

Nordea



**Half-Year
Financial Report**

2024

Half-year results 2024

Summary of the quarter:

- Continued high-quality income growth.** Net interest income grew 4% and net fee and commission income returned to growth, up 6%. Net insurance result and net fair value result were solid, following a strong second quarter last year. Total income improved, up 3%. Inflation and continued significant investments in technology, data and risk management capabilities resulted in a cost increase of 6%, in line with Nordea's plan. Operating profit held up well, 2% lower compared with a year ago.
- Return on equity 17.9% – earnings per share EUR 0.37.** Nordea's return on equity remained very strong at 17.9% in the second quarter, reflecting Nordea's resilience and continued high performance. The cost-to-income ratio with amortised resolution fees remained stable at 43% compared with a year ago. Earnings per share were EUR 0.37, unchanged from a year ago.
- Mortgage lending stable and growing deposit volumes.** The Nordic mortgage and corporate lending markets remained slow. Mortgage lending volumes were unchanged and corporate lending volumes decreased slightly. Retail and corporate deposit volumes increased by 1% and 5%, respectively, year on year. Assets under management increased by 10% and Nordic net flows amounted to EUR 1.9bn in the quarter.
- Solid credit quality, net loan losses increase mainly driven by a few single corporate exposures.** Net loan losses and similar net result amounted to EUR 68m or 8bp. EUR 30m was released from the management judgement buffer reflecting improved macroeconomic outlook. The total management judgement buffer now stands at EUR 464m.
- Continued strong capital position.** Nordea's CET1 ratio increased to 17.5%, 4.4 percentage points above the current regulatory requirement, which demonstrates the bank's continued strong underlying capital generation and capacity to support its customers. In July, Nordea received ECB approval for new capital models for retail exposures, and the new models are expected to go live in Q3 this year. The impact on REA*, after adjusting for prospective rule changes recently proposed by the Norwegian FSA, is broadly in line with Nordea's expectations.
- Outlook for 2024 unchanged: return on equity above 15%.** Nordea has a strong and resilient business model with a very well-diversified loan portfolio across the Nordic region. This enables the bank to support its customers and deliver high-quality earnings, with high profitability and low volatility, through the economic cycle.

*For further details see the capital section on page 13

(For further viewpoints, see the CEO comment on page 2. For definitions, see page 54.)

Group quarterly results and key ratios Q2 2024

	Q2 2024	Q2 2023	Chg %	Q1 2024	Chg %	Jan-Jun 2024	Jan-Jun 2023	Chg %
EURm								
Net interest income	1,904	1,831	4	1,954	-3	3,858	3,596	7
Net fee and commission income	795	751	6	763	4	1,558	1,516	3
Net insurance result	63	68	-7	61	3	124	114	9
Net fair value result	247	290	-15	291	-15	538	635	-15
Other income	21	15	40	16	31	37	15	
Total operating income	3,030	2,955	3	3,085	-2	6,115	5,876	4
Total operating expenses excluding regulatory fees	-1,260	-1,184	6	-1,226	3	-2,486	-2,351	6
Total operating expenses	-1,278	-1,205	6	-1,289	-1	-2,567	-2,627	-2
Profit before loan losses	1,752	1,750	0	1,796	-2	3,548	3,249	9
Net loan losses and similar net result	-68	-32	-33	-33	-101	-51		
Operating profit	1,684	1,718	-2	1,763	-4	3,447	3,198	8
Cost-to-income ratio excluding regulatory fees, %	41.6	40.1		39.7		40.7	40.0	
Cost-to-income ratio with amortised resolution fees, %	42.6	42.8		40.7		41.6	42.7	
Return on equity with amortised resolution fees, %	17.9	18.4		18.1		18.0	17.8	
Diluted earnings per share, EUR	0.37	0.37	0	0.38	-3	0.75	0.68	10

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

CEO comment

This was another strong quarter for Nordea. Second-quarter return on equity reached 17.9%, led by growth in both net interest and net fee and commission income. Our results show that despite the slow economy we continue to make good progress on our strategic priorities and deliver industry-leading financial performance.

Macroeconomic uncertainty remains high due to the challenging geopolitical climate. Nevertheless, household and business sentiment in the Nordics has recently shown signs of improvement. Inflation has fallen, and during the quarter we saw the first policy rate cuts in three of our four home markets. These cuts, along with further anticipated reductions this year, should help brighten the picture for the Nordic economies.

Total income for the quarter was EUR 3.0bn, an increase of 3% year on year. Year-on-year net interest income improved by 4%. We also grew net fee and commission income by 6%, driven by higher activity in savings and investments and continued outstanding performance in debt capital markets.

We continue to engage extensively with our customers across all touch points. During the quarter, we assisted customers in 259,000 advisory meetings, 7% more than a year ago. Furthermore, use of our digital banking services reached another record high. We have further strengthened our digital services, adding more personalisation, self-service features and improved protection against fraud. Good customer satisfaction scores show that our efforts are appreciated.

Cost development was as planned and reflected the significant investments we continue to make into our technology infrastructure, data and AI, digital offering, financial crime prevention and other risk management capabilities, as well as integration costs related to our Norwegian acquisition. The lower resolution fees this year have given us the opportunity to further increase overall investment capacity. Excluding regulatory fees, costs increased by 6% year on year, while our cost-to-income ratio with amortised resolution fees was stable at 43%. Operating profit was stable at EUR 1.7bn.

Net interest margin continued to improve year on year, and remained stable for the third quarter in a row. We improved lending margins, with mortgage lending volumes stable year on year, and corporate lending down 1%. Retail and corporate deposit volumes increased by 1% and 5%, respectively, with resilient deposit margins. The positive development in deposit volumes demonstrates resilience among our household and business customers in the face of higher living and operating costs.

Our risk position is sound, and credit quality continues to be strong and in line with our long-term expectations. Net loan losses and similar net result were EUR 68m, or 8bp, mainly driven by provisions for a few single corporate client exposures. Reflecting the improved macroeconomic outlook, we released EUR 30m from our management judgement buffer, which now stands at EUR 464m.

Our four business areas did well. In Personal Banking we continued to see good customer savings activity. We have expanded our range of deposit products, which contributed to a 2% year-on-year increase in deposit volumes in local currencies. While the Nordic housing markets were subdued,

we delivered stable mortgage lending volumes. In the latter part of the quarter we saw the first small signs of improvement as demand for new loan promises grew. Customers continued to take advantage of our digital services, with the number of private app users and logins up 5% and 12%, respectively, year on year. Fraud is a growing problem for societies and we have continued to strengthen the measures that keep our customers safe. Alongside increased monitoring we have implemented enhanced security features, such as delayed withdrawals and transaction limits, and continue to raise awareness about fraud through active dialogue in society and our marketing activities.

In Business Banking we worked closely with our customers to help them address the current economic challenges and growth opportunities. Our lending volumes were stable year on year in local currencies, as overall market demand remained subdued. Deposit volumes increased by 1%. Activity in the capital markets increased and we supported our customers in securing both equity and bond market funding in the more stable interest rate environment.

In Large Corporates & Institutions we kept up the good momentum from the first quarter, actively supporting our Nordic customers with their investment plans. Lending volumes decreased by 2%, and deposit volumes increased by 12% year on year. In debt capital markets, activity remained high. We supported our customers with more than 150 transactions, as issuers are keen to front-load their funding plans in the current favourable market. Activity in the equity capital markets also showed signs of picking up.

In Asset & Wealth Management we further grew our private banking business and secured positive net flows of EUR 2.0bn. In line with our growth strategy, we reached an all-time-high customer intake during the quarter in Norway and Sweden. Assets under management increased by 10% year on year to EUR 400bn. We continued to grow with strong momentum in our life insurance and pension business. In Denmark, our local life insurance company was voted pension company of the year by Finanswatch and EY. Gross written premiums reached new record highs, increasing to EUR 2.9bn from EUR 2.2bn a year ago.

Capital generation remains strong, and we further reinforced our capital position. At the end of the quarter, our CET1 ratio stood at 17.5%, or 4.4 percentage points above the capital requirement. In July we received ECB approval for new capital models for retail exposures. The net impact on our REA, after adjusting for prospective rule changes recently proposed by the Norwegian FSA, is broadly in line with our expectations. Following the approval, we have initiated a dialogue with the ECB regarding a resumption of share buy-back programmes from early 2025.

Our results for the second quarter keep us on track to deliver strong profitability in 2024. We expect to achieve a return on equity of above 15% for the full year, and also target a return of equity of above 15% for 2025. We are determined to push forward with our strategic priorities and to further improve customer experience and operational performance.

Our ambition remains unchanged – to be the preferred financial partner for customers in need of a broad range of financial services.

Frank Vang-Jensen
President and Group CEO

Outlook (unchanged)

Financial target for 2025

Nordea's financial target for 2025 is a return on equity of above 15%.

The target will be supported by a cost-to-income ratio of 44–46%, an annual net loan loss ratio of around 10bp and the continuation of Nordea's well-established capital and dividend policies.

Financial outlook for 2024

Nordea expects 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.

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Income statement

	Q2 2024	Q2 2023	Chg %	Local curr. %	Q1 2024	Chg %	Local curr. %	Jan-Jun 2024	Jan-Jun 2023	Chg %	Local curr. %
EURm											
Net interest income	1,904	1,831	4	4	1,954	-3	-1	3,858	3,596	7	8
Net fee and commission income	795	751	6	6	763	4	5	1,558	1,516	3	3
Net insurance result	63	68	-7	-7	61	3	3	124	114	9	9
Net result from items at fair value	247	290	-15	-15	291	-15	-17	538	635	-15	-16
Profit or loss from associated undertakings and joint ventures accounted for under the equity method	2	3	-33	0	7	-71	-71	9	-9		
Other operating income	19	12	58	58	9			28	24	17	22
Total operating income	3,030	2,955	3	2	3,085	-2	-1	6,115	5,876	4	5
Staff costs	-761	-725	5	4	-749	2	2	-1,510	-1,444	5	4
Other expenses	-361	-304	19	20	-338	7	8	-699	-591	18	21
Regulatory fees	-18	-21	-14	-14	-63	-71	-71	-81	-276	-71	-71
Depreciation, amortisation and impairment charges of tangible and intangible assets	-138	-155	-11	-11	-139	-1	0	-277	-316	-12	-12
Total operating expenses	-1,278	-1,205	6	6	-1,289	-1	0	-2,567	-2,627	-2	-2
Profit before loan losses	1,752	1,750	0	0	1,796	-2	-2	3,548	3,249	9	10
Net loan losses and similar net result	-68	-32			-33			-101	-51	98	
Operating profit	1,684	1,718	-2	-2	1,763	-4	-4	3,447	3,198	8	8
Income tax expense	-381	-383	-1	-1	-402	-5	-5	-783	-715	10	10
Net profit for the period	1,303	1,335	-2	-2	1,361	-4	-4	2,664	2,483	7	8

Business volumes, key items¹

	30 Jun 2024	30 Jun 2023	Chg %	Local curr. %	31 Mar 2024	Chg %	Local curr. %
EURbn							
Loans to the public	346.9	340.0	2	1	346.2	0	-1
Loans to the public, excl. repos/securities borrowing	319.7	316.6	1	-1	319.8	0	-1
Deposits and borrowings from the public	223.8	217.9	3	1	216.0	4	3
Deposits from the public, excl. repos/securities lending	208.1	202.9	3	1	200.3	4	3
Total assets	606.8	602.4	1		604.9	0	
Assets under management	400.3	363.1	10		391.2	2	

¹ End of period.

Ratios and key figures¹

	Q2 2024	Q2 2023	Chg %	Q1 2024	Chg %	Jan-Jun 2024	Jan-Jun 2023	Chg %
EURm								
Diluted earnings per share (DEPS), EUR	0.37	0.37	0	0.38	-3	0.75	0.68	10
EPS, rolling 12 months up to period end, EUR	1.44	1.30	11	1.44	0	1.44	1.30	11
Share price ² , EUR	11.12	9.97	12	10.47	6	11.12	9.97	12
Equity per share ² , EUR	8.67	8.13	7	8.25	5	8.67	8.13	7
Potential shares outstanding ² , million	3,506	3,589	-2	3,506	0	3,506	3,589	-2
Weighted average number of diluted shares, million	3,502	3,588	-2	3,508	0	3,506	3,607	-3
Return on equity with amortised resolution fees, %	17.9	18.4		18.1		18.0	17.8	
Return on equity, %	18.0	19.1		17.8		17.9	17.1	
Return on tangible equity, %	20.8	22.2		20.3		20.6	19.8	
Return on risk exposure amount, %	3.7	3.8		3.9		3.8	3.5	
Cost-to-income ratio excluding regulatory fees, %	41.6	40.1		39.7		40.7	40.0	
Cost-to-income ratio with amortised resolution fees, %	42.6	42.8		40.7		41.6	42.7	
Cost-to-income ratio, %	42.2	40.8		41.8		42.0	44.7	
Net loan loss ratio, incl. loans held at fair value, bp	8	4		4		6	3	
Common Equity Tier 1 capital ratio ^{2,3} , %	17.5	16.0		17.2		17.5	16.0	
Tier 1 capital ratio ^{2,3} , %	19.8	18.3		19.5		19.8	18.3	
Total capital ratio ^{2,3} , %	23.0	20.5		22.4		23.0	20.5	
Tier 1 capital ^{2,3} , EURbn	27.6	25.6	8	27.1	2	27.6	25.6	8
Risk exposure amount ² , EURbn	139.3	140.0	0	138.6	1	139.3	140.0	0
Net interest margin, %	1.83	1.69		1.83		1.83	1.64	
Number of employees (FTEs) ²	29,680	29,317	1	29,478	1	29,680	29,317	1
Equity ² , EURbn	30.4	29.1	4	28.9	5	30.4	29.1	4

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

² End of period.

³ Including the result for the period.

Macroeconomy and financial markets¹

Global

The global economy grew by 0.7% quarter on quarter in the first quarter of 2024 according to the World Bank. The US economy dampened, China's recovery continued, while the European economy picked up after five quarters of stagnation. Activity indicators point to moderate growth in the second quarter of 2024 driven by the service sector, while the outlook for the manufacturing sector remains weak owing to a low order intake and generally subdued development in world trade. Labour markets remained strong. The outlook continues to be uncertain amid geopolitical risks and tighter monetary conditions.

Most central banks around the world have tightened monetary policy significantly to dampen demand and anchor inflation expectations around 2%. However, as inflation has come down substantially, the European Central Bank cut interest rates by 0.25 percentage points in June. It was the first rate cut in almost five years. The deposit facility rate now stands at 3.75%. The Federal Reserve kept interest rates unchanged in the second quarter and the US federal funds rate still stands at 5.5%.

Risk sentiment in the financial markets improved during the second quarter. The S&P 500 index was up almost 4%; the STOXX Europe 600 was flat and the NASDAQ OMX Nordic 120 was up 5.4%. The global aggregate bond index was down almost 1%.

Nordic economic activity held up well in the quarter, with signs of improving business and household sentiment. The outlook remains uncertain against a background of moderate global growth and financial tightening.

Denmark

Danish GDP fell by 1.4% quarter on quarter in the first quarter of 2024, primarily due to contraction in the pharmaceutical industry after a large increase in the fourth quarter of 2023. Household consumption fell by 0.2%, mainly due to sharply contracting car sales. Exports also declined, while fixed investment increased. During the second quarter consumer confidence increased to the highest level since early 2022. Business sentiment also improved in the second quarter. Since the start of the year, the unemployment rate has stayed unchanged at 2.9%. House and apartment prices were up 3.4% and 3.9%, respectively, year on year in the first quarter of 2024. Year-on-year consumer price inflation stood at 1.8% in June. Danmarks Nationalbank cut its monetary policy interest rate by 0.25 percentage point to 3.35% in June, following a similar move by the European Central Bank.

Finland

Finnish GDP increased by 0.2% quarter on quarter in the first quarter of 2024. Growth was driven by private and public consumption, while construction investments were still declining and foreign trade was impacted negatively by political strikes. Weak purchasing power, low consumer confidence and high interest rates are still holding back the housing market. Housing transactions remain at a low level and housing prices were 2.8% lower in May than in the same month last year. The unemployment rate rose to 8.2% in May. Year-on-year harmonised consumer price inflation was 0.6% in June. Price pressures have eased in all main price categories.

Norway

Norwegian mainland GDP increased by 0.2% quarter on quarter during the first quarter of 2024. Unemployment was 2.0% on a seasonally adjusted basis in June. Housing prices were up 2.2% year on year in June. Consumer price inflation has decreased but is still high. Headline consumer price inflation stood at 2.6% in June and underlying inflation, excluding energy and taxes, was 3.4%. Norges Bank has increased its policy rate 14 times since 2021, lifting it to 4.5% as of December 2023. The central bank's latest forecast is that the rate will probably be kept unchanged until the spring of 2025. The Norwegian krone generally strengthened against most currencies during the second quarter.

Sweden

Swedish GDP increased by 0.7% quarter on quarter during the first quarter of 2024. Domestic demand remained weak, while exports and inventories rose. Demand for labour continued to weaken and the unemployment rate remained high at 8.2% in May. House and apartment prices have bottomed out and were 3% higher in June compared to one year earlier. Year-on-year consumer price inflation stood at 1.3% in June. Sveriges Riksbank kept its policy rate unchanged at 3.75% in June, after cutting 0.25 percentage point in May, and continued to scale back its balance sheet. The trade-weighted Swedish krona strengthened by 1.4% in the course of the second quarter.

¹Source: Nordea Economic Research

Group results and performance

Second quarter 2024

Net interest income

Q2/Q2: Net interest income increased by 4%. The main drivers were improved lending and deposit margins, higher deposit volumes and higher treasury income. Exchange rate effects were neutral.

Q2/Q1: Net interest income decreased by 3% driven by lower margins on deposits and lower lending volumes. These were partly offset by higher household lending margins and deposit volumes. Exchange rate effects had a negative impact of approximately EUR 26m.

Lending volumes

Q2/Q2: Loans to the public excluding repurchase agreements and securities borrowing were down 1% in local currencies. Lending volumes decreased in Personal Banking (-1% in local currencies) and Large Corporates & Institutions (-2% in EUR), and were stable in Business Banking (0% in local currencies).

Q2/Q1: Loans to the public excluding repurchase agreements and securities borrowing were down 1% in local currencies. Lending volumes were stable in Personal Banking (0% in local currencies) and in Business Banking (0% in local currencies), and decreased in Large Corporates & Institutions (-3% in EUR).

Deposit volumes

Q2/Q2: Total deposits from the public excluding repurchase agreements and securities lending were up 1% in local currencies. Deposit volumes increased in Personal Banking (2% in local currencies), in Business Banking (1% in local currencies) and Large Corporates & Institutions (12% in EUR).

Q2/Q1: Total deposits from the public excluding repurchase agreements and securities lending were up 3% in local currencies. Deposit volumes increased in Personal Banking (3% in local currencies), Business Banking (1% in local currencies) and Large Corporates & Institutions (3% in EUR).

Net interest income per business area

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Local currency Q2/Q2	Local currency Q2/Q1
EURm									
Personal Banking	848	869	870	852	825	3%	-2%	3%	-2%
Business Banking	604	613	613	610	592	2%	-1%	2%	-1%
Large Corporates & Institutions	355	368	372	360	353	1%	-4%		
Asset & Wealth Management	81	85	77	78	71	14%	-5%	14%	-2%
Group functions	16	19	14	9	-10				
Total Group	1,904	1,954	1,946	1,909	1,831	4%	-3%	4%	-1%

Change in net interest income (NII)

	Q2/Q1	Q2/Q2	Jan-Jun 24/23
EURm			
NII beginning of period	1,954	1,831	3,596
Margin-driven NII	-60	68	299
Lending margin	-1	14	-3
Deposit margin	-41	4	172
Cost of funds	-2	0	-9
Equity margin	-16	50	139
Volume-driven NII	10	-1	-5
Lending volume	2	-3	-1
Deposit volume	8	2	-4
Day count	0	0	21
Other ^{1,2}	0	6	-53
NII end of period	1,904	1,904	3,858
¹ of which foreign exchange	-26	0	-23
² of which deposit hedge	12	-26	-104

Net fee and commission income

Q2/Q2: Net fee and commission income was up by 6%, driven by higher net income from savings, brokerage and advisory, as well as payments and cards. This was offset by lower lending fees. Exchange rate effects had a positive impact of approximately EUR 1m.

