

Nordea



Capital and Risk Management Report 2019

Appendix F
Gjensidige Bank Group

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Mapping of own funds to the balance sheet

EURm	Gjensidige Bank	Row in transitional own funds template
Assets		
Intangible assets		
- of which: Goodwill and other intangible assets	3	8
Deferred tax assets		
- of which: Deferred tax assets that rely on future profitability excluding those arising from temporary differences		10
Retirement benefit assets		
- of which: Retirement benefit assets net of tax		15
Liabilities		
Deferred tax liabilities		
- of which: Deductible deferred tax liabilities associated with deferred tax assets that rely on future profitability and do not arise from temporary differences		10
Subordinated liabilities		
- of which: AT1 Capital instruments and the related share premium accounts	45	30
- of which: Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1		33
- of which: Direct and indirect holdings by an institution of own AT1 Instruments		37
- of which: T2 Capital instruments and the related share premium accounts	30	46
- of which: Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2		47
- of which: Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		52
Equity		
Share capital	68	1
Share premium reserves	113	
- of which: Capital instruments and the related share premium accounts	113	1
- of which: Retained earnings		2
Other reserves		
- of which: Retained earnings		2
- of which: Accumulated other comprehensive income		3
- of which: Fair value reserves related to gains or losses on cash flow hedges		11
Retained earnings net of proposed dividend	137	
- of which: Profit/loss for the year	24	5a
- of which: Retained earnings		2
- of which: Direct holdings by an institution of own CET1 instruments (negative amount)		16

Transitional own funds disclosure template

EURm	(A) Amount at disclosure date	(B) regulation (EU) no 575/2013 article reference	(C) Amounts subject to pre-regulation treatment or prescribed residual amount of regulation, (EU) no 575/2013
Common Equity Tier 1 capital: instruments and reserves			
1 Capital instruments and the related share premium accounts	181	26 (1), 27, 28, 29, EBA list 26 (3)	
of which: Instrument type 1	68	EBA list 26 (3)	
of which: Instrument type 2		EBA list 26 (3)	
of which: Instrument type 3		EBA list 26 (3)	
2 Retained earnings	112	26 (1) (c)	
3 Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)		26 (1)	
3a Funds for general banking risk		26 (1) (f)	
4 Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1		486 (2)	
Public sector capital injections grandfathered until 1 January 2018		483 (2)	
5 Minority Interests (amount allowed in consolidated CET1)		84, 479, 480	
5a Independently reviewed interim profits net of any foreseeable charge or dividend	24	26 (2)	
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	318		
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7 Additional value adjustments (negative amount)	-1	34, 105	
8 Intangible assets (net of related tax liability) (negative amount)	-3	36 (1) (b), 37, 472 (4)	
9 Empty Set in the EU			
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		36 (1) (c), 38, 472 (5)	
11 Fair value reserves related to gains or losses on cash flow hedges		33 (a)	
12 Negative amounts resulting from the calculation of expected loss amounts		36 (1) (d), 40, 159, 472 (6)	
13 Any increase in equity that results from securitised assets (negative amount)		32 (1)	
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		33 (b)	
15 Defined-benefit pension fund assets (negative amount)		36 (1) (e) , 41, 472 (7)	
16 Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		36 (1) (f), 42, 472 (8)	
17 Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		36 (1) (g), 44, 472 (9)	

18 Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)
19 Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11)
20 Empty Set in the EU	
20a Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	36 (1) (k)
20b of which: qualifying holdings outside the financial sector (negative amount)	36 (1) (k) (i), 89 to 91
20c of which: securitisation positions (negative amount)	36 (1) (k) (ii) 243 (1) (b) 244 (1) (b) 258
20d of which: free deliveries (negative amount)	36 (1) (k) (iii), 379 (3)
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in 38 (3) are met) (negative amount)	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)
22 Amount exceeding the 15% threshold (negative amount)	48 (1)
23 of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	36 (1) (i), 48 (1) (b), 470, 472 (11)
24 Empty Set in the EU	
25 of which: deferred tax assets arising from temporary differences	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)
25a Losses for the current financial year (negative amount)	36 (1) (a), 472 (3)
25b Foreseeable tax charges relating to CET1 items (negative amount)	36 (1) (l)
26 Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	1
26a Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	
Of which: ...filter for unrealised loss on AFS debt instruments	467
Of which: ...filter for unrealised loss 2	467
Of which: ...filter for unrealised gain on AFS debt instruments	468
Of which: ...filter for unrealised gain 2	468
26b Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	481
Of which: ...	481
27 Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	36 (1) (j)

