First-Quarter Financial Report

2023

First-quarter results 2023

Summary of the quarter:

- **Strong profitability in a slower market.** The increases in interest rates and weaker economic activity continued in the first quarter. Nevertheless, Nordea's income growth continued to drive higher operating profit, which increased by 34%, year on year, to EUR 1,480m, despite substantial depreciations of the Swedish and Norwegian currencies. Total income increased by 19%, mainly driven by growth in net interest income. Net interest margins improved, supported by deposit income. Net commission income decreased by 8%, mainly due to subdued capital markets activity and lower savings income. Net fair value result and net insurance result were up 27% and 31%, respectively. Total costs excluding regulatory fees increased by 6%, year on year, which is in line with Nordea's plan.
- **Business volume growth driven by corporate lending.** Mortgage lending volume growth slowed during the quarter in all countries but remained positive. Corporate lending grew by 5%. Nordea continued to increase its market share in deposits – especially in the large corporate segment. Assets under management were down 7%, year on year, but up 1% on the previous quarter. Net flows from internal channels remained positive despite seasonal net outflows overall.
- **Strong credit quality and low net loan losses.** Net loan losses and similar net result amounted to EUR 19m or 2bp. Despite the Nordic economies slowing, individual net loan losses remained low at EUR 15m or 2bp. The management judgement buffer was kept unchanged at EUR 585m.
- **Return on equity at 17.1% – earnings per share up 48%.** Nordea's return on equity increased to 17.1% from 12.6% a year ago, supported by strong income growth. The cost-to-income ratio excluding regulatory fees improved to 40% from 45%. Earnings per share increased by 48% to EUR 0.31.
- **Strong capital position enabling high dividends and continued buy-backs.** Nordea's CET1 ratio decreased to 15.7% from 16.4% due to the capital optimisation associated with the latest share buy-backs. At the end of the quarter the CET1 ratio was 4 percentage points above the current regulatory requirement. Nordea's Annual General Meeting of 23 March approved the dividend of EUR 0.80 per share for 2022. The work to implement an efficient capital structure continues: the Board of Directors decided to launch a new ECB-approved EUR 1bn buy-back programme, to commence on 28 April or as soon as possible thereafter.
- **Outlook maintained: return on equity above 13%.** Nordea has a resilient business model and a well-diversified loan portfolio across countries and sectors. This will enable the bank to weather the macroeconomic uncertainty and volatile financial markets. Nordea aims to continue improving its profitability and expects return on equity to remain above 13% in 2023.

(For further viewpoints, see the CEO comment on page 2. For definitions, see page 58.)

Group quarterly results and key ratios Q1 2023

EURm	Q1 2023	Q1 2022[1]	Chg %	Q4 2022	Chg %
Net interest income	1,765	1,308	35	1,641	8
Net fee and commission income	765	829	-8	785	-3
Net insurance result	46	35	31	47	-2
Net fair value result	345	272	27	396	-13
Other income	0	17		28	
Total operating income	2,921	2,461	19	2,897	1
Total operating expenses excluding regulatory fees	-1,167	-1,098	6	-1,196	-2
Total operating expenses	-1,422	-1,370	4	-1,212	17
Profit before loan losses	1,499	1,091	37	1,685	-11
Net loan losses and similar net result	-19	12		-59	
Operating profit	1,480	1,103	34	1,626	-9
Cost-to-income ratio excluding regulatory fees, %	39.9	44.6		41.3	
Cost-to-income ratio with amortised resolution fees, %	42.7	47.9		44.0	
Return on equity with amortised resolution fees, %	17.1	12.6		16.3	
Diluted earnings per share, EUR	0.31	0.21	48	0.35	-11

[1] Excluding items affecting comparability. See page 5 for further details.

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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.

CEO comment

The first quarter of the year was characterised by turbulence in the financial markets and continued high macroeconomic uncertainty. Recent developments, including problems faced by a few specific banks in other countries, have reminded us all of the importance of a safe and trusted banking sector.

Nordea is one of the most stable and profitable banks in Europe. Our resilient and diversified business model, sound financial risk position, strong balance sheet and high profitability make us a safe and strong partner for customers, employees, shareholders and broader society.

Despite the weaker economic environment, we are pleased to report yet another strong set of results in the first quarter. We continued to drive a solid business performance, underpinned by our financial strength. Our operating profit increased by 34%, year on year, and our return on equity improved to 17.1% from 12.6%.

Our position of strength is evident in the trust and confidence our Nordic customers continue to show in us. All this is reflected in improved external customer ratings, higher market shares in prioritised segments and increased deposits in particular: this quarter, deposits grew by 5%, year on year. Despite slowing economic activity, our lending volumes continued to develop positively. Corporate lending grew by 5% and mortgage lending by 1%. Reflecting our proactive customer approach, Swedish SMEs for the first time ranked us highest for both small and mid-corporate banking in the annual Prospera survey.

In all our businesses, income has grown faster than costs and our aim is to continue to deliver these positive jaws. Our total income grew by 19% and our cost-to-income ratio excluding regulatory fees improved to 40% from 45% a year ago.

The same higher inflation affecting our customers and society in general is leading to increased cost pressure in our business. We are also continuing to invest in selected strategic areas, mainly digital technology, other technology and risk management, to strengthen the resilience and attractiveness of our business even further. Costs excluding regulatory fees increased by 6%, year on year, which is in line with our plan for 2023.

Our risk position is sound and our credit quality strong. We have a well-diversified loan portfolio across countries and sectors. Net loan losses and similar net result for the first quarter was EUR 19m, corresponding to 2bp. The management judgement buffer was kept unchanged at EUR 585m given the continued uncertainty in the market.

The Nordic economies are strong and well positioned to weather the challenging conditions. Our customers are in good shape overall, with solid financial positions. However, macroeconomic uncertainty remains high and we expect the challenging environment – with lower growth and consumption, tightened financial conditions, continued high inflation and higher interest rates – to continue in coming quarters.

All business areas continued to deliver solid performances in the first quarter. In Personal Banking lending and deposit volumes grew by 1% and 2%, respectively, and higher policy rates supported our net interest income development. We maintained proactive support for our customers and drove a 32% year-on-year increase in personalised interactions in our digital channels.

In Business Banking we grew lending volumes by 4% and deposit volumes by 3%. Fixed-term deposits showed particularly strong growth. We continued to develop our digital offering and saw improved customer ratings for both the net bank and mobile app.

In Large Corporates & Institutions we grew lending volumes by 1%, year on year. In local currencies, lending grew by 8%. We continued to support our Nordic customers in meeting their financing and risk management needs in turbulent markets. Customer confidence was evidenced by a 4% deposit inflow during the quarter. Equity capital markets activity remained subdued and debt markets activity stable.

In Asset & Wealth Management we generated positive net flows of EUR 1.3bn from our internal channels and maintained strong momentum in our private banking business. We attracted further new customers from across the Nordics and increased lending and deposit volumes by 4% and 11%, respectively. Assets under management increased by 1%, quarter on quarter, to EUR 362bn.

Our capital position is among the best in Europe. The quarter-end CET1 ratio was 15.7% or 4 percentage points above the current regulatory requirement. At the beginning of March we received regulatory approval for our fourth share buy-back programme. Our Board of Directors decided to launch the EUR 1bn programme, which will commence on 28 April or as soon as possible thereafter.

In March, our Annual General Meeting approved the dividend of EUR 2.9bn or EUR 0.80 per share for 2022, up 16% on 2021. Our ability to deliver market-leading shareholder returns is a result of the successful implementation of our strategy. It is a pleasure to see our dividend payments to our 560,000 shareholders supporting economic activity, driving growth and channelling funding towards innovation, education, health care and other forms of support for society.

We are committed to meeting our 2025 financial target – even in an uncertain macroeconomic environment. We aim to continue to improve our profitability and expect our return on equity to remain above 13% in 2023. This is already in line with our financial target for 2025. We plan to provide a target update by the end of 2023, when the economic outlook will hopefully be clearer.

Meeting our financial target requires us to keep delivering on our three key priorities: creating the best omnichannel customer experience, driving focused and profitable growth, and increasing operational and capital efficiency.

In an uncertain environment, safety and trustworthiness are highly appreciated from various businesses – not least banks. A strong and profitable bank like Nordea promotes stability and can deliver attractive services to serve and support customers and society. 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 2023

Nordea expects a return on equity of above 13%.

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

Excluding items affecting comparability[1]

EURm	Q1 2023	Q1 2022	Chg %	Local curr. %	Q4 2022	Chg %	Local curr. %
Net interest income	1,765	1,308	35	43	1,641	8	11
Net fee and commission income	765	829	-8	-5	785	-3	-1
Net insurance result	46	35	31	34	47	-2	0
Net result from items at fair value	345	272	27	18	396	-13	-18
Profit or loss from associated undertakings and joint ventures accounted for under the equity method	-12	0			-1		
Other operating income	12	17	-29	-24	29	-59	-55
Total operating income	**2,921**	**2,461**	**19**	**23**	**2,897**	**1**	**3**
Staff costs	-719	-692	4	7	-721	0	1
Other expenses	-287	-259	11	17	-315	-9	-6
Regulatory fees	-255	-273	-7	-5	-16		
Depreciation, amortisation and impairment charges of tangible and intangible assets	-161	-146	10	13	-160	1	2
Total operating expenses	**-1,422**	**-1,370**	**4**	**7**	**-1,212**	**17**	**19**
Profit before loan losses	**1,499**	**1,091**	**37**	**43**	**1,685**	**-11**	**-9**
Net loan losses and similar net result	-19	12			-59	-68	-67
Operating profit	**1,480**	**1,103**	**34**	**39**	**1,626**	**-9**	**-7**
Income tax expense	-332	-245	36	41	-353	-6	-4
Net profit for the period	**1,148**	**858**	**34**	**39**	**1,273**	**-10**	**-8**

[1] 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; 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 had no impact on Nordea's dividend or share buy-back capacity.

Ratios and key figures[1]

Excluding items affecting comparability[2]

	Q1 2023	Q1 2022	Chg %	Q4 2022	Chg %
Diluted earnings per share (DEPS), EUR	0.31	0.21	48	0.35	-11
EPS, rolling 12 months up to period end, EUR	1.21	0.97	25	1.11	9
Return on equity with amortised resolution fees, %	17.1	12.6		16.3	
Return on equity, %	15.3	10.8		16.9	
Return on tangible equity, %	17.6	12.2		19.5	
Return on risk exposure amount, %	3.2	2.2		3.5	
Cost-to-income ratio excluding regulatory fees, %	39.9	44.6		41.3	
Cost-to-income ratio with amortised resolution fees, %	42.7	47.9		44.0	
Cost-to-income ratio, %	48.7	55.7		41.8	
Net loan loss ratio, incl. loans held at fair value, bp	2	-1		7	
Return on capital at risk with amortised resolution fees, %	23.7	17.5		21.7	
Return on capital at risk, %	21.2	14.9		22.6	

[1] 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.

[2] For details about items affecting comparability see footnote 1 in the table above.

Business volumes, key items[1]

EURbn	31 Mar 2023	31 Mar 2022	Chg %	Local curr. %	31 Dec 2022	Chg %	Local curr. %
Loans to the public	339.7	351.9	-3	3	345.7	-2	0
Loans to the public, excl. repos/securities borrowing	319.3	333.1	-4	2	327.3	-2	0
Deposits and borrowings from the public	217.7	221.1	-2	4	217.5	0	2
Deposits from the public, excl. repos/securities lending	210.7	212.0	-1	5	210.8	0	2
Total assets	604.1	624.5	-3		594.7	2	
Assets under management	362.4	389.4	-7		358.9	1	
Equity	28.2	30.3	-7		30.8	-8	

[1] End of period.

Income statement

Including items affecting comparability

EURm	Q1 2023	Q1 2022	Chg %	Local curr. %	Q4 2022	Chg %	Local curr. %
Net interest income	1,765	1,308	35	43	1,641	8	11
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Net insurance result	46	35	31	34	47	-2	0
Net result from items at fair value	345	-265			396	-13	-18
Profit or loss from associated undertakings and joint ventures accounted for under the equity method	-12	0			-1		
Other operating income	12	17	-29	-24	29	-59	-55
Total operating income	**2,921**	**1,924**	**52**	**58**	**2,897**	**1**	**3**
Staff costs	-719	-692	4	7	-721	0	1
Other expenses	-287	-259	11	17	-315	-9	-6
Regulatory fees	-255	-273	-7	-5	-16		
Depreciation, amortisation and impairment charges of tangible and intangible assets	-161	-146	10	13	-160	1	2
Total operating expenses	**-1,422**	**-1,370**	**4**	**7**	**-1,212**	**17**	**19**
Profit before loan losses	**1,499**	**554**			**1,685**	**-11**	**-9**
Net loan losses and similar net result	-19	-64	-70	-69	-59	-68	-67
Operating profit	**1,480**	**490**			**1,626**	**-9**	**-7**
Income tax expense	-332	-231	44	50	-353	-6	-4
Net profit for the period	**1,148**	**259**			**1,273**	**-10**	**-8**

Ratios and key figures[1]

Including items affecting comparability

	Q1 2023	Q1 2022	Chg %	Q4 2022	Chg %
Diluted earnings per share (DEPS), EUR	0.31	0.06	417	0.35	-11
EPS, rolling 12 months up to period end, EUR	1.21	0.82	48	0.96	26
Share price[2], EUR	9.84	9.38	5	10.03	-2
Equity per share[2], EUR	7.84	7.89	-1	8.46	-7
Potential shares outstanding[2], million	3,605	3,860	-7	3,654	-1
Weighted average number of diluted shares, million	3,622	3,894	-7	3,674	-1
Return on equity with amortised resolution fees, %	17.1	5.1		16.3	
Return on equity, %	15.3	3.2		16.9	
Return on tangible equity, %	17.6	3.6		19.5	
Return on risk exposure amount, %	3.2	0.7		3.5	
Cost-to-income ratio with amortised resolution fees, %	42.7	61.2		44.0	
Cost-to-income ratio, %	48.7	71.2		41.8	
Net loan loss ratio, incl. loans held at fair value, bp	2	7		7	
Common Equity Tier 1 capital ratio[2,3], %	15.7	16.3		16.4	
Tier 1 capital ratio[2,3], %	18.0	18.4		18.7	
Total capital ratio[2,3], %	20.1	20.5		20.8	
Tier 1 capital[2,3], EURbn	25.5	28.3	-10	27.2	-6
Risk exposure amount[2], EURbn	142.0	154.0	-8	145.3	-2
Return on capital at risk with amortised resolution fees, %	23.7	7.1		21.7	
Return on capital at risk, %	21.2	4.5		22.6	
Net interest margin, %	1.58	1.17		1.45	
Number of employees (FTEs)[2]	28,922	27,076	7	28,268	2
Economic capital[2], EURbn	22.2	23.4	-5	21.9	1

[1] 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.
[2] End of period.
[3] Including the result for the period.

Macroeconomy and financial markets[1]

Global

Prospects for the global economy improved modestly during the winter. The sharp decline in energy prices has boosted the European economy, while China's surprising decision to quickly reopen the country is likely to have a positive impact on global economic activity. Survey data point to a somewhat stronger recovery in services than in manufacturing. As labour markets remain strong and inflation persistently too high, central banks around the world have continued to tighten monetary policy in efforts to dampen demand and anchor inflation expectations at around 2%. The European Central Bank (ECB) increased its deposit facility rate to 3.0% in March, while the federal funds rate was increased to 5.0% in the United States.

The rapid tightening of monetary policy and uncertain economic environment have led to high volatility in the financial markets. However, stock markets recovered further in the first quarter despite problems in the financial sector. The S&P 500 and STOXX Europe 600 indices were up 7.0% and 7.6%, respectively, while the global aggregate bond index was up 3.5%.

The Nordic countries have been among the best performing economies globally during the past three years. GDP and employment levels are now well above pre-pandemic levels in all four countries. However, the outlook has weakened due to the high inflation, higher interest rates and lower global growth.

Denmark

Danish GDP increased by 0.6%, quarter on quarter, in the fourth quarter of 2022. Gross fixed investments increased, while household consumption and exports decreased. Consumer confidence increased during the first quarter of 2023 after falling to a historic low in October 2022. Business sentiment also improved. The labour market has remained strong, with the unemployment rate standing at 2.8% in February. House and apartment prices continued to decline and were down 8.1% and 9.4%, respectively, year on year, in March. Year-on-year consumer price inflation stood at 6.7% in March. The Danish krone remained strong against the euro in the first quarter of 2023, during which Danmarks Nationalbank hiked its monetary policy rates twice. After purchasing foreign exchange in the market, the central bank first raised its policy rate by 35bp in early February, widening the spread to the euro area to around 40bp. Then, in March, it followed the ECB and raised its rate by a further 50bp, to 2.60%.

Finland

Finnish GDP contracted by 0.4%, quarter on quarter, in the fourth quarter of 2022. High inflation and rising interest rates have reduced private consumption and the outlook remains weak. The labour market has yet to show significant signs of weakening: the unemployment rate remained at 6.8% in February and open vacancies have stayed at high levels. Housing prices fell by 5.2%, year on year, in February and housing transactions were down 20% compared with the long-term average. Year-on-year harmonised consumer price inflation stood at 6.7% in March. Lower energy prices are pushing overall inflation down but the prices of food and many services continue to rise.

Norway

Norwegian mainland GDP increased by 0.8%, quarter on quarter, in the fourth quarter of 2022, driven by growth in most sectors, especially the private sector. The labour market has remained strong: the seasonally adjusted unemployment rate remained at a record low of 1.7% in March. Housing prices rose in the new year but were still down 0.2%, year on year, in March. Year-on-year consumer price inflation stood at 6.5% in March, driven by energy prices and broad price increases for both imported and domestic goods and services. Norges Bank continued its rate-hiking cycle due to a highly pressured economy, high inflation and a weak krone. The central bank raised the key rate by 25bp in March, to 3.00%, and signalled that it would raise the rate by 25bp in both May and June. It also indicated that it would probably raise the rate to around 3.5–3.75% in the course of the year. The Norwegian krone weakened during the fourth quarter and has continued to weaken so far in 2023 due to lower interest rate differentials.

Sweden

Swedish GDP fell by 0.5%, quarter on quarter, in the fourth quarter of 2022. Exports rose while domestic demand fell. The unemployment rate rose to 7.6% in February 2023, although demand for labour has remained robust. House and apartment prices levelled out in February but were 15% and 10% lower, respectively, than in the same month last year. Year-on-year consumer price inflation (CPIF) stood at 8% in March and was broad-based, although energy prices stabilised. Sveriges Riksbank raised its policy rate by 50bp to 3.0% in February and signalled that it would make further rate hikes going forward. The central bank continued to reduce its balance sheet during the first quarter of 2023 and announced that it would reduce its asset holdings at a faster pace by selling government bonds, starting in April. The trade-weighted Swedish krona weakened by 0.6% in the course of the first quarter.

[1]Source: Nordea Economic Research

Group results and performance

First quarter 2023

Net interest income

Q1/Q1: Net interest income increased by 35%. The main drivers were improved deposit margins, due to policy rate hikes in all countries, and increased lending and deposit volumes in all business areas. These benefits were partly offset by lower lending margins. The first quarter of 2022 had included a benefit related to the European Central Bank's targeted long-term refinancing operation. Exchange rate effects had a negative impact of approximately EUR 90m.

Q1/Q4: Net interest income increased by 8%. The main driver was improved deposit margins, which were partly offset by lower lending margins and a lower day count. The improved deposit margins were driven by further policy rate hikes during the quarter. Exchange rate effects had a negative impact of approximately EUR 60m.

Lending volumes

Q1/Q1: Loans to the public excluding repurchase agreements and securities borrowing were up 2% in local currencies. Lending volumes increased in Personal Banking (1% in local currencies), Business Banking (4% in local currencies) and Large Corporates & Institutions (1% in EUR, 8% in local currencies).

Q1/Q4: Loans to the public excluding repurchase agreements and securities borrowing were stable in local currencies. Lending volumes remained unchanged in Personal Banking, increased in Business Banking (1% in local currencies) and decreased in Large Corporates & Institutions (-2% in EUR, 0% in local currencies).

Deposit volumes

Q1/Q1: Total deposits from the public excluding repurchase agreements and securities lending were up 5% in local currencies. Deposit volumes increased in Personal Banking (2% in local currencies) and Business Banking (3% in local currencies). In Large Corporates & Institutions deposit volumes decreased in EUR (-4%) but increased in local currencies (3%).

Q1/Q4: Total deposits from the public excluding repurchase agreements and securities lending were up 2% in local currencies. Deposit volumes were stable in Personal Banking (0% in local currencies), decreased in Business Banking (-2% in local currencies) and increased in Large Corporates & Institutions (4% in EUR, 7% in local currencies).

Net interest income per business area

								Local currency	
	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4	Q1/Q1	Q1/Q4
EURm									
Personal Banking	811	764	636	571	565	44%	6%	49%	8%
Business Banking	581	556	481	439	438	33%	4%	39%	7%
Large Corporates & Institutions	348	343	289	268	269	29%	1%		
Asset & Wealth Management	73	73	41	29	26	181%	0%	196%	1%
Group functions	-48	-95	-40	1	10				
Total Group	**1,765**	**1,641**	**1,407**	**1,308**	**1,308**	**35%**	**8%**	**43%**	**11%**

Change in net interest income (NII)

	Q1/Q4	Q1/Q1
EURm		
NII beginning of period	**1,641**	**1,308**
Margin-driven NII	**156**	**418**
Lending margin	-23	-184
Deposit margin	190	686
Cost of funds	-11	-84
Volume-driven NII	**-5**	**63**
Lending volume	-2	65
Deposit volume	-3	-2
Day count	-32	0
Other[1]	5	-24
NII end of period	**1,765**	**1,765**
[1] of which foreign exchange.	-60	-90

Net fee and commission income

Q1/Q1: Net fee and commission income decreased by 8%, driven by lower net income from savings and investments and lower lending-related commissions. These were partly offset by higher income from payments and cards. Exchange rate effects had a negative impact of approximately EUR 26m.

