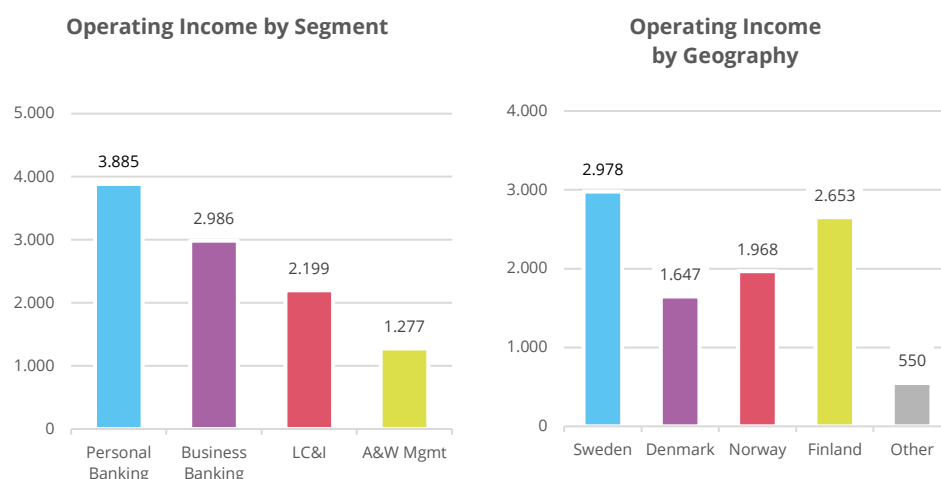
## Business Development

### Profitability

Nordea was able to build up on the very good results of the previous year with another strong performance in 2022. Net profit amounted to EUR 3.6bn, compared to EUR 3.8bn in the previous year. Operating income increased again compared to the previous year, but only slightly. This contrasts with operating expenses, which increased significantly following stagnation in the previous year. Costs of risk remained at the very low level of the previous year, so that higher operating costs were solely responsible for the year-on-year decline in net profit.

In detail, net interest income increased sharply as a result of the new interest rate regime; however, interest expense rose disproportionately, while interest income increased more strongly in absolute terms. While interest income was mainly attributable to loans to the public and credit institutions, interest expense increased significantly due to customer deposits and the debt securities issued. The comparatively high proportion of debt securities in the funding mix therefore has a negative impact on profitability in the new interest rate regime. After continuous increases in previous years, fee income decreased significantly compared with the previous year. Growth in *card and payment business* could not compensate for significant declines in *asset management* as well as in *brokerage and advisory* due to deteriorating market conditions. Fair value income decreased significantly, mainly due to operations in Russia through accumulated exchange losses (EUR 529mn). As a result, operating profit increased only to EUR 9.8bn.

Chart 1: Operating Income Group by Segment and Geography | Source: eValueRate / CRA



*Personal* and *Business Banking* remain the corner stones of Nordea's operating income, while *Large Corporates and Institutions* as well as *Asset & Wealth Management* only constitute about a third. The Nordic countries also remain the main source of income, with Sweden and Finland being responsible for almost half of the Group income. Less than 6% of operating income is generated outside of the Nordics.

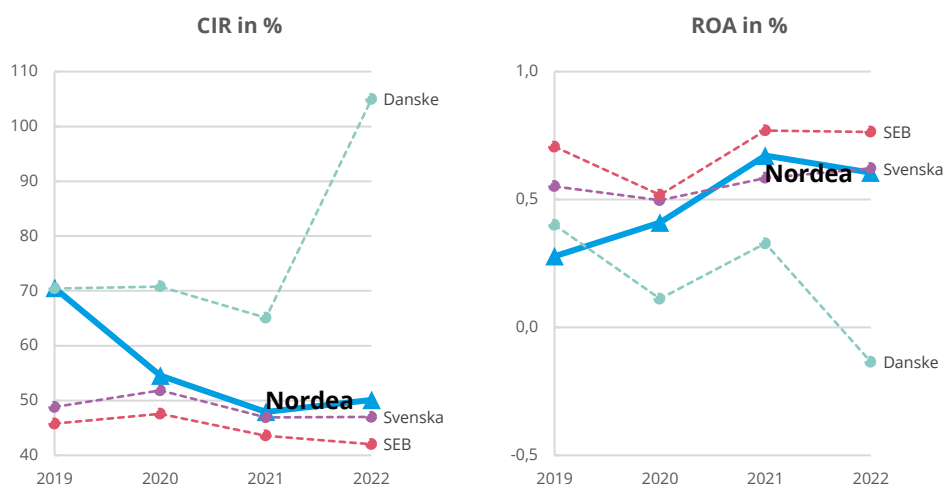
Operating expenses increased significantly from EUR 4.7bn to EUR 4.9bn, mainly driven by increases in personnel costs and other expenses. Higher resolution fees and bank taxes increased the regulatory burden by almost EUR 100mn. Other expenses increased at a similar rate without

a single major driver. Personnel expenses increased slightly year over year. As a result, operating expense increased by EUR 254mn to EUR 9.8bn or roughly 5.5% over the previous year. The operating profit was subsequently down EUR 174mn or 3.4%.