Q2/Q1: Net fee and commission income was up by 4%, driven by higher net income from savings, brokerage and advisory, as well as payments and cards. This was partly offset by lower lending fees. Exchange rate effects had a positive impact of approximately EUR 5m.

Savings income

Q2/Q2: Net fee and commission income from savings increased by 5%, driven by higher assets under management.

Q2/Q1: Net fee and commission income from savings increased by 4% driven by higher assets under management. End-of-period assets under management increased by EUR 9.1bn, to EUR 400.3bn, driven by continued positive stock market development. In Nordic channels good momentum was maintained in Private Banking and Life & Pension, with net flows totalling EUR 1.9bn. Net flows in international channels were negative at EUR -1.4bn, mainly driven by wholesale distribution (EUR -1.2bn).

Brokerage and advisory income

Q2/Q2: Net fee and commission income from brokerage and advisory increased by 33%, mainly driven by higher fee income from debt capital markets and corporate finance.

Q2/Q1: Net fee and commission income from brokerage and advisory increased by 27%, mainly driven by higher fee income from debt capital markets and corporate finance.

Payments and cards income

Q2/Q2: Net fee and commission income from payments and cards increased by 7% driven by lower commission expenses and higher customer activity.

Q2/Q1: Net fee and commission income from payments and cards increased by 4%, mainly driven by seasonally higher customer activity.

Lending and guarantees income

Q2/Q2: Net fee and commission income from lending and guarantees decreased by 9%, driven by higher fees paid in relation to significant risk transfer transactions to improve capital efficiency.

Q2/Q1: Net fee and commission income from lending and guarantees decreased by 5%.

Net fee and commission income per business area

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Local currency	
								Q2/Q2	Q2/Q1
EURm									
Personal Banking	275	268	264	274	262	5%	3%	5%	4%
Business Banking	151	143	146	137	144	5%	6%	4%	6%
Large Corporates & Institutions	125	126	130	105	104	20%	-1%		
Asset & Wealth Management	248	237	244	242	244	2%	5%	1%	5%
Group functions	-4	-11	-21	-16	-3				
Total Group	795	763	763	742	751	6%	4%	6%	5%

Net fee and commission income per category

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Local currency	
								Q2/Q2	Q2/Q1
EURm									
Savings	474	454	454	448	450	5%	4%	6%	5%
Brokerage and advisory	65	51	56	34	49	33%	27%	35%	29%
Payments and cards	146	140	133	139	137	7%	4%	6%	4%
Lending and guarantees	111	117	121	122	122	-9%	-5%	-9%	-4%
Other	-1	1	-1	-1	-7				
Total Group	795	763	763	742	751	6%	4%	6%	5%

Assets under management (AuM), volumes and net flow

	Q224	Q124	Q423	Q323	Q223	Net flow
						Q224
EURbn						
Nordic Retail funds	86.0	83.1	80.0	74.4	74.5	0.6
Private Banking	126.0	120.4	116.1	108.9	110.1	2.0
Life & Pension	87.5	84.1	79.6	74.5	74.4	1.1
Institutional sales Nordic	46.0	46.9	46.1	43.6	42.7	-1.9
Total Nordic channels	345.5	334.6	321.8	301.4	301.6	1.9
Wholesale distribution	36.4	37.9	38.3	39.9	42.6	-1.2
Institutional sales international	18.4	18.7	18.4	18.5	18.9	-0.3
Total International channels	54.8	56.5	56.7	58.4	61.4	-1.4
Total	400.3	391.2	378.5	359.7	363.1	0.4

Net insurance result

Q2/Q2: Net insurance result decreased by 7% primarily driven by higher claims in Denmark and negative effects from interest rate movements on insurance product results in Finland and Norway.

Q2/Q1: Net insurance result increased by 3% mainly driven by lower claims in Norway and Sweden.

Net insurance result per business area

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1
EURm							
Personal Banking	27	29	36	29	28	-4%	-7%
Business Banking	7	7	6	5	5	40%	0%
Large Corporates & Institutions	0	0	0	0	0		
Asset & Wealth Management	29	24	-1	28	34	-15%	21%
Group functions	0	1	-1	1	1		
Total Group	63	61	40	63	68	-7%	3%

Net result from items at fair value

Q2/Q2: Net result from items at fair value decreased by 15%, mainly driven by lower result in Treasury and Other. This was partly offset by higher customer activity in foreign exchange and interest rate hedging.

Q2/Q1: Net result from items at fair value decreased by 15%, driven by lower result in Treasury and Other, and a lower market-making result in Markets. This was partly offset by higher customer activity in foreign exchange and interest rate hedging.

Net result from items at fair value per business area

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1
EURm							
Personal Banking	18	21	13	20	18	0%	-14%
Business Banking	106	98	95	83	93	14%	8%
Large Corporates & Institutions	107	131	88	95	99	8%	-18%
Asset & Wealth Management	10	12	3	-1	10	0%	-17%
Group functions	6	29	-45	28	70		
Total Group	247	291	154	225	290	-15%	-15%

Equity method

Q2/Q2: Income from companies accounted for under the equity method was EUR 2m, down from EUR 3m.

Q2/Q1: Income from companies accounted for under the equity method was EUR 2m, down from EUR 7m.

Other operating income

Q2/Q2: Other operating income was EUR 19m, up from EUR 12m.

Q2/Q1: Other operating income was EUR 19m, up from EUR 9m.

Total operating income per business area

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Local currency	
								Q2/Q2	Q2/Q1
EURm									
Personal Banking	1,176	1,189	1,183	1,176	1,135	4%	-1%	4%	0%
Business Banking	879	873	870	844	847	4%	1%	4%	2%
Large Corporates & Institutions	587	623	591	561	556	6%	-6%		
Asset & Wealth Management	368	358	321	347	359	3%	3%	3%	3%
Group functions	20	42	-50	24	58				
Total Group	3,030	3,085	2,915	2,952	2,955	3%	-2%	2%	-1%

Total operating expenses

Q2/Q2: Total operating expenses were up 6% mainly driven by salary inflation, higher business activity and continued investments in technology and risk management. Exchange rate effects had a negative impact of approximately EUR 1m.

Q2/Q1: Total operating expenses were down 1% due to lower regulatory fees (the first quarter included recognition of resolution fees). Excluding regulatory fees expenses were up 3%, mainly driven by salary inflation, higher business activity and continued investments in technology and risk management. Exchange rate effects had a positive impact of approximately EUR 10m.

Staff costs

Q2/Q2: Staff costs were up 5%, due to additional risk management resources and salary increases.

Q2/Q1: Staff costs were up 2%, due to additional risk management resources and salary increases.

Other expenses

Q2/Q2: Other expenses increased by 19%, mainly due to increased technology investments, integration costs related to the acquisition of Danske Bank's Norwegian personal customer and private banking business as well as higher business activity.

Q2/Q1: Other expenses increased by 7%, mainly due to increased technology investments and higher business activity.

Regulatory fees

Q2/Q2: Regulatory fees amounted to EUR 18m, down from EUR 21m.

Q2/Q1: Regulatory fees amounted to EUR 18m, down from EUR 63m. The first quarter included recognition of EUR 45m in resolution fees.

Depreciation and amortisation

Q2/Q2: Depreciation and amortisation decreased by EUR 17m, mainly due to lower amortisations and impairment charges.

Q2/Q1: Depreciation and amortisation was stable at EUR 138m.

FTEs

Q2/Q2: The number of employees (FTEs) was 29,680 at the end of the second quarter, an increase of 1%, mainly due to additional investments in technology and risk management, and investments to drive growth.

Q2/Q1: The number of FTEs increased 1% compared to the previous quarter.

Total operating expenses

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Local currency	
EURm								Q2/Q2	Q2/Q1
Staff costs	-761	-749	-735	-729	-725	5%	2%	4%	2%
Other expenses	-361	-338	-323	-292	-304	19%	7%	20%	8%
Regulatory fees	-18	-63	-20	-20	-21	-14%	-71%	-14%	-71%
Depreciation and amortisation	-138	-139	-339	-153	-155	-11%	-1%	-11%	0%
Total Group	-1,278	-1,289	-1,417	-1,194	-1,205	6%	-1%	6%	0%

Total operating expenses per business area

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Local currency	
EURm								Q2/Q2	Q2/Q1
Personal Banking	-557	-579	-657	-511	-527	6%	-4%	6%	-3%
Business Banking	-351	-353	-376	-318	-316	11%	-1%	11%	1%
Large Corporates & Institutions	-221	-217	-216	-199	-191	16%	2%		
Asset & Wealth Management	-149	-151	-178	-147	-145	3%	-1%	3%	-1%
Group functions	0	11	10	-19	-26				
Total Group	-1,278	-1,289	-1,417	-1,194	-1,205	6%	-1%	6%	0%

Exchange rate effects

	Q2/Q2	Q2/Q1	Jan-Jun 24/23
Percentage points			
Income	0	-1	0
Expenses	0	-1	0
Operating profit	0	-1	0
Loan and deposit volumes	2	1	2

Net loan losses and similar net result

Credit quality remained solid in the second quarter, with underlying risk developments in line with expectations. Loan losses in the quarter were largely driven by new provisions for a small number of corporate customers affected by specific circumstances. The macroeconomic outlook has recently improved with reduced interest rates and inflation.

Net loan losses and similar net result amounted to EUR 68m (8bp), or EUR 61m excluding changes in fair value of Danish mortgage loans. This amount was higher than in the previous quarter (EUR 33m, 4 bp), but more in line with the estimated 10bp normalised run rate.

Main drivers of loan losses and similar net result

Net loan losses relating to individually assessed exposures amounted to EUR 82m. These mainly consisted of new provisions for a few corporate customers in the Business Banking portfolio affected by specific circumstances, rather than a wider deterioration in the corporate portfolio quality. These cases aside, new provisions and write-offs remained at the same level as in previous quarters, while reversals were lower than in recent quarters, reflecting lower individually assessed allowances. Losses on retail exposures remained stable and at a low level.

Collectively calculated net provisions decreased by EUR 21m. This was driven by credit quality improvements and an improved macroeconomic outlook, with lower inflation and interest rates, which triggered adjustments in management judgement allowances, resulting in a release of EUR 30m.

The revaluation of the portfolio reported at fair value, including Nordea Kredit's mortgage portfolio, resulted in a EUR 7m loss.

Net loan losses and similar net result amounted to EUR 32m in Personal Banking, EUR 29m in Business Banking (net of the EUR 30m release of management judgement allowances), EUR 3m in Asset & Wealth Management and EUR 5m in Group Functions. In Large Corporates & Institutions there were net reversals of EUR 1m.

Management judgement allowances

Management judgement allowances were increased significantly in 2020 in connection with the COVID-19 pandemic and have been kept at a high level to address risks relating to the deteriorating macroeconomic environment with increasing interest rates and inflation. During the quarter, management judgement allowances were reassessed and EUR 30m was released due to the improved macroeconomic outlook with lower inflation and interest rates. However, management judgement allowances are still retained at a high level. Foreign exchange fluctuations accounted for a further EUR 11m reduction in management judgement allowances.

After the release of EUR 30m, total management judgement allowances amounted to EUR 464m at the end of the quarter.

See Note 11 for further details.

Credit portfolio

Lending to the public excluding reverse repurchase agreements and securities borrowing amounted to EUR 320bn at the end of the quarter, down 1% in local currencies from the previous quarter.

Loans to the public measured at fair value excluding reverse repurchase agreements and securities borrowing, mainly comprising Danish mortgage lending, were unchanged at EUR 52bn compared with the previous quarter.

Lending to the public measured at amortised cost before allowances was unchanged from the previous quarter and amounted to EUR 269bn. Of this, 92% was classified as stage 1 (unchanged from the previous quarter), 7% as stage 2 (unchanged from the previous quarter) and 1% as stage 3. Quarter on quarter, stage 1 loan amount was stable, stage 2 loans decreased by 2% and stage 3 loans increased by 10%, mainly due to a few new larger corporate defaults.

The coverage ratio for stage 2 was unchanged and stood at 2.2%. The coverage ratio for stage 3 was 40%, down from 44% in the previous quarter due to lower provisioning need in the servicing part of the defaulted portfolio. The fair value impairment rate increased to 0.50% from 0.48% in the previous quarter.

Net loan loss ratio

	Q224	Q124	Q423	Q323	Q223
Basis points of loans, amortised cost¹					
Net loan loss ratios, annualised, Group	9	4	14	5	6
of which stages 1 and 2	-1	0	-1	-1	-3
of which stage 3	10	4	15	6	9
Basis points of loans, total^{1,2}					
Net loan loss ratio, including loans held at fair value, annualised, Group					
Personal Banking total	8	7	8	6	4
PeB Denmark	7	6	5	3	0
PeB Finland	12	11	15	12	9
PeB Norway	-1	7	3	5	2
PeB Sweden	9	5	9	6	5
Business Banking total	12	9	11	5	16
BB Denmark	17	2	2	-5	-7
BB Finland	18	12	4	10	36
BB Norway	3	0	15	3	19
BB Sweden	12	18	18	15	13
Large Corporates & Institutions total	-1	-6	11	-2	-9
LC&I Denmark	-32	-71	22	0	7
LC&I Finland	5	-9	5	4	-27
LC&I Norway	18	48	-81	-3	-30
LC&I Sweden	4	-4	75	2	-10

¹ Negative amounts are net reversals.

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

Profit

Operating profit

Q2/Q2: Operating profit decreased by 2% to EUR 1,684m, mainly driven by higher expenses and higher net loan losses, partly offset by higher income.

Q2/Q1: Operating profit decreased by 4% to EUR 1,684m, mainly driven by lower income and higher net loan losses.

Taxes

Q2/Q2: Income tax expense amounted to EUR 381m, down from EUR 383m, corresponding to a tax rate of 22.6%, up from 22.3% a year ago.

Q2/Q1: Income tax expense amounted to EUR 381m, down from EUR 402m, corresponding to a tax rate of 22.6%, down from 22.8% in the previous quarter.

Net profit

Q2/Q2: Net profit decreased by 2% to EUR 1,303m. Return on equity was 18.0%, down from 19.1%. Return on equity with amortised resolution fees was 17.9%, down from 18.4%.

Q2/Q1: Net profit decreased by 4% to EUR 1,303m. Return on equity was 18.0%, up from 17.8%. Return on equity with amortised resolution fees was 17.9%, down from 18.1%.

Q2/Q2: Diluted earnings per share were unchanged at EUR 0.37.

Q2/Q1: Diluted earnings per share were EUR 0.37, compared with EUR 0.38.

Operating profit per business area

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Local currency	
								Q2/Q2	Q2/Q1
EURm									
Personal Banking	587	583	492	639	591	-1%	1%	-1%	1%
Business Banking	499	500	468	514	494	1%	0%	1%	1%
Large Corporates & Institutions	367	418	355	365	383	-4%	-12%		
Asset & Wealth Management	216	205	144	200	213	1%	5%	1%	6%
Group functions	15	57	-44	7	37				
Total Group	1,684	1,763	1,415	1,725	1,718	-2%	-4%	-2%	-4%

Capital position and risk exposure amount

The Nordea Group's Common Equity Tier 1 (CET1) capital ratio increased to 17.5% in the second quarter from 17.2% in the first quarter of 2024. CET1 capital increased by EUR 0.5bn, mainly driven by profit generation net of dividend and exchange rate effects on retained earnings. The Group's CET1 capital requirement increased to 13.1% in the second quarter from 12.1% in the first quarter following the implementation of the Finnish Systemic Risk Buffer of 1% in April.

The risk exposure amount (REA) increased by EUR 0.8bn mainly driven by exchange rate effects from appreciating SEK and NOK and credit risk migration. The increase was partially offset by lower corporate lending volumes.

The Group's Tier 1 capital ratio increased to 19.8% at the end of the second quarter from 19.5% in the first quarter. The total capital ratio increased to 23.0% from 22.4%.

At the end of the second quarter CET1 capital amounted to EUR 24.3bn, Tier 1 capital amounted to EUR 27.6bn, and own funds amounted to EUR 32.0bn.

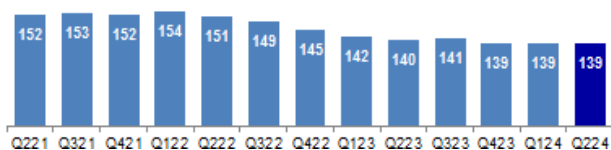
The Group's subordinated minimum requirements for own funds and eligible liabilities (MREL) ratio was 32.7% of REA and 8.2% of the leverage ratio exposure (LRE), compared with the capped requirement of 27.0% of REA and 7.14% of LRE. The total MREL ratio was 39.0% of REA and 9.8% of LRE, compared with the requirements of 30.8% of REA and 7.14% of LRE.

The leverage ratio increased to 5.0% at the end of the second quarter from 4.9% in the first quarter, mainly driven by higher Tier 1 capital.

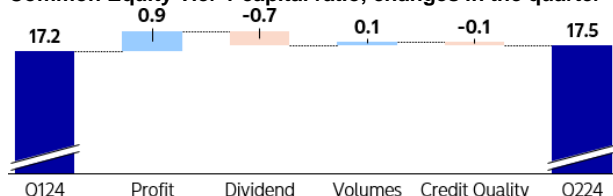
Capital ratios

%	Q224	Q124	Q423	Q323	Q223
CRR/CRD IV					
CET1 capital ratio	17.5	17.2	17.0	16.3	16.0
Tier 1 capital ratio	19.8	19.5	19.4	18.7	18.3
Total capital ratio	23.0	22.4	22.2	20.7	20.5

Risk exposure amount, EURbn, quarterly



Common Equity Tier 1 capital ratio, changes in the quarter



Capital and dividend policies

Nordea maintains a strong capital position in line with its capital policy. Nordea targets a management buffer of 150bp above the regulatory CET1 requirement. This reflects Nordea's strong capital generation and enables efficient capital management while still maintaining a prudent buffer to requirements. Nordea's policy is to distribute 60–70% of the net profit for the year to shareholders. Nordea will continuously assess the opportunity to use share buy-backs as a tool to distribute excess capital.

Regulatory developments

Nordea has previously informed the market of the estimated impact of material prospective regulatory developments that together were projected to increase REA in aggregate by approximately EUR 16bn as of January 2025 – being the adoption of new capital models for retail exposures (EUR 10bn) and the implementation of Basel IV requirements (EUR 6bn).

On 9 July Nordea received ECB approval for the new retail models which are expected to be implemented in the third quarter of this year. The initial impact will be an increase of REA by approximately EUR 17bn, which includes EUR 5bn of duplicative REA arising from minimum requirements for Loss Given Default parameters on mortgage exposures in Norway (LGD floor). The Norwegian Ministry of Finance has recently published a consultation which includes proposals to remove the LGD floor and to set a minimum requirement for mortgage risk weights to 25% that will apply to all mortgage lenders in Norway. The net impact of the proposed removal of the LGD floor and the minimum risk weights for mortgages in Norway is expected to be a reduction in REA of EUR 2bn. Adjusted for this, the impact of the new models is an increase of REA of approximately EUR 15bn as of 1 January 2025. The retail model approval includes regulatory REA add-ons. After completing the planned remediating actions, we expect to remove EUR 4–6bn of add-ons over time, subject to regulatory approval.

In addition, Nordea has revised its estimate of the impact of Basel IV and now expects an increase of REA of approximately EUR 4bn, of which EUR 2.5bn will take effect on 1 January 2025. The European Commission is expected to decide on a delay of one year in relation to the implementation of the market risk requirements of Basel IV. Due to the delay, the remaining EUR 1.5bn will take effect on 1 January 2026 at the earliest.

Accordingly, the aggregate impact of these material prospective regulatory developments is now expected to lead to an increase in REA of approximately EUR 17bn as of 1 January 2025, compared with the previous estimate of EUR 16bn. The level is expected to decrease over time, as we work to remove regulatory add-ons.

These developments do not result in changes to Nordea's capital plans. We have also initiated a dialogue with the ECB regarding a resumption of share buy-back programmes from early 2025.

