

Nordea



Capital and Risk Management Report **Second quarter 2018**

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

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EU OV1: Overview of REA

Pillar I REA and REA in the different risk types remained fairly unchanged in Q2 2018 (total change EUR -111m). Some movements was seen in the credit risk portfolio, standardised exposures decreased (EUR 519m), mainly in the mortgage segment, and foundation IRB exposures increased due to FX effects.

| EURm | REA | | Minimum capital requirement | |
|--|-------------|-------------|-----------------------------|-------------|
| | 30 Jun 2018 | 31 Mar 2018 | 30 Jun 2018 | 31 Mar 2017 |
| Credit risk (excluding counterparty credit risk) (CCR) | 93,352 | 93,871 | 7,468 | 7,510 |
| Of which standardised approach (SA) ¹ | 11,860 | 13,194 | 949 | 1,055 |
| Of which foundation IRB (FIRB) approach | 14,949 | 14,008 | 1,196 | 1,121 |
| Of which advanced IRB approach | 66,543 | 66,670 | 5,323 | 5,334 |
| Of which AIRB | 44,852 | 45,264 | 3,588 | 3,621 |
| Of which Retail RIRB | 21,691 | 21,406 | 1,735 | 1,713 |
| Of which Equity IRB under the simple risk-weight or the IMA | | | | |
| Counterparty credit risk | 7,097 | 6,896 | 568 | 552 |
| Of which Marked to market ² | 667 | 669 | 53 | 54 |
| Of which Original exposure | | | | |
| Of which standardised approach | | | | |
| Of which internal model method (IMM) | 4,691 | 4,542 | 375 | 363 |
| Of which Financial collateral simple method (for SFTs) | 869 | 888 | 69 | 71 |
| Of which exposure amount for contributions to the default fund of a CCP | 78 | 21 | 6 | 2 |
| Of which CVA | 792 | 776 | 63 | 62 |
| Settlement risk | 0 | 0 | 0 | 0 |
| Securitisation exposures in banking book (after the cap) | 847 | 801 | 68 | 64 |
| Of which IRB supervisory formula approach (SFA) | 847 | 801 | 68 | 64 |
| Market risk | 3,908 | 3,690 | 313 | 295 |
| Of which standardised approach (SA) | 1,185 | 1,408 | 95 | 113 |
| Of which IMA | 2,722 | 2,282 | 218 | 183 |
| Large exposures | | | | |
| Operational risk | 16,487 | 16,487 | 1,319 | 1,319 |
| Of which Standardised Approach | 16,487 | 16,487 | 1,319 | 1,319 |
| Amounts below the thresholds for deduction (subject to 250% risk weight) | 101 | 150 | 8 | 12 |
| Finnish risk weight floor in Pillar 1 | 624 | 631 | 50 | 51 |
| Article 3 CRR Buffer | 152 | 152 | 12 | 12 |
| Pillar 1 total | 122,568 | 122,679 | 9,805 | 9,814 |

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

2) Excludes exposures to CCPs.

Table 1

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

Nordea's total net value exposure at the end of Q2 2018 was EUR 489,599m, down from EUR 493,238m in Q4 2017. EUR 468,639m (96%) were treated under the internal ratings based approach (compared to EUR 470,129m in Q4 2017) and EUR 20,960m (4%) under the standardised approach (compared to EUR 23,109m in Q4 2017). The reduction in the size of the standardised portfolio stemmed largely from a reduction of the portfolio secured by immovable property. Defaulted exposures remain mainly in the corporate portfolio, albeit with a decrease from EUR 5,813m to EUR 4,993m.

| 2018 Q2 | a | b | c | e | f | g |
|---|---------------------|-------------------------|--|------------------------|--|----------------------|
| | Original exposures | | | | Credit risk adjustment charges of the period | Net values (a+b-c-d) |
| | Defaulted exposures | Non-defaulted exposures | Specific credit risk adjustment (allowances) | Accumulated write-offs | | |
| IRB approach | | | | | | |
| Central governments or central banks | | 71,934 | 2 | | 3 | 71,933 |
| Institutions | | 40,277 | 24 | -1 | -17 | 40,253 |
| Corporates | 4,993 | 161,793 | 1,836 | -30 | 4 | 164,951 |
| of which Specialised Lending | 36 | 374 | 4 | | | 406 |
| of which SME | 1,930 | 53,873 | 726 | -6 | 14 | 55,077 |
| Retail | 2,227 | 186,491 | 503 | -38 | -37 | 188,215 |
| of which Secured by real estate property | 1,313 | 148,082 | 104 | -1 | -24 | 149,291 |
| of which SME | 28 | 1,226 | 3 | -1 | 1 | 1,251 |
| of which Non-SME | 1,285 | 146,855 | 101 | -21 | -29 | 148,040 |
| of which Other Retail | 914 | 38,409 | 399 | | | 38,924 |
| of which SME | 117 | 1,907 | 33 | | | 1,992 |
| of which Non-SME | 797 | 36,502 | 367 | | | 36,932 |
| Equity | | | | | | |
| Other non-credit obligation assets | 6 | 3,283 | 2 | | | 3,287 |
| Total IRB approach | 7,226 | 463,779 | 2,367 | -68 | -47 | 468,639 |
| Standardised approach | | | | | | |
| Central governments or central banks | | 2,076 | 0 | | | 2,076 |
| Regional governments or local authorities | 0 | 120 | 0 | | 0 | 120 |
| Public sector entities | 0 | 23 | 0 | | | 23 |
| Multilateral Development Banks | | | | | | |
| International Organisations | | | | | | |
| Institutions | 0 | 295 | 0 | 0 | 2 | 294 |
| Corporates | 242 | 5,515 | 91 | | | 5,666 |
| - of which SME | 164 | 551 | 1 | | | 713 |
| Retail | 132 | 6,972 | 81 | -4 | -6 | 7,023 |
| - of which SME | 33 | 1,620 | 12 | -4 | -5 | 1,641 |
| Secured by mortgages on immovable property | 42 | 3,097 | 14 | | | 3,124 |
| - of which SME | 1 | 17 | 0 | | | 18 |
| Exposures in default | 416 | | 137 | | | 295 |
| Items associated with particularly high risk | | 556 | 13 | | | 543 |
| Covered bonds | | | | | | |
| Claims on institutions and corporates with a short-term credit assessment | | | | | | |
| Collective investments undertakings (CIU) | | | | | | |
| Equity exposures | | 1,146 | 0 | | | 1,146 |
| Other exposures | | 946 | 0 | | | 945 |
| Total standardised approach | 416 | 20,744 | 200 | -4 | -4 | 20,960 |
| Total | 7,643 | 484,523 | 2,567 | -72 | -51 | 489,599 |
| - of which loans | 6,786 | 330,478 | 2,443 | -72 | -61 | 334,821 |
| - of which debt securities | | 59,059 | 0 | | | 59,059 |
| - of which off-balance sheet exposures | 854 | 93,985 | 60 | | 9 | 94,779 |

Table 2

| 2017 Q4 | a | b | c | e | f | g |
|--|------------------------|--------------------------------|--|---------------------------|---|-------------------------|
| | Original exposures | | Specific credit risk adjustment (allowances) | Accumulated write-offs | Credit risk adjustment charges of the period | Net values (a+b-c-d) |
| | Defaulted exposures | Non- defaulted exposures | | | | |
| IRB approach | | | | | | |
| Central governments or central banks | | 78,335 | 4 | | | 78,332 |
| Institutions | 0 | 36,829 | 0 | 0 | 0 | 36,829 |
| Corporates | 5,813 | 163,399 | 1,933 | -43 | -292 | 167,278 |
| of which Specialised Lending | 40 | 391 | 4 | | | 427 |
| of which SME | 2,324 | 54,148 | 872 | -3 | -39 | 55,600 |
| Retail | 2,265 | 183,056 | 450 | -68 | 3 | 184,871 |
| of which Secured by real estate property | 1,342 | 146,536 | 53 | -4 | -1 | 147,825 |
| of which SME | 27 | 1,230 | 3 | 0 | 0 | 1,254 |
| of which Non-SME | 1,315 | 145,306 | 50 | -25 | -5 | 146,571 |
| of which Other Retail | 923 | 36,520 | 397 | | | 37,046 |
| of which SME | 114 | 1,894 | 32 | | | 1,975 |
| of which Non-SME | 809 | 34,626 | 364 | | | 35,071 |
| Equity | | | | | | |
| Other non-credit obligation assets | 6 | 2,814 | 3 | | | 2,818 |
| Total IRB approach | 8,084 | 464,434 | 2,389 | -111 | -290 | 470,129 |
| Standardised approach | | | | | | |
| Central governments or central banks | 0 | 2,486 | 0 | 0 | 0 | 2,486 |
| Regional governments or local authorities | 0 | 135 | 0 | | | 135 |
| Public sector entities | | 41 | 0 | | | 41 |
| Multilateral Development Banks | | | | | | |
| International Organisations | | | | | | |
| Institutions | 0 | 398 | 8 | 0 | 0 | 391 |
| Corporates | 11 | 5,573 | 19 | -3 | -7 | 5,565 |
| - of which SME | | 1,085 | 16 | | | 1,069 |
| Retail | 12 | 6,978 | 13 | -12 | -1 | 6,977 |
| - of which SME | 10 | 1,638 | 3 | 0 | 0 | 1,645 |
| Secured by mortgages on immovable property | 3 | 4,502 | 3 | 0 | 0 | 4,502 |
| - of which SME | 0 | 9 | 0 | | | 10 |
| Exposures in default | 587 | 26 | 125 | | | 489 |
| Items associated with particularly high risk | | 517 | 15 | | | 503 |
| Covered bonds | | | | | | |
| Claims on institutions and corporates with a short-term credit assessment | | | | | | |
| Collective investments undertakings (CIU) | | | | | | |
| Equity exposures | | 1,173 | 0 | | | 1,173 |
| Other exposures | | 847 | 0 | | | 847 |
| Total standardised approach | 614 | 22,678 | 183 | -15 | -7 | 23,109 |
| Total | 8,697 | 487,112 | 2,572 | -126 | -297 | 493,238 |
| - of which loans | 7,706 | 337,397 | 159 | | | 344,944 |
| - of which debt securities | | 51,883 | | | | 51,883 |
| - of which off-balance sheet exposures | 990 | 96,057 | 91 | | -31 | 96,955 |

Table 2

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

At the end of Q2 2018, the largest sector in Nordea was Other, public and organisations with EUR 279,585m of net exposures (down from EUR 284,793m). This was followed by Other financial institutions with EUR 57,047m of net exposures (up from EUR 54,130m) and Real estate management and investment with EUR 45,206m of net exposures (down from 45,826m), respectively. The reduction in Other, public and organisations exposures was largely driven by decreased exposures to sovereign counterparties treated under the IRB approach.

| 2018 Q2 | a | b | c | e | f | g |
|--|---------------------|-------------------------|--|------------------------|--|----------------|
| | Original exposures | | | | | |
| | Defaulted exposures | Non-defaulted exposures | Specific credit risk adjustment (allowances) | Accumulated write-offs | Credit risk adjustment charges of the period | (a+b-c) |
| Construction and engineering | 189 | 7,706 | 46 | -2 | 2 | 7,849 |
| Consumer durables (cars, appliances, etc.) | 238 | 3,732 | 27 | -17 | 33 | 3,943 |
| Consumer staples (food, agriculture etc.) | 845 | 11,455 | 200 | -1 | 41 | 12,100 |
| Energy (oil, gas, etc.) | 988 | 3,044 | 193 | -1 | -18 | 3,839 |
| Health care and pharmaceuticals | 6 | 1,920 | 1 | 0 | -1 | 1,925 |
| Industrial capital goods | 112 | 6,515 | 51 | -1 | -6 | 6,575 |
| Industrial commercial services | 370 | 16,838 | 119 | -2 | -30 | 17,089 |
| IT software, hardware and services | 24 | 2,538 | 4 | 0 | 6 | 2,559 |
| Media and leisure | 45 | 2,738 | 9 | -1 | 1 | 2,774 |
| Metals and mining materials | 43 | 1,193 | 14 | 0 | 0 | 1,222 |
| Other financial institutions | 285 | 56,922 | 160 | -1 | -15 | 57,047 |
| Other materials (chemical, building materials, etc.) | 277 | 6,639 | 71 | 0 | -41 | 6,846 |
| Other, public and organisations | 2,286 | 278,516 | 1,217 | -43 | -33 | 279,585 |
| Paper and forest materials | 20 | 2,004 | 1 | 0 | 3 | 2,023 |
| Real estate management and investment | 622 | 44,728 | 144 | -2 | 3 | 45,206 |
| Retail trade | 372 | 12,980 | 121 | -2 | -1 | 13,232 |
| Shipping and offshore | 733 | 10,058 | 126 | 0 | 5 | 10,665 |
| Telecommunication equipment | 1 | 471 | 1 | 0 | 0 | 472 |
| Telecommunication operators | 41 | 2,182 | 12 | 0 | 1 | 2,211 |
| Transportation | 105 | 4,634 | 28 | 0 | -2 | 4,711 |
| Utilities (distribution and production) | 38 | 7,709 | 22 | 0 | 0 | 7,725 |
| Total | 7,643 | 484,523 | 2,567 | -72 | -51 | 489,599 |

Table 3

| 2017 Q4 | a | b | c | e | f | g |
|--|--------------------|---------------|-----------------|-------------|----------------|---------|
| | Original exposures | | Specific credit | | Credit risk | |
| | Defaulted | Non-defaulted | risk adjustment | Accumulated | adjustment | |
| | exposures | exposures | (allowances) | write-offs | charges of the | (a+b-c) |
| | | | | | period | |
| Construction and engineering | 251 | 7,956 | 55 | -3 | -17 | 8,152 |
| Consumer durables (cars, appliances, etc.) | 365 | 3,913 | 75 | 0 | -20 | 4,203 |
| Consumer staples (food, agriculture etc.) | 947 | 11,303 | 205 | -7 | 16 | 12,045 |
| Energy (oil, gas, etc.) | 1,115 | 2,761 | 204 | -4 | -153 | 3,672 |
| Health care and pharmaceuticals | 8 | 1,769 | 2 | -1 | 1 | 1,775 |
| Industrial capital goods | 78 | 6,337 | 32 | 0 | -20 | 6,384 |
| Industrial commercial services | 390 | 16,590 | 116 | -7 | -26 | 16,864 |
| IT software, hardware and services | 44 | 2,567 | 26 | 0 | 1 | 2,585 |
| Media and leisure | 43 | 2,775 | 9 | -2 | 4 | 2,809 |
| Metals and mining materials | 52 | 1,313 | 17 | 0 | 3 | 1,348 |
| Other financial institutions | 324 | 53,983 | 176 | -8 | -48 | 54,130 |
| Other materials (chemical, building materials, etc.) | 355 | 6,679 | 102 | -1 | -18 | 6,932 |
| Other, public and organisations | 2,334 | 283,579 | 1,120 | -82 | -5 | 284,793 |
| Paper and forest materials | 21 | 2,039 | 1 | 0 | 1 | 2,058 |
| Real estate management and investment | 779 | 45,215 | 168 | -1 | -12 | 45,826 |
| Retail trade | 507 | 13,349 | 125 | -7 | -21 | 13,732 |
| Shipping and offshore | 749 | 10,129 | 81 | -2 | 40 | 10,797 |
| Telecommunication equipment | 1 | 561 | 1 | 0 | 0 | 562 |
| Telecommunication operators | 41 | 2,070 | 9 | 0 | -7 | 2,102 |
| Transportation | 129 | 4,926 | 25 | -1 | -6 | 5,030 |
| Utilities (distribution and production) | 163 | 7,299 | 22 | 0 | -11 | 7,441 |
| Total | 8,697 | 487,112 | 2,572 | -126 | -297 | 493,238 |

