

Nordea



Capital and Risk Management Report

First Quarter 2020

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

Table 1 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 70% of Pillar I REA in Q1 2020. Operational risk and market risk account for the second and third largest risk types respectively. REA increased by EUR 1.9 bn in the first quarter of 2020 mainly stemming from increased lending as well as increased market risk and counterparty credit risk REA. The higher market risk REA is primarily explained by increased hedging against future defaults and lower recovery rates as a result of the Corona virus outbreak. Finally the operational risk decreased by EUR 1 bn due to decreased average operating income.

EURm	REA		Minimum capital requirement	
	2020 Q1	2019 Q4	2020 Q1	2019 Q4
Credit risk (excluding counterparty credit risk) (CCR)	105,043	106,413	8,403	8,513
Of which standardised approach (SA)	8,864	9,571	709	766
Of which foundation IRB (FIRB) approach	13,729	13,517	1,098	1,081
Of which advanced IRB approach	82,450	83,325	6,596	6,666
Of which AIRB	57,014	57,103	4,561	4,568
Of which Retail RIRB	25,435	26,221	2,035	2,098
Of which Equity IRB under the simple risk-weight or the IMA				
Counterparty credit risk	8,220	6,994	658	559
Of which Marked to market	640	617	51	49
Of which Original exposure				
Of which standardised approach				
Of which internal model method (IMM)	6,335	4,974	507	398
Of which Financial collateral simple method (for SFTs)				
Of which Financial collateral comprehensive method (for SFTs)	570	609	46	49
Of which exposure amount for contributions to the default fund of a CCP				
Of which CVA	674	795	54	64
Settlement risk	0	4	0	0
Securitisation exposures in banking book	894	874	71	70
Of which IRB supervisory formula approach (SFA)	894	874	71	70
Market risk	8,594	4,934	688	395
Of which standardised approach (SA)	2,770	808	222	65
Of which IMA	5,825	4,126	466	330
Large exposures				
Operational risk	14,701	15,698	1,176	1,256
Of which Standardised Approach	14,701	15,698	1,176	1,256
Amounts below the thresholds for deduction (subject to 250% risk weight)	3,760	3,882	301	311
Additional risk exposure amount related to Finnish RW floor due to Article 458 CRR	735	750	59	60
Additional risk exposure amount related to Swedish RW floor due to Article 458 CRR	10,162	10,667	813	853
Article 3 CRR Buffer				
Pillar 1 total	152,108	150,215	12,169	12,017

Table 2 EU CR8: REA flow statements of credit risk exposures under IRB

During the first quarter the IRB REA decreased by EUR 0.7bn, mainly stemming from FX effects driven by the depreciation of the NOK and the SEK against the EUR. Improved asset quality also contributed to the REA decrease. That was somewhat offset by increased lending as well as the call of the existing securitisation transaction Archean that was replaced by the new securitisation transaction Matador. An adjustment for the PD for unrated exposures increased REA further during the period.

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	1,485	119
REA 2020 Q1	96,178	7,694

¹Includes the relief stemming from the called securitisation transaction Archean that was replaced by Matador, which is seen in the corporate portfolio

EURm	REA	Capital requirement
REA 2019 Q3	101,045	8,084
Asset size	1,737	139
Asset quality	-106	-9
Model updates		
Methodology and policy	-5,450	-436
Acquisitions and disposals		
Foreign exchange movements	130	10
Other	-514	-41
REA 2019 Q4	96,841	7,747

Table 3 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. Main driver for the increase in REA during the quarter is the increased market value on foreign exchange transactions as consequence of higher market volatility, caused by the outbreak of the coronavirus outbreak. Lowered interest rates across the Nordics and Europe has also been a main contributor driving REA up for the quarter.