As outlined earlier, risk costs remained at the low level of the previous year.

Earnings figures were mixed, albeit at a high or very high level. The increase in operating expense led to an increase in the cost income ratio (CIR) above 50%, while the return on equity actually increased year over year, as the equity position declined through Nordea's distribution policy. The return on assets (ROA) declined by 10% as a result of increased balance sheet size and lower net profit compared to last year.

Chart 2: CIR, ROA & ROE of CA in comparison to the peer group | Source: eValueRate / CRA



In a peer group comparison, Nordea ranks well among local competitors, with Danske Bank being a clear outlier. The multi-year comparison clearly marks the relative improvement of Nordea Group in recent years.

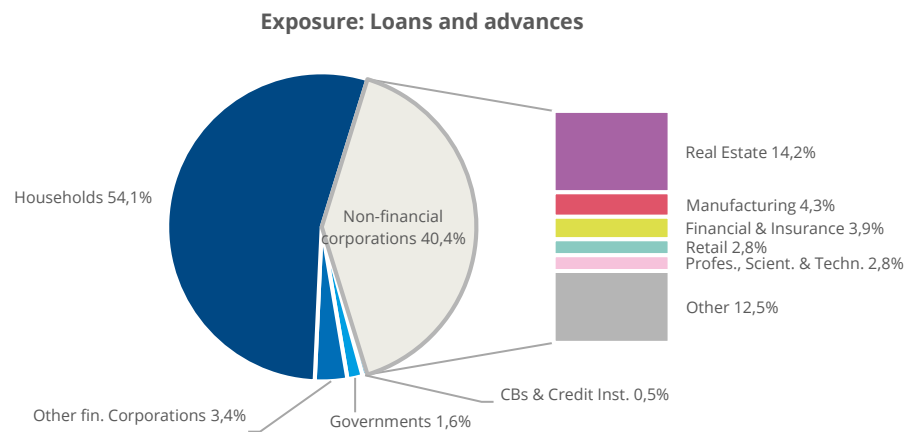
The first quarter results of Nordea indicate a further improvement in profitability, with a clear year-over-year improvement, even excluding non-recurring items from last year. The stark increase is largely attributed to net interest income growth. For the entire year 2023, Nordea expects a ROE of 13%.

### Asset Situation and Asset Quality

Nordea's total assets grew by EUR 22.5bn (+4.3%) to EUR 595.8bn. However, notable growth was mainly achieved in the area of liquid investments, with a slight decrease in customer loans compared to the previous year.

Specifically, cash and cash equivalents increased by EUR 14.8bn, with financial assets rising by EUR 28.5bn. Deposits with banks also increased by EUR 2.6bn. Loans to customers, still by far the largest item, decreased marginally year-on-year by just under EUR 1bn. The line item of shares and debt securities increased by EUR 2.8bn.

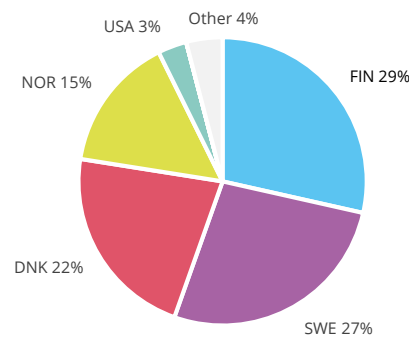
Chart 3: Exposure Loans and advances. | Source: Pillar 3, EU CR1 & CQ5



Nordea's loan book is generally well diversified due to the size of the bank. Households (54%) and non-financial corporations (40%) provide the bulk of the exposure. It is worth noting that the *Real Estate* segment accounts for a large share of the non-financial corporations exposure (more than one third).

Chart 4: Exposure Loans and advances. | Source: Pillar 3, EU CQ4

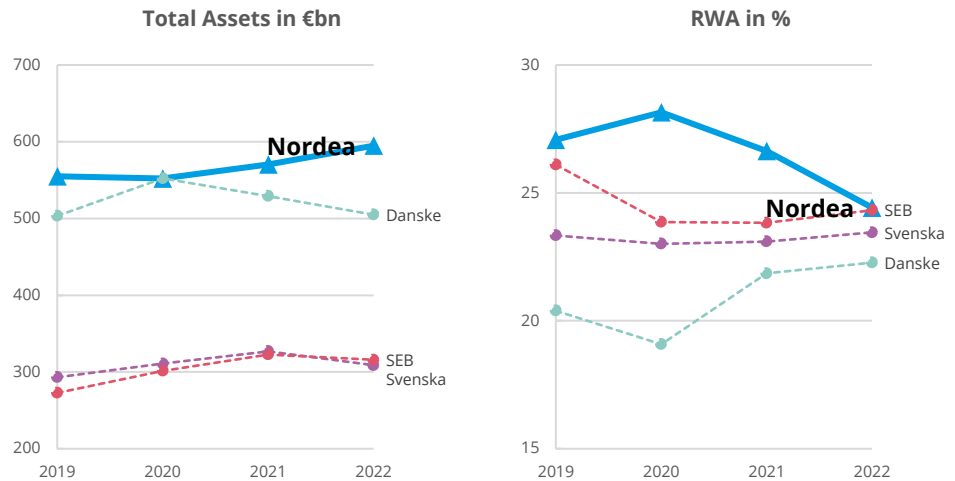
**On-balance sheet exposure by geography**



Geographically, the on-balance sheet exposure is mainly concentrated in the four main markets of the Nordic region, an economic area with excellent economic dynamics and stability.