Table 3

EU CR1-C: Credit quality of exposures by geography

At the end of Q2 2018, Nordea's credit risk net exposure values were mainly concentrated in the Nordic region, comprised by Nordea's core markets of Denmark, Sweden, Finland and Norway. These core markets increased their share of Nordea's overall portfolio during the first half of 2018. While Nordea's total net exposure values decreased from EUR 493,238m to EUR 489,599m, the core Nordic portfolio remained at EUR 403,443m (EUR 403,601m in Q4 2017). The single largest market was Denmark, with net exposures of EUR 122,292m, up from EUR 115,542m in Q4 2017 largely due to increased bond exposures. Denmark was followed by Sweden, with EUR 114,765m in net exposures, down from EUR 116,400m in Q4 2017. The largest non-Nordic portfolio was the US, with EUR 34,673m of net exposures, up from EUR 32,597m in Q4 2017.

| 2018 Q2 | a | b | c | e | f | g |
|--------------------|---------------------|-------------------------|--|---|--|--------------------|
| | Original exposures | | Specific credit risk adjustment (allowances) | Accumulated write-offs (write-offs not covered by allowances) | Credit risk adjustment charges of the period (allowances used to cover write-offs) | Net values (a+b-c) |
| | Defaulted exposures | Non-defaulted exposures | | | | |
| Nordic countries | 5,841 | 399,587 | 1,985 | -72 | 16 | 403,443 |
| - of which Denmark | 2,653 | 120,494 | 856 | -22 | -28 | 122,292 |
| - of which Finland | 1,622 | 86,171 | 507 | -17 | 6 | 87,286 |
| - of which Norway | 1,226 | 78,313 | 439 | -22 | 35 | 79,100 |
| - of which Sweden | 340 | 114,609 | 184 | -12 | 3 | 114,765 |
| Baltic countries | 375 | 10,210 | 167 | | | 10,418 |
| United States | 10 | 34,674 | 11 | | 2 | 34,673 |
| Poland | 12 | 194 | 3 | | | 203 |
| Russia | 77 | 2,361 | 61 | | -70 | 2,377 |
| Other | 1,327 | 37,497 | 339 | 0 | 1 | 38,486 |
| Total | 7,643 | 484,523 | 2,567 | -72 | -51 | 489,599 |

| 2017 Q4 | a | b | c | e | f | g |
|--------------------|---------------------|-------------------------|--|---|--|--------------------|
| | Original exposures | | Specific credit risk adjustment (allowances) | Accumulated write-offs (write-offs not covered) | Credit risk adjustment charges of the period (allowances used to cover write-offs) | Net values (a+b-c) |
| | Defaulted exposures | Non-defaulted exposures | | | | |
| Nordic countries | 6,554 | 399,226 | 2,179 | -114 | -207 | 403,601 |
| - of which Denmark | 3,048 | 113,488 | 994 | -28 | -47 | 115,542 |
| - of which Finland | 1,704 | 96,594 | 476 | -36 | -11 | 97,822 |
| - of which Norway | 1,369 | 72,991 | 510 | -14 | -117 | 73,849 |
| - of which Sweden | 433 | 116,153 | 186 | -35 | -31 | 116,400 |
| Baltic countries | 562 | 10,872 | 157 | -8 | -5 | 11,278 |
| United States | 10 | 32,593 | 6 | | 6 | 32,597 |
| Poland | 12 | 2,224 | 0 | | | 2,236 |
| Russia | 77 | 2,624 | 33 | 0 | -12 | 2,667 |
| Other | 1,482 | 39,574 | 209 | -4 | -79 | 40,846 |
| Total | 8,697 | 487,112 | 2,572 | -126 | -297 | 493,238 |

Table 4

EU CR1-D: Ageing of past-due exposures

| 2018 Q2 | | Gross carrying values | | | | |
|-----------------|--------------|-----------------------|---------------------|----------------------|---------------------|--------------|
| EURm | ≤ 30 days | > 30 days ≤ 60 days | > 60 days ≤ 90 days | > 90 days ≤ 180 days | > 180 days ≤ 1 year | > 1 year |
| | | | | | | |
| Loans | 3,223 | 428 | 189 | 329 | 403 | 1,138 |
| Debt securities | 18 | - | - | - | - | - |
| Total | 3,241 | 428 | 189 | 329 | 403 | 1,138 |

| 2017 Q4 | | Gross carrying values | | | | |
|-----------------|--------------|-----------------------|---------------------|----------------------|---------------------|------------|
| EURm | ≤ 30 days | > 30 days ≤ 60 days | > 60 days ≤ 90 days | > 90 days ≤ 180 days | > 180 days ≤ 1 year | > 1 year |
| | | | | | | |
| Loans | 1,535 | 434 | 227 | 298 | 339 | 737 |
| Debt securities | | | | | | |
| Total | 1,535 | 434 | 227 | 298 | 339 | 737 |

Table 5

| 2018 Q2 | | | | | | | | | | | | | |
|-----------------------------|--|-----|-------|-------|-------|-------|-------|--|--------------------|-----------------------------|---------------------|---|--------------------|
| EURm | Gross carrying amount of performing and non-performing exposures | | | | | | | Accumulated impairment and provisions and negative fair value adjustments due to credit risk | | | | Collaterals and financial guarantees received | |
| | | | | | | | | On performing exposures | | On non-performing exposures | | Of which non-performing | Of which: forborne |
| | | | | | | | | Of which: defaulted | Of which: impaired | Of which: forborne | Of which: defaulted | Of which: impaired | Of which: forborne |
| | | | | | | | | | | | | | |
| Debt securities | 69,760 | - | - | - | - | - | - | -1 | - | - | - | - | - |
| Loans and advances | 344,370 | 703 | 2,052 | 7,195 | 7,195 | 5,545 | 2,812 | -637 | -35 | -1,866 | -820 | 4,553 | 1,174 |
| Off-balance sheet exposures | 98,685 | - | 94 | 859 | 859 | - | 1,030 | 52 | 1 | 80 | 3 | 11 | 25 |
| 2017 Q4 | | | | | | | | | | | | | |
| EURm | Gross carrying amount of performing and non-performing exposures | | | | | | | Accumulated impairment and provisions and negative fair value adjustments due to credit risk | | | | Collaterals and financial guarantees received | |
| | | | | | | | | On performing exposures | | On non-performing exposures | | Of which non-performing | Of which: forborne |
| | | | | | | | | Of which: defaulted | Of which: impaired | Of which: forborne | Of which: defaulted | Of which: impaired | Of which: forborne |
| | | | | | | | | | | | | | |
| Debt securities | 36,460 | | | | | | | | | | | | |
| Loans and advances | 354,325 | 819 | 2,538 | 7,370 | 7,370 | 6,391 | 3,140 | -490 | -3 | -2,015 | -877 | 4,626 | 1,620 |
| Off-balance sheet exposures | 102,396 | | 406 | 1,018 | 1,023 | 245 | 1,907 | 0 | | 91 | | 17 | 19 |

Table 6

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

2018 Q2

| EURm | Accumulated Specific credit risk adjustment |
|--|---|
| Opening balance ¹⁾ | -2,482 |
| Increases due to amounts set aside for estimated loan losses during the period | -325 |
| Decreases due to amounts reversed for estimated loan losses during the period | 278 |
| Decreases due to amounts taken against accumulated credit risk adjustments | 181 |
| Transfers between credit risk adjustments | 1 |
| Impact of exchange rate differences | 0 |
| Business combinations, including acquisitions and disposals of subsidiaries | 0 |
| Other adjustments | -49 |
| Closing balance | -2,396 |
| Recoveries on credit risk adjustments recorded directly to the statement of profit or loss | 24 |
| Specific credit risk adjustments recorded directly to the statement of profit or loss | -73 |

1) Based on IFRS 9

2017 Q4

| EURm | Accumulated Specific credit risk adjustment |
|--|---|
| Opening balance | -2,471 |
| Increases due to amounts set aside for estimated loan losses during the period | -975 |
| Decreases due to amounts reversed for estimated loan losses during the period | 651 |
| Decreases due to amounts taken against accumulated credit risk adjustments | 310 |
| Transfers between credit risk adjustments | |
| Impact of exchange rate differences | 45 |
| Business combinations, including acquisitions and disposals of subsidiaries | -50 |
| Other adjustments | -3 |
| Closing balance | -2,493 |
| Recoveries on credit risk adjustments recorded directly to the statement of profit or loss | 55 |
| Specific credit risk adjustments recorded directly to the statement of profit or loss | -126 |

Table 7

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

| 2018 Q2 | |
|---|---|
| EURm | Gross carrying value impaired exposures |
| Opening balance ¹⁾ | 6,391 |
| Loans and debt securities that have defaulted or impaired since the last reporting period | 991 |
| Returned to non-defaulted (and non-impaired) status | -776 |
| Amount written off | -262 |
| Other changes | -852 |
| Closing balance | 5,493 |

1) Based on IAS39

| 2017 Q4 | |
|---|---|
| EURm | Gross carrying value impaired exposures |
| Opening balance | 5,549 |
| Loans and debt securities that have defaulted or impaired since the last reporting period | 1,604 |
| Returned to non-defaulted (and non-impaired) status | -708 |
| Amount written off | -468 |
| Other changes | 414 |
| Closing balance | 6,391 |

Table 8

EU CR3: Credit risk mitigation techniques – overview

Nordea's share of exposure that have at least one Credit Risk Mitigation (CRM) mechanism (collateral, financial guarantees, credit derivatives) associated with them exceeds exposures that do not benefit from any CRM mechanism. 56% of Nordea's share of exposures have at least one CRM mechanism at the end of the second quarter 2017, an increase of 50 bps compared to year-end 2018.

2018 Q2

| EURm | Exposures unsecured - carrying amount | Exposures to be secured | Exposures secured by collateral | Exposures secured by financial guarantees | Exposures secured by credit derivatives |
|------------------------|---|----------------------------|------------------------------------|---|--|
| Loans | 116,993 | 227,526 | 207,912 | 8,950 | |
| Total debt securities | 59,046 | 13 | | 13 | |
| Total exposures | 176,039 | 227,539 | 207,912 | 8,963 | |
| - of which defaulted | 2,602 | 4,105 | 3,292 | 305 | |

2017 Q4

| EURm | Exposures unsecured - carrying amount | Exposures to be secured | Exposures secured by collateral | Exposures secured by financial guarantees | Exposures secured by credit derivatives |
|------------------------|---|----------------------------|------------------------------------|---|--|
| Loans | 126,895 | 225,504 | 204,365 | 10,476 | 60 |
| Total debt securities | 51,866 | 17 | | 17 | |
| Total exposures | 178,761 | 225,521 | 204,365 | 10,493 | 60 |
| - of which defaulted | 2,787 | 4,923 | 3,945 | 393 | |

Table 9

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

Over the first half of 2018, credit risk REA the treated under the Standardised Approach (SA) decreased by EUR 1,710m driven by exposures secured by mortgages on immovable property. This effect underpinned the overall improvement in REA density of 170 bps compared to year-end 2017.

2018 Q2

| EURm | Exposures before CCF and CRM | | Exposures post-CCF and CRM | | REA | REA density |
|--|------------------------------|--------------------------|----------------------------|--------------------------|---------------|-------------|
| | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | | |
| Asset classes | | | | | | |
| Central governments or central banks | 2,069 | 0 | 2,124 | 0 | 114 | 5% |
| Regional governments or local authorities | 113 | 7 | 115 | 4 | 8 | 6% |
| Public sector entities | 26 | 1 | 35 | 0 | 3 | 8% |
| Institutions | 160 | 3 | 132 | 17 | 43 | 29% |
| Corporate | 2,217 | 1,675 | 2,803 | 369 | 3,148 | 99% |
| Retail | 3,826 | 2,182 | 4,461 | 124 | 3,265 | 71% |
| Secured by mortgages on immovable property | 1,658 | 44 | 3,037 | 2 | 1,063 | 35% |
| Exposures in default | 122 | 10 | 257 | 2 | 325 | 125% |
| Exposures associated with particularly high risk | 540 | 12 | 533 | 5 | 807 | 150% |
| Equity | 1,142 | | 1,146 | | 2,578 | 225% |
| Other items | 788 | | 944 | | 608 | 65% |
| Total | 12,660 | 3,934 | 15,588 | 523 | 11,961 | 74% |

2017 Q4

| EURm | Exposures before CCF and CRM | | Exposures post-CCF and CRM | | REA | REA density |
|--|------------------------------|--------------------------|----------------------------|--------------------------|---------------|-------------|
| | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | | |
| Asset classes | | | | | | |
| Central governments or central banks | 2,427 | 60 | 2,454 | 30 | 281 | 11% |
| Regional governments or local authorities | 125 | 10 | 128 | 5 | 7 | 5% |
| Public sector entities | 41 | 0 | 52 | 0 | 3 | 6% |
| Institutions | 366 | 24 | 268 | 14 | 77 | 27% |
| Corporate | 3,285 | 2,280 | 2,671 | 487 | 3,098 | 98% |
| Retail | 4,538 | 2,439 | 4,418 | 136 | 3,224 | 71% |
| Secured by mortgages on immovable property | 3,038 | 1,464 | 2,965 | 1,422 | 2,458 | 56% |
| Exposures in default | 422 | 66 | 404 | 26 | 592 | 138% |
| Exposures associated with particularly high risk | 503 | | 503 | | 754 | 150% |
| Equity | 1,173 | | 1,173 | | 2,598 | 221% |
| Other items | 847 | | 846 | | 582 | 69% |
| Total | 16,765 | 6,344 | 15,882 | 2,121 | 13,673 | 76% |

Table 10

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

By the end of the second quarter 2018, credit risk Standardised Approach (SA) exposures amounted to EUR 16,140m, of which 52% are stemmed from the proportional consolidation of Luminor Bank. Compared to the year-end 2017, total exposures decreased by EUR 1,884m, mainly as a result of decreased volumes within exposures being secured by mortgages on immovable property.

| 2018 Q2 | | | | | | | | | | |
|--|--------------|-------------|--------------|-----------|--------------|--------------|------------|------------|------------|---------------|
| EURm | | Risk weight | | | | | | | | |
| Exposure classes | 0% | 20% | 35% | 50% | 75% | 100% | 150% | 250% | Other | Total |
| Central governments or central banks | 2,070 | | | | | 13 | | 40 | | 2,124 |
| Regional governments or local authorities | 80 | 38 | | | | | | | | 118 |
| Public sector entities | 29 | 0 | | 5 | | | | | | 35 |
| Institutions | | 108 | | 39 | | 2 | | | | 149 |
| Corporate | | 0 | | 1 | | 3,171 | 0 | | | 3,172 |
| Retail | | 0 | | | 4,599 | | | | | 4,599 |
| Secured by mortgages on immovable property | | | 3,040 | | | | | | | 3,040 |
| Exposures in default | | | | | | 176 | 100 | | | 275 |
| Associated with particularly high risk | | | | | | | 538 | | | 538 |
| Equity | | | | | | 191 | | 955 | | 1,146 |
| Other items | 98 | 56 | | | | 310 | | | 479 | 944 |
| Total | 2,278 | 202 | 3,040 | 45 | 4,599 | 3,864 | 638 | 995 | 479 | 16,140 |

| 2017 Q4 | | | | | | | | | | |
|--|--------------|-------------|--------------|-----------|--------------|--------------|------------|--------------|------------|---------------|
| EURm | | Risk weight | | | | | | | | |
| Exposure classes | 0% | 20% | 35% | 50% | 75% | 100% | 150% | 250% | Other | Total |
| Central governments or central banks | 2,363 | | | | | 15 | | 106 | | 2,484 |
| Regional governments or local authorities | 99 | 34 | | | | | | | | 133 |
| Public sector entities | 46 | 0 | | 7 | | | | | | 52 |
| Institutions | | 219 | | 60 | | 3 | | | | 282 |
| Corporate | | | | | | 3,157 | 1 | | | 3,158 |
| Retail | | | | | 4,559 | | | | | 4,559 |
| Secured by mortgages on immovable property | | | 2,968 | | | 1,420 | | | | 4,388 |
| Exposures in default | | | | | | 156 | 290 | | | 446 |
| Associated with particularly high risk | | | | | | | 503 | | | 503 |
| Equity | | | | | | 223 | | 950 | | 1,173 |
| Other items | 81 | 44 | | | | 311 | | 6 | 404 | 846 |
| Total | 2,588 | 297 | 2,968 | 66 | 4,559 | 5,286 | 794 | 1,061 | 404 | 18,025 |

Table 11

EU CR6 Total IRB: Credit risk exposures by PD scale

In the IRB portfolio, compared to the first quarter-end of 2018, Exposure at Default (EAD) grew by EUR 7,127m, with a corresponding REA increase of EUR 512m. Overall, REA density decreased by 20 bps during the period, mainly observed among the lower rating grades.