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
Aquisition and disposals	0	0
Foreign exchange movements	915	73
Interest rate movements	453	36
Other	13	1
REA 2020 Q1	6,335	507

EURm	REA amounts	Capital requirements
REA 2019 Q3	7,023	562
Asset size	-356	-28
Credit quality of counterparties	-380	-30
Model updates (IMM only)	23	2
Methodology and policy (IMM only)		0
Aquisition and disposals	0	0
Foreign exchange movements	-344	-28
Interest rate movements	-970	-78
Other	-21	-2
REA 2019 Q4	4,974	398

Table 4 EU MR2-B: REA flow statements of market risk exposures under the IMA

By the end of the Q1 period, the IMA REA amounts to 5 825 EURm which corresponds to an increase of 1 698 EURm from Q4 2019, driven by movements in risk levels. The increase in the REA from VaR and sVaR of 338 EURm was primarily driven by higher levels of interest risk slightly offset by a decrease in the multiplier since Q4. The increase in Comprehensive Risk Charge (CRC) of 1 165 EURm was mainly stemming from the fact that the business has bought more default protection combined with a selloff in credit spreads that has led to higher losses in spread tightening scenarios. The increase in Incremental Risk Charge (IRC) of 195 EURm was driven by position changes and mainly from migration risk.

EURm	VaR ¹	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

¹Of which Equity Event Risk (EER) REA is EUR 6m.

Q4 2019, EURm	VaR	SVaR	IRC	CRC	Total REA	Total capital requirements
REA before regulatory adjustments 2018 Q2	670	1,934	403	300	3,306	265
Regulatory adjustment						
REA 2019 Q3	670	1,934	403	300	3,306	265
Movement in risk levels	131	458	251	56	820	66
Model updates/changes	-20	-56				
Methodology and policy						
Aquisitions and disposals						
Foreign exchange movements						
Other						
REA before regulatory adjustments 2018 Q3	781	2,336	654	355	4,126	330
Regulatory adjustment						
REA 2019 Q4	781	2,336	654	355	4,126	330

Table 5 Summary of items included in own funds

During Q1 2020, own funds decreased by EUR 805m, and it is mainly stemming from the movements in Tier 1 capital, regulatory amortisations and repayment of one T2 loan. AT1 capital decreased during the period due to call back of instruments denominated in NOK and SEK. CET 1 capital decreased by EUR 413m, which is mainly driven by exclusion of profit for Q1 2020, FX effects in retained earnings and increased regulatory deductions for prudential filters and IRB shortfall.

EURm	2020 Q1 ³	2019 Q4 ²
Calculation of own funds		
Equity in the consolidated situation	28,080	30,057
Proposed/actual dividend		-1,616
Common Equity Tier 1 capital before regulatory adjustments	28,080	28,441
Deferred tax assets	-143	-136
Intangible assets	-3,286	-3,451
IRB provisions shortfall (-)	-96	
Deduction for investments in credit institutions (50%)		
Pension assets in excess of related liabilities ¹	-131	-130
Other items, net	-418	-303
Total regulatory adjustments to Common Equity Tier 1 capital	-4,073	-4,020
Common Equity Tier 1 capital (net after deduction)	24,007	24,421
Additional Tier 1 capital before regulatory adjustments	2,833	3,117
Total regulatory adjustments to Additional Tier 1 capital	-23	-20
Additional Tier 1 capital	2,810	3,098
Tier 1 capital (net after deduction)	26,817	27,518
Tier 2 capital before regulatory adjustments	4,383	4,559
IRB provisions excess (+)	294	220
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	-768	-841
Tier 2 capital	3,614	3,717
Own funds (net after deduction)	30,431	31,236

¹ Based on conditional FSA approval.

² Including profit of the period

³ Excluding profit of the period.

Own funds, including profit

EURm	2020 Q1	2019 Q4
Common Equity Tier 1 capital, including profit	24,325	24,421
Tier 1 capital (net after deduction), including profit	27,135	27,518
Total Own Funds, including profit	30,749	31,236

Table 6 Capital ratios

CET1 capital ratio, Tier 1 capital ratio and Total capital ratio decreased in the first quarter of 2020, mainly driven by the increase in Risk Exposure Amount (REA) due to increased lending, increased market risk and counterparty credit risk (CCR) REA. The increase is partly offset by FX effects. Leverage ratio decreased from 5.3% to 4.8% due to an increase in leverage ratio exposure, mainly driven by increase in on balance exposures and SFTs.

Risk based capital ratios

%	Q1 2020	Q4 2019
Common Equity Tier 1 capital ratio, including profit	16.0	16.3
Tier 1 capital ratio, including profit	17.8	18.3
Total capital ratio, including profit	20.2	20.8
Common Equity Tier 1 capital ratio, excluding profit	15.8	16.2
Tier 1 capital ratio, excluding profit	17.6	18.3
Total capital ratio, excluding profit	20.0	20.7

Leverage based capital ratios

	Q1 2020 ²	Q4 2019 ¹
Tier 1 capital, EURm	26,817	27,518
Tier 1 capital, transitional definition, EURm	26,817	27,518
Leverage ratio exposure, EURm	553,245	522,094
Leverage ratio, transitional definition, percentage	4.8	5.3
Leverage ratio, percentage	4.8	5.3

¹ Figures include profit of the period.

