FitchRatings

Supranational
Mexico and United States

North American Development 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

Key Rating Drivers

SCP, Support Driven Rating: North American Development Bank's (NADB) 'AA' rating is driven by its Standalone Credit Profile (SCP) and shareholder support, both of which Fitch Ratings assesses at 'aa'. The SCP reflects the lower of our solvency (aa+) and liquidity (aaa) assessments, adjusted down by one notch due to the 'Medium' risk business environment.

The 'aa' support assessment reflects shareholders' capacity (aa+), based on coverage of net debt by callable capital subscribed by the US (AA+/Stable), and a 'Moderate' propensity to support NADB, balancing the ongoing capital payments and limited size, against its geographical scope.

Capital Payments Continue: In 2025, NADB received USD209 million in paid-in capital from its two shareholders. This comprised USD89 million from Mexico (BBB-/Stable), covering its scheduled 2025 payment and arrears from prior years, and USD120 million from the US.

'Excellent' Capitalisation Underpins Solvency: Fitch's usable capital-to-risk-weighted assets (FRA) ratio increased to 104% at end-2025 from 90% at end-2024, reflecting higher usable capital following the capital payments by both shareholders. The equity-to-assets (E/A) ratio rose to 44% at end-2025 from 37% at end-2024. Fitch forecasts that both ratios will remain well above their respective 35% and 25% 'Excellent' thresholds through 2028.

US Risk Eased: We consider the risk associated with the US Executive Order from February 2025, mandating a review of US membership in international organisations, including multilateral development banks (MDBs), to have eased. Ongoing US commitment is evident through the capital releases after Mexico cleared its arrears in 2025. NADB's relevance is reflected in its participation in funding cross-border projects in challenged sectors. Shareholder withdrawal, while not our expectation, would lead to NADB winding down its operations.

'Moderate' Credit Risk: The weighted average rating of loans was at 'BB+' at end-2025, unchanged from 2024. Loan performance remained strong, with the non-performing loans (NPL) ratio at 0.1% at end-2025. NADB's focus on non-sovereign operations means that its credit risk assessment does not benefit from an uplift for preferred creditor status (PCS).

'Low' Solvency Risks: At end-2025, the five largest exposures comprised 34% of its portfolio, consistent with a 'Low' concentration risk. However, sectorial and geographic concentration is high, with over half of exposures to sustainable energy sectors in the US and Mexico. NADB reduced its exposure to Mexico's electricity sector to 24% of loans at end-2025, from 46% in 2020, by expanding lending beyond the energy sector under its 2024-2028 Strategic Plan.

NADB's 'Strong' risk management policies balance its conservative risk management with its sectoral and geographical concentrations, which is a relative weakness compared with peers.

'Excellent' Liquidity Profile: NADB's 'aaa' liquidity assessment reflects its 'Excellent' liquidity buffers and high quality of its treasury assets. Liquidity assets to short-term debt was at 7.3x at end-2025, well above the 1.5x 'Excellent' threshold. At end-2025, 83% of treasury assets were rated 'AAA'/'AA'/'F1', above the 70% 'Excellent' threshold. Fitch expects both liquidity metrics to remain consistent with an 'Excellent' assessment over the medium term.

'Medium' Risk Business Environment: The assessment balances a 'High' risk business profile assessment, which is largely a product of the bank's small size, focus on non-sovereign loans and minor policy role relative to similarly rated peers, partly offset by sound governance standards; and a 'Low' risk operating environment assessment. NADB maintains good relations with local governments and municipalities, the key beneficiaries of its lending programmes.

