

Nordea



Capital and Risk Management Report 2017

Appendix B

Nordea Kredit Realkreditaktieselskab

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Table B1 Mapping of own funds to the balance sheet

| EURm | Nordea Kredit Realkreditaktieselskab | Row in transitional own funds template |
|---|---|---|
| Assets | | |
| Intangible assets | | |
| - of which: Goodwill and other intangible assets | | 8 |
| Deferred tax assets | 0 | |
| - 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 | 0 | 10 |
| Subordinated liabilities | 296 | |
| - of which: AT1 Capital instruments and the related share premium accounts | | 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 | 296 | 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 | 231 | 1 |
| Share premium reserves | | |
| - of which: Capital instruments and the related share premium accounts | | 1 |
| - of which: Retained earnings | | 2 |
| Other reserves | 3 | |
| - of which: Retained earnings | 0 | 2 |
| - of which: Accumulated other comprehensive income | 3 | 3 |
| - of which: Fair value reserves related to gains or losses on cash flow hedges | | 11 |
| Retained earnings net of proposed dividend | 2,552 | |
| - of which: Profit/loss for the year | 59 | 5a |
| - of which: Retained earnings | 2,494 | 2 |
| - of which: Direct holdings by an institution of own CET1 instruments (negative amount) | | 16 |

Table B2 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 | 231 | 26 (1), 27, 28, 29, EBA list 26 (3) | |
| of which: Instrument type 1 | 231 | 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 | 2,494 | 26 (1) (c) | |
| 3 Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards) | 3 | 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 | 59 | 26 (2) | |
| 6 Common Equity Tier 1 (CET1) capital before regulatory adjustments | 2,786 | | |
| 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) | | 36 (1) (b), 37, 472 (4) | |
| 9 Empty Set in the EU | NA | | |
| 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 | -35 | 36 (1) (d), 40, 159, 472 (6) | 9 |
| 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) | |

| 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 |
|---|----------------------------------|--|--|
| 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 | NA | | |
| 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) | 0 | 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 | NA | | |
| 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) | |

| 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 |
|---|----------------------------------|--|--|
| 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 | | | |
| 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) | -4 | 36 (1) (j) | |
| 28 Total regulatory adjustments to Common equity Tier 1 (CET1) | -40 | | 9 |
| 29 Common Equity Tier 1 (CET1) capital | 2,746 | | 9 |
| Additional Tier 1 (AT1) capital: instruments | | | |
| 30 Capital instruments and the related share premium accounts | | | 51, 52 |
| 31 of which: classified as equity under applicable accounting standards | | | |
| 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 | | | |

| 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 |
|--|----------------------------------|--|--|
| 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 Of which shortfall | | 472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a) | -4 |
| 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 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 | | 477, 477 (3), 477 (4) (a) | |

| 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 |
|---|----------------------------------|--|--|
| 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 |
| Of which: ...possible filter for unrealised losses | | | 467 |
| Of which: ...possible filter for unrealised gains | | | 468 |
| Of which: ... | | | 481 |
| 42 Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount) | | | 56 (e) |
| 43 Total regulatory adjustments to Additional Tier 1 (AT1) capital | | | |
| 44 Additional Tier 1 (AT1) capital | | | |
| 45 Tier 1 capital (T1 = CET1 + AT1) | 2,746 | | |
| Tier 2 (T2) capital: instruments and provisions | | | |
| 46 Capital instruments and the related share premium accounts | 296 | | 62, 63 |
| 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) |
| Public sector capital injections grandfathered until 1 January 2018 | | | 483 (4) |
| 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 |
| 49 of which: instruments issued by subsidiaries subject to phase out | | | 486 (4) |
| 50 Credit risk adjustments | 3 | | 62 (c) & (d) |
| 51 Tier 2 (T2) capital before regulatory adjustments | 299 | | |
| 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) |
| 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) |
| 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) |

| 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 |
|---|----------------------------------|--|--|
| 54a | | | |
| 54b | | | |
| 55 | | 66 (d), 69, 79, 477 (4) | |
| 56 | | | |
| 56a | -4 | 472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a) | -4 |
| | | | |
| | -4 | | |
| 56b | | 475, 475 (2) (a), 475 (3), 475 (4) (a) | |
| | | | |
| 56c | | 467, 468, 481 | |
| | | | |
| | | 467 | |
| | | 468 | |
| | | 481 | |
| 57 Total regulatory adjustments to Tier 2 (T2) capital | -4 | | |
| 58 Tier 2 (T2) capital | 295 | | |
| 59 Total capital (TC = T1 + T2) | 3,040 | | |
| 59a | | | |

| 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 |
|--|-------------------------------|---|---|
| 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) | |
| 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) | |