Q1/Q4: Net fee and commission income decreased by 3%, driven by lower lending-related commissions and lower income from payments and cards. Exchange rate effects had a negative impact of approximately EUR 11m.

Savings and investment commissions

Q1/Q1: Net fee and commission income from savings and investments decreased by 10%, as financial market turbulence led to a decrease in assets under management (AuM) and lower customer activity in the brokerage business.

Q1/Q4: Net fee and commission income from savings and investments decreased by 1%, driven by lower asset management fee income. This was partly offset by higher customer activity in the brokerage and advisory business. End-of-period AuM increased by 1%, or EUR 3.5bn, to EUR 362.4bn, with a net outflow of EUR 2.1bn during the quarter.

Payments and cards commissions

Q1/Q1: Net fee and commission income from payments and cards increased by 3%, mainly driven by increased card income.

Q1/Q4: Net fee and commission income from payments and cards decreased by 5%, driven by lower card income and lower income from payments.

Lending-related commissions

Q1/Q1: Lending-related net fee and commission income decreased by 13%, driven by lower income from mortgage refinancing fees and a decrease in commitment fee income related to new facilities for large corporates.

Q1/Q4: Lending-related net fee and commission income decreased by 12%, driven by lower income from mortgage refinancing fees and a decrease in commitment fee income related to new facilities for large corporates.

Net fee and commission income per business area

								Local currency	
	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4	Q1/Q1	Q1/Q4
EURm									
Personal Banking	257	272	292	287	286	-10%	-6%	-7%	-4%
Business Banking	151	158	142	157	156	-3%	-4%	1%	-3%
Large Corporates & Institutions	120	111	106	113	132	-9%	8%		
Asset & Wealth Management	246	255	252	254	265	-7%	-4%	-6%	-3%
Group functions	-9	-11	-17	-14	-10				
Total Group	**765**	**785**	**775**	**797**	**829**	**-8%**	**-3%**	**-5%**	**-1%**

Net fee and commission income per category

								Local currency	
	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4	Q1/Q1	Q1/Q4
EURm									
Savings and investments, net	501	504	496	518	554	-10%	-1%	-8%	0%
Payments and cards, net	135	142	144	141	131	3%	-5%	6%	-4%
Lending-related, net	128	145	143	143	147	-13%	-12%	-9%	-10%
Other commissions, net	1	-6	-8	-5	-3				
Total Group	**765**	**785**	**775**	**797**	**829**	**-8%**	**-3%**	**-5%**	**-1%**

Assets under management (AuM), volumes and net flow

	Q123	Q422	Q322	Q222	Q122	Net flow Q123
EURbn						
Nordic Retail funds	73.4	71.3	70.3	72.6	81.7	0.1
Private Banking	109.1	107.5	102.4	106.1	115.4	0.5
Institutional sales	106.7	108.6	109.2	115.9	124.8	-3.4
Life & Pension	73.2	71.5	59.5	60.8	67.4	0.7
Total	**362.4**	**358.9**	**341.4**	**355.5**	**389.4**	**-2.1**

Net insurance result

Q1/Q1: Net insurance result increased by 31% due to products in scope for IFRS 17 benefiting from higher interest rates compared with the same quarter last year.

Q1/Q4: Net insurance result decreased by 2%.

Net insurance result per business area

	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4
EURm							
Personal Banking	28	27	16	15	19	47%	4%
Business Banking	4	4	3	3	3	33%	0%
Large Corporates & Institutions	0	1	0	0	0		
Asset & Wealth Mgmt. excl. Life & Pension	5	6	3	2	3	67%	-17%
Life & Pension	9	8	16	33	10	-10%	13%
Group functions	0	1	0	0	0		
Total Group	**46**	**47**	**38**	**53**	**35**	**31%**	**-2%**

Net result from items at fair value

Q1/Q1: Net result from items at fair value, excluding items affecting comparability, increased by 27%, driven by higher customer activity, particularly in interest rate hedging, and higher trading income in Markets.

Q1/Q4: Net result from items at fair value decreased by 13%, driven by a lower result in Treasury. This was partly offset by higher customer activity and higher trading income in Markets. In the fourth quarter Treasury had benefited from hedging activities and tighter spreads in the liquidity portfolio.

Net result from items at fair value per business area

	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4
EURm							
Personal Banking	18	13	16	15	39	-54%	38%
Business Banking	109	93	95	91	96	14%	17%
Large Corporates & Institutions	192	155	120	163	136	41%	24%
Asset & Wealth Mgmt. excl. Life & Pension	9	6	9	13	7	29%	50%
Life & Pension	14	3	-12	-11	-13		
Group functions	3	126	10	-17	7		
Total Group	**345**	**396**	**238**	**254**	**272**	**27%**	**-13%**
Total, incl. items affecting comparability[1]	**345**	**396**	**238**	**254**	**-265**		**-13%**

[1] Items affecting comparability in the first quarter of 2022: a non-deductible loss from the recycling of EUR 529m in accumulated 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 EUR -12m, down from EUR 0m, due to impairment.

Q1/Q4: Income from companies accounted for under the equity method was EUR -12m, down from EUR -1m, due to impairment.

Other operating income

Q1/Q1: Other operating income was EUR 12m, down from EUR 17m.

Q1/Q4: Other operating income was EUR 12m, down from EUR 29m. The fourth quarter had included a gain on a divestment.

Total operating income per business area

								Local currency	
	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4	Q1/Q1	Q1/Q4
EURm									
Personal Banking	1,115	1,076	960	891	911	22%	4%	27%	5%
Business Banking	842	821	726	700	703	20%	3%	25%	5%
Large Corporates & Institutions	660	622	515	547	537	23%	6%		
Asset & Wealth Management	356	350	309	320	298	19%	2%	22%	3%
Group functions	-52	28	-38	-30	12				
Total Group	**2,921**	**2,897**	**2,472**	**2,428**	**2,461**	**19%**	**1%**	**23%**	**3%**
Total, incl. items affecting comparability[1]	**2,921**	**2,897**	**2,472**	**2,428**	**1,924**	**52%**	**1%**	**58%**	**3%**

[1] 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 4%, driven by inflation, additional technology and risk management investments (EUR 53m), and higher depreciation and amortisation. Exchange rate effects had a positive impact of approximately EUR 44m.

Q1/Q4: Total operating expenses were up 17% due to higher regulatory fees. Excluding the regulatory fees, operating expenses were down 2%, driven by lower other expenses and lower staff expenses. Exchange rate effects had a positive impact of approximately EUR 22m.

Staff costs

Q1/Q1: Staff costs were up 4% due to additional risk management resources.

Q1/Q4: Staff costs were stable. The fourth quarter had included items not present in the current period.

Other expenses

Q1/Q1: Other expenses increased by 11% due to additional technology investments and higher marketing costs.

Q1/Q4: Other expenses decreased by 9%. The fourth quarter had included transaction costs related to the acquisition of Topdanmark Life and other items not present in the current period.

Regulatory fees

Q1/Q1: Regulatory fees amounted to EUR 255m, compared with EUR 273m, and included the recognition of resolution fees and an increase in the Swedish bank tax.

Q1/Q4: Regulatory fees amounted to EUR 255m, compared with EUR 16m in the fourth quarter of 2022, driven by the recognition of resolution fees and an increase in the Swedish bank tax.

Depreciation and amortisation

Q1/Q1: Depreciation and amortisation increased by 10%, driven by a higher run rate of asset and project amortisation and higher impairment charges.

Q1/Q4: Depreciation and amortisation increased by 1%, to EUR 161m, driven by a higher run rate of asset and project amortisation. This was partly offset by lower impairment charges.

FTEs

Q1/Q1: The number of employees (FTEs) was 28,922 at the end of the first quarter, an increase of 7%, mainly due to the acquisition of Topdanmark Life, additional investments in technology and risk management, and investments to drive growth.

Q1/Q4: The number of FTEs was up 2%, mainly due to additional investments in technology and risk management and investments to drive growth.

Total operating expenses

								Local currency	
	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4	Q1/Q1	Q1/Q4
EURm									
Staff costs	-719	-721	-691	-689	-692	4%	0%	7%	1%
Other expenses	-287	-315	-276	-258	-259	11%	-9%	17%	-6%
Regulatory fees	-255	-16	-16	-17	-273	-7%		-5%	
Depreciation and amortisation	-161	-160	-147	-158	-146	10%	1%	13%	2%
Total Group	**-1,422**	**-1,212**	**-1,130**	**-1,122**	**-1,370**	**4%**	**17%**	**7%**	**19%**

Total operating expenses per business area

								Local currency	
	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4	Q1/Q1	Q1/Q4
EURm									
Personal Banking	-547	-482	-453	-445	-503	9%	13%	13%	15%
Business Banking	-383	-310	-292	-291	-349	10%	24%	14%	25%
Large Corporates & Institutions	-290	-192	-179	-190	-274	6%	51%		
Asset & Wealth Management	-144	-149	-137	-128	-134	7%	-3%	11%	-3%
Group functions	-58	-79	-69	-68	-110	-47%	-27%		
Total Group	**-1,422**	**-1,212**	**-1,130**	**-1,122**	**-1,370**	**4%**	**17%**	**7%**	**19%**

Exchange rate effects

	Q1/Q1	Q1/Q4
Percentage points		
Income	-4	-2
Expenses	-3	-2
Operating profit	-5	-2
Loan and deposit volumes	-6	-2

Net loan losses and similar net result

Credit quality remained strong in the first quarter of 2023. Despite continued high levels of inflation, increased interest rates and lower economic growth, the Nordic economies have remained resilient, with stable levels of employment.

Net loan losses and similar net result amounted to EUR 19m (2bp) for the quarter, or EUR 21m excluding the model-based fair value calculation of Danish mortgage loans. Realised loan losses remained at a very low level in the first quarter. In the fourth quarter of 2022 the comparable losses were EUR 59m (7bp), or EUR 51m excluding the model-based fair value calculation of Danish mortgage loans.

Main drivers of loan losses and similar net result

New net provisions for individually assessed exposures amounted to EUR 15m. No individual provisions exceeded EUR 7m, and there were a small number of individual reversals during the quarter. There were also relatively few write-offs. The net loan losses were not concentrated in any particular industry.

Collectively calculated net provisions increased by EUR 6m, primarily for the household portfolio. While the need for further provisions was limited, the continued worsening of macroeconomic scenarios generated some increases. The weight applied to the adverse scenario remained at 40%, reflecting continued uncertainty regarding the macroeconomic outlook.

The revaluation of Nordea Kredit's mortgage portfolio reported at fair value resulted in a EUR 2m reversal.

Net loan losses and similar net result amounted to EUR 35m in Personal Banking, EUR 5m in Business Banking and EUR 1m in Asset & Wealth Management. There were net reversals of EUR 22m in Large Corporates & Institutions.

Management judgement allowances

During the quarter, the cyclical management judgement allowance was reassessed given the high levels of inflation, increased interest rates and reduced economic growth. The allowance was deemed appropriate and thus remained unchanged at EUR 430m.

The structural management judgement allowance was kept at EUR 155m. Accordingly, the total management judgement allowance remained at EUR 585m. This is deemed appropriate to ensure a strong reserve to cover potential and expected credit losses and planned improvements to provisioning models.

See Note 10 for further details.

Credit portfolio

Lending to the public excluding reverse repurchase agreements and securities borrowing amounted to EUR 319bn at the end of the quarter, down 2% in EUR but unchanged in local currencies, quarter on quarter.

Loans to the public measured at fair value excluding reverse repurchase agreements and securities borrowing remained at EUR 52bn. At the end of the fourth quarter the fair value portfolio mainly comprised Danish mortgage lending, which amounted to EUR 52bn, unchanged from the fourth quarter of 2022.

Lending to the public measured at amortised cost before allowances decreased to EUR 269bn from EUR 277bn in the fourth quarter of 2022. Of this, 94% was classified as stage 1, 5% as stage 2 and 1% as stage 3, with the distribution unchanged from the fourth quarter. Quarter on quarter, stage 1 loans decreased by 3%, stage 2 loans increased by 2% and stage 3 loans decreased by 2%. Stage 2 loans amounted to EUR 13.1bn, down 3%, year on year. Stage 3 loans amounted to EUR 2.2bn, down 30%, year on year.

The coverage ratio was 3.0% for stage 2 (down from 3.2% in the previous quarter) and 46% for stage 3 (unchanged from the previous quarter). The fair value impairment rate increased to 0.63% from 0.62% in the previous quarter, driven by an increase in impaired Danish mortgage lending.

Net loan loss ratio, excluding IAC[1]

	Q123	Q422	Q322	Q222	Q122
Basis points of loans, amortised cost[2]					
Net loan loss ratios, annualised, Group	3	7	4	-6	0
of which stages 1 and 2	0	1	3	-6	5
of which stage 3	3	6	1	0	-5
Basis points of loans, total[2,3]					
Net loan loss ratio, including loans held at fair value, annualised, Group	2	7	7	-6	-1
Personal Banking total	8	4	7	-1	3
PeB Denmark	4	13	18	-7	-8
PeB Finland	17	4	5	14	15
PeB Norway	5	-8	4	-1	1
PeB Sweden	7	6	1	-9	5
Business Banking total	2	15	15	-14	4
BB Denmark	-5	14	11	-23	-11
BB Finland	21	18	25	-21	29
BB Norway	-5	7	9	-27	-3
BB Sweden	9	23	17	4	13
Large Corporates & Institutions total	-12	2	-9	-8	-17
LC&I Denmark	-67	4	4	-7	0
LC&I Finland	-28	9	-30	0	-25
LC&I Norway	-23	0	-63	-38	-59
LC&I Sweden	14	6	8	9	-9

[1] Items affecting comparability in the first quarter of 2022: EUR 76m in credit losses on direct exposures to Russian counterparties.
[2] Negative amounts are net reversals.
[3] 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 (excluding items affecting comparability) operating profit increased by 34% to EUR 1,480m, driven by higher total income. This was partly offset by higher total costs and higher loan losses.

Q1/Q4: Operating profit decreased by 9% to EUR 1,480m, driven by higher regulatory fees. These were partly offset by higher total income, lower other costs and lower loan losses.

Taxes

Q1/Q1: Comparable income tax expense amounted to EUR 332m, up from EUR 245m, corresponding to a tax rate of 22.4%, up from 22.2% in the first quarter of 2022.

Q1/Q4: Income tax expense amounted to EUR 332m, down from EUR 353m, corresponding to a tax rate of 22.4%, up from 21.7% in the previous quarter.

Net profit

Q1/Q1: Comparable net profit increased by 34% to EUR 1,148m. Return on equity was 15.3%, up from 10.8%. Return on equity with amortised resolution fees was 17.1%, up from 12.6%.

Q1/Q4: Net profit decreased by 10% to EUR 1,148m. Return on equity was 15.3%, down from 16.9%. Return on equity with amortised resolution fees was 17.1%, up from 16.3%.

Q1/Q1: Comparable diluted earnings per share were EUR 0.31, compared with EUR 0.21.

Q1/Q4: Diluted earnings per share were EUR 0.31, compared with EUR 0.35.

Operating profit per business area

								Local currency	
	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4	Q1/Q1	Q1/Q4
EURm									
Personal Banking	533	576	476	452	395	35%	-7%	40%	-6%
Business Banking	454	474	397	444	343	32%	-4%	38%	-1%
Large Corporates & Institutions	392	426	352	372	292	34%	-8%		
Asset & Wealth Management	211	203	172	189	163	29%	4%	31%	6%
Group functions	-110	-53	-113	-95	-90				
Total Group	**1,480**	**1,626**	**1,284**	**1,362**	**1,103**	**34%**	**-9%**	**39%**	**-7%**
Total, incl. items affecting comparability[1]	**1,480**	**1,626**	**1,284**	**1,362**	**490**		**-9%**		**-7%**

[1] 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; 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 15.7% at the end of the first quarter from 16.4% in the fourth quarter of 2022. CET1 capital decreased by EUR 1.6bn, mainly due to the EUR 1.0bn capital deduction associated with the share buy-back programme announced on 3 March 2023, the implementation of IFRS 17, and foreign exchange effects in retained earnings. These were partly offset by profit generation net of dividend accrual. Owing to increases in the O-SII requirement and the Danish and Norwegian countercyclical capital buffers, and a decrease in the Pillar 2 requirement, the Nordea Group's CET1 capital requirement now stands at 11.7%, compared with 11.1% in the fourth quarter of 2022.

The risk exposure amount (REA) decreased by EUR 3.3bn, primarily due to exchange rate effects, reduced equity exposure following the implementation of IFRS 17, and increased credit protection following the launch of a new securitisation transaction. These were partly offset by increased operational risk following the annual update.

The Group's Tier 1 capital ratio decreased to 18.0% at the end of the first quarter from 18.7% in the fourth quarter. The total capital ratio decreased to 20.1% from 20.8%.

At the end of the first quarter CET1 capital amounted to EUR 22.3bn, Tier 1 capital amounted to EUR 25.5bn and own funds amounted to EUR 28.5bn.

The Group's subordinated minimum requirements for own funds and eligible liabilities (MREL) ratio was 26.6% of the REA and 6.8% of the leverage ratio exposure (LRE), compared with the current requirements of 22.4% of the REA and 5.98% of the LRE. The total MREL ratio was 34.7% of the REA and 8.8% of the LRE, compared with the current requirements of 29.0% of the REA and 5.98% of the LRE.

The leverage ratio decreased to 4.6% at the end of the first quarter from 4.9% in the fourth quarter of 2022. The decrease was mainly driven by a decrease in Tier 1 capital and an increase in cash in central banks.

The Group's economic capital (EC) increased to EUR 22.2bn in the first quarter of 2023. The increase was mainly driven by the yearly update of the EC framework and higher operational risk. These were partly offset by lower Pillar 1 credit risk and lower EC for Nordea Life & Pension.

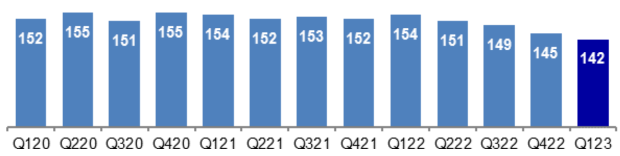
Internal ratings-based (IRB) model approval process

During the quarter, Nordea received feedback from the European Central Bank (ECB) on its application for the approval of new internal ratings-based capital models. Nordea now expects the suite of new retail models to go live within the next 12 months and to result in an increased REA for household lending. The REA impact would mainly be due to the implementation of new and stricter regulations regarding, for example, the definition of default. Nordea has agreed to rework its non-retail model suite and thus does not expect the new non-retail models to go live before 2025. The REA impact associated with the implementation of the new retail and non-retail models is not expected to adversely impact Nordea's capital outlook or financial target for 2025.

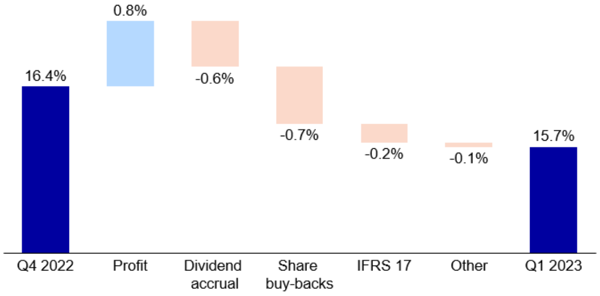
Capital ratios

%	Q123	Q422	Q322	Q222	Q122
CRR/CRD IV					
CET1 capital ratio	15.7	16.4	15.8	16.6	16.3
Tier 1 capital ratio	18.0	18.7	18.2	18.8	18.4
Total capital ratio	20.1	20.8	20.3	20.9	20.5

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. 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 proposal

The follow-on share buy-back programme of EUR 1.5bn launched on 20 July 2022 was completed on 16 March 2023. On 2 March Nordea received approval from the ECB for further share buy-backs totalling EUR 1.0bn. On 26 April Nordea's Board of Directors decided to launch a fourth share buy-back programme of up to EUR 1.0bn, to commence on 28 April 2023 or as soon as possible thereafter and end no later than 5 March 2024.

Nordea's share buy-backs are aimed at pursuing an efficient capital structure and improving shareholder returns by reducing the bank's capital. Nordea will continue to distribute excess capital to shareholders in the future in line with its capital and dividend policy.

On 23 March 2023 Nordea's Board of Directors decided to distribute an ordinary dividend of EUR 0.80 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 27 February the Finnish Financial Supervisory Authority decided to extend the period of application of the average risk weight floors set by the Norwegian macroprudential authority for residential and commercial real estate exposures located in Norway. The floors are 20% for Norwegian residential real estate exposures and 35% for Norwegian commercial real estate exposures. Both floors have applied since 11 September 2021.

On 30 March the Finnish FSA communicated its decision to impose a systemic risk buffer of 1.0% to be applied by banks in Finland. The buffer will apply from 1 April 2024 and must be met with CET1 capital.

