Creditreform Bank Rating
Nordea Bank Abp (Group)

Rating Object	Rating Information
Nordea Bank Abp (Group) Creditreform ID: 5164060120	Long Term Issuer Rating / Outlook: **AA- / stable** Short Term: **L1** Type: Update / Unsolicited
Rating Date: **14 November 2024** Monitoring until: withdrawal of the rating Rating Methodology: CRA "Bank Ratings v.3.3" CRA "Rating of Bank Capital and Unsecured Debt Instruments v.2.2" CRA "Environmental, Social and Governance Score for Banks v.1.1" CRA "Rating Criteria and Definitions v.1.3" Rating History: www.creditreform-rating.de	Rating of Bank Capital and Unsecured Debt Instruments: Preferred Senior Unsecured (PSU): **AA-** Non-Preferred Senior Unsecured (NPS): **A+** Tier 2 (T2): **BBB+** Additional Tier 1 (AT1): **BBB**

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's Preferred Senior Unsecured Debt at AA-, Non-Preferred Senior Unsecured Debt at A+, Tier 2 Capital at BBB+ and AT1 Capital at BBB.

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

Key Rating Drivers

- Further improving, excellent earnings quality
- Excellent asset quality, but challenging market environment
- 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, high interest rates weighing on economic activity, curbed inflationary tendencies

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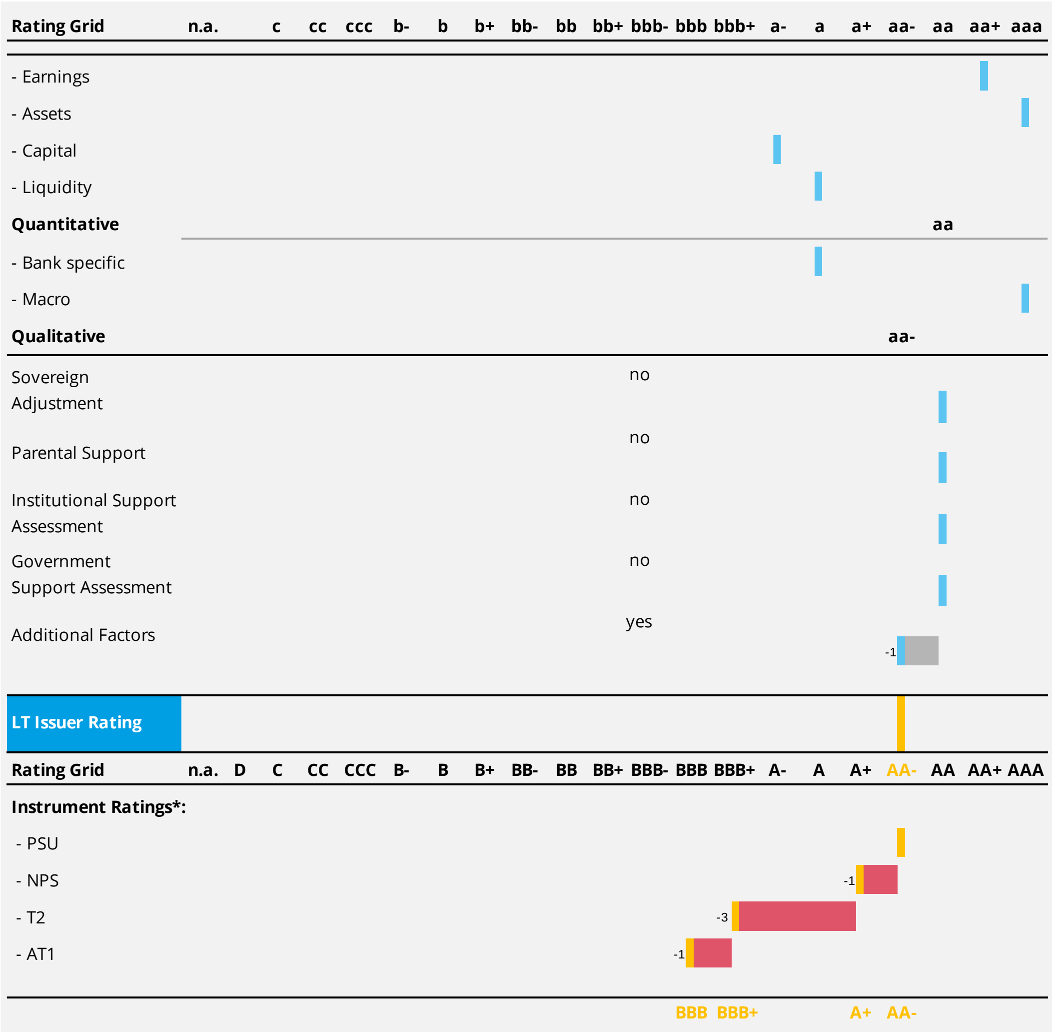
Executive Summary



