Nordea

Annual Report
2024

Our purpose is to **enable dreams and aspirations** for a greater good

We strive to be **personal**, **expert** and **responsible**

We believe in being personal. We listen to our customers and invest time in building strong relationships with them, getting to know their individual needs and dreams. We are here for them – easy to reach and easy to deal with.

We take pride in being expert and thinking ahead. We share our insights and use our expertise to meet our customers' financial needs, from the simplest to the most complex.

We are responsible and always mindful of the impact of our decisions on our customers and wider society. We draw on our strength and scale to provide the best solutions for individuals, businesses and society as a whole.

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Nordea has reported on environmental and sustainability performance on an annual basis since 2002. Nordea's sustainability reporting for 2024 constitutes sustainability disclosures found in (i) the Sustainability at the core chapter on pages 16–18, (ii) the Sustainability Statement (incl. our EU Taxonomy reporting) on pages 83–193, (iii) the Corporate Governance Statement 2024 on pages 59–63, and (iv) Note G11 "Risk and liquidity management" on pages 280–310. In addition, sustainability indices referring to our reporting in relation to the Principles for Responsible Banking, the Task Force on Climate-Related Financial Disclosures, and the Global Reporting Initiative Standards are published as a separate appendix available at nordea.com/sustainability.

This Annual 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. Results could differ materially from those set out in the forward-looking statements due to various factors. These include but are not limited to (i) macroeconomic developments, (ii) changes in the competitive environment, (iii) changes in the regulatory environment and other government actions, and (iv) changes in interest rates and foreign exchange rates. This Report does not imply that Nordea has undertaken to revise these forward-looking statements beyond what is required by applicable law or stock exchange regulations if and when circumstances arise that lead to changes following their publication.

WHO WE ARE

Always **moving forward**

We are the leading financial services group in the Nordics and the preferred choice for millions across the region. For 200 years, we have proudly served as a trusted financial partner for individuals, families and businesses.

We draw on our strength and experience to help our customers realise their dreams and aspirations. In 2024 we helped 97,000 families and individuals to buy a home and 361,000 people to start a savings plan. We also provided new financing to more than 30,000 Nordic businesses to support their growth. As a recognised leader in digital banking services, we are constantly working to make life simpler for our customers with the help of new technology.

Our values are deeply rooted in the open, progressive and collaborative Nordic societies. Nordea is a place where people are passionate about customers, collaborate to leverage the diverse expertise within the Group, feel a true sense of ownership and have the courage to do what is right.

Guided by these values, we serve a broad range of customers across Denmark, Finland, Norway and Sweden – from private households and small businesses to many of the largest enterprises in the Nordics. We have a strong market position in our four business areas: Personal Banking, Business Banking, Large Corporates & Institutions and Asset & Wealth Management.

Nordic leadership in clean energy and climate action is helping to make the region resilient and equip it for success in a changing world. As a responsible bank, we are proud to contribute to the push towards a low-carbon economy and support our customers in their transitions. We enable sustainable choices, engage in active ownership and drive change through our lending and investment decisions.

After all, our name – Nordea – encapsulates the Nordic idea of constantly improving, of making tomorrow a bit better than today.

Our values

Collaboration
For the common good

Passion
To serve our customers

Ownership
It starts with me

Courage
To do what is right

CEO LETTER

Dear **stakeholder,**

Resilient, highly profitable and growing: that's Nordea after another year of strong performance in 2024. Despite the uncertain market environment, our clear strategic focus and investments are delivering real results for our customers and shareholders. We aim to build on this momentum.

In the Nordics, we are fortunate to live in stable and prosperous societies. Even so, our open economies are not immune to uncertainty. 2024 reminded us of how unpredictable the world can be. It also confirmed that geopolitical tensions and security threats are now part of our everyday reality.

The good news is that inflation eased as the year went on and, together with lower interest rates, this provided some welcome relief to households and businesses. As the year drew to a close, economic activity in the Nordics showed signs of picking up.

At Nordea, we have stayed focused on what matters most: delivering on our priorities and fulfilling our role as a strong and resilient partner for customers, shareholders and the wider communities we serve.

Sustained strong profitability

Much of Nordea's strength and resilience today is built on the foundations we started laying in 2019. We are now in the final year of our current strategy period (2022–25) and it is clear the plan is working. Supported by our strategic investments, we have grown the business, created sustainable efficiencies and significantly improved customer experience – with customer satisfaction up across the board. We have also made great strides in Sweden, where, five years ago, we launched a strategic initiative to strengthen our market position. We have grown our market shares and in December 2024 we were named Sweden's Bank of the Year by a leading national financial publication.

The increased trust shows we are making the right investments, especially in our digital services, where we are today a recognised leader. Along the way, we have become a more personal, expert and responsible partner for our customers – traits we hope they see in us in every interaction. The progress is encouraging, although our work is far from done. Our focus remains on continuously improving to meet customer expectations.

In recent years our financial performance has strengthened considerably, as was again evident in 2024. At 16.7%, full-year return on equity exceeded 16% for the second year in a row. Supported by growing levels of customer activity, total income grew by 3%, to EUR 12.1bn. Operating profit increased by 3%, to EUR 6.5bn.

Throughout 2024, our customers focused on building their financial security, leading to strong demand for our savings and investment products. Deposit volumes rose by 6% year on year, with retail up 5%, supported by increased pension savings, and corporate up 8%.

Mortgage lending volumes grew by 6% year on year, and there were signs that the Nordic housing markets were starting to recover after a few slow years. Higher demand for loan promises was one indication of this.

In Norway, we completed our acquisition of Danske Bank's Norwegian personal customer and private banking business. This important step strengthens our position in the market and brings new opportunities to serve our customers with our broad offering. It also demonstrates our proven ability to successfully integrate large-scale businesses. In recent years we have made several bolt-on acquisitions to help accelerate our growth. Our primary focus is to grow organically, but we will also continue to target bolt-on opportunities.

In somewhat subdued corporate markets, we performed well, increasing our market share in key segments. Our corporate lending was up 1% year on year.

A standout moment was our role in DSV's acquisition of DB Schenker, the largest transaction ever undertaken by a Danish company. The deal reflected the trust placed in us to support transactions of this scale and our ability to create value for major global players.

Higher capital markets activity in 2024 also reinforced our position as a leading asset manager. During the year thousands more private banking customers decided to choose Nordea, driving a strong positive net flow and growing our assets under management to EUR 422bn.

Five million digital customers

To support our strategy, we are activating two key levers that are critical to our long-term success: being a digital leader in our industry and integrating sustainability into the core of our business.

Digital technologies are key to providing outstanding banking services. During 2024 we continued to develop ours, making numerous improvements and introducing new features in our mobile app and online bank. Our digital services are seeing strong growth, with more than five million customers now banking with us digitally – 25% more than three years ago.

We have also continued to invest in technology, data and AI, and other key areas to support growth, be more efficient and further improve customer experience. As we invest, we are looking to build scale advantages as the only truly pan-Nordic financial services provider. We see opportunities to simplify our offering and processes.

Cybersecurity remains a key focus for us, as Nordic societies are facing increasing and more sophisticated cyber threats, including attacks designed to disrupt online services and create uncertainty. During 2024 we further strengthened our systems. To keep our customers safe, we also developed our financial crime and fraud prevention capabilities. Both fraud cases and fraud losses fell in 2024.

Supporting the sustainability transition

On the second key lever, sustainability, we kept up the strong momentum. While changing political currents are creating more challenging conditions for climate and environmental investments, we remain committed to supporting our customers in the societal transition. Our ambition to be net zero by 2050 remains in focus – and we are taking tangible steps to get there. These include reducing the carbon emissions from our lending and investment activities and growing our sustainability-linked lending. We will work pragmatically with our customers to help them balance their sustainability commitments and manage climate risks in the new political environment.

As a financial institution, we are very aware that our impact extends well beyond climate action. In 2024 we kept up our strong support for entrepreneurship through both our business activities and community engagement. We also continued our long-running programmes to help children and adults develop their financial skills – efforts that are making a real difference in our communities. We are committed to being a responsible and transparent

taxpayer, and had a total tax footprint of EUR 5.6bn in 2024 – among the largest of any Nordic company.

As an employer, we took more steps towards an even more inclusive workspace, further reducing the pay gap between men and women and increasing the number of women in senior leadership positions. Put simply, being diverse helps us drive better results.

A strong partner for a prosperous region

Our business model reinforces our position as a safe and trusted partner for our customers. We are well diversified, balancing income and lending across sectors in our four Nordic markets, with a prudent credit policy. Even in last year's challenging economic environment, loan losses stayed low and below the long-term average.

Our capital generation remains strong. At the end of 2024 our CET1 ratio stood at 15.8%, 2.2 percentage points above the current regulatory requirement.

Our Board of Directors has proposed a dividend of EUR 0.94 per share for 2024, an increase of EUR 0.02 compared with 2023. Including share buy-backs, the total 2024 distribution to shareholders will amount to approximately EUR 1.05 per share, or 10% of our current market capitalisation.

All in all, 2024 was another strong year for Nordea. I am grateful to our employees for their hard work, and would also like to thank our customers and shareholders for their continued support and cooperation.

We enter 2025 as one of the top-performing universal banks in Europe. We are targeting further strong financial performance and expect our full-year return on equity to stay above 15%.

While global uncertainty persists, Nordea is in a strong position – as a leading financial services group in one of the best places in the world to do business. The Nordic region is characterised by resilience, innovation and opportunity, and we are proud to play our part in its success. That is our mindset: humble, yet determined to help our customers realise their dreams and aspirations, deliver market-leading returns for shareholders, and contribute to Nordic prosperity.

Frank Vang-Jensen
President and Group CEO

NORDEA AS AN INVESTMENT

Why invest in **Nordea**

"We are the leading financial services group in the Nordics – markets distinguished by their stability, innovation and robust economic performance relative to the European average. With our diversified pan-Nordic business model and significant investments to unlock the benefits of our unique Nordic scale, we drive differentiation that cannot easily be copied. We remain shareholder focused, driving sustainable profitability and generating, deploying and distributing capital effectively to ensure long-term value for our shareholders.

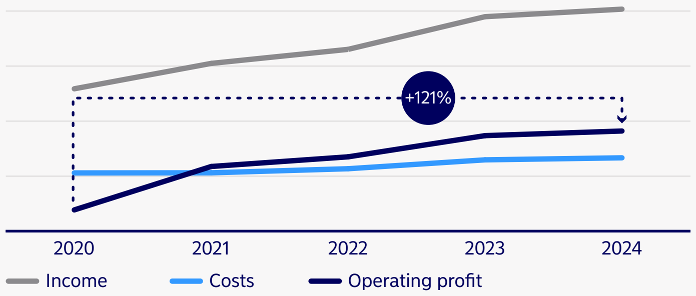
Ian Smith
CFO

Profitable growth and high-quality earnings

We are the largest financial services group in the Nordics, with low earnings volatility.

- **Pan-Nordic business model:** providing stable, consistent and high-quality earnings growth
- **Strong operational efficiency:** improving return on equity and cost-to-income ratio

Our growth



RoE
16.7%

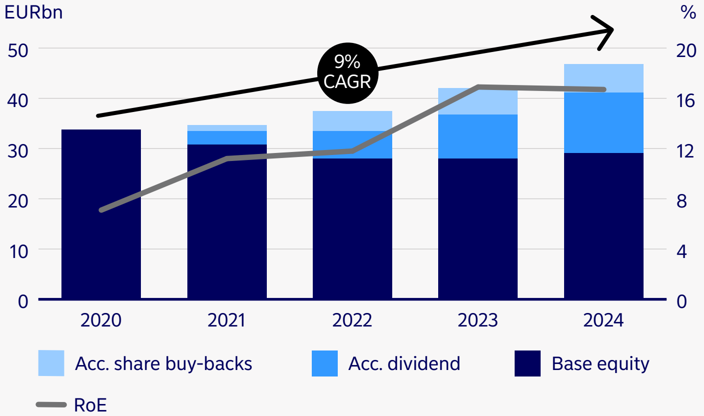
C/I*
43.1%

* Excluding regulatory fees.

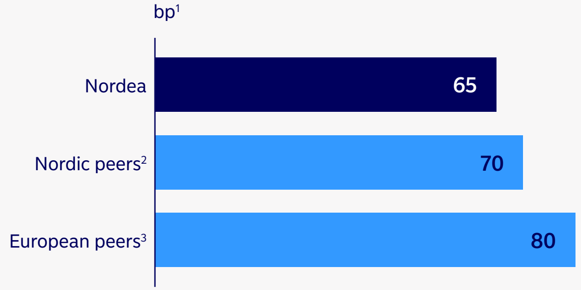
Capital excellence and strong balance sheet

- **Strong capital generation:** high profitability and efficient capital use
- **Market-leading credit ratings:** recognised for financial stability
- **Low funding costs:** among the best in the market

Sustained high RoE; robust capital generation



Best-in-class market funding costs



AA
credit rating

1) 5y senior preferred new issue spread.
2) Handelsbanken, SEB, Swedbank, Danske Bank, DNB.
3) Selection of 11 European banks, representing broad European banking financing conditions.

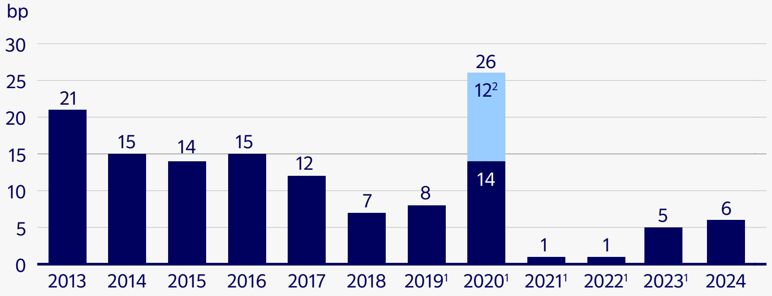
NORDEA AS AN INVESTMENT

Strong credit quality and low loan losses

We have a prudent risk profile, with diversified exposure.

- **Diversified exposure:** loan portfolio spread across households and corporates, with no significant sector concentration
- **Low loan losses:** strong credit quality, with low risk

Loan loss ratio including similar net result, basis points



1) Including fair value adjustments to loans held at fair value in Nordea Kredit. 2019 and 2022 also exclude items affecting comparability. See pages 40–42 for further details.
2) COVID-19 management judgement buffer.

Sustainability: an integral part of our business strategy

We are actively engaging to drive the sustainability transition, with strong progress towards our strategic targets:

- **36% reduction** in financed emissions in our lending portfolio (2030 target: reduction of 40–50%)
- **EUR 50bn increase** in sustainable financing: EUR 185bn facilitated as at end-2024 (2025 target: EUR >200bn)

Digital services: a global leader

We are globally recognised for digital services and engagement that support great customer experiences.

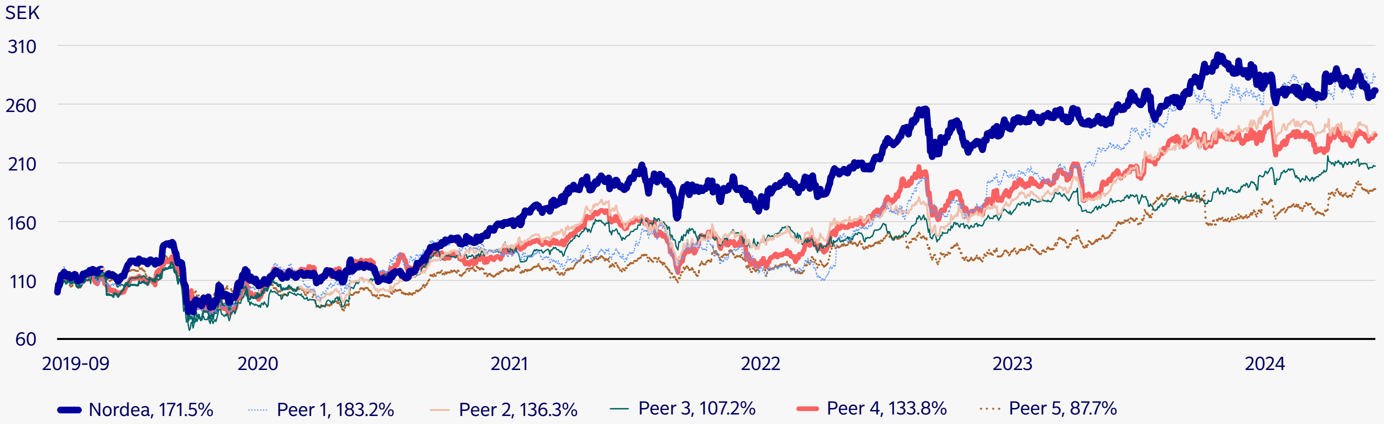
- **Top rankings for digitalisation:** ranked among top three banks for digitalisation globally and top performer in Europe
- **Best private mobile bank** in the Nordics according to App Store

Market-leading shareholder returns

Since 2019, we have made structural changes to enhance our profitability and capital generation.

- **Strong total shareholder returns,** positioning Nordea as a leader
- **Highest dividend payout ratio** among our peers
- **Successive share buy-back programmes**, optimising our overall level of capitalisation

Total shareholder returns (indexed)



BUSINESS ENVIRONMENT

Growth on the horizon

After weathering the challenges of recent years, the Nordic economies can look forward to brighter days ahead. Inflation has eased, and interest rates are coming down from their peak, supporting household and business confidence. However, significant uncertainty persists, driven by geopolitical tensions, which could still hamper the recovery.

Economic outlook

2024 was marked by continued global uncertainty and instability. Elections in more than 70 countries put the health of democratic systems to the test and saw political allegiances shift or strengthen. International tensions were also heightened by war in the Middle East, which has triggered a humanitarian crisis, and Russia's full-scale invasion of Ukraine, now in its fourth year.

Despite these challenges, the medium-term prospects for the global economy appear to have improved. Inflation has returned to pre-pandemic levels, prompting central banks to start bringing interest rates down from their highest levels in nearly two decades.

In Europe, confidence remains below the long-term average and consumer purchasing power is still constrained. Concerns persist over the continent's longer-term structural economic issues and competitiveness gap with both the United States and Asia. However, the expectation is for a gradual economic recovery, with improved growth for the European Union in 2025.

The prospects for the Nordic economies have also brightened as uncertainty about inflation and rates has eased. Denmark and Norway, the region's stronger performers in recent years, are expected to see modest growth in 2025. Finland and Sweden, meanwhile, have stabilised after weaker activity and are projected to gradually recover.

Higher wages have boosted consumer purchasing power across the region, which has supported household consumption. The improved outlook should also help strengthen Finland's and Sweden's labour markets. Though resilient, both countries have faced higher unemployment than many other European nations.

While the outlook is more positive, a continuation of geopolitical and trade tensions risks pushing up inflation again and could also slow the Nordic region's economic recovery.

A strong and stable banking sector

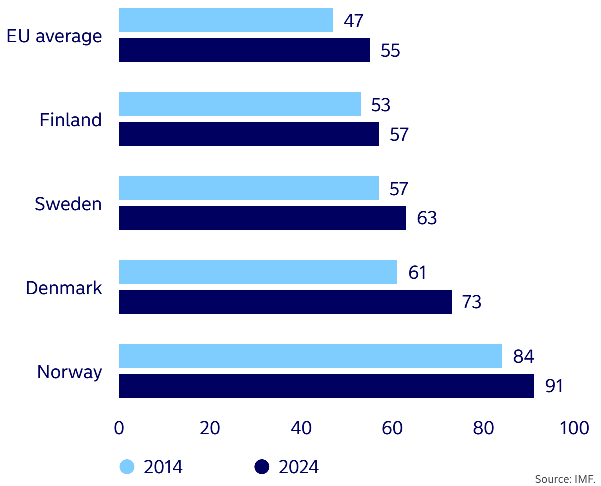
The Nordic economies are among the most open in the world and consistently rank among the highest for per capita GDP. They benefit from high levels of political stability, trust, education and social mobility, as well as modern technological infrastructure and advanced digitalisation. These attributes have helped them prosper and stay resilient through global downturns.

The region's secure and steady business environment is further underpinned by a reliable, profitable and stable banking sector. Nordic financial institutions are well capitalised, have a long history of prudent risk management, and have embraced digital innovation and climate action early compared with those in most other developed countries.

Nordea itself derives strength from its pan-Nordic business model and well-diversified lending portfolio, characteristics which have helped make it one of Europe's best-performing universal banks.

GDP per capita

At purchasing power parity, constant prices, USD thousands



Source: IMF.

BUSINESS ENVIRONMENT

Key trends shaping the financial industry

Macroeconomic and geopolitical uncertainty

Inflation continued to decline in 2024, approaching the 2% target of most advanced economies. As a result, central banks began to loosen their monetary policy and bring interest rates down from their peak levels.

Finding the right policy rate path is a balancing act: keeping inflation low while avoiding pushing economies into recession. Alongside wage increases, there are several longer-term inflationary risks affecting the Nordic economies. These include the rising level of investment needed to adapt to climate change, increased defence spending, and geopolitical tensions that could further disrupt energy markets and global trade.

In this uncertain and volatile operating environment we expect central banks to maintain a moderate monetary policy, with interest rates gradually normalising at around 2% in 2025. At Nordea, we have made pricing and product mix adjustments as part of our broader response to the current and future rate environment. We also use deposit hedging to help manage interest rate risk and mitigate the impact of fluctuating interest rates on our financial performance.

Our risk position is sound. In 2024 the quality of our credit portfolio remained strong and in line with our expectations, with loan losses staying well below the long-term average. We continue to operate a prudent credit policy and a well-diversified business model to strengthen our resilience in periods of high volatility.

Technology and innovation

We have consistently been at the forefront of digital development in the financial industry. Over the past five years we have accelerated the development of our digital banking services for the benefit of our customers and are today recognised as a digital leader.

Artificial intelligence (AI) technologies are becoming more important for the financial industry. Like most major financial services providers in Europe, we already use conventional AI systems to support core banking processes, boost productivity and efficiency, and enhance customer experience.

In 2024 interest continued to grow in generative AI systems, including large language models trained on vast amounts of data to create text and code. New tools are making generative AI capabilities accessible to a wide range of financial sector employees, including those without deep technical expertise. At Nordea, we are taking generative AI capabilities into use, exercising both creativity and caution.

Success with AI in the financial sector will depend on how well institutions can derive benefit and create value. Significant investment will be required in both AI tools and data. Other considerations include the environmental impact of full-scale AI deployment and the ethical and operational risks involved with AI use. As banks manage sensitive data, they have a responsibility to maintain the highest standards of security, fairness and transparency.

Climate change

The financial sector plays a crucial role in advancing the shift towards more sustainable economies. While financial institutions are taking action to make their operations as sustainable as possible, their greatest impact comes through their business activities.

Nordea is a leader in driving progress on environmental, social and governance (ESG) issues. We aim to enable sustainable choices for our customers and thereby help them steer towards sustainable business conduct and operations.

As a leading asset manager with holdings in a large number of companies, we are also proud to use our influence to encourage investees to pursue more sustainable business practices – a type of engagement referred to as active ownership.

BUSINESS ENVIRONMENT

Evolving regulation

Over the past two decades the regulatory environment for financial services providers in Europe has evolved significantly in key areas such as capital requirements, digital technology and sustainability. As one of the largest European financial services providers, we have a strong capacity to handle the changing regulatory and risk environments in all areas.

Capital requirements

Companies like Nordea must comply with a range of capital and prudential requirements designed to ensure financial stability and resilience. These include the Basel IV regulation, which aims to create a more level playing field for banks by limiting the use of internal models.

Banks are often subject to additional supervisory buffers, which are extra capital reserves they must hold to absorb shocks during economic downturns. For example, in Norway, we are subject to a systemic risk buffer and a risk weight floor on mortgages to address potential housing market vulnerabilities.

As global economies have become more interconnected, the importance of harmonised financial services regulation across borders has grown. A unified and consistent supervisory framework is necessary to keep the European banking system safe and sound. As we are headquartered in Finland, which is part of the euro area – countries in the EU that use the euro as their currency, the European Central Bank is our main supervisor, supported by the Finnish Financial Supervisory Authority. Our operations in Denmark, Norway and Sweden are also supervised by the respective national financial supervisory authorities.

Digital technology

Stricter privacy laws, such as the GDPR, and cybersecurity requirements have led firms, including financial services companies, to invest in secure digital infrastructure and compliance systems, adding complexity and costs to their operations.

In 2024 the European Union (EU) introduced a new regulatory framework to govern the use of AI. As of early 2025, financial institutions must also adhere to the EU's Digital Operational Resilience Act (DORA), which requires them to strengthen their IT systems, manage cyber risks, and ensure operational continuity in the face of digital disruptions.

Sustainability transition

Across Europe, banks are increasingly navigating a complex regulatory environment aimed at accelerating the sustainability transition. Regulations such as the EU Taxonomy, the Sustainable Finance Disclosure Regulation (SFDR) and the Corporate Sustainability Reporting Directive (CSRD) are setting higher expectations for transparency, disclosure, and alignment with sustainable finance goals.

These rules require banks to assess the environmental and social impact of their activities and play an active role in financing the shift towards a low-carbon economy. As regulations evolve, banks must adapt by integrating sustainability into their business strategies, an approach we have already been championing as a sustainability leader for many years.

Cyber threats

Cyber threats to businesses and their customers have risen steadily over the years, with attacks becoming more sophisticated and frequent. This trend is also evident in the Nordic countries.

Financial institutions are often targets for malicious actors aiming to obtain sensitive data or disrupt operations. One of their preferred tools is distributed denial-of-service attacks, designed to overwhelm digital services with fake internet traffic and thereby slow them down significantly. Such attacks may become more likely during times of geopolitical conflict, and they can sometimes involve state-sponsored actors whose aims may be to destabilise society.

At Nordea, being a safe and trusted partner for our customers is a top priority. We continually invest in cybersecurity, train our staff, guide our customers on how to stay safe, and work to strengthen the maturity of our cyber defences.

STRATEGIC PRIORITIES

The **leading universal bank** in the Nordics

Going into the final year of our 2022–25 strategy period, we have made strong progress in key priority areas – with industry-leading profitability and a solid foundation for future success. Our ambition is clear: to be the preferred partner for people and businesses in need of a broad range of financial services.

We are the leading financial services group in the Nordics, with a 200-year history of supporting the region's economies. Our customers range from individuals and families to businesses and institutions of all sizes. As the only truly pan-Nordic financial services group, we are uniquely positioned to operate at scale across the region.

Our vision is to be the preferred partner for customers in need of a broad range of financial services. To realise this, we have been investing significantly in innovative digital solutions for household and corporate customers while striving to be a more personal, expert and responsible financial partner.

Achieving profitable growth is also central to our strategy. By delivering consistent, high-quality earnings with low volatility, we can continue to invest to create lasting value for our customers, shareholders and broader society.

Our strong financial performance in recent years demonstrates the benefits of our well-diversified operating model and structurally improved profitability. In 2024, for the second year in a row, we delivered a return on equity above 16%, putting us among the best-performing banks in Europe.

2022–25 strategic plan

During our 2022–25 strategy period, we have been pursuing three key priorities to strengthen Nordea as a modern relationship bank. These are to deliver best-in-class omnichannel experiences for our customers, drive focused and profitable growth, and increase operational and capital efficiency.

To successfully deliver on these priorities, we have also been activating two key levers spanning the full breadth of our business: digital technology and sustainability. Our digital capabilities are essential for improving operational performance and customer experience. Meanwhile, embedding sustainability into our business ensures we are strong, resilient and well equipped to support our customers with their transition plans.

STRATEGIC PRIORITIES

Going into the final year of our current strategy period, we can reflect on strong progress so far. Supported by the significant investments we have been making, customer experience has strengthened, and we have grown our position in each of our home markets. Furthermore, profitability has reached a new level, supported by lasting operational efficiencies.

We believe that, for universal banks, a winning formula lies in targeting selective growth pockets, developing cost advantages and maintaining robust risk management practices. These elements remain central to our approach.

Our key priorities

The best omnichannel customer experiences

Our investments to support customer experience are aimed at making banking as effortless as possible. In practice, this means offering high-quality service and personalised advice across all channels. Whether customers choose to use our digital services or meet with an adviser, we believe they should be able to move smoothly between the different options to get the right support. We want them to feel that we are always there, ready to pick up the conversation from where it left off. Our strong focus on providing a consistent omnichannel experience helped us improve customer satisfaction in all business areas in 2024.

As a relationship bank, we are committed to building long-term, personal connections with our customers. Our goal is to be a trusted partner through all of life's stages and every economic cycle. Many of our customers rely on us not only for their personal financial needs but also for their business banking, demonstrating the confidence they place in our broad offering.

To increase satisfaction among our corporate customers, we have further developed our payments and capital markets services. The impact of our efforts has been recognised in multiple surveys.

Focused and profitable growth

We target selective growth opportunities that support our ability to grow income faster than costs. These opportunities have been carefully chosen, with investments allocated to support them. As a result, we have grown our position in the Nordic retail lending, payments and savings markets. Furthermore, we have significantly strengthened our position in private banking and pension savings, and – thanks to a successful long-term strategic initiative – in Sweden overall. We have also invested in our cash management and trade finance solutions for corporate customers, supporting solid growth in these areas.

Our primary focus is on expanding organically and growing faster than the market in our prioritised areas. However, we also make selected bolt-on acquisitions to accelerate growth, drawing on our strong financial position and investment capacity. In 2022 we strengthened our position in the long-term savings market with the acquisition of Topdanmark's life and pension business. This was followed by the purchase of Swedish digital pension broker platform Advinans in 2023.

In 2024, to strengthen our market position in Norway, we acquired Danske Bank's Norwegian personal customer and private banking business. The acquisition brought more than 235,000 customers to Nordea and increased our mortgage market share in Norway to around 15%, from 11% previously. We intend to use our Nordic scale and stability to good effect and deliver a strong offering for our new customers.

High operational and capital efficiency

We continue to invest in technology infrastructure, data and AI, and non-financial risk areas, such as financial crime prevention and cybersecurity. The key aims of these investments are to build a stronger and even more resilient bank and enable scale benefits. With four businesses across four Nordic countries, we have unique opportunities to develop scale advantages and differentiation that cannot easily be copied. Common technology assets, automation and AI are increasingly used within the Group to improve operational efficiency and deliver value to customers at a faster pace. In the long term, our goal is to develop more Nordic-level processes and applications – in everything from housing loans to the way we recruit new talent.

We achieve high returns on our invested capital. We aim for low capital intensity and an optimal deployment of capital across the Group and our four business areas. Since we began repositioning Nordea in the autumn of 2019, we have returned EUR 17.6bn of capital to our shareholders, making us a market-leading bank for shareholder returns.

Strong in all economic cycles

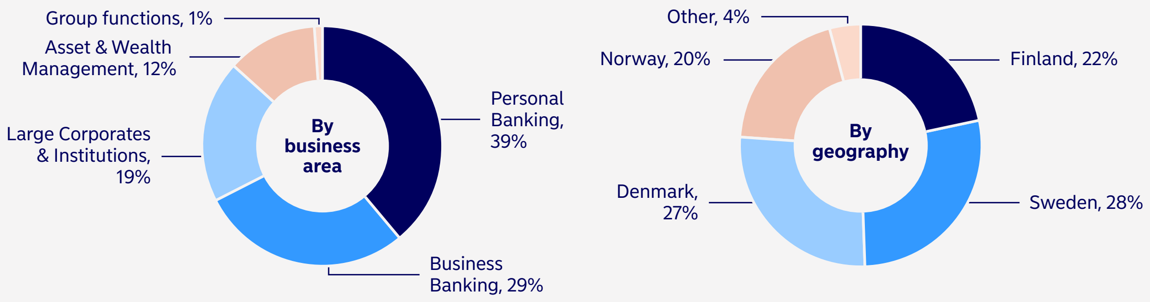
Our business model reinforces our position as a strong, safe and trusted bank in both good and more challenging times for the region's economies.

Our income is well diversified across our four home markets and our loan portfolio is prudently managed, spread across sectors and supported by a sound credit policy. These qualities have enabled us to perform well and deliver strong financial results despite high macroeconomic uncertainty and turbulence in recent years. To support our long-term financial stability, we have also invested in strengthening our risk management practices, with an increased focus on ESG risks.

During 2024 easing inflation and lower interest rates offered some relief to households and businesses following a difficult period. Overall, our customers and core markets have demonstrated strong resilience. Although there were some impacts in our loan portfolio, loan loss provisions remained low and significantly below the long-term average.

Since the COVID-19 pandemic, we have maintained an expanded management judgement buffer to cover potential future losses. With the macroeconomic outlook improving in 2024, we reassessed the buffer and released EUR 81m in allowances during the year, reducing the total amount to EUR 414m. We continually evaluate our provisioning needs and adjust allowances when we determine they are no longer necessary.

Diversified across business areas and geographies
Operating income for 2024



OUR VISION AND KEY PRIORITIES

Vision

The **preferred partner**
for customers in need of a broad
range of financial services

Key priorities

Create
the best omnichannel customer experience

Drive
focused and profitable growth

Increase
operational and capital efficiency

Key levers supporting our strategy

Digital leader

Sustainability at the core

OUR FINANCIAL TARGET

Financial target 2025

Return on equity

>15%

Assumes CET1 ratio requirement of 15%, including management buffer; rates assumed to normalise at ~2%

Supported by

Cost-to-income ratio
44–46%

Dividend policy
60–70% dividend payout ratio; excess capital distributed through buy-backs

Loan losses
Normalised
~10bp

Capital policy
Management buffer of 150bp above regulatory CET1 requirement

KEY SUSTAINABILITY TARGETS

Net zero 2050

40–50% reduction in carbon emissions across our lending and investment portfolios by the end of 2030

Facilitate more than
EUR 200bn
in sustainable financing between 2022 and 2025

90%
of exposure to large corporates in climate-vulnerable sectors to be covered by transition plans by 2025

Double
the share of net-zero-committed assets under management by 2025

Gender balance

Each gender to have at least
40%
representation at the top three leadership levels combined by the end of 2025

TECHNOLOGY AT THE FOREFRONT

A digital leader with **Nordic scale**

We are a leader in digital banking services, strengthened by years of strategic investment in technology and data. Our focus is on fully leveraging our unique Nordic scale advantages to deliver an even better customer experience.

Banking should feel effortless, and great digital services are essential to making this possible. We want to help our customers have better control over their finances, secure their dream home quickly and easily, save for the future, and manage life's big decisions with ease.

To achieve this, we have spent many years investing significantly to develop our digital capabilities. These efforts are resonating with our customers, as digital engagement continues to grow steadily. Today, 5.2 million customers actively use our app and online banking platform for managing their finances: 25% more than in early 2022. In 2024 alone customers logged into our digital services 1.5 billion times, an increase of 8% on the previous year.

Customer satisfaction with our digital services remains high, with the mobile app averaging over 4 out of 5 stars in the Apple and Google Play app stores in all four Nordic countries at the end of 2024. Our leading position in digital technology is also well recognised in external benchmarks. We were named best bank in several categories in Global Finance's 2024 Digital Bank Awards. Autonomous Research, a leading research firm for the financial sector, has ranked our digital capabilities among the top three banks worldwide.

Outstanding customer experiences

We aim to meet all everyday personal banking needs and the vast majority of essential corporate banking needs through our digital services by the end of 2025. In 2024 we made further progress towards this goal by introducing tools that give customers a clearer view of their finances, including monthly spending summaries and an improved savings and investments experience. New fraud protection features, such as withdrawal limits and delayed transfers, are also helping customers feel more secure when managing their money.

AI is an increasingly important part of the digital banking experience, helping to make it faster and more intuitive. Customers can now benefit from a smarter search functionality and quick answers to banking-related questions from our AI-powered virtual assistant, Nova, the use of which has doubled over the past two years. Meanwhile, our investments in data have allowed us to create a more personalised banking experience. In 2024 we increased the number of personalised recommendations made to customers by 43% year on year. The increased personalisation has been met with positive feedback from our customers.

Our digital services are not only there to empower our customers: they also play a crucial role in supporting our agents and advisers behind the scenes. When customers reach out for support, real-time dashboards help ensure that our teams are both equipped with the latest information and up to speed on recent interactions. This setup enables them to respond quickly and offer relevant advice. Our advisers also use leads generated by our digital channels to connect with customers and offer assistance. In 2024 digitally generated leads for our mortgage advisers in Denmark and Sweden increased by 45% and 46%, respectively, year on year.

Digital activity also drives demand for new products. In 2024 more than two thirds of our product sales were made through our digital channels.

Putting our Nordic scale to work

We are using our size and scale to deliver even better experiences for our customers. As a pan-Nordic financial services group, our goal is to create structural advantages by harmonising digital services, data, and technology systems across our four home markets. This involves concentrating business volumes onto shared Nordic applications and leveraging common cross-Nordic technology platforms and data capabilities.

By streamlining and automating our business processes in areas such as mortgages, corporate lending, payments and investments, we aim to further enhance customer experience and accelerate the creation of new products and services. Greater scale brings efficiency, allowing us to reduce costs and sustain strong investment capacity. While we have made solid progress, there are significant opportunities ahead. Over the coming years, we plan to reduce the number of applications, processes and product variants at Nordea. Our Nordic scale will also help us in many other areas, from enhancing the brand to attracting talent and improving employee engagement.

SUSTAINABILITY AT THE CORE

Committed to a **sustainable transition**

We deploy capital, invest, and provide advice to help our customers transition to a more sustainable future and be more resilient in the long term. Our size and strength as a leading financial services provider allow us to actively support and advance the transition.

The Nordic region is a strong driving force in the global sustainability transition. In areas such as environmental protection, clean energy, circular economy, biodiversity, human rights and social well-being, Nordic countries and large corporates show strong commitment to sustainable development goals. The four Nordic countries in which we operate all aim to cut their carbon emissions by at least 50% by 2030 compared with 1990 levels, and are on their way to being net zero by 2050.

We believe financial institutions have a critical role to play in creating a more sustainable future, one aligned with the goals of the Paris Agreement. At Nordea, we are constantly working to reduce the adverse impacts of our own business operations. However, the biggest positive contribution we can make is through our customer and investee activities – by enabling and promoting sustainable choices.

For fifteen years, we have been recognised as a leader in responsible investing, and in the past five, we have become a front-runner in environment, social and governance (ESG) investments. We offer one of the most comprehensive ranges of ESG-focused products among European banks. We have also built a strong position within sustainable financing and are recognised as the leading European bank for sustainable and sustainability-linked loans.

Today, sustainability is integral to our customer value proposition and to how we run the bank and manage risks. We view sustainability not only as a key part of our purpose but also as a competitive advantage that strengthens our position in the market. We are committed to extending this advantage to our customers. By supporting them in their sustainability transitions, we can reduce risk, support their growth and help equip them for long-term success in a changing world.

Our sustainability agenda is built on four key pillars: financial strength, climate and environmental action, social responsibility, and governance and culture. Each pillar is grounded in specific United Nations Sustainable Development Goals and focuses on areas where we can make a significant impact through our financing, investments and internal operations.

For each pillar, we have identified priority issues that shape our business strategy and actions. These priorities guide our commitment to sustainable practices across

"We view sustainability not only as a key part of our purpose but also as a **competitive advantage** that strengthens our position in the market."

Sustainability at the core

Actively engaging to drive the transition and capture growth opportunities

Financial strength

Understanding and managing environmental, social and governance risks and opportunities is crucial to maintaining our financial strength.

Climate and environmental action

To become a net-zero emissions bank by 2050 at the latest, we are engaging with and supporting our customers and portfolio companies in reducing their climate and environmental impact, while reducing our own.

Social responsibility

By considering human and labour rights throughout our value chain and promoting gender equality, fair employment conditions and education, we aim to create social impact where it matters the most.

Governance and culture

Strong governance and a healthy corporate culture will lead to the successful execution of our strategic sustainability agenda for a greater good.

our business – from reducing environmental footprints and accelerating the green transition to promoting social equity, strengthening ethical governance and fostering financial resilience. More information on our most material areas in sustainability terms, along with related targets and performance metrics, can be found in the Sustainability Statement on pages 83–193.

Reducing emissions in our value chain

Our goal is to become a net-zero emissions bank by 2050 at the latest. To achieve this, we have set a medium-term objective to reduce the emissions across our lending and investment portfolios by 40–50% by 2030 compared with 2019 levels. For our own operations, the target is a reduction of 50%. These objectives are supported by measurable targets, an overview of which is presented on the next page.

Active owners in our investments

With more than EUR 400bn in assets under management, we have the opportunity to positively influence the sustainability agenda of the many companies in which we have holdings. In 2024 we continued to do just that, engaging in dialogues with more than 1,000 investees with the goal of strengthening their sustainability practices. For example, we have been engaging with oil and gas firms and utility companies to encourage them to commit to a UN-backed initiative to significantly reduce their methane emissions by 2030. Methane, a powerful greenhouse gas, has contributed to around 30% of global warming since the industrial revolution. Over the period 2023–24 we helped bring 14 more companies on board. In recognition of this work, Nordea Asset Management received the 2024 Principles for Responsible Investment Award for leadership in climate action.

As active owners, we also exercise our voting rights at Annual General Meetings (AGMs) to support initiatives related to the environment, biodiversity and human rights. In 2024 we exercised such rights at more than 3,500 AGMs.

Managing the lending portfolio

Most of our financed emissions are generated by corporate customers in carbon-intensive industries, such as shipping, mining, agriculture, and power production. To monitor our progress, we have implemented science-based carbon emissions reduction targets for eight of these climate-vulnerable sectors. The targets cover the majority of our financed emissions and approximately two thirds of our lending exposure. We believe that actively engaging with our customers in these sectors and supporting their transition through financing and other financial services is an effective way to accelerate the transition to a low-carbon economy.

To increase the positive impact from our lending operations, we aim to facilitate more than EUR 200bn in sustainable financing between 2022 and 2025. By the end of 2024, we had delivered EUR 185bn towards this target. This sum includes green mortgages to household customers and sustainability-linked loans to small and medium-sized businesses able to demonstrate the positive impact of their investments on, for example, energy and resource consumption. A significant part of our lending is to large corporates, and for the past two years we have been the Nordic region's leading provider of corporate sustainable bonds.

A holistic approach to the transition

Beyond climate action, our commitment to sustainability reflects our belief in the interaction of environmental, social and governance aspects within society. We aim to contribute to building a future that preserves healthy ecosystems, restores biodiversity and fosters social well-being, equity and inclusion.

Biodiversity loss and ecosystem degradation have rapidly become topics of high concern. We are exploring ways to reduce negative impacts in our financing and investment activities, as well as taking nature into consideration in our own operations.

As an employer, we strive to be attractive and inclusive, offering equal opportunities and a healthy and productive work environment for all. One of our aims is for each gender to have at least 40% representation at our top three leadership levels combined by 2025 – a target we reached in 2024. We have also set targets to strengthen human rights screening in our supply chain. We are particularly proud to support employee engagement in our local communities, for example through initiatives to foster entrepreneurship and help children and adults build financial skills.

In line with stakeholder expectations, we seek to maintain solid capital and liquidity levels, conduct business to high ethical standards and promote a responsible corporate culture – thereby contributing to the stability of the financial system in the Nordics. As a safe and trusted financial partner, we also engage in anti-bribery and anti-corruption initiatives, contibute to fighting financial crime, and protect customer rights and privacy. We further support customer well-being by providing complementary expert insights and advice across our digital platforms.

SUSTAINABILITY AT THE CORE

On the way to being net zero by 2050: selected sustainability targets

Our long-term objective is to achieve net-zero emissions across our value chain by the end of 2050 at the latest. To this end, we are pursuing several near- and medium-term targets.

Near-term targets

Facilitate more than EUR 200bn in sustainable financing during the period 2022–25	**EUR 185bn**
Grow gross inflows from the Nordea Sustainable Selection universe so as to account for 33% of total fund gross inflows by the end of 2025	**23%**
Ensure that 90% of our exposure to large corporate customers in climate-vulnerable sectors is covered by transition plans by the end of 2025	**86%**
Nordea Asset Management: Ensure that 80% of the top 200 emissions contributors in Nordea Asset Management's portfolios are either aligned with the Paris Agreement or are subject to active engagement to become aligned	**81%**
Nordea Asset Management: Double the share of net-zero-committed assets under management by the end of 2025 compared with 2021	**On track**
Nordea Life & Pension: Reduce the carbon footprint (intensity) of Nordea Life & Pension's listed equity, corporate bond and directly held real estate portfolios by 25% by the end of 2024 compared with 2019	**43%**
Nordea Life & Pension: By the end of 2024, ensure that all asset managers managing assets on behalf of Nordea Life & Pension commit to transitioning their assets under management to net zero by 2050	**61%**
By 2025, ensure that suppliers covering 80% of our related spending are either aligned with the Paris Agreement or are subject to active engagement to become aligned	**76%**
Reduce the carbon emissions from our internal operations by 40% by the end of 2025 compared with 2019	**53%**
Ensure that each gender has at least 40% representation at the top three leadership levels combined by the end of 2025	**41% / 59%**
Achieve a minimum average index score of 90 for diversity and inclusion by the end of 2025	**89**

Medium-term targets

Objective: Reduce emissions across our lending and investment portfolios by 40–50% by the end of 2030 compared with 2019:	
Reduce financed emissions in the lending portfolio by 40–50% by the end of 2030 compared with 2019	**36%**
Nordea Asset Management: Reduce the weighted average carbon intensity (WACI) of listed equities and corporate bonds by 50% by the end of 2030 compared with 2019	**44%**
Nordea Life & Pension: Reduce the carbon footprint (intensity) of listed equity, corporate bond and directly held real estate portfolios by 40–50% by the end of 2029 compared with 2019	**New**
Reduce the carbon emissions from our internal operations by more than 50% by the end of 2030 compared with 2019 and achieve a net positive carbon contribution (through offsetting)	**53%**
Nordea Life & Pension: Engage annually with the top 30 emitters on net zero alignment during the period 2025–29	**New**
Nordea Life & Pension: Increase the share of assets under management supporting nature and the climate transition by 20% by the end of 2029 compared with 2023	**New**

To support our portfolio-wide lending target, we have set sector-specific targets aligned with science-based pathways and regional sector roadmaps. These are presented in the Sustainability Statement on pages 155–160.

"Nordea's **local presence and commitment** make all the difference."

Building a **sustainable future in Gotland**

Family-owned Roma Grus AB is Gotland's largest supplier of asphalt, concrete, and circular construction materials, and has been running for over 50 years.

Passionate about sustainable construction, the company processes excavated materials into new products, ensuring zero waste. Its innovative projects include building Gotland's largest solar park and developing hydrogen production to power ferries and provide ferry operators with fossil-free fuel options in the near future.

Nordea has been a trusted financial partner for Roma Grus for 15 years. "Nordea's support has been crucial to our success, especially when it comes to securing major investments," says Magnus Lindby, Roma Grus's CEO and co-owner.

Backed by a European Guarantee Fund guarantee, Nordea has financed the company's recycling facility, a cornerstone of its circular approach.

The partnership is made stronger by Nordea's personal approach. "Nordea's local presence and commitment make all the difference," Magnus Lindy notes. "We always get the help we need."

Cathrine Dahlin
Senior Relationship Manager, Nordea

Magnus Lindby
CEO, Roma Grus

INTRODUCTION

A **safe and trusted** partner

Every day, we work to earn the confidence of those who count on us.

As the leading financial services group in the Nordics, we are well placed to support financial stability and foster economic growth across the region. Doing this successfully requires us to maintain strong and trusted relationships with all our stakeholders.

Our customers expect consistent great service, while our employees value opportunities to develop and grow. Investors expect strong financial performance and responsible, long-term growth, while regulators require us to meet evolving standards and ensure compliance. By meeting the expectations of our stakeholders, we strengthen trust in Nordea and contribute to the prosperity of the Nordic region.

On the following pages, we outline our relationships with four core stakeholder groups: customers, employees, shareholders and societal stakeholders. Our specific actions towards our stakeholders are further elaborated in the Board of Directors' report on pages 37–196.

CUSTOMERS

EMPLOYEES

SHAREHOLDERS

SOCIETY

8%
year-on-year increase in customer logins to our digital services in 2024

#1
mobile bank based on customer and analyst ratings in the Nordics

EUR 50 bn
in sustainable financing facilitated for customers in 2024

CUSTOMERS

Building **lasting customer relationships**

Financial well-being is the cornerstone of a good life. At Nordea, we want to empower our customers to make confident financial decisions. Whether their needs are simple or complex, our aim is always to earn their trust by being personal, expert and responsible. Our ambition is simple: to be our customers' preferred financial partner – today, tomorrow and long into the future.

Digital but always personal

As banking has evolved, so too has the way our customers engage with us. Today, most banking is done digitally, anywhere and anytime. In the past three years alone we have doubled the number of digital products and services available to our customers. However, while Nordea has become a digital leader, one thing has remained constant: the value of trusted, personal advice. This is why we also have the largest team of advisers in the Nordics, on hand to support our household and corporate customers when they need us.

"One thing has remained constant: the value of **trusted, personal advice.**"

Our digital investments are a key element of our broader strategy to create best-in-class omnichannel customer experiences. Being omnichannel means enabling customers to move effortlessly between channels and choose whichever channel suits their needs in the moment. It's all about seamless transitions – between digital services and advisers, in-person meetings and remote ones – ensuring every interaction is smooth and well coordinated. A consistently great experience, regardless of the when, where and how.

Transitioning to a sustainable future

Around the world, global geopolitical and economic uncertainty has threatened progress towards a low-carbon economy. At Nordea, we remain committed to helping our customers make sustainable choices, even in challenging times. Customers seeking sustainable financing, savings and investments will find a wide variety of options on offer at Nordea.

Our work with corporates is both practical and collaborative, and involves helping each customer balance long-term commitments and real-world challenges. As the Nordic region's largest provider of sustainable financing to businesses, we are proud to play a key role in supporting the transition.

A stable financial partner at a time of major change

For Jens Ikast and his girlfriend in Silkeborg, Denmark, life is full speed ahead. They are expecting their first child, looking for a building plot, and planning both a house sale and a construction project.

With so much going on, it was important for the couple to find a bank that could offer advice tailored to their specific needs.

They settled on Nordea. "I like a bank that is solution-oriented and has a wide range of products, so we can make a plan," says Jens. "Nordea offered us a construction loan account – a product we couldn't find anywhere else. Our adviser really understood us and came up with solutions that made sense."

"When it came to selling the house and buying a plot, our adviser laid out a clear and easy-to-follow strategy for how it could be done. It's both shown us the way forward and given us peace of mind."

What does Jens particularly appreciate about Nordea? The expertise they offer: "In the past, I thought a good bank should just say yes to everything – but now I see that good advice is much more than that. At Nordea, it's about building a strong financial foundation so we know what our situation looks like now and will look like in the future. This gives us security at a time when we're experiencing major life changes."

Jens Ikast

"Our adviser really understood us and came up with **solutions that made sense**."

82

People Pulse average score for likeliness to recommend Nordea as a place to work (82 in 2023)

88

People Pulse average score for equal opportunities (88 in 2023)

Gender balance[1]

	♀	♂
Board of Directors	40%	60%
Top three leadership levels combined	41%	59%
Leaders	44%	56%
Total workforce	51%	49%

1) More information about gender balance at Nordea can be found on page 178.

EMPLOYEES

Fostering a workplace where **passion meets opportunity**

Our people drive our success, helping us adapt and thrive in a fast-changing world. We aim to be the preferred employer in the financial industry in our operating countries – a place where people come as they are and are met with opportunities to evolve, develop and move forward in their careers.

We regularly ask our employees how they feel about working at Nordea through the Ennova Employee Engagement survey (People Pulse). Our 2024 employee engagement results showed continued strong levels of satisfaction and motivation, placing us in the top quartile of international companies surveyed by Ennova.

For people who want to move forward

Our size and reach help us attract and retain top talent, drawn to the opportunity to work on challenging and impactful tasks and projects in everything from data science and financial crime to product development and customer advice. Clear and structured career opportunities, defined career paths, and a comprehensive learning curriculum help support internal mobility and continuous development.

Our culture is characterised by a strong customer focus and our behaviour is guided by our values: collaboration, ownership, passion and courage. Our leadership principles support our leaders in their everyday work, enabling them to succeed in guiding their teams, develop talent effectively and support their own growth.

Diversity and equality make us better

Diversity and inclusion are a natural part of our daily work and things we regard as strengths. Our workforce is made up of over 100 nationalities, and we are proud to value all perspectives and celebrate our differences. Having diverse teams helps us find more creative solutions, deliver better results and serve our customers more effectively.

We are committed to strengthening the gender balance at all levels of the Group. In 2024 we reached 40% representation of women at the top three leadership levels combined, bringing us in line with our long-term target.

Another key focus for us is ensuring fair and equal pay. Gender pay gaps are regularly reviewed and addressed, supporting progress towards pay equity across the company. Our ambition is to close the pay gap between women and men in equivalent roles by the end of 2026. In 2024 we were encouraged to see the adjusted pay gap decrease further, to approximately 1.75%.

Our diversity and inclusion efforts go beyond gender, embracing cultural diversity, age diversity, LGBTQ+ representation, and neurodiversity. We are constantly developing our people processes, including recruitment and talent management, to ensure equal opportunities and inclusion.

EUR 17.6bn
total capital returned to our 600,000 shareholders since we began our repositioning in autumn 2019

EUR 11.9bn
dividends paid since autumn 2019

EUR 5.7bn
distributed via share buy-backs since autumn 2021

SHAREHOLDERS

Creating value for our shareholders

We maintain a broad and diverse shareholder base, which includes global and Nordic institutional shareholders, over 580,000 private individuals throughout the Nordic countries, and numerous pension fund investors representing the interests of thousands more individual investors. Since the start of our 2022–25 strategy period, the total number of registered shareholders has increased by approximately 5%.

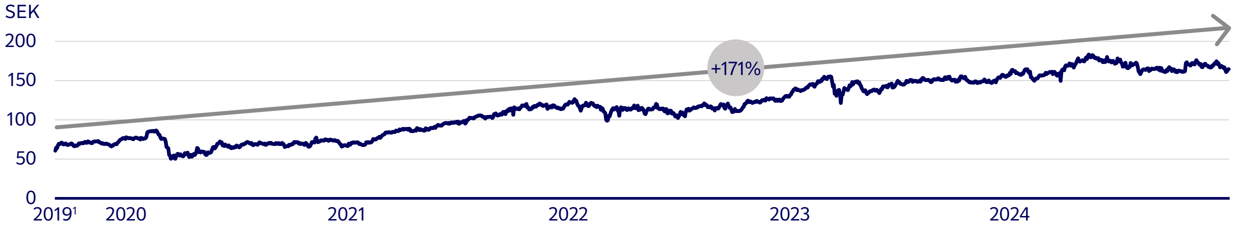
The Nordea share is listed on the stock exchanges in Helsinki, Stockholm and Copenhagen.

We are a market-leading bank when it comes to shareholder returns – driven by the successful implementation of our strategy. Over the past five years we have paid out EUR 11.9bn in dividends. These support economic activity, drive growth in the Nordic societies and help channel funding towards innovation, education and healthcare. Our shareholders also include several non-profit foundations, which use the dividends they receive to support charitable initiatives and causes.

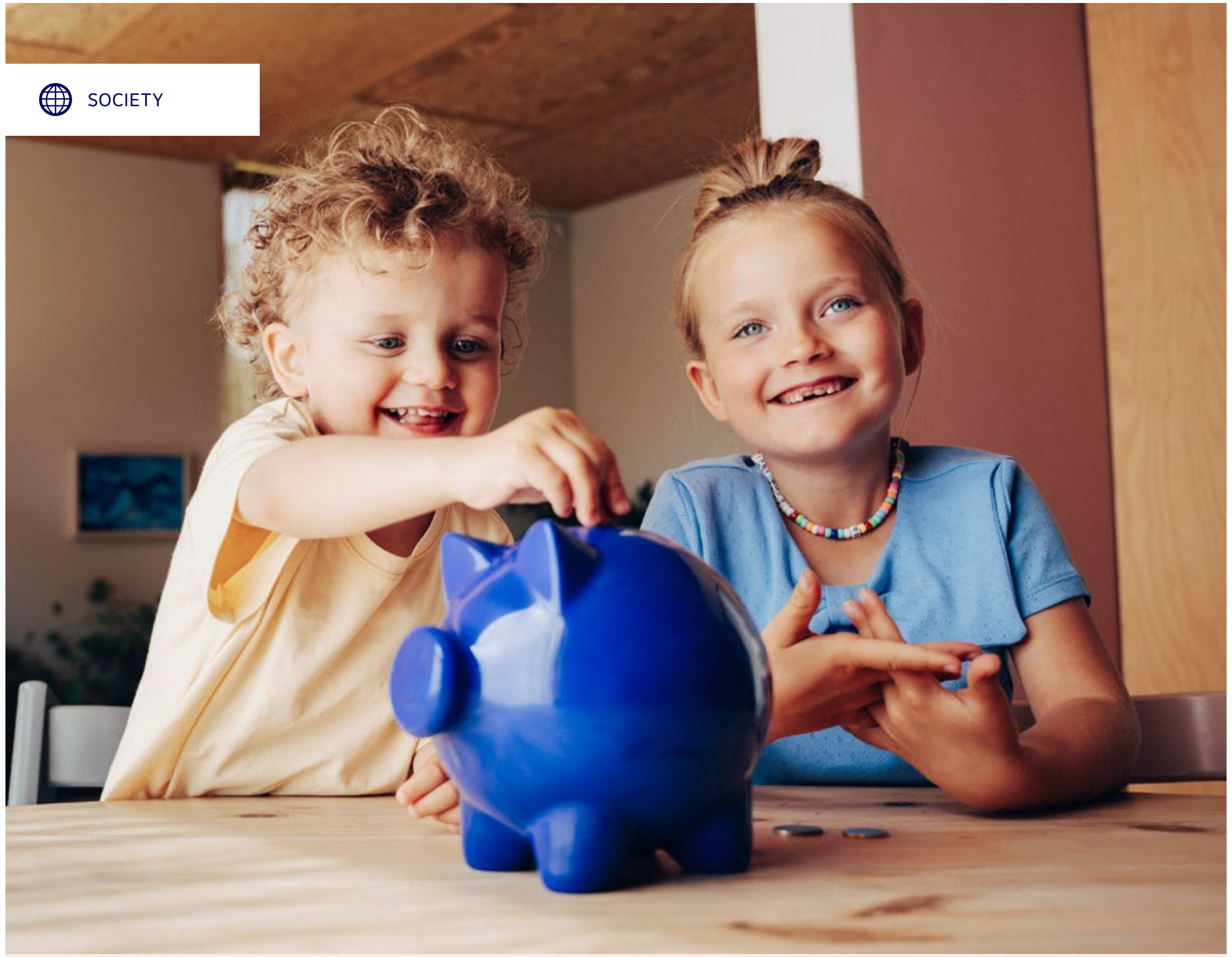
Our capital position has been among the strongest in Europe for many years and our capital generation is stable. We were the first European bank to start implementing share buy-backs in 2021. We launched our latest share buy-back programme in October 2024. Since the inception of the inaugural buy-back programme in October 2021, we have distributed EUR 5.7bn to our shareholders through share repurchases.

We expect to maintain our strong capital generation, supported by our improved financial performance and capital excellence.

Total shareholder returns



1) Repositioning of Nordea in the autumn of 2019.



10,600
hours volunteered by employees in our community engagement programmes in 2024

70
local and national partners working closely with us in 2024

EUR 5.6bn
in taxes paid and collected in 2024

SOCIETY

Increasing **social belonging**

We play a vital role in helping the Nordic region to thrive, providing support to people and businesses that goes far beyond banking products and services. A key focus is helping people start new businesses. We also help people build the financial skills that are important for financial stability and a good quality of life.

Community engagement

Community engagement is about creating positive change in all areas of society through our employees.

In our three community engagement programmes we focus on building financial skills, fostering entrepreneurship and supporting refugees in learning languages and increasing their digital literacy. All Nordea employees are invited to volunteer 16 hours each year through the programmes, and in 2024 1,850 of them collectively volunteered around 10,600 hours.

As part of our engagement, we work extensively with schools and via different partnerships across the Nordics to help children and young people lay the foundation for a healthy and successful financial life.

We also actively support entrepreneurship across the Nordics. Investor Speed Dating, an annual virtual event that helps Nordic startups obtain financing from global investors, is now offered in all our markets. In Denmark, Finland and Sweden, we present the Abilitypreneur of the year award, which recognises entrepreneurs who focus on inclusion from an ability variation perspective.

To deliver on our community engagement programmes, we work closely with various local and national non-profit organisations in the Nordic countries, as well as in Poland and Estonia. Currently, we have 70 local and national partners.

In the surveys we have conducted, our voluntary work receives high praise from both employees and partners.

Responsible taxpayer

We are a major taxpayer in the Nordic region and are proud to have one of the largest tax footprints among Nordic companies. We pay income tax, VAT and social security contributions, and collect taxes from shareholders, customers and employees on behalf of governments, thereby contributing significantly to the region's economic growth, stability and development. In 2024 our total tax contribution amounted to EUR 5.6bn.

We are a responsible and transparent taxpayer – attributes that align with our values as the leading Nordic financial services group. Nordic societies are built on trust, equality and collective responsibility. Further information on our role as a responsible taxpayer can be found on pages 78–80.

DSV's journey to **global transport and logistics leader**

Danish transport and logistics company DSV made history in 2024 with the purchase of DB Schenker, the transport and logistics arm of the German state rail operator Deutsche Bahn. The EUR 14.3bn acquisition is one of the largest Nordic M&A deals ever and will make DSV a world-leading player.

Nordea has had a longstanding relationship with DSV as its core bank, and we were privileged to play an integral role in the landmark transaction, which took years of preparation.

"It was natural to choose Nordea for this significant undertaking. There's trust and confidence on both sides," says DSV CEO Jens Lund. "I don't think it could have been done in a more professional way."

DSV started out in 1976 as a small group of ten independent Danish truckers. It has since grown into a global industry player through acquisitions, sometimes buying companies bigger than itself.

"We have a platform model that allows us to add more volume, reduce complexity and benefit from economies of scale," says Jens Lund.

The acquisition of Schenker is bigger than all previous acquisitions combined, bringing DSV to a 6–7% global market share in a highly fragmented industry. While set to become a market leader, the company aims to widen its lead, with an even stronger platform for organic growth and future M&A.

"Our customers say they look forward to having more of their logistics needs met by the same company," says Jens Lund. "We think all our stakeholders will benefit by us continuing this journey."

Jens Lund
CEO, DSV

"It was natural to choose Nordea for this significant undertaking. There's **trust and confidence** on both sides."

INTRODUCTION

Our four **business areas**

Our four business areas cater to the needs of different customer segments, from private households and small businesses to some of the largest enterprises in the Nordic region. Each strives to offer best-in-class advisory services, products and solutions.

Each business area is individually responsible for providing services to its customer segments and is fully accountable for its income, costs, risks, customer experience, investment decisions and capital management. Our business areas are united under a single pan-Nordic operating model and share the same Group functions, ensuring optimal delivery and a competitive cost structure. Alongside increasing accountability, the model ensures we can effectively serve customers who may interact with us in different capacities – whether as private individuals, business owners or clients building their financial portfolios.

Personal Banking

In Personal Banking we provide household customers with easy and convenient everyday banking and advice for all stages of life. We are committed to supporting their financial well-being with a comprehensive and attractive range of financial products and services, along with a great customer experience.

Business Banking

In Business Banking we aim to be the preferred bank for small and medium-sized enterprises, helping them develop and grow in a sustainable way. Our advisory services and comprehensive range of products and solutions enable our customers to be successful both locally and internationally.

Large Corporates & Institutions

In Large Corporates & Institutions we support large Nordic corporate and institutional customers with a range of financial solutions. We also provide services through the product and specialist units Markets and Investment Banking & Equities and through our international corporate branches in New York, London and Shanghai.

Asset & Wealth Management

In Asset & Wealth Management we offer an extensive range of award-winning private banking, life and pensions, and wealth management services. Our ambition is to be the preferred wealth manager in each Nordic market and a leading European asset manager, providing our customers with valuable advice, global reach and a competitive sustainability offering.

PERSONAL BANKING

Everyday **banking made easy**

In Personal Banking we provide household customers with easy and convenient everyday banking and advice for all stages of life. We are committed to supporting their financial well-being with a comprehensive and attractive range of financial products and services, along with a great customer experience.

How we do business

We offer individuals and households a wide range of banking services, from savings accounts and investment products to home loans and payment services. Our focus is on providing customers with a banking experience that is both modern and personal. We do this by combining our strengths as a digital leader with expert advice whenever it is needed – ensuring our customers feel supported and confident in managing their finances. As part of our commitment to a sustainable future, we also offer our customers a wide range of sustainability-linked lending and savings products.

Business development

We performed well in 2024, with solid business volumes and high levels of customer activity, especially in savings and investments. A key driver of our performance was the continued growth of our digital services. For years, we have invested significantly in developing our online banking platform and mobile app, earning broad external recognition for our efforts. This year, Global Finance ranked us highest in six categories in its Best Digital Bank awards.

Our digital expansion continued as we introduced more self-service options, improved savings insights and launched an updated front page for savings and investments in the app to give customers a clearer overview of their saver profile and personal savings advice. For customers in Denmark and Norway, we added a new feature enabling them to track their subscriptions with various merchants. And for those looking to start saving, we also made it easier to begin a savings plan through the app.

The number of digitally active customers grew by 5% year on year, to reach 5.2 million, while total logins were up 8% at 1.5 billion. Our customers are increasingly using our digital services not only for everyday banking but also to purchase new products, with nearly 70% of product sales now made through our digital channels. We also continued to see digital activity drive demand for advisory support, with advisers following up on an increasing number of digital leads. During the year our advisers met with customers more than a million times.

Customers were focused on strengthening their savings and investments, with many increasing their monthly top-ups and recurring contributions. In Norway and Sweden, following boosts in customer activity, we are now a market leader in pension savings and pension transfers, respectively. During the year we had good momentum in investment funds and pensions, achieving total net inflows of EUR 2.5bn.

To meet our customers' needs, we expanded our range of savings products, launching new high-interest savings accounts in Finland and Sweden, new time deposit accounts in Norway, and new maturity options for fixed-term deposits in digital channels. In Sweden, we also introduced an improved ESG savings offering.

Mortgage lending was broadly stable throughout the year in what continued to be slow housing markets. As interest rates began to fall, there were signs that markets were beginning to recover. For example, after the spring, we saw an increase in demand for new loan promises.

We took further steps to strengthen our position in the Nordic mortgage markets. In Sweden, we enhanced the real-time digital home-buying experience we offer through our online mortgage portal – an experience that remains unique in the market. Towards the end of the year, we also completed the acquisition of Danske Bank's Norwegian personal customer banking business. One of our largest acquisitions in recent times, this important step significantly strengthens our position in Norway and reinforces our role as a leading player in the mortgage market.

Another key focus for us was improving security for our customers. We launched a new BankID app in Norway and introduced various fraud protection measures. Our new high-interest savings account in Sweden comes with a feature that delays outgoing transactions, making it more difficult for criminals to access funds. In addition, we now fast-track calls from customers who suspect they may be a victim of fraud. Tackling fraud is also about raising awareness, and we hosted numerous webinars and events providing customers with advice on how to avoid being scammed. We believe our efforts have made the bank safer for our customers, with both fraud cases and fraud losses decreasing year on year in 2024.

Customer satisfaction remained on a good level and strengthened relative to our peers. Our iOS and Android apps maintained high ratings. In Sweden, in recognition of our growth and development, we were named Bank of the Year 2024 by Privata Affärer, a leading Swedish financial publication.

Our ESG products continued to perform well, with the ESG share of gross inflows into funds reaching an all-time high at 36%.

Results

Total income grew by 3% year on year, mainly driven by improved savings income from strong sales and market performance in all markets. Mortgage volumes grew by 5% year on year in local currencies, driven by the Norwegian acquisition and increased customer activity. Deposit volumes were up 5% year on year in local currencies.

Net interest income grew by 1% year on year, reflecting improved mortgage volumes and margins in Norway and Sweden. These were partly offset by lower deposit margins across the Nordics due to rate changes.

Net fee and commission income increased by 7% year on year, mainly driven by higher savings income across the Nordics and higher payment and card fee income in Norway and Sweden. These were partly offset by lower lending fee income in Denmark.

Total expenses increased by 2% year on year due to salary inflation and investments in technology and risk management in line with our business plan.

Total net loan losses and similar net result amounted to EUR 87m (5bp), compared with EUR 112m (7bp) in 2023, and was in line with expectations.

Operating profit increased by 5% and return on allocated equity (RoAE) decreased to 18% from 19%. The RoAE decrease followed changes to the internal model framework which resulted in higher allocated equity.

"Our customers value our best-in-class digital services and the proactive assistance they receive from Nordea."

Sara Mella
Head of Personal Banking

Achievements in 2024

Grew income by 3% and increased volumes.

Acquired Danske Bank's Norwegian personal customer banking business.

Earned title of Sweden's Bank of the Year from Privata Affärer.

Further grew the number of digitally active customers.

Total income: EUR 4,722m
Costs: EUR -2,321m
Operating profit: EUR 2,314m
Cost-to-income ratio: 49%
RoAE: 18%

2025 priorities

Create best-in-class omnichannel customer experiences through personalised digital services and competent advice.

Strengthen our position within savings in all markets, grow our overall position in Sweden, and deepen our relationships with customers onboarded following the Norwegian acquisition.

Increase operational efficiency through our digital capabilities and Nordic scale.

BUSINESS BANKING

The **trusted partner** for small and medium-sized businesses

In Business Banking we aim to be the preferred bank for small and medium-sized enterprises, helping them develop and grow in a sustainable way. Our advisory services and comprehensive range of products and digital solutions enable our customers to be successful both locally and internationally.

How we do business

We are a full-service bank for small and medium-sized businesses in the Nordics, offering both essential banking services and expert advice to support customers' more complex needs. We provide expertise on a broad range of sectors, and assist startups and high-growth companies via dedicated teams in each market. Our award-winning digital capabilities deliver effortless daily banking for customers while helping us free up time for advisers to meet unique customer needs. With our strong offering of ESG-related advisory services and products, we are ideally positioned to help customers transition to sustainable business models.

Business development

In 2024 we remained focused on actively supporting our customers in strengthening their businesses and addressing growth opportunities. Customer activity held up well despite the relatively slow pace of the Nordic corporate markets. The more stable interest rate environment, coupled with declining inflation, provided some relief to small and medium-sized enterprises in what continued to be a challenging overall business environment.

Lending volumes increased by 1% in local currencies year on year. We also helped customers secure capital market funding, making the most of increased investor appetite. Demand for fee-based products and services grew as customers upped their activity levels. The most sought-after products were within payments, savings and foreign exchange derivatives.

Despite the recent period being more challenging for some sectors, such as construction and retail, our customers demonstrated considerable financial resilience and stability. Our loan losses, driven by a few single corporate exposures, remained moderate. Credit quality continued to be strong, reflecting our sound risk position and well-diversified credit portfolio.

Throughout the year, we continued to invest in enhancing customer experience. For our small corporate customers, we increased the availability of Nordea Business Centre advisers, enabling more customers to receive the help they needed. We also improved call resolution rates and reduced waiting times even further, driving higher net promoter scores.

As we strengthen service quality, our aim is to unlock the benefits of our Nordic scale. In 2024, across the region, our relationship managers made effective use of our customer insight tool to more quickly understand customers' finances and needs. This in turn helped them provide more relevant advice and spend more time with customers.

In line with our strategic ambitions, we made further progress towards becoming the leading digital bank for SMEs by developing Nordea Business and the mobile app. In Finland, we launched a renewed sales invoicing service, making it easier for our customers to obtain payment for their services. In Norway, we finished migrating customers to Nordea Business. Customers across the Nordics can now access the services they need via a common platform in all countries.

As part of the continued development of our digital offering, we have been steadily increasing self-service feature coverage in key product areas, making it much easier for customers to access the products they need. Our goal is for the vast majority of everyday banking needs to be covered by self-service options by the end of 2025.

Sustainability remains a key focus area for both us as a bank and our customers, and we have continued to develop our offering. Our green asset portfolio increased to 13% of total lending, and we grew our sustainability-linked lending in all countries. We also continued to actively engage with customers in carbon-intensive sectors to support them in developing climate transition plans.

Our efforts to deliver a better all-round customer experience have been reflected in improved customer satisfaction scores across the Nordics and narrower gaps with peers. For the second year in a row, we won Global Finance's awards for Best Mobile Banking App and Best SME Banking/SME Platform in each of the Nordic countries.

Results

Total income increased by 2% year on year, driven by deposit and lending volume growth, higher savings and payment and card fee income, and higher net result from items at fair value. These were partly offset by lower deposit margins amid declining interest rates in Denmark, Finland and Sweden.

Net interest income was unchanged year on year, as higher deposit and lending volumes were offset by lower deposit margins. Deposit volumes grew by 4% in local currencies, while lending volumes increased by 1%.

Net fee and commission income increased by 2% year on year, driven by higher savings income and higher payment and card fee income. These were partly offset by lower lending fee income.

Net result from items at fair value increased by 7% year on year, driven by higher income from sales of foreign exchange products.

Total expenses were unchanged year on year. In line with our business plan, we continued to invest in technology infrastructure, data and AI, our digital offering, and our risk management capabilities. The cost-to-income ratio decreased to 41%, a year-on-year improvement of 1 percentage point.

Net loan losses and similar net result amounted to EUR 130m (14bp). Net loan losses were driven by a small number of individual exposures, while underlying credit quality remained robust. We maintained a diversified portfolio across segments and countries.

Operating profit amounted to EUR 1,907m, a year-on-year increase of 1%. Return on allocated equity decreased from 18% to 17% for the full year, driven by higher allocated equity and higher loan losses.

"Small and medium-sized businesses are very much the backbone of the Nordic economies. We're here to support them every step of the way."

Nina Arkilahti
Head of Business Banking

Achievements in 2024

Grew volumes and increased income by 2% despite declining interest rates.

Won Global Finance awards for Best Mobile Banking App and Best SME Banking/SME Platform in Denmark, Finland, Norway and Sweden.

Completed customer migration to Nordea Business and the mobile app in Norway, reaching full Nordic coverage for the service.

Increased sustainable financing portfolio to 13% of total lending.

Total income: EUR 3,448m
Costs: EUR -1,411m
Operating profit: EUR 1,907m
Cost-to-income ratio: 41%
RoAE: 17%

2025 priorities

Improve our market position and focus on income growth combined with good profitability.

Increase business volumes in Sweden and target segments.

Be the leading digital bank and preferred sustainability partner for small and medium-sized businesses.

LARGE CORPORATES & INSTITUTIONS

The **bank of choice** for large Nordic corporates and institutions

In Large Corporates & Institutions (LC&I) we support large Nordic corporate and institutional customers with a range of financial solutions. We also provide services through the product and specialist units Markets and Investment Banking & Equities and through our international corporate branches in New York, London and Shanghai.

How we do business

We serve the banking and finance-related needs of many of the most prominent businesses and institutions in the Nordics, targeting an exceptional level of customer service. Furthermore, we support customers with both equity and debt capital market services, and in managing financial risks. LC&I is also home to our Markets unit, which produces research and offers risk management solutions. In recent years we have significantly developed our ESG advisory services, ensuring we can effectively support customers in their sustainability transitions. Our pan-Nordic diversification, capital excellence and focus on selected growth opportunities position us well for sustained business success.

Business development

We pride ourselves on being a reliable and trusted partner for our large corporate and institutional customers. In 2024 customers again valued our active support and advice amid continued uncertainty, changing interest rates, and periods of volatility and subdued demand.

In the challenging environment, our diversification, strong credit quality and market-leading position enabled us to deliver a strong financial performance and grow our lending and deposit volumes by 1% and 12%, respectively.

Investment Banking and Equities continued to perform well, supported by a number one Nordic equity capital markets ranking and large transactions, including DSV's EUR 14.3bn acquisition of DB Schenker. Three years in the making, DSV's acquisition is one of the largest ever M&A deals by a Nordic company. We acted as joint global coordinator and joint bookrunner in the associated share issue, demonstrating our expertise in executing complex, large-scale transactions. We also arranged a EUR 5bn and EUR 6bn dual tranche bond for the European Union and advised Sampo in its EUR 2.2bn public exchange offer for TopDanmark.

In 2024 as a whole, we arranged more than 600 debt capital market transactions for our customers as we helped them make the most of favourable funding markets.

LARGE CORPORATES & INSTITUTIONS

During the year we made further progress with our digitalisation efforts. We completed the roll-out of our Nordea Corporate Dashboard, which enables larger corporate customers to access clear and informative data visualisations and insights to support their decision-making. Customer adoption of our treasury automation offering for managing foreign currency flows and liquidity increased by approximately 30% year on year.

We also continued to be very active in supporting our customers in the area of sustainability, where we have been growing our position as a provider of sustainable finance. During the year we facilitated an additional EUR 48bn in sustainable financing. With EUR 176bn facilitated to date, we are on track to facilitate EUR 200bn in sustainable financing for our large corporate and institutional customers by 2025.

To further strengthen our position, we continued to develop our strategic data collection tool for emissions and our customer climate transition maturity ladder. The latter, which we use to follow up on transition progress and enhance customer ESG dialogues, was featured in in the Net-Zero Banking Alliance 2024 Progress Report as a case study.

Our status as a sustainability leader was also recognised by Global Finance, which named us Best Bank for Transition/Sustainability Linked Bonds at the global level, in Western Europe, and in each of the Nordic countries.

In the annual Prospera customer satisfaction survey, we maintained high corporate banking scores and secured all-time-high scores both in Norway and at the Nordic level.

Results

Total income was down 1% year on year, mainly due to lower net result from items at fair value. This was partly offset by solid net fee and commission income.

Net interest income was stable. Lending volumes increased by 1% year on year as corporates continued to favour bond market funding in the lower interest rate environment. Deposit volumes increased by 12% year on year, mainly driven by a number of larger customers in Denmark and Sweden. Net fee and commission income was up 5% year on year, driven by increased bond issuance.

Net result from items at fair value decreased by 9%, driven by lower risk management income in less favourable market conditions. This was partly offset by continued solid levels of customer activity, resulting in a year-on-year increase in income in customer areas.

Total expenses decreased by 3%, mainly due to significantly lower regulatory fees and continued strict cost control. These were partly offset by additional investments in technology and risk management in line with our business plan. The cost-to-income ratio was 38%, in line with the previous year.

Net loan losses and similar net result amounted to net reversals of EUR 14m, compared with net reversals of EUR 22m in 2023, reflecting the strong underlying credit quality of our loan book. At the end of the year the total provisioning level stood at approximately EUR 263m or 0.5% of LC&I lending.

Operating profit was stable year on year at EUR 1,472m.

We continued to exercise solid capital discipline. Return on allocated equity was 17% for the full year, in line with the previous year.

"At every turn, we are by our customers' side, supporting their growth and success both at home and on the world stage."

Petteri Änkilä*
Head of Large Corporates & Institutions

* As of 1 January 2025, replacing Martin A. Persson, who was appointed Head of Asset & Wealth Management.

Achievements in 2024

Maintained high RoAE at 17%.

Achieved #1 core league table rankings and high customer satisfaction.

Reduced financed greenhouse gas emissions by 57% compared with 2019.

Delivered strong and stable customer support in continued uncertain times.

Total income: EUR 2,340m
Costs: EUR -882m
Operating profit: EUR 1,472m
Cost-to-income ratio: 38%
RoAE: 17%

2025 priorities

Drive core income growth and structurally lower our cost to serve.

Accelerate capital excellence through efficient balance sheet use, new capital models and risk-sharing transactions.

Be the preferred sustainability partner for our core Nordic corporate and institutional customers.

ASSET & WEALTH MANAGEMENT

The **preferred** Nordic wealth manager

In Asset & Wealth Management we offer an extensive range of award-winning private banking, life and pensions, and wealth management services. Our ambition is to be the preferred wealth manager in each Nordic market and a leading European asset manager, providing our customers with valuable advice, global reach and a competitive sustainability offering.

How we do business

We are dedicated to supporting the financial goals of a wide range of clients, from private banking customers and corporate clients to foundations and institutional investors. With a broad advisory network across 17 countries and a leading mobile banking platform, we offer a comprehensive range of savings, investment and banking solutions to help build and preserve our clients' wealth.

We approach investment with a clear sense of responsibility. Alongside managing investment funds, we exercise active ownership to drive positive change in companies we invest in. Our expertise allows us to provide a wide selection of globally competitive ESG products, enabling our clients to invest and grow their wealth with purpose. We are also committed to protecting our customers' futures with a suite of competitive life insurance and pensions products and services.

Business development

In 2024 we had good momentum in our Private Banking unit and grew in all our home markets, supported by stronger customer relationships and customer acquisition. New customers included those we welcomed following our acquisition of Danske Bank's Norwegian private banking business.

Our good performance led to a net inflow of EUR 8.1bn in 2024. Net flows followed an increasingly positive trend as the year went on, reflecting both growing optimism among clients and effective business execution. We defended our Nordic number one position for overall performance in the 2024 Prospera customer satisfaction survey and were named the Best Private Bank in the Nordics for a second consecutive year in Professional Wealth Management's Global Private Banking Awards.

Our focus remained on strengthening customer experience. We further developed our digital services, launching additional new features to enable customers

ASSET & WEALTH MANAGEMENT

to better manage their pension savings digitally. We also enhanced the private banking digital experience with engaging content and insights across our digital channels.

In recognition of our strong performance in private banking, we were named the Best Private Bank in the Nordics and in Sweden and the highly commended private bank in Denmark in Professional Wealth Management's 2024 Global Private Banking Awards. In addition, Global Finance named us the Best Private Bank in each of our four home markets.

Assets under management increased by 11% year on year to reach a record high of EUR 422bn. Investment performance remained strong, although total net flows were again impacted by negative flows in international channels. With interest rates not yet normalised and geopolitical uncertainty still high, international clients on the whole continued to favour alternative products such as fixed-term or money market funds. In Nordic channels, we continued to report strong inflows.

In our Asset Management unit, where we actively manage investment funds and discretionary mandates for institutional clients, we saw strong interest in our sustainability strategies. One US-based customer invested USD 450m in our Global Stars Equity Fund.

MainStreet Partners, the London-based ESG partner for top-tier investors and distributors, named our Nordea 1 European Stars Equity Fund the Best ESG European Equity Fund as part of its ESG Champions commendation. During the year the Swedish Fund Selection Agency added the same fund to its premium pension fund platform.

Our strong distribution power and large asset management franchise were further reflected in a higher ranking in Investment & Pensions Europe's Top 500 Asset Managers. Nordea Asset Management jumped five places to number 96, landing in the top 100 for the first time.

In Life & Pension, where we offer customers a full range of pension, endowment and risk products, gross written premiums reached an all-time high, supported by continued momentum in the Norwegian and Swedish pension transfer markets. In Sweden, we launched our Nordea Node occupational pension offering, which has generated strong interest among customers. Nordea Node is the new name for Advinans, which we acquired in 2023. In Denmark, our local life insurance company was named Pension Company of the Year 2024 by Finanswatch and EY.

Results

Total income increased by 5% year on year, to EUR 1.4bn, mainly driven by higher net commission income in Private Banking due to higher assets under management.

Net interest income was EUR 321m, up 8% year on year, mainly driven by higher interest rates. Lending volumes increased by 4% year on year. Deposit volumes increased by 2%.

Net fee and commission income was EUR 989m, up 1% year on year, driven by higher assets under management in Private Banking, which more than offset the impact of the challenging market environment in institutional and wholesale distribution. Net insurance result increased by 32%, to EUR 95m, mainly due to increased market rates in Norway and a higher result from protection products in Denmark. Net result from items at fair value amounted to EUR 44m, up from EUR 36m in 2023, mainly due to gains on shareholders' equity portfolios in Life & Pension.

Total expenses decreased by 1% year on year, mainly driven by lower resolution fees and lower staff costs.

Net loan losses and similar net result improved to EUR 0m from EUR 1m in 2023.

Operating profit was EUR 832m, up 10% year on year. The cost-to-income ratio improved to 43% from 45% in 2023. Return on allocated equity was 35%, a year-on-year decrease of 1 percentage point, driven by higher allocated equity.

"Deep expertise, an international footprint and a strong track record in responsible investment: this is how we drive our clients' financial success."

Martin A Persson*
Head of Asset & Wealth Management

* As of 1 January 2025, succeeding Snorre Storset.

Achievements in 2024

Drove strong performance in private banking, supporting EUR 8.1bn net inflow.

Acquired Danske Bank's Norwegian private banking business.

Defended Nordic #1 position for overall performance in Prospera customer satisfaction survey.

Total income: EUR 1,447m
Costs: EUR -615m
Operating profit: EUR 832m
Cost-to-income ratio: 43%
RoAE: 35%

2025 priorities

Drive continued growth in private banking and be the leading Nordic wealth manager, preferred by entrepreneurs and business owners.

Drive continued growth in private and occupational pensions and be the leading provider across the Nordics.

Be a top European asset manager, with superior ESG capabilities.

A partnership that works **at every level**

Simon Petrén is the CEO of Humble Group, a global food tech company that specialises in innovative, healthy and sustainable consumer products. He has been a Nordea customer since 2015.

"I'm very happy with Nordea Private Banking – they provide strong customer support and attractive offers. In fact, I regularly recommend them to both entrepreneurs in my network and newly acquired companies. They have a top-tier offer and service that makes a hectic life easier," says Simon Petrén, CEO and co-founder of Humble Group.

Simon Petrén has also broadened his engagement with Nordea by becoming a Business Banking customer. He believes this has strengthened his relationship with his bank.

"On the corporate side, Nordea's excellent full-service support and pragmatic view, combined with speed and a dynamic approach, make them a perfect fit for an entrepreneurial business group like Humble," he says.

Humble Group recently carried out a directed share issue and raised new bank facilities with Nordea and two other Swedish financial institutions. This helped the company optimise its capital structure and perform an early redemption of its outstanding bonds.

"The advice we got about redeeming our bonds was very forward-thinking and has been instrumental in our company journey," says Simon Petrén.

Simon Petrén
CEO, Humble Group

"Nordea Private Banking makes **a hectic life easier**."

Board of Directors' report

Table of **Contents**

Key events of the year

Selection of key events 2024

First quarter

- Fourth-quarter and full-year results 2023: Strong capital generation allowing increased dividends per share. Update of the outlook for 2025: Targeting a return on equity of above 15%.
- Annual Report including sustainability notes and Remuneration Report for Governing Bodies published.
- The Annual General Meeting of Nordea is held on 21 March in Helsinki and shareholders are also able to follow the meeting via a live webcast.
- Nordea completes fourth share buy-back programme of EUR 1.0bn.

Second quarter

- First-quarter results 2024 : Strong profitability and low net loan losses.
- Dividend distribution: A dividend of EUR 0.92 per share, an increase of 15% compared with 2022. A total of EUR 3.2bn is paid to shareholders, including more than 580,000 private individuals and numerous pension funds across the Nordics.

Third quarter

- Half-year results 2024 : Continued high-quality income growth and deposit volumes up.
- Nordea receives ECB approval for new capital models for retail exposures, and the new models are implemented in the third quarter.
- Nordea reaches resolution with US authorities regarding old AML matters.
- Nordea best ranked among Nordic peers in Sustainalytics' ESG risk ratings.
- Nordea successfully issues three Additional Tier 1 Conversion Notes under its Global Medium Term Note Programme.

Fourth quarter

- Third-quarter results 2024: Maintains a strong capital position and continued high performance. Upgrade of the outlook for 2024: Return on equity increased from above 15% to above 16%.
- Nordea launches a new share buy-back programme of up to EUR 250m after successfully implementing the new capital models for retail exposures .
- Nordea completes the acquisition of Danske Bank's personal customer and private banking business in Norway (approximately 235,000 customers).
- Martin Persson is appointed Head of Asset & Wealth Management and Petteri Änkilä Head of Large Corporates & Institutions. Snorre Storset to step down from the Group Leadership Team and as Head of Asset & Wealth Management.
- The current Group Business Support function to be divided into two new units: Group Technology and Group Business Support headed by Kirsten Renner and Mads Skovlund Pedersen, respectively. Erik Ekman to step down from the Group Leadership Team and as Head of Group Business Support.
- Nordea wins the award Bank of the Year in Sweden.

Outlook[2]

Financial outlook for 2025 (new)
Nordea's financial outlook for 2025 is a return on equity of above 15%.

Capital policy
A management buffer of 150bp 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.

Financial highlights 2024

CET1 ratio 15.8%	Operating profit EUR 6.5bn
RoE 16.7%	C/I 44.1% / 43.1%[1]

1) Excluding regulatory fees.
2) Outlook as of 30 January 2025.

Financial review 2024

Key figures and ratios 2024

Group results and key ratios 2024

EURm	2024	2023	Chg %
Net interest income	7,594	7,451	2
Net fee and commission income	3,157	3,021	5
Net insurance result	253	217	17
Net result from items at fair value	1,023	1,014	1
Other income	57	40	43
Total operating income	12,084	11,743	3
Total operating expenses excluding resolution fees	-5,213	-4,922	6
Total operating expenses	-5,330	-5,238	2
Profit before loan losses	6,754	6,505	4
Net loan losses and similar net result[1]	-206	-167	23
Operating profit	6,548	6,338	3
Income tax expense	-1,489	-1,404	6
Net profit for the year	5,059	4,934	3
Cost-to-income ratio, %	44.1	44.6	–
Return on equity, %	16.7	16.9	–
Diluted earnings per share, EUR	1.44	1.37	5
Return on assets, %	0.8	0.8	–
Equity ratio, %	5.2	5.3	–

1) Includes fair value adjustments to loans held at fair value at Nordea Kredit.

Results summary 2024
Total operating income in 2024 was up 3% compared with 2023. Total operating expenses increased to EUR 5,330m. Net loan losses and similar net result remained largely stable at 6bp (5bp). Operating profit was up 3%.

Income
Net interest income
Net interest income increased by 2%. The main drivers were higher interest earned on shareholders' equity and a higher result in Treasury. This was partly offset by lower deposit margins and higher funding costs.

Lending volumes
Loans to the public, excluding repurchase agreements and securities borrowing, were up 3% in local currencies. Lending volumes increased in Personal Banking (4% in local currencies, driven by Nordea's acquisition in Norway), Business Banking (1% in local currencies) and Large Corporates & Institutions (1% in EUR).

Deposit volumes
Total deposits from the public, excluding repurchase agreements and securities lending, were up 8% in local currencies. Deposit volumes increased in Personal Banking (5% in local currencies, partly driven by Nordea's acquisition in Norway), Business Banking (4% in local currencies) and Large Corporates & Institutions (12% in EUR).

Net fee and commission income
Net fee and commission income increased by 5%, mainly driven by higher savings fee income following higher assets under management, higher payment and card fee income and higher brokerage and advisory fees. This was partly offset by lower lending-related commissions.

Net insurance result
Net insurance result increased by 17%, driven by a decrease in claims reserves in Denmark.

Net result from items at fair value
Net result from items at fair value increased by 1% to EUR 1,023m, mainly driven by solid customer risk management activity focused on foreign exchange and interest rate products. The latter part of the year was characterised by rising yields and higher volatility in European and Nordic bond markets around the US election, creating challenging conditions for Treasury and market-making in Markets.

Equity method and other operating income
Income from companies accounted for under the equity method was EUR 10m, up from EUR -3m. Other operating income was EUR 47m, up from EUR 43m.

Expenses
Total operating expenses were up 2% compared with 2023. Higher costs were driven by inflation and additional technology and risk management investments. Staff costs were up 7%. Other expenses were up 27%. Depreciation and amortisation were down 29% mainly due to write-offs of intangible assets in 2023.

Staff costs and FTEs
Staff costs, significant agreements with key management personnel, gender distribution and the number of employees by country are disclosed in Note G8. More information is presented on pages 256–269.

Net loan losses and similar net result
Net loan losses for 2024 remained at a similar level as in the previous year, at EUR 198m (EUR 187m), corresponding to an annual net loan loss ratio of 7bp (7bp) for lending at amortised cost. Including fair value losses from the Danish mortgage portfolio at EUR 8m, net loan losses and similar net result amounted to EUR 206m, corresponding to 6bp (5bp).

Individually calculated loan losses amounted to EUR 224m and were driven by provisions mainly for small and medium-sized corporates, low write-offs and limited reversals. Moreover, model provisions amounted to EUR 55m, mainly related to stage 3 exposures.

Management judgement allowances were reduced by EUR 81m during the year from EUR 495m to EUR 414m due to the improved outlook in the Nordics. They remain at a substantial level to address risks relating to the unstable geopolitical and macroeconomic environment.

Overall provisioning levels and coverage remained stable.

Operating profit
Operating profit increased by 3% to EUR 6,548m, driven by growth in total income.

Taxes
The effective tax rate in 2024 was 22.7%, largely unchanged in comparison with the effective tax rate of 22.2% in 2023.

Net profit and return on equity
Net profit increased by 3% to EUR 5,059m. Return on equity was 16.7% (16.9%).

Capital position
The CET1 capital ratio was 15.8% at the end of 2024, down from 17.0% last year, while CET1 capital was EUR 24.6bn (EUR 23.6bn last year). The Group's total capital ratio was 21.0% and total own funds were EUR 32.8bn at the end of 2024. A description of the capital position is available under "Capital management and new regulations" on pages 54–58 and in the Capital and Risk Management Report at nordea.com.

Financial review 2024, cont.

Nordea's funding operations

Nordea issued approximately EUR 19.4bn in long-term funding during 2024 (excluding Danish covered bonds and long-dated certificates of deposit), of which approximately EUR 14.0bn was issued in the form of covered bonds and EUR 5.4bn was issued as senior debt. More than half was issued in Scandinavian currencies, most of which in covered bonds. Additionally, Nordea issued EUR 2.2bn in subordinated debt.

During 2024 Nordea continued to benefit from prudent liquidity risk management in terms of maintaining a diversified and strong funding base and a diversified liquidity buffer. Throughout 2024 Nordea Bank Abp remained compliant with the liquidity coverage ratio (LCR) requirement in all currencies on a combined basis. Nordea's liquidity management is presented on pages 280–310. A maturity analysis is presented in Note G10.3 "Maturity analysis" on pages 277–278. For more information, see also Note G11 "Risk and liquidity management" on pages 280–310.

Balance sheet

	2024	2023
Assets		
Cash and balances with central banks	46,562	50,622
Loans	364,613	349,100
Interest-bearing securities	73,464	68,000
Shares	35,388	22,158
Assets in pooled schemes and unit-linked investment contracts	60,879	50,531
Derivatives	25,211	26,525
Other assets	17,238	17,766
Total assets	**623,355**	**584,702**
Liabilities		
Deposits by credit institutions	28,775	29,504
Deposits and borrowings from the public	232,435	210,062
Deposits in pooled schemes and unit-linked investment contracts	61,713	51,573
Insurance contract liabilities	30,351	27,568
Debt securities in issue	188,136	182,548
Derivatives	25,034	30,794
Other liabilities	24,475	21,428
Total liabilities	**590,919**	**553,477**

Assets

Total assets increased by EUR 39bn compared with 2023.

The increase was mainly explained by increases in "Loans", "Interest-bearing securities" and "Shares", in total EUR 34bn. The acquisition of Danske Bank's personal customer and private banking business in Norway added EUR 9bn to "Loans"; the remaining increase in "Loans" was largely driven by repo transactions. The increase in "Shares" was primarily driven by positive market performance together with currency movements and inflows.

In addition, "Assets in pooled schemes and unit-linked investment contracts" increased by EUR 10bn, driven by favourable equity markets. The increase in "Assets in pooled schemes and unit-linked investment contracts" was offset by a similar increase in "Deposits in pooled schemes and unit-linked investment contracts" on the liability side.

Liabilities

Total liabilities increased by EUR 37bn compared with 2023.

The increase was mainly explained by increases in "Deposits and borrowings from the public" and in "Deposits in pooled schemes and unit-linked investment contracts", in total EUR 33bn. The acquisition of Danske Bank's personal customer and private banking business in Norway added EUR 3bn to "Deposits and borrowings from the public"; the remaining increase was primarily driven by repo transactions. The increase in "Deposits in pooled schemes and unit-linked investment contracts" reflected the increase on the asset side mentioned above.

Five-year **overview**

Income statement

EURm	2024	2023	2022[1]	2021	2020
Net interest income	7,594	7,451	5,664	4,925	4,515
Net fee and commission income	3,157	3,021	3,186	3,495	2,959
Net insurance result	253	217	173	–	–
Net result from items at fair value	1,023	1,014	1,160	1,119	900
Profit or loss from associated undertakings and joint ventures accounted for under the equity method	10	-3	-8	-6	-1
Other operating income	47	43	83	87	93
Total operating income	**12,084**	**11,743**	**10,258**	**9,620**	**8,466**
Staff costs	-3,106	-2,908	-2,793	-2,759	-2,752
Other expenses	-1,530	-1,206	-1,108	-1,002	-1,084
Regulatory fees	-117	-316	-322	-224	-202
Depreciation, amortisation and impairment charges of tangible and intangible assets	-577	-808	-611	-664	-605
Total operating expenses	**-5,330**	**-5,238**	**-4,834**	**-4,649**	**-4,643**
Profit before loan losses	**6,754**	**6,505**	**5,424**	**4,971**	**3,823**
Net result on loans in hold portfolios mandatorily held at fair value	-8	20	-13	83	48
Net loan losses	-198	-187	-36	-118	-908
Operating profit	**6,548**	**6,338**	**5,375**	**4,936**	**2,963**
Income tax expense	-1,489	-1,404	-1,189	-1,105	-698
Net profit for the year	**5,059**	**4,934**	**4,186**	**3,831**	**2,265**

1) Excluding the following items which affected comparability in 2022: a non-deductible loss from the recycling of EUR 529m in accumulated foreign exchange losses related to operations in Russia and EUR 8m (EUR 6m after tax) in losses on fund investments in Russia, recognised in "Net result from items at fair value", and EUR 76m (EUR 64m after tax) in credit losses on direct exposure to Russian counterparties, recognised in "Net loan losses".

Balance sheet

EURm	31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020
Cash and balances with central banks	46,562	50,622	61,815	47,495	32,955
Loans to central banks and credit institutions	7,025	4,272	5,446	2,392	6,246
Loans to the public	357,588	344,828	345,743	345,050	329,765
Interest-bearing securities and pledged instruments	73,464	68,000	68,226	65,051	66,304
Assets in pooled schemes and unit-linked investment contracts	60,879	50,531	43,639	46,912	36,484
Derivatives	25,211	26,525	36,578	30,200	44,770
Other assets	52,531	39,818	33,282	33,073	35,636
Assets held for sale	95	106	–	180	–
Total assets	**623,355**	**584,702**	**594,729**	**570,353**	**552,160**
Deposits by credit institutions	28,775	29,504	32,869	26,961	23,939
Deposits and borrowings from the public	232,435	210,062	217,464	205,801	183,431
Deposits in pooled schemes and unit-linked investment contracts	61,713	51,573	44,770	48,201	37,534
Insurance contract liabilities	30,351	27,568	26,110	19,595	18,178
Debt securities in issue	188,136	182,548	179,803	176,365	174,309
Derivatives	25,034	30,794	40,102	31,485	47,033
Subordinated liabilities	7,410	5,720	5,401	6,850	6,941
Other liabilities	17,065	15,708	17,366	21,592	27,055
Equity	32,436	31,225	30,844	33,503	33,740
Total liabilities and equity	**623,355**	**584,702**	**594,729**	**570,353**	**552,160**

Ratios and **key figures**[1]

Ratios and key figures, Group

	2024	2023	2022	2021	2020
Basic earnings per share, EUR	1.44	1.37	0.94	0.95	0.55
Diluted earnings per share, EUR	1.44	1.37	0.94	0.95	0.55
Share price[2], EUR	10.50	11.23	10.03	10.79	6.67
Proposed/actual dividend per share, EUR	0.94	0.92	0.80	0.69	0.39
Equity per share[2], EUR	9.30	8.86	8.46	8.51	8.35
Potential shares outstanding[2], million	3,503	3,528	3,654	3,966	4,050
Weighted average number of diluted shares, million	3,505	3,579	3,782	4,025	4,039
Return on equity, %	16.7	16.9	11.8	11.2	7.1
Assets under management[2], EURbn	422.0	378.5	358.9	411.3	351.4
Cost-to-income ratio, %	44	45	50	48	55
Net loan loss ratio, amortised cost, bp	6	5	4	4	35
Common Equity Tier 1 capital ratio[2, 4], %	15.8	17.0	16.4	17.0	17.1
Tier 1 capital ratio[2, 3], %	18.4	19.4	18.7	19.1	18.7
Total capital ratio[2, 3], %	21.0	22.2	20.8	21.2	20.5
Tier 1 capital[2, 3], EURbn	28.7	26.8	27.2	29.0	29.1
Risk exposure amount[2], EURbn	156	139	145	152	155
Number of employees (full-time equivalents)[2]	30,157	29,153	28,268	26,894	28,051
Equity[2], EURbn	32.4	31.2	30.8	33.5	33.7

1) For more information regarding ratios and key figures defined as alternative performance measures, see nordea.com/en/investor-relations/reports-and-presentations/group-interim-reports/. All key ratios reflect Nordea's continuing operations.
2) End of the year.
3) Including the result for the year.
4) Including the result for the year adjusted for accrued dividend.

Ratios and key figures excluding items affecting comparability, Group

	2024	2023	2022[1]	2021	2020
Diluted earnings per share, EUR	1.44	1.37	1.10	0.95	0.55
Cost-to-income ratio excl. regulatory fees, %	43.1	41.9	44.0	46.0	52.5
Return on equity, %	16.7	16.9	13.8	11.2	7.1

1) Items affecting comparability: see information on page 42.

Ratios and key figures, parent company

	2024	2023	2022	2021	2020
Return on equity, %	15.0	17.3	14.1	11.0	6.8
Return on assets, %	1.0	1.2	0.9	0.8	0.5
Cost-to-income ratio, %	47	46	43	51	57
Loan loss ratio, bp	7	9	-1	-1	57
Common Equity Tier 1 capital ratio[1, 2], %	16.9	17.4	16.7	17.8	18.5
Tier 1 capital ratio[1, 2], %	20.0	20.0	19.3	20.2	20.4
Total capital ratio[1, 2], %	23.1	23.1	21.6	22.6	22.3
Common Equity Tier 1 capital[2], EURm	21,333	20,355	20,283	22,646	24,156
Tier 1 capital[2], EURm	25,447	23,555	23,565	25,777	26,743
Risk exposure amount[2], EURm	132,011	125,260	127,299	130,626	132,943

1) Including the result for the year.
2) End of the year.

Business area results

The Nordea Group's organisational structure is built around four main business areas: Personal Banking, Business Banking, Large Corporates & Institutions and Asset & Wealth Management. In addition to the business areas, the Nordea Group includes the following Group functions: Group Business Support[1], Group Finance, Group Risk, Group Compliance, Chief of Staff Office, Group Legal, Group People, Group Brand, Communication and Marketing and Group Internal Audit.

Total Nordea Group and business areas

	Personal Banking		Business Banking		Large Corporates & Institutions		Asset & Wealth Management		Group functions		Nordea Group		Change
EURm	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	%
Net interest income	3,380	3,341	2,378	2,368	1,430	1,429	321	296	85	17	7,594	7,451	2
Net fee and commission income	1,131	1,059	590	580	480	459	989	975	-33	-52	3,157	3,021	5
Net insurance result	122	123	36	21	1	0	95	72	-1	1	253	217	17
Net result from items at fair value	78	70	405	380	430	474	44	36	66	54	1,023	1,014	1
Profit from associated undertakings accounted for under the equity method	1	1	6	-5	0	0	-2	-2	5	3	10	-3	–
Other operating income	10	3	33	34	-1	2	0	0	5	4	47	43	9
Total operating income	4,722	4,597	3,448	3,378	2,340	2,364	1,447	1,377	127	27	12,084	11,743	3
Total operating expenses	-2,321	-2,280	-1,411	-1,413	-882	-910	-615	-620	-101	-15	-5.,330	-5,238	2
Net result on loans in hold portfolios mandatorily held at fair value	-10	2	1	8	0	9	0	1	1	0	-8	20	–
Net loan losses	-77	-114	-131	-88	14	13	0	-2	-4	4	-198	-187	–
Operating profit	2,314	2,205	1,907	1,885	1,472	1,476	832	756	23	16	6,548	6,338	3
Cost-to-income ratio, %	49	50	41	42	38	38	43	45	–	–	44	45	–
Return on allocated equity[1], %	18	19	17	18	17	17	35	36	–	–	17	17	–
Volumes, EURbn													
Total lending[2]	172.0	167.9	93.7	94.9	52.6	52.1	12.2	11.7	-1.5	-2.6	329.0	324.0	2
Total deposits[2]	89.5	86.2	53.6	52.5	52.7	47.0	12.4	12.2	7.2	4.7	215.4	202.6	6

1) Equal to return of equity (RoE) for the Nordea Group.
2) Excluding repurchase agreements and security lending/borrowing agreements.

1) To further support strategy execution, as of 1st of February 2025 the current Group Business Support function has been divided into two new units: Group Technology and Group Business Support.

Personal Banking

Total income grew by 3% year on year, mainly driven by improved savings income from strong sales and market performance in all markets. Mortgage volumes grew by 5% year on year in local currencies, driven by the Norwegian acquisition and increased customer activity. Deposit volumes were up 5% year on year in local currencies.

Net interest income grew by 1% year on year, reflecting improved mortgage volumes and margins in Norway and Sweden. These were partly offset by lower deposit margins across the Nordics due to rate changes.

Net fee and commission income increased by 7% year on year, mainly driven by higher savings income across the Nordics and higher payment and card fee income in Norway and Sweden. These were partly offset by lower lending fee income in Denmark.

Total expenses increased by 2% year on year due to salary inflation and investments in technology and risk management in line with our business plan.

Total net loan losses and similar net result amounted to EUR 87m (5bp), compared with EUR 112m (7bp) in 2023, and was in line with expectations.

Operating profit increased by 5% and return on allocated equity (RoAE) decreased to 18% from 19%. The RoAE decrease followed changes to the internal model framework which resulted in higher allocated equity.

Business Banking

Total income increased by 2% year on year, driven by deposit and lending volume growth, higher savings and payment and card fee income, and higher net result from items at fair value. These were partly offset by lower deposit margins amid declining interest rates in Denmark, Finland and Sweden.

Net interest income was unchanged year on year, as higher deposit and lending volumes were offset by lower deposit margins. Deposit volumes grew by 4% in local currencies, while lending volumes increased by 1%.

Net fee and commission income increased by 2% year on year, driven by higher savings income and higher payment and card fee income. These were partly offset by lower lending fee income. Net result from items at fair value increased by 7% year on year, driven by higher income from sales of foreign exchange products.

Total expenses were unchanged year on year. In line with our business plan, we continued to invest in technology infrastructure, data and AI, our digital offering, and our risk management capabilities. The cost-to-income ratio decreased to 41%, a year-on-year improvement of 1 percentage point.

Net loan losses and similar net result amounted to EUR 130m (14bp). Net loan losses were driven by a small number of individual exposures, while underlying credit quality remained robust. We maintained a diversified portfolio across segments and countries.

Operating profit amounted to EUR 1,907m, a year-on-year increase of 1%. Return on allocated equity decreased from 18% to 17% for the full year, driven by higher allocated equity and higher loan losses.

Large Corporates & Institutions

Total income was down 1% year on year, mainly due to lower net result from items at fair value. This was partly offset by solid net fee and commission income.

Net interest income was stable. Lending volumes increased by 1% year on year as corporates continued to favour bond market funding in the lower interest rate environment. Deposit volumes increased by 12% year on year, mainly driven by a number of larger customers in Denmark and Sweden.

Net fee and commission income was up 5% year on year, driven by increased bond issuance. Net result from items at fair value decreased by 9%, driven by lower risk management income in less favourable market conditions. This was partly offset by continued solid levels of customer activity, resulting in a year-on-year increase in income in customer areas.

Total expenses decreased by 3%, mainly due to significantly lower regulatory fees and continued strict cost control. These were partly offset by additional investments in technology and risk management in line with our business plan. The cost-to-income ratio was 38%, in line with the previous year.

Net loan losses and similar net result amounted to net reversals of EUR 14m, compared with net reversals of EUR 22m in 2023, reflecting the strong underlying credit quality of our loan book. At the end of the year the total provisioning level stood at approximately EUR 263m or 0.5% of LC&I lending.

Operating profit was stable year on year at EUR 1,472m. We continued to exercise solid capital discipline. Return on allocated equity was 17% for the full year, in line with the previous year.

Asset & Wealth Management

Total income increased by 5% year on year, to EUR 1.4bn, mainly driven by higher net commission income in Private Banking due to higher assets under management.

Net interest income was EUR 321m, up 8% year on year, mainly driven by higher interest rates. Lending volumes increased by 4% year on year. Deposit volumes increased by 2%.

Net fee and commission income was EUR 989m, up 1% year on year, driven by higher assets under management in Private Banking, which more than offset the impact of the challenging market environment in institutional and wholesale distribution. Net insurance result increased by 32%, to EUR 95m, mainly due to increased market rates in Norway and a higher result from protection products in Denmark. Net result from items at fair value amounted to EUR 44m, up from EUR 36m in 2023, mainly due to gains on shareholders' equity portfolios in Life & Pension.

Total expenses decreased by 1% year on year, mainly driven by lower resolution fees and lower staff costs.

Net loan losses and similar net result improved to EUR 0m from EUR 1m in 2023.

Operating profit was EUR 832m, up 10% year on year. The cost-to-income ratio improved to 43% from 45% in 2023. Return on allocated equity was 35%, a year-on-year decrease of 1 percentage point, driven by higher allocated equity.

Other **information**

Share buy-back programme

On 17 October 2024 Nordea's Board decided on a new share buy-back programme of up to EUR 250m. The programme commenced on 21 October 2024 and ended on 20 February 2025. The purpose of Nordea's share buy-backs is to pursue an efficient capital structure and generate sustainable shareholder returns by reducing the excess capital. Under its share buy-back programmes in 2024, Nordea acquired 34 million shares in total.

Acquisition of Danske Bank's personal customer and private banking business in Norway

On 18 November 2024 Nordea completed the acquisition of Danske Bank's Norwegian personal customer and private banking business. The acquisition was announced on 19 July 2023. After careful preparations, the business was successfully migrated to Nordea between 15 and 17 November 2024.

The acquisition fits well into Nordea's strategy to grow in the Nordic region both organically and through bolt-on acquisitions. It adds significant scale to Nordea's Personal Banking business in Norway and provides value creation opportunities through offering customers a broader set of products and services. The transaction increased Nordea's mortgage market share in Norway to around 15% from 11% previously.

The transaction was structured as a transfer of assets and liabilities. Assets were transferred at fair value, and Nordea only paid for the assets and liabilities that were transferred. At the time of transfer, the business comprised approximately 235,000 customers lending and deposit volumes of EUR 9bn and EUR 3bn, respectively, and associated asset management portfolios of EUR 1.2bn (closed on 6 December 2024). As part of the transaction, five outstanding covered bonds were transferred to Nordea and the mortgage loans were included in the cover pool of Nordea Eiendomskredit.

Joint venture with OP Financial Group to improve payment services in Finland

Nordea has established a joint venture with OP Financial Group to support payment-related needs in Finland. The joint venture will develop solutions for paying with phone numbers and managing e-invoices that benefit both consumers and businesses. The solutions will be designed so as to be open to other market participants as well. Nordea and OP Financial Group plan to move the existing merchant services of Siirto to Siirto Brand Oy, in which they already own equal shares, and to expand the operations of the latter. The planned changes are scheduled to be implemented in the first half of 2025.

Update of internal allocation framework affecting business area results and equity allocation

Nordea has updated its internal allocation framework. The updated framework, which has been effective since the beginning of 2024, further aligns business area and Group profitability metrics and allocates a significant part of previously unallocated capital and costs to the business areas. The update does not impact the consolidated financial statements of the Nordea Group but does affect the income and costs recognised by the business areas. In addition, the updated capital allocation framework includes a revised profitability metric for the business areas which is better aligned with the Group's return on equity. Since the first quarter of 2024 business area profitability has been measured as return on allocated equity and business area use of capital has been measured as allocated equity. Comparative information has been updated accordingly.

Court proceedings against Nordea to commence in Denmark in old and previously disclosed anti-money laundering matter

Following investigations conducted by the authorities into anti-money laundering controls in 2015 and earlier, the Danish National Special Crime Unit announced on 5 July 2024 that it would commence court proceedings and filed a formal charge against Nordea. Based on Nordea's interpretation of Danish law, Nordea does not agree with the content of the charges nor the legal assessment made by the authorities – a position supported by three separate external legal assessments. As previously disclosed, Nordea has expected to be fined in Denmark for weak anti-money laundering processes and procedures in the past and has made a provision for ongoing anti-money laundering matters. In 2015 the Danish Financial Supervisory Authority investigated whether Nordea Bank Danmark A/S had complied with applicable anti-money laundering regulations in terms of having adequate processes to identify and combat money laundering. The investigation led to orders by the Danish Financial Supervisory Authority with no mention of specific money laundering nor of any findings related to intentional breaches of the applicable legislation, and no individuals were accused of any wrongdoing. In June 2016 the matter was referred to the Danish Prosecution Service for further investigation in accordance with Danish practice. In the first quarter of 2019 Nordea made a provision for anti-money laundering-related matters and has reviewed the provision level on an ongoing basis. Based on the current circumstances and supported by three separate external legal assessments, Nordea believes that the current provision is adequate to cover this matter.

Nordea reached resolution with US authority regarding old AML procedures

Nordea has reached a final resolution with the New York State Department of Financial Services (DFS) following an investigation related to the adequacy of Nordea's anti-money laundering programme in the period 2008 to 2019. In the resolution with DFS, Nordea has agreed to accept a settlement totalling USD 35 million (EUR 32m). The amount payable to the US authority has no material impact on the financial position of Nordea. The historical investigations by DFS concerned Nordea's previous processes, policies and controls to prevent money laundering and the previous compliance framework, including those of the closed Vesterport International Branch in Denmark and Nordea's previous operations in the Baltics. Nordea has taken significant measures to improve its financial crime processes and procedures since the period covered by DFS's investigation. Nordea has accepted the terms of the resolution and has cooperated fully with DFS regarding this matter. Nordea understands that this resolution concludes DFS's investigation, and Nordea is not aware of any other pending or active investigation by US authorities related to such historical financial crime prevention matters.

Impacts from continued geopolitical uncertainty

Nordea closely monitored geopolitical developments, for example in Ukraine and the Middle East, in 2024. Nordea also assessed the impact of continued geopolitical uncertainty on the global and Nordic economies. The assessment informed the regular update of Nordea's macroeconomic scenarios, which are used to update financial forecasts and model IFRS 9 expected credit losses.

During 2024 Nordea continued to closely monitor and assess its direct exposure to Russian counterparties. At the end of 2024 the direct credit exposure after provisions was less than EUR 50m.

Nordea will continue to follow developments closely and comply with applicable EU, US, UN and UK sanctions. The sanctions currently include freezing of assets, deposit restrictions, restrictions on economic relations with certain regions in Ukraine, restrictions focusing on the energy and finance sectors, import and export restrictions and overflight bans. See Note G11 "Risk and liquidity management" on pages 280–310.

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. The liquidation of the remaining Russian subsidiary is pending finalisation.

Other information, cont.

Legal proceedings

Within the framework of normal business operations, Nordea faces a number of operational and legal risks potentially resulting in reputational impacts, fines, sanctions, disputes, remediation costs, losses and/or litigation. This includes potential claims related to the provision of banking and investment services and other areas in which Nordea operates. 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. See Note G11 "Risk and liquidity management" on pages 280–310 and Note G6 "Provisions" on page 253 for more information.

Annual General Meeting

The 2025 Annual General Meeting will be held in Helsinki on Thursday 20 March 2025. Further information is presented on page 382 of this Annual Report.

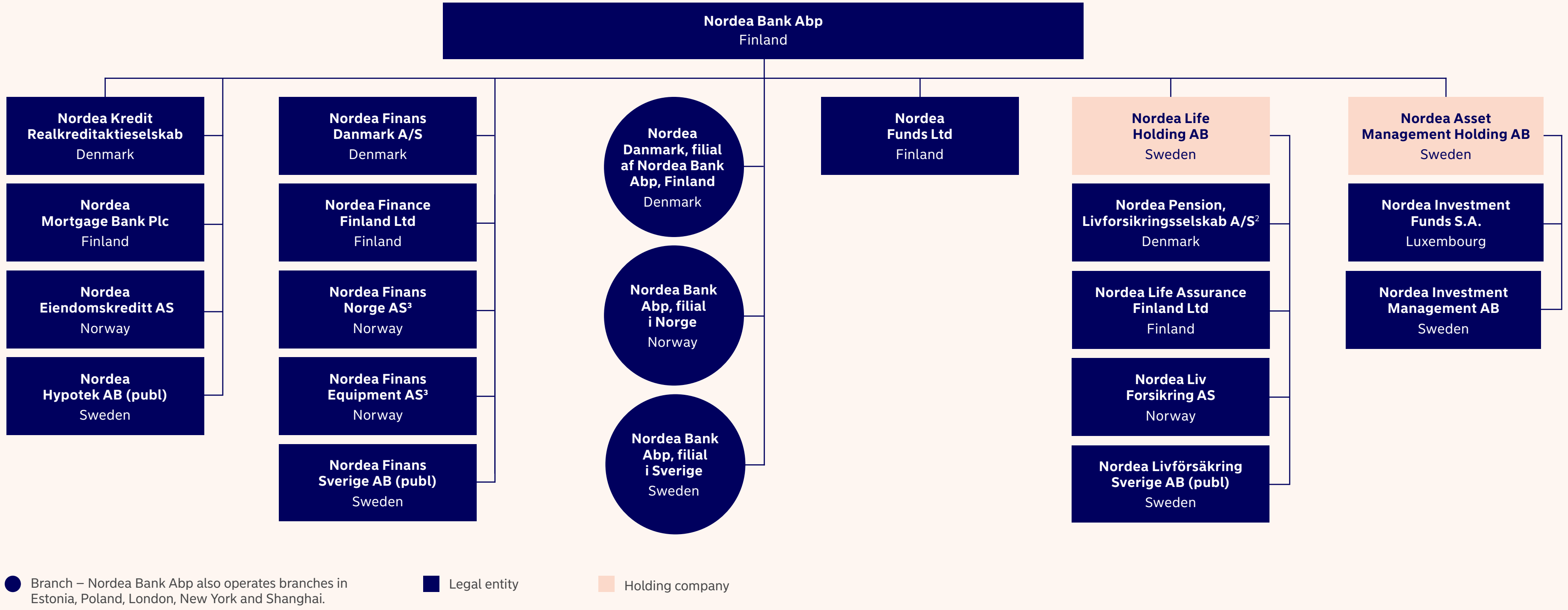
Group structure, subsidiaries and foreign branches

The main legal structure of the Nordea Group, including its main subsidiaries, is presented on this page.

The parent company has foreign branches in China, Denmark, Estonia, Norway, Poland, Sweden, the United Kingdom and the United States.

Main **legal structure**[1]

As of 1 January 2025



1) Including only active companies.
2) Held through the holding company Nordea Pension Holding Danmark A/S.
3) Nordea Finance Equipment AS will be demerged into Nordea Finans Danmark A/S and Nordea Finans Norge AS and merged with Nordea Finans Sverige AB (publ). The target completion date of the corporate transaction is on or about 1 April 2025.

Risks and **risk management**

Risk management

Maintaining risk awareness and proper risk management in the organisation is an integral part of Nordea's business strategies. Nordea manages risk through the three lines of defence model. The first line of defence is responsible for risk management and for compliance with the applicable rules in the day-to-day work. The second line of defence is responsible for maintaining and monitoring the implementation of Nordea's Risk Management and Compliance Risk Management Framework. The third line of defence is responsible for independent assurance and advisory activities related to the Internal Control Framework.

A sound risk culture is an integral part of Nordea's risk management. Nordea fosters a sound risk culture by focusing on four main objectives: tone from the top, accountability, effective communications, and enforcement and incentives. Furthermore, Nordea has defined clear risk management frameworks, including policies and instructions for all identified material risk types.

The Board has overarching risk management responsibilities and decides on the Group risk strategy, the Risk Appetite Framework and the Risk Appetite Statement. Moreover, the Board oversees and monitors the implementation of the risk strategy and the Risk Appetite Framework, including breaches of risk appetite, with the support of the Board Risk Committee.

The President and Group CEO ensures that the risk strategy and the risk management framework decided by the Board are implemented, the necessary practical measures are taken and risks are monitored within the Risk Appetite Statement established by the Board. The President and Group CEO is supported in decision-making by senior management within the Group Leadership Team, including the Chief Risk Officer and the Chief Compliance Officer.

Group-wide committees have been established in order to drive coordination within the Group, thus ensuring commitment to and ownership of Group-wide prioritisations, decisions and implementation. The composition and areas of responsibility of each committee are established in the Group Board directives or Group CEO instructions for the respective committees.

The Internal Control Framework covers the whole Group and ensures effective and efficient operations, adequate identification, measurement and mitigation of risks, prudent conduct of business, sound administrative and accounting procedures, reliability of financial and non-financial information and compliance with applicable laws, regulations, standards, supervisory requirements and Group internal rules. ESG factors are fully integrated into Nordea's risk management and control frameworks as drivers of the various financial and non-financial risks.

Risks and uncertainties

Nordea has an effective risk management and oversight framework addressing the existing and emerging risks that it is exposed to. Nordea also manages a risk taxonomy that identifies the universe of risks that it is exposed to. Nordea's 2024 position on the main taxonomy risks is outlined in the material risk picture. Certain topics represented core 2024 themes where Nordea's risk response was particularly pronounced:

- The addition of material climate and environmental risks. This resulted in the addition of nature-related risk.
- Increased focus on IT security and resilience reflecting changes in the risk landscape and the impact of geopolitical dislocation. Including responses tied to security governance, vulnerability management, system development and third party suppliers.
- Assessment of potential risks related to artificial intelligence and other disruptive technologies. This includes how these technologies can materialise through other identified risks that Nordea is exposed to.
- Assessment and management of evolving geopolitical risks, including trade tariffs, and increasing hybrid warfare activities, such as cyber attacks and sabotage of power and internet cables in the Baltic Sea.

For further information, see "Sustainability Statement" on pages 83–193, Note G11 "Risk and liquidity management" on pages 280–310, Note G6 "Provisions" on page 253 and Note G7.1 "Contingent liabilities" on page 254.

Economic uncertainty

The Nordic economies look set for a near-term soft landing. Persistent geopolitical uncertainty, potentially increasing trade barriers and a weakening competitive position of core European economies represent risks to the economic outlook. These risks include a renewed rise in energy prices, a European economic softening and state-sponsored disruptive behaviour, giving rise to elevated uncertainty for businesses, investors and consumers.

Structurally, the European economies are vulnerable to geopolitical developments leading to trade restrictions with rising trade barriers and increasing use of state subsidies for green sectors in China. These developments threaten the traditional strongholds for core European economies, while fragmented and regulated markets and a heavy regulatory burden make it more difficult for European economies to compete within high-growth technology sectors, such as artificial intelligence. These vulnerabilities could also affect the Nordic countries and feed through to Nordea's credit portfolio, resulting in losses. This, coupled with temporary dislocation to sustainability-related markets, could disproportionally affect the Nordic economies. 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 G11 "Risk and liquidity management" on pages 280–310.

Material risk picture 2024

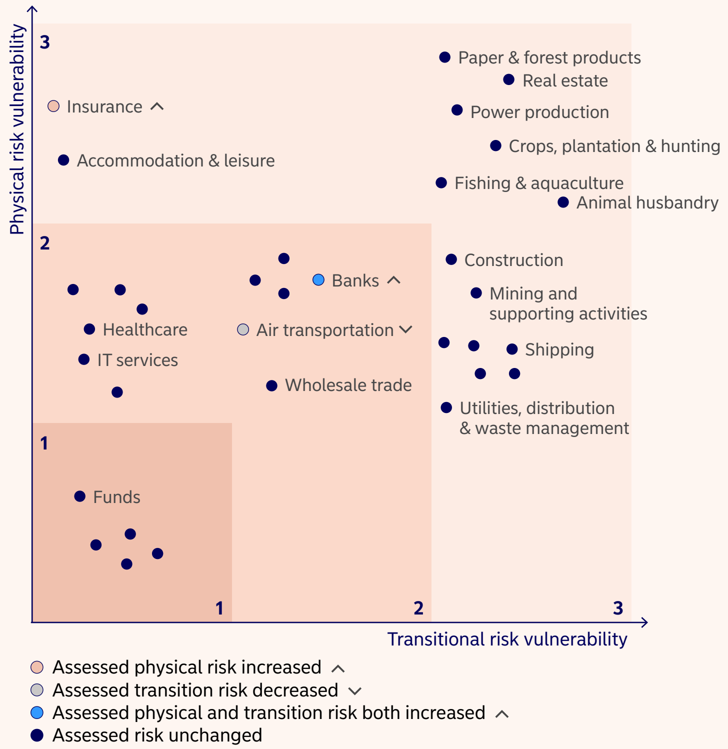
Material risk areas	Areas of focus	2024 in review
Credit risk 85% of REA	• Sectors and customers vulnerable to unexpected weakness in demand • Solid underwriting practices and business selection support a well-diversified and stable credit portfolio • Engagement with customers on climate transition plans	• **Improving** credit landscape in Nordic region • Risk to the economic outlook from persistent geopolitical uncertainty, increasing trade barriers and a weakening competitive position of core European economies
Market risk 3% of REA	• Determined customer service focus supported by flow-oriented business with contained risk • Predominance of floating-rate lending exposes net interest income to lower interest rates, but floors protect against severe downside • Deposit hedging mitigates impact of lower rates on net interest income	• **Stable** markets with interest rates declining and an inverted yield curve • Weak European growth is monitored as this could require deeper rate cuts than forecast, impacting Nordea's earnings profile
Liquidity risk Liquidity coverage ratio 157%	• Securing strong credit rating and management of a well-diversified funding profile across all markets • Strong and stable liquidity position comprised of high-quality marketable assets maintained throughout the year	• **Stable** funding markets and strong demand for Nordea issuances • Strong core market deposit performance • Well-diversified franchise
Operational risk (includes compliance risk) 12% of REA	• Investments to further strengthen information security and operational resilience ahead of DORA implementation • Core focus to protect customers through continuous control and process improvement supported by high security standards • Fraud detection and prevention • Financial crime risk management	• **Deteriorating** geopolitical situation and rapid technology advances contribute to the external threat landscape • Increased organised efforts to disrupt Nordea's online offerings and increasing online fraud
Model risk	• Focus on and investment in improved modelling capability continues to contribute to reduced model risk. Redevelopment of non-retail models	• **Improving** risk profile after implementation of new capital and provisioning models for retail exposures, which has reduced uncertainty
Capital risk CET1 ratio 15.8%	• Maintenance of solid capital position through organic capital generation • Diversified pan-Nordic business strategy with leading market position supported by attractive products, digital offerings and a sustainable profile • Bolt-on acquisitions and excess capital distribution	• **Stable** capital requirements following post-COVID-19 normalisation. Increased regulatory requirements for data, capital models and climate risk and continued regulatory uncertainty • Mature Nordic markets with high degree of digitalisation and competition

Industries identified as exposed to climate-related risks

Climate-related transitional risks shown in the figure, on the X-axis, indicate the assessed direct industry vulnerability, based on emissions intensity of production and other factors. On the Y-axis, the same assessment for the climate-related physical risks is based on direct industry vulnerability to physical hazards expected in the Nordic region until 2040.

Climate-related transition and physical risks are expected to materialise in the short to long term. Nordea mitigates these risks through risk management and support of counterparty transition plans and insurance coverage.

The mapping is based on Nordea's comprehensive internal assessment of material climate risk drivers performed in 2024. Identification is based primarily on scientific heatmapping methodologies supplemented through scientific literature review, internal impact assessment and expert judgement. Heatmaps are developed at industry and geography levels, as relevant.



Industry names are selectively identified to illustrate the population and distribution across vulnerability bands.

Macroeconomy and financial markets

Economic Outlook

Global growth stagnated in 2024 amid geopolitical tensions and increased protectionism. Survey data points to continued moderate growth in 2025 driven by the service sector, while the outlook for the manufacturing sector remains weak owing to a low order intake, increased political uncertainty and generally subdued development in world trade. Economic growth was robust in the US and China, while growth in the Euro area remained sluggish. Inflation came further down during the year. Inflation averaged 2.4% in the Euro area in 2024 and 3.0% in the US. Labour markets remained strong.

While central banks continued to reduce their bond holdings, they also started to cut monetary policy rates as inflation came under control. The European Central Bank (ECB) reduced its deposit facility rate from 4.0% to 3.0% in 2024. The Federal Reserve cut its interest rates from 5.5% to 4.5% in 2024.

Volatility remained high in financial markets in 2024 amid changes in expectations for the monetary policy path. The S&P 500 index was up 23.3% over the year, the STOXX Europe 600 index was up 6.0%, while the NASDAQ OMX Nordic 120 index was down 1.8%. The USD strengthened 6.0% against the EUR during 2024.

Economic developments differed from country to country in the Nordics. The outlook remains uncertain amid elevated policy uncertainty and ongoing geopolitical tensions.

Denmark

The Danish economy expanded further in 2024. During the year manufacturing production increased markedly, especially within the pharmaceutical sector. The labour market remained strong and employment reached new record highs. Since the peak in the autumn of 2022 both headline and core inflation have fallen. In 2024 average inflation stood at 1.4%. Real estate prices increased during 2024 even though the number of houses for sale increased. During the year Danmarks Nationalbank reduced the deposit rate from 3.6% to 2.6% in line with the decisions of the ECB to defend the fixed exchange rate policy.

Finland

The Finnish economy contracted mildly in 2024. The near-term outlook is still modest and the employment situation remains challenging. The ECB monetary policy rate cuts from 4.0% to 3.0% supported a pick-up in economic activity. Housing transactions are on the rise again and prices have stabilised, which has stopped the decline in construction investments. Inflation remained below 2% for the whole year and averaged 1.6%. As a result of low inflation combined with households' lower interest expenditure, purchasing power has started to improve. Growing services exports are driving external trade, but foreign trade uncertainties remain elevated.

Norway

Activity in the Norwegian economy picked up in 2024. Registered unemployment edged up slightly during the first half of 2024 but was stable at a low level of 2.1% from July. Inflation came down during the year. Headline inflation averaged 3.1% in 2024, and underlying inflation (excluding energy and taxes) averaged 3.7%. Norges Bank kept its key policy rate at 4.5% throughout the year. Housing prices increased during 2024 and ended the year 6.4% higher than at the start of the year. The NOK weakened against most currencies in 2024 and especially against the USD.

Sweden

The Swedish economy showed some growth in 2024. Exports as well as domestic demand edged up. Inflation (CPIF) fell during the year and averaged 1.9% in 2024. The labour market continued to deteriorate and the unemployment rate averaged 8.4% in 2024. Housing prices rose but were still down 8.1% in December 2024 from their peak in February 2022. The central bank cut its policy rate from 4.0% at the beginning of the year to 2.5% in December. The central bank continued to reduce its balance sheet. The trade-weighted Swedish krona index (KIX) weakened by 3.4% during 2024.

The Nordea share and external credit ratings

Nordea's market capitalisation at the end of 2024 was EUR 36.8bn (EUR 39.6bn). Ranked by market capitalisation, Nordea was the seventh-largest company in the Nordic region and among the fifteen largest European financial groups. Nordea's shares are listed on the Nasdaq stock exchanges in Helsinki, Stockholm and Copenhagen, and its American Depository Receipts (ADR) are traded in the US in US dollars.

Dividend paid in 2024

On 21 March 2024 Nordea's Annual General Meeting authorised the Board to decide on a dividend payment of a maximum of EUR 0.92 per share based on the annual accounts adopted for the financial year ended 31 December 2023 in accordance with the proposal of the Board of Directors.

In accordance with the mandate received from the Annual General Meeting, the Board decided on the payment of an ordinary dividend in a single instalment of EUR 0.92 per share to shareholders. The dividend was paid to shareholders who on the record date for the dividend on 25 March 2024 were recorded in the company's shareholders' register maintained by Euroclear Finland Oy in Finland, Euroclear Sweden AB in Sweden and VP Securities A/S in Denmark. The dividend payment date was 3 April 2024.

Total shareholder return 2024

Total shareholder return (TSR) is the market value growth per share and reinvested dividends. Since the repositioning of Nordea in 2019, total shareholder return has amounted to 171% in Swedish kronor. During 2024 Nordea paid out dividends of EUR 0.92 per share and bought back 34 million shares. Nordea's total shareholder distributions amounted to around EUR 3.6bn in 2024.

Share buy-backs

In line with its capital and dividend policy, Nordea continuously assesses the opportunity to use share buy-backs as a tool to distribute excess capital. The purpose of such share buy-backs is to pursue an efficient capital structure and generate sustainable shareholder returns for the benefit of all shareholders by reducing the capital of Nordea.

On 26 April 2023 the Board approved Nordea's fourth share buy-back programme of up to EUR 1.0bn, to be carried out in accordance with the authorisation granted to the Board by the 2023 Annual General Meeting. From 28 April 2023 to 21 February 2024 Nordea repurchased 97,406,133 of its own shares at an average price per share of EUR 10.26. In the fourth share buy-back programme, the shares were repurchased otherwise than in proportion to the shareholdings of Nordea's shareholders (directed repurchases) in public trading.

On 17 October 2024 the Board approved a new share buy-back programme of up to EUR 250m, to be carried out in accordance with the authorisation granted to the Board by the 2024 Annual General Meeting. The programme commenced on 21 October 2024. The shares were repurchased otherwise than in proportion to the shareholdings of Nordea's shareholders (directed repurchases) in public trading, and the repurchases ended on 20 February 2025.

The total price paid for own shares acquired under Nordea's share buy-back programmes during the financial year ended 31 December 2024 (33,984,078 shares in total, corresponding to 1% of all shares in Nordea as at 1 January 2024) amounted to approximately EUR 372m, with an average price of EUR 10.91 per share.

Share price performance

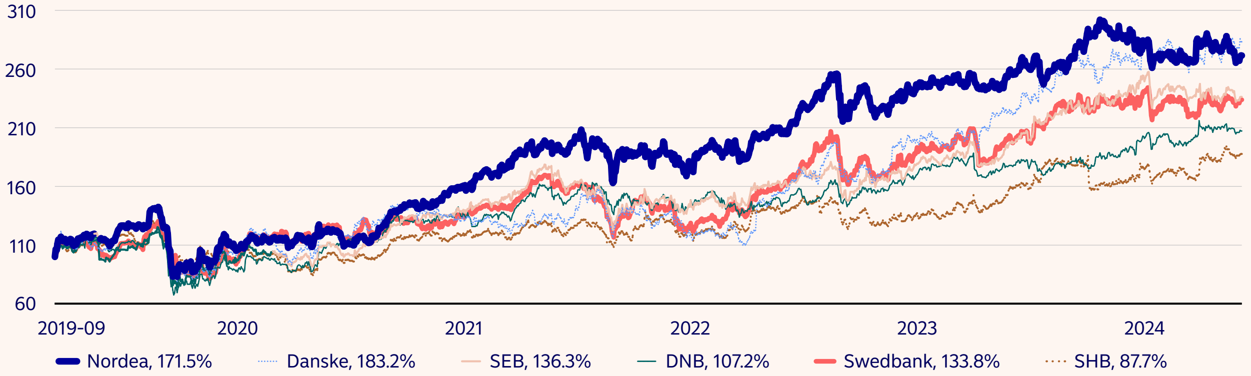
In 2024 the Nordea share price depreciated by approximately 6% on the Nasdaq Helsinki exchange from EUR 11.23 to EUR 10.50. The daily closing prices listed for the Nordea share in 2024 ranged between EUR 10.05 and EUR 11.78. In 2024 the Nasdaq OMXH index depreciated by approximately 6% and the STOXX Europe 600 Banks index appreciated by approximately 26%. Since 6 March 2000, the date of the merger between Merita Nordbanken and Unidanmark, the Nordea share has appreciated by 159%, clearly outperforming the STOXX Europe 600 Banks index (-37%) and the Nasdaq OMXH index (-48%).

Nordea's share price can be monitored at nordea.com, where it is also possible to compare the performance of the Nordea share with competitors and general indices as well as find historical prices for the Nordea share.

Turnover – the most liquid Nordic bank share

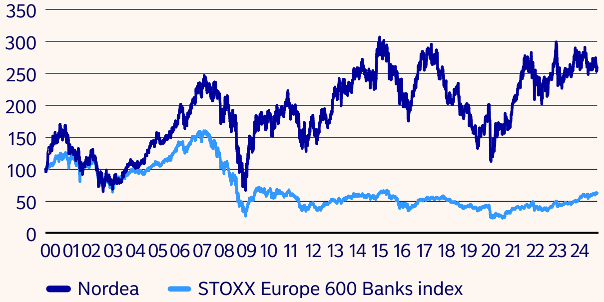
Turnover on all exchanges combined totalled EUR 41.3bn in 2024. 67% of the total volume traded in Nordea shares in 2024 took place over Nasdaq, of which approximately 27% was SEK-denominated, 36% EUR-denominated and 4% DKK-denominated. The remaining 33% of the traded volume took place over other exchanges such as Cboe European Equities, Turquoise and Aquis.

Total shareholder returns
Nordea vs Nordic peers (indexed): 2019 to 2024



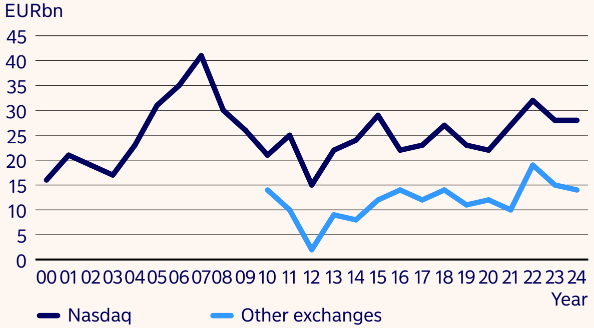
Source: Refinitiv DataStream.

Nordea share price performance compared with European banks, 2000–2024, %



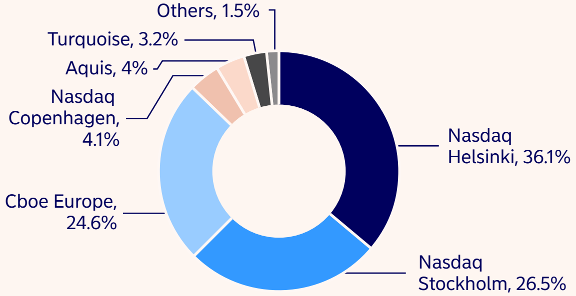
Source: Macrobond and Nordea.

Turnover of the Nordea share on stock exchanges, 2000–2024[1]



Source: Nasdaq, Fidessa, SIX Financial Information.

Nordea share, annual turnover on different stock exchanges 2024



1) Nasdaq exchanges from 2000. Other exchanges from 2010.

The Nordea share and external credit ratings, cont.

Share and voting rights

Nordea's Articles of Association do not contain any provisions on share classes or voting rights. Consequently Nordea has one class of shares and all shares in Nordea are ordinary shares. Each share confers one vote at Nordea's general meetings as well as an equal right to any dividend. On 31 December 2024 the total number of shares in Nordea was 3,502,631,963. See also "Statement of changes in equity" on page 201.

There are no restrictions in the Articles of Association regarding the right to transfer shares and Nordea is not aware of any agreements between shareholders in this respect. However, as Nordea is a credit institution, a direct or indirect acquisition of shares in Nordea which results in the acquirer's total holdings being considered qualified holdings (representing 10% or more of the equity capital or of the voting rights, or a holding that otherwise enables the acquirer to exercise a substantial influence over the management of Nordea) or an increase in qualified holdings may only occur following approval by the Finnish Financial Supervisory Authority according to the Finnish Act on Credit Institutions. Under the Single Supervisory Mechanism, the European Central Bank is the authority that ultimately decides (in cooperation with the Finnish Financial Supervisory Authority) whether to approve an acquisition of a qualifying holding in Nordea as Nordea is subject to the direct supervision of the European Central Bank.

On 31 December 2024 BlackRock was the largest individual shareholder with a holding of 5.1%. Nordea has no shareholders with holdings of more than 10%. A table showing the largest registered shareholders in Nordea as at the end of 2024 is provided on this page.

On 31 December 2024 employees had an indirect shareholding of 0.7% in Nordea through the Nordea Profit-Sharing Foundation and a minor indirect shareholding in Nordea through the pension foundation. The voting rights are in neither case exercised directly by the employees.

For information on share-based payment plans, see Note G8 "Employee benefits and key management personnel remuneration" on pages 256–269.

Share capital

The share capital of Nordea amounts to EUR 4,049,951,919.

AT1 conversion notes and special rights entitling to shares

The AT1 conversion notes issued in 2019, 2021 and 2024 by Nordea Bank Abp automatically convert into an aggregated maximum number of 194,099,378, 121,802,679 and 160,642,952, respectively, newly issued Nordea shares if the CET1 ratio of either Nordea Bank Abp on a solo basis or the Nordea Group on a consolidated basis falls below 5.125%. The notes will be convertible into shares at a price not exceeding a specific nominal amount applicable to the respective notes, subject to adjustments.

Upon conversion of the notes into shares, Nordea's existing shareholders have preferential rights to all newly issued Nordea shares. Nordea has no convertible bonds in issue that provide holders with an option to acquire shares in Nordea.

Share issue resolutions

The 2024 Annual General Meeting resolved that Nordea, before the end of the 2025 Annual General Meeting, may transfer own shares in the ordinary course of its securities trading business as a credit institution, with deviation from the shareholders' preemptive rights, by way of a directed share issuance. The facilitation of the company's securities trading business, in which the ability to trade also in own shares is required, is a weighty financial reason for a directed issue. The number of own shares to be transferred may not exceed 175,000,000 shares.

The 2024 Annual General Meeting further authorised the Board to resolve, on one or several occasions, on the issuance of special rights entitling to either new shares in the company or treasury shares against payment (convertibles) in accordance with or in deviation from the shareholders' preemptive subscription rights. The maximum number of shares that may be issued based on this authorisation is 340,000,000.

Moreover, the 2024 Annual General Meeting authorised the Board to resolve, on one or several occasions, on the issuance of new shares or transfer of the company's own shares of not more than 30,000,000 shares in the company. On 11 December 2024, based on this authoritisation, the Board of Directors of Nordea resolved on an issue of 8,000,000 new shares to the company itself without payment to increase the number of treasury shares held for remuneration purposes.

As at 31 December 2024 Nordea held 17,130,649 shares, 0.5% of the total number of shares in Nordea, an increase of 8,040,460 shares compared with 31 December 2023. Nordea holds treasury shares partly for capital optimisation and remuneration purposes and partly for trading purposes in its securities trading business. For information on share-based incentive plans, see Note G8 "Employee benefits and key management personnel remuneration" on pages 256–269.

Holding of own shares and share cancellations

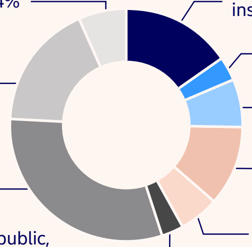
During 2024 an aggregated amount of 1,272,434 and 915 own shares held by Nordea were transferred without consideration to participants in Nordea's variable remuneration plans in April and May, respectively.

During 2024 Nordea cancelled 33,647,545 treasury shares, which were held for capital optimisation purposes and acquired through share buy-backs. See also "Share buy-backs" page 51, "Events after the financial period" on page 194 and "Statement of changes in equity" on page 201.

Shareholders

With nearly 600,000 registered shareholders at the end of 2024, Nordea has one of the largest shareholder bases of all Nordic companies. The number of shareholders in Finland is approximately 348,000, in Sweden approximately 125,000 and in Denmark approximately 107,000. The largest shareholder categories are US and Swedish institutions, with 17.5% and 15.5% holdings of Nordea shares, respectively. At year end Nordic shareholders held 51.6%, while non-Nordic shareholders held 48.4%.

Shareholder structure, 31 Dec 2024



Largest registered shareholders of Nordea, 31 Dec 2024[1]

Shareholder	Number of shares, million	Percentage of Nordea
BlackRock	181.5	5.1
Norges Bank	174.8	5.0
Nordea-fonden	153.9	4.4
Vanguard	135.2	3.9
Cevian Capital	134.3	3.8
Alecta Tjänstepension	73.4	2.1
Swedbank Robur Funds	68.4	2.0
SEB Funds	46.9	1.3
Varma Mutual Pension Insurance Company	40.0	1.1
Nordea Funds	39.9	1.1
JP Morgan Asset Management	34.6	1.0
Handelsbanken Funds	33.2	0.9
Amundi	32.8	0.9
Ilmarinen Mutual Pension Insurance Company	30.9	0.9
State Street Global Advisors	30.4	0.9
Länsförsäkringar Funds	27.5	0.8
Nordea Vinstandelsstiftelse	25.5	0.7
DWS Investments	24.0	0.7
TIAA - Teachers Advisors	24.0	0.7
Dimensional Fund Advisors	22.9	0.6
Fidelity Investments (FMR)	22.7	0.6
Government of Japan Pension Investment Fund	18.6	0.5
Northern Trust	16.3	0.5
OP Life Assurance Company Ltd	16.3	0.5
Avanza Pension	15.9	0.5
Others	2,079	59.2
Total number of outstanding shares	3,503	100%

1) This information is aggregated by Modular Finance AB from various sources such as Euroclear, Morningstar, Finansinspektionen, Nasdaq and Millistream and may not reflect the actual holdings of the shareholder on the given date.

Distribution of shares, 31 Dec 2024

Distribution of shares	Number of shares	Shares, %	Number of shareholders	Shareholders, %
1–1,000	115,403,803	3	473,040	79
1,001–10,000	310,685,356	9	115,427	19
10,001–100,000	208,175,271	6	9,069	2
100,001–1,000,000	170,960,530	5	592	0
1,000,001–	2,697,407,003	77	180	0
Total	3,502,631,963	100	598,308	100

Share data past 5 years

	2024	2023	2022	2021	2020
Share price[1] (EUR)	10.50	11.23	10.03	10.79	6.67
High/low (EUR)	11.78/10.05	12.11/9.18	11.45/8.19	11.24/6.60	8.19/4.39
Market capitalisation[1] (EURbn)	36.8	39.6	36.7	42.8	27.0
Dividend (EUR)	0.94[2]	0.92	0.80	0.69	0.39
Dividend yield[3] (%)	9.0	8.2	8.0	6.4	3.5
STOXX Europe 600 Banks index (%)	26.0	20.0	-3.2	34.0	-24.5
P/E (actual)	7.3	8.2	9.1	11.4	12.1
Price-to-book	1.13	1.27	1.18	1.27	0.80
Equity per share (EUR)	9.30	8.86	8.46	8.51	8.35
Earnings per share[1] (EUR)	1.44	1.37	1.10	0.95	0.55
Total shares	3,502,631,963	3,528,279,508	3,654,281,296	3,965,561,160	4,049,951,919

1) End of period.
2) Proposed dividend.
3) Dividend yield for 2017 to 2020 calculated at starting price on payment day and for 2021 calculated at price at 30 December 2021.

External credit ratings

Nordea's credit ratings are among the strongest of banks globally. The long-term ratings for Nordea are all at the AA level: Standard & Poor's AA– (stable outlook), Moody's Aa3 (stable outlook) and Fitch AA– (stable outlook). The short-term ratings are at the highest level: A–1+ from S&P, P–1 from Moody's and F1+ from Fitch.

The covered bond ratings are all Aaa/AAA for the covered bonds issued by Nordea Eiendomskreditt AS (in Norway), Nordea Hypotek AB (publ) (in Sweden), Nordea Kredit Realkreditaktieselskab (in Denmark) and Nordea Mortgage Bank Plc (in Finland).

The analysis from the rating agencies is in broad terms focused on credit risks and other risks, profitability, capitalisation, the strength of the business franchise as well as on the funding profile and liquidity strength. For these areas, the views on Nordea were stable or improved during the year as the view on profitability and asset quality strengthened.

External credit ratings, 31 Dec 2024

	Moody's[2]		Standard & Poor's		Fitch	
	Short	Long	Short	Long	Short	Long
Nordea Bank Abp	P–1	Aa3	A–1+	AA–	F1+	AA–
Senior preferred (SP) issuances		Aa3		AA–		AA
Senior non-preferred (SNP) issuances		A3		A		AA–
Tier 2 (T2) issuances		Baa1		A–		A
Additional Tier 1 (AT1) issuances				BBB		BBB+
Nordea Eiendomskreditt AS[1]		Aaa[1]				
Nordea Hypotek AB (publ)[1]		Aaa[1]				
Nordea Kredit Realkreditaktieselskab[1]				AAA[1]		
Nordea Mortgage Bank Plc[1]		Aaa[1]				

1) Covered bond rating.
2) Positive outlook.

Capital management and **new regulations**

Nordea strives to be efficient in its use of capital and therefore actively manages its balance sheet with respect to different asset, liability and risk categories.

The goal is to enhance returns to shareholders while maintaining a prudent capital structure. The Board decides ultimately on the targets for capital ratios, the capital and dividend policies and the overall framework of capital management at Nordea. The ability to meet targets to maintain minimum capital requirements is reviewed regularly by the Asset & Liability Committee and the Risk Committee.

Capital and dividend policy

Nordea maintains a strong capital position in line with its capital policy. Nordea targets a management buffer of 150bp above the CET1 requirement. This enables efficient capital management, while Nordea still maintains a prudent buffer to requirements.

The dividend policy 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 strategic business acquisitions as well as be subject to buy-back considerations.

In February 2024 a share buy-back programme of up to EUR 1.0bn, initiated in April 2023, was finalised. On 21 October 2024 a new programme of up to EUR 250m commenced. This programme ended on 20 February 2025. Since the start of the first buy-back programme in 2021 and including the most recent programme, approximately 560 million shares have been bought back for a total value of EUR 5.6bn.

Minimum capital requirements

The calculation method for the risk exposure amount (REA) is subject to regulatory approval. Nordea had 89% of its credit risk exposure amount covered by the internal ratings-based (IRB) approach by the end of 2024. Nordea is approved to use its own internal value-at-risk (VaR) models to calculate capital requirements for the major portion of the market risk in its trading book. For operational risk, the standardised approach is applied. Based on the total REA, Nordea needs to meet the applicable minimum and combined buffer requirements. In addition, competent authorities require Nordea to hold capital for other risks which are identified and communicated as part of the Supervisory Review and Evaluation Process.

Nordea received the Supervisory Review and Evaluation Process decision on 10 December 2024 which maintains the Pillar 2 requirement at 1.60% as decided last year. The Pillar 2 requirement must be met with at least 56.25% of CET1 capital.

Internal capital requirement

For internal risk and capital assessment purposes, Nordea uses the internal capital requirement (ICR) in line with Article 73 of the Capital Requirements Directive (CRD). The ICR specifies the amount, type and distribution of internal capital considered adequate to cover the nature and level of all risks to which the Group or any of its subsidiaries are or might become exposed over a foreseeable future, including during periods of stress.

The ICR is one of the main inputs for the Internal Capital Adequacy Assessment Process together with regulatory views on the required amount of capital as expressed under the regulatory perspective.

Nordea defines the ICR as the internal capital requirement for all material risks from an internal economic perspective, taking account of the regulatory, normative and through-the-cycle perspective, adequate to withstand periods of stress. This ensures that Nordea's ICR is aligned with, but not restricted by, the regulatory perspective.

Allocated Equity

Allocated Equity is a framework to allocate capital held by Nordea to its business areas and is a central component in Nordea's Value Creation Framework. The Value Creation Framework supports the operational decision-making process at Nordea to enhance performance management and ensure shareholder value creation.

Allocated Equity reflects Nordea's anticipated equity by aligning to a target CET1 ratio level, which is set by the capital policy to ensure a sustainable long-term capitalisation for the Nordea Group. To further align Allocated Equity to accounting equity, CET1 deductions, Nordea Life & Pension and other equity items are included in Allocated Equity.

The allocated equity was EUR 30bn at the end of 2024 (EUR 21.9bn at the end of 2023). The increase was mainly driven by:

- higher credit risk driven by go-live of new retail models
- framework changes.

Own funds

Own funds are the sum of Tier 1 and Tier 2 capital. Tier 1 capital consists of both Common Equity Tier 1 (CET1) and Additional Tier 1 capital. CET1 capital is considered to be capital of the highest quality with ultimate loss-absorbance characteristics and consists predominately of paid-in capital and retained earnings. Profit may only be included after permission from the European Central Bank and after deducting the proposed dividend. Additional Tier 1 capital and Tier 2 capital consist mostly of undated and dated subordinated loans, respectively.

Further information – capital adequacy and the Capital and Risk Management Report

Further information on capital management and capital adequacy is presented in the Capital and Risk Management Report. On the basis of its consolidated situation, Nordea provides Capital and Risk Management Report disclosures quarterly according to Part Eight of Regulation (EU) No 575/2013 (CRR). The disclosures constitute a comprehensive disclosure of risks, risk management and capital management. It includes disclosures, or references to other disclosures, required according to Part Eight of the CRR and by the EBA guidelines and standards on disclosure requirements.

Accompanying the Capital and Risk Management Report are the required disclosures for the subsidiaries Nordea Kredit Realkreditaktieselskab, Nordea Hypotek AB, Nordea Mortgage Bank Plc and Nordea Eiendomskreditt AS.

The Capital and Risk Management Report is available at nordea.com. The subsidiaries' disclosures are included as appendices and are published on the same website after the publication date of each subsidiary's annual report.

Country-by-country reporting

Further information on country-by-country reporting in accordance with the Finnish Act on Credit Institutions is presented on page 81.

Capital requirements and risk exposure amount (REA), Nordea Group

	31 Dec 2024		31 Dec 2023	
EURm	**Minimum capital requirement**	**REA**	**Minimum capital requirement**	**REA**
Credit risk	10,109	126,363	8,454	105,678
- of which counterparty credit risk	288	3,599	222	2,774
IRB	9,026	112,822	7,560	94,502
- sovereign			–	–
- corporate	4,645	58,065	4,799	59,993
- advanced	4,152	51,905	4,290	53,628
- foundation	493	6,160	509	6,365
- institutions	341	4,257	309	3,868
- retail	3,535	44,187	2,042	25,519
- items representing securitisation positions	277	3,461	173	2,162
- other	228	2,852	237	2,960
Standardised	1,083	13,541	894	11,176
- central governments or central banks	13	164	17	211
- regional governments or local authorities	2	25	2	30
- public sector entities	0	0	–	–
- multilateral development banks			–	–
- international organisations			–	–
- institutions	13	158	13	157
- corporate	141	1,759	116	1,455
- retail	212	2,648	242	3,025
- secured by mortgages on immovable properties	291	3,640	77	968
- in default	17	211	5	66
- associated with particularly high risk			–	–
- covered bonds			–	–
- institutions and corporates with short-term credit assessment			–	–
- collective investment undertakings (CIU)	178	2,223	194	2,423
- equity	189	2,359	195	2,442
- other items	27	354	33	399
Credit value adjustment risk	32	396	48	596
Market risk	427	5,336	384	4,805
- trading book, internal approach	367	4,586	325	4,072
- trading book, standardised approach	60	750	59	733
- banking book, standardised approach			–	–
Settlement risk			–	–
Operational risk	1,430	17,874	1,284	16,048
Standardised	1,430	17,874	1,284	16,048
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	470	5,881	927	11,592
Additional risk exposure amount due to Article 3 of the CRR			–	–
Total	**12,468**	**155,850**	**11,097**	**138,719**

Capital requirements and risk exposure amount (REA), Nordea Bank Abp (parent company)

	31 Dec 2024		31 Dec 2023	
EURm	Minimum capital requirement	REA	Minimum capital requirement	REA
Credit risk	8,946	111,821	8,636	107,947
- of which counterparty credit risk	299	3,736	235	2,938
IRB	6,057	75,710	5,809	72,613
- sovereign	,	,	–	–
- corporate	4,349	54,367	4,662	58,273
- advanced	4,155	51,939	4,484	56,049
- foundation	194	2,427	178	2,225
- institutions	334	4,177	315	3,933
- retail	1,242	15,519	703	8,793
- secured by immovable property collateral	514	6,423	238	2,973
- other retail	728	9,097	466	5,820
- items representing securitisation positions	17	212	5	69
- other	115	1,435	124	1,545
Standardised	2,889	36,111	2,827	35,334
- central governments or central banks	6	78	46	577
- regional governments or local authorities	1	7	1	13
- public sector entities			–	–
- multilateral development banks			–	–
- international organisations			–	–
- institutions	1,107	13,842	992	12,399
- corporate	185	2,307	230	2,875
- retail	18	231	20	253
- secured by mortgages on immovable properties	8	97	32	404
- in default	2	27	1	8
- associated with particularly high risk	,	,	–	–
- covered bonds	34	424	54	669
- institutions and corporates with short-term credit assessment	,	,	–	–
- collective investment undertakings (CIU)	172	2,146	194	2,423
- equity	1,355	16,935	1,256	15,699
- other items	1	18	1	15
Credit value adjustment risk	32	396	48	596
Market risk	427	5,336	396	4,945
- trading book, internal approach	367	4,587	326	4,072
- trading book, standardised approach	60	750	59	733
- banking book, standardised approach			11	139
Settlement risk			0	0
Operational risk	1,086	13,574	939	11,733
Standardised	1,086	13,574	939	11,733
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	71	883	3	39
Additional risk exposure amount due to Article 3 of the CRR			–	–
Total	**10,561**	**132,011**	**10,021**	**125,260**

Capital management and new regulations, cont.

Summary of items included in own funds

Calculation of own funds, EURm	Nordea Group 31 Dec 2024	Nordea Group 31 Dec 2023	Nordea parent company 31 Dec 2024	Nordea parent company 31 Dec 2023
Equity in the consolidated situation	26,629	25,534	23,219	22,151
Profit for the period	5,062	4,927		–
Proposed/actual dividend	-3,279	-3,240		–
Common Equity Tier 1 capital before regulatory adjustments	28,412	27,221	23,219	22,151
Deferred tax assets	-24	-34		–
Intangible assets	-2,704	-2,678	-1,050	-1,013
IRB provisions shortfall (–)	-228	–	-26	–
Pension assets in excess of related liabilities	-271	-160	-173	-113
Other items, net[1]	-615	-704	-636	-670
Total regulatory adjustments to Common Equity Tier 1 capital	-3,842	-3,576	-1,885	-1,796
Common Equity Tier 1 capital (net after deduction)	24,570	23,645	21,333	20,355
Additional Tier 1 capital before regulatory adjustments	4,138	3,225	4,138	3,225
Total regulatory adjustments to Additional Tier 1 capital	-25	-25	-25	-25
Additional Tier 1 capital	4,113	3,200	4,113	3,200
Tier 1 capital (net after deduction)	28,683	26,845	25,447	23,555
Tier 2 capital before regulatory adjustments	4,167	3,466	4,167	3,466
IRB provisions excess (+)		554	23	435
Deductions for investments in insurance companies				
Other items, net	-50	-50	-50	-50
Total regulatory adjustments to Tier 2 capital	-50	504	-27	385
Tier 2 capital	4,117	3,970	4,140	3,852
Own funds (net after deduction)	32,800	30,815	29,587	27,407

Capital adequacy ratios, Nordea Group and parent company

Percentage	Nordea Group 31 Dec 2024	Nordea Group 31 Dec 2023	Nordea parent company 31 Dec 2024	Nordea parent company 31 Dec 2023
Common Equity Tier 1 capital ratio, including profit	15.8	17.0	16.9	17.4
Tier 1 capital ratio, including profit	18.4	19.4	20.0	20.0
Total capital ratio, including profit	21.0	22.2	23.1	23.1
Common Equity Tier 1 capital ratio, excluding profit	14.6	15.8	16.2	16.3
Tier 1 capital ratio, excluding profit	17.3	18.1	19.3	18.8
Total capital ratio, excluding profit	19.9	21.0	22.4	21.9

Own funds and capital ratios (financial conglomerate)[1]

	31 Dec 2024	31 Dec 2023
Financial conglomerate's own funds, EURm	35,057	32,698
Own funds requirement of financial conglomerate, EURm	30,053	24,705
Capital adequacy of financial conglomerate (own funds surplus/deficit), EURm	5,004	7,994
Financial conglomerate's capital adequacy ratio, %	116.6%	132.4%

1) The financial conglomerate consists of banking and insurance operations.

Nordea Life & Pension – solvency II position

EURm	31 Dec 2024	31 Dec 2023
Required solvency capital	2,706	2,476
Actual solvency capital	4,108	3,576
Solvency buffer	1,402	1,100
Solvency in % of requirement	152%	144%

Nordea Life & Pension – solvency II sensitivity

EURm	31 Dec 2024	31 Dec 2023
Solvency in % of requirement	152%	144%
Equities drop 20%	163%	152%
Interest rates down 50bp	150%	140%
Interest rates up 50bp	153%	150%

New regulations on capital requirements

This section highlights recent news and updates on regulatory developments and capital requirements, mainly related to the Bank Recovery and Resolution Directive (BRRD), the Capital Requirements Directive (CRD) and the Capital Requirements Regulation (CRR). In general, it addresses news deemed relevant from a Nordea Group perspective. For additional details on new regulations and capital requirements, see Nordea's Capital and Risk Management Report (Pillar 3).

At the beginning of 2023 the Finnish FSA concluded that the sector's macroprudential buffers were below the assessed structural risks after the reduction in buffer requirements due to COVID-19. As a result, on 29 March 2023 the Finnish FSA decided to impose a requirement on Finnish credit institutions to maintain a systemic risk buffer (SyRB) of 1.0%. The decision on the SyRB is applicable to Nordea and entered into force on 1 April 2024.

On 28 June 2023 the Finnish FSA decided to approve a partial reciprocation of the Norwegian SyRB requirement at a level of 3.5% (full Norwegian measure: 4.5%). This decision applies to all Norwegian exposures from 1 July 2024.

In June 2024 Nordea received the Single Resolution Board's decision on the updated minimum requirements for own funds and eligible liabilities (MREL). The Group must meet MREL requirements of the sum of 23.18% of the risk exposure amount (REA) and the combined buffer requirement (CBR), and in parallel 7.14% of the leverage ratio exposure (LRE). The Group must also meet subordination requirements of the sum of 21.40% of the REA and the CBR, and in parallel 7.14% of the LRE. In addition, the amount of the subordination requirement must at no time exceed the amount which corresponds to a value of 27% of the REA including the CBR.

On 9 July Nordea received ECB approval for new retail capital models which were implemented in the third quarter of this year.

On 30 September the Finnish FSA decided to reciprocate the Danish sector-specific SyRB on commercial real estate companies in Denmark, as decided in Denmark in April 2024. The measure is applicable to Nordea from 1 January 2025 and will increase the CET1 requirement.

EU implementation of finalised Basel III framework ("Basel IV")

Basel III is a global regulatory framework for bank capital adequacy, stress testing and liquidity risk. In December 2017 the finalised Basel III framework, often called Basel IV, was published. Basel IV entered into force from 2023 and includes revisions to credit risk, market risk, operational risk, credit valuation adjustment (CVA) risk and the leverage ratio and also introduces a new output floor.

The Basel IV package is implemented into the EU CRR and becomes effective on 1 January 2025. This change is referred to as CRR3.

For credit risk, the CRR3 includes revisions to both the IRB approach, where restrictions on the use of the IRB approach for certain exposures are implemented, and the standardised approach. For market risk, the internal model approach and the standardised approach are revised. The EU Commission has issued a delegated act to postpone the application of the new market risk rules until 1 January 2026 to maintain a level playing field with the US. For operational risk, the three existing approaches are replaced by one standardised approach to be used by all banks. For CVA risk, the internally modelled approach is removed and the standardised approach is revised.

The output floor is to be set at 72.5% of the standardised approaches on an aggregate level. This means that the capital requirement is floored at 72.5% of the total Pillar 1 REA calculated with the standardised approaches for credit, market and operational risk. The floor is phased in, starting with 50% from 1 January 2025 to be fully implemented at 72.5% from 1 January 2030 with transitional rules for the calculation of the REA for the output floor extending to end-2032.

Corporate Governance Statement 2024

Corporate governance refers to relations between a company's senior management, its board of directors, its shareholders and other stakeholders, such as employees and their representatives. It also determines the structure used to define a company's objectives as well as the means of achieving them and of monitoring the results obtained. Strong corporate governance is thus about having clear and systematic decision-making processes, providing clarity about responsibilities, avoiding conflicts of interest and ensuring satisfactory internal control, risk management, transparency and accountability.

Nordea Bank Abp ("Nordea") is a Finnish public limited liability company and the parent company of the Nordea Group (comprising Nordea and its subsidiaries). Nordea's shares are listed on the Nasdaq stock exchanges in Helsinki, Stockholm and Copenhagen, and its American Depository Receipts (ADR) are traded in the US in US dollars. As part of its funding operations Nordea issues long-term debt instruments that are usually listed on various stock exchanges.

Nordea is subject to and applies the Finnish Corporate Governance Code (the "Code")[1]. All the recommendations of the Code are complied with, apart from the appointment procedure for the Employee Elected Board members (the Code, Recommendation 5), as described further below.

This Corporate Governance Statement describes Nordea's approach to the key elements of corporate governance and is prepared in accordance with the legal requirements of the Finnish Act on Credit Institutions, the Finnish Accounting Act, the Finnish Securities Market Act, the Decree of the Ministry of Finance on the obligation of securities issuers to disclose periodic information and the Code[2].

Nordea's Corporate Governance Statement is available at nordea.com and the Code is available at https://cgfinland.fi/en/corporate-governance-code/.

Corporate governance structure

The corporate governance of Nordea is comprehensive and proportionate with respect to the nature, scope and diversity of Nordea's operations to ensure effective management in accordance with the prudent conduct of business principles.

The Board is responsible for overseeing the administration and appropriate organisation of Nordea's operations, while the President and Group CEO is responsible for the executive management of Nordea. The main emphasis is on the Board undertaking its role in Nordea's corporate governance structure and the interaction with the other governing bodies to ensure sound corporate governance, including systems for internal control and risk management as well as financial reporting.

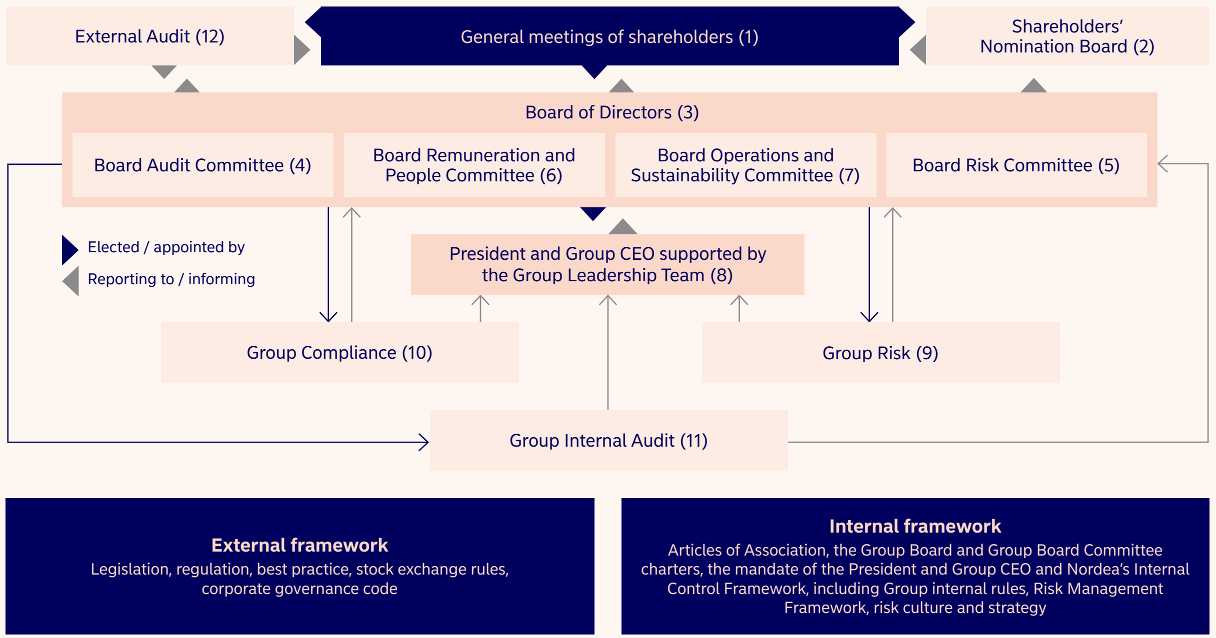
Corporate governance and the duties of the governing bodies of Nordea are defined by the applicable internal and external frameworks. The external framework that regulates corporate governance includes EU law, such as Directive 2013/36/EU (CRD IV), Regulation (EU) No 575/2013 (CRR), Directive 2014/65/EU (MiFID II) and Regulation (EU) No 600/2014 (MiFIR), as well as rules and guidelines issued by the relevant financial supervisory authorities, such as the EBA Guidelines on Internal Governance and the Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the management body and key function holders, as well as national level laws, including the Finnish Companies Act, the Finnish Act on Credit Institutions, the Finnish Accounting Act and the relevant regulations and guidelines of the Finnish Financial Supervisory Authority (FIN-FSA). Nordea also complies with rules and guidelines issued by other relevant financial supervisory authorities as well as EU legislation for the financial industry, stock exchange rules for each relevant stock exchange and the rules and principles of the Code.

The Board has adopted instructions for the President and Group CEO specifying the responsibilities of this role as well as other charters, policies and instructions for the operations of the Nordea Group. Furthermore, Nordea's Code of Conduct provides an ethical framework for the conduct of all members of governing bodies and employees. These mechanisms, together with the Articles of Association, the Charter (as defined below), the Committee Charters (as defined below), as well as other applicable directives, instructions, protocols and procedures of the Nordea Group constitute the internal framework that regulates corporate governance at Nordea. The internal framework is designed to enable the prudent conduct of business by defining the powers and responsibilities of the corporate bodies and employees. For more information on the directives, instructions, protocols and procedures in the internal framework, see "Sustainabilty Statement" on pages 83–193.

ECB supervision and governance

Nordea is supervised by the European Central Bank (ECB) and the FIN-FSA (Single Supervisory Mechanism/SSM), and its branches and subsidiaries are supervised by the financial supervisory authorities in their respective countries, as applicable. Under ECB supervision, Nordea is subject to the same banking supervision and single resolution mechanisms as the majority of other European banks in the Euro zone. The authority interaction function at Nordea is

Corporate governance structure



Numbers in brackets refer to the numbered sections below on pages 60–71.

1) The new Finnish Corporate Governance Code 2025 entered into force as of 1 January 2025, replacing the previous Corporate Governance Code 2020.

2) Nordea complies with the Code of its domicile as well as other applicable governance rules and regulations, and this Corporate Governance Statement is prepared in accordance with these requirements. The Code deviates in certain aspects from the Swedish Corporate Governance Code (the "Swedish Code") available at corporategovernanceboard.se and the Danish Recommendations on Corporate Governance (the "Danish Code") available at corporategovernance.dk due to differences in legislation and corporate governance rules and practices. Nordea deviates from the Swedish Code in terms of decision proposals of the nomination committee, independence of the Board Remuneration and People Committee members and by having the possibility of holding virtual shareholder meetings. With regards to the Danish Code, Nordea deviates in certain aspects from the Code in terms of the appointment of an audit committee chair, management remuneration and performance evaluation of the board of directors as well as recommendations regarding takeover bids, corporate social responsibility and tax policy. Nordea also deviates in certain aspects regarding the overall tasks and responsibilities of the board of directors, with respect to the company's purpose, value creation as well as share and capital structure and the annual review of guidelines for the executive management. Nordea further deviates in certain aspects regarding the composition of the board of directors and disclosure about individual board members in the management commentary.

placed in Group Legal, which acts as the single point of contact and the coordinator for supervisory requests and interactions, to enable coordinated and consistent communication between Nordea and its supervisors. Nordea uses standardised practices to process supervisory requests and on-site inspections, including a case management system where all interactions are documented. The Group Leadership Team (GLT) and the relevant committees receive authority interaction reports on a regular basis. The Board is informed about key authority interactions, including supervisory review and evaluation process decisions and on-site inspection reports. Furthermore, the Board oversees key supervisory remediation programmes and approves the remediation action plans required by the ECB.

ESG governance

The Board has a leading role in approving the strategic sustainability priorities, integrated into the Nordea strategy, and is assisted by its committees in fulfilling its ESG oversight responsibility. At management level, the strategic sustainability priorities are integrated into the organisation through existing processes for decision-making, risk management and control as well as escalation, including management committee structures. The first line of defence is responsible for managing sustainability and financial impacts, while the second line of defence is responsible for developing the ESG-related risk management framework.

The Nordea Chief of Staff is accountable for overseeing and facilitating the Group-wide integration of ESG factors into the Risk Management Framework and business processes. The relevant policy framework owner in the second line of defence is responsible for ensuring that requirements are reflected in Nordea's Sustainability and ESG Policy Framework and for overseeing their consistent cascading to the subsidiary strategy, risk and control frameworks. Additionally, the Chief of Staff is accountable for the development of the Group's strategic sustainability priorities and analysis of emerging topics, ensuring that Nordea's sustainability agenda remains aligned with the business environment developments, such as geopolitical and regulatory trends, and Nordea's long-term net zero commitment.

Nordea considers ESG factors to be significant potential drivers of credit, market, liquidity, capital, compliance and operational risks. The principle of embedding ESG factors in Nordea's risk management and business strategy is based on the importance of each ESG factor as a driver of these financial and non-financial risks. Each risk type, as included in Nordea's Common Risk Taxonomy, has its own dedicated risk management framework in which ESG is included as well. The Chief of Staff is responsible for Nordea's ESG implementation programme and co-chairs its operational steering committee together with the Head of Credit Risk in the second line of defence. The programme coordinates the integration of sustainability and ESG risks across Nordea's first and second lines of defence, thereby implementing and developing activities, aiming to ensure an efficient and consistent implementation of sustainability targets and objectives as well as ESG-related risk management frameworks across key processes, risk assessments, reporting and regulatory compliance. The programme integrates and provides ESG data to ensure transparent and consistent use across key processes and disclosures. For more information on ESG governance at Nordea, see "Sustainability Statement" on pages 83–193.

Division of powers and responsibilities

The management and control of Nordea is divided among the shareholders (at general meetings), the Board and the President and Group CEO, pursuant to the provisions of the external framework, the Articles of Association and the internal framework set forth by the Board.

General meetings of shareholders (1)

The general meeting is Nordea's highest decision-making body, at which shareholders participate in the supervision and control of Nordea through their voting rights and right to speak. Applicable regulations and the Articles of Association of Nordea determine the matters to be dealt with at a general meeting. At the general meeting, decisions are taken regarding matters such as the financial statements, dividend, election of Board members, the auditor and the sustainability reporting assurer as well as remuneration for Board members, the auditor and the sustainability reporting assurer. In accordance with applicable laws and regulations, the Remuneration Policy for Governing Bodies and the Remuneration Report for Governing Bodies are presented and adopted through an advisory vote at the general meeting. The Remuneration Policy for Governing Bodies and the Remuneration Report for Governing Bodies are available at nordea.com. General meetings are usually held in Helsinki. The 2024 Annual General Meeting was held on 21 March 2024 at Scandic Marina Congress Center in Helsinki. According to Nordea's Articles of Association, general meetings may also be held without a meeting venue, so-called virtual meetings, as an alternative to physical or hybrid meetings.

Information on the decisions of the 2024 Annual General Meeting and the minutes are available at nordea.com. The 2025 Annual General Meeting will be held at Finlandia Hall on Thursday 20 March 2025.

Voting rights

Nordea's Articles of Association do not contain any provisions on share classes or voting rights. Consequently, all shares issued are ordinary shares and carry equal voting rights, with each share carrying one vote at general meetings. At general meetings, each shareholder is entitled to vote according to the full number of shares they hold or represent. Nordea is not entitled to vote on its own shares at general meetings under applicable legislation. More information about the Nordea share is presented in "The Nordea share and external credit ratings" on pages 51–53 and in "Financial review 2024" on pages 40–41.

Articles of Association

The Articles of Association are available at nordea.com. Amendments to the Articles of Association are determined by the general meeting pursuant to Finnish law and are subject to the review of the Finnish Financial Supervisory Authority.

Shareholders' Nomination Board (2)

Pursuant to the Finnish Act on Credit Institutions, a significant credit institution must have a nomination committee that consists of board members or a shareholders' nomination board that consists of members appointed by the shareholders. The Annual General Meeting held in 2019 decided to establish a permanent Shareholders' Nomination Board. According to its Charter, the Shareholders' Nomination Board is to prepare, annually and otherwise when appropriate, proposals for the Annual General Meeting for the election of and remuneration for the Chair and members of the Board and present the proposals to the Annual General Meeting. The Shareholders' Nomination Board must also participate in the evaluation and succession planning of the Board and in its work consider the diversity policy of Nordea as well as perform certain other tasks assigned in its Charter.

The Shareholders' Nomination Board consists of the Chair of the Board of Directors and the four largest shareholders who on 31 August represent the largest number of voting rights in Nordea and wish to participate in the work of the Nomination Board.

The composition of the Shareholders' Nomination Board was made public on 3 October 2024. Nordeafonden had appointed Lars Ingemann Nielsen, Cevian Capital had appointed Niko Pakalén, Alecta had appointed Daniel Kristiansson, and Varma Mutual Pension Insurance Company had appointed Timo Sallinen as members of the Shareholders' Nomination Board. Niko Pakalén had been appointed Chair of the Shareholders' Nomination Board. On 31 August 2024 the appointed members of the Shareholders' Nomination Board represented approximately 12% of all shares and votes in Nordea.

Succession planning and process for proposing Board members for election by the Annual General Meeting

In order to ensure orderly Board member succession, the Shareholders' Nomination Board works with a succession pipeline on an ongoing basis consisting of prospective Board member candidates, taking into account the skills needed on the Board as a whole and on the various committees of the Board.

The Shareholders' Nomination Board evaluates the recruitment needs and, if needed, starts the process for proposing new Board members. To allow for seamless and orderly succession planning throughout the year, the Shareholders' Nomination Board may continue its work after it has prepared the proposal for the coming Annual General Meeting until the new Shareholders' Nomination Board has been appointed. The Shareholders' Nomination

Board can employ, at Nordea's expense, a recruitment consultant and other external resources needed for the Shareholders' Nomination Board to perform its duties.

As part of the evaluation of recruitment needs, the Chair of the Board provides input on the needed competencies and skills for the Board and identified potential competencies and skills gaps. The Shareholders' Nomination Board is also presented with the results of the Board's annual self-evaluation and suitability assessment.

The process for proposing new Board members normally starts with the Shareholders' Nomination Board deciding on a shortlist of prospective candidates. The profiles and qualifications of these prospective candidates are assessed and interviews with the candidates are arranged. As part of the process, the President and Group CEO may be offered the possibility to give views on needed Board member skills and profiles and to meet with the Board candidates.

The Shareholders' Nomination Board proposals on the number of Board members and on the election of the Chair of the Board and the members of the Board for the Annual General Meeting are published in a stock exchange release and on Nordea's website. The proposals must be made in such time that they can be included in the notice of the Annual General Meeting. The proposals are presented at the Annual General Meeting.

Prior to the 2025 Annual General Meeting, the Shareholders' Nomination Board, constituted in the autumn of 2024, held four meetings. Each member participated in all the meetings and decision-making of the Shareholders' Nomination Board apart from Lars Ingemann Nielsen, who was able to participate in three meetings, and the Chair of the Board, who did not participate in the preparation or decision-making where he had a conflict of interest.

Members of the Shareholders' Nomination Board

Niko Pakalén, Chair of the Shareholders' Nomination Board
Master of Science (Economics)
Born 1986
Gender: Male
Partner, Cevian Capital

Lars Ingemann Nielsen
Master of Science (Mathematical Finance and Economics)
Born 1961
Gender: Male
Executive Vice President and CFO, Nordea-fonden

Daniel Kristiansson
Master of Science (Business Administration)
Born 1974
Gender: Male
Governance and Stewardship Specialist, Alecta

Timo Sallinen
Master of Science (Economics)
Born 1970
Gender: Male
Director, Head of Listed Securities, Varma Mutual Pension Insurance Company

Sir Stephen Hester
BA Honours – 1st class (Politics, Economics, Philosophy)
Born 1960
Gender: Male
Chair of the Board of Directors of Nordea Bank Abp

The proposals of the Shareholders' Nomination Board are presented in the notice of the 2025 Annual General Meeting and are also available at nordea.com.

Board of Directors (3)

The Board of Nordea is charged with the organisation of Nordea and the administration of Nordea's operations and the overall management of the Nordea Group's affairs in accordance with the external and internal frameworks.

Composition and competence of the Board

According to the Articles of Association, the Board must consist of not less than 6 and not more than 15 members. The term of office for Board members is one year and expires at the end of the Annual General Meeting following the election. Nordea does not have a specific retirement age for Board members nor a specific time limit for how long a Board member may serve on the Board. In its work, the Shareholders' Nomination Board considers both the need for continuity and for retaining adequate experience on the Board as well as the need for gradual refreshment of knowledge and experience on the Board. According to the Code, if a Board member has served as a member for more than ten consecutive years, this must be taken into consideration when conducting the overall evaluation of independence. Furthermore, applicable European regulatory requirements of the banking sector are taken into account in the evaluation.

The Board has adopted a diversity policy that establishes the principles of diversity. According to the Diversity Policy, all Board member nominations must be based on merit with the prime consideration being to maintain and enhance the Board's overall effectiveness. Within this, a broad set of qualities and competencies is sought for and it is recognised that diversity, including age, gender[1], geographical provenance and educational and professional background, is an important factor to take into consideration. Nordea's objective is to have a fair, equal and balanced representation of gender and other diversifying factors on the Board collectively. With regard to gender balance, the Board's composition is aimed to be aligned with the Nordea Group's ambition of each gender to have at least 40% representation.

