

Nordea



Capital and Risk Management Report Second Quarter 2020

**Provided by Nordea Bank Abp on the basis of its
consolidated situation**

Table 1 Summary of items included in own funds

Own funds increased by EUR 279m in Q2 2020, and it mainly stemmed from the movements in CET 1 and Tier 2 capital. The CET 1 capital increase was primarily driven by lower regulatory deductions partly offset by movements in net pension OCI. Tier 2 capital increase was mainly explained by higher IRB excess and partly offset by the regulatory amortisations and FX effects in T2 instruments.

EURm	2020 Q2	2020 Q1
Calculation of own funds		
Equity in the consolidated situation	28,064	28,080
Profit of the period	891	698
Proposed/actual dividend	-492	-322
Common Equity Tier 1 capital before regulatory adjustments	28,463	28,456
Deferred tax assets	-240	-143
Intangible assets	-3,401	-3,286
IRB provisions shortfall (-)		-96
Deduction for investments in credit institutions (50%)		
Pension assets in excess of related liabilities	-71	-131
Other items, net ¹	-290	-475
Total regulatory adjustments to Common Equity Tier 1 capital	-4,002	-4,131
Common Equity Tier 1 capital (net after deduction)	24,461	24,325
Additional Tier 1 capital before regulatory adjustments	2,787	2,833
Total regulatory adjustments to Additional Tier 1 capital	-24	-23
Additional Tier 1 capital	2,763	2,810
Tier 1 capital (net after deduction)	27,224	27,135
Tier 2 capital before regulatory adjustments	4,240	4,383
IRB provisions excess (+)	626	294
Deduction for investments in credit institutions (50%)		
Deductions for investments in insurance companies	-1,000	-1,000
Pension assets in excess of related liabilities		
Other items, net	-62	-62
Total regulatory adjustments to Tier 2 capital	-436	-768
Tier 2 capital	3,804	3,614
Own funds (net after deduction)	31,028	30,749
¹ Other items, net ¹ based on profit inclusion	-343	-475

Own funds, excluding profit

EURm	2020 Q2	2020 Q1
Common Equity Tier 1 capital	24,385	24,007
Tier 1 capital (net after deduction)	27,148	26,817
Total own funds	30,952	30,431

Own Funds reported to ECB

	Q2/20	Q1/20
Profit inclusion	Excluding profit Q2, including profit Q1 (pending application)	Including profit

Table 2 Capital ratios

Capital ratios including profit decreased during Q2 2020 driven by increased REA due to new undrawn corporate credit facilities, market risk and FX effects, partly offset by adjustment of the SME factor and decreased REA due to increased provisioning. Leverage ratio remained stable.

Capital ratios

%	Q2 2020	Q1 2020
Common Equity Tier 1 capital ratio, including profit	15.8	16.0
Tier 1 capital ratio, including profit	17.6	17.8
Total capital ratio, including profit	20.1	20.2
Common Equity Tier 1 capital ratio, excluding profit	15.8	15.8
Tier 1 capital ratio, excluding profit	17.6	17.6
Total capital ratio, excluding profit	20.0	20.0

Leverage Ratio

	Q2 2020	Q1 2020
Tier 1 capital, including profit, EURm	27,224	27,135
Leverage ratio exposure, including profit, EURm	553,867	553,188
Leverage ratio, including profit, percentage	4.9	4.9
Tier 1 capital, excluding profit, EURm	27,148	26,817
Leverage ratio exposure, excluding profit, EURm	553,814	553,245
Leverage ratio, excluding profit, percentage	4.9	4.8

Table 3 EU OV1: Overview of REA

The table provides an overview of total REA where the credit risk accounts for the largest risk type with approximately 69% of Pillar I REA in Q2 2020. REA increase of EUR 2.5 bn in the second quarter of 2020 mainly stemmed from credit risk (EUR 1.2bn), market risk (EUR 1.0bn) and Swedish risk-weight floor (EUR 1.0bn). The higher credit risk REA in the corporate portfolio was driven by higher volumes of undrawn corporate credit facilities partly offset by increased provisioning and CRRII amendments for the SME factor. In the retail portfolio REA increased driven by higher lending volumes. Market risk REA was primarily explained by increased hedging against future defaults, lower recovery rates and interest rate volatility. Finally the increase in the Swedish risk-weight floor was mainly driven by the FX effects and increased volumes in the underlying portfolio.

EURm	REA		Minimum capital requirement	
	2020 Q2	2020 Q1	2020 Q2	2020 Q1
Credit risk (excluding counterparty credit risk) (CCR)	106,257	105,043	8,501	8,403
Of which standardised approach (SA)	9,472	8,864	758	709
Of which foundation IRB (FIRB) approach	12,853	13,729	1,028	1,098
Of which advanced IRB approach	83,931	82,450	6,715	6,596
Of which AIRB	57,027	57,014	4,562	4,561
Of which Retail RIRB	26,905	25,435	2,152	2,035
Of which Equity IRB under the simple risk-weight or the IMA				
Counterparty credit risk	7,895	8,220	632	658
Of which Marked to market	605	640	48	51
Of which Original exposure				
Of which standardised approach				
Of which internal model method (IMM)	5,896	6,335	472	507
Of which Financial collateral simple method (for SFTs)				
Of which Financial collateral comprehensive method (for SFTs)	461	570	37	46
Of which exposure amount for contributions to the default fund of a CCP				
Of which CVA	934	674	75	54
Settlement risk	1	0	0	0
Securitisation exposures in banking book (after the cap)	889	894	71	71
Of which IRB supervisory formula approach (SFA)	889	894	71	71
Market risk	9,597	8,594	768	688
Of which standardised approach (SA)	2,755	2,770	220	222
Of which IMA	6,842	5,825	547	466
Large exposures				
Operational risk	14,701	14,701	1,176	1,176
Of which Standardised Approach	14,701	14,701	1,176	1,176
Amounts below the thresholds for deduction (subject to 250% risk weight)	3,657	3,760	293	301
Additional risk exposure amount related to Finnish RW floor due to Article 458 CRR	452	735	36	59
Additional risk exposure amount related to Swedish RW floor due to Article 458 CRR	11,151	10,162	892	813
Article 3 CRR Buffer				
Pillar 1 total	154,600	152,108	12,368	12,169

Table 4 EU CR1-A: Credit quality of exposures by exposure class and instrument

The total net exposure values in Q2 2020 was EUR 521.0bn representing an increase of EUR 32.7bn compared to Q4 2019. The increase is stemming from non-default exposures reported under standardised approach, EUR 17.9bn, and IRB approach, EUR 14.8bn. The increase in non-defaulted exposures under standardised approach was explained by growth in sovereign exposures (EUR 17.4bn), while increase in IRB non-defaulted exposures was driven by corporate undrawn credit facilities and retail mortgage loan exposures. The growth in exposures was partly offset by FX effects from depreciated NOK between Q4 2019 and Q2 2020, which mainly impacted the corporate and retail portfolios.

2020 Q2, EURm	a	b	c	d	e	f	g
	Original exposures					Credit risk adjustment	
	Defaulted exposures	Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	charges of the period	Net values (a+b-c-d)
Central governments or central banks							
Institutions		32,395	37			-39	32,358
Corporates	3,936	177,742	2,031		5	-501	179,646
of which Specialised Lending	11	149	0				160
of which SME	1,546	55,065	684		-9	-110	55,926
Retail	2,032	192,783	788		-32	-237	194,026
of which Secured by real estate property	1,130	151,891	85		-25	-164	152,936
of which SME	25	1,180	5		-9	-110	1,199
of which Non-SME	1,105	150,711	79		-23	-171	151,737
of which Other Retail	902	40,892	704				41,090
of which SME	139	1,733	78		-9	-110	1,794
of which Non-SME	762	39,159	625		-23	-171	39,296
Equity							
Other non-credit obligation assets	5	3,232					3,237
Total IRB approach	5,973	406,151	2,856		-27	-777	409,267
Central governments or central banks							
		83,522	3			-1	83,519
Regional governments or local authorities		9,010				1	9,010
Public sector entities		275					275
Multilateral Development Banks		1,398					1,398
International Organisations							
Institutions		234				1	234
Corporates	9	2,211	3			17	2,217
- of which SME		1,813	3			5	1,810
Retail	145	5,764	22		-2	-64	5,886
- of which SME	10	855	1			5	864
Secured by mortgages on immovable property		5,005	4				5,001
- of which SME		62	0			5	62
Exposures in default		154	64				90
Items associated with particularly high risk		857					857
Covered bonds		318					318
Claims on institutions and corporates with a short-term credit assessment							
Collective investments undertakings (CIU)		465					465
Equity exposures		1,700					1,700
Other exposures		882					881
Total standardised approach	154	111,641	97		-2	-46	111,698
Total	6,127	517,792	2,953		-29	-823	520,966
- of which loans	5,379	353,028	2,705		-29	-706	355,702
- of which debt securities		56,976				-1	56,976
- of which off-balance sheet exposures	748	107,788	248			-117	108,287

2019 Q4, EURm	a	b	c	d	e	f	g
	Original exposures		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
	Defaulted exposures	Non-defaulted exposures					
Central governments or central banks							
Institutions		32,696	3		3	-42	32,693
Corporates	3,954	165,970	1,694		-10	-302	168,230
of which Specialised Lending	13	209	1			2	221
of which SME	1,506	53,635	609		-15	-34	54,532
Retail	2,077	189,203	547		-60	-59	190,733
of which Secured by real estate property	1,167	149,150	52		-27	-27	150,265
of which SME	23	1,176	2		-17	7	1,198
of which Non-SME	1,144	147,974	50		-25	-36	149,067
of which Other Retail	910	40,053	495				40,468
of which SME	135	1,824	36			0	1,923
of which Non-SME	776	38,229	459			0	38,545
Equity							
Other non-credit obligation assets	4	3,454					3,458
Total IRB approach	6,034	391,323	2,243		-66	-406	395,114
Central governments or central banks		66,115	3			-1	66,113
Regional governments or local authorities		8,968				-2	8,968
Public sector entities		100					100
Multilateral Development Banks		781					781
International Organisations		51					51
Institutions		200			-5	4	200
Corporates	11	2,437	2			-10	2,446
- of which SME	6	2,035	1			-6	2,039
Retail	144	6,162	18		-10	-40	6,289
- of which SME	10	869	1			3	878
Secured by mortgages on immovable property		4,654	3				4,651
- of which SME		74					74
Exposures in default		155	61				94
Items associated with particularly high risk		829					829
Covered bonds		384	1				384
Claims on institutions and corporates with a short-term credit assessment							
Collective investments undertakings (CIU)		430					430
Equity exposures		1,697					1,697
Other exposures		942	1				941
Total standardised approach	155	93,750	88		-16	-48	93,817
Total	6,189	485,073	2,331		-82	-454	488,931
- of which loans	5,486	337,288	2,188		-85	-423	340,586
- of which debt securities		51,641				1	51,641
- of which off-balance sheet exposures	703	96,144	144		3	-32	96,704

Table 5 EU CR1-B: Credit quality of exposures by industry or counterparty types

The largest industry sectors for the period were 'Other industries', 'Financial Institutions', and 'Industrials' representing 76.5% of the non-defaulted exposures. Financial Institution exposures increased during the period, primarily driven by increased sovereign exposures, while the increase in other industries was driven by increased retail volumes.

Q2 2020	a	b	c	d	e	f	g
EURm	Original exposures		Specific credit risk adjustment (allowances)	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
	Defaulted exposures	Non-defaulted exposures					
Financial Institutions	182	115,518	73			-67	115,628
Agriculture	475	6,525	60		2	-4	6,940
Crops Plantation and Hunting	126	3,095	12		1	-3	3,210
Animal Husbandry	344	2,220	48		1	3	2,517
Fishing and Aquaculture	5	1,210	1			-4	1,213
Natural Resources	857	7,009	371			-145	7,495
Paper & forest products	48	3,286	8			-5	3,326
Mining & supporting activities	7	686	1			-1	692
Oil Gas & Offshore	801	3,037	362			-138	3,476
Consumer Staples	24	7,254	3			-24	7,275
Food processing & Beverages	7	1,898	2			-10	1,903
Household & Personal Products	5	795				-3	800
Healthcare	12	4,560				-11	4,572
Consumer Discretionary & Services	435	13,999	79		-3	-78	14,355
Consumer Durables	162	2,846	34			-24	2,974
Media & Entertainment	72	1,922	10			-10	1,984
Retail Trade	160	4,892	24		-1	-28	5,028
Air transportation	5	839	2			-1	842
Accommodation & Leisure	34	1,308	8		-1	-16	1,333
Telecommunication services	3	2,192				1	2,195
Industrials	852	57,088	212		-7	-170	57,728
Materials	147	3,512	65		-1	-9	3,594
Capital Goods	143	10,100	34		-1	-21	10,209
Commercial & Professional Services	149	19,442	40			-59	19,551
Construction	197	9,474	38		-2	-37	9,632
Wholesale Trade	119	8,917	17		-2	-32	9,019
Land transportation	88	3,733	16		-1	-11	3,805
IT services	9	1,909	1			-2	1,917
Maritime	699	8,874	255		-1	-56	9,318
Ship Building	13	368	6		-1		375
Shipping	685	8,148	249			-56	8,584
Maritime Services	1	357				0	358
Utilities & Public Services	35	28,149	16		-8	-56	28,169
Utilities Distribution & Waste Management	26	4,016	12			-6	4,031
Power Production		4,076				-3	4,076
Public Services	8	20,057	4		-8	-47	20,062
REMI	479	49,850	74		-6	-56	50,255
Other Industries	2,089	223,526	1,811		-5	-167	223,805
Total	6,127	517,792	2,953	0	-29	-823	520,966

Q4 2019	a	b	c	d	e	f	g
	Original exposures					Credit risk adjustment charges of the period	Net values (a+b-c-d)
EURm	Defaulted exposures	Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs		
IRB approach							
Animal husbandry	426	2,296	105		1	-23	2,617
Capital goods	159	9,004	43		-2	-4	9,120
Commercial & prof. services	212	16,558	61		-4	-44	16,708
Construction	199	10,246	33		-3	-8	10,412
Consumer durables	137	2,371	27		1	-14	2,481
Consumer staples (food and health care)	48	7,180	11		-2	5	7,217
Crops etc	149	3,112	24			-15	3,237
Financial institutions	168	98,761	75		-2	-27	98,853
Fishing and aquaculture	1	1,583					1,584
Land transportation and IT	116	5,482	21		-6	-10	5,577
Maritime (shipping)	753	9,998	195		-3	-61	10,556
Materials	164	3,472	29			6	3,607
Media, leisure and telecom	84	5,700	22		-4	-14	5,762
Oil, gas and offshore	781	2,408	190		0	-129	2,999
Other	2,134	216,369	1,331		-37	-71	217,172
Paper, forest and mining	57	3,639	12			2	3,684
Real estate	343	45,803	79	0	-2	-7	46,067
Retail trade	106	4,836	37		-3	-3	4,904
Utilities and public services	37	27,815	16		-12	-36	27,835
Wholesale trade	117	8,441	20		-3	-2	8,538
Total	6,189	485,073	2,331		-82	-454	488,931

Table 6 EU CR1-C: Credit quality of exposures by geography

Non-defaulted exposures increased by EUR 32.7bn during the period, seen mainly in the Nordic portfolios. Exposures towards sovereign counterparts was seen in the Swedish, Finnish and US portfolios. The Swedish portfolio further increased due to increased undrawn corporate credit facilities and growth in residential mortgage loans. The positive growth was partly offset by FX effects, primarily from depreciated NOK between Q4 2019 and Q2 2020, which had an impact mainly in the corporate and retail portfolios reported under Norway.