*PSU: Preferred Senior Unsecured; NPS: Non-Preferred Senior Unsecured; T2: Tier 2; AT1: Additional Tier 1

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 ratings of Preferred Senior Unsecured, Non-Preferred Senior Unsecured Debt, Tier 2 Capital and AT1 capital are affirmed.

Nordea Bank has managed to further improve its already excellent earnings in 2023. Asset quality remains excellent in a challenging market environment. Capitalization of Nordea is solid, but generous distributions, new retail models and firmer requirements erode regulatory buffers.

Additional Factors (Other):

Additional factors modifying the rating negatively are the negative trends in asset quality in a challenging interest and economic environment as well as negative capitalization trends with decreasing capital buffers. These factors offset the positive earnings developments and keep the Long-Term Issuer Rating steady at AA-.

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: optimizing operational efficiency, driving income growth initiatives, and creating the best customer experience. Financial targets have been amended, Nordea aims to achieve a cost income ratio of 44-46% (previously: 45-47%) and a return on equity (ROE) of >15% (13%) in fiscal year (FY) 2025. In addition, the bank aims to maintain a >150bp management buffer above the capital requirements and a dividend policy with a targeted payout ratio of 60-70%. Normalized cost of risk are targeted at around 10bp of total loans.

In July 2023, Nordea announced the acquisition of Danske Bank's personal customer business in Norway. Regulatory bodies in Norway gave the green light for the acquisition in December 2023 and February 2024. Closing is expected in November 2024.

Business Development

Profitability

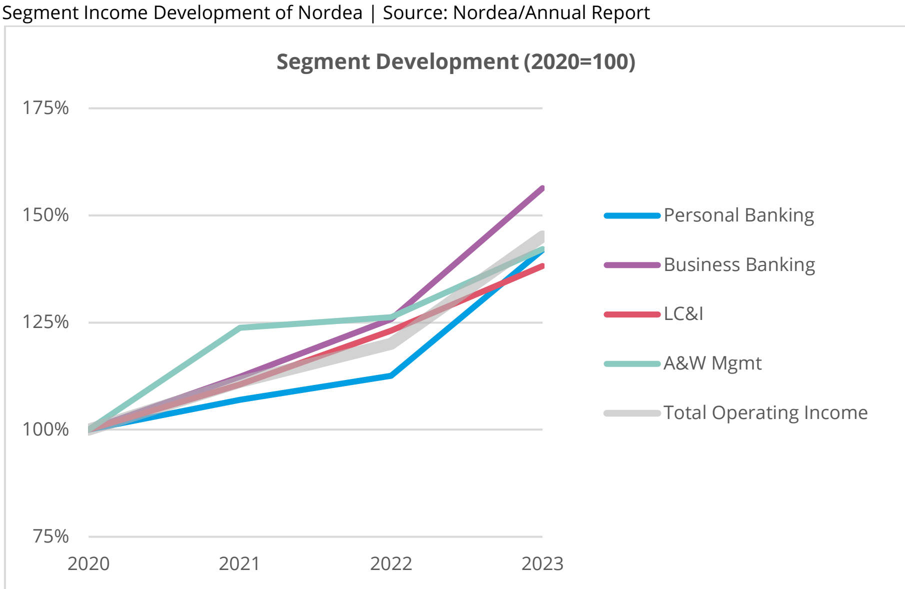
Creditreform Rating AG follows a structural approach in the presentation of the income statement and balance sheet as well as in the calculation of key ratios. The presentation may therefore differ from that of the bank. Creditreform Rating pursues the goal of making financial statements of different banks as well as within the scope of consolidation as comparable as possible. Certain key ratios are also taken or calculated from the Bank's Pillar III Report for reasons of comparability. Balance sheet and income statement figures are taken from the consolidated financial statements of the respective years. One-off or exceptional items are, where possible, relegated to the line items non-recurring revenue and expense.

