

***Nordea Bank Abp Spółka Akcyjna
Oddział w Polsce [Branch in Poland]***

FINANCIAL STATEMENTS

FOR THE PERIOD

FROM 01/01/2023 TO 31/12/2023

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Contents	
Statement of comprehensive income	3
Assets	4
Equity and liabilities	4
Cash flow statement	5
Notes to the Financial Statements	6
Note 1 - General information about the branch	6
Note 2 - Basis for the preparation of financial statements	6
Note 3 - Description of significant accounting policies applied	9
Note 4 - Revenue from sale of services	14
Note 5 - Costs of wages and salaries, including surcharges and other employee benefits	15
Note 6 - Third-party IT services	15
Note 7 - Other administrative expenses	16
Note 8 - Depreciation	16
Note 9 - Other operating expenses and other operating income	16
Note 10 - Costs of operation and maintenance of the premises	17
Note 11 - Financial income and expenses	17
Note 12 - Income tax	18
Note 13 - Property, plant, and equipment, including right of use assets under lease Property, plant, and equipment from 01/01/2023 to 31/12/2023	21
Note 14 - Intangible assets	23
Note 15 - Deferred tax assets and deferred tax liabilities	24
Note 16 - Long-term investments	25
Note 17 - Trade receivables, uninvoiced receivables and other receivables	26
Note 18 - Cash and cash equivalents	26
Note 19 - Long-term liabilities due to settlements with Branch's Head Office	26
Note 20 - Liabilities due to loans, borrowings and other debt instruments	27
Note 21 - Contingent liabilities	27
Note 22 - Provisions	28
Note 23 - Trade liabilities and other liabilities 31/12/2023	28
Note 24 - Lease	29
Note 25 - Transactions with affiliates	31
Note 26 - Financial instruments, fair value, and other disclosures	33
Note 27 - Financial risk management	34
Note 28 - Employment	37
Note 29 - Fee for the entity authorised to audit financial statements	37
Note 30 - Impact of the COVID-19 pandemic and Russia's aggression against Ukraine on the company's financial position	38
Note 31 - Events after the end of the reporting period	38

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Statement of comprehensive income

	Note	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Revenues, of which:		1,280,302	1,022,280
Revenue from sale of services	4	1,259,897	1,016,420
Other operating income	9	4,063	3,704
Finance revenue	11	16,342	2,156
Expenses, of which:		(1,189,166)	(972,659)
Costs of salaries with overheads and other employee benefits	5	(1,024,155)	(811,708)
Depreciation/amortisation	8	(63,117)	(63,467)
Outsourced IT services	6	(26,628)	(29,273)
Consulting services		(71)	(368)
Other administrative expenses	7	(32,663)	(28,915)
Business travel expenses		(10,884)	(7,219)
Costs of operation and maintenance of the premises	10	(29,633)	(23,856)
Other operating expenses	9	(1,527)	(923)
Financial costs	11	(488)	(6,930)
Profit before tax		91,136	49,621
Income tax	12	(19,995)	(11,610)
Net profit for the reporting period		71,141	38,011
Other comprehensive income		650	106
Items which will be recognised in the profit and loss account		0	0
Items which will not be recognised in the profit and loss account		650	106
Other comprehensive net income for the reporting period		0	0
Total comprehensive income for the reporting period		71,791	38,117

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Statement of financial position

Assets

	Note	31/12/2023	31/12/2022
Fixed assets		298,782	333,574
Assets from the right of use of assets under lease	13	198,891	223,110
Property, plant, and equipment	13	75,757	81,623
Intangible assets	14	14	18
Deferred tax assets	15	21,476	25,549
Long-term investments	16	2,644	3,274
Operating assets		271,352	267,463
Trade receivables, non-invoiced receivables, and other receivables	17	155,726	156,124
Short-term prepayments		991	1,475
Cash and cash equivalents	18	114,635	109,864
Total assets		570,134	601,037

Statement of financial position

Equity and liabilities

	Note	31/12/2023	31/12/2022
Liabilities			
Long-term liabilities		321,246	388,115
Long-term liabilities due to settlements with the Branch Head Office	19	110,477	142,167
Long-term lease liabilities	24	168,112	211,346
Other long-term liabilities	23	461	146
Long-term provisions	22	42,196	34,456
Short-term liabilities		248,888	212,922
Short-term lease liabilities	24	45,281	46,886
Trade liabilities	23	695	542
Other short-term liabilities	23	200,357	163,267
Short-term provisions	22	2,555	2,227
Total liabilities and equity		570,134	601,037

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Cash flow statement

	Note	31/12/2023	31/12/2022
Cash flow from operating activities		166,195	81,613
Net profit for the reporting year		71,791	38,117
Adjustments:		94,404	43,496
Depreciation of property, plant, and equipment, including rights to use of assets under lease	13	63,117	63,464
Depreciation of intangible assets	14	4	3
Foreign exchange gain/loss		(11,093)	6,449
Loss on investing activities		267	91
Change in trade and other receivables	17	399	(57,332)
Change in accruals, prepayments, and deferred income		484	487
Change in trade and other liabilities	23	37,558	34,566
Change in deferred tax assets	15	4,073	(3,807)
Income tax payments		(12,779)	(21,779)
Current tax liability	12	9,484	15,442
Change in provisions	22	8,067	7,874
Interest received		(5,249)	(2,156)
Interest paid		488	481
Other adjustments		(417)	(287)
Cash flow from investing activities		(11,997)	(10,835)
Disposal of property, plant, and equipment		1,444	2,169
Purchase of property, plant, and equipment	13	(13,441)	(13,004)
Cash flows from financial activities		(149,427)	(93,559)
Interest received		5,249	2,156
Loans and borrowings incurred (+)/repaid (-)	20	(57)	(30)
Expenses for repayment of interest on loans, borrowings, and leasing		(488)	(481)
Funds transferred to Head Office from the settlement of result of previous years	19	(103,482)	(41,432)
Payment of lease liabilities	24	(50,649)	(53,772)
Total net cash flows		4,771	(22,781)
Balance sheet change in cash, of which:		4,771	(22,781)
Change in cash due to foreign exchange differences		35	3
Cash at the beginning of the period		109,864	132,645
Cash at the end of the period		114,635	109,864

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Notes to the Financial Statements

Note 1 - General information about the branch

Information about Nordea Bank ABP S.A. Oddział w Polsce [Branch in Poland]

Nordea Bank ABP S.A. Branch in Poland (hereinafter: the Branch) has its registered office in Poland: 93-281 Łódź, Al. Śmigłego-Rydza 20, Tax ID NIP PL 105-000-11-72; Statistical No REGON 100926668, is registered with the District Court for Łódź-Śródmieście in Łódź, 20th Division of the National Court Register, Entry No KRS 0000360398.

The Branch's business activity consists of:

- other activities auxiliary to financial services, except insurance and pension funding;
- other monetary intermediation;
- activities of call centres;
- computer IT software activities and related activities;
- information service activities;
- accounting, bookkeeping and auditing activities; tax consultancy;
- other financial service activities, except insurance and pension funding not elsewhere classified;
- data processing, hosting, and related activities.

The Branch is a branch of a foreign bank: Nordea Bank Abp, with its registered office in Finland, FI-00020, in Helsinki at Satamaradankatu 5.

The Financial Statements and annual reports of Nordea Bank Abp are available at
<https://www.nordea.com/en/investors/reports-presentations>.

The entity is exempt from preparing the Report on Activities in accordance with the Accounting Act.

Note 2 - Basis for the preparation of financial statements

2.1 Statement of compliance

Annual separate financial report of Nordea Bank Abp S.A. Branch in Poland for the period ending 31 December 2023 has been prepared in accordance with the International Financial Reporting Standards, as approved by the European Union, and other applicable laws.

The Financial Statements have been prepared on the assumption that the Branch will continue to operate for the foreseeable future and on a substantially unchanged going concern basis.

The Financial Statements were approved by the Management of the Branch on 05/03/2024.

2.2 New and amended standards and interpretations applied

Amendments to the following standards that were effective have been applied in these Financial Statements in 2023:

a) IFRS 17 "Insurance Contracts" and amendments to IFRS 17

IFRS 17 "Insurance Contracts" was issued by the International Accounting Standards Board on 18 May 2017, while the amendments to IFRS 17 were published on 25 June 2020.