2020 Q2	a	b	c		e	f	g
	Original exposures						
EURm	Defaulted exposures	Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
Nordic countries	5,138	458,161	2,440		-28	-623	460,859
- of which Denmark	1,787	120,437	831		-8	-93	121,393
- of which Finland	1,822	117,414	665		-5	-253	118,571
- of which Norway	997	82,921	568		-2	-151	83,350
- of which Sweden	532	137,389	376		-13	-125	137,545
Baltic countries	2	2,267	24			-18	2,246
United States	5	23,803	11			-6	23,797
Russian Federation	43	1,312	41		-1	-1	1,314
Other	939	32,248	436		0	-176	32,751
Total	6,127	517,792	2,953		-29	-823	520,966

2019 Q4	a	b	c	d	e	f	g
	Original exposures						
EURm	Defaulted exposures	Non-defaulted exposures	Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values (a+b-c-d)
Nordic countries	5,125	428,623	1,944		-81	-453	431,804
- of which Denmark	1,874	118,498	799				119,572
- of which Finland	1,678	107,501	458				108,720
- of which Norway	1,159	84,611	436				85,333
- of which Sweden	415	118,013	250				118,178
Baltic countries	4	3,038	4				3,038
United States	7	21,238	4				21,242
Russia	43	1,551	29			15	1,565
Other	1,011	30,623	350		-1	-16	31,283
Total	6,189	485,073	2,331		-82	-454	488,931

Table 7 EU CR2-A: Changes in stock of general and specific credit risk adjustments

Accumulated specific credit risk adjustment increased significantly, by 24 % compared to end of 2019. Nordea has in first half of 2020 updated macro-economic scenarios, analysed the impact of the economic downturn and concluded a thorough review of the loan book. This has led to the significant increase in allowances and Nordea now has a strong coverage ratio at 43% to cover losses in Stage 3. During the first half of the year there has been new/increased individually calculated loan losses of EUR -413m as well as model calculated net loan losses at EUR -459m. These are partly related to Oil, Gas and Offshore sector as well as management judgements for issues identified in the IFRS 9 models to be later covered in model updates of EUR 110m and further provisions of EUR 110m against the European Central Bank's new requirements on aged non-performing loans coming into force in the fourth quarter of 2020. Additionally Nordea had reversals during the first half of the year of EUR 166m and write-offs taken against accumulated credit risk adjustments of EUR 124m.

2020 Q2

EURm	Accumulated Specific credit risk adjustment
Opening balance according IFRS 9	-2,183
Increases due to amounts set aside for estimated loan losses during the period	-413
Decreases due to amounts reversed for estimated loan losses during the period	166
Net model losses (stage 1&2)	-290
Net model losses (stage 3, model based)	-169
Decreases due to amounts taken against accumulated credit risk adjustments	124
Transfers between credit risk adjustments	
Impact of exchange rate differences	
Business combinations, including acquisitions and disposals of subsidiaries	
Other adjustments	63
Closing balance	-2,703
Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	37
Specific credit risk adjustments recorded directly to the statement of profit or loss	-190

2019 Q4

EURm	Accumulated Specific credit risk adjustment
Opening balance	-2,162
Increases due to amounts set aside for estimated loan losses during the period	-555
Decreases due to amounts reversed for estimated loan losses during the period	223
Net model losses (stage 1&2)	-44
Net model losses (stage 3, model based)	-47
Decreases due to amounts taken against accumulated credit risk adjustments	312
Transfers between credit risk adjustments	0
Impact of exchange rate differences	0
Business combinations, including acquisitions and disposals of subsidiaries	0
Other adjustments	90
Closing balance	-2,183
Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	47
Specific credit risk adjustments recorded directly to the statement of profit or loss	-444

Table 8 EU CR2-B: Changes in the stock of defaulted and impaired loans and debt securities

Nordea continues to have a strong credit quality and impaired loans gross in Nordea Group amounted to EUR 4.4bn end of Q2 2020. During the first half of the year impaired loans gross has decreased by 4% due to following movements: new impaired exposures have increased the amount by EUR 0.7bn while exposures with improved credit quality returning to non-defaulted status amounts to EUR 0.3bn. Write-offs during the first half of the year has decreased impaired loans by EUR 0.2bn.

2020 Q2 EURm	Gross carrying value impaired exposures
Opening balance	4,610
Loans and debt securities that have defaulted or impaired since the last reporting period	656
Returned to non-defaulted (and non-impaired) status	-290
Amount written off	-190
Other changes	-364
Closing balance	4,421

2019 Q4 EURm	Gross carrying value impaired exposures
Opening balance	5,052
Loans and debt securities that have defaulted or impaired since the last reporting period	582
Returned to non-defaulted (and non-impaired) status	-228
Amount written off	-444
Other changes	-353
Closing balance	4,610

Table 9 Credit quality of forborne exposures

Total forborne loans amounted to EUR 3bn in Q2 2020, of which non-performing amounted to EUR 2bn.

2020 Q2, EURm	a	b	c	d	e	f	g	h	
	Performing forborne	Gross carrying amount/nominal amount of			Accumulated		Collateral received and		
		Non-performing forborne	Of which defaulted	Of which impaired	On performing forborne	On non-performing forborne		Of which collateral and	
1	Loans and advances	1,076	2,097	2,097	2,097	-30	-609	810	332
2	<i>of which Central banks</i>	0	0	0	0	0	0	0	0
3	<i>of which General governments</i>	0	0	0	0	0	0	0	0
4	<i>of which Credit institutions</i>	0	0	0	0	0	0	0	0
5	<i>of which Other financial corporations</i>	1	65	65	65	0	-44	0	0
6	<i>of which Non-financial corporations</i>	535	1,848	1,848	1,848	-24	-528	397	225
7	<i>of which Households</i>	540	184	184	184	-6	-37	412	106
8	Debt Securities	0	0	0	0	0	0	0	0
9	Loan commitments given	58	41	41	41	-2	0	18	0
10	Total	1,134	2,138	2,138	2,138	-32	-609	828	332

	a	b	c	d	e	f	g	h
	Gross carrying amount/nominal amount of				Accumulated		Collateral received and	
	Performing forborne	Non-performing forborne		Of which impaired	On performing forborne	On non- performing forborne		Of which collateral and
		Of which defaulted						
2019 Q4, EURm								
1 Loans and advances	1,008	1,984	1,767	1,767	-15	-664	818	564
2 <i>of which Central banks</i>								
3 <i>of which General governments</i>								
4 <i>of which Credit institutions</i>								
5 <i>of which Other financial corporations</i>	12	71	71	71	0	-45	0	
6 <i>of which Non-financial corporations</i>	745	1,792	1,576	1,576	-11	-591	513	461
7 <i>of which Households</i>	250	122	120	120	-4	-28	305	103
8 Debt Securities								
9 Loan commitments given	31	37	37	37	-1	0	23	0
10 Total	1,039	2,021	1,804	1,804	-16	-664	841	564

Table 10 Credit quality of performing and non-performing exposures by past due days

Total gross carrying amount of performing- and non-performing loans and advances decreased by EUR 2.3bn to EUR 306bn at the end of Q2 2020. Non-performing loans and advances increased by EUR 0.1bn ending up to EUR 5.5bn.

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
2020 Q2, EURm		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted	
1	Loans and advances	300,667	300,246	421	5,455	4,698	108	183	183	208	38	36	5,455
2	Central banks	2,589	2,589										
3	General governments	3,159	3,158	1	0	0							0
4	Credit institutions	3,388	3,386	2									
5	Other financial corporations	8,836	8,835	0	91	89	0	0	1	0			91
6	Non-financial corporations	116,007	115,844	163	3,565	3,371	18	41	29	77	10	19	3,565
7	Of which SMEs	48,629	48,519	110	1,168	1,039	0	29	22	56	7	15	1,168
8	Households	166,688	166,433	255	1,799	1,238	89	141	153	131	29	17	1,799
9	Debt securities	58,400	58,400										
10	Central banks	6,386	6,386										
11	General governments	16,889	16,889										
12	Credit institutions	33,986	33,986										
13	Other financial corporations	506	506										
14	Non-financial corporations	633	633										
15	Off-balance-sheet exposures	108,616			693								693
16	Central banks	101			0								0
17	General governments	6,595			0								0
18	Credit institutions	4,857			0								0
19	Other financial corporations	3,795			41								41
20	Non-financial corporations	63,804			550								550
21	Households	29,464			103								103
22	Total	467,683	358,646	421	6,148	4,698	108	183	183	208	38	36	6,148

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted	
2019 Q4, EURm													
1	Loans and advances	303,085	302,498	586	5,329	4,293	131	248	272	216	126	43	4,616
2	Central banks	1,064	1,064										
3	General governments	4,124	4,122	2	0	0							
4	Credit institutions	4,200	4,186	14									
5	Other financial corporations	5,637	5,630	7	93	90	1	0	1	0	0	0	92
6	Non-financial corporations	121,538	121,324	214	3,505	3,154	34	69	64	69	97	18	3,097
7	Of which SMEs	47,666	38,133	9,534	1,287	1,011	27	65	37	50	88	10	935
8	Households	166,521	166,171	350	1,731	1,049	96	179	206	147	29	25	1,427
9	Debt securities	52,246	52,246										
10	Central banks	1,954	1,954										
11	General governments	15,841	15,841										
12	Credit institutions	32,823	32,823										
13	Other financial corporations	1,024	1,024										
14	Non-financial corporations	604	604										
15	Off-balance-sheet exposures	98,357			704								704
16	Central banks	101			0								
17	General governments	5,437			0								0
18	Credit institutions	3,955			0								
19	Other financial corporations	3,284			43								43
20	Non-financial corporations	59,643			548								548
21	Households	25,937			113								113
22	Total	453,688	354,744	586	6,033	4,293	131	248	272	216	126	43	5,319

Table 11 Performing and non-performing exposures and related provisions

Total gross carrying amount of performing- and non-performing loans and advances decreased by EUR 2.3bn to EUR 306bn at the end of Q2 2020. Non-performing loans and advances increased by EUR 0.1bn ending up to EUR 5.5bn. Allowances in stage 3 for non-performing loans and advances increased by EUR 0.2bn end of Q2 2020.

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures
2020 Q2, EURm	Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3				
1 Loans and advances	300,667	288,154	12,512	5,455		5,455	-796	-328	-468	-2,009		-2,009		175,665	2,195
2 Central banks	2,589	2,589	0	0		0	0	0	0	0		0		0	0
3 General governments	3,159	3,057	102	0		0	-1	-1	-1	0		0		447	1
4 Credit institutions	3,388	3,373	15	0		0	-5	-4	-1	0		0		58	0
5 Other financial corporations	8,836	8,664	171	91		91	-25	-13	-12	-69		-69		2,342	3
6 Non-financial corporations	116,007	110,102	5,905	3,565		3,565	-446	-210	-237	-1,434		-1,434		65,824	1,486
7 Of which SMEs	48,629	46,337	2,292	1,168		1,168	-230	-134	-96	-515		-515		29,465	518
8 Households	166,688	160,369	6,319	1,799		1,799	-318	-101	-217	-506		-506		106,994	705
9 Debt securities	58,400	58,400					-2	-2						0	0
10 Central banks	6,386	6,386					0	0						0	0
11 General governments	16,889	16,889					0	0						0	0
12 Credit institutions	33,986	33,986					-1	-1						0	0
13 Other financial corporations	506	506					0	0						0	0
14 Non-financial corporations	633	633					0	0						0	0
15 Off-balance-sheet exposures	108,616	102,236	6,380	693		693	-216	-85	-131	-32	0	-32		11,957	19
16 Central banks	101	101	0	0		0	0	0	0	0	0	0		0	0
17 General governments	6,595	6,594	1	0		0	-1	-1	0	0	0	0		13	0
18 Credit institutions	4,857	3,434	1,423	0		0	-32	-12	-20	0	0	0		81	0
19 Other financial corporations	3,795	3,662	133	41		41	-5	-3	-2	0	0	0		942	0
20 Non-financial corporations	63,804	59,672	4,132	550		550	-103	-45	-58	-24	0	-24		9,428	17
21 Households	29,464	28,774	690	103		103	-76	-24	-52	-8	0	-7		1,493	2
22 Total	467,683	448,791	18,892	6,148		6,148	-1,014	-415	-599	-2,041	0	-2,041		187,621	2,214

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures
2019 Q4, EURm	Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3				
1	Loans and advances	303,085	292,368	10,717	5,329	5,329	-496	-153	-343	-1,769		-1,769		274,939	3,549
2	Central banks	1,064	1,064				0	0	0						
3	General governments	4,124	4,097	27	0	0	-1	0	-1					560	0
4	Credit institutions	4,200	4,151	49			-2	0	-2					69	0
5	Other financial corporations	5,637	5,396	241	93	93	-17	-4	-13	-77		-77		2,801	5
6	Non-financial corporations	121,538	117,509	4,029	3,505	3,505	-271	-93	-179	-1,290		-1,290		93,924	2,216
7	Of which SMEs	47,666	45,787	1,879	1,287	1,287	-77	-13	-63	-473		-473		39,382	
8	Households	166,521	160,150	6,371	1,731	1,731	-204	-55	-149	-403		-403		177,584	1,328
9	Debt securities	52,246	52,246				-1	-1	0						
10	Central banks	1,954	1,954				0	0							
11	General governments	15,841	15,841				0	0	0						
12	Credit institutions	32,823	32,823				-1	-1	0						
13	Other financial corporations	1,024	1,024				0	0							
14	Non-financial corporations	604	604				0	0							
15	Off-balance-sheet exposures	98,357	94,083	4,274	704	704	-102	-33	-70	-41		-41		10,839	20
16	Central banks	101	101												
17	General governments	5,437	5,435	2	0	0	0	0	0					14	0
18	Credit institutions	3,955	2,819	1,136			-2	0	-1					24	0
19	Other financial corporations	3,284	3,163	121	43	43	-4	-2	-2	0		0		715	0
20	Non-financial corporations	59,643	57,320	2,322	548	548	-52	-19	-34	-41		-41		8,539	17
21	Households	25,937	25,245	693	113	113	-44	-12	-33	0		0		1,547	3
22	Total	453,688	438,697	14,990	6,033	6,033	-600	-188	-413	-1,810		-1,810		285,778	3,569

Table 12 Collateral obtained by taking possession and execution processes¹

		a	b
		Collateral obtained by taking possession	
2020 Q2, EURm		Value at initial recognition	Accumulated negative changes
1	Property, plant and equipment (PP&E)		
2	Other than PP&E	3	0
3	Residential immovable property	1	0
4	Commercial Immovable property		
5	Movable property (auto, shipping, etc.)		
6	Equity and debt instruments	0	0
7	Other	2	
8	Total	3	0

¹Q2 2020 is excluding entities which are not in scope according FINREP reporting definition.

		a	b
		Collateral obtained by taking possession	
2019 Q4, EURm		Value at initial recognition	Accumulated negative changes
1	Property, plant and equipment (PP&E)		
2	Other than PP&E	10	0
3	Residential immovable property	3	0
4	Commercial Immovable property	4	0
5	Movable property (auto, shipping, etc.)	2	
6	Equity and debt instruments	0	0
7	Other	1	
8	Total	10	0

Table 13 EU CR3: Credit risk mitigation techniques – overview

Nordea's share of exposures (namely 55% of total) have at least one Credit Risk Mitigation (CRM) mechanism (collateral, financial guarantees, credit derivatives) at Q2 2020. The majority of those are secured by real estate collaterals.

