



# **Transparency Report 2025 – Nordic Credit Rating AS**

**March 2026**

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## 1. INTRODUCTION

Nordic Credit Rating AS (NCR) is registered with the European Securities and Markets Authority (ESMA) and is authorized to conduct credit rating activities within the European Union and the European Economic Area.

NCR assigns credit ratings primarily to financial institutions, corporations, and local and regional governments, primarily in the Nordic region.

NCR operates independently from any government, financial institution, or corporate entity, and its credit ratings are based solely on analytical judgement and established methodologies.

## 2. PURPOSE

This report is prepared in accordance with Article 12 of the Credit Rating Agencies Regulation (CRAR) Part III of Section E in Annex 1, which require credit rating agencies to publish an annual transparency report.

## 3. LEGAL STRUCTURE AND OWNERSHIP

NCR was founded on Aug. 26, 2016, and registered with the Norwegian Business Register on Oct. 17, 2016. No shareholder, directly or indirectly, holds more than 5% of NCR's capital or voting rights, nor any holding that enables significant influence over the management or operations of the company.

NCR has no parent undertaking or subsidiaries and operates a branch in Sweden.

Office	Address
Norway (Org nr: 917685991)	Ruseløkkveien 34, 0251 Oslo, Norway
Sweden (Org nr: 516413-5062)	Norrlandsgatan 10, 111 43 Stockholm, Sweden

The shareholder list is on NCR's website: <https://nordiccreditrating.com/about/shareholders>

## 4. INTERNAL CONTROL MECHANISMS

NCR's internal control framework ensures the quality and independence of credit rating activities and the effective management of actual and potential conflicts of interest. It consists of the Board of Directors, Independent Non-Executive Directors (INEDs), the Compliance Function, the Risk Management Function, the Review Function, the Information Security Function, and Internal Audit, each operating within its defined mandate in accordance with CRAR and internal policies.

### The Board of Directors

The Board of Directors is responsible for NCR's overall governance, including the effectiveness of its risk management process and internal controls.

The Directors, including the two Independent Non-Executive Directors (INEDs), are not involved in NCR's daily operations or credit rating activities.

During 2025, Monica Klingberg Insoll and Tobias Lindhe resigned from the Board, and Torbjørn Martinsen was appointed as a Director.

As of Dec. 31, 2025, the Board had the following composition:

NAME	POSITION
Audun Bø	Chairman

NAME	POSITION
Ann-Christin Smestad	Director, INED
Peter Tuving	Director, INED
Torbjørn Martinsen	Director

### **The Independent Non-Executive Directors**

The Independent Non-Executive Directors (INEDs) oversee the development of NCR's credit rating policies and methodologies, the robustness and effectiveness of the internal control system, the management of actual and potential conflicts of interest, and the independence and effectiveness of the Compliance, Review, Risk Management, Information Security, and Internal Audit Functions.

All Internal Control Functions report to the Board of Directors and provide regular reporting to the INEDs in accordance with their functional oversight responsibilities.

### **The Compliance Function**

The Compliance Function oversees compliance risk and monitors NCR's adherence to applicable regulatory and internal requirements. It evaluates the effectiveness of processes and controls implemented by operational management and provides guidance and support to ensure ongoing compliance.

### **The Risk Management Function**

The Risk Management Function monitors NCR's risk profile in line with the risk appetite set by the Board of Directors. It develops and maintains key risk indicators to track material risks and provides quarterly reporting to the Board and the INEDs, with additional reporting as needed.

### **The Review Function**

The Review Function assesses whether NCR's credit rating activities are conducted in accordance with approved methodologies, models, and key rating assumptions. It operates as an independent second-line control function and does not perform operational tasks in the credit rating process or take part in rating decisions, including credit rating committees. It performs periodic reviews of rating files and provides reports to the Board of Directors, the INEDs, the CEO, and the Chief Rating Officer. The Review Function also conducts an annual assessment of all methodologies and models and independently reviews and approves all new or significantly updated methodologies, models, and key rating assumptions.

### **The Information Security Function**

The Information Security Function oversees and monitors NCR's adherence to information security policies and supports the management of ICT and cybersecurity risks to ensure digital operational resilience. It operates independently of business lines and provides updates to the Board of Directors and the INEDs in line with its oversight responsibilities.

### **Internal Audit**

NCR's Internal Audit Function, outsourced to KPMG, provides independent assurance on the adequacy and effectiveness of NCR's internal control system and its arrangements for complying with applicable regulatory requirements, including CRAR. The function operates independently of business lines in line with its mandate.

### **Statutory Audit of Financial Statements**

NCR's financial statements are audited annually by an external statutory auditor. The audited financial statements are submitted to ESMA each year in accordance with regulatory requirements.

## **5. PRINCIPLES GOVERNING THE CREDIT RATING PROCESS**

NCR assigns forward-looking, independent credit ratings based on objective analysis conducted in accordance with approved methodologies and models. Ratings are issued through a consistent and transparent process and communicated to the market in a timely and clear manner.

NCR applies analytical assessment, a rating committee decision, publication of the rating action, and ongoing surveillance in line with applicable methodologies, models, and regulatory obligations. Further information on NCR's credit rating process, methodologies, and models is available on its website<sup>1</sup>.

### **Rating Methodologies**

NCR assigns credit ratings based on quantitative and qualitative analysis conducted in accordance with approved methodologies and models. These methodologies are designed to provide transparent and consistent assessments of credit risk and are reviewed at least annually by the Review Function, with updates made as necessary to reflect market or regulatory developments.

NCR applies established long-term and short-term rating scales, and outlooks may be assigned to indicate the potential direction of a rating over a 12–18-month horizon.