The composition of the Board must reflect the requirements of Nordea's operations and development stage. A Board member must have the competencies required by the position and the possibility to devote sufficient time to attend to the Board duties. The number of Board members and the composition of the Board must be such that they enable the Board to undertake its duties efficiently.

To support meeting the above requirements and objectives, the Shareholders' Nomination Board strives to ensure that the Board as a collective forms a fair, equal and balanced representation of gender and other diversifying factors, including: i) the Board's composition being aligned with Nordea's Diversity Policy, ii) the Board having members representing each of Nordea's operating countries in the Nordics: Finland, Sweden, Denmark and Norway, iii) an educational and professional background, and iv) age diversity.

The Board conducts a self-evaluation process annually, through which the performance and the work of the Board are evaluated for the purpose of continuously improving the Board's work and efficiency. The evaluation is based on methodology that includes questionnaires to evaluate the Board as a whole, the Chair and the individual Board members. From time to time, Nordea engages an external party to assist in the Board's annual self-evaluation for an objective view. The result of the self-evaluation process is further discussed by the Board and presented to the Shareholders' Nomination Board by the Chair of the Board.

In accordance with applicable European regulatory requirements, a suitability assessment of the individual Board members and of the Board as a whole is completed annually and in connection with the selection process for new Board members. The annual suitability assessment for 2024 concluded that the Board members individually and collectively possess the requisite knowledge of and experience in the social, business and cultural conditions of the regions and markets in which the main activities of Nordea and the Nordea Group are carried out, exhibiting adequate diversity and breadth of qualities and competencies, and that the gender distribution is well-balanced.

Board training

To enable a good understanding of Nordea's organisation and structure, business model, risk profile and governance arrangements, new Board members participate in an induction programme, covering, among other things, areas related to Nordea's structure and business model, risk profile, governance, Board responsibilities, business strategy, financials and risk management as well as relevant laws and regulations. Depending on the individual needs of the Board members, further training on specific subjects is arranged in order to maintain and deepen relevant knowledge.

1) "Gender" refers to biological or legal sex. To be compliant with regulatory restrictions on sensitive data, Nordea does not register gender identity. However, Nordea welcomes and enables self-identification of gender identity.

Board members also receive annual training based on their individual and collective needs as well as regulatory and supervisory requirements. The annual training plan is designed to cover the key risk areas of Nordea and ensure up-to-date knowledge of identified relevant knowledge areas. The training activities also take into account the results of the annual self-evaluation and suitability assessments of the Board as well as input on identified training needs from senior management.

In 2024 the Board received approximately 20 hours of training as part of the annual training plan, requested ad hoc training and strategy sessions in line with industry best practice. As part of the annual training plan, the Board received training in several key areas, including IT infrastucture, information security, capital, liquidity and funding, market and model risk, credit risk, internal ratings-based approach and models, financial reporting, financial crime, ESG topics, people matters as well as compliance and governance topics.

Work of the Board

The Board elects the Vice Chair and appoints the members of the Board committees. The Board has adopted written working procedures governing its work, which also describe the management and risk reporting to the Board (the "Charter"), and separate working procedures for the work carried out by each of the Board committees (the "Committee Charters"). For example, the Charter determines the Board's and the Chair's respective areas of responsibility, documentation and quorum as well as the frequency of meetings. It also contains rules regarding conflicts of interest, confidentiality and the Board Secretary.

The Board is charged with the organisation of Nordea, the administration of Nordea's operations and the overall management of the Nordea Group's affairs in accordance with the external and internal frameworks and its Charter. The Board must ensure that Nordea's legal and organisational structure is appropriate and transparent with a clear allocation of functions and areas of responsibility that ensures sound and effective governance, avoids the creation of complex structures and enables supervisors to conduct efficient supervision.

The Board regularly follows up on Nordea's strategy, business development as well as Nordea's financial position and performance. Furthermore, the Board regularly updates the policies and internal rules on governance and control on which it has decided. The Board also reviews the risk appetite and regularly follows up on relevant risks, capital and liquidity.

Significant organisational changes, certain senior management appointments as well as mergers and acquisitions and other resolutions of significance are other matters dealt with by the Board. For example, in 2024 the Board approved the Nordea Group strategy, and monitored and analysed the macroeconomic and geopolitical developments. The Board also handled matters related to sustainability, digitalisation, cyber defence, internal control and compliance, financial crime, M&A, share buy-backs and dividends as well as monitored business area, technology and data strategy execution. The Board must also ensure that Nordea's organisation in terms of accounting, management of funds and Nordea's financial position in general includes satisfactory controls. The Board is ultimately responsible for ensuring that an adequate and effective system of internal control is established and maintained. Group Internal Audit annually provides the Board with an assessment of the overall effectiveness of governance and the risk and control framework, together with an analysis of themes and trends emerging from internal audit work and their impact on the organisation's risk profile. Further information regarding internal control at Nordea is provided on page 71 under "Internal Control Framework".

The Board regularly meets the external auditor. In addition, the auditor in charge regularly attends the meetings of the Board Audit Committee.

In 2024 the Board held 14 meetings, 6 of which were held per capsulam. For more information, see the table on page 68.

Time commitment

Board members must be able to commit sufficient time to perform their duties and comply with the rules on the limitation on the number of directorships. The acceptable number of directorships is subject to both the Finnish Act on Credit Institutions and market expectations. Based on the regulatory requirements and market expectations, reflected for example in the policies of proxy advisers and institutional investors, a Board member, including the position on the Nordea Board, may

1. hold a maximum of one (1) executive directorship and two (2) non-executive directorships, or four (4) non-executive directorships, unless the ECB has granted an exemption which may be sought on a case-by-case basis
2. subject to fulfilling the requirements under item 1 above, hold no more than five (5) mandates in publicly listed companies, where a non-executive directorship counts as one (1) mandate, a non-executive chair position counts as two (2) mandates and a position as executive director (or a comparable role) is counted as three (3) mandates
3. regardless of the above, not hold the position of an executive director (or a comparable role) in a publicly listed company and of a non-executive chair in another publicly listed company.

There are certain exceptions to the requirements above, for example directorships held within the same group of undertakings and in entities with predominantly non-commercial objectives. The Nomination Board will assess the Board members' current and planned time commitments outside Nordea annually in preparing their proposal for the Board composition to the Annual General Meeting.

The Board consists of 13 ordinary members and 1 deputy member. Of these Board members, 10 (6 men and 4 women) were elected by the Annual General Meeting held on 21 March 2024. The Board members elected by the 2024 Annual General Meeting are Sir Stephen Hester (Chair), Lene Skole (Vice Chair), Petra van Hoeken, John Maltby, Risto Murto, Lars Rohde, Per Strömberg, Jonas Synnergren, Arja Talma, and Kjersti Wiklund. Additionally, Birger Steen was a member of the Board until the end of the 2024 Annual General Meeting.

In addition to the Board members elected by the Annual General Meeting, 3 ordinary members and 1 deputy member are elected by the employees of the Nordea Group. The Employee Elected Board members until the end of the 2025 Annual General Meeting are Joanna Koskinen, Gerhard Olsson and Kasper Skovgaard Pedersen (ordinary members) and Jørgen Suo Lønnquist (deputy member). Additionally, Hans Christian Riise was an Employee Elected Board member until the end of the 2024 Annual General Meeting. The election procedure for the Employee Elected Board members deviates from Recommendation 5 "Election of the Board of Directors" of the Code. The reason for this deviation is an agreement on employee representation entered into by Nordea and an employee representation body under the Finnish Act on Employee Involvement in European Companies and European Social Cooperatives as well as the Finnish Act on Personnel Representation in the Company Administration in connection with the cross-border merger effectuating the redomiciliation to Finland in 2018.

The President and Group CEO of Nordea is not a member of the Board. The composition of the Board is set out on page 61, and further information regarding the Board members elected by the Annual General Meeting and the Employee Elected Board members is presented in the sections "Board of Directors" and "Employee Elected Board members" on pages 64–66.

Board shareholdings

In 2023 the Board of Nordea adopted a shareholding recommendation for Board members whereby it is recommended that the shareholding of a Board member corresponds to a minimum of 33% of the member's total annual fees. The recommendation aligns the Board members' interests with the long-term interests of the shareholders in an appropriate and balanced manner. For more information, see the Board shareholdings on pages 64–66.

Independence of the Board

Nordea complies with applicable requirements regarding the independence of the Board in accordance with applicable European regulatory requirements and Finnish laws and regulations as well as the requirements of the Code. Under the Code, the majority of the board members must be independent of the company, and at least two board members who are independent of the company must also be independent of the significant shareholders of the company. The Board meets this requirement.

Corporate Governance Statement 2024, cont.

The Board considers all its members to be independent of Nordea's significant shareholders and all the members elected by the shareholders at the 2024 Annual General Meeting to be independent of Nordea in accordance with the Code[1]. No Board member elected by the shareholders at the 2024 Annual General Meeting is employed by or works in an operative capacity at Nordea. The ordinary Board members and the deputy Board member elected by the employees are employed by the Nordea Group and are therefore not independent of Nordea according to the Code.

The independence of each Board member is also shown in the table on page 68.

Chair

The Chair of the Board is elected by the shareholders at the Annual General Meeting. The Board meets according to its annual meeting schedule and as necessary. The Chair ensures that the Board's work is conducted efficiently and that the Board fulfils its duties. The Chair leads and organises the Board's work, maintains regular contact with the President and Group CEO and ensures that the Board receives sufficient information and documentation, that the work of the Board is evaluated annually and that the Shareholders' Nomination Board is informed of the result of the evaluation.

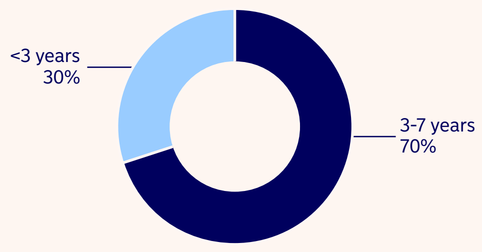
Board skills matrix and information on Board composition[1]

Identified key knowledge areas	Board members' knowledge, skills and experience									
Banking and finance	●	●	●	●	●	●	●	○	○	○
Insurance	●	●	●	○	○	○	○	◍	◍	◍
CEO experience	●	●	●	●	○	○	○	○	◍	◍
Strategy and business	●	●	●	●	●	●	○	○	○	○
ESG and green transition	●	●	○	○	○	○	○	○	○	○
Digitalisation, data, ICT, cyber and security risks	●	●	○	○	○	○	○	○	○	◍
Accounting and auditing	●	●	●	●	○	○	○	○	○	○
Governance and regulatory environment	●	●	●	●	●	●	○	○	○	○
Internal control	●	●	●	●	●	○	○	○	○	○
Risk management	●	●	●	●	○	○	○	○	○	○
People and remuneration	●	●	●	●	●	○	○	○	○	○

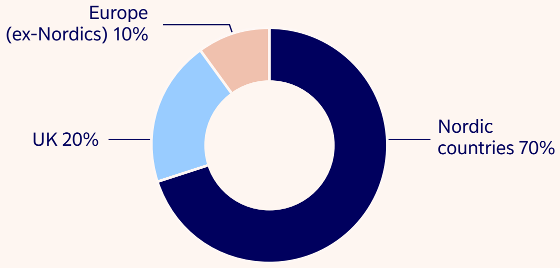
● Expert knowledge ○ Good knowledge ◍ Basic knowledge

1) Excluding Employee Elected Board members.

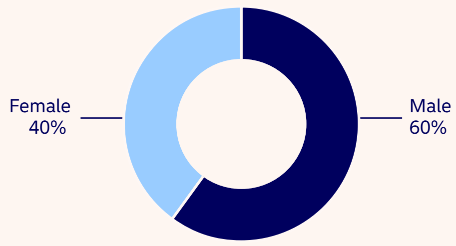
Terms of office



Geographics



Gender diversity



1) According to the Code, a significant shareholder is a shareholder who holds at least 10% of all company shares or the voting rights carried by all the shares or who has the right or obligation to acquire the corresponding number of already issued shares.

Board of Directors

Sir Stephen Hester, Chair
BA Honours (Politics, Economics, Philosophy) – 1st class
Board member since 2022 and Chair since 2022
Born 1960
Gender: Male
Nationality: British
Other assignments: Chair of board, easyJet and Lead Independent Director, Kyndryl

Sir Stephen Hester is a well-known and highly experienced international business leader. He has an extensive financial services track record internationally as well as in the Nordics. These roles have encompassed retail, commercial and investment banking at a global scale as well as insurance and asset/wealth management. Sir Stephen Hester is Chair of easyJet and an Independent Director of Kyndryl. He was knighted in the UK's 2024 New Year Honours list for services to business and the economy.

Previous positions:
2016–2022 Senior Independent Director, Centrica
2014–2021 Group Chief Executive, RSA Insurance Group
2008–2013 Group Chief Executive, Royal Bank of Scotland
2008 Non-Executive Deputy Chair, Northern Rock
2004–2008 Group Chief Executive, British Land
2002–2004 Chief Operating Officer and CFO, Abbey National
2000–2001 Global Head of Fixed Income, Credit Suisse First Boston
1996–2000 CFO and Head of Support Division, Credit Suisse First Boston
1986–1996 Various senior positions, Credit Suisse First Boston

Shareholding in Nordea: 90,260.

Lene Skole, Vice chair
BCom (Finance)
Board member since 2022 and Vice Chair since 2023
Born 1959
Gender: Female
Nationality: Danish
Other assignments: CEO of the Lundbeck Foundation, Deputy Chair of ALK-Abelló A/S[1], H. Lundbeck A/S[1], Falck A/S[1] and Chair of Ørsted A/S

Since 2014 Lene Skole has been the CEO of the Lundbeck Foundation, one of the largest enterprise foundations in Denmark. She has extensive experience within the insurance sector, gained through board memberships for the past 13 years. She also holds extensive board membership experience within various other sectors, such as healthcare and renewable energy.

Previous positions:
2020–2024 Member of the Committee on Foundation Governance
2010–2022 Board member, Tryg A/S and Tryg Forsikring A/S
2017–2018 Deputy Chair, TDC A/S
2006–2014 Board member, DFDS A/S
2005–2014 Executive Vice President, CFO, Coloplast
2000–2005 CFO, A.P. Møller – Mærsk, UK (The Maersk Company, UK)
2002–2003 European CFO, A.P. Møller – Mærsk
1997–2000 Vice President, Finance, A.P. Møller – Mærsk

Shareholding in Nordea: 29,031.

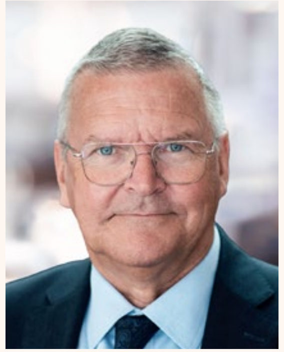
1) Board positions included in the position as CEO of the Lundbeck Foundation.

Arja Talma
MSc (Economics) and Authorised Public Accountant, EMBA, École nationale des ponts et chaussées
Board member since 2022
Born 1962
Gender: Female
Nationality: Finnish
Other assignments: Chair of the board of Verkkokauppa.com Oyj, board member of Metso Oyj and Glaston Corporation

Arja Talma has a strong track record from board and audit committee positions held in listed and regulated companies such as Metso Oyj, Verkkokauppa.com, Glaston and Aktia Bank Plc. She has extensive experience as a CFO and from various industries as a board member and senior executive.

Previous positions:
2020–2023 Board member, Metso Outotec Oyj
2013–2022 Board member, Aktia Bank Plc
2016–2021 Chair of board, Serena Properties AB
2018–2020 Chair of board, Onvest Oy
2016–2020 Board member, Metso Corporation
2016–2020 Board member, Posti Group Plc
2017–2018 Board member, Mehilainen Oy
2007–2017 Board member, Sponda Plc
2015–2017 Board member, Norvestia Plc
2013–2015 Supervisory board member, Varma Pension Insurance Company
2015 Board member, Nordic Cinema Group AB (publ.)
2013–2015 Senior Vice President, Store Sites and Investments, Kesko Corporation
2011–2013 President, Rautakesko Ltd
2006–2012 Board member, VR Group Ltd
2008–2012 Board member, Luottokunta
2004–2011 Senior Vice President, Chief Financial Officer, other senior positions, Kesko Corporation
2001–2003 Executive Vice President, Oy Radiolinja Ab

Shareholding in Nordea: 10,000.



Lars Rohde
Masters (Economics & Management)
Board member since 2024
Born 1954
Gender: Male
Nationality: Danish
Other assignments: Board member of Aarhus University, Nadija Children's Hospital & Research Institute and VIA Equity

Lars Rohde is recognised as a leading banking professional with a profound understanding of the Danish financial sector and society. During his 40-year career in the banking industry, he has held positions both as a commercial finance executive and as a financial services official. For the last 10 years, he was the Governor of Danmarks Nationalbank and prior to this, the CEO of ATP, the largest pension company in Denmark.

Previous positions:
2013–2023 Chair of the Board of Governors, Danmarks Nationalbank
2011–2012 Board member, Aarhus university
2011–2012 Board member, FIG Ehrenversbank
2010–2011 Board member, FIH Holding
1998–2013 Managing Director, Labour Market Supplementary Pension
1997–1998 Deputy Managing Director, RealKredit Danmark
1993–1996 Board member, Copenhagen Stock Exchange
1992–1997 Director, RealKredit Danmark
1992–1998 Board member, The Danish Mortgage Credit Council
1989–1992 Fund director, RealKredit Danmark
1985–1988 Economist, investments, The Doctors' Pension Fund
1988–1989 Managing Director, The Doctors' Pension Fund
1987–1993 Part-time lecturer, Department of Finance, Copenhagen Business School
1982–1984 Economist, Danmarks Nationalbank
1981–1982 Economist, Arbejdernes Landsbank

Shareholding in Nordea: 0.

Board of Directors, cont.

John Maltby
BSc Honours (Engineering Science)
Board member since 2019
Born 1962
Gender: Male
Nationality: British
Other assignments: Chair of Allica Bank, West Bromwich Building Society and Max Nicholas Renewables

John Maltby is an experienced board member in financial services and has previously held positions in Bluestep Bank AS, Tandem Bank, Bank of Ireland and Simplyhealth Group. He currently chairs the boards of Allica Bank, West Bromwich Building Society and Max Nicholas Renewables.

Previous positions:

2017–2022	Board member, National Citizens Service (NCS) Trust
2018–2021	Board member, Simplyhealth Group
2015–2019	Board member, Bank of Ireland, UK
2012–2019	Chair, Good Energy Group Plc
2015–2018	Board member, Tandem Bank
2015–2017	Chair, Bluestep Bank AS
2013–2015	Chief Executive Officer, Williams & Glyn
2012–2013	Senior Adviser, Corsair Capital
2007–2012	Group Director, Commercial, Lloyds Banking Group
2000–2007	Chief Executive Officer, Kensington Group Plc
1998–2000	Executive Director, First National Group, Abbey National Plc
1994–1998	Chief Executive Officer, Lombard Tricity, NatWest Group Plc
1992–1994	Deputy Director, Barclays Bank Plc
1989–1992	Management Consultant, Price Waterhouse Consultancy
1983–1989	Manager, Andersen Consulting

Shareholding in Nordea: 8,241.

Jonas Synnergren
MSc (Economics and Business)
Board member since 2020
Born 1977
Gender: Male
Nationality: Swedish
Other assignments: Senior partner at Cevian Capital AB, Head of Cevian Capital's Swedish office, board member of LM Ericsson

Jonas Synnergren is a senior partner at Cevian Capital AB and Head of Cevian Capital's Swedish office since 2012 and has experience in financial services and asset management. He is a board member and member of the Remuneration Committee and Audit and Compliance Committee of LM Ericsson and has previously been a board member of Tieto Corporation and Veoneer Inc.

Previous positions:

2018–2022	Board member, Veoneer Inc
2012–2019	Member of the Board of Directors, Tieto Corporation
2006	Interim CEO and Head of Investor Relations & Business Development, Svalan Konsortier AB
2000–2006	Several positions, The Boston Consulting Group AB

Shareholding in Nordea: 0.

Kjersti Wiklund
MSc (Electronic Engineering), MBM
Board member since 2022
Born 1962
Gender: Female
Nationality: Norwegian
Other assignments: Board member of AutoStore Holdings Ltd, Evelyn Partners and Spectris plc

Kjersti Wiklund has been a member of the boards of a number of high-tech companies for more than 20 years. She currently holds board memberships, including board audit and risk committee memberships in companies with heavy technology focus at AutoStore Holdings Ltd, Evelyn Partners and Spectris plc.

Previous positions:

2020–2023	Board member, Zegona plc
2018–2022	Board member, Babcock plc
2019–2022	Board member, Trainline plc
2018–2020	Chair, Saga Robotics AS
2015–2018	Board member, Laird plc
2013–2017	Board member, Cxense ASA
2014–2016	Director, Group Technology Operations, Vodafone Group
2011–2014	Executive Vice President and COO, VimpelCom Russia
2011	Acting Group CTO, VimpelCom Group
2009–2011	Deputy CEO and CTO, Kyivstar GSM
2007–2009	Executive Vice President and CTO, DiGi Telecom
2005–2009	Board member, Fast Search and Transfer ASA
2005–2007	Executive Vice President and CIO, Telenor Nordic
2004–2005	Executive Vice President and CIO, Telenor Norway
2003–2004	Vice President and CTO, Telenor Norway
2002	Vice President, Strategy and Products, Telenor Enterprise
2000–2002	Executive Vice President and Head of Network Management Software Division, EDB Telescience Ltd

Shareholding in Nordea: 11,000.

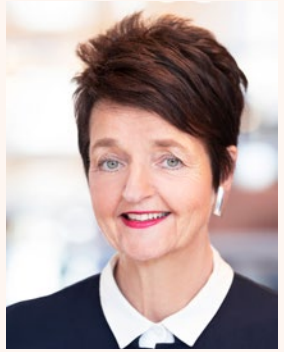
Per Strömberg
MSc (Business and Economics)
Board member since 2023
Born 1963
Gender: Male
Nationality: Swedish
Other assignments: Board member of ICA Gruppen and Eduviva Group

Per Strömberg has served as a chief executive officer of several companies over the past 17 years and has a wide range of experience within retail, consumer goods, brand and digitalisation. Before joining Nordea as a Board member, he held the position of President and Chief Executive Officer at ICA Gruppen, a leading Swedish retail company, for 11 years. Currently he is a board member of ICA Gruppen and Eduviva Group.

Previous positions:

2012–2022	President and Chief Executive Officer, ICA Gruppen
2007–2012	President and Chief Executive Officer, Lantmännen
2006–2007	President and Chief Executive Officer, Sardus AB
2003–2006	Managing Director, Sweden & Nordic Category Director, Coffee & Food, Kraft Foods Sweden
2001–2003	Managing Director, Denmark & Nordic Category Manager, Coffee, Kraft Foods Denmark
1999–2001	Director, Business Development, Coffee Europe, Kraft Foods International
1998–1999	General Manager, Kraft Freia Marabou

Shareholding in Nordea: 10,000.



Petra van Hoeken
Master in Civil Law
Board member since 2019
Born 1961
Gender: Female
Nationality: Dutch
Other assignments: Non-Executive Director and Board member of Virgin Money UK, Chair of the Advisory Committee for Credit for the Dutch Ministry of Economic & Climate Affairs, board member of Oranje Fonds, Stichting Holding and Administration of Shares under the Shell Employee Share Plans, supervisory board member of Volksbank N.V and member of the Advisory Council for Donations at the University of Leiden

Petra van Hoeken is an experienced banking professional with a strong background as chief risk officer within the financial industry. She has previously been a board member of, among others, Nederlandse Waterschapsbank NV, De Lage Landen and Utrecht-America Holdings.

Previous positions:

2015–2023	Board member, Nederlandse Waterschapsbank NV
2019–2020	Executive Committee member and Chief Risk Officer of Intertrust Group
2018–2019	Board member, De Lage Landen, DLL
2016–2019	Board member, Utrecht-America Holdings, Inc
2016–2019	Managing board member and Chief Risk Officer, Coöperatieve Rabobank U.A.
2012–2016	Managing board member and Chief Risk Officer, NIBC Bank NV
2008–2012	Chief Risk Officer, EMEA, The Royal Bank of Scotland Plc
1986–2008	Various management and other positions, ABN AMRO Bank NV, Amsterdam, Madrid, Singapore, Frankfurt and New York

Shareholding in Nordea: 2,400.

Risto Murto
PhD (Economics)
Board member since 2023
Born 1963
Gender: Male
Nationality: Finnish
Other assignments: President and CEO, Varma Mutual Pension Insurance Company, Chair of the Securities Market Association, E2 Research and the Finnish Pension Alliance TELA. Board member of Sampo Plc and supervisory board member of the Finnish Cultural Foundation and the Finnish National Opera and Ballet

Risto Murto has extensive experience within pensions, insurance, investments and financial markets, both as a board member and as a member of executive management. Since 2014 he has been the President and Chief Executive Officer of Varma Mutual Pension Insurance Company, an earnings-related pension insurance company.

Previous positions:

2022–2023	Board member, the Finnish Canoeing and Rowing Federation
2014–2023	Board member, Wärtsilä Corporation
2019–2022	Board member, Finance Finland
2014–2022	Advisory board member, the VATT Institute for Economic Research
2010–2015	Board member, Kaleva Mutual Insurance Company
2014–2016	Board member, Finance Finland
2012–2015	Board member, Nokian Tyres
2006–2013	Board member, Kojamo Oyj
2000–2005	Managing Director, Opstock Ltd
1997–2000	Head of Equities and Research, Opstock Ltd
1993–1997	Head of Research, Erik Selin Ltd

Shareholding in Nordea: 11,192.

Employee Elected Board members

Gerhard Olsson
MBA and Bachelor of Economics
Board member since 2016[1]
Born 1978
Gender: Male
Professional at Nordea
Shareholding in Nordea: 0.

Jørgen Suo Lønnquist
Master of Management
Board member since 2024
Born 1980
Gender: Male
(Deputy until 20 March 2025)
Head of Union in Nordea Norway
Shareholding in Nordea: 0.

Joanna Koskinen
MBA International Business Management
Board member since 2021
Born 1977
Gender: Female
Professional at Nordea
Shareholding in Nordea: 0.

Kasper Skovgaard Pedersen
MSc Agricultural Economics and Development
Board member since 2023
Born 1978
Gender: Male
President of Finansforbundet in Nordea (Denmark)
Shareholding in Nordea: 0.

1) Refers to when Gerhard Olsson became a Board member of Nordea Bank AB (publ), the Nordea Group's former parent company.

Board committees

In accordance with the external framework and in order to increase the effectiveness of the Board work, the Board has established separate working committees to assist the Board in preparing matters falling within the competence of the Board and in making decisions in matters delegated by the Board. The duties of the Board committees as well as working procedures are defined in the Committee Charters. In general, the Board committees do not have autonomous decision-making powers and each committee regularly reports on its work to the Board. Nordea follows the legal requirements and complies with the Code in terms of Board committees.

Board Audit Committee (4)

The Board Audit Committee (BAC) assists the Board in fulfilling its oversight responsibilities, for instance by monitoring the Nordea Group's financial and sustainability reporting process and system and by providing recommendations or proposals to ensure their reliability (including the efficiency of the internal control and risk management system), by monitoring the effectiveness of Group Internal Audit, by keeping itself informed as to the statutory audit of the annual and consolidated accounts and the assurance of the sustainability reporting and by reviewing and monitoring the impartiality and independence of the external auditors, including the offering of services other than auditing services by the auditors, by preparing a recommendation of appointment of Nordea's auditor and of the sustainability assurer and by reviewing the Group's tax strategy and tax policy as well as by taking care of the responsibilities of the audit committee pursuant to applicable legal requirements. The BAC also assists the Board in monitoring and assessing how related party transactions meet the requirements of ordinary activities and are at arm's length terms. Further information is presented in the section "Principles for related party transactions" on page 73. The committee also reviews the integrity, independence and effectiveness of the whistleblowing mechanism Raise Your Concern.

Members of the BAC are John Maltby (Chair), Petra van Hoeken, Lene Skole and Arja Talma. Generally, the Chief Audit Executive, the Chief Financial Officer, the Chief Risk Officer and the external auditor of Nordea are present at the meetings of the BAC with the right to participate in discussions but not in decisions.

The Board annually appoints the members and the chair of the BAC. The BAC must have at least three committee members who are members of the Board. The Chair of the BAC must not be the Chair of the Board or of any other Board committee. None of the members of the BAC may be employed within the Nordea Group or participate in the day-to-day management of Nordea or a company of the Nordea Group. The majority of the members of the BAC must be independent of Nordea. At least one of the members of the BAC who is independent of Nordea must also be independent of Nordea's significant shareholders and have sufficient expertise in accounting and/or auditing. The committee members must have the expertise and experience required for the performance of the responsibilities of the BAC. For more information, see the table on page 68.

Board Risk Committee (5)

The Board Risk Committee (BRIC) assists the Board in fulfilling its oversight responsibilities concerning management and control of risks, risk frameworks and appetite as well as controls and processes associated with the Nordea Group's activities, including financial and non-financial risks such as capital, credit, market, liquidity, concentration, compliance, conduct, model, operational, information security, IT, ESG and other strategic risks.

The duties of the BRIC include reviewing and making recommendations on the Nordea Group's risk and compliance governance as well as reviewing the development of the Group's Internal Control Framework, including the Risk Management Framework, in reference to the development of the Group's risk profile and changes in the regulatory framework. In addition, the BRIC reviews and makes recommendations regarding the Group's risk appetite and risk strategy. Furthermore, the BRIC reviews resolutions made by a Group entity concerning credits or credit limits above certain amounts as well as the performance of the credit portfolio.

Members of the BRIC are Petra van Hoeken (Chair), John Maltby, Lars Rohde and Kjersti Wiklund. Generally, the Chief Risk Officer, the Chief Compliance Officer and the Chief Audit Executive are present at the meetings with the right to participate in discussions but not in decisions. Other senior executives are present at meetings when relevant.

The Board annually appoints the chair and members of the BRIC. The BRIC must have at least three committee members who are members of the Board. The chair of the BRIC must not be the chair of the Board or of any other Board committee. The BRIC must be composed of members of the Board who are not employed within the Group. The members of the BRIC, including the chair, must be independent. Members of the BRIC must individually and collectively have appropriate knowledge, skills and expertise concerning risk management and control practices.

For more information, see the table on page 68.

Board Remuneration and People Committee (6)

The Board Remuneration and People Committee (BRPC) is responsible for preparing and presenting proposals to the Board on remuneration, diversity and inclusion, key leadership selection, assessment and succession planning and talent management matters. When preparing proposals on remuneration, the long-term interests of shareholders, investors and other stakeholders in Nordea must be taken into account.

At least annually, the BRPC follows up on the application of Nordea's remuneration policy, overseeing its functionality, including the use of variable pay adjustments, through an independent review by Group Internal Audit, and assesses Nordea's remuneration directive and remuneration system with the participation of appropriate control functions. In addition, the BRPC supports the Board with the preparation of the Remuneration Policy for Governing Bodies and the Remuneration Report for Governing Bodies. The BRPC also has the duty of annually monitoring, evaluating and reporting to the Board on the programmes for variable remuneration for members of the GLT and the Chief Audit Executive. At the request of the Board, the BRPC also prepares other issues of principle for the Board's consideration.

The remit of the BRPC also includes support to the Board in considering the Group Board Diversity Policy and Statement as well as monitoring the impact of diversity and inclusion policies and practices within Nordea and the review and assessment of talent management.

The BRPC also reviews succession plans, the performance of the members of the GLT and the Chief Audit Executive and the structure and composition of as well as the selection criteria and process for the GLT and advises on proposed GLT appointments together with the Shareholders' Nomination Board.

Members of the BRPC are Sir Stephen Hester (Chair), Per Strömberg, Arja Talma and Gerhard Olsson (Employee Elected Board member). Generally, the Chief People Officer and the President and Group CEO are present at the meetings with the right to participate in discussions but not in decisions.

Neither the Chief People Officer nor the President and Group CEO participates in considerations regarding their respective employment terms and conditions.

The Chair and the members of the BRPC are appointed annually by the Board. The BRPC must have at least three committee members.

The Chair and the majority of the members of the BRPC must be Board members who are independent of Nordea and not employed by the Nordea Group. The President and Group CEO or the other executives must not be members of the BRPC. However, if Employee Elected Board members are appointed to the Board, at least one of them must be appointed as a member of the BRPC pursuant to the Finnish Act on Credit Institutions. The members of the BRPC must collectively have sufficient knowledge of as well as expertise and experience in issues relating to risk management and remuneration. For more information, see the table on page 68.

Further information regarding remuneration at Nordea is presented in the section "Remuneration" on pages 74–77 and in Note G8 "Employee benefits and key management personnel remuneration" on pages 256–269.

Board Operations and Sustainability Committee (7)

The Board Operations and Sustainability Committee (BOSC) assists, without prejudice to the tasks of the other Board committees, the Board in fulfilling its oversight responsibilities concerning sustainability (including 'E', 'S' and 'G' factors), digital transformation, technology, data management, operations/systems and operational resilience (including cyber resilience) as well as related frameworks and processes. The duties of the BOSC include advising the Board on the Nordea Group's overall strategy within the mentioned areas and assisting the Board in overseeing the implementation of that strategy by senior management.

Members of the BOSC are Kjersti Wiklund (Chair), Risto Murto, Per Strömberg and Jonas Synnergren. To the extent possible, the Head of Group Business Support and the Head of Group Operational Risk attend meetings when the BOSC deals with operational risks. The Chief Audit Executive may also participate in meetings to the extent possible and when deemed suitable. Furthermore, other senior executives also attend meetings when deemed relevant. All have the right to participate in discussions but not in decisions.

The Chair and the members of the BOSC are appointed annually by the Board. The BOSC must have at least three committee members who are members of the Board. The BOSC must be composed of members of the Board who do not perform any executive function in the Nordea Group. Members of the BOSC must have sufficient collective knowledge of as well as expertise and experience in issues relating to the work of the committee.

President and Group CEO supported by the Group Leadership Team (8)

Nordea's President and Group CEO leads the day-to-day management of Nordea and the affairs of the Nordea Group in accordance with the external and internal frameworks. The internal framework adopted by Nordea further regulates the division of responsibilities and the interaction between the President and Group CEO and the Board. The President and Group CEO works closely with the Chair of the Board in terms of planning Board meetings.

The President and Group CEO is accountable to the Board for managing the Nordea Group's operations and organisation and is also responsible for developing and maintaining effective systems for reporting and internal control within the Group. In accordance with applicable regulations, Nordea has a Deputy Managing Director. Further information about the control environment for risk exposures is presented in Note G11 "Risk and liquidity management" on pages 280–310.

The President and Group CEO works together with certain senior officers within the GLT of the Group who report directly to the President and Group CEO. The GLT supports the President and Group CEO in managing the Group, and the GLT members, apart from the President and Group CEO, are responsible for the performance, operations, risks and resources of and for developing their respective business areas or Group functions in accordance with the Nordea Group strategy and in the best interest of Nordea and in compliance with applicable laws and regulations.

The GLT meets regularly and whenever necessary at the request of the President and Group CEO. These meetings are chaired by the President and Group CEO, who reaches decisions after having consulted with the other GLT members.

Notes of the meetings, verified by the President and Group CEO, are kept.

At the end of 2024 the GLT members were: Frank Vang-Jensen (President and Group CEO), Sara Mella (Head of Personal Banking), Nina Arkilahti (Head of Business Banking), Martin A Persson (Head of Large Corporates & Institutions), Snorre Storset (Head of Asset & Wealth Management), Erik Ekman (Head of Group Business Support), Mark Kandborg (Chief Risk Officer), Christina Gadeberg (Chief People Officer), Jussi Koskinen (Chief Legal Officer and Deputy Managing Director), Ulrika Romantschuk (Head of Group Brand, Communication and Marketing), Jamie Graham (Chief Compliance Officer) and Ian Smith (Chief Financial Officer). From 1 January 2025, Martin A Persson has served as Head of Asset & Wealth Management and Petteri Änkilä as Head of Large Corporates & Institutions. Snorre Storset has stepped down from the GLT and as Head of Asset & Wealth Management.

Furthermore, since 1 February 2025, the Group Business Support function has been divided into two new units, Group Technology and Group Business Support. Kirsten Renner, Head of Group Technology, has been appointed a member of the GLT, and Mads Skovlund Pedersen has been appointed Head of Group Business Support and a member of the GLT. Erik Ekman has stepped down from the GLT and as Head of Group Business Support.

Biographical information about the President and Group CEO and the other GLT members at the end of 2024 is presented on page 69, information about Nordea's organisation is presented on page 70, further information about the business areas is presented on pages 27–36 and information about the Group functions is presented on page 70. For more information on the recent changes in the GLT, see "Events after the financial period" on page 194.

Board members' attendance and independence

The table below shows the number of meetings held by the Board and its committees as well as the attendance of the individual Board members. It also shows the independence of the individual Board members in relation to Nordea as well as to significant shareholders.

	Board of Directors	Board Audit Committee	Board Risk Committee	Board Remuneration and People Committee	Board Operations and Sustainability Committee	Independence in relation to Nordea[1]	Independence in relation to significant shareholders[1]
Number of meetings (of which per capsulam)	14(6)	9(0)	10(1)	8(4)	7(1)		
Elected by shareholders at the Annual General Meeting							
Sir Stephen Hester (Chair)	14/14	–	–	8/8	–	Yes	Yes
Lene Skole (Vice Chair)	14/14	9/9	–	–	–	Yes	Yes
Petra van Hoeken	14/14	9/9	10/10	–	–	Yes	Yes
John Maltby	14/14	9/9	10/10	–	–	Yes	Yes
Risto Murto	14/14	–	–	–	7/7	Yes	Yes
Lars Rohde (Board member from March 2024)	10/10	–	7/7	–	–	Yes	Yes
Birger Steen (Board member until March 2024)	4/4	–	3/3	–	3/3	Yes	Yes
Per Strömberg	14/14	–	3/3	8/8	4/4	Yes	Yes
Jonas Synnergren	14/14	–	–	–	7/7	Yes	Yes
Arja Talma	14/14	9/9	–	8/8	–		
Kjersti Wiklund	14/14	–	10/10	–	7/7	Yes	Yes
Employee Elected Board members							
Joanna Koskinen (deputy member until March 2024, Board member from March 2024)	12/12	–	–	–	–	No	Yes
Gerhard Olsson	14/14	–	–	8/8	–	No	Yes
Hans Christian Riise (Board member until March 2024)	4/4	–	–	–	–	No	Yes
Kasper Skovgaard Pedersen	14/14	–	–	–	–	No	Yes
Jørgen Suo Lønnquist (deputy member from March 2024)	6/6	–	–	–	–	No	Yes

1) According to the Code, a significant shareholder is a shareholder who holds at least 10% of all company shares or the voting rights carried by all the shares or who has the right or obligation to acquire the corresponding number of shares already issued. For additional information, see "Independence of the Board" on pages 62-63.

Group Leadership Team

Frank Vang-Jensen
President and Group CEO
Born 1967
Gender: Male
Member of Group Leadership Team since 2018
Education: Organisation & Leadership, Copenhagen Business School, Denmark. Finance & Credit, Copenhagen Business School, Denmark. Executive Programme, Harvard Business School, USA. Management Programme, INSEAD, France/ Singapore.
Shareholding in Nordea: 231,050.
Nordea shares in deferral: 222,057[1].

Previous positions:

2018–2019	Head of Personal Banking, member of Group Leadership Team, Nordea Bank Abp
2017–2018	Head of Personal Banking, Country Senior Executive and Country Branch Manager Denmark, Nordea Bank Abp
2015–2016	President and Group CEO, Svenska Handelsbanken AB
2014–2015	Head of Handelsbanken Sweden, Svenska Handelsbanken AB
2007–2014	CEO, Handelsbanken Denmark, Svenska Handelsbanken AB
2005–2007	CEO, Stadshypotek AB
2001–2005	Regional Area Manager, Handelsbanken Denmark

Sara Mella
Head of Personal Banking
Born 1967
Gender: Female
Member of Group Leadership Team since 2019
Education: Master of Science, Economics, University of Tampere, Finland.
Shareholding in Nordea: 65,828.
Nordea shares in deferral: 100,576[1].

Nina Arkilahti
Head of Business Banking
Born 1967
Gender: Female
Member of Group Leadership Team since 2020
Education: Master of Social Science, University of Turku, Finland. BSc in Economics and Business Administration, Aalto University School of Business, Finland. INSEAD Advanced Management Programme
Shareholding in Nordea: : 58,728.
Nordea shares in deferral: 87,105[1].

Christina Gadeberg
Chief People Officer
Born 1970
Gender: Female
Member of Group Leadership Team since 2019
Education: Graduate diploma (HD) in Business Administration, Organisation & Leadership, Copenhagen Business School, Denmark.
Shareholding in Nordea: 35,312.
Nordea shares in deferral: 68,765[1].

Jussi Koskinen
Chief Legal Officer
Born 1973
Gender: Male
Member of Group Leadership Team since 2018
Education: Master of Laws (LLM), University of Turku, School of Law, Finland.
Shareholding in Nordea: 40,811.
Nordea shares in deferral: 79,189[1].

Martin A Persson
Head of Large Corporates & Institutions[2]
Born 1975
Gender: Male
Member of Group Leadership Team since 2016
Education: Bachelor of Business Administration, Accounting & Finance, University of Stockholm, Sweden.
Shareholding in Nordea: 72,013.
Nordea shares in deferral: 113,145[1].

Snorre Storset[2]
Head of Asset & Wealth Management
Born 1972
Gender: Male
Member of Group Leadership Team since 2015
Education: MSc in Economics and Business Administration, Norwegian School of Economics, Bergen, Norway.
Shareholding in Nordea: 62,219.
Nordea shares in deferral: 106,667[1].

Ian Smith
Chief Financial Officer
Born 1966
Gender: Male
Member of Group Leadership Team since 2020
Education: MA in Economics, Aberdeen University, UK.
Shareholding in Nordea: 70,438.
Nordea shares in deferral: 119,357[1].

Mark Kandborg
Chief Risk Officer
Born 1971
Gender: Male
Member of Group Leadership Team since 2022
Education: MSc in Economics, University of Copenhagen, Denmark.
Shareholding in Nordea: 38,086.
Nordea shares in deferral: 52,827[1].

Erik Ekman[3]
Head of Group Business Support
Born 1969
Gender: Male
Member of Group Leadership Team since 2015
Education: PhD in Economics, Uppsala University, Sweden.
Shareholding in Nordea: 90,357.
Nordea shares in deferral: 111,873[1].

Ulrika Romantschuk
Head of Group Brand, Communication and Marketing
Born 1966
Gender: Female
Member of Group Leadership Team since 2020
Education: Bachelor in Political Science from the Swedish School of Social Science, University of Helsinki, Finland.
Shareholding in Nordea: 22,910.
Nordea shares in deferral: 42,239[1].

Jamie Graham
Chief Compliance Officer
Born 1974
Gender: Male
Member of Group Leadership Team since 2021
Education: Bachelor of Science, University of East Anglia, UK.
Shareholding in Nordea: 22,474.
Nordea shares in deferral: 40,840[1].

1) Relating to shares from STIP and LTIP awards earned during performance years 2019–2023. Does not include LTIP 2022–2024 as not yet deferred.
2) From 1 January 2025, Martin A Persson has served as Head of Asset & Wealth Management and Petteri Änkilä as Head of Large Corporates & Institutions. Snorre Storset has stepped down from the Group Leadership Team and as Head of Asset & Wealth Management.
3) Since 1 February 2025, the Group Business Support function has been divided into two new units, Group Technology and Group Business Support. Kirsten Renner and Mads Skovlund Pedersen have been appointed members of the Group Leadership Team, and Erik Ekman has stepped down from the Group Leadership Team and as Head of Group Business Support.

Group **functions**

Nordea's Group functions support the four business areas, helping to ensure speed and availability for customers and maintain Nordea's status as a safe, trustworthy and responsible bank.

Erik Ekman
Head of Group Business Support

Group Business Support
Group Business Support provides business areas with the services, data and technology infrastructure needed for Nordea to deliver on its vision. It also provides the operational backbone for the Group's three largest processes: lending, credit and anti-money laundering operations. It drives operational efficiency, allowing the business areas to focus on what they do best: delivering good products and services to customers.

Johan Ekwall
Chief of Staff

Chief of Staff Office
Chief of Staff Office is responsible for several of the Group-wide processes, e.g. the strategy development process, including ensuring that IT investments are aligned with the business strategy, the internal M&A activities as well as the sustainability implementation process across the Group. Chief of Staff Office drives Nordea's sustainability agenda, sets short- and long-term sustainability targets and works with the business areas to ensure that their business strategies are consistent with the Group's sustainability targets.

Christina Gadeberg
Chief People Officer

Group People
Group People is responsible for attracting, retaining and developing talent to drive business performance and for fostering a sustainable work environment within Nordea. It also supports the employee lifecycle via talent management, leadership development, remuneration, workforce planning and organisational design. Group People's aim is for Nordea to be a preferred employer in its operating countries, building an inclusive workplace where all can grow and perform at their best, supporting employee well-being and flexible working arrangements and contributing to a more sustainable future.

Jamie Graham
Chief Compliance Officer

Group Compliance
Group Compliance is Nordea's independent compliance function. Together with Group Risk, it constitutes Nordea's second line of defence. Group Compliance is responsible for monitoring and overseeing the compliance risks that Nordea is or could be exposed to. It covers Nordea's entire operations, including subsidiaries and outsourced activities.

Mark Kandborg
Chief Risk Officer

Group Risk
Group Risk is Nordea's independent risk control function. Together with Group Compliance, it constitutes Nordea's second line of defence. It oversees the implementation of the Group's financial and non-financial risk policies (excluding compliance risks) and monitors and controls its Risk Management Framework. Group Risk thus oversees the identification, assessment, monitoring, management and reporting of the key risks that Nordea is or could be exposed to.

Jussi Koskinen
Chief Legal Officer

Group Legal
Group Legal provides effective and high-quality legal advice within the Nordea Group, covering banking, business, contracts, mergers and acquisitions, litigation and many other legal areas of relevance. It is also responsible for board secretariat services, corporate governance, branch management, public affairs and regulatory management, including reporting to and interacting with national and European Union authorities.

Ulrika Romantschuk
Head of Group Brand, Communication and Marketing

Group Brand, Communication and Marketing
Group Brand, Communication and Marketing is responsible for Nordea's brand and reputation. It manages reputational risk and supports customer loyalty and long-term growth. The team works together with the business areas and Group functions to build a strong position for Nordea across all markets and stakeholder groups.

Ian Smith
Chief Financial Officer

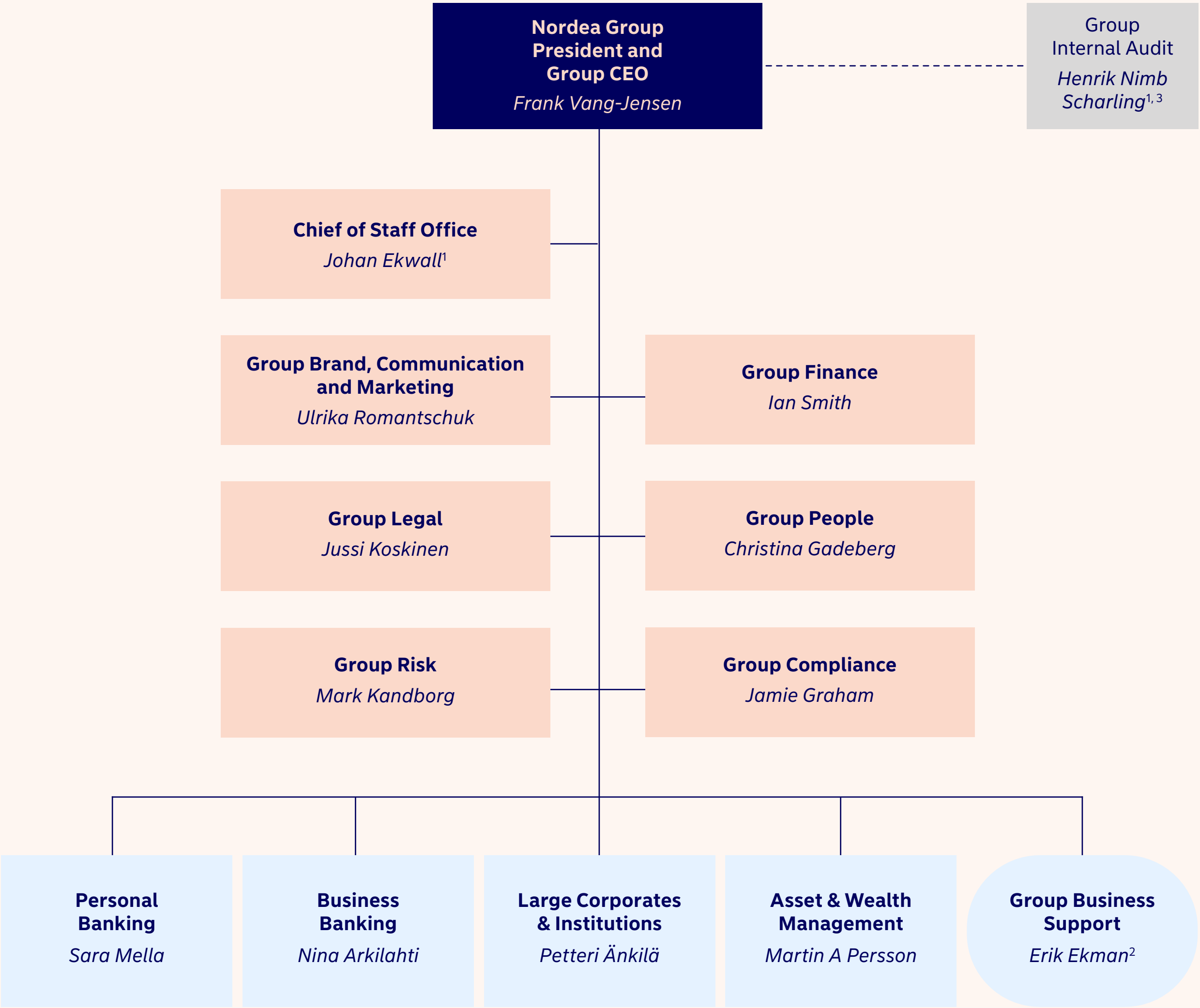
Group Finance
Group Finance drives Group-wide financial performance management, financial reporting and planning, financial and business control, procurement services and analysis to meet business needs and regulatory requirements. It also manages Nordea's capital, liquidity, funding and market risks, ensuring regulatory compliance while supporting the business areas' ability to serve customers well. Group Finance ensures a fair reflection of Nordea's fundamentals by providing transparent and relevant communication to the investor community.

Henrik Nimb Scharling
Interim Chief Audit Executive

Group Internal Audit
Group Internal Audit is Nordea's independent third line of defence function, mandated by Nordea's Board to support the Board and the Group Leadership Team in protecting the Group's assets, reputation and sustainability. Group Internal Audit helps Nordea accomplish its objectives by evaluating and improving the effectiveness and efficiency of its governance, risk management and control processes, applying a systematic and disciplined approach.

Group **organisation**

As of 1 January 2025



1) Not a member of the Group Leadership Team.
2) Since 1 February 2025, the Group Business Support function has been divided into two new units, Group Technology and Group Business Support. Kirsten Renner and Mads Skovlund Pedersen have been appointed new members of the Group Leadership Team, and Erik Ekman has stepped down from the Group Leadership Team and as Head of Group Business Support.
3) Acts as Interim Chief Audit Executive.

Internal Control Framework

The Internal Control Framework covers the whole Group and includes Group Board, Group CEO and senior executive management responsibilities regarding internal control, all Group functions and business areas, including outsourced activities and distribution channels. Under the Internal Control Framework, all business areas, Group functions and units are responsible for managing the risks they incur when conducting their activities and for having controls in place that aim to ensure compliance with internal and external requirements. As part of the Internal Control Framework, Nordea has established Group control functions with appropriate and sufficient authority, independence and access to the Group Board to fulfil their mission in line with the Risk Management Framework.

The Internal Control Framework ensures effective and efficient operations, adequate identification, measurement and mitigation of risks, prudent conduct of business, sound administrative and accounting procedures, reliability of financial and non-financial information (both internal and external) and compliance with applicable laws, regulations, standards, supervisory requirements and the Group internal rules.

Group Risk (9)

Group Risk is an independent risk function structured to carry out risk monitoring and control in line with Nordea's Internal Control Framework. As part of the second line of defence, Group Risk is responsible, in cooperation with Group Compliance, for maintaining the Risk Management Framework as part of the Internal Control Framework and for monitoring the implementation of the policies and procedures within this framework. The risk function oversees the implementation of the financial and the non-financial risk policies and, according to a risk-based approach, monitors and controls the Risk Management Framework and must, among other things, ensure that all risks to which Nordea is or could become exposed are identified, assessed, monitored, managed and reported. The risk function is headed by the Chief Risk Officer (CRO), who is also a member of the GLT, and reports to the President and Group CEO. The CRO is appointed, suspended and dismissed by decision of the Board after prior consultation with the President and Group CEO. The CRO regularly reports to the Board Risk Committee (BRIC) and the Board on the Nordea Group's risk exposure.

Group Compliance (10)

Group Compliance is an independent second line of defence control function responsible for monitoring and overseeing the compliance risks that Nordea is or could be exposed to. Group Compliance is also responsible for developing and maintaining the Compliance Risk Management Framework, which ensures effective and efficient identification and management of compliance risks in accordance with regulatory requirements and supervisory expectations. The compliance risk management lifecycle covers key compliance processes for risk identification, independent risk assessment, oversight planning, testing and monitoring, training, advice and reporting.

The compliance function is headed by the Chief Compliance Officer (CCO), who is also a member of the Group Leadership Team. The CCO is appointed, suspended and dismissed by decision of the Board after prior consultation with the President and Group CEO. The CCO regularly reports to the Group Board, the President and Group CEO, the BRIC and other relevant committees.

Group Internal Audit (11)

Group Internal Audit (GIA) is an independent function commissioned by the Board. The Board Audit Committee (BAC) is responsible for monitoring the effectiveness of GIA within the Nordea Group. The Chief Audit Executive (CAE) has the overall responsibility for GIA. The CAE reports on a functional basis to the Board and the BAC and reports on an administrative basis to the President and Group CEO. The Board approves the appointment and dismissal of the CAE.

The purpose of GIA is to support the Board and the GLT in protecting the assets, reputation and sustainability of the organisation. GIA does this by assessing whether all significant risks are identified and appropriately reported by management and the risk functions to the Board, its committees and the GLT, by assessing whether all significant risks are adequately controlled and by challenging the GLT to improve the effectiveness of governance, risk management and internal controls. GIA does not engage in consulting activities unless approved by the BAC. Consulting activities are the range of services, beyond assurance services, performed specifically at the request of management for a pre-defined scope and provided to assist management in meeting its objectives.

All activities and subsidiaries of the Group fall within the scope of GIA. GIA makes a risk-based proposal as to which areas within its scope should be included in the audit plan which is approved by the Board. GIA operates free from interference in determining the scope of internal auditing, in performing its audit work and in communicating its results. This means for example that GIA, via the CAE, is authorised to inform the financial supervisory authorities of any matter without further approval. The CAE has unrestricted access to the President and Group CEO and the Chair of the BAC and should meet with the Chair of the BAC throughout the year, including without the presence of executive management. GIA is authorised to conduct investigations and obtain any information required to discharge its duties. This includes the right to sufficient and timely access to the organisation's records, systems, premises and staff. GIA has the right to attend and observe the meetings of the Board committees, the GLT, Nordea Group committees and forums in general and other key management decision-making forums when relevant and necessary.

External audit (12)

According to the Articles of Association, the auditor of Nordea must be an audit firm with the auditor in charge being an authorised public accountant. The term of office of the auditor expires at the end of the Annual General Meeting following the election. The current auditor of Nordea is PricewaterhouseCoopers Oy. Jukka Paunonen, Authorised Public Accountant, has been the auditor in charge since the 2023 Annual General Meeting.

The 2024 Annual General Meeting further elected PricewaterhouseCoopers Oy as the assurer of Nordea's sustainability reporting for the period until the end of the 2025 Annual General Meeting. Authorised sustainability auditor Jukka Paunonen acts as the responsible sustainability reporting auditor. Further information about the fees paid for audit services and non-audit services is presented in Note G2.7 "Other expenses" on page 209.

Report on internal control and risk management regarding financial reporting

The systems for internal control and risk management of financial reporting are designed to provide reasonable assurance about the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, applicable laws and regulations, and other requirements for listed companies. The internal control and risk management activities are included in Nordea's planning and resource allocation processes. Internal control and risk management of financial reporting at Nordea are described below.

Control environment

The control environment is a key component of Nordea's internal controls and centres around the culture and values, established by the Board and the GLT, and the organisational structure with clear roles and responsibilities.

The primary governance principle is the adherence to the three lines of defence model which provides the foundation for a crucial clear division of roles and responsibilities in the organisation. For further information about the three lines of defence, see "Internal Control Framework".

The first line of defence is responsible for the ongoing risk management and for compliance with applicable rules. Risk owners in the business areas and Group functions are responsible for risk management activities. A central function supports the CFO in defining standards that apply Group-wide to controls relevant to financial reporting risks. Appropriate controls are implemented, maintained and monitored accordingly within significant processes.

Risk assessment

Risk assessment in relation to reliable financial reporting involves the identification and assessment of risks of material misstatements or deficiencies. Financial reporting risk (FRR) is defined as the risk of misstatements or deficiencies in financial reporting, regulatory reporting, disclosures, tax reporting and reporting of environmental, social and governance (ESG) information.

Risk management is considered to be an integral part of running the business and the main responsibility for performing risk assessments regarding financial reporting risks sits with the business organisation. Performing risk assessments close to the business increases the possibility of identifying the most relevant risks. In order to govern the quality, control functions stipulate in governing documents when and how these assessments are to be performed. Examples of risk assessments are the recurring Risk and Control Self-Assessments and the event-driven Change Risk Management and Approval process.

Control activities

The scope of the FRR control framework is designed to focus on areas where risk of material financial misstatements could exist, i.e. where the judgement of a reasonable person relying upon the report would have been changed or influenced by the inclusion or correction of the misstated item.

The business areas and Group functions are primarily responsible for managing risks associated with their operations and financial reporting processes. Group internal rules set out how Nordea's operations and organisation are governed and managed (including compliance with regulatory requirements) and include the Group Accounting Manual, the Group CEO Instructions on Financial Control and the Group Accountable Executive FRR protocol. The Group Accounting Manual provides information on the accounting policies to be used in the Group and contains detailed reporting instructions and tools to produce the financial statements.

The FRR control structure is based on invidual controls or a group of controls which are identified as principal controls that may be relied on to prevent, detect or mitigate high and critical financial reporting risks. This involves the identification and assessment of risks of financial reporting misstatements or deficiencies based on end-to-end process flows. In addition, Information Technology General Controls for systems/applications relied on in financial reporting are covered by a central unit within Technology.

The quality assurance achieved through the management reporting process, where a detailed analysis of the financial outcome is performed, constitutes an important control mechanism associated with the reporting process.

Information and communication

Group Finance is responsible for ensuring compliant reporting in accordance with accounting standards and/or applicable regulations and that changes are communicated to the responsible units. These are supported by detailed guidelines and standard operating procedures.

Management at different levels of the organisation is provided with information related to the performance, self-assessment and testing of the internal controls identified in their process.

Nordea interacts with relevant subject-matter experts externally to keep up to date with changes in reporting expectations and to ensure that the financial reporting objectives are met. Nordea actively participates in relevant national and international forums, such as those established by the financial supervisory authorities, central banks and associations for financial institutions.

Monitoring

Nordea has established a process for regular monitoring of risk metrics, as measures of risk exposure, with the purpose of ensuring proper monitoring of the quality of the financial reporting. The Group CFO reports on the management of FRR to the BAC on an annual basis or when needed.

An independent risk control function resides with the second line of defence and is responsible for identifying, controlling and reporting on FRR. In addition, GIA provides the Board with an assessment of the overall effectiveness of the governance, risk management and control processes throughout the organisation, including financial reporting.

The Board, the BAC, the BRIC, the BOSC, Group Risk and GIA have important roles in respect to governance and oversight of the internal control of financial reporting at the Nordea Group. For further information, see "Board of Directors (3)", "Board Audit Committee (4)", "Board Risk Committee (5)", "Board Operations and Sustainability Committee (7)", "Group Risk (9)", "Group Compliance (10)" and "Group Internal Audit (11)" on the previous pages.

Disclosures and insider administration

The objective and key principles followed in Nordea's investor communications and the publication of financial reports are described in Nordea's Disclosure Policy. The Disclosure Policy also describes the disclosure, dissemination and storage of the information within the scope of the disclosure obligation as prescribed by rules and regulations. The Disclosure Policy has been approved by the Board and is available at nordea.com.

Insider administration is organised in accordance with the EU Market Abuse Regulation No 596/2014 (MAR) and supplementing legislation as well as applicable national level laws and guidance from financial supervisory authorities. Nordea has Group-wide rules and guidelines in place to provide clear instructions for employees to facilitate their compliance with these rules and to ensure that inside information is identified and handled appropriately at all times.

Insiders are identified on a case-by-case basis whenever inside information is detected and are subsequently registered in a related insider register. All persons identified and registered as insiders are notified of their insider status and the restrictions and obligations that apply to them, including the prohibition against dealing in the financial instrument(s) to which the inside information relates until that information is made public or otherwise no longer deemed to be inside information and the insider register is closed.

The responsibilities of Nordea's insider administration also include (i) training and providing information to employees who are exposed to inside information to make sure that they are aware of the restrictions and obligations that apply to them as insiders, (ii) setting up and maintaining insider registers and (iii) monitoring compliance with the insider rules.

The rules are in place to mitigate the risk of insider dealing and other forms of market abuse. The overall responsibility for making sure that a high level of knowledge of and compliance with these rules is maintained lies with Group Compliance.

Nordea has identified the members of the Board and the GLT as well as the Chief Audit Executive as persons discharging managerial responsibilities (as defined by MAR). Along with persons closely associated with them, they are required to notify Nordea and the relevant financial supervisory authority of any transaction in financial instruments issued by Nordea, executed on their account or on their behalf. Nordea discloses such reported transactions to the market through stock exchange releases. In addition to this reporting duty, persons discharging managerial responsibilities are prohibited from trading in financial instruments issued by Nordea during a period of 30 calendar days prior to (and including) the date of the publication of a Nordea Group interim report, half-year report or year-end report and whenever such persons are in possession of inside information regarding Nordea.

For employees who participate in providing investment services or advice to customers, Nordea also applies Group-wide internal trading restrictions and transaction reporting obligations that are based on the trading rules established by, among others, Finance Finland, the Swedish Securities Markets Association and the Swedish Investment Fund Association. Furthermore, in the capacity of a company licensed to provide investment services and as a fund management company, Nordea and its subsidiary Nordea Funds Ltd, respectively, maintain insider registers of persons who are classified as "public insiders" pursuant to the Finnish Act on Investment Services and the Finnish Act on Mutual Funds. The holdings of securities listed in Finland of such persons are public information and uploaded to the public insider register kept by Euroclear Finland Ltd. The register of holders of units in funds managed by Nordea Funds Ltd is also available for viewing at Nordea Funds Ltd.

Principles for related party transactions

Applicable laws and regulations set requirements for the monitoring and assessment of as well as the decision-making concerning related party transactions and the disclosure of executed related party transactions.

Generally, Nordea's transactions with its related parties are part of Nordea's ordinary course of business and carried out according to the same criteria and terms as those of comparable transactions with other parties of similar standing. The decision-making processes have furthermore been structured to avoid conflicts of interest and to comply with the statutory decision-making requirements.

Nordea has defined its related parties in accordance with the applicable laws and regulations and keeps an up-to-date record of them. Relevant internal stakeholders, such as customer responsible units, other relevant business units and Group functions, are informed of the list of related parties and the related restrictions in order to monitor transactions with such parties.

Nordea is also bound by applicable close circle rules and has processes in place for identifying the persons belonging to the close circle of Nordea and for ensuring that any credits and comparable financing granted to such persons as well as any investments in an entity belonging to the close circle are in accordance with applicable laws and rules.

Pursuant to Nordea's Conflicts of Interest Policy, employees, management and the members of the Board must not handle matters on behalf of Nordea in cases where they or a closely associated person or company may have an interest that conflicts with the interests of Nordea or its customers. Nordea's business areas and Group functions are obliged to identify, prevent and manage actual and potential conflicts of interest.

The Board has the ultimate responsibility for ensuring proper processes for the identification, reporting and supervision of related party transactions as well as the proper decision-making in this respect. The BAC must assist the Board in monitoring and assessing how related party transactions meet the requirements of ordinary activities and the arm's length terms.

Related party transactions that are not part of Nordea's ordinary course of business or are made in deviation from customary commercial terms require a decision by the Board for the related party transaction to be carried out, unless otherwise required by applicable laws and regulations. In respect of such related party transactions the Board must ensure that:

(i) the relevant transactions have been appropriately identified, reported, and controlled
(ii) the Conflicts of Interest Policy has been carefully considered in the preparation and decision-making process
(iii) the preparation of related party transactions includes adequate reports, statements and/or assessments.

Furthermore, Nordea publicly discloses its related party transactions in accordance with applicable laws and regulations.

For more information about related party transactions, see Note G10.4 "Related party transactions" on page 279.

Remuneration

Nordea has a clear remuneration policy including instructions and processes supporting sound remuneration structures throughout the organisation.

Aim of Nordea's Remuneration Policy

Nordea's Remuneration Policy (internally referred to as the Group Board Directive on Remuneration):

- supports Nordea's ability to recruit, develop and retain highly motivated, competent and performance-oriented employees and hence support the Group strategy
- ensures that employees are offered a competitive and market-aligned total reward offering
- supports gender-neutral remuneration through application of Nordea's pay principles
- supports sustainable results and the long-term interests of shareholders by including goals directly linked to the performance of Nordea and by awarding parts of variable remuneration in shares or other instruments
- ensures that remuneration at Nordea is aligned with efficient risk management, the Nordea purpose and values and applicable regulations.

Nordea has a total remuneration approach to compensation that recognises the importance of well-balanced but differentiated remuneration structures based on business and local market needs as well as the importance of having remuneration that is consistent with and promotes sound and effective risk management and that does not encourage excessive risk-taking or counteract Nordea's long-term interests.

The link between performance, risk and variable remuneration in Nordea's remuneration components is assessed annually to ensure business relevance, that all risks are addressed appropriately and are compliant with applicable international and local regulations. This includes non-financial risks related to operational risks, compliance risks, reputational risks and specific remuneration-related risks. Most remuneration-related risks concern variable remuneration which, if not appropriately considered, could lead to excessive risk-taking. Risks are addressed through regular reviews of remuneration structures as well as individual remuneration components, participants in variable remuneration plans and the size of potential awards and by disclosing relevant information.

Decision-making process for the Remuneration Policy

Nordea's Remuneration Policy sets out principles for remuneration within the Nordea Group, including how the policy is to be applied, remuneration governance and risk management as well as how employees with a material impact on Nordea's risk profile ("material risk takers") are defined.

- The Board of Directors decides on the Remuneration Policy, taking possible risks into account, and oversees its functionality by ensuring that it is applied and followed up as proposed by the Board Remuneration and People Committee (BRPC).
- In addition to Nordea's internal Remuneration Policy, Nordea's shareholders adopted, through an advisory vote, the Remuneration Policy for Governing Bodies at the 2024 Annual General Meeting, which applies to the remuneration of the Board of Directors, the Group CEO and the Deputy Managing Director and will remain in force until the 2028 Annual General Meeting.

The BRPC is responsible for preparing and presenting proposals to the Board of Directors on remuneration issues, considering the adopted Remuneration Policy for Governing Bodies, including proposals for Nordea's Remuneration Policy and supplementary instructions. These preparations include an assessment of the Remuneration Policy and the remuneration system. Appropriate control functions participate in this process and provide input within their area of expertise to ensure that the Remuneration Policy is up to date and compliant.

Furthermore, in collaboration with the Board Risk Committee, the BRPC performs assessments to ensure that Nordea's remuneration systems properly account for all types of risks, that liquidity and capital levels are consistent and that the remuneration systems promote sound and effective risk management.

Moreover, the remit of the BRPC also includes supporting the Board of Directors in considering the Group Board Diversity Policy and Statement as well as monitoring the impact of diversity and inclusion policies and practices within Nordea and in reviewing and assessing talent management.

The BRPC also reviews succession for and the performance of the members of the Group Leadership Team (GLT) and the Chief Audit Executive, reviews the structure and composition as well as the selection criteria and process for the GLT and advises on proposed GLT appointments.

More information about the composition of the BRPC and its responsibilities is provided in a separate section of "Corporate Governance Statement 2024" on pages 67–68.

Alignment with business strategy

Nordea has processes to align business and individual goal- and target-setting across Nordea with the overall strategy and predefined risk-adjusted criteria.

Financial and non-financial goals are based on the business's expectations and forecasts, and stretched targets are approved by the Board of Directors to ensure alignment with shareholders' and Nordea's strategic priorities and sustainability and climate objectives. Hence, the main Group performance goals and targets in variable remuneration for the Nordea Group in 2024 were the financial goals: return on equity, income and cost-to-income ratio and non-financial goals relating to customer focus and employee engagement. Nordea has also included ESG goals in the Long Term Incentive Plan for 2024–2026 applicable to the GLT and approximately 50 senior leaders. ESG goals are integrated into varibale remuneration for the GLT and other senior leaders across the Nordea Group as well as for the wider workforce. The integration of ESG goals into variable remuneration supports Nordea in fulfilling its sustainability and climate objectives in three key areas: 1) to make progress in relation to Nordea's sustainability implementation plan, 2) to increase the volume of green financing and 3) to improve the gender balance at senior leadership levels.

When assessing performance against the predetermined set of well-defined goals and targets, Nordea applies an aligned structure with clear expectations for its people. Individual performance is assessed not only on 'what' is delivered but also 'how' it is delivered. A key aspect is performance in relation to specific risk, compliance and conduct targets as well as general compliance and risk conduct, which must be appropriately considered when determining variable remuneration awards.

To guarantee fair and objective remuneration decisions and to support sound governance, all individual remuneration decisions are subject to separate processes and approved in line with the grandparent principle (approval by the leader's leader).

Supporting sound risk management

Nordea performs an ongoing risk assessment of remuneration risks conducted within the framework of the Risk Committee and the non-financial risk forums of each business area and Group function. In addition, an assessment of the Group taxonomy risks is performed as part of the people risk assessment process, the Risk and Control Self-Assessment and the compliance independent risk assessment.

Nordea also mitigates relevant risks by means of its Internal Control Framework, which is based on the control environment and includes the following elements: values and management culture, goal orientation and follow-up, a clear and transparent organisational structure, three lines of defence, the four eyes principle, the quality and efficiency of internal communication and an independent assessment process.

The following principles are further examples of how sound risk management is supported:

- Applying a Group variable remuneration funding mechanism which considers prudential and appropriate risk adjustments when setting a Group pool for each performance year.
- Ensuring that the Board of Directors approves the total outcome of variable remuneration before award, which allows for adjustments in outcome if deemed appropriate by the Board of Directors, e.g. considering risk limits.
- There is an appropriate balance between fixed and variable remuneration.

- Relevant control functions provide input on the setting of a Group variable remuneration pool, performance goals and the outcome of such, to ensure that the impact on staff behaviour and the risks of business undertaken are addressed.
- The effect on long-term results is considered when determining goals and targets for variable remuneration.
- No employee at Nordea can earn variable remuneration exceeding 200% of their annual fixed remuneration. The maximum ratio between fixed and variable remuneration for material risk takers was 200% in 2024 in accordance with the 2019 AGM's decision. In practice, however, a ratio between the fixed and the variable remuneration above 100% of the annual fixed remuneration only applies to a very limited number of employees as the outcome of Nordea's variable remuneration plans is capped at certain levels.
- The risks set out in Nordea's Risk Appetite Statement are linked to forfeiture conditions (ex-ante and ex-post risk adjustments) to ensure that breaches of risk limits influence variable remuneration awards.
- Payments related to early termination of employment should reflect performance achieved over time and should be designed to not reward failure or misconduct.
- Employees engaged in control functions are compensated independently of the performance of the business unit(s) they control and predominantly through fixed remuneration.

Principles for deferral of variable remuneration awards and awards in instruments

Nordea ensures that a substantial part of variable remuneration for material risk takers is deferred and afterwards retained over an appropriate period in line with regulatory requirements. This means that 40–60% of variable remuneration awards are deferred for four to five years, with vesting and subsequent disbursement over the deferral period on a pro rata basis.

The first disbursement of deferred variable remuneration can take place one year into the deferral period at the earliest.

Deviations may occur subject to local regulations. For material risk takers and certain other categories of staff, 50% of variable remuneration awards (both deferred and non-deferred amounts) are awarded in instruments (as a main rule in Nordea shares, alternatively instruments linked to Nordea's share price) and subject to a post-vesting 12-month retention period. Dividends are excluded from any shares or other instruments during a deferral period.

Risk adjustments, malus and clawback provisions

The Risk and Remuneration Alignment Committee supports the management of remuneration risk by providing governance and oversight of risk-adjusted remuneration assessments of relevant Nordea employees in the first line of defence. The work of the commitee is intended to strengthen personal accountability and develop a consistent approach to risk-adjusted remuneration assessments, through a fair and transparent process, carried out on the basis of clear criteria.

Payment of variable remuneration awards under Nordea's main variable remuneration plans is based on an assessment of the results of the Nordea Group, the concerned Nordea entity, the relevant business unit and the individual employee. Awards may be reduced, in part or in full, if an employee eligible for variable remuneration has for example violated internal or external regulations, participated in or been responsible for an action that has caused Nordea significant losses or in the event of a significant downturn in Nordea's or the relevant business unit's financial results.

Employees must not use personal hedging strategies to undermine or eliminate the effects of deferred variable remuneration being partly or fully cancelled.

Audit of Nordea's Remuneration Policy

The BRPC follows up on the application of the Remuneration Policy and supplementary instructions within Nordea through an independent review by Group Internal Audit. This audit is conducted at least annually.

Remuneration to the Board of Directors

By proposal of the Shareholders' Nomination Board and in accordance with the Remuneration Policy for Governing Bodies, the AGM annually decides on the remuneration to the Board of Directors. In 2024 remuneration was offered in cash to the Board members. Board members are not part of any variable or incentive plan. Remuneration for Board work is not paid to Board members who are employees of the Nordea Group. Further information is provided in Note G8.4 "Key management personnel remuneration" on pages 266–268.

Remuneration to the CEO and the members of the Group Leadership Team

By proposal of the BRPC, the Board decides on the remuneration for the CEO and the members of the Group Leadership Team (GLT), considering the adopted Remuneration Policy for Governing Bodies. Remuneration for the Chief Audit Executive is also approved by the Board of Directors even though the Chief Audit Executive is not a member of the GLT. This includes a decision on fixed and variable remuneration as well as pension and other employment terms and conditions.

Nordea maintains a competitive and market-aligned total reward offering and other employment conditions needed to recruit, motivate and retain the CEO and the members of the GLT and through their leadership, expertise and strategic decision-making to enable Nordea to deliver on its strategy and targets. A key concept is pay-for-performance.

Remuneration for the CEO and members of the GLT in 2024 was decided by the Board of Directors considering the Remuneration Policy for Governing Bodies and in accordance with Nordea's internal policies and procedures, which are based on the applicable regulations on remuneration systems and other relevant regulations and guidelines.

Salaries and other remuneration in line with market levels constitute the overriding principle for the remuneration for the CEO and the members of the GLT at Nordea. The remuneration for the CEO and the members of the GLT will be consistent with and promote sound and effective risk management and not encourage excessive risk-taking or counteract Nordea's long-term interests.

Annual remuneration consists of fixed salary, benefits, variable remuneration (short- and long-term), pension and insurances.

Further information about remuneration to the CEO and the members of the GLT is provided in Note G8.4 "Key management personnel remuneration" on pages 266–268. A more detailed disclosure of remuneration to the CEO and how the Remuneration Policy for Governing Bodies is applied is provided in Nordea's 2024 Remuneration Report for Governing Bodies.

Variable remuneration to the members of the Group Leadership Team

In 2024 variable remuneration for the members of the GLT was offered as participation in a short-term incentive plan called Nordea Incentive Plan (NIP 2024). There were no material changes to the structure. Furthermore, the members of the GLT who are not responsible for independent control functions were offered participation in a long-term fully share-based incentive plan called Long Term Incentive Plan 2024–2026 (LTIP 2024–2026), similar to the LTIPs allocated since 2020.

The Nordea Incentive Plan (NIP 2024) for GLT members has a one-year performance period and includes predetermined performance goals and targets at Group, business area/Group function and individual level. The impact on long-term results was considered when determining the targets.

The outcome of the NIP 2024 is based on the Board of Directors' assessment of performance against the predetermined targets, and as described above.

The outcome of the NIP 2024 is paid to GLT members in equal portions of cash and Nordea shares and is subject to forfeiture clauses (through ex-post risk adjustments applying either malus or clawback). 40% of the confirmed outcome of the NIP 2024 is delivered in equal portions of cash and Nordea shares in 2025. The remaining 60% of the NIP 2024 outcome is deferred for annual pro rata delivery over a five-year period, meaning that a significant portion of the outcome remains to be delivered at the time of the award. No dividends are paid during the deferral period. Nordea shares are subject to 12 months' retention when delivered to the GLT members. The maximum outcome of the NIP 2024 for GLT members participating in the LTIP 2024–2026 is 75% of the annual fixed base salary. The second and third lines of defence do not participate in the LTIP. The maximum outcome from the 2024 NIP for the second line of defence is 100% instead of 75%.

Performance goals at Group level included financial goals measuring return on equity, income and cost-to-income ratio as well as non-financial goals measuring employee engagement and customer focus. ESG performance goals support Nordea in fulfilling sustainability and climate objectives in three key areas: 1) to make progress in relation to Nordea's sustainability implementation plan, 2) to increase the volume of green financing and 3) to improve the gender balance at senior leadership levels. Business area/Group function goals included business area-/Group function-specific financial and non-financial goals. At individual level, performance was measured in relation to the individually agreed risk, compliance and conduct targets. The weighting of Group, business area/Group function and individual goals is determined individually for the CEO, reflecting his overall responsibility for the Nordea Group, as well as for the members heading a business area or a Group function. The overall ambition for 2024 was to deliver on Nordea's strategic priorities. Any awards were determined on the basis of achievement in relation to the agreed goals and targets following appropriate risk adjustments.

Long Term Incentive Plan 2024–2026

In 2024 the Board of Directors decided to continue the long-term incentive plan by launching the LTIP 2024–2026 for the GLT and approximately 50 senior leaders and key employees whose efforts have a direct impact on Nordea's results, profitability, customer vision and long-term growth.

The main purpose of the LTIP 2024–2026 is to further align the GLT members' and senior leaders' interests with those of shareholders. The LTIP 2024–2026 has a three-year performance period from 1 January 2024 to 31 December 2026 and subsequent deferral and retention according to regulations.

The total maximum number of shares that can be granted under the LTIP 2024–2026 was nominally allocated to the participants in 2024 as conditional share awards. In 2027 after the end of the performance period, based on Nordea's performance against pre-established performance criteria, the maximum number of shares or a proportion of the shares will be awarded individually to the participants.

The first portion of shares of the potential award will be delivered in 2027. The rest of the shares will be deferred and delivered annually in five equal portions during 2028–2032. Each share delivery is subject to a 12-month retention period.

Share grants may be reduced in part or in full subject to risk and compliance adjustments. The LTIP 2024–2026 performance requirements have been set so that the maximum outcome will require achieving exceptional performance from a shareholder perspective. The assessment of performance during the performance period will be based on the following performance criteria:

- Total shareholder return measured in absolute terms and relative to selected Nordic peer banks (40%).
- Absolute cumulative adjusted earnings per share (absolute EPS) (40%).
- ESG scorecard (20%):
  - Environmental: on track to achieve long-term target for emissions reduction in lending, investments and internal operations.
  - Social: minimum 40% of each gender represented at top three leadership levels and relating to fair treatment of staff.
  - Governance: maintaining current credit rating (January 2024).

A risk-adjustment underpin is also included. Furthermore, a significant number of shares granted from the LTIP should be held until the total value of the shareholding in Nordea corresponds to 100% of the gross annual fixed salary. Such shares must be held until the end of the Group Leadership Team membership.

The performance period for the LTIP covering the performance period 2022–2024 was concluded. The performance metrics for this LTIP, the LTIP 2023–2025 and the LTIP 2024–2026 are further described in Note G8.3 "Share-based payment plans" on pages 262–266 and in the Remuneration Report for Governing Bodies.

Benefits are provided as part of the total reward offering to the Group CEO and GLT members. The levels of these benefits are determined by what is considered fair in relation to general market practice. Fixed salary during the period of notice and severance pay will not exceed 24 months of fixed salary in total.

Pension and insurance are offered to ensure an appropriate standard of living after retirement as well as personal insurance coverage during employment. The Group CEO and the members of the GLT are offered pension benefits in accordance with market practice in their country of permanent residence. Pension and insurance provisions are in accordance with local laws, regulations and market practice. Pension is generally offered as defined contribution pension plans but can also be offered by means of a pension allowance. Discretionary pension benefits are not used.

Nordea's remuneration structures

Nordea's remuneration structures comprise fixed remuneration and variable remuneration.

Fixed remuneration components

Fixed base salary should remunerate for role and position and is affected by job complexity, responsibility, performance and local market conditions.

Allowance is a predetermined fixed remuneration component tied to the employee's role and position. The fixed base salary is, however, the cornerstone of all fixed remuneration. Allowances are not linked to performance and do not incentivise risk-taking.

Pension and insurance aim at ensuring an appropriate standard of living for employees after retirement as well as personal insurance coverage during employment. Pension and insurance provisions are in accordance with local laws, regulations and market practice and are either collectively agreed schemes or company-determined schemes or a combination. Nordea aims to have defined contribution pension schemes.

Benefits at Nordea are awarded as part of the total reward offering that is either individually agreed or based on local laws, market practice, collective bargaining agreements and company-determined practice.

Nordea's variable remuneration plans for others than the Group CEO and the Group Leadership Team

Nordea has, as of 2020, implemented a Group variable remuneration pool model to determine variable remuneration spend at Nordea, except for the Profit Sharing Plan and Nordea's LTIP. The Group variable remuneration pool creates a strong link between Nordea's overall performance and the allocated variable remuneration.

The Group variable remuneration pool determines the overall variable remuneration for the respective performance years based on a target/expected pool adjusted by Group performance, which is subsequently distributed to business areas/Group functions based on their performance (scorecards). The final allocation is based on individual performance according to the goals set individually under the individual variable remuneration plans.

Besides the Long Term Incentive Plan 2024–2026 only offered to selected senior leaders as described above, the following variable remuneration plans were offered to Nordea employees in 2024:

The Nordea Incentive Plan (NIP) is offered to recruit, motivate and retain senior leaders (including GLT members, see above) and selected roles primarily in business areas where the use of variable pay is an established market practice. The NIP aims to reward strong performance and efforts. The assessment of individual performance is based on a predetermined set of well-defined financial as well as non-financial goals. Individual NIP awards will not exceed the annual fixed salary. Awards from the NIP 2024 for people who are defined as material risk takers are allocated partly in cash and partly in instruments with subsequent retention. Parts of the awards for participants in the NIP who are material risk takers are subject to a four- to five-year pro rata deferral period, in certain exceptions three years, with forfeiture conditions (ex-post risk adjustments applying either malus or clawback) during the deferral period.

Bonus schemes are offered only to selected groups of employees in specific business areas or units as approved by the Board of Directors, e.g. in Large Corporates & Institutions, Nordea Asset Management, Nordea Funds and Group Treasury. The aim is to ensure strong performance

Remuneration, cont.

and to maintain cost flexibility for Nordea. Individual awards are determined based on detailed performance assessments covering a range of financial and non-financial goals. 2024 bonus awards from bonus schemes are paid in cash. For material risk takers, awards are partly delivered in instruments with subsequent retention. Parts of the awards for material risk takers and certain other participants in a bonus scheme are subject to a four- to five-year pro rata deferral period, in certain exceptions three years, with forfeiture conditions (ex-post risk adjustments applying either malus or clawback) during the deferral period.

Recognition Scheme is offered to employees to recognise extraordinary performance. The individual performance is assessed based on a predetermined set of goals. Employees eligible for other formal annual variable remuneration plans, excluding the Profit Sharing Plan, are not eligible for Recognition Scheme awards. The scheme includes forfeiture conditions (ex-post risk adjustments applying either malus or clawback).

Profit Sharing Plan (PSP) is offered Group-wide to all Nordea employees but not to employees who are eligible for any of Nordea's other formal annual variable remuneration plans. For eligible employees, the Profit Sharing Plan is offered irrespective of position and salary and aims to collectively reward employees based on achievement in relation to predetermined financial goals as well as goals relating to customer satisfaction and ESG. The Profit Sharing Plan is capped financially, and the outcome is not linked to the value of Nordea's share price. The plan includes forfeiture conditions (ex-post risk adjustments applying either malus or clawback).

Guaranteed variable remuneration (sign-on) can be offered in exceptional cases only, limited to the first year of employment when hiring new staff. Sign-on can only be paid if Nordea and the employing company have a sound and strong capital base.

Compensation for contracts in previous employments (buy-outs) can be offered in exceptional cases only, in the context of hiring new staff, limited to the first year of employment and if Nordea and the employing company have a sound and strong capital base.

Retention bonus can be offered in exceptional cases only if Nordea has a legitimate interest in retaining employees for a predetermined period of time or until a certain event occurs and if Nordea and the employing company have a sound and strong capital base.

Other qualitative and quantitative information

The actual cost of variable remuneration for executive officers (excluding social costs)

For the NIP 2024 for GLT members, EUR 5.9m will be paid over a five-year period, partly in shares and partly in cash. The estimated maximum cost of the NIP for GLT members in 2025 is EUR 7.7m and the estimated cost assuming 50% fulfilment of the performance goals is EUR 3.9m.

Cost of variable remuneration for non-Group Leadership Team members (excluding social costs)

The actual cost of the NIP and the bonus for 2024 is EUR 172m, not including awards to GLT members. Awards are paid partly now in cash and partly over a four- to five-year period as outlined in the sections above. In 2024 the provision for Nordea's Profit Sharing Plan 2024 was EUR 65m. Each employee can receive a maximum of EUR 3,200. If all stretched performance goals had been met, the cost of the Profit Sharing Plan for eligible participants in 2024 would have amounted to a maximum of approximately EUR 79m.

Other disclosures

See Note G8 "Employee benefits and key management personnel remuneration" on pages 256–269 of the Annual Report 2024 for more details on remuneration.

See also Nordea's 2024 Remuneration Report for Governing Bodies, which will be presented for an advisory vote at the Annual General Meeting on 20 March 2025. The Remuneration Report is disclosed with other required information at nordea.com/en/about-nordea/corporate-governance/remuneration.

Nordea will provide qualitative and quantitative disclosures according to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 (the CRR Regulations), the disclosure requirements in the Basel framework and the EBA guidelines for sound remuneration practices.

Further disclosures will be published at nordea.com one week before the Annual General Meeting on 20 March 2025.

Conflicts of **Interest Policy**

As an international financial services provider, Nordea and its subsidiaries regularly face potential or actual conflict of interest situations. Managing conflicts of interest is relevant at both the individual and institutional level of Nordea's organisation. Nordea is committed to promoting market integrity and all employees are required to act in a fair, honest and professional manner and in the best interests of Nordea's customers. In order to act on these commitments and ensure appropriate governance of Nordea, it is essential to have effective controls in place regarding conflicts of interest.

The purpose of Nordea's Conflicts of Interest Policy (the "Policy") is to outline Nordea's approach to managing conflicts of interest and to enable the development and maintenance of an effective control environment.

The Policy applies to all employees and people working on behalf of Nordea, senior management, Board members and the President and Group CEO of Nordea. The Policy also applies to all branches and subsidiaries.

Both actual and potential conflicts of interest must be identified and effective measures decided upon to prevent or manage risks in respect of Nordea or its customers. Conflicts of interest arising with regard to an employee's private interest or their past or present personal or professional relationships are individual conflicts of interest. Conflicts of interest that do not arise from a private interest but in connection with Nordea's organisation, Group structure, governance, different activities, roles, products, services or any other circumstances are institutional conflicts of interest. In connection with each identified conflict of interest, the potential customer impact is assessed to ensure fair treatment of customers.

Appropriate preventive or mitigating measures must be implemented in the form of effective organisational and administrative measures for all identified potential or actual conflicts of interest. Identified conflicts of interest are documented in a register.

All identified individual conflicts of interest or changed circumstances regarding them must be reported to the leader of the individual employee involved. All identified institutional conflicts of interest or changed circumstances regarding an institutional conflict of interest must be reported to the leader responsible for the area that the conflict of interest potentially impacts. Senior management will receive recurring, at least annual, reporting on conflicts of interest.

The Group Board approves the Policy and is responsible for overseeing its implementation. To ensure objective and impartial decision-making, Group Board members are also subject to the requirements of the Policy. The President and Group CEO and the Group Leadership Team members are accountable for implementing the Policy at Nordea while also being subject to the requirements of the Policy.

Responsible taxpayer

Contributing and being a responsible taxpayer in the jurisdictions in which Nordea operates is one of the key elements in Nordea's sustainability strategy. Reporting and communicating tax contributions in a transparent manner is a fundamental part of that strategy.

In addition to its own taxes, Nordea also administrates and collects taxes such as VAT, payroll taxes for employees and withholding taxes on dividends and interests. Starting from 2023, Nordea has voluntarily published a breakdown of taxes paid and collected by jurisdiction – the main focus being on the four Nordic countries which are Nordea's main markets. The Board of Directors' report describes Nordea's tax governance and tax strategy and provides information on taxes paid and collected in a transparent manner with a commitment to ensure availability of this data to all stakeholders as early as possible. This is an improvement from previous years when only corporate income tax by jurisdiction was presented. Hence, 2024 is the first year when comparison data is available.

Nordea's approach to tax

Nordea's approach to tax aims to balance the interests of stakeholders, which comprise shareholders, customers, governments and tax authorities. This includes handling own taxes in a responsible, compliant and effective manner, not promoting or acting as a platform for aggressive tax planning as well as being transparent around tax positions. Nordea's policy statements on tax are described in the Nordea Tax Policy available at nordea.com. The tax policy is adopted by the Board of Directors and reviewed annually by the Board Audit Committee to ensure that emerging risks are addressed.

Nordea applies tax positions consistent with the tax laws and practices of the jurisdictions in which it operates, acting both in accordance with the letter and the spirit of the tax legislation. Furthermore, Nordea is committed to applying the arm's length principle between related parties, in accordance with the OECD as well as internal guidelines on transfer pricing.

Nordea is represented in the banking associations and similar organisations in the Nordic countries and is actively engaged in advocacy in relation to existing and new tax regulations and other tax-related matters.

EUR **5,598**m

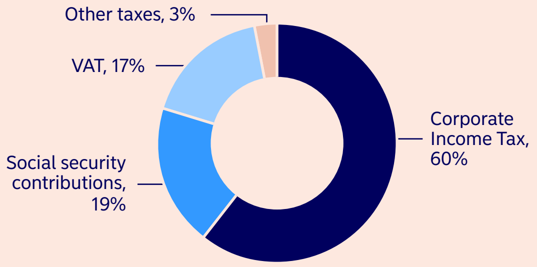
Total tax contribution

EUR **2,365**m

Taxes paid globally

Taxes paid by the Group 2024

Taxes that are paid represent a cost to Nordea and impact its financial results. The following taxes are included:



Corporate income tax

Tax paid in 2024 on income in the jurisdictions in which Nordea operates. In some cases, this may include payments in relation to previous years as tax payments are often made in arrears or in advance. Also, accrued withholding tax on dividends and interest payments to Nordea entities are included.

Social security contributions

As an employer, Nordea pays social security contributions based on the remuneration paid to employees. In addition to paid social security contributions, this item includes accrued social security contributions on personnel costs.

VAT

Nordea pays value added tax (VAT) and other sales taxes on goods and services. As Nordea can only deduct or claim back a small proportion of the input VAT incurred, the part of an input VAT amount that cannot be deducted, recovered or reclaimed constitutes a tax income for the jurisdictions in which Nordea is registered for VAT purposes.

Other taxes

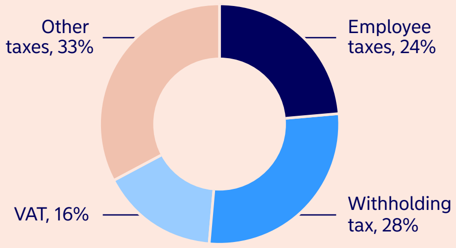
Other taxes include mainly bank tax and property taxes.

EUR **3,233**m

Taxes collected globally

Taxes collected by the Group 2024

Taxes collected constitute taxes that Nordea does not directly incur but collect from its shareholders, customers and employees on behalf of governments. These include:



Payroll taxes

Nordea withholds income taxes and other social security contributions when paying remuneration to employees.

Withholding taxes

Withholding taxes on dividends and interest payments collected by Nordea on behalf of authorities.

Net VAT collected and reported

Nordea collects VAT and other sales taxes on sales of taxable products and services to customers. Nordea also reports and pays reverse charge VAT on purchases made from other countries, when applicable. Net VAT collected and reported constitutes both VAT charged on sales as well as reverse charge VAT paid on purchases made from abroad after a deduction of own input VAT has been made. It corresponds to the amounts reported on the final line in the VAT returns submitted to local tax authorities.

Other taxes

Yield tax for Danish and Swedish life and pension companies, financial transaction tax and other taxes collected by Nordea on behalf of authorities.

Responsible taxpayer, cont.

Tax governance at Nordea

Nordea operates under the three lines of defence model as the primary principle for managing risks and compliance. To ensure coherent governance of taxes, the Nordea Group Tax function is organised as a first line of defence support function, ensuring central oversight over tax matters in the Group. Group Tax supports with advice and recommendations, both in terms of own taxes and in customer- and product-related tax matters. Group Tax is also represented in special tax forums in each business area and performs quality and risk assessments to ensure proper management of tax risks in the Group. In addition, Group Tax issues guidelines, for example on transfer pricing, aggressive tax planning and the Common Reporting Standard (CRS)/the US Foreign Tax Account Compliance Act (FATCA) and holds training sessions for employees on these and other tax-related matters. Breaches in relation to applicable tax legislation, Nordea's tax policy or any other actions relating to tax perceived as illegal or unethical may be raised through Nordea's whistleblowing function, Raise Your Concern. To ensure tax compliance and accurate disclosures on tax in the financial statements, tax calculations prepared by the Group entities are reviewed by Group Tax, and the Group's effective tax rate is analysed and monitored.

Statement on commitment to information sharing and a fair tax system

Nordea is committed to the legal obligations of information sharing within the tax area and to complying with international reporting standards as implemented in national laws or bi- or multilateral conventions as well as other national legal requirements on customer tax reporting. Nordea helps local authorities fight tax evasion and international tax crime.

The international reporting standards implemented in national legislation are mainly the Common Reporting Standard (CRS) and the International Government Agreements entered into on the basis of the US Foreign Account Tax Compliance Act (FATCA). In addition, there are EU directives on administrative cooperation, including DAC6 regarding reporting of cross-border arrangements.

The CRS is a global standard for the automatic exchange of financial account information between local competent authorities from different countries issued by the OECD. The standard requires financial institutions to identify and document financial accounts held by customers with tax residence in a country or jurisdiction other than their own, and to report this information to the local competent authorities which will exchange the information. Over 100 jurisdictions have committed to the reporting standard and implemented it in their national legislation.

FATCA is a legal framework requiring financial institutions to identify and report financial accounts held by US persons to the local tax authorities which will subsequently submit the information to the US Internal Revenue Service (IRS). Approximately 100 countries and the US have entered into information exchange agreements.

DAC6 requires intermediaries and taxpayers to disclose potentially aggressive tax planning arrangements to the tax authorities to minimise the use and promotion of such schemes. The tax authorities will report the arrangements to a central database accessible by the authorities of the EU member states. In relation to DAC6, Nordea has implemented a governance procedure across its business areas to enable it to fulfil its reporting obligations as an intermediary. Moreover, Nordea has a monitoring process for fulfilling its reporting obligations as a taxpayer for DAC6 purposes.

In addition to international customer tax reporting, Nordea reports financial information about customers to the tax authorities in each of the Nordic countries. The reporting is a mandatory requirement in the national legislation, and the reported information is used by the tax authorities to prepare taxpayers' income tax returns and for control purposes.

Nordea tax contribution

	Finland		Sweden		Denmark		Norway		Other		Total	
EURm	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Taxes paid by the Group												
Corporate income tax	269	344	333	395	423	405	303	129	90	86	1,418	1,358
Social security contributions	11	16	190	183	142	128	56	54	59	49	457	431
Irrecoverable / non-deductable VAT	121	107	130	110	119	106	32	28	6	6	408	357
Other	3	4	74	83	4	8	1	1	0	0	83	97
Total	404	471	726	771	688	648	392	212	155	141	2,365	2,243
Taxes collected by the Group												
Employee payroll taxes[1]	140	129	170	156	340	316	62	170	53	45	764	816
Withholding tax	594	620	239	180	0	0	55	30	8	8	896	839
Other taxes[2,3]	171	103	236	117	600	211	54	48	0	0	1,063	480
Net VAT collected and reported[4]	105	92	169	115	147	120	84	76	6	7	511	410
Total	1,010	945	814	568	1,087	647	255	324	68	60	3,233	2,544

1) Withheld employee taxes for Norway 2023 incorrectly stated – the correct amount is EUR 85m.
2) Other taxes include yield tax, financial transaction tax and other taxes collected on behalf of authorities.
3) Other taxes for Denmark in 2023 do not include EUR 189m in tax collected on pensions paid to customers.
4) Also including state sales tax in the US (NY).
Nordea is committed to transparency and accuracy in presenting the data in the section "Responsible Taxpayer". As part of its ongoing efforts to enhance the quality of reporting, Nordea continuously reviews and improves its data collection processes and data quality and assesses where further refinement is possible.

Fair, effective and balanced tax system

Nordea supports global initiatives and measures for a fair, effective and balanced tax system.

Base erosion and profit shifting (BEPS) refers to tax planning strategies used by multinational enterprises to exploit gaps and mismatches in tax rules to avoid paying tax. Within the OECD/G20 Inclusive Framework on BEPS, over 135 countries and jurisdictions are collaborating on the implementation of 15 measures to tackle tax avoidance, improve the coherence of international tax rules and ensure a more transparent tax environment. Nordea supports the BEPS measures as a step towards fair taxation.

As part of this, Nordea also supports the OECD Two-Pillar Solution aiming at creating a fairer and more effective global tax system by addressing the challenges of taxation in a digitalised economy and combating profit shifting. Pillar 1 focuses on reallocation of taxing rights in relation to digital business. In 2024 Pillar 2 (Global Anti-Base Erosion – GloBE) introduced a global minimum tax rate of 15% on the profits of multinational enterprises. Nordea ensures compliance with the GloBE rules.

Statement on relationship and collaboration with tax authorities

For Nordea's tax practices, the tax authorities are the key stakeholder in all the jurisdictions in which Nordea operates. Nordea has a professional, constructive and transparent relationship with the tax authorities. The collaboration with the tax authorities can be characterised as good with mutual respect and truthful communication.

Nordea has regular interactions with the tax authorities in each of the Nordic countries – Nordea's main markets – where relevant and any material tax issues are discussed. Nordea is proactive and informs about significant transactions and seeks clearance through binding rulings when needed.

In the tax returns Nordea provides clear and complete information and in some cases makes use of advance pricing agreements. Audits are handled in a timely, professional and effective manner, and feedback received from the tax authorities in audits and from other interactions is used to reduce the tax risk. Nordea always acts according to its values.

Tax strategy key elements

Key elements in Nordea's approach to tax

Tax management

- Handling own taxes in a responsible, compliant and effective manner
- Not promoting or acting as a platform for aggressive tax planning
- Applying tax positions consistent with the tax laws and practices of the jurisdictions in which Nordea operates

Tax transparency

- Reporting and communicating tax contributions and tax positions in a transparent manner
- Committing to the legal obligations of information sharing within the tax area and complying with international reporting standards

Interaction with tax authorities

- Acting in a professional, constructive and transparent manner towards the tax authorities and aiming to ensure a good local tax reputation

Country by country reporting

The table below presents, for each country where Nordea is established (i.e. where Nordea has a physical presence), information about the businesses, the geographical area, the average number of employees, total operating income, operating profit and income tax expense. Nordea is considered to have a physical presence in a country if Nordea has a group undertaking, an associated undertaking or a branch in that country.

Total operating income, operating profit and income tax expense are compiled from the consolidated financial statements of Nordea prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU Commission. The consolidated financial statements of Nordea are published in Nordea's Annual Report and are available at nordea.com. Nordea has not received any significant government subsidies.

			2024				2023			
Country	Business[1]	Geographical area	Average number of employees	Total operating income[2], EURm	Operating profit, EURm	Income tax expense, EURm	Average number of employees	Total operating income[2], EURm	Operating profit, EURm	Income tax expense, EURm
Denmark	RB, CB, AM, LP	Denmark	6,808	3,458	1,599	-424	6,953	3,295	1,597	-361
Finland	RB, CB, AM, LP	Finland	6,378	3,248	1,276	-233	6,161	3,445	1,572	-330
Sweden	RB, CB, AM, LP	Sweden	6,430	3,471	1,836	-369	6,346	3,272	1,565	-316
Norway	RB, CB, AM, LP	Norway	2,971	2,395	1,560	-388	2,844	2,062	1,277	-308
Poland	Other	Poland	5,599	350	23	-5	5,244	282	20	-4
Estonia	Other	Estonia	1,096	65	5	-1	1,036	56	3	-1
Luxembourg	AM, LP	Luxembourg	138	238	159	-29	192	270	188	-54
United States	RB, CB, AM, LP	New York	93	136	64	-26	104	128	87	-15
United Kingdom	RB, CB, AM, LP	London	64	38	18	-4	45	33	16	-3
Singapore	CB	Singapore	6	3	1	0	6	1	0	0
Germany	CB, AM	Frankfurt	12	12	7	-2	13	15	10	-3
Switzerland	AM	Zürich	7	4	0	0	5	3	0	0
China	CB	Shanghai	26	7	1	0	27	8	1	-1
Italy	AM	Rome	9	7	1	-8	10	6	0	-8
Spain	AM	Madrid	4	1	0	0	5	1	0	0
France	AM	Paris	2	1	1	0	2	2	1	0
Chile	AM	Santiago	2	1	0	0	2	1	0	0
Belgium	AM	Belgium	2	1	0	0	2	2	0	0
Austria	AM	Vienna	1	1	0	0	1	1	0	0
Portugal	AM	Lisbon	101	10	1	0	57	9	1	0
Russia	CB	Russia	–	–	-4	–	–	–	–	–
Eliminations[3]			–	-1,363	–	–	–	-1,149	–	–
Total			**29,749**	**12,084**	**6,548**	**-1,489**	**29,055**	**11,743**	**6,338**	**-1,404**

1) RB= Retail banking, CB=Commercial banking, AM=Asset management, LP=Life and Pension. Split based on Nordea's business activities, not on Nordea's organisational units.
2) Total operating income presented in this table is split by country based on where Nordea has a physical presence, i.e. where Nordea has a subsidiary, associated undertaking or branch, while total operating profit presented in Note G3 is split by country based on the location of the customers´operations.
3) Eliminations of transactions consist mainly of intragroup IT services.

Nordea discloses the names of the group undertakings, associated undertakings and branches for each country where Nordea is established. These disclosures are presented in Note G9.3 "Investments in associated undertakings and joint ventures" and in Note G9.1 "Consolidated entities" of the latest financial statements of Nordea and in the list below.

Denmark
Nordea Investment Management AB, Danish Branch
Nordea Fund Management, filial af Nordea funds Oy, Finland

Finland
Nordea Investment Management AB, Finnish Branch

Sweden
Nordea Funds Ab, Swedish Branch

Norway
Nordea Investment Management AB, Norwegain Branch
Nordea Funds Ltd, Norwegian Branch

Italy
Nordea Investment Funds S.A., Italian Branch

France
Nordea Investment Funds S.A. French Branch

Belgium
Nordea Investment Funds S.A., Belgium Branch

Austria
Nordea Investment Funds S.A., Austrian Branch

Chile
NAM Chile SpA

Germany
Nordea Investment Management AB, German Branch
Nordea Investment Funds S.A., German Branch

Portugal
Nordea Investment Management AB, Portugal Branch
Nordea Investment Funds S.A. Portugal Branch

Singapore
Nordea Asset Management Singapore Pte. Ltd.

Switzerland
Nordea Asset Management Schweiz GmbH

Spain
Nordea Investment Funds S.A. Spanish Branch

United Kingdom
Nordea Investment Funds S.A. UK Branch

United States
Nordea Investment Management North America inc.

Key intangible **resources**

Category	Nordea's key intangible resources	Role in business model and value creation	Key data points 2024
Relationships and social	• Customer relationships built over multiple years through Nordea's customer promise, as the primary bank for many customers • Active customer engagement levels • Relationships with business partners (for example key suppliers) and other stakeholders • Nordea's role in societies, driven by how Nordea supports the societies in which it operates	• As a relationship bank, strong customer relationships enable Nordea to provide better support across a wider range of financial needs • Relationships with business partners and other stakeholders extend Nordea's internal capabilities, capacity and flexibility to operate and innovate	• **>4.8 million** digital customer engagements
Human	• Nordea's employees and their performance, skills, competencies and engagement – including specialist skills that are increasingly relevant to enable modern relationship banking • An inclusive workplace and the well-being and health of Nordea's employees, enabling them to generate positive contributions • Continuous development and training of employees	• Nordea's employees and their performance, skills, competencies and engagement, as well as well-being, are key to implementing its relationship banking model in a competitive and sustainable way • A diverse and gender-balanced leadership composition and succession pipeline enable strong and stable leadership and help Nordea mirror and serve customers better • Continuous development and training of employees, including specialist skills in for example technology, data and analytics, keep the bank and its employees competitive and relevant for customers now and in the future	• Approximately **30,000** full-time equivalent employees in total, including approximately **4,000** in the Technology organisation • Leadership gender split: **56%** men, **44%** women • **73%** of employees have a personal development plan • Average time spent per employee in training: **16.1** hours
Intellectual	• Proprietary data and insights about customers and markets in which Nordea operates • Internal models that capture and codify these insights for optimised decision-making • Intellectual property created through innovation and technology and process development adding positive value to products and services	• Proprietary data and insights help Nordea make better commercial and risk-related decisions, allowing the bank to safely operate and serve customers while managing financial and non-financial risks • Intellectual property enables Nordea to add value to its services and operations (by for example improving customer experience and increasing operational efficiency through Nordic scale)	• Thousands of applications that generate data
Brand and reputation	• A lever for building trusted relationships with customers and other stakeholders	• A scalable asset with efficiency gains across markets and segments • A catalyst for business growth and customer satisfaction	• Ranked top three in the Nordics on brand consideration among Nordic peers
Nature	• Energy, water and other natural resources as well as healthy ecosystems	• Natural resources and ecosystems are important enablers of value creation for some of Nordea's customer segments (for example agriculture and real estate). As such they play an important indirect role for Nordea through its customers	• See "Sustainability Statement" on pages 83–193

Sustainability Statement

Nordea plays a key role in supporting the transition to a sustainable future. Sustainability is embedded in the Group's strategy, with priorities built on four strategic pillars: financial strength, climate and environmental action, social responsibility, and governance and culture. Each pillar is grounded in specific UN Sustainable Development Goals and sustainability-related matters focusing on areas where Nordea can make a difference – through its financing, investments and internal operations.

General information

Basis of preparation

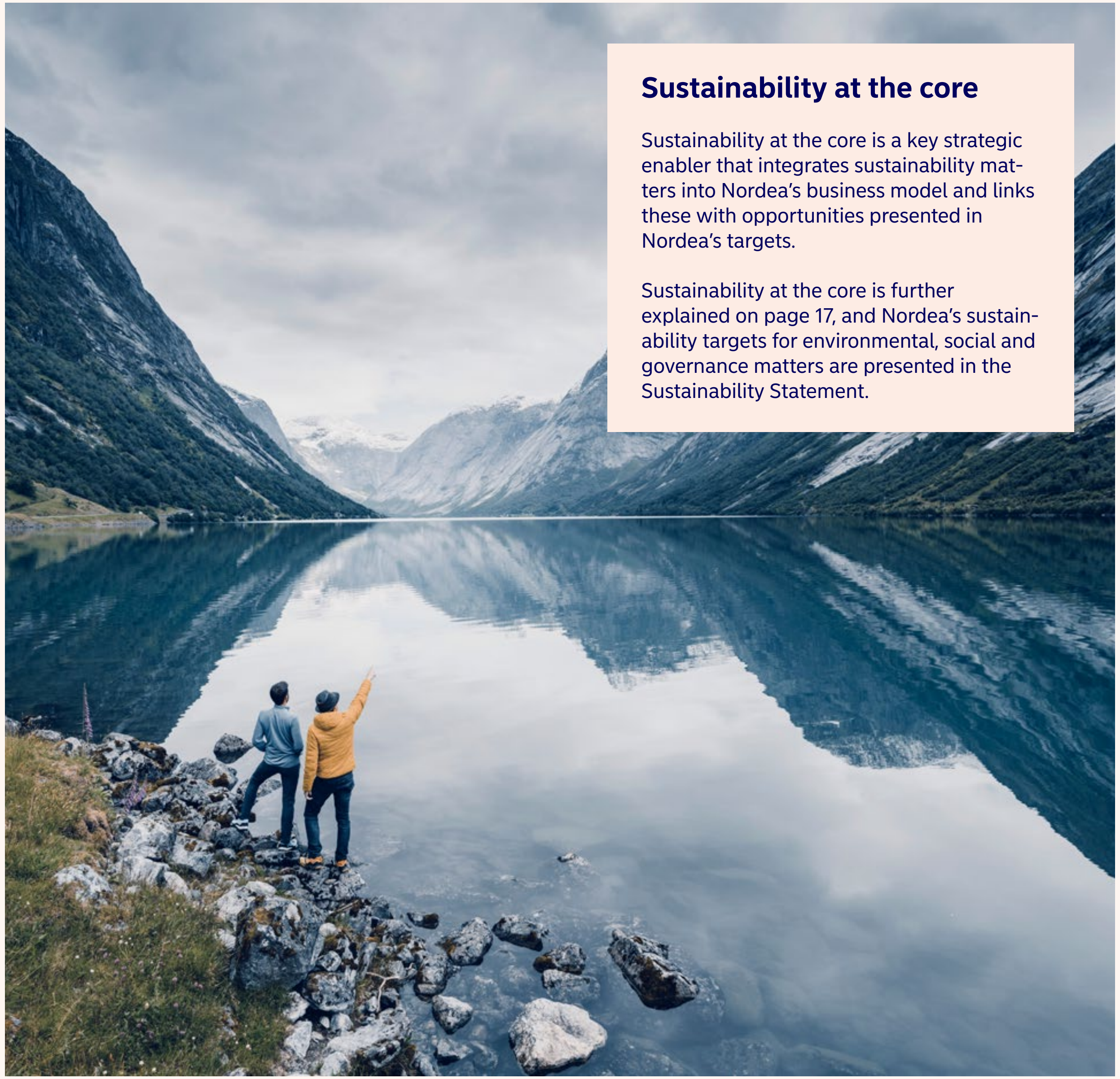
Nordea has reported on environmental and sustainability performance on an annual basis since 2002. The Sustainability Statement ("Sustainability Report" as per the Finnish Accounting Act) is new to Nordea's 2024 reporting, replacing the Sustainability notes presented in previous years, and is prepared in accordance with the European Sustainability Reporting Standards (ESRS) and the Finnish Accounting Act, Chapter 7, implementing the EU's Corporate Sustainability Reporting Directive (the CSRD).

Nordea's Sustainability Statement has been prepared on the same consolidated basis as the financial statements, covering the parent company, Nordea Bank Abp, and its subsidiaries, i.e. the Nordea Group. Similar to the financial statements, the Sustainability Statement refers to the period 1 January 2024 to 31 December 2024, i.e. Nordea's financial year, with the reported data covering the Nordea Group as a whole, unless otherwise stated.

The disclosed sustainability matters and key figures are based on Nordea's double materiality assessment (DMA), which incorporates direct business relationships in both the upstream and downstream value chains. The DMA, in the context of the CSRD, was initiated for the first time during 2023. Prior to this, Nordea performed a combined materiality and impact analysis of activities, in accordance with the requirements set out in the Global Reporting Initiative Standards and in the Principles for Responsible Banking. The DMA was performed to identify material ESG-related impacts on society and its stakeholders and ESG-related financial impacts on Nordea. Further information on the materiality assessment and its results is provided on pages 92–96.

Nordea's financial statements and the Sustainability Statement include all mandatory disclosures for sustainability topics identified as material based on Nordea's DMA. In the Sustainability Statement, Nordea has not used the option to omit specific information corresponding to intellectual property, nor has it used the exemption for disclosure of impending developments or matters in the course of negotiation. Disclosures derived from other EU legislation have been included, as noted on pages 100–103, and additional reporting on Nordea's voluntary commitments have been included at nordea.com.

Nordea applies customer reported data when available, and proxy-based estimates and management judgements when data is not available, in the calculation and reporting of some sustainability data points. This is primarily related to environmental information and metrics within the value chain where indirect sources are used to complement the customer-specific data available. For example, Nordea's financed emissions are estimated using a combination of publicly reported information, from customers and investees, and proxy-based estimates. Data quality and availability are better for portfolios with a high concentration of



Sustainability at the core

Sustainability at the core is a key strategic enabler that integrates sustainability matters into Nordea's business model and links these with opportunities presented in Nordea's targets.

Sustainability at the core is further explained on page 17, and Nordea's sustainability targets for environmental, social and governance matters are presented in the Sustainability Statement.

large corporate entities, and around one quarter of the corporate customer portfolio is based on customer reported emission data. Estimates have also been applied to Nordea's own operations when energy consumption metrics are derived from certain proxies. This is a necessity driven by the immaturity and limited availability of certain data points necessary to prepare more accurate disclosures. The dependencies on these estimates inherently lead to a level of outcome uncertainty within the disclosures and impact assessments, e.g. stress testing as applied for capital and prudential purposes. However, the subsequent calculations are deemed to provide a reliable description of Nordea's exposures. Nordea regularly reviews the use of estimates and judgements to determine the level of accuracy and assess how improvements can be made (i.e. developing hybrid proxies, adapting the latest PCAF guidance etc.).

Estimates can also impact forward-looking information, such as Nordea's forecasting of progress towards environmental targets, but are an essential part of preparing sustainability-related information as they provide useful insights into how Nordea acts towards ESG-related opportunities. Disclosures based on estimates remain relevant over time due to the application of robust measurement methodologies. Refer to "E1 Climate change" on page 171 for a further description of metrics subject to measurement uncertainty and the data sources and methodologies applied.

Nordea applies the transitional provision of ESRS 1 section 7.1 "Presenting comparative information" to metrics presented in S1 "Own workforce". Comparative information is reported in other topical standards as methodologies have not significantly changed and to align with internal monitoring practices. No external body other than the assurance provider has validated the metrics disclosed.

The Sustainability Statement has been subject to assurance by PricewaterhouseCoopers Oy. The scope of the assured information is indicated in the Independent practitioner's limited assurance report on page 380, which excludes comparative information.

Sustainability governance

The Board of Directors

The Board approves the strategic sustainability priorities and is assisted by its committees in fulfilling its ESG oversight responsibility. Additionally, the Board has established Nordea's overarching policy on ethics and business conduct (the Group Board Directive on Code of Conduct).

According to the Articles of Association, the Board must consist of not less than 6 and not more than 15 members. The Board consists of 13 ordinary members and 1 deputy member. Of these Board members, 10 were elected by the Annual General Meeting held in March 2024. In addition to the Board members elected by the Annual General Meeting, 3 ordinary members and 1 deputy members are elected by the employees of the Nordea Group. The Board considers all its members to be independent of Nordea's significant shareholders and all members elected by the shareholders at the 2024 Annual General Meeting to be independent of Nordea in accordance with the Finnish Corporate Governance Code. No Board member elected by the shareholders at the 2024 Annual General Meeting is employed by or works in an operative capacity at Nordea. The ordinary Board members and the deputy Board member elected by the employees are employed by the Nordea Group and are therefore not independent of Nordea according to the Finnish Corporate Governance Code, but all members are considered to be non-executive members.

Nordea has established a Shareholders' Nomination Board with the task of presenting to the Annual General Meeting proposals concerning election of members of the Board of Directors, the Chair of the Board of Directors, the remuneration to the board members and other tasks assigned in its charter. The Shareholders' Nomination Board strives to ensure that the Board as a collective forms a fair, equal and balanced representation of gender and other diversifying factors, including: i) the Board's composition being aligned with Nordea's Diversity Policy, ii) the Board having members representing each of Nordea's operating countries in the Nordics, iii) educational and professional background, and iv) age diversity. In order to ensure that the Board collectively has the skills and representation needed for its work, including sustainability skills and business conduct matters, the Shareholders' Nomination Board evaluates the recruitment needs on an ongoing basis. They also take consideration of input provided by the Chair of the Board on the competencies and skills needed on the Board and potential competencies and skills gaps. The proposal by the Shareholders' Nomination Board is presented to the shareholders before the Annual General Meeting. All shareholder-elected Group Board members have been identified to possess good (or expert level) skills and knowledge within ESG and green transition as well as business conduct matters. The Group provides dedicated training on sustainability matters to the Board members as part of the Annual Training Plan addressing the collective training needs of the Group Board, considering regulatory and supervisory requirements. The training caters for environmental, social and governance matters to balance the totality of sustainability matters and considers, among other things, double materiality, including financial and impact materiality, as well as relevant risk perspectives.

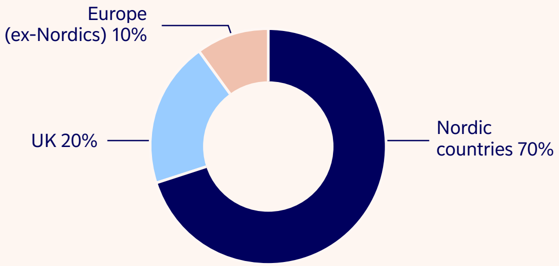
Sustainability governance structure

General information, cont.

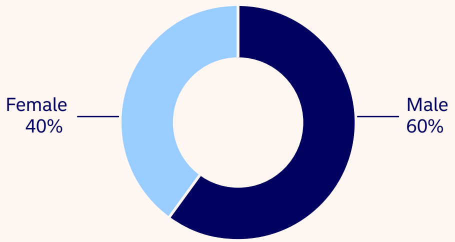
Sector and product knowledge and experience[1] | **Board members' knowledge, skills and experience[2]**

1) Relevant subset of sectors and products as assessed as part of the 2024 Nordea Board evaluation
2) Excluding Employee Elected Board members.

Geographics



Gender diversity



Board committees

In accordance with the external framework and in order to increase the effectiveness of the Board work, the Board has established separate working committees to assist the Board in preparing matters falling within the competence of the Board and in making decisions in matters delegated by the Board. The duties of the Board committees, and their working procedures, are defined in the respective Committee Charters. In general, the Board committees do not have autonomous decision-making powers and each committee regularly reports on its work to the Board. Nordea follows the legal requirements and complies with the Finnish Corporate Governance Code in terms of Board committees.

At Board level, the Board Operations and Sustainability Committee (BOSC) assists the Group Board in fulfilling its oversight responsibilities concerning sustainability, which encompass governance, strategy, target setting and operationalisation. The committee receives quarterly updates on the implementation of sustainability in the Group business strategy. The Board Audit Committee assists the Board, for instance, by monitoring the Group's financial and sustainability reporting processes and reviewing the annual consolidated sustainability reporting, presented as part of the Annual Report. The Board Risk Committee assists the Board in fulfilling its oversight responsibilities concerning risk management and related frameworks, controls and processes relating to ESG factors as drivers of existing risk, risk appetite and materiality. The Board Remuneration and People Committee is responsible for preparing and presenting proposals to the Board on remuneration matters, including integration of ESG KPIs and strategic priorities for diversity and inclusion into the remuneration programmes. The committee also supports the Board in monitoring the impact of diversity and inclusion policies and practices within Nordea.

The Board committee members are appointed by the Board. All members of each Board committee are collectively required to have sufficient knowledge, expertise and experience of topics relating to the work of their committee. The new committee members receive the necessary introductory training regarding the requirements for each committee and other appropriate training, and the committee regularly updates and develops its knowledge and competence. The understanding and managing of ESG impacts, risks and opportunities is crucial to maintaining the Group's financial strength and strong capital position, and such impacts, risks and opportunities must always be considered in Board committee recommendations to the Group Board decisions.

Management

The President and Group CEO works together with certain senior officers within the Group Leadership Team (GLT), who report directly to him. The GLT supports the President and Group CEO in managing the Group, and the GLT members are responsible for the performance, operations, risks, resources and development of their respective business areas or Group functions in accordance with the Nordea Group strategy, in the best interest of Nordea and in compliance with applicable laws and regulations. In the suitability assessment the Group President and CEO and the Deputy Managing Director have been identified to possess sufficient knowledge, skills and expertise regarding financial services and the Group's products as well as regarding sustainability matters that are relevant to the Group's business model, strategy and operations as well as the related material impacts, risks and opportunities. To further enhance their competence and access to expertise relevant to Nordea, dedicated training on sustainability matters has been provided as part of the annual training. Such training caters for environmental, social and governance matters to balance the totality of sustainability matters and consider, among other things, double materiality, including financial and impact materiality, as well as relevant risk perspectives.

To address the integration of ESG-related items into the risk management cycle, Nordea has a Sustainability and ESG Policy Framework in place. The foundation for the framework is based on the Group Board Directive on Sustainability and the Group Board Directive on Risk, covering both aspects of double materiality. At management level, sustainability is operationally integrated into the existing processes for decision-making, risk management and control as well as escalation, including management committee structures. Nordea's President and Group CEO leads the management and the affairs of the Nordea Group in accordance with the external and internal frameworks. The internal framework adopted further regulates the division of responsibilities and the interaction between the President and Group CEO and the Board. The President and Group CEO works closely with the Chair of the Board in terms of planning Board meetings. The President and Group CEO is accountable to the Board for managing the Nordea Group's operations and organisation and is also responsible for developing and maintaining effective systems for reporting and internal control within the Group. In line with applicable regulations, the parent bank, Nordea Bank Abp, has a Deputy Managing Director.

The Chief of Staff is accountable for the development of the Group's strategic sustainability priorities and analysis of emerging topics, ensuring that Nordea's sustainability agenda remains aligned with developments in the business environment, such as geopolitical and regulatory trends, and Nordea's long-term net zero commitment. The Chief of Staff proposes short- and long-term sustainability targets for approval by the Group CEO and works with the business areas to ensure that their business strategies are consistent with the Group's sustainability targets. The Group has developed a long-term plan to fully integrate sustainability into its business strategy, focusing on the sustainability topics on which the Nordea Group can have a material impact, by reducing its negative impact, increasing its positive impact and managing the risks identified. An overview of the Group's targets related to material impacts, risks and opportunities on ESG factors as well as the monitoring processes in place to reach these targets are further described in "E1 Climate change" and "S1 Own workforce".

Group-wide committees

The Sustainability and Ethics Committee (SEC) is a CEO committee which provides recommendations for the sustainability topics in the strategy to the Group CEO in GLT. The SEC consists of representatives from the business areas and Group functions and supports the President and Group CEO, the GLT, the BOSC and the Group Board in their oversight responsibilities concerning sustainability. The SEC is mandated to facilitate the integration of sustainability into the business strategy and to support the integration of sustainability-related topics into the related frameworks. It is tasked with recommending to the President and Group CEO a long-term plan for fully integrating sustainability into the business strategy and ensuring appropriate implementation to achieve the Group level sustainability targets. Part of this is to approve sector and thematic guidelines. The committee is also responsible for influencing and following the Group's status and progress regarding ethics and culture in line with Nordea's purpose and values. This involves advising the President and Group CEO on decisions on whether Nordea should participate in or withdraw from voluntary commitments related to sustainability and providing guidance to the business areas regarding ethical business dilemmas.

The Group Risk Committee promotes interaction and coordination within the Group on risk matters. With respect to sustainability, the Group Risk Committee is responsible for overseeing the implementation of ESG factors as embedded drivers of existing risks which are further utilised within the double materiality assessment and other processes.

The Asset & Liability Committee and its sub-committee, the ESG Reporting Subcommittee, support the preparation of quantitative sustainability information such as financed emissions and other regulatory disclosures as outlined in Article 8 of the EU taxonomy, the Pillar 3 disclosure requirements and the CSRD.

To ensure that sustainability is integrated into all business areas and Group functions, a Group-wide implementation programme has been established with dedicated work streams and an Operational Steering Committee. The progress of the programme is monitored by the SEC, the GLT and the BOSC on a quarterly basis.

The gender distribution in Nordea's management is presented within the diversity metrics disclosed as part of "S1 Own workforce on page 183.

Approach to sustainability matters

The material impacts, risks and opportunities related to sustainability matters have been identified in a double materiality assessment (DMA) based on the principles of Nordea's risk management process. The process is described on pages 92–94. The outcome of the DMA and the associated recommendations for the Group are approved on an annual basis by the Group Risk Committee, before being presented to the GLT and the BOSC, and are ultimately approved by the Group Board. Group Sustainability is responsible for providing and presenting the information on the DMA to the governance bodies. Nordea's handling of material impacts, risks and opportunities is further described in Nordea's internal rules. The Board and the BOSC receive an annual update on sustainability, including information on opportunities, risks and progress made in the field of sustainability. Additionally, the BOSC is presented with semi-annual updates on the Group's sustainability priorities, including how the Group is delivering on the strategic sustainability priorities and targets. Furthermore, the BOSC receives information about the outcome of the annual business environment scanning and associated follow-up actions agreed by the business areas and reviews sustainability-related regulatory documents prior to Group Board approval.

The SEC and the GLT receive information about material impacts, risks and opportunities, implementation of due diligence and the effectiveness of policies, actions, metrics and targets adopted to address these on an ongoing basis. The SEC is responsible for approving certain sustainability-related frameworks and for reviewing Group internal rules related to sustainability. In its approval of sustainability-related frameworks, the SEC aligns with the Group-wide Risk Committee, where relevant, to ensure the Risk Committee's endorsement for such frameworks.

Risk management and internal controls

Sustainability reporting at Nordea is subject to a robust risk management and internal control framework. Nordea's Group Risk function is integral in defining the taxonomy for ESG risk factors and in guiding how to consistently and comparably embed ESG-related impacts, risks and opportunities in strategy and risk management, including the definition of relevant roles and responsibilities. These in turn provide the prioritised ESG-related risks, forming the basis for the double materiality assessment, and Nordea's approach to sustainability reporting.

The internal control process is based on five main components: control environment, risk assessment, control activities, information and communication as well as monitoring. Within the Internal Control Framework, all business areas and Group functions are responsible for managing the risks they incur when conducting their activities and for having controls in place to ensure compliance with internal and external requirements. The implementation of the CSRD and the ESRS in 2024 represents a significant regulatory change, and this is the main risk in relation to sustainability reporting and compliance. To mitigate this risk, the responsibility for coordinating the production of the Sustainability Statement has been assigned to a centralised function, while the control process is carried out by the governing bodies, management, risk management functions and other staff at Nordea.

Furthermore, Nordea has established Group control functions with appropriate and sufficient authority, independence and access to the CEO, the GLT and the Group Board to fulfil their mission in line with the Risk Management Framework. The sustainability reporting process is monitored by various committees, with reporting ultimately to the Board Operations and Sustainability Committee and the Board Audit Committee – committees of the Board of Directors.

Sustainability-related performance in incentive plans

Nordea has integrated sustainability-related KPIs into its variable pay plans covering the GLT, senior leaders and the wider workforce. These are included in the Short Term Incentive Plan (STIP), the Long Term Incentive Plan (LTIP) for the President and Group CEO, the GLT and selected senior leaders as well as in the Group Variable Pay Pool mechanism (variable pay funding at Nordea) and the Profit Sharing Plan.

Members of the Board of Directors at Nordea are not offered any variable pay and were in 2024 compensated through fixed Board fees decided by the Annual General Meeting.

In accordance with the Remuneration Policy for Governing Bodies currently in force, the STIP and LTIP goals are based on financial and non-financial goals and targets. Financial goals support Nordea's long-term business strategy. They are generally goals which measure or contribute to return and/or profitability and are risk adjusted as appropriate. Non-financial goals also include goals and targets which further support a sustainable business and Nordea's climate strategy and ambitions. At the beginning of 2024 the Board decided on the applicable goals and the specific targets for the STIP, the LTIP, the Group Variable Pay Pool and the Profit Sharing Plan as outlined above.

The following ESG-related goals and relative proportions were applied in the 2024 STIP for the President and Group CEO, the GLT and other senior leaders:

Goals		Description
Green financing volume (EURbn)	3.33%	Measures the increase in the volume of green financing provided to Nordea's customers in 2024.
Progress on the strategic sustainability implementation plan	3.33%	Target for progress and delivery on 12 streams in Nordea's sustainability roadmap driving progress towards sustainability and climate ambitions.
Improving gender balance at three top senior leadership levels	3.33%	Target supports Nordea's trajectory towards the gender balance ambition of minimum 40% in 2025.
Employee engagement	5%	Measured through several factors and objectives. This supports Nordea's commitment of being the preferred employer in the financial industry in its operating countries.
Risk, compliance and conduct	15%	Measures performance on a number of key risk, compliance and conduct indicators ensuring that variable remuneration is adjusted for all types of current and future risk.

The LTIP is an annually recurring fully share-based incentive plan with a 3-year performance period which supports the delivery of Nordea's long-term shareholder value and business strategy. It covers the President and Group CEO, the GLT and selected senior leaders. The conditional shares under the LTIP allocated in 2023 (LTIP 2023-2025) and in 2024 (LTIP 2024-2026) include an ESG component to reflect Nordea's sustainability-related strategy.

The following ESG-related goals and relative proportions were applied in the LTIP for 2023-2025 and the LTIP for 2024-2026 for the President and Group CEO, the GLT and other senior leaders:

LTIP 2023-2025	
20% (each equally weighted)	ESG scorecard: facilitation of sustainable financing, doubling the share of net zero committed AuM, transition plans for large corporates, alignment with the Paris Agreement for the top 200 financed emission contributors, gender balance, fair treatment of employees and financial sustainability through maintaining Nordea's credit profile.
LTIP 2024-2026	
20% (each equally weighted)	ESG scorecard: emission reductions vs baseline in a) lending portfolio, b) investments and from c) internal operations, gender balance, fair treatment of employees and financial sustainability through maintaining Nordea's credit ratings.

At the beginning of 2025 the Board considers achievement towards the predetermined 2024 STIP and 2022-2024 LTIP goals.

Statement on due diligence

The table below provides a mapping of where the core elements of due diligence are presented in this Sustainability Statement. Due to the outcome of the double materiality assessment, the Sustainability Statement does not cover all aspects of human rights due diligence such as workers in the value chain. Nordea provides a more comprehensive disclosure on human rights due diligence as part of the Nordea Human Rights Report which will be published in 2025.

Core elements of due diligence	References to the Sustainability Statement	Pages
a) Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2 ESRS 2 GOV-3 ESRS 2 SBM-3	86 86–87 93–96
b) Engaging with affected stakeholders in all key steps of the due diligence process	ESRS 2 GOV-2 ESRS 2 SBM-2 ESRS 2 IRO-1 ESRS S1	86 90–92 92–93 179
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 ESRS 2 SBM-3	92–93 93–96
d) Taking actions to address these adverse impacts	ESRS E1 ESRS S1	147–149 180–182
e) Tracking the effectiveness of these efforts	ESRS E1 ESRS S1	149–160 180–184

General information, cont.

A sustainable business strategy

Understanding and managing environmental, social and governance risks and opportunities is crucial to maintaining Nordea's financial strength and strong capital position.

2023–2025 targets	Status
Facilitate more than EUR 200bn in sustainable financing during the period 2022-25.	EUR 185bn
Grow gross inflows from the Nordea Sustainable Selection universe to account for 33% of total fund gross inflows by the end of 2025.	23%

Strategy, business model and value chain

Nordea's ambition is to be the preferred partner for people and businesses in need of a broad range of financial services. Within the area of sustainability, this implies to actively engage to drive transition and capture growth opportunities for a greener and more sustainable society. Sustainability efforts are structured around four strategic pillars: financial strength, climate and environmental action, social responsibility, and governance and culture. For each of these areas, Nordea has identified relevant UN Sustainable Development Goals as well as specific sustainability-related matters that impact the Group or its value chain – through financing, investments and internal operations.

The financial industry has an important role to play in supporting its customers in their transition. As the largest financial services group in the Nordics, Nordea has an opportunity to help build a low-carbon economy. This transition should be balanced and just, creating opportunities for all.

Nordea has adopted a long-term perspective and believes that companies with sustainable business models carry lower risk. Helping customers build resilience therefore goes hand in hand with future-proofing Nordea's own business. Understanding and managing ESG risks and opportunities is essential for maintaining Nordea's financial strength and strong capital position to enable societies to grow. Nordea's role in providing financial services also promotes financial stability and sustainable economies in collaboration with customers, authorities and regulators.

In 2024, the Board approved the Group Strategy and handled matters related to sustainability. The Board also regularly follows up on the Group strategy and business development. Nordea's head count by geographical area is presented in "S1 Own workforce" on page 178. Nordea's revenue is presented in the financial statement on page 199.

Sustainability-related products and services

Through ESG-related product offerings, Nordea supports sustainable practices and actively engages with customers and investees, a key enabler of the sustainability strategy and targets. These offerings allow for the incorporation of sustainability into the funding and liquidity strategy, including sustainability-related funding activities.

Over the past couple of years there has been a significant increase in the demand for Nordea's sustainability offering, accelerated by customer demand and the strengthening of the available product range, advice and engagement. With its experience and deep knowledge about sustainability-linked and green lending, ESG-focused investment products as well as active ownership, Nordea is in a good position to continue to support its customers' and investee companies' transition to a sustainable future.

Sustainable financing and facilitation

Nordea offers a range of sustainable financing solutions that broadly cover transition financing and the financing of sustainable activities and projects. The offering includes lending products, such as green loans and sustainability-linked loans, as well as facilitating customers' access to capital markets financing, such as green, social, sustainable and sustainability-linked bonds.

Sustainable financing adheres to, and takes into account, Nordea's sector policies and guidelines. The bank's green financing offering follows the criteria of the Nordea Green Funding Framework and the sustainability-linked financing offering follows relevant industry guidelines. Nordea's customer relationship and debt origination teams are supported by the bank's Sustainable Finance Advisory team. As a result, Nordea is able to link these offerings to customers' sustainability objectives, material ESG factors and align with relevant sustainable financing criteria.

During 2024 Nordea supported in the facilitation of EUR 50bn of sustainable financing, predominantly for large corporate and institutional customers. Nordea facilitated 165 green, sustainable, sustainability-linked and social bond transactions. Together with the green and sustainability-linked loans, this puts Nordea on track to meet its 2025 target to facilitate more than EUR 200bn of sustainable financing.

Sustainable financing	Corporate	Household	Public entities and Financials	2024	2023	2022
Green loans, EURm[1]						
Loans in green categories[2]	10,860	21	240	11,121	9,902	7,860
- of which green buildings	8,845	17	1	8,863	8,042	6,040
- of which renewable energy	1,184	2	–	1,186	1,125	965
- of which pollution prevention	423	–	191	613	476	606
- of which sustainable management	166	–	–	166	122	80
- of which energy efficiency	117	0	47	165	84	93
- of which clean transportation	126	1	0	127	53	75
Green mortgages[3]		1,988		1,988	1,250	774
- of which Sweden	–	1,785	–	1,785	1,209	759
- of which Norway	–	197	–	197	35	9
- other	-	5	-	5	5	6
Total	10,860	2,009	240	13,109	11,151	8,634
Sustainability-linked loans, EURm[4]						
- of which drawn loans	9,264	–	–	9,264	8,600	6,271
- of which undrawn commitments	8,589	–	–	8,589	10,661	8,684
Total	17,853	–	–	17,853	19,261	14,956

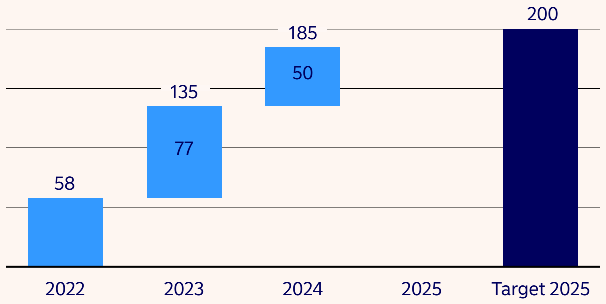
1) Loans sold as green fulfilling the Nordea green funding framework criteria. Excluding loans reclassified as green by Nordea as well as off balance volumes for exposures. 2023 and 2022 figures have been restated from the previous reporting period due to improved data availability.
2) Household loans sold as green from Nordea mortgage entities (i.e. green mortgages) have been excluded from the household part.
3) Includes household loans sold as green from Nordea's mortgage entities.
4) Ancillary products excluded from 2024, 2023 and 2022 figures.

General information, cont.

Sustainable finance facilitation	2024	2023	2022
Annual volume of facilitated transactions, EURm	49,948	76,955	57,965
Annual number of facilitated corporate transactions[1]	259	245	223

1) Includes green, sustainable, sustainability-linked, and social bond transactions as well as green and sustainability-linked loan transactions.

Total facilitation of sustainable financing, EURbn



Sustainability-focused investment offering

As the largest financial services group in the Nordics, Nordea can have a significant impact through the advice, products and support offered to customers for making sustainability-focused investment choices.

Nordea Sustainable Selection is Nordea's fund offering with enhanced sustainability criteria. The offering was established to help our Nordic customers navigate the wide variety of products with different sustainability characteristics and ambition levels in the market. Nordea Sustainable Selection is based on a framework where both the provider of the product and the product itself need to pass a set of sustainability criteria. Nordea Sustainable Selection includes both Article 8 and Article 9 products as laid out by the EU Sustainable Finance Disclosure Regulation (SFDR). Nordea's offering of sustainability-focused products will continue to develop and grow as the market matures and alongside the ambition to meet new customer demands. In 2024 Nordea launched a new product category called Sustainable Selection Improve. Products in this category have a strong focus on active ownership, with clear and measurable engagement targets to improve the sustainability profile of the portfolio companies.

Nordea has set a target for gross flows to Nordea Sustainable Selection funds of 33% of total flows by 2025 as a means to contribute to the Group's climate targets to reduce emissions in the investment portfolio by 40-50% by 2030 compared with 2019 levels. Climate targets are further described in E1 "Climate Change". By the end of 2024 the share of gross flows to Nordea Sustainable Selection reached 23%.

Sustainability-focused investments	2024	2023	2022
SFDR Article 9 products[1]			
AuM in EURm	12,760	13,113	13,622
Share in relation to total AuM at NAM (%)	4.5	5.2	5.7
SFDR Article 8 products[2]			
AuM in EURm	199,895	160,860	143,732
Share in relation to total AuM at NAM (%)	69.9	64.1	60.2
Nordea Sustainable Selection products			
AuM in EURm	82,591	60,290	51,728
Share in relation to total AuM at NAM (%)	28.9	24.0	21.7
Gross inflows to Nordea Sustainable Selection universe (%)[3]	23	22	-

1) Products with sustainable investment as their objective.
2) Products that promote environmental and/or social characteristics.
3) Target 2025: gross inflows from the Nordea Sustainable Selection universe to account for 33% of total fund gross inflows by 2025.

Sustainable funding

Nordea's sustainable and sustainability-linked finance products are central to how Nordea incorporates sustainability into its funding and liquidity strategy, by providing sustainable investment options to pension funds and other bond buyers. The Nordea Green Funding Framework and the Sustainability-Linked Loan Funding Framework represent a further step towards integrating ESG and sustainability considerations into all core operations, by defining the assessment criteria and practices around management of proceeds. In 2024 Nordea issued more than EUR 3.6bn in sustainable funding across four currencies, bringing the total outstanding sustainable issuance to above EUR 14bn.

Green bonds tend to have lower yields and attract stronger investor demand than conventional bonds. The cost of fund benefit or "greenium" that Nordea receives for green bonds is transferred to the business areas, and ultimately to Nordea's customers, on a quarterly basis.

Business model and value chain

Nordea is the leading financial services group in the Nordics. In 2024 Nordea was present in 20 countries, including its four Nordic home markets – Denmark, Finland, Norway and Sweden.

Each business area is responsible for providing services to its customer segments and is fully accountable for its income, costs, risks, customer experience, investment decisions and capital management. The business areas are united under a single pan-Nordic operating model and share the same Group functions, which ensures optimal delivery and a competitive cost structure, increases time spent with customers, and allows Nordea to bring new products and services to market more quickly.

Through the parent company and its subsidiaries, the Nordea Group offers a comprehensive range of banking and financial products and services to household and corporate customers, including financial institutions. The Nordea Group's products and services comprise a broad range of household banking services, including mortgages and consumer loans, credit and debit cards as well as a wide selection of savings, life insurance and pension products. In addition, the Nordea Group offers a wide range of corporate banking services, including business loans, cash management, payment and account services, risk management products and advisory services, debt and equity-related products for liquidity and capital raising purposes as well as corporate finance, institutional asset management services and corporate life and pension products. Nordea also distributes general insurance products. As the largest financial services group in the Nordics, Nordea can have significant impact through its operation and value chain.

Nordea's shares are listed on the Nasdaq stock exchanges in Helsinki (in euro), Stockholm (in Swedish kronor) and Copenhagen (in Danish kroner), and its American Depository Receipts are traded in the US in US dollars. Nordea maintains a broad and diverse shareholder base, which includes global and Nordic institutional shareholders, over 580,000 private individuals throughout Nordic countries, and numerous pension fund investors representing the interests of thousands more individual investors.

For Nordea, a close collaboration with suppliers is critical to its success and ability to provide customers with high-quality products and services. The supplier categories, based on amount spent, include: IT, people, insurance and legal, and premises and facility management.

Group Treasury at Nordea is responsible for funding, liquidity management and the related market risks on the balance sheet. The aim is to ensure a strong, sustainable and regulatory compliant balance sheet, managing the net interest margin within the overall risk appetite and supporting the business areas' ability to serve customers in the best possible way. As part of its funding operations, Nordea issues long-term debt instruments, including green bonds, which are usually listed on various stock exchanges and held by various institutional owners.

The value chain of Nordea starts with credit institutions that act as intermediaries between stakeholders with excess capital, such as investors and depositors, and households and corporates with capital needs, such as borrowers, and facilitate the interaction between the parties involved via financial services where Nordea creates value.

The upstream value chain is characterised by products and services purchased as well as capital provided to Nordea. The downstream value chain is characterised by financial products and services provided directly to customers, including banking products, capital market products, savings products and asset management, and life and pension products. Own operations are characterised by internal functions, governance and controls, including employees, workplace as well as data and technology.

Interests and views of stakeholders

Nordea is committed to building and maintaining strong and trusted relationships with its stakeholders and continually seeks insights into their expectations and responds in a timely manner with relevant actions and engagement. The interaction with stakeholders informed Nordea's sustainability priorities, including changes to processes and the initiation of projects. This is demonstrated by the embedded insights from the financial materiality assessment on climate- and nature-related risk drivers in governance, internal processes, internal rules and business plans to support the development of sustainable business strategies and risk management throughout the whole organisation. Examples include, internal capital allocation, as well as measures implemented to reduce the risk of customers being exposed to fraud. The double materiality assessment and the related stakeholder engagement will be important input to the sustainability strategy that will be developed in 2025. For more information on climate- and nature-related risk drivers, see "E1 Climate change" on page 140 and "E4 Biodiversity and ecosystems" on page 174, and for more information on fraud prevention, see "G1 Business conduct" on page 193.

Interests and views of stakeholders are shared with the Board of Directors and the Group Leadership Team (GLT) as an integral part of sustainability topics, including as part of the outcome of the double materiality assessment. See page 86 for further details on how sustainability topics are addressed by the Board of Directors and the GLT.

Stakeholder engagement

Who the stakeholders are	How Nordea engages with stakeholders	What stakeholders expect	Nordea's actions
Customers			
– Households – Small and medium-sized companies – Large corporates and institutions – High net worth individuals	• Collecting customer feedback through advisory and digital channels, including complaint mechanisms • Engagement with corporate customers on ESG factors in general and specifically on climate transition • Engagement through industry organisations on sector-specific topics	• Convenient and easy access to personalised, expert advice • Broad range of competitive financial products and services • Support in making sustainable choices • Sustainable financing • Safe and trusted bank	• Expanded range of products and services and improved security for customers • Focussed on providing consistent omnichannel experience to improve customer satisfaction • Provided learning opportunities in local communities to promote financial well-being and support customers with less digital experience • Engaged with and supported customers in their net-zero transition planning • Assessed sustainability preferences of customers and further expanded Nordea Sustainable Selection offering • Improved industry credit policies to address sector-specific topics
Employees			
– Over 30,000 employees from all over the world	• Quarterly People Pulse surveys • Performance, learning and development (PLD) dialogues and development plans • Cooperation with employee/union representatives • Employee resource groups • Setting clear expectations through Nordea's Code of Conduct • Training and learning • Leaders and leadership as key when engaging with employees	• A responsible employer • Fair employment terms • Professional development opportunities • Productive, healthy and safe working environment • Diverse and inclusive workplace • Recognition • Highly competent colleagues • High-quality and authentic leadership	• Closely tracked employee engagement and well-being through quarterly People Pulse surveys • Held regular performance, learning and development dialogues, created development plans and provided relevant learning curriculum to support professional development • Maintained a hybrid working model, enabling employees to have a mix of working together at the office and from home • Set targets to further improve gender balance and perception of diversity and inclusion • Updated Nordea Leadership Principles to guide leaders' everyday work, including fostering inclusion • Implemented an occupational health and safety management system to strengthen Nordea's approach to providing a great working environment • Set the ambition and carried out targeted actions to help close the gender pay gap
Investors			
– More than 580,000 private shareholders across the Nordics – Large institutional investors – Debt investors – Rating agencies	• Investor calls, meetings and conferences • Annual General Meeting • Quarterly and annual reporting • ESG ratings	• Strong financial performance • Long-term growth • Shareholder returns • Long-term business strategy • Timely and transparent communication • Sustainability commitments	• Held individual investor meetings, ran questionnaires and hosted Annual General Meeting to gain insights into expectations and needs • Incorporated additional environmental, social and governance (ESG) disclosures into quarterly and annual reporting • Improved ESG rating scores • Continued the share buy-back programme, supported by the capital and dividend policies

Stakeholder engagement, cont.

Who the stakeholders are	How Nordea engages with stakeholders	What stakeholders expect	Nordea's actions
Suppliers			
– Close to 1,500 contracted suppliers	• Dialogue with prospective and existing suppliers through contracting and monitoring • Setting clear expectations through Nordea's Supplier Code of Conduct • Engagement with suppliers in high spend or high climate risk sectors	• Adherence to contractual terms • Timely payment • Being a responsible buyer	• Continued to agree and work towards common targets in areas such as climate impact, human rights and labour rights • Further integrated sustainability screening and monitoring into daily sourcing practices and risk processes • Commenced transition to an automated solution to assess transition plans and track engagements to focus Nordea's efforts where they have the highest impact
Supervisory authorities			
– European Central Bank – European Banking Authority – National supervisory authorities – Market authorities – Wide spectrum of policy-makers and industry associations	• Interactions with supervisors at national and EU level • Providing expert opinions in public consultations • Participation in data collections and stress test activities • Engagement with policy-makers and industry associations on regulatory change	• Meet evolving standards and ensure compliance • Accurate and professional implementation of regulatory and supervisory requirements • Compliant approach to climate-related and environmental risk management • Ensuring sound and reliable processes to prevent financial crime and fraud • Ensuring a comprehensive risk appetite framework implemented at consolidated as well as business line and entity level for sufficient risk perspective in decision-making	• Interacted with supervisors on an ongoing basis, the ECB at Group level and each national supervisor at country level • Provided expert opinion on regulatory proposals at national and EU level to ensure that regulation takes better into account the impact on the industry and customers • Enhanced quantification methods to assess ESG-related impact and risk exposures and to enhance the bank's capabilities • Embedded insights from Nordea's materiality assessment on climate- and nature-related risk drivers in governance, internal processes, internal rules and business plans to support the development of sustainable business strategies and risk management throughout the whole organisation • Developed products and services to strengthen the measures to prevent financial crime and fraud
Broader society			
– General public – Media – Non-governmental organisations (NGOs) – Investees – Educational institutions – Aspiring entrepreneurs	• Proactive information sharing, including media briefings as well as availability to media inquiries • Regular meetings and information sharing with NGOs • Engaging with investee companies to address ESG-related risks and opportunities • Partnerships with educational institutions and entrepreneurial forums	• Taking responsibility for impact of operations • Presence in society and dialogue with stakeholders • Support to improve financial and digital literacy • Fostering entrepreneurship • Transparency of Nordea's processes and engagements within sustainability	• Shared information and facilitated dialogue on Nordea's sustainability work and its impact on the real economy and society at large. • Helped build financial skills and foster entrepreneurship through participation in programmes and partnerships • Continued to develop the sustainability policy framework to support and challenge customers and investees needing to transition to a more sustainable future • Promoted sustainability practices in accordance with Nordea Asset Management's Responsible Investment Policy through more than 1,300 engagements and over 3,500 AGMs • NGO feedback is taken into account when developing approaches and improving transparency of specific topics and sectors

Active stakeholder engagement

Nordea continually engages with all key stakeholder groups but specifically customers and investee companies to understand the sustainability challenges and opportunities they face in their business environments. This makes it possible to address material sustainability matters and concretely put into action Nordea's sustainability-related commitments. Nordea's approach prioritises dialogue over disengagement.

Stakeholder engagement is measured in different ways depending on the relationship with the stakeholder and the nature of the engagement. Selected active engagement metrics are presented in the table below. Details, including metrics, on engagement with employees are described in "S1 Own workforce" on pages 179–184 and community engagement is described in "S4 Consumers and end-users" on page 188.

Active engagement metrics	2024	2023
Customer preferences		
Share of advised customers expressing sustainability preferences (%)	43	43
Active ownership engagement		
AGM voting	3,554	3,700
Voting frequency (%)	98	95
Engagements with investee companies	1,393	1,179
ESG ratings		
S&P Global CSA Score	70	66
MSCI ESG Rating	AA	AA
ISS ESG Corporate Rating	C+ (Prime)	C (Prime)
Sustainalytics	12.3 (low risk)	15.8 (low risk)
Employee engagement		
Response rate for People Pulse survey (%)	85	85
Supplier engagement		
Suppliers subject to sustainability engagements	98	145

Double materiality assessment

Double materiality assessment process

General approach and basis of preparation

As of the financial year 2024 the CSRD has introduced new sustainability reporting requirements on the basis of a double materiality assessment (DMA) concept. The DMA determines the sustainability matters that are material to Nordea by evaluating impacts on environmental, social and governance factors (inside out perspective) while also considering how such ESG factors may influence risk and opportunities (outside in perspective). As prescribed by the ESRS, impacts are to be determined via an impact materiality assessment, whereas risks and opportunities are to be determined via a financial materiality assessment.

The outcome of Nordea's 2024 DMA determined the material sustainability matters (impacts, risks and opportunities) which set the foundation of Nordea's sustainability reporting for the financial year 2024. The 2024 DMA covered impacts, risks and opportunities connected to Nordea's direct business relationships. The assessment considered the asset and liability perspective as well as on- and off-balance sheet activities.

The design of Nordea's double materiality assessment process reflects Nordea's interpretation of the CSRD, the ESRS, the European Financial Reporting Advisory Group's guidance as well as the EBA and the ECB commentaries. Appropriate control functions are embedded within the DMA methodology and process description to validate the outcomes. The DMA methodology and process description is anchored internally, and the 2024 DMA outcome was furthermore subject to Group Leadership Team and Board of Director approval in line with the governance structure.

Determining DMA materiality

Nordea applies a four-step approach to assessing materiality: 1) understanding the context of the organisation, 2) identifying actual and potential impacts, risks and opportunities, 3) assessing actual and potential qualitative and quantitative impacts, risks and opportunities, and 4) determining material impacts, risks and opportunities by applying appropriate thresholds. Impact materiality is determined by positive and negative impacts, and financial materiality by financial risks and financial opportunities. An ESG matter can be material from an impact materiality perspective, a financial materiality perspective or both. The outcomes of the impact, risk and opportunity assessment are consolidated, forming Nordea's double materiality assessment and determining the material ESRS topics. To inform and validate the 2024 DMA outcome, this was followed by validating the DMA outcome with internal representatives of Nordea's six main stakeholder groups. These stakeholder engagements leveraged the regular dialogues with affected stakeholders to consult and incorporate their considerations where applicable. The key aspects in Nordea's 2024 DMA are outlined below.

Determining impact materiality

The identification of impacts was performed through extensive desk research using internal rules and external guidelines, previous materiality assessments as well as expert judgement and due diligence. Materiality was assessed through both qualitative and quantitative assessment criteria, expert evaluation and by setting materiality thresholds.

As prescribed by the ESRS, identified impacts were assessed based on the scale and scope of the impacts on society and Nordea's stakeholders, alongside their likelihood of materialising. Regarding negative impacts, irremediability was also considered. In assessing these input criteria, a wide range of internal expert stakeholders were involved.

To ensure a standardised quantitative approach to assessing the scope of impacts, information about Nordea's lending and investment portfolio exposures was mapped against the UNEP FI impact mapping framework. The framework provides a comprehensive and standardised approach to assessing environmental and social impacts associated with different sectors and activities. This assessment included the screening of lending and investment portfolios to identify actual and potential impacts, including those related to pollution, water and marine resources as well as circular economy and resource use. The assessment of impacts relating to Nordea's own operations, such as procurement and own workforce, was subject to a separately structured approach compared to exposures in upstream or downstream value chains. This own operations approach considers factors such as strategic importance and organisational significance when assessing the scope of impacts. Biodiversity- and ecosystem-related impacts and dependencies of own site locations were assessed using the WWF Biodiversity Risk Filter tool, and potential impacts and dependencies on biodiversity and ecosystems from Nordea's corporate lending portfolio were assessed using the tool ENCORE. In regard to impacts on climate change, the assessment of Nordea's GHG emissions are further detailed within "E1 Climate change" from page 140 with related methodology explained in "Total GHG emissions scope 1, 2 and 3" on page 161.

In order to determine impact materiality at a consolidated Group level, the outcome of each of the standardised assessment approaches has been subject to thresholds which include scoring across criteria for each assessed impact. Impacts related to lending and investment portfolios were also subject to thresholds based on sectoral exposures. Sensitivity analyses of the applied thresholds ensure a suitable level of sustainability reporting in line with the Nordea organisational context.

Determining financial materiality

In line with the impact materiality assessment, the identification of opportunities was performed by extensive desk research and expert judgement. Materiality was assessed through both qualitative and quantitative assessment criteria, expert evaluation and by setting materiality thresholds.

Appropriate thresholds to determine opportunities were set by putting high importance on actual or potential revenue income. In identifying and assessing material opportunities, the factors of likelihood and magnitude, as described by the ESRS, were considered. Judgement was also applied to identify opportunities related to impacts.

Environmental-related risks

For the double materiality assessment Nordea utilised aspects of its annual risk materiality assessment (MA) of environmental-related risks (covering both climate- and nature-related risks) aligned with supervisory and regulatory ESG-related risk management guidance such as the ECB Guide on climate and environmental risks. The environmental-related risks, which have been enriched with expert views from relevant stakeholders, were assessed against

Nordea's prudential risk types, including credit, market, liquidity, operational (including reputational, legal and compliance risks), liquidity and business model risks. As part of the risk identification process, Nordea developed a comprehensive and science-based taxonomy of ESG risk factors (ESG Factor Taxonomy) that derives from international and regional best practices and sources, aligned to the CSRD and the impact materiality assessment. The risk identification process included a thorough process to identify transmission channels defined as the causal chains that explain how climate and nature risk factors transmit to Nordea through its value chain including counterparties, invested assets, third parties or its own operations. The assessment includes concentration, sensitivity and scenario analyses across different risk categories through stress testing. Risk materiality is assessed using a 4-level materiality banding system as part of Nordea's ICLAAP framework.

The MA assesses the impact of environmental risks on prudential risk types over short to very long time horizons. The time horizons are aligned with the horizons provided in the ESRS but also align with the prudential MA horizon where capital allocation takes place, accounting for the short term. The following time horizons are defined:

- short term is less than or equal to one year (<1 year)
- medium term is one to five years (1-5 years)
- long term is five to ten years (5-10 years)
- very long term is longer than ten years (10+ years), extending to 30 years

A diverse set of physical and transitional climate-related risk factors were used, among others, extreme weather, variability in temperature, regulatory trends, societal, customer and demographic trends. Utilising the identified risk factors, specific stress testing on climate-related physical and transition risks at different levels of granularity was assessed.

Nordea's climate- and nature-related transition risks are mainly driven by a need to reduce the GHG emissions of counterparties. These may manifest themselves in Nordea's business by affecting the value of collateral pledged to Nordea and may also relate to legal and reputational risk stemming from changed market sentiment and litigation associated with greenwashing. In general, transition effects are more likely to materialise in the short to long term, but may also materialise in the very long term if there is a delayed transition or no transition ahead of 2050. The relevance of the climate- and nature-related risks and the vulnerability of Nordea's sectors, geographies and portfolios have been identified using heat mapping tools.

For climate-related physical risks, the highest impact is assessed to come from collateral devaluation (e.g. real estate or ships/vehicles). Climate-related hazards were identified and assessed by comparing exposures to climate-related physical risks over different time horizons in three Representative Concentration Pathway (RCP) scenarios, including the most severe climate scenario.

Once the main drivers of physical and transitional risks and their transmission channels were identified, the financial risk materiality was determined using a range of tools including sensitivity and scenario analysis, sector deep dives and qualitative analysis. For the quantitative assessment, a defined loss relative to Nordea's Common Equity Tier 1 (CET1) capital is applied. If quantification is not possible, predetermined qualitative considerations and expert judgement are used. The identified material risk drivers have then been compared with the ESRS to identify material ESRS topics, sub-topics and sub-sub-topics from a financial and non-financial risk perspective.

The assessment of risks related to biodiversity and ecosystems considered factors such as the high regulatory and supervisory attention and business model implications. The assessment was performed internally without the involvement of external stakeholders and used a predominantly qualitative analysis. Systemic risks related to ecosystems were assessed to potentially impact Nordea in the long to very long term through the bank's lending exposure.

Nordea views the ECB Guide and the ESRS as complementary, and since the ESRS are not sector specific, Nordea considers the output of the materiality assessment a direct input to the DMA.

Social and governance-related risks

Nordea's risk identification process is based on self-assessment by relevant subject matter experts, in combination with social factor-related heat maps to identify potential human rights risks across the sectors within the corporate lending and investment portfolios. The heat maps consider country dimensions to reflect the ranking of the Nordic countries in human rights indices. As with other risk materiality processes in the bank, risk materiality is based on severe but plausible scenario stress testing and/or scenario analysis. Where quantification of the risk is not possible, expert judgement is used within qualitative assessment parameters. The thresholds for materiality are based on the same criteria and principles applied to the climate and nature materiality assessment.

Material impacts, risks and opportunities

The DMA has been conducted to identify material sustainability matters for Nordea, forming the basis for Nordea's reporting scope of CSRD disclosures. A topic has been determined to be material if found material from either an impact materiality perspective or a financial materiality perspective, or both. The material impacts, risks and opportunities identified in the assessment are summarised into key material topics which are mapped to the ESRS (see the table below for a full overview) as outlined in the CSRD.

Mitigating climate change and preventing loss of nature

Climate and environmental topics are among the main concerns for Nordea and its stakeholders. The bank is expected to contribute to a just transition towards a net zero emissions economy, taking also environmental impact drivers into consideration in both own operations and the value chain. It requires proper management and governance to manage impacts, risks and opportunities. The DMA considers Nordea's own operations and the composition of its lending and investment portfolios, identifying ESRS E1 Climate change and E4 Biodiversity and ecosystems as material. Regarding biodiversity- and nature-related risks, no impacts or dependencies relating to Nordea's own operations or value chain were identified. Furthermore, Nordea assessed that the impacts and dependencies of its site locations on biodiversity and ecosystems were immaterial and that it does not have offices in or near biodiversity-sensitive areas. Therefore, mitigation measures have not been identified as necessary.

The identification of impacts, risks and opportunities for the remaining environmental standards (ESRS E2 Pollution, E3 Water and marine resources and E5 Resource use and circular economy) followed a general process where UNEP FI tools were used to identify sectors that are more prone to certain impacts. For the identification of risks, Nordea specifically used guidance and methods from regulators. Nordea also used methods and tools from frameworks, such as the Principles for Responsible Investment and the Principles for Responsible Banking, in order to assess impacts, risks and opportunities identified from its strategic work. Business areas and subsidiaries have used relevant specific tools for their assessments, for example related to impact investments or specific sectors.

Nordea carries out consultations with affected communities through close collaboration with municipalities and nearby communities in the development of the bank's own site locations. The bank's impacts, risks and opportunities do not differ from other real estate development in this context. Furthermore, Nordea's engagement with stakeholders as described on page 90 is one example of how Nordea identifies impacts, risks and opportunities related to affected communities through the value chain.

Promoting a diverse and inclusive culture and upholding human rights

Nordea is expected by its stakeholders to contribute to positive societal change by promoting an open and inclusive culture, supporting equality and diversity in its own operations and value chain as well as safeguarding human rights to manage and mitigate negative impacts and risks. ESRS S1 Own workforce is material.

Building financial well-being for customers

Nordea plays a role in society as it provides consumers access to the financial system with responsible customer offerings and can influence and make an impact on customers' financial well-being by offering insights and advice and protecting their rights. ESRS S4 Consumers and end-users is material.

Contributing to financial stability as a safe and trusted partner

Nordea is a financial services provider with solid capital and liquidity and a commitment to conduct its business with high ethical standards and effective corporate governance, thus contributing to the stability of the financial system in the Nordic societies. In addition, Nordea is expected to generate stable and positive financial results over time. This means that a sustainable business model is expected by its stakeholders. ESRS G1 Business conduct is material.

Overview of sustainability matters for disclosure under ESRS

ESRS	Impact materiality	Financial materiality	Link to sustainability pillar
E1 Climate change	Material	Material	Climate and environmental action
E2 Pollution	Not material	Not material	Climate and environmental action
E3 Water and marine resources	Not material	Not material	Climate and environmental action
E4 Biodiversity and ecosystems	Not material	Material	Climate and environmental action
E5 Resource use and circular economy	Not material	Not material	Climate and environmental action
S1 Own workforce	Material	Material	Social responsibility
S2 Workers in the value chain	Not material	Not material	Social responsibility
S3 Affected communities	Not material	Not material	Social responsibility
S4 Consumers and end-users	Material	Material	Social responsibility
G1 Business conduct	Material	Material	Financial strength, governance and culture

The tables on the following pages provide an overview of the material impacts, risks and opportunities identified in the 2024 DMA. In addition to a brief description, the tables indicate whether the impacts, risks and opportunities are identified in Nordea's own operations or in the value chain as well as what time horizon is relevant for the impacts, risks or opportunities.

The impacts, risks and opportunities have been specified in accordance with the ESRS. In addition, Nordea has assessed the materiality of information for specific disclosure requirements. If the information has been determined to provide a more comprehensive and complete view to meet users' decision-making needs, it has been included in the disclosures. Correspondingly, if the information has been considered to be not material to meet the objective of the relevant disclosure requirement, it has been excluded from the disclosures. Entity-specific disclosures have also been assessed in cases where the standards are not detailed enough to capture Nordea's role as a bank in society. The analysis has identified entity-specific topics in G1 Business conduct, relating to the prevention of financial crime and fraud in society.

Further specification of the material impacts, risks and opportunities and how they are addressed in Nordea's strategy and business model is provided in the topical sections. This year's reporting is the first reporting aligned to the CSRD. Future reporting will evolve as the double materiality assessment concept matures and industry guidance and standards become available and show changes to material impacts, risks and opportunities.

Material impacts, risks and opportunities identified in the 2024 DMA
E1 Climate change

	Impact, risk or opportunity	Description
Climate change mitigation		
Positive impact (Value chain) (Short to very long term) (Actual)	Financing and supporting the transition of customers and sectors	Nordea contributes to reducing greenhouse gas (GHG) emission levels and helps fulfil the objectives set in the Paris Agreement towards a net zero emissions economy by providing financing and supporting customers' transition and accelerating Nordea's transition through active engagement and business selection.
Negative impact (Value chain and own operations) (Short to very long term) (Actual)	GHG emissions from - lending portfolio - investment portfolio - capital market activities - own operations	GHG emissions generated from customer activities associated with financing provided or investments made by Nordea, and contributing to increased GHG emissions not in line with the Paris Agreement, or by financing/investing in customers in carbon-intensive sectors without transition plans. GHG emissions from own operations are small relative to emissions from the lending and investment portfolios but are also considered relevant as Nordea has set emission reduction targets and defined different initiatives for decarbonising its own operations and the supply chain. These actions are also important to manage the transition towards net zero emissions.
Risk (Value chain and own operations) (Short to very long term)	Climate-related transition risk	Through its offering, mainly linked to lending to households and corporates, Nordea is exposed to sectors and counterparties with potential high climate-related transition risks. These climate-related transition risks can impact Nordea across its different risk categories as part of its overall risk taxonomy. For example, credit risk from collateral devaluation and liquidity risk through additional cash outflows. Through its operations, Nordea is also exposed to non-financial risks stemming from climate-related transitional effects, mainly via reputational and litigation risks. These risks could materialise if for example Nordea is subject to accusations of greenwashing or does not comply with rapidly changing or increased regulatory requirements.
Opportunity (Value chain) (Short to very long term)	Financing of and investing in activities to mitigate climate change and to enhance adaptation	Potential revenue generation through financing and investments linked to climate change mitigation, climate change adaptation and energy efficiency activities of Nordea's counterparties.
Climate change adaptation		
Risk (Value chain) (Short to very long term)	Climate-related physical risk	Through its offering, mainly linked to lending to households and corporates, Nordea is exposed to sectors and counterparties with potential high climate-related physical risks. These climate-related risks can impact Nordea across its different risk categories as part of its overall risk taxonomy. For example via credit risk from collateral devaluation or liquidity risk from cash outflows in case of an acute climate event.

Material impacts, risks and opportunities identified in the 2024 DMA, cont.

	Impact, risk or opportunity	Description
Energy		
Positive impact (Value chain) (Short to very long term) (Potential)	Financing to energy efficiency activities	Nordea contributes to reducing energy consumption from customers and to fulfilling the objectives set in the Paris Agreement by providing financing to energy efficiency activities.
Negative impact (Value chain and own operations) (Short to very long term) (Actual)	Final energy consumption from - lending portfolio - investment portfolio - own operations	Increased energy consumption, not in line with the energy transition needed to fulfil the objectives set in the Paris Agreement, due to investments in companies/financing of customers with high energy consumption without a transition plan. Energy consumption related to own operations represents material information on Nordea's performance and reinforces Nordea's commitment towards net zero.
Risk (Value chain) (Short to very long term)	Climate-related transition risk	Through its offering, mainly linked to lending to households and corporates, Nordea is exposed to sectors and counterparties with potential high climate-related transition risks relating to energy. These climate-related transition risks can impact Nordea across its different risk categories as part of its overall risk taxonomy. For example through the credit risk of customers in industries that are vulnerable to transition risks and have high energy consumption rates.

E4 Biodiversity and ecosystems

	Impact, risk or opportunity	Description
Direct impact drivers of biodiversity loss		
Risk (Value chain and own operations) (Short to very long term)	Biodiversity-related transition and physical risk	Through its offering, mainly linked to lending to households and corporates, Nordea is exposed to sectors and counterparties with potential high biodiversity-related transition and physical risks. These biodiversity-related risks can impact Nordea across its different risk categories as part of its overall risk taxonomy. For example via credit risk as companies adapt their business models to reduce their impact on nature, which can affect their profitability and impact Nordea's counterparty credit risk. Also liquidity risk in the value chain and operational transition risk may be materially impacted over time.
Impacts and dependencies on ecosystem services		
Risk (Value chain and own operations) (Short to very long term)	Ecosystem-related transition and physical risk	Through its offering, mainly linked to lending to households and corporates, Nordea is exposed to sectors and counterparties with potential high ecosystem services-related transition and physical risks. These ecosystem-related risks can impact Nordea across its different risk categories as part of its overall risk taxonomy. For example via credit risk as companies adapt their business models to mitigate the adverse impact on ecosystem services, which can reduce their profitability and impact Nordea's counterparty credit risk. Also liquidity risk in the value chain and operational transition risk may be materially impacted over time.
Impacts on the extent and condition of ecosystems		
Risk (Value chain and own operations) (Short to very long term)	Ecosystem-related transition and physical risk	Through its offering, mainly linked to lending to households and corporates, Nordea is exposed to sectors and counterparties with potential high nature-related transition and physical risks relating to the condition and protection of ecosystems and other nature areas. These nature-related risks can impact Nordea across its different risk categories as part of its overall risk taxonomy. For example via counterparty credit risk if counterparty profitability is impacted by efforts to reduce adverse impacts on the condition of ecosystems. Also liquidity risk in the value chain and operational transitional risk may be materially impacted over time.

S1 Own workforce

	Impact, risk or opportunity	Description
Equal treatment and opportunities for all		
Positive impact (Own operations) (Short to very long term) (Actual)	Diverse and inclusive workplace	Nordea supports a diverse and inclusive workplace by promoting equal opportunities in all aspects of employment. Nordea aims to create a workplace where employees feel valued and empowered to contribute.
Positive impact (Own operations) (Short to very long term) (Actual)	Career development	Nordea provides structured learning, clear career paths and access to new opportunities for employees to stay relevant and competent, to unleash their potential and find fulfilment in coming to work every day.
Negative impact (Own operations) (Medium to very long term) (Actual)	Gender pay gaps	To the extent that gender-based pay differences exist, this can undermine equal and fair treatment and regulatory requirements. Pay equity is key for Nordea with a plan in place to remove overall adjusted pay gap by 2026.
Negative impact (Own operations) (Short to very long term) (Potential)	Discrimination and inequality	Societal inequalities and biases can manifest in the workplace, leading to unequal treatment of employees. This can result in reduced employee well-being and a sense of unfairness. Nordea has measures and procedures to capture and prevent all types of discriminatory behaviours and to foster an inclusive environment.
Working conditions		
Positive impact (Own operations) (Short to very long term) (Potential)	Good working environment	Nordea is committed to ensure employee health and well-being through a holistic approach that encompasses proactive, preventive and reactive measures in order to support employees' engagement and performance.
Positive impact (Own operations) (Short to very long term) (Potential)	Employee well-being	Nordea provides employees with the opportunity to find a harmonious balance between the conflicting demands of work and personal life. This can help employees stay engaged, reduce stress and improve overall job satisfaction.

Material impacts, risks and opportunities identified in the 2024 DMA, cont.

	Impact, risk or opportunity	Description
Negative impact (Own operations) (Short to very long term) (Actual)	Work overload	Excessive workloads and time pressures experienced by some employees impact stress levels and can lead to health problems. Managing these pressures is important to prevent burnout and ensure sustainable productivity.
Risk (Own operations) (Short to very long term)	Employee health and well-being	Nordea is committed to ensuring a safe workplace by promoting health and well-being and by managing illness and work capacity. Failure to do so, especially during external threats like pandemics or crises, could have an impact on Nordea's capacity to deliver on the business strategy. Unwanted attrition and unavailability of resources to execute Nordea's daily banking services could lead to poor customer experience, financial loss for Nordea and reputational damage.

S4 Consumers and end-users

	Impact, risk or opportunity	Description
Information-related impacts for consumers and/or end users		
Positive impact (Own operations) (Short to long term) (Potential)	Financial well-being	Nordea can contribute to the financial well-being and long-term financial security of its customers by providing them with transparent product information and the required competence to make informed financial decisions. Personalised services further enhance this by matching financial products to specific customer needs, supporting the achievement of better financial outcomes.
Risk (Own operations) (Short to medium term)	Privacy	Nordea considers data privacy key to responsible banking, ensuring that personal data is protected. Breaches to personal data security and privacy could expose Nordea to operational risk through for example legal claims and proceedings and reputational damage.
Social inclusion of consumers and/or end-users		
Positive impact (Own operations) (Short to long term) (Potential)	Financial inclusion	Nordea provides non-discriminatory access to financial services through an omnichannel approach, allowing customers who may have different needs and preferences, to easily manage their finances. This can promote financial inclusion and aims to give everyone equal access to basic banking services.
Personal safety of consumers and/or end-users		
Positive impact (Own operations) (Short to medium term) (Potential)	Fraud awareness	Nordea's continuous work to increase fraud awareness for its own customers and in the wider economy is a key driver for preventing fraud. Nordea contributes to fraud awareness in society through education and awareness campaigns, which have the possibility to reduce the risk of fraud by helping customers to identify and prevent fraud attempts.

G1 Business conduct

	Impact, risk or opportunity	Description
Corporate culture		
Positive impact (Own operations) (Short to very long term) (Potential)	Good corporate conduct	Nordea contributes to a robust and stable financial system by conducting business with high ethical and professional standards with a strong governance and risk culture.
Corruption and bribery		
Risk (Own operations) (Short to very long term)	Bribery and corruption	Nordea is committed to complying with all applicable anti-bribery and corruption legislation in the jurisdictions in which it operates. If Nordea fails to comply with these legislations, this could expose Nordea to non-financial risk through for example fines, reputational damage and criminal prosecution.
Financial crime and fraud prevention (entity-specific)		
Positive impact (Own operations) (Short to very long term) (Potential)	Financial crime prevention	Identifying and stopping money flows from illegal activities is key to disrupting criminals, and as a global financial institution, Nordea is uniquely positioned to be part of the solution. Nordea takes its share of responsibility to society and customers seriously and has over the years established an effective organisational structure and built strong defences to prevent its products and services from being used for unlawful purposes. In its mission to protect its customers and society at large, Nordea develops the necessary tools, manages the risk, builds understanding of customer behaviours, monitors suspicious activity and makes reports to the relevant authorities when red lines are crossed.
Risk (Own operations) (Short to very long term)	Financial crime	Nordea is committed to complying with the laws and regulations relevant to anti-money laundering, counter terrorist, financing, tax evasion and sanctions in all the jurisdictions in which it operates. Failing to adhere to these could expose Nordea to non-financial risk through for example fines, reputational damage and criminal prosecution.
Risk (Own operations) (Short to very long term)	Fraud	Nordea is committed to protecting the bank and its customers and stakeholders against internal and external fraud. Failure to prevent fraud activities could result in financial losses, for both Nordea and its customers, and non-financial risk through for example regulatory remarks and reputational damage.

General information, cont.

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ESRS 2 SBM-2	Interests and views of stakeholders	General information	90	
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S4-4	Taking action on material impacts on consumers and end- users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions		187, 189, 190	
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ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	General information	92	
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Datapoints that derive from other EU legislation

Disclosure Requirement	Related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page reference
ESRS 2 GOV-1	Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		85
	Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		84
ESRS 2 GOV-4	Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				87
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material
	Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
	Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
	Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv					Not material
ESRS E1-1	Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	143–144
	Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		144
ESRS E1-4	GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		150–155
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Not material
	Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				161
	Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Not material

General information, cont.

Disclosure Requirement	Related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page reference
ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		162
	Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		162
ESRS E1-7	GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	173
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material
	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Not material
	Location of significant assets at material physical risk paragraph 66 (c).					Not material
	Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Not material
	Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not material
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material
ESRS E3-1	Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material
	Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material
	Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4	Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
	Total water consumption in m 3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material

General information, cont.

Disclosure Requirement	Related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page reference
ESRS 2 - SBM 3 - E4	paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material
	paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				175
	paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				175
ESRS E4-2	Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				175
	Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				175
	Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				176
ESRS E5-5	Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material
	Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material
ESRS 2 - SBM3 - S1	Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material
	Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material
ESRS S1-1	Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				179
	ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		179
	ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material
	ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				179
ESRS S1-3	grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				179
ESRS S1-14	Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Not material
ESRS S1-16	Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		184
	Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				184
ESRS S1-17	Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				180
	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		180
ESRS 2 - SBM3 - S2	Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material

Disclosure Requirement	Related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page reference
ESRS S2-1	Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material
	Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material
	ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
	ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S3-1	Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material
	non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4	Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S4-1	Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				186
	Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		186
ESRS S4-4	Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				197
ESRS G1-1	United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Not material
	Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				192
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Not material
	ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Not material

Environmental information

EU Taxonomy disclosures

EU taxonomy supporting the transition

The EU Taxonomy, Regulation (EU) 2020/852, together with supplementing delegated acts, defines environmentally sustainable economic activities. The environmentally sustainable activities are based on technical screening criteria, which include criteria for when an activity significantly contributes to one of the EU's climate and environmental objectives while at the same time not significantly harming any of the other objectives. In addition, minimum social safeguard requirements must be met in order to be defined as environmentally sustainable, or "Taxonomy-aligned". In accordance with the EU Taxonomy, Nordea is required to disclose its exposures to Taxonomy-aligned activities for the financial year 2024.

The exposure to Taxonomy-aligned activities and the related Taxonomy KPIs are presented in the tables below. For the first time and in accordance with the third Commission notice C/2024/6691, Nordea discloses the templates for asset managers (Table 16) and investment firms (Tables 17-19) together with a weighted KPI of the respective KPIs in the Group (Tables 1-2). Based on the licences of the subsidiaries, Nordea Investment Funds S.A. and Nordea Funds Ltd are covered by the KPI for asset managers and Nordea Investment Management AB by the KPI for investment firms.

Disclosures include subsidiaries on a prudential consolidated basis as per the Disclosures Delegated Act (EU) 2021/2178 Annex V, 1.1.1. Exposures to Nordea Life & Pension are therefore accounted for under the equity method. Since Nordea Life & Pension does not fall under the Corporate Sustainability Reporting Directive (CSRD) in 2024, the exposures are not assessed for alignment in Nordea's Taxonomy disclosures. The fact that Nordea Life & Pension is considered in line with the equity method and does not have to comply with CSRD is the reason why the consolidated Group table does not include insurance activities.

In 2023, Nordea acquired Danske Bank's Norwegian Personal and Private Banking customers as well as asset management portfolios (investment funds and managed portfolios). The Personal and Private Banking customers and the investment funds were transferred in 2024 and the exposures have been assessed for Taxonomy eligibility and alignment in line with Nordea's methodology.

The Green Asset Ratio (GAR) KPI communicates the proportion of exposures related to Taxonomy-aligned activities compared to Nordea's total covered assets[1] and is the main KPI of Nordea (Tables 3-5). Compared to last year, the GAR has increased due to an increase in the total Taxonomy-aligned assets. This increase has been driven mainly by an improvement in the methodology on how to assess the Taxonomy alignment of mortgages which allowed Nordea to include buildings built after 2021 in the Taxonomy alignment assessment. It also allowed Nordea to be able to do a more granular Taxonomy alignment assessment on buildings built before 2021. The numbers reflecting year 2023 and the T-1 tables below are adjusted based on the methodology improvements in order to enhance comparability between the years. In addition to the methodological improvements, the GAR has improved due to increased data availability for Energy Performance Certificate (EPC) labels for buildings and KPIs from counterparty companies falling under the Non Financial Reporting Directive (NFRD). This is also the first financial year in which Nordea includes exposures to Norwegian NFRD undertakings as well as alignment for financial NFRD undertakings. The disclosed figures under the Complementary Climate Delegated Act (EU) 2022/1214, which includes activities related to the nuclear and fossil gas sectors, (Tables 20- 28) increased in 2024 compared to 2023. The reason is that data availability from counterparties increased and since Nordea this year includes exposures to financial undertakings, data which was not previously available.

Looking forward, the proportion of Taxonomy-aligned assets and investments will likely increase over time, driven by the growing number of companies required to report on the EU Taxonomy disclosures with the implementation of the CSRD as well as exposures further transitioning towards alignment with the EU Taxonomy criteria.

Integrating the EU Taxonomy Regulation

Nordea has made sustainability an integral part of its business strategy and in 2021 introduced measurable long-term and medium-term objectives and 2023–2025 targets, for instance, to increase the facilitation of sustainable financing. A central component of Nordea's strategy is to engage with corporate customers and investees on sustainability topics to support their transition to sustainable business models, and enable private customers to make sustainable choices in support of a sustainable lifestyle. The Taxonomy does not have a direct impact on Nordea's strategy. However, the Taxonomy can facilitate the strategy implementation through, for example, dialogues with customers. Nordea has integrated the obligations under the Taxonomy Regulation applicable to Sustainable Finance Disclosure Regulation (SFDR) products into its product processes. Nordea discloses at product-level disclosures whether each product takes the EU criteria for environmentally sustainable economic activities into account and if so, whether the product commits to making Taxonomy-aligned investments. At present, Nordea only has a small selection of SFDR products with a commitment to Taxonomy-aligned investments due to insufficient data availability and coverage to support a meaningful commitment to a minimum proportion of Taxonomy-aligned investments. For each SFDR Articles 8 and 9 product, Nordea calculates and discloses in its periodic reports for this financial year onwards the taxonomy-alignment of the actual investment, subject to data availability and quality.