Operating profit increased significantly in the 2023 reporting year. This was mainly due to significantly higher income in the interest business and only moderate cost increases.

Operating income increased by EUR 2.1bn compared to the previous year, corresponding to a sharp rise of 21.3%. This was largely due to the significant increase in net interest income of 31.6% or EUR 1.8bn compared to the previous year. While interest income more than doubled, interest expenses even tripled. Mortgage lending margins in Norway, Sweden and Finland, among others, offset the overall increase. The net fee and commission income decreased by EUR 165mn (-5.2%), mainly due to lower lending fee income in Denmark. In contrast, fair value income increased significantly, but still only contributes less than 10% to operating income.

All business segments experienced strong growth in 2023, led by Personal Banking, which continues to account for the highest share of total operating income. With growth of almost EUR 1bn (+26.1%), Personal Banking accounted for almost half of the increase in total operating income (EUR +2.1bn). Business Banking also achieved strong growth of EUR 0.7bn (+24.3%). Large Corporates & Institutions and Asset & Wealth Management also recorded robust growth (+12.3% and +12.6% respectively), but remain significantly smaller overall than the two large segments. Over the past four years, all segments have enjoyed robust and, above all, continuous growth.

Chart 1: Segment Income Development of Nordea | Source: Nordea/Annual Report



Expenses increased by EUR 413mn (+8.5%) in each significant line item. Depreciation and amortisation increased to EUR 817mn in the reporting year due to write-offs of intangible assets. Of the increase of EUR 206mn, EUR 130mn alone was due to a change in the handling of IT development costs. Personnel costs increased by EUR 115mn (+4.1%) to EUR 2.9bn. The number of employees in the Nordea Group increased by 5.8% year-on-year. IT costs also increased significantly by EUR 183mn to EUR 962mn (+23.5%), mainly due to IT consultancy costs.

In total, operating profit increased by EUR 1.7bn (+33.9%) to EUR 6.5bn. Risk costs remained very moderate at EUR 187mn (previous year: EUR 112mn), underlining the good asset quality.

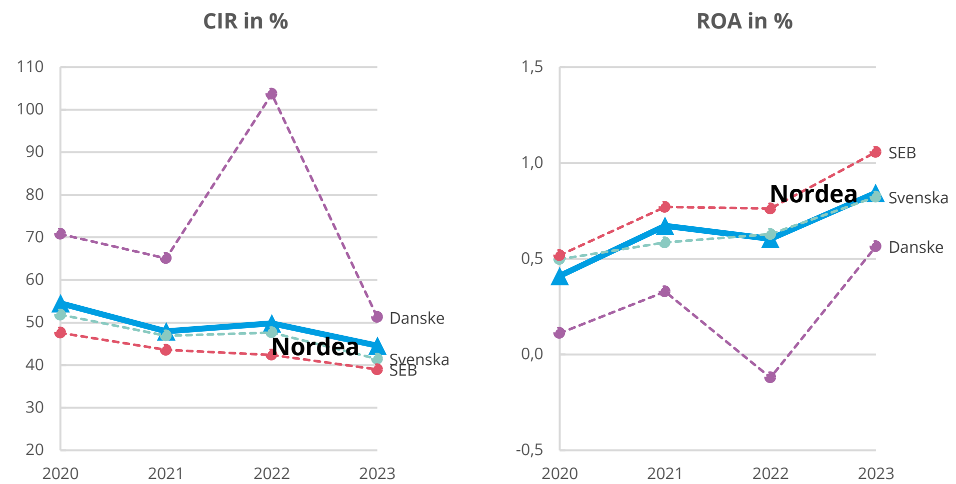
Pre-tax profit totalled EUR 6.3bn, an increase of 33.1% on the previous year. Net profit totalled EUR 4.9bn, an increase of EUR 1.3bn (+37.6%).

The bank improved slightly again in Q3-24. Annualised extrapolation suggests that, barring unforeseen events, net profit for the year is likely to be even higher. However, the increase in net interest income has probably peaked, and with the onset of interest rate cuts in the Eurozone and the Nordic countries, the phase of rapid growth is likely over.

With another very good result, the bank's key earnings figures continued to improve. With a cost income ratio (CIR) of 44.6% and a return on equity (ROE) of 15.8%, the bank is already within the target corridor for 2025. A further improvement is expected for 2024.