Risk exposure amount

EURm	31 Mar 2023	31 Dec 2022	31 Mar 2022
Credit risk	**108,808**	**113,156**	**120,126**
IRB	96,206	98,589	103,431
- sovereign			
- corporate	62,550	65,346	67,327
- advanced	*55,333*	*58,438*	*59,499*
- foundation	*7,217*	*6,908*	*7,828*
- institutions	4,093	3,888	4,148
- retail	24,811	25,021	27,686
- items representing securitisation positions	1,458	1,195	878
- other	3,294	3,139	3,392
Standardised	12,602	14,567	16,695
- sovereign	202	207	1,015
- retail	4,492	4,972	5,590
- other	7,908	9,389	10,090
Credit valuation adjustment risk	**803**	**675**	**1,008**
Market risk	**4,803**	**4,750**	**5,334**
- trading book, internal approach	3,764	4,110	4,663
- trading book, standardised approach	825	640	671
- banking book, standardised approach	214		
Settlement risk			**0**
Operational risk	**16,048**	**15,025**	**15,025**
Additional risk exposure amount related to Finnish RW floor due to Article 458 of the CRR	**-**	**-**	**-**
Additional risk exposure amount related to Swedish RW floor due to Article 458 of the CRR	**11,514**	**11,693**	**12,529**
Additional risk exposure amount due to Article 3 of the CRR	**-**	**-**	**-**
Total	**141,976**	**145,299**	**154,021**

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

EURm	31 Mar 2023	31 Dec 2022	31 Mar 2022
Calculation of own funds			
Equity in the consolidated situation	26,288	27,048	29,889
Profit for the period	1,135	3,598	271
Proposed/actual dividend	-804	-2,887	-559
Common Equity Tier 1 capital before regulatory adjustments	26,620	27,758	29,602
Deferred tax assets	-12	-4	-4
Intangible assets	-2,690	-2,776	-2,905
IRB provisions shortfall (-)			
Pension assets in excess of related liabilities	-152	-126	-251
Other items including buy-back deduction, net[1]	-1,487	-980	-1,312
Total regulatory adjustments to Common Equity Tier 1 capital	**-4,341**	**-3,886**	**-4,472**
Common Equity Tier 1 capital (net after deduction)	**22,279**	**23,872**	**25,130**
Additional Tier 1 capital before regulatory adjustments	3,260	3,307	3,214
Total regulatory adjustments to Additional Tier 1 capital	**-25**	**-25**	**-27**
Additional Tier 1 capital	**3,235**	**3,282**	**3,187**
Tier 1 capital (net after deduction)	**25,514**	**27,154**	**28,317**
Tier 2 capital before regulatory adjustments	3,201	3,231	3,400
IRB provisions excess (+)	541	542	589
Deductions for investments in insurance companies	-650	-650	-650
Other items, net	-64	-64	-64
Total regulatory adjustments to Tier 2 capital	**-173**	**-172**	**-125**
Tier 2 capital	**3,028**	**3,059**	**3,275**
Own funds (net after deduction)	**28,542**	**30,213**	**31,592**
[1] Other items, net if reported excluding profit.	-1,493	-980	-1,312

Own funds reported to ECB

EURm	31 Mar[2] 2023	31 Dec 2022	31 Mar 2022
Common Equity Tier 1 capital	21,941	23,872	25,130
Tier 1 capital (net after deduction)	25,176	27,154	28,317
Total own funds	**28,204**	**30,213**	**31,592**

[2] Excluding first-quarter profit (pending application).

Balance sheet

Balance sheet data

	Q123	Q422	Q322	Q222	Q122
EURbn					
Loans to credit institutions	8	5	10	6	13
Loans to the public	340	346	346	348	352
Derivatives	32	37	48	38	31
Interest-bearing securities	76	68	70	70	72
Other assets	148	139	151	149	157
Total assets	**604**	**595**	**625**	**611**	**625**
Deposits from credit institutions	34	33	45	37	45
Deposits from the public	218	217	225	223	221
Debt securities in issue	190	180	185	187	192
Derivatives	33	40	48	39	35
Other liabilities	101	94	92	95	102
Total equity	28	31	30	30	30
Total liabilities and equity	**604**	**595**	**625**	**611**	**625**

Funding and liquidity operations

Nordea issued approximately EUR 7.6bn in long-term funding in the first quarter of 2023 (excluding Danish covered bonds), of which approximately EUR 6.6bn was issued in the form of covered bonds and EUR 1bn was issued as senior debt. Notable transactions during the quarter included a NOK 11bn 5-year covered bond and a SEK 6bn 5.7-year covered bond in January, and a EUR 1bn 3NC2 senior non-preferred bond and a EUR 1bn 7-year covered bond in February.

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 161% 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 122bn, compared with EUR 114bn at the end of the fourth quarter of 2022. The net stable funding ratio (NSFR) measures long-term liquidity risk. At the end of the first quarter Nordea's NSFR was 116.3%, compared with 115.6% at the end of the fourth quarter.

Nordea maintained a strong liquidity position throughout the first quarter, despite continued volatility in global markets driven by geopolitical and macroeconomic uncertainty and tightening monetary policies.

Nordea continues to participate in the European Central Bank's targeted longer-term refinancing operations (TLTROs). At the end of the first quarter Nordea had EUR 7bn outstanding under the TLTRO III programme, following a EUR 3bn repayment during the quarter. The interest rate is now equal to the deposit facility rate and is no longer contingent on meeting pre-defined lending thresholds.

Funding and liquidity data

	Q123	Q422	Q322	Q222	Q122
Long-term funding portion	71%	73%	71%	69%	71%
LCR total	161%	162%	150%	147%	153%
LCR EUR	159%	149%	136%	141%	194%
LCR USD	294%	177%	196%	202%	239%

Market risk

Market risk in the trading book measured by value at risk (VaR) was EUR 36.4m. Quarter on quarter, VaR increased by EUR 3.3m, primarily as a result of higher interest rate risk. Interest rate risk remained the main driver of VaR at the end of the first quarter. Trading book VaR continues to be driven by market risk related to Nordic and other Northern European exposures.

Trading book

	Q123	Q422	Q322	Q222	Q122
EURm					
Total risk, VaR	36	33	32	29	25
Interest rate risk, VaR	38	32	32	27	23
Equity risk, VaR	3	2	3	2	3
Foreign exchange risk, VaR	2	2	2	2	1
Credit spread risk, VaR	3	7	6	8	9
Inflation risk, VaR	2	2	2	2	2
Diversification effect	24%	27%	30%	29%	35%

Nordea share and credit ratings

Nordea's share price and credit ratings as at the end of the first quarter of 2023.

	Nasdaq STO (SEK)	Nasdaq COP (DKK)	Nasdaq HEL (EUR)
3/31/2021	86.00	62.47	8.41
6/30/2021	95.26	69.60	9.40
9/30/2021	113.10	82.37	11.24
12/31/2021	110.50	80.39	10.79
3/31/2022	97.30	70.20	9.38
6/30/2022	90.00	62.24	8.40
9/30/2022	95.67	65.33	8.80
12/31/2022	111.68	75.12	10.03
3/31/2023	110.64	73.37	9.84

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

Other information

Impact from IFRS 17 Insurance Contracts

The new standard IFRS 17 Insurance Contracts has changed the accounting requirements for the recognition, measurement, presentation and disclosure of insurance contracts. IFRS 17 has been implemented by Nordea as of 1 January 2023 and comparative figures for 2022 have been restated.

The total negative impact of IFRS 17 on Nordea's equity at the time of transition amounted to EUR 573m after tax, which was recognised as an adjustment to the opening balance on 1 January 2022. The impact on Nordea's Common Equity Tier 1 ratio was a reduction of 23bp, while the impact on its return on equity is expected to be marginally positive.

More information can be found in Note 1.

Decisions of Nordea's Annual General Meeting 2023

The Annual General Meeting (AGM) of Nordea Bank Abp was held on 23 March 2023 at the Messukeskus Helsinki Expo and Convention Centre. Shareholders could also exercise their voting rights by voting in advance and it was possible to follow the AGM through a live webcast. All proposals to the AGM were approved.

The AGM approved the annual accounts for the financial period ending 31 December 2022 and decided to authorise the Board of Directors to decide on a dividend payment of a maximum of 0.80 EUR per share. The AGM also adopted the 2022 Remuneration Report for Governing Bodies via an advisory resolution and approved the proposed amendments to the company's Articles of Association.

The persons who in 2022 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 2022. Stephen Hester was re-elected as Chair of the Board of Directors until the end of the 2024 AGM. Risto Murto and Per Strömberg were elected as new Board members for the period until the end of the next AGM. Of the previous Board members, Torbjörn Magnusson and Robin Lawther were not available for re-election.

Furthermore, the AGM decided to authorise the Board of Directors to decide on issuances of special rights entitling to shares (convertibles), repurchases of own shares and share issuances or transfers of own shares in accordance with the terms of the AGM decision. The AGM also decided on the repurchase and transfer of own shares as part of the bank's securities trading business.

Dividend payment

The Board of Directors decided on 23 March 2023 to distribute an ordinary dividend of EUR 0.80 per share to shareholders, in accordance with the mandate received from the 2023 AGM. The dividend of EUR 0.80 per share was paid in April 2023 to those shareholders who, on the record date for the dividend (27 March 2023), 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

On 18 July 2022 Nordea announced a share buy-back programme of up to EUR 1.5bn, based on the authorisation granted by the 2022 AGM. The programme was launched on 20 July 2022 and completed on 16 March 2023.

On 26 April 2023 Nordea's Board of Directors decided on a fourth share buy-back programme of up to EUR 1.0bn. The programme will commence on 28 April 2023 or as soon as possible thereafter and end no later than 5 March 2024. The European Central Bank's approval for the buy-backs was announced on 3 March 2023.

Nordea's share buy-backs are aimed at pursuing an efficient capital structure and generating sustainable shareholder returns by reducing the bank's excess capital. Since the inception of the inaugural buy-back programme in October 2021, Nordea has repurchased around 447m shares at an average price of EUR 10.05 per share and distributed EUR 4.5bn to its shareholders.

Share cancellations and share transfers

Nordea cancelled aggregated amounts of 11,925,310, 14,760,027 and 22,792,079 treasury shares in January, February and March, respectively. The shares had been held for capital optimisation purposes and acquired through buy-backs.

On 23 March 2023 the Board of Directors resolved on a directed share issuance pursuant to Nordea's variable remuneration awards. The resolution was based on the authorisation granted to the Board of Directors by the 2022 AGM. According to the former, Nordea would transfer a maximum of 1,500,000 own shares without consideration to participants in its variable pay programmes to settle its commitment to award part of its variable pay in shares. The issuance would be made in accordance with the applicable terms and conditions of the programmes and regulatory requirements. Based on the resolution, Nordea transferred 1,292,469 own shares held by the company to participants in its variable remuneration programmes on 4 April 2023.

Impacts from Russia's invasion of Ukraine

During the first quarter of 2023 Nordea continued to closely monitor and assess its direct exposure to Russian counterparties. The direct credit exposure after provisions is less than EUR 50m.

Nordea further assessed the uncertainty regarding the broader impact of the war – including higher energy, food and commodity prices – on the global and Nordic economies. The assessment informed the regular update of the bank's macroeconomic scenarios, which are used to update its financial forecasts and model IFRS 9 expected credit losses. Nordea also reassessed its management judgement allowance during the quarter given the high levels of inflation, increased interest rates and reduced economic growth. The allowance was deemed appropriate and thus remained unchanged. Nordea will continue to follow developments closely.

Information on the financial and operational impacts of the war in Ukraine, as well as the measures taken to address these impacts, has been provided in this report. See "CEO comment", "Macroeconomy and financial markets", "Net loan losses and similar net result", "Funding and liquidity operations", "Other information", "Business areas", Note 1 "Accounting policies", Note 9 "Net loan losses", Note 10 "Loans and impairment" and Note 14 "Risks and uncertainties".

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 final steps to liquidate the remaining Russian subsidiaries are pending.

Acquisition of Advinans announced

Nordea (through Nordea Livförsäkring Sverige AB) has entered into an agreement to acquire all shares in Advinans AB, a digital pension broker platform in Sweden. The acquisition will strengthen Nordea's life and pension offering in Sweden and accelerate its ambitions to become a digital leader in corporate pensions. Advinans offers digital solutions for corporate administration, pension advice and employee benefits. The company has 35 employees and approximately 100 corporate customers. Advinans will be integrated into Nordea and operated under the Nordea brand. The acquisition is subject to customary regulatory approvals and is expected to close during the second quarter of 2023.

Quarterly development, Group

Excluding items affecting comparability

EURm	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Net interest income	1,765	1,641	1,407	1,308	1,308
Net fee and commission income	765	785	775	797	829
Net insurance result	46	47	38	53	35
Net result from items at fair value	345	396	238	254	272
Profit or loss from associated undertakings and joint ventures accounted for under the equity method	-12	-1	-3	-4	0
Other operating income	12	29	17	20	17
Total operating income	**2,921**	**2,897**	**2,472**	**2,428**	**2,461**
General administrative expenses:					
Staff costs	-719	-721	-691	-689	-692
Other expenses	-287	-315	-276	-258	-259
Regulatory fees	-255	-16	-16	-17	-273
Depreciation, amortisation and impairment charges of tangible and intangible assets	-161	-160	-147	-158	-146
Total operating expenses	**-1,422**	**-1,212**	**-1,130**	**-1,122**	**-1,370**
Profit before loan losses	**1,499**	**1,685**	**1,342**	**1,306**	**1,091**
Net loan losses and similar net result	-19	-59	-58	56	12
Operating profit	**1,480**	**1,626**	**1,284**	**1,362**	**1,103**
Income tax expense	-332	-353	-283	-308	-245
Net profit for the period	**1,148**	**1,273**	**1,001**	**1,054**	**858**
Diluted earnings per share (DEPS), EUR	0.31	0.35	0.27	0.28	0.21
DEPS, rolling 12 months up to period end, EUR	1.21	1.11	1.02	0.99	0.97

Business areas

Excluding items affecting comparability

	Personal Banking		Business Banking		Large Corporates & Institutions		Asset & Wealth Management		Group functions		Nordea Group		
	Q1 2023	Q4 2022	Q1 2023	Q4 2022	Q1 2023	Q4 2022	Q1 2023	Q4 2022	Q1 2023	Q4 2022	Q1 2023	Q4 2022	*Chg*
EURm													
Net interest income	811	764	581	556	348	343	73	73	-48	-95	1,765	1,641	*8%*
Net fee and commission income	257	272	151	158	120	111	246	255	-9	-11	765	785	*-3%*
Net insurance result	28	27	4	4	0	1	14	14	0	1	46	47	*-2%*
Net result from items at fair value	18	13	109	93	192	155	23	9	3	126	345	396	*-13%*
Other income	1	0	-3	10	0	12	0	-1	2	7	0	28	
Total operating income	**1,115**	**1,076**	**842**	**821**	**660**	**622**	**356**	**350**	**-52**	**28**	**2,921**	**2,897**	**1%**
Total operating expenses	**-547**	**-482**	**-383**	**-310**	**-290**	**-192**	**-144**	**-149**	**-58**	**-79**	**-1,422**	**-1,212**	**17%**
Net loan losses and similar net result	-35	-18	-5	-37	22	-4	-1	2	0	-2	-19	-59	
Operating profit	**533**	**576**	**454**	**474**	**392**	**426**	**211**	**203**	**-110**	**-53**	**1,480**	**1,626**	**-9%**
Cost-to-income ratio[1], %	44	46	38	40	33	35	39	43			43	44	
Return on capital at risk[1], %	25	23	23	21	25	21	53	41			24	22	
Economic capital (EC)	7,238	7,219	7,191	6,684	5,800	5,669	1,151	1,498	787	840	22,167	21,910	*1%*
Risk exposure amount (REA)	42,055	42,498	42,663	42,145	40,452	41,603	6,975	8,651	9,831	10,402	141,976	145,299	*-2%*
Number of employees (FTEs)	6,955	6,824	3,956	3,930	1,248	1,230	3,150	3,172	13,613	13,112	28,922	28,268	*2%*
Volumes, EURbn[2]:													
Total lending	**166.0**	**169.5**	**96.2**	**97.9**	**50.4**	**51.6**	**11.7**	**11.9**	**-5.0**	**-3.6**	**319.3**	**327.3**	**-2%**
Total deposits	**84.3**	**85.9**	**50.9**	**53.0**	**53.5**	**51.2**	**12.3**	**13.3**	**9.7**	**7.4**	**210.7**	**210.8**	**0%**

Restatements due to organisational changes and new accounting principles; see Note 1 "Accounting policies" for further information.

[1] With amortised resolution fees.

[2] Excluding repurchase agreements and security lending/borrowing agreements.

	Personal Banking		Business Banking		Large Corporates & Institutions		Asset & Wealth Management		Group functions		Nordea Group		
	Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		Jan-Mar		
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	*Chg*
EURm													
Net interest income	811	565	581	438	348	269	73	26	-48	10	1,765	1,308	*35%*
Net fee and commission income	257	286	151	156	120	132	246	265	-9	-10	765	829	*-8%*
Net insurance result	28	19	4	3	0	0	14	13	0	0	46	35	*31%*
Net result from items at fair value	18	39	109	96	192	136	23	-6	3	7	345	272	*27%*
Other income	1	2	-3	10	0	0	0	0	2	5	0	17	
Total operating income	**1,115**	**911**	**842**	**703**	**660**	**537**	**356**	**298**	**-52**	**12**	**2,921**	**2,461**	**19%**
Total operating expenses	**-547**	**-503**	**-383**	**-349**	**-290**	**-274**	**-144**	**-134**	**-58**	**-110**	**-1,422**	**-1,370**	**4%**
Net loan losses and similar net result	-35	-13	-5	-11	22	29	-1	-1	0	8	-19	12	
Operating profit	**533**	**395**	**454**	**343**	**392**	**292**	**211**	**163**	**-110**	**-90**	**1,480**	**1,103**	**34%**
Cost-to-income ratio[1], %	44	50	38	43	33	38	39	44			43	48	
Return on capital at risk[1], %	25	18	23	18	25	19	53	30			24	18	
Economic capital (EC)	7,238	7,909	7,191	6,883	5,800	5,952	1,151	1,606	787	1,066	22,167	23,416	*-5%*
Risk exposure amount (REA)	42,055	46,968	42,663	43,424	40,452	43,477	6,975	8,335	9,831	11,835	141,976	154,039	*-8%*
Number of employees (FTEs)	6,955	6,893	3,956	3,964	1,248	1,213	3,150	2,756	13,613	12,250	28,922	27,076	*7%*
Volumes, EURbn[2]:													
Total lending	**166.0**	**174.0**	**96.2**	**98.8**	**50.4**	**50.0**	**11.7**	**11.7**	**-5.0**	**-1.4**	**319.3**	**333.1**	**-4%**
Total deposits	**84.3**	**86.6**	**50.9**	**52.5**	**53.5**	**55.7**	**12.3**	**11.7**	**9.7**	**5.5**	**210.7**	**212.0**	**-1%**

Restatements due to organisational changes and new accounting principles; see Note 1 "Accounting policies" for further information.

[1] With amortised resolution fees.

[2] 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 for all stages of life.

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

This quarter, we grew in line with the market and continued to build strong relationships with our customers, proactively meeting increased demand for holistic advice amid high inflation and rising interest rates. Total lending volumes increased by 1% in local currencies, year on year. Housing loan growth within other lending remained solid, while mortgage lending growth continued to slow and stood at 1%. Deposit volumes increased by 2% due to savings deposit growth across the countries.

In the turbulent times, customer investment activity and demand for new loan promises remained lower than in the same quarter last year. However, we saw increased meeting activity and higher demand from customers for holistic advice on their broader personal finances.

Digital customer engagement remains high, with private mobile app users and logins up 7% and 8%, respectively, year on year. We continued to support our customers proactively through digital channels and drove a 32% year-on-year increase in personalised digital interactions in our mobile and net banks. In Sweden, leads generated for mortgage and savings advisers through digital channels increased by 38%, year on year. In February, we were rated the best digital performer among European retail banks by D-rating.

We further enhanced our digital services and launched new features for a better customer experience. For example, we introduced a new self-service functionality in the net bank enabling customers to set savings goals and search for investments linked to specific themes and mega trends.

Our ESG products continued to perform well, accounting for 28% of quarterly gross inflows into funds. To further support customers wishing to make a positive ESG impact through their savings, we introduced deposits with a climate focus and conducted new sustainability training for all advisers in Norway.

Financial outcome

Total income was up 22%, year on year. The increase was mainly driven by a 44% year-on-year improvement in net interest income due to mortgage and deposit volume growth and improved deposit margins across the countries. These were partly offset by lower lending margins resulting from higher funding costs.

Net fee and commission income decreased by 10%, year on year, mainly driven by lower savings and investment income due to market turbulence.

Net insurance result increased by 47%, year on year, due to products in scope for IFRS 17 benefiting from higher interest rates compared with the same quarter last year.

Net result from items at fair value was down 54%, year on year, due to an ownership stake having been sold and another revalued during the first quarter of last year.

Total expenses increased by 9%, year on year, due to higher regulatory fees related to the Swedish bank tax and increased IT investment in line with our business plan. The cost-to-income ratio with amortised resolution fees was 44%, down from 50% in the first quarter of 2022, driven by higher income.

