

# Nordea



## First-Quarter Financial Report 2022

# First-quarter results 2022

## Summary of the quarter<sup>1</sup>:

- Resilient performance, continued lending growth.** Mortgage lending volumes increased by 7%, year on year, supported by market share growth across the Nordics. SME lending grew by 6% and large corporate lending by 11%. Assets under management decreased by 5% from the record levels of the previous quarter. This was due to financial market turbulence and seasonal net outflows.
- Increased income and higher operating profit.** First-quarter operating profit increased by 6%, year on year, to EUR 1,114m, supported by lower loan losses. Total income increased by 3% despite the very strong comparison quarter. Net interest income increased by 8% and net fee and commission income by 5%. Net fair value result decreased by 20% following the exceptionally strong first quarter of 2021. Costs increased by 5%, mainly due to regulatory fees, including higher resolution fees and the new Swedish bank tax.
- Continued strong credit quality.** Net loan losses and similar net result amounted to reversals of EUR 12m or 1bp in the quarter, compared with net loan losses of 7bp in the first quarter of 2021. Realised net loan losses remained low, consistent with previous periods. The management judgement buffer was unchanged at EUR 610m.
- Cost-to-income ratio 48% and return on equity 12.5%.** Nordea's cost-to-income ratio was 48% (48% in the first quarter of 2021). Return on equity (RoE) increased to 12.5% from 11.0%. Earnings per share increased by 16%, to EUR 0.22 from EUR 0.19.
- Strong capital enabling high dividends and continued share buy-backs.** Nordea's CET1 ratio decreased to 16.3% from 17.0% in the previous quarter due to the capital optimisation associated with the share buy-backs. The CET1 ratio remains very strong at 6.1 percentage points above the regulatory requirement.  
Nordea's Annual General Meeting of 24 March approved the dividend of EUR 0.69 per share for 2021, in line with the bank's dividend policy. Nordea is committed to implementing an efficient capital structure and commenced a new EUR 1bn share buy-back programme on 14 March. Nordea is also in discussions with the European Central Bank regarding potential follow-on share buy-backs in the second half of 2022.
- Russia exit completed.** In line with previously communicated plans, Nordea initiated the final steps to liquidate its subsidiaries in Russia. During the quarter Nordea also made loan loss provisions for its direct financial exposure to Russian counterparties. The impacts have been classified as items affecting comparability.
- Outlook maintained.** Despite increased macroeconomic uncertainty, Nordea confirms its outlook for 2022: RoE above 11% and a cost-to-income ratio of 49–50%. During the quarter the Group presented its new key priorities at its Capital Markets Day. Nordea is committed to reaching its 2025 financial target – RoE above 13%.

(For further viewpoints, see the CEO comment on page 2. For definitions, see page 55)

## Group quarterly results and key ratios Q1 2022<sup>1</sup>

	Q1 2022	Q1 2021	Chg %	Q4 2021	Chg %
<b>EURm</b>					
Net interest income	1,308	1,212	8	1,255	4
Net fee and commission income	870	827	5	920	-5
Net fair value result	295	370	-20	247	19
Other income	17	11		16	
<b>Total operating income</b>	<b>2,490</b>	<b>2,420</b>	<b>3</b>	<b>2,438</b>	<b>2</b>
Total operating expenses excluding resolution fees	-1,132	-1,095	3	-1,101	3
<b>Total operating expenses</b>	<b>-1,388</b>	<b>-1,319</b>	<b>5</b>	<b>-1,101</b>	<b>26</b>
<b>Profit before loan losses</b>	<b>1,102</b>	<b>1,101</b>	<b>0</b>	<b>1,337</b>	<b>-18</b>
Net loan losses and similar net result	12	-52		-56	
<b>Operating profit</b>	<b>1,114</b>	<b>1,049</b>	<b>6</b>	<b>1,281</b>	<b>-13</b>
Cost-to-income ratio with amortised resolution fees, %	48	48		47	
Return on equity with amortised resolution fees, %	12.5	11.0		11.3	
Diluted earnings per share, EUR	0.22	0.19	16	0.26	-15

<sup>1</sup> Excluding items affecting comparability. See page 5 for further details.

### For further information:

Frank Vang-Jensen, President and Group CEO, +358 503 821 391  
Ian Smith, Group CFO, +45 5547 8372

Matti Ahokas, Head of Investor Relations, +358 405 759 178  
Ulrika Romantschuk, Head of Brand, Communication and Marketing,  
+358 10 416 8023

We are a universal bank with a 200-year history of supporting and growing the Nordic economies – enabling dreams and aspirations for a greater good. Every day, we work to support our customers' financial development, delivering best-in-class omnichannel customer experiences and driving sustainable change. The Nordea share is listed on the Nasdaq Helsinki, Nasdaq Copenhagen and Nasdaq Stockholm exchanges. Read more about us at [nordea.com](https://nordea.com).

# CEO comment

The start of 2022 has been truly extraordinary. Within the first couple of months we witnessed a new wave of the pandemic, followed by a peak in cases and a rapid lifting of restrictions. And then the war started in late February, shaking our societal building blocks – peace, security and stability – and bringing turbulence to financial markets.

We strongly condemn Russia's invasion of Ukraine. Our thoughts are with all who are suffering, fearing for their lives and worried for their loved ones. We are carrying out our role in society, supporting our people and customers, helping the people of Ukraine and ensuring business continuity. We are also ensuring that we comply with all imposed sanctions.

We decided to exit our Russian operations in 2019 and have been winding down our business there since then. This means that our direct exposure to Russia is very low. In the first quarter we assessed the recoverability of this exposure and made provisions of EUR 76m. We also initiated the final steps to liquidate our subsidiaries in Russia. In accordance with accounting requirements, we transferred to the income statement accumulated foreign exchange translation differences of EUR 529m previously recognised in "Other comprehensive income". This is a technical item that has no impact on our CET1 capital, equity, or dividend and buy-back capacity. These two items related to the exceptional Russia situation are regarded as items affecting comparability. Furthermore, Nordea Asset Management decided to exit all fund investments connected to Russia.

Nordea is a strong bank and continues to be a safe and trusted partner for customers, employees, shareholders and broader society. In these turbulent times, this is more important than ever. The bank's resilience has been tested and proven in many crises and our strong business momentum continues.

In the first quarter we continued to make steady progress, building on the strong foundation and business development of 2021. We grew our business, customer activity was high and loan losses were close to zero. This enabled us to achieve a return of equity of 12.5% and an operating profit of EUR 1,114m.

Our mortgage lending increased by 7%, following the positive trend seen in previous quarters, and our market shares continued to increase across the Nordics. Our SME lending volumes increased by 6%, driven by growth in Sweden and Norway in particular. Meanwhile, our large corporate lending grew for the second quarter in a row, increasing by 11%, year on year. Our assets under management grew by 6% despite the negative impact from stock markets in the first quarter of 2022.

Our cost-to-income ratio was 48% – unchanged from the first quarter of 2021. Income was up 3% despite an unusually strong comparison quarter. Income growth was mainly driven by an 8% growth in net interest income. Net interest income increased in all business areas, with the largest contributions from SME and large corporate lending. Our operating costs increased, mainly due to higher regulatory costs, including higher resolution fees and the Swedish bank tax. However, costs excluding regulatory fees were up only 2% despite the higher business activity.

While our performance during the quarter was solid, the war in Ukraine has had an impact on our business. Our assets under management decreased by 5%, quarter on quarter, due to market turbulence and seasonal net outflows. The underlying net flow from our internal channels was positive despite the very turbulent markets. In addition, many corporate finance transactions were postponed due to the increased economic uncertainty. Customer activity is picking up again but there is no doubt that economic uncertainty remains high and business and consumer confidence is more fragile than in 2021.

Our credit quality remains strong, with net loan losses amounting to reversals of 1bp during the quarter. There continues to be uncertainty regarding the broader impact of the conflict – including higher energy, food and commodity prices. With our COVID-19 management judgement provisions of EUR 610m, we are well protected against credit losses. We expect to get a clearer picture of the potential effect of the macroeconomic impacts on our customers during the second quarter.

Our capital strength is among the best in Europe, with a CET1 ratio of 16.3%, 6.1 percentage points above the current regulatory requirement.

All in all, Nordea remains stable and strong and continues to grow market shares despite the turbulent external environment. In 2022 we continue to expect to reach a return on equity above 11% and a cost-to-income ratio of 49–50%.

Our Annual General Meeting in March approved the 2021 dividend of EUR 0.69 per share. Including the share buy-backs, we have distributed almost EUR 4bn to our shareholders so far in 2022. We remain highly committed to implementing an efficient capital structure and continue to distribute excess capital to our shareholders, most recently through a new EUR 1bn share buy-back programme launched in March. Moreover, we are in discussions with the European Central Bank regarding potential follow-on share buy-backs in the second half of the year.

We have now entered the new strategy period, 2022–25. We presented our plans at our Capital Markets Day in February. Our new financial target for 2025, a return on equity above 13%, is a firm target that we are committed to meeting. In order to do so, we have reshaped our key priorities, which are: to create the best omnichannel customer experience, to drive focused and profitable growth, and to increase operational and capital efficiency. We are also focusing on two key levers cutting across the entire bank: being a digital leader among our peers and integrating sustainability into the core of our business.

That is our way forward – to be the preferred partner for Nordic customers in need of a broad range of financial services. In both good and challenging times.

**Frank Vang-Jensen**  
President and Group CEO

# Outlook (unchanged)

## Financial target for 2025

Nordea's financial target for 2025 is a return on equity above 13%.

The target will be supported by a cost-to-income ratio of 45–47%, an annual net loan loss ratio of around 10bp and the continuation of Nordea's well-established capital and dividend policies.

## Financial outlook for 2022

Nordea expects a return on equity of above 11% and a cost-to-income ratio of 49–50% for 2022.

## Capital policy

A management buffer of 150–200bp above the regulatory CET1 requirement.

## Dividend policy

Nordea's dividend policy stipulates a dividend payout ratio of 60–70%, applicable to profit for the financial year. Nordea will continuously assess the opportunity to use share buy-backs as a tool to distribute excess capital.

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# Income statement

	Q1 2022	Q1 2021	Chg %	Local curr. %	Q4 2021	Chg %	Local curr. %
EURm							
Net interest income	1,308	1,212	8	8	1,255	4	5
Net fee and commission income	870	827	5	6	920	-5	-5
Net result from items at fair value	-242	370			247		
Profit or loss from associated undertakings and joint ventures accounted for under the equity method	0	-14			-4		
Other operating income	17	25	-32	-32	20	-15	-15
<b>Total operating income</b>	<b>1,953</b>	<b>2,420</b>	<b>-19</b>	<b>-19</b>	<b>2,438</b>	<b>-20</b>	<b>-19</b>
Staff costs	-703	-682	3	4	-670	5	6
Other expenses	-266	-262	2	2	-241	10	11
Regulatory fees	-273	-224	22	22	-		
Depreciation, amortisation and impairment charges of tangible and intangible assets	-146	-151	-3	-2	-190	-23	-22
<b>Total operating expenses</b>	<b>-1,388</b>	<b>-1,319</b>	<b>5</b>	<b>6</b>	<b>-1,101</b>	<b>26</b>	<b>27</b>
<b>Profit before loan losses</b>	<b>565</b>	<b>1,101</b>	<b>-49</b>	<b>-49</b>	<b>1,337</b>	<b>-58</b>	<b>-58</b>
Net loan losses and similar net result	-64	-52	23	23	-56	14	16
<b>Operating profit</b>	<b>501</b>	<b>1,049</b>	<b>-52</b>	<b>-52</b>	<b>1,281</b>	<b>-61</b>	<b>-61</b>
Income tax expense	-232	-261	-11	-11	-264	-12	-11
<b>Net profit for the period</b>	<b>269</b>	<b>788</b>	<b>-66</b>	<b>-66</b>	<b>1,017</b>	<b>-74</b>	<b>-74</b>

## Excluding items affecting comparability<sup>1</sup>

	Q1 2022	Q1 2021	Chg %	Local curr. %	Q4 2021	Chg %	Local curr. %
EURm							
Net interest income	1,308	1,212	8	8	1,255	4	5
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<b>Total operating income</b>	<b>2,490</b>	<b>2,420</b>	<b>3</b>	<b>3</b>	<b>2,438</b>	<b>2</b>	<b>3</b>
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Other expenses	-266	-262	2	2	-241	10	11
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<b>Profit before loan losses</b>	<b>1,102</b>	<b>1,101</b>	<b>0</b>	<b>0</b>	<b>1,337</b>	<b>-18</b>	<b>-17</b>
Net loan losses and similar net result	12	-52			-56		
<b>Operating profit</b>	<b>1,114</b>	<b>1,049</b>	<b>6</b>	<b>6</b>	<b>1,281</b>	<b>-13</b>	<b>-12</b>
Income tax expense	-246	-261	-6	-6	-264	-7	-6
<b>Net profit for the period</b>	<b>868</b>	<b>788</b>	<b>10</b>	<b>10</b>	<b>1,017</b>	<b>-15</b>	<b>-14</b>

<sup>1</sup> Excluding the following items affecting comparability in the first quarter of 2022: a non-deductible loss from the recycling of EUR 529m in accumulated foreign exchange losses related to operations in Russia and EUR 8m (EUR 6m after tax) in losses on fund investments in Russia, recognised in "Net result from items at fair value"; and EUR 76m (EUR 64m after tax) in credit losses on direct exposures to Russian counterparties, recognised in "Net loan losses and similar net result". There was no impact on equity, own funds or capital from the recycling of the accumulated foreign exchange losses, as a corresponding positive item was recorded in "Other comprehensive income". Consequently, this item has no impact on Nordea's dividend or share buy-back capacity.

## Business volumes, key items<sup>1</sup>

	31 Mar 2022	31 Mar 2021	Chg %	Local curr. %	31 Dec 2021	Chg %	Local curr. %
EURbn							
Loans to the public	351.9	333.6	5	5	345.0	2	1
Loans to the public, excl. repos/securities borrowing	333.1	314.5	6	5	328.3	1	1
Deposits and borrowings from the public	221.1	198.2	12	11	205.8	7	7
Deposits from the public, excl. repos/securities lending	212.0	191.5	11	10	203.2	4	4
Total assets	624.5	591.1	6		570.4	9	
Assets under management	389.4	368.9	6		411.3	-5	
Equity	30.9	34.5	-10		33.5	-8	

<sup>1</sup> End of period.

# Ratios and key figures<sup>1</sup>

	Q1 2022	Q1 2021	Chg %	Q4 2021	Chg %
Diluted earnings per share (DEPS), EUR	0.06	0.19	-68	0.26	-77
EPS, rolling 12 months up to period end, EUR	0.82	0.64	28	0.95	-14
Share price <sup>2</sup> , EUR	9.38	8.41	12	10.79	-13
Equity per share <sup>2</sup> , EUR	8.04	8.53	-6	8.51	-6
Potential shares outstanding <sup>2</sup> , million	3,860	4,050	-5	3,966	-3
Weighted average number of diluted shares, million	3,894	4,040	-4	3,978	-2
Return on equity, %	3.3	9.4		11.8	
Return on tangible equity, %	3.7	10.6		13.2	
Return on risk exposure amount, %	0.7	2.0		2.7	
Return on equity with amortised resolution fees, %	5.1	11.0		11.3	
Cost-to-income ratio, %	71	55		45	
Cost-to-income ratio with amortised resolution fees, %	61	48		47	
Net loan loss ratio, incl. loans held at fair value, bp	7	6		7	
Common Equity Tier 1 capital ratio <sup>2,3</sup> , %	16.3	17.5		17.0	
Tier 1 capital ratio <sup>2,3</sup> , %	18.4	19.2		19.1	
Total capital ratio <sup>2,3</sup> , %	20.5	20.9		21.2	
Tier 1 capital <sup>2,3</sup> , EURbn	28.3	29.6	-4	29.0	-2
Risk exposure amount <sup>2</sup> , EURbn	154.0	154.0	0	151.9	1
Return on capital at risk, %	4.7	13.6		17.3	
Return on capital at risk with amortised resolution fees, %	7.2	15.8		16.6	
Number of employees (FTEs) <sup>2</sup>	27,076	27,800	-3	26,894	1
Economic capital <sup>2</sup> , EURbn	23.4	23.4	0	23.2	1

<sup>1</sup> For more detailed information regarding ratios and key figures defined as alternative performance measures, see <https://www.nordea.com/en/investor-relations/reports-and-presentations/group-interim-reports>.

<sup>2</sup> End of period.

<sup>3</sup> Including the result for the period.

## Excluding items affecting comparability<sup>4</sup>

	Q1 2022	Q1 2021	Chg %	Q4 2021	Chg %
Diluted earnings per share (DEPS), EUR	0.22	0.19	16	0.26	-15
EPS, rolling 12 months up to period end, EUR	0.98	0.64	53	0.95	3
Return on equity, %	10.7	9.4		11.8	
Return on tangible equity, %	12.1	10.6		13.2	
Return on risk exposure amount, %	2.2	2.0		2.7	
Return on equity with amortised resolution fees, %	12.5	11.0		11.3	
Cost-to-income ratio, %	56	55		45	
Cost-to-income ratio with amortised resolution fees, %	48	48		47	
Net loan loss ratio, incl. loans held at fair value, bp	-1	6		7	
Return on capital at risk, %	15.1	13.6		17.3	
Return on capital at risk with amortised resolution fees, %	17.7	15.8		16.6	

<sup>4</sup> Excluding the following items affecting comparability in the first quarter of 2022: a non-deductible loss from the recycling of EUR 529m in accumulated foreign exchange losses related to operations in Russia and EUR 8m (EUR 6m after tax) in losses on fund investments in Russia, recognised in "Net result from items at fair value"; and EUR 76m (EUR 64m after tax) in credit losses on direct exposures to Russian counterparties, recognised in "Net loan losses and similar net result". There was no impact on equity, own funds or capital from the recycling of the accumulated foreign exchange losses, as a corresponding positive item was recorded in "Other comprehensive income". Consequently, this item has no impact on Nordea's dividend or share buy-back capacity.

# Macroeconomy and financial markets<sup>1</sup>

## Economic outlook

The global economy recovered strongly in 2021, led by the advanced economies where vaccine roll-outs have been most successful and supported by expansionary economic policy. Global GDP growth in 2021 as a whole is expected to have been close to 6%, the highest since 1973. 2022 began on a strong note, although outbreaks of new COVID-19 variants and Russia's invasion of Ukraine have made the recovery less certain. The OECD has estimated that the war in Ukraine could reduce global growth by 1 percentage point in 2022, with the largest impact expected in European countries due to their proximity to the war zone.

Strong demand in combination with COVID-19-related supply disruptions has led to elevated transport costs and increasing energy and commodity prices. The war in Ukraine has added to the cost pressure. Producer and consumer price inflation figures stand at their highest in 40 years. Many central banks have already begun to tighten monetary policy in order to dampen the development and anchor inflation expectations at around 2%.

The Nordic countries have been among the best performing economies globally during the pandemic. All four countries' GDP levels are now well above pre-pandemic levels. Before the outbreak of the war in Ukraine, the biggest economic concerns in the Nordics were a lack of materials and a lack of qualified labour. The Nordic countries' dependence on Russia is limited, and has decreased significantly over the past ten years.

## Denmark

Danish GDP increased by 3%, quarter on quarter, in the fourth quarter of 2021. In 2021 as a whole, GDP increased by 4.7%, the highest annual growth since 1994. The growth in GDP has caused employment to reach a record high, with the unemployment rate falling to 2.5% in February 2022. House and apartment prices were 12.3% and 6.0% higher, respectively, in January 2022 than in the same month last year. Year-on-year consumer price inflation stood at 5.4% in March, the highest since 1985. The Danish krone remained strong against the euro in the first quarter, but Danmarks Nationalbank did not intervene in the foreign exchange market.

According to scenarios developed by the Danish Ministry of Finance, the war in Ukraine could reduce GDP growth by around 0.5–3.0 percentage points in 2022 and may cause a stagnation or fall in employment. The Ministry had previously forecast GDP growth of 2.8%.

## Finland

Finnish GDP grew by 0.6% during the fourth quarter of 2021. In 2021 as a whole, GDP grew by 3.5%. Private consumption rose by 3.1%, driven by the recovering service sector. The swift economic recovery has also led to a rapid improvement in the labour market situation, with the unemployment rate declining to 6.8% in February 2022. Apartment prices increased by 3.2%, year on year, in February. Higher energy and other import prices are expected to slow down private consumption as the purchasing power of households weakens. In March year-on-year consumer price inflation stood at 5.6%, half of which was due to higher energy prices.

Finland is more exposed to the Russian economy than the other Nordic countries, with a 5.4% export share and an 11.7% import share in 2021. Sanctions and boycotts on trade with Russia will have a direct negative impact on the Finnish export sector. Despite the higher exposure, the expected impact on GDP is limited. Due to the war, we now estimate that Finnish GDP will grow by 0.5–2.0%, having previously forecast growth of 3.0%. The estimate is highly dependent on the duration of the war and the sanctions imposed.

## Norway

Norwegian mainland GDP grew by 1.4% during the fourth quarter of 2021. In 2021 as a whole, GDP grew by 4.2%. The seasonally adjusted unemployment rate stood at 1.9% in March, lower than the pre-pandemic level. Housing prices rose at the beginning of the year and were 6.2% higher in March 2022 than in the same month last year. Year-on-year consumer price inflation stood at 4.5% in March, driven higher by increased energy prices. Norges Bank is hiking interest rates due to the strong developments in the Norwegian economy and rising wage growth. The central bank increased the key rate to 0.75% in March 2022 and signalled that it would continue with quarterly hikes of 25bp until the rate reached 2.5% (by the end of 2023). The Norwegian krone appreciated against the euro on the back of higher oil and gas prices.

The war in Ukraine should have only a minor direct impact on the Norwegian economy. The resulting rises in oil and gas prices will be positive for the country's GDP.

## Sweden

Swedish GDP grew by 1.1% during the fourth quarter of 2021. Both domestic demand and exports increased. In 2021 as a whole, GDP increased by 4.8%. The situation in the labour market continued to improve, with the unemployment rate falling to 7.0% in March 2022. House and apartment prices continued to rise and were 10% and 9% higher, respectively, in February 2022 than in the same month last year. Year-on-year consumer price inflation stood at 6.1% in March, boosted by the surge in energy prices and higher core inflation. Going forward, inflation is expected to rise further. Wage increases remain modest, though. Sveriges Riksbank kept its repo rate unchanged at 0.0% in February, but we expect it to raise the rate several times this year. The quantitative easing programme ended in December 2021 and we expect the central bank to begin decreasing its balance sheet in the second half of 2022. The trade-weighted Swedish krona weakened by 1.0% in the course of the first quarter.

The war in Ukraine will probably weigh on Swedish GDP growth, but any dampening will be from a high level.

<sup>1</sup>Source: Nordea Economic Research

# Group results and performance

## First quarter 2022

### Net interest income

**Q1/Q1:** Net interest income increased by 8%. The main drivers were increased lending volumes in all business areas and improved deposit margins. Exchange rate effects had a positive impact of approximately EUR 1m.

**Q1/Q4:** Net interest income increased by 4%. The main drivers were increased lending volumes in all business areas and improved lending margins, which included a EUR 47m benefit from the European Central Bank's targeted longer-term refinancing operation (TLTRO). These were partly offset by a lower day count. Exchange rate effects had a negative impact of approximately EUR 11m.

### Lending volumes

**Q1/Q1:** Loans to the public excluding repurchase agreements and securities borrowing were up 5% in local currencies. Lending volumes increased in Personal Banking (5% in local currencies), Business Banking (6% in local currencies) and Large Corporates & Institutions (11% in EUR).

**Q1/Q4:** Loans to the public excluding repurchase agreements and securities borrowing were up 1% in local currencies. Lending volumes increased in Personal Banking (1% in local currencies), Business Banking (1% in local currencies) and Large Corporates & Institutions (7% in EUR).

### Deposit volumes

**Q1/Q1:** Total deposits from the public excluding repurchase agreements and securities lending were up 10% in local currencies. Deposit volumes increased in Personal Banking (4% in local currencies), Business Banking (6% in local currencies) and Large Corporates & Institutions (31% in EUR).

**Q1/Q4:** Total deposits from the public excluding repurchase agreements and securities lending were up 4% in local currencies. Deposit volumes increased in Personal Banking (1% in local currencies) and Large Corporates & Institutions (14% in EUR). Deposit volumes decreased in Business Banking (-4% in local currencies).

### Net interest income per business area

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4	Local currency	
								Q1/Q1	Q1/Q4
<b>EURm</b>									
Personal Banking	565	556	573	569	561	1%	2%	1%	3%
Business Banking	440	416	395	405	394	12%	6%	12%	6%
Large Corporates & Institutions	267	247	228	231	240	11%	8%		
Asset & Wealth Management	26	20	19	19	19	37%	30%	37%	37%
Group functions	10	16	11	8	-2				
<b>Total Group</b>	<b>1,308</b>	<b>1,255</b>	<b>1,226</b>	<b>1,232</b>	<b>1,212</b>	<b>8%</b>	<b>4%</b>	<b>8%</b>	<b>5%</b>

### Change in net interest income (NII)

	Q1/Q4	Q1/Q1
<b>EURm</b>		
<b>NII beginning of period</b>	<b>1,255</b>	<b>1,212</b>
<b>Margin-driven NII</b>	<b>76</b>	<b>28</b>
Lending margin	8	-55
Deposit margin	15	44
Cost of funds	53	39
<b>Volume-driven NII</b>	<b>25</b>	<b>59</b>
Lending volume	25	65
Deposit volume	0	-6
Day count	-24	0
Other <sup>1</sup>	-24	9
<b>NII end of period</b>	<b>1,308</b>	<b>1,308</b>

<sup>1</sup> of which foreign exchange.

-11 1

## Net fee and commission income

**Q1/Q1:** Net fee and commission income increased by 5%. The main drivers were growth in net income from savings and investments and payments and cards, which increased from the subdued levels seen in the first quarter of 2021.

**Q1/Q4:** Net fee and commission income decreased by 5%. The main driver was a decrease in net income from savings and investments.