During the second quarter, Nordea received the updated MREL requirements for the Group, decided by the Single Resolution Board (SRB). The MREL requirements are 23.18% of REA (excluding the combined buffer requirement (CBR) and 7.14% of LRE. The subordination requirements are 21.40% of REA (excluding CBR) and 7.14% of LRE. In addition, the amount of the subordination requirement shall at no time exceed the amount which corresponds to a value of 27% of REA minus CBR. The SRB will assess and update the requirements annually.

Risk exposure amount

	30 Jun 2024	31 Mar 2024	30 Jun 2023
EURm			
Credit risk¹	105,599	105,589	107,069
IRB1	94,827	94,507	94,617
- sovereign			
- corporate	59,361	59,255	61,369
- advanced	52,940	52,791	54,727
- foundation	6,421	6,464	6,642
- institutions	4,149	4,083	3,915
- retail	25,780	25,135	24,694
- items representing securitisation positions	2,620	2,736	1,628
- other	2,917	3,298	3,011
Standardised	10,772	11,082	12,453
- sovereign	204	200	239
- retail	3,631	3,683	4,248
- other	6,937	7,199	7,966
Credit valuation adjustment risk	602	523	742
Market risk	5,586	5,154	5,017
- trading book, internal approach	4,837	4,451	4,028
- trading book, standardised approach	749	703	989
- banking book, standardised approach			
Settlement risk			0
Operational risk	17,874	17,874	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 CRR¹	9,672	9,439	11,146
Additional risk exposure amount due to Article 3 of the CRR			
Total	139,333	138,579	140,023

¹ Items representing securitisation positions and Additional risk exposure amount related to Swedish RW floor due to Article 458 CRR have been adjusted for the reference period of Q1 2024. The adjustment did not have an impact on total REA.

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

	30 Jun 2024	31 Mar 2024	30 Jun 2023
EURm			
Calculation of own funds			
Equity in the consolidated situation	26,920	26,768	25,864
Profit for the period	2,663	1,360	2,469
Proposed/actual dividend	-1,865	-953	-1,738
Common Equity Tier 1 capital before regulatory adjustments	27,718	27,175	26,595
Deferred tax assets	-29	-31	-20
Intangible assets	-2,674	-2,587	-2,672
IRB provisions shortfall (-)			
Pension assets in excess of related liabilities	-214	-234	-194
Other items including buy-back deduction, net ¹	-486	-525	-1,316
Total regulatory adjustments to Common Equity Tier 1 capital	-3,403	-3,377	-4,202
Common Equity Tier 1 capital (net after deduction)	24,315	23,798	22,393
Additional Tier 1 capital before regulatory adjustments	3,312	3,288	3,251
Total regulatory adjustments to Additional Tier 1 capital	-25	-25	-19
Additional Tier 1 capital	3,287	3,263	3,233
Tier 1 capital (net after deduction)	27,602	27,061	25,626
Tier 2 capital before regulatory adjustments	3,903	3,459	3,157
IRB provisions excess (+)	553	551	558
Deductions for investments in insurance companies			-650
Other items, net	-50	-50	-48
Total regulatory adjustments to Tier 2 capital	503	501	-140
Tier 2 capital	4,406	3,960	3,017
Own funds (net after deduction)	32,008	31,021	28,643
¹ Other items, net if reported excluding profit.	-486	-525	-1,316

Own funds reported to ECB

	30 Jun ² 2024	31 Mar 2024	30 Jun 2023
EURm			
Common Equity Tier 1 capital	23,517	23,798	22,393
Tier 1 capital (net after deduction)	26,804	27,061	25,626
Total own funds	31,210	31,021	28,643

² Excluding second-quarter profit (pending application).

Balance sheet

Balance sheet data

	Q224	Q124	Q423	Q323	Q223
EURbn					
Loans to credit institutions	7	3	2	7	10
Loans to the public	347	346	345	343	340
Derivatives	23	26	27	34	32
Interest-bearing securities	77	76	68	70	70
Other assets	153	154	143	156	150
Total assets	607	605	585	610	602
Deposits from credit institutions	33	33	30	37	33
Deposits from the public	224	216	210	214	218
Debt securities in issue	185	190	183	191	190
Derivatives	24	26	31	36	33
Other liabilities	111	111	100	102	99
Total equity	30	29	31	30	29
Total liabilities and equity	607	605	585	610	602

Funding and liquidity operations

Nordea issued approximately EUR 4.7bn in long-term funding in the second quarter of 2024 (excluding Danish covered bonds and long-dated certificates of deposit), of which approximately EUR 2.9bn was issued in the form of covered bonds, EUR 1.0bn was issued as senior debt and EUR 0.75bn was issued as Tier 2 debt. Notable transactions during the quarter included a EUR 1bn 10-year covered bond, a EUR 0.75bn 11NC6 year Tier 2 bond in green format and a EUR 1bn 5-year senior preferred bond.

At the end of the second quarter long-term funding accounted for approximately 79% of Nordea's total wholesale funding.

Short-term liquidity risk is measured using several metrics, including the liquidity coverage ratio (LCR). The Nordea Group's combined LCR was 160% at the end of the second quarter. The liquidity buffer is composed of highly liquid central bank eligible securities and cash, as defined in the LCR regulation. At the end of the second quarter the liquidity buffer amounted to EUR 108bn, unchanged from the end of the first quarter. The net stable funding ratio (NSFR) measures long-term liquidity risk. At the end of the second quarter Nordea's NSFR was 121.9%, compared with 120.4% at the end of the first quarter.

Nordea maintained a strong liquidity position throughout the second quarter amid continued volatility in global markets driven by geopolitical and macroeconomic uncertainty.

Funding and liquidity data

	Q224	Q124	Q423	Q323	Q223
Long-term funding portion	79%	76%	76%	70%	70%
LCR total	160%	157%	165%	162%	160%
LCR EUR	255%	257%	231%	188%	148%
LCR USD	172%	193%	207%	226%	194%

Market risk

Market risk in the trading book measured by value at risk (VaR) was EUR 40.6m. Quarter on quarter, VaR increased by EUR 1.9m, primarily as a result of higher equity risk. Interest rate risk remained the main driver of VaR at the end of the second quarter of 2024. Trading book VaR continues to be driven by market risk related to Nordic and other Northern European exposures.

Trading book

	Q224	Q124	Q423	Q323	Q223
EURm					
Total risk, VaR	41	39	33	31	40
Interest rate risk, VaR	39	38	33	32	40
Equity risk, VaR	4	2	3	4	4
Foreign exchange risk, VaR	2	2	1	2	3
Credit spread risk, VaR	3	6	5	4	6
Inflation risk, VaR	3	3	4	5	5
Diversification effect	21%	25%	30%	32%	32%

Nordea share and credit ratings

Nordea's share price and credit ratings as at the end of the second quarter of 2024.

	Nasdaq STO (SEK)	Nasdaq COP (DKK)	Nasdaq HEL (EUR)
6/30/2022	90.00	62.24	8.40
9/30/2022	95.67	65.33	8.80
12/31/2022	111.68	75.12	10.03
3/31/2023	110.64	73.37	9.84
6/30/2023	117.30	74.51	9.97
9/30/2023	120.12	77.41	10.41
12/31/2023	124.72	83.99	11.23
3/31/2024	119.20	78.11	10.47
6/30/2024	126.10	83.06	11.12

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

* Positive outlook

Other information

Share transfers

On 21 March 2024, the Board of Directors resolved on a directed share issuance pursuant to Nordea's variable remuneration awards. The resolution was based on the authorisation granted to the Board of Directors by the 2023 AGM. Based on the resolution, Nordea transferred 1,272,434 own shares held by the company in April and 915 own shares in May to settle commitments to participants in its variable remuneration programmes. Following the share transfers, Nordea held 3,513,966 treasury shares for remuneration purposes at the end of the second quarter.

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 will 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 expects 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. The Danish Financial Supervisory Authority investigated in 2015 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 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 current circumstances, and supported by three separate external legal assessments, Nordea believes that the current provision is adequate to cover this matter.

Impacts from Russia's invasion of Ukraine

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

Nordea also further assessed the impact of uncertainty after the onset of the war – reflected in higher inflation and higher interest rates, etc. – on the global and Nordic economies. The assessment informed the regular update of the bank's macroeconomic scenarios, which are used to update its financial forecasts and model IFRS 9 expected credit losses. Nordea will continue to follow developments closely.

Information on the financial and operational impacts of the war in Ukraine, as well as the measures taken to address these impacts, has been provided in this report.

See also "Note 11 "Loans and impairment".

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.

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

Nordea has entered into an agreement with Danske Bank to acquire its Norwegian personal customer and private banking business and associated asset management portfolios. The Norwegian Competition Authority announced its approval of the acquisition on 15 December 2023. On 7 February 2024, Nordea announced that the Norwegian Financial Supervisory Authority had approved Nordea's acquisition of the personal customer and private banking business of Danske Bank. The Norwegian Financial Supervisory Authority will evaluate the acquisition of the associated asset management portfolios separately. The transaction is expected to close in late 2024.

At the end of 2022 the business to be transferred comprised approximately 285,000 customers, lending and deposit volumes of EUR 18bn and EUR 4bn, respectively, and approximately EUR 2bn in assets under management. The acquisition fits well into Nordea's strategy to grow in the Nordic region both organically and through bolt-on acquisitions. The acquired business will be integrated into Nordea after the closing of the transaction.

Any movement in the net carrying amount of assets and liabilities between the signing and the closing of the transaction will be reflected in the consideration paid at the closing. The expectation is that the transaction will have a marginal impact on the cost-to-income ratio and return on allocated equity of Nordea's Personal Banking business in Norway and on the Group level. The gross impact on the CET1 ratio resulting from the increase in risk exposure amount is currently expected to amount to approximately 40bp.

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

Nordea is establishing 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 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 2024, pending the approval of the relevant competition authorities.

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

As communicated in March, as of 2024, Nordea has updated its internal allocation framework. The updated framework further aligns business area and Group profitability metrics and allocates a significant part of previously unallocated capital and costs to business areas. This update does not impact the consolidated financial statements of the Nordea Group, but it affects the income and costs recognised by the

business areas. In addition, due to the updated capital allocation framework, Nordea has introduced a revised profitability metric for its business areas which is better aligned with the Group's return on equity. As of Q1 2024, business area profitability is measured as return on allocated equity and business area use of capital is measured as allocated equity.

Comparative information has been updated accordingly.

Quarterly development, Group

	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Jan-Jun 2024	Jan-Jun 2023
EURm							
Net interest income	1,904	1,954	1,946	1,909	1,831	3,858	3,596
Net fee and commission income	795	763	763	742	751	1,558	1,516
Net insurance result	63	61	40	63	68	124	114
Net result from items at fair value	247	291	154	225	290	538	635
Profit from associated undertakings and joint ventures accounted for under the equity method	2	7	2	4	3	9	-9
Other operating income	19	9	10	9	12	28	24
Total operating income	3,030	3,085	2,915	2,952	2,955	6,115	5,876
General administrative expenses:							
Staff costs	-761	-749	-735	-729	-725	-1,510	-1,444
Other expenses	-361	-338	-323	-292	-304	-699	-591
Regulatory fees	-18	-63	-20	-20	-21	-81	-276
Depreciation, amortisation and impairment charges of tangible and intangible assets	-138	-139	-339	-153	-155	-277	-316
Total operating expenses	-1,278	-1,289	-1,417	-1,194	-1,205	-2,567	-2,627
Profit before loan losses	1,752	1,796	1,498	1,758	1,750	3,548	3,249
Net loan losses and similar net result	-68	-33	-83	-33	-32	-101	-51
Operating profit	1,684	1,763	1,415	1,725	1,718	3,447	3,198
Income tax expense	-381	-402	-309	-380	-383	-783	-715
Net profit for the period	1,303	1,361	1,106	1,345	1,335	2,664	2,483
Diluted earnings per share (DEPS), EUR	0.37	0.38	0.31	0.38	0.37	0.75	0.68
DEPS, rolling 12 months up to period end, EUR	1.44	1.44	1.37	1.41	1.30	1.44	1.30

Business areas

	Personal Banking		Business Banking		Large Corporates & Institutions		Asset & Wealth Management		Group functions		Nordea Group		
	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Chg
	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	2024	
EURm													
Net interest income	848	869	604	613	355	368	81	85	16	19	1,904	1,954	-3%
Net fee and commission income	275	268	151	143	125	126	248	237	-4	-11	795	763	4%
Net insurance result	27	29	7	7	0	0	29	24	0	1	63	61	3%
Net result from items at fair value	18	21	106	98	107	131	10	12	6	29	247	291	-15%
Other income	8	2	11	12	0	-2	0	0	2	4	21	16	31%
Total operating income	1,176	1,189	879	873	587	623	368	358	20	42	3,030	3,085	-2%
Total operating expenses	-557	-579	-351	-353	-221	-217	-149	-151	0	11	-1,278	-1,289	-1%
Net loan losses and similar net result	-32	-27	-29	-20	1	12	-3	-2	-5	4	-68	-33	
Operating profit	587	583	499	500	367	418	216	205	15	57	1,684	1,763	-4%
Cost-to-income ratio ¹ , %	48	47	40	40	38	35	41	42			43	41	
Return on allocated equity (RoAE) ^{1,2} , %	19	20	18	18	17	19	36	36			18	18	
Allocated Equity	9,604	9,512	8,814	8,683	6,743	6,777	1,849	1,831	3,346	2,091	30,356	28,894	5%
Risk exposure amount (REA)	44,053	43,527	42,758	42,093	40,502	40,415	6,171	6,269	5,849	6,275	139,333	138,579	1%
Number of employees (FTEs)	6,850	6,716	3,965	3,993	1,229	1,237	3,135	3,136	14,501	14,396	29,680	29,478	1%
Volumes, EURbn³:													
Total lending	165.3	163.7	94.2	93.6	52.1	53.6	11.6	11.5	-3.5	-2.6	319.7	319.8	0%
Total deposits	88.2	85.3	51.2	50.3	47.7	46.3	12.0	11.4	9.0	7.0	208.1	200.3	4%

¹ With amortised resolution fees.

² Equal to Return on equity (RoE) for the Nordea Group.

³ Excluding repurchase agreements and security lending/borrowing agreements.

	Personal Banking		Business Banking		Large Corporates & Institutions		Asset & Wealth Management		Group functions		Nordea Group		
	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Chg
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
EURm													
Net interest income	1,717	1,619	1,217	1,145	723	697	166	141	35	-6	3,858	3,596	7%
Net fee and commission income	543	521	294	297	251	224	485	489	-15	-15	1,558	1,516	3%
Net insurance result	56	58	14	10	0	0	53	45	1	1	124	114	9%
Net result from items at fair value	39	37	204	202	238	292	22	34	35	70	538	635	-15%
Other income	10	3	23	10	-2	0	0	0	6	2	37	15	
Total operating income	2,365	2,238	1,752	1,664	1,210	1,213	726	709	62	52	6,115	5,876	4%
Total operating expenses	-1,136	-1,112	-704	-719	-438	-492	-300	-295	11	-9	-2,567	-2,627	-2%
Net loan losses and similar net result	-59	-52	-49	-42	13	40	-5	-2	-1	5	-101	-51	
Operating profit	1,170	1,074	999	903	785	761	421	412	72	48	3,447	3,198	8%
Cost-to-income ratio ¹ , %	48	48	40	41	36	37	41	41			42	43	
Return on allocated equity (RoAE) ^{1,2} , %	20	19	18	18	18	18	36	39			18	18	
Allocated Equity	9,604	8,990	8,814	8,171	6,743	6,753	1,849	1,584	3,346	3,587	30,356	29,085	4%
Risk exposure amount (REA)	44,053	41,347	42,758	41,490	40,502	40,696	6,171	7,131	5,849	9,359	139,333	140,023	0%
Number of employees (FTEs)	6,850	6,958	3,965	4,023	1,229	1,261	3,135	3,210	14,501	13,865	29,680	29,317	1%
Volumes, EURbn³:													
Total lending	165.3	164.4	94.2	93.1	52.1	52.9	11.6	11.4	-3.5	-5.2	319.7	316.6	1%
Total deposits	88.2	85.2	51.2	50.1	47.7	42.6	12.0	12.4	9.0	12.6	208.1	202.9	3%

¹ With amortised resolution fees.

² Equal to Return on equity (RoE) for the Nordea Group.

³ Excluding repurchase agreements and security lending/borrowing agreements.

Personal Banking

Introduction

In Personal Banking we offer household customers easy and convenient everyday banking and advice for all stages of life.

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

Business development

This quarter mortgage lending volumes remained stable. Total lending volumes decreased by 1% in local currencies year on year, driven by non-mortgage lending. Deposit volumes increased by 2%. We saw increased customer demand for new loan promises compared to the same quarter last year and customer investment activity continued to grow throughout the quarter.

In response to high customer demand, we further expanded our digital deposit product offering in all countries. In Denmark, we introduced new maturities for fixed-term deposits. In Norway, customers can now open transaction accounts in Nordea Netbank. In Finland and Sweden, customers can now digitally open the new high interest savings accounts launched earlier this year.

Activity levels within digital channels and meetings with advisers remain high. We continued to see an increase in the number of mobile users and logins, up 5% and 12%, respectively, year on year. In Sweden, we achieved a 62% year-on-year increase in digitally generated leads for mortgage and savings advisers.

We continued to strengthen the digital experience for our customers and further improved the self-service features in the mobile app. For example, customers can now enjoy improved savings insights and get a holistic overview of their earlier savings advice and profile. We provided clearer guidance for non-saver customers to make it easier to start savings through the mobile app. In Norway, we introduced a new BankID app for convenient and fast identification as well as improved security.

Our ESG products continued to perform well. The ESG share of gross inflows to funds reached an all-time high at 40% in the second quarter.

Financial outcome

Total income in the second quarter increased by 4% year on year due to improved net interest income and higher savings income.

Net interest income increased by 3%, driven by improved deposit margins. This was partly offset by lower lending margins.

Net fee and commission income increased by 5% year on year, mainly driven by higher savings income. This was partly offset by lower lending fee income and lower payments income.

Net insurance result decreased by 4% year on year, mainly driven by interest rate movements that had a negative effect on Finnish insurance products.

Total expenses increased by 6% year on year, driven by increased investments in our technology infrastructure, data and AI, digital offering and risk management capabilities in line with our business plan. The cost-to-income ratio with amortised resolution fees remained stable at 48%.

Total net loan losses and similar net result amounted to EUR 32m (8bp) as expected, compared with EUR 17m in the same quarter last year. The increase is mainly driven by lower than normal write-offs in the second quarter of last year.

Operating profit decreased by 1% year on year to EUR 587m due to higher total expenses. Return on allocated equity was 19%, compared with 20% in the same quarter last year.

Personal Banking Denmark

Total income increased by 5% in local currency year on year.

Net interest income increased by 6% in local currency year on year, primarily driven by higher deposit volumes and improved deposit margins.

Lending volumes decreased by 4% in local currency year on year due to continued low demand for mortgage lending. Deposit volumes increased by 3%, driven by higher savings deposit volumes.

Net fee and commission income increased by 1% in local currency year on year, mainly driven by higher savings income. This was partly offset by lower payments and cards income.

Net loan losses and similar net result amounted to EUR 8m (7bp).

Personal Banking Finland

Total income decreased by 2% year on year.

Net interest income decreased by 4% year on year, driven by lower lending margins and lending volumes. This was partly offset by higher deposit margins.

Lending volumes decreased by 1% year on year, driven by lower mortgage volumes. Deposit volumes remained stable.

Net fee and commission income decreased by 1% year on year, driven by lower payments and cards income. This was partly offset by higher savings income.

Net loan losses and similar net result amounted to EUR 11m (12bp).

Personal Banking Norway

Total income increased by 16% in local currency year on year.

Net interest income increased by 13% in local currency year on year, primarily driven by higher deposit volumes and higher mortgage margins after the notice period. This was partly offset by lower lending volumes and deposit margins.

Lending volumes decreased by 1% in local currency year on year. Deposit volumes increased by 10%, driven by higher savings deposit volumes.

Net fee and commission income increased by 42% in local currency year on year, driven by higher savings income and lower commission expenses.

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

Personal Banking Sweden

Total income increased by 4% in local currency year on year.

Net interest income increased by 3% in local currency year on year due to higher mortgage volumes and improved deposit margins. This was partly offset by lower lending margins and deposit volumes.

Lending volumes increased by 1% in local currency year on year, driven by higher mortgage volumes. Deposit volumes remained stable year on year.