When providing investment advice, Nordea assesses the customers' sustainability preferences including if the customer finds it important to invest in line with the EU's environmental objectives as defined in the Taxonomy. Before assessing sustainability preferences Nordea explains the main element of the EU Taxonomy to its customers. Nordea currently has a small selection of investment funds with a commitment for taxonomy-aligned investments offered in investment advice. Data availability for taxonomy-aligned investments is still developing in the industry as a whole. Nordea's Green Funding Framework is partially aligned to the EU Taxonomy, with its criteria closely linked to the substantial contribution part of the technical screening criteria in the Taxonomy. Nordea will continue to analyse options for further alignment of its Green Funding Framework with the EU Taxonomy and to prepare for the EU Green Bond Standard.

Nordea's approach

In 2024 Nordea continued its work on interpreting the EU Taxonomy requirements and further developing its disclosure methodology. This includes the continued development of a data foundation to structure and store data in order to identify and assess the alignment of relevant exposures to the EU Taxonomy, thereby enabling disclosures according to the required regulatory templates. Nordea's disclosure approach reflects its understanding and interpretation of the EU Taxonomy requirements and the guidance from the EU Commission pending the development of common standards and approaches.

Data and methodology for the KPIs to be disclosed by credit institutions

Nordea's EU Taxonomy disclosures relate to exposures to Taxonomy eligible and aligned assets. For the environmental objectives climate change mitigation and climate change adaptation, the disclosures cover eligibility and alignment reporting. The disclosures however, only cover eligibility for activities under Delegated Regulation (EU) 2023/2486 (the Taxonomy Environmental Delegated Act) and Sections 3.18 to 3.21, Sections 6.18 to 6.20 of Annex I to Delegated Regulation (EU) 2021/2139 and Sections 5.13, 7.8, 8.4, 9.3, 14.1 and 14.2 of Annex II to Delegated Regulation (EU) 2021/2139 (Taxonomy Climate Delegated Act). These are the activities contributing to the environmental objectives

1) Total covered assets refer to all on-balance sheet exposures except for central governments, central banks, supranational issuers and the trading portfolio. The terms 'green asset ration (GAR) stock' and 'total GAR assets' utilised in the predefined tables should be understood with reference to the GAR definitions described.

sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control as well as protection and restoration of biodiversity and ecosystems.

The assets in scope for credit institutions are exposures to undertakings falling under the NFRD including financial and non-financial undertakings, retail exposures, local government financing, collateral obtained by taking possession (residential and commercial immovable properties), and off-balance sheet exposures.

For non-financial NFRD undertakings, the exposure has been weighted to the undertakings' share of eligible and aligned turnover and capital expenditures (CapEx). For financial NFRD undertakings, Nordea's exposures have been weighted to the undertakings´ proportion of exposures to Taxonomy eligible and aligned economic assets within their total covered assets. This means that all loans have been treated as general purpose loans.

Local government financing is not assessed for Taxonomy alignment since Nordea does not have a business model based to a great extent on financing public housing and data on specialized lending to local governments is missing. Data on collateral obtained by taking possession (residential and commercial immovable properties) is not available either and therefore not assessed for Taxonomy alignment.

For household exposures, renovation loans, motor vehicle loans (granted after 1 January 2022) and mortgages are in scope. Due to the comprehensive level of details required, data on motor vehicle loans is not assessed for alignment. Similarly, due to limitations in data availability, renovation loans are not assessed for Taxonomy alignment.

For residential real estate lending in the Norwegian and Swedish markets, the full gross carrying amount of mortgages has been assessed for Taxonomy alignment. For residential real estate lending in the Danish and Finnish markets, the gross carrying amount excluding second mortgages (top up loans) has been assessed for Taxonomy alignment. This was adjusted this year and some exposures were excluded.

For buildings built before 31 December 2020, the threshold for substantial contribution is EPC class A or the building being within the top 15% of the national or regional building stock. For the Danish and Norwegian market, the top 15% threshold has been determined using an EPC class A or B label. In Sweden, the top 15% has been identified based on Primary Energy Demand (PED) thresholds established in a study done by the Swedish Property Federation. In the Finnish market, the calculation of PED thresholds of the top 15% is based on a study conducted by Granlund in 2022, using energy performance certificate data from the Housing Finance and Development Centre of Finland (Ara).

For buildings built after 31 December 2020, the building is considered to significantly contribute to climate change mitigation if it has a PED which is at least 10% lower than the threshold for the nearly zero-energy building (NZEB) requirements in the respective country. Due to lack of PED data in Norway and Denmark, all buildings with an EPC class A label in Norway and all buildings with EPC A2020 in Denmark are considered to have 10% lower PED than NZEB.

The assessment on whether a building has been built before or after 31 December 2020 should be based on the date of the application for a construction permit. Due to data limitations, Nordea's assessment has been made based on when the building was completed. This is a conservative approach since the construction year is after the date of the construction permit application.

Physical climate risks assessment for residential real estate lending has been carried out as this is a Do No Significant Harm criteria, and exposures identified to be subject to medium or high risk have not been assessed as Taxonomy-aligned assets. The assessments apply a Representative Concentration Pathway scenario of 4.5 for the time period 2011-2040. As retail exposures only include mortgages and not renovation loans or motor vehicle loans, minimum safeguards have not been considered.

In tables 6-7, the GAR Sector information is a breakdown of eligible and aligned exposures to NFRD undertakings into Sectors, using the NACE codes on the basis of the principal activity of the counterparty. The eligible and aligned exposures in this table decreased between financial year 2023 and 2024 due to a methodology update in line with Disclosure Delegated Act (EU) 2021/2178. Nordea now only includes in the GAR Sector information eligible and aligned exposures which has a principal NACE code identified in a delegated act to the Taxonomy Regulation. This limitation means that total eligible and aligned exposures to NFRD undertakings is smaller in the GAR Sector information compared to the other GAR tables.

The reporting is based on data originating from Nordea's internal core banking systems as well as external data on (i) NFRD undertakings' disclosed Taxonomy eligibility and alignment KPIs including gas or nuclear exposures, (ii) EPCs for buildings, (iii) Primary Energy Demand for buildings and (iv) physical climate risk assessment in relation to residential real estate lending.

Tables 12-15 present the off-balance sheet KPIs covering assets under management and financial guarantees. The green ratio for financial guarantees to undertakings is the proportion of financial guarantees supporting loans and advances and debt securities financing Taxonomy-aligned economic activities to all financial guarantees. The assessment is made based on the turnover and CapEx-based KPIs reported by the undertakings. The KPI covering assets under management is the proportion of assets under management (equity, debt instruments and real estate) from undertakings financing Taxonomy-aligned economic activities, to total assets under management. The total amount of Taxonomy-aligned assets in the KPI is lower compared to financial year 2023 as only assets which have been delegated to Nordea Investment Management by Nordea Bank are included for financial year 2024. The majority of the assets deducted are included in the templates for asset managers and investment firms introduced this year. The gross carrying amount of the financial guarantees and assets under management KPIs are higher in financial year 2024 compared to 2023. This is due to a change in the methodology which means that all exposures are included in the gross carrying amount and denominator of the KPI. In 2023, only exposures to NFRD undertakings were included.

The methodology to compute flow has been updated to capture newly incurred exposures during 2024 for AuM and Financial Guarantees. For AuM, the flow represents investments from new clients of Nordea Bank.

Data and methodology for the KPIs to be disclosed by asset managers

Nordea is disclosing the template for asset managers for the first time this year. The subsidiaries covered by the asset manager KPI are Nordea Investment Funds S.A. and Nordea Funds Ltd. The type of assets which are assessed for Taxonomy eligibility and alignment in the template for asset managers were in financial year 2023 included in the Asset under Management KPI in the Credit institution template. The total covered assets is larger in financial year 2024 due to a methodological difference where exposures to non-NFDR undertakings are included in financial year 2024. Exposures to non-NFRD undertakings are therefore included in the total covered assets but not assessed for Taxonomy eligibility or alignment

The KPI of the template for asset managers is a weighted average of the value of investments in Taxonomy-aligned economic activities of investee companies as well as debt securities with the purpose of financing specifically identified activities or projects or environmentally sustainable bonds issued by an investee undertaking. They are assessed for Taxonomy eligibility and alignment based on the Taxonomy-eligible and aligned activities financed by the proceeds of the bonds and debt securities. The data is acquired from a third party service provider.

Data and methodology for the KPIs to be disclosed by investment firms

The templates for investment firms are also disclosed for the first time this year. They cover activities by Nordea Investment Management AB. Since Nordea Investment Management AB does not have a licence to deal on own account, the relevant KPI for Nordea is for services and activities other than dealing on own account. This KPI covers the Taxonomy eligible and aligned revenue which is the weighted average of the revenue (fees, commissions and other monetary benefits) in relation to the aggregate value of Taxonomy eligible and aligned economic activities within the activities of the customers. Currently, the only available data on Taxonomy-eligible and aligned economic activities of Nordea Investment Management AB's customers is that for customers that are Nordea Group entities. Customers which are Nordea Group entities and asset managers (Nordea Investment Funds S.A. and Nordea Funds Ltd) have been considered and the Green Investment Ratio in the asset manager template has been used to weigh the aggregate value of Taxonomy-aligned economic activities within the activities of the customers. The revenue from the internal Nordea Group customers for which data is available accounts for the vast majority of the revenue covered by the KPI.

EU Taxonomy disclosures, cont.

Table 1 – Weighted KPIs of financial conglomerate (turnover)

The table provides a weighted average of KPIs on Taxonomy eligible and aligned activities of the financial conglomerate. The KPIs are collected in the respective tables from the business areas and weighted based on the business areas proportion of group revenue.

			31 December 2024																													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)[1,2]				
	Revenue (EURm)	Proportion of group revenue	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
Banking[1,2]	10,906	90%	40.9%	3.6%	3.2%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	41.2%	3.6%	3.2%	0.0%	0.1%
Asset management[3]	498	4%	0.5%	0.1%	–	0.0%	0.0%	0.0%	0.0%	–	0.0%	0.0%	0.0%	–	–	0.0%	0.0%	–	–	0.0%	–	0.0%	–	0.0%	0.0%	–	–	0.6%	0.1%	–	0.0%	0.0%
Investment firms[4]	680	6%	0.6%	0.1%	–	0.0%	0.0%	0.0%	0.0%	–	0.0%	0.0%	0.0%	–	–	0.0%	0.0%	–	–	0.1%	–	0.0%	–	0.0%	0.0%	–	–	0.7%	0.1%	–	0.0%	0.0%
Total operating income	12,084	100%																														
Group average KPI			42.0%	3.8%	3.2%	0.0%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	42.5%	3.8%	3.2%	0.0%	0.1%

1) Banking includes all subsidiaries which are consolidated based on the equity method.
2) The Green Asset Ratio Stock is the main KPI of Nordea and is therefore used as the KPI for the banking business segment.
3) Asset management covers subsidiaries Nordea Investment Funds S.A . as well as Nordea Funds Ltd.
4) Investment firm covers Nordea Investment Management AB.

Table 2 – Weighted KPIs of financial conglomerate (CapEx)

The table provides a weighted average of KPIs on Taxonomy eligible and aligned activities of the financial conglomerate. The KPIs are collected in the respective tables from the business areas and weighted based on the business areas proportion of group revenue.

			31 December 2024																													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)[1,2]				
	Revenue (EURm	Proportion of group revenue	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling
Banking[1,2]	10,906	90%	41.2%	3.7%	3.2%	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	41.5%	3.7%	3.2%	0.1%	0.1%
Asset management[3]	498	4%	0.5%	0.1%	–	0.0%	0.0%	0.0%	0.0%	–	0.0%	0.0%	0.0%	–	–	0.0%	0.0%	–	–	0.0%	0.0%	–	–	0.0%	0.0%	–	–	0.6%	0.1%	–	0.0%	0.0%
Investment firms[4]	680	6%	0.7%	0.1%	–	0.0%	0.0%	0.0%	0.0%	–	0.0%	0.0%	0.0%	–	–	0.0%	0.0%	–	–	0.0%	0.0%	–	–	0.0%	0.0%	–	–	0.7%	0.1%	–	0.0%	0.0%
Total operating income	12,084	100%																														
Group average KPI			42.4%	4.0%	3.2%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	42.7%	4.0%	3.2%	0.1%	0.1%

1) Banking includes all subsidiaries which are consolidated based on the equity method.
2) The Green Asset Ratio Stock is the main KPI of Nordea and is therefore used as the KPI for the banking business segment.
3) Asset management covers subsidiaries Nordea Investment Funds S.A . as well as Nordea Funds Ltd.
4) Investment firm covers Nordea Investment Management AB.

Table 3 – 0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets[1] EURm	Total environmentally sustainable assets[2] EURm	KPI[1]	KPI[2]	% coverage (over total assets)[3]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	15,467	15,896	4.0%	4.1%	71.4%	28.4%	28.6%

		Total environmentally sustainable assets[1] EURm	Total environmentally sustainable assets[2] EURm	KPI[1]	KPI[2]	% coverage (over total assets)[3]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	3,460	3,766	3.4%	3.7%	89.9%	41.7%	10.1%
	Trading book[4]	–	–	–	–			
	Financial guarantees (stock)	23	31	0.9%	1.3%			
	Assets under management (stock)	22	25	2.0%	2.3%			
	Fees and commissions income[4]	–	–	–	–			

1) Based on the Turnover KPI of the counterparty.
2) Based on the CapEx KPI of the counterparty.
3) % of assets covered by the KPI over banks' total assets.
4) Not subject to disclosure until 2026.
Note: Cells shaded in grey across the templates are not subject to disclosure.

Table 4 – 1. Assets for the calculation of GAR (turnover)

The table provides information about the amount of assets in scope of the GAR disclosures.

31 December 2024

	EURm	Total [gross] carrying amount[1]	Climate Change Mitigation (CCM): Of which towards taxonomy relevant sectors (Taxonomy-eligible)	CCM: Of which environmentally sustainable (Taxonomy-aligned)	CCM: Of which Use of Proceeds	CCM: Of which transi-tional	CCM: Of which enabling	Climate Change Adaptation (CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible)	CCA: Of which environmentally sustainable (Taxonomy-aligned)	CCA: Of which Use of Proceeds	CCA: Of which enabling
	GAR – Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	231,204	174,134	15,436	13,720	168	228	416	10	0	10
2	Financial undertakings	28,808	11,221	974	0	60	19	0	0	0	0
3	Credit institutions	26,278	11,188	968	0	60	14	0	0	0	0
4	Loans and advances	3,274	1,124	109	0	14	1	0	0	0	0
5	Debt securities, including UoP	22,960	10,054	858	0	46	13	0	0	0	0
6	Equity instruments	44	10	1		0	0	0	0		0
7	Other financial corporations	2,530	33	6	0	0	5	0	0	0	0
8	of which investment firms	531	0	0	0	0	0	0	0	0	0
9	Loans and advances	531	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	–	–	–		–	–	–	–		–
12	of which management companies	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–	–		–
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–	–		–	–	–	–		–
20	Non-financial undertakings	13,239	3,071	742	0	108	209	416	10	0	10
21	Loans and advances	13,105	3,061	732	0	108	209	416	10	0	10
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	134	10	10		0	0	0	0		0
24	Households	187,375	159,842	13,720	13,720	0	0	0	0	0	0
25	of which loans collateralised by residential immovable property	169,547	153,801	13,708	13,708	0	0	0	0	0	0
26	of which building renovation loans	117	117	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	3,912	3,192	0	0	0	0				
28	Local governments financing	1,781	0	0	0	0	0	0	0	0	0
29	Housing financing	388	0	0	0	0	0	0	0	0	0
30	Other local government financing	1,393	0	0	0	0	0	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	1	0	0	0	0	0	0	0	0	0

	EURm	Water and marine resources (WTR): Of which towards taxonomy relevant sectors (Taxonomy-eligible)	WTR: Of which environmentally sustainable (Taxonomy-aligned)	WTR: Of which Use of Proceeds	WTR: Of which enabling	Circular economy (CE): Of which towards taxonomy relevant sectors (Taxonomy-eligible)	CE: Of which environmentally sustainable (Taxonomy-aligned)	CE: Of which Use of Proceeds	CE: Of which enabling	Pollution (PPC): Of which towards taxonomy relevant sectors (Taxonomy-eligible)	PPC: Of which environmentally sustainable (Taxonomy-aligned)	PPC: Of which Use of Proceeds	PPC: Of which enabling
	GAR – Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	21	0	0	1	627	21	0	0	61	0	0	0
2	Financial undertakings	0	0	0	0	1	0	0	0	0	0	0	0
3	Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0
5	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
6	Equity instruments	0	0		0	0	0		0	0	0		0
7	Other financial corporations	0	0	0	0	1	0	0	0	0	0	0	0
8	of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	–	–		–	–	–		–	–	–		–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–		–	–	–		–
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–		–	–	–		–
20	Non-financial undertakings	21	0	0	1	626	21	0	0	61	0	0	0
21	Loans and advances	21	0	0	1	622	21	0	0	52	0	0	0
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	0	0		0	4	0		0	9	0		0
24	Households					0	0	0	0				
25	of which loans collateralised by residential immovable property					0	0	0	0				
26	of which building renovation loans					0	0	0	0				
27	of which motor vehicle loans												
28	Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0

	EURm	Biodiversity and Ecosystems (BIO): Of which towards taxonomy relevant sectors (Taxonomy-eligible)	BIO: Of which environmentally sustainable (Taxonomy-aligned)	BIO: Of which Use of Proceeds	BIO: Of which enabling	TOTAL (CCM + CCA + WTR + CE + PPC + BIO): Of which towards taxonomy relevant sectors (Taxonomy-eligible)	TOTAL: Of which environmentally sustainable (Taxonomy-aligned)	TOTAL: Of which Use of Proceeds	TOTAL: Of which transi-tional	TOTAL: Of which enabling
	GAR – Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	184	0	0	0	175,443	15,467	13,720	168	239
2	Financial undertakings	0	0	0	0	11,222	974	0	60	19
3	Credit institutions	0	0	0	0	11,188	968	0	60	14
4	Loans and advances	0	0	0	0	1,124	109	0	14	1
5	Debt securities, including UoP	0	0	0	0	10,054	858	0	46	13
6	Equity instruments	0	0		0	10	1		0	0
7	Other financial corporations	0	0	0	0	34	6	0	0	5
8	of which investment firms	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0
11	Equity instruments	–	–		–	–	–		–	–
12	of which management companies	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–		–	–
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–		–	–
20	Non-financial undertakings	184	0	0	0	4,379	773	0	108	220
21	Loans and advances	184	0	0	0	4,356	763	0	108	220
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–
23	Equity instruments	0	0		0	23	10		0	0
24	Households					159,842	13,720	13,720	0	0
25	of which loans collateralised by residential immovable property					153,801	13,708	13,708	0	0
26	of which building renovation loans					117	0	0	0	0
27	of which motor vehicle loans					3,192	0	0	0	0
28	Local governments financing	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0

Table 4 – 1. Assets for the calculation of GAR (turnover), cont.

		31 December 2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
EURm	Total [gross] carrying amount[1]	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transi-tional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transi-tional	Of which enabling
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	152,891	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
33 Financial and Non-financial undertakings	129,030																														
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	117,760																														
35 Loans and advances	104,651																														
36 of which loans collateralised by commercial immovable property	25,468																														
37 of which building renovation loans																															
38 Debt securities	10,190																														
39 Equity instruments	2,919																														
40 Non-EU country counterparties not subject to NFRD disclosure obligations	11,270																														
41 Loans and advances	8,039																														
42 Debt securities	3,231																														
43 Equity instruments	0																														
44 Derivatives	4,067																														
45 On demand interbank loans	715																														
46 Cash and cash-related assets	212																														
47 Other categories of assets (e.g. Goodwill, commodities etc.)	18,867																														
48 Total GAR assets	384,095	174,134	15,436	13,720	168	228	416	10	–	10	21	–	–	1	627	21	–	–	61	–	–	–	184	–	–	–	175,443	15,467	13,720	168	239
49 Assets not covered for GAR calculation	154,028																														
50 Central governments and Supranational issuers	10,573																														
51 Central banks exposure	51,544																														
52 Trading book	91,911																														
53 Total assets	538,123																														
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations																															
54 Financial guarantees	2,438	39	23	0	10	2	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	42	23	0	10	2
55 Assets under management	1,099	38	14	0	2	4	24	5	0	1	0	0	0	0	20	0	0	0	18	0	0	0	0	0	0	0	104	22	0	2	5
56 Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57 Of which equity instruments	504	38	14	0	2	4	24	5	0	1	0	0	0	0	20	0	0	0	18	0	0	0	0	0	0	0	104	22	0	2	5

1) Exposure is defined as exposure for on-balance sheet items, with an adjustment for exposures reported under fair value (Nordea Realkreditaktieselskab).

Note: cells shaded in grey across the templates are not subject to disclosure.

Note: Although the disclosures this year only cover eligibility for activities under the Environmental Delegated Act and the amended Climate Delegated Act, some exposures have been included on alignment due to available data from undertakings.

EU Taxonomy disclosures, cont.

Table 4 – 1. Assets for the calculation of GAR (turnover) T-1

The table provides information about the amount of assets in scope of the GAR disclosures.

	EURm	Total [gross] carrying amount[1]	CCM					CCA				WTR				CE				PPC				BIO				TOTAL				
			T-1 31 December 2023																													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)[2]				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transi-tional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transi-tional	Of which enabling
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	197,352	148,431	11,816	11,176	212	0	0	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	158,903	11,839	11,176	212	186
2	Financial undertakings	24,554	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	8,481	–	–	–	–
3	Credit institutions	23,134	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	8,481	–	–	–	–
4	Loans and advances	2,310	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	776	–	–	–	–
5	Debt securities, including UoP	20,793	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	7,698	–	–	–	–
6	Equity instruments	31	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	7	–		–	–
7	Other financial corporations	1,420	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
8	of which investment firms	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
9	Loans and advances	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
11	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	0	–		–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
15	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	0	–		–	–
16	of which insurance undertakings	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
17	Loans and advances	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
19	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	0	–		–	–
20	Non-financial undertakings	10,375	–	640	–	212	–	–	23	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1,991	663	0	212	186
21	Loans and advances	10,242	–	640	–	212	–	–	23	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1,991	663	0	212	186
22	Debt securities, including UoP	0	–	0	–	0	–	–	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	0	0	0	0
23	Equity instruments	133	–	0		0	–	–	0		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	0		0	0
24	Households[3]	161,199	148,430	11,176	11,176	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	148,430	11,176	11,176	–	–
25	of which loans collateralised by residential immovable property	145,654	145,313	11,176	11,176	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	145,313	11,176	11,176	–	–
26	of which building renovation loans	97	97	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	97	–	–	–	–
27	of which motor vehicle loans	5,419	3,020	–	–	–	–					–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	3,020	–	–	–	–
28	Local governments financing	1,224	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	1,224	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	1	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	–	–	–	–

EU Taxonomy disclosures, cont.

Table 4 – 1. Assets for the calculation of GAR (turnover) T-1, cont.

		T-1 31 December 2023																												
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)[2]				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
EURm	Total [gross] carrying amount[1]			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	157,325	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
33 Financial and Non-financial undertakings	129,368																														
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	120,079																														
35 Loans and advances	110,255																														
36 of which loans collateralised by commercial immovable property	27,542																														
37 of which building renovation loans																															
38 Debt securities	7,060																														
39 Equity instruments	2,764																														
40 Non-EU country counterparties not subject to NFRD disclosure obligations	9,288																														
41 Loans and advances	8,571																														
42 Debt securities	718																														
43 Equity instruments	0																														
44 Derivatives	4,508																														
45 On demand interbank loans	576																														
46 Cash and cash-related assets	268																														
47 Other categories of assets (e.g. Goodwill, commodities etc.)	22,605																														
48 Total GAR assets	372,494	148,431	11,816	11,176	212	–	–	23	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	158,903	11,839	11,176	212	186
49 Assets not covered for GAR calculation	140,365																														
50 Central governments and Supranational issuers	14,544																														
51 Central banks exposure	51,987																														
52 Trading book	73,834																														
53 Total assets	512,859																														
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations[4]																															
54 Financial guarantees	195	7	5	0	0	2	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	7	5	0	0	2
55 Assets under management	712	34	15	0	1	3	29	1	0	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	64	16	0	1	4
56 Of which debt securities	0	0	0	0	0	0	0	0	0	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	0	0	0	0
57 Of which equity instruments	475	34	15	0	1	3	29	1	0	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	64	16	0	1	4

1) Exposure is defined as exposure for on-balance sheet items, with an adjustment for exposures reported under fair value (Nordea Realkreditaktieselskab).
2) Only totals are populated, with eligibility for CCM/CCA left blank, reflecting the underlying NFRD reported data.
3) T-1 (2023) figures are adjusted based on the methodology improvements on how to assess the Taxonomy alignment of mortgages.
4) T-1 (2023) figures are adjusted based on the methodology improvement, which includes all exposures (including non-NFRD undertakings) in the gross carrying amount to enhance comparability between the years.
Note: cells shaded in grey across the templates are not subject to disclosure.

Table 5 – 1. Assets for the calculation of GAR (CapEx)

The table provides information about the amount of assets in scope of the GAR disclosures.

			31 December 2024																															
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
	EURm	Total [gross] carrying amount[1]			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
	GAR – Covered assets in both numerator and denominator																																	
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	231,204	175,471	15,879	13,720	273	276	613	1	0	1	16	1	0	0	272	15	0	0	102	0	0	0	77	0	0	0	176,551	15,896	13,720	273	277
2	Financial undertakings	28,808	11,209	1,034	0	61	18	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	11,211	1,034	0	61	18
3	Credit institutions	26,278	9,574	810	0	61	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	9,574	810	0	61	11
4	Loans and advances	3,274	1,110	110	0	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,110	110	0	14	0
5	Debt securities, including UoP	22,960	8,455	699	0	47	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,455	699	0	47	11
6	Equity instruments	44	9	1		0	0	0	0		0	0	0		0	0	0		0	0	0		0	0	0		0	9	1		0	0
7	Other financial corporations	2,530	1,635	224	0	0	7	1	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	1,637	224	0	0	7
8	of which investment firms	531	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	531	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–
16	of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–
20	Non-financial undertakings	13,239	4,420	1,125	0	212	258	612	1	0	1	16	1	0	0	271	15	0	0	102	0	0	0	77	0	0	0	5,498	1,142	0	212	259
21	Loans and advances	13,105	4,368	1,113	0	212	257	589	1	0	1	16	1	0	0	271	15	0	0	96	0	0	0	77	0	0	0	5,417	1,130	0	212	258
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	134	52	12		0	1	23	0		0	0	0		0	0	0		0	6	0		0	0	0		0	81	12		0	1
24	Households	187,375	159,842	13,720	13,720	0	0	0	0	0	0					0	0	0	0									159,842	13,720	13,720	0	0
25	of which loans collateralised by residential immovable property	169,547	153,801	13,708	13,708	0	0	0	0	0	0					0	0	0	0									153,801	13,708	13,708	0	0
26	of which building renovation loans	117	117	0	0	0	0	0	0	0	0					0	0	0	0									117	0	0	0	0
27	of which motor vehicle loans	3,912	3,192	0	0	0	0																					3,192	0	0	0	0
28	Local governments financing	1,781	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	388	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	1,393	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

EU Taxonomy disclosures, cont.

Table 5 – 1. Assets for the calculation of GAR (CapEx), cont.

			31 December 2024																												
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
	EURm	Total [gross] carrying amount[1]			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	152,891	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
33	Financial and Non-financial undertakings	129,030																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	117,760																														
35	Loans and advances	104,651																														
36	of which loans collateralised by commercial immovable property	25,468																														
37	of which building renovation loans																															
38	Debt securities	10,190																														
39	Equity instruments	2,919																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	11,270																														
41	Loans and advances	8,039																														
42	Debt securities	3,231																														
43	Equity instruments	0																														
44	Derivatives	4,067																														
45	On demand interbank loans	715																														
46	Cash and cash-related assets	212																														
47	Other categories of assets (e.g. Goodwill, commodities etc.)	18,867																														
48	Total GAR assets	384,095	175,471	15,879	13,720	273	276	613	1	0	1	16	1	0	0	272	15	0	0	102	0	0	0	77	0	0	0	176,551	15,896	13,720	273	277
49	Assets not covered for GAR calculation	154,028																														
50	Central governments and Supranational issuers	10,573																														
51	Central banks exposure	51,544																														
52	Trading book	91,911																														
53	Total assets	538,123																														
	Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations																															
54	Financial guarantees	2,438	74	31	0	4	2	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	76	31	0	4	2
55	Assets under management	1,099	63	22	0	2	6	0	0	0	0	0	0	0	0	13	3	0	0	10	0	0	0	0	0	0	0	87	25	0	2	6
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	504	63	22	0	2	6	0	0	0	0	0	0	0	0	13	3	0	0	10	0	0	0	0	0	0	0	87	25	0	2	6

1) Exposure is defined as exposure for on-balance sheet items, with an adjustment for exposures reported under fair value (Nordea Realkreditaktieselskab).

Note: cells shaded in grey across the templates are not subject to disclosure.

Note: Although the disclosures this year only cover eligibility for activities under the Environmental Delegated Act and the amended Climate Delegated Act, some exposures have been included on alignment due to available data from undertakings.

EU Taxonomy disclosures, cont.

Table 5 – 1. Assets for the calculation of GAR (CapEx) T-1

The table provides information about the amount of assets in scope of the GAR disclosures.

			T-1 31 December 2023																													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)[2]				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
	EURm	Total [gross] carrying amount[1]			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	197,351	148,429	11,946	11,176	91	0	0	25	0	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	159,716	11,972	11,176	91	193
2	Financial undertakings	24,554	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	8,481	–	–	–	–
3	Credit institutions	23,134	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	8,481	–	–	–	–
4	Loans and advances	2,310	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	776	–	–	–	–
5	Debt securities, including UoP	20,793	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	7,698	–	–	–	–
6	Equity instruments	31	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	7	–		–	–
7	Other financial corporations	1,420	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
8	of which investment firms	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
9	Loans and advances	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
11	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	0	–		–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
15	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	0	–		–	–
16	of which insurance undertakings	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
17	Loans and advances	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
19	Equity instruments	–	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	0	–		–	–
20	Non-financial undertakings	10,375	–	770	–	91	–	–	25	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2,806	795	0	91	193
21	Loans and advances	10,242	–	770	–	91	–	–	25	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2,806	795	0	91	192
22	Debt securities, including UoP	0	–	0	–	0	–	–	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	0	0	0	0
23	Equity instruments	133	–	0		0	–	–	0		–	–	–		–	–	–		–	–	–		–	–	–		–	0	0		0	1
24	Households[3]	161,198	148,428	11,176	11,176	–	–	–	–	–	–					–	–	–	–									148,428	11,176	11,176	–	–
25	of which loans collateralised by residential immovable property	145,653	145,312	11,176	11,176	–	–	–	–	–	–					–	–	–	–									145,312	11,176	11,176	–	–
26	of which building renovation loans	97	97	–	–	–	–	–	–	–	–					–	–	–	–									97	–	–	–	–
27	of which motor vehicle loans	5,419	3,020	–	–	–	–																					3,020	–	–	–	–
28	Local governments financing	1,224	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	1,224	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	–	–	–	–
31	Collateral obtained by taking possession: residential and commercial immovable properties	1	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1	–	–	–	–

Table 5 – 1. Assets for the calculation of GAR (CapEx) T-1, cont.

EURm	Total [gross] carrying amount[1]	T-1 31 December 2023																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)[2]				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transi-tional	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)	Of which Use of Proceeds	Of which transi-tional	Of which enabling
32 Assets excluded from the numerator for GAR calculation (covered in the denominator)	157,325	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
33 Financial and Non-financial undertakings	129,368																														
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	120,079																														
35 Loans and advances	110,255																														
36 of which loans collateralised by commercial immovable property	27,542																														
37 of which building renovation loans	–																														
38 Debt securities	7,060																														
39 Equity instruments	2,764																														
40 Non-EU country counterparties not subject to NFRD disclosure obligations	9,288																														
41 Loans and advances	8,571																														
42 Debt securities	718																														
43 Equity instruments	0																														
44 Derivatives	4,508																														
45 On demand interbank loans	576																														
46 Cash and cash-related assets	268																														
47 Other categories of assets (e.g. Goodwill, commodities etc.)	22,605																														
48 Total GAR assets	372,494	148,429	11,946	11,176	91	0	0	25	0	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	159,716	11,972	11,176	91	193
49 Assets not covered for GAR calculation	140,365																														
50 Central governments and Supranational issuers	14,544																														
51 Central banks exposure	51,987																														
52 Trading book	73,834																														
53 Total assets	512,859																														
Off-balance sheet exposures – Undertakings subject to NFRD disclosure obligations[4]																															
54 Financial guarantees	195	10	8	0	0	1	1	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	11	8	0	0	1
55 Assets under management	712	60	27	0	3	4	0	0	0	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	61	27	0	3	4
56 Of which debt securities	0	0	0	0	0	0	0	0	0	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0	0	0	0	0
57 Of which equity instruments	475	60	27	0	3	4	0	0	0	0	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	61	27	0	3	4

1) Exposure is defined as exposure for on-balance sheet items, with an adjustment for exposures reported under fair value (Nordea Realkreditaktieselskab).
2) Only totals are populated, with eligibility for CCM/CCA left blank, reflecting the underlying NFRD reported data.
3) T-1 (2023) figures are adjusted based on the methodology improvements on how to assess the Taxonomy alignment of mortgages.
4) T-1 (2023) figures are adjusted based on the methodology improvement, which includes all exposures (including non-NFRD undertakings) in the gross carrying amount to enhance comparability between the years.
Note: cells shaded in grey across the templates are not subject to disclosure.

Table 6 – 2. GAR sector information (turnover) 31 December 2024

The table provides information about the proportion of EU taxonomy eligible and the proportion of taxonomy aligned exposures in the banking book towards those sectors covered in the EU taxonomy.

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
EURm		[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (WTR)	[Gross] carrying amount	Of which environmentally sustainable (WTR)	[Gross] carrying amount	Of which environmentally sustainable (CE)	[Gross] carrying amount	Of which environmentally sustainable (CE)	[Gross] carrying amount	Of which environmentally sustainable (PPC)	[Gross] carrying amount	Of which environmentally sustainable (PPC)	[Gross] carrying amount	Of which environmentally sustainable (BIO)	[Gross] carrying amount	Of which environmentally sustainable (BIO)	[Gross] carrying amount	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	[Gross] carrying amount	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
A.02.40	Support services to forestry	1	0			0	0			0	0			0	0			0	0			0	0			1	0		
C.11.01	Distilling, rectifying and blending of spirits	1	0			0	0			0	0			0	0			0	0			0	0			1	0		
C.16.23	Manufacture of other builders' carpentry and joinery	98	18			0	0			0	0			0	0			0	0			0	0			98	18		
C.17.11	Manufacture of pulp	3	1			0	0			0	0			0	0			0	0			0	0			3	1		
C.17.12	Manufacture of paper and paperboard	8	6			0	0			0	0			0	0			0	0			0	0			8	6		
C.17.29	Manufacture of other articles of paper and paperboard	13	0			0	0			0	0			0	0			0	0			0	0			13	0		
C.20.13	Manufacture of other inorganic basic chemicals	21	0			0	0			0	0			0	0			0	0			0	0			21	0		
C.21.20	Manufacture of pharmaceutical preparations	0	0			0	0			0	0			0	0			51	0			0	0			51	0		
C.22.11	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	2	2			0	0			0	0			1	0			0	0			0	0			3	2		
C.22.21	Manufacture of plastic plates, sheets, tubes and profiles	2	2			0	0			0	0			0	0			0	0			0	0			2	2		
C.23.61	Manufacture of concrete products for construction purposes	17	0			0	0			0	0			0	0			0	0			0	0			17	0		
C.25.93	Manufacture of wire products, chain and springs	4	4			0	0			0	0			2	0			0	0			0	0			6	4		
C.25.99	Manufacture of other fabricated metal products n.e.c.	2	1			0	0			0	0			0	0			0	0			0	0			2	1		
C.26.11	Manufacture of electronic components	7	7			0	0			0	0			0	0			0	0			0	0			7	7		
C.26.30	Manufacture of communication equipment	1	1			0	0			0	0			0	0			0	0			0	0			1	1		
C.26.60	Manufacture of irradiation, electromedical and electrotherapeutic equipment	0	0			0	0			0	0			84	0			0	0			0	0			84	0		
C.28.11	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	1	0			0	0			0	0			0	0			0	0			0	0			1	0		
C.28.25	Manufacture of non-domestic cooling and ventilation equipment	20	13			0	0			0	0			0	0			0	0			0	0			20	13		
C.28.30	Manufacture of agricultural and forestry machinery	0	0			0	0			0	0			3	0			0	0			0	0			3	0		
C.28.95	Manufacture of machinery for paper and paperboard production	8	6			0	0			0	0			26	0			0	0			0	0			34	6		
C.28.99	Manufacture of other special-purpose machinery n.e.c.	9	9			7	0			7	0			22	16			7	0			7	0			59	25		
C.29.10	Manufacture of motor vehicles	232	0			0	0			0	0			0	0			0	0			0	0			232	0		
C.31.01	Manufacture of office and shop furniture	2	0			0	0			0	0			7	0			0	0			0	0			9	0		
C.32.50	Manufacture of medical and dental instruments and supplies	16	0			0	0			0	0			3	0			1	0			0	0			20	0		
D.35.11	Production of electricity	111	105			0	0			0	0			0	0			0	0			0	0			111	105		
E.38.11	Collection of non-hazardous waste	2	1			0	0			0	0			0	0			0	0			0	0			2	1		
F.41.10	Development of building projects	93	3			65	0			0	0			2	0			0	0			1	0			161	3		
F.41.20	Construction of residential and non-residential buildings	86	4			5	0			1	0			60	0			0	0			0	0			152	4		
F.42.99	Construction of other civil engineering projects n.e.c.	1	1			1	0			0	0			0	0			0	0			0	0			2	1		
F.43.12	Site preparation	4	0			4	0			1	0			3	0			0	0			0	0			12	0		
F.43.22	Plumbing, heat and air-conditioning installation	58	5			0	0			11	0			1	0			0	0			1	0			71	5		
F.43.99	Other specialised construction activities n.e.c.	24	6			0	0			0	0			0	0			0	0			0	0			24	6		
G.46.21	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	0	0			0	0			0	0			1	1			0	0			0	0			1	1		
G.46.49	Wholesale of other household goods	11	0			0	0			0	0			73	0			0	0			0	0			84	0		

Note: Includes information on eligible and aligned exposures which has a principal NACE code identified in a delegated act to the Taxonomy Regulation.
Note: cells shaded in grey across the templates are not subject to disclosure.

Table 6 – 2. GAR sector information (turnover) 31 December 2024, cont.

The table provides information about the proportion of EU taxonomy eligible and the proportion of taxonomy aligned exposures in the banking book towards those sectors covered in the EU taxonomy.

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
EURm		[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (WTR)	[Gross] carrying amount	Of which environmentally sustainable (WTR)	[Gross] carrying amount	Of which environmentally sustainable (CE)	[Gross] carrying amount	Of which environmentally sustainable (CE)	[Gross] carrying amount	Of which environmentally sustainable (PPC)	[Gross] carrying amount	Of which environmentally sustainable (PPC)	[Gross] carrying amount	Of which environmentally sustainable (BIO)	[Gross] carrying amount	Of which environmentally sustainable (BIO)	[Gross] carrying amount	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	[Gross] carrying amount	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
G.46.63	Wholesale of mining, construction and civil engineering machinery	0	0			0	0			0	0			14	0			0	0			0	0			14	0		
G.46.71	Wholesale of solid, liquid and gaseous fuels and related products	2	0			0	0			0	0			0	0			0	0			0	0			2	0		
G.46.72	Wholesale of metals and metal ores	3	1			0	0			0	0			0	0			0	0			0	0			3	1		
G.46.75	Wholesale of chemical products	11	1			0	0			0	0			0	0			0	0			0	0			11	1		
G.46.90	Non-specialised wholesale trade	0	0			0	0			0	0			4	0			0	0			0	0			4	0		
G.47.64	Retail sale of sporting equipment in specialised stores	0	0			0	0			0	0			1	1			0	0			0	0			1	1		
H.49.10	Passenger rail transport, interurban	17	10			0	0			0	0			0	0			0	0			0	0			17	10		
H.50.10	Sea and coastal passenger water transport	129	48			110	0			0	0			0	0			0	0			1	0			240	48		
H.50.20	Sea and coastal freight water transport	298	30			147	0			0	0			0	0			0	0			0	0			445	30		
H.52.22	Service activities incidental to water transportation	2	0			0	0			0	0			0	0			0	0			0	0			2	0		
H.52.23	Service activities incidental to air transportation	36	0			0	0			0	0			1	0			0	0			7	0			44	0		
J.61.10	Wired telecommunications activities	131	128			0	0			0	0			0	0			0	0			0	0			131	128		
J.61.20	Wireless telecommunications activities	8	8			0	0			0	0			0	0			0	0			0	0			8	8		
J.61.90	Other telecommunications activities	2	2			0	0			0	0			0	0			0	0			0	0			2	2		
J.62.02	Computer consultancy activities	1	1			0	0			0	0			0	0			0	0			0	0			1	1		
J.62.03	Computer facilities management activities	43	0			0	0			0	0			2	0			0	0			0	0			45	0		
L.68.10	Buying and selling of own real estate	35	3			0	0			0	0			9	0			0	0			0	0			44	3		
L.68.20	Renting and operating of own or leased real estate	920	103			24	0			1	0			170	0			0	0			63	0			1 178	103		
L.68.32	Management of real estate on a fee or contract basis	12	5			0	0			0	0			0	0			0	0			0	0			12	5		
M.71.11	Architectural activities	49	0			0	0			0	0			0	0			0	0			0	0			49	0		
M.71.12	Engineering activities and related technical consultancy	2	0			0	0			0	0			12	0			0	0			0	0			14	0		

Note: Includes information on eligible and aligned exposures which has a principal NACE code identified in a delegated act to the Taxonomy Regulation.
Note: cells shaded in grey across the templates are not subject to disclosure.

Table 7 – 2. GAR sector information (CapEx) 31 December 2024

The table provides information about the proportion of EU taxonomy eligible and the proportion of taxonomy aligned exposures in the banking book towards those sectors covered in the EU taxonomy.

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
EURm		[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (WTR)	[Gross] carrying amount	Of which environmentally sustainable (WTR)	[Gross] carrying amount	Of which environmentally sustainable (CE)	[Gross] carrying amount	Of which environmentally sustainable (CE)	[Gross] carrying amount	Of which environmentally sustainable (PPC)	[Gross] carrying amount	Of which environmentally sustainable (PPC)	[Gross] carrying amount	Of which environmentally sustainable (BIO)	[Gross] carrying amount	Of which environmentally sustainable (BIO)	[Gross] carrying amount	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	[Gross] carrying amount	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
A.02.40	Support services to forestry	1	1			0	0			0	0			0	0			0	0			0	0			1	1		
C.10.13	Production of meat and poultry meat products	34	0			34	0			0	0			33	0			0	0			0	0			101	0		
C.10.20	Processing and preserving of fish, crustaceans and molluscs	9	6			0	0			0	0			0	0			0	0			0	0			9	6		
C.10.89	Manufacture of other food products n.e.c.	21	0			21	0			0	0			0	0			0	0			0	0			42	0		
C.11.05	Manufacture of beer	2	0			0	0			0	0			0	0			0	0			0	0			2	0		
C.16.23	Manufacture of other builders' carpentry and joinery	101	4			0	0			0	0			0	0			0	0			0	0			101	4		
C.17.11	Manufacture of pulp	13	3			0	0			0	0			0	0			0	0			0	0			13	3		
C.17.12	Manufacture of paper and paperboard	12	9			0	0			0	0			0	0			0	0			0	0			12	9		
C.17.29	Manufacture of other articles of paper and paperboard	4	0			0	0			0	0			0	0			0	0			0	0			4	0		
C.20.13	Manufacture of other inorganic basic chemicals	35	0			0	0			0	0			0	0			0	0			0	0			35	0		
C.21.20	Manufacture of pharmaceutical preparations	0	0			0	0			0	0			0	0			98	0			0	0			98	0		
C.22.11	Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres	1	1			0	0			0	0			0	0			0	0			0	0			1	1		
C.22.21	Manufacture of plastic plates, sheets, tubes and profiles	1	1			0	0			0	0			0	0			0	0			0	0			1	1		
C.22.22	Manufacture of plastic packing goods	1	0			1	0			0	0			1	0			0	0			0	0			3	0		
C.23.61	Manufacture of concrete products for construction purposes	39	0			0	0			0	0			0	0			0	0			0	0			39	0		
C.25.93	Manufacture of wire products, chain and springs	6	0			0	0			0	0			0	0			0	0			0	0			6	0		
C.25.99	Manufacture of other fabricated metal products n.e.c.	2	2			0	0			0	0			0	0			0	0			0	0			2	2		
C.26.11	Manufacture of electronic components	6	5			1	1			0	0			0	0			0	0			0	0			7	6		
C.26.30	Manufacture of communication equipment	1	1			0	0			0	0			0	0			0	0			0	0			1	1		
C.26.60	Manufacture of irradiation, electromedical and electrotherapeutic equipment	2	0			2	0			0	0			0	0			0	0			0	0			4	0		
C.28.11	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	1	0			0	0			0	0			0	0			0	0			0	0			1	0		
C.28.25	Manufacture of non-domestic cooling and ventilation equipment	19	15			0	0			0	0			0	0			0	0			0	0			19	15		
C.28.30	Manufacture of agricultural and forestry machinery	1	0			6	0			0	0			0	0			0	0			0	0			7	0		
C.28.95	Manufacture of machinery for paper and paperboard production	1	1			0	0			0	0			12	0			0	0			0	0			13	1		
C.28.99	Manufacture of other special-purpose machinery n.e.c.	7	6			5	0			5	0			18	13			5	0			5	0			45	19		
C.29.10	Manufacture of motor vehicles	274	0			0	0			0	0			0	0			0	0			0	0			274	0		
C.29.32	Manufacture of other parts and accessories for motor vehicles	9	4			0	0			0	0			0	0			0	0			0	0			9	4		
C.31.01	Manufacture of office and shop furniture	6	4			0	0			0	0			6	0			0	0			0	0			12	4		
C.32.12	Manufacture of jewellery and related articles	9	0			11	0			0	0			0	0			0	0			0	0			20	0		
C.32.50	Manufacture of medical and dental instruments and supplies	22	12			0	0			0	0			0	0			0	0			0	0			22	12		
D.35.11	Production of electricity	124	116			2	0			0	0			0	0			0	0			0	0			126	116		
E.38.11	Collection of non-hazardous waste	3	2			2	0			0	0			1	0			0	0			0	0			6	2		
F.41.10	Development of building projects	91	1			89	0			0	0			3	0			0	0			0	0			183	1		
F.41.20	Construction of residential and non-residential buildings	43	24			3	0			0	0			14	0			0	0			0	0			60	24		
F.43.12	Site preparation	2	0			2	0			0	0			1	0			0	0			0	0			5	0		
F.43.22	Plumbing, heat and air-conditioning installation	43	5			0	0			9	0			1	0			0	0			0	0			53	5		

Note: Includes information on eligible and aligned exposures which has a principal NACE code identified in a delegated act to the Taxonomy Regulation.
Note: cells shaded in grey across the templates are not subject to disclosure.

Table 7 – 2. GAR sector information (CapEx) 31 December 2024, cont.

The table provides information about the proportion of EU taxonomy eligible and the proportion of taxonomy aligned exposures in the banking book towards those sectors covered in the EU taxonomy.

Breakdown by sector - NACE 4 digits level (code and label)		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
EURm		[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCM)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (CCA)	[Gross] carrying amount	Of which environmentally sustainable (WTR)	[Gross] carrying amount	Of which environmentally sustainable (WTR)	[Gross] carrying amount	Of which environmentally sustainable (CE)	[Gross] carrying amount	Of which environmentally sustainable (CE)	[Gross] carrying amount	Of which environmentally sustainable (PPC)	[Gross] carrying amount	Of which environmentally sustainable (PPC)	[Gross] carrying amount	Of which environmentally sustainable (BIO)	[Gross] carrying amount	Of which environmentally sustainable (BIO)	[Gross] carrying amount	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	[Gross] carrying amount	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
F.43.99	Other specialised construction activities n.e.c.	17	2			0	0			0	0			0	0			0	0			0	0			17	2		
G.46.21	Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	9	4			0	0			0	0			0	0			0	0			0	0			9	4		
G.46.43	Wholesale of electrical household appliances	1	0			1	0			0	0			0	0			0	0			0	0			2	0		
G.46.48	Wholesale of watches and jewellery	19	0			22	0			0	0			0	0			0	0			0	0			41	0		
G.46.49	Wholesale of other household goods	128	0			0	0			0	0			0	0			0	0			0	0			128	0		
G.46.63	Wholesale of mining, construction and civil engineering machinery	11	11			0	0			0	0			0	0			0	0			0	0			11	11		
G.46.71	Wholesale of solid, liquid and gaseous fuels and related products	3	0			0	0			0	0			0	0			0	0			0	0			3	0		
G.46.72	Wholesale of metals and metal ores	4	1			0	0			0	0			0	0			0	0			0	0			4	1		
G.46.75	Wholesale of chemical products	29	20			0	0			0	0			0	0			0	0			0	0			29	20		
G.46.90	Non-specialised wholesale trade	119	17			0	0			0	0			0	0			0	0			0	0			119	17		
G.47.91	Retail sale via mail order houses or via Internet	90	0			0	0			0	0			0	0			0	0			0	0			90	0		
H.49.10	Passenger rail transport, interurban	18	17			0	0			0	0			0	0			0	0			0	0			18	17		
H.50.10	Sea and coastal passenger water transport	158	44			126	0			0	0			0	0			0	0			1	0			285	44		
H.50.20	Sea and coastal freight water transport	252	40			95	0			0	0			0	0			0	0			0	0			347	40		
H.52.22	Service activities incidental to water transportation	7	0			0	0			0	0			0	0			0	0			0	0			7	0		
H.52.23	Service activities incidental to air transportation	47	1			1	0			0	0			2	0			0	0			0	0			50	1		
H.52.29	Other transportation support activities	19	0			0	0			0	0			0	0			0	0			0	0			19	0		
J.58.29	Other software publishing	0	0			1	0			0	0			0	0			0	0			0	0			1	0		
J.61.10	Wired telecommunications activities	90	69			0	0			0	0			0	0			0	0			0	0			90	69		
J.61.20	Wireless telecommunications activities	5	4			0	0			0	0			0	0			0	0			0	0			5	4		
J.61.90	Other telecommunications activities	2	2			0	0			0	0			0	0			0	0			0	0			2	2		
J.62.02	Computer consultancy activities	1	1			0	0			0	0			0	0			0	0			0	0			1	1		
J.62.03	Computer facilities management activities	137	0			0	0			0	0			2	0			0	0			0	0			139	0		
L.68.10	Buying and selling of own real estate	32	13			6	0			0	0			4	0			0	0			0	0			42	13		
L.68.20	Renting and operating of own or leased real estate	988	294			63	0			0	0			59	0			0	0			0	0			1 110	294		
L.68.32	Management of real estate on a fee or contract basis	16	11			11	0			0	0			4	0			0	0			0	0			31	11		
M.71.11	Architectural activities	44	18			0	0			0	0			0	0			0	0			0	0			44	18		
M.71.12	Engineering activities and related technical consultancy	3	0			0	0			0	0			1	0			0	0			0	0			4	0		
M.72.19	Other research and experimental development on natural sciences and engineering	121	17			0	0			0	0			0	0			0	0			0	0			121	17		
Q.86.10	Hospital activities	25	0			25	0			0	0			0	0			0	0			0	0			50	0		

Note: Includes information on eligible and aligned exposures which has a principal NACE code identified in a delegated act to the Taxonomy Regulation.
Note: cells shaded in grey across the templates are not subject to disclosure.

Table 8 – 3. GAR KPI stock (turnover)

The table provides information about the proportion of taxonomy eligible and the proportion of taxonomy aligned assets compared to total covered assets. The GAR KPI stock is based on the data disclosed within template 1.

	% (compared to total covered assets in the denominator)	31 December 2024 – Climate Change Mitigation (CCM): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	CCM: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	CCM: Of which Use of Proceeds	CCM: Of which transitional	CCM: Of which enabling	Climate Change Adaptation (CCA): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	CCA: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	CCA: Of which Use of Proceeds	CCA: Of which enabling	Water and marine resources (WTR): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	WTR: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	WTR: Of which Use of Proceeds	WTR: Of which enabling	Circular economy (CE): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	CE: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	CE: Of which Use of Proceeds	CE: Of which enabling	Pollution (PPC): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	PPC: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	PPC: Of which Use of Proceeds	PPC: Of which enabling	Biodiversity and Ecosystems (BIO): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	BIO: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	BIO: Of which Use of Proceeds	BIO: Of which enabling	TOTAL (CCM + CCA + WTR + CE + PPC + BIO): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	TOTAL: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	TOTAL: Of which Use of Proceeds	TOTAL: Of which transitional	TOTAL: Of which enabling	Proportion of total assets covered
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances. debt securities and equity instruments not HfT eligible for GAR calculation	45.3%	4.0%	3.6%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	45.7%	4.0%	3.6%	0.0%	0.1%	43.0%
2	Financial undertakings	2.9%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%	0.3%	0.0%	0.0%	0.0%	5.4%
3	Credit institutions	2.9%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%	0.3%	0.0%	0.0%	0.0%	4.9%
4	Loans and advances	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.6%
5	Debt securities. including UoP	2.6%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%	0.2%	0.0%	0.0%	0.0%	4.3%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
10	Debt securities. including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities. including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities. including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
20	Non-financial undertakings	0.8%	0.2%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	0.2%	0.0%	0.0%	0.1%	2.5%
21	Loans and advances	0.8%	0.2%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	0.2%	0.0%	0.0%	0.1%	2.4%
22	Debt securities. including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
24	Households	41.6%	3.6%	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									41.6%	3.6%	3.6%	0.0%	0.0%	34.8%
25	of which loans collateralised by residential immovable property	40.0%	3.6%	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									40.0%	3.6%	3.6%	0.0%	0.0%	31.5%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	0.8%	0.0%	0.0%	0.0%	0.0%																					0.8%	0.0%	0.0%	0.0%	0.0%	0.7%
28	Local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	45.3%	4.0%	3.6%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	45.7%	4.0%	3.6%	0.0%	0.1%	71.4%

Note: cells shaded in grey across the templates are not subject to disclosure.

Table 8 – 3. GAR KPI stock (turnover) T-1, cont.

	% (compared to total covered assets in the denominator)	T-1 31 December 2023																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)[1]					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	39.8%	3.2%	3.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	42.7%	3.2%	3.0%	0.1%	0.0%	38.5%
2	Financial undertakings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2.3%	–	–	–	–	4.8%
3	Credit institutions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2.3%	–	–	–	–	4.5%
4	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.2%	–	–	–	–	0.5%
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2.1%	–	–	–	–	4.1%
6	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	0.0%	–		–	–	0.0%
7	Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–	–	0.3%
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–	–	0.0%
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	0.0%	–	0.0%
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
16	of which insurance undertakings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–	–	–
17	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–	–	–
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
20	Non-financial undertakings	–	0.2%	–	0.1%	–	–	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.5%	0.2%	0.0%	0.1%	0.0%	2.0%
21	Loans and advances	–	0.2%	–	0.1%	–	–	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.5%	0.2%	0.0%	0.1%	0.0%	2.0%
22	Debt securities, including UoP	–	0.0%	–	0.0%	–	–	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	–	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	–	–		–	–	–	–	–	–	–		–	–	–		–	0.0%	0.0%		0.0%	0.0%	0.0%
24	Households	39.8%	3.0%	3.0%	–	–	–	–	–	–					–	–	–	–									39.8%	3.0%	3.0%	–	–	31.4%
25	of which loans collateralised by residential immovable property	39.0%	3.0%	3.0%	–	–	–	–	–	–					–	–	–	–									39.0%	3.0%	3.0%	–	–	28.4%
26	of which building renovation loans	0.0%	–	–	–	–	–	–	–	–					–	–	–	–									0.0%	–	–	–	–	0.0%
27	of which motor vehicle loans	0.8%	–	–	–	–																					0.8%	–	–	–	–	1.1%
28	Local governments financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–	–	0.2%
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–	–	0.2%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–	–	0.0%
32	**Total GAR assets**	39.8%	3.2%	3.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	42.7%	3.2%	3.0%	0.1%	0.0%	72.6%

Note: cells shaded in grey across the templates are not subject to disclosure.

1) Only totals are populated, with eligibility for CCM/CCA left blank, reflecting the underlying NFRD reported data.

EU Taxonomy disclosures, cont.

Table 9 – 3. GAR KPI stock (CapEx)

The table provides information about the proportion of taxonomy eligible and the proportion of taxonomy aligned assets compared to total covered assets. The GAR KPI stock is based on the data disclosed within template 1.

	31 December 2024																															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	45.7%	4.1%	3.6%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	46.0%	4.1%	3.6%	0.1%	0.1%	43.0%
2	Financial undertakings	2.9%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%	0.3%	0.0%	0.0%	0.0%	5.4%
3	Credit institutions	2.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	0.2%	0.0%	0.0%	0.0%	4.9%
4	Loans and advances	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.6%
5	Debt securities, including UoP	2.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.2%	0.2%	0.0%	0.0%	0.0%	4.3%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
7	Other financial corporations	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.1%	0.0%	0.0%	0.0%	0.5%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
20	Non-financial undertakings	1.2%	0.3%	0.0%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	0.3%	0.0%	0.1%	0.1%	2.5%
21	Loans and advances	1.1%	0.3%	0.0%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	0.3%	0.0%	0.1%	0.1%	2.4%
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
24	Households	41.6%	3.6%	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									41.6%	3.6%	3.6%	0.0%	0.0%	34.8%
25	of which loans collateralised by residential immovable property	40.0%	3.6%	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									40.0%	3.6%	3.6%	0.0%	0.0%	31.5%
26	of which building renovation loans	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	0.8%	0.0%	0.0%	0.0%	0.0%																					0.8%	0.0%	0.0%	0.0%	0.0%	0.7%
28	Local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	45.7%	4.1%	3.6%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	46.0%	4.1%	3.6%	0.1%	0.1%	71.4%

Note: cells shaded in grey across the templates are not subject to disclosure.

EU Taxonomy disclosures, cont.

Table 9 – 3. GAR KPI stock (CapEx) T-1, cont.

	% (compared to total covered assets in the denominator)	T-1 31 December 2023																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)[1]					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	39.8%	3.2%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	42.9%	3.2%	3.0%	0.0%	0.1%	38.5%
2	Financial undertakings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2.3%	–	–	–	–	4.8%
3	Credit institutions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2.3%	–	–	–	–	4.5%
4	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.2%	–	–	–	–	0.5%
5	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2.1%	–	–	–	–	4.1%
6	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–	–	–	0.0%	–		–	–	0.0%
7	Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–	–	0.3%
8	of which investment firms	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–	–	0.0%
9	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–	–	0.0%
10	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
11	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
16	of which insurance undertakings	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–	–	0.0%
17	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–	–	0.0%
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
20	Non-financial undertakings	–	0.2%	–	0.0%	–	–	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.8%	0.2%	0.0%	0.0%	0.1%	2.0%
21	Loans and advances	–	0.2%	–	0.0%	–	–	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.8%	0.2%	0.0%	0.0%	0.1%	2.0%
22	Debt securities, including UoP	–	0.0%	–	0.0%	–	–	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23	Equity instruments	–	0.0%		0.0%	–	0.0%	0.0%		–	–	–		–	–	–		–	–	–		–	–	–		–	0.0%	0.0%		0.0%	0.0%	0.0%
24	Households	39.8%	3.0%	3.0%	–	–	–	–	–	–					–	–	–	–									39.8%	3.0%	3.0%	–	–	31.4%
25	of which loans collateralised by residential immovable property	39.0%	3.0%	3.0%	–	–	–	–	–	–					–	–	–	–									39.0%	3.0%	3.0%	–	–	28.4%
26	of which building renovation loans	0.0%	–	–	–	–	–	–	–	–					–	–	–	–									0.0%	–	–	–	–	0.0%
27	of which motor vehicle loans	0.8%	–	–	–	–																					0.8%	–	–	–	–	1.1%
28	Local governments financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–	–	0.2%
29	Housing financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
30	Other local government financing	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–	–	0.2%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0%	–	–	–		0.0%
32	Total GAR assets	39.8%	3.2%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	42.9%	3.2%	3.0%	0.0%	0.1%	72.6%

1) Only totals are populated, with eligibility for CCM/CCA left blank, reflecting the underlying NFRD reported data.
Note: cells shaded in grey across the templates are not subject to disclosure.

Table 10 – 4. GAR KPI flow (turnover)

The table provides information on the GAR KPIs on flow of newly incurred exposures during the year compared to flow of new total covered assets.

		31 December 2024																														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA+ WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to flow of total GAR assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR – Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	35.9%	3.4%	2.7%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	36.4%	3.4%	2.7%	0.1%	0.1%	48.1%
2	Financial undertakings	4.3%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.3%	0.4%	0.0%	0.0%	0.0%	10.5%
3	Credit institutions	4.3%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.3%	0.4%	0.0%	0.0%	0.0%	8.4%
4	Loans and advances	1.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	0.1%	0.0%	0.0%	0.0%	2.9%
5	Debt securities, including UoP	3.2%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.2%	0.3%	0.0%	0.0%	0.0%	5.5%
6	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
7	Other financial corporations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
10	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
20	Non-financial undertakings	1.3%	0.3%	0.0%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	1.8%	0.3%	0.0%	0.1%	0.1%	5.6%
21	Loans and advances	1.3%	0.3%	0.0%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	1.8%	0.3%	0.0%	0.1%	0.1%	5.6%
22	Debt securities, including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
24	Households	30.3%	2.7%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									30.3%	2.7%	2.7%	0.0%	0.0%	31.7%
25	of which loans collateralised by residential immovable property	30.2%	2.7%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									30.2%	2.7%	2.7%	0.0%	0.0%	28.7%
26	of which building renovation loans	–	–	–	–	–	–	–	–	–					–	–	–	–									–	–	–	–	–	–
27	of which motor vehicle loans	–	–	–	–	–																					–	–	–	–	–	–
28	Local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
31	Collateral obtained by taking possession: residential and commercial immovable properties	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
32	Total GAR assets	35.9%	3.4%	2.7%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	36.4%	3.4%	2.7%	0.1%	0.1%	89.9%

Note: cells shaded in grey across the templates are not subject to disclosure.

EU Taxonomy disclosures, cont.

Table 11 – 4. GAR KPI flow (CapEx)

The table provides information on the GAR KPIs on flow of newly incurred exposures during the year compared to flow of new total covered assets.

		31 December 2024																																	
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA+ WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	% (compared to flow of total GAR assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
	GAR – Covered assets in both numerator and denominator																																		
1	Loans and advances. debt securities and equity instruments not HfT eligible for GAR calculation	37.8%	3.7%	2.7%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	38.3%	3.7%	2.7%	0.1%	0.1%	48.1%
2	Financial undertakings	5.8%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.8%	0.6%	0.0%	0.0%	0.0%	10.5%
3	Credit institutions	4.2%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.2%	0.4%	0.0%	0.0%	0.0%	8.4%
4	Loans and advances	1.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	0.1%	0.0%	0.0%	0.0%	2.9%
5	Debt securities. including UoP	3.1%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	0.3%	0.0%	0.0%	0.0%	5.5%
6	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
7	Other financial corporations	1.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.2%	0.0%	0.0%	0.0%	2.1%
8	of which investment firms	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
9	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
10	Debt securities. including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
11	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
12	of which management companies	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
13	Loans and advances	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
14	Debt securities. including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
15	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	Debt securities. including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
19	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
20	Non-financial undertakings	1.8%	0.4%	0.0%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.2%	0.4%	0.0%	0.1%	0.1%	5.6%
21	Loans and advances	1.8%	0.4%	0.0%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.2%	0.4%	0.0%	0.1%	0.1%	5.6%
22	Debt securities. including UoP	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
23	Equity instruments	–	–		–	–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–		–	–	–
24	Households	30.3%	2.7%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									30.3%	2.7%	2.7%	0.0%	0.0%	31.7%
25	of which loans collateralised by residential immovable property	30.2%	2.7%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%					0.0%	0.0%	0.0%	0.0%									30.2%	2.7%	2.7%	0.0%	0.0%	28.7%
26	of which building renovation loans	–	–	–	–	–	–	–	–	–	–				–	–	–	–									–	–	–	–	–	–
27	of which motor vehicle loans	–	–	–	–	–																					–	–	–	–	–	–
28	Local governments financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%
29	Housing financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
30	Other local government financing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
31	Collateral obtained by taking possession: residential and commercial immovable properties	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
32	Total GAR assets	37.8%	3.7%	2.7%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	38.3%	3.7%	2.7%	0.1%	0.1%	89.9%

Note: cells shaded in grey across the templates are not subject to disclosure.

EU Taxonomy disclosures, cont.

Table 12 – 5a. KPI off-balance sheet exposures stock (turnover)

The table provides information about the proportion of EU taxonomy eligible and the proportion of taxonomy aligned off-balance sheet financial guarantees and assets under management compared to total financial guarantees and assets under management. The KPI stock off-balance sheet exposures are based on the data disclosed within template 1.

% (compared to total gross carrying amount of covered off-balance sheet assets)	31 December 2024																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	1.6%	0.9%	0.0%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	0.9%	0.0%	0.4%	0.1%
2 Assets under management (AuM KPI)[1]	3.5%	1.3%	0.0%	0.2%	0.4%	2.2%	0.5%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	1.8%	0.0%	0.0%	0.0%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.5%	2.0%	0.0%	0.2%	0.5%

1) AuM includes the part of clients', of Nordea Bank Abp, direct (Non-Fund) equity exposures, which is delegated to Nordea Investment Management AB by Nordea Bank Abp.

Table 13 – 5a. KPI off-balance sheet exposures stock (CapEx)

The table provides information about the proportion of EU taxonomy eligible and the proportion of taxonomy aligned off-balance sheet financial guarantees and assets under management compared to total financial guarantees and assets under management. The KPI stock off-balance sheet exposures are based on the data disclosed within template 1.

% (compared to total gross carrying amount of covered off-balance sheet assets)	31 December 2024																													
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	3.0%	1.3%	0.0%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	1.3%	0.0%	0.2%	0.1%
2 Assets under management (AuM KPI)[1]	5.7%	2.0%	0.0%	0.2%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.3%	0.0%	0.0%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	7.9%	2.3%	0.0%	0.2%	0.5%

1) AuM includes the part of clients', of Nordea Bank Abp, direct (Non-Fund) equity exposures, which is delegated to Nordea Investment Management AB by Nordea Bank Abp.

Table 14 – 5b. KPI off-balance sheet exposures flow (turnover)

The table provides information about the proportion of EU taxonomy eligible and the proportion of taxonomy aligned off-balance sheet financial guarantees and assets under management compared to total financial guarantees and assets under management. The KPI flow off-balance sheet exposures are based on the data disclosed within template 1.

		31 December 2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total gross carrying amount of covered off-balance sheet assets)			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.1%	0.0%	0.0%	0.0%
2	Assets under management (AuM KPI)[1,2]	8.4%	3.5%	0.0%	0.6%	1.2%	0.3%	0.2%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	4.6%	0.1%	0.0%	0.0%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.4%	3.8%	0.0%	0.6%	1.4%

1) AuM includes the part of clients', of Nordea Bank Abp, direct (Non-Fund) equity exposures, which is delegated to Nordea Investment Management AB by Nordea Bank Abp.
2) AuM KPI off-balance sheet exposure flow represents investments from new clients of Nordea Bank.

Table 15 – 5b. KPI off-balance sheet exposures flow (CapEx)

The table provides information about the proportion of EU taxonomy eligible and the proportion of taxonomy aligned off-balance sheet financial guarantees and assets under management compared to total financial guarantees and assets under management. The KPI flow off-balance sheet exposures are based on the data disclosed within template 1.

		31 December 2024																													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	% (compared to total gross carrying amount of covered off-balance sheet assets)			Of which Use of Proceeds	Of which transi-tional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transi-tional	Of which enabling
1	Financial guarantees (FinGuar KPI)	8.9%	1.1%	0.0%	0.1%	0.4%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.5%	1.1%	0.0%	0.1%	0.4%
2	Assets under management (AuM KPI)[1,2]	13.1%	5.0%	0.0%	0.6%	1.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%	0.1%	0.0%	0.0%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	17.4%	5.1%	0.0%	0.6%	1.5%

1) AuM includes the part of clients', of Nordea Bank Abp, direct (Non-Fund) equity exposures, which is delegated to Nordea Investment Management AB by Nordea Bank Abp.
2) AuM KPI off-balance sheet exposure flow represents investments from new clients of Nordea Bank.

Table 16 – Template for the KPI of Asset Managers 31 December 2024

The table provides information on the weighted average of the value of investments in Taxonomy eligible and aligned economic activities of investee companies. This table covers subsidiaries: Nordea Investment Funds S.A and Nordea Funds Ltd.

KPI of asset managers	
The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities **relative to the value of total assets covered by the KPI**, with following weights for investments in undertakings per below: Turnover-based: 2.2% CapEx—based: 2.8%	The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities, with following weights for investments in undertakings per below: Turnover-based: EUR 4,830m CapEx-based: EUR 6,100m
The percentage of assets covered by the KPI relative to total investments (total AuM). Excluding investments in sovereign entities, Coverage ratio: 95.1%	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. Coverage: EUR 219,203m
Additional, complementary disclosures: breakdown of **denominator** of the KPI	
The percentage of derivatives relative to total assets covered by the KPI: 0.3%	The value in monetary amounts of derivatives: EUR 561m
The proportion of **exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: 7.0% For financial undertakings: 4.2%	Value of **exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: EUR 15,414m For financial undertakings: EUR 9,264m
The proportion of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: 44.4% For financial undertakings: 8.5%	Value of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: EUR 97,257m For financial undertakings: EUR 18,559m
The proportion of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: 16.2% For financial undertakings: 16.0%	Value of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: EUR 35,501m For financial undertakings: EUR 35,172m
The proportion of **exposures to other counterparties and assets** over total assets covered by the KPI: 0.8%	Value of **exposures to other counterparties and assets**: EUR 1,751m
The value of all the investments that are **funding economic activities that are not taxonomy-eligible** relative to the value of total assets covered by the KPI: 19.8%	Value of all the investments that are **funding economic activities that are not taxonomy-eligible**: EUR 43,369m
The value of all the investments that are funding taxonomy-eligible economic activities, **but not taxonomy-aligned relative to the value** of total assets covered by the KPI: 10.3%	Value of all the investments that are funding Taxonomy- eligible economic activities, **but not taxonomy-aligned**: EUR 22,474m
Additional, complementary disclosures: breakdown of numerator of the KPI	
The proportion of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI: For non-financial undertakings: Turnover-based: 1.5% Capital expenditures-based: 2.2% For financial undertakings: Turnover-based: 0.7% Capital expenditures-based: 0.6%	Value of **Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: Turnover-based: EUR 3,389m Capital expenditures-based: EUR 4,778m For financial undertakings: Turnover-based: EUR 1,441m Capital expenditures-based: EUR 1,322m
The proportion of **taxonomy-aligned exposures to other counterparties and assets** in over total assets covered by the KPI: Turnover-based: 0.6% Capital expenditures-based: 0.7%	Value of **taxonomy-aligned exposures to other counterparties and assets**: Turnover-based: EUR 1,381m Capital expenditures-based: EUR 1,458m

KPI of asset managers		
Breakdown of the numerator of the KPI per environmental objective		
Taxonomy-aligned activities:		
(1) Climate change mitigation	Turnover: 2.1% CapEx: 2.7%	Transitional activities: 0.1%, 0.2% (Turnover; CapEx) Enabling activities: 0.6%, 0.0% (Turnover; CapEx)
(2) Climate change adaptation	Turnover: 0.1% CapEx: 0.0%	Enabling activities: 0.0%, 0.0% (Turnover; CapEx)
(3) The sustainable use and protection of water and marine resources	Turnover: 0.0% CapEx: 0.0%	Enabling activities: 0.0%, 0.0% (Turnover; CapEx)
(4) The transition to a circular economy	Turnover: 0.0% CapEx: 0.0%	Enabling activities: 0.0%, 0.0% (Turnover; CapEx)
(5) Pollution prevention and control	Turnover: 0.0% CapEx: 0.0%	Enabling activities: 0.0%, 0.0% (Turnover; CapEx)
(6) The protection and restoration of biodiversity and ecosystems	Turnover: 0.0% CapEx: 0.0%	Enabling activities: 0.0%, 0.0% (Turnover; CapEx)

Table 17 – 0. Summary of KPIs to be disclosed by investment firms under Article 8 Taxonomy Regulation

The table is a summary of KPIs disclosed by investment firms. KPI Dealing on own accout is not relevant for Nordea Investment Management and therefore not disclosed.

		Total environmentally sustainable assets	Total environmentally sustainable assets	KPI	KPI	% coverage (over total assets)
Main KPI (for dealing on own account)	Green asset ratio		–	–	–	–

		Total revenue from environmentally sustainable services and activities[2] (mEUR)	Total revenue from environmentally sustainable services and activities[3] (mEUR)	KPI[2]	KPI[3]	% coverage (over total revenue)
Main KPI (for services and activities other than dealing on own account)	KPI on Revenue[1]	13	17	2.0%	2.5%	90.9%

1) Fees, commissions and other monetary benefits.
2) Based on the Turnover KPI of the counterparty.
3) Based on the CapEx KPI of the counterparty.

Table 18 – 2. KPI IF Other services (turnover)

The table covers the Taxonomy eligible and aligned revenue which is the weighted average of the total revenue (fees, commissions and other monetary benefits) in relation to the aggregate value of Taxonomy eligible and aligned economic activities within the activities of the clients.

			Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	Total (mEUR)	Of which covered by the KPI (mEUR)	Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)	Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)	Of which transitional (%)	Of which enabling (%)	Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)	Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)	Of which enabling (%)	Of which assets covered by the EU Taxonomy (%) (Taxonomy-eligible)	Of which linked to activities aligned with the EU Taxonomy (%) (Taxonomy-aligned)	Of which enabling (%)	Of which assets covered by the EU Taxonomy (%) (Taxonomy-eligible)	Of which linked to activities aligned with the EU Taxonomy (%) (Taxonomy-aligned)	Of which enabling (%)	Of which assets covered by the EU Taxonomy (%) (Taxonomy-eligible)	Of which linked to activities aligned with the EU Taxonomy (%) (Taxonomy-aligned)	Of which enabling (%)	Of which assets covered by the EU Taxonomy (%) (Taxonomy-eligible)	Of which linked to activities aligned with the EU Taxonomy (%) (Taxonomy-aligned)	Of which enabling (%)	Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)	Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)	Of which transitional (%)	Of which enabling (%)
1 Revenue (i.e. fees, commissions and other monetary benefits) from investment and services and activities other than dealing on own account (as per Section A of Annex I of Directive 2014/65/EU)	672	611	11.9%	2.1%	0.1%	0.6%	0.7%	0.1%	0.0%	0.0%	0.0%	–	0.7%	0.0%	–	1.0%	0.0%	–	0.0%	0.0%	–	14.3%	2.2%	0.1%	0.6%
2 Reception and transmission of orders in relation to one or more financial instruments	0	0	11.9%	2.1%	0.1%	0.6%	0.7%	0.1%	0.0%	0.0%	0.0%	–	0.7%	0.0%	–	1.0%	0.0%	–	0.0%	0.0%	–	14.3%	2.2%	0.1%	0.6%
3 Execution of orders on behalf of clients	2	2	11.9%	2.1%	0.1%	0.6%	0.7%	0.1%	0.0%	0.0%	0.0%	–	0.7%	0.0%	–	1.0%	0.0%	–	0.0%	0.0%	–	14.3%	2.2%	0.1%	0.6%
4 Portfolio management	669	608	11.9%	2.1%	0.1%	0.6%	0.7%	0.1%	0.0%	0.0%	0.0%	–	0.7%	0.0%	–	1.0%	0.0%	–	0.0%	0.0%	–	14.3%	2.2%	0.1%	0.6%
5 Investment advice	0	0																							
6 Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis																									
7 Placing of financial instruments without a firm commitment basis																									
8 Operation of an MTF																									
9 Operation of an OTF																									

Note: Rows 6 to 9 are not populated since Nordea Investment Management AB does not have revenues from related services or activities.

Table 19 – 2. KPI IF Other services (CapEx)

The table covers the Taxonomy eligible and aligned revenue which is the weighted average of the total revenue (fees, commissions and other monetary benefits) in relation to the aggregate value of Taxonomy eligible and aligned economic activities within the activities of the clients.

			Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			Water and marine resources (WTR)			Circular economy (CE)			Pollution (PPC)			Biodiversity and Ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
			Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)				Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)			Of which assets covered by the EU Taxonomy (%) (Taxonomy-eligible)			Of which assets covered by the EU Taxonomy (%) (Taxonomy-eligible)			Of which assets covered by the EU Taxonomy (%) (Taxonomy-eligible)			Of which assets covered by the EU Taxonomy (%) (Taxonomy-eligible)			Of which Revenue (fees, commissions and other monetary benefits) from services and activities towards sectors covered by the EU Taxonomy (%) (Taxonomy-eligible)			
				Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)				Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)			Of which linked to activities aligned with the EU Taxonomy (%) (Taxonomy-aligned)			Of which linked to activities aligned with the EU Taxonomy (%) (Taxonomy-aligned)			Of which linked to activities aligned with the EU Taxonomy (%) (Taxonomy-aligned)			Of which linked to activities aligned with the EU Taxonomy (%) (Taxonomy-aligned)			Of which from services and activities linked to activities aligned with EU Taxonomy (%) (Taxonomy-aligned)		
	Total (mEUR)	Of which covered by the KPI (mEUR)			Of which transitional (%)	Of which enabling (%)			Of which enabling (%)			Of which enabling (%)			Of which enabling (%)			Of which enabling (%)			Of which enabling (%)			Of which transitional (%)	Of which enabling (%)
1 Revenue (i.e. fees, commissions and other monetary benefits) from investment and services and activities other than dealing on own account (as per Section A of Annex I of Directive 2014/65/EU)	672	611	12.7%	2.7%	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	–	0.3%	0.0%	–	0.6%	0.0%	–	0.0%	0.0%	–	13.7%	2.8%	0.2%	0.0%
2 Reception and transmission of orders in relation to one or more financial instruments	0	0	12.7%	2.7%	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	–	0.3%	0.0%	–	0.6%	0.0%	–	0.0%	0.0%	–	13.7%	2.8%	0.2%	0.0%
3 Execution of orders on behalf of clients	2	2	12.7%	2.7%	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	–	0.3%	0.0%	–	0.6%	0.0%	–	0.0%	0.0%	–	13.7%	2.8%	0.2%	0.0%
4 Portfolio management	669	608	12.7%	2.7%	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	–	0.3%	0.0%	–	0.6%	0.0%	–	0.0%	0.0%	–	13.7%	2.8%	0.2%	0.0%
5 Investment advice	0	0																							
6 Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis																									
7 Placing of financial instruments without a firm commitment basis																									
8 Operation of an MTF																									
9 Operation of an OTF																									

Note: Rows 6 to 9 are not populated since Nordea Investment Management AB does not have revenues from related services or activities.

EU Taxonomy disclosures, cont.

Table 20 – Template 1. Nuclear and fossil gas related activities[1]

The table provides information about the exposure to nuclear and fossil gas related activities.

		Asset Managers	Credit institutions		
		Green Investment Ratio (GIR)	Green Asset Ratio (GAR) - Stock	Green Asset Ratio (GAR) - Flow	Off-balance sheet exposures
	Nuclear energy related activities				
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES	YES	YES	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES	YES	YES	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES	YES	YES	YES
	Fossil gas related activities				
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES	YES	YES	NO
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES	YES	YES	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES	YES	YES	YES

1) Asset managers covers subsidiaries: Nordea Investment Funds S.A and Nordea Funds Ltd.

Table 21 – Template 2. Taxonomy-aligned economic activities (denominator) (turnover)

The table provides information about the amount (EUR) and proportion of EU taxonomy aligned exposures to nuclear and fossil gas related economic activities compared to total covered assets (denominator).

		Asset Managers[1]						Credit institutions																	
		Green Investment Ratio (GIR)						Green Asset Ratio (GAR) - Stock						Green Asset Ratio (GAR) - Flow						Off-balance sheet exposures					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic Activites	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	109,700	0.0%	109,700	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	1,954,887	0.0%	1,954,887	0.0%	0	0.0%	6,802	0.0%	6,802	0.0%	0	0.0%	1,448	0.0%	1,448	0.0%	0	0.0%	134,425	0.0%	134,425	0.0%	0	0.0%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	73,539,528	0.0%	73,539,528	0.0%	0	0.0%	1,689,939	0.0%	1,689,939	0.0%	0	0.0%	1,661,331	0.0%	1,661,331	0.0%	0	0.0%	1,165,647	0.0%	1,165,647	0.0%	0	0.0%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	388	0.0%	388	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	141,225	0.0%	141,225	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	90,920	0.0%	90,920	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI.	4,754,418,374	2.2%	4,530,133,165	2.1%	136,356,715	0.1%	15,466,598,904	4.0%	15,434,771,932	4.0%	10,553,948	0.0%	3,458,064,457	3.4%	3,440,575,908	3.4%	2,341	0.0%	43,430,257	1.2%	35,008,778	1.0%	5,133,556	0.1%
8	Total applicable KPI	75,836,648	0.0%	75,836,648	0.0%	0	0.0%	1,696,741	0.0%	1,169,741	0	0	0.0%	1,662,779	0.0%	1,662,779	0.0%	0	0.0%	1,300,073	0.0%	1,300,073	0.0%	0	0.0%

1) Asset managers covers subsidiaries: Nordea Investment Funds S.A and Nordea Funds Ltd.

Note: The CCM and CCA column covers relevant environmental objectives.

Table 22 – Template 2. Taxonomy-aligned economic activities (denominator) (CapEx)

The table provides information about the amount (EUR) and proportion of EU taxonomy-aligned exposures to nuclear and fossil gas related economic activities compared to total covered assets (denominator).

	Asset Managers[1]						Credit institutions																	
	Green Investment Ratio (GIR)						Green Asset Ratio (GAR) - Stock						Green Asset Ratio (GAR) - Flow						Off-balance sheet exposures					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic Activites	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	83,451	0.0%	83,451	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	7,620,743	0.0%	7,620,743	0.0%	0	0.0%	7,346	0.0%	7,346	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	54,201,989	0.0%	54,201,989	0.0%	0	0.0%	523,984	0.0%	523,984	0.0%	0	0.0%	522,688	0.0%	522,688	0.0%	0	0.0%	208,111	0.0%	208,111	0.0%	0	0.0%
4 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	385,825	0.0%	385,825	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	168,994	0.0%	168,994	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6 Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI.	42,003	0.0%	42,003	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI.	6,037,194,910	2.8%	5,958,615,462	2.7%	7,483,410	0.0%	15,895,398,191	4.1%	15,878,322,081	4.1%	1,636,757	0.0%	3,765,293,805	3.7%	3,750,248,854	3.7%	539,790	0.0%	55,889,966	1.6%	52,973,309	1.5%	136,297	0.0%
8 Total applicable KPI	62,503,005	0.0%	62,503,005	0.0%	0	0.0%	531,330	0.0%	531,330	0.0%	0	0.0%	522,688	0.0%	522,688	0.0%	0	0.0%	208,111	0.0%	208,111	0.0%	0	0.0%

1) Asset managers covers subsidiaries: Nordea Investment Funds S.A and Nordea Funds Ltd.

Note: The CCM and CCA column covers relevant environmental objectives.

Table 23 – Template 3. Taxonomy-aligned economic activities (numerator) (turnover)

The table provides information about the amount (EUR) and proportion of EU taxonomy-aligned exposures to nuclear and fossil gas related economic activities compared to total aligned exposures (numerator).

	Asset Managers[1]						Credit institutions																	
	Green Investment Ratio (GIR)						Green Asset Ratio (GAR) - Stock						Green Asset Ratio (GAR) - Flow						Off-balance sheet exposures					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic Activites	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1 Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	109,700	0.0%	109,700	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2 Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	1,954,887	0.0%	1,954,887	0.0%	0	0.0%	9,025	0.0%	9,025	0.0%	0	0.0%	3,619	0.0%	3,619	0.0%	0	0.0%	134,425	0.3%	134,425	0.3%	0	0.0%
3 Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	73,539,528	1.5%	73,539,528	1.5%	0	0.0%	7,300,674	0.0%	7,300,674	0.0%	0	0.0%	1,678,968	0.0%	1,678,968	0.0%	0	0.0%	1,165,647	2.6%	1,165,647	2.6%	0	0.0%
4 Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	388	0.0%	388	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5 Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	141,225	0.0%	141,225	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6 Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	90,920	0.0%	90,920	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the Numerator of the applicable KPI	4,754,418,374	98.4%	4,530,133,165	93.8%	136,356,715	2.8%	15,460,985,946	100.0%	15,429,158,974	99.7%	10,553,948	0.1%	3,458,044,649	100.0%	3,440,556,100	99.4%	2,341	0.0%	43,430,257	97.1%	35,008,778	78.3%	5,133,556	11.5%
8 Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	4,830,255,023	100.0%	4,605,969,813	95.4%	136,356,715	2.8%	15,468,295,645	100.0%	15,436,468,673	99.8%	10,553,948	0.1%	3,459,727,236	100.0%	3,442,238,687	99.5%	2,341	0.0%	44,730,330	100.0%	36,308,850	81.2%	5,133,556	11.5%

1) Asset managers covers subsidiaries: Nordea Investment Funds S.A and Nordea Funds Ltd.

Note: The CCM and CCA column covers relevant environmental objectives.

Table 24 – Template 3. Taxonomy-aligned economic activities (numerator) (CapEx)

The table provides information about the amount (EUR) and proportion of EU taxonomy-aligned exposures to nuclear and fossil gas related economic activities compared to total aligned exposures (numerator).

	Economic Activites	Asset Managers[1]						Credit institutions					
		Green Investment Ratio (GIR)						Green Asset Ratio (GAR) - Stock					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	83,451	0.0%	83,451	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2	Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	7,620,743	0.1%	7,620,743	0.1%	0	0.0%	7,346	0.0%	7,346	0.0%	0	0.0%
3	Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	54,201,989	0.9%	54,201,989	0.9%	0	0.0%	525,432	0.0%	525,432	0.0%	0	0.0%
4	Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	385,825	0.0%	385,825	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5	Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	168,994	0.0%	168,994	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	42,003	0.0%	42,003	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the Numerator of the applicable KPI	6,037,194,910	99.0%	5,958,615,462	97.7%	7,483,410	0.1%	15,895,396,744	100.0%	15,878,320,633	99.9%	1,636,757	0.0%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	6,099,697,915	100.0%	6,021,118,467	98.7%	7,483,410	0.1%	15,895,929,521	100.0%	15,878,853,411	99.9%	1,636,757	0.0%

	Economic Activites	Credit institutions											
		Green Asset Ratio (GAR) - Flow						Off-balance sheet exposures					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2	Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	524,136	0.0%	524,136	0.0%	0	0.0%	208,111	0.4%	208,111	0.4%	0	0.0%
4	Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5	Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of Taxonomy aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the Numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the Numerator of the applicable KPI	3,765,292,357	100.0%	3,750,247,406	99.6%	539,790	0.0%	55,889,966	99.6%	52,973,309	94.4%	136,297	0.4%
8	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	3,765,816,493	100.0%	3,750,771,542	99.6%	539,790	0.0%	56,098,077	100.0%	53,181,419	94.8%	136,297	0.4%

1) Asset managers covers subsidiaries: Nordea Investment Funds S.A and Nordea Funds Ltd.

Note: The CCM and CCA column covers relevant environmental objectives.

Table 25 – Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities (turnover)

The table provides information about the amount (EUR) and proportion of EU taxonomy-eligible but non-aligned exposures to nuclear and fossil gas related economic activities compared to total covered assets.

	Asset Managers[1]						Credit institutions																	
	Green Investment Ratio (GIR)						Green Asset Ratio (GAR) - Stock						Green Asset Ratio (GAR) - Flow						Off-balance sheet exposures					
	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Economic Activites	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1 Amount and proportion of Taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the Denominator of the applicable KPI	8,087	0.0%	8,087	0.0%	0	0.0%	12,485	0.0%	12,485	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2 Amount and proportion of Taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the Denominator of the applicable KPI	117,234	0.0%	117,234	0.0%	0	0.0%	24,969	0.0%	24,969	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3 Amount and proportion of Taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the Denominator of the applicable KPI	23,810,163	0.0%	23,810,163	0.0%	0	0.0%	24,969	0.0%	24,969	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4 Amount and proportion of Taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the Denominator of the applicable KPI	89,641,615	0.0%	89,641,615	0.0%	0	0.0%	198,493	0.0%	198,493	0.0%	0	0.0%	173,505	0.0%	173,505	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5 Amount and proportion of Taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the Denominator of the applicable KPI	19,942,691	0.0%	19,942,691	0.0%	0	0.0%	672,809	0.0%	672,809	0.0%	0	0.0%	660,324	0.0%	660,324	0.0%	0	0.0%	12,220	0.0%	12,220	0.0%	0	0.0%
6 Amount and proportion of Taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the Denominator of the applicable KPI	745,417	0.0%	745,417	0.0%	0	0.0%	86,897	0.0%	86,897	0.0%	0	0.0%	86,897	0.0%	86,897	0.0%	0	0.0%	11,280	0.0%	11,280	0.0%	0	0.0%
7 Amount and proportion of other Taxonomy eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the Denominator of the applicable KPI	26,263,051,196	12.0%	21,270,263,273	9.7%	1,400,938,083	0.6%	159,974,990,661	41.6%	158,697,243,705	41.3%	406,089,632	0.0%	33,558,273,023	33.0%	33,035,081,281	32.5%	191,309,777	0.0%	101,104,534	2.9%	41,063,837	1.2%	18,790,534	0.5%
8 Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	**26,397,316,402**	**12.0%**	**21,404,528,480**	**9.8%**	**1,400,938,083**	**0.6%**	**159,976,011,282**	**41.7%**	**158,698,264,326**	**41.3%**	**406,089,632**	**0.1%**	**33,559,193,750**	**33.0%**	**33,036,002,008**	**32.5%**	**191,309,777**	**0.2%**	**101,128,035**	**2.9%**	**41,087,338**	**1.2%**	**18,790,534**	**0.5%**

1) Asset managers covers subsidiaries: Nordea Investment Funds S.A and Nordea Funds Ltd.

Note: The CCM and CCA column covers relevant environmental objectives.

Table 26 – Template 4. Taxonomy-eligible but not taxonomy-aligned economic activities (CapEx)

The table provides information about the amount (EUR) and proportion of EU taxonomy-eligible but non-aligned exposures to nuclear and fossil gas related economic activities compared to total covered assets.

		Asset Managers[1]						Credit institutions																	
		Green Investment Ratio (GIR)						Green Asset Ratio (GAR) - Stock						Green Asset Ratio (GAR) - Flow						Off-balance sheet exposures					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
	Economic Activites	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of Taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the Denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2	Amount and proportion of Taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the Denominator of the applicable KPI	3,280,729	0.0%	3,280,729	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of Taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the Denominator of the applicable KPI	20,472,285	0.0%	20,472,285	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4	Amount and proportion of Taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the Denominator of the applicable KPI	28,720,449	0.0%	28,720,449	0.0%	0	0.0%	1	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5	Amount and proportion of Taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the Denominator of the applicable KPI	3,186,739	0.0%	3,186,739	0.0%	0	0.0%	86,753	0.0%	86,753	0.0%	0	0.0%	86,753	0.0%	86,753	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of Taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the Denominator of the applicable KPI	522,398	0.0%	522,398	0.0%	0	0.0%	86,753	0.0%	86,753	0.0%	0	0.0%	86,753	0.0%	86,753	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	Amount and proportion of other Taxonomy eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the Denominator of the applicable KPI	23,840,333,396	10.9%	21,828,055,332	10.0%	212,579,338	0.1%	160,654,520,505	41.8%	159,592,067,415	41.6%	610,439,018	0.0%	35,188,803,268	34.6%	34,717,806,672	34.1%	252,086,057	0.0%	106,678,351	3.0%	84,051,805	2.4%	343,784	0.0%
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**23,896,515,968**	**10.9%**	**21,884,237,932**	**10.0%**	**212,579,338**	**0.1%**	**160,654,694,012**	**41.8%**	**159,592,240,922**	**41.6%**	**610,439,019**	**0.2%**	**35,188,976,774**	**34.6%**	**34,717,980,178**	**34.1%**	**252,086,057**	**0.2%**	**106,678,351**	**3.0%**	**84,051,805**	**2.4%**	**343,784**	**0.0%**

1) Asset managers covers subsidiaries: Nordea Investment Funds S.A and Nordea Funds Ltd.

Note: The CCM and CCA column covers relevant environmental objectives.

EU Taxonomy disclosures, cont.

Table 27 – Template 5. Taxonomy non-eligible economic activities (turnover)

The table provides information about the amount (EUR) and proportion of EU taxonomy non-eligible exposures to nuclear and fossil gas related economic activities compared to total covered assets.

		Asset Managers[1]		Credit institutions					
		Green Investment Ratio (GIR)		Green Asset Ratio (GAR) - Stock		Green Asset Ratio (GAR) - Flow		Off-balance sheet exposures	
	Economic Activites	Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	50,262	0.0%	50,262	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	44,900,260,430	20.5%	55,758,892,945	14.5%	17,439,391,400	17.2%	376,208,834	10.6%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'	44,900,260,430	20.5%	55,758,943,206	14.5%	17,439,441,662	17.2%	376,208,834	10.6%

1) Asset managers covers subsidiaries: Nordea Investment Funds S.A and Nordea Funds Ltd.

Table 28 – Template 5. Taxonomy non-eligible economic activities (CapEx)

The table provides information about the amount (EUR) and proportion of EU taxonomy non-eligible exposures to nuclear and fossil gas related economic activities compared to total covered assets.

		Asset Managers		Credit institutions					
		Green Investment Ratio[1] (GIR)		Green Asset Ratio (GAR) - Stock		Green Asset Ratio (GAR) - Flow		Off-balance sheet exposures	
Economic Activites		Amount	%	Amount	%	Amount	%	Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%	0	0.0%
7	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	46,131,617,971	21.0%	54,652,576,339	14.2%	15,503,519,119	15.2%	359,314,271	10.2%
8	Total amount and proportion of taxonomy-non-eligible economic activities in the Denominator of the applicable KPI'	46,131,617,971	21.0%	54,652,576,339	14.2%	15,503,519,119	15.2%	359,314,271	10.2%

1) Asset managers covers subsidiaries: Nordea Investment Funds S.A and Nordea Funds Ltd.

E1 Climate change

Nordea has set a clear direction to become a net-zero emissions bank by 2050 at the latest. To achieve this objective, Nordea is committed to a just transition towards a low-carbon economy across the value chain. Nordea contributes to the transition through its investment and lending decisions, its engagement with customers and portfolio companies in reducing their climate impact, and its actions to reduce emissions from internal operations.

In 2024 the world experienced unprecedented global temperatures and increasing atmospheric greenhouse gas concentrations, contributing to extreme weather events such as floods, heatwaves and wildfires. The year was also characterised by geopolitical tensions and elevated regional divergence in the climate policy environment and ESG sentiment. Net-zero alliances in the financial industry saw departures from major institutions following increased political risks. The increasingly polarized landscape creates uncertainty and challenges for the pace of the transition, which may have implications for Nordea's ability to transition. At the same time, COP29 saw a focus on financing with a new global finance goal established for 2035.

As a leading financial services company, Nordea recognises its responsibility to contribute to the transition to net zero, while also relying on a supportive policy environment and the underlying real economy transition throughout society to be able to reach its climate commitments. With measurable targets, strong governance and a broad sustainability offering, Nordea progresses actively across the value chain to contribute to the transition. Its products and services offer customers the possibility to make better decisions about emissions reductions, its lending and investment decisions widely contribute to allocating capital to where it is most needed and its actions related to own operations and the supply chain help to reduce its internal carbon footprint.

Material impacts, risks and opportunities and their interaction with strategy and business model

At the global level, the Paris Agreement sets the general climate agenda. Nordea plays a key role in reaching society's goals through redirecting investments and financing towards more sustainable technologies and businesses and contributing to the creation of a low-carbon, climate-resilient economy, while at the same time strengthening its business to make it more resilient and future-proof.

The material impacts, risks and opportunities identified as a part of the 2024 double materiality assessment in relation to climate change are among the key drivers of Nordea's commitment to climate and environmental action, one of the four pillars of the bank's sustainability strategy. These material sustainability matters – positive impacts and opportunities related to financing and supporting the transition of customers to a low-carbon economy, negative impacts related to GHG emissions and energy consumption from both the value chain and own operations, and risks related to climate-related transition and physical risks in the value chain – impact and contribute to Nordea's business model and are key priorities of its 2022–2025 strategic plan.

Nordea's total GHG emissions generated from lending and investment portfolios as well as from own operations (market-based) were 23,932,784 tCO_2e in 2024 (details in the table "Gross Scopes 1, 2, 3, and total GHG emissions" on page 162). There are potential additional facilitated

Nordea's climate objective and targets[1]

Become a **net-zero** emissions bank by 2050 at the latest

2024–2025 targets	Status
Bank: Ensure that 90% of the exposures to large corporate customers in climate-vulnerable sectors is covered by transition plans by the end of 2025	86%
Nordea Life & Pension: Reduce the carbon footprint (intensity) from NLP's listed equity, corporate bond and directly held real estate portfolios by 25% by the end of 2024 compared with 2019	43%
Nordea Life & Pension: By the end of 2024, ensure that all asset managers managing assets on behalf of Nordea Life & Pension commit to transitioning their assets under management to net zero by 2050	61%[2]
Nordea Asset Management: Double the share of net-zero-committed AuM by the end of 2025 compared with 2021	On track
Nordea Asset Management: Ensure 80% of the top 200 emission contributors in Nordea Asset Management's portfolios are either aligned with the Paris Agreement or are subject to active engagement to become aligned by the end of 2025	81%
Operations and supply chain: Reduce the carbon emissions from internal operations by 40% by the end of 2025 compared with 2019	53%
Operations and supply chain: Suppliers covering 80% of spend are either aligned with the Paris Agreement or else subject to active engagement to become aligned by the end of 2025	76%

2030 targets	Status
Bank: Reduce financed emissions in the lending portfolio by 40-50% by the end of 2030 compared with 2019	36%
Nordea Life & Pension: Reduce the carbon footprint (intensity) of listed equities, corporate bonds and directly held real estate portfolios by 40-50% by the end of 2029 compared with 2019	New target
Nordea Life & Pension: Engage annually with the top 30 emitters on net zero alignment during the period 2025–2029	New target
Nordea Life & Pension: Increase the share of AuM supporting nature and the climate transition by 20% by the end of 2029, compared with 2023	New target
Nordea Asset Management: Reduce the weighted average carbon intensity (WACI) of listed equities and corporate bonds by 50% before the end of 2030 compared with 2019	44%
Operations and supply chain: Reduce the carbon emissions from our internal operations by more than 50% by the end of 2030 compared with 2019 and achieve a net positive carbon contribution (through offsetting)	53%

1) Details on the explanation and scope of the targets can be found in "Targets related to climate change mitigation and adaptation" on pages 149–155.
2) Representing 99,6% of in-scope AuM.

emissions from capital market activities that are to be quantified during 2025. These scope 1, 2 and 3 emissions are partially caused by high energy consuption across the value chain and contribute to the negative climate-related impacts that Nordea has on people and the environment. However, it is not possible to estimate the direct or indirect effects of these emissions on people or the environment due to the complex nature of climate change. It is also not possible to allocate a time horizon for these negative impacts as CO_2 emitted into the atmosphere is expected to continue warming the planet for tens of thousands of years. These impacts are connected to Nordea's business relationships in the strategy and business model as a financial services company to provide financing to corporates and households as well as investing in companies. The direct activities of Nordea emit less than 1 per mille compared with Nordea's financed emissions.

Financing and investing to support the transition of customers and sectors have a positive climate impact when the transition of counterparties aligns with meeting the temperature objectives set out in the Paris Agreement, for example by scaling solutions to address climate change or achieving very rapid GHG reductions in high-emitting sectors. Nordea's transition financing to help its counterparties align with the Paris Agreement is seen as a particular opportunity to tap even further into. In relation to sustainable funding, Nordea performs positive impact reporting in terms of water saved, energy saved through energy efficiency, clean energy produced as well as avoided emissions on the green bond asset portfolio. Nordea strives to increase its positive impact by pursuing opportunities to scale sustainable funding connected to activities that mitigate climate change and opportunities that arise from financing and investing in adaptation solutions. Additional details about managing the impacts of climate change are described in "Transition plan" on page 143.

At the same time, changes in the climate will affect society and pose multiple risks to the economy, creating opportunities and introducing new risks to banks. The physical and transition risks associated with climate-related changes can therefore impact the balance sheet and profitability of financial institutions.

Understanding and managing these risks and their impacts over time is important for Nordea and serve as key considerations in the bank's strategy and business model. Further details on the risk management of the lending and investment portfolios related to climate change is described below.

Lending portfolio

Nordea's risk management framework includes a process to perform a bank-wide materiality assessment to consider how climate aspects can be drivers of prudential risks (e.g. credit, market, operational risks). Currently, Nordea's assessment of materiality considers various levels of granularity to ensure relevant risk coverage across its operations – for example, at the level of asset class, sector, customer and geography. It includes both quantitative and qualitative components and is built on insights from other internal processes such as heatmapping, scenario analysis and stress testing.

The direct impact of climate-related transition risk on Nordea is mainly driven by a need to reduce the GHG emissions of counterparties. To meet the Nordic countries' GHG emissions reduction targets, companies will need to invest in technology, pay higher prices for polluting, as well as potentially lose revenue due to higher costs and changes in consumer behaviour. Transitions also significantly rely on public and private capital investment, which may have effects on economic growth, productivity and inflation. These climate-related transition risk drivers can impact the credit quality of Nordea's customers and Nordea's credit risk profile.

Climate-related transition risks can also directly manifest themselves in Nordea's business by affecting the value of collateral pledged to Nordea. For example, poor energy efficiency can impact the market resale value of the collateral of real estate, ships or vehicles. In addition to the impact from direct climate-related transition hazards, indirect climate-related risks are associated with Nordea's credit exposures and lending to customers who are interconnected globally through value chains, institutional arrangements (like the EU and the Eurozone) as well as through the financial system.

Relevant climate-related transition risks drivers also relate to legal and reputational risk, stemming from changed market sentiment and litigation associated with greenwashing. These can affect Nordea already in the short-term. The associated risks from the competitive landscape include legal and reputational effects, regulatory trends, societal, customer and demographic trends, macroeconomic variables and market and technological trends. In general, transition effects are more likely to materialise in the short to long term, but may also materialise in the very long term if there is a delayed transition or no transition ahead of 2050.

The impacts of direct climate-related physical hazards in the Nordics are mainly driven by water-based hazards, which are predominantly flooding events. These are reinforced by chronic effects such as variability in temperature and precipitation, reduction in snow/ice and sea level rise and increase in soil moisture and ground frost over the short to very long-term. As a consequence, the main direct impact on Nordea from climate-related physical hazards in the Nordics is within real estate through collateral devaluation. However, hazards can also disrupt corporates' business operations, thus also impacting the overall credit quality. Indirect impacts from climate-related physical hazards are most likely to also have an impact on credit quality deterioration due to disruptions to the business operations of Nordea's credit customers through their global value chains.

Nordea uses stress testing and scenario analysis to assess the resilience of its business model and its sustainability strategy. Nordea's stress testing is part of the internal capital adequacy assessment process (ICAAP), which includes short-, medium- and long-term transition risk scenarios with different climate policy assumptions to address the uncertainty related to the pace and stringency of policy changes and market shifts. The exercise explores a set of potential events which are deemed most relevant for Nordea and its customers, and the potential and most likely impact from these. Actual conditions can vary from the theoretical events and scenarios used in the exercise.

The short-term scenario assumes a sharp increase in the carbon tax aligned with a delayed and accelerated transition, increasing energy prices and triggering changes in energy demand. This affects the output and costs of sectors dependent on their emissions and energy intensity. Further, it leads to real estate devaluation, in particular for less energy-efficient buildings whose operational costs increase.

The medium-term scenarios compare different transition scenarios from both ends of the carbon pricing spectrum. These scenarios do not reflect a general macroeconomic downturn, but focus on different climate policies and dynamic factors that cannot be captured in the short term, such as emissions reduction efforts in line with customers' transition plans.

The aim of the long-term analysis is to identify the potential need for portfolio reallocation strategies between sectors as a strategic response to ensure the achievement of Nordea's long-term climate targets.

Nordea's assessment of climate-related physical risks include two dimensions:

Acute physical hazards (Short – very long term)
- Storms and extreme winds
- Coastal flooding and storm surge
- Extreme precipitation and inland flooding
- Heatwaves and droughts
- Wildfire

Chronic physical hazards (medium – very long term)
- Variability in temperature
- Variability in precipitation
- Reduction in snow/ice and sea level rise
- Soil moisture and ground frost

In 2024 Nordea's physical risk assessment focused on the exposures to loans collateralised by residential and commercial immovable properties.

Nordea's current approach focuses on assessing how the change in physical hazards potentially impacts valuations of immovable properties over time up to the year 2100. Vulnerability mapping is the methodology used to identify assets that are sensitive to impacts from chronic and acute climate change events. This mapping combines the physical hazard vulnerability and asset distributions, resulting in areas where the physical hazard risks are considered potentially material. The physical hazard sensitivity is calculated on a postal code level.

Nordea utilized the Representative Concentration Pathway (RCPs) which were developed by the scientific community and adopted by the IPCC to assess its exposures to climate-related physical risks in three scenarios (RCP 2.6, 4.5 and 8.5), in short, medium and long term up to the year 2100 (2011-2040, 2041-2070, 2071-2100). The RCP 2.6 is aligned with the Paris Agreement while the RCP 8.5 is the most severe climate scenario. The table below shows Nordea's exposures to climate-related physical risks in RCP 4.5 for the time period 2011-2040. Nordea uses physical hazard data from the Swedish Meteorological and Hydrological Institute (SMHI). The physical hazard data used from SMHI consists of information on 12 different climate hazard indices that can be divided into climate indices, hydrological indices and fire risk. Each hazard index indicates the change in the respective physical hazard due to climate change.

Exposures with collaterals in postal codes with no physical location are assigned to the closest postal code with a physical location. Additionally, a review of scientific studies has been conducted to determine the actual possible impact on the value of properties that were identified at risk of physical hazards. Availability of reliable research meeting all criteria applicable to Nordea's portfolio was limited, especially in terms of geographical scope, time frame and types of climate risks. Therefore, the actual impact may differ from internal findings, which could hinder comparability with peers. Nevertheless, attempts were made to adopt more conservative assumptions in order to not underestimate the exposures at risk. The final assessment varies depending on the type of risk (chronic, acute, or risk associated with sea level rise) and was embedded into the calculation logic.

As a result of the 2024 Materiality Assessment, Nordea considers ESG-related credit risk, with an emphasis on climate change, as material. Therefore, additional capital was reserved for credit risk to cover climate-related risk based on the results of internal climate change stress testing within the Internal Capital Adequacy Assessment Process (ICAAP). The climate transition- and physical-related risks showed a marginal increase in loan losses under different ICAAP scenarios. Nordea's assessment is that it is unlikely both transitional and physical climate scenarios would happen all at once and at full scale, and therefore the total net impact of these scenarios is expected to remain below the capitalized level.

The table below shows the share of Nordea's exposure in each asset class which is exposed to climate-related physical risks.

Climate-related physical risks

	RCP 4.5 scenario		
	Residential real estate	Commercial real estate	Residential and Commercial real estate
Chronic	1.3%	1.0%	1.2%
Acute	1.0%	0.9%	1.0%
Chronic and acute	0.8%	0.9%	0.8%

E1 Climate change, cont.

Investment portfolio

The resilience analysis of the investment portfolios of Nordea Asset Management (NAM) and Nordea Life & Pension (NLP) are conducted by assessing the Climate Value at Risk. To this end, Nordea applies the MSCI Climate Value at Risk (Climate VaR) tool for listed equities and corporate bonds which covers assessments of both climate risks and opportunities across a number of plausible climate change scenarios. Three scenarios produced by the Network for Greening the Financial System (NGFS) have been selected. The NGFS describes the selected scenarios as follows:

1. The "Net Zero 2050" is an ambitious scenario that limits global warming to 1.5°C through the immediate introduction of stringent climate policies and innovation, reaching net zero emissions by 2050. Climate-related physical risks are relatively low but transition risks are high.
2. The "Delayed Transition" scenario assumes that new climate policies are not introduced until 2030. After 2030 there is a 67% chance of limiting global warming to below 2°C. This leads to both high climate-related transition and physical risks.
3. The "Nationally Determined Contributions (NDCs)" scenario includes all pledged policies reflected in the NDCs even if not yet implemented. Emissions decline but lead nonetheless to 2.6°C of warming associated with moderate to severe climate-related physical risks.

For each of these scenarios, climate risk can be assessed using three distinct climate metrics: policy risk, technology opportunities and physical risk. Policy risk refers to the investment value at risk due to the future climate policy. Technology opportunities represent the investment upside due to low-carbon technology revenues, which, combined with policy risk, gives net climate-related transition risk. Climate-related physical risks refer to the investment value at risk materialising from climate-related acute events and chronic changes, such as extreme heat and cold, rainfall, flooding and tropical cyclones.

NAM and NLP assess direct climate-related policy risks as well as technology opportunities for individual assets over a 15-year time horizon. In addition, NLP uses the Carbon Risk Real Estate Monitor to assess climate-related transition risk in its directly held real estate portfolio. For illiquid asset classes, retrieving sufficient data remains a challenge.

The latest resilience analysis, using the methods and tools described above, was conducted in January 2025 using data as of end of year 2024.

	Net zero 2050			Delayed transition			NDCs		
Climate VaR[1]	Policy risk	Technological opportunity	Physical risk	Policy risk	Technological opportunity	Physical risk	Policy risk	Technological opportunity	Physical risk
Nordea Asset Management									
Listed equities	-8.4%	2.2%	-1.1%	-3.6%	0.6%	-1.6%	-1.9%	0.3%	-2.0%
Corporate bonds	-1.6%	0.0%	0.0%	-0.6%	0.0%	-0.1%	-0.2%	0.0%	-0.1%
Nordea Life & Pension									
Listed equities	-7.2%	1.9%	-0.9%	-3.0%	0.6%	-1.4%	-1.5%	0.3%	-1.8%
Corporate bonds	-2.9%	0.1%	-0.1%	-1.2%	0.0%	-0.1%	-0.4%	0.0%	-0.2%

1) Policy risk and Technological opportunities are calculated at instrument level, meaning they take into account the remaining maturity of individual bonds. Data coverage is 79% and 69% for Policy risk and 61% and 69% for Technology opportunity for NAM and NLP respectively. Physical risk values are based on company levels (listed equities or corporate bonds) and do not adjust for maturity and instrument type. Data coverage for Physical risk is 78% for NAM and 68% for NLP.

Transition plan

Nordea's transition plan for climate change entails the objective to achieve net-zero emissions across its value chain in terms of scope 1, 2 and 3 GHG emissions by the end of 2050 at the latest.

Nordea aims to provide the best possible support for customers transitioning to reach the goals of the Paris Agreement. To fulfil this aim, the Group Board has decided on sustainability strategic priorities, including climate change priorities that are integrated into Nordea's business strategy.

Nordea's transition plan is embedded in and aligned with the overall business strategy and financial planning. Business Environment Scanning (BES) is performed annually to provide insights to the organisation on how climate and environmental factors impact the business environment where Nordea is active or is considering becoming active and to inform Nordea's strategy-setting process. The insights from the BES support business areas in making informed strategic decisions and managing their business strategies in alignment with sustainability-related targets and objectives. The BES results provide information for the organisation in further developing processes for managing climate and environmental risks, stress testing and capital. Additionally, the BES results comply with relevant supervisory and regulatory requirements regarding the alignment of the business model with the external business environment.

Nordea continuously monitors and forecasts its portfolio development in relation to the long-term business strategy. A key part of this exercise is to make sure the business develops in accordance with the transition plan to support societal change in line with the bank's net zero commitment.

Lending and investment portfolio

As a financial services company, Nordea's largest challenge and impact both come from financed emissions, which refer to scope 3 category 15 emissions from investment and lending portfolios. In 2024 these represented 99.9% of Nordea's total GHG emissions. Against this background, Nordea has also set a group of targets to support emissions reductions across both lending and investment portfolios.

These targets were set using scenarios and modelled pathways that align with the long-term trajectory. These are normative scenarios showing what is required to limit warming to a certain level using a range of socio-economic and technological assumptions across different sectors of the economy. The transition plan constitutes Nordea's long-term and interim targets which were approved by the Group Board.

Nordea has defined targets across the lending and investment portfolios as described on pages 150-154.

Nordea has also performed a sector-specific climate-related risk deep dives that have led to sector-specific targets aligned with Nordic sector roadmaps and global scientific pathways. Nordea has included targeted financed emissions development in regional policy frameworks and real customer-level transition plans in financial planning to ensure progress towards lending portfolio targets for 2030 and 2050. To accomplish its targets, Nordea has taken actions across material sectors. These involved portfolio emissions and climate risk analyses in several areas to understand the portfolio carbon footprint, definition of exclusion policies and sector guidelines, customer engagement, policy advocacy and improvement of products and services - all of which contribute to derisking and steering the balance sheet in the right direction.

NAM and NLP have integrated ESG and climate factors into their investment strategies and portfolio management to align them with the climate targets. Responsible investment policies guide the investment processes, and active ownership and engagement with investee companies and asset managers as well as offering sustainable investment products are key actions to drive the transition in the real economy.

While targets intend to help Nordea reduce transitional risks in its portfolios and support the decarbonisation of the economy, it is also recognised that there are strategic risks associated with rapidly decarbonising Nordea's portfolios if the broader economy is not decarbonising at the same rate. If Nordea was to focus only on sectors with low emissions, it would be exposed to a small number of specific sectors. This position would increase the concentration risk and make Nordea and its customers vulnerable to the performance of those few sectors. Also, while divesting from sectors with a higher carbon footprint would allow Nordea to decarbonise its portfolios, it would likely have a very limited effect on reducing emissions in the real economy.

Nordea has identified the decarbonisation levers that have contributed to the achieved emission reductions as well as their impact on the achievement of Nordea's targets.

For lending and investment, Nordea has identified the same main levers which are related to exposure changes and counterparty reduction in the lending and investment portfolios. Between 2019 and 2024, a decrease of 36% was seen in the lending portfolio financed emissions mainly due to specific actions, such as volume reductions in shipping and oil and gas as well as exit from offshore. These actions are integrated in the decarbonisation levers.

From 2019 to 2024, NAM's equity and corporate bond portfolio saw a significant 44% reduction in its weighted average carbon intensity (WACI). The decrease was driven by emissions intensity reductions from investee companies, changes in portfolio composition and other factors such as inflation and data availability. The majority of this reduction came from improvements in emissions intensity by investee companies, especially in high-emitting sectors such as utilities, industrials and materials. While NAM's exposure to high-emitting sectors generally increased during this period (except for the energy sector), investments within these sectors shifted towards relatively low-emitting companies, particularly in utilities and energy, focusing more on renewable energy providers, which was significant enough to offset the overall increased exposure to high-emitting sectors.

For NLP, figures for 2024 showed a carbon footprint decrease of 43% between 2019 and the end of 2024 for listed equities, corporate bonds and directly held real estate (in Norway, Finland, Sweden). This is due to factors such as divestments of fossil-intensive sectors and emission reductions by NLP's investee companies. The decarbonisation levers are discussed in more detail in the decarbonisation levers section.

For Nordea, locked-in GHG emissions stemming from customers' products are relevant. Locked-in GHG emissions are defined towards stranded assets risk with definitions relative to estimates of monetary amount, where Nordea's counterparties' scope 3 category "use of sold products" is significant and where business activities are incompatible with a transition to a climate-neutral economy. Lending and financing for coal, thermal peat and oil and gas exploration pose elevated lock-in risks of jeopardising the achievement of GHG emissions reduction targets in society and drive transition risk. Nordea has phased out lending to coal mining and manufacture of coke oven products since 2021. By end of 2024, Nordea's lending to oil and gas extraction, support activities for extraction and manufacture of refined petroleum products was EUR 319m (EUR 524m at end-2023). For investments, Nordea applies a 5% revenue threshold for mining of thermal coal, and 30% for total coal, including metallurgical coal. By the end of 2024, Nordea's investment in oil and gas extraction, support activities for extraction and manufacture of refined petroleum products were EUR 705m for NAM and EUR 25m for NLP (EUR 1,168m at end-2023). This represented a 39% decrease for lending and a 37% decrease for investments compared with 2023.

Own operations

Nordea supports its net zero objective with emission reduction targets for its own operations and supply chain. In order to achieve these targets, the bank has set out eight actions to mitigate GHG emissions from its operations and supply chain across the main countries where it operates. These actions are further described in "Actions and resources in relation to climate change policies" on page 148.

In 2024 four out of the eight actions were quantified to identify their impacts as decarbonisation levers. These are efficient air travel, electric company cars-only policy, paperless banking and efficient energy consumption in buildings. The levers show that Nordea reduced carbon emissions from internal operations by 53% from 2019 to 2024.

The bank has forecasted cumulative emissions towards the year 2030 and 2050, and targets have been set to reduce them in order to manage risks. Nordea is also committed to providing emissions removals from high-quality credits in increments towards those cumulative emissions that will unavoidably still occur during the transition to reach 90-95% reductions and net-zero emissions.

Additional transition plan considerations

Overall, the bank's objectives, targets, policies and actions aimed at reducing GHG emissions constitute Nordea's transition plan for climate change.

Climate transition planning for banks is an evolving field where standards, guidance and best practice have only recently emerged. In 2023 and 2024 Nordea performed a benchmarking analysis of its current transition plan against three existing frameworks, the Integrity Matters recommendations from the UN High Level Expert Group on Net Zero Commitments of Non-State Entities, Financial Institution Net Zero Transition Plan recommendations from the Glasgow Financial Alliance for Net Zero (GFANZ) and the Net Zero Standard for Banks recommendations from the Institutional Investors Group on Climate Change (IIGCC) and the Transition Pathway Initiative Global Climate Transition Centre (TPI Centre). As a result, Nordea continuously monitors its transition plan maturity and will address most material gaps found during 2025, thereby strengthening its transition planning.

To secure a successful transition, Nordea has established sustainability-related KPIs that have been integrated into variable pay plans. Further details can be found in "General information" on page 86.

Due to the nature of Nordea's business model as a financial services company, the greatest impact on climate change occurs via lending and investment portfolios. Therefore, Nordea reports counterparties' CapEx and OpEx according to the EU taxonomy. The bank's CapEx and OpEx related to climate change management in Nordea's portfolio emissions (i.e., financed emissions) are focused on the building of its workforce, acquiring of emissions data and developing related data systems. The expenditures allocated to manage climate change actions in Nordea's portfolio are greater than those allocated to implement actions related to its own operations. The operational footprint mitigation actions with the highest associated costs are the development costs of energy efficiency investments and emissions monitoring activities.

According to the EU Paris-aligned Benchmarks in accordance with the exclusion criteria stated in Articles 12(1), points (d) to (g) and Article 12(2) of Commission Delegated Regulation (EU) 2020/1818 (Climate Benchmark Standards Regulation), Nordea does not exceed the revenue thresholds and does not significantly harm any of the environmental objectives of the taxonomy regulation. Therefore, Nordea is not excluded from the EU Paris-aligned Benchmarks.

Policies related to climate change mitigation and adaptation

Nordea's policies provide direction on best practices as well as alignment with the international conventions and standards that the bank encourages and expects stakeholders, customers and portfolio companies to follow.

Overall, Nordea has 15 climate change policies that cover the Nordea Group operations as well as Nordea's value chain in terms of investments, advice, lending and procurement. These policies aim to handle climate-related risks and negative impacts as well as expand positive impacts and opportunities. The group's policies and guidelines described in the tables below are available on Nordea's website.

Nordea's climate change policies are set to be aligned with international standards and initiatives such as the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement, the UN Global Compact, the Task Force on Climate-related Financial Disclosure (TCFD), the Principles for Responsible Investments (PRI), the Principles for Responsible Banking (PRB), the Glasgow Financial Alliance for Net Zero, the Equator Principles, the UN Net-Zero Banking Alliance and the Net-Zero Asset Owner Alliance. In addition, Nordea's policies seek to be compliant with the European Union's environmental policy objectives of a climate-neutral economy by 2050 and the EU Action Plan for Financing Sustainable Growth. Nordea's sector guidelines are also in line with sectoral initiatives.

E1 Climate change, cont.

Policies	Key contents
Group level policy	
The Nordea Sustainability Policy	The policy sets out the principles for how Nordea ensures the long-term sustainability of its operations and, in so doing, strengthens long-term customer relationships and Nordea's contribution to a greater good. The policy describes how sustainability is managed at Nordea including material climate change mitigation and adaptation impacts, risks and opportunities. The policy describes roles and responsibilities for the governance of sustainability and broad commitments across Nordea's financing, investments and advice. The Nordea Sustainability Policy is a replica of the Group Board Directive on Sustainability and accountability for the policy lies with the Group Board. The Group CEO is responsible for implementation of the policy and for making certain that each head of a business area or a Group function ensures that the policy is, where relevant, known and conformed to within their respective area of responsibility.
Nordea Group position statement on climate change	The statement sets out the scope and principles of Nordea's climate change agenda. The statement takes into account the nature of Nordea's business, in which investment, credit and purchasing can have both local and global impact. It also lists Nordea's overall Group positions and commitments. These include for example the commitments to enable Nordea's customers to finance sustainable and renewable sources of energy and energy efficiency projects and the commitment to refrain from participating in lobbying or advocacy activities aimed at weakening climate policy. Group Sustainability is responsible for implementing the Nordea Group position statement on climate change.
The Nordea Supplier Code of Conduct policy	The policy outlines Nordea's expectations of suppliers and obliges suppliers to share Nordea's standards and continuously collaborate with Nordea on improvements that can have a significant impact as well as mitigate risk. The policy includes expectations of large suppliers to commit to being "net zero by 2050 at the latest" and to have climate science-based transition plans in place by 2028. The policy is also in line with the UN Guiding Principles for Business and Human Rights and UN Global Compact and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The Group Board is accountable for the the policy, and the responsibility for implementation lies with the Head of Group Procurement.

Policies	Key contents
Group level sector guideline	
The Group Board has decided that Nordea must have thematic and sector guidelines to support its strategy and the Group CEO is responsible for ensuring the implementation within relevant business areas and Group functions. Group Sustainability is responsible for formulating and updating the sector guidelines. They are approved by Nordea's Sustainability and Ethics Committee (SEC) and shared with the Group Leadership Team (GLT) and the Board Operations and Sustainability Committee (BOSC).	
Sector guideline on Fossil fuel-based industries	The guideline handles some of the sectors with most material climate impact and risk for Nordea. It applies to Nordea's lending, investments, facilitation and procurement and is applicable to companies where Nordea's credit exposure exceeds EUR 1m. The guideline covers oil, gas and offshore companies and mining companies operating in exploration, extraction or production of coal, peat, oil and gas. Also included are oil and gas pipeline and thermal coal heat and power production companies. It summarises the Nordea Group's positions on these industries as well as specific investment and financing criteria and exclusions for the sub-sectors oil and gas exploration and production, thermal coal, thermal peat, unconventional oil and gas and Arctic drilling.
Sector guideline on Shipping industry	The guideline is applicable to all companies within the shipping sector, including shipbuilding and maritime transportation, and thereby handles one sector with the most material climate impact, risk and opportunities for Nordea. It applies to Nordea's financing and is applicable to companies where Nordea's credit exposure exceeds EUR 1 m. Nordea expects customers and portfolio companies to acknowledge the IPCC scientific consensus on the influence of human activities on climate change and commit to the fulfilment of the objectives of the Paris Agreement. The guideline is also in line with the Poseidon Principles (PP) and Responsible Ship Recycling Standards (RSRS).
Sector guideline on Agriculture and aquaculture	The guideline includes crop and livestock production, aquaculture and fisheries, and food production. Nordea expects customers and portfolio companies to acknowledge the IPCC scientific consensus on the influence of human activities on climate change and commit to the fulfilment of the objectives of the Paris Agreement.
Sector guideline on Mining industry	The guideline applies to Nordea's procurement, investments and financing and is applicable to mining companies where Nordea's credit exposures exceeds EUR 1 m. Nordea expects companies in the mining sector to live up to internationally recognised and frequently applied norms and standards for the relevant areas and jurisdictions of their operations.
Sector guideline on Real estate	The guideline provides direction on best practice as well as on the international conventions and standards that Nordea encourages and expects companies to follow. Companies in the real estate industry should invest in and work towards developing sustainable buildings.
Sector guideline on Forestry and forest industry	The guideline includes Nordea's expectations that companies in the forestry industry should invest in and work towards sustainable forestry management and all industries should work towards preventing deforestation. Nordea also expects customers and portfolio companies to meet high standards with regards to the sustainable management of forestry assets, and to consider and reduce the environmental impact of produced products and services throughout their life cycle.

E1 Climate change, cont.

Policies	Key contents
Subsidiary level policy	
The Nordea Responsible Investment Policy	The policy describes the framework governing the approach of Nordea Asset Management (NAM) to responsible investments and the commitment to align its investment strategies with the objectives of the Paris Agreement. The policy describes NAM's active ownership approach including climate change as a prioritised thematic engagement area as well as the processes for escalation. It includes NAM's expectations on climate change mitigation of the companies it invests in, which go beyond the international norms and conventions. Apart from expectations on climate change mitigation, companies exposed to climate risk are also expected to disclose how their long-term business strategy and profitability will be impacted by a different physical environment due to climate change. The NAM Holding Board is accountable for ESG-related policies, as described in the NAM Board Directive on ESG Governance. The NAM Holding CEO is responsible for implementation of the policy. NAM has two ESG-focused committees with specific areas of responsibility, the Responsible Investment Committee, which decides and monitors exclusions and engagements at investment level, and the ESG Committee, which secures the governance of NAM's ESG-related methods and principles. The ESG Committee is responsible for the content of and adherence to the policy. An ESG Operational Forum secures alignment and coordination on ESG matters across the NAM value chain.
The Nordea Asset Management Fossil Fuel Policy	The policy sets out guidelines for excluding fossil fuel companies that are not demonstrating a transition in line with the objectives of the Paris Agreement. The policy is applicable to Article 8 and 9 funds with very few exceptions. The NAM Holding Board is accountable for ESG-related policies, as described in the NAM Board Directive on ESG Governance. The NAM Holding CEO is responsible for implementation of the Nordea Asset Management Fossil Fuel Policy.
The Nordea Responsible Investment Distribution Policy	The policy constitutes the baseline of responsible investment requirements for the Nordea advisory universe. The policy reflects Nordea's thematic guidelines, including climate, and sector guidelines for products in the Nordea advisory universe. For customers expressing a preference for sustainability, Nordea has an investment product offering with enhanced sustainability criteria. It explains Nordea's ESG position in regard to its climate commitment and describes how Nordea requires strategic partners in the advisory product universe to commit to having net zero investment portfolios by 2050 (at the latest) as well as setting up a transition plan with clear targets. Nordea's product-specific climate change positions are also included. The policy has been drafted by the Sustainable Investments Team within Investment Centre and was adopted by the Investment Centre Product Committee (ICPC) in Asset & Wealth Management.
The Nordea Life & Pension Responsible Investment Policy	The policy governs the sustainability integration in NLP's insurance- and pension-based investment products, where NLP makes decisions as to which internally or externally managed instruments to invest in. It is complemented by NLP's Climate Change Policy and Engagement Policy. The policy is approved by the Nordea Life Holding (NLH) Board and the Board of Directors for the local NLP entities. The CEOs of the local NLP entities are responsible for implementation of the policy. ESG reports are delivered on a quarterly basis to Nordea Life & Pension's Sustainability Committee, the NLH Board, the Board of Directors of the local Nordea Life & Pension entities, the Life Executive Management Group and across the investment organisation. These reports include, but are not limited to, ESG performance, climate risk exposures, status on targets and engagement activities.
The Nordea Life & Pension Engagement Policy	The policy describes how NLP works with active ownership as a long-term investor. The policy is approved by the Nordea Life Holding Board and the Board of Directors for the local NLP entities. The CEOs of the local NLP entities are responsible for implementation of the policy.
The Nordea Life & Pension Climate Change Policy	The policy describes NLP's approach to climate change, its expectations towards investee companies, and how these are integrated into the investment process. The policy is approved by the Nordea Life Holding Board and the Board of Directors for the local NLP entities. The CEOs of the local NLP entities are responsible for implementation of the policy.

Exclusion policies

Nordea's policies primarily address climate change mitigation. Climate change adaptation is a prioritised area in terms of managing physical risks and it is expected to be covered in depth across Nordea's policies. Current policies also define rules on excluding financing and investing from sectors with the most material climate impact. These are coal, peat, unconventional oil and gas and Artic drilling.

Portfolio	Key contents
Coal	
Financing	Nordea does not finance or refinance companies with expansion plans for thermal coal or new and pre-construction phase thermal coal activities. Nordea no longer has any lending exposure towards thermal coal mining and it has excluded thermal coal production companies that produce more than 10 Mt of coal per year. Nordea has excluded companies that have more than 25% thermal coal share of power production and more than 10 GW of thermal coal power capacity. The bank requires that existing financing customers using thermal coal in power production or mining plan to exit power production and mining based on thermal coal by 2030 for industrialised countries and a full phase out globally by 2040 at the latest. Nordea does not provide project financing dedicated to thermal coal mining, new thermal coal power plants or thermal coal transport infrastructure construction. Nordea does not finance new or existing customers actively engaging in mountaintop removal mining.
NLP	NLP does not invest in or finance companies with large and sustained exposure to coal mining, with a 5% revenue threshold on thermal coal and a 30% revenue threshold on total coal (including metallurgical coal). Companies in the conventional coal mining and power generation sectors must have a credible transition plan aligned with at most a 2°C trajectory in order for NLP to invest. These plans should as a minimum include long- and short-term emission reduction targets (including scope 3 where relevant).
NAM	NAM excludes companies with substantial and sustained exposure to coal mining with a 5% revenue threshold on thermal coal and a 30% revenue threshold on total coal (including metallurgical coal).[1] NAM excludes companies with more than 50Mt annual production of thermal coal without a coal phase out commitment. [2] In addition, for coal-fired electricity generation, NAM excludes: • Electric utilities without commitment to phase out coal by 2040 (35% revenue threshold for advanced economies, 50% for others). • Companies with coal power expansion plans if existing coal power revenues exceed 10% or coal capacity exceeds 5GW. • Companies with coal expansion plans of > 1 GW.
Peat	
Financing	Nordea requires that existing financing customers using thermal peat in power or heat production or mining thermal peat, are committed to exiting such thermal peat activities by 2025 at the latest
NLP	–
NAM	–

Portfolio	Key contents
Unconventional oil and gas	
Financing	Nordea does not provide or facilitate financing to projects dedicated to expanding exploration and production of unconventional oil and gas.
NLP	NLP does not invest in or finance companies involved in unconventional fossil fuel extraction from oil sands, shale oil and shale gas.
NAM	NAM excludes companies involved in the production of fossil fuels from oil sands (5% revenue threshold) or through Arctic drilling. In addition to the firm-wide exclusion list, a substantial part of NAM strategies is also subject to the Paris-aligned Fossil Fuel Policy (PAFF), which excludes companies involved in unconventional fossil fuel production and companies involved in conventional production, distribution or services, if they do not have a recognised strategy to achieve an emissions path that is consistent with the Paris Agreement's goal.
Arctic drilling	
Financing	Nordea does not provide or facilitate financing to projects dedicated to expanding exploration and production through Arctic drilling (i.e. north of the southernmost extent of winter sea ice).
NLP	NLP does not invest in, or finance, companies involved in unconventional fossil fuel extraction from Arctic drilling.
NAM	NAM does not invest in, or finance, companies involved in unconventional fossil fuel extraction from Arctic drilling.
Additional considerations	
Financing	Nordea's climate impact and risk-related exclusions are described in the Nordea Sector guideline for the Fossil fuel-based industries and in the Sector guideline on Mining industry. Lending customers are informed about the policies as part of the customer dialogue.
NLP	Companies in the conventional oil and gas, coal mining and power generation sectors must have a credible transition plan aligned with at most a 2°C trajectory in order for NLP to invest.
NAM	Climate impact and risk-related Investment exclusions are continually updated in the relevant policies, which include Nordea's Responsible Investment Policy and the Nordea Asset Management's Fossil Fuel Policy. NAM does not invest in companies involved in fossil fuel extraction from Artic drilling.

1) The threshold on metallurgical coal is higher as there are currently no widely available alternatives. Nevertheless, NAM has chosen to apply a threshold and expects to adjust it downwards as applicable coal-free technologies appear, e.g. in the area of steel production.
2) A coal phase-out commitment encompasses a public commitment to ending production of thermal coal or coal-fired electricity generation by 2040 at the latest.

Actions and resources in relation to climate change policies

During 2024 Nordea took actions to further impact the net zero bank's roadmap across its business and own operations. Nordea's policy framework provides guidance on prioritised areas for allocating capital to where is needed. The policies are implemented through actions to mitigate climate-related risks and negative impacts as well as boost opportunities.

These actions require significant efforts and coordination from Nordea together with its customers and society. Nordea engages with its peers, civil society and the public sector on climate action and contributes to the transition of the real economy towards a low-carbon and climate-resilient future. Nordea continues to play an active role in the international climate finance ecosystem, helping to further develop the ambition and standardisation of carbon accounting, target-setting and net zero alignment across the financial industry.

Nordea is a member of the Net Zero Banking Alliance (NZBA), the Net Zero Asset Owner Alliance (NZAOA) and the Net Zero Asset Managers (NZAM) initiative in order to establish common guidelines and work with peers on the roadmap towards net-zero emissions in the real economy as well as in Nordea's portfolios.

The Glasgow Financial Alliance for Net Zero recommends financial institutions to provide feedback and support to customers and portfolio companies as well as encourage net zero transition strategies. It is also in Nordea's interest for customers to have a gradual and predictable transition, which Nordea can help support.

Nordea has had an active role in the Partnership for Carbon Accounting Financials (PCAF) as member of the Board of Directors, PCAF Core Team and PCAF Nordic group since 2020. The aim is to contribute to the developments of new methodologies and standards for GHG emissions accounting in the financial industry.

Furthermore, Nordea believes that customer-facing employees and employees in Procurement play an important role in implementing climate actions. The bank has regular internal training on topics such as net zero transition plans, sustainable finance, ESG data and the EU taxonomy that build internal skills and a culture to support customers' transition.

The work around policies and stakeholders engagement have enabled different actions in respect of lending, investment and own operations.

Lending portfolio

Nordea's lending portfolio has included targeted financed emissions development in regional policy frameworks and real customer level transition plans in the financial planning to ensure progress towards the lending portfolio targets for 2030 and 2050. Portfolio emissions and climate risk analysis have been performed in several areas to understand the portfolio footprint, resulting in actions to derisk and steer the balance sheet in the right direction. Between 2019 and 2024, a 36% decrease was seen in the lending portfolio financed emissions mainly due to specific actions, such as volume reductions in shipping and oil and gas as well as exit from offshore.

Nordea has identified sectors vulnerable to climate and environment-related risks, analysed the sectors and established guidelines and set sector targets for most of them. Nordea's actions to achieve the sector targets are described further in "Sector analysis and targets for lending portfolio" on pages 155-160.

Commercial real estate and aquaculture and fishing have been also identified as climate-vulnerable sectors.

Commercial real estate

In the past years Nordea has performed a thorough analysis of climate-related risks and opportunities in the commercial real estate (excluding construction) sector. While commercial real estate represents a relatively low-emitting portfolio for Nordea, accounting for approximately 3% of financed emissions in 2024, the customer base is diverse across the Nordic countries and asset types.

The emissions profiles mainly depend on local electricity sources, which vary greatly across the Nordics: Norway relies mostly on hydroelectric power, Sweden on hydro and nuclear power, whereas Denmark's and Finland's electricity production is a mix of fossil and non-fossil sources. Where the energy sources are predominantly fossil-free, energy efficiency is a more relevant metric than GHG emissions.

To strengthen risk management, Nordea monitors the financed emissions development against relevant external benchmarks and expects large commercial real estate companies to develop climate transition plans. This will help transition the lending book towards more energy efficient and low-carbon emitting assets. In addition, Nordea supports its customers' green transition by financing building energy renovations and onsite renewable power generation that lower the energy consumption and emissions of buildings.

Aquaculture and fishing

Both the aquaculture and fishing sectors are important for the Norwegian economy. The aquaculture customer base consists predominantly of large Norwegian companies with diversified business through vertically integrated operations across the fish farming value chain. These companies have set ambitious interim emission reduction targets. Nordea's fishing customer base consists mainly of ocean-going fishing vessels capturing wild fish resources. The majority of these customers do not disclose their emissions or set targets for emissions reduction. Emission reduction efforts within vessels rely on transitioning to alternative fuels, integrating new technologies, retrofitting existing vessels and adopting the latest sustainable practices for new builds.

During 2024 Nordea collected GHG emissions data from the largest customers in the fishing and aquaculture sectors and, where possible, assessed their climate transition plans using Nordea's proprietary Climate Transition Plan Maturity Ladder.

Nordea focuses on developing products and solutions that both support its transition and enable it to increase the positive impact (financing sustainable activities) while decreasing the negative impact (financing the transition away from high-emitting activities). Through close dialogue, Nordea encourages its customers to further develop and strengthen their transition plans whilst providing customers with financing to enable their transition. Nordea has therefore developed and offers products and services such as sustainability-linked, green financing and other ESG-focused products.

Integrating climate assessment into the credit and investment processes is crucial to understanding and managing risks in Nordea's portfolios. This includes continuous updates to Nordea's sector guidelines, industry credit policies and responsible investment policies.

Investment portfolio

Regarding its investment portfolio, Nordea has taken an active role in aligning investment strategies with the objectives of the Paris Agreement. NAM co-developed the Net Zero Investment Framework together with other members of the Institutional Investor Group on Climate Change (IIGCC) and it was among the first cohort of signatories to the NZAM initiative. NAM has consistently engaged with its most material carbon footprint contributors to improve their Paris alignment. By promoting the Oil and Gas Methane Partnership (OGMP) 2.0 framework NAM has collaborated with selected partners and customers to disclose and mitigate methane emissions.

In 2024 NAM strengthened its Responsible Investment Policy related to coal activities, including stronger investment restrictions on coal mining, coal power expansion, and generation without phase-out commitments, considering both revenues and absolute involvement.

By the end of 2024, 81% of top-200 carbon footprint contributors were aligned or subject to active engagement to become aligned, NAM engaged with 65 companies on methane, 5 companies joined the OGMP 2.0, and NAM voted on 127 climate management and shareholder proposals (69%).

Going forward NAM will continue engagement efforts to encourage Paris alignment of investee companies, enhance existing suite of climate-related tools and continue to introduce additional investment products with climate overlays.

Nordea Life & Pension (NLP) is one of the co-founding members of the UN-convened NZAOA. To reduce climate risks, NLP has divested from oil and gas exploration and production companies that fail to present a credible transition plan or are involved in unconventional oil and gas production. Further, NLP has implemented tight restrictions for investments related to the mining of thermal and metallurgical coal. External asset managers selected by NLP must demonstrate their ability to integrate risks and opportunities from climate-related transition and physical risks into their investment analysis and decision-making processes. By the end of 2024 all of the selected external managers of liquid funds had committed to transition their assets to net-zero emissions by 2050. A growing share of NLP's managers of illiquid assets had made the same commitment by the end of the year. During 2024 NLP developed its strategy for the coming years with regard to climate change and adopted targets for 2030.

Own operations

Nordea also aims to reduce carbon emissions from internal operations by more than 50% by 2030 compared with the 2019 baseline. The work is based on the precautionary principle and the scope covers countries where Nordea has its main operations: Denmark, Estonia, Finland, Norway, Poland and Sweden. Some of the key mitigation actions are outlined below.

Reduce GHG emissions from air travel

Nordea has continued to manage air travel emissions via monthly reporting to leaders including senior management, internal campaigns to promote the travel policy including travelling primarily to customer-related activities, virtual meeting options and expectation to use the train when possible. The Nordea travel dashboard supports management in following travel patterns on unit level, which has led to various reduction initiatives in the business areas and Group functions. An activity has been initiated to explore the area of sustainable aviation fuel. This activity will continue in 2025.

Improve energy efficiency at head offices

Nordea has switched 40% of light fixtures in the Nordic head office areas to LED fixtures. In 2025 LED fixture changes will continue along with the replacement of ventilation systems and optimisation of Building Management Systems (BMS).

Paperless banking and reduction of physical letters

Nordea has systematically continued to replace physical letters with digital channels to increase customer satisfaction, to support Nordea's sustainability targets and to improve cost efficiency. In 2024 there were extraordinary send-outs to Nordea's customers, which has led to an increased number of physical letters. This has been done to meet regulatory requirements and make sure important information on updated services is received by all Nordea's customers. Nordea always uses cautious evaluation processes before sending out any physical letters. The ambition stays firm to reduce physical letters.

Reduce emissions in company car fleet

Company car policy has been updated to promote Nordea's environmental responsibility and sustainability goals. The Group Leadership Team (GLT) and their direct reports (GLT-1) are required to select only electric vehicles (EV) with zero CO_2 emissions. Current lease contracts will be phased out and replaced with fully electric company cars in the period up to June 2029. For the rest of the company car portfolio, Nordea will replace or terminate at end of lease to accelerate the transformation of the company car portfolio to electric mobility.

Supply chain alignment with net zero target

To achieve the supply chain target, Nordea has engaged with suppliers in high spend or high climate risk sectors to ensure they have relevant plans in place. The preparations started in 2024 to transition to an automated solution for assessing plans and tracking engagements to enable focusing Nordea's efforts where they have the highest impact. Nordea's expectations are that all large suppliers commit to being "net zero by 2050 at the latest" and having science-based climate transition plans in place by 2028.

Reduce waste generation from operations

All employee restaurants and cafes at head offices managed by ISS should obtain the Nordic Swan Ecolabel by end 2025. The certification process started late 2024. A part of the certification covers a structured approach to waste sorting, reduction of food waste and elimination of the use of disposable items.

Cap water withdrawal in the head offices

The requirements of the Nordic Swan Ecolabel includes efforts to reduce water withdrawal in the kitchens. The certification of all ISS-operated employee restaurants and cafes at head offices will further support Nordea's capping of water withdrawal.

Technology reduction activities

In 2024 Technology, in collaboration with the Digital Employee Experience (DEE) team, launched the "Wireless First" initiative aimed at reducing energy consumption and costs by eliminating network switches at Nordea's head offices. The replacement of older switches will continue into 2025 in all the relevant countries Additionally, older switches are being replaced with more energy-efficient models. To date, 169 switches have been removed across Denmark and Sweden, while 243 have been replaced, resulting in estimated savings of approx. 30 tons of CO_2e and 193.000 kWh of energy.

The above-mentioned key climate change mitigation actions are linked to Nordea's decarbonisation levers related to own operations. The quantified decarbonisation levers details are stated in the following section.

Targets related to climate change mitigation and adaptation

Nordea's business objective is to achieve net-zero emissions across its value chain in terms of scope 1, 2 and 3 emissions by the end of 2050 at the latest.

To support this long-term commitment and to align Nordea's business with the goals of the Paris Agreement, Nordea has set targets to reduce emissions by 2030 across both its lending and investment portfolios. These targets were set using scenarios and modelled pathways that align with the long-term trajectory to limit warming according to the Paris Agreement. These are normative scenarios showing what is required to limit warming to a certain level using a range of socio-economic and technological assumptions across different sectors of the economy. While these targets intend to help Nordea to reduce transitional risks in its portfolios and support the decarbonisation of the economy, Nordea also acknowledges and recognises that there are strategic risks associated with rapidly decarbonising its portfolios if the broader economy is not decarbonising at the same rate. Nordea is enhancing and further developing its monitoring of these risks and dependencies.

Instead of setting a specific scope 1, scope 2, scope 3 gross target, Nordea has implemented separate measurable and time-bound outcome-oriented targets for its own operations and supply chain and relevant lending and investment portfolios. The targets for the lending and investment portfolios are set in line with Nordea's voluntary commitments.

As a financial institution, both Nordea's largest challenge and most significant impact come from scope 3 emissions from its investment and lending portfolios, referred to as financed emissions. In 2024 these represented 99.9% of Nordea's total disclosed GHG emissions. Total scope 1, scope 2 and scope 3 emissions for 2024 can be seen in the table on page 162.

Additionally, each business area has set individual climate-related targets and actions for 2024–2025 and 2030 that are monitored and reported on a continuous basis. See details of the business area targets in the tables below.

To support the lending portfolio interim objective to reduce absolute financed emissions by 40–50% by 2030, Nordea has performed climate risk sector-specific deep dives and set sector-specific targets in order to align with regional sector roadmaps and scientific pathways. The process and related targets are discussed in more detail in "Sector analysis and targets for lending portoflio" on pages 155–160.

Several of Nordea's targets are closely aligned with the requirements set out in the existing standard for financial institutions provided by the Science Based Targets initiative (SBTi). As the SBTi is currently working on a Net-Zero Standard for the financial sector, which will replace the existing standard, a potential validation of Nordea's climate targets through the SBTi will be assessed and considered once the new Net-Zero Standard is published.

Nordea has identified key mitigation actions and taken a deeper look at categorised decarbonisation levers which have contributed to emissions reductions from the baseline to 2024. Nordea expects that these decarbonisation levers continue to help the emissions reductions needed to achieve the bank's targets. The decarbonisation levers graphs presented alongside the relevant targets describe the decarbonisation levers that will impact the accomplishment of reaching the defined targets.

E1 Climate change, cont.

Bank targets for GHG emissions scope 3 category 15 Investment- lending portfolio

2025 bank target (relative)		Status
Ensure that 90% of the exposures to large corporate customers in climate-vulnerable sectors is covered by transition plans by the end of 2025		86%
Target scope, related IROs and policy objectives	The sectors covered by this target are those originally defined in 2020 as potentially vulnerable to climate transition and/or physical risks. Details of these vulnerable sectors are disclosed in the table "Business loans financed emissions" on page 164. This target is set to support mitigation of climate-related risks.	
Methodologies, significant assumptions and stakeholder involvement	In the context of this target, a transition plan is defined as a quantifiable and time-bound target to reduce GHG emissions set by an obligor or parent company. Nordea has collected relevant climate commitments from publicly available sustainability and annual reports, and supplemented with information gathered directly from customers.	
Performance against target	86% of the exposures to large corporate customers in climate-vulnerable sectors is covered by transition plans by the end of 2024. The percentage is based on year-end 2024 exposures and transition plans reported during 2024.	

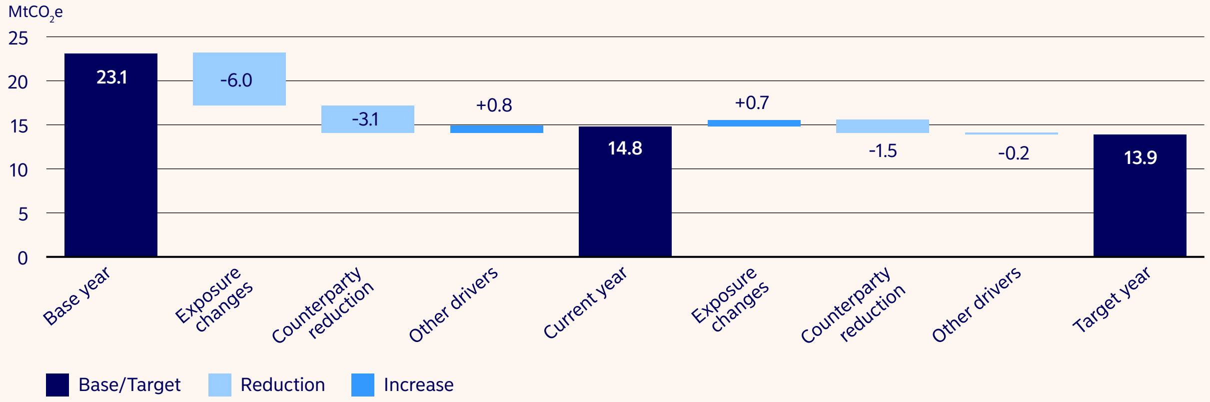
2025 and 2030 sector targets	Status
Sector targets	See page 155–160
Nordea's sector targets include financed emissions from residential real estate, motor vehicles, shipping, agriculture, power production, oil and gas, offshore and mining. Further details are found in "Sector analysis and targets for lending portfolio" on pages 155–160.	

2030 bank target (absolute)		Status
Reduce financed emissions in the lending portfolio by 40–50% by the end of 2030 compared with 2019		36%
Target scope, related IROs and policy objectives	The target covers financed emissions across business loans, residential and commercial real estate, motor vehicles and shipping asset classes in the lending portfolio. This target was informed by the imperative to halve global absolute emissions within the target time horizon, in accordance with the IPCC's no and low overshoot 1.5°C pathways (IPCC SR15), and relates to the policy objectives set in Nordea's Sustainability Policy. This target is set to handle climate related risks and negative impacts as well expand positive impacts and opportunities.	
Methodologies, significant assumptions and stakeholder involvement	The target was set using an absolute contraction approach, comparing absolute emissions from Nordea's lending portfolio with two global benchmark scenarios for absolute emission reductions required across the economy. The benchmark scenarios selected at the time of target-setting were the IPCC Special Report on 1.5°C no- and low-overshoot scenarios and the UNEP Emissions Gap Report 2019. The selected IPCC scenarios outline absolute CO_2 emissions reductions of 40–59% by 2030 relative to 2010 levels, with emissions in 2019 held to be at a similar or slightly higher level than in 2010. UNEP-FI was involved in the target-setting process as conveners of the CCCA and NZBA with the Guidelines for Climate Target Setting for Banks. NGOs that are involved in the Science Based Targets initiative were consulted when the NZBA constructed these guidelines. The target is connected to the lending portfolio decarbonisation levers, which are detailed below.	
Performance against target	Financed emissions in the lending portfolio reduced by 36% by the end of 2024 compared with the baseline 23.1 $MtCO_2e$ at the end of 2019. The 2019 baseline was recalculated due to improved data quality. Details can be found in the table "Breakown of financed emissions in the lending portfolio" on page 163. The target is measured based on tCO_2e.	

Lending portfolio decarbonisation levers

Target

Reduce absolute financed emissions in lending portfolio by 40–50% between 2019 and 2030



Decarbonisation levers

Nordea's lending portfolio emissions reductions are grouped into three categories: exposure changes, counterparty reductions and other drivers. Two of the former categories are considered actual decarbonisation levers whereas other drivers relate to data quality and technical factors that cannot be directly linked to mitigation actions.

As part of the lending portfolio progress from 2019 to 2024, the exposure changes cover achieved emission reductions resulting from Nordea's exclusion policies (e.g. in Offshore and Peat mining sectors) and portfolio composition changes over time. Counterparty reductions account for emissions reductions from Nordea's customers, attributed to Nordea's lending portfolio. The majority of these reductions are driven by customers in the Power production sector. In certain cases Nordea can contribute to counterparty reductions with its own mitigating actions such as customer engagement, ensuring transition plans are in place and assisting customers in mapping emission-intensive production in their supply chain. Other drivers of achieved emissions reductions include the emission impact from improvements of financed emissions data quality and changes in the lending portfolio companies' enterprise value including cash (EVIC).

Advancing towards the 2030 emissions target, the majority of the reductions are estimated to come from counterparties, decreasing the emissions intensity of Nordea's lending portfolio. The impact of this lever is estimated based on the assumption that Nordea's lending portfolio emissions reductions reflect the national and sector policy emission reduction target trajectories applied in the estimations. For the expected emissions reductions, the exposure changes are the estimated net impact from lending portfolio growth as well as Nordea's actions in portfolio balancing. The presence of inflation will naturally inflate the balance sheets of companies while their actual emissions may remain constant, decreasing the emission intensity. This impact is estimated and isolated to other drivers.

NLP targets for GHG Emissions scope 3 category 15 Investment- investment portfolio

2024 NLP carbon footprint target (relative)	**Status**
Reduce the carbon footprint (intensity) from NLP's listed equity, corporate bond and directly held real estate portfolios by 25% by the end of 2024 compared with 2019	43% (target met)

Target scope, related IROs and policy objectives	The target includes the carbon footprint from listed equities, corporate bonds and directly held real-estate in Norway, Sweden and Finland. This target is linked to policy objectives in Nordea Life & Pension's Responsible Investment Policy, which is complemented by NLP's Climate Change Policy and Engagement Policy. This target is set to support mitigation of climate-related risks and limit negative impacts associated with GHG emissions generated from investees' activities.
Methodologies, significant assump-tions and stake-holder involvement	The target was set in accordance with the second edition of the Net Zero Asset Owner Alliance's (NZAOA's) target setting protocol, which was released in 2021 and based its requirements for members on the Intergovernmental Panel for Climate Change (IPCC)'s SR15 no and low overshoot 1.5°C pathways. Two NGOs, WWF and Global Optimism, were consulted when the NZAOA constructed the target setting protocol. In addition, UNEP-FI and the UN PRI were involved in the process as conveners of the NZAOA. The target is connected to NLP investment portfolio decarbonisation levers, which are detailed below. Note the carbon footprint for the base year in the decarbonisation levers graph on this page differs from the base year stated here. This is due to methodological differences.
Performance against target	NLP has achieved the target by reducing its carbon footprint by 43% since 2019. The baseline is 47 tCO_2e/million US dollar invested for Scope 1+2 at the end of 2019. A significant part of the reduction stemmed from emissions reductions by investee companies, divestments due to NLP's Responsible Investment policy and allocations away from fossil-intense sectors. In addition, factors such as enterprise value and other allocation aspects unrelated to NLP's climate strategy played a role, especially in the latter half of 2024. Some of these factors are volatile and are expected to change over time.

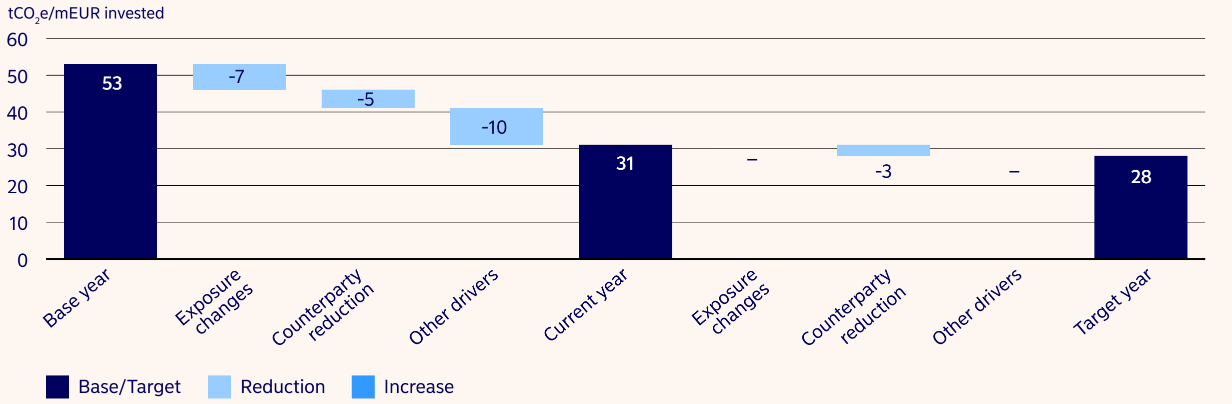
2024 NLP asset manager target (relative)	**Status**
By the end of 2024 ensure that all asset managers managing assets on behalf of Nordea Life & Pension commit to transitioning their assets under management to net zero by 2050	61%

Target scope, related IROs and policy objectives	The target covers all managers in liquid asset classes. For managers in illiquid assets, three categories that were out of scope for the target were investments done prior to 2015, VC and investments of insignificant size. This target is linked to policy objectives set in Nordea Life & Pension's Responsible Investment Policy, which is complemented by NLP's Climate Change Policy and Engagement Policy. This target is set to support mitigation of climate-related risks and limit negative impacts associated with GHG emissions generated from investees' activities.
Methodologies, significant assump-tions and stake-holder involvement	The target was set in accordance with the NZAOA's second edition of the Target Setting Protocol, issued in 2021. The target is set to support emissions reduction targets based on science by selecting asset managers with targets to achieve net-zero emissions by 2050. Two NGOs, WWF and Global Optimism, were consulted when the alliance constructed the target-setting protocol. In addition, UNEP-FI and the UN PRI were involved in the process as conveners of the NZAOA.
Performance against target	61% of NLP's asset managers were in 2024 committed to net zero by 2050 or sooner. 100% of NLP's asset managers of liquid assets were committed to net zero, but among managers of illiquids the uptake was slower than expected during the target period, especially in the US. At the end of the year 50% of managers of illiquid assets had made firm-wide commitments for all their assets, up from 7% when the target was set in 2021. Given the slow uptake among managers of illiquid assets, NLP engaged during 2024 with the managers not yet committed to net zero. There were 17 in total, and investments in their products were made before NLP adopted its climate targets in 2021. Their climate work and approach were assessed with the conclusion that these illiquid asset managers showed different levels of ambition and concrete action. Based on the findings during the engagement and assessment process, the Board of Nordea Life Holding AB and NLP's executive management decided in Q4 2024 to not invest any additional capital with the asset managers that have not committed to net zero unless they change. The fund investments in question are illiquid and most of them are approaching the end-phase of the contracts. The Board and executive management therefore decided to exit these remaining investment funds in the coming years (0.3% of NLP managed AuM by the end of 2024) in a way that benefits NLP's customers, with end-2030 as the final exit date.

Investment portfolio (NLP) decarbonisation levers

Target

Reduce the carbon footprint for listed equities, corporate bonds and directly held real estate by at least 25% between 2019 and the end of 2024 (current year).
Reduce the carbon footprint (intensity) for listed equities, corporate bonds and directly held real estate portfolios by 40-50% by the end of 2029 (target year) compared with 2019.



Decarbonisation levers

The levers and underlying drivers from 2019 to 2024 (year-end) are as follows:

Exposure changes
Reductions due to exposure changes were mainly driven by NLP's divestments from fossil-intensive sectors (-15%) and capital allocation into less intensive sectors (-9%). These reductions were moderated by increases due to allocations within sectors, into companies with higher carbon footprints compared with the base year (+11%). The companies causing a large part of this moderating impact are committed to achieving net-zero emissions by 2050 or earlier. Many of these companies are within the Utilities and Basic materials sectors and are in scope of NLP's 2030 target to engage with the largest emitters in its portfolios on their alignment with net-zero emissions by 2050. The overall reductions due to exposure changes reflect both NLP's ESG strategy, e.g. tight restrictions on fossil fuel extraction, as expressed in NLP's Policy for Responsible Investments, and broader asset allocation decisions by NLP or its fund managers between asset classes and sectors. The latter may vary over time.

Counterparty reductions
The emissions reductions achieved by NLP's investee companies contributed to the improvement of the carbon footprint (-10%). In addition, NLP's divestments from fossil sectors and the allocation of capital away from fossil-intensive sectors to less intensive ones (mentioned above) resulted in a combined 34% reduction of the carbon footprint, out of a 43% reduction in total during that period.

Other
Within other drivers, the most relevant one reflects companies' enterprise value including cash (EVIC) (-15%), followed by changes due to data coverage (-4%). Both contributed positively to reductions in the carbon footprint during the period. However, in times of economic downturns and falling enterprise values, NLP's carbon footprint may increase. This logic is embedded in the intensity target and creates volatility.

The levers and underlying drivers from 2024 to 2029 (year-end) are as follows:
During the upcoming target period (2024–2029) a reduction in NLP's carbon footprint of 10% is estimated. Taking a conservative approach, the possibility that companies fall short of their targets has been factored in. This assumption is based on the Emissions Gap report by the UN Environmental Program. Due to the applied methodology, all changes are allocated to the lever "Counterparty reductions," and the underlying driver "Emission reductions" among investee companies.

New targets for NLP were launched and existing targets were updated in the first quarter of 2025 in order to take the next steps towards 2030. These targets were set in accordance with the NZAOA's fourth edition of the Target Setting Protocol, which was issued in 2024. Two NGOs, WWF and Global Optimism, were consulted when the alliance constructed the target setting protocol. In addition, UNEP-FI and the UN PRI were involved in the process as conveners of the NZAOA.

2030 NLP target (relative)		Status
Reduce the carbon footprint (intensity)[1] of listed equities, corporate bonds and directly held real estate portfolios by 40-50% by the end of 2029 compared with 2019		New target
Target scope, related IROs and policy objectives	This target has been updated and launched in the first quarter of 2025. The scope covers listed equities, corporate bonds and directly held real estate in Sweden, Finland, Norway and Denmark. The target is linked to Nordea Life & Pension's Responsible Investment Policy, which is complimented by NLP's Climate Change Policy and Engagement Policy. This target is set to support mitigation of climate-related risks and limit negative impacts associated with GHG emissions generated from investees' activities.	
Methodologies and significant assumptions	At the end of 2024 the carbon footprint had been reduced by 41% for this new (four country) scope, which lies within the target range for 2029. However, the last quarter of 2024 saw a combination of factors driving down the carbon footprint at an unusual magnitude. Many of these factors are related to market movements and are thus volatile. Given this uncertainty, NLP stands by the target range of 40–50%. In the event that also the upper end of the range is permanently achieved prematurely, NLP will review the target range. If applying 2023 as the base year, NLP would have to reduce its carbon footprint from 35 tCO_2e/USDm invested (end of year 2023) to 23–27 tCO_2e/USDm invested, equivalent to a reduction of 21–34% between the end of year 2023 and the end of year 2029. The baseline for the target is 46 tCO_2e/USDm invested at the end of 2019. Note that the carbon footprint for the base year in the decarbonisation levers graph on the previous page differs from the base year stated here. This is due to methodological differences. The 2019 baseline was updated to include NLP Denmark.	

1) The calculations of NLP's emissions-intensity target include, among other factors and assumptions, an estimate of future absolute financed emissions. The estimated financed emissions for 2029 are 0.98 $MtCO_2e$. This estimate factors in the possibility that investee companies may not fully achieve their stated emissions reduction targets, which underpin the estimation. The assumed gap is based on UNEP's Emissions Gap Report. Without the assumed gap, the estimate for 2029 is 0.89 $MtCO_2e$. The estimate for 2029 includes emissions from the asset classes corporate bonds and listed equities, and directly held real estate, for which emissions from 2023 are continued. Note that the forward projection relies on simplified assumptions, including constant portfolio composition, uniform annual market growth, consistent growth in annual inflows, and company emission pathways as projected by NLP's external data provider. Emissions are unscaled, and NLP's estimates include emissions from investments in funds manufactured by NAM. Due to these limitations, this projection should not be used to infer NLP's overall strategy.

2030 NLP target (relative)		Status
Engage annually with the top 30 emitters on net zero alignment during the period 2025–2029		New target
Target scope, related IROs and policy objectives	This target has been launched in the first quarter of 2025. The top-30 emitters typically represent about half of NLP's total GHG emissions. The target is measured by the number of companies which are among the top-30 emitters, and with which NLP has engaged during a year. It supports the policy objectives set in Nordea Life & Pension's Responsible Investment Policy, which is complemented by NLP's Climate Change Policy and Engagement Policy. This target is set to support positive impacts associated with financing and supporting the transition of companies and sectors.	
Methodologies and significant assumptions	The target is set to support emissions reduction targets based on science by engaging with investee companies on setting and pursuing targets to achieve net-zero emissions by 2050.	

2030 NLP target (relative)		Status
Increase the share of AuM supporting nature and the climate transition by 20% by the end of 2029, compared with 2023		New target
Target scope, related IROs and policy objectives	This target has been launched in the first quarter of 2025. The climate and nature transition requires reallocation of capital. This target is set to increase the share of investments supporting nature and the climate transition by 20% by the end of 2029, compared with 2023. This means that NLP will increasingly invest in companies that are taking necessary steps to align with net zero or are providing solutions that are important for the transition and the world's ecosystems. The following assets are in scope: • Listed equities that are aligned or aligning with net zero by 2050. • Climate/nature-themed equity funds (public and private). • Labelled bonds with environmental impact (corporate, sovereign, supranational and agency bonds) – second-party opinion required • Directly owned buildings that comply with the technical screening criteria for mitigation and adaptation of the EU taxonomy's section for the acquisition and ownership of buildings. • Thematic investments with environmental characteristics related to for example infrastructure or other real assets that are important for the transition. This target is set to support the positive impacts associated with financing and supporting the transition of companies and sectors. It is linked to the policy objectives set in Nordea Life & Pension's Responsible Investment Policy, which is complemented by NLP's Climate Change Policy and Engagement Policy.	
Methodologies and significant assumptions	The target is based on the IPCC's finding that the climate transition is not happening fast enough to be in line with the targets of the Paris Agreement. The baseline for the target is 30% share of AuM supporting nature and the climate transition by the end of 2023.	

NAM targets for GHG emissions scope 3 category 15 Investment – investment portfolio

2025 NAM target (relative)		Status
Double the share of net-zero-committed AuM by the end of 2025 compared with 2021		On track
Target scope, related IROs and policy objectives	This target covers Nordea Asset Management's (NAM) portfolios. As part of NAM's Net Zero Asset Managers initiative (NZAMI) commitment, NAM reports the percentage of AuM committed to be managed in line with net zero by 2050. This target is linked to the policy objectives set in Nordea's Responsible Ivestment Policy and Nordea's Responsible Investment Product Distribution Policy. This target is set to support opportunities related to investing in activities linked to climate change.	
Methodologies, significant assumptions and stakeholder involvement	Strategies that NAM considers to be managed in line with net zero include funds and mandates that are subject to a decarbonisation reference objective that is consistent with 1.5°C, have a core objective to invest in climate solutions or support the achievement of real economy emissions reductions through specific and consistent engagement activity. In addition, in 2024 NAM expanded its scope to include covered bond portfolios. As a major institutional investor in covered bonds, NAM recognises the importance of rapid building stock decarbonisation to achieve the 1.5°C goal, despite the lack of established net zero blueprints and limited data availability for this asset class. To address this challenge, NAM has developed its own methodology. This approach involves engaging with issuers to enhance transparency on decarbonisation metrics and continuously monitoring portfolios against 1.5°C-aligned pathways for GHGe/m2 at country and portfolio levels. The methodology includes a mechanism to potentially exclude portfolios from being considered "managed in line with net zero" if engagement efforts fail or if emissions intensities persistently diverge from aligned pathways. This target is informed by the global imperative to halve global absolute emissions within the target time horizon, in accordance with IPCC's no and low overshoot 1.5°C scenarios (IPCC AR6).	
Performance against target	As at 2024, 26% of AuM were assessed as managed in line with net zero, compared with 17.5% in 2021. The target is 35% for the share of net zero committed AuM. Progress on the target is tracked and shared with senior management on a quarterly basis via the process for internal performance measurement.	

2025 NAM target (relative)		Status
Ensure that 80% of the top 200 emissions contributors in Nordea Asset Management's portfolios are either aligned with the Paris Agreement or are subject to active engagement to become aligned by the end of 2025		81%
Target scope, related IROs and policy objectives	This target covers Nordea Asset Management's portfolios. This target is linked to policy objectives set in Nordea's Responsible Investment Policy and Nordea's Responsible Investment Product Distribution Policy. This target is set to support opportunities related to investing in activities linked to climate change and to reduce negative impacts of GHG emissions generated from investees' activities.	
Methodologies, significant assumptions and stakeholder involvement	NAM has developed an in-house assessment tool to categorise investee companies into one of four Paris alignment maturity categories: Aligned, Aligning, Committed to aligning or Not aligning. The assessment is based on six evaluation criteria set by Net Zero Investment Framework: GHG emissions disclosure, net zero ambition, credible GHG reduction targets, progress against targets, a supportive climate strategy and aligned capital expenditures. The target is set in accordance with IIGCC's Net Zero Investment Framework (1st, 2nd edition), one of the target setting methodologies endorsed by the NZAM.	
Performance against target	As at 202, 81% of the top 200 companies were aligned or subject to active engagement to become aligned. Progress on the target is tracked and shared with senior management on a quarterly basis, via the process for internal performance measurement.	

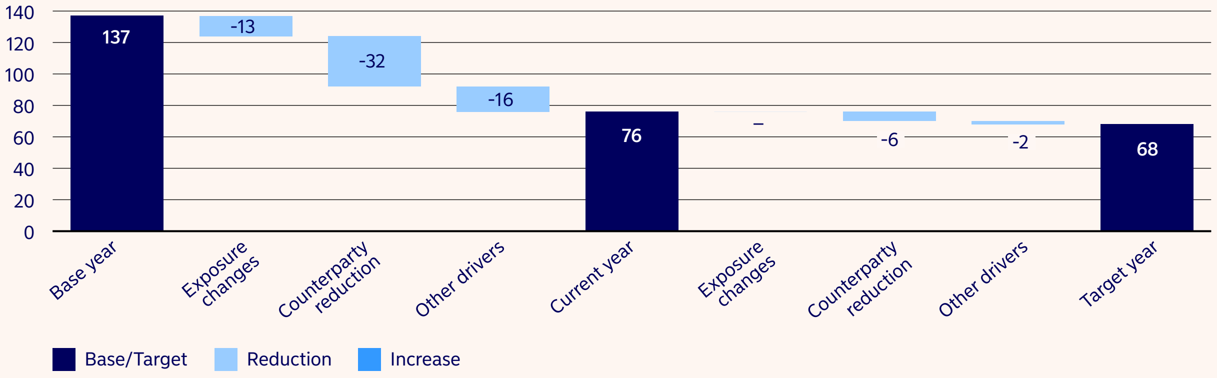
2030 NAM target (relative)		Status
Reduce the weighted average carbon intensity (WACI) of listed equities and corporate bonds by 50% by the end of 2030 compared with 2019		44%
Target scope, related IROs and policy objectives	The target covers listed equities and corporate bonds in NAM's portfolios and is target is linked to policy objectives set in Nordea's Responsible Investment Policy and Nordea's Responsible Investment Product Distribution Policy. This target is set to support the mitigation of climate-related risks and to limit negative impacts of GHG emissions generated from investees' activities.	
Methodologies, significant assumptions and stakeholder involvement	The change was in part driven by divestments of emissions-intensive companies and new investments in lower-intensity alternatives, but mainly by a reduction in the carbon intensity of companies that were held in NAM's portfolios over both periods. Here, the biggest driver is an overall increase in company revenues without a corresponding increase in emissions, thereby reducing carbon intensity, defined as GHG emissions per MEUR revenues. Such a reduction can signal both improved operational efficiency, and sensitivity to inflation. From a real world decarbonisation perspective, Nordea is primarily interested in the former. This target is informed by the global imperative to halve global absolute emissions within the target time horizon, in accordance with IPCC's no and low overshoot 1.5°C scenarios (IPCC AR6). The target is tracked and progress shared with relevant senior executive management members, including NAM's CEO. This includes an annual presentation to NAM's Responsible Investments Committee. The NAM ESG Committee acknowledges performance against targets before external publication. The target is connected to NAM's investment portfolio decarbonisation levers, which are detailed below. The intensity target does not directly translate into an absolute reduction value for 2030. For the most relevant estimate, the estimated financed emissions for 2025 are 8.5 $MtCO_2e$ and for 2030 8.7 $MtCO_2e$. Note that the forward projection relies on simplified assumptions about portfolio composition, economic factor, and emissions trends, and due to its limitations and potential influences from asset inflows, it should not be used to infer NAM's overall strategy.	
Performance against target	The baseline is 137 tCO_2e/EURm revenue as at end-2019. From 2019 to 2024 WACI decreased by 44%.	

Investment portfolio (NAM) decarbonisation levers

Target

Reduce the weighted average carbon intensity (WACI) of listed equities and corporate bonds by 50% between 2019 and the end of 2030

tCO_2e/EURm in Sales Revenue



Investment portfolio (NAM) decarbonisation levers (continued)
From 2019 to 2024 NAM's equity and corporate bond portfolio saw a significant reduction of 44% in its Weighted Average Carbon Intensity (WACI). This reduction was primarily driven by three factors: emission intensity reductions by investee companies, changes in investment portfolio composition and other drivers such as inflation and data availability. The majority of the reduction came from improvements in emission intensity by investee companies, particularly in high-emitting sectors like utilities, industrials, and materials. These sectors accounted for about three-quarters of the observed intensity reductions in NAM's portfolios. The emission intensity reductions were driven by both absolute emissions decreases and revenue increases, with lower absolute emissions accounting for one-third of the observed reductions. NAM's exposure to high-emitting sectors generally increased during this period, except for the energy sector where the exposure was halved due to fossil fuel-related exclusions. Within high-emitting sectors, NAM shifted its investments towards relatively low-emitting companies, particularly within utilities and energy, focusing more on renewable energy providers. This within sector reallocation was significant enough to offset increases in the exposure to high-emitting sectors overall. With existing policies and portfolio composition assumed constant, NAM is projected to reach its 50% reduction target by 2030 due to: (1) continued counter party reductions in absolute emissions and (2) sales revenue growth – both real productivity growth and inflation with the effect of the latter isolated in "other drivers".

Operations and supply chain targets for GHG emissions scope 1, 2 and 3

2025 operations and supply chain target (absolute)		Status
Reduce the carbon emissions from internal operations by 40% by the end of 2025 compared with 2019		53%
Target scope, related IROs and policy objectives	As this target is set to support the achievement of the 2030 target for operations and the supply chain, the scope, the related IROs and the policy objectives are the same as for the operations and supply chain 2030 target.	
Methodologies, significant assumptions and stakeholder involvement	Nordea's target is to reduce its carbon emissions from internal operations by 40% by the end of 2025 in order to achieve the related 2030 target. Therefore, the methodology and assumptions used for the 2030 target were also used to set the 2025 target. The target is connected to the decarbonisation levers of own operations, which are detailed on the next page.	
Performance against target	Carbon emissions from internal operations had been reduced by 53% (market-based) by the end of 2024 compared with the baseline as at end-2019. The target is measured based on tCO_2e. Currently, the reported scope of the target is GHG emissions scope 1 and 2 and scope 3 categories 1, 2, 3, 5 and 6. Nordea is currently reviewing the scope of the target.	

2025 operations and supply chain target (relative)		Status
Suppliers covering 80% of spend are either aligned with the Paris Agreement or subject to active engagement to become aligned by the end of 2025		76%
Target scope, related IROs and policy objectives	The target scope covers Nordea's own operations and was informed by the SBTi Portfolio Coverage Approach and IIGCC's Net Zero Investment Framework. This target is linked to policy objectives set in the Nordea Supplier Code of Conduct. This target is set to manage climate-related risks and limit negative impacts from Nordea's own operations.	
Methodologies, significant assumptions and stakeholder involvement	Nordea has set a target that 80% of Nordea's supplier spend should be with companies that align with the objectives of the Paris Agreement or are subject to engagement to become aligned. Around 300 companies are in scope based on spend or due to operations in sectors subject to high transition risk. Each company is evaluated based on whether they have a long-term net zero target and short-term reduction targets in place, whether they publicly disclose GHG emissions and whether their targets have been third party validated. The manual assessment of company maturity will be replaced with an automated tool in 2025 to enable scaling and improve data credibility and documentation of engagements. The SBTi Portfolio Coverage Approach where a share of the suppliers will have science-based targets in place by a particular date is supported by NGOs like WWF, WRI and CDP. The target was set with inputs from Nordea Group functions.	
Performance against target	As at 2024, 43% of spend was with companies that align and 33% of spend was with companies that are subject to engagement to become aligned. The target is measured against spend numbers.	

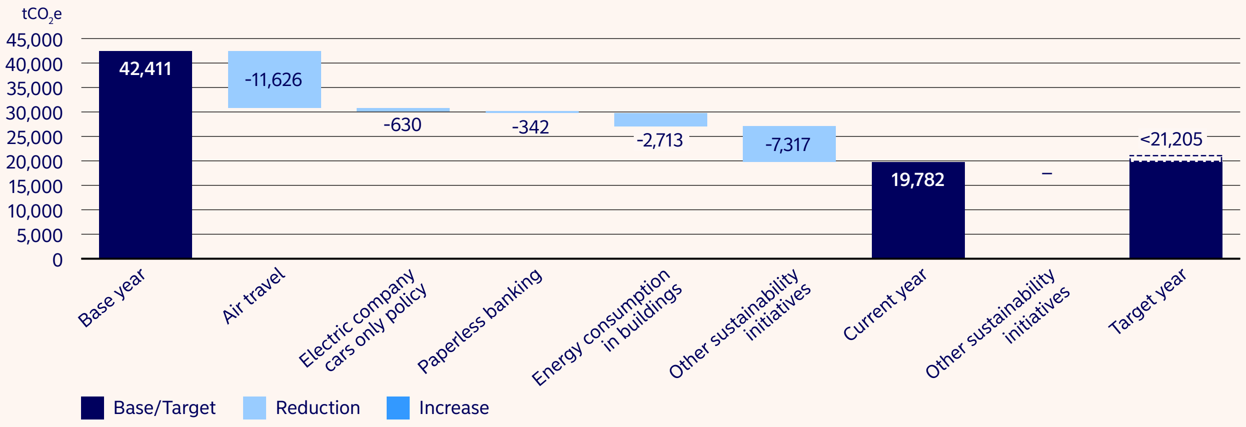
2030 operations and supply chain target (absolute)		Status
Reduce the carbon emissions from internal operations by more than 50% by the end of 2030 compared with 2019 and achieve a net positive carbon contribution (through offsetting)		53%
Target scope, related IROs and policy objectives	The target scope covers Nordea's own operations and was informed by the global imperative to halve global absolute emissions within the target time horizon, in accordance with IPCC's no and low overshoot 1.5°C pathways (IPCC SR15). This target is linked to policy objectives set in Nordea's Sustainability Policy. This target is set to manage climate-related risks and limit negative impacts from Nordea's own operations.	
Methodologies, significant assumptions and stakeholder involvement	The target was set using an absolute contraction approach, comparing absolute emissions from internal operations GHG accounting with two global benchmark scenarios for absolute emissions reductions required across the economy. The benchmark scenarios selected at the time of target setting were the IPCC Special Report on 1.5°C no and low overshoot scenarios and the UNEP Emissions Gap Report 2019. The selected IPCC scenarios outline absolute CO_2 emissions reductions of 40–59% by 2030 relative to 2010 levels, with emissions in 2019 held to be at a similar or slightly higher level than in 2010. This target is fully aligned with the SBTi criteria for halving GHG emissions between 2018 and 2030 for 1.5°C aligning. The target is tracked and progress shared with relevant Group functions. This target is connected to the decarbonisation levers of own operations, which are detailed on the next page.	
Performance against target	Carbon emissions from internal operations had been reduced by 53% (market-based) by the end of 2024 compared with the baseline as at end-2019. The target is measured based on tCO_2e. Currently, the reported scope of the target is GHG emissions scope 1 and 2 and scope 3 categories 1, 2, 3, 5 and 6. Nordea is currently reviewing the scope of the target.	

E1 Climate change, cont.

Own operations decarbonisation levers

Target

Reduce carbon emissions from internal operations by more than 50% by the end of 2030 (target year) compared with 2019 and achieve a net positive carbon contribution (through offsetting), supported by the target to reduce carbon emissions from internal operations by 40% by the end of 2025.



Decarbonisation levers

Nordea has eight initiatives ongoing in different segments of operations. For the period 2019–2024 achieved reduction surpassed the target level by 53% in 2024. The most significant decarbonisation levers for the 2019–2024 period were a reduction of air travel (56%), energy efficiency and green electricity use (48%), paperless banking initiative (51%), and greening of the car fleet (40%).

The most significant emission reductions came from the following decarbonisation levers to reach the 2030 targets:

1. Business travel
   - Reduce scope 3 business travel emissions mainly through a reduction in air travel and assumed flat emissions between 2025–2030.
2. Company cars
   - Transition to zero-emission vehicles in the company car fleet estimated to reduce scope 1 emissions connected to mobile combustion by 80% between 2019–2030.
3. Electricity, cooling and heating
   - Utilities decarbonisation (NDC). The decarbonisation of the utilities sector in the Nordic countries is expected to provide a further reduction in scope 2 and 3 emissions intensity-related electricity, cooling and heating.
   - Energy efficiency measures in line with the EU Energy Directive between 2023–2030.

Sector analysis and targets for lending portfolio

Nordea performs a business environment scanning (BES) to cover the most relevant climate policies and regulations as well as sector decarbonisation roadmaps in the Nordic region. The BES is a sector-specific analysis of the climate vulnerable sectors aligned with the Group's C&E materiality assessment. Sectors are individually assessed for risks and opportunities within climate and environmental drivers. The results are used throughout the organisation to inform strategic decisions on climate and environmental goals and policies. Nordea reviews the BES results on an annual basis to adapt to the drivers that affect these climate and environmental risks and opportunities.

Moreover, Nordea sets sector-specific targets as one of its transition planning tools. The sectors in scope for target setting are selected based on their contribution to Nordea's total financed emissions profile of its lending portfolio, climate vulnerability or a list of prioritised carbon-intensive sectors defined by the NZBA and the availability of sector-specific science or policy-based transition pathways. This assessment of sectors in scope for target setting is performed on an annual basis. Since 2021 Nordea has set eight sector targets and transition pathways relative to Paris Agreement-aligned benchmarks. The sector targets combined represented 68% of Nordea's exposures and 57% of Nordea's financed emissions in its lending portfolio in 2024.