This fact essentially also explains Nordea's excellent general asset quality. The non-performing loans (NPL) ratio is well below 1% and the cost of risk was very low even in 2020. Compared to other major banks in the European banking sector, the ratio of problem loans (IFRS Stage 2) is comparatively low. The RWA ratio is also very low at 24.4%.

Chart 5: Exposure Loans and advances. | Source: Pillar 3, EU CQ4



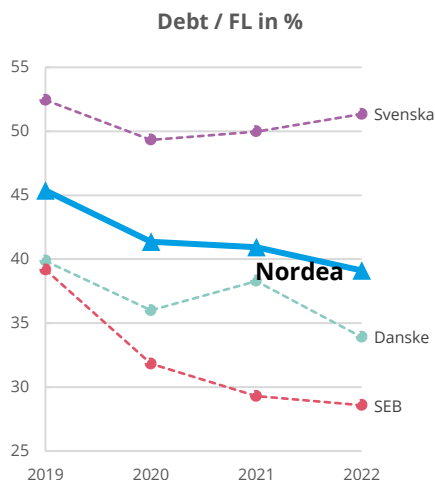
Nordea remains the largest Nordic bank with the continued downsizing of Danske Bank. The very low RWA ratio is comparable to that of its peers.

There was no significant change in asset quality in the first quarter of 2023.

### Refinancing, Capital Quality and Liquidity

The growth in assets was mainly refinanced by customer and bank deposits totaling EUR 13.9bn. Debt securities increased by just under EUR 2bn. The funding mix shifted substantially from debt securities to customer deposits during the period under review. While customer deposits increased by EUR 46bn, total debt decreased by EUR 18.3bn. In the same period, total assets increased by only EUR 24.8bn. In the new interest rate regime, this change in strategy has a positive effect, but the share of debt financing remains comparatively high.

Chart 6: Total Debt as a percentage of Financial Liabilities | Source: eValueRate



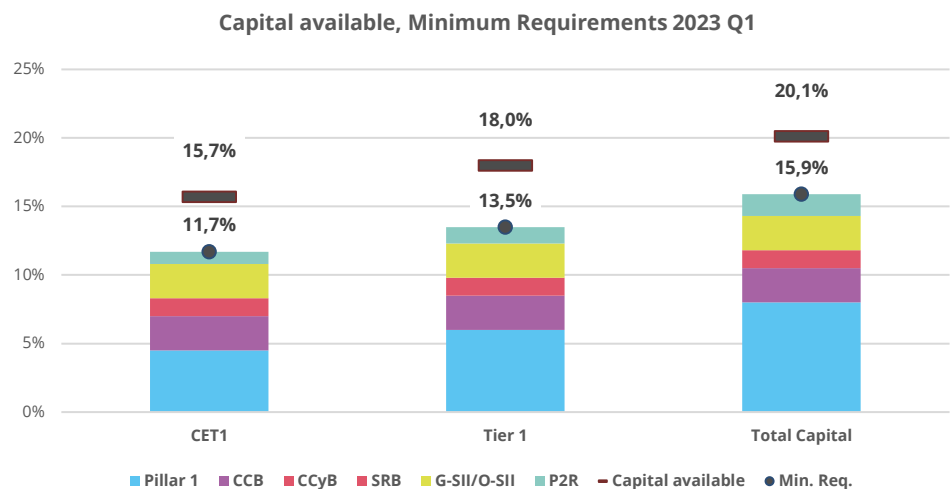
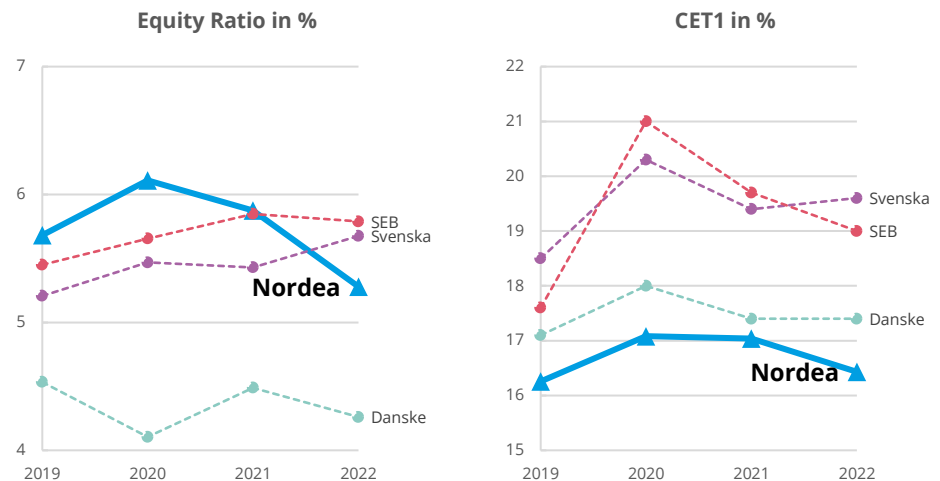
The above chart illustrates the change. While the ratio of debt to financial liabilities is decreasing, Nordea's debt exposure is still elevated. In a persistently high interest environment, this

