Nordic Banks Weekly Wrap

Moody's assigned Landsbankinn (OW) an inaugural issuer rating of A2, one notch above its domestic peers Arion (OW) and Islandsbanki (OW). Moody's assigns similar BCAs to the three banks (baa2), with Landsbankinn's SNP stack driving the rating difference by providing a three-notch uplift versus two notches for Arion and Islandsbanki, which have no SNP outstanding. Based on our estimates, closing this gap would require Arion and Islandsbanki to issue around ISK44-50bn worth of SNP (for the latter, S&P has expected SNP issuance since Q4 24). While the subordination requirement for Icelandic banks takes effect as of Q3 27, the requirement is relatively low at 13.5% and therefore suggests limited (if any) SNP issuance needs.

Following the **softer-than-expected Swedish CPI,** markets repriced the Riksbank to now include (slightly) less than one full hike by year-end against 30bp worth of hikes as of Friday last week. Hence, NII tailwind from higher policy rates remains a tug of war between solid growth and lower inflationary impulses. **Norwegian August CPI also came in markedly below Norges Bank's expectations** (3.0% against Norges Bank's estimate from the June MPR of 3.3%), which has led Danske Bank to expect Norges Bank to keep rates unchanged at the 24 September meeting. See the Norges Bank preview *here*.

OP (UW) issued a EUR500m 7y SP at MS+62 after IPT of MS+80. We saw the deal price at MS+60, but investors seemingly needed larger concessions to be willing to engage. Hence, the deal was also the one showing the shortest price travel from IPT to final among Nordic banks YTD. Further corroborating the muted investor enthusiasm, despite the limited tightening, the final order book stood at just EUR750m (incl. JLM interest). See our new issue comment *here*. **Nykredit (MW) was also active with a EUR500m WNG 4y SNP** with IPT of MS+95-100. This deal was somewhat better received (likely also reflecting the more appealing spread), with Nykredit pricing the transaction at MS+68 amidst an order book of EUR1.9bn. We were a bit split on how to view fair value due to the dispersion in pricing of Nykredit's longer tenor SNPs – see our new issue comment *here* – with the EUR500m bonds seemingly pricing tighter than the EUR750m.

Moody's affirmed SPOLNO's (MW) Aa3 issuer rating and provided no signals about pressures building in either direction. SPOLNO has not been active in EUR since May 2024 and with a EUR500m maturing in April next year, we see it as a potential issuer before year-end. Note that domestic peers SR-Bank (MW), SBNOR (MW) and MINGNO (MW) have all been active in EUR BM format during 2026.

Hoist (MW) held its CMD where it raised its RoE target to 20% (previously 15%), which is to be achieved through an ambitious growth plan (Hoist has solid operating leverage), with Hoist targeting an investment portfolio of SEK60bn by end-2030 (currently SEK39bn). The CET1 target was left unchanged.

As widely expected, the ECB hiked policy rates 25bp while surprising markets with more hawkish communication. Danske Bank now expects the ECB to hike at both the October and December meetings, taking the deposit rate to 3.0% - see the full ECB review *here*.

Key points

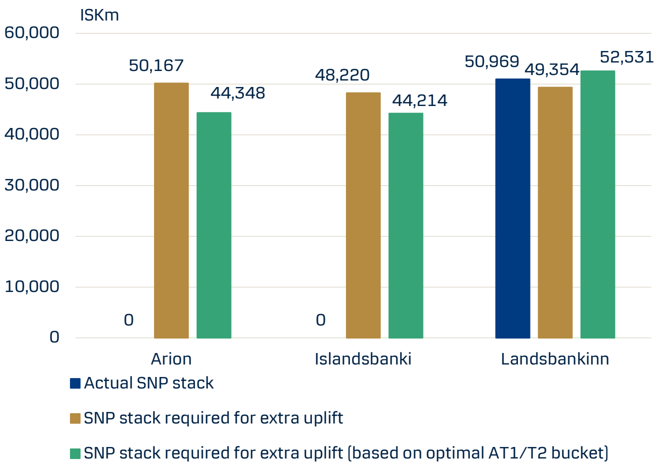
	Level	1w chg	Duration*
Main	54	2	5.1
Xover	262	12	5.1
iTraxx SrFin	56	2	5.1
iTraxx SubFin	91	4	5.1
IG (OAS to swap)	65	0	4.6
HY (OAS to swap)	262	-8	3.2
Nordic banks			
PS	38	1	3.4
SNP	45	-1	3.6
T2	81	-1	3.5
AT1	208	18	4.2
European banks			
PS	38	-2	3.1
SNP	61	-2	4.2
T2	92	-2	3.4
AT1	233	-2	4.8