2018 Q2, EURm

| PD scale | Original exposure | Off-balance exposure | Average CCF | EAD | Average PD | Number of obligors. '000 | Average LGD | Average maturity | REA | REA density | EL | Value adj. and provision |
|---------------------|-------------------|----------------------|-------------|----------------|--------------|--------------------------|--------------|------------------|---------------|-------------|--------------|--------------------------|
| Total IRB exposures | | | | | | | | | | | | |
| 0.00 to < 0.15 | 220,953 | 42,692 | 51% | 246,197 | 0.06% | 1,354 | 26.2% | 2.3 | 15,427 | 6% | 27 | 31 |
| 0.15 to < 0.25 | 47,685 | 13,573 | 54% | 54,683 | 0.18% | 607 | 22.0% | 2.5 | 7,698 | 14% | 22 | 10 |
| 0.25 to < 0.50 | 48,425 | 18,833 | 47% | 57,044 | 0.35% | 490 | 25.7% | 2.5 | 16,743 | 29% | 51 | 39 |
| 0.50 to < 0.75 | 18,824 | 5,558 | 45% | 20,453 | 0.65% | 169 | 25.4% | 2.6 | 8,130 | 40% | 34 | 26 |
| 0.75 to < 2.50 | 20,472 | 5,837 | 51% | 22,758 | 1.30% | 488 | 24.5% | 2.5 | 9,904 | 44% | 72 | 102 |
| 2.50 to < 10.00 | 11,426 | 2,630 | 44% | 11,657 | 5.07% | 238 | 27.5% | 2.5 | 8,364 | 72% | 163 | 215 |
| 10.00 to < 100 | 3,188 | 399 | 50% | 3,109 | 21.77% | 84 | 24.3% | 2.5 | 2,649 | 85% | 160 | 121 |
| 100 (Default) | 6,372 | 848 | 9% | 6,175 | 100% | 100 | 26.9% | 2.6 | 9,852 | 160% | 1,634 | 1,820 |
| Total | 377,346 | 90,370 | 49% | 422,075 | 1.97% | 3,531 | 25.5% | 2.4 | 78,766 | 19% | 2,164 | 2,365 |

2018 Q1, EURm

| PD scale | Original exposure | Off-balance exposure | Average CCF | EAD | Average PD | Number of obligors. '000 | Average LGD | Average maturity | REA | REA density | EL | Value adj. and provision |
|---------------------|-------------------|----------------------|-------------|----------------|--------------|--------------------------|--------------|------------------|---------------|-------------|--------------|--------------------------|
| Total IRB exposures | | | | | | | | | | | | |
| 0.00 to < 0.15 | 216,285 | 41,609 | 50% | 240,735 | 0.06% | 1,342 | 26.4% | 2.3 | 15,004 | 6% | 27 | 30 |
| 0.15 to < 0.25 | 46,860 | 12,155 | 55% | 53,213 | 0.18% | 603 | 21.8% | 2.5 | 7,342 | 14% | 21 | 10 |
| 0.25 to < 0.50 | 48,614 | 19,884 | 48% | 57,778 | 0.35% | 500 | 25.8% | 2.5 | 17,218 | 30% | 52 | 30 |
| 0.50 to < 0.75 | 18,179 | 5,013 | 45% | 19,751 | 0.65% | 174 | 25.6% | 2.7 | 7,933 | 40% | 33 | 25 |
| 0.75 to < 2.50 | 20,385 | 6,812 | 45% | 22,755 | 1.29% | 492 | 24.6% | 2.5 | 9,921 | 44% | 72 | 94 |
| 2.50 to < 10.00 | 10,992 | 2,534 | 43% | 11,196 | 5.12% | 253 | 27.0% | 2.5 | 7,849 | 70% | 155 | 182 |
| 10.00 to < 100 | 3,221 | 445 | 47% | 3,168 | 21.6% | 85 | 24.3% | 2.5 | 2,733 | 86% | 162 | 81 |
| 100 (Default) | 6,546 | 843 | 10% | 6,352 | 100% | 98 | 25.7% | 2.6 | 10,253 | 161% | 1,688 | 1,937 |
| Total | 371,081 | 89,295 | 49% | 414,948 | 2.04% | 3,547 | 25.6% | 2.4 | 78,254 | 19% | 2,210 | 2,390 |

Table 12

EU CR6 IRB Sovereign: Credit risk exposures by PD scale

2018 Q2, EURm

| PD scale | Original exposure | Off-balance exposure | Average CCF | EAD | Average PD | Number of obligors. '000 | Average LGD | Average maturity | REA | REA density | EL | Value adj. and provision |
|-------------------|-------------------|----------------------|-------------|--------|------------|--------------------------|-------------|------------------|-------|-------------|----|--------------------------|
| Sovereigns - FIRB | | | | | | | | | | | | |
| 0.00 to < 0.15 | 65,821 | 5,407 | 16% | 69,747 | 0.00% | 1.686 | 44.0% | 1.8 | 1,576 | 2% | 1 | 1 |
| 0.15 to < 0.25 | | | | | | | | | | | | |
| 0.25 to < 0.50 | 196 | | | 196 | 0.11% | 0.002 | 45.0% | 1.6 | 50 | 26% | 0 | 0 |
| 0.50 to < 0.75 | 1 | 2 | 50% | 2 | 0.26% | 0.002 | 45.0% | 2.8 | 1 | 57% | 0 | 0 |
| 0.75 to < 2.50 | 109 | 24 | 37% | 6 | 0.63% | 0.005 | 45.0% | 2.5 | 5 | 82% | 0 | 0 |
| 2.50 to < 10.00 | 116 | 62 | 68% | 78 | 3.41% | 0.153 | 44.8% | 2.5 | 110 | 140% | 1 | 0 |
| 10.00 to < 100 | 176 | 20 | 42% | 21 | 26.00% | 0.004 | 45.0% | 2.5 | 36 | 173% | 2 | 1 |
| 100 (Default) | | | | | | | | | | | | |
| Total | 66,419 | 5,515 | 16% | 70,050 | 0.01% | 1.899 | 44.0% | 1.8 | 1,778 | 3% | 5 | 2 |

2018 Q1, EURm

| PD scale | Original exposure | Off-balance exposure | Average CCF | EAD | Average PD | Number of obligors. '000 | Average LGD | Average maturity | REA | REA density | EL | Value adj. and provision |
|-------------------|-------------------|----------------------|-------------|--------|------------|--------------------------|-------------|------------------|-------|-------------|----|--------------------------|
| Sovereigns - FIRB | | | | | | | | | | | | |
| 0.00 to < 0.15 | 64,532 | 5,768 | 16% | 68,603 | 0.00% | 1.681 | 44.9% | 1.7 | 1,537 | 2% | 1 | 3 |
| 0.15 to < 0.25 | | | | | | | | | | | | |
| 0.25 to < 0.50 | 178 | | | 178 | 0.29% | 0.002 | 45.0% | 1.5 | 80 | 45% | 0 | 0 |
| 0.50 to < 0.75 | 1 | 4 | 36% | 3 | 0.61% | 0.003 | 45.0% | 2.0 | 2 | 74% | 0 | 0 |
| 0.75 to < 2.50 | 111 | 29 | 42% | 4 | 1.26% | 0.006 | 45.0% | 2.5 | 5 | 106% | 0 | 0 |
| 2.50 to < 10.00 | 87 | 3 | 130% | 2 | 5.09% | 0.202 | 45.0% | 2.6 | 3 | 163% | 0 | 0 |
| 10.00 to < 100 | 183 | 17 | 75% | 17 | 28.59% | 0.003 | 45.0% | 2.5 | 36 | 206% | 2 | 1 |
| 100 (Default) | | | | | | | | | | | | |
| Total | 65,091 | 5,822 | 17% | 68,807 | 0.01% | 1.897 | 44.9% | 1.7 | 1,663 | 2% | 3 | 5 |

Table 13

EU CR6 IRB Institutions: Credit risk exposures by PD scale

2018 Q2, EURm

| PD scale | Original exposure | Off-balance exposure | Average CCF | EAD | Average PD | Number of obligors, '000 | Average LGD | Average maturity | REA | REA density | Value adj. and EL | provision |
|---------------------|-------------------|----------------------|-------------|--------|------------|--------------------------|-------------|------------------|-------|-------------|-------------------|-----------|
| Institutions - FIRB | | | | | | | | | | | | |
| 0.00 to < 0.15 | 35,765 | 997 | 40% | 36,188 | 0.05% | 0.731 | 15.2% | 2.5 | 3,361 | 9% | 3 | 23 |
| 0.15 to < 0.25 | 1,844 | 217 | 46% | 1,947 | 0.15% | 0.097 | 13.7% | 2.5 | 251 | 13% | 0 | 0 |
| 0.25 to < 0.50 | 231 | 403 | 7% | 262 | 0.31% | 0.229 | 37.3% | 2.5 | 134 | 51% | 0 | 0 |
| 0.50 to < 0.75 | 198 | 90 | 14% | 209 | 0.57% | 0.070 | 44.9% | 2.5 | 173 | 83% | 1 | 0 |
| 0.75 to < 2.50 | 123 | 216 | 33% | 169 | 1.49% | 0.142 | 45.0% | 2.5 | 218 | 128% | 1 | 0 |
| 2.50 to < 10.00 | 116 | 74 | 28% | 123 | 5.24% | 0.346 | 32.6% | 3.0 | 178 | 145% | 3 | 0 |
| 10.00 to < 100 | 0 | 2 | 27% | 1 | 14.95% | 0.012 | 38.3% | 2.5 | 2 | 229% | 0 | 0 |
| 100 (Default) | | | | | | | | | | | | |
| Sub-total | 38,277 | 2,000 | 33% | 38,899 | 0.09% | 1.580 | 15.7% | 2.5 | 4,317 | 11% | 8 | 24 |

2018 Q1, EURm

| PD scale | Original exposure | Off-balance exposure | Average CCF | EAD | Average PD | Number of obligors, '000 | Average LGD | Average maturity | REA | REA density | Value adj. and EL | provision |
|---------------------|-------------------|----------------------|-------------|--------|------------|--------------------------|-------------|------------------|-------|-------------|-------------------|-----------|
| Institutions - FIRB | | | | | | | | | | | | |
| 0.00 to < 0.15 | 34,023 | 1,201 | 39% | 34,508 | 0.05% | 0.665 | 15.0% | 2.5 | 3,219 | 9% | 3 | 18 |
| 0.15 to < 0.25 | 1,636 | 218 | 47% | 1,746 | 0.15% | 0.089 | 14.5% | 2.5 | 239 | 14% | 0 | 3 |
| 0.25 to < 0.50 | 269 | 461 | 7% | 300 | 0.31% | 0.227 | 38.4% | 2.5 | 185 | 62% | 0 | 0 |
| 0.50 to < 0.75 | 189 | 120 | 23% | 214 | 0.57% | 0.780 | 44.4% | 2.5 | 179 | 84% | 1 | 0 |
| 0.75 to < 2.50 | 102 | 198 | 34% | 145 | 1.48% | 0.141 | 45.0% | 2.5 | 184 | 127% | 1 | 1 |
| 2.50 to < 10.00 | 81 | 82 | 28% | 90 | 6.44% | 0.351 | 44.8% | 2.5 | 177 | 197% | 3 | 1 |
| 10.00 to < 100 | 0 | 3 | 26% | 1 | 15.20% | 0.012 | 35.5% | 2.5 | 2 | 214% | 0 | 0 |
| 100 (Default) | 0 | 0 | 20% | 0 | 100.00% | 0.001 | 45.0% | 2.5 | | | 0 | 0 |
| Total | 36,301 | 2,283 | 32% | 37,005 | 0.09% | 1.564 | 15.5% | 2.5 | 4,186 | 11% | 8 | 24 |