may lead to competitive disadvantages compared to banks which higher customer deposit financing.

Shareholders' equity decreased by just under EUR 2.1 bn, despite the high net profit for the year. This was mainly due to the generous dividend policy; in the reporting year 2022, a total of EUR 2.7bn in dividends was paid out and EUR 2.8bn in shares were repurchased. The buy-back program was thus significantly expanded compared to the previous year. The EUR 1.5bn share buy-back program was concluded in March 2023 and a follow-up share buy-back program was approved in April 2023, for a further EUR 1.0bn.

Capitalization remains strong, but is in a negative trend channel consistent with the 2025 plan due to the payout policy. The CET1 buffer was still a good 5.35% at year-end 2023, but as of Q1-23 this was only 4% due to further share buybacks and higher capital requirements.

Chart 7: Equity, CET1 Ratios in peer group comparison, minimum regulatory capital requirements | Source: eValueRate, Pillar 3 EU KM1



In a peer group comparison, Nordea marks a clear downward trend in terms of capitalization. Both balance sheet equity and regulatory capital ratios have seen a decline versus the immedi-



ate competition, both in total as well as in relative scope. Even with the current generous distribution agenda, regulatory buffers remain adequate for now, however.

Due to Nordea's bank capital and debt structure, as well as its status as an O-SII, the Group's Preferred Senior Unsecured Debt instruments are rated AA-, thus receiving the same rating as the Long-Term Issuer Rating. Due to the seniority structure, Nordea's Non-Preferred Senior Unsecured debt is rated A+. Nordea's regulatory capital (AT1 and Tier 2) has been notched down compared to last year due to an increased risk of a bail-in in the event of a resolution and a general decrease in equity. Hence, Nordea's Tier 2 Capital is rated BBB+, Additional Tier 1 Capital is rated BBB, based on Nordea's capital and seniority structure in accordance with our rating methodology.

Nordea Mortgage Bank Plc's Tier 2 capital rating has been withdrawn ("not rated", n.r.) due to lack of eligible securities.

## Environmental, Social and Governance (ESG) Score Card

Nordea Bank Abp (Group) has two moderate and one significant ESG rating driver

- Corporate Governance is identified as a significant rating driver. The relevance for the credit rating results from the impact of the corporate governance factor on all other ESG factors. This sub-factor is rated positive due to Nordea's strong economic track record, the banks diversity program as well as the implemented ESG policies and targets.

- Corporate Behaviour and Green Financing / Promoting are identified as moderate rating driver. Green Financing / Promoting is rated positive due to the strong growth in green financing volume, Corporate Behaviour is rated neutral due to a recent history of insufficient money laundering prevention. Efforts are since underway to improve due diligence practices.

**ESG  
Bank Score**

3,9 / 5

Score Guidance	
> 4,25	Outstanding
>3,5 - 4,25	Above-average
>2,5 - 3,5	Average
>1,75 - 2,5	Substandard
<= 1,75	Poor

Factor	Sub-Factor	Consideration	Relevance Scale 2022	Eval.
Environmental	1.1 Green Financing / Promoting	The sub-factor "Green Financing/Promoting" has a moderate relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	3	(+)
	1.2 Exposure to Environmental Factors	The sub-factor "Exposure to Environmental Factors" has a low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
	1.3 Resource Efficiency	The sub-factor "Resource Efficiency" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	1	(+)

Social	2.1 Human Capital	The sub-factor "Human Capital" has low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
	2.2 Social Responsibility	The sub-factor "Social Responsibility" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	1	(+)

Governance	3.1 Corporate Governance	The sub-factor "Corporate Governance" is highly relevant for the credit rating, and is rated positive in terms of the CRA ESG criteria.	4	(+)
	3.2 Corporate Behaviour	The sub-factor "Corporate Behaviour" has a moderate relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	3	( )
	3.3 Corporate Transparency	The sub-factor "Corporate Transparency" has no significant relevance for the credit rating, and is rated very positive in terms of the CRA ESG criteria.	1	(+ +)

ESG Relevance Scale		ESG Evaluation Guidance	
5	Highest Relevance	(+ +)	Strong positive
4	High Relevance	(+)	Positive
3	Moderate Relevance	( )	Neutral
2	Low Relevance	( - )	Negative
1	No significant Relevance	( - - )	Strong negativ

The ESG Score is based on the Methodology "Environmental, Social and Governance Score of Banken (Version 1.0)" of Creditreform Rating AG, which is available on our homepage <https://creditreform-rating.de/en/about-us/regulatory-requirements.html>. In addition, we refer to CRA's position paper "Considering the Impact of ESG Factors".

