

Council of Europe Development Bank

Key Rating Drivers

SCP Drives Rating: Council of Europe Development Bank's (CEB) ratings are driven by its Standalone Credit Profile (SCP) of 'aaa', based on a 'aa' solvency assessment, reflecting 'Strong' capitalisation and 'Very Low' risk assessments, a 'aaa' liquidity assessment and a two-notch uplift over the lower of solvency and liquidity to reflect CEB's 'Low' risk business environment. Fitch Ratings' assessment of extraordinary support from shareholders is 'a' and does not lead to any rating uplift.

Strong Capitalisation: Fitch's usable capital to risk-weighted assets (FRA ratio) weakened at end-2025 to 44.9% from 45.6% at end-2024, mainly due to the [downgrade of France](#) to the 'A' category. We expect the FRA ratio to have weakened slightly by the end of our forecast, but still be consistent with an 'Excellent' assessment. The bank's equity/assets ratio (E/A) was 12.2% at end-2025 (from 11.6% at end-2024). Fitch expects the ratio to increase over the medium term.

The bank's latest capital increase, approved in 2022, has progressed smoothly, with timely payments from subscribed shareholders. At end-March 2026, CEB had received EUR878 million of paid-in capital, covering the first three instalments from subscribing member states. The fourth, and final, instalment is due by end-July 2026. We expect CEB's planned higher risk exposure to Ukraine by end-2028 to partly offset the positive effects of the capital increase.

Very Low Credit Risk: Borrowers' average credit quality was 'A-' at end-2025, unchanged from 2024. We expect this to decline to 'BBB+' by the end of our forecast, reflecting greater exposure to Ukraine, but consistent with 'Very Low' credit risk, as this is enhanced by CEB's 'Strong' preferred creditor status (PCS), leading to a two-notch uplift over the average rating of loans to 'A'. The assessment also reflects exceptional loan performance, with no non-performing loans over the past decade.

EEA Reduces Risks: In June 2025, CEB executed its first Exposure Exchange Agreement (EEA) with Inter-American Development Bank (AAA/Stable), of EUR500 million. The transaction reduced CEB's top-five obligors' share by 1.9% to 18.3% at end-2025 (from 21.6% at end-2024). Fitch expects the ratio to increase above the 20% threshold in the medium term due to greater exposure to Ukraine. CEB's solvency assessment also benefits from 'Very Low' equity risk and 'Strong' risk-management policies. Fitch assesses CEB's overall risks as 'Very Low'.

Excellent Liquidity: Our 'aaa' liquidity assessment reflects CEB's excellent liquidity buffers, the strong credit quality of its treasury portfolio (62% rated above 'AA-' at end-2025), and strong access to capital markets. We expect coverage of short-term debt by liquid assets to remain above the 1.5x 'Excellent' threshold (3.7x at end-2025), in line with recent years.

Business Environment Supports Rating: CEB's 'Medium' risk business profile is supported by low-risk governance and medium-risk strategy and the importance of its public mandate, which is demonstrated by its role as a key social development entity in different EU policies. Non-sovereign sector exposure accounted for 53.7% of total exposures at end-2025 and is therefore assessed as 'High' risk; however, most of these exposures are quasi-sovereign in nature.

Strong Propensity to Support: Fitch assesses extraordinary support from shareholders at 'a'. This is based on the 'A+' average rating of key shareholders (Germany: AAA/Stable; France: A+/Stable; Italy: BBB+/Stable; together accounting for 51% of CEB's capital). Fitch applies a one-notch negative adjustment to 'A', to reflect a 'Moderate' propensity to support. In Fitch's view, the recent capital increase is evidence of shareholders' increased propensity to provide financial support to the bank.

This report does not constitute a new rating action for this issuer. It provides more detailed credit analysis than the previously published Rating Action Commentary, which can be found on www.fitchratings.com.