Table 14

EU CR6 Corporates: Credit risk exposures by PD scale

2018 Q2, EURm

| PD scale | Original exposure | Off-balance exposure | Average CCF | EAD | Average PD | Number of obligors. '000 | Average LGD | Average maturity | REA | REA density | Value adj. and EL | provision |
|--|-------------------|----------------------|-------------|----------------|--------------|--------------------------|--------------|------------------|---------------|-------------|-------------------|--------------|
| Corporate - IRB, Total | | | | | | | | | | | | |
| 0.00 to < 0.15 | 32,915 | 20,660 | 49% | 43,247 | 0.08% | 13,421 | 29.7% | 2.5 | 6,928 | 16% | 10 | 5 |
| 0.15 to < 0.25 | 13,502 | 8,461 | 49% | 17,317 | 0.18% | 4,745 | 30.3% | 2.5 | 4,809 | 28% | 9 | 6 |
| 0.25 to < 0.50 | 31,305 | 15,957 | 45% | 38,381 | 0.35% | 14,445 | 28.6% | 2.5 | 14,330 | 37% | 38 | 32 |
| 0.50 to < 0.75 | 12,638 | 4,726 | 43% | 13,790 | 0.67% | 6,245 | 27.9% | 2.7 | 6,830 | 50% | 26 | 19 |
| 0.75 to < 2.50 | 9,222 | 3,447 | 47% | 10,259 | 1.26% | 7,956 | 29.1% | 2.5 | 6,306 | 61% | 37 | 61 |
| 2.50 to < 10.00 | 6,014 | 1,921 | 38% | 5,921 | 5.18% | 15,286 | 30.8% | 2.6 | 5,700 | 96% | 94 | 143 |
| 10.00 to < 100 | 794 | 233 | 39% | 772 | 17.70% | 3,227 | 28.7% | 2.5 | 921 | 119% | 39 | 34 |
| 100 (Default) | 4,290 | 703 | 0% | 4,014 | 100.00% | 1,882 | 29.7% | 2.6 | 5,156 | 128% | 1,463 | 1,536 |
| Total | 110,679 | 56,107 | 46% | 133,700 | 3.65% | 67,207 | 29.3% | 2.5 | 50,979 | 38% | 1,717 | 1,836 |
| Corporate - AIRB, Total | | | | | | | | | | | | |
| 0.00 to < 0.15 | 29,537 | 20,098 | 50% | 39,486 | 0.08% | 12,446 | 28.5% | 2.5 | 6,020 | 15% | 9 | 3 |
| 0.15 to < 0.25 | 11,891 | 8,130 | 51% | 15,709 | 0.18% | 4,363 | 29.1% | 2.5 | 4,225 | 27% | 8 | 5 |
| 0.25 to < 0.50 | 28,772 | 15,146 | 48% | 35,796 | 0.35% | 13,053 | 27.6% | 2.5 | 12,961 | 36% | 35 | 30 |
| 0.50 to < 0.75 | 11,622 | 4,265 | 46% | 12,727 | 0.67% | 5,646 | 26.7% | 2.7 | 6,066 | 48% | 23 | 18 |
| 0.75 to < 2.50 | 8,203 | 2,998 | 53% | 9,227 | 1.26% | 7,069 | 27.6% | 2.5 | 5,445 | 59% | 32 | 59 |
| 2.50 to < 10.00 | 4,642 | 1,464 | 50% | 4,754 | 5.30% | 12,521 | 28.3% | 2.6 | 4,234 | 89% | 71 | 135 |
| 10.00 to < 100 | 691 | 179 | 50% | 669 | 17.61% | 2,895 | 26.8% | 2.5 | 746 | 111% | 32 | 32 |
| 100 (Default) | 4,140 | 653 | | 3,887 | 100.00% | 1,791 | 29.3% | 2.6 | 5,156 | 133% | 1,409 | 1,488 |
| Total | 99,497 | 52,932 | 49% | 122,254 | 3.80% | 59,784 | 28.0% | 2.5 | 44,852 | 37% | 1,618 | 1,770 |
| Corporate - AIRB, Corporates (excluding SMEs and specialised lending) | | | | | | | | | | | | |
| 0.00 to < 0.15 | 13,971 | 17,177 | 50% | 21,354 | 0.09% | 2,200 | 31.1% | 2.5 | 4,170 | 20% | 6 | 2 |
| 0.15 to < 0.25 | 7,916 | 7,230 | 50% | 10,806 | 0.18% | 1,313 | 30.4% | 2.6 | 3,222 | 30% | 6 | 4 |
| 0.25 to < 0.50 | 18,655 | 13,148 | 46% | 23,830 | 0.35% | 3,979 | 28.7% | 2.5 | 9,515 | 40% | 24 | 26 |
| 0.50 to < 0.75 | 6,503 | 3,307 | 43% | 7,146 | 0.67% | 1,701 | 27.9% | 2.8 | 3,940 | 55% | 14 | 13 |
| 0.75 to < 2.50 | 4,594 | 2,282 | 52% | 5,212 | 1.26% | 2,271 | 28.8% | 2.5 | 3,518 | 68% | 19 | 43 |
| 2.50 to < 10.00 | 2,354 | 1,015 | 50% | 2,397 | 5.31% | 5,082 | 30.9% | 2.7 | 2,677 | 112% | 39 | 101 |
| 10.00 to < 100 | 150 | 72 | 53% | 151 | 17.03% | 0,953 | 29.7% | 2.7 | 238 | 158% | 8 | 12 |
| 100 (Default) | 2,414 | 495 | | 2,259 | 100.00% | 0,518 | 30.6% | 2.7 | 3,176 | 141% | 814 | 865 |
| Sub-total | 56,558 | 44,725 | 48% | 73,156 | 3.62% | 18,017 | 29.7% | 2.5 | 30,457 | 42% | 929 | 1,065 |
| Corporate - AIRB, SMEs (excluding specialised lending) | | | | | | | | | | | | |
| 0.00 to < 0.15 | 15,557 | 2,866 | 48% | 18,107 | 0.06% | 10,245 | 25.4% | 2.5 | 1,841 | 10% | 3 | 1 |
| 0.15 to < 0.25 | 3,951 | 898 | 55% | 4,878 | 0.18% | 3,047 | 26.3% | 2.5 | 997 | 20% | 2 | 1 |
| 0.25 to < 0.50 | 9,975 | 1,971 | 53% | 11,832 | 0.35% | 9,068 | 25.2% | 2.6 | 3,360 | 28% | 11 | 4 |
| 0.50 to < 0.75 | 5,048 | 950 | 55% | 5,507 | 0.67% | 3,940 | 25.0% | 2.5 | 2,072 | 38% | 9 | 5 |
| 0.75 to < 2.50 | 3,604 | 716 | 53% | 4,010 | 1.26% | 4,797 | 25.9% | 2.5 | 1,924 | 48% | 13 | 17 |
| 2.50 to < 10.00 | 2,273 | 450 | 51% | 2,342 | 5.28% | 7,437 | 25.7% | 2.5 | 1,543 | 66% | 32 | 34 |
| 10.00 to < 100 | 542 | 107 | 48% | 519 | 17.78% | 1,942 | 26.0% | 2.5 | 507 | 98% | 24 | 20 |
| 100 (Default) | 1,706 | 143 | | 1,607 | 100.00% | 1,269 | 27.6% | 2.5 | 1,946 | 121% | 591 | 619 |
| Sub-total | 42,656 | 8,100 | 51% | 48,802 | 4.04% | 41,745 | 25.5% | 2.5 | 14,190 | 29% | 685 | 700 |
| Corporate - AIRB, Specialised lending | | | | | | | | | | | | |
| 0.00 to < 0.15 | 8 | 56 | 28% | 24 | 0.08% | 0,001 | 36.6% | 4.9 | 9 | 36% | 0 | |
| 0.15 to < 0.25 | 24 | 2 | 65% | 25 | 0.18% | 0,003 | 35.3% | 2.5 | 7 | 27% | 0 | |
| 0.25 to < 0.50 | 142 | 27 | 32% | 133 | 0.39% | 0,006 | 35.5% | 3.6 | 86 | 64% | 0 | |
| 0.50 to < 0.75 | 70 | 7 | 57% | 74 | 0.67% | 0,005 | 29.5% | 3.8 | 54 | 73% | 0 | |
| 0.75 to < 2.50 | 5 | | | 5 | 1.64% | 0,001 | 31.6% | 2.5 | 3 | 63% | 0 | |
| 2.50 to < 10.00 | 15 | | | 15 | 6.48% | 0,002 | 31.3% | 2.5 | 14 | 90% | 0 | |
| 10.00 to < 100 | | | | | | | | | | | | |
| 100 (Default) | 20 | 15 | | 20 | 100.00% | 0,004 | 21.6% | 1.7 | 34 | 167% | 4 | 4 |
| Sub-total | 284 | 107 | 27% | 296 | 7.57% | 0,022 | 32.9% | 3.4 | 205 | 69% | 5 | 4 |

Table 15

2018 Q2, EURm

| PD scale | Original exposure | Off-balance exposure | Average CCF | EAD | Average PD | Number of obligors, '000 | Average LGD | Average maturity | REA | REA density | EL | Value adj. and provision |
|--|-------------------|----------------------|-------------|---------------|--------------|--------------------------|--------------|------------------|--------------|-------------|-----------|--------------------------|
| Corporate - FIRB, Total | | | | | | | | | | | | |
| 0.00 to < 0.15 | 3,378 | 561 | 9% | 3,761 | 0.08% | 2,637 | 43.1% | 2.5 | 908 | 24% | 1 | 2 |
| 0.15 to < 0.25 | 1,611 | 331 | 14% | 1,608 | 0.18% | 1,434 | 41.6% | 2.5 | 584 | 36% | 1 | 1 |
| 0.25 to < 0.50 | 2,533 | 811 | 6% | 2,585 | 0.35% | 4,302 | 42.1% | 2.5 | 1,369 | 53% | 4 | 2 |
| 0.50 to < 0.75 | 1,016 | 461 | 13% | 1,063 | 0.67% | 2,053 | 42.3% | 2.5 | 764 | 72% | 3 | 1 |
| 0.75 to < 2.50 | 1,019 | 450 | 7% | 1,032 | 1.21% | 2,949 | 42.3% | 2.5 | 861 | 83% | 5 | 2 |
| 2.50 to < 10.00 | 1,372 | 457 | 3% | 1,168 | 4.68% | 5,464 | 40.9% | 2.5 | 1,466 | 126% | 23 | 8 |
| 10.00 to < 100 | 102 | 54 | 8% | 103 | 18.32% | 1,146 | 40.7% | 2.5 | 175 | 170% | 8 | 3 |
| 100 (Default) | 150 | 51 | 1% | 127 | 100.00% | 0,336 | 42.8% | 2.5 | | | 54 | 49 |
| Total | 11,182 | 3,175 | 8% | 11,446 | 2.05% | 20,321 | 42.3% | 2.5 | 6,127 | 54% | 99 | 66 |
| Corporate - FIRB, Corporates (excluding SMEs and specialised lending) | | | | | | | | | | | | |
| 0.00 to < 0.15 | 2,565 | 427 | 11% | 2,858 | 0.08% | 1,022 | 43.4% | 2.5 | 714 | 25% | 1 | 1 |
| 0.15 to < 0.25 | 788 | 214 | 10% | 755 | 0.18% | 0,436 | 41.9% | 2.5 | 313 | 41% | 1 | 0 |
| 0.25 to < 0.50 | 1,562 | 593 | 6% | 1,572 | 0.34% | 1,358 | 42.4% | 2.5 | 921 | 59% | 2 | 1 |
| 0.50 to < 0.75 | 575 | 330 | 11% | 598 | 0.67% | 0,585 | 42.9% | 2.5 | 488 | 82% | 2 | 0 |
| 0.75 to < 2.50 | 460 | 291 | 8% | 467 | 1.16% | 0,776 | 43.1% | 2.5 | 460 | 99% | 2 | 1 |
| 2.50 to < 10.00 | 987 | 346 | 4% | 797 | 4.27% | 2,121 | 40.5% | 2.5 | 1,079 | 135% | 14 | 5 |
| 10.00 to < 100 | 20 | 13 | 31% | 24 | 20.25% | 0,192 | 42.8% | 2.5 | 56 | 234% | 2 | 1 |
| 100 (Default) | 91 | 27 | 1% | 70 | 100.00% | 0,082 | 44.4% | 2.5 | | | 31 | 32 |
| Sub-total | 7,050 | 2,240 | 8% | 7,142 | 1.78% | 6,572 | 42.7% | 2.5 | 4,031 | 56% | 55 | 40 |
| Corporate - FIRB, SMEs (excluding specialised lending) | | | | | | | | | | | | |
| 0.00 to < 0.15 | 813 | 135 | 5% | 903 | 0.09% | 1,615 | 42.0% | 2.5 | 195 | 22% | 0 | 1 |
| 0.15 to < 0.25 | 823 | 117 | 21% | 853 | 0.18% | 0,998 | 41.4% | 2.5 | 270 | 32% | 1 | 1 |
| 0.25 to < 0.50 | 964 | 218 | 6% | 1,007 | 0.35% | 2,943 | 41.5% | 2.5 | 444 | 44% | 2 | 1 |
| 0.50 to < 0.75 | 441 | 132 | 17% | 465 | 0.67% | 1,468 | 41.5% | 2.5 | 275 | 59% | 1 | 0 |
| 0.75 to < 2.50 | 547 | 159 | 6% | 553 | 1.25% | 2,172 | 41.6% | 2.5 | 389 | 70% | 3 | 1 |
| 2.50 to < 10.00 | 385 | 110 | 2% | 371 | 5.57% | 3,343 | 41.6% | 2.5 | 388 | 105% | 9 | 3 |
| 10.00 to < 100 | 82 | 41 | 1% | 79 | 17.74% | 0,954 | 40.1% | 2.5 | 119 | 151% | 6 | 2 |
| 100 (Default) | 58 | 23 | 1% | 56 | 100.00% | 0,254 | 40.8% | 2.5 | | | 23 | 17 |
| Sub-total | 4,113 | 935 | 8% | 4,286 | 2.50% | 13,747 | 41.6% | 2.5 | 2,081 | 49% | 44 | 26 |
| Corporate - FIRB, Specialised Lending | | | | | | | | | | | | |
| 0.00 to < 0.15 | | | | | | | | | | | | |
| 0.15 to < 0.25 | | | | | | | | | | | | |
| 0.25 to < 0.50 | 7 | | | 7 | 0.31% | 0,001 | 45.0% | 2.5 | 4 | 58% | 0 | |
| 0.50 to < 0.75 | | | | | | | | | | | | |
| 0.75 to < 2.50 | 12 | | | 12 | 1.04% | 0,001 | 45.0% | 2.5 | 12 | 99% | 0 | |
| 2.50 to < 10.00 | | | | | | | | | | | | |
| 10.00 to < 100 | | | | | | | | | | | | |
| 100 (Default) | | | | | | | | | | | | |
| Sub-total | 19 | | | 19 | 0.77% | 0,002 | 45.0% | 2.5 | 16 | 84% | 0 | |

Table 15

2018 Q1, EURm

| PD scale | Original exposure | Off-balance exposure | Average CCF | EAD | Average PD | Number of obligors, '000 | Average LGD | Average maturity | REA | REA density | EL | Value adj. and provision |
|-------------------------------|-------------------|----------------------|-------------|----------------|--------------|--------------------------|--------------|------------------|---------------|-------------|--------------|--------------------------|
| Corporate - IRB, Total | | | | | | | | | | | | |
| 0.00 to < 0.15 | 31,771 | 20,988 | 50% | 42,534 | 0.08% | 13,264 | 29.7% | 2.5 | 6,769 | 16% | 10 | 7 |
| 0.15 to < 0.25 | 13,239 | 7,520 | 51% | 16,672 | 0.18% | 4,791 | 29.7% | 2.5 | 4,527 | 27% | 9 | 4 |
| 0.25 to < 0.50 | 31,283 | 17,126 | 47% | 38,988 | 0.35% | 14,710 | 28.7% | 2.6 | 14,711 | 38% | 39 | 25 |
| 0.50 to < 0.75 | 11,987 | 4,191 | 43% | 13,094 | 0.67% | 6,232 | 28.2% | 2.7 | 6,625 | 51% | 25 | 20 |
| 0.75 to < 2.50 | 9,078 | 4,565 | 38% | 10,284 | 1.25% | 8,138 | 29.5% | 2.4 | 6,369 | 62% | 38 | 58 |
| 2.50 to < 10.00 | 5,763 | 1,875 | 38% | 5,697 | 5.24% | 15,451 | 30.0% | 2.6 | 5,341 | 94% | 89 | 120 |
| 10.00 to < 100 | 815 | 288 | 38% | 835 | 17.32% | 3,394 | 28.8% | 2.6 | 1,019 | 122% | 42 | 29 |
| 100 (Default) | 4,462 | 695 | 0% | 4,187 | 100.00% | 2,029 | 27.8% | 2.6 | 5,637 | 135% | 1,465 | 1,562 |
| Total | 108,398 | 57,248 | 47% | 132,291 | 3.81% | 68,009 | 29.2% | 2.5 | 50,998 | 39% | 1,715 | 1,824 |

Corporate - AIRB, Total

| | | | | | | | | | | | | |
|-----------------|---------------|---------------|------------|----------------|--------------|---------------|--------------|------------|---------------|------------|--------------|--------------|
| 0.00 to < 0.15 | 28,415 | 20,417 | 51% | 38,802 | 0.08% | 12,367 | 28.5% | 2.5 | 5,879 | 15% | 9 | 4 |
| 0.15 to < 0.25 | 12,117 | 7,113 | 53% | 15,538 | 0.18% | 4,429 | 28.8% | 2.5 | 4,120 | 27% | 8 | 4 |
| 0.25 to < 0.50 | 28,683 | 16,168 | 50% | 36,319 | 0.35% | 13,296 | 27.7% | 2.6 | 13,263 | 37% | 35 | 24 |
| 0.50 to < 0.75 | 10,958 | 3,734 | 48% | 12,041 | 0.67% | 5,665 | 26.9% | 2.8 | 5,866 | 49% | 22 | 20 |
| 0.75 to < 2.50 | 8,145 | 4,061 | 42% | 9,332 | 1.25% | 7,229 | 28.1% | 2.4 | 5,563 | 60% | 33 | 56 |
| 2.50 to < 10.00 | 4,569 | 1,371 | 52% | 4,690 | 5.37% | 12,731 | 27.7% | 2.6 | 4,074 | 87% | 70 | 113 |
| 10.00 to < 100 | 716 | 225 | 49% | 740 | 17.30% | 3,031 | 27.3% | 2.6 | 861 | 116% | 35 | 26 |
| 100 (Default) | 4,308 | 634 | | 4,052 | 100.00% | 1,919 | 27.3% | 2.6 | 5,637 | 139% | 1,407 | 1,521 |
| Total | 97,911 | 53,724 | 49% | 121,515 | 3.96% | 60,667 | 28.0% | 2.5 | 45,264 | 37% | 1,619 | 1,768 |