Net fee and commission income increased by 8% year on year, driven by higher savings income.

Net loan losses and similar net result amounted to EUR 11m (9bp).

Personal Banking total

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Local curr.		Jan-Jun 24	Jan-Jun 23	Jan-Jun 24/23		
								Q2/Q2	Q2/Q1			EUR	Local	
EURm														
Net interest income	848	869	870	852	825	3%	-2%	3%	-2%	1,717	1,619	6%	7%	
Net fee and commission income	275	268	264	274	262	5%	3%	5%	4%	543	521	4%	5%	
Net insurance result	27	29	36	29	28	-4%	-7%	-7%	-10%	56	58	-3%	-4%	
Net result from items at fair value	18	21	13	20	18	0%	-14%	0%	-10%	39	37	5%	3%	
Other income	8	2	0	1	2					10	3			
Total income incl. allocations	1,176	1,189	1,183	1,176	1,135	4%	-1%	4%	0%	2,365	2,238	6%	6%	
Total expenses incl. allocations	-557	-579	-657	-511	-527	6%	-4%	6%	-3%	-1,136	-1,112	2%	3%	
Profit before loan losses	619	610	526	665	608	2%	1%	2%	2%	1,229	1,126	9%	9%	
Net loan losses and similar net result	-32	-27	-34	-26	-17					-59	-52			
Operating profit	587	583	492	639	591	-1%	1%	-1%	1%	1,170	1,074	9%	9%	
Cost-to-income ratio ¹ , %	48	47	57	45	48					48	48			
Return on allocated equity ¹ , %	19	20	16	21	20					20	19			
Allocated equity	9,604	9,512	9,244	9,046	8,990	7%	1%			9,604	8,990	7%		
Risk exposure amount (REA)	44,053	43,527	42,262	41,759	41,347	7%	1%			44,053	41,347	7%		
Number of employees (FTEs)	6,850	6,716	6,716	6,795	6,958	-2%	2%			6,850	6,958	-2%		
Volumes, EURbn:														
Mortgage lending	150.5	148.8	152.3	150.5	148.4	1%	1%	0%	0%	150.5	148.4	1%	0%	
Other lending	14.8	14.9	15.6	15.8	16.0	-8%	-1%	-9%	-2%	14.8	16.0	-8%	-9%	
Total lending	165.3	163.7	167.9	166.3	164.4	1%	1%	-1%	0%	165.3	164.4	1%	-1%	
Total deposits	88.2	85.3	86.2	85.4	85.2	4%	3%	2%	3%	88.2	85.2	4%	2%	

¹ With amortised resolution fees.

Personal Banking

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Local curr.		Jan- Jun 24	Jan- Jun 23	Jan-Jun 24/23	
								Q2/Q2	Q2/Q1			EUR	Local
Net interest income, EURm													
PeB Denmark	219	224	224	230	206	6%	-2%	6%	-2%	443	401	10%	10%
PeB Finland	246	253	273	276	257	-4%	-3%	-4%	-3%	499	477	5%	5%
PeB Norway	127	122	103	105	111	14%	4%	13%	6%	249	234	6%	8%
PeB Sweden	256	263	269	246	251	2%	-3%	3%	0%	519	507	2%	3%
Other	0	7	1	-5	0					7	0		
Net fee and commission income, EURm													
PeB Denmark	75	71	79	77	74	1%	6%	1%	6%	146	147	-1%	-1%
PeB Finland	76	76	73	77	77	-1%	0%	-1%	0%	152	152	0%	0%
PeB Norway	28	25	22	27	19	47%	12%	42%	13%	53	42	26%	28%
PeB Sweden	98	99	90	95	91	8%	-1%	8%	1%	197	182	8%	9%
Other	-2	-3	0	-2	1					-5	-2		
Net loan losses and similar net result, EURm													
PeB Denmark	-8	-6	-6	-3	0					-14	-5		
PeB Finland	-11	-10	-14	-11	-8					-21	-24		
PeB Norway	1	-6	-3	-4	-2					-5	-6		
PeB Sweden	-11	-6	-12	-7	-6					-17	-15		
Other	-3	1	1	-1	-1					-2	-2		
Volumes, EURbn													
Personal Banking Denmark													
Mortgage lending	39.2	39.4	39.7	39.9	40.2	-2%	-1%	-2%	-1%	39.2	40.2	-2%	-2%
Other lending	4.0	4.2	4.5	4.6	4.7	-15%	-5%	-15%	-5%	4.0	4.7	-15%	-15%
Total lending	43.2	43.6	44.2	44.5	44.9	-4%	-1%	-4%	-1%	43.2	44.9	-4%	-4%
Total deposits	23.5	23.1	23.1	22.8	22.9	3%	2%	3%	2%	23.5	22.9	3%	3%
Personal Banking Finland													
Mortgage lending	30.5	30.5	30.7	30.6	30.7	-1%	0%	-1%	0%	30.5	30.7	-1%	-1%
Other lending	6.1	6.1	6.0	6.1	6.1	0%	0%	0%	0%	6.1	6.1	0%	0%
Total lending	36.6	36.6	36.7	36.7	36.8	-1%	0%	-1%	0%	36.6	36.8	-1%	-1%
Total deposits	26.3	25.8	25.6	26.0	26.3	0%	2%	0%	2%	26.3	26.3	0%	0%
Personal Banking Norway													
Mortgage lending	32.0	31.0	32.4	32.3	31.2	3%	3%	0%	1%	32.0	31.2	3%	0%
Other lending	1.8	1.8	2.0	2.1	2.1	-14%	0%	-19%	-6%	1.8	2.1	-14%	-19%
Total lending	33.8	32.8	34.4	34.4	33.3	2%	3%	-1%	1%	33.8	33.3	2%	-1%
Total deposits	11.5	10.6	10.7	10.3	10.1	14%	8%	10%	5%	11.5	10.1	14%	10%
Personal Banking Sweden													
Mortgage lending	48.8	47.9	49.5	47.6	46.2	6%	2%	2%	0%	48.8	46.2	6%	2%
Other lending	2.9	2.9	3.1	3.0	3.1	-6%	0%	-10%	0%	2.9	3.1	-6%	-10%
Total lending	51.7	50.8	52.6	50.6	49.3	5%	2%	1%	0%	51.7	49.3	5%	1%
Total deposits	26.9	25.8	26.7	26.2	25.9	4%	4%	0%	2%	26.9	25.9	4%	0%

Business Banking

Introduction

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

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

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

Business development

In the second quarter we continued to actively support our customers and delivered a solid financial performance. While the corporate bank lending market remained subdued, we supported our customers in securing both equity and bond market funding. Deposit volumes grew by 1% year on year in local currencies, while lending volumes remained stable.

We have achieved improvements in call resolution rates and reduced waiting times, positively impacting our net promoter scores. We have increased the availability of advisers for our small corporate customers at Nordea Business Centre, ensuring efficient service. Overall, customer satisfaction increased in the second quarter.

During the quarter we made further progress towards our strategic ambition to be the leading digital bank for SMEs. We improved service quality in digital channels by developing the Nordea Business internet bank and mobile app. In Norway, we are progressing with the customer migration to Nordea Business and have migrated approximately half of the customers. We also launched Nordea Business Mobile in Norway, which our customers rated highly in app stores. In addition, we have improved the self-service options in key product areas. In Finland, we launched the possibility to open a fixed-term account and to apply for an instalment-free period for term loans.

We remain focused on supporting our customers in the transition to a more sustainable economy. During the second quarter our green asset portfolio increased to 12% of total lending. We continued to actively engage with our customers in the high-emitting sectors to support them in developing climate transition plans and also to capture data on current emission levels and climate targets in our portfolio.

Financial outcome

Total income in the second quarter increased by 4% year on year, driven by improved deposit margins and higher customer activity especially in the capital markets area.

Net interest income increased by 2% year on year, mainly due to higher deposit margins following higher policy rates, compared to the same quarter last year. Deposit volumes grew by 1% year on year in local currencies, while lending volumes remained stable.

Net fee and commission income increased by 5% year on year, driven by higher customer activity in capital markets, payments and savings business. This was partly offset by lower lending fee income.

Net result from items at fair value increased by 14%, compared to the same quarter last year, driven by higher demand for both fixed income derivatives and foreign exchange products.

Total expenses excluding regulatory fees were up 8% year on year, driven by increased investments in our technology infrastructure, data and AI, digital offering and risk management capabilities in line with our business plan. Total expenses increased by 11% year on year. The cost-to-income ratio with amortised resolution fees improved by 1 percentage point to 40%, compared with the same quarter last year.

Net loan losses and similar net result amounted to EUR 29m (12bp), net of a 30m release of management judgement allowances. Net loan losses were primarily driven by a small number of exposures. Underlying credit quality remains good.

Operating profit increased by 1% year on year to EUR 499m, driven by higher income. Return on allocated equity with amortised resolution fees was 18%, unchanged from the same quarter last year.

Business Banking Denmark

Net interest income increased by 4% in local currency year on year, driven by improved deposit margins.

Lending volumes decreased by 2% in local currency year on year and deposit volumes decreased by 1%.

Net fee and commission income increased by 11% year on year in local currency, driven by higher activity in equity capital markets and payments.

Net loan losses and similar net result amounted to EUR 10m (17bp), compared with net reversals of EUR 4m in the same quarter last year. Net loan losses were driven by few exposures.

Business Banking Finland

Net interest income decreased by 3% year on year, mainly due to lower lending and deposit volumes and lower lending margins. The decrease was partly offset by higher deposit margins.

Lending volumes decreased by 1% year on year, while deposit volumes decreased by 4%.

Net fee and commission income remained unchanged year on year. Higher fees from savings and debt capital markets business were offset by lower lending and guarantee fee income.

Net loan losses and similar net result amounted to EUR 9m (18bp), down from EUR 18m in the same quarter last year.

Business Banking Norway

Net interest income increased by 11% in local currency year on year, driven by higher deposit volumes.

Lending volumes remained unchanged in local currency year on year. Deposit volumes increased by 12%.

Net fee and commission income was stable in local currency year on year. Higher savings and capital markets fees were offset by lower lending and payment fees.

Net loan losses and similar net result amounted to EUR 2m (3bp), down from EUR 11m in the same quarter last year.

Business Banking Sweden

Net interest income increased by 2% in local currency year on year. The increase was driven by higher lending volumes.

Lending volumes increased by 1% in local currency year on year, while deposit volumes decreased by 1%.

Net fee and commission income was stable year on year in local currency. Higher fees related to savings, debt capital markets and payments were offset by lower lending and guarantee fee income.

Net loan losses and similar net result amounted to EUR 8m (12bp), compared with EUR 8m in the same quarter last year. Net loan losses were driven by few exposures.

Business Banking total

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Local curr. Q2/Q2	Q2/Q1	Jan- Jun 24	Jan- Jun 23	Jan-Jun 24/23 EUR	Local
EURm													
Net interest income	604	613	613	610	592	2%	-1%	2%	-1%	1,217	1,145	6%	7%
Net fee and commission income	151	143	146	137	144	5%	6%	4%	6%	294	297	-1%	-1%
Net insurance result	7	7	6	5	5	40%	0%	40%	0%	14	10	40%	40%
Net result from items at fair value	106	98	95	83	93	14%	8%	15%	12%	204	202	1%	1%
Other income	11	12	10	9	13					23	10		
Total income incl. allocations	879	873	870	844	847	4%	1%	4%	2%	1,752	1,664	5%	6%
Total expenses incl. allocations	-351	-353	-376	-318	-316	11%	-1%	11%	1%	-704	-719	-2%	-2%
Profit before loan losses	528	520	494	526	531	-1%	2%	0%	2%	1,048	945	11%	12%
Net loan losses and similar net result	-29	-20	-26	-12	-37					-49	-42		
Operating profit	499	500	468	514	494	1%	0%	1%	1%	999	903	11%	11%
Cost-to-income ratio ¹ , %	40	40	45	40	41					40	41		
Return on allocated equity ¹ , %	18	18	17	19	18					18	18		
Allocated equity	8,814	8,683	8,340	8,278	8,171	8%	2%			8,814	8,171	8%	
Risk exposure amount (REA)	42,758	42,093	41,294	41,625	41,490	3%	2%			42,758	41,490	3%	
Number of employees (FTEs)	3,965	3,993	3,970	3,980	4,023	-1%	-1%			3,965	4,023	-1%	
Volumes, EURbn:													
Total lending	94.2	93.6	94.9	94.5	93.1	1%	1%	0%	0%	94.2	93.1	1%	0%
Total deposits	51.2	50.3	52.5	50.0	50.1	2%	2%	1%	1%	51.2	50.1	2%	1%

¹ With amortised resolution fees.

Business Banking

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Local curr.		Jan- Jun 24	Jan- Jun 23	Jan-Jun EUR	24/23 Local
								Q2/Q2	Q2/Q1				
Net interest income, EURm													
Business Banking Denmark	126	128	132	129	122	3%	-2%	4%	0%	254	235	8%	8%
Business Banking Finland	162	163	171	166	167	-3%	-1%	-3%	-1%	325	311	5%	5%
Business Banking Norway	150	153	147	147	134	12%	-2%	11%	0%	303	269	13%	14%
Business Banking Sweden	164	170	166	162	161	2%	-4%	2%	-1%	334	318	5%	5%
Other	2	-1	-3	6	8					1	12		
Net fee and commission income, EURm													
Business Banking Denmark	31	28	27	26	28	11%	11%	11%	11%	59	60	-2%	-2%
Business Banking Finland	51	49	52	48	51	0%	4%	0%	4%	100	106	-6%	-6%
Business Banking Norway	26	25	26	26	25	4%	4%	0%	4%	51	51	0%	0%
Business Banking Sweden	47	46	44	44	47	0%	2%	0%	5%	93	93	0%	0%
Other	-4	-5	-3	-7	-7					-9	-13		
Net loan losses and similar net result, EURm													
Business Banking Denmark	-10	-1	-1	3	4					-11	7		
Business Banking Finland	-9	-6	-2	-5	-18					-15	-29		
Business Banking Norway	-2	0	-9	-2	-11					-2	-8		
Business Banking Sweden	-8	-12	-12	-10	-8					-20	-14		
Other	0	-1	-2	2	-4					-1	2		
Lending, EURbn													
Business Banking Denmark	24.1	24.2	24.4	24.4	24.5	-2%	0%	-2%	-1%	24.1	24.5	-2%	-2%
Business Banking Finland	20.1	19.8	19.7	20.2	20.2	0%	2%	-1%	1%	20.1	20.2	0%	-1%
Business Banking Norway	23.5	23.5	24.0	23.8	22.9	3%	0%	0%	-2%	23.5	22.9	3%	0%
Business Banking Sweden	26.5	26.1	26.7	26.1	25.3	5%	2%	1%	0%	26.5	25.3	5%	1%
Other	0	0	0.1	0	0.2					0	0.2		
Deposits, EURbn													
Business Banking Denmark	10.6	10.5	11.0	10.9	10.7	-1%	1%	-1%	1%	10.6	10.7	-1%	-1%
Business Banking Finland	14.1	14.0	15.0	14.3	14.6	-3%	1%	-4%	0%	14.1	14.6	-3%	-4%
Business Banking Norway	9.9	9.2	9.5	8.7	8.6	15%	8%	12%	4%	9.9	8.6	15%	12%
Business Banking Sweden	16.6	16.5	17.0	16.0	16.1	3%	1%	-1%	-1%	16.6	16.1	3%	-1%
Other	0	0.1	0	0.1	0.1					0	0.1		

Large Corporates & Institutions

Introduction

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

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

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

Business development

In the second quarter we made further solid progress with our strategy execution and towards our 2025 financial targets.

The macroeconomic environment is gradually recovering, and the quarter saw the first rate cuts materialising in Europe. Market sentiment was strong across capital markets with very high corporate bond activity, while loan volumes remained subdued and mostly focused on refinancings and balance sheet management. We continued to actively support our Nordic customers with their financing needs. Lending volumes decreased by 2% year on year, while deposit volumes increased by 12%.

Debt Capital Markets activity continued to be very high across the entire franchise as issuers remained keen to front-load their funding plans amidst the current favourable market conditions. We have arranged more than 350 transactions year to date, supporting continued strong income. In Equity Capital Markets and Mergers & Acquisitions we continued to see improved sentiment and momentum in the market, with deal activity, including initial public offerings, slowly picking up. Transaction highlights of the quarter included new issues for the European Union and the Republic of Finland, the initial public offering of Prisma Properties and advising Nordic Capital on the sale of Unisport.

Nordea Markets delivered solid results in the second quarter, driven by credit and equity market activity. Customer areas held up well in a quarter characterised by relatively stable market environments and somewhat increased volatility towards the end of the period. We maintained our intense focus on cost control and capital footprint optimisation, enabling continued customer support and solid results.

We remain a leading platform for sustainable advisory services and are on track to facilitate EUR 200bn in sustainable financing by the end of 2025, with EUR 148bn facilitated to date. We also continue to improve our staff training, operating processes and data foundation, supported by further development of our strategic data collection tool for emissions and climate transition plans. This quarter we maintained the number one position for Nordic corporate sustainable bonds.

Financial outcome

Total income was up 6% year on year, mainly driven by increased net fee and commission income.

Net interest income increased by 1% year on year, driven by positive margin development.

Net fee and commission income was up 20% year on year, primarily driven by increased bond issuance.

Net result from items at fair value increased by 8%. We continued to drive solid levels of customer activity and maintained our risk management focus, benefiting from our pan-Nordic diversification.

Total expenses increased by 16% year on year, mainly due to the reversal of resolution fees in the second quarter last year as well as investments in technology and stronger risk management. The cost-to-income ratio with amortised resolution fees was 38%, compared with 41% a year ago.

Net loan losses and similar net result amounted to net reversals of EUR 1m, compared with net reversals of EUR 18m in the same quarter last year.

Operating profit amounted to EUR 367m, a year-on-year decrease of 4%, driven by higher investments in line with our business plan.

We continued to exercise solid capital discipline. Return on allocated equity (RoAE) was 17%, up 1 percentage point on the same quarter last year.

Large Corporates & Institutions total

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Jan-Jun 24	Jan-Jun 23	Jan-Jun 24/23
EURm										
Net interest income	355	368	372	360	353	1%	-4%	723	697	4%
Net fee and commission income	125	126	130	105	104	20%	-1%	251	224	12%
Net insurance result	0	0	0	0	0			0	0	
Net result from items at fair value	107	131	88	95	99	8%	-18%	238	292	-18%
Other income	0	-2	1	1	0			-2	0	
Total income incl. allocations	587	623	591	561	556	6%	-6%	1,210	1,213	0%
Total expenses incl. allocations	-221	-217	-216	-199	-191	16%	2%	-438	-492	-11%
Profit before loan losses	366	406	375	362	365	0%	-10%	772	721	7%
Net loan losses and similar net result	1	12	-20	3	18			13	40	
Operating profit	367	418	355	365	383	-4%	-12%	785	761	3%
Cost-to-income ratio ¹ , %	38	35	40	39	41			36	37	
Return on allocated equity ¹ , %	17	19	16	16	16			18	18	
Allocated equity	6,743	6,777	6,562	6,719	6,753	0%	-1%	6,743	6,753	0%
Risk exposure amount (REA)	40,502	40,415	39,695	40,692	40,696	0%	0%	40,502	40,696	0%
Number of employees (FTEs)	1,229	1,237	1,225	1,255	1,261	-3%	-1%	1,229	1,261	-3%
Volumes, EURbn²:										
Total lending	52.1	53.6	52.1	53.6	52.9	-2%	-3%	52.1	52.9	-2%
Total deposits	47.7	46.3	47.0	45.2	42.6	12%	3%	47.7	42.6	12%

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

Large Corporates & Institutions

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Jan-Jun 24	Jan-Jun 23	Jan-Jun 24/23
Net interest income, EURm										
Denmark	71	71	74	71	67	6%	0%	142	137	4%
Finland	61	64	64	62	61	0%	-5%	125	118	6%
Norway	82	92	94	89	89	-8%	-11%	174	178	-2%
Sweden	126	123	124	123	120	5%	2%	249	234	6%
Other	15	18	16	15	16			33	30	
Net fee and commission income, EURm										
Denmark	29	28	27	30	29	0%	4%	57	56	2%
Finland	32	39	43	24	28	14%	-18%	71	62	15%
Norway	30	27	28	22	24	25%	11%	57	50	14%
Sweden	38	34	33	30	37	3%	12%	72	75	-4%
Other	-4	-2	-1	-1	-14			-6	-19	
Net loan losses and similar net result, EURm										
Denmark	9	21	-6	0	-2			30	14	
Finland	-1	2	-1	-1	6			1	12	
Norway	-5	-14	24	1	9			-19	16	
Sweden	-2	2	-35	-1	5			0	-2	
Other	0	1	-2	4	0			1	0	
Lending, EURbn¹										
Denmark	11.3	11.9	10.7	10.8	11.2	1%	-5%	11.3	11.2	1%
Finland	8.8	8.5	8.8	9.1	8.8	0%	4%	8.8	8.8	0%
Norway	11.1	11.6	11.8	12.1	12.0	-8%	-4%	11.1	12.0	-8%
Sweden	18.5	19.2	18.6	19.5	20.1	-8%	-4%	18.5	20.1	-8%
Other	2.4	2.4	2.2	2.1	0.8			2.4	0.8	
Deposits, EURbn¹										
Denmark	10.8	9.0	8.7	8.6	7.9	37%	20%	10.8	7.9	37%
Finland	11.4	11.7	12.8	10.4	12.4	-8%	-3%	11.4	12.4	-8%
Norway	12.6	12.5	13.0	14.0	9.8	29%	1%	12.6	9.8	29%
Sweden	12.6	13.1	12.5	12.2	12.5	1%	-4%	12.6	12.5	1%
Other	0.3	0	0	0	0			0.3	0	

¹ Excluding repurchase agreements and security lending/borrowing agreements.