IFRS 17 Insurance Contracts replaced previous IFRS 4, which allowed for a variety of accounting practices for insurance contracts. The new standard fundamentally changes accounting for all entities that deal with insurance contracts and investment contracts; however, the scope of the standard is not limited to insurance companies only, and contracts entered into by entities other than insurance companies may also contain an element that meets the definition of an insurance contract (as defined in IFRS 17). This change has no impact on the Branch's Financial Statements.

b) Amendment to IFRS 17 "Insurance Contracts"

The amendment relates to the transitional requirements in connection with the first-time application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments". The purpose of the amendment is to ensure the usefulness of financial information for investors in the period of first application of the new standard by introducing certain simplifications with regard to the presentation of comparative figures.

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

The amendment relates only to the application of new IFRS 17 and does not affect any other requirements in IFRS 17.

c) Amendments to IAS 1 “Presentation of Financial Statements” and the IFRS Board’s guidance on disclosure of accounting policies in practice

The amendment to IAS 1 requires disclosure of material information about accounting policies, as defined in the standard. The amendment clarifies that information on accounting policies is material if, in its absence, users of the Financial Statements would not be able to understand other relevant information in the Financial Statements. In addition, the Board’s guidance on applying the concept of materiality in practice were also revised to provide guidance on the application of the concept of materiality to accounting policy disclosures. The amendments to the standard were incorporated into the Branch’s Financial Statements.

d) Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”

In February 2021, the Board published an amendment to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” regarding the definition of estimates. The amendment to IAS 8 clarifies how entities should distinguish between changes in accounting policies and changes in accounting estimates. The amendments to the standard have no impact on the Branch’s Financial Statements.

e) Amendments to IAS 12 “Income Taxes”

The amendments to the standard, published in 2021, clarify how to account for deferred tax on transactions such as leases and decommissioning obligations. Prior to the amendments to the standard, there was ambiguity as to whether the recognition of equal amounts of an asset and a liability for accounting purposes (e.g. the initial recognition of lease) that has no impact on current taxable income triggers the recognition of deferred tax balances or whether what is known as the initial recognition exemption, which states that deferred tax balances are not recognised if the recognition of an asset or liability has no impact on accounting or taxable profit at the time of that recognition, applies. Revised IAS 12 addresses this issue by requiring the recognition of deferred tax in the above situation by additionally stating that the initial recognition exemption does not apply if a company simultaneously recognises an asset and an equivalent liability, and each creates temporary differences.

In May 2023, the Board published further amendments to IAS 12 “Income Taxes” in response to the global minimum income tax Pillar Two regulations issued by the Organisation for Economic Co-operation and Development (OECD) in connection with international tax reform. The amendment to IAS 12 provides a temporary exemption from the requirement to recognise deferred tax arising from tax law enacted that implements the Pillar Two model rules. Companies may apply the guidance of amended IAS 12 immediately, while certain disclosures are required for annual periods beginning on or after 1 January 2023.

2.3 Published standards and interpretations that are not yet in force and have not been previously applied by the Branch but may have an impact on the Financial Statements.

In these separate Financial Statements, the Branch has not decided to apply the following published standards, interpretations, or amendments to existing standards before their effective date:

a) Amendment to IFRS 16 “Leases”

In September 2022, the Board amended IFRS 16 “Leases” by supplementing the requirements for the subsequent measurement of lease obligations for sale and leaseback transactions where the criteria of IFRS 15 are met and the transaction should be accounted for as sale. The amendment requires the seller lessee to subsequently measure lease obligations arising from leasebacks in such a way that no gain or loss on retained right-of-use is recognised. The new requirement is particularly relevant where leaseback includes variable lease payments that do not depend on an index or rate, as these payments are excluded from “lease payments” under IFRS 16. The amended standard includes a new example that illustrates the application of the new requirement in this regard. The amendment is effective from 1 January 2024. The Branch does not expect the standard to have a material impact on its Financial Statements.

Nordea Bank ABP S.A.

Financial Statements for the period from 01/01/2023 to 31/12/2023

b) Amendments to IAS 1 “Presentation of Financial Statements”

In 2020, the Board published amendments to IAS 1 that clarify the presentation of liabilities as long- and short-term liabilities. In October 2022, the Board issued further amendments to IAS 1, which address the classification of liabilities as long- and short-term liabilities, for which a company is required to meet certain contractual requirements known as covenants. Revised IAS 1 states that liabilities are classified as either short- or long-term liabilities, depending on the rights that exist at the end of the reporting period. Neither the company’s expectations nor events after the reporting date (for example, waiver or breach of a covenant) affect the classification.

The amendments, as published, are effective for financial statements for periods beginning on or after 1 January 2024.

c) Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures” - disclosure of supplier finance arrangements

In May 2023, the Board published amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures”. The amendments to the standards introduce disclosure requirements for vendor finance arrangements (known as reverse factoring). The amendments require specific disclosures for such contracts to enable users of financial statements to assess the impact of these contracts on liabilities and cash flows and a company’s exposure to liquidity risk. These amendments are intended to increase the transparency of disclosures about liability financing arrangements, but do not affect recognition and measurement principles. The new disclosure obligations will be effective for annual reporting periods beginning on or after 1 January 2024.

As at the date of this Financial Statements, the improvements have not yet been approved by the European Union.

d) Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”

In August 2023, the Board issued amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”. The amendments are intended to make it easier for companies to determine whether a currency is convertible into another currency and to estimate the spot exchange rate when a currency is not convertible. In addition, the amendments to the standard introduce additional disclosures when currencies are not convertible on how to determine the alternative exchange rate.

The amendments, as published, are effective for financial statements for periods beginning on or after 1 January 2025.

As at the date of this Financial Statements, the improvements have not yet been approved by the European Union.

e) IFRS 14 “Regulatory Deferral Accounts”

This standard allows entities that prepare financial statements in accordance with IFRS for the first time (as at 01 January 2016) to recognise amounts resulting from rate-regulated activities in accordance with the accounting principles applied so far. To improve comparability with companies that already apply IFRS and do not present such amounts, according to IFRS 14 published, the amounts resulting from rate-regulated activities should be presented in a separate item in the statement of financial position, profit and loss account as well as statement of other comprehensive income.

By the decision of the European Union, IFRS 14 will not be approved.

f) Amendments to IFRS 10 and IAS 28 regarding the sale or contribution of assets between the investor and its affiliates or joint ventures

The amendments solve the problem of the current inconsistency between IFRS 10 and IAS 28. The accounting treatment depends on whether non-monetary assets sold or contributed to an associate or joint venture are “business”.

If the non-monetary assets constitute “business”, the investor reports the full profit or loss on the transaction. If, on the other hand, the assets do not meet the definition of business, the investor recognises a gain or loss from only to the extent of the portion representing the interests of other investors.

The amendments were published on 11 September 2014. At the preparation date of these Financial Statements, approval of this amendment is deferred by the European Union.

2.4 Basis for measurement

The Financial Statements were prepared on the basis of the historical cost principle.

Nordea Bank ABP S.A.

Financial Statements for the period from 01/01/2023 to 31/12/2023

2.5 Functional and presentation currency

The figures in the Financial Statements were presented in Polish zloty (PLN), rounded up to full thousands. PLN is the functional currency of the Branch.

2.6 Comparative data

The comparative figures include data for the period 01/01/2022 to 31/12/2022.

Note 3 - Description of significant accounting policies applied

The accounting principles below have been applied to all reporting periods presented in the Financial Statements.

Foreign currency transactions

Transactions expressed in foreign currencies are recognised in the functional currency of the Branch and converted at the average exchange rate of the NBP published on the day preceding the transaction date, except for the situations described below in the Lease Contracts section.

Non-monetary items measured at historical cost in a foreign currency are converted by the Branch using the exchange rate, as published before the transaction date. Exchange rate differences are recognised in the profit or loss for the current period.

Financial instruments

Classification

As at the balance sheet date, the Branch did not have any financial instruments classified as financial liabilities measured at fair value through profit or loss. The Branch's only financial assets measured at fair value are cash measured at fair value through profit or loss.

Measurement

At initial recognition, a financial asset or financial liability is measured at fair value, increased or reduced, in the case of a financial asset or liability that is not classified as measured at fair value through profit or loss, by transaction costs that can be directly assigned to acquisition or issue of a financial asset or financial liability.

The exceptions are trade receivables that do not have a significant financing component: the Branch recognises them in the transaction price.

After the initial recognition, the Branch measures financial assets and financial liabilities according to the category to which they are classified.