28 Total regulatory adjustments to Common equity Tier 1 (CET1)	-2
29 Common Equity Tier 1 (CET1) capital	315

Additional Tier 1 (AT1) capital: instruments

30 Capital instruments and the related share premium accounts	45	51, 52
31 of which: classified as equity under applicable accounting standards	45	
32 of which: classified as liabilities under applicable accounting standards		
33 Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1		486 (3)
Public sector capital injections grandfathered until 1 January 2018		483 (3)
34 Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		85, 86, 480
35 of which: instruments issued by subsidiaries subject to phase out		486 (3)
36 Additional Tier 1 (AT1) capital before regulatory adjustments	45	

Additional Tier 1 (AT1) capital: regulatory adjustments

37 Direct and indirect holdings by an institution of own AT1 Instruments (negative amount)	52 (1) (b), 56 (a), 57, 475 (2)
38 Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	56 (b), 58, 475 (3)
39 Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	56 (c), 59, 60, 79, 475 (4)
40 Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold net of eligible short positions) (negative amount)	56 (d), 59, 79, 475 (4)
41 Regulatory adjustments applied to additional tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	
41a Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)
Of which shortfall	

41b Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	477, 477 (3), 477 (4) (a)
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Of which items to be detailed line by line, e.g. Reciprocal cross holdings in Tier 2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc

41c Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre- CRR	467, 468, 481
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Of which: ...possible filter for unrealised losses	467
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Of which: ...possible filter for unrealised gains	468
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Of which: ...	481
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42 Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	56 (e)
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43 Total regulatory adjustments to Additional Tier 1 (AT1) capital	
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44 Additional Tier 1 (AT1) capital	360
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45 Tier 1 capital (T1 = CET1 + AT1)	
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Tier 2 (T2) capital: instruments and provisions

46 Capital instruments and the related share premium accounts	30	62, 63
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47 Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	486 (4)
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Public sector capital injections grandfathered until 1 January 2018	483 (4)
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48 Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	87, 88, 480
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49 of which: instruments issued by subsidiaries subject to phase out	486 (4)
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50 Credit risk adjustments	62 (c) & (d)
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51 Tier 2 (T2) capital before regulatory adjustments	30
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Tier 2 (T2) capital: regulatory adjustments

52 Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	63 (b) (i), 66 (a), 67, 477 (2)
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53 Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	66 (b), 68, 477 (3)
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54 Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	66 (c), 69, 70, 79, 477 (4)
54a Of which new holdings not subject to transitional arrangements	
54b Of which holdings existing before 1 January 2013 and subject to transitional arrangements	
55 Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	66 (d), 69, 79, 477 (4)
56 Regulatory adjustments applied to tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	
56a Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)
Of which shortfall	
56b Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013 Of which items to be detailed line by line, e.g. reciprocal cross holdings in at1 instruments, direct holdings of non significant investments in the capital of other financial sector entities, etc	475, 475 (2) (a), 475 (3), 475 (4) (a)
56c Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR	467, 468, 481
Of which: ...possible filter for unrealised losses	467
Of which: ...possible filter for unrealised gains	468
Of which: ...	481
57 Total regulatory adjustments to Tier 2 (T2) capital	
58 Tier 2 (T2) capital	30
59 Total capital (TC = T1 + T2)	391
59a Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013(i.e. CRR residual amounts)	
Of which: ...items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc)	472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)

Of which: ...items not deducted from AT1 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non- significant investments in the capital of other financial sector entities, etc)	475, 475 (2) (b), 475 (2) (c), 475 (4) (b)
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Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Indirect holdings of own t2 instruments, indirect holdings of non significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc)	477, 477 (2) (b), 477 (2) (c), 477 (4) (b)
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60 Total risk weighted assets	1 968
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Capital ratios and buffers

61 Common Equity Tier 1 (as a percentage of risk exposure amount)	16,0 %	92 (2) (a), 465
62 Tier 1 (as a percentage of risk exposure amount)	18,3 %	92 (2) (b), 465
63 Total capital (as a percentage of risk exposure amount)	19,9 %	92 (2) (c)
64 Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)		CRD 128, 129, 130
65 of which: capital conservation buffer requirement	2,5%	
66 of which: countercyclical buffer requirement	2,5%	
67 of which: systemic risk buffer requirement	3,0%	
67a of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		CRD 131
68 Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	11,5%	CRD 128
69 [non relevant in EU regulation]	NA	
70 [non relevant in EU regulation]	NA	
71 [non relevant in EU regulation]	NA	

Amounts below the thresholds for deduction (before risk weighting)