In a peer group comparison with Nordic competitor banks, Nordea is in the middle range in terms of profitability. With the exception of one bank, the development largely runs parallel - all banks were able to improve their profitability and operational efficiency significantly. The profitability of Nordic banks is excellent overall and the differences between the major banks in the region are relatively small.

Chart 2: CIR and ROA of Nordea in comparison to the peer group | Source: eValueRate / CRA



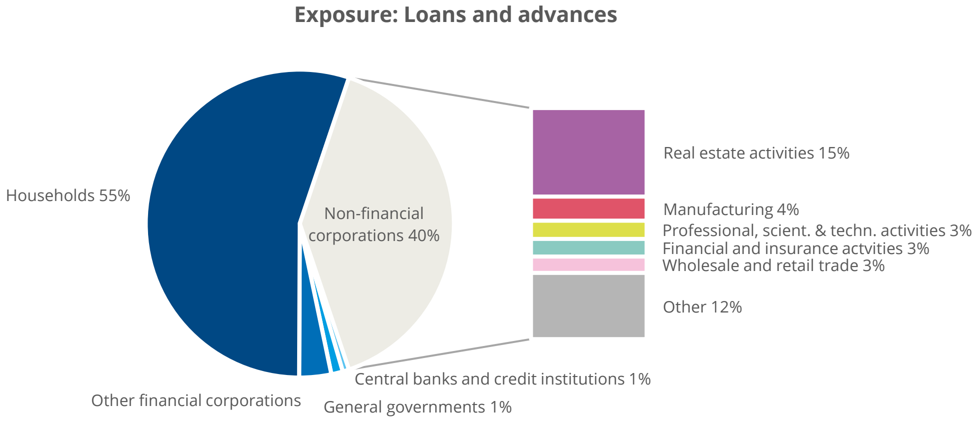
Asset Situation and Asset Quality

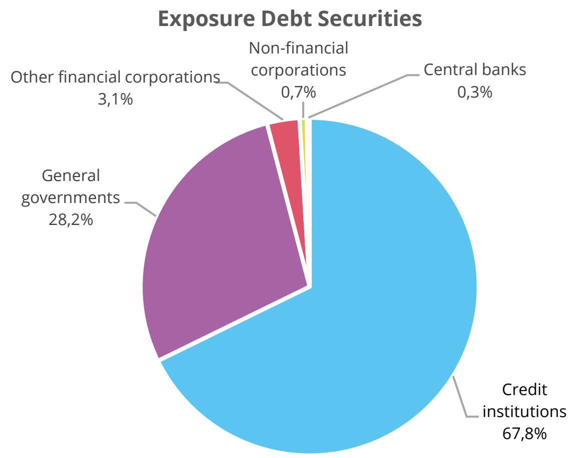
Total assets decreased slightly in the reporting year following a sharp increase in the previous year. Financial assets in particular declined. Cash positions decreased by EUR 10.2bn to EUR

52.5bn. Loans to customers decreased slightly by EUR 3.3bn to EUR 324bn. In contrast, securitised securities increased, with share positions in particular rising by almost EUR 6.1bn, driven by favourable equity markets. Derivative positions decreased by EUR 8.8bn due to changes in FX and interest rates. By Q3-24, lending has picked up. Total Assets grew by almost EUR 33bn, driven mostly by an increase in shares and assets in pooled schemes and unit-linked investment contracts, as equity markets continue to perform well.

The majority of the balance sheet exposure is in the Nordic countries, with Sweden, Denmark and Finland accounting for approximately a quarter each and Norway representing just under 20%. Only a small portion is held in the rest of the world, with the USA representing approximately 3.7% and accounting for approximately half of the exposure outside the Nordic countries. Nordea maintains a significant retail presence, with households accounting for 55% of loans and advances. Non-financial corporations represent 40% of exposures, with the majority (38.3%) concentrated in real estate activities. While Creditreform does not identify any overexposure in sectors at elevated risk, the high share in commercial real estate financing may result in higher associated costs of risk in the near future due to the current high interest environment. The majority of our debt securities exposure is in sectors of credit institutions and general governments that are deemed to be of low risk.