## Outlook

The outlook of the Long-Term Issuer Rating of Nordea is stable. In the medium term, CRA expects continued excellent profitability and asset quality. The capital situation is adequate, while the distribution policy aims for lower capital buffers. However, CRA has no doubts that Nordea would be able to adequately and independently improve its capital situation to meet current challenges. Furthermore, we expect Nordea to meet and maintain its strategic goals for 2025.

## Scenario Analysis

In a scenario analysis, the bank is able to reach a Long-Term Issuer Rating of AA in the “Best-Case-Scenario” and a Long-Term Issuer Rating of A+ in the “Worst-Case-Scenario”. The ratings of Bank Capital and Senior Unsecured Debt would respond similarly based on our rating methodology. These ratings are especially sensitive to changes in total equity and to the bank capital and debt structure in general.

We might upgrade Nordea’s Long-Term Issuer Rating and the ratings of Bank Capital and Senior Unsecured Debt if Nordea manages to exceed its long-term strategic goals for 2025, especially in terms of capitalization. The current level of earnings and capital quality would have to be met at least.

By contrast, a downgrade of Nordea’s Long-Term Issuer Rating and the ratings of Bank Capital and Senior Unsecured Debt might be considered by CRA if Nordea fails to meet or maintain its strategic goals for 2025 and continues to deplete its capital reserves. The rating is especially sensitive to a material deterioration in profitability and asset quality.

Best-case scenario: AA

Worst-case scenario: A+

Please note:

The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

## Appendix

### Bank ratings Nordea Bank Abp (Group)

The bank ratings are dependent on a host of quantitative and qualitative factors. An improvement in either sub-category may result in a higher rating score.

Long-Term Issuer / Outlook / Short-Term **AA- / L1 / stable**

### Bank Capital and Debt Instruments Ratings Nordea Bank Abp

The ratings for bank capital and debt instruments are inter alia dependent on subordination and relative size of the instrument class, based on the long-term issuer rating of the bank.

Preferred Senior Unsecured (PSU): **AA-**  
 Non-Preferred Senior Unsecured (NPS): **A+**  
 Tier 2 (T2): **BBB+**  
 Additional Tier 1 (AT1): **BBB**

### Rating History

Please consult our website [www.creditreform-rating.de](http://www.creditreform-rating.de) for additional information regarding the dates of publication.

Figure 1: Rating History

Bank Issuer Rating	Rating Date	Result
Initial rating	27.04.2018	AA- / stable / L1
Rating Update	02.07.2019	AA- / stable / L1
Monitoring	24.03.2020	AA- / NEW / L1
Rating Update	31.08.2020	A+ / stable / L2
Rating Update	19.08.2021	A+ / stable / L2
Rating Update	02.08.2022	AA- / stable / L1
Rating Update	14.06.2023	AA- / stable / L1
Bank Capital and Debt Instruments	Rating Date	Result
Senior Unsecured / T2 / AT1 (Initial)	27.04.2018	AA- / BBB+ / BBB
PSU / NPS / T2 / AT1	02.07.2019	AA- / A+ / BBB+ / BBB
PSU / NPS / T2 / AT1	24.03.2020	AA- / A+ / BBB+ / BBB (NEW)
PSU / NPS / T2 / AT1	31.08.2020	A / A- / BBB / BBB-
PSU / NPS / T2 / AT1	19.08.2021	A / A- / BBB / BBB-
PSU / NPS / T2 / AT1	02.08.2022	AA- / A+ / A- / BBB+
PSU / NPS / T2 / AT1	14.06.2023	AA- / A+ / BBB+ / BBB
Subsidiaries of the Bank	Rating Date	Result
Nordea Mortgage Bank Plc		
Initial rating	27.04.2018	AA- / stable / L1
Rating Update	02.07.2019	AA- / stable / L1

Monitoring	24.03.2020	AA- / NEW / L1
Rating Update	31.08.2020	A+ / stable / L2
Rating Update	19.08.2021	A+ / stable / L2
Rating Update	02.08.2022	AA- / stable / L1
Rating Update	14.06.2023	AA- / stable / L1
<b>Bank Capital and Debt Instruments of Nordea Mortgage Bank Plc</b>		
Senior Unsecured / T2 / AT1 (Initial)	31.08.2018	AA- / BBB+ / BBB
PSU / NPS / T2 / AT1	02.07.2019	AA- / A+ / BBB+ / BBB
PSU / NPS / T2 / AT1	24.03.2020	AA- / A+ / BBB+ / BBB (NEW)
PSU / NPS / T2 / AT1	31.08.2020	A / A- / BBB / BBB-
PSU / NPS / T2 / AT1	19.08.2021	n.r. / n.r. / BBB / n.r.
PSU / NPS / T2 / AT1	02.08.2022	- / - / A- / -
PSU / NPS / T2 / AT1	14.06.2023	- / - / n.r. / -