60 Total risk weighted assets**9,254****Capital ratios and buffers**

| | | |
|--|--------------|--------------------------|
| 61 Common Equity Tier 1 (as a percentage of risk exposure amount) | 29.7% | 92 (2) (a), 465 |
| 62 Tier 1 (as a percentage of risk exposure amount) | 29.7% | 92 (2) (b), 465 |
| 63 Total capital (as a percentage of risk exposure amount) | 32.9% | 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) | 2.2% | CRD 128, 129, 130 |
| 65 of which: capital conservation buffer requirement | 1.3% | |
| 66 of which: countercyclical buffer requirement | 0.0% | |
| 67 of which: systemic risk buffer requirement | 0.9% | |
| 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) | 23.7% | CRD 128 |
| 69 [non relevant in EU regulation] | NA | |
| 70 [non relevant in EU regulation] | NA | |
| 71 [non relevant in EU regulation] | NA | |

| 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 |
|--|----------------------------------|--|--|
| 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) | |
| 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) | 0 | 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) | | | s |
| 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) | 3 | | 62 |
| 79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach | 46 | | 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) | |

Table B3 Countercyclical capital buffer

| EURm | exposures | | exposures | | Own funds requirement | | | Counter-cyclical buffer rate (%) | |
|---|------------------|----------------------------|------------------|--------------------------|--------------------------|------------------------|--------------------------|----------------------------------|----------------------------------|
| | SA ¹⁾ | IRB ²⁾ approach | SA ¹⁾ | Internal models approach | General credit exposures | Trading book exposures | Securitisation exposures | | Own funds requirement weight (%) |
| Countries with existing CCyB rate | | | | | | | | | |
| Czech Republic | | 0 | | | 0 | | 0 | 0.0 | 0.5 |
| Hong Kong | | 5 | | | 0 | | 0 | 0.0 | 1.3 |
| Iceland | | 1 | | | 0 | | 0 | 0.0 | 1.3 |
| Norway | | 32 | | | 0 | | 0 | 0.1 | 2.0 |
| Slovakia | | 1 | | | 0 | | 0 | 0.0 | 0.5 |
| Sweden | | 98 | | | 2 | | 2 | 0.3 | 2.0 |
| Sub-total | | 137 | | | 3 | | 3 | 0.4 | |
| Countries with own funds requirements weight 1% or above and no existing CCyB rate | | | | | | | | | |
| Denmark | 4 | 48,076 | | | 611 | | 611 | 99.2 | |
| Sub-total | 4 | 48,076 | | | 611 | | 611 | 99.2 | |
| Countries with own funds requirement below 1% and no existing CCyB rate | | | | | | | | | |
| Sub-total | | 283 | | | 3 | | 3 | 0.4 | |
| Total | 4 | 48,496 | | | 616 | | 616 | 100.0 | 0.0% |

1) Standardised approach

2) Internal ratings based

Table B4 Leverage ratio disclosure templates**Table B4.1 LRSum: Summary reconciliation of accounting assets and leverage ratio exposures**

| EURm | Applicable Amounts |
|---|-----------------------|
| 1 Total assets as per published financial statements | 59,126 |
| 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 | 14 |
| 5 Adjustments for securities financing transactions "SFTs" | 1 |
| 6 Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures) | 93 |
| 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 | -49 |
| 8 Total leverage ratio exposure | 59,186 |

Table LRCom: Leverage ratio common disclosure

| EURm | 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) | 53,988 |
| 2 (Asset amounts deducted in determining Tier 1 capital) | -49 |
| 3 Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2) | 53,939 |
| Derivative exposures | |
| 4 Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin) | 15 |
| 5 Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method) | 16 |
| 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) | 31 |