2020 Q2

EURm	Exposures unsecured - carrying amount	Exposures secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
Loans	130,839	227,665	215,559	12,106	
Total debt securities	58,400	-	-	-	
Total exposures	189,239	227,665	215,559	12,106	
- of which defaulted	3,260	2,195	1,884	311	

2019 Q4

EURm	Exposures unsecured - carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
Loans	124,916	224,776	213,622	11,154	
Total debt securities	52,246	0	0	0	
Total exposures	177,162	224,776	213,622	11,154	
- of which defaulted	1,780	3,549	2,589	323	

Table 14 EU CR4: Standardised approach – credit risk exposure and Credit Risk Mitigation (CRM) effects

Total exposure amount before CCF and CRM amounted to EUR 111.7bn, of which, the on-balance sheet exposures amounted to EUR 101.4 bn of the exposure (compared to 84.2 in Q4 2019). The increase in central governments or central banks is stemming from higher exposures in checking accounts and bonds. This was partly offset by a decrease in the regional governments or local authorities. The REA density decreased 3 percentage points (from 15% to 12%) mainly driven by a large increase within the 0% risk weight as a result of the increase in central governments and central banks.

2020 Q2

EURm	Exposures before CCF and CRM		Exposures post-CCF and CRM		REA	REA density
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
Asset classes						
Central governments or central banks	82,889	630	86,515	1,104	712	1%
Regional governments or local authorities	3,254	5,756	4,375	681	9	0%
Public sector entities	25	250	25	125		
Multilateral development banks	1,398		1,400			
International organisations						
Institutions	234	0	235	0	47	20%
Corporate	1,478	730	1,477	115	1,545	97%
Retail	4,387	1,355	4,354	502	3,600	74%
Secured by mortgages on immovable property	4,051	950	4,051	266	1,515	35%
Exposures in default	87	3	87	0	111	127%
Exposures associated with particularly high risk	444	413	444	206	976	150%
Covered bonds	318		318		32	10%
Collective investments undertakings (CIU)	203	263	203	131	334	100%
Equity	1,700		1,700		3,521	207%
Other items	881		881		728	83%
Total	101,350	10,349	106,064	3,131	13,129	12%

2019 Q4

EURm	Exposures before CCF and CRM		Exposures post-CCF and CRM		REA	REA density
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount		
Asset classes						
Central governments or central banks	65,439	673	68,308	461	955	1%
Regional governments or local authorities	3,861	5,107	4,857	636	11	
Public sector entities		100		50		
Multilateral development banks	781		783			
International organisations	51		51			
Institutions	200		201		40	20%
Corporate	1,537	899	1,518	111	1,614	99%
Retail	4,565	1,579	4,529	486	3,703	74%
Secured by mortgages on immovable property	4,056	594	4,056	85	1,459	35%
Exposures in default	91	3	90		117	129%
Exposures associated with particularly high risk	421	407	421	204	938	150%
Equity	1,697		1,697		3,515	207%
Other items	1519	236	1518	118	1102	1
Total	84,218	9,599	88,030	2,150	13,453	15%

Table 15 EU CR5: Standardised approach - credit risk exposures by regulatory portfolio and risk

Exposures shown are on- and off-balance sheet exposures post conversion factor and post risk mitigation techniques. At the end of Q2 2020, the total exposure amount was EUR 109.2bn, an increase of EUR 19.0bn since Q4 2020. The largest increase took place in the 0% risk weight bucket, which increased from EUR68.8bn to EUR 87.6 bn. The increase is stemming from higher exposure towards checking accounts and bonds towards central governments or central bank. The remaining exposures are mainly seen in the retail and corporate portfolios, within 75% and 100% risk weights.

2020 Q2

EURm	Risk weight															Total
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Other	
Exposure classes																
Central governments or central banks	87,238				5		91			24	12	249				87,619
Regional governments or local authorities	5,021				28		7									5,056
Public sector entities	150															150
Multilateral development banks	1,400															1,400
International organisations					236											236
Institutions										1,591						1,591
Corporate																
Retail									4,857							4,857
Secured by mortgages on immovable property						4,277	40									4,317
Exposures in default										39	48					87
Associated with particularly high risk												650				650
Covered bonds				318												318
Institutions and corporates with a short-term credit assessment																
Collective investments undertakings (CIU)										334						334
Equity										487		1,214				1,700
Other items										321					560	881
Total	93,809			318	269	4,277	138		4,857	2,797	710	1,463			560	109,196

2019 Q4

Exposure classes	Risk weight														Total	
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%		Other
Central governments or central banks	68,252				6		147			14	9	341				68,769
Regional governments or local authorities	5,450				36		7									5,493
Public sector entities	50															50
Multilateral development banks	783															783
International organisations	51															51
Institutions					201											201
Corporate										1,628						1,628
Retail									5,015							5,015
Secured by mortgages on immovable property						4,059	82									4,141
Exposures in default										38	52					90
Items associated with particularly high risk											625					625
Equity										485		1,212				1,697
Other items				384						640					612	1,636
Total	74,586			384	243	4,059	237		5,015	2,806	687	1,553			612	90,180

Table 16 EU CR6 Total IRB: Credit risk exposures by portfolio and PD scale

The following tables show a comprehensive overview of statistics and inputs used to define the exposure classes under the IRB approach, such as EAD, average PD and average LGD. CR6 tables are presented excluding CCR exposures and the amounts are broken down by exposure class and obligor grade. In Q2 2020, REA increased by EUR 1.0bn driven by increased undrawn credit facilities in the corporate portfolio and increased residential mortgage loans in the retail portfolio. Increased provisioning further decreased REA. This was partly offset by a decrease in checking accounts reported under the institution portfolio. Average PD decreased on total level driven by favourable rating migration in the retail portfolio, partly offset by unfavourable rating migration in the Swedish and Finnish corporate portfolio.

2020 Q2, EURm

PD scale	Original exposure	Off-balance exposure	Average CCF	EAD	Average PD	Number of obligors.	Average LGD	Average maturity	REA	REA density	Value adj. and EL provision	
Total IRB exposures												
0.00 to < 0.15	151,507	41,583	56%	175,299	0.09%	1,236,490	18.8%	2.5	20,715	12%	30	30
0.15 to < 0.25	41,613	14,935	50%	48,722	0.20%	612,415	22.2%	2.5	10,760	22%	22	27
0.25 to < 0.50	56,021	23,653	48%	66,362	0.41%	491,018	25.1%	2.4	25,218	38%	69	119
0.50 to < 0.75	6,250	925	52%	6,500	0.60%	173,127	19.6%	2.5	1,223	19%	8	15
0.75 to < 2.50	36,701	12,536	49%	40,421	1.19%	471,851	25.0%	2.5	19,672	49%	120	303
2.50 to < 10.00	7,825	2,107	38%	7,952	4.37%	227,350	25.0%	2.5	4,173	52%	86	200
10.00 to < 100	5,561	1,703	32%	5,258	21.47%	100,262	26.4%	2.5	5,230	99%	296	293
100 (Default)	5,222	745	10%	4,918	100.00%	104,948	26.6%	2.4	7,006	142%	1,494	1,868
Total	310,700	98,186	51%	355,433	2.09%	3,417,459	21.5%	2.5	93,996	26%	2,124	2,856

2020 Q1, EURm

PD scale	Original exposure	Off-balance exposure	Average CCF	EAD	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density	Value adj. and EL provision	
Total IRB exposures												
0.00 to < 0.15	147,190	36,120	53%	167,296	0.09%	1,941,714	19.1%	2.5	20,032	12%	29	9
0.15 to < 0.25	46,356	12,375	51%	52,550	0.20%	259,066	21.7%	2.5	11,161	21%	23	13
0.25 to < 0.50	52,607	20,688	48%	61,410	0.41%	354,509	25.6%	2.5	25,461	41%	66	49
0.50 to < 0.75	5,880	791	53%	6,096	0.60%	121,994	20.1%	2.5	1,206	20%	7	8
0.75 to < 2.50	33,280	10,707	48%	36,267	1.19%	319,855	25.1%	2.6	18,227	50%	109	166
2.50 to < 10.00	7,368	1,938	43%	7,546	4.5%	207,907	25.0%	2.5	4,009	53%	84	109
10.00 to < 100	5,798	1,640	30%	5,509	21.4%	122,843	26.5%	2.5	5,618	102%	310	203
100 (Default)	5,362	668	11%	5,055	100.0%	103,989	26.7%	2.4	7,273	144%	1,434	1,745
Total	303,841	84,928	50%	341,729	2.21%	3,431,877	21.7%	2.5	92,989	27%	2,063	2,301

Table 16 EU CR6 FIRB Institutions: Credit risk exposures by PD scale

REA in the institution portfolio decreased driven by a decline in checking account volumes and favourable rating migration mainly seen in covered bonds. Average PD increased for bucket 10.00 to <100, due to a new unrated exposure.

2020 Q2, EURm

PD scale	Original exposure	Off-balance exposure	Average CCF	EAD	Average PD	Number of obligors.	Average LGD	Average maturity	REA	REA density	EL	Value adj. and provision
Institutions - FIRB												
0.00 to < 0.15	27,685	1,678	43%	28,503	0.07%	658	13.8%	2.5	2,668	9%	3	4
0.15 to < 0.25	44	246	51%	169	0.17%	73	44.9%	2.5	92	54%		
0.25 to < 0.50	179	1,890	57%	1,392	0.38%	180	42.1%	2.5	864	62%	2	22
0.50 to < 0.75	115	76	28%	136	0.66%	62	43.8%	2.5	116	85%		2
0.75 to < 2.50	41	141	18%	65	1.06%	52	45.0%	2.5	69	106%		1
2.50 to < 10.00	7	173	21%	27	7.86%	44	45.0%	2.5	56	211%	1	6
10.00 to < 100	120	1	13%	120	27.88%	191	25.3%	2.5	194	162%	8	2
100 (Default)												
Total	28,190	4,205	48%	30,412	0.20%	1,260	15.5%	2.5	4,059	13%	15	37

2020 Q1, EURm

PD scale	Original exposure	Off-balance exposure	Average CCF	EAD	Average PD	Number of obligors.	Average LGD	Average maturity	REA	REA density	EL	Value adj. and provision
Institutions - FIRB												
0.00 to < 0.15	26,682	1,535	44%	27,436	0.07%	763	15.5%	2.5	2,918	11%	3	1
0.15 to < 0.25	1,817	136	27%	1,853	0.17%	125	13.5%	2.5	245	13%		
0.25 to < 0.50	489	1,710	58%	1,617	0.39%	285	38.4%	2.5	931	58%	2	2
0.50 to < 0.75	154	90	37%	184	0.66%	100	43.8%	2.5	165	90%	1	
0.75 to < 2.50	119	336	27%	150	1.24%	101	45.0%	2.5	174	116%	1	
2.50 to < 10.00	23	178	24%	47	8.11%	127	44.8%	2.5	100	213%	2	
10.00 to < 100	48	128	20%	73	27.7%	242	44.6%	2.5	210	290%	9	
100 (Default)												
Total	29,331	4,111	47%	31,359	0.18%	1,743	17.0%	2.5	4,743	15%	18	3

Table 16 EU CR6: IRB Corporates: Credit risk exposures by PD scale

Corporate portfolio REA increased in Q2 2020 driven by increased undrawn credit facilities and unfavourable FX effects due to appreciated NOK and SEK. The increase was partly offset by the implementation of CRRII amendments for the SME factor in Q2. The average PD excluding defaulted exposures increased driven by unfavourable rating migration mainly in Sweden and Finland. However, the defaulted exposures decreased during the period, resulting in a decrease in the total average PD for corporate portfolio. Increased provisioning decreased the REA density for defaulted exposures.

2020 Q2, EURm

PD scale	Original exposure	Off-balance exposure	Average CCF	EAD	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density	EL	Value adj. and provision
Corporate - IRB, Total												
0.00 to < 0.15	34,064	24,331	49%	46,475	0.09%	12,091	28.9%	2.3	10,310	22%	13	20
0.15 to < 0.25	13,955	9,564	48%	18,469	0.22%	4,566	29.3%	2.5	7,717	42%	12	17
0.25 to < 0.50	35,528	18,665	46%	43,280	0.44%	12,882	27.9%	2.4	21,525	50%	53	82
0.50 to < 0.75												
0.75 to < 2.50	23,826	9,826	46%	26,522	1.12%	13,291	27.6%	2.6	15,885	60%	83	214
2.50 to < 10.00	2,373	1,228	31%	2,320	3.61%	3,992	28.5%	2.4	1,744	75%	24	69
10.00 to < 100	3,177	1,206	35%	2,847	19.75%	14,359	29.4%	2.5	3,370	118%	168	172
100 (Default)	3,335	601	0%	2,990	100.00%	1,634	29.4%	2.4	2,481	83%	1,391	1,457
Total	116,257	65,421	47%	142,902	2.94%	62,815	28.4%	2.4	63,033	44%	1,744	2,031
Corporate - AIRB, Total												
0.00 to < 0.15	31,574	23,538	50%	43,102	0.09%	11,217	27.9%	2.3	9,159	21%	12	18
0.15 to < 0.25	12,743	9,162	50%	17,218	0.22%	4,086	28.4%	2.5	7,187	42%	11	14
0.25 to < 0.50	33,333	17,590	49%	41,161	0.44%	11,323	27.1%	2.4	20,258	49%	49	66
0.50 to < 0.75												0
0.75 to < 2.50	21,606	8,622	50%	24,267	1.12%	11,592	26.3%	2.6	14,062	58%	72	189
2.50 to < 10.00	1,784	795	48%	2,005	3.61%	3,039	26.4%	2.4	1,384	69%	19	52
10.00 to < 100	2,410	791	53%	2,362	19.33%	11,456	26.9%	2.5	2,495	106%	124	149
100 (Default)	3,222	547	0%	2,897	100.00%	1,526	29.0%	2.4	2,480	86%	1,351	1,424
Total	106,672	61,043	49%	133,012	2.97%	54,239	27.4%	2.4	57,027	43%	1,637	1,912
Corporate - AIRB, Corporates (excluding SMEs and specialised lending)												
0.00 to < 0.15	15,765	21,603	50%	25,364	0.11%	2,197	31.3%	2.2	6,533	26%	9	15
0.15 to < 0.25	8,238	8,382	49%	11,466	0.22%	1,596	30.1%	2.5	5,311	46%	8	11
0.25 to < 0.50	22,220	15,338	47%	27,696	0.44%	4,165	28.4%	2.3	15,121	55%	34	50
0.50 to < 0.75												
0.75 to < 2.50	12,330	6,734	48%	13,292	1.11%	4,155	27.9%	2.6	8,965	67%	42	125
2.50 to < 10.00	700	605	45%	851	3.61%	1,169	29.2%	2.3	776	91%	9	28
10.00 to < 100	1,027	461	53%	1,033	20.76%	5,563	29.5%	2.5	1,439	139%	64	61
100 (Default)	1,923	362	0%	1,799	100.00%	433	30.7%	2.3	1,223	68%	958	995
Sub-total	62,203	53,486	49%	81,500	2.90%	19,278	29.6%	2.4	39,368	48%	1,123	1,285
Corporate - AIRB, SMEs (excluding specialised lending)												
0.00 to < 0.15	15,790	1,889	53%	17,706	0.07%	9,018	22.9%	2.4	2,613	15%	3	3
0.15 to < 0.25	4,497	780	54%	5,743	0.22%	2,489	25.0%	2.7	1,872	33%	3	3
0.25 to < 0.50	11,046	2,243	53%	13,407	0.45%	7,156	24.4%	2.4	5,108	38%	15	16
0.50 to < 0.75												
0.75 to < 2.50	9,276	1,887	54%	10,975	1.13%	7,437	24.3%	2.5	5,097	46%	30	63
2.50 to < 10.00	1,084	190	56%	1,154	3.61%	1,870	24.3%	2.5	608	53%	10	25
10.00 to < 100	1,383	330	54%	1,329	18.22%	5,893	24.9%	2.5	1,057	79%	60	87
100 (Default)	1,290	182	0%	1,089	100.00%	1,093	26.2%	2.5	1,246	114%	393	429
Sub-total	44,366	7,501	53%	51,404	3.08%	34,956	24.0%	2.5	17,600	34%	514	627
Corporate - AIRB, Specialised lending												
0.00 to < 0.15	19	45	27%	32	0.15%	2	36.3%	4.2	13	42%	0	
0.15 to < 0.25	9			9	0.22%	1	36.6%	2.4	4	42%	0	
0.25 to < 0.50	67	9	56%	59	0.47%	2	36.1%	1.6	29	50%	0	
0.50 to < 0.75												
0.75 to < 2.50												
2.50 to < 10.00												
10.00 to < 100												
100 (Default)	9	3		9	100.00%	1	28.0%	2.5	12	134%	0	
Sub-total	104	57	30%	108	8.29%	6	35.5%	2.5	58	54%	0	