72 Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	36 (1) (h), 45, 46, 472 (10) 56 (c), 59, 60, 475 (4) 66 (c), 69, 70, 477 (4)
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73 Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	36 (1) (i), 45, 48, 470, 472 (11)
74 Empty Set in the EU	
75 Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	36 (1) (c), 38, 48, 470, 472 (5)

Applicable caps on the inclusion of provisions in Tier 2

76 Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)	62
77 Cap on inclusion of credit risk adjustments in T2 under standardised approach	62
78 Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	62
79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	62

Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)

80 Current cap on CET1 instruments subject to phase out arrangements	484 (3), 486 (2) & (5)
81 Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	484 (3), 486 (2) & (5)
82 Current cap on AT1 instruments subject to phase out arrangements	484 (4), 486 (3) & (5)
83 Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	484 (4), 486 (3) & (5)
84 Current cap on T2 instruments subject to phase out arrangements	484 (5), 486 (4) & (5)
85 Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	484 (5), 486 (4) & (5)

Countercyclical capital buffer

EURm	General credit risk exposures		Trading book exposures		Own funds requirement			Total	Own funds requirement weight (%)	Counter-cyclical buffer rate (%)
	SA ¹	IRB ² approach	SA	Internal models approach	General credit exposures	Trading book exposures	Securitisatio n exposures			
Countries with existing CCyB rate										
Norway	4 796				143			143	99,2 %	2,5 %
Czech Republi	0				0			0	0,0 %	1,5 %
Denmark	1				0			0	0,0 %	1,0 %
France	1				0			0	0,0 %	2,5 %
United Kingdc	1				0			0	0,0 %	1,0 %
Ireland	0				0			0	0,0 %	1,0 %
Iceland	1				0			0	0,0 %	1,8 %
Lithuania	0				0			0	0,0 %	1,0 %
Sweden	28				0			0	0,6 %	2,5 %
Slovakia	0				0			0	0,0 %	1,5 %
Sub-total	4 827				143			143	99,8 %	
Countries with own funds requirements weight 1% or above and no existing CCyB rate										
Sub-total										
Countries with own funds requirement below 1% and no existing CCyB rate										
Sub-total	8				0			0	0,2 %	
Total	4 834				143			143	100,0 %	

1) Standardised approach

2) Internal ratings based

Leverage ratio disclosure templates

LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

EURm	Applicable Amounts
1 Total assets as per published financial statements	4 983
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	
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	
5 Adjustments for securities financing transactions "SFTs"	
6 Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	580
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	-9
8 Total leverage ratio exposure	5 554

LRCOM: Leverage ratio common disclosure

EURm	CRR leverage ratio exposures
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On-balance sheet exposures (excluding derivatives and SFTs)

1 On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	4 973
2 (Asset amounts deducted in determining Tier 1 capital)	
3 Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	4 973

Derivative exposures

4 Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	9
5 Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	
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)	
8 (Exempted CCP leg of client-cleared trade exposures)	
9 Adjusted effective notional amount of written credit derivatives	
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11 Total derivative exposures (sum of lines 4 to 10)	9

Securities financing transaction exposures

- | | |
|---|--|
| 12 Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions | |
| 13 (Netted amounts of cash payables and cash receivables of gross SFT assets) | |

14 Counterparty credit risk exposure for SFT assets
 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)

Other off-balance sheet exposures

17 Off-balance sheet exposures at gross notional amount 705
 18 (Adjustments for conversion to credit equivalent amounts) 580

19 Other off-balance sheet exposures (sum of lines 17 to 18) 125

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

20 Tier 1 capital 360

21 Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b) 5 106

Leverage ratio

22 Leverage ratio 7,04%

Choice on transitional arrangements and amount of derecognised fiduciary items

22 Leverage ratio 7,06%

EU-24 Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013 1

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

EURm

CRR leverage ratio exposures

EU-1 Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which: 4 973

EU-2 Trading book exposures

EU-3 Banking book exposures, of which: 4 973

EU-4 Covered bonds 384

EU-5 Exposures treated as sovereigns 120

EU-6 Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns 44

EU-7 Institutions 62

EU-8 Secured by mortgages of immovable properties 3 952

EU-9 Retail exposures 358

EU-10 Corporate 0

EU-11 Exposures in default 42

EU-12 Other exposures (eg equity, securitisations, and other non-credit obligation assets) 11

LRQua: Free format text boxes for disclosure on qualitative items

1 Description of the processes used to manage the risk of excessive leverage

Nordea has policies and processes in place for the identification, management and monitoring of the excessive leverage. The leverage ratio is also part of Nordea's risk appetite framework.