Chart 3: Exposure of Loans and Advances, and Debt Securities | Source: Pillar III (EU CQ4, CQ5, CR1)

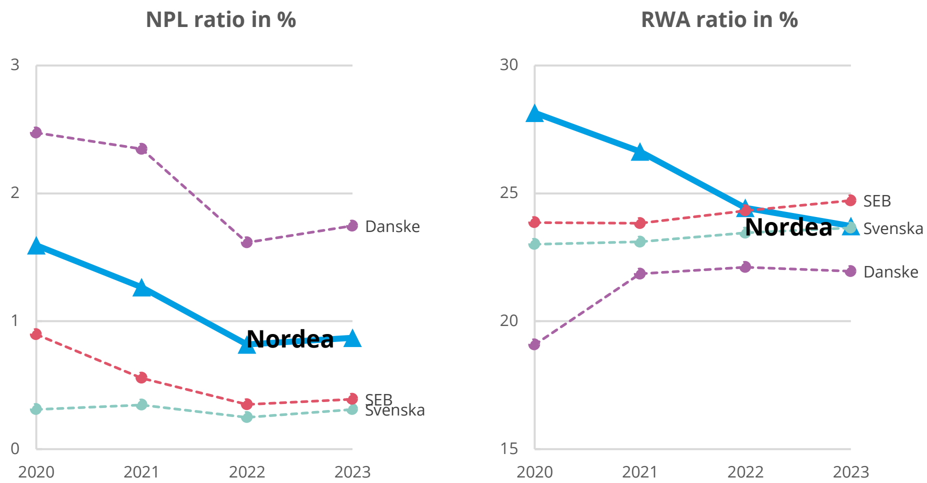




Asset quality is excellent overall. The NPL ratio is below 1% and increased only minimally in the reporting year, the RWA ratio was a low 23.7%, and the cost of risk remains below the 10bp targeted in the strategic plan. Only the potential problem loans (IFRS stage 2 exposures) increased significantly year on year. However, as of Q3-24, NPL and potential problem loans rose significantly, taking a toll due to high interest rates and economic stagnation. Significantly, the risk exposure amount of Nordea increased by 10.8% in Q3-24 compared to 2023 as Nordea implemented new retail models which increased the risk exposure amount in retail banking by EUR 14bn. Meanwhile, total assets increased only 5.6%. This had a significant impact on regulatory capital ratios outlined in the section on capital quality.

In a direct peer group comparison, Nordea is positioned in the middle of the range in terms of asset quality, but with all of the banks in the sample demonstrating excellent ratios. The RWA ratio of the banks in the sample varies by only approximately three percentage points, with three out of four banks exhibiting an NPL ratio of less than 1%.

Chart 4: NPL and RWA ratios of Nordea in comparison to the peer group | Source: eValueRate / CRA, Pillar III



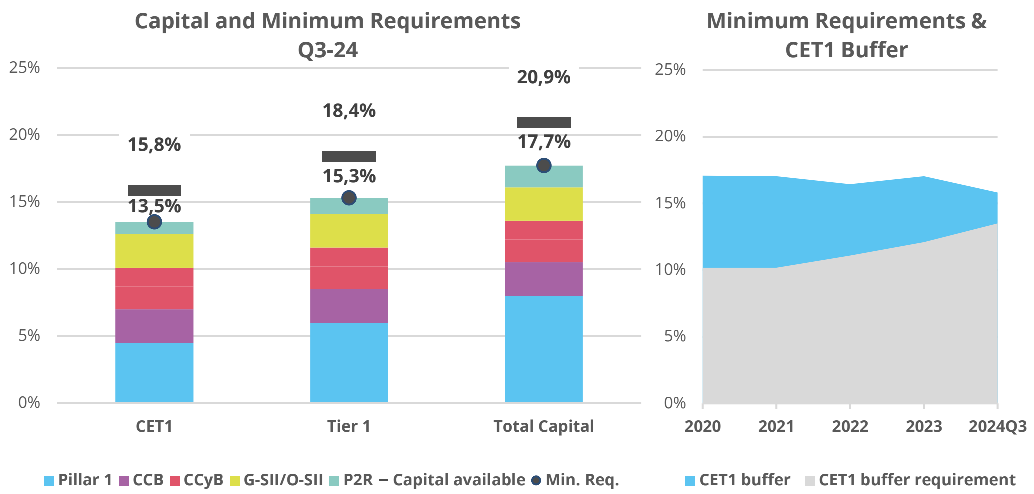
Refinancing, Capital Quality and Liquidity

Total liabilities fell sharply in the areas of deposits from banks (EUR -3.4bn) and customers (EUR -6bn), while total own issues increased by EUR 3.1bn. As on the assets side, the fair value of derivative positions also decreased significantly due to changes in FX and interest rates. Equity increased slightly by EUR 0.4bn to EUR 31.2bn. Total comprehensive income in 2023 of EUR 4.5bn was offset in particular by dividends for 2022 of EUR 2.9bn and the purchase of own shares totalling EUR 1.3bn.