* Yrs to maturity for CDS indices. Yrs to workout for Nordic bank bonds. Modified duration for IG/HY

Source: Bloomberg, Danske Bank Credit Research

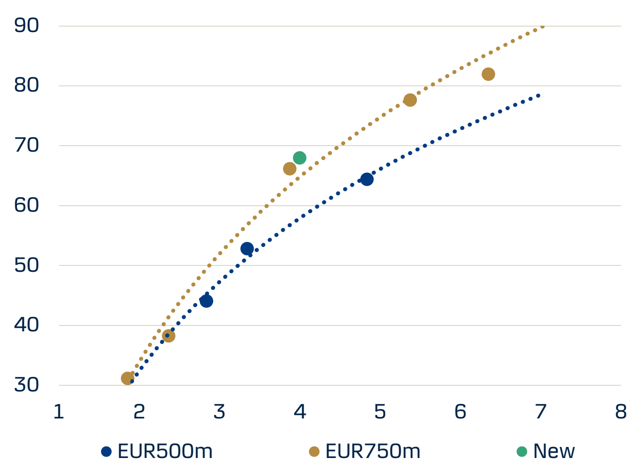
Chief Analyst
Mark Elving Naur
+45 45 14 15 04
mnau@danskebank.com

Chart 1. Required SNP stacks to receive three-notch uplift from Moody's



Source: Company data, Danske Bank Credit Research

Chart 2. Nykredit EUR BM SNPs



Source: Central Bank of Denmark, Danske Bank Credit Research

Table 1. Recent Nordic EUR BM transactions

Date	Ticker	Payment rank	Tenor	Currency	Amount (m)	IPT	Final spread*	IPT -> Final	Over-subscription	Current spread	Performance (bp)
18-Mar	DANBNK	Jr Subordinated	PerpNC7	USD	500	7.188	6.6	59	3.6x	227	-28
13-Apr	SRBANK	Sr Non Preferred	6NC5	EUR	500	117.5	88	30	5.2x	75	-13
15-Apr	NYKRE	Sr Non Preferred	5.8y	EUR	750	120	92	28	3.1x	77	-15
22-Apr	NDAFH	Sr Preferred	5y	EUR	1000	75	48	27	2x	41	-7
22-Apr	SHBASS	Sr Non Preferred	7y	EUR	1000	102.5	73	30	2.2x	67	-6
22-Apr	JYBC	Sr Non Preferred	6.2NC5.2	EUR	500	120	90	30	6.6x	74	-16
28-Apr	LFBANK	Sr Preferred	5y	EUR	500	85	57	28	2.6x	47	-10
29-Apr	SEB	Sr Preferred	5y	EUR	1000	75	50	25	1.5x	40	-10
05-May	LANBNN	Sr Preferred	5y	EUR	300	143	110	33	5.5x	92	-18
06-May	SBNOR	Sr Preferred	5y	EUR	500	83	58	25	1.7x	50	-8
07-May	OPBANK	Sr Preferred	5y	EUR	500	75	50	25	2.5x	42	-8
07-May	ARION	Sr Preferred	3.5y	EUR	300	123	88	35	8x	65	-23
21-May	SYDBDC	Sr Non Preferred	5NC4	EUR	500	105	80	25	1.4x	67	-13
21-May	DNBNO	Sr Non Preferred	6NC5	EUR	750	95	70	25	1.7x	65	-5
26-May	SEB	Jr Subordinated	PerpNC8	USD	600	7.31	6.86	56	5.8x	268	-17
09-Jun	NDAFH	Subordinated	10NC5	EUR	500	125	98	27	3.8x	95	-3
09-Jun	DNBNO	Sr Preferred	5NC4	EUR	750	73	47	26	2.3x	42	-5
10-Jun	MINGNO	Sr Preferred	5y	EUR	500	83	57	26	2x	45	-12
17-Jun	NYKRE	Sr Non Preferred	7.25y	EUR	750	125	100	25	2.7x	92	-8
11-Aug	SEB	Subordinated	11NC6	EUR	500	130	100	30	3x	100	0
12-Aug	SWEDA	Sr Preferred	5y	EUR	1000	75	47	28	2.3x	43	-4
17-Aug	NDAFH	Sr Preferred	7y	EUR	750	80	55	25	1.6x	55	0
18-Aug	SRBANK	Sr Preferred	5y	EUR	500	78	50	28	1.8x	46	-4
07-Sep	OPBANK	Sr Preferred	7y	EUR	500	85	62	23	1.5x	62	0
08-Sep	NYKRE	Sr Non Preferred	4y	EUR	500	98	68	30	3.8x	64	-4