## Tables Group (if applicable)

Figure 2: Income statement<sup>1</sup> | Source: eValueRate / CRA

Income Statement (EUR m)	2022	%	2021	2020	2019
<b>Income</b>					
Net Interest Income	5.664	+15,0	4.925	4.515	4.318
Net Fee & Commission Income	3.336	-4,5	3.495	2.959	3.011
Net Insurance Income	61	-37,1	97	80	77
Net Trading & Fair Value Income	647	-41,4	1.105	868	947
Equity Accounted Results	-8	+33,3	-6	-1	50
Dividends from Equity Instruments	-	-	-	-	-
Other Income	83	-4,6	87	93	85
<b>Operating Income</b>	<b>9.783</b>	<b>+0,8</b>	<b>9.703</b>	<b>8.514</b>	<b>8.488</b>
<b>Expense</b>					
Depreciation and Amortisation	611	-8,0	664	605	1.330
Personnel Expense	2.835	+2,8	2.759	2.752	3.017
Tech & Communications Expense	614	+7,7	570	547	596
Marketing and Promotion Expense	53	+20,5	44	46	59
Other Provisions	-	-	-	-	-
Other Expense	790	+29,1	612	693	984
<b>Operating Expense</b>	<b>4.903</b>	<b>+5,5</b>	<b>4.649</b>	<b>4.643</b>	<b>5.986</b>
<b>Operating Profit &amp; Impairment</b>					
<b>Operating Profit</b>	<b>4.880</b>	<b>-3,4</b>	<b>5.054</b>	<b>3.871</b>	<b>2.502</b>
Cost of Risk / Impairment	112	-5,1	118	908	536
<b>Net Income</b>					
Non-Recurring Income	-	-	-	-	147
Non-Recurring Expense	-	-	-	-	-
<b>Pre-tax Profit</b>	<b>4.768</b>	<b>-3,4</b>	<b>4.936</b>	<b>2.963</b>	<b>2.113</b>
Income Tax Expense	1.173	+6,2	1.105	698	571
Discontinued Operations	-	-	-	-	-
<b>Net Profit</b>	<b>3.595</b>	<b>-6,2</b>	<b>3.831</b>	<b>2.265</b>	<b>1.542</b>
Attributable to minority interest (non-controlling interest)	-	-	-	-	-3
Attributable to owners of the parent	3.576	-6,0	3.805	2.238	1.519

Figure 3: Key earnings figures | Source: eValueRate / CRA and Pillar III

Income Ratios (%)	2022	%	2021	2020	2019
Cost Income Ratio (CIR)	50,12	+2,20	47,91	54,53	70,52
Cost Income Ratio ex. Trading (CIRex)	53,67	-0,40	54,07	60,72	79,38
Return on Assets (ROA)	0,60	-0,07	0,67	0,41	0,28
Return on Equity (ROE)	11,45	+0,01	11,43	6,71	4,89
Return on Assets before Taxes (ROAbT)	0,80	-0,06	0,87	0,54	0,38
Return on Equity before Taxes (ROEbT)	15,18	+0,45	14,73	8,78	6,70
Return on Risk-Weighted Assets (RORWA)	2,47	-0,05	2,52	1,46	1,03
Return on Risk-Weighted Assets before Taxes (RORWAbT)	3,28	+0,03	3,25	1,91	1,41
Net Financial Margin (NFM)	1,18	-0,01	1,19	1,09	1,05
Pre-Impairment Operating Profit / Assets	0,82	-0,07	0,89	0,70	0,45

Change in %Points

<sup>1</sup> Data by our data provider eValueRate, which is standardized for analytical reasons. Thus, the used data and the resulting figures do not have necessary to match the presentation of the bank, which refers to this and all subsequent tables and figures.

Figure 4: Development of assets | Source: eValueRate / CRA

Assets (EUR m)	2022	%	2021	2020	2019
Cash and Balances with Central Banks	62.700	+30,9	47.904	36.078	44.716
Net Loans to Banks	4.573	> +100	1.983	3.123	8.519
Net Loans to Customers	327.273	-0,3	328.238	317.325	304.202
Total Securities	81.448	+3,6	78.600	75.158	79.114
Total Derivative Assets	34.462	+14,4	30.135	45.129	39.328
Other Financial Assets	23.372	+26,5	18.480	16.235	26.040
<b>Financial Assets</b>	<b>533.828</b>	<b>+5,6</b>	<b>505.340</b>	<b>493.048</b>	<b>501.919</b>
Equity Accounted Investments	509	> +100	207	555	572
Other Investments	2.455	+39,2	1.764	1.535	1.585
Insurance Assets	41.645	-11,2	46.912	36.484	30.799
Non-current Assets & Discontinued Ops	0	-100,0	180	-	-
Tangible and Intangible Assets	5.717	+3,4	5.529	5.702	5.697
Tax Assets	376	-23,3	490	706	849
Total Other Assets	10.314	+3,9	9.931	14.130	13.427
<b>Total Assets</b>	<b>594.844</b>	<b>+4,3</b>	<b>570.353</b>	<b>552.160</b>	<b>554.848</b>