Ratings

Foreign Currency

Long-Term IDR	AA
Short-Term IDR	F1+

Outlooks

Long-Term Foreign-Currency IDR	Stable

Highest ESG Relevance Scores

Environmental	2
Social	3
Governance	4

Financial Data

	End-2024	End-2025
Total assets (USDm)	2,402	2,522
Equity to assets (%)	36.9	43.6
Fitch's usable capital to risk-weighted assets (FRA, %)	90.1	103.7
Average rating of loans & guarantees	BB+	BB+
Impaired loans (% of total loans)	0.9	0.1
Five largest exposures to total exposure (%)	31.4	34.1
Share of non-sovereign exposure (%)	100	100.0
Net income / equity (%)	2.6	0.5
Average rating of key shareholders	A	A

Source: Fitch Ratings, NADB

Applicable Criteria

National Scale Rating Criteria (December 2020)

Metodología de Calificaciones en Escala Nacional (December 2020)

Supranationals Rating Criteria (October 2024)

Metodología de Calificación de Supranacionales (February 2025)

Related Research

Fitch Affirms North American Development Bank at 'AA'; Outlook Stable (February 2026)

Global Supranationals Outlook 2025 (December 2025)

What Investors Want to Know: US Participation in MDBs (March 2025)

Click here for more Fitch content on NADB

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Rating Derivation Summary

	Standalone Credit Profile (SCP)					Support			
	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)	Final rating
NADB	aa+	aaa	aa+	-1	aa	aa+	-1	0	AA

Source: Fitch Ratings

Rating Sensitivities

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

Given that NADB's ratings are underpinned by the SCP and support, any negative rating action would require a deterioration in our assessment of both NADB's SCP and support assessments.

Shareholder Support: A downgrade of the US sovereign rating or weakening in shareholders' propensity to support due to delayed capital payments by Mexico or delayed release of US paid-in capital.

Solvency (Risks): Significantly higher non-performing loans or weakening in the average rating of loans affecting our assessment of the bank's SCP. This could be driven by changes affecting the bank's borrowers operating in Mexico's renewable energy sector.

Solvency/Business Profile: The withdrawal of a major shareholder that significantly affects NADB's capitalisation or business profile.

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

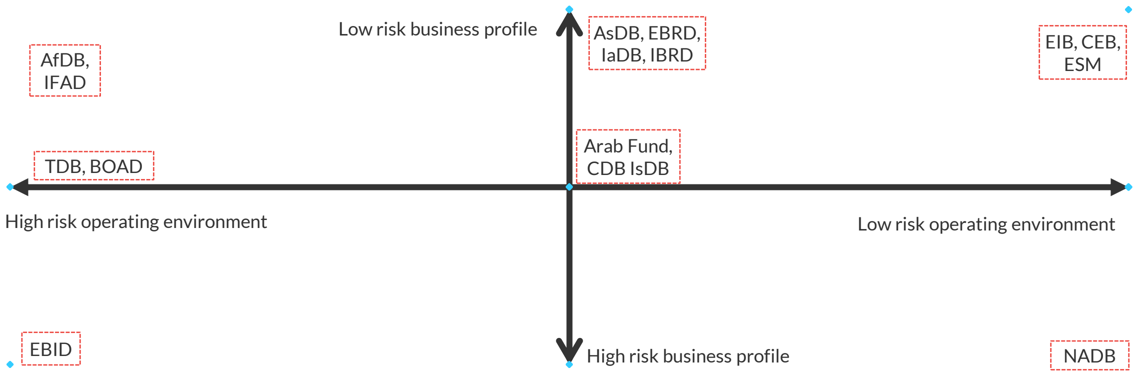
Support (Capacity): An upgrade of the US sovereign rating to 'AAA'/Stable would lead to an improvement in our assessment of support and overall Long-Term Issuer Default Rating (IDR), provided the bank's SCP does not deteriorate by several notches, given the three-notch cap between SCP and shareholder support assessments.

Solvency (Risks): An improvement in the bank's SCP, stemming from a material improvement in the credit quality of the bank's loan portfolio, non-performing loans being at a 'Very Low' level on a sustained basis and reduced concentration.

Business Environment

Fitch assesses NADB's overall business environment as 'Medium' risk, reflecting a combination of its 'High' risk business profile (-2 notches) and a 'Low' risk operating environment (+1 notch). This translates into a -1 notch adjustment to the solvency assessment of 'aa+', resulting in an SCP of 'aa'.