Measurement at amortised cost is made using the effective interest rate method to the gross carrying amount of the financial asset, taking into account impairment.

After initial recognition, other financial liabilities are measured at amortised cost using the effective interest rate method. Other liabilities include loans, borrowings, overdraft facilities, trade payables and other liabilities.

Subsidies

Government subsidies are initially recognised as deferred income at fair value, if there is sufficient certainty that they will be obtained and that the conditions related to them will be met; then, they are recognised in profit or loss of the current period and presented in other operating revenue.

In the case of uncertainty as to meeting the terms of the contract, the subsidy is presented in regulatory liabilities item.

Hedge accounting

The Branch does not apply hedge accounting.

Operating segments

The Branch operates in one operating segment.

Nordea Bank ABP S.A.

Financial Statements for the period from 01/01/2023 to 31/12/2023

Impairment of financial assets

Financial assets measured at amortised cost are evaluated by the Branch at each balance sheet date whether there is any objective evidence that any financial asset (or a group of financial assets) has lost value. Cash in foreign currencies is measured at the exchange rate of the National Bank of Poland at the balance sheet date.

Property, plant, and equipment

Items of property, plant, and equipment and intangible assets are initially measured at purchase cost or production cost. After the initial recognition of property, plant, and equipment and intangible assets, the Branch presents them at the purchase price less accumulated depreciation and accumulated impairment write-offs. Fixed assets with a low unit value (less than PLN 4,500) are charged to expense in the month they are commissioned. For intangible assets, the limit is PLN 1,500.

This item also includes right of use assets according to IFRS 16: see "Lease contracts" below for details.

Depreciation/amortisation

The value of depreciation write-offs is determined based on the purchase price of a given asset less its residual value. Depreciation write-offs are made according to the straight-line method for the useful life of the property, plant, and equipment or intangible assets and are presented in the profit and loss account.

The land is not depreciated. The estimated useful lives are as follows:

- investments in third-party fixed assets, according to the contract term
- plant and machinery 3–5 years
- equipment 5–10 years
- means of transport 5 years
- computer software 5 years
- licenses 1–5 years
- right of use assets, according to the contract term.

The residual value is subject to an annual estimation.

For tax accounting purposes, depreciation rates resulting from current legislation are adopted.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include items payable within three months of the acquisition date, including: unrestricted cash on hand and cash at bank.

The Branch offsets the bank balance of the Company Social Benefit Fund against the liabilities of this Fund: the surplus is presented as cash or as other short-term liabilities. This approach, consistent with common practice, is applied because the Branch does not control the Fund.

The Branch has funds in a restricted-availability VAT account.

Impairment write-off on assets other than financial assets

The carrying amounts of the Branch's assets are reviewed as at the balance sheet date to determine whether there is any reason for an impairment loss. If there is such a reason, the Branch estimates the recoverable amount of individual assets. The write-down of receivables is calculated on a simplified basis, according to IFRS 9, at an amount equal to the expected loss in value over their lifetime.

An impairment write-off is recognised if the book value of the asset or its cash-generating unit exceeds its estimated recoverable amount. The impairment write-off is recognised in the profit and loss account.

Calculation of recoverable amount

The recoverable amount for assets other than financial assets is the greater of selling value less costs to sell and value in use. To determine the value in use, the estimated future cash flows are discounted to their present value by a pre-tax discount rate, which reflects the current market expectations as to the money value and the asset-specific risk. For assets

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

that do not generate independent cash inflows, the recoverable amount is determined for a given cash-generating unit to which these assets belong.

Reversal of impairment write-offs

An impairment write-off in relation to goodwill is not reversed. An impairment write-off on other assets is reversed if there has been a change in the estimates used for determining the recoverable amount.

An impairment write-off may be reversed only to the level at which the carrying amount of the asset does not exceed its book value, which would be established reduced by depreciation amount if the impairment write-off was not recognised.

Lease contracts

Liabilities show the remaining lease payments to be made and use the marginal interest rate at the date of first application of IFRS 16 to discount.

As required by the standard, this choice has been applied consistently to all leases in which the Company is a lessee except for short-term and low value leases.

The Branch decided to use the following practical simplification and applied a single discount rate to a portfolio of leases with broadly similar characteristics:

* cars: 3%

* office space and car parks, depending on the length of the contract term: 0% – 2.26%

The Branch did not use any other practical simplification allowed and for leases that ended within 12 months of the date of first application also used the new model.

In addition, the Branch did not apply the new model for line leases (either short-term or long-term leases) due to immateriality.

The Branch has treated as short-term and low-value assets and liabilities for all leases with a term of more than 12 months, except where the asset is of low value.

In this case, the Branch considers USD 5,000 to be low. For the purpose of converting this threshold into PLN, the Branch applies the exchange rate of the NBP prior to the date of commencement of the lease.

Also, the Branch acts as a subtenant with respect to:

- a) sublease of office space for drink and snack vending machines, but due to the immateriality of the amounts, did not recognise them under the principles of IFRS 16;
- b) sublease of a separate floor of office space with allocated car parks, which it has recognised under the principles of IFRS 16 due to materiality.

After the date of commencement of the lease, an asset by virtue of the right of use is systematically depreciated for the term of the contract and the liability by virtue of the lease is settled (reduced) using an appropriate discount rate, with simultaneous recognition of interest.

The leased are calculated by the Branch in the original currency for a contract, and the conversion into PLN is made:

- for depreciation of asset, revaluation of asset and liability as a result of amendments, at the Nordea Group's exchange rate used for the first recognition of the contract;
- for recognition of a new contract, at the Nordea Group's exchange rate at the end of the month in which the contract was entered into the books;
- for settlement of liability, at the Nordea Group's current exchange rate, i.e. on the last day of the month. As at the balance sheet date, liabilities are measured at the NBP rate.

In the case of an amendment to a lease contract causing a change in the amount and distribution of future cash flows (e.g. as a result of indexation, reducing or extending the contract term) without changing the scope of the contract, the Branch adjusts the value of the leasing asset and liability in the following manner:

- a) it calculates the new value of the liability taking into account the provisions of the amended contract discounted at the beginning of the month in which the modification of the agreement was approved;

Nordea Bank ABP S.A.

Financial Statements for the period from 01/01/2023 to 31/12/2023

- b) it compares the value in a) with the value of the liability as at the same date calculated under the previous contractual terms;
- c) the amount of the difference between the values in a) and b) is recognised as an adjustment to the value of the lease liability;
- d) the same amount is recognised as an adjustment to the net value of assets under lease, and the value of assets so adjusted is the basis for calculating the updated monthly depreciation amount, taking into account any extension or reduction of the lease term, subject to point e;
- e) if, as at the date of the reconciliation of the change, the value of the lease asset is 0, then the amount in c) is recognised in profit or loss.

In the case of an amendment to a lease contract resulting in an increase in the scope, e.g. an increase in the leased area, with a simultaneous proportional increase in the fee for the lease, such a change is treated as a separate lease.

In the case of lease contract amendment resulting in an increase in scope, e.g. an increase in the leased space, without a simultaneous commensurate increase in the lease consideration, such a change is treated as lease modification and the procedure is analogous to that in a–e above.

Both the modification of the original contract and the formation of a separate lease are calculated using the current discount rate.

In the case of an amendment to the lease which results in a reduction in scope, e.g. a decrease in the leased area, such a change is treated as a modification of the lease and is accounted for as follows:

- a) it calculates the new value of the liability taking into account the provisions of the amended contract discounted at the beginning of the month in which the modification of the agreement was approved;
- b) the net asset value of the lease is reduced in proportion to the reduction in the scope of the lease, e.g. by the percentage of reduction in the area leased;
- c) a comparison is made between the amount from a and the amount of net assets after the reduction referred to in b;
- d) any difference from c is charged to the financial result;
- e) the amount of the assets after the reduction referred to in b) forms the basis for calculating the updated monthly depreciation amount.

In the case of early termination of the lease contract, the value of the lease liabilities as of the date of contract termination is written off to zero in correspondence with the lease assets. The possible amount of the difference is referred to the profit or loss.