### Savings and investment commissions

**Q1/Q1:** Net fee and commission income from savings and investments increased by 6%, mainly driven by growth in assets under management (AuM). This was partly offset by lower brokerage and advisory fee income.

**Q1/Q4:** Net fee and commission income from savings and investments decreased by 9%, mainly driven by a decrease in AuM. This was due to financial market turbulence and seasonal net outflows. End-of-period AuM decreased by 5%, or EUR 22bn, to EUR 389bn, with a net outflow of EUR 2.4bn during the quarter.

### Payments and cards and lending-related commissions

**Q1/Q1:** Net fee and commission income from payments and cards increased by 14%, up from the subdued levels seen in the first quarter of 2021, which were driven by COVID-19. Lending-related net fee and commission income increased by 1%.

**Q1/Q4:** Net fee and commission income from payments and cards increased by 3%. Lending-related net fee and commission income decreased by 3% due to lower levels of customer activity.

## Net fee and commission income per business area

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4	Local currency	
								Q1/Q1	Q1/Q4
<b>EURm</b>									
Personal Banking	301	324	316	301	282	7%	-7%	8%	-6%
Business Banking	164	170	161	153	160	3%	-4%	3%	-2%
Large Corporates & Institutions	129	119	115	167	140	-8%	8%		
Asset & Wealth Management	283	311	287	262	252	12%	-9%	12%	-9%
Group functions	-7	-4	-9	-5	-7				
<b>Total Group</b>	<b>870</b>	<b>920</b>	<b>870</b>	<b>878</b>	<b>827</b>	<b>5%</b>	<b>-5%</b>	<b>6%</b>	<b>-5%</b>

## Net fee and commission income per category

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4	Local currency	
								Q1/Q1	Q1/Q4
<b>EURm</b>									
Savings and investments, net	595	654	613	617	563	6%	-9%	6%	-9%
Payments and cards, net	131	127	130	115	115	14%	3%	15%	4%
Lending-related, net	147	151	138	144	146	1%	-3%	1%	-2%
Other commissions, net	-3	-12	-11	2	3				
<b>Total Group</b>	<b>870</b>	<b>920</b>	<b>870</b>	<b>878</b>	<b>827</b>	<b>5%</b>	<b>-5%</b>	<b>6%</b>	<b>-5%</b>

## Assets under management (AuM), volumes and net flow

	Q122	Q421	Q321	Q221	Q121	Net flow
						Q122
<b>EURbn</b>						
Nordic Retail funds	81.7	87.4	82.4	80.6	75.7	-1.4
Private Banking	115.4	122.7	116.1	114.2	107.2	0.3
Institutional sales	124.8	131.3	128.0	124.6	124.5	-2.1
Life & Pension	67.4	69.9	66.3	64.8	61.6	0.7
<b>Total</b>	<b>389.4</b>	<b>411.3</b>	<b>392.9</b>	<b>384.2</b>	<b>368.9</b>	<b>-2.4</b>

### Net result from items at fair value

**Q1/Q1:** Comparable (excluding items affecting comparability) net result from items at fair value decreased by 20% due to lower trading income in Markets following the exceptionally strong first quarter of 2021. This was partly offset by higher activity in customer areas. The first quarter of 2022 included two items affecting comparability: the recycling of accumulated foreign exchange translation differences of EUR 529m previously recognised in "Other comprehensive income" and EUR 8m related to a write-down of Russia-related fund investments.

**Q1/Q4:** Comparable net result from items at fair value increased by 19%, driven by higher activity in customer areas and higher trading income in Markets. The first quarter of 2022 included two items affecting comparability: the recycling of accumulated foreign exchange translation differences of EUR 529m previously recognised in "Other comprehensive income" and EUR 8m related to a write-down of Russia-related fund investments.

### Net result from items at fair value per business area

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4
<b>EURm</b>							
Personal Banking	57	34	32	51	32	78%	68%
Business Banking	101	89	70	77	74	36%	13%
Large Corporates & Institutions	133	86	91	107	238	-44%	55%
Asset & Wealth Mgmt. excl. Life & Pension	-10	-12	-7	-12	-5		
Life & Pension	7	24	20	26	28	-75%	-70%
Group functions	7	26	18	29	3		
<b>Total Group</b>	<b>295</b>	<b>247</b>	<b>224</b>	<b>278</b>	<b>370</b>	<b>-20%</b>	<b>19%</b>
<b>Total, incl. items affecting comparability<sup>1</sup></b>	<b>-242</b>	<b>247</b>	<b>224</b>	<b>278</b>	<b>370</b>		

<sup>1</sup> Items affecting comparability in the first quarter of 2022: a non-deductible loss from the recycling of EUR 529m in accumulated foreign exchange losses related to operations in Russia and EUR 8m (EUR 6m after tax) in losses on fund investments in Russia, recognised in "Net result from items at fair value".

### Equity method

**Q1/Q1:** Income from companies accounted for under the equity method was approximately EUR 0m, up from EUR -14m. The first quarter of 2021 had been negatively affected by an impairment charge.

**Q1/Q4:** Income from companies accounted for under the equity method was approximately EUR 0m, up from EUR -4m. The fourth quarter of 2021 had been negatively affected by the impairment of an equity holding.

### Other operating income

**Q1/Q1:** Other operating income was EUR 17m, down from EUR 25m.

**Q1/Q4:** Other operating income was EUR 17m, down from EUR 20m.

### Total operating income per business area

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4	Local currency	
								Q1/Q1	Q1/Q4
<b>EURm</b>									
Personal Banking	925	913	922	931	879	5%	1%	6%	3%
Business Banking	715	682	635	644	637	12%	5%	12%	5%
Large Corporates & Institutions	529	454	434	505	619	-15%	17%		
Asset & Wealth Management	306	346	319	295	294	4%	-12%	4%	-11%
Group functions	15	43	34	43	-9				
<b>Total Group</b>	<b>2,490</b>	<b>2,438</b>	<b>2,344</b>	<b>2,418</b>	<b>2,420</b>	<b>3%</b>	<b>2%</b>	<b>3%</b>	<b>3%</b>
<b>Total, incl. items affecting comparability<sup>1</sup></b>	<b>1,953</b>	<b>2,438</b>	<b>2,344</b>	<b>2,418</b>	<b>2,420</b>	<b>-19%</b>	<b>-20%</b>	<b>-19%</b>	<b>-19%</b>

<sup>1</sup> Items affecting comparability in the first quarter of 2022: a non-deductible loss from the recycling of EUR 529m in accumulated foreign exchange losses related to operations in Russia and EUR 8m (EUR 6m after tax) in losses on fund investments in Russia, recognised in "Net result from items at fair value".

## Total operating expenses

**Q1/Q1:** Total operating expenses were up 5% due to higher regulatory fees, including resolution fees and the Swedish bank tax. Adjusted for these, total operating expenses increased by 2%, driven by higher staff costs. Exchange rate effects had a positive impact of approximately EUR 5m.

**Q1/Q4:** Total operating expenses were up 26% due to higher regulatory fees, including resolution fees and the Swedish bank tax. Adjusted for these, total operating expenses increased by 1%, as higher staff costs were partly offset by lower impairment charges. Exchange rate effects had a positive impact of approximately EUR 11m.

## Staff costs

**Q1/Q1:** Staff costs increased by 3%, driven by lower capitalisation of staff costs related to IT projects and higher provisions for variable pay.

**Q1/Q4:** Staff costs increased by 5%, quarter on quarter, due to higher restructuring costs.

## Other expenses

**Q1/Q1:** Other expenses increased by 2% due to higher marketing and travel expenses.

**Q1/Q4:** Other expenses increased by 10%. The fourth quarter of 2021 had included a VAT refund.

## Regulatory fees

**Q1/Q1:** Regulatory fees increased by 22% due to higher resolution fees and the Swedish bank tax.

**Q1/Q4:** Regulatory fees amounted to EUR 273m, compared with EUR 0m in the fourth quarter of 2021, and included the recognition of resolution fees and the introduction of the Swedish bank tax.

## Depreciation and amortisation

**Q1/Q1:** Depreciation and amortisation decreased by 3% due to a lower run rate of asset and project amortisation.

**Q1/Q4:** Depreciation and amortisation decreased by 23% to EUR 146m, driven by lower impairment charges. The fourth quarter of 2021 had been negatively affected by impairment charges.

## FTEs

**Q1/Q1:** The number of employees (FTEs) was 27,076 at the end of the first quarter, a decrease of 3%.

**Q1/Q4:** The number of FTEs was up 1%.

## Total operating expenses

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4	Local currency	
								Q1/Q1	Q1/Q4
<b>EURm</b>									
Staff costs	-703	-670	-702	-705	-682	3%	5%	4%	6%
Other expenses	-266	-241	-237	-262	-262	2%	10%	2%	11%
Regulatory fees	-273	0	0	0	-224	22%		22%	
Depreciation and amortisation	-146	-190	-159	-164	-151	-3%	-23%	-2%	-22%
<b>Total Group</b>	<b>-1,388</b>	<b>-1,101</b>	<b>-1,098</b>	<b>-1,131</b>	<b>-1,319</b>	<b>5%</b>	<b>26%</b>	<b>6%</b>	<b>27%</b>

## Total operating expenses per business area

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4	Local currency	
								Q1/Q1	Q1/Q4
<b>EURm</b>									
Personal Banking	-509	-455	-451	-447	-509	0%	12%	0%	13%
Business Banking	-350	-295	-290	-278	-336	4%	19%	4%	20%
Large Corporates & Institutions	-275	-175	-173	-174	-274	0%	57%		
Asset & Wealth Management	-139	-143	-149	-120	-127	9%	-3%	9%	-2%
Group functions	-115	-33	-35	-112	-73				
<b>Total Group</b>	<b>-1,388</b>	<b>-1,101</b>	<b>-1,098</b>	<b>-1,131</b>	<b>-1,319</b>	<b>5%</b>	<b>26%</b>	<b>6%</b>	<b>27%</b>

## Exchange rate effects

	Q1/Q1	Q1/Q4
<b>Percentage points</b>		
Income	0	-1
Expenses	0	-1
Operating profit	0	-1
Loan and deposit volumes	0	0

## Net loan losses and similar net result

The Nordea Group's credit portfolio continued to perform strongly in the first quarter of 2022. Comparable net loan losses and similar net result amounted to net reversals of EUR 12m (1bp), or EUR 4m excluding gains on loans held at fair value (Net loan losses and similar net result of EUR 56m (7bp), or EUR 81m excluding gains on loans held at fair value, in the fourth quarter of 2021).

### Main drivers of comparable loan losses and similar net result

Limited additional provisions were made for individual corporate exposures in the quarter and impacts stemming from the COVID-19 pandemic were minor. Losses on retail exposures were also at a low level. The additional provisions were more than offset by reversals of provisions in the Oil, gas & offshore portfolio combined with a EUR 27m reduction in collective provisions.

During the quarter Nordea exited several offshore exposures. The resulting write-offs were fully covered by existing allowances on the balance sheet. As a result, the defaulted assets in the Oil, gas & offshore portfolio were reduced from EUR 541m to EUR 135m.

A revaluation gain of EUR 8m was recognised in relation to Nordea Kredit's mortgage portfolio reported at fair value, mostly stemming from increases in house prices.

Comparable net loan losses and similar net result amounted to net reversals of EUR 29m in Large Corporates & Institutions and EUR 8m in Group functions. These were partly offset by net loan losses of EUR 13m in Personal Banking, EUR 11m in Business Banking and EUR 1m in Asset & Wealth Management.

### Management judgement allowance

The cyclical management judgement allowance of EUR 455m and the structural management judgement allowance of EUR 155m were both kept unchanged. Accordingly, the total management judgement allowance remained at EUR 610m. These allowances continue to ensure a strong reserve to cover both potential additional loan losses related to the COVID-19 pandemic and planned improvements to provisioning models and processes.

### Items affecting comparability

During the quarter provisions were increased by EUR 76m as a consequence of Russia's invasion of Ukraine. These provisions resulted from the individual assessment of all Nordea's Russian customers, i.e. corporates and trade finance-related exposure to Russian banks. The assessment was triggered when Russia's credit rating was set to default. The provisions were defined as items affecting comparability (IAC).

Nordea's direct credit exposure to Russian counterparties, after provisions, totalled approximately EUR 100m at the end of the first quarter. Exposure to Ukraine was limited at under EUR 2m.

Analysis of Nordea's Nordic customers with direct links<sup>1</sup> to Russia, Ukraine or Belarus has so far resulted in few rating downgrades and new provisions. Nordea will continue to assess the situation, which will include reviewing the macroeconomic scenarios in the second quarter.

See Note 9 for further details.

<sup>1</sup> Includes Nordic customers with credit limits exceeding EUR 1m and with significant turnover, EBITDA or assets located in Russia, Ukraine or Belarus. Customers potentially impacted by supply chain and sourcing disruptions were also included.

## Credit portfolio

Total lending to the public excluding reverse repurchase agreements and securities borrowing increased to EUR 333bn from EUR 328bn in the fourth quarter of 2021, corresponding to an increase of 1% in local currencies.

Loans to the public measured at fair value excluding reverse repurchase agreements and securities borrowing decreased to EUR 57bn from EUR 58bn in the fourth quarter of 2021. At the end of the first quarter of 2022 the fair value portfolio mainly comprised Danish mortgage lending, which amounted to EUR 56bn, down from EUR 58bn in the fourth quarter of 2021.

Lending to the public measured at amortised cost before allowances increased to EUR 279bn from EUR 272bn in the fourth quarter of 2021. Of this, 94% was classified as stage 1, 5% was stage 2 and 1% was stage 3, with the distribution unchanged from the fourth quarter. Quarter on quarter, stage 1 loans increased by 2%, stage 2 loans increased by 6% and stage 3 loans decreased by 11%. Stage 2 loans amounted to EUR 13.5bn, down 6%, year on year. Stage 3 loans amounted to EUR 3.1bn, down 22%, year on year.

The coverage ratio was 3.1% for stage 2 (unchanged from the previous quarter) and 42% for stage 3 (down from 46% in the previous quarter, mainly due to write-offs and reversals related to large Oil, gas & offshore exposures fully covered by provisions). The fair value impairment rate decreased to 0.85% from 0.89% in the previous quarter, driven by a decrease in impaired Danish mortgage lending.

Nordea continued to reduce the stock of older non-performing loans via write-offs and repayments, mainly in the Oil, gas & offshore portfolio. In the first quarter of 2022 a gross total of EUR 367m was written off (EUR 188m in the fourth quarter of 2021 and EUR 493m in 2021 as a whole).

### Net loan loss ratio, excluding IAC

	Q122	Q421	Q321	Q221	Q121
<b>Basis points of loans, amortised cost<sup>1</sup></b>					
Net loan loss ratios, annualised, Group	0	12	1	-5	10
of which stages 1 and 2	5	-11	1	-21	-2
of which stage 3	-5	23	0	16	12
<b>Basis points of loans, total<sup>1,2</sup></b>					
Net loan loss ratio, including loans held at fair value, annualised, Group	-1	7	-3	-6	6
Personal Banking total	3	2	0	0	2
PeB Denmark	-8	-18	-16	-31	-12
PeB Finland	15	22	10	22	16
PeB Norway	1	5	4	0	2
PeB Sweden	5	3	3	6	6
Business Banking total	4	11	-7	-13	6
BB Denmark	-11	3	-23	-39	-2
BB Finland	29	54	-4	14	22
BB Norway	-3	-8	10	-21	0
BB Sweden	13	1	-9	-2	11
Large Corporates & Institutions total	-17	7	-6	-7	17
LC&I Denmark	0	-27	-27	-16	-59
LC&I Finland	-30	48	-33	10	0
LC&I Norway	-58	7	3	-3	107
LC&I Sweden	-9	7	3	-19	5

<sup>1</sup> Negative amounts are net reversals.

<sup>2</sup> Net loan losses and net result on loans in hold portfolios mandatorily held at fair value divided by total lending at amortised cost and at fair value, basis points.

## Profit

### Operating profit

**Q1/Q1:** Comparable operating profit increased by 6% to EUR 1,114m, driven by growth in total income and lower loan losses. These were partly offset by higher total costs, driven by higher regulatory fees. The first quarter of 2022 included items affecting comparability (IAC) totalling EUR 613m, of which EUR 537m was recognised in "Net result from items at fair value" and EUR 76m in "Net loan losses and similar net result".

**Q1/Q4:** Comparable operating profit decreased by 13% to EUR 1,114m, due to higher total costs, which were driven by higher regulatory fees. These were partly offset by higher total income and lower loan losses. The first quarter of 2022 included IAC totalling EUR 613m, of which EUR 537m was recognised in "Net result from items at fair value" and EUR 76m in "Net loan losses and similar net result".

### Taxes

**Q1/Q1:** Comparable income tax expense amounted to EUR 246m, down from EUR 261m, corresponding to a tax rate of 22.1%, down from 24.9% in the first quarter of 2021. The first quarter of 2022 included IAC, which reduced income tax expense by EUR 14m.

**Q1/Q4:** Comparable income tax expense amounted to EUR 246m, down from EUR 264m, corresponding to a tax rate of 22.1%, up from 20.6% in the previous quarter. The first quarter of 2022 included IAC, which reduced income tax expense by EUR 14m.

### Net profit

**Q1/Q1:** Comparable net profit increased by 10% to EUR 868m. Comparable return on equity was 10.7%, up from 9.4%. Comparable return on equity with amortised resolution fees was 12.5%, up from 11.0%.

**Q1/Q4:** Comparable net profit decreased by 15% to EUR 868m. Comparable return on equity was 10.7%, down from 11.8%. Comparable return on equity with amortised resolution fees was 12.5%, up from 11.3%.

**Q1/Q1:** Diluted earnings per share excluding IAC were EUR 0.22, compared with EUR 0.19.

**Q1/Q4:** Diluted earnings per share excluding IAC were EUR 0.22, compared with EUR 0.26.

### Operating profit per business area

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4	Local currency	
								Q1/Q1	Q1/Q4
<b>EURm</b>									
Personal Banking	403	448	470	486	363	11%	-10%	12%	-9%
Business Banking	354	360	361	396	286	24%	-2%	24%	-1%
Large Corporates & Institutions	283	267	271	343	318	-11%	6%		
Asset & Wealth Management	166	203	170	178	164	1%	-18%	1%	-18%
Group functions	-92	3	-4	-65	-82				
<b>Total Group</b>	<b>1,114</b>	<b>1,281</b>	<b>1,268</b>	<b>1,338</b>	<b>1,049</b>	<b>6%</b>	<b>-13%</b>	<b>6%</b>	<b>-12%</b>
<b>Total, incl. items affecting comparability<sup>1</sup></b>	<b>501</b>	<b>1,281</b>	<b>1,268</b>	<b>1,338</b>	<b>1,049</b>	<b>-52%</b>	<b>-61%</b>	<b>-52%</b>	<b>-61%</b>

<sup>1</sup> Items affecting comparability in the first quarter of 2022: a non-deductible loss from the recycling of EUR 529m in accumulated foreign exchange losses related to operations in Russia and EUR 8m (EUR 6m after tax) in losses on fund investments in Russia, recognised in "Net result from items at fair value"; and EUR 76m (EUR 64m after tax) in credit losses on direct exposures to Russian counterparties, recognised in "Net loan losses and similar net result".

## Capital position and risk exposure amount

The Nordea Group's Common Equity Tier 1 (CET1) capital ratio decreased to 16.3% at the end of the first quarter of 2022 from 17.0% in the fourth quarter of 2021. CET1 capital decreased by EUR 0.8bn, mainly due to the EUR 1.0bn capital deduction associated with the share buy-back programme announced on 14 March 2022. This was partly offset by profit generation net of dividend accrual. The recycling of accumulated foreign exchange losses related to the closure of the Group's operations in Russia had no impact on CET1 capital. The impact on net profit was excluded from the basis for dividend accrual.

The risk exposure amount (REA) increased by EUR 2.1bn, primarily driven by continued business momentum in the corporate and retail segments, and increased market risk. The REA increase was partly offset by lower counterparty credit risk exposure and improved credit quality in the retail and corporate portfolios.

The Group's Tier 1 capital ratio decreased to 18.4% at the end of the first quarter from 19.1% in the fourth quarter of 2021. The total capital ratio decreased to 20.5% from 21.2%.

At the end of the first quarter CET1 capital amounted to EUR 25.1bn, Tier 1 capital amounted to EUR 28.3bn and own funds amounted to EUR 31.6bn.

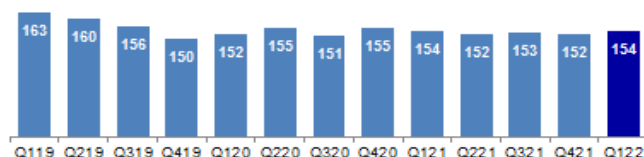
The leverage ratio decreased to 4.8% at the end of the first quarter from 5.4% in the fourth quarter of 2021. The decrease was mainly driven by an increase in cash balances with central banks. The buy-back deduction further contributed to the decrease.

The Group's economic capital increased to EUR 23.4bn in the first quarter, primarily due to increased credit risk driven by continued business momentum in the corporate and retail segments.

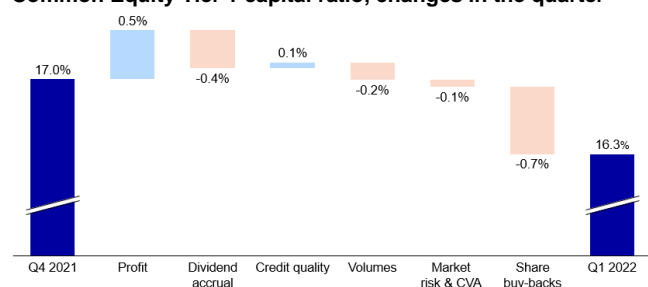
### Capital ratios

	Q122	Q421	Q321	Q221	Q121
%					
<b>CRR/CRD IV</b>					
CET1 capital ratio	16.3	17.0	16.9	18.0	17.5
Tier 1 capital ratio	18.4	19.1	18.9	19.5	19.2
Total capital ratio	20.5	21.2	21.0	21.3	20.9

### Risk exposure amount, EURbn, quarterly



### Common Equity Tier 1 capital ratio, changes in the quarter



## Capital and dividend policies

Nordea strives to maintain a strong capital position in line with its capital policy. Nordea's policy is to hold a CET1 capital management buffer of 150–200bp above the CET1 capital ratio requirement (restriction level for maximum distributable amount, MDA). Nordea's ambition is to distribute 60–70% of the net profit for the year to shareholders. Excess capital in relation to capital targets will be used for organic growth and strategic business acquisitions, as well as being subject to buy-back considerations.

### Share buy-backs and dividend decision

The EUR 2.0bn inaugural share buy-back programme launched in October 2021 ended on 4 March 2022. On 14 March, following the European Central Bank's approval on 8 February, Nordea's Board of Directors decided to launch a follow-on programme of EUR 1.0bn.

On 24 March 2022 Nordea's Board of Directors decided to distribute an ordinary dividend of EUR 0.69 per share to shareholders. The decision was made in accordance with the mandate received from the Annual General Meeting held earlier that day.

### Regulatory developments

On 2 February 2022 Nordea received the European Central Bank's Supervisory Review and Evaluation Process (SREP) decision, which upholds the current Pillar 2 requirement of 1.75% (of which 0.98% is to be met with CET1 capital).

In December 2021 the Swedish Financial Supervisory Authority (FSA) decided to extend the 25% risk weight floor for Swedish mortgage exposures until 30 December 2023. On 22 February 2022 the Finnish FSA decided to reciprocate the Swedish risk weight floor. Hence the floor will continue to be applicable for Nordea, as it has been since 2018.

In March both Denmark and Norway decided to further increase their respective countercyclical capital buffer rates. The current Danish buffer of 0% will be increased to 1.0% in the third quarter of 2022, then to 2.0% from the fourth quarter, then to 2.5% from the first quarter of 2023. The current Norwegian buffer of 1.0% will be increased to 1.5% in the second quarter of 2022, then to 2.0% from the fourth quarter, then to 2.5% from the first quarter of 2023.

Nordea has received the Single Resolution Board's decision on the Nordea Group's minimum requirements for own funds and eligible liabilities (MREL). According to the decision, Nordea's MREL requirements are 22.71% of the REA and 5.98% of the leverage ratio exposure (LRE). Nordea's MREL subordination requirements are 16.06% of the REA and 5.98% of the LRE. The own funds used by Nordea to comply with its combined buffer requirement (CBR) are not eligible to meet the MREL and MREL subordination requirements expressed as a percentage of the REA. As a result, the MREL and MREL subordination requirements including the first-quarter CBR of 4.74% of the REA are 27.45% and 20.80% of the REA, respectively. Both requirements became binding from 1 January 2022, with no transitional period. The requirements will be assessed and updated annually by the Single Resolution Board.