Nordea cannot disclose the exact share of financed emissions at a 2019 base year as the sector targets were set using different base years. The difference in base years is due to Nordea following the NZBA guidelines of setting the baseline no more than two full reporting years prior to the setting of new targets and choosing the earliest point in time for which the sector has more reliable data.

Sector targets do not cover GHG emission removals, carbon credits or avoided emissions as a means of achieving emissions reduction targets.

Scope 1 and 2 financed emissions from iron and steel, aluminium, cement and commercial real estate are covered by the lending portfolio target. In 2024 iron and steel, aluminium and cement together accounted for just 0.4% and commercial real estate for 3% of the lending portfolio financed emissions.

An internal ESG report is presented on a quarterly basis to senior management. The report monitors the performance and progress on targets at group level and business area level where applicable. The report constitutes input for actions and a basis for future target setting.

These targets are approved by the Group CEO and reviewed by the Board Operations and Sustainability Committee. Relevant sector guidelines provide guidance on achievement of targets.

Sector targets are set to handle climate-related risks and negative impacts as well as expand positive impacts and opportunities.

Residential real estate

By 2030 Nordea aims to reduce the carbon intensity of the residential real estate loan portfolio by 40–50% compared with 2019 levels. The sector portfolio is benchmarked against relevant country and building type decarbonisation pathways provided by the Carbon Risk Real Estate Monitor (CRREM).

The sector includes single-family homes and terraced housing, apartments and tenant-owner associations. The overall housing market is projected to continue growing in terms of both number of homes and average home size in square metres. Total energy demand, however, is being somewhat offset by the replacement of older buildings with new and more energy-efficient buildings.

Methodologies

Emissions intensity was measured by dividing Nordea's total sector financed emissions by the total financed floor area as recommended by the SBTi. The sector financed emissions were calculated by multiplying property scope 1 and 2 emissions by an attribution factor as in the PCAF Standard. Similarly, the financed floor area was calculated by multiplying the property floor area by the attribution factor. The latter was calculated as the ratio of the current outstanding lending amount to the oldest available property value. The value of each property was used as the denominator in the attribution factor equation for all subsequent years until repayment of the outstanding balance or refinancing of the loan. The target was set using the Sectoral Decarbonisation Approach (SDA), with external benchmark scenarios from the CRREM country pathways V1.093. weighted against Nordea's known financed floor area per country – indicating that Nordea's financed residential properties in the Nordics would have to decarbonise by at least 45% between 2019 and 2030. The weighted CRREM pathway will be updated as more financed floor area data becomes available.

Actions

Nordea supports the transition in the sector in three ways: advisory services, products and energy efficiency insights.

Regarding advisory services, in 2024 Nordea upskilled its staff to respond to increasing customer interest in energy improvements and the financial implications.

Nordea has and continues to develop relevant offerings and products for customers wanting to live in an energy-efficient home or wanting to improve their home's energy efficiency through renovation. These include incentives such as price reductions on relevant products, e.g. green mortgages.

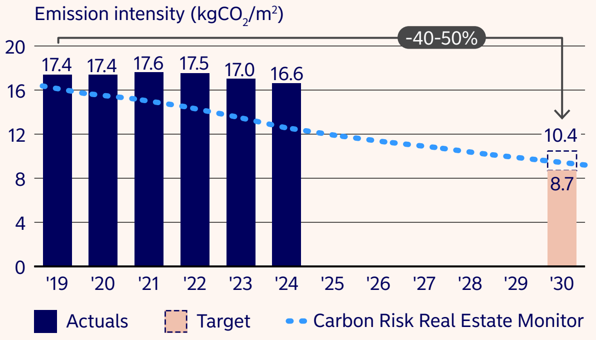
In addition, Nordea is expanding the insights provided to homeowners regarding their energy efficiency and the potential for improving it. These include insights into the impacts of relying on fossil energy sources and the estimated impacts of home renovation, e.g. improved insulation, new windows and solar panel/heat pump installations. For these purposes, Nordea engages with data providers and experts who are well positioned to support homeowners, e.g. energy authorities, sector data solution providers, energy consultancy companies and energy solution providers.

Nordea also engages with business associations and policymakers to advocate for more accurate and accessible energy-related data, e.g. energy performance certificates.

Road ahead for net zero

Achieving net zero in the Residential real estate sector requires home energy renovations to improve energy efficiency by reducing the energy needed, and to decarbonise the energy used by switching from fossil fuels to renewables as the energy source. Homes relying on fossil fuels such as gas and oil need incentives and support to transition to fossil free. Additionally, as 90% of homes in the Nordics rely on utility sector for heating and electricity, the decarbonisation of the energy sector needs to be supported. This is especially relevant for Denmark and Finland, which still partially rely on fossil fuels for heating and cooling. Finally, Nordea awaits the implementation of the EU Energy Performance of Buildings Directive by member states as it will drive changes in the sector.

Residential real estate



Shipping

By 2030 Nordea aims to reduce the carbon intensity of the shipping loan portfolio by 30% compared with 2019 levels. The carbon intensity is measured by way of the Annual Efficiency Ratio (AER) following the methodology of the Poseidon Principles. The target encompasses shipping vessels that fall within the scope of the Poseidon Principles reporting. The sector is material for Nordea due to the high transition risk associated with shifting to alternative fuels and developing ships, and the share of shipping loans accounted for 25% of Nordea's financed emissions in the lending portfolio in 2019 (i.e. the base year).

Methodologies

The target was measured in line with the Poseidon Principles practices. The physical emissions intensity of Nordea's shipping portfolio was calculated using the Annual Efficiency Ratio (AER) metric, where carbon intensity is a quotient of fuel consumption by distance travelled times dead weight tonnage (dwt) over a calendar year. The target was set using the Poseidon Principles trajectories, which are aligned with the benchmark scenario employed by the International Maritime Organization (IMO) strategy adopted in 2018. In July 2023 IMO adopted a new strategy for the reduction of GHG emissions from ships that officially revokes the IMO strategy adopted in 2018. Nordea aims to review the target in the light of the benchmark scenario updates in the new strategy.

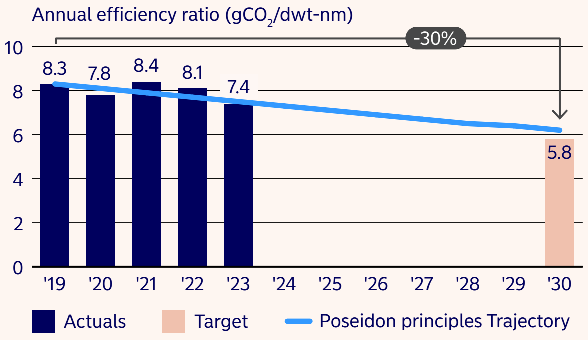
Actions

As a leading shipping bank and signatory to the Poseidon Principles in 2019, Nordea is committed to promoting a cleaner and more responsible shipping industry by ensuring accountability and enforcing climate reporting. Nordea works with its customers to understand their plans for transition and how they can succeed in them. In addition, Nordea actively engages with the Poseidon Principles Secretariat, industry stakeholders and other banks in order to set net zero-aligned targets for shipping in line with the Poseidon Principles Ambition Statement. Nordea is also a signatory to the Responsible Ship Recycling Standards that aim to minimise the dangers associated with dismantling vessels and minimise adverse impacts on the environment.

Road ahead for net zero

In 2023 IMO adopted revised targets and an enhanced common ambition to reach net-zero emissions from international shipping by 2050. Nordea is continuously monitoring and reviewing the target in the light of this development. In the near term, emission reductions in the sector will mainly depend on the implementation of energy-efficient design and operational measures across vessel fleets. In the medium to long term there must be a progressive transition to alternative fuels, new technologies and new builds. The transition of shipping will require access to capital.

Shipping



Agriculture

By 2030 Nordea's goal is to reduce financed emissions in the agricultural portfolio by 40–50% compared with 2021. The sector target represents 38% of financed emissions in business loans. Nordea's most significant exposure is in Denmark with 89% of the Agriculture sector financed emissions. The target covers lending to companies whose primary activity is animal husbandry, crops, plantation and hunting and covers customers' scope 1 and 2 emissions. The target is aligned with the national agriculture targets in Denmark and Finland as well as the SBTi Forest, Land and Agriculture (FLAG) target-setting tool and is assessed to fulfil the 1.5°C requirements.

Methodologies

The target was set using the Economic Intensity Contraction Approach. An economic intensity-level metric offers a comparable format across customers, sub-sectors and portfolios. The sector target was set based on a policy-based benchmark scenario, drawing on national sector targets for Denmark and Finland and the SBTi FLAG sector target. For Norway and Sweden, Nordea used the SBTi FLAG Target-Setting Tool to reduce emissions by 30% between 2021 and 2030, with two-thirds of the reduction to be achieved through emission reductions and one-third through carbon removals. The chosen pathway is comparable to the few other emissions pathways for agriculture available (the OECM all-sector and agricultural pathways, and the SBTi FLAG Tool), indicating that it is aligned with or more ambitious than available model pathways.

Actions

To ensure a transition in agriculture, farmers must either change how they produce or change what they produce. Some farmers will make investments in new technology to reduce emissions, others will reduce their animal production. Nordea also expects to see changes in land use, for example peat soils taken out of use or planting of trees to reduce farmland. As a bank, Nordea will support its customers and provide financing to the changes needed.

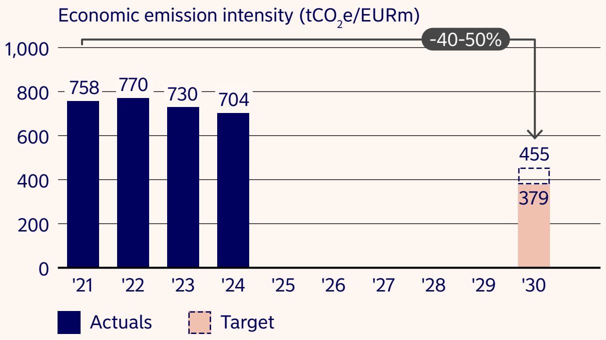
Nordea will collect climate data from customers, map where the most significant challenges are and do climate screening in connection with new financing and extension of existing financing of animal husbandry. Nordea has developed internal tools to assess the maturity of customers' climate transition plans.

Road ahead for net zero

The sector is under political pressure to reduce GHG emissions and increase carbon removals to contribute to national and EU climate targets. In general, the return on investments and on climate investments are modest, which might be a barrier to climate transition. The transition of the sector is dependent on market demand for organic and sustainably produced food, with policy implementation and subsidies as key levers.

Multiple EU policy frameworks (such as the Common Agriculture Policy, Fit for 55 and the EU 2030 biodiversity strategy) and national sector targets in Denmark and Finland aim to contribute to the sector transition. Technology solutions to reduce manure-related emissions are important levers across the Nordics.

Agriculture



Motor vehicles

By 2030 Nordea aims to reduce the emission intensity of its cars and vans portfolio by at least 40% compared with 2022 levels. The target is based on the 1.5°C requirement in line with the Paris Agreement and more concretely on the IEA's Net Zero Emissions by 2050 Scenario for cars and vans. The sector is material for Nordea due to the high transition risks associated with fossil fuel dependency of internal combustion engine vehicles and financing opportunities in the shift to zero-emission vehicles and electrification.

Methodologies

The target was measured in line with industry practice and focuses on the actual use of the vehicle. Actual vehicle emissions were sourced and combined with national averages for kilometres driven to calculate the emissions of the stock of vehicles that Nordea finance. Estimates were applied where actual vehicle emissions were not found. The target was set using the IEA NZE by 2050 Scenario, which requires annual emissions reductions of 6% by 2030 for cars and vans. By ensuring that Nordea's entire vehicle stock is in scope and using a contraction approach, the target aims to be in line with the IEA scenario.

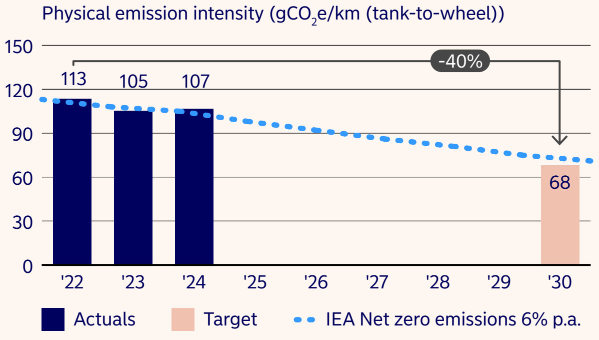
Actions

Nordea is taking a more active role in the car lending and leasing activities. In practice, this means that business decisions, product development and financing opportunities will be based on emission data to ensure alignment with Nordea's climate target. In addition, Nordea closely follows the carbon footprint of its car financing by measuring the portfolio each quarter. Going forward, ESG criteria are embedded in Nordea's car financing strategy and will be used in the engagement with car dealers and customers. Moreover, Nordea has initiated dialogues with local car dealer associations and car manufacturers with focus on low-emission products. Nordea continues to build ESG expertise through internal and external training.

Road ahead for net zero

Rapid and strong progress in the electrification of road transport has been one of the most promising developments in the transition. The Nordic car market and the wider transport ecosystem are transitioning towards net zero at the fastest pace in the world. While technology progress and market uptake are promising, the transition as a whole requires more than just a supply side change in cars and vans. Full transition in road transport requires further policy support and barriers in for example infrastructure and all other segments need to be addressed. National and local targets and policies need to encourage a wider shift to zero-emission transport along with operational and technical energy-efficiency measures.

Motor vehicles – Cars and vans



Power production

By 2030 Nordea aims to have reduced the emission intensity of its power production lending portfolio by more than 70% compared with 2021 levels. This alignment metric allows Nordea to increasingly support investment in renewable power production while reducing the absolute emissions in the lending book. Nordea formulated the target following the SBTi's SDA. The sector is relevant for Nordea due to the high climate risk associated with fossil fuels (in particular thermal coal) and the significance of fossil free power sources for the decarbonisation of other sectors.

Methodologies

The chosen metric is aligned with the SBTi sectoral guidance and is the metric predominantly used in the industry. Low-carbon generation (hydro, nuclear, wind and solar) emissions intensity is based on customers' reported annual production volumes. Where customer-specific emissions were not reported, a low-carbon estimate of $5gCO_2e$/kWh was adopted based on research on lifecycle emissions by the IPCC (2012) and the United Nations Economic Commission for Europe (2020). The target was set following a convergence approach using the SBTi's SDA tool for the Power production sector, which is based on a combination of different 1.5°C pathways and scenarios from the IPCC and the IEA. While the target-setting tool is designed for scope 1 emissions, Nordea applied it to cover both scope 1 and 2 emissions.

Actions

Nordea is committed to supporting the decarbonisation of Nordic power production and clearly states in its sector guidelines what the bank does not finance. However, Nordea considers it even more crucial to put capital behind real progress by helping to increase investment in low-carbon power.

Nordea does not initiate any new financing relationship with companies that derive more than 5% of their revenues from thermal coal or peat. Existing customers should have a full phase-out plan from coal by the end of 2030 and from peat by the end of 2025. Nordea collects individual customer level data, including absolute emissions, production intensity and production mix to be able to follow up and support the transition of each customer. Nordea also follows up on policies and trends in the energy market generally, including the use of non-fossil sources of electricity such as biomass.

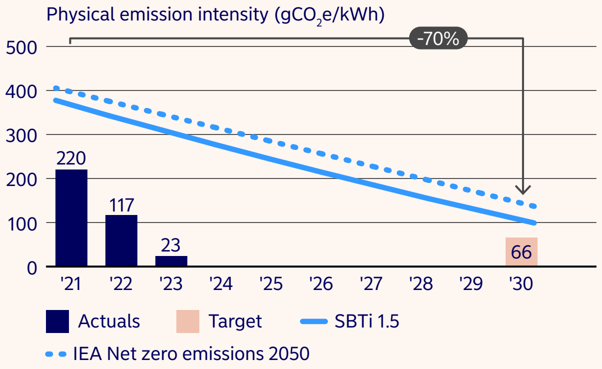
Road ahead for net zero

As the largest Nordic financial services company, it is in Nordea's interest to support and further to ensure speed and scale the transition within the Power production sector while helping to preserve affordability, energy security and growth. Nordic customers have progressed far with their decarbonisation efforts and already drive a high degree of low-carbon production compared with global peers. Overall electricity demand is projected to almost double between 2023 and 2040 driven by the decarbonisation actions of other sectors.

Wind power, particularly offshore, sees significant growth potential and will be a key contributor to renewable energy capacity across the Nordics. Combined wind and solar power production will likely be higher than hydropower production by 2038. From a technology perspective, renewable energy is commercially viable, with several well-proven technologies in use.

Nuclear power, both conventional and emerging Small Modular Reactor technology, has been included as a material part of the power strategy in both Sweden and Finland since 2023 and will contribute to a stable base load in a power mix consisting of a higher degree of intermittent energy sources.

Power production



Oil and gas

By 2030 Nordea aims to have reduced the combined scope 1, 2 and 3 financed emissions associated with its lending to exploration and production companies by 55% relative to 2019 levels, to a maximum of 1.3 $MtCO_2e$. The target covers scope 1, 2 and 3, as the scope 3 category Use of sold products is the most material emissions category for exploration and production (E&P) companies. The sector is closely monitored by Nordea due to the high transition risk associated with fossil fuel extraction. Moreover, business loans to Oil & Gas clients, when including their scope 3 emissions, accounted for a relatively high share of Nordea's financed emissions in 2019 (i.e the base year).

Methodologies

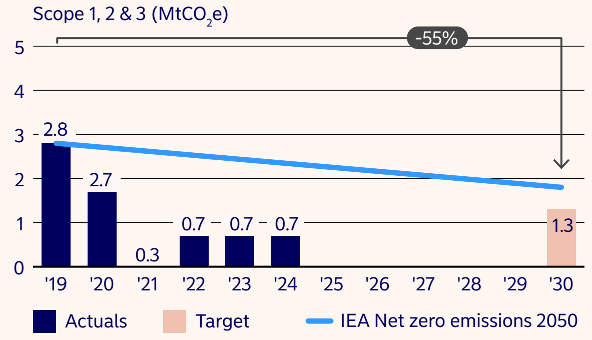
The target covers business loans to customers in the oil and gas E&P sub-sector. The emissions covered are scopes 1, 2 and 3. Methane emissions as CO_2 equivalents for scopes 1 and 2 are included. Scope 3 emissions are included as the scope 3 category, Use of sold products, is the most material emissions category for E&P companies. The target was measured using an absolute financed emissions metric (tCO_2e). The baseline was based on a combination of company-reported data and proxies, as scope 3 disclosures in particular were not consistent throughout the industry. With increased convergence expected over time, Nordea expects to rebase with higher-quality data to ensure adequate transparency. The base year for the target is 2019. The target was set using an absolute contraction approach. Total GHG emissions from the supply and energy-related use of oil and gas, including methane and scope 3 emissions, need to fall by 25–33% by the end of 2030 to be within the 1.5°C-aligned pathways of the IEA NZE by 2050 Scenario and OECM.

E1 Climate change, cont.

Actions
Nordea has already rebalanced its exposures to the exploration and production sub-sector by exiting relationships with Russian and UK customers. The remaining portfolio includes a very small number of customers who are best in class in emission intensity (CO_2e/BOE) and have low-carbon transition plans. Nordea does not provide or facilitate financing to projects dedicated to expanding exploration and production of unconventional oil and gas.

Road ahead for net zero
Oil and gas currently account for approximately half of the world's total energy supply, providing essential energy services for the proper functioning of today's society while also being a significant contributor to global GHG emissions. The global oil and gas markets are facing increasing uncertainties and challenges driven by geopolitical tensions and structural changes to consumption and supply patterns. There is a stark contrast between demand and supply curves for oil and gas in scenarios based on current policies and what is required in scenarios limiting the global temperature rise to 1.5°C. In the IEA's Net Zero by 2050 Scenario, oil and gas demand see accelerated declines driven by electrification and behavioural changes but will still play a role in the global economy by 2050, albeit with significantly lower levels of production and consumption. Reaching net-zero emissions mid-century requires transformative and significantly accelerated action from all parts of society with coordinated actions on both the demand and the supply side.

Oil and gas – Exploration and production



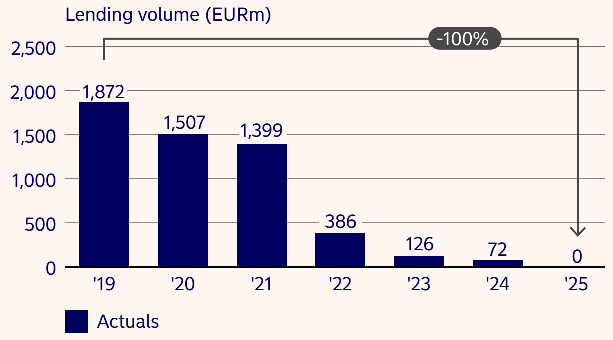
Offshore
As the offshore target concerns a phase-out by 2025, no net zero benchmark has been set. In 2022 Nordea announced a full exit from the offshore sector. Offshore refers to the Drilling rigs segment and the offshore service vessels segment. These are part of the Oil and gas (natural resources) and Shipping (maritime) segments at Nordea. The sector is material for Nordea due to credit risk and the fact that business loans to offshore customers accounted for a relatively large share of the bank's financed emissions in 2019 (the base year). Offshore is also an emissions-heavy sector, so taking the strategic decision to phase it out of Nordea's lending book will contribute significantly to Nordea's target to reduce financed emissions by 40–50% by 2030.

Methodologies
The target is exposure-based – the estimated combined scope 1 and 2 financed emissions impact across the Oil and gas and Shipping sectors is significant. The target was set as an exposure-based phase-out; emissions-based benchmark scenarios were not applicable. Nordea has not identified any applicable target-setting methodologies or benchmark scenarios for the Offshore sector as defined.

Actions
In 2019 Nordea had EUR 1.9bn in lending to the sector, which was evenly split between drilling rigs and offshore service vessels. Nordea has been progressing towards the target as planned, having exited 95% of its related lending as at the end of 2024. Nordea expects to exit the rest well before the end of 2025.

Road ahead for net zero
While Nordea has already made significant progress towards meeting its offshore target, Nordea is retaining the four-year timeframe, which is sufficiently ambitious while allowing for an orderly phase-out for Nordea's customers and Nordea as a bank. Nordea is committed to supporting and refinancing existing customers as there has been a careful reduction in the offshore portfolio and the associated risk.

Offshore



Mining
Nordea phased out thermal coal in 2021 and will phase out lending to thermal peat mining customers by the end of 2025. Customers are required to comply with the phase-out by 2025 at the latest. The sector is material for Nordea due to the fast-growing opportunities in metallic minerals and the high climate risk and risk of stranded assets associated with the exploration of thermal coal and peat, which are very high emitting.

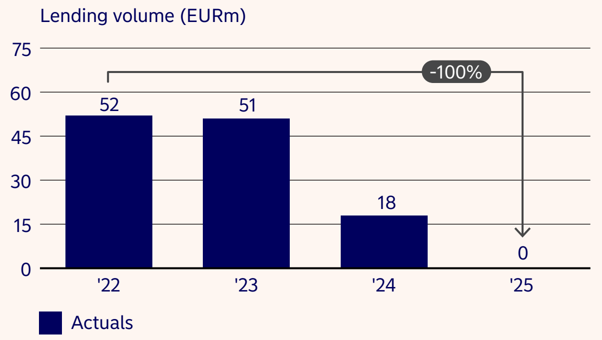
Methodologies
The target was set using an absolute contraction approach for coal and peat. The target refers to financing in millions of euro for both thermal coal mining and thermal peat mining. For thermal coal mining, a full phase-out was already achieved in 2021 and no reintroduction will be permitted. For thermal peat mining, a full phase-out will be achieved by 2025 at the latest. The IEA NZE by 2050 Scenario states that, following a transition in the energy sector, no new coal or peat mines or extensions thereof will be required as of 2021. It also states that there should be a phase-out of existing activities by 2030 for OECD countries and by 2040 for the rest of the world. The IEA NZE by 2050 Scenario includes peat under coal estimates.

Actions
As a bank, Nordea seeks opportunities to support sustainable mining companies that enable the green transition.

Road ahead for net zero

Total demand for metals and minerals is projected to increase sixfold by 2040 driven by the rapid need to scale up clean technologies in all the EU's industrial ecosystems. The Nordics have significant reserves of some critical minerals. Nordic companies within the mining sector have solid experience of operating in a sustainable way and managing risks well.

Thermal Peat Mining



The following table provides basic information around Nordea's sector targets and the progression of these targets.

Sector	Sub-sector	Emissions scope	Metric	Benchmark scenarios	Base year	Baseline[1]	Target year	Target	2024 Actuals[2]	Baseline vs 2024
Residential real estate[3]	Households and tenant-owner associations	1 and 2	Emissions intensity $kgCO_2e/m^2$	CRREM v1.093[6]	2019	17.4	2030	-40-50%	16.6	-5%
Shipping	Vessels	1	Emissions intensity AER, gCO_2/dwt-nm	Poseidon Principles (IMO 2050)	2019	8.3	2030	-30%	7.4	-10%
Agriculture[3]	Animal husbandry; crops, plantation and hunting	1 and 2	Emissions intensity tCO_2e/EURm[5]	National sector targets and SBTi FLAG	2021	758	2030	-40-50%	704	-7%
Motor vehicles[3]	Cars and vans	1[4]	Emissions intensity gCO_2e/km	IEA NZE[7]	2022	113	2030	-40%	107	-6%
Power production	–	1 and 2	Emissions intensity gCO_2e/kWh	IEA NZE[7] SBTi 1.5C	2021	220	2030	-70%	23	-90%
Oil and gas	Exploration and production	1, 2 and 3	Absolute emissions $MtCO_2e$[5]	IEA NZE[7]	2019	2.8	2030	-55%	0.7	-74%
Offshore	Drilling rigs and offshore service vessels within Oil and gas and Shipping	–	Lending EURm	–	2019	1,872	2025	-100%	72	-96%
Mining	Thermal peat	–	Lending EURm	IEA NZE[7]	2022	52	2025	-100%	18	-64%
	Thermal coal	–	Lending EURm	IEA NZE[7]		Restrictive policy			Full phase-out achieved in 2021	

1) Due to data quality improvements, the following baseline figures were refined from what was reported in 2023: Residential real estate (17.6 $kgCO_2e/m^2$); Agriculture (738 tCO_2e/EURm); Motor vehicles (117gCO_2e/km); Oil and gas (3.0 $MtCO_2e$); and Offshore (1,885 EURm).

2) Shipping and Power production are 2023 actuals.

3) Motor vehicles, Agriculture and Residential real estate sector targets are expected to be more aligned with target trajectories as the data quality improves.

4) Scope 1 covers tank-to-wheel emissions.

5) Including methane emissions in CO_2 equivalents for scope 1 for Agriculture, and Scope 1 and 2 for Oil and gas.

6) The target was informed by the Carbon Risk Real Estate Monitor benchmark V1.093, which was the available pathway before 2023 when the target was set. The pathway was weighted based on our financed floor area in the Nordics.

7) A normative IEA scenario that shows a pathway for the global energy sector to achieve net-zero CO_2 emissions by 2050 and is consistent with limiting the global temperature rise to 1.5°C without a temperature overshoot (with a 50% probability), in line with the reductions assessed by the IPCC in its Special Report on Global Warming of 1.5 °C.

Energy consumption and mix

Nordea's energy consumption stems from the usage of fuel, electricity, heating and cooling in Nordea's own operations.

Nordea's own operations at the head offices and fleet car usage in Denmark, Finland, Norway, Sweden, Poland, Estonia and Luxembourg include both fossil and renewable energy sources. Nordea has direct access to energy consumption data from its head office locations. Nuclear energy consumption data is gathered from national sources.

Within own operations, Nordea's head offices currently use 100% renewable energy purchased via Guarantees of Origin (GoOs) certificates. The remaining portion of Nordea's own operations portfolio is based on extrapolated data.

Nordea continuously monitors the energy consumption of its own operations and intends to increase energy efficiency and effectiveness in its usage as well as reduce emissions.

In 2024 Nordea's energy consumption was 93,248MWh, the estimated figures for branches was 51,108MWh.

Energy consumption and mix	2022	2023	2024
Fuel consumption for diesel generators (MWh) [1]	294	251	317
Fuel consumption for leased cars (MWh) [2]	4,513	4,097	3,691
Fuel consumption from natural gas (MWh)	5	8	–
Consumption of purchased or acquired electricity, heat, and cooling from fossil sources (MWh)	22,218	14,582	11,538
Total fossil energy consumption (MWh)	27,030	18,937	15,545
Of which share of fossil sources in total energy consumption (%)	29	21	17
Consumption from nuclear sources (MWh)	128	157	55
Of which consumption from nuclear sources in total energy consumption (%)	0	0	0
Fuel consumption for renewable sources, including biomass (MWh)	782	563	462
Consumption of purchased or acquired electricity, heat, and cooling from renewable sources (MWh)	66,058	69,540	76,902
Self-generated non-fuel renewable energy (MWh)[3]	234	237	285
Total renewable energy consumption (MWh)	67,075	70,341	77,648
Of which share of renewable sources in total energy consumption (%)	71	79	83
Total energy consumption (MWh)[4]	94,232	89,435	93,248
Energy intensity (MWh/EURm of net revenue)[5]	10	8	8

1) Includes EcoPar A with 600 litres in 2022, 450 litres in 2023 and 1,932 litres in 2024.
2) In addition, Compressed Natural Gas (CNG) consumption corresponds to 466 kg in 2022, 807 kg in 2023, and 0 kg in 2024.
3) 285 MWh of electricity consumption in 2024 originated from own rooftop solar energy production.
4) Branch offices' energy consumption is excluded due to lacking data coverage. The estimated energy consumption for branch offices are 60,437 MWh in 2022, 53,283 MWh in 2023 and 51,108 MWh in 2024. Due to the missing market practice and potential future adjustments to the reporting scope and structure from regulators, Nordea may revise the consumption in the next annual report.
5) The net revenue refers to the total operating income of respective year which is 9,721 EURm in 2022, 11,743 EURm in 2023, 12,084 EURm in 2024. The net revenue used to calculate the energy intensity is not associated with activites in high climate impact sectors defined by the regulation.

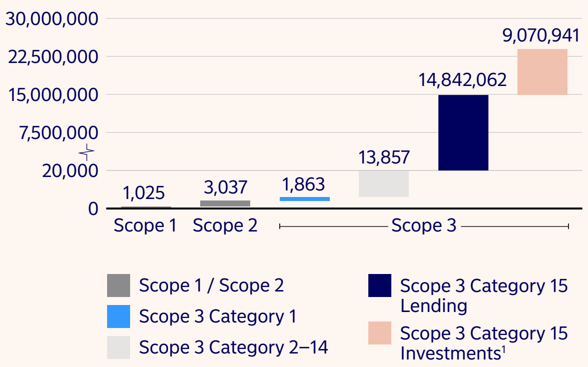
Total GHG emissions scope 1, 2 and 3

The methodology for estimating GHG emissions is based on the principles, requirements and guidance provided by the GHG Protocol Corporate Standard (version 2004) and Partnership for Carbon Accounting Financials (PCAF, 2nd edition), but also applies certain deviations and own methods to meet specific characteristics of Nordea's lending and investment portfolios.

Nordea's total emissions provide transparency on climate-related risks and negative impacts. In a similar way, it contributes to set actions on supporting positive impacts and seeking business opportunities.

In 2024 Nordea's total emissions were 23,932,784tCO_2e, representing a 29% reduction from the 2019 baseline. Financed emissions from the lending and investment portfolios represent the most significant portion (99.9%) of Nordea's total emissions. Therefore, Nordea is focused on supporting its customers' transition to a low-carbon economy.

Distribution of total emissions (tCO_2e)



1) Investment portfolios is defined as the combination of NAM and NLP.

The total emissions shown in the table "Gross Scopes 1, 2, 3 and total GHG emissions" scope 3 category 15 Investment is lower than the sum of the financed emissions included in the separate tables under lending portfolio and investment portfolio. NLP has deducted financed emissions stemming from investments in fund products built by NAM. The main reason for this deduction is that the emissions financed by NLP's investments in these funds are already being reported by NAM. Note that in the separate investment portfolio, that NLP reports all of its financed emissions, including those stemming from investments in NAM funds, in the financed emissions tables in the next sections.

Nordea's absolute interim targets (i.e. by the end of 2030) are not reflected in the table below as Nordea's targets are not set against gross scope 1, scope 2 and scope 3. Nordea has set absolute interim targets for its own operations and lending portfolio. NAM and NLP have set intensity targets and do not have milestones or targets for absolute financed emissions.

In addition, sovereign debt financed emissions are excluded from all years in the table below. Nordea supports the facilitation of capital to governments and local authorities with the purpose of building strong economies and societies. Detailed information on sovereign debt financed emissions can be found in the table "Sovereign debt financed emissions" on page 169.

The total GHG emissions intensity is calculated based on the sum of scope 1, 2 and 3 divided by total operating income which is aligned with Nordea's income statement.

The structure of current total GHG emissions and intensity disclosure might change in the future due to EFRAG publishing sector-specific standards and possible PCAF regulation updates and to disclose that there is no market pratice in this matter.

Gross Scopes 1, 2, 3 and total GHG emissions

	Retrospective				Milestone and target years[2]		
	Base year[1]	2023	2024	% 2024/2023	2025	2030	Annual % target/Base year
Scope 1 GHG emissions							
Gross Scope 1 GHG emissions (tCO_2e)[3,4]	1,636	1,142	1,025	-10			
of which from regulated emission trading scheme (%)	*4*	*6*	*8*				
Scope 2 GHG emissions							
Gross location-based Scope 2 GHG emissions (tCO_2e)[3,4]	11,636	6,401	6,299	-2			
Gross market-based Scope 2 GHG emissions (tCO_2e)	5,567	3,116	3,037	-3			
Significant Scope 3 GHG emissions[5]							
Total Gross indirect (Scope 3) GHG emissions (tCO_2e)	33,789,086	24,885,109	23,928,722	-4			
1 Purchased goods and services	5,825	1,642	1,863	13			
2 Capital goods	103	1	0	-100			
3 Fuel and energy related activities[3,4]	3,894	2,041	2,404	18			
5 Waste generated in operations	371	247	183	-26			
6 Business traveling	25,015	12,184	11,270	-8			
15 Investment [6,7]	33,753,878	24,868,994	23,913,003	-4			
Total GHG emissions							
Total GHG emissions (location-based) (tCO_2e)	33,802,359	24,892,651	23,936,046	-4			
Total GHG emissions (market-based) (tCO_2e)	33,796,289	24,889,366	23,932,784	-4			

1) Base year is 2019 in the GHG emissions calculation.
2) Nordea's climate targets are set in line with Nordea's voluntary commitments rather than having a direct linkage towards the full gross scope 1, 2 and 3 GHG emissions. The climate targets are discussed in more detail in the section "Targets related to climate change mitigation and adaptation" on page 149.
3) Branch offices' energy consumption emissions are excluded due to lacking data coverage, which impacts scope 1 stationary combustion, scope 2 and scope 3 Category 3 Fuel and energy related activities. The estimated energy consumption emissions for branch offices (market-based) are 5,866 tCO_2e in 2019, 4,561 tCO_2e in 2023, and 4,380 tCO_2e in 2024. Due to the missing market practice and potential future adjustments to the reporting scope and structure from regulators, Nordea may revise the GHG emissions towards own operations in the next annual report.
4) Biogenic emissions from diesel and petrol corresponded to 140.8 tCO_2e in 2024. Biogenic emissions from purchased electricity, heating and cooling corresponded to 15,325 tCO_2e in 2024. Nordea assessed the biogenic emissions from Scope 3 Category 3 and Category 6 as insignificant for 2024 reporting.
5) Category 1 paper and postal data, Category 5 waste data and Category 6 own car usage data are calculated with primary activity data and together represent 0.06% of all significant scope 3 GHG emissions reported.
6) Scope 3 Category 15 Investment covers financed emissions from Nordea's lending portfolio and investment portfolio. The estimated GHG emission calculation is based on PCAF standard, the main assumptions and deviations to the standard are presented on page 171.
7) Nordea restated the 2019 baseline and 2023 figures for lending portfolio due to the data quality improvements across the portfolio. Further details on the updates are discussed on page 163. NLP Denmark was acquired in 2022 and emissions from the Danish portfolio have been included in the 2019 baseline and 2023 and 2024 figures for investment portfolio.

Total Emissions Intensity

	Retrospective			
	Base year[1]	2023	2024	% 2024/2023
Total GHG emissions (location – based) per net revenue (tCO_2e/Monetary unit) [2]	3,920	2,120	1,981	-7
Total GHG emissions (market – based) per net revenue (tCO_2e/Monetary unit) [2]	3,919	2,120	1,981	-7

1) Base year is 2019 in the GHG emissions calculation.
2) The net revenue refers to the total operating income of respective year which is 8,623EURm in base year 2019, 11,743EURm in 2023, 12,084EURm in 2024.

During 2024 data quality improvements across the lending portfolio impacted the baseline and historical figures. Nordea integrated more actual data from corporate exposures into business loans and applied its own proxy for power production. Within residential real estate and commercial real estate, Nordea collected publicly available Energy Performance Certificates (EPCs). Within motor vehicles Nordea collected data for passenger cars and vans from external providers (see "Lending portfolio" on page 163).

The improvements in the baseline for each lending portfolio were carried out according to Nordea's recalculation methodology on GHG emissions, which states the circumstances under which Nordea should recalculate the base year financed emissions and the threshold (>5%) for what Nordea considers a significant impact. Nordea as well considers baseline recalculation when lower than the significant threshold, in order to improve the comparison. Further data collection and refinement of data and methodologies for historical years are planned and expected.

Nordea's financed emissions

Recognising the role Nordea plays in financing the transition to a low-carbon economy and in line with the PCAF, Nordea is committed to disclosing its share of GHG emissions associated with the loans and investments it provides to customers and investees, known as financed emissions.

Limited data and use of assumptions are the main challenges that Nordea is facing, but Nordea is committed to improving data quality and increasing transparency to its stakeholders. More importantly, Nordea is also committed to showing progress on its decarbonisation journey.

Financed emissions cover a selection of on-balance and off-balance sheet asset classes in Nordea's lending and investment portfolios. Nordea's lending portfolio, i.e. on-balance sheet, includes the PCAF asset classes of business loans, motor vehicles, residential real estate and commercial real estate. Since 2024, Nordea has managed to cover financed emissions for 95% of the exposures of its total on-balance sheet lending portfolio.

Nordea's investment portfolio includes investments in listed equities and corporate bonds from NAM and NLP as well as directly held real estate in NLP. In addition, for the first time Nordea now includes financed emissions from the sovereign debt asset class across NAM, NLP and Group Treasury. NAM investments do not appear on the balance sheet of the Nordea Group.

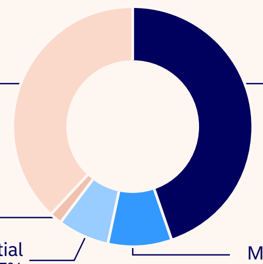
Financed emissions from the lending and investment portfolios include counterparty scope 1 and 2 emissions. Furthermore, in accordance with the PCAF Standard, Nordea reports its counterparty scope 3 emissions of business loans and listed equities and corporate bonds separately for all sectors. This is also in line with the Implementing Technical Standards on Pillar 3 disclosures on ESG risks.

Metrics for sector-specific targets for the lending portfolio and the weighted average carbon intensity for NAM and NLP also appear in the relevant detailed tables.

Estimates across all asset classes in the lending and investment portfolios were based on 2024 or earlier financial data, and on 2023 or earlier emissions data, depending on the latest available information from customers and investees.

This report does not cover financed emissions from bonds and equities in Markets and Treasury operations as they are held for shorter durations and liquidity management purposes. Nordea expects to include information about these in the near future as work progresses.

Financed emissions



1) Investment portfolios is defined as the combination of NAM and NLP. Suject to rounding for the total percentage.

Lending portfolio

From 2019 to 2024 Nordea saw a 36% decrease in the total lending portfolio financed emissions mainly due to a reduction in exposures to shipping and oil and gas and exit from offshore within business loans. Nordea uses company-specific data to calculate the scope 1 and 2 financed emissions. The remaining financed emissions are estimated using the proxies from the PCAF Standard. Nordea has built an internal emissions estimation tool for calculating the financed emissions lending portfolio.

Financed emissions from business loans are shown by a breakdown of climate-vulnerable industries. Company-specific data, when weighted by exposure, is 25% in the business loans asset class, corresponding to an average PCAF data quality score of 4.1. In addition, and with the aim to provide further transparency towards sector-targets, Nordea reports the latest available data for intensities for shipping vessels that are in line with the Poseidon Principles, animal husbandry and crops, plantation and hunting as well as power production.

Financed emissions from motor vehicles include lending and leasing. Leasing accounts for the major share (69%) of financed emissions from this asset class. In 2024 Nordea managed to source emissions data for passenger cars and vans from external vendors. The average PCAF data quality score was 3.4 in 2024.

For residential real estate and commercial real estate, the improvements centred around the collection and updating of EPC labels. The average PCAF data quality score for residential real estate was 3.6 and for commercial real estate was 3.9 in 2024. It should be noted that emissions estimated for residential real estate and commercial real estate do currently not reflect the energy decarbonisation of the Nordic societies. Nordea will continue to improve data quality over time. Financed emissions from tenant-owner associations (TOAs) are also estimated and included in residential real estate as TOAs are mainly used for residential purposes.

Emissions intensity metrics for residential real estate and commercial real estate are also reported in the tables below. Although Nordea does not have a target for commercial real estate, Nordea steers and reports the emission intensity in line with its commitments to the NZBA.

Breakdown of financed emissions in the lending portfolio

	2024				2023			2022			2019	
Asset class	Exposure (EURm)[1]	Counterparty scope 1 and 2 (tCO_2e)	Company/ asset-specific data (%)[2]	Overall DQ score (1–5)[3]	Counterparty scope 1 and 2 (tCO_2e)	Company/ asset-specific data (%)[2]	Overall DQ score (1–5)[3]	Counterparty scope 1 and 2 (tCO_2e)	Company/ asset-specific data (%)[2]	Overall DQ score (1–5)[3]	Counterparty scope 1 and 2 (tCO_2e)	Baseline 2019 vs 2024 (%)[4]
Business loans	90,814	10,724,505	25	4.1	11,845,050	28	4.0	14,069,304	34	3.8	18,673,299	-43
Motor vehicles[5]	10,195	2,080,922	30	3.4	2,135,087	34	3.3	2,141,259	36	3.3	2,263,139	-8
Residential real estate[6]	185,012	1,616,423	57	3.6	1,639,518	53	3.6	1,671,421	46	3.6	1,732,474	-7
Commercial real estate	29,833	420,212	54	3.9	425,405	49	3.8	367,531	47	3.7	472,508	-11
Sub-total[7]	315,853	14,842,062	–	–	16,045,061	–	–	18,249,514	–	–	23,141,420	-36
Other exposures[8]	17,025	–	–	–	–	–	–	–	–	–	–	–
Total[7]	332,878	–	–	–	–	–	–	–	–	–	–	–

1) "Exposure" covers on-balance sheet items, with an adjustment to the nominal value of exposures reported under fair value on the balance sheet (Nordea Realkreditaktieselskab).
2) "Company/asset-specific data" is exposures weighted. Asset specific data (%) for residential and commercial real estate represents the coverage of exposure weighted share of the collaterals with EPC label, including EPC labels expired within the past 5 years.
3) "Overall data quality score" is exposures weighted and covers counterparty scope 1 and 2 emissions.
4) In 2024 the baseline for financed emissions in the lending portfolio (2019) was recalculated by -1% (from 23,357,424 tCO_2e). The reported financed emissions was recalculated for 2022 by 3% (from 17,703,876 tCO_2e), and for 2023 by -3% (from 16,503,102 tCO_2e). The recalculation includes data improvements across all asset classes.
5) Data for "motor vehicles" includes loans and leasing.
6) "Residential real estate" includes tenant-owner associations (TOAs) with residential real estate as collateral. Residential real estate corresponds to the PCAF mortgages asset class.
7) The total portfolio coverage of lending is 95%.
8) "Other exposures" include other consumer lending exposures.

Business loans financed emissions

	2024				2023				2022				
Sector	Exposure (EURm)[1]	Counterparty scope 1 and 2 (tCO_2e)	Counterparty scope 3 (tCO_2e)	Emissions intensity[2]	Exposure (EURm)[1]	Counterparty scope 1 and 2 (tCO_2e)	Counterparty scope 3 (tCO_2e)	Emissions intensity[2]	Exposure (EURm)[1]	Counterparty scope 1 and 2 (tCO_2e)	Counterparty scope 3 (tCO_2e)	Emissions intensity[2]	2024 share of scope 1 and 2 financed emissions in % (vs 2019, %)
Mining and supporting activities	348	97,993	182,424	–	309	126,350	354,283	–	264	124,210	401,166	–	1 (2)
Oil, gas and offshore	439	192,857	905,666	–	507	188,291	1,030,766	–	757	592,953	884,745	–	2 (9)
of which Oil and gas exploration and production	*74*	*15,925*	*712,014*	–	*75*	*15,538*	*709,755*	–	*109*	*17,723*	*636,448*	–	*0(1)*
Shipping	4,169	2,657,677	2,503,276	–	4,921	3,209,554	2,664,244	–	5,411	3,636,474	1,960,358	–	25 (31)
of which shipping vessels[3]	*3,023*	*1,890,074*	*1,966,827*	–	*4,098*	*2,751,614*	*2,302,159*	*7.4 gCO_2/ dwt–nm*	*3,945*	*2,798,923*	*1,457,448*	*8.1 gCO_2/ dwt–nm*	*18(23)*
Transport (air and land)	1,518	66,757	447,909	–	1,572	112,944	410,896	–	1,330	139,049	411,277	–	1 (3)
Construction	5,550	184,730	2,766,872	–	6,582	218,560	3,540,163	–	6,496	389,667	8,282,506	–	2 (1)
Materials	2,150	370,607	1,639,573	–	2,111	389,455	1,708,302	–	2,524	510,941	1,806,007	–	3 (5)
Paper and forest products	1,333	148,643	507,279	–	1,215	130,125	507,454	–	1,606	225,855	1,758,399	–	1 (1)
Agriculture[4]	7,116	3,401,588	1,745,480	–	7,297	3,704,477	1,932,229	–	7,636	4,065,401	1,832,355	–	32 (27)
of which animal husbandry and crops, plantation and hunting	*4,287*	*3,017,135*	*824,135*	*704 tCO_2e/ mEUR*	*4,564*	*3,331,585*	*889,091*	*730 tCO_2e/ mEUR*	*4,875*	*3,755,534*	*1,012,028*	*770 tCO_2e/ mEUR*	*28 (26)*
Power production[5]	2,170	797,501	358,674	–	2,451	694,258	773,905	23 gCO_2e/ kWh	3,042	1,484,494	1,588,611	117 gCO_2e/ kWh	7 (4)
Utilities, distribution and waste management	4,339	1,091,654	655,381	–	4,283	1,190,329	645,280	–	4,091	898,459	619,997	–	10 (4)
Capital goods	3,720	129,254	5,918,416	–	3,783	129,049	8,264,198	–	3,757	148,823	10,457,982	–	1 (1)
Accommodation and leisure	1,770	72,445	450,839	–	1,972	79,367	492,760	–	2,016	82,292	384,876	–	1 (0)
Insurance	1,217	11,291	52,152	–	1,027	11,145	49,540	–	935	9,382	42,125	–	0 (0)
Other[6]	54,976	1,501,508	18,739,191	–	53,482	1,661,147	20,047,461	–	57,313	1,761,306	19,218,251	–	14 (12)
Total	90,814	10,724,505	36,873,131	–	91,513	11,845,050	40,119,321	–	97,179	14,069,304	49,711,168	–	100(100)

1) Exposures related to on-balance sheet items.
2) The emissions intensities correspond to the sector analysis and targets for lending portfolio. The latest available data for Shipping and Power production is for 2023.
3) Shipping vessels in line with the Poseidon Principles.
4) "Agriculture" includes fishing and aquaculture, animal husbandry, as well as crops, plantation and hunting.
5) Financed emissions from renewable energy producers apply an internally developed proxy of $5gCO_2/kWh$.
6) "Other" includes the real estate management industry (REMI), buildings management, other industrial activities and other sectors under business loans not defined as climate vulnerable sectors.

E1 Climate change, cont.

Company-specific data and PCAF data quality score[1]	2024				2023				2022			
	Counterparty scope 1 and 2		Counterparty scope 3		Counterparty scope 1 and 2		Counterparty scope 3		Counterparty scope 1 and 2		Counterparty scope 3	
	Company-specific data (%)	Overall DQ score	Company-specific data (%)	Overall DQ score	Company-specific data (%)	Overall DQ score	Company-specific data (%)	Overall DQ score	Company-specific data (%)	Overall DQ score	Company-specific data (%)	Overall DQ score
Sector												
Mining and supporting activities	32	3.8	31	3.8	51	3.1	50	3.2	70	2.3	66	2.6
Oil, gas and offshore	82	2.4	82	2.4	84	2.3	84	2.3	76	2.5	72	2.7
of which Oil and gas exploration and production	*99*	*1.0*	*99*	*1.1*	*100*	*1.0*	*100*	*1.1*	*100*	*1.0*	*100*	*1.1*
Shipping	81	1.8	14	4.4	88	1.5	18	4.3	90	1.5	27	3.7
of which shipping vessels[2]	*100*	*1.0*	*11*	*4.6*	*100*	*1.0*	*16*	*4.5*	*100*	*1.0*	*21*	*4.3*
Transport (air and land)	33	3.9	30	4.0	28	4.1	25	4.2	23	4.3	19	4.4
Construction	17	4.5	14	4.5	17	4.4	16	4.5	27	4.1	21	4.3
Materials	36	3.7	31	3.9	41	3.5	35	3.8	55	3.0	50	3.2
Paper and forest products	41	3.4	36	3.6	48	3.2	41	3.4	64	2.7	51	3.1
Agriculture[3]	12	4.5	10	4.6	12	4.5	9	4.6	15	4.4	12	4.5
of which animal husbandry and crops, plantation and hunting	*0*	*4.9*	*0*	*5.0*	*0*	*4.9*	*0*	*5.0*	*1*	*4.9*	*0*	*5.0*
Power production	29	3.8	16	4.5	48	2.9	37	3.7	57	2.8	45	3.4
Utilities, distribution and waste management	62	3.1	29	4.1	62	3.1	22	4.3	67	3.0	26	4.2
Capital goods	29	4.0	24	4.1	33	3.9	26	4.1	34	3.9	27	4.1
Accommodation and leisure	22	4.3	21	4.4	23	4.3	22	4.4	25	4.2	23	4.3
Insurance	8	4.7	8	4.7	0	5.0	0	5.0	0	5.0	0	5.0
Other[4]	19	4.3	17	4.4	21	4.3	18	4.4	27	4.1	23	4.2
Total	**25**	**4.1**	**18**	**4.4**	**28**	**4.0**	**19**	**4.3**	**34**	**3.8**	**25**	**4.2**

1) Company-specific data and overall data quality score are weighted by exposures.
2) Shipping vessels in line with the Poseidon Principles.
3) "Agriculture" includes fishing and aquaculture, animal husbandry, as well as crops, plantation and hunting.
4) Other includes the real estate management industry (REMI), buildings management and other sectors under business loans not defined as climate vulnerable sectors.

Motor vehicles financed emissions[1]

	2024			2023			2022			
Vehicle type	Exposure (EURm)	Counterparty scope 1 and 2 (tCO_2e)	Emissions intensity (gCO_2/km)[2]	Exposure (EURm)	Counterparty scope 1 and 2 (tCO_2e)	Emissions intensity (gCO_2/km)[2]	Exposure (EURm)	Counterparty scope 1 and 2 (tCO_2e)	Emissions intensity (gCO_2/km)[2,3]	2024 share of financed emissions in % (vs 2019, %)
Cars and vans	4,468	244,112	107	4,485	243,897	105	4,600	264,954	113	12 (12)
Industrial vehicles and mobile machinery	2,261	694,742	–	2,399	719,149	–	2,471	743,167	–	33 (33)
Trucks and heavy vehicles	1,463	574,160	–	1,477	598,788	–	1,398	556,982	–	27 (24)
Farming machinery incl. tractors	1,109	450,429	–	1,078	463,303	–	1,025	465,945	–	22 (21)
Other	895	117,480	–	854	109,951	–	852	110,211	–	6 (10)
Total	10,195	2,080,922	–	10,293	2,135,087	–	10,346	2,141,259	–	100 (100)

1) Motor vehicles includes loans and leasing.
2) Emissions intensity covers counterparty scope 1 in line with Nordea's cars and vans target. The increase in the emissions intensity when compared to 2023 is due to a decrease in data quality (DQ).
3) Due to data quality improvements, the baseline (2022) has been recalculated by -3% from what was reported in 2023 (117 gCO_2/km).

Residential real estate financed emissions[1]

	2024			2023			2022			
Country	Exposure (EURm)	Counterparty scope 1 and 2 (tCO_2e)[1,2]	Emissions intensity[2] ($kgCO_2e/m^2$)	Exposure (EURm)	Counterparty scope 1 and 2 (tCO_2e)[1,2]	Emissions intensity[2] ($kgCO_2e/m^2$)	Exposure (EURm)	Counterparty scope 1 and 2 (tCO_2e)[1,2]	Emissions intensity[2] ($kgCO_2e/m^2$)	2024 share of financed emissions in % (vs 2019, %)
Denmark	48,673	693,220	26.0	49,627	711,503	25.8	50,035	743,790	25.9	43 (44)
Finland	36,277	663,314	27.0	36,626	678,003	27.6	36,389	675,021	28.4	41 (41)
Norway	41,523	67,119	5.0	34,013	56,704	5.0	35,784	58,061	5.0	4 (4)
Sweden	58,539	192,769	8.4	59,075	193,308	8.4	57,934	194,548	8.4	12 (11)
Total	185,012	1,616,423	16.6	179,341	1,639,518	17.0	180,143	1,671,421	17.5	100 (100)

1) Residential real estate includes tenant-owned associations (TOAs). Residential real estate corresponds to the PCAF mortgages asset class.
2) Financed emissions from residential real estate are based on the PCAF database emission factors from 2018. Due to this static emission factor, the trajectory over time is not driven by reductions in the energy mix of the countries, but by changes to the portfolio and/or data quality improvements on other parameters, e.g. EPCs. Financed emissions and emissions intensities are impacted by EPC portfolio composition and floor area availability.

E1 Climate change, cont.

Commercial real estate financed emissions

Country	2024 Exposure (EURm)	2024 Counterparty scope 1 and 2 (tCO_2e)	2024 Emissions intensity[1] ($kgCO_2e/m^2$)	2023 Exposure (EURm)	2023 Counterparty scope 1 and 2 (tCO_2e)	2023 Emissions intensity ($kgCO_2e/m^2$)	2022 Exposure (EURm)	2022 Counterparty scope 1 and 2 (tCO_2e)	2022 Emissions intensity ($kgCO_2e/m^2$)	2024 share of financed emissions in % (vs 2019, %)
Denmark	5,889	146,102	31	5,960	151,859	32	5,469	152,516	32	35 (49)
Finland	6,001	174,539	41	5,653	174,553	41	3,511	118,343	40	41 (32)
Norway	7,440	2,320	3	8,467	2,572	3	8,749	2,768	3	1 (1)
Sweden	10,503	97,251	19	10,302	96,422	19	9,937	93,903	19	23 (18)
Total	**29,833**	**420,212**	**28**	**30,381**	**425,405**	**28**	**27,666**	**367,531**	**27**	**100 (100)**

1) Financed emissions from commercial real estate are based on the PCAF database emission factor from 2018. Due to this static emission factor, the trajectory over time is not driven by reductions in the energy mix in the countries, but by changes to the portfolio and/or data quality improvements on other parameters, e.g. EPCs. Financed emissions and emissions intensities are impacted by EPC portfolio composition and floor area availability.

Portfolio by EPCs [1]

EPC	Residential real estate – Denmark Volume (EURm)	Share (%)	Residential real estate – Finland Volume (EURm)	Share (%)	Residential real estate – Norway Volume (EURm)	Share (%)	Residential real estate – Sweden Volume (EURm)	Share (%)	Commercial real estate – Denmark Volume (EURm)	Share (%)	Commercial real estate – Finland Volume (EURm)	Share (%)	Commercial real estate – Norway Volume (EURm)	Share (%)	Commercial real estate – Sweden Volume (EURm)	Share (%)
A	3,985	8	611	2	642	1	270	1	1,403	24	12	0	570	8	257	3
B	1,859	4	3,109	9	2,844	7	3,552	6	348	6	101	2	864	12	1,030	10
C	7,647	16	3,746	10	2,522	6	6,940	12	844	14	178	3	720	10	1,406	13
D	5,751	12	4,292	12	2,700	6	9,127	16	535	9	67	1	672	9	1,750	17
E	1,918	4	3,498	10	2,748	7	10,753	18	198	3	49	1	480	6	1,723	17
F	727	1	1,270	3	3,600	9	4,719	8	32	1	16	0	245	3	729	7
G	329	1	287	1	5,364	13	1,230	2	22	0	14	0	353	5	359	3
EPC proxy[2]	3,169	6	170	0	3,554	9	2,519	4	555	10	1	0	543	7	50	0
No label	23,288	48	19,296	53	17,549	42	19,429	33	1,951	33	5,564	93	2,995	40	3,199	30
Total	**48,673**	**100**	**36,277**	**100**	**41,523**	**100**	**58,539**	**100**	**5,889**	**100**	**6,001**	**100**	**7,440**	**100**	**10,503**	**100**

1) EPC data is based on the available data on the local market. EPC coverage in all markets is expected to increase over time and can have an impact on the emission calculations.
2) EPC proxy refers to EPCs expired but no longer than 5 years.

Investment portfolio

Financed emissions estimates in NAM's off-balance sheet investment portfolio are based on the collection of information from investee companies through data vendors MSCI and ISS ESG. The GHG emissions data sourced from these vendors includes emissions that are directly reported by investee companies as well as modelled estimates for these emissions when reported emissions are not available.

Reported emissions data is considered equivalent to a PCAF data quality score of 2. For this data, NAM's data providers have governance and quality assurance procedures in place to validate the accuracy of the emissions data that NAM subsequently extracts. For example, for MSCI this includes processes such as anomaly detection, dual vendor validation (comparing collected values from various sources) and company outreach. NAM consolidates data from several data vendors to improve the overall data coverage, and therefore NAM has been able to identify cases where different vendors have provided significantly different emissions data for the same company and the same year. In such cases, NAM has created an additional layer of quality assurance to select the data that is most likely to be correct.

If reported data is not available, or of sufficient quality, NAM's data vendors provide estimated scope 1 and 2 GHG emissions values based on their respective estimation models. For MSCI, the production model is used for electric utilities where the type of fuel is known as being equivalent to a PCAF score of 2. The MSCI company-specific intensity model is used for companies where NAM has historical but not current emissions data equivalent to a PCAF score of 3. The MSCI industry segment-specific intensity model (E. Segmt) is based on sector averages for companies that have not made any disclosures and are equivalent to a PCAF score of 4. In addition, NAM supplements MSCI data with data from ISS ESG. The data reported by ISS ESG is assigned a score of 2 and modelled emissions a score of 4.

The aim of NAM's final data consolidation across providers is to optimise the overall PCAF data quality. In 2024 NAM chose to report unscaled financed emissions, i.e. financed emissions for all companies where data coverage is complete. This corresponds to 97% of the investments. This approach was chosen because it is considered the most transparent and fully enables interested parties to calculate scaled emissions. Whenever there is less than 100% data coverage, there is a systematic underreporting of financed emissions although the extent of the underreporting is not known. One way to approximate the missing emissions data is to scale up financed emissions figures by assuming that the companies for which data is missing are exactly as emissions intensive as the portfolio average. Dividing the unscaled financed emissions figure by the data coverage percentage gives this higher scaled figure. In 2024 NAM did not have sufficient data coverage to estimate financed emissions for 3% of the investments.

For NLP, financed emissions are reported for all managed assets where NLP makes investment choices on behalf of Nordea's beneficiaries. NLP reports financed emissions from all asset classes where data coverage is sufficient and established methodologies are available. Regarding asset classes where this is not the case yet, NLP assumes that data and methodologies will become available in the future.

Reported financed emissions from NLP's investments are unscaled and based on data from investee companies provided by MSCI. See table "Financed emissions – investment portfolio coverage" for details on portfolio coverage and data quality. The above description of data quality in accordance with the PCAF categories also applies to NLP. For NLP's directly held real estate portfolio, NLP uses vendor-specific reported data corresponding to a score of 2 in PCAF's data quality hierarchy for commercial real estate.

For the first time Nordea reports sovereign debt financed emissions for the NAM, NLP and Group Treasury portfolios. For the purpose of financed emissions reporting, PCAF recommends using production emissions including exported emissions representing the best data quality score as it is reported by sovereigns. Following PCAF recommendations, Nordea reports scope 1 sovereign emissions both including and excluding LULUCF (Land Use, Land-Use Change and Forestry) as countries have different approaches to LULUCF emissions accounting.

Financed emissions are calculated in accordance with Part A of PCAF's Global GHG Accounting and Reporting Standard. MSCI is used for sovereign debt emissions at NLP and NAM. MSCI data is aligned with the 2021 PCAF emission factors data (with a data quality score of 1 according to the PCAF Standard). MSCI also includes emission factors based on estimated models for 2022 data (with a data quality score of 4). NLP uses the most recent year available, i.e. 2022 data. While NAM uses the PCAF emission factors included in MSCI, i.e. 2021 data, Group Treasury uses emission factors directly from the PCAF database.

As a member of the PCAF, Nordea is also committed to reporting facilitated emissions according to Part B of the PCAF Standard in the future.

Financed emissions – investment portfolio coverage

	Value of investments (EURm)[2]	Financed emissions (tCO_2e)	Company-specific data (%)	Overall DQ score (1–5)
Nordea Asset Management				
Listed equities and corporate bonds (scopes 1 and 2)[1]	274,398	8,937,907	95	2.1
Sovereign debt (scope 1, excl. LULUCF)	15,856	2,994,322	94	1.2
Nordea Life & Pension[3,4]				
Listed equities and corporate bonds (scopes 1 and 2)[1]	44,047	1,310,187	72	2.5
Directly held real estate (scopes 1 and 2)	3,249	8,260	85	2.0
Sovereign debt (scope 1, excl. LULUCF)	2,552	348,785	–	4.0
Group Treasury				
Sovereign debt (scope 1, excl. LULUCF)	12,809	2,583,002	100	1.0

1) Portfolio coverage of 97% for NAM, 87% for NLP.
2) Approximately 75% of NLP's AuM is managed by NAM. The resulting double counting of emissions is not accounted for in this table.
3) NLP uses the most recent data available, which in the case of sovereign bonds is estimated data, not country reported data.
4) Assets on NLP's balance sheet consists of (a) assets managed by NLP (68% of total AuM on NLP's balance sheet by end of year 2024) and (b) assets not managed by NLP (32% of NLP's AuM). The former (a) is in scope for NLP's reporting and reflects GHG emissions generated by NLP's insurance- and pension-based investment products, where NLP makes decisions as to which internally or externally managed instruments, such as funds, mandates, structured investment products or single securities, to invest in. Assets not managed by NLP (b) are excluded from NLP's reporting and consists of assets where the customer makes the investment selection from Nordea's investment platforms. These are mostly NAM funds (26% of NLP's total balance sheet AuM), covered by NAM's reporting and targets, but also funds provided by external asset managers, single equities and other instruments (6% of NLP's total balance sheet AuM). Distribution of non-Nordea funds are governed by Nordea's Responsible Investment Distribution Policy.

E1 Climate change, cont.

Financed emissions (tCO_2e)[1] Nordea Asset Management	2024		2023		2022	
	Investee scope 1 and 2 emissions	Investee scope 3 emissions	Investee scope 1 and 2 emissions	Investee scope 3 emissions[2]	Investee scope 1 and 2 emissions	Investee scope 3 emissions
Basic materials	2,162,997	7,553,948	2,112,856	7,092,425	2,444,152	8,626,166
Communications	177,432	1,831,864	136,795	1,354,377	108,530	–
Consumer, cyclical	441,775	16,696,480	438,778	14,103,682	372,327	–
Consumer, non-cyclical	620,314	8,033,225	557,687	6,853,093	594,329	–
Energy	391,282	3,919,631	431,257	4,434,306	529,907	4,977,879
Financials	123,283	7,600,147	96,158	5,468,552	184,624	–
Industrial	2,585,218	11,119,139	2,055,177	10,523,113	1,634,289	
Technology	175,212	1,973,182	206,334	1,967,335	139,981	–
Utilities	2,188,188	3,945,719	2,336,505	3,441,622	2,762,162	–
Diversified	18,441	38,526	27,859	33,226	39,486	–
Other	53,764	591,263	87,933	854,535	22,868	–
Listed equities	6,220,745	40,344,689	5,682,747	38,531,863	6,206,663	–
Corporate bonds	2,717,162	22,958,434	2,804,593	17,594,403	2,625,993	–
Total - listed equities and Corporate bonds	8,937,907	63,303,123	8,487,339	56,126,266	8,832,656	–

1) For scope 3 emissions, Nordea prioritises estimated emissions over reported emissions. This is to minimise the risk under reporting, as many companies fail to disclose emissions for material scope 3 categories. The average PCAF data quality score for these scope 3 emissions was 3.9 in 2024.

Financed emissions (tCO_2e) Nordea Life & Pension[1]	2024		2023		2022	
	Investee scope 1 and 2 emissions	Investee scope 3 emissions	Investee scope 1 and 2 emissions	Investee scope 3 emissions	Investee scope 1 and 2 emissions	Investee scope 3 emissions[2]
Basic materials	319,733	1,063,005	400,713	1,196,370	320,643	1,085,360
Communications	24,391	322,479	18,005	210,166	14,212	–
Consumer, cyclical	64,919	2,104,020	51,573	1,839,532	44,508	–
Consumer, non-cyclical	90,284	1,069,835	89,822	846,132	72,114	–
Energy	3,808	31,528	3,865	49,738	5,948	75,031
Financials	13,438	495,283	31,367	571,555	8,943	–
Industrial	274,100	1,304,391	226,406	1,266,092	151,310	–
Technology	27,604	308,705	44,348	398,414	16,238	–
Utilities	210,101	360,203	208,346	409,316	200,784	–
Diversified	463	214	171	186	393	–
Other	281,345	18,273	113,142	651,594	203	–
Listed equities	948,839	5,159,489	881,374	6,052,573	613,447	–
Corporate bonds	361,348	1,918,447	306,386	1,386,524	221,849	–
Total - listed equities and Corporate bonds	1,310,187	7,077,937	1,187,760	7,439,097	835,297	–
Directly held real estate[3]	8,260	2,878	9,872	2,111	9,240	1,124

1) NLP Denmark was acquired in 2022 and emissions from the Danish portfolio have been included in the igures since 2023. The acquisition of NLP Denmark explains to a significant degree the increase in financed emissions from 2022 to 2023.
2) The 2022 financed emissions scope 3 column only includes data for energy and basic materials companies, as was the requirement that year.
3) Scope 3 figures reflect emissions from tenants' energy consumption. Embodied carbon is not included.

Sovereign debt financed emissions[1]

	2024			2023			2022		
	Exposure (EURm)	Counterparty scope 1 incl. LULUCF (tCO_2e)	Counterparty scope 1 excl. LULUCF (tCO_2e)	Exposure (EURm)	Counterparty scope 1 incl. LULUCF (tCO_2e)	Counterparty scope 1 excl. LULUCF (tCO_2e)	Exposure (EURm)	Counterparty scope 1 incl. LULUCF (tCO_2e)	Counterparty scope 1 excl. LULUCF (tCO_2e)
Nordea Asset Management	15,856	2,748,855	2,994,322	14,536	3,122,497	3,373,869	16,839	3,772,290	4,061,901
Nordea Life & Pension[1]	2,552	322,308	348,785	2,486	379,464	398,943	3,026	479,016	503,848
Group Treasury	12,809	2,266,835	2,583,002	10,048	1,922,585	2,195,011	11,236	1,835,818	2,182,942
Total	31,216	5,337,998	5,926,109	27,070	5,424,546	5,967,823	31,101	6,087,124	6,748,691

1) In accordance with the PCAF Standard, this asset class includes sovereign bonds and sovereign loans of all maturities issued in domestic or foreign currencies. Other types of sovereign debt, such as cash, foreign exchange, and derivative (repo) transactions, are not included. Moreover, the figures do not include debt issued by sub-sovereigns and agencies, such as state owned development banks.

Average PCAF data quality (DQ) and portfolio coverage (PC)

	2024				2023				2022			
	Scope 1 and 2		Scope 3		Scope 1 and 2		Scope 3		Scope 1 and 2		Scope 3	
	DQ (1–5)	PC (%)	DQ (1–5)	PC (%)	DQ (1–5)	PC (%)	DQ (1–5)	PC (%)	DQ (1–5)	PC (%)	DQ (1–5)	PC (%)
Nordea Asset Management												
Listed equities	2.1	100	3.9	100	2.1	100	3.9	100	2.2	100	3.9	100
Corporate bonds	2.1	91	3.8	100	2.1	88	3.8	100	2.3	87	3.8	87
Sovereign debt (scope 1, excl. LULUCF)	1.2	98	–	–	1.4	98	–	–	1.4	96	–	–
Nordea Life & Pension												
Listed equities	2.6	98	4.0	75	2.1	98	4.0	94	2.1	98	4.0	98
Corporate bonds	2.2	73	4.0	72	2.1	44	4.0	44	2.1	54	4.0	54
Directly held real estate	2.0	85	2.0	65	2.0	92	2.0	61	2.0	97	–	–
Sovereign debt (scope 1, excl. LULUCF)[1]	4.0	98	–	–	4.0	96	–	–	4.0	86	–	–
Group Treasury												
Sovereign debt (scope 1, excl. LULUCF)	1.0	100	–	–	1.0	100	–	–	1.0	100	–	–

1) NLP uses the most recent data available, which in the case of sovereign bonds is estimated data, not country reported data.

Listed equities and Corporate bonds

Carbon footprint (tCO_2e/EURm invested)[1]	2024	2023	2022
Nordea Asset Management			
Listed equities	36	40	48
Corporate bonds	29	33	32
Listed equities and corporate bonds - total	34	37	42
Nordea Life & Pension[2]			
Listed equities	29	37	39
Corporate bonds	48	62	48
Directly held real estate	3	4	5
Listed equities, corporate bond and directly held real estate[3]	33	38	38

1) The data quality and portfolio coverage for Listed equities and Corporate bonds carbon footprint are described in the table "Average PCAF data quality (DQ) and portfolio coverage (PC)" above.
2) The carbon footprint for 2024 and 2023 includes NLP Denmark. NLP's footprint target is calculated per million USD invested.
3) Total refers to the weighted average carbon footprint of listed equities, corporate bonds and directly held real estate.

Weighted average carbon intensity[1]

Weighted average carbon intensity (WACI) (tCO_2e/EURm revenue)[1]	2024	2023	2022
Nordea Asset Management[2]			
Listed equities	93	107	135
Corporate bonds	45	48	60
Total listed equities and corporate bonds	76	84	105
Nordea Life & Pension[3]			
Listed equities	68	78	83
Corporate bonds	87	86	91
Total listed equities and corporate bonds	72	80	85

1) Revenue refers to the weighted average of revenues by investee companies.
2) NAM portfolio coverage was 97% in 2024, 96% in 2023 and 95% in 2022.
3) NLP portfolio coverage was 75% in 2024, 87% in 2023 and 88% in 2022.

Methodology for financed emissions

The methodology for estimating financed emissions is mainly based on the PCAF Standard, but also applies certain deviations and own methods to meet specific characteristics of Nordea's lending portfolio. Nordea is continually reviewing and updating the methodology, with the principles approved on an annual basis by the Asset & Liability Committee and controlled through the quarterly risk appetite monitoring carried out by the second line of defence.

To ensure transparency of the financed emissions estimates, Nordea assesses the data using the PCAF scoring. The score ranges from 1 to 5, 1 being the score for the most accurate data (audited and direct customer and investee data) and 5 being the score for uncertain data (estimated data). For the 2024 reporting of financed emissions, estimates across all asset classes in the lending and investment portfolios were based on 2024 or earlier financial data and on 2023 or earlier emissions data, depending on the latest available information from customers and investees.

Asset class	Emissions data sources	Methodology summary
Business loans	• Customer emissions reported data • Vendor providers • PCAF emission factor database • Poseidon Principles, IMO for the Shipping sector • Own green production proxy for fully renewable energy producers that do not report emissions • E&P proxy	Financed emissions are calculated in accordance with the PCAF Global GHG Accounting and Reporting Standard Part A. **Deviations and own approaches** • In the Power production sector, Nordea applies a green production proxy for fully renewable energy producers that do not report emissions. Based on information from the Intergovernmental Panel on Climate Change (IPCC) and the United Nations Economic Commission for Europe (UNECE). Nordea has estimated that these customers can generate 5gCO_2/kWh, which has led to an improvement in the data quality score from 5 to 3. • Shipping is included within the business loan asset class and the calculation of financed emissions is based on the Danish CO_2 model. • Nordea applies an own dynamic proxy for shipping vessels and offshore vessels that do not follow the Poseidon Principles. The proxy uses emissions per nautical mile from the actual vessel fleet that Nordea finances. The customers' operating costs are considered, and therefore financed emissions are based on the actual operational activity of the customers/vessels. • Nordea applies an own proxy for oil and gas exploration and production companies without reported scope 3 emissions. In 2019 and 2022 Nordea used internal estimates based on applicable combustion-related emission factors from regional peers and production data and assessed this as data quality score of 3. • The project finance PCAF asset class is embedded in Nordea's business loans and unlisted equities.
Motor vehicles	• PCAF emission factor database • Emissions data for passenger cars and vans from external vendors	Financed emissions are calculated in accordance with the PCAF Global GHG Accounting and Reporting Standard Part A. **Deviations and own approaches** Financed emissions from motor vehicles include lending and leasing with the same methodology being applied. The decision was made as customers always gain possession of the vehicle after the short lease term.
Residential real estate and commercial real estate	• PCAF emission factor database (2018 emission factor) • EPC labels	Financed emissions are calculated in accordance with the PCAF Global GHG Accounting and Reporting Standard Part A. **Deviations and own approaches** • Nordea has chosen to treat EPCs that have expired within the past five years as valid and give them a data quality score of 4. Nordea believes that this provides a better estimation of financed emissions from properties with expired EPCs than the PCAF proxy. • An internal proxy is applied to financed emissions from commercial real estate with a data quality score of 5 to close the information gap on physical emissions intensity. • Financed emissions from tenant-owner associations (TOAs) are also estimated and included in residential real estate as TOAs are mainly used for residential purposes.
Listed equities and corporate bonds	• MSCI • ISS ESG	Financed emissions are calculated in accordance with the PCAF Global GHG Accounting and Reporting Standard Part A. **Deviations and own approaches** • Listed equities and corporate bonds from NAM include covered bonds and green bonds. • Listed equities and corporate bonds from NLP include green bonds and a portion of covered bonds.
Directly held real estate	• Primary data on direct fuel use and purchased electricity and heating, and tenant energy consumption • Emission factors as available	GHG emissions from NLP directly held real estate are estimated in accordance with the GHG Protocol. The emissions are systematically collected with accurate data on direct fuel use (scope 1), purchased electricity and heating (scope 2), and tenant energy consumption (scope 3). The best available emission factors are applied to calculate total emissions.
Sovereign debt	• PCAF emission factor database	Financed emissions are calculated in accordance with the PCAF Global GHG Accounting and Reporting Standard Part A. MSCI is used for sovereign debt emissions at NLP and NAM. MSCI data is aligned with the 2021 PCAF emission factors database (with a data quality score of 1, according to the PCAF Standard). MSCI also includes emission factors based on estimated models for 2022 data (with a data quality score of 4). NLP uses the most recent year available, i.e. 2022 data, while NAM uses the PCAF emission factors included in MSCI, i.e. 2021 data, Group Treasury uses emission factors directly from the PCAF database.

Nordea's operational carbon footprint

Nordea's operational carbon footprint includes GHG emissions from its main locations in Denmark, Finland, Norway, Sweden, Poland, Estonia and Luxembourg. These locations cover 99% of Nordea's employees. The GHG emissions calculations include emissions from Nordea's consolidated entities. For scope 1, the calculation covers mobile combustion in leased cars and stationary combustion from diesel generators. For scope 2, the calculation covers purchased electricity, heating and cooling. For scope 3, the calculation covers: category 1 Purchased goods and services, including postal services, paper and water consumption, category 2 Geothermal heating and cooling installed, category 3 Production of energy carriers, category 5 Waste, category 6 Business travel covering air travel, taxi, use of employees' own car for business travel purposes as well hotel accommodation. Other categories are excluded based on Nordea DMA assessment. The calculations follow the quantification of GHG emissions by multiplying activity data by emission factor and relevant global warming potentials (GWPs). All emissions are stated in tonnes of CO_2e. The calculations cover the relevant GHGs (CO_2, CH_4 and N_2O), and the applied GWPs based on the IPCC Fourth Assessment Report (AR5) (2014) are: CO_2 – 1, CH_4 – 28 and N_2O – 265. The emission factors per source are stated in the table below. Nordea uses Southpole as a third party vendor to support GHG emissions calculations for own operations.

The total GHG emissions (market-based) from Nordea's own operations are 19,782tCO_2e. The figure excludes branch offices energy consumption emissions for 2024.

The following sources are included in Nordea's operational carbon footprint calculation, which follows the GHG protocol:

Source of emissions	Year	Emission factor used
Diesel generators (Scope 1: Stationary combustion/scope 3, category 3)	2024	Swedish EPA 2024
	2023	Swedish EPA 2022–2023
	2022	Swedish EPA 2022
	2019	Swedish EPA, 2018
Leased cars (Scope 1: Mobile Combustion/ scope 3, category 3)	2024	Swedish EPA 2024, Swedish Energy Agency 2024
	2023	Swedish EPA 2023, Värmeforsk 2011; EI 2023; ecoinvent v3.9.1, Swedish Transport Administration 2022
	2022	Swedish EPA 2022, Värmeforsk 2011, EI 2022, ecoinvent v3.9.1, Swedish Transport Administration 2022
	2019	Swedish EPA 2018, BEIS 2019, Swedish Petroleum and Biofuels Institute 2018
Electricity (Scope 2/ scope 3, category 3)	2024	IPCC 2014, IEA Emission factors 2024, EI.se 2024
	2023	IPCC 2014, IEA 2023, EI 2023, AIB 2023, Ecoinvent v3.9.1
	2022	IPCC 2014, IEA 2022, EI 2022, AIB 2022, Ecoinvent v3.9.1
	2019	IPCC 2014, IEA 2019, Vattenfall 2015

Source of emissions	Year	Emission factor used
District heating (Scope 2/ scope 3, category 3)	2024	Euroheat & Power 2023, BEIS 2024, Swedish EPA 2024, IEA 2024
	2023	Euroheat & Power 2017, Euroheat & Power 2013, Finnish Energy Statistics 2021, Swedenergy 2021
	2022	Euroheat & Power 2017, Euroheat & Power 2013, Finnish Energy Statistics 2021, Fortum 2021, Swedenergy 2021
	2019	IEA 2017, Euroheat & Power 2015, Danish District Heating Association 2017, Finnish Energy Statistics 2017 Swedenergy 2019
District cooling (Scope 2/ scope 3, category 3)	2024	Stockholm Exergi 2024
	2023	ecoinvent v3.8, average from Finnish and Swedish district cooling suppliers
	2022	ecoinvent v3.8, average from Finnish and Swedish district cooling suppliers
	2019	IEA 2017, Finnish Energy Statistics 2017, Swedenergy 2019
Postal services (Scope 3, category 1)	2024	PostNord's environmental calculator 2023
	2023	PostNord's environmental calculator
	2022	PostNord's environmental calculator
	2019	PostNord's environmental calculator
Paper and water (Scope 3, category 1)	2024	BEIS 2024, CEDA 2024
	2023	BEIS 2022–2023
	2022	BEIS 2022
	2019	BEIS 2019
Waste (Scope 3, category 5)	2024	BEIS 2024, ecoinvent 3.9
	2023	ecoinvent v3.10, BEIS 2023
	2022	BEIS 2022
	2019	N/A
Air travel and taxi (Scope 3, category 6)	2024	BEIS 2024, CEDA 2024, Swedish Energy Authority, CHSB 2023
	2023	BEIS 2023
	2022	BEIS 2022, Swedish EPA 2021
	2019	BEIS 2019
Own car (Scope 3, category 6)	2024	BEIS 2024, Swedish Energy Authority 2023
	2023	BEIS 2023, Swedish Energy Authority 2023
	2022	BEIS 2022, Swedish Transport Administration 2022
	2019	BEIS 2019, Swedish Energy Authority 2019
Hotel (Scope 3, category 6)	2024	CHSB Index 2021, Cornell Hotel Sustainability Benchmarking 2021
	2023	CHSB Index 2021, Cornell Hotel Sustainability Benchmarking 2021
	2022	CHSB Index 2021, Cornell Hotel Sustainability Benchmarking 2021
	2019	CHSB Index 2019

GHG removals and GHG mitigation project financed via carbon credits

Emission removals in Nordea's own operations

Despite Nordea's best efforts to limit its operational carbon footprint, some emissions still remain difficult to reduce. Nordea has therefore purchased carbon offsets for all emissions from own operations in order to reduce equivalent emissions elsewhere. Nordea has supported the generation of renewable energy through the purchase of carbon credits up until 2023, meaning that reduction-projects accounted for 100% and that credits were not issued for these projects within the European Union. These historical credits are verified against Verra's Verified Carbon Standard (83%) and Gold Standard (17%) in 2023.

From 2024 Nordea has switched to a long-term emission removal portfolio building on the adoption of the following guiding principles:

- Nordea will cut own emissions by at least 90–95% by 2050, use high-quality offsets for residual emissions and regularly revise its offsetting strategy as best practice evolves.
- Nordea will follow a high ambition path to net zero for its own operations and related offsetting strategy.
- Nordea will shift from emission avoidance to emission removal with long-lived storage and a low risk of reversals to the atmosphere.
- Nordea will support the development of net zero aligned offsetting in its engagement with stakeholders.
- Nordea will align its offsetting strategy with the CSRD criteria, the Oxford Principles for Net Zero Aligned Carbon Offsetting and relevant guidance from the Glasgow Financial Alliance for Net Zero.

Nordea's aim in the future is for all its removals to come from removal projects, with a preference on high-quality projects within the Nordic region. This will be reviewed periodically to gradually cover more and more of estimated GHG emissions until the year 2050 and on the path for achieving net-zero emissions. Also, on the path to net-zero emissions, Nordea has committed to reducing carbon emissions from own operations by more than 50% by the end of 2030 and to making a net positive carbon contribution (through offsetting). This means that by the end of 2030 Nordea's emission removal credits will exceed emissions from own operations. The switch to emission removal credits entails a higher cost per tCO_2e for Nordea's operational emissions that is increasingly being internalised, with the aim to speed up, rather than impede, the achievement of its GHG emissions reduction targets.

A first five-year project development contract for emission removals was developed with Inherit Carbon Solutions in 2024 covering a total minimum commitment of 68 428 tCO_2e of technology-based high-permanence removal credits from Danish biogas with carbon capture and storage (BECCS) where the geological storage site is in the North Sea. Given that the first emissions removal credits from this contract will be cancelled in 2026 and have not yet been generated, there are no reversals at this point. These first emission removal credits for Nordea will be verified against Puro Standard Geologically Stored Carbon Methodology for CO_2 removal and 100% of the credits will be issued from within the European Union. The durability is high and the risk of non-permanence is low for geologically stored carbon as the storage provider is committed to managing and monitoring potential leakage and reversal events. The percentage that will qualify as corresponding adjustment by the host country Denmark is still unknown, but this will be included in future disclosures.

Operational carbon footprint removals and Carbon credits cancellation	2022	2023
Emission removals (tCO_2e)	–	–
of which Nature-based	–	–
of which Technological based	–	–
Reduction projects (tCO_2e)	18,155	20,372
Total (tCO_2e)	18,155	20,372

Operational carbon footprint removals	2022	2023
Total (tCO_2e)	18 155	20 372
Share from removal projects	–	–
Share from reduction projects	100%	100%
Clean Development Mechanism	100%	–
Verra Verified Carbon Standard[1]	–	83%
Gold Standard	–	17%
Share from projects within the EU	–	–

Carbon credits planned to be cancelled in the future	amount until 2030[2]
Total (tCO_2e)	–

1) Credits were purchased in December 2023 but cancellation is still pending as review process by Verra certification body is still ongoing as of end 2024.

2) In January 2025 Nordea signed a first five year project development contract for emission removals covering a total minimum commitment of 68,428 tCO_2e. These are BECCS (Bioenergy with Carbon Capture and Storage) technological-based and will be verified against Puro Standard Geologically Stored Carbon Methodology for CO_2 removal. 100% of the credits will be issued from within the European Union.

Emission removals in Nordea's portfolios

Nordea's internal methodology for financed emission removals accounting was approved in 2024. Nordea has concluded that there are a lack of available data for financed emission removals and inconsistencies in the removal data that are currently available. Therefore, financed emission removals are not included in Nordea's reporting for 2024. Nordea expects that more and more companies will start reporting on emission removals as the CSRD enters into force for companies of all sizes. The bank will continue assessing the availability and quality of data for reporting financed emissions removals in the near future.

E4 Biodiversity and ecosystems

Biodiversity loss and ecosystem degradation are rapidly emerging topics and of high concern for Nordea and its stakeholders. Expectations are increasing to acknowledge impacts and dependencies on biodiversity and ecosystems, to take action across sectors and to manage associated risks and opportunities.

Nordea recognises its responsibility to prevent and reduce negative impacts on biodiversity and ecosystems through its financing, investment and sourcing activities as well as through Nordea's own operations.

Having set practice targets in 2023 aimed at building internal competence and capacity on biodiversity and ecosystems, Nordea has continued a progressive approach to building understanding across its organisation to enable the incorporation of nature-related issues into its business, stakeholder engagements and offerings. Nordea's strategic response shows the commitment to address the biodiversity- and ecosystem-related impacts, dependencies, and associated risks and opportunities which Nordea is exposed to. This will continue to evolve, especially with the projected increased availability and quality of data.

Consideration of biodiversity and ecosystems in strategy and business model

Nordea assessed biodiversity- and ecosystem-related physical and transition risks as part of its annual risk materiality assessment and business environment scanning. The assessment was performed at global, EU, Nordic and national level as well as at sector, portfolio and business area level. The insights and conclusions enable the business areas and Group functions to make informed strategic decisions in relation to business plans and internal processes and, as relevant, identify and track monitoring indicators, enabling a timely adjustment to a changing business environment. Nordea developed a comprehensive and science-based taxonomy of factors that lever from international and regional best practices and sources aligned to the CSRD. The most impactful nature-related risks are often compounding. The risk identification process included a thorough process to identify transmission channels, defined as the causal chains that explain how climate and nature risk factors transmit to Nordea through its counterparties, invested assets, third parties or its own operations.

From a strategic perspective, Nordea considers the downstream value chain material for biodiversity and ecosystem impacts, dependencies, risks and opportunities across the short- to very long-term time horizons.

Comprehensively assessing indirect effects of the nature-related risk drivers remains challenging as the methodological approach and data for measuring such effects are being developed. Nordea is building the capabilities to quantify risks across the value chain. The implementation of the CSRD and ESRS allows for transitional provisions to be applied when reporting on information regarding the upstream and downstream value chains. Nordea applied these provisions in its 2024 reporting, meaning that the information disclosed in this chapter is limited to information available in-house. Linking indirect effects to customers' repayment capacity and understanding hazard-based industry impacts require further development. Industries directly exposed to nature-related physical hazards are limited overall given the Nordic environmental and regulatory context. Nordea acknowledges that responding to climate and environmental risk vulnerability and sensitivity requires continuous monitoring and revision on an annual basis.

Nordea's risk materiality assessment of nature-related risks, including biodiversity and ecosystems, was conducted across portfolios, geographies and risk categories. The risk materiality assessment process leveraged Nordea's Internal

Risks

Biodiversity-related transition and physical risk

Ecosystem-related transition and physical risk

Capital and Liquidity Adequacy Assessment Process (ICLAAP) framework and its risk materiality banding system, which consider risk as the potential losses in relation to common equity tier 1 capital. The analysis was based on Nordea's taxonomy of different nature-related risk factors or hazards and considered different short, medium-term, long and very long-term time horizons.

Material impacts, risks and opportunities

The risk materiality assessment analysis was based on extensive literature reviews, expert consultations and heat maps and how the biodiversity- and ecosystem-related hazards act as drivers of risk. Subsequently the analysis also concluded how these risk drivers can transmit into financial and non-financial risk categories over time, geographies, industries and business areas. The risk materiality assessment covered transition and physical risks as either society or the economy needs to reduce the impact on the associated systems or account for changes in the systems.

For physical risks, drivers such as tree cover loss, the condition and productivity of ecosystems, including pollination services and availability of wild species, and the extent of different protected areas were identified as relevant. Relevant transition risk drivers included regulatory, societal, customer and technology trends. Operational transition risks related to climate and nature stem from litigation and reputational risks from greenwashing, increased regulatory requirements as well as financial disclosure risks.

It was concluded that biodiversity and ecosystems are material from a risk perspective based on the high regulatory and supervisory attention and business model considerations. The assessment was performed internally without the involvement of external stakeholders and used a predominantly qualitative analysis. More specifically, such risks are material in relation to credit, business model, liquidity and operational risks. Here, credit risk represents the most impacted risk category where the risk to Nordea stems mainly from counterparties via financing activities. Credit quality deterioration and collateral valuation are examples of transmission channels where biodiversity- and ecosystem-related risk drivers impact credit risk, whereas liquidity risk may be impacted by cash outflows driven by nature-related events. Nordea did not identify any material negative impacts with regards to land degradation, desertification or soil sealing in relation to its own operations or value chain.

Nature-related risks are managed via a well-diversified portfolio base across and within sectors and industries and overall risk management procedures. Reputational, litigation and financial reporting risks are managed by monitoring risk exposure and via internal risk management procedures and risk metrics as applicable. This safeguards the resilience of Nordea's strategy and business model against physical and transition risks.

It was assessed that systemic risks, associated with reaching global tipping points with collapsing ecosystems and global and irreversible impacts, can potentially impact Nordea in the long to very long term through its lending exposure.

As the impacts and dependencies of Nordea's site locations on biodiversity and ecosystems were assessed to be immaterial and operations were not considered to affect threatened species, the affected communities were not consulted on these matters.

Policies related to biodiversity and ecosystems

Nordea has a thematic guideline on biodiversity, which recognises all drivers of biodiversity loss, including climate change, change of the use of land, freshwater and sea, direct exploitation, invasive alien species and pollution. The general objective of the guideline is to recognise the global importance of the topic and Nordea's responsibility to contribute to societal targets and goals. The guideline also outlines Nordea's commitment to assess and address biodiversity dependencies, impacts and associated risks and opportunities and to incorporate biodiversity into strategy, risk management, governance, stakeholder engagements and offerings over time. It is an evolving process, where progress will be quantified and monitored over time as data availability and quality mature.

The sector guidelines for agriculture and aquaculture, forestry and the fossil fuel-based industries state the expectations for customers and portfolio companies to integrate biodiversity into their environmental management planning and decision-making processes; this includes undertaking environmental baseline studies and assessing the environmental impact of operations.

The same sector guidelines, also for the real estate industry, outline Nordea's expectations that companies throughout the supply chain refrain from engaging in operations in areas covered by international conventions aimed at protecting and supporting biodiversity, including the UN Convention on Biological Diversity, the International Union for Conservation of Nature and Natural Resources with regard to its defined protected areas and the Ramsar Convention on Wetlands of International Importance Especially as Waterfowl Habitat. Nordea does not monitor compliance with these expectations.

Nordea's sector guidelines for fossil fuels include criteria related to drilling in the Arctic, for both financing and investments, which is assessed to pose significant risks to biodiversity and ecosystems.

Nordea does not provide or facilitate financing to projects dedicated to expanding exploration and production of unconventional oil and gas. Nordea's priority is to assess and promote sound management of biodiversity and ecosystem risks in the wider Arctic region. Such risks are especially severe in offshore locations enclosed by the southernmost extent of winter sea ice. Companies involved in exploration and extraction in the Barents Sea are required to operate under a licence awarded by the Norwegian Ministry of Energy with permission to carry out exploration and extraction activities granted by the Norwegian Environment Agency and the Norwegian Ocean Industry Society.

The Nordea sector guideline for the mining industry states that Nordea does not finance new or existing customers actively engaging in mountaintop removal mining, with negative impacts on the extent and conditions of biodiversity and ecosystems. For the financing of customers' mining projects, Nordea requires adherence to the United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Convention with regard to the sites listed, the Ramsar Convention on Wetland of International Importance Especially as Waterfowl Habitat, Land-based Natura 2000 Areas and aligned national processes significantly contributing to achieving the EU's biodiversity strategy.

Regarding project finance, Nordea is a signatory to the Equator Principles, which impose requirements to assess risks and impacts on biodiversity. Monitoring is performed and reported annually.

Nordea Asset Management's (NAM) Responsible Investment Policy concludes that biodiversity loss can pose systemic financial risks across investment portfolios. Nordea invests across a vast number of sectors and geographies and its portfolio is consequently exposed to a wide range of biodiversity risks and opportunities. In 2024 NAM republished its white paper on biodiversity and nature describing their approach to biodiversity and nature.

Nordea Life & Pension's Responsible Investment Policy for 2024 includes expectations for investee companies to disclose material biodiversity and nature-related impacts, dependencies and risks and how these are integrated into their business strategy and risk management. They are also expected to prevent biodiversity loss and aim to be nature positive.

Nordea has integrated the management of ESG risk into its overall risk management framework via the Sustainability and ESG Policy Framework. The foundation for the framework is based on the Group Board Directive on Sustainability and the Group Board Directive on Risk, which provide the common definitions setting the operationalisation through Nordea's strategic and risk management approaches – the two pillars of double materiality – to consistently address double materiality measurement and management. This includes the extensive exercise to understand material risks impacting the Group via the climate- and nature-related materiality assessment, the performance of climate- and nature-related stress testing and by cautiously managing and monitoring against ESG risk appetite and limits.

The scope of all Nordea's policies, positions and guidelines is global in geographical terms and includes the upstream value chain, own operations and the downstream value chain, unless otherwise outlined in each document. The thematic and sector guidelines acknowledge the link between human rights and biodiversity and ecosystems.

As sector and thematic guidelines and responsible investment policies have been developed before the CSRD-compliant double materiality assessment, there is not a direct relationship to the material dependencies and material physical and transition risks and opportunities identified in this process. All documents are available at nordea.com and the applicable sector guidelines are also further detailed in "E1 Climate change" on pages 145 and 146, where the key content and accountability of the guidelines are documented.

As part of updating Nordea's policy framework, updated sector guidelines for food production (previously agriculture and aquaculture), forestry, fossil fuel-based industries, mining, real estate and shipping are scheduled for 2025. The updated sector guideline for the mining industry will include Nordea's position on investment in and financing of deep-sea mining, with potentially large impacts on ocean ecosystems and ocean biodiversity.

A deforestation position is being developed and will, if adopted, be included in the relevant sector guidelines, for example for food production, forestry and construction.

Managing biodiversity- and ecosystem-related matters

During the past few years the regulatory and supervisory requirements for banks regarding the management of climate and environmental risks have increased. Banks like Nordea are expected to comply with the risk management requirements set out by the ECB in its Guide on climate-related and environmental risks (published in November 2020) by the end of 2024.

Nordea's double materiality assessment for 2024 did not identify biodiversity and ecosystems as material in relation to impacts and opportunities, but this view may change in the future as the nature-related agenda evolves. The 2024 risk materiality assessment identified biodiversity and ecosystems as a material risk, for which Nordea continues to apply and develop its risk management frameworks and capability, meeting regulatory and supervisory expectations.

During 2024 NAM developed initiation targets focused on nature and biodiversity in accordance with the commitments made under the Finance for Biodiversity Pledge. With the limited availability of value chain information, these developments are still in progress and are not subject to 2024 performance monitoring.

Nordea does not use biodiversity offsets in its corporate biodiversity action plans and does not incorporate local and indigenous knowledge and nature-based solutions into actions related to biodiversity and ecosystems. In this context, "local and indigenous knowledge" refers to the understandings, skills and philosophies developed by societies with long histories of interaction with their natural surroundings. For rural and indigenous peoples, local knowledge informs decision-making about fundamental aspects of day-to-day life.

Nordea has not set measurable time-bound outcome-oriented targets on biodiversity and ecosystems due to the current lack of data. Instead, Nordea has measured the progress of building internal competence and capacity through the practice targets set in 2023, which were formed as part of Nordea's commitment to the UNEP FI Principles for Responsible Banking. With internal operations and procurement being assessed not to be material, the focus is on further strengthening the assessment and management of the corporate lending portfolio risks related to impacts and dependencies on biodiversity and ecosystem services. The 2024 assessment using the ENCORE tool was based on global sector impacts and dependencies and should only be interpreted as indicative in a Nordea context. The 2024 assessment will be used as a basis for further assessments. Nordea is pursuing efforts to explore and develop its capability to quantify biodiversity impacts and ecosystem dependencies for its financing activities and the related risks.

Biodiversity practice targets

Area	Practice target set in 2023	2024 key findings and actions
Lending	Assess biodiversity dependencies, impacts and opportunities covering the corporate lending portfolio	Potential impacts and dependencies on biodiversity and ecosystems from Nordea's corporate lending portfolio were assessed using the tool ENCORE. Initial results indicate that the main pressures on ecosystem services consist of land and water use, pollution, disturbance, greenhouse gas emissions and waste generation. The pressures are mainly linked to Nordea's large corporate lending exposure to the real estate sector. Other sectors contributing to the main pressures include construction, shipping and wholesale trade. The dependencies on ecosystem services also mainly reflect Nordea's exposure to the real estate sector, with dependencies on climate regulation, storm mitigation, water flow regulation, flood control and soil and sediment retention. Other sectors contributing to dependencies on ecosystem services include wholesale trade and construction. Further calibration and analysis of initial results will be done in 2025.
Internal operations	Biodiversity physical and reputational risk assessment of all Nordea's locations, including a process for biodiversity risk assessment of new locations	Nordea assessed the potential impacts and dependencies on biodiversity and ecosystems of Nordea's office locations by using the WWF Biodiversity Risk Filter tool. The tool assesses the potential biodiversity- and ecosystem-related impacts, dependencies and associated risks on a scale from 1 (very low) to 5 (very high), aggregating multiple indicators based on both activity and local conditions to indicate associated risks. No sites were identified as having a high (4) or very high (5) overall risk associated with impacts or dependencies indicative of physical risk. No Nordea office is located in or near biodiversity-sensitive areas. No actual dependencies and impacts on ecosystem services were quantitatively assured. The assessment confirmed that Nordea's offices are not material and no mitigation measures have been identified as necessary. A process has been developed to assess new office locations and avoid high risk locations, which will continue to be applied in 2025.
Supply chain	Conduct an environmental impact assessment of material sourcing categories, including biodiversity risks and opportunities	The assessment of procurement dependencies and impacts and related risks and opportunities, while immaterial from a Nordea DMA perspective, showed that the supplier category "Property leases and Construction" poses both the highest physical and the highest transition risks. To mitigate the risk of property leases and construction from a procurement perspective, biodiversity-related considerations have been added to the Standard Operating Procedure on Sustainability in Requests For Proposals, the supplier screening tool and the supporting risk library. The assessment focused on Tier 1 suppliers using a combination of sources, including the WWF Biodiversity Risk Filter and literature sources for each industry. Nordea recognises that value chain dependencies and impacts that were not possible to capture in this first assessment will likely occur further upstream.

Social information

S1 Own workforce

As the largest financial services group in the Nordics, Nordea employs more than 30,000 people and is committed to driving positive societal change. Nordea promotes employee well-being, diversity and inclusion, cultivates a good working environment and supports career development. Additionally, Nordea addresses pay equity and manages working conditions to uphold human rights and maintain its reputation as a responsible employer, which is essential for attracting and retaining the best talent.

Material impacts and risk and their interaction with strategy and business model

Nordea's sustainability work is built on four strategic pillars, of which the social responsibility pillar is connected to Nordea's own workforce. Through the implementation of social responsibility, Nordea aims to create positive social impact where it matters the most by considering human and labour rights and promoting gender equality, fair employment conditions and learning and development. As part of the 2024 double materiality assessment (DMA) process, Nordea ensured that the material S1 topics link logically to the social responsibility pillar. The DMA is described in more detail in "General information" on pages 92–94.

In addition to considering the identified material impacts in its strategy, Nordea considered the connection between these impacts and its business model. As a financial institution, the objective of Nordea's business model is to create value for its customers, employees, investors, shareholders and society in general. For a sustainable business model to succeed, Nordea must among other ESG topics include social responsibility, employee-related matters and respect for human rights. Nordea ensures that value is created for its employees by addressing the identified impacts and risk to ensure that they are managed accordingly. The impacts and risk are described in more detail in "General information" on pages 95–96.

Nordea's positive impacts are Group-wide and related to the working environment, employee well-being, a diverse and inclusive workplace and career development. The activities that result in material positive impacts are described in the sections "Actions" under "Working conditions" and "Equal treatment and opportunities for all". Nordea's negative impacts are Group-wide and related to gender pay gaps, discrimination and not ensuring equality, and work overload. Depending on the impact, any employee or non-employee either is or could be positively or negatively affected. Regarding career development, employees are positively affected. Regarding gender pay gaps, women are negatively affected. No material impacts on Nordea's own workforce arise from transition plans to reduce negative impacts on the environment and achieve greener and climate-neutral operations.

The risk of failure to protect employees' health and well-being under S1 arises from Nordea's dependency on its own workforce. If Nordea failed to protect its employees health and well-being, especially during external threats like pandemics, it could impact Nordea's capacity to deliver on its business strategy. As a result, Nordea could fail to create value for its customers, investors, shareholders and society in general. In addition, it would also impact on Nordea's ability to provide daily banking services to its customers, which is the bank's primary role in society. The risk is related to all Nordea employees.

Positive impacts
- Good working environment
- Employee well-being
- Diverse and inclusive workplace
- Career development

Negative impacts
- Work overload
- Gender pay gaps
- Discrimination and inequality

Risks
- Employee health and well-being

By promoting gender equality, fair employment conditions and education Nordea aims to create social impact where it matters the most.

2023–2025 targets	Status
Each gender has at least 40% representation at the top three leadership levels combined by the end of 2025.	41% / 59%
Minimum average index score of 90 for Diversity & Inclusion by the end of 2025.	89

Nordea operates in countries where legal working condition requirements, including forced, compulsory and child labour, are at a high level. Nordea meets these requirements and consequently does not have operations at significant risk of incidents of forced, compulsory or child labour.

Scope of own workforce

Nordea's own workforce, consisting of employees and non-employees of the Nordea Group, was included when identifying the material impacts and the types of employees and non-employees subject to material impacts in the 2024 DMA process. The employees and non-employees who are subject to material impacts of Nordea's operations, are primarily employees as defined by the ESRS and in some cases non-employees who are people, such as consultants, indirectly working for the Nordea Group through an external resource supplier.

Key employee metrics

Methodologies

The total number of employees and breakdowns by gender, country and contract type are reported on a head-count basis at the end of the reporting period, i.e. 31 December 2024. All Nordea employees are classified by contract type into permanent or temporary categories and, when applicable, further categorised as non-guaranteed hours employees. Non-guaranteed hours employees are therefore included in either the number of permanent or temporary employees. Nordea employs around 300 summer trainees each year which is the main cause for fluctuations in the metrics during the reporting period.

Non-employees include individuals provided by companies that primarily engage in employment activities, such as consultants. The metric is calculated as the sum of full-time equivalents (FTEs) and the FTE value is based on the contracted working time percentage of non-employees at the end of the reporting period.

The employee turnover metrics are based on FTEs where the FTE value is based on the employee's working time percentage on the last day of the month. The employee turnover rate is calculated as the sum of the number of employees (FTEs) who left Nordea during the reporting period either voluntarily, due to dismissal, retirement or death in service divided by the average number of employees (FTEs) during the reporting period. The voluntary employee turnover rate only includes employees who left Nordea voluntarily. Leavers do not include internal moves and expiring temporary contracts. Flexible workers, consisting mainly of non-guaranteed hours employees, are excluded from the calculations of all employee turnover metrics.

Number of employees by gender[1]	2024
Men	16,128
Women	17,051
Not reported[2]	4
Total[3]	33,183

1) The figures are on a head-count basis.
2) Consists of system registrations that are neither men nor women.
3) The most representative figure in the Financial statements is 30,157 FTEs on page 269.

Number of employees by country[1,2]	2024
Denmark	7,524
Estonia[3]	1,155
Finland	6,885
Norway	3,486
Poland	6,040
Sweden	7,587
International offices[3]	506

1) The figures are on a head-count basis.
2) The average number of employees by country is presented as FTEs in the Financial statements on page 269.
3) Based on relevance, additional countries with less than 10% of the total number of employees are disclosed.

Number of employees by contract type[1]	2024 Men	Women	Not reported[2]	Total
Number of employees	16,128	17,051	4	33,183
Number of permanent employees	15,356	16,254	4	31,614
Number of temporary employees	772	797	–	1,569
Number of non-guaranteed hours employees	297	277	–	574
Number of full-time employees	15,267	15,369	4	30,640
Number of part-time employees	861	1,682	–	2,543

1) The figures are on a head-count basis.
2) Consists of system registrations that are neither men nor women.

Employee turnover	2024
Number of leavers (FTEs)	2,023
Employee turnover rate (%)	6.8%
Number of voluntary leavers (FTEs)*	1,468
Voluntary employee turnover rate (%)*	4.9%

*) Entity-specific metric

Number of non-employees	2024
Number of non-employees (FTEs)	6,628

Working conditions

Policies

Nordea has implemented comprehensive policies and guidelines to manage the impacts related to the working environment, employee well-being and work overload as well as the risk related to employee health and well-being. The Group Board is accountable for the implementation of the Group Board Directive on Compliance Risk from which the overarching policy framework for people risk derives. The framework covers all policies and guidelines, except for the Code of Conduct and the Guidelines on Business Continuity addressed in this section. The policies and guidelines apply to all employees and non-employees working at Nordea regardless of the type of contract, if not otherwise stated. Nordea complies with local laws and regulations and respects local collective agreements in all its operating countries. The local regulations cover Nordea's own workforce in respective countries of employment.

Nordea's Code of Conduct (the "Code") outlines the ethical principles for conducting business at Nordea, including ensuring good working conditions through a safe and healthy workplace, upholding labour rights, promoting and valuing diversity and inclusion as well as supporting and respecting human rights. Among other labour rights addressed in the Code, Nordea respects the upper limits of regular working hours and overtime allowed by the law of the country in which it operates. The Code is described in more detail in G1 "Business Conduct" on pages 191–192.

Nordea's Occupational Health & Safety (OH&S) guideline, approved by the Chief People Officer (CPO) of the Nordea Group, complements and respects local regulations and are a core policy related to working conditions. The OH&S guideline covers Nordea's employees in six main operating countries and are aligned with relevant regulation, European directives on safety and health at work and ISO standards (45001 and 45003) to ensure that best practice is adhered to. The guideline describes how Nordea continuously works to ensure a safe and inclusive workplace by promoting health and well-being, ensuring a good working environment and managing illness and work ability. Moreover, the guideline explains the ambition, purpose and scope, definitions, roles and responsibilities, performance indicators and the reporting of Nordea's work and the OH&S management system. The CEO and the heads of the business areas and Group functions are accountable for ensuring that the leaders have the relevant means to implement the OH&S guidelines in their respective organisations.

Guidelines regarding Equal Opportunities to Parental Leave in Nordea cover employees in six main operating countries and make parental leave accessible to all parents. Nordea has also introduced a hybrid working model, with a set of guiding principles, enabling the flexibility to do focused tasks from home and helping employees to manage their work-life balance. When possible and depending on the roles and the teams, Nordea supports up to two days of remote working per week.

Nordea's human rights policy, approved by the Board of Directors, outlines Nordea's commitment to respect internationally recognised human rights standards and meet the corporate responsibility to respect human rights as defined in the UN Guiding Principles on Business and Human Rights. The policy provides information about Nordea's commitment to provide safe and fair working conditions for all employees and prohibits the use of forced, bonded, involuntary or child labour in any part of Nordea's operations. However, the policy does not address human trafficking. The Group Leadership Team is responsible for overseeing the implementation of Nordea's human rights commitments in the Group strategy. Governance and due diligence processes are used to assess the human rights impacts of Nordea's operations, guided by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. In addition to the commitments in its human rights policy, Nordea follows the Universal Declaration of Human Rights and the International Labour Organization's Discrimination Convention, and is a signatory to the UN Global Compact.

The Business Continuity and Crisis Management (BC&CM) Framework supports Nordea in safeguarding its operations, the interests of the customers and stakeholders of Nordea, its reputation and the ability to continue activities, processes and services should an extraordinary even, such as a pandemic, occur. Nordea's Guidelines on Business Continuity provides the principles and overall rules for managing business continuity in the Group. This is done with business continuity plans (BPCs) and contingency plans (CPs). The aim of BCPs is to resume essential business operations in accordance with the defined recovery time objectives after a business disruption. Nordea also has CPs for selected scenarios, e.g. pandemics, in place with pre-defined escalation, coordination and communication protocols to quickly assess the situation in order to provide a clear, consistent and timely communication flow within the organisation and to Nordea's customers as well as mitigating actions targeted at the specific scenario. The CEO is accountable for the implementation of the CEO Instructions on Operational Risk, and hence the Guidelines on Business Continuity, as part of the policy framework for BC&CM risk.

All policies and guidelines are made available to employees through Nordea's intranet pages, and select policies are available to external stakeholders at nordea.com. Nordea has processes in place for creating and updating internal rules, including guidelines for consultation and stakeholder management to ensure that the interests of key stakeholders are considered. The policies are implemented through procedures described in the following sections.

Engagement processes

The perspectives of employees inform Nordea's decisions and activities aimed at managing the actual and potential impacts on its own workforce in multiple ways. Nordea seeks to ensure solid working conditions for everyone through engagement and continuous dialogue with its employees and union representatives in:

- Quarterly People Pulse surveys
- Cooperation forums, councils and committees
- Team and individual dialogues.

The processes are described in more detail in this section.

Nordea's CPO is responsible for key engagement processes. All Nordea leaders are responsible for ensuring continuous engagement and an inclusive workplace. By having various ways of engaging with employees, Nordea can ensure the effectiveness of feedback and that the views of employees can be factored into decision-making processes.

Nordea conducts a quarterly employee engagement survey, People Pulse, where employees can give feedback on their perception of Nordea as a workplace and bank. The survey covers various aspects, such as the working environment, workload and stress, learning and development, diversity and inclusion, harassment and other factors that influence the employees' overall well-being and job satisfaction. The insight gained from this survey helps Nordea identify key areas for improvement, facilitating meaningful conversations and actions to enhance the workplace culture. In 2024 the response rate to the survey was 85%, which demonstrates its effectiveness in representing the views of the employees. The People Pulse survey is confidential, and responses are collated and analysed by an external vendor.

Nordea strives to have as diverse a representation of employees and union representatives as possible in internal cooperation forums, councils and committees. These structured recurring cooperation forums take place and enable employee representation and feedback at both Group and local level.

In addition to these formalised channels, engagement takes place at team level between employees and leaders at team meetings as well as at individual level between the employee and the leader in 1:1 discussions and performance, learning and development (PLD) dialogues. Engagement occurs at multiple stages during the year and with different frequency to ensure continuous dialogue. Nordea sets expectations towards leaders and strongly encourages teams to engage in dialogues that help translate the People Pulse results into opportunities for learning and action at least twice a year. The dialogues support leaders and teams to identify what is working well and what could be even better and to define and agree on the next steps to action. The frequency of 1:1 discussions is agreed between the employee and the leader. The PLD dialogues are described in more detail on page 181.

Consultation with the workers' representatives

Nordea has established a process to inform and discuss with workers' representatives the information referred in the Sustainability Statement and the means of obtaining and verifying it in alignment with the CSRD requirement, implemented into the Finnish Accounting Act.

At Nordea, the consultation of workers' representatives on the Sustainability Statement has been conducted in a Group collaboration forum. Additionally, the members of the Board of Directors of Nordea Bank Abp that have been elected by the employees have reviewed, commented and approved the Sustainability Statement according to a customary process.

Remediation processes and channels to raise concerns

Nordea gives its own workforce a clear pathway to address grievances and has processes in place to provide for the remediation where it has caused or contributed to work overload and gender pay gaps or where its workforce feel their rights have been violated. Nordea encourages its workforce to have open dialogues and to raise concerns actively through Nordea's whistleblowing function, Raise Your Concern (RYC), as well as Group People's Ask HR and support functions across all levels of the organisation. As described in "Engagement processes", employees can also share their thoughts and concerns through the People Pulse survey, forums, councils and committees, and team and individual dialogues, especially in the 1:1 discussions and the PLD dialogues on the topics related to workload and pay.

Employees and non-employees who feel they have been subjected to bullying, harassment or discrimination are encouraged to seek support by reporting incidents via the RYC function and by reaching out to their leader or Group People. In 2024, there were 10 incidents of discrimination, including harassment, and 43 complaints filed through channels for own workforce to raise concerns. There were no severe human rights incidents, including cases of non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and the Rights at Work or the OECD Guidelines for Multinational Enterprises. There were no fines, penalties or compensation as a result of incidents, complaints or severe human rights incidents during the reporting period. In addition, the People Pulse survey includes specific questions on potential harassment or maltreatment once a year. Read more about the methodology of incidents, complaints and severe human rights impacts on page 183, the People Pulse results on page 184 and RYC in "G1 Business conduct" on pages 192–193.

Nordea takes steps to ensure that its workforce is informed about available grievance mechanisms. This awareness is embedded into various aspects of the employee experience, including the Code of Conduct training and internal awareness campaigns through regular communication, newsletters and Nordea's intranet pages. In the Code of Conduct training, Nordea includes questions about whether its own workforce is aware of the RYC function and where to report incidents and whether they feel safe doing so. Nordea's RYC team tracks and assesses the answers and takes action on the outcome of the survey. Read more about the Code of Conduct training and how Nordea assesses that its workforce is aware of ways to raise concerns in "G1 Business conduct" on pages 192–193.

Nordea's commitment is not only to provide access to these channels but also to give its workforce the knowledge, confidence and psychological safety to use them when needed. Confidentiality policies and retaliation are described in more detail in S4 "Consumers and end-users" on page 187.

Actions

Nordea continuously upholds its responsibility to take action to address the material positive and negative impacts and risk. The identified impacts and risk are described in more detail on pages 95–96.

People priorities are focus areas set on a 3-5-year cycle. The priorities are defined to support the Group strategy and respond to developments needed for the workforce. This process takes into account the ongoing dialogues with unions, employee representatives and Employee Resource Groups. Also certain cooperation forums are consulted in the priority-setting process. Actions are in alignment with the 2022–2025 priorities. The key actions taken in 2024 included:

- Initiating an OH&S management system implementation
- Encouraging team and individual dialogues based on the People Pulse results, including workload and well-being

The actions are described in more detail in this section.

Nordea initiated the implementation of an OH&S management system, covering all employees in early 2024 to manage working conditions and to be able to take action on the identified material impacts and risk using a globally aligned framework. The system is owned and governed by a designated team at Nordea with responsibilities identified in the system that stretch across all organisational areas and levels, also involving the OH&S committees. The OH&S management system operates on an annual cycle, consisting of four phases: investigation, risk assessment, action and follow-up. It provides a framework to identify workplace risks at an early stage and to highlight strengths, helping improve working conditions, employee engagement, well-being and work ability. Mitigating actions are identified and taken in each country, business area and Group function, followed up regularly during the year and fed into a process for managing and reporting on people risk. During 2025 Nordea will continue to stabilise the system and develop additional processes to improve the insights into the health and safety of employees as well as metrics supporting the system. Nordea will continue to mature and stabilise the process over time.

To support the balance between work life and private life and to mitigate work overload, Nordea aligns with the local collective agreements, for example the limitation of overtime and working hours per week, and supports up to two days of remote working per week depending on the function and role. Nordea gives its employees the option to agree on a flexible start and end to their working day with their leader, depending on their role. Nordea has processes in place to follow up on unused holiday and ensure that leaves are taken by employees, if available. Unused holidays are reported to employees and their leaders regularly. Nordea also provides equal opportunities for and access to parental leave for all parents during pregnancy, infancy and adoption. After parental leave, employees may also take unpaid childcare leave.

To deliver a positive impact on employees' working conditions, Nordea promotes sports and cultural activities by supporting various internal activities. The focus is on activities that are accessible to as many employees as possible, e.g. in the areas of sports, music, arts and crafts. Nordea also arranges global and local events to acknowledge, celebrate and promote different areas of health and working conditions. To further promote health and well-being and to mitigate the identified risk, Nordea provides proactive health checks and occupational healthcare services as required by local regulations.

Nordea tracks and assesses the effectiveness of actions in multiple ways. These include following the trends in the People Pulse and Employee Experience surveys and the physical risk assessment of the premises, as well as analysing and reporting on available people data related to e.g. employee turnover rates, sick leave, exit surveys and overtime hours. The survey outcomes and key data are reported to senior leadership and key committees with analysis on trends ensuring that impacts are informed and that actions can be taken with firm support from the appropriate decision-makers.

The results of a people risk assessment process support the CPO in decision-making and prioritisation of actions by providing a comprehensive and consolidated picture of people risk. To identify what actions are needed and appropriate to prevent work overload and mitigate failure to protect employees' health and well-being, Nordea's subject matter experts in Group People assess people risks twice a year using the Nordea common risk taxonomy and the Nordea common risk grid. Group People provides a biannual people risk status to the relevant committees on key people risks and mitigating and preventive actions. In addition, Nordea's second line of defence assesses people risks quarterly and reports the status and developments to the Nordea Board.

Targets

Nordea has not set targets related to the material sustainability matters health and safety, work-life balance and working time under "Working conditions". However, Nordea has a process in place to track the effectiveness of the objectives of the relevant policies and actions in relation to the identified material impacts and risk. In this process, the key performance indicators, key risk areas and additional performance indicators are reported quarterly to senior leadership, which assesses the information to ensure the effectiveness of policies and actions and to make any adjustments accordingly. The indicators used to evaluate the progress include measures that are described in the section "Actions". The progress of the indicators has been measured since 2024 and the ambition level is to keep the risk within an agreed risk appetite.

Nordea is investigating possibilities and maturing its metrics to meet the objectives of its policies and to track the effectiveness of its actions through formalised targets related to its material sustainability matters in an even more consistent and transparent way. Maturing the OH&S management system process will support Nordea in gathering improved data and information to gain a deeper understanding of the positive and negative impacts on its own workforce as well as of the material risks and opportunities. In turn, this will provide Nordea with a better overview to ensure that the most relevant and impactful targets are set.

Equal treatment and opportunities for all

Policies

Nordea has comprehensive policies and guidelines for ensuring equal treatment and opportunities for all. The Group Board is accountable for the implementation of the Group Board Directive on Compliance Risk from which the overarching policy framework for people risk derives. The framework covers all policies and guidelines addressed in this section. The policies and guidelines apply to all employees and non-employees working at Nordea regardless of the type of contract, if not otherwise stated. Nordea condemns all acts of discrimination and believes that all employees, and others in contact with the organisation, have the right to be treated with fairness and respect and that all leaders and employees have a responsibility to ensure equal and fair treatment in a positive environment.

The Diversity & Inclusion (D&I) Policy sets out how Nordea works and ensures equal treatment and opportunities for all employees and non-employees, focusing on various aspects such as gender equality, LGBTQ+ inclusion, ability variation, cultural inclusion regarding ethnicity, nationality and religion, age diversity and equal pay for equal work. The policy is aligned to respect a number of third-party standards, including the Universal Declaration of Human Rights, the International Labour Organization's Discrimination Convention, the Charter of Fundamental Rights of the European Union, the EU directive on equal treatment and local legislation concerning non-discrimination and equality. Every leader is responsible for ensuring that the policy is known and adhered to in their respective area of responsibility. In addition, the Code sets out the ethical principles for conducting business. The Code is described in more detail in G1 "Business Conduct" on pages 191–192.

As stated in Nordea's human rights policy, which is described in more detail on page 179, special attention is paid to people who may be disadvantaged, marginalised or excluded from society and who may therefore be particularly vulnerable to negative impacts on their human rights.

Nordea's recruitment policy aims to ensure inclusion and a diverse workforce, and to prevent discrimination and inequality at the recruitment stage by considering all applicants irrespective of gender, gender identity or expression, ethnicity, impairment, sexual orientation, creed or age. To enhance a diverse workforce, the policy sets a requirement to have both women and men among the final three candidates for leadership recruitments. This requirement also supports Nordea in achieving a Group-level gender target, which is presented in more detail on page 182. The policy applies to all employees working at Nordea.

The recruitment policy is supported by the Non-discrimination Guidelines, which ensure that Nordea is compliant with non-discrimination legislation, and encourage and support a culture of equal opportunities and equal rights. The guidelines also address harassment, sexual harassment, bullying and similar violations in the workplace.

Nordea's Assessment Policy ensures a professional, ethical and standardised approach to all psychometric testing of individuals. One of the policy aims is to promote fairness and equal opportunities by committing to selection on merit. Only measures that are clearly relevant to job demands and free of extraneous bias should be used. All assessments for selection and promotion must be monitored to ensure that they do not unfairly exclude or disfavour any section of the population. The policy applies to all employees working at Nordea.

All remuneration policies and practices at Nordea are based on a principle of equal pay for employees regardless of gender, for equal work or work of equal value. Nordea's Remuneration Policy sets out the strategic principles and requirements for governing remuneration. Through the application of pay principles, Nordea is committed to ensuring equal pay for equal work and that observed gender pay gaps are addressed. Hence, the policy helps Nordea to mitigate gender pay gaps. The policy applies to all employees working at Nordea.

Nordea's Learning Policy aims to enable career development by supporting employees in availing of opportunities to acquire the right competencies in order to realise business strategies and goals. The policy states that employees are responsible for their own competence development and should actively strive to enhance their competencies and skills. Leaders are responsible for offering employees opportunities and providing time for competence development. The management is responsible for ensuring that employees have the right level of competency to reach business objectives. The policy applies to all employees working at Nordea.

Information on how Nordea makes policies and guidelines available to employees and takes the interests of stakeholders into account is described on page 179. Equal treatment and non-harassment are referred to in mandatory training for all leaders as part of Nordea's Licence to Lead. Voluntary D&I training on unconscious bias and inclusive workplace practices is available for all employees. The policies are implemented through procedures described in the following sections.

Engagement processes

The perspectives of employees inform Nordea's decisions and activities aimed at managing the actual and potential impacts on its own workforce in multiple ways. In addition to the engagement processes described on page 179, Nordea engages with its employees through:

- Country D&I Councils
- Employee Resource Groups
- Performance, learning and development (PLD) dialogues and development plans
- Measuring the perception of D&I in the People Pulse survey.

The processes are described in more detail in this section.

Nordea has Country D&I Councils that function as advisory bodies for country-specific initiatives and work, with the aim to contribute to Nordea being an attractive and inclusive employer and bank. Each Country D&I Council consists of ten core members. Employee representatives may be selected by the union in addition to the core members in dialogue between the chairperson of each D&I Council and the unions, and in accordance with local legislation and collective agreements. To ensure mutual information sharing and advice, each Country D&I Council is assigned a sponsor from the Nordea Group-wide D&I Committee. The Country D&I Councils annually report to the Nordea D&I Committee on action, progress and findings.

Nordea also has employee-led Employee Resource Groups that aim to contribute to fostering an inclusive workplace by providing peer support and highlighting diverse perspectives – Ability Variation, Cross-Faith and Beliefs, Cross-Cultural, Cross Generations, Gender Equality and LGBTQ+ and Allies. Employee Resource Groups are regularly invited both to local union meetings with leadership and as guests to the Country D&I Councils.

As described on page 179, engagement takes place both at team level and at individual level between the employee and the leader, including PLD dialogues. PLD dialogues are recommended to take place throughout the year to ensure continuous dialogue and to complement the performance and career development review taking place once a year. The review and the related dialogue aim to drive performance, enhance career development and aspirations of employees by setting goals and planning development, coaching and giving feedback, as well as reviewing performance and growth potential. Through ongoing feedback conversations, the leader can support the employee in performing and developing to their best.

As part of ensuring non-discrimination as a fundamental human right, the perception of D&I is measured in the People Pulse survey twice a year, and action is taken on the outcome. Read more about the People Pulse survey and Nordea's processes to engage with its own workforce about material impacts, including responsibilities covering key engagement processes and continuous engagement, on page 179.

Remediation processes and channels to raise concerns

See "Remediation processes and channels to raise concerns" on pages 179–180.

Actions

Nordea continuously upholds its responsibility to take action to address material positive and negative impacts. The identified impacts are described in more detail in "General information" on page 95. Actions are in alignment with the 2022–2025 people priorities, which are explained in more detail on page 180. The key actions taken in 2024 included:

- Updating Team Boosters
- Launching the Sunflower initiative in Denmark
- Updating Nordea's Leadership Framework and Principles to encourage the fostering of inclusion and empowering people
- Introducing the Nordea Job Catalogue
- Introducing updated pay policies and practices and launching a new set of pay guidance

The actions are described in more detail in this section.

A number of actions have been taken with focus on diversity and inclusion and supporting Nordea in achieving the D&I target, for example relevant training and updating Team Boosters that support teams in building a common purpose, strong relationships and a trusting environment and in driving collaboration. The Sunflower initiative launched in Denmark focuses on inclusion of and accessibility for employees with hidden disabilities and is scaled across the Group. Nordea also welcomes and enables self-identification of gender identity among employees. However, to be compliant with regulatory restrictions on sensitive data, Nordea does not register gender identity.

As leaders' behaviour and actions serve as an example to others, Nordea updated its Leadership Framework and Principles in 2024 to encourage the fostering of inclusion and empowering people. Nordea's Leadership Framework and Principles guide the behaviour and actions of leaders and enable them to create purpose and inspire employees to grow and contribute.

A Group-wide job architecture is a way to structure jobs based on external benchmarks and market standards. It provides a clear overview of career opportunities and is made accessible to employees through the Nordea Job Catalogue. Using the catalogue, employees can browse and search through all jobs at Nordea and be inspired to form their unique career journey. The job architecture also helps support equal pay for equal work.

Nordea's ambition is that 80% of employees have a development plan in place by 2025. The development plan is Nordea's main tool for driving the development of employees. It enables employees to record their career development goals and track progress together with their leader. Recognising that significant learning and development happens outside of formal training and that this is best achieved through a combination of training and practice, Nordea uses a 70-20-10 learning framework to support continuous learning. 70% of learning happens through work experience and on-the-job practice, 20% through relationships where feedback, coaching and mentoring are received and 10% through more formal learning, such as webinar training, digital courses and class-room training designed for different career paths.

To identify and address critical competency needs of employees to enable them to deliver on Nordea's strategic objectives and priorities, an annual strategic workforce planning process is conducted in the business areas and Group functions and consolidated at Group level. This process helps prioritise key actions for employees to acquire the competencies needed and to mitigate potential execution risks. It also facilitates the change in skills and competencies needed to deliver on transformation, for example through learning activities, which will develop and enable the current workforce to stay relevant and competent to deliver on future business needs.

Nordea's ambition is to close the pay gap between women and men in equivalent roles by the end of 2026. This is achieved by remediating pay gaps through pay reviews, focusing on negative outliers identified in the annual pay equity analysis. These reviews are guided by updated pay policies and practices introduced in 2024, ensuring fair and equitable pay across Nordea. This way Nordea fosters a more transparent and inclusive pay structure, preventing inequalities from recurring. The use of pay guidance during pay reviews enables differentiation in the pay of both positive and negative outliers.

Nordea's people risk assessment process used to prioritise and identify actions needed in response to mitigating and preventing negative impacts is described in more detail on page 180. In addition to the ways to track and assess the effectiveness of actions described on page 180, Nordea has metrics in place to measure gender pay gaps, gender distribution, training and skills development and other relevant KPIs related to the identified impacts. The metrics are presented on pages 180 and 183–184.

Targets

Gender and D&I targets have been set to drive Nordea's progress as a diverse and inclusive workplace, combating discrimination and ensuring equality. The targets are to be achieved by the end of 2025, and as presented on page 178, they are:

- Each gender has at least 40% representation in the top three leadership levels combined by 2025.
- Minimum average index score of 90 for Diversity & Inclusion by 2025.

The targets are aligned with and support the achievement of some of the UN's Sustainable Development Goals, including but not limited to Goal 5 Gender equality and Goal 10 Reduced inequalities. There are no significant assumptions associated with the targets.

The gender target is set with the aim of driving the gender balance of women and men in all parts of the organisation. The target is calculated as the percentage of women and men holding positions at leadership levels 1, 2, and 3 where a leader is defined as an employee with one or more direct reporting levels. The target has a baseline value of 35.9% and the baseline year is 2021. In 2022 the calculation methodology was adjusted to more accurately reflect actual reporting levels, further maturing the target. The target level was reached for the first time in October 2023, and stabilisation of the target continues until 2025, with action plans in place for all business areas and Group functions. The ambition to close the pay gap between women and men by the end of 2026 also supports the achievement of this target. The ambitions regarding the development plans and the pay gap are not formal Group targets.

The D&I target consists of three questions in the People Pulse survey focusing on the perception of fair treatment, equal opportunities and an inclusive environment. The D&I average index score gives leaders and employees an opportunity to focus on improvement items, which are handled both at team and Group level. The target has a baseline value of 89 and the baseline year is 2023. Assessment of the progress on this target takes place on an annual basis at year end in order to establish if there is a trend in the scores. The Inclusion Index was introduced to the People Pulse survey and the target for 2024 enabling Nordea more closely to follow progress on diversity, equity and inclusion.

Sustainability target setting at Nordea follows a structured process led by Group Sustainability. Targets are subject to approval by the Sustainability and Ethics Committee and the Group Leadership Team. During the preparation of new targets related to own workforce, relevant stakeholders within Group People, including leadership and subject matter experts, are involved and the proposals are tested with the relevant committees, including the D&I Committee.

Performance against the targets is closely tracked and progress shared across the organisation, as part of the communication and events aimed at all employees, and in relevant cooperation forums. An annual D&I Report is published internally for all employees on Nordea's intranet pages, providing a comprehensive update on the progress of all aspects of D&I at Nordea. In addition, there is formal reporting to the relevant committees and within the Group's sustainability roadmap and ESG KPI tracker.

Metrics related to impacts and risk under working conditions and equal treatment and opportunities for all

Methodologies

Gender distribution
Top management consists of Nordea's Group Leadership Team. The metric is based on a head-count and shows the percentage of women and men at top management level at the end of the reporting period.

The top three leadership levels consist of leadership level 1 including the Chief Executive Officer (CEO) and leaders reporting directly to the CEO, leadership level 2 including leaders reporting to leadership level 1, and leadership level 3 including leaders reporting to leadership level 2. The metric is based on head count and shows the percentage of women and men at the top three leadership levels combined at the end of the reporting period.

The graduate programme's gender split is based on a head-count and shows the percentage of women and men hired for Nordea's graduate programme during the reporting period. The core leadership programmes' gender split shows the percentage of the programmes completed by women and men during the reporting period.

Age distribution
The age distribution of employees is reported based on a head-count at the end of reporting period.

Training and skills development
Employees who participated in regular performance and career development reviews are calculated based on the number of employees who received assessment forms for a performance review (last available data in 2024) divided by the total head-count. Percentages for men and women are calculated as employees in a given category divided by the head-count in a given category. Employees that are on long-term leave of absence or who work at Nordea for a short period of time where an annual performance review is not possible do not participate in the review.

The average number of training hours is calculated as the sum of training hours of trainings completed during the reporting period by employees employed at the end of the reporting period divided by the total head-count.

Employees with development plans are based on a head-count and are calculated as the number of employees with development plans at the end of the reporting period divided by the total head-count. Flexible workers consisting mainly of non-guaranteed hours employees are excluded from the calculation. The internal hiring metric is calculated as the sum of positions filled via promotion or internal hire at leadership levels 1 and 2 divided by all positions filled internally and externally at leadership levels 1 and 2 during the reporting period.

The total head-count and head-count in a given category that are used as the denominators are indicated in the table "Number of employees by gender" on page 178.

Gender pay gaps
The gender pay gap is a comparison of the average gross annual pay for all female employees with the average gross annual pay for all male employees expressed as a percentage of the average pay level of male employees. Pay covers the total direct compensation, including base salary, cash allowances, bonus and long-term incentives.

The adjusted gender pay gap is based on a comprehensive global pay equity analysis of Nordea's pay practices, which is conducted by external provider Mercer. This is a regression model analysis controlling for factors that influence differences in pay in an objective way, including job complexity, experience, performance and location, and identify pay differences between women and men in comparable positions that are not due to these factors.

Remuneration ratio
The annual total remuneration ratio is the remuneration of the highest paid individual divided by the average total remuneration of employees (excluding the highest paid individual).

Health and safety metrics
The information on employees covered by the health and safety management system is derived from documents describing the OH&S risk assessment process. The sick leave rate is calculated as the sum of sick leave days divided by the sum of planned working days during the reporting period. It includes six main operating countries: Denmark, Finland, Sweden, Norway, Estonia and Poland. Flexible workers consisting mainly of non-guaranteed hours employees are excluded from the calculation.

Incidents, complaints and severe human rights impacts
The metrics are presented on page 180. The data on incidents and complaints is calculated as the sum of cases. The number of complaints excludes cases reported under number of incidents of discrimination, including harassment. The data is collected from the case management system by the Raise Your Concern (RYC) unit and from the HR Case Dashboard by Group People. The number of severe human rights incidents is collected from Nimbus by the RYC unit. The data on fines, incidents and compensation for damages is collected from relevant Group functions via e-mail. Depending on the nature of a case, it may be transferred from the RYC unit to Group People for handling or the other way around. Hence, reconciliation is performed when sourcing the data to avoid double counting. No fines, penalties or compensation for damages incurred that required reconciliation.

People Pulse metrics
The People Pulse survey is described on page 179. The results disclosed are related to a diverse and inclusive workplace, the working environment, well-being, workload and harassment. The People Pulse metrics are reported either as indices or a percentage. In the case of question scores, responses are given on a scale of 0–10 and answers are transferred to a scale of 0–100.

The Diversity & Inclusion Index and the Well-being Index are calculated as a simple average of the question scores. The percentage of respondents stating that they have been subjected to some kind of harassment is calculated as the number of respondents answering "yes" divided by all survey respondents. The People Pulse metrics are reported based on the latest results available in the reporting period, i.e. the Q4 2024 survey. The results are continuously evaluated by senior leadership, key committees and by all people leaders to improve results and take remediating actions.

		2024	
Gender distribution	**Gender[1]**	**#**	**%**
Gender distribution at top management level[2]	Men	8	67
	Women	4	33
Gender distribution at top three leadership levels combined*	Men	378	59
	Women	261	41
Graduate programme's gender split* (%)	Men	–	47
	Women	–	53
Core leadership progammes' gender split (%)*	Men	–	47
	Women	–	53

1) Gender categories include men and women only as "not reported" is not material to these metrics (<1).
2) Top management refers to Group Leadership Team.
*) Entity-specific metric.

S1 Own workforce, cont.

	2024	
Age distribution of employees	**#**	**%**
Under 30 years old	6,151	18
Between 30 and 50 years old	18,877	57
Over 50 years old	8,155	25

Training and skills development	Gender[1]	2024
Employees who participated in regular performance and career development reviews (%)	Men	92
	Women	94
	Total	93
Average number of training hours	Men	16.1
	Women	16.1
	Per employee	16.1
Employees with development plans (%)*		73
Leadership level 1 and 2 positions filled by internal candidates (%)*		69

1) Gender categories include men and women only as "not reported" is not material to these metrics (<1).
*) Entity-specific metric.

Gender pay gaps	2024
Adjusted gender pay gap (%)*	1.75
Gender pay gap (%)[1]	22.90

*) Entity-specific metric.
1) Unadjusted pay gap.

Remuneration ratio	2024
Annual total remuneration ratio	45.7

Health and safety metrics	2024
Employees covered by the health and safety management system (%)	100
Sick leave rate (%)*	3.3

*) Entity-specific metric.

People Pulse results*	2024
Diversity & Inclusion (average index score)[1]	89
Well-being (average index score)[2]	82
Respondents stating that they had been subjected to some kind of harassment (%)	1.4

1) Diversity & Inclusion Index comprises of questions on fair treatment, equal opportunities, and ensuring an inclusive environment.
2) Well-being Index comprises of questions on workload, fair work distribution, and employee empowerment.
*) Entity-specific metrics.

S4 Consumers and end-users

Nordea plays a role in society by providing consumers access to the financial system. Nordea strives to improve financial well-being by offering personalised advice and building skills to improve financial literacy, while also protecting customers' rights.

Material impacts and risks and their interaction with strategy and business model

The material positive impacts and risks identified as a result of the 2024 double materiality assessment in relation to consumers and end-users are among the key drivers of Nordea's commitment to social responsibility, one of the four pillars of the bank's sustainability strategy. These material sustainability matters – potential positive impacts related to financial inclusion, financial well-being, fraud awareness as well as the risk related to data privacy – are also impacted by and contribute to Nordea's business model and the key priorities of its 2022–2025 strategic plan.

As part of Nordea's sustainability strategy, financial well-being was established as a thematic focus area in 2023 and therefore received continued attention in 2024. With its position as the largest financial services group in the Nordics, Nordea aims to help create and maintain financial well-being built on human rights, contributing to inclusive economic growth and reducing inequalities.

One of Nordea's priorities is to create the best omnichannel customer experience. In order to achieve this, Nordea recognises the importance of financial inclusion and strives to make its products and services available and accessible to its customers on equal terms based on their specific needs and circumstances. Additionally, Nordea seeks to offer high-quality service and personalised advice across all channels, which can contribute to the financial well-being of Nordea's customers.

Financial inclusion is also integral to Nordea's goal to become a digital leader in the financial industry. While increased digital offerings aim to make banking easier and more accessible, Nordea has increased its focus on supporting customers, such as elderly, adapt to using digital services through its contact centres, physical premises as well as community engagement activities. In addition, access to needed support and solutions is provided to customers who are unable to or do not wish to use digital offerings.

Nordea also strives to be a safe and trusted financial partner. One way Nordea seeks to earn customers' trust is through supporting their financial well-being by delivering on its customer promise to provide personal, expert and responsible information and advice about the bank's products and services. Moreover, protecting customers and their data is a central component of Nordea's efforts. As part of its product and service offering, Nordea handles personal data from its consumers. Managing the identified risks associated with breaches of personal data and privacy plays an important role in how Nordea approaches its responsibilities as a safe and trusted bank. Nordea has also established fraud detection and prevention as a key focus area across the bank and is committed to raising fraud awareness among its customers and in society.

Customer feedback, as described in more detail throughout the disclosures below, helps Nordea understand how its customers perceive the bank's management of the identified material positive impacts and risks and helps inform how Nordea adapts its strategy. Additional details about how the strategy and business model are informed by interests, views and rights of consumers and end-users are provided in "General information" on page 90. Activities related to the positive impacts and material risks are described further under the heading "Actions" within each sub-topic of the disclosures below.

Positive impacts
- Financial inclusion
- Financial well-being
- Fraud awareness

Risks
- Privacy

Scope of consumers and end-users

Consumers and end-users who are likely to be materially impacted by Nordea, including impacts connected with Nordea's own operations and value chain, products or services and direct business relationships were in scope for the double materiality assessment as described in "General Information" on pages 92–93. For S4, the identified material impacts and risks stem from Nordea's own operations. In regards to the types of consumers and end-users who are subject to the bank's material impacts, Nordea recognises that its customers require accurate and accessible product or service related information as well as protections and considerations for those customers who are characterised as vulnerable individuals. These matters are described in more detail throughout this section.

The scope of consumers and end-users for the disclosures below has been further specified to focus on private individuals using Nordea's products and services. These individuals are subsequently referred to as customers.

Social inclusion of consumers and end-users

Financial inclusion

Nordea has assessed the identified positive impact of financial inclusion to encompass both access to products and services and non-discrimination.

Nordea is committed to making financial products and services accessible to customers on equal terms and fulfilling relevant accessibility requirements. Nordea's efforts with respect to non-discrimination aim to create an inclusive environment and recognise that there are certain vulnerable groups at risk of financial exclusion. Therefore, Nordea seeks to safeguard the interests of vulnerable customers through the commitment set by the Group Board in the Code of Conduct, which is supported by the implementation of related internal guidelines and procedures. Nordea designs its products and services so they are easy to understand and use and follows guidelines to make sure that its services are clear, user-friendly and reliable. This includes regular updates and testing of Nordea's digital platforms, using relevant customer feedback in iteration and creation processes, training Nordea staff in accessibility and making sure that the bank's physical locations are accessible.

Policies

The accessibility of financial products is governed by the Customer Handling Guideline. This guideline sits within the Conduct and Customer Outcomes (C&CO) Risk Policy framework in which the Group Board holds overall accountability. The Group Accountable Executive for managing C&CO risk, a member of the Group Leadership Team, oversees compliance with these guidelines across Nordea. Nordea's Code of Conduct, which is described in more detail in "S1 Own workforce" on page 178 and "G1 Business conduct" on pages 191–192, also sets out general principles included in the Customer Handling Guideline with respect to treating customers fairly.

The purpose of the guideline is to provide a more detailed overview of how to manage the risks specified in the C&CO that relate to the way Nordea offers products and services to customers, within both customer-facing units and areas of the business that may have an indirect effect on customer protection. It outlines the principles regarding fair treatment of customers and the management of risks stemming from the provision of basic banking and payment services, loans, deposits and credits as well as investment services, handling and executing customer orders and communication to customers. The guideline also covers the engagement with customers in payment difficulties to ensure that customers are treated responsibly in case of debt collection. The Customer Handling Guideline is relevant for all products and services offered to Nordea customers.

According to the guideline, Nordea must act honestly, fairly and professionally in the best interest of its customers and communicate in a clear, fair and not misleading manner. Furthermore, customers' vulnerability is to be considered in the context of providing products and services to ensure the provided level of protection is proportionate to customers' needs and circumstances.

The Customer Handling Guideline also covers requirements laid out in the EU Accessibility Act (2016/2012) already in force and the most recent European Accessibility Act (2019/882), which enters into force as of June 2025. In order to prepare for implementation, the guideline sets expectations – which are not yet mandatory – for business areas to establish and maintain an overall governance model for accessibility, which includes an accessibility statement, procedures for continuous compliance, corrective measures in case of non-compliance, and provision of information to competent authorities about how Nordea meets the requirements of the directive.

In addition to the Customer Handling Guideline, Nordea's Guidelines on Product Approval Processes and Product Reviews set out the requirements for approving and reviewing products and services throughout their lifecycle so they are fit for purpose. The guidelines, which are issued by Group Compliance, include requirements to identify the target market for products and services to ensure distribution to the right customers in the right channels. As with the Customer Handling Guideline, these guidelines sit within the C&CO Risk Policy Framework. They are applicable to all products and services manufactured and distributed by Nordea and product responsible units in the business areas and Group functions are responsible for implementation.

Nordea's non-discrimination guidelines, which are described in "S1 Own workforce" on page 181, derive from Nordea's Code of Conduct and also include Nordea's customers in their scope. The guidelines set out obligations of non-discrimination towards customers and define non-discrimination as a basic right of every customer. Additionally, Nordea's Diversity & Inclusion Policy, which is described in "S1 Own workforce" on page 181, covers Nordea customers in its scope. In relation to customers, it describes the bank's commitments to inclusivity in regard to human rights, ability variation and accessibility, LGBTQ+ inclusion, cultural and age diversity, and non-discrimination. The policy also sets out Nordea's principles for diversity and inclusion, such as ensuring inclusive dialogue with customers in an environment where everyone feels welcome and respected.

Furthermore, Nordea's human rights policy commitments described in more detail in "S1 Own workforce" on page 179, are relevant for Nordea's customers. Nordea's human rights policy describes the bank's efforts to respect human rights in all its business activities and relationships. The policy also provides information about processes to support the rights of customers, employees and other stakeholders to speak up, including about potential breaches to human rights. Nordea's Raise Your Concern (RYC) process, described in more detail in "G1 Business conduct" on pages 192–193, has not captured any reported cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration of Fundamental Principles and Rights at Work or OECD Guidelines for Multinational Enterprises that involve consumers and /or end-users in Nordea's downstream value chain.

Engagement processes

Nordea maintains a firm commitment to long-term efforts to improve customer satisfaction and deliver best-in-class omnichannel experiences that are seamless and smooth. Through Nordea's "one customer, one voice" approach, comprehensive relationship surveys are conducted with customers that mirror Nordea's diverse customer base. Nordea conducts surveys after customer meetings and calls and uses quarterly relationship surveys to closely monitor and address evolving needs. The results drive internal coaching and training as well as efforts to improve Nordea's processes. Learning is captured from customer feedback and decisions of the actions are taken at country, regional and branch level, leading to continuous improvements of customer experience.

The accessibility of digital services is communicated to customers via the accessibility statement on Nordea's website in Finland, Denmark and Sweden. The accessibility statements also highlight how customers can provide feedback to Nordea.

There are several initiatives to engage with vulnerable groups, for example the elderly population, via support meetings to answer questions and receive feedback. Nordea also offers dedicated customer service senior phone lines for older customers in Norway and Finland.

Nordea also engages with customers with regard to debt management by communicating clearly across multiple channels and monitoring these actions in order to reduce risks and enhance customers financial health.

Remediation processes and channels to raise concerns

At Nordea, a complaint is viewed as an opportunity to improve services to the customer and to learn from it. In accordance with the Nordea Code of Conduct, the bank encourages customer feedback and strives to identify and handle complaints in a timely, fair and consistent manner.

Nordea's general approach to remediation and channels to raise concerns includes identifying and addressing negative impacts that are raised through various channels. Customers are able to raise concerns through multiple channels that are available to all customers, for example:

- customer service
- online complaint submission
- dedicated complaint mechanisms through affiliated branches
- telephone
- e-mail
- customer satisfaction surveys

These channels are designed to handle all concerns related to customers. In cases where negative impacts are raised, feedback is discussed within the responsible group at Nordea and considerations are made if processes need to be revised.

Nordea's complaint handling process is designed to ensure that every customer feels heard. Complaints from the bank's customers are registered and handled by Nordea's customer-facing employees. In cases where a complaint requires further investigation, a clear escalation process is in place and a second opinion is offered through Nordea's local Customer Ombudsman or customer service manager functions. Nordea's Customer Ombudsman functions are present in Finland, Norway and Sweden, and in Denmark the role is carried out by the customer service manager function. If a customer is not satisfied with the decision by Nordea's customer service or adviser, the local Customer Ombudsman or customer service manager will subsequently investigate the customer's case and assess whether the bank handled the complaint correctly and according to good banking practice. The customer is informed about the possibility to submit the complaint to the local financial complaint board or take it to court if the customer is dissatisfied with the bank's decision.

Nordea analyses complaints to improve its customers' experience. The complaints data is used to identify recurring issues that need improvement, enabling the continuous fine-tuning of services. By tracking complaints development as well as trends from external customer satisfaction benchmarks (such as the annual EPSI survey), Nordea is also able to assess customers' awareness of and satisfaction with its complaints handling processes. Nordea's Group Leadership Team and business area management regularly receive complaint development reports from the internal customer complaint management function. The structured work to remove customer issues at Nordea has contributed to the recent years' declining trend in the number of customer complaints.

Nordea maintains internal controls to monitor and improve its complaint handling process. Regular audits help identify areas for improvement and ensure compliance with regulatory standards. Furthermore, Nordea invests in continuous training of customer-facing employees, equipping them with the skills and knowledge to handle complaints in a timely, consistent and effective way. Customer-focused digital channels for complaints are designed, developed, maintained and deployed to Nordea's customers through Nordea's domains and are required to be accessible.

Nordea ensures the availability of these channels by embedding them into operational frameworks, such as the Customer Complaints Handling Guideline and the Customer Handling Guideline. Nordea conducts employee training to promote the use of these channels and performs regular reviews to ensure that they are accessible and functioning effectively.

Additionally, in its approach to grievance mechanisms and remedy, Nordea is guided by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. During 2024, there have been no reported severe human rights issues or incidents connected to Nordea's consumers and/or end-users.

Nordea has adopted confidentiality policies that protect individuals who raise concerns, ensuring their privacy and data protection. This allows for anonymous submissions and prohibits retaliation against those using grievance mechanisms. These policies establish safe avenues for individuals to express their concerns without fear of consequences.

Actions

Local initiatives for inclusion were launched in 2024 and are being scaled across the Group. These include:

- The Sunflower initiative in Denmark, as described in "S1 Own workforce" on page 182, focusing on inclusion and accessibility for persons – both customers and employees – with hidden disabilities.
- The annual Abilitypreneur award given out by Nordea in Denmark, Finland and Sweden, commending an entrepreneur, association or company that supports people's differences and abilities through their business concept.

Nordea has also adopted actions in relation to debt management, striving to prevent and mitigate potential negative impacts on customers. During 2024, Nordea established specialised teams in Sweden, Denmark, Norway and Finland with the required expertise to support customers who are vulnerable as a consequence of financial difficulties.

Additionally, Nordea's ongoing EU Accessibility programme in the Nordics is in the implementation phase. The programme, which continues beyond 2024, is aimed at implementing regulatory requirements of the European Accessibility Act, which enters into force in June 2025, and related national Nordic legislations impacting Nordea.

Monitoring effectiveness of policies and actions

While Nordea has not published formal targets relating to access to financial products and services, the bank internally tracks the effectiveness of policies and actions related to social inclusion and accessibility.

Customer satisfaction is one key measure that Nordea uses to monitor customer experience, as described on page 186. External benchmarking of customer satisfaction by Norstat, EPSI for personal and corporate customers, and Prospera for large corporates and private banking customers confirms Nordea's positive trajectory. Customer satisfaction is also embedded in Nordea's remuneration schemes, reinforcing its importance across the organisation.

Information-related impacts for consumers and end-users

Financial well-being

Nordea has the possibility to positively impact financial literacy and improve financial well-being among its customers. The lack of financial skills limits individuals' access to financial opportunities, creates and perpetuates inequalities and increases individuals' exposure to significant risks and financial insecurity. Nordea facilitates financial well-being by offering clear, transparent, and personalised information and advice to customers as well as through its community engagement activities.

Product information and advice

Nordea is committed to ensuring that information related to its products and services is clear and accessible and meets relevant regulatory requirements. Nordea aims to provide high quality information and relevant advice to customers, and ensure fair and responsible marketing practices when promoting the bank's financial products.

Policies

Nordea has several internal policies governing how product information is shared with customers to ensure sufficient transparency and accessibility. The Customer Handling Guideline, described on page 186, governs the provision of financial services as well as customer communication and disclosure of information to customers. For example, it sets out requirements regarding the disclosure of information relating to payment services, credits and mortgages and provision of investment advice at Nordea.

For investment advice, the guideline also outlines the principles and requirements for customer categorisation and suitability assessment. This guideline is further implemented in the procedures steering the design and development of the tools supporting the advisory process and adviser instructions. The advisers' knowledge and competence requirements are outlined in the Group CEO Instructions on Employees' Knowledge and Competence Requirements for Professional Qualification and include initial licensing as well as annual updates. The guideline is further supported by procedures outlining specific themes, topics and the local specific certifications that are required.

The Responsible Investment Product Distribution (RIPD) Policy, which is described in "E1 Climate Change" on page 146, is also relevant for Nordea's customers as it outlines the baseline of responsible investment requirements for financial and structured products distributed by Nordea via advice or execution only in the Nordics. In addition, the Nordea Sustainable Selection (NSS) framework outlines the bank's offering with enhanced sustainability criteria for customers who express a sustainability preference. Products within Nordea's advisory portfolio are required to be part of a global initiative, for example the Net Zero Asset Managers Initiative, and to be committed to meeting the corporate responsibility to respect human rights as defined by the UN Guiding Principles on Business and Human Rights. Accountability for the RIPD policy and NSS framework resides with Asset & Wealth Management and the frameworks have been approved by Nordea Bank's Investment Center Product Committee. These frameworks are distributed to key internal stakeholders via the intranet and published on Nordea's website for customer access. During the year the NSS was updated with a new category, Nordea Sustainable Selection Improve. This is described in more detail in "General information" on page 89.

Nordea's responsible marketing policy describes the bank's commitment to ensure that it markets its product and services in a responsible, transparent and accurate way. The Group board is accountable for setting the risk management frameworks which govern the rules and practices detailed in the policy. The baseline for responsible marketing is to comply with relevant national and international laws and regulations and marketing standards and to ensure that Nordea's sustainability-related efforts are aligned with Nordea's sustainability policy. Additionally, Nordea is committed to adhering to the ICC Advertising and Marketing Communications Code. The responsible marketing practices detailed in the policy apply to the entire Nordea Group as well as Nordea's marketing and communication partners. The policy is available on Nordea's intranet and published on Nordea's website.

Engagement processes

Customers are engaged in Nordea's information sharing efforts in a variety of ways, for example through webinars and events. Nordea also engages customers in the development phase of updates to information about Nordea's product offering. This is done through testing with customers so their input can be taken into consideration. After implementation of new product information, there is ongoing monitoring of how the information is received by the customers, and subsequent adjustments are made when needed to ensure that the information is easily accessible. It is important that the language used in Nordea's advice is customer-friendly, avoiding unnecessary regulatory terminology so that customers understand the products.

Before providing investment advice, Nordea obtains the necessary information from the customer in order to assess the suitability of the recommendation of investment products. The suitability assessment is conducted according to regulatory requirements, for example those in MiFID as well as in the Insurance Distribution Directive for insurance-based investment products.

Additionally, the process includes capturing the customer's sustainability preferences. Nordea does this by asking how important it is for the customer to consider the positive contribution of their investments to the environment and society and to reduce their investments' negative impact on environment and society. Based on the customer's preferences, Nordea assigns a sustainability profile so that a suitable investment solution can be recommended. In 2024 Nordea assessed its customers' sustainability preferences 392,000 times. In 43% of the cases, customers expressed that they had sustainability preferences.

Nordea offers advice via different channels that cover different customer needs. For example, holistic investment advice is provided to cover the customer's entire portfolio, while focused investment advice is provided to customers with specific needs, such as investing a lump sum or starting monthly savings. In addition, Nordea has robo-adviser channels available online in all the Nordic countries for customers who wish to receive advice online. Each channel is supported with digital tools that are tailored to support the type of advisory process involved and includes built-in controls to ensure quality of advice.

Remediation

Please see "Remediation processes and channels to raise concerns" on page 187.

Actions

In 2024 Nordea carried out key activities related to providing quality information and advice:

- Implemented an enhanced fund sustainability detail page and product filtering functionalities in digital channels for Nordea customers using the mobile bank or Netbank in all Nordic markets to support informed sustainable investment decisions.
- Conducted training for investment advisers in all Nordic countries on sustainability topics to regularly ensure that advisers have the necessary knowledge and competence to provide high-quality investment advice to customers.

Monitoring effectiveness of policies and actions

Nordea has not published formal targets relating to product information and advice, but internally monitors effectiveness. For example, Nordea has established a control framework to monitor the investment advice quality in each business area and country. The results of this monitoring are followed up internally on a quarterly basis in order to identify actions or areas for improvement. Product distribution is also followed up via target market monitoring and internal reviews.

Community engagement

Nordea's community engagement aims to facilitate financial well-being by strengthening information sharing and providing individuals with the skills needed to make informed financial decisions. Nordea works with community engagement activities across all its markets with the purpose of creating positive change for a better tomorrow. The bank does this in collaboration with local and national partners and through the contributions of its employees.

Policies

Nordea's Guidelines on Community Engagement outline how Nordea works with sponsorships, partnerships, donations and employee volunteering in order to help improve financial well-being, drive social inclusion and enable entrepreneurship. The guidelines sit under the Group CEO Instructions on Operational Risk which form part of the Group Risk Management Framework. The Group Accountable Executive for Reputational Risk, a member of the Group Leadership Team, oversees these guidelines, which are made available on Nordea's intranet. Training has been conducted with internal stakeholders so that business areas and Group functions can effectively carry out their responsibilities related to the implementation of the guidelines.

Engagement processes

Nordea engages continuously with communities on the benefits of financial well-being and inclusion. It is important for Nordea to listen to questions and concerns that are raised through the bank's engagement initiatives in order to take appropriate action.

Nordea runs three community engagement programmes focusing on building financial skills, fostering entrepreneurship and supporting refugees when settling into society and building financial resilience. Nordea activates these programmes through own initiatives as well as different collaborations, such as a wide range of partnerships and sponsorships. To deliver on Nordea's community engagement programmes in 2024, Nordea has worked closely with about 70 local and national partners.

Remediation

Please see "Remediation processes and channels to raise concerns" on page 187.

Actions

In 2024 Nordea carried out several key community engagement actions:

- Continued activities to strengthen the financial skills of all age groups in all Nordea's markets.
- Facilitated one million opportunities in Finland to learn financial skills in collaboration with schools and partners since 2016.
- Launched a collaboration with Large Ice Cream Company in Norway which provides 200 youths with a chance to have their first job including financial skills education.
- Launched a mentoring programme in Poland to support women from e.g. Ukraine and Poland to develop financial skills and empower them to return to professional activity after a break from work.
- Continued training together with Mattecentrum and Nordea's own Math Challenge (Matteutmaningen) programme in Sweden, addressing the strong link between math and financial skills.
- Launched a new financial crime prevention education framework for different age groups to share knowledge of how to prevent fraud in Estonia. Nordea conducted 57 lessons in 43 schools and held several sessions for adults as well in the Estonian Refugee Council, Women's Defence League and for economics teachers.
- Launched a partnership with LykkeLiga, a community for children with special challenges, in Denmark.
- Continued to grow Nordea's Swedish event platform BANG (Business Arena New Generation), which aims to inspire young entrepreneurs. BANG was founded in 2022 and will arrange about 15 events across Sweden together with partners, companies and entrepreneurs in 2025.

Monitoring effectiveness of policies and actions

Nordea is in the process of investigating potential relevant targets in order to drive and measure the impact and progress of its community engagement work. While Nordea has not published formal targets, the bank tracks its engagement initiatives, partnerships and volunteering by Nordea employees throughout the year.

These activities are followed up internally at least once per year to ensure that the requirements and objectives outlined in the Guidelines on Community Engagement are met. All Nordea employees are invited to volunteer 16 hours each year through Nordea's community engagement programmes. Nordea offers employees face-to-face opportunities for volunteering as well as online and hybrid activities. In 2024, more than 1,800 Nordea employees volunteered with over 2,700 registrations in community engagement activities. This equates to approximately 10,600 hours of volunteering.

Nordea was recognised in 2024 by the State of Finland with an honorary citation for its extensive work towards improving financial skills in Finnish society. Nordea also received the Opopassi's Future Builder award by the Finnish high school and vocational school network, highlighting Nordea's investment in the promotion of Finnish education and young people's future planning.

Data privacy

Nordea is committed to protecting the privacy and personal data of its customers and to supporting individuals' rights in relation to their data by managing data privacy risks. Failing to do so could not only result in risks to individuals' privacy, but also operational disruption, reputational damage and financial penalties.

Policies

Data privacy is governed by the Group Protocol on Data Privacy Risk and additional guidelines which steer how Nordea manages data privacy risk when processing the personal data of any individual. The protocol, which sits under the Group Board Directive on Compliance Risk and the Group Board directive for Group Compliance, sets the standards and requirements for managing personal data and data privacy risks, including how to help individuals exercise their rights in relation to their data.

The bank's data privacy governance framework is designed to manage data privacy risk and implement legal requirements. Nordea's business areas assigned with the overall accountability on compliance with privacy legislation and are supported by the Group Accountable Executive, a member of GLT, who is accountable for ensuring sufficient Group governance and oversight of the data privacy risk in the first line of defence. Additionally, Nordea's data protection officers and a separate Group Data Protection Office unit establish the compliance framework and provide advice, monitor and report on data privacy.

Nordea's Privacy Policy is published on Nordea's website, informing customers of the information Nordea collects about them, why Nordea collects it, Nordea's storing and sharing practices and what the customer's privacy rights are. The privacy policies are designed to be clear, accessible and are regularly updated to reflect compliance with relevant data protection laws and regulations, including the General Data Protection Regulation, as well as other local laws and standards.

Engagement processes related to data privacy

Nordea's customer-centric approach facilitates customers to control their personal data through the exercise of their individual rights, such as the right to access the personal data that Nordea processes to provide its products and services. Nordea offers tools and resources to manage privacy preferences and informs its customers about their rights in the Privacy Policy.

Remediation

Nordea has implemented appropriate measures, processes and tools to immediately establish whether a personal data breach has taken place in order to inform the supervisory authority and the data subject without undue delay, if required. Please see "Remediation processes and channels to raise concerns" on page 187.

Actions

Nordea is committed to continuous improvement in its data privacy governance framework for the entire Nordea Group. During 2024 Nordea updated its Group Protocol on Data Privacy Risk and began execution on a strengthened policy framework. The bank's privacy policies were subject to annual review to ensure they provide individuals with up-to-date information about how their personal data is used. Nordea continued to optimise its process for customers to access their personal data, and the bank's process to facilitate the exercise of individual rights will be further developed in 2025.

Monitoring effectiveness of policies and actions

While Nordea does not publish targets in relation to data privacy, there are several metrics that the bank uses internally to monitor the effectiveness of data privacy policies and practices. Examples of internal metrics include employees who have completed mandatory training, number of complaints concerning breaches of customer privacy and losses of customer data, number of privacy experts engaged in personal data protection matters, whistleblowers cases concerning severe personal data breaches and any legal actions concerning personal data breaches.

Personal safety of consumers and end-users

Fraud awareness

Nordea is committed to raising awareness about fraud as an essential part of protecting its customers and being a safe and trusted financial partner.

Policies

Nordea's Chief Risk Officer Protocol on Internal and External Fraud, which sits within the policy framework governed by the Group Board Directive on Risk, defines the bank's fraud control requirements and covers the entire Nordea Group. The protocol, which is made available on Nordea's intranet, highlights the key fraud risks Nordea is exposed to as well as the key fraud control objectives Nordea must meet in order to mitigate these fraud risks, such as making customers aware of fraud risks and how to avoid them. Implementation of the protocol is supported by associated group internal rules.

Engagement processes

Fraud awareness inherently involves engaging with customers as the purpose is to reduce the risk of fraud by promoting awareness among customers. Awareness activities are conducted on a daily basis through several different channels, including but not limited to:

- Nordea's own website
- Nordea's social media channels
- Netbank and authentication solutions used by customers
- Online advertising, including social media advertising
- Podcasts

- Print advertising and outdoor advertising
- Physical customer letters
- Online events
- Physical events
- One-to-one customer meetings
- Internal engagement activities for Nordea employees

The messaging and channel considers the target audience and how to reach them most effectively. Special care is taken to ensure that fraud awareness messages reach the customer groups who are most at risk.

Remediation processes and channels to raise concerns

Please see "Remediation processes and channels to raise concerns" on page 187. Feedback is regularly reviewed and appropriate adjustments are made to awareness messaging when needed to improve the effectiveness of these activities.

Actions

The targeting and design of fraud awareness campaigns are supported by inputs from fraud intelligence work conducted by Nordea. This ensures that the information is targeted, timely and relevant to the people receiving it.

In 2024 Nordea conducted around 360 customer awareness activities. Below are examples of some of the key activities that helped drive the bank's policy objectives related to raising fraud awareness:

- Continuation of "Hard to fool" (Svårlurad) campaign in Sweden, which was launched in 2023 as a large Swedish cross-bank fraud awareness effort.
- One Step ahead of the fraudsters campaign launched in 2024 as part of Nordea's Nordic branding campaign "The idea of something better."
- How to stay safe initiative, which included physical booklets or letters sent to customers across the Nordics.
- Continuation of podcast in Norway (Svindelpodden) and launch of a new podcast in Finland (Fraudcast).

In addition, internal awareness activities are conducted for Nordea employees in order to make employees more aware of fraud risks and how to incorporate that knowledge into their daily work and in interactions with customers. For example, in 2024 Nordea held its Safe and Trusted Week for Nordea employees where all employees were given the opportunity to learn more about fraud, with the specific theme of "Keeping our customers safe." The initiative included deep-dives on this topic from different perspectives through a series of local and online seminars and panel discussions.

Monitoring effectiveness of policies and actions

While Nordea does not publish specific targets in relation to fraud, the bank monitors the effectiveness of policies and actions internally in order to secure appropriate fraud awareness activities. Nordea regularly conducts and reflects on its Fraud Risk Assessment, with the purpose of identifying the threats Nordea's customers and Nordea are exposed to as well as the bank's strengths and weaknesses. The results highlight potential actions for improvement. Please see "G1 Business Conduct" on page 193 for more information related to fraud prevention and detection.

Governance information

G1 Business conduct

Nordea upholds a commitment to conduct its business with high ethical standards and effective corporate governance, being a safe and trusted partner and contributing to the stability of the financial system. Strong governance and a healthy corporate culture are key pillars of Nordea's business model and facilitate the successful execution of Nordea's strategic sustainability agenda for a greater good.

As a financial services company, Nordea is in the business of trust. The tone from the top and Nordea's corporate governance are what drive the culture of conducting business with high ethical and professional standards. Strong corporate governance is about having clear and systematic decision-making processes, providing clarity about responsibilities, avoiding conflicts of interest and ensuring satisfactory internal control, risk management, transparency and accountability.

Material impacts, risks and opportunities

Corporate governance refers to relations between a company's board of directors, its senior management and other stakeholders, such as employees and their representatives. Based on this, Nordea identified positive impacts as part its 2024 double materiality assessment (DMA) which pertain to Nordea's own operations and how Nordea can contribute to a robust and stable financial system through good corporate conduct and financial crime prevention.

The DMA also identified material risks associated with bribery and corruption, financial crime and fraud prevention which could have both financial and non-financial repercussions for Nordea, for example through fines, reputational damage or losses for Nordea and its customers. Being compliant with applicable regulations is fundamental to Nordea's corporate culture, and strong governance is part of Nordea's sustainability strategy and how it addresses the effects of these risks.

As described in "General information" on page 84, Nordea's Board and senior management undergo suitability assessments and receive training catered for E, S and G matters to ensure the appropriate competence and access to expertise. This includes business conduct matters, and the Group Board is accountable for the implementation of Nordea's Code of Conduct and the Group Board Directive on Financial Crime Risk Management – two key policies which are further outlined below.

Code of Conduct and purpose and values

The Board of the Nordea Group has established the Code of Conduct (the "Code") as Nordea's main policy on ethics and has set a strong ethical compass: "we want to do what is right, not just what is allowed". The Code defines the high-level principles that guide the business of the Nordea Group on how to treat customers and on how employees are expected to act. The Code is based on the relevant legal requirements and internationally agreed-upon standards, primarily the ten principles of the UN Global Compact. The Code includes the application of the precautionary principle and sets the parameters for conduct in areas such as care for the environment, human rights, labour rights, right to privacy, fair competition, anti-bribery and anti-corruption. The Code sets out general principles in these areas, and Nordea's internal rules provide specific guidance and advice. All people working for Nordea, whether on a permanent or temporary basis, subcontracted or volunteering, are subject to the Code, including the Boards of Directors of Nordea Bank Abp and of Group subsidiaries, and it applies to all countries in which Nordea operates.

All employees and non-employees, including part-time employees and consultants, are required to undertake annual mandatory training to ensure proper awareness and knowledge of the ethical principles. Nordea provides regular training and maintains internal versions of the Code in English and in all four Nordic languages. The 2024 training included more detailed focus on topics such as external

Positive impacts

Good corporate conduct

Financial crime prevention

Risks

Bribery and corruption

Financial crime

Fraud

engagements, internal fraud and how to raise a concern. 97.4% (97.6%% in 2023) of all employees (excluding those on long-term leave) completed the Code of Conduct training in 2024. In addition to the Code of Conduct training, all employees must also complete other mandatory risk and compliance training as part of obtaining and renewing their Licence to Work. Furthermore, persons working for Nordea and who enter into agreements with third parties on behalf of Nordea are required to ensure that these third parties commit to the principles of the Supplier Code of Conduct.

The Code is reviewed annually and was last updated in June 2024. Concerns about a perceived violation of the Code may be raised via the Raise Your Concern process. Compliance with the Code is followed up by regular monitoring by functions responsible for each respective section of the Code and by Group Compliance. A Code of Conduct report is prepared annually and is provided to the Sustainability and Ethics Committee, the Risk Committee, the Group Leadership Team, the Board Risk Committee and the Board of Directors to inform how well Nordea is adhering to the Code and provide insight into the Group's risk culture.

The Code, together with Nordea's purpose and values, which are at the core of everything Nordea does, sets the aspiration of always being purpose-led and guided by values and having a strong ethical mindset. Nordea's purpose and values define the required behaviour and help make the right decisions. Nordea's purpose is to enable dreams and aspirations for a greater good, and Nordea's values – collaboration, ownership, passion and courage – are a clear expression of Nordea's culture.

Compliance is fundamental to Nordea's corporate culture

Being compliant means conducting business in accordance with laws, regulations, market standards, rules of conduct and financial supervisory authorities governing Nordea's licensed activities in any jurisdiction in which Nordea operates. It also includes data protection laws and regulations as well as other customer protection-related regulation relevant to Nordea's licensed activities.

Continuous training is provided to all Nordea's employees to ensure that they have the right skill set and competencies, essential to ensure that the directives, as set out in the internal rules, are followed and executed. As training is not considered to be an outcome-oriented activity, Nordea has not published formal targets. Nordea monitors completion rates as a means to track effectiveness.

In 2024 Nordea had five Group mandatory risk and compliance training courses:

- Information Security Essentials aiming to give Nordea's employees an overall understanding of important topics within the subject of information security.
- We are all Risk Managers - part of Nordea's mandatory Licence to Work training which is a Group-wide risk and compliance training programme. The course enables employees to learn about Nordea's approach to working with risks.
- ePrivacy and Bank Secrecy (Data Privacy) developed to help understand the ePrivacy and bank secrecy requirements and to prevent and mitigate risks related to these two topics.
- Code of Conduct consisting of information about Nordea's Code of Conduct and real-life scenarios to enable employees to:
  - apply Nordea's Code of Conduct principles to their everyday work and decisions
  - reflect on what it means to "Do the right thing" and raise the questions "Can I do it?" and "Should I do it?"
  - act on breaches of the Code of Conduct by using the function Raise Your Concern (RYC) and challenge inappropriate behaviour
- Financial Crime training focusing on how to manage financial crime risks in daily activities and across the Group so as to be in line with Nordea's risk appetite and compliance culture.

Business conduct training	2024	2023
All employees		
Code of Conduct (%)	97.4	97.6
Data Privacy (%)	96.3	96.8
Financial Crime[1] (%)	97.2	96.9
Information Security (%)	97.3	97.0
We are all Risk Managers (%)	97.5	-

1) Financial Crime covers money laundering, terrorist financing, tax evasion, anti-bribery and corruption and sanctions

Prevention and detection of bribery and corruption

Nordea has a Group-wide anti-bribery and corruption programme, covering all three lines of defence and all employees of Nordea. The programme outlines how Nordea prevents, detects and corrects matters related to bribery and corruption.

Key features of the programme include a clear tone from the top, a Group Accountable Executive for anti-bribery and corruption, who is a member of the Group Leadership Team, an extensive suite of internal policies and procedures, which also cover third-party risks, and gifts and hospitality reporting requirements, communication and training plans, a dedicated advisory function and regular management reporting.

A key feature for detection is the annual Financial Crime Enterprise Risk Assessment where the second line of defence assesses the financial crime risks (including bribery and corruption) that Nordea is exposed to in a manner commensurate with Nordea's size, complexity, business operations and global presence. The result of the Financial Crime Enterprise Risk Assessment helps Nordea to better understand its financial crime risk profile and implement adequate policies, procedures and controls to mitigate and manage the identified risks. Also, the dedicated Testing & Monitoring Function in Group Compliance supports and delivers various components of the Group Compliance Risk Management Framework, including assessing risks, testing and monitoring processes and controls, supporting the development of risk indicators and active risk management in the first line of defence.

In addition, the anti-bribery and corruption framework utilises the Raise Your Concern programme as outlined further in this chapter.

Training

All employees must complete annual awareness training on financial crime risks, including bribery and corruption. The training outlines the key bribery and corruption concepts, Nordea's potential exposures and prevention programme as well as requirements placed on all employees. The training also provides references to additional information as well as information about whistleblowing and the right and responsibility to Raise Your Concern.

Moreover, of the functions at risk that have been provided further in-depth anti-bribery and corruption training tailored to their risk profile in 2024, 97.4% completed the training. This corresponds to 4.1% of the total workforce. The following criteria are used to identify at-risk functions: a high degree of customer, supplier or public official interaction, senior leadership roles, support staff related to corporate events, responsibility for talent attraction and reward, certain control functions and other niche groups with unique exposure. Geography is not considered a deciding factor.

The goal is to cover all at-risk functions at least once within a certain number of years, and some more frequently, depending on the risk.

The Group Leadership Team and the Group Board of Directors undertake biennial specialised financial crime training, emphasising their responsibilities in relation to bribery and corruption.

Raise Your Concern

Nordea's whistleblowing function, Raise Your Concern (RYC), ensures that all stakeholders, including customers, partners, affected communities and employees, have the right to speak up and always feel safe in doing so if they have concerns about suspected misconduct such as breaches of human rights or irregularities such as fraudulent, inappropriate, dishonest, illegal or negligent activity or behaviour regarding operations, products or services. This includes any action that constitutes a violation of laws or regulations or of internal policies, instructions or guidelines. Reporting can be made verbally or in writing in all countries in which Nordea operates. All reporting is handled by the Raise Your Concern Investigation team, which is an independent and autonomous unit within Group Compliance. This ensures investigators are separated from the chain of management that could be involved in a specific matter. Reporting is treated with the strictest confidentiality to ensure the adequate protection of whistleblowers in accordance with Nordea's obligations under EU Directive 2019/1937. RYC procedures also dictate how investigations are to be monitored and finalised to ensure timeliness. Furthermore, it is also possible to report anonymously via WhistleB, an electronic reporting channel. This platform, managed by an external party, is entirely separate from Nordea's IT systems and does not track IP addresses or other data that could identify the sender of a message. Cases reported through RYC form part of the monitoring of compliance with the Code of Conduct. A summary of key trends and statistics on cases is also reported on a no names basis to the Chief Compliance Officer, Chief People

Officer and Chief Risk Officer in addition to being included in management reports and reports to the Board. Furthermore, the RYC process and investigations are subject to regular quality controls with defined escalation procedures to report any process deviations. Information about the RYC process is included in internal mandatory trainings.

Financial crime prevention

Nordea's strategic priority is to be a safe and trusted financial partner with strong governance and risk management. Nordea is committed to complying with the laws and regulations relevant to anti-money laundering, counter terrorist financing, sanctions, anti-tax evasion and anti-bribery and corruption in all the jurisdictions in which it operates. Tracking down and stopping the flow of money from criminal activities is key to disrupting the criminals involved. Therefore, as a financial institution with financial crime expertise domains, Nordea is uniquely positioned to be part of the solution.

As a key policy, Nordea has prepared the Group Board Directive on Financial Crime Risk Management, which requires Nordea Bank Abp and its subsidiaries to perform risk-sensitive financial crime prevention controls. In designing this, Nordea has considered compliance with regulatory requirements while balancing effective prevention of financial crime to the benefit of society at large without unduly limiting or restricting access to banking services to customers.

The Group Board Directive on Financial Crime Risk Management informs and educates Nordea about the commitment of the Group Leadership Team and the Group Board of Directors to prevent financial crime. It also articulates the high-level principles that constitute the foundation of the risk management measures employed by Nordea to prevent financial crime and defines the roles and responsibilities as well as the requirements for managing financial crime risks within Nordea. Ensuring adherence to and implementation of this directive is followed through by the dedicated Financial Crime Governance.

Policies, procedures and controls designed to strengthen Nordea's financial crime prevention programme, providing a uniform set of risk management principles and mandatory standards throughout Nordea, are continuously evaluated and updated to ensure adequate defences against financial crime. Nordea has published the relevant financial crime policy statements at nordea.com to enable customers and other stakeholders to understand the key elements of the financial crime policy framework. In addition, Nordea has dedicated policies, such as the financial crime third-party policy, which Nordea third parties must follow.

Prevention of financial crime requires an effective organisational structure and operating model. Nordea's organisation is built on three lines of defence - an efficient operating model where each has a defined role in financial crime risk management and internal controls. Customer-facing employees and expert units, which form the first line of defence, are responsible for daily risk management activities and for carrying out everyday work based on Nordea's policies, instructions and guidelines in relation to managing financial crime risks. In addition, the first line of defence develops and maintains the tools required to carry out effective financial crime risk management. The second line of defence is responsible for monitoring the implementation of policies and control framework, with the third line of defence performing risk-based audits and reviews to ensure that the processes and mechanisms are sound and effective, implemented and consistently applied.

Group Financial Crime Prevention is the centralised unit managing the Run, Build and Support the Bank process and is responsible for developing the necessary tools and processes to manage and mitigate the risks. This is done by ensuring the knowledge of Nordea customers and their behaviour, monitoring transactions for the detection and investigation of suspicious activity and reporting to the authorities.

Financial crime expertise domains

During the past years Nordea has significantly strengthened its financial crime prevention capabilities. The focus and investments reflect Nordea's commitment to continuously improve the defence against financial crime in the jurisdictions in which Nordea operates and to adapt to new and emerging risks in the external environment. Over 3,400 employees are currently working solely on combating money laundering, sanctions evasion, terrorist financing and fraud. Financial crime key risks are managed through the following capabilities, and related actions are carried out on a continuous basis.

Know Your Customer

Knowing customers and understanding their banking behaviour help create a safer financial environment and comply with the relevant laws and regulations. To ensure a consistent approach, Nordea has implemented global Know Your Customer (KYC) standards and policies, which are aligned with the EU and local requirements for financial crime prevention.

Transaction monitoring

Nordea has millions of customers and handles several billion transactions every year, with 3.6 billion transactions monitored in 2024 to detect potentially illegal activities. Customer relationships are continuously monitored to detect any unusual activity, transactions and behaviour. Unusual activity, transactions and behaviour will trigger internal alerts and investigations.

Sanctions

Nordea has a responsibility towards customers, shareholders, regulators and society to ensure that Nordea does not violate applicable sanctions laws and regulations and that Nordea's products and services are not, knowingly or inadvertently, used in violation of relevant or applicable sanctions laws and regulations. As such, Nordea applies the EU and UN sanctions regimes and adheres to the UK and US sanctions regimes on a Group-wide basis. Additionally, Nordea has adopted internal policies to address the totality of financial crime and other risks stemming from specific geographic areas, including Afghanistan, North Korea, Iran, Russia, Belarus, Syria, Crimea, Sevastopol and the oblasts of Donetsk, Luhansk, Zaporizhzhia and Kherson.

Fraud prevention

Fraud management within Nordea is dynamic. Qualitative insights from customers and colleagues combined with data analysis continuously feed into Nordea's fraud prevention work, helping to bolster fraud detection strategies and improve customer awareness campaigns. Refer to "S4 Consumers and end users" on page 189 for information on the key policies relating to fraud and how Nordea is working with fraud awareness.

Fraud prevention at Nordea focuses on safe and user-friendly authentication solutions for customers, safety limitations built into products and services, fraud detection tools development and continuously increasing fraud intelligence and awareness.

Training

Group-wide mandatory training is conducted annually for all employees, by way of Code of Conduct and financial crime training. The aim is to educate employees to be able to detect and manage financial crime risk and protect Nordea from being used to move the proceeds of crime, for example through money laundering, financing of terrorist acts and violation of sanctions. This ensures that customer-facing units know their customers and other parties, enabling Nordea to manage the financial crime risk in personal and digital relationships. Training also focuses on zero tolerance to tax evasion and facilitation of this.

Supplementing general Group-wide training, extensive specialised training is conducted for all employees with financial crime responsibilities and according to their roles and responsibilities.

Monitoring the effectiveness of financial crime prevention

Nordea has not published formal financial crime-related targets as it has not been determined what is appropriate to communicate externally. Nonetheless, Nordea internally monitors the effectiveness of policies and actions on financial crime prevention and awareness. The Financial Crime Maturity Framework Reporting is the internal approach used within Nordea's Financial Crime Risk Governance. It describes the risk and maturity status of Nordea's financial crime prevention capabilities, with the primary objective to provide an accurate status of Nordea's financial crime prevention and controls, ensuring that management is sufficiently informed and can make decisions on actions needed.

The reporting is shared and challenged in the relevant governance forums: the Compliance, Conduct and Product Committee, the Group Leadership Team, the Board Risk Committee and the Board of Directors.

Proposed distribution of earnings

On 31 December 2024 Nordea Bank Abp's distributable earnings, including profit for the financial year and after subtracting capitalised development expenses, were EUR 20,871,375,465.11, and other unrestricted equity, consisting of Additional Tier 1 capital and Invested unrestricted equity, amounted to EUR 1,802,482,712.68.

The Board of Directors proposes that the 20 March 2025 Annual General Meeting authorise it to decide on a dividend payment of a maximum of EUR 0.94 per share. The payment would be distributed based on the annual accounts to be adopted for the financial year ended 31 December 2024 and the authorisation would remain in force until the beginning of the next Annual General Meeting.