Corporate - FIRB, Total

0.00 to < 0.15	2,490	793	7%	3,373	0.11%	2,335	42.0%	2.5	1,151	34%	2	2
0.15 to < 0.25	1,211	402	10%	1,251	0.22%	1,412	41.0%	2.5	530	42%	1	2
0.25 to < 0.50	2,194	1,074	10%	2,119	0.45%	3,985	42.5%	2.5	1,267	60%	4	16
0.50 to < 0.751												
0.75 to < 2.50	2,220	1,205	13%	2,254	1.16%	4,901	42.2%	2.5	1,823	81%	11	26
2.50 to < 10.00	589	433	2%	315	3.61%	1,762	42.3%	2.5	360	115%	5	16
10.00 to < 100	767	415	4%	485	21.78%	5,317	41.5%	2.5	875	181%	44	24
100 (Default)	113	55		93	100.00%	383	43.3%	2.5			40	33
Total	9,585	4,377	9%	9,890	2.55%	20,095	42.1%	2.5	6,007	61%	107	119

Corporate - FIRB, Corporates (excluding SMEs and specialised lending)

0.00 to < 0.15	1,926	604	7%	2,373	0.10%	933	41.9%	2.5	848	36%	1	2
0.15 to < 0.25	580	278	11%	565	0.22%	523	43.2%	2.5	272	48%	1	1
0.25 to < 0.50	1,376	814	9%	1,254	0.44%	1,638	43.4%	2.5	862	69%	2	14
0.50 to < 0.751												
0.75 to < 2.50	1,115	860	14%	1,104	1.09%	1,567	42.7%	2.5	1,069	97%	5	9
2.50 to < 10.00	421	355	2%	148	3.61%	774	42.9%	2.5	214	145%	2	11
10.00 to < 100	505	289	6%	232	24.97%	2,143	42.1%	2.5	531	229%	24	8
100 (Default)	60	34	0%	41	100.00%	95	43.9%	2.5			18	17
Total	5,983	3,235	9%	5,717	2.20%	7,673	42.6%	2.5	3,797	66%	54	62

Corporate - FIRB, SMEs (excluding specialised lending)

0.00 to < 0.15	564	189	5%	1,000	0.13%	1,402	42.3%	2.5	303	30%	1	1
0.15 to < 0.25	631	123	7%	686	0.22%	889	39.2%	2.5	258	38%	1	1
0.25 to < 0.50	818	261	13%	865	0.45%	2,347	41.3%	2.5	404	47%	2	2
0.50 to < 0.751												
0.75 to < 2.50	1,105	345	13%	1,150	1.23%	3,334	41.8%	2.5	754	66%	6	16
2.50 to < 10.00	168	78	3%	167	3.61%	988	41.7%	2.5	146	88%	3	5
10.00 to < 100	261	126	2%	253	18.86%	3,174	40.9%	2.5	344	136%	20	15
100 (Default)	53	20		52	100.00%	288	42.9%	2.5			22	16
Sub-total	3,602	1,142	9%	4,173	3.03%	12,422	41.3%	2.5	2,209	53%	53	57

Corporate - FIRB, Specialised Lending

0.00 to < 0.15												
0.15 to < 0.25												
0.25 to < 0.50												
0.50 to < 0.751												
0.75 to < 2.50												
2.50 to < 10.00												
10.00 to < 100												
100 (Default)												
Sub-total												

¹For corporate exposure class the bucket 4 is empty, since no regulatory PD in the range 0,5% - 0,75%.

PD scale	Original exposure	Off-balance exposure	Average CCF	EAD	Average PD	Number of obligors.	Average LGD	Average maturity	REA	REA density	EL	Value adj. and provision
Corporate - IRB, Total												
0.00 to < 0.15	33,511	20,346	47%	44,013	0.10%	9,100	29.2%	2.4	10,194	23%	13	5
0.15 to < 0.25	13,727	7,648	48%	17,511	0.22%	7,955	29.0%	2.5	7,502	43%	11	7
0.25 to < 0.50	35,958	16,659	46%	42,774	0.44%	13,415	27.8%	2.5	22,237	52%	52	38
0.50 to < 0.75												
0.75 to < 2.50	22,050	8,331	44%	24,289	1.12%	13,572	27.5%	2.6	14,821	61%	76	116
2.50 to < 10.00	2,319	967	35%	2,190	3.61%	4,218	27.4%	2.5	1,593	73%	22	35
10.00 to < 100	3,439	1,053	32%	3,101	19.50%	15,151	28.9%	2.5	3,680	119%	179	126
100 (Default)	3,466	531	0%	3,117	100.00%	1,696	29.7%	2.3	2,785	89%	1,328	1,442
Total	114,469	55,535	46%	136,994	3.17%	65,107	28.4%	2.5	62,811	46%	1,680	1,768
Corporate - AIRB, Total												
0.00 to < 0.15	30,871	19,500	49%	40,455	0.09%	11,207	28.1%	2.3	8,983	22%	11	4
0.15 to < 0.25	12,532	7,278	50%	16,342	0.22%	4,040	28.2%	2.5	6,978	43%	10	6
0.25 to < 0.50	33,842	15,660	48%	40,753	0.44%	11,852	27.1%	2.5	21,000	52%	48	36
0.50 to < 0.75												
0.75 to < 2.50	20,047	7,397	49%	22,266	1.12%	11,900	26.2%	2.6	13,137	59%	66	106
2.50 to < 10.00	1,760	668	50%	1,928	3.61%	3,255	25.4%	2.5	1,311	68%	18	31
10.00 to < 100	2,734	709	50%	2,627	18.99%	12,475	26.7%	2.5	2,821	107%	135	115
100 (Default)	3,357	471	0%	3,026	100.00%	1,612	29.3%	2.3	2,785	92%	1,289	1,414
Total	105,144	51,682	48%	127,399	3.22%	56,341	27.4%	2.5	57,014	45%	1,576	1,712
<i>Corporate - AIRB, Corporates (excluding SMEs and specialised lending)</i>												
0.00 to < 0.15	15,825	17,790	49%	23,521	0.11%	2,189	31.7%	2.3	6,200	26%	8	4
0.15 to < 0.25	8,008	6,527	49%	10,709	0.22%	1,430	29.8%	2.4	4,937	46%	7	5
0.25 to < 0.50	22,871	13,231	47%	27,515	0.44%	4,369	28.4%	2.5	15,487	56%	34	30
0.50 to < 0.75												
0.75 to < 2.50	10,742	5,650	47%	11,239	1.12%	4,153	28.1%	2.6	7,689	68%	36	72
2.50 to < 10.00	638	469	48%	755	3.61%	1,254	27.9%	2.6	659	87%	8	15
10.00 to < 100	999	422	49%	975	20.45%	6,095	29.4%	2.6	1,336	137%	59	66
100 (Default)	2,001	319	0%	1,855	100.00%	510	31.1%	2.2	1,369	74%	893	958
Sub-total	61,085	44,408	48%	76,568	3.10%	20,000	29.6%	2.4	37,677	49%	1,045	1,150
<i>Corporate - AIRB, SMEs (excluding specialised lending)</i>												
0.00 to < 0.15	15,027	1,664	51%	16,903	0.07%	9,016	23.0%	2.5	2,768	16%	3	1
0.15 to < 0.25	4,523	751	53%	5,633	0.22%	2,610	25.3%	2.7	2,040	36%	3	1
0.25 to < 0.50	10,901	2,419	51%	13,176	0.44%	7,481	24.3%	2.5	5,480	42%	14	7
0.50 to < 0.75												
0.75 to < 2.50	9,305	1,747	54%	11,027	1.11%	7,746	24.2%	2.5	5,447	49%	30	33
2.50 to < 10.00	1,122	198	53%	1,173	3.61%	2,001	23.8%	2.5	652	56%	10	16
10.00 to < 100	1,735	287	52%	1,652	18.13%	6,380	25.0%	2.5	1,485	90%	76	49
100 (Default)	1,348	150	0%	1,163	100.00%	1,102	26.4%	2.5	1,405	121%	395	455
Sub-total	43,961	7,216	51%	50,728	3.37%	36,336	24.0%	2.5	19,278	38%	530	561
<i>Corporate - AIRB, Specialised lending</i>												
0.00 to < 0.15	20	45	27%	32	0.15%	2	36.3%	4.9	16	49%		
0.15 to < 0.25												
0.25 to < 0.50	70	10	57%	62	0.47%	3	36.1%	1.8	33	53%		
0.50 to < 0.75												
0.75 to < 2.50					1.28%	1	36.6%	5.0		124%		
2.50 to < 10.00												
10.00 to < 100												
100 (Default)	8	3		8	100.00%	1	27.2%	2.5	11	129%	1	1
Sub-total	98	58	31%	102	8.48%	7	35.4%	2.8	60	58%	1	1

Corporate - FIRB, Total

	2,639	846	5%	3,558	0.11%	3,527	42.2%	2.5	1,210	34%	2	1
0.00 to < 0.15												
0.15 to < 0.25	1,196	370	8%	1,169	0.22%	1,859	40.7%	2.5	524	45%	1	1
0.25 to < 0.50	2,116	999	10%	2,021	0.44%	4,981	42.5%	2.5	1,237	61%	4	2
0.50 to < 0.751												
0.75 to < 2.50	2,003	935	11%	2,022	1.20%	5,706	42.2%	2.5	1,684	83%	10	10
2.50 to < 10.00	559	300	3%	262	3.67%	1,925	41.6%	2.5	284	108%	4	4
10.00 to < 100	705	344	2%	473	22.32%	5,354	41.2%	2.5	857	181%	44	11
100 (Default)	109	59		91	100.00%	416	43.3%	2.5			39	28
Total	9,326	3,853	8%	9,595	2.56%	23,768	42.0%	2.5	5,796	60%	104	57

Corporate - FIRB, Corporates (excluding SMEs and specialised lending)

0.00 to < 0.15	2,053	694	5%	2,491	0.10%	1,587	42.2%	2.5	874	35%	1	
0.15 to < 0.25	561	267	7%	483	0.22%	715	43.3%	2.5	232	48%		
0.25 to < 0.50	1,357	739	8%	1,222	0.44%	2,067	43.3%	2.5	833	68%	2	1
0.50 to < 0.751												
0.75 to < 2.50	937	618	12%	924	1.14%	1,835	42.9%	2.5	897	97%	4	3
2.50 to < 10.00	400	231	2%	107	3.76%	824	41.5%	2.5	142	133%	2	2
10.00 to < 100	437	223	2%	213	27.36%	2,039	41.9%	2.5	489	229%	24	4
100 (Default)	50	36		34	100.00%	88	44.5%	2.5			15	15
Total	5,795	2,807	7%	5,475	2.12%	9,155	42.6%	2.5	3,467	63%	50	26

Corporate - FIRB, SMEs (excluding specialised lending)

0.00 to < 0.15	586	152	4%	1,066	0.13%	1,940	42.1%	2.5	336	32%	1	
0.15 to < 0.25	635	103	9%	686	0.22%	1,144	38.9%	2.5	292	43%	1	1
0.25 to < 0.50	759	260	17%	799	0.45%	2,914	41.4%	2.5	404	51%	1	1
0.50 to < 0.751												
0.75 to < 2.50	1,066	317	9%	1,098	1.25%	3,871	41.7%	2.5	787	72%	6	7
2.50 to < 10.00	159	69	5%	155	3.61%	1,101	41.7%	2.5	142	91%	2	2
10.00 to < 100	267	121	2%	259	18.16%	3,315	40.7%	2.5	368	142%	19	6
100 (Default)	59	24		57	100.00%	328	42.6%	2.5			24	14
Sub-total	3,531	1,046	9%	4,120	3.14%	14,613	41.2%	2.5	2,329	57%	54	30

Corporate - FIRB, Specialised Lending

0.00 to < 0.15												
0.15 to < 0.25												
0.25 to < 0.50												
0.50 to < 0.751												
0.75 to < 2.50												
2.50 to < 10.00												
10.00 to < 100												
100 (Default)												
Sub-total												
100 (Default)												
Sub-total												

Table 16 EU CR6: IRB Retail: Credit risk exposures by PD scale

The increase in the retail portfolio REA in Q2 2020 was primarily driven by increased residential mortgage loan volumes and unfavourable FX effects due to appreciated SEK and NOK. The increase was partly offset by favourable rating migration and increased provisioning.