Asset & Wealth Management

Introduction

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

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

Business development

During the second quarter we further grew our private banking business with sustained high activity in customer acquisition. In line with our growth strategy we have welcomed an all-time-high number of new customers in Norway and Sweden year to date. We secured positive net flows of EUR 2.0bn, Sweden and Denmark being the main contributors.

In Institutional and Wholesale Distribution, wholesale distribution clients continued to favour fixed-term or money market funds, traditional banking products and direct government bond investments in the elevated interest rate environment. As a result, wholesale distribution net flows were negative at EUR 1.2bn.

In Asset Management, investment performance stood at 68% of aggregated composites providing excess return on a three-year basis. We see strong interest from international institutional investors for our climate/sustainable strategies where one customer recently invested EUR 400m in our Global Stars strategy. By the end of the quarter approximately 71% of total AuM was in ESG products. In the annual Investment & Pensions Europe ranking of the top 500 Global asset managers 2024, Nordea Asset Management jumped five places to number 96, making it into the top 100. This reflects Nordea's strong distribution power and large asset management franchise.

In Life & Pension, we continued to grow the business with strong momentum in the Norwegian and Swedish pension transfer markets. In Sweden, Nordea Node (former Advinans) occupational pension offering is generating strong customer interest. In Denmark, our bancassurance pension sales increased and Nordea Pension, our local life insurance company, was voted pension company of the year by

Finanswatch and EY. Health care is the fastest growing personal insurance product line in the Finnish market. We launched our first product in the second quarter, which has been well received by customers. Gross written premiums in the quarter amounted to EUR 2.9bn, up from EUR 2.2bn a year ago and at an all-time high level, year-to-date.

We continued to deliver on our strategic objective to be a digital leader within savings and investments. During the quarter we launched additional new features, enhancing the private banking digital experience through dedicated private banking pages across our digital channels.

Financial outcome

Total income in the second quarter was up 3% year on year, driven by higher net interest income and higher assets under management.

Net interest income was up 14% year on year, driven by increased interest rates.

Net fee and commission income increased by 2% year on year, driven by higher assets under management and strong flows from Private Banking, partly offset by outflows in institutional and wholesale distribution.

Net insurance result amounted to EUR 29m, compared to EUR 34m a year ago. The decrease is driven by lower result from insurance products from claims in Life and Pensions.

Net result from items at fair value was stable at EUR 10m.

Total expenses increased by 3% year on year, driven by inflation and integration costs related to the acquisition of Danske Bank's Norwegian personal customer and private banking business. The cost-to-income ratio with amortised resolution fees remained stable at 41%.

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

Operating profit in the second quarter was EUR 216m, a year-on-year increase of 1%. Return on allocated equity was 36%; a year-on-year decrease of 5 percentage points, driven by increased capital allocations.

Asset & Wealth Management total

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Local curr.		Jan- Jun 24	Jan- Jun 23	Jan-Jun 24/23	
								Q2/Q2	Q2/Q1			EUR	Local
EURm													
Net interest income	81	85	77	78	71	14%	-5%	14%	-2%	166	141	18%	17%
Net fee and commission income	248	237	244	242	244	2%	5%	1%	5%	485	489	-1%	-1%
Net insurance result	29	24	-1	28	34	-15%	21%	-15%	26%	53	45	18%	18%
Net result from items at fair value	10	12	3	-1	10	0%	-17%	13%	-25%	22	34	-35%	-32%
Other income	0	0	-2	0	0					0	0		
Total income incl. allocations	368	358	321	347	359	3%	3%	3%	3%	726	709	2%	3%
Total expenses incl. allocations	-149	-151	-178	-147	-145	3%	-1%	3%	-1%	-300	-295	2%	2%
Profit before loan losses	219	207	143	200	214	2%	6%	2%	6%	426	414	3%	3%
Net loan losses and similar net result	-3	-2	1	0	-1					-5	-2		
Operating profit	216	205	144	200	213	1%	5%	1%	6%	421	412	2%	2%
Cost-to-income ratio ¹ , %	41	42	56	43	41					41	41		
Return on allocated equity ¹ , %	36	36	27	38	41					36	39		
Allocated equity	1,849	1,831	1,608	1,620	1,584	17%	1%			1,849	1,584	17%	
Risk exposure amount (REA)	6,171	6,269	6,072	7,452	7,131	-13%	-2%			6,171	7,131	-13%	
Number of employees (FTEs)	3,135	3,136	3,098	3,139	3,210	-2%	0%			3,135	3,210	-2%	
Volumes, EURbn:													
AuM	400.3	391.2	378.5	359.7	363.1	10%	2%			400.3	363.1	10%	
Total lending	11.6	11.5	11.7	11.5	11.4	2%	1%	2%	1%	11.6	11.4	2%	2%
Total deposits	12.0	11.4	12.2	11.9	12.4	-3%	5%	-5%	4%	12.0	12.4	-3%	-5%

¹ With amortised resolution fees.

Assets under Management (AuM), volumes and net flow

	Q224	Q124	Q423	Q323	Net flow	
					Q223	Q224
EURbn						
Nordic retail funds	86.0	83.1	80.0	74.4	74.5	0.6
Private Banking	126.0	120.4	116.1	108.9	110.1	2.0
Life & Pension	87.5	84.1	79.6	74.5	74.4	1.1
Institutional sales Nordic	46.0	46.9	46.1	43.6	42.7	-1.9
Total Nordic channels	345.5	334.6	321.8	301.4	301.6	1.9
Wholesale distribution	36.4	37.9	38.3	39.9	42.6	-1.2
Institutional sales international	18.4	18.7	18.4	18.5	18.9	-0.3
Total international channels	54.8	56.5	56.7	58.4	61.4	-1.4
Total	400.3	391.2	378.5	359.7	363.1	0.4

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Jan- Jun 24	Jan- Jun 23	Jan-Jun 24/23
Net interest income										
EURm										
PB Denmark	24	23	24	24	22	9%	4%	47	43	9%
PB Finland	24	22	24	25	25	-4%	9%	46	47	-2%
PB Norway	10	9	8	8	8	25%	11%	19	16	19%
PB Sweden	17	17	16	16	17	0%	0%	34	34	0%
Other	6	14	5	5	-1		-57%	20	1	
Total	81	85	77	78	71	14%	-5%	166	141	18%
Net fee and commission income										
EURm										
PB Denmark	51	45	47	43	45	13%	13%	96	86	12%
PB Finland	43	41	41	39	39	10%	5%	84	77	9%
PB Norway	12	14	11	10	13	-8%	-14%	26	24	8%
PB Sweden	33	32	29	29	28	18%	3%	65	56	16%
Institutional and wholesale distribution	98	100	112	112	117	-16%	-2%	198	233	-15%
Other	11	5	4	9	2			16	13	23%
Total	248	237	244	242	244	2%	5%	485	489	-1%

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Jan- Jun 24	Jan- Jun 23	Jan-Jun 24/23
Private Banking										
AuM, EURbn										
PB Denmark	38.8	36.7	34.7	33.6	33.9	14%	6%	38.8	33.9	14%
PB Finland	38.2	37.2	36.5	34.9	35.5	7%	2%	38.2	35.5	7%
PB Norway	12.6	11.6	11.1	10.1	10.0	27%	8%	12.6	10.0	27%
PB Sweden	36.5	34.8	33.8	30.3	30.7	19%	5%	36.5	30.7	19%
Private Banking	126.0	120.4	116.1	108.9	110.1	14%	5%	126.0	110.1	14%
Lending, EURbn										
PB Denmark	4.1	4.2	4.2	4.2	4.2	-2%	-2%	4.1	4.2	-2%
PB Finland	2.5	2.5	2.5	2.6	2.6	-4%	0%	2.5	2.6	-4%
PB Norway	1.9	1.9	2.0	1.8	1.8	6%	0%	1.9	1.8	6%
PB Sweden	3.1	2.9	3.0	2.9	2.8	11%	7%	3.1	2.8	11%
Private Banking	11.6	11.5	11.7	11.5	11.4	2%	1%	11.6	11.4	2%

Asset Management - AuM and net flow¹

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Jan- Jun 24	Jan- Jun 23	Jan-Jun 24/23
EURbn										
AuM, Nordic channels	213.0	205.3	197.4	185.0	182.7	17%	4%	213.0	182.7	17%
AuM, international channels	51.5	53.4	53.5	55.3	58.0	-11%	-4%	51.5	58.0	-11%
AuM, total	264.5	258.7	251.0	240.3	240.7	10%	2%	264.5	240.7	10%
- whereof ESG AuM ²	188.2	180.0	174.0	164.9	161.0	17%	5%	188.2	161.0	17%
Net inflow, Nordic channels	2.3	0.1	0.5	2.8	0.7			2.4	-1.0	
Net inflow, international channels	-1.5	-2.0	-3.7	-2.1	-2.6			-3.5	-3.9	
Net inflow, total	0.8	-1.8	-3.1	0.8	-1.9			-1.0	-4.9	
- whereof ESG net inflow ²	1.1	-1.2	-1.5	2.4	-1.1			1.1	-1.3	

¹ International channels include "Institutional sales international" and "Wholesale distribution", while Nordic channels include all other assets managed by Asset Management.

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

Life & Pension

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Jan- Jun 24	Jan- Jun 23	Jan-Jun 24/23
EURm										
AuM, EURbn	83.3	79.9	75.4	70.4	70.2	19%	4%	83.3	70.2	19%
Premiums	2,883	3,069	2,328	1,773	2,178	32%	-6%	5,953	4,441	34%
Profit drivers										
Profit traditional products	15	12	6	11	13	13%	30%	27	27	-1%
Profit market return products	81	72	68	70	70	16%	13%	152	143	6%
Profit risk products	18	25	8	22	24	-28%	-30%	43	34	26%
Total product result	114	108	81	103	108	6%	5%	222	204	9%

Group functions

Introduction

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

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

Business development

During the second quarter we continued to invest in initiatives to minimise operational risk and prevent financial crime. We also continue to deliver on our business technology strategy, with the ambition to strengthen our core capabilities to meet future expectations.

We remain committed to rigorous cost control, while making significant investments to secure a sustainable operating model and delivering on regulatory expectations.

Financial outcome

Total operating income in the second quarter amounted to EUR 20m, down from EUR 58m in the same quarter last year. The decrease was mainly driven by lower net result from items at fair value, partly offset by lower operating expenses.

Net result from items at fair value decreased by EUR 64m year on year, mainly due to lower revaluations and hedging result in Treasury.

Total operating expenses amounted to EUR 0m; a year-on-year decrease of EUR 26m.

Group functions

	Q224	Q124	Q423	Q323	Q223	Q2/Q2	Q2/Q1	Jan-Jun 24	Jan-Jun 23
EURm									
Net interest income	16	19	14	9	-10			35	-6
Net fee and commission income	-4	-11	-21	-16	-3			-15	-15
Net insurance result	0	1	-1	1	1			1	1
Net result from items at fair value	6	29	-45	28	70			35	70
Other income	2	4	3	2	0			6	2
Total operating income	20	42	-50	24	58			62	52
Total operating expenses	0	11	10	-19	-26			11	-9
Profit before loan losses	20	53	-40	5	32			73	43
Net loan losses and similar net result	-5	4	-4	2	5			-1	5
Operating profit	15	57	-44	7	37			72	48
Allocated Equity	3,346	2,091	5,470	4,707	3,587			3,346	3,587
Risk exposure amount (REA)	5,849	6,275	9,396	9,396	9,359			5,849	9,359
Number of employees (FTEs)	14,501	14,396	14,144	14,097	13,865	5%	1%	14,501	13,865

Income statement

	Note	Q2 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
EURm						
Operating income						
Interest income calculated using the effective interest rate method		4,704	4,151	9,676	7,856	17,303
Other interest income		643	593	1,290	1,143	2,426
Interest expense		-3,443	-2,913	-7,108	-5,403	-12,278
Net interest income	3	1,904	1,831	3,858	3,596	7,451
Fee and commission income		1,019	986	2,008	1,966	3,923
Fee and commission expense		-224	-235	-450	-450	-902
Net fee and commission income	4	795	751	1,558	1,516	3,021
Return on assets backing insurance liabilities		469	440	1,608	1,171	2,224
Insurance result		-406	-372	-1,484	-1,057	-2,007
Net insurance result	5	63	68	124	114	217
Net result from items at fair value	6	247	290	538	635	1,014
Profit or loss from associated undertakings and joint ventures accounted for under the equity method		2	3	9	-9	-3
Other operating income		19	12	28	24	43
Total operating income		3,030	2,955	6,115	5,876	11,743
Operating expenses						
General administrative expenses:						
Staff costs		-761	-725	-1,510	-1,444	-2,908
Other expenses	7	-361	-304	-699	-591	-1,206
Regulatory fees	8	-18	-21	-81	-276	-316
Depreciation, amortisation and impairment charges of tangible and intangible assets	9	-138	-155	-277	-316	-808
Total operating expenses		-1,278	-1,205	-2,567	-2,627	-5,238
Profit before loan losses		1,752	1,750	3,548	3,249	6,505
Net result on loans in hold portfolios mandatorily held at fair value		-7	6	-11	8	20
Net loan losses	10	-61	-38	-90	-59	-187
Operating profit		1,684	1,718	3,447	3,198	6,338
Income tax expense		-381	-383	-783	-715	-1,404
Net profit for the period		1,303	1,335	2,664	2,483	4,934
Attributable to:						
Shareholders of Nordea Bank Abp		1,303	1,335	2,638	2,457	4,908
Additional Tier 1 capital holders		-	-	26	26	26
Total		1,303	1,335	2,664	2,483	4,934
Basic earnings per share, EUR		0.37	0.37	0.75	0.68	1.37
Diluted earnings per share, EUR		0.37	0.37	0.75	0.68	1.37

Statement of comprehensive income

	Q2 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
EURm					
Net profit for the period	1,303	1,335	2,664	2,483	4,934
Items that may be reclassified subsequently to the income statement					
<i>Currency translation:</i>					
Currency translation differences	283	-426	-223	-1,057	-436
Tax on currency translation differences	-	-	-	-	0
<i>Hedging of net investments in foreign operations:</i>					
Valuation gains/losses	-101	102	76	282	55
<i>Fair value through other comprehensive income:¹</i>					
Valuation gains/losses, net of recycling	33	-5	41	14	19
Tax on valuation gains/losses	-8	1	-9	-3	-5
<i>Cash flow hedges:</i>					
Valuation gains/losses, net of recycling	-15	44	13	40	2
Tax on valuation gains/losses	3	-8	-3	-8	0
Items that may not be reclassified subsequently to the income statement					
<i>Changes in own credit risk related to liabilities classified as fair value option:</i>					
Valuation gains/losses	0	10	-8	15	13
Tax on valuation gains/losses	0	-4	2	-5	-3
<i>Defined benefit plans:</i>					
Remeasurement of defined benefit plans	-39	47	63	114	-36
Tax on remeasurement of defined benefit plans	8	-11	-15	-25	9
<i>Companies accounted for under the equity method:</i>					
Other comprehensive income from companies accounted for under the equity method	0	-1	5	-1	-4
Tax on other comprehensive income from companies accounted for under the equity method	0	0	-1	0	1
Other comprehensive income, net of tax	164	-251	-59	-634	-385
Total comprehensive income	1,467	1,084	2,605	1,849	4,549
Attributable to:					
Shareholders of Nordea Bank Abp	1,467	1,084	2,579	1,823	4,523
Additional Tier 1 capital holders	-	-	26	26	26
Total	1,467	1,084	2,605	1,849	4,549

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

Balance sheet

	Note	30 Jun 2024	31 Dec 2023	30 Jun 2023
EURm				
Assets				
	12			
Cash and balances with central banks		43,310	50,622	61,081
Loans to central banks	11	1,198	1,909	386
Loans to credit institutions	11	7,135	2,363	10,101
Loans to the public	11	346,894	344,828	339,980
Interest-bearing securities		76,803	68,000	69,674
Shares		35,249	22,158	24,469
Assets in pooled schemes and unit-linked investment contracts		56,861	50,531	46,608
Derivatives		22,602	26,525	32,010
Fair value changes of hedged items in portfolio hedges of interest rate risk		-723	-871	-1,764
Investments in associated undertakings and joint ventures		469	481	473
Intangible assets		3,840	3,826	3,905
Properties and equipment		1,611	1,653	1,633
Investment properties		2,151	2,199	2,255
Deferred tax assets		236	254	287
Current tax assets		283	217	150
Retirement benefit assets		297	225	266
Other assets		7,458	8,921	9,980
Prepaid expenses and accrued income		1,028	755	857
Assets held for sale		126	106	-
Total assets		606,828	584,702	602,351
Liabilities				
	12			
Deposits by credit institutions		33,167	29,504	32,565
Deposits and borrowings from the public		223,825	210,062	217,900
Deposits in pooled schemes and unit-linked investment contracts		57,578	51,573	47,533
Insurance contract liabilities		29,256	27,568	26,266
Debt securities in issue		185,113	182,548	190,336
Derivatives		24,228	30,794	33,076
Fair value changes of hedged items in portfolio hedges of interest rate risk		-1,035	-869	-2,023
Current tax liabilities		298	413	369
Other liabilities		15,131	13,727	19,652
Accrued expenses and prepaid income		1,407	1,274	1,047
Deferred tax liabilities		680	505	680
Provisions		349	371	367
Retirement benefit obligations		259	287	243
Subordinated liabilities		6,216	5,720	5,255
Total liabilities		576,472	553,477	573,266
Equity				
Additional Tier 1 capital holders		749	750	750
Share capital		4,050	4,050	4,050
Invested unrestricted equity		1,053	1,063	1,065
Other reserves		-2,408	-2,345	-2,596
Retained earnings		26,912	27,707	25,816
Total equity		30,356	31,225	29,085
Total liabilities and equity		606,828	584,702	602,351
Off-balance sheet items				
Assets pledged as security for own liabilities		206,028	185,339	176,853
Other assets pledged ¹		236	236	246
Contingent liabilities		20,789	20,489	20,789
Credit commitments ²		83,765	82,773	82,542
Other commitments		2,792	2,611	2,431

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

² Including unutilised portion of approved overdraft facilities of EUR 27,642m (31 December 2023: EUR 27,411m; 30 June 2023: EUR 25,863m).