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

| | | | | | | | | | | | | |
|------------------|---------------|---------------|------------|---------------|--------------|---------------|--------------|------------|---------------|------------|------------|--------------|
| 0.00 to < 0.15 | 12,925 | 17,705 | 52% | 20,823 | 0.09% | 2,084 | 31.1% | 2.5 | 4,073 | 20% | 6 | 3 |
| 0.15 to < 0.25 | 7,911 | 5,960 | 52% | 10,340 | 0.18% | 1,253 | 29.8% | 2.5 | 3,035 | 29% | 5 | 3 |
| 0.25 to < 0.50 | 17,853 | 13,941 | 48% | 23,556 | 0.35% | 3,839 | 28.9% | 2.6 | 9,568 | 41% | 24 | 19 |
| 0.50 to < 0.75 | 6,058 | 3,040 | 46% | 6,741 | 0.67% | 1,654 | 28.1% | 3.0 | 3,842 | 57% | 13 | 14 |
| 0.75 to < 2.50 | 4,532 | 3,321 | 38% | 5,318 | 1.25% | 2,322 | 29.9% | 2.4 | 3,669 | 69% | 20 | 40 |
| 2.50 to < 10.00 | 2,246 | 854 | 51% | 2,282 | 5.42% | 5,132 | 29.6% | 2.7 | 2,475 | 108% | 36 | 76 |
| 10.00 to < 100 | 196 | 84 | 59% | 204 | 17.66% | 0,981 | 29.5% | 3.0 | 327 | 161% | 11 | 8 |
| 100 (Default) | 2,351 | 452 | | 2,192 | 100.00% | 0,576 | 27.3% | 2.7 | 3,254 | 148% | 782 | 863 |
| Sub-total | 54,074 | 45,357 | 49% | 71,455 | 3.61% | 17,841 | 29.7% | 2.6 | 30,244 | 42% | 896 | 1,026 |

Corporate - AIRB, SMEs (excluding specialised lending)

| | | | | | | | | | | | | |
|------------------|---------------|--------------|------------|---------------|--------------|---------------|--------------|------------|---------------|------------|------------|------------|
| 0.00 to < 0.15 | 15,482 | 2,651 | 50% | 17,955 | 0.06% | 10,282 | 25.4% | 2.5 | 1,798 | 10% | 3 | 1 |
| 0.15 to < 0.25 | 4,180 | 1,151 | 57% | 5,172 | 0.18% | 3,173 | 26.7% | 2.5 | 1,077 | 21% | 2 | 1 |
| 0.25 to < 0.50 | 10,696 | 2,203 | 55% | 12,638 | 0.35% | 9,452 | 25.3% | 2.5 | 3,607 | 29% | 11 | 5 |
| 0.50 to < 0.75 | 4,848 | 678 | 54% | 5,239 | 0.67% | 4,006 | 25.4% | 2.5 | 1,995 | 38% | 9 | 5 |
| 0.75 to < 2.50 | 3,601 | 740 | 55% | 4,002 | 1.26% | 4,906 | 25.7% | 2.5 | 1,880 | 47% | 13 | 16 |
| 2.50 to < 10.00 | 2,299 | 516 | 53% | 2,384 | 5.33% | 7,596 | 25.8% | 2.5 | 1,579 | 66% | 33 | 37 |
| 10.00 to < 100 | 519 | 141 | 43% | 537 | 17.17% | 2,050 | 26.4% | 2.5 | 534 | 99% | 24 | 19 |
| 100 (Default) | 1,932 | 167 | | 1,836 | 100.00% | 1,339 | 27.3% | 2.5 | 2,334 | 127% | 622 | 654 |
| Sub-total | 43,558 | 8,248 | 53% | 49,763 | 4.43% | 42,804 | 25.6% | 2.5 | 14,803 | 30% | 718 | 738 |

Corporate - AIRB, Specialised lending

| | | | | | | | | | | | | |
|------------------|------------|------------|------------|------------|--------------|--------------|--------------|------------|------------|------------|----------|----------|
| 0.00 to < 0.15 | 7 | 61 | 28% | 25 | 0.08% | 0,001 | 36.6% | 4.9 | 9 | 36% | 0 | |
| 0.15 to < 0.25 | 25 | 2 | 66% | 26 | 0.18% | 0,003 | 35.3% | 2.5 | 7 | 27% | 0 | |
| 0.25 to < 0.50 | 134 | 24 | 28% | 124 | 0.39% | 0,005 | 35.5% | 4.3 | 88 | 71% | 0 | |
| 0.50 to < 0.75 | 52 | 16 | 56% | 61 | 0.67% | 0,005 | 28.9% | 1.9 | 29 | 47% | 0 | |
| 0.75 to < 2.50 | 13 | | | 13 | 1.64% | 0,001 | 36.6% | 4.4 | 15 | 115% | 0 | |
| 2.50 to < 10.00 | 24 | | | 24 | 5.26% | 0,003 | 31.4% | 2.5 | 20 | 84% | 0 | |
| 10.00 to < 100 | | | | | | | | | | | | |
| 100 (Default) | 24 | 15 | | 24 | 100.00% | 0,004 | 23.0% | 1.8 | 49 | 203% | 4 | 4 |
| Sub-total | 280 | 119 | 29% | 297 | 8.94% | 0,022 | 32.9% | 3.4 | 217 | 73% | 5 | 4 |

Table 15

2018 Q1, EURm

| PD scale | Original exposure | Off-balance exposure | Average CCF | EAD | Average PD | Number of obligors, '000 | Average LGD | Average maturity | REA | REA density | EL | Value adj. and provision |
|--------------------------------|-------------------|----------------------|-------------|---------------|--------------|--------------------------|--------------|------------------|--------------|-------------|-----------|--------------------------|
| Corporate - FIRB, Total | | | | | | | | | | | | |
| 0.00 to < 0.15 | 3,356 | 571 | 10% | 3,732 | 0.08% | 2,560 | 42.9% | 2.5 | 889 | 24% | 1 | 3 |
| 0.15 to < 0.25 | 1,123 | 407 | 12% | 1,134 | 0.18% | 1,456 | 41.6% | 2.5 | 407 | 36% | 1 | 0 |
| 0.25 to < 0.50 | 2,600 | 957 | 9% | 2,669 | 0.35% | 4,329 | 42.3% | 2.5 | 1,448 | 54% | 4 | 1 |
| 0.50 to < 0.75 | 1,029 | 457 | 6% | 1,052 | 0.67% | 2,076 | 42.4% | 2.5 | 759 | 72% | 3 | 1 |
| 0.75 to < 2.50 | 932 | 504 | 7% | 952 | 1.21% | 2,947 | 42.4% | 2.5 | 806 | 85% | 5 | 2 |
| 2.50 to < 10.00 | 1,194 | 505 | 5% | 1,007 | 4.66% | 5,475 | 40.9% | 2.5 | 1,267 | 126% | 19 | 7 |
| 10.00 to < 100 | 99 | 63 | 1% | 95 | 17.46% | 1,226 | 41.2% | 2.5 | 158 | 167% | 7 | 2 |
| 100 (Default) | 154 | 61 | 0% | 135 | 100.00% | 0,381 | 42.5% | 2.5 | | | 57 | 41 |
| Total | 10,487 | 3,525 | 8% | 10,776 | 2.14% | 20,450 | 42.3% | 2.5 | 5,735 | 53% | 97 | 56 |

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

| | | | | | | | | | | | | |
|------------------|--------------|--------------|-----------|--------------|--------------|--------------|--------------|------------|--------------|------------|-----------|-----------|
| 0.00 to < 0.15 | 2,425 | 393 | 11% | 2,701 | 0.07% | 0,953 | 43.3% | 2.5 | 666 | 25% | 1 | 0 |
| 0.15 to < 0.25 | 494 | 301 | 9% | 476 | 0.18% | 0,443 | 42.0% | 2.5 | 201 | 42% | 0 | 0 |
| 0.25 to < 0.50 | 1,762 | 726 | 10% | 1,783 | 0.35% | 1,342 | 42.7% | 2.5 | 1,056 | 59% | 3 | 1 |
| 0.50 to < 0.75 | 582 | 325 | 8% | 599 | 0.67% | 0,571 | 43.0% | 2.5 | 491 | 82% | 2 | 0 |
| 0.75 to < 2.50 | 455 | 358 | 9% | 474 | 1.17% | 0,784 | 43.2% | 2.5 | 469 | 99% | 2 | 1 |
| 2.50 to < 10.00 | 865 | 367 | 5% | 689 | 4.48% | 2,191 | 40.7% | 2.5 | 953 | 138% | 13 | 4 |
| 10.00 to < 100 | 21 | 13 | 3% | 21 | 17.56% | 0,201 | 42.4% | 2.5 | 48 | 226% | 2 | 0 |
| 100 (Default) | 89 | 32 | 0% | 70 | 100.00% | 0,085 | 44.2% | 2.5 | | | 31 | 31 |
| Sub-total | 6,693 | 2,516 | 9% | 6,812 | 1.81% | 6,570 | 42.8% | 2.5 | 3,884 | 57% | 53 | 38 |

Corporate - FIRB, SMEs (excluding specialised lending)

| | | | | | | | | | | | | |
|------------------|--------------|--------------|-----------|--------------|--------------|---------------|--------------|------------|--------------|------------|-----------|-----------|
| 0.00 to < 0.15 | 931 | 178 | 7% | 1,031 | 0.09% | 1,607 | 42.0% | 2.5 | 224 | 22% | 0 | 3 |
| 0.15 to < 0.25 | 628 | 105 | 19% | 659 | 0.18% | 1,013 | 41.2% | 2.5 | 206 | 31% | 0 | 0 |
| 0.25 to < 0.50 | 830 | 231 | 5% | 879 | 0.35% | 2,986 | 41.6% | 2.5 | 388 | 44% | 1 | 0 |
| 0.50 to < 0.75 | 447 | 132 | 2% | 453 | 0.67% | 1,505 | 41.6% | 2.5 | 268 | 59% | 1 | 0 |
| 0.75 to < 2.50 | 466 | 146 | 3% | 466 | 1.25% | 2,162 | 41.5% | 2.5 | 325 | 70% | 2 | 1 |
| 2.50 to < 10.00 | 329 | 137 | 4% | 318 | 5.03% | 3,284 | 41.4% | 2.5 | 314 | 99% | 7 | 3 |
| 10.00 to < 100 | 78 | 50 | 0% | 73 | 17.43% | 1,025 | 40.9% | 2.5 | 110 | 150% | 5 | 2 |
| 100 (Default) | 65 | 29 | 1% | 65 | 100.00% | 0,296 | 40.6% | 2.5 | | | 26 | 10 |
| Sub-total | 3,774 | 1,009 | 6% | 3,944 | 2.72% | 13,878 | 41.6% | 2.5 | 1,835 | 47% | 44 | 18 |

Corporate - FIRB, Specialised Lending

| | | | | | | | | | | | | |
|------------------|-----------|--|--|-----------|--------------|--------------|--------------|------------|-----------|------------|----------|--|
| 0.00 to < 0.15 | | | | | | | | | | | | |
| 0.15 to < 0.25 | | | | | | | | | | | | |
| 0.25 to < 0.50 | 8 | | | 8 | 0.31% | 0,001 | 45.0% | 2.5 | 4 | 58% | 0 | |
| 0.50 to < 0.75 | | | | | | | | | | | | |
| 0.75 to < 2.50 | 12 | | | 12 | 1.04% | 0,001 | 45.0% | 2.5 | 12 | 99% | 0 | |
| 2.50 to < 10.00 | | | | | | | | | | | | |
| 10.00 to < 100 | | | | | | | | | | | | |
| 100 (Default) | | | | | | | | | | | | |
| Sub-total | 20 | | | 20 | 0.75% | 0,002 | 45.0% | 2.5 | 16 | 83% | 0 | |

Table 15

EU CR6 Retail: Credit risk exposures by PD scale

2018 Q2, EURm

| PD scale | Original exposure | Off-balance exposure | Average CCF | EAD | Average PD | Number of obligors, '000 | Average LGD | Average maturity | REA | REA density | Value adj. and EL | provision |
|---|-------------------|----------------------|-------------|----------------|--------------|--------------------------|--------------|------------------|---------------|-------------|-------------------|------------|
| Retail - RIRB, Retail total | | | | | | | | | | | | |
| 0.00 to < 0.15 | 86,453 | 15,628 | 68% | 97,015 | 0.09% | 1337.7 | 15.8% | - | 3,562 | 4% | 14 | 2 |
| 0.15 to < 0.25 | 32,340 | 4,895 | 63% | 35,419 | 0.19% | 602.1 | 18.4% | - | 2,638 | 7% | 12 | 4 |
| 0.25 to < 0.50 | 16,694 | 2,473 | 61% | 18,206 | 0.36% | 475.8 | 19.2% | - | 2,229 | 12% | 13 | 7 |
| 0.50 to < 0.75 | 5,987 | 739 | 63% | 6,451 | 0.60% | 162.4 | 19.6% | - | 1,126 | 17% | 8 | 7 |
| 0.75 to < 2.50 | 11,018 | 2,149 | 61% | 12,324 | 1.33% | 480.3 | 20.4% | - | 3,376 | 27% | 34 | 41 |
| 2.50 to < 10.00 | 5,180 | 572 | 62% | 5,535 | 4.97% | 222.7 | 23.6% | - | 2,375 | 43% | 65 | 72 |
| 10.00 to < 100 | 2,217 | 145 | 67% | 2,315 | 23.09% | 80.8 | 22.7% | - | 1,690 | 73% | 119 | 86 |
| 100 (Default) | 2,082 | 145 | 54% | 2,161 | 100.00% | 98.2 | 21.7% | - | 4,696 | 217% | 171 | 284 |
| Total | 161,971 | 26,747 | 65% | 179,426 | 1.89% | 3460.0 | 17.5% | - | 21,691 | 12% | 435 | 503 |
| <i>Retail - RIRB, Retail (excluding SME exposure and exposures secured by immovable property)</i> | | | | | | | | | | | | |
| 0.00 to < 0.15 | 5,803 | 6,442 | 63% | 9,875 | 0.09% | 1145.6 | 29.9% | - | 723 | 7% | 3 | 1 |
| 0.15 to < 0.25 | 4,179 | 3,301 | 65% | 6,312 | 0.19% | 560.4 | 29.6% | - | 769 | 12% | 4 | 2 |
| 0.25 to < 0.50 | 3,687 | 1,655 | 62% | 4,711 | 0.36% | 451.5 | 29.1% | - | 861 | 18% | 5 | 4 |
| 0.50 to < 0.75 | 1,406 | 453 | 62% | 1,685 | 0.60% | 148.7 | 29.6% | - | 419 | 25% | 3 | 5 |
| 0.75 to < 2.50 | 2,913 | 1,110 | 63% | 3,613 | 1.35% | 421.0 | 28.9% | - | 1,224 | 34% | 14 | 25 |
| 2.50 to < 10.00 | 3,677 | 415 | 54% | 3,903 | 4.91% | 194.6 | 25.5% | - | 1,555 | 40% | 49 | 65 |
| 10.00 to < 100 | 1,351 | 110 | 60% | 1,417 | 21.22% | 74.9 | 26.4% | - | 888 | 63% | 80 | 72 |
| 100 (Default) | 689 | 108 | 54% | 747 | 100.00% | 88.7 | 30.6% | - | 2,124 | 284% | 130 | 192 |
| Sub-total | 23,704 | 13,594 | 63% | 32,262 | 4.14% | 3085.3 | 28.9% | - | 8,563 | 27% | 288 | 367 |
| <i>Retail - RIRB, SME (excluding exposures secured by immovable property)</i> | | | | | | | | | | | | |
| 0.00 to < 0.15 | 2 | 7 | 61% | 6 | 0.09% | 1.7 | 34.1% | - | 0 | 8% | 0 | 0 |
| 0.15 to < 0.25 | 9 | 10 | 61% | 15 | 0.18% | 1.4 | 34.1% | - | 2 | 11% | 0 | 0 |
| 0.25 to < 0.50 | 43 | 74 | 66% | 92 | 0.38% | 8.0 | 30.8% | - | 16 | 18% | 0 | 0 |
| 0.50 to < 0.75 | 46 | 77 | 74% | 103 | 0.60% | 6.7 | 28.2% | - | 22 | 22% | 0 | 0 |
| 0.75 to < 2.50 | 630 | 448 | 59% | 898 | 1.50% | 43.7 | 28.4% | - | 284 | 32% | 4 | 2 |
| 2.50 to < 10.00 | 348 | 114 | 80% | 440 | 5.04% | 25.8 | 28.1% | - | 168 | 38% | 6 | 5 |
| 10.00 to < 100 | 84 | 15 | 86% | 97 | 23.23% | 4.7 | 26.8% | - | 53 | 55% | 6 | 3 |
| 100 (Default) | 85 | 32 | 53% | 103 | 100.00% | 6.7 | 29.7% | - | 316 | 308% | 15 | 23 |
| Sub-total | 1,247 | 778 | 65% | 1,753 | 9.22% | 98.7 | 28.5% | - | 861 | 49% | 31 | 33 |
| <i>Retail - RIRB, SME exposures secured by immovable property, SME</i> | | | | | | | | | | | | |
| 0.00 to < 0.15 | 5 | 10 | 42% | 9 | 0.09% | 0.8 | 17.4% | - | 0 | 3% | 0 | 0 |
| 0.15 to < 0.25 | 377 | 25 | 41% | 388 | 0.19% | 6.7 | 17.6% | - | 21 | 5% | 0 | 0 |
| 0.25 to < 0.50 | 123 | 22 | 51% | 134 | 0.36% | 2.2 | 17.2% | - | 12 | 9% | 0 | 0 |
| 0.50 to < 0.75 | 75 | 18 | 55% | 85 | 0.60% | 1.4 | 16.8% | - | 11 | 13% | 0 | 0 |
| 0.75 to < 2.50 | 399 | 88 | 49% | 442 | 1.28% | 8.7 | 17.6% | - | 97 | 22% | 1 | 1 |
| 2.50 to < 10.00 | 58 | 9 | 53% | 63 | 4.01% | 1.2 | 17.3% | - | 27 | 43% | 0 | 0 |
| 10.00 to < 100 | 16 | 1 | 66% | 17 | 28.90% | 0.3 | 17.2% | - | 14 | 82% | 1 | 0 |
| 100 (Default) | 26 | 2 | 58% | 27 | 100.00% | 0.7 | 18.1% | - | 58 | 213% | 1 | 2 |
| Sub-total | 1,079 | 175 | 49% | 1,165 | 3.61% | 22.0 | 17.5% | - | 241 | 21% | 3 | 3 |
| <i>Retail - RIRB, Non-SME exposures secured by immovable property</i> | | | | | | | | | | | | |
| 0.00 to < 0.15 | 80,644 | 9,169 | 71% | 87,125 | 0.09% | 635.1 | 14.2% | - | 2,838 | 3% | 11 | 1 |
| 0.15 to < 0.25 | 27,775 | 1,559 | 60% | 28,705 | 0.19% | 207.7 | 16.0% | - | 1,846 | 6% | 9 | 2 |
| 0.25 to < 0.50 | 12,842 | 722 | 59% | 13,269 | 0.36% | 102.1 | 15.6% | - | 1,339 | 10% | 7 | 3 |
| 0.50 to < 0.75 | 4,460 | 191 | 62% | 4,578 | 0.60% | 34.8 | 15.7% | - | 674 | 15% | 4 | 2 |
| 0.75 to < 2.50 | 7,075 | 502 | 59% | 7,371 | 1.30% | 57.0 | 15.5% | - | 1,771 | 24% | 15 | 13 |
| 2.50 to < 10.00 | 1,096 | 34 | 95% | 1,129 | 5.21% | 8.2 | 15.7% | - | 625 | 55% | 9 | 3 |
| 10.00 to < 100 | 767 | 19 | 95% | 785 | 26.32% | 7.1 | 15.5% | - | 734 | 94% | 32 | 11 |
| 100 (Default) | 1,282 | 3 | 60% | 1,284 | 100.00% | 11.8 | 16.0% | - | 2,198 | 171% | 25 | 67 |
| Sub-total | 135,941 | 12,200 | 68% | 144,245 | 1.28% | 1063.8 | 14.9% | - | 12,025 | 8% | 112 | 101 |