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) | 5,122 |
| 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) | 5,122 |

Other off-balance sheet exposures

| | | |
|-----------|--|-----------|
| 17 | Off-balance sheet exposures at gross notional amount | 247 |
| 18 | (Adjustments for conversion to credit equivalent amounts) | -153 |
| 19 | Other off-balance sheet exposures (sum of lines 17 to 18) | 93 |

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 | 2,746 |
| 21 | Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b) | 59,186 |

Leverage ratio

| | | |
|-----------|-----------------------|-------------|
| 22 | Leverage ratio | 4.6% |
|-----------|-----------------------|-------------|

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 | |

Table B4.2 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: | 53,988 |
| EU-2 Trading book exposures | |
| EU-3 Banking book exposures, of which: | 53,988 |
| EU-4 Covered bonds | |
| EU-5 Exposures treated as sovereigns | 792 |
| EU-6 Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns | |
| EU-7 Institutions | 342 |
| EU-8 Secured by mortgages of immovable properties | 34,540 |
| EU-9 Retail exposures | 1,773 |
| EU-10 Corporate | 14,980 |
| EU-11 Exposures in default | 1,502 |
| EU-12 Other exposures (eg equity, securitisations, and other non-credit obligation assets) | 59 |

Table B4.3 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 remained stable at 4.6% in Q4 2017 compared to Q4 2016. An increase in on-balance exposures was offset by increased Tier 1 capital.

Q3-Q4

The leverage ratio increased from 4.5% in Q3 2017 to 4.6% in Q4 2017. The improved leverage ratio was mainly driven by decreased SFT exposures and increased Tier 1 capital. This was partly offset by increased off-balance exposures.

Table B5 EU OV1: Overview of REA

| EURm | REA | | | Minimum capital requirements |
|---|---------------|---------------|---------------|------------------------------|
| | 31 Dec 2017 | 30 Sep 2017 | 31 Dec 2016 | 31 Dec 2017 |
| Credit risk (excluding CCR) | 8,685 | 8,768 | 7,930 | 695 |
| Standardised approach (SA) ¹ | 979 | 932 | 4 | 78 |
| Foundation IRB (FIRB) approach | 66 | 71 | 44 | 5 |
| Advanced IRB (AIRB) approach | 7,640 | 7,766 | 7,883 | 611 |
| - of which AIRB | 3,790 | 3,867 | 3,657 | 303 |
| - of which Retail IRB | 3,850 | 3,900 | 4,226 | 308 |
| Equity IRB under the simple risk-weight or the IMA | | | | |
| Counterparty credit risk | 48 | 43 | | 4 |
| Marked to market ² | 11 | 11 | | 1 |
| Original exposure | | | | |
| Standardised approach | | | | |
| Internal model method (IMM) | | | | |
| Financial collateral simple method (for SFTs) | 38 | 32 | | 3 |
| Exposure amount for contributions to the default fund of a CCP | | | | |
| CVA | | | | |
| Settlement risk | | | | |
| Securitisation exposures in banking book (after the cap) | | | | |
| IRB supervisory formula approach (SFA) | | | | |
| Market risk | | | | |
| Standardised approach (SA) | | | | |
| IMA | | | | |
| Large exposures | | | | |
| Operational risk | 520 | 521 | 476 | 42 |
| Standardised Approach | 520 | 521 | 476 | 42 |
| Amounts below the thresholds for deduction (subject to 250% risk weight) | 0 | 0 | 0 | 0 |
| Article 3 CRR Buffer | | | 62 | |
| Pillar 1 total | 9,254 | 9,333 | 8,468 | 740 |
| Floor adjustment | 14,918 | 13,658 | 14,997 | 1,193 |
| Regulatory total | 24,173 | 22,991 | 23,465 | 1,934 |

1) Excluding amounts below the thresholds for deduction (subject to 250% risk weight).

2) Excludes exposures to CCPs.