Statement of changes in equity

EURm	Attributable to shareholders of Nordea Bank Abp										
	Share capital ¹	Invested un-restricted equity	Trans-lation of foreign operations	Cash flow hedges	Fair value through other comprehensive income	Defined benefit plans	Changes in own credit risk related to liabilities classified as fair value option	Retained earnings	Total	Additional Tier 1 capital holders	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 period	-	-	-	-	-	-	-	2,638	2,638	26	2,664
Other comprehensive income, net of tax	-	-	-147	10	32	48	-6	4	-59	-	-59
Total comprehensive income	-	-	-147	10	32	48	-6	2,642	2,579	26	2,605
Paid interest on Additional Tier 1 capital, net of tax	-	-	-	-	-	-	-	5	5	-26	-21
Change in Additional Tier 1 capital	-	-	-	-	-	-	-	-	-	-1	-1
Share-based payments	-	-	-	-	-	-	-	4	4	-	4
Dividend	-	-	-	-	-	-	-	-3,218	-3,218	-	-3,218
Purchase of own shares ²	-	-10	-	-	-	-	-	-228	-238	-	-238
Balance as at 30 Jun 2024	4,050	1,053	-2,419	76	26	-88	-3	26,912	29,607	749	30,356
Balance as at 1 Jan 2023	4,050	1,082	-1,891	64	-20	-109	-7	26,927	30,096	748	30,844
Net profit for the period	-	-	-	-	-	-	-	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, net of tax	-	-	-	-	-	-	-	5	5	-26	-21
Change in Additional Tier 1 capital	-	-	-	-	-	-	-	-	-	2	2
Share-based payments	-	-	-	-	-	-	-	19	19	-	19
Dividend	-	-	-	-	-	-	-	-2,876	-2,876	-	-2,876
Purchase of own shares ²	-	-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
Balance as at 1 Jan 2023	4,050	1,082	-1,891	64	-20	-109	-7	26,927	30,096	748	30,844
Net profit for the period	-	-	-	-	-	-	-	2,457	2,457	26	2,483
Other comprehensive income, net of tax	-	-	-775	32	11	89	10	-1	-634	-	-634
Total comprehensive income	-	-	-775	32	11	89	10	2,456	1,823	26	1,849
Paid interest on Additional Tier 1 capital, net of tax	-	-	-	-	-	-	-	5	5	-26	-21
Change in Additional Tier 1 capital	-	-	-	-	-	-	-	-	-	2	2
Share-based payments	-	-	-	-	-	-	-	7	7	-	7
Dividend	-	-	-	-	-	-	-	-2,876	-2,876	-	-2,876
Purchase of own shares ²	-	-17	-	-	-	-	-	-693	-710	-	-710
Other changes	-	-	-	-	-	-	-	-10	-10	-	-10
Balance as at 30 Jun 2023	4,050	1,065	-2,666	96	-9	-20	3	25,816	28,335	750	29,085

¹ Total shares registered were 3,506 million (31 December 2023: 3,528 million; 30 June 2023: 3,589 million). The number of own shares was 6.6 million (31 December 2023: 9.1 million; 30 June 2023: 14.0 million), which represents 0.2% (31 December 2023: 0.3%; 30 June 2023: 0.4%) of the total shares in Nordea. Each share represents one voting right.

² The change in the holding of own shares related to treasury shares held for remuneration purposes and to the trading portfolio was accounted for as a decrease/increase in "Invested unrestricted equity". The number of treasury shares held for remuneration purposes was 3.5 million (31 December 2023: 4.8 million; 30 June 2023: 4.8 million). The share buy-back amounted to EUR 228m (31 December 2023: EUR 1,263m; 30 June 2023: EUR 693m) and was accounted for as a reduction in "Retained earnings". The transaction cost in relation to the share buy-back amounted to EUR 0m (31 December 2023: EUR 1m; 30 June 2023: EUR 0m).

Cash flow statement, condensed

	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
EURm			
Operating activities			
Operating profit	3,447	3,198	6,338
Adjustments for items not included in cash flow	-1,044	605	5,899
Income taxes paid	-753	-514	-1,480
Cash flow from operating activities before changes in operating assets and liabilities	1,650	3,289	10,757
Changes in operating assets and liabilities	-5,492	673	-17,229
Cash flow from operating activities	-3,842	3,962	-6,472
Investing activities			
Acquisition/sale of business operations	-	-37	-37
Acquisition/sale of associated undertakings and joint ventures	-	0	-1
Acquisition/sale of property and equipment	-17	-32	-53
Acquisition/sale of intangible assets	-218	-218	-444
Cash flow from investing activities	-235	-287	-535
Financing activities			
Issued/amortised subordinated liabilities	450	-	295
Sale/repurchase of own shares, including change in trading portfolio	-238	-710	-1,283
Dividend paid	-3,218	-2,876	-2,876
Paid interest on Additional Tier 1 capital	-26	-26	-26
Amortisation of the principal part of lease liabilities	-56	-61	-118
Cash flow from financing activities	-3,088	-3,673	-4,008
Cash flow for the period	-7,165	2	-11,015
Cash and cash equivalents			
	30 Jun 2024	30 Jun 2023	31 Dec 2023
EURm			
Cash and cash equivalents at beginning of the period	51,362	62,877	62,877
Translation differences	224	-722	-500
Cash and cash equivalents at end of the period	44,421	62,157	51,362
Change	-7,165	2	-11,015
The following items are included in cash and cash equivalents:			
Cash and balances with central banks	43,310	61,081	50,622
Loans to central banks	3	4	3
Loans to credit institutions	1,108	1,072	737
Total cash and cash equivalents	44,421	62,157	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 postal giro system is domiciled in the country where the institution is established,
- the balance on the account is readily available at any time.

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

Notes to the financial statements

Note 1 Accounting policies

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

The report includes a condensed set of financial statements and is to be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2023. The accounting policies and methods of computation are unchanged from the 2023 Annual Report, except for those relating to the items presented in the section "Changed accounting policies and presentation" below. For more information, see the accounting policies in the 2023 Annual Report.

Changed accounting policies and presentation Changed presentation of net fee and commission income

As from 1 January 2024 the lines "Payments" and "Cards" in Note 4 "Net fee and commission income" are combined into one line labelled "Payments and cards". Payment and card services are often offered as a package which makes it difficult to split commission income for these services. In addition, minor changes have been made to the labelling of the other lines in the note, but the content remains the same.

Comparative figures have been restated accordingly and the impacts on the second quarter and the first half year 2024 can be found in the table below.

EURm	Q2 2024		
	Old policy	Change	New policy
Payments	69	-69	-
Cards	77	-77	-
Payments and cards	-	146	146

EURm	Jan-Jun 2024		
	Old policy	Change	New policy
Payments	139	-139	-
Cards	147	-147	-
Payments and cards	-	286	286

Other amendments

The following amended standards issued by the IASB were implemented by Nordea on 1 January 2024 but have not had any significant impact on its financial statements.

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current as well as Classification of Liabilities as Current or Non-current – Deferral of Effective Date; and Non-current Liabilities with Covenants.
- 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.

Changes in IFRSs not yet applied

IFRS 18 Presentation and Disclosures 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 presentation and disclosures in financial statements with focus on the income statement and reporting of financial performance.

The new standard is 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.

It is not yet possible to conclude how IFRS 18 will impact the presentation of Nordea's income statement and disclosures of management-defined performance measures. As IFRS 18 will not change Nordea's recognition and measurement it is not expected to have any significant impact on other 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 Payment of Principal and Interest (SPPI), which is a condition for measurement 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 from 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 and are consequently not expected to have any significant impact on Nordea's financial statements or capital adequacy in the period of initial application, other than 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 current 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.

The amendments address the recognition and derecognition of financial assets and financial liabilities, including an optional exception relating to the derecognition of financial liabilities that are 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 new standard is effective for annual reporting periods beginning on or after 1 January 2026, with earlier application permitted. The standard is not yet endorsed by the EU. Nordea does not currently intend to adopt these amendments before the effective date.

Other amendments

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

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

Critical judgements affected by higher energy and raw material prices and reduced consumer spending

Nordea applied critical judgements in the preparation of this interim report due to the uncertainty concerning the potential long-term impact of higher energy and raw material prices and reduced consumer spending in various economic sectors on Nordea's financial statements. Particularly important in the second quarter of 2024 were the impairment testing of goodwill and loans to the public/credit institutions. Information on where critical judgements are generally applied and where estimation uncertainty exists can be found in Note G1 "Accounting policies" in the 2023 Annual Report.

No impairment of goodwill was identified in the second quarter of 2024, but estimation uncertainty exists in relation to the long-term impact on Nordea's financial statements and the impairment need will be continuously reassessed. Nordea's total goodwill amounted to EUR 2,209m at the end of the second quarter 2024 and EUR 2,227m at the end of 2023. Cash flows were projected up until the end of 2027 and the long-term growth assumption was used for subsequent periods. The discount rate used for the test in the second quarter was 8.4% after tax and the long-term growth was 2.0%. Both an increase in the discount rate of 1 percentage point and a reduction in the future growth rate of 1 percentage point are considered to be reasonably possible changes in key assumptions. Such changes would not result in any impairment.

Critical judgement was also applied in the assessment of when loans experienced a significant increase in credit risk (staging) and in the application of macro scenarios when estimating the increase in expected credit losses. When calculating allowances for individually significant impaired loans, critical judgement was exercised to estimate the amount and timing of the expected cash flows to be received from customers under different scenarios, and to value any collateral received. Critical judgement was further applied when assigning the likelihood of the different scenarios occurring. More information on the impairment testing of loans to the public/credit institutions can be found under "Net loan losses and similar net result" on page 11, in Note 11 "Loans and impairment" and under "Other information" on page 16. Information on sensitivities to rating and scoring migrations can be found in the section "Sensitivities" in Note 11.

Exchange rates

	Jan-Jun 2024	Jan-Dec 2023	Jan-Jun 2023
EUR 1 = SEK			
Income statement (average)	11.3981	11.4740	11.3326
Balance sheet (at end of period)	11.3595	11.1275	11.7750
EUR 1 = DKK			
Income statement (average)	7.4578	7.4509	7.4463
Balance sheet (at end of period)	7.4576	7.4527	7.4464
EUR 1 = NOK			
Income statement (average)	11.4948	11.4238	11.3199
Balance sheet (at end of period)	11.4020	11.2120	11.6855

Note 2 Segment reporting

	Personal Banking	Business Banking	Large Corporates & Institutions	Asset & Wealth Management	Other operating segments	Total operating segments	Reconciliation	Total Group
Jan-Jun 2024								
Total operating income, EURm	2,334	1,726	1,195	720	11	5,986	129	6,115
– of which internal transactions ¹	-778	-276	-30	127	957	0	-	-
Operating profit, EURm	1,155	984	775	418	1	3,333	114	3,447
Loans to the public ² , EURbn	162	91	50	11	0	314	33	347
Deposits and borrowings from the public, EURbn	85	51	46	12	0	194	30	224

	Personal Banking	Business Banking	Large Corporates & Institutions	Asset & Wealth Management	Other operating segments	Total operating segments	Reconciliation	Total Group
Jan-Jun 2023³								
Total operating income, EURm	2,199	1,630	1,192	702	2	5,725	151	5,876
– of which internal transactions ¹	-398	-160	-7	104	461	0	-	-
Operating profit, EURm	1,056	884	746	408	25	3,119	79	3,198
Loans to the public ² , EURbn	164	91	52	11	0	318	22	340
Deposits and borrowings from the public, EURbn	84	51	44	12	0	191	27	218

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

² The volumes are only disclosed separately for operating segments if separately reported to the Chief Operating Decision-Maker (CODM).

³ Comparable figures have been restated to reflect updated plan exchange rates in the reporting to the CODM. See Note G2.1 in the 2023 Annual Report for further information. Restatements have in addition been made due to updated internal allocation framework, driving further alignment of business area and Group profitability metrics.

Reconciliation between total operating segments and financial statements

	Operating profit, EURm		Loans to the public, EURbn		Deposits and borrowings from the public, EURbn	
	Jan-Jun		30 Jun		30 Jun	
	2024	2023	2024	2023	2024	2023
Total operating segments	3,333	3,119	314	318	194	191
Group functions ¹	43	20	-	-	-	-
Unallocated items	26	1	28	15	27	23
Differences in accounting policies ²	45	58	5	7	3	4
Total	3,447	3,198	347	340	224	218

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

² Impact from plan exchange rates used in the segment reporting.

Measurement of operating segments' performance

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

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

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

Note 3 Net interest income

Net interest income	Q2	Q1	Q2	Jan-Jun	Jan-Jun	Full year
	2024	2024	2023	2024	2023	2023
EURm						
Interest income calculated using the effective interest rate method	4,704	4,972	4,151	9,676	7,856	17,303
Other interest income	643	647	593	1,290	1,143	2,426
Interest expense	-3,443	-3,665	-2,913	-7,108	-5,403	-12,278
Net interest income	1,904	1,954	1,831	3,858	3,596	7,451
Interest income calculated using the effective interest rate method						
	Q2	Q1	Q2	Jan-Jun	Jan-Jun	Full year
	2024	2024	2023	2024	2023	2023
EURm						
Loans to credit institutions	561	745	691	1,306	1,346	2,642
Loans to the public	3,481	3,509	2,862	6,990	5,400	12,095
Interest-bearing securities	307	301	216	608	401	931
Yield fees	62	43	41	105	97	201
Net interest paid or received on derivatives in accounting hedges of assets	293	374	341	667	612	1,434
Interest income calculated using the effective interest rate method	4,704	4,972	4,151	9,676	7,856	17,303
Other interest income						
	Q2	Q1	Q2	Jan-Jun	Jan-Jun	Full year
	2024	2024	2023	2024	2023	2023
EURm						
Loans at fair value to the public	434	433	380	867	754	1,608
Interest-bearing securities measured at fair value	146	145	101	291	193	442
Net interest paid or received on derivatives in economic hedges of assets	63	69	112	132	196	376
Other interest income	643	647	593	1,290	1,143	2,426
Interest expense						
	Q2	Q1	Q2	Jan-Jun	Jan-Jun	Full year
	2024	2024	2023	2024	2023	2023
EURm						
Deposits by credit institutions	-178	-356	-233	-534	-491	-865
Deposits and borrowings from the public	-1,313	-1,302	-952	-2,615	-1,728	-4,079
Deposit guarantee fees	-19	-20	-17	-39	-40	-80
Debt securities in issue	-1,297	-1,322	-1,231	-2,619	-2,338	-5,118
Subordinated liabilities	-63	-60	-56	-123	-110	-222
Other interest expense	-4	-5	-4	-9	-7	-15
Net interest paid or received on derivatives in hedges of liabilities	-569	-600	-420	-1,169	-689	-1,899
Interest expense	-3,443	-3,665	-2,913	-7,108	-5,403	-12,278

Note 4 Net fee and commission income

	Q2 2024	Q1 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
EURm						
Asset management	424	413	405	837	809	1,631
Life and pension	38	40	33	78	72	138
Deposit products	5	6	6	11	12	23
Custody and issuer services	7	-5	6	2	3	6
Brokerage and advisory	65	51	49	116	104	194
Payments and cards	146	140	137	286	272	544
Lending	107	107	105	214	215	437
Guarantees	4	10	17	14	35	56
Other	-1	1	-7	0	-6	-8
Total	795	763	751	1,558	1,516	3,021

Breakdown

Jan-Jun 2024	Personal Banking	Business Banking	Large Corporates & Institutions	Asset & Wealth Manage- ment	Other operating segments	Other and elimination	Nordea Group
EURm							
Asset management	277	39	3	518	0	0	837
Life and pension	89	35	1	-42	0	-5	78
Deposit products	1	10	0	0	0	0	11
Custody and issuer services	1	2	4	3	-6	-2	2
Brokerage and advisory	5	17	81	18	0	-5	116
Payments and cards	113	113	46	0	0	14	286
Lending	40	78	94	2	0	0	214
Guarantees	0	2	24	0	2	-14	14
Other	17	-2	-2	-14	-2	3	0
Total	543	294	251	485	-6	-9	1,558

Jan-Jun 2023

EURm							
Asset management	258	36	3	512	0	0	809
Life and pension	75	31	1	-32	0	-3	72
Deposit products	2	10	0	0	0	0	12
Custody and issuer services	1	3	1	2	-9	5	3
Brokerage and advisory	7	18	67	16	-2	-2	104
Payments and cards	124	105	45	0	0	-2	272
Lending	45	82	87	2	0	-1	215
Guarantees	3	10	22	0	-1	1	35
Other	6	2	-2	-11	-2	1	-6
Total	521	297	224	489	-14	-1	1,516

Note 5 Net insurance result

	Q2 2024	Q1 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
EURm						
Insurance revenue	164	157	149	321	295	613
Insurance service expenses	-99	-93	-81	-192	-170	-392
Net reinsurance result	-4	-1	-3	-5	-5	-6
Net insurance revenue	61	63	65	124	120	215
Insurance finance income or expenses	-467	-1,141	-437	-1,608	-1,177	-2,222
Return on assets backing insurance liabilities	469	1,139	440	1,608	1,171	2,224
Net insurance finance income or expenses	2	-2	3	0	-6	2
Total	63	61	68	124	114	217

Note 6 Net result from items at fair value

	Q2 2024	Q1 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
EURm						
Equity-related instruments	42	69	37	111	117	243
Interest-related instruments and foreign exchange gains/losses	185	207	198	392	390	521
Other financial instruments (including credit and commodities)	17	11	54	28	110	235
Nordea Life & Pension ¹	3	4	1	7	18	15
Total	247	291	290	538	635	1,014

¹ Internal transactions not eliminated against other lines in the Note. The line item "Nordea Life & Pension" consequently provides the true impact from the life insurance operations.

Note 7 Other expenses

	Q2 2024	Q1 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
EURm						
Information technology ¹	-193	-176	-165	-369	-315	-658
Marketing and representation	-20	-14	-17	-34	-28	-66
Postage, transportation, telephone and office expenses	-13	-14	-10	-27	-23	-46
Rents, premises and real estate	-27	-27	-28	-54	-50	-109
Professional services	-44	-39	-41	-83	-74	-178
Market data services	-23	-23	-21	-46	-43	-89
Other ²	-41	-45	-22	-86	-58	-60
Total	-361	-338	-304	-699	-591	-1,206

¹ Includes IT consultancy fees.

² Includes the transfer of expenses to fulfil insurance contracts within the scope of IFRS 17 to "Net insurance result" and the capitalisation of IT development expenses accounted for as intangible assets.