Table 16

2018 Q1

| PD scale | Original exposure | Off-balance exposure | Average CCF | EAD | Average PD | Number of obligors. '000 | Average LGD | Average maturity | REA | REA density | EL | Value adj. and provision |
|-----------------------------|-------------------|----------------------|-------------|---------|------------|--------------------------|-------------|------------------|--------|-------------|-----|--------------------------|
| Retail - RIRB, Retail total | | | | | | | | | | | | |
| 0.00 to < 0.15 | 85,960 | 13,651 | 67% | 95,090 | 0.09% | 1326.6 | 15.8% | - | 3,479 | 4% | 13 | 2 |
| 0.15 to < 0.25 | 31,984 | 4,418 | 64% | 34,794 | 0.19% | 598.2 | 18.3% | - | 2,576 | 7% | 12 | 3 |
| 0.25 to < 0.50 | 16,884 | 2,298 | 62% | 18,312 | 0.36% | 484.7 | 19.2% | - | 2,241 | 12% | 13 | 5 |
| 0.50 to < 0.75 | 6,001 | 697 | 63% | 6,440 | 0.60% | 167.3 | 19.6% | - | 1,127 | 17% | 8 | 4 |
| 0.75 to < 2.50 | 11,094 | 2,019 | 61% | 12,322 | 1.33% | 483.7 | 20.3% | - | 3,364 | 27% | 33 | 35 |
| 2.50 to < 10.00 | 5,061 | 574 | 60% | 5,408 | 4.96% | 237.4 | 23.6% | - | 2,329 | 43% | 64 | 62 |
| 10.00 to < 100 | 2,223 | 138 | 66% | 2,314 | 23.08% | 81.6 | 22.5% | - | 1,676 | 72% | 118 | 51 |
| 100 (Default) | 2,084 | 148 | 54% | 2,165 | 100.00% | 96.0 | 21.6% | - | 4,616 | 213% | 223 | 375 |
| Total | 161,292 | 23,943 | 65% | 176,846 | 1.91% | 3475.4 | 17.5% | - | 21,406 | 12% | 484 | 537 |

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

| | | | | | | | | | | | | |
|-----------------|--------|--------|-----|--------|---------|--------|-------|---|-------|------|-----|-----|
| 0.00 to < 0.15 | 5,540 | 6,175 | 63% | 9,453 | 0.09% | 1140.0 | 29.8% | - | 690 | 7% | 3 | 1 |
| 0.15 to < 0.25 | 4,039 | 3,134 | 65% | 6,070 | 0.19% | 557.0 | 29.7% | - | 741 | 12% | 3 | 2 |
| 0.25 to < 0.50 | 3,721 | 1,619 | 62% | 4,734 | 0.36% | 459.9 | 29.2% | - | 866 | 18% | 5 | 3 |
| 0.50 to < 0.75 | 1,410 | 459 | 61% | 1,691 | 0.60% | 152.8 | 29.8% | - | 423 | 25% | 3 | 3 |
| 0.75 to < 2.50 | 2,856 | 1,094 | 62% | 3,536 | 1.35% | 421.5 | 28.8% | - | 1,193 | 34% | 14 | 21 |
| 2.50 to < 10.00 | 3,543 | 424 | 53% | 3,767 | 4.89% | 208.2 | 25.6% | - | 1,504 | 40% | 48 | 55 |
| 10.00 to < 100 | 1,359 | 105 | 59% | 1,421 | 21.19% | 75.3 | 26.3% | - | 885 | 62% | 80 | 40 |
| 100 (Default) | 682 | 111 | 54% | 742 | 100.00% | 86.6 | 30.6% | - | 2,064 | 278% | 170 | 272 |
| Sub-total | 23,148 | 13,120 | 63% | 31,413 | 4.21% | 3101.4 | 28.9% | - | 8,367 | 27% | 325 | 395 |

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

| | | | | | | | | | | | | |
|-----------------|-------|-----|-----|-------|---------|-------|-------|---|-----|------|----|----|
| 0.00 to < 0.15 | 1 | 6 | 66% | 5 | 0.10% | 1.7 | 33.8% | - | 0 | 8% | 0 | 0 |
| 0.15 to < 0.25 | 8 | 10 | 61% | 14 | 0.19% | 1.4 | 33.9% | - | 2 | 11% | 0 | 0 |
| 0.25 to < 0.50 | 44 | 78 | 66% | 95 | 0.38% | 8.4 | 30.9% | - | 17 | 18% | 0 | 0 |
| 0.50 to < 0.75 | 49 | 75 | 75% | 105 | 0.60% | 7.0 | 28.0% | - | 22 | 21% | 0 | 0 |
| 0.75 to < 2.50 | 625 | 437 | 60% | 889 | 1.49% | 46.3 | 28.5% | - | 281 | 32% | 4 | 2 |
| 2.50 to < 10.00 | 355 | 112 | 80% | 446 | 5.06% | 26.9 | 28.1% | - | 171 | 38% | 6 | 4 |
| 10.00 to < 100 | 85 | 15 | 82% | 98 | 21.83% | 5.0 | 26.7% | - | 53 | 54% | 6 | 2 |
| 100 (Default) | 87 | 31 | 54% | 105 | 100.00% | 6.7 | 29.0% | - | 295 | 282% | 25 | 32 |
| Sub-total | 1,255 | 764 | 65% | 1,757 | 9.27% | 103.3 | 28.5% | - | 841 | 48% | 40 | 40 |

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

| | | | | | | | | | | | | |
|-----------------|-------|-----|-----|-------|---------|------|-------|---|-----|------|---|---|
| 0.00 to < 0.15 | 3 | 9 | 43% | 7 | 0.09% | 0.8 | 17.5% | - | 0 | 3% | 0 | 0 |
| 0.15 to < 0.25 | 360 | 21 | 40% | 368 | 0.19% | 6.5 | 17.6% | - | 20 | 5% | 0 | 0 |
| 0.25 to < 0.50 | 137 | 23 | 52% | 149 | 0.36% | 2.5 | 17.3% | - | 13 | 9% | 0 | 0 |
| 0.50 to < 0.75 | 79 | 16 | 56% | 89 | 0.60% | 1.4 | 16.8% | - | 12 | 13% | 0 | 0 |
| 0.75 to < 2.50 | 407 | 85 | 49% | 449 | 1.28% | 8.8 | 17.6% | - | 99 | 22% | 1 | 1 |
| 2.50 to < 10.00 | 57 | 8 | 54% | 61 | 3.97% | 1.2 | 17.3% | - | 27 | 43% | 0 | 0 |
| 10.00 to < 100 | 17 | 1 | 64% | 18 | 29.17% | 0.3 | 17.3% | - | 15 | 84% | 1 | 0 |
| 100 (Default) | 25 | 2 | 66% | 26 | 100.00% | 0.6 | 18.0% | - | 56 | 211% | 1 | 3 |
| Sub-total | 1,086 | 166 | 50% | 1,168 | 3.58% | 22.2 | 17.5% | - | 242 | 21% | 4 | 4 |

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

| | | | | | | | | | | | | |
|-----------------|---------|-------|-----|---------|---------|--------|-------|---|--------|------|-----|----|
| 0.00 to < 0.15 | 80,416 | 7,462 | 70% | 85,625 | 0.09% | 631.7 | 14.2% | - | 2,788 | 3% | 11 | 1 |
| 0.15 to < 0.25 | 27,577 | 1,253 | 61% | 28,342 | 0.19% | 208.2 | 15.9% | - | 1,812 | 6% | 8 | 1 |
| 0.25 to < 0.50 | 12,982 | 578 | 61% | 13,334 | 0.36% | 103.7 | 15.6% | - | 1,345 | 10% | 7 | 2 |
| 0.50 to < 0.75 | 4,463 | 147 | 63% | 4,555 | 0.60% | 35.0 | 15.7% | - | 670 | 15% | 4 | 2 |
| 0.75 to < 2.50 | 7,207 | 404 | 60% | 7,449 | 1.30% | 58.0 | 15.5% | - | 1,790 | 24% | 15 | 12 |
| 2.50 to < 10.00 | 1,106 | 30 | 92% | 1,133 | 5.22% | 8.1 | 15.7% | - | 627 | 55% | 9 | 3 |
| 10.00 to < 100 | 762 | 17 | 95% | 777 | 26.55% | 7.0 | 15.4% | - | 723 | 93% | 32 | 9 |
| 100 (Default) | 1,290 | 3 | 62% | 1,292 | 100.00% | 11.7 | 16.0% | - | 2,201 | 170% | 27 | 69 |
| Sub-total | 135,803 | 9,894 | 68% | 142,508 | 1.30% | 1063.4 | 14.8% | - | 11,957 | 8% | 114 | 98 |

Table 16

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

The total amount of pre-credit derivatives REA at the end of Q2 2018 amounted to EUR 84,971m, corresponding to a gross REA relief of EUR 3,479m (EUR 2,632m net of REA held on securitised positions). By the end of Q4 2017, pre-credit derivatives REA amounted to EUR 85,703m and the relief EUR 3,562m. Outside of the synthetic securitisation of certain corporate exposures, Nordea does not use credit derivatives as a credit risk mitigation technique in the banking book.

2018 Q2

| EURm | Pre-credit derivatives | |
|---|------------------------|---------------|
| | REA | Actual REA |
| Exposures under Foundation IRB | | |
| Central governments and central banks | 1,778 | 1,778 |
| Institutions | 4,317 | 4,317 |
| Corporates - SME | 2,081 | 2,081 |
| Corporates - Specialised Lending | 16 | 16 |
| Corporates - Other | 4,031 | 4,031 |
| Other non credit-obligation assets | 2,726 | 2,726 |
| Exposures under Advanced IRB | | |
| Corporates - SME | 15,380 | 14,190 |
| Corporates - Specialised Lending | 205 | 205 |
| Corporates - Other | 32,745 | 30,457 |
| Retail - Secured by real estate SME | 241 | 241 |
| Retail - Secured by real estate non-SME | 12,025 | 12,025 |
| Retail - Other SME | 861 | 861 |
| Retail - Other non-SME | 8,563 | 8,563 |
| Total | 84,971 | 81,492 |

2017 Q4

| EURm | Pre-credit derivatives | |
|---|------------------------|---------------|
| | REA | Actual REA |
| Exposures under Foundation IRB | | |
| Central governments and central banks | 1,721 | 1,721 |
| Institutions | 4,307 | 4,307 |
| Corporates - SME | 1,692 | 1,692 |
| Corporates - Specialised Lending | 17 | 17 |
| Corporates - Other | 4,359 | 4,359 |
| Other non credit-obligation assets | 2,019 | 2,019 |
| Exposures under Advanced IRB | | |
| Corporates - SME | 16,010 | 14,992 |
| Corporates - Specialised Lending | 211 | 211 |
| Corporates - Other | 34,515 | 31,970 |
| Retail - Secured by real estate SME | 226 | 226 |
| Retail - Secured by real estate non-SME | 11,452 | 11,452 |
| Retail - Other SME | 799 | 799 |
| Retail - Other non-SME | 8,375 | 8,375 |
| Total | 85,703 | 82,141 |

Table 17

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

Over the second quarter 2018, credit risk IRB REA increased by EUR 814m, driven foremost by increased portfolio volume. This was mainly observed as increased loans in Nordea's corporate portfolio and increased residential mortgages in the retail portfolio. Foreign currency effects further increased REA, driven mainly by the appreciation of the USD and NOK against the EUR. The main offsetting effect stemmed from improved asset quality, mainly in Nordea's corporate portfolio.

| EURm | REA | Capital requirement |
|----------------------------|--------|---------------------|
| REA 2018 Q1 | 80,678 | 6,454 |
| Asset size | 846 | 68 |
| Asset quality | -733 | -59 |
| Model updates | -43 | -3 |
| Methodology and policy | | |
| Acquisitions and disposals | | |
| Foreign exchange movements | 657 | 53 |
| Other | 88 | 7 |
| REA 2018 Q2 | 81,492 | 6,519 |

| EURm | REA | Capital requirement |
|----------------------------|--------|---------------------|
| REA 2017 Q4 | 82,141 | 6,571 |
| Asset size | -79 | -6 |
| Asset quality | -2,086 | -167 |
| Model updates | 795 | 64 |
| Methodology and policy | | |
| Acquisitions and disposals | | |
| Foreign exchange movements | -615 | -49 |
| Other | 522 | 42 |
| REA 2018 Q1 | 80,678 | 6,454 |

Table 18

EU CCR1 Analysis of counterparty credit risk by approach

Nordea is using two methodologies when calculating the counterparty credit risk amounts. These methodologies are the mark to market and Internal Model Method (IMM). For Securities Financing Transactions (SFT) Nordea is using the financial collateral simple method. Since Q4 2017 REA has increased by approximately EUR 205m mostly driven by higher SFT volumes for the period.