Source: Company data, Danske Bank Credit Research

** Yield for AT1s*

Danske Bank – Credit research platform

Denmark

Jakob Magnussen
Head of Credit Research
+45 45 14 14 92
jakja@danskebank.com

- Utilities
- Renewables

Brian Børsting
Chief Analyst
+45 45 14 14 96
brbr@danskebank.com

- Industrials & Services
- Transportation
- Pharma & Medtech

Mads Rosendal
Senior Analyst
+45 45 14 15 24
madros@danskebank.com

- TMT
- Industrials
- Consumer goods

Mark Elving Naur
Senior Analyst
+45 45 14 15 04
mnau@danskebank.com

- Financials
- Strategy

Rasmus Justesen
Senior Analyst
+45 45 14 15 30
rjus@danskebank.com

- Credit portfolios

Sivert Trana
Senior Analyst
+45 45 14 14 70
sivt@danskebank.com

- Credit portfolios

Oscar Pedersen
Analyst
+45 40 47 87 60
oscp@danskebank.com

- Financials

Norway

Mille Opdahl Muller
Head of Credit Research NO
+47 85 40 77 27
mifj@danskebank.com

- Real Estate
- Salmon
- Other IG/HY corporates

Marko Radman
Senior Analyst
+47 85 40 77 62
mradm@danskebank.com

- High Yield
- Shipping
- Industrials

Sebastian Grindheim
Senior Analyst
+47 85 40 78 13
sgrin@danskebank.com

- High Yield
- Oil Services

Sweden

Marcus Gustavsson
Head of Credit Research SE
+46 75 248 04 02
marcg@danskebank.com

- Real Estate
- Other IG/HY corporates

Lina Berg
Analyst
+46 75 248 15 42
linab@danskebank.com

- Pharma & Medtech
- Metals & Mining
- Other IG/HY corporates

Christian Svanfeldt, CFA
Senior Analyst
+46 75 248 15 38
chrsv@danskebank.com

- Autos & Trucks
- Real Estate
- Other IG/HY corporates

Finland

Olli Eloranta
Senior Analyst
+358 10 5468479
oelo@danskebank.com

- Industrials
- Real Estate
- Other IG/HY corporates

ESG

Louis Landeman
Head of ESG Research
+46 75 248 04 12
llan@danskebank.com

- ESG

Ebba Edholm
Senior Analyst
+46 75 248 15 50
eedh@danskebank.com

- ESG

Find the latest Credit Research:
https://research.danskebank.com

Disclosures

This research report has been prepared by Credit Research, a division of Danske Bank A/S ('Danske Bank'). The authors of this research report (together with contact details) are listed on the front page.