2020 Q2, EURm												
PD scale	Original exposure	Off-balance exposure	Average CCF	EAD	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density	EL	Value adj. and provision
Retail - RIRB, total												
0.00 to < 0.15	89,758	15,574	68%	100,322	0.09%	1,223,741	15.5%	2.5	7,736	8%	14	6
0.15 to < 0.25	27,614	5,125	53%	30,084	0.19%	607,776	17.7%	2.5	2,951	10%	10	10
0.25 to < 0.50	20,315	3,099	56%	21,690	0.35%	477,956	18.4%	2.5	2,829	13%	14	15
0.50 to < 0.75	6,134	849	54%	6,363	0.60%	173,065	19.1%	2.5	1,107	17%	7	14
0.75 to < 2.50	12,833	2,569	63%	13,834	1.31%	458,508	19.9%	2.5	3,717	27%	37	88
2.50 to < 10.00	5,446	706	52%	5,606	4.66%	223,314	23.4%	2.5	2,372	42%	61	126
10.00 to < 100	2,265	496	25%	2,292	23.28%	85,712	22.8%	2.5	1,666	73%	120	119
100 (Default)	1,888	144	52%	1,928	100.00%	103,314	22.1%	2.5	4,525	235%	103	411
Total	166,253	28,561	62%	182,119	1.74%	3,353,386	17.1%	2.5	26,905	15%	365	788
<i>Retail - RIRB, Non-SME (excluding exposures secured by immovable property)</i>												
0.00 to < 0.15	5,076	7,369	56%	9,150	0.09%	1,048,068	30.4%	2.5	675	7%	3	3
0.15 to < 0.25	3,540	3,845	49%	5,192	0.19%	574,499	28.5%	2.5	601	12%	3	7
0.25 to < 0.50	3,734	2,374	53%	4,627	0.36%	458,274	28.9%	2.5	836	18%	5	12
0.50 to < 0.75	1,490	605	48%	1,553	0.60%	161,406	29.3%	2.5	383	25%	3	11
0.75 to < 2.50	3,289	1,692	60%	3,756	1.35%	410,993	30.1%	2.5	1,331	35%	15	64
2.50 to < 10.00	3,880	548	43%	3,949	4.53%	195,401	25.5%	2.5	1,557	39%	46	108
10.00 to < 100	1,351	366	23%	1,351	21.38%	76,566	26.3%	2.5	846	63%	77	101
100 (Default)	665	98	51%	691	100.00%	93,311	31.3%	2.5	2,212	320%	79	320
Sub-total	23,024	16,897	53%	30,268	4.14%	3,018,518	28.9%	2.5	8,441	28%	229	625
<i>Retail - RIRB, SME (excluding exposures secured by immovable property)</i>												
0.00 to < 0.15	2	4	74%	4	0.09%	1,718	32.8%	2.5		7%		
0.15 to < 0.25	13	11	64%	20	0.20%	3,606	34.5%	2.5	3	13%		
0.25 to < 0.50	18	60	66%	57	0.39%	3,090	29.4%	2.5	10	18%		
0.50 to < 0.75	39	67	81%	91	0.60%	5,026	27.8%	2.5	19	21%		
0.75 to < 2.50	498	321	75%	669	1.51%	32,469	27.9%	2.5	197	30%	3	8
2.50 to < 10.00	323	110	81%	372	5.00%	25,422	28.3%	2.5	142	38%	5	15
10.00 to < 100	159	109	19%	167	24.55%	7,822	29.6%	2.5	113	67%	12	7
100 (Default)	99	40	53%	110	100.00%	7,406	29.7%	2.5	355	323%	13	48
Sub-total	1,150	722	66%	1,490	12.12%	86,559	28.5%	2.5	839	56%	33	78
<i>Retail - RIRB, SME exposures secured by immovable property</i>												
0.00 to < 0.15	6	12	40%	11	0.09%	904	16.8%	2.5				
0.15 to < 0.25	343	21	41%	351	0.20%	6,093	17.1%	2.5	20	6%		
0.25 to < 0.50	123	21	52%	134	0.35%	2,240	16.6%	2.5	11	8%		
0.50 to < 0.75	85	15	54%	93	0.60%	1,416	16.7%	2.5	12	13%		
0.75 to < 2.50	394	77	46%	429	1.32%	7,934	17.4%	2.5	97	23%	1	2
2.50 to < 10.00	55	7	52%	59	4.01%	1,099	16.6%	2.5	25	42%		
10.00 to < 100	19	1	54%	19	25.94%	333	16.0%	2.5	16	82%	1	
100 (Default)	22	3	65%	24	100.00%	600	17.5%	2.5	51	212%	0	3
Sub-total	1,046	158	47%	1,121	3.45%	20,619	17.1%	2.5	231	21%	3	5
<i>Retail - RIRB, Non-SME exposures secured by immovable property</i>												
0.00 to < 0.15	84,674	8,189	79%	91,157	0.09%	618,351	14.0%	2.5	7,060	8%	11	3
0.15 to < 0.25	23,719	1,248	64%	24,521	0.18%	181,509	15.4%	2.5	2,328	9%	7	3
0.25 to < 0.50	16,440	644	67%	16,871	0.35%	118,721	15.5%	2.5	1,972	12%	9	3
0.50 to < 0.75	4,521	162	66%	4,627	0.60%	35,787	15.5%	2.5	694	15%	4	2
0.75 to < 2.50	8,653	478	68%	8,980	1.28%	65,099	15.2%	2.5	2,092	23%	17	14
2.50 to < 10.00	1,187	41	1	1,226	5.03%	8,317	15.3%	2.5	648	53%	10	3
10.00 to < 100	736	19	1	754	26.34%	6,784	15.2%	2.5	692	92%	30	10
100 (Default)	1,101	4	56%	1,104	100.00%	10,705	15.7%	2.5	1,908	173%	11	40
Sub-total	141,032	10,784	76%	149,240	1.13%	1,045,273	14.6%	2.5	17,394	12%	100	79

2020 Q1, EURm

PD scale	Original exposure	Off-balance exposure	Average CCF	EAD	Average PD	Number of obligors.	Average LGD	Average maturity	REA	REA density	EL	Value adj. and provision
Retail - RIRB, total												
0.00 to < 0.15	86,997	14,239	63%	95,847	0.09%	1,367,583	15.5%	2.5	6,920	7%	13	3
0.15 to < 0.25	30,812	4,591	57%	33,186	0.19%	564,495	18.3%	2.5	3,415	10%	11	6
0.25 to < 0.50	16,161	2,320	54%	17,019	0.36%	448,327	19.0%	2.5	2,293	13%	12	9
0.50 to < 0.75	5,727	702	55%	5,912	0.60%	150,910	19.3%	2.5	1,041	18%	7	8
0.75 to < 2.50	11,110	2,040	62%	11,829	1.34%	420,409	20.0%	2.5	3,233	27%	32	50
2.50 to < 10.00	5,026	793	55%	5,309	4.82%	221,267	23.9%	2.5	2,316	44%	61	73
10.00 to < 100	2,311	460	26%	2,336	23.61%	89,745	22.7%	2.5	1,729	74%	123	78
100 (Default)	1,896	137	53%	1,938	100.00%	102,293	22.0%	2.5	4,488	232%	107	303
Total	160,041	25,282	60%	173,375	1.81%	3,365,029	17.3%	2.5	25,435	15%	365	531

Retail - RIRB, Non-SME (excluding exposures secured by immovable property)

0.00 to < 0.15	5,361	8,089	53%	9,513	0.09%	1,197,893	30.1%	2.5	699	7%	3	2
0.15 to < 0.25	3,897	3,525	56%	5,627	0.19%	529,377	30.0%	2.5	693	12%	3	4
0.25 to < 0.50	3,620	1,751	52%	4,134	0.36%	425,141	29.1%	2.5	751	18%	4	7
0.50 to < 0.75	1,349	482	50%	1,391	0.60%	136,521	29.7%	2.5	348	25%	2	7
0.75 to < 2.50	2,764	1,248	60%	3,015	1.35%	365,818	30.0%	2.5	1,065	35%	12	40
2.50 to < 10.00	3,437	655	50%	3,636	4.77%	191,226	26.2%	2.5	1,479	41%	45	66
10.00 to < 100	1,331	342	26%	1,333	21.66%	80,231	26.6%	2.5	847	64%	77	68
100 (Default)	658	93	52%	685	100.00%	92,130	31.2%	2.5	2,162	316%	81	243
Sub-total	22,417	16,185	53%	29,334	4.20%	3,018,337	29.3%	2.5	8,046	27%	229	437

Retail - RIRB, SME (excluding exposures secured by immovable property)

0.00 to < 0.15	1	6	74%	6	0.10%	1,898	34.1%	2.5	0	7%		
0.15 to < 0.25	9	8	59%	13	0.19%	1,206	34.2%	2.5	2	12%		
0.25 to < 0.50	55	72	65%	101	0.39%	9,104	31.1%	2.5	19	19%		
0.50 to < 0.75	40	78	80%	100	0.60%	7,269	27.8%	2.5	20	20%		
0.75 to < 2.50	510	325	76%	703	1.47%	40,053	28.0%	2.5	207	29%	3	3
2.50 to < 10.00	344	104	81%	401	4.94%	27,489	28.5%	2.5	154	38%	6	5
10.00 to < 100	149	102	17%	156	24.27%	8,037	29.6%	2.5	106	68%	11	3
100 (Default)	100	38	54%	111	100.00%	7,460	29.7%	2.5	352	318%	14	32
Sub-total	1,207	733	66%	1,591	11.31%	102,516	28.7%	2.5	861	54%	34	43

Retail - RIRB, SME exposures secured by immovable property

0.00 to < 0.15	5	12	41%	10	0.09%	906	16.7%	2.5	0	3%		
0.15 to < 0.25	356	20	40%	364	0.19%	6,341	17.1%	2.5	19	5%		
0.25 to < 0.50	128	19	51%	138	0.36%	2,252	16.6%	2.5	12	9%		
0.50 to < 0.75	77	15	52%	85	0.60%	1,394	16.3%	2.5	11	13%		
0.75 to < 2.50	395	73	48%	430	1.27%	8,014	17.3%	2.5	94	22%	1	
2.50 to < 10.00	53	7	51%	57	4.09%	1,061	16.4%	2.5	23	41%		
10.00 to < 100	19	1	61%	20	28.86%	277	16.4%	2.5	16	82%	1	
100 (Default)	21	2	64%	23	100.00%	604	17.5%	2.5	48	210%		1
Sub-total	1,054	151	48%	1,126	3.38%	20,849	17.0%	2.5	224	20%	3	2

Retail - RIRB, Non-SME exposures secured by immovable property

0.00 to < 0.15	81,629	6,132	76%	86,318	0.09%	633,962	13.9%	2.5	6,220	7%	11	2
0.15 to < 0.25	26,551	1,038	61%	27,182	0.19%	193,173	15.9%	2.5	2,701	10%	8	2
0.25 to < 0.50	12,358	478	60%	12,647	0.36%	94,687	15.6%	2.5	1,511	12%	7	2
0.50 to < 0.75	4,262	127	58%	4,336	0.60%	32,453	15.8%	2.5	662	15%	4	1
0.75 to < 2.50	7,442	394	61%	7,680	1.32%	55,867	15.4%	2.5	1,866	24%	16	7
2.50 to < 10.00	1,192	27	89%	1,215	4.98%	8,208	15.8%	2.5	659	54%	10	2
10.00 to < 100	813	15	94%	827	26.50%	7,334	15.3%	2.5	760	92%	33	7
100 (Default)	1,117	3	56%	1,119	100.00%	10,934	15.7%	2.5	1,925	172%	11	27
Sub-total	135,364	8,213	73%	141,325	1.20%	1,036,618	14.6%	2.5	16,304	12%	100	49

Table 17 EU CR7: Effect on REA of credit derivatives used as CRM techniques

Outside of the synthetic securitisation of certain corporate exposures, Nordea does not use credit derivatives as a credit risk mitigation technique in the banking book. Most significant REA movements from Q4 2019 to Q2 2020 are seen in the corporate portfolio, driven by higher undrawn credit facilities and unfavourable rating migration. This was partly offset by CRRII amendments for SME factor.

2020 Q2		
EURm	Pre-credit derivatives REA	Actual REA
Exposures under Foundation IRB		
Central governments and central banks		
Institutions	4,059	4,059
Corporates - SME	2,209	2,209
Corporates - Specialised Lending		
Corporates - Other	3,797	3,797
Exposures under Advanced IRB		
Corporates - SME	17,600	17,600
Corporates - Specialised Lending	58	58
Corporates - Other	39,368	39,368
Retail - Secured by real estate SME	231	231
Retail - Secured by real estate non-SME	17,394	17,394
Retail - Qualifying revolving		
Retail - Other SME	839	839
Retail - Other non-SME	8,441	8,441
Equity IRB		
Other non credit-obligation assets	2,788	2,788
Total	96,785	96,785

2019 Q4		
EURm	Pre-credit derivatives REA	Actual REA
Exposures under Foundation IRB		
Central governments and central banks		
Institutions	4,597	4,597
Corporates - SME	2,357	2,357
Corporates - Specialised Lending		
Corporates - Other	3,604	3,604
Exposures under Advanced IRB		
Corporates - SME	18,912	18,912
Corporates - Specialised Lending	85	85
Corporates - Other	38,106	38,106
Retail - Secured by real estate SME	218	218
Retail - Secured by real estate non-SME	17,111	17,111
Retail - Other SME	821	821
Retail - Other non-SME	8,071	8,071
Other non credit-obligation assets	2,959	2,959
Total	96,841	96,841

Table 18 EU CR8: REA flow statements of credit risk exposures under IRB

During the second quarter the IRB REA increased by EUR 0.6bn, mainly driven by an increase in asset size and FX effects, stemming primarily from the appreciation of SEK and NOK against EUR. The annual retail PD alignment further contributed to the REA increase. That was somewhat offset by the SME Adjustment, improved asset quality and decreased REA in Other IRB.

EURm	REA	Capital requirement
REA 2020 Q1	96,178	7,694
Asset size	1,749	140
Asset quality	-1,427	-114
Model updates	679	54
Methodology and policy	-1,587	-127
Acquisitions and disposals		
Foreign exchange movements	1,392	111
Other	-200	-16
REA 2020 Q2	96,785	7,743

EURm	REA	Capital requirement
REA 2019 Q4	96,841	7,747
Asset size	1,382	111
Asset quality	-1,165	-93
Model updates	823	66
Methodology and policy		
Acquisitions and disposals		
Foreign exchange movements	-3,187	-255
Other	1,485	119
REA 2020 Q1	96,178	7,694

Table 19 Minimum capital requirements for credit risk, split by exposure class

The table shows a comprehensive overview of regulatory exposures and capital requirements for credit risk split by exposure class. IRB exposures remain the largest component of REA, comprising EUR 103.5bn (89%) of a EUR 116.9bn total (compared to EUR 103.5bn of EUR 116.3 bn Q1 2020). The total increase in IRB exposures during the quarter was mainly stemming from retail exposures related to an increase in residential mortgage loans primarily in Norway. In the corporate portfolio the increased undrawn credit facilities were offset by CRRII amendments for the SME factor. Finally, REA increase in the SA exposures during the quarter is mainly driven by unfavourable FX movements, exposures secured by real estate and partly offset by a decrease in REA from the central governments and central banks exposures related to DTA's.

Q2 2020, EURm

EURm	Original exposure	Exposure	Average risk weight	REA	Capital requirement
IRB exposure classes					
Sovereign					
Institution	36,518	34,535	16%	5,420	434
Corporate	191,135	151,973	45%	68,349	5,468
- of which advanced	167,716	133,012	43%	57,027	4,562
Retail	194,876	182,181	15%	26,933	2,155
- of which mortgage	153,021	150,361	12%	17,625	1,410
- of which other retail	41,855	31,820	29%	9,308	745
- of which SME	3,096	2,630	41%	1,080	86
Other non-credit obligation assets	3,237	3,235	86%	2,788	223
Total IRB approach	425,766	371,924	28%	103,491	8,279
Standardised exposure classes					
Central government and central banks	85,583	89,680	1%	754	60
Regional governments and local authorities	10,958	7,391	1%	86	7
Institution	3,105	3,107	5%	167	13
Corporate	2,231	1,611	97%	1,561	125
Retail	5,764	4,857	74%	3,600	288
Exposure secured by real estate	5,005	4,317	35%	1,515	121
Equity	1,700	1,700	207%	3,521	282
Other ¹	5,664	5,134	36%	2,180	174
Total standardised approach	120,010	117,797	8%	13,384	1,071
Total	545,776	489,721	23%	116,875	9,350

¹ Includes exposure classes Administrative bodies and non-commercial undertakings, Multilateral development banks, International organisations, Past due items, Items belonging to regulatory high-risk categories, Covered bonds, Short-term claims on institutions and corporate and other items.

Q1 2020, EURm

EURm	Original exposure	Exposure	Average risk weight	REA	Capital requirement
IRB exposure classes					
Sovereign	0	0	0%	0	0
Institution	36,856	34,794	18%	6,135	491
Corporate	178,643	144,313	47%	67,479	5,398
- of which advanced	156,145	125,819	45%	57,103	4,568
Retail	191,343	179,624	15%	26,248	2,100
- of which mortgage	150,317	148,036	12%	17,329	1,386
- of which other retail	41,026	31,587	28%	8,919	714
- of which SME	3,179	2,735	38%	1,047	84
Other non-credit obligation assets	3,458	3,456	86%	2,959	237
Total IRB approach	410,300	362,186	28%	102,821	8,226
Standardised exposure classes					
Central government and central banks	68,650	71,304	1%	980	78
Regional governments and local authorities	10,518	7,407	1%	67	5
Institution	1,777	1,778	9%	163	13
Corporate	2,456	1,647	99%	1,629	130
Retail	6,162	5,015	74%	3,704	296
Exposure secured by real estate	4,654	4,141	35%	1,459	117
Equity	1,697	1,697	207%	3,515	281
Other ¹	4,410	3,974	46%	2,156	172
Total standardised approach	100,324	96,963	10%	13,673	1,094
Total	510,624	459,149	25%	116,494	9,320

¹ Includes exposure classes Administrative bodies and non-commercial undertakings, Multilateral development banks, International organisations, Past due items, Items belonging to regulatory high-risk categories, Other items and Equity.