Note 8 Regulatory fees

	Q2 2024	Q1 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
EURm						
Resolution fees	-	-45	-	-45	-234	-234
Bank tax	-18	-18	-21	-36	-42	-82
Total	-18	-63	-21	-81	-276	-316

Note 9 Depreciation, amortisation and impairment charges of tangible and intangible assets

	Q2 2024	Q1 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
EURm						
Depreciation/amortisation						
Properties and equipment	-53	-54	-53	-107	-112	-225
Intangible assets	-85	-85	-95	-170	-190	-384
Total	-138	-139	-148	-277	-302	-609
Impairment charges, net						
Properties and equipment	-	-	-3	-	-6	-6
Intangible assets	-	-	-4	-	-8	-193
Total	-	-	-7	-	-14	-199
Total	-138	-139	-155	-277	-316	-808

Note 10 Net loan losses

	Q2 2024	Q1 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
EURm						
Net loan losses, stage 1	-13	31	5	18	-5	5
Net loan losses, stage 2	19	-35	15	-16	23	24
Net loan losses, non-credit-impaired assets	6	-4	20	2	18	29
Stage 3, credit-impaired assets						
Net loan losses, individually assessed, collectively calculated	10	-10	-30	0	-40	-27
Realised loan losses	-65	-39	-78	-104	-122	-246
Decrease in provisions to cover realised loan losses	20	11	36	31	47	89
Recoveries on previous realised loan losses	8	13	9	21	19	35
Reimbursement right	5	-2	-3	3	3	2
New/increase in provisions	-103	-52	-64	-155	-110	-253
Reversals of provisions	58	54	72	112	126	184
Net loan losses, credit-impaired assets	-67	-25	-58	-92	-77	-216
Net loan losses	-61	-29	-38	-90	-59	-187

Key ratios

	Q2 2024	Q1 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Full year 2023
Net loan loss ratio, amortised cost, bp	9	4	6	7	4	7
- of which stage 1	2	-5	-1	-1	0	0
- of which stage 2	-3	5	-2	1	-2	-1
- of which stage 3	10	4	9	7	6	8

Note 11 Loans and impairment

	Total		
	30 Jun 2024	31 Dec 2023	30 Jun 2023
EURm			
Loans measured at fair value	85,583	74,728	82,465
Loans measured at amortised cost, not impaired (stages 1 and 2)	268,703	273,568	267,360
Impaired loans (stage 3)	2,585	2,457	2,238
- of which servicing	1,156	1,091	1,027
- of which non-servicing	1,429	1,366	1,211
Loans before allowances	356,871	350,753	352,063
- of which central banks and credit institutions	8,344	4,293	10,509
Allowances for individually assessed impaired loans (stage 3)	-1,038	-1,037	-996
- of which servicing	-425	-453	-492
- of which non-servicing	-613	-584	-504
Allowances for collectively assessed loans (stages 1 and 2)	-606	-616	-600
Allowances	-1,644	-1,653	-1,596
- of which central banks and credit institutions	-11	-21	-22
Loans, carrying amount	355,227	349,100	350,467

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

	30 Jun 2024			
	Stage 1	Stage 2	Stage 3	Total
EURm				
Loans to central banks, credit institutions and the public	249,611	19,092	2,585	271,288
Interest-bearing securities	38,230	-	-	38,230
Total	287,841	19,092	2,585	309,518

	30 Jun 2023			
	Stage 1	Stage 2	Stage 3	Total
EURm				
Loans to central banks, credit institutions and the public	253,333	14,027	2,238	269,598
Interest-bearing securities	33,553	-	-	33,553
Total	286,886	14,027	2,238	303,151

Allowances and provisions

	30 Jun 2024			
	Stage 1	Stage 2	Stage 3	Total
EURm				
Loans to central banks, credit institutions and the public	-191	-415	-1,038	-1,644
Interest-bearing securities	-2	-	-	-2
Provisions for off-balance sheet items	-45	-103	-20	-168
Total allowances and provisions	-238	-518	-1,058	-1,814

	30 Jun 2023			
	Stage 1	Stage 2	Stage 3	Total
EURm				
Loans to central banks, credit institutions and the public	-214	-386	-996	-1,596
Interest-bearing securities	-3	-	-	-3
Provisions for off-balance sheet items	-50	-100	-19	-169
Total allowances and provisions	-267	-486	-1,015	-1,768

Movements of allowance accounts for loans measured at amortised cost

	Stage 1	Stage 2	Stage 3	Total
EURm				
Balance as at 1 Jan 2024	-206	-410	-1,037	-1,653
Changes due to origination and acquisition	-29	-9	-3	-41
Transfer from stage 1 to stage 2	8	-124	-	-116
Transfer from stage 1 to stage 3	0	-	-67	-67
Transfer from stage 2 to stage 1	-5	41	-	36
Transfer from stage 2 to stage 3	-	15	-104	-89
Transfer from stage 3 to stage 1	-1	-	4	3
Transfer from stage 3 to stage 2	-	-6	22	16
Changes due to change in credit risk (net)	6	1	33	40
Changes due to repayments and disposals	33	75	77	185
Write-off through decrease in allowance account	-	-	31	31
Translation differences	3	2	6	11
Balance as at 30 Jun 2024	-191	-415	-1,038	-1,644

Note 11 Continued

	Stage 1	Stage 2	Stage 3	Total
EURm				
Balance as at 1 Jan 2023	-220	-408	-1,045	-1,673
Changes due to origination and acquisition	-39	-4	-2	-45
Transfer from stage 1 to stage 2	6	-94	-	-88
Transfer from stage 1 to stage 3	0	-	-39	-39
Transfer from stage 2 to stage 1	-5	52	-	47
Transfer from stage 2 to stage 3	-	11	-71	-60
Transfer from stage 3 to stage 1	0	-	4	4
Transfer from stage 3 to stage 2	-	-3	16	13
Changes due to change in credit risk (net)	-1	2	7	8
Changes due to repayments and disposals	37	50	65	152
Write-off through decrease in allowance account	-	-	46	46
Translation differences	8	8	23	39
Balance as at 30 Jun 2023	-214	-386	-996	-1,596

Key ratios¹

	30 Jun 2024	31 Dec 2023	30 Jun 2023
Impairment rate (stage 3), gross, basis points	95	89	83
Impairment rate (stage 3), net, basis points	57	51	46
Total allowance rate (stages 1, 2 and 3), basis points	61	60	59
Allowances in relation to impaired loans (stage 3), %	40	42	45
Allowances in relation to loans in stages 1 and 2, basis points	23	23	23

¹ For definitions, see Glossary.

Sensitivities

The provisions are sensitive to rating migration even if staging triggers are not reached. The table below shows the impact on provisions of a one-notch downgrade of all exposures in the bank. It includes both the impact of the higher risk for all exposures and the impact of transferring exposures that reach the trigger from stage 1 to stage 2. It also includes the impact of exposures with one rating grade above default becoming default, which is estimated at EUR 120m (EUR 116m at the end of March 2024). This figure is based on calculations using the statistical model rather than individual estimates as would be the case in reality for material defaulted loans.

	30 Jun 2024		31 Dec 2023	
	Recognised provisions	Provisions if one notch downgrade	Recognised provisions	Provisions if one notch downgrade
EURm				
Personal Banking	426	542	405	526
Business Banking	977	1,099	986	1,114
Large Corporates & Institutions	386	416	396	431
Other	25	40	38	51
Group	1,814	2,097	1,825	2,122

Forward-looking information

Forward-looking information is used for both assessing significant increases in credit risk and calculating expected credit losses. Nordea uses three macroeconomic scenarios: a baseline scenario, a favourable scenario and an adverse scenario. For the second quarter of 2024, the scenarios were weighted into the final expected credit losses (ECL) as follows: baseline 50%, adverse 40% and favourable 10% (baseline 50%, adverse 40% and favourable 10% at the end of the first quarter of 2024). The weight of the adverse scenario was kept at an elevated level, reflecting continued uncertainty about the macroeconomic outlook.

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

The macroeconomic scenarios reflect Nordea's view of how the Nordic economies might develop in light of the conflict in the Middle East and the war in Ukraine. They take into consideration continued high inflation, reinforced by a renewed surge in energy prices, and the potential impact of high interest rates on financial markets and economic activity. When developing the scenarios and determining the relative weighting between them, Nordea took into account projections made by Nordic central banks, Nordea Research and the European Central Bank.

The baseline scenario foresees soft landings in the Nordic economies and slightly higher unemployment in the coming years as higher rates and elevated inflation continue to weigh on economic activity. In 2024, growth in Finland, Norway and Sweden is expected to remain weak or negative, while relatively high growth is expected for the Danish economy driven by the pharmaceutical sector and a reopening of gas extraction from the North Sea. Over the next few years, growth is projected to pick up in Finland, Norway and Sweden, as inflation falls and central banks lower interest rates. A modest recovery in home prices is expected in 2024 and beyond supported by rising household purchasing power. The risks around the baseline forecast are tilted to the downside.

Nordea's two alternative macroeconomic scenarios cover a range of plausible risk factors which may cause growth to deviate from the baseline scenario. Persistent and high inflation, reinforced by higher energy prices, may lead central banks to adopt a higher for longer strategy, triggering a deeper recession due to falling private consumption and investments. In addition, home prices may see an even larger decline due to higher interest rates, a squeeze in household purchasing power and weak confidence. Normalising inflation and lower interest rates, on the other hand, may lead to a stronger recovery than assumed in the baseline scenario.

At the end of the second quarter of 2024 adjustments to model-based allowances/provisions amounted to EUR 520m, including management judgements. The management judgement allowances cover expected credit losses not yet adequately captured by the IFRS 9 modelled outcomes. During the quarter, management judgement allowance levels were reassessed and EUR 30m was released due to the improved macroeconomic outlook with lower inflation and interest rates. Foreign exchange fluctuations accounted for a further EUR 11m reduction, and consequently management judgement allowances decreased to EUR 464m from EUR 505m.

Note 11 Continued

Scenarios and allowances/provisions

30 Jun 2024

		2024	2025	2026	Unweighted ECL EURm	Probability weight	Model-based allowances/ provisions EURm	Adjustments to model-based allowances/ provisions EURm	Individual allowances/ provisions EURm	Total allowances/ provisions EURm
Denmark										
Favourable scenario	GDP growth, %	3.0	2.2	1.7	122	10%				
	Unemployment, %	2.8	2.6	2.5						
	Change in household consumption, %	1.8	1.5	1.4						
	Change in house prices, %	4.5	2.8	2.9						
Baseline scenario	GDP growth, %	2.4	1.4	1.3	124	50%	129	97	195	421
	Unemployment, %	3.0	3.1	3.1						
	Change in household consumption, %	1.6	1.1	1.0						
	Change in house prices, %	3.7	1.6	2.4						
Adverse scenario	GDP growth, %	0.7	-0.6	1.1	137	40%				
	Unemployment, %	3.6	4.7	4.7						
	Change in household consumption, %	1.2	0.4	0.5						
	Change in house prices, %	0.5	-3.7	0.8						
Finland										
Favourable scenario	GDP growth, %	0.5	2.9	1.3	229	10%				
	Unemployment, %	7.7	7.1	6.9						
	Change in household consumption, %	0.4	1.9	1.6						
	Change in house prices, %	-2.2	2.2	2.5						
Baseline scenario	GDP growth, %	-0.5	1.7	1.5	236	50%	245	205	176	626
	Unemployment, %	7.8	7.4	7.2						
	Change in household consumption, %	0.2	1.5	1.4						
	Change in house prices, %	-3.0	1.8	2.0						
Adverse scenario	GDP growth, %	-2.3	-0.7	1.2	260	40%				
	Unemployment, %	8.5	8.9	8.6						
	Change in household consumption, %	-0.3	0.4	0.1						
	Change in house prices, %	-5.2	-1.8	1.2						
Norway										
Favourable scenario	GDP growth, %	1.5	2.1	0.9	101	10%				
	Unemployment, %	3.6	3.6	3.6						
	Change in household consumption, %	1.1	2.3	2.4						
	Change in house prices, %	1.9	3.3	2.7						
Baseline scenario	GDP growth, %	0.4	1.8	0.5	103	50%	107	109	116	332
	Unemployment, %	3.8	4.0	4.0						
	Change in household consumption, %	1.0	2.1	2.1						
	Change in house prices, %	1.0	2.2	2.8						
Adverse scenario	GDP growth, %	-0.9	-0.8	0.4	114	40%				
	Unemployment, %	4.2	5.3	5.2						
	Change in household consumption, %	0.8	1.7	0.9						
	Change in house prices, %	-3.6	-4.2	2.0						
Sweden										
Favourable scenario	GDP growth, %	1.2	3.2	2.2	116	10%				
	Unemployment, %	8.1	7.7	7.6						
	Change in household consumption, %	2.2	3.2	3.0						
	Change in house prices, %	1.4	3.3	3.4						
Baseline scenario	GDP growth, %	0.3	2.1	2.2	120	50%	123	109	199	431
	Unemployment, %	8.3	8.2	8.0						
	Change in household consumption, %	2.0	2.7	2.6						
	Change in house prices, %	0.5	2.5	3.3						
Adverse scenario	GDP growth, %	-1.5	-0.6	1.6	130	40%				
	Unemployment, %	9.6	10.6	10.4						
	Change in household consumption, %	1.1	0.7	0.3						
	Change in house prices, %	-2.2	-2.4	1.7						
Non-Nordic							4	0	0	4
Total							608	520	686	1,814

Note 11 Continued

Scenarios and allowances/provisions

31 Dec 2023

		2024	2025	2026	Unweighted ECL EURm	Probability weight	Model-based allowances/ provisions EURm	Adjustments to model-based allowances/ provisions EURm	Individual allowances/ provisions EURm	Total allowances/ provisions EURm
Denmark										
Favourable scenario	GDP growth, %	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						
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	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	0.7	0.1						
	Change in house prices, %	-1.2	1.0	0.4						
Non-Nordic							1	3	0	4
Total							589	549	687	1,825

Note 11 Continued

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

30 Jun 2024

EURm	Gross				Allowances				Loans carrying amount	Net loan losses ¹
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total		
Financial institutions	13,886	543	60	14,489	6	11	28	45	14,444	-2
Agriculture	4,313	227	61	4,601	6	7	29	42	4,559	5
Crops, plantations and hunting	916	110	14	1,040	3	4	6	13	1,027	-1
Animal husbandry	609	79	47	735	2	2	23	27	708	5
Fishing and aquaculture	2,788	38	0	2,826	1	1	0	2	2,824	1
Natural resources	2,456	249	13	2,718	2	4	9	15	2,703	0
Paper and forest products	1,468	201	10	1,679	1	3	8	12	1,667	0
Mining and supporting activities	538	45	3	586	1	1	1	3	583	0
Oil, gas and offshore	450	3	0	453	0	0	0	0	453	0
Consumer staples	5,228	340	47	5,615	9	10	20	39	5,576	10
Food processing and beverages	1,551	213	12	1,776	3	5	6	14	1,762	9
Household and personal products	585	37	7	629	1	1	4	6	623	1
Healthcare	3,092	90	28	3,210	5	4	10	19	3,191	0
Consumer discretionary and services	9,734	1,393	440	11,567	15	49	208	272	11,295	2
Consumer durables	2,171	316	104	2,591	2	7	66	75	2,516	-9
Media and entertainment	1,430	302	19	1,751	2	5	24	31	1,720	1
Retail trade	3,733	610	265	4,608	8	30	91	129	4,479	6
Air transportation	220	4	11	235	0	0	3	3	232	1
Accommodation and leisure	1,336	158	33	1,527	2	7	18	27	1,500	3
Telecommunication services	844	3	8	855	1	0	6	7	848	0
Industrials	27,304	3,957	600	31,861	48	126	284	458	31,403	-69
Materials	1,522	372	85	1,979	3	7	20	30	1,949	-11
Capital goods	3,167	564	28	3,759	4	17	18	39	3,720	6
Commercial and professional services	5,812	550	64	6,426	10	16	24	50	6,376	-16
Construction	6,817	1,154	193	8,164	14	32	94	140	8,024	-16
Wholesale trade	5,413	791	124	6,328	8	35	53	96	6,232	-27
Land transportation	2,694	297	35	3,026	5	10	27	42	2,984	-2
IT services	1,879	229	71	2,179	4	9	48	61	2,118	-3
Maritime	4,783	53	50	4,886	12	5	24	41	4,845	1
Ship building	195	18	0	213	0	0	0	0	213	0
Shipping	4,129	30	50	4,209	11	4	24	39	4,170	1
Maritime services	459	5	0	464	1	1	0	2	462	0
Utilities and public service	6,999	138	100	7,237	5	3	28	36	7,201	-22
Utilities distribution	3,571	59	92	3,722	3	1	25	29	3,693	-20
Power production	2,541	15	1	2,557	1	0	1	2	2,555	1
Public services	887	64	7	958	1	2	2	5	953	-3
Real estate	36,031	1,955	153	38,139	23	22	71	116	38,023	37
Other industries and reimbursement rights	1,801	200	12	2,013	2	1	2	5	2,008	3
Total Corporate	112,535	9,055	1,536	123,126	128	238	703	1,069	122,057	-35
Housing loans	116,925	7,044	586	124,555	17	70	120	207	124,348	-10
Collateralised lending	11,552	1,987	266	13,805	26	30	122	178	13,627	-12
Non-collateralised lending	4,012	991	170	5,173	15	77	85	177	4,996	-33
Household	132,489	10,022	1,022	143,533	58	177	327	562	142,971	-55
Public sector	2,765	3	24	2,792	0	0	2	2	2,790	0
Lending to the public	247,789	19,080	2,582	269,451	186	415	1,032	1,633	267,818	-90
Lending to central banks and credit institutions	1,822	12	3	1,837	5	0	6	11	1,826	0
Total	249,611	19,092	2,585	271,288	191	415	1,038	1,644	269,644	-90

¹ The table shows net loan losses related to on- and off-balance sheet exposures for June 2024 year to date.

Note 11 Continued

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

31 Dec 2023

EURm	Gross				Allowances				Loans carrying amount	Net loan losses ¹
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total		
Financial institutions	13,531	253	67	13,851	8	8	38	54	13,797	-7
Agriculture	4,278	192	68	4,538	7	7	35	49	4,489	22
Crops, plantations and hunting	930	92	17	1,039	3	3	7	13	1,026	0
Animal husbandry	619	83	48	750	3	4	28	35	715	22
Fishing and aquaculture	2,729	17	3	2,749	1	0	0	1	2,748	0
Natural resources	2,235	198	18	2,451	3	5	14	22	2,429	-2
Paper and forest products	1,505	161	16	1,682	2	4	13	19	1,663	-5
Mining and supporting activities	405	34	2	441	0	1	1	2	439	0
Oil, gas and offshore	325	3	0	328	1	0	0	1	327	3
Consumer staples	5,013	266	89	5,368	8	10	32	50	5,318	-3
Food processing and beverages	1,685	161	53	1,899	3	5	16	24	1,875	-5
Household and personal products	592	28	8	628	2	1	5	8	620	-1
Healthcare	2,736	77	28	2,841	3	4	11	18	2,823	3
Consumer discretionary and services	10,578	1,141	566	12,285	16	51	220	287	11,998	-46
Consumer durables	2,533	381	104	3,018	2	6	61	69	2,949	-30
Media and entertainment	1,845	100	199	2,144	2	5	29	36	2,108	-21
Retail trade	3,796	480	222	4,498	9	30	105	144	4,354	-4
Air transportation	236	9	9	254	0	0	4	4	250	5
Accommodation and leisure	1,357	163	27	1,547	2	9	16	27	1,520	4
Telecommunication services	811	8	5	824	1	1	5	7	817	0
Industrials	28,990	3,196	414	32,600	53	110	251	414	32,186	-40
Materials	1,700	193	25	1,918	3	4	12	19	1,899	0
Capital goods	3,161	472	42	3,675	5	16	21	42	3,633	2
Commercial and professional services	5,992	408	45	6,445	11	12	18	41	6,404	1
Construction	7,471	1,106	120	8,697	17	38	77	132	8,565	-9
Wholesale trade	6,130	567	82	6,779	7	25	47	79	6,700	-21
Land transportation	2,701	214	35	2,950	5	6	28	39	2,911	19
IT services	1,835	236	65	2,136	5	9	48	62	2,074	-32
Maritime	5,143	67	48	5,258	15	2	23	40	5,218	12
Ship building	164	15	0	179	0	0	0	0	179	3
Shipping	4,612	49	48	4,709	15	2	23	40	4,669	9
Maritime services	367	3	0	370	0	0	0	0	370	0
Utilities and public service	6,471	108	14	6,593	5	3	8	16	6,577	1
Utilities distribution	3,381	60	8	3,449	2	1	4	7	3,442	1
Power production	2,566	12	1	2,579	2	1	1	4	2,575	0
Public services	524	36	5	565	1	1	3	5	560	0
Real estate	36,656	1,860	164	38,680	25	45	83	153	38,527	-35
Other industries and reimbursement rights	1,580	189	8	1,777	3	1	0	4	1,773	15
Total Corporate	114,475	7,470	1,456	123,401	143	242	704	1,089	122,312	-83
Housing loans	113,424	5,734	539	119,697	12	54	114	180	119,517	-20
Collateralised lending	18,163	2,035	277	20,475	31	41	124	196	20,279	-24
Non-collateralised lending	4,277	952	154	5,383	14	73	77	164	5,219	-61
Household	135,864	8,721	970	145,555	57	168	315	540	145,015	-105
Public sector	3,943	8	27	3,978	1	0	2	3	3,975	1
Lending to the public	254,282	16,199	2,453	272,934	201	410	1,021	1,632	271,302	-187
Lending to central banks and credit institutions	3,079	8	4	3,091	5	0	16	21	3,070	0
Total	257,361	16,207	2,457	276,025	206	410	1,037	1,653	274,372	-187

¹ The table shows net loan losses related to on- and off-balance sheet exposures for the full year 2023.

