

Business definitions Nordea Bank Finland Group

Return on equity

Net profit for the year excluding non-controlling interests as a percentage of average equity for the year. Average equity including net profit for the year and dividend until paid, non-controlling interests excluded.

Cost/income ratio

Total operating expenses divided by total operating income.

Loan loss ratio

Net loan losses (annualised) divided by the closing balance of loans to the public (lending).

Impairment rate, gross, basis points

Individually assessed impaired loans before allowances divided by total loans before allowances.

Impairment rate, net, basis points

Individually assessed impaired loans after allowances divided by total loans before allowances.

Total allowance ratio, basis points

Total allowances divided by total loans before allowances.

Allowances in relation to impaired loans ratio, %

Allowances for individually assessed impaired loans divided by individually assessed impaired loans before allowances.

Total allowances in relation to gross impaired loans (%) (provisioning ratio)

Total allowances divided by total gross impaired loans before allowances.

Common Equity Tier 1 capital ratio

The CET 1 ratio is total CET1 Capital divided by total Risk Exposure Amount calculated in accordance to the requirements in the CRR.

Tier 1 capital ratio

Tier 1 ratio is total tier 1 capital divided by total Risk Exposure Amount. Tier 1 Capital consist of both CET 1 capital and Additional Tier

Total capital ratio

Total capital ratio is total own funds divided by total Risk Exposure Amount. Total own funds is the sum of Tier 1 and Tier 2 capital.

Tier 1 capital

Tier 1 capital consists of both common equity tier 1 capital (CET 1) and additional tier 1 capital.

Risk Exposure Amount

Risk exposure amount is calculated in accordance with the requirements in the CRR.

Nordea Bank Finland Group

Alternative Performance Measures

	Full year 2016	Full year 2015
Average equity and dividend until paid out, EURm	11 853	10 957
Net profit attributable to shareholders, EURm	962	1 055
Return on equity, %	8,1	9,6
Total operating income, EURm	2 245	2 485
Total operating expenses, EURm	-994	-991
Cost/income ratio, %	44	40
Net loan losses, EURm	-57	-92
Total lending, EURm	64 611	101 447
Loan loss ratio, basis points	9	9
Impaired loans, EURm	1 320	1 501
Loans before allowances, EURm	91 848	134 491
Impairment rate, gross, basis points	144	112
Impaired loans, net, EURm	848	978
Loans before allowances, EURm	91 848	134 491
Impairment rate, net, basis points	92	73
Total allowances, EURm	594	627
Loans before allowances, EURm	91 848	134 491
Total allowance ratio, basis points	65	47
Allowances for individually assessed impaired loans, EURm	472	523
Impaired loans, EURm	1 320	1 501
Allowances in relation to impaired loans ratio, %	36	35
Total allowances, EURm	594	627
Impaired loans, EURm	1 320	1 501
Total allowances in relation to gross impaired loans, (%) (provisioning ratio)	45	42
CET 1 capital, EURm	10 203	10 998
Risk exposure amount, excl. Basel I floor ¹ , EURm	41 122	44 378
Common Equity Tier 1 capital ratio, excl. Basel I floor¹, %	24,8	24,8
CET 1 capital, EURm	10 203	10 998
IRB Shortfall, EURm	-111	-207
Risk exposure amount, incl. Basel I floor ¹ , EURm	46 476	58 188
Common Equity Tier 1 capital ratio, incl. Basel I floor¹, %	22,2	19,3
Tier 1 capital ^{1,2} , EURm	10 753	11 548
Risk exposure amount, excl. Basel I floor ¹ , EURm	41 122	44 378
Tier 1 capital ratio, excl. Basel I floor¹, %	26,1	26,0
Total Own funds, EURm	10 834	11 624
Risk exposure amount, excl. Basel I floor ¹ , EURm	41 122	44 378
Total capital ratio, excl. Basel I floor¹, %	26,3	26,2

¹ End of period.

Income statements

EURm	2016	2015
Net interest income	865	1 052
Net fee and commission income	131	105
Net result from items at fair value	1142	1 257
Equity method	13	5
Other operating income	94	66
Total operating income	2 245	2 485
Staff costs	-515	-547
Other expenses	-451	-413
Depreciation of tangible and intangible assets	-28	-31
Total operating expenses	-994	-991
Profit before loan losses	1 251	1 494
Net loan losses	-57	-92
Operating profit	1 194	1 402
Income tax expense	-232	-347
Net profit for the period	962	1 055

Business volumes, key items

EURm	2016	2015
Loans to the public	64 611	101 447
Loans to the public, excl. repos	42 559	66 569
Deposits and borrowings from the public	55 352	62 153
Deposits and borrowings from the public, excl. repos	51 354	52 690
Equity	11 410	12 296
Total assets	238 775	301 590