Ratings

Foreign Currency

Long-Term IDR	AAA
Short-Term IDR	F1+

Outlook

Long-Term Foreign-Currency IDR	Stable
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Highest ESG Relevance Scores

Environmental	2
Social	4
Governance	4

Financial Data

	End-2024	End-2025
Total assets (EURm)	38	39
Equity to assets (%)	11.6	12.2
Fitch's usable capital to risk-weighted assets (FRA, %)	45.6	44.9
Average rating of loans & guarantees	A-	A-
Impaired loans (% of total loans)	0.0	0.0
Five largest exposures to total exposure (%)	21.6	18.3
Share of non-sovereign exposure (%)	55.5	53.7
Net income / equity (%)	2.9	2.5
Average rating of key shareholders	A+	A+

Source: Fitch Ratings, CEB

Applicable Criteria

[Supranationals Rating Criteria \(October 2024\)](#)

Related Research

[Fitch Affirms Council of Europe Development Bank at 'AAA'; Outlook Stable \(June-2026\)](#)

[Click here for more Fitch Ratings content on Council of Europe Development Bank](#)

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Rating Derivation Summary

	Standalone Credit Profile (SCP)					Support			Final rating
	Solvency	Liquidity	Lower of solvency and liquidity	Business environment (+3/-3 notches)	Final SCP	Capacity	Propensity (+1/-3 notches)	Support adjustment (up to 3 notches)	
CEB	aa	aaa	aa	+2	aaa	A+	-1	0	AAA

Source: Fitch Ratings

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- **Solvency (Capitalisation):** A deterioration in the FRA ratio to below 35% or the E/A ratio to below 8%, for example, driven by delays in capital subscription or payments relative to our expectation and/or increased exposure to borrowers with weak credit quality, potentially caused by faster-than-expected loan growth.
- **Solvency (Risks):** Increased credit risk following multiple negative sovereign rating actions or rising exposure to borrowers with low ratings that result in the average rating of the loan book falling below 'A-' after accounting for CEB's PCS; an increase in non-performing loans above the 'Very Low' criteria-defined threshold of 1%.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

- The rating is at the highest level on Fitch's scale and cannot be upgraded.

Business Environment

Fitch assesses CEB's overall business environment as 'Low' risk, reflecting a 'Medium' risk business profile and a 'Low' risk operating environment. The assessment leads to a two-notch upward adjustment to the lower of solvency and liquidity assessments.

Brief Issuer Profile

CEB is a multilateral development bank (MDB) that dates back to 1956 when the Council of Europe (COE) established the Resettlement Fund for National Refugees and Over-Population in Europe. The institution's original mandate was to aid refugees in Europe after World War II by financing absorption and resettlement programmes. The fund was endowed with international legal status and became the first intergovernmental European financial organisation. CEB's operations now include the financing of social, environmental and infrastructure projects.

CEB membership comprises 43 states of the Council of Europe and is open to all COE members. CEB is legally and financially independent of the Council, being based on a partial agreement as not all members of COE (47) are CEB members. CEB's headquarters are in Paris. The only CEB members that are not members of the COE are Kosovo (joined in 2013) and Holy See (1973). The founding members of CEB are: Belgium (A+/Stable), France (A+/Stable), Germany (AAA/Stable), Greece (BBB/Stable), Italy (BBB+/Stable), Luxembourg (AAA/Stable) and Türkiye (BB-/Stable). France, Germany, and Italy are the single largest shareholders, each owning a 16.9% stake.

The bank's main lending instruments are loans to states or state-guaranteed projects, public institutions and banks – but its by-laws prohibit investment in equity stakes. As a supranational entity, CEB is not subject to banking regulation and is exempt from all direct and indirect taxation. Its claims on sovereign states also benefit from the bank's PCS.

CEB also manages donor funds to extend grants. Donors include the EU, member countries and other countries (such as the US). Recent initiatives include the Ukraine Solidarity Fund, a multi-donor trust fund established in 2023 to support emergency relief, social infrastructure and reconstruction efforts in Ukraine, and since 2024, the expansion of Invest EU-backed advisory and technical assistance facilities. These mechanisms enable the CEB to mobilise grant resources to strengthen project implementation capacity.

In December 2022, CEB shareholders approved a new capital increase of up to EUR4.3 billion including EUR1.2 billion of paid-in capital. The subscription period closed on 31 December 2024 with a shareholders' participation rate of 95%; the payment timeline was set from 2024 until 2026.

Business Profile

We assess CEB's business profile as a 'Medium' risk, due to the following key factors:

CEB's total banking exposure (TBE), of USD24 billion at end-2025, falls within the 'Medium' risk category (USD5 billion-USD30 billion). We expect TBE to remain close to but below USD30 billion by 2028, notwithstanding its expected growth.

