

Imposition of an administrative penalty on Nordea Finance Finland Ltd

The EUROPEAN CENTRAL BANK,

decided on 29 January 2026 to impose an administrative penalty on Nordea Finance Finland Ltd in an amount of EUR 2,260,000. This penalty is imposed in respect of breaches of the large exposures limits and the large exposures reporting requirements set out in Article 394 and Article 395(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council¹ committed with serious negligence, for 13 consecutive reporting periods from 28 June 2021 to 29 October 2024.

The decision to impose the administrative penalty was made pursuant to Article 18(1) of Council Regulation (EU) No 1024/2013².

When determining an administrative penalty, the ECB follows the principles set out in the ECB's Guide to the method of setting administrative pecuniary penalties pursuant to Article 18(1) and (7) of Regulation (EU) No 1024/2013. In accordance with this Guide, the ECB considered all the relevant circumstances of the case, in particular the impact of the breaches, the degree of the misconduct of Nordea Finance Finland Ltd, the size of the entity and the applicable mitigating circumstances.

The ECB assessed the impact of both breaches as 'high' based on the effect the breaches had on the prudential situation of the entity and its effective supervision and their duration. The effect of the breaches has been determined on the basis of the importance of accurately calculating and reporting large exposures, the extent to which the calculated and reported figures differed from the actual ones and the duration of the breach, which prevented the ECB from obtaining a comprehensive view of the risk profile and the prudential situation of the entity in the relevant period.

The degree of Nordea Finance Finland Ltd's misconduct was assessed as 'medium'. Both breaches were considered to be committed with serious negligence as Nordea Finance Finland Ltd, based on its knowledge about relevant regulatory changes, could not have been unaware that failing to properly implement a new large exposures calculation logic would potentially lead to breaches of its large exposures reporting obligations and of the large exposures limits. Deficiencies in Nordea Finance Finland Ltd's internal controls also contributed to the occurrence and the duration of the breach.

¹ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1, ELI: <http://data.europa.eu/eli/reg/2013/575/oj>).

² Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 63).



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Out of the severity categories 'minor', 'moderately severe', 'severe', 'very severe', and 'extremely severe', the ECB classified both breaches as 'severe' due to the impact and the misconduct determined as 'high' and 'medium'.

In addition, the ECB considered as mitigating circumstance that Nordea Finance Finland Ltd took remedial actions to address the breach, once identified, and to prevent similar breaches from occurring in the future. The ECB also took into account that the breaches derive from the same underlying facts and considered that the application of a pecuniary penalty corresponding to the sum of the individual pecuniary penalties would not be proportionate given the circumstances of the case. Thus, in line with paragraph 31 of the ECB Guide, instead of two penalties, the ECB decided to impose only one penalty based on an upward adjustment of the higher adjusted base amount.

The administrative penalty is published in accordance with Article 18(6) of Regulation (EU) No 1024/2013 and Article 132 of Regulation (EU) No 468/2014 of the European Central Bank (ECB/2014/17)³.

The ECB's decision to impose an administrative penalty on Nordea Finance Finland Ltd may be challenged before the Court of Justice of the European Union under the conditions and within the time limits provided for in Article 263 of the Treaty on the Functioning of the European Union.

³ Regulation (EU) No 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for cooperation within the Single Supervisory Mechanism between the European Central Bank and national competent authorities and with national designated authorities (SSM Framework Regulation) (ECB/2014/17) (OJ L 141, 14.5.2014, p. 1, ELI: <http://data.europa.eu/eli/reg/2014/468/oj>).