Analyst certification

Each research analyst responsible for the content of this research report certifies that the views expressed in the research report accurately reflect the research analyst's personal view about the financial instruments and issuers covered by the research report. Each responsible research analyst further certifies that no part of the compensation of the research analyst was, is or will be, directly or indirectly, related to the specific recommendations expressed in the research report.

Regulation

Danske Bank is authorised and regulated by the Danish Financial Services Authority (Finanstilsynet). Danske Bank is authorised by the Prudential Regulation Authority in the UK and subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

Danske Bank's research reports are prepared in accordance with the recommendations of Capital Market Denmark.

Danske Bank is not registered as a Credit Rating Agency pursuant to the CRA Regulation (Regulation (EC) no. 1060/2009). Hence, Danske Bank does not comply with nor seek to comply with the requirements applicable to Credit Rating Agencies.

Conflicts of interest

Danske Bank has established procedures to prevent conflicts of interest and to ensure the provision of high-quality research based on research objectivity and independence. These procedures are documented in Danske Bank's research policies. Employees within Danske Bank's Research Departments have been instructed that any request that might impair the objectivity and independence of research shall be referred to Research Management and the Compliance Department. Danske Bank's Research Departments are physically separated from other business areas within Danske Bank and surrounded by arrangements (Chinese Walls) to restrict the flows of sensitive information.

Research analysts are remunerated in part based on the overall profitability of Danske Bank, which includes investment banking revenues, but do not receive bonuses or other remuneration linked to specific corporate finance or debt capital transactions.

Danske Bank is a market maker and a liquidity provider and may hold positions in the financial instruments of the issuers mentioned in this research report.

The Equity and Corporate Bonds analysts of Danske Bank and persons in other departments of Danske Bank with which the relevant analysts have close links are not permitted to invest in 1) financial instruments that are covered by the relevant Equity or Corporate Bonds analyst and 2) the research sector within the geographical area (the Nordics) to which the analyst is linked.

Danske Bank, its affiliates and subsidiaries are engaged in commercial banking, securities underwriting, dealing, trading, brokerage, investment management, investment banking, custody and other financial services activities, may be a lender to the companies mentioned in this publication and have whatever rights are available to a creditor under applicable law and the applicable loan and credit agreements. At any time, Danske Bank, its affiliates and subsidiaries may have credit or other information regarding the companies mentioned in this publication that is not available to or may not be used by the personnel responsible for the preparation of this report, which might affect the analysis and opinions expressed in this research report.

Completion and first dissemination

The completion date and time in this research report mean the date and time when the author hands over the final version of the research report to Danske Bank's editing function for legal review and editing.

The date and time of first dissemination mean the date and estimated time of the first dissemination of this research report. The estimated time may deviate up to 15 minutes from the effective dissemination time due to technical limitations.

See the back page of this research report for the date and time of first dissemination.

Validity time period

This communication as well as the communications in the list referred to below are valid until the earlier of (a) dissemination of a superseding communication by the author, or (b) significant changes in circumstances following its dissemination, including events relating to the market or the issuer, which can influence the price of the issuer or financial instrument.

Investment recommendations disseminated during the preceding 12-month period

A list of previous investment recommendations disseminated by the lead analyst(s) of this research report in the preceding 12-month period can be found in Danske Bank's Credit research database at *https://research.danskebank.com/research*.

Other previous investment recommendations disseminated by Danske Bank Credit Research are also available in the database.

See *https://danskeci.com/ci/research/disclosures-and-disclaimers* for further disclosures and information.