CEB's 'Low' risk governance reflects its experienced senior staff and prudential risk framework. It has a transparent organisational structure and a comprehensive set of internal policies, which are firmly enforced, with a history of strong credit performance. A layered internal governance structure – that combines statutory oversight bodies with senior management-level committees combined with independent internal control functions – supports CEB's organisational framework. Fitch expects the bank to maintain high-quality credit risk and underwriting standards.

We assess the bank's strategy as 'Medium' risk, reflecting a balance between CEB's moderate growth and history of strong loan performance with an growing exposure to Ukraine and non-sovereign lending.

The bank's private-sector exposure was 53.7% at end-2025, higher than comparable peers, and is therefore assessed as 'High' risk. However, 37% of this exposure was to local governments and municipalities, and a further 10% to SOEs, which Fitch views as less risky than pure private-sector exposures. We expect private-sector exposure to decline over the medium term as CEB's exposure to Ukraine increases, although it is likely to remain slightly above the 50% threshold. The meaningful share of exposure to public-sector entities, together with the expected decline in private-sector exposure, supports the business profile assessment.

The importance of the public mandate is assessed as 'Medium' risk, given the limited role CEB plays in the financing of the countries in which it operates relative to peers in the same rating category. Nevertheless, the recent capital increase highlights the growing importance of CEB for its shareholders. The bank's mandate, funding important social development in the EU, is becoming increasingly relevant as policies on migrant integration are in line with the bank's history and financing operations.

The inclusion of CEB to channel InvestEU funds further supports its mandate and business profile. The Covid-19 crisis also enhanced its role, as the bank has a long history of financing healthcare projects. The bank has seen very strong demand for its loans from sovereigns and regional/local governments, notably reflected in its support to Ukraine, via emergency refugee assistance and, increasingly, financing for reconstruction and social infrastructure, including housing and municipal services.

Operating Environment

Fitch assesses CEB's operating environment as 'Low' risk, due to the following key factors:

The average credit quality of the bank's countries of operations is 'Low' risk compared to peers. The simple average rating of its countries of operations is 'A-', and this includes Ukraine (CCC) that represents 3.4% of the bank's TBE.

The average income per capita in CEB's countries of operations is high and consequently assessed as 'low' risk, owing to the bank's focus on its member countries that have either 'high' or 'upper-middle income' GDP per-capita indicators under the World Bank's (WB) classification.

The business climate in CEB's countries of operations is also assessed as 'low' risk, as the bank operates solely in Europe, which is broadly assessed as a low-risk environment, especially compared with peers.

CEB is headquartered in Paris. It therefore faces very limited political risk based on WB governance indicators.

Solvency

CEB's solvency is assessed at 'aa'. Capitalisation is assessed as 'Strong' and the risk profile as 'Very Low', unchanged from last year. CEB's solvency is in line with other regional peers with similar capitalisation ratios and portfolio performance.

Capitalisation

CEB's 'Strong' capitalisation assessment is unchanged from last year, driven by the 'Excellent' FRA ratio and 'Moderate' E/A ratio.

CEB's leverage has been a rating weakness. The recently approved capital increase helped lift the E/A ratio to 12.2% at end-2025, from 11.6% at end-2024. The ratio is set to slightly increase gradually over the medium term, to 12.9% by end-2028, reflecting higher paid-in capital under the 2022-2024 increase, and it is expected to remain in the 'Moderate' range of 8%-15% in the forecast period.

The FRA ratio slightly decreased to 44.9% in 2025, from 45.6% at end-2024. This was due mainly to the decrease in the portion of callable capital from AAA-AA shareholders due to France's latest downgrade to 'A+' /Stable (Fitch accounts for 10% of callable capital subscribed by shareholders rated in the 'AAA' and 'AA' categories in the numerator of the FRA ratio). We expect the FRA ratio to weaken slightly by end-2028, although it will remain consistent with an 'Excellent' assessment, as greater exposure to Ukraine will only be partly offset by the latest capital increase.