Note 12 Classification of financial instruments

	Fair value through profit or loss (FVPL)			Fair value through other comprehensive income (FVOCI)	Total
	Amortised cost (AC)	Mandatorily	Designated at fair value through profit or loss (fair value option)		
EURm					
Financial assets					
Cash and balances with central banks	43,310	-	-	-	43,310
Loans to central banks	11	1,187	-	-	1,198
Loans to credit institutions	1,815	5,320	-	-	7,135
Loans to the public	267,818	79,076	-	-	346,894
Interest-bearing securities	847	30,511	8,064	37,381	76,803
Shares	-	35,249	-	-	35,249
Assets in pooled schemes and unit-linked investment contracts	-	55,225	936	-	56,161
Derivatives	-	22,602	-	-	22,602
Fair value changes of hedged items in portfolio hedge of interest rate risk	-723	-	-	-	-723
Other assets	863	6,000	-	-	6,863
Prepaid expenses and accrued income	642	-	-	-	642
Total 30 Jun 2024	314,583	235,170	9,000	37,381	596,134
Total 31 Dec 2023	326,154	202,856	9,233	35,869	574,112

	Fair value through profit or loss (FVPL)			Total
	Amortised cost (AC)	Mandatorily	Designated at fair value through profit or loss (fair value option)	
EURm				
Financial liabilities				
Deposits by credit institutions	10,938	22,229	-	33,167
Deposits and borrowings from the public	208,128	15,697	-	223,825
Deposits in pooled schemes and unit-linked investment contracts	-	-	57,578	57,578
Debt securities in issue	132,236	-	52,877	185,113
Derivatives	-	24,228	-	24,228
Fair value changes of hedged items in portfolio hedge of interest rate risk	-1,035	-	-	-1,035
Other liabilities ¹	4,144	9,281	-	13,425
Accrued expenses and prepaid income	6	-	-	6
Subordinated liabilities	6,216	-	-	6,216
Total 30 Jun 2024	360,633	71,435	110,455	542,523
Total 31 Dec 2023	352,749	63,814	104,938	521,501

¹ Of which lease liabilities classified in the category "Amortised cost" amount to EUR 1,079m.

Note 13 Fair value of financial assets and liabilities

	30 Jun 2024		31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
EURm				
Financial assets				
Cash and balances with central banks	43,310	43,310	50,622	50,622
Loans	354,504	355,519	348,229	350,263
Interest-bearing securities	76,803	76,804	68,000	68,008
Shares	35,249	35,249	22,158	22,158
Assets in pooled schemes and unit-linked investment contracts	56,161	56,161	49,802	49,802
Derivatives	22,602	22,602	26,525	26,525
Other assets	6,863	6,863	8,371	8,371
Prepaid expenses and accrued income	642	642	405	405
Total	596,134	597,150	574,112	576,154
Financial liabilities				
Deposits and debt instruments	447,286	448,444	426,965	427,651
Deposits in pooled schemes and unit-linked investment contracts	57,578	57,578	51,573	51,573
Derivatives	24,228	24,228	30,794	30,794
Other liabilities	12,346	12,346	11,058	11,058
Accrued expenses and prepaid income	6	6	8	8
Total	541,444	542,602	520,398	521,084

The determination of fair value is described in Note G3.4 "Fair value" in the 2023 Annual Report.

Note 14 Financial assets and liabilities held at fair value on the balance sheet

Categorisation in the fair value hierarchy

	Quoted prices in active markets for the same instruments (Level 1)	Of which Life & Pension	Valuation technique using observable data (Level 2)	Of which Life & Pension	Valuation technique using non-observable data (Level 3)	Of which Life & Pension	Total
EURm							
Assets at fair value on the balance sheet¹							
Loans to central banks	-	-	1,187	-	-	-	1,187
Loans to credit institutions	-	-	5,304	-	16	-	5,320
Loans to the public	-	-	79,053	-	23	-	79,076
Interest-bearing securities	17,903	1,350	56,420	6,434	1,633	1,092	75,956
Shares	32,687	16,786	141	38	2,421	1,035	35,249
Assets in pooled schemes and unit-linked investment contracts	54,520	50,375	1,258	1,258	383	383	56,161
Derivatives	91	-	21,042	9	1,469	-	22,602
Other assets	-	-	5,988	-	12	12	6,000
Total 30 Jun 2024	105,201	68,511	170,393	7,739	5,957	2,522	281,551
Total 31 Dec 2023	83,921	60,219	158,640	7,597	5,397	2,709	247,958
Liabilities at fair value on the balance sheet¹							
Deposits by credit institutions	-	-	22,093	-	136	-	22,229
Deposits and borrowings from the public	-	-	15,697	-	-	-	15,697
Deposits in pooled schemes and unit-linked investment contracts	-	-	57,578	53,499	-	-	57,578
Debt securities in issue	4,286	-	47,395	-	1,196	-	52,877
Derivatives	68	-	23,025	58	1,135	-	24,228
Other liabilities	3,290	-	5,883	3	108	-	9,281
Total 30 Jun 2024	7,644	-	171,671	53,560	2,575	-	181,890
Total 31 Dec 2023	6,982	-	159,617	47,408	2,153	-	168,752

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

Transfers between Levels 1 and 2

During the period Nordea transferred "Interest-bearing securities" of EUR 2,359m from Level 1 to Level 2 and of EUR 1,332m from Level 2 to Level 1 in the fair value hierarchy. Furthermore, Nordea transferred "Debt securities in issue" of EUR 4,633m from Level 1 to Level 2 and of EUR 3,904m from Level 2 to Level 1. Nordea also transferred "Other liabilities" of EUR 47m from Level 1 to Level 2 and of EUR 132m from Level 2 to Level 1. The transfers from Level 1 to Level 2 were due to the instruments ceasing to be actively traded during the period, which meant that fair values were obtained using valuation techniques with observable market inputs. The transfers from Level 2 to Level 1 were due to the instruments again being actively traded during the period, which meant that reliable quoted prices were obtained in the market. Transfers between levels are considered to have occurred at the end of the period.

Note 14

Continued

Movements in Level 3

	Fair value gains/losses recognised in the income statement during the period			Recognised in OCI	Purchases / Issues	Sales	Settlements	Transfers into Level 3	Transfers out of Level 3	Translation differences	30 Jun
	1 Jan	Rea-lised	Un-realised								
EURm											
Loans to credit institutions	-	-	-	-	16	-	-	-	-	-	16
Loans to the public	2	-	-2	-	23	-	-	-	-	-	23
Interest-bearing securities	1,736	24	9	-	122	-144	-48	44	-90	-20	1,633
- of which Life & Pension	1,214	28	-22	-	4	-93	-28	20	-14	-17	1,092
Shares	2,321	29	93	-	123	-124	-27	-	-	6	2,421
- of which Life & Pension	1,041	29	38	-	31	-64	-27	-	-	-13	1,035
Assets in pooled schemes and unit-linked investment contracts	436	1	-40	-	96	-100	-5	3	-3	-5	383
- of which Life & Pension	436	1	-40	-	96	-100	-5	3	-3	-5	383
Derivatives (net)	167	46	4	-	-	-	-46	137	26	-	334
Other assets	19	-	-	-	-	-	-7	-	-	-	12
- of which Life & Pension	18	-	-	-	-	-	-6	-	-	-	12
Deposits by credit institutions	-	-	-	-	136	-	-	-	-	-	136
Debt securities in issue	1,292	-	-113	5	406	-	-137	-	-257	-	1,196
Other liabilities	145	-	-22	-	28	-43	-	-	-	-	108
Total 2024, net	3,244	100	199	-5	-190	-325	4	184	190	-19	3,382
Total 2023, net	3,289	86	44	3	38	-349	-8	245	12	-236	3,124

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

Valuation processes for fair value measurements in Level 3

For information about the valuation processes for fair value measurement in Level 3, see Note G3.4 "Fair value" in the 2023 Annual Report.

Deferred Day 1 profit

The transaction price for financial instruments in some cases differs from the fair value at initial recognition measured using a valuation model, mainly due to the fact that the transaction price is not established in an active market. If there are significant unobservable inputs used in the valuation technique (Level 3), the financial instrument is recognised at the transaction price and any difference between the transaction price and fair value at initial recognition measured using a valuation model (Day 1 profit) is deferred. For more information, see Note G3.4 "Fair value" in the 2023 Annual Report. The table below shows the aggregated difference yet to be recognised in the income statement at the beginning and end of the period. The table also shows a reconciliation of how this aggregated difference changed during the period (movement of deferred Day 1 profit).

Deferred Day 1 profit – derivatives, net

	2024	2023
EURm		
Opening balance as at 1 Jan	73	84
Deferred profit on new transactions	24	24
Recognised in the income statement during the period ¹	-22	-24
Closing balance as at 30 Jun	75	84

¹ Of which EUR -2m (EUR -5m) is due to transfers of derivatives from Level 3 to Level 2.

Note 14 Continued

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

	Fair value	Of which Life & Pension ¹	Valuation techniques	Unobservable input	Range of fair value ⁴
EURm					
Loans					
Loans to credit institutions	16	-	Discounted cash flows	Interest rate	0/0
Loans to the public	23	-	Discounted cash flows	Interest rate	0/0
Total 30 Jun 2024	39	-			0/0
Total 31 Dec 2023	2	-			-0/0
Interest-bearing securities					
Public bodies	133	106	Discounted cash flows	Credit spread	-5/5
Mortgage and other credit institutions	1,044	719	Discounted cash flows	Credit spread	-58/58
Corporates ²	456	267	Discounted cash flows	Credit spread	-23/23
Total 30 Jun 2024	1,633	1,092			-86/86
Total 31 Dec 2023	1,736	1,214			-73/73
Shares					
Private equity funds	1,412	603	Net asset value ³		-157/157
Hedge funds	154	154	Net asset value ³		-14/14
Credit funds	503	48	Net asset value/market consensus ³		-48/48
Other funds	225	218	Net asset value/fund prices ³		-15/15
Other ⁵	510	395	-		-57/57
Total 30 Jun 2024	2,804	1,418			-291/291
Total 31 Dec 2023	2,757	1,477			-288/288
Derivatives, net					
Interest rate derivatives	155	-	Option model	Correlations Volatilities	-9/11
Equity derivatives	-24	-	Option model	Correlations Volatilities	-5/3
Foreign exchange derivatives	171	-	Option model	Dividends Correlations	-1/1
Credit derivatives	32	-	Credit derivative model	Volatilities Correlations Recovery rates	-8/10
Total 30 Jun 2024	334	-			-23/25
Total 31 Dec 2023	167	-			-23/24
Deposits					
Deposits by credit institutions	136	-	Discounted cash flows	Interest rate	0/0
Total 30 Jun 2024	136	-			0/0
Total 31 Dec 2023	-	-			-
Debt securities in issue					
Issued structured bonds	-1,196	-	Credit derivative model	Correlations Recovery rates Volatilities	-6/6
Total 30 Jun 2024	-1,196	-			-6/6
Total 31 Dec 2023	-1,292	-			-6/6
Other, net					
Other assets and other liabilities, net	-96	12	-	-	-11/11
Total 30 Jun 2024	-96	12			-11/11
Total 31 Dec 2023	-126	18			-12/12

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

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

³ The fair values are based on prices and net asset values provided by external suppliers/custodians. The prices are fixed by the suppliers/custodians based on the development in the assets behind the investments. For private equity funds, the dominant measurement methodology used by the suppliers/custodians is consistent with the International Private Equity and Venture Capital Valuation (IPEV) guidelines issued by Invest Europe (formerly EVCA). Approximately 60% of the private equity fund investments are internally adjusted/valued based on the IPEV guidelines. These carrying amounts are in a range of 1% to 100% compared with the values received from suppliers/custodians.

⁴ The column "Range of fair value" shows the sensitivity of Level 3 financial instruments to changes in key assumptions. For more information, see Note G3.4 "Fair value" in the 2023 Annual Report.

⁵ Of which EUR 383m relates to assets in pooled schemes and unit-linked investment contracts.

Note 15 Risks and uncertainties

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

In June 2015 the Danish Financial Supervisory Authority investigated how Nordea Bank Danmark A/S had followed the regulations regarding AML. The outcome resulted in criticism and, in accordance with Danish administrative practice, the matter was handed over to the police for further handling and possible sanctions. 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. Given this uncertainty, Nordea will maintain a sufficient level of provision for ongoing AML-related matters.

Within the framework of normal business operations, Nordea faces a number of operational and legal risks that could result in reputational impacts, fines, sanctions, disputes, 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.

There are significant risks related to the macroeconomic environment due to geopolitical developments and broader inflationary pressures. Reduced consumer spending and cost increases may particularly impact small and medium-sized enterprises in certain industries. Depending on future developments, there may be increased credit risk in Nordea's portfolio. Furthermore, potential adverse impacts on income could arise due to financial market volatility and reduced banking activity impacting transaction volumes and customer activity. Potential future credit risks are addressed in Note 11 and the section "Net loan losses and similar net result". Depending on the duration and magnitude of the situation, there is a possibility that Nordea will not be able to meet its financial targets in very adverse scenarios. In addition, Nordea recognises an increase in cyber risk as a consequence of the geopolitical situation.

Glossary

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

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

Allowances in relation to loans in stages 1 and 2

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

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.

Impairment rate (stage 3), gross

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

Impairment rate (stage 3), net

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

Net interest margin

Net interest income for the period as a percentage of average interest-earning assets, excluding Life & Pension and Markets where return on assets is reported under Net result from items at fair value.

Net loan loss ratio, amortised cost

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

Return on allocated equity

Return on allocated equity (RoAE) is defined as operating profit after standard tax as a percentage of average allocated equity.

Return on allocated equity with amortised resolution fees

RoAE with amortised resolution fees is defined as operating profit adjusted for the effect of resolution fees on an amortised basis after standard tax as a percentage of average allocated equity.

Return on equity

Net profit for the period as a percentage of average equity for the period. Additional Tier 1 capital, accounted for in equity, is classified as a financial liability in the calculation. Net profit for the period excludes non-controlling interests and interest

expense on Additional Tier 1 capital (discretionary interest accrued). Average equity includes net profit for the period and dividend until paid, and excludes non-controlling interests and Additional Tier 1 capital.

Return on equity with amortised resolution fees

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

Return on risk exposure amount

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

Return on tangible equity

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

Tier 1 capital

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

Tier 1 capital ratio

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

Total allowance rate (stages 1, 2 and 3)

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

For a list of further alternative performance measures and business definitions, see <https://www.nordea.com/en/investor-relations/reports-and-presentations/group-interim-reports/> and the 2023 Annual Report.

Nordea Bank Abp

Income statement

	Q2 2024	Q2 2023	Jan-Jun 2024	Jan-Jun 2023	Jan-Dec 2023
EURm					
Operating income					
Interest income	3,875	3,553	8,028	6,653	14,811
Interest expense	-2,489	-2,206	-5,205	-4,044	-9,254
Net interest income	1,386	1,347	2,823	2,609	5,557
Fee and commission income	610	572	1,199	1,151	2,305
Fee and commission expense	-129	-144	-274	-285	-574
Net fee and commission income	481	428	925	866	1,731
Net result from securities at fair value through profit or loss	247	270	516	593	1,054
Net result from securities at fair value through fair value reserve	0	-1	-6	-4	-39
Income from equity investments	258	200	782	879	1,747
Other operating income	198	191	386	393	741
Total operating income	2,570	2,435	5,426	5,336	10,791
Operating expenses					
Staff costs	-651	-608	-1,278	-1,193	-2,448
Other administrative expenses	-266	-236	-509	-416	-896
Other operating expenses	-121	-135	-248	-271	-566
Regulatory fees	-13	5	-26	-192	-223
Depreciation, amortisation and impairment charges	-93	-305	-180	-442	-839
Total operating expenses	-1,144	-1,279	-2,241	-2,514	-4,972
Profit before loan losses	1,426	1,156	3,185	2,822	5,819
Net loan losses	-30	-12	-37	-19	-119
Operating profit	1,396	1,144	3,148	2,803	5,700
Income tax expense	-264	-251	-551	-486	-961
Net profit for the period	1,132	893	2,597	2,317	4,739

Nordea Bank Abp

Balance sheet

	30 Jun 2024	31 Dec 2023	30 Jun 2023
EURm			
Assets			
Cash and balances with central banks	41,876	49,150	60,887
Debt securities eligible for refinancing with central banks	69,075	59,967	67,681
Loans to credit institutions	71,033	68,589	74,201
Loans to the public	152,693	149,900	151,412
Interest-bearing securities	7,320	13,796	6,629
Shares	20,398	9,437	14,736
Investments in group undertakings	14,301	14,090	13,860
Investments in associated undertakings and joint ventures	69	64	63
Derivatives	23,804	27,832	34,242
Fair value changes of hedged items in portfolio hedges of interest rate risk	-215	-230	-418
Intangible assets	1,514	1,488	1,614
Tangible assets	227	227	226
Deferred tax assets	28	37	38
Current tax assets	170	128	53
Retirement benefit assets	287	220	255
Other assets	7,273	9,299	9,538
Prepaid expenses and accrued income	913	776	703
Total assets	410,766	404,770	435,720
Liabilities			
Deposits by credit institutions and central banks	39,337	36,488	40,457
Deposits and borrowings from the public	230,745	217,574	225,097
Debt securities in issue	67,310	71,859	85,824
Derivatives	25,288	32,202	34,787
Fair value changes of hedged items in portfolio hedges of interest rate risk	-1,035	-869	-2,023
Current tax liabilities	105	254	229
Other liabilities	14,135	12,295	18,849
Accrued expenses and prepaid income	1,066	916	711
Deferred tax liabilities	251	79	227
Provisions	362	381	390
Retirement benefit liabilities	211	237	199
Subordinated liabilities	6,216	5,720	5,255
Total liabilities	383,991	377,136	410,002
Equity			
Share capital	4,050	4,050	4,050
Additional Tier 1 capital holders	749	750	750
Invested unrestricted equity	1,053	1,063	1,065
Other reserves	-97	-198	-35
Retained earnings	18,423	17,230	17,571
Net profit for the period	2,597	4,739	2,317
Total equity	26,775	27,634	25,718
Total liabilities and equity	410,766	404,770	435,720
Off-balance sheet commitments			
Commitments given to a third party on behalf of customers			
Guarantees and pledges	49,927	45,346	45,608
Other	530	647	686
Irrevocable commitments in favour of customers			
Securities repurchase commitments	-	-	-
Other	89,584	92,668	85,971

Nordea Bank Abp

Note 1 Accounting policies

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

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

The accounting policies and methods of computation are unchanged from the 2023 Annual Report. For more information, see the accounting policies in the 2023 Annual Report.

For further information

- A webcast will be held on 15 July at 11.00 EET (10.00 CET). Frank Vang-Jensen, President and Group CEO, will present the results followed by a Q&A audio session for investors and analysts with Frank Vang-Jensen, Ian Smith, Group CFO and Ilkka Ottoila, Head of Investor Relations.
- The event will be webcast live and the recording and presentation slides will be posted on www.nordea.com/ir.
- The Q2 2024 report, investor presentation and factbook are available at www.nordea.com/ir

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Financial calendar

Week 9 2024 – Annual Report published

21 March 2024 – Annual General Meeting

18 April 2024 – First-quarter results 2024

15 July 2024 – Second-quarter and half-year results 2024

17 October 2024 – Third-quarter and January-September results 2024

Helsinki 15 July 2024

Nordea Bank Abp

Board of Directors

This report contains forward-looking statements that reflect management's current views with respect to certain future events and potential financial performance. Although Nordea believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of various factors, including, but not limited to (i) macroeconomic developments, (ii) changes in the competitive climate, (iii) regulatory changes 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 applicable stock exchange regulations if and when circumstances arise which may lead to changes compared to the date when these statements were made.

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Auditor's report on review of interim financial information of Nordea Bank Abp for the six-month-period ended 30 June 2024

To the Board of Directors of Nordea Bank Abp

Introduction

We have reviewed the accompanying condensed interim financial information of Nordea Bank Group, which comprise the balance sheet as of 30 June 2024, income statement, statement of comprehensive income, statement of changes in equity and condensed cash flow statement for the six-month-period then ended and notes. The interim financial information also comprises the parent company Nordea Bank Abp's balance sheet as of 30 June 2024 and income statement for the six-month-period then ended. The Board of Directors and the Managing Director are responsible for the preparation of the condensed interim financial information in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting", and with regulations governing the preparation of interim financial information in Finland. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information of Nordea Bank Abp for the six months period ended on 30 June 2024 is not prepared, in all material respects, as regards the Group financial information, in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting", and other regulation governing the presentation of interim financial information in Finland, and as regards the parent company financial information, in accordance with regulations governing the preparation of interim financial information in Finland.

Helsinki 15 July 2024

PricewaterhouseCoopers Oy

Authorised Public Accountants

Jukka Paunonen
Authorised Public Accountant (KHT)