Total net loan losses and similar net result amounted to EUR 35m (8bp), compared with EUR 13m in the same quarter last year. Loan losses were driven by collective provisions across the countries and write-offs mainly related to consumer finance in Finland.

Operating profit increased by 35%, year on year, to EUR 533m. Return on capital at risk was 25%, compared with 18% in the same quarter last year.

Personal Banking Denmark

Total income increased by 17% in local currency, year on year.

Net interest income increased by 28% in local currency, year on year, primarily driven by higher deposit volumes and improved deposit margins.

Lending volumes remained at the same level in local currency as a year ago, as increased demand for housing loans within other lending was partly offset by lower mortgage volumes. Deposit volumes increased by 5%, driven by increased savings volumes.

Net fee and commission income decreased by 7% in local currency, year on year, mainly driven by lower savings and investment income and lower lending fee income. These were partly offset by improved payment and card fee income.

Net loan losses and similar net result amounted to EUR 5m (4bp), driven by low underlying loan losses combined with loan loss reversals.

Personal Banking Finland

Total income increased by 61%, year on year.

Net interest income increased by 109%, year on year, primarily driven by higher mortgage volumes and improved deposit margins. These were partly offset by lower mortgage margins.

Lending volumes were stable, year on year, as increased demand for mortgage loans was offset by lower consumer finance volumes. Deposit volumes decreased by 1%, year on year, driven by lower transaction volumes. These were partly offset by increased savings volumes.

Net fee and commission income decreased by 3%, year on year, mainly driven by lower savings and investment income due to market turbulence. This was partly offset by improved payment and card fee income.

Net loan losses and similar net result amounted to EUR 16m (17bp), driven by write-offs mainly related to consumer finance.

Personal Banking Norway

Total income increased by 14% in local currency, year on year.

Net interest income increased by 17% in local currency, year on year, primarily driven by higher mortgage and deposit volumes and improved deposit margins. These were partly offset by lower mortgage margins.

Lending volumes increased by 1% in local currency, year on year, driven by the mortgage business. Deposit volumes increased by 2%, driven by higher savings deposit volumes.

Net fee and commission income remained at the same level as a year ago.

Net loan losses and similar net result amounted to EUR 4m (5bp).

Personal Banking Sweden

Total income increased by 29% in local currency, year on year.

Net interest income increased by 49% in local currency, year on year, due to higher mortgage and deposit volumes and improved deposit margins. These were partly offset by lower lending margins, driven by higher funding costs.

Lending volumes increased by 4% in local currency, year on year, driven by the mortgage business. Deposit volumes increased by 2%, driven by higher savings deposit volumes.

Net fee and commission income decreased by 11%, year on year, mainly driven by lower savings and investment income due to market turbulence.

Net loan losses and similar net result amounted to EUR 9m (7bp).

Personal Banking total

								Local curr.	
	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4	Q1/Q1	Q1/Q4
EURm									
Net interest income	811	764	636	571	565	44%	6%	49%	8%
Net fee and commission income	257	272	292	287	286	-10%	-6%	-7%	-4%
Net insurance result	28	27	16	15	19	47%	4%	61%	4%
Net result from items at fair value	18	13	16	15	39	-54%	38%	-50%	36%
Other income	1	0	0	3	2				
Total income incl. allocations	**1,115**	**1,076**	**960**	**891**	**911**	**22%**	**4%**	**27%**	**5%**
Total expenses incl. allocations	**-547**	**-482**	**-453**	**-445**	**-503**	**9%**	**13%**	**13%**	**15%**
Profit before loan losses	**568**	**594**	**507**	**446**	**408**	**39%**	**-4%**	**45%**	**-3%**
Net loan losses and similar net result	-35	-18	-31	6	-13				
Operating profit	**533**	**576**	**476**	**452**	**395**	**35%**	**-7%**	**40%**	**-6%**
Cost-to-income ratio[1], %	44	46	49	51	50				
Return on capital at risk[1], %	25	23	19	17	18				
Economic capital (EC)	7,238	7,219	7,369	7,659	7,909	-8%	0%		
Risk exposure amount (REA)	42,055	42,498	43,552	45,284	46,968	-10%	-1%		
Number of employees (FTEs)	6,955	6,824	6,819	6,937	6,893	1%	2%		
Volumes, EURbn:									
Mortgage lending	144.6	148.2	149.5	150.6	152.9	-5%	-2%	1%	0%
Other lending	21.4	21.3	21.3	21.1	21.1	1%	0%	5%	1%
Total lending	**166.0**	**169.5**	**170.8**	**171.7**	**174.0**	**-5%**	**-2%**	**1%**	**0%**
Total deposits	**84.3**	**85.9**	**87.1**	**87.9**	**86.6**	**-3%**	**-2%**	**2%**	**0%**

Restatements due to organisational changes.

[1] With amortised resolution fees.

Personal Banking

	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4	Local curr. Q1/Q1	Local curr. Q1/Q4
Net interest income, EURm									
PeB Denmark	197	183	171	158	154	28%	8%	28%	8%
PeB Finland	226	192	124	103	108	109%	18%	109%	18%
PeB Norway	128	113	119	117	121	6%	13%	17%	19%
PeB Sweden	260	267	222	195	186	40%	-3%	49%	0%
Other	0	9	0	-2	-4				
Net fee and commission income, EURm									
PeB Denmark	70	83	82	82	76	-8%	-16%	-7%	-14%
PeB Finland	76	78	77	78	78	-3%	-3%	-3%	-3%
PeB Norway	23	25	28	26	25	-8%	-8%	0%	0%
PeB Sweden	90	86	104	103	108	-17%	5%	-11%	7%
Other	-2	0	1	-2	-1				
Net loan losses and similar net result, EURm									
PeB Denmark	-5	-15	-21	8	9				
PeB Finland	-16	-4	-5	-13	-14				
PeB Norway	-4	7	-4	1	-1				
PeB Sweden	-9	-7	-1	11	-6				
Other	-1	1	0	-1	-1				
Volumes, EURbn									
Personal Banking Denmark									
Mortgage lending	35.1	35.6	36.3	36.5	36.3	-3%	-1%	-3%	-1%
Other lending	9.9	9.5	9.2	8.8	8.6	15%	4%	15%	4%
Total lending	**45.0**	**45.1**	**45.5**	**45.3**	**44.9**	**0%**	**0%**	**0%**	**0%**
Total deposits	**22.2**	**22.0**	**21.7**	**21.7**	**21.2**	**5%**	**1%**	**5%**	**1%**
Personal Banking Finland									
Mortgage lending	30.9	31.2	31.1	31.0	30.7	1%	-1%	1%	-1%
Other lending	6.1	6.1	6.2	6.2	6.2	-2%	0%	-2%	0%
Total lending	**37.0**	**37.3**	**37.3**	**37.2**	**36.9**	**0%**	**-1%**	**0%**	**-1%**
Total deposits	**26.1**	**26.5**	**27.0**	**26.9**	**26.3**	**-1%**	**-2%**	**-1%**	**-2%**
Personal Banking Norway									
Mortgage lending	31.8	34.2	33.9	34.9	37.0	-14%	-7%	1%	1%
Other lending	2.2	2.4	2.5	2.6	2.7	-19%	-8%	-8%	0%
Total lending	**34.0**	**36.6**	**36.4**	**37.5**	**39.7**	**-14%**	**-7%**	**1%**	**1%**
Total deposits	**9.8**	**10.7**	**10.7**	**11.2**	**11.2**	**-13%**	**-8%**	**2%**	**-1%**
Personal Banking Sweden									
Mortgage lending	46.9	47.2	48.1	48.2	49.0	-4%	-1%	4%	1%
Other lending	3.1	3.3	3.5	3.5	3.6	-14%	-6%	-6%	-6%
Total lending	**50.0**	**50.5**	**51.6**	**51.7**	**52.6**	**-5%**	**-1%**	**4%**	**0%**
Total deposits	**26.2**	**26.7**	**27.7**	**28.1**	**27.9**	**-6%**	**-2%**	**2%**	**-1%**

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 and Nordea Finance, which provide payment and transaction services and asset-based lending and receivables finance, respectively.

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 maintained a solid financial performance and continued to develop our services. Despite the weakening macroeconomic outlook, lending volumes grew by 4% in local currencies, year on year, driven by Sweden and Norway. Deposit volumes increased by 3%, year on year, with strong growth in fixed-term deposits. To support our customers in tackling the current macroeconomic challenges, we maintained close dialogue with them and increased our proactive engagement.

In February, we ranked first for cash management in the Nordics in the 2023 Prospera transaction banking survey, which gathered feedback from 300 large corporates and institutions. Customers especially valued our capacity in the Nordic region, service-mindedness and close collaboration. In March, for the first time, we also secured first place in the annual Prospera surveys for both mid corporate banking and small corporate banking in Sweden.

Overall, customer satisfaction decreased slightly during the quarter. To enhance customer experience, we are working on improving service quality, particularly in our contact centres. During the quarter, we directed efforts towards driving increased self-support in digital channels and have already seen the first positive effects.

To help fulfil our ambition to be the leading digital bank for SMEs, we continued to develop the Nordea Business net bank and mobile app. We added new products to our product store, which is currently available to customers in Denmark, Finland and Sweden. In Norway, where Nordea Business launched only recently, we expanded the customer pilot by onboarding new customers and adding functionalities. Customer ratings of services further improved for both the net bank and mobile app.

We remain focused on driving the transition to a more sustainable future. During the quarter, our sustainable financing portfolio increased to 9% of total lending and our green business loans granted under the European Investment Fund framework surpassed EUR 100m. We also expanded the new business carbon calculator to customers in Norway. The calculator, offered in partnership with the carbon accounting software provider Normative, enables customers in Norway and Sweden to understand their emissions and identify climate transition opportunities.

Financial outcome

Total income in the first quarter increased by 20%, year on year, driven by higher lending and deposit volumes, improved deposit margins and higher net result from items at fair value.

Net interest income increased by 33%, year on year, driven by higher lending and deposit volumes and improved deposit margins. These were partly offset by lower lending margins. The higher deposit margins were linked to interest rate hikes in all markets.

Net fee and commission income decreased by 3%, year on year, due to lower lending fee income and lower savings income. The decreases were partly offset by higher equity capital markets income and higher payment and card fee income.

Net result from items at fair value increased by 14%, year on year, driven by high customer demand for interest rate hedging products.

Total expenses increased by 10%, year on year, driven by higher regulatory fees and investments in risk management. Excluding the regulatory fees, total expenses increased by 6%. The cost-to-income ratio with amortised resolution fees was 38%, an improvement of 5 percentage points on the same quarter last year.

Net loan losses and similar net result amounted to EUR 5m (2bp), compared with EUR 11m in the same quarter last year. Despite a limited need for new provisions during the quarter, we continue to monitor our customers closely.

Operating profit increased by 32%, year on year, to EUR 454m, driven by higher income. Return on capital at risk was 23%, compared with 18% in the same quarter last year.

Business Banking Denmark

Net interest income increased by 31% in local currency, year on year, driven by higher deposit volumes and improved deposit margins.

Lending volumes increased by 1% in local currency, year on year. Deposit volumes increased by 15%, driven by fixed-term deposits.

Net fee and commission income decreased by 3% in local currency, year on year, as higher equity capital markets income was offset by lower mortgage refinancing activity and lower savings income.

Net loan losses and similar net result amounted to net reversals of EUR 3m (5bp) and included a EUR 3m positive impact from the revaluation of Nordea Kredit's mortgage portfolio.

Business Banking Finland

Net interest income increased by 21%, year on year, driven by higher average lending volumes and improved deposit margins. These were partly offset by lower lending margins. The first quarter of 2022 had included a benefit related to the European Central Bank's targeted long-term refinancing operation (TLTRO). Excluding the TLTRO benefit, net interest income increased by 56%.

Lending volumes were unchanged, year on year, while deposit volumes grew by 1%.

Net fee and commission income increased 10%, year on year, driven by higher equity capital markets income and higher payment and card fee income.

Net loan losses and similar net result amounted to EUR 11m (21bp), down from EUR 15m in the same quarter last year. Net loan losses were primarily driven by a few individual customers.

Business Banking Norway

Net interest income increased by 32% in local currency, year on year, driven by higher lending volumes and improved deposit margins.

Lending volumes increased by 7% in local currency, year on year. Deposit volumes decreased by 4%, driven by a few large depositors

Net fee and commission income increased by 3% in local currency, year on year, as higher payment and card fee income and higher equity and debt capital market activity were partly offset by lower lending fee income.

Net loan losses and similar net result amounted to net reversals of EUR 3m (5bp), up from 2m in the same quarter last year.

Business Banking Sweden

Net interest income increased by 72% in local currency, year on year. The increase was driven by higher lending and deposit volumes and improved deposit margins.

Lending volumes increased by 6% in local currency, year on year. Deposit volumes increased by 3%.

Net fee and commission income decreased by 6% in local currency, year on year, due to lower equity and debt capital markets income and lower savings income. The decreases were partly offset by higher payment and card fee income.

Net loan losses and similar net result amounted to EUR 6m (9bp), down from EUR 9m in the same quarter last year.

Business Banking total

								Local curr.	
	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4	Q1/Q1	Q1/Q4
EURm									
Net interest income	581	556	481	439	438	33%	4%	39%	7%
Net fee and commission income	151	158	142	157	156	-3%	-4%	1%	-3%
Net insurance result	4	4	3	3	3	33%	0%	33%	0%
Net result from items at fair value	109	93	95	91	96	14%	17%	19%	22%
Other income	-3	10	5	10	10				
Total income incl. allocations	**842**	**821**	**726**	**700**	**703**	**20%**	**3%**	**25%**	**5%**
Total expenses incl. allocations	**-383**	**-310**	**-292**	**-291**	**-349**	**10%**	**24%**	**14%**	**25%**
Profit before loan losses	**459**	**511**	**434**	**409**	**354**	**30%**	**-10%**	**35%**	**-8%**
Net loan losses and similar net result	-5	-37	-37	35	-11				
Operating profit	**454**	**474**	**397**	**444**	**343**	**32%**	**-4%**	**38%**	**-1%**
Cost-to-income ratio[1], %	38	40	43	43	43				
Return on capital at risk[1], %	23	21	17	19	18				
Economic capital (EC)	7,191	6,684	6,707	6,790	6,883	4%	8%		
Risk exposure amount (REA)	42,663	42,145	42,100	42,800	43,424	-2%	1%		
Number of employees (FTEs)	3,956	3,930	3,939	3,930	3,964	0%	1%		
Volumes, EURbn:									
Total lending	96.2	97.9	97.7	97.7	98.8	-3%	-2%	4%	1%
Total deposits	50.9	53.0	53.3	54.8	52.5	-3%	-4%	3%	-2%

Restatements due to organisational changes.
[1] With amortised resolution fees.

Business Banking

	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4	Local curr. Q1/Q1	Local curr. Q1/Q4
Net interest income, EURm									
Business Banking Denmark	119	106	100	93	91	31%	12%	31%	12%
Business Banking Finland	147	132	104	103	121	21%	11%	21%	11%
Business Banking Norway	141	148	134	124	119	18%	-5%	32%	1%
Business Banking Sweden	166	163	138	114	103	61%	2%	72%	4%
Other	8	7	5	5	4				
Net fee and commission income, EURm									
Business Banking Denmark	32	31	32	28	33	-3%	3%	-3%	3%
Business Banking Finland	56	53	49	52	51	10%	6%	10%	6%
Business Banking Norway	28	29	27	30	31	-10%	-3%	3%	0%
Business Banking Sweden	48	51	50	60	55	-13%	-6%	-6%	0%
Other	-13	-6	-16	-13	-14				
Net loan losses and similar net result, EURm									
Business Banking Denmark	3	-9	-7	15	7				
Business Banking Finland	-11	-9	-13	11	-15				
Business Banking Norway	3	-4	-5	16	2				
Business Banking Sweden	-6	-16	-12	-3	-9				
Other	6	1	0	-4	4				
Lending, EURbn									
Business Banking Denmark	25.8	26.1	25.9	25.8	25.6	1%	-1%	1%	-1%
Business Banking Finland	20.5	20.5	20.8	20.6	20.4	0%	0%	0%	0%
Business Banking Norway	22.5	23.8	23.4	23.6	24.7	-9%	-5%	7%	2%
Business Banking Sweden	27.4	27.5	27.6	27.7	28.1	-2%	0%	6%	1%
Other	0	0	0	0	0				
Deposits, EURbn									
Business Banking Denmark	10.5	10.4	10.2	10.3	9.1	15%	1%	15%	2%
Business Banking Finland	15.0	15.4	15.0	15.3	14.9	1%	-3%	1%	-3%
Business Banking Norway	8.7	9.8	10.0	10.2	10.8	-19%	-11%	-4%	-4%
Business Banking Sweden	16.7	17.4	18.1	19.0	17.7	-6%	-4%	3%	-3%
Other	0	0	0	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

In the first quarter we made further solid progress with our strategy execution and towards our financial targets.

The start of the year was characterised by continued market turbulence, with conditions deteriorating towards the end of the quarter, primarily due to problems faced by a few specific banks in other countries. In this environment, our pan-Nordic diversification, high credit quality and market-leading position enabled us to grow our deposit volumes by 4%, quarter on quarter. Lending volumes grew by 1%, year on year, despite the substantial depreciations of the Swedish and Norwegian currencies. In local currency, lending volumes grew by 8%.

In Debt Capital Markets activity was stable. We arranged transactions for high-grade institutional issuers and both investment-grade and high-yield corporates. Subdued activity levels persisted in Equity Capital Markets and Mergers & Acquisitions, with some early signs of improvement followed by increased volatility. Highlights of the quarter included a EUR 6bn green bond for the European Union, a EUR 1bn dual-tranche green bond for Neste and a SEK 14bn underwritten rights issue for Beijer Ref.

In Nordea Markets customer activity was high. The market environment was volatile, with key benchmark rates experiencing historic fluctuations. Against this backdrop, we continued to support our core clients with advice and risk management, and delivered strong results, demonstrating our focus on profitability and capital deployment.

We remain a leading platform for sustainable advisory services and are on track to facilitate EUR 200bn in sustainable financing by 2025. We also continue to improve our operating processes, data foundation and staff training.

Financial outcome

Total income was up 23%, year on year, driven by strong growth in net interest income and net result from items at fair value.

Net interest income increased by 29%, year on year, driven by higher deposit margins, higher average lending volumes and higher treasury-related income.

Net fee and commission income was down 9%, year on year. The decrease was primarily due to continued weak capital markets as investor risk appetite remained low.

Net result from items at fair value increased by 41%, primarily due to high customer activity and strong risk management, reflected by our pan-Nordic diversification.

Total expenses were up 6%, year on year, primarily driven by higher regulatory fees, higher provisions for variable pay, and additional technology and risk management investments.

Net loan losses and similar net result amounted to net reversals of EUR 22m (12bp), compared with EUR 29m in the same quarter last year, reflecting our strong credit quality.

Operating profit amounted to EUR 392m, a year-on-year increase of 34%, supported by strong income growth and limited loan loss provisions.

Our solid capital discipline resulted in economic capital remaining stable, year on year. Return on capital at risk was 25% and the cost-to-income ratio was 33%: year-on-year improvements of 6 and 5 percentage points, respectively.

Large Corporates & Institutions total

EURm	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4
Net interest income	348	343	289	268	269	29%	1%
Net fee and commission income	120	111	106	113	132	-9%	8%
Net insurance result	0	1	0	0	0		
Net result from items at fair value	192	155	120	163	136	41%	24%
Equity method & other income	0	12	0	3	0		
Total income incl. allocations	**660**	**622**	**515**	**547**	**537**	**23%**	**6%**
Total expenses incl. allocations	**-290**	**-192**	**-179**	**-190**	**-274**	**6%**	**51%**
Profit before loan losses	**370**	**430**	**336**	**357**	**263**	**41%**	**-14%**
Net loan losses and similar net result	22	-4	16	15	29		
Operating profit	**392**	**426**	**352**	**372**	**292**	**34%**	**-8%**
Cost-to-income ratio[1], %	33	35	40	37	38		
Return on capital at risk[1], %	25	21	16	19	19		
Economic capital (EC)	5,800	5,669	6,078	5,877	5,952	-3%	2%
Risk exposure amount (REA)	40,452	41,603	44,383	42,979	43,477	-7%	-3%
Number of employees (FTEs)	1,248	1,230	1,249	1,216	1,213	3%	1%
Volumes, EURbn[2]:							
Total lending	50.4	51.6	54.2	51.5	50.0	1%	-2%
Total deposits	53.5	51.2	55.5	50.0	55.7	-4%	4%

Restatements due to organisational changes.

[1] With amortised resolution fees.

[2] Excluding repurchase agreements and security lending/borrowing agreements.