The increase total assets in Q3-24 was funded primarily through an increase in deposits from customers (+15.6bn EUR) and total debt (+7.7bn EUR). Equity increased marginally to 31.5bn EUR.

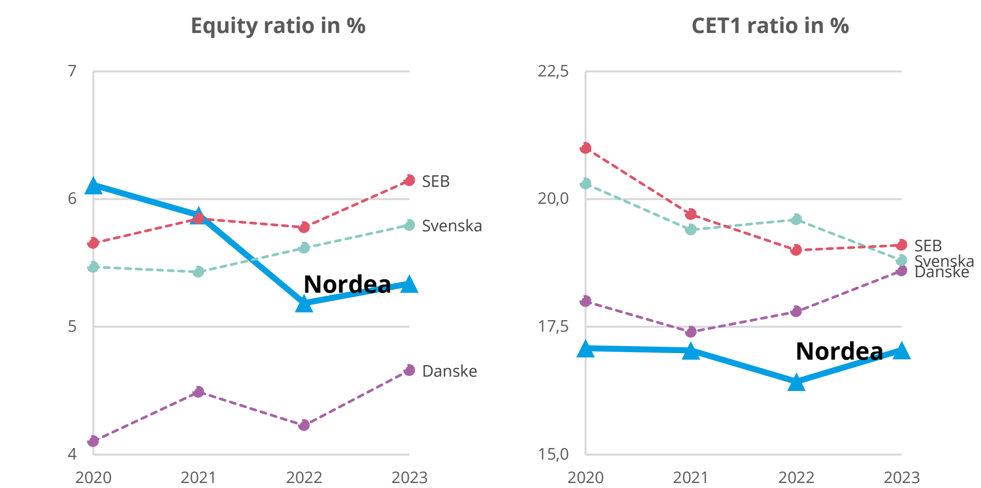
Capital ratios have remained fairly steady over recent years, with the balance sheet equity ratio exceeding 5% of total assets and the CET1 ratio around 17%. However, the negative evolution of the capital buffer has accelerated in recent years. Most recently, RWA increased significantly in Q3-24 due to the implementation of a new risk model for retail exposures, which led to a sharp decline in CET1 ratios and, consequently, the buffer. The buffer is now only 2.3%, whereas in 2020 it was still almost 7%. This is, however, in line with strategic planning and Nordea maintains sufficient capital generation ability through excellent earnings. The buffer however is thus in the lower range of comparable, large banks. In addition, CET1 buffer requirements have steepened steadily in the past years.

Chart 5: Regulatory Capital Ratios, Minimum Requirements and development as per Q3-24| Source: Pillar III / Factbook 2024 Q3



In a direct peer group comparison, Nordea tends to be at the bottom of the range in terms of capitalisation and even at the absolute bottom in terms of CET1 regulatory capital ratio. In addition, the development in Q3-24 is not yet included in the graphical analysis. Compared to other large banks, Nordea has a rather aggressive payout policy, which is made possible by strong earnings.

Chart 6: Equity and CET1 ratios of Nordea in comparison to the peer group | Source: eValueRate / CRA / Pillar III



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 Tier 2 Capital is rated BBB+ and Additional Tier 1 Capital is rated BBB, based on Nordea's capital and seniority structure, in accordance with our rating methodology.

Environmental, Social and Governance (ESG) Score Card

Nordea has one significant and two moderate ESG rating drivers

• Corporate Governance is identified as a highly significant rating driver. The relevance for the credit rating results from the impact of the Corporate Governance factor on all other ESG factors and the overall well-being of the bank. This sub-factor is rated very positive.

• Corporate Behaviour and Green Financing / Promoting are identified as moderate rating driver. While Green Financing / Promoting is rated neutral, Coporate Behaviour is rated neutral.