Business Environment



AfDB: African Development Bank; AsDB: Asian Development Bank; BOAD: Banque Ouest Africaine de Developpement; CDB: Caribbean Development Bank; CEB: Council of Europe Development Bank; EBID: Ecowas Bank for Investment and Development; EBRD: European Bank for Reconstruction and Development; EIB: European Investment Bank; ESM: European Stability Mechanism; IaDB: Inter-American Development Bank; IBRD: International Bank for Reconstruction and Development; IFAD: Internationals Fund for Agricultural Development, IsDB: Islamic Development Bank; NADB: North American Development Bank; TDB: Eastern and Southern African Trade & Development Bank
Source: Fitch Ratings

Brief Issuer Profile

NADB is a subregional MDB, established in 1994. The bank extends loans, guarantees, grants and technical assistance to private-sector companies or subnational institutions for infrastructure projects focused on environmental preservation and sustainable development in the border region between the US and Mexico. Its geographical scope is limited to 100km north of the border and 300km south, covering six states in Mexico and four in the US.

The projects financed primarily cover waste and water treatment and distribution; air quality; basic infrastructure; public transportation; and renewable energies and energy efficiency (mainly solar and wind energies). Loans are extended to non-sovereign borrowers, including cities, states and state utilities. All projects that the bank finances are subject to an environmental assessment. Grants and technical assistance, funded by NADB's allocable income, support environmental infrastructure through its Environment Investment and Capacity Facility (EICF). The EICF, which also receives third-party donor funds, is off-balance-sheet activity and is not included in Fitch's rating consideration.

Business Profile

Fitch assesses NADB's business profile as 'High' risk, reflecting the following factors:

- NADB's total banking exposure was USD1.2 billion as of end-2025, below the USD5 billion 'High' risk threshold outlined in the *Supranationals Rating Criteria*.
- Fitch assesses the quality of NADB's governance as 'Low' risk, reflecting a transparent organisational structure, independent management and audit bodies, and even representation of both shareholders in the board. The board approves all policies, financing and the annual programme budget.
- We assess NADB's strategy as 'Medium' risk. The bank experienced moderate operational growth in recent years, but also periods of contraction (3% growth yoy in 2025, and an average annual growth of 4% in the past five years), while sustaining high capital metrics. NADB's mandate results in greater geographical and sectoral concentration than other MDBs. The bank has a significant concentration in Mexico's renewable energy sector, but has been diversifying its loan portfolio and income sources.
- We assess NADB's involvement in the private sector as 'High' risk as the bank is only involved in non-sovereign sector financing.
- Fitch assesses the importance of NADB's public mandate as 'High' risk, reflecting its geographical and sectoral coverage that is more limited than larger MDBs. NADB maintains strong relations with local governments and municipalities, which are key beneficiaries of its lending programmes.

Operating Environment

Fitch considers NADB's operating environment as 'Low' risk, reflecting the following factors:

- NADB has a limited mandate to operate in the US and Mexico. The average rating of these two countries is 'A', which is consistent with a 'Low' risk assessment.
- The income per capita in NADB's countries of operation is among the highest in Fitch's supranationals portfolio and is assessed as 'Low' risk. Fitch estimates the average GDP per capita for the US and Mexico was about USD50,000 as of end-October 2025. This compares favourably with peers, such as Arab Petroleum Investments Corporation (APICORP; AA+/Stable) at USD40,000, Inter-American Investment Corporation (IDB Invest; AAA/Stable) at USD12,700 and Islamic Corporation for the Development of the Private Sector (ICD; A+/Stable) at USD9,000.
- The political risk in NADB's countries of operation is considered as 'Medium' risk, based on the World Bank's Worldwide Governance Indicators (WBGI).
- Fitch assesses the political risk in the US, where NADB is headquartered (San Antonio, Texas), as 'Low', based on WBGI.

Solvency

NADB's 'aa+' solvency underpinned by its 'Excellent' capitalisation and 'Low' risk profile.

Capitalisation

NADB's 'Excellent' capitalisation remains a rating strength, reflecting the FRA and the E/A capital ratios, both of which have consistently exceeded the 'Excellent' thresholds of 35% and 25%, respectively.