The dividend would be paid from retained earnings. After a maximum dividend payout of EUR 3,279,368,206.00[1], corresponding to approximately 65% of the net profit of the year, EUR 17,592,007,259.11 would be carried forward as distributable retained earnings. Dividend will not be paid to shares held by Nordea on the dividend record date, and therefore the final aggregate dividend payout will be determined by the number of outstanding shares in Nordea on the dividend record date.

It is the assessment of the Board of Directors that the proposed dividend is justifiable considering the demands with respect to the size of Nordea Bank Abp's and the Group's equity which are imposed by the nature, scope and risks associated with the business and Nordea Bank Abp's and the Group's need for consolidation, liquidity and financial position in general.

For information on changes in the financial position of Nordea Bank Abp since the end of the financial period, see "Events after the financial period" below. No other significant events or material changes have taken place in the financial position of Nordea Bank Abp since the end of the financial period and the proposed dividend does not compromise Nordea Bank Abp's solvency.

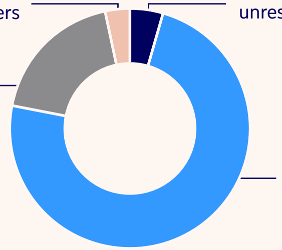
According to the parent company's balance sheet as at 31 December 2024 the unrestricted equity amounted to:

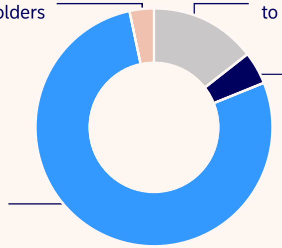
EUR	
Invested unrestricted equity	1,052,687,732.15
Retained earnings[2]	16,681,990,497.23
Net profit for the year	4,189,384,967.88
Additional Tier 1 capital holders	749,794,980.53
Total	22,673,858,177.79

The Board of Directors proposes that earnings be distributed as follows (calculated based on the maximum dividend of EUR 3,279,368,206.00[1]):

EUR	
Dividend paid to shareholders	3,279,368,206.00
Invested unrestricted equity	1,052,687,732.15
Retained earnings[2]	17,592,007,259.11
Additional Tier 1 capital holders	749,794,980.53
Total	22,673,858,177.79

1) For more information on equity, see note P9.1 "Equity".
2) Capitalised development costs of EUR 1,438,769,856.57 have been subtracted from retained earnings.





The dividend will be paid to shareholders who on the record date for dividend payment are 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.

Events after the financial period

Share buy-backs and share cancellations

Between 1 January 2025 and 31 January 2025, Nordea further acquired 5,700,457 shares, corresponding to a EUR 63,880,278.97 reduction of retained earnings, under its share buy-back programme which started on 21 October 2024 and ended on 20 February 2025. In February Nordea continued to acquire shares in accordance with the terms of the share buy-back programme.

4,841,641 treasury shares, which were held for capital optimisation purposes and acquired through share buy-backs, were cancelled in January. After the cancellation on 21 January 2025, the total number of shares in Nordea was 3,497,790,322.

Changes in Nordea's Group Leadership Team

From 1 January 2025 Martin A Persson, former Head of Large Corporates & Institutions, has served as Head of Asset & Wealth Management and Petteri Änkilä as Head of Large Corporates & Institutions. Snorre Storset has stepped down from the Group Leadership Team (GLT) and as Head of Asset & Wealth Management.

Martin Persson will continue as a member of the GLT and country branch manager in Sweden. He has successfully delivered on the strategic initiatives set out in 2019 through his strong leadership, results and customer-centric focus. Martin Persson joined Nordea in 2012 as Head of Markets Equities.

Petteri Änkilä has previously served as CEO of Nordea Life & Pension. Prior to this, he successfully headed the Finnish Large Corporates & Institutions business unit for nine years. Petteri Änkilä joined Nordea in 2014 with a background in investment banking and private equity.

Furthermore, since 1 February 2025, the Group Business Support function has been divided into two new units, Group Technology and Group Business Support, to further support strategy execution. As a result, Kirsten Renner, Head of Group Technology, has been appointed a member of the GLT, and Mads Skovlund Pedersen has been appointed Head of Group Business Support and a member of the GLT. Erik Ekman has stepped down from the GLT and as Head of Group Business Support.

Kirsten Renner has successfully delivered in her role as Head of Group Technology, creating business value through her deep understanding of technology and strong leadership skills. She has extensive experience with technology and digital transformation in the banking industry. Kirsten Renner joined Nordea in 2022.

Mads Skovlund Pedersen has served as Head of Personal Banking in Denmark and has delivered strong results through his customer-centric and operational leadership. He has a strong and versatile business understanding, which will strengthen execution. He will continue as Country Senior Executive in Denmark. Mads Skovlund Pedersen joined Nordea in 2000.

Glossary

Allocated equity
Allocated equity (AE) is Nordea's internal estimate of required capital and measures the capital required to cover unexpected losses in the course of its business with a certain probability. AE 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 business areas. It also takes local capital requirements and tax rates into account. Goodwill and other central deductions are also included.

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.

Basic earnings per share
Net profit for the year divided by the weighted average number of outstanding shares, non-controlling interests excluded.

Cost-to-income ratio
Total operating expenses divided by total operating income.

CSRD
Corporate Sustainability Reporting Directive (CSRD) modernises and strengthens the rules concerning the social and environmental information that companies have to report. EU law requires large companies and listed companies to publish regular reports on the social and environmental risks they face, and how their activities impact people and the environment.

CVaR
CVaR (Climate Value at Risk) is a methodology designed to provide a forward-looking and return-based valuation assessment to measure climate-related risks and opportunities in an investment portfolio.

Diluted earnings per share
Net profit for the year divided by the weighted average number of outstanding shares after full dilution, non-controlling interests excluded.

EFRAG
The European Financial Reporting Advisory Group (EFRAG) is a private association established in 2001 to serve the public interest. EFRAG plays a key role in developing European accounting standards and ensuring alignment with specific needs and concerns of European businesses and markets. The association's role in sustainability reporting has expanded with the introduction of CSRD and it acts as a technical adviser to the European Commission in the development of the European Sustainability Reporting Standards (ESRS).

ENCORE
ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) is a tool that helps organisations explore their exposure to nature-related risk and take the first steps to understand their dependencies and impacts on nature.

EPC
An energy performance certificate (EPC) is a rating scheme to summarise the energy efficiency of buildings or devices. In the European Union, EPCs are regulated by the Energy Performance of Buildings Directive 2010.

Equity per share
Equity as shown on the balance sheet after full dilution and non-controlling interests excluded divided by the number of shares after full dilution.

Equity ratio
Total equity as a percentage of total assets at the end of the year.

ESRS
The European Sustainability Reporting Standards (ESRS) were adopted under the Corporate Sustainability Reporting Directive (CSRD). They specify the information that an organisation must disclose about its material impacts, risks and opportunities as they relate to sustainability topics. The ESRS are a core component of the EU's sustainability agenda, intended to increase the transparency and comparability of corporate sustainability reporting.

GAR
The Green Asset Ratio (GAR) KPI is the proportion of exposures which are taxonomy-aligned compared with Nordea's total covered assets. The GAR is disclosed twice, once based on turnover and once based on CapEx. The turnover and CapEx KPIs represent the proportion of the exposure's turnover/CapEx which is taxonomy-aligned.

GDPR
GDPR (the General Data Protection Regulation) is a regulation in EU law on data protection and privacy for all individual citizens of the EU and the European Economic Area (EEA). The GDPR primarily aims to provide individuals with control over their personal data and to simplify the regulatory environment for international business by unifying regulation within the EU.

GHG Protocol
GHG Protocol (the Greenhouse Gas Protocol) establishes global standardised frameworks to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions. It is the most widely used GHG accounting standard in the world.

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.

IPCC
The Intergovernmental Panel on Climate Change (IPCC) is the United Nations body for assessing the science related to climate change. In October 2019 the IPCC released a special report on the impacts of global warming of 1.5°C above pre-industrial levels and related global GHG emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development and efforts to eradicate poverty.

Net loan loss ratio, amortised cost
Net loan losses (annualised) divided by the closing balance of loans to the public (lending) measured at amortised cost.

Non-employee
A non-employee is a term used in the Sustainability Statement and refers to an individual indirectly working for the Nordea Group through an external resource supplier. This term derives from and is aligned with the ESRS, i.e. people provided by undertakings primarily engaged in "employment activities" (NACE Code N78). Employees and non-employees form Nordea's own workforce.

Non-servicing, not impaired
Past due loans, not impaired due to future cash flows (included in loans, not impaired).

Own funds
Own funds include the sum of Tier 1 capital and the supplementary capital consisting of subordinated loans, after deduction of the carrying amount of the shares in wholly-owned insurance companies and the potential deduction for expected shortfall.

Paris Agreement
At COP 21 in Paris, on 12 December 2015, parties to the United Nations Framework Convention on Climate Change (UNFCCC) reached a landmark agreement to combat climate change and to accelerate and intensify the actions and investments needed for a sustainable low-carbon future. The Paris Agreement brings all nations into a common cause to undertake ambitious efforts to combat climate change and adapt to its effects, with enhanced support to assist developing countries to do so.

PCAF
PCAF (Partnership for Carbon Accounting Financials) is a global partnership of financial institutions that work together to develop and implement a harmonised approach to assess and disclose the GHG emissions associated with the loans and investments. The harmonised accounting approach provides financial institutions with the starting point to set science-based targets and align portfolios with the Paris Climate Agreement.

Poseidon Principles
The Poseidon Principles establish a framework for assessing and disclosing the climate alignment of ship finance portfolios. They set a benchmark for what it means to be a responsible bank in the maritime sector and provide actionable guidance on how to achieve this.

PRI
The PRI (Principles for Responsible Investment) is the world's leading proponent of responsible investment, which provides understanding of the investment implications of ESG factors and supports incorporating these factors into investment and ownership decisions.

Price to book
Nordea's stock market value relative to its book value of total equity.

RCP
Representative Concentration Pathways (RCP) are climate change scenarios to project future greenhouse gas concentrations. These pathways (or trajectories) describe future greenhouse gas concentrations (not emissions) and have been formally adopted by the IPCC.

Return on allocated equity
Return on allocated equity (RoAE) is defined as operating profit after standard tax as a percentage of average allocated equity.

Return on assets
Net profit for the year as a percentage of total assets at the end of the year.

Return on equity
Net profit for the year as a percentage of average equity for the year. 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 year and dividend until paid, and excludes non-controlling interests and Additional Tier 1 capital.

Risk exposure amount
Total assets and off-balance sheet items valued on the basis of the credit and market risks as well as operational risks of the Group's undertakings in accordance with regulations governing capital adequacy, excluding assets in insurance companies, the carrying amount of shares which have been deducted from the capital base and intangible assets.

SBTi
The Science Based Targets initiative (SBTi) is a corporate climate action organisation that enables companies and financial institutions worldwide to play their part in combating the climate crisis. SBTi defines and promotes best practice in emissions reductions and net zero targets in line with climate science.

SFDR
The EU Sustainable Finance Disclosure Regulation sets out how financial market participants have to disclose sustainability information. It is also designed to allow investors to properly assess how sustainability risks are integrated in the investment decision process, requiring asset managers to classify their funds depending on their level of sustainability.

TCFD
The Financial Stability Board (FSB) created the Task Force on Climate-related Financial Disclosures (TCFD) in 2015 to improve and increase reporting of climate-related financial information. This includes the risks and opportunities presented by rising temperatures, climate-related policy and emerging technologies in a changing world.

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.

Total allowances in relation to impaired loans (provisioning ratio)
Total allowances divided by impaired loans before allowances.

Total capital ratio
Own funds as a percentage of risk exposure amount.

WACI
Weighted average carbon intensity (WACI) is calculated as the greenhouse gas emissions of a debtor/issuer divided by the debtor's/issuer's total revenue and weighted by the value of the creditor's/holder's investment as a share of its total investment portfolio.

Financial statements
Nordea Group

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Income statement

EURm	Note	2024	2023
Operating income			
Interest income calculated using the effective interest rate method		18,580	17,303
Other interest income		2,500	2,426
Interest expense		-13,486	-12,278
Net interest income	G2.2	7,594	7,451
Fee and commission income		4,064	3,923
Fee and commission expense		-907	-902
Net fee and commission income	G2.3	3,157	3,021
Insurance revenue		652	613
Insurance service expenses		-402	-392
Net reinsurance result		-6	-6
Net insurance revenue		244	215
Insurance finance income or expenses		-2,574	-2,222
Return on assets backing insurance liabilities		2,583	2,224
Net insurance finance income or expenses		9	2
Net insurance result	G2.4	253	217
Net result from items at fair value	G2.5	1,023	1,014
Profit or loss from associated undertakings and joint ventures accounted for under the equity method	G9.3	10	-3
Other operating income	G2.6	47	43
Total operating income		12,084	11,743
Operating expenses			
Staff costs	G8.1	-3,106	-2,908
Other expenses	G2.7	-1,530	-1,206
Regulatory fees	G2.8	-117	-316
Depreciation, amortisation and impairment charges of tangible and intangible assets	G2.9	-577	-808
Total operating expenses		-5,330	-5,238
Profit before loan losses		6,754	6,505
Net result on loans in hold portfolios mandatorily held at fair value	G2.5	-8	20
Net loan losses	G2.10	-198	-187
Operating profit		6,548	6,338
Income tax expense	G2.11	-1,489	-1,404
Net profit for the year		5,059	4,934
Attributable to:			
Shareholders of Nordea Bank Abp		5,033	4,908
Additional Tier 1 capital holders		26	26
Total		5,059	4,934
Basic earnings per share, EUR	G2.12	1.44	1.37
Diluted earnings per share, EUR	G2.12	1.44	1.37

Statement of comprehensive income

EURm	Note	2024	2023
Net profit for the year		5,059	4,934
Other comprehensive income			
Items that may be reclassified subsequently to the income statement			
Currency translation:			
Currency translation differences		-483	-436
Tax on currency translation differences		-1	0
Hedging of net investments in foreign operations:	G3.6		
Valuation gains/losses		174	55
Fair value through other comprehensive income:	G3.3		
Valuation gains/losses		-65	58
Tax on valuation gains/losses		16	-15
Transferred to the income statement		3	-39
Tax on transfers to the income statement		-1	10
Cash flow hedges:	G3.6		
Valuation gains/losses		1,913	870
Tax on valuation gains/losses		-388	-184
Transferred to the income statement		-1,862	-868
Tax on transfers to the income statement		378	184
Items that may not be reclassified subsequently to the income statement			
Changes in own credit risk related to liabilities classified as fair value option:	G3.3		
Valuation gains/losses		-8	13
Tax on valuation gains/losses		2	-3
Defined benefit plans:	G8.2		
Remeasurement of defined benefit plans		99	-36
Tax on remeasurement of defined benefit plans		-23	9
Companies accounted for under the equity method:	G9.3		
Other comprehensive income from companies accounted for under the equity method		5	-4
Tax on other comprehensive income from companies accounted for under the equity method		-1	1
Other comprehensive income, net of tax		**-242**	-385
Total comprehensive income		4,817	4,549
Attributable to:			
Shareholders of Nordea Bank Abp		4,791	4,523
Additional Tier 1 capital holders		26	26
Total		4,817	4,549

Balance sheet

EURm	Note	31 Dec 2024	31 Dec 2023
Assets	G3.3		
Cash and balances with central banks		46,562	50,622
Loans to central banks	G3.8	4,075	1,909
Loans to credit institutions	G3.8	2,950	2,363
Loans to the public	G3.8	357,588	344,828
Interest-bearing securities	G3.9	73,464	68,000
Shares	G3.10	35,388	22,158
Assets in pooled schemes and unit-linked investment contracts	G3.11	60,879	50,531
Derivatives	G3.12	25,211	26,525
Fair value changes of hedged items in portfolio hedges of interest rate risk	G3.6	-243	-871
Investments in associated undertakings and joint ventures	G9.3	482	481
Intangible assets	G5.1	3,882	3,826
Properties and equipment	G5.2	1,661	1,653
Investment properties	G5.3	2,132	2,199
Deferred tax assets	G2.11	206	254
Current tax assets	G2.11	364	217
Retirement benefit assets	G8.2	360	225
Other assets		7,168	8,921
Prepaid expenses and accrued income		1,131	755
Assets held for sale	G9.5	95	106
Total assets		623,355	584,702

EURm	Note	31 Dec 2024	31 Dec 2023
Liabilities	G3.3		
Deposits by credit institutions	G3.13	28,775	29,504
Deposits and borrowings from the public	G3.14	232,435	210,062
Deposits in pooled schemes and unit-linked investment contracts	G3.11	61,713	51,573
Insurance contract liabilities	G4	30,351	27,568
Debt securities in issue	G3.15	188,136	182,548
Derivatives	G3.12	25,034	30,794
Fair value changes of hedged items in portfolio hedges of interest rate risk	G3.6	-458	-869
Current tax liabilities	G2.11	208	413
Other liabilities	G3.16	14,196	13,727
Accrued expenses and prepaid income		1,638	1,274
Deferred tax liabilities	G2.11	813	505
Provisions	G6	396	371
Retirement benefit liabilities	G8.2	272	287
Subordinated liabilities	G3.17	7,410	5,720
Total liabilities		590,919	553,477
Equity	G10.1		
Additional Tier 1 capital holders		750	750
Share capital		4,050	4,050
Invested unrestricted equity		1,053	1,063
Other reserves		-2,591	-2,345
Retained earnings		29,174	27,707
Total equity		32,436	31,225
Total liabilities and equity		623,355	584,702

Statement of **changes in equity**

		Attributable to shareholders of Nordea Bank Abp										
				Other reserves:								
2024, EURm	Note	Share capital[1]	Invested unrestricted equity	Translation of foreign operations[2,3,4]	Cash flow hedges[2,4]	Fair value through other comprehensive income[2]	Defined benefit plans	Changes in own credit risk related to liabilities at fair value option	Retained earnings	Total	Additional Tier 1 capital holders	Total equity
Balance as at 1 Jan 2024		4,050	1,063	-2,272	66	-6	-136	3	27,707	30,475	750	31,225
Net profit for the year		–	–	–	–	–	–	–	5,033	5,033	26	5,059
Other comprehensive income, net of tax		–	–	-310	41	-47	76	-6	4	-242	–	-242
Total comprehensive income		–	–	-310	41	-47	76	-6	5,037	4,791	26	4,817
Paid interest on Additional Tier 1 capital[5]	G10.1	–	–	–	–	–	–	–	5	5	-26	-21
Share-based payments	G8.3	–	–	–	–	–	–	–	15	15	–	15
Dividend[6]		–	–	–	–	–	–	–	-3,218	-3,218	–	-3,218
Purchase of own shares[7]		–	-10	–	–	–	–	–	-372	-382	–	-382
Balance as at 31 Dec 2024		4,050	1,053	-2,582	107	-53	-60	-3	29,174	31,686	750	32,436
2023, EURm												
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 year		–	–	–	–	–	–	–	4,908	4,908	26	4,934
Other comprehensive income, net of tax		–	–	-381	2	14	-27	10	-3	-385	–	-385
Total comprehensive income		–	–	-381	2	14	-27	10	4,905	4,523	26	4,549
Paid interest on Additional Tier 1 capital[5]	G10.1	–	–	–	–	–	–	–	5	5	-26	-21
Change in Additional Tier 1 capital holders	G10.1	–	–	–	–	–	–	–	–	–	2	2
Share-based payments	G8.3	–	–	–	–	–	–	–	19	19	–	19
Dividend[6]		–	–	–	–	–	–	–	-2,876	-2,876	–	-2,876
Purchase of own shares[7]		–	-19	–	–	–	–	–	-1,264	-1,283	–	-1,283
Other changes		–	–	–	–	–	–	–	-9	-9	–	-9
Balance as at 31 Dec 2023		4,050	1,063	-2,272	66	-6	-136	3	27,707	30,475	750	31,225

1) The total number of shares registered was 3,503 million (3,528 million). The number of own shares was 14.7 million (9.1 million), representing 0.4% (0.3%) of the total number of shares in Nordea. Each share carries one voting right.
2) Items that may be reclassified subsequently to the income statement.
3) Relates to foreign exchange risk. Of the balance as at 31 December, EUR 939m (EUR 772m) related to hedging relationships for which hedge accounting is applied and EUR –m (EUR –m) related to hedging relationships for which hedge accounting is no longer applied.
4) For more detailed information, see Note G3.6 "Hedge accounting".
5) Consists of interest paid of EUR -26m (EUR -26m) on Additional Tier 1 capital and the related tax effect of EUR 5m (EUR 5m).
6) Dividends recognised as distributions to owners amounted to EUR 0.92 (EUR 0.80) per share.
7) The change in the holding of own shares related to treasury shares held for remuneration purposes and to the trading portfolio was accounted for as an increase/decrease in "Invested unrestricted equity". At the end of the year the number of treasury shares held for remuneration purposes was 11.5 million (4.8 million). The separately announced share buy-back amounted to EUR 372m (EUR 1,263m) and was accounted for as a reduction in "Retained earnings". The transaction cost in relation to the share buy-back amounted to EUR 0m (EUR 1m).

Cash flow statement[1]

EURm	Note	2024	2023
Operating activities			
Operating profit		6,548	6,338
Adjustment for items not included in cash flow	G10.2	2,306	5,899
Income taxes paid	G2.11	-1,418	-1,480
Cash flow from operating activities before changes in operating assets and liabilities		7,436	10,757
Changes in operating assets			
Change in loans to central banks	G3.8	-2,263	-990
Change in loans to credit institutions	G3.8	-384	1,863
Change in loans to the public	G3.8	-10,506	-3,890
Change in interest-bearing securities	G3.9	-7,153	-2,763
Change in shares	G3.10	-13,101	-5,973
Change in derivatives, net	G3.12	-3,645	1,642
Change in investment properties	G5.3	78	185
Change in other assets		-748	-1,237
Dividends received from associates	G9.3	33	9
Changes in operating liabilities			
Change in deposits by credit institutions	G3.13	-765	-2,941
Change in deposits and borrowings from the public	G3.14	16,272	-3,357
Change in insurance contract liabilities	G4	5,590	-1,418
Change in debt securities in issue	G3.15	2,168	1,950
Change in other liabilities	G3.16	7,894	-309
Cash flow from operating activities		906	-6,472
Investing activities			
Acquisition of business operations[2]	G9.6	-2,393	-37
Acquisition of associated undertakings and joint ventures	G9.3	–	-1
Acquisition of property and equipment	G5.2	-91	-86
Sale of property and equipment	G5.2	37	33
Acquisition of intangible assets	G5.1	-469	-444
Cash flow from investing activities		-2,916	-535
Financing activities			
Issued subordinated liabilities	G3.17	2,192	500
Amortised subordinated liabilities	G3.17	-762	-205
Repurchase of own shares incl. change in trading portfolio		-382	-1,283
Dividend paid		-3,218	-2,876
Paid interest on Additional Tier 1 capital		-26	-26
Principal portion of lease payments		-151	-118
Cash flow from financing activities		-2,347	-4,008
Cash flow for the year		-4,357	-11,015

1) For more information regarding the cash flow statement, see Note G10.2 "Additional disclosures on the cash flow statement".
2) "Acquisition of business operations" in 2024 related to the acquisition of Danske Bank's personal customer and private banking business in Norway. The net impact on cash flows of EUR -2,393m consists of the purchase price paid of EUR 2,393m. Acquisition in 2023 related to the acquisition of Advinans. The net impact on cash flows of EUR -37m consists of the purchase price paid of EUR 38m less acquired cash of EUR 1m. See Note G9.6 "Acquisitions" for more information.

G1 Accounting policies

Corporate information

Nordea Bank Abp, together with its consolidated subsidiaries (the Nordea Group), is a leading universal bank in the Nordic markets. The parent company, Nordea Bank Abp, is organised under the laws of Finland with its head office located in Helsinki, Finland. Nordea Bank Abp's ordinary shares are listed on Nasdaq Nordic, the stock exchanges in Helsinki (in euro), Stockholm (in Swedish kronor) and Copenhagen (in Danish kroner), and its American Depository Receipts are traded in the US in US dollars.

The Nordea Group offers a comprehensive range of banking and financial products and services to household and corporate customers, including financial institutions. The Nordea Group's products and services comprise a broad range of household banking services, including mortgages and consumer loans, credit and debit cards as well as a wide selection of savings, life insurance and pension products. In addition, the Nordea Group offers a wide range of corporate banking services, including business loans, cash management, payment and account services, risk management products and advisory services, debt and equity-related products for liquidity and capital raising purposes as well as corporate finance, institutional asset management services and corporate life and pension products. The Nordea Group also distributes general insurance products.

Corporate information	
Name of reporting entity	Nordea Group
Domicile of entity	Helsinki, Finland
Legal form of entity	Public limited company
Country of incorporation	Finland
Address of entity's registered office	Hamnbanegatan (Satamaradankatu) 5, FI-00020, Nordea, Helsinki, Finland
Principal place of business	Nordic markets
Description of nature of entity's operations and principal activities	Banking and financial products and services to household and corporate customers, including financial institutions.
Name of parent entity	Nordea Bank Abp (Business ID 2858394-9)

Basis of presentation

Nordea's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU Commission. In addition, certain complementary rules in the Finnish Accounting Act, the Finnish Act on Credit Institutions, the Finnish Financial Supervisory Authority's regulations and guidelines and the Decree of the Finnish Ministry of Finance on the financial statements and consolidated statements of credit institutions and investment firms have also been applied.

The disclosures, required under the standards, recommendations and legislation above, have been included in the notes or in other parts of the financial statements.

On 18 February 2025 the Board of Directors approved the financial statements, subject to final adoption by the Annual General Meeting on 21 March 2025.

The accounting policies, methods of computation and presentations are unchanged in comparison with the Annual Report 2023, except for the items presented in "Changed accounting policies and presentation" below.

All amounts are in euro million unless otherwise stated.

Changed accounting policies and presentation

New accounting policies and changes to the presentation were implemented during 2024. Impacts on Nordea's financial statements are described below.

Changed presentation of net fee and commission income

Since 1 January 2024, the lines "Payments" and "Cards" in Note G2.3 "Net fee and commission income" have been replaced by a single line labelled "Payments and cards". Payment and card services are often offered as a package which makes it difficult to distinguish between payment-related commission income and card-related commission income.

In addition, minor changes have been made to the labels of the other lines in the note, but the content remains the same.

Comparative figures have been restated accordingly and the impacts on the full year 2024 and 2023 can be found in the table below.

	Jan–Dec 2024			Jan–Dec 2023		
EURm	Old policy	Change	New policy	Old policy	Change	New policy
Payments	284	-284	–	253	-253	–
Cards	299	-299	–	291	-291	–
Payments and cards	–	583	583	–	544	544

Other amendments

The International Accouning Standards Board (IASB) has published the following amendments which were implemented by Nordea on 1 January 2024 but which have not had any significant impact on Nordea's financial statements:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current; Classification of Liabilities as Current or Non-current – Deferral of Effective Date; and Non-current Liabilities with Covenants.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements.

There have not been any changes to the Finnish Accounting Act, the Finnish Act on Credit Institutions, the Finnish Financial Supervisory Authority's regulations and guidelines and the Decree of the Finnish Ministry of Finance on the financial statements and consolidated statements of credit institutions and investment firms.

Changes to IFRSs not yet applied

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024 the IASB published the new standard IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1 Presentation of Financial Statements. IFRS 18 sets out the requirements for the presentation and disclosure of financial performance in financial statements, focusing on a more structured income statement, with defined subtotals. Income and expense items are split into five categories, based on main business activities. Of these, the categories operating, investing and financing are new. The categories income taxes and discontinued operations are as before. The aim is to ensure a structured summary of companies' primary financial statements and reduce variation in the reporting of financial performance, enabling users to better understand the information and more easily compare companies. IFRS 18 also introduces enhanced requirements for the aggregation and disaggregation of financial information in the primary financial statements and the notes, which may also impact the presentation on the balance sheet. In addition, the standard introduces new disclosures in a single note on certain profit or loss measures outside the financial statements (management-defined performance measures).

IFRS 18 will be effective for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The standard is not yet endorsed by the EU. Nordea does not currently intend to adopt the amendments before the effective date.

It is not yet possible to conclude on how IFRS 18 will impact Nordea's financial statements and disclosures of management-defined performance measures. There may be transfers between the different categories in the income statement mentioned above, and changes in the aggregation and disaggregation of financial information in the income statement and on the balance sheet, but no significant impacts are currently expected. This tentative conclusion remains subject to further analysis. As IFRS 18

G1 Accounting policies, cont.

will not change Nordea's recognition and measurement, it is not expected to have any other significant impact on the company's financial statements or capital adequacy in the period of initial application.

Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

In May 2024 the IASB published Amendments to the Classification and Measurement of Financial instruments (Amendments to IFRS 9 and IFRS 7).

The amendments clarify whether contractual cash flows of financial assets with contingent features, e.g. ESG-linked features, represent solely payments of principal and interest (SPPI), which is a condition for being measured at amortised cost. Under the amendments certain financial assets, including those with ESG-linked features, can meet the SPPI criterion at initial recognition, provided that their cash flows are not significantly different from the cash flows of identical financial assets without such features. Additional disclosures on financial assets and financial liabilities with contingent features will also be required. The new requirements are expected to support Nordea's current accounting treatment of loans with ESG-linked features. They are not expected to have any significant impact on the company's financial statements or capital adequacy in the period of initial application, other than the introduction of the additional disclosures.

The amendments also clarify the characteristics of contractually linked instruments and non-recourse features. The current assessment is that these clarifications will not significantly impact the classification of financial assets or capital adequacy in the period of initial application, but this remains subject to further analysis and is naturally dependent on the instruments on Nordea's balance sheet at the time of transition.

Moreover, the amendments address the recognition and derecognition of financial assets and financial liabilities, including an optional exception relating to the derecognition of financial liabilities settled using an electronic payment system. The current assessment is that this amendment will not significantly impact Nordea's financial statements or capital adequacy in the period of initial application, but this remains subject to further analysis.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted. The amendments are not yet endorsed by the EU.

Other amendments

The IASB has published the following new or amended standards that are assessed not to have any significant impact on Nordea's financial statements or capital adequacy in the period of initial application:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7).
- Annual Improvements – Volume 11 .

Critical judgements and estimation uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires, in some cases, the use of judgements and estimates by management. The actual outcome can later, to some extent, differ from the estimates and the assumptions made. Such judgements and estimates are disclosed under "Critical judgement and estimation uncertainty" in the relevant notes, including a description of:

- the sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, and
- the judgements made when applying accounting policies (apart from those involving estimations) that have the most significant impact on the amounts recognised in the financial statements.

Critical judgements and estimates are in particular associated with:

- Total net result from items at fair value (Note G2.5)
- Taxes (Note G2.11)
- Recognition on and derecognition from the balance sheet (Note G3.1)
- Classification and measurement (Note G3.3)
- Fair value (Note G3.4)
- Hedge accounting (Note G3.6)
- Expected credit losses (Note G3.8)
- Insurance contract liabilities (Note G4)
- Impairment testing of intangible assets (Note G5.1)
- Investment properties (Note G5.3)
- Leases (Note G5.4)
- Provisions (Note G6)
- Pensions (Note G8.2)
- Consolidated entities (Note G9.1).

Translation of assets and liabilities denominated in foreign currencies

The functional currency of each entity (subsidiary or branch) is determined based on the primary economic environment in which the entity operates. Foreign currency is defined as any currency other than the functional currency of the entity. Foreign currency transactions are recorded at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date.

Exchange differences arising on the settlement of transactions at rates different from those on the date of the transactions, and unrealised translation differences on unsettled foreign currency monetary assets and liabilities, are recognised in the income statement under "Net result from items at fair value".

Exchange differences arising on internal long-term receivables on, or liabilities to, foreign operations for which settlement is neither planned nor likely to occur in the future (i.e. in substance part of Nordea's net investment in that foreign operation) are recognised in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment. For translation of the financial statements of foreign entities and branches, see Note G9.2 "Currency translation of foreign entities/branches".

Exchange rates

	Jan–Dec 2024	Jan–Dec 2023
EUR 1 = SEK		
Income statement (average)	11.4370	11.4740
Balance sheet (at end of year)	11.4485	11.1275
EUR 1 = DKK		
Income statement (average)	7.4587	7.4509
Balance sheet (at end of year)	7.4576	7.4527
EUR 1 = NOK		
Income statement (average)	11.6308	11.4238
Balance sheet (at end of year)	11.7810	11.2120

G2 Financial performance and returns

G2.1 Segment reporting

Accounting policies

An operating segment is a part of Nordea that earns revenues and incurs expenses that are regularly reported to the Chief Operating Decision Maker (CODM) and the reported information is used to make decisions about operating matters.

The measurement principles and allocation between operating segments follow the information reported to the CODM, as required by IFRS 8. At Nordea the CODM has been defined as the Chief Executive Officer (CEO), who is supported by the other members of the Group Leadership Team.

Nordea discloses separately information about each operating segment that has been identified as an operating segment if it exceeds the following quantitative thresholds:

- Segment revenue (internal and external) constitutes 10% or more of the combined revenue (internal and external) of all operating segments.
- Segment profit or loss constitutes 10% or more of the greater, in absolute amount, of:
  - the total profit of all profitable segments, or
  - the total loss of all segments that reported a loss.
- Segment assets amount to 10% or more of the total assets of all operating segments.

Two or more operating segments are aggregated into a single operating segment if the segments have similar economic characteristics and are similar in respect of products and services, production processes, customers, distribution methods and regulations.

Information about other business activities and operating segments that are not reported separately is combined and disclosed separately as "Other operating segments".

Income statement

	Personal Banking		Business Banking		Large Corporates & Institutions		Asset & Wealth Management		Other operating segments		Total operating segments		Reconciliation		Total Group	
EURm	**2024**	**2023[3]**	**2024**	**2023[3]**	**2024**	**2023[3]**	**2024**	**2023[3]**	**2024**	**2023[3]**	**2024**	**2023[3]**	**2024**	**2023[3]**	**2024**	**2023[3]**
Net interest income	3,344	3,300	2,350	2,333	1,411	1,406	318	295	-35	-142	7,388	7,192	206	259	7,594	7,451
Net fee and commission income	1,118	1,048	584	573	472	449	985	970	-16	-35	3,143	3,005	14	16	3,157	3,021
Net insurance result	121	122	36	21	1	1	94	70	0	0	252	214	1	3	253	217
Net result from items at fair value	78	69	400	374	434	478	43	33	106	127	1,061	1,081	-38	-67	1,023	1,014
Profit from associated undertakings accounted for under the equity method	0	0	6	-5	0	0	-2	-2	5	4	9	-3	1	0	10	-3
Other income	11	3	32	32	-1	1	0	1	1	1	43	38	4	5	47	43
Total operating income	4,672	4,542	3,408	3,328	2,317	2,335	1,438	1,367	61	-45	11,896	11,527	188	216	12,084	11,743
- of which internal transactions[1]	-1,608	-1,160	-603	-503	202	118	295	266	1,714	1,279	0	0	–	–	–	–
Staff costs	-633	-619	-404	-398	-307	-323	-414	-416	-168	-109	-1,926	-1,865	-1,180	-1,043	-3,106	-2,908
Other expenses	-1,565	-1,481	-936	-873	-533	-457	-170	-170	100	270	-3,104	-2,711	1,574	1,505	-1,530	-1,206
Regulatory fees	-58	-108	-27	-88	-14	-100	-3	-7	-13	26	-115	-277	-2	-39	-117	-316
Depreciation, amortisation and impairment charges of tangible and intangible assets	-40	-45	-29	-34	-19	-21	-24	-23	-2	-166	-114	-289	-463	-519	-577	-808
Total operating expenses	-2,296	-2,253	-1,396	-1,393	-873	-901	-611	-616	-83	21	-5,259	-5,142	-71	-96	-5,330	-5,238
Profit before loan losses	2,376	2,289	2,012	1,935	1,444	1,434	827	751	-22	-24	6,637	6,385	117	120	6,754	6,505
Net result on loans in hold portfolios mandatorily held at fair value	-10	2	1	8	0	9	0	1	0	0	-9	20	1	0	-8	20
Net loan losses	-77	-109	-130	-86	14	13	0	-2	4	2	-189	-182	-9	-5	-198	-187
Operating profit	2,289	2,182	1,883	1,857	1,458	1,456	827	750	-18	-22	6,439	6,223	109	115	6,548	6,338
Income tax expense	-505	-476	-425	-414	-315	-318	-194	-174	0	-2	-1,439	-1,384	-50	-20	-1,489	-1,404
Net profit for the year	1,784	1,706	1,458	1,443	1,143	1,138	633	576	-18	-24	5,000	4,839	59	95	5,059	4,934
Balance sheet 31 Dec 2024[2], EURbn																
Loans to the public	171	163	92	91	53	51	12	11	–	–	328	316	30	29	358	345
Deposits and borrowings from the public	88	83	53	51	48	45	12	12	–	–	201	191	31	19	232	210

1) IFRS 8 requires information on revenues from transactions between operating segments. Nordea has defined intersegment revenues as internal interest income and expense related to the funding of the operating segments by the internal bank in Group Finance.
2) The CODM reviews "Loans to the public" and "Deposits and borrowings from the public" as measures of reportable segments' total assets and liabilities and these line items are consequently reported separately.
3) Comparable figures have been restated to reflect updated plan exchange rates in the reporting to the CODM. In addition, restatements have been made due to the updated internal allocation framework, driving further alignment of business area and Group profitability metrics.

G2.1 Segment reporting, cont.

Reconciliation between total operating segments and financial statements

	Total operating income, EURm		Operating profit, EURm		Loans to the public, EURbn		Deposits and borrowings from the public, EURbn	
	2024	2023	2024	2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Total operating segments	11,896	11,527	6,439	6,223	328	316	201	191
Group functions[1]	-2	-3	-11	-98	–	–	–	–
Unallocated items	97	110	46	133	26	24	29	16
Eliminations	-35	-34	–	–	–	–	–	–
Differences in accounting policies[2]	128	143	74	80	4	5	2	3
Total	**12,084**	**11,743**	**6,548**	**6,338**	**358**	**345**	**232**	**210**

1) Consisting 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 using plan exchange rates in the segment reporting.

Measurement of operating segments' performance

The main difference between the segment reporting in Note G2.1 "Segment reporting" and "Business areas" presented elsewhere in this report is that the information in the note follows the reporting prepared to the CODM and is prepared using plan exchange rates, while the reporting under "Business areas" is prepared using current FX rates. Nordea applies the use of static planning rates in order to avoid exchange rate fluctuations in the reporting to the CODM. The same exchange rates (e.g. SEK, NOK vs EUR) are used for the current and comparable year. The planning rates used are set during December of the preceding year and calculated as the average spot rates the first five banking days of December of the preceding year. The comparatives are restated annually to reflect the plan exchange rates for the current period as reflected in the internal reporting used by the CODM.

Basis of segmentation

Nordea's main business areas, Personal Banking, Business Banking, Large Corporates & Institutions and Asset & Wealth Management, are identified as operating segments and reported separately as they are operating segments exceeding 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 were no changes in the basis of segmentation during the year.

Reportable segments

Personal Banking serves Nordea's household customers and offers a full range of financial services that fulfil the customers' day-to-day financial needs. Personal Banking serves customers through Nordea Netbank, the mobile banking app, over the phone, via online meetings and at Nordea's branch offices. The business area includes advisory and service staff, channels and product units under a common strategy, operating model and governance framework across markets.

Business Banking serves, advises and partners with corporate customers, covering all their business needs through a full range of services, including payments, cash management, cards, working capital management and financing solutions. Business Banking also provides services such as payments, cards and financing solutions to personal customers.

Large Corporates & Institutions provides financial solutions to large Nordic and international corporates and institutional customers. The offering includes a diverse range of financing, cash management and payment services, investment banking, capital markets products and securities services.

Asset & Wealth Management provides high-quality investment, savings and risk management solutions to high net worth individuals and institutional investors and delivers savings solutions to all Nordea's customer segments.

Total operating income split by product group

EURm	2024	2023
Banking products	8,341	8,263
Capital markets products	1,272	1,246
Savings products and asset management	1,724	1,631
Life and pension	573	483
Other	174	120
Total	**12,084**	**11,743**

Banking products consist of three different product types. Account products include account-based products such as lending, deposits, cards and Nordea Netbank services. Transaction products consist of cash management as well as trade and project finance services. Financing products include asset-based financing through leasing, hire purchase and factoring as well as sales to finance partners such as dealers, vendors and retailers.

Capital markets products comprise financial instruments, or arrangements for financial instruments, available in the financial marketplace, including currencies, commodities, stocks and bonds.

Savings products and asset management include investment funds, discretionary management, portfolio advice, equity trading and pension accounts. An investment fund is a bundled product where the fund company invests in stocks, bonds, derivatives or other standardised products on behalf of the fund's shareholders. Discretionary management is a service involving the management of an investment portfolio on behalf of the customer, and portfolio advice is a service provided to support customers' investment decisions.

Life and pension includes life insurance and pension products and services.

Geographical information

	Total operating income, EURm		Assets, EURbn		Non-current assets, EURbn[1]	
	2024	2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Sweden	3,401	3,200	188	161	1	2
Finland	2,603	2,929	133	137	2	2
Norway	2,384	2,053	119	105	2	2
Denmark	3,268	3,107	164	169	3	3
Other	428	454	19	13	0	0
Total	**12,084**	**11,743**	**623**	**585**	**8**	**9**

1) Excluding financial instruments, deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

Nordea's main geographical markets comprise the Nordic countries. Revenues and assets (current and non-current assets) are distributed to geographical areas based on the location of the customer operations. Goodwill is allocated to different countries based on the location of the business activities of the acquired entities.

G2.2 Net interest income

Accounting policies

Interest consists of compensation for time value of money plus a margin. The effective interest rate equals the rate that discounts the estimated future cash flows to the net carrying amount of the financial asset or financial liability at initital recognition.

Interest income and expense are calculated and recognised using the effective interest rate method or, if considered appropriate, a method that provides a reasonable approximation in line with the effective interest rate method as the basis for the calculation. The effective interest rate includes fees considered to be an integral part of the effective interest rate of a financial instrument (generally fees received as compensation for risk). Interest income and expense from financial instruments are, with the exceptions described below, classified as "Net interest income".

Interest income and interest expense related to all balance sheet items held at fair value in Markets and Life & Pension are classified as "Net result from items at fair value" in the income statement. Also, interest on the net funding of operations in Markets and Life & Pension and on the net funding of fund investments in Treasury measured at amortised cost is recognised in "Net result from items at fair value" to ensure that income and expense within these operations are presented in a consistent manner. See Note G2.5 "Total net result from items at fair value".

The interest component of derivatives is classified as "Net result from items at fair value", except for derivatives used for hedging purposes. In accounting hedges the interest component of derivatives is classified as "Interest income calculated using the effective interest rate method" if the derivative is used to hedge an asset and as "Interest expense" if the derivative is used to hedge a liability. In economic hedges the interest component of derivatives is classified as "Other interest income" if the derivative is used to hedge an asset and as "Interest expense" if the derivative is used to hedge a liability.

The yield on financial assets is presented in two line items in the income statement: "Interest income calculated using the effective interest rate method" and "Other interest income". In the line item "Interest income calculated using the effective interest rate method", Nordea presents interest income from financial assets measured at amortised cost or at fair value through other comprehensive income. The income statement line item "Other interest income" includes other interest income, such as interest income from loans measured at fair value through profit or loss due to the solely payments of principal and interest (SPPI) test failing.

Net interest income

EURm	2024	2023
Interest income calculated using the effective interest rate method[1]	18,580	17,303
Other interest income	2,500	2,426
Interest expense	-13,486	-12,278
Net interest income	7,594	7,451

1) Of which contingent lease income amounted to EUR 449m (EUR 410m). Contingent lease income at Nordea consists of variable interest rates, excluding fixed margins. If the contingent lease income decreases, there will be an offsetting impact from lower funding expenses. Interest income from net investment in finance leases amounted to EUR 543m (EUR 509m).

Interest income calculated using the effective interest rate method

EURm	2024	2023
Loans to credit institutions	2,359	2,642
Loans to the public	13,734	12,095
Interest-bearing securities	1,191	931
Yield fees	208	201
Net interest paid or received on derivatives in accounting hedges of assets	1,088	1,434
Interest income calculated using the effective interest rate method	18,580	17,303

Other interest income

EURm	2024	2023
Loans at fair value to the public	1,721	1,608
Interest-bearing securities measured at fair value	541	442
Net interest paid or received on derivatives in economic hedges of assets	238	376
Other interest income	2,500	2,426

Interest expense

EURm	2024	2023
Deposits by credit institutions	-849	-865
Deposits and borrowings from the public	-5,107	-4,079
Deposit guarantee fees	-79	-80
Debt securities in issue	-5,167	-5,118
Subordinated liabilities	-271	-222
Other interest expense	-37	-15
Net interest paid or received on derivatives in hedges of liabilities	-1,976	-1,899
Interest expense	-13,486	-12,278

Net interest income from categories of financial instruments

EURm	2024	2023
Financial assets at fair value through other comprehensive income	1,168	902
Financial assets at amortised cost	16,324	14,967
Financial assets at fair value through profit or loss	3,588	3,860
Financial liabilities at amortised cost	-10,216	-9,241
Financial liabilities at fair value through profit or loss	-3,270	-3,037
Net interest income	7,594	7,451

Interest on impaired loans accounted for an insignificant portion of interest income.

G2.3 Net fee and commission income

Accounting policies

Nordea earns commission income from different services provided to customers. The recognition of commission income depends on the purpose for which the fees are received.

The majority share of the revenues classified as "Commission income" constitutes revenue from contracts with customers according to IFRS 15. Fee income is recognised when or as an entity satisfies the performance obligation, either over time or at a specific point of time.

Lending fees that are not part of the effective interest rate of a financial instrument are recognised at a point of time when the performance obligation is satisfied. Fees received for bilateral transactions are generally amortised as part of the effective interest rate of the financial instruments recognised. Loan syndication fees are recognised either as part of the effective interest rate of the participation or, if Nordea is acting as an agent in the transaction, as lending fee income. When the fee income is related to both activities, the fee that is recognised as part of the effective interest rate is based on the margin received by the other parties in the arrangement.

Variable fees, such as performance fees, are recognised only to the extent that it is highly probable that a significant reversal in the cumulative recognised amount does not occur.

Commission expenses covering a certain period are expensed over that period, whereas transactional fees are recognised when the services are received.

Commission income and expense related to the fulfilment of insurance contracts accounted for under IFRS 17 are excluded from "Net fee and commission income" and instead accounted for in accordance with the accounting policies defined in Note G4 "Insurance contract liabilities" and Note G2.4 "Net insurance result".

G2.3 Net fee and commission income, cont.

Net fee and commission income[1]

EURm	2024	2023
Asset management	1,724	1,631
- of which income	1,983	1,897
- of which expense	-259	-266
Life and pension	157	138
- of which income	170	147
- of which expense	-13	-9
Deposit products	20	23
- of which income	20	23
Custody and issuer services	12	6
- of which income	60	54
- of which expense	-48	-48
Brokerage and advisory	209	194
- of which income	335	323
- of which expense	-126	-129
Payments and cards	583	544
- of which income	841	806
- of which expense	-258	-262
Lending	429	437
- of which income	451	461
- of which expense	-22	-24
Guarantees	37	56
- of which income	131	130
- of which expense	-94	-74
Other	-14	-8
- of which income	73	82
- of which expense	-87	-90
Total	**3,157**	**3,021**

1) Fee income, not included in determining the effective interest rate, from financial assets and liabilities not measured at fair value through profit or loss amounted to EUR 426m (EUR 435m).

Asset management commissions are generally recognised over time as services are performed and are normally based on assets under management. These fees are recognised based on the passage of time as the amount (and the right to receive the fee) corresponds to the value received by the customer. The fees are recognised monthly when the market value of the assets under management is determined. Variable fees based on the relative performance versus a benchmark are rare. The uncertainty relating to the variable consideration is normally resolved at least at each reporting date and the fee income can be recognised. The amount cannot generally be recognised if the outcome is still uncertain and subject to market developments.

Life and pension commissions include fees for services related to investment contracts. The fee income is recognised over time as the services are performed. Fees received on insurance contracts are reported in the line item "Net insurance revenue", see Note G2.4 "Net insurance result".

Fees categorised as Deposit products, Custody and issuer services, Brokerage and advisory and Payments and cards are recognised both over time and at a point of time depending on when the performance obligations are satisfied. Brokerage and advisory commissions are mainly transaction-based in relation to advising customers or executing customer transactions in securities where the services are recognised at a point of time when the services related to the transactions are completed.

Payment and card fee income includes fees for cash management and payment solutions that are recognised over time and transaction-based fees for services like domestic and foreign payments that are recognised at a point of time. Card-related fees are categorised as interchange fees which are recognised at a point of time when the customer uses the services, or as cardholder fees which are recognised over time or at a point of time if the fee is transaction-based.

Lending fees are recognised at a point of time when the performance obligation is satisfied, i.e. when the transaction has been performed, unless they are part of the effective interest rate of the financial instrument.

Income from issued financial guarantees and expenses for bought financial guarantees are amortised over the duration of the instruments and classified as "Fee and commission income" and "Fee and commission expense", respectively.

Other fee income is generally transaction-based.

For transactional services performed at a point of time, payments are generally made instantly when the services are performed. For services performed over time, the period of the services is normally short. Examples of such services are monthly payment services and monthly or quarterly asset management services. For the services performed over time, the right to payment generally arises at the end of the period of the services when the performance obligations are satisfied and it is highly probable that no significant reversal of the consideration will occur.

Account receivables are recognised in "Other assets", while unbilled receivables for satisfied performance obligations and contract assets are recognised in "Prepaid expenses and accrued income". Short-term advances received where the performance obligations have not yet been satisfied are recognised in "Accrued expenses and prepaid income".

Commission expenses are normally transaction-based and recognised in the period in which the services are received.

Breakdown by business area

	Personal Banking		Business Banking		Large Corporates & Institutions		Asset & Wealth Management		Group Finance		Other & elimination		Nordea Group	
EURm	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Asset management	569	522	82	75	6	5	1,067	1,029	0	0	0	0	1,724	1,631
Life and pension	189	154	70	62	3	2	-93	-68	0	0	-12	-12	157	138
Deposit products	3	3	16	19	1	1	0	0	0	0	0	0	20	23
Custody and issuer services	3	3	3	4	17	10	5	4	-13	-14	-3	-1	12	6
Brokerage and advisory	10	13	32	32	139	129	33	28	-2	-5	-3	-3	209	194
Payments and cards	246	247	231	209	95	90	0	1	0	0	11	-3	583	544
Lending	85	93	157	163	183	178	4	4	1	1	-1	-2	429	437
Guarantees	-2	5	2	13	47	49	0	0	5	-12	-15	1	37	56
Other	28	19	-3	3	-11	-5	-27	-23	-5	-4	4	2	-14	-8
Total	**1,131**	**1,059**	**590**	**580**	**480**	**459**	**989**	**975**	**-14**	**-34**	**-19**	**-18**	**3,157**	**3,021**

G2.4 Net insurance result

Accounting policies

The net insurance result can be divided into four main parts:

- Insurance revenue, which represents the provision of services arising from insurance contracts at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those services.
- Insurance service expenses, which include incurred claims, acquisition expenses and other operating expenses related to insurance contracts.
- Insurance finance income or expenses, which include the changes in discount rates, the unwind of discount and the unwind of the risk adjustment. The line item also includes changes to insurance liabilities under the variable fee approach related to changes in corresponding assets.
- Return on assets backing insurance liabilities, which includes the income on the assets backing the insurance contract liabilities.

More detailed accounting policies covering the accounting for insurance contracts can be found in Note G4 "Insurance contract liabilities".

Net insurance result

EURm	2024	2023
Insurance revenue	652	613
Insurance service expenses	-402	-392
Net reinsurance result	-6	-6
Net insurance revenue	**244**	**215**
Insurance finance income or expenses	-2,574	-2,222
Return on assets backing insurance liabilities[1]	2,583	2,224
Net insurance finance income and expenses	**9**	**2**
Net insurance result	**253**	**217**

1) Transferred from Note G2.5 "Total net result from items at fair value".

G2.5 Total net result from items at fair value

Accounting policies

Net result from items at fair value

Realised and unrealised gains and losses on financial instruments and investment properties held at fair value are generally presented in "Net result from items at fair value". The accounting policies used when estimating fair value can be found in Note G3.4 "Fair value".

The following items are moreover presented in "Net result from items at fair value":

- Interest on the net funding of operations in Markets and Life & Pension and on the net funding of fund investments in Treasury measured at amortised cost.
- Realised gains/losses on assets and liabilities measured at amortised cost.
- The revaluation of the hedged risks of hedged items under hedge accounting.
- Foreign exchange gains/losses.

The following items are not presented in "Net result from items at fair value":

- The interest component of derivatives used for hedge accounting and economic hedges. These components are presented in "Net interest income" to ensure consistent accounting treatment with the hedged items.
- Return on assets backing insurance liabilities is included gross in this note, but transferred to Note G2.4 "Net insurance result" and thus not included in the totals.
- Losses from counterparty risk on loans in hold portfolios mandatorily held at fair value (the solely payments of principal and interest (SPPI) test fails), are presented in the separate line item "Net result on loans in hold portfolios mandatorily held at fair value".

For more information on accounting policies related to foreign exchange gains/losses, see Note G1 "Accounting policies" and Note G9.2 "Currency translation of foreign entities/branches".

Net result on loans in hold portfolios mandatorily held at fair value

The item "Net result on loans in hold portfolios mandatorily held at fair value" includes fair value adjustments of the margin component of loans in hold portfolios mandatorily held at fair value (the SPPI test fails). The loans are classified in the category "Financial assets at fair value through profit or loss" and presented in the line item "Loans to the public" on the balance sheet. Fair value adjustments are largely driven by changes in credit risk.

Losses from counterparty risk on other instruments classified in the category "Financial assets at fair value through profit or loss" are presented in "Net result from items at fair value".

Impairment losses on instruments within other categories than the category "Financial assets at fair value through profit or loss" are recognised in the line item "Net loan losses". For more information, see Note G2.10 "Net loan losses".

Critical judgements and estimation uncertainty

Estimation uncertainty exists in the valuation of financial instruments, in particular for instruments that lack quoted prices or where recently observed market prices are not available (Level 3 instruments). See Note G3.4 "Fair value".

Total net result from items at fair value

EURm	2024	2023
Net result from items at fair value	1,023	1,014
Net result on loans in hold portfolios mandatorily held at fair value	-8	20
Total	**1,015**	**1,034**

Breakdown by product

EURm	2024	2023
Equity-related instruments	529	243
Interest-related instruments and foreign exchange gains/losses	687	541
Other financial instruments (including credit and commodities)	-220	235
Nordea Life & Pension[1]	19	15
Total	**1,015**	**1,034**

1) Internal transactions not eliminated against other line items in the note. The line item "Nordea Life & Pension" consequently provides the true impact from the life insurance operations.

Total net result from categories of financial instruments

EURm	2024	2023
Financial assets at fair value through other comprehensive income	224	667
Financial assets designated at fair value through profit or loss	534	554
Financial liabilities designated at fair value through profit or loss	-9,182	-8,065
Financial assets and liabilities mandatorily held at fair value through profit or loss[1]	13,596	12,897
Financial assets at amortised cost[2]	579	1,214
Financial liabilities at amortised cost[3]	-2,241	-4,310
Foreign exchange gains/losses excluding currency hedges	301	419
Non-financial assets and liabilities	-213	-118
Total including assets backing insurance liabilities	**3,598**	**3,258**
Transfers of net result from assets backing insurance liabilities to "Net insurance result" (Note G2.4)	-2,583	-2,224
Total[4]	**1,015**	**1,034**

1) Of which amortised deferred Day 1 profit amounted to EUR 45m (EUR 49m).
2) This line item includes gains arising from derecognition of financial assets measured at amortised cost of EUR 3m (EUR 2m) and losses of EUR -2m (EUR -3m). The reason for derecognition is that the assets were prepaid by the customer or sold. This line item also includes fair value changes of hedged amortised cost assets in hedges of interest rate risk of EUR 578m (EUR 1,215m).
3) This line item mainly includes fair value changes of hedged amortised cost liabilities in hedges of interest rate risk of EUR 1,422m (EUR 3,740m).
4) Of which hedge accounting ineffectiveness was EUR -5m (EUR -15m). For more information see Note G3.6 "Hedge accounting".

G2.5 Total net result from items at fair value, cont.

Income recognition Nordea Life & Pension[1]

EURm	2024	2023
Equity-related instruments	2,223	1,724
Interest-related instruments and foreign exchange gains/losses	310	565
Investment properties[2]	69	-50
Total including assets backing insurance liabilities	2,602	2,239
Transfers of net result from assets backing insurance liabilities to "Net insurance result" (Note G2.4)	-2,583	-2,224
Total	19	15

1) The table shows the net result on items at fair value for the Nordea Life & Pension operations, including the return on assets backing insurance and investment contracts, but excluding the impact from insurance contracts recognised in the line item "Net insurance result". The return on assets backing insurance liabilities is shown separately and transferred to the line item "Net insurance result" disclosed in Note G2.4.

2) Including revaluation of associated property companies held at fair value, EUR 19m (EUR -m).

G2.6 Other operating income

Accounting policies

Net gains from divestment of shares in group undertakings, associated undertakings and joint ventures and net gains from the sale of tangible assets as well as other transactions not related to any other income line are generally presented in "Other operating income" and recognised when it is probable that the benefits associated with the transaction will flow to Nordea. This generally occurs when the significant risks and rewards have been transferred to the buyer (generally when the transaction is finalised).

Other operating income

EURm	2024	2023
Income from real estate	1	1
Sale of tangible and intangible assets	27	29
Other	19	13
Total	47	43

G2.7 Other expenses

Accounting policies

Transactions not related to any other expense line are generally presented in "Other expenses". The majority of the expenses are related to acquired services, primarily within information technology (IT). The expenses for acquired services are normally transaction-based and recognised in the period in which the services are received.

Net losses from divestment of shares in group undertakings, associated undertakings and joint ventures and net losses from the sale of tangible assets are generally recognised in "Other expenses" when risks and rewards have been transferred to the buyer (generally when the transaction is finalised).

Expenses related to the fulfilment of insurance contracts accounted for under IFRS 17 are included gross in this note, but subsequently transferred out from "Other expenses" and accounted for in accordance with the accounting policies defined in Note G4 "Insurance contract liabilities" and Note G2.4 "Net insurance result".

Expenses that fulfil the capitalisation requirements defined in the accounting policies in Note G5.1 "Intangible assets" are included gross in this note but subsequently capitalised and added to "Intangible assets" on the balance sheet.

Other expenses

EURm	2024	2023
Information technology[1]	-1,070	-916
Marketing and representation	-80	-66
Postage, transport, telephone and office expenses	-50	-46
Rent, premises and real estate	-109	-109
Professional services[2]	-220	-178
Market data services	-95	-89
Other	-265	-143
Total	-1,889	-1,547
Transfer of expenses to fulfil insurance contracts in scope of IFRS 17	70	65
Expenses capitalised for IT development projects[3]	289	276
Total	-1,530	-1,206

1) "Information technology" includes IT consultancy fees.

2) "Professional services" includes the fees for the auditor.

3) See Note G5.1 "Intangible assets".

Auditor's fees[1]

EURm	2024	2023
PricewaterhouseCoopers		
Auditing assignments	-9	-9
Audit-related services[2]	-1	0
Other assignments[2]	-2	-1
Total	-12	-10

1) Auditor´s fees in the table are disclosed excluding non-deductible VAT.

2) PricewaterhouseCoopers Oy accounted for EUR -0.2m (EUR -0.2m) of "Audit-related services" and for EUR -1.2m (EUR -0.5m), of which EUR -0.6m (EUR -m) refers to CSRD Assurance, of "Other assignments". Neither PricewaterhouseCoopers Oy nor any other firm of PricewaterhouseCoopers Network has provided any tax advisory services.

G2.8 Regulatory fees

Accounting policies

The expenses for these levies are recognised as the payment obligations arise.

Resolution fees are not refundable if Nordea discontinues its operations, and the obligating event is consequently assessed to occur on the first day of the year. The Swedish bank tax is refundable for the period during which Nordea does not operate, and the obligating event is therefore assessed to occur continuously over the year.

Resolution fees are thus recognised in full in the first quarter, while the Swedish bank tax is amortised on a straight-line basis over the course of the year.

Regulatory fees

EURm	2024	2023
Resolution fees	-45	-234
Bank tax	-72	-82
Total	-117	-316

G2.9 Depreciation, amortisation and impairment charges of tangible and intangible assets

Accounting policies

Tangible and intangible assets (except goodwill) are depreciated on a straight-line basis over the estimated useful life of the assets. An intangible asset with an indefinite useful life (goodwill) is not amortised, but is tested annually for impairment.

All intangible assets with definite useful lives, including IT development taken into use, are reviewed for indications of impairment. The impairment charge is calculated as the difference between the carrying amount and the recoverable amount.

Accounting policies for intangible and tangible assets, and critical judgements applied, can be found in Note G5 "Intangible and tangible assets".

Depreciation and amortisation related to the fulfilment of insurance contracts are not presented in this line item but instead accounted for and presented as defined in Note G2.4 "Net insurance result" and Note G4 "Insurance contract liabilities".

EURm	2024	2023
Depreciation/amortisation		
Properties and equipment	-218	-225
Intangible assets	-352	-393
Total depreciation/amortisation	-570	-618
Impairment charges, net		
Properties and equipment	–	-6
Intangible assets	-15	-193
Total impairment charges	-15	-199
Total before transfer of insurance expenses	-585	-817
Transfer of expenses to fulfil insurance contracts in scope of IFRS 17	8	9
Total	-577	-808

G2.10 Net loan losses

Accounting policies

Impairment losses on financial assets classified in the categories "Amortised cost" and "Fair value through other comprehensive income" (see Note G3.3 "Classification and measurement"), in the line items "Loans to central banks", "Loans to credit institutions", "Loans to the public" and "Interest-bearing securities" on the balance sheet, are reported as "Net loan losses" in the income statement together with losses from financial guarantees. Losses are reported net of any collateral and other credit enhancements. Nordea's accounting policies covering the calculation of impairment losses on loans, and critical judgements applied, can be found in Note G3.8 "Loans".

Counterparty losses on instruments classified in the category "Financial assets at fair value through profit or loss", including credit derivatives but excluding loans held at fair value, are reported under "Net result from items at fair value". Losses on loans held at fair value in hold portfolios (failing the test for solely payments of principal and interest) are reported in the line item "Net result on loans in hold portfolios mandatorily held at fair value". For more information see Note G2.5 "Total net result from items at fair value".

More information on credit risk can be found in Note G11 "Risk and liquidity management".

Net loan losses

	Loans to central banks and credit institutions[2]		Loans to the public[2]		Interest-bearing securities[3]		Off-balance sheet items[4]		Total	
EURm	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net loan losses, stage 1	0	-2	22	9	3	-1	-11	-1	14	5
Net loan losses, stage 2	0	0	47	-5	0	0	-24	29	23	24
Net loan losses, not credit-impaired assets	0	-2	69	4	3	-1	-35	28	37	29
Stage 3, credit-impaired assets										
Net loan losses, individually assessed, collectively calculated[1]	1	4	-19	-30	–	–	0	-1	-18	-27
Realised loan losses	–	–	-227	-245	–	–	-4	-1	-231	-246
Decrease in provisions to cover realised loan losses	–	–	85	88	–	–	–	1	85	89
Recoveries of previously realised loan losses	2	0	38	35	–	–	–	–	40	35
Reimbursement right	–	–	–	–	–	–	7	2	7	2
New/increase in provisions	–	0	-294	-248	–	–	-6	-5	-300	-253
Reversals of provisions	–	–	175	178	–	–	7	6	182	184
Net loan losses, credit-impaired assets	3	4	-242	-222	–	–	4	2	-235	-216
Net loan losses	3	2	-173	-218	3	-1	-31	30	-198	-187

1) Includes individually identified assets for which the provision has been calculated based on statistical models.
2) Provisions included in Note G3.8 "Loans".
3) Provisions included in Note G3.9 "Interest-bearing securities".
4) Provisions included in Note G6 "Provisions".

G2.11 Taxes

Accounting policies

The line item "Income tax expense" in the income statement consists of the total current tax and deferred tax movements recognised in the income statement. Current and deferred taxes are recognised in the income statement unless the tax effects relate to items recognised in other comprehensive income or in equity, in which case the tax effects are recognised in other comprehensive income or in equity, respectively.

Current tax is the expected tax expense on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of the same assets and liabilities. Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credits if the relevant recognition criteria in IAS 12 are met. Deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied when the temporary differences reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences, tax losses carried forward and unused tax credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when the legal right to offset exists and Nordea intends to either settle the tax asset and the tax liability net or recover the asset and settle the liability simultaneously. Deferred tax assets and deferred tax liabilities are generally offset if there is a legally enforceable right to offset current tax assets and current tax liabilities.

Nordea applies a temporary mandatory relief from deferred tax accounting under IAS 12 Income Taxes related to the Global Anti-Base Erosion (Pillar 2) Rules. When recognising deferred tax assets and liabilities, any Pillar 2 jurisdictional impact is not taken into account but is accounted for as a current tax if incurred.

Critical judgements and estimation uncertainty

Tax positions are regularly reviewed to identify situations where it is not probable that the relevant tax authorities will accept the treatment used in the tax filings. Uncertain tax positions are considered independently or as a group, depending on which approach better predicts the resolution of the uncertainty. If Nordea concludes that it is not probable that the tax authorities will accept an uncertain tax treatment, the effect of uncertainty is reflected when determining the related taxable result, tax bases, unused tax losses, unused tax credits or tax rates. This is done by using either the most likely amount or the expected value, depending on which method better predicts the outcome of the uncertainty. Uncertain tax treatment can affect both current tax and deferred tax.

The valuation of deferred tax assets is influenced by management's assessment of Nordea's future profitability and sufficiency of future taxable profits and future reversals of existing taxable temporary differences. These assessments are updated and reviewed at each balance sheet date and are, if necessary, revised to reflect the current situation.

The carrying amount of deferred tax assets was EUR 206m (EUR 254m) at the end of the year.

Income tax expense

EURm	2024	2023
Current tax	-1,168	-1,445
Deferred tax	-321	41
Total	-1,489	-1,404

For total tax recognised in other comprehensive income, see "Statement of comprehensive income". For taxes recognised directly in equity see "Statement of changes in equity".

The tax on the Group's operating profit differs from the theoretical amount that would arise using the tax rate in Finland as follows:

EURm	2024	2023
Profit before tax	6,548	6,338
Tax calculated at a tax rate of 20.0%	-1,310	-1,268
Effect of different tax rates in other countries	-216	-172
Income from associated undertakings	2	1
Tax-exempt income	36	29
Income subject to yield taxation	16	14
Non-deductible expenses	-23	-27
Prior year adjustments, current tax	4	-34
Prior year adjustments, deferred tax	5	87
Utilisation and origination of unrecognised tax assets	0	9
Non-creditable foreign tax	-19	-27
Tax incentive machinery and equipment	16	-16
Tax charge	-1,489	-1,404
Effective tax rate	22.7%	22.2%

G2.11 Taxes, cont.

Movement of deferred tax assets and liabilities

	2024							2023					
EURm	1 Jan	Charged to income statement	Charged to other comprehensive income	Charged directly to equity	Acquisitions and disposals	Translation differences	31 Dec	1 Jan	Charged to income statement	Charged to other comprehensive income	Acquisitions and disposals	Translation differences	31 Dec
Deferred tax assets													
Tax losses carried forward	58	201	–	-7	–	-6	246	8	48	–	2	–	58
Intangible assets	–	31	–	–	–	–	31	8	-8	–	–	–	–
Loans to the public	70	-38	2	–	–	–	34	98	-23	-4	–	-1	70
Derivatives/bonds	–	17	–	–	–	–	17	–	–	–	–	–	–
Investment properties	1	58	–	–	–	–	59	40	-39	–	–	–	1
Retirement benefits	75	-2	-15	–	–	-2	56	71	–	5	–	-1	75
Liabilities/provisions	236	-13	–	–	–	-5	218	237	-1	–	–	–	236
Lease liabilities	230	-12	–	–	14	–	232	229	10	–	-5	-4	230
Other	16	-10	1	–	–	8	15	–	19	–	–	-3	16
Netting between deferred tax assets and liabilities	-432	-256	1	–	-14	-1	-702	-392	-40	–	–	–	-432
Total	**254**	**-24**	**-11**	**-7**	**0**	**-6**	**206**	**299**	**-34**	**1**	**-3**	**-9**	**254**
Deferred tax liabilities													
Loans to the public	366	-12	–	–	–	-6	348	351	14	–	5	-4	366
Shares	15	7	–	–	–	–	22	–	15	–	–	–	15
Derivatives/bonds	86	505	7	–	–	-11	587	72	14	1	–	-1	86
Intangible assets	91	12	–	–	–	–	103	113	-24	–	3	-1	91
Properties and equipment/right-of-use assets	230	-5	–	–	14	-1	238	226	9	–	-5	–	230
Investment properties	6	60	–	–	–	–	66	51	-45	–	–	–	6
Retirement benefits	50	20	24	–	–	1	95	63	-2	-10	–	-1	50
Liabilities/provisions	19	-6	–	–	–	–	13	–	19	–	–	–	19
Other	17	1	–	–	–	–	18	26	-9	–	–	–	17
Elimination of temporary differences existing in multiple jurisdictions	57	-29	-6	–	–	3	25	84	-26	-1	–	–	57
Netting between deferred tax assets and liabilities	-432	-256	1	–	-14	-1	-702	-392	-40	–	–	–	-432
Total	**505**	**297**	**26**	**–**	**0**	**-15**	**813**	**594**	**-75**	**-10**	**3**	**-7**	**505**

G2.11 Taxes, cont.

Unrecognised deferred tax assets

EURm	31 Dec 2024	31 Dec 2023
Unused tax losses carried forward with no expiry date	–	–
Unused tax losses carried forward	–	–
Unused foreign tax credits expiring within 12 months	2	3
Unused foreign tax credits expiring after 12 months	563	578
Unused foreign tax credits	565	581
Total	565	581

The Nordea Group's deferred tax assets on the balance sheet amounted to EUR 206m (EUR 254m) at the end of 2024. The recognition and measurement of deferred tax assets is based on an assessment of the probability and amount of future taxable profits as well as on future reversals of existing taxable temporary differences.

The Group does not have unrecognised deferred tax assets in relation to tax losses carried forward. Unrecognised tax assets related to unused foreign tax credits amounted to EUR 565m (EUR 581m).

Unrecognised deferred tax assets relating to foreign tax credits may be recovered in the event of unexpected differences in the timing of taxation or the tax base between the head office and branches.

Global Anti-Base Erosion tax reform (Pillar 2)

In December 2022 the European Union member states adopted a directive to implement the Global Anti-Base Erosion (Pillar 2) Rules. Most jurisdictions in which Nordea operates have enacted the Pillar 2 legislation as of 1 January 2024, including Finland where the ultimate parent company is incorporated. Since Finland has implemented the Income Inclusion Rule, the results and tax positions of Nordea are subject to the Pillar 2 rules. Nordea is liable to pay a top-up tax if it does not meet the Pillar 2 minimum effective tax rate of 15% in each jurisdiction in which it operates.

Full Pillar 2 calculations and filings will not be required for the financial years 2024–2026 for jurisdictions meeting the requirements of the transitional safe harbours under Pillar 2. Based on Nordea's current assessment, the requirements in all significant jurisdictions are expected to be met. Consequently the preparation of full Pillar 2 calculations is expected to be postponed and no current tax impact is recognised for the financial year 2024.

Nordea is in the process of assessing its positions under the full Pillar 2 rules. Nordea's calculations for the most significant entities indicate that no material current top-up tax exposures are expected in future years. However, it is not possible to fully conclude on the final impact until the practical implementation of the OECD Pillar 2 rules has been completed by the local legislators and tax authorities.

G2.12 Earnings per share

Accounting policies

Basic earnings per share is calculated by dividing the profit or loss attributable to shareholders of Nordea Bank Abp by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is determined by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, consisting of rights to performance shares under the Long Term Incentive Plans and contracts that can be settled in Nordea shares, i.e. derivatives such as options and warrants and their equivalents. Such contracts affect diluted earnings per share when (and only when) the average price of ordinary shares during the period exceeds the exercise price of the options or warrants (i.e. they are in the money).

The potential ordinary shares are only considered to be dilutive on the balance sheet date if all performance conditions are fulfilled and if a conversion to ordinary shares would decrease earnings per share. The rights are furthermore considered dilutive only when the exercise price, with the addition of future services, is lower than the period's average share price.

Earnings per share

	2024	2023
Earnings:		
Profit attributable to shareholders of Nordea Bank Abp, EURm	5,033	4,908
Number of shares (millions):		
Number of shares outstanding at beginning of year	3,528	3,654
Average number of repurchased shares under the share buy-back programme	-19	-66
Average number of shares held for remuneration purposes or in the trading portfolio	-8	-12
Weighted average number of basic shares outstanding	3,501	3,576
Adjustment for diluted weighted average number of additional ordinary shares outstanding[1]	4	3
Weighted average number of diluted shares outstanding	3,505	3,579
Basic earnings per share, EUR	1.44	1.37
Diluted earnings per share, EUR	1.44	1.37

1) Related to the Nordea Incentive Plan (NIP) and to the Long Term Incentive Plans (LTIPs). For further information on these plans, see Note G8.3 "Share-based payment plans".

G3 Financial instruments

G3.1 Recognition on and derecognition from the balance sheet

Accounting policies

Derivative instruments, quoted securities and foreign exchange spot transactions are recognised on and derecognised from the balance sheet on the trade date. Other financial instruments are recognised on the balance sheet on the settlement date. An asset or a liability is recognised in "Other assets" or "Other liabilities" on the balance sheet between the trade date and the settlement date.

Financial assets, other than those for which trade date accounting is applied, are derecognised from the balance sheet when the contractual rights to the cash flows from the financial assets expire or are transferred to another party. The rights to the cash flows normally expire or are transferred when the counterparty has performed by e.g. repaying a loan to Nordea, i.e. on the settlement date. Rights to cash flows may also expire when loans are rolled over or modified. The rights to cash flows are generally considered to have expired if the change is at market rates and no payment-related concession has been provided.

In some cases, Nordea enters into transactions where it transfers assets that are recognised on the balance sheet but retains either all or a portion of the risks and rewards of the transferred assets. If all or substantially all risks and rewards are retained, the transferred assets are not derecognised from the balance sheet. If Nordea's counterparty can sell or repledge the transferred assets, the assets are disclosed in Note G3.7 "Financial instruments pledged as collateral". Transfers of assets with retention of all or substantially all risks and rewards include securities lending agreements and repurchase agreements.

Financial liabilities are derecognised from the balance sheet when the liability is extinguished. Normally this occurs when Nordea fullfils its part of the agreement, for example when Nordea returns a deposit to the counterparty, i.e. on the settlement date. Financial liabilities where the cash flows are modified or rolled over are also derecognised if the new terms are substantially different from the terms of the original liabilities. This is the case if the present value of the cash flows under the new terms discounted by the original interest rate differs by 10% or more from the discounted present value of the remaining expected cash flows of the original financial liability. Qualitative factors also considered.

A sale of a security not owned by Nordea is defined as a short sale and triggers the recognition of a trading liability (sold, not held, securities) presented in "Other liabilities" on the balance sheet. The short sale is generally covered through a securities financing transaction, normally a reverse repurchase agreement or other forms of securities borrowing agreements.

Critical judgements and estimation uncertainty

Loans and other financial assets where cash flows are modified, or part of a restructuring, are derecognised and a new loan recognised if the terms and conditions of the new loan are substantially different from the terms of the old loan. Nordea applies judgements to determine if the terms of the new loan are substantially different from the terms of the old loan. It is generally Nordea's judgement that if a new credit assessment results in a change in the interest rate and/or maturity, this is considered a substantial change and as such qualifies as a derecognition event.

G3.2 Transferred assets and obtained collateral

Accounting policies

Assets are considered to be transferred from Nordea if Nordea either transfers the contractual right to receive the cash flows from the assets or retains that right but has a contractual obligation to pay the cash flows to one or more parties. All assets transferred continue to be recognised on the balance sheet if Nordea is still exposed to changes in the fair value of the assets.

Collateral received is not recognised on the balance sheet if Nordea is not exposed to changes in the fair value of the assets.

For information about financial instruments pledged as collateral, see Note G3.7 "Financial instruments pledged as collateral".

Transferred assets that are not derecognised in their entirety and associated liabilities

Repurchase agreements are a form of collateral borrowing where Nordea sells securities with an agreement to repurchase them at a later date at a fixed price.

Securities lending agreements are transactions where Nordea lends securities to a counterparty and receives a fee. Generally, securities lending agreements are entered into on a collateralised basis.

As both repurchase agreements and securities lending agreements result in the securities being returned to Nordea, all risks and rewards associated with the instruments transferred are retained by Nordea although the instruments are not available to Nordea during the period during which they are transferred. The counterparties to the transactions hold the securities as collateral but have no recourse to other assets in Nordea. For this reason securities delivered under repurchase agreements and securities lending agreements are not derecognised from the balance sheet. In cases where the counterparty has the right to resell or repledge the securities, the securities are disclosed in Note G3.7 "Financial instruments pledged as collateral". Securities delivered under repurchase agreements and securities lending agreements are also disclosed in Note G7.3 "Assets pledged". Cash received under

G3.2 Transferred assets and obtained collateral, cont.

repurchase agreements and securities lending agreements is recognised on the balance sheet in "Deposits by credit institutions" or "Deposits and borrowings from the public".

In derivative transactions Nordea delivers collateral which, under the terms of the agreements, can be sold or repledged. Such transactions are mainly related to collateral delivered under credit support annex agreements.

Transferred assets not derecognised from the balance sheet

EURm	31 Dec 2024	31 Dec 2023
Repurchase agreements		
Interest-bearing securities	1,503	2,109
Securities lending agreements		
Interest-bearing securities	392	837
Shares	511	142
Derivative agreements[2]		
Interest-bearing securities	27	
Total	2,433	3,088

Liabilities associated with the assets[1]

EURm	31 Dec 2024	31 Dec 2023
Repurchase agreements	1,503	2,109
Securities lending agreements	903	979
Derivative agreements[2]	27	
Total	2,433	3,088
Net	0	0

1) Liabilities before offsetting between assets and liabilities on the balance sheet.
2) Transferred assets in derivative transactions are disclosed for the first time as of 31 December 2024. Comparative figures as of 31 December 2023 have been impracticable to disclose due to system limitations.

Obtained collateral permitted to be sold or repledged

Nordea obtains collateral under reverse repurchase and securities borrowing agreements which, under the terms of the agreements, can be sold or repledged. The transactions are conducted under standard agreements employed by financial market participants. Generally, the agreements require additional collateral to be provided if the value of the securities falls below a predetermined level. Under the standard terms of most repurchase transactions, the recipient of collateral has an unrestricted right to sell or repledge it, subject to returning equivalent securities on settlement of the transactions.

Securities received under reverse repurchase and securities borrowing agreements are not recognised on the balance sheet. Cash delivered under reverse repurchase and securities borrowing agreements is recognised on the balance sheet in "Loans to central banks", "Loans to credit institutions" or "Loans to the public".

The fair value of the securities obtained as collateral under reverse repurchase and securities borrowing agreements is disclosed below. Nordea also obtains collateral under other agreements which, under the terms of the agreements, can be sold or repledged. Such collateral is mainly received under credit support annex agreements covering derivative transactions. The received collateral presented in the table below is not recognised on the balance sheet and includes collateral issued by Nordea.

Obtained collateral permitted to be sold or repledged

EURm	31 Dec 2024	31 Dec 2023
Reverse repurchase agreements		
Collateral received that can be repledged or sold	30,774	30,455
- of which repledged or sold	15,870	10,537
Securities borrowing agreements		
Collateral received that can be repledged or sold	4,174	865
- of which repledged or sold	493	219
Derivative agreements[1]		
Collateral received that can be repledged or sold	3,310	
- of which repledged or sold	673	
Other agreements		
Collateral received that can be repledged or sold	4	682
- of which repledged or sold	–	311
Total	38,262	32,002

1) Collateral obtained in derivative transactions is disclosed for the first time as of 31 December 2024. Comparative figures as of 31 December 2023 have not been possible to disclose due to system limitations.

G3.3 Classification and measurement

Accounting policies

Each financial instrument has been classified in one of the following categories:

Financial assets:
- Amortised cost
- Fair value through profit or loss:
  - Mandatorily measured at fair value through profit or loss
  - Designated at fair value through profit or loss (fair value option)
- Financial assets at fair value through other comprehensive income.

Financial liabilities:
- Amortised cost
- Fair value through profit or loss:
  - Mandatorily measured at fair value through profit or loss
  - Designated at fair value through profit or loss (fair value option).

The classification of a financial asset is dependent on the business model for the portfolio in which the instrument is included and on whether the cash flows are solely payments of principal and interest (SPPI).

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. In a basic lending arrangement, interest can include compensation for the time value of money, credit risk, liquidity risk, costs and profit margin.

Financial assets with contractual cash flows that are not SPPI are measured at fair value through profit or loss. All other assets are classified based on the business model. Instruments included in a portfolio with a business model where the intention is to keep the instruments and collect contractual cash flows are measured at amortised cost. Instruments included in a business model where the intention is both to keep the instruments to collect the contractual cash flows and to sell the instruments are measured at fair value through other comprehensive income. Financial assets included in any other business model are measured at fair value through profit or loss.

In order to determine the business model, Nordea has divided its financial assets into portfolios and/or sub-portfolios based on how groups of financial assets are managed together to achieve a particular business objective. When determining the right level for the portfolios, Nordea has taken the current business area structure into account. When determining the business model for each portfolio, Nordea has analysed the objective of the financial assets as well as, for instance, past sales behaviour and management compensation.

All financial assets and liabilities are initially measured at fair value. The classification of financial instruments into different categories forms the basis for how each instrument is subsequently measured on the balance sheet and how changes in its value are recognised. The classification of the financial instruments on Nordea's balance sheet into the different categories under IFRS 9 is presented in the table "Classification of financial instruments".

Amortised cost

Financial assets and liabilities measured at amortised cost are initially recognised on the balance sheet at fair value, including transaction costs. Subsequent to initial recognition, the instruments within this category are measured at amortised cost. In an amortised cost measurement, the difference between acquisition cost and redemption value is amortised in the income statement over the remaining term using the effective interest rate method. Amortised cost is defined as the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance. The cumulative amortisation is calculated using the effective interest rate method. For more information about the effective interest rate method, see Note G2.2 "Net interest income". For information about impairment under IFRS 9, see Note G3.8 "Loans".

Interest on assets and liabilities classified at amortised cost is generally recognised under "Interest income calculated using the effective interest method" and "Interest expense" in the income statement.

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss are measured at fair value, excluding transaction costs. Changes in fair value are generally recognised directly in the income statement under "Net result from items at fair value". However, fair value adjustments of the margin component of loans in hold portfolios mandatorily held at fair value (the SPPI test fails) are recognised in the income statement in the line item "Net result on loans in hold portfolios mandatorily held at fair value". For more information, see Note G2.5 "Total net result from items at fair value". For estimation of fair value, see Note G3.4 "Fair value". The return on assets backing insurance contracts is in addition allocated to the line item "Return on assets backing insurance contracts". See Note G2.4 "Net insurance result".

The category consists of two sub-categories: "Mandatorily measured at fair value through profit or loss" and "Designated at fair value through profit or loss (fair value option)". The sub-category "Designated at fair value through profit or loss (fair value option)" is an option to measure financial assets and liabilities at fair value with the changes in fair value recognised in profit or loss. This option can be used if it eliminates or significantly reduces an accounting mismatch and for liabilities if they are managed on a fair value basis. Changes in credit risk related to liabilities designated at fair value through profit or loss are recognised in other comprehensive income unless it creates an accounting mismatch.

Interest income and interest expense related to balance sheet items held at fair value through profit or loss are generally classified as "Net result from items at fair value". For more information, including exceptions from this general rule, see Note G2.5 "Total net result from items at fair value" and Note G2.2 "Net interest income".

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are initially measured at fair value plus transaction costs. Changes in fair value, except for interest, foreign exchange effects and impairment losses, are recognised in the fair value reserve in equity through other comprehensive income. Interest is recognised under "Interest income", foreign exchange effects under "Net result from items at fair value" and impairment losses under "Net loan losses" in the income statement. When an instrument is disposed of, the fair value changes previously accumulated in the fair value reserve in other comprehensive income are removed from equity and recognised in the income statement under "Net result from items at fair value". For information about impairment under IFRS 9, see Note G3.8 "Loans", and about estimation of fair value, see Note G3.4 "Fair value".

Hybrid (combined) financial instruments

Hybrid (combined) financial instruments are contracts containing a host contract and an embedded derivative instrument. Such combinations arise predominantly from the issuance of structured debt instruments, such as issued index-linked bonds and loans with embedded collars and caps.

For structured bonds issued by Markets, Nordea applies the fair value option, and the entire combined instrument, the host contract together with the embedded derivative, is measured at fair value through profit or loss and presented in "Debt securities in issue" on the balance sheet. Changes in fair value are recognised in the income statement under "Net result from items at fair value" except for changes in Nordea's own credit risk which is recognised in other comprehensive income.

Issued debt and equity instruments

A financial instrument issued by Nordea is either classified as a financial liability or equity. Issued financial instruments are classified as financial liabilities if the contractual arrangements result in Nordea having a present obligation to either deliver cash or another financial asset or a variable number of equity instruments to the holder of the instrument. If this is not the case, the instrument is generally an equity instrument and classified as equity, net of transaction costs. If issued financial instruments contain both liability and equity components, these are accounted for separately.

Critical judgements and estimation uncertainty

Nordea classifies financial assets based on Nordea's business model for managing the assets. When determining the business model for bonds within the liquidity buffer, Nordea performs critical judgements. The bonds within the liquidity buffer are split into three portfolios. For the first portfolio, Nordea has determined that the business model is to keep the bonds and collect contractual cash flows and to sell financial assets. For the second portfolio, Nordea has determined that the business model is to manage the bonds with the objective of realising cash flows through sale. For the third portfolio, Nordea has determined that the business model is to keep the bonds and collect contractual cash flows. The bonds within the first portfolio are measured at fair value through other comprehensive income, the bonds within the second portfolio are measured at fair value through profit or loss and the third portfolio is measured at amortised cost. Interest-bearing securities in the liquidity buffer measured at fair value through other comprehensive income (the first portfolio), fair value through profit or loss (the second portfolio) and amortised cost (the third portfolio) amounted to EUR 40,188m (EUR 35,869m), EUR 10,803m (EUR 10,047m) and EUR 50m (EUR 57m), respectively, at the end of the year.

Nordea also performs critical judgement when assessing if contingent features only have a de minimis effect on the contractual cash flows of a financial asset. The gross carrying amount of such financial assets on the balance sheet amounted to EUR 9,264m (EUR 8,600m) at the end of the year.

G3.3 Classification and measurement, cont.

Classification of financial instruments

Assets

31 Dec, EURm	Amortised cost		Financial assets at fair value through profit or loss: Mandatorily		Financial assets at fair value through profit or loss: Designated at fair value through profit or loss (fair value option)		Fair value through other comprehensive income		Total financial assets	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Cash and balances with central banks	46,562	50,622	–	–	–	–	–	–	46,562	50,622
Loans to central banks	3,100	1,623	975	286	–	–	–	–	4,075	1,909
Loans to credit institutions	1,949	1,447	1,001	916	–	–	–	–	2,950	2,363
Loans to the public	276,204	271,302	81,384	73,526	–	–	–	–	357,588	344,828
Interest-bearing securities	1,094	830	25,112	22,966	7,070	8,335	40,188	35,869	73,464	68,000
Shares	–	–	35,388	22,158	–	–	–	–	35,388	22,158
Assets in pooled schemes and unit-linked investment contracts	–	–	59,318	48,904	809	898	–	–	60,127	49,802
Derivatives	–	–	25,211	26,525	–	–	–	–	25,211	26,525
Fair value changes of hedged items in portfolio hedges of interest rate risk	-243	-871	–	–	–	–	–	–	-243	-871
Other assets[1]	768	796	5,833	7,575	–	–	–	–	6,601	8,371
Prepaid expenses and accrued income	807	405	–	–	–	–	–	–	807	405
Total	330,241	326,154	234,222	202,856	7,879	9,233	40,188	35,869	612,530	574,112

1) Of which cash/margin receivables amounted to EUR 5,176m (EUR 6,935m).

Liabilities

31 Dec, EURm	Amortised cost		Financial liabilities at fair value through profit or loss: Mandatorily		Financial liabilities at fair value through profit or loss: Designated at fair value through profit or loss (fair value option)		Total financial liabilities	
	2024	2023	2024	2023	2024	2023	2024	2023
Deposits by credit institutions	8,040	12,332	20,735	17,172	–	–	28,775	29,504
Deposits and borrowings from the public	215,405	202,618	17,030	7,444	–	–	232,435	210,062
Deposits in pooled schemes and unit-linked investment contracts	–	–	–	–	61,713	51,573	61,713	51,573
Debt securities in issue	133,740	129,183	–	–	54,396	53,365	188,136	182,548
Derivatives	–	–	25,034	30,794	–	–	25,034	30,794
Fair value changes of hedged items in portfolio hedges of interest rate risk	-458	-869	–	–	–	–	-458	-869
Other liabilities[1]	4,219	3,757	7,749	8,404	–	–	11,968	12,161
Accrued expenses and prepaid income	6	8	–	–	–	–	6	8
Subordinated liabilities	7,410	5,720	–	–	–	–	7,410	5,720
Total	368,362	352,749	70,548	63,814	116,109	104,938	555,019	521,501

1) Of which lease liabilities classified in the category "Amortised cost" amounted to EUR 1,103m (EUR 1,103m).

Amortised cost

This category mainly consists of all loans (including those with embedded collars and caps) and deposits, except for reverse repurchase/repurchase agreements and securities borrowing/lending agreements in Markets and mortgage loans in Nordea Kredit Realkreditaktieselskab. This category also includes interest-bearing securities mainly related to a portfolio in Life & Pension in Norway, subordinated liabilities and debt securities in issue, except for bonds issued by Nordea Kredit Realkreditaktieselskab and structured bonds issued by Markets.

Some loan contracts at Nordea, measured at amortised cost on the balance sheet, include terms linking contractual cash flows to the customers' achievement of environmental, social and governance (ESG) goals (sustainability-linked loans). The ESG goals are entity specific and the most common goals for these sustainability linked loans are of an environmental nature, such as the reduction of CO2 equivalents (C02e). At the end of the year the gross carrying amount of the sustainability-linked loans recognised on the balance sheet amounted to EUR 9,264 (EUR 8,600m). These loans are presented in the balance sheet item "Loans to the public". The total exposure to sustainability-linked loans, including off-balance sheet commitments, was EUR 17,853m (EUR 19,261m) at the end of the year. 98.1% (63.3%) of the gross carrying amount is linked to KPIs related to climate transition risk, meaning risk associated with the transition to a net zero society. The most common transition risk KPI is the customers' ability to reduce CO2e. The effect on the annual interest rate if the KPIs for the sustainability-linked loans are met or not met is a decrease or increase of 2.5–10bp (2.5–10bp), which Nordea considers to be a de minimis effect on the contractual cash flows of these loans. The average contractual term of these loans is 3 years (3 years). For more information about the risk associated with these loans, see section 2.1 "ESG-related credit risk" in Note G11 "Risk and liquidity management".

Nordea also issues green mortgage loans, presented in the balance sheet item "Loans to the public", where the customer gets a discount of 10bp if they fulfil specific energy requirements. The gross carrying amount of these loans was EUR 1,750m (EUR 1,165m) at the end of the year. The volatility of the cash flows during the term of the loans is expected to be insignificant.

Nordea has also issued financial liabilities in the form of Additional Tier 1 (AT1) instruments with contractual terms that could change the amount of the contractual cash flows based on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in basic lending risk and costs (such as the time value of money or credit risk). These AT1 instruments are measured at amortised cost and presented in the balance sheet item "Subordinated liabilities". The interest payments are fully discretionary and mandatorily cancelled under certain circumstances. For more information about the terms of these AT1 instruments, see Note P3.14 "Subordinated liabilities".

Mandatorily measured at fair value through profit or loss

The sub-category "Mandatorily measured at fair value through profit or loss" mainly contains all assets and trading liabilities in Markets, interest-bearing securities in the liquidity buffer, derivatives, shares, mortgage loans in Nordea Kredit Realkreditaktieselskab and financial assets under "Assets in pooled schemes and unit-linked investment contracts". Deposits in pooled schemes and unit-linked investment contracts are contracts with customers and policyholders where most or all of the risk is borne by the policyholders. The deposits are invested in different types of financial assets on behalf of customers and policyholders.

Financial assets designated at fair value through profit or loss (fair value option)

Most interest-bearing securities in Life & Pension backing insurance contracts, EUR 7,070m (EUR 8,335m), are designated at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch with the insurance contract liabilities. Assets in pooled schemes and unit-linked investment contracts in Life & Pension which are not mandatorily measured at fair value through profit or loss, EUR 809m (EUR 898m), are designated at fair value through profit or loss to avoid an accounting mismatch with the related deposits. Nordea does not disclose the effect of changes in credit risk on the fair values of these assets as any such change in value will directly result in essentially the opposite change in the carrying amount of the corresponding insurance contract liabilities. There is thus no significant impact on the income statement or equity due to changes in the credit risk on these assets in Life & Pension.

Financial assets designated at fair value through profit or loss

EURm	2024	2023
Carrying amount at end of year	7,879	9,233
Maximum exposure to credit risk at end of year	7,879	9,233

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income mainly consist of interest-bearing securities in the liquidity buffer.

Financial liabilities designated at fair value through profit or loss

	2024			2023		
EURm	Liabilities for which changes in credit risk are presented in other comprehensive income	Liabilities for which changes in credit risk are presented in profit or loss	Total	Liabilities for which changes in credit risk are presented in other comprehensive income	Liabilities for which changes in credit risk are presented in profit or loss	Total
Carrying amount at end of year	1,508	114,601	116,109	1,715	103,223	104,938
Amount to be paid at maturity[1]	1,508	118,401	119,909	1,634	108,600	110,234
Changes in fair value due to changes in own credit risk, during the year	-8	37	29	13	98	111
Changes in fair value due to changes in own credit risk, accumulated	-4	-448	-452	4	-485	-481

1) Insurance contract liabilites have no fixed maturities and there is no fixed amount to be paid. For these liabilities, the amount disclosed to be paid at maturity has been set at the carrying amount.

Financial liabilities designated at fair value through profit or loss (fair value option)

Nordea has classified all bonds issued by the Danish group undertaking Nordea Kredit Realkreditaktieselskab, EUR 52,888m (EUR 51,650m), as financial liabilities designated at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch. When Nordea grants mortgage loans to customers in accordance with Danish mortgage legislation, Nordea at the same time issues bonds with matching terms, also called match funding. The customers can repay the loans either through repayment of the principal or by purchasing the issued bonds and returning them to Nordea settling the loan. The bonds play an important part in the Danish market and Nordea consequently buys and sells own bonds in the market. The loans are measured at fair value through profit or loss because they fail the SPPI criteria, and if the bonds were measured at amortised cost, this would give rise to an accounting mismatch. To avoid such an accounting mismatch, Nordea measures the bonds at fair value with all changes in fair value, including changes in credit risk, recognised in profit or loss. Changes in fair value due to changes in own credit risk on bonds issued by Nordea Kredit Realkredit-aktieselskab are calculated by determining the amount of fair value changes that is not attributable to changes in market conditions. The method used to estimate the amount of changes in market conditions is based on relevant benchmark interest rates which are the average yields on Danish and German (EUR) government bonds. This model is assessed to provide the best estimate of the impact of own credit risk. The changes in own credit risk on mortgage bonds issued by Nordea Kredit Realkreditaktieselskab are not recognised in other comprehensive income as that would create an accounting mismatch with the corresponding change in the fair value of the mortgage loans that are recognised in profit or loss.

Nordea also applies the fair value option to structured bonds issued by Markets, EUR 1,508m (EUR 1,715m), as these hybrid instruments, such as issued index-linked bonds, include embedded derivatives not closely related to the host contract. The host contract together with the embedded derivative is measured at fair value through profit or loss and presented in "Debt securities in issue" on the balance sheet. The change in the fair value of these issued structured bonds is recognised in the income statement under "Net result from items at fair value" except for the changes in own credit risk, which are recognised in other comprehensive income. Nordea calculates the change in its own credit spread as the change in its total funding spread, thus assuming a constant issuance premium on all issues over time. The change in the credit spread is estimated by comparing the value of the trades using the initial funding spread on the issuance date and the actual funding spread on the reporting date. This model is assessed to provide the best estimate of the impact of own credit risk.

Also deposits in pooled schemes and unit-linked investment contracts, EUR 61,713m (EUR 51,573m), of which EUR 57,396m (EUR 47.322m) relates to Life & Pension, are designated at fair value through profit or loss as they are managed at fair value. The value of these deposits is directly linked to the fair value of the underlying assets, and changes in own credit risk consequently have no net impact.

G3.4 Fair value

Accounting policies

Fair value is defined as the price that at the measurement date would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value measurement assumes that the transaction takes place under current market conditions in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The existence of published price quotations in an active market is the best evidence of fair value and when they exist, they are used to measure financial assets and financial liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The absolute level of liquidity and volume required for a market to be considered active varies depending on the class of instruments.

The trade frequency and volume are monitored regularly in order to assess if markets are active or not active. If quoted prices for a financial instrument fail to represent actual and regularly occurring market transactions or if quoted prices are not available, fair value is established by using an appropriate valuation technique. The adequacy of the valuation technique, including an assessment of whether to use quoted prices or theoretical prices, is monitored on a regular basis.

Valuation techniques can range from a simple discounted cash flow analysis to complex option pricing models. Valuation techniques are designed to apply observable market prices and rates as input whenever possible but can also make use of unobservable model parameters. The adequacy of the valuation technique is assessed by measuring its ability to match market prices. This is done by comparing calculated prices with relevant benchmark data, e.g. quoted prices from exchanges, the counterparty's valuations, price data from consensus services etc.

For financial instruments whose fair value is estimated by a valuation technique, it is investigated whether the variables used are predominantly based on data from observable markets. Nordea considers data from observable markets to be data that can be collected from generally available external sources and which is deemed to represent realistic market prices. If unobservable data has a significant impact on the valuation, the instrument cannot be recognised initially at the fair value estimated by the valuation technique and any upfront gains are thereby deferred and amortised through the income statement over the contractual life of the instrument. The deferred upfront gains are subsequently released to income if the unobservable data becomes observable.

Fair value measurements of assets and liabilities are categorised under the three levels of the IFRS fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The categorisation of these instruments is based on the lowest level input that is significant to the fair value measurement in its entirety.

Level 1 in the fair value hierarchy consists of assets and liabilities valued using unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 in the fair value hierarchy consists of assets and liabilities where directly quoted market prices are not available in active markets. The fair values are based on quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active. Alternatively, the fair values are estimated using valuation techniques based on market prices or inputs prevailing at the balance sheet date and where unobservable inputs have not had a significant impact on the fair values.

Level 3 in the fair value hierarchy consists of assets and liabilities for which fair values cannot be obtained directly from quoted market prices or indirectly using valuation techniques or models supported by observable market prices or rates.

Critical judgements and estimation uncertainty

Critical judgements that have a significant impact on the recognised amounts for financial instruments are exercised when determining the fair value of OTC derivatives and other financial instruments that lack quoted prices or where recently observed market prices are not available, such as unlisted equities. The judgements relate to the following areas:

- The choice of valuation techniques.
- The determination of when quoted prices fail to represent fair value (including the judgement of whether markets are active).
- The calculation of fair value adjustments in order to incorporate relevant risk factors such as credit risk, model risk and liquidity risk.
- The judgement of which market parameters are observable.

The critical judgements required when determining the fair value of financial instruments that lack quoted prices or where recently observed market prices are not available also introduce a high degree of estimation uncertainty.

In all of these instances, decisions are based on professional judgement in accordance with Nordea's accounting and valuation policies. The fair value of financial assets and liabilities measured at fair value using a valuation technique, Levels 2 and 3 in the fair value hierarchy, was EUR 166,185m (EUR 164,037m) and EUR 182,865m (EUR 161,770m), respectively, at the end of the year. Valuation adjustments (CVA, DVA, FFVA, NFVA, close-out cost adjustment, model risk adjustment and IPV variance) made when determining the fair value of financial instruments (including those measured at fair value through other comprehensive income) had a negative impact on equity of EUR -62m (EUR -82m).

Sensitivity analysis disclosures covering the fair value of financial instruments with significant unobservable inputs can be found in the table "Valuation techniques and inputs used in fair value measurements of financial instruments in Level 3" in this note.

Estimation uncertainty also arises at initial recognition of financial instruments that are part of larger structural transactions. Although subsequently not necessarily held at fair value, such instruments are initially recognised at fair value, and as there is normally no separate transaction price or active market for such individual instruments, the fair value has to be estimated.

G3.4 Fair value, cont.

Fair value of financial assets and liabilities

	31 Dec 2024		31 Dec 2023	
EURm	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and balances with central banks	46,562	46,562	50,622	50,622
Loans	364,370	365,451	348,229	350,263
Interest-bearing securities	73,464	73,464	68,000	68,008
Shares	35,388	35,388	22,158	22,158
Assets in pooled schemes and unit-linked investment contracts	60,127	60,127	49,802	49,802
Derivatives	25,211	25,211	26,525	26,525
Other assets	6,601	6,601	8,371	8,371
Prepaid expenses and accrued income	807	807	405	405
Total	612,530	613,611	574,112	576,154
Financial liabilities				
Deposits and debt instruments[1]	456,298	456,869	426,965	427,651
Deposits in pooled schemes and unit-linked investment contracts	61,713	61,713	51,573	51,573
Derivatives	25,034	25,034	30,794	30,794
Other liabilities[2]	10,865	10,865	11,058	11,058
Accrued expenses and prepaid income	6	6	8	8
Total	553,916	554,487	520,398	521,084

1) For non-maturing deposits fair value equals the nominal amount, whereas the carrying amount also includes the revaluation for the hedged items presented on the balance sheet row "Fair value of hedged items in portfolio hedges of intrest rate risk".

2) Lease liabilities presented in the line item "Other liabilities" in Note G3.3 "Classification and measurement" are not included in this table.

Fair value of items measured at fair value on the balance sheet

Determination of fair value

The pricing models applied by Nordea are consistent with accepted economic methodologies for pricing financial instruments and incorporate the factors that market participants consider when setting a price. New pricing models are subject to approval by the Model Risk Committee and all pricing models are reviewed on a regular basis.

Complex valuation techniques are generally characterised by the use of unobservable and model-specific inputs. All valuation techniques, both simple and complex models, make use of market prices and inputs, which comprise interest rates, volatilities, correlations etc. Some of these prices and inputs are observable while others are not. For most non-exotic currencies, the interest rates are all observable, and implied volatilities and the correlations of the interest rates and FX rates may be observable through option prices up to a certain maturity. Implied volatilities and correlations may also be observable for the most liquid equity instruments. For less liquid equity names, the option market is fairly illiquid, and hence implied volatilities and correlations are unobservable.

Nordea predominantly uses published price quotations to establish the fair value of items disclosed under the following balance sheet items:

- Interest-bearing securities
- Shares (listed)
- Derivatives (listed)
- Debt securities in issue (mortgage bonds issued by Nordea Kredit Realkreditaktieselskab).

Nordea predominantly uses valuation techniques to establish the fair value of items disclosed under the following balance sheet items:

- Loans to the public (mortgage loans in Nordea Kredit Realkreditaktieselskab)
- Interest-bearing securities (when quoted prices in an active market are not available)
- Shares (when quoted prices in an active market are not available)
- Deposits
- Derivatives (OTC derivatives).

For interest-bearing securities, the valuation can either be based on direct quotes in active markets or measured using a valuation technique.

For OTC derivatives, valuation techniques are usually developed in-house and based on assumptions about the behaviour of the underlying asset and on statistical scenario analysis. Most OTC derivatives are categorised as Level 2 in the fair value hierarchy, implying that all significant model inputs are observable in active markets.

Valuations of private equity funds, credit funds and unlisted equity instruments are by nature more uncertain than valuations of more actively traded equity instruments. Emphasis is put on using a consistent approach across all assets and over time. The methods used are consistent with the International Private Equity and Venture Capital Valuation Guidelines issued by the IPEV Board. The guidelines are considered as best practice in the industry. For US-based funds, similar methods are applied.

Furthermore, Nordea holds loans and issued debt securities in the subsidiary Nordea Kredit Realkreditaktieselskab at fair value. When Nordea grants mortgage loans to borrowers, in accordance with the Danish mortgage legislation, Nordea at the same time issues debt securities with matching terms, also called match funding. The fair value of the debt securities issued is based on quoted prices. As borrowers have the right to purchase debt securities issued by Nordea in the market and return these as repayment for their loans, the fair value of the loans is the same as the fair value of the bonds issued (due to the revaluation of the repayment option embedded in the loan) adjusted for changes in the credit risk of the borrower and the fair value of the margin associated with each loan.

Deposits held at fair value primarily relate to assets in pooled schemes and unit-linked investment contracts where the fair value of the deposits equal the fair value of the assets held on behalf of customers.

The fair value of financial assets and liabilities is generally calculated as the theoretical net present value of the individual instruments. This calculation is supplemented by portfolio adjustments.

Nordea incorporates credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) into derivative valuations. CVAs and DVAs reflect the impact on fair value from the counterparty´s credit risk and Nordea's own credit quality, respectively. Calculations are based on estimates of exposure at default, probability of default (PD) and recovery rates on a counterparty basis. Generally, exposure at default for CVAs and DVAs is based on the expected exposure and estimated through the simulation of underlying risk factors. Where possible, Nordea obtains credit spreads from the credit default swap (CDS) market, and PD is inferred from this data. For counterparties that do not have a liquid CDS, the PD is estimated using a cross-sectional regression model, which calculates an appropriate proxy CDS spread based on each counterparty's rating, region and industry.

The impact of funding costs and funding benefits on the valuation of uncollateralised and imperfectly collateralised derivatives is partly reflected in the calculated net present value through the applied discounting curve and partly through the addition of a separate funding fair valuation adjustment (FFVA). In addition, Nordea applies close-out cost valuation adjustments, model risk adjustments for identified model deficiencies and adjustments for independent price verification (IPV) to its fair value measurement.

Nordea's pricing models are calibrated to the market, and if climate risk has any impact on a particular market, it will already have been taken into consideration by other market participants. Hence, Nordea has not implemented any changes to its pricing models to take climate risk into account and no critical valuation adjustments have been made. Going forward, Nordea will monitor areas in the valuation space where climate risk could have an impact on the models (e.g. in relation to credit valuation adjustment).

In the below table, fair value measurements of financial assets and liabilities carried at fair value on the balance sheet have been categorised under the three levels of the IFRS fair value hierarchy: quoted prices in active markets for the same instrument (Level 1), a valuation technique using observable data (Level 2) and a valuation technique using unobservable data (Level 3).

The Level 1 category includes listed derivatives, listed equities, government bonds in developed countries as well as the most liquid mortgage bonds and corporate bonds where direct tradable price quotes exist. The Level 2 category includes the majority of Nordea's OTC derivatives, securities purchased/sold under resale/repurchase agreements, securities borrowed/lent, deposits in pooled schemes and unit-linked investment contracts and other instruments where active markets supply the input to the valuation techniques or pricing models. The Level 3 category includes investments in unlisted securities, private equity funds, hedge funds, more complex OTC derivatives where unobservable input has a significant impact on fair value, certain complex or structured financial instruments and illiquid interest-bearing securities.

Transfers between Levels 1 and 2

During the year Nordea transferred items recognised in the line item "Interest-bearing securities" of EUR 1,804m (EUR 10,577m) from Level 1 to Level 2 and of EUR 693m (EUR 280m) from Level 2 to Level 1 in the fair value hierarchy. Furthermore, Nordea transferred items recognised in the line item "Debt securities in issue" of EUR 4,556m (EUR 25,685m) from Level 1 to Level 2 and of EUR 2,123m (EUR 1,105m) from Level 2 to Level 1. Nordea also transferred items recognised in the line item "Other liabilities" of EUR 150m (EUR 294m) from Level 1 to Level 2 and of EUR 342m (EUR 8m) 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 year, 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 year, which meant that reliable quoted prices were obtained in the market. Transfers between levels are considered to have occurred at the end of the year.

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

Categorisation in the fair value hierarchy

	Quoted prices in active markets for the same instrument (Level 1)		- of which Life & Pension		Valuation technique using observable data (Level 2)		- of which Life & Pension		Valuation technique using unobservable data (Level 3)		- of which Life & Pension		Total	
EURm	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Assets at fair value on the balance sheet[1]														
Loans to central banks	–	–	–	–	975	286	–	–	–	–	–	–	975	286
Loans to credit institutions	–	–	–	–	1,001	916	–	8	–	–	–	–	1,001	916
Loans to the public	–	–	–	–	81,384	73,524	–	–	–	2	–	–	81,384	73,526
Interest-bearing securities	24,581	15,981	1,072	1,558	45,747	49,453	5,026	6,361	2,042	1,736	1,005	1,214	72,370	67,170
Shares	32,907	19,595	19,953	14,400	173	242	77	65	2,308	2,321	920	1,041	35,388	22,158
Assets in pooled schemes and unit-linked investment contracts	58,561	48,264	54,394	44,247	1,205	1,102	1,205	1,102	361	436	361	436	60,127	49,802
Derivatives	55	67	–	–	24,209	25,575	7	61	947	883	–	–	25,211	26,525
Other assets	–	14	–	14	5,821	7,542	–	–	12	19	12	18	5,833	7,575
Total	116,104	83,921	75,419	60,219	160,515	158,640	6,315	7,597	5,670	5,397	2,298	2,709	282,289	247,958
Liabilities at fair value on the balance sheet[1]														
Deposits by credit institutions	–	–	–	–	20,735	17,172	–	8	–	–	–	–	20,735	17,172
Deposits and borrowings from the public	–	–	–	–	17,030	7,444	–	–	–	–	–	–	17,030	7,444
Deposits in pooled schemes and unit-linked investment contracts	–	–	–	–	61,713	51,573	57,396	47,322	–	–	–	–	61,713	51,573
Debt securities in issue	2,522	4,574	–	–	50,669	47,499	–	–	1,205	1,292	–	–	54,396	53,365
Derivatives	118	139	–	–	24,332	29,939	49	49	584	716	–	–	25,034	30,794
Other liabilities	1,152	2,269	–	–	6,512	5,990	2	29	85	145	–	–	7,749	8,404
Total	3,792	6,982	–	–	180,991	159,617	57,447	47,408	1,874	2,153	–	–	186,657	168,752

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

G3.4 Fair value, cont.

EURm	1 Jan	Fair value gains/losses recognised in the income statement during the year		Recognised in other compre-hensive income	Purchases/ issues	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Reclassifi-cation[1]	Translation differences	31 Dec
		Realised	Unrealised									
2024												
Loans to credit institutions	–	–	–	–	16	–	-16	–	–	–	–	0
Loans to the public	2	–	–	–	23	–	-25	–	–	–	–	0
Interest-bearing securities	1,736	32	-118	–	313	-218	-60	579	-166	–	-56	2,042
- of which Life & Pension	1,214	39	-35	–	21	-144	-42	76	-70	–	-54	1,005
Shares	2,321	57	121	–	180	-275	-56	3	-39	-11	7	2,308
- of which Life & Pension	1,041	47	11	–	56	-125	-46	–	-39	–	-25	920
Assets in pooled schemes and unit-linked investment contracts	436	26	-34	–	154	-159	-7	4	-50	–	-9	361
- of which Life & Pension	436	26	-34	–	154	-159	-7	4	-50	–	-9	361
Derivatives (net)	167	-2	194	–	–	–	2	26	-24	–	–	363
Other assets	19	–	–	–	–	–	-7	–	–	–	–	12
- of which Life & Pension	18	–	–	–	–	–	-6	–	–	–	–	12
Deposits by credit institutions	–	–	–	–	136	–	-136	–	–	–	–	0
Debt securities in issue	1,292	65	-177	5	640	–	-371	8	-257	–	–	1,205
Other liabilities	145	–	46	–	3	-118	–	9	–	–	–	85
2023												
Loans to the public	–	–	–	–	2	–	–	–	–	–	–	2
Interest-bearing securities	1,589	–	-6	–	309	-156	-1	168	-90	–	-77	1,736
- of which Life & Pension	1,199	–	-1	–	9	-43	-1	126	–	–	-75	1,214
Shares	2,298	102	53	–	194	-386	-56	174	-1	–	-57	2,321
- of which Life & Pension	979	63	-32	–	59	-137	-49	173	–	–	-15	1,041
Assets in pooled schemes and unit-linked investment contracts	471	-8	10	–	46	-26	-27	21	-47	–	-4	436
- of which Life & Pension	471	-8	10	–	46	-26	-27	21	-47	–	-4	436
Derivatives (net)	49	-5	-38	–	–	–	5	–	156	–	–	167
Other assets	33	–	–	–	–	–	-14	–	–	–	–	19
- of which Life & Pension	25	–	–	–	–	–	-7	–	–	–	–	18
Debt securities in issue	1,088	57	-102	-1	419	–	-187	40	-22	–	–	1,292
Other liabilities	63	–	-18	–	110	-2	–	–	-8	–	–	145

1) Reclassification related to conversion of Visa C-shares to Visa A-shares.

Movements in Level 3

Unrealised gains and losses relate to assets and liabilities held at the end of the year. The transfers out of Level 3 during the year were due to observable market data becoming available. The transfers into Level 3 during the year were due to observable market data no longer being available. Transfers between levels are considered to have occurred at the end of the year. Fair value gains and losses in the income statement during the year are included in "Net result from items at fair value" (see Note G2.5 "Total net result from items at fair value"). Assets and liabilities related to derivatives are presented net in the table.

The valuation process for Level 3 fair value measurements

The valuation process at Nordea consists of several steps. The first step is to determine the end-of-day mid-prices. It is the responsibility of the business areas to determine the correct prices for the valuation process. These prices are either internally marked prices set by a trading unit or externally sourced prices. The valuation prices are then controlled and tested by a valuation control function within the first line of defence, which is independent from the risk-taking units of the front office. The cornerstone of the control process is the independent price verification (IPV). The IPV test comprises verification of the correctness of valuations by comparing end-of-day mid-prices to independently sourced data. The result of the IPV is analysed and any findings are escalated as appropriate. Also, adjustments for IPV variances are included in fair value. The verification of the correctness of prices and inputs is as a minimum carried out on a monthly basis and is carried out daily for many products. Third-party information, such as broker quotes and pricing services, is used as benchmark data in the verification. The quality of the benchmark data is assessed on a regular basis.

The valuation adjustment at portfolio level and the deferred Day 1 profit/loss on Level 3 transactions are calculated and reported on a monthly basis. The actual assessment of instruments in the fair value hierarchy is performed on a continuous basis.

Specialised teams within the risk organisation are responsible for second line of defence oversight of valuations and controls performed by the business areas and Group Finance (the first line of defence).

G3.4 Fair value, cont.

Valuation techniques and inputs used in fair value measurements of financial instruments in Level 3

	31 Dec 2024					31 Dec 2023				
EURm	**Fair value**	**Of which Life & Pension[1]**	**Valuation techniques**	**Unobservable input**	**Range of fair value**	**Fair value**	**Of which Life & Pension[1]**	**Valuation techniques**	**Unobservable input**	**Range of fair value**
Loans										
Loans to the public	–	–	Discounted cash flows	Interest rate		2	–	Discounted cash flows	Interest rate	0/0
Total	–	–				2	–			0/0
Interest-bearing securities										
Public bodies	118	105	Discounted cash flows	Credit spread	-5/5	170	157	Discounted cash flows	Credit spread	-4/4
Mortgage and other credit institutions	1,467	622	Discounted cash flows	Credit spread	-103/103	1,073	745	Discounted cash flows	Credit spread	-62/62
Corporates[2]	457	278	Discounted cash flows	Credit spread	-23/23	493	312	Discounted cash flows	Credit spread	-7/7
Total	2,042	1,005			-131/131	1,736	1,214			-73/73
Shares										
Private equity funds	1,404	566	Net asset value[3]		-155/155	1,352	633	Net asset value[3]		-151/151
Hedge funds	151	150	Net asset value[3]		-14/14	150	150	Net asset value[3]		-13/13
Credit funds	482	36	Net asset value/market consensus[3]		-47/47	491	50	Net asset value/market consensus[3]		-47/47
Other funds	166	157	Net asset value/fund prices[3]		-11/11	207	199	Net asset value/fund prices[3]		-14/14
Other[4]	466	372	–		-40/40	557	445	–		-63/63
Total	2,669	1,281			-267/267	2,757	1,477			-288/288
Derivatives										
Interest rate derivatives	180	–	Option model	Correlations	-9/11	82	–	Option model	Correlations	-9/9
				Volatilities					Volatilities	
Equity derivatives	12	–	Option model	Correlations	-6/3	-30	–	Option model	Correlations	-5/4
				Volatilities					Volatilities	
				Dividend					Dividend	
Foreign exchange derivatives	144	–	Option model	Correlations	-1/1	114	–	Option model	Correlations	0/0
				Volatilities					Volatilities	
Credit derivatives	27	–	Credit derivative model	Correlations	-9/10	1	–	Credit derivative model	Correlations	-9/11
				Recovery rates					Recovery rates	
				Volatilities					Volatilities	
Total	363	–			-25/25	167	–			-23/24
Debt securities in issue										
Issued structured bonds	-1,205	–	Credit derivative model	Correlations	-6/6	-1,292	–	Credit derivative model	Correlations	-6/6
				Recovery rates					Recovery rates	
				Volatilities					Volatilities	
Total	-1,205	–			-6/6	-1,292	–			-6/6
Other, net										
Other assets and other liabilities, net	-73	12	–	–	-8/8	-126	18	–	–	-12/12
Total	-73	12			-8/8	-126	18			-12/12

1) Investments in financial instruments are a major part of the life insurance business. The financial instruments are acquired to fulfil the obligations under 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 (EUR 150m) is priced at a credit spread (the difference between the discount rate and XIBOR) of 1.45% (1.45%). A reasonable change in this credit spread would not affect the fair value due to callability features.
3) Fair values are based on prices and net asset values provided by external suppliers/custodians. The prices are fixed by the suppliers/custodians on the basis of the performance of the assets underlying 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% (55%) of the private equity fund investments are internally adjusted/valued based the IPEV Guidelines. The carrying amounts are in a range of 1% to 100% (1% to 100%) compared with the values received from suppliers/custodians.
4) Of which EUR 361m (EUR 436m) relates to assets in pooled schemes and unit-linked investment contracts.

G3.4 Fair value, cont.

The table above shows, for each class of assets and liabilities categorised in Level 3, the fair value, the valuation techniques used to estimate the fair value, significant unobservable inputs used in the valuation techniques and the fair value sensitivity to changes in key assumptions.

The column "Range of fair value" in the table above shows the sensitivity of the fair value of Level 3 financial instruments to changes in key assumptions. In case the exposure to an unobservable parameter is offset across different instruments, only the net impact is disclosed in the table. The range disclosed is likely to be greater than the true uncertainty in determining the fair value of these instruments as all unobservable parameters are in practice unlikely to be simultaneously at the extremes of their ranges of reasonably possible alternatives. The disclosure is neither predictive nor indicative of future movements in fair value.

The reported sensitivity (range) of the fair value of derivatives follows the same methodologies as applied to the reporting of the model risk and market price uncertainty additional valuation adjustments (AVAs) as defined in Commission Delegated Regulation (EU) No 2016/101 of 26 October 2015 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for prudent valuation under Article 105(14).

In order to calculate the sensitivity (range) of the fair value of shares and interest-bearing securities, the fair value is increased and decreased within a total range of 2–10 percentage points depending on the valuation uncertainty and underlying assumptions. Higher ranges are applied to instruments with more uncertain valuations relative to actively traded instruments and underlying uncertainties in individual assumptions.

Movement of deferred Day 1 profit

In some cases, the transaction price for financial instruments differs from the fair value at initial recognition measured using a valuation technique, 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 valutaion technique (Level 3), the financial instrument is recognised at the transaction price and any difference between the transaction price and the fair value at initial recognition measured using a valuation technique (Day 1 profit) is deferred. 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 year.

Deferred Day 1 profit – derivatives, net

EURm	2024	2023
Amount at beginning of year	73	84
Deferred profit/loss on new transactions	42	38
Recognised in the income statement during the year[1]	-45	-49
Amount at end of year	70	73

1) Of which EUR -5m (EUR -10m) due to transfers of derivatives from Level 3 to Level 2.

Financial assets and liabilities not held at fair value on the balance sheet

	31 Dec 2024		31 Dec 2023		
EURm	Carrying amount	Fair value	Carrying amount	Fair value	Level in fair value hierarchy[3]
Assets not held at fair value on the balance sheet					
Cash and balances with central banks	46,562	46,562	50,622	50,622	1
Loans	281,010	282,091	273,501	275,535	3
Interest-bearing securities	1,094	1,094	830	838	2,3
Other assets	768	768	796	796	3
Prepaid expenses and accrued income	807	807	405	405	3
Total	330,241	331,322	326,154	328,196	
Liabilities not held at fair value on the balance sheet					
Deposits and debt instruments[1]	364,137	364,708	348,984	349,670	3
Other liabilities[2]	3,116	3,116	2,654	2,654	3
Accrued expenses and prepaid income	6	6	8	8	3
Total	367,259	367,830	351,646	352,332	

1) For non-maturing deposits fair value equals the nominal amount, whereas the carrying amount also includes the revaluation for the hedged items presented on the balance sheet row "Fair value of hedged items in portfolio hedges of intrest rate risk".
2) Lease liabilities presented in the line item "Other liabilities" in Note G3.3 "Classification and measurement" are not included in this table.
3) Covers both 31 December 2024 and 31 December 2023.

Cash and balances with central banks

Fair value measurement of cash is based on quoted prices (unadjusted) in active markets for identical assets and therefore categorised into Level 1. Balances with central banks are due to its short-term nature considered to be equivalent to cash and therefore also categorised into Level 1.

Loans

The fair value of "Loans to central banks", "Loans to credit institutions" and "Loans to the public" has been estimated by discounting the expected future cash flows with an assumed customer interest rate that would have been used in the market if the loans had been issued at the time of the measurement. The assumed customer interest rate is calculated as the benchmark interest rate plus the average margin on new lending in Personal Banking, Business Banking and Large Corporates & Institutions, respectively.

The fair value measurement is categorised into Level 3 in the fair value hierarchy.

Interest bearing-securities

The fair value is EUR 1,094m (EUR 838m), of which EUR 772m (EUR 804m) is categorised into Level 2 and EUR 322m (EUR 34m) into Level 3. The measurement principles follow those for similar instruments that are held at fair value on the balance sheet.

Other assets and prepaid expenses and accrued income

The balance sheet line items "Other assets" and "Prepaid expenses and accrued income" consist of short-term receivables. The fair value is therefore considered to equal the carrying amount and is categorised into Level 3 in the fair value hierarchy.

Deposits and debt instruments

The fair value of the balance sheet line items "Deposits by credit institutions", "Deposits and borrowings from the public", "Debt securities in issue" and "Subordinated liabilities" has been calculated as the carrying amount adjusted for fair value changes in interest rate risk and in own credit risk. However, for non-maturing deposits the fair value equals the nominal amount. The fair value is categorised into Level 3 in the fair value hierarchy.

The fair value changes related to interest rate risk are based on changes in relevant interest rates compared with the corresponding nominal interest rates of the portfolios.

The fair value changes in credit risk are calculated as the difference between the credit spread of the nominal interest rate and the current spread observed in the market. This calculation is performed on an aggregated level for all long-term issuance recognised in the balance sheet items "Debt securities in issue" and "Subordinated liabilities". As the contractual maturity is short for "Deposits by credit institutions" and "Deposits and borrowings from the public", the changes in Nordea´s own credit risk related to these items are assumed not to be significant. This is also the case for short-term issuance recognised in the balance sheet line items "Debt securities in issue" and "Subordinated liabilities".

Other liabilities and accrued expenses and prepaid income

The balance sheet items "Other liabilities" and "Accrued expenses and prepaid income" consist of short-term liabilities, mainly liabilities related to securities traded but not settled. The fair value is therefore considered to be equal to the carrying amount and is categorised into Level 3 in the fair value hierarchy.

G3.5 Offsetting

Accounting policies

Nordea offsets financial assets and liabilities on the balance sheet if there is a legal right to offset and if the intent is to settle the items net or realise the asset and settle the liability simultaneously. The legal right to offset should exist both in the ordinary course of business and in case of the default, bankruptcy and insolvency of Nordea and its counterparties.

Financial instruments set off on the balance sheet or subject to netting agreements

	31 Dec 2024							31 Dec 2023						
				Amounts not set off but subject to master netting agreements and similar agreements							Amounts not set off but subject to master netting agreements and similar agreements			
EURm	Gross recognised financial assets[1]	Gross recognised financial liabilities set off on balance sheet	Net carrying amount on balance sheet[2]	Financial instruments	Financial collateral received	Cash collateral received	Net amount	Gross recognised financial assets[1]	Gross recognised financial liabilities set off on balance sheet	Net carrying amount on balance sheet[2]	Financial instruments	Financial collateral received	Cash collateral received	Net amount
Assets														
Derivatives[3]	139,246	-114,035	25,211	-18,403	–	-4,221	2,587	172,533	-146,010	26,523	-21,966	–	-3,427	1,130
Reverse repurchase agreements	33,381	-5,488	27,893	–	-27,893	–	0	30,461	-11,232	19,229	-8	-19,221	–	0
Securities borrowing agreements	2,789	–	2,789	–	-2,789	–	0	2,880	–	2,880	–	-2,880	–	0
Variation margin	1,904	-1,904	0	–	–	–	0	2,176	-2,176	0	–	–	–	0
Total	177,320	-121,427	55,893	-18,403	-30,682	-4,221	2,587	208,050	-159,418	48,632	-21,974	-22,101	-3,427	1,130

	31 Dec 2024							31 Dec 2023						
				Amounts not set off but subject to master netting agreements and similar agreements							Amounts not set off but subject to master netting agreements and similar agreements			
EURm	Gross recognised financial liabilities[1]	Gross recognised financial assets set off on balance sheet	Net carrying amount on balance sheet[2]	Financial instruments	Financial collateral pledged	Cash collateral pledged	Net amount	Gross recognised financial liabilities[1]	Gross recognised financial assets set off on balance sheet	Net carrying amount on balance sheet[2]	Financial instruments	Financial collateral pledged	Cash collateral pledged	Net amount
Liabilities														
Derivatives[3]	139,829	-114,795	25,034	-18,403	–	-5,167	1,464	177,475	-146,684	30,791	-21,966	–	-6,915	1,910
Repurchase agreements	31,120	-5,488	25,632	–	-25,632	–	0	29,418	-11,232	18,186	-8	-18,178	–	0
Securities lending agreements	12,203	–	12,203	–	-12,203	–	0	6,694	–	6,694	–	-6,694	–	0
Variation margin	1,144	-1,144	0	–	–	–	0	1,502	-1,502	0	–	–	–	0
Total	184,296	-121,427	62,869	-18,403	-37,835	-5,167	1,464	215,089	-159,418	55,671	-21,974	-24,872	-6,915	1,910

1) All amounts are measured at fair value, except for reverse repurchase agreements of EUR 2,804m (EUR 3,146m) and repurchase agreements of EUR 2,812m (EUR 3,112m) which are measured at amortised cost.
2) Reverse repurchase agreements and securities borrowing agreements are classified as "Loans to central banks", "Loans to credit institutions" or "Loans to the public" on the balance sheet. Repurchase agreements and securities lending agreements are classified as "Deposits by credit institutions" or "Deposits and borrowings from the public" on the balance sheet.
3) Including derivatives in pooled schemes and unit-linked investment contracts.

G3.5 Offsetting, cont.

Exchanged-traded derivatives are generally accounted for and settled on a daily basis when cash is paid or received, and the instrument is reset to market terms. Derivative assets, derivative liabilities, cash collateral receivables and cash collateral liabilities against central counterparty clearing houses are set off on the balance sheet if the assets and liabilities are settled in the same transaction currency and relate to the same central counterparty. Derivative assets, derivative liabilities, cash collateral receivables and cash collateral liabilities related to bilateral OTC derivative transactions are not set off on the balance sheet.

In addition, loans and deposits related to repurchase and reverse repurchase transactions with central counterparty clearing houses are set off on the balance sheet if the assets and liabilities relate to the same central counterparty, are settled in the same currency and have the same maturity date. Loans and deposits related to repurchase and reverse repurchase transactions that are made in accordance with the Global Master Repurchase Agreement are set off on the balance sheet if the assets and liabilities relate to the same counterparty, are settled in the same currency, have the same maturity date and are settled through the same settlement institution.

The fact that a financial instrument is accounted for on a gross basis on the balance sheet does not imply that the financial instruments are not subject to master netting agreements or similar arrangements. Generally, financial instruments (derivatives, repurchase agreements and securities lending transactions) are subject to master netting agreements, and Nordea is consequently able to benefit from netting in any calculations involving counterparty credit risk in the event of the default of its counterparties.

For a description of counterparty risk, see also Note G11 "Risk and liquidity management", section 3 "Counterparty credit risk".

G3.6 Hedge accounting

Accounting policies

When a hedging relationship meets the specified hedge accounting criteria set out in IAS 39, Nordea applies one of three types of hedge accounting:

- fair value hedge accounting
- cash flow hedge accounting
- net investment hedges.

Nordea has chosen, as a policy choice permitted under IFRS 9, to continue to apply hedge accounting in accordance with the carve-out version of IAS 39.

Under the EU carve-out version of IAS 39, fair value macro hedge accounting may for instance, in comparison with IAS 39 as issued by the IASB, be applied to on-demand (core) deposits, and hedge ineffectiveness in a hedge of assets with prepayment options is only recognised when the revised estimate of the amount of cash flows falls below the designated bottom layer.

The application of hedge accounting requires the hedge to be highly effective. A hedge is regarded as highly effective if, at inception and throughout its life, changes in the fair value of the hedged item, as regards the hedged risk, can be expected to be essentially offset by changes in the fair value of the hedging instrument. The result should be within a range of 80–125%.

Transactions that are entered into in accordance with Nordea's hedging objectives but do not qualify for hedge accounting are economic hedge relationships.

Fair value hedge accounting

Fair value hedge accounting is applied when derivatives are hedging changes in the fair value of a recognised asset or liability attributable to a specific risk. Fair value hedge accounting can be performed at both micro level (single assets/liabilities or closed portfolios of assets/liabilities where one or more hedged items are hedged using one or more hedging instruments) and macro level (open portfolios where groups of items are hedged using multiple hedging instruments).

Changes in the fair value of derivatives (hedging instruments), as well as changes in the fair value of the hedged item attributable to the risks being hedged, are recognised separately in the income statement under "Net result from items at fair value". Given that the hedge is effective, the change in the fair value of the hedged item will be offset by the change in the fair value of the hedging instrument.

The changes in the fair value of the hedged item, attributable to the risks being hedged with the derivative instrument, are reflected in an adjustment to the carrying amount of the hedged item, which is also recognised in the income statement. The fair value changes of the hedged items held at amortised cost in hedges of interest rate risks in macro hedges are reported separately in the balance sheet item "Fair value changes of hedged items in portfolio hedges of interest rate risk".

Any ineffectiveness is recognised in the income statement under the item "Net result from items at fair value".

If the hedging relationship does not meet the hedge accounting requirements, hedge accounting is discontinued. The hedging instrument is measured at fair value through profit or loss and the change in the fair value of the hedged item, up to the point when the hedge relationship is terminated, is amortised to the income statement on a straight-line basis over the remaining maturity of the hedged item.

Cash flow hedge accounting

Cash flow hedge accounting is applied when hedging the exposure to variability in future cash flows. The portion of the gain or loss on the hedging instrument, determined to be an effective hedge, is recognised in other comprehensive income and accumulated in the cash flow hedge reserve in equity. The ineffective portion of the gain or loss on the hedging instrument is recognised in the item "Net result from items at fair value" in the income statement. The hedge is considered to be ineffective to the extent that the cumulative change in fair value from the inception of the hedge is larger for the hedging instrument than for the hedged item.

Gains or losses on hedging instruments recognised in the cash flow hedge reserve in equity through other comprehensive income are recycled and recognised in the income statement in the same period as the hedged item affects profit or loss, normally in the period in which interest income or interest expense is recognised.

A hedged item in a cash flow hedge can be highly probable cash flows from recognised assets or liabilities or from future assets or liabilities. Derivatives used as hedging instruments are always measured at fair value.

If the hedging relationship does not meet the hedge accounting requirements, hedge accounting is discontinued. Changes in the unrealised value of the hedging instrument will prospectively from the last time it was proven effective be accounted for in the income statement. The cumulative gain or loss on the hedging instrument that has been recognised in the cash flow hedge reserve in equity through other comprehensive income from the period when the hedge was effective is reclassified from equity to "Net result from items at fair value" in the income statement if the expected transaction is no longer expected to occur.

If the expected transaction is no longer highly probable but is still expected to occur, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective will remain in other comprehensive income until the transaction occurs or is no longer expected to occur.

Net investment hedges

Net investment hedges are used to hedge the foreign currency risk of net investments in foreign operations. Foreign currency risk is defined as the risk of loss on investments in foreign operations which have a functional currency different from that of the Group reporting currency.

G3.6 Hedge accounting, cont.

The foreign exchange spot risk component of financial instruments that are designated as hedging instruments in a hedge of a net investment in a group undertaking is recognised in other comprehensive income, to the extent that the hedge is effective. This is to offset the translation differences affecting other comprehensive income when consolidating the group undertaking into Nordea, including the revaluation of any extended net investments. Any ineffectiveness is recognised in the income statement under "Net result from items at fair value".

See also section "Translation of assets and liabilities denominated in foreign currencies" in Note G1 "Accounting policies".

Critical judgements and estimation uncertainty
One important judgement in connection with cash flow hedge accounting is the choice of method used for effectiveness testing.

Where Nordea applies cash flow hedge accounting, the hedging instruments used are cross-currency interest rate swaps (for mid-term or long-term maturities) or FX swaps/FX forwards (for short-term maturities) which are always held at fair value. The currency component is designated as a cash flow hedge of the currency risk (including cross-currency basis margin and swap points) and the interest component as a fair value hedge of the interest rate risk. The hypothetical derivative method is used when measuring the effectiveness of these cash flow hedges, meaning that the change in a perfect hypothetical swap is used as proxy for the present value of the cumulative change in expected future cash flows on the hedged transaction (the currency component). Critical judgement has to be exercised when defining the characteristics of the perfect hypothetical swap.

Derivatives used for hedge accounting

	Fair value		
EURm	Positive	Negative	Nominal amount
31 Dec 2024			
Fair value hedges[1]	2,162	2,986	210,990
Cash flow hedges[1]	2,265	72	34,093
Net investment hedges	134	141	8,165
Total	4,561	3,199	253,248
31 Dec 2023			
Fair value hedges[1]	3,990	5,587	199,492
Cash flow hedges[1]	1,625	301	20,491
Net investment hedges	499	734	4,861
Total	6,114	6,622	224,844

1) Some cross-currency interest rate swaps are used as both fair value hedges and cash flow hedges. The nominal amounts of these instruments have been split between the lines "Fair value hedges" and "Cash flow hedges" in the table above based on the relative fair value of these hedging instruments. As at 31 December 2024 the total nominal amount of cross-currency interest rate swaps amounted to EUR 32,593m (EUR 20,162m).

The table above shows the fair value of derivatives used for hedge accounting together with their nominal amounts. The nominal amounts indicate the volume of transactions outstanding at year end and are neither indicative of market risk nor credit risk. The fair value and nominal amount of derivatives in this note represent derivatives before offsetting between assets and liabilities on the balance sheet (gross amount) as the gross amount better reflects Nordea's exposure in relation to the hedged risk.

Risk management

As part of its risk management policy, Nordea has identified a series of risk categories with corresponding hedging strategies using derivative instruments, as set out in section 4 "Market risk" in Note G11 "Risk and liquidity management".

Nordea classifies its exposures to market risk into either trading (the trading book) or non-trading (the banking book) portfolios which are managed separately.

The trading book consists of all positions in financial instruments held by Nordea either with trading intent or in order to hedge positions held with trading intent. Positions held with trading intent are those held intentionally for short-term resale or with the intention of benefiting from actual or expected short-term price differences between buying and selling prices or from other price or interest rate variations.

The banking book comprises all positions not held in the trading book. All hedges qualifying for hedge accounting are treated as banking book instruments. The hedging instruments and risks hedged are further described below by risk and hedge accounting type.

At inception, Nordea formally documents how the hedging relationship meets the hedge accounting criteria, including the economic relationship between the hedged item and the hedging instrument, the nature of the risk, the risk management objective and strategy for undertaking the hedge and the method used to assess the effectiveness of the hedging relationship on an ongoing basis.

Interest rate risk

Nordea's primary business model is to collect deposits and use these funds to provide loans and other funding products and debt instruments to its customers. Interest rate risk is the impact that changes in interest rates could have on Nordea's margins, profit or loss and equity. Interest rate risk arises from mismatches between interest-bearing assets and interest-bearing liabilities.

As part of Nordea's risk management strategy, the Board has established limits on the non-trading interest rate gaps for interest rate sensitivities. These limits are consistent with Nordea's risk appetite and Nordea aligns its hedge accounting objectives to keep exposures within those limits. Nordea's policy is to monitor positions on a daily basis. For further information on measurement of risks, see section 4 "Market risk" in Note G11 "Risk and liquidity management".

For hedge accounting relationships related to interest rate risk, the hedged risk is the change in the fair value of the hedged item due to changes in benchmark interest rates. The hedge ratio is established by matching the nominal amount of the derivatives with the principal of the hedged items.

In order to hedge and manage the risk and limit the impact on Nordea's margins, profit or loss and equity, Nordea uses hedging instruments to swap interest rate exposures into either fixed or variable rates.

The risk components of hedged items designated by the Group consist of:

- Benchmark interest rate risk as a component of interest rate risk, i.e. IBORs. Using the benchmark interest rate risk can result in other risks, such as credit risk and liquidity risk, being excluded from the hedge accounting relationship.
- Components of cash flows of hedged items.

The benchmark rate is determined as a change in the present value of the future cash flows using benchmark discount curves. The benchmark rate is separately identifiable and reliably measurable and is typically the most significant component of the overall change in fair value or cash flows.

Fair value hedges

Nordea enters into interest rate swaps and cross-currency interest rate swaps in order to reduce or eliminate changes in the fair value of the hedged items due to interest rate risk.

Hedged items are fixed-rate financial assets and liabilities in both local and foreign currencies such as loans, debt securities classified in the category "Fair value through other comprehensive income", deposits and debt securities in issue.

Hedging instruments are interest rate swaps and cross-currency interest rate swaps (the portion related to interest rate risk is designated in fair value hedge relationships).

Nordea applies fair value hedge accounting both at micro and macro level. The micro level is applied for hedging fixed-rate debt securities classified in the category "Fair value through other comprehensive income" and fixed-rate debt securities in issue. The macro level is applied for hedging loans and deposits where fixed-rate loans and term deposits are initially offset and the residual exposure hedged using a portfolio of interest rate swaps up to the designated portion of either the net asset or liability in a given time bucket.

For hedge effectiveness testing Nordea uses both critical terms matching (for prospective effectiveness testing) and regression analysis (for retrospective effectiveness testing). When assessing hedge effectiveness retrospectively, Nordea measures the fair value of a hedging instrument and compares the change in the fair value of the hedging instrument with the change in the fair value of the hedged item. The effectiveness measurement is made on a cumulative basis.

Hedge ineffectiveness can arise from:

- differences in timing of cash flows of hedged items and hedging instruments
- different interest rate curves applied to discount the hedged items and hedging instruments
- the effect of changes in Nordea's or a counterparty's credit risk on the fair value of the hedging instruments
- the disparity between expected and actual prepayments on the loan portfolio.

Nordea has an established hedging programme for non-maturing core deposits (NMD) and applies hedge accounting in accordance with the EU carve-out version of IAS 39. The behavioural model is subject to regular semi-annual reviews and/or recalibration of risk parameters. The most recent review of the model performed in 2024 addressed the changes in the behavioural pass-through sensitivities of market to customer rates in relation to the increased interest rate environment, which impacted the expected repricing profile (modelled maturity) of the non-maturing deposits (modelled split of NMDs into an interest sensitive and non-interest sensitive portion).

The hedging approach is based on a target hedge ratio and deviation band set by the Asset & Liability Committee (ALCO) commensurate with Nordea's risk appetite limits for Interest Rate Risk in the Banking Book (IRRBB). The overall hedging strategy assumes that a conservative buffer of the eligible and unhedged portion of non-maturing deposits is maintained above the hedged bottom layer. The average volume of the hedged portion amounted to EUR 32.3bn (EUR 31.1bn), as of 31 December the hedged portion amounted to EUR 31.1n (EUR 35.4bn) and as of 31 December the hedge ratio was 57% (52%). Nordea's assessment is that the risk of unanticipated deposit withdrawals by bank customers that would have significant impact on, or lead to discontinuation of, the NMD hedging relationships is low. Nordea assesses the risk and potential impact of deposit outflow that could lead to a discontinuation of the hedging relationship in the reverse stress testing program.

The table below presents the accumulated fair value adjustments arising from continuing and discontinued hedging.

Hedged items

	Interest rate risk 31 Dec 2024		Interest rate risk 31 Dec 2023	
EURm	Carrying amount of hedged assets/ liabilities	Of which accumulated amount of fair value hedge adjustment[2]	Carrying amount of hedged assets/ liabilities	Of which accumulated amount of fair value hedge adjustment[2]
Fair value hedges – micro level				
Interest-bearing securities	26,129	0	20,963	-1
Assets	26,129	0	20,963	-1
Debt securities in issue	70,539	-662	65,575	-1,680
Subordinated liabilities	6,350	-328	5,393	-341
Liabilities	76,889	-990	70,968	-2,021

	Interest rate risk 31 Dec 2024		Interest rate risk 31 Dec 2023	
EURm	Carrying amount of hedged assets/ liabilities	Accumulated amount of fair value hedge adjustment[1,2]	Carrying amount of hedged assets/ liabilities	Accumulated amount of fair value hedge adjustment[1,2]
Fair value hedges – macro level				
Loans to the public	66,599	–	50,987	–
Assets	66,599	-243	50,987	-871
Deposits by credit institutions	3,071	–	1,355	–
Deposits and borrowings from the public	31,145	–	35,392	–
Liabilities	34,216	-458	36,747	-869

1) Accumulated fair value adjustment for macro hedges is presented in the line item "Fair value changes of hedged items in portfolio hedges of interest rate risk" on the balance sheet.
2) Of which EUR 35m (EUR 45m) is related to discontinued hedges of interest rate risk.

The following table provides information about the hedging instruments.

Hedging instruments

	Fair value		
EURm	Positive	Negative	Nominal amount
31 Dec 2024			
Fair value hedges			
Interest rate risk	2,162	2,986	210,990
31 Dec 2023			
Fair value hedges			
Interest rate risk	3,990	5,587	199,492

The table below presents the changes in the fair value of the hedging instruments and the changes in the value of hedged items used as the basis for recognising ineffectiveness. These changes are recognised in the line item "Net result from items at fair value" in the income statement.

Hedge ineffectiveness

	Interest rate risk	
EURm	2024	2023
Fair value hedges		
Changes in fair value of hedging instruments	616	1,763
Changes in value of hedged items used as basis for recognising hedge ineffectiveness	-621	-1,772
Hedge ineffectiveness recognised in the income statement[1,2]	-5	-9

1) Recognised in the line item "Net result from items at fair value".
2) When disclosing hedge ineffectiveness, valuation adjustments (CVA, DVA, FFVA) have not been considered as these are immaterial.

Sources of ineffectiveness include mismatches between the reset frequency of the swap and the benchmark frequency and the fair value of the floating leg of the swap on a date other than the reset date.

Cash flow hedges

Nordea uses cash flow hedges when hedging interest rate risk on lending and borrowing at floating interest rates.

Nordea's cash flow hedges of interest rate risk relate to exposures to the variability in future interest payments and receipts due to the movement of benchmark interest rates on forecast transactions and on recognised financial assets and financial liabilities. This variability in cash flows is hedged by interest rate swaps and cross-currency interest rate swaps, fixing the hedged cash flows according to Nordea's policies and risk management strategy described in section 4 "Market risk" in Note G11 "Risk and liquidity management".

The hypothetical derivative method is used when measuring the effectiveness of cash flow hedges retrospectively, meaning that the change in a perfect hypothetical swap is used as proxy for the present value of the cumulative

G3.6 Hedge accounting, cont.

change in expected future cash flows from the hedged transaction. The hypothetical derivative represents the characteristics of the hedged items (variable rate loans) in terms of hedged volume, repricing and interest payment periods. Hedge effectiveness is calculated on a cumulative basis by comparing changes in a portfolio of interest rate swaps (hedging instruments) and hypothetical derivatives. Changes in the valuation of the hedging instruments that are part of effective cash flow hedge relationships are recognised in the cash flow hedge reserve accumulated in equity through other comprehensive income.

The possible sources of ineffectiveness in cash flow hedges can generally be the same as those in fair value hedges described above. However, for cash flow hedges, prepayment risk is less relevant. The main causes of hedge ineffectiveness arise from the changes in the timing and the amount of forecast future cash flows.

The table below provides information about the hedging instruments in hedges of interest rate risk, including the nominal amount and the fair value of the hedging instruments.

Hedging instruments

EURm	Fair value Positive	Fair value Negative	Nominal amount
31 Dec 2024			
Cash flow hedges			
Interest rate risk	1	2	1,858
31 Dec 2023			
Cash flow hedges			
Interest rate risk	0	16	750

The table below specifies changes in the fair value of hedging instruments arising from continuing hedging relationships, irrespective of whether there has been a change in hedge designation during the year. The table also presents changes in the value of hedged items used to measure hedge ineffectiveness, separately showing the effective and ineffective portions.

Hedge ineffectiveness

EURm	Interest rate risk 2024	Interest rate risk 2023
Cash flow hedges		
Changes in fair value of hedging instruments	1	1
Changes in value of hedged items used as basis for recognising hedge ineffectiveness	-1	-1
Hedge ineffectiveness recognised in the income statement[1,2]	–	–
Hedging gains or losses recognised in other comprehensive income	1	1

1) Recognised in the line item "Net result from items at fair value".
2) When disclosing hedge ineffectiveness, valuation adjustments (CVA, DVA, FFVA) have not been considered as these are immaterial.

Cash flow hedge reserve

EURm	Interest rate risk 2024	Interest rate risk 2023
Balance as at 1 Jan	-22	-37
Valuation gains/losses	1	1
Tax on valuation gains/losses	0	0
Transferred to the income statement	22	18
Tax on transfers to the income statement	-4	-4
Other comprehensive income, net of tax	19	15
Balance as at 31 Dec	-3	-22
Of which relates to continuing hedges for which hedge accounting is applied	-3	-22
Of which relates to hedging relationships for which hedge accounting is no longer applied	–	–

Maturity profile of the nominal amount of hedging instruments hedging interest rate risk

EURm	Payable on demand	Maximum 3 months	3–12 months	1–5 years	More than 5 years	Total
31 Dec 2024						
Instruments hedging interest rate risk	–	22,751	58,833	102,685	28,579	212,848
Total	–	22,751	58,833	102,685	28,579	212,848
31 Dec 2023						
Instruments hedging interest rate risk	–	12,179	47,604	109,551	30,908	200,242
Total	–	12,179	47,604	109,551	30,908	200,242

The average interest rate on the fixed leg of instruments hedging interest rate risk was 2.41% (2.31%) as at 31 December 2024.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Foreign exchange risk from trading activities is limited through a VaR limit. Foreign exchange risk from structural exposures (as described below) is limited through a stress loss limit for the CET1 ratio impact from foreign exchange fluctuations in a severe but plausible stress scenario. See section 4 "Market risk" in Note G11 "Risk and liquidity management".

Nordea's issuance of credits and borrowing can be denominated in the currency of the borrower or investor. Borrowing, investing and lending are not always executed in the same currency, thus exposing Nordea to a foreign exchange risk. Differences in exposures to individual currencies that exist between different transactions are predominantly matched by entering into cross-currency interest rate swaps (for maturities below one year FX swaps/FX forwards are used). The currency component is designated as a cash flow hedge of the currency risk and the interest component as a fair value hedge of the interest rate risk.

In addition to the above, Nordea also has exposure to structural foreign currency risk through its foreign operations that have a functional currency other than Nordea's presentation currency, EUR (i.e. a translation risk). Fluctuations in spot exchange rates will cause Nordea's reported net investments in foreign operations to vary and the CET1 ratio to fluctuate due to the currency mismatch between equity and risk exposure amounts. Nordea applies hedge accounting when hedging its investments in fully consolidated foreign operations whose functional currency is not EUR.

For hedge accounting relationships related to currency risk, the hedged item is a foreign currency component. The hedge ratio is established by matching the nominal amounts of the derivatives with the principals of the hedged items.

The currency component is determined as the change in the present value of the future cash flows using foreign exchange curves. The foreign currency component is separately identifiable and reliably measurable and is typically the most significant component of the overall change in fair value or cash flows.

Cash flow and net investment hedges

Hedged items in cash flow hedges of currency risk are future payments of interest and the nominal amount from (1) issuance in foreign currencies (bonds issued, certificates of deposits and commercial paper) as well as (2) intra-group lending in foreign currencies where the foreign exchange impact is not eliminated on consolidation. For shorter maturities (below one year) Nordea uses FX-swaps/FX forwards as hedging instruments. For longer maturities (above one year) Nordea uses cross-currency interest rate swaps, both float to float and fixed to float, of which the portion related to foreign currency risk, including the cross-currency basis impact, is designated as a cash flow hedge. Hedging relationships are established at micro or macro level.

For net investment hedges, Nordea uses short-term foreign exchange swaps as hedging instruments, and changes to the spot rate are designated as the hedged risk. Hedge ineffectiveness can arise to the extent that the hedging instruments exceed in nominal terms the risk exposure from foreign operations.

The tables below provide information about the hedging instruments in hedges of currency risks, including the nominal amount and the fair value of the hedging instruments.

Hedging instruments

	Fair value		
EURm	Positive	Negative	Nominal amount
31 Dec 2024			
Cash flow hedges			
Foreign exchange risk	2,264	70	32,235
Net investment hedges			
Foreign exchange risk	134	141	8,165
Total derivatives used for hedge accounting	2,398	211	40,400
31 Dec 2023			
Cash flow hedges			
Foreign exchange risk	1,625	285	19,741
Net investment hedges			
Foreign exchange risk	499	734	4,861
Total derivatives used for hedge accounting	2,124	1,019	24,602

The table below specifies changes in the fair value of hedging instruments arising from continuing hedging relationships, irrespective of whether there has been a change in hedge designation during the year. The table also presents changes in the value of hedged items used to measure hedge ineffectiveness, separately showing the effective and ineffective portions.

Hedge ineffectiveness

	Foreign exchange risk	
EURm	2024	2023
Cash flow hedges		
Changes in fair value of hedging instruments	1,912	863
Changes in value of hedged items used as basis for recognising hedge ineffectiveness	-1,912	-869
Hedge ineffectiveness recognised in the income statement[1, 2]	0	-6
Hedging gains or losses recognised in other comprehensive income	1,912	869
Net investment hedges		
Changes in fair value of hedging instruments	174	55
Changes in value of hedged items used as basis for recognising hedge ineffectiveness	-174	-55
Hedge ineffectiveness recognised in the income statement[1, 2]	–	–
Hedging gains or losses recognised in other comprehensive income	174	55

1) Recognised in the line item "Net result from items at fair value".
2) When disclosing hedge ineffectiveness, valuation adjustments (CVA, DVA, FFVA) have not been considered as these are immaterial.

Cash flow hedge reserve

	Foreign exchange risk	
EURm	2024	2023
Balance as at 1 Jan	88	101
Valuation gains/losses	1,912	869
Tax on valuation gains/losses	-388	-184
Transferred to the income statement	-1,884	-886
Tax on transfers to the income statement	382	188
Other comprehensive income, net of tax	22	-13
Balance as at 31 Dec	110	88
Of which relates to continuing hedges for which hedge accounting is applied	110	88
Of which relates to hedging relationships for which hedge accounting is no longer applied	–	–

Maturity profile of the nominal amount of hedging instruments hedging foreign exchange risk

EURm	Payable on demand	Maximum 3 months	3–12 months	1–5 years	More than 5 years	Total
31 Dec 2024						
Instruments hedging foreign exchange risk	–	15,588	10,953	12,520	1,339	40,400
Total	–	15,588	10,953	12,520	1,339	40,400
31 Dec 2023						
Instruments hedging foreign exchange risk	–	4,017	3,640	15,629	1,316	24,602
Total	–	4,017	3,640	15,629	1,316	24,602

The average forward exchange rates of instruments hedging foreign exchange risk as at 31 December are presented in the table below.

Average forward exchange rates of instruments hedging foreign exchange risk

31 Dec 2024	NOK	SEK	USD
EUR	11.05	10.69	1.10
31 Dec 2023			
EUR	10.51	10.74	1.11

G3.7 Financial instruments pledged as collateral

Accounting policies

In repurchase transactions, securities lending transactions and derivative transactions, non-cash assets are transferred as collateral. When the counterparty receiving the collateral has the right to sell or repledge the assets, the assets are presented in this note.

For more information about accounting policies, see Note G3.1 "Recognition on and derecognition from the balance sheet", Note G3.2 "Transferred assets and obtained collateral", Note G3.3 "Classification and measurement" and Note G3.4 "Fair value".

Financial instruments pledged as collateral

EURm	31 Dec 2024	31 Dec 2023
Interest-bearing securities	1,922	2,946
Shares	511	142
Total	2,433	3,088

For information on transferred assets and reverse repurchase agreements, see Note G3.2 "Transferred assets and obtained collateral".

G3.8 Loans

Accounting policies

Loans are financial instruments with fixed or determinable payments that are not readily transferable without the consent of the debtor. Loans are classified and measured in accordance with the description in Note G3.3 "Classification and measurement". Nordea's accounting policies covering expected credit losses follow below. Additional information on the credit risk on loans is disclosed in Note G11 "Risk and liquidity management".

Financial instruments classified as "Amortised cost" or "Fair value through other comprehensive income" are subject to impairment testing due to credit risk. This includes assets recognised on the balance sheet in "Loans to central banks", "Loans to credit institutions", "Loans to the public" and "Interest-bearing securities". "Loans to the public" includes finance leases, which are also subject to impairment testing. These balance sheet line items also include assets classified as "Fair value through profit or loss", which are not subject to impairment testing. See also Note G3.3 "Classification and measurement".

Off-balance sheet commitments, contingent liabilities and loan commitments are also subject to impairment testing.

Recognition and presentation

Amortised cost assets are recognised gross with an offsetting allowance for the expected credit losses if the loss is not regarded as final. The allowance account is netted against the loan balance on the face of the balance sheet, but the allowance account is disclosed separately in this note. Changes in the allowance account are recognised in the income statement and classified as "Net loan losses".

If the impairment loss is regarded as final, it is reported as a realised loss and the carrying amount of the loan and the related allowance for impairment loss are derecognised. An impairment loss is regarded as final when the obligor has filed for bankruptcy and the administrator has declared the financial outcome of the bankruptcy procedure, or when Nordea waives its claims either through a legally based or voluntary reconstruction, or when Nordea, for other reasons, deems it unlikely that the claim will be recovered. See also the section "Write-offs" below.

Provisions for off-balance sheet exposures are classified as "Provisions" on the balance sheet, with changes in provisions classified as "Net loan losses".

Assets classified as "Fair value through other comprehensive income" are recognised at fair value on the balance sheet. Impairment losses calculated in accordance with IFRS 9 are recognised in the income statement and classified as "Net loan losses". Any fair value adjustments are recognised in "Other comprehensive income".

Impairment testing

Nordea classifies all exposures into stages on an individual basis. Stage 1 includes assets where there has been no significant increase in credit risk since initial recognition, stage 2 includes assets where there has been a significant increase in credit risk and stage 3 (impaired loans) includes defaulted assets. Nordea monitors whether there are indicators of exposures being credit impaired (stage 3) by identifying events that have a detrimental impact on the estimated future cash flows. Nordea applies the same definition of default as the Capital Requirements Regulation. The definition of default applied by Nordea was updated in 2024 in connection with the implementation of new retail IRB models. More information on credit risk can be found in Note G11 "Risk and liquidity management". Exposures without individually calculated allowances will be covered by the model-based impairment calculation.

For significant exposures where a credit event has been identified, the exposure is tested for impairment on an individual basis. If the exposure is found impaired, an individual provision is recognised. The carrying amount of the exposure is compared with the sum of the net present value of expected future cash flows. If the carrying amount is higher, the difference is recognised as an impairment loss. The expected cash flows are discounted at the original effective interest rate and include the fair value of the collateral and other credit enhancements. The estimate is based on three different forward-looking scenarios that are probability weighted to derive the net present value.

For insignificant exposures that have been individually identified as credit impaired, the impairment loss is measured using the model described below but based on the fact that the exposures are already in default.

Nordea uses the "low credit risk exemption" for retail exposures and non-retail exposures issued after transition to IFRS 9 on 1 January 2018. Such exposures with a 12-month probability of default (PD) below 0.3% are classified as stage 1. Nordea also applies this exception to a minor portfolio of interest-bearing securities in its insurance operations.

Model-based allowance calculation

For exposures not impaired on an individual basis, a statistical model is used for calculating impairment losses. The provisions are calculated as the exposure at default times the PD times the loss given default. The provisions for exposures for which there has been no significant increase in credit risk since initial recognition are based on the 12-month expected loss (stage 1). The provisions for exposures for which there has been a significant increase in credit risk since initial recognition, but which are not credit impaired, are based on the lifetime expected losses (stage 2). This is also the case for the individuallly immaterial credit-impaired exposures in stage 3.

Nordea uses different models to identify whether there has been a significant increase in credit risk or not. For non-retail assets held on transition to IFRS 9, the change in internal rating and scoring data is used to determine whether there has been a significant increase in credit risk or not. Internal rating/scoring information is used to assess the risk of the customers and a deterioration in rating/scoring indicates an

G3.8 Loans, cont.

increase in the credit risk of the customer. Nordea has concluded that it is not possible to calculate the lifetime PD at origination without the use of hindsight for non-retail assets already recognised on the balance sheet at transition. Changes to the lifetime PD are used as the trigger for non-retail assets recognised after transition and for retail assets recognised both before and after transition.

For assets evaluated based on lifetime PD, Nordea uses a mix of absolute and relative changes in PD as the transfer criterion, with some updates compared with 2023.

- Retail customers with a relative increase in lifetime PD above 200% are transferred to stage 2.
- Non-retail customers with an initial 12-month PD below 0.5%:
  Exposures with a relative increase in lifetime PD above 150% and an absolute increase in 12-month PD above 20bp are transferred to stage 2.
- Non-retail customers with an initial 12-month PD above or equal to 0.5%:
  Exposures with a relative increase in lifetime PD above 150% or an absolute increase in 12-month PD above 400bp are transferred to stage 2.

For assets for which rating and scoring models are used, the change in rating/scoring notches is calibrated to match the significant increase in credit risk based on lifetime PD.

In addition, Nordea applies the following backstops for transfers between stages:

- Customers with forbearance measures and customers with payments more than thirty days past due are transferred to stage 2, unless already identified as credit impaired (stage 3). Exposures with forbearance measures will stay in stage 2 for a probation period of 24 months from when the measures were introduced. Once transferred back to stage 1, after the probation period, the exposures are treated as any other stage 1 exposure on the assessment of significant increase in credit risk.
- Exposures more than 90 days past due are normally classified as stage 3, but this classification will be rebutted if there is evidence that the customer is not in default. Such exposures are classified as stage 2.
- Non-retail exposures with a relative change in annualised lifetime PD exceeding 200% and with at least one rating grade of deterioration are transferred to stage 2.
- Retail exposures classified as high risk, i.e. with a PD above 5.5% to 6.2% depending on segment, are transferred to stage 2.
- Non-retail exposures classified as high risk, i.e. with a rating grade of 2 or below, are transferred to stage 2.
- Retail and Non-retail exposures with 12-month PD below 0.3% use a low credit risk exemption, which prevents movement to stage 2 from absolute or relative changes in PD. The exemption does not prevent stage movement from the other backstop triggers listed.

When calculating provisions, including the staging assessment, the calculation is based on both historical data and probability-weighted forward-looking information. Nordea applies three macroeconomic scenarios to address the non-linearity in expected credit losses. The different scenarios are used to adjust the relevant parameters for calculating expected losses and a probability-weighted average of the expected losses under each scenario is recognised as provisions. The model is based on data collected before the reporting date, requiring Nordea to identify events that could affect the provisions after the data is sourced to the model calculation. Management evaluates these events and adjusts the provisions if deemed necessary.

Write-offs

A write-off is a derecognition of a loan or receivable from the balance sheet and a final realisation of a credit loss provision. When assets are considered uncollectible, they should be written off as soon as possible, regardless of whether the legal claim remains or not. A write-off can take place before legal actions against the borrower to recover the debt have been concluded in full. Although an uncollectible asset is removed or written off from the balance sheet, the customer remains legally obligated to pay the outstanding debt. When assessing the recoverability of non-performing loans and determining if write-offs are required, exposures with the following characteristics are in particular focus (the list is not exhaustive):

- Exposures past due more than 90 days. If, following this assessment, an exposure or part of an exposure is deemed as unrecoverable, it is written off.
- Exposures under insolvency procedures where the collateralisation of the exposure is low.
- Exposures where legal expenses are expected to absorb the proceeds from the bankruptcy procedure and estimated recoveries are therefore expected to be low.
- A partial write-off may be warranted where there is reasonable financial evidence to demonstrate an inability of the borrower to repay the full amount, i.e. a significant level of debt which cannot be reasonably demonstrated to be recoverable following forbearance treatment and/or the execution of collateral.
- Restructuring cases.

Discount rate

The discount rate used to measure impairment is the original effective interest rate for loans attached to an individual customer or, if applicable, to a group of loans. If considered appropriate, the discount rate can be based on a method that results in an impairment that is a reasonable approximation using the effective interest rate method as basis for the calculation.

Restructured loans and modifications

In this context a restructured loan is defined as a loan where Nordea has granted concessions to the obligor due to their financial difficulties and where such concessions have resulted in an impairment loss for Nordea. After restructuring, the loan is normally regarded as not impaired if it performs according to the new terms and conditions. In the event of recovery, the payment is reported as recovery of loan losses.

Modifications of the contractual cash flows of loans to customers in financial difficulties (forbearance) reduce the gross carrying amount of the loan. Normally this reduction is less than the existing provision and no loss is recognised in the income statement due to modifications. If significant, the gross amounts (loan and allowance) are reduced.

Assets taken over for protection of claims

In a financial reconstruction the creditor may concede loans to the obligor and in exchange for this concession acquires an asset pledged for the conceded loans, shares issued by the obligor or other assets. Assets taken over for protection of claims are reported on the same balance sheet line as similar assets already held by Nordea. For example, a property taken over, not held for Nordea's own use, is reported together with other investment properties.

At initial recognition, all assets taken over for protection of claims are recognised at fair value and the possible difference between the carrying amount of the loan and the fair value of the assets taken over is recognised in "Net loan losses". The fair value of the asset on the date of recognition becomes its cost or amortised cost value, as applicable. In subsequent periods, assets taken over for protection of claims are valued in accordance with the valuation principles for the appropriate type of asset. Investment properties are then measured at fair value. Financial assets that are foreclosed are generally classified in the category "Fair value through profit or loss" and measured at fair value. Changes in fair value are recognised in the income statement under "Net result from items at fair value".

Any change in value, after the initial recognition of the asset taken over, is presented in the income statement in line with the Group's presentation policies for the appropriate asset. The item "Net loan losses" in the income statement is, after the initial recognition of the asset taken over, consequently not affected by any subsequent remeasurement of the asset.

G3.8 Loans, cont.

Critical judgements and estimation uncertainty

Management is required to exercise critical judgements and estimates when calculating loan impairment allowances. Nordea's total lending at amortised cost before impairment allowances was EUR 282,858m (EUR 276,025m) at the end of the year.

When calculating allowances for individually significant impaired loans, judgement is exercised to estimate the amount and timing of the expected cash flows to be received from the customers under different scenarios, including the valuation of any collateral received. Judgement is also applied when assigning the likelihood of the different scenarios occurring.

Judgement is exercised to assess when an exposure has experienced a significant increase in credit risk. If this is the case, the provision should reflect the lifetime expected losses as opposed to a 12-month expected loss amount for exposures that have not increased significantly in credit risk. Judgement is also exercised in the choice of modelling approaches covering other parameters used when calculating the expected losses, such as the expected lifetime used in stage 2, as well as in the assessment of whether the parameters based on historical experience are relevant for estimating future losses.

The statistical models used to calculate provisions are based on macroeconomic scenarios, which requires management to exercise judgement when identifying such scenarios and when assigning the likelihood of the different scenarios occurring. Judgement is also exercised in the assessment of to what extent the parameters for the different scenarios, based on historical experience, are relevant for estimating future losses. The model is based on data collected before the reporting date, requiring Nordea to identify events that could affect the provisions after the data is sourced to the model calculation. Nordea adjusts its collectively calculated provisions if the historical data does not adequately reflect management's view regarding expected credit losses. Estimating post-model adjustments requires management to exercise critical judgements.

Loans and impairment

EURm	31 Dec 2024	31 Dec 2023
Loans measured at fair value	83,360	74,728
Loans measured at amortised cost, not credit-impaired (stages 1 and 2)	279,913	273,568
Credit-impaired loans (stage 3)	2,945	2,457
- of which servicing	1,133	1,091
- of which non-servicing	1,812	1,366
Loans before allowances	**366,218**	**350,753**
- of which central banks and credit institutions	7,035	4,293
Allowances for loans that are credit-impaired (stage 3)	-1,069	-1,037
- of which servicing	-439	-453
- of which non-servicing	-630	-584
Allowances for loans that are not credit-impaired (stages 1 and 2)	-536	-616
Allowances	**-1,605**	**-1,653**
- of which central banks and credit institutions	-10	-21
Loans, carrying amount	**364,613**	**349,100**

Nordea has granted EUR 172bn (EUR 164bn) in mortgage credits. No intermediary credits or public sector credits have been granted.

G3.9 Interest-bearing securities

Accounting policies

Instruments that are readily transferable and where the holder of the instrument receives the nominal amount at maturity are normally reported in the balance sheet line item "Interest-bearing securities". Instruments that cannot be transferred or sold without the consent of the holder of the instrument are normally reported as loans, see Note G3.8 "Loans".

In repurchase transactions and in securities lending transactions, non-cash assets are transferred as collateral. When the counterparty receiving the collateral has the right to sell or repledge the assets, the assets are disclosed in Note G3.7 "Financial instruments pledged as collateral". Investments in interest-bearing securities on behalf of customers (see Note G3.11 "Assets and deposits in pooled schemes and unit-linked investment contracts") are not presented in "Interest-bearing securities".

For more information about accounting policies, see Note G3.1 "Recognition on and derecognition from the balance sheet", Note G3.2 "Transferred assets and obtained collateral", Note G3.3 "Classification and measurement" and Note G3.4 "Fair value".

Interest-bearing securities

EURm	31 Dec 2024	31 Dec 2023
State, municipalities and other public bodies	19,926	14,771
Mortgage institutions	20,311	24,000
Other credit institutions	24,499	22,349
Corporates	5,823	3,720
Other	2,905	3,160
Total	73,464	68,000

Provisions for credit risks amounted to EUR 2m (EUR 4m).

G3.10 Shares

Accounting policies

The balance sheet line item "Shares" includes equity instruments, i.e. contracts that evidence a residual interest in the assets of an entity after deducting all of its liabilities, including holdings in different funds such as a unit in an investment fund or private equity fund. However, investments in associated undertakings and joint ventures (see Note G9.3 "Investments in associated undertakings and joint ventures"), investments in group undertakings (see Note G9.1 "Consolidated entities") and investments in shares and fund units on behalf of customers (see Note G3.11 "Assets and deposits in pooled schemes and unit-linked investment contracts") are not included in "Shares".

In repurchase transactions and in securities lending transactions, non-cash assets are transferred as collateral. When the counterparty receiving the collateral has the right to sell or repledge the assets, the assets are disclosed in Note G3.7 "Financial instruments pledged as collateral".

For more information about accounting policies, see Note G3.1 "Recognition on and derecognition from the balance sheet", Note G3.2 "Transferred assets and obtained collateral", Note G3.3 "Classification and measurement" and Note G3.4 "Fair value".

Shares

EURm	31 Dec 2024	31 Dec 2023
Shares	12,884	11,488
Fund units, equity related	16,493	6,353
Fund units, interest related	6,011	4,317
Total	35,388	22,158

G3.11 Assets and deposits in pooled schemes and unit-linked investment contracts

Accounting policies

Assets and deposits in pooled schemes and unit-linked investment contracts are contracts with customers and policyholders where most or all of the risk is borne by the customers or the policyholders. Unit-linked contracts with investment guarantees or contracts which transfer significant insurance risk are classified as insurance contracts. The deposits received from customers are invested in different types of financial assets on behalf of the customers and policyholders.

The assets and deposits under these contracts are recognised and measured at fair value as described in Note G3.4 "Fair value". For more information on the difference between insurance contracts and investment contracts, see Note G4 "Insurance contract liabilities".

Assets and deposits in pooled schemes and unit-linked investment contracts

EURm	31 Dec 2024	31 Dec 2023
Assets		
Interest-bearing securities[1]	2,043	2,034
Shares	57,895	47,564
Investment properties	751	729
Other assets	190	204
Total	60,879	50,531
Liabilities		
Pooled schemes	4,317	4,251
Unit-linked investment contracts	57,396	47,322
Total	61,713	51,573

1) Including interest related fund units.

Nordea Life & Pension and Nordea Danmark, filial af Nordea Bank Abp, Finland, have assets and liabilities recognised on their balance sheets for which customers bear the risk. Since the assets and liabilities legally belong to the entities which also carry the risks and rewards, these assets and liabilities are recognised on Nordea's balance sheet.

For information about the fair value of investment properties in pooled schemes and unit-linked investment contracts, see Note G5.3 "Investment properties".

G3.12 Derivatives

Accounting policies

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (so-called "underlying").
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

Contracts that fulfil the above requirements of being derivatives but where Nordea is to take delivery of a non-financial item are not in scope of IFRS 9 and are therefore not included in this note. Such contracts are measured at cost.

All derivatives are recognised on the balance sheet and measured at fair value. Derivatives with a positive fair value, including any accrued interest, are recognised as assets in the line item "Derivatives" on the asset side. Derivatives with a negative fair value, including any accrued interest, are recognised as liabilities in the line item "Derivatives" on the liability side.

Nordea incorporates credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) into derivative valuations. CVAs and DVAs reflect the impact on fair value from the counterparty's credit risk and Nordea's own credit quality, respectively. For more information about the calculation and other XVAs, see Note G3.4 "Fair value".

Realised and unrealised gains and losses from derivatives are recognised in the income statement under "Net result from items at fair value". For more information about accounting policies and critical judgements, see Note G3.4 "Fair value".

Nordea enters into derivatives for trading and risk management purposes. Nordea may take positions with the expectation of profiting from favourable movements in prices, rates or indices. The trading portfolio is treated as trading risk for risk management purposes. Derivatives held for risk management purposes include hedges that meet the hedge accounting requirements and hedges that are economic hedges but do not meet the hedge accounting requirements.

The table below shows the fair value of derivative financial instruments not used for hedge accounting together with their nominal amounts. The nominal amounts indicate the volume of transactions outstanding at year end and are neither indicative of market risk nor credit risk. For more information about derivatives used for hedge accounting, see Note G3.6 "Hedge accounting".

The fair value and nominal amount of derivatives in this note represent derivatives before offsetting between assets and liabilities on the balance sheet (gross amount) as the gross amount better reflects Nordea's exposure.

Derivatives

	31 Dec 2024			31 Dec 2023		
	Fair value			Fair value		
EURm	Positive	Negative	Nominal amount	Positive	Negative	Nominal amount
Derivatives not used for hedge accounting	134,685	136,630	7,874,424	166,421	170,856	7,238,112
Derivatives used for hedge accounting	4,561	3,199	253,248	6,114	6,622	224,844
Total gross derivatives	139,246	139,829	8,127,672	172,535	177,478	7,462,956
Derivatives offset on the balance sheet	-114,035	-114,795		-146,010	-146,684	
Total derivatives	25,211	25,034	8,127,672	26,525	30,794	7,462,956

Derivatives not used for hedge accounting

	31 Dec 2024			31 Dec 2023		
	Fair value			Fair value		
EURm	Positive	Negative	Nominal amount	Positive	Negative	Nominal amount
Interest rate derivatives						
Interest rate swaps	118,410	118,799	5,309,744	150,612	150,436	4,699,710
FRAs	919	938	1,327,480	1,394	1,454	1,360,918
Futures and forwards	5	6	120,899	30	36	95,394
Options	2,450	2,401	228,060	3,668	3,440	302,890
Total	121,784	122,144	6,986,183	155,704	155,366	6,458,912
Equity derivatives						
Equity swaps	442	270	31,678	255	345	21,108
Futures and forwards	3	1	901	2	3	705
Options	112	397	4,214	108	427	4,876
Total	557	668	36,793	365	775	26,689
Foreign exchange derivatives						
Currency and interest rate swaps	5,436	7,395	267,148	4,360	7,102	307,220
Currency forwards	3,808	3,409	387,345	2,979	4,556	289,858
Options	114	0	2,250	91	49	5,355
Total	9,358	10,804	656,743	7,430	11,707	602,433
Other derivatives						
Credit default swaps (CDS)	2,984	2,988	194,530	2,920	3,001	149,952
Commodity derivatives	0	9	136	0	0	97
Other derivatives	2	17	39	2	7	29
Total	2,986	3,014	194,705	2,922	3,008	150,078
Total derivatives not used for hedge accounting	134,685	136,630	7,874,424	166,421	170,856	7,238,112

G3.13 Deposits by credit institutions

Accounting policies

Deposits by credit institutions include liabilities towards central banks, banks, credit market companies, credit companies, finance companies and mortgage institutions. Deposits are classified in accordance with Note G3.3 "Classification and measurement".

For additional accounting policies, see Note G3.1 "Recognition on and derecognition from the balance sheet", Note G3.2 "Transferred assets and obtained collateral" and Note G3.4 "Fair value".

Deposits by credit institutions

EURm	31 Dec 2024	31 Dec 2023
Central banks	5,757	7,292
Banks	21,062	19,697
Other credit institutions	1,956	2,515
Total	28,775	29,504

G3.14 Deposits and borrowings from the public

Accounting policies

Deposits from the public are defined as funds in deposit accounts covered by the government deposit guarantee but also include amounts in excess of the individual amount limits. Individual pension savings are also included, but deposits in pooled schemes are presented as "Assets in pooled schemes and unit-linked investment contracts", see Note G3.11 "Assets and deposits in pooled schemes and unit-linked investment contracts". Borrowings are other liabilities to the public that are not in the form of debt securities. Deposits and borrowings are classified into the different categories of financial instruments defined in Note G3.3 "Classification and measurement".

For additional accounting policies, see Note G3.1 "Recognition on and derecognition from the balance sheet", Note G3.2 "Transferred assets and obtained collateral" and Note G3.4 "Fair value".

Deposits and borrowings from the public

EURm	31 Dec 2024	31 Dec 2023
Deposits[1]	223,243	206,460
Repurchase agreements	9,192	3,602
Total	232,435	210,062

1) Deposits related to individual pension savings are also included.

G3.15 Debt securities in issue

Accounting policies

Debt securities are instruments issued by Nordea that are readily transferable without the consent of Nordea. Debt securities are classified into the different categories in accordance with Note G3.3 "Classification and measurement".

For hedged items in fair value hedges at micro level, the hedged risk is measured at fair value and presented in the line item "Fair value changes in micro hedges of interest rate risk" in the table below (for more information, see Note G3.6 "Hedge accounting").

For additional accounting policies, see Note G3.1 "Recognition on and derecognition from the balance sheet" and Note G3.4 "Fair value".

Debt securities in issue

EURm	31 Dec 2024	31 Dec 2023
Certificates of deposit	29,713	33,533
Commercial paper	9,980	12,769
Covered bonds	121,380	115,119
Senior non-preferred bonds	14,703	12,849
Senior unsecured bonds	12,997	9,928
Other	25	30
Fair value changes in micro hedges of interest rate risk	-662	-1,680
Total	188,136	182,548

G3.16 Other liabilities

Accounting policies

Other liabilities are liabilities that do not qualify for any of the other line items covering liabilities.

For additional accounting policies, see Note G3.1 "Recognition on and derecognition from the balance sheet", Note G3.3 "Classification and measurement" and Note G3.4 "Fair value".

Other liabilities

EURm	Financial liabilities	Non-financial liabilities	Total
31 Dec 2024			
Liabilities on securities settlement proceeds	957	–	957
Sold, not held, securities	2,980	–	2,980
Accounts payable	215	–	215
Cash/margin payables	4,222	–	4,222
Lease liabilities	1,103	–	1,103
Other	2,491	2,228	4,719
Total	11,968	2,228	14,196
31 Dec 2023			
Liabilities on securities settlement proceeds	890	–	890
Sold, not held, securities	4,396	–	4,396
Accounts payable	251	–	251
Cash/margin payables	3,424	–	3,424
Lease liabilities	1,103	–	1,103
Other	2,097	1,566	3,663
Total	12,161	1,566	13,727

G3.17 Subordinated liabilities

Accounting policies

Subordinated liabilities are financial liabilities for which it has been contractually agreed that they are not to be repaid in the event of liquidation or bankruptcy until all obligations towards other creditors have been fulfilled.

For additional accounting policies, see Note G3.1 "Recognition on and derecognition from the balance sheet" and Note G3.3 "Classification and measurement".

For hedged items in fair value hedges at micro level, the hedged risk is measured at fair value and presented in the line item "Fair value changes in micro hedges of interest rate risk" in the table below (for more information, see Note G3.6 "Hedge accounting"). For more information on the critical judgement needed to assess whether a subordinated loan is classified as a liability or equity, see Note G3.3 "Classification and measurement".

Subordinated liabilities

EURm	31 Dec 2024	31 Dec 2023
Additional Tier 1	3,436	2,514
Tier 2	4,302	3,548
Fair value changes in micro hedges of interest rate risk	-328	-342
Total	7,410	5,720

For more information, see Note P3.14 "Subordinated liabilities".

G4 Insurance contract liabilities

Accounting policies

IFRS 17 is applicable to insurance contracts issued, reinsurance contracts held and investment contracts with discretionary participation features (DPF) issued. An insurance contract is defined as "a contract under which one party (the insurer) accepts significant insurance risks from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder". DPF contracts give the policyholder the contractual right to receive, as a supplement to an amount not subject to the discretion of the issuer, significant additional amounts where the timing or amount is contractually at the discretion of Nordea and the investment returns are linked to a specified pool of assets held by Nordea. Insurance contracts, reinsurance contracts and investment contracts with DPF are below referred to as "insurance contracts".

For Nordea, issued contracts accounted for under IFRS 17 include:

- Life insurance.
- Pension plans with or without guaranteed returns, but with additional bonus.
- Combined insurance pensions plans with significant additional death benefits.
- Health and personal accident insurance.

Unit of account

For most contracts, the legal contract is the basis for accounting. Unit-linked contracts and Traditional contracts in Sweden are considered to be two separate contracts, a saving contract and a risk contract, for accounting purposes. The unit-linked saving contracts are accounted for under IFRS 9 and IFRS 15 and the other contracts are accounted for under IFRS 17. The death cover and other risk covers of the Finnish contracts are regarded as separate accounting contracts, accounted for under IFRS 17.

Recognition and derecognition

Insurance contracts are recognised from the earliest of:

- the beginning of the coverage period of the group of contracts,
- the date when the first payment from a policyholder in the group becomes due, and
- for a group of onerous contracts, when the group becomes onerous.

Investment contracts with DPF are recognised from the date the entity becomes party to the contract. Insurance contracts are derecognised when they are extinguished, which means when the obligation specified in the insurance contract expires or is discharged or cancelled. Insurance contracts are also derecognised when substantially modified, in which case a new contract is recognised with new terms.

General measurement model

The general measurement model (GMM) is used for an individual risk product in Norway (endowment contracts) and different risk insurance products in Finland.

Insurance contracts are aggregated into portfolios of insurance contracts with similar risks and managed together. For each portfolio, contracts issued in one calendar year are further grouped into annual cohorts. Each of these sets of contracts is then broken down into groups of onerous and profitable contracts. At initial recognition, fulfilment cash flows are estimated for all groups of insurance contracts. For groups of contracts with net positive cash flows (profitable contracts), the contractual service margin (CSM) is an equal and opposite value on initial recognition to the expected net positive cash flows and is recognised as an insurance liability. This is because the entire value of the contracts relates to services to be provided in the future and, therefore, profit to be earned in the future. For groups of contracts with negative fulfilment cash flows (onerous contracts), the negative amount is considered the loss component of the liability for remaining coverage and is recognised as a loss in the income statement.

The fulfilment cash flows consist of the following components:

- Unbiased and Nordea-specific estimates of expected cash flows that will arise as the entity fulfils the contracts. The estimates are updated at each reporting date.
- An adjustment to reflect the time value of money, in other words the effect of discounting. This also includes the financial risks to the future cash flows, to the extent that the financial risks are not reflected in the estimates of future cash flows.
- An explicit risk adjustment for non-financial risk to reflect the compensation that the entity requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risk.