2 Description of the factors that had an impact on the leverage Ratio during the period to which the disclosed leverage ratio refers

Q4-Q4

The leverage ratio decreased from 4.1% in Q4 2016 to 3.9% in Q4 2017. The worsened leverage ratio was mainly driven by increased off-balance volumes as well as changes in the treatment of the exposures.

Q3-Q4

The leverage ratio remained stable at 3.9% in Q4 2017 compared to Q3 2017. An increase in off-balance exposures was offset by a decrease in on-balance exposures.

EU OV1: Overview of REA

EURm	REA		Minimum capital requirement	
	2019	2018	2019	2018
Credit risk (excluding counterparty credit risk) (CCR)	1 813	2 597	145	208
Of which standardised approach (SA)	1 813	2 597	145	208
Of which foundation IRB (FIRB) approach				
Of which advanced IRB approach				
Of which AIRB				
Of which Retail RIRB				
Of which Equity IRB under the simple risk-weight or the IMA				
Counterparty credit risk	4	9	0	1
Of which Marked to market				
Of which Original exposure				
Of which standardised approach				
Of which internal model method (IMM)				
Of which Financial collateral simple method (for SFTs)				
Of which exposure amount for contributions to the default fund of a CCP				
Of which CVA	4	9	0	1
Settlement risk				
Securitisation exposures in banking book (after the cap)				
Of which IRB supervisory formula approach (SFA)				
Market risk				
Of which standardised approach (SA)				
Of which IMA				
Large exposures				
Operational risk	151	185	12	15
Of which Standardised Approach	151	185	12	15
Amounts below the thresholds for deduction (subject to 250% risk weight)				
Finnish risk weight floor in Pillar 1				
Article 3 CRR Buffer				
Regulatory total	1 968	2 790	157	223

Original exposure by exposure class, end of year

2019, EURm

	Original exposures	Average exposures
IRB approach		
Central governments or central banks		
Institutions		
Corporates		
of which Specialised Lending		
of which SME		
Retail		
of which Secured by real estate property		
of which SME		
of which Non-SME		
of which Other Retail		
of which SME		
of which Non-SME		
Equity		
Other non-credit obligation assets		
Total IRB approach		
Standardised approach		
Central governments or central banks	120	115
Regional governments or local author	44	45
Public sector entities	0	0
Multilateral Development Banks	0	0
International Organisations	0	0
Institutions	71	64
Corporates	0	134
- of which SME	0	32
Retail	475	853
- of which SME	0	0
Secured by mortgages on immovable	4 547	4 581
- of which SME	0	0
Exposures in default	74	68
Items associated with particularly high	0	0
Covered bonds	384	409
Claims on institutions and corporates with a short-term credit assessment	0	0
Collective investments undertakings (I	0	0
Equity exposures	1	1
Other exposures	9	24
Total standardised approach	5 726	6 293
Total	5 726	6 293
- of which loans	5 095	5 502
- of which debt securities	620	633
- of which off-balance sheet exposures	705	847

Exposure split by exposure class and by geography

EURm	Norway	Other Nordics	Luxemburg	Other	Total
IRB exposure classes					
Sovereign					
Institution					
Corporate					
- of which Advanced					
Retail					
- of which secured by immovable property					
- of which other retail					
- of which SME					
Other non-credit obligation assets					
Total IRB approach					
Standardised exposure classes					
Central governments and central banks	102 0		19	0	120
Regional governments and local authorities	0	44	0	0	44
Institution	71	0	0	0	71
Corporate	0	0	0	0	0
Retail	360	0	0	1	361
Exposures secured by real estate	4 027	2	0	8	4 037
Overdue positions	41	0	0	0	42
Covered bonds	357	27	0	0	384
Equity exposure	1	0	0	0	1
Other	9	0	0	0	9
Total standardised approach	4 968	74	19	9	5 070
Total exposure	4 968	74	19	9	5 070

Exposure split by industry group and by main exposure class

IRB approach

EURm	Sovereign	Institution	Corporate	- of which SME	Retail	Other non credit obligation assets
Financial institutions						
Crops etc						
Animal husbandry						
Fishing and aquaculture						
Paper, forest and mining						
Oil, gas and offshore						
Consumer staples (food and health care)						
Media, leisure and telecom						
Consumer durables						
Retail trade						
Land transportation and IT						
Materials						
Capital goods						
Commercial & prof. services						
Construction						
Wholesale trade						
Maritime (shipping)						
Utilities and public services						
Real estate						
Other						
Total exposure						