² Figures exclude profit of the period

Table 7 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 116.3bn total (compared to EUR 102.8bn of EUR 116.5 bn Q4 2019). The movements in IRB exposures during the quarter are mainly stemming from increased lending in the corporate and retail portfolios partly countered by FX movements.

Q1 2020, EURm

EURm	Original exposure	Exposure	Average risk weight	REA	Capital requirement
IRB exposure classes					
Sovereign	0	0	0%	0	0
Institution	37,871	35,789	18%	6,293	503
Corporate	180,484	147,088	47%	68,522	5,482
- of which advanced	156,825	127,399	45%	57,014	4,561
Retail	185,395	173,447	15%	25,468	2,037
- of which mortgage	144,781	142,451	12%	16,528	1,322
- of which other retail	40,614	30,997	29%	8,939	715
- of which SME	3,165	2,737	40%	1,097	88
Other non-credit obligation assets	3,552	3,550	90%	3,189	255
Total IRB approach	407,303	359,874	29%	103,472	8,278
Standardised exposure classes					
Central government and central banks	84,086	87,168	1%	857	69
Regional governments and local authorities	10,233	6,871	1%	91	7
Institution	2,494	2,496	5%	129	10
Corporate	2,386	1,613	97%	1,564	125
Retail	5,717	4,612	74%	3,416	273
Exposure secured by real estate	4,073	3,545	35%	1,245	100
Equity	1,638	1,638	211%	3,461	277
Other ¹	4,821	4,368	41%	2,113	169
Total standardised approach	115,449	112,311	8%	12,876	1,030
Total	522,752	472,185	24%	116,348	9,308

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.

Q4 2019, 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 8 EU CR6 Total IRB: Credit risk exposures by portfolio and PD scale

EAD and REA reported under IRB approach decreased in Q1, mainly driven by depreciation of NOK and SEK and decreased floors. However, this was offset by growth in corporate, retail and institution portfolio driven by on-balance lending towards financial institutions, mortgage loans growth, and increased checking accounts and guarantee exposure respectively. In Q1, average PD increased due to the adjustment of PD for unrated exposures to more conservative rating under institution, retail and corporate portfolios.

Q1 2020, 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. EL	and 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	4.49%	207,907	25.0%	2.5	4,009	53%	84	109
10.00 to < 100	5,798	1,640	30%	5,509	21.35%	122,843	26.5%	2.5	5,618	102%	310	203
100 (Default)	5,362	668	11%	5,055	100.00%	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

Q4 2019, 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. EL	and provision
Total IRB exposures												
0.00 to < 0.15	149,643	38,358	53%	170,727	0.09%	1,331,422	18.9%	2.5	20,518	12%	29	16
0.15 to < 0.25	47,327	11,607	52%	53,086	0.20%	563,459	21.3%	2.5	10,920	21%	23	12
0.25 to < 0.50	51,966	21,383	48%	61,221	0.41%	465,684	26.0%	2.5	25,520	42%	67	49
0.50 to < 0.75	6,166	825	53%	6,392	0.60%	152,736	20.2%	2.5	1,303	20%	8	8
0.75 to < 2.50	32,674	10,921	46%	36,121	1.20%	397,451	25.3%	2.6	18,652	52%	110	162
2.50 to < 10.00	8,725	2,639	36%	8,784	4.3%	208,337	25.9%	2.6	5,072	58%	96	127
10.00 to < 100	4,819	816	44%	4,707	18.5%	81,952	25.4%	2.5	4,391	93%	214	202
100 (Default)	5,331	700	12%	5,114	100.0%	102,565	26.4%	2.5	7,506	147%	1,430	1,668
Total	306,651	87,248	50%	346,152	2.12%	3,303,605	21.6%	2.5	93,883	27%	1,976	2,243

Table 8 EU CR6 FIRB Institutions: Credit risk exposures by PD scale

Institution portfolio IRB REA increased in Q1, mainly due to increased guarantee as exposure in the Danish portfolio and checking accounts in the Finnish portfolio. Assigning more conservative PD value for unrated institution exposures in Q1 is driving the movement of exposures from bucket 2.50 to < 10.00 to bucket 10.00 to < 100 in Q1.