Peer Comparison: Capital Ratios and Profitability

	CEB (AAA)		EIB (AAA)	EUROFIMA (AA)	APICORP (AA+)
	End-2025	Projection ^a	End-2024	End-2025	End-2025
Equity/adjusted assets (E/A, %)	12.2	12-14	14	11	26.6
Usable capital/risk-weighted assets (FRA, %)	44.9	40-50	47	68	44.9
Net income/average equity	2.5	2-3	3.5	0.9	8.2

^a Medium-term projections, forecast range
Source: Fitch Ratings, MDBs

Risks

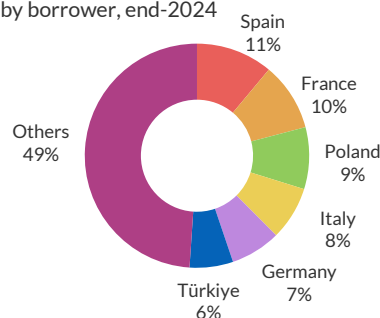
Risks Assessment

Indicative value	Risk level
Credit risk	Very Low
Concentration	Low
Equity risks	Very Low
Risk management policies	Strong

Source: Fitch Ratings

Loan Portfolio

Distribution by borrower, end-2024



Source: Fitch Ratings, CEB

Fitch assesses CEB's overall solvency risks as 'Very Low', unchanged from last year.

The average rating of loans before PCS remained at 'A-' at end-2025. Fitch expects the average rating of loans to deteriorate to 'BBB+' by end-2028, given the greater exposure to Ukraine, but still to be consistent with a 'Very Low' risk assessment, after accounting for PCS.

CEB's PCS is considered 'Strong', leading to a two-notch uplift to the average rating of loans. It balances an exceptional loan performance, with no non-performing loans (NPL) for more than two decades with CEB's sizeable exposure to non-sovereign loans (54% at end-2025). At end-2025, all loans were classified as stage 1 under IFRS and Fitch expects the NPL ratio to remain at 0%, given CEB's record.

At end-2025, 82% of CEB's loans were extended to sovereign and sub-sovereigns and a large portion of the loan portfolio (EUR8.6 billion or 36% of total loans) benefits from credit risk enhancement in the form of guarantees.

The bank's PCS was tested in the Greek and Cypriot crises in 2012. CEB did not participate in the restructuring of Greek or Cypriot sovereign debt, which represented 0.7% and 5% of total loan exposure at end-2012. The only sovereign default in the bank's history was the former Yugoslavia after the onset of the civil war in the early 1990s. The full amount of exposure due was repaid in 2004. The only other arrears in the bank's history were to a bank in Iceland (EUR1.8 million, or 0.02% of the loan portfolio), which was fully settled by 2012.

CEB's concentration is deemed 'Low' risk, with the five largest exposures accounting for 18% of the banking portfolio at end-2025. This ratio improved from 22% (end-2024) due to the EUR500 million EEA with IADB in 2025. The EEA consisted of CEB's sovereign exposures with Türkiye, Bosnia and Herzegovina, Moldova, Romania and Serbia and the positions exchanged were with Argentina, Brazil, Colombia and Mexico.

We do not consider that the EEA has weakened CEB's credit profile as both institutions have the same credit rating ('AAA') and the exchanged portfolio has a similar risk profile. We expect CEB's concentration ratio to increase to slightly above the 20% threshold in the medium term due to the higher projected exposure to Ukraine. After EEA, Türkiye is CEB's single largest exposure at 4.3% of total loans, and is mainly to banks, guaranteed by the sovereign. This mitigates the credit risk, based on the sovereign's consistent record of debt servicing with MDBs.

Fitch assesses CEB's risks related to equity risk as 'Very Low', as it is barred from making equity investments under the bank's Articles of Agreement and policies.

We assess risk management policies as 'Strong' and reflect the bank's conservative investment and underwriting guidelines, comprehensive risk-based prudential framework, transparent and consistent reporting and its history of abiding by limits. Capitalisation and leverage constraints are less stringent relative to peers. The bank's treatment of sovereign risk is less conservative than most MDB peers, as it classifies all sovereign exposures as stage 1, even after multi-notch rating downgrades since the loans were first recorded in the loan book.