The FRA ratio, which ranks among the highest for rated supranationals, rose to 104% at end-2025, from 90% in 2024. This increase reflects higher usable capital following USD209 million in paid-in capital payments by both shareholders, Mexico and the US. These payments comprised USD89 million from Mexico (covering its scheduled 2025 payment and arrears from prior years), and USD120 million released by the US. NADB expects both shareholders to meet ongoing payment obligations under the General Capital Increase schedule.

Fitch includes an additional 10% of the bank's 'AA+' rated callable capital subscribed by the US (after deducting the portion of 'AAA' to 'AA' rated callable capital used to assess shareholder support) to adjust NADB's usable capital (USD1.3 billion) from its equity (USD1.1 billion).

NADB's leverage remained low, with the E/A ratio rising to 44% at end-2025, from 37% at end-2024. The increase reflects stronger growth in shareholders' equity than in assets. Over the past decade, the bank has conservatively managed its balance sheet to keep the E/A above its internal limit of 30%, which exceeds Fitch's 'Excellent' threshold of 25%.

Fitch expects both ratios to remain well above their respective 'Excellent' thresholds in 2026–2028. Our forecast assumes capital payments and loan portfolio growth in line with NADB's business plan, averaging about 10% a year.

Peer Comparison: Capital Ratios and Profitability

	NADB (AA)		APICORP (AA+)	ICD (A+)	IDB Invest (AAA)
	End-2025	Projection[a]	End-2024	End-2024	Sep 2025
Equity/adjusted assets (%)	43.6	45-50	30.1	34.5	26.9
Usable capital/risk-weighted assets (FRA, %)	103.7	90-100	47.4	42.1	41.0
Net income/average equity	0.5	0.5-1.0	8.1	2.1	2.6

[a] Medium-term projections, forecast range

Source: Fitch Ratings, MDBs

Risks

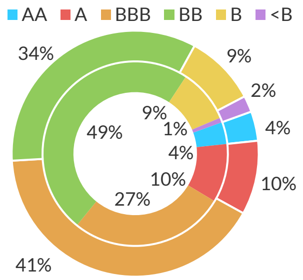
Risks Assessment

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

Source: Fitch Ratings

Loan by Rating

Outer 2025, Inner 2024



Source: Fitch Ratings, NADB

We consider NADB's overall risk to be 'Low', balancing 'Moderate' credit risk, 'Low' concentration, 'Very Low' equity risks and 'Strong' risk-management policies.

Fitch assesses credit risk as 'Moderate'. The weighted average rating of the loan (WARL) portfolio was 'BB+', unchanged from the prior year. Loan performance has been strong, with the non-performing loans (NPL) ratio falling to 0.1% at end-2025 from 0.9% at end-2024. Fitch expects the WARL to remain at 'BB+', despite NADB's plan to further diversify its portfolio in other sectors, including as water and solid waste management.

NADB's focus on non-sovereign operations (private, public-private and subnational loans) means its credit risk does not benefit from an uplift for PCS.

Concentration risk is 'Low'. NADB's five largest exposures accounted for 34% of the total banking portfolio at end-2025, up from 31% at end-2024. Geographical and sectoral concentrations remain high due to NADB's narrow mandate by geography and sectors.

Ongoing reforms in Mexico's electricity sector have not affected NADB's related exposures. Following timely repayments and increased sector stability, the bank removed these exposures from its negative watch list. The bank reduced its exposure to Mexico's renewable energy sector to 24% of total loans at end-2025, from 27% in 2024 and 46% in 2020. This reduction supports NADB's diversification strategy. Under its five-year plan, the bank has increased lending to various sectors in the US and Mexico and aims to further diversify its portfolio by expanding loans beyond energy.

The equity risk is 'Very Low', as NADB does not maintain any equity participation, and Fitch does not expect this to change in the medium term.

Fitch assesses NADB's risk-management policies as 'Strong'. This reflects the bank's conservative risk management practices and record, balanced against its sectoral and geographical concentration, which is a relative weakness compared with 'AAA' and 'AA' rated peers.