In subsequent periods, the fulfilment cash flows are reassessed and remeasured at each reporting date, using current assumptions. The CSM is released to the income statement as services are provided. For investment contracts with DPF, the release is based on when investment services are provided and for the remaining contracts it is based on when insurance contract services are provided.

Variable fee approach

The variable fee approach (VFA) is used for all contracts with direct participation features. These contracts are at inception accounted for in the same way as under the general measurement model. Nordea provides investment- and insurance-related services and is compensated for the services by a fee that is determined with reference to the underlying assets. The CSM is adjusted after initial recognition, where changes related to Nordea's share of the fair value of the underlying assets also adjust the CSM liability. The adjusted CSM is the basis for the future release to the income statement.

Premium allocation approach

The premium allocation approach (PAA) is used for short-term contracts (with a coverage period of less than one year), normally related to health and disability risks, although some such contracts in Finland are measured under the general measurement model. The liability consists of two parts:

- Liability for remaining coverage.
- Liability for incurred claims.

The liability for remaining coverage is measured based on unearned premiums received and released to the income statement based on the amount of expected premium receipts allocated to the period on the basis of passage of time. The liability for incurred claims is measured in the same way as under the general measurement model.

Nordea has chosen to recognise the acquisition cash flows as expenses when they occur under the PAA model. Under this model when measuring the liability for incurred claims, Nordea adjusts future cash flows for the time value of money if those cash flows are expected to be paid or received more than one year from the date the claims are incurred.

Insurance acquisition cash flows

Insurance acquisition cash flows (IACF), relating to insurance contracts measured under the GMM and VFA models, are allocated to groups of insurance contracts at initial recognition and amortised as services are provided. IACF allocated to groups with a short contract boundary measured under the GMM and VFA recognise an asset for IACF for each related group of insurance contracts before the related group of insurance contracts is recognised. The asset for IACF is derecognised when the IACF are included in the cash flows and measurement of the related group of insurance contracts. There is an assessment of the recoverability of the asset for IACF if facts and circumstances indicate that the asset may be impaired. If an impairment loss is identified, the carrying amount of the asset is adjusted and an impairment loss in profit or loss is recognized. The PAA is used for insurance contracts with a coverage period of one year or less. Under the PAA measurement model, the IACF are recognised as an expense when incurred.

Critical judgements and estimation uncertainty

A valuation of insurance liabilities includes estimations and assumptions, both financial and actuarial, that affect the present value of future cash flows. For most of the products risk-neutral stochastic modelling techniques are used, while for some products deterministic models are used. The methods and processes used were stable during the year.

The main assumptions used when calculating the insurance liabilities are explained below.

In scope of IFRS 17

Nordea applies IFRS 17 to insurance contracts issued, reinsurance contracts held and investment contracts with discretionary participation features (DPF) issued.

Insurance contracts are, as stated in the accounting policies above, contracts under which Nordea accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

If the contract does not transfer any significant insurance risk but contains DPF, it is accounted for under IFRS 17 since Nordea also issues insurance contracts. Thus there is a necessity to determine if an investment contract is to be classified as comprising DPF.

The evaluation of the existence of significant insurance risk is made on a contract-by-contract basis and given that the contract exposes Nordea to insurance risk, further investigation is performed to assess if significant insurance risk exists.

A contract transfers significant insurance risk if there exists any scenario of commercial substance at initial recognition in which the policyholder receives additional amounts (5%-10%) that exceed the investment component. The investment component is defined as the amount that an insurance contract requires Nordea to repay to a policyholder even if an insured event does not occur.

An investment contract with DPF is defined as a financial instrument that provides a particular investor with the contractual right to receive, as a supplement to an amount not subject to the discretion of Nordea, additional amounts:

- that are expected to be a significant portion (>10 %) of the total contractual benefits,
- the timing or amount of which are contractually at the discretion of Nordea (profit sharing, mutualisation elements exists and/or Board decided return allocation), and
- that are contractually based on:
  - the returns on a specified pool of contracts or a specified type of contract,
  - realised and/or unrealised investment returns on a specified pool of assets held by Nordea, or
  - the profit or loss of Nordea.

Release of CSM

An amount of CSM is recognised as profit or loss in each period and the amount reflects the service provided. The release-pattern of the CSM is determined by first identifying coverage units for the group of contracts, representing the quantity of benefits under the expected coverage duration, and secondly release coverage units for each period reflecting the service provided. For investment contracts with DPF, the release is based on when investment services are provided and for the remaining contracts it is based on when insurance contract services are provided.

Expenses

Operating expenses are part of future cash flows and correspond to the costs of maintaining the current in-force business, adjusted for inflation. Increased expected expenses reduce future expected profits. Expenses are allocated to groups of contracts using well-defined methodologies that are consistent over time.

Surrender rates

Partial and full surrender and transfers of capital affect the insurance liabilities and profits. Surrender assumptions are derived using trends in historical data and vary by e.g. product type and type of contract. Higher surrender rates than assumed will reduce profits if the underlying contracts are profitable.

Mortality, longevity and morbidity

Standard industry tables are used when setting the assumptions for mortality, longevity and morbidity. The assumptions vary with e.g. the policyholder's gender and age, product type and class. Deviations from the assumed rates will affect the expected future profits.

Risk adjustment for non-financial risk

The risk adjustment aims to capture the compensation required by Nordea for bearing the uncertainty around the amount and timing of the cash flows that arises from non-financial risk. Nordea determines the risk adjustment using a single equivalent scenario stress approach, which has a confidence level of 78% (78% in 2023). The stress parameters are updated on a yearly basis. The entire change in risk adjustment is fully presented in the line item "Net insurance revenue" and relates to both current and future services.

Discount rates

Methods and assumptions used to derive the discount rates are applied consistently within Nordea Life & Pension. Further, for each jurisdiction, the discount rate is consistently applied for all products.

The discount rate is determined using a bottom-up approach as the sum of a risk-free component and an illiquidity component. The risk-free component ensures that the discount rate reflects the time value of money and is consistent with observable market prices. The illiquidity component reflects the characteristics of the liabilities.

The discount rates used to calculate the present value of future cash flows are presented in the table below.

	1 year		3 years		5 years		10 years		20 years	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
EUR	2.3%	3.4%	1.9%	2.0%	2.0%	2.2%	2.2%	2.6%	2.0%	2.4%
SEK	2.3%	3.0%	2.3%	2.5%	2.4%	2.3%	2.6%	2.3%	2.9%	2.8%
NOK	4.7%	4.5%	4.6%	4.1%	4.4%	3.8%	4.3%	3.7%	4.2%	3.8%
DKK	2.4%	3.6%	2.3%	2.7%	2.3%	2.6%	2.4%	2.6%	2.4%	2.7%

G4 Insurance contract liabilities, cont.

Insurance contract liabilities

EURm	31 Dec 2024	31 Dec 2023
General measurement model (GMM)	147	155
Variable fee approach (VFA)	29,854	27,047
Subtotal	**30,001**	**27,202**
Premium allocation approach (PAA)	434	437
Asset for insurance acquisition cash flows	-84	-71
Total insurance contract liabilities	**30,351**	**27,568**

Life and disability insurance is mainly measured under the measurement model GMM. Insurance contracts with direct participation features are measured under the measurement model VFA. For some life and disability insurance contracts, with a coverage period of one year or less, the PAA model is used instead.

More information regarding the measurement models can be found in the accounting policies. See also Note G2.4 "Net insurance result".

Analysis by remaining coverage and incurred claims – contracts measured under GMM and VFA

	31 Dec 2024				31 Dec 2023			
	Liabilities for remaining coverage				Liabilities for remaining coverage			
EURm	Excluding loss component	Loss component	Liabilities for incurred claims	Total	Excluding loss component	Loss component	Liabilities for incurred claims	Total
Opening balance	26,971	16	215	27,202	25,505	5	240	25,750
Changes through the income statement								
Insurance revenue								
Contracts under the modified retrospective approach	-32	–	–	-32	-32	–	–	-32
Contracts under the fair value approach	-341	–	–	-341	-345	–	–	-345
Other contracts	-98	–	–	-98	-75	–	–	-75
Insurance revenue	**-471**	**–**	**–**	**-471**	**-452**	**–**	**–**	**-452**
Insurance service expenses								
Incurred claims and other expenses	0	-12	223	211	0	-6	233	227
Changes to liabilities for incurred claims	–	–	5	5	–	–	-36	-36
Amortisation of insurance acquisition cash flows	13	–	–	13	13	–	–	13
Losses and reversal of losses on onerous contracts	–	20	–	20	–	17	–	17
Insurance service expenses	**13**	**8**	**228**	**249**	**13**	**11**	**197**	**221**
Net insurance revenue	**-458**	**8**	**228**	**-222**	**-439**	**11**	**197**	**-231**
Insurance finance income or expenses	2,561	–	3	2,564	2,206	–	2	2,208
Total changes through the income statement	**2,103**	**8**	**231**	**2,342**	**1,767**	**11**	**199**	**1,977**
Investment components	-2,229	–	2,229	0	-2,144	–	2,144	0
Cash flows								
Premiums received	3,276	–	–	3,276	2,183	–	–	2,183
Claims and other insurance service expenses paid, including investment components	–	–	-2,459	-2,459	–	–	-2,368	-2,368
Insurance acquisition cash flows	-24	–	–	-24	-19	–	–	-19
Total cash flows	**3,252**	**–**	**-2,459**	**793**	**2,164**	**–**	**-2,368**	**-204**
Other movements	–	–	–	–	37	–	–	37
Translation differences	-336	-1	1	-336	-358	0	0	-358
Closing balance	**29,761**	**23**	**217**	**30,001**	**26,971**	**16**	**215**	**27,202**

G4 Insurance contract liabilities, cont.

Analysis by measurement component – contracts measured under GMM and VFA

	31 Dec 2024							31 Dec 2023						
			Contractual service margin (CSM)							Contractual service margin (CSM)				
EURm	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Subtotal	Total	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Subtotal	Total
Opening balance	25,443	187	168	1,300	104	1,572	27,202	23,922	241	175	1,363	49	1,587	25,750
Changes through the income statement														
Changes that relate to future services														
Changes in estimates that adjust CSM	-415	46	17	314	38	369	0	-175	-27	9	130	63	202	0
Changes in estimates that result in losses on groups of onerous contracts and reversals of such losses	17	1	–	–	–	–	18	16	0	–	–	–	–	16
Effects of contracts initially recognised during the year	-77	17	5	–	57	62	2	-47	8	5	–	35	40	1
Changes that relate to current services														
CSM recognised for services provided	–	–	-22	-167	-50	-239	-239	–	–	-21	-162	-43	-226	-226
Risk adjustment recognised for risk expired	–	-26	–	–	–	–	-26	–	-26	–	–	–	–	-26
Experience adjustments	19	-1	–	–	–	–	18	40	0	–	–	–	–	40
Changes that relate to past services														
Adjustment to liabilities for incurred claims	4	1	–	–	–	–	5	-32	-4	–	–	–	–	-36
Net insurance revenue	-452	38	0	147	45	192	-222	-198	-49	-7	-32	55	16	-231
Insurance finance income or expenses	2,563	–	0	0	1	1	2,564	2,207	–	0	0	1	1	2,208
Total changes through the income statement	2,111	38	0	147	46	193	2,342	2,009	-49	-7	-32	56	17	1,977
Cash flows														
Premiums received	3,276	–	–	–	–	–	3,276	2,183	–	–	–	–	–	2,183
Claims and other insurance service expenses paid, including investment components	-2,459	–	–	–	–	–	-2,459	-2,368	–	–	–	–	–	-2,368
Insurance acquisition cash flows	-24	–	–	–	–	–	-24	-19	–	–	–	–	–	-19
Total cash flows	793	–	–	–	–	–	793	-204	–	–	–	–	–	-204
Other movements	14	4	–	-21	3	-18	0	37	–	–	–	–	–	37
Translation differences	-302	-4	-1	-28	-1	-30	-336	-321	-5	0	-31	-1	-32	-358
Closing balance	28,059	225	167	1,398	152	1,717	30,001	25,443	187	168	1,300	104	1,572	27,202

G4 Insurance contract liabilities, cont.

Analysis by remaining coverage and incurred claims – contracts measured under PAA

	31 Dec 2024					31 Dec 2023				
	Liabilities for remaining coverage		Liabilities for incurred claims			Liabilities for remaining coverage		Liabilities for incurred claims		
EURm	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening balance	25	8	402	2	437	23	8	369	1	401
Changes through the income statement										
Insurance revenue	-181	–	–	–	-181	-161	–	–	–	-161
Insurance service expenses	0	-7	157	0	150	1	0	162	1	164
Net insurance revenue	-181	-7	157	0	-31	-160	0	162	1	3
Insurance finance income or expenses	–	1	9	–	10	–	–	14	–	14
Total changes through the income statement	-181	-6	166	0	-21	-160	0	176	1	17
Cash flows										
Premiums received	177	–	–	–	177	162	–	–	–	162
Claims and other insurance service expenses paid	–	–	-157	–	-157	–	–	-142	–	-142
Total cash flows	177	–	-157	–	20	162	–	-142	–	20
Other movements	–	2	-5	3	0	–	–	–	–	–
Translation differences	0	0	-2	0	-2	0	0	-1	0	-1
Closing balance	21	4	404	5	434	25	8	402	2	437

Insurance contracts issued during the period – measured under GMM and VFA

	2024			2023		
EURm	Non-onerous contracts issued	Onerous contracts issued	Total	Non-onerous contracts issued	Onerous contracts issued	Total
Claims and other insurance service expenses paid including investment components	1,478	26	1,504	583	24	607
Insurance acquisition cash flows	5	1	6	5	2	7
Estimates of the present value of future cash outflows	1,483	27	1,510	588	26	614
Estimates of the present value of future cash inflows	-1,561	-26	-1,587	-636	-25	-661
Risk adjustment for non-financial risk	16	1	17	8	0	8
Contractual service margin (CSM)	62	0	62	40	0	40
Increase in insurance contract liabilities from contracts recognised in the period	0	2	2	0	1	1

G4 Insurance contract liabilities, cont.

The following table sets out when the Group expects to recognise the remaning CSM in profit or loss after the reporting date for contracts measured under the GMM and the VFA.

Remaining contractual service margin (CSM) from insurance contracts

Insurance contracts EURm	1 year or less	1–2 years	2–3 years	3–4 years	4–5 years	5–10 years	More than 10 years	Total
31 Dec 2024								
Traditional insurance	69	63	59	55	49	214	387	896
Unit-linked insurance	80	67	60	53	45	166	213	684
Life and disability insurance	30	9	8	7	7	28	48	137
Total	179	139	127	115	101	408	648	1,717
31 Dec 2023								
Traditional insurance	62	58	54	50	43	176	373	816
Unit-linked insurance	76	66	59	52	45	164	188	650
Life and disability insurance	30	7	6	6	5	22	30	106
Total	168	131	119	108	93	362	591	1,572

Expected derecognition of the assets for insurance acquisition cash flows

	31 Dec 2024			31 Dec 2023		
EURm	Unit-linked insurance	Life and disability insurance	Total	Unit-linked insurance	Life and disability insurance	Total
1 year or less	8	–	8	8	3	11
1–2 years	10	3	13	8	3	11
2–3 years	10	3	13	7	2	9
3–4 years	9	3	12	6	1	7
4–5 years	9	2	11	5	1	6
5–10 years	26	1	27	27	–	27
Total	72	12	84	61	10	71

Asset for insurance acquisition cash flows

EURm	31 Dec 2024	31 Dec 2023
Opening balance	71	41
Amounts incurred during the year	37	53
Amounts derecognised and included in the measurement of insurance contracts	-20	-16
Impairment losses	-3	-7
Translation difference	-1	0
Closing balance	84	71

Fair value of underlying assets backing insurance contract liabilities measured under the VFA model

EURm	31 Dec 2024	31 Dec 2023
Interest-bearing securities	6,132	8,295
Shares	20,623	15,491
Investment properties	2,121	2,185
Other	682	669
Total	29,558	26,640

The return on assets backing insurance liabilities is disclosed in Note G2.5 "Total net result from items at fair value".

Nature and extent of risk that arise from contracts within the scope of IFRS 17

Nordea is exposed to a variety of risks through insurance activities. These include market, default, liquidity, operational, business, strategic, regulatory, ESG and underwriting risks. Market and underwriting risks being the most relevant from a capital and profit perspective. More information on these risks, reinsurance and the main sensitivities follows below. Operational risks are described in Note G11 "Risk and liquidity management", section 5.

In addition to compliance with IFRS 17, adherence to Solvency II is crucial for regulatory compliance and financial stability. More details on Solvency II can be found in the Solvency and Financial Condition report, which is available on nordea.com.

Market risk

Measurement and analysis of market risk

Market risk arises mainly due to the mismatch between assets and liabilities and the sensitivity of the values of these assets and liabilities to changes in the level or in the volatility of market prices or rates. Market risk mainly originates from investments in products with embedded guarantees.

Nordea carries the risk of fulfilling these guarantees to policyholders. Market risks are measured via exposure measurement on investment assets, forward-looking balance sheet projections and stress and sensitivity analysis. The results prove that Nordea is resilient to the stresses performed. Market risks are monitored against the risk appetite and risk limits.

Equity risk

Nordea is exposed to falls in equity prices impacting financial guarantees in traditional insurance products.

Credit spread risk

Nordea is exposed to movements in credit spreads via the credit portfolios within the traditional insurance products. The widening of credit spreads reduces market values and thus the expectations of future profits. The following table shows the exposure to different credit ratings and how it has changed since last year.

Fixed income exposures, including fixed income funds

EURm	31 Dec 2024	31 Dec 2023
AAA	5,590	5,338
AA	1,152	1,086
A	1,393	1,379
BBB	1,179	1,018
BB and below	614	308
Not rated	1,847	1,884
Total	11,775	11,013

Market concentration risk

Nordea is exposed to the concentration of market risks by e.g. counterparty, guarantee levels, region and industry. Concentration risk is both addressed in each investment mandate and on an aggregated level. Nordea manages concentration risk by setting upper limits for the size of individual investments and for aggregate investments by category. Concentration risks are also addressed on an aggregated level and managing these risks is an integrated part of the investment strategy.

Nordea reduces concentration risk on an ongoing basis in the revision and adjustment of asset portfolios. Due to the diversification across the portfolios in the local entities Nordea has no significant unmanaged concentration of market risk at Nordea Life & Pension Group level.

Guarantee levels, estimates of present value of future cash flows

EURm	31 Dec 2024	31 Dec 2023
0%	378	350
0–2%	4,137	3,869
2–3%	2,933	3,347
3–4%	2,143	2,181
Over 4%	1,349	1,330
Total	10,940	11,077

Interest rate risk

Nordea is exposed to movements in interest rates, mainly through the duration mismatch between assets and liabilities within traditional insurance products. Also life and disability insurance products come with interest rate risk due to the discounting of future cash flows.

Property risk

Nordea holds commercial, industrial and residential properties and is exposed to falls in their prices.

Currency risk

Nordea actively invests in global assets. Virtually all of the currency exposure in the local entities is hedged against the local reporting currencies.

Management of market risk

Business decisions are formed balancing short-term and long-term objectives, customers, considerations for competitiveness, legal requirements, profitability, liquidity and capital. At the same time, the liability-driven investment strategy, risk considerations and the Prudent Person Principle must be observed.

In order to ensure that all aspects are considered continuously, market risks are monitored regularly against the risk appetite and risk limits.

Counterparty default risk

Counterparty default risk reflects potential losses from unexpected default of Nordea's counterparties and debtors, taking into account risk-mitigating contracts, reinsurance, securitisations and derivatives as well as receivables from intermediaries. Nordea is exposed to counterparty default through cash and deposits held by counterparties as well as the derivatives used to hedge portfolios.

Nordea monitors counterparty derivative exposures on a daily basis. The results prove that Nordea is resilient to the stresses performed. To mitigate the exposure to unexpected defaults, Nordea ensures diversification by counterparty. Concentrations to individual counterparties are mitigated through the investment limit framework.

Nordea has bilateral agreements with derivatives counterparties which define the nature, timing and quality of eligible collateral. Nordea manages and monitors collateral for derivatives weekly and ad hoc as necessary.

Liquidity risk

Liquidity risk is the risk of being able to meet liquidity commitments only at increased cost or, ultimately, being unable to meet obligations as they fall due. Liquidity risk arises both from illiquidity of investment assets (market liquidity risk) and from changed cash flows on liabilities as a result of changed claims and/or lapses (funding liquidity risk). Liquidity risk can also arise from short-term payments affecting the short-term liquidity need. Liquidity risk derives primarily from traditional insurance products.

Management and measurement of liquidity risk

Nordea's exposure to liquidity risk is managed based on local liquidity rules, investment guidelines and limits. Liquidity risk is monitored through:

- liquidity scoring of current investment assets,
- calculation of forward-looking liquidity risk indicators under both normal and stressed conditions, and
- calculation of a liquidity ratio for the traditional insurance portfolios.

Liquidity risk is monitored as part of the Risk Appetite Framework of Nordea Life & Pension Group and its local entities. Moreover, the liquidity risk indicators are integrated into the Nordea Group's overall monitoring of liquidity risk.

Expected yearly net cash flows, undiscounted

EURm	31 Dec 2024	31 Dec 2023
1 year or less	2,297	2,252
1–2 years	2,609	2,080
2–3 years	2,329	1,924
3–4 years	2,136	1,818
4–5 years	1,991	1,705
More than 5 years	26,843	25,057
Total	38,205	34,836

Amounts payable on demand

EURm	31 Dec 2024	31 Dec 2023
Amounts payable on demand	28,653	25,705
Assets backing insurance contract liabilities	30,040	27,096

Business, strategic and regulatory risk

Business risk is defined as the risk associated with uncertainty over business conditions such as market environment, customer behaviour and technological progress as well as the financial effects of reputational risk.

Strategic risk is defined as the long-term implications associated with the selected business strategy such as product range, customer segments, markets, distribution channels and technological platforms. These may arise due to improper implementation of decisions or lack of responsiveness to industry changes.

Risks related to regulatory changes arise as a result of inadequate or imperfect implementation of new or changed regulation. This could potentially impact reputation, processes and costs.

Business and strategic risks are mitigated through actions such as monitoring sales, costs and risk results regularly and analysing the drivers of profit.

Risks related to the legal environment are mitigated through continuous monitoring of the regulatory developments and through establishing specific programmes to handle the implementation. The compliance function at Nordea Life & Pension monitors compliance with existing laws, regulations and internal rules applicable to Nordea Life & Pension.

Environmental, social and governance (ESG) risk

ESG risk is a risk category that has gained importance in recent years. Nordea Life & Pension Group considers the double materiality of ESG, i.e. the fact that Nordea Life & Pension Group is exposed to ESG risk while its own actions and investment decisions impact ESG factors, and has developed a consistent approach to sustainability risk and the consideration of ESG factors in the investment process.

The perception of ESG risk at Nordea Life & Pension Group comprises:

- the physical impact of climate change,
- the transition to a low-carbon and climate resilient economy,
- an increasing awareness of social objectives, working and safety conditions and human rights, and
- an increasing importance of good governance practices within companies, anti-bribery and corruption practices and compliance with relevant laws and regulations.

G4 Insurance contract liabilities, cont.

Nordea Life & Pension Group has established a comprehensive database for ESG risk indicators such as greenhouse gas emissions (GHG emissions), the Climate Value at Risk (Climate VaR), ESG ratings and many others. The database is updated regularly and developed continuously in order to achieve a good coverage of assets with available best practice indicators of ESG risk.

ESG risks may materialise through other risk types. The table below shows how material the impact may be on the different risk types:

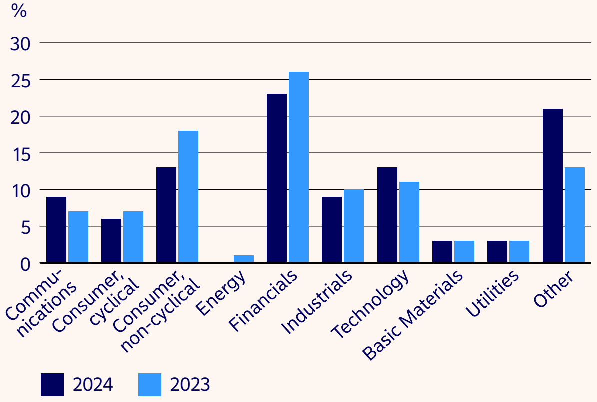
Risk type	Impact of ESG factors
Market Risk	High
Underwriting Risk	Low
Operational and Compliance Risk	Medium
Reputational Risk	High

ESG factors are considered to have a high impact on market risk. Market risk may arise from disruptions and shifts associated with the transition to a low-carbon and climate resilient economy. Those risks may be motivated by policy changes, market dynamics, technological innovation or reputational factors. Key examples of transition risks include wrong assessments of climate-induced risks and opportunities, policy changes and regulatory reforms, which affect carbon-intensive sectors. Policy and regulatory measures may affect specific classes of financial assets (such as real estate portfolios), in addition to those affecting capital markets.

Climate risks related to investments are in general assumed to be captured in the market value of the assets. An asset composition heavily weighted towards sectors that are vulnerable to climate changes will however represent concentration risk that requires awareness.

The graph below shows the insurance contracts' equity and corporate bond exposure towards different sectors. The largest exposures are found within financials, technology and non-cyclical consumer products and services.

ESG data concentration



While these are not necessarily industries which are associated with heavy scope 1 emissions (direct carbon emissions), scope 2 (indirect carbon emissions) and scope 3 emissions (carbon emissions in the full value chain) must also be taken into consideration. Overall, the equity and corporate bond investments managed by Nordea Life & Pension Group have a scope 1 and 2 carbon intensity averaging at 72 tons of CO2 per EURm of sales, compared to the MSCI World average of 124 tons of CO2 per EURm of sales. This underlines that while investing in a similar mix of industrial sectors, Nordea Life & Pension Group makes investment choices within the sectors that underpin the overall net zero emission target. Despite the overall small investments in the utility, industrials and basic materials industries, these sectors contribute significantly to the scope 1 and scope 2 emissions profile of the equity investments. Those sectors in which Nordea Life & Pension Group makes most of its investments contribute comparatively little to its emissions profile.

Nordea Life & Pension Group uses scenario data from the Network for Greening the Financial System as the basis for the forward-looking analysis of climate-related risks. Forward-looking analysis is facilitated by the MSCI Climate VaR which enables analyses of policy-related risks, technological opportunities and physical risks across different scenarios associated with a variety of temperature outcomes and transition narratives. The Climate VaR quantifies these risks in terms of a return-based valuation of companies.

The industry sectors that currently have the highest GHG emissions also are the ones that are expected to incur negative effects on their market values due to regulation and policy changes. The upside is, however, that these sectors also provide opportunities for developing more GHG efficient technological solutions. The challenge is therefore not to avoid these industry sectors altogether, but to reduce ESG-induced market risk from these sectors, to carefully select the leading companies in terms of ESG-driven development potential and to engage with companies, industry associations and policy makers. Based on the current assessments, ESG-induced market risk is considered as immaterial as of 2024 for Nordea Life & Pension Group.

Reputational risk can arise due to failure to deliver on internal and external promises and expectations can lead to negative attention from customers and media, claims and law suits, which in turn can increase lapses and reduce new business. To understand the impact of ESG-related reputational risk different scenarios are analysed where lapses increase. The outcome of the scenarios is that there is a negative profit effect which may affect profits in the longer run and also business plans. ESG-related reputational risk can therefore not be dismissed as immaterial.

Underwriting risk

Underwriting risk is defined as the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of mortality rates, longevity rates, disability rates and surrenders and lapses, with such a change leading to an increase in the value of insurance liabilities.

Measurement and analysis of underwriting risk

Underwriting risks are primarily controlled using actuarial methods, i.e. through tariffs, rules for acceptance of customers, reinsurance contracts, stress testing and setting adequate provisions for risks. Experience analyses and benchmarking are performed at least annually for each underwriting risk.

Nordea measures underwriting risks by measuring the sensitivity of the balance sheet to stressed underwriting scenarios via regular stress and scenario testing. The results prove that Nordea is resilient to the stresses performed. Neither Nordea's underwriting risk exposures nor the approach to measurement changed materially over the reporting period.

Lapse risk

Lapse risk includes partial and full surrender, transfers of capital and transition to paid-up policies. Exposure to lapse risk is due to the potential deviation between the actual lapse rates and expected lapse rates.

Lapse risk is linked to policyholder behaviour. It is mitigated by ensuring that products meet customers' needs. Lapses are stress tested, monitored and reported regularly. Monitoring helps Nordea to identify and address emerging trends.

G4 Insurance contract liabilities, cont.

Longevity
Longevity risk arises from the annuities in payment and in deferral within Nordea's traditional insurance products. Mortality rates and life expectancies are updated and benchmarked annually.

Concentration of underwriting risks
Nordea's insurance portfolios comprise individual and group policies, all of which are well diversified by industry, geography and demography as well as by product type and risk. Within Nordea's insurance portfolios, large companies may pose a geographic risk concentration. Concentration risk is managed on local entity level and mitigated by reinsurance wherever deemed necessary.

Management of underwriting risk
Management of underwriting risk includes, among others, underwriting procedures, reinsurance programme and product approval processes.

Underwriting procedures
Underwriting is performed in compliance with the local entity's strategic documents for underwriting and insurance risks. These documents are established to ensure strong underwriting processes and sound advice to customers.

Underwriting procedures intend to ensure the fair and ethical treatment of all new customers and the acceptance or rejection of individual risks on an informed basis. Sound underwriting ensures that the right products are offered to the customers to meet their needs. Individual underwriting is used for life and health policies. Depending on the nature of the risk coverage and the level of benefits, underwriting may include a health assessment.

The Actuarial function highlights risks and makes recommendations regarding underwriting in its annual report. The Actuarial function reviews the strategic documents governing underwriting annually and ad hoc whenever deemed necessary.

Reinsurance
Nordea's reinsurance programme covers individual and aggregate mortality and disability risks, including mortality catastrophe cover in Finland and Norway. It includes individual risk retention limits and aggregate stop loss cover. Reinsured risks include mortality, disability and mortality catastrophe. The aim of the reinsurance programme is to minimise claims volatility, stabilise annual results and protect Nordea from underwriting risk concentrations and catastrophes. New business with large individual risk exposures is underwritten with facultative reinsurance.

The reinsurance programme is monitored monthly via the risk result by product line. The Actuarial Function is responsible for reviewing the reinsurance strategy and programme as a minimum once a year.

Sensitivities
Nordea regularly performs stress tests of the contractual service margin (CSM) and profit to assess the impact of various scenarios. The stress tests are conducted by applying overnight market stresses and changes to underwriting assumptions. Due to the long-term nature of the life and pension business Nordea is sensitive to interest rate movements, which in combination with lower equity prices and wider spreads would have a significant impact on profit and the CSM. The methodologies used are aligned with other stress tests carried out and have been developed for IFRS 17 purposes. The relevant sensitivities and their effect on profit and CSM are shown in the table below.

	Impact on profit		Impact on CSM	
EURm	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Equities -20%[1]	-29	-16	-230	-124
Interest rates -50bp	0	-18	-111	-161
Interest rates +50bp	0	16	98	142
Spread +50bp	-3	1	-13	4
Combined market stress[2]	-44	-35	-362	-292
Lapses +10%	-5	-1	-21	-12
Expenses +10%	-14	-12	-88	-72
Mortality +10%	2	2	7	4
Disability +10%	-13	-15	-3	-3
Longevity +10%	-5	-4	-21	-12

1) Including alternative investments and -5% on properties.
2) Interest rates -50bp, Equities -20% and Spread +50bp.

G5 Intangible and tangible assets

G5.1 Intangible assets

Accounting policies
Intangible assets are identifiable, non-monetary assets without physical substance. The assets are under Nordea's control, which means that Nordea has the power and rights to obtain the future economic benefits flowing from the underlying resource. Nordea's intangible assets mainly consist of goodwill, IT development/computer software and customer-related intangible assets.

Goodwill
Goodwill represents the excess of the cost of an acquisition over the fair value of Nordea's share of net identifiable assets of the acquired group undertaking/associated undertaking/joint venture at the date of acquisition. Goodwill on acquisitions of group undertakings is included in "Intangible assets". Goodwill on acquisitions of associated undertakings and joint ventures is not recognised as a separate asset but included in "Investments in associated undertakings and joint ventures". Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill cannot be reversed in subsequent periods. Goodwill related to associated undertakings and joint ventures is not tested for impairment separately but included in the total carrying amount of the associated undertakings and the joint ventures. The policies covering impairment testing of associated undertakings and joint ventures are disclosed in Note 9.3 "Investments in associated undertakings and joint ventures".

IT development/computer software
Costs associated with maintaining computer software programs are expensed as incurred. Costs directly associated with major software development investments, with the ability to generate future economic benefits, are recognised as intangible assets. These costs include software development staff costs and overhead expenditures directly attributable to preparing the asset for use. Computer software also includes acquired software licences not related to the function of a tangible asset.

Amortisation is calculated on a straight-line basis over the useful life of the software, generally a period of three to five years, and in some circumstances for strategic infrastructure up to a maximum of ten years.

Customer-related intangible assets
In business combinations a portion of the purchase price is normally allocated to a customer-related intangible assets if the asset is identifiable and under Nordea's control. An intangible asset is identifiable if it arises from contractual or legal rights or can be separated from the entity and sold, transferred, licensed, rented or exchanged. The asset is amortised over its useful life, generally over ten years.

Impairment
Goodwill and IT development not yet taken into use are not amortised but tested for impairment annually irrespective of any indications of impairment. Impairment testing is also performed more frequently if required due to any indication of impairment. Intangible assets in use and amortised are also evaluated for indications of impairment and if such indications are found, the assets are tested for impairment. The impairment charge is calculated as the difference between the carrying amount and the recoverable amount.

The recoverable amount is the higher of fair value less costs to sell and the value in use of the asset or the cash-generating unit (CGU), which is defined as the smallest identifiable group of assets that generate largely independent cash flows in relation to other assets. For goodwill and IT development not yet taken into use, the CGUs are defined as the operating segments. The value in use is the present value of the cash flows expected to be realised from the asset or the CGU.

Critical judgements and estimation uncertainty
The identification of CGUs and to what extent they can be aggregated to groups that are tested together requires judgement. Internally developed software is included in the impairment test and allocated to the CGUs. Nordea's total goodwill amounted to EUR 2,180m (EUR 2,227m) at the end of the year. Internally developed software amounted to EUR 1,530m (EUR 1,457m) at the end of the year.

The estimation of future cash flows and the calculation of the rate used to discount those cash flows are subject to estimation uncertainty. The forecast of future cash flows is sensitive to the cash flow projections for the near future (generally 3–5 years) and to the estimated sector growth rate for the period beyond 3–5 years. The growth rates are based on historical data, updated to reflect the current situation, which implies estimation uncertainty. Also, the estimate for the long-term growth rate requires critical judgement.

The derived cash flows are discounted at a rate based on the market's long-term risk-free rate of interest and yield requirements.

Impairment testing
The impairment test is performed for each CGU by comparing the carrying amount of the net assets, including goodwill, with the recoverable amount. The recoverable amount is the value in use and is estimated based on the discounted cash flows. Due to the long-term nature of the investments, cash flows are expected to continue indefinitely.

Cash flows for the coming three years are based on financial forecasts. The forecasts are based on Nordea's macroeconomic outlook, including information on GDP growth, inflation and benchmark rates for the relevant countries. Based on these macroeconomic forecasts, the business areas project how margins, volumes, sales and costs will develop over the coming years. Credit losses are estimated using the long-term average for the different business areas. This results in an income statement for each year. The projected cash flow for each year is the forecast net result in these income statements, reduced by the regulatory capital needed to grow the business in accordance with the long-term growth assumptions. For CGUs with more capital than the Group's CET1 target, the expected dividends are included in the cash flows generated by the CGUs until these meet the Group's CET1 target over a three-year period.

The projections take into consideration the major projects initiated at Nordea. There is also an allocation of central costs to business areas to make sure that the cash flows for the CGUs include all indirect costs. Tax costs are estimated based on the standard tax rate. Cash flows for the period beyond the forecasting period are based on estimated sector growth rates. Growth rates are based on historical data, updated to reflect the current situation.

The derived cash flows are discounted at a rate based on the market's long-term risk-free rate of interest and yield requirements. The discount rate used in 2024 was 8.5% (9.8%) post-tax, corresponding to a pre-tax rate of 11.0% (12.7%). The estimated growth rate was 2.0% (2.1%). The CGUs cover all Nordic currencies and Nordea discounts the future estimated cash flows using one EUR rate for all CGUs.

The impairment tests conducted in 2024 did not indicate any need for goodwill impairment.

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

G5.1 Intangible assets, cont.

changes in the key assumptions. Such a change would not result in any impairment.

In addition to the cash flow test for CGUs, internally developed IT systems are qualitatively assessed for indications of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the assets is fully recoverable. This is assessed on an individual asset level based on a qualitative analysis. Both external and internal impairment triggers are reviewed.

External impairment triggers could be that the market is moving to new cloud solutions that are significantly more cost efficient compared to an on-premise solution. Another trigger could be that a product that is supported by the development becomes redundant or replaced by another product in the market, indicating that the value of the development may be impaired.

Internal impairment triggers are internal decisions indicating that products supported by the functionality will be discontinued, that a line of business will be discontinued, that it is expected/decided internally that the functionality will be moved to cloud or replaced by new on-premise functionality, etc.

Intangible assets

Cash-generating units, EURm	Goodwill[1] 31 Dec 2024	Internally developed software 31 Dec 2024	Total 31 Dec 2024	Goodwill[1] 31 Dec 2023	Internally developed software 31 Dec 2023	Total 31 Dec 2023
Personal Banking	1,081	484	1,565	1,009	443	1,452
Business Banking	881	508	1,389	695	492	1,187
Large Corporates & Institutions	151	327	478	157	312	469
Asset & Wealth Management	67	211	278	366	210	576
Total	2,180	1,530	3,710	2,227	1,457	3,684
Other intangible assets[2]	–	–	172	–	–	142
Total intangible assets	2,180	1,530	3,882	2,227	1,457	3,826

1) Excluding goodwill in associated undertakings.
2) Including bought software licences outside internal development projects of EUR 106m (EUR 103m).

Movements in goodwill, EURm	31 Dec 2024	31 Dec 2023
Acquisition value at beginning of year	2,227	2,262
Acquisitions[1]	–	22
Translation differences	-47	-57
Acquisition value at end of year	2,180	2,227
Total	2,180	2,227

1) Refers to acquisitions of Advinans in 2023, see Note G9.6 "Acquisitions".

Movements in internally developed software, EURm	31 Dec 2024	31 Dec 2023
Acquisition value at beginning of year	2,503	2,983
Acquisitions	407	409
Sales/disposals	-313	-853
Reclassifications	-3	–
Translation differences	-40	-36
Acquisition value at end of year	2,554	2,503
Accumulated amortisation at beginning of year	-911	-1,211
Amortisation according to plan	-296	-346
Accumulated amortisation on sales/disposals	251	623
Translation differences	14	23
Accumulated amortisation at end of year	-942	-911
Accumulated impairment charges at beginning of year	-135	-173
Accumulated impairment charges on sales/disposals	62	230
Impairment charges	-12	-193
Translation differences	3	1
Accumulated impairment charges at end of year	-82	-135
Total	1,530	1,457

G5.2 Properties and equipment

Accounting policies

Properties and equipment consist of properties for own use, leasehold improvements, IT equipment, furniture and other equipment. Right-of-use assets under leasing agreements are presented in this item; see Note G5.4 "Leases" for more information. Items of properties and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment comprises its purchase price as well as any directly attributable costs of bringing the asset to the working condition for its intended use. Parts of an item of property and equipment are accounted for as separate items if they have different useful lives.

Owner-occupied properties backing issued insurance contracts with direct participation features are measured using the fair value model in accordance with IAS 40. For more information about valuation and processes, see Note G5.3 "Investment properties".

Improvements are recognised as assets if they provide an improved function of the asset, while maintenance does not improve the function of the assets and is expensed as incurred.

Properties and equipment are depreciated on a straight-line basis over the estimated useful life of the assets as specified below. The estimates of the useful life of different assets are reassessed on a yearly basis.

Buildings	30–75 years
Equipment	3–5 years
Leasehold improvements	For changes within buildings, the shorter of 10 years and the remaining lease term. For new construction, the shorter of the principles used for owned buildings and the remaining lease term. Fixtures installed in leased properties are depreciated over the shorter of 10–20 years and the remaining lease term.

At each balance sheet date, Nordea assesses whether there is any indication that an item of property and equipment may be impaired. If any such indication exists, the recoverable amount of the asset is estimated, and any impairment loss is recognised.

Impairment losses are reversed if the recoverable amount increases. The carrying amount is then increased to the recoverable amount but cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

G5.2 Properties and equipment, cont.

Properties and equipment

	31 Dec 2024				31 Dec 2023			
EURm	Owned assets measured at cost	Owned assets measured at fair value	Right-of-use assets	Total	Owned assets measured at cost	Owned assets measured at fair value	Right-of-use assets	Total
Equipment	349	–	7	356	347	–	6	353
Land and buildings	26	36	1,243	1,305	28	39	1,233	1,300
Total	375	36	1,250	1,661	375	39	1,239	1,653
Equipment								
Acquisition value at beginning of year	1,074	–	15	1,089	1,309	–	13	1,322
Acquisitions	91	–	4	95	85	–	4	89
Sales/disposals	-530	–	-3	-533	-303	–	-2	-305
Reclassifications	-3	–	–	-3	–	–	–	–
Translation differences	-11	–	0	-11	-17	–	0	-17
Acquisition value at end of year	621	–	16	637	1,074	–	15	1,089
Accumulated depreciation at beginning of year	-723	–	-9	-732	-958	–	-8	-966
Accumulated depreciation on sales/disposals	518	–	3	521	296	–	2	298
Depreciation according to plan	-72	–	-3	-75	-73	–	-3	-76
Translation differences	6	–	0	6	12	–	0	12
Accumulated depreciation at end of year	-271	–	-9	-280	-723	–	-9	-732
Accumulated impairment charges at beginning of year	-4	–	–	-4	-7	–	–	-7
Accumulated impairment charges on sales/disposals	3	–	–	3	3	–	–	3
Translation differences	0	–	–	0	0	–	–	0
Accumulated impairment charges at end of year	-1	–	–	-1	-4	–	–	-4
Total	349	–	7	356	347	–	6	353
Land and buildings								
Acquisition value at beginning of year	32	28	1,924	1,984	33	28	1,803	1,864
Acquisitions	0	–	159	159	1	–	143	144
Sales/disposals	-2	–	-45	-47	-1	–	-7	-8
Reclassifications	–	–	–	–	–	–	-16	-16
Translation differences	0	-1	-8	-9	-1	0	1	0
Acquisition value at end of year	30	27	2,030	2,087	32	28	1,924	1,984
Accumulated depreciation at beginning of year	-4	–	-676	-680	-4	–	-539	-543
Accumulated depreciation on sales/disposals	0	–	38	38	–	–	7	7
Depreciation according to plan	0	–	-143	-143	0	–	-149	-149
Reclassifications	–	–	–	–	–	–	6	6
Translation differences	0	–	4	4	0	–	-1	-1
Accumulated depreciation at end of year	-4	–	-777	-781	-4	–	-676	-680
Accumulated impairment charges at beginning of year	–	–	-15	-15	–	–	-12	-12
Reclassifications	–	–	5	5	–	–	3	3
Impairment charges, net	–	–	–	–	–	–	-6	-6
Translation differences	–	–	0	0	–	–	0	0
Accumulated impairment charges at end of year	–	–	-10	-10	–	–	-15	-15
Fair value adjustment at beginning of year	–	11	–	11	–	15	–	15
Fair value adjustment	–	-1	–	-1	–	-3	–	-3
Translation differences	–	-1	–	-1	–	-1	–	-1
Fair value adjustment at end of year	–	9	–	9	–	11	–	11
Total	26	36	1,243	1,305	28	39	1,233	1,300

G5.3 Investment properties

Accounting policies

Investment property is property (land or a building or part of a building or both) held to earn rentals or for capital appreciation or both, rather than for Nordea's own use in the ordinary course of business.

Investment properties are recognised on the balance sheet when it is probable that the future economic benefits from the asset will flow to the company and the cost of the investment property can be measured reliably.

An investment property is initially measured at its cost. Transaction costs are included in the initial measurement. The cost of a purchased investment property comprises its purchase price and any directly attributable expenses. Directly attributable expenses include, for example, professional fees for legal services, property transfer taxes and other transaction costs.

Nordea applies the fair value model for subsequent measurement of investment properties. The best evidence of fair value is normally quoted prices in an active market for similar properties in the same location and condition. As these prices are rarely available, discounted cash flow projection models based on reliable estimates of future cash flows are also used. The fair value measurement of investment properties takes into account a market participant's ability to generate economic benefits through the highest and best use of the property, i.e. taking into account the use of the property in a way that is physically possible, legally permissible and financially feasible.

Net rental income, gains and losses as well as fair value adjustments are recognised directly in the income statement as "Net result from items at fair value".

Fair value measurements of investment properties are categorised under the three levels of the IFRS fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical investment

G5.3 Investment properties, cont.

properties (Level 1) and the lowest priority to unobservable inputs (Level 3). The categorisation of the investment properties is based on the lowest level input that is significant to the fair value measurement in its entirety.

For more information about the estimation of fair value and the fair value hierarchy, see Note G3.4 "Fair value".

Critical judgements and estimation uncertainty

Investment properties are measured at fair value. As there are normally no active markets for investment properties, the fair value is estimated based on discounted cash flow models. These models are based on assumptions about future rents, vacancy levels, operating and maintenance costs, yield requirements and interest rates.

The carrying amount of investment properties was EUR 2,883m (EUR 2,928m) at the end of the year.

Amounts recognised in the income statement[1]

EURm	2024	2023
Fair value adjustments[2]	-16	-133
Rental income	108	114
Direct operating expenses that generated rental income	-40	-31
Direct operating expenses that did not generate rental income	-2	–
Total	50	-50

1) Included in "Net result from items at fair value".
2) Excluding fair value adjustments on investment properties presented as "Assets in pooled schemes and unit-linked investments contracts" on the balance sheet.

Categorisation in the fair value hierarchy

All investment properties in Nordea are categorised as Level 3 in the fair value hierarchy. The fair value of these investment properties are presented in the table below.

Level 3 - Fair value of investment properties[1], EURm	31 Dec 2024	31 Dec 2023
Investment properties	2,132	2,199
- of which Life & Pension	2,125	2,191
Investment properties in pooled schemes and unit-linked investment contracts[2]	751	729
- of which Life & Pension	751	729
Total	2,883	2,928

1) All items are measured at fair value on the balance sheet on a recurring basis at the end of each reporting period.
2) For further information, see Note G3.11 "Assets and deposits in pooled schemes and unit-linked investment contracts".

Determination of fair value

The valuation of the investment properties takes into account the purpose and the nature of the properties by using the most appropriate valuation methods. The primary valuation approach is a discounted cash flow model using current cash flows, market interest rates and the current yield requirements. Fair value calculated, or model parameters provided, by external independent valuers covers 100% (72%) of the total fair value of investment properties on the balance sheet.

Movements in Level 3

The tables below present the movements in Level 3. Unrealised gains and losses relate to the investment properties held at the end of the year. Fair value gains and losses in the income statement during the year are included in "Net result from items at fair value" (see Note G2.5 "Total net result from items at fair value").

		Fair value gains/losses recognised in the income statement during the year						
EURm	1 Jan	Realised	Unrealised	Purchases/ issues	Sales	Reclassification[2]	Translation differences	31 Dec
2024								
Investment properties	2,199	7	-23	43	-24	-35	-35	2,132
- of which Life & Pension	2,191	7	-22	42	-23	-35	-35	2,125
Investment properties in assets in pooled schemes and unit-linked investment contracts[1]	729	–	-43	67	-25	35	-12	751
- of which Life & Pension	729	–	-43	67	-25	35	-12	751
2023								
Investment properties	2,288	-18	-115	195	-105	3	-49	2,199
- of which Life & Pension	2,286	-18	-115	194	-104	-4	-48	2,191
Investment properties in assets in pooled schemes and unit-linked investment contracts[1]	858	-38	-11	25	-99	7	-13	729
- of which Life & Pension	858	-38	-11	25	-99	7	-13	729

1) For further information, see Note G3.11 "Assets and deposits in pooled schemes and unit-linked investment contracts".
2) Reclasssification from/to the balance sheet item "Properties and equipment" (see Note G5.2 "Properties and equipment") due to changed use of property.

The valuation process for fair value measurements

The main part of the investment properties of Nordea is held by Life & Pension. The valuation of the investment properties is performed quarterly by the real estate units of each entity within Life & Pension with full or partial assistance from external valuers. For investment properties where units use their own methodologies, the changes in the price levels of the properties are compared with valuations of similar properties assessed by external valuers. The result of the valuations is presented to and approved by the local management of each entity. The CFO of each entity within Life & Pension is responsible for the approval of the concepts and for the values used. The principles used by all entities are in accordance with regulations provided by the local financial supervisory authorities, which are in accordance with international valuation principles and the IFRS.

In addition, there is an investment operations committee (IOC), which is a joint forum focusing on the valuation and accounting of investment operations issues within Life & Pension. The entities within Life & Pension report regularly to the IOC.

Life & Pension's investment properties are backing the insurance and investment contracts. This means that the impact on Nordea's income statement and on shareholders' equity is based on the profit structure of the portfolio of contracts backed by the investments.

The significant unobservable inputs used in the fair value measurement of the investment properties are market rent and yield requirement. Significant increases (decreases) in the market rate or yield requirement would in isolation result in a significantly lower (higher) fair value.

G5.3 Investment properties, cont.

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

	31 Dec 2024						31 Dec 2023					
EURm	Fair value[1]	Of which Life & Pension	Valuation techniques	Unobservable input	Range of unobservable input	Weighted average of unobservable input	Fair value[1]	Of which Life & Pension	Valuation techniques	Unobservable input	Range of unobservable input	Weighted average of unobservable input
Norway	778	778	Discounted cash flows	Market rent			737	737	Discounted cash flows	Market rent		
				- Commercial	EUR 119–144/m^2	123 EUR/m^2				- Commercial	EUR 120–143/m^2	125 EUR/m^2
				- Office	EUR 104–556/m^2	255 EUR/m^2				- Office	EUR 108–432/m^2	236 EUR/m^2
				- Other	EUR 119–490/m^2	341 EUR/m^2				- Other	EUR 120–385/m^2	306 EUR/m^2
				Yield requirement						Yield requirement		
				- Commercial	6.5–6.5%	6.5%				- Commercial	6.5–6.5%	6.5%
				- Office	4.5–6.8%	5.4%				- Office	4.5–6.5%	5.3%
				- Other	4.9–6.0%	5.1%				- Other	4.6–6.0%	4.8%
Finland[2]	906	906	Discounted cash flows	Market rent			1,011	1,011	Discounted cash flows	Market rent		
				- Commercial	EUR 144–370/m^2	257 EUR/m^2				- Commercial	EUR 135–375/m^2	255 EUR/m^2
				- Office	EUR 144–579/m^2	362 EUR/m^2				- Office	EUR 123–543/m^2	333 EUR/m^2
				- Flat	EUR 186–312/m^2	249 EUR/m^2				- Flat	EUR 186–300/m^2	243 EUR/m^2
				- Other	EUR 122–321/m^2	222 EUR/m^2				- Other	EUR 100–266/m^2	183 EUR/m^2
				Yield requirement						Yield requirement		
				- Commercial	4.8–8.5%	6.6%				- Commercial	4.8–8.0%	6.4%
				- Office	4.8–12.5%	8.6%				- Office	3.9–11.0%	7.5%
				- Flat	4.3–5.5%	4.9%				- Flat	3.9–5.1%	4.5%
				- Other	4.8–8.3%	6.5%				- Other	4.5–8.3%	6.4%
Sweden	366	366	Discounted cash flows	Market rent			367	367	Discounted cash flows	Market rent		
				- Commercial	EUR 140–206/m^2	167 EUR/m^2				- Commercial	EUR 75–207/m^2	127 EUR/m^2
				- Office	EUR 268–570/m^2	383 EUR/m^2				- Office	EUR 269–578/m^2	382 EUR/m^2
				- Flat	EUR 178–184/m^2	181 EUR/m^2				- Flat	EUR 183–190/m^2	186 EUR/m^2
				- Other	EUR 80–113/m^2	93 EUR/m^2				- Other	–	–
				Yield requirement						Yield requirement		
				- Commercial	5.7–6.8%	6.4%				- Commercial	5.3–6.7%	5.9%
				- Office	4.3–5.7%	4.9%				- Office	4.3–5.5%	4.9%
				- Flat	4.2–4.4%	4.2%				- Flat	4.2–4.4%	4.2%
				- Other	5.3–6.7%	5.5%				- Other	–	–
Denmark	826	826	Discounted cash flows	Market rent			805	805	Discounted cash flows	Market rent		
				- Commercial	–	–				- Commercial	EUR 57–57/m^2	57 EUR/m^2
				- Office	EUR 57–260/m^2	140 EUR/m^2				- Office	EUR 74–228/m^2	139 EUR/m^2
				- Flat	EUR 124–348/m^2	213 EUR/m^2				- Flat	EUR 148–241/m^2	150 EUR/m^2
				Yield requirement						Yield requirement		
				- Commercial	–	–				- Commercial	7.0–7.0%	7.0%
				- Office	5.0–8.0%	6.0%				- Office	4.3–6.8%	5.2%
				- Flat	3.0–6.0%	4.0%				- Flat	4.0–5.3%	4.3%
Other	7	–	Discounted cash flows				8	–	Discounted cash flows			
Total	**2,883**	**2,876**					**2,928**	**2,920**				

1) Split based on the valuation methodologies used in different countries.
2) Of which EUR 751m (EUR 729m) is related to investment properties in pooled schemes and unit-linked investments in Life & Pension. For more information, see Note G3.11 "Assets and deposits in pooled schemes and unit-linked investment contracts".

G5.4 Leases

Accounting policies

A lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Nordea as lessor

Finance leases are reported as receivables from the lessee and included in "Loans to the public" (see Note G3.8 "Loans") at an amount equal to the net investment in the lease. The lease payment, excluding cost of services, is recorded as repayment of principal and interest income. The income allocation is based on a pattern reflecting a constant periodic return on the net investment outstanding in respect of the finance lease.

Nordea as lessee

At inception Nordea assesses whether a contract is or contains a lease.

The right to use an asset in a lease contract is recognised on the commencement date as a right-of-use (ROU) asset and the obligation to pay lease payments is recognised as a lease liability. The ROU asset is initially measured as the present value of the lease payments plus initial direct costs and the cost of obligations to refurbish the asset less any lease incentives received. Non-lease components are separated. The discount rate used to calculate the lease liability for each contract is the incremental borrowing rate at commencement of the contract. In significant premises contracts the rate implicit in the contract may be used if available.

The ROU assets are presented as similar owned assets and the lease liabilities as "Other liabilities" on the balance sheet. The depreciation policy is consistent with that of similar owned assets, but the depreciation period is capped at the end of the lease term. Impairment testing of the ROU assets is performed according to the same principles that apply to similar owned assets. Interest expense on lease liabilities is presented as "Interest expense" in the income statement.

The assets are classified as "Land and buildings" and "Equipment". Equipment mainly comprises vehicles and IT hardware. Nordea applies the practical expedient for short-term contracts (with a contract term of 12 months or less) both for Land and buildings and for Equipment. The practical expedient for low-value assets is applied to Equipment. Short-term and low-value contracts are not recognised on the balance sheet and the payments are recognised as "Other expenses" in the income statement on a straight-line basis over the lease term unless another systematic way better reflects the time pattern of Nordea's benefit.

The lease term is the expected lease term. This comprises the non-cancellable period of lease contracts and any options that Nordea is reasonably certain to exercise. The length of contracts with no end date is estimated by considering all facts and circumstances.

Embedded leases

Agreements can contain a right to use an asset in return for a payment or a series of payments although the agreement is not in the legal form of a lease contract. If applicable, these assets are separated from the contract and accounted for as leased assets.

Critical judgements and estimation uncertainty

For a lessee, critical judgement has to be exercised when estimating the expected lease term by considering all facts and circumstances that create an economic incentive to exercise an extension or termination option. The expected lease term for contracts with no end date is estimated in the same way. Backstop rules on the average expected lifetime of different types of real estate contracts are used as a guidance when making the estimate for branch offices. A more detailed analysis is performed for more significant contracts. Head office contracts are estimated to be more long term in nature than branch office contracts where the business environment is changing at a more rapid pace. The backstop rule covering branch offices is currently limiting the expected lease term of contracts with no end date and contracts with extension options to five years. It is possible to deviate from the backstop rule if the circumstances show that Nordea is likely to stay for a longer/shorter period. The carrying amount of ROU assets was EUR 1,250m (EUR 1,239m) at the end of the year.

For a lessor, critical judgement has to be exercised when classifying lease contracts. A lease is classified as a finance lease if it transfers substantially all the risks and rewards related to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards related to ownership.

Nordea as lessor

Nordea's leasing operations comprise finance leases. The leased assets mainly comprise vehicles, machinery and other equipment.

The table below shows a reconciliation of gross investments and the present value of future minimum lease payments.

EURm	31 Dec 2024	31 Dec 2023
Gross investments	10,349	10,670
Less unearned finance income	-1,715	-1,741
Net investments in finance leases	8,634	8,929
Less unguaranteed residual values accruing to the benefit of the lessor	-2	-4
Present value of future minimum lease payments receivable	8,632	8,925
Accumulated allowance for uncollectible minimum lease payments receivable	-16	-19

The residual value risk of finance leases is carried by the vendor or by the lessee according to the terms of the contract.

As at 31 December 2024 the gross investment and the net investment by remaining maturity were distributed as follows:

	31 Dec 2024	
EURm	Gross investment	Net investment
2025	2,768	2,409
2026	2,613	2,184
2027	2,234	1,840
2028	1,715	1,398
2029	551	444
Later years	468	359
Total	10,349	8,634

G5.4 Leases, cont.

Nordea as lessee

Leases are mainly related to office premises contracts but also to company cars, IT hardware and other assets normal to the business. The premises are mainly divided into branch offices and head offices. The premises contracts are actively managed with focus on the effective use of the premises and changes in the business environment. The lease payments generally include fixed payments and especially in premises contracts also variable payments that depend on an index. Residual value guarantees or purchase options are generally not used.

Lease expenses are disclosed in the table below.

EURm	2024	2023
Expense related to short-term leases	-11	-11
Expense related to low-value leases	0	0
Expense related to variable payments	-13	-17
Interest expense	-17	-11
Sub-lease income	1	1
Total cash outflow for leases	-192	-158

The table below shows the contractual maturity of undiscounted cash flows on lease liabilities.

EURm	31 Dec 2024	31 Dec 2023
Less than one year	129	124
1–2 years	118	111
2–5 years	281	262
5–10 years	345	335
10–15 years	292	294
15–20 years	92	101
20–25 years	–	2
Total	**1,257**	**1,229**

More information on right-of-use assets and the maturity profile can be found in Note G5.2 "Properties and equipment" and in Note G10.3 "Maturity analysis".

The lease liability does not include future estimated cash flows for significant committed leases not yet commenced, amounting to approximately EUR –m (EUR 121m) at the end of the year.

Nordea operates from leased premises. The premises are mainly divided into head office contracts, branch office contracts and other contracts.

The expected lease term in most of the premises contracts is 1–10 years, whereas the expected lease term of the main head office contracts in the Nordic countries is 10–20 years. These contracts usually have renewal options. The head office contracts generally have fixed lease terms, whereas branch office contracts either have fixed lease terms or are without an end date with the right to terminate. The termination clauses are generally 6–12 months. The main principle is that premises contracts do not contain purchase options.

Company car contracts generally have a fixed lease term of less than five years.

G6 Provisions

Accounting policies

Provisions (which are presented as a liability) are recognised when Nordea has a present obligation (legal or constructive) as a result of a past event if it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, where a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Accounting policies relating to employee benefits are further described in Note G8 "Employee benefits and key management personnel remuneration" and relating to financial guarantee contracts and credit commitments in Note G7 "Off-balance sheet items". Accounting policies for provisions for off-balance sheet items can be found in Note G3.8 "Loans".

Critical judgements and estimation uncertainty

Within the framework of normal business operations, Nordea faces a number of operational and legal risks potentially resulting in reputational impacts, fines, sanctions, disputes, remediation costs, losses and/or litigation. Specifically, Nordea faces potential claims related to the provision of banking and investment services and other areas in which it operates. 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. As previously stated, Nordea has expected to be fined in Denmark for weak AML processes and procedures in the past and has made a provision for ongoing AML-related matters. Nordea cannot exclude the possibility of fines which could impact the bank's financial performance. In addition, some of these proceedings could lead to litigation. See also section 6 "Compliance Risk" in Note G11 "Risk and liquidity management" and Note G7.1 "Contingent liabilities".

Provisions

EURm	31 Dec 2024	31 Dec 2023
Restructuring	64	75
Guarantees/commitments	193	168
Other	139	128
Total	**396**	**371**

Provisions for restructuring costs were utilised by EUR 42m in 2024, and new provisions amounting to EUR 32m were accounted for. The remaining provisions are related to staff restructuring (EUR 47m) and premises-related obligations (EUR 17m).

The staff-related provision is related to contracts entered into, or activities communicated but not yet finalised, where payments remain to be executed on. These contracts are entered into in the ordinary course of business. Approximately EUR 28m out of the total restructuring provision EUR 64m is expected to be utilised/paid out in 2025. All staff-related activities are expected to be executed on in 2025, but payments are expected to extend into 2026. As for any other provision, there is uncertainty surrounding the timing and the amount to be finally paid. The uncertainty is expected to decrease as the plans are executed.

Loan loss provisions on off-balance sheet items amounted to EUR 193m (EUR 168m). More information on these provisions can be found in section 2 "Credit risk" in Note G11 "Risk and liquidity management" and Note G7 "Off-balance sheet items".

More information on the provision for AML-related matters can be found in section 6.3 "Financial crime prevention" in Note G11 "Risk and liquidity management".

	Restructuring		Other	
EURm	2024	2023	2024	2023
At beginning of year	75	78	128	89
New provisions made	32	48	98	65
Provisions utilised	-42	-41	-88	-27
Reversals	-3	-7	0	0
Reclassifications	4	-1	2	1
Translation differences	-2	-2	-1	0
At end of year	**64**	**75**	**139**	**128**

G7 Off-balance sheet items

G7.1 Contingent liabilities

Accounting policies

A contingent liability is:

- a possible obligation whose existence will be confirmed only by future event(s) not wholly within Nordea's control, or
- a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised as liabilities on the balance sheet but disclosed as an off-balance sheet item unless the possibility of an outflow is remote.

When an outflow is more likely than not, a provision is recognised on the balance sheet. The accounting policies covering provisions can be found in Note G6 "Provisions".

Guarantees and documentary credits are recognised on the balance sheet under the expected credit loss requirements as further defined in Note G3.8 "Loans". Changes in provisions are recognised in the income statement in the line item "Net loan losses".

Premiums received for financial guarantees are amortised over the guarantee period and recognised as "Fee and commission income" in the income statement. The contractual amounts are recognised off balance sheet, net of any provisions.

Critical judgements and estimation uncertainty

See also "Critical judgements and estimation uncertainty" in Note G6.

The table below includes all issued guarantees, also those for which the possibility of an outflow of resources is considered remote.

Contingent liabilities

EURm	31 Dec 2024	31 Dec 2023
Loan guarantees	1,834	1,650
Other guarantees	18,503	18,177
Documentary credits	434	582
Other contingent liabilities	70	80
Total	20,841	20,489

In its normal business, Nordea issues various forms of guarantees in favour of its customers. Loan guarantees are provided for customers to guarantee obligations in other credit and pension institutions. Other guarantees mainly consist of commercial guarantees such as bid guarantees, advance payment guarantees, warranty guarantees and export-related guarantees. Contingent liabilities also include unutilised irrevocable import documentary credits and confirmed export documentary credits. These transactions are part of the bank´s services and support Nordea´s customers.

The Annual General Meeting 2024 decided that Nordea Bank Abp will cover or reimburse the members of the Board of Directors all costs and expenses related to or arising from the Board membership, including travel, logistics and accommodation as well as consultative, legal and administrative costs. The legal costs can e.g. include required costs of legal defence and claims made (during and after their period of office) against Board members in cases where Board members are not found liable or guilty of any intentional wrongdoing or grossly negligent behaviour.

As of 2023 members of the GLT are afforded coverage and reimbursement corresponding to that of the Board in instances related to or arising from the respective GLT membership of each member. In addition, as of 2019, Nordea Bank Abp has undertaken to indemnify the members of the GLT against legal expenses incurred in relation to certain claims or investigations by third parties based on circumstances or events which occurred during the members' respective terms of office, excluding crimes or actions made with intent or gross negligence, up to a capped aggregate amount of EUR 37.5m, unless the Board decides otherwise on a case-by-case basis.

Nordea Bank Abp has undertaken, in relation to certain individuals and on certain conditions, to be responsible for the potential payment liability against these individuals in their capacity of managing directors or board members of group undertakings of Nordea Bank Abp.

Nordea Bank Abp purchases directors and officers liability insurance, which provides cover for personal liabilities of its Board of Directors and management as well as liability assumed by the bank to a certain extent following indemnification undertakings. The terms and conditions including the total limit of liability of the directors and officers liability insurance programme are in line with large European banks.

A limited number of employees are entitled to severance pay if they are dismissed before reaching their normal retirement age. For further information, see Note G8.4 "Key management personnel remuneration".

G7.2 Commitments

Accounting policies

Commitments are irrevocable promises to extend credit or make other types of payments in the future. Unutilised credit facilities are also disclosed as commitments.

Irrevocable commitments are recognised on the balance sheet under the expected credit loss requirements as further defined in Note G3.8 "Loans". Changes in provisions are recognised in "Net loan losses" in the income statement.

Premiums received on credit commitments are generally amortised over the loan commitment period. The contractual amounts are recognised off balance sheet, net of any provisions.

Commitments

EURm	31 Dec 2024	31 Dec 2023
Unutilised overdraft facilities	28,325	27,411
Loan commitments	58,623	55,362
Future payment obligations	817	726
Other commitments	1,986	1,885
Total	89,751	85,384

Reverse repurchase agreements are recognised on and derecognised from the balance sheet on the settlement date. As at 31 December 2024 Nordea had signed reverse repurchase agreements that have not yet been settled and consequently are not recognised on the balance sheet. On the settlement date, these reverse repurchase agreements will, as far as possible, replace existing reverse repurchase agreements not yet derecognised as at 31 December 2024. The net impact on the balance sheet is minor. These instruments have not been disclosed as commitments.

For more information on reverse repurchase agreements, see Note G3.2 "Transferred assets and obtained collateral".

G7.3 Assets pledged

Accounting policies

Assets recognised on the balance sheet and pledged as security for Nordea's own liabilities are disclosed as "Assets pledged as security for own liabilities". Assets recognised on the balance sheet and pledged for other than own liabilities are disclosed as "Assets pledged as security for other than own liabilities". Securities borrowed and then used as collateral are presented as "Transferred assets and obtained collateral" on the balance sheet (see Note G3.2 "Transferred assets and obtained collateral" for accounting policies).

Assets pledged

EURm	31 Dec 2024	31 Dec 2023
Assets pledged as security for own liabilites	216,648	185,339
Assets pledged as security for other than own liabilities	236	236
Total	216,884	185,575

Assets pledged as security for own liabilities

EURm	31 Dec 2024	31 Dec 2023
Assets pledged as security for own liabilities		
Securities etc.	2,415	3,098
Loans to the public	163,058	158,540
Other assets pledged	51,175	23,701
Total	216,648	185,339
The above pledges pertain to the following liabilities[1]		
Deposits by credit institutions	3,663	7,369
Deposits and borrowings from the public	1,022	1,358
Derivatives	5,532	7,284
Debt securities in issue[2]	124,355	117,768
Other liabilities and commitments	45,776	14,855
Total	180,348	148,634

1) Liabilities after offsetting between assets and liabilities on the balance sheet.
2) Excluding fair value hedge adjustment.

Assets pledged as security for own liabilities comprise securities pledged as security under repurchase agreements and under securities lending agreements. The transactions are conducted under standard agreements employed by financial market participants. Counterparties to the transactions are credit institutions and the public. The transactions are typically short term and mature within three months. Securities related to life operations are also pledged as security for the corresponding insurance liabilities.

Loans to the public have been registered as collateral for issued covered bonds and mortgage bonds in line with local legislation. In the event of the company´s insolvency, the holders of these bonds have priority to the assets registered as collateral.

Other assets pledged relate to certificates of deposit pledged by Nordea to comply with the authorities' requirements.

Assets pledged as security for other than own liabilities

Assets pledged as security for other than own liabilities mainly relate to interest-bearing securities pledged as security for payment settlements with central banks and clearing institutions and amounted to EUR 236m (EUR 236m). Only securities pledged for overnight liquidity are disclosed (securities pledged for intraday liquidity are excluded). Collateral pledged for items other than Nordea´s own liabilities, e.g. for a third party or for Nordea´s own contingent liabilities, is also presented under this item.

G8 Employee benefits and key management personnel remuneration

All forms of consideration given by Nordea to its employees as compensation for services performed are employee benefits. Employee benefits consist of short-term benefits, post-employment benefits and share-based payment plans.

Short-term benefits are to be settled within twelve months after the reporting period when the services have been performed. Short-term benefits consist mainly of fixed and variable salary. For more information, see Note 8.1 "Fixed and variable salaries".

Post-employment benefits are benefits payable after termination of the employment. Post-employment benefits in Nordea consist only of pensions. For more information, see Note 8.2 "Pensions".

Share-based payment plans cover share-based payments for services from employees. For more information, see Note G8.3 "Share-based payment plans".

In addition, remuneration to key management personnel is disclosed in Note G8.4 "Key management personnel remuneration".

Additional disclosures on remuneration

The Board of Directors' report includes a separate section on remuneration, see page 74. Further, in accordance with the Finnish Corporate Governance Code 2025 the Remuneration Report for Governing Bodies 2024 will be prepared for the Annual General Meeting on 20 March 2025. Finally, aggregated disclosures for key management personnel and material risk takers (Pillar III, CRR article 450) will be published on nordea.com ahead of the Annual General Meeting.

G8.1 Fixed and variable salaries

Accounting policies

Short-term benefits

Short-term benefits consist mainly of fixed and variable salary. Both fixed and variable salaries are expensed in the period when the employees perform services for Nordea.

Short-term benefits related to the fulfilment of insurance contracts accounted for under IFRS 17 are included gross in this note, but subsequently transferred out from "Staff costs" and accounted for according to the accounting policies defined in Note G4 "Insurance contract liabilities" and Note G2.4 "Net insurance result".

Short-term benefits that fulfil the capitalisation requirements defined in the accounting policies in Note G5.1 "Intangible assets" are included gross in this note, but subsequently capitalised and added to "Intangible assets" on the balance sheet.

Termination benefits

Termination benefits normally arise if employment is terminated before the normal retirement date or if an employee accepts an offer of voluntary redundancy.

Termination benefits are expensed when Nordea has an obligation to make the payment. An obligation arises when a formal plan has been committed to on the appropriate organisational level and when Nordea is without realistic possibility of withdrawal, which normally occurs when the plan has been communicated to the affected individual or employee(s) or their representatives.

Termination benefits can include both short-term benefits, for instance a number of months' salary, and post-employment benefits, normally in the form of early retirement benefits.

Nordea's Short Term Incentive Plans

Nordea operates Short Term Incentive Plans (STIPs). These are the Nordea Incentive Plan (NIP), which is offered to the CEO and members of the Group Leadership Team (GLT) and, subject to invitation, to other employees, or bonus schemes (bonus) for selected employees in specific business areas or units as approved by the Board of Directors (Board). The NIP should primarily be used for roles where variable remuneration is a widespread market practice and makes up a significant part of the total remuneration package.

STIPs have been offered for several years primarily as the Executive Incentive Programme (EIP) and since 2022 as the NIP with similar terms and conditions.

The STIPs cover a performance period of one year and deliver cash to the participants and if they are material risk takers also share awards. Deferral is applied for material risk takers to part of the award for delivery annually in equal instalments over the following four or five years and subject to a 12-month retention period. Variable remuneration paid in cash and not linked to Nordea's share price performance is expensed when earned and included in "Fixed and variable salaries" below. Amounts earned and deferred in shares or linked to Nordea's share price performance, also expensed as "Fixed and variable salaries" in the below table, are disclosed in the separate Note G8.3 "Share-based payment plans".

Staff costs

EURm	2024	2023
Fixed and variable salaries[1]	-2,452	-2,360
Pension costs (specification in Note G8.2)	-288	-272
Social security contributions	-457	-431
Other staff costs	-108	-58
Total	**-3,305**	**-3,121**
Transfer of expenses to fulfil insurance contracts in scope of IFRS 17	81	80
Expenses capitalised in IT development projects[2]	118	133
Total	**-3,106**	**-2,908**

1) Of which allocation to profit sharing for 2024 amounted to EUR 64m (EUR 70m), consisting of a new allocation of EUR 64m (EUR 68m) and an adjustment related to prior years of EUR 0m (EUR 2m).

2) See Note G5.1 "Intangible assets".

G8.2 Pensions

Accounting policies

Defined contribution plans

Pension plans that are based on defined contribution arrangements hold no pension liability for Nordea. Pension costs for defined contribution plans are recognised as an expense as the employee renders services to the entity and the contribution payable in exchange for that service becomes due. In general, the payment is associated with and settled through regular salary payments. Nordea also contributes to state pension plans.

Pension costs for defined contribution plans related to the fulfilment of insurance contracts accounted for under IFRS 17 are included gross in this note, but subsequently transferred from "Staff costs" and accounted for according to the accounting policies defined in G4 "Insurance contract liabilities" and Note G2.4 "Net insurance result".

Pension costs for defined contribution plans that fulfil the capitalisation requirements defined in the accounting policies in Note G5.1 "Intangible assets" are included gross in this note, but subsequently capitalised and added to "Intangible assets" on the balance sheet.

Defined benefit plans

IAS 19 ensures that the pension obligations net of plan assets backing these obligations are reflected on the Group's balance sheet. The major defined benefit plans are funded, covered by assets in pension funds/foundations. If the fair value of plan assets associated with a specific pension plan is lower than the gross present value of the defined benefit obligation determined using the projected unit credit method, the net amount is recognised as a liability ("Retirement benefit liabilities"). If not, the net amount is recognised as an asset ("Retirement benefit assets"). Non-funded pension plans are recognised as "Retirement benefit liabilities". Also plans that fulfil the accounting requirements for defined contribution plans are accounted for as defined benefit plans if the payment obligations have not been transferred.

Nordea's net obligation for defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned for their service in the current period and prior periods. That benefit is discounted to determine its present value. Actuarial calculations, including the projected unit credit method, are applied to assess the present value of defined benefit obligations and related costs, based on several actuarial and financial assumptions. Current service cost and past service cost are recognised in the income statement in the current year. Current service cost is defined as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods triggered by plan amendments or curtailments.

The present value of the obligation and the fair value of any plan assets are impacted by changes in actuarial assumptions (discount rates (interest rates and credit spreads), inflation, salary increases, turnover and mortality) and experience effects, including actual outcome compared to assumptions. The remeasurement effects are recognised immediately in equity through other comprehensive income.

The discount rate is determined by reference to high-quality corporate bonds where a deep enough market for such bonds exists. Covered bonds are in this context considered to be corporate bonds. In Sweden, Norway and Denmark, the discount rate is determined with reference to covered bonds, whereas in Finland and the UK it is determined with reference to corporate bonds. In Sweden, Norway, Finland and Denmark, the observed bond credit spreads over the swap curve are derived from long-dated covered or corporate bonds and extrapolated to the same duration as the pension obligations using the relevant swap curves. In the UK, the corporate bond credit spread over the government bond rate is extrapolated to the same duration as the pension obligations using the government bond curve.

When the calculation results in a net asset, the recognised asset is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

Social security contributions are calculated and accounted for based on the net recognised surplus or deficit by plan and are included on the balance sheet as "Retirement benefit liabilities" or "Retirement benefit assets".

Pension costs for defined benefit plans related to the fulfilment of insurance contracts accounted for under IFRS 17 are included gross in this note, but subsequently transferred from "Staff costs" and accounted for according to the accounting policies defined in G4 "Insurance contract liabilities" and Note G2.4 "Net insurance result".

Pension costs for defined benefit plans that fulfil the capitalisation requirements defined in the accounting policies in Note G5.1 "Intangible assets" are included gross in this note, but subsequently capitalised and added to "Intangible assets" on the balance sheet.

Critical judgements and estimation uncertainty

The defined benefit obligation for major pension plans is calculated by external actuaries using demographic assumptions based on the current population. As a basis for these calculations a number of actuarial and financial parameters are used.

The estimation of the discount rate is subject to uncertainty about whether corporate bond markets are deep enough and of high quality. There is also uncertainty about the extrapolation of yield curves to relevant maturities. Other parameters, like assumptions about salary increases and inflation, are based on the expected long-term development of these parameters and also subject to estimation uncertainty. The main parameters used at year end are disclosed together with a description of the sensitivity to changes in assumptions. The defined benefit obligation was EUR 2,651m (EUR 2,849m) at the end of the year.

Pension costs

The companies within Nordea have various pension plans. They consist of both defined benefit plans and defined contribution plans, reflecting national practices and conditions in the countries where Nordea operates.

Pension costs

EURm	2024	2023
Defined contribution plans	-263	-247
Defined benefit plans[1]	-19	-20
Defined contribution plans where payment obligations have not been transferred[1]	-6	-5
Total	**-288**	**-272**

1) Excluding special wage tax (SWT) in Sweden and social security contributions (SSC) in Norway totalling EUR -7m (EUR -9m).

Defined contribution plans

All new employees have been offered defined contribution plans since 2013 when the defined benefit plan in Sweden was closed for new members. The defined contribution plans follow the local collective agreements and regulations in each country.

In Norway, Nordea is part of a collectively agreed multi-employer pension plan in the private sector (AFP), providing entitled employees with an additional life annuity to their regular pensions. As no information is available on Nordea's share of the liabilities/assets and pension cost, the AFP is accounted for as a defined contribution plan in accordance with IAS 19.

The AFP plan is financed by an annual premium, for 2024 equal to 2.7% of employees' salary between 1 and 7.1 times the Norwegian social security base amount ("G"). The premium amounted to EUR 3m (EUR 3m).

Defined benefit plans

The plans are operated in accordance with local regulatory requirements, collective agreements and local practice and are generally employer-financed final salary and service-based pension plans providing pension benefits in addition to the statutory systems. All defined benefit plans are closed for new entrants; new employees are offered defined contribution plans.

G8.2 Pensions, cont.

In Sweden, 2,565 (2,699) employees earn defined benefit pension rights as the primary pension plan. In Finland, 1,084 (1,178) employees earn defined benefit pension rights as a supplementary pension to the statutory pension plan (TyEL).

In Norway, 175 (244) employees earn defined benefit pension rights as the primary pension plan. Further, 1,194 (1,241) employees have defined contribution plans where the payment obligations have not been transferred, which means that they are accounted for as defined benefit plans.

Retirement benefit assets and liabilities

EURm	31 Dec 2024	31 Dec 2023
Funded defined benefit plans with net asset positions	360	225
Funded defined benefit plans with net liability positions	-16	-23
Unfunded defined benefit plans	-213	-230
Defined contribution plans where payment obligations have not been transferred	-43	-34
Net liability (-)/asset (+)	88	-62

In general, the liabilities are safeguarded by assets in dedicated pension funds or foundations or alternatively by credit insurance (Sweden only). Pension funds and foundations hold both the assets and the pension liabilities, except for Sweden where the pension foundation serves as collateral for the pension liabilites held by Nordea.

Minimum funding requirements differ between the pension funds and foundations according to local regulatory requirements. The funding requirement is generally that the pension obligations measured using local requirements must be covered in full by a local predefined surplus. Other pension plans are not covered by funding requirements and are generally unfunded. The respective Nordea entities issuing the defined pension benefit serve as the sponsoring entity in accordance with the EU IORP II Directive.

Defined benefit plans impact Nordea via changes in the net present value of obligations and/or changes in the market value of plan assets.

IAS 19 pension calculations and assumptions

Calculations of major plans are performed by external actuaries and are based on actuarial assumptions reflecting long-term expectations.

The assumptions disclosed for 2024 impact the liability calculations by year-end 2024, while assumptions disclosed for 2023 impact the calculations of 2024 pension expenses.

Assumptions

	SE	NO	FI	DK	UK
2024					
Discount rate	3.26%	4.24%	3.26%	2.47%	5.46%
Salary increase	2.60%	3.25%	2.50%	2.25%	–[2]
Inflation	1.60%	–[3]	2.00%	–[1]	3.50%
Mortality	DUS23	K2013FT	TyEL 2016	FSA 24	CMI 2024
2023					
Discount rate	3.04%	3.81%	2.92%	2.65%	4.71%
Salary increase	2.60%	3.50%	2.80%	2.25%	–[2]
Inflation	1.60%	2.25%	2.30%	–[1]	3.50%
Mortality	DUS21	K2013BE	TyEL 2016	FSA 23	CMI 2023

1) Inflation has no impact on the defined benefit obligation in Denmark, as the benefits are salary indexed.
2) No active employees in the UK, no impact from salary increases.
3) Inflation has no impact on the defined benefit obligation in Norway. The indexation is rather dependent on the return on the plan assets.

Sensitivities – impact on defined benefit obligations

%	SE	NO	FI	DK	UK
Discount rate - Increase 50bp	-8.48%	-6.34%	-4.80%	-3.76%	-5.74%
Discount rate - Decrease 50bp	9.53%	7.00%	5.25%	4.02%	6.33%
Salary increase - Increase 50bp	1.90%	0.12%	0.18%	5.27%	–
Salary increase - Decrease 50bp	-1.61%	-0.11%	-0.17%	-4.97%	–
Inflation - Increase 50bp	9.68%	–	3.91%	–	0.48%
Inflation - Decrease 50bp	-8.65%	–	-3.66%	–	-0.57%
Mortality - Increase 1 year	4.81%	3.13%	4.31%	6.55%	3.66%
Mortality - Decrease 1 year	-4.78%	-4.18%	-4.24%	-6.34%	-3.29%

The sensitivity analyses are prepared by changing one actuarial assumption while keeping the other assumptions unchanged. This is a simplified approach as the actuarial assumptions are usually correlated. However, it makes it possible to isolate one effect from another. The method used for calculating the impact on the obligations is the same as when calculating the obligations accounted for in the financial statements. The sensitivity analyses include the impact on the liabilities held for future special wage tax (SWT) in Sweden and social security contributions (SSC) in Norway.

Net retirement benefit liabilities/assets

	Sweden		Norway		Finland		Denmark		UK		Total	
EURm	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Obligations	1,385	1,447	615	689	526	584	70	71	55	58	2,651	2,849
Plan assets	1,416	1,411	576	586	591	629	86	88	70	73	2,739	2,787
Net liability(-)/asset(+)	31	-36	-39	-103	65	45	16	17	15	15	88	-62
- of which plans with net assets	126	73	133	70	66	47	20	20	15	15	360	225
- of which plans with net liabilities	95	109	172	173	1	2	4	3	–	–	272	287

G8.2 Pensions, cont.

Movements in obligations

	Sweden		Norway		Finland		Denmark		UK		Total	
EURm	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	1,447	1,454	689	719	584	609	71	69	58	59	2,849	2,910
Current service cost	15	16	4	5	1	1	–	–	–	–	20	22
Interest cost	43	45	24	21	17	17	2	3	3	3	89	89
Pensions paid	-73	-70	-32	-33	-40	-39	-7	-6	-2	-3	-154	-151
Past service cost and settlements	1	0	1	–	0	0	–	–	–	–	2	0
Remeasurement from changes in demographic assumptions	4	–	35	–	–	–	-1	-1	0	-2	38	-3
Remeasurement from changes in financial assumptions	-46	-39	-69	23	-35	-16	1	4	-5	0	-154	-28
Remeasurement from experience adjustments	25	78	5	-4	-1	12	4	2	-1	0	32	88
Translation differences	-41	-1	-33	-44	–	–	0	0	2	1	-72	-44
Change in provision for SWT/SSC[1]	10	-36	-9	2	–	–	–	–	–	–	1	-34
Closing balance	1,385	1,447	615	689	526	584	70	71	55	58	2,651	2,849
- of which relates to the active population	19%	19%	9%	8%	10%	9%	–	–	–	–	14%	14%

1) Change in the provision for SWT in Sweden and SSC in Norway.

The average duration of the obligations is 15 (15) years in Sweden, 11 (13) years in Norway, 10 (11) years in Finland, 8 (8) years in Denmark and 13 (15) years in the UK based on discounted cash flows.

Movements in the fair value of plan assets

	Sweden		Norway		Finland		Denmark		UK		Total	
EURm	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Opening balance	1,411	1,335	586	625	629	650	88	90	73	77	2,787	2,777
Interest income (calculated using the discount rate)	42	42	21	19	18	18	2	3	3	4	86	86
Pensions paid	–	–	-24	-24	-40	-39	-7	-6	-3	-2	-74	-71
Contributions/refunds by/to employer	0	0	4	4	0	1	2	–	–	–	6	5
Remeasurement (actual return less interest income)	3	32	18	0	-16	-1	1	1	-7	-6	-1	26
Translation differences	-40	2	-29	-38	–	–	0	0	4	0	-65	-36
Closing balance	1,416	1,411	576	586	591	629	86	88	70	73	2,739	2,787

G8.2 Pensions, cont.

Asset composition

Assets are invested in diversified portfolios as further disclosed below, with bond exposures mitigating the interest rate risk related to the obligations and a fair amount of real assets reducing the long-term inflationary risk related to the liabilities.

The asset return in 2024 was positive in all Nordic countries. Results were driven by strong equity and stable fixed income returns. In the UK, higher local interest rates led to overall negative returns. The combined return was 3.0% (4.0%).

At the end of the year, the equity exposure in Nordea´s pension funds/foundations represented 22% (19%) of total assets. The Group expects to contribute EUR 5m to its funded defined benefit plans in 2025.

Asset composition in funded schemes

	Sweden		Norway		Finland		Denmark		UK		Total	
%	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Bonds	86%	83%	71%	74%	60%	63%	85%	84%	96%	94%	77%	77%
- sovereign	35%	35%	32%	38%	28%	29%	21%	24%	96%	94%	34%	35%
- covered bonds	33%	31%	31%	29%	7%	9%	64%	60%	–	–	27%	26%
- corporate bonds	18%	17%	8%	7%	25%	25%	–	–	–	–	16%	16%
- issued by Nordea entities	*2%*	*2%*	*5%*	4%	–	–	–	–	–	–	*2%*	*2%*
- with quoted market price in an active market	*86%*	*83%*	*71%*	*74%*	*60%*	*63%*	*85%*	*84%*	*96%*	*94%*	*77%*	*77%*
Equities	28%	25%	14%	12%	20%	15%	9%	10%	4%	6%	22%	19%
- domestic	5%	5%	4%	4%	5%	4%	9%	10%	3%	2%	5%	5%
- European	4%	3%	5%	4%	5%	4%	–	–	–	–	4%	3%
- US	5%	4%	5%	4%	5%	4%	–	–	1%	3%	5%	4%
- emerging	5%	5%	–	–	5%	3%	–	–	–	1%	3%	3%
- private equity	9%	8%	–	–	–	–	–	–	–	–	*5%*	4%
- Nordea shares	–	–	–	–	–	–	–	–	–	–	–	–
- with quoted market price in an active market	*18%*	*17%*	*14%*	*12%*	*20%*	*15%*	*9%*	*10%*	*4%*	*6%*	*17%*	*15%*
Real estate[1]	1%	–	9%	15%	19%	20%	–	–	–	–	7%	8%
- occupied by Nordea	–	–	–	–	*11%*	10%	–	–	–	–	*2%*	*2%*
Interest rate swaps	-10%	-9%	–	-1%	–	–	–	–	–	–	-5%	-5%
Insurance contracts	–	–	–	–	1%	1%	6%	6%	–	–	1%	0%
Cash and cash equivalents	-5%	1%	6%	0%	0%	1%	0%	0%	0%	0%	-2%	1%

1) The geographical location of real estate follows the geographical location of the relevant pension plan.

G8.2 Pensions, cont.

Defined benefit pension cost

The total net pension cost related to defined benefit plans (DBPs) recognised in the Group's income statement (as staff costs) for the year amounted to EUR 32m (EUR 34m). EUR -99m (EUR 36m) was recognised in other comprehensive income. The amounts include SWT in Sweden and SSC in Norway (see specification of total pension costs recognised in the income statement in the table "Pension costs" on page 257).

Recognised in the income statement

	Sweden		Norway[1]		Finland		Denmark		UK		Total	
EURm	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Current service cost	15	16	4	5	1	1	–	–	–	–	20	22
Net interest	1	3	3	2	-1	-1	0	0	0	-1	3	3
Past service cost and settlements	1	0	1	–	0	0	–	–	0	0	2	0
SWT/SSC	6	8	1	1	–	–	–	–	–	–	7	9
Pension costs related to DBPs (expense+/income-)	23	27	9	8	0	0	0	0	0	-1	32	34

1) "Current service cost" of EUR 4m (EUR 4m) and "Net interest" of EUR 1m (EUR 1m) related to defined contribution plans where payment obligations have not been transferred.

Recognised in other comprehensive income

	Sweden		Norway		Finland		Denmark		UK		Total	
EURm	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Remeasurement from changes in demographic assumptions	4	–	35	–	–	–	-1	-1	0	-2	38	-3
Remeasurement from changes in financial assumptions	-46	-39	-69	23	-35	-16	1	4	-5	0	-154	-28
Remeasurement from experience adjustments	25	78	5	-4	-1	12	4	2	-1	0	32	88
Remeasurement of plan assets (actual return less interest income)	-3	-32	-18	0	16	1	-1	-1	7	6	1	-26
SWT/SSC	-8	2	-8	3	-	–	–	–	–	–	-16	5
Pension costs related to DBPs (expense+/income-)	-28	9	-55	22	-20	-3	3	4	1	4	-99	36

G8.3 Share-based payment plans

Accounting policies

Equity-settled plans

An equity-settled share-based payment transaction occurs when Nordea receives goods or services and uses its own equity instruments as consideration. Such transactions are recognised as a staff expense and a corresponding increase in equity. The expense is measured at the fair value of the goods or services received unless that fair value cannot be estimated reliably. In such cases, the expense is measured by reference to the fair value of the equity instruments awarded, which is the method used by Nordea.

When Nordea issues such instruments, the award date fair value of these rights is expensed on a straight-line basis over the vesting period. The fair value per right is estimated at award date and not subsequently updated. The vesting period is the period over which the employees have to remain in service at Nordea in order for their rights to vest.

For rights with non-market performance conditions, the amount expensed is the award date fair value per right multiplied by the best estimate of rights that will eventually vest, which is reassessed at each reporting date. For rights with market performance conditions, the total fair value is estimated based on the fair value of each right times the maximum number of rights at award date. Market conditions are taken into account when estimating the fair value of the equity instruments awarded. Therefore, if all other vesting conditions (e.g. service conditions) are met, Nordea recognises the expense for awards of equity instruments with market conditions over the vesting period irrespective of whether that market condition is satisfied.

Social security costs are also allocated over the vesting period. The provision for social security costs is reassessed on each reporting date to ensure that the provision is based on the rights' fair value at the reporting date.

Cash-settled plans

A cash-settled share-based payment transaction occurs when Nordea acquires goods or services by incurring a liability to transfer cash or other assets to the supplier of those goods or services for amounts that are based on the price of equity instruments of Nordea. For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are measured at the fair value of the liability. The liability is remeasured at fair value at the end of each reporting period, with any changes in fair value recognised in the line item "Net result from items at fair value" in the income statement.

Nordea's share-based remuneration plans

Nordea has several variable pay plans for selected Nordea employees (participants). The terms of the plans vary depending on the target group. Disclosures related to the share-based plans can be found below. All remuneration plans are also described in the section "Remuneration" on page 74 of the Board of Directors' report.

Until the end of the performance/financial year 2018, Nordea's share-based variable remuneration plans were partly in the form of equity-linked total shareholders' return indexation (excluding dividends) and partly in the form of cash. The plans were consequently generally settled in cash and the portion indexed with Nordea's total shareholders' return was accounted for as a cash-settled share-based payment plan. The total shareholders' return indexation resulted in a gain of EUR 0.2m in 2024 related to the remaining deferred payments stemming from these plans.

Starting from the 2019 performance year, share-based variable pay plans are partly in the form of cash not linked to the Nordea share and partly in the form of Nordea shares, which makes the portion paid in Nordea shares equity-settled share-based plans. Total shareholders' return indexation may be used for share-based variable pay plans, subject to operational, administrative or tax issues as well as regulations that apply to certain legal entities.

The table below covers all plans with share-based plan expenses recognised in 2024 as well as the comparative figures for 2023. Figures for 2024 are based on the expected outcome and all figures are excluding social security expenses. The expense for 2024 is based on an assumption about the number of shares that will be awarded and deferred for delivery in later years.

Share-based payment plans

Plan year	Equity-settled or cash-settled	Delivery period	Expense 2024	Expense 2023	Liability 31 Dec 2024	Liability 31 Dec 2023	Outstanding rights
2024							
- LTIP 2024-2026	Equity-settled	2027–2032	2	–	–	–	Yes[1]
- NIP and bonus	Equity-settled	2025–2030	11	–	–	–	Yes[2]
- Buy-outs etc.	Equity-settled	2024–2028	0	–	–	–	Yes[2]
2023							
- LTIP 2023-2025	Equity-settled	2026–2031	3	2	–	–	Yes[3]
- NIP and bonus	Equity-settled	2024–2029	4	13	–	–	Yes
- Buy-outs etc.	Equity-settled	2023–2027	0	0	–	–	Yes
2022							
- LTIP 2022-2024	Equity-settled	2025–2030	2	2	–	–	Yes
- NIP and bonus	Equity-settled	2023–2028	-1	5	–	–	Yes
- Buy-outs etc.	Equity-settled	2022–2026	0	0	–	–	Yes
Previous years	Cash-settled	2022–2028	0	1	3	6	No
	Equity-settled	2022–2025	-6	-3	–	–	Yes
Total			**15**	**20**	**3**	**6**	

1) Rights will be awarded following the end of the three-year performance period (2024–2026) over the delivery period (2027–2032).
2) Rights will be awarded in 2025 based on the performance in 2024.
3) Rights will be awarded following the end of the three-year performance period (2023–2025) over the delivery period (2026–2031).

Nordea's Long Term Incentive Plans

Nordea operates Long Term Incentive Plans (LTIP) for the Chief Executive Officer (CEO), members of the Group Leadership Team (GLT) in the first line of defence and approximately 50 additional senior leaders each year. The LTIP has been in place in Nordea since 2020. On 2 February 2024 the Board decided to launch an LTIP (LTIP 2024-2026) to the same target group as in 2023, being the CEO and members of the GLT in the first line of defence and approximately 50 senior leaders.

The LTIPs cover a performance period of three years, respectively, from when they were launched, and are fully equity-settled. The LTIPs deliver conditional shares to the participants, i.e. a promise for the participant to receive shares if certain performance criteria are met.

The maximum number of shares allocated to the participants is decided when the LTIPs are launched and the final number of shares to be awarded to each participant will be determined after the end of the three-year performance period. No shares are awarded at the time when the LTIPs are launched and the conditional shares allocated to the participants.

After the end of the performance period and once the Board has decided on the share award from the LTIP, deferral is applied to part of the share award for delivery annually in equal instalments over the following five-year period. Shares delivered to the participants are subject to a 12-month retention period during which the participants cannot sell them or perform any other transactions.

The LTIPs are expensed in line with IFRS2 on a straight-line basis over the vesting period, as outlined on the following pages covering each of the LTIPs.

G8.3 Share-based payment plans, cont.

LTIP	LTIP 2020–2022	LTIP 2021–2023	LTIP 2022–2024	LTIP 2023–2025	LTIP 2024–2026
Launch decision by the Board	11 June 2020	31 March 2021	31 March 2022	1 February 2023	2 February 2024
Performance period	1 January 2020–31 December 2022	1 January 2021–31 December 2023	1 January 2022–31 December 2024	1 January 2023–31 December 2025	1 January 2024–31 December 2026
Target group	CEO and members of the GLT in first line of defence	CEO and members of the GLT in first line of defence and up to 50 additional senior leaders	CEO and members of the GLT in first line of defence and up to 50 additional senior leaders	CEO and members of the GLT in first line of defence and approximately 50 senior leaders	CEO and members of the GLT in first line of defence and approximately 50 senior leaders
Maximum number of shares expected to be allocated at origination	650,000	1,397,500	1,535,000	1,769,622	1,748,731
Award date	Second quarter of 2023	Second quarter of 2024	Second quarter of 2025	Second quarter of 2026	Second quarter of 2027
Performance criteria	Equally weighted: Absolute total shareholder return (aTSR) Relative total shareholder return (rTSR) Cumulative earnings per share (EPS)	Equally weighted: Absolute total shareholder return (aTSR) Relative total shareholder return (rTSR) Cumulative earnings per share (EPS)	Equally weighted: Absolute total shareholder return (aTSR) Relative total shareholder return (rTSR) Cumulative earnings per share (EPS)	Absolute total shareholder return (aTSR) - 20% Relative total shareholder return (rTSR) - 20% Cumulative earnings per share (EPS) - 40% ESG scorecard - 20%	Absolute total shareholder return (aTSR) - 20% Relative total shareholder return (rTSR) - 20% Cumulative earnings per share (EPS) - 40% ESG scorecard - 20%
Service condition	Employed within the Nordea Group during the 3–8-year vesting period	Employment is not terminated before the confirmation of the award	Employment is not terminated before the confirmation of the award	Employment is not terminated before the confirmation of the award	Employment is not terminated before the confirmation of the award
Performance condition aTSR	Absolute growth in the Nordea share price (with dividends reinvested) Maximum allotment for aTSR above EUR 12.00. No allotment for aTSR below EUR 6.50	Absolute growth in the Nordea share price (with dividends reinvested) Maximum allotment for aTSR above EUR 13.10. No allotment for aTSR below EUR 7.60	Absolute growth in the Nordea share price (with dividends reinvested) Maximum allotment for aTSR above EUR 14.97. No allotment for aTSR below EUR 9.84	Absolute growth in the Nordea share price (with dividends reinvested) Maximum allotment for aTSR above EUR 15.62. No allotment for aTSR below EUR 10.27	Absolute growth in the Nordea share price (with dividends reinvested) Maximum allotment for aTSR above EUR 16.91. No allotment for aTSR below EUR 11.12
Performance condition rTSR	Growth in the Nordea share price (with dividends reinvested) compared with a group of nine peers Maximum allotment for rTSR if Nordea is first among peers. No allotment for rTSR if Nordea is sixth or lower among peers	Growth in the Nordea share price (with dividends reinvested) compared with a group of nine peers Maximum allotment for rTSR if Nordea is first among peers. No allotment for rTSR if Nordea is sixth or lower among peers	Growth in the Nordea share price (with dividends reinvested) compared with a group of five peers Maximum allotment for rTSR if Nordea is first among peers. No allotment for rTSR if Nordea is fifth or lower among peers	Growth in the Nordea share price (with dividends reinvested) compared with a group of five peers Maximum allotment for rTSR if Nordea is first among peers. No allotment for rTSR if Nordea is fifth or lower among peers	Growth in the Nordea share price (with dividends reinvested) compared with a group of five peers Maximum allotment for rTSR if Nordea is first among peers. No allotment for rTSR if Nordea is fifth or lower among peers
Performance condition EPS	Total earnings per share for the period 2021–2022 Maximum allotment for EPS above EUR 1.80. No allotment for EPS below EUR 1.20	Total earnings per share for the period 2021–2023 Maximum allotment for EPS above EUR 2.56. No allotment for EPS below EUR 2.00	Total earnings per share for the period 2022–2024 Maximum allotment for EPS above EUR 3.20. No allotment for EPS below EUR 2.40	Total earnings per share for the period 2023–2025 Maximum allotment for EPS above EUR 3.95. No allotment for EPS below EUR 3.11	Total earnings per share for the period 2024–2026 Maximum allotment for EPS above EUR 4.61. No allotment for EPS below EUR 3.63

LTIP	LTIP 2020–2022	LTIP 2021–2023	LTIP 2022–2024	LTIP 2023–2025	LTIP 2024–2026
Performance condition ESG	–	–	–	7 equally weighted KPIs related to ESG targets. Maximum allotment if all 7 targets are reached. No allotment if no targets are reached	6 equally weighted KPIs related to ESG targets. Maximum allotment if all 6 targets are reached. No allotment if no targets are reached
Risk-adjustment underpin rTSR	No payout occurs if Nordea average ROE (as reported) 2020–2022 is below 3% or absolute TSR 2020-2022 is not at least 0%	No payout occurs if Nordea average ROE (as reported) 2021–2023 is below 3% or absolute TSR 2021-2023 is not at least 0%	No payout occurs if Nordea average ROE (as reported) 2022–2024 is below 3% or absolute TSR 2022-2024 is not at least 0%	No payout occurs if Nordea average ROE (as reported) 2023–2025 is below 3% or absolute TSR 2023-2025 is not at least 0%	No payout occurs if Nordea average ROE (as reported) 2024–2026 is below 3% or absolute TSR 2024-2026 is not at least 0%
Cap	Total allocation cannot exceed 200% of the participant's salary for LTIP and STIP combined	Total allocation cannot exceed 200% of the participant's salary for LTIP and STIP combined	Total allocation cannot exceed 200% of the participant's salary for LTIP and STIP combined	Total allocation cannot exceed 200% of the participant's salary for LTIP and STIP combined	Total allocation cannot exceed 200% of the participant's salary for LTIP and STIP combined
Delivery mechanism	40% of the potential share award is delivered to the participant in the second quarter of 2023. The remaining 60% will be deferred and delivered annually in five equal instalments during the second quarter of 2024 to the second quarter of 2028	40% of the potential share award is delivered to the participant in the second quarter of 2024. The remaining 60% will be deferred and delivered annually in five equal instalments during the second quarter of 2025 to the second quarter of 2029	40% of the potential share award is delivered to the participant in the second quarter of 2025. The remaining 60% will be deferred and delivered annually in five equal instalments during the second quarter of 2026 to the second quarter of 2030	40% of the potential share award is delivered to the participant in the second quarter of 2026. The remaining 60% will be deferred and delivered annually in five equal instalments during the second quarter of 2027 to the second quarter of 2031	40% of the potential share award is delivered to the participant in the second quarter of 2027. The remaining 60% will be deferred and delivered annually in five equal instalments during the second quarter of 2028 to the second quarter of 2032
Leaver rules	Unvested shares will not be delivered if the employment is terminated before the award payment, however, subject to local regulations and leaver provisions, unless the criteria for a "good leaver" are fulfilled	Unvested shares will not be delivered if the employment is terminated before the award has been granted, however, subject to local regulations and leaver provisions, unless the criteria for a "good leaver" are fulfilled	Unvested shares will not be delivered if the employment is terminated before the award has been granted, however, subject to local regulations and leaver provisions, unless the criteria for a "good leaver" are fulfilled	Unvested shares will not be delivered if the employment is terminated before the award has been granted, however, subject to local regulations and leaver provisions, unless the criteria for a "good leaver" are fulfilled	Unvested shares will not be delivered if the employment is terminated before the award has been granted, however, subject to local regulations and leaver provisions, unless the criteria for a "good leaver" are fulfilled
Ex-ante adjustment mechanism	If the financial circumstances of Nordea deteriorate or if the participant breaches internal policies, the awards to be given can be reduced or cancelled	If the financial circumstances of Nordea deteriorate or if the participant breaches internal policies, the awards to be given can be reduced or cancelled	If the financial circumstances of Nordea deteriorate or if the participant breaches internal policies, the awards to be given can be reduced or cancelled	If the financial circumstances of Nordea deteriorate or if the participant breaches internal policies, the awards to be given can be reduced or cancelled	If the financial circumstances of Nordea deteriorate or if the participant breaches internal policies, the awards to be given can be reduced or cancelled
Ex-post adjustment mechanism	Clawback can be applied in similar situations to ex-ante adjustments	Clawback can be applied in similar situations to ex-ante adjustments	Clawback can be applied in similar situations to ex-ante adjustments	Clawback can be applied in similar situations to ex-ante adjustments	Clawback can be applied in similar situations to ex-ante adjustments

G8.3 Share-based payment plans, cont.

General conditions for the LTIPs

The ex-ante and ex-post adjustment conditions stated in the overview above are assessed to not affect the valuation of the issued rights or the date when the rights are awarded as the likelihood is low and all participants are aware of these conditions from the start.

General conditions	LTIP 2020–2022	LTIP 2021–2023	LTIP 2022–2024	LTIP 2023–2025	LTIP 2024–2026
Ordinary share per right	1.0	1.0	1.0	1.0	1.0
Allocation date	11 Jun 2020	31 Mar 2021	31 Mar 2022	1 Feb 2023	2 Feb 2024
Vesting period	3–8 years	3 years	3 years	3 years	3 years
Contractual life	8 years	8 years	8 years	8 years	8 years
First day of access for the first portion	Q2 2024	Q2 2025	Q2 2026	Q2 2027	Q2 2028

General conditions for calculating value at allocation date

The fair value of the rights is calculated using a Monte Carlo simulation (rTSR and aTSR) and the Black & Scholes formula (EPS) based on the following parameters:

General conditions	LTIP 2020–2022	LTIP 2021–2023	LTIP 2022–2024	LTIP 2023–2025	LTIP 2024–2026
Weighted average share price at allocation date, EUR	6.41	8.41	9.38	10.62	11,33
Exercise price, EUR	–	–	–	–	–
Expected volatility	29.1%[1]	31.3%[2]	33.3%[2]	33.3%[2]	27.1%[2]
Award life	See above	See above	See above	See above	See above
Expected dividends	6.2%	6.6%	4.2%	6.3%	8.1%
Risk-free interest rate	0.0%	0.0%	0.28%	2.49%	2.80%

1) The expected volatility is based on Nordea's historical daily share price volatility over a period of three years of 33.9% and has been adjusted for one-off events (COVID-19) which are not expected to be repeated in the future, i.e. Nordea's historical share price volatility from pre-March 2020 is used. Taking this into account Nordea has excluded the period of highest share price volatility from the calculation of the expected volatility at the allocation date (being the period from 9 March 2020 to 25 March 2020). Removing this period results in a historical share price volatility of 29.1%.

2) The expected volatility is based on Nordea's historical daily share price volatility over a historical period of three years.

LTIP 2020–2022 – Fair value at allocation date and conditional rights outstanding

	Vesting date					
Fair value at allocation date	Q2 2023	Q2 2024	Q2 2025	Q2 2026	Q2 2027	Q2 2028
Maximum number of shares	260,000	78,000	78,000	78,000	78,000	78,000
Award life years	3	4	5	6	7	8
aTSR	1.40	1.31	1.23	1.16	1.09	1.02
rTSR	1.83	1.71	1.61	1.51	1.41	1.33
EPS	4.74	4.46	4.19	3.94	3.70	3.48

	aTSR		rTSR		EPS	
Conditional rights	2024	2023	2024	2023	2024	2023
Outstanding at beginning of year	130,000	216,667	130,000	216,667	130,000	216,667
Allotted	-21,988	-86,667	-21,988	-86,667	-21,988	-86,667
Outstanding at end of year	108,012	130,000	108,012	130,000	108,012	130,000

LTIP 2021–2023 – Fair value at allocation date and conditional rights outstanding

	Vesting date					
Fair value at allocation date	Q2 2024	Q2 2025	Q2 2026	Q2 2027	Q2 2028	Q2 2029
Maximum number of shares	559,000	167,700	167,700	167,700	167,700	167,700
Award life years	3	4	5	6	7	8
aTSR	2.90	2.77	2.64	2.52	2.41	2.30
rTSR	2.38	2.27	2.16	2.06	1.97	1.88
EPS	6.45	6.16	5.89	5.62	5.37	5.13

	aTSR		rTSR		EPS	
Conditional rights	2024	2023	2024	2023	2024	2023
Outstanding at beginning of year	431,667	465,833	431,667	465,833	431,667	465,833
Allotted	-157,441	–	-157,441	–	-157,441	–
Forfeited	–	-34,167	–	-34,167	–	-34,167
Outstanding at end of year	274,226	431,667	274,226	431,667	274,226	431,667

G8.3 Share-based payment plans, cont.

LTIP 2022–2024 – Fair value at allocation date and conditional rights outstanding

	Vesting date					
Fair value at allocation date	**Q2 2025**	**Q2 2026**	**Q2 2027**	**Q2 2028**	**Q2 2029**	**Q2 2030**
Maximum number of shares	614,000	184,200	184,200	184,200	184,200	184,200
Award life years	3	4	5	6	7	8
aTSR	3.11	2.98	2.86	2.74	2.62	2.52
rTSR	2.58	2.47	2.37	2.27	2.17	2.08
EPS	7.23	6.93	6.65	6.38	6.12	5.87

	aTSR		rTSR		EPS	
Conditional rights	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Outstanding at beginning of year	470,556	511,667	470,556	511,667	470,556	511,667
Forfeited	–	-41,111	–	-41,111	–	-41,111
Outstanding at end of year	470,556	470,556	470,556	470,556	470,556	470,556

LTIP 2023–2025 – Fair value at allocation date and conditional rights outstanding

	Vesting date					
Fair value at allocation date	**Q2 2026**	**Q2 2027**	**Q2 2028**	**Q2 2029**	**Q2 2030**	**Q2 2031**
Maximum number of shares	707,849	212,354	212,354	212,354	212,354	212,357
Award life years	3	4	5	6	7	8
aTSR	4.25	3.98	3.73	3.49	3.27	3.07
rTSR	3.36	3.15	2.95	2.76	2.59	2.43
EPS	7.73	7.26	6.81	6.40	6.01	5.64
ESG	7.73	7.26	6.81	6.40	6.01	5.64

	aTSR		rTSR		EPS		ESG	
Conditional rights	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Outstanding at beginning of year	336,924	–	336,924	–	673,849	–	336,924	–
Allocated	–	353,924	–	353,924	–	707,849	–	353,924
Forfeited	-1,000	-17,000	-1,000	-17,000	-2,000	-34,000	-1,000	-17,000
Outstanding at end of year	335,924	336,924	335,924	336,924	671,849	673,849	335,924	336,924

LTIP 2024–2026 – Fair value at allocation date and conditional rights outstanding

	Vesting date					
Fair value at allocation date	**Q2 2027**	**Q2 2028**	**Q2 2029**	**Q2 2030**	**Q2 2031**	**Q2 2032**
Maximum number of shares	699,491	209,848	209,848	209,848	209,848	209,848
Award life years	3	4	5	6	7	8
aTSR	3.92	3.60	3.31	3.04	2.80	2.57
rTSR	3.87	3.56	3.27	3.01	2.76	2.54
EPS	3.99	3.68	3.39	3.13	2.89	2.66
ESG	3.99	3.68	3.39	3.13	2.89	2.66

Conditional rights	**aTSR 2024**	**rTSR 2024**	**EPS 2024**	**ESG 2024**
Allocated	349,746	349,746	699,493	349,746
Forfeited	-13,262	-13,262	-26,524	-13,262
Outstanding at end of year	336,484	336,484	672,969	336,484

Expired Long Term Incentive Plans – 2012

The LTIP 2012 was fully expensed in May 2015. All shares in the LTIP 2012 are fully vested and consequently not conditional. 60% of the vested shares were deferred with forfeiture clauses in line with regulatory requirements and allotted over a five-year period, for the LTIP 2012 starting in May 2015.

The share balance outstanding is 3,015 matching shares, 9,045 performance shares I and 3,015 performance shares II at the end of the year.

Share-based variable remuneration plans other than LTIP plans

This section covers the variable share-based plans where TSR indexation (cash-settled plan up until 2018) and shares (equity-settled plans as from 2019) are used for deferral/retention. For the 2024 performance year, the plans are classified as the Nordea Incentive Plan (NIP) and bonus schemes (bonus).

The plans are annual plans with a service condition for the respective years and are fully expensed in the year when they are earned (one-year vesting period). The individual allocations are awarded at the beginning of the subsequent year.

The aim of the NIP is to strengthen Nordea's capability to recruit, motivate and retain the GLT, senior leaders as well as selected people leaders and specialists, and to reward strong performance. The NIP 2024 rewards performance meeting agreed predetermined targets on Group, business unit and individual level. The effect on the long-term results is to be considered when determining the targets. NIP awards will not exceed the fixed salary and are subject to deferral for material risk takers. It includes ex-ante and ex-post risk adjustment clauses and retention applies in line with relevant remuneration regulations.

In 2024 bonus was offered only to selected groups of employees in specific business areas or units as approved by the Board, e.g. in Large Corporates & Institutions, Nordea Asset Management, Nordea Funds and within Treasury in Group Finance. The aim is to ensure strong performance and maintain cost flexibility for Nordea. Individual awards are determined based on detailed performance assessments covering a range of financial and non-financial goals. 2023 bonus awards were paid in cash. For material risk takers, awards are partly delivered in shares with subsequent retention. Parts of the bonus awards for material risk takers are subject to a four- to five-year pro rata deferral period with forfeiture conditions applying during the deferral period.

Deferrals from the NIP, Executive Incentive Programme (EIP), VSP and bonus plans not yet delivered to the participants as of 31 December 2024 are summarised in the following tables, including deferrals from the Leaders of Transformation Variable plan (offered in 2018–2019) and deferrals stemming from compensation for contracts in previous employments (buy-outs). Such agreements can be offered only in exceptional cases, in the context of hiring new staff, limited to the first year of employment.

Share-linked deferrals (cash-settled)

The table below shows the remaining liabilities for the cash-settled share-based plans, mainly used 2014–2018.

EURm	2024	2023
Opening balance	6	7
Deferred/earned during the year	0	1
TSR indexation during the year	0	1
Payments during the year	-3	-3
Translation differences	0	0
Closing balance	3	6

The closing balances are expected to be settled the following years:

EURm	2024	2023
2024	–	3
2025	2	2
2026	1	1
2027	0	0
2028	0	0
2029	0	0
Total	3	6

2019–2023 share-linked deferrals (equity-settled)

Starting from the 2019 performance year, share-based variable pay plans are partly in the form of cash and partly in the form of Nordea shares, which makes the portion paid in Nordea shares an equity-settled share-based plan.

In the Nordea Incentive Plan (NIP) 2023, EUR 35m was expensed for variable remuneration to be paid in cash and EUR 12m to be paid in shares. In 2024 these were adjusted to EUR 9m for the portion delivered in shares and an additional expense of EUR 7m in cash, while the bonus plans added an additional equity-settled expense of EUR 8m. In 2024 2,557,792 shares in Nordea were allotted to the participants in these plans, corresponding to EUR 28m based on the share price at the award date. In total 3,246,800 shares were awarded to the participants. These shares had a fair value of EUR 35m based on the share price at the award date.

The awarding of shares in the plans for 2024 is decided during spring 2025 and thus not included in the below tables but in full recognised as an expense in the income statement in 2024.

Number of shares	2024	2023
Outstanding at beginning of year	3,090,368	2,967,541
Awarded[1]	3,246,800	2,446,248
Forfeited	–	–
Allotted[2]	-2,557,792	-2,323,421
Outstanding at end of year	3,779,376	3,090,368
- of which currently exercisable	–	–

1) Awarded rights in 2024 are the number of shares from 2023 variable remuneration plans awarded in 2024. Allotment of rights has been deferred following retention requirements by the Nordic FSAs. There is no exercise price for the deferred rights.
2) Allotted rights are subject to a one-year retention period after allotment to participants. Includes shares that have been allotted to participants but withheld to cover income taxes or social charges.

The outstanding rights are expected to be allotted the following years:

	2024	2023
2024	–	1,125,019
2025	1,217,987	813,998
2026	1,096,049	692,906
2027	747,347	344,203
2028	516,986	114,242
2029	201,007	–
Total	3,779,376	3,090,368

G8.4 Key management personnel remuneration

Accounting policies

For information about the accounting policies see Note G8.1 "Fixed and variable salaries", Note G8.2 "Pensions" and Note G8.3 "Share-based payment plans". For definition of key management personnel see Note G10.4 "Related party transactions".

Board remuneration

The Annual General Meeting (AGM) 2024 decided on annual remuneration for the Board of Directors (Board), for the Chair amounting to EUR 365,000, for the Vice Chair EUR 171,000 and for other members EUR 109,000.

Annual remuneration for Board committee work on the Board Remuneration and People Committee amounts to EUR 53,000 for the committee chair and EUR 30,000 for the other members. For all other committee chairs the annual remuneration paid for Board committee work amounts to EUR 69,500 and for other members EUR 34,500.

No remuneration is paid to members who are employed by the Nordea Group.

In addition, Nordea covers or reimburses the members of the Board all costs and expenses related to or arising from the Board membership. Any benefits are included at taxable values.

There are no commitments for severance pay, pension or other remuneration for the members of the Board at 31 December 2024.

No Board member earns variable remuneration and employee representatives are not included in the table below.

Remuneration of the Board of Directors

EUR	2024	2023
Chair of the Board:		
Stephen Hester	413,875	398,125
Vice Chair of the Board:		
Lene Skole[1]	203,875	149,250
Torbjörn Magnusson[2]	–	47,000
Other Board members:		
Arja Talma	172,125	167,750
Birger Steen[3]	43,125	196,000
John Maltby	211,250	204,375
Jonas Synnergren	142,375	137,875
Kjersti Wiklund	211,250	179,500
Lars Rohde[4]	107,625	–
Lene Skole[1]	–	33,625
Per Strömberg[5]	172,125	126,000
Petra von Hoeken	211,250	204,375
Risto Murto[5]	142,375	104,250
Robin Lawther[6]	–	32,500
Total	2,031,250	1,980,625

1) Vice Chair of the Board as from the 2023 AGM.
2) Resigned as Vice Chair and member of the Board as from the 2023 AGM.
3) Resigned as a member of the Board as from the 2024 AGM.
4) New member of the Board as from the 2024 AGM.
5) New member of the Board as from the 2023 AGM.
6) Resigned as a member of the Board as from the 2023 AGM.

G8.4 Key management personnel remuneration, cont.

Remuneration of the Chief Executive Officer, the Deputy Managing Director and the Group Leadership Team

The Board Remuneration and People Committee prepares changes in the remuneration package for the Chief Executive Officer (CEO), the Deputy Managing Director and the other members of the Group Leadership Team (GLT), for resolution by the Board. This includes the fixed remuneration, the outcome of the 2024 Nordea Incentive Plan (NIP), the allocation of conditional shares under the Long Term Incentive Plan (LTIP) and subsequent awarding of shares from the LTIP, as well as other changes.

See Note G8.3 "Share-based payment plans" for further details on the Short Term Incentive Plans (STIPs) (NIP/EIP) and the LTIPs.

The presentation of remuneration used in the Remuneration Report for Governing Bodies is different from the presentation and accounting policies under IFRS applied in the Annual Report, especially related to the Long Term Incentive Plan.

Fixed remuneration

The fixed salary is paid in local currencies and converted into euro based on the average exchange rate each year. The fixed salary includes holiday pay and car allowance where applicable.

Benefits primarily include car benefits, tax consultation and housing. Benefits are included at taxable values after salary deductions (if any).

The pension expense is related to pension premiums paid under defined contribution plans and pension rights earned during the year under defined benefit plans ("Current service cost" as well as "Past service cost and settlements" as defined in IAS 19).

EUR 2,550,694 (EUR 2,345,547) of the total pension expense relates to defined contribution plans, corresponding to 98.4% (98.6%).

Remuneration of the Chief Executive Officer, the Deputy Managing Director and the Group Leadership Team

	Fixed remuneration								Variable remuneration							
	Fixed salary		Pension expense (DCP & DBP)		Benefits		Total fixed remuneration		STIP (NIP)		LTIP[1]		Total variable remuneration		Total remuneration	
EUR	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Chief Executive Officer:																
Frank Vang-Jensen	1,611,650	1,524,679	460,482	437,167	189,813	90,179	2,261,945	2,052,025	1,002,281	1,025,025	934,207	583,314	1,936,488	1,608,339	4,198,433	3,660,364
Deputy Managing Director:																
Jussi Koskinen	595,109	564,398	223,221	207,491	19,062	19,024	837,392	790,913	396,327	373,256	331,775	205,685	728,102	578,941	1,565,494	1,369,854
Group Leadership Team:																
10 (10) individuals excluding Chief Executive Officer and Deputy Managing Director	7,047,978	6,792,715	1,907,841	1,733,651	201,505	166,753	9,157,324	8,693,119	4,467,169	4,389,698	3,324,737	2,140,236	7,791,906	6,529,934	16,949,230	15,223,053
Total[2]	**9,254,737**	**8,881,792**	**2,591,544**	**2,378,309**	**410,380**	**275,956**	**12,256,661**	**11,536,057**	**5,865,777**	**5,787,979**	**4,590,719**	**2,929,235**	**10,456,496**	**8,717,214**	**22,713,157**	**20,253,271**

1) Defined as the expense calculated under IFRS 2 for LTIP 2020-2022, LTIP 2021-2023, LTIP 2022-2024, LTIP 2023-2025, LTIP 2024-2026.

2) Committed remuneration to be paid during 2025-2027 during the notice period to executives leaving Nordea in 2025 amounts to EUR 4,248,759. The provision is not included in the table above.

Variable remuneration

The STIP 2024 (NIP) award for the CEO, the Deputy Managing Director and the GLT is based on specific goals and targets and is capped at maximum 75% of the fixed base salary, except for the Chief Risk Officer and the Chief Compliance Officer, who have a cap of 100% as these roles do not participate in the LTIP.

40% of the NIP 2024 award will be paid out in 2025. The remaining 60% will be paid annually on a pro rata basis over five years with 12% vesting each year. 50% of the 2024 NIP award is delivered in Nordea shares (excluding dividends) at each transfer event. The shares are subject to retention for 12 months when the deferral period ends. The award from the NIP 2024 has been expensed in full in 2024.

Further, the CEO, the Deputy Managing Director and the GLT members participate in the share-based LTIPs as decided by the Board and launched in accordance with the Remuneration Policy for Governing Bodies adopted by an advisory vote at Nordea's 2020 AGM and 2024 AGM and applicable until the 2028 AGM.

Remuneration of the Chief Executive Officer

Frank Vang-Jensen was appointed CEO on 5 September 2019.

The annual fixed base salary (not including holiday pay etc.) for the CEO amounts to EUR 1,514,076 as from 1 January 2024.

The CEO was covered by a defined contribution plan scheme with a pension contribution of 30% of the fixed base salary until November 2024. Since December 2024 the CEO is covered by a defined contribution plan with a pension contribution amounting to 8.5% of the fixed base salary in addition to the Finnish statutory pension scheme. According to the statutory pension rules, the part of the NIP 2024 for the GLT outcome paid in cash in 2025 must be included in pensionable income.

Benefits primarily included car, housing, security and travelling-related benefits as well as cross-border tax compliance advice, amounting to EUR 189,813.

The NIP 2024 was based on specific targets and capped at a maximum of 75% of the fixed base salary. For 2024 the award from the NIP amounted to EUR 1,002,281.

For 2024 the IFRS 2 expense amounted to EUR 67,823 for the LTIP 2020–2022, EUR 151,868 for the LTIP 2021–2023, EUR 244,159 for the LTIP 2022–2024, EUR 311,411 for the LTIP 2023-2025 and EUR 158,946 for the LTIP 2024–2026.

The CEO must hold a significant number of the shares awarded under the LTIPs until the total value of shareholdings corresponds to 100% of the CEO's annual gross salary. Such shares must be held until the CEO steps down.

The total expensed remuneration for 2024 amounted to EUR 4,198,433.

Remuneration of the Deputy Managing Director

Jussi Koskinen was appointed Deputy Managing Director on 10 September 2019.

The annual fixed base salary (not including holiday pay etc.) for the Deputy Managing Director amounts to EUR 590,047 as from 1 January 2024.

The Deputy Managing Director is covered by a defined contribution plan with a pension contribution amounting to 8.5% of the fixed base salary in addition to the Finnish statutory pension scheme. According to the statutory pension rules, the part of the NIP 2024 for the GLT outcome paid in cash in 2025 must be included in pensionable income.

The benefits for 2024 amounted to EUR 19,062 and primarily included car benefits.

The NIP 2024 was based on specific targets and could

G8.4 Key management personnel remuneration, cont.

amount to a maximum of 75% of the fixed base salary. For 2024 the award from the NIP amounted to EUR 396,327.

For 2024 the IFRS 2 expense amounted to EUR 22,608 for the LTIP 2020–2022, EUR 50,622 for the LTIP 2021–2023, EUR 81,386 for the LTIP 2022–2024, EUR 119,347 for the LTIP 2023-2025 and EUR 57,812 for the LTIP 2024–2026.

The Deputy Managing Director must hold a significant number of the shares awarded under the LTIPs until the total value of shareholdings corresponds to 100% of the Deputy Managing Director's annual gross salary. Such shares must be held until the Deputy Managing Director steps down from the Group Leadership Team position.

The total earned remuneration for 2024 amounted to EUR 1,565,494.

Remuneration of the Group Leadership Team

Remuneration for other GLT members is included for the period they have been appointed and eligible for the NIP 2024 and LTIPs.

In 2024, the appointment of three GLT members and two GLT members stepping down was announced, with effect in 2025.

No sign-on or buy-out payments were agreed in 2024.

The NIP 2024 was based on specific targets and capped at a maximum of 75% of the fixed base salary for the GLT members offered the LTIP 2024–2026 and 100% for other members. For 2024 the award from the NIP amounted to EUR 4,467,169.

For 2024 the IFRS 2 expense amounted to EUR 203,473 for the LTIP 2020–2022, EUR 556,844 for the LTIP 2021–2023, EUR 895,246 for the LTIP 2022–2024, EUR 1,154,812 for the LTIP 2023-2025 and EUR 514,362 for the LTIP 2024–2026.

The GLT members must hold a significant number of the shares awarded under the LTIPs until the total value of shareholdings corresponds to 100% of the GLT member's annual gross salary. Such shares must be held until the GLT member steps down from the GLT position.

The pension agreements for the ten GLT members vary according to local country practices. Pension agreements are defined contribution plans or a combination of defined contribution plans and defined benefit plans.

As of 31 December 2024 three members had pension schemes in accordance with the Swedish collective agreement, BTP1 (defined contribution plan) and BTP2 (defined benefit plan), with complementing defined contribution plans on top of the collective agreement. The pension contributions totalled 30% of their fixed salaries

Two members had a defined contribution plan, in accordance with local practices in Denmark. The pension contribution totalled 30% of the fixed base salary.

Four members were covered by the Finnish statutory pension scheme and in addition had a defined contribution plan corresponding to 8.5% of their fixed base salaries.

One member does not have a pension scheme agreement paid by Nordea.

Deferred variable remuneration in Nordea shares

Part of the award from the EIP 2019, EIP 2020, EIP 2021, NIP 2022, NIP 2023, LTIP 2020–2022, LTIP 2021-2023 and Buy-outs for the GLT has been deferred and will be paid in the future by delivering Nordea shares. Any Nordea shares to be awarded from the NIP 2024 as well as the LTIP 2022–2024 conditional share award as of 31 December 2024 are not included in the table below.

Nordea shares – awarded and deferred

	2024	2023
Chief Executive Officer:		
Frank Vang-Jensen	222,057	145,777
Deputy Managing Director:		
Jussi Koskinen	79,189	53,483
Group Leadership Team:		
10 (10) individuals excl. Chief Executive Officer and Deputy Managing Director:	843,394	536,289
Total	**1,144,640**	**735,549**
Former Chief Executive Officer:		
Casper von Koskull	10,242	10,242
Former Deputy Chief Executive Officer:		
Torsten Hagen Jørgensen	6,499	6,499
Total	**1,161,381**	**752,290**

Defined benefit pension obligations

The pension plans are funded, meaning that the pension plan obligations are backed by plan assets with the fair value generally being at a level similar to that of the obligations.

The pension obligations (value of defined benefit plan liabilities) are calculated in accordance with IAS 19. For further details see Note G8.2 "Pensions".

Defined benefit pension costs related to key management personnel in 2024 were EUR 0m (EUR 0m).

The pension obligations in the below table reflect the valuation under IAS 19 as of 31 December 2024 and 2023, respectively. The decrease compared with 2023 is mainly due to pension payments to retired executives during the year, changes in the discount rates used in the measurement of the obligations at the end of 2024 and currency effects from obligations in SEK. There are no defined benefit pension obligations towards the CEO and the Deputy Managing Director.

Defined benefit pension obligations

EUR	2024	2023
Group Leadership Team:		
3 (3) individuals in Sweden	986,796	856,402
Former Chairman of the Board, former CEOs and Deputy CEOs:		
Vesa Vainio[1]	–	4,001,398
Lars G Nordström	234,610	239,717
Casper von Koskull	309,118	325,254
Total	**1,530,524**	**5,422,771**

1) The pension obligation has been reduced to estimated EUR 2.6m and transferred into pension benefits to be paid to the executive's family members. As from 2024 this obligation is not disclosed as a pension obligation to former Nordea executives.

Notice period and severance pay

In accordance with the service contract, the CEO has a notice period of 12 months and Nordea a notice period of 12 months. The CEO is subject to payment of severance equal to 12 months' salary, to be reduced by any salary received from other employment during these 12 months.

The Deputy Managing Director and ten GLT members have a notice period of 6 months and Nordea a notice period of 12 months. Severance pay of up to 12 months' salary is provided and will be reduced by any salary received from other employment during the severance pay period. Further, non-competition clauses apply.

In 2024 severance pay was committed to, in relation to two members of GLT, consisting of remuneration payments during notice and non-compete periods in 2025-2027. The provision recognised in 2024 amounted to EUR 4.2m and has been excluded from the other tables in this note. No severance pay commitments were entered into with members of the GLT in 2023.

Indemnification

The Annual General Meeting 2024 decided that Nordea Bank Abp will cover the legal costs including e.g. required costs of legal defence and claims made (during and after their period of office) against Board members in cases where Board members are not found liable or guilty of any intentional wrongdoing or grossly negligent behaviour

As of 2023 members of the GLT are afforded coverage and reimbursement corresponding to that of the Board in instances related to or arising from the respective GLT membership of each member. In addition, as of 2019, Nordea Bank Abp has undertaken to indemnify the members of the GLT against legal expenses incurred in relation to legal advice in defending or disputing certain claims or investigations by third parties, excluding crimes or actions made with intent or gross negligence. For each GLT member, the indemnity is capped at an aggregate amount of EUR 37.5m unless the Board decides otherwise on a case-by-case basis.

Nordea Bank Abp has undertaken, in relation to certain individuals and on certain conditions, to be responsible for the potential payment liability against these individuals in their capacity of managing directors or board members of group undertakings of Nordea Bank Abp.

Nordea purchases directors and officers liability insurance, which provides cover for personal liabilities of its Board of Directors and management as well as liability assumed by the bank following the indemnification undertakings. The terms and conditions including the total limit of liability of the policy are in line with large European banks.

G8.5 Gender distribution and number of employees

Gender distribution

In the parent company's Board of Directors, 60% (60%) of the AGM elected Board members are men and 40% (40%) are women. In the Board of Directors of Nordea Group companies, 62% (60%) are men and 38% (40%) are women. The corresponding numbers for other executives are 53% (63%) men and 47% (37%) women. Internal boards mainly consist of Nordea´s management, employee representatives excluded.

Average number of employees, full-time equivalents

	Total		Of which women	
	2024	2023	2024	2023
Denmark	6,808	6,953	2,897	2,980
Sweden	6,430	6,346	3,263	3,231
Finland	6,378	6,161	3,637	3,576
Poland	5,599	5,244	2,746	2,556
Norway	2,971	2,844	1,400	1,349
Estonia	1,096	1,036	770	723
Luxembourg	138	192	60	89
United States	93	104	49	54
United Kingdom	64	45	21	14
China	26	27	14	14
Germany	12	13	3	4
Portugal	101	57	44	18
Italy	9	10	1	1
Spain	4	5	2	2
Switzerland	7	5	1	1
France	2	2	0	0
Singapore	6	6	5	5
Belgium	2	2	1	1
Chile	2	2	0	0
Austria	1	1	0	0
Total average	29,749	29,055	14,914	14,618
Total number of employees (FTEs), end of period	30,157	29,153		

G9 Scope of consolidation

G9.1 Consolidated entities

Accounting policies

The consolidated financial statements include the accounts of the parent company, Nordea Bank Abp and those entities that the parent company controls. Control exists when Nordea is exposed to variability in returns from its investments in another entity and has the ability to affect those returns through its power over the other entity. Control is generally achieved when the parent company owns, directly or indirectly through group undertakings, more than 50% of the voting rights. For entities where voting rights do not give control, see the section "Structured entities" below.

All group undertakings are consolidated using the acquisition method. Under the acquisition method, the acquisition is regarded as a transaction whereby the parent company indirectly acquires the assets of the group undertaking and assumes its liabilities and contingent liabilities. The group's acquisition cost is established using a purchase price allocation analysis. In such analysis, the cost of the business combination is the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the acquirer in exchange for the identifiable net assets acquired. Costs directly attributable to the business combination are expensed.

As at the acquisition date Nordea recognises the identifiable assets acquired and the liabilities assumed at their acquisition date fair values.

For each business combination Nordea measures the non-controlling interests in the acquired business either at fair value or at its proportionate share of the acquired identifiable net assets.

When the aggregate of the consideration transferred in a business combination and the amount recognised for non-controlling interests exceeds the net fair value of the identifiable assets, liabilities and contingent liabilities, the excess is reported as goodwill. If the difference is negative, such difference is recognised immediately in the income statement.

Equity and net income attributable to non-controlling interests are separately disclosed on the balance sheet as well as in the income statement and the statement of comprehensive income.

Intra-group transactions and balances between the consolidated group undertakings are eliminated.

The group undertakings are included in the consolidated accounts as from the date on which control is transferred to Nordea and are no longer consolidated as from the date on which control ceases.

In the consolidation process the reporting of the group undertakings is adjusted to ensure consistency with the IFRS principles applied by Nordea.

Critical judgements and estimation uncertainty

One decisive variable when assessing if Nordea controls another entity is whether Nordea is exposed to variability in returns from the investment. For structured entities where voting rights are not the dominant factor when determining control, critical judgement has to be exercised when defining when Nordea is exposed to significant variability in returns. Nordea's critical judgement is that Nordea is normally exposed to variability in returns when Nordea receives more than 30% of the return produced by the structured entity. This is only relevant for structured entities if Nordea is also the investment manager and thus has influence over the return produced by the structured entity.

Moreover, judgement relating to control is whether Nordea acts as an agent or as a principal. For unit-linked and other contracts where the policyholder/depositor decides both the amount and in which assets to invest, Nordea is considered to act as an agent and thus does not have control.

Judgement also has to be exercised when assessing if a holding of a significant, but less than a majority, share of voting rights constitute so-called de facto control and to what extent potential voting rights need to be considered in the control assessment. Nordea's assessment is that Nordea does not currently control any entities where the share of voting rights is below 50%.

Parent company including branches, major directly owned subsidiaries and major subsidiaries of the directly owned companies

Company	Domicile	Shareholding, %	Voting power of holding, %
Nordea Bank Abp	Helsinki	N/A	N/A
Denmark branch	Copenhagen	N/A	N/A
Estonia branch	Tallinn	N/A	N/A
London branch	London	N/A	N/A
New York branch	New York	N/A	N/A
Norway branch	Oslo	N/A	N/A
Poland branch	Łódź	N/A	N/A
Shanghai branch	Shanghai	N/A	N/A
Sweden branch	Stockholm	N/A	N/A
Nordea Kredit Realkreditaktieselskab	Copenhagen	100.0	100.0
Nordea Hypotek AB (publ)	Stockholm	100.0	100.0
Nordea Eiendomskreditt AS	Oslo	100.0	100.0
Nordea Mortgage Bank Plc	Helsinki	100.0	100.0
Nordea Finance Finland Ltd	Helsinki	100.0	100.0
Nordea Finans Danmark A/S	Høje Taastrup	100.0	100.0
Nordea Finans Sverige AB (publ)	Stockholm	100.0	100.0
Nordea Finans Norge AS	Oslo	100.0	100.0
Nordea Finance Equipment AS	Oslo	100.0	100.0
LLC Promyshlennaya Kompaniya Vestkon[1]	Moscow	100.0	100.0
Nordea Funds Ltd	Helsinki	100.0	100.0
Nordea Asset Management Holding AB	Stockholm	100.0	100.0
Nordea Investment Funds S.A.	Luxembourg	100.0	100.0
Nordea Investment Management AB	Stockholm	100.0	100.0
Nordea Life Holding AB	Stockholm	100.0	100.0
Nordea Pension, Livsforsikringsselskab A/S	Copenhagen	100.0	100.0
Nordea Life Assurance Finland Ltd	Helsinki	100.0	100.0
Nordea Liv Forsikring AS	Bergen	100.0	100.0
Nordea Livförsäkring Sverige AB (publ)	Stockholm	100.0	100.0

1) In accordance with the stategy, Nordea is focusing on its business in the Nordic region. This has entailed the Group winding down its operations in Russia. The liquidation of the remaining Russian subsidiary is pending finalisation.

G9.1 Consolidated entities, cont.

There are different types of restrictions on how Nordea can access and transfer assets within the Group.

Dividends are used to transfer excess capital from the parent's subsidiaries to the parent company, Nordea Bank Abp. The specific dividend amount is determined for each legal entity based on distributable funds, capital adequacy regulations and ratios, capital and business planning, local tax considerations and Group-internal policies. Regulatory restrictions, both general and local, on dividends as well as projected changes in the entities' capital requirements and risk exposure amounts are incorporated into the analysis regarding the dividend decisions.

The CRR requires credit institutions to hold liquid assets, the sum of the values of which covers the liquidity outflows less the liquidity inflows under stressed conditions so as to ensure that institutions maintain levels of liquidity buffers which are adequate. There are also local liquidity requirements that restrict the movement of funds between legal entities.

The Group has pledged assets to collateralise its obligations under repurchase agreements, securities financing transactions, collateralised loan obligations and for margining purposes of OTC derivative liabilities. Further information is disclosed in Note G7.3 "Assets pledged".

For banks under resolution, which was not applicable to Nordea at the balance sheet date, there are potential restrictions as the regulators have far-reaching resolution tools they can impose if deemed necessary.

Statutory, contractual or regulatory requirements as well as protective rights of non-controlling interests might restrict the ability of the Group to access and transfer assets freely to or from other entities within the Group and to settle liabilities of the Group. Since the Group did not have any material non-controlling interests at the balance sheet date, any protective rights associated with these did not give rise to significant restrictions.

G9.2 Currency translation of foreign entities/branches

Accounting policies

The consolidated financial statements are presented in euro (EUR). When translating the financial statements of foreign entities and branches into EUR from their functional currency, the assets and liabilities of foreign entities and branches have been translated at the closing rates, while items in the income statement and the statement of comprehensive income are translated at the average exchange rate for the year. The average exchange rate is calculated based on daily exchange rates divided by the number of business days in the period. Translation differences are recognised in other comprehensive income and are accumulated in the translation reserve in equity.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as items in the same functional currency as the cash-generating unit to which they belong and are also translated at the closing rate.

Any remaining equity in foreign branches is converted at the closing rates with translation differences recognised in other comprehensive income.

On the disposal of a foreign operation, the cumulative amount for the exchange difference relating to that foreign operation, recognised in other comprehensive income and accumulated in the translation reserve in equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

G9.3 Investments in associated undertakings and joint ventures

Accounting policies

Associated undertakings are undertakings where the share of voting rights is between 20% and 50% and/or where Nordea has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Joint ventures are entities where Nordea has joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Associated companies and joint ventures are included in the consolidated financial statements using the equity method. At initial recognition the investment is recognised at acquisition cost. Fair value is allocated to the identifiable assets, liabilities and contingent liabilities of associated undertakings and joint ventures. Any difference between Nordea's share of the fair value of the acquired identifiable net assets and the purchase price is goodwill or negative goodwill. Goodwill is included in the carrying amount of the associated undertakings and joint ventures.

Profit from companies accounted for under the equity method is defined as the post-acquisition change in Nordea's share of net assets in associated undertakings and joint ventures. Nordea's share of items accounted for in other comprehensive income in associated undertakings and joint ventures is accounted for in other comprehensive income in Nordea. Profit from companies accounted for under the equity method is reported post taxes in the income statement. Consequently, the tax expense related to this profit is excluded from the income tax expense for Nordea. Dividends received are accounted for as a reduction in the carrying amount.

If observable indicators (loss events) indicate that an associated undertaking or a joint venture is impaired, an impairment test is performed to assess whether there is objective evidence of impairment. The carrying amount of the investment in the associated undertaking or joint venture is compared with the recoverable amount (higher of value in use and fair value less cost to sell) and the carrying amount is written down to the recoverable amount if required. Impairment of investments in associated undertakings and joint ventures is classified as "Profit from associated undertakings and joint ventures accounted for under the equity method" in the income statement.

Impairment losses are reversed if the recoverable amount increases. The carrying amount is then increased to the recoverable amount but cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

Nordea is not generally involved in any sale or contribution of assets to or from associated undertakings or joint ventures, but if such transactions occur, Nordea's share of any profit recognised in the associate or joint venture is eliminated. Other transactions between Nordea and its associated undertakings or joint ventures are not eliminated.

For some associated undertakings and joint ventures not individually significant, the change in Nordea's share of the net assets is based on the external reporting of the associated undertakings and joint ventures and affects the financial statements of Nordea in the period in which the information is available. The reporting from the associated undertakings and joint ventures is, if applicable, adjusted to comply with Nordea's accounting policies.

Some investments within Nordea's investment activities in Treasury and Nordea Life & Pension (classified as part of Nordea's venture capital organisation) are measured at fair value in accordance with the rules set out in IAS 28 and IFRS 9.

G9.3 Investments in associated undertakings and joint ventures, cont.

Investments in associated undertakings and joint ventures

EURm	31 Dec 2024	31 Dec 2023
Acquisition value at beginning of year	541	552
Acquisitions	14	1
Share in earnings	8	14
Share of other comprehensive income	4	-3
Share in net result from items at fair value	18	-2
Dividend received	-33	-9
Reclassifications	-16	–
Translation differences	-9	-12
Acquisition value at end of year	**527**	**541**
Accumulated impairment charges at beginning of year	-60	-43
Impairment charges[1]	-2	-17
Reversed impairment charges[1]	4	–
Reclassifications	12	–
Translation differences	1	0
Accumulated impairment charges at end of year	**-45**	**-60**
Total	**482**	**481**

1) 2024: Refers to P27, 2023: Refers P27 and Invidem.

Nordea's share of the associated undertakings' aggregated balance sheets and income statements can be summarised as follows:

EURm	31 Dec 2024	31 Dec 2023
Total assets	860	784
Net profit for the year	26	12
Other comprehensive income	4	-3
Total comprehensive income	30	9

Nordea's share of the joint ventures' aggregated balance sheets and income statements can be summarised as follows:

EURm	31 Dec 2024	31 Dec 2023
Total assets	8	7
Net profit for the year	0	-4
Total comprehensive income	0	-4

For information about investments in group undertakings and companies for which Nordea has unlimited responsibility, see Note G9.1 "Consolidated entities".

Associated undertakings and joint ventures

	Registration number	Domicile	Carrying amount 2024, EURm	Carrying amount 2023, EURm	Voting power of holding %	Ownership %
Udviklingsselskabet Carlsberg Byen P/S[1]	33648499	Copenhagen	112	107	23	23
Havneholmen P/S[1]	38036572	Aarhus	84	81	50	50
Margretheholmen P/S[1]	34609829	Copenhagen	65	60	50	50
P/S Ottilia Copenhagen[1]	40087095	Copenhagen	39	42	50	50
K/S Ejendomsholding Banemarksvej[1]	43125834	Glostrup	26	18	40	40
Eksportfinans ASA	816521432	Oslo	94	118	23	23
Eiendomsverdi AS	881971682	Oslo	12	12	25	25
Getswish AB	556913-7382	Stockholm	10	2	20	20
Bankomat AB	556817-9716	Stockholm	8	8	20	20
NF Fleet Oy	2006935-5	Espoo	7	9	20	20
NF Fleet AB	556692-3271	Taeby	6	6	20	20
NF Fleet A/S	29185263	Copenhagen	3	3	20	20
NF Fleet AS	988906808	Lysaker	2	2	20	20
Trill Impact AB	559196-0827	Stockholm	4	7	5	30
E-nettet A/S	21270776	Copenhagen	3	3	17	17
CrediWire ApS	37264628	Copenhagen	2	2	7	7
Open Pos Nordic Group AB	559063-2369	Gothenburg	2	–	46	46
Subaio ApS	37766585	Aalborg	1	1	20	20
Svenska e-fakturabolaget AB	556563-0596	Stockholm	1	0	50	50
Others			1	0		
Total associated undertakings			**482**	**481**		
Siirto Brand Oy	3102648-1	Helsinki	0	0	50	50
Tibern AB	559384-3542	Stockholm	0	0	14	14
P27 Nordic Payments Platform AB	559198-9610	Stockholm	–	–	21	21
Invidem AB	559210-0779	Stockholm	–	–	17	17
Total joint ventures			**0**	**0**		
Total associated undertakings and joint ventures			**482**	**481**		

1) Measured at fair value.

G9.4 Interest in structured entities

Accounting policies

A structured entity is an entity created to accomplish a narrow and well-defined objective where voting rights are not the dominant factor in determining control. Often legal arrangements impose strict limits on the decision-making powers of management over the ongoing activities of a structured entity. The same consolidation requirements apply to these entities, but as voting rights do not determine whether control exists, other factors are used to determine control.

Power can exist due to agreements or other types of influence over a structured entity. This is normally the case when Nordea has sponsored or established a structured entity or when Nordea is the investment manager and has sole discretion as to investments and other administrative decisions.

Variability in returns is also a prerequisite for consolidation. Service and commission fees in connection with the establishment of the structured entity are normally not significant enough to trigger consolidation, nor is acting as an investment manager or as a custodian. Funding in the form of fund units, loans or credit commitments can result in significant variability in returns. If Nordea is exposed to variability in returns and has power to affect the returns of the entity, it is consolidated. Nordea normally considers a share of more than 30% of the return produced by a structured entity to give rise to variability and thus to give control. Variability is measured as the sum of fees received and revaluation of assets held. For unit-linked and other contracts where the policyholder/depositor decides both the amount and in which assets to invest, Nordea is considered to act as an agent and, thus, does not have control.

Consolidated structured entities

Viking ABCP Conduit (Viking) has been established with the purpose of supporting trade receivable or accounts payable securitisation transactions to core Nordic customers. The SPE purchases trade receivables from approved sellers and funds the purchases either by issuing commercial paper (CP) via the established asset-backed commercial paper programme or by drawing funds under the liquidity facilities available.

Nordea has provided liquidity facilities to a maximum of EUR 856m (EUR 856m) and at year end EUR 668m (EUR 802m) was utilised. The total assets of the conduit amounted to EUR 758m (EUR 806m) at year end. The SPE is consolidated as Nordea manages the entity and is exposed to variability in returns through the liquidity facility. There are no significant restrictions on repayment of loans from Viking apart from the payments being dependent on the rate at which Viking releases its assets.

The SPE AR Finance has been closed down during 2024 and there are no outstanding commitments towards the SPE at year end.

Unconsolidated structured entities

Disclosures are provided for structured entities in which Nordea has an interest but over which Nordea has no control. Investment funds are the only interests in unconsolidated structured entities currently held by Nordea.

Nordea invests in investment funds:

- on behalf of policyholders in Nordea Life & Pension
- on behalf of depositors where the return is based on the investment
- to hedge exposures to structured products issued to customers
- that are illiquid private equity and credit funds.

As Nordea is exposed to variability in returns on a gross basis, information about these funds is disclosed although the net exposure is considerably less. Any change in the value of investment funds acquired on behalf of policyholders and depositors where the policyholder/depositor bears the investment risk is reflected in the value of the related liability, and the maximum net exposure to losses is zero. The change in the value of investment funds held on behalf of other policyholders is largely passed on to the policyholders, but as Nordea has issued guarantees in respect of some of these products, Nordea is exposed to value changes.

Investment funds acquired to hedge exposures to structured products reduce the net exposures to the extent hedges are effective.

Investments in illiquid private equity and credit funds are an integral part of managing balance sheet risks at Nordea. The maximum loss on private equity and credit funds is estimated at EUR 1,316m (EUR 1,194m), equal to the investments in the funds.

Nordea has established one unconsolidated structured entity, Thulite, in which Nordea does not currently have an interest. As Nordea does not control it, it is considered to have been sponsored by Nordea. Nordea entered into three new transactions with Thulite during 2024, where Nordea bought financial guarantees on portfolios of loans. Previously Nordea bought protection in the form of a CDS and other financial guarantees from Thulite. Nordea received EUR 1m (0m) in income from Thulite in 2024.

Nordea's interests in unconsolidated structured entities and any related liability are disclosed in the table below. The carrying amount is the maximum exposure to credit loss before considering any hedges. Income related to these investments is recognised in "Net result from items at fair value".

Interest in unconsolidated structured entities

EURm	31 Dec 2024	31 Dec 2023
Assets, carrying amount:		
Interest-bearing securities	910	–
Shares	22,518	10,670
Assets in pooled schemes and unit-linked investment contracts	55,820	49,022
Total assets	79,248	59,692
Liabilities, carrying amount:		
Deposits in pooled schemes and unit-linked investment contracts	55,820	49,022
Insurance contract liabilities	20,600	9,440
Total liabilities	76,420	58,462
Off-balance sheet, nominal amount:		
Loan commitments	–	–

Nordea holds a large number of different funds that are classified as unconsolidated structured entities, some of which are managed by Nordea. These have different investment mandates and types of risk appetite, ranging from low-risk government bond funds to high-risk leveraged equity funds. The total assets of funds managed by Nordea are EUR 230bn (EUR 201bn). All funds are financed by deposits from unitholders. The total assets of investment funds not managed by Nordea are not considered meaningful for the purpose of understanding the related risks and are thus not disclosed.

G9.5 Assets and liabilities held for sale

Accounting policies

Individual assets and disposal groups including assets and liabilities are presented in the separate balance sheet line items "Assets held for sale" and "Liabilities held for sale", respectively, as from the classification date.

This occurs when the following criteria are fulfilled:

- The carrying amount will be recovered principally through a sale transaction rather than through continuing use.
- A decision to sell has been made on the right level and the asset or disposal group is available for sale in its current condition.
- The sale is highly probable and will be executed within 12 months.

Financial instruments continue to be measured under IFRS 9, while non-financial assets are held at the lower of carrying amount and fair value. Comparative figures are not restated.

Retail finance in Sweden

In the fourth quarter of 2023 Nordea decided to wind down its operations in retail finance in the Swedish finance company and to sell the existing loan portfolio. The portfolio was thus reclassified to "Assets held for sale". The sale is now expected to be completed in the first half of 2025 and the requirements listed above are fulfilled. The portfolio amounted to EUR 95m (EUR 106m) at the end of 2024.

G9.6 Acquisitions

Accounting policies

In a business combination, the acquired identifiable assets and liabilities are recognised at fair value, including any intangible assets identified in the acquisition. The net fair value of identifiable assets and liabilities is compared with the consideration paid and any surplus is recognised as goodwill. See also Note G9.1 "Consolidated entities".

Acquisition of Danske Bank's personal customer and private banking business in Norway

On 18 November 2024 Nordea acquired the Norwegian personal customer and private banking business from Danske Bank. Nordea took over approx. 235,000 customers and 236 employees, and the net purchase price amounted to EUR 2,375m. The net purchase price was largely equal to the carrying amount of the assets and liabilities of the seller, after fair value adjustments on loans with fixed interest rates. The transaction also included associated asset management portfolios of EUR 1.2bn, which have not been consolidated into the Nordea Group's financial statements. The transaction did not include any transfer of equity interests.

The acquisition is an important step in the execution of Nordea's Nordic strategy, as it expands Nordea's presence in Norway. It will also add significant scale to Nordea's Personal Banking business in Norway and provide value creation opportunities through offering the new customers a broader set of products and services.

The preliminary purchase price allocation is disclosed below.

EURm	18 November 2024
Loans to the public	8,904
Other assets and liabilities	23
Deposits and borrowings from the public	-3,186
Debt securities in issue	-3,390
Acquired net assets	2,351
Purchase price, settled in cash	2,393
Adjustment to the purchase price to be received	-18
Cost of combination	2,375
Surplus value	24
Allocation of surplus value:	
Customer relationship intangible asset	24

A customer relationship intangible asset was identified in the transaction, to which the entire surplus value has been allocated. It represents the value of the entire customer relationship, but is primarily driven by the net present value of the cash flows generated by the asset management portfolios. The customer relationship intangible asset is amortised over 10 years, which is the estimated useful life.

The revenue and operating profit, excluding integration costs, for the period during which the portfolios were consolidated were EUR 15m and EUR 2m, respectively.

Acquisition of Nordea Node AB (formerly Advinans)

On 15 May 2023 the acquisition of 100% of the shares in Advinans AB was completed. The company has developed a digital broker platform for selling and administering occupational pensions. A purchase price of EUR 38m was paid at closing. Total assets in the company were EUR 2m and the acquired net assets EUR 1m, resulting in a surplus value of EUR 37m. The purchase price allocation is disclosed below.

EURm	15 May 2023
Acquired net assets[1]	1
Cost of combination[2]	38
Surplus value	37
Allocation of surplus value:	
IT software intangible asset	11
Customer relationship intangible asset	5
Deferred tax asset	2
Deferred tax liability	-3
Goodwill	22

1) Excluding fair value adjustment to IT software intangible asset.
2) Of which EUR 35m was paid to the seller and EUR 3m held in escrow.

Nordea estimated the fair value of the IT software intangible asset in the company to be EUR 11m. The fair value reflected the estimated replacement cost. The fair value of the IT software intangible asset is amortised over 10 years, which is the estimated useful life.

A customer relationship intangible asset was identified and valued at EUR 5m, reflecting the profit above cost of equity expected to be generated from the existing customer base. The customer relationship intangible asset is amortised over 10 years.

Goodwill is mainly related to synergies, such as cross-selling with Nordea's existing customer base. The synergies cannot be accounted for as separate intangible assets under IFRS 3 and consequently end up as goodwill. The goodwill is expected to have an indefinite life and is consequently not amortised.

G10 Other disclosures

G10.1 Additional disclosures on the statement of changes in equity

Accounting policies

Equity is the residual interest in recognised assets after deduction of recognised liabilities. For equity there are no requirements to distribute cash flows. Instruments are classified as financial liabilities if such genuine requirements exist, for instance to pay interest when a triggering event occurs that is beyond the control of both the issuer and the holder of the instruments. See Note G3.3 "Classification and measurement" for more information, including the critical judgements applied by Nordea.

Any payments connected to instruments classified as equity are accounted for directly in equity and presented as dividends. Nordea determines payments on financial instruments classified as equity (i.e. Additional Tier 1 instruments) as distribution of profits and they are therefore accounted for as dividends. Dividends to shareholders are recognised as a reduction of equity when the Annual General Meeting has adopted the proposal. The reduction of equity is accounted for when the Board of Directors decides on dividends in situations where the Annual General Meeting has given the Board of Directors a mandate to make such a decision up to a certain cap.

Investments in own shares are not accounted for as assets; instead, they are recognised as a reduction in equity net of any transaction costs. Acquisitions of treasury shares as part of the Markets trading operations are recognised as a reduction in invested unrestricted equity. Treasury shares acquired to optimise the capital structure and Nordea's buy-back programmes are recognised as a reduction in retained earnings. Transaction costs related to repurchasing of treasury shares are also recognised in equity. There is no impact on the financial statements when shares are cancelled. Sales of own shares in the trading operations are recognised as increases in invested unrestricted equity.

Contracts on Nordea shares that can be settled net in cash, for instance derivatives such as options and warrants, are either presented as financial assets or liabilities, meaning that these are not equity instruments.

Non-controlling interests comprise the portion of net assets of group undertakings not owned directly or indirectly by Nordea Bank Abp. For each business combination, Nordea measures the non-controlling interests in the acquiree either at fair value or at their proportionate share of the acquiree's identifiable net assets.

Other reserves comprise income and expenses, net of tax effects, which are reported in equity through other comprehensive income.

Apart from undistributed profits from previous years, retained earnings include the equity portion of untaxed reserves. Untaxed reserves according to national rules are accounted for as equity net of deferred tax at prevailing tax rates in the respective country.

In addition, Nordea's share of the undistributed earnings in associated and joint ventures since the date of acquisition is included in retained earnings.

Additional Tier 1 capital holders

Nordea has issued perpetual subordinated instruments (Additional Tier 1 instruments) which are converted into a variable number of Nordea shares in case a pre-defined CET1 trigger level for either the Nordea Group or NBAbp is breached. Interest payments are fully discretionary and mandatorily cancelled in certain circumstances. As Nordea may be obliged to deliver a variable number of Nordea shares, these Additional Tier 1 instruments are classified as financial liabilities.

Nordea has also issued perpetual subordinated instruments (Additional Tier 1 instruments) which will be written down instead of converted into Nordea shares in case a pre-defined CET1 trigger level for either the Nordea Group or NBAbp is breached. Interest payments are fully discretionary and mandatorily cancelled in certain circumstances. These instruments are classified as equity as there is no requirement for Nordea to pay interest or principal to the holders of the instruments.

Non-controlling interests

For information about non-controlling interests, see Note G9.1 "Consolidated entities".

Share capital

The share capital amounts to EUR 4,049,951,919. The shares in Nordea have no nominal value. Each share carries one voting right. For more information about the number of registered shares, see "Statement of changes in equity".

Invested unrestricted equity

Invested unrestricted equity equals the amount of the share premium reserve of Nordea Bank AB (publ) before completion of the re-domiciliation by way of a cross-border reversed merger. Invested unrestricted equity has also been impacted by acquisitions and sales of treasury shares as part of the Markets trading operations.

Other reserves

These reserves include reserves for cash flow hedges, financial assets classified in the category "Financial assets at fair value through other comprehensive income" and accumulated remeasurements of defined benefit pension plans as well as a reserve for translation differences. For an analysis of the row "Other comprehensive, net of tax" by item see "Statement of comprehensive income".

Retained earnings

Retained earnings primarily comprise Nordea's undistributed profits from previous years.

G10.2 Additional disclosures on the cash flow statement

Accounting policies

The cash flow statement shows inflows and outflows of cash and cash equivalents during the year for total operations. Nordea's cash flow statement has been prepared in accordance with the indirect method, whereby operating profit is adjusted for effects of non-cash transactions such as depreciation and loan losses. Cash flows are classified by operating, investing and financing activities.

Operating activities

Cash flows from operating activities, which are the principal revenue-producing activities, are mainly derived from profits during the year adjusted for items not included in cash flows and income taxes paid. Adjustment for items not included in cash flows includes:

EURm	2024	2023
Depreciation	562	609
Impairment charges	15	199
Loan losses	238	222
Net result on loans in hold portfolios mandatorily held at fair value	8	-20
Unrealised gains/losses	109	1,365
Capital gains/losses (net)	-30	-8
Change in accruals and provisions	190	-728
Translation differences	570	-114
Change in insurance contract liabilities	-7	2,008
Change in fair value of hedged items, assets/liabilities (net)	664	2,356
Other	-13	10
Total	2,306	5,899

Operating assets and liabilities consist of assets and liabilities that are part of normal business activities, such as loans, deposits and debt securities in issue. Changes in derivatives are reported on a net basis.

Cash flows from operating activities include interest payments received and interest expenses paid in the following amounts:

EURm	2024	2023
Interest received	21,235	19,541
Interest paid	-13,444	-11,624

Investing activities

Investing activities include acquisition and disposal of non-current assets such as property and equipment and intangible and financial assets.

Financing activities

Financing activities are activities that result in changes in equity and subordinated liabilities such as new issues of shares, dividends and issued/amortised subordinated liabilities and the principal portion of lease payments.

Cash and cash equivalents

The following items are included in "Cash and cash equivalents":

EURm	31 Dec 2024	31 Dec 2023
Cash and balances with central banks	46,562	50,622
Loans to central banks payable on demand	4	3
Loans to credit institutions payable on demand	999	737
Total	47,565	51,362

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 the 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. Loans to central banks payable on demand include instruments that Nordea has the right to resell immediately.

Reconciliation of liabilities arising from financing activities

The opening balance of subordinated liabilities was EUR 5,720m (EUR 5,401m). Cash flows during the period were EUR 1,430m (EUR 295m) and the effects of FX and other changes were EUR 260m (EUR 24m), resulting in a closing balance of EUR 7,410m (EUR 5,720m).

The opening balance of lease liabilities was EUR 1,103m (EUR 1,080m). During the period cash flows related to the liabilities amounted to EUR -151m (EUR -118m) and other changes from new, terminated and modified contracts and FX changes amounted to EUR 151m (EUR 141m), resulting in a closing balance of EUR 1,103m (EUR 1,103m).

EURm	2024	2023
Cash and cash equivalents at beginning of year	51,362	62,877
Translation differences	560	-500
Cash and cash equivalents at end of year	47,565	51,362
Change	-4,357	-11,015

G10.3 Maturity analysis

Accounting policies

The table "Expected maturity" presents the expected maturities for the balance sheet items. The table "Contractual undiscounted cash flows" is based on contractual undiscounted maturities. For derivatives, the expected cash inflows and outflows are disclosed for both derivative assets and derivative liabilities as derivatives are managed on a net basis. For contractual lease liabilities, see Note G5.4 "Leases". For further information about remaining maturity, see also section 8 "Liquidity risk" in Note G11 "Risk and liquidity management".

Expected maturity

		31 Dec 2024 Expected to be recovered or settled:			31 Dec 2023 Expected to be recovered or settled:		
EURm	Note	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Cash and balances with central banks		46,562	–	46,562	50,622	–	50,622
Loans to central banks	G3.8	4,075	–	4,075	1,909	–	1,909
Loans to credit institutions	G3.8	2,388	562	2,950	1,970	393	2,363
Loans to the public	G3.8	96,130	261,458	357,588	80,653	264,175	344,828
Interest-bearing securities	G3.9	14,985	58,479	73,464	10,743	57,257	68,000
Shares	G3.10	1,866	33,522	35,388	3,746	18,412	22,158
Assets in pooled schemes and unit-linked investment contracts	G3.11	7,499	53,380	60,879	37,481	13,050	50,531
Derivatives	G3.12	7,783	17,428	25,211	5,964	20,561	26,525
Fair value changes of hedged items in portfolio hedges of interest rate risk	G3.6	-243	–	-243	-854	-17	-871
Investments in associated undertakings and joint ventures	G9.3	–	482	482	–	481	481
Intangible assets	G5.1	21	3,861	3,882	19	3,807	3,826
Properties and equipment	G5.2	145	1,516	1,661	147	1,506	1,653
Investment properties	G5.3	22	2,110	2,132	1	2,198	2,199
Deferred tax assets	G2.11	11	195	206	14	240	254
Current tax assets	G2.11	364	–	364	217	–	217
Retirement benefit assets	G8.2	–	360	360	–	225	225
Other assets		1,146	6,022	7,168	917	8,004	8,921
Prepaid expenses and accrued income		1,089	42	1,131	574	181	755
Assets held for sale	G9.5	95	–	95	106	–	106
Total assets		**183,938**	**439,417**	**623,355**	**194,229**	**390,473**	**584,702**
Deposits by credit institutions	G3.13	28,678	97	28,775	27,921	1,583	29,504
Deposits and borrowings from the public	G3.14	224,008	8,427	232,435	201,693	8,369	210,062
Deposits in pooled schemes and unit-linked investment contracts	G3.11	4,529	57,184	61,713	14,712	36,861	51,573
Insurance contract liabilities	G4	1,910	28,441	30,351	3,361	24,207	27,568
Debt securities in issue	G3.15	74,868	113,268	188,136	69,435	113,113	182,548
Derivatives	G3.12	3,993	21,041	25,034	8,304	22,490	30,794
Fair value changes of hedged items in hedges of interest rate risk	G3.6	-458	–	-458	-869	–	-869
Current tax liabilities	G2.11	208	–	208	413	–	413
Other liabilities[1]	G3.16	4,544	9,652	14,196	2,804	10,923	13,727
Accrued expenses and prepaid income		1,582	56	1,638	1,186	88	1,274
Deferred tax liabilities	G2.11	27	786	813	27	478	505
Provisions	G6	113	283	396	129	242	371
Retirement benefit liabilities	G8.2	–	272	272	–	287	287
Subordinated liabilities	G3.17	93	7,317	7,410	760	4,960	5,720
Total liabilities		**344,095**	**246,824**	**590,919**	**329,876**	**223,601**	**553,477**
1) Of which lease liabilities		109	994	1,103	115	988	1,103

G10.3 Maturity analysis, cont.

Contractual undiscounted cash flows

	31 Dec 2024								31 Dec 2023							
EURm	< 1 month	1–3 months	3–12 months	1–2 years	2–5 years	5–10 years	>10 years	Total	< 1 month	1–3 months	3–12 months	1–2 years	2–5 years	5–10 years	>10 years	Total
Cash and balances with central banks and loans to central banks	50,475	162	–	–	–	–	–	50,637	52,531	–	–	–	–	–	–	52,531
Loans to credit institutions	2,892	422	298	26	230	–	–	3,868	1,691	253	378	68	20	0	–	2,410
Loans to the public	61,399	22,283	40,731	40,586	71,973	70,367	197,332	504,671	55,092	20,771	37,500	36,827	71,598	60,390	179,543	461,721
Interest-bearing securities	1,777	791	14,589	17,115	38,363	9,476	5,254	87,365	189	933	11,945	16,202	34,796	9,903	3,011	76,979
Other non-derivative financial assets	–	–	–	–	–	–	102,791	102,791	–	–	–	–	–	–	80,355	80,355
Total non-derivative financial assets	116,543	23,658	55,618	57,727	110,566	79,843	305,377	749,332	109,503	21,957	49,823	53,097	106,414	70,293	262,909	673,996
Deposits by credit institutions	25,520	3,945	895	3	65	–	–	30,428	22,645	6,217	951	84	69	–	–	29,966
Deposits and borrowings from the public	212,565	15,267	4,935	56	70	1	0	232,894	192,420	7,284	11,041	212	6	2	1	210,966
Debt securities in issue	3,940	23,033	64,907	33,295	72,169	16,908	20,330	234,582	7,225	20,060	50,354	45,314	70,531	15,202	20,838	229,524
- of which CDs and CPs	1,025	17,000	22,297	27	51	–	–	40,400	3,661	17,171	26,075	179	73	–	–	47,159
- of which covered bonds	2,915	3,438	35,780	29,303	58,495	12,608	20,061	162,600	3,511	2,693	22,495	35,659	57,041	12,156	20,433	153,988
- of which other bonds	–	2,595	6,830	3,965	13,623	4,300	269	31,582	53	196	1,784	9,476	13,417	3,046	405	28,377
Subordinated liabilities	–	125	255	2,798	3,129	2,377	184	8,868	–	88	862	282	3,827	1,525	192	6,776
Other non-derivative financial liabilities	74,016	21	97	118	281	345	384	75,262	61,814	21	93	111	262	335	397	63,033
Total non-derivative financial liabilities	316,041	42,391	71,089	36,270	75,714	19,631	20,898	582,034	284,104	33,670	63,301	46,003	74,695	17,064	21,428	540,265
Derivatives, cash inflows	241,710	239,182	181,085	102,525	204,988	122,543	72,563	1,164,596	218,957	209,004	145,933	102,673	189,729	113,918	60,133	1,040,347
Derivatives, cash outflows	241,705	239,103	182,027	102,898	205,436	123,562	72,701	1,167,432	219,770	211,163	148,449	104,178	192,019	115,513	60,087	1,051,179
Derivatives, net cash flows	5	79	-942	-373	-448	-1,019	-138	-2,836	-813	-2,159	-2,516	-1,505	-2,290	-1,595	46	-10,832
Credit commitments	86,948	–	–	–	–	–	–	86,948	82,773	–	–	–	–	–	–	82,773
Issued guarantees	20,337	–	–	–	–	–	–	20,337	19,827	–	–	–	–	–	–	19,827

G10.4 Related party transactions

Accounting policies

Related parties

A related party is a person or entity that is related to Nordea. Related parties are grouped in the following categories:

- Shareholders with significant influence
- Associated undertakings and joint ventures
- Key management personnel
- Other related parties.

Shareholders with significant influence

Shareholders with significant influence are shareholders that have the power to participate in the financial and operating policy decisions of Nordea but do not control those policies.

Associated undertakings and joint ventures

For the definition of associated undertakings and joint ventures, see Note G9.3 "Investments in associated undertakings and joint ventures".

Key managment personnel

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities in Nordea, directly or indirectly, including any director of the entity.

Other related parties

Other related parties comprise subsidiaries of shareholders with significant influence, close family members of key management personnel and companies controlled or jointly controlled by key management personnel or by close family members of key management personnel.

Related party transactions

A related party transaction is a transfer of resources, services or obligations between Nordea and a related party, regardless of whether a price is charged. See also Accounting policies in Note G8.4 "Key management personnel remuneration".

Related party transactions

	Associated undertakings[1]		Other related parties[2]	
EURm	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Assets				
Loans	137	142	2	3
Derivatives	–	3	–	–
Other assets	1	1	–	–
Total assets	138	146	2	3
Liabilities				
Deposits	1	1	11	19
Derivatives	3	11	–	–
Other liabilities	0	0	0	0
Total liabilities	4	12	11	19
Off-balance sheet items	–	–	5	5

	Associated undertakings[1]		Other related parties[2]	
EURm	2024	2023	2024	2023
Net interest income	4	3	0	0
Net fee and commission income	2	3	0	0
Net result from items at fair value	-1	0	0	0
Total operating expenses	0	0	–	–
Profit before loan losses	5	6	0	0

1) Information about associated undertakings included in the Nordea Group is found in Note G9.3 "Investments in associated undertakings and joint ventures".

2) This column includes shareholders with significant influence (including their subsidiaries), close family members of key management personnel at Nordea, companies controlled or jointly controlled by key management personnel or by close family members of key management personnel at Nordea. It also includes Nordea's pension foundations.

All transactions with related parties are made on the same criteria and terms as those of comparable transactions with external parties of similar standing, apart from loans granted to employees as well as certain other commitments to key management personnel, see Note G8.4 "Key management personnel remuneration" and Note G7.1 "Contingent liabilities".

The information above is presented from Nordea's perspective, meaning that the information shows the effect of related party transactions on the Nordea figures.

In Nordea key management personnel includes the following positions:

- Board of Directors
- Chief Executive Officer (CEO)
- Deputy Managing Director
- Group Leadership Team.

Loans to key management personnel amounted to EUR 2.4m (EUR 3.7m) and interest income on these loans amounted to EUR 0.1m (EUR 0.1m). Deposits from key management personnel amounted to EUR 5.7m (EUR 7.8m) and interest on these deposits amounted to EUR -0.1m (EUR -0.1m). Loan commitments to key management personnel amounted to EUR 0.3m (EUR 0.2m).

For key management personnel employed by Nordea the same credit terms apply as for other employees. In Finland, the employee interest rate for mortgage loans corresponds to Nordea Bank Abp's funding cost with a margin of 30bp and for other loans the employee interest rate corresponds to Nordea Bank Abp's funding cost with a margin of 60-500bp. In Denmark, the employee interest rate for loans is variable and between 2.7% – 5.2% depending of the type of mortgage. In Norway, the variable interest rate on loans to employees is 4.94%. Mortgage loans with fixed interest rates are offered with the same rates as mortgage loans to Premium customers. In Sweden, loans approved with employee conditions are a maximum amount at SEK 3m for any type of loan and a maximum amount at SEK 0.4m for car loans. The interest rate for these loans is 215bp lower than the corresponding interest rate for external customers. For interest on loans above SEK 3m and SEK 0.4m respectively, the employees receive the same maximal discount as Nordea's best external customers.

Loans to family members of key management personnel who do not live in the same household as key management personnel are granted on normal market terms, as are loans to key management personnel who are not employed by Nordea. For more information about transactions with key management personnel, see Note G8.4 "Key management personnel remuneration".

G11 Risk and liquidity management

1. Risk governance

Maintaining organisational risk awareness is an integral part of Nordea's business strategy. Nordea has defined clear risk and liquidity management frameworks, policies and instructions for different risk types covering all risk exposures.

1.1 Internal Control Framework

The Internal Control Framework covers the whole Group and includes the Board of Directors, Group Chief Executive Officer (Group CEO) and senior executive management responsibilities regarding internal control, all Group functions and business areas including outsourced activities and distribution channels. Under the Internal Control Framework, all business areas, Group functions and units are responsible for managing the risks they incur when conducting their activities and to have controls in place that aim to ensure compliance with internal and external requirements. As part of the Internal Control Framework, Nordea has established Group control functions with appropriate and sufficient authority, independence and access to the Group Board to fulfil their mission. Within the Internal Control Framework the Group Board has established Nordea's Risk Management Framework and Compliance Risk Management Framework.

The Internal Control Framework ensures effective and efficient operations, adequate identification, measurement and mitigation of risks, prudent conduct of business, sound administrative and accounting procedures, reliability of financial and non-financial information (both internal and external) and compliance with applicable laws, regulations, standards, supervisory requirements and Group internal rules.

1.2 Decision-making bodies for risk, liquidity and capital management

The Group Board, the Board Risk Committee, the Group CEO in the GLT, the Asset and Liability Committee (ALCO) and the Risk Committee (RC) are the key decision-making bodies for risk and capital management at Nordea. In addition, the CEO Credit Committee, the Executive Credit Committee and Business Area Credit Committees are the key bodies for credit decision-making.

Group Board

The Group Board has the following overarching risk management responsibilities:

- Decide on the Group's risk strategy and the Risk Appetite Framework, including the Risk Appetite Statement, with at least annual reviews and additional updates when needed.
- Oversee and monitor the implementation of the risk strategy, Risk Appetite Framework and Risk Management Framework and regularly evaluate whether the Group has effective and appropriate controls to manage the risks.
- Monitor and oversee the development of the Group's risk profile against the Group Board-approved Risk Appetite Statement.
- Set and oversee the implementation of the Group's risk culture, monitor that the risk culture is implemented consistently, and consider the impact of the risk culture on the financial stability risk profile and governance.

The Group Board decides on the Group Board Directive on Capital Risk policy including the dividend policy to ensure adequate capital and liquidity levels within the Group and on an ongoing forward-looking basis, consistent with Nordea's business model, risk appetite and regulatory requirements and expectations.

Board Risk Committee

The Board Risk Committee assists the Group Board in fulfilling its oversight responsibilities concerning management and control of the risks, risk frameworks, controls and processes associated with the Group's operations.

Group CEO

The Group CEO is responsible to the Group Board for the overall management of the Group's operations and risks. Responsibilities include ensuring that the risk strategy and risk management framework decided by the Group Board is implemented, the necessary practical measures are taken and risks are monitored and limited.

The Group CEO is supported in decision-making by senior management within the GLT. Matters that are to be decided by the Group Board and matters of principle or otherwise of particular importance that are to be decided by the Boards of Directors of the major subsidiaries of Nordea Bank Abp, must first be presented to the Group CEO for discussion and recommendation.

Group-wide committees have been established by the Group CEO to promote coordination within the Group, thus ensuring commitment to and ownership of Group-wide prioritisations, decisions and implementation. The composition and areas of responsibility of each committee is established in Group CEO Instructions for respective committees.

Asset and Liability Committee

The Asset and Liability Committee (ALCO) is subordinated to the Group CEO in the GLT and chaired by the Group Chief Financial Officer (CFO). ALCO decides on changes to the financial operations and the risk profile of the balance sheet, including asset and liability management (ALM), balance sheet management and liquidity management. ALCO also decides on certain issuances and capital injections for all wholly owned legal entities within the Group. ALCO has established sub-committees for its work and decision-making within specific risk areas.

Risk Committee

The Risk Committee is subordinated to the Group CEO in GLT and chaired by the Group Chief Risk Officer (CRO). The Risk Committee manages the overarching Risk Management Framework and prepares or provides guidance regarding proposals to the Group CEO in the GLT and/or the Group Board on issues of major importance concerning Nordea's Risk Management Framework. The Group Board decides on the Risk Appetite Framework. The Risk Committee allocates the risk appetite to the risk-taking units, and the first line of defence is responsible for ensuring that limits are further cascaded and operationally implemented. The Risk Committee has established sub-committees for its work and decision-making within specific risk areas.

Credit decision-making bodies

The Group Board and the subsidiary Boards of Directors delegate credit decision-making according to the Power to Act as described in the Group Board Directive on Risk.

- The CEO Credit Committee is chaired by the Group CEO and the members of the Executive Credit Committee are included.
- The Executive Credit Committee is chaired by the Head of Group Credit Management. The Group CEO appoints the members of the Executive Credit Committee.
- Business Area Credit Committees: The Executive Credit Committee establishes credit committees for each business area as required by organisational and customer segmentation.

Subsidiary governance

The subsidiary Board of Directors (BoD) is responsible for approving risk appetite limits and capital actions within the overarching framework set by the Group Board of Directors. The proposals for such items are the responsibility of the relevant subsidiary management which is supported by Group functions.

Subsidiaries must adhere to the Internal Control Framework of the Group including Nordea's Risk Management and Compliance Risk Management Frameworks, unless local legal or supervisory requirements determine otherwise. The subsidiary BoD has oversight responsibilities concerning the management and control of risk, and the implementation of risk management frameworks as well as the processes associated with the subsidiary's operations. In addition, there are risk management functions responsible for the risk management framework and processes within the subsidiaries.

The subsidiary CEO is part of the decision-making process at the subsidiary level and is responsible for the daily operations.

1.3 Governance of risk management and compliance

Group Risk and Group Compliance constitute Nordea's independent second line of defence functions. The second line of defence is organised so that adequate resources are allocated to support processes and to cover the business organisation, legal structure and country dimensions. Group Risk oversees the implementation of the Group risk policies (excluding compliance risk) and, according to a risk-based approach, monitors and controls the Risk Management Framework. Group Compliance oversees the implementation of the Compliance Risk Management Framework, which is a part of the overarching Risk Management Framework.

The Risk Management Framework ensures consistent processes for identifying, assessing and measuring, responding to and mitigating, controlling and monitoring and reporting risks to enable informed decisions on risk-taking. The Risk Management Framework encompasses all risks to which Nordea is or could be exposed, including ESG as drivers of existing risks, off-balance sheet risks and risks in a stressed situation. Detailed risk information covering all risks is regularly reported to the Risk Committee, the GLT, the Board Risk Committee and the Group Board. In addition to this, Nordea's compliance with regulatory requirements is reported to the Risk Committee, the GLT, the Board Risk Committee and the Group Board. The Group Board and the CEO in each legal entity regularly receive local risk reporting.

The Risk Identification and Materiality Assessment Process starts with identifying risks to which Nordea is or could be exposed. Risks are then assessed for relevance, classified and included in the Common Risk Taxonomy.

All risks within the Nordea Common Risk Taxonomy need to be classified as material or not material for risk management and capital purposes. Material risks are those assessed as having a potential material impact on Nordea's current and future financial position, its customers and stakeholders. These risks will typically refer to a higher level risk within the risk taxonomy, which captures a number of underlying, or lower level risks, where losses arise from a common source.

Risk appetite

The Risk Appetite Framework (RAF) supports effective risk management and a sound risk culture by enabling informed decisions on risk-taking, with the objective of ensuring that risk-taking activities are conducted within the risk appetite stipulated by the Board of Directors.

Risk appetite is the aggregate level and types of risk that Nordea is willing to assume, in line with its business model, to achieve its strategic objectives. The Risk Appetite Statement is the articulation of the Group Board-approved risk appetite and comprises the qualitative statements and quantitative limits and triggers by main risk type, which are deemed appropriate to be able to operate with a prudent risk profile.

Risk appetite processes

The Risk Appetite Framework contains all processes and controls to establish, monitor and communicate Nordea's risk appetite:

- Risk capacity setting based on capital and liquidity position: On an annual basis, the Group's overall risk capacity is aligned with the financial and capital planning process, based on Nordea's risk strategy. The risk capacity is set in line with Nordea's capital and liquidity position, including an appropriate shock-absorbing capacity.
- Risk appetite allocation by risk type: Risk appetite includes risk appetite limits for the main risk types that Nordea is exposed to. Risk appetite triggers are also set for these main risk types, to act as early indicators for key decision-makers that the risk profile for a particular risk type is approaching its risk appetite limit.
- Risk limit setting: Measurable risk limits are established and set at an appropriate level to manage risk-taking effectively. Risk appetite limits are set by the Board Risk Committee. These form the basis for setting the risk limits which are established and approved at lower decision-making levels. The RAF is calibrated to ensure consistency throughout the framework. Subsidiary risk appetite limits must be set by the appropriate governing body in alignment with local regulatory requirements and consistent with the Group risk limits.
- Controlling and monitoring risk exposures against risk limits: Regular controlling and monitoring of risk exposures compared to risk limits are carried out to ensure that risk-taking activity remains within the risk appetite.
- Risk appetite limit breach management process: Group Risk and Group Compliance oversee that risk appetite limit breaches are appropriately escalated to the Risk Committee and the Board Risk Committee. Group Risk and Group Compliance report monthly on any breaches of the risk appetite to the Group Board and other relevant governing bodies including a follow-up on the status of actions to be taken, until the relevant risk exposure is within the risk appetite. The reporting includes a consistent status indicator to communicate the current risk exposure compared to the risk appetite limit for all risk types covered by the Risk Appetite Statements.