Q1 2020, 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	27.70%	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

Q4 2019, 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	25,705	1,407	32%	26,205	0.07%	635	13.6%	2.5	2,553	10%	3	1
0.15 to < 0.25	2,015	72	20%	2,029	0.17%	93	12.6%	2.5	252	12%		
0.25 to < 0.50	886	1,642	55%	1,930	0.38%	239	42.9%	2.5	1,214	63%	3	1
0.50 to < 0.75	220	90	31%	227	0.66%	79	43.8%	2.5	215	95%	1	
0.75 to < 2.50	88	304	29%	126	1.24%	92	45.0%	2.5	143	114%	1	
2.50 to < 10.00	80	173	27%	113	5.26%	318	44.7%	2.5	208	184%	3	
10.00 to < 100	3	11	21%	4	14.9%	45	45.0%	2.5	11	264%		
100 (Default)												
Total	28,996	3,700	41%	30,633	0.13%	1,501	15.8%	2.5	4,597	15%	10	3

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	4,460	0.07%	1,491	45.0%	2.0	1,277	29%
0.15 to < 0.25	990	0.22%	601	45.0%	2.1	539	54%
0.25 to < 0.50	1,765	0.44%	1,446	45.0%	2.4	1,468	83%
0.50 to < 0.75							
0.75 to < 2.50	955	1.21%	1,353	45.0%	2.1	911	95%
2.50 to < 10.00	55	3.53%	255	45.0%	2.2	63	115%
10.00 to < 100	67	12.08%	303	45.0%	2.5	110	164%
100 (Default)	63	100.00%	128	45.0%	2.5	46	73%
Corporate FIRB, Total	8,355	1.18%	5,577	45.0%	2.1	4,414	53%

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	3,837	0.07%	796	45%	1.9	1,053	27%
0.15 to < 0.25	815	0.22%	261	45%	2.0	440	54%
0.25 to < 0.50	1,413	0.43%	619	45%	2.4	1,184	84%
0.50 to < 0.75							
0.75 to < 2.50	702	1.21%	466	45%	2.0	697	99%
2.50 to < 10.00	23	3.43%	70	45%	1.8	29	128%
10.00 to < 100	12	12.62%	32	45%	2.5	26	206%
100 (Default)	32	100.00%	23	45%	2.5	38	119%
Sub-total	6,835	0.79%	2,267	45%	2.0	3,467	51%

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	622	0.07%	695	45.0%	2.5	224	36%
0.15 to < 0.25	175	0.22%	340	45.0%	2.4	100	57%
0.25 to < 0.50	352	0.45%	827	45.0%	2.5	284	81%
0.50 to < 0.75							
0.75 to < 2.50	253	1.22%	887	45.0%	2.2	214	84%
2.50 to < 10.00	32	3.61%	185	45.0%	2.5	34	105%
10.00 to < 100	54	11.95%	271	45.0%	2.5	84	155%
100 (Default)	31	100.00%	105	45.0%	2.5	8	25%
Sub-total	1,520	2.92%	3,310	45.0%	2.4	947	62%

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 10 Encumbered and unencumbered assets

The main source of encumbrance for Nordea is covered bond issuance programs where the required overcollateralization levels are defined according to the relevant statutory regimes. Other contributors to encumbrance are derivatives and repos where the activity is concentrated in Finland. Historically, the evolution of asset encumbrance for Nordea has been stable over time which illustrates the fact that the asset encumbrance for Nordea is a reflection of a structural phenomenon of the Scandinavian financial markets and savings behavior. Major part of the unencumbered assets are loans and the rest are equity instruments, debt securities and other 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	174,272	49,899			366,195	78,118		
Equity instruments	2,176	0			3,879	0		
Debt securities	22,914	17,791	22,914	17,791	44,639	36,638	42,664	36,638
of which: covered bonds	8,698	7,476	8,698	7,476	18,348	19,003	18,348	19,003
of which: asset-backed securities	0	0	0	0	0	0	0	0
of which: issued by general governments	12,437	10,540	12,437	10,540	8,036	7,751	8,036	7,751
of which: issued by financial corporations	10,018	7,488	10,018	7,488	30,773	26,589	30,773	26,589
	547	85	547	85	1,182	196	1,182	196
of which: issued by non-financial corporations								
Other assets	148,507	32,367			318,636	43,489		