Exposure secured by collaterals, guarantees and credit derivatives, split by exposure class

EURm	Original exposure	Exposure	- of which secured by guarantees and credit derivatives	- of which secured by collateral	Average weighted LGD
IRB exposure classes					
Sovereign					
Institution					
Corporate					
- of which Advanced					
Retail					
- of which secured by immovable property					
- of which other retail					
- of which SME					
Other non-credit obligation assets					
Total IRB approach					
Standardised exposure classes					
Central government and central banks	120	120	0	0	
Regional governments and local authorities	44	44	0	0	
Institution	71	71	0	0	
Corporate	0	0	0	0	
Retail	475	361	0	0	
Exposures secured by real estate	4 547	4 037	0	4 037	
Overdue positions	74	42	0	4	
Covered bonds	384	384	0	0	
Equity exposure	1	1	0	0	
Other	9	9	0	0	
Total standardised approach	5 726	5 070	0	4 040	
Total	5 726	5 070	0	4 040	

Distribution of collateral

	31 Dec 2019	31 Dec 2018
Financial collateral		
Receivables		
Residential real estate	100,0%	80,0%
Commercial real estate		
Other physical collateral		20,0%
Total	100,0%	100,0%

Residual maturity broken down by exposure classes

EURm	<1 year	1-3 years	3-5 years	>5 years	Total exposure
IRB exposure classes					
Sovereign					
Institution					
Corporate					
- of which Advanced					
Retail					
- of which secured by immovable property					
- of which other retail					
- of which SME					
Other non-credit obligation assets					
Total IRB approach					
Standardised exposure classes					
Central government and central banks	46	56	19	0	120
Regional governments and local authorities	0	43	1	0	44
Institution	71	0	0	0	71
Corporate	0	0	0	0	0
Retail	23	18	84	237	361
Exposures secured by real estate	95	25	43	3 874	4 037
Overdue positions	-1	3	11	28	42
Covered bonds	69	167	149	0	384
Equity exposure	1	0	0	0	1
Other	9	0	0	0	9
Total standardised approach	313	311	306	4 140	5 070
Total	313	311	306	4 140	5 070

Exposure, impaired exposures, past due exposures and allowances, split by sectors and industries

EURm	Impaired loans (stage 3)	Past due exposures	Credit risk adjustments ¹⁾	- of which changes during the reporting period
Households	68,5	58,9	19,9	19,9
Non financial corporations	0,0	0,0	0,0	0,0
Crops etc	0,0	0,0	0,0	0,0
Animal husbandry	0,0	0,0	0,0	0,0
Fishing and aquaculture	0,0	0,0	0,0	0,0
Paper, forest and mining	0,0	0,0	0,0	0,0
Oil, gas and offshore	0,0	0,0	0,0	0,0
Consumer staples (food and health care)	0,0	0,0	0,0	0,0
Media, leisure and telecom	0,0	0,0	0,0	0,0
Consumer durables	0,0	0,0	0,0	0,0
Retail trade	0,0	0,0	0,0	0,0
Land transportation and IT	0,0	0,0	0,0	0,0
Materials	0,0	0,0	0,0	0,0
Capital goods	0,0	0,0	0,0	0,0
Commercial & prof. services	0,0	0,0	0,0	0,0
Construction	0,0	0,0	0,0	0,0
Wholesale trade	0,0	0,0	0,0	0,0
Maritime (shipping)	0,0	0,0	0,0	0,0
Utilities and public services	0,0	0,0	0,0	0,0
Real estate	0,0	0,0	0,0	0,0
Other	0,0	0,0	0,0	0,0
Other	0,0	0,0	0,0	0,0
Total exposure	68,5	58,9	19,9	19,9

1) For stages 1,2 and 3

Exposure, impaired exposures, past due exposures and allowances, split by significant geographic area

EURm	Original exposure	Impaired loans (stage 3)	Past due exposures
Norway	4 388	68,5	58,9
Other	-	-	-
Total	4 388	68,5	58,9

Reconciliation of allowance accounts

Specific credit risk adjustments 1)

EURm	Individually assessed, stage 3	Collectively assessed, stage 1 & 2	Total
Opening balance according to IFRS9	24,7	8,8	33,5
Changes through the income statement	16,5	3,4	19,9
- Of which Provisions	-	-	-
- Of which Reversals	-	-	-
- Of which Net model effect	-	-	-
Allowances used to cover write-offs	-	-	-
Currency translation differences	-	-	-
Closing balance	31,1	8,1	39,2

1) On balance