General disclaimer

This research has been prepared by Danske Bank A/S. It is provided for informational purposes only and should not be considered investment, legal or tax advice. It does not constitute or form part of, and shall under no circumstances be considered as, an offer to sell or a solicitation of an offer to purchase or sell any relevant financial instruments (i.e. financial instruments mentioned herein or other financial instruments of any issuer mentioned herein and/or options, warrants, rights or other interests with respect to any such financial instruments) ('Relevant Financial Instruments'). This research report has been prepared independently and solely based on publicly available information that Danske Bank A/S considers to be reliable, but Danske Bank A/S has not independently verified the contents hereof. While reasonable care has been taken to ensure that its contents are not untrue or misleading, no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or reasonableness of the information, opinions and projections contained in this research report and Danske Bank A/S, its affiliates and subsidiaries accept no liability whatsoever for any direct or consequential loss, including without limitation any loss of profits, arising from reliance on this research report. The opinions expressed herein are the opinions of the research analysts and reflect their opinion as of the date hereof. These opinions are subject to change and Danske Bank A/S does not undertake to notify any recipient of this research report of any such change nor of any other changes related to the information provided in this research report. This research report has been prepared for professional clients. Distribution of research reports containing investment recommendations and complex financial products to retail clients is prohibited unless Danske Bank A/S has conducted an evaluation and determined, on a case-by-case basis, that the client possesses the necessary financial knowledge and experience to understand the complexities and risks involved. Under no circumstances may this report be distributed to individual investors in the United States. This research report is protected by copyright and is intended solely for the designated addressee. It may not be reproduced or distributed, in whole or in part, by any recipient for any purpose without Danske Bank A/S's prior written consent.

Disclaimer related to distribution in the United States

This research report was created by Danske Bank A/S and is distributed in the United States by Danske Markets Inc., a U.S. registered broker-dealer and subsidiary of Danske Bank A/S, pursuant to SEC Rule 15a-6 and related interpretations issued by the U.S. Securities and Exchange Commission. The research report is intended for distribution in the United States solely to 'U.S. institutional investors' as defined in SEC Rule 15a-6. Danske Markets Inc. accepts responsibility for this research report in connection with distribution in the United States solely to 'U.S. institutional investors'.

Danske Bank A/S is not subject to U.S. rules with regard to the preparation of research reports and the independence of research analysts. In addition, the research analysts of Danske Bank A/S who have prepared this research report are not registered or qualified as research analysts with the New York Stock Exchange or Financial Industry Regulatory Authority but satisfy the applicable requirements of a non-U.S. jurisdiction.

Any U.S. investor recipient of this research report who wishes to purchase or sell any Relevant Financial Instrument may do so only by contacting Danske Markets Inc. directly and should be aware that investing in non-U.S. financial instruments may entail certain risks. Financial instruments of non-U.S. issuers may not be registered with the U.S. Securities and Exchange Commission and may not be subject to the reporting and auditing standards of the U.S. Securities and Exchange Commission.

Disclaimer related to distribution in the United Kingdom

In the United Kingdom, this document is for distribution only to (I) persons who have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the 'Order'); (II) high net worth entities falling within article 49(2)(a) to (d) of the Order; or (III) persons who are an elective professional client or a per se professional client under Chapter 3 of the FCA Conduct of Business Sourcebook (all such persons together being referred to as 'Relevant Persons'). In the United Kingdom, this document is directed only at Relevant Persons, and other persons should not act or rely on this document or any of its contents.

Disclaimer related to distribution in the European Economic Area

This document is being distributed to and is directed only at persons in member states of the European Economic Area ('EEA') who are 'Qualified Investors' within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) ('Qualified Investors'). Any person in the EEA who receives this document will be deemed to have represented and agreed that it is a Qualified Investor. Any such recipient will also be deemed to have represented and agreed that it has not received this document on behalf of persons in the EEA other than Qualified Investors or persons in the UK and member states (where equivalent legislation exists) for whom the investor has authority to make decisions on a wholly discretionary basis. Danske Bank A/S will rely on the truth and accuracy of the foregoing representations and agreements. Any person in the EEA who is not a Qualified Investor should not act or rely on this document or any of its contents.

Report completed: 11 September 2026 at 07:20 CET
Report disseminated: 11 September 2026 at 08:30 CET