Employee benefits

The Branch maintains the employee pension plan (PPE) for its employees in the form of group life insurance. As an employer, fulfilling the obligations imposed by law, the Branch is obliged to pay social security and health insurance contributions related to hiring employees and contributions to the Labour Fund and the Guaranteed Employee Benefits Fund. The Branch also operates the Company Social Benefits Fund, making write-offs in accordance with the generally applicable provisions of law. All these payments constitute an element of short-term employee benefits whose main components are salaries, bonuses and paid holidays. Short-term benefits are recognised in operating costs on general terms. The only elements of long-term employee benefits are provision for pension, disability and survivor benefits, provision for jubilee bonuses and liabilities for bonuses, in the part in which the payment will be made in the period after 12 months from the balance sheet date. These provisions/liabilities are updated once a year.

Provisions

Provisions are recognised in the balance sheet if the Branch has a liability arising from past events, as well as if it is probable that fulfilment of this obligation will result in the outflow of resources embodying economic benefits. If the effect is material, the provision amount is determined using the discounted expected cash flows at the pre-tax rate, reflecting the current market assessment of the time value of money and where it applies to the risk associated with a given liability.

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Service revenue

The Branch recognises revenue when the performance is rendered by transferring the promised good (i.e. asset) or service to the customer, according to the contracts. An asset is transferred when the client obtains control over the asset. Services provided by the Branch are performed under internal contracts on a continuous basis with billing periods set in the contract. Invoicing takes place at the end of the contractually agreed billing period. Once the service has been performed in a billing period (monthly or quarterly), the Branch recognises as revenue an amount equal to the transaction price that has been attributed to the performance of the service. The Branch attributes the transaction price to each performance in an amount reflecting the amount of the fee to which it is entitled in exchange for the transfer of promised goods or services to the customer.

If the Branch has met the obligation, it presents the contract as a contract asset in the statement of financial position. The Branch presents all unconditional rights to receive compensation separately as receivables.

As a general rule, revenue invoicing is done on a monthly or quarterly basis, whereby:

- a) invoices for banking process support services rendered in a month are generally issued by the 15th of the following month;
- b) invoices for IT services rendered in a month are generally issued by the end of the month;
- c) invoices for IT services (under DC and C&C) rendered during the quarter are generally issued by the 15th of the following month after the close of the quarter;
- d) Invoices for IT services provided to an external customer provided in a month are generally issued by the 15th of the following month.

In addition, for business and administrative support services of banking processes, due to the cost-plus method used, provisions are made for the revenue of the period (receivables not invoiced at the balance sheet date) in the last month of the year, according to the invoicing process adopted. The payment period for services rendered is 30 days after invoicing.

Other revenues

Items not related directly to the operating activities of the Branch are presented as part of other revenue. In particular, the following are recognised here: revenue arising from the sale and liquidation of property, plant, and equipment, revenue from re-invoicing, compensation received, revenue from adjustments of annual VAT and government subsidies.

Financial income and expenses

Financial income and expenses include interest income related to cash invested by the Branch. Interest income is recognised in profit or loss on the accrual basis, using the effective interest rate.

Interest expense for financial instruments is recognised in the profit and loss account in the amount resulting from the measurement at amortised cost using the effective interest rate method. Financial expenses include interest expenses related to external financing, unwinding of discounts on provisions and contingent payments.

The effective interest rate is the rate that exactly discounts estimated future cash inflows or payments made in the expected period to the expiry of the financial instrument and, in reasonable cases, in a shorter period, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Branch estimates the cash flows, taking into account all the provisions of the financial instrument contract; however, it does not take into account potential future losses related to the non-recoverability of loans. The calculation includes all fees and points paid and received by the parties to the contract as an integral part of the effective interest rate, as well as transaction and discount costs.

Foreign exchange gains and losses are presented in the net amount as financial income or financial expenses, depending on their total net position.

General and administrative expenses

The costs are recognised on an accrual basis, i.e. in the periods to which they relate, regardless of the date of receipt or payment. The main cost items of the Branch's activities include costs of wages and salaries, costs of maintenance and rental of premises, costs of external IT services, business travel costs, and amortisation and depreciation.

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Income tax

Income tax consists of current and deferred tax. Income tax is recognised in the profit and loss account.

The current tax is the expected tax liability relating to taxable income using the tax rate effective as at the balance sheet date, including all adjustments to the tax liability for previous years.

Deferred tax assets and provisions are calculated using the balance method, by calculating temporary differences between the carrying amount of assets and liabilities and their tax value.

Deferred income tax provision and assets are recognised in the statement of financial position as net value or as: Deferred tax assets, or as: Deferred tax provision. Deferred tax assets in relation to all deductible temporary differences are made up to the amount to which it is probable that taxable income will be achieved, which will allow for deducting deductible temporary differences. The carrying value of deferred income tax assets is verified as at each balance sheet date and is reduced to the extent that it is not probable to realise the financial gains associated with the assets.

Note 4 - Revenue from sale of services

The Branch provides various support services of administrative and operating processes to Nordea Group companies located primarily in the Nordic countries and companies associated with Nordea Group located in the Baltic States. The Branch provides only very limited services to external customers.

The following breakdown reflects the structure of business lines as at the balance sheet date.

Sales revenue, business structure	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Area of banking process support services		
Group Functions	655,124	512,082
Commercial and Business Banking	17,878	15,519
Personal Banking	2,577	2,103
Corporate banking (Large Corporates & Institutions)	204	0
Investment banking (Asset and Wealth Management)	2,623	1,875
Total revenue in the area	678,406	531,579
Area of IT services		
Group Functions	573,885	475,703
Personal Banking	7,606	9,138
Total revenue in the area	581,491	484,841
Total revenues from sales of services	1,259,897	1,016,420
Total revenues from sales of services	1,259,897	1,016,420

In addition to the revenues, as above, the Branch also generated other revenues that do not relate to its core operating activities. They are presented under "other operating revenue" and include the following amounts:

Other revenues from sales	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Re-invoice revenue	496	346
Other sales	57	1
Income from the sale of fixed assets	101	0

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Sales by area	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Sweden	404,837	325,264
Denmark	306,018	249,091
Finland	292,701	234,032
Norway	254,757	206,440
United Kingdom	1,057	1,121
Estonia	375	334
United States of America	100	91
China	52	47
Total sales	1,259,897	1,016,420

Note 5 - Costs of wages and salaries, including surcharges and other employee benefits

	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Wages and salaries	808,376	642,504
Compulsory social security contributions	143,509	112,656
Other employee benefits	37,091	28,798
Contributions to defined contribution plans	13,597	10,375
CSBF costs	9,833	8,081
Costs of National Fund for the Rehabilitation of Disabled fees	8,644	6,832
Training costs	3,105	2,462
Total costs of salaries with overheads and other employee benefits	1,024,155	811,708

Note 6 - Third-party IT services

	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
IT costs	26,628	29,248
IT consultant services	0	25
Total outsourced IT services	26,628	29,273

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Note 7 - Other administrative expenses

	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Administrative costs	10,028	10,223
Accounting and payroll services	5,346	4,423
Purchase of other materials	6,582	4,322
Promotion and advertising services	2,440	2,782
Services of recruitment companies	997	1,744
Postal and telecommunications charges	1,631	1,663
Costs of external consultants	1,920	539
Advisory costs	735	514
Leasing	357	440
Bank services	453	422
Other	2,173	1,843
Total other administrative expenses	32,663	28,915

Note 8 – Depreciation

	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Assets from the right of use of assets under lease	44,852	45,093
Fixed assets	18,261	18,371
Intangible assets	4	3
Total depreciation	63,117	63,467

Note 9 - Other operating expenses and other operating income

Other operating expenses	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Loss on disposal of non-financial non-current assets	267	91
Other costs	1,260	832
Total other operating costs:	1,527	923

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Other operating income	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Reversal of unused provisions	814	1,848
Revenues from employee benefits	1,398	1,160
Re-invoiced cost revenues	496	346
Revenue from VAT adjustments for previous years	704	1
Other income	651	349
Total other operating revenue:	4,063	3,704

Note 10 - Costs of operation and maintenance of the premises

	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Operating costs	21,928	17,886
Other rental costs	6,029	4,105
Security services	1,676	1,865
Total	29,633	23,856

Note 11 - Financial income and expenses

Finance revenue	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Revenue from interest on funds in bank accounts	5,243	2,150
Revenue on account of interest on lease, calculated at amortised cost	6	6
Net exchange differences	11,093	0
Financial income, total	16,342	2,156

Financial costs	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Costs on account of interest on lease, calculated at amortised cost	431	451
Other interest expense	57	30
Net exchange differences	0	6,449
Total financial costs	488	6,930