Large Corporates & Institutions

	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4
Net interest income, EURm							
Denmark	68	60	53	50	40	70%	13%
Finland	59	53	37	39	48	23%	11%
Norway	90	92	85	80	74	22%	-2%
Sweden	116	123	102	92	98	18%	-6%
Other	15	15	12	7	9		
Net fee and commission income, EURm							
Denmark	26	27	23	32	31	-16%	-4%
Finland	34	35	31	30	34	0%	-3%
Norway	26	32	26	23	27	-4%	-19%
Sweden	38	32	29	46	45	-16%	19%
Other	-4	-15	-3	-18	-5		
Net loan losses and similar net result, EURm							
Denmark	16	-1	-1	2	0		
Finland	6	-2	7	0	5		
Norway	7	0	20	12	19		
Sweden	-7	-3	-4	-4	4		
Other	0	2	-6	5	1		
Lending, EURbn[1]							
Denmark	9.5	10.2	11.2	11.0	10.7	-11%	-7%
Finland	8.6	8.6	9.3	8.4	7.9	9%	0%
Norway	12.1	12.6	12.8	12.7	12.8	-5%	-4%
Sweden	19.5	19.4	20.0	18.4	17.7	10%	1%
Other	0.7	0.8	0.8	1.0	0.9		
Deposits, EURbn[1]							
Denmark	11.6	10.5	10.2	7.6	8.0	45%	10%
Finland	14.4	15.5	12.8	13.5	15.2	-5%	-7%
Norway	15.1	13.0	14.0	11.0	12.0	26%	16%
Sweden	12.4	12.3	18.5	17.9	20.2	-39%	1%
Other	0	-0.1	0	0	0.3		

Restatements due to organisational changes.

[1] 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 competitive sustainability offering.

Business development
In the first quarter we maintained strong momentum in Private Banking and continued to support our customers with high-quality investment advice amid the market turbulence. In line with our growth plans, we attracted further new customers and secured positive net flows of EUR 0.5bn in challenging market conditions. Year on year, lending and deposit volumes increased by 4% and 11%, respectively. Deposit margins continued to improve.

During the quarter, assets under management (AuM) increased by EUR 3.5bn to EUR 362.4bn, as rallies in stock markets at the start and end of the quarter were partly offset by problems faced by a few specific banks in other countries. Despite this turbulence, net flows from internal channels remained positive at EUR 1.3bn. Net flows from external channels continued to be negative at EUR -3.4bn due to a shift to deposits from short-duration fixed-income funds, and seasonal effects. Year on year, AuM decreased by 7%, in line with the overall market.

In Asset Management investment performance remained strong, with 86% of aggregated composites providing excess return on a three-year basis. By the end of the quarter, approximately 66% of total AuM were in ESG products. Net sales of products targeted towards customers with a sustainability preference continued to follow the positive monthly trend of the past two years. We also strengthened our position in Broadridge's Fund Brand 50 report, where we rose to ninth best in Europe for asset management and second best for sustainability.

In Life & Pension we are progressing as planned with the integration of Topdanmark Life and have now launched our first product under the new Nordea Pension name. In line with our ambition to grow in savings, we agreed to acquire the Swedish digital pensions platform Advinans AB in January. The acquisition will further strengthen our digital occupational pension offering and is expected to be closed in the third quarter, pending regulatory approval.

In March, we won a procurement in Sweden to offer traditional and unit-linked pension insurance to ITP occupational pension savers for five years, starting in the fourth quarter of 2023. The ITP occupational pension is for salaried employees in the private sector who work for a company that has a collective agreement. The contractual area covers more than 2.6 million private customers and over 37,000 companies, with annual premiums amounting to EUR 5.3bn and transferable capital to EUR 40bn.

Gross written premiums in the quarter amounted to EUR 2.3bn.

Financial outcome
Total income in the first quarter was up 19%, year on year, mainly due to higher deposit income. The increase was partly offset by lower AuM.

Net interest income was up 181%, year on year, driven by improved deposit margins.

Net fee and commission income decreased by 7%, year on year, driven by lower AuM.

Net insurance result was up 8%, year on year, mainly due to products in scope for IFRS 17 benefiting from higher interest rates compared with the same quarter last year.

Net result from items at fair value amounted to EUR 23m, compared with EUR -6m a year ago, mainly due to gains on shareholders' equity portfolios in Life & Pension and the inclusion of Nordea Pension Denmark

Total expenses increased by 7%, year on year, mainly driven by the inclusion of Nordea Pension Denmark, restructuring provisions and regulatory fees. The cost-to-income ratio with amortised resolution fees improved by 5 percentage points to 39%.

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

Operating profit in the first quarter was EUR 211m, a year-on-year increase of 29%. Return on capital at risk stood at 53%, an improvement of 23 percentage points, driven by lower economic capital resulting from the implementation of IFRS 17 and the improved operating profit.

Asset & Wealth Management total

	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4	Local curr. Q1/Q1	Local curr. Q1/Q4
EURm									
Net interest income	73	73	41	29	26	181%	0%	196%	1%
Net fee and commission income	246	255	252	254	265	-7%	-4%	-6%	-3%
Net insurance result	14	14	19	35	13	8%	0%	15%	0%
Net result from items at fair value	23	9	-3	2	-6				
Equity method & other income	0	-1	0	0	0				
Total income incl. allocations	**356**	**350**	**309**	**320**	**298**	**19%**	**2%**	**22%**	**3%**
Total expenses incl. allocations	**-144**	**-149**	**-137**	**-128**	**-134**	**7%**	**-3%**	**11%**	**-3%**
Profit before loan losses	**212**	**201**	**172**	**192**	**164**	**29%**	**5%**	**30%**	**8%**
Net loan losses and similar net result	-1	2	0	-3	-1				
Operating profit	**211**	**203**	**172**	**189**	**163**	**29%**	**4%**	**31%**	**6%**
Cost-to-income ratio[1], %	39	43	45	40	44				
Return on capital at risk[1], %	53	41	34	37	30				
Economic capital (EC)	1,151	1,498	1,499	1,550	1,606	-28%	-23%		
Risk exposure amount (REA)	6,975	8,651	8,464	8,477	8,335	-16%	-19%		
Number of employees (FTEs)	3,150	3,172	2,832	2,799	2,756	14%	-1%		
Volumes, EURbn:									
AuM	362.4	358.9	341.4	355.5	389.4	-7%	1%		
Total lending	11.7	11.9	11.9	11.8	11.7	0%	-2%	4%	0%
Total deposits	12.3	13.3	13.2	12.9	11.7	5%	-8%	11%	-6%

Restatements due to organisational changes.

[1] With amortised resolution fees.

Assets under Management (AuM), volumes and net flow

	Q123	Q422	Q322	Q222	Q122	Net flow Q123
EURbn						
Nordic Retail funds	73.4	71.3	70.3	72.6	81.7	0.1
Private Banking	109.1	107.5	102.4	106.1	115.4	0.5
Institutional sales	106.7	108.6	109.2	115.9	124.8	-3.4
Life & Pension	73.2	71.5	59.5	60.8	67.4	0.7
Total	**362.4**	**358.9**	**341.4**	**355.5**	**389.4**	**-2.1**

Asset Management - assets under management and net flow[1]

	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4
EURbn							
AuM, internal channels	134.0	130.1	128.1	131.8	148.2	-10%	3%
AuM, external channels	106.7	108.6	109.2	115.9	124.8	-15%	-2%
AuM, total	240.7	238.7	237.3	247.7	273.0	-12%	1%
- whereof ESG AuM[2]	*159.9*	*157.4*	*146.9*	*150.4*	*164.7*	*-3%*	*2%*
Net inflow, internal channels	0.4	-0.7	-0.5	-0.9	-1.3		
Net inflow, external channels	-3.4	-3.0	-3.4	-0.9	-2.1	62%	11%
Net inflow, total	-3.0	-3.7	-3.9	-1.8	-3.4	-11%	-19%
- whereof ESG net inflow[2]	*-0.2*	*-1.7*	*-0.8*	*-0.4*	*-1.9*	*-88%*	*-87%*

[1] External channels include "Institutional sales", while internal channels include all other assets managed by Asset Management.

[2] Articles 8 and 9 of the Sustainable Finance Disclosure Regulation.

Net fee and commission income	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4
EURm							
PB Denmark	41	43	43	45	46	-11%	-5%
PB Finland	38	37	37	38	40	-5%	3%
PB Norway	11	11	11	13	13	-15%	0%
PB Sweden	28	27	28	29	31	-10%	4%
Asset Management	116	127	129	131	131	-11%	-9%
Other	12	10	4	-2	4		20%
Total	**246**	**255**	**252**	**254**	**265**	**-7%**	**-4%**

Private Banking	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4
AuM, EURbn							
PB Denmark	32.8	31.9	29.8	30.9	33.7	-2%	3%
PB Finland	35.9	35.7	33.8	35.3	37.9	-5%	1%
PB Norway	9.9	10.3	9.7	10.0	11.0	-10%	-4%
PB Sweden	30.5	29.6	29.1	29.8	32.9	-7%	3%
Private Banking	**109.1**	**107.5**	**102.4**	**106.1**	**115.4**	**-5%**	**2%**
Lending, EURbn							
PB Denmark	4.3	4.3	4.3	4.2	4.1	5%	0%
PB Finland	2.7	2.8	2.8	2.8	2.7	0%	-4%
PB Norway	1.8	1.9	1.8	1.8	1.9	-5%	-5%
PB Sweden	2.9	2.9	3.0	3.0	3.0	-3%	0%
Private Banking	**11.7**	**11.9**	**11.9**	**11.8**	**11.7**	**0%**	**-2%**

Restatements due to organisational changes.

Life & Pension

	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4
EURm							
AuM, EURbn	69.1	67.3	55.4	56.5	62.8	10%	3%
Premiums	2,264	1,234	1,266	1,425	1,957	16%	83%
Profit drivers							
Profit traditional products	14	-9	1	4	4		
Profit market return products	74	63	64	65	67	9%	16%
Profit risk products	10	17	22	23	20	-51%	-45%
Total product result	**97**	**71**	**87**	**91**	**91**	**6%**	**36%**

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 additional technology investments and investments related to financial crime prevention and operational risk reduction.

To support progress towards business growth targets and activate our brand strategy, we launched a new brand, marketing and communication platform, “The idea of something better”, across the Nordic markets. The new platform will further our aim to make even more people consider banking with us, strengthen our reputation and lower the cost of sales.

During the quarter, we implemented a strategic workforce planning process, where each business area and Group function assessed which changes were needed in their respective areas and how to address any shortfalls. This will become an annual activity to ensure a good understanding of which competencies need to be developed to meet our strategic ambitions.

The year-on-year increase in employee numbers was primarily driven by significant technology and risk management investments. We remain focused on maintaining strict cost control and growing revenues faster than costs while continuing to invest to strengthen the bank.

Financial outcome
Total operating income in the first quarter amounted to EUR -52m, down from EUR 12m in the same quarter last year. The decrease was driven by lower net interest income.

Net interest income decreased by EUR 58m, year on year, mainly driven by higher funding costs due to higher issuance spreads in the market.

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

Total operating expenses amounted to EUR 58m, a year-on-year decrease of EUR 52m. The first quarter of 2022 had included items not present in the current period.

Group functions

	Q123	Q422	Q322	Q222	Q122	Q1/Q1	Q1/Q4
EURm							
Net interest income	-48	-95	-40	1	10		
Net fee and commission income	-9	-11	-17	-14	-10		
Net insurance result	0	1	0	0	0		
Net result from items at fair value	3	126	10	-17	7		
Equity method & other income	2	7	9	0	5		
Total operating income	**-52**	**28**	**-38**	**-30**	**12**		
Total operating expenses	**-58**	**-79**	**-69**	**-68**	**-110**		
Profit before loan losses	**-110**	**-51**	**-107**	**-98**	**-98**		
Net loan losses and similar net result	0	-2	-6	3	8		
Operating profit	**-110**	**-53**	**-113**	**-95**	**-90**		
Economic capital (EC)	787	840	893	938	1,066		
Risk exposure amount (REA)	9,831	10,402	10,878	11,183	11,835		
Number of employees (FTEs)	13,613	13,112	12,810	12,468	12,250	11%	4%

Restatements due to organisational changes.

Income statement

EURm	Note	Q1 2023	Q1 2022	Full year 2022
Operating income				
Interest income calculated using the effective interest rate method		3,705	1,346	7,937
Other interest income		550	184	1,013
Negative yield on financial assets		-	-65	-134
Interest expense		-2,490	-319	-3,474
Negative yield on financial liabilities		-	162	322
Net interest income		**1,765**	**1,308**	**5,664**
Fee and commission income		980	1,061	4,108
Fee and commission expense		-215	-232	-922
Net fee and commission income	**3**	**765**	**829**	**3,186**
Return on assets backing insurance liabilities		731	-675	-1,915
Insurance result		-685	710	2,088
Net insurance result	**4**	**46**	**35**	**173**
Net result from items at fair value	5	345	-265	623
Profit or loss from associated undertakings and joint ventures accounted for under the equity method		-12	0	-8
Other operating income		12	17	83
Total operating income		**2,921**	**1,924**	**9,721**
Operating expenses				
General administrative expenses:				
Staff costs		-719	-692	-2,793
Other expenses	6	-287	-259	-1,108
Regulatory fees	7	-255	-273	-322
Depreciation, amortisation and impairment charges of tangible and intangible assets	8	-161	-146	-611
Total operating expenses		**-1,422**	**-1,370**	**-4,834**
Profit before loan losses		**1,499**	**554**	**4,887**
Net result on loans in hold portfolios mandatorily held at fair value		2	8	-13
Net loan losses	9	-21	-72	-112
Operating profit		**1,480**	**490**	**4,762**
Income tax expense		-332	-231	-1,175
Net profit for the period		**1,148**	**259**	**3,587**
Attributable to:				
Shareholders of Nordea Bank Abp		1,123	234	3,568
Additional Tier 1 capital holders		25	26	21
Non-controlling interests		-	-1	-2
Total		**1,148**	**259**	**3,587**
Basic earnings per share, EUR		0.31	0.06	0.94
Diluted earnings per share, EUR		0.31	0.06	0.94

Statement of comprehensive income

EURm	Q1 2023	Q1 2022	Full year 2022
Net profit for the period	**1,148**	**259**	**3,587**
Items that may be reclassified subsequently to the income statement			
Currency translation:			
Currency translation gains/losses	-631	179	-736
Currency translation gains/losses transferred to the income statement	-	660	660
Tax on currency translation gains/losses	-	-	-4
Hedging of net investments in foreign operations:			
Valuation gains/losses	180	-28	183
Valuation gains/losses transferred to the income statement, net of tax	-	-131	-131
Fair value through other comprehensive income[1]:			
Valuation gains/losses, net of recycling	19	-83	-177
Tax on valuation gains/losses	-4	15	36
Cash flow hedges:			
Valuation gains/losses, net of recycling	-4	15	42
Tax on valuation gains/losses	0	-3	-8
Items that may not be reclassified subsequently to the income statement			
Changes in own credit risk related to liabilities classified as fair value option:			
Valuation gains/losses	5	9	7
Tax on valuation gains/losses	-1	-2	-2
Defined benefit plans:			
Remeasurement of defined benefit plans	67	158	-40
Tax on remeasurement of defined benefit plans	-14	-37	8
Companies accounted for under the equity method:			
Other comprehensive income from companies accounted for under the equity method	0	1	1
Tax on other comprehensive income from companies accounted for under the equity method	0	0	0
Other comprehensive income, net of tax	**-383**	**753**	**-161**
Total comprehensive income	**765**	**1,012**	**3,426**
Attributable to:			
Shareholders of Nordea Bank Abp	740	987	3,407
Additional Tier 1 capital holders	25	26	21
Non-controlling interests	-	-1	-2
Total	**765**	**1,012**	**3,426**

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

Balance sheet

EURm	Note	31 Mar 2023	31 Dec 2022	31 Mar 2022
Assets	11			
Cash and balances with central banks		63,499	61,815	71,147
Loans to central banks	10	2,999	885	263
Loans to credit institutions	10	8,312	4,561	12,586
Loans to the public	10	339,746	345,743	351,902
Interest-bearing securities		75,702	68,226	72,012
Shares		19,156	16,099	17,996
Assets in pooled schemes and unit-linked investment contracts		45,034	43,639	47,459
Derivatives		31,989	36,578	30,654
Fair value changes of hedged items in portfolio hedges of interest rate risk		-1,800	-2,116	-912
Investments in associated undertakings and joint ventures		477	509	215
Intangible assets		3,923	4,005	3,809
Properties and equipment		1,667	1,673	1,749
Investment properties		2,314	2,288	1,641
Deferred tax assets		285	299	537
Current tax assets		191	211	289
Retirement benefit assets		221	165	333
Other assets		9,484	9,364	11,888
Prepaid expenses and accrued income		926	785	798
Assets held for sale		-	-	182
Total assets		**604,125**	**594,729**	**624,548**
Liabilities	11			
Deposits by credit institutions		34,044	32,869	45,472
Deposits and borrowings from the public		217,672	217,464	221,095
Deposits in pooled schemes and unit-linked investment contracts		46,283	44,770	48,805
Insurance contract liabilities		26,292	26,110	17,695
Debt securities in issue		190,273	179,803	191,741
Derivatives		32,988	40,102	35,093
Fair value changes of hedged items in portfolio hedges of interest rate risk		-1,959	-2,175	-717
Current tax liabilities		172	303	506
Other liabilities		22,044	16,771	25,119
Accrued expenses and prepaid income		1,494	1,224	1,565
Deferred tax liabilities		680	594	516
Provisions		340	351	406
Retirement benefit obligations		264	298	310
Subordinated liabilities		5,357	5,401	6,617
Total liabilities		**575,944**	**563,885**	**594,223**
Equity				
Additional Tier 1 capital holders		742	748	750
Non-controlling interests		-	-	8
Share capital		4,050	4,050	4,050
Invested unrestricted equity		1,051	1,082	1,088
Other reserves		-2,346	-1,963	-1,049
Retained earnings		24,684	26,927	25,478
Total equity		**28,181**	**30,844**	**30,325**
Total liabilities and equity		**604,125**	**594,729**	**624,548**
Off-balance sheet items				
Assets pledged as security for own liabilities		180,676	190,211	195,115
Other assets pledged[1]		246	253	253
Contingent liabilities		20,765	21,163	22,067
Credit commitments[2]		84,564	87,003	87,454
Other commitments		2,481	2,605	2,578

[1] Includes interest-bearing securities pledged as security for payment settlements with central banks and clearing institutions.

[2] Including unutilised portion of approved overdraft facilities of EUR 26,934m (31 December 2022: EUR 26,929m; 31 March 2022: EUR 28,474m).

Statement of changes in equity

	Attributable to shareholders of Nordea Bank Abp											
			Other reserves:									
EURm	Share capital[1]	Invested unrestricted equity	Translation of foreign operations	Cash flow hedges	Fair value through other comprehensive income	Defined benefit plans	Changes in own credit risk related to liabilities classified as fair value option	Retained earnings	Total	Additional Tier 1 capital holders	Non-controlling interests	Total equity
Balance as at 1 Jan 2023	**4,050**	**1,082**	**-1,891**	**64**	**-20**	**-109**	**-7**	**26,927**	**30,096**	**748**	**-**	**30,844**
Net profit for the period	-	-	-	-	-	-	-	1,123	1,123	25	-	1,148
Other comprehensive income, net of tax	-	-	-451	-4	15	53	4	0	-383	-	-	-383
Total comprehensive income	-	-	-451	-4	15	53	4	1,123	740	25	-	765
Paid interest on Additional Tier 1 capital, net of tax	-	-	-	-	-	-	-	-	-	-25	-	-25
Change in Additional Tier 1 capital	-	-	-	-	-	-	-	-	-	-6	-	-6
Share-based payments	-	-	-	-	-	-	-	3	3	-	-	3
Dividend	-	-	-	-	-	-	-	-2,876	-2,876	-	-	-2,876
Purchase of own shares[3]	-	-31	-	-	-	-	-	-493	-524	-	-	-524
Balance as at 31 Mar 2023	**4,050**	**1,051**	**-2,342**	**60**	**-5**	**-56**	**-3**	**24,684**	**27,439**	**742**	**-**	**28,181**

Balance as at 31 Dec 2021	**4,050**	**1,090**	**-1,863**	**30**	**121**	**-77**	**-12**	**29,405**	**32,744**	**750**	**9**	**33,503**
Change in accounting policy[2]	-	-	-	-	-	-	-	-573	-573	-	-	-573
Balance as at 1 Jan 2022	**4,050**	**1,090**	**-1,863**	**30**	**121**	**-77**	**-12**	**28,832**	**32,171**	**750**	**9**	**32,930**
Net profit for the period	-	-	-	-	-	-	-	3,568	3,568	21	-2	3,587
Other comprehensive income, net of tax	-	-	-28	34	-141	-32	5	1	-161	-	-	-161
Total comprehensive income	-	-	-28	34	-141	-32	5	3,569	3,407	21	-2	3,426
Paid interest on Additional Tier 1 capital, net of tax	-	-	-	-	-	-	-	-	-	-21	-	-21
Change in Additional Tier 1 capital	-	-	-	-	-	-	-	-	-	-2	-	-2
Share-based payments	-	-	-	-	-	-	-	14	14	-	-	14
Dividend	-	-	-	-	-	-	-	-2,655	-2,655	-	-	-2,655
Sale/purchase of own shares[3]	-	3	-	-	-	-	-	-2,844	-2,841	-	-	-2,841
Other changes	-	-11	-	-	-	-	-	11	0	-	-	0
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-7	-7
Balance as at 31 Dec 2022	**4,050**	**1,082**	**-1,891**	**64**	**-20**	**-109**	**-7**	**26,927**	**30,096**	**748**	**-**	**30,844**

Balance as at 31 Dec 2021	**4,050**	**1,090**	**-1,863**	**30**	**121**	**-77**	**-12**	**29,405**	**32,744**	**750**	**9**	**33,503**
Change in accounting policy[2]	-	-	-	-	-	-	-	-573	-573	-	-	-573
Balance as at 1 Jan 2022	**4,050**	**1,090**	**-1,863**	**30**	**121**	**-77**	**-12**	**28,832**	**32,171**	**750**	**9**	**32,930**
Net profit for the period	-	-	-	-	-	-	-	234	234	26	-1	259
Other comprehensive income, net of tax	-	-	680	12	-68	121	7	1	753	-	-	753
Total comprehensive income	-	-	680	12	-68	121	7	235	987	26	-1	1,012
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[3]	-	-2	-	-	-	-	-	-937	-939	-	-	-939
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-	0	0
Balance as at 31 Mar 2022	**4,050**	**1,088**	**-1,183**	**42**	**53**	**44**	**-5**	**25,478**	**29,567**	**750**	**8**	**30,325**

[1] Total shares registered were 3,605 million (31 December 2022: 3,654 million; 31 March 2022: 3,860 million). The number of own shares was 11.2 million (31 December 2022: 13.4 million; 31 March 2022: 18.4 million), which represents 0.3% (31 December 2022: 0.4%; 31 March 2021: 0.5%) of the total shares in Nordea. Each share represents one voting right.