ESG Bank Grade
4,1 / 5

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

	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 neutral in terms of the CRA ESG criteria.	3	( )
	1.2 Exposure to Environ-mental Factors	The sub-factor "Exposure to Environmental Factors" has a low relevance for the credit rating, and is rated very 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.	1	(+)

	Sub-Factor	Consideration	Relevance Scale 2022	Eval.
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.	1	(+)

	Sub-Factor	Consideration	Relevance Scale 2022	Eval.
Governance	3.1 Corporate Governance	The sub-factor "Corporate Governance" is highly relevant for the credit rating, and is rated very 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.	1	(+ +)

ESG Relevance Scale	
5	Highest Relevance
4	High Relevance
3	Moderate Relevance
2	Low Relevance
1	No significant Relevance

ESG Evaluation Guidance	
(+ +)	Strong positive
(+)	Positive
( )	Neutral
(-)	Negative
(- -)	Strong negativ

The ESG Grade is based on the Methodology "Environmental, Social and Governance Grade 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 "Consodering 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 solid yet declining, 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, if need arises. Furthermore, we expect Nordea to meet and maintain its strategic goals for 2025.

Scenario Analysis

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.

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 and/or maintain its strategic goals for 2025 and continues to deplete its capital reserves.

Appendix

Bank ratings Nordea

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

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 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
Rating Update	14.11.2024	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
PSU / NPS / T2 / AT1	14.11.2024	AA- / A+ / BBB+ / BBB

Tables Group (if applicable)

Figure 2: Income statement[1] | Source: eValueRate / CRA

Income Statement (EUR m)	2023	%	2022	2021	2020
Income					
Net Interest Income	7.451	+31,6	5.664	4.925	4.515
Net Fee & Commission Income	3.021	-5,2	3.186	3.495	2.959
Net Insurance Income	226	+30,6	173	97	80
Net Trading & Fair Value Income	1.034	+69,5	610	1.105	868
Equity Accounted Results	-3	-62,5	-8	-6	-1
Dividends from Equity Instruments	-	-	-	-	-
Other Income	43	-48,2	83	87	93
Operating Income	**11.772**	**+21,3**	**9.708**	**9.703**	**8.514**
Expense					
Depreciation and Amortisation	817	+33,7	611	664	605
Personnel Expense	2.908	+4,1	2.793	2.759	2.752
Tech & Communications Expense	962	+23,5	779	570	547
Marketing and Promotion Expense	66	+24,5	53	44	46
Other Provisions	-	-	-	-	-
Other Expense	494	-17,4	598	612	693
Operating Expense	**5.247**	**+8,5**	**4.834**	**4.649**	**4.643**
Operating Profit & Impairment					
Operating Profit	**6.525**	**+33,9**	**4.874**	**5.054**	**3.871**
Cost of Risk / Impairment	187	+67,0	112	118	908
Net Income					
Non-Recurring Income	-	-	-	-	-
Non-Recurring Expense	-	-	-	-	-
Pre-tax Profit	**6.338**	**+33,1**	**4.762**	**4.936**	**2.963**
Income Tax Expense	1.404	+19,5	1.175	1.105	698
Discontinued Operations	-	-	-	-	-
Net Profit	**4.934**	**+37,6**	**3.587**	**3.831**	**2.265**
Attributable to minority interest (non-controlling interest)	-	-	2	-	-
Attributable to owners of the parent	4.934	+37,5	3.589	3.805	2.238

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

Income Ratios (%)	2023	%	2022	2021	2020
Cost Income Ratio (CIR)	44,57	-5,22	49,79	47,91	54,53
Cost Income Ratio ex. Trading (CIRex)	48,86	-4,27	53,13	54,07	60,72
Return on Assets (ROA)	0,84	+0,24	0,60	0,67	0,41
Return on Equity (ROE)	15,80	+4,17	11,63	11,43	6,71
Return on Assets before Taxes (ROAbT)	1,08	+0,28	0,80	0,87	0,54
Return on Equity before Taxes (ROEbT)	20,30	+4,86	15,44	14,73	8,78
Return on Risk-Weighted Assets (RORWA)	3,56	+1,09	2,47	2,52	1,46
Return on Risk-Weighted Assets before Taxes (RORWAbT)	4,57	+1,29	3,28	3,25	1,91
Net Financial Margin (NFM)	1,65	+0,47	1,18	1,19	1,09
Pre-Impairment Operating Profit / Assets	1,12	+0,30	0,82	0,89	0,70