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Note 12 - Income tax

Income tax	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Current part	16,075	15,442
Income tax for the reporting period	16,075	15,442
Deferred part (calculation Note 15), included in profit or loss	3,920	(3,832)
Origination of temporary differences	3,920	(3,832)
Income tax, total	19,995	11,610
Deferred part (calculation Note 15), included in other comprehensive income	153	25

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Calculation of corporate income tax	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Gross profit	91,136	49,621
Amounts that increase the tax base	117,002	132,203
Foreign exchange losses	26,288	28,589
Balance sheet depreciation of fixed assets and intangible assets	18,264	18,247
Cost of liquidated, unamortised fixed assets	1,046	812
Rights of use of assets under lease - depreciation	44,852	45,092
Rights of use of assets under lease - interest on lease	425	445
Rights of use of assets under lease - loss on completion	0	1
Representation costs	130	91
Provision for costs	2,564	16,931
Rights to use assets under lease - other rights, including sublease	674	648
Actuarial reserve	8,869	7,537
National Fund for the Rehabilitation of Disabled costs	8,644	6,832
Donations, non-tax deductible expenses	0	1
Tax costs relating to previous periods recognised in the balance sheet in the current period	1,051	2,988
Trade union costs	32	32
Operating costs of passenger cars	1,078	1,183
VAT payable on the free transfer of services and goods	1,179	1,188
Revenues from VAT adjustments	0	81
Other costs not constituting tax deductible costs	1,906	1,505
Amounts that reduce the tax base	123,693	97,571
Tax depreciation of fixed assets and intangible assets	23,251	21,807
Rights of use assets under lease, space and cars	49,325	53,400
Tax value of liquidated fixed assets	932	172
Balance sheet recognition of tax costs in the previous period	7,074	0
Unrealised and realised foreign exchange gains not constituting tax income	43,112	22,171
Other non-tax revenues	(1)	21
Tax base	84,445	84,253
Tax base at the end of the financial year	84,445	84,253
Income tax	16,045	16,008
Adjustments related to current income tax for previous years	30	(566)
Total current income tax	16,075	15,442

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Reconciliation of effective tax rate	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Profit/loss before tax	91,136	49,621
Tax based on the applicable tax rate (19%)	(17,316)	(9,428)
Expenses not deductible for tax purposes	(2,429)	(2,044)
Other	(250)	(138)
Tax in the Statement of Comprehensive Income	(19,995)	(11,610)

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Note 13 - Property, plant, and equipment, including right of use assets under lease Property, plant, and equipment from 01/01/2023 to 31/12/2023

	Own fixed assets			Right of use assets under lease		Total
	Investments in third party fixed assets	Machinery and equipment	Capital work in progress	Office premises and parking areas	Cars	
Gross value as at 01/01/2023	76,011	104,100	7,292	369,884	1,342	558,629
Increases	200	14,404	13,441	21,032	0	49,077
purchase	0	0	13,441	0	0	13,441
lease contract conclusion/amendment	0	0	0	21,032	0	21,032
reclassification	200	14,404	0	0	0	14,604
Reductions	(1,764)	(19,367)	(14,604)	(16,545)	(266)	(52,544)
reclassification	0	0	(14,604)	0	0	(14,604)
lease contract termination	0	0	0	(16,158)	(253)	(16,411)
liquidation	(1,764)	(459)	0	0	0	(2,222)
sales	0	(9,995)	0	0	0	(9,995)
other	0	(8,913)	0	(387)	(13)	(9,312)
Gross value as at 31/12/2023	74,447	99,136	6,129	374,373	1,076	555,162
Depreciation and impairment losses as at 01/01/2023	(32,696)	(73,083)	0	(147,312)	(804)	(253,895)
Increases	(6,929)	(11,332)	0	(44,546)	(306)	(63,113)
amortisation/depreciation	(6,929)	(11,332)	0	(44,546)	(306)	(63,113)
Reductions	1,764	18,322	0	16,158	253	36,497
lease contract termination	0	0	0	16,158	253	16,411
liquidation	1,764	394	0	0	0	2,158
sales	0	9,457	0	0	0	9,457
other	0	8,471	0	0	0	8,471
Depreciation and impairment losses as at 31/12/2023	(37,861)	(66,093)	0	(175,701)	(857)	(280,512)
Net value as at 31/12/2023	36,585	33,043	6,129	198,672	219	274,649

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Property, plant, and equipment from 01/01/2022 to 31/12/2022

	Own fixed assets			Right of use assets under lease		Total
	Investments in third party fixed assets	Machinery and equipment	Capital work in progress	Office premises and parking areas	Cars	
Gross value as at 01/01/2022	77,146	111,377	2,192	375,945	1,826	568,486
Increases	223	7,682	13,004	11,212	14	32,135
purchase	0	0	13,004	0	0	13,004
lease contract conclusion/amendment	0	0	0	11,212	14	11,226
reclassification	223	7,682	0	0	0	7,905
Reductions	(1,357)	(14,959)	(7,904)	(17,274)	(498)	(41,992)
reclassification	0	0	(7,904)	0	0	(7,904)
lease contract termination	0	0	0	(15,790)	(498)	(16,288)
liquidation	(1,357)	(12,218)	0	0	0	(13,575)
sales	0	(2,741)	0	0	0	(2,741)
other	0	0	0	(1,484)	0	(1,484)
Gross value as at 31/12/2022	76,011	104,100	7,292	369,884	1,342	558,630
Depreciation and impairment losses as at 01/01/2022	(26,685)	(76,354)	0	(118,390)	(921)	(222,350)
Increases	(7,319)	(11,052)	0	(44,712)	(381)	(63,464)
amortisation/depreciation	(7,319)	(11,052)	0	(44,712)	(381)	(63,464)
Reductions	1,308	14,323	0	15,790	498	31,919
lease contract termination	0	0	0	15,790	498	16,288
liquidation	1,308	12,167	0	0	0	13,475
sales	0	2,156	0	0	0	2,156
Depreciation and impairment losses as at 31/12/2022	(32,696)	(73,083)	0	(147,312)	(804)	(253,895)
Net value as at 31/12/2022	43,315	31,017	7,292	222,572	538	304,733

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Capital work in progress

As at 31 December 2023, the Branch classified as capital work in progress the funds which will be put into use in subsequent fiscal years with a value of PLN 6,129,000 (investments in a third-party facility, computer equipment, conference equipment, server equipment, furniture, and mobile phones).

Impairment

As at 31 December 2023, the Branch Director ordered an impairment test of property, plant, and equipment and the right of use assets under lease, which showed no need for impairment losses.

Note 14 - Intangible assets

Table of movements of intangible assets 01/01/2023 to 31/12/2023

Title	Licenses, computer software	Intangible assets under construction	Total
Gross value as at 01/01/2023	61	0	61
Gross value as at 31/12/2023	61	0	61
Depreciation and impairment losses as at 01/01/2023	(43)	0	(43)
amortisation/depreciation	(4)	0	(4)
Depreciation and impairment losses as at 31/12/2023	(47)	0	(47)
Net value as at 31/12/2023	14	0	14

Table of movements of intangible assets 01/01/2022 to 31/12/2022

Title	Licenses, computer software	Intangible assets under construction	Total
Gross value as at 01/01/2022	61	0	61
Gross value as at 31/12/2022	61	0	61
Depreciation and impairment losses as at 01/01/2022	(40)	0	(40)
amortisation/depreciation	(3)	0	(3)
Depreciation and impairment losses as at 31/12/2022	(43)	0	(43)
Net value as at 31/12/2022	18	0	18

Impairment

As at 31 December 2023, the Management of the Branch carried out an impairment test on intangible assets, which showed no need for write-downs.

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Note 15 - Deferred tax assets and deferred tax liabilities

Deferred tax assets and liabilities were recognised with respect to the following components of assets and liabilities:

	Assets		Liabilities		Net value	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Property, plant, and equipment and intangible assets	0	0	5,075	4,142	(5,075)	(4,142)
Cash and cash equivalents	0	0	7	2	(7)	(2)
Trade and other receivables	0	14	0	0	0	14
Provisions	24,304	23,628	0	0	24,304	23,628
Liabilities for the right of use assets under lease	40,545	49,064	0	0	40,545	49,064
Receivables from right of use of assets under lease	0	0	37,789	42,391	(37,789)	(42,391)
Receivables from sublease leased space	0	0	502	622	(502)	(622)
Deferred income tax assets/liabilities	64,849	72,706	43,373	47,157	21,476	25,549
Deferred income tax assets/liabilities recognised in the statement of financial position	64,849	72,706	43,373	47,157	21,476	25,549

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Note 16 - Long-term investments

	as at 01/01/2023	receipt	increases	interest accrued	repayment	reductions	as at 31/12/2023
Lease receivables	3,274	302	0	6	(705)	(233)	2,644

The Branch signed a sublease contract in August 2021 for one floor in a group of buildings in Gdynia. The company reclassified the corresponding value of the right of use in long-term investments (receivable from sublease of office space).