Embedding risk appetite in business processes

The end-to-end risk appetite process cycle is aligned with other strategic processes, including the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP) and the Recovery Plan.

The risk appetite is embedded in business processes and communicated across the organisation in order to meet Nordea's objectives of maintaining a sound risk culture. This includes but is not limited to ensuring a strong link between the assessed risk appetite and the business plans and budgets as well as the capital and liquidity position. Risk appetite is also considered in the Group recoverability and resolvability assessments as well as the incentive structures and remuneration framework.

1.4 Disclosure requirements of the Capital Requirements Regulation – Capital and Risk Management Report 2024

Additional information on risk and capital management is presented in the Capital and Risk Management Report 2024, in accordance with the Capital Requirements Regulation.

2. Credit risk

Credits granted within the Group must conform to the common principles established for the Group. Nordea strives to have a well-diversified credit portfolio that is adapted to the structure of its home markets and economies. Nordea's loan portfolio is split by type of exposure classes (corporate and retail) or by sector, then further broken down by segment, industry and geography and reported monthly, quarterly and annually.

The key principles for managing Nordea's risk exposures are:

- risk-based approach, i.e. the risk management functions should be aligned to the nature, size and complexity of Nordea's business, ensuring that efforts undertaken are proportional to the risks in question
- independence, i.e. the risk control function should be independent of the business it controls
- three lines of defence, as further described in the Group Board Directive on Internal Governance.

Group Credit Management is the first line of defence and is responsible for the credit process and Industry Credit Policies. Group Credit Risk Control is the second line of defence and is responsible for the credit risk framework, consisting of instructions and guidelines for the Group. Group Credit Risk Control is also responsible for controlling and monitoring the quality of the credit portfolio and the credit process.

The basis of credit risk management at Nordea is allocating limits to customers and customer groups which are aggregated and assigned to units responsible for their continuous monitoring and development. In addition to the procedures for allocating customer and customer group limits, Nordea's credit risk management framework also includes the credit risk appetite framework, which provides a comprehensive and risk-based portfolio perspective through relevant asset quality and concentration risk measures. Each division/unit is primarily responsible for managing the credit risks in its operations within the applicable framework and limits, including identification, control and reporting.

Within the powers to act granted by the Board of Directors, internal credit risk limits are approved by credit decision-making authorities on different levels of the organisation constituting the maximum risk appetite in relation to the customer in question. Individual credit decisions within the approved internal credit risk limit are taken within the customer responsible unit. The risk categorisation together with the exposure of the customer decides at what level the credit decision will be made. Responsibility for a credit risk lies with the customer responsible unit. Customers are classified according to risk and assigned a rating or a score in accordance with Nordea's rating and scoring guidelines. The rating and scoring of customers aim to predict their probability of default and consequently rank them according to their respective default risk. Rating and scoring are used as integrated parts of credit risk management and the credit decision-making process. Representatives from the first line of defence credit organisation approve the rating independently.

2.1 ESG-related credit risk

ESG risk drivers are assessed as a material or potentially material driver of (additional) credit risk. Nordea has in place a Group-wide taxonomy of climate and environmental (C&E) risk drivers (i.e. hazards) and a list of transmission channels. As part of the enhanced climate and nature-related materiality assessment (MA) performed in 2024, relevant risk drivers have been identified and assessed across geographies, economic sectors and portfolios using different time horizons (short, medium, long and very long term). Nordea provides an in-depth summary of the materiality assessment outcomes and identification, mitigation, management, capital adequacy and response to ESG risk drivers in the Capital and Risk Management Report.

For existing and new corporate borrowers, depending on the size and internal segmentation, ESG credit risk drivers are investigated and any identified ESG risks are assessed further, either on an industry basis (inherent risks) or on customer level. Risks that are material to the borrower's credit risk are treated as a credit risk driver and further integrated into the credit risk assessment. ESG-related risks identified as material at customer level provide input to the credit risk assessment to reach conclusions on the customer group's risk level included in the credit memorandum. Approvals are made according to the established credit decision-making process. For customers associated with high ESG-related risk levels, decisions are escalated to higher-level credit committees in line with the Group's Credit Governance where relevant.

When conducting the ESG assessments related to credit risks, as part of the credit risk assessment, a dedicated process which includes identifying both a customer's vulnerability and resilience towards material ESG issues is used. The process was updated during 2024 to further improve integration into the credit process. More specifically, during 2024 the customer risk assessment approach was improved by including the development of a credit risk rating override framework for ESG risk drivers when needed. To support these analyses, external databases are used to assess performance on specific ESG-related risks and to assess if the company has been or is involved in ESG-related controversies.

Climate-related transition and physical risks are assessed with an enhanced focus for larger customers. The key components of the assessment include counterparties' greenhouse gas (GHG) emissions intensity developments, the corresponding quality of their transition planning and the resulting impact of climate-related transition and physical risks on customer repayment capacity. This analysis is aligned with the Group targets on financed GHG emissions reductions and transition plan coverage. In addition, credit risk is also the risk type most affected by nature-related transition and physical risks, mainly arising via Nordea's lending operations. For nature-related risks Nordea has defined specific physical and transition risk drivers which potentially could (negatively) impact Nordea.

For certain customers, there is an enhanced focus on ESG risks. The process includes ensuring that sufficient policies and programmes are in place to reduce potential harmful impacts on, for example, the environment, communities, health and safety issues and indigenous rights. Additionally, Nordea follows applicable valuation standards and regulatory requirements, which includes taking ESG factors into account in applying market values for collateralised real estate assets, when available and relevant.

ESG-related considerations in the credit process are further guided by the internal Industry Credit Policies (ICPs), which include ESG-related exclusion criteria from exposure to harmful or controversial economic activities and requirements on engagement and monitoring of climate-related transition plans.

In addition to these processes, where relevant, Nordea carries out an Environmental & Social impact assessment when financing large infrastructure and industrial projects, as part of its commitment to the Equator Principles.

The overall credit risk assessment is a combined risk conclusion on the borrower's repayment capacity and recovery position. The risk assessment conclusion must be sufficiently forward-looking in relation to the risk profile of the customer and the maturity of the transaction.

In addition to the credit risk assessment made in connection with a new or changed exposure in relation to a customer, an annual or ongoing (i.e. business as usual) credit review process is in place. The review process is an important part of the ongoing credit assessment process.

In general, if credit weakness is identified in relation to a customer exposure, the customer is classified as "high risk" and receives special attention in terms of more frequent reviews and testing the need for individual provisions. When credit events are identified, in addition to the ongoing monitoring, an action plan is established outlining how to minimise the potential credit loss. If necessary, a work-out team is established to support the customer responsible unit.

2.2 Credit risk definition and identification

Credit risk is defined as the potential for loss due to failure of a borrower to meet its obligations to pay a debt in accordance with the agreed terms and conditions. The potential for loss is lowered by credit risk mitigation techniques. Credit risk mainly stems from various forms of lending as well as from issued guarantees and documentary credits and includes counterparty credit risk, transfer risk and settlement risk.

Nordea's loan portfolio is furthermore broken down by segment, industry and geography. Industry credit policies are established for those industries that have a significant weight in the portfolio and/or are either highly cyclical or volatile or assessed as vulnerable to climate-related risks or require special industry competencies.

Credit decisions are reached after a credit risk assessment, based on principles that are defined consistently across the Group. These principles emphasise the need to adjust the depth and scope of the assessment according to the risk. The same credit risk assessments are used as input for determining the internal ratings. Credit decisions at Nordea reflect Nordea's view of both the customer relationship and the credit risk.

2.3 Credit risk mitigation

Credit risk mitigation is an inherent part of the credit decision process. In every credit decision and review, the valuation of collateral is considered as well as the adequacy of covenants and other risk mitigations. A fundamental credit risk mitigation technique used by Nordea is to obtain collateral. Collateral is always required, when reasonable and possible, to minimise the risk of credit losses.

At Nordea, the main collateral types are real estate, floating charges and leasing objects. Collateral coverage should generally be higher for exposures of financially weaker customers than for those who are financially strong.

Independently of the strength of the collateral position, the repayment capacity is the starting point for the credit assessment and the assignment of credit limits. Regarding large exposures, syndication of loans is the primary tool for managing concentration risk, while credit risk mitigation using credit default swaps is applied to a limited extent. Covenants included in credit agreements are complementary to collateral protection.

Credit committee structure

Level 1	Board of Directors / Board Risk Committee						
Level 2	Chief Executive Officer (CEO) Credit Committee / Executive Credit Committee						
Level 3	Leveraged Buyout and Mergers and Acquisitions Credit Committee	Real Estate Management Industry and Construction Credit Committee	Corporate Large Corporations and Institutions Credit Committee	Corporate Business Banking Credit Committee	Int. Banks Countries, and Financial Institutions Credit Committee	Shipping and Offshore Credit Committee	Nordic Household Credit Committee
Level 4	Six eyes decisions (rated customers)			Four eyes decisions (scored customers) – two senior decision-makers from Group Credit Management			
Level 5	Four eyes decisions						
Level 6	Personal powers to act						

Most exposures of substantial size and complexity include appropriate covenants. Covenants provide early warning signs that enable Nordea to detect, and react on, a deterioration in the borrower's credit quality or overall performance. Covenant breaches allow Nordea to cancel the credit facility and demand repayment of the outstanding credits.

The collateral value should always be based on the market value. The market value is defined as the estimated amount for which the asset or liability could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. From this market value, a haircut is applied. The haircut is defined as a percentage by which the asset's market value is reduced ensuring a margin against loss. The haircut should reflect the volatility of the market value of the asset, liquidity and cost of liquidation. A minimum haircut is set for each collateral type. In addition to the haircut, potential higher-ranking claims are also deducted from the market value when calculating the maximum collateral value.

The same principles of calculation must be used for all exposures.

2.4 Exposures, allowances and provisions

The maximum exposure to credit risk includes the carrying amount of loans and interest-bearing securities, accounted for at amortised cost and fair value, the counterparty credit risk in derivatives (see also section 3 "Counterparty credit risk") and nominal amounts of off-balance commitments before loan loss allowances/provisions. The maximum exposure to credit risk amounted to EUR 572bn at the end of the year (EUR 548bn). See Note 3.3 "Classification and measurement" for relevant accounting policies".

Nordea's loans to the public increased by 3.7% to EUR 358bn during 2024 (EUR 345bn). The corporate portfolios increased by approximately 4.4%, while the household portfolios increased by 3.1%. The overall credit quality is solid with strongly rated customers and the macroeconomic outlook has improved during the year, however close monitoring is performed due to uncertain macroeconomic development and geopolitical changes. Out of the lending to the public portfolio, corporate customers accounted for 46.9% (46.6%), household customers for 51.9% (52.2%) and the public sector for 1.2% (1.2%). Loans to central banks and credit institutions, mainly in the form of interbank deposits, increased to EUR 7bn at the end of 2024 (EUR 4bn).

Credit-impaired loans held at amortised cost increased to EUR 2,945m (2,457m). The increase was mainly related to the household portfolios, driven by the implementation of new, enhanced collective provisioning models for the retail portfolios. Credit-impaired loans for the household portfolios increased by 35% and EUR 341m and amounted to EUR 1,311m (EUR 970m), while it increased in the corporate portfolios by 11% and EUR 158m and amounted to EUR 1,614m (EUR 1,456m)). The largest increase is in Industrials increasing by EUR 186m, driven by the Construction industry, and in Utilities and public services which increased from EUR 14m to EUR 108m. This is partly offset by reductions of EUR 96m in the Consumer discretionary and services portfolio.

Net loan losses and similar net result for 2024 amounted to EUR 206m (EUR 167m), corresponding to an annual net loan loss ratio, including fair value mortgage loans, of 6bp (5bp). The net loan losses were driven by individually assessed loan losses which amounted to EUR 224m (EUR 191m) consisting of a limited number of customers in the small and medium-sized corporate portfolios with some concentration in the Industrials portfolio. Fair value losses amounted to EUR 8m (gain of EUR 20m).

Total allowances for 2024 were EUR 1,800m, down from 1,825m in 2023. The allowances in relation to credit-impaired loans decreased from 42% to 36% where the corporate coverage ratio decreased from 48% to 47% and from 32% to 23% in the household portfolios largely driven by the implementation of new enhanced collective provisioning models for the retail portfolios, in line with the new capital models implemented in the third quarter. The new retail models triggered an increase in credit-impaired loans and a higher probability that impaired customers returns to performing status (cure-rate), thus decreasing the coverage requirement in the portfolio.

Stage 2 loans at amortised cost in the Group increased to EUR 16,366m (EUR 16,207m). The increase covers two larger

G11 Risk and liquidity management, cont.

changes; an increase in the first quarter, mainly due to some rating deterioration and migration from stage 1 as expected in a macroeconomic slowdown, while it decreased in the fourth quarter, following the implementation of enhanced collective provisioning models for the retail portfolio, in line with the new capital models implemented in the third quarter. Stage 2 coverage ratio decreased to 2.2% (2.5%).

Forbearance is eased terms or restructuring due to the borrower experiencing or about to experience financial difficulties. The intention of granting forbearance for a limited time period is to help the customer return to a sustainable financial situation ensuring full repayment of the outstanding debt. Examples of forbearance are changes in amortisation profile, repayment schedule, customer margin as well as easing of covenants. Forbearance is undertaken on a selective and individual basis followed by impairment testing. Forborne loans increased by EUR 763m during the year, of which 73% related to the corporate portfolios and 27% related to the household portfolios. The forbearance coverage ratio decreased from 20% to 15%.

Maximum exposure to credit risk

		31 Dec 2024		31 Dec 2023	
EURm	Note	Amortised cost and fair value through other comprehensive income	Financial assets at fair value through profit or loss	Amortised cost and fair value through other comprehensive income	Financial assets at fair value through profit or loss
Loans to central banks and credit institutions	G3.8	5,059	1,976	3,091	1,202
Loans to the public	G3.8	277,799	81,384	272,934	73,526
Interest-bearing securities	G3.9	41,284	32,182	36,703	31,301
Derivatives	G3.12	–	25,211	–	26,525
Off-balance sheet items, nominal amounts	G7.1, G7.2	107,036	249	102,461	139
Total		431,178	141,002	415,189	132,693

Collateral distribution

	31 Dec 2024	31 Dec 2023
Financial collateral	0.6%	0.6%
Receivables	0.9%	0.9%
Residential real estate	76.6%	75.0%
Commercial real estate	16.8%	17.9%
Other physical collateral	5.1%	5.6%
Total	100.0%	100.0%

Allowances for credit risk

EURm	Note	31 Dec 2024	31 Dec 2023
Loans to central banks and credit institutions	G3.8	10	21
Loans to the public	G3.8	1,595	1,632
Interest-bearing securities measured at fair value through other comprehensive income or amortised cost	G3.9	2	4
Off-balance sheet items	G6	193	168
Total		1,800	1,825

Assets taken over for protection of claims[1]

EURm	31 Dec 2024	31 Dec 2023
Current assets, carrying amount:		
Land and buildings	3	2
Shares and other participations	2	6
Other assets	4	1
Total	9	9

1) In accordance with Nordea's policy for taking over assets for protection of claims, which is in compliance with the local banking business acts wherever Nordea is located. Assets used as collateral for the loan are generally taken over when the customer is not able to fulfil its obligations to Nordea. The assets taken over are disposed at the latest when full recovery is reached.

Loan-to-value[1]

	31 Dec 2024		31 Dec 2023	
Retail mortgage exposure	EURbn	%	EURbn	%
<50%	128.4	83	128.6	83
50–70%	19.5	13	19.7	13
71–80%	4.0	2	3.9	2
81–90%	1.2	1	1.1	1
>90%	1.2	1	0.8	1
Total	154.3	100	154.1	100

1) The amounts and percentages in the table include the relevant part of a loan, not the total loan. Excludes loans under the standardised approach in CRR, primarily related to loans acquired from Danske Bank in 2024 (EUR 8.9bn).

Forbearance

EURm	31 Dec 2024	31 Dec 2023
Forborne loans	3,024	2,261
- of which defaulted	1,209	1,045
Allowances for individually assessed credit-impaired and forborne loans	465	455
- of which defaulted	412	420

Key ratios	31 Dec 2024	31 Dec 2023
Forbearance ratio[1]	1.1%	0.8%
Forbearance coverage ratio[2]	15%	20%
- of which defaulted	34%	40%

1) Forborne loans/Loans held at amortised cost before allowances.
2) Individual allowances on forborne loans/Forborne loans.

Loans to corporate customers, by size of loans

	31 Dec 2024		31 Dec 2023	
Size in EURm	Loans EURbn	%	Loans EURbn	%
0–10	65.1	39	62.7	39
11–50	40.8	24	39.6	25
51–100	24.4	15	22.9	14
101–250	24.8	15	24.2	15
251–500	7.2	4	6.4	4
501–	5.4	3	4.9	3
Total	167.7	100	160.7	100

Credit-impaired loans and ratios

	2024	2023
Gross credit-impaired loans, amortised cost, EURm	2,945	2,457
- of which servicing	1,133	1,091
- of which non-servicing	1,812	1,366
Impairment ratio (stage 3), gross, bp	104	89
Impairment ratio (stage 3), net, bp	66	51
Allowances in relation to loans, stages 1 and 2, bp	19	23
Total allowance ratio (stages 1, 2 and 3), bp	57	60
Allowances in relation to credit-impaired loans (stage 3), %	36	42

Past due loans

	31 Dec 2024		31 Dec 2023	
EURm	Corporate customers	Household customers	Corporate customers	Household customers
6–30 days	338	752	406	829
31–60 days	83	274	113	287
61–90 days	38	115	41	113
>90 days	413	784	288	628
Total	872	1,925	848	1,857
Past due (incl. impaired) loans divided by loans to the public after allowances, %	0.5	1.0	0.5	1.0

G11 Risk and liquidity management, cont.

Net loan losses and loan loss ratios

	2024	2023
Net loan losses, EURm	198	187
Net loan loss ratio, amortised cost, Group, bp	7	7
- of which stage 3	9	8
- of which stages 1 and 2	-2	-1
Net loan loss ratio, including fair value mortgage loans, Group, bp[1]	6	5
Net loan loss ratio, including fair value mortgage loans, Personal Banking, bp	5	7
Net loan loss ratio, including fair value mortgage loans, Business Banking, bp	14	8
Net loan loss ratio, including fair value mortgage loans, Large Corporates & Institutions, bp	-2	-5

1) 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, bp.

Loans to the public measured at amortised cost and fair value

31 Dec 2024, EURm	Denmark	Finland	Norway	Sweden	Other	Total
Financial institutions	2,964	1,899	825	9,343	980	16,011
Agriculture	4,454	347	2,996	216	4	8,017
Crops, plantations and hunting	2,677	174	103	130	4	3,088
Animal husbandry	1,743	169	142	53	0	2,107
Fishing and aquaculture	34	4	2,751	33	0	2,822
Natural resources	171	1,106	736	453	91	2,557
Paper and forest products	147	797	286	394	91	1,715
Mining and supporting activities	15	299	90	58	0	462
Oil, gas and offshore	9	10	360	1	0	380
Consumer staples	3,427	824	1,187	1,956	55	7,449
Food processing and beverages	282	286	858	509	8	1,943
Household and personal products	213	96	131	415	2	857
Healthcare	2,932	442	198	1,032	45	4,649
Consumer discretionary and services	2,323	2,191	2,724	4,720	24	11,982
Consumer durables	158	319	249	1,869	23	2,618
Media and entertainment	491	348	144	735	0	1,718
Retail trade	730	1,160	1,164	1,435	0	4,489
Air transportation	253	15	30	42	0	340
Accommodation and leisure	626	276	626	371	0	1,899
Telecommunication services	65	73	511	268	1	918

Loans to the public measured at amortised cost and fair value, cont.

31 Dec 2024, EURm	Denmark	Finland	Norway	Sweden	Other	Total
Industrials	6,781	6,484	8,682	9,065	342	31,354
Materials	676	576	280	585	50	2,167
Capital goods	665	1,555	192	1,308	49	3,769
Commercial and professional services	1,957	772	2,049	1,684	203	6,665
Construction	1,024	1,161	3,683	1,857	0	7,725
Wholesale trade	1,739	1,073	1,009	2,160	23	6,004
Land transportation	270	728	689	781	15	2,483
IT services	450	619	780	690	2	2,541
Maritime	230	180	4,197	57	155	4,819
Shipbuilding	0	15	118	0	0	133
Shipping	31	71	3,907	35	155	4,199
Maritime services	199	94	172	22	0	487
Utilities and public service	2,008	2,880	1,902	1,149	0	7,939
Utilities distribution	1,502	1,252	1,094	763	0	4,611
Power production	124	1,331	596	213	0	2,264
Public services	382	297	212	173	0	1,064
Real estate	9,365	9,173	8,950	19,273	0	46,761
Commercial real estate	4,092	4,902	7,677	9,143	0	25,814
Residential real estate companies	2,499	902	462	2,726	0	6,589
Tenant-owned associations	2,774	3,369	811	7,404	0	14,358
Other industries	294	0	41	47	1,792	2,174
Total corporate	32,017	25,084	32,240	46,279	3,443	139,063
Housing loans	41,174	33,261	41,563	51,420	0	167,418
Collateralised lending	3,719	5,985	1,676	2,018	0	13,398
Non-collateralised lending	746	2,094	352	1,769	0	4,961
Household	45,639	41,340	43,591	55,207	0	185,777
Public sector	676	706	82	2,652	3	4,119
Reverse repurchase agreements	0	28,629	0	0	0	28,629
Loans to the public by country	78,332	95,759	75,913	104,138	3,446	357,588
Of which loans at fair value	52,696	28,688	0	0	0	81,384

G11 Risk and liquidity management, cont.

Loans to the public measured at amortised cost and fair value

31 Dec 2023, EURm	Denmark	Finland	Norway	Sweden	Other	Total
Financial institutions	2,874	1,840	965	7,998	677	14,354
Agriculture	4,550	341	2,937	194	6	8,028
Crops, plantations and hunting	2,694	177	106	113	6	3,096
Animal husbandry	1,836	159	130	57	0	2,182
Fishing and aquaculture	20	5	2,701	24	0	2,750
Natural resources	152	975	894	404	99	2,524
Paper and forest products	140	663	510	341	99	1,753
Mining and supporting activities	8	280	95	59	0	442
Oil, gas and offshore	4	32	289	4	0	329
Consumer staples	2,030	840	986	1,905	57	5,818
Food processing and beverages	402	323	684	475	16	1,900
Household and personal products	154	90	119	374	1	738
Healthcare	1,474	427	183	1,056	40	3,180
Consumer discretionary and services	2,491	2,424	2,769	5,548	185	13,417
Consumer durables	153	356	218	2,087	182	2,996
Media and entertainment	559	335	170	1,338	0	2,402
Retail trade	828	1,269	1,163	1,408	3	4,671
Air transportation	264	17	60	45	0	386
Accommodation and leisure	616	379	682	396	0	2,073
Telecommunication services	71	68	476	274	0	889
Industrials	7,750	6,730	9,427	10,079	183	34,169
Materials	463	541	303	620	10	1,937
Capital goods	696	1,642	233	1,078	58	3,707
Commercial and professional services	2,099	865	2,119	2,160	89	7,332
Construction	1,062	1,360	4,306	2,353	0	9,081
Wholesale trade	2,234	1,146	1,162	2,330	19	6,891
Land transportation	739	727	702	826	0	2,994
IT services	457	449	602	712	7	2,227
Maritime	180	154	4,602	72	304	5,312
Shipbuilding	0	14	165	0	0	179
Shipping	2	43	4,271	51	302	4,669
Maritime services	178	97	166	21	2	464

Loans to the public measured at amortised cost and fair value, cont.

31 Dec 2023, EURm	Denmark	Finland	Norway	Sweden	Other	Total
Utilities and public service	1,715	3,199	1,863	1,059	0	7,836
Utilities distribution	1,314	1,403	1,131	532	0	4,380
Power production	37	1,617	545	405	0	2,604
Public services	364	179	187	122	0	852
Real estate	8,752	8,598	10,223	18,826	79	46,478
Commercial real estate	3,831	4,684	8,699	8,661	79	25,954
Residential real estate companies	2,305	790	661	2,452	0	6,208
Tenant-owned associations	2,616	3,124	863	7,713	0	14,316
Other industries	246	0	119	115	1,406	1,886
Total corporate	**30,740**	**25,101**	**34,785**	**46,200**	**2,996**	**139,822**
Housing loans	35,174	33,436	34,024	52,057	0	154,691
Collateralised lending	10,324	5,932	1,954	2,069	0	20,279
Non-collateralised lending	899	2,133	338	1,849	0	5,219
Household	**46,397**	**41,501**	**36,316**	**55,975**	**0**	**180,189**
Public sector	**954**	**806**	**18**	**2,197**	**0**	**3,975**
Reverse repurchase agreements	**0**	**20,842**	**0**	**0**	**0**	**20,842**
Loans to the public by country	**78,091**	**88,250**	**71,119**	**104,372**	**2,996**	**344,828**
Of which loans at fair value	**52,629**	**20,897**	**0**	**0**	**0**	**73,526**

G11 Risk and liquidity management, cont.

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

	Gross			Allowances				
31 Dec 2024, EURm	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Loans carrying amount	Net loan losses[1]
Financial institutions	14,941	534	59	7	16	30	15,481	-9
Agriculture	4,304	238	76	6	15	31	4,566	-7
Crops, plantations and hunting	900	105	24	2	11	9	1,007	-11
Animal husbandry	632	85	50	1	3	22	741	5
Fishing and aquaculture	2,772	48	2	3	1	0	2,818	-1
Natural resources	2,173	292	23	3	4	10	2,471	-8
Paper and forest products	1,371	259	18	1	3	9	1,635	-5
Mining and supporting activities	427	29	4	1	1	1	457	0
Oil, gas and offshore	375	4	1	1	0	0	379	-3
Consumer staples	6,612	333	24	9	8	13	6,939	18
Food processing and beverages	1,722	201	10	3	4	6	1,920	11
Household and personal products	697	39	8	1	1	4	738	1
Healthcare	4,193	93	6	5	3	3	4,281	6
Consumer discretionary and services	9,353	1,090	470	12	36	226	10,639	-29
Consumer durables	2,227	312	89	2	5	51	2,570	-7
Media and entertainment	1,285	191	58	2	3	31	1,498	-6
Retail trade	3,587	458	265	6	23	116	4,165	-17
Air transportation	199	8	5	0	0	2	210	-1
Accommodation and leisure	1,202	117	47	2	4	21	1,339	3
Telecommunication services	853	4	6	0	1	5	857	-1
Industrials	25,620	3,661	600	36	100	292	29,453	-78
Materials	1,865	219	78	3	5	22	2,132	-12
Capital goods	3,085	618	31	4	15	17	3,698	6
Commercial and professional services	5,137	607	54	4	12	26	5,756	-22
Construction	6,237	946	204	12	29	95	7,251	-23
Wholesale trade	4,955	846	119	6	27	56	5,831	-25
Land transportation	2,216	189	28	4	6	14	2,409	9
IT services	2,125	236	86	3	6	62	2,376	-11
Maritime	4,552	156	51	0	1	31	4,727	12
Shipbuilding	7	128	0	0	1	0	134	-1
Shipping	4,165	14	51	0	0	31	4,199	13
Maritime services	380	14	0	0	0	0	394	0

Loans measured at amortised cost, broken down by sector and industry, cont.

	Gross			Allowances				
31 Dec 2024, EURm	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Loans carrying amount	Net loan losses[1]
Utilities and public service	6,567	147	108	5	3	63	6,751	-56
Utilities distribution	3,634	75	104	2	1	61	3,749	-57
Power production	2,222	15	2	1	0	0	2,238	-1
Public services	711	57	2	2	2	2	764	2
Real estate	36,395	1,811	191	19	20	59	38,299	35
Other industries	1,899	149	12	2	0	2	2,056	1
Total corporate	112,416	8,411	1,614	99	203	757	121,382	-121
Housing loans	125,917	5,955	717	32	74	139	132,344	-24
Collateralised lending	12,030	1,142	365	23	30	86	13,398	-12
Non-collateralised lending	4,047	835	229	19	50	81	4,961	-40
Household	141,994	7,932	1,311	74	154	306	150,703	-76
Public sector	4,087	14	20	1	0	1	4,119	-1
Loans to the public	258,497	16,357	2,945	174	357	1,064	276,204	-198
Loans to credit institutions and central banks	5,050	9	0	5	0	5	5,049	0
Total	263,547	16,366	2,945	179	357	1,069	281,253	-198

1) The table shows net loan losses related to on- and off-balance sheet exposures for the full year 2024.

G11 Risk and liquidity management, cont.

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

	Gross			Allowances				
31 Dec 2023, EURm	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Loans carrying amount**	**Net loan losses[1]**
Financial institutions	13,531	253	67	8	8	38	13,797	-7
Agriculture	4,278	192	68	7	7	35	4,489	22
Crops, plantations and hunting	930	92	17	3	3	7	1,026	0
Animal husbandry	619	83	48	3	4	28	715	22
Fishing and aquaculture	2,729	17	3	1	0	0	2,748	0
Natural resources	2,235	198	18	3	5	14	2,429	-2
Paper and forest products	1,505	161	16	2	4	13	1,663	-5
Mining and supporting activities	405	34	2	0	1	1	439	0
Oil, gas and offshore	325	3	0	1	0	0	327	3
Consumer staples	5,013	266	89	8	10	32	5,318	-3
Food processing and beverages	1,685	161	53	3	5	16	1,875	-5
Household and personal products	592	28	8	2	1	5	620	-1
Healthcare	2,736	77	28	3	4	11	2,823	3
Consumer discretionary and services	10,578	1,141	566	16	51	220	11,998	-46
Consumer durables	2,533	381	104	2	6	61	2,949	-30
Media and entertainment	1,845	100	199	2	5	29	2,108	-21
Retail trade	3,796	480	222	9	30	105	4,354	-4
Air transportation	236	9	9	0	0	4	250	5
Accommodation and leisure	1,357	163	27	2	9	16	1,520	4
Telecommunication services	811	8	5	1	1	5	817	0
Industrials	28,990	3,196	414	53	110	251	32,186	-40
Materials	1,700	193	25	3	4	12	1,899	0
Capital goods	3,161	472	42	5	16	21	3,633	2
Commercial and professional services	5,992	408	45	11	12	18	6,404	1
Construction	7,471	1,106	120	17	38	77	8,565	-9
Wholesale trade	6,130	567	82	7	25	47	6,700	-21
Land transportation	2,701	214	35	5	6	28	2,911	19
IT services	1,835	236	65	5	9	48	2,074	-32
Maritime	5,143	67	48	15	2	23	5,218	12
Shipbuilding	164	15	0	0	0	0	179	3
Shipping	4,612	49	48	15	2	23	4,669	9
Maritime services	367	3	0	0	0	0	370	0

Loans measured at amortised cost, broken down by sector and industry, cont.

	Gross			Allowances				
31 Dec 2023, EURm	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Loans carrying amount**	**Net loan losses[1]**
Utilities and public service	6,471	108	14	5	3	8	6,577	1
Utilities distribution	3,381	60	8	2	1	4	3,442	1
Power production	2,566	12	1	2	1	1	2,575	0
Public services	524	36	5	1	1	3	560	0
Real estate	36,656	1,860	164	25	45	83	38,527	-35
Other industries	1,580	189	8	3	1	0	1,773	15
Total corporate	114,475	7,470	1,456	143	242	704	122,312	-83
Housing loans	113,424	5,734	539	12	54	114	119,517	-20
Collateralised lending	18,163	2,035	277	31	41	124	20,279	-24
Non-collateralised lending	4,277	952	154	14	73	77	5,219	-61
Household	135,864	8,721	970	57	168	315	145,015	-105
Public sector	3,943	8	27	1	0	2	3,975	1
Loans to the public	254,282	16,199	2,453	201	410	1,021	271,302	-187
Loans to credit institutions and central banks	3,079	8	4	5	0	16	3,070	0
Total	257,361	16,207	2,457	206	410	1,037	274,372	-187

1) The table shows net loan losses related to on- and off-balance sheet exposures for the full year 2023.

G11 Risk and liquidity management, cont.

Credit-impaired loans (stage 3) to the public by country and industry (including loans at fair value)

31 Dec 2024, EURm	Denmark	Finland	Norway	Sweden	Total
Financial institutions	50	3	5	2	60
Agriculture	146	24	14	1	185
Crops, plantations and hunting	64	7	5	1	77
Animal husbandry	80	17	9	0	106
Fishing and aquaculture	2	0	0	0	2
Natural resources	7	9	7	0	23
Paper and forest products	7	8	4	0	19
Mining and supporting activities	0	1	3	0	4
Oil, gas and offshore	0	0	0	0	0
Consumer staples	4	13	6	3	26
Food processing and beverages	1	7	1	1	10
Household and personal products	1	5	3	0	9
Healthcare	2	1	2	2	7
Consumer discretionary and services	146	142	30	165	483
Consumer durables	3	50	2	34	89
Media and entertainment	4	19	1	35	59
Retail trade	131	50	24	68	273
Air transportation	0	2	2	1	5
Accommodation and leisure	8	21	1	20	50
Telecommunication services	0	0	0	7	7
Industrials	134	174	170	146	624
Materials	59	5	8	6	78
Capital goods	7	23	1	3	34
Commercial and professional services	15	16	21	9	61
Construction	14	89	83	25	211
Wholesale trade	33	15	46	28	122
Land transportation	3	13	5	9	30
IT services	3	13	6	66	88
Maritime	0	0	51	0	51
Shipbuilding	0	0	0	0	0
Shipping	0	0	51	0	51
Maritime services	0	0	0	0	0

Credit-impaired loans (stage 3) to the public by country and industry (including loans at fair value), cont.

31 Dec 2024, EURm	Denmark	Finland	Norway	Sweden	Total
Utilities and public service	99	8	1	1	109
Utilities distribution	99	5	0	0	104
Power production	0	2	0	0	2
Public services	0	1	1	1	3
Real estate	26	123	49	13	211
Other industries	5	0	7	0	12
Total corporate	617	496	340	331	1,784
Housing loans	352	439	148	98	1,037
Collateralised lending	83	180	82	20	365
Non-collateralised lending	24	130	10	64	228
Household	459	749	240	182	1,630
Public sector	21	0	0	0	21
Total impaired loans	1,097	1,245	580	513	3,435
of which fair value	490	0	0	0	490

G11 Risk and liquidity management, cont.

Credit-impaired loans (stage 3) to the public by country and industry (including loans at fair value)

31 Dec 2023, EURm	Denmark	Finland	Norway	Sweden	Total
Financial institutions	52	2	9	5	68
Agriculture	107	27	3	1	138
Crops, plantations and hunting	23	7	1	1	32
Animal husbandry	81	20	2	0	103
Fishing and aquaculture	3	0	0	0	3
Natural resources	3	8	3	5	19
Paper and forest products	3	7	2	5	17
Mining and supporting activities	0	1	1	0	2
Oil, gas and offshore	0	0	0	0	0
Consumer staples	68	15	7	2	92
Food processing and beverages	40	11	0	2	53
Household and personal products	2	1	6	0	9
Healthcare	26	3	1	0	30
Consumer discretionary and services	134	97	34	308	573
Consumer durables	3	42	1	58	104
Media and entertainment	4	11	1	184	200
Retail trade	125	23	26	52	226
Air transportation	0	2	4	3	9
Accommodation and leisure	2	19	2	5	28
Telecommunication services	0	0	0	6	6
Industrials	109	128	61	136	434
Materials	17	5	2	1	25
Capital goods	20	21	2	3	46
Commercial and professional services	12	17	16	6	51
Construction	17	58	29	24	128
Wholesale trade	40	10	7	27	84
Land transportation	2	10	5	18	35
IT services	1	7	0	57	65
Maritime	0	0	48	0	48
Shipbuilding	0	0	0	0	0
Shipping	0	0	48	0	48
Maritime services	0	0	0	0	0

Credit-impaired loans (stage 3) to the public by country and industry (including loans at fair value), cont.

31 Dec 2023, EURm	Denmark	Finland	Norway	Sweden	Total
Utilities and public service	2	10	1	3	16
Utilities distribution	0	8	0	0	8
Power production	0	0	0	1	1
Public services	2	2	1	2	7
Real estate	33	83	60	13	189
Other industries	0	1	4	2	7
Total corporate	508	371	230	475	1,584
Housing loans	269	352	122	64	807
Collateralised lending	91	145	32	9	277
Non-collateralised lending	22	92	4	37	155
Household	382	589	158	110	1,239
Public sector	27	0	0	0	27
Total impaired loans	917	960	388	585	2,850
of which fair value	397	0	0	0	397

G11 Risk and liquidity management, cont.

Loans to the public measured at amortised cost

31 Dec 2024, EURm	Net loan losses[1]	Net loan loss ratio, bp	Impaired loans (stage 3)	Impairment ratio, bp	Allowances total	Allowances (stage 1)	Allowances (stage 2)	Allowances (stage 3)	Coverage ratio, %[2]	Loans measured at amortised cost
Financial institutions	-9	-6	59	38	53	7	16	30	51	15,481
Agriculture	-7	-15	76	165	52	6	15	31	41	4,566
Crops, plantations and hunting	-11	-109	24	233	22	2	11	9	38	1,007
Animal husbandry	5	67	50	652	26	1	3	22	44	741
Fishing and aquaculture	-1	-4	2	7	4	3	1	0	0	2,818
Natural resources	-8	-32	23	92	17	3	4	10	43	2,471
Paper and forest products	-5	-31	18	109	13	1	3	9	50	1,635
Mining and supporting activities	0	0	4	87	3	1	1	1	25	457
Oil, gas and offshore	-3	-79	1	26	1	1	0	0	0	379
Consumer staples	18	26	24	34	30	9	8	13	54	6,939
Food processing and beverages	11	57	10	52	13	3	4	6	60	1,920
Household and personal products	1	14	8	108	6	1	1	4	50	738
Healthcare	6	14	6	14	11	5	3	3	50	4,281
Consumer discretionary and services	-29	-27	470	431	274	12	36	226	48	10,639
Consumer durables	-7	-27	89	339	58	2	5	51	57	2,570
Media and entertainment	-6	-40	58	378	36	2	3	31	53	1,498
Retail trade	-17	-41	265	615	145	6	23	116	44	4,165
Air transportation	-1	-48	5	236	2	0	0	2	40	210
Accommodation and leisure	3	22	47	344	27	2	4	21	45	1,339
Telecommunication services	-1	-12	6	70	6	0	1	5	83	857

Loans to the public measured at amortised cost, cont.

31 Dec 2024, EURm	Net loan losses[1]	Net loan loss ratio, bp	Impaired loans (stage 3)	Impairment ratio, bp	Allowances total	Allowances (stage 1)	Allowances (stage 2)	Allowances (stage 3)	Coverage ratio, %[2]	Loans measured at amortised cost
Industrials	-78	-26	600	201	428	36	100	292	49	29,453
Materials	-12	-56	78	361	30	3	5	22	28	2,132
Capital goods	6	16	31	83	36	4	15	17	55	3,698
Commercial and professional services	-22	-38	54	93	42	4	12	26	48	5,756
Construction	-23	-32	204	276	136	12	29	95	47	7,251
Wholesale trade	-25	-43	119	201	89	6	27	56	47	5,831
Land transportation	9	37	28	115	24	4	6	14	50	2,409
IT services	-11	-46	86	351	71	3	6	62	72	2,376
Maritime	12	25	51	107	32	0	1	31	61	4,727
Shipbuilding	-1	-75	0	0	1	0	1	0	0	134
Shipping	13	31	51	121	31	0	0	31	61	4,199
Maritime services	0	0	0	0	0	0	0	0	0	394
Utilities and public service	-56	-83	108	158	71	5	3	63	58	6,751
Utilities distribution	-57	-152	104	273	64	2	1	61	59	3,749
Power production	-1	-4	2	9	1	1	0	0	0	2,238
Public services	2	26	2	26	6	2	2	2	100	764
Real estate	35	9	191	50	98	19	20	59	31	38,299
Other industries	1	5	12	58	4	2	0	2	17	2,056
Total corporate	**-121**	**-10**	**1,614**	**132**	**1,059**	**99**	**203**	**757**	**47**	**121,382**
Housing loans	-24	-2	717	54	245	32	74	139	19	132,344
Collateralised lending	-12	-9	365	270	139	23	30	86	24	13,398
Non-collateralised lending	-40	-81	229	448	150	19	50	81	35	4,961
Household	**-76**	**-5**	**1,311**	**87**	**534**	**74**	**154**	**306**	**23**	**150,703**
Public sector	**-1**	**-2**	**20**	**49**	**2**	**1**	**0**	**1**	**5**	**4,119**
Loans to the public	**-198**	**-7**	**2,945**	**106**	**1,595**	**174**	**357**	**1,064**	**36**	**276,204**

1) Including provisions for off-balance sheet exposures.
2) Allowances for stage 3 divided by exposures in stage 3.

G11 Risk and liquidity management, cont.

Loans to the public measured at amortised cost

31 Dec 2023, EURm	Net loan losses[1]	Net loan loss ratio, bp	Impaired loans (stage 3)	Impairment ratio, bp	Allowances total	Allowances (stage 1)	Allowances (stage 2)	Allowances (stage 3)	Coverage ratio, %[2]	Loans measured at amortised cost
Financial institutions	-7	-5	67	48	54	8	8	38	57	13,797
Agriculture	22	49	68	150	49	7	7	35	51	4,489
Crops, plantations and hunting	0	0	17	164	13	3	3	7	41	1,026
Animal husbandry	22	308	48	640	35	3	4	28	58	715
Fishing and aquaculture	0	0	3	11	1	1	0	0	0	2,748
Natural resources	-2	-8	18	73	22	3	5	14	78	2,429
Paper and forest products	-5	-30	16	95	19	2	4	13	81	1,663
Mining and supporting activities	0	0	2	45	2	0	1	1	50	439
Oil, gas and offshore	3	92	0	0	1	1	0	0	0	327
Consumer staples	-3	-6	89	166	50	8	10	32	36	5,318
Food processing and beverages	-5	-27	53	279	24	3	5	16	30	1,875
Household and personal products	-1	-16	8	127	8	2	1	5	63	620
Healthcare	3	11	28	99	18	3	4	11	39	2,823
Consumer discretionary and services	-46	-38	566	461	287	16	51	220	39	11,998
Consumer durables	-30	-102	104	345	69	2	6	61	59	2,949
Media and entertainment	-21	-100	199	928	36	2	5	29	15	2,108
Retail trade	-4	-9	222	494	144	9	30	105	47	4,354
Air transportation	5	200	9	354	4	0	0	4	44	250
Accommodation and leisure	4	26	27	175	27	2	9	16	59	1,520
Telecommunication services	0	0	5	61	7	1	1	5	100	817

Loans to the public measured at amortised cost, cont.

31 Dec 2023, EURm	Net loan losses[1]	Net loan loss ratio, bp	Impaired loans (stage 3)	Impairment ratio, bp	Allowances total	Allowances (stage 1)	Allowances (stage 2)	Allowances (stage 3)	Coverage ratio, %[2]	Loans measured at amortised cost
Industrials	-40	-12	414	127	414	53	110	251	61	32,186
Materials	0	0	25	130	19	3	4	12	48	1,899
Capital goods	2	6	42	114	42	5	16	21	50	3,633
Commercial and professional services	1	2	45	70	41	11	12	18	40	6,404
Construction	-9	-11	120	138	132	17	38	77	64	8,565
Wholesale trade	-21	-31	82	121	79	7	25	47	57	6,700
Land transportation	19	65	35	119	39	5	6	28	80	2,911
IT services	-32	-154	65	304	62	5	9	48	74	2,074
Maritime	12	23	48	91	40	15	2	23	48	5,218
Shipbuilding	3	168	0	0	0	0	0	0	0	179
Shipping	9	19	48	102	40	15	2	23	48	4,669
Maritime services	0	0	0	0	0	0	0	0	0	370
Utilities and public service	1	2	14	21	16	5	3	8	57	6,577
Utilities distribution	1	3	8	23	7	2	1	4	50	3,442
Power production	0	0	1	4	4	2	1	1	100	2,575
Public services	0	0	5	88	5	1	1	3	60	560
Real estate	-35	-9	164	42	153	25	45	83	51	38,527
Other industries	15	85	8	45	4	3	1	0	0	1,773
Total corporate	-83	-7	1,456	118	1,089	143	242	704	48	122,312
Housing loans	-20	-2	539	45	180	12	54	114	21	119,517
Collateralised lending	-24	-12	277	135	196	31	41	124	45	20,279
Non-collateralised lending	-61	-117	154	286	164	14	73	77	50	5,219
Household	-105	-7	970	67	540	57	168	315	32	145,015
Public sector	1	3	27	68	3	1	0	2	7	3,975
Loans to the public	-187	-7	2,453	90	1,632	201	410	1,021	42	271,302

1) Including provisions for off-balance sheet exposures.
2) Allowances for stage 3 divided by exposures in stage 3.

G11 Risk and liquidity management, cont.

Loans to the public measured at amortised cost, geographical breakdown[1]

	Gross			Allowances			
EURm	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Net
31 Dec 2024							
Denmark	24,274	1,425	585	33	94	283	25,874
Finland	59,238	6,704	1,235	36	134	405	66,602
Norway	66,233	4,805	563	52	55	149	71,345
Sweden	92,626	3,243	497	49	68	202	96,047
Russia	1	0	0	0	0	0	1
US	2,837	5	1	0	1	0	2,842
Other	13,288	175	64	4	5	25	13,493
Total	**258,497**	**16,357**	**2,945**	**174**	**357**	**1,064**	**276,204**
31 Dec 2023							
Denmark	23,690	1,494	496	39	117	247	25,277
Finland	59,584	6,947	944	40	136	379	66,920
Norway	62,224	3,600	365	66	68	124	65,931
Sweden	93,590	4,000	573	40	83	233	97,807
Russia	2	0	0	0	0	0	2
US	2,522	13	1	1	0	0	2,535
Other	12,670	145	74	15	6	38	12,830
Total	**254,282**	**16,199**	**2,453**	**201**	**410**	**1,021**	**271,302**

1) Based on the customer's country of domicile.

G11 Risk and liquidity management, cont.

Carrying amount of loans measured at amortised cost, before allowances

	Central banks and credit institutions				The public				Total			
EURm	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
2024												
Opening balance at 1 Jan 2024	**3,079**	**8**	**4**	**3,091**	**254,282**	**16,199**	**2,453**	**272,934**	**257,361**	**16,207**	**2,457**	**276,025**
Origination and acquisition	4,154	4	–	4,158	77,885	1,524	94	79,503	82,039	1,528	94	83,661
Transfers between stage 1 and stage 2 (net)	-7	7	–	–	-1,586	1,586	–	–	-1,593	1,593	–	–
Transfers between stage 2 and stage 3 (net)	–	0	0	–	–	-371	371	–	–	-371	371	–
Transfers between stage 1 and stage 3 (net)	2	–	-2	–	-377	–	377	–	-375	–	375	–
Repayments and disposals	-5,938	-6	-2	-5,946	-63,050	-3,560	-553	-67,163	-68,988	-3,566	-555	-73,109
Write-offs	–	–	–	–	–	–	-226	-226	–	–	-226	-226
Other changes[1]	3,235	-4	0	3,231	-5,152	1,164	447	-3,541	-1,917	1,160	447	-310
Translation differences	525	0	0	525	-3,505	-185	-18	-3,708	-2,980	-185	-18	-3,183
Closing balance at 31 Dec 2024	5,050	9	0	5,059	258,497	16,357	2,945	277,799	263,547	16,366	2,945	282,858
2023												
Opening balance at 1 Jan 2023	2,833	8	13	2,854	261,740	12,778	2,242	276,760	264,573	12,786	2,255	279,614
Origination and acquisition	5,123	6	–	5,129	79,531	572	68	80,171	84,654	578	68	85,300
Transfers between stage 1 and stage 2 (net)	2	-2	–	–	-3,984	3,984	–	–	-3,982	3,982	–	–
Transfers between stage 2 and stage 3 (net)	–	0	0	–	–	-142	142	–	–	-142	142	–
Transfers between stage 1 and stage 3 (net)	0	–	0	–	-132	–	132	–	-132	–	132	–
Repayments and disposals	-3,397	-3	-13	-3,413	-60,122	-2,606	-534	-63,262	-63,519	-2,609	-547	-66,675
Write-offs	–	–	–	–	–	–	-245	-245	–	–	-245	-245
Other changes[1]	-2,392	-1	4	-2,389	-19,993	1,791	669	-17,533	-22,385	1,790	673	-19,922
Translation differences	910	0	0	910	-2,758	-178	-21	-2,957	-1,848	-178	-21	-2,047
Closing balance at 31 Dec 2023	3,079	8	4	3,091	254,282	16,199	2,453	272,934	257,361	16,207	2,457	276,025

1) Other changes are mainly related to increased utilisation of credits granted in earlier years and revolving products.

G11 Risk and liquidity management, cont.

Movements in allowance accounts for loans measured at amortised cost

	Central banks and credit institutions				The public				Total			
EURm	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
2024												
Opening balance at 1 Jan 2024	**-5**	**0**	**-16**	**-21**	**-201**	**-410**	**-1,021**	**-1,632**	**-206**	**-410**	**-1,037**	**-1,653**
Origination and acquisition	-1	0	0	-1	-50	-22	-11	-83	-51	-22	-11	-84
Transfers from stage 1 to stage 2	0	0	–	0	9	-143	–	-134	9	-143	–	-134
Transfers from stage 1 to stage 3	0	–	0	0	1	–	-145	-144	1	–	-145	-144
Transfers from stage 2 to stage 1	0	0	–	0	-8	75	–	67	-8	75	–	67
Transfers from stage 2 to stage 3	–	0	0	0	–	27	-155	-128	–	27	-155	-128
Transfers from stage 3 to stage 1	0	–	0	0	0	–	6	6	0	–	6	6
Transfers from stage 3 to stage 2	–	0	0	0	–	-11	36	25	–	-11	36	25
Changes in credit risk without stage transfer	-1	0	10	9	20	30	34	84	19	30	44	93
Repayments and disposals	2	0	1	3	52	95	97	244	54	95	98	247
Write-off through decrease in allowance account	–	–	–	–	–	–	85	85	–	–	85	85
Translation differences	0	0	0	0	3	2	10	15	3	2	10	15
Closing balance at 31 Dec 2024	**-5**	**0**	**-5**	**-10**	**-174**	**-357**	**-1,064**	**-1,595**	**-179**	**-357**	**-1,069**	**-1,605**
2023												
Opening balance at 1 Jan 2023	**-4**	**0**	**-25**	**-29**	**-216**	**-408**	**-1,020**	**-1,644**	**-220**	**-408**	**-1,045**	**-1,673**
Origination and acquisition	-2	0	0	-2	-65	-26	-14	-105	-67	-26	-14	-107
Transfers from stage 1 to stage 2	0	0	–	0	12	-166	–	-154	12	-166	–	-154
Transfers from stage 1 to stage 3	0	–	0	0	1	–	-84	-83	1	–	-84	-83
Transfers from stage 2 to stage 1	0	0	–	0	-6	63	–	57	-6	63	–	57
Transfers from stage 2 to stage 3	–	0	0	0	–	21	-113	-92	–	21	-113	-92
Transfers from stage 3 to stage 1	0	–	0	0	0	–	9	9	0	–	9	9
Transfers from stage 3 to stage 2	–	0	0	0	–	-4	25	21	–	-4	25	21
Changes in credit risk without stage transfer	-1	0	9	8	23	45	-2	66	22	45	7	74
Repayments and disposals	2	0	0	2	47	63	83	193	49	63	83	195
Write-off through decrease in allowance account	–	–	–	–	–	–	88	88	–	–	88	88
Translation differences	0	0	0	0	3	2	7	12	3	2	7	12
Closing balance at 31 Dec 2023	**-5**	**0**	**-16**	**-21**	**-201**	**-410**	**-1,021**	**-1,632**	**-206**	**-410**	**-1,037**	**-1,653**

The tables show the changes in exposure/allowances for each stage during the year. If an exposure is moved to e.g. stage 2 from stage 1, there will be a reversal in stage 1 and an increase in stage 2.

G11 Risk and liquidity management, cont.

Movements in provisions for off-balance sheet items

EURm	Stage 1	Stage 2	Stage 3	Total
2024				
Opening balance at 1 Jan 2024	52	94	22	168
Origination and acquisition	12	17	0	29
Transfers from stage 1 to stage 2	-2	47	–	45
Transfers from stage 1 to stage 3	0	–	4	4
Transfers from stage 2 to stage 1	1	-33	–	-32
Transfers from stage 2 to stage 3	–	-2	4	2
Transfers from stage 3 to stage 1	0	–	-1	-1
Transfers from stage 3 to stage 2	–	1	-2	-1
Changes in credit risk without stage transfer	9	6	-4	11
Repayments and disposals	-13	-15	-2	-30
Write-off through decrease in allowance account	–	–	0	0
Translation differences	-1	-1	0	-2
Closing balance at 31 Dec 2024	58	114	21	193
2023				
Opening balance at 1 Jan 2023	50	111	23	184
Origination and acquisition	17	11	0	28
Transfers from stage 1 to stage 2	-2	36	–	34
Transfers from stage 1 to stage 3	0	–	1	1
Transfers from stage 2 to stage 1	1	-27	–	-26
Transfers from stage 2 to stage 3	–	-1	3	2
Transfers from stage 3 to stage 1	0	–	-1	-1
Transfers from stage 3 to stage 2	–	0	-1	-1
Changes in credit risk without stage transfer	1	-12	-1	-12
Repayments and disposals	-15	-24	-1	-40
Write-off through decrease in allowance account	–	–	-1	-1
Translation differences	0	0	0	0
Closing balance at 31 Dec 2023	52	94	22	168

2.5 Sensitivities

One important factor in estimating expected credit losses in accordance with IFRS 9 is to assess what constitutes a significant increase in credit risk. To understand the sensitivities to these triggers, Nordea has calculated model-based provisions under two different scenarios:

	Triggers	Scenario 1	Scenario 2
Retail portfolios			
Relative threshold	200%	150%	250%
Non-retail portfolios			
Relative threshold	150%	100%	200%
Absolute 12-month threshold	20bp	15bp	25bp
Absolute lifetime threshold	400bp	350bp	450bp
Notching[1]	1–6	1 less	1 more

1) For exposures with initial recognition before the transition to IFRS 9 (1 Jan 2018), stage classification is decided based on changes in rating grades. The trigger in scenario 1 is set at one notch less than in the model actually used and in scenario 2 the trigger is set at one notch more than in the model used.

The provisions would have increased by EUR 11m (EUR 16m) in scenario 1 and decreased by EUR 12m (EUR 12m) in scenario 2. For more information on the rating scale and average PDs, see the tables "Rating/scoring information on loans measured at amortised cost" on pages 302-303.

The provisions are sensitive to rating migration even if the triggers are not reached. The table below shows the impact on provisions from a one notch downgrade of all Nordea's exposures. It includes both the impact of the higher risk for all exposures and the impact of transferring exposures from stage 1 to stage 2 that reach the trigger. It also includes the impact of exposures with one rating grade above default going into default, which is estimated at EUR 44m (EUR 132m). This figure is based on calculations with the statistical model rather than individual estimates that would be the case in reality for material defaulted loans.

Sensitivities

	31 Dec 2024		31 Dec 2023	
EURm	Recognised provisions	Provisions if one notch downgrade	Recognised provisions	Provisions if one notch downgrade
Personal Banking	388	457	405	526
Business Banking	1,040	1,155	986	1,114
Large Corporates & Institutions	348	376	396	431
Other	24	31	38	51
Total	1,800	2,019	1,825	2,122

2.6 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. End of 2024 the scenarios were weighted into the final expected credit losses (ECL) as follows: baseline 60%, adverse 20% and favourable 20% (baseline 50%, adverse 40% and favourable 10% at the end of 2023).

The macroeconomic scenarios are provided by Group Risk in Nordea, based on the Oxford Economics Model and reflect Nordea's view of how the Nordic economies might develop in light of continued geopolitical uncertainty, weak growth in major European economies and lingering effects of the surge in inflation and energy prices seen in recent years. When developing the scenarios and determining the relative weighting between the scenarios, Nordea takes into account projections made by Nordic central banks, Nordea Research and the European Central Bank.

The baseline scenario foresees soft landings in the Nordic economies with unemployment largely unchanged in the coming years. Denmark will see relatively high growth driven by the pharmaceutical sector and reopening of North Sea oil and gas fields. The other Nordic countries will see higher growth in 2025, with Finland emerging from a mild recession. The stronger growth outlook is supported by weaker inflation and lower interest rates. The exception is Norway, where the weak currency and relatively high activity levels have led the central bank to keep interest rates constant. A modest recovery in home prices is expected to continue over the coming years supported by rising household purchasing power. The risks around the baseline forecast are tilted to the downside, with the upside scenario deviating less from the baseline than the adverse.

Nordea's two alternative macroeconomic scenarios cover a range of plausible risk factors which may cause growth to deviate from the baseline scenario. A further escalation of the conflict in the Middle East may lead to a significant rise in energy prices well into 2025. This could trigger a European and Nordic recession as firms postpone investments, exports slow down and households cut spending due to weakening labour markets. Central banks may in addition regard the inflationary impulse as temporary and continue cutting interest rates, with rates moving lower than in the baseline in 2026. Normalising inflation and lower interest rates, on the other hand, may lead to a stronger recovery than assumed in the baseline scenario.

G11 Risk and liquidity management, cont.

Scenarios and provisions 2024

		2025	2026	2027	Unweighted ECL, EURm	Probability weight	Model-based allowances/ provisions, EURm	Adjustment model-based allowances/ provisions, EURm	Individual allowances/ provisions, EURm	Total allowances/ provisions, EURm
Denmark										
Favourable scenario	GDP growth, %	3.6	1.8	1.7	118	20%				
	Unemployment, %	2.5	2.5	2.4						
	Change in household consumption, %	2.1	2.1	1.9						
	Change in house prices, %	5.0	3.8	2.0						
Baseline scenario	GDP growth, %	2.3	1.5	1.5	123	60%	125	112	236	473
	Unemployment, %	2.9	2.9	2.9						
	Change in household consumption, %	1.8	1.8	1.8						
	Change in house prices, %	3.2	3.2	2.0						
Adverse scenario	GDP growth, %	-0.7	0.8	1.5	137	20%				
	Unemployment, %	4.6	4.7	4.7						
	Change in household consumption, %	0.2	0.7	1.6						
	Change in house prices, %	-4.3	1.1	2.0						
Finland										
Favourable scenario	GDP growth, %	3.0	2.2	1.2	293	20%				
	Unemployment, %	7.8	7.4	7.5						
	Change in household consumption, %	0.8	1.5	1.2						
	Change in house prices, %	3.8	2.6	2.0						
Baseline scenario	GDP growth, %	1.1	1.8	1.8	297	60%	297	130	189	616
	Unemployment, %	8.1	7.8	7.8						
	Change in household consumption, %	0.5	1.3	1.3						
	Change in house prices, %	2.4	2.2	2.0						
Adverse scenario	GDP growth, %	-1.7	0.8	1.3	303	20%				
	Unemployment, %	9.2	9.1	9.1						
	Change in household consumption, %	-0.4	0.5	0.8						
	Change in house prices, %	-2.5	1.0	2.0						

G11 Risk and liquidity management, cont.

Scenarios and provisions 2024, cont.

		2025	2026	2027	Unweighted ECL, EURm	Probability weight	Model-based allowances/ provisions, EURm	Adjustment model-based allowances/ provisions, EURm	Individual allowances/ provisions, EURm	Total allowances/ provisions, EURm
Norway										
Favourable scenario	GDP growth, %	2.2	1.4	0.8	84	20%				
	Unemployment, %	3.8	3.8	3.6						
	Change in household consumption, %	2.7	2.3	1.9						
	Change in house prices, %	4.2	2.8	2.6						
Baseline scenario	GDP growth, %	1.8	0.5	0.5	85	60%	86	108	99	293
	Unemployment, %	4.0	4.1	4.0						
	Change in household consumption, %	2.7	2.2	1.9						
	Change in house prices, %	2.8	2.5	2.6						
Adverse scenario	GDP growth, %	-1.7	0.2	0.5	91	20%				
	Unemployment, %	4.8	5.0	4.8						
	Change in household consumption, %	2.4	1.6	1.5						
	Change in house prices, %	-5.8	0.5	1.9						
Sweden										
Favourable scenario	GDP growth, %	3.5	2.6	1.8	90	20%				
	Unemployment, %	8.0	7.6	7.6						
	Change in household consumption, %	3.1	3.2	3.0						
	Change in house prices, %	5.1	2.9	2.0						
Baseline scenario	GDP growth, %	2.1	2.3	1.8	92	60%	93	138	179	410
	Unemployment, %	8.4	8.0	8.0						
	Change in household consumption, %	2.8	2.9	2.9						
	Change in house prices, %	3.6	2.6	2.0						
Adverse scenario	GDP growth, %	-1.8	1.3	1.8	100	20%				
	Unemployment, %	10.7	10.6	10.4						
	Change in household consumption, %	1.1	1.5	2.3						
	Change in house prices, %	-3.2	0.6	2.0						
Non-Nordic							11	-3	0	8
Total							612	485	703	1,800

G11 Risk and liquidity management, cont.

Scenarios and provisions 2023

		2024	2025	2026	Unweighted ECL, EURm	Probability weight	Model-based allowances/ provisions, EURm	Adjustment model-based allowances/ provisions, EURm	Individual allowances/ provisions, EURm	Total allowances/ provisions, EURm
Denmark										
Favourable scenario	GDP growth, %	2.1	1.7	1.7	135	10%				
	Unemployment, %	2.8	2.8	2.8						
	Change in household consumption, %	1.8	1.5	1.6						
	Change in house prices, %	1.9	2.8	3.2						
Baseline scenario	GDP growth, %	1.0	1.3	1.4	137	50%	142	104	203	449
	Unemployment, %	3.2	3.4	3.4						
	Change in household consumption, %	1.3	1.0	1.0						
	Change in house prices, %	0.7	2.1	2.5						
Adverse scenario	GDP growth, %	-0.9	0.3	0.7	151	40%				
	Unemployment, %	3.9	4.5	4.7						
	Change in household consumption, %	0.1	-0.1	-0.1						
	Change in house prices, %	-2.6	-0.1	0.8						
Finland										
Favourable scenario	GDP growth, %	2.1	1.6	1.2	226	10%				
	Unemployment, %	7.6	7.1	6.8						
	Change in household consumption, %	2.4	1.4	1.1						
	Change in house prices, %	1.1	2.8	2.7						
Baseline scenario	GDP growth, %	0.2	1.4	1.5	233	50%	239	205	179	623
	Unemployment, %	8.0	7.4	7.1						
	Change in household consumption, %	0.8	1.1	1.1						
	Change in house prices, %	1.0	1.8	2.0						
Adverse scenario	GDP growth, %	-3.2	1.0	1.5	250	40%				
	Unemployment, %	8.6	8.3	7.9						
	Change in household consumption, %	-2.2	0.6	0.6						
	Change in house prices, %	-1.5	0.5	0.8						

G11 Risk and liquidity management, cont.

Scenarios and provisions 2023, cont.

		2024	2025	2026	Unweighted ECL, EURm	Probability weight	Model-based allowances/ provisions, EURm	Adjustment model-based allowances/ provisions, EURm	Individual allowances/ provisions, EURm	Total allowances/ provisions, EURm
Norway										
Favourable scenario	GDP growth, %	2.4	1.1	0.8	95	10%				
	Unemployment, %	3.1	3.2	3.4						
	Change in household consumption, %	1.9	2.4	2.7						
	Change in house prices, %	1.2	2.9	3.4						
Baseline scenario	GDP growth, %	0.4	1.0	1.1	99	50%	102	116	94	312
	Unemployment, %	3.6	3.8	3.8						
	Change in household consumption, %	0.1	1.9	2.5						
	Change in house prices, %	0.8	2.2	2.8						
Adverse scenario	GDP growth, %	-1.7	0.2	0.4	107	40%				
	Unemployment, %	4.4	4.8	4.9						
	Change in household consumption, %	-1.2	0.8	1.2						
	Change in house prices, %	-6.7	-1.5	2.0						
Sweden										
Favourable scenario	GDP growth, %	1.1	2.4	2.6	100	10%				
	Unemployment, %	8.0	7.9	7.9						
	Change in household consumption, %	1.7	2.2	2.7						
	Change in house prices, %	1.7	3.9	3.4						
Baseline scenario	GDP growth, %	-0.1	2.1	2.3	103	50%	105	121	211	437
	Unemployment, %	8.3	8.3	8.3						
	Change in household consumption, %	0.8	1.9	2.1						
	Change in house prices, %	0.0	2.6	3.8						
Adverse scenario	GDP growth, %	-1.5	1.0	1.3	108	40%				
	Unemployment, %	8.9	9.2	9.3						
	Change in household consumption, %	0.0	0.7	0.1						
	Change in house prices, %	-1.2	1.0	0.4						
Non-Nordic							1	3	0	4
Total							589	549	687	1,825

2.7 Management judgements

At the end of the year adjustments to model-based allowances/provisions amounted to EUR 485m, including management judgement allowances of EUR 414m.

The management judgement allowance of EUR 414m is intended to cover excess losses from macroeconomic shocks and uncertainties that are regarded as extraordinary in relation to a normal contraction in the economic cycle, and are therefore not adequately captured by the existing IFRS 9 ECL modelling and known IFRS 9 model and data issues to be captured in later model updates.

The uncertainties are mainly connected to macroeconomic uncertainty, for example due to potential changes in trade policies and evolving geopolitical risks.

The level at the end of 2024 compared to the end of 2023 was decreased by EUR 81m through the year following an improved macroeconomic outlook in the Nordics with lower inflation and interest rates.

Management judgement allowances coverage

EURm	31 Dec 2024	31 Dec 2023
Related to corporate exposures in BB	151	218
Related to corporate exposures in LC&I	111	117
Related to household exposures	152	160
Total management judgement allowances	**414**	**495**

2.8 Rating and scoring distribution

One way of assessing credit quality is through analysis of the distribution across rating grades for rated corporate customers and institutions as well as across risk grades for scored household and small business customers, i.e. retail exposures. The average credit quality was roughly stable in both the corporate and retail portfolios in 2024. Exposure-wise, 10% (14%) of corporate customer exposures migrated upwards, while 18% (17%) was down-rated. 91% (91%) of performing corporate exposures were rated 4– or higher, with an average rating for the portfolio of 5–.

During 2024 Nordea introduced new retail IRB models, improving risk parameter calculations which slightly shifted the scoring composition downwards, while the underlying credit quality did not deteriorate. 89% (94%) of the performing retail exposures are scored C– or higher, which indicates a probability of default of 1.7% or lower. The total effect on credit risk exposure amount (REA) from migration was an increase of approximately 4.1% in 2024.

Rating information for loans measured at amortised cost

EURm		Gross carrying amount				
Rating grade[1]	Average PD[2] (%)	Stage 1	Stage 2	Stage 3	Total	Allowances
31 Dec 2024						
7	0.00	7,218	11	0	7,229	1
6	0.02	19,157	56	0	19,213	4
5	0.07	37,462	129	0	37,591	21
4	0.29	46,191	1,286	1	47,478	54
3	3.63	6,228	2,715	1	8,944	68
2	14.32	59	1,988	33	2,080	102
1	48.31	1,747	1,205	15	2,967	59
Standardised/Unrated	0.10	7,227	1,166	428	8,821	115
0 (default)	100.00	11	43	1,329	1,383	718
Total		125,300	8,599	1,807	135,706	1,142
31 Dec 2023						
7	0.00	5,404	7	0	5,411	1
6	0.02	18,475	74	0	18,549	3
5	0.08	38,835	123	0	38,958	28
4	0.33	47,364	1,375	4	48,743	70
3	3.78	7,859	2,194	1	10,054	100
2	14.68	264	1,841	16	2,121	85
1	57.01	1,004	1,178	28	2,210	67
Standardised/Unrated	0.11	6,695	1,114	245	8,054	130
0 (default)	100.00	38	46	1,295	1,379	694
Total		125,938	7,952	1,589	135,479	1,178

G11 Risk and liquidity management, cont.

Scoring information for loans measured at amortised cost

EURm Scoring grade[1]	Average PD[2] (%)	Gross carrying amount Stage 1	Stage 2	Stage 3	Total	Allowances
31 Dec 2024						
A	0.11	60,794	177	4	60,975	11
B	0.28	35,988	287	2	36,277	15
C	0.83	18,084	644	8	18,736	20
D	3.58	18,054	1,553	8	19,615	43
E	16.83	3,223	2,956	8	6,187	53
F	30.12	809	1,944	7	2,760	57
Standardised/Unrated	N.A.	1,118	34	15	1,167	4
0 (default)	100.00	177	172	1,086	1,435	260
Total		138,247	7,767	1,138	147,152	463
31 Dec 2023						
A	0.04	92,298	484	10	92,791	14
B	0.42	22,225	1,413	6	23,644	21
C	2.33	10,035	2,063	23	12,122	38
D	6.37	4,854	1,869	14	6,737	37
E	18.58	1,240	1,140	15	2,395	39
F	32.73	446	1,073	48	1,568	54
Standardised/Unrated	N.A.	116	11	0	128	0
0 (default)	100.00	208	202	753	1,163	272
Total		131,422	8,255	869	140,546	475

1) The stage classification and calculated provision for each exposure are based on the situation as at the end of October 2024 (October 2023), while the exposure amount and rating grades are based on the situation as at the end of December 2024 (December 2023). Some of the exposures in default according to the rating grade as at the end of December were not in default as at the end of October, which is reflected in the stage classification.

2) Average PD excluding Nordea Finance Equipment AS.

Rating information for off-balance sheet items

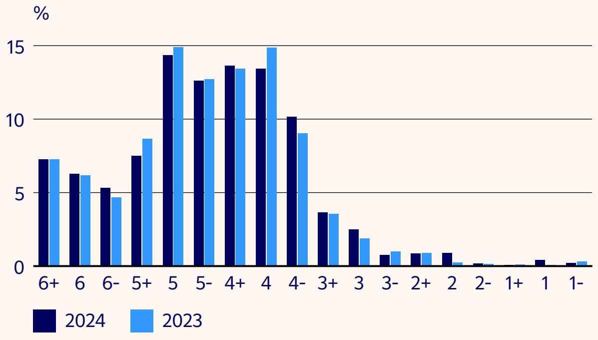
EURm Rating grade	Nominal amount Stage 1	Stage 2	Stage 3	Total	Provisions
31 Dec 2024					
7	9,203	0	0	9,203	2
6	11,301	301	0	11,602	5
5	37,990	148	0	38,138	16
4	21,160	368	0	21,528	16
3	3,521	1,319	4	4,844	20
2	44	808	0	852	23
1	1	503	0	504	3
Standardised/Unrated	1,113	351	4	1,468	14
0 (default)	6	2	323	331	13
Total	84,339	3,800	331	88,470	112
31 Dec 2023					
7	7,504	0	0	7,504	0
6	11,046	17	0	11,063	1
5	37,629	87	0	37,716	10
4	20,339	471	0	20,810	17
3	3,164	1,237	4	4,405	15
2	97	648	15	760	21
1	0	539	0	539	18
Standardised/Unrated	1,395	297	3	1,695	11
0 (default)	0	0	168	168	11
Total	81,174	3,296	190	84,660	104

G11 Risk and liquidity management, cont.

Scoring information for off-balance sheet items

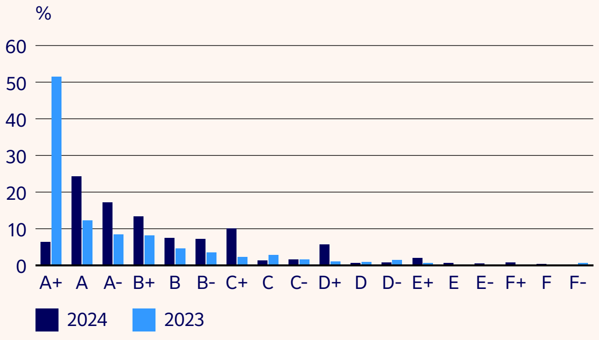
EURm Scoring grade	Nominal amount Stage 1	Stage 2	Stage 3	Total	Provisions
31 Dec 2024					
A	7,547	24	0	7,571	1
B	6,619	33	0	6,652	5
C	1,926	135	0	2,061	5
D	1,034	181	0	1,215	7
E	17	669	0	686	38
F	3	104	0	107	5
Standardised/Unrated	20	447	0	467	1
0 (default)	2	6	48	56	19
Total	17,168	1,599	48	18,815	81
31 Dec 2023					
A	12,599	13	0	12,612	4
B	2,447	77	1	2,525	6
C	1,039	293	0	1,332	13
D	577	364	0	941	10
E	0	151	0	151	12
F	0	75	0	75	8
Standardised/Unrated	198	79	0	277	0
0 (default)	0	0	27	27	11
Total	16,860	1,052	28	17,940	64

Rating distribution IRB corporate customers[1]



1) Defaulted loans are not included in the rating distribution.

Risk grade distribution IRB retail customers[1]



1) Defaulted loans are not included in the risk grade distribution. Scoring grades have been converted to risk grades.

For the retail portfolio, the share of exposure in the low and medium risk categories (C- or higher) has decreased by 6bps to 89% due to the implementation of new retail IRB models.

3. Counterparty credit risk

Counterparty credit risk is the risk that Nordea's counterparty in a derivative contract defaults prior to maturity of the contract and that Nordea at that time has a claim on the counterparty. In addition, counterparty credit risk also exists in repurchasing agreements and other securities financing contracts.

Nordea trades derivative contracts based on customer demand and the banks' balance sheet risks. Furthermore, Nordea may, within clearly defined risk limits, use derivatives to hedge or take open positions in the bank's operations. Derivatives affect counterparty credit risk, market risk as well as operational and liquidity risk.

Counterparty credit risk, including that towards central counterparties (CCPs), is managed subject to credit limits like other credit exposures and is treated accordingly. To assess the counterparty credit risk towards CCPs, clearing limits are based on the potential size of the clearing related exposure on each CCP, taking regulatory requirements and the market development into account. Nordea mostly clears OTC trades as a clearing member of qualifying central clearing parties (QCCP) that meet specific regulatory and operational standards set by financial authorities, but also through clearing brokers if so required.

For information about financial instruments subject to master netting agreements, see Note G3.5 "Offsetting".

4. Market risk

Market risk is the risk of loss on Nordea's positions in either the trading book or the non-trading book as a result of changes in market rates and parameters that affect market values or net interest income flows. Market risk exists irrespective of the accounting treatment of the positions.

The market risk appetite for the Group is expressed through risk appetite statements issued by the Board of Directors. The statements are defined for trading and banking books.

The second line of defence ensures that the risk appetite is appropriately translated by the Risk Committee into specific risk appetite limits for the business areas and Group Treasury.

As part of the overall Risk Appetite Framework (RAF), holistic and bespoke stress tests are used to measure the market risk appetite and calibrate limits to monitor and control the full set of material market risk factors to which Nordea is exposed.

4.1 Traded market risk

Traded market risk mainly arises from customer-driven trading activities and related hedges in Nordea Markets, which is part of Large Corporates & Institutions.

Nordea Markets takes on market risks as part of its business model when offering corporate and institutional customers a range of fixed income, equity, foreign exchange, commodity and structured products. The market risks to which Nordea Markets is exposed include interest rate risk, credit spread risk, equity risk, foreign exchange risk, commodity risk and inflation risk.

Furthermore, Nordea is a major mortgage lender in the Nordic countries and a major market maker in Nordic corporate and government bonds. Holding inventory is necessary to be able to provide secondary market liquidity. As a result, Nordea's business model gives rise to a concentration of Nordic mortgage and corporate bonds as well as local market currencies.

4.2 Non-traded market risk

The non-traded market risks that Nordea is exposed to are interest rate risk, customer behavioural risk, credit spread risk, foreign exchange risk (both structural and non-structural) and equity risk. Non-traded market risk arises from the core banking business of Nordea, related hedges and regulatory or other external requirements (e.g. the liquid asset buffer).

Group Treasury is responsible for the risk management of all non-traded market risk exposures on the Group's balance sheet. To ensure a clear division of responsibilities within Group Treasury the banking book risk management is divided across several frameworks – each with a clear risk mandate and specific limits and controls.

Interest rate risk in the banking book (IRRBB) is the current or prospective risk to Nordea's capital and/or income arising from adverse movements in interest rates and customer behaviour. Business areas transfer their banking book risk exposures to Group Treasury through an internal funds transfer pricing framework. Market risks are managed centrally and include gap risk, spread risks, basis risks, credit spread risk, behavioural risk and non-linear risks.

The effectiveness of hedging risk exposures from core banking activities, e.g. loans and deposits, may be adversely impacted by the discretion held by customers in respect of their contractual obligations with Nordea.

Liquid assets are managed in accordance with the liquidity buffer and pledge/collateral frameworks. Most of the directional interest rate risk arising from bond holdings is hedged primarily using maturity-matched Interest rate payer swaps and to a smaller degree overnight indexed payer swaps. Forward rate agreements and listed futures contracts can also be used to hedge credit spread and interest rate fixing risks.

4.3 Measurement of market risk

Nordea uses several quantitative risk measurement methods for traded market risk: Value-at-risk (VaR), stress testing, sensitivity analysis, parametric methods and Monte Carlo simulation.

VaR is based on historical scenarios and is the primary market risk measurement, complemented by stress testing. Nordea calculates VaR using historical simulation. The current portfolio is revalued based on historical daily changes in market prices, rates and other market risk factors observed during the last 500 business days and translated into changes in current market risk factors. Nordea uses absolute, relative and mixed translation methods for different risk categories. The revaluation of the current portfolio is performed for each position using either a linear approximation method or a full revaluation method, depending on the nature of the position.

Parametric methods are used to capture equity event risk, including the impact of defaults on equity-related positions (these risks are part of the specific equity risk).

Monte Carlo simulation is used in the incremental risk measure model and the comprehensive risk measure model to capture default and migration risks.

The VaR, stressed VaR, equity event risk, incremental risk measure and comprehensive risk measure models are approved by Nordea's regulator, the ECB, for use in calculating market risk own funds requirements under the internal model approach (IMA). The same models, with the same calibration and settings as used for regulatory capital requirements, are used for internal risk management purposes.

The standardised approach is applied to risk exposure which is not covered by the IMA. It is used to calculate the market risk exposures for commodity-related products, the specific risk for mortgage and government bonds, commercial paper, credit/rate hybrids and credit spread options.

Furthermore, the standardised approach is used to calculate equity risk related to structured equity and Tier 1 and Tier 2 bonds.

Non-Traded Market risk is measured, monitored and managed using three key risk metrics:
- Economic value risk (IRRBB and CSRBB).
- Net interest income risk (IRRBB and CSRBB).
- Fair value stress loss.

The three different risk metrics are used to assess differing aspects of the manifestation of interest rate risk. These are described in more detail below.

Economic value (EV) of equity stress tests considers the change in the EV of banking book assets, liabilities and interest-bearing derivative exposures resulting from interest rate movements, independent of accounting classification and ignoring credit spreads and commercial margins. The model assumes a run-off balance sheet and includes behavioural modelling for non-maturing deposits and prepayments.

The net interest income (NII) risk metric measures the change in net interest income relative to a baseline scenario, resulting in a NII risk value over a one-year horizon. The model uses a constant balance sheet assumption, implied forward rates and behavioural modelling for non-maturing deposits and prepayments.

The fair value stress loss (FVSL) risk measure considers the potential revaluation risk relating to positions held under fair value accounting classifications.

EV, NII and FVSL sensitivities are measured using internally defined Risk Appetite Framework (RAF) scenarios. The exposure limit is measured against the worst outcome from the internal scenarios defined under the RAF. The RAF scenarios are calibrated to reflect severe but plausible events and are designed to test specific exposures that are, or may be held, under the approved mandate. The scenarios are aligned across the risk types of EV, NII and FVSL.

The FVSL RAF scenarios are applied to both the banking book and the trading book portfolios, and the Board risk appetite limit considers the combined impact across both. The FVSL metric is monitored daily. A range of EV risk scenarios are estimated daily for management information purposes, but fully calculated and monitored monthly against risk appetite limits. The NII and earnings risk metrics are monitored monthly.

The measurement of Interest Rate Risk in the Banking Book (IRRBB) is dependent on key assumptions applied in the models. The most material assumptions relate to the modelling of embedded behavioural options in both assets and liabilities. The behavioural option held by Nordea's lending customers to execute early loan prepayments is estimated using prepayment models. On the liability side, Nordea has a choice to change deposit rates, and customers have a choice to withdraw non-maturing deposits on any given day. Both embedded options are modelled using non-maturing deposit models. Both assumptions are calculated based on the historical average by core asset and liability class features. Assets and liabilities are grouped according to key metrics, including product type, geography and customer segment. Assumptions are based on historically observed values. Regular back-testing and model monitoring are performed for both prepayment models and non-maturing deposit models to ensure that the models remain accurate.

The Pillar 2 IRRBB capital allocations consist of a fair value risk component and a net interest income risk component. The fair value risk component covers the impact on Nordea's equity due to adverse movements in the monthly revaluation of positions accounted for at fair value through profit or loss or fair value through other comprehensive income. The net interest income risk component covers the impact of rate changes on the future earnings capacity through modelled impacts to net interest income, and the resulting implications for internal capital buffer levels.

Nordea is exposed to structural FX risk, defined as the mismatch between the currency composition of its Common Equity Tier 1 (CET1) capital and risk exposure amounts. The CET1 capital is largely denominated in euro with the only significant non-euro equity amounts stemming from mortgage subsidiaries. Therefore, changes in FX rates can negatively impact Nordea's CET1 ratio.

4.4 Market risk analysis

The market risk in Nordea's trading book is presented in the table below.

The average market risk measured by VaR was EUR 42.1m in 2024 (the average in 2023 was EUR 32.8m) and primarily driven by interest rate risk. Average stressed VaR was EUR 49.6m in 2024 (the average in 2023 was EUR 44.1m). The peak in VaR was reached in the second quarter while the peak in stressed VaR was reached in the fourth quarter. VaR and stressed VaR are primarily driven by market risk in the Northern European and Nordic countries.

At the end of 2024 the incremental risk charge (IRC) was higher than at the end of 2023. The lowest exposure occurred during the fourth quarter of 2024 and the highest occurred during the first quarter of 2024. The average IRC significantly increased compared with the previous year.

At the end of 2024 the comprehensive risk charge (CRC) was significantly lower than at the end of 2023. The lowest exposure occurred during the first quarter of 2024 and the lowest occurred during the fourth quarter of 2024. The average CRC for 2024 decreased compared with 2023.

At the end of the year, the worst loss on the fair value part of the banking book portfolio according to the internal risk appetite scenarios for FV stress loss was driven by the Monetary Policy Error RAF scenario, where the potential increase in Scandinavian mortgages and government spreads added to a fall in equity prices, implying a loss of EUR 546m (EUR 473m on the previous year) on the banking book FV positions. The banking book is usually long mortgages and government bonds in the liquidity buffer and long equity risk on the long-term illiquid investment holdings, which explains the loss on this worst-case scenario.

The overall trading and banking book market risk remains within Nordea's risk appetite.

Market risk figures for the trading book[1]

	31 Dec		high		low		avg	
EURm	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Total VaR	42	33	61	60	29	19	42	33
Interest rate risk	39	33	60	60	29	19	41	33
Equity risk	3	3	11	6	2	2	3	4
Credit spread risk	5	5	13	13	2	2	4	5
Foreign exchange risk	1	1	3	7	1	1	2	2
Inflation risk	3	4	4	5	3	1	3	4
Diversification effect	19	30	36	42	13	18	21	30
Total stressed VaR	55	55	70	62	38	34	50	44
Incremental risk charge	10	10	24	21	10	6	14	10
Comprehensive risk charge	7	8	16	36	3	8	8	20

1) Equity event risk, corresponding to EUR 0.8m (0.5m) at the end of 2024.

4.5 Net interest income risk and Economic value risk

The market risk in Nordea's banking book is presented in more detail in the Capital and Risk Management Report 2024. The risk measures presented show the change in the economic value of the banking book positions due to interest rate changes, assessed under the six regulatory interest rate shock scenarios, and the net interest income in the banking book over a 12-month period is assessed under the two parallel shifts, as defined by the European Banking Authority. At the end of the year the most adverse economic value stress loss was EUR 1,711m in the "parallel shock down" scenario, and the most adverse one-year loss in net interest income was EUR 1,386m also in the "parallel shock down" scenario. For most currencies, the "parallel shock down" scenario includes a 200bp downward shift, but it can vary from -100 to -400bp depending on the currency. For more details on the results of different regulatory interest rate shock scenarios, see the Nordea Group Capital and Risk Management Report 2024.

4.6 Other market risks/pension risk

Pension risks (including market and longevity risks) arise from Nordea-sponsored defined benefit pension schemes for past and current employees. The ability of the pension schemes to meet the projected pension payments is maintained through investments and ongoing scheme contributions.

Pension risks can manifest through increases in the value of liabilities or through falls in the values of assets. These risks are regularly reported and monitored and include market risk sub-components such as interest rate, inflation, credit spread, real estate and equity risk. To minimise the risks to Nordea, limits are imposed on potential losses under severe but plausible stress events as well as on capital drawdowns. In addition, regular reviews of the schemes' strategic asset allocation are undertaken to ensure that the investment approach reflects Nordea's risk appetite. See Note G8.2 "Pensions" for more information.

5. Operational risk

At Nordea operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events and includes legal risk.

Operational risk is inherent in all Nordea's businesses and operations. Managers throughout Nordea are accountable for the operational risks related to their mandate and for managing these risks within the risk appetite of the operational risk management framework.

Operational risk control functions within Group Risk constitute the second line of defence for overall operational risk and are responsible for developing and maintaining the overall operational risk management framework as well as for monitoring and controlling the operational risk management of the first line of defence. The independent risk control functions are responsible for monitoring and overseeing that operational risks are appropriately identified, assessed and mitigated and for following up on risk exposures towards risk appetite and assessing the adequacy and effectiveness of the operational risk management framework and the implementation of the framework.

The focus areas of the monitoring and control work performed are decided during an annual planning process that includes business areas, key risk areas and operational risk processes. Group Risk is responsible for preparing and submitting regular risk reports on all material risk exposures, including risk appetite utilisation and incidents, to the Chief Risk Officer, who reports to the Chief Executive Officer in the Group Leadership Team, the Group Board and the relevant committees.

Nordea has closely monitored geopolitical developments, such as in Ukraine and the Middle East, during 2024 and continues to do so. Throughout the year Nordea has witnessed elevated threat levels for cyber security and also for physical security across the Nordics. Nordea has taken actions to address the increased risk.

The Risk Appetite Statement for operational risk sets out:

- effective risk management, with requirements concerning the number and type of operational risk areas in breach of their respective limits
- limits for total loss amounts related to operational and compliance risk incidents as well as the number of occurrences of large loss events.

5.1 Management of operational risk

Management of operational risk includes all activities aimed at identifying, assessing and measuring, responding to and mitigating, controlling and monitoring as well as reporting on risks. Risk management is supported by various processes and instructions including Risk and Control Self-Assessment, Change Risk Management and Approval, Issue Management, Incident Management, Scenario Analysis, Business Continuity and Crisis Management, Information Security Management, Technology and Data Risk Management, Third Party Risk Management, insurance-related risk diversification and Significant Operating Processes.

Some of these processes are described below and additional details on processes for managing and controlling operational risk are included in the "Operational and Compliance Risk" section of the Capital and Risk Management Report 2024 published in accordance with the Capital Requirements Regulation.

Risk and Control Self-Assessment

The Risk and Control Self-Assessment process ensures an overview and assessment of operational and compliance risks across Nordea. The process improves risk awareness and enables the effective assessment, control and mitigation of identified risks. Furthermore, the Risk and Control Self-Assessment process and its results provide the basis and input for risk reporting at Nordea.

Change Risk Management and Approval

The purpose of the Change Risk Management and Approval process is to ensure that risks arising from a change are identified, assessed and managed before a change is approved and implemented. This is to ensure that no unexpected incidents occur when going live with the change.

The Change Risk Management and Approval process must be applied to all relevant types of change and development initiatives, including but not limited to, involving changes to new or changed processes, organisational changes, information and communication technology changes, new outsourcing arrangements and exceptional transactions.

Issue Management

Issues are defined as deficiencies in the control environment, i.e. defects and/or quality matters within the internal control environment for managing risk. When such deficiencies are discovered, they must be reported as issues. The Issue Management Framework consists of multiple processes across all three lines of defence identified in different risk management processes, and they together fall under the purpose of issues and action management.

Incident Management

The Incident Management Framework ensures appropriate handling and reporting of detected incidents to minimise the impact on Nordea and its customers, prevent reoccurrence and reduce the impact of future incidents. When incidents occur, they are immediately assessed to determine their severity. Depending on the nature of the incident and the severity assessed, different requirements on stakeholder involvement and external reporting apply, including incident notification to relevant authorities.

Scenario Analysis

Scenario Analysis is performed in order to identify and assess operational and compliance risks with high financial or non-financial impacts and low probability of materialisation, so-called "tail risks". Analysis of tail risks contributes to a better understanding, awareness and management of forward-looking risk and remediation of possible identified control gaps/deficiencies.

Business Continuity and Crisis Management

The Business Continuity and Crisis Management framework at Nordea ensures the capability to handle extraordinary events and crises and assures the continued delivery and recovery of prioritised products, services and processes to predefined acceptable levels. Extraordinary events and crisis situations are timely and appropriately escalated and responded to through preestablished structures. The capabilities are validated by testing and exercising the organisation and established plans to ensure to protect its resources (e.g. people, premises, technology and information), supply chain, interested parties and reputation, before a discuptive incident occurs. This includes ensuring that roles and responsibilities are clear, known and communicated to all involved.

Third Party Risk Management

The objective of Third Party Risk Management is to ensure that risks related to third parties and third party activities, including but not limited to outsourcing, are appropriately identified, assessed and managed before entering into, during as well as when exiting a third party arrangement. Third Party Risk Management ensures that risks associated with third parties and third party activities are kept within risk appetite and risk limits.

Information and Communication Technology Risk Management

The objective of Information and Communication Technology Risk Management is to ensure that information and communication technology and data management risks are appropriately identified, assessed and managed.

Nordea maintains an Information Security Management System for implementation of the principles and requirements for information security, with the overall objective to preserve the confidentiality, integrity and availability of Nordea's information and information entrusted to Nordea, by applying a risk-based methodology.

Cyber security

Introducing new technologies, exploring new ways of doing business and connecting with customers widen banks' attack surface. At the same time, entities that pose cyber threats are becoming more organised, resourceful and experienced. Banks must also deal with the asymmetry of having to protect all assets while entities engaged in cyber threats merely need to find one weak spot. Combined, these factors pose an unprecedented risk to the banking industry.

In the normal course of business, Nordea focuses not only on maintaining effective basic information security controls but also on enhancing its cyber defence with new tools and functions for security, detection and response. Nordea develops innovative security practices to meet new business demands, such as robust mobile banking applications and proactive customer support for fraud detection and prevention. Nordea develops its information security practice based on recognised industry best practices such as the ISO 27000 series standards and the frameworks provided by the National Institute of Standards and Technology

(NIST) in the US. Furthermore, Nordea needs to comply with financial industry legislation, for example European Banking Authority guidelines and other European legislation introducing specific information security requirements.

In addition, Nordea has teamed up with partners from governmental organisations, law enforcement agencies, intelligence networks, peers in the industry and others to share intelligence and experience.

Financial Reporting Risk Management

Financial reporting risk is defined as the risk of misstatements or deficiencies in financial reporting, regulatory reporting, disclosures, tax reporting and reporting of Environment, Social and Governance (ESG) financial information. An internal control framework for managing the financial reporting risk is in place, providing the structure and standards for designing, operating and evaluating the internal controls over financial reporting across the Group. The internal control framework is designed to provide reasonable assurance about the reliability of financial reporting in accordance with generally accepted accounting principles and applicable laws and regulation. Group Risk is the independent risk control function for financial reporting risk and is responsible for the independent monitoring and oversight of the risk and the Group's implementation of the framework. Group Risk reports to the Board Audit Committee.

Significant Operating Processes

The objective of the Significant Operating Processes (SiOPs) framework is to identify and document key processes, as well as provide information about the connected risks and controls, to ensure that these processes operate as intended.

6. Compliance risk

Nordea defines compliance risk as the risk of failure to comply with applicable regulations and related internal rules. Management of compliance risk is governed by Nordea's Compliance Risk Appetite Statement which also sets out the requirements for the mitigation of compliance risk. Employees throughout Nordea are accountable for the compliance risks related to their mandate and for managing these risks in accordance with the Compliance Risk Management Framework. Group Compliance is the independent second line of defence function responsible for developing and maintaining the framework and for guiding the business in its implementation of and adherence to the framework.

Compliance activities are presented in the form of an annual compliance plan to the Group CEO of Nordea and the Board of Directors. The annual compliance plan provides an overview of Nordea's compliance activities, combining Group Compliance's overall approach to key risk areas. The plan consists of detailed plans for the business areas, the Group functions, the consolidated Group subsidiaries, the branches and for each risk area. Group Compliance is responsible for the regular reporting on its plans to the Group Board, the CEO in the Group Leadership Team (the GLT), branch management and the relevant committees, at least quarterly.

The uncertainty in the geopolitical and macroeconomic environment continued in 2024 with conflicts escalating in the Middle East and the invasion of Ukraine continuing for a third year. The actions to remedy the high inflation during the past years have been successful as inflation has decreased to the target level. This has enabled central banks to lower interest rates over the past year, with a market expectation for some further reductions ahead. However, interest rate levels are not expected to become as low as seen prior to the inflation peak. The lower interest levels are expected to negatively impact revenues in the banking sector. Despite the turbulence in the macroeconomic environment, no visible adverse impact on the financial health of household customers has been observed. The impact on the financial situation of Nordea's corporate customers has been limited, and the situation is in general stable with a positive outlook. In light of the continuously challenging external environment for some of its customers, Nordea continues to focus on ensuring that its processes adequately assess the suitability and affordability of the products for all customer segments. In 2024 the interest and customer demand for ESG-related products remained stable with cautious optimism indicated, whilst market practices also developed further. Nordea actively supports its advisory customers in establishing investment strategies that are also aligned to their sustainability preferences.

6.1 Code of Conduct

The Code of Conduct (the "Code") defines high-level business principles that guide the business of Nordea in how Nordea treats customers and how employees are expected to conduct themselves. The principles underpin Nordea's culture and set the parameters for conduct in areas such as care for the environment, human rights, labour rights, the right to privacy, fair competition, anti-bribery and anti-corruption. The Code is reviewed annually and was last updated in June 2024. Compliance with the Code is regularly monitored by the functions responsible for each section of the Code and by Group Compliance. Annual reporting to the relevant Group committees, the Group CEO and the Group Board informs how well Nordea is adhering to the Code and provides an insight into the Group's risk culture. All employees, including part-time employees and consultants, are required to undertake annual Code of Conduct training as part of their Licence to Work to ensure proper awareness and knowledge of the ethical principles. The 2024 training included more detailed focus e.g. on external engagements, internal fraud and how to raise a concern. 97.4% of all employees (excluding those on long-term leave) completed the training.

6.2 Raise your Concern

Nordea's whistleblowing function Raise Your Concern (RYC) ensures that all stakeholders, including customers, partners, affected communities as well as employees, have the right to speak up and always feel safe in doing so if they have concerns about suspected misconduct such as breaches of human rights, or irregularities such as fraudulent, inappropriate, dishonest, illegal or negligent activity or behaviour in operations, products or services. This includes any action that constitutes a violation of laws or regulations or of Nordea's internal policies, instructions or guidelines. Reporting can be made orally or in writing and Nordea ensures that all reporting is treated with the strictest confidentiality. Reports can be made in all countries in which Nordea operates. Furthermore, it is also possible to report anonymously via the electronic reporting channel WhistleB. This platform is managed by an external party, is entirely separate from Nordea's IT systems and does not track IP addresses or other data that could identify the sender of a message. Cases reported through RYC form part of the monitoring of compliance with the Code of Conduct. A summary of key trends and statistics on cases are also reported on a no names basis to the Chief Compliance Officer, the Chief People Officer and the Chief Risk Officer in addition to being included in management reports and reports to the Board. Furthermore, the RYC process and investigations are subject to regular quality controls with defined escalation procedures to report any process deviations.

6.3 Financial crime prevention

Nordea takes its responsibility to society and its customers seriously and has over the years built strong defences to prevent its products, services and systems from being used for unlawful purposes.

Nordea handles and monitors on an annual basis several billion transactions from a wide customer base. Nordea continued to strengthen its financial crime defences in 2024 within areas such as customer due diligence, transaction monitoring and economic sanctions. Nordea's close cooperation with regulators continued during 2024 with ongoing engagement with all four Nordic regulators covering various aspects of Nordea's financial crime prevention work.

Following the invasion of Ukraine by Russian forces in February 2022, a number of countries and international bodies have introduced sanctions. Nordea complies with applicable EU, US, UN and UK sanctions. The sanctions currently include freezing of assets, deposit restrictions, restrictions on economic relations with certain regions in Ukraine, restrictions focusing on the energy and finance sectors, import and export restrictions and overflight bans. As a consequence of the current sanctions regime and the increasing breadth and complexity of sanctions in force, in 2022 Nordea decided not to conduct any business activities that relate to the regions of Donetsk, Luhansk, Zaporizhzhia and Kherson. A similar policy was already in place with respect to Crimea and Sevastopol. Furthermore, due to the current sanctions regime and the restrictions in force, in April 2022 Nordea stopped the processing of payments to and from Russia and Belarus (potentially processed in exceptional circumstances if confirmed that no regulatory/sanctions breach exists and if approved by BA Legal after consultation with Sanctions Advisory and Risk Management and in accordance with the exceptions process of Group Financial Crime Prevention). In addition to the previous policy decision, further internal restrictions on Russia-related customer relationships, among others, were introduced in July 2024.

As sanctions measures continue to curb the ability to support and finance the war in the Ukraine, sanctioned parties and facilitators are seeking alternative ways to circumvent sanctions. In addition to traditional techniques, such as wire stripping, the regulators highlight an increased use of cryptocurrencies and third countries as common circumvention methods. In particular the US and EU have identified certain countries, such as former Soviet Republics, Türkiye, Serbia, China and the UAE, that are being used to facilitate the circumvention of sanctions measures imposed in relation to Russia. While Nordea does not apply a blanket prohibition on activities concerning the above-mentioned countries, Nordea remains vigilant to the risk of the bank's products and services being used to evade sanctions and continues to enhance its controls to mitigate sanctions evasion risks.

During 2024 the potential for both international and domestic terrorist attacks within the Nordics remained high driven by associations in connection to Quran burnings and the escalating conflict in Gaza and local Nordic movements or groups being designated as terrorist organisations by the US Office of Foreign Assets Control. Nordea continues to strengthen its controls to remain responsive to increased inherent risks of terrorist financing.

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. On 5 July 2024 the Danish National Special Crime Unit filed a formal charge against Nordea in the matter. As previously stated, Nordea has expected 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 fines are issued by authorities or by final court decisions, the related costs could be higher (or potentially lower) than the current provision, and this could also impact Nordea's financial performance. Nordea believes that the current provision is adequate to cover these matters.

Since 2015 Nordea has made significant investments to address the deficiencies highlighted by the investigations.

7. Life insurance risk and market risks in the Life & Pension operations

For infomation on risk in the Life & Pension operations, see Note G4 "Insurance contract liabilities".

8. Liquidity risk

During 2024 Nordea continued to benefit from its prudent liquidity risk management in terms of maintaining a diversified and strong funding base and a diversified liquidity buffer. Nordea maintained a strong liquidity position throughout the year despite the continued volatility in global markets driven by geopolitical and macroeconomic uncertainty.

Nordea issued approximately EUR 19.4bn in long-term funding in 2024 (excluding Long CDs, Danish covered bonds and capital instruments), of which approximately EUR 14.0bn was issued in the form of covered bonds and EUR 5.4bn as senior debt.

Throughout 2024 Nordea remained compliant with the liquidity coverage ratio (LCR) requirement in all currencies on a combined basis as well as the net stable funding ratio (NFSR).

During 2021 Nordea participated in European Central Bank (ECB) and local central bank facilities, including the ECB's targeted longer-term refinancing operations (TLTROs). Nordea's participation in the TLTRO III programme ended at the end of the first quarter of 2024 when the remaining volume of EUR 3bn matured.

8.1 Liquidity risk definition and identification

Liquidity risk is the risk that Nordea can only meet its liquidity commitments at an unsustainably high price or, ultimately, is unable to meet its obligations as they come due. Nordea is exposed to liquidity risk in its lending, investments, funding, off-balance sheet exposures and other activities which results in a negative cash flow mismatch. Cash flow mismatches can occur at the end of a day or intraday.

8.2 Management principles and control

Liquidity risk at Nordea is managed across three lines of defence:

- The first line of defence consists of Group Treasury and the business areas. Group Treasury is responsible for the day-to-day management of the Group's liquidity positions, liquidity buffers, external and internal funding, including the mobilisation of cash across the Group, and funds transfer pricing.
- The second line of defence, Group Risk, is responsible for providing independent oversight of and challenge to the first line of defence.
- The third line of defence includes Group Internal Audit, which is responsible for providing independent oversight of the first and second lines of defence.

The Board of Directors defines the liquidity risk appetite by setting limits for the liquidity risk metrics applied. The risk appetite is anchored to liquidity stress testing results over specified time horizons as well as regulatory requirements and has implications for the nature and scope of activities undertaken by Nordea.

The risk appetite framework and supporting liquidity risk limits and thresholds will ensure prudent hedging activities and mitigate the overall liquidity risk of Nordea.

A funds transfer pricing (FTP) framework is in place which takes into account that liquidity is a scarce and costly resource. By quantifying and allocating liquidity and funding costs and benefits to the respective business areas, behaviours and strategic decisions are appropriately incentivised.

8.3 Liquidity risk management strategy

Nordea's liquidity risk management strategy is based on policy statements resulting in various liquidity risk measures, limits and organisational procedures.

The objective of liquidity risk management is to ensure that Nordea can always meet its cash flow obligations, including on an intraday basis, across market cycles and during periods of stress. Nordea strives to diversify its sources of funding and seeks to establish and maintain relationships with investors in order to ensure market access. A broad and diversified funding structure is reflected by the strong presence in the Group's four domestic markets in the form of a strong and stable retail customer base and a variety of funding programmes. The funding consists of both short-term (US and European commercial paper as well as certificates of deposit) and long-term (covered bonds, European and Global Medium-Term Notes) programmes and covers a range of currencies.

Trust is fundamental in the funding market. Therefore, Nordea periodically publishes information on the Group's liquidity situation. Furthermore, Nordea regularly performs stress testing of its liquidity risk position to capture relevant risk drivers and has put business contingency plans in place for liquidity crisis management.

G11 Risk and liquidity management, cont.

8.4 Liquidity risk measurement

To ensure funding in situations where Nordea is in urgent need of cash and the normal funding sources do not suffice, Nordea holds a liquidity buffer. The liquidity buffer consists of central bank eligible, high credit quality and liquid securities as well as central bank cash that can be readily sold or used as collateral in funding operations.

Liquidity risk management focuses on both short-term liquidity risk and long-term structural liquidity risk. Liquidity risk is limited by the Board of Directors via the liquidity stress coverage ratio metric stipulating that the liquidity buffer needs to be sufficient to cover peak cumulative stressed outflows experienced over the first 90 days of a combined stress event, whereby Nordea is subject to market-wide stress similar to that experienced by many banks in 2007–08 as well as idiosyncratic stress corresponding to a three-notch credit rating downgrade. This metric and the regulatory liquidity coverage ratio (LCR) and the net stable funding ratio (NFSR) form the basis for Nordea's liquidity risk appetite, which is reviewed and approved by the Board at least annually.

Short-term funding risk is measured via the LCR and internal stress test metrics. The LCR is measured and limited for major currencies and as a total figure for all currencies combined.

Nordea's structural liquidity risk is measured by many metrics of which the NSFR is the main metric. The NSFR is complemented with the internally defined metrics. Furthermore, the loan to deposit ratio is closely monitored together with the wholesale funding refinancing profile and rating agency metrics.

8.5 Liquidity risk analysis

Nordea continues to have a strong and prudent liquidity risk profile with a strong funding base. At the end of 2024 the total volume utilised under CD and CP programmes was EUR 39.7bn (EUR 46.3bn) with an average maturity of 0.3 (0.3) year. The total volume under long-term programmes was EUR 156.5bn (EUR 143.6bn) with an average maturity of 5.8 (6.1) years. Nordea's funding sources are presented in the table below.

The liquidity risk position remained strong throughout 2024. Nordea's liquidity buffer ranged between EUR 98.0bn and EUR 129.2bn throughout 2024 (EUR 99.7bn and EUR 143.5bn) with an average liquidity buffer of EUR 111.7bn (EUR 117.6bn).

The combined LCR for the Nordea Group was 157% at the end of 2024 (165%) with an annual average of 153% (157%). At the end of 2024 the LCR in EUR was 137% (231%) and in USD 219% (207%) with annual averages of 193% (174%) and 175% (201%), respectively. At the end of 2024 Nordea's NSFR was 124.0% (118.7%).

Funding sources, 31 December 2024

Liability type	Interest rate base	Average maturity (years)	EURm
Deposits by credit institutions			
Shorter than 3 months	Euribor etc.	0.0	28,267
Longer than 3 months	Euribor etc.	0.3	508
Deposits and borrowings from the public			
Deposits payable on demand	Administrative	0.0	172,342
Other deposits	Euribor etc.	0.1	60,093
Debt securities in issue			
Certificates of deposit	Euribor etc.	0.3	29,713
Commercial paper	Euribor etc.	0.4	9,980
Mortgage covered bond loans	Fixed rate, market-based	6.7	118,365
Other bond loans	Fixed rate, market-based	3.0	30,740
Fair value changes of hedged items			-662
Derivatives			25,034
Other non-interest-bearing items			78,778
Subordinated debt			
Tier 2 subordinated bond loans	Fixed rate, market-based	4.9	4,302
Additional Tier 1 subordinated bond loans (undated)	Fixed rate, market-based		3,436
Fair value changes of hedged items			-328
Equity			32,436
Total			593,004
Insurance contract liabilities			30,351
Total, including life insurance operations			623,355

Net stable funding ratio

EURbn	31 Dec 2024	31 Dec 2023
Available stable funding	283.3	316.8
Required stable funding	228.5	266.9
Net stable funding	54.8	49.9
Net stable funding ratio[1]	124.0%	118.7%

1) According to CRR2 regulation.

Financial statements
Parent company

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Income statement

EURm	Note	2024	2023
Operating income			
Interest income		15,321	14,811
Interest expense		-9,777	-9,254
Net interest income	P2.2	5,544	5,557
Fee and commission income		2,404	2,305
Fee and commission expense		-566	-574
Net fee and commission income	P2.3	1,838	1,731
Net result from securities at fair value through profit or loss	P2.4	990	1,054
Net result from securities at fair value through fair value reserve	P2.4	5	-39
Income from equity investments	P2.5	958	1,747
Other operating income	P2.6	764	741
Total operating income		10,099	10,791
Operating expenses			
Staff costs	P7	-2,619	-2,448
Other administrative expenses	P2.7	-1,104	-896
Other operating expenses	P2.7	-630	-566
Regulatory fees	P2.8	-52	-223
Depreciation, amortisation and impairment charges	P2.9	-385	-839
Total operating expenses		-4,790	-4,972
Profit before loan losses		5,309	5,819
Net loan losses	P2.10	-83	-119
Operating profit		5,226	5,700
Income tax expense	P2.11	-1,037	-961
Net profit for the year		4,189	4,739

Balance sheet

EURm	Note	31 Dec 2024	31 Dec 2023
Assets			
Cash and balances with central banks	P3.6	44,862	49,150
Debt securities eligible for refinancing with central banks	P3.8	71,349	59,967
Loans to credit institutions	P3.7	75,139	68,589
Loans to the public	P3.7	151,977	149,900
Interest-bearing securities	P3.8	9,630	13,796
Shares	P3.9	17,491	9,437
Investments in group undertakings	P8.1	15,656	14,090
Investments in associated undertakings and joint ventures	P8.2	74	64
Derivatives	P3.10	26,054	27,832
Fair value changes of hedged items in portfolio hedges of interest rate risk	P3.5	-69	-230
Intangible assets	P4.1	1,570	1,488
Tangible assets	P4.2	224	227
Deferred tax assets	P2.11	25	37
Current tax assets	P2.11	249	128
Retirement benefit assets	P7.2	351	220
Other assets	P9.5	6,896	9,299
Prepaid expenses and accrued income[1]	P9.5	987	776
Total assets		422,465	404,770

EURm	Note	31 Dec 2024	31 Dec 2023
Liabilities			
Deposits by credit institutions and central banks	P3.11	36,306	36,488
Deposits and borrowings from the public	P3.12	240,106	217,574
Debt securities in issue	P3.13	70,127	71,859
Derivatives	P3.10	25,927	32,202
Fair value changes of hedged items in portfolio hedges of interest rate risk	P3.5	-458	-869
Current tax liabilities	P2.11	18	254
Other liabilities	P9.6	12,659	12,295
Accrued expenses and prepaid income	P9.6	1,257	916
Deferred tax liabilities	P2.11	377	79
Provisions	P5	376	381
Retirement benefit liabilities	P7.2	234	237
Subordinated liabilities	P3.14	7,410	5,720
Total liabilities		394,339	377,136
Equity			
Share capital		4,050	4,050
Additional Tier 1 capital holders		750	750
Invested unrestricted equity		1,053	1,063
Other reserves		-37	-198
Retained earnings		18,121	17,230
Net profit for the year		4,189	4,739
Total equity	P9.1	28,126	27,634
Total liabilities and equity		422,465	404,770
Off-balance sheet commitments			
Commitments given to a third party on behalf of customers	P6.1		
- Guarantees and pledges		54,380	45,346
- Other		483	647
Irrevocable commitments in favour of customers	P6.2		
- Securities repurchase commitments		–	–
- Other		99,530	92,668

Cash flow statement

EURm	Note[1]	2024	2023
Operating activities			
Operating profit		5,226	5,700
Adjustment for items not included in cash flow	P9.2	1,982	3,654
Income taxes paid	P2.11	-1,001	-894
Cash flow from operating activities before changes in operating assets and liabilities		6,207	8,460
Changes in operating assets			
Change in debt securities eligible for refinancing with central banks	P3.8	-3,120	-2,926
Change in loans to credit institutions	P3.7	-6,499	4,418
Change in loans to the public	P3.7	-4,615	-2,150
Change in interest-bearing securities	P3.8	-8,012	-133
Change in shares	P3.9	-7,500	-2,290
Change in derivatives, net	P3.10	-3,919	1,632
Change in other assets	P9.5	2,404	357
Changes in operating liabilities			
Change in deposits by credit institutions and central banks	P3.11	-176	-3,739
Change in deposits and borrowings from the public	P3.12	21,646	-5,305
Change in debt securities in issue	P3.13	-2,924	-5,068
Change in other liabilities	P9.6	2,651	-841
Cash flow from operating activities		-3,857	-7,585

EURm	Note[1]	2024	2023
Investing activities			
Investment in and capital contributions to group undertakings	P8.1	-1,771	-1
Acquisition of assets and liabilities	P9.2	3,079	–
Investments in associated undertakings and joint ventures	P8.2	-13	-1
Sale of associated undertakings and joint ventures	P8.2	4	–
Acquisition of property and equipment	P4.2	-41	-29
Sale of property and equipment	P4.2	0	0
Acquisition of intangible assets	P4.1	-438	-422
Cash flow from investing activities		820	-453
Financing activities			
Issued subordinated liabilities	P3.14	2,192	500
Amortised subordinated liabilities	P3.14	-762	-205
Sale/repurchase of own shares incl. changes in trading portfolio	P9.1	-382	-1,283
Paid interest on Additional Tier 1 capital	P9.1	-26	-26
Dividend paid	P9.1	-3,218	-2,876
Cash flow from financing activities		-2,196	-3,890
Cash flow for the year		-5,233	-11,928
Cash and cash equivalents at beginning of year		49,840	62,271
Translation differences		608	-503
Cash and cash equivalents at end of year		45,215	49,840
Change		-5,233	-11,928

1) For more information regarding the cash flow statement, see Note P9.2 "Additional disclosures on the cash flow statement".

P1 Accounting policies

Corporate information

Nordea Bank Abp (Business ID 2858394-9) is the parent company of the Nordea Group. Nordea Bank Abp is a public limited liability company organised under the laws of Finland with its head office located in Helsinki, Finland at the following address: Hamnbanegatan (Satamaradankatu) 5, FI-00020 Nordea Bank Abp, Helsinki, Finland. Nordea Bank Abp's ordinary shares are listed on Nasdaq Nordic, the stock exchanges in Helsinki (in euro), Stockholm (in Swedish kronor) and Copenhagen (in Danish kroner), and its American Depository Receipts are traded in the US in US dollars.

Basis of preparation

The financial statements of 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 as well as the Finnish Financial Supervisory Authority's regulations and guidelines.

International Financial Reporting Standards (IFRS) 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, methods of computation and presentation are unchanged in comparison with the Annual Report 2023, except for the items presented in "Changed accounting policies and presentation" below. For more information about accounting policies, see the respective notes.

All amounts are in euro million unless otherwise stated. On 18 February 2025 the Board of Directors approved the financial statements, subject to final adoption by the Annual General Meeting on 20 March 2025.

Changed accounting policies and presentation

New accounting policies and changes to the presentation were implemented during 2024. Impacts on Nordea Bank Abp's financial statements are described below.

Changed presentation of net fee and commission income

Since 1 January 2024, the lines "Payments" and "Cards" in Note P2.3 "Net fee and commission income" have been replaced by a single line labelled "Payments and cards". Payment and card services are often offered as a package which makes it difficult to distinguish between payment-related commission income and card-related commission income.

In addition, minor changes have been made to the labeling of the other lines in the note, but the content remains the same.

Comparative figures have been restated accordingly and the impacts on the full year 2024 and 2023 can be found in the table below.

	Jan–Dec 2024			Jan–Dec 2023		
EURm	Old policy	Change	New policy	Old policy	Change	New policy
Payments	292	-292	–	260	-260	–
Cards	268	-268	–	259	-259	–
Payments and cards	–	560	560	–	519	519

Translation of assets and liabilities denominated in foreign currencies

Nordea Bank Abp presents its financial statements in euro (EUR). Foreign currency is defined as any currency other than euro. Foreign currency transactions are recorded at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date.

Exchange differences arising on the settlement of transactions at rates different from those on the date of the transactions, and unrealised translation differences on unsettled foreign currency monetary assets and liabilities, are recognised in the income statement under "Net result from securities at fair value through profit or loss".

Exchange rates

	Jan–Dec 2024	Jan–Dec 2023
EUR 1 = SEK		
Income statement (average)	11.4370	11.4740
Balance sheet (at end of year)	11.4485	11.1275
EUR 1 = DKK		
Income statement (average)	7.4587	7.4509
Balance sheet (at end of year)	7.4576	7.4527
EUR 1 = NOK		
Income statement (average)	11.6308	11.4238
Balance sheet (at end of year)	11.7810	11.2120

P2 Financial performance and returns

P2.1 Business area and geographical information

Business area information

Nordea Bank Abp presents the financial results of the three main business areas: Personal Banking, Business Banking and Large Corporates & Institutions. Group functions and eliminations as well as the results not fully allocated to any of the main business areas are shown separately as reconciling items.

Personal Banking serves Nordea Bank Abp's household customers and offers a full range of financial services that fulfil the customers' day-to-day financial needs. Personal Banking serves customers through Nordea Netbank, the mobile banking app, over the phone, via online meetings and at Nordea's branch offices. The business area includes advisory and service staff, channels and product units under a common strategy, operating model and governance framework across markets.

Business Banking serves, advises and partners with corporate customers, covering all their business needs through a full range of services, including payments, cash management, cards, working capital management and financing solutions. Business Banking also provides services such as payments, cards and financing solutions to personal customers.

Large Corporates & Institutions provides financial solutions to large Nordic and international corporates and institutional customers. The offering includes a diverse range of financing, cash management and payment services, investment banking, capital markets products and securities services.

Income statement

2024, EURm	Personal Banking	Business Banking	Large Corporates & Institutions	Total business areas	Recon-ciliation	Total
Net interest income	2,155	1,764	1,423	5,342	202	5,544
Net fee and commission income	1,203	540	478	2,221	-383	1,838
Net result from securities at fair value through profit or loss	203	442	432	1,077	-87	990
Net result from securities at fair value through fair value reserve	–	–	–	–	5	5
Other income[1]	465	53	-1	517	1,205	1,722
Total operating income	**4,026**	**2,799**	**2,332**	**9,157**	**942**	**10,099**
Staff costs	-611	-285	-309	-1,205	-1,414	-2,619
Other expenses[2]	-1,562	-877	-537	-2,976	1,242	-1,734
Regulatory fees	-38	-21	-14	-73	21	-52
Depreciation, amortisation and impairment charges	-41	-19	-20	-80	-305	-385
Total operating expenses	**-2,252**	**-1,202**	**-880**	**-4,334**	**-456**	**-4,790**
Profit before loan losses	**1,774**	**1,597**	**1,452**	**4,823**	**486**	**5,309**
Net loan losses	-34	-70	18	-86	3	-83
Operating profit	**1,740**	**1,527**	**1,470**	**4,737**	**489**	**5,226**

1) Including "Income from equity investments" and "Other operating income".
2) Including "Other administrative expenses" and "Other operating expenses".

Balance sheet

31 Dec 2024, EURbn	Personal Banking	Business Banking	Large Corporates & Institutions	Total business areas	Recon-ciliation	Total
Loans to the public	20	49	77	146	6	152
Deposits and borrowings from the public	90	52	72	214	26	240

P2.1 Business area and geographical information, cont.

Income statement

2023, EURm	Personal Banking	Business Banking	Large Corporates & Institutions	Total business areas	Recon-ciliation	Total
Net interest income	2,289	1,817	1,450	5,556	1	5,557
Net fee and commission income	1,112	523	457	2,092	-361	1,731
Net result from securities at fair value through profit or loss	191	395	475	1,061	-7	1,054
Net result from securities at fair value through fair value reserve	–	–	–	–	-39	-39
Other income[1]	440	32	2	474	2,014	2,488
Total operating income	4,032	2,767	2,384	9,183	1,608	10,791
Staff costs	-594	-284	-322	-1,200	-1,248	-2,448
Other expenses[2]	-1,244	-728	-419	-2,391	929	-1,462
Regulatory fees	-60	-79	-100	-239	16	-223
Depreciation, amortisation and impairment charges	-46	-24	-21	-91	-748	-839
Total operating expenses	-1,944	-1,115	-862	-3,921	-1,051	-4,972
Profit before loan losses	2,088	1,652	1,522	5,262	557	5,819
Net loan losses	-98	-37	22	-113	-6	-119
Operating profit	1,990	1,615	1,544	5,149	551	5,700

1) Including "Income from equity investments" and "Other operating income".
2) Including "Other administrative expenses" and "Other operating expenses".

Balance sheet

31 Dec 2023, EURbn	Personal Banking	Business Banking	Large Corporates & Institutions	Total business areas	Recon-ciliation	Total
Loans to the public	24	51	68	143	7	150
Deposits and borrowings from the public	87	51	56	194	24	218

Geographical information

Nordea Bank Abp's main geographical markets comprise the Nordic countries.

	Total operating income, EURm		Operating profit, EURm		Assets, EURbn		Liabilities, EURbn	
	2024	2023	2024	2023	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Finland	2,810	3,987	1,527	2,403	110	115	106	93
Sweden	2,945	2,767	1,581	1,305	109	100	102	98
Denmark	2,427	2,309	972	974	108	106	96	106
Norway	1,732	1,556	1,045	902	76	71	71	67
Other	185	172	101	116	19	13	19	13
Total	10,099	10,791	5,226	5,700	422	405	394	377

P2.2 Net interest income

Accounting policies

Interest consists of compensation for time value of money plus a margin. The effective interest rate equals the rate that discounts the estimated future cash flows to the net carrying amount of the financial asset or financial liability at initial recognition.

Interest income and expense are calculated and recognised using the effective interest rate method or, if considered appropriate, a method that provides a reasonable approximation in line with the effective interest rate method as the basis for the calculation. The effective interest rate includes fees considered to be an integral part of the effective interest rate of a financial instrument (generally fees received as compensation for risk). Interest income and interest expense from financial instruments are, with the exceptions described below, classified as "Net interest income".

Interest income and interest expense related to all balance sheet items held at fair value in Markets are classified as "Net result from securities at fair value through profit or loss" in the income statement. Also, interest on the net funding of operations in Markets, and on the net funding of fund investments in Treasury, measured at amortised cost is recognised in this line item to ensure that income and expense within these operations are presented in a consistent manner. See Note P2.4 "Total net result from items at fair value".

The interest component of derivatives is classified as "Net result from securities at fair value through profit or loss", except for derivatives used for hedging purposes. In accounting hedges the interest component of derivatives is classified as "Interest income calculated using the effective interest rate method" if the derivative is used to hedge an asset and as "Interest expense" if the derivative is used to hedge a liability. In economic hedges the interest component of derivatives is classified as "Interest income" if the derivative is used to hedge an asset and as "Interest expense" if the derivative is used to hedge a liability.

Interest income

EURm	2024	2023
Interest income calculated using the effective interest rate method[1]	14,703	14,244
Financial assets at fair value through profit or loss	452	360
Net interest paid or received on derivatives in economic hedges of assets	166	207
Interest income[2]	15,321	14,811

EURm	2024	2023
Cash and balances with central banks	214	235
Debt securities eligible for refinancing with central banks	1,310	1,310
Loans to credit institutions	4,805	4,840
Loans to the public	7,146	6,711
Interest-bearing securities	766	464
Derivatives	665	742
Yield fees	246	229
Other interest income	3	73
Net interest paid or received on derivatives in economic hedges of assets	166	207
Interest income[2]	15,321	14,811

Interest expense

EURm	2024	2023
Deposits by credit institutions and central banks	-1,058	-1,101
Deposits and borrowings from the public	-5,205	-4,165
Debt securities in issue	-2,100	-2,798
Derivatives	-1,207	-1,414
Subordinated liabilities	-271	-221
Other interest expense	-44	-14
Net interest paid or received on derivatives in economic hedges of liabilities	108	459
Interest expense	-9,777	-9,254
Net interest income	5,554	5,557

1) Includes interest income from financial assets measured at amortised cost or at fair value through other comprehensive income.
2) Interest on impaired loans (stage 3) accounted for an insignificant share of interest income.

P2.3 Net fee and commission income

Accounting policies

Nordea Bank Abp earns commission income from different services provided to customers and group undertakings. Fee income is recognised as revenue when services are provided or in connection with the execution of a significant act. Fees received in connection with performed services are recognised as income in the period when these services are provided.

Asset management commissions and Life & Pension commissions are mainly generated from the services provided to group undertakings. The recognition of commission income depends on the purpose for which the fees are received.

Lending fees that are not part of the effective interest rate of a financial instrument are recognised at a point of time when the services are provided. Fees received for bilateral transactions are generally amortised as part of the effective interest rate of the financial instruments recognised. Loan syndication fees are recognised either as part of the effective interest rate of the participation or, if Nordea Bank Abp is acting as an agent in the transaction, as lending fee income. When the fee income is related to both activities, the fee that is recognised as part of the effective interest rate is based on the margin received by the other parties in the arrangement.

Variable fees, such as performance fees, are recognised only to the extent that it is highly probable that a significant reversal in the cumulative recognised amount does not occur.

Commission expenses covering a certain period are expensed over that period whereas transactional fees are recognised when the services are received.

Net fee and commission income[1]

EURm	2024	2023
Asset management	445	402
- of which income	452	409
- of which expense	-7	-7
Life & pension	30	25
- of which income	30	25
Deposit products	20	23
- of which income	20	23
Custody and issuer services	16	10
- of which income	60	54
- of which expense	-44	-44
Brokerage and advisory services	210	195
- of which income	336	324
- of which expense	-126	-129
Payments and cards	560	519
- of which income	810	774
- of which expense	-250	-255
Lending	364	353
- of which income	367	359
- of which expense	-3	-6
Guarantees	188	193
- of which income	261	260
- of which expense	-73	-67
Other	5	11
- of which income	68	78
- of which expense	-63	-67
Total	**1,838**	**1,731**

1) Fee income, not included in determining the effective interest rate, from financial assets and liabilities not measured at fair value through profit or loss amounted to EUR 387m (EUR 381m).

Asset management commissions and Life & Pension commissions include commission or fee income which is generally recognised over time as the services are performed.

Fees categorised as "Deposit products", "Brokerage and advisory services", "Custody and issuer services" and "Payments and cards" are recognised both over time and at a point of time depending on when the services are provided. Brokerage and advisory fee and commission income is mainly transaction-based in relation to advising customers or executing customer transactions in securities where the services are recognised at a point of time when the services related to the transactions are completed.

Payment and cards fee income includes fees for cash management and payment solutions that are recognised over time and transaction-based fees for services like domestic and foreign payments that are recognised over time. Card-related fees are categorised as interchange fees which are recognised at a point of time when the customer uses the services, or as cardholder fees which are recognised over time or at a point of time if the fee is transaction-based.

Lending fees are recognised at a point of time when the performance obligation is satisfied, i.e. when the transaction has been performed, unless the fees are part of the effective interest rate of the financial instrument.

Income from issued financial guarantees and expenses for bought financial guarantees are amortised over the duration of the instruments and classified as "Fee and commission income" and "Fee and commission expense", respectively.

Other fee income is generally transaction-based.

For transactional services performed at a point of time, payments are generally made instantly when the services are performed. For services performed over time, the period of the services is normally short. Examples of such services are monthly payment services and monthly or quarterly asset management services. For the services performed over time, the right to payment generally arises at the end of the period of the services when the performance obligations are satisfied and it is highly probable that no significant reversal of the consideration will occur. However, for some services with fixed monthly fees, the right to payment arises in advance.

Account receivables are recognised in "Other assets", while unbilled receivables for satisfied performance obligations and contract assets are recognised in "Prepaid expenses and accrued income". Short-term advances received where the performance obligations have not yet been satisfied are recognised in "Accrued expenses and prepaid income".

Commission expenses are normally transaction-based and recognised in the period in which the services are received.

P2.4 Total net result from items at fair value

Accounting policies

Net result from securities at fair value through profit or loss

Realised and unrealised gains and losses on financial instruments are generally presented in "Net result from securities at fair value through profit or loss". The accounting policies used when estimating fair value can be found in Note P3.4 "Fair value".

The following items are moreover presented in "Net result from securities at fair value through profit or loss":

- Interest on the net funding of operations in Markets and on the net funding of fund investments in Treasury measured at amortised cost.
- Realised gains/losses on assets and liabilities measured at amortised cost.
- The revaluation of the hedged risks of hedged items under hedge accounting.
- Foreign exchange gains/losses.
- Dividends received from shares held for trading.

The following item is not presented as "Net result from securities at fair value through profit or loss":

- The interest component of derivatives used for hedge accounting and economic hedges. These components are presented in "Net interest income" to ensure consistent accounting treatment with the hedged items.

For more information on accounting policies related to foreign exchange gains/losses, see Note P1 "Accounting policies" and Note P8.3 "Currency translation of foreign entities". Hedge accounting is described in Note P3.5 "Hedge accounting".

Net result from securities at fair value through fair value reserve

Recycled gains and losses on financial instruments classified in the category "Financial assets at fair value through other comprehensive income" are recognised in "Net result from securities at fair value through fair value reserve".

P2.4 Total net result from items at fair value, cont.

This note includes the specifications for the income statement line items "Net result from securities at fair value through profit or loss" and "Net result from securities at fair value through fair value reserve".

Total net result from items at fair value

EURm	2024	Of which unrealised	Of which realised
Equity-related instruments[1]	522	539	-17
Interest-related instruments	209	-604	813
Foreign exchange gains/losses	479	5,868	-5,389
Other	-220	-75	-145
Total	**990**	**5,728**	**-4,738**
- of which held for trading	1,366	-217	1,583

EURm	2023	Of which unrealised	Of which realised
Equity-related instruments[1]	212	-207	419
Interest-related instruments	171	-1,566	1,737
Foreign exchange gains/losses	437	1,575	-1,138
Other	234	329	-95
Total	**1,054**	**131**	**923**
- of which held for trading	1,396	-1,445	2,841

1) Dividends from shares held for trading amounted to EUR 180m (EUR 180m).

P2.5 Income from equity investments

Accounting policies

Dividends received from other investments than trading shares as well as group contributions are recognised in the income statement as "Income from equity investments". Income is recognised in the period in which the right to receive payment is established.

Income from equity investments

EURm	2024	2023
Dividends from group undertakings	753	1,611
Dividends from associated undertakings and joint ventures	28	4
Group contributions	174	129
Total	**958**	**1,747**

P2.6 Other operating income

Accounting policies

Net gains from divestment of shares in group undertakings, associated undertakings and joint ventures and net gains from the sale of tangible assets as well as other transactions not related to any other income line are generally presented in "Other operating income" and recognised when it is probable that the benefits associated with the transaction will flow to Nordea Bank Abp. This generally occurs when the significant risks and rewards have been transferred to the buyer (generally when the transaction is finalised).

Other operating income

EURm	2024	2023
Income from services provided to group undertakings	729	714
Income from real estate	18	18
Other	17	9
Total	**764**	**741**

P2.7 Other expenses

Accounting policies

Transactions not related to any other expense line are generally presented in the line item "Other administrative expenses" or "Other operating expenses" depending on the nature of the transaction. "Other administrative expenses" includes the expenses that are not presented in "Staff costs" but are related to personnel, acquired information technology (IT) services or marketing. The expenses for acquired services are normally transaction-based and recognised in the period in which the services are received. Other expenses than administrative expenses are presented in "Other operating expenses".

Net losses from divestment of shares in group undertakings, associated undertakings and joint ventures and net losses from the sale of tangible assets are generally recognised in "Other operating expenses" when risks and rewards have been transferred to the buyer (generally when the transaction is finalised).

Expenses that fulfil the capitalisation requirements defined in the accounting policies in Note P4.1 "Intangible assets" are included gross in this note but subsequently capitalised and added to "Intangible assets" on the balance sheet.

P2.7 Other expenses, cont.

This note includes the specifications for the income statement line items "Other administrative expenses" and "Other operating expenses".

Other administrative expenses

EURm	2024	2023
Other personnel expenses	-98	-89
Travelling	-28	-26
Information technology[1]	-1,019	-837
Marketing and representation	-68	-54
Postage, transport, telephone and office expenses	-42	-38
Market data services	-67	-61
Other	-62	-44
Total	**-1,384**	**-1,149**
Expenses capitalised for IT development projects[2]	280	253
Total	**-1,104**	**-896**

1) "Information technology" includes IT consultancy fees.
2) See Note P4.1 "Intangible assets".

Other operating expenses

EURm	2024	2023
Rent, premises and real estate	-258	-263
Fees to authorities[1]	-123	-120
Professional services[2]	-180	-152
Other	-69	-31
Total	**-630**	**-566**

1) "Fees to authorities" includes deposit guarantee fees, supervisory fees, administrative fees to authorities as well as membership fees to banking associations.
2) "Professional services" includes the fees for the auditor.

Auditor's fees[1]

EURm	2024	2023
PricewaterhouseCoopers		
Auditing assignments	-7	-7
Audit-related services[2]	0	0
Other assignments[2]	-1	-1
Total	**-8**	**-8**

1) Auditor's fees in the table are disclosed excluding non-deductible VAT.
2) PricewaterhouseCoopers Oy accounted for EUR -0.1m (EUR -0.1m) of "Audit-related services" and for EUR -1.2m (EUR -0.5m), of which EUR -0.6m (0m EUR) refers to CSRD Assurance, of "Other assignments". Neither PricewaterhouseCoopers Oy nor any other firm of PricewaterhouseCoopers Network has provided any tax advisory services.

P2.8 Regulatory fees

Accounting policies

The expenses for these levies are recognised as the payment obligations arise.

Resolution fees are not refundable if Nordea Bank Abp discontinues its operations, and the obligating event is consequently assessed to occur on the first day of the year. The Swedish bank tax is refundable for the period during which Nordea Bank Abp does not operate, and the obligating event is therefore assessed to occur continuously over the year.

Resolution fees are thus recognised in full in the first quarter, while the Swedish bank tax is amortised on a straight-line basis over the course of the year.

EURm	2024	2023
Resolution fees	–	-160
Bank tax	-52	-64
Total	**-52**	**-223**

P2.9 Depreciation, amortisation and impairment charges

Accounting policies

Intangible and tangible assets are depreciated on a straight-line basis over the estimated useful life of the assets. All intangible assets, including IT development taken into use, are also reviewed for indications of impairment. The impairment charge is calculated as the difference between the carrying amount and the recoverable amount.

Accounting policies for intangible and tangible assets can be found in Note P4 "Intangible and tangible assets".

Impairment of investments in group undertakings, associated undertakings and joint ventures is also presented in the line item "Depreciation, amortisation and impairment charges" in the income statement. Further information on group undertakings owned by Nordea Bank Abp can be found in Note P8.1 "Investments in group undertakings", and information on associated undertakings and joint ventures can be found in Note P8.2 "Investments in associated undertakings and joint ventures".

Amortisation/depreciation

EURm	2024	2023
Intangible assets (Note P4.1)		
Goodwill	-18	-19
Internally developed software	-280	-330
Software licences	-43	-39
Total	**-341**	**-388**
Tangible assets (Note P4.2)		
Equipment	-12	-16
Leasehold improvements	-21	-25
Total	**-33**	**-41**

Impairment charges

EURm	2024	2023
Intangible assets (Note P4.1)		
Internally developed software	-13	-188
Total	**-13**	**-188**
Investments in group undertakings, associated undertakings and joint ventures (Note P8)		
Group undertakings	–	-191
Associated undertakings and joint ventures	2	-31
Total	**2**	**-222**
Total depreciation, amortisation and impairment charges	**-385**	**-839**

P2.10 Net loan losses

Accounting policies

Impairment losses on financial assets classified in the category "Amortised cost" (see Note P3.3 "Classification and measurement"), in the line items "Loans to credit institutions", "Loans to the public" and "Interest-bearing securities" on the balance sheet, are reported as "Net loan losses" in the income statement together with losses from financial guarantees. Losses are reported net of any collateral and other credit enhancements. Nordea Bank Abp's accounting policies for the calculation of impairment losses on loans can be found in Note P3.7 "Loans".

Counterparty losses on instruments classified in the category "Financial assets at fair value through profit or loss", including credit derivatives but excluding loans held at fair value are reported under "Net result from securities at fair value, through profit or loss". For more information see Note P2.4 "Total net result from items at fair value".

More information on credit risk can be found in Note P10 "Risk and liquidity management".

Net loan losses

	Loans to credit institutions[2]		Loans to the public[2]		Interest-bearing securities[3]		Off-balance sheet items[4]		Total	
EURm	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net loan losses, stage 1	0	-2	32	5	2	-1	-12	-1	22	1
Net loan losses, stage 2	0	0	55	-5	–	–	-22	26	33	21
Net loan losses, non-defaulted	0	-2	87	0	2	-1	-34	25	55	22
Stage 3, defaulted										
Net loan losses, individually assessed, collectively calculated[1]	1	4	34	-15	–	–	-5	-1	30	-12
Realised loan losses	–	–	-139	-155	–	–	–	-1	-139	-156
Decrease in provisions to cover realised loan losses	–	–	77	70	–	–	–	1	77	71
Reimbursement right	–	–	–	–	–	–	7	2	7	2
Recoveries of previously realised loan losses	3	0	17	15	–	–	–	–	20	15
New/increase in provisions	–	0	-281	-218	–	–	-10	-9	-291	-227
Reversals of provisions	–	–	146	153	–	–	12	13	158	166
Net loan losses, defaulted	4	4	-146	-150	0	0	4	5	-138	-141
Net loan losses[1]	4	2	-59	-150	2	-1	-30	30	-83	-119

1) Includes individually identified assets for which the provision has been calculated based on statistical models.
2) Provisions included in Note P3.7 "Loans".
3) Provisions included in Note P3.8 "Interest-bearing securities".
4) Provisions included in Note P5 "Provisions".

P2.11 Taxes

Accounting policies

The line item "Income tax expense" in the income statement consists of the total current tax and deferred tax movements recognised in the income statement. Current and deferred taxes are recognised in the income statement unless the tax effects relate to items recognised directly in equity, in which case the tax effects are recognised in equity.

Current tax is the expected tax expense on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of the same assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied when the temporary differences reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences, tax losses carried forward and unused tax credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when the legal right to offset exists and Nordea Bank Abp intends to either settle the tax asset and the tax liability net or recover the asset and settle the liability simultaneously. Deferred tax assets and deferred tax liabilities are generally offset if there is a legally enforceable right to offset current tax assets and current tax liabilities.

Tax positions are regularly reviewed to identify situations where it is not probable that the relevant tax authorities will accept the treatment used in the tax filings. Uncertain tax positions are considered independently or as a group, depending on which approach better predicts the resolution of the uncertainty. If Nordea Bank Abp concludes that it is not probable that the tax authorities will accept an uncertain tax treatment, the effect of uncertainty is reflected when determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates. This is done by using either the most likely amount or the expected value, depending on which method better predicts the outcome of the uncertainty. Uncertain tax treatment can affect both current tax and deferred tax.

When recognising deferred tax assets and liabilities, any jurisdictional impact of Global Anti-Base Erosion (Pillar 2) Rules is not taken into account but is accounted for as a current tax if incurred.

Income tax expense

EURm	2024	2023
Current tax	-752	-996
Deferred tax	-285	35
Total	-1,037	-961

The tax on operating profit differs from the theoretical amount that would arise using the tax rate in Finland as follows:

EURm	2024	2023
Profit before tax	5,227	5,700
Tax calculated at a tax rate of 20.0%	-1,045	-1,140
Effect of different tax rates in other countries	-121	-112
Tax-exempt income	162	332
Non-deductible expenses	-43	-67
Prior year adjustments	8	36
Other	2	-10
Tax charge	-1,037	-961
Effective tax rate	19.8%	16.9%

P2.11 Taxes, cont.

Deferred tax assets and liabilities

	Deferred tax assets		Deferred tax liabilities	
EURm	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Tax losses carried forward[2]	194	–	–	–
Loans to the public	64	64	1	1
Derivatives/bonds	–	–	530	41
Properties and equipment	–	–	9	1
Intangible assets	20	–	52	45
Retirement benefits	52	68	94	51
Liabilities/provisions	57	60	–	5
Elimination of temporary differences existing in multiple jurisdictions	–	–	49	81
Other	4	1	8	10
Netting between deferred tax assets and liabilities	-366	-156	-366	-156
Total[1]	**25**	**37**	**377**	**79**

1) Deferred tax assets recognised through the fair value reserve totalled EUR 71m (EUR 68m). Deferred tax liabilities recognised through the fair value reserve totalled EUR 69m (EUR 44m).

2) Tax losses carried forward arising from temporary differences in branch jurisdictions.

Global Anti-Base Erosion tax reform

In December 2022 the European Union member states adopted a directive to implement the Global Anti-Base Erosion (Pillar 2) Rules. Most jurisdictions in which Nordea operates have enacted the Pillar 2 legislation as of 1 January 2024, including Finland, where Nordea Bank Abp is incorporated. For more information on the implementation of Pillar 2 rules, see the Group's Note G2.11 "Taxes".

P3 Financial instruments

P3.1 Recognition on and derecognition from the balance sheet

Accounting policies

Derivative instruments, quoted securities and foreign exchange spot transactions are recognised on and derecognised from the balance sheet on the trade date. Other financial instruments are recognised on the balance sheet on the settlement date. An asset or a liability is recognised in "Other assets" or "Other liabilities" on the balance sheet between the trade date and the settlement date.

Financial assets, other than those for which trade date accounting is applied, are derecognised from the balance sheet when the contractual rights to the cash flows from the financial assets expire or are transferred to another party. The rights to the cash flows normally expire or are transferred when the counterparty has performed by e.g. repaying a loan to Nordea Bank Abp, i.e. on the settlement date. Rights to cash flows may also expire when loans are rolled over or modified. The rights to cash flows are generally considered to have expired if the change is at market rates and no payment-related concession has been provided.

In some cases, Nordea Bank Abp enters into agreements where it transfers assets that are recognised on the balance sheet but retains either all or a portion of the risks and rewards of the transferred assets. If all or substantially all risks and rewards are retained, the transferred assets are not derecognised from the balance sheet. If Nordea Bank Abp's counterparty can sell or repledge the transferred assets, the assets are disclosed. Transfers of assets with retention of all or substantially all risks and rewards include securities lending agreements and repurchase agreements.

Financial liabilities are derecognised from the balance sheet when the liability is extinguished. Normally this occurs when Nordea Bank Abp fulfils its part of the agreement, for example when Nordea Bank Abp returns a deposit to the counterparty, i.e. on the settlement date. Financial liabilities where the cash flows are modified or rolled over are also derecognised if the new terms are substantially different from the terms of the original liabilities. This is the case if the present value of the cash flows under the new terms discounted by the original interest rate differs by 10% or more from the discounted present value of the remaining expected cash flows of the original financial liability. Qualitative factors also considered.

A sale of a security not owned by Nordea Bank Abp is defined as a short sale and triggers the recognition of a trading liability (sold, not held, securities) presented in "Other liabilities" on the balance sheet. The short sale is generally covered through a securities financing transaction, normally a reverse repurchase agreement or other forms of securities borrowing agreements.

P3.2 Transferred assets and obtained collateral

Accounting policies

Assets are considered to be transferred from Nordea Bank Abp if Nordea Bank Abp either transfers the contractual right to receive the cash flows from the assets or retains that right but has a contractual obligation to pay the cash flows to one or more parties. All assets transferred continue to be recognised on the balance sheet if Nordea Bank Abp is still exposed to changes in the fair value of the assets.

Collateral received is not recognised on the balance sheet if Nordea Bank Abp is not exposed to changes in the fair value of the assets.

Transferred assets that are not derecognised in their entirety and associated liabilities

Repurchase agreements are a form of collateral borrowing where Nordea Bank Abp sells securities with an agreement to repurchase them at a later date at a fixed price.

Securities lending agreements are agreements where Nordea Bank Abp lends securities to a counterparty and receives a fee. Generally, securities lending agreements are entered into on a collateralised basis.

As both repurchase agreements and securities lending agreements result in the securities being returned to Nordea Bank Abp, all risks and rewards associated with the instruments transferred are retained by Nordea Bank Abp although the instruments are not available to Nordea Bank Abp during the period during which they are transferred. The counterparties to the agreements hold the securities as collateral but have no recourse to other assets in Nordea Bank Abp. For this reason securities delivered under repurchase agreements and securities lending agreements are not derecognised from the balance sheet. Securities delivered under repurchase agreements and securities lending agreements are also disclosed in Note P6.3 "Assets pledged". Cash received under repurchase agreements and securities lending agreements is recognised on the balance sheet in "Deposits by credit institutions and central banks" or "Deposits and borrowings from the public".

In derivative agreements Nordea Bank Abp delivers collateral which, under the terms of the agreements, can be sold or repledged. Such agreements are mainly related to collateral delivered under credit support annex agreements.

Transferred assets not derecognised from the balance sheet

EURm	31 Dec 2024	31 Dec 2023
Repurchase agreements		
Interest-bearing securities	9,504	9,375
Securities lending agreements		
Interest-bearing securities	392	837
Shares	511	142
Derivatives agreements		
Interest-bearing securities	27	
Total	10,435	10,354

Liabilities associated with the assets[1]

EURm	31 Dec 2024	31 Dec 2023
Repurchase agreements	9,504	9,375
Securities lending agreements	904	979
Derivative agreements[2]	27	
Total	10,435	10,354
Net	0	0

1) Liabilities before offsetting between assets and liabilities on the balance sheet.
2) Transferred assets in derivative transactions are disclosed for the first time as of 31 December 2024. Comparative figures as of 31 December 2023 have been impracticable to disclose due to system limitations.

Obtained collateral permitted to be sold or repledged

Nordea Bank Abp obtains collateral under reverse repurchase and securities borrowing agreements which, under the terms of the agreements, can be sold or repledged. The transactions are conducted under standard agreements employed by financial market participants. Generally, the agreements require additional collateral to be provided if the value of the securities falls below a predetermined level. Under the standard terms of most repurchase transactions, the recipient of collateral has an unrestricted right to sell or repledge it, subject to returning equivalent securities on settlement of the transactions.

Securities received under reverse repurchase and securities borrowing agreements are not recognised on the balance sheet. Cash delivered under reverse repurchase and securities borrowing agreements is recognised on the balance sheet in "Loans to central banks", "Loans to credit institutions" or "Loans to the public".

The fair value of the securities obtained as collateral under reverse repurchase and securities borrowing agreements is disclosed below. Nordea Bank Abp also obtains collateral under other agreements which, under the terms of the agreements, can be sold or repledged. Such collateral is mainly received under credit support annex agreements covering derivative agreements. The received collateral presented in the table below is not recognised on the balance sheet and includes collateral issued by Nordea Bank Abp.

P3.2 Transferred assets and obtained collateral, cont.

Obtained collateral permitted to be sold of repledged

EURm	31 Dec 2024	31 Dec 2023
Reverse repurchase agreements		
Collateral received that can be repledged or sold	31,067	22,574
- of which repledged or sold	16,163	10,807
Securities borrowing agreements		
Collateral received that can be repledged or sold	4,174	865
- of which repledged or sold	493	219
Derivative agreements[1]		
Collateral received that can be repledged or sold	3,309	
- of which repledged or sold	673	
Other agreements		
Collateral received that can be repledged or sold	4	611
- of which repledged or sold	–	272
Total	38,554	24,050

1) Transferred assets in derivative transactions are disclosed for the first time as of 31 December 2024. Comparative figures as of 31 December 2023 have been impracticable to disclose due to system limitations.

Receivables related to reverse repurchase agreements recognised on the balance sheet and liabilities related to repurchase agreements recognised on the balance sheet are presented in the table below.

Receivables related to reverse repurchase agreements

EURm	31 Dec 2024	31 Dec 2023
Loans to credit institutions	2,330	1,440
Loans to the public	25,858	18,054
Total	28,188	19,494

Liabilities related to repurchase agreements

EURm	31 Dec 2024	31 Dec 2023
Deposits by credit institutions and central banks	21,298	18,635
Deposits and borrowings from the public	9,192	3,602
Total	30,490	22,237

P3.3 Classification and measurement

Accounting policies

Each financial instrument has been classified in one of the following categories:

Financial assets:

- Amortised cost
- Financial assets at fair value through profit or loss:
  - Mandatorily measured at fair value through profit or loss
  - Designated at fair value through profit or loss (fair value option)
- Financial assets at fair value through other comprehensive income.

Financial liabilities:

- Amortised cost
- Financial liabilities at fair value through profit or loss:
  - Mandatorily measured at fair value through profit or loss
  - Designated at fair value through profit or loss (fair value option).

The classification of a financial asset is dependent on the business model for the portfolio in which the instrument is included and on whether the contractual cash flows are solely payments of principal and interest (SPPI).

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. In a basic lending arrangement, interest can include compensation for the time value of money, credit risk, liquidity risk, costs and profit margin.

Financial assets with contractual cash flows that are not SPPI are measured at fair value through profit or loss. All other assets are classified based on the business model. Instruments included in a portfolio with a business model where the intention is to keep the instruments and collect contractual cash flows are measured at amortised cost. Instruments included in a business model where the intention is both to keep the instruments to collect the contractual cash flows and to sell the instruments are measured at fair value through the fair value reserve in equity. Financial assets included in any other business model are measured at fair value through profit or loss.

In order to determine the business model, Nordea Bank Abp has divided its financial assets into portfolios and/or sub-portfolios based on how groups of financial assets are managed together to achieve a particular business objective. When determining the right level for the portfolios, Nordea Bank Abp has taken the current business area structure into account. When determining the business model for each portfolio, Nordea Bank Abp has analysed the objective of the financial assets as well as, for instance, past sales behaviour and management compensation.

All financial assets and liabilities are initially measured at fair value. The classification of financial instruments into different categories forms the basis for how each instrument is subsequently measured on the balance sheet and how changes in its value are recognised. The classification of the financial instruments on Nordea Bank Abp's balance sheet into the different categories under IFRS 9 is presented in the table "Classification of financial instruments" in Note P3.3 "Classification and measurement".

Amortised cost

Financial assets and liabilities measured at amortised cost are initially recognised on the balance sheet at fair value, including transaction costs. Subsequent to initial recognition, the instruments within this category are measured at amortised cost. In an amortised cost measurement, the difference between acquisition cost and redemption value is amortised in the income statement over the remaining term using the effective interest rate method. Amortised cost is defined as the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance. The cumulative amortisation is calculated using the effective interest rate method. For more information about the effective interest rate method, see Note P2.2 "Net interest income". For information about impairment under IFRS 9, see Note P3.7 "Loans".

Interest on assets and liabilities classified at amortised cost is generally recognised under "Interest income" and "Interest expense" in the income statement.

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at fair value through profit or loss are measured at fair value, excluding transaction costs. Changes in fair value are generally recognised directly in the income statement under "Net result from securities at fair value through profit or loss". For estimation of fair value, see Note P3.4 "Fair value".

The category consists of two sub-categories: "Mandatorily measured at fair value through profit or loss" and "Designated at fair value through profit or loss (fair value option)". The sub-category "Designated at fair value through profit or loss (fair value option)" is an option to measure financial assets and liabilities at fair value with the changes in fair value recognised in profit or loss. This option can be used if it eliminates or significantly reduces an accounting mismatch and for liabilities if they are managed on a fair value basis. Changes in credit risk related to liabilities designated at fair value through profit or loss are recognised in the fair value reserve unless it creates an accounting mismatch.

Interest income and interest expense related to balance sheet items held at fair value through profit or loss are generally classified as "Net result from securities at fair value through profit or loss". For more information, including exceptions from this general rule, see Note P2.4 "Total net result from items at fair value" and Note P2.2 "Net interest income".

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income are initially measured at fair value plus transaction costs. Changes in fair value, except for interest, foreign exchange effects and impairment losses, are recognised in the fair value reserve in equity. Interest is recognised under "Interest income", foreign exchange effects under "Net result from securities at fair value through profit or loss" and impairment losses under "Net loan losses" in the income statement. When an instrument is disposed of, the fair value changes previously accumulated in the fair value reserve are removed from equity and recognised in the income statement under "Net result from securities at fair value through fair value reserve". For information about impairment under IFRS 9, see Note P3.7 "Loans", and about estimation of fair value, see Note P3.4 "Fair value".

Hybrid (combined) financial instruments
Hybrid (combined) financial instruments are contracts containing a host contract and an embedded derivative instrument. Such combinations arise predominantly from the issuance of structured debt instruments, such as issued index-linked bonds and loans with embedded collars and caps.

For structured bonds issued by Markets, Nordea Bank Abp applies the fair value option, and the entire combined instrument, the host contract together with the embedded derivative, is measured at fair value through profit or loss and presented in "Debt securities in issue" on the balance sheet. Changes in fair value are recognised in the income statement under "Net result from securities at fair value through profit or loss" except for changes in Nordea Bank Abp's own credit risk which is recognised in fair value reserve.

Issued debt and equity instruments
A financial instrument issued by Nordea Bank Abp is either classified as a financial liability or equity. Issued financial instruments are classified as financial liabilities if the contractual arrangements result in Nordea Bank Abp having a present obligation to either deliver cash or another financial asset or a variable number of equity instruments to the holder of the instrument. If this is not the case, the instrument is generally an equity instrument and classified as equity, net of transaction costs. If issued financial instruments contain both liability and equity components, these are accounted for separately.

Offsetting of financial assets and liabilities
Nordea Bank Abp offsets financial assets and liabilities on the balance sheet if there is a legal right to offset and if the intent is to settle the items net or realise the asset and settle the liability simultaneously. The legal right to offset should exist both in the ordinary course of business and in case of the default, bankruptcy and insolvency of Nordea Bank Abp and its counterparties.

Exchanged-traded derivatives are generally accounted for and settled on a daily basis when cash is paid or received, and the instrument is reset to market terms. Derivative assets, derivative liabilities, cash collateral receivables and cash collateral liabilities against central counterparty clearing houses are set off on the balance sheet if the assets and liabilities are settled in the same transaction currency and relate to the same central counterparty. Derivative assets, derivative liabilities, cash collateral receivables and cash collateral liabilities related to bilateral OTC derivative agreements are not set off on the balance sheet.

In addition, loans and deposits related to repurchase and reverse repurchase agreements with central counterparty clearing houses are set off on the balance sheet if the assets and liabilities relate to the same central counterparty, are settled in the same currency and have the same maturity date. Loans and deposits related to repurchase and reverse repurchase agreements that are made in accordance with the Global Master Repurchase Agreement are set off on the balance sheet if the assets and liabilities relate to the same counterparty, are settled in the same currency, have the same maturity date and are settled through the same settlement institution.

The fact that financial instruments are accounted for on a gross basis on the balance sheet does not imply that the financial instruments are not subject to master netting agreements or similar arrangements. Generally, financial instruments (derivatives, repurchase agreements and securities lending agreements) are subject to master netting agreements, and Nordea Bank Abp is consequently able to benefit from netting any calculations involving counterparty credit risk in the event of the default of its counterparties.

For a description of counterparty credit risk, see also Note P10 "Risk and liquidity management", section 3 "Counterparty credit risk".

Classification of financial instruments

Assets

31 Dec 2024, EURm	Amortised cost	Financial assets at fair value through profit or loss mandatorily	Fair value through other comprehensive income	Total financial assets
Cash and balances with central banks	44,862	–	–	44,862
Loans to credit institutions	73,163	1,976	–	75,139
Loans to the public	123,348	28,629	–	151,977
Interest-bearing securities[1]	9,502	26,114	45,363	80,979
Shares	–	17,491	–	17,491
Derivatives	–	26,054	–	26,054
Fair value changes of hedged items in portfolio hedges of interest rate risk	-69	–	–	-69
Other assets[2]	639	5,840	–	6,479
Prepaid expenses and accrued income	557	0	–	557
Total	252,002	106,104	45,363	403,469

1) Including the balance sheet line item "Debt securities eligible for refinancing with central banks" amounting to EUR 71,349m.
2) Of which cash/margin receivables classified in the category "Mandatorily measured at fair value through profit or loss" amounted to EUR 5,118m.

Liabilities

31 Dec 2024, EURm	Amortised cost	Financial liabilities at fair value through profit or loss: Mandatority	Financial liabilities at fair value through profit or loss: Designated at fair value through profit or loss (fair value option)	Total financial liabilities
Deposits by credit institutions and central banks	15,570	20,736	–	36,306
Deposits and borrowings from the public	218,759	17,030	4,317	240,106
Debt securities in issue	68,418	–	1,709	70,127
Derivatives	–	25,927	–	25,927
Fair value changes of hedged items in portfolio hedges of interest rate risk	-458	–	–	-458
Other liabilities	2,935	8,017	–	10,952
Accrued expenses and prepaid income	15	0	–	15
Subordinated liabilities	7,410	–	–	7,410
Total	312,649	71,710	6,026	390,385

P3.3 Classification and measurement, cont.

Classification of financial instruments

Assets

31 Dec 2023, EURm	Amortised cost	Financial assets at fair value through profit or loss mandatorily	Fair value through other comprehensive income	Total financial assets
Cash and balances with central banks	49,150	–	–	49,150
Loans to credit institutions	67,395	1,194	–	68,589
Loans to the public	129,058	20,842	–	149,900
Interest-bearing securities[1]	12,730	22,851	38,182	73,763
Shares	–	9,437	–	9,437
Derivatives	–	27,832	–	27,832
Fair value changes of hedged items in portfolio hedges of interest rate risk	-230	–	–	-230
Other assets[2]	692	7,564	–	8,256
Prepaid expenses and accrued income	311	0	–	311
Total	**259,106**	**89,720**	**38,182**	**387,008**

1) Including the balance sheet line item "Debt securities eligible for refinancing with central banks" amounting to EUR 59,967m.
2) Of which cash/margin receivables classified in the category "Mandatorily measured at fair value through profit or loss" amounted to EUR 6,908m.

Liabilities

31 Dec 2023, EURm	Amortised cost	Financial liabilities at fair value through profit or loss: Mandatorily	Financial liabilities at fair value through profit or loss: Designated at fair value through profit or loss (fair value option)	Total financial liabilities
Deposits by credit institutions and central banks	19,325	17,163	–	36,488
Deposits and borrowings from the public	205,879	7,444	4,251	217,574
Debt securities in issue	69,937	–	1,922	71,859
Derivatives	–	32,202	–	32,202
Fair value changes of hedged items in portfolio hedges of interest rate risk	-869	–	–	-869
Other liabilities	2,462	8,643	–	11,105
Accrued expenses and prepaid income	20	0	–	20
Subordinated liabilities	5,720	–	–	5,720
Total	**302,474**	**65,452**	**6,173**	**374,099**

Amortised cost

This category mainly consists of all loans (including those with embedded collars and caps) and deposits, except for reverse repurchase/repurchase agreements and securities borrowing/lending agreements in Markets. This category also includes subordinated liabilities and debt securities in issue, except for structured bonds issued by Markets.

Nordea Bank Abp has issued financial assets with contractual terms that could change the amount of the contractual cash flows based on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in basic lending risk and costs (such as the time value of money or credit risk). This covers loans and bonds with terms linking contractual cash flows to the customers' achievement of environmental, social and governance (ESG) targets, so called sustainability-linked loans and bonds. At the end of the year the carrying amount of the sustainability-linked loans recognised on the balance sheet amounted to EUR 9,264m (EUR 9,194m).

Nordea Bank Abp has also issued financial liabilities in the form of Additional Tier 1 (AT1) instruments with contractual terms that could change the amount of the contractual cash flows based on the occurrence (or non-occurrence) of a contingent event that does not relate directly to changes in basic lending risk and costs (such as the time value of money or credit risk). These AT1 instruments are measured at amortised cost and presented in the balance sheet line item "Subordinated liabilities". The interest payments are fully discretionary and mandatorily cancelled under certain circumstances. For more information about the terms of these AT1 instruments, see Note P3.14 "Subordinated liabilities".

For more information about the risk associated with sustainability-linked loans see section 2.1 "Credit risk definition and identification" in Note G11 "Risk and liquidity management".

Mandatorily measured at fair value through profit or loss

The sub-category "Mandatorily measured at fair value through profit or loss" mainly contains all assets and trading liabilities in Markets, interest-bearing securities in the liquidity buffer, derivatives, shares and financial assets in pooled schemes. Deposits in pooled schemes are contracts with customers where most or all of the risk is borne by the policyholders. The deposits are invested in different types of financial assets on behalf of customers.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income mainly consist of the interest-bearing securities in the liquidity buffer.

Financial liabilities designated at fair value through profit or loss (fair value option)

Nordea Bank Abp applies the fair value option to structured bonds issued by Markets, EUR 1,709m (EUR 1,922m), as these hybrid instruments, such as issued index-linked bonds, include embedded derivatives not closely related to the host contract. The host contract together with the embedded derivative is measured at fair value through profit or loss and presented in "Debt securities in issue" on the balance sheet. The change in the fair value of these issued structured bonds is recognised in the income statement under "Net result from securities at fair value through profit or loss" except for the changes in own credit risk, which are recognised in equity. Nordea Bank Abp calculates the change in its own credit spread as the change in its total funding spread, thus assuming a constant issuance premium on all issues over time. The change in the credit spread is estimated by comparing the value of the trades using the initial funding spread on the issuance date and the actual funding spread on the reporting date. This model is assessed to provide the best estimate of the impact of own credit risk.

Deposits in pooled schemes, EUR 4,318m (EUR 4,251m), are designated at fair value through profit or loss as they are managed at fair value. The value of these deposits is directly linked to the fair value of the underlying assets, and changes in own credit risk consequently have no net impact.

P3.3 Classification and measurement, cont.

Financial liabilities designated at fair value through profit or loss

31 Dec 2024, EURm	Liabilities for which changes in credit risk are presented in fair value reserve	Liabilities for which changes in credit risk are presented in profit or loss	Total
Carrying amount at end of year	1,709	4,318	6,027
Amount to be paid at maturity	1,697	4,318	6,015
Changes in fair value due to changes in own credit risk, during the year	-8	–	-8
Changes in fair value due to changes in own credit risk, accumulated	-4	–	-4

31 Dec 2023, EURm	Liabilities for which changes in credit risk are presented in fair value reserve	Liabilities for which changes in credit risk are presented in profit or loss	Total
Carrying amount at end of year	1,922	4,251	6,173
Amount to be paid at maturity	1,832	4,251	6,083
Changes in fair value due to changes in own credit risk, during the year	12	–	12
Changes in fair value due to changes in own credit risk, accumulated	4	–	4

P3.4 Fair value

Accounting policies

Fair value is defined as the price that at the measurement date would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value measurement assumes that the transaction takes place under current market conditions in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability.

The existence of published price quotations in an active market is the best evidence of fair value and when they exist, they are used to measure financial assets and financial liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The absolute level of liquidity and volume required for a market to be considered active varies depending on the class of instruments.

The trade frequency and volume are monitored regularly in order to assess if markets are active or not active. If quoted prices for a financial instrument fail to represent actual and regularly occurring market transactions or if quoted prices are not available, fair value is established by using an appropriate valuation technique. The adequacy of the valuation technique, including an assessment of whether to use quoted prices or theoretical prices, is monitored on a regular basis.

Valuation techniques can range from a simple discounted cash flow analysis to complex option pricing models. Valuation techniques are designed to apply observable market prices and rates as input whenever possible but can also make use of unobservable model parameters. The adequacy of the valuation technique is assessed by measuring its ability to match market prices. This is done by comparing calculated prices with relevant benchmark data, e.g. quoted prices from exchanges, the counterparty's valuations, price data from consensus services etc.

For financial instruments whose fair value is estimated by a valuation technique, it is investigated whether the variables used are predominantly based on data from observable markets. Nordea Bank Abp considers data from observable markets to be data that can be collected from generally available external sources and which is deemed to represent realistic market prices. If unobservable data has a significant impact on the valuation, the instrument cannot be recognised initially at the fair value estimated by the valuation technique and any upfront gains are thereby deferred and amortised through the income statement over the contractual life of the instrument. The deferred upfront gains are subsequently released to income if the unobservable data becomes observable.

Fair value measurements of assets and liabilities are categorised under the three levels of the IFRS fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The categorisation of these instruments is based on the lowest level input that is significant to the fair value measurement in its entirety.

Level 1 in the fair value hierarchy consists of assets and liabilities valued using unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 in the fair value hierarchy consists of assets and liabilities where directly quoted market prices are not available in active markets. The fair values are based on quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active. Alternatively, the fair values are estimated using valuation techniques or valuation models based on market prices or inputs prevailing at the balance sheet date and where unobservable inputs have not had a significant impact on the fair values.

Level 3 in the fair value hierarchy consists of assets and liabilities for which fair values cannot be obtained directly from quoted market prices or indirectly using valuation techniques or models supported by observable market prices or rates.

P3.4 Fair value, cont.

Fair value of financial assets and liabilities

EURm	31 Dec 2024		31 Dec 2023	
Financial assets	Carrying amount	Fair value	Carrying amount	Fair value
Cash and balances with central banks	44,862	44,862	49,150	49,150
Loans[1]	227,047	227,991	218,259	218,716
Interest-bearing securities[2]	80,979	80,941	73,763	73,810
Shares	17,491	17,491	9,437	9,437
Derivatives	26,054	26,054	27,832	27,832
Other assets	6,479	6,479	8,256	8,256
Prepaid expenses and accrued income	557	557	311	311
Total	403,469	404,375	387,008	387,512

EURm	31 Dec 2024		31 Dec 2023	
Financial liabilities	Carrying amount	Fair value	Carrying amount	Fair value
Deposits and debt securities in issue[3]	353,491	354,541	330,772	331,594
Derivatives	25,927	25,927	32,202	32,202
Other liabilities	10,952	10,952	11,105	11,105
Accrued expenses and prepaid income	15	15	20	20
Total	390,385	391,435	374,099	374,921

1) Consists of the balance sheet line items "Loans to the public", "Loans to credit institutions" and "Fair value changes of hedged items in portfolio hedges of interest rate risk".
2) Including the balance sheet line item "Debt securities eligible for refinancing with central banks" amounting to EUR 71,349m (EUR 59,967m).
3) Consists of the balance sheet line items "Deposits and borrowings from the public", "Deposits by credit institutions and central banks ", "Debt securities in issue" and "Subordinated liabilities". For non-maturing deposits fair value equals the nominal amount, whereas the carrying amount also includes the revaluation for the hedged items presented on the balance sheet row "Fair value of hedged items in portfolio hedges of intrest rate risk".

Fair value of items measured at fair value on the balance sheet

Determination of fair value

For information about determination of the fair value of items measured at fair value on the balance sheet, see the section "Determination of the fair value of items measured at fair value on the balance sheet" in the Group's Note G3.4 "Fair value". However, the section concerning loans and issued debt securities in the subsidiary Nordea Kredit Realkreditaktieselskab is not applicable to Nordea Bank Abp.

For information about the valuation of items measured at fair value on the balance sheet, see the section "Accounting policies" in this note and the section "Determination of the fair value" in the Group's Note G3.4 "Fair value". For information about the valuation of items not measured at fair value on the balance sheet, see the section "Financial assets and liabilities not held at fair value on the balance sheet" in the Group's Note G3.4 "Fair value".

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

Categorisation in the fair value hierarchy

31 Dec 2024, EURm	Quoted prices in active markets for the same instrument (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using unobservable data (Level 3)	Total
Assets at fair value on the balance sheet[1]				
Loans to credit institutions	–	1,976	–	1,976
Loans to the public	–	28,629	–	28,629
Interest-bearing securities[2]	24,787	45,518	1,172	71,477
Shares	15,972	96	1,423	17,491
Derivatives	55	25,038	961	26,054
Other assets	15	5,825	–	5,840
Total	40,830	107,081	3,556	151,467
Liabilities at fair value on the balance sheet[1]				
Deposits by credit institutions	–	20,735	–	20,735
Deposits and borrowings from the public	–	21,347	–	21,347
Debt securities in issue	1	356	1,352	1,709
Derivatives	118	25,219	590	25,927
Other liabilities	1,153	6,621	243	8,017
Total	1,272	74,279	2,185	77,736

1) All items are measured at fair value on a recurring basis at the end of each reporting period.
2) Including the balance sheet line item "Debt securities eligible for refinancing with central banks".

31 Dec 2023, EURm	Quoted prices in active markets for the same instrument (Level 1)	Valuation technique using observable data (Level 2)	Valuation technique using unobservable data (Level 3)	Total
Assets at fair value on the balance sheet[1]				
Loans to credit institutions	–	1,194	–	1,194
Loans to the public	–	20,840	2	20,842
Interest-bearing securities[2]	15,880	44,611	542	61,033
Shares	8,010	114	1,313	9,437
Derivatives	67	26,852	913	27,832
Other assets	9	7,554	1	7,564
Total	23,966	101,165	2,771	127,902
Liabilities at fair value on the balance sheet[1]				
Deposits by credit institutions	–	17,163	–	17,163
Deposits and borrowings from the public	–	11,695	–	11,695
Debt securities in issue	–	533	1,389	1,922
Derivatives	139	31,327	736	32,202
Other liabilities	2,268	6,230	145	8,643
Total	2,407	66,948	2,270	71,625

1) All items are measured at fair value on a recurring basis at the end of each reporting period.
2) Including the balance sheet line item "Debt securities eligible for refinancing with central banks".

P3.4 Fair value, cont.

Transfers between Levels 1 and 2

During the year Nordea Bank Abp transferred items recognised in the line item "Interest-bearing securities" (including financial instruments pledged as collateral) of EUR 1,682m (EUR 10,285m) from Level 1 to Level 2 and of EUR 717m (EUR 281m) from Level 2 to Level 1 in the fair value hierarchy. Nordea Bank Abp also transferred items recognised in the line item "Other liabilities" of EUR 150m (EUR 294m) from Level 1 to Level 2 and of EUR 342m (EUR 8m) from Level 2 to Level 1. The transfer of "Interest-bearing securities" from Level 1 to Level 2 was mainly due to a reassessment of trading activity. Other transfers from Level 1 to Level 2 were due to the instruments ceasing to be actively traded during the year, 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 year, which meant that reliable quoted prices were obtained in the market. Transfers between levels are considered to have occurred at the end of the year.

Movements in Level 3

Unrealised gains and losses relate to assets and liabilities held at the end of the year. 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 year. Fair value gains and losses in the income statement during the year are included in "Net result from securities at fair value through profit or loss" (see Note P2.4 "Total net result from items at fair value"). Assets and liabilities related to derivatives are presented net.

Movements in Level 3

		Fair value gains/losses recognised in the income statement during the year										
2024, EURm	**1 Jan 2024**	**Realised**	**Unrealised**	**Recognised in fair value reserve**	**Purchases/ issues**	**Sales**	**Settle-ments**	**Transfers into Level 3**	**Transfers out of Level 3**	**Reclassifi-cation**	**Translation differences**	**31 Dec 2024**
Loans to the public	2	–	–	–	23	–	-25	–	–	–	–	–
Interest-bearing securities	542	-7	-126	–	547	-76	-18	412	-101	–	-1	1,172
Shares	1,313	10	112	–	124	-150	-10	3	–	-11	32	1,423
Derivatives (net)	176	-2	193	–	–	–	2	26	-24	–	-0	371
Other assets	1	–	–	–	–	–	-1	–	–	–	–	–
Debt securities in issue	1,389	65	-193	5	505	–	-417	–	-2	–	–	1,352
Other liabilities	145	–	46	–	3	-118	–	167	–	–	–	243

		Fair value gains/losses recognised in the income statement during the year										
2023, EURm	**1 Jan 2023**	**Realised**	**Unrealised**	**Recognised in fair value reserve**	**Purchases/ issues**	**Sales**	**Settle-ments**	**Transfers into Level 3**	**Transfers out of Level 3**	**Reclassifi-cation**	**Translation differences**	**31 Dec 2023**
Loans to the public	–	–		–	2	–	–	–	–	–	–	2
Interest-bearing securities	411	-1	45	–	263	-127	1	44	-92	–	-2	542
Shares	1,375	39	63	–	135	-250	-8	0	-0	–	-41	1,313
Derivatives (net)	100	-5	-73	–	–	–	5	–	150	–	-0	176
Other assets	8	–	–	–	–	–	-7	–	-	–	–	1
Debt securities in issue	1,135	58	-100	-1	530	–	-213	–	-20	–	–	1,389
Other liabilities	63	–	-19	–	111	-2	–	0	-8	–	–	145

The valuation process for Level 3 fair value measurements

For information about the valuation process for fair value measurements, see the section "The valuation process for fair value measurements" in the Group's Note G3.4 "Fair value". However, the section "Investment properties" is not applicable to Nordea Bank Abp as the main part of the investment properties of the Nordea Group is held by its subsidiaries. Investment properties are insignificant to Nordea Bank Abp.

P3.4 Fair value, cont.

Valuation techniques and inputs used in fair value measurements of financial instruments in Level 3

31 Dec 2024, EURm	Fair value	Valuation techniques	Unobservable input	Range of fair value
Loans				
Loans to the public	–			–
Total	–			–
Interest-bearing securities				
Public bodies	13	Discounted cash flows	Credt spread	-1/1
Mortgage and other credit institutions	779	Discounted cash flows	Credt spread	-78/78
Corporates[1]	380	Discounted cash flows	Credt spread	-38/38
Total	1,172			
Shares				
Unlisted shares	87	Net asset value[2]		-9/9
Private equity funds	874	Net asset value[2]		-87/87
Hedge funds	0	Net asset value[2]		-0/0
Credit funds	446	Net asset value/market consensus[2]		-45/45
Other funds	9	Net asset value/fund prices[2]		-1/1
Other	7	–		-1/1
Total	1,423			
Derivatives				
Interest rate derivatives	188	Option model	Correlations, Volatilities	-9/11
Equity derivatives	12	Option model	Correlations, Volatilities, Dividen	-6/3
Foreign exchange derivatives	144	Option model	Correlations, Volatilities	-1/1
Credit derivatives	27	Credit derivative model	Correlations, Volatilities, Dividend	-9/10
Other	0	Option model	Correlations, Volatilities	-0/0
Total	371			
Debt securities in issue				
Issued structured bonds	1,352	Credit derivative model	Correlations, Recovery rates, Volatilities	-7/7
Total	1,352			
Other, net				
Other assets and other liabilities, net	243			-24/24
Total	243			

1) Of which EUR 351m is priced at a credit spread (the difference between the discount rate and XIBOR) of 1.45% and a reasonable change in this credit spread would not affect the fair value due to callability features.

2) Fair values are based on prices and net asset values provided by external suppliers/custodians. The prices are fixed by the suppliers/custodians on the basis of the performance of the assets underlying 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). The carrying amounts are in a range of 1% to 100% compared with the values received from suppliers/custodians.

Valuation techniques and inputs used in fair value measurements of financial instruments in Level 3, cont.

31 Dec 2023, EURm	Fair value	Valuation techniques	Unobservable input	Range of fair value
Loans				
Loans to the public	2	Discounted cash flows	Interest rate	0/0
Total	2			
Interest-bearing securities				
Public bodies	13	Discounted cash flows	Credt spread	-1/1
Mortgage and other credit institutions	348	Discounted cash flows	Credt spread	-35/35
Corporates[1]	181	Discounted cash flows	Credt spread	-3/3
Total	542			
Shares				
Unlisted shares	107	Net asset value[2]		-11/11
Private equity funds	754	Net asset value[2]		-75/75
Hedge funds	0	Net asset value[2]		0/0
Credit funds	440	Net asset value/market consensus[2]		-44/44
Other funds	8	Net asset value/fund prices[2]		-1/1
Other	4	–		0/0
Total	1,313			
Derivatives				
Interest rate derivatives	90	Option model	Correlations, Volatilities	-10/10
Equity derivatives	-30	Option model	Correlations, Volatilities, Dividen	-5/4
Foreign exchange derivatives	116	Option model	Correlations, Volatilities	0/0
Credit derivatives	1	Credit derivative model	Correlations, Volatilities, Dividend	-9/11
Other	0	Option model	Correlations, Volatilities	0/0
Total	177			
Debt securities in issue				
Issued structured bonds	1,389	Credit derivative model	Correlations, Recovery rates, Volatilities	-7/7
Total	1,389			
Other, net				
Other assets and other liabilities, net	146			-17/17
Total	146			

1) Of which EUR 149m is priced at a credit spread (the difference between the discount rate and XIBOR) of 1.45% and a reasonable change in this credit spread would not affect the fair value due to callability features.

2) Fair values are based on prices and net asset values provided by external suppliers/custodians. The prices are fixed by the suppliers/custodians on the basis of the performance of the assets underlying 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). The carrying amounts are in a range of 1% to 100% compared with the values received from suppliers/custodians.

P3.4 Fair value, cont.

The tables above show, for each class of assets and liabilities categorised in Level 3, the fair value, the valuation techniques used to estimate the fair value, significant unobservable inputs used in the valuation techniques and, for financial assets and liabilities, the fair value sensitivity to changes in key assumptions.

The column "Range of fair value" in the tables above shows the sensitivity of the fair value of Level 3 financial instruments to changes in key assumptions. In case the exposure to an unobservable parameter is offset across different instruments, only the net impact is disclosed in the table. The range disclosed is likely to be greater than the true uncertainty in determining the fair value of these instruments as all unobservable parameters are in practice unlikely to be simultaneously at the extremes of their ranges of reasonably possible alternatives. The disclosure is neither predictive nor indicative of future movements in fair value.

The reported sensitivity (range) of the fair value of derivatives follows the same methodologies as applied to the reporting of the model risk and market price uncertainty additional valuation adjustments (AVAs) as defined in Commission Delegated Regulation (EU) No 2016/101 of 26 October 2015 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for prudent valuation under Article 105(14).

In order to calculate the sensitivity (range) of the fair value of shares and interest-bearing securities, the fair value is increased and decreased within a total range of 2–10 percentage points depending on the valuation uncertainty and underlying assumptions. Higher ranges are applied to instruments with more uncertain valuations relative to actively traded instruments and underlying uncertainties in individual assumptions.

Movement of deferred Day 1 profit

For information about movement of deferred Day 1 profit, see the section "Movement of deferred Day 1 profit" in the Group's Note G3.4 "Fair value".

The table to the right shows the aggregated difference yet to be recognised in the income statement at the beginning and end of the period. The table also shows reconciliation of how this aggregated difference changed during the year.

Deferred Day 1 profit – derivatives, net

EURm	2024	2023
Amount at beginning of year	73	84
Deferred profit/loss on new transactions	42	38
Recognised in the income statement during the year[1]	-45	-49
Amount at end of year	70	73

1) Of which EUR -5m (EUR -10m) due to transfers of derivatives from Level 3 to Level 2.

Financial assets and liabilities not held at fair value on the balance sheet

	31 Dec 2024		31 Dec 2023		
EURm	Carrying amount	Fair value	Carrying amount	Fair value	Level in fair value hierarchy[4]
Assets not held at fair value on the balance sheet					
Cash and balances with central banks	44,862	44,862	49,150	49,150	1
Loans[1]	196,442	197,386	196,223	195,924	3
Interest-bearing securities[2]	9,502	9,464	12,730	12,777	2, 3
Other assets	639	639	692	692	3
Prepaid expenses and accrued income	557	557	311	311	3
Total	252,002	252,908	259,106	258,855	
Liabilities not held at fair value on the balance sheet					
Deposits and debt securities in issue[3]	309,699	310,291	299,992	300,814	3
Other liabilities	2,935	2,935	2,462	2,462	3
Accrued expenses and prepaid income	15	15	20	20	3
Total	312,649	313,241	302,474	303,296	

1) Consists of the balance sheet line items "Loans to the public", "Loans to credit institutions" and "Fair value changes of hedged items in portfolio hedges of interest rate risk".
2) Including the balance sheet line item "Debt securities eligible for refinancing with central banks".
3) Consists of the balance sheet line item "Loans to the public" and "Loans to the credit institutions". For non-maturing deposits fair value equals the nominal amount, whereas the carrying amount also includes the revaluation for the hedged items presented on the balance sheet row "Fair value of hedged items in portfolio hedges of intrest rate risk".
4) Covers both 31 December 2024 and 31 December 2023.

For information about financial assets and liabilities not held at fair value on the balance sheet, see the section "Financial assets and liabilities not held at fair value on the balance sheet" in the Group's Note G3.4 "Fair value".

However, the fair value of the interest-bearing securities of Nordea Bank Abp is EUR 9,464m (EUR 12,277m), of which EUR 22m (EUR 6,170m) is categorised in Level 2 and EUR 9,443m (EUR 6,608m) in Level 3.

P3.5 Hedge accounting

Accounting policies

When a hedging relationship meets the specified hedge accounting criteria set out in IAS 39, Nordea Bank Abp applies two types of hedge accounting:

- fair value hedge accounting
- cash flow hedge accounting.

Nordea Bank Abp has chosen, as a policy choice permitted under IFRS 9, to continue to apply hedge accounting in accordance with the carve-out version of IAS 39.

Under the EU carve-out version of IAS 39, fair value macro hedge accounting may for instance, in comparison with IAS 39 as issued by the IASB, be applied to on-demand (core) deposits, and hedge ineffectiveness in a hedge of assets with prepayment options is only recognised when the revised estimate of the amount of cash flows falls below the designated bottom layer.

The application of hedge accounting requires the hedge to be highly effective. A hedge is regarded as highly effective if, at inception and throughout its life, changes in the fair value of the hedged item, as regards the hedged risk, can be expected to be essentially offset by changes in the fair value of the hedging instrument. The result should be within a range of 80–125%.

Transactions that are entered into in accordance with Nordea Bank Abp's hedging objectives but do not qualify for hedge accounting are economic hedge relationships.

Fair value hedge accounting

Fair value hedge accounting is applied when derivatives are hedging changes in the fair value of a recognised asset or liability attributable to a specific risk. Fair value hedge accounting can be performed at both micro level (single assets/liabilities or closed portfolios of assets/liabilities where one or more hedged items are hedged using one or more hedging instruments) and macro level (open portfolios where groups of items are hedged using multiple hedging instruments).

Changes in the fair value of derivatives (hedging instruments), as well as changes in the value of the hedged item attributable to the risks being hedged, recognised in the income statement under "Net result from securities at fair value through fair value reserve". Given that the hedge is effective, the change in the fair value of the hedged item will be offset by the change in the fair value of the hedging instrument.

The changes in the fair value of the hedged item, attributable to the risks being hedged with the derivative instrument, are reflected in an adjustment to the carrying amount of the hedged item, which is also recognised in the income statement. The fair value changes of the hedged items held at amortised cost in hedges of interest rate risks in macro hedges are reported separately in the balance sheet item "Fair value changes of hedged items in portfolio hedges of interest rate risk".

Any ineffectiveness is recognised in the income statement under the item "Net result from securities at fair value through profit or loss".

If the hedging relationship does not meet the hedge accounting requirements, hedge accounting is discontinued.

The hedging instrument is measured at fair value through profit or loss and the change in the fair value of the hedged item, up to the point when the hedge relationship is terminated, is amortised to the income statement on a straight-line basis over the remaining maturity of the hedged item.

Nordea Bank Abp applies fair value hedge accounting to the foreign exchange risk in its investments in foreign operations. Exchange differences arising on internal long-term loans to foreign operations for which settlement is neither planned nor likely to occur in the future are recognised in equity and reclassified from equity to profit or loss on disposal of the investment.