## Risk exposure amount

	31 Mar 2022	31 Dec 2021	31 Mar 2021
<b>EURm</b>			
<b>Credit risk</b>	<b>120,143</b>	<b>119,483</b>	<b>122,321</b>
IRB	103,431	102,818	106,082
- sovereign	-	-	-
- corporate	67,327	66,994	68,381
- advanced	59,499	58,281	58,474
- foundation	7,828	8,713	9,907
- institutions	4,148	3,862	3,977
- retail	27,686	27,610	27,612
- items representing securitisation positions	878	880	882
- other	3,392	3,472	5,230
Standardised	16,712	16,665	16,239
- sovereign	1,015	671	560
- retail	5,590	5,548	5,522
- other	10,108	10,447	10,157
<b>Credit valuation adjustment risk</b>	<b>1,008</b>	<b>773</b>	<b>696</b>
<b>Market risk</b>	<b>5,334</b>	<b>4,972</b>	<b>4,720</b>
- trading book, internal approach	4,663	3,908	4,044
- trading book, standardised approach	671	637	676
- banking book, standardised approach	-	427	-
<b>Settlement risk</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Operational risk</b>	<b>15,025</b>	<b>14,306</b>	<b>14,306</b>
<b>Additional risk exposure amount related to Finnish RW floor due to Article 458 of the CRR</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Additional risk exposure amount related to Swedish RW floor due to Article 458 of the CRR</b>	<b>12,529</b>	<b>12,372</b>	<b>11,993</b>
<b>Additional risk exposure amount due to Article 3 of the CRR</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>154,039</b>	<b>151,906</b>	<b>154,037</b>

## Summary of items included in own funds including result (Banking Group)

	31 Mar 2022	31 Dec 2021	31 Mar 2021
<b>EURm</b>			
<b>Calculation of own funds</b>			
Equity in the consolidated situation <sup>2</sup>	29,889	28,900	30,033
Profit for the period <sup>2</sup>	271	3,835	789
Proposed/actual dividend	-559	-2,682	-552
Common Equity Tier 1 capital before regulatory adjustments	29,602	30,054	30,270
Deferred tax assets	-4	-4	-173
Intangible assets	-2,905	-2,804	-2,666
IRB provisions shortfall (-)			
Pension assets in excess of related liabilities	-251	-169	-160
Other items including buy-back deduction, net <sup>1</sup>	-1,312	-1,197	-307
<b>Total regulatory adjustments to Common Equity Tier 1 capital</b>	<b>-4,472</b>	<b>-4,174</b>	<b>-3,306</b>
<b>Common Equity Tier 1 capital (net after deduction)</b>	<b>25,130</b>	<b>25,880</b>	<b>26,964</b>
Additional Tier 1 capital before regulatory adjustments	3,214	3,159	2,699
Total regulatory adjustments to Additional Tier 1 capital	-27	-27	-27
<b>Additional Tier 1 capital</b>	<b>3,187</b>	<b>3,132</b>	<b>2,672</b>
<b>Tier 1 capital (net after deduction)</b>	<b>28,317</b>	<b>29,012</b>	<b>29,636</b>
Tier 2 capital before regulatory adjustments	3,400	3,454	2,631
IRB provisions excess (+)	589	523	604
Deductions for investments in insurance companies	-650	-650	-650
Other items, net	-64	-64	-63
<b>Total regulatory adjustments to Tier 2 capital</b>	<b>-125</b>	<b>-191</b>	<b>-109</b>
<b>Tier 2 capital</b>	<b>3,275</b>	<b>3,263</b>	<b>2,522</b>
<b>Own funds (net after deduction)</b>	<b>31,592</b>	<b>32,275</b>	<b>32,158</b>
<sup>1</sup> Other items, net if reported excluding profit.	-1,277	-1,191	-307

<sup>2</sup> "Profit for the period" includes a non-deductible loss from the recycling of EUR 529m in accumulated foreign exchange losses related to operations in Russia. There was no impact on capital, as a corresponding positive item was recorded in "Equity in the consolidated situation". Consequently, this item has no impact on Nordea's dividend or share buy-back capacity.

## Own funds excluding profit

	31 Mar <sup>3</sup> 2022	31 Dec 2021	31 Mar 2021
<b>EURm</b>			
Common Equity Tier 1 capital	25,453	25,582	26,728
Tier 1 capital (net after deduction)	28,640	28,714	29,401
<b>Total own funds</b>	<b>31,915</b>	<b>31,977</b>	<b>31,923</b>

<sup>3</sup> Excluding first-quarter profit (pending application).

Own funds reported to ECB<sup>4</sup>

	Excluding Q1 profit (pending application)	Including profit	Including profit
Profit inclusion			

<sup>4</sup> Summary of items included in own funds is presented including result. This table describes in text how profit has been included in the regulatory reporting of own funds to the ECB for the relevant reporting period, and might be updated for later publication if application is approved.

## Balance sheet

### Balance sheet data

	Q122	Q421	Q321	Q221	Q121
<b>EURbn</b>					
Loans to credit institutions	13	2	7	6	10
Loans to the public	352	345	343	338	334
Derivatives	31	30	30	32	36
Interest-bearing securities	68	63	64	65	67
Other assets	160	130	171	146	144
<b>Total assets</b>	<b>624</b>	<b>570</b>	<b>615</b>	<b>587</b>	<b>591</b>
Deposits from credit institutions	45	27	43	33	43
Deposits from the public	221	206	211	205	198
Debt securities in issue	193	176	191	183	183
Derivatives	35	31	32	32	37
Other liabilities	99	96	101	98	96
Total equity	31	34	37	36	34
<b>Total liabilities and equity</b>	<b>624</b>	<b>570</b>	<b>615</b>	<b>587</b>	<b>591</b>

### Funding and liquidity operations

Nordea issued approximately EUR 8.0bn in long-term funding in the first quarter of 2022 (excluding Danish covered bonds), of which approximately EUR 6.1bn was issued in the form of covered bonds and EUR 1.9bn was issued as senior debt.

At the end of the first quarter long-term funding accounted for approximately 71% of Nordea's total wholesale funding.

Short-term liquidity risk is measured using several metrics, including the liquidity coverage ratio (LCR). The Nordea Group's combined LCR was 153% at the end of the first quarter. The liquidity buffer is composed of highly liquid central bank eligible securities and cash, as defined in the LCR regulation. At the end of the first quarter the liquidity buffer amounted to EUR 124bn, compared with EUR 100bn at the end of the fourth quarter of 2021. The net stable funding ratio (NSFR) measures long-term liquidity risk. At the end of the first quarter Nordea's NSFR was 112.4%, compared with 111.1% at the end of the fourth quarter.

Nordea maintained a strong liquidity position throughout the first quarter despite increased volatility in global markets driven by Russia's invasion of Ukraine, macroeconomic uncertainties and tightening monetary policies.

During 2021 Nordea participated in European Central Bank (ECB) and local central bank facilities, for example the ECB's targeted longer-term refinancing operations (TLTROs). To date, Nordea has borrowed EUR 12bn under the TLTRO III programme.

The ECB applies a negative interest rate to the TLTRO III funding, and Nordea accordingly recognises negative interest expense in connection with its TLTRO III borrowing. In the first quarter of 2022 the negative interest expense added EUR 62m to Nordea's net interest income. Of this, EUR 47m was released when Nordea was able to conclude with adequate certainty that the 2021 lending threshold had been reached. Nordea altered the effective interest rate accordingly, and retroactively applied the additional 0.5% discount on the interest rate paid as of 24 June 2021. The interest rate used for accruing negative interest during the second quarter will be -1.0%.

### Funding and liquidity data

	Q122	Q421	Q321	Q221	Q121
Long-term funding portion	71%	79%	71%	73%	75%
LCR total	153%	160%	168%	159%	159%
LCR EUR	194%	143%	239%	226%	220%
LCR USD	239%	169%	269%	248%	206%

## Market risk

Market risk in the trading book measured by value at risk (VaR) was EUR 24.9m. Quarter on quarter, VaR decreased by EUR 10.3m, primarily as a result of lower interest rate risk. Interest rate risk was the main driver of VaR at the end of the quarter. Trading book VaR continues to be driven by market risk related to Nordic and other Northern European exposures.

### Trading book

	Q122	Q421	Q321	Q221	Q121
<b>EURm</b>					
Total risk, VaR	25	35	30	19	27
Interest rate risk, VaR	23	37	27	24	24
Equity risk, VaR	3	3	14	4	4
Foreign exchange risk, VaR	1	1	1	2	2
Credit spread risk, VaR	9	4	7	9	14
Inflation risk, VaR	2	2	2	2	2
Diversification effect	35%	24%	42%	53%	42%

Market risk in the banking book measured by VaR was EUR 55.3m, a quarter-on-quarter decrease of EUR 14.2m. The decrease was driven by lower interest rate risk, which was mainly due to reduced government bond positions in DKK. Foreign exchange risk in the banking book decreased during the quarter, mainly due to reduced USD exposure.

### Banking book

	Q122	Q421	Q321	Q221	Q121
<b>EURm</b>					
Total risk, VaR	55	69	86	98	93
Interest rate risk, VaR	52	75	89	100	98
Equity risk, VaR	6	6	5	4	4
Foreign exchange risk, VaR	8	10	8	4	7
Credit spread risk, VaR	1	2	2	2	3
Diversification effect	18%	25%	18%	11%	17%

## Nordea share and ratings

Nordea's share price and ratings as at the end of the first quarter of 2022.

	Nasdaq STO (SEK)	Nasdaq COP (DKK)	Nasdaq HEL (EUR)
31/03/2020	56.08	38.06	5.13
30/06/2020	64.31	45.80	6.15
30/09/2020	68.31	48.60	6.49
31/12/2020	67.22	49.38	6.67
31/03/2021	86.00	62.47	8.41
30/06/2021	95.26	69.60	9.40
30/09/2021	113.10	82.37	11.24
31/12/2021	110.50	80.39	10.79
31/03/2022	97.30	70.20	9.38

Moody's		Standard & Poor's		Fitch	
Short	Long	Short	Long	Short	Long
P-1	Aa3	A-1+	AA-	F1+	AA-

## Other information

### Nordea to acquire Topdanmark Life

Nordea has entered into an agreement with Topdanmark Forsikring to acquire all shares in Topdanmark Liv Holding A/S. Topdanmark Life is a life and pensions company operating in Denmark. At the end of 2021 the company had assets under management of around EUR 12bn and approximately 225,000 customers.

The agreed price for Topdanmark Life is approximately EUR 270m. The price will be adjusted for earnings accrued up to closing. The transaction is expected to absorb up to 2bp of CET1 capital and will deliver a small increase in the Nordea Group's earnings per share and return on equity.

The transaction is subject to regulatory approval and is expected to be completed in the second half of 2022.

### Sale of shares in Luminor

In 2018, when Nordea and DNB sold around 60% of their combined interest in Luminor to Blackstone, Nordea entered into a forward sale agreement with Blackstone to sell its remaining 19.95% holding over the coming years, subject to certain conditions. On 22 December 2021 Nordea and Blackstone closed the first transaction under the forward sale agreement, whereupon Blackstone acquired approximately 8.3% of Nordea's share capital and voting rights in Luminor, subject to final adjustments. Nordea's current holding in Luminor is approximately 11.6%.

### Nordea Direct merger process ongoing

The merger between Nordea Direct Bank ASA (formerly Gjensidige Bank ASA) and Nordea Bank Abp is ongoing, with the target completion date 1 November 2022. The completion is subject to regulatory approval.

### Impacts from Russia's invasion of Ukraine

During the first quarter of 2022 Nordea assessed the recoverability of its direct exposure to Russian counterparties and made provisions of EUR 76m, which were recognised in "Net loan losses and similar net result". The remaining direct credit exposure, after provisions, is approximately EUR 100m. The first quarter also included a EUR 8m write-down of Russia-related fund investments. In March Nordea Asset Management decided to exit all fund investments connected to Russia.

The uncertainty regarding the broader impact of the war – including higher energy, food and commodity prices – on the global and Nordic economies may result in increased credit risk in Nordea's portfolio. Nordea will continue to follow developments closely and expects to get a clearer picture during the second quarter.

### Closure of Nordea's operations in Russia

In accordance with its strategy, Nordea is focusing on its business in the Nordic region. This has entailed the Group winding down its operations in Russia. On 24 March 2021 the Extraordinary General Meeting of JSC Nordea Bank decided to initiate the voluntary liquidation process, which was approved by the Central Bank of Russia on 16 April 2021. The voluntary liquidation process of JSC Nordea Bank was completed on 21 April 2022, following its deregistration from the trade register by the Russian tax authorities. The voluntary liquidation process of LLC Nordea Leasing commenced on 16 February 2022.

As required by International Financial Reporting Standards (IFRSs), Nordea has accumulated foreign exchange (FX) losses on the investment in its banking operations in Russia in equity through "Other comprehensive income" (OCI) since the acquisition of JSC Nordea Bank in 2007. In the first quarter of 2022 Nordea repatriated capital and in substance ceased all operations in Russia. In accordance with the IFRSs, Nordea recycled the accumulated FX losses from OCI into the income statement. The recycling impact ended up on the line "Net result from items at fair value" and was treated as an item affecting comparability. There was no impact on equity, own funds or capital, as a corresponding positive item was recorded in OCI. Consequently, this item has no impact on Nordea's dividend or share buy-back capacity.

### Decisions of Nordea's Annual General Meeting 2022

The Annual General Meeting (AGM) of Nordea Bank Abp was held on 24 March 2022 and applied extraordinary meeting procedures due to the COVID-19 pandemic. The AGM supported all the proposals of the Board of Directors and the Shareholders' Nomination Board, with at least 84.7% of the votes cast in support.

The AGM approved the annual accounts for the financial period ending 31 December 2021 and decided to authorise the Board of Directors to decide on a dividend payment of a maximum of EUR 0.69 per share. The AGM also adopted the 2021 Remuneration Report for Governing Bodies via an advisory resolution and approved the revised Charter of the Shareholders' Nomination Board.

The persons who in 2021 had served as members of the Board of Directors, President and Group CEO, and Deputy Managing Director were discharged from liability for the financial period ending 31 December 2021. Torbjörn Magnusson was re-elected as Chair of the Board of Directors until 30 September 2022 and Stephen Hester was elected as Chair of the Board of Directors from 1 October 2022 until the end of the 2023 AGM. Stephen Hester, Lene Skole, Arja Talma and Kjersti Wiklund were elected as new Board members for the period until the end of the next AGM, replacing Kari Jordan, Claudia Dill, Nigel Hinshelwood and Sarah Russel.

Furthermore, the AGM decided to authorise the Board of Directors to decide on repurchases of own shares, issuances of special rights entitling to shares (convertibles), and share issuances or transfers of own shares, in accordance with the terms of the AGM decisions.

### Dividend payment

The Board of Directors decided on 24 March 2022 to distribute an ordinary dividend of EUR 0.69 per share to shareholders, in accordance with the mandate received from the 2022 AGM. The dividend of EUR 0.69 per share was paid in April 2022 to those shareholders who, on the record date for the dividend payment (28 March 2022), were recorded in Nordea's shareholders' register maintained by Euroclear Finland Oy in Finland, Euroclear Sweden AB in Sweden and VP Securities A/S in Denmark.

### Share buy-back programmes

Nordea has completed its inaugural share buy-back programme. The repurchases of shares began on 22 October 2021 and ended on 4 March 2022. During that period Nordea repurchased 189,634,586 of its own shares at an average price per share of EUR 10.50. The inaugural programme reduced the company's unrestricted equity by EUR 1,997m and the repurchased shares were cancelled on a monthly basis.

The Board of Directors of Nordea decided on 14 March 2022 to launch a follow-on share buy-back programme of up to EUR 1,002m. The programme commenced on 16 March 2022 and will end no later than 31 August 2022.

Nordea's share buy-backs are aimed at achieving an efficient capital structure and improving shareholder returns for the benefit of all shareholders by reducing the bank's capital. They are carried out in accordance with the authorisation granted to the Board of Directors by the 2021 AGM.

### Share cancellations

Nordea cancelled aggregated amounts of 34,726,349, 37,851,662 and 32,665,816 treasury shares in January, February and March, respectively. The shares were held for capital optimisation purposes and acquired through buy-backs.

### COVID-19 pandemic – governance, operational risk measures and further disclosures

The winter brought further developments in the COVID-19 situation, with varying restrictions introduced and subsequently gradually lifted across the Nordic countries. Nordea's Global Crisis Management team and country crisis management teams monitored the situation in the first quarter and took necessary action.

Information on the financial and operational impacts of the COVID-19 pandemic on Nordea, as well as the measures taken to address these impacts, has been provided in this report. See "CEO comment", "Outlook", "Net loan losses and similar net result", "Funding and liquidity operations", "Other information", "Business areas", Note 1 "Accounting policies", Note 8 "Net loan losses" and Note 9 "Loans and impairment".

Nordea has also identified risks caused by the COVID-19 pandemic given the uncertainty of the economic impact on the markets in which the Group operates. See Note 13 "Risks and uncertainties".

# Quarterly development, Group

	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021
<b>EURm</b>					
Net interest income	1,308	1,255	1,226	1,232	1,212
Net fee and commission income	870	920	870	878	827
Net result from items at fair value	-242	247	224	278	370
Profit or loss from associated undertakings and joint ventures accounted for under the equity method	0	-4	9	3	-14
Other operating income	17	20	15	27	25
<b>Total operating income</b>	<b>1,953</b>	<b>2,438</b>	<b>2,344</b>	<b>2,418</b>	<b>2,420</b>
General administrative expenses:					
Staff costs	-703	-670	-702	-705	-682
Other expenses	-266	-241	-237	-262	-262
Regulatory fees	-273	-	-	-	-224
Depreciation, amortisation and impairment charges of tangible and intangible assets	-146	-190	-159	-164	-151
<b>Total operating expenses</b>	<b>-1,388</b>	<b>-1,101</b>	<b>-1,098</b>	<b>-1,131</b>	<b>-1,319</b>
<b>Profit before loan losses</b>	<b>565</b>	<b>1,337</b>	<b>1,246</b>	<b>1,287</b>	<b>1,101</b>
Net loan losses and similar net result	-64	-56	22	51	-52
<b>Operating profit</b>	<b>501</b>	<b>1,281</b>	<b>1,268</b>	<b>1,338</b>	<b>1,049</b>
Income tax expense	-232	-264	-267	-313	-261
<b>Net profit for the period</b>	<b>269</b>	<b>1,017</b>	<b>1,001</b>	<b>1,025</b>	<b>788</b>
Diluted earnings per share (DEPS), EUR	0.06	0.26	0.25	0.25	0.19
DEPS, rolling 12 months up to period end, EUR	0.82	0.95	0.87	0.83	0.64

# Business areas

## Excluding items affecting comparability

	Personal Banking		Business Banking		Large Corporates & Institutions		Asset & Wealth Management		Group functions		Nordea Group		
	Q1 2022	Q4 2021	Q1 2022	Q4 2021	Q1 2022	Q4 2021	Q1 2022	Q4 2021	Q1 2022	Q4 2021	Q1 2022	Q4 2021	Chg
<b>EURm</b>													
Net interest income	565	556	440	416	267	247	26	20	10	16	1,308	1,255	4%
Net fee and commission income	301	324	164	170	129	119	283	311	-7	-4	870	920	-5%
Net result from items at fair value	57	34	101	89	133	86	-3	12	7	26	295	247	19%
Equity method & other income	2	-1	10	7	0	2	0	3	5	5	17	16	6%
<b>Total operating income</b>	<b>925</b>	<b>913</b>	<b>715</b>	<b>682</b>	<b>529</b>	<b>454</b>	<b>306</b>	<b>346</b>	<b>15</b>	<b>43</b>	<b>2,490</b>	<b>2,438</b>	<b>2%</b>
<b>Total operating expenses</b>	<b>-509</b>	<b>-455</b>	<b>-350</b>	<b>-295</b>	<b>-275</b>	<b>-175</b>	<b>-139</b>	<b>-143</b>	<b>-115</b>	<b>-33</b>	<b>-1,388</b>	<b>-1,101</b>	<b>26%</b>
Net loan losses and similar net result	-13	-10	-11	-27	29	-12	-1	0	8	-7	12	-56	
<b>Operating profit</b>	<b>403</b>	<b>448</b>	<b>354</b>	<b>360</b>	<b>283</b>	<b>267</b>	<b>166</b>	<b>203</b>	<b>-92</b>	<b>3</b>	<b>1,114</b>	<b>1,281</b>	<b>-13%</b>
Cost-to-income ratio <sup>1</sup> , %	50	52	42	45	38	44	45	41			48	47	
Return on capital at risk <sup>1</sup> , %	18	17	18	15	19	13	30	31			18	17	
Economic capital (EC)	7,909	7,750	6,894	6,867	5,942	5,655	1,606	2,003	1,065	942	23,416	23,217	1%
Risk exposure amount (REA)	46,968	46,603	43,424	43,200	43,477	41,333	8,335	9,251	11,835	11,519	154,039	151,906	1%
Number of employees (FTEs)	6,893	6,839	4,037	4,070	1,213	1,210	2,725	2,711	12,208	12,064	27,076	26,894	1%
<b>Volumes, EURbn<sup>2</sup>:</b>													
<b>Total lending</b>	<b>174.0</b>	<b>171.5</b>	<b>99.9</b>	<b>97.8</b>	<b>49.8</b>	<b>46.5</b>	<b>11.7</b>	<b>11.3</b>	<b>-2.3</b>	<b>1.2</b>	<b>333.1</b>	<b>328.3</b>	<b>1%</b>
<b>Total deposits</b>	<b>86.8</b>	<b>85.5</b>	<b>53.9</b>	<b>55.9</b>	<b>56.9</b>	<b>49.8</b>	<b>11.6</b>	<b>11.6</b>	<b>2.8</b>	<b>0.4</b>	<b>212.0</b>	<b>203.2</b>	<b>4%</b>

Business areas restated due to organisational changes.

<sup>1</sup> With amortised resolution fees.

<sup>2</sup> Excluding repurchase agreements and security lending/borrowing agreements.

	Personal Banking		Business Banking		Large Corporates & Institutions		Asset & Wealth Management		Group functions		Nordea Group		
	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021	Jan-Mar 2022	Jan-Mar 2021	Chg
<b>EURm</b>													
Net interest income	565	561	440	394	267	240	26	19	10	-2	1,308	1,212	8%
Net fee and commission income	301	282	164	160	129	140	283	252	-7	-7	870	827	5%
Net result from items at fair value	57	32	101	74	133	238	-3	23	7	3	295	370	-20%
Equity method & other income	2	4	10	9	0	1	0	0	5	-3	17	11	55%
<b>Total operating income</b>	<b>925</b>	<b>879</b>	<b>715</b>	<b>637</b>	<b>529</b>	<b>619</b>	<b>306</b>	<b>294</b>	<b>15</b>	<b>-9</b>	<b>2,490</b>	<b>2,420</b>	<b>3%</b>
<b>Total operating expenses</b>	<b>-509</b>	<b>-509</b>	<b>-350</b>	<b>-336</b>	<b>-275</b>	<b>-274</b>	<b>-139</b>	<b>-127</b>	<b>-115</b>	<b>-73</b>	<b>-1,388</b>	<b>-1,319</b>	<b>5%</b>
Net loan losses and similar net result	-13	-7	-11	-15	29	-27	-1	-3	8	0	12	-52	
<b>Operating profit</b>	<b>403</b>	<b>363</b>	<b>354</b>	<b>286</b>	<b>283</b>	<b>318</b>	<b>166</b>	<b>164</b>	<b>-92</b>	<b>-82</b>	<b>1,114</b>	<b>1,049</b>	<b>6%</b>
Cost-to-income ratio <sup>1</sup> , %	50	53	42	46	38	32	45	43			48	48	
Return on capital at risk <sup>1</sup> , %	18	16	18	15	19	21	30	32			18	16	
Economic capital (EC)	7,909	7,603	6,894	6,856	5,942	5,866	1,606	1,693	1,065	1,355	23,416	23,373	0%
Risk exposure amount (REA)	46,968	46,464	43,424	43,698	43,477	42,095	8,335	8,294	11,835	13,486	154,039	154,037	0%
Number of employees (FTEs)	6,893	6,965	4,037	4,337	1,213	1,384	2,725	2,717	12,208	12,397	27,076	27,800	-3%
<b>Volumes, EURbn<sup>2</sup>:</b>													
<b>Total lending</b>	<b>174.0</b>	<b>164.3</b>	<b>99.9</b>	<b>93.7</b>	<b>49.8</b>	<b>45.0</b>	<b>11.7</b>	<b>10.1</b>	<b>-2.3</b>	<b>1.4</b>	<b>333.1</b>	<b>314.5</b>	<b>6%</b>
<b>Total deposits</b>	<b>86.8</b>	<b>83.5</b>	<b>53.9</b>	<b>50.5</b>	<b>56.9</b>	<b>43.6</b>	<b>11.6</b>	<b>10.5</b>	<b>2.8</b>	<b>3.4</b>	<b>212.0</b>	<b>191.5</b>	<b>11%</b>

Business areas restated due to organisational changes.

<sup>1</sup> With amortised resolution fees.

<sup>2</sup> Excluding repurchase agreements and security lending/borrowing agreements.

# Personal Banking

## Introduction

In Personal Banking we offer household customers easy and convenient everyday banking and advice.

We strive to create great omnichannel experiences by providing a full range of financial services and products through a combination of digital channels and in-person interactions.

## Business development

In the first quarter we supported our customers amid the market turbulence linked to the war in Ukraine, for example by providing information on market developments. Customer activity and volume growth remained high despite negative impacts from higher market uncertainty and seasonal effects. Our availability and digital capabilities continued to drive market share gains in the Nordics. Lending volumes increased by 5% in local currencies, year on year, driven by a 6% increase in mortgage volumes. Other lending volumes, including consumer loans, increased by 1% and deposit volumes increased by 4%.

Monthly savings maintained their momentum, increasing by 3%, year on year. During the quarter we made it even easier for customers to manage their savings by expanding the product offering in our digital channels.

We continued to build on our digital services, expanding our digital offering and improving customer experience. In Sweden, we were named Digital Coach of the Year 2021 by the business magazine Privata Affärer, which highlighted our efforts to help tackle digital exclusion. The mobile bank app continues to increase in popularity, with the number of users up 7%, year on year.

We continued to support customers wishing to make a positive sustainability impact. In Finland, Norway and Sweden, we launched a focused-growth balanced fund, providing a solution for customers with a high equity preference. We also concluded the ESG training of 3,000 advisers across the Nordics, enabling them to better support our customers in making sustainable savings choices.

At Nordea's Capital Markets Day in February we presented Personal Banking's updated business plan, strategic priorities and financial targets. Our 2025 targets are a return on capital at risk (ROCAR) of around 18% and a cost-to-income ratio of around 45%.

## Financial outcome

Total income in the first quarter increased by 5%, year on year, driven by savings and investment income, payment and card fee income and the sale of an ownership stake.

Net interest income increased by 1%, year on year, driven by strong mortgage volume growth across all countries and higher deposit margins in Denmark and Norway. We continued to see mortgage margin pressure in Norway and Sweden.

Net fee and commission income increased by 7%, year on year, due to higher savings and investment income and improved payment and card fee income.

Net result from items at fair value increased by 78%, year on year, due to an ownership stake being sold and another being revalued during the quarter.