Figure 5: Development of asset quality | Source: eValueRate / CRA and Pillar III

Asset Ratios (%)	2022	%	2021	2020	2019
Net Loans to Customers / Assets	55,02	-2,53	57,55	57,47	54,83
Risk-weighted Assets <sup>1</sup> / Assets	24,43	-2,21	26,63	28,15	0,00
NPL <sup>2</sup> / Loans to Customers <sup>3</sup>	0,82	-0,45	1,27	1,59	1,78
NPL <sup>2</sup> / Risk-weighted Assets <sup>1</sup>	1,83	-0,89	2,72	3,19	3,55
Potential Problem Loans <sup>4</sup> / Loans to Customers <sup>3</sup>	3,91	+0,06	3,85	4,39	3,56
Reserves <sup>5</sup> / NPL <sup>2</sup>	82,03	-1,24	83,27	71,66	99,81
Cost of Risk / Loans to Customers <sup>3</sup>	0,03	-0,00	0,04	0,29	0,18
Cost of Risk / Risk-weighted Assets <sup>1</sup>	0,08	-0,00	0,08	0,58	0,36
Cost of Risk / Total Assets	0,02	-0,00	0,02	0,16	0,10

Change in % Points

1 RWA: Pillar 3, EU CR1

2 NPL Gross: Non-Performing Loans of the categories Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

3 Loans to Customers: Gross; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

4 Potential Problem Loans: Stage 2; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

5 Reserves: Impairment & Provisions and Collateral & Guarantees; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

Figure 6: Development of refinancing and capital adequacy | Source: eValueRate / CRA

Liabilities (EUR m)	2022	%	2021	2020	2019
Total Deposits from Banks	32.869	+21,9	26.961	23.939	32.304
Total Deposits from Customers	212.444	+3,9	204.496	182.064	166.426
Total Debt	185.204	+1,1	183.215	181.250	203.545
Derivative Liabilities	37.927	+20,1	31.586	49.641	44.065
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	5.020	> +100	1.305	1.367	2.299
<b>Total Financial Liabilities</b>	<b>473.464</b>	<b>+5,8</b>	<b>447.563</b>	<b>438.261</b>	<b>448.639</b>
Insurance Liabilities	70.374	+3,8	67.796	55.712	51.105
Non-current Liabilities & Discontinued Ops	-	-	-	-	-
Tax Liabilities	925	+4,0	889	741	1.223
Provisions	649	-17,1	783	961	570
Total Other Liabilities	18.028	-9,0	19.819	22.745	21.783
<b>Total Liabilities</b>	<b>563.440</b>	<b>+5,0</b>	<b>536.850</b>	<b>518.420</b>	<b>523.320</b>
<b>Total Equity</b>	<b>31.404</b>	<b>-6,3</b>	<b>33.503</b>	<b>33.740</b>	<b>31.528</b>
<b>Total Liabilities and Equity</b>	<b>594.844</b>	<b>+4,3</b>	<b>570.353</b>	<b>552.160</b>	<b>554.848</b>

Figure 7: Development of capital and liquidity ratios | Source: eValueRate / CRA and Pillar III

Capital Ratios and Liquidity (%)	2022	%	2021	2020	2019
Total Equity / Total Assets	5,28	-0,59	5,87	6,11	5,68
Leverage Ratio <sup>1</sup>	4,90	-0,50	5,40	5,62	5,27
Common Equity Tier 1 Ratio (CET1) <sup>2</sup>	16,43	-0,61	17,04	17,08	16,26
Tier 1 Ratio (CET1 + AT1) <sup>2</sup>	18,69	-0,41	19,10	18,75	18,32
Total Capital Ratio (CET1 + AT1 + T2) <sup>2</sup>	20,79	-0,45	21,25	20,46	20,79
CET1 Minimum Capital Requirements <sup>1</sup>	11,08	+0,90	10,18	10,18	11,40
Net Stable Funding Ratio (NSFR) <sup>1</sup>	115,62	+4,49	111,13	110,34	108,56
Liquidity Coverage Ratio (LCR) <sup>1</sup>	154,99	-3,12	158,12	158,43	165,79

Change in %Points

<sup>1</sup> Pillar 3 EU KM 1

<sup>2</sup> Regulatory Capital Ratios: Pillar 3 EU KM 1



## Regulatory

Creditreform Rating AG was neither commissioned by the rating object nor by any other third party for the rating. The analysis took place on a voluntary basis by Creditreform Rating AG and is to be described in the regulatory sense as an unsolicited rating. The following table clarifies the level of participation of the rated entity (rating object):

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	No
With Access to Internal Documents	No
With Access to Management	No

The rating is based on publicly available information and internal evaluation methods for the rated bank. The quantitative analysis is based mainly on the latest annual accounts, interim reports, other investor relations information of the bank, and calculated key figures by eValueRate / CRA.