Lease receivables by maturity	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Up to 1 year	673	664
from 1 to 2 years	675	665
from 2 to 3 years	676	666
from 3 to 4 years	620	667
from 4 to 5 years	0	613
Total	2,644	3,274

Invoices for subleases are issued with a 30-day payment date. At the moment, the Branch has not recorded any payment delays.

Financial result on office sublease	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Lease costs relating to leased space	(674)	(219)
Sublease inflows	709	213
Sublease result	35	(6)

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Note 17 - Trade receivables, uninvoiced receivables and other receivables

	31/12/2023	31/12/2022
Trade receivables from affiliates	153,977	148,906
<i>of which not invoiced at the balance sheet date</i>	13	0
Other trade receivables	138	108
<i>of which not invoiced at the balance sheet date</i>	26	5
Receivables from taxes, subsidies, customs, social security, health insurance, and other benefits	1,593	7,001
Other receivables	18	109
Total	155,726	156,124

Note 18 - Cash and cash equivalents

	31/12/2023	31/12/2022
Cash in hand and at bank	114,635	109,864
Restricted cash (VAT account)	0	0
Cash and cash equivalents presented in the statement of cash flows	114,635	109,864

Note 19 - Long-term liabilities due to settlements with Branch's Head Office

The Bank's branch does not have equity. Settlements with the Bank's Head Office form the profits or losses for the financial years of the Branch. In 2022, the Branch paid PLN 41,432,000 to Nordea ABP, with its registered office in Finland, as settlement of retained earnings. In 2023, there were further disbursements with a total amount of PLN 103 482,000. The Branch's operations are financed from its working capital.

Long-term liabilities for settlements with the Bank's Head Office	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Balance at beginning of period	142,168	145,631
Net profit/loss	71,791	38,117
Profit transfer	(103,482)	(41,432)
Value of Head Office shares granted to employees under the bonus scheme	0	(148)
Balance at end of period	110,477	142,168

The value of the Head Office shares granted to employees under the bonus scheme at the end of 2023 is PLN 0. The Branch is not obliged to return the liability for the granted shares to the Head Office.

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Note 20 - Liabilities due to loans, borrowings and other debt instruments

Terms and schedule for repayment of loans and borrowings

As at 31/12/2023, the Branch has no bank overdraft facility; the loan agreement expired on 24/11/2020.

The allocated global limit for credit cards is PLN 8M as at 31/12/2023.

The table below shows reconciliation of the changes in liabilities arising from the financial position:

Item	As at 01/01/2023	increases	interest accrued	repayment	measurement	lease contract termination	As at 31/12/2023
Credit card liabilities	786	4,627	0	(4,430)	0	0	983
Lease liabilities	258,232	23,081	431	(49,324)	(18,623)	(404)	213,393

Note 21 - Contingent liabilities

As at the balance sheet date of 31/12/2023, the Branch has no loan commitments.

Bank guarantees

Bank guarantees were opened in connection with the Branch's lease contracts for office space. Guarantees were concluded between the landlords (beneficiaries) and the tenant (Branch) to secure claims in the event of damage caused by non-performance or improper performance of the lease contract. The security is the equivalent of a 3-month rent and the amount of rent VAT, down payment for the Maintenance Fee for 3 months and the amount of VAT on the fee. Bank guarantees were granted by mBank SA.

				31/12/2023	
Beneficiary	Guarantee number	Currency	Expiry date	EUR	PLN
Tensor Poland Sp. z o.o.	13029KPA19	EUR	31 March 2025	655	0
EPP Office - Symetris Business Park Sp. z o.o.	13042KPA18	EUR	11 January 2024	225	0
Olivia Star S.A.	13085KPA18	PLN	31 August 2024	0	3,730
Łużycka Park Investment Sp. z o.o.	13127KPA17	PLN	31 August 2025	0	1,378
Łużycka Park Investment Sp. z o.o.	13128KPA17	PLN	31 August 2025	0	1,336
Pancole Sp. z o.o.	13203KPA19	EUR	31 January 2024	571	686

Guarantees received:

Under an agreement concluded on 30/08/2021, the Branch subleases office space in Gdynia. As collateral for the receivables, it received a bank guarantee of PLN 331,000.

				31/12/2023	
Debtor	Guarantee number	Currency	Expiry date	EUR	PLN
Schenker Sp. z o.o.	MT22397KPA21	PLN	30 August 2026	0	331

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Note 22 - Provisions

	31/12/2023	31/12/2022
Provision for pensions and related benefits - as at 01 January	36,684	28,677
Establishment of reserves	9,408	9,230
long- and short-term actuarial provisions	9,408	8,630
restructuring reserve	0	600
Release of reserves	(1,341)	(1,224)
long- and short-term actuarial provisions	(1,341)	(1,224)
Use of reserves	(1,341)	(1,224)
Value at 31 December	44,751	36,684
Provision for pensions and related benefits:	44,751	36,684
short-term provision	2,555	2,227
long-term provision	42,196	34,456

Note 23 - Trade liabilities and other liabilities 31/12/2023

	31/12/2023	31/12/2022
Other long-term liabilities	461	146
employee benefit liabilities	461	146
Short-term liabilities	201,052	163,809
Trade liabilities	695	542
trade liabilities from other undertakings	695	542
Other short-term liabilities	200,357	163,267
provision for costs to be paid	82,504	69,656
public law liabilities	32,602	24,564
short-term liabilities to employees	85,251	68,964
deferred income	0	76
lease liabilities	0	7
Trade and other liabilities	201,513	163,955

In the item "short-term liabilities to employees", the Branch mainly includes provisions for wages and salaries of PLN 84,020,000.

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Note 24 - Lease

Lease payments

Payments for lease contracts are as follows:

Lease in the period from 01/01/2023 to 31/12/2023

	Office premises and parking areas	Cars
Fixed lease payments	49,329	322
Variable lease payments*	308	0
Total	49,637	322

Lease from 01/01/2022 to 31/12/2022

	Office premises and parking areas	Cars
Fixed lease payments	52,960	402
Variable lease payments*	409	1
Total	53,369	403

*the variable lease payments include, for office space and car parks, the effect of annual rent adjustment for the past months, and for cars, the effect of changes in rent payments introduced by amendments for the past months. Penalties associated with the termination of lease agreements are also recorded here.

Lease payments for office space and car parks according to contracts are subject to annual indexation. For most contracts, the indexation is based on the inflation rate for the Euro Zone (MUICP or HICP) for the previous year. As this index is published a few months after the end of the year, and the contracts usually stipulate that the rent adjustment applies from 1 January each year, lessors are able to issue the first invoice at the new rates usually for March. In addition, they convert the rent for the months already invoiced (January and February) by issuing an adjusted invoice. The amounts of these adjusted invoices are treated by the Branch as variable lease payments, whereas with effect from the month for which the first invoice with indexed rent was issued (usually from March), the Branch updates the schedule of lease payments, considering it as an amendment to the lease contracts.

The level of MUICP/HICP ratio equal to 1% would translate into an increase of total lease payments for office space and car parks by 1%.

In the case of cars, an increase in the rent rate during the contract is rare, no general mechanism for determining it has been created (it is of a discretionary nature) and in such situations a relevant amendment is signed. It may also happen here that it applies retroactively and the lessor issues adjusted invoices for past months: the amounts of such adjustments are treated by the Branch as variable lease payments.

Due to the discretionary nature of such increases, negotiated individually, there is no connection between the external, objective factor/measure and the change of lease payments.

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Payments under short-term and low-value lease contracts are presented below:

Short-term and low-value lease	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Short-term lease	656	1,312
Low-value lease	34	33
Total	690	1,345

Lease liabilities by maturity

The table below presents financial liabilities based on contractual maturities.