Change in %Points

[1] 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)	2023	%	2022	2021	2020
Cash and Balances with Central Banks	52.531	-16,2	62.700	47.904	36.078
Net Loans to Banks	2.363	-48,2	4.561	1.983	3.123
Net Loans to Customers	323.986	-1,0	327.273	328.238	317.325
Total Securities	90.158	+6,9	84.325	78.600	75.158
Total Derivative Assets	25.654	-25,6	34.462	30.135	45.129
Other Financial Assets	20.842	+12,8	18.470	18.480	16.235
Financial Assets	**515.534**	**-3,1**	**531.791**	**505.340**	**493.048**
Equity Accounted Investments	481	-5,5	509	207	555
Other Investments	2.199	-3,9	2.288	1.764	1.535
Insurance Assets	50.531	+15,8	43.639	46.912	36.484
Non-current Assets & Discontinued Ops	106	-	0	180	-
Tangible and Intangible Assets	5.479	-3,5	5.678	5.529	5.702
Tax Assets	471	-7,6	510	490	706
Total Other Assets	9.901	-4,0	10.314	9.931	14.130
Total Assets	**584.702**	**-1,7**	**594.729**	**570.353**	**552.160**

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

Asset Ratios (%)	2023	%	2022	2021	2020
Net Loans to Customers / Assets	55,41	+0,38	55,03	57,55	57,47
Risk-weighted Assets[1] / Assets	23,72	-0,71	24,43	26,63	0,00
NPL[2]/ Loans to Customers[3]	0,87	+0,05	0,82	1,27	1,59
NPL[2]/ Risk-weighted Assets[1]	2,03	+0,19	1,83	2,72	3,19
Potential Problem Loans[4]/ Loans to Customers[3]	5,01	+1,10	3,91	3,85	4,39
Reserves[5]/ NPL[2]	83,26	+1,22	82,03	83,27	71,66
Cost of Risk / Loans to Customers[3]	0,06	+0,02	0,03	0,04	0,29
Cost of Risk / Risk-weighted Assets[1]	0,13	+0,06	0,08	0,08	0,58
Cost of Risk / Total Assets	0,03	+0,01	0,02	0,02	0,16

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)	2023	%	2022	2021	2020
Total Deposits from Banks	29.504	-10,2	32.869	26.961	23.939
Total Deposits from Customers	206.460	-2,8	212.444	204.496	182.064
Total Debt	188.268	+1,7	185.204	183.215	181.250
Derivative Liabilities	29.925	-21,1	37.927	31.586	49.641
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	3.602	-28,2	5.020	1.305	1.367
Total Financial Liabilities	**457.759**	**-3,3**	**473.464**	**447.563**	**438.261**
Insurance Liabilities	79.141	+11,7	70.880	67.796	55.712
Non-current Liabilities & Discontinued Ops	-	-	-	-	-
Tax Liabilities	918	+2,3	897	889	741
Provisions	658	+1,4	649	783	961
Total Other Liabilities	15.001	-16,6	17.995	19.819	22.745
Total Liabilities	**553.477**	**-1,8**	**563.885**	**536.850**	**518.420**
Total Equity	**31.225**	**+1,2**	**30.844**	**33.503**	**33.740**
Total Liabilities and Equity	**584.702**	**-1,7**	**594.729**	**570.353**	**552.160**

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

Capital Ratios and Liquidity (%)	2023	%	2022	2021	2020
Total Equity / Total Assets	5,34	+0,15	5,19	5,87	6,11
Leverage Ratio[1]	5,00	+0,10	4,90	5,40	5,62
Common Equity Tier 1 Ratio (CET1)[2]	17,05	+0,62	16,43	17,04	17,08
Tier 1 Ratio (CET1 + AT1)[2]	19,35	+0,66	18,69	19,10	18,75
Total Capital Ratio (CET1 + AT1 + T2)[2]	22,21	+1,42	20,79	21,25	20,46
CET1 Minimum Capital Requirements[1]	12,10	+1,02	11,08	10,18	10,18
Net Stable Funding Ratio (NSFR)[1]	118,70	+3,07	115,62	111,13	110,34
Liquidity Coverage Ratio (LCR)[1]	159,00	+4,01	154,99	158,12	158,43

Change in %Points

1 Pillar 3 EU KM1

2 Regulatory Capital Ratios: Pillar 3 EU KM1

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. The rating was carried out on the basis of the following methodologies and Rating Criteria and Definitions (v1.3):

- Bank ratings (v3.3)
- Rating of bank capital and unsecured debt instruments (v2.2)
- Environmental, Social and Governance Score for Banks (v1.1)

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 November 2024, 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 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.

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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.

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