NADB's investment policy is unchanged. Investment guidelines require the portfolio to maintain adequate liquidity to limit losses from interest-rate movements, capped at four years and require a minimum 'A' rating for corporate bonds.

Underwriting standards are unchanged, with a single-obligor limit at 20% of equity, increasing to 30% if the loan is fully secured by marketable collateral or a strong repayment mechanism, such as federal tax revenue.

NADB's total principal debt outstanding must not exceed the callable portion of the capital plus the minimum liquidity level required by the bank's liquidity policy. The managing director will inform the board when the outstanding debt is expected to reach 80% of the callable capital within the six-month period.

NADB uses derivatives to hedge foreign-exchange and interest-rate risks. For funding in currencies other than Mexican pesos, the bank employs cross-currency swaps to hedge the foreign-exchange risk on its peso-denominated loan portfolio. The bank also swaps long-term fixed-rate loans to variable rates to mitigate interest-rate risk and maintain market-level costs. Interest-rate swaps are matched to the terms of loans and some long-term notes, ensuring there are no notional mismatches.

Peer Comparison: Risks

	ADB (AA)		APICORP (AA+)	ICD (A+)	IDB Invest (AAA)
	End-2025	Projection[a]	End-2024	End-2024	Sep 2025
Estimated average rating of loans and guarantees	BB+	BB+	BBB	B	BB+
Impaired loans/gross loans (%)	0.1	1.0-2.0	0.5	4.9	0.1
Five largest exposures/total banking exposure (%)	34.1	30-35	21.1	16.2	12.6
Equity stakes/total banking exposure (%)	0.0	0	20.5	23.0	1.9

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

Liquidity Analysis

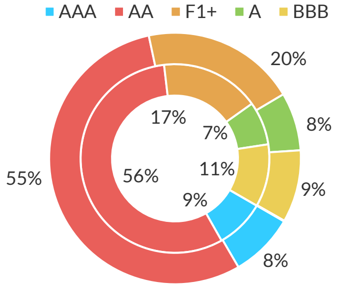
Liquidity Assessment

Indicative value	Risk level
Liquidity buffer	Excellent
Quality of treasury assets	Excellent
Access to capital markets and alternative sources of liquidity	Moderate

Source: Fitch Ratings

Treasury Assets by Rating

Outer 2025, Inner 2024



Source: Fitch Ratings, NADB

NADB's 'aaa' liquidity reflects its 'Excellent' liquidity buffer and the credit quality of its treasury assets.

Liquid Assets to Short-Term Debt

Coverage of short-term debt by liquid assets was 7.3x at end-2025, compared with 7.8x at end-2024, well above the 1.5x threshold for an 'Excellent' assessment.

We consider the following assets as liquid for the purposes of the liquidity buffer calculation:

- Assets with a 12-month maturity and below, denominated in hard currency, with a rating of 'B-' and above.
- Investment-grade assets with a maturity above 12 months.

NADB's liquid assets accounted for 46% of total assets as of end-2025. Fitch excluded the US's deferred paid-in capital contributions of USD45 million from the liquidity ratio estimate, as these funds, though held with NADB and invested into US Treasurys, are unavailable for liquidity purposes until released by the US government.

The bank's debt maturity profile includes peaks and troughs for the next 10 years. Fitch forecasts the liquidity ratio to remain 'Excellent' with substantial headroom in the forecast period.

Quality of Treasury Assets

The credit quality of NADB's treasury assets remained fairly stable, with 83% rated 'AAA'/'AA'/'F1+' at end-2025, compared to 82% at end-2024. This is consistent with an 'Excellent' assessment, supported by NADB's investment allocation guidelines and minimum rating requirements. The robust quality of the treasury assets reflects the large share of US Treasurys in the portfolio.

Fitch expects both the liquidity buffers and treasury asset quality to remain consistent with the 'Excellent' assessment over the medium term.

Access to Capital Market, Alternative Source of Liquidity

Fitch expects NADB to maintain its access to additional funding sources if needed, supported by its rating level. In 2025, NADB secured back-up credit lines in Mexican pesos and US dollars with a commercial bank and a development finance institution.