2018 Q2

| EURm | Notional | Replace- ment cost/ Current market value | Potential future value | EEPE | Multiplier | EAD post- CRM | REA |
|--|----------|--|---------------------------|--------|------------|------------------|--------------|
| Mark to market | | 546 | 2,161 | | | 2,708 | 725 |
| Original exposure | 0 | | | | | 0 | 0 |
| Standardised approach | | 0 | | | 0 | 0 | 0 |
| Internal Model Method (for derivatives and SFTs) | | | 6,809 | 10,427 | 1 | 14,598 | 4,691 |
| Of which securities Financing Transactions | | | 0 | 0 | 0 | 0 | 0 |
| Of which derivatives & Long Settlement Transactions | | | 6,809 | 10,427 | 1 | 14,598 | 4,691 |
| Of which from Contractual Cross Product Netting | | | 0 | 0 | 0 | 0 | 0 |
| Financial collateral simple method (for SFTs) | | | | | | 6,981 | 869 |
| Financial collateral comprehensive method (for SFTs) | | | | | | 0 | 0 |
| VaR for SFTs | | | | | | 0 | 0 |
| Total | | | | | | | 6,284 |

Luminor Bank CCR exposures of EUR 64m are not considered in the table.

2017 Q4

| EURm | Notional | Replace- ment cost/ Current market value | Potential future value | EEPE | Multiplier | EAD post- CRM | REA |
|--|----------|--|---------------------------|--------|------------|------------------|--------------|
| Mark to market | | 902 | 2,024 | | | 2,927 | 836 |
| Original exposure | | | | | | | |
| Standardised approach | | | | | | | |
| Internal Model Method (for derivatives and SFTs) | | | 5,064 | 10,395 | 1.4 | 14,553 | 4,717 |
| Of which securities Financing Transactions | | | | | | | |
| Of which derivatives & Long Settlement Transactions | | | 5,064 | 10,395 | 1.4 | 14,553 | 4,717 |
| Of which from Contractual Cross Product Netting | | | | | | | |
| Financial collateral simple method (for SFTs) | | | | | | 5,309 | 526 |
| Financial collateral comprehensive method (for SFTs) | | | | | | | |
| VaR for SFTs | | | | | | | |
| Total | | | | | | | 6,079 |

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

Table 19

EU CCR2 Credit valuation adjustment (CVA) capital charge

The CVA risk capital charge computes the amount required to cover the potential losses arising from marking to market the counterparty credit risk of the OTC derivative portfolio. It is calculated using either an advanced approach or a standardised approach where the advanced approach is based on a VaR model and calculated as a 60 day average. Decrease in CVA REA numbers since last reporting period is mainly explained by increasing ACVA hedging activity during late 2017 being fully phased in during Q1 2018.

| 2018 Q2 | | |
|--|-------------------|-----|
| | Exposure value | REA |
| EURm | | |
| Total portfolios subject to the Advanced Method | 3,526 | 564 |
| (i) VaR component (including the 3×multiplier) | | 110 |
| (ii) Stressed VaR component (including the 3×multiplier) | | 454 |
| All portfolios subject to the Standardised Method Based on Original Exposure Method | 1,523 | 218 |
| Total subject to the CVA capital charge | 5,049 | 781 |

| 2017 Q4 | | |
|--|-------------------|-------|
| | Exposure value | REA |
| EURm | | |
| Total portfolios subject to the Advanced Method | 2,965 | 963 |
| (i) VaR component (including the 3×multiplier) | | 188 |
| (ii) Stressed VaR component (including the 3×multiplier) | | 775 |
| All portfolios subject to the Standardised Method Based on Original Exposure Method | 1,654 | 219 |
| Total subject to the CVA capital charge | 4,619 | 1,182 |

Table 20

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

Since year-end 2017, the total exposure in the CCR SA portfolio increased by EUR 718m (excluding Luminor Bank). The overall increase in exposures was driven by Securities Financing Transactions (SFTs) in the Institutions portfolio, comprised of trade exposures towards CCPs, seen in the 2% risk weight column. The position changes in SFTs over the period resulted in a total exposure increase of EUR 803m.

2018 Q2

| EURm | Risk weight | | | | | | | | | | | | | |
|-------------------------------|-------------|-------|----|-----|-----|-----|-----|-----|-----|------|------|-------|-------|--|
| Exposure classes ¹ | 0% | 2% | 4% | 10% | 20% | 35% | 50% | 70% | 75% | 100% | 150% | Other | Total | |
| Institutions | | 2,760 | | | | | | | | | | 113 | 2,873 | |
| Corporate | | | | | | | | | | 36 | | | 36 | |
| Retail | | | | | | | | | 1 | | | | 1 | |
| Total | | 2,760 | | | | | | | 1 | 36 | | 113 | 2,910 | |

Luminor Bank CCR exposures of EUR 64m are not considered in the table.

2017 Q4

| EURm | Risk weight | | | | | | | | | | | | | |
|-------------------------------|-------------|-------|----|-----|-----|-----|-----|-----|-----|------|------|-------|-------|--|
| Exposure classes ¹ | 0% | 2% | 4% | 10% | 20% | 35% | 50% | 70% | 75% | 100% | 150% | Other | Total | |
| Institutions | 46 | 1,829 | | | 75 | | | | | | | 75 | 2,025 | |
| Corporate | | | | | | | | | | 165 | 1 | | 166 | |
| Retail | | | | | | | | | 1 | | | | 1 | |
| Total | 46 | 1,829 | | | 75 | | | | 1 | 165 | 1 | 75 | 2,191 | |

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

Table 21

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

Since Q1 2018, on a total level EAD decreased by EUR 508m whereas REA increased by EUR 157m, reflected by and increase in average risk weight from 27% to 29%. The relatively low risk weight in the defaulted bucket stems from most of the CCR exposures being treated under the FIRB approach.

2018 Q2, EURm

| PD scale | EAD | Average PD | Number of obligors | Average LGD | Average maturity | REA | REA density |
|------------------|---------------|--------------|--------------------|--------------|------------------|--------------|-------------|
| Total IRB | | | | | | | |
| 0.00 to < 0.15 | 15,451 | 0.04% | 2,459 | 44.7% | 2.0 | 2,468 | 16% |
| 0.15 to < 0.25 | 1,352 | 0.17% | 877 | 44.9% | 2.0 | 520 | 38% |
| 0.25 to < 0.50 | 2,915 | 0.34% | 1,828 | 43.2% | 2.2 | 1,654 | 57% |
| 0.50 to < 0.75 | 754 | 0.67% | 844 | 45.0% | 2.4 | 581 | 77% |
| 0.75 to < 2.50 | 551 | 1.27% | 1,396 | 44.6% | 2.1 | 517 | 94% |
| 2.50 to < 10.00 | 252 | 3.97% | 740 | 44.8% | 2.1 | 327 | 130% |
| 10.00 to < 100 | 9 | 17.91% | 182 | 43.9% | 2.5 | 15 | 178% |
| 100 (Default) | 94 | 100.00% | 181 | 40.9% | 2.2 | 33 | 35% |
| Total IRB | 21,377 | 0.64% | 8,507 | 44.5% | 2.0 | 6,114 | 29% |

Sovereigns FIRB

| | | | | | | | |
|------------------------|--------------|--------------|------------|--------------|------------|------------|-----------|
| 0.00 to < 0.15 | 5,095 | | 442 | 45.0% | 2.0 | 141 | 3% |
| 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 | 72 | 3.53% | 11 | 45.0% | 1.4 | 93 | 128% |
| 10.00 to < 100 | | | | | | | |
| 100 (Default) | | | | | | | |
| Sovereigns FIRB | 5,167 | 0.05% | 453 | 45.0% | 2.0 | 233 | 5% |

Institutions FIRB

| PD scale | EAD post CRM and post-CCF | Average PD | Number of obligors | Average LGD | Average maturity | REA | REA density |
|--------------------------|---------------------------|--------------|--------------------|--------------|------------------|--------------|-------------|
| 0.00 to < 0.15 | 5,509 | 0.07% | 145 | 44.2% | 1.8 | 1,361 | 25% |
| 0.15 to < 0.25 | 260 | 0.15% | 44 | 45.0% | 2.0 | 115 | 44% |
| 0.25 to < 0.50 | 698 | 0.33% | 63 | 37.7% | 2.1 | 394 | 57% |
| 0.50 to < 0.75 | 44 | 0.57% | 14 | 45.0% | 2.5 | 42 | 95% |
| 0.75 to < 2.50 | 66 | 0.92% | 12 | 45.0% | 0.8 | 59 | 90% |
| 2.50 to < 10.00 | 5 | 2.61% | 2 | 45.0% | 2.5 | 7 | 138% |
| 10.00 to < 100 | | | | | | | |
| 100 (Default) | | | | | | | |
| Institutions FIRB | 6,582 | 0.11% | 280 | 43.6% | 1.8 | 1,979 | 30% |

Retail RIRB

| PD scale | EAD post CRM and post-CCF | Average PD | Number of obligors | Average LGD | Average maturity | REA | REA density |
|--------------------|---------------------------|---------------|--------------------|--------------|------------------|-----------|-------------|
| 0.00 to < 0.15 | 6 | 0.10% | 102 | 35.1% | 2.5 | 1 | 9% |
| 0.15 to < 0.25 | 19 | 0.17% | 136 | 35.1% | 2.5 | 2 | 13% |
| 0.25 to < 0.50 | 20 | 0.38% | 110 | 35.0% | 2.5 | 4 | 22% |
| 0.50 to < 0.75 | 1 | 0.60% | 48 | 36.1% | 2.5 | | 26% |
| 0.75 to < 2.50 | 27 | 1.59% | 586 | 36.2% | 2.3 | 12 | 43% |
| 2.50 to < 10.00 | 6 | 4.42% | 183 | 36.2% | 2.5 | 3 | 50% |
| 10.00 to < 100 | 1 | 19.94% | 41 | 35.2% | 2.5 | 1 | 77% |
| 100 (Default) | 14 | 100.00% | 25 | 18.3% | 0.7 | 33 | 229% |
| Retail RIRB | 94 | 16.56% | 1,231 | 32.9% | 2.2 | 56 | 60% |

Table 22

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 | 4,842 | 0.06% | 1,770 | 45.0% | 2.2 | 965 | 20% |
| 0.15 to < 0.25 | 1,072 | 0.18% | 697 | 45.0% | 2.0 | 402 | 37% |
| 0.25 to < 0.50 | 2,197 | 0.35% | 1,655 | 45.0% | 2.3 | 1,255 | 57% |
| 0.50 to < 0.75 | 709 | 0.67% | 782 | 45.0% | 2.4 | 539 | 76% |
| 0.75 to < 2.50 | 458 | 1.30% | 798 | 45.0% | 2.3 | 446 | 97% |
| 2.50 to < 10.00 | 169 | 4.19% | 544 | 45.0% | 2.4 | 224 | 133% |
| 10.00 to < 100 | 8 | 17.64% | 141 | 45.0% | 2.5 | 14 | 191% |
| 100 (Default) | 80 | 100.00% | 156 | 45.0% | 2.5 | | |
| Corporate FIRB, Total | 9,534 | 1.17% | 6,543 | 45.0% | 2.2 | 3,846 | 40% |

Corporate FIRB, Corporate exposures excluding SMEs and specialised lending

| PD scale | EAD post CRM and post-CCF | Average PD | Number of obligors | Average LGD | Average maturity | REA | REA density |
|-----------------|------------------------------|------------|-----------------------|-------------|---------------------|-------|-------------|
| 0.00 to < 0.15 | 4,081 | 0.06% | 836 | 45.0% | 2.1 | 852 | 21% |
| 0.15 to < 0.25 | 920 | 0.18% | 252 | 45.0% | 1.9 | 349 | 38% |
| 0.25 to < 0.50 | 1,767 | 0.35% | 631 | 45.0% | 2.2 | 1,036 | 59% |
| 0.50 to < 0.75 | 458 | 0.67% | 256 | 45.0% | 2.4 | 378 | 82% |
| 0.75 to < 2.50 | 360 | 1.32% | 225 | 45.0% | 2.2 | 368 | 102% |
| 2.50 to < 10.00 | 111 | 3.75% | 127 | 45.0% | 2.4 | 157 | 141% |
| 10.00 to < 100 | 1 | 19.25% | 8 | 45.0% | 2.5 | 3 | 248% |
| 100 (Default) | 42 | 100.00% | 30 | 45.0% | 2.5 | | |
| Sub-total | 7,740 | 0.83% | 2,365 | 45.0% | 2.1 | 3,143 | 41% |

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 | 761 | 0.05% | 934 | 45.0% | 2.5 | 113 | 15% |
| 0.15 to < 0.25 | 153 | 0.18% | 445 | 45.0% | 2.5 | 53 | 35% |
| 0.25 to < 0.50 | 430 | 0.36% | 1,024 | 45.0% | 2.5 | 219 | 51% |
| 0.50 to < 0.75 | 250 | 0.67% | 526 | 45.0% | 2.3 | 160 | 64% |
| 0.75 to < 2.50 | 99 | 1.22% | 573 | 45.0% | 2.5 | 78 | 79% |
| 2.50 to < 10.00 | 58 | 5.02% | 417 | 45.0% | 2.5 | 67 | 117% |
| 10.00 to < 100 | 6 | 17.28% | 133 | 45.0% | 2.5 | 11 | 178% |
| 100 (Default) | 38 | 100.00% | 126 | 45.0% | 2.5 | | |
| Sub-total | 1,795 | 2.61% | 4,178 | 45.0% | 2.5 | 703 | 39% |

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 22

2018 Q1, EURm

Total IRB

| PD scale | EAD post CRM and post-CCF | Average PD | Number of obligors | Average LGD | Average maturity | REA | REA density |
|-----------------|------------------------------|------------|-----------------------|-------------|---------------------|-------|-------------|
| 0.00 to < 0.15 | 16,197 | 0.04% | 2,447 | 44.8% | 1.9 | 2,525 | 16% |
| 0.15 to < 0.25 | 1,242 | 0.17% | 890 | 44.8% | 1.9 | 467 | 38% |
| 0.25 to < 0.50 | 3,020 | 0.35% | 1,936 | 44.0% | 2.2 | 1,756 | 58% |
| 0.50 to < 0.75 | 651 | 0.67% | 854 | 44.9% | 2.4 | 494 | 76% |
| 0.75 to < 2.50 | 456 | 1.27% | 1,395 | 44.5% | 2.1 | 421 | 92% |
| 2.50 to < 10.00 | 221 | 3.69% | 797 | 44.7% | 1.9 | 270 | 122% |
| 10.00 to < 100 | 10 | 16.35% | 195 | 44.1% | 2.5 | 17 | 172% |
| 100 (Default) | 88 | 100.00% | 197 | 44.8% | 2.5 | 7 | 8% |
| Total IRB | 21,885 | 0.58% | 8,711 | 44.6% | 2.0 | 5,957 | 27% |

Sovereigns FIRB

| PD scale | EAD post CRM and post-CCF | Average PD | Number of obligors | Average LGD | Average maturity | REA | REA density |
|-------------------|------------------------------|------------|-----------------------|-------------|---------------------|-----|-------------|
| 0.00 to < 0.15 | 5,631 | 0.00% | 452 | 45.0% | 1.9 | 145 | 3% |
| 0.15 to < 0.25 | | | | | | | |
| 0.25 to < 0.50 | | | | | | | |
| 0.50 to < 0.75 | | | | | | | |
| 0.75 to < 2.50 | | | | | | | |
| 2.50 to < 10.00 | | | | | | | |
| 10.00 to < 100 | | | | | | | |
| 100 (Default) | | | | | | | |
| Sovereigns - FIRB | 5,631 | 0.00% | 452 | 45.0% | 1.9 | 145 | 3% |