The information and documents processed met the requirements of the rating system of Creditreform Rating AG as published on the website [www.creditreform-rating.de](http://www.creditreform-rating.de). The rating was carried out on the basis of the following methodologies and [Rating Criteria and Definitions \(v1.3\)](#):

- [Bank ratings \(v3.2\)](#)
- [Rating of bank capital and unsecured debt instruments \(v2.1\)](#)
- [Environmental, Social and Governance Score for Banks \(v1.0\)](#)

The complete presentation of the rating methodologies used by Creditreform Rating AG and the basic document Rating Criteria and Definitions are published on our homepage:

<https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html>

On 14 June 2023, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to Nordea Bank Abp and its subsidiary, and the preliminary rating report was made available to the bank. There was no change in the rating.

The rating is valid until withdrawal and is subject to monitoring from the rating date (see cover page). The rating will be comprehensively reviewed at least once every year. Within this period, the rating can be updated.

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on the registration Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation.

Rating Endorsement Status: The rating of Nordea Bank Abp (Group) was not endorsed by Creditreform Rating AG from a third country as defined in Article 4 (3) of the CRA-Regulation.

## Conflict of Interests

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services

are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or approving credit ratings and rating outlooks.

In case of providing ancillary services to the rated entity, CRA will disclose all ancillary services in the credit rating report.

#### **Rules on the Presentation of Credit Ratings and Rating Outlooks**

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our policy "Rating Committee," all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, CRA has used following substantially material sources:

1. Aggregated data base by eValueRate
2. Annual Report and interim reports
3. Investors relations information and other publications
4. Website of the rated bank
5. Public and internal market analyses
6. Internet research

There are no other attributes and limitations of the credit rating or rating outlook other than displayed on the CRA website. Furthermore CRA considers satisfactory the quality and extent of information available on the rated entity. In regard to the rated entity Creditreform Rating AG regarded available historical data as sufficient.

Between the disclosure of the credit rating to the rated entity and the public disclosure no amendments were made to the credit rating.

The "Basic data" information card indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

In case where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating and indicates how the different methodologies or these other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions, such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings as well as best-case scenario credit ratings are explained in mentioned methodologies and / or in the credit rating report.

The date at which the credit rating was released for distribution for the first time and when it was last updated including any rating outlooks is indicated clearly and prominently in the rating report or in the "Basic data" card as a "Rating action"; first release is indicated as "initial rating",

other updates are indicated as an “update”, “upgrade or downgrade”, “not rated”, “confirmed”, “selective default” or “default”.

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available in the rating report or the „Basic data“ information card.

In accordance to Article 11 (2) EU-Regulation (EC) No 1060/2009 registered or certified credit rating agency shall make available in a central repository established by ESMA information on its historical performance data, including the ratings transition frequency, and information about credit ratings issued in the past and on their changes. Requested data are available at the ESMA website: <https://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

An explanatory statement of the meaning of Creditreform’s default rates are available in the credit rating methodologies disclosed on the website.

### **Disclaimer**

Any rating performed by Creditreform Rating AG is subject to the Creditreform Rating AG Code of Conduct which has been published on the web pages of Creditreform Rating AG. In this Code of Conduct, Creditreform Rating AG commits itself – systematically and with due diligence – to establish its independent and objective opinion as to the sustainability, risks and opportunities concerning the enterprise or the issue under review.

Future events are uncertain, and forecasts are necessarily based on assessments and assumptions. This rating is therefore no statement of fact, but an opinion. For this reason, Creditreform Rating AG cannot be held liable for the consequences of decisions made on the basis of any of their ratings. Neither should these ratings be construed as recommendations for investors, buyers or sellers. They should only be used by market participants (entrepreneurs, bankers, investors etc.) as one factor among others when arriving at corporate or investment decisions. Ratings are not meant to be used as substitutes for one’s own research, inquiries and assessments.

We have assumed that the documents and information made available to us by the client are complete and accurate and that the copies provided to us represent the full and unchanged contents of the original documents. Creditreform Rating AG assumes no responsibility for the true and fair representation of the original information.

This report is protected by copyright. Any commercial use is prohibited without prior written permission from Creditreform Rating AG. Only the full report may be published in order to prevent distortion of the report’s overall assessment. Excerpts may only be used with the express consent of Creditreform Rating AG. Publication of the report without the consent of Creditreform Rating AG is prohibited. Only ratings published on the Creditreform Rating AG web pages remain valid.

Creditreform Rating AG

**Contact information**

Creditreform Rating AG  
Europadamm 2-6  
D-41460 Neuss

Phone +49 (0) 2131 / 109-626  
Fax +49 (0) 2131 / 109-627

E-Mail [info@creditreform-rating.de](mailto:info@creditreform-rating.de)  
[www.creditreform-rating.de](http://www.creditreform-rating.de)

CEO: Dr. Michael Munsch

Chairman of the Board: Michael Bruns  
HR Neuss B 10522