[2] Refers to the implementation of IFRS 17 Insurance Contracts. For more information, see Note 1 “Accounting policies”.

[3] 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 a decrease/increase in “Invested unrestricted equity”. The number of treasury shares held for remuneration purposes was 6.1 million (31 December 2022: 6.1 million; 31 March 2022: 7.1 million). The share buy-back amounted to EUR 493m (31 December 2022: EUR 2,839m; 31 March 2022: EUR 933m) and accounted for as a reduction in “Retained earnings”. The transaction cost in relation to the share buy-back amounted to EUR 0m (31 December 2022: EUR 5m; 31 March 2022: EUR 4m).

Cash flow statement, condensed

EURm	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Operating activities			
Operating profit	1,480	490	4,762
Adjustments for items not included in cash flow	-2,220	-1,461	-7,057
Income taxes paid	-355	-304	-976
Cash flow from operating activities before changes in operating assets and liabilities	**-1,095**	**-1,275**	**-3,271**
Changes in operating assets and liabilities	3,685	25,844	25,246
Cash flow from operating activities	**2,590**	**24,569**	**21,975**
Investing activities			
Acquisition/sale of business operations	-	-	-254
Acquisition/sale of associated undertakings and joint ventures	-	-1	-19
Acquisition/sale of property and equipment	-21	1	-12
Acquisition/sale of intangible assets	-113	-83	-344
Cash flow from investing activities	**-134**	**-83**	**-629**
Financing activities			
Issued/amortised subordinated liabilities	-	-	-939
Sale/repurchase of own shares, including change in trading portfolio	-524	-939	-2,841
Dividend paid	-	-	-2,655
Paid interest on Additional Tier 1 capital	-26	-26	-26
Amortisation of the principal part of lease liabilities	-34	-32	-123
Cash flow from financing activities	**-584**	**-997**	**-6,584**
Cash flow for the period	**1,872**	**23,489**	**14,762**

Cash and cash equivalents EURm	31 Mar 2023	31 Mar 2022	31 Dec 2022
Cash and cash equivalents at beginning of the period	62,877	48,628	48,628
Translation differences	-493	154	-513
Cash and cash equivalents at end of the period	64,256	72,271	62,877
Change	**1,872**	**23,489**	**14,762**
The following items are included in cash and cash equivalents:			
Cash and balances with central banks	63,499	71,147	61,815
Loans to central banks	4	6	5
Loans to credit institutions	753	1,118	1,057
Total cash and cash equivalents	**64,256**	**72,271**	**62,877**

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 2022. The accounting policies and methods of computation are unchanged from the 2022 Annual Report, except for those relating to the items presented in the section "Changed accounting policies and presentation" below. For more information, see the accounting policies in the 2022 Annual Report.

Changed accounting policies and presentation

The following changes in accounting policies and presentation were implemented by Nordea on 1 January 2023.

IFRS 17 Insurance Contracts

The new standard IFRS 17 Insurance Contracts has changed the accounting requirements for the recognition, measurement, presentation and disclosure of insurance contracts. IFRS 17 was implemented by Nordea on 1 January 2023 and comparative figures for 2022 have been restated.

The total negative impact of IFRS 17 on Nordea's equity at the time of transition amounted to EUR 573m after tax, which was recognised as an adjustment to the opening balance on 1 January 2022. The impact on Nordea's Common Equity Tier 1 ratio was a reduction of 23bp.

See Note G1 "Accounting policies" and G10.6 "Transition to IFRS 17 Insurance Contracts" in the 2022 Annual Report for more information on the transition impact and the accounting principles applied by Nordea for insurance contracts under IFRS 17.

The impacts on the comparative figures for the first quarter of 2022 and full year 2022 can be found in the tables below.

Changed presentation of financial assets pledged as collateral

On 1 January 2023 Nordea started presenting financial instruments pledged as collateral together with financial instruments not pledged as collateral on the balance sheet. The former were previously presented separately as "Financial instruments pledged as collateral". The amendment ensures a consistent presentation of instruments with similar characteristics and is assessed to increase the usefulness of the financial statements. Comparative figures have been restated accordingly and the impact on the first quarter of 2022 and the full year 2022 can be found in the tables below.

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

On 1 January 2023 Nordea started applying the 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 gross deferred tax assets and liabilities will be set off on the balance sheet if such requirements are met.

The amendments have not had any significant impact on Nordea's financial statements in the period of initial application.

Other amendments

The following amended standards issued by the International Accounting Standards Board (IASB) were implemented by Nordea on 1 January 2023, but have not had any significant impact on its financial statements.

- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies

Restatements of the income statement

	Q1 2022			Full year 2022		
	Old policy	IFRS 17	New policy	Old policy	IFRS 17	New policy
EURm						
Operating income						
Interest income calculated using the effective interest rate method	1,346	-	1,346	7,937	-	7,937
Other interest income	184	-	184	1,013	-	1,013
Negative yield on financial assets	-65	-	-65	-134	-	-134
Interest expense	-319	-	-319	-3,474	-	-3,474
Negative yield on financial liabilities	162	-	162	322	-	322
Net interest income	**1,308**	**-**	**1,308**	**5,664**	**-**	**5,664**
Fee and commission income	1,107	-46	1,061	4,278	-170	4,108
Fee and commission expense	-237	5	-232	-942	20	-922
Net fee and commission income	**870**	**-41**	**829**	**3,336**	**-150**	**3,186**
Return on assets backing insurance liabilities	-	-675	-675	-	-1,915	-1,915
Insurance result	-	710	710	-	2,088	2,088
Net insurance result	**-**	**35**	**35**	**-**	**173**	**173**
Net result from items at fair value	-242	-23	-265	721	-98	623
Profit or loss from associated undertakings and joint ventures accounted for under the equity method	0	-	0	-8	-	-8
Other operating income	17	-	17	83	-	83
Total operating income	**1,953**	**-29**	**1,924**	**9,796**	**-75**	**9,721**
Operating expenses						
General administrative expenses:						
Staff costs	-703	11	-692	-2,835	42	-2,793
Other expenses	-266	7	-259	-1,135	27	-1,108
Regulatory fees	-273	-	-273	-322	-	-322
Depreciation, amortisation and impairment charges of tangible and intangible assets	-146	-	-146	-611	-	-611
Total operating expenses	**-1,388**	**18**	**-1,370**	**-4,903**	**69**	**-4,834**
Profit before loan losses	**565**	**-11**	**554**	**4,893**	**-6**	**4,887**
Net result on loans in hold portfolios mandatorily held at fair value	8	-	8	-13	-	-13
Net loan losses	-72	-	-72	-112	-	-112
Operating profit	**501**	**-11**	**490**	**4,768**	**-6**	**4,762**
Income tax expense	-232	1	-231	-1,173	-2	-1,175
Net profit for the period	**269**	**-10**	**259**	**3,595**	**-8**	**3,587**
Impact on EPS/DEPS, EUR		0			-0.01	

Restatements of the balance sheet

	31 Mar 2022					31 Dec 2022			
	Old policy	Micro hedges[1]	Pledged assets	IFRS 17	New policy	Old policy	Pledged assets	IFRS 17	New policy
EURm									
Assets									
Cash and balances with central banks	71,147	-	-	-	71,147	61,815	-	-	61,815
Loans to central banks	263	-	-	-	263	885	-	-	885
Loans to credit institutions	12,545	-	-	41	12,586	4,573	-	-12	4,561
Loans to the public	351,902	-	-	-	351,902	345,743	-	-	345,743
Interest-bearing securities	67,781	-	4,321	-90	72,012	63,524	4,902	-200	68,226
Financial instruments pledged as collateral	4,327	-	-4,327	-	-	4,902	-4,902	-	-
Shares	20,001	-	6	-2,011	17,996	17,924	-	-1,825	16,099
Assets in pooled schemes and unit-linked investment contracts	45,358	-	-	2,101	47,459	41,645	-	1,994	43,639
Derivatives	30,654	-	-	-	30,654	36,578	-	-	36,578
Fair value changes of hedged items in portfolio hedges of interest rate risk	-912	-	-	-	-912	-2,116	-	-	-2,116
Investments in associated undertakings and joint ventures	215	-	-	-	215	509	-	-	509
Intangible assets	3,809	-	-	-	3,809	4,044	-	-39	4,005
Properties and equipment	1,749	-	-	-	1,749	1,673	-	-	1,673
Investment properties	1,787	-	-	-146	1,641	2,455	-	-167	2,288
Deferred tax assets	388	-	-	149	537	165	-	134	299
Current tax assets	289	-	-	-	289	211	-	-	211
Retirement benefit assets	333	-	-	-	333	165	-	-	165
Other assets	11,899	-	-	-11	11,888	9,380	-	-16	9,364
Prepaid expenses and accrued income	781	-	-	17	798	769	-	16	785
Assets held for sale	182	-	-	-	182	-	-	-	-
Total assets	**624,498**	**-**	**-**	**50**	**624,548**	**594,844**	**-**	**-115**	**594,729**
Liabilities									
Deposits by credit institutions	45,472	-	-	-	45,472	32,869	-	-	32,869
Deposits and borrowings from the public	221,095	-	-	-	221,095	217,464	-	-	217,464
Deposits in pooled schemes and unit-linked investment contracts	46,704	-	-	2,101	48,805	42,776	-	1,994	44,770
Insurance contract liabilities	19,116	-	-	-1,421	17,695	27,598	-	-1,488	26,110
Debt securities in issue	193,003	-1,262	-	-	191,741	179,803	-	-	179,803
Derivatives	35,093	-	-	-	35,093	40,102	-	-	40,102
Fair value changes of hedged items in portfolio hedges of interest rate risk	-2,106	1,389	-	-	-717	-2,175	-	-	-2,175
Current tax liabilities	506	-	-	-	506	303	-	-	303
Other liabilities	25,126	-	-	-7	25,119	16,804	-	-33	16,771
Accrued expenses and prepaid income	1,565	-	-	-	1,565	1,224	-	-	1,224
Deferred tax liabilities	543	-	-	-27	516	622	-	-28	594
Provisions	406	-	-	-	406	351	-	-	351
Retirement benefit obligations	310	-	-	-	310	298	-	-	298
Subordinated liabilities	6,744	-127	-	-	6,617	5,401	-	-	5,401
Total liabilities	**593,577**	**-**	**-**	**646**	**594,223**	**563,440**	**-**	**445**	**563,885**
Equity									
Additional Tier 1 capital holders	750	-	-	-	750	748	-	-	748
Non-controlling interests	8	-	-	-	8	-	-	-	-
		-	-	-			-	-	
Share capital	4,050	-	-	-	4,050	4,050	-	-	4,050
Invested unrestricted equity	1,088	-	-	-	1,088	1,082	-	-	1,082
Other reserves	-1,036	-	-	-13	-1,049	-1,984	-	21	-1,963
Retained earnings	26,061	-	-	-583	25,478	27,508	-	-581	26,927
Total equity	**30,921**	**-**	**-**	**-596**	**30,325**	**31,404**	**-**	**-560**	**30,844**
Total liabilities and equity	**624,498**	**-**	**-**	**50**	**624,548**	**594,844**	**-**	**-115**	**594,729**

[1] As of the fourth quarter of 2022 Nordea has presented the fair value changes of hedged items under fair value hedge accounting at the micro level on the same balance sheet line as hedged items instead of, as earlier, on the balance sheet line “Fair value changes of hedged items in hedges of interest rate risk”. Comparative figures have been restated accordingly. For more information see Note G1 “Accounting policies” in the 2022 Annual report.

Changes in IFRSs not yet applied

The following changes in IFRSs not yet applied by Nordea are not assessed to have any significant impact on the bank's financial statements or capital adequacy in the period of their initial application.

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current as well as Classification of Liabilities as Current or Non-current – Deferral of Effective Date; and Non-current Liabilities with Covenants.

Critical judgements affected by continued high levels of inflation, increased interest rates and reduced economic growth

Nordea applied critical judgements in the preparation of this interim report due to the uncertainty concerning the potential long-term impact of continued high levels of inflation, increased interest rates and reduced economic growth in various economic sectors on Nordea's financial statements. Areas particularly important during the first quarter of 2023 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 Note G1 "Accounting policies" in the 2022 Annual Report.

No impairment of goodwill was identified during the first quarter of 2023, 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 2,189m at the end of the first quarter of 2023 and EUR 2,262m at the end of 2022. 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 9.0% 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 10 "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 10.

Exchange rates

	Jan-Mar 2023	Jan-Dec 2022	Jan-Mar 2022
EUR 1 = SEK			
Income statement (average)	11.2056	10.6274	10.4788
Balance sheet (at end of period)	11.2685	11.1202	10.3490
EUR 1 = DKK			
Income statement (average)	7.4429	7.4395	7.4406
Balance sheet (at end of period)	7.4487	7.4365	7.4380
EUR 1 = NOK			
Income statement (average)	10.9814	10.1023	9.9279
Balance sheet (at end of period)	11.3905	10.5180	9.7006
EUR 1 = RUB			
Income statement (average)	78.6431	73.9902	99.4263
Balance sheet (at end of period)	84.8332	78.5146	92.1261

Note 2 Segment reporting

Jan-Mar 2023	Personal Banking	Business Banking	Large Corporates & Institutions	Asset & Wealth Management	Other operating segments	Total operating segments	Recon-ciliation	**Total Group**
Total operating income, EURm	1,135	860	672	360	-56	2,971	-50	**2,921**
– of which internal transactions[1]	-171	-70	25	52	164	0	-	**-**
Operating profit, EURm	542	465	400	213	-24	1,596	-116	**1,480**
Loans to the public[2], EURbn	171	98	54	12	-	335	5	**340**
Deposits and borrowings from the public, EURbn	85	55	57	13	-	210	8	**218**

Jan-Mar 2022[3]	Personal Banking	Business Banking	Large Corporates & Institutions	Asset & Wealth Management	Other operating segments	Total operating segments	Recon-ciliation	**Total Group**
Total operating income, EURm	892	688	529	296	27	2,432	-508	**1,924**
– of which internal transactions[1]	-84	-8	-21	-2	115	0	-	**-**
Operating profit, EURm	387	336	287	163	11	1,184	-694	**490**
Loans to the public[2], EURbn	168	95	48	11	-	322	30	**352**
Deposits and borrowings from the public, EURbn	83	53	52	11	-	199	22	**221**

[1] 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”.
[2] The volumes are only disclosed separately for operating segments if separately reported to the Chief Operating Decision-Maker (CODM).
[3] Comparable figures have been restated to reflect updated plan exchange rates in the reporting to the CODM. See Note G2.1 in the 2022 Annual Report for further information.

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	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Total operating segments	1,596	1,184	335	322	210	199
Group functions[1]	23	3	-	-	-	-
Unallocated items[3]	-110	-718	15	20	14	16
Differences in accounting policies[2]	-29	21	-10	10	-6	6
Total	**1,480**	**490**	**340**	**352**	**218**	**221**

[1] 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.
[2] Impact from plan exchange rates used in the segment reporting.
[3] Operating segments are presented excluding items affecting comparability (IAC). IAC of EUR 613m are included in “Unallocated items” in 2022.

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

EURm	Q1 2023	Q4 2022	Q1 2022	Full year 2022
Asset management commissions	404	418	451	1,733
Life and pension commissions	39	36	33	124
Deposit products	6	8	6	25
Brokerage, securities issues and corporate finance	55	33	62	173
Custody and issuer services	-3	10	2	18
Payments	63	66	63	252
Cards	72	77	68	306
Lending products	110	122	119	477
Guarantees	18	24	27	101
Other	1	-9	-2	-23
Total	**765**	**785**	**829**	**3,186**

Breakdown
Jan-Mar 2023

EURm	Personal Banking	Business Banking	Large Corporates & Institutions	Asset & Wealth Management	Other operating segments	Other and elimina-tions	Nordea Group
Asset management commissions	128	19	1	256	0	0	404
Life and pension commissions	37	16	1	-15	0	0	39
Deposit products	1	5	0	0	0	0	6
Brokerage, securities issues and corporate finance	4	12	35	7	-2	-1	55
Custody and issuer services	0	0	2	0	-6	1	-3
Payments	3	41	21	0	0	-2	63
Cards	58	11	2	0	0	1	72
Lending products	24	39	46	1	0	0	110
Guarantees	1	5	12	0	0	0	18
Other	1	3	0	-3	0	0	1
Total	**257**	**151**	**120**	**246**	**-8**	**-1**	**765**

Breakdown
Jan-Mar 2022

EURm	Personal Banking	Business Banking	Large Corporates & Institutions	Asset & Wealth Management	Other operating segments	Other and elimina-tions	Nordea Group
Asset management commissions	145	21	2	283	0	0	451
Life and pension commissions	39	19	1	-26	0	0	33
Deposit products	1	5	0	0	0	0	6
Brokerage, securities issues and corporate finance	6	10	37	9	2	-2	62
Custody and issuer services	1	1	6	0	-1	-5	2
Payments	4	39	20	0	0	0	63
Cards	56	10	2	1	0	-1	68
Lending products	28	41	49	1	0	0	119
Guarantees	2	7	18	0	0	0	27
Other	4	3	-3	-3	-1	-2	-2
Total	**286**	**156**	**132**	**265**	**0**	**-10**	**829**

Note 4 Net insurance result

EURm	Q1 2023	Q4 2022	Q1 2022	Full year 2022
Insurance revenue	146	80	75	313
Insurance service expenses	-89	-32	-35	-119
Net reinsurance result	-2	-2	-1	-6
Net insurance revenue	**55**	**46**	**39**	**188**
Insurance finance income and expenses	-740	84	671	1,900
Return on assets backing insurance liabilities	731	-83	-675	-1,915
Net insurance finance income and expenses	**-9**	**1**	**-4**	**-15**
Total	**46**	**47**	**35**	**173**

Note 5 Net result from items at fair value

EURm	Q1 2023	Q4 2022	Q1 2022	Full year 2022
Equity-related instruments[1]	80	263	45	431
Interest-related instruments and foreign exchange gains/losses[2]	192	-6	-287	261
Other financial instruments (including credit and commodities)	56	134	-7	-32
Nordea Life & Pension[3]	17	5	-16	-37
Total	**345**	**396**	**-265**	**623**

[1] Includes EUR 8m in losses on fund investments in Russia in the first quarter of 2022.

[2] Includes EUR 529m in recycled accumulated foreign exchange losses related to operations in Russia in the first quarter of 2022.

[3] 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.

Note 6 Other expenses

EURm	Q1 2023	Q4 2022	Q1 2022	Full year 2022
Information technology[1]	-150	-170	-125	-569
Marketing and representation	-11	-19	-11	-53
Postage, transportation, telephone and office expenses	-13	-11	-12	-45
Rents, premises and real estate	-22	-20	-31	-101
Professional services	-33	-53	-26	-131
Market data services	-22	-18	-23	-87
Other	-36	-24	-31	-122
Total	**-287**	**-315**	**-259**	**-1,108**

[1] “Information technology” includes IT consultancy fees.