Table B6 Original exposure by exposure class, 31 December 2017

| EURm | Original exposure | Average exposure |
|--|-------------------|------------------|
| IRB exposure classes | | |
| Sovereign | 792 | 222 |
| Institution | 1 | 1 |
| Corporate | 15,940 | 15,808 |
| - of which Advanced | 15,940 | 15,808 |
| Retail | 37,137 | 37,046 |
| - of which secured by immovable property | 35,126 | 34,896 |
| - of which other retail | 1,942 | 2,078 |
| - of which SME | 69 | 71 |
| Other non-credit obligation assets | 56 | 51 |
| Total IRB approach | 53,926 | 53,127 |
| Standardised exposure classes | | |
| Central government and central banks | 0 | 13 |
| Regional governments and local authorities | | 1 |
| Institution | 595 | 336 |
| Corporate | | |
| Retail | | |
| Exposures secured by real estate | | |
| Other ¹ | 4 | 3 |
| Total standardised approach | 599 | 353 |
| Total | 54,525 | 53,480 |

1) Includes exposure class Equity.

Table B7 Exposure split by exposure class and by geography, 31 December 2017

| EURm | Denmark | Other | Total |
|--|---------------|------------|---------------|
| IRB exposure classes | | | |
| Sovereign | 815 | | 815 |
| Institution | 1 | | 1 |
| Corporate | 12,527 | 102 | 12,629 |
| - of which Advanced | 12,527 | 102 | 12,629 |
| Retail | 35,494 | 318 | 35,812 |
| - of which secured by immovable property | 34,762 | 312 | 35,074 |
| - of which other retail | 674 | 6 | 680 |
| - of which SME | 58 | 0 | 58 |
| Other non-credit obligation assets | 56 | | 56 |
| Total IRB approach | 48,893 | 420 | 49,313 |
| Standardised exposure classes | | | |
| Central governments and central banks | 0 | | 0 |
| Regional governments and local authorities | | | |
| Institution | 4,890 | 242 | 5,132 |
| Corporate | | | |
| Retail | | | |
| Exposures secured by real estate | | | |
| Other ¹ | 4 | | 4 |
| Total standardised approach | 4,894 | 242 | 5,136 |
| Total exposure | 53,787 | 661 | 54,448 |

1) Includes exposure class Equity.

Table B8 Exposure split by industry group and by main exposure class, 31 December 2017

| EURm | IRB approach | | | | | Other non credit obligation assets |
|--|--------------|-------------|---------------|----------------|---------------|------------------------------------|
| | Sovereign | Institution | Corporate | - of which SME | Retail | |
| Construction and engineering | | | 153 | 96 | 3 | |
| Consumer durables (cars, appliances, etc.) | | | 41 | 13 | 0 | |
| Consumer staples (food, agriculture etc.) | | | 3,713 | 3,567 | 80 | |
| Energy (oil, gas, etc.) | | | | | | |
| Health care and pharmaceuticals | | | 101 | 90 | 2 | |
| Industrial capital goods | | | 38 | 30 | 0 | |
| Industrial commercial services | | | 366 | 242 | 4 | |
| IT software, hardware and services | | | 19 | 9 | 0 | |
| Media and leisure | | | 276 | 85 | 1 | |
| Metals and mining materials | | | 4 | 3 | | |
| Other financial institutions | | 1 | 443 | 183 | 4 | |
| Other materials (chemical, building materials, etc.) | | | 64 | 21 | 0 | |
| Other, public and organisations | 815 | | 276 | 167 | 35,762 | 56 |
| Paper and forest materials | | | 80 | 77 | 1 | |
| Real estate management and investment | | | 6,208 | 4,490 | 22 | |
| Retail trade | | | 190 | 123 | 4 | |
| Shipping and offshore | | | 0 | 0 | | |
| Telecommunication equipment | | | 0 | | | |
| Telecommunication operators | | | 39 | | | |
| Transportation | | | 153 | 97 | 0 | |
| Utilities (distribution and production) | | | 464 | 86 | 0 | |
| Total exposure | 815 | 1 | 12,629 | 9,379 | 35,812 | 56 |