Cash flow hedge accounting

Cash flow hedge accounting is applied when hedging the exposure to variability in future cash flows. The portion of the gain or loss on the hedging instrument, determined to be an effective hedge, is recognised in equity and accumulated in the cash flow hedge reserve in equity. The ineffective portion of the gain or loss on the hedging instrument is recyled in the item "Net result from securities ar fair value through profit or loss" in the income statement. The hedge is considered to be ineffective to the extent that the cumulative change in fair value from the inception of the hedge is larger for the hedging instrument than for the hedged item.

Gains or losses on hedging instruments recognised in the cash flow hedge reserve in equity are recycled and recognised in the income statement in the same period as the hedged item affects profit or loss, normally in the period in which interest income or interest expense is recognised.

A hedged item in a cash flow hedge can be highly probable cash flows from recognised assets or liabilities or from future assets or liabilities. Derivatives used as hedging instruments are always measured at fair value.

If the hedging relationship does not meet the hedge accounting requirements, hedge accounting is discontinued. Changes in the unrealised value of the hedging instrument will prospectively from the last time it was proven effective be accounted for in the income statement. The cumulative gain or loss on the hedging instrument that has been recognised in the cash flow hedge reserve in equity from the period when the hedge was effective is reclassified from equity to "Net result from securities at fair value through profit or loss" in the income statement if the expected transaction is no longer expected to occur.

If the expected transaction is no longer highly probable but is still expected to occur, the cumulative gain or loss on the hedging instrument that has been recognised in equity from the period when the hedge was effective will remain in equity until the transaction occurs or is no longer expected to occur.

Derivatives used for hedge accounting

31 Dec 2024, EURm	Fair value		Nominal
	Positive	Negative	amount
Fair value hedges[1]	1,406	2,360	128,874
Cash flow hedges[1]	2,241	70	33,105
Total derivatives	**3,647**	**2,430**	**161,979**

31 Dec 2023, EURm	Fair value		Nominal
	Positive	Negative	amount
Fair value hedges[1]	2,777	4,262	107,763
Cash flow hedges[1]	1,921	1,017	22,276
Total derivatives	**4,698**	**5,279**	**130,039**

1) Some cross-currency interest rate swaps are used as both fair value hedges and cash flow hedges. The nominal amounts of these instruments have been split between the lines "Fair value hedges" and "Cash flow hedges" in the table above based on the relative fair value of these hedging instruments. As at 31 December 2024 the total nominal amount of cross-currency interest rate swaps amounted to EUR 19,095m (EUR 22,450m).

The table above shows the fair value of derivatives used for hedge accounting together with their nominal amounts. The nominal amounts indicate the volume of transactions outstanding at year end and are neither indicative of market risk nor credit risk. The fair value and nominal amount of derivatives in this note represent derivatives before offsetting between assets and liabilities on the balance sheet (gross amount) as the gross amount better reflects Nordea Bank Abp's exposure in relation to the hedged risk.

Risk management

For more information on risk management, see the section "Risk management" in the Group's Note G3.6 "Hedge accounting". As part of its risk management policy, Nordea Bank Abp has identified a series of risk categories with corresponding hedging strategies using derivative instruments, as set out in section 4 "Market risk" in the Group's Note G11 "Risk and liquidity management".

P3.5 Hedge accounting, cont.

Interest rate risk

For more information on interest rate risk, see the section "Interest rate risk", sub-sections "Fair value hedges" and "Cash flow hedges" in the Group's Note G3.6 "Hedge accounting".

Fair value hedges

The table below presents the accumulated fair value adjustments arising from continuing and discontinued hedging relationships.

Hedged items

EURm	Interest rate risk 2024 Carrying amount of hedged assets/liabilities	Interest rate risk 2024 Of which accumulated amount of fair value hedge adjustment[3]	Interest rate risk 2023 Carrying amount of hedged assets/liabilities	Interest rate risk 2023 Of which accumulated amount of fair value hedge adjustment[3]
Fair value hedges – micro level				
Interest-bearing securities[1]	25,566	0	20,429	-1
Assets	25,566	0	20,429	-1
Debt securities in issue	25,958	-502	22,120	-887
Subordinated liabilities	6,350	-328	5,393	-341
Liabilities	31,478	-830	26,285	-1,228

EURm	Interest rate risk 2024 Carrying amount of hedged assets/liabilities	Interest rate risk 2024 Of which accumulated amount of fair value hedge adjustment[2,3]	Interest rate risk 2023 Carrying amount of hedged assets/liabilities	Interest rate risk 2023 Of which accumulated amount of fair value hedge adjustment[2,3]
Fair value hedges – macro level				
Loans to the public	27,184	–	11,329	–
Assets	27,184	-69	11,329	-230
Deposits by credit institutions	3,071	–	1,355	–
Deposits and borrowings from the public	31,145	–	35,392	–
Liabilities	34,216	-458	36,747	-869

1) Including the balance sheet line item "Debt securities eligible for refinancing with central banks".
2) Accumulated fair value adjustment for macro hedges is presented in the line item "Fair value changes of hedged items in portfolio hedges of interest rate risk" on the balance sheet.
3) Of which EUR 35m (EUR 45m) is related to discontinued hedges of interest rate risk.

The following table provides information about the hedging instruments.

Hedging instruments

31 Dec 2024, EURm	Fair value Positive	Fair value Negative	Nominal amount
Fair value hedges			
Interest rate risk	1,272	2,219	120,708

31 Dec 2023, EURm	Fair value Positive	Fair value Negative	Nominal amount
Fair value hedges			
Interest rate risk	2,777	4,262	107,763

The table below presents the changes in the fair value of the hedging instruments and the changes in the value of hedged items used as the basis for recognising ineffectiveness. These changes are recognised in the line item "Net result from securities at fair value through profit or loss" in the income statement.

Hedge ineffectiveness

EURm	Interest rate risk 2024	Interest rate risk 2023
Fair value hedges		
Changes in fair value of hedging instruments	408	1,259
Changes in value of hedged items used as basis for recognising hedge ineffectiveness	-411	-1,263
Hedge ineffectiveness recognised in the income statement[1]	-3	-4

1) Recognised in the line item "Net result from securities at fair value through profit or loss". When disclosing hedge ineffectiveness, valuation adjustments (CVA, DVA, FFVA) have not been considered as these are immaterial.

Cash flow hedges

The table below provide information about the hedging instruments in hedges of interest rate risk, including the nominal amount and the fair value of the hedging instruments.

Hedging instruments

31 Dec 2024, EURm	Fair value Positive	Fair value Negative	Nominal amount
Cash flow hedges			
Interest rate risk	–	0	1,298

31 Dec 2023, EURm	Fair value Positive	Fair value Negative	Nominal amount
Cash flow hedges			
Interest rate risk	–	0	190

The table below specifies changes in the fair value of hedging instruments arising from continuing hedging relationships, irrespective of whether there has been a change in hedge designation during the year.

The table also presents changes in the value of the hedged items used to measure hedge ineffectiveness separately showing the effective and ineffective portions.

Hedge ineffectiveness

EURm	Interest rate risk 2024	Interest rate risk 2023
Cash flow hedges		
Changes in fair value of hedging instruments	5	0
Changes in value of hedged items used as basis for recognising hedge ineffectiveness	-5	-0
Hedge ineffectiveness recognised in the income statement[1]	–	–
Hedging gains or losses recognised in fair value reserve	5	0

1) Recognised in the line item "Net result from securities at fair value through profit or loss". When disclosing hedge ineffectiveness, valuation adjustments (CVA, DVA, FFVA) have not been considered as these are immaterial.

Cash flow hedge reserve

EURm	Interest rate risk 2024	Interest rate risk 2023
Balance as at 1 Jan	-7	-10
Cash flow hedges		
Valuation gains/losses	5	0
Tax on valuation gains/losses	-1	-0
Transferred to the income statement	4	3
Tax on transfers to the income statement	-1	-1
Through cash flow hedge reserve, net of tax	7	3
Balance as at 31 Dec	-1	-7
- Of which relates to continuing hedges for which hedge accounting is applied	-1	-7
- Of which relates to hedging relationships for which hedge accounting is no longer applied	–	–

Average interest rate on instruments hedging interest rate risk

The average interest rate on the fixed leg of instruments hedging interest rate risk as at 31 December 2024 was 2,52% (2,31%).

P3.5 Hedge accounting, cont.

The maturity profile of Nordea Bank Abp's hedging instruments used to hedge interest rate risk (both fair value and cash flow hedge accounting) is shown below:

Maturity profile of the nominal amount of hedging instruments hedging interest rate risk

EURm	Payable on demand	Maximum 3 months	3–12 months	1–5 years	More than 5 years	Total
31 Dec 2024	–	16,578	28,780	56,950	19,699	122,007
31 Dec 2023	–	6,757	22,739	58,041	20,416	107,953

Currency risk

For more information on currency risk, see the section "Currency risk" in the Group's Note G3.6 "Hedge accounting". The sub-section "Cash flow and net investment hedges" is not applicable to Nordea Bank Abp.

The table below presents the accumulated fair value adjustments arising from continuing hedge relationships, irrespective of whether or not there has been a change in hedge designation during the year.

Hedged items

	Foreign exchange risk 2024		Foreign exchange risk 2023	
EURm	Carrying amount of hedged assets	Of which accumulated amount of fair value hedge adjustment	Carrying amount of hedged assets	Of which accumulated amount of fair value hedge adjustment
Fair value hedges				
Investments in foreign operations	7,980	-828	4,498	-624

The tables below provide information about the hedging instruments in hedges of currency risks, including the nominal amount and the fair value of the hedging instruments.

Hedging instruments

	Fair value		
31 Dec 2024, EURm	Positive	Negative	Nominal amount
Foreign exchange risk			
Fair value hedges	134	141	8,165
Cash flow hedges	2,241	70	31,807
Total derivatives used for hedge accounting	2,375	211	39,972

	Fair value		
31 Dec 2023, EURm	Positive	Negative	Nominal amount
Foreign exchange risk			
Fair value hedges	499	734	4,861
Cash flow hedges	1,422	283	17,225
Total derivatives used for hedge accounting	1,921	1,017	22,086

The table below specifies changes in the fair value of hedging instruments arising from continuing hedging relationships, irrespective of whether there has been a change in hedge designation during the year. The table also presents changes in the value of hedged item used to measure hedge ineffectiveness, separately showing the effective and ineffective portions.

Hedge ineffectiveness

	Foreign exchange risk	
EURm	2024	2023
Fair value hedges		
Changes in fair value of hedging instruments	205	71
Changes in value of hedged items used as basis for recognising hedge ineffectiveness	-205	-71
Hedge ineffectiveness recognised in the income statement[1]	–	–
Cash flow hedges		
Changes in fair value of hedging instruments	1,860	811
Changes in value of hedged items used as basis for recognising hedge ineffectiveness	-1,860	-811
Hedge ineffectiveness recognised in the income statement[1]	–	–
Hedging gains or losses recognised in fair value reserve	1,860	811

1) Recognised in the line item "Net result from securities at fair value through profit or loss". When disclosing hedge ineffectiveness, valuation adjustments (CVA, DVA, FFVA) have not been considered as these are immaterial.

Cash flow hedge reserve

	Foreign exchange risk	
EURm	2024	2023
Balance as at 1 Jan	89	101
Cash flow hedges		
Valuation gains/losses	1,860	811
Tax on valuation gains/losses	-377	-170
Transferred to the income statement	-1,831	-827
Tax on transfers to the income statement	371	173
Through cash flow hedge reserve, net of tax	23	-13
Balance as at 31 Dec	112	89
- Of which relates to continuing hedges for which hedge accounting is applied	112	89
- Of which relates to hedging relationships for which hedge accounting is no longer applied	–	–

The average forward exchange rates of instruments hedging foreign exchange risk as at 31 December are presented in the table below.

Average forward exchange rates of instruments hedging foreign exchange risk

EUR	NOK	SEK	USD
31 Dec 2024	11.06	10.69	1.10
31 Dec 2023	10.51	11.01	1.11

Maturity profile of the nominal amount of hedging instruments

Instruments hedging foreign exchange risk, EURm	Payable on demand	Maximum 3 months	3–12 months	1–5 years	More than 5 years	Total
31 Dec 2024	–	15,572	10,953	12,389	1,059	39,972
31 Dec 2023	–	2,157	3,229	15,467	1,233	22,086

P3.6 Cash and balances with central banks

Accounting policies

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 when the following conditions are fulfilled:

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

P3.7 Loans

Accounting policies

Loans are financial instruments with fixed or determinable payments that are not readily transferable without the consent of the debtor. Loans are classified in accordance with the description in Note P3.3 "Classification and measurement". Nordea Bank Abp's accounting policies covering expected credit losses follow below. Additional information on credit risk on loans is disclosed in Note P10 "Risk and liquidity management".

Financial instruments classified as "Amortised cost" or "Fair value through other comprehensive income" are subject to impairment testing due to credit risk. This includes assets recognised on the balance sheet in "Cash and balances with central banks", "Debt securities eligible for refinancing with central banks", "Loans to credit institutions", "Loans to the public" and "Interest-bearing securities". These balance sheet line items include assets classified as "Fair value through profit or loss", which are not subject to impairment testing. See also Note P3.3 "Classification and measurement".

Off-balance sheet commitments, contingent liabilities and loan commitments are also subject to impairment testing.

Recognition and presentation

Amortised cost assets are recognised gross with an offsetting allowance for the expected credit losses if the loss is not regarded as final. The allowance account is netted against the loan balance on the face of the balance sheet, but the allowance account is disclosed separately in this note. Changes in the allowance account are recognised in the income statement and classified as "Net loan losses".

If the impairment loss is regarded as final, it is reported as a realised loss and the carrying amount of the loan and the related allowance for impairment loss are derecognised. An impairment loss is regarded as final when the obligor has filed for bankruptcy and the administrator has declared the financial outcome of the bankruptcy procedure, or when Nordea Bank Abp waives its claims either through a legally based or voluntary reconstruction, or when Nordea Bank Abp, for other reasons, deems it unlikely that the claim will be recovered. See also the section "Write-offs" on the following page.

Provisions for off-balance sheet exposures are classified as "Provisions" on the balance sheet, with changes in provisions classified as "Net loan losses".

Assets classified as "Fair value through other comprehensive income" are recognised at fair value on the balance sheet. Impairment losses calculated in accordance with IFRS 9 are recognised in the income statement and classified as "Impairment of other financial assets". Any fair value adjustments are recognised in equity.

Impairment testing

Nordea Bank Abp classifies all exposures into stages on an individual basis. Stage 1 includes assets where there has been no significant increase in credit risk since initial recognition, stage 2 includes assets where there has been a significant increase in credit risk and stage 3 (impaired loans) includes defaulted assets. Nordea Bank Abp monitors whether there are indicators of exposures being credit impaired (stage 3) by identifying events that have a detrimental impact on the estimated future cash flows. Nordea Bank Abp applies the same definition of default as the Capital Requirements Regulation. More information on the identification of loss events can be found in in the Group's Note G11 "Risk and liquidity management". Exposures without individually calculated allowances will be covered by the model-based impairment calculation.

For significant exposures where a credit event has been identified, the exposure is tested for impairment on an individual basis. If the exposure is found impaired, an individual provision is recognised. The carrying amount of the exposure is compared with the sum of the net present value of expected future cash flows. If the carrying amount is higher, the difference is recognised as an impairment loss. The expected cash flows are discounted at the original effective interest rate and include the fair value of the collateral and other credit enhancements. The estimate is based on three different forward-looking scenarios that are probability weighted to derive the net present value.

For insignificant exposures that have been individually identified as credit impaired, the impairment loss is measured using the model described below but based on the fact that the exposures are already in default.

Nordea Bank Abp uses the "low credit risk exemption" for retail exposures and non-retail exposures issued after transition to IFRS 9 on 1 January 2018. Such exposures with a 12-month probability of default (PD) below 0.3% are classified as stage 1.

Model-based allowance calculation

For exposures not impaired on an individual basis, a statistical model is used for calculating impairment losses. The provisions are calculated as the exposure at default times the PD times the loss given default. For assets in stage 1 this calculation is only based on the coming 12 months, while for assets in stages 2 and 3 it is based on the expected lifetime of the assets.

The provisions for exposures for which there has been no significant increase in credit risk since initial recognition are based on the 12-month expected loss (stage 1). The provisions for exposures for which there has been a significant increase in credit risk since initial recognition, but which are not credit impaired, are based on the lifetime expected losses (stage 2). This is also the case for the insignificant credit impaired exposures in stage 3.

Nordea Bank Abp uses two different models to identify whether there has been a significant increase in credit risk or not. For non-retail assets held on transition to IFRS 9 on 1 January 2018, the change in internal rating and scoring data is used to determine whether there has been a significant increase in credit risk or not. Internal rating/scoring information is used to assess the risk of the customers and a deterioration in rating/scoring indicates an increase in the credit risk of the customer. Nordea Bank Abp has concluded that it is not possible to calculate the lifetime PD at origination without the use of hindsight for assets already recognised on the balance sheet at transition. Changes to the lifetime PD are used as the trigger for non-retail assets recognised after transition and for retail assets recognised both before and after transition.

For assets evaluated based on lifetime PD, Nordea Bank Abp uses a mix of absolute and relative changes in PD as the transfer criterion, with some updates compared with 2023.

- Retail customers with a relative increase in lifetime PD above 200% are transferred to stage 2.
- Non-retail customers with an initial 12-month PD below 0.5%:
- Exposures with a relative increase in lifetime PD above 150% and an absolute increase in 12-month PD above 20bp are transferred to stage 2.
- Non-retail customers with an initial 12-month PD above or equal to 0.5%:
- Exposures with a relative increase in lifetime PD above 150% or an absolute increase in 12-month PD above 400bp are transferred to stage 2.

For assets for which rating and scoring models are used, the change in rating/scoring notches is calibrated to match the significant increase in credit risk based on lifetime PD.

In addition, Nordea Bank Abp applies the following backstops for transfers between stages:

- Customers with forbearance measures and customers with payments more than thirty days past

P3.7 Loans, cont.

due are also transferred to stage 2 unless already identified as credit impaired (stage 3). Exposures with forbearance measures will stay in stage 2 for a probation period of 24 months from when the measures were introduced. Once transferred back to stage 1, after the probation period, the exposures are treated as any other stage 1 exposure on the assessment of significant increase in credit risk.
- Exposures more than 90 days past due are normally classified as stage 3, but this classification will be rebutted if there is evidence that the customer is not in default. Such exposures are classified as stage 2.
- Non-retail exposures with a relative change in annualised lifetime PD exceeding 200% and with at least one rating grade of deterioration are transferred to stage 2.
- Exposures classified as "high risk", i.e. with a rating grade of 2 or below, are transferred to stage 2.
- Retail and Non-retail exposures with 12-month PD below 0.3% use a low credit risk exemption, which prevents movement to stage 2 from absolute or relative changes in PD. The exemption does not prevent stage movement from the other backstop triggers listed.

When calculating provisions, including the staging assessment, the calculation is based on both historical data and probability-weighted forward-looking information. Nordea Bank Abp applies three macroeconomic scenarios to address the non-linearity in expected credit losses. The different scenarios are used to adjust the relevant parameters for calculating expected losses and a probability-weighted average of the expected losses under each scenario is recognised as provisions. The model is based on data collected before the reporting date requiring Nordea Bank Abp to identify events that could affect the provisions after the data is sourced to the model calculation. Management evaluates these events and adjusts the provisions if deemed necessary.

Write-offs

A write-off is a derecognition of a loan or receivable from the balance sheet and a final realisation of a credit loss provision. When assets are considered uncollectible, they should be written off as soon as possible, regardless of whether the legal claim remains or not. A write-off can take place before legal actions against the borrower to recover the debt have been concluded in full. Although an uncollectible asset is removed or written off from the balance sheet, the customer remains legally obligated to pay the outstanding debt. When assessing the recoverability of non-performing loans and determining if write-offs are required, exposures with the following characteristics are in particular focus (the list is not exhaustive):
- Exposures past due more than 90 days. If, following this assessment, an exposure or part of an exposure is deemed as unrecoverable, it is written off.
- Exposures under insolvency procedures where the collateralisation of the exposure is low.
- Exposures where legal expenses are expected to absorb the proceeds from the bankruptcy procedure and estimated recoveries are therefore expected to be low.
- A partial write-off may be warranted where there is reasonable financial evidence to demonstrate an inability of the borrower to repay the full amount, i.e. a significant level of debt which cannot be reasonably demonstrated to be recoverable following forbearance treatment and/or the execution of collateral.
- Restructuring cases.

Discount rate

The discount rate used to measure impairment is the original effective interest rate for loans attached to an individual customer or, if applicable, to a group of loans. If considered appropriate, the discount rate can be based on a method that results in an impairment that is a reasonable approximation using the effective interest rate method as basis for the calculation.

Restructured loans and modifications

In this context a restructured loan is defined as a loan where Nordea Bank Abp has granted concessions to the obligor due to their financial difficulties and where such concessions have resulted in an impairment loss for Nordea Bank Abp. After restructing the loan is normally regarded as not impaired if it performs according to the new terms and conditions. In the event of recovery, the payment is reported as recovery of loan losses.

Modifications of the contractual cash flows of loans to customers in financial difficulties (forbearance) reduce the gross carrying amount of the loan. Normally this reduction is less than the existing provision and no loss is recognised in the income statement due to modifications. If significant, the gross amounts (loan and allowance) are reduced.

Assets taken over for protection of claims

In a financial reconstruction the creditor may concede loans to the obligor and in exchange for this concession acquires an asset pledged for the conceded loans, shares issued by the obligor or other assets. Assets taken over for protection of claims are reported on the same balance sheet line as similar assets already held by Nordea Bank Abp. For example, a property taken over, not held for Nordea Bank Abp's own use, is reported together with other investment properties.

At initial recognition, all assets taken over for protection of claims are recognised at fair value and the possible difference between the carrying amount of the loan and the fair value of the assets taken over is recognised in "Net loan losses". The fair value of the asset on the date of recognition becomes its cost or amortised cost value, as applicable. In subsequent periods, assets taken over for protection of claims are valued in accordance with the valuation principles for the appropriate type of asset. Investment properties are then measured at fair value. Financial assets that are foreclosed are generally classified in the category "Fair value through profit or loss" and measured at fair value. Changes in fair value are recognised in the income statement under "Net result from securities trading and foreign exchange dealing".

Any change in value, after the initial recognition of the asset taken over, is presented in the income statement in line with the presentation policies for the appropriate asset. The line item "Net loan losses" in the income statement is, after the initial recognition of the asset taken over, consequently not affected by any subsequent remeasurement of the asset.

Loans to credit institutions

EURm	31 Dec 2024	31 Dec 2023
Central banks		
Payable on demand	4	3
Not payable on demand	4,071	1,905
Total	**4,075**	**1,908**
Credit institutions		
Payable on demand	349	687
Not payable on demand	70,715	65,994
Total	**71,064**	**66,681**
Total loans to credit institutions[1]	**75,139**	**68,589**

1) Including accrued interest of EUR 333m (EUR 290m).

Loans to the public[1]

EURm	31 Dec 2024	31 Dec 2023
Payable on demand	5,251	6,180
Not payable on demand	146,726	143,720
Total loans to the public[2]	**151,977**	**149,900**

1) For breakdowns by sector and industry, see Note P10 "Risk and liquidity management".

2) Including accrued interest of 497m (EUR 571m).

P3.7 Loans, cont.

Loans and impairment

EURm	31 Dec 2024	31 Dec 2023
Loans measured at fair value	30,605	22,036
Loans measured at amortised cost, not credit-impaired (stages 1 and 2)	195,801	196,005
Credit-impaired loans (stage 3)	1,889	1,707
- of which servicing	877	914
- of which non-servicing	1,012	793
Loans before allowances	228,295	219,748
- of which central banks and credit institutions	75,144	68,595
Allowances for loans that are credit-impaired (stage 3)	-840	-827
- of which servicing	-376	-401
- of which non-servicing	-464	-426
Allowances for loans that are not credit-impared (stages 1 and 2)	-339	-432
Allowances[1]	-1,179	-1,259
- of which central banks and credit institutions	-5	-6
Loans, carrying amount	227,116	218,489

1) For information on loan loss provisions on off-balance sheet items, see Note P5 "Provisions".

P3.8 Interest-bearing securities

Accounting policies

Instruments that are readily transferable and where the holder of the instrument receives the nominal amount at maturity are normally reported in the balance sheet line item "Interest- bearing securities". Instruments that cannot be transferred or sold without the consent of the holder of the instrument are normally reported as loans, see Note P3.7 "Loans". In repurchase transactions and in securities lending transactions, non-cash assets are transferred as collateral.

For more information about accounting policies, see Note P3.1 "Recognition on and derecognition from the balance sheet", Note P3.2 "Transferred assets and obtained collateral", Note P3.3 "Classification and measurement" and Note P3.4 "Fair value".

The tables include the breakdown of the balance sheet line items "Interest-bearing securities" and "Debt securities eligible for refinancing with central banks" by type of security.

Interest-bearing securities

EURm	31 Dec 2024	- of which held for trading
States, municipalities and other public bodies	18,569	2,665
Banks and other credit institutions	50,530	11,939
Other	11,880	1,450
Total[1]	80,979	16,054

EURm	31 Dec 2023	- of which held for trading
States, municipalities and other public bodies	13,781	1 764
Banks and other credit institutions	49,288	10 630
Other	10,694	2 457
Total[1]	73,763	14 851

1) Including accrued interest of EUR 321m (EUR 339m).

As at 31 December 2024 the securities that were publicly listed amounted to EUR 24,787 (EUR 15,880m). Subordinated securities amounted to EUR 49m (EUR 135m).

Provisions for credit risks amounted to EUR 2m (EUR 4m).

Debt securities eligible for refinancing with central banks

EURm	31 Dec 2024	31 Dec 2023
Treasury bonds, notes and bills	7,668	6,534
Other bonds	63,681	53,433
Total	71,349	59,967

P3.9 Shares

Accounting policies

The balance sheet line item "Shares" includes equity instruments, i.e. contracts that evidence a residual interest in the assets of an entity after deducting all of its liabilities, including holdings in different funds such as a unit in an investment fund or private equity fund. However, investments in associated undertakings and joint ventures (see Note P8.2 "Investments in associated undertakings and joint ventures") and investments in group undertakings (see Note P8.1 "Investments in group undertakings") not included in "Shares".

In repurchase transactions and in securities lending transactions, non-cash assets are transferred as collateral.

For more information about accounting policies, see Note P3.1 "Recognition on and derecognition from the balance sheet", Note P3.2 "Transferred assets and obtained collateral", Note P3.3 "Classification and measurement" and Note P3.4 "Fair value".

Shares

EURm	31 Dec 2024	- of which held for trading
Shares	17,493	14,267
Total	17,493	14,267

EURm	31 Dec 2023	- of which held for trading
Shares	9,437	6,358
Total	9,437	6,358

As at 31 December 2024 the shares that were publicly listed amounted to EUR 15,973m (EUR 8,010m). EUR 382m (EUR 322m) of the shares relate to credit institutions.

Shares lent to other counterparties in the form of securities lending transactions amounted to EUR 511m (EUR 1m). Shares borrowed amounted to EUR 4,359m (EUR 561m) and are not recognised on the balance sheet and thus not included in the total amount presented in the table above.

P3.10 Derivatives

Accounting policies

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (so-called 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

Contracts that fulfil the above requirements of being derivatives but were Nordea Bank Abp is to take delivery of a non-financial item are not in scope of IFRS 9 and are therefore not included in this note. Such contracts are measured at cost.

All derivatives are recognised on the balance sheet and measured at fair value. Derivatives with a positive fair value, including any accrued interest, are recognised as assets in the line item "Derivatives" on the asset side. Derivatives with a negative fair value, including any accrued interest, are recognised as liabilities in the line item "Derivatives" on the liability side.

Nordea Bank Abp incorporates credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) into derivative valuations. CVAs and DVAs reflect the impact on fair value from the counterparty's credit risk and Nordea Bank Abp's own credit quality, respectively. For more information about the calculation and other XVAs, see Note P3.4 "Fair value".

Realised and unrealised gains and losses from derivatives are recognised in the income statement

P3.10 Derivatives, cont.

under "Net result from securities at fair value through profit or loss". For more information about accounting policies, see Note P3.4 "Fair value".

Nordea Bank Abp enters into derivatives for trading and risk management purposes. Nordea Bank Abp may take positions with the expectation of profiting from favourable movements in prices, rates or indices. The trading portfolio is treated as trading risk for risk management purposes. Derivatives held for risk management purposes include hedges that meet the hedge accounting requirements and hedges that are economic hedges but do not meet the hedge accounting requirements.

The table below shows the fair value of derivative financial instruments not used for hedge accounting together with their nominal amounts. The nominal amounts indicate the volume of transactions outstanding at year end and are neither indicative of market risk nor credit risk. The derivatives are divided into derivatives not used for hedge accounting and derivatives used for hedge accounting. For more information about derivatives used for hedge accounting, see Note P3.5 "Hedge accounting".

The fair value and nominal amount of derivatives in this note represent derivatives before offsetting between assets and liabilities on the balance sheet (gross amount) as the gross amount better reflects Nordea Bank Abp's exposure.

Derivatives

	Fair value		
31 Dec 2024, EURm	Positive	Negative	Nominal amount
Derivatives not used for hedge accounting	136,442	138,292	8,062,543
Derivatives used for hedge accounting	3,647	2,430	161,979
Gross amount	140,089	140,722	8,224,522
Derivatives offset on the balance sheet	- 114,035	-114,795	–
Total derivatives	26,054	25,927	8,224,522

	Fair value		
31 Dec 2023, EURm	Positive	Negative	Nominal amount
Derivatives not used for hedge accounting	169,144	173,608	7,439,969
Derivatives used for hedge accounting	4,698	5,279	130,039
Gross amount	173,842	178,887	7,570,008
Derivatives offset on the balance sheet	-146,010	-146,685	–
Total derivatives	27,832	32,202	7,570,008

Derivatives not used for hedge accounting

	31 Dec 2024			31 Dec 2023		
	Fair value			Fair value		
EURm	Positive	Negative	Nominal amount	Positive	Negative	Nominal amount
Interest rate derivatives						
Interest rate swaps	120,065	120,259	5,483,562	153,136	152,614	4,874,911
FRAs	919	938	1,327,480	1,394	1,454	1,360,918
Futures and forwards	5	6	120,899	35	41	95,887
Options	2,484	2,572	240,433	3,710	3,757	323,236
Total	123,473	123,775	7,172,374	158,275	157,866	6,654,952
Equity derivatives						
Equity swaps	442	270	31,677	255	345	21,108
Futures and forwards	3	1	901	2	3	705
Options	112	397	4,214	108	427	4,876
Total	557	668	36,792	365	775	26,689
Foreign exchange derivatives						
Currency and interest rate swaps	5,463	7,422	268,089	4,534	7,308	312,258
Currency forwards	3,849	3,408	388,347	2,956	4,582	290,637
Options	114	0	2,250	91	49	5,355
Total	9,426	10,830	658,686	7,581	11,939	608,251
Other derivatives						
Credit default swaps (CDS)	2,984	2,987	194,530	2,920	3,001	149,952
Commodity derivatives	0	9	136	0	0	80
Other derivatives	2	23	25	2	26	29
Total	2,986	3,019	194,691	2,922	3,027	150,060
Total derivatives not used for hedge accounting	136,442	138,292	8,062,543	169,143	173,607	7,439,952
- of which transactions between Nordea Bank Abp and group undertakings	848	943	98,499	1,367	1,457	107,230

P3.11 Deposits by credit institutions and central banks

Accounting policies

Deposits by credit institutions include liabilities towards central banks, banks, credit market companies, credit companies, finance companies and mortgage institutions. Deposits are classified in accordance with Note P3.3 "Classification and measurement".

For additional accounting policies, see Note P3.1 "Recognition on and derecognition from the balance sheet", Note P3.2 "Transferred assets and obtained collateral" and Note P3.4 "Fair value".

Deposits by credit institutions and central banks

EURm	31 Dec 2024	31 Dec 2023
Central banks		
Payable on demand	5,757	7,292
Total	5,757	7,292
Credit institutions		
Payable on demand	5,754	5,628
Not payable on demand	24,795	23,568
Total	30,549	29,196
Total deposits by credit institutions and central banks[1]	36,306	36,488

1) Including accrued interest of EUR 131m (EUR 200m).

P3.12 Deposits and borrowings from the public

Accounting policies

Deposits from the public are defined as funds in deposit accounts covered by the government deposit guarantee but also include amounts in excess of the individual amount limits. Borrowings are other liabilities to the public that are not in the form of debt securities. Deposits and borrowings are classified into the different categories of financial instruments defined in Note P3.3 "Classification and measurement".

For additional accounting policies, see Note P3.1 "Recognition on and derecognition from the balance sheet", Note P3.2 "Transferred assets and obtained collateral" and Note P3.4 "Fair value".

Deposits and borrowings from the public

EURm	31 Dec 2024	31 Dec 2023
Deposits		
Payable on demand	181,574	173,946
Not payable on demand[1]	49,340	40,026
Total	230,914	213,972
Repurchase agreements		
Not payable on demand	9,192	3,602
Total	9,192	3,602
Total deposits and borrowings from the public[2]	240,106	217,574

1) Long-term savings accounts held by customers (PS accounts) amounted to EUR 5m (EUR 5m) as at 31 December 2024. Investments from long-term savings accounts held by customers amounted to EUR 98m (EUR 88m).
2) Including accrued interest of EUR 368m (EUR 344m).

P3.13 Debt securities in issue

Accounting policies

Debt securities are instruments issued by Nordea Bank Abp that are readily transferable without the consent of Nordea Bank Abp. Debt securities are classified into different categories in accordance with Note P3.3 "Classification and measurement".

For hedged items in fair value hedges at micro level, the hedged risk is measured at fair value and presented in the line item "Fair value changes in micro hedges of interest rate risk" in the table below (for more information, see Note P3.5 "Hedge accounting").

For additional accounting policies, see Note P3.1 "Recognition on and derecognition from the balance sheet" and Note P3.4 "Fair value".

Bonds are transferable debt securities which are normally issued off an issuance programme. A bond's term to maturity can range from about one month to several years. A bond is a debt obligation issued by the borrower to the investor or lender. The investor is normally entitled to a cash payment from the issuer on the maturity date. During the term to maturity, coupon payments are normally made at fixed intervals, but a bond can be issued as a zero-coupon debt instrument or be subject to other terms as agreed between the issuer and the investor. Bonds are often listed for trading on a stock exchange. There are senior bonds and subordinated bonds. In the event that an issuer defaults, the issuer will be required to pay the investors of senior bonds and meet all other creditor obligations in full before the issuer can make any payments on the subordinated bonds. Bonds can be issued as secured or unsecured debt. For information on subordinated bonds, see Note P3.14 Subordinated liabilities.

Certificates of deposit (CDs) are transferable debt securities issued by the borrower to the investor who is entitled to a cash payment from the issuer on the maturity date. CDs are not issued off an issuance programme and are not listed on a stock exchange. CDs usually have maturities ranging from one week to three years or longer. CDs can be issued with coupon payments or without coupon payments. CDs are issued as unsecured debt.

Commercial paper (CP) is a transferable debt instrument and issued off an issuance programme. CP is issued with maturities ranging from overnight to about one year. CP is debt owed by the issuer to the investor who is entitled to a cash payment from the issuer on the maturity date. CP is normally issued as zero-coupon debt instruments with no coupon payments during the maturity of the CP. Typically CP is not listed for trading on a stock exchange. CP is usually issued as unsecured debt. Negotiable European Union CP can be listed.

Debt securities in issue

	Carrying amount		Nominal value	
EURm	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Certificates of deposit	29,714	33,533	30,285	34,787
Commercial paper	9,981	12,769	10,041	12,873
Bonds[1]	30,910	26,414	30,531	26,171
Other	24	30	25	30
Fair value changes in micro hedges of interest rate risk	-502	-887	–	–
Total[2]	70,127	71,859	70,882	73,860

1) Including eligible liabilities of EUR 14,696 million (12,849) under the Finnish Act on the Resolution of Credit institutions and Investment Firm
2) Including accrued interest of EUR 444m (EUR 474m).

P3.14 Subordinated liabilities

Accounting policies

Subordinated liabilities are financial liabilities for which it has been contractually agreed that they are not to be repaid in the event of liquidation or bankruptcy until all obligations towards other creditors have been fulfilled.

For more information on classification of instruments as a liability or equity instrument, see Note P9.1 "Equity". For additional accounting policies, see Note P3.1 "Recognition on and derecognition from the balance sheet" and Note P3.3 "Classification and measurement".

For hedged items in fair value hedges at micro level, the hedged risk is measured at fair value and presented in the line item "Fair value changes in micro hedges of interest rate risk" in the table below (for more information, see Note P3.5 "Hedge accounting").

Subordinated liabilities

EURm	31 Dec 2024	31 Dec 2023
Additional Tier 1	3,436	2,514
Tier 2	4,302	3,547
Fair value changes in micro hedges of interest rate risk	-328	-341
Total[1]	7,410	5,720

1) Including accrued interest of EUR 104m (EUR 58m).

P3.14 Subordinated liabilities, cont.

The Additional Tier 1 conversion notes issued in 2019, 2021 and 2024 by Nordea Bank Abp automatically convert into an aggregated maximum number of 194,099,378, 121,802,679 and 160,642,952, respectively, newly issued Nordea shares if the CET1 ratio of either Nordea Bank Abp on a solo basis or the Nordea Group on a consolidated basis falls below 5.125%. The notes will be convertible into shares at a price not exceeding a specific nominal amount applicable to the respective notes, subject to adjustments.

Upon conversion of the notes into shares, Nordea's existing shareholders have preferential rights to all newly issued Nordea shares. The key terms of the Additional Tier 1 and Tier 2 instruments are specified in the table to the right.

Subordinated liabilities

31 Dec 2024

Classification of Tier 1 and Tier 2 instruments	Nominal, value in millions	Nominal currency	Carrying amount in EURm[1]	Of which used for capital adequacy in EURm[1]	Interest rate (coupon)	Original maturity date	First optional call date
Additional Tier 1	1,250	USD	1,224	1,203	Fixed 6.625% until first call date, thereafter fixed 5-year US Treasury +4.11%	No maturity	26 Mar 2026
Additional Tier 1	1,000	USD	971	959	Fixed 3.750% until 1 September 2029, thereafter fixed 5-year CMT rate +2.602%	No maturity	1 Mar 2029 – 1 Sep 2029
Additional Tier 1	3,750	SEK	327	326	Floating 3-month STIBOR +2.80%	No maturity	6 Sep 2029 – 6 Mar 2030
Additional Tier 1	1,600	NOK	136	135	Floating 3-month NIBOR +2.85%	No maturity	6 Sep 2029 – 6 Mar2030
Additional Tier 1	800	USD	778	765	Fixed 6.300% until 25 March 2032, thereafter fixed 5-year CMT rate +2.66%	No maturity	25 Sep 2031 – 25 Mar 2032
Tier 2	15,000	JPY	92	14	Fixed 1.16%	6 Oct 2025	–
Tier 2	10,000	JPY	63	61	Fixed USD 4.51% until first call date, thereafter floating rate equivalent to 6-month JPY deposit +1.10%	26 Feb 2034	26 Feb 2029
Tier 2	20,000	JPY	125	123	Fixed USD 3.75% until first call date, thereafter floating 6-month JPY deposit +1.2%	4 Mar 2040	4 Mar 2035
Tier 2	10,000	JPY	62	61	Fixed USD 3.84% until first call date, thereafter floating 6-month JPY deposit +1.2%	12 Oct 2040	12 Oct 2035
Tier 2	500	USD	488	481	Fixed 4.625% until first call date, thereafter fixed 5-year mid-swap +1.69%	13 Sept 2033	13 Sept 2028
Tier 2	1,000	EUR	1,001	998	Fixed 0.625% until 18 Aug 2026, thereafter fixed 5-year mid-swap +0.92%	18 Aug 2031	18 May 2026 – 18 Aug 2026
Tier 2	3,000	SEK	263	262	Floating 3-month STIBOR +0.98%	18 Aug 2031	18 May 2026 – 18 Aug 2026
Tier 2	1,000	SEK	88	87	Fixed 1.385% until 18 Aug 2026, thereafter floating 3-month STIBOR +0.98%	18 Aug 2031	18 May 2026 – 18 Aug 2026
Tier 2	500	GBP	603	602	Fixed 1.625% until 9 Dec 2027, thereafter fixed 5-year UK Treasury rate +1.30%	9 Dec 2032	9 Sep 2027 – 9 Dec 2027
Tier 2	500	EUR	519	498	Fixed 4.875% until 23 Feb 2029, thereafter fixed 5-year mid-swap +1.85%	23 Feb 2034	23 Nov 2028 – 23 Feb 2029
Tier 2	750	EUR	764	746	Fixed 4.125% until 29 May 2030, thereafter fixed 5-year mid-swap +1.35%	29 May 2035	28 Feb 2030 – 29 May 2030
Tier 2	2,750	NOK	235	233	Floating 3-month NIBOR +1.50%	21 May 2035	21 Feb 2030 – 21 May 2030

1) Fair value changes in micro hedges of interest rate risk are not included in the balances in the table.

P4 Intangible and tangible assets

P4.1 Intangible assets

Accounting policies
Intangible assets are identifiable, non-monetary assets without physical substance. The assets are under Nordea Bank Abp's control, which means that Nordea Bank Abp has the power and rights to obtain the future economic benefits flowing from the underlying resource. Nordea Bank Abp's intangible assets mainly consist of goodwill, internally developed software and software licences.

Goodwill
Goodwill is recognised at cost less amortisation and any write-downs. Goodwill is amortised on a straight-line basis over its useful economic life, which is normally 5–10 years. Goodwill is typically recognised when Nordea Bank Abp acquires an asset or business or in connection with the merger of a subsidiary.

IT development and computer software
Costs associated with maintaining computer software programs are expensed as incurred. Costs directly associated with major software development investments, with the ability to generate future economic benefits, are recognised as intangible assets. These costs include software development staff costs and overhead expenditures directly attributable to preparing the asset for use. Computer software also includes acquired software licences not related to the function of a tangible asset.

Amortisation is calculated on a straight-line basis over the useful life of the software, generally a period of three to five years, and in some circumstances for strategic infrastructure up to a maximum of ten years.

Impairment
IT development not yet taken into use is not amortised but tested for impairment annually irrespective of any indications of impairment. Impairment testing is also performed more frequently if required due to any indication of impairment. Impairment testing is also performed more frequently if required due to any indication of impairment. Intangible assets in use and amortised are also evaluated for indications of impairment and if such indications are found, the assets are tested for impairment. The impairment charge is calculated as the difference between the carrying amount and the recoverable amount.

Intangible assets

	31 Dec 2024				31 Dec 2023			
EURm	Goodwill	Internally developed software	Software licences	Total	Goodwill	Internally developed software	Software licences	Total
Acquisition value at beginning of year	348	2,275	447	3,070	347	2,745	434	3,526
Acquisitions	–	397	60	457	–	387	35	422
Sales/disposals	-100	-313	-279	-692	–	-830	-20	-850
Reclassifications	–	0	–	0	–	-13	0	-13
Translation differences	-3	-31	-6	-40	1	-14	-2	-15
Acquisition value at end of year	245	2,328	222	2,795	348	2,275	447	3,070
Accumulated amortisation and impairment at beginning of year	-302	-923	-357	-1,582	-283	-1,249	-338	-1,870
Accumulated amortisation and impairment on sales/disposals	100	313	277	690	–	830	18	848
Amortisation according to plan	-18	-280	-43	-341	-19	-330	-39	-388
Impairment charges	–	-11	-2	-13	–	-188	–	-188
Translation differences	2	12	7	21	–	14	2	16
Accumulated amortisation and impairment at end of year	-218	-889	-118	-1,225	-302	-923	-357	-1,582
Total	27	1,439	104	1,570	46	1,352	90	1,488

P4.2 Tangible assets

Accounting policies
Properties and equipment

Properties and equipment consist of properties for own use, leasehold improvements, IT equipment, furniture and other equipment. Items of properties and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment comprises its purchase price as well as any directly attributable costs of bringing the asset to the working condition for its intended use. Parts of an item of property and equipment are accounted for as separate items if they have different useful lives.

Improvements are recognised as assets if they provide an improved function of the asset, while maintenance does not improve the function of the assets and is expensed as incurred.

Properties and equipment are depreciated on a straight-line basis over the estimated useful life of the assets. The estimates of the useful life of different assets are reassessed on a yearly basis.

The estimated useful lives of the assets are specified below:

Buildings	30–75 years
Equipment	3–5 years
Leasehold improvements	For changes within buildings, the shorter of 10 years and the remaining lease term. For new construction, the shorter of the principles used for owned buildings and the remaining lease term. Fixtures installed in leased properties are depreciated over the shorter of 10–20 years and the remaining lease term.

At each balance sheet date, Nordea Bank Abp assesses whether there is any indication that an item of property and equipment may be impaired. If any such indication exists, the recoverable amount of the asset is estimated, and any impairment loss is recognised.

Impairment losses are reversed if the recoverable amount increases. The carrying amount is then increased to the recoverable amount but cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

Properties and equipment

	31 Dec 2024			31 Dec 2023		
EURm	Equipment[1]	Leasehold improvements	Total	Equipment[1]	Leasehold improvements	Total
Acquisition value at beginning of year	364	484	848	417	486	903
Acquisitions	6	36	42	6	23	29
Sales/disposals	-273	-215	-488	-61	-14	-75
Reclassifications	6	-7	-1	6	-7	-1
Translation differences	1	-8	-7	-4	-4	-8
Acquisition value at end of year	104	290	394	364	484	848
Accumulated depreciation and impairment at beginning of year	-318	-303	-621	-368	-294	-662
Accumulated depreciation and impairment charges on sales/disposals	271	208	479	61	11	72
Depreciation according to plan	-12	-21	-33	-16	-25	-41
Reclassifications	–	0	0	1	0	1
Translation differences	1	4	5	4	5	9
Accumulated depreciation and impairment at end of year	-58	-112	-170	-318	-303	-621
Total	46	178	224	46	181	227

1) Including properties of EUR 2m (EUR 2m) and investment properties of EUR 0m (EUR 1m). Amounts related to investment properties recognised in the income statement were insignificant.

P4.3 Leases

Accounting policies

A lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Leases are not recognised on Nordea Bank Abp's balance sheet. Lease payments are recognised as "Other operating expenses" in the income statement on a straight-line basis over the lease term unless another systematic way better reflects the time pattern of Nordea Bank Abp's benefit. The lease terms normally range between 3 and 25 years. Leases are mainly related to office premises contracts and office equipment contracts normal to the business.

Non-cancellable operating leases

EURm	31 Dec 2024	31 Dec 2023
Less than one year	143	136
1–2 years	133	120
2–5 years	324	269
5–10 years	344	332
10–15 years	292	294
15–20 years	92	101
20–25 years	–	2
Total	1,328	1,254

Nordea Bank Abp operates from leased premises. The premises are mainly divided into head office contracts, branch office contracts and other contracts. Future minimum lease payments under non-cancellable operating leases which are payable by Nordea Bank Abp are presented in the table above.

The head office contracts in the different Nordic countries generally have a fixed lease term of 10–25 years. Usually these contracts either have continuation options or are automatically prolonged unless separately terminated at the end of the lease term.

Branch office contracts generally have fixed lease term of 1–10 years or are without an end date with the right to terminate. The termination clauses are generally 6–24 months. The main principle is that the premises contracts do not contain purchase options. Company car contracts generally have a fixed lease term of less than five years.

P5 Provisions

Accounting policies

Provisions (which are presented as a liability) are recognised when Nordea Bank Abp has a present obligation (legal or constructive) as a result of a past event if it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation, where a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

Accounting policies relating to employee benefits are further described in Note P7 "Employee benefits and key management personnel remuneration" and relating to financial guarantee contracts and credit commitments in Note P6 "Off-balance sheet items". Accounting policies for provisions for off-balance sheet items can be found in Note P3.7 "Loans".

Provisions

EURm	31 Dec 2024	31 Dec 2023
Restructuring	68	78
Guarantees/commitments	214	187
Other	94	116
Total	376	381

Movements in restructuring and other provisions

	Restructuring		Other	
EURm	2024	2023	2024	2023
At beginning of year	78	85	116	89
New provisions made	27	39	57	54
Provisions utilised	-34	-38	-79	-27
Reversals	-5	-6	–	-1
Reclassifications	3	-1	–	1
Translation differences	-1	-2	0	0
At end of year	68	77	94	116

Provisions for restructuring costs were utilised by EUR 34m in 2024, and new provisions amounting to EUR 27m were accounted for. The remaining provisions are related to staff restructuring (EUR 47m) and premises-related obligations (EUR 16m).

The staff-related provision is related to contracts entered into, or activities communicated but not yet finalised, where payments remain to be executed on. These contracts are entered into in the ordinary course of business. Approximately EUR 27m out of the total restructuring provision EUR 68m is expected to be utilised/paid out in 2025. All staff-related activities are expected to be executed on in 2025, but payments are expected to extend into 2026. As for any other provision, there is uncertainty surrounding the timing and the amount to be finally paid. The uncertainty is expected to decrease as the plans are executed.

Loan loss provisions on off-balance sheet items amounted to EUR 215m (EUR 186m). More information on these provisions can be found in section 2 "Credit risk" in Note P10 "Risk and liquidity management" and Note P6 "Off-balance sheet items".

More information on AML-related matters can be found in section 6.3 "Financial crime prevention" in the Group's Note G11 "Risk and liquidity management".

P6 Off-balance sheet items

P6.1 Contingent liabilities

Accounting policies

A contingent liability is:

- a possible obligation whose existence will be confirmed only by future event(s) not wholly within Nordea Bank Abp's control or
- a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognised as liabilities on the balance sheet but disclosed as an off-balance sheet item unless the possibility of an outflow is remote.

When an outflow is more likely than not, a provision is recognised on the balance sheet. The accounting policies covering provisions can be found in Note P5 "Provisions".

Guarantees and documentary credits are recognised on the balance sheet under the expected credit loss requirements as further defined in Note P3.7 "Loans". Changes in provisions are recognised in the income statement in the line item "Net loan losses".

Premiums received for financial guarantees are amortised over the guarantee period and recognised as "Fee and commission income" in the income statement. The contractual amounts are recognised off balance sheet, net of any provisions.

The table below includes all issued guarantees, also those for which the possibility of an outflow of resources is considered remote.

Contingent liabilities

EURm	31 Dec 2024	Of which on behalf of group undertakings
Loan guarantees	35,260	33,426
Other guarantees	19,120	618
Documentary credits	433	0
Other contingent liabilities	50	–
Total	54,863	34,044

EURm	31 Dec 2023	Of which on behalf of group undertakings
Loan guarantees	26,506	24,856
Other guarantees	18,840	663
Documentary credits	582	0
Other contingent liabilities	65	–
Total	45,993	25,519

In its normal business, Nordea Bank Abp issues various forms of guarantees in favour of its customers. Loan guarantees are provided for customers to guarantee obligations in other credit and pension institutions. Other guarantees mainly consist of commercial guarantees such as bid guarantees, advance payment guarantees, warranty guarantees and export-related guarantees. Contingent liabilities also include unutilised irrevocable import documentary credits and confirmed export documentary credits. These transactions are part of the bank´s services and support Nordea Bank Abp´s customers.

The Annual General Meeting 2024 decided that Nordea Bank Abp will cover or reimburse the members of the Board of Directors all costs and expenses related to or arising from the Board membership, including travel, logistics and accommodation as well as consultative, legal and administrative costs. The legal costs can e.g. include required costs of legal defence and claims made (during and after their period of office) against Board members in cases where Board members are not found liable or guilty of any intentional wrongdoing or grossly negligent behaviour.

P6.1 Contingent liabilities, cont.

As of 2023, members of the GLT are afforded coverage and reimbursement corresponding to that of the Board in instances related to or arising from the respective GLT membership of each member. In addition, as of 2019, Nordea Bank Abp has undertaken to indemnify the members of the GLT against legal expenses incurred in relation to certain claims or investigations by third parties based on circumstances or events which occurred during the members' respective terms of office, excluding crimes or actions made with intent or gross negligence, up to a capped aggregate amount of EUR 37.5m, unless the Board decides otherwise on a case-by-case basis.

Nordea Bank Abp has undertaken, in relation to certain individuals and on certain conditions, to be responsible for the potential payment liability against these individuals in their capacity of managing directors or board members of group undertakings of Nordea Bank Abp.

Nordea Bank Abp purchases directors and officers liability insurance, which provides cover for personal liabilities of its Board of Directors and management as well as liability assumed by the bank to a certain extent following indemnification undertakings. The terms and conditions including the total limit of liability of the directors and officers liability insurance programme are in line with large European banks.

A limited number of employees are entitled to severance pay if they are dismissed before reaching their normal retirement age. For further information, see Note P7.4 "Key management personnel remuneration".

P6.2 Commitments

Accounting policies

Commitments are irrevocable promises to extend credit or make other types of payments in the future. Unutilised credit facilities are also disclosed as commitments.

Irrevocable commitments are recognised on the balance sheet under the expected credit loss requirements as further defined in Note P3.7 "Loans". Changes in provisions are recognised in "Net loan losses" in the income statement.

Premiums received on credit commitments are generally amortised over the loan commitment period. The contractual amounts are recognised off balance sheet, net of any provisions.

Commitments

EURm	31 Dec 2024	Of which to group undertakings
Unutilised overdraft facilities	32,082	6,353
Loan commitments	66,900	20,743
Future payment obligations	545	–
Other commitments	3	–
Total	99,530	27,096

EURm	31 Dec 2023	Of which to group undertakings
Unutilised overdraft facilities	31,311	6,388
Loan commitments	60,867	16,309
Future payment obligations	487	–
Other commitments	3	–
Total	92,668	22,697

Reverse repurchase agreements are recognised on and derecognised from the balance sheet on the settlement date. As at 31 December 2024 Nordea Bank Abp had signed reverse repurchase agreements that have not yet been settled and consequently are not recognised on the balance sheet. On the settlement date these reverse repurchase agreements will, as far as possible, replace existing reverse repurchase agreements that were not derecognised as at 31 December 2024. The net impact on the balance sheet is minor. These instruments have not been disclosed as commitments.

For more information about reverse repurchase agreements, see Note P3.2 "Transferred assets and obtained collateral".

P6.3 Assets pledged

Accounting policies

Assets recognised on the balance sheet and pledged as security for Nordea Bank Abp's own liabilities are disclosed as "Assets pledged as security for own liabilities". Assets recognised on the balance sheet and pledged for other than own liabilities are disclosed as "Assets pledged as security for other than own liabilities". Securities borrowed and then used as collateral are presented as "Transferred assets and obtained collateral" on the balance sheet (see Note P3.2 "Transferred assets and obtained collateral" for accounting policies).

Assets pledged

EURm	31 Dec 2024	31 Dec 2023
Assets pledged as security for own liabilities	16,240	21,437
Assets pledged as security for other than own liabilities	236	236
Total	16,476	21,673

Assets pledged as security for own liabilities

EURm	31 Dec 2024	31 Dec 2023
Assets pledged as security for own liabilities		
Securities etc.	10,408	13,825
Other assets pledged	5,832	7,612
Total	16,240	21,437

EURm	31 Dec 2024	31 Dec 2023
The above pledges pertain to the following liabilities[1]		
Deposits by credit institutions	8,522	11,419
Deposits and borrowings from the public	1,022	1,358
Derivatives	5,532	7,285
Other liabilities and commitments	257	295
Total	15,333	20,357

1) Liabilities after offsetting between assets and liabilities on the balance sheet.

Assets pledged as security for own liabilities comprise securities pledged as security under repurchase agreements and insecurities lending. The transactions are conducted under standard agreements employed by financial market participants. Counterparties in those transactions are credit institutions and the public. The transactions are typically short term and mature with three months.

Other assets pledged relate to certificates of deposit pledged by Nordea Bank Abp to comply with the authorities' requirements. Nordea Bank Abp has not provided any pledges or mortgages on behalf of its customers.

Assets pledged as security for other than own liabilities

Assets pledged as security for other than own líabilities mainly relate to interest-bearing securities pledged as security for payment settlements with central banks and clearing institutions. Only securities pledged for overnight liquidity are disclosed (securities pledged for intraday liquidity are excluded). Collateral pledged for items other than Nordea Bank Abp's own liabilities, e.g. for a third party or for Nordea Bank Abp's own contingent liabilities, is also accounted for under this item. Nordea Bank Abp has not pledged any assets on behalf of group undertakings or associated undertakings.

P7 Employee benefits and key management personnel remuneration

All forms of consideration given by Nordea Bank Abp to its employees as compensation for services performed are employee benefits. Employee benefits consist of short-term benefits, post-employment benefits and share-based payment plans.

Short-term benefits are to be settled within twelve months after the reporting period when the services have been performed. Short-term benefits consist mainly of fixed and variable salary. For more information, see Note P7.1 "Fixed and variable salaries".

Post-employment benefits are benefits payable after termination of the employment. Post-employment benefits in Nordea Bank Abp consist only of pensions. For more information, see Note P7.2 "Pensions".

Share-based payment plans cover share-based payments for services from employees. For more information, see Note P7.3 "Share-based payment plans".

In addition, remuneration to key management personnel is disclosed in Note P7.4 "Key management personnel remuneration".

Additional disclosures on remuneration

The Board of Directors' report includes a separate section on remuneration, see page 74. Further, in accordance with the Finnish Corporate Governance Code 2020 the Remuneration Report for Governing bodies 2024 will be prepared for the Annual General Meeting on 20 March 2025. Finally aggregated disclosures for key management personnel and material risk takers (Pillar III, CRR article 450) will be published on nordea.com ahead of the Annual General Meeting.

P7.1 Fixed and variable salaries

Accounting policies

Short-term benefits

Short-term benefits consist mainly of fixed and variable salary. Both fixed and variable salaries are expensed in the period when the employees perform services for Nordea Bank Abp.

Short-term benefits that fulfil the capitalisation requirements defined in the accounting policies in Note P4.1 "Intangible assets" are included gross in this note, but subsequently capitalised and added to "Intangible assets" on the balance sheet.

Termination benefits

Termination benefits normally arise if employment is terminated before the normal retirement date or if an employee accepts an offer of voluntary redundancy.

Termination benefits are expensed when Nordea Bank Abp has an obligation to make the payment. An obligation arises when a formal plan has been committed to on the appropriate organisational level and when Nordea Bank Abp is without realistic possibility of withdrawal, which normally occurs when the plan has been communicated to the affected individual or employee(s) or their representatives.

Termination benefits can include both short-term benefits, for instance a number of months' salary, and post-employment benefits, normally in the form of early retirement benefit.

Nordea Bank Abp's Short Term Incentive Plans

Nordea Bank Abp operates Short Term Incentive Plans (STIPs). These are the Nordea Incentive Plan (NIP), which is offered to the CEO and members of the Group Leadership Team (GLT) and subject to invitation, to other employees, or bonus schemes (bonus) for selected employees in specific business areas or units as approved by the Board of Directors (Board). For more informations see section "Nordea's Short Term Incentive Plans" in the Group's Note G8.1.

Staff costs

EURm	2024	2023
Fixed and variable salaries[1]	-2,093	-1,974
Pension costs (specification in Note P7.2)	-244	-230
Social security contributions	-400	-377
Total	**-2,737**	**-2,581**
Expenses capitalised in IT development projects[2]	118	133
Total	**-2,619**	**-2,448**

1) Of which allocation to profit sharing for 2024 amounted to EUR -55m (EUR -62m), consisting of a new allocation of EUR -55m (EUR -61m) and an adjustment related to prior years of EUR 0m (EUR -1m).

2) See Note P4.1 "Intangible assets".

P7.2 Pensions

Accounting policies

Defined contribution plans

Pension plans that are based on defined contribution arrangements hold no pension liability for Nordea Bank Abp. Pension costs for defined contribution plans are recognised as an expense as the employee renders services to the entity and the contribution payable in exchange for that service becomes due. In general, the payment is associated with and settled through regular salary payments. Nordea Bank Abp also contributes to state pension plans.

Pension costs for defined contribution plans that fulfil the capitalisation requirements defined in the accounting policies in Note P4.1 "Intangible assets" are included gross in this note, but subsequently capitalised and added to "Intangible assets" on the balance sheet.

Defined benefit plans

The major defined benefit plans are funded, covered by assets in pension funds/foundations. If the fair value of plan assets associated with a specific pension plan is lower than the gross present value of the defined benefit obligation determined using the projected unit credit method, the net amount is recognised as a liability ("Retirement benefit liabilities"). If not, the net amount is recognised as an asset ("Retirement benefit assets"). Non-funded pension plans are recognised as "Retirement benefit liabilities".

Nordea Bank Abp's net obligation for defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned for their service in the current period and prior periods. That benefit is discounted to determine its present value. Actuarial calculations, including the projected unit credit method, are applied to assess the present value of defined benefit obligations and related costs, based on several actuarial and financial assumptions. Current and past service cost is recognised in the income statement in the current year. Current service cost is defined as the increase in the present value of the defined benefit obligation resulting from employee service in the current period. Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods triggered by plan amendments or curtailments.

The present value of the obligation and the fair value of any plan assets are impacted by changes in actuarial assumptions (discount rates (interest rates and credit spreads), inflation, salary increases, turnover and mortality) and experience effects, including actual outcome compared to assumptions. The remeasurement effects are recognised immediately in equity through the fair value reserve.

The discount rate is determined by reference to high-quality corporate bonds where a deep enough market for such bonds exists. Covered bonds are in this context considered to be corporate bonds. In Sweden, Norway and Denmark, the discount rate is determined with reference to covered bonds, whereas in Finland and the UK it is determined with reference to corporate bonds. In Sweden, Norway, Finland and Denmark, the observed bond credit spreads over the swap curve are derived from long-dated covered or corporate bonds and extrapolated to the same duration as the pension obligations using the relevant swap curves. In the UK, the corporate bond credit spread over the government bond rate is extrapolated to the same duration as the pension obligations using the government bond curve.

P7.2 Pensions, cont.

When the calculation results in a net asset, the recognised asset is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

Social security contributions are calculated and accounted for based on the net recognised surplus or deficit by plan and are included on the balance sheet as "Retirement benefit liabilities" or "Retirement benefit assets".

Pension costs to defined benefit plans that fulfil the capitalisation requirements defined in the accounting policies in Note P4.1 "Intangible assets" are included gross in this note, but subsequently capitalised and added to "Intangible assets" on the balance sheet.

Pension costs

The companies within Nordea Bank Abp have various pension plans. They consists of both defined benefit plans and defined contribution plans, reflecting national practices and conditions in the countries where Nordea Bank Abp operates.

Pension costs

EURm	2024	2023
Defined contribution plans	-226	-192
Defined benefit plans[1]	-18	-38
Total	-244	-230

1) Excluding special wage tax (SWT) in Sweden and social security contributions (SSC) in Norway totalling of EUR -7m (EUR -9m).

Defined contribution plans

All new employees have been offered defined contribution plans since 2013 when the defined benefit plan in Sweden was closed for new members. The defined contribution plans follow the local collective agreements and regulations in each country.

In Norway, Nordea Bank Abp is part of a collectively agreed multi-employer pension plan in the private sector (AFP), providing entitled employees with a lifelong addition to their regular pensions. As no information is available on Nordea Bank Abp's share of the liabilities/assets and pension costs, the AFP is accounted for as a defined contribution plan.

The AFP plan is financed by an annual premium, for 2024 equal to 2.7% of employees' salary between 1 and 7.1 times the Norwegian social security base amount ("G"). The premium amounted to EUR 3m (EUR 3m).

Defined benefit plans

The plans are operated in accordance with local regulatory requirements, collective agreements and local practice and are generally employer-financed final salary and service-based pension plans providing pension benefits in addition to the statutory systems. All defined benefit plans are closed for new entrants; new employees are offered defined contribution plans.

Retirement benefit assets and liabilities

EURm	31 Dec 2024	31 Dec 2023
Plans with net retirement benefit assets	351	220
Plans with net retirement benefit liabilities	234	237
Net liability(-)/asset(+)	117	-17

In general, the liabilities are safeguarded by assets in dedicated pension funds or foundations or alternatively by credit insurance (Sweden only). Pension funds and foundations hold both the assets and the pension liabilities, except for Sweden where the pension foundation serves as collateral for the pension liabilities held by Nordea Bank Abp.

Minimum funding requirements differ between the pension funds and foundations according to local regulatory requirements. The funding requirement is generally that the pension obligations measured using local requirements must be covered in full by a local predefined surplus. Other pension plans are not covered by funding requirements and are generally unfunded. The respective Nordea Bank Abp entities issuing the defined pension benefit serve as the sponsoring entity in accordance with the EU IORP II Directive.

Defined benefit plans impact Nordea Bank Abp via changes in the net present value of obligations and/or changes in the market value of plan assets.

P7.3 Share-based payment plans

Accounting policies

Equity-settled plans

An equity-settled share-based payment transaction occurs when Nordea Bank Abp receives goods or services and uses its own equity instruments as consideration. Such transactions are recognised as a staff expense and a corresponding increase in equity. The expense is measured at the fair value of the goods or services received unless that fair value cannot be estimated reliably. In such cases, the expense is measured by reference to the fair value of the equity instruments awarded, which is the method used by Nordea Bank Abp.

When Nordea Bank Abp issues such instruments, the award date fair value of these rights is expensed on a straight-line basis over the vesting period. The fair value per right is estimated at award date and not subsequently updated. The vesting period is the period over which the employees have to remain in service at Nordea in order for their rights to vest.

For rights with non-market performance conditions, the amount expensed is the award date fair value per right multiplied by the best estimate of rights that will eventually vest, which is reassessed at each reporting date. For rights with market performance conditions, the total fair value is estimated based on the fair value of each right times the maximum number of rights at award date. Market conditions are taken into account when estimating the fair value of the equity instruments awarded. Therefore, if all other vesting conditions (e.g. service conditions) are met, Nordea Bank Abp recognises the expense for awards of equity instruments with market conditions over the vesting period irrespective of whether that market condition is satisfied.

Social security costs are also allocated over the vesting period. The provision for social security costs is reassessed on each reporting date to ensure that the provision is based on the rights' fair value at the reporting date.

Cash-settled plans

A cash-settled share-based payment transaction occurs when Nordea Bank Abp acquires goods or services by incurring a liability to transfer cash or other assets to the supplier of those goods or services for amounts that are based on the price of equity instruments of Nordea Bank Abp. For cash-settled share-based payment transactions, the goods or services acquired and the liability incurred are measured at the fair value of the liability. The liability is remeasured at fair value at the end of each reporting period, with any changes in fair value recognised in the line item "Net result from securities at fair value through profit or loss" in the income statement.

Nordea Bank Abp's share-based remuneration plans

Nordea Bank Abp has several variable pay plans for selected Nordea Bank Abp employees (participants). The terms of the plans vary depending on the target group. Disclosures related to the share-based plans can be found below. All remuneration plans are also described in the section "Remuneration" on page 74 of the Board of Directors' report.

Until the end of the performance/financial year 2018, Nordea Bank Abp's share-based variable remuneration plans were partly in the form of equity-linked total shareholders' return indexation (excluding dividends) and partly in the form of cash. The plans were consequently generally settled in cash and the portion indexed with Nordea's total shareholders' return was accounted for as a cash-settled share-based payment plan. The total shareholders' return indexation resulted in a gain of EUR 0.3m in 2024 related to the remaining defered payments stemming from these plans.

Starting from the 2019 performance year, share-based variable pay plans are partly in the form of cash not linked to the Nordea share and partly in the form of Nordea shares, which makes the portion paid in Nordea shares an equity-settled share-based plan. Total shareholders' return indexation may be used for share-based variable pay plans, subject to operational, administrative or tax issues as well as applicable regulation in certain legal entities.

The table on the previous page covers all plans with share-based plan expenses recognised in 2024 as well as the comparative figures for 2023. Figures for 2024 are based on the expected 2023 outcome and all figures are excluding social security expenses. The expense for 2024 is based on an assumption about the number of shares that will be awarded and deferred for delivery in later years.

Nordea Bank Abp's Long Term Incentive Plans

See the, section "Nordea's Long Term Incentive Plans" in the Group's Note G8.3

Share-based variable remuneration plans other than LTIP plans

See section "Share-based variable remuneration plans other than LTIP plans" in the Group's Note G8.3.
The table below shows the remaining liabilities for the cash-settled share-based plans used 2014–2018. The table only includes deferred amounts indexed with Nordea TSR.

Share-linked deferrals (cash-settled)

EURm	2024	2023
Opening balance	6	6
Deferred/earned during the period	–	1
TSR indexation during the period	–	1
Payments during the period	-3	-2
Translation differences	–	0
Closing balance	3	6

Share-based payment plans

Plan year	Equity-settled or cash-settled	Delivery period	Expense 2024	Expense 2023	Liability 31 Dec 2024	Liability 31 Dec 2023	Outstanding rights
2024							
- LTIP 2024-2026	Equity-settled	2027–2032	2	–	–	–	Yes[1]
- NIP and bonus	Equity-settled	2025–2030	10	–	–	–	Yes[2]
- Buy-outs etc.	Equity-settled	2024–2028	0	–	–	–	Yes[2]
2023							
- LTIP 2023-2025	Equity-settled	2026–2031	3	2	–	–	Yes[3]
- NIP and bonus	Equity-settled	2024–2029	5	11	–	–	Yes
- Buy-outs etc.	Equity-settled	2023–2027	0	0	–	–	Yes
2022							
- LTIP 2022-2024	Equity-settled	2025–2030	2	2	–	–	Yes
- NIP and bonus	Equity-settled	2023–2028	-1	6	–	–	Yes
- Buy-outs etc.	Equity-settled	2022–2026	0	0	–	–	Yes
Previous years							
	Cash-settled	2022-2028	0	1	3	6	No
	Equity-settled	2022-2025	-5	-3	0	0	Yes
Total			16	19	3	6	

1) Rights will be awarded following the end of the three-year performance period (2024–2026) over the delivery period (2027–2032).
2) Rights will be awarded in 2025 based on the performance in 2024.
3) Rights will be awarded following the end of the three-year performance period (2023–2025) over the delivery period (2026–2031).

P7.4 Key management personnel remuneration

Accounting policies

For information about the accounting policies, see Note P7.1 "Fixed and variable salaries", Note P7.2 "Pensions" and Note P7.3 "Share-based payment plans". For definition of key management personnel, see Note P9.8 "Related party transactions".

Board remuneration

For board remuneration, see section "Board remuneration" in the Group's Note G8.4 Key management personnel remuneration.

Remuneration of the Chief Executive Officer, the Deputy Managing Director and the Group Leadership Team

For the Group Leadership Team remuneration, see section "Remuneration of the Chief Executive Officer, the Deputy Managing Director and the Group Leadership Team" in the Group's Note G8.4 Key management personnel remuneration.

P7.5 Number of employees

The table below presents the number of employees by type of employment at the end period.

Number of employees

	31 Dec 2024	31 Dec 2023	Change
Permanent full-time	25,593	24,598	995
Permanent part-time	999	999	0
Fixed term	291	251	40
Total number of employees end of period	26,883	25,848	1,035

P8 Investments in group undertakings, associated undertakings and joint ventures

P8.1 Investments in group undertakings

Accounting policies

Group undertakings are the entities that Nordea Bank Abp controls. Control is generally achieved when Nordea Bank Abp holds, directly or indirectly through group undertakings, more than 50% of the voting rights.

Nordea Bank Abp's investments in group undertakings are recognised under the cost model. At each balance sheet date, all shares in group undertakings are reviewed for indications of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of each holding of shares is fully recoverable. The recoverable amount is the higher of fair value less costs to sell and the value in use. Any impairment charge is calculated as the difference between the carrying amount and the recoverable amount and is presented in the line item "Depreciation, amortisation and impairment charges" in the income statement.

Impairment losses are reversed if the recoverable amount increases. The carrying amount is then increased to the recoverable amount but cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

Acquisition of Danske Bank's personal customer and private banking business in Norway

On 18 November 2024 Nordea acquired the Norwegian personal customer and private banking business from Danske Bank. The transaction did not include any transfer of equity interests. For more information on the acquisition, see the section "Acquisition of Danske Bank's personal customer and private banking business in Norway" in the Group's Note G9.6 "Acquisitions".

Group undertakings

This specification includes all directly owned group undertakings.

	Registration number	Domicile	Number of shares	Carrying amount 31 Dec 2024, EURm	Carrying amount 31 Dec 2023, EURm	Shareholding, %
Nordea Kredit Realkreditaktieselskab[1]	15134275	Copenhagen	17,172,500	2,950	2,950	100.0
Nordea Hypotek AB (publ)[1]	556091-5448	Stockholm	100,000	3,083	2,950	100.0
Nordea Eiendomskreditt AS[1]	971227222	Oslo	16,781,828	2,926	1,770	100.0
Fionia Asset Company A/S	31934745	Copenhagen	148,742,586	1,185	1,185	100.0
Nordea Finance Finland Ltd[1]	0112305-3	Helsinki	1,000,000	1,067	1,067	100.0
Nordea Baltic AB	559220-4688	Stockholm	1,000	8	8	100.0
Nordea Mortgage Bank Plc[1]	2743219-6	Helsinki	257,700,000	1,281	1,131	100.0
Nordea Life Holding AB	556742-3305	Stockholm	1,000	722	721	100.0
Nordea Finance Equipment AS	987664398	Oslo	101	685	549	100.0
LLC Promyshlennaya Kompaniya Vestkon[2]	1027700034185	Moscow	4,601,942,680	59	67	100.0
Nordea Finans Norge AS	924507500	Oslo	63,000	635	630	100.0
Nordea Funds Ltd	1737785-9	Helsinki	3,350	385	385	100.0
Nordea Asset Management Holding AB	559104-3301	Stockholm	500	245	251	100.0
Nordea Finans Danmark A/S	89805910	Høje Taastrup	20,006	177	177	100.0
Nordea Finans Sverige AB (publ)[1]	556021-1475	Stockholm	1,000,000	111	113	100.0
Nordea Essendropsgate Eiendomsforvaltning AS	986610472	Oslo	7,500	34	33	100.0
Nordea Markets Holding Company INC	36-468-1723	New York	1,000	91	91	100.0
Nordic Baltic Holding (NBH) AB	556592-7950	Stockholm	1,000	1	1	100.0
Privatmegleren AS	986386661	Oslo	12,000,000	9	9	100.0
Danbolig A/S	13186502	Copenhagen	1	1	1	100.0
Structured Finance Servicer A/S	24606910	Copenhagen	2	1	1	100.0
Nordea Hästen Fastighetsförvaltning AB	556653-6800	Stockholm	1,000	0	0	100.0
First Card AS	963215371	Oslo	200	0	0	100.0
Nordea Vallila Fastighetsförvaltning Ab	1880368-8	Helsinki	1,000	0	0	100.0
Kiinteistö Oy Kaarenritva	0362827-4	Vantaa	100	0	0	100.0
Nordea Limited	03051044	London	2	–	–	100.0
Total				**15,656**	**14,090**	

1) Credit institutions.
2) 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. The liquidation of the remaining Russian subsidiary is pending finalization.

P8.2 Investments in associated undertakings and joint ventures

Accounting policies

Associated undertakings are the entities where Nordea Bank Abp's share of voting rights is between 20% and 50% and/or where Nordea Bank Abp has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Joint ventures are the entities where Nordea Bank Abp has joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Nordea Bank Abp's investments in associated undertakings and joint ventures are recognised under the cost model. At each balance sheet date, all shares in associated undertakings and joint ventures are reviewed for indications of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of each holding of shares is fully recoverable. The recoverable amount is the higher of fair value less costs to sell and the value in use. Any impairment charge is calculated as the difference between the carrying amount and the recoverable amount and is presented in the line item "Depreciation, amortisation and impairment charges" in the income statement.

Impairment losses are reversed if the recoverable amount increases. The carrying amount in then increased to the recoverable amount but cannot exceed the carrying amount that would have been determined had no impairment loss been recognised.

Associated undertakings and joint ventures[1]

			Carrying amount		
Associated undertakings	**Registration number**	**Domicile**	**2024, EURm**	**2023, EURm**	**Shareholding, %**
Eksportfinans ASA[2]	816521432	Oslo	42	42	23
Eiendomsverdi AS	881971682	Oslo	10	10	25
Suomen Luotto-osuuskunta	0201646-0	Helsinki	1	1	27
Bankomat AB	556817-9716	Stockholm	5	6	20
OPEN POS Nordic Group AB	559063-2369	Gothenburg	2	–	46
Subaio ApS	37766585	Aalborg	2	2	20
CrediWire ApS	37264628	Copenhagen	2	2	7
Getswish AB	556913-7382	Stockholm	8	0	20
Svenska e-fakturabolaget	556563-0596	Stockholm	1	0	50
Other			0	0	
Total			73	63	
Joint ventures					
Siirto Brand Oy	3102648-1	Helsinki	0	0	50
Tibern AB	559384-3542	Stockholm	1	1	14
Invidem AB	559210-0779	Stockholm	0	0	17
P27 Nordic Payments Platform AB	559198-9610	Stockholm	0	0	21
Total			1	1	

1) All shares in associated undertakings or joint ventures are unlisted.
2) Credit institutions.

P8.3 Currency translation of foreign entities

Accounting policies

The financial statements are presented in euro (EUR). When translating the financial statements of foreign entities and branches into EUR from their functional currency, the assets and liabilities of foreign branches in Nordea Bank Abp have been translated at the closing rates, while items in the income statement are translated at the average exchange rate for the year. The average exchange rates are calculated based on daily exchange rates divided by the number of business days in the period. Translation differences are recognised in the retained earnings in equity.

Any remaining equity in foreign branches is converted at the closing rates with translation differences recognised in equity.

Information on the most important exchange rates is disclosed in the section "Exchange rates" in P1 "Accounting policies".

P9 Other disclosures

P9.1 Equity

Accounting policies

Equity is the residual interest in recognised assets after deduction of recognised liabilities. For equity, there are no requirements to distribute cash flows. Instruments are classified as financial liabilities if such genuine requirements exist, for instance to pay interest when a triggering event occurs that is beyond the control of both the issuer and the holder of the instruments.

Any payments connected to instruments classified as equity are accounted for directly in equity and presented as dividends. Nordea Bank Abp determines payments on financial instruments classified as equity (i.e. Additional Tier 1 instruments) as distribution of profits and they are therefore accounted for as dividends. Dividends to shareholders are recognised as a reduction of equity when the Annual General Meeting has adopted the proposal. The reduction of equity is accounted for when the Board of Directors decides on dividends in situations where the Annual General Meeting has given the Board of Directors a mandate to make such a decision up to a certain cap.

Investments in own shares are not accounted for as assets; instead, they are recognised as a reduction in equity net of any transaction costs. Acquisitions of treasury shares as part of the Markets trading operations are recognised as a reduction in invested unrestricted equity. Treasury shares acquired to optimise the capital structure and Nordea Bank Abp's buy-back programmes are recognised as a reduction in retained earnings. Transaction costs related to repurchasing of treasury shares are also recognised in equity. There is no impact on the financial statements when shares are cancelled. Sales of own shares in the trading operations are recognised as increases in invested unrestricted equity.

Contracts on Nordea shares that can be settled net in cash, for instance derivatives such as options and warrants, are either presented as financial assets or liabilities, meaning that these are not equity instruments.

Additional Tier 1 capital holders

Nordea Bank Abp has issued perpetual subordinated instruments (Additional Tier 1 instruments) which are converted into a variable number of Nordea shares in case a pre-defined CET1 trigger level for either the Nordea Group or Nordea Bank Abp is breached. Interest payments are fully discretionary and mandatorily cancelled in certain circumstances. As Nordea Bank Abp may be obliged to deliver a variable number of Nordea shares, these Additional Tier 1 instruments are classified as financial liabilities.

Nordea Bank Abp has also issued perpetual subordinated instruments (Additional Tier 1 instruments) which will be written down instead of converted into Nordea shares in case a pre-defined CET1 trigger level for either the Nordea Group or Nordea Bank Abp is breached. Interest payments are fully discretionary and mandatorily cancelled in certain circumstances. These instruments are classified as equity as there is no requirement for Nordea Bank Abp to pay interest or principal to the holders of the instruments.

Share capital

The share capital amounts to EUR 4,049,951,919. The shares in Nordea Bank Abp have no nominal value. Each share carries one voting right. For more information about the number of registered shares, see section "Nordea shares" below.

Invested unrestricted equity

Invested unrestricted equity consists of the subscription price of the shares in Nordea Bank Abp's share issue or rights issue which has not been recorded in share capital. Invested unrestricted equity has also been impacted by acquisitions and sales of treasury shares as part of the Markets trading operations.

Other reserves

Other reserves consist of a fair value reserve including reserves for cash flow hedges, financial assets classified in the category "Financial assets at fair value through other comprehensive income", accumulated remeasurements of defined benefit pension plans as well as a reserve for currency translation differences.

Retained earnings

Retained earnings primarily comprise Nordea Bank Abp's undistributed profits from previous years and currency translation differences.

Equity

	Restricted equity		Unrestricted equity			
EURm	Share capital	Other reserves[3]	Invested unrestricted reserve	Retained earnings[3,4]	Additional Tier 1 capital holders	Total equity
Balance at 1 Jan 2024	4,050	-198	1,063	21,969	750	27,634
Net profit for the year	–	–	–	4,189	–	4,189
Currency translation differences	–	–	–	-156	–	-156
Investments in foreign operations:						
Valuation gains/losses, net of tax	–	30	–	–	–	30
Fair value measurement of financial assets:						
Valuation gains/losses, net of tax	–	-43	–	–	–	-43
Transferred to the income statement, net of tax	–	-4	–	–	–	-4
Cash flow hedges[1]:						
Valuation gains/losses, net of tax	–	1,487	–	–	–	1,487
Transferred to the income statement, net of tax	–	-1,457	–	–	–	-1,457
Changes in own credit risk related to liabilities at fair value option:						
Valuation gains/losses, net of tax	–	-6	–	–	–	-6
Defined benefit plans:						
Remeasurement of defined benefit plans during the year, net of tax	–	74	–	–	–	74
Share-based payments	–	–	–	16	–	16
Paid interest on Additional Tier 1 capital, net of tax	–	–	–	-21	–	-21
Dividend	–	–	–	-3,218	–	-3,218
Sale/purchase of own shares[2]	–	–	-10	-372	–	-382
Other changes	–	81	–	-97	0	-16
Balance at 31 Dec 2024	4,050	-37	1,053	22,310	750	28,126

1) For more detailed information, see Note P3.5 "Hedge accounting".

2) Refers to the change in the holding of own shares related to treasury shares for capital optimisation purposes, the trading portfolio and Nordea's shares within portfolio schemes in Denmark.

3) In 2024 the presentation of equity was changed by reclassifying "Revaluation reserves" from "Other reserves" to "Retained earnings" to better reflect their unrestricted nature. The change does not have any impact on the Group's equity or the dividend distributions of Nordea Bank Abp for any historical period.

4) "Other unrestricted reserves" presented separately in 2023 have been moved to "Retained earnings" in this specification.

P9.1 Equity, cont.

Equity

EURm	Restricted equity: Share capital	Restricted equity: Other reserves[3]	Unrestricted equity: Invested unrestricted reserve	Unrestricted equity: Retained earnings[4]	Unrestricted equity: Additional Tier 1 capital holders	Total equity
Balance at 1 Jan 2023	4,050	-211	1,082	21,494	748	27,163
Net profit for the year	–	–	–	4,739	–	4,739
Currency translation differences	–	4	–	-57	–	-52
Investments in foreign operations:						
Valuation gains/losses, net of tax	–	-30	–	–	–	-30
Fair value measurement of financial assets:						
Valuation gains/losses, net of tax	–	-17	–	–	–	-17
Transferred to the income statement, net of tax	–	30	–	–	–	30
Cash flow hedges[1]:						
Valuation gains/losses, net of tax	–	642	–	–	–	642
Transferred to the income statement, net of tax	–	-652	–	–	–	-652
Changes in own credit risk related to liabilities at fair value option:						
Valuation gains/losses, net of tax	–	10	–	-10	–	0
Defined benefit plans:						
Remeasurement of defined benefit plans during the year, net of tax	–	-30	–	1	–	-28
Share-based payments	–	–	–	18	–	18
Paid interest on Additional Tier 1 capital, net of tax	–	–	–	-21	–	-21
Dividend	–	–	–	-2,876	–	-2,876
Sale/purchase of own shares[2]	–	–	-19	-1,264	–	-1,283
Other changes	–	55	–	-55	2	2
Balance at 31 Dec 2023	**4,050**	**-198**	**1,063**	**21,969**	**750**	**27,634**

1) For more detailed information, see Note P3.5 "Hedge accounting".
2) Refers to the change in the holding of own shares related to treasury shares for capital optimisation purposes, the trading portfolio and Nordea's shares within portfolio schemes in Denmark.
3) "Revaluation reserves" and "Fair value reserve" in 2023 are presented in "Other reserves" in this specification.
4) "Other unrestricted reserves" presented separately in 2023 have been moved to "Retained earnings" in this specification.

Distributable funds

EURm	31 Dec 2024	31 Dec 2023
Invested unrestricted equity	1,053	1,063
Additional Tier 1 capital holders	750	750
Retained earnings	18,121	17,230
Net profit for the year	4,189	4,739
Total	**24,113**	**23,782**
Capitalised development costs	-1,439	-1,352
Total distributable funds[1]	**22,674**	**22,430**

1) Refer to Board of Directors' report section "Proposed distribution of earnings" for amounts in one euro.
2) Other free funds presented separately in 2023 Annual Report has been included in Retained earnings

Nordea shares

Nordea Bank Abp's Articles of Associations do not contain any provisions on shares classes or voting rights. Consequently, Nordea Bank Abp has one class of shares (Nordea shares) and all shares in Nordea Bank Abp are ordinary shares. Each share confers one vote at Nordea Bank Abp's general meetings as well as an equal right to any dividend. Nordea Bank Abp is not entitled to vote with its own shares at general meetings. The Nordea share does not have any nominal value.

At the 2024 Annual General Meeting (AGM), the Board of Directors was authorised to decide on the repurchase of an aggregate of not more than 340,000,000 own shares, subject to the condition that the number of own shares held by Nordea Bank Abp together with its subsidiaries at any given time does not exceed 10% of all Nordea shares. The authorisation will remain in force and effect until 18 months from the resolution of the Annual General Meeting.

The 2024 AGM authorised the Board of Directors of Nordea Bank Abp to resolve, on one or several occasions, on the issuance of special rights entitling to either new shares in the company or treasury shares, against payment (convertibles) in accordance with or deviation from the shareholder's preemptive subscription rights. The maximum number of shares that may be issued based on this authorisation is 340,000,000. The authorisation will remain in force and effect until the earlier of (i) the end of the next Annual General Meeting of the company or (ii) 18 months from the resolution of the meeting.

Moreover, the 2024 AGM authorised the Board of Directors of Nordea Bank Abp to resolve, on one or several occasions, on the issuance of new shares or transfer of the company's own shares of not more than 30,000,000 shares. The authorisation will remain in force and effect until the earlier of (i) the end of the next Annual General Meeting of the company or (ii) 18 months from the resolution of the meeting.

In April 2023 Nordea Bank Abp's Board of Directors approved the fourth share buy-back programme of up to EUR 1bn. The approval from the ECB for the buy-backs was announced on 3 March and the programme commenced on 28 April 2023 and was completed on 21 February 2024.

For information on Additional Tier 1 loans that convert into shares, see Note P3.14 "Subordinated liabilities". For information on share-based incentive plans, see Note P7.3 "Share-based payment plans" and for information on authorisations held by the Board of Directors, see "Share issue resolution" under "The Nordea share and external credit ratings" in the Board of Directors' report.

The table below shows the change during the year in the total number of Nordea shares as well as the change during the year in the number of outstanding Nordea shares where the non-cancelled treasury shares are deducted.

Also the total number of own shares (treasury shares) as at 31 December is given in the table below.

	2024	2023
Total number of Nordea shares		
Total number of shares at 1 January	3,528,279,508	3,654,281,296
New shares issued during the year	8,000,000	–
Cancelled own shares during the year	-33,647,545	-126,001,788
Total number of Nordea shares at 31 December	**3,502,631,963**	**3,528,279,508**

P9.1 Equity, cont.

	2024	2023
Number of outstanding Nordea shares		
Number of outstanding Nordea shares at 1 January	3,519,189,319	3,640,871,455
Repurchased own shares	-33,984,078	-120,953,361
Shares granted in remuneration programmes for Nordea Bank Abp's management	1,273,349	1,286,336
Trading portfolio and Nordea Bank Abp's shares within portfolio schemes in Denmark	-1,004,146	-2,015,111
Number of outstanding Nordea shares at 31 December	3,485,474,444	3,519,189,319

Number of own shares	31 Dec 2024	31 Dec 2023
Holdings of own shares related to treasury shares, trading portfolio and Nordea Bank Abp's shares within portfolio schemes in Denmark[1]	17,130,649	9,090,189
– of which treasury shares for remuneration purposes	11,513,966	4,787,315

1) Total acquisition price for holdings of own shares at 31 December 2024 was EUR 77.5m (EUR 56.0m).

Own shares bought and sold as part of market-making activities

Nordea Bank Abp has bought and sold its own shares as part of its normal trading and market-making activities. The trades are specified in the table below.

The 2024 Annual General Meeting resolved that Nordea Bank Abp, before the end of the 2025 Annual General Meeting, may transfer own shares in the ordinary course of its securities trading business. The number of own shares to be transferred may not exceed 175,000,000 shares.

Acquisitions and sales of own shares during the year

	Acquisitions[1]			Sales[1]		
2024	Quantity	Average price, EUR	Amount, EUR 000	Quantity	Average price, EUR	Amount, EUR 000
January	5,553,761	11.34	-62,971	-5,889,972	11.30	66,535
February	6,532,537	10.90	-71,187	-6,971,391	10.95	76,356
March	6,397,549	10.93	-69,928	-5,435,594	10.87	59,076
April	7,795,627	10.85	-84,601	-7,327,819	10.85	79,482
May	7,300,345	11.30	-82,464	-7,164,347	11.30	80,947
June	4,952,268	11.28	-55,866	-5,073,284	11.30	57,337
July	6,338,147	10.83	-68,624	-6,521,354	10.87	70,883
August	10,226,971	10.43	-106,671	-10,395,093	10.45	108,647
September	4,507,465	10.55	-47,552	-4,043,594	10.56	42,707
October	7,138,308	10.62	-75,842	-7,244,108	10.64	77,053
November	4,536,445	10.78	-48,909	-5,090,453	10.78	54,870
December	6,989,023	10.64	-74,361	-6,107,291	10.64	64,970
	78,268,446		-848,976	-77,264,300		838,863

1) Excluding Nordea shares related to securities lending.

Acquisitions and sales of own shares during the year, cont.

	Acquisitions[1]			Sales[1]		
2023	Quantity	Average price, EUR	Amount, EUR 000	Quantity	Average price, EUR	Amount, EUR 000
January	5,553,391	10.55	-58,591	-5,117,911	10.56	54,029
February	5,967,915	11.36	-67,770	-5,801,700	11.32	65,672
March	11,645,206	10.35	-120,548	-9,134,917	10.52	96,081
April	3,140,337	10.23	-32,114	-4,853,207	10.12	49,115
May	3,949,629	9.63	-38,044	-3,486,271	9.64	33,605
June	5,544,430	10.04	-55,640	-5,552,247	9.97	55,377
July	3,453,558	10.33	-35,690	-3,686,496	10.26	37,835
August	2,069,069	10.23	-21,160	-2,321,930	10.26	23,817
September	7,212,444	10.72	-77,331	-7,255,358	10.48	76,031
October	12,250,600	10.34	-126,673	-11,704,037	10.36	121,211
November	5,234,667	10.35	-54,166	-5,012,809	10.40	52,155
December	3,930,176	10.96	-43,065	-4,009,428	10.95	43,915
	69,951,422		-730,792	-67,936,311		708,843

1) Excluding Nordea shares related to securities lending.

P9.2 Additional disclosures on the cash flow statement

Accounting policies

The cash flow statement shows inflows and outflows of cash and cash equivalents during the year for total operations. Nordea Bank Abp's cash flow statement has been prepared in accordance with the indirect method, whereby operating profit is adjusted for effects of non-cash transactions such as depreciation and loan losses. Cash flows are classified by operating, investing and financing activities.

Operating activities

Cash flows from operating activities, which are the principal revenue-producing activities, are mainly derived from profits during the year adjusted for items not included in cash flows and income taxes paid. Adjustment for items not included in cash flows includes:

EURm	2024	2023
Depreciation, amortisation and impairment charges of tangible and intangible assets	387	617
Impairment of shares and interests in group undertakings and associated undertakings	-2	222
Loan losses	102	134
Unrealised gains/losses	130	1,448
Capital gains/losses (net)	6	3
Change in accruals and provisions	544	-743
Translation differences	299	38
Change in fair value of hedged items, assets/liabilities (net)	645	1,991
Other	-129	-56
Total	1,982	3,654

Operating assets and liabilities consist of assets and liabilities that are part of normal business activities, such as loans, deposits and debt securities in issue. Changes in derivatives are reported on a net basis.

P9.2 Additional disclosures on the cash flow statement, cont.

Cash flows from operating activities include interest payments received and interest expenses paid with the following amounts:

EURm	2024	2023
Interest payments received	15,387	14,359
Interest expenses paid	-9,900	-8,523

Investing activities

Investing activities include investments in and capital contributions to group undertakings, acquisition and disposal of non-current assets such as property and equipment and intangible and financial assets.

The acquisition of Norwegian personal customer and private banking business from Danske Bank in 2024 is presented under "Acquisition of assets and liabilities". In the acquisition, Nordea Bank Abp acquired loans and assumed deposits with a net positive cash flow of EUR 3,079m.

Financing activities

Financing activities are activities that result in changes in equity and subordinated liabilities such as new issues of shares, dividends and issued/amortised subordinated liabilities.

Cash and cash equivalents

The following items are included in "Cash and cash equivalents":

EURm	31 Dec 2024	31 Dec 2023
Cash and balances with central banks	44,862	49,150
Loans to central banks payable on demand	4	3
Loans to credit institutions payable on demand	349	687
Total	45,215	49,840

For the definition of cash and balances with central banks, see Note P3.6 "Cash and balances with central banks". Loans to central banks payable on demand include instruments where Nordea Bank Abp has the right to resell immediately. Loans to credit institutions payable on demand include liquid assets not represented by bonds or other interest-bearing securities.

P9.3 Maturity analysis

Accounting policy

The following table presents the remaining contractual maturities of the Nordea Bank Abp's financial assets and liabilities. On-demand deposits are reported in the bucket "Under 3 months". Loans where the lender can demand repayment upon request are reported according to their earliest possible contractual maturity date when repayment can be demanded. For derivatives, the cash inflows and outflows are disclosed for both derivative assets and derivative liabilities as derivatives are managed on a net basis. For further information about remaining maturity, see also Note P10 "Risk and liquidity management".

Maturity analysis

31 Dec 2024, EURm	Under 3 months	3–12 months	1–5 years	Over 5 years	Total
Assets					
Cash and balances with central banks	44,862	–	–	–	44,862
Loans to credit institutions	10,272	24,684	39 834	349	75,139
Loans to the public	60,417	20,116	48,359	23,085	151,977
Interest-bearing securities[1]	8,394	10,366	56,399	5,820	80,979
Derivatives	4,133	3,823	6,525	11,573	26,054
Other assets	5,748	162	13,525	5,023	24,458
Total	133,826	59,151	164,642	45,850	403,469
Liabilities					
Deposits by credit institutions and central banks	34,165	2,043	98	0	36,306
Deposits and borrowings from the public	221,424	5,142	8,308	5,232	240,106
Debt securities in issue	20,197	27,949	17,594	4,387	70,127
Subordinated liabilities	–	92	4,894	2,424	7,410
Derivatives	3,264	793	10,265	11,605	25,927
Other liabilities	3,136	558	5,946	869	10,509
Total	282,186	36,577	47,105	24,517	390,385

31 Dec 2023, EURm	Under 3 months	3–12 months	1–5 years	Over 5 years	Total
Assets					
Cash and balances with central banks	49,150	–	–	–	49,150
Loans to credit institutions	5,685	26,624	35,946	333	68,589
Loans to the public	51,578	15,729	55,560	27,033	149,900
Interest-bearing securities[1]	7,649	6,327	53,092	6,695	73,763
Derivatives	2,724	3,396	8,937	12,775	27,832
Other assets	4,351	93	12,800	530	17,774
Total	121,137	52,169	166,335	47,366	387,008
Liabilities					
Deposits by credit institutions and central banks	32,578	1,763	2,385	-238	36,488
Deposits and borrowings from the public	193,964	10,211	7,941	5,458	217,574
Debt securities in issue	20,684	25,904	22,033	3,238	71,859
Subordinated liabilities	–	760	3,295	1,665	5,720
Derivatives	5,077	3,621	9,942	13,562	32,202
Other liabilities	-2,311	-1,481	9,630	4,418	10,256
Total	249,992	40,778	55,226	28,103	374,099

1) Including "Debt securities eligible for refinancing with central banks" of EUR 71,349m (EUR 59,967m).

P9.4 Assets and liabilities in EUR and other currencies

Accounting policies
The following table presents the assets and liabilities of Nordea Bank Abp broken down by balances in EUR and in foreign currencies. A balance in foreign currency is defined as a balance which should be translated into EUR when preparing financial statements.

More information on translation of assets and liabilities can be found in Note P1 "Accounting policies".

	31 Dec 2024			31 Dec 2023		
	EURm	Foreign currency	Total	EURm	Foreign currency	Total
Assets						
Cash and balances with central banks	22,365	22,497	44,862	29,474	19,676	49,150
Loans to credit institutions	19,832	55,307	75,139	16,974	51,615	68,589
Loans to the public	57,311	94,666	151,977	47,475	102,425	149,900
Interest-bearing securities[1]	38,892	42,087	80,979	23,274	50,489	73,763
Derivatives	24,677	1,377	26,054	16,975	10,857	27,832
Other assets	35,989	7,465	43,454	22,458	13,078	35,536
Total	199,066	223,399	422,465	156,630	248,140	404,770
Liabilities						
Deposits by credit institutions and central banks	23,969	12,337	36,306	10,225	26,263	36,488
Deposits and borrowings from the public	70,636	169,470	240,106	76,487	141,087	217,574
Debt securities in issue	58,990	11,137	70,127	27,700	44,159	71,859
Derivatives	24,812	1,115	25,927	15,281	16,921	32,202
Other liabilities	16,758	5,115	21,873	12,755	6,258	19,013
Total	195,165	199,174	394,339	142,448	234,688	377,136

1) Including "Debt securities eligible for refinancing with central banks" of EUR 71,349m (EUR 59,967m).

P9.5 Other assets

Accounting policies
Other assets are assets that do not qualify for any of the other line items covering assets. Under the accrual basis of accounting, accrued income is income that is not yet invoiced and prepaid expenses are future expenses that are paid in advance.

For additional accounting policies, see Note P3.1 "Recognition on and derecognition from the balance sheet", Note P3.3 "Classification and measurement" and Note P3.4 "Fair value".

This note includes the specifications for the balance sheet line items "Other assets" and "Prepaid expenses and accrued income".

Other assets

EURm	31 Dec 2024	31 Dec 2023
Cash items in process of collection	153	134
Claims on securities settlement proceeds	1,111	1,130
Cash/margin receivables related to derivatives	5,118	6,908
Other	514	1,127
Total	6,896	9,299

Prepaid expenses and accrued income

EURm	31 Dec 2024	31 Dec 2023
Accrued interest income	2	3
Other accrued income	555	308
Prepaid expenses	430	465
Total	987	776

P9.6 Other liabilities

Accounting policies
Other liabilities are liabilities that do not qualify for any of the other line items covering liabilities. Under the accrual basis of accounting, accrued expenses are expenses incurred but for which an invoice has not yet been received and prepaid income is future income that is received in advance.

For additional accounting policies, see Note P3.1 "Recognition on and derecognition from the balance sheet", Note P3.3 "Classification and measurement" and Note P3.4 "Fair value".

This note includes the specifications for the balance sheet line items "Other liabilities" and "Accrued expenses and prepaid income".

Other liabilities

EURm	31 Dec 2024	31 Dec 2023
Liabilities on securities settlement proceeds	954	884
Sold, not held, securities	3,250	4,665
Cash items in process of collection	2,423	2,041
Accounts payable	91	86
Cash/margin payables	4,220	3,394
Other	1,721	1,225
Total	12,659	12,295

Accrued expenses and prepaid income

EURm	31 Dec 2024	31 Dec 2023
Accrued interest	10	14
Other accrued expenses	1,193	839
Prepaid income	54	63
Total	1,257	916

P9.7 Customer assets under management

Accounting policies
Customer assets under management are assets that are held and managed on behalf of customers but are not recognised on Nordea Bank Abp's balance sheet.

EURm	31 Dec 2024	31 Dec 2023
Asset management	134,660	122,095
Custody assets	238,352	259,512
Total	373,012	381,607

P9.8 Related party transactions

Accounting policies
Related party
A related party is a person or entity that is related to Nordea Bank Abp. Related parties are grouped in the following categories:
- Shareholders with significant influence
- Group undertakings
- Associated undertakings and joint ventures
- Key management personnel
- Other related parties.

Shareholders with significant influence
Shareholders with significant influence are shareholders that have the power to participate in the financial and operating policy decisions of Nordea Bank Abp but do not control those policies.

Group undertakings
Group undertakings are defined as the subsidiaries of the parent company, Nordea Bank Abp. Further information on the undertakings owned by Nordea Bank Abp is found in Note P8.1 "Investments in group undertakings".

Transactions between Nordea Bank Abp and its subsidiaries are performed according to the arm's length principle in conformity with OECD requirements on transfer pricing.

Associated undertakings and joint ventures
For the definition of associated undertakings and joint ventures, see Note P8.2 "Investments in associated undertakings and joint ventures".

Key management personnel
Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities in Nordea Bank Abp, directly or indirectly, including any director of the entity.

Other related parties
Other related parties comprise subsidiaries of shareholders with significant influence, close family members of key management personnel and companies controlled or jointly controlled by key management personnel or by close family members of key management personnel.

Related party transactions
A related party transaction is a transfer of resources, services or obligations between Nordea Bank Abp and a related party, regardless of whether a price is charged. See also accounting policies in Note P7.4 "Key management personnel remuneration".

All transactions with related parties are made on the same criteria and terms as those of comparable transactions with external parties of similar standing, apart from loans granted to employees as well as certain other commitments to key management personnel, see Note P7.4 "Key management personnel remuneration" and Note P6.1 "Contingent liabilities".

In Nordea Bank Abp key management personnel includes the following positions:
- Board of Directors
- Chief Executive Officer (CEO)
- Deputy Managing Director
- Group Leadership Team.

Loans to key management personnel amounted to EUR 1.0m (EUR 1.0m) and interest income on these loans amounted to EUR 0.0m (EUR 0.0m). Deposits from key management personnel amounted to EUR 5.7m (EUR 7.8m) and interest on these deposits amounted to EUR -0.1m (EUR -0.1m). Loan commitments to key management personnel amounted to EUR 0.0m (EUR 0.2m).

For key management personnel employed by Nordea Bank Abp the same credit terms apply as for other employees. In Finland, the employee interest rate for mortgage loans corresponds to Nordea Bank Abp's funding cost with a margin of 30bp and for other loans the employee interest rate corresponds to Nordea Bank Abp's funding cost with a margin of 60-500bp. In Denmark, the employee interest rate for loans is variable and between 2,7% – 5.2% depending of the type of mortgage. In Norway, the variable interest rate on loans to employees is 4.94%. Mortgage loans with fixed interest rates are offered with the same rates as mortgage loans to Premium customers. In Sweden, loans approved with employee conditions are a maximum at SEK 3m for any type of loan and maximum amount at SEK 0.4m for car loans. The interest rate for these loans is 215bp lower than the corresponding interest rate for external customers. For interest on loans above SEK 3m and SEK 0.4m respectively, the employees receive the same maximal discount as Nordea's best external customers.

Loans to family members of key management personnel who do not live in the same household as key management personnel are granted on normal market terms, as are loans to key management personnel who are not employed by Nordea Bank Abp. For more information about transactions with key management personnel, see Note P7.4 "Key management personnel remuneration".

The loan quality for key management personnel and their family members is good with no significant increase in credit risk. Loan loss provisions for key management personnel are included in the collectively assessed allowances shown in Note P2.10 "Net loan losses".

Nordea Bank Abp has not pledged any assets on behalf of key management personnel or their close family members.

For information about remuneration to key management personnel, see Note P7.4 "Key management personnel remuneration".

P9.8 Related party transactions, cont.

The information below is presented from Nordea Bank Abp's perspective, meaning that the information shows the effect of related party transactions on Nordea Bank Abp's figures.

Related party transactions

EURm	31 Dec 2024 Group undertakings	31 Dec 2024 Associated undertakings and joint ventures	31 Dec 2024 Other related parties[2]	31 Dec 2023 Group undertakings	31 Dec 2023 Associated undertakings and joint ventures	31 Dec 2023 Other related parties[2]
Assets						
Debt securities eligible for refinancing with central banks	11,180	–	–	12,966	–	–
Loans to credit institutions	68,788	–	–	64,963	–	–
Loans to the public	2,600	25	0	3,091	31	0
Interest-bearing securities	6,287	–	–	4,857	–	–
Derivatives	849	–	–	1,368	3	–
Other assets	290	–	–	853	1	–
Prepaid expenses and accrued income	260	–	–	430	–	–
Total assets	90,254	25	0	88,528	35	0
Liabilities						
Deposits by credit institutions and central banks	7,673	0	–	7,291	0	–
Deposits and borrowings from the public	3,354	1	11	3,260	1	19
Debt securities in issue	202	–	–	207	–	–
Derivatives	943	3	–	1,459	11	–
Other liabilities	533	0	0	490	–	0
Accrued expenses and deferred income	13	–	–	23	–	–
Provisions	–	0	–	–	0	–
Total liabilities	12,718	4	11	12,730	12	19
Off-balance sheet items[1]	159,476	9	5	155,447	10	5

Related party transactions, cont.

EURm	2024 Group undertakings	2024 Associated undertakings and joint ventures	2024 Other related parties[2]	2023 Group undertakings	2023 Associated undertakings and joint ventures	2023 Other related parties[2]
Income statement						
Interest income	3,259	0	0	3,025	0	0
Interest expense	280	0	0	-1	0	0
Net fee and commission income	466	0	0	437	0	0
Total net result from items at fair value[3]	-117	-1	0	-481	0	0
Other operating income	745	–	0	732	–	–
Total operating expenses	-87	0	–	-72	–	–
Profit before loan losses	4,546	-1	0	3,640	0	0

1) Including nominal values of derivatives.

2) Shareholders with significant influence (including their subsidiaries), close family members of key management personnel at Nordea Bank Abp and companies controlled or jointly controlled by key management personnel or by close family members of key management personnel at Nordea Bank Abp are considered to be related parties to Nordea Bank Abp. Other related parties also include Nordea Bank Abp's pension foundations.

3) Including the income statement line items "Net result from securities at fair value through profit or loss" and "Net result from securities at fair value through fair value reserve".

P10 Risk and liquidity management

1. Risk governance

Maintaining organisational risk awareness in the organisation is an integral part of Nordea Bank Abp's business strategy. Nordea Bank Abp has defined clear risk and liquidity management frameworks including policies and instructions covering all risk exposures.

For more information on Nordea Bank Abp's risk and liquidity management see section 1 "Risk governance" in the Group's Note G11.

Internal Control Framework

See section 1.1 "Internal Control Framework" in the Group's Note G11.

Decision-making bodies for risk, liquidity and capital management

See section 1.2 "Decision-making bodies for risk, liquidity and capital management" in the Group's Note G11.

Governance of risk management and compliance

See section 1.3 "Governance of risk management and compliance" in the Group's Note G11.

Disclosure requirements of the Capital Requirements Regulation – Capital and Risk Management Report 2024

Additional information on risk and capital management is presented in the Capital and Risk Management Report 2024, in accordance with the Capital Requirements Regulation.

2. Credit risk

Credits granted within Nordea Bank Abp must conform to the common principles established for Nordea. Nordea Bank Abp strives to have a well-diversified credit portfolio that is adapted to the structure of its home markets and economies. Nordea Bank Abp's loan portfolio is split by type of exposure classes (corporate and retail) or by sector, then further broken down by segment, industry and geography and reported monthly, quarterly and annually. For more information on the key principles for managing Nordea Bank Abp's risk exposures, see the Group Note G11, section 2 "Credit risk".

For credit risk management, credit risk definition and identification as well as credit risk mitigation, see sections 2 "Credit risk", 2.2 "Credit risk definition and identification" and 2.3 "Credit risk mitigation" in the Group's Note G11.

Exposures, allowances and provisions

Including on- and off-balance sheet exposures, the total credit risk exposure at year end was EUR 488bn (EUR 458bn). Credit risk is measured, monitored and segmented in different ways. On-balance sheet lending consists of amortised cost lending and fair value lending and constitutes the major part of the credit portfolio. Amortised cost lending is the basis for impaired loans, allowances and loan losses.

Credit risk in lending is measured and presented as the principal amount of on-balance sheet claims, i.e. loans to credit institutions and to the public, and off-balance sheet potential claims on customers and counterparties, net after allowances. Credit risk exposure also includes the risk related to derivative contracts and securities financing. Nordea Bank Abp's loans to the public increased by 1.4% to EUR 152bn during 2024 (EUR 150bn). The corporate portfolio increased approximately 5.1%, while the household portfolio decreased by 13.6%. The overall credit quality is solid with strongly rated customers and the macroeconomic outlook has improved during the year, however, close monitoring is performed due to uncertain macroeconomic development and geopolitical changes. Of the lending to the public portfolio, corporate customers accounted for 63.7% (65.7%), reverse repurchase agreements for 18.8% (13.9%), household customers for 15.6% (18.4%) and the public sector for 1.8% (1.9%). Loans to central banks and credit institutions increased to EUR 75bn at the end of 2024 (EUR 69bn).

Forbearance is eased terms or restructuring due to the borrower experiencing or about to experience financial difficulties. The intention of granting forbearance for a limited time period is to help the customer return to a sustainable financial situation ensuring full repayment of the outstanding debt. Examples of eased terms are changes in amortisation profile, repayment schedule, customer margin as well as ease of covenants. Forbearance is undertaken on a selective and individual basis for all customers and is followed by impairment testing for corporate customers as forbearance is considered a credit event. Individual loan loss provisions are recognised if necessary. Forbearance is approved according to the powers to act, and forborne exposures can be performing or non-performing. Forborne loans increased by EUR 484m to EUR 2,259m during the year of which 89% related to the corporate portfolio and 11% related to the household portfolio. The forbearance coverage ratio decreased from 24% to 18%.

Impaired loans gross at amortised cost increased to EUR 1,889m (EUR 1,707m). The increase was mainly related to the corporate portfolio, which increased by 9% and EUR 114 to EUR 1,385m. The largest increase is in industrials, increasing by EUR 169m, driven by the construction and materials industries and secondly in utilities and public services, which increased from EUR 7m to EUR 103m. This is partly offset by reductions of EUR 114m in Consumer discretionary services portfolio. The impaired household portfolio increased by 19% and EUR 76m mainly in the fourth quarter, driven by the implementation of new, enhanced collective provisioning models for the retail portfolio.

Net loan losses for 2024 amounted to EUR 83m (EUR 119m), corresponding to an annual net loan loss ratio of 7bp (9bp). Net loan losses were driven by the corporate portfolio, which saw net loan losses of EUR 88m mainly related to a limited number of customers in the small and medium-sized corporates portfolio with some concentration in the industrials and utilities, and public service portfolios. The household portfolio had net reversals of EUR 5m. At the end of the year, management judgement allowances amounted to EUR 300m (EUR 380m).

The management judgement is intended to cover excess losses from macroeconomic shocks and uncertainties that are regarded as extraordinary in relation to a normal contraction in the economic cycle, and are therefore not adequately captured by the existing IFRS 9 ECL modelling and known IFRS 9 model and data issues to be captured in later model updates. The uncertainties are mainly connected to macroeconomic, for example resulting from potential changes in trade policies and evolving geopolitical risks. The level at the end of 2024, compared to the end of 2023, was decreased by EUR 80m through the year mainly due to improved macroeconomic outlook in the Nordics with lower inflation and interest rates.

Total allowances for 2024 were EUR 1,395m (1,450m). Loan allowances for 2024 were EUR 1,179m (1,259m). This was driven by reduced stage 2 and 3 allowances in the real estate portfolio and in the household portfolio as the new retail models have led to a higher probability that impaired customers returns to performing status, thus decreasing the coverage need in the portfolio. Of loan allowances to the public, stage 1 accounted for EUR 94m (129m), stage 2 for EUR 240m (EUR 298m) and stage 3 for EUR 840m (EUR 826). The coverage ratio was 0.05% for stage 1 (0.07%), 3.1% for stage 2 (4.1%) and 44% for stage 3 (48%).

P10 Risk and liquidity management, cont.

Maximum exposure to credit risk

		31 Dec 2024		31 Dec 2023	
EURm	Note	Amortised cost and fair value through fair value reserve	Financial assets at fair value through profit or loss	Amortised cost and fair value through fair value reserve	Financial assets at fair value through profit or loss
Loans to credit institutions	P3.3, P3.7	73,163	1,976	67,395	1,194
Loans to the public	P3.3, P3.7	123,348	28,629	129,058	20,842
Interest-bearing securities[1]	P3.3, P3.8	54,865	26,114	50,913	22,851
Derivatives	P3.3, P3.10	–	26,054	–	27,832
Off-balance sheet items	P6.1, P6.2	153,362	–	137,524	–
Total		404,738	82,773	384,890	72,718

1) Including the balance sheet line item "Debt securities eligible for refinancing with central banks".

Collateral distribution

	31 Dec 2024	31 Dec 2023
Financial collateral	2.3%	1.9%
Receivables	1.3%	1.1%
Residential real estate	32.3%	35.4%
Commercial real estate	47.2%	44.7%
Other physical collateral	16.9%	16.9%
Total	100.0%	100.0%

Allowances for credit risk

EURm	Note	31 Dec 2024	31 Dec 2023
Loans to credit institutions	P3.7	5	6
Loans to the public	P3.7	1,174	1,253
Interest-bearing securities measured at fair value through fair value reserve or amortised cost[1]	P3.8	2	4
Off-balance sheet items	P5	215	187
Total		1,396	1,450

1) Including the balance sheet line item "Debt securities eligible for refinancing with central banks".

Assets taken over for protection of claims[1]

EURm	31 Dec 2024	31 Dec 2023
Current assets, carrying amount:		
Shares and other participations	2	6
Total	2	6

1) In accordance with Nordea Bank Abp's policy for taking over assets for protection of claims, which is in compliance with the local banking business acts wherever Nordea Bank Abp is located. Assets used as collateral for the loan are generally taken over when the customer is not able to fulfil its obligations towards Nordea Bank Abp. The assets taken over are disposed at the latest when full recovery is reached.

Loan-to-value[1]

	31 Dec 2024		31 Dec 2023	
Retail mortgage exposure	EURbn	%	EURbn	%
<50%	11.8	83.9	13.4	85.0
50–70%	1.5	11.0	1.7	10.9
71–80%	0.4	2.5	0.4	2.4
81–90%	0.2	1.2	0.2	1.1
>90%	0.2	1.3	0.1	0.6
Total	14.0	100.0	15.7	100.0

1) The amount and persentages in the table includes the relevant part of a loan, not the total loan.

Forbearance

EURm	31 Dec 2024	31 Dec 2023
Forborne loans	2,259	1,775
- of which defaulted	964	912
Allowances for individually assessed impaired and forborne loans	417	430
- of which defaulted	374	399

Key ratios	31 Dec 2024	31 Dec 2023
Forbearance ratio[1]	1.1%	0.9%
Forbearance coverage ratio[2]	18.5%	24.0%
- of which defaulted	38.8%	44.0%

1) Forborne loans/Loans held at amortised cost before allowances.
2) Individual allowances on forborne loans/Forborne loans.

Loans to corporate customers, by size of loans

	31 Dec 2024		31 Dec 2023	
Size in EURm	Loans EURm	%	Loans EURm	%
0–10	26,085	21	25,681	22
11–50	35,001	28	34,195	29
51–100	23,924	19	22,098	19
101–250	26,819	21	25,667	21
251–500	7,531	6	6,503	5
501–	5,990	5	5,255	4
Total	125,350	100	119,399	100

Impaired loans and ratios

EURm	2024	2023
Gross impaired loans, amortised cost	1,889	1,707
- of which servicing	877	914
- of which non-servicing	1,012	793
Impairment ratio, (stage 3), gross, bp	96	86
Impairment ratio, (stage 3), net, bp	53	45
Allowances in relation to loans (stages 1 and 2), bp	17	22
Total allowance ratio (stages 1, 2 and 3), bp	60	64
Allowances in relation to impaired loans (stage 3), %	44	48

Past due loans

	31 Dec 2024		31 Dec 2023	
EURm	Corporate customers	Household customers	Corporate customers	Household customers
6–30 days	98	180	88	261
31–60 days	27	54	48	72
61–90 days	18	30	24	33
>90 days	352	266	218	220
Total	495	531	378	586
Past due (incl. impaired) loans divided by loans to the public after allowances, %	0.4	2.2	0.3	2.1

Net loan losses and loan loss ratios

	2024	2023
Net loan losses, EURm	-83	-119
Net loan loss ratio, amortised cost, bp	7	9
- of which stage 3	11	11
- of which stages 1 and 2	-4	-2
Net loan loss ratio, including fair value gains, bp[1]	5	7
Net loan loss ratio, Personal Banking, bp[1]	1	27
Net loan loss ratio, Business Banking, bp[1]	20	13
Net loan loss ratio, Large Corporates & Institutions, bp[1]	-1	-1

1) Net loan losses including loan losses from loans at fair value recognised through fair value reserve divided by total lending at amortised cost and at fair value, bp.

P10 Risk and liquidity management, cont.

Loans to the public measured at amortised cost and fair value

31 Dec 2024, EURm	Denmark	Finland	Norway	Sweden[1]	Other	Total
Financial institutions	3,562	3,211	818	9,338	980	17,909
Agriculture	553	294	2,648	46	4	3,545
Crops, plantations and hunting	307	143	19	9	4	482
Animal husbandry	217	147	22	5	–	391
Fishing and aquaculture	29	4	2,607	32	–	2,672
Natural resources	51	734	539	293	91	1,708
Paper and forest products	42	472	181	275	91	1,061
Mining and supporting activities	6	254	10	18	–	288
Oil, gas and offshore	3	8	348	0	–	359
Consumer staples	2,804	696	991	1,846	55	6,392
Food processing and beverages	165	229	713	490	8	1,605
Household and personal products	89	66	121	406	2	684
Healthcare	2,550	401	157	950	45	4,103
Consumer discretionary and services	902	1,865	2,352	4,040	24	9,183
Consumer durables	102	219	233	1,814	23	2,391
Media and entertainment	257	291	103	608	0	1,259
Retail trade	358	1,045	888	1,155	0	3,446
Air transportation	123	1	16	28	–	168
Accommodation and leisure	59	241	603	206	–	1,109
Telecommunication services	3	68	509	229	1	810
Industrials	4,015	3,980	6,080	6,570	342	20,987
Materials	594	414	191	517	50	1,766
Capital goods	517	914	146	1,084	49	2,710
Commercial and professional services	719	464	1,398	1,058	203	3,842
Construction	417	790	2,746	1,057	–	5,010
Wholesale trade	1,427	615	726	1,883	23	4,674
Land transportation	69	219	126	347	15	776
IT services	272	564	747	624	2	2,209
Maritime	137	146	4,158	55	155	4,651
Shipbuilding	–	0	116	0	–	116
Shipping	30	56	3,883	34	155	4,158
Maritime services	107	90	159	21	0	377
Utilities and public service	726	2,737	1,763	664	0	5,890
Utilities distribution	578	1,170	999	372	–	3,119
Power production	95	1,322	595	201	0	2,213
Public services	53	245	169	91	0	558
Real estate	886	7,306	8,850	7,513	–	24,555
Commercial real estate	681	4,423	7,577	6,954	–	19,635
Residential real estate companies	56	857	462	400	–	1,775
Tenant-owned associations	149	2,026	811	159	–	3,145
Other industries	107	0	–	1	1,792	1,900
Total corporate	**13,743**	**20,969**	**28,199**	**30,366**	**3,443**	**96,720**

31 Dec 2024, EURm	Denmark	Finland	Norway	Sweden[1]	Other	Total
Housing loans	6,101	3,067	3,298	0	–	12,466
Collateralised lending	3,282	3,737	301	798	–	8,118
Non-collateralised lending	685	484	351	1,761	–	3,281
Household	**10,068**	**7,288**	**3,950**	**2,559**	**–**	**23,865**
Public sector	**676**	**425**	**17**	**1,642**	**3**	**2,763**
Reverse repurchase agreements	**–**	**28,629**	**–**	**–**	**–**	**28,629**
Loans to the public by country	**24,487**	**57,311**	**32,166**	**34,567**	**3,446**	**151,977**
of which loans at fair value	**–**	**28,629**	**–**	**–**	**–**	**28,629**

P10 Risk and liquidity management, cont.

Loans to the public measured at amortised cost and fair value

31 Dec 2023, EURm	Denmark	Finland	Norway	Sweden[1]	Other	Total
Financial institutions	3,760	3,407	960	7,809	677	16,613
Agriculture	548	296	2,589	51	6	3,490
Crops, plantations and hunting	323	150	21	9	6	509
Animal husbandry	212	142	14	18	–	386
Fishing and aquaculture	13	4	2,554	24	–	2,595
Natural resources	26	686	705	240	99	1,756
Paper and forest products	23	419	415	223	99	1,179
Mining and supporting activities	3	238	10	13	–	264
Oil, gas and offshore	0	29	280	4	–	313
Consumer staples	1,415	712	808	1,746	57	4,738
Food processing and beverages	282	260	559	451	16	1,568
Household and personal products	31	69	108	365	1	574
Healthcare	1,102	383	141	930	40	2,596
Consumer discretionary and services	983	2,085	2,484	4,781	185	10,518
Consumer durables	99	262	204	2,017	182	2,764
Media and entertainment	247	275	125	1,199	–	1,846
Retail trade	457	1,148	995	1,078	3	3,681
Air transportation	126	2	36	29	–	193
Accommodation and leisure	53	340	649	229	–	1,271
Telecommunication services	1	58	475	229	–	763
Industrials	4,892	4,167	6,716	7,251	183	23,209
Materials	376	427	210	518	10	1,541
Capital goods	526	1,011	186	838	58	2,619
Commercial and professional services	849	548	1,440	1,494	89	4,420
Construction	401	954	3,316	1,289	0	5,960
Wholesale trade	1,910	667	876	2,082	19	5,554
Land transportation	545	155	141	400	–	1,241
IT services	285	405	547	630	7	1,874
Maritime	83	127	4,557	70	304	5,141
Shipbuilding	0	3	163	0	–	166
Shipping	0	32	4,245	50	302	4,629
Maritime services	83	92	149	20	2	346
Utilities and public service	368	3,045	1,689	668	0	5,770
Utilities distribution	313	1,310	1,035	192	–	2,850
Power production	6	1,610	545	393	0	2,554
Public services	49	125	109	83	0	366
Real estate	788	6,915	10,122	7,855	79	25,759
Commercial real estate	631	4,196	8,599	7,087	79	20,592
Tenant-owned associations and residential real estate companies	157	2 719	1 523	768	–	5,167
Other industries	142	–	0	14	1,406	1,562
Total corporate	13,005	21,440	30,630	30,485	2,996	98,556

31 Dec 2023, EURm	Denmark	Finland	Norway	Sweden[1]	Other	Total
Housing loans	–	5,247	4,208	–	–	9,455
Collateralised lending	9,749	3,894	243	848	–	14,734
Non-collateralised lending	781	472	337	1,845	–	3,435
Household	10,530	9,613	4,788	2,693	–	27,624
Public sector	954	527	18	1,379	–	2,878
Reverse repurchase agreements	–	20,842	–	–	–	20,842
Loans to the public by country	24,489	52,422	35,436	34,557	2,996	149,900
of which loans at fair value	–	20,842	–	–	–	20,842

P10 Risk and liquidity management, cont.

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

	Gross			Allowances				
31 Dec 2024, EURm	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Net	Net loan loss[1]
Financial institutions	17,405	498	59	6	17	30	17,909	-8
Agriculture	3,347	185	56	3	14	26	3,545	-4
Crops, plantations and hunting	407	77	16	0	11	7	482	-11
Animal husbandry	311	62	40	0	3	19	391	8
Fishing and aquaculture	2,629	46	0	3	0	0	2,672	-1
Natural resources	1,662	46	12	2	2	8	1,708	-6
Paper and forest products	1,019	41	12	1	2	8	1,061	-4
Mining and supporting activities	283	5	0	0	0	0	288	0
Oil, gas and offshore	360	0	0	1	0	0	359	-2
Consumer staples	6,215	183	16	7	7	8	6,392	18
Food processing and beverages	1,515	92	8	2	3	5	1,605	11
Household and personal products	670	14	3	1	1	1	684	0
Healthcare	4,030	77	5	4	3	2	4,103	7
Consumer discretionary and services	8,157	857	424	9	32	214	9,183	-25
Consumer durables	2,121	243	83	1	5	50	2,391	-7
Media and entertainment	1,080	157	55	1	2	30	1,259	-7
Retail trade	2,978	357	248	5	22	110	3,446	-14
Air transportation	165	2	2	0	0	1	168	0
Accommodation and leisure	1,007	94	31	2	3	18	1,109	4
Telecommunication services	806	4	5	0	0	5	810	-1
Industrials	18,862	2,007	475	19	84	254	20,987	-56
Materials	1,640	86	67	2	4	21	1,766	-12
Capital goods	2,443	273	24	3	13	14	2,710	7
Commercial and professional services	3,522	317	29	-1	9	18	3,842	-11
Construction	4,348	624	147	6	25	78	5,010	-17
Wholesale trade	4,201	442	114	5	24	54	4,674	-23
Land transportation	711	67	11	1	3	9	776	12
IT services	1,997	198	83	3	6	60	2,209	-12
Maritime	4,502	130	51	0	1	31	4,651	11
Shipbuilding	4	113	0	0	1	0	116	-1
Shipping	4,135	3	51	0	0	31	4,158	12
Maritime services	363	14	0	0	0	0	377	0
Utilities and public service	5,760	93	103	4	2	60	5,890	-59
Utilities distribution	3,041	39	100	2	1	58	3,119	-58
Power production	2,206	7	1	1	0	0	2,213	-1
Public services	513	47	2	1	1	2	558	0
Real estate	22,865	1,592	185	16	14	57	24,555	38
Other industries	1,897	0	4	0	0	1	1,900	3
Total corporate	**90,672**	**5,591**	**1,385**	**66**	**173**	**689**	**96,720**	**-88**

	Gross			Allowances				
31 Dec 2024, EURm	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Net	Net loan loss[1]
Housing loans	11,577	794	177	6	15	61	12,466	21
Collateralised lending	7,265	736	198	5	19	57	8,118	3
Non-collateralised lending	2,728	526	109	17	33	32	3,281	-19
Household	21,570	2,056	484	28	67	150	23,865	5
Public sector	2,742	2	20	0	0	1	2,763	0
Loans to the public	114,984	7,649	1,889	94	240	840	123,348	-83
Loans to credit institutions and central banks	73,159	9	0	5	0	0	73,163	–
Total	188,143	7,658	1,889	99	240	840	196,511	-83

1) The table shows net loan losses related to on- and off-balance sheet exposures for the full year 2024.

P10 Risk and liquidity management, cont.

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

	Gross			Allowances				
31 Dec 2023, EURm	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Net	Net loan loss[1]
Financial institutions	16,416	216	65	7	7	36	16,647	-8
Agriculture	3,374	101	56	4	5	32	3,490	26
Crops, plantations and hunting	466	40	12	2	2	5	509	1
Animal husbandry	322	51	44	1	3	27	386	26
Fishing and aquaculture	2,586	10	0	1	0	0	2,595	-1
Natural resources	1,709	52	12	2	4	11	1,756	-3
Paper and forest products	1,142	43	12	2	4	11	1,180	-6
Mining and supporting activities	255	9	0	0	0	0	264	0
Oil, gas and offshore	312	0	0	0	0	0	312	3
Consumer staples	4,537	163	79	7	8	26	4,738	-2
Food processing and beverages	1,455	84	51	3	4	15	1,568	-6
Household and personal products	559	17	1	1	1	1	574	1
Healthcare	2,523	62	27	3	3	10	2,596	3
Consumer discretionary and services	9,374	873	538	11	46	210	10,518	-46
Consumer durables	2,436	297	99	2	6	60	2,764	-30
Media and entertainment	1,619	64	195	1	4	27	1,846	-19
Retail trade	3,233	372	212	6	28	102	3,681	-2
Air transportation	188	4	3	0	0	2	193	0
Accommodation and leisure	1,137	134	24	2	8	14	1,271	6
Telecommunication services	761	2	5	0	0	5	763	-1
Industrials	21,590	1,656	306	32	90	221	23,209	-28
Materials	1,457	86	16	2	4	12	1,541	-1
Capital goods	2,430	189	37	4	14	19	2,619	1
Commercial and professional services	4,279	145	23	6	9	12	4,420	0
Construction	5,263	729	72	9	32	63	5,960	5
Wholesale trade	5,274	281	72	6	22	45	5,554	-23
Land transportation	1,201	45	21	1	2	23	1,241	21
IT services	1,686	181	65	4	7	47	1,874	-31
Maritime	5,085	48	48	15	2	23	5,141	10
Shipbuilding	160	6	–	0	0	0	166	3
Shipping	4,582	39	48	15	2	23	4,629	7
Maritime services	343	3	0	0	0	0	346	0
Utilities and public service	5,715	58	7	4	2	4	5,770	2
Utilities distribution	2,821	27	4	1	0	1	2,850	1
Power production	2,547	10	1	2	1	1	2,554	0
Public services	347	21	2	1	1	2	366	1
Real estate	24,272	1,471	160	23	39	82	25,759	-33
Other industries	1,528	0	0	0	0	0	1,528	12
Total corporate	**93,600**	**4,638**	**1,271**	**105**	**203**	**645**	**98,556**	**-70**

	Gross			Allowances				
31 Dec 2023, EURm	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Net	Net loan loss[1]
Housing loans	8,838	526	150	2	9	47	9,456	-5
Collateralised lending	13,241	1,440	190	9	34	94	14,734	-4
Non-collateralised lending	2,852	617	68	13	52	38	3,434	-40
Household	24,931	2,583	408	24	95	179	27,624	-49
Public sector	2,853	0	27	0	0	2	2,878	0
Loans to the public	121,384	7,221	1,706	129	298	826	129,058	-119
Loans to credit institutions and central banks	67,392	8	1	5	0	1	67,395	–
Total	188,776	7,229	1,707	134	298	827	196,453	-119

1) The table shows net loan losses related to on- and off-balance sheet exposures for the full year 2023.

P10 Risk and liquidity management, cont.

Impaired loans (stage 3) to the public by country and industry (including loans at fair value)

31 Dec 2024, EURm	Denmark	Finland	Norway	Sweden	Outside Nordic	Total
Financial institutions	52	3	4	0	–	59
Agriculture	33	23	0	0	–	56
Crops, plantations and hunting	10	6	–	0	–	16
Animal husbandry	23	17	0	–	–	40
Fishing and aquaculture	–	0	0	–	–	0
Natural resources	5	6	1	0	–	12
Paper and forest products	5	6	1	–	–	12
Mining and supporting activities	–	0	0	–	–	0
Oil, gas and offshore	–	0	–	–	–	0
Consumer staples	3	10	1	2	–	16
Food processing and beverages	1	6	0	1	–	8
Household and personal products	0	3	–	0	–	3
Healthcare	2	1	1	1	–	5
Consumer discretionary and services	129	136	23	136	–	424
Consumer durables	1	48	2	32	–	83
Media and entertainment	2	18	0	35	–	55
Retail trade	121	50	20	57	–	248
Air transportation	–	2	–	0	–	2
Accommodation and leisure	5	18	1	7	–	31
Telecommunication services	–	0	–	5	–	5
Industrials	96	139	112	128	–	475
Materials	52	5	5	5	–	67
Capital goods	3	19	0	2	–	24
Commercial and professional services	8	11	5	5	–	29
Construction	3	73	55	16	–	147
Wholesale trade	28	14	44	28	–	114
Land transportation	1	4	0	6	–	11
IT services	1	13	3	66	–	83
Maritime	–	0	51	–	–	51
Shipbuilding	–	0	–	–	–	0
Shipping	–	0	51	–	–	51
Maritime services	–	0	–	–	–	0
Utilities and public service	98	4	1	0	–	103
Utilities distribution	98	2	–	0	–	100
Power production	–	1	–	0	–	1
Public services	0	1	1	0	–	2
Real estate	5	123	45	12	–	185
Other industries	4	0	–	–	–	4
Total corporate	425	444	238	278	–	1,385

31 Dec 2024, EURm	Denmark	Finland	Norway	Sweden	Outside Nordic	Total
Housing loans	32	113	32	–	–	177
Collateralised lending	79	106	1	12	–	198
Non-collateralised lending	19	17	10	63	–	109
Household	130	236	43	75	–	484
Public sector	20	–	–	–	–	20
Total impaired loans	575	680	281	353	–	1,889
of which fair value	–	–	–	–	–	–

P10 Risk and liquidity management, cont.

Impaired loans (stage 3) to the public by country and industry (including loans at fair value)

31 Dec 2023, EURm	Denmark	Finland	Norway	Sweden	Outside Nordic	Total
Financial institutions	52	2	7	4	–	65
Agriculture	30	26	0	0	–	56
Crops, plantations and hunting	5	7	–	0	–	12
Animal husbandry	25	19	–	–	–	44
Fishing and aquaculture	0	–	0	–	–	0
Natural resources	1	6	0	5	–	12
Paper and forest products	1	6	0	5	–	12
Mining and supporting activities	–	0	–	–	–	0
Oil, gas and offshore	–	0	–	–	–	0
Consumer staples	63	13	1	2	–	79
Food processing and beverages	39	10	–	2	–	51
Household and personal products	0	1	0	0	–	1
Healthcare	24	2	1	0	–	27
Consumer discretionary and services	124	92	24	298	–	538
Consumer durables	1	41	–	57	–	99
Media and entertainment	2	11	–	182	–	195
Retail trade	120	20	24	48	–	212
Air transportation	–	1	–	2	–	3
Accommodation and leisure	1	19	0	4	–	24
Telecommunication services	–	0	0	5	–	5
Industrials	68	101	19	118	0	306
Materials	11	5	0	0	–	16
Capital goods	15	18	1	3	–	37
Commercial and professional services	3	10	7	3	–	23
Construction	5	46	7	14	–	72
Wholesale trade	33	10	4	25	–	72
Land transportation	0	5	0	16	–	21
IT services	1	7	0	57	–	65
Maritime	–	0	48	–	–	48
Shipbuilding	–	0	–	–	–	–
Shipping	–	0	48	–	–	48
Maritime services	–	0	–	–	–	0
Utilities and public service	1	5	–	1	–	7
Utilities distribution	–	4	–	–	–	4
Power production	–	0	–	1	–	1
Public services	1	1	–	0	–	2
Real estate	8	80	59	13	–	160
Other industries	0	–	–	–	–	0
Total corporate	**347**	**325**	**158**	**441**	**0**	**1,271**

31 Dec 2023, EURm	Denmark	Finland	Norway	Sweden	Outside Nordic	Total
Housing loans	–	118	32	–	–	150
Collateralised lending	88	98	1	3	–	190
Non-collateralised lending	17	10	4	37	–	68
Household	**105**	**226**	**37**	**40**	**–**	**408**
Public sector	**27**	**–**	**–**	**–**	**–**	**27**
Total impaired loans	**479**	**551**	**195**	**481**	**0**	**1,706**
of which fair value	**–**	**–**	**–**	**–**	**–**	**–**

Loans to the public measured at amortised cost

31 Dec 2024, EURm	Net loan losses[1]	Net loan loss ratio, bp	Impaired loans (stage 3)	Impairment ratio gross, bp	Allowances total	Allowances (stage 1)	Allowances (stage 2)	Allowances (stage 3)	Coverage ratio %[2]	Loans measured at amortised cost
Financial institutions	-8	-4	59	33	53	6	17	30	51	17,909
Agriculture	-4	-11	56	156	43	3	14	26	46	3,545
Crops, plantations and hunting	-11	-228	16	320	18	0	11	7	44	482
Animal husbandry	8	205	40	969	22	0	3	19	48	391
Fishing and aquaculture	-1	-4	0	0	3	3	0	0	0	2,672
Natural resources	-6	-35	12	70	12	2	2	8	67	1,708
Paper and forest products	-4	-38	12	112	11	1	2	8	67	1,061
Mining and supporting activities	0	0	0	0	0	0	0	0	0	288
Oil, gas and offshore	-2	-56	0	0	1	1	0	0	0	359
Consumer staples	18	28	16	25	22	7	7	8	50	6,392
Food processing and beverages	11	69	8	50	10	2	3	5	63	1,605
Household and personal products	0	0	3	44	3	1	1	1	33	684
Healthcare	7	17	5	12	9	4	3	2	40	4,103
Consumer discretionary and services	-25	-27	424	449	255	9	32	214	50	9,183
Consumer durables	-7	-29	83	339	56	1	5	50	60	2,391
Media and entertainment	-7	-56	55	426	33	1	2	30	55	1,259
Retail trade	-14	-41	248	692	137	5	22	110	44	3,446
Air transportation	0	0	2	118	1	0	0	1	50	168
Accommodation and leisure	4	36	31	274	23	2	3	18	58	1,109
Telecommunication services	-1	-12	5	61	5	0	0	5	100	810
Industrials	-56	-27	475	223	357	19	84	254	53	20,987
Materials	-12	-68	67	374	27	2	4	21	31	1,766
Capital goods	7	26	24	88	30	3	13	14	58	2,710
Commercial and professional services	-11	-29	29	75	26	-1	9	18	62	3,842
Construction	-17	-34	147	287	109	6	25	78	53	5,010
Wholesale trade	-23	-49	114	240	83	5	24	54	47	4,674
Land transportation	12	155	11	139	13	1	3	9	82	776
IT services	-12	-54	83	364	69	3	6	60	72	2,209
Maritime	11	24	51	109	32	0	1	31	61	4,651
Shipbuilding	-1	-86	0	0	1	0	1	0	0	116
Shipping	12	29	51	122	31	0	0	31	61	4,158
Maritime services	0	0	0	0	0	0	0	0	0	377

31 Dec 2024, EURm	Net loan losses[1]	Net loan loss ratio, bp	Impaired loans (stage 3)	Impairment ratio gross, bp	Allowances total	Allowances (stage 1)	Allowances (stage 2)	Allowances (stage 3)	Coverage ratio %[2]	Loans measured at amortised cost
Utilities and public service	-59	-100	103	173	66	4	2	60	58	5,890
Utilities distribution	-58	-186	100	314	61	2	1	58	58	3,119
Power production	-1	-5	1	5	1	1	0	0	0	2,213
Public services	0	0	2	36	4	1	1	2	100	558
Real estate	38	15	185	75	87	16	14	57	31	24,555
Other industries	3	16	4	21	1	0	0	1	25	1,900
Total corporate	-88	-9	1 385	142	928	66	173	689	50	96,720
Housing loans	21	17	177	141	82	6	15	61	34	12,466
Collateralised lending	3	4	198	241	81	5	19	57	29	8,118
Non-collateralised lending	-19	-58	109	324	82	17	33	32	29	3,281
Household	5	2	484	201	245	28	67	150	31	23,865
Public sector	0	0	20	72	1	0	0	1	5	2,763
Loans to the public	-83	-7	1 889	152	1 174	94	240	840	44	123,348

1) Including provisions for off-balance sheet exposures.
2) Allowances for stage 3 divided by exposures in stage 3.

P10 Risk and liquidity management, cont.

Loans to the public measured at amortised cost

31 Dec 2023, EURm	Net loan losses[1]	Net loan loss ratio, bp	Impaired loans (stage 3)	Impairment ratio gross, bp	Allowances total	Allowances (stage 1)	Allowances (stage 2)	Allowances (stage 3)	Coverage ratio %[2]	Loans measured at amortised cost
Financial institutions	-8	-5	65	39	50	7	7	36	55	16,647
Agriculture	26	74	56	159	41	4	5	32	57	3,490
Crops, plantations and hunting	1	20	12	232	9	2	2	5	42	509
Animal husbandry	26	674	44	1,055	31	1	3	27	61	386
Fishing and aquaculture	-1	-4	0	0	1	1	0	0	0	2,595
Natural resources	-3	-17	12	68	17	2	4	11	92	1,756
Paper and forest products	-6	-51	12	100	17	2	4	11	92	1,180
Mining and supporting activities	0	0	0	0	0	0	0	0	0	264
Oil, gas and offshore	3	96	0	0	0	0	0	0	0	312
Consumer staples	-2	-4	79	165	41	7	8	26	33	4,738
Food processing and beverages	-6	-38	51	321	22	3	4	15	29	1,568
Household and personal products	1	17	1	17	3	1	1	1	100	574
Healthcare	3	12	27	103	16	3	3	10	37	2,596
Consumer discretionary and services	-46	-44	538	499	267	11	46	210	39	10,518
Consumer durables	-30	-109	99	350	68	2	6	60	61	2,764
Media and entertainment	-19	-103	195	1,038	32	1	4	27	14	1,846
Retail trade	-2	-5	212	555	136	6	28	102	48	3,681
Air transportation	0	0	3	154	2	0	0	2	67	193
Accommodation and leisure	6	47	24	185	24	2	8	14	58	1,271
Telecommunication services	-1	-13	5	65	5	0	0	5	100	763
Industrials	-28	-12	306	130	343	32	90	221	72	23,209
Materials	-1	-6	16	103	18	2	4	12	75	1,541
Capital goods	1	4	37	139	37	4	14	19	51	2,619
Commercial and professional services	0	0	23	52	27	6	9	12	52	4,420
Construction	5	8	72	119	104	9	32	63	88	5,960
Wholesale trade	-23	-41	72	128	73	6	22	45	63	5,554
Land transportation	21	169	21	166	26	1	2	23	110	1,241
IT services	-31	-165	65	336	58	4	7	47	72	1,874
Maritime	10	19	48	93	40	15	2	23	48	5,141
Shipbuilding	3	181	–	0	0	0	0	0	0	166
Shipping	7	15	48	103	40	15	2	23	48	4,629
Maritime services	0	0	0	0	0	0	0	0	0	346

31 Dec 2023, EURm	Net loan losses[1]	Net loan loss ratio, bp	Impaired loans (stage 3)	Impairment ratio gross, bp	Allowances total	Allowances (stage 1)	Allowances (stage 2)	Allowances (stage 3)	Coverage ratio %[2]	Loans measured at amortised cost
Utilities and public service	2	3	7	12	10	4	2	4	57	5,770
Utilities distribution	1	4	4	14	2	1	0	1	25	2,850
Power production	0	0	1	4	4	2	1	1	100	2,554
Public services	1	27	2	54	4	1	1	2	100	366
Real estate	-33	-13	160	62	144	23	39	82	51	25,759
Other industries	12	79	0	0	0	0	–	0	0	1,528
Total corporate	-70	-7	1,271	128	953	105	203	645	51	98,556
Housing loans	-5	-5	150	158	58	2	9	47	31	9,456
Collateralised lending	-4	-3	190	128	137	9	34	94	49	14,734
Non-collateralised lending	-40	-116	68	192	103	13	52	38	56	3,434
Household	-49	-18	408	146	298	24	95	179	44	27,624
Public sector	0	0	27	94	2	0	0	2	7	2,878
Loans to the public	-119	-9	1,706	131	1,253	129	298	826	48	129,058

1) Including provisions for off-balance sheet exposures.
2) Allowances for stage 3 divided by exposures in stage 3.

P10 Risk and liquidity management, cont.

Loans to the public measured at amortised cost, geographical breakdown[1]

	Gross			Allowances			
31 Dec 2024, EURm	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Net**
Denmark	23,283	1,204	552	20	92	270	24,657
Finland	23,832	3,032	677	23	57	278	27,182
Norway	25,708	1,718	263	24	31	85	27,549
Sweden	26,214	1,545	341	21	55	182	27,842
Russia	1	0	0	0	0	0	1
US	2,786	2	0	0	1	0	2,788
Other	13,160	148	56	5	4	24	13,330
Total	114,984	7,649	1,889	94	240	840	123,348

1) Based on the customer's country of domicile.

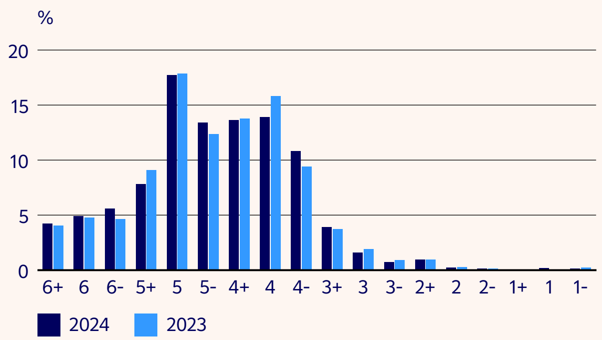
	Gross			Allowances			
31 Dec 2023, EURm	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**	**Net**
Denmark	22,910	1,226	453	22	113	237	24,217
Finland	26,888	2,841	540	32	70	268	29,899
Norway	28,827	1,400	172	41	41	67	30,250
Sweden	27,835	1,652	472	19	68	217	29,655
Russia	1	0	0	0	0	0	1
US	2,475	4	1	1	0	0	2,478
Other	12,448	98	69	14	6	38	12,557
Total	121,384	7,221	1,707	129	298	827	129,058

1) Based on the customer's country of domicile.

Rating and scoring distribution

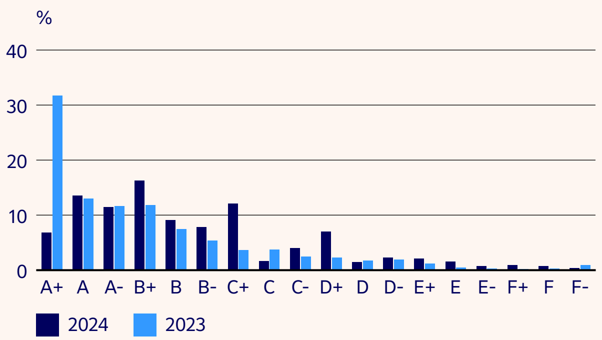
One way of assessing credit quality is through analysis of the distribution across rating grades for rated corporate customers and institutions as well as across risk grades for scored household and small business customers, i.e. retail exposures. For the corporate portfolio, the largest rating groups were ratings 5 and 4. For the retail rating grade, the largest scoring group was B.

Rating distribution IRB corporate customers[1]



1) Defaulted loans are not included in the rating distribution.

Risk grade distribution IRB retail customers[1]



1) Defaulted loans are not included in the risk grade distribution. Scoring grades have been converted to risk grades.

P10 Risk and liquidity management, cont.

Rating information for loans measured at amortised cost

EURm		Gross carrying amount 31 Dec 2024				
Rating grade[1]	Average PD (%)	Stage 1	Stage 2	Stage 3	Total	Allowances
7	–	2,345	1	–	2,346	0
6	0.01	9,636	31	–	9,667	3
5	0.08	33,289	48	–	33,336	19
4	0.23	39,774	1,029	1	40,805	49
3	3.64	4,715	2,103	1	6,820	56
2	16.49	133	1,460	33	1,626	88
1	34.08	47	439	10	496	31
Standardised/Unrated	n.a.	4,473	0	0	4,473	20
0 (default)	100.00	11	43	1,293	1,347	648
Group undertakings	n.a.	71,388	–	–	71,388	0
Total		165,811	5,153	1,339	172,303	913

EURm		Gross carrying amount 31 Dec 2023				
Rating grade[1]	Average PD (%)	Stage 1	Stage 2	Stage 3	Total	Allowances
7	–	2,293	1	–	2,294	1
6	0.02	9,232	18	–	9,250	3
5	0.09	33,213	31	0	33,244	26
4	0.29	41,331	913	3	42,246	62
3	2.59	6,234	1,609	1	7,844	86
2	17.69	338	1,466	16	1,820	72
1	33.01	85	358	2	445	41
Standardised/Unrated	0.00	2,893	2	1	2,897	2
0 (default)	100.00	13	19	1,237	1,269	620
Group undertakings	n.a.	67,760	–	–	67,760	–
Total		163,392	4,417	1,260	169,069	913

1) The stage classification and calculation provision for each exposure are based on the situation as at the end of October 2024 (October 2023), while the exposure amount and rating grades are based on the situation as at the end of December 2024 (December 2023). Some of the exposures in default according to the rating grade as at the end of December were not in default as at the end of October, which is reflected in the stage classification.

Scoring information for loans measured at amortised cost

EURm		Gross carrying amount 31 Dec 2024				
Scoring grade[1]	Average PD (%)	Stage 1	Stage 2	Stage 3	Total	Allowances
A	0.12	6,786	14	0	6,801	2
B	0.46	7,258	104	0	7,363	7
C	1.20	4,501	219	2	4,722	11
D	7.20	2,988	670	3	3,660	28
E	20.59	357	821	3	1,181	27
F	29.81	99	619	3	721	33
Standardised/Unrated	5.23	299	10	7	315	3
0 (default)	100.00	44	48	531	623	155
Total		22,332	2,505	550	25,387	265

EURm		Gross carrying amount 31 Dec 2023				
Scoring grade[1]	Average PD (%)	Stage 1	Stage 2	Stage 3	Total	Allowances
A	0.05	11,972	105	2	12,079	7
B	0.55	7,570	402	2	7,974	14
C	2.38	3,560	717	10	4,287	27
D	8.31	1,609	635	6	2,250	24
E	23.94	425	463	4	892	30
F	28.48	158	436	20	614	40
Standardised/Unrated	0.42	62	9	0	71	0
0 (default)	100.00	27	46	403	476	204
Total		25,383	2,813	447	28,643	346

1) The stage classification and calculated provisioning for each exposure are based on the situation as at the end of October 2024 (October 2023), while the exposure amount and rating grades are based on the situation as at the end of December 2024 (December 2023). Some of the exposures in default according to the rating grade as at the end of December were not in default as at the end of October, which is reflected in the stage classification.

P10 Risk and liquidity management, cont.

Rating information for off-balance sheet items

EURm Rating grade	Nominal amount 31 Dec 2024				
	Stage 1	Stage 2	Stage 3	Total	Provisions
7	8,076	0	–	8,076	2
6	10,574	329	–	10,902	5
5	35,542	149	–	35,691	16
4	18,742	353	0	19,096	15
3	2,983	1,224	5	4,212	27
2	43	784	0	827	23
1	1	221	0	222	12
Standardised/Unrated	122	82	0	204	7
0 (default)	6	3	336	345	24
Group undertakings	61,140	–	–	61,140	–
Total	137,229	3,144	342	140,715	132

EURm Rating grade	Nominal amount 31 Dec 2023				
	Stage 1	Stage 2	Stage 3	Total	Provisions
7	6,720	–	–	6,720	0
6	10,568	15	0	10,583	1
5	35,496	80	0	35,576	10
4	18,578	439	0	19,017	17
3	2,653	1,123	4	3,780	27
2	94	566	15	675	20
1	0	237	0	237	21
Standardised/Unrated	380	97	3	480	3
0 (default)	–	–	168	168	23
Group undertakings	48,217	–	–	48,217	–
Total	122,705	2,557	190	125,453	122

Scoring information for off-balance sheet items

EURm Scoring grade	Nominal amount 31 Dec 2024				
	Stage 1	Stage 2	Stage 3	Total	Provisions
A	5,625	19	0	5,644	1
B	3,741	25	0	3,766	6
C	1,381	118	0	1,500	5
D	776	149	0	925	7
E	14	358	0	373	38
F	2	64	0	66	5
Standardised/Unrated	1	332	0	333	1
0 (default)	2	3	36	41	19
Total	11,542	1,069	36	12,648	83

EURm Scoring grade	Nominal amount 31 Dec 2023				
	Stage 1	Stage 2	Stage 3	Total	Provisions
A	8,029	5	0	8,034	4
B	1,848	59	1	1,908	5
C	837	231	0	1,068	14
D	447	273	0	719	10
E	0	105	0	105	12
F	0	51	0	51	8
Standardised/Unrated	152	12	0	164	0
0 (default)	–	0	20	20	12
Total	11,313	736	21	12,070	65

P10 Risk and liquidity management, cont.

Carrying amount of loans measured at amortised cost, before allowances

	Central banks and credit institutions				The public				Total			
EURm	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance at 1 Jan 2024	67,392	8	1	67,401	121,384	7,222	1,706	130,311	188,776	7,229	1,707	197,712
Origination and acquisition	18,714	4	0	18,718	46,348	332	67	46,747	65,062	336	67	65,465
Transfers between stage 1 and stage 2 (net)	-2	2	–	–	-1,701	1,701	–	–	-1,703	1,703	–	–
Transfers between stage 2 and stage 3 (net)	–	–	–	–	–	-161	161	–	–	-161	161	–
Transfers between stage 1 and stage 3 (net)	–	–	–	–	-208	–	208	–	-208	–	208	–
Repayments and disposals	-18,704	-6	-1	-18,712	-36,446	-2,031	-392	-38,868	-55,149	-2,037	-393	-57,580
Write-offs	–	–	–	–	–	–	-139	-139	–	–	-139	-139
Other changes[1]	6,160	2	–	6,162	-13,214	677	290	-12,247	-7,054	679	290	-6,085
Translation differences	-402	0	–	-402	-1,180	-90	-13	-1,282	-1,581	-90	-13	-1,684
Closing balance at 31 Dec 2024	73,159	9	0	73,168	114,984	7,649	1,889	124,522	188,143	7,658	1,889	197,690

1) Other changes are mainly related to changes in utilisation of credits granted in earlier years, internal and revolving products.

	Central banks and credit institutions				The public				Total			
EURm	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance at 1 Jan 2023	70,614	8	13	70,635	126,050	5,527	1,587	133,164	196,663	5,534	1,600	203,798
Origination and acquisition	56,784	6	0	56,790	51,915	506	47	52,468	108,699	512	47	109,258
Transfers between stage 1 and stage 2 (net)	2	-2	–	–	-2,015	2,015	–	–	-2,013	2,013	–	–
Transfers between stage 2 and stage 3 (net)	–	–	–	–	–	-77	77	–	0	-77	77	–
Transfers between stage 1 and stage 3 (net)	–	–	–	–	-37	–	37	–	-37	0	37	–
Repayments and disposals	-19,709	-3	-13	-19,725	-29,409	-1,390	-400	-31,199	-49,117	-1,393	-413	-50,924
Write-offs	–	–	–	–	–	–	-155	-155	0	0	-155	-155
Other changes[1]	-40,114	-1	2	-40,112	-23,830	722	522	-22,586	-63,944	721	524	-62,699
Translation differences	-185	0	0	-185	-1,290	-81	-10	-1,381	-1,475	-81	-10	-1,566
Closing balance at 31 Dec 2023	67,392	8	1	67,401	121,384	7,222	1,705	130,311	188,776	7,229	1,707	197,712

1) Other changes are mainly related to changes in utilisation of credits granted in earlier years, internal and revolving products.

P10 Risk and liquidity management, cont.

Movements in allowance accounts for loans measured at amortised cost

	Central banks and credit institutions				The public				Total			
EURm	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance at 1 Jan 2024	-5	0	-1	-6	-129	-299	-826	-1,253	-134	-299	-827	-1,259
Origination and acquisition	-1	-0	–	-1	-23	-14	-8	-46	-24	-14	-8	-47
Transfers from stage 1 to stage 2	0	-0	–	–	8	-97	–	-89	8	-97	–	-89
Transfers from stage 1 to stage 3	–	–	-0	-0	1	–	-109	-108	1	–	-109	-108
Transfers from stage 2 to stage 1	–	–	–	–	-5	55	–	50	-5	55	–	50
Transfers from stage 2 to stage 3	–	–	–	–	–	23	-106	-83	–	23	-106	-83
Transfers from stage 3 to stage 1	-0	–	0	0	-0	–	3	2	-0	–	3	3
Transfers from stage 3 to stage 2	–	–	–	–	–	-8	29	21	–	-8	29	21
Changes in credit risk without stage transfer	-1	0	-0	-1	8	14	10	31	7	14	10	31
Repayments and disposals	2	0	1	3	45	85	84	215	47	85	85	218
Write-off through decrease in allowance account	–	–	–	–	–	–	77	77	–	–	77	77
Translation differences	-0	–	–	-0	1	1	6	9	1	1	6	9
Closing balance at 31 Dec 2024	-5	0	-0	-5	-94	-240	-840	-1,174	-99	-240	-840	-1,179

	Central banks and credit institutions				The public				Total			
EURm	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance at 1 Jan 2023	-3	0	-5	-9	-137	-296	-822	-1,255	-140	-296	-827	-1,264
Origination and acquisition	-2	0	–	-2	-39	-19	-11	-69	-41	-19	-11	-71
Transfers from stage 1 to stage 2	0	0	–	0	10	-117	–	-107	10	-117	–	-107
Transfers from stage 1 to stage 3	–	–	–	–	1	–	-55	-56	1	0	-56	-55
Transfers from stage 2 to stage 1	0	0	–	0	-4	47	–	43	-4	47	0	43
Transfers from stage 2 to stage 3	–	–	–	–	0	19	-80	-61	0	19	-80	-61
Transfers from stage 3 to stage 1	–	–	–	–	0	0	7	7	0	0	7	7
Transfers from stage 3 to stage 2	–	0	0	0	–	-2	16	14	–	-2	16	14
Changes in credit risk without stage transfer	-2	0	4	2	-6	14	-28	-20	-8	14	-24	-18
Repayments and disposals	2	0	–	2	44	55	75	174	46	55	75	176
Write-off through decrease in allowance account	–	0	–	–	–	–	70	70	–	–	70	70
Translation differences	0	0	0	0	2	1	4	7	2	1	4	7
Closing balance at 31 Dec 2023	-5	0	-1	-7	-129	-298	-826	-1,252	-134	-299	-827	-1,259

The tables show the changes in exposure/allowances for each stage during the year. If an exposure is moved e.g. to stage 2 from stage 1, there will be a reversal in stage 1 and an increase in stage 2.

P10 Risk and liquidity management, cont.

Movements in provisions for off-balance sheet items

EURm	Stage 1	Stage 2	Stage 3	Total
Opening balance at 1 Jan 2024	46	102	39	187
Origination and acquisition	11	17	0	29
Transfers from stage 1 to stage 2	-2	46	–	43
Transfers from stage 1 to stage 3	-0	–	6	5
Transfers from stage 2 to stage 1	1	-33	–	-32
Transfers from stage 2 to stage 3	–	-2	4	2
Transfers from stage 3 to stage 1	0	–	-1	-1
Transfers from stage 3 to stage 2	–	1	-2	-1
Changes in credit risk without stage transfer	11	5	-2	13
Repayments and disposals	-13	-15	-2	-29
Write-off through decrease in allowance account	–	–	–	0
Translation differences	-1	-1	0	-2
Closing balance at 31 Dec 2024	53	120	41	215

EURm	Stage 1	Stage 2	Stage 3	Total
Opening balance at 1 Jan 2023	44	117	41	202
Origination and acquisition	17	11	1	29
Transfers from stage 1 to stage 2	-2	34	–	32
Transfers from stage 1 to stage 3	0	–	2	2
Transfers from stage 2 to stage 1	1	-27	–	-26
Transfers from stage 2 to stage 3	0	-1	3	2
Transfers from stage 3 to stage 1	0	–	-1	-1
Transfers from stage 3 to stage 2	0	1	-1	0
Changes in credit risk without stage transfer	1	-8	-3	-10
Repayments and disposals	-15	-24	-2	-41
Write-off through decrease in allowance account	–	–	-1	-1
Translation differences	0	0	0	–
Closing balance at 31 Dec 2023	46	102	39	188

3. Counterparty credit risk

See section 3 "Counterparty credit risk" in the Group's Note G11. For information about offsetting of financial assets and liabilities, see Accounting policies in Note P3.3 "Classification and measurement", section "Offsetting of financial assets and liabilities

4. Market risk

See section 4 "Market risk" in the Group's Note G11.

5. Operational risk

For operational risk, management of operational risk and financial reporting risk management, see section 5 "Operational risk" in the Group's Note G11.

6. Compliance risk

For compliance risk, ESG-related risk management, financial crime prevention as well as management of compliance risk, see section 6 "Compliance risk" in the Group's Note G11.

7. Liquidity risk

During 2024 Nordea Bank Abp continued to benefit from its prudent liquidity risk management in terms of maintaining a diversified and strong funding base and a diversified liquidity buffer. Nordea Bank Abp maintained a strong liquidity position throughout the year, despite volatility in global markets driven by geopolitical and macroeconomic uncertainty.

Nordea Bank Abp issued approximately EUR 5.4bn in long-term funding in 2024, of which all was issued in the form of senior debt. Throughout 2024 Nordea Bank Abp remained compliant with the liquidity coverage ratio (LCR) requirement in all currencies on a combined basis as well as the net stable funding ratio (NFSR).

During 2021 Nordea Bank Abp participated in European Central Bank (ECB) and local central bank facilities, including the ECB's targeted longer-term refinancing operations (TLTROs). Nordea Bank Abp's participation in TLTRO III programme ended in the end of the first quarter of 2024 where the remaining volume of EUR 3bn matured.

Liquidity risk definition and identification

See section 8.1 "Liquidity risk definition and identification" in the Group's Note G11.

Management principles and control

See section 8.2 "Management principles and control" in the Group's Note G11.

Liquidity risk management strategy

See section 8.3 "Liquidity risk management strategy" in the Group's Note G11.

Liquidity risk measurement

See the section 8.4 "Liquidity risk measurement" in the Group's Note G11.

Liquidity risk analysis

Nordea Bank Abp continues to have a strong and prudent liquidity risk profile with a strong funding base. At the end of 2024 the total volume utilised under CD and CP programmes was EUR 39.7bn (EUR 46.3bn) with an average maturity of 0.3 (0.3) years. The total volume under long-term programmes was EUR 38.3bn (EUR 32.2bn) with an average maturity of 2.9 (3.6) years. Nordea Bank Abp's funding sources are presented in the table on the next page.

The liquidity risk position remained strong throughout 2024.

Nordea Bank Abp's liquidity buffer ranged between EUR 91.7bn and EUR 122.9bn throughout 2024 (EUR 93.6bn and EUR 137.5bn) with an average liquidity buffer of EUR 105.3bn (EUR 111.5bn).

The combined LCR for the Nordea Bank Abp was 139% at the end of 2024 (143%) with an annual average of 135% (138%). At the end of 2024 the LCR in EUR was 130% (212%) and in USD 219% (206%) with annual averages of 178% (164%) and 173% (198%), respectively. At the end of 2024 Nordea Bank Abp's NSFR was 116.4% (111.5%).

P10 Risk and liquidity management, cont.

Funding sources, 31 December 2024

Liability type	Interest rate base	Average maturity (years)	EURm
Deposits by credit institutions			
Shorter than 3 months	Euribor etc.	0.0	35,447
Longer than 3 months	Euribor etc.	0.3	859
Deposits and borrowings from the public			
Deposits payable on demand	Administrative	0.0	174,439
Other deposits	Euribor etc.	0.1	61,349
Debt securities in issue			
Certificates of deposits	Euribor etc.	0.3	29,714
Commercial paper	Euribor etc.	0.4	9,981
Mortgage covered bond loans	Fixed rate, market-based	–	–
Other bond loans	Fixed rate, market-based	2.9	30,935
Fair value changes of hedged items			-502
Derivatives			25,927
Other non-interest-bearing items			19,891
Subordinated debt			
Tier 2 subordinated bond loans	Fixed rate, market-based	4.9	4,302
Additional Tier 1 subordinated bond loans (undated)	Fixed rate, market-based		3,435
Fair value changes of hedged items			-328
Equity			28,202
Total			**423,652**

Net stable funding ratio

EURbn	31 Dec 2024	31 Dec 2023
Available stable funding	223.8	214.3
Required stable funding	192.3	192.3
Net stable funding	31.5	22.0
Net stable funding ratio[1]	**116.4%**	**111.5%**

1) According to CRR2 regulation.

Signing

Board of Directors' proposal for the distribution of earnings

On 31 December 2024 Nordea Bank Abp's distributable earnings, including profit for the financial year and after subtracting capitalised development expenses, were EUR 20,871,375,465.11, and other unrestricted equity, consisting of Additional Tier 1 capital and Invested unrestricted equity, amounted to EUR 1,802,482,712.68.

The Board of Directors proposes that the 20 March 2025 Annual General Meeting authorise it to decide on a dividend payment of a maximum of EUR 0.94 per share. The payment would be distributed based on the annual accounts to be adopted for the financial year ended 31 December 2024 and the authorisation would remain in force until the beginning of the next Annual General Meeting.

The dividend would be paid from retained earnings. After a maximum dividend payout of EUR 3,279,368,206.00, corresponding to approximately 65% of the net profit of the year, EUR 17,592,007,259.11 would be carried forward as distributable retained earnings.

In the opinion of the Board of Directors, the proposed distribution of earnings does not risk the solvency of Nordea Bank Abp. Further information can be found in the section "Proposed distribution of earnings" in the Board of Directors' report.

Signatures to the financial statements and the report of the Board of Directors for the year 2024

To the best of the knowledge of the members of the Board of Directors and the President and Group CEO:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of Nordea Bank Abp and the group undertakings included in the consolidation taken as a whole;
- the Board of Directors' report includes a fair review of the development and performance of the business and the position of Nordea Bank Abp and the group undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Sustainability Statement included in the Board of Directors' report is prepared in accordance with the sustainability reporting standards referred to in chapter 7 of the Finnish Accounting Act (1336/1997, as amended) and with the specifications adopted pursuant to Article 8 of Regulation (EU) 2020/852.

Helsinki, 18 February 2025

Sir Stephen Hester
Chair

Lene Skole *Vice Chair*	Petra van Hoeken *Board member*	Joanna Koskinen *Board member*[1]	John Maltby *Board member*
Risto Murto *Board member*	Gerhard Olsson *Board member*[1]	Lars Rohde *Board member*	Kasper Skovgaard Pedersen *Board member*[1]
Per Strömberg *Board member*	Jonas Synnergren *Board member*	Arja Talma *Board member*	Kjersti Wiklund *Board member*

Frank Vang-Jensen
President and Group CEO

The Auditor's Note

A report on the audit performed has been issued today.

Helsinki, 24 February 2025

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jukka Paunonen
Authorised Public Accountant (KHT)

1) Employee-elected Board member.

Auditor's report

(Translation of the Swedish original)

To the Annual General Meeting of
Nordea Bank Abp

Report on the Audit of the Financial Statements

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

What we have audited

We have audited the financial statements of Nordea Bank Abp (business identity code 2858394-9) for the year ended 31 December 2024. The financial statements comprise:

- the consolidated income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements, which include material accounting policy information and other explanatory information
- the parent company's income statement, balance sheet, cash flow statement and notes, which include material accounting policy information and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in Note G2.7 Other expenses/Auditor's fees to the consolidated financial statements.

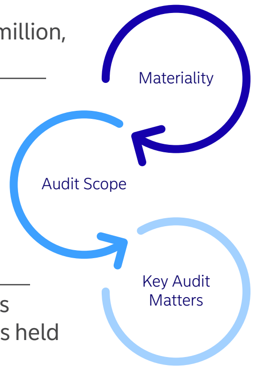
Our Audit Approach

Overview

- Overall group materiality: € 250 million, which represents 0.8% of equity

- The group audit scope encompassed all significant group companies as well as a number of smaller group companies in the Nordic countries, covering the vast majority of revenue, assets and liabilities

- Impairment of loans to customers
- Valuation of financial instruments held at fair value
- Actuarial assumptions related to the Life business
- IT systems supporting processes for financial reporting



As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us determine the scope of our audit and the nature, timing and extent of our audit procedures and evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality	€ 250 million (previous year € 200 million)
How we determined it	0.8% of equity
Rationale for the materiality benchmark applied	We chose equity as the benchmark because, in our view, it is the benchmark against which the capital resources of the bank are most commonly measured by users and is a generally accepted benchmark. We chose 0.8% which is within the range of acceptable quantitative materiality thresholds in auditing standards.

How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the Nordea Group, the accounting processes and controls, and the industry in which the Group operates.

We determined the type of work that needed to be performed at group companies by us, as the group engagement team, or by component auditors from other PwC network firms operating under our instructions. Where the work was performed by component auditors, we issued specific instructions to reporting component auditors which included our risk analysis, materiality and audit approach to centralised systems. Audits were performed in group companies which were considered significant because of their relative financial significance, risk or due to their specific nature, covering the majority of revenue, assets and liabilities of the Group.

By performing the procedures above at group companies, combined with additional procedures at the group level, we have obtained sufficient and appropriate evidence regarding the financial information of the Group as a whole to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the Group	How our audit addressed the key audit matter
Impairment of loans to customers	
Refers to Note G1 – Accounting policies (Critical judgements and estimation uncertainty), Note G2.10 – Net loan losses and Note G3.8 – Loans. A high level of judgement is involved in determining the appropriate impairment loss to be recognised. For individually assessed loans, judgement is involved in determining whether a loan has a loss event and in assessing the loan loss amount. Expected credit losses (ECL) are calculated as a function of the probability of default, the exposure at default and the loss given default as well as the timing of the loss. Nordea categorises loans into three stages depending on the level of credit risk or changes in credit risk for each individual loan. For loans without a significant increase in credit risk, stage 1, expected credit losses are calculated for estimated defaults within 12 months. For loans where there is a significant increase in credit risk, stage 2, or loans in default, stage 3, the calculation is based on the lifetime of expected losses. The current macroeconomic situation is characterised by uncertainty along with the impact of geopolitical factors, which have impacted management's determination of the ECL. To address the uncertainties inherent in the current and future environment and to reflect all relevant risk factors not captured in Nordea's modelled results, management developed post-model adjustments. Additionally, Nordea uses adjustments to the model-driven ECL results to address impairment model limitations. This is also a key audit matter with respect to our audit of the parent company financial statements.	Our audit included a combination of testing of internal controls over financial reporting and substantive testing. We obtained an understanding of the loan origination process, credit risk management and the impairment allowances for loans and advances to customers. We had a special focus on post-model adjustments developed by management and the credit risk development for large customers. Based on risk, we selected individual loans and performed detailed credit file reviews and assessed their credit risk. We assessed the design and effectiveness of governance and controls over the estimation of ECL. For ECL models, we involved our modelling specialists to assess the methodology, challenge the underlying assumptions and to independently reperform the calculation for a sample of loans. We have evaluated the appropriateness of the assumptions and accuracy of underlying data used to develop post-model adjustments and reviewed that governance procedures have been performed. We have also assessed the disclosures related to impairment of loans.

Key audit matter in the audit of the Group	How our audit addressed the key audit matter
Valuation of certain Level II and III financial instruments held at fair value	
Refers to Note G1 – Accounting policies (Critical judgements and estimation uncertainty), Note G2.5 – Total net result from items at fair value, Note G3.3 – Classification and measurement, Note G3.4 – Fair value, Note G3.6 – Hedge accounting and Note G3.12 - Derivatives. Geopolitical tensions and ongoing macroeconomic uncertainty while confirming the trend of improving financial conditions continue to be a key theme across major markets. The challenging valuation environment emphasises the importance of robust valuation and reporting controls and the valuation of financial instruments continues to be an area of inherent risk. The valuation of Level II and III financial instruments utilises observable and unobservable inputs, respectively, for recurring fair value measurements. Significant portfolios of financial instruments are valued based on models and certain assumptions that are not observable by third parties. Important areas in the valuation of financial instruments held at fair value relate to: • framework and policies relating to models and valuation • internal controls relating to fair value adjustments, price testing, fair value hierarchy and model control and governance • disclosures of financial instruments. This is also a key audit matter with respect to our audit of the parent company financial statements.	We assessed and tested the design and operating effectiveness of the controls over: • the identification, measurement and oversight of the valuation of financial instruments • fair value adjustments, independent price verification and the fair value hierarchy • model control and governance. We examined the Group's independent price verification processes, model validation and approval processes, controls over data feeds and inputs to valuation and the fair value hierarchy and the Group's governance and reporting processes and controls. For the valuations dependent on unobservable inputs or which involve a higher degree of judgement, we assessed the assumptions, methodologies and models used by the Group. We performed an independent valuation of a sample of positions, including fair value hierarchy testing. In respect of fair value adjustments, specifically credit, debt and funding fair value adjustments (CVA, DVA and FFVA) for derivatives, we assessed the methodology applied, underlying models and assumptions made by the Group and compared it with our knowledge of current industry practice. We tested the controls over the data inputs to the underlying models and on a sample basis tested underlying transactions back to supporting evidence. We have also assessed the disclosures related to the valuation of financial instruments held at fair value.

Auditor's report, cont.

Key audit matter in the audit of the Group	How our audit addressed the key audit matter
Actuarial assumptions related to the Life business	
Refer to Note G1 – Accounting policies (Critical judgements and estimation uncertainty) and Note G4 – Insurance contract liabilities to the consolidated financial statements. Technical provisions involve subjective judgements over uncertain future outcomes. The value is based on models where significant judgement is applied in setting economic assumptions, actuarial assumptions as well as customer behaviour. Changes in these assumptions can materially impact the valuation of technical provisions.	We assessed the design and tested the operating effectiveness of the controls over the process for calculating provisions within the Life business. Our audit also included assessments of applied methods, models and assumptions used in calculating the provisions. We have on a sample basis performed recalculations of the provisions. The audit was carried out involving PwC actuaries.
IT systems supporting processes for financial reporting	
Due to the significant number of transactions that are processed, the Group's financial reporting is highly dependent on IT systems supporting automated accounting and reconciliation procedures. To ensure complete and accurate financial records, it is important that controls over appropriate access rights, program development and changes are designed properly and operate effectively. This is also a key audit matter with respect to our audit of the parent company financial statements.	We have tested the design and operating effectiveness of the controls related to the IT systems relevant for financial reporting. Our assessment included access to programs and data as well as program development and changes. For logical access to programs and data, audit activities included testing of the addition of access rights, the removal of access rights and the monitoring of appropriateness as well as the appropriate segregation of duties. Other areas tested included monitoring of IT systems and controls over changes to IT systems.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the Group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Auditor's report, cont.

Other Reporting Requirements

Appointment

We were first appointed as auditors by the annual general meeting on 21 September 2017. Our appointment represents a total period of uninterrupted engagement of seven years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report but does not include the financial statements or our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in compliance with the applicable provisions, excluding the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in compliance with the applicable provisions. Our opinion does not cover the sustainability report information on which there are provisions in Chapter 7 of the Accounting Act and in the sustainability reporting standards.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Other Statements

We support that the financial statements should be adopted. The proposal by the Board of Directors regarding the use of the profit shown in the balance sheet is in compliance with the Limited Liability Companies Act. We support that the Members of the Board of Directors of the parent company and the Managing Director should be discharged from liability for the financial period audited by us.

Helsinki 24 February 2025

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jukka Paunonen
Authorised Public Accountant (KHT)

Assurance Report on the Sustainability Report

(Translation of the Swedish original)

To the Annual General Meeting
of Nordea Bank Abp

We have performed a limited assurance engagement on the group sustainability report of Nordea Bank Abp (business identity code 2858394-9) that is referred to in Chapter 7 of the Accounting Act and that is included in the report of the Board of Directors for the reporting period 1.1.–31.12.2024.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the group sustainability report does not comply, in all material respects, with

1) the requirements laid down in Chapter 7 of the Accounting Act and the sustainability reporting standards (ESRS);
2) the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (EU Taxonomy).

Point 1 above also contains the process in which Nordea Bank Abp has identified the information for reporting in accordance with the sustainability reporting standards (double materiality assessment).

Our opinion does not cover the tagging of the group sustainability report in accordance with Chapter 7, Section 22, of the Accounting Act, because sustainability reporting companies have not had the possibility to comply with that requirement in the absence of the ESEF regulation or other European Union legislation.

Basis for Opinion

We performed the assurance of the group sustainability report as a limited assurance engagement in compliance with good assurance practice in Finland and with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Our responsibilities under this standard are further described in the Responsibilities of the Authorised Group Sustainability Auditor section of our report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We draw attention to the fact that the group sustainability report of Nordea Bank Abp that is referred to in Chapter 7 of the Accounting Act has been prepared and assurance has been provided for it for the first time for the reporting period 1.1.–31.12.2024. Our opinion does not cover the comparative information that has been presented in the group sustainability report. Our opinion is not modified in respect of this matter.

Authorised Group Sustainability Auditor's Independence and Quality Management

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our engagement, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies International Standard on Quality Management ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director of Nordea Bank Abp are responsible for:

- the group sustainability report and for its preparation and presentation in accordance with the provisions of Chapter 7 of the Accounting Act, including the process that has been defined in the sustainability reporting standards and in which the information for reporting in accordance with the sustainability reporting standards has been identified
- the compliance of the group sustainability report with the requirements laid down in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;
- such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of a group sustainability report that is free from material misstatement, whether due to fraud or error.

Inherent Limitations in the Preparation of a Sustainability Report

In reporting forward-looking information in accordance with ESRS, management of the Company is required to prepare the forward-looking information on the basis of assumptions that have been disclosed in the sus-tainability report about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Responsibilities of the Authorised Group Sustainability Auditor

Our responsibility is to perform an assurance engagement to obtain limited assurance about whether the group sustainability report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the group sustainability report.

Compliance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) requires that we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Identify and assess the risks of material misstatement of the group sustainability report, whether due to fraud or error, and obtain an understanding of internal control relevant to the engagement in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Design and perform assurance procedures responsive to those risks to obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Description of the Procedures That Have Been Performed

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. The nature, timing and extent of assurance procedures selected depend on professional judgment, including the assessment of risks of material misstatement, whether due to fraud or error. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our procedures included for example the following:

- We interviewed the company's management and the individuals responsible for collecting and reporting the information contained in the group sustainability report at the group level, as well as at different levels and business areas of the organization to gain an understanding of the sustainability reporting process and the related internal controls and information systems.
- We familiarised ourselves with the background documentation and records prepared by the company where applicable, and assessed whether they support the information contained in the group sustainability report.
- We assessed the company's double materiality assessment process in relation to the requirements of the ESRS standards, as well as whether the information provided about the assessment process complies with the ESRS standards.
- We assessed whether the sustainability information contained in the group sustainability report complies with the ESRS standards.
- Regarding the EU taxonomy information, we gained an understanding of the process by which the company has identified the group's taxonomy-eligible and taxonomy-aligned economic activities, and we assessed the compliance of the information provided with the regulations.

Helsinki 24 February 2025

PricewaterhouseCoopers Oy
Authorised Sustainability Auditors

Jukka Paunonen
Authorised Sustainability Auditor

Annual General Meeting
20 March 2025

Nordea's 2025 Annual General Meeting (AGM) will be held on Thursday 20 March 2025 at 14.00 EET at Finlandia Hall, Mannerheimintie 13e, 00100 Helsinki. In addition, the AGM will be live streamed via webcast at nordea.com/agm.

Advance voting
Shareholders have the opportunity to exercise their voting rights also by voting in advance in accordance with the instructions, including the relevant deadlines, set out in the notice to the AGM.

Notification of participation
Shareholders who wish to participate in the AGM must be registered as shareholders in the shareholders' register maintained by Euroclear Finland Oy in Finland, Euroclear Sweden AB in Sweden or VP Securities A/S in Denmark on 10 March 2025 and register their participation in accordance with the instructions, including the relevant deadlines, set out in the notice to the AGM.

Notification of participation in the AGM must be made no later than 12 March 2025 on Nordea's website at nordea.com/agm or by regular mail to Innovatics Ltd, AGM/Nordea, Ratamestarinkatu 13 A, 00520 Helsinki, Finland, or by e-mail to agm@innovatics.fi.

Shares held in trust
Shareholders whose shares are held in trust in Denmark must instruct the trustee to re-register the shares in their own name with the shareholders' register held by VP Securities A/S in good time prior to 10 March 2025.

Shareholders whose shares are held in trust in Sweden must instruct the trustee to re-register the shares in their own name with the shareholders' register held by Euroclear Sweden AB in good time prior to 12 March 2025.

Holders of nominee registered shares must temporarily re-register their shares with the shareholders' register maintained by Euroclear Finland Oy in Finland no later than 17 March 2025 at 10.00 EET.

Financial calendar

Financial calendar 2025

Annual General Meeting	20 March
First-quarter results	16 April
Second-quarter results	17 July
Third-quarter results	16 October

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All reports and press and stock exchange releases are available at nordea.com. Financial reports published by the Nordea Group can be ordered at nordea.com and via Investor Relations.

Nordea's report on capital and risk management, in accordance with the Pillar III disclosure requirements according to the EU Capital Requirements Regulation, is presented at nordea.com.

Annual Report 2024
Nordea Bank Abp is the parent company of the Nordea Group and domiciled in Helsinki, Finland. This Annual Report covers Nordea Bank Abp and pertains to the operations of the Nordea Group whose main legal structure is presented on page 47.

In this Annual Report, the Nordea Group presents income statements and other financial data in euro (EUR).

The original Annual Report is in Swedish. This is an English version of the Annual Report. In the event of any inconsistencies between the Swedish and English versions, the former will prevail.

English and Swedish copies of this Annual Report are available at Aleksis Kiven katu 7, 00500 Helsinki and at nordea.com.

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In this Annual Report, the Nordea Group presents income statements and other financial data in euro (EUR).

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