Note 7 Regulatory fees

EURm	Q1 2023	Q4 2022	Q1 2022	Full year 2022
Resolution fees	-234	-	-256	-256
Bank tax	-21	-16	-17	-66
Total	**-255**	**-16**	**-273**	**-322**

Note 8 Depreciation, amortisation and impairment charges of tangible and intangible assets

	Q1 2023	Q4 2022	Q1 2022	Full year 2022
EURm				
Depreciation/amortisation				
Properties and equipment	-59	-52	-55	-215
Intangible assets	-95	-96	-90	-371
Total	**-154**	**-148**	**-145**	**-586**
Impairment charges				
Properties and equipment	-3	1	-	1
Intangible assets	-4	-13	-1	-26
Total	**-7**	**-12**	**-1**	**-25**
Total	**-161**	**-160**	**-146**	**-611**

Note 9 Net loan losses

	Q1 2023	Q4 2022	Q1 2022	Full year 2022
EURm				
Net loan losses, stage 1	-10	-9	-20	-29
Net loan losses, stage 2	8	-2	-15	-2
Net loan losses, non-credit-impaired assets	**-2**	**-11**	**-35**	**-31**
Stage 3, credit-impaired assets				
Net loan losses, individually assessed, collectively calculated	-10	0	56	88
Realised loan losses	-44	-102	-367	-709
Decrease in provisions to cover realised loan losses	11	49	323	512
Recoveries on previous realised loan losses	10	17	16	64
Reimbursement right	6	0	4	1
New/increase in provisions	-46	-58	-166	-281
Reversals of provisions	54	54	97	244
Net loan losses, credit-impaired assets	**-19**	**-40**	**-37**	**-81**
Net loan losses	**-21**	**-51**	**-72**	**-112**

Key ratios

	Q1 2023	Q4 2022	Q1 2022	Full year 2022
Net loan loss ratio, amortised cost, bp	3	7	10	4
- of which stage 1	1	1	3	1
- of which stage 2	-1	0	2	0
- of which stage 3	3	6	5	3

Note 10 Loans and impairment

	Total		
	31 Mar 2023	31 Dec 2022	31 Mar 2022
EURm			
Loans measured at fair value	78,528	73,248	85,897
Loans measured at amortised cost, not impaired (stages 1 and 2)	271,965	277,359	277,652
Impaired loans (stage 3)	2,206	2,255	3,154
- of which servicing	1,054	1,111	1,602
- of which non-servicing	1,152	1,144	1,552
Loans before allowances	**352,699**	**352,862**	**366,703**
- of which central banks and credit institutions	*11,336*	*5,475*	*12,871*
Allowances for individually assessed impaired loans (stage 3)	-1,023	-1,045	-1,309
- of which servicing	-531	-556	-547
- of which non-servicing	-492	-489	-762
Allowances for collectively assessed loans (stages 1 and 2)	-619	-628	-643
Allowances	**-1,642**	**-1,673**	**-1,952**
- of which central banks and credit institutions	*-25*	*-29*	*-22*
Loans, carrying amount	**351,057**	**351,189**	**364,751**

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

	31 Mar 2023			
	Stage 1	Stage 2	Stage 3	Total
EURm				
Loans to central banks, credit institutions and the public	258,861	13,104	2,206	274,171
Interest-bearing securities	34,994	-	-	34,994
Total	**293,855**	**13,104**	**2,206**	**309,165**

	31 Mar 2022			
	Stage 1	Stage 2	Stage 3	Total
EURm				
Loans to central banks, credit institutions and the public	264,179	13,473	3,154	280,806
Interest-bearing securities	34,400	-	-	34,400
Total	**298,579**	**13,473**	**3,154**	**315,206**

Allowances and provisions

	31 Mar 2023			
	Stage 1	Stage 2	Stage 3	Total
EURm				
Loans to central banks, credit institutions and the public	-226	-393	-1,023	-1,642
Interest-bearing securities	-4	-	-	-4
Provisions for off-balance sheet items	-48	-114	-21	-183
Total allowances and provisions	**-278**	**-507**	**-1,044**	**-1,829**

	31 Mar 2022			
	Stage 1	Stage 2	Stage 3	Total
EURm				
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
Total allowances and provisions	**-272**	**-544**	**-1,337**	**-2,153**

Movements of allowance accounts for loans measured at amortised cost

	Stage 1	Stage 2	Stage 3	Total
EURm				
Balance as at 1 Jan 2023	**-220**	**-408**	**-1,045**	**-1,673**
Changes due to origination and acquisition	-14	-1	-1	-16
Transfer from stage 1 to stage 2	5	-87	-	-82
Transfer from stage 1 to stage 3	0	-	-18	-18
Transfer from stage 2 to stage 1	-5	39	-	34
Transfer from stage 2 to stage 3	-	7	-50	-43
Transfer from stage 3 to stage 1	0	-	2	2
Transfer from stage 3 to stage 2	-	-4	17	13
Changes due to change in credit risk (net)	-27	15	-9	-21
Changes due to repayments and disposals	30	41	55	126
Write-off through decrease in allowance account	-	-	11	11
Translation differences	5	5	15	25
Balance as at 31 Mar 2023	**-226**	**-393**	**-1,023**	**-1,642**

Note 10 Continued

EURm	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 Jan 2022	**-197**	**-399**	**-1,610**	**-2,206**
Changes due to origination and acquisition	-14	0	-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	-	-	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
Balance as at 31 Mar 2022	**-224**	**-419**	**-1,309**	**-1,952**

Key ratios[1]	31 Mar 2023	31 Dec 2022	31 Mar 2022
Impairment rate (stage 3), gross, basis points	81	81	112
Impairment rate (stage 3), net, basis points	43	43	66
Total allowance rate (stages 1, 2 and 3), basis points	60	60	70
Allowances in relation to impaired loans (stage 3), %	46	46	42
Allowances in relation to loans in stages 1 and 2, basis points	23	23	23

[1] 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 123m (EUR 118m at the end of December 2022). 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 2023		31 Dec 2022	
EURm	Recognised provisions	Provisions if one notch downgrade	Recognised provisions	Provisions if one notch downgrade
Personal Banking	394	500	387	488
Business Banking	1,017	1,143	1,036	1,166
Large Corporates & Institutions	382	415	402	441
Other	36	49	35	46
Group	**1,829**	**2,107**	**1,860**	**2,141**

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 2023, the scenarios were weighted into the final expected credit losses (ECL) as follows: baseline 50%, adverse 40% and favourable 10% (baseline 50%, adverse 40% and favourable 10% at the end of the fourth quarter of 2022). The weight of the adverse scenario was kept at an elevated level, reflecting continued uncertainty regarding the macroeconomic outlook.

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 might develop in the light of Russia’s invasion of Ukraine and the associated sanctions and countersanctions on trade with Russia. They take into account the possibility of continued high inflation and the potential impact of significantly higher interest rates on economic activity. When developing the scenarios and determining the relative weighting between them, Nordea took into account projections made by Nordic central banks, Nordea Research and the European Central Bank.

The baseline scenario foresees mild recessions in Denmark, Finland and Sweden, triggered by high interest rates and elevated inflation. Norway sees positive but modest growth. The weak growth impulse is expected to continue throughout 2023, weighing on the recovery. Higher interest rates lead to financial uncertainty. The financial uncertainty is, however, contained and spillovers to the real economy are limited. Nordic housing markets have turned around, with sales showing a marked slowdown and prices declining, particularly in Sweden. This development is expected to continue throughout 2023. The risks around the baseline forecast are tilted to the downside.

Nordea’s two alternative macroeconomic scenarios cover a range of plausible risk factors which may cause growth to deviate from the baseline scenario. High energy prices and continued financial uncertainty may lead to a deeper and longer recession due to weaker growth in private consumption and investments. In addition, house prices may see an even larger fall due to the interest rate levels and squeeze in household purchasing power. On the other hand, a stabilisation of energy prices at a lower level may prevent growth from turning negative in 2023 and support a stronger recovery going forward.

At the end of the first quarter of 2023 adjustments to model-based allowances/provisions amounted to EUR 585m, including management judgements. The management judgements cover expected credit losses not yet adequately captured by the IFRS 9 modelled outcomes. The cyclical management judgement allowance was reviewed during the quarter and was assessed to be appropriate and to reflect the high level of inflation, increased interest rates and reduced economic growth. Overall, the existing levels of allowances were concluded to be sufficient for the current risk outlook. The cyclical reserve amounted to EUR 430m at the end of the first quarter of 2023 (EUR 430m at the end of the fourth quarter of 2022).The reserve covering issues identified in the IFRS 9 model to be later captured in model updates (structural reserve) amounted to EUR 155m (EUR 155m at the end of the fourth quarter of 2022).

Note 10 Continued

Scenarios and allowances/provisions

31 Mar 2023

		2023	2024	2025	Unweighted ECL EURm	Probability weight	Model-based allowances/ provisions EURm	Adjustments to model-based allowances/ provisions EURm	Individual allowances/ provisions EURm	Total allowances/ provisions EURm
Denmark										
Favourable scenario	GDP growth, %	0.4	1.8	1.7	143	10%				
	Unemployment, %	2.7	2.7	2.8						
	Change in household consumption, %	-1.1	2.4	1.8						
	Change in house prices, %	-9.7	-1.3	2.1						
Baseline scenario	GDP growth, %	-1.0	1.2	1.7	146	50%	149	145	233	527
	Unemployment, %	3.1	3.5	3.5						
	Change in household consumption, %	-2.3	1.8	1.7						
	Change in house prices, %	-10.0	-2.2	1.5						
Adverse scenario	GDP growth, %	-2.4	-0.3	1.1	155	40%				
	Unemployment, %	3.5	4.6	4.7						
	Change in household consumption, %	-3.2	0.1	0.5						
	Change in house prices, %	-13.9	-6.9	0.3						
Finland										
Favourable scenario	GDP growth, %	0.9	1.9	1.2	230	10%				
	Unemployment, %	7.2	6.9	6.8						
	Change in household consumption, %	-0.1	1.2	1.1						
	Change in house prices, %	-4.6	0.3	2.6						
Baseline scenario	GDP growth, %	-0.5	1.1	1.5	236	50%	241	181	198	620
	Unemployment, %	7.4	7.2	7.1						
	Change in household consumption, %	-1.3	0.4	1.1						
	Change in house prices, %	-5.0	-0.3	1.9						
Adverse scenario	GDP growth, %	-2.9	-0.3	1.3	250	40%				
	Unemployment, %	8.0	8.1	7.9						
	Change in household consumption, %	-3.6	-1.2	0.4						
	Change in house prices, %	-6.9	-1.9	0.4						
Norway										
Favourable scenario	GDP growth, %	1.2	1.1	1.0	67	10%				
	Unemployment, %	3.2	3.5	3.4						
	Change in household consumption, %	-0.9	1.1	3.9						
	Change in house prices, %	-4.0	2.7	4.4						
Baseline scenario	GDP growth, %	0.6	0.6	0.3	69	50%	71	139	101	311
	Unemployment, %	3.3	3.7	3.7						
	Change in household consumption, %	-1.5	0.5	2.8						
	Change in house prices, %	-4.3	2.1	3.7						
Adverse scenario	GDP growth, %	-1.8	-0.2	0.4	75	40%				
	Unemployment, %	4.1	4.7	4.6						
	Change in household consumption, %	-3.2	-0.5	2.0						
	Change in house prices, %	-7.5	-3.5	1.1						
Sweden										
Favourable scenario	GDP growth, %	0	1.9	2.0	86	10%				
	Unemployment, %	7.7	7.9	7.8						
	Change in household consumption, %	0.2	2.4	2.3						
	Change in house prices, %	-11.8	-0.8	2.7						
Baseline scenario	GDP growth, %	-1.0	1.0	1.9	88	50%	90	118	157	365
	Unemployment, %	7.9	8.3	8.3						
	Change in household consumption, %	-0.8	1.6	1.9						
	Change in house prices, %	-12.0	-1.9	2.2						
Adverse scenario	GDP growth, %	-2.6	-0.2	1.2	93	40%				
	Unemployment, %	8.4	9.2	9.2						
	Change in household consumption, %	-2.2	0.2	0.6						
	Change in house prices, %	-14.5	-4.5	0.5						
Non-Nordic							4	2	0	6
Total							**555**	**585**	**689**	**1,829**

Note 10 Continued

Scenarios and allowances/provisions

31 Dec 2022

		2023	2024	2025	Unweighted ECL EURm	Probability weight	Model-based allowances/ provisions EURm	Adjustments to model-based allowances/ provisions EURm	Individual allowances/ provisions EURm	Total allowances/ provisions EURm
Denmark										
Favourable scenario	GDP growth, %	0.7	1.9	1.4	168	10%				
	Unemployment, %	2.7	2.7	2.6						
	Change in household consumption, %	0.8	1.5	2.0						
	Change in house prices, %	-5.0	-1.2	2.6						
Baseline scenario	GDP growth, %	-0.1	1.2	1.0	173	50%	178	120	250	548
	Unemployment, %	3.0	3.3	3.3						
	Change in household consumption, %	0.4	1.1	1.5						
	Change in house prices, %	-5.6	-1.8	2.0						
Adverse scenario	GDP growth, %	-3.0	0.5	1.1	186	40%				
	Unemployment, %	4.0	4.8	4.7						
	Change in household consumption, %	-1.9	-0.4	1.0						
	Change in house prices, %	-10.7	-5.4	0.9						
Finland										
Favourable scenario	GDP growth, %	0.7	1.5	1.2	233	10%				
	Unemployment, %	7.2	7.4	7.4						
	Change in household consumption, %	0.5	0.9	1.3						
	Change in house prices, %	-4.4	0.7	2.6						
Baseline scenario	GDP growth, %	-0.3	1.1	1.0	237	50%	243	178	200	621
	Unemployment, %	7.4	7.7	7.7						
	Change in household consumption, %	-0.3	0.6	0.9						
	Change in house prices, %	-5.0	0	1.9						
Adverse scenario	GDP growth, %	-3.0	0.1	0.9	252	40%				
	Unemployment, %	8.2	8.5	8.4						
	Change in household consumption, %	-2.7	-0.8	0.1						
	Change in house prices, %	-7.2	-1.5	0.4						
Norway										
Favourable scenario	GDP growth, %	1.6	1.2	1.0	70	10%				
	Unemployment, %	3.1	3.3	3.2						
	Change in household consumption, %	-0.4	0.6	3.0						
	Change in house prices, %	-1.8	1.9	4.7						
Baseline scenario	GDP growth, %	0.8	0.8	0.3	72	50%	75	143	119	337
	Unemployment, %	3.3	3.6	3.6						
	Change in household consumption, %	-1.1	0.3	1.9						
	Change in house prices, %	-2.4	1.3	4.1						
Adverse scenario	GDP growth, %	-1.5	0.3	0.4	79	40%				
	Unemployment, %	4.2	4.4	4.4						
	Change in household consumption, %	-2.6	-0.9	1.0						
	Change in house prices, %	-7.2	-3.0	1.3						
Sweden										
Favourable scenario	GDP growth, %	0.7	1.7	1.9	83	10%				
	Unemployment, %	7.6	7.7	7.9						
	Change in household consumption, %	0.5	2.3	2.5						
	Change in house prices, %	-10.4	-1.0	3.1						
Baseline scenario	GDP growth, %	-0.5	1.1	1.9	86	50%	88	111	150	349
	Unemployment, %	7.9	8.2	8.3						
	Change in household consumption, %	-0.6	1.8	2.2						
	Change in house prices, %	-10.5	-1.8	2.0						
Adverse scenario	GDP growth, %	-3.0	0.3	1.4	91	40%				
	Unemployment, %	8.7	9.1	9.2						
	Change in household consumption, %	-2.9	0.4	1.0						
	Change in house prices, %	-13.1	-5.0	0.2						
Non-Nordic							3	2	0	5
Total							**587**	**554**	**719**	**1,860**

[1] 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 of 2022, are presented within the Nordic-based entities.

Note 10 Continued

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

31 Mar 2023

	Gross				Allowances				Loans carrying	Net loan
EURm	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	amount	losses[1]
Financial institutions	13,292	182	64	13,538	10	8	27	45	13,493	7
Agriculture	4,123	201	94	4,418	8	12	52	72	4,346	4
Crops, plantations and hunting	945	70	14	1,029	3	3	7	13	1,016	0
Animal husbandry	604	114	77	795	2	8	45	55	740	5
Fishing and aquaculture	2,574	17	3	2,594	3	1	0	4	2,590	-1
Natural resources	2,520	196	22	2,738	3	3	13	19	2,719	3
Paper and forest products	1,678	158	20	1,856	2	2	12	16	1,840	1
Mining and supporting activities	360	37	2	399	1	0	1	2	397	0
Oil, gas and offshore	482	1	0	483	0	1	0	1	482	2
Consumer staples	4,929	202	89	5,220	10	8	33	51	5,169	-2
Food processing and beverages	1,589	99	52	1,740	3	3	16	22	1,718	0
Household and personal products	610	25	11	646	1	1	5	7	639	0
Healthcare	2,730	78	26	2,834	6	4	12	22	2,812	-2
Consumer discretionary and services	10,567	926	332	11,825	17	43	189	249	11,576	-4
Consumer durables	2,270	191	57	2,518	2	5	35	42	2,476	-10
Media and entertainment	1,776	106	21	1,903	2	4	11	17	1,886	1
Retail trade	4,250	362	212	4,824	9	18	117	144	4,680	0
Air transportation	117	34	13	164	0	2	4	6	158	4
Accommodation and leisure	1,415	220	24	1,659	2	14	18	34	1,625	2
Telecommunication services	739	13	5	757	2	0	4	6	751	-1
Industrials	30,494	2,856	497	33,847	56	107	290	453	33,394	-28
Materials	2,530	185	43	2,758	3	3	13	19	2,739	1
Capital goods	3,319	424	50	3,793	5	12	34	51	3,742	4
Commercial and professional services	5,956	415	38	6,409	10	14	21	45	6,364	0
Construction	7,917	799	151	8,867	18	41	103	162	8,705	-13
Wholesale trade	6,406	722	68	7,196	9	23	45	77	7,119	-15
Land transportation	2,574	183	83	2,840	6	7	49	62	2,778	2
IT services	1,792	128	64	1,984	5	7	25	37	1,947	-7
Maritime	5,103	273	65	5,441	17	3	28	48	5,393	5
Ship building	63	6	3	72	1	0	0	1	71	2
Shipping	4,766	266	62	5,094	16	2	28	46	5,048	2
Maritime services	274	1	0	275	0	1	0	1	274	1
Utilities and public service	6,519	107	18	6,644	5	5	8	18	6,626	-3
Utilities distribution	3,044	56	11	3,111	2	3	3	8	3,103	0
Power production	2,956	20	1	2,977	2	1	1	4	2,973	-1
Public services	519	31	6	556	1	1	4	6	550	-2
Real estate	35,649	820	138	36,607	25	21	73	119	36,488	3
Other industries and reimbursement rights	1,184	90	6	1,280	3	1	0	4	1,276	14
Total Corporate	**114,381**	**5,852**	**1,326**	**121,559**	**154**	**209**	**716**	**1,079**	**120,480**	**-2**
Housing loans	112,647	4,754	433	117,834	15	49	91	155	117,679	-2
Collateralised lending	18,602	1,603	258	20,463	36	50	114	200	20,263	-11
Non-collateralised lending	4,774	753	146	5,673	18	84	78	180	5,493	-6
Household	**136,023**	**7,110**	**837**	**143,970**	**69**	**183**	**283**	**535**	**143,435**	**-19**
Public sector	**3,181**	**109**	**39**	**3,329**	**0**	**0**	**3**	**3**	**3,326**	**0**
Lending to the public	**253,585**	**13,071**	**2,202**	**268,858**	**223**	**392**	**1,002**	**1,617**	**267,241**	**-21**
Lending to central banks and credit institutions	**5,276**	**33**	**4**	**5,313**	**3**	**1**	**21**	**25**	**5,288**	**0**
Total	**258,861**	**13,104**	**2,206**	**274,171**	**226**	**393**	**1,023**	**1,642**	**272,529**	**-21**

[1] The table shows net loan losses related to on- and off-balance sheet exposures for March 2023, year to date.

Note 10 Continued

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

31 Dec 2022

	Gross				Allowances					
EURm	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Loans carrying amount	Net loan losses[1]
Financial institutions	14,197	322	62	14,581	8	10	29	47	14,534	-49
Agriculture	4,343	232	107	4,682	7	15	56	78	4,604	-3
Crops, plantations and hunting	949	75	20	1,044	3	4	8	15	1,029	5
Animal husbandry	619	117	86	822	2	10	48	60	762	-6
Fishing and aquaculture	2,775	40	1	2,816	2	1	0	3	2,813	-2
Natural resources	2,765	216	39	3,020	2	4	18	24	2,996	26
Paper and forest products	1,874	161	22	2,057	1	3	14	18	2,039	2
Mining and supporting activities	382	30	3	415	0	1	1	2	413	-1
Oil, gas and offshore	509	25	14	548	1	0	3	4	544	25
Consumer staples	4,882	201	87	5,170	8	8	35	51	5,119	-26
Food processing and beverages	1,685	114	52	1,851	2	3	17	22	1,829	-13
Household and personal products	592	25	10	627	2	1	5	8	619	-1
Healthcare	2,605	62	25	2,692	4	4	13	21	2,671	-12
Consumer discretionary and services	10,589	913	287	11,789	14	48	187	249	11,540	-31
Consumer durables	2,382	192	44	2,618	2	6	24	32	2,586	-12
Media and entertainment	1,763	135	20	1,918	2	6	11	19	1,899	-2
Retail trade	4,156	272	180	4,608	8	20	118	146	4,462	-18
Air transportation	96	35	12	143	0	2	8	10	133	-6
Accommodation and leisure	1,421	263	25	1,709	2	14	20	36	1,673	4
Telecommunication services	771	16	6	793	0	0	6	6	787	3
Industrials	31,090	2,900	542	34,532	53	100	293	446	34,086	-52
Materials	2,406	166	39	2,611	4	4	13	21	2,590	7
Capital goods	3,370	436	71	3,877	5	11	39	55	3,822	11
Commercial and professional services	5,950	434	44	6,428	10	15	20	45	6,383	2
Construction	8,142	825	164	9,131	15	34	106	155	8,976	-37
Wholesale trade	6,801	696	64	7,561	8	24	40	72	7,489	-9
Land transportation	2,535	243	94	2,872	6	6	55	67	2,805	-17
IT services	1,886	100	66	2,052	5	6	20	31	2,021	-9
Maritime	5,521	360	66	5,947	19	5	31	55	5,892	23
Ship building	119	6	3	128	1	0	3	4	124	1
Shipping	5,116	353	63	5,532	17	5	28	50	5,482	22
Maritime services	286	1	0	287	1	0	0	1	286	0
Utilities and public service	6,896	117	16	7,029	5	4	7	16	7,013	8
Utilities distribution	3,413	78	6	3,497	2	2	3	7	3,490	8
Power production	2,962	11	1	2,974	2	0	1	3	2,971	-2
Public services	521	28	9	558	1	2	3	6	552	2
Real estate	36,325	745	145	37,215	23	18	85	126	37,089	32
Other industries and reimbursement rights	169	117	7	293	4	20	2	26	267	-3
Total Corporate	**116,777**	**6,123**	**1,358**	**124,258**	**143**	**232**	**743**	**1,118**	**123,140**	**-75**
Housing loans	116,404	4,248	435	121,087	15	45	86	146	120,941	-29
Collateralised lending	18,488	1,543	264	20,295	38	50	115	203	20,092	46
Non-collateralised lending	4,910	795	146	5,851	19	81	74	174	5,677	-62
Household	**139,802**	**6,586**	**845**	**147,233**	**72**	**176**	**275**	**523**	**146,710**	**-45**
Public sector	**5,161**	**69**	**39**	**5,269**	**1**	**0**	**2**	**3**	**5,266**	**8**
Lending to the public	**261,740**	**12,778**	**2,242**	**276,760**	**216**	**408**	**1,020**	**1,644**	**275,116**	**-112**
Lending to central banks and credit institutions	**2,833**	**8**	**13**	**2,854**	**4**	**0**	**25**	**29**	**2,825**	**0**
Total	**264,573**	**12,786**	**2,255**	**279,614**	**220**	**408**	**1,045**	**1,673**	**277,941**	**-112**

[1] The table shows net loan losses related to on- and off-balance sheet exposures for the full year 2022.