Table B9 Exposure secured by collaterals, guarantees and credit derivatives, split by exposure class, 31 December 2017

| EURm | Original exposure | Exposure | - of which secured by guarantees and credit derivatives | - of which secured by collateral | Average weighted LGD ¹ |
|--|-------------------|---------------|---|----------------------------------|-----------------------------------|
| IRB exposure classes | | | | | |
| Sovereign | 792 | 815 | 1 | 26 | 44.7% |
| Institution | 1 | 1 | 1 | 1 | 37.2% |
| Corporate | 15,940 | 12,629 | 3,521 | 12,383 | 21.8% |
| - of which Advanced | 15,940 | 12,629 | 3,521 | 12,383 | 21.8% |
| Retail | 37,137 | 35,812 | 1,274 | 35,023 | 16.7% |
| - of which secured by immovable property | 35,126 | 35,074 | | 34,969 | 16.2% |
| - of which other retail | 1,942 | 680 | 1,263 | | 39.0% |
| - of which SME | 69 | 58 | 11 | 54 | 15.2% |
| Other non-credit obligation assets | 56 | 56 | 0 | 0 | n.a. |
| Total IRB approach | 53,926 | 49,313 | 4,796 | 47,434 | 18.5% |
| Standardised exposure classes | | | | | |
| Central government and central banks | 0 | 0 | | | |
| Regional governments and local authorities | | | | | |
| Institution | 595 | 5,132 | | | |
| Corporate | | | | | |
| Retail | | | | | |
| Exposures secured by real estate | | | | | |
| Other ² | 4 | 4 | | | |
| Total standardised approach | 599 | 5,136 | | | |
| Total | 54,525 | 54,448 | 4,796 | 47,434 | |

1) IRB total average LGD is excluding Other non-credit obligation assets.

2) Includes exposures class Equity.

Table B10 Distribution of collateral

| | 31 December 2017 | 31 December 2016 |
|---------------------------|------------------|------------------|
| Financial collateral | | |
| Receivables | | |
| Residential real estate | 75.5% | 74.8% |
| Commercial real estate | 24.5% | 25.2% |
| Other physical collateral | | |
| Total | 100.0% | 100.0% |

Table B11 Residual maturity broken down by exposure classes, 31 December 2017

| EURm | < 1 year | 1-3 years | 3-5 years | >5 years | Total exposure |
|--|------------|------------|------------|---------------|----------------|
| IRB exposure classes | | | | | |
| Sovereign | | | 1 | 814 | 815 |
| Institution | | | | 1 | 1 |
| Corporate | 79 | 178 | 148 | 12,224 | 12,629 |
| - of which Advanced | 79 | 178 | 148 | 12,224 | 12,629 |
| Retail | 195 | 86 | 70 | 35,461 | 35,812 |
| - of which secured by immovable property | 190 | 83 | 67 | 34,734 | 35,074 |
| - of which other retail | 4 | 3 | 1 | 672 | 680 |
| - of which SME | 1 | 0 | 2 | 56 | 58 |
| Other non-credit obligation assets | | | | 56 | 56 |
| Total IRB approach | 275 | 264 | 219 | 48,556 | 49,313 |
| Standardised exposure classes | | | | | |
| Central government and central banks | | | | 0 | 0 |
| Regional governments and local authorities | | | | | |
| Institution | 43 | 64 | 17 | 5,008 | 5,132 |
| Corporate | | | | | |
| Retail | | | | | |
| Exposures secured by real estate | | | | | |
| Other ¹ | | | | 4 | 4 |
| Total standardised approach | 43 | 64 | 17 | 5,011 | 5,136 |
| Total | 317 | 328 | 236 | 53,567 | 54,448 |

1) Includes exposures class Equity.

Table B12 Liquidity coverage ratio

| | Total weighted value (average) | | | |
|---|--------------------------------|-------------|-------------|-------------|
| EURm | 31 Apr 2017 | 31 Jun 2017 | 30 Sep 2017 | 31 Dec 2017 |
| Liquidity buffer | 3,053 | 2,973 | 3,014 | 3,089 |
| Total net cash outflows | 1,291 | 1,293 | 1,294 | 1,298 |
| Liquidity coverage ratio | 237% | 230% | 233% | 238% |
| Number of data points used in the calculation of averages | 7 | 10 | 12 | 12 |