Table 20 EU CCR1 Analysis of counterparty credit risk by approach

Nordea is using two methodologies when calculating the counterparty credit risk amounts. These methodologies are the Mark to Market Method and Internal Model Method (IMM). For Securities Financing Transactions (SFT) Nordea is using the financial collateral comprehensive method. REA increased since last reporting period by approximately EUR 0.8bn mostly driven by significantly tighter Euro and Nordic rates, as well as a weaker NOK.

2020 Q2							
EURm	Notional	Replace- ment cost/ Current market value	Potential future value	EEPE	Multiplier	EAD post- CRM	REA
Mark to market		265	1,164			1,429	561
Original exposure	0					0	0
Standardised approach		0			0	0	0
Internal Model Method (for derivatives and SFTs)			7,942	9,630	1	13,483	5,877
Securities Financing Transactions			0	0	0	0	0
Derivatives & Long Settlement Transactions			7,942	9,630	1	13,483	5,877
From Contractual Cross Product Netting			0	0	0	0	0
Financial collateral simple method (for SFTs)						0	0
Financial collateral comprehensive method (for SFTs)						4,099	415
VaR for SFTs						0	0
Total							6,853
							773

EURm	Notional	Replace- ment cost/ Current market value	Potential future value	EEPE	Multiplier	EAD post- CRM	REA
Mark to market		123	1,246			1,368	565
Original exposure	0					0	0
Standardised approach		0			0	0	0
Internal Model Method (for derivatives and SFTs)			6,075	8,805	1	12,328	4,924
Securities Financing Transactions			0	0	0	0	0
Derivatives & Long Settlement Transactions			6,075	8,805	1	12,328	4,924
From Contractual Cross Product Netting			0	0	0	0	0
Financial collateral simple method (for SFTs)						0	0
Financial collateral comprehensive method (for SFTs)						4,096	591
VaR for SFTs						0	0
Total							6,080

Luminor Bank CCR exposures of EUR 42m are not considered in the table.

Table 21 EU CCR2 Credit valuation adjustment (CVA) capital charge

The CVA risk capital charge computes the amount required to cover the potential losses arising from marking to market the counterparty credit risk of the OTC derivative portfolio. It is calculated using either an advanced approach or a standardised approach where the advanced approach is based on a VaR model and calculated as a 60 day average. Increase in SCVA is attributed to an increase in EAD for those portfolios subject to the standardized method. In contrast, the increase in ACVA REA numbers since last reporting period is driven by a model recalibration to account for increased market volatility due to the Covid19 pandemic. However, the models were recalibrated again before the end of Q2, explaining why the EAD dropped even below pre-pandemic levels, but ACVA REA stayed high as the pandemic numbers are still included in the 60d average.

2020 Q2		
EURm	Exposure value	REA
Total portfolios subject to the Advanced Method	1,791	674
(i) VaR component (including the 3×multiplier)		163
(ii) Stressed VaR component (including the 3×multiplier)		511
All portfolios subject to the Standardised Method Based on Original Exposure Method	1,385	260
Total subject to the CVA capital charge	3,176	934
2019 Q4		
EURm	Exposure value	REA
Total portfolios subject to the Advanced Method	1,951	568
(i) VaR component (including the 3×multiplier)		85
(ii) Stressed VaR component (including the 3×multiplier)		484
All portfolios subject to the Standardised Method Based on Original Exposure Method	1,178	226
Total subject to the CVA capital charge	3,129	795

Table 22 EU CCR3 Standardised approach - Counterparty credit risk exposures by regulatory portfolio and risk

The total amount of EAD for this approach increased from EUR 6.8bn in Q4 2019 to EUR 8.6bn in Q2 2020, mostly explained by the Institutional exposures with a 2% risk weight. The second most significant EAD change was driven by the Central governments or central banks exposures, with a total of EUR 2.0bn, having a decrease of EUR 0.5bn compared to the final quarter of 2019. Most of these exposures were classified within 0% risk weight.

2020 Q2														
EURm Exposure classes	Risk weight												Total	
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	Other		
Central governments or central banks	1,849				212									2,061
Regional governments or local authorities	1,951				384									2,335
Public sector entities														
Multilateral development banks	1,130													1,130
International organisations	185													185
Institutions	83	2,603			76		24						85	2,871
Corporate										20				20
Retail														
Exposures in default														
Total	5,198	2,603			671		24		0	20	0		85	8,601

2019 Q4														
EURm Exposure classes	Risk weight												Total	
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	Other		
Central governments or central banks	2,484				32					18				2,535
Regional governments or local authorities	1,633				281									1,914
Public sector entities														
Multilateral development banks	588													588
International organisations	151													151
Institutions	120	1,104			263		8						83	1,577
Corporate										19				19
Retail														0
Exposures in default														0
Total	4,975	1,104			577		8			37			83	6,783

Table 23 EU CCR4: Counterparty credit risk exposures by portfolio and PD scale

EU CCR4 tables show EAD for counterparty credit risk (CCR) according to the IRB approach broken down by exposure class and obligor grade, providing a comprehensive overview of original and regulatory exposures as well as statistics on the inputs used for their computation, such as EAD, average PD and average LGD. During Q2 2020, EAD decreased by EUR 1.3bn and REA decreased by EUR 0.6bn while the REA density increased by 1%. Both EAD and REA variation are mostly explained by the corporate exposures.

2020 Q2

PD scale	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density
Total IRB							
0.00 to < 0.15	7,898	0.07%	1,574	45.0%	2.0	2,338	30%
0.15 to < 0.25	1,451	0.22%	718	45.0%	2.2	829	57%
0.25 to < 0.50	2,320	0.43%	1,526	44.9%	2.5	1,953	84%
0.50 to < 0.75	70	0.66%	53	43.9%	2.4	67	96%
0.75 to < 2.50	1,215	1.10%	1,658	44.9%	2.3	1,141	94%
2.50 to < 10.00	189	3.67%	361	44.8%	2.5	256	135%
10.00 to < 100	65	18.64%	453	44.2%	2.5	104	160%
100 (Default)	48	100.00%	136	44.6%	2.5	18	37%
Total IRB	13,256	0.75%	6,479	45.0%	2.1	6,706	51%

Sovereigns FIRB

0.00 to < 0.15
 0.15 to < 0.25
 0.25 to < 0.50
 0.50 to < 0.75
 0.75 to < 2.50
 2.50 to < 10.00
 10.00 to < 100
 100 (Default)

Sovereigns FIRB

Institutions FIRB

PD scale	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density
0.00 to < 0.15	3,685	0.07%	146	45.0%	2.0	1,046	28%
0.15 to < 0.25	145	0.17%	39	45.0%	2.3	71	49%
0.25 to < 0.50	216	0.38%	57	45.0%	2.5	154	71%
0.50 to < 0.75	63	0.66%	18	45.0%	2.4	65	103%
0.75 to < 2.50	4	1.22%	4	45.0%	2.5	5	106%
2.50 to < 10.00	2	8.46%	1	45.0%	2.5	4	192%
10.00 to < 100	8	21.30%	2	45.0%	2.5	17	209%
100 (Default)							
Institutions FIRB	4,123	0.14%	267	45.0%	2.0	1,361	33%

Retail RIRB

PD scale	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density
0.00 to < 0.15	6	0.08%	40	34.3%	2.5	0	8%
0.15 to < 0.25	5	0.19%	104	35.7%	2.5	1	14%
0.25 to < 0.50	21	0.38%	80	34.5%	2.5	5	22%
0.50 to < 0.75	7	0.60%	35	34.6%	2.1	2	29%
0.75 to < 2.50	9	1.28%	294	37.1%	2.5	3	39%
2.50 to < 10.00	4	3.76%	142	37.3%	2.5	2	49%
10.00 to < 100	7	24.32%	164	37.5%	2.3	6	90%
100 (Default)	2	100.00%	25	34.4%	2.5	9	430%
Retail RIRB	62	6.70%	884	35.5%	2.4	29	46%

Corporate FIRB, Total

PD scale	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density
0.00 to < 0.15	4,207	0.07%	1,388	45.0%	2.0	1,292	31%
0.15 to < 0.25	1,300	0.22%	575	45.0%	2.1	757	58%
0.25 to < 0.50	2,083	0.44%	1,389	45.0%	2.5	1,795	86%
0.50 to < 0.75							
0.75 to < 2.50	1,202	1.10%	1,360	45.0%	2.3	1,133	94%
2.50 to < 10.00	182	3.61%	218	45.0%	2.5	250	137%
10.00 to < 100	50	17.40%	287	45.0%	2.5	81	162%
100 (Default)	46	100.00%	111	45.0%	2.5	9	20%
Corporate FIRB, Total	9,071	0.99%	5,328	45.0%	2.2	5,316	59%

Corporate FIRB, Corporate exposures excluding SMEs and specialised lending

PD scale	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density
0.00 to < 0.15	3,583	0.07%	783	45.0%	1.9	1,056	29%
0.15 to < 0.25	1,104	0.22%	268	45.0%	2.1	642	58%
0.25 to < 0.50	1,690	0.43%	622	45.0%	2.5	1,515	90%
0.50 to < 0.75							
0.75 to < 2.50	813	1.10%	473	45.0%	2.2	800	98%
2.50 to < 10.00	159	3.61%	62	45.0%	2.5	228	143%
10.00 to < 100	18	17.98%	49	45.0%	2.5	40	223%
100 (Default)	16	100.00%	19	45.0%	2.5	2	13%
Sub-total	7,383	0.63%	2,276	45.0%	2.1	4,283	58%

Corporate FIRB, SME exposures excluding specialised lending

PD scale	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density
0.00 to < 0.15	624	0.09%	605	45.0%	2.4	236	38%
0.15 to < 0.25	196	0.22%	307	45.0%	2.5	115	58%
0.25 to < 0.50	393	0.45%	767	45.0%	2.5	279	71%
0.50 to < 0.75							
0.75 to < 2.50	389	1.09%	887	45.0%	2.5	333	86%
2.50 to < 10.00	24	3.61%	156	45.0%	2.5	22	93%
10.00 to < 100	32	17.07%	238	45.0%	2.5	41	128%
100 (Default)	30	100.00%	92	45.0%	2.5	7	23%
Sub-total	1,687	2.55%	3,052	45.0%	2.5	1,033	61%

Corporate FIRB, Specialised lending exposures

PD scale	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density
0.00 to < 0.15							
0.15 to < 0.25							
0.25 to < 0.50							
0.50 to < 0.75							
0.75 to < 2.50							
2.50 to < 10.00							
10.00 to < 100							
100 (Default)							
Sub-total							

2020 Q1, EURm

Total IRB

PD scale	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density
0.00 to < 0.15	8,720	0.08%	1,684	44.1%	2.0	2,653	30%
0.15 to < 0.25	1,587	0.21%	712	44.9%	2.2	894	56%
0.25 to < 0.50	2,779	0.43%	1,579	45.0%	2.3	2,252	81%
0.50 to < 0.75	91	0.66%	64	44.4%	2.4	92	101%
0.75 to < 2.50	1,244	1.18%	1,805	44.9%	2.3	1,202	97%
2.50 to < 10.00	67	3.84%	420	44.3%	2.5	80	121%
10.00 to < 100	68	17.56%	323	42.5%	2.4	100	148%
100 (Default)	40	100.00%	148	44.5%	2.5	20	50%
Total IRB	14,596	0.63%	6,735	44.4%	2.1	7,294	50%

Sovereigns FIRB

PD scale	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density
0.00 to < 0.15							
0.15 to < 0.25							
0.25 to < 0.50							
0.50 to < 0.75							
0.75 to < 2.50							
2.50 to < 10.00							
10.00 to < 100							
100 (Default)							
Sovereigns FIRB							

Institutions FIRB

PD scale	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density
0.00 to < 0.15	3,768	0.08%	139	42.8%	2.0	1,117	30%
0.15 to < 0.25	215	0.17%	37	45.0%	2.4	108	50%
0.25 to < 0.50	354	0.36%	60	45.0%	1.7	227	64%
0.50 to < 0.75	86	0.66%	20	45.0%	2.5	91	105%
0.75 to < 2.50	2	1.35%	3	45.0%	2.5	2	119%
2.50 to < 10.00	5	3.91%	1	20.8%	1.2	5	98%
10.00 to < 100							
100 (Default)							
Institutions - FIRB	4,429	0.12%	260	43.1%	2.0	1,550	35%

Retail RIRB

PD scale	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density
0.00 to < 0.15	9	0.09%	85	34.3%	2.5	1	8%
0.15 to < 0.25	13	0.20%	91	34.7%	2.5	2	15%
0.25 to < 0.50	12	0.34%	77	34.7%	2.5	2	20%
0.50 to < 0.75	5	0.60%	44	34.6%	0.9	2	29%
0.75 to < 2.50	17	1.47%	442	35.8%	2.5	7	41%
2.50 to < 10.00	6	4.41%	161	37.4%	2.4	3	52%
10.00 to < 100	8	24.40%	28	37.4%	2.3	7	89%
100 (Default)	2	100.00%	26	34.7%	2.5	9	434%
Retail - RIRB	72	6.27%	954	35.4%	2.4	32	45%

Corporate FIRB, Total

PD scale	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density
0.00 to < 0.15	4,942	0.08%	1,460	45.0%	2.1	1,535	31%
0.15 to < 0.25	1,359	0.22%	584	45.0%	2.2	785	58%
0.25 to < 0.50	2,413	0.44%	1,442	45.0%	2.4	2,022	84%
0.50 to < 0.75							
0.75 to < 2.50	1,226	1.18%	1,360	45.0%	2.3	1,193	97%
2.50 to < 10.00	58	3.61%	258	45.0%	2.5	73	125%
10.00 to < 100	57	17.40%	295	45.0%	2.5	93	162%
100 (Default)	38	100.00%	122	45.0%	2.5	11	30%
Corporate FIRB, Total	10,094	0.81%	5,521	45.0%	2.2	5,712	57%

Corporate FIRB, Corporate exposures excluding SMEs and specialised lending

PD scale	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density
0.00 to < 0.15	4,294	0.08%	810	45%	2.0	1,271	30%
0.15 to < 0.25	1,082	0.22%	250	45%	2.2	637	59%
0.25 to < 0.50	1,928	0.44%	639	45%	2.4	1,640	85%
0.50 to < 0.75							
0.75 to < 2.50	848	1.20%	468	45%	2.2	863	102%
2.50 to < 10.00	32	3.61%	78	45%	2.5	45	141%
10.00 to < 100	15	17.93%	35	45%	2.5	33	215%
100 (Default)	7	100.00%	21	45%	2.5	3	44%
Sub-total	8,205	0.43%	2,301	45%	2.1	4,492	55%

Corporate FIRB, SME exposures excluding specialised lending

PD scale	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density
0.00 to < 0.15	649	0.09%	650	45.0%	2.5	264	41%
0.15 to < 0.25	278	0.22%	334	45.0%	2.3	148	53%
0.25 to < 0.50	485	0.43%	803	45.0%	2.5	382	79%
0.50 to < 0.75							
0.75 to < 2.50	377	1.12%	892	45.0%	2.4	330	87%
2.50 to < 10.00	27	3.61%	180	45.0%	2.5	29	106%
10.00 to < 100	42	17.20%	260	45.0%	2.5	60	142%
100 (Default)	31	100.00%	101	45.0%	2.5	8	26%
Sub-total	1,889	2.46%	3,220	45.0%	2.4	1,220	65%

Corporate FIRB, Specialised lending exposures

PD scale	EAD post CRM and post-CCF	Average PD	Number of obligors	Average LGD	Average maturity	REA	REA density
0.00 to < 0.15							
0.15 to < 0.25							
0.25 to < 0.50							
0.50 to < 0.75							
0.75 to < 2.50							
2.50 to < 10.00							
10.00 to < 100							
100 (Default)							
Sub-total							

Table 24 EU CCR5-A: Impact of netting and collateral held on exposure values

Higher SFT and cleared-repo volumes for year end have driven gross and netted exposures up during the first half of 2020 which translated into higher netting benefits as well as higher called collateral. Lower Euro and Nordic rates since last reporting period has pushed derivatives exposures up which also translates into higher netting benefits. Note that collateral held (d) is the residual between (c) and (e) why excess collateral received was not recognised. This reflected the actual risk mitigation coming from held collateral. At the end of the year the current exposure net (after close-out netting and collateral reduction) was EUR 8.96bn.