The amounts disclosed in the table are discounted cash flows:

Lease liabilities by maturity	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Up to 1 year	45,281	46,886
1–5 years	140,180	168,535
Over 5 years	27,932	42,811
Total	213,393	258,232

The undiscounted cash flows from lease liabilities are presented by the Branch in Note 27 - Liquidity risk. Estimated future variable lease payments (understood as described above, i.e. with the assumption that lessors of office space and parking space will issue adjustment invoices taking into account the effect of rent valorisation for 2023 in March for January and February) will be PLN 171,000 in 2024.

Explanation of the statement of comprehensive income items related to the lease

The statement of comprehensive income includes items:

Lease-related costs	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Costs of operation and maintenance of the premises	29,633	23,856
Other administrative expenses, lease	357	440
Financial costs, lease interest costs	431	451
Total	30,421	24,747

Depreciation/amortisation	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Office premises and parking areas	44,546	44,712
Cars	306	381
Total	44,852	45,093

Other operating income, profit on termination of lease contracts	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Cars	0	4
Total	0	4

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Lease cash flow	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Repayment of the principal	49,325	53,400
Interest	431	451
Total lease in financial activities	49,756	53,851
Lease flows in operating activities	998	1,755
Total cash outflows	50,754	55,606

Weighted average lease interest rate

The weighted average marginal lease interest rate applied by the Branch is 0.2%.

It is divided into classes:

Office space and car parks - 0.2%

Cars - 3.0%

It was calculated for contracts in force as at 31/12/2023.

Note 25 -Transactions with affiliates

The Branch provides its services to other undertakings in Nordea Group, including the Bank of which it is a Branch, as well as to other branches of the Bank, and to the Bank's affiliates and joint ventures, and all transactions are carried out on an arm's length basis.

Transactions with executives

Loans to the management of the Branch

No loans were granted to the Branch's Management.

Remuneration of executives

The costs of base salary paid out in 2023 to the Branch Management were PLN 1,162,000 (2022: PLN 1,135,000). The cost of bonuses and awards paid out to the executives in 2023 was PLN 16,000 (2022: PLN 12,000). Employee pension plan contributions for 2023 for the Management of the Branch was PLN 38,000 (2022: PLN 37,000).

Transactions with affiliates in the Group

All transactions with related companies were concluded under market conditions.

Sales of services	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Nordea Bank Abp, filial i Sverige	401,982	322,481
Nordea Bank Abp	284,266	226,075
Nordea Danmark, filial af Nordea Bank Abp	304,662	247,688
Nordea Bank Abp, filial i Norge	252,377	204,173
Nordea Finance Finland Ltd	8,432	7,958
Nordea Finans Sverige AB	2,851	2,782
Nordea Finans Norge AS	2,377	2,267
Nordea Finans Danmark A/S	1,353	1,402
Nordea Bank Abp London Branch	1,057	1,121
Nordea Bank Abp Estonia	375	334
Nordea Bank Abp (publ) New York Branch	100	92
Nordea Bank Abp Shanghai Branch	52	47
Total sales of services	1,259,884	1,016,420

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Other transactions	01/01/2023 - 31/12/2023	01/01/2022 - 31/12/2022
Other operating income		
Nordea Bank Abp	13	38
Nordea Bank Abp, filial i Sverige	4	19
Nordea Danmark, filial af Nordea Bank Abp	7	43
Nordea Bank Abp, Norwegian Branch	2	10
Total other operating revenue:	26	111
Costs of IT services		
Nordea Bank Abp Denmark Branch	(1)	0
Nordea Bank Abp, filial i Sverige	(1)	0
Nordea Bank Oyj	(1)	0
Total costs of IT services	(3)	0
Costs of IT TP services		
Nordea Danmark, filial af Nordea Bank Abp	(7,907)	(8,580)
Nordea Bank Abp, filial i Sverige	(6,744)	(7,804)
Nordea Bank Abp	(6,047)	(6,764)
Nordea Bank Abp, filial i Norge	(2,558)	(2,861)
Total costs of IT TP services	(23,256)	(26,009)
Other expenses		
Nordea Bank Abp	(1,167)	(1,703)
Nordea Danmark, filial af Nordea Bank Abp	0	(6)
Total other costs	(1,167)	(1,709)
Nordea Bank Abp, filial i Sverige	0	(1)
Total costs of salaries with overheads and other employee benefits	0	(1)
Total other transactions	(24,400)	(27,608)

Settlements with companies in the Group	31/12/2023	31/12/2022
Trade receivables (including non-invoiced)		
Nordea Bank Abp, filial i Sverige	37,360	37,206
Nordea Bank Abp	39,299	37,721
Nordea Bank Abp, filial i Norge	30,930	29,721
Nordea Danmark, filial af Nordea Bank Abp	44,696	42,976
Nordea Finance Finland Ltd	623	477
Nordea Finans Norge AS	387	313
Nordea Finans Danmark A/S	207	76
Nordea Bank Abp London Branch	192	188
Nordea Finans Sverige	205	163
Nordea Bank Abp Estonia Branch	60	47
Nordea Bank Abp (publ) New York Branch	15	14
Nordea Bank Abp Shanghai Branch	3	4
Total trade receivables (including uninvoiced trade receivables)	153,977	148,906

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Note 26 - Financial instruments, fair value, and other disclosures

Breakdown of financial instruments into categories

The table below shows the Branch's financial instruments by categories:

	31/12/2023	31/12/2022
Cash and cash equivalents	114,635	109,864
Total financial assets at fair value through profit or loss	114,635	109,864
Lease receivables	2,644	3,274
Trade and other receivables*	155,726	156,124
Total financial assets measured at amortised cost	158,370	159,398
Trade liabilities	695	542
Lease liabilities	213,393	258,232
Total financial liabilities measured at amortised cost	214,088	258,774

* The item includes invoiced and uninvoiced trade receivables and deposits paid.

Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or an obligation satisfied, between well-informed and interested parties in a direct transaction, other than forced sales or liquidation, best reflected by the market price, if available.

Financial instruments are measured at fair value broken down by individual measurement methods. Respective levels are defined as follows:

- quoted prices (unadjusted) from active markets for identical assets or liabilities (Level 1)
- inputs other than quoted prices included within Level 1 which may be determined or observed for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. through price-based calculations) (Level 2)
- inputs for the valuation of an asset or liability that are not based on observable market data (i.e. unobservable inputs) (Level 3)

Below is a summary of the carrying amounts and fair values of each group of assets and liabilities.

Fair value of assets and liabilities		31/12/2023		31/12/2022	
		Carrying amount	Fair value	Carrying amount	Fair value
Financial assets					
Cash and cash equivalents	level 1	114,635	114,635	109,864	109,862
Trade and other receivables	level 2	155,726	155,726	156,124	156,115
Financial liabilities					
Trade liabilities	level 2	695	695	542	542

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Determining the fair value

Below is a summary of the main methods and assumptions used when estimating the fair value for financial instruments presented in the table above.

In the case of short-term financial assets and liabilities, it is assumed that the carrying amount of these instruments is approx. equal to their fair value.

Cash and cash equivalents: In the case of bank deposits and funds on the Branch's current accounts, it is assumed that their fair value does not significantly differ from the carrying amount due to their short maturity.

Trade and other receivables are reported as net values after impairment losses were taken into account. In the opinion of the Company Manager, the individual write-downs do not materially affect the financial position of the Branch. Due to the short maturity, it is assumed that the carrying amount is equal to fair value.

Liabilities due to loans and borrowings and trade liabilities, for loans without fixed repayment schedules, the fair value is taken to be the amount that would have been paid on demand at the balance sheet date.

In the case of liabilities to suppliers, it is assumed that their fair value does not significantly differ from the carrying amount - due to short maturity.

Other disclosures

The Branch did not reclassify financial instruments between categories in the current or previous period.

The Branch does not offset financial assets and liabilities.

No collateral for liabilities or contingent liabilities was established against the Branch's financial assets.

The Branch has no derivative instruments.

The only item in the statement of comprehensive income that relates to financial instruments is interest expense on leases, disclosed in Note 24.

Note 27 - Financial risk management

Credit risk

The carrying amounts of financial assets correspond to the maximum exposure to credit risk. At the end of the reporting period, the maximum credit risk exposure is as follows:

Financial assets	Note	31/12/2023	31/12/2022
Receivables	17	155,726	156,124
Cash	18	114,635	109,864

The table above includes all receivables exposed to credit risk, including those that do not constitute financial assets.