NADB did not issue bonds in capital markets in 2025 due to the strong liquidity buffer, supported by shareholder capital payments. In 2024, the bank issued a CHF140 million Green Bond, maturing in 2030, and entered peso-denominated borrowings of MXN430 million, maturing in 2029. The bank plans to continue issuing in hard currencies, but in smaller amounts and on an irregular basis, given its strong liquidity position and the operational size.

Peer Comparison: Liquidity

	NADB (AA)		APICORP (AA+)	ICD (A+)	IDB Invest (AAA)
	End-2025	Projection[a]	End-2024	End-2024	Sep 2025
Liquid assets/short-term debt (%)	731.2	350-400	182.5	218.1	330.4
Share of treasury assets rated 'AA-' and above (%)	83.1	80-85	42.3	11.4	86.9

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

Shareholder Support

Fitch assesses the extraordinary support provided by NADB's shareholders at 'aa', reflecting their capacity and 'Moderate' propensity to support the bank.

Capacity to Provide Extraordinary Support

The 'aa+' capacity to support is anchored on the coverage of NADB's net debt by callable capital subscribed by the US (USD2,550 million).

The weighted average rating of key shareholders is 'A'. The US's ownership is larger, having paid its share of paid-in capital in advance; despite that, we consider Mexico and the US as main shareholders.

Propensity to Provide Extraordinary Support

The 'Moderate' propensity to support accounts for the ongoing capital payments, recent delays in capital payments although arrears were cleared in 2025, and NADB's limited size and geographical scope relative to peers. This assessment results in a one-notch downward adjustment to the capacity to support assessment, to 'aa'.

Mexico cleared its capital payment arrears for prior years by paying USD89 million in 2025, enabling the US authorities to release USD120 million of capital previously held as cash restricted from use at NADB. Fitch expects remaining capital to be paid by end-2028, as scheduled. However, further delays in capital received or recognised from either shareholder could weigh on our assessment of their propensity to support.

Peer Comparison: Shareholder Support

	NADB (AA)		APICORP (AA+)	ICD (A+)	IDB Invest (AAA)
	End-2025	Projection[a]	End-2024	End-2024	Sep 2025
Coverage of net debt by callable capital	AA+	AA+	AA-	NC	NC
Average rating of key shareholders	A	A	AA-	AA	BBB-
Propensity to support	-1	-1	0	-1	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

North American Development Bank

Supranational ESG Navigator
Supranational

Credit-Relevant ESG Derivation

North American Development Bank has 2 ESG rating drivers and 5 ESG potential rating drivers

- North American 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.
- North American Development Bank has exposure to obligor concentration; access to central bank refinancing; effectiveness of preferred creditor status which, in combination with other factors, impacts the rating.
- North American Development Bank has exposure to borrowers with limited access to external funding sources and/or extend concessional loans but this has very low impact on the rating.
- North American Development Bank has exposure to social pressure to provide support at times of crisis but this has very low impact on the rating.
- North American Development Bank has exposure to risk around the execution/predictability of its strategy but this has very low impact on the rating.
- North American Development Bank has exposure to board independence and effectiveness, ownership composition but this has very low impact on the rating.