### **Independence and Separation of Activities**

NCR safeguards the independence of its credit rating activities by separating analytical work from commercial and administrative functions and by ensuring operational and physical separation where necessary to manage conflicts of interest. Credit ratings are determined solely on factors relevant to creditworthiness and are not influenced by commercial, political, or other external considerations. NCR maintains controls to prevent inappropriate influence and ensures that business relationships do not affect rating outcomes.

### **Quality and Integrity of the Credit Rating Process**

NCR ensures the quality of its credit rating process by applying approved methodologies, using information of adequate quality and reliability, and maintaining the analytical expertise necessary to support high-quality ratings. Rating decisions are taken collectively by rating committees.

NCR upholds strict standards of ethical conduct, requiring employees to act with honesty, fairness, and professional judgement. NCR prohibits any assurance, indication, promise, or threat regarding potential rating outcomes and does not permit conduct that could inappropriately influence a credit rating.

NCR's Code of Conduct reflects applicable regulatory requirements and incorporates the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies.

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<sup>1</sup> <https://nordiccreditrating.com/governance>

## 6. PERSONNEL

As of Dec. 31, 2025, NCR employed 13.2 full time employees (FTEs). The allocation of analytical and review staff was as follows:

FUNCTION	FTEs*
Chief Rating Officer	1
Rating analysts	7
Staff involved in methodology and model development	3
Methodology and model review/appraisal	0.2

*\*The FTE figures reflect the estimated allocation of analytical time to each role and do not represent dedicated full-time positions.*

Methodology and model development is performed by analytical staff on a project basis, and the FTE figure shown reflects the aggregated time spent on these activities rather than dedicated positions.

### Staff Allocated to Rating Activities

NCR applies a portfolio-based analytical model. The primary responsibility of each rating analyst is the ongoing surveillance of an established issuer portfolio, while new rating assignments are handled by the analyst designated to manage the initial rating process. NCR does not allocate analytical staff exclusively to 'new ratings' or 'reviews', as both activities form part of the analytical role.

NCR currently has most analysts assigned to corporate ratings (corporates and financial institutions), and a smaller allocation to sovereign ratings. NCR has no structured finance ratings.

SEGMENT	FTEs
Corporates	3
Financial institutions	4.75
Sovereigns	0.25
Structured finance	0

## 7. RECORD-KEEPING POLICY

NCR maintains policies and procedures for the retention and management of information and records generated through its credit rating activities. Records include internally produced analytical material and information obtained from issuers and third parties. In accordance with the CRA Regulation, NCR retains relevant records and audit trails for at least five years, and these are made available to ESMA upon request.

Access to information is controlled through individual user accounts and role-based permissions, ensuring that information related to credit rating activities is kept separate from other data and is accessible only to authorised personnel. NCR's record-keeping framework upholds confidentiality, integrity, and availability in line with applicable data protection and information security requirements.

## 8. ANNUAL COMPLIANCE REVIEW

The Compliance Function's annual work plan is approved by the Board of Directors. The INEDs oversee the independence, adequacy, and effectiveness of the Compliance Function and meet with it regularly as part of their oversight responsibilities.

Based on their interactions and the reports received during 2025, the INEDs did not identify any issues regarding the independence, efficiency, or adequacy of the Compliance Function and confirmed that it completed its approved work plan.

## 9. MANAGEMENT AND ANALYST ROTATION POLICY

### Management

NCR's CEO is responsible for managing the agency's day-to-day administrative activities and is not involved in credit rating activities or methodology development. The management team includes the Chief Rating Officer, Chief Commercial Officer, Compliance & Risk Officer, and Chief Technology Officer. All analytical staff report to the Chief Rating Officer.

### Analyst Rotation

Under the CRA Regulation, mandatory analyst rotation requirements apply only to CRAs with 50 or more staff. As NCR's staffing remains below this threshold, these rotation rules do not apply. To mitigate potential conflicts of interest arising from this exemption, NCR applies measures set out in its *Policy on Conflicts of Interest*, which is available on its website.

## 10. FINANCIAL DISCLOSURE

The table below provides NCR's unaudited revenue (in million Norwegian kroner (MNOK)) generated in the EU and EEA for the financial year ended Dec. 31, 2025.

REVENUE TYPE	MNOK
Credit Rating Services	33.3
Ancillary Services	2.1
<b>Total revenues</b>	<b>35.4</b>

NCR generated no revenue outside the EU/EEA during the period.

Ancillary services consist of (i) Rating Evaluation Services (RES) provided to clients of credit rating services, and (ii) licensing-related services and private credit analysis provided to non-rated entities. Of the MNOK 2.1 in ancillary services revenue in 2025, MNOK 0.6 related to RES provided to clients of credit rating services.

The table below provides NCR's unaudited revenue (in million Norwegian kroner (MNOK)) generated per asset class for the financial year ended Dec. 31, 2025.

ASSET CLASS	MNOK
Corporates (including financial institutions)	32.7
Sovereigns	0.6
Structured finance	0

## 11. CORPORATE GOVERNANCE

This governance statement is provided in accordance with Article 46a(1) of Directive 78/660/EEC.

NCR applies its corporate governance framework as set out in its internal governance policies and Code of Conduct, which incorporates the IOSCO Code of Conduct Fundamentals for Credit Rating Agencies.

NCR's internal control and risk-management arrangements related to financial reporting are described in Section 4 (Internal Control Mechanisms).

Information regarding major holdings is not applicable to NCR.

NCR is a legal entity under Norwegian law, and shareholder rights are governed by its Articles of Association.

The composition and responsibilities of the Board of Directors are set out in Section 4 (Internal Control Mechanisms).

## NORDIC CREDIT RATING AS

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