Peer Comparison: Risks

	CEB (AAA)		EIB (AAA)	EUROFIMA (AA)	APICORP (AA+)
	End-2025	Projection ^a	End-2024	End-2025	End-2025
Estimated average rating of loans & guarantees	A-	BBB+	BBB	A+	BBB
Impaired loans/gross loans (%)	0.0	0.0	0.6	0.0	0.2
Five largest exposures/total banking exposure (%)	18.3	20-21	16	93	20.6
Equity stakes/total banking exposure (%)	0.0	0.0	2	0.0	19.9

^a Medium-term projections, forecast range
Source: Fitch Ratings, MDBs

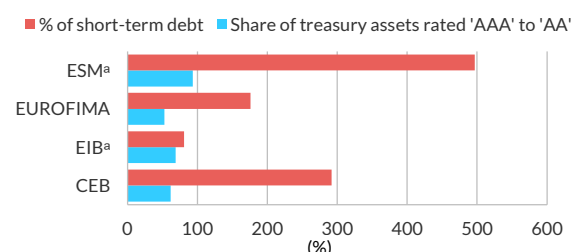
Liquidity Analysis

Liquidity Assessment

Indicative value	Risk level
Liquidity buffer	Excellent
Quality of Treasury Assets	Strong
Access to capital markets & alternative sources of liquidity	Strong

Source: Fitch Ratings

Liquidity Buffers



^a Peers data as of End-2023;
Source: Fitch Ratings, MDBs

Fitch assesses CEB's liquidity at 'aaa', unchanged from last year. CEB's liquidity is higher than peers due to its exceptionally strong liquidity buffer.

Liquid Assets to Short-Term Debt

Liquidity buffers are 'Excellent' and in line with similar peers. Treasury assets accounted for 35% of total assets at end-2025, with the coverage of short-term liabilities by liquid assets at 3.7x at end-2025; we project it will remain far above the 1.5x 'Excellent' level over the medium term. Fitch expects CEB's strong liquidity profile to remain a key rating strength over the medium term.

CEB monitors liquidity risks in various ways, including the short-term liquidity ratio (STLR) that measures the bank's capacity to handle its net liquidity requirements during extended market disruption or economic downturn at different periods (one month, three months, six months and a year) with a minimum coverage of 100%. As of end-2025, CEB liquidity was sufficient to last for 17 months without accessing capital markets. The analysis includes applying haircuts to liquid assets, depending on asset class, rating, and maturity, while assuming continued disbursement of committed financing.

Quality of Treasury Assets

Fitch assesses CEB's quality of liquid assets as 'Strong'. At end-2025, 62% of treasury assets were rated 'AA-' or above and all were investment grade, unchanged from end-2024 and 2023. All its liquid assets considered by Fitch in its

ratios are rated 'A-' or above, of which about 55% were bank deposits, 12% in eurozone sovereign securities and the remaining 37% in non-sovereign securities.

Access to Capital Market, Alternative Source of Liquidity

Fitch assesses CEB's access to capital markets as 'Strong'.

CEB follows a flexible funding strategy by accessing core markets (euro and US dollar) through regular benchmark issuance targeted at a broad range of institutional investors. It also issues in diversification markets (sterling, Canadian dollar and Australian dollar) and in optimisation markets like Norwegian kroner, Swedish krona, Hong Kong dollar and New Zealand dollar, using tailored structures to meet investor demands.

In 2025, CEB had priced five, euro transactions, including a EUR1 billion 10-year benchmark in June 2025 and a EUR1 billion seven-year Social Inclusion Bond in March; issued a USD1.5 billion five-year benchmark in January and USD1 billion three-year Social Inclusion Bond benchmark in May; issued a GBP300 million three-year bond and a AUD550 million five-year benchmark.

Peer Comparison: Liquidity

	CEB (AAA)		EIB (AAA)	EUROFIMA (AA)	APICORP (AA+)
	End-2025	Projection ^a	End-2024	End-2025	End-2025
Liquid assets/short-term debt (%)	373.4	350-380	73	130	177.4
Share of treasury assets rated AA- & above (%)	62.2	60-65	80	49	50.4

^a Medium-term projections, forecast range
Source: Fitch Ratings, MDBs

Shareholder Support

Fitch assesses CEB's shareholder support as 'a', driven its 'A+' capacity to support and a minus one-notch adjustment to reflect a 'Moderate' propensity to support. As the support assessment is lower than CEB's SCP, the overall rating does not benefit from credit uplift.

Capacity to Provide Extraordinary Support

The weighted average rating of key shareholders (WARKS) is stable at 'A+'. Fitch defines key shareholders as the countries or institutions that own the largest shares of callable capital and whose cumulative share ownership accounts for at least 50% of total capital. CEB's key shareholders are France, Germany and Italy, each accounting for 16.9% of total callable capital. France's downgrade was offset by Italy's upgrade in 2025, supporting the maintenance of the projected WARKS.