Note 11 Classification of financial instruments

EURm	Amortised cost (AC)	Fair value through profit or loss (FVPL): Mandatorily	Fair value through profit or loss (FVPL): Designated at fair value through profit or loss (fair value option)	Fair value through other comprehensive income (FVOCI)	Total
Financial assets					
Cash and balances with central banks	63,499	-	-	-	63,499
Loans to central banks	2,464	535	-	-	2,999
Loans to credit institutions	2,824	5,488	-	-	8,312
Loans to the public	267,241	72,505	-	-	339,746
Interest-bearing securities	44	29,870	10,842	34,946	75,702
Shares	-	19,156	-	-	19,156
Assets in pooled schemes and unit-linked investment contracts	-	43,548	685	-	44,233
Derivatives	-	31,989	-	-	31,989
Fair value changes of hedged items in portfolio hedge of interest rate risk	-1,800	-	-	-	-1,800
Other assets	1,431	7,347	-	-	8,778
Prepaid expenses and accrued income	501	-	-	-	501
Total 31 Mar 2023	**336,204**	**210,438**	**11,527**	**34,946**	**593,115**
Total 31 Dec 2022	340,395	198,478	12,280	32,495	583,648

EURm	Amortised cost (AC)	Fair value through profit or loss (FVPL): Mandatorily	Fair value through profit or loss (FVPL): Designated at fair value through profit or loss (fair value option)	Total
Financial liabilities				
Deposits by credit institutions	18,696	15,348	-	34,044
Deposits and borrowings from the public	210,654	7,018	-	217,672
Deposits in pooled schemes and unit-linked investment contracts	-	-	46,283	46,283
Debt securities in issue	138,202	-	52,071	190,273
Derivatives	-	32,988	-	32,988
Fair value changes of hedged items in portfolio hedge of interest rate risk	-1,959	-	-	-1,959
Other liabilities[1]	4,782	14,825	-	19,607
Accrued expenses and prepaid income	11	-	-	11
Subordinated liabilities	5,357	-	-	5,357
Total 31 Mar 2023	**375,743**	**70,179**	**98,354**	**544,276**
Total 31 Dec 2022	370,150	67,400	96,085	533,635

[1] Of which lease liabilities classified in the category “Amortised cost” EUR 1,081m.

Note 12 Fair value of financial assets and liabilities

	31 Mar 2023		31 Dec 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
EURm				
Financial assets				
Cash and balances with central banks	63,499	63,499	61,815	61,815
Loans	349,257	350,969	349,073	350,220
Interest-bearing securities	75,702	75,701	68,226	68,224
Shares	19,156	19,156	16,099	16,099
Assets in pooled schemes and unit-linked investment contracts	44,233	44,233	42,782	42,782
Derivatives	31,989	31,989	36,578	36,578
Other assets	8,778	8,778	8,600	8,600
Prepaid expenses and accrued income	501	501	475	475
Total	**593,115**	**594,826**	**583,648**	**584,793**
Financial liabilities				
Deposits and debt instruments	445,387	444,945	433,362	433,372
Deposits in pooled schemes and unit-linked investment contracts	46,283	46,283	44,770	44,770
Derivatives	32,988	32,988	40,102	40,102
Other liabilities	18,526	18,526	14,314	14,314
Accrued expenses and prepaid income	11	11	7	7
Total	**543,195**	**542,753**	**532,555**	**532,565**

The determination of fair value is described in Note G3.4 “Fair value” in the 2022 Annual Report.

Note 13 Financial assets and liabilities held at fair value on the balance sheet

Categorisation in the fair value hierarchy

EURm	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
Assets at fair value on the balance sheet[1]							
Loans to central banks	-	-	535	-	-	-	535
Loans to credit institutions	-	-	5,488	-	-	-	5,488
Loans to the public	-	-	72,505	-	-	-	72,505
Interest-bearing securities	29,019	*3,853*	45,026	*6,689*	1,613	*1,159*	75,658
Shares	16,427	*10,963*	509	*232*	2,220	*929*	19,156
Assets in pooled schemes and unit-linked investment contracts	42,958	*39,088*	784	*784*	491	*491*	44,233
Derivatives	130	-	30,574	*64*	1,285	-	31,989
Other assets	-	-	7,314	-	33	*25*	7,347
Total 31 Mar 2023	**88,534**	***53,904***	**162,735**	***7,769***	**5,642**	***2,604***	**256,911**
Total 31 Dec 2022	81,235	*51,943*	155,758	*8,671*	6,260	*2,674*	243,253
Liabilities at fair value on the balance sheet[1]							
Deposits by credit institutions	-	-	15,348	-	-	-	15,348
Deposits and borrowings from the public	-	-	7,018	-	-	-	7,018
Deposits in pooled schemes and unit-linked investment contracts	-	-	46,283	*42,177*	-	-	46,283
Debt securities in issue	38,436	-	12,492	-	1,143	-	52,071
Derivatives	397	-	31,525	*94*	1,066	-	32,988
Other liabilities	6,464	-	8,149	*45*	212	-	14,825
Total 31 Mar 2023	**45,297**	**-**	**120,815**	***42,316***	**2,421**	**-**	**168,533**
Total 31 Dec 2022	42,865	-	117,649	*40,866*	2,971	-	163,485

[1] All items are measured at fair value on a recurring basis at the end of each reporting period.

Transfers between Levels 1 and 2

During the period Nordea transferred “Interest-bearing securities” of EUR 4,087m from Level 1 to Level 2 and of EUR 4,658m from Level 2 to Level 1 in the fair value hierarchy. Furthermore, Nordea transferred “Debt securities in issue” of EUR 6,813m from Level 1 to Level 2 and of EUR 5,777m from Level 2 to Level 1. Nordea also transferred “Other liabilities” of EUR 297m from Level 1 to Level 2 and of EUR 129m 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 13 Continued

Movements in Level 3

EURm	1 Jan	Fair value gains/losses recognised in the income statement during the period 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
Interest-bearing securities	1,589	16	110	-	113	-25	-12	185	-257	-106	1,613
- of which Life & Pension	*1,199*	*9*	*3*	-	-	-	*-5*	*75*	*-19*	*-103*	*1,159*
Shares	2,298	40	-9	-	150	-171	-33	-	-	-55	2,220
- of which Life & Pension	*979*	*31*	*-20*	-	*8*	*-11*	*-32*	-	-	*-26*	*929*
Assets in pooled schemes and unit-linked investment contracts	471	2	5	-	24	-5	-	6	-4	-8	491
- of which Life & Pension	*471*	*2*	*5*	-	*24*	*-5*	-	*6*	*-4*	*-8*	*491*
Derivatives (net)	49	-12	166	-	-	-	12	27	-24	1	219
Other assets	33	-	-	-	-	-	-	-	-	-	33
- of which Life & Pension	*25*	-	-	-	-	-	-	-	-	-	*25*
Debt securities in issue	1,088	22	9	-3	26	-	-34	56	-21	-	1,143
Other liabilities	63	-	1	-	148	-	-	-	-	-	212
Total 2023, net	**3,289**	**24**	**262**	**3**	**113**	**-201**	**1**	**162**	**-264**	**-168**	**3,221**
Total 2022, net	3,078	-19	-187	8	83	-61	164	162	-74	62	3,216

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 G3.4 "Fair value" in the 2022 Annual Report.

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 G3.4 "Fair value" in the 2022 Annual Report. 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

EURm	2023	2022
Opening balance as at 1 Jan	84	77
Deferred profit on new transactions	13	14
Recognised in the income statement during the period[1]	-14	-11
Closing balance as at 31 Mar	**83**	**80**

[1] Of which EUR -4m (EUR -m) due to transfers of derivatives from Level 3 to Level 2.

Note 13 Continued

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

EURm	Fair value	*Of which Life & Pension[1]*	Valuation techniques	Unobservable input	Range of fair value[4]
Interest-bearing securities					
Public bodies	188	*154*	Discounted cash flows	Credit spread	-7/7
Mortgage and other credit institutions	852	*680*	Discounted cash flows	Credit spread	-41/41
Corporates[2]	573	*325*	Discounted cash flows	Credit spread	-13/13
Total 31 Mar 2023	**1,613**	***1,159***			**-61/61**
Total 31 Dec 2022	1,589	*1,199*			-52/52
Shares					
Private equity funds	1,142	*509*	Net asset value[3]		-130/130
Hedge funds	70	*69*	Net asset value[3]		-6/6
Credit funds	486	*49*	Net asset value/market consensus[3]		-47/47
Other funds	298	*290*	Net asset value/fund prices[3]		-26/26
Other[5]	715	*503*	-		-71/71
Total 31 Mar 2023	**2,711**	***1,420***			**-280/280**
Total 31 Dec 2022	2,769	*1,450*			-290/290
Derivatives, net					
Interest rate derivatives	62	-	Option model	Correlations Volatilities	-20/22
Equity derivatives	-25	-	Option model	Correlations Volatilities Dividends	-5/4
Foreign exchange derivatives	295	-	Option model	Correlations Volatilities	-5/3
Credit derivatives	-113	-	Credit derivative model	Correlations Volatilities Recovery rates	-11/14
Other	0	-	Option model	Correlations Volatilities	-0/0
Total 31 Mar 2023	**219**	**-**			**-41/43**
Total 31 Dec 2022	49	-			-42/43
Debt securities in issue					
Issued structured bonds	-1,143	-	Credit derivative model	Correlations Recovery rates Volatilities	-5/5
Total 31 Mar 2023	**-1,143**	**-**			**-5/5**
Total 31 Dec 2022	-1,088	-			-5/5
Other, net					
Other assets and other liabilities, net	-179	*25*	-	-	-18/18
Total 31 Mar 2023	**-179**	***25***			**-18/18**
Total 31 Dec 2022	-30	*25*			-3/3

[1] 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.

[2] 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.

[3] 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 60% 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.

[4] The column "Range of fair value" shows the sensitivity of Level 3 financial instruments to changes in key assumptions. For more information, see Note G3.4 "Fair value" in the 2022 Annual Report.

[5] Of which EUR 491m relates to assets in pooled schemes and unit-linked investment contracts.

Note 14 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 may 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 higher energy, food and commodity prices, and broader inflationary pressures. Reduced consumer spending and cost increases may particularly impact small and medium-sized enterprises in certain industries. Depending on future developments, there may be increased credit risk in Nordea's portfolio. Furthermore, potential adverse impacts on income could arise due to financial market volatility and reduced banking activity impacting transaction volumes and customer activity. Potential future credit risks are addressed in Note 10 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 interest margin
Net interest income for the period as a percentage of average interest-earning assets, excluding Life & Pension and Markets where return on assets is reported under Net result from items at fair value.

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 2022 Annual Report.

Nordea Bank Abp

Income statement

EURm	Q1 2023	Q1 2022	Full year 2022
Operating income			
Interest income	3,100	934	5,870
Interest expense	-1,838	-188	-2,325
Net interest income	**1,262**	**746**	**3,545**
Fee and commission income	579	610	2,331
Fee and commission expense	-141	-127	-515
Net fee and commission income	**438**	**483**	**1,816**
Net result from securities at fair value through profit or loss[1]	323	305	1,224
Net result from securities at fair value through fair value reserve	-3	-14	-84
Income from equity investments	679	1,009	2,516
Other operating income	201	237	933
Total operating income	**2,900**	**2,766**	**9,950**
Operating expenses			
Staff costs	-586	-559	-2,318
Other administrative expenses[1]	-181	-176	-787
Other operating expenses[1]	-135	-128	-483
Regulatory fees	-197	-222	-257
Depreciation, amortisation and impairment charges[1]	-136	-221	-1,418
Total operating expenses	**-1,235**	**-1,306**	**-5,263**
Profit before loan losses	**1,665**	**1,460**	**4,687**
Net loan losses[1]	-6	-45	9
Operating profit	**1,659**	**1,415**	**4,696**
Income tax expense	-234	-125	-741
Net profit for the period	**1,425**	**1,290**	**3,955**

[1] For more information on the changes in presentation, see the section "Changed accounting policies and presentation" in Note 1 "Accounting policies".

Nordea Bank Abp

Balance sheet

EURm	31 Mar 2023	31 Dec 2022	31 Mar 2022
Assets			
Cash and balances with central banks	63,258	61,425	70,392
Debt securities eligible for refinancing with central banks	68,100	60,453	68,516
Loans to credit institutions[1]	75,463	73,488	92,496
Loans to the public[1]	147,775	150,393	145,229
Interest-bearing securities	13,153	14,051	11,770
Shares	9,681	6,765	11,738
Investments in group undertakings	14,164	14,350	15,001
Investments in associated undertakings and joint ventures	67	94	90
Derivatives	34,018	38,870	31,544
Fair value changes of hedged items in portfolio hedges of interest rate risk	-426	-479	-159
Intangible assets	1,646	1,656	1,728
Tangible assets	234	241	255
Deferred tax assets	20	25	347
Current tax assets	84	120	160
Retirement benefit assets	212	159	322
Other assets	8,905	9,653	11,758
Prepaid expenses and accrued income[1]	852	731	889
Total assets	**437,206**	**431,995**	**462,076**
Liabilities			
Deposits by credit institutions and central banks	42,122	40,630	57,179
Deposits and borrowings from the public	224,979	225,231	228,344
Debt securities in issue[1]	84,465	76,932	82,648
Derivatives	34,807	42,049	36,073
Fair value changes of hedged items in portfolio hedges of interest rate risk[1]	-1,959	-2,175	-737
Current tax liabilities	42	146	360
Other liabilities	20,424	15,015	22,911
Accrued expenses and prepaid income	1,111	870	1,114
Deferred tax liabilities	211	113	69
Provisions	364	376	444
Retirement benefit obligations	214	244	253
Subordinated liabilities[1]	5,357	5,401	6,606
Total liabilities	**412,137**	**404,832**	**435,264**
Equity			
Share capital	4,050	4,050	4,050
Additional Tier 1 capital holders	747	748	750
Invested unrestricted equity	1,051	1,082	1,088
Other reserves	-106	-211	-35
Retained earnings	17,902	17,539	19,669
Profit or loss for the period	1,425	3,955	1,290
Total equity	**25,069**	**27,163**	**26,812**
Total liabilities and equity	**437,206**	**431,995**	**462,076**
Off-balance sheet commitments			
Commitments given to a third party on behalf of customers			
Guarantees and pledges	45,693	46,379	49,564
Other	735	661	684
Irrevocable commitments in favour of customers			
Securities repurchase commitments	-	-	-
Other	90,299	96,306	88,750

[1] For more information on the changes in presentation, see the section “Changed accounting policies and presentation” in Note 1 “Accounting policies”

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 from the 2022 Annual Report, except for those relating to the items presented in the section “Changed accounting policies and presentation” below. For more information, see the accounting policies in the 2022 Annual Report.

Changed accounting policies and presentation

The following changes in accounting policies and presentation were implemented by Nordea Bank Abp in 2023.

Changed presentation of income statement and balance sheet

The Finnish Financial Supervisory Authority has made amendments to Regulations and Guidelines 2/2016 concerning financial sector accounting, financial statements and board of directors’ reports. The amendments entered into force on 1 January 2023 and impact the presentation of income statements and balance sheets prepared in accordance with the Finnish accounting standards (FIN GAAP). The main purpose of the amendments is allow presentation of financial statements to be more aligned with IFRS reporting.

Nordea Bank Abp has implemented the changes in its income statement and balance sheet, and comparative figures have been restated accordingly. The impact can be found in the tables below.

Restatements of the income statement

	Q1 2023			Q1 2022			Jan-Dec 2022		
EURm	**Old policy**	**FIN GAAP change**	**New policy**	**Old policy**	**FIN GAAP change**	**New policy**	**Old policy**	**FIN GAAP change**	**New policy**
Net result from securities at fair value through profit or loss	-	323	323	-	305	305	-	1,224	1,224
Net result from securities trading and foreign exchange dealing	312	-312	-	319	-319	-	1,225	-1,225	-
Net result from hedge accounting	11	-11	-	-14	14	-	-1	1	-
Net result from investment properties	0	0	-	0	0	-	0	0	-
Total operating income	**2,900**	**-**	**2,900**	**2,766**	**-**	**2,766**	**9,950**	**-**	**9,950**
Other administrative expense	-208	27	-181	-198	22	-176	-884	97	-787
Other operating expenses	-108	-27	-135	-106	-22	-128	-386	-97	-483
Depreciation, amortisation and impairment charges[1]	-110	-26	-136	-99	-122	-221	-427	-991	-1,418
Total operating expenses	**-1,209**	**-26**	**-1,235**	**-1,184**	**-122**	**-1,306**	**-4,272**	**-991**	**-5,263**
Profit before loan losses	**1,691**	**-26**	**1,665**	**1,582**	**-122**	**1,460**	**5,678**	**-991**	**4,687**
Net loan losses	-5	-1	-6	-54	9	-45	-3	12	9
Impairment of other financial assets	-27	27	-	-113	113	-	-979	979	-
Operating profit	**1,659**	**-**	**1,659**	**1,415**	**-**	**1,415**	**4,696**	**-**	**4,696**

[1] Earlier “Depreciation, amortisation and impairment charges of tangible and intangible assets”.

Restatements of the balance sheet

	31 Mar 2023				31 Mar 2022				31 Dec 2022			
EURm	**Old policy**	**FIN GAAP change**	**Micro hedges[1]**	**New policy**	**Old policy**	**FIN GAAP change**	**Micro hedges[1]**	**New policy**	**Old policy**	**FIN GAAP change**	**Micro hedges[1]**	**New policy**
Assets												
Loans to credit institutions	75,282	181	-	75,463	92,451	45	-	92,496	73,314	174	-	73,488
Loans to the public	147,330	445	-	147,775	145,033	196	-	145,229	150,024	369	-	150,393
Prepaid expenses and accrued income	1,478	-626	-	852	1,130	-241	-	889	1,274	-543	-	731
Total assets	**437,206**	**-**	**-**	**437,206**	**462,076**	**-**	**-**	**462,076**	**431,995**	**-**	**-**	**431,995**
Liabilities												
Debt securities in issue	85,874	-	-1,409	84,465	83,161	-	-513	82,648	-	-	-	-
Fair value changes of hedged items in portfolio hedges of interest rate risk	-	-	-1,959	-1,959	-	-	-737	-737	-	-	-	-
Fair value changes of hedged items in hedges of interest rate risk	-3,804	-	3,804	-	-1,377	-	1,377	-	-	-	-	-
Subordinated liabilities	5,793	-	-436	5,357	6,733	-	-127	6,606	-	-	-	-
Total liabilities	**412,137**	**-**	**-**	**412,137**	**435,264**	**-**	**-**	**435,264**	**-**	**-**	**-**	**-**

[1] As of the fourth quarter of 2022 Nordea Bank Abp has presented the fair value changes of hedged items under fair value hedge accounting at the micro level on the same balance sheet line item as hedged items instead of, as earlier, on the balance sheet line item “Fair value changes of hedged items in hedges of interest rate risk”. Comparative figures for Q1 2022 have been restated accordingly. For more information see Note P1 “Accounting policies” in the 2022 Annual Report.

For further information

- A webcast for media, investors and equity analysts will be held on 27 April at 11.00 EET (10.00 CET), during which Frank Vang-Jensen, President and Group CEO, will present the results. The presentation will be 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.
- The Q1 2023 report, investor presentations and fact book are available at www.nordea.com.

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Financial calendar

17 July 2023 – Second-quarter and half-year results 2023
19 October 2023 – Third-quarter and January-September results 2023

Helsinki 26 April 2023

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.

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Auditor’s report on review of interim financial information of Nordea Bank Abp for the three-month-period ended 31 March 2023

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 2023, 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 2023 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 2023 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 26 April 2023

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jukka Paunonen
Authorised Public Accountant (KHT)