Showing top 6 issues

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	2	issues	4
potential driver	5	issues	3
not a rating driver	2	issues	2
	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	3	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
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	4	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 25 Year end (USDm) Original	31 Dec 24 Year end (USDm) Original	31 Dec 23 Year end (USDm) Original
A. Loans			
1. To/guaranteed by sovereigns	0.0	0.0	0.0
2. To/guaranteed by public institutions	353.5	317.2	296.6
3. To/guaranteed by private sector	813.1	815.6	752.6
4. Trade financing loans (memo)	0.0	0.0	0.0
5. Other loans	0.0	0.0	0.0
6. Loan loss reserves (deducted)	29.6	27.6	16.5
A. Loans, total	**1,137.0**	**1,105.2**	**1,032.7**
B. Other earning assets			
1. Deposits with banks	60.0	75.1	22.5
2. Securities held for sale and trading	1,133.1	1,161.2	1,056.2
3. Investment debt securities (including other investments)	4.6	4.6	4.3
4. Equity investments	0.0	0.0	0.0
5. Derivatives (including fair-value of guarantees)	166.3	39.1	103.9
B. Other earning assets, total	**1,364.0**	**1,280.0**	**1,186.9**
C. Total earning assets (A+B)	**2,501.0**	**2,385.2**	**2,219.6**
D. Fixed assets	**2.6**	**0.5**	**0.1**
E. Non-earning assets			
1. Cash and due from banks	-	-	-
2. Other	18.2	15.8	26.4
F. Total assets	**2521.8**	**2,401.6**	**2,246.0**
G. Short-term funding			
1. Bank borrowings (< 1 year)	-	-	-
2. Securities issues (< 1 year)	-	-	-
3. Other (including deposits)	157.7	137.8	5.3
G. Short-term funding, total	**157.7**	**137.8**	**5.3**
H. Other funding			
1. Bank borrowings (> 1 year)	0	-	-
2. Other borrowings (including securities issues)	1,151.6	1,146.9	1,222.5
3. Subordinated debt	-	-	-
4. Hybrid capital	-	-	-
H. Other funding, total	**1,151.6**	**1,146.9**	**1,222.5**
I. Other (non-interest bearing)			
1. Derivatives (including fair value of guarantees)	49.8	48.9	44.0
2. Fair value portion of debt	-	-	-
3. Other (non-interest bearing)	83.1	196.6	193.7
I. Other (non-interest bearing), total	**132.9**	**245.5**	**237.8**
J. General provisions and reserves	**0.7**	**3.6**	4.1
L. Equity			
1. Preference shares		-	-
2. Subscribed capital	6,000.0	6,000.0	6,000.0
3. Callable capital	5,100.0	5,100.0	5,100.0

Balance Sheet

	31 Dec 25 Year end (USDm) Original	31 Dec 24 Year end (USDm) Original	31 Dec 23 Year end (USDm) Original
4. Arrears/advances on capital	-	-	-
5. Paid in capital (memo)	715.0	506.0	506.0
6. Reserves (including net income for the year)	336.8	331.7	305.9
7. Fair-value revaluation reserve	27.1	30.2	3.4
K. Equity, total	**1,078.9**	**867.8**	**815.3**
M. Total liabilities and equity	**2,521.8**	**2.401.6**	**2,246.0**

Source: Fitch Ratings, Fitch Solutions, NADB

Income Statement

	31 Dec 25 Year end (USDm) Original	31 Dec 24 Year end (USDm) Original	31 Dec 23 Year end (USDm) Original
1. Interest received	133.3	128.2	102.4
2. Interest paid	66.6	70.4	59.1
3. Net interest revenue (1. - 2.)	**66.7**	**57.8**	**43.4**
4. Other operating income	-7.9	12.1	5.5
5. Other income	-28.3	-16.9	-2.9
6. Personnel expenses	19.8	17.9	18.1
7. Other non-interest expenses	3.0	2.9	2.7
8. Impairment charge	2.7	10.5	1.7
9. Other provisions	-	-	-
10. Pre-derivative operating profit (3. + 4. + 5.) - (6. + 7. + 8. + 9.)	**5.1**	**21.7**	**23.5**
11. Net gains/(losses) on non-trading derivative instruments	-	-	-
12. Post-derivative operating profit (10. + 11.)	**5.1**	**21.7**	**23.5**
13. Other income and expenses	-	-	-
14. Net income (12. + 13.)	**5.1**	**21.7**	**23.5**
15. Fair value revaluations recognised in equity	-3.1	27.9	36.1
16. Fitch's comprehensive net income (14. + 15.)	**2.0**	**49.6**	**56.7**