Total expenses were unchanged, year on year, as the introduction of the Swedish bank tax and higher resolution fees were offset by strong cost performance. Due to the higher income level and strict cost management, the cost-to-income ratio with amortised resolution fees improved to 50%, down from 53% in the first quarter of 2021.

Total net loan losses and similar net result amounted to EUR 13m (3bp), a low level reflecting our high-quality lending book. Compared with a year ago, loan losses increased slightly, as the first quarter of 2021 had included a positive impact from the revaluation of Nordea Kredit's mortgage portfolio.

Operating profit increased by 11%, year on year, to EUR 403m, driven by the income growth. ROCAR was 18%, compared with 16% in the same quarter last year.

## Personal Banking Denmark

Total income increased by 6% in local currency, year on year.

Net interest income increased by 7% in local currency, year on year, driven by mortgage volume growth and higher deposit margins.

Lending volumes increased by 6% in local currency, year on year, driven by a 7% increase in mortgage lending. Deposit volumes decreased by 3%.

Net fee and commission income increased by 1% in local currency, year on year, mainly due to higher savings and investment income. Improved payment and card fee income also contributed.

Net loan losses and similar net result amounted to net reversals of EUR 9m (8bp), primarily due to a reversal of collective loan loss provisions.

## Personal Banking Finland

Total income increased by 8%, year on year.

Net interest income increased by 9%, year on year, driven by mortgage volume growth and higher mortgage margins.

Lending volumes increased by 4%, year on year, driven by a 5% increase in mortgage volumes. Deposit volumes increased by 5%.

Net fee and commission income increased by 7%, year on year, due to higher savings and investment income and improved payment and card fee income.

Net loan losses and similar net result amounted to EUR 14m (15bp), driven by write-offs and consumer lending losses.

### Personal Banking Norway

Total income decreased by 1% in local currency, year on year.

Net interest income decreased by 1% in local currency, year on year. Lending margins declined due to a higher NIBOR combined with the notification period for changing customer prices after Norges Bank's interest rate hikes. The decrease in lending margins was partly offset by mortgage volume growth and higher deposit margins.

Lending volumes increased by 4% in local currency, year on year, driven by a 4% increase in mortgage volumes. Deposit volumes increased by 5%.

Net fee and commission income increased by 9% in local currency, year on year, due to higher savings and investment income and improved payment and card fee income.

Net loan losses and similar net result amounted to EUR 1m (1bp).

### Personal Banking Sweden

Total income increased by 2% in local currency, year on year.

Net interest income decreased by 4% in local currency, year on year, due to margin pressure, which was mainly driven by higher funding costs. This was partly offset by mortgage volume growth.

Lending volumes increased by 8% in local currency, year on year, driven by an 8% increase in mortgage volumes. Deposit volumes increased by 8%.

Net fee and commission income increased by 12% in local currency, year on year, due to higher savings and investment income and improved payment and card fee income.

Net loan losses and similar net result amounted to EUR 6m (5bp).

### Personal Banking total

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4	Local curr.	
								Q1/Q1	Q1/Q4
<b>EURm</b>									
Net interest income	565	556	573	569	561	1%	2%	1%	3%
Net fee and commission income	301	324	316	301	282	7%	-7%	8%	-6%
Net result from items at fair value	57	34	32	51	32	78%	68%	70%	81%
Equity method & other income	2	-1	1	10	4				
<b>Total income incl. allocations</b>	<b>925</b>	<b>913</b>	<b>922</b>	<b>931</b>	<b>879</b>	<b>5%</b>	<b>1%</b>	<b>6%</b>	<b>3%</b>
<b>Total expenses incl. allocations</b>	<b>-509</b>	<b>-455</b>	<b>-451</b>	<b>-447</b>	<b>-509</b>	<b>0%</b>	<b>12%</b>	<b>0%</b>	<b>13%</b>
<b>Profit before loan losses</b>	<b>416</b>	<b>458</b>	<b>471</b>	<b>484</b>	<b>370</b>	<b>12%</b>	<b>-9%</b>	<b>13%</b>	<b>-8%</b>
Net loan losses and similar net result	-13	-10	-1	2	-7				
<b>Operating profit</b>	<b>403</b>	<b>448</b>	<b>470</b>	<b>486</b>	<b>363</b>	<b>11%</b>	<b>-10%</b>	<b>12%</b>	<b>-9%</b>
Cost-to-income ratio <sup>1</sup> , %	50	52	51	49	53				
Return on capital at risk <sup>1</sup> , %	18	17	18	19	16				
Economic capital (EC)	7,909	7,750	7,769	7,759	7,603	4%	2%		
Risk exposure amount (REA)	46,968	46,603	46,937	47,008	46,464	1%	1%		
Number of employees (FTEs)	6,893	6,839	6,950	7,007	6,965	-1%	1%		
<b>Volumes, EURbn:</b>									
Mortgage lending	152.9	150.6	148.5	146.1	143.6	6%	2%	6%	1%
Other lending	21.1	20.9	21.1	20.9	20.7	2%	1%	1%	0%
<b>Total lending</b>	<b>174.0</b>	<b>171.5</b>	<b>169.6</b>	<b>167.0</b>	<b>164.3</b>	<b>6%</b>	<b>1%</b>	<b>5%</b>	<b>1%</b>
<b>Total deposits</b>	<b>86.8</b>	<b>85.5</b>	<b>85.7</b>	<b>85.8</b>	<b>83.5</b>	<b>4%</b>	<b>2%</b>	<b>4%</b>	<b>1%</b>

Restatements due to organisational changes.

<sup>1</sup> With amortised resolution fees.

## Personal Banking

Personal Banking	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4	Local curr. Q1/Q1	Q1/Q4
Net interest income, EURm									
PeB Denmark	155	153	153	145	145	7%	1%	7%	1%
PeB Finland	108	97	101	98	99	9%	11%	9%	11%
PeB Norway	121	109	121	130	119	2%	11%	-1%	10%
PeB Sweden	186	202	199	198	201	-7%	-8%	-4%	-4%
Other	-5	-5	-1	-2	-3				
Net fee and commission income, EURm									
PeB Denmark	75	83	84	83	74	1%	-10%	1%	-11%
PeB Finland	94	98	97	90	88	7%	-4%	7%	-4%
PeB Norway	25	27	23	23	22	14%	-7%	9%	-11%
PeB Sweden	107	116	113	106	99	8%	-8%	12%	-4%
Other	0	0	-1	-1	-1				
Net loan losses and similar net result, EURm									
PeB Denmark	9	20	18	33	13				
PeB Finland	-14	-20	-9	-20	-14				
PeB Norway	-1	-5	-4	0	-2				
PeB Sweden	-6	-4	-4	-8	-7				
Other	-1	-1	-2	-3	3				
Volumes, EURbn									
Personal Banking Denmark									
Mortgage lending	36.3	35.9	35.2	34.5	33.9	7%	1%	7%	1%
Other lending	8.6	8.5	8.6	8.5	8.5	1%	1%	1%	1%
Total lending	44.9	44.4	43.8	43.0	42.4	6%	1%	6%	1%
Total deposits	21.4	21.4	21.5	21.9	22.1	-3%	0%	-3%	0%
Personal Banking Finland									
Mortgage lending	30.7	30.4	30.0	29.6	29.2	5%	1%	5%	1%
Other lending	6.2	6.2	6.3	6.3	6.3	-2%	0%	-2%	0%
Total lending	36.9	36.6	36.3	35.9	35.5	4%	1%	4%	1%
Total deposits	26.3	25.9	26.1	25.7	25.0	5%	2%	5%	2%
Personal Banking Norway									
Mortgage lending	37.0	35.7	35.0	34.5	34.5	7%	4%	4%	0%
Other lending	2.7	2.7	2.7	2.6	2.6	4%	0%	0%	0%
Total lending	39.7	38.4	37.7	37.1	37.1	7%	3%	4%	0%
Total deposits	11.3	10.8	10.7	10.9	10.4	9%	5%	5%	2%
Personal Banking Sweden									
Mortgage lending	49.0	48.5	48.2	47.4	46.0	7%	1%	8%	2%
Other lending	3.6	3.6	3.6	3.6	3.4	6%	0%	9%	0%
Total lending	52.6	52.1	51.8	51.0	49.4	6%	1%	8%	2%
Total deposits	27.9	27.4	27.4	27.3	26.0	7%	2%	8%	3%

Restatements due to organisational changes.

# Business Banking

## Introduction

In Business Banking we provide small and medium-sized enterprises (SMEs) with banking and advisory products and services, both online and in person.

Business Banking also includes the product and specialist units Transaction Banking, which provides payment and transaction services, and Nordea Finance, which provides asset-based lending and receivables finance.

We are a trusted financial partner, providing competent advice and developing digital solutions to support sustainable growth for our customers.

## Business development

In the first quarter we continued our efforts to improve customer experience and maintained a strong financial performance despite the uncertainty and market turbulence linked to the war in Ukraine. Lending and deposit volumes were both up 6% in local currencies, year on year. Volume growth was driven by our growth markets Sweden and Norway.

The quarter started with high levels of customer activity in equity and debt capital markets. However, equity capital markets activity in particular came to a halt due to the market turbulence. Towards the end of the quarter the uncertainty also resulted in increased demand for our hedging products.

In Prospera's 2022 customer satisfaction survey we ranked first in the Nordics for "Overall Performance" in trade finance based on feedback from 340 large organisations. The result continues an upward trend from third place in 2020 to second place in 2021, and reflects our focus areas: knowledge, expertise and timely support and advice in relation to both sales and service. We will continue our efforts to improve customer experience.

During the quarter we onboarded 10,000 new customers to Nordea Business, the new netbank for SMEs, and discontinued access to the remaining legacy netbank in Sweden. Our mobile app user base grew by 30%, year on year, we had a 43% increase in SME customers using the mobile bank only, and app store ratings improved across the Nordics.

To provide customers with more choice and support the shift towards contactless payments, in Transaction Banking we continued to roll out our wearables payments solution. The solution is now also available in Norway, having previously been launched in Finland and Sweden.

Our focus on sustainability continues. At the end of the quarter green loans had more than doubled, year on year, to EUR 5.3bn, and now represent 5% of our total portfolio. We are also contributing towards Nordea's sustainability targets by performing deep dive assessments, where we engage with customers in sectors potentially vulnerable to transition risks. This quarter, we focused on the utilities distribution and power production sectors.

At Nordea's Capital Markets Day in February we presented Business Banking's updated business plan, strategic priorities and financial targets. Our 2025 targets are a return on capital at risk (ROCAR) of around 16% and a cost-to-income ratio of around 40%.

## Financial outcome

Total income in the first quarter increased by 12%, year on year, due to higher lending volumes, improved deposit margins and higher net result from items at fair value.

Net interest income increased by 12%, year on year, driven by higher lending volumes, improved deposit margins in Norway and Denmark, and a higher benefit from the European Central Bank's targeted longer-term refinancing operation (TLTRO).

Net fee and commission income grew by 3%, year on year, driven by increases in lending fee income and payment and card fee income. Savings fee income was also higher, year on year, although lower than in the previous quarter due to the market turbulence related to the war in Ukraine. Market uncertainty also led to slower capital markets activity from February onwards.

Net result from items at fair value increased by 36%, year on year, driven by higher income from interest rate and foreign exchange products. The growth was partly linked to the market turbulence, which increased customer demand for hedging solutions.

Total expenses increased by 4%, year on year, due to the introduction of the Swedish bank tax and higher resolution fees. Excluding these, total expenses were unchanged. The cost-to-income ratio with amortised resolution fees was 42%, an improvement of 4 percentage points on the same quarter last year.

Net loan losses and similar net result amounted to EUR 11m (4bp), compared with EUR 15m in the same quarter last year. Our exposure to customers with material trade with Russia or Ukraine is very limited, and is mainly confined to Finland.

Operating profit increased by 24%, year on year, to EUR 354m, driven by higher income. ROCAR was 18%, compared with 15% in the same quarter last year.

## Business Banking Denmark

Net interest income increased by 7% in local currency, year on year, driven by improved deposit margins following repricing in 2021.

Lending volumes decreased by 2% in local currency, year on year. Deposit volumes increased by 1%.

Net fee and commission income was unchanged in local currency, year on year, as higher payment and card fee income was offset by lower lending fee income.

Net loan losses and similar net result amounted to net reversals of EUR 7m (11bp), compared with net reversals of EUR 1m in the same quarter last year.

### Business Banking Finland

Net interest income increased by 12%, year on year, mainly driven by the higher TLTRO benefit.

Lending volumes increased by 4%, year on year, while deposit volumes increased by 8%.

Net fee and commission income increased by 4%, year on year, driven by increased income from savings and investment products and higher payment and card fee income.

Net loan losses and similar net result amounted to EUR 15m (31bp), up from EUR 11m in the same quarter last year.

### Business Banking Norway

Net interest income increased by 15% in local currency, year on year. The increase was driven by higher volumes and improved deposit margins following Norges Bank's interest rate hikes during the second half of 2021.

Lending volumes increased by 9% in local currency, year on year. Deposit volumes increased by 6%.

Net fee and commission income was unchanged in local currency, year on year, as higher lending fee income was offset by the normalisation of equity capital markets income from the high level seen in the same quarter last year.

Net loan losses and similar net result amounted to net reversals of EUR 2m (3bp), compared with EUR 0m in the same quarter last year.

### Business Banking Sweden

Net interest income increased by 9% in local currency, year on year, driven by higher lending volumes.

Lending volumes increased by 13% in local currency, year on year. Deposit volumes increased by 8%.

Net fee and commission income increased by 7% in local currency, year on year, driven by higher lending fee income. Equity capital markets activity was similar to a year ago, but slowed towards the end of the quarter due to the uncertainty caused by the war in Ukraine.

Net loan losses and similar net result amounted to EUR 9m (13bp), up from EUR 7m in the same quarter last year.

### Business Banking total

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4	Local curr.	
								Q1/Q1	Q1/Q4
<b>EURm</b>									
Net interest income	440	416	395	405	394	12%	6%	12%	6%
Net fee and commission income	164	170	161	153	160	3%	-4%	3%	-2%
Net result from items at fair value	101	89	70	77	74	36%	13%	36%	13%
Equity method & other income	10	7	9	9	9				
<b>Total income incl. allocations</b>	<b>715</b>	<b>682</b>	<b>635</b>	<b>644</b>	<b>637</b>	<b>12%</b>	<b>5%</b>	<b>12%</b>	<b>5%</b>
<b>Total expenses incl. allocations</b>	<b>-350</b>	<b>-295</b>	<b>-290</b>	<b>-278</b>	<b>-336</b>	<b>4%</b>	<b>19%</b>	<b>4%</b>	<b>20%</b>
<b>Profit before loan losses</b>	<b>365</b>	<b>387</b>	<b>345</b>	<b>366</b>	<b>301</b>	<b>21%</b>	<b>-6%</b>	<b>21%</b>	<b>-5%</b>
Net loan losses and similar net result	-11	-27	16	30	-15				
<b>Operating profit</b>	<b>354</b>	<b>360</b>	<b>361</b>	<b>396</b>	<b>286</b>	<b>24%</b>	<b>-2%</b>	<b>24%</b>	<b>-1%</b>
Cost-to-income ratio <sup>1</sup> , %	42	45	48	45	46				
Return on capital at risk <sup>1</sup> , %	18	15	15	17	15				
Economic capital (EC)	6,894	6,867	6,785	6,838	6,856	1%	0%		
Risk exposure amount (REA)	43,424	43,200	43,707	44,014	43,698	-1%	1%		
Number of employees (FTEs)	4,037	4,070	4,124	4,213	4,337	-7%	-1%		
<b>Volumes, EURbn:</b>									
Total lending	99.9	97.8	96.0	94.5	93.7	7%	2%	6%	1%
Total deposits	53.9	55.9	53.1	52.7	50.5	7%	-4%	6%	-4%

Restatements due to organisational changes.

<sup>1</sup> With amortised resolution fees.

**Business Banking**

Business Banking	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4	Local curr. Q1/Q1 Q1/Q4	
Net interest income, EURm									
Business Banking Denmark	91	92	91	85	85	7%	-1%	7%	0%
Business Banking Finland	121	98	96	105	108	12%	23%	12%	23%
Business Banking Norway	120	115	104	107	101	19%	4%	15%	4%
Business Banking Sweden	104	108	100	100	98	6%	-4%	9%	0%
Other	4	3	4	8	2				
Net fee and commission income, EURm									
Business Banking Denmark	33	31	30	27	33	0%	6%	0%	6%
Business Banking Finland	53	55	55	52	51	4%	-4%	4%	-4%
Business Banking Norway	32	31	29	29	31	3%	3%	0%	7%
Business Banking Sweden	60	64	57	58	58	3%	-6%	7%	-2%
Other	-14	-11	-10	-13	-13				
Net loan losses and similar net result, EURm									
Business Banking Denmark	7	-2	15	25	1				
Business Banking Finland	-15	-27	2	-7	-11				
Business Banking Norway	2	5	-6	12	0				
Business Banking Sweden	-9	-1	6	1	-7				
Other	4	-2	-1	-1	2				
Lending, EURbn									
Business Banking Denmark	25.7	26.3	25.9	25.8	26.2	-2%	-2%	-2%	-2%
Business Banking Finland	20.4	20.1	19.9	19.8	19.7	4%	1%	4%	1%
Business Banking Norway	25.1	24.0	23.1	22.4	22.4	12%	5%	9%	1%
Business Banking Sweden	28.6	27.4	27.1	26.5	25.4	13%	4%	13%	5%
Other	0.1	0	0	0	0				
Deposits, EURbn									
Business Banking Denmark	9.2	9.6	9.6	9.6	9.1	1%	-4%	1%	-4%
Business Banking Finland	15.5	15.5	14.5	14.7	14.4	8%	0%	8%	0%
Business Banking Norway	10.8	10.8	10.3	9.8	9.7	11%	0%	6%	-4%
Business Banking Sweden	18.4	19.9	18.6	18.6	17.3	6%	-8%	8%	-7%
Other	0	0.1	0.1	0	0				

Restatements due to organisational changes.

# Large Corporates & Institutions

## Introduction

In Large Corporates & Institutions (LC&I) we provide financial solutions to large Nordic corporate and institutional customers. We also provide services to customers across the Nordea Group through the product and specialist units Markets and Investment Banking & Equities, and our international corporate branches.

We are a leading player within sustainable finance and a leading bank for large corporate and institutional customers in the Nordics.

We offer a focused and dedicated range of products and services covering financing, cash management and payments, as well as investment banking and capital markets solutions.

## Business development

The first quarter was characterised by high volatility, initially due to higher interest rate expectations and later due to the war in Ukraine. In LC&I we have a well-diversified business portfolio across the Nordic region.

On the back of continued dislocations in global energy markets, capital market turbulence and rising geopolitical tensions, we have seen an increase in the number of Nordic corporates contemplating additional liquidity facilities and/or mergers and acquisitions.

Debt Capital Markets had an active start to the quarter, with a more muted end. Highlights included a EUR 7bn bond issue by the European Union (EU) – the first time a Nordic bank has acted as a bookrunner on a EU deal – and a EUR 3bn 20-year bond for the Republic of Finland.

In Mergers & Acquisitions and Equity Capital Markets we experienced a strong start to the quarter, with a more muted end. Equity markets weakened following the strong end to 2021, resulting in lower customer activity. In equity capital markets we supported a number of significant transactions, including the merger of Kronans Apotek and Apoteksgruppen, Capio's recommended offer for GHP Specialty Care, rights issues in Svedbergs and Stillfront, and EMK Capital's sale of its remaining shares in Lumi Gruppen, among many others.

During the quarter Nordea Markets saw high customer activity, widening credit spreads, increasing rates and inflation – market conditions that were significantly amplified by the war in Ukraine. Due to our strong diversification and supported by prudent risk management, we delivered a solid performance across all major product groups.

At Nordea's Capital Markets Day in February we presented LC&I's updated business plan, strategic priorities and financial targets. Our 2025 targets are a return on capital at risk (ROCAR) of around 16% and a cost-to-income ratio of around 40%.

We are also further raising the bar on our sustainability leadership. Our goals include being recognised as the Nordic thought leader in ESG matters and remaining the leading provider of ESG-related services and advice. In the period 2022–25 we aim to facilitate more than EUR 200bn in sustainable financing. This quarter, notable transactions in support of this target included the World Bank's SEK 5bn sustainability bond, for which we were the sole bookrunner. We also served as a joint bookrunner for Sparebanken Sør's NOK 2bn dual-tranche green bond and Corem Property Group's SEK 2.35bn green bond. This quarter, we again ranked first for Nordic sustainable bonds overall.

## Financial outcome

Total income decreased, year on year, primarily due to lower net fair value result. This was partly offset by strong growth in net interest income.

Net interest income increased by 11%, year on year, due to increased lending volumes in Denmark and Sweden, higher yield fees, increased deposit income and a higher benefit from the European Central Bank's targeted longer-term refinancing operation.

Net fee and commission income decreased by 8%, year on year. The decrease was driven by a weakening of debt and equity capital markets, primarily due to the war in Ukraine.

Net result from items at fair value decreased by 44% due to a lower result from risk management compared with the exceptionally strong first quarter of 2021.

Total expenses were largely unchanged, reflecting strict cost control.

Net loan losses and similar net result amounted to net reversals of EUR 29m (17bp), improving from a year ago following certain reversals. The total provisioning level has decreased to approximately EUR 500m or 1% of LC&I lending following restructuring within the Offshore portfolio.

Operating profit amounted to EUR 283m, a year-on-year decrease of 11%, due to reduced capital markets activity and lower net result from items at fair value.

Economic capital increased by only 1%, year on year, despite lending volumes that were 11% higher, supported by strong capital discipline and a focus on more capital-light business.

ROCAR was 19%, underlining our successful repositioning of the business.

## Large Corporates &amp; Institutions total

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4
<b>EURm</b>							
Net interest income	267	247	228	231	240	11%	8%
Net fee and commission income	129	119	115	167	140	-8%	8%
Net result from items at fair value	133	86	91	107	238	-44%	55%
Equity method & other income	0	2	0	0	1		
<b>Total income incl. allocations</b>	<b>529</b>	<b>454</b>	<b>434</b>	<b>505</b>	<b>619</b>	<b>-15%</b>	<b>17%</b>
<b>Total expenses incl. allocations</b>	<b>-275</b>	<b>-175</b>	<b>-173</b>	<b>-174</b>	<b>-274</b>	<b>0%</b>	<b>57%</b>
<b>Profit before loan losses</b>	<b>254</b>	<b>279</b>	<b>261</b>	<b>331</b>	<b>345</b>	<b>-26%</b>	<b>-9%</b>
Net loan losses and similar net result	29	-12	10	12	-27		
<b>Operating profit</b>	<b>283</b>	<b>267</b>	<b>271</b>	<b>343</b>	<b>318</b>	<b>-11%</b>	<b>6%</b>
Cost-to-income ratio <sup>1</sup> , %	38	44	46	39	32		
Return on capital at risk <sup>1</sup> , %	19	13	13	17	21		
Economic capital (EC)	5,942	5,655	5,505	5,580	5,866	1%	5%
Risk exposure amount (REA)	43,477	41,333	40,509	40,518	42,095	3%	5%
Number of employees (FTEs)	1,213	1,210	1,291	1,326	1,384	-12%	0%
<b>Volumes, EURbn<sup>2</sup>:</b>							
Total lending	49.8	46.5	43.7	43.9	45.0	11%	7%
Total deposits	56.9	49.8	49.8	48.5	43.6	31%	14%

Restatements due to organisational changes.

<sup>1</sup> With amortised resolution fees.<sup>2</sup> Excluding repurchase agreements and security lending/borrowing agreements.

## Large Corporates &amp; Institutions

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4
<b>Net interest income, EURm</b>							
Denmark	39	38	34	36	35	11%	3%
Finland	48	36	36	41	50	-4%	33%
Norway	72	73	71	73	74	-3%	-1%
Sweden	97	89	83	75	71	37%	9%
Other	11	11	4	6	10		
<b>Net fee and commission income, EURm</b>							
Denmark	31	33	23	51	31	0%	-6%
Finland	35	29	29	43	34	3%	21%
Norway	26	26	23	28	36	-28%	0%
Sweden	41	54	37	50	40	3%	-24%
Other	-4	-23	3	-5	-1		
<b>Net loan losses and similar net result, EURm</b>							
Denmark	0	5	5	3	11		
Finland	6	-10	6	-2	0		
Norway	18	-2	-1	1	-35		
Sweden	4	-3	-1	7	-2		
Other	1	-2	1	3	-1		
<b>Lending, EURbn<sup>1</sup></b>							
Denmark	10.7	7.4	7.5	7.4	7.5	43%	45%
Finland	7.9	8.4	7.3	7.8	8.4	-6%	-6%
Norway	12.4	12.1	12.1	12.2	13.1	-5%	2%
Sweden	17.3	16.9	15.3	14.9	14.6	18%	2%
Other	1.5	1.7	1.5	1.6	1.4		
<b>Deposits, EURbn<sup>1</sup></b>							
Denmark	8.0	7.8	8.8	9.4	7.1	13%	3%
Finland	15.5	16.1	15.0	13.4	12.5	24%	-4%
Norway	12.3	10.7	9.2	10.2	8.7	41%	15%
Sweden	20.7	15.2	16.5	15.4	14.9	39%	36%
Other	0.4	0	0.3	0.1	0.4		

Restatements due to organisational changes.

<sup>1</sup> Excluding repurchase agreements and security lending/borrowing agreements.

# Asset & Wealth Management

## Introduction

In Asset & Wealth Management we offer an extensive range of award-winning savings products through internal and external distribution channels, and provide financial advice to high net worth individuals and corporate and institutional investors.

We are the leading Nordic private bank, asset manager and life and pensions business, with global reach and a globally competitive sustainability offering.

## Business development

In the first quarter we continued to build on our digital distribution capabilities in order to meet customers' expectations. Assets under management (AuM) decreased by 5% to EUR 389bn, having been impacted by the negative stock markets. Investment return decreased AuM by EUR 19.5bn and net flows amounted to EUR -2.4bn. While net flows were negatively affected by seasonal outflows related to annual dividend payments in Denmark, the underlying net flows from our internal channels were positive, despite the very turbulent markets. Investment performance in Asset Management remained strong, with 93% of aggregated composites providing excess return on a three-year basis.