By credit risk, the Branch understands the probability that the counterparty will meet the obligations untimely or will completely fail to meet them. Financial assets potentially exposing the Branch to the concentration of the credit risk include mainly trade receivables.

In the case of the Branch, the majority of counterparties are units of the same group and are financial institutions (banks) or leasing and factoring companies. In the opinion of the Branch's Management, the financial performance of individual companies of Nordea Group do not indicate a risk in connection with meeting the obligations to the Branch. What is more, as most of them are banks, they must have adequate liquidity and provisions to secure it.

The Branch does not believe that the current risk concentration is significant: counterparties are from several dozen different countries, the Branch defines its credit risk exposure as total unsettled receivables (including overdue balances) and monitors balances regularly for each counterparty. The repayment period, as adopted, for receivables related to the normal sales of services is from 14 to 30 days.

The concentration of trade receivables expressed as a percentage of total trade receivables is presented below:

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Trade receivables (net) without impairment	31/12/2023	31/12/2022
Denmark	29.1%	28.9%
Finland	25.9%	25.6%
Sweden	24.4%	25.1%
Norway	20.3%	20.2%
United Kingdom	0.1%	0.0%
Poland	0.1%	0.1%
Estonia	0.1%	0.0%
Latvia	0.0%	0.1%
Total	100.0%	100.0%

The above table includes both invoiced receivables (including disposal of PP&E) as well as non-invoiced receivables, without any deposit receivables.

Trade receivables without impairment according to the overdue period

Receivables	Outstanding receivables	Past due receivables in days		
		1-30	31-90	more than 90
from affiliates	153,977	0	0	0
from other undertakings	33	105	0	0
Total	154,010	105	0	0

The above table includes both invoiced receivables (including disposal of PP&E) as well as non-invoiced receivables, without any deposit receivables.

The credit quality of overdue receivables without impairment is satisfactory. These are mainly receivables from related undertakings, other banks of Nordea Group that have liquidity at a safe level.

In the opinion of the Company Manager, the individual write-downs do not materially affect the financial position of the Branch.

Liquidity risk

The main task in the liquidity risk management process is ongoing control and planning of the liquidity level.

The liquidity level is controlled by preparing a cash flow forecast. Cash flow realisation is cyclically verified and includes the analysis of unrealised cash flows, their causes, and effects.

Safeguarding against liquidity risk, the Branch has free working capital in the bank account of more than PLN 100,000,000 as at 31 December 2023.

Part of the funds obtained is deposited by the Branch in the form of a short-term deposit, which is taken into account when calculating the liquidity provision.

As at 31/12/2023, there is a surplus of current assets over short-term liabilities of approximately PLN 22M. This is mainly due to an increase in cash in bank accounts, influenced by an increase in the Branch's turnover as well as an improvement in revenue recovery. Management sees no liquidity risk. As the parent company of the Branch, Nordea Bank Abp monitors its liquidity on an ongoing basis and is prepared to support its Branch financially. The table below shows an analysis of financial liabilities by maturity according to the remaining period to contractual maturity at the balance sheet date for all non-derivative financial liabilities. The amounts shown in the table represent the contractual undiscounted cash flows.

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Maturities of financial liabilities as at 31/12/2023	Less than 3 months PLN '000	3–12 months PLN '000	1–5 years PLN '000	More than 5 years PLN '000	Total contractual cash flows PLN '000	Carrying amount of liabilities PLN '000
Trade liabilities	695	-	-	-	695	695
Loans	-	-	-	-	-	-
Lease liabilities	11,481	34,192	140,755	27,950	214,378	213,393
Total	12,176	34,192	140,755	27,950	215,073	214,088

The Branch had no derivatives in 2023.

Maturities of financial liabilities as at 31/12/2022	Less than 3 months PLN '000	Less than 3 months PLN '000	3–12 months PLN '000	1–5 years PLN '000	More than 5 years PLN '000	Total contractual cash flows PLN '000
Trade liabilities	542	-	-	-	542	542
Loans	-	-	-	-	-	-
Lease liabilities	12,089	35,134	169,161	42,855	259,239	258,232
Total	12,631	35,134	169,161	42,855	259,781	258,774

The Branch had no derivatives in 2022.

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Risk of currency fluctuations

The revenue and expenses of the Branch are expressed mainly in the Polish currency. Some of the trade payables and receivables are expressed in foreign currencies, EUR, USD, DKK, SEK, and NOK. The table below presents the main currency exposures of the Branch and potential foreign exchange profits/losses on these exposures resulting from a hypothetical 10% appreciation/depreciation of the PLN against other currencies.

Financial instrument (PLN '000)	Exposure affecting the financial result as at 31/12/2023		Sensitivity to a change in the PLN exchange rate against other currencies as at 31/12/2023	
	Currency	PLN	+10%	-10%
			PLN	PLN
Trade receivables (EUR)	11,936	51,898	57,088	46,708
Total	11,936	51,898	57,088	46,708

The above table only includes invoiced receivables and liabilities, without any deposit receivables.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will change as a result of changes in interest rates. As the Branch does not have any loan liabilities, it was not exposed to interest rate risk arising from any loan liabilities in 2023.

As at the balance sheet date, the Branch had no loan liabilities.

Note 28 - Employment

The average annual headcount in the Branch was 5,525 (2022: 4,903). All persons employed are white-collar workers.

Note 29 - Fee for the entity authorised to audit financial statements

The entity auditing the Financial Statements of the Branch is PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp. k.

The remuneration for this entity for 2023 is shown in the table below:

Type of service (PLN '000)	31/12/2023	31/12/2022
Audit of the financial statements:	270	268
Total	270	268

No other entity from the network to which the auditing company belongs provided services for the Branch in 2023.

Nordea Bank ABP S.A.
Financial Statements for the period from 01/01/2023 to 31/12/2023

Note 30 - Impact of the COVID-19 pandemic and Russia's aggression against Ukraine on the company's financial position

In the assessment of the Company Manager, the pandemic did not have a material impact on the Branch in terms of liquidity as well as the asset and financial position. According to this assessment, its impact in the future is also unlikely to be material.

At the time of preparation of the Financial Statements, the banking sector and the financial industry in which the Branch operates appear to be stable. The Management of the Branch does not receive any signals from counterparties that the demand for services provided by the Branch is expected to decrease in the near future. As a result of the pandemic, the economy as a whole is seeing an increase in mobile and on-line services, for which the Branch is prepared and is taking appropriate steps to meet the new challenges.

In 2023, the Branch was taking appropriate steps to protect employees from the effects of the COVID-19 pandemic by organising remote work, as well as purchasing and using the necessary personal protective equipment.

The Russian aggression against Ukraine, which began on 24 February 2022, in the opinion of the Branch Manager, does not currently have a direct impact on the Branch's operational risk. As at the balance sheet date, there are few employees from the countries involved in the conflict. However, the situation may have an impact on exchange rate risk due to the significant increase in exchange rates.

Note 31 - Events after the end of the reporting period

No other events requiring inclusion in the 2023 Financial Statements occurred after the balance sheet date.

[electronic signature symbol] Signed by / Podpisano przez:
Agnieszka Dziągiewska-Jończyk
Joanna Bielasiak-Stachowiak

Date / Data:
2024-03-05 14:22
2024-03-05 15:56

.....
Agnieszka
Dziągiewska-
Jończyk

Branch Director

.....
Joanna Bielasiak-
Stachowiak

Deputy Branch Director

*Person responsible for
the preparation of the financial
statements*

Łódź, 5 March 2024

END OF THE TRANSLATION

Nordea Bank ABP S.A.

Financial Statements for the period from 01/01/2023 to 31/12/2023

This is to certify that the foregoing is a true translation of the document in the Polish language; in witness whereof, I have appended a qualified electronic signature hereto.

Izabela Mazur, sworn translator of the English language entered in the list of sworn translators kept by the Minister of Justice of Poland; Entry No TP/1885/06.

Records of Translations No 204/2024

Ruda Śląska, Poland. 7 March 2024

Legal basis of using a qualified signature:

- Article 18(1a) of the Act of 25 November 2004 on the profession of a sworn translator and interpreter (consolidated text, Journal of Laws of 2017, item 1505, as amended);
- Act of 5 September 2016 on trust services and electronic identification (Journal of Laws of 2016, item 1579) implementing the Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market (the eIDAS Regulation).

You can verify the qualified electronic services in the document by clicking the signature field or at www.weryfikacjapodpisu.pl