2020 Q2

EURm	Gross positive fair value or net carrying amount	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposure
Derivatives by underlying	142,934	126,218	16,717	8,848	7,869
Securities Financing Transactions	55,805	25,061	30,744	29,652	1,092
Cross product netting	0	0	0	0	0
Total	198,740	151,279	47,461	38,500	8,961

2019 Q4

EURm	Gross positive fair value or net carrying amount	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposure
Derivatives by underlying	128,150	113,951	14,199	7,717	6,482
Securities Financing Transactions	33,632	18,534	15,098	14,458	640
Cross product netting	0	0	0	0	0
Total	161,782	132,485	29,297	22,175	7,122

Table 25 EU CCR5-B: Composition of collateral for exposures to CCR

Collateral used in derivative transactions reflect the total amounts of posted and received collateral on the day of reporting. For the SFT's the trade collateral (the counterparties obligation in the transaction) is included as collateral. Most significant development since last reporting date is higher SFT volumes experienced during the first half of 2020 which translated into higher amounts of received and posted collateral for SFT transactions. Additionally, increase in collateral for derivative transactions was caused by higher market volatility as a result of the Covid19 pandemic.

2020 Q2

EURm	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash	0	8,762	0	12,084	56,372	70,537
Government bonds	0	889	54	2,157	41,631	42,320
Mortgage bonds	0	143	0	1,051	18,430	10,097
Bonds	0	0	1	45	8,999	2,389
Equity	0	0	0	0	7,766	242
Other	0	0	0	0	3,081	1,259
Total	0	9,794	55	15,337	136,279	126,844

2019 Q4

EURm	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash	0	7,687	0	9,836	38,598	45,604
Government bonds	0	822	654	1,969	22,628	22,491
Mortgage bonds	0	171	0	585	16,340	13,672
Bonds	0	0	94	0	5,480	1,213
Equity	0	0	0	0	3,548	259
Other					2,980	1,827
Total	0	8,680	748	12,391	89,574	85,066

Table 26 EU CCR6: Credit derivatives exposures

Contracts that existed in Q2 have decreased value in Q4, countered by new agreements to offset the decrease.

2020 Q2		Credit derivative hedges	
		Protection bought	Protection sold
EURm			
Notionals			
Credit default swaps		79,827	79,885
Credit options			
Total notionals		79,827	79,885
Fair values			
Positive fair value (asset)		193	426
Negative fair value (liability)		1,048	54
2019 Q4		Credit derivative hedges	
		Protection bought	Protection sold
EURm			
Notionals			
Credit default swaps		70,442	70,550
Credit options			
Total notionals		70,442	70,550
Fair values			
Positive fair value (asset)		992	19
Negative fair value (liability)		220	806

Table 27 EU CCR7: REA flow statements of CCR exposures under the IMM

The breakdown of REA movements into the components shown in the table is done on a best effort basis. Only exposures calculated under IMM are included in this breakdown. Lowered derivatives volumes together with a stronger NOK and a weaker USD have been the main drivers pushing IMM exposures down for the quarter. This has been partially offset by an increased amount in REA due to credit deterioration, as well as increased exposure for Interest Rate derivatives as a consequence of tighter rates across the board.

EURm	REA amounts	Capital requirements
REA 2020 Q1	6,335	507
Asset size	-272	-22
Credit quality of counterparties	39	3
Model updates (IMM only)	11	1
Methodology and policy (IMM only)		0
Acquisitions and disposals	0	0
Foreign exchange movements	-294	-24
Interest rate movements	82	7
Other	-5	0
REA 2020 Q2	5,896	472

EURm	REA amounts	Capital requirements
REA 2019 Q4	4,974	398
Asset size	-66	-5
Credit quality of counterparties	46	4
Model updates (IMM only)	0	0
Methodology and policy (IMM only)		0
Acquisitions and disposals	0	0
Foreign exchange movements	915	73
Interest rate movements	453	36
Other	13	1
REA 2020 Q1	6,335	507

Table 28 EU CCR8 Exposures to central counterparties

Exposure towards QCCPs increased as a consequence of higher repo volumes since last reporting period and higher exposure values for derivative transactions mainly driven by cleared interest rate derivatives as a consequence of significantly tighter Euro and Nordic rates for the period, boosted by the outbreak of Covid19. As of this reporting period going forward REA for Initial Margin will not be included in the table, since it is contemplated in the simulation and therefore it is not possible to perform the split in items (i), (ii), (iii) and (iv).

2020 Q2

EURm	EAD (post-CRM)	REA
Exposures to QCCPs (total)		108
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	2,679	67
(i) OTC derivatives	587	25
(ii) Exchange-traded derivatives	58	1
(iii) Securities financing transactions	2,034	41
(iv) Netting sets where cross-products netting has been approved	0	0
Segregated initial margin	675	
Non-segregated initial margin	744	
Pre-funded default fund contribution	168	41
Unfunded default fund contribution	0	0
Exposures to non-QCCPs (total)		0

2019 Q4

EURm	EAD (post-CRM)	REA
Exposures to QCCPs (total)		119
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	899	36
(i) OTC derivatives	385	26
(ii) Exchange-traded derivatives	63	1
(iii) Securities financing transactions	451	9
(iv) Netting sets where cross-products netting has been approved	0	0
Segregated initial margin	713	
Non-segregated initial margin	468	39
Pre-funded default fund contribution	203	44
Unfunded default fund contribution	0	0
Exposures to non-QCCPs (total)		0

Table 29 EU MR1: Market risk under standardised

Compared to Q4 2019, the standardised approach (SA) REA in Q2 2020 increased by approximately 1,950 EURm. The biggest driver of this change came from foreign exchange risk because the ratio between the total open net positions and total own funds was above the 2% threshold in Q2 2020. Equity risk REA decreased by 140 EURm as the exposure on capital instruments and structured equity was reduced. Interest rate risk REA remained stable with a small decrease of 15 EURm compared to Q4.

2020 Q2, EURm	REA	Capital requirements
Outright products¹		
Interest rate risk (general and specific)	354	28
Equity risk (general and specific)	133	11
Foreign exchange risk	2,102	168
Commodity risk	45	4
Options		
Simplified approach	0	0
Delta-plus method	0	0
Scenario approach	120	10
Securitisation	0	0
Total	2,755	220

¹ Outright products refer to positions in products that are not optional.

2019 Q4, EURm	REA	Capital requirements
Outright products¹		
Interest rate risk (general and specific)	369	30
Equity risk (general and specific)	273	22
Foreign exchange risk	0	0
Commodity risk	45	4
Options		
Simplified approach	0	0
Delta-plus method	0	0
Scenario approach	121	10
Securitisation	0	0
Total	808	65

¹ Outright products refer to positions in products that are not optional.

Table 30 EU MR2-A: Market risk under the internal models approach

Since Q4 2019 MR REA from the Internal Model Approach (IMA) increased by approximately 2,715 EURm. The increase was mainly driven by Value-at-Risk (VaR) which increased by 1,568 EURm, primarily from interest rate risk and credit spread risk. The higher market volatility following the corona crisis has been affecting the VaR model with new worst day scenarios from the recent period entering the loss tail. Stressed Value-at-Risk (SVaR) increased by 484 EURm due to the same risk factors. Incremental risk charge (IRC) increased by 208 EURm caused by higher default and migration risk. Average comprehensive risk charge (CRC) increased by 875 EURm, mainly from position changes to hedge against increased defaults and lower realised recovery rates.

2020 Q2, EURm	REA	Capital requirements
VaR (higher of values a and b)	2,349	188
Previous day's VaR (Article 365 (1)(VaRt-1))	369	29
Average of daily VaR (article 365 (1)) on each of the preceding sixty business days (VaRavg) x multiplication factor ((mc) in accordance with article 366)	2,349	188
SVaR (higher of values a and b)	2,820	226
Latest SVaR (Article 365 (2) (sVaRt-1))	547	44
Average of the SVaR (article 365 (2)) during the preceding 60 business days (sVaRavg) x multiplication factor (ms) (article 366)	2,820	226
Incremental risk charge - IRC (higher of values a and b)	607	49
Most recent IRC value (incremental default and migration risks section 3 calculated in accordance with Section 3 articles 370/371)	591	47
Average of the IRC number over the preceding 12 weeks	607	49
Comprehensive risk charge - CRC (higher of values a,b and c)	1,065	85
Most recent risk number for the correlation trading portfolio (article 377)	382	31
Average of the risk numbers for the correlation trading portfolio over the preceding 12-weeks	1,065	85
8% of the own funds requirement in SA on most recent risk number for the correlation trading portfolio (Article 338 (4))	575	46
Total	6,842	547

2019 Q4, EURm	REA	Capital requirements
VaR (higher of values a and b)	781	63
Previous day's VaR (Article 365 (1)(VaRt-1))	267	21
Average of daily VaR (article 365 (1)) on each of the preceding sixty business days (VaRavg) x multiplication factor ((mc) in accordance with article 366)	781	63
SVaR (higher of values a and b)	2,336	187
Latest SVaR (Article 365 (2) (sVaRt-1))	835	67
Average of the SVaR (article 365 (2)) during the preceding 60 business days (sVaRavg) x multiplication factor (ms) (article 366)	2,336	187
Incremental risk charge - IRC (higher of values a and b)	654	52
Most recent IRC value (incremental default and migration risks section 3 calculated in accordance with Section 3 articles 370/371)	654	52
Average of the IRC number over the preceding 12 weeks	399	32
Comprehensive risk charge - CRC (higher of values a,b and c)	355	28
Most recent risk number for the correlation trading portfolio (article 377)	238	19
Average of the risk numbers for the correlation trading portfolio over the preceding 12-weeks	190	15
8% of the own funds requirement in SA on most recent risk number for the correlation trading portfolio (Article 338 (4))	355	28
Total	4,126	330

Table 31 EU MR2-B: REA flow statements of market

By the end of the Q2 period, the IMA REA amounts to 6,842 EURm which corresponds to an increase of 1,017 EURm from Q1 2020, driven by market volatility affecting the 60-day average. The increase in the REA from VaR and sVaR of 1,714 EURm was primarily driven by interest and credit spread risk combined with new loss scenarios entering VaR. The decrease in CRC REA from Q1 to Q2 stems from the fact that CRC REA was driven by the last observation at the end of Q1 whereas it is driven by the preceding 12-week average for Q2. The business started to put on macro hedges against the risk of increased defaults and lower realised recovery rates mid-March and CRC peaked mid-April. Since then the business has reduced their hedges and the 12-week average has come down.

EURm	VaR	SVaR	IRC	CRC	Total REA	Total capital requirements
REA before regulatory adjustments 2020 Q1	1,067	2,388	849	1,521	5,825	466
Regulatory adjustment						
REA 2020 Q1	1,067	2,388	849	1,521	5,825	466
Movement in risk levels	1,193	330	-242	-456	826	66
Model updates/changes						
Methodology and policy	89	102			191	15
Acquisitions and disposals						
Foreign exchange movements						
Other						
REA before regulatory adjustments 2020 Q2	2,349	2,820	607	1,065	6,842	547
Regulatory adjustment						
REA 2020 Q2	2,349	2,820	607	1,065	6,842	547

EURm	VaR	SVaR	IRC	CRC	Total REA	Total capital requirements
REA before regulatory adjustments 2019 Q4	781	2,336	654	355	4,126	330
Regulatory adjustment						
REA 2019 Q4	781	2,336	654	355	4,126	330
Movement in risk levels	328	141	195	1,165	1,830	146
Model updates/changes						
Methodology and policy	-42	-90			-131	-11
Acquisitions and disposals						
Foreign exchange movements						
Other						
REA before regulatory adjustments 2020 Q1	1,067	2,388	849	1,521	5,825	466
Regulatory adjustment						
REA 2020 Q1	1,067	2,388	849	1,521	5,825	466

Table 32 EU MR3: IMA values for trading portfolios

VaR increased from a low pre-crisis value of EUR 12m to a maximum of EUR 70m at the end of March 2020 due to a combination of higher interest as well as credit spread risk and new scenarios entering the VaR loss tail. The risk levels were reduced towards the end of the quarter which is reflected in the lower average level. SVaR peaked around the same time as VaR driven by the same risk factors and the subsequent risk reduction also led to a decrease in average value. Over the first half of 2020 IRC peaked at 40 EURm. The peak was predominantly driven by migration risk, mainly from Nordic sovereigns and mortgage bond issuers, and to a lesser degree from default risk. During the peak of the corona crisis the business put on macro hedges against the risk of more companies defaulting. This led to a CRC peak of 150 EURm in mid-April 2020 and is the driver for the 124 EURm change in max CRC and the 38 EURm change in average CRC.

2020 Q2, EURm		a
VaR (10 day 99%)		
Maximum value		70
Average value		35
Minimum value		12
Period end		29
SVaR (10 day 99%)		
Maximum value		95
Average value		51
Minimum value		26
Period end		44
Incremental risk charge - IRC (99.9%)		
Maximum value		40
Average value		20
Minimum value		12
Period end		19
Comprehensive risk charge - CRC (99.9%)		
Maximum value		150
Average value		54
Minimum value		15
Period end		27
2019 Q4, EURm		a
VaR (10 day 99%)		
Maximum value		22
Average value		14
Minimum value		10
Period end		21
SVaR (10 day 99%)		
Maximum value		77
Average value		41
Minimum value		28
Period end		67
Incremental risk charge - IRC (99.9%)		
Maximum value		23
Average value		13
Minimum value		7
Period end		21
Comprehensive risk charge - CRC (99.9%)		
Maximum value		25
Average value		16
Minimum value		9
Period end		17

Table 33 EU MR4: Comparison of VaR estimates with gains/losses

The graph below shows the 250 days VaR backtest of the trading book at end Q2 2020. The VaR models are considered being of a satisfactory quality if less than five exceptions are recorded within the last 250 banking days. By the end of Q2 2020, backtest based on hypothetical profit&loss was in the amber zone with seven exceptions during the last 250 business days and backtest based on actual profit&loss was in the amber zone with eight exceptions during the last 250 business days. The backtest deciding the capital multiplier is the one with the highest number of exceptions based on hypothetical profit&loss or actual profit&loss.