CEB's callable capital subscribed by shareholders totalled EUR7.9 billion at end-2025, but does not cover the bank's net debt.

Propensity to Provide Extraordinary Support

Member states' willingness to provide support is assessed as 'Moderate'. CEB is smaller than peers and its portion of callable capital does not cover net debt; however, it has played a key role in the financing of support for migrants and refugees, providing immediate aid and helping long-term integration. The recent capital increase highlights CEB's growing policy importance and member states' propensity to provide financial support.

Peer Comparison: Shareholder Support

	CEB (AAA)		EIB (AAA)	EUROFIMA (AA)	APICORP (AA+)
	End-2025	Projection ^a	End-2024	End-2025	End-2025
Coverage of net debt by callable capital	NC	NC	NC	NC	A+
Average rating of key shareholders	A+	A+	A+	AA-	AA-
Propensity to support	-1	-1	0	-2	0

^a Medium-term projections.
Source: Fitch Ratings, MDBs

ESG Relevance Scores

This Navigator report does not constitute a new rating action for this issuer. It provides a visual summary of the integrated scoring system that shows how environmental, social and governance (ESG) factors affect individual credit rating decisions. The most recent Rating Action Commentary can be found on www.fitchratings.com.

FitchRatings

Council of Europe Development Bank

Supranational ESG Navigator

Supranational

ESG Relevance to

Credit Rating

Credit-Relevant ESG Derivation

Council of Europe Development Bank has 2 ESG rating drivers and 5 ESG potential rating drivers

- ➔ Council of Europe Development Bank has exposure to borrowers with limited access to external funding sources and/or extend concessional loans which, in combination with other factors, impacts the rating.
- ➔ Council of Europe Development Bank has exposure to lack of supervision by an external authority and is not subject to banking regulation which, in combination with other factors, impacts the rating.
- ➔ Council of Europe Development Bank has exposure to social pressure to provide support at times of crisis but this has very low impact on the rating.
- ➔ Council of Europe Development Bank has exposure to risk around the execution/predictability of its strategy but this has very low impact on the rating.
- ➔ Council of Europe Development Bank has exposure to board independence and effectiveness, ownership composition but this has very low impact on the rating.
- ➔ Council of Europe Development Bank has exposure to quality of financial reporting and medium-term financial forecasts but this has very low impact on the rating.

Showing top 6 issues

key driver	0	issues	5
driver	2	issues	4
potential driver	5	issues	3
	2	issues	2
not a rating driver	6	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management, Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events and climate change on assets and corresponding risk appetite and management	Asset Quality; Risk Management	1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	4	Lending to borrowers with limited or no access to other external sources of finance; extension of concessional loans or grants; credit protection schemes	Importance of the Public Mandate; Credit Risk; Propensity to Support	5
Customer Welfare: Fair Messaging, Privacy & Data Security	1	n.a.	n.a.	4
Labour Relations & Practices	2	Restriction on recruitment based on nationality and quotas	Governance	3
Employee Well-being	1	n.a.	n.a.	2
Exposure to Social Impacts	3	Counter-cyclical mandate and development role; social pressure to provide support at times of crisis	Credit Risk; NPLs; Capitalisation; Strategy	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy (Operational Execution)	3	Lack of predictability and/or risk around the execution of strategy	Business Profile; Strategy; Governance	5
Governance Structure	3	Board independence and effectiveness, ownership composition, degree of political or external influence, control of one member state over the management of the institution	Business Profile; Strategy; Governance	4
Rule of Law, Institutional & Regulatory Quality	4	Supranationals are neither subject to bank regulation nor supervised by an external authority; all supranationals attract a score of '4'	Risk Management Policies; Governance	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes, detail and scope of information, medium-term financial forecasts	Minimum Data Requirement	2
Policy Status and Mandate Effectiveness	3	Inherent obligor risk concentration; effectiveness of preferred creditor status; access to liquidity support from central bank	Concentration; Credit Risk; Access to Central Bank Refinancing	1