The increased uncertainty linked to the war in Ukraine and macro concerns drove equity prices down and impacted net flows in Asset Management. Net flows in the first quarter were negative at EUR -3.4bn, with EUR -1.3bn stemming from internal channels and EUR -2.1bn from external channels (including an outflow of EUR 1.6bn from mandates related to the divestment of Nordea Life & Pensions Denmark in 2018). The net outflow from internal channels mainly stemmed from seasonal dividend payments.

In Asset Management we signed two large mandates with institutional investors in Asia and the US for ESG strategies. At the end of the quarter approximately 64% of total AuM were in ESG products.

Our investment funds received several awards in Nordic and European countries, including from Morningstar, MainStreet Partners, Lipper, Camradata and Rankia. The Alpha 15 fund was also named the best performing alternative risk premia fund over periods of three, four, five and ten years by the Hedge Fund Journal. In Broadridge's Fund Brand 50 survey we ranked tenth among European third-party asset managers and second within sustainability.

In Private Banking we generated net flows of EUR 0.3bn across the Nordic region during the quarter, despite the market turbulence. In Finland and Sweden net inflow remained solid.

Private Banking customer satisfaction remained high, driven by our proactivity, personal customer relationships and innovative digital services. In the first quarter 19% of all fund purchases in Private Banking were made digitally.

In Life & Pension we remain focused on becoming the leading bancassurer in each of our home markets. We continued to grow our pension business in Norway and Sweden, drawing on new digital capabilities and strong customer relationships.

In March we agreed with Topdanmark Forsikring to acquire Topdanmark's life and pensions business. The acquisition completes our life and pension product offering in the Nordics and accelerates our strategic ambitions within savings. The transaction is subject to regulatory approval and is expected to be completed in the second half of 2022.

Gross written premiums amounted to EUR 2.0bn, a slight increase compared with the same period last year. Net flows were down 32%, year on year, at EUR 0.7bn, due to an increase in claims payments.

At Nordea's Capital Markets Day in February we presented Asset & Wealth Management's updated business plan, strategic priorities and financial targets. Our 2025 targets are a return on capital at risk (ROCAR) of around 38% and a cost-to-income ratio of around 40%.

We also underlined our commitment to be a leading and transparent ESG provider. In the period 2022–25 we will further improve and integrate ESG aspects into our product offerings. This year, we plan to initiate engagement with the top 200 emitters in our portfolios regarding their alignment with the Paris Agreement. In doing so, we will advance our aim to double the share of net-zero-committed AuM by 2025.

## Financial outcome

Total income in the first quarter was up 4%, year on year. The increase was mainly driven by an 11% increase in average AuM.

Net interest income was up 37%, year on year, mainly driven by increased lending volumes.

Net fee and commission income increased by 12%, year on year. The increase reflected the positive year-on-year AuM development, which was driven by net inflows, strong investment performance and market development.

Net result from items at fair value amounted to EUR -3m, down from EUR 23m, mainly due to losses in shareholders' equity portfolios in Life & Pension.

Total expenses increased by 9%, year on year, driven by higher provisions for variable pay and higher regulatory fees. The cost-to-income ratio with amortised resolution fees was up 2 percentage points, year on year, at 45%.

Net loan losses and similar net result amounted to EUR 1m, compared with EUR 3m in the same quarter last year.

Operating profit in the first quarter was EUR 166m, a year-on-year increase of 1%. ROCAR was 30%, compared with 32% in the same quarter last year, due to higher average economic capital.

**Asset & Wealth Management total**

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4	Local curr.	
								Q1/Q1	Q1/Q4
<b>EURm</b>									
Net interest income	26	20	19	19	19	37%	30%	37%	37%
Net fee and commission income	283	311	287	262	252	12%	-9%	12%	-9%
Net result from items at fair value	-3	12	13	14	23				
Equity method & other income	0	3	0	0	0				
<b>Total income incl. allocations</b>	<b>306</b>	<b>346</b>	<b>319</b>	<b>295</b>	<b>294</b>	<b>4%</b>	<b>-12%</b>	<b>4%</b>	<b>-11%</b>
<b>Total expenses incl. allocations</b>	<b>-139</b>	<b>-143</b>	<b>-149</b>	<b>-120</b>	<b>-127</b>	<b>9%</b>	<b>-3%</b>	<b>9%</b>	<b>-2%</b>
<b>Profit before loan losses</b>	<b>167</b>	<b>203</b>	<b>170</b>	<b>175</b>	<b>167</b>	<b>0%</b>	<b>-18%</b>	<b>0%</b>	<b>-18%</b>
Net loan losses and similar net result	-1	0	0	3	-3				
<b>Operating profit</b>	<b>166</b>	<b>203</b>	<b>170</b>	<b>178</b>	<b>164</b>	<b>1%</b>	<b>-18%</b>	<b>1%</b>	<b>-18%</b>
Cost-to-income ratio <sup>1</sup> , %	45	41	47	41	43				
Return on capital at risk <sup>1</sup> , %	30	31	28	31	32				
Economic capital (EC)	1,606	2,003	1,885	1,785	1,693	-5%	-20%		
Risk exposure amount (REA)	8,335	9,251	8,841	8,552	8,294	0%	-10%		
Number of employees (FTEs)	2,725	2,711	2,727	2,744	2,717	0%	1%		
<b>Volumes, EURbn:</b>									
<b>AuM</b>									
Total lending	11.7	11.3	10.9	10.5	10.1	16%	4%	17%	4%
Total deposits	11.6	11.6	11.3	11.0	10.5	10%	0%	11%	0%

Restatements due to organisational changes.

<sup>1</sup> With amortised resolution fees.**Assets under Management (AuM), volumes and net flow**

	Q122	Q421	Q321	Q221	Q121	Q122
<b>EURbn</b>						
Nordic Retail funds	81.7	87.4	82.4	80.6	75.7	-1.4
Private Banking	115.4	122.7	116.1	114.2	107.2	0.3
Institutional sales	124.8	131.3	128.0	124.6	124.5	-2.1
Life & Pension	67.4	69.9	66.3	64.8	61.6	0.7
<b>Total</b>	<b>389.4</b>	<b>411.3</b>	<b>392.9</b>	<b>384.2</b>	<b>368.9</b>	<b>-2.4</b>

**Asset Management - Asset under management and Net flow<sup>1</sup>**

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4
<b>EURbn</b>							
AuM, internal channels	148.2	161.2	153.2	149.7	141.1	5%	-8%
AuM, external channels	124.8	131.3	128.0	124.6	124.5	0%	-5%
AuM, total	273.0	292.5	281.2	274.3	265.6	3%	-7%
- whereof ESG AuM <sup>2</sup>	175.2	194.6	176.9	173.9	167.8	4%	-10%
Net inflow, internal channels	-1.3	2.5	1.8	3.0	2.9		
Net inflow, external channels	-2.1	0.4	2.0	-2.2	-1.0		
Net inflow, total	-3.4	2.9	3.8	0.9	1.9		
- whereof ESG net inflow <sup>2</sup>	-2.0	2.9	3.9	2.4	2.4		

<sup>1</sup> External channels include "Institutional sale" while internal channels include all other assets management by Asset Management.<sup>2</sup> Articles 8 and 9 of the Sustainable Finance Disclosure Regulation.

Net fee and commission income	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4
<b>EURm</b>							
PB Denmark	46	54	48	52	48	-4%	-15%
PB Finland	46	48	48	46	44	5%	-4%
PB Norway	14	12	11	9	10	40%	17%
PB Sweden	28	32	29	27	25	12%	-13%
Asset Management	131	154	143	122	120	9%	-15%
Other	18	11	8	6	5		64%
<b>Total</b>	<b>283</b>	<b>311</b>	<b>287</b>	<b>262</b>	<b>252</b>	<b>12%</b>	<b>-9%</b>

Private Banking	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4
<b>AuM, EURbn</b>							
PB Denmark	33.7	35.8	34.3	34.0	32.4	4%	-6%
PB Finland	37.9	40.4	38.6	38.4	36.0	5%	-6%
PB Norway	11.0	10.9	10.0	9.8	9.3	18%	1%
PB Sweden	32.9	35.7	33.2	32.1	29.5	11%	-8%
<b>Private Banking</b>	<b>115.4</b>	<b>122.7</b>	<b>116.1</b>	<b>114.2</b>	<b>107.2</b>	<b>8%</b>	<b>-6%</b>

<b>Lending, EURbn</b>							
PB Denmark	4.1	4.0	3.8	3.8	3.8	8%	2%
PB Finland	2.7	2.6	2.5	2.5	2.3	17%	4%
PB Norway	1.9	1.8	1.8	1.6	1.6	19%	6%
PB Sweden	3.0	2.9	2.8	2.6	2.4	25%	3%
<b>Private Banking</b>	<b>11.7</b>	<b>11.3</b>	<b>10.9</b>	<b>10.5</b>	<b>10.1</b>	<b>16%</b>	<b>4%</b>

Restatements due to organisational changes.

#### Life & Pension

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4
<b>EURm</b>							
AuM, EURbn	62.8	65.1	61.6	60.1	57.0	10%	-3%
Premiums	1,957	2,242	1,764	2,081	1,919	2%	-13%
<b>Profit drivers</b>							
Profit traditional products	4	9	7	6	7	-45%	-58%
Profit market return products	67	70	66	66	63	7%	-4%
Profit risk products	20	19	20	22	21	-4%	2%
<b>Total product result</b>	<b>91</b>	<b>99</b>	<b>93</b>	<b>94</b>	<b>91</b>	<b>0%</b>	<b>-8%</b>

# Group functions

## Introduction

Our Group functions provide the four business areas with the services, subject matter expertise, data and technology infrastructure needed for Nordea to be the preferred financial partner in the Nordics. The Group functions consist of Group Business Support; Chief of Staff Office; Group Brand, Communication and Marketing; Group Risk; Group Compliance; Group People; Group Legal; Group Finance; and Group Internal Audit.

Together with the results of the business areas, the results of the Group functions add up to the reported result for the Group. The income primarily originates from Group Treasury. The majority of both costs and income are distributed to the business areas.

## Business development

In the first quarter we continued with initiatives to further consolidate Operations-related processes across the Group. This will enable more nearshoring and outsourcing, further increase operational efficiency and strengthen our focus on automation.

## Financial outcome

Total operating income in the first quarter amounted to EUR 15m, up from EUR -9m in the same quarter last year.

Net interest income increased by EUR 12m, year on year.

Net result from items at fair value increased by EUR 4m, year on year.

Total operating expenses amounted to EUR 115m, a year-on-year increase of EUR 42m, primarily due to higher regulatory fees and one-time effects.

## Group functions

	Q122	Q421	Q321	Q221	Q121	Q1/Q1	Q1/Q4
<b>EURm</b>							
Net interest income	10	16	11	8	-2		
Net fee and commission income	-7	-4	-9	-5	-7		
Net result from items at fair value	7	26	18	29	3		
Equity method & other income	5	5	14	11	-3		
<b>Total operating income</b>	<b>15</b>	<b>43</b>	<b>34</b>	<b>43</b>	<b>-9</b>		
<b>Total operating expenses</b>	<b>-115</b>	<b>-33</b>	<b>-35</b>	<b>-112</b>	<b>-73</b>		
<b>Profit before loan losses</b>	<b>-100</b>	<b>10</b>	<b>-1</b>	<b>-69</b>	<b>-82</b>		
Net loan losses and similar net result	8	-7	-3	4	0		
<b>Operating profit</b>	<b>-92</b>	<b>3</b>	<b>-4</b>	<b>-65</b>	<b>-82</b>		
Economic capital (EC)	1,065	942	1,181	1,205	1,355		
Risk exposure amount (REA)	11,835	11,519	12,569	12,130	13,486		
Number of employees (FTEs)	12,208	12,064	12,034	12,220	12,397	-2%	1%

Restatements due to organisational changes.

# Income statement

	Note	Q1 2022	Q1 2021	Full year 2021
EURm				
<b>Operating income</b>				
Interest income calculated using the effective interest rate method		1,346	1,309	5,116
Other interest income <sup>1</sup>		184	193	784
Negative yield on financial assets		-65	-82	-219
Interest expense <sup>1</sup>		-319	-328	-1,167
Negative yield on financial liabilities		162	120	411
<b>Net interest income</b>		<b>1,308</b>	<b>1,212</b>	<b>4,925</b>
Fee and commission income		1,107	1,058	4,472
Fee and commission expense		-237	-231	-977
<b>Net fee and commission income</b>	<b>3</b>	<b>870</b>	<b>827</b>	<b>3,495</b>
Net result from items at fair value	4	-242	370	1,119
Profit or loss from associated undertakings and joint ventures accounted for under the equity method		0	-14	-6
Other operating income		17	25	87
<b>Total operating income</b>		<b>1,953</b>	<b>2,420</b>	<b>9,620</b>
<b>Operating expenses</b>				
General administrative expenses:				
Staff costs		-703	-682	-2,759
Other expenses	5	-266	-262	-1,002
Regulatory fees	6	-273	-224	-224
Depreciation, amortisation and impairment charges of tangible and intangible assets	7	-146	-151	-664
<b>Total operating expenses</b>		<b>-1,388</b>	<b>-1,319</b>	<b>-4,649</b>
<b>Profit before loan losses</b>		<b>565</b>	<b>1,101</b>	<b>4,971</b>
Net result on loans in hold portfolios mandatorily held at fair value		8	11	83
Net loan losses	8	-72	-63	-118
<b>Operating profit</b>		<b>501</b>	<b>1,049</b>	<b>4,936</b>
Income tax expense		-232	-261	-1,105
<b>Net profit for the period</b>		<b>269</b>	<b>788</b>	<b>3,831</b>
<b>Attributable to:</b>				
Shareholders of Nordea Bank Abp		244	762	3,805
Additional Tier 1 capital holders		26	26	26
Non-controlling interests		-1	-	-
<b>Total</b>		<b>269</b>	<b>788</b>	<b>3,831</b>
Basic earnings per share, EUR		0.06	0.19	0.95
Diluted earnings per share, EUR		0.06	0.19	0.95

<sup>1</sup> Comparative figures for the first quarter of 2021 have been restated. See Note G1 "Accounting policies" in the Annual Report 2021 for more information.

# Statement of comprehensive income

	Q1 2022	Q1 2021	Full year 2021
EURm			
<b>Net profit for the period</b>	<b>269</b>	<b>788</b>	<b>3,831</b>
<b>Items that may be reclassified subsequently to the income statement</b>			
Currency translation differences	192	150	160
Currency translation differences transferred to the income statement	660	-	-
Tax on currency translation differences	-	-	-2
<i>Hedging of net investments in foreign operations:</i>			
Valuation gains/losses	-28	1	-1
Valuation gains/losses transferred to the income statement, net of tax	-131	-	-
<i>Fair value through other comprehensive income<sup>1</sup>:</i>			
Valuation gains/losses, net of recycling	-83	-25	38
Tax on valuation gains/losses	15	5	-8
<i>Cash flow hedges:</i>			
Valuation gains/losses, net of recycling	15	-41	50
Tax on valuation gains/losses	-3	8	-10
<b>Items that may not be reclassified subsequently to the income statement</b>			
<i>Changes in own credit risk related to liabilities classified as fair value option:</i>			
Valuation gains/losses	9	-1	-2
Tax on valuation gains/losses	-2	0	1
<i>Defined benefit plans:</i>			
Remeasurement of defined benefit plans	158	198	49
Tax on remeasurement of defined benefit plans	-37	-38	-9
Other comprehensive income from companies accounted for under the equity method	1	0	0
Tax on other comprehensive income from companies accounted for under the equity method	0	0	0
<b>Other comprehensive income, net of tax</b>	<b>766</b>	<b>257</b>	<b>266</b>
<b>Total comprehensive income</b>	<b>1,035</b>	<b>1,045</b>	<b>4,097</b>
<b>Attributable to:</b>			
Shareholders of Nordea Bank Abp	1,010	1,019	4,071
Additional Tier 1 capital holders	26	26	26
Non-controlling interests	-1	-	-
<b>Total</b>	<b>1,035</b>	<b>1,045</b>	<b>4,097</b>

<sup>1</sup> Valuation gains/losses related to hedged risks under fair value hedge accounting are accounted for directly in the income statement.

# Balance sheet

	Note	31 Mar 2022	31 Dec 2021	31 Mar 2021
<b>EURm</b>				
<b>Assets</b>	10			
Cash and balances with central banks		71,147	47,495	56,843
Loans to central banks	9	263	409	27
Loans to credit institutions	9	12,545	1,983	10,478
Loans to the public	9	351,902	345,050	333,622
Interest-bearing securities		67,781	63,383	66,739
Financial instruments pledged as collateral		4,327	1,668	3,948
Shares		20,001	15,217	19,324
Assets in pooled schemes and unit-linked investment contracts		45,358	46,912	39,783
Derivatives		30,654	30,200	36,000
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-912	-65	222
Investments in associated undertakings and joint ventures		215	207	545
Intangible assets		3,809	3,784	3,817
Properties and equipment		1,749	1,745	1,875
Investment properties		1,787	1,764	1,596
Deferred tax assets		388	218	340
Current tax assets		289	272	355
Retirement benefit assets		333	221	283
Other assets		11,899	8,830	14,557
Prepaid expenses and accrued income		781	880	747
Assets held for sale		182	180	-
<b>Total assets</b>		<b>624,498</b>	<b>570,353</b>	<b>591,101</b>
<b>Liabilities</b>	10			
Deposits by credit institutions		45,472	26,961	43,431
Deposits and borrowings from the public		221,095	205,801	198,169
Deposits in pooled schemes and unit-linked investment contracts		46,704	48,201	40,824
Liabilities to policyholders		19,116	19,595	18,805
Debt securities in issue		193,003	175,792	183,101
Derivatives		35,093	31,485	36,786
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-2,106	805	1,893
Current tax liabilities		506	354	186
Other liabilities		25,126	18,485	24,182
Accrued expenses and prepaid income		1,565	1,334	1,624
Deferred tax liabilities		543	535	458
Provisions		406	414	559
Retirement benefit obligations		310	369	295
Subordinated liabilities		6,744	6,719	6,299
<b>Total liabilities</b>		<b>593,577</b>	<b>536,850</b>	<b>556,612</b>
<b>Equity</b>				
Additional Tier 1 capital holders		750	750	749
Non-controlling interests		8	9	9
Share capital		4,050	4,050	4,050
Invested unrestricted equity		1,088	1,090	1,072
Other reserves		-1,036	-1,801	-1,810
Retained earnings		26,061	29,405	30,419
<b>Total equity</b>		<b>30,921</b>	<b>33,503</b>	<b>34,489</b>
<b>Total liabilities and equity</b>		<b>624,498</b>	<b>570,353</b>	<b>591,101</b>
<b>Off-balance sheet commitments</b>				
Assets pledged as security for own liabilities		195,115	183,984	178,895
Other assets pledged <sup>1</sup>		253	253	348
Contingent liabilities		22,067	22,786	20,316
Credit commitments <sup>2</sup>		87,454	86,238	88,275
Other commitments		2,578	2,747	1,755

<sup>1</sup> Includes interest-bearing securities pledged as security for payment settlements with central banks and clearing institutions.

<sup>2</sup> Including unutilised portion of approved overdraft facilities of EUR 28,474m (31 December 2021: EUR 28,263m; 31 March 2021: EUR 31,806m).

# Statement of changes in equity

Attributable to shareholders of Nordea Bank Abp												
EURm	Share capital <sup>1</sup>	Invested un-restricted equity	Trans-lation of foreign opera-tions	Cash flow hedges	Fair value through other compre-hensive income	Defined benefit plans	Changes in own credit risk related to liabilities classified as fair value option	Retained earnings	Total	Addi-tional Tier 1 capital holders	Non-controlling interests	Total equity
<b>Balance as at 1 Jan 2022</b>	<b>4,050</b>	<b>1,090</b>	<b>-1,863</b>	<b>30</b>	<b>121</b>	<b>-77</b>	<b>-12</b>	<b>29,405</b>	<b>32,744</b>	<b>750</b>	<b>9</b>	<b>33,503</b>
Net profit for the period	-	-	-	-	-	-	-	244	244	26	-1	269
Other comprehensive income, net of tax	-	-	693	12	-68	121	7	1	766	-	-	766
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>693</b>	<b>12</b>	<b>-68</b>	<b>121</b>	<b>7</b>	<b>245</b>	<b>1,010</b>	<b>26</b>	<b>-1</b>	<b>1,035</b>
Paid interest on Additional Tier 1 capital	-	-	-	-	-	-	-	-	-	-26	-	-26
Change in Additional Tier 1 capital	-	-	-	-	-	-	-	-	-	0	-	0
Share-based payments	-	-	-	-	-	-	-	3	3	-	-	3
Dividend	-	-	-	-	-	-	-	-2,655	-2,655	-	-	-2,655
Purchase of own shares <sup>2</sup>	-	-2	-	-	-	-	-	-937	-939	-	-	-939
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	0	0
<b>Balance as at 31 Mar 2022</b>	<b>4,050</b>	<b>1,088</b>	<b>-1,170</b>	<b>42</b>	<b>53</b>	<b>44</b>	<b>-5</b>	<b>26,061</b>	<b>30,163</b>	<b>750</b>	<b>8</b>	<b>30,921</b>
<b>Balance as at 1 Jan 2021</b>	<b>4,050</b>	<b>1,063</b>	<b>-2,020</b>	<b>-10</b>	<b>91</b>	<b>-117</b>	<b>-11</b>	<b>29,937</b>	<b>32,983</b>	<b>748</b>	<b>9</b>	<b>33,740</b>
Net profit for the period	-	-	-	-	-	-	-	3,805	3,805	26	-	3,831
Other comprehensive income, net of tax	-	-	157	40	30	40	-1	0	266	-	-	266
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>157</b>	<b>40</b>	<b>30</b>	<b>40</b>	<b>-1</b>	<b>3,805</b>	<b>4,071</b>	<b>26</b>	<b>-</b>	<b>4,097</b>
Paid interest on Additional Tier 1 capital	-	-	-	-	-	-	-	-	-	-26	-	-26
Change in Additional Tier 1 capital	-	-	-	-	-	-	-	-	-	2	-	2
Share-based payments	-	-	-	-	-	-	-	18	18	-	-	18
Dividend	-	-	-	-	-	-	-	-3,192	-3,192	-	-	-3,192
Sale/purchase of own shares <sup>2</sup>	-	27	-	-	-	-	-	-1,163	-1,136	-	-	-1,136
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	0	0
<b>Balance as at 31 Dec 2021</b>	<b>4,050</b>	<b>1,090</b>	<b>-1,863</b>	<b>30</b>	<b>121</b>	<b>-77</b>	<b>-12</b>	<b>29,405</b>	<b>32,744</b>	<b>750</b>	<b>9</b>	<b>33,503</b>
<b>Balance as at 1 Jan 2021</b>	<b>4,050</b>	<b>1,063</b>	<b>-2,020</b>	<b>-10</b>	<b>91</b>	<b>-117</b>	<b>-11</b>	<b>29,937</b>	<b>32,983</b>	<b>748</b>	<b>9</b>	<b>33,740</b>
Net profit for the period	-	-	-	-	-	-	-	762	762	26	-	788
Other comprehensive income, net of tax	-	-	151	-33	-20	160	-1	0	257	-	-	257
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>151</b>	<b>-33</b>	<b>-20</b>	<b>160</b>	<b>-1</b>	<b>762</b>	<b>1,019</b>	<b>26</b>	<b>-</b>	<b>1,045</b>
Paid interest on Additional Tier 1 capital	-	-	-	-	-	-	-	-	-	-26	-	-26
Change in Additional Tier 1 capital	-	-	-	-	-	-	-	-	-	1	-	1
Share-based payments	-	-	-	-	-	-	-	3	3	-	-	3
Dividend	-	-	-	-	-	-	-	-283	-283	-	-	-283
Sale of own shares <sup>2</sup>	-	9	-	-	-	-	-	-	9	-	-	9
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	0	0
<b>Balance as at 31 Mar 2021</b>	<b>4,050</b>	<b>1,072</b>	<b>-1,869</b>	<b>-43</b>	<b>71</b>	<b>43</b>	<b>-12</b>	<b>30,419</b>	<b>33,731</b>	<b>749</b>	<b>9</b>	<b>34,489</b>

<sup>1</sup> Total shares registered were 3,860 million (31 December 2021: 3,966 million; 31 March 2021: 4,050 million). The number of own shares was 18.4 million (31 December 2021: 32.8 million; 31 March 2021: 10.9 million), which represents 0.5% (31 December 2021: 0.8%; 31 March 2021: 0.3%) of the total shares in Nordea. Each share represents one voting right.

<sup>2</sup> The change in the holding of own shares related to treasury shares held for remuneration purposes and to the trading portfolio was accounted for as an increase in "Invested unrestricted equity". The number of treasury shares held for remuneration purposes was 7.1 million (31 December 2021: 7.1 million; 31 March 2021: 8.2 million). The share buy-back amounted to EUR 933m (31 December 2021: EUR 1,160m) and was accounted for as a reduction in "Retained earnings". The transaction cost in relation to the share buy-back amounted to EUR 4m (31 December 2021: EUR 3m).