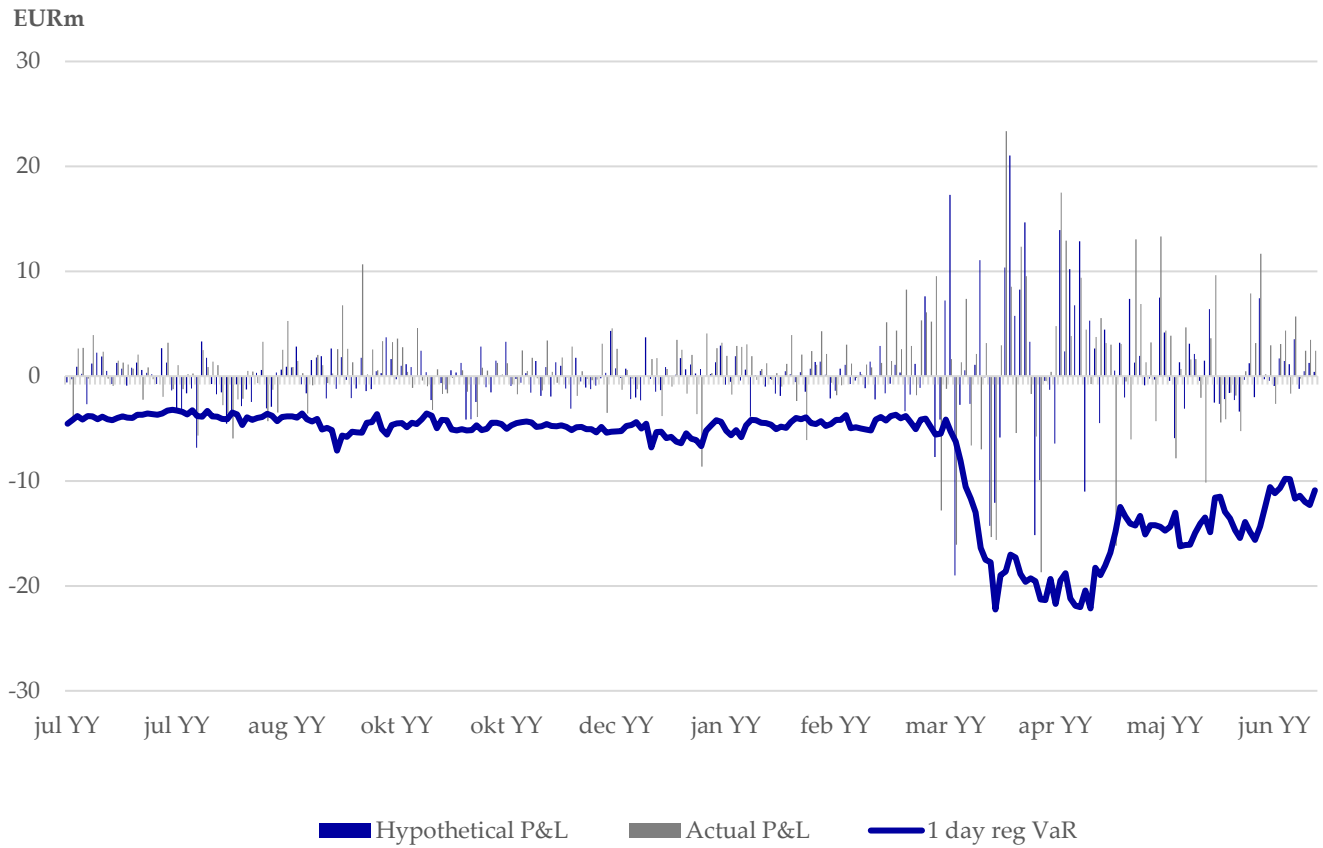


Table 34 LIQ 1: LCR Disclosures

EURm	Total unweighted value (average)				Total weighted value (average)			
	Q2 20	Q1 20	Q4 19	Q3 19	Q2 20	Q1 20	Q4 19	Q3 19
Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High-quality liquid assets								
1 Total high-quality liquid assets (HQLA)					101,459	98,141	98,803	98,673
Cash-outflows								
2 Retail deposits & deposits from small business customers	92,095	90,482	89,627	88,527	6,079	5,981	5,927	5,846
3 - Of which stable deposits	72,763	71,508	70,841	70,098	3,638	3,575	3,542	3,505
4 - Of which less stable deposits	19,316	18,953	18,771	18,419	2,425	2,385	2,371	2,331
5 Unsecured wholesale funding	98,200	93,707	94,775	95,581	48,066	45,407	44,826	43,393
- Of which Operational deposits (all counterparties) and deposits in networks of cooperative banks	26,326	27,785	32,753	37,703	6,399	6,710	7,795	8,798
6 - Of which Non-operational deposits (all counterparties)	60,698	55,066	50,146	46,752	30,491	27,841	25,155	23,469
7 - Of which unsecured debt	11,176	10,856	11,875	11,126	11,176	10,856	11,875	11,126
9 Secured wholesale funding					4,563	4,485	4,572	4,132
10 Additional requirements	64,469	59,715	53,308	51,510	11,917	11,313	10,770	10,986
- Of which outflows related to derivative exposures and other collateral requirements	7,469	7,115	6,933	7,280	6,358	6,205	6,253	6,778
11 - Of which Outflows related to loss Of funding on debt products	6	8	5	5	6	8	5	5
13 - Of which credit and liquidity facilities	56,995	52,592	46,370	44,226	5,553	5,099	4,511	4,203
14 Other contractual funding obligations	1,712	1,904	1,794	2,149	1,197	1,417	1,336	1,710
15 Other contingent funding obligations	43,917	47,044	50,997	51,987	2,863	3,037	3,194	3,044
16 Total cash outflows					74,685	71,639	70,626	69,112
Cash inflows								
17 Secured lending (e.g. reverse repos)	37,047	38,394	38,318	36,767	4,731	4,194	4,029	3,712
18 Inflows from fully performing exposures	11,628	11,516	11,736	11,781	5,576	5,847	5,998	6,008
19 Other cash inflows	8,890	9,226	9,063	10,285	6,216	6,438	6,145	7,229
(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19a (Excess inflows from a related specialised credit institution)					-	-	-	-
EU-19b								
20 Total cash inflows	57,565	59,135	59,117	58,833	16,523	16,479	16,173	16,949
EU-20a Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b Inflows Subject to 90% Cap	-	-	-	-	-	-	-	-
EU-20c Inflows subject to 75% cap	57,562	59,135	59,117	58,833	16,523	16,479	16,173	16,949
21 Liquidity buffer					101,459	98,141	98,803	98,673
22 Total net cash outflows					58,160	55,155	54,447	52,158
23 Liquidity coverage ratio (%)					175%	178%	182%	190%

Table 35 Encumbered and unencumbered assets

	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		of which EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
Assets of the reporting institution	184,099	55,788			358,364	78,334		
Equity instruments	1,461	0			4,161	0		
Debt securities	27,686	22,169	27,686	22,169	42,149	33,513	38,778	31,704
of which: covered bonds	13,095	12,230	13,095	12,230	20,011	20,667	20,011	20,667
of which: asset-backed securities	0	0	0	0	0	0	0	0
of which: issued by general governments	12,323	9,626	12,323	9,626	8,114	7,709	8,114	7,709
of which: issued by financial corporations	15,101	12,669	15,101	12,669	26,259	22,093	26,259	22,093
of which: issued by non-financial corporations	662	171	662	171	932	148	932	148
Other assets	150,087	33,619			311,905	44,511		

Collateral received

	Encumbered		Unencumbered	
	Fair value of encumbered collateral received or own debt securities issued		Fair value of unencumbered collateral received or own debt securities issued	
		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA
Collateral received by the reporting institution	9,619	7,714	62,926	51,893
Loans on demand	0	0	0	0
Equity instruments	0	0	1,200	0
Debt securities	9,619	7,714	27,616	19,270
of which: covered bonds	3,639	3,137	13,408	9,966
of which: asset-backed securities	0	0	0	0
of which: issued by general governments	6,535	5,293	11,671	9,610
of which: issued by financial corporations	4,013	3,135	14,096	9,978
of which: issued by non-financial corporations	110	1	1,082	4
Loans and advances other than loans on demand	0	0	25,769	25,769
Other collateral received			5,236	5,236
Own debt securities issued other than own covered bonds or asset-backed securities	0	0	0	0
Own covered bonds and asset-backed securities issued and not yet pledged			4,073	4,073
Total assets, collateral received and own debt securities issued	194,860	64,313		

Sources of encumbrance

	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	189,732
of which: covered bonds issued	112,404

Table 36 Leverage ratio disclosure templates

Table LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

EURbn	Applicable Amounts
1 Total assets as per published financial statements	587
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-44
3 (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 "CRR")	
4 Adjustments for derivative financial instruments	-25
5 Adjustments for securities financing transactions "SFTs"	0
6 Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	39
EU-6a (Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	
EU-6b (Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	
7 Other adjustments ¹	-4
8 Total leverage ratio exposure	554
¹ Other adjustments, based on profit inclusion	-4

Table LRCom: Leverage ratio common disclosure

EURbn	CRR leverage ratio exposures
On-balance sheet exposures (excluding derivatives and SFTs)	
1 On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	461
2a (Asset amounts deducted in determining Tier 1 capital), including profit	-4
2b (Asset amounts deducted in determining Tier 1 capital), excluding profit	-4
3a Total on-balance sheet exposures including profit (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	457
3b Total on-balance sheet exposures excluding profit (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	457
Derivative exposures	
4 Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	8
5 Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	19
EU-5a Exposure determined under Original Exposure Method	
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-11
8 (Exempted CCP leg of client-cleared trade exposures)	
9 Adjusted effective notional amount of written credit derivatives	79
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-73
11 Total derivative exposures (sum of lines 4 to 10)	22
Securities financing transaction exposures	
12 Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	47
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-12
14 Counterparty credit risk exposure for SFT assets	1
EU-14a Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	
15 Agent transaction exposures	
EU-15a (Exempted CCP leg of client-cleared SFT exposure)	
16 Total securities financing transaction exposures (sum of lines 12 to 15a)	36
Other off-balance sheet exposures	
17 Off-balance sheet exposures at gross notional amount	110
18 (Adjustments for conversion to credit equivalent amounts)	-71
19 Other off-balance sheet exposures (sum of lines 17 and 18)	39
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)	
EU-19a (Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	
EU-19b (Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	
Capital and total exposures	
20a Tier 1 capital including profit	27
20b Tier 1 capital excluding profit	27
21a Total leverage ratio exposures including profit (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	554
21b Total leverage ratio exposures excluding profit (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	554
Leverage ratio	
22a Leverage ratio including profit	4.9%
22b Leverage ratio excluding profit	4.9%
Choice on transitional arrangements and amount of derecognised fiduciary items	
EU-23 Choice on transitional arrangements for the definition of the capital measure	Transitional
EU-24 Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	

LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

CRR leverage ratio exposures

EU-1 Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	461
EU-2 Trading book exposures	40
EU-3 Banking book exposures, of which:	421
EU-4 Covered bonds	27
EU-5 Exposures treated as sovereigns	83
EU-6 Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	5
EU-7 Institutions	2
EU-8 Secured by mortgages of immovable properties	145
EU-9 Retail exposures	28
EU-10 Corporate	114
EU-11 Exposures in default	3
EU-12 Other exposures (eg equity, securitisations, and other non-credit obligation assets)	14

LRQua: Free format text boxes for disclosure on qualitative items

1 Description of the processes used to manage the risk of excessive leverage: The risk of excessive leverage is included in the Group's reporting and control processes and is monitored by the group Board and CEO. The leverage ratio as defined in the CRDIV/CRR is further an integrated part of the Risk appetite framework for which internal limits and targets are set.

2 Description of the factors that had an impact on the leverage Ratio during the period to which the disclosed leverage Ratio refers: The leverage ratio decreased from 5.0% in Q2 2019 to 4.9% in Q2 2020.

There was a slight decrease in leverage ratio which was driven by decreased Tier 1 capital deduction followed by increase of Other assets that was offset by decreased SFT and derivative volumes

Covid template 1: Information on loans and advances subject to legislative and non-legislative moratoria

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
	Gross carrying amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk									Gross carrying amount	
	Performing			Non performing		Performing			Non performing							
		Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)			Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days				Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)	Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures	
Q2 2020																
EURm																
1	Loans and advances subject to moratorium	16,289	16,184	0	1,268	105	0	26	-50	-39	0	-28	-11	0	-7	105
2	of which: Households	12,046	11,981	0	814	64	0	11	-15	-13	0	-10	-2	0	-1	64
3	<i>of which: Collateralised by residential immovable property</i>	11,992	11,927	0	813	64	0	11	-15	-12	0	-10	-2	0	-1	64
4	of which: Non-financial corporations	4,243	4,203	0	454	40	0	15	-35	-26	0	-18	-9	0	-6	40
5	<i>of which: Small and Medium-sized Enterprises</i>	1,021	999	0	170	22	0	3	-10	-9	0	-6	-1	0	0	22
6	<i>of which: Collateralised by commercial immovable property</i>	1,753	1,743	0	155	11	0	7	-13	-9	0	-6	-4	0	-3	11

Covid Template 2: Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

Q2 2020 EURm	a	b	c	d	Gross carrying amount				
	Number of obligors		Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
					<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1	90000	16,289	0	0	0	0	0	0	0
2	90000	16,289	5,903	0	3,847	5,647	0	892	5,903
3		12,046	5,903	0	2,220	3,030	0	892	5,903
4		11,992	5,903	0	2,173	3,023	0	892	5,903
5		4,243	0	0	1,627	2,616	0	0	0
6		1,021	0	0	608	413	0	0	0
7		1,753	0	0	594	1,159	0	0	0

Covid Template 3: Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

	a	b	c	d	
	Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount	
		of which: forborne	Public guarantees received	Inflows to non-performing exposures	
1	Newly originated loans and advances subject to public guarantee schemes	851,462,218	-	630,842,193	3,011,887
2	of which: Households ¹	702,775			-
3	of which: Collateralised by residential immovable property	-			-
4	of which: Non-financial corporations	850,759,443	-	630,842,193	3,011,887
5	of which: Small and Medium-sized Enterprises	257,615,497			651,426
6	of which: Collateralised by commercial immovable property	10,913,847			60,594

¹ Includes Sole Proprietorships

Nordea Bank Abp with Finnish corporate registration number 2858394-9 provides these public disclosures according to Part Eight of Regulation (EU) No 575/2013, commonly referred to as the Capital Requirements Regulation (CRR), on the basis of its consolidated situation (hereinafter referred to as simply "Nordea"). This disclosure constitutes a comprehensive disclosure on risks, risk management and capital management. It includes disclosures, or references to other disclosures, required according to Part Eight of the CRR and by EBA guidelines and standards on disclosure requirements. Information exempted from disclosure due to being non-material, proprietary or confidential can be found in Part 2, Other tables. Accompanying this report are the required disclosures for the subsidiaries Nordea Kredit Realkreditaktieselskab, Nordea Hypotek AB, Nordea Mortgage Bank Plc, Nordea Eiendomskreditt AS, Gjensidige Bank Group, Nordea Finans Norge AS. The subsidiaries' disclosures are included as appendices and will be released on www.nordea.com after the publication date of each subsidiary's Annual Report.

Nordea Bank Abp and its subsidiaries have adopted a formal policy to assure compliance with the disclosure requirements and has established policies for assessing the appropriateness of these disclosures, including the verification and frequency. Nordea has been identified as a financial conglomerate on its own. Nordea's Board of Directors, by attesting this report, approve of the formal statement of key risks in Board Risk Statement and formally declare the adequacy of risk management arrangements given statement and the declaration are made in accordance with CRR Article 435(1).