Source: Fitch Ratings, Fitch Solutions, NADB

Ratio Analysis

(%)	31 Dec 25 Original	31 Dec 24 Original	31 Dec 23 Original
I. Profitability level			
1. Net income/equity (average)	0.5	2.6	2.5
2. Cost/income ratio	38.7	29.7	46.5
II. Capital adequacy			
1. Usable capital/risk-weighted assets (FRA ratio)	103.7	90.1	90.2
2. Equity/adjusted total assets + guarantees	43.6	36.9	36.5
3. Paid-in capital/subscribed capital	11.9	8.43	8.43
4. Internal capital generation after distributions	0.2	5.8	7.3
III. Liquidity			
1. Liquid assets/short-term debt	731.2	780.9	17,421.2
2. Share of treasury assets rated 'AAA'-'AA'	83.1	81.8	81.6
3. Treasury assets/total assets	47.5	51.7	48.2
4. Treasury assets investment grade + eligible non-investment grade/total assets	47.5	51.7	48.2
5. Liquid assets/total assets	47.5	51.7	48.2
IV. Asset quality			
1. Impaired loans/gross loans	0.1	0.9	0.0
2. Loan loss reserves/gross loans	2.7	3.0	1.7
3. Loan loss reserves/Impaired loans	-	332.7	-
V. Leverage			
1. Debt/equity	121.4	148.0	145.8
2. Debt/callable capital	25.7	25.2	24.1

Source: Fitch Ratings, Fitch Solutions, NADB

Appendix

	31 Dec 25 (USDm) Original	31 Dec 24 (USDm) Original	31 Dec 23 (USDm) Original
1. Lending operationss			
1. Loans outstanding	1,166.7	1,132.8	1,018.7
2. Disbursed loans	-	-	-
3. Loan repayments	-	-	-
4. Net disbursements	-	-	-
Memo: Loans to sovereigns	0.0	0.0	0.0
Memo: Loans to non-sovereigns	1,166.7	1,132.8	1,018.7
2. Other banking operations			
1. Equity participations	0.0	0.0	0.0
2. Guarantees (off-balance sheet)	0.0	0.0	0.0
Memo: Guarantees to sovereigns	0.0	0.0	0.0
Memo: Guarantees to non-sovereigns	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))	1,166.7	1,132.8	1,018.7
2. Growth in total banking exposure	11.1	0.6	31.5
Memo: Non-sovereign exposure	1,138.4	1,132.8	1,018.7
4. Support			
1. Share of 'AAA'/'AA' shareholders in callable capital	50	50.0	50.0
2. Rating of callable capital ensuring full coverage of net debt	AA+	AA+	AA+
3. Weighted average rating of key shareholders	A	A	A
5. Breakdown of banking portfolio			
1. Loans to sovereigns/total banking exposure	0.0.	0.0	0.0
2. Loans to non-sovereigns total banking exposure	100.0	100.0	100.0
3. Equity participation/total banking exposure	0.0	0.0	0.0
4. Guarantees covering sovereign risks/total banking exposure	0.0	0.0	0.0
5. Guarantees covering non-sovereign risks/total banking exposure	0.0	0.0	0.0
Memo: Non-sovereign exposure (2. + 3. + 5.)/total banking exposure	100.0	100.0	100.0
6. Concentration measures			
1. Largest exposure/equity (%)	12.1	10.9	11.8
2. Five largest exposures/equity (%)	36.9	40.9	39.9
3. Largest exposure/total banking exposure (%)	11.2	8.3	9.1
4. Five largest exposures/total banking exposure (%)	34.1	31.4	31.9
7. Credit risk			
1. Average rating of loans and guarantees	BB+	BB+	BBB-
2. Loans to investment-grade borrowers/gross loans	54.6	41.4	48.8
3. Loans to sub-investment-grade borrowers/gross loans	45.4	58.6	51.2
8. Liquidity			
1. Treasury assets	1,197.8	1,240.8	1,083.1
2. Treasury assets of which investment grade + eligible non-investment grade	1,196.7	1,240.8	1,082.1
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.)	1,196.7	1,240.8	1,082.1

Source: Fitch Ratings, Fitch Solutions, NADB

SOLICITATION & PARTICIPATION STATUS

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