# Cash flow statement, condensed

	Jan-Mar 2022	Jan-Mar 2021	Full year 2021
<b>EURm</b>			
<b>Operating activities</b>			
Operating profit	501	1,049	4,936
Adjustments for items not included in cash flow	-1,472	517	2,263
Income taxes paid	-304	-376	-759
<b>Cash flow from operating activities before changes in operating assets and liabilities</b>	<b>-1,275</b>	<b>1,190</b>	<b>6,440</b>
Changes in operating assets and liabilities	25,844	21,551	11,152
<b>Cash flow from operating activities</b>	<b>24,569</b>	<b>22,741</b>	<b>17,592</b>
<b>Investing activities</b>			
Acquisition/sale of business operations	-	-	7
Acquisition/sale of associated undertakings and joint ventures	-1	-	2
Acquisition/sale of property and equipment	1	-1	-5
Acquisition/sale of intangible assets	-83	-97	-384
<b>Cash flow from investing activities</b>	<b>-83</b>	<b>-98</b>	<b>-380</b>
<b>Financing activities</b>			
Issued/amortised subordinated liabilities	-	-750	-437
Sale/repurchase of own shares, including change in trading portfolio	-939	9	-1,136
Dividend paid	-	-283	-3,192
Paid interest on Additional Tier 1 capital	-26	-26	-26
Amortisation of the principal part of lease liabilities	-32	-32	-140
<b>Cash flow from financing activities</b>	<b>-997</b>	<b>-1,082</b>	<b>-4,931</b>
<b>Cash flow for the period</b>	<b>23,489</b>	<b>21,561</b>	<b>12,281</b>
<b>Cash and cash equivalents</b>	<b>31 Mar 2022</b>	<b>31 Mar 2021</b>	<b>31 Dec 2021</b>
<b>EURm</b>			
Cash and cash equivalents at beginning of the period	48,628	36,203	36,203
Translation differences	154	336	144
Cash and cash equivalents at end of the period	72,271	58,100	48,628
<b>Change</b>	<b>23,489</b>	<b>21,561</b>	<b>12,281</b>
The following items are included in cash and cash equivalents:			
Cash and balances with central banks	71,147	56,843	47,495
Loans to central banks	6	4	6
Loans to credit institutions	1,118	1,253	1,127
<b>Total cash and cash equivalents</b>	<b>72,271</b>	<b>58,100</b>	<b>48,628</b>

Cash comprises legal tender and bank notes in foreign currencies. Balances with central banks consist of deposits in accounts with central banks and postal giro systems under government authority where the following conditions are fulfilled:

- the central bank or postal giro system is domiciled in the country where the institution is established,
- the balance on the account is readily available at any time.

Loans to credit institutions payable on demand include liquid assets not represented by bonds or other interest-bearing securities.

# Notes to the financial statements

## Note 1 Accounting policies

The consolidated interim financial statements are prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting, as endorsed by the European Union (EU).

The report includes a condensed set of financial statements and is to be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2021. The accounting policies and methods of computation are unchanged from Note G1 in the Annual Report 2021, except for those relating to the items presented in the section "Changed accounting policies and presentation" below. For more information, see Note G1 in the Annual Report 2021.

### Changed accounting policies and presentation

The following changes in accounting policies and presentation were implemented by Nordea on 1 January 2022.

#### Changed presentation of regulatory fees

In the first quarter of 2022 Nordea began presenting resolution fees and the Swedish bank tax separately on the new row "Regulatory fees" in the income statement. The earlier policy was to present similar expenses on the row "Other expenses". The new presentation provides a more transparent view of Nordea's underlying performance and the impact of regulatory fees. Resolution fees will continue to be recognised in full in the first quarter, while the Swedish bank tax will be amortised linearly over the course of the year.

Comparative figures have been restated accordingly and the impact in the first quarter of 2022 can be found in the table below.

	Q1 2022			Q1 2021		
	Old policy	Chg	New policy	Old policy	Chg	New policy
<b>EURm</b>						
General administrative expenses:						
Other expenses	-539	273	-266	-486	224	-262
Regulatory fees	-	-273	-273	-	-224	-224
Total operating expenses	-1,388	-	-1,388	-1,319	-	-1,319
Impact on EPS/DEPS, EUR		-			-	

	Full year 2021		
	Old policy	Chg	New policy
<b>EURm</b>			
General administrative expenses:			
Other expenses	-1,226	224	-1,002
Regulatory fees	-	-224	-224
Total operating expenses	-4,649	-	-4,649
Impact on EPS/DEPS, EUR		-	

#### Other amendments

The following amended standards issued by the International Accounting Standards Board (IASB) were implemented by Nordea on 1 January 2022, but have not had any significant impact on Nordea's financial statements.

- Amendments to International Financial Reporting Standard (IFRS) 3 Business Combinations: Reference to the Conceptual Framework
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract
- Annual improvements to IFRS Standards 2018–2020

### Changes in IFRSs not yet applied

#### IFRS 17 Insurance Contracts

The IASB has published the new standard IFRS 17 Insurance Contracts. The new standard will change the accounting requirements for the recognition, measurement, presentation and disclosure of insurance contracts.

The measurement principles will change from a non-uniform accounting policy based on the local accounting policies in the life insurance subsidiaries to a uniform accounting policy based on three measurement models: the General Measurement Model (GMM), the Variable Fee Approach (VFA) and the Premium Allocation Approach (PAA). The model application depends on the terms of the contract (long term, long term with a variable fee or short term). The three measurement models include consistent definitions of contractual cash flows, the risk adjustment margin and discounting. These definitions are based on principles similar to those for calculating the technical provisions in the Solvency II Directive. Unearned future premiums from profitable contracts will be recognised as a provision on the balance sheet and released to revenue when the insurance service is provided. Losses related to unprofitable contracts will be recognised in the income statement at the time the contract is approved.

Nordea is in the process of implementing the changes required by IFRS 17. It is currently expected that some products will be reclassified from insurance to investment contracts, but the impact on the financial statements remains to be confirmed.

Nordea will apply all three measurements models, but currently expects that the VFA will be applied for the majority of the insurance contracts.

Different transition methods will be applied based on the data available at the time of transition. Nordea expects to use the fair value method for most contracts and the full retrospective method for the remaining portion.

IFRS 17 has been endorsed by the EU and is effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. Nordea does not currently intend to adopt the standard early. It is not yet possible to conclude on the impact on Nordea's financial statements or capital adequacy, but it is currently expected that the impacts on equity and the CET1 ratio will be negative at the time of transition.

The above description is valid for the insurance contracts currently held by Nordea. As explained on page 17, Nordea is in the process of acquiring Topdanmark Life. If the transaction is closed before the IFRS 17 transition date, the insurance contracts in Topdanmark Life will be covered in Nordea's transition to the new standard. Nordea currently has no information on how these contracts will be impacted by IFRS 17.

### Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In 2021 the IASB published amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

The amendments require companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to taxable and deductible temporary differences of equal amounts. Such a requirement may apply on the initial recognition of a lease liability and the corresponding right-of-use asset at the commencement of a lease. The requirement also applies in the context of decommissioning, restoration and similar liabilities where the corresponding amounts are recognised as part of the cost of the related asset.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted. The standard is not yet endorsed by the EU and Nordea does not currently intend to adopt it early. The gross deferred tax assets and liabilities will be disclosed, but will be set off on the balance sheet if such requirements are met. Nordea's current assessment is that the amendments will not have any significant impact on its financial statements or capital adequacy in the period of initial application.

### Other amendments to IFRSs

Other amendments to IFRSs are not assessed to have any significant impact on Nordea's financial statements or capital adequacy in the period of their initial application.

### Critical judgements affected by the war in Ukraine

Nordea applied critical judgements in the preparation of this interim report due to the uncertainty concerning the potential long-term impact of the war in Ukraine on Nordea's financial statements. Areas particularly important during the first quarter of 2022 were the impairment testing of goodwill and loans to the public/credit institutions. Information on where critical judgements are generally applied and where estimation uncertainty exists can be found in section 4 of Note G1 "Accounting policies" in the Annual Report 2021.

No impairment of goodwill was identified during the first quarter of 2022, but estimation uncertainty exists in relation to the long-term impact on Nordea's financial statements and the impairment need will be continuously reassessed. Nordea's total goodwill amounted to EUR 2,005m at the end of the first quarter of 2022 and EUR 1,975m at the end of 2021. Nordea updated the cash flow projections in the first quarter to reflect the best estimate of the future cash flow development. Cash flows were projected up until the end of 2025 and the long-term growth assumption was used for subsequent periods. The discount rate used for the test in the first quarter was 7.8% post tax and the long-term growth was 2.3%. Both an increase in the discount rate of 1 percentage point and a reduction in the future growth rate of 1 percentage point are considered to be reasonably possible changes in key assumptions. Such changes would not result in any impairment.

Critical judgement was also applied in the assessment of when loans had experienced a significant increase in credit risk (staging) and in the application of macro scenarios when estimating the increase in expected credit losses. When calculating allowances for individually significant impaired loans, critical judgement was exercised to estimate the amount and timing of the expected cash flows to be received from the customers under different scenarios, and to value any collateral received. Critical judgement was further applied when assigning the likelihood of the different scenarios occurring. More information on the impairment testing of loans to the public/credit institutions can be found under "Net loan losses and similar net result" on page 12, in Note 9 "Loans and impairment", and under "Other information" on page 17. Information on sensitivities to rating and scoring migrations can be found in the section "Sensitivities" in Note 9.

### Exchange rates

	Jan-Mar 2022	Jan-Dec 2021	Jan-Mar 2021
<b>EUR 1 = SEK</b>			
Income statement (average)	10.4788	10.1460	10.1189
Balance sheet (at end of period)	10.3490	10.2913	10.2408
<b>EUR 1 = DKK</b>			
Income statement (average)	7.4406	7.4370	7.4372
Balance sheet (at end of period)	7.4380	7.4364	7.4377
<b>EUR 1 = NOK</b>			
Income statement (average)	9.9279	10.1655	10.2638
Balance sheet (at end of period)	9.7006	10.0185	10.0195
<b>EUR 1 = RUB</b>			
Income statement (average)	99.4263	87.1828	89.6807
Balance sheet (at end of period)	92.1261	85.0140	88.4305

## Note 2

## Segment reporting

Jan-Mar 2022	Personal Banking	Business Banking	Large Corporates & Institutions	Asset & Wealth Management	Other operating segments	Total operating segments	Reconciliation	Total Group
Total operating income, EURm	926	713	529	306	27	2,501	-548	1,953
– of which internal transactions <sup>1</sup>	-87	-9	-20	-2	118	0	-	-
Operating profit, EURm	404	352	282	166	13	1,217	-716	501
Loans to the public <sup>2</sup> , EURbn	172	98	48	12	0	330	22	352
Deposits and borrowings from the public, EURbn	85	54	53	11	0	203	18	221

## Jan-Mar 2021

Total operating income, EURm	875	634	619	294	61	2,483	-63	2,420
– of which internal transactions <sup>1</sup>	-61	-11	-34	-7	113	0	-	-
Operating profit, EURm	362	285	315	165	57	1,184	-135	1,049
Loans to the public <sup>2</sup> , EURbn	163	92	45	10	0	310	24	334
Deposits and borrowings from the public, EURbn	81	51	42	10	0	184	14	198

<sup>1</sup> IFRS 8 requires information on revenues from transactions between operating segments. Nordea has defined intersegment revenues as internal interest related to the funding of the reportable operating segments by the internal bank in Group Finance, included in "Other operating segments".

<sup>2</sup> The volumes are only disclosed separately for operating segments if separately reported to the Chief Operating Decision-Maker.

## Reconciliation between total operating segments and financial statements

	Operating profit, EURm		Loans to the public, EURbn		Deposits and borrowings from the public, EURbn	
	Jan-Mar		31 Mar		31 Mar	
	2022	2021	2022	2021	2022	2021
Total operating segments	1,217	1,184	330	310	203	184
Group functions <sup>1</sup>	1	11	-	-	-	-
Unallocated items <sup>3</sup>	-720	-151	18	22	17	13
Differences in accounting policies <sup>2</sup>	3	5	4	2	1	1
<b>Total</b>	<b>501</b>	<b>1,049</b>	<b>352</b>	<b>334</b>	<b>221</b>	<b>198</b>

<sup>1</sup> Consists of Group Business Support, Group Internal Audit, Chief of Staff Office, Group People, Group Legal, Group Risk, Group Compliance and Group Brand, Communication and Marketing.

<sup>2</sup> Impact from plan exchange rates used in the segment reporting.

<sup>3</sup> Operating segments are presented excluding items affecting comparability (IAC). IAC of EUR 613m are included in "Unallocated items".

## Measurement of operating segments' performance

The measurement principles and allocation between operating segments follow the information reported to the Chief Operating Decision-Maker (CODM), as required by IFRS 8. In Nordea the CODM has been defined as the Chief Executive Officer, who is supported by the other members of the Group Leadership Team. The main difference compared with the section "Business areas" in this report is that the information in Note 2 is prepared using plan exchange rates, as this is the basis used in the reporting to the CODM.

Financial results are presented for the main business areas Personal Banking, Business Banking, Large Corporates & Institutions and Asset & Wealth Management. These are identified as reportable operating segments and are reported separately, as they are above the quantitative thresholds in IFRS 8. Other operating segments below the thresholds are included in "Other operating segments". Group functions (and eliminations), as well as the result that is not fully allocated to any of the operating segments, are shown separately as reconciling items.

There have been no changes in the basis of segmentation during the year.

### Note 3 Net fee and commission income

	Q1 2022	Q4 2021	Q1 2021	Full year 2021
<b>EURm</b>				
Asset management commissions	451	507	416	1,845
Life and pension commissions	74	73	64	273
Deposit products	6	8	6	25
Brokerage, securities issues and corporate finance	62	55	77	269
Custody and issuer services	2	11	0	35
Payments	63	54	64	236
Cards	68	73	51	250
Lending products	119	122	121	478
Guarantees	27	29	25	102
Other	-2	-12	3	-18
<b>Total</b>	<b>870</b>	<b>920</b>	<b>827</b>	<b>3,495</b>

#### Breakdown Jan-Mar 2022

	Personal Banking	Business Banking	Large Corporates & Institutions	Asset & Wealth Management	Other operating segments	Other and eliminations	Nordea Group
<b>EURm</b>							
Asset management commissions	147	23	2	279	0	0	451
Life and pension commissions	52	21	1	0	0	0	74
Deposit products	1	5	0	0	0	0	6
Brokerage, securities issues and corporate finance	6	14	34	9	2	-3	62
Custody and issuer services	1	0	6	0	-1	-4	2
Payments	4	39	20	0	0	0	63
Cards	56	10	2	0	0	0	68
Lending products	28	42	48	1	0	0	119
Guarantees	2	7	18	0	0	0	27
Other	4	3	-2	-6	-1	0	-2
<b>Total</b>	<b>301</b>	<b>164</b>	<b>129</b>	<b>283</b>	<b>0</b>	<b>-7</b>	<b>870</b>

#### Breakdown Jan-Mar 2021

	Personal Banking	Business Banking	Large Corporates & Institutions	Asset & Wealth Management	Other operating segments	Other and eliminations	Nordea Group
<b>EURm</b>							
Asset management commissions	137	24	1	254	0	0	416
Life and pension commissions	53	19	1	-9	0	0	64
Deposit products	1	5	0	0	0	0	6
Brokerage, securities issues and corporate finance	5	16	49	11	1	-5	77
Custody and issuer services	0	0	2	0	-4	2	0
Payments	7	39	18	0	0	0	64
Cards	42	8	1	0	0	0	51
Lending products	33	37	51	2	0	-2	121
Guarantees	2	7	16	0	0	0	25
Other	2	5	1	-6	0	1	3
<b>Total</b>	<b>282</b>	<b>160</b>	<b>140</b>	<b>252</b>	<b>-3</b>	<b>-4</b>	<b>827</b>

### Note 4 Net result from items at fair value

	Q1 2022	Q4 2021	Q1 2021	Full year 2021
<b>EURm</b>				
Equity-related instruments <sup>1</sup>	45	68	189	570
Interest-related instruments and foreign exchange gains/losses <sup>2</sup>	-287	133	102	395
Other financial instruments (including credit and commodities)	-7	22	52	57
Nordea Life & Pension <sup>3</sup>	7	24	27	97
<b>Total</b>	<b>-242</b>	<b>247</b>	<b>370</b>	<b>1,119</b>

<sup>1</sup> Includes EUR 8m in losses on fund investments in Russia.

<sup>2</sup> Includes EUR 529m in recycled accumulated foreign exchange losses related to operations in Russia.

<sup>3</sup> Internal transactions not eliminated against other lines in the Note. The line item "Nordea Life & Pension" consequently provides the true impact from the life insurance operations.

#### Breakdown of Nordea Life & Pension

	Q1 2022	Q4 2021	Q1 2021	Full year 2021
<b>EURm</b>				
Equity-related instruments	-527	540	544	1,724
Interest-related instruments and foreign exchange gains/losses	-120	-41	-34	-29
Investment properties	37	87	66	198
Change in technical provisions <sup>1</sup>	514	-240	-180	-863
Change in collective bonus potential	88	-337	-381	-987
Insurance risk income	19	19	17	73
Insurance risk expense	-4	-4	-5	-19
<b>Total</b>	<b>7</b>	<b>24</b>	<b>27</b>	<b>97</b>

<sup>1</sup> Premium income amounts to EUR 69m for the first quarter of 2022 (fourth quarter of 2021: EUR 82m; first quarter of 2021: EUR 95m).

## Note 5 Other expenses

	Q1 2022	Q4 2021	Q1 2021	Full year 2021
<b>EURm</b>				
Information technology <sup>1</sup>	-125	-145	-124	-522
Marketing and representation	-11	-16	-7	-44
Postage, transportation, telephone and office expenses	-12	-9	-14	-48
Rents, premises and real estate	-31	-21	-26	-97
Professional services <sup>1</sup>	-26	-31	-31	-104
Market data services	-23	-18	-22	-84
Other <sup>2</sup>	-38	-1	-38	-103
<b>Total</b>	<b>-266</b>	<b>-241</b>	<b>-262</b>	<b>-1,002</b>

<sup>1</sup> "Information technology" includes IT consultancy fees.

<sup>2</sup> VAT refund recognised in the fourth quarter of 2021.

## Note 6 Regulatory fees

	Q1 2022	Q4 2021	Q1 2021	Full year 2021
<b>EURm</b>				
Resolution fees	-256	-	-224	-224
Bank tax	-17	-	-	-
<b>Total</b>	<b>-273</b>	<b>-</b>	<b>-224</b>	<b>-224</b>

## Note 7 Depreciation, amortisation and impairment charges of tangible and intangible assets

	Q1 2022	Q4 2021	Q1 2021	Full year 2021
<b>EURm</b>				
<b>Depreciation/amortisation</b>				
Properties and equipment	-55	-59	-63	-244
Intangible assets	-90	-94	-86	-361
<b>Total</b>	<b>-145</b>	<b>-153</b>	<b>-149</b>	<b>-605</b>
<b>Impairment charges</b>				
Properties and equipment	0	-1	-2	-19
Intangible assets	-1	-36	0	-40
<b>Total</b>	<b>-1</b>	<b>-37</b>	<b>-2</b>	<b>-59</b>
<b>Total</b>	<b>-146</b>	<b>-190</b>	<b>-151</b>	<b>-664</b>

## Note 8 Net loan losses

	Q1 2022	Q4 2021	Q1 2021	Full year 2021
<b>EURm</b>				
Net loan losses, stage 1	-20	31	-6	112
Net loan losses, stage 2	-15	43	16	103
<b>Net loan losses, non-credit-impaired assets</b>	<b>-35</b>	<b>74</b>	<b>10</b>	<b>215</b>
<b>Stage 3, credit-impaired assets</b>				
Net loan losses, individually assessed, collectively calculated	56	-45	10	-68
Realised loan losses	-367	-188	-102	-493
Decrease in provisions to cover realised loan losses	323	110	64	264
Recoveries on previous realised loan losses	16	9	7	53
Reimbursement right	4	1	0	1
New/increase in provisions	-166	-81	-211	-409
Reversals of provisions	97	39	159	319
<b>Net loan losses, credit-impaired assets</b>	<b>-37</b>	<b>-155</b>	<b>-73</b>	<b>-333</b>
<b>Net loan losses</b>	<b>-72</b>	<b>-81</b>	<b>-63</b>	<b>-118</b>

### Key ratios

	Q1 2022	Q4 2021	Q1 2021	Full year 2021
Net loan loss ratio, amortised cost, bp	10	12	10	4
- of which stage 1	3	-5	1	-4
- of which stage 2	2	-6	-3	-4
- of which stage 3	5	23	12	12

## Note 9 Loans and impairment

	Total		
	31 Mar 2022	31 Dec 2021	31 Mar 2021
<b>EURm</b>			
Loans measured at fair value	85,897	75,772	84,381
Loans measured at amortised cost, not impaired (stages 1 and 2)	277,611	270,364	258,184
Impaired loans (stage 3)	3,154	3,512	4,023
- of which servicing	1,602	1,642	1,803
- of which non-servicing	1,552	1,870	2,220
<b>Loans before allowances</b>	<b>366,662</b>	<b>349,648</b>	<b>346,588</b>
- of which central banks and credit institutions	12,830	2,395	10,508
Allowances for individually assessed impaired loans (stage 3)	-1,309	-1,610	-1,676
- of which servicing	-547	-800	-677
- of which non-servicing	-762	-810	-999
Allowances for collectively assessed impaired loans (stages 1 and 2)	-643	-596	-785
<b>Allowances</b>	<b>-1,952</b>	<b>-2,206</b>	<b>-2,461</b>
- of which central banks and credit institutions	-22	-3	-3
<b>Loans, carrying amount</b>	<b>364,710</b>	<b>347,442</b>	<b>344,127</b>

### Exposures measured at amortised cost and fair value through OCI, before allowances

	31 Mar 2022			
	Stage 1	Stage 2	Stage 3	Total
<b>EURm</b>				
Loans to central banks, credit institutions and the public	264,138	13,473	3,154	280,765
Interest-bearing securities <sup>1</sup>	37,959	-	-	37,959
<b>Total</b>	<b>302,097</b>	<b>13,473</b>	<b>3,154</b>	<b>318,724</b>

<sup>1</sup> Of which EUR 360m relates to the balance sheet item "Financial instruments pledged as collateral".

	31 Mar 2021			
	Stage 1	Stage 2	Stage 3	Total
<b>EURm</b>				
Loans to central banks, credit institutions and the public	243,801	14,383	4,023	262,207
Interest-bearing securities <sup>1</sup>	38,202	-	-	38,202
<b>Total</b>	<b>282,003</b>	<b>14,383</b>	<b>4,023</b>	<b>300,409</b>

<sup>1</sup> Of which EUR 469m relates to the balance sheet item "Financial instruments pledged as collateral".

### Allowances and provisions

	31 Mar 2022			
	Stage 1	Stage 2	Stage 3	Total
<b>EURm</b>				
Loans to central banks, credit institutions and the public	-224	-419	-1,309	-1,952
Interest-bearing securities	-6	-	-	-6
Provisions for off-balance sheet items	-42	-125	-28	-195
<b>Total allowances and provisions</b>	<b>-272</b>	<b>-544</b>	<b>-1,337</b>	<b>-2,153</b>

	31 Mar 2021			
	Stage 1	Stage 2	Stage 3	Total
<b>EURm</b>				
Loans to central banks, credit institutions and the public	-300	-485	-1,676	-2,461
Interest-bearing securities	-3	-1	-	-4
Provisions for off-balance sheet items	-67	-129	-29	-225
<b>Total allowances and provisions</b>	<b>-370</b>	<b>-615</b>	<b>-1,705</b>	<b>-2,690</b>

### Movements of allowance accounts for loans measured at amortised cost

	Stage 1	Stage 2	Stage 3	Total
<b>EURm</b>				
<b>Balance as at 1 Jan 2022</b>	<b>-197</b>	<b>-399</b>	<b>-1,610</b>	<b>-2,206</b>
Changes due to origination and acquisition	-14	-	-1	-15
Transfer from stage 1 to stage 2	3	-49	-	-46
Transfer from stage 1 to stage 3	0	-	-53	-53
Transfer from stage 2 to stage 1	-4	39	-	35
Transfer from stage 2 to stage 3	-	5	-16	-11
Transfer from stage 3 to stage 1	0	-	8	8
Transfer from stage 3 to stage 2	-	-2	9	7
Changes due to change in credit risk (net)	-21	-29	8	-42
Changes due to repayments and disposals	12	18	35	65
Write-off through decrease in allowance account	-	-	323	323
Translation differences	-3	-2	-12	-17
<b>Balance as at 31 Mar 2022</b>	<b>-224</b>	<b>-419</b>	<b>-1,309</b>	<b>-1,952</b>

## Note 9 Continued

	Stage 1	Stage 2	Stage 3	Total
<b>EURm</b>				
<b>Balance as at 1 Jan 2021</b>	<b>-284</b>	<b>-490</b>	<b>-1,674</b>	<b>-2,448</b>
Changes due to origination and acquisition	-16	-1	-1	-18
Transfer from stage 1 to stage 2	10	-65	-	-55
Transfer from stage 1 to stage 3	0	-	-5	-5
Transfer from stage 2 to stage 1	-2	47	-	45
Transfer from stage 2 to stage 3	-	18	-126	-108
Transfer from stage 3 to stage 1	-1	-	4	3
Transfer from stage 3 to stage 2	-	-3	11	8
Changes due to change in credit risk (net)	-23	-24	44	-3
Changes due to repayments and disposals	20	36	22	78
Write-off through decrease in allowance account	-	-	63	63
Translation differences	-4	-3	-14	-21
<b>Balance as at 31 Mar 2021</b>	<b>-300</b>	<b>-485</b>	<b>-1,676</b>	<b>-2,461</b>

### Key ratios<sup>1</sup>

	31 Mar 2022	31 Dec 2021	31 Mar 2021
Impairment rate (stage 3), gross, basis points	112	128	153
Impairment rate (stage 3), net, basis points	66	70	90
Total allowance rate (stages 1, 2 and 3), basis points	70	81	94
Allowances in relation to impaired loans (stage 3), %	42	46	42
Allowances in relation to loans in stages 1 and 2, basis points	23	22	30

<sup>1</sup> For definitions, see Glossary.

### Sensitivities

The provisions are sensitive to rating migration even if staging triggers are not reached. The table below shows the impact on provisions of a one-notch downgrade of all exposures in the bank. It includes both the impact of the higher risk for all exposures and the impact of transferring exposures that reach the trigger from stage 1 to stage 2. It also includes the impact of exposures with one rating grade above default becoming default, which is estimated at EUR 147m (EUR 152m at the end of December 2021). This figure is based on calculations using the statistical model rather than individual estimates as would be the case in reality for material defaulted loans.