Collateral received

	Encumbered		Unencumbered	
	Fair value of encumbered collateral received or own debt securities issued	of which notionally eligible EHQLA and HQLA	Fair value of encumbered collateral received or own debt securities issued	of which notionally eligible EHQLA and HQLA
Collateral received by the reporting institution	11,997	9,307	65,305	55,420
Loans on demand	0	0	0	0
Equity instruments	0	0	1,200	0
Debt securities	11,997	9,307	32,144	23,443
of which: covered bonds	4,159	3,211	12,709	10,025
of which: asset-backed securities	0	0	0	0
of which: issued by general governments	8,099	6,471	16,168	12,835
of which: issued by financial corporations	4,417	3,211	14,250	10,032
	156	1	918	4
of which: issued by non-financial corporations				
Loans and advances other than loans on demand	0	0	25,738	25,738
Other collateral received	0	0	4,727	4,727
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			3,901	3,901
Total assets, collateral received and own debt securities issued	187,411	60,016		

Sources of encumbrance

	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	191,345	184,034
of which: covered bonds issued	113,078	115,897

Table 11 LIQ 1: LCR Disclosures

EURm	Total unweighted value (average)				Total weighted value (average)			
	Q1 20	Q4 19	Q3 19	Q2 19	Q1 20	Q4 19	Q3 19	Q2 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)					98,141	98,803	98,673	98,524
Cash-outflows								
2 Retail deposits & deposits from small business customers	90,482	89,627	88,527	87,459	5,981	5,927	5,846	5,790
3 - Of which stable deposits	71,508	70,841	70,098	69,259	3,575	3,542	3,505	3,463
4 - Of which less stable deposits	18,953	18,771	18,419	18,193	2,385	2,371	2,331	2,320
5 Unsecured wholesale funding	93,643	94,775	95,581	99,402	44,923	44,826	43,393	44,228
- Of which Operational deposits (all counterparties) and deposits in networks of cooperative banks	27,194	32,753	37,703	42,792	6,280	7,795	8,798	9,801
6 - Of which Non-operational deposits (all counterparties)	55,593	50,146	46,752	45,512	27,787	25,155	23,469	23,330
7 - Of which unsecured debt	10,856	11,875	11,126	11,098	10,856	11,875	11,126	11,098
9 Secured wholesale funding					4,485	4,572	4,132	3,615
10 Additional requirements	59,715	53,308	51,510	49,674	11,313	10,770	10,986	10,751
- Of which outflows related to derivative exposures and other collateral requirements	7,115	6,933	7,280	7,407	6,205	6,253	6,778	6,927
11 - Of which Outflows related to loss Of funding on debt products	8	5	5	3	8	5	5	3
12 - Of which credit and liquidity facilities	52,592	46,370	44,226	42,264	5,099	4,511	4,203	3,821
14 Other contractual funding obligations	1,904	1,794	2,149	2,312	1,417	1,336	1,710	1,888
15 Other contingent funding obligations	47,044	50,997	51,987	52,201	3,037	3,194	3,044	2,891
16 Total cash outflows					71,155	70,626	69,112	69,164
Cash inflows								
17 Secured lending (e.g. reverse repos)	38,394	38,318	36,767	36,280	4,194	4,029	3,712	3,326
18 Inflows from fully performing exposures	11,516	11,736	11,781	11,874	5,847	5,998	6,008	5,918
19 Other cash inflows	9,226	9,063	10,285	11,417	6,438	6,145	7,229	8,090
(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	59,135	59,117	58,833	59,571	16,479	16,173	16,949	17,334
EU-20a Fully exempt inflows	-	-	-	-	-	-	-	-
EU-20b Inflows Subject to 90% Cap	-	-	-	-	-	-	-	-
EU-20c Inflows subject to 75% cap	59,135	59,117	58,833	59,571	16,479	16,173	16,949	17,334
21 Liquidity buffer					98,141	98,803	98,673	98,524
22 Total net cash outflows					54,668	54,447	52,158	51,826
23 Liquidity coverage ratio (%)					180%	2	2	2

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).