How to Read This Page

ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Data Tables

Balance Sheet

	31 Dec 2025 Year End EURm Original	31 Dec 2024 Year End EURm Original	31 Dec 2023 Year End EURm Original
A. Loans			
1. To/guaranteed by sovereigns	10,912.0	11,916.0	11,090.0
2. To/guaranteed by public institutions	n.a.	n.a.	n.a.
3. To/guaranteed by private sector	n.a.	n.a.	n.a.
4. Trade financing loans (memo)	n.a.	n.a.	n.a.
5. Other loans	12,428.2	10,999.0	10,439.0
6. Loan loss reserves (deducted)	13.6	16.2	10.5
A. Loans, total	23,340.2	22,931.2	21,539.5
B. Other earning assets			
1. Deposits with banks	7,201.2	7,318.3	6,919.7
2. Securities held for sale & trading	2,990.5	3,291.3	2,908.5
3. Investment debt securities (including other investments)	2,926.5	2,338.3	1,796.9
4. Equity investments	n.a.	n.a.	n.a.
5. Derivatives (including fair-value of guarantees)	1,685.7	2,096.8	2,060.1
B. Other earning assets, total	14,803.9	15,044.7	13,685.2
C. Total earning assets (A+B)	38,144.1	36,900.9	32,720.3
D. Fixed assets	71.9	59.8	56.8
E. Non-earning assets			
1. Cash and due from banks	504.8	608.6	1,034.1
2. Other	317.4	1,044.0	607.2
F. Total assets	39,038.2	38,613.3	34,418.4
G. Short-term funding			
1. Bank borrowings (< 1 year)	n.a.	n.a.	n.a.
2. Securities issues (< 1 year)	n.a.	n.a.	n.a.
3. Other (including deposits)	n.a.	n.a.	n.a.
G. Short-term funding, total	n.a.	n.a.	n.a.
H. Other funding			
1. Bank borrowings (> 1 year)	n.a.	n.a.	n.a.
2. Other borrowings (including securities issues)	31,434.0	30,971.5	27,939.3
3. Subordinated debt	n.a.	n.a.	n.a.
4. Hybrid capital	n.a.	n.a.	n.a.
H. Other funding, total	31,434.0	30,971.5	27,939.3
I. Other (non-interest bearing)			
1. Derivatives (including fair value of guarantees)	1,934.0	1,717.2	2,112.0
2. Fair value portion of debt	n.a.	n.a.	n.a.
3. Other (non-interest bearing)	783.0	868.8	544.7
I. Other (non-interest bearing), total	2,717.0	2,586.0	2,656.7
J. General provisions & reserves	313.2	336.3	303.4
L. Equity			
1. Preference shares	n.a.	n.a.	n.a.
2. Subscribed capital	9,622.9	9,622.9	5,579.0
3. Callable capital	(7,856.6)	(7,856.6)	(4,954.8)
4. Arrears/advances on capital	0.0	0.0	0.0

Balance Sheet

	31 Dec 2025 Year End EURm Original	31 Dec 2024 Year End EURm Original	31 Dec 2023 Year End EURm Original
5. Paid in capital (memo)	1,466.3	1,175.2	624.3
6. Reserves (including net income for the year)	3,109.9	2,999.6	2,895.3
7. Fair-value revaluation reserve	(2.2)	(46.4)	(0.5)
K. Equity, total	4,574.0	4,719.5	3,519.0
M. Total liabilities & equity	39,038.2	38,613.3	34,418.4

Source: Fitch Ratings, Fitch Solutions

Income Statement

	31 Dec 2025 Year End EURm Original	31 Dec 2024 Year End EURm Original	31 Dec 2023 Year End EURm Original
1. Interest received	1,036.2	1,429.3	389.3
2. Interest paid	833.9	1,229.3	212.7
3. Net interest revenue (1. - 2.)	202.3	200.0	176.6
4. Other operating income	(15.6)	(1.3)	(14.7)
5. Other income	n.a.	n.a.	n.a.
6. Personnel expenses	45.3	42.3	37.9
7. Other non-interest expenses	24.9	23.5	21.6
8. Impairment charge	(4.5)	7.1	(5.5)
9. Other provisions	(1.3)	1.8	(1.4)
10. Pre-derivative operating profit (3. + 4. + 5.) - (6. + 7. + 8. + 9.)	122.3	124.0	109.3
11. Net gains/(losses) on non-trading derivative instruments	0.0	0.3	(0.1)
12. Post-derivative operating profit (10. + 11.)	122.3	124.3	109.2
13. Other income and expenses	n.a.	n.a.	n.a.
14. Net income (12. + 13.)	122.3	124.3	109.2
15. Fair value revaluations recognised in equity	44.6	(48.0)	(27.5)
16. Fitch's comprehensive net income (14. + 15.)	166.9	76.3	81.7