	31 Mar 2022		31 Dec 2021	
	Recognised provisions	Provisions if one notch downgrade	Recognised provisions	Provisions if one notch downgrade
<b>EURm</b>				
Personal Banking	405	524	409	532
Business Banking	1,134	1,247	1,148	1,265
Large Corporates & Institutions	560	591	813	846
Other	54	98	34	75
<b>Group</b>	<b>2,153</b>	<b>2,460</b>	<b>2,404</b>	<b>2,718</b>

**Note 9 Continued****Forward-looking information**

Forward-looking information is used for both assessing significant increases in credit risk and calculating expected credit losses. Nordea uses three macroeconomic scenarios: a baseline scenario, a favourable scenario and an adverse scenario. For the first quarter of 2022, the scenarios were weighted into the final expected credit losses (ECL) as follows: baseline 60%, adverse 20% and favourable 20% (baseline 60%, adverse 20% and favourable 20% at the end of December 2021). The weightings were considered appropriate even in the light of Russia's invasion of Ukraine, as uncertainty regarding the impact of the pandemic had decreased.

The macroeconomic scenarios are provided by Group Risk in Nordea, based on the Oxford Economics Model. The forecast is a combination of modelling and expert judgement, subject to thorough checks and quality control processes. The model has been built to give a good description of the historical relationships between economic variables and to capture the key linkages between those variables. The forecast period in the model is ten years. For periods beyond, a long-term average is used in the ECL calculations.

The macroeconomic scenarios reflect Nordea's view of how the Nordic economies will potentially develop following the reopening of societies after COVID-19-related lockdowns. The scenarios take into account the macroeconomic effects of government and central bank support measures. When developing the scenarios, Nordea took into account projections made by Nordic governments and central banks, Nordea Research and the European Central Bank's macroeconomic forecasts for the euro area.

Economic projections from the Nordic central banks and the European Central Bank are used as a basis for the baseline scenario. In Denmark, Finland, Norway and Sweden, real GDP has more than recovered from the fall in economic activity caused by the lockdowns of the past two years. The war in Ukraine has led to heightened uncertainty regarding the economic outlook, but there is still the prospect of a continued upswing. Large household savings provide a sound basis for a further increase in activity in 2022, although the recovery will be tempered by the negative effects of the war in Ukraine. The Omicron wave is expected to have only a short-term impact on economic activity. Economic growth is expected to be lower than in recent quarters due to capacity constraints and higher interest rates. Following strong housing market activity over the past year, the development in house prices is expected to become more subdued going forward.

Nordea's two alternative macroeconomic scenarios cover a range of plausible risk factors which may cause growth to deviate from the baseline projection. The recent surge in energy prices may depress growth through lower consumption, while the conflict between Russia and Ukraine could potentially cause energy prices to rise even higher, leading to further decreases in private consumption and investments. A reversal of these risk factors could on the other hand lead to a more positive outcome.

At the end of the first quarter of 2022 adjustments to model-based allowances/provisions amounted to EUR 601m, including management judgements. The management judgements cover expected credit losses not yet covered by the IFRS 9 model. The cyclical reserve amounted to EUR 455m at the end of the first quarter of 2022 (EUR 455m at the end of the fourth quarter of 2021) and the reserve covering issues identified in the IFRS 9 model to be later covered in model updates (structural reserve) amounted to EUR 155m (EUR 155m at the end of the fourth quarter of 2021). The cyclical reserve was triggered by the substantial uncertainty in the macroeconomic development related to COVID-19, as well as the need to account for future rating downgrades potentially underestimated by the IFRS 9 model through the updated macroeconomic scenarios.

## Note 9 Continued

### Scenarios and allowances/provisions

31 Mar 2022

					Unweighted	Probability	Model-based	Adjustments to	Individual	Total
					ECL	weight	allowances/ provisions	model-based allowances/ provisions	allowances/ provisions	allowances/ provisions
					EURm		EURm	EURm	EURm	EURm
31 Mar 2022										
Denmark										
Favourable scenario	GDP growth, %	4.2	2.5	2.1	183	20%				
	Unemployment, %	2.9	2.6	2.6						
	Change in household consumption, %	6.9	2.1	2.1						
	Change in house prices, %	4.8	2.3	2.1						
Baseline scenario	GDP growth, %	3.1	2.4	1.7	183	60%	184	164	278	626
	Unemployment, %	3.2	3.1	3.1						
	Change in household consumption, %	6.1	2.1	1.8						
	Change in house prices, %	4.6	1.2	1.5						
Adverse scenario	GDP growth, %	-0.1	2.0	2.1	189	20%				
	Unemployment, %	4.2	4.4	4.2						
	Change in household consumption, %	3.7	1.1	1.6						
	Change in house prices, %	-3.7	-3.8	0.5						
Finland										
Favourable scenario	GDP growth, %	3.8	2.2	1.4	232	20%				
	Unemployment, %	6.9	6.3	6.2						
	Change in household consumption, %	4.4	2.3	1.5						
	Change in house prices, %	3.3	3.0	2.3						
Baseline scenario	GDP growth, %	2.6	1.5	1.3	237	60%	239	190	213	642
	Unemployment, %	7.1	6.6	6.6						
	Change in household consumption, %	3.3	1.7	1.2						
	Change in house prices, %	2.4	1.5	1.8						
Adverse scenario	GDP growth, %	0.3	1.3	0.9	249	20%				
	Unemployment, %	7.8	7.3	7.3						
	Change in household consumption, %	1.6	1.3	0.2						
	Change in house prices, %	-0.9	-0.7	1.0						
Norway										
Favourable scenario	GDP growth, %	6.2	2.4	1.3	94	20%				
	Unemployment, %	3.3	3.0	2.9						
	Change in household consumption, %	7.8	5.7	2.3						
	Change in house prices, %	3.3	2.5	2.4						
Baseline scenario	GDP growth, %	4.3	2.5	1.3	96	60%	97	162	308	567
	Unemployment, %	3.7	3.4	3.3						
	Change in household consumption, %	6.0	6.0	2.0						
	Change in house prices, %	2.8	0.7	2.4						
Adverse scenario	GDP growth, %	2.6	1.5	1.0	102	20%				
	Unemployment, %	4.4	4.3	4.2						
	Change in household consumption, %	5.3	4.9	1.0						
	Change in house prices, %	-2.6	-4.4	0.3						
Sweden										
Favourable scenario	GDP growth, %	4.6	3.0	1.9	85	20%				
	Unemployment, %	7.6	6.9	6.6						
	Change in household consumption, %	5.4	3.1	2.7						
	Change in house prices, %	5.4	2.1	2.4						
Baseline scenario	GDP growth, %	3.8	2.3	1.5	87	60%	88	77	142	307
	Unemployment, %	7.7	7.2	7.1						
	Change in household consumption, %	4.8	2.4	2.0						
	Change in house prices, %	4.5	1.9	2.2						
Adverse scenario	GDP growth, %	0.5	2.1	1.7	92	20%				
	Unemployment, %	8.5	8.3	7.9						
	Change in household consumption, %	1.7	1.7	1.2						
	Change in house prices, %	-0.8	-5.9	0						
Non-Nordic <sup>1</sup>							3	8	0	11
Total							611	601	941	2,153

<sup>1</sup> Defined as allowances/provisions accounted for in legal entities/branches outside the Nordics. Provisions/allowances defined as items affecting comparability, EUR 76m in the first quarter, are presented within the Nordic-based entities.

## Note 9 Continued

### Scenarios and allowances/provisions

31 Dec 2021

Scenarios and allowances/provisions					Adjustments to					
					Unweighted ECL EURm	Probability weight	Model-based allowances/ provisions EURm	model-based allowances/ provisions EURm	Individual allowances/ provisions EURm	Total allowances/ provisions EURm
Denmark										
Favourable scenario	GDP growth, %	4.7	2.7	2.3	198	20%				
	Unemployment, %	2.7	2.4	2.4						
	Change in household consumption, %	7.3	2.5	2.1						
	Change in house prices, %	5.3	3.3	2.3						
Baseline scenario	GDP growth, %	3.1	2.4	2.4	200	60%	200	163	303	666
	Unemployment, %	3.2	3.1	3.1						
	Change in household consumption, %	6.1	2.1	2.0						
	Change in house prices, %	4.6	1.2	3.0						
Adverse scenario	GDP growth, %	1.3	2.3	2.0	205	20%				
	Unemployment, %	4.1	4.0	4.0						
	Change in household consumption, %	5.1	1.5	1.3						
	Change in house prices, %	-4.4	-1.9	1.4						
Finland										
Favourable scenario	GDP growth, %	4.0	1.8	1.2	238	20%				
	Unemployment, %	6.7	6.4	6.2						
	Change in household consumption, %	5.5	1.7	1.6						
	Change in house prices, %	3.1	2.7	2.0						
Baseline scenario	GDP growth, %	2.8	1.3	1.0	242	60%	244	177	197	618
	Unemployment, %	6.9	6.7	6.6						
	Change in household consumption, %	4.6	1.3	1.2						
	Change in house prices, %	1.5	1.6	1.4						
Adverse scenario	GDP growth, %	0.6	1.2	0.9	255	20%				
	Unemployment, %	7.7	7.5	7.2						
	Change in household consumption, %	2.9	0.6	0.6						
	Change in house prices, %	-2.0	-0.3	0.5						
Norway										
Favourable scenario	GDP growth, %	4.6	1.7	1.4	82	20%				
	Unemployment, %	3.5	3.3	3.3						
	Change in household consumption, %	10.2	4.0	2.3						
	Change in house prices, %	3.9	2.5	2.4						
Baseline scenario	GDP growth, %	3.8	1.3	0.9	84	60%	84	180	360	624
	Unemployment, %	3.7	3.6	3.7						
	Change in household consumption, %	9.6	3.6	1.5						
	Change in house prices, %	1.7	1.2	3.0						
Adverse scenario	GDP growth, %	1.2	1.2	1.1	89	20%				
	Unemployment, %	4.8	4.6	4.5						
	Change in household consumption, %	8.0	2.7	1.1						
	Change in house prices, %	-4.6	-3.0	1.4						
Sweden										
Favourable scenario	GDP growth, %	5.2	2.4	1.8	93	20%				
	Unemployment, %	7.2	6.7	6.7						
	Change in household consumption, %	6.2	2.8	2.4						
	Change in house prices, %	4.6	2.5	2.4						
Baseline scenario	GDP growth, %	3.6	2.2	1.8	96	60%	96	70	98	264
	Unemployment, %	7.6	7.2	7.1						
	Change in household consumption, %	4.6	2.6	2.1						
	Change in house prices, %	2.1	1.8	3.0						
Adverse scenario	GDP growth, %	1.4	1.7	2.0	101	20%				
	Unemployment, %	8.3	8.1	7.9						
	Change in household consumption, %	2.9	1.2	1.6						
	Change in house prices, %	-4.7	-3.7	1.2						
Non-Nordic							4	6	222	232
Total							628	596	1,180	2,404

## Note 9 Continued

### Loans to the public measured at amortised cost, broken down by sector and industry

31 Mar 2022

EURm	Gross				Allowances				Loans carrying amount	Net loan losses <sup>1</sup>
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total		
Financial institutions	14,212	366	60	14,638	7	9	23	39	14,599	-23
Agriculture	4,306	194	124	4,624	6	13	66	85	4,539	-1
Crops, plantations and hunting	989	67	25	1,081	1	5	12	18	1,063	3
Animal husbandry	668	109	99	876	2	8	54	64	812	-4
Fishing and aquaculture	2,649	18	0	2,667	3	0	0	3	2,664	0
Natural resources	2,419	169	162	2,750	3	3	59	65	2,685	8
Paper and forest products	1,616	140	30	1,786	1	2	18	21	1,765	1
Mining and supporting activities	365	25	3	393	1	0	1	2	391	-1
Oil, gas and offshore	438	4	129	571	1	1	40	42	529	8
Consumer staples	5,355	173	18	5,546	6	9	11	26	5,520	0
Food processing and beverages	1,796	98	6	1,900	2	3	5	10	1,890	-1
Household and personal products	609	22	10	641	1	1	4	6	635	0
Healthcare	2,950	53	2	3,005	3	5	2	10	2,995	1
Consumer discretionary and services	10,491	1,086	298	11,875	12	58	181	251	11,624	-19
Consumer durables	2,179	112	57	2,348	2	6	24	32	2,316	-11
Media and entertainment	1,929	131	16	2,076	1	8	10	19	2,057	0
Retail trade	4,300	278	184	4,762	6	18	116	140	4,622	-2
Air transportation	137	60	10	207	0	2	7	9	198	-4
Accommodation and leisure	1,255	501	24	1,780	1	24	18	43	1,737	-3
Telecommunication services	691	4	7	702	2	0	6	8	694	1
Industrials	28,961	2,534	740	32,235	45	94	336	475	31,760	-36
Materials	1,721	190	119	2,030	4	6	48	58	1,972	-29
Capital goods	3,643	421	108	4,172	5	16	44	65	4,107	11
Commercial and professional services	5,046	442	47	5,535	6	15	26	47	5,488	0
Construction	8,220	724	178	9,122	14	29	104	147	8,975	-10
Wholesale trade	6,016	453	76	6,545	8	17	47	72	6,473	-7
Land transportation	2,483	235	144	2,862	5	6	50	61	2,801	-4
IT services	1,832	69	68	1,969	3	5	17	25	1,944	3
Maritime	5,757	459	508	6,724	12	8	160	180	6,544	-8
Ship building	265	5	0	270	1	0	0	1	269	1
Shipping	4,986	452	508	5,946	10	8	160	178	5,768	-9
Maritime services	506	2	0	508	1	0	0	1	507	0
Utilities and public service	7,107	75	45	7,227	7	3	20	30	7,197	9
Utilities distribution	3,748	47	30	3,825	4	2	8	14	3,811	10
Power production	2,643	10	1	2,654	3	0	1	4	2,650	-1
Public services	716	18	14	748	0	1	11	12	736	0
Real estate	36,200	988	168	37,356	29	43	110	182	37,174	-2
Other industries and reimbursement rights	413	202	10	625	6	0	0	6	619	5
<b>Total Corporate</b>	<b>115,221</b>	<b>6,246</b>	<b>2,133</b>	<b>123,600</b>	<b>133</b>	<b>240</b>	<b>966</b>	<b>1,339</b>	<b>122,261</b>	<b>-67</b>
Housing loans	120,191	4,651	465	125,307	17	47	80	144	125,163	-5
Collateralised lending	17,874	1,576	317	19,767	51	48	150	249	19,518	7
Non-collateralised lending	5,170	892	193	6,255	20	83	93	196	6,059	-9
<b>Household</b>	<b>143,235</b>	<b>7,119</b>	<b>975</b>	<b>151,329</b>	<b>88</b>	<b>178</b>	<b>323</b>	<b>589</b>	<b>150,740</b>	<b>-7</b>
<b>Public sector</b>	<b>3,458</b>	<b>98</b>	<b>36</b>	<b>3,592</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>3,590</b>	<b>2</b>
<b>Lending to the public</b>	<b>261,914</b>	<b>13,463</b>	<b>3,144</b>	<b>278,521</b>	<b>221</b>	<b>418</b>	<b>1,291</b>	<b>1,930</b>	<b>276,591</b>	<b>-72</b>
<b>Lending to central banks and credit institutions</b>	<b>2,224</b>	<b>10</b>	<b>10</b>	<b>2,244</b>	<b>3</b>	<b>1</b>	<b>18</b>	<b>22</b>	<b>2,222</b>	<b>0</b>
<b>Total</b>	<b>264,138</b>	<b>13,473</b>	<b>3,154</b>	<b>280,765</b>	<b>224</b>	<b>419</b>	<b>1,309</b>	<b>1,952</b>	<b>278,813</b>	<b>-72</b>

<sup>1</sup> The table shows net loan losses related to on- and off-balance sheet exposures for March 2022, year to date.

## Note 9 Continued

### Loans to the public measured at amortised cost, broken down by sector and industry<sup>1</sup>

31 Dec 2021

EURm	Gross				Allowances				Loans carrying amount	Net loan losses <sup>2</sup>
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total		
Financial institutions	12,972	186	59	13,217	6	8	24	38	13,179	29
Agriculture	4,124	204	136	4,464	5	12	82	99	4,365	16
Crops, plantations and hunting	970	79	25	1,074	2	5	15	22	1,052	2
Animal husbandry	670	101	109	880	1	7	66	74	806	8
Fishing and aquaculture	2,484	24	2	2,510	2	0	1	3	2,507	6
Natural resources	2,606	184	575	3,365	4	4	345	353	3,012	-15
Paper and forest products	1,777	155	32	1,964	2	4	16	22	1,942	8
Mining and supporting activities	329	26	3	358	1	0	1	2	356	2
Oil, gas and offshore	500	3	540	1,043	1	0	328	329	714	-25
Consumer staples	4,239	142	17	4,398	4	11	10	25	4,373	13
Food processing and beverages	1,131	76	5	1,212	2	3	4	9	1,203	4
Household and personal products	701	18	10	729	1	1	4	6	723	1
Healthcare	2,407	48	2	2,457	1	7	2	10	2,447	8
Consumer discretionary and services	9,376	1,075	263	10,714	11	55	166	232	10,482	-81
Consumer durables	2,166	126	30	2,322	2	6	13	21	2,301	6
Media and entertainment	1,394	127	18	1,539	1	8	10	19	1,520	6
Retail trade	3,796	256	178	4,230	5	17	118	140	4,090	-74
Air transportation	131	62	5	198	1	2	2	5	193	6
Accommodation and leisure	1,242	499	25	1,766	2	22	16	40	1,726	-25
Telecommunication services	647	5	7	659	0	0	7	7	652	0
Industrials	27,346	2,333	682	30,361	41	95	324	460	29,901	32
Materials	1,722	156	59	1,937	3	5	30	38	1,899	35
Capital goods	3,148	415	124	3,687	3	16	58	77	3,610	-7
Commercial and professional services	4,779	353	48	5,180	7	15	27	49	5,131	18
Construction	7,837	685	200	8,722	13	30	101	144	8,578	-19
Wholesale trade	5,452	434	77	5,963	7	17	43	67	5,896	29
Land transportation	2,596	218	106	2,920	4	6	48	58	2,862	-15
IT services	1,812	72	68	1,952	4	6	17	27	1,925	-9
Maritime	5,757	480	505	6,742	7	7	152	166	6,576	-12
Ship building	248	6	0	254	2	0	0	2	252	4
Shipping	5,043	472	505	6,020	5	7	151	163	5,857	-17
Maritime services	466	2	0	468	0	0	1	1	467	1
Utilities and public service	7,546	154	45	7,745	4	7	29	40	7,705	-11
Utilities distribution	3,540	116	29	3,685	2	5	17	24	3,661	-6
Power production	3,326	20	1	3,347	0	1	1	2	3,345	2
Public services	680	18	15	713	2	1	11	14	699	-7
Real estate	35,664	1,029	182	36,875	24	42	117	183	36,692	-44
Other industries and reimbursement rights	427	196	8	631	5	1	0	6	625	0
<b>Total Corporate</b>	<b>110,057</b>	<b>5,983</b>	<b>2,472</b>	<b>118,512</b>	<b>111</b>	<b>242</b>	<b>1,249</b>	<b>1,602</b>	<b>116,910</b>	<b>-73</b>
Housing loans	118,361	4,287	477	123,125	15	38	88	141	122,984	-72
Collateralised lending	17,270	1,308	310	18,888	47	48	161	256	18,632	27
Non-collateralised lending	5,708	1,054	219	6,981	21	71	110	202	6,779	4
<b>Household</b>	<b>141,339</b>	<b>6,649</b>	<b>1,006</b>	<b>148,994</b>	<b>83</b>	<b>157</b>	<b>359</b>	<b>599</b>	<b>148,395</b>	<b>-41</b>
<b>Public sector</b>	<b>4,436</b>	<b>101</b>	<b>34</b>	<b>4,571</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>4,569</b>	<b>-4</b>
<b>Lending to the public</b>	<b>255,832</b>	<b>12,733</b>	<b>3,512</b>	<b>272,077</b>	<b>194</b>	<b>399</b>	<b>1,610</b>	<b>2,203</b>	<b>269,874</b>	<b>-118</b>
<b>Lending to central banks and credit institutions</b>	<b>1,785</b>	<b>14</b>	<b>0</b>	<b>1,799</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1,796</b>	<b>0</b>
<b>Total</b>	<b>257,617</b>	<b>12,747</b>	<b>3,512</b>	<b>273,876</b>	<b>197</b>	<b>399</b>	<b>1,610</b>	<b>2,206</b>	<b>271,670</b>	<b>-118</b>

<sup>1</sup> The segmentation was improved in the first quarter of 2022. Comparative figures have been restated to ensure comparability.

<sup>2</sup> The table shows net loan losses related to on- and off-balance sheet exposures for the full year 2021.

## Note 10 Classification of financial instruments

	Fair value through profit or loss (FVPL)			Fair value through other comprehensive income (FVOCI)	Total
	Amortised cost (AC)	Mandatorily	Designated at fair value through profit or loss (fair value option)		
<b>EURm</b>					
<b>Financial assets</b>					
Cash and balances with central banks	71,147	-	-	-	71,147
Loans to central banks	6	257	-	-	263
Loans to credit institutions	2,216	10,329	-	-	12,545
Loans to the public	276,591	75,311	-	-	351,902
Interest-bearing securities	3,652	26,248	3,940	33,941	67,781
Financial instruments pledged as collateral	-	3,967	-	360	4,327
Shares	-	20,001	-	-	20,001
Assets in pooled schemes and unit-linked investment contracts	-	44,400	268	-	44,668
Derivatives	-	30,654	-	-	30,654
Fair value changes of hedged items in portfolio hedge of interest rate risk	-912	-	-	-	-912
Other assets	2,071	9,128	-	-	11,199
Prepaid expenses and accrued income	454	-	-	-	454
<b>Total 31 Mar 2022</b>	<b>355,225</b>	<b>220,295</b>	<b>4,208</b>	<b>34,301</b>	<b>614,029</b>
Total 31 Dec 2021	323,986	198,032	4,363	33,972	560,353
<b>Financial liabilities</b>					
Deposits by credit institutions	28,449	17,023	-	-	45,472
Deposits and borrowings from the public	211,978	9,117	-	-	221,095
Deposits in pooled schemes and unit-linked investment contracts	-	-	46,704	-	46,704
Liabilities to policyholders	-	-	2,001	-	2,001
Debt securities in issue	137,553	-	55,450	-	193,003
Derivatives	-	35,093	-	-	35,093
Fair value changes of hedged items in portfolio hedge of interest rate risk	-2,106	-	-	-	-2,106
Other liabilities <sup>1</sup>	5,128	15,236	-	-	20,364
Accrued expenses and prepaid income	14	-	-	-	14
Subordinated liabilities	6,744	-	-	-	6,744
<b>Total 31 Mar 2022</b>	<b>387,760</b>	<b>76,469</b>	<b>104,155</b>		<b>568,384</b>
Total 31 Dec 2021	356,432	49,312	108,366		514,110

<sup>1</sup> Of which lease liabilities classified in the category "Amortised cost" EUR 1,126m.

**Note 11 Fair value of financial assets and liabilities**

	31 Mar 2022		31 Dec 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>EURm</b>				
<b>Financial assets</b>				
Cash and balances with central banks	71,147	71,147	47,495	47,495
Loans	363,798	366,030	347,377	349,382
Interest-bearing securities	67,781	67,676	63,383	63,495
Financial instruments pledged as collateral	4,327	4,327	1,668	1,668
Shares	20,001	20,001	15,217	15,217
Assets in pooled schemes and unit-linked investment contracts	44,668	44,668	46,310	46,310
Derivatives	30,654	30,654	30,200	30,200
Other assets	11,199	11,199	8,094	8,094
Prepaid expenses and accrued income	454	454	609	609
<b>Total</b>	<b>614,029</b>	<b>616,156</b>	<b>560,353</b>	<b>562,470</b>
<b>Financial liabilities</b>				
Deposits and debt instruments	464,208	464,744	416,078	416,770
Deposits in pooled schemes and unit-linked investment contracts	46,704	46,704	48,201	48,201
Liabilities to policyholders	2,001	2,001	2,158	2,158
Derivatives	35,093	35,093	31,485	31,485
Other liabilities	19,238	19,238	15,033	15,033
Accrued expenses and prepaid income	14	14	8	8
<b>Total</b>	<b>567,258</b>	<b>567,794</b>	<b>512,963</b>	<b>513,655</b>

The determination of fair value is described in Note G41 "Assets and liabilities at fair value" in the Annual Report 2021.

## Note 12 Financial assets and liabilities held at fair value on the balance sheet

### Categorisation in the fair value hierarchy

	Quoted prices in active markets for the same instruments (Level 1)	Of which Life & Pension	Valuation technique using observable data (Level 2)	Of which Life & Pension	Valuation technique using non- observable data (Level 3)	Of which Life & Pension	Total
<b>EURm</b>							
<b>Assets at fair value on the balance sheet<sup>1</sup></b>							
Loans to central banks	-	-	257	-	-	-	257
Loans to credit institutions	-	-	10,329	-	-	-	10,329
Loans to the public	-	-	75,311	-	-	-	75,311
Interest-bearing securities <sup>2</sup>	35,903	1,086	31,906	2,842	642	78	68,451
Shares <sup>3</sup>	17,299	10,028	379	201	2,328	1,042	20,006
Assets in pooled schemes and unit-linked investment contracts	44,108	39,818	399	399	161	161	44,668
Derivatives	210	-	29,375	56	1,069	-	30,654
Other assets	-	-	9,100	-	28	28	9,128
<b>Total 31 Mar 2022</b>	<b>97,520</b>	<b>50,932</b>	<b>157,056</b>	<b>3,498</b>	<b>4,228</b>	<b>1,309</b>	<b>258,804</b>
Total 31 Dec 2021	79,031	53,165	153,018	3,665	4,318	1,282	236,367
<b>Liabilities at fair value on the balance sheet<sup>1</sup></b>							
Deposits by credit institutions	-	-	17,023	-	-	-	17,023
Deposits and borrowings from the public	-	-	9,117	-	-	-	9,117
Deposits in pooled schemes and unit-linked investment contracts	-	-	46,704	42,076	-	-	46,704
Liabilities to policyholders	-	-	2,001	2,000	-	-	2,001
Debt securities in issue	43,392	-	10,777	-	1,281	-	55,450
Derivatives	475	-	33,615	37	1,003	-	35,093
Other liabilities	6,415	-	8,741	-	80	-	15,236
<b>Total 31 Mar 2022</b>	<b>50,282</b>	<b>-</b>	<b>127,978</b>	<b>44,113</b>	<b>2,364</b>	<b>-</b>	<b>180,624</b>
Total 31 Dec 2021	42,952	-	112,075	45,529	2,651	-	157,678

<sup>1</sup> All items are measured at fair value on a recurring basis at the end of each reporting period.

<sup>2</sup> Of which EUR 4,322m relates to the balance sheet item "Financial instruments pledged as collateral".

<sup>3</sup> Of which EUR 5m relates to the balance sheet item "Financial instruments pledged as collateral".

### Transfers between Levels 1 and 2

During the period Nordea transferred "Interest-bearing securities" (including such financial instruments pledged as collateral) of EUR 1,131m from Level 1 to Level 2 and of EUR 4,090m from Level 2 to Level 1 and "Shares" of EUR 27m from Level 1 to Level 2 in the fair value hierarchy. Furthermore, Nordea transferred "Debt securities in issue" of EUR 4,694m from Level 1 to Level 2 and of EUR 9,070m from Level 2 to Level 1. Nordea also transferred "Other liabilities" of EUR 610m from Level 1 to Level 2 and of EUR 799m from Level 2 to Level 1. The transfers from Level 1 to Level 2 were due to the instruments ceasing to be actively traded during the period, which meant that fair values were obtained using valuation techniques with observable market inputs. The transfers from Level 2 to Level 1 were due to the instruments again being actively traded during the period, which meant that reliable quoted prices were obtained in the market. Transfers between levels are considered to have occurred at the end of the reporting period.

## Note 12 Continued

### Movements in Level 3

		Fair value gains/losses recognised in the income statement during the year									
	1 Jan	Rea- lised	Un- reali- sed	Recog- nised in OCI	Purchases/ Issues	Sales	Settle- ments	Transfers into Level 3	Transfers out of Level 3	Transla- tion diff- erences	31 Mar
<b>EURm</b>											
Interest-bearing securities	703	19	-18	-	41	-108	-29	138	-109	5	642
- of which Life & Pension	97	-	-1	-	9	-	-	8	-38	3	78
Shares	2,246	19	9	-	125	-86	1	-	-1	15	2,328
- of which Life & Pension	1,001	15	18	-	33	-33	1	-	-	7	1,042
Assets in pooled schemes and unit-linked investment contracts	156	2	5	-	11	-4	1	-	-9	-1	161
- of which Life & Pension	156	2	5	-	11	-4	1	-	-9	-1	161
Derivatives (net)	167	-44	-192	-	-	-	44	47	44	-	66
Other assets	29	-	-1	-	-	-	-	-	-	-	28
- of which Life & Pension	28	-	-	-	-	-	-	-	-	-	28
Debt securities in issue	1,588	22	-124	-8	101	-174	-147	23	-	-	1,281
Other liabilities	46	-	46	-	7	-19	-	-	-	-	80
<b>Total 2022, net</b>	<b>1,667</b>	<b>-26</b>	<b>-119</b>	<b>8</b>	<b>69</b>	<b>-5</b>	<b>164</b>	<b>162</b>	<b>-75</b>	<b>19</b>	<b>1,864</b>
Total 2021, net	1,372	101	242	-	178	-57	63	58	-457	47	1,547

Unrealised gains and losses relate to those assets and liabilities held at the end of the reporting period. The transfers out of Level 3 were due to observable market data becoming available. The transfers into Level 3 were due to observable market data no longer being available. Transfers between levels are considered to have occurred at the end of the reporting period. Fair value gains and losses in the income statement during the period are included in "Net result from items at fair value". Assets and liabilities related to derivatives are presented net.

#### Valuation processes for fair value measurements in Level 3

For information about the valuation processes for fair value measurement in Level 3, see Note G41 "Assets and liabilities at fair value" in the Annual Report 2021.

#### Deferred Day 1 profit

The transaction price for financial instruments in some cases differs from the fair value at initial recognition measured using a valuation model, mainly due to the fact that the transaction price is not established in an active market. If there are significant unobservable inputs used in the valuation technique (Level 3), the financial instrument is recognised at the transaction price and any difference between the transaction price and fair value at initial recognition measured using a valuation model (Day 1 profit) is deferred. For more information, see Note G1 "Accounting policies" in the Annual Report 2021. The table below shows the aggregated difference yet to be recognised in the income statement at the beginning and end of the period. The table also shows a reconciliation of how this aggregated difference changed during the period (movement of deferred Day 1 profit).

#### Deferred Day 1 profit – derivatives, net

	2022	2021
<b>EURm</b>		
Opening balance as at 1 Jan	77	73
Deferred profit on new transactions	14	16
Recognised in the income statement during the period <sup>1</sup>	-11	-15
<b>Closing balance as at 31 Mar</b>	<b>80</b>	<b>74</b>

<sup>1</sup> Of which EUR -m (EUR -3m) due to transfers of derivatives from Level 3 to Level 2.

## Note 12 Continued

### Valuation techniques and inputs used in the fair value measurements in Level 3

	Fair value	Of which Life & Pension <sup>1</sup>	Valuation techniques	Unobservable input	Range of fair value <sup>4</sup>
<b>EURm</b>					
<b>Interest-bearing securities</b>					
Public bodies	32	-	Discounted cash flows	Credit spread	0/0
Mortgage and other credit institutions	431	70	Discounted cash flows	Credit spread	-37/37
Corporates <sup>2</sup>	179	8	Discounted cash flows	Credit spread	-2/2
<b>Total 31 Mar 2022</b>	<b>642</b>	<b>78</b>			<b>-54/54</b>
Total 31 Dec 2021	703	97			-62/62
<b>Shares</b>					
Private equity funds	1,278	657	Net asset value <sup>3</sup>		-147/147
Hedge funds	70	68	Net asset value <sup>3</sup>		-6/6
Credit funds	525	115	Net asset value/market consensus <sup>3</sup>		-48/48
Other funds	293	187	Net asset value/fund prices <sup>3</sup>		-24/24
Other <sup>5</sup>	323	176	-		-31/31
<b>Total 31 Mar 2022</b>	<b>2,489</b>	<b>1,203</b>			<b>-256/256</b>
Total 31 Dec 2021	2,402	1,157			-247/247
<b>Derivatives, net</b>					
Interest rate derivatives	233	-	Option model	Correlations Volatilities	-15/15
Equity derivatives	-54	-	Option model	Correlations Volatilities Dividends	-15/12
Foreign exchange derivatives	-19	-	Option model	Correlations	0/0
Credit derivatives	-87	-	Credit derivative model	Volatilities Correlations	-20/28
Other	-7	-	Option model	Volatilities Recovery rates Correlations	-0/0
<b>Total 31 Mar 2022</b>	<b>66</b>	<b>-</b>			<b>-50/55</b>
Total 31 Dec 2021	167	-			-43/47
<b>Debt securities in issue</b>					
Issued structured bonds	-1,281	-	Credit derivative model	Correlations Recovery rates Volatilities	-6/6
<b>Total 31 Mar 2022</b>	<b>-1,281</b>	<b>-</b>			<b>-6/6</b>
Total 31 Dec 2021	-1,588	-			-7/7
<b>Other, net</b>					
Other assets and other liabilities, net	-52	28	-	-	-5/5
<b>Total 31 Mar 2022</b>	<b>-52</b>	<b>28</b>			<b>-5/5</b>
Total 31 Dec 2021	-17	28			-1/1

<sup>1</sup> Investments in financial instruments are a major part of the life insurance business, acquired to fulfil the obligations behind the insurance and investment contracts. The gains or losses on these instruments are almost exclusively allocated to policyholders and consequently do not affect Nordea's equity.

<sup>2</sup> Of which EUR 150m is priced at a credit spread (the difference between the discount rate and the EURIBOR) of 1.45%. A reasonable change in this credit spread would not affect the fair value due to callability features.

<sup>3</sup> The fair values are based on prices and net asset values provided by external suppliers/custodians. The prices are fixed by the suppliers/custodians based on the development in the assets behind the investments. For private equity funds, the dominant measurement methodology used by the suppliers/custodians is consistent with the International Private Equity and Venture Capital Valuation (IPEV) guidelines issued by Invest Europe (formerly EVCA). Approximately 50% of the private equity fund investments are internally adjusted/valued based on the IPEV guidelines. These carrying amounts are in a range of 1% to 100% compared with the values received from suppliers/custodians.

<sup>4</sup> The column "Range of fair value" shows the sensitivity of Level 3 financial instruments to changes in key assumptions. For more information, see Note G41 "Assets and liabilities at fair value" in the Annual Report 2021.

<sup>5</sup> Of which EUR 161m relates to assets in pooled schemes and unit-linked investment contracts.

## Note 13 Risks and uncertainties

Nordea is subject to various legal regimes and requirements, including but not limited to those of the Nordic countries, the European Union and the United States. The supervisory and governmental authorities administering and enforcing these regimes make regular enquiries and conduct investigations with regard to Nordea's compliance. Areas subject to investigation include investment advice, anti-money laundering (AML), trade regulation and sanctions adherence, external tax rules, competition law, and governance and control. The outcome and timing of these enquiries and investigations are unclear and pending. Accordingly, it cannot be ruled out that these enquiries and investigations could lead to criticism against the bank, reputation loss, fines, sanctions, disputes and/or litigation.

In June 2015 the Danish Financial Supervisory Authority investigated how Nordea Bank Danmark A/S had followed the regulations regarding AML. The outcome resulted in criticism and, in accordance with Danish administrative practice, the matter was handed over to the police for further handling and possible sanctions. As previously stated, Nordea expects to be fined in Denmark for weak AML processes and procedures in the past and has made a provision for ongoing AML-related matters.

There is a risk that, in the event the authorities issue fines, these could be higher (or potentially lower) than the current provision, and this could also impact Nordea's financial performance. In addition, some of these proceedings could lead to litigation. Given this uncertainty, Nordea will maintain a sufficient level of provision for ongoing AML-related matters while continuing the dialogue with the Danish Authorities regarding their allegations concerning historical AML weaknesses.

Nordea has made significant investments to address the deficiencies highlighted by the investigations. Among other actions, Nordea established in 2015 the Financial Crime Change Programme, and has strengthened its organisation significantly to enhance its AML and sanction management risk frameworks. Nordea also established the Sustainability and Ethics Committee and has worked to embed stronger ethical standards into its corporate culture. The Group is also investing in enhanced compliance standards, processes and resources in both the first and second lines of defence.

Within the framework of normal business operations, Nordea faces a number of claims related to the provision of banking and investment services and other areas in which it operates. Some of these claims have led or could lead to disputes and/or litigation. Currently, such claims are mainly related to lending and insolvency situations, various investment services, and sub-custody and withholding taxation matters. At present, none of the current claims are considered likely to have any significant adverse effect on Nordea or its financial position.

There are significant risks related to the macroeconomic environment due to geopolitical developments (including the impact of higher energy, food and commodity prices), broader inflationary pressures and continuing uncertainty regarding the long-term impact of the COVID-19 pandemic. Depending on future developments, there may be increased credit risk in Nordea's portfolio. Furthermore, potential adverse impacts on income could arise due to lower net interest income, market volatility and reduced business activity impacting transaction volumes and customer activity. Potential future credit risks are addressed in Note 9 and the section "Net loan losses and similar net result". Depending on the duration and magnitude of the situation, there is a possibility that Nordea will not be able to meet its financial targets in very adverse scenarios.

In addition, Nordea recognises an increase in cyber risk as a consequence of the war in Ukraine. Nordea has made significant investments in its cyber defence capabilities in the past and will continue to do so.

# Glossary

## Allowances in relation to credit-impaired loans (stage 3)

Allowances for impaired loans (stage 3) divided by impaired loans measured at amortised cost (stage 3) before allowances.

## Allowances in relation to loans in stages 1 and 2

Allowances for non-impaired loans (stages 1 and 2) divided by non-impaired loans measured at amortised cost (stages 1 and 2) before allowances.

## Economic capital

Economic capital is Nordea's internal estimate of required capital. It measures the capital required to cover unexpected losses in the course of Nordea's business with a certain probability. Economic capital uses advanced internal models to provide a consistent measurement for credit risk, market risk, operational risk, business risk and life insurance risk arising from activities in Nordea's various business areas. The aggregation of risks across the Group gives rise to diversification effects resulting from the differences in risk drivers and the improbability that unexpected losses occur simultaneously.

## Impairment rate (stage 3), gross

Impaired loans (stage 3) before allowances divided by total loans measured at amortised cost before allowances.

## Impairment rate (stage 3), net

Impaired loans (stage 3) after allowances divided by total loans measured at amortised cost before allowances.

## Net loan loss ratio, amortised cost

Net loan losses (annualised) divided by the quarterly closing balance of the carrying amount of loans to the public (lending) measured at amortised cost.

## Return on capital at risk

Return on capital at risk (ROCAR) is defined as net profit excluding items affecting comparability as a percentage of economic capital. For the business areas it is defined as operating profit after standard tax as a percentage of economic capital.

## Return on capital at risk with amortised resolution fees

ROCAR with amortised resolution fees is defined as net profit adjusted for the effect of resolution fees on an amortised basis after tax and excluding items affecting comparability as a percentage of economic capital. For the business areas it is defined as operating profit adjusted for the effect of resolution fees on an amortised basis after standard tax as a percentage of economic capital.

## Return on equity

Net profit for the period as a percentage of average equity for the period. Additional Tier 1 capital, accounted for in equity, is classified as a financial liability in the calculation. Net profit for the period excludes non-controlling interests and interest expense on Additional Tier 1 capital (discretionary interest accrued). Average equity includes net profit for the period and dividend until paid, and excludes non-controlling interests and Additional Tier 1 capital.

## Return on equity with amortised resolution fees

Net profit for the period as a percentage of average equity for the period. Additional Tier 1 capital, accounted for in equity, is classified as a financial liability in the calculation. Net profit for the period excludes non-controlling interests and interest expense on Additional Tier 1 capital (discretionary interest accrued), and is adjusted for the effect of resolution fees on an amortised basis after tax. Average equity includes net profit for the period and dividend until paid, and excludes non-controlling interests and Additional Tier 1 capital.

## Return on risk exposure amount

Net profit for the period as a percentage of average risk exposure amount for the period. Net profit for the period excludes non-controlling interests and interest expense on Additional Tier 1 capital (discretionary interest accrued).

## Return on tangible equity

Net profit for the period as a percentage of average equity for the period. Additional Tier 1 capital, accounted for in equity, is classified as a financial liability in the calculation. Net profit for the period excludes non-controlling interests and interest expense on Additional Tier 1 capital (discretionary interest accrued). Average equity includes net profit for the period and dividend until paid, excludes non-controlling interests and Additional Tier 1 capital, and is reduced with intangible assets.

## Tier 1 capital

The Tier 1 capital of an institution consists of the sum of its Common Equity Tier 1 capital and Additional Tier 1 capital. Common Equity Tier 1 capital includes consolidated shareholders' equity excluding investments in insurance companies, proposed dividend, deferred tax assets, intangible assets in the banking operations, the full expected shortfall deduction (the negative difference between expected losses and provisions) and other deductions, such as cash flow hedges.

## Tier 1 capital ratio

Tier 1 capital as a percentage of the risk exposure amount. The Common Equity Tier 1 capital ratio is defined as Common Equity Tier 1 capital as a percentage of the risk exposure amount.

## Total allowance rate (stages 1, 2 and 3)

Total allowances divided by total loans measured at amortised cost before allowances.

For a list of further alternative performance measures and business definitions, please see <https://www.nordea.com/en/investor-relations/reports-and-presentations/group-interim-reports/> and the Annual Report 2021.

# Nordea Bank Abp

## Income statement

	Q1 2022	Q1 2021	Full year 2021
<b>EURm</b>			
<b>Operating income</b>			
Interest income <sup>1</sup>	934	871	3,351
Interest expense <sup>1</sup>	-188	-213	-659
<b>Net interest income</b>	<b>746</b>	<b>658</b>	<b>2,692</b>
Fee and commission income	610	596	2,435
Fee and commission expense	-127	-126	-521
<b>Net fee and commission income</b>	<b>483</b>	<b>470</b>	<b>1,914</b>
Net result from securities trading and foreign exchange dealing	319	376	1,110
Net result from securities at fair value through fair value reserve	-14	9	-28
Net result from hedge accounting	-14	4	-12
Net result from investment properties	0	0	0
Income from equity investments	1,009	462	1,347
Other operating income <sup>2</sup>	237	111	966
<b>Total operating income</b>	<b>2,766</b>	<b>2,090</b>	<b>7,989</b>
<b>Operating expenses</b>			
Staff costs	-559	-562	-2,256
Other administrative expenses	-198	-197	-813
Other operating expenses	-106	-103	-354
Regulatory fees	-222	-182	-181
Depreciation, amortisation and impairment charges of tangible and intangible assets	-99	-99	-463
<b>Total operating expenses</b>	<b>-1,184</b>	<b>-1,143</b>	<b>-4,067</b>
<b>Profit before loan losses</b>	<b>1,582</b>	<b>947</b>	<b>3,922</b>
Net loan losses	-54	-40	17
Impairment of other financial assets	-113	-1	-26
<b>Operating profit</b>	<b>1,415</b>	<b>906</b>	<b>3,913</b>
Income tax expense	-125	-130	-681
<b>Net profit for period</b>	<b>1,290</b>	<b>776</b>	<b>3,232</b>

<sup>1</sup> Comparative figures for the first quarter of 2021 have been restated. For more information see the section "Changed accounting policies and presentation" in Note P1 "Accounting policies" in the Annual Report 2021.

<sup>2</sup> From 1 January 2021 the transfer pricing method applied to internal sales and distribution services provided by Nordea Bank Abp to the mortgage banks of the Group has been updated to align with the development of OECD guidelines on transfer pricing and local tax practice. The updated methodology has entailed pricing adjustments to sales and distribution fees. Accrued income was reflected from the second quarter of 2021 onwards, increasing "Other operating income" by EUR 569.0m in 2021 as a whole and by EUR 193.2m in the first quarter of 2022.

# Nordea Bank Abp

## Balance sheet

	31 Mar 2022	31 Dec 2021	31 Mar 2021
EURm			
<b>Assets</b>			
Cash and balances with central banks	70,392	45,256	55,925
Debt securities eligible for refinancing with central banks	68,516	62,654	72,103
Loans to credit institutions	92,451	78,274	71,168
Loans to the public	145,033	139,086	137,488
Interest-bearing securities	11,770	9,813	14,808
Shares and participations	11,738	6,314	11,124
Investments in associated undertakings and joint ventures	90	88	90
Investments in group undertakings	15,001	15,101	15,022
Derivatives	31,544	30,514	36,370
Fair value changes of hedged items in hedges of interest rate risk	-159	1	60
Intangible assets	1,728	1,736	1,785
Tangible assets	255	253	281
Deferred tax assets	347	165	336
Current tax assets	160	166	239
Retirement benefit assets	322	218	281
Other assets	11,758	9,448	14,110
Prepaid expenses and accrued income	1,130	1,165	1,034
<b>Total assets</b>	<b>462,076</b>	<b>400,252</b>	<b>432,224</b>
<b>Liabilities</b>			
Deposits by credit institutions and central banks	57,179	35,532	55,668
Deposits and borrowings from the public	228,344	213,547	205,124
Debt securities in issue	83,161	64,264	71,484
Derivatives	36,073	32,347	37,983
Fair value changes of hedged items in hedges of interest rate risk	-1,377	342	953
Current tax liabilities	360	201	66
Other liabilities	22,911	16,518	21,939
Accrued expenses and prepaid income	1,114	927	1,284
Deferred tax liabilities	69	60	21
Provisions	444	463	603
Retirement benefit obligations	253	300	244
Subordinated liabilities	6,733	6,709	6,279
<b>Total liabilities</b>	<b>435,264</b>	<b>371,210</b>	<b>401,648</b>
<b>Equity</b>			
Share capital	4,050	4,050	4,050
Additional Tier 1 capital holders	750	750	749
Invested unrestricted equity	1,088	1,090	1,072
Other reserves	-35	-65	-115
Retained earnings	19,669	19,985	24,044
Profit or loss for the period	1,290	3,232	776
<b>Total equity</b>	<b>26,812</b>	<b>29,042</b>	<b>30,576</b>
<b>Total liabilities and equity</b>	<b>462,076</b>	<b>400,252</b>	<b>432,224</b>
<b>Off-balance sheet commitments</b>			
Commitments given to a third party on behalf of customers			
Guarantees and pledges	49,564	49,959	48,128
Other	684	846	1,065
Irrevocable commitments in favour of customers			
Securities repurchase commitments	-	-	-
Other	88,094	91,056	86,952

# Nordea Bank Abp

## Note 1 Accounting policies

The financial statements for the parent company, Nordea Bank Abp, are prepared in accordance with the Finnish Accounting Act, the Finnish Act on Credit Institutions, the Decree of the Finnish Ministry of Finance on the financial statements and consolidated financial statements of credit institutions and investment firms, and the regulations and guidelines of the Finnish Financial Supervisory Authority.

International Financial Reporting Standards (IFRSs) as endorsed by the European Commission have been applied to the extent possible within the framework of Finnish accounting legislation and considering the close tie between financial reporting and taxation.

The accounting policies and methods of computation are unchanged in comparison with Note P1 in the Annual Report 2021, except for those relating to the items presented in the section "Changed accounting policies and presentation" below. For more information, see Note P1 in the Annual Report 2021.

### Changed accounting policies and presentation

The following changes in accounting policies and presentation were implemented by Nordea Bank Abp on 1 January 2022.

#### Changed presentation of regulatory fees

In the first quarter of 2022 Nordea Bank Abp began presenting resolution fees and the Swedish bank tax separately on the new row "Regulatory fees" in the income statement. The earlier policy was to present similar expenses on the row "Other operating expenses". The new presentation provides a more transparent view of Nordea Bank Abp's underlying performance and the impact of regulatory fees. Resolution fees will continue to be recognised in full in the first quarter, while the Swedish bank tax will be amortised linearly over the course of the year.

Comparative figures have been restated accordingly. The impact in the first quarter of 2022 can be found in the table below.

	Q1 2022			Q1 2021		
	Old policy	Chg	New policy	Old policy	Chg	New policy
<b>EURm</b>						
Other operating expenses	-328	222	-106	-285	182	-103
Regulatory fees		-222	-222		-182	-182
<b>Total operating expenses</b>	<b>-1,184</b>	<b>-</b>	<b>-1,184</b>	<b>-1,143</b>	<b>-</b>	<b>-1,143</b>

	Full year 2021		
	Old policy	Chg	New policy
<b>EURm</b>			
Other operating expenses	-535	181	-354
Regulatory fees		-181	-181
<b>Total operating expenses</b>	<b>-4,067</b>		<b>-4,067</b>

### For further information

- A webcast for media, investors and equity analysts will be held on 28 April at 11.00 EET (10.00 CET), during which Frank Vang-Jensen, President and Group CEO, will present the results.
- To participate in the webcast, please use the [webcast link](#) or dial one of the following numbers: +44 330 165 3641, +46 8 5664 2754, +358 9 7479 0572, +45 35 15 81 82, confirmation code 383746, no later than 10.50 EET (09.50 CET).
- The webcast will be directly followed by a Q&A audio session for investors and analysts with Frank Vang-Jensen, Ian Smith, Group CFO, and Matti Ahokas, Head of Investor Relations.
- The event will be webcast live and the presentation slides will be posted on [www.nordea.com/ir](http://www.nordea.com/ir).
- The Q1 2022 report, investor presentations and fact book are available at [www.nordea.com](http://www.nordea.com).

### Contacts

**Frank Vang-Jensen**

President and Group CEO  
+358 503 821 391

**Ian Smith**

Group CFO  
+45 5547 8372

**Matti Ahokas**

Head of Investor Relations  
+358 405 759 178

**Ulrika Romantschuk**

Head of Brand, Communication and Marketing  
+358 10 416 8023

### Financial calendar

**18 July 2022** – Second-quarter and half-year results 2022

**20 October 2022** – Third-quarter and January to September results 2022

Helsinki 27 April 2022

Nordea Bank Abp

Board of Directors

This report contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Nordea believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors. Important factors that may cause such a difference for Nordea include, but are not limited to: (i) the macroeconomic development, (ii) change in the competitive climate, (iii) change in the regulatory environment and other government actions and (iv) change in interest rate and foreign exchange rate levels. This report does not imply that Nordea has undertaken to revise these forward-looking statements, beyond what is required by applicable law or applicable stock exchange regulations if and when circumstances arise that will lead to changes compared to the date when these statements were provided.

Nordea Bank Abp • Satamaradankatu 5 • 00020 Helsinki • [www.nordea.com/ir](http://www.nordea.com/ir) • Tel. +358 200 70000 • Business ID 2858394-9

## **Auditor's report on review of interim financial information of Nordea Bank Abp for the three months period ended 31 March 2022**

To the Board of Directors of Nordea Bank Abp

### **Introduction**

We have reviewed the condensed interim financial information of Nordea Bank Group, which comprise the balance sheet as of 31 March 2022, income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the three-month-period then ended and notes. The interim financial information also comprises the parent company Nordea Bank Abp's balance sheet as of 31 March 2021 and income statement for the three-month-period then ended. The Board of Directors and the Managing Director are responsible for the preparation of the condensed interim financial information in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union and with regulations governing the preparation of interim financial information in Finland. We will express a conclusion on this condensed interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope, than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial information of Nordea Bank Abp for the three months period ended on 31 March 2022 is not prepared, in all material respects, as regards the Group financial information, in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting", as adopted by the European Union and other regulation governing the presentation of interim financial information in Finland, and as regards the parent company financial information, in accordance with regulations governing the preparation of interim financial information in Finland.

Helsinki 27 April 2022

**PricewaterhouseCoopers Oy**

Authorised Public Accountants

Jukka Paunonen

Authorised Public Accountant (KHT)