Source: Fitch Ratings, Fitch Solutions

Ratio Analysis

	31 Dec 2025 Year End % Original	31 Dec 2024 Year End % Original	31 Dec 2023 Year End % Original
I. Profitability level			
1. Net income/equity (average)	2.5	3.0	3.1
2. Cost/income ratio	37.6	33.1	36.8
II. Capital adequacy			
1. Usable capital/risk-weighted assets (FRA ratio)	44.9	45.6	38.6
2. Equity/adjusted total assets + guarantees	12.2	11.6	11.0
3. Paid-in capital/subscribed capital	18.4	18.4	11.2
4. Internal capital generation after distributions	n.a.	n.a.	n.a.
III. Liquidity			
1. Liquid assets/short-term debt	373.4	462.5	469.9
2. Share of treasury assets rated 'AAA'-'AA'	62.2	61.8	62.1
3. Treasury assets/total assets	34.9	35.1	36.8
4. Treasury assets investment grade + eligible non-investment grade/total assets	34.9	33.9	32.4
5. Liquid assets/total assets	34.9	33.9	32.4
IV. Asset quality			
1. Impaired loans/gross loans	0.0	0.0	0.0
2. Loan loss reserves/gross loans	0.1	0.1	0.1
3. Loan loss reserves/Impaired loans	n.a.	n.a.	n.a.
V. Leverage			
1. Debt/equity	644.9	656.3	794.0
2. Debt/callable capital	400.1	394.2	563.9

Source: Fitch Ratings, Fitch Solutions

Appendix

	31 Dec 2025 EURm Original	31 Dec 2024 EURm Original	31 Dec 2023 EURm Original
1. Lending operations			
1. Loans outstanding	23,353.8	21,872.4	19,045.6
2. Disbursed loans	3,406.0	3,600.0	3,715.0
3. Loan repayments	2,759.0	2,244.0	2,072.0
4. Net disbursements	3,406.0	3,600.0	3,715.0
2. Other banking operations			
1. Equity participations	0.0	0.0	0.0
2. Guarantees (off balance sheet)	0.0	0.0	0.0
3. Total banking exposure (balance sheet and off-balance sheet)			
1. Total banking exposure (loans + equity participations + guarantees (off balance sheet))	23,353.8	21,872.4	19,045.6
2. Growth in total banking exposure	6.8	14.8	4.4
Memo: Non-sovereign exposure	23,353.8	21,872.4	19,045.6
4. Support			
1. Share of 'AAA'/'AA' shareholders in callable capital	28.7	59.4	49.4
2. Rating of callable capital ensuring full coverage of net debt	n.a.	n.a.	0.0
3. Weighted average rating of key shareholders	17.0	17.0	17.0
5. Breakdown of banking portfolio			
1. Loans to sovereigns/total banking exposure	46.3	44.5	45.6
2. Loans to non-sovereigns total banking exposure	53.7	55.5	54.4
3. Equity participation/total banking exposure	0.0	0.0	0.0
6. Concentration measures			
1. Largest exposure/equity (%)	20.6	30.4	39.7
2. Five largest exposures/equity (%)	88.4	104.7	141.9
3. Largest exposure/total banking exposure (%)	4.3	6.6	7.3
4. Five largest exposures/total banking exposure (%)	18.4	22.6	26.2
7. Credit risk			
1. Average rating of loans & guarantees	15.0	15.0	15.0
2. Loans to investment-grade borrowers/gross loans	90.2	94.9	103.4
3. Loans to sub-investment grade borrowers/gross loans	10.7	7.8	18.7
8. Liquidity			
1. Treasury assets	13,623.0	13,556.5	12,659.2
2. Treasury assets of which investment grade + eligible non-investment grade	13,623.0	13,107.0	11,136.0
3. Unimpaired short-term trade financing loans	0.0	0.0	0.0
4. Unimpaired short-term trade financing loans - discounted 40%	0.0	0.0	0.0
5. Liquid assets (2. + 4.)	13,623.0	13,107.0	11,136.0

Source: Fitch Ratings, Fitch Solutions

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