Institutions FIRB

| PD scale | EAD post CRM and post-CCF | Average PD | Number of obligors | Average LGD | Average maturity | REA | REA density |
|---------------------|------------------------------|------------|-----------------------|-------------|---------------------|-------|-------------|
| 0.00 to < 0.15 | 5,942 | 0.07% | 146 | 44.3% | 1.7 | 1,475 | 25% |
| 0.15 to < 0.25 | 194 | 0.15% | 39 | 44.3% | 1.9 | 83 | 43% |
| 0.25 to < 0.50 | 657 | 0.33% | 67 | 40.6% | 2.1 | 407 | 62% |
| 0.50 to < 0.75 | 26 | 0.57% | 16 | 45.0% | 2.5 | 25 | 96% |
| 0.75 to < 2.50 | 48 | 0.92% | 11 | 45.0% | 0.9 | 44 | 93% |
| 2.50 to < 10.00 | 34 | 2.52% | 5 | 45.0% | 0.8 | 43 | 129% |
| 10.00 to < 100 | | | | | | | |
| 100 (Default) | | | | | | | |
| Institutions - FIRB | 6,900 | 0.11% | 284 | 44.0% | 1.7 | 2,077 | 30% |

Retail RIRB

| PD scale | EAD post CRM and post-CCF | Average PD | Number of obligors | Average LGD | Average maturity | REA | REA density |
|-----------------|------------------------------|------------|-----------------------|-------------|---------------------|-----|-------------|
| 0.00 to < 0.15 | 4 | 0.10% | 103 | 35.0% | - | 0 | 9% |
| 0.15 to < 0.25 | 15 | 0.17% | 147 | 35.2% | - | 2 | 13% |
| 0.25 to < 0.50 | 17 | 0.40% | 121 | 35.1% | - | 4 | 23% |
| 0.50 to < 0.75 | 6 | 0.60% | 63 | 35.2% | - | 2 | 29% |
| 0.75 to < 2.50 | 23 | 1.60% | 582 | 36.2% | - | 10 | 43% |
| 2.50 to < 10.00 | 7 | 5.11% | 198 | 36.1% | - | 4 | 51% |
| 10.00 to < 100 | 1 | 20.12% | 43 | 35.4% | - | 1 | 76% |
| 100 (Default) | 2 | 100.00% | 23 | 35.1% | - | 7 | 439% |
| Retail - RIRB | 76 | 3.61% | 1,280 | 35.6% | - | 30 | 39% |

Table 22

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 | 4,620 | 0.06% | 2 | 45.0% | 2.2 | 904 | 20% |
| 0.15 to < 0.25 | 1,033 | 0.18% | 1 | 45.0% | 1.9 | 382 | 37% |
| 0.25 to < 0.50 | 2,346 | 0.35% | 2 | 45.0% | 2.3 | 1,344 | 57% |
| 0.50 to < 0.75 | 618 | 0.67% | 1 | 45.0% | 2.4 | 467 | 75% |
| 0.75 to < 2.50 | 385 | 1.30% | 1 | 45.0% | 2.3 | 367 | 95% |
| 2.50 to < 10.00 | 181 | 3.84% | 1 | 45.0% | 2.1 | 224 | 124% |
| 10.00 to < 100 | 9 | 15.95% | 0 | 45.0% | 2.5 | 16 | 182% |
| 100 (Default) | 86 | 100.00% | 0 | 45.0% | 2.5 | | |
| Corporate FIRB, Total | 9,278 | 1.25% | 7 | 45.0% | 2.2 | 3,704 | 40% |

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 | 3,792 | 0.06% | 782 | 45.0% | 2.1 | 780 | 21% |
| 0.15 to < 0.25 | 888 | 0.18% | 252 | 45.0% | 1.8 | 331 | 37% |
| 0.25 to < 0.50 | 1,905 | 0.35% | 640 | 45.0% | 2.2 | 1,120 | 59% |
| 0.50 to < 0.75 | 377 | 0.67% | 248 | 45.0% | 2.5 | 317 | 84% |
| 0.75 to < 2.50 | 268 | 1.33% | 220 | 45.0% | 2.2 | 274 | 102% |
| 2.50 to < 10.00 | 108 | 3.35% | 133 | 45.0% | 1.8 | 140 | 130% |
| 10.00 to < 100 | 2 | 17.99% | 14 | 45.0% | 2.5 | 4 | 243% |
| 100 (Default) | 38 | 100.00% | 28 | 45.0% | 2.5 | | |
| Sub-total | 7,377 | 0.79% | 2,317 | 45.0% | 2.1 | 2,966 | 40% |

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 | 828 | 0.05% | 977 | 45.0% | 2.5 | 125 | 15% |
| 0.15 to < 0.25 | 145 | 0.18% | 452 | 45.0% | 2.5 | 51 | 35% |
| 0.25 to < 0.50 | 442 | 0.36% | 1,108 | 45.0% | 2.5 | 224 | 51% |
| 0.50 to < 0.75 | 241 | 0.67% | 527 | 45.0% | 2.3 | 150 | 62% |
| 0.75 to < 2.50 | 117 | 1.23% | 582 | 45.0% | 2.5 | 93 | 80% |
| 2.50 to < 10.00 | 73 | 4.57% | 448 | 45.0% | 2.5 | 83 | 114% |
| 10.00 to < 100 | 7 | 15.54% | 138 | 45.0% | 2.5 | 13 | 170% |
| 100 (Default) | 48 | 100.00% | 146 | 45.0% | 2.5 | | |
| Sub-total | 1,901 | 3.04% | 4,378 | 45.0% | 2.5 | 739 | 39% |

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 22

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

No material change in exposure for derivatives since last reporting period. Higher gross and netted current credit exposures for SFTs have driven the total netted current exposure up but a corresponding increase in collateral received on SFTs have caused the total net credit exposure to only increase slightly to EUR 8,791m per end Q2.

2018 Q2, EURm

| EURm | Gross positive fair value or net carrying amount | Netting benefits | Netted current credit exposure | Collateral held | Net credit exposure |
|-----------------------|--|------------------|--------------------------------|-----------------|---------------------|
| Derivatives | 170,380 | 154,615 | 15,765 | 7,717 | 8,048 |
| SFTs | 61,338 | 28,829 | 32,509 | 31,766 | 743 |
| Cross-product netting | 0 | 0 | 0 | 0 | 0 |
| Total | 231,718 | 183,443 | 48,274 | 39,483 | 8,791 |

Luminor Bank CCR exposures of EUR 64m are not considered in the table.

2017 Q4, EURm

| EURm | Gross positive fair value or net carrying amount | Netting benefits | Netted current credit exposure | Collateral held | Net credit exposure |
|-----------------------|--|------------------|--------------------------------|-----------------|---------------------|
| Derivatives | 168,885 | 153,492 | 15,393 | 7,698 | 7,694 |
| SFTs | 36,344 | 15,844 | 20,501 | 19,667 | 834 |
| Cross-product netting | | | | | |
| Total | 205,229 | 169,335 | 35,893 | 27,365 | 8,528 |

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

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

Collateral used in derivative transactions reflect the total amounts of posted and received collateral on the day of reporting. For the SFT's the trade collateral (the counterparties obligation in the transaction) is included as collateral.

2018 Q2, EURm

| EURm | Collateral used in derivative transactions | | | | Collateral used in SFTs | |
|------------------|--|--------------|---------------------------------|---------------|-----------------------------------|---------------------------------|
| | Fair value of collateral received | | Fair value of posted collateral | | Fair value of collateral received | Fair value of posted collateral |
| | Segregated | Unsegregated | Segregated | Unsegregated | | |
| Cash | 0 | 7,201 | 0 | 9,465 | 61,663 | 64,109 |
| Government bonds | 0 | 901 | 417 | 1,417 | 33,622 | 41,189 |
| Mortgage bonds | 0 | 450 | 52 | 558 | 17,161 | 13,288 |
| Bonds | 0 | 45 | 18 | 126 | 7,860 | 6,549 |
| Equity | 0 | 0 | 0 | 0 | 0 | 769 |
| Total | 0 | 8,597 | 487 | 11,566 | 120,306 | 125,904 |

Luminor Bank CCR exposures of EUR 64m are not considered in the table.

2017 Q4, EURm

| EURm | Collateral used in derivative transactions | | | | Collateral used in SFTs | |
|------------------|--|--------------|---------------------------------|--------------|-----------------------------------|---------------------------------|
| | Fair value of collateral received | | Fair value of posted collateral | | Fair value of collateral received | Fair value of posted collateral |
| | Segregated | Unsegregated | Segregated | Unsegregated | | |
| Cash | | 8,025 | | 8,170 | 35,078 | 44,256 |
| Government bonds | | 667 | 637 | 858 | 25,050 | 21,332 |
| Mortgage bonds | | 94 | 53 | 676 | 11,876 | 10,838 |
| Bonds | | 38 | | 59 | 5,222 | 3,561 |
| Equity | | | | | | 1,322 |
| Total | | 8,823 | 690 | 9,764 | 77,226 | 81,310 |

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

EU CCR6: Credit derivatives exposures

2018 Q2, EURm

| EURm | Credit derivative hedges | |
|--|--------------------------|-----------------|
| | Protection bought | Protection sold |
| Notionals | | |
| Credit default swaps | 49,391 | 49,404 |
| Credit options | 300 | |
| Total notionals | 49,691 | 49,404 |
| Fair values | | |
| Positive fair value (asset) | 645 | 61 |
| Negative fair value (liability) | 160 | 645 |
| Luminor Bank CCR exposures of EUR 64m are not considered in the table. | | |

2017 Q4, EURm

| EURm | Credit derivative hedges | |
|--|--------------------------|-----------------|
| | Protection bought | Protection sold |
| Notionals | | |
| Credit default swaps | 39,760 | 38,610 |
| Credit options | 280 | |
| Total notionals | 40,040 | 38,610 |
| Fair values | | |
| Positive fair value (asset) | 1,970 | 39 |
| Negative fair value (liability) | 78 | 1,897 |
| Luminor Bank CCR exposures of EUR 42m are not considered in the table. | | |

Table 25

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

No material changes in REA since Q1. Portfolio composition changes have driven REA down for major interbanks but was offset by exposure increases driven by lower interest rates and changes in major FX rates.

| EURm | REA amounts | Capital requirements |
|-----------------------------------|-------------|----------------------|
| REA 2018 Q1 | 4,542 | 363 |
| Asset size | -369 | -30 |
| Credit quality of counterparties | -5 | 0 |
| Model updates (IMM only) | 0 | 0 |
| Methodology and policy (IMM only) | 0 | 0 |
| Aquisition and disposals | 0 | 0 |
| Foreign exchange movements | 170 | 14 |
| Interest rate movements | 312 | 25 |
| Other | 41 | 3 |
| REA 2018 Q2 | 4,691 | 375 |

| EURm | REA amounts | Capital requirements |
|-----------------------------------|-------------|----------------------|
| REA 2017 Q4 | 4,717 | 377 |
| Asset size | -14 | -1 |
| Credit quality of counterparties | 13 | 1 |
| Model updates (IMM only) | 0 | 0 |
| Methodology and policy (IMM only) | 0 | 0 |
| Aquisition and disposals | 0 | 0 |
| Foreign exchange movements | -121 | -10 |
| Interest rate movements | -40 | -3 |
| Other | -12 | -1 |
| REA 2018 Q1 | 4,542 | 363 |

EU CCR8 Exposures to central counterparties

Exposure towards QCCPs increased mainly as a consequence of higher repo volumes for the period. Increased number of cleared IR and CDS derivatives have also increase trade exposure for the period. Increase in the default contribution to REA is caused by a change in the method used for REA calculation for one of the major CCP's giving a higher REA contribution from the default fund reducing accordingly the REA derived from trade exposure for the same counterparty.

2018 Q2, EURm

| EURm | EAD (post-CRM) | REA |
|---|----------------|-----|
| Exposures to QCCPs (total) | | 138 |
| Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which | 2,810 | 60 |
| (i) OTC derivatives | 670 | 13 |
| (ii) Exchange-traded derivatives | 188 | 4 |
| (iii) Securities financing transactions | 1,952 | 43 |
| (iv) Netting sets where cross-products netting has been approved | 0 | 0 |
| Segregated initial margin | 487 | |
| Non-segregated initial margin | 0 | 0 |
| Pre-funded default fund contribution | 113 | 78 |
| Alternative calculation of own funds requirements for exposures | | |
| Exposures to non-QCCPs (total) | | |

2017 Q4, EURm

| EURm | EAD (post-CRM) | REA |
|---|----------------|-----|
| Exposures to QCCPs (total) | | 95 |
| Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which | 1,905 | 52 |
| (i) OTC derivatives | 330 | 20 |
| (ii) Exchange-traded derivatives | 352 | 7 |
| (iii) Securities financing transactions | 1,223 | 25 |
| (iv) Netting sets where cross-products netting has been approved | | |
| Segregated initial margin | 638 | |
| Non-segregated initial margin | | |
| Pre-funded default fund contribution | 119 | 22 |
| Alternative calculation of own funds requirements for exposures | 2 | 22 |
| Exposures to non-QCCPs (total) | | |

Table 27

EU MR1: Market risk under standardised approach

Compared to year-end 2017, overall market risk under the Standardised Approach (SA) increased slightly. The interest rate risk REA increased with EUR 54m, mainly driven by position changes in mortgage bonds. The equity risk REA amounted to EUR 66m by the end of Q2 2018, which corresponded to an increase of EUR 13m from Q4 2017. In addition, commodity risk increased with EUR 56m mainly due to position changes. Foreign exchange risk for the period was below the 2% threshold and therefore do not attract any capital requirements, in accordance to Article 351 of the Capital Requirements Regulation (CRR).

2018 Q2, EURm

| EURm | REA | Capital requirements |
|---|--------------|----------------------|
| Outright products¹ | | |
| Interest rate risk (general and specific) | 972 | 78 |
| Equity risk (general and specific) | 66 | 5 |
| Foreign exchange risk | | |
| Commodity risk | 74 | 6 |
| Options | | |
| Simplified approach | | |
| Delta-plus method | | |
| Scenario approach | 73 | 6 |
| Securitisation | | |
| Total | 1,185 | 95 |

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

2017 Q4, EURm

| EURm | REA | Capital requirements |
|---|--------------|----------------------|
| Outright products¹ | 989 | 79 |
| Interest rate risk (general and specific) | 918 | 73 |
| Equity risk (general and specific) | 53 | 4 |
| Foreign exchange risk | | |
| Commodity risk | 18 | 1 |
| Options | 86 | 7 |
| Simplified approach | | |
| Delta-plus method | | |
| Scenario approach | 86 | 7 |
| Securitisation | | |
| Total | 1,075 | 86 |

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

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

By the end Q2 2018, Value-at-Risk (VaR) amounted to EUR 520m, which corresponded to an increase of EUR 7m from Q4 2017. The decrease in VaR was mainly driven by a combination of lower interest rates and changes in DKK, SEK and EUR exposures throughout the first half of 2018. The total stressed Value at Risk (sVaR) increased by EUR 205m mainly due to increased credit spread risk. Furthermore, the Incremental Risk Method (IRM) decreased with EUR 206m, driven by reduced default risk. Lastly, the Comprehensive Risk Method (CRM) increased with EUR 473m.

2018 Q2, EURm

| EURm | REA | Capital requirements |
|---|--------------|----------------------|
| VaR (higher of values a and b) | 520 | 42 |
| Previous day's VaR (Article 365 (1)(VaRt-1)) | 144 | 12 |
| Average of daily VaR (article 365 (1)) on each of the preceding 60 business days (VaRavg) x multiplication factor ((mc) in accordance with article 366) | 520 | 42 |
| SVaR (higher of values a and b) | 1,248 | 100 |
| Latest SVaR (Article 365 (2) (sVaRt-1)) | 335 | 27 |
| Average of the SVaR (article 365 (2)) during the preceding 60 business days (sVaRavg) x multiplication factor (ms) (article 366) | 1,248 | 100 |
| Incremental risk charge - IRC (higher of values a and b) | 271 | 22 |
| Most recent IRC value (incremental default and migration risks section 3 calculated in accordance with Section 3 articles 370/371) | 271 | 22 |
| Average of the IRC number over the preceding 12 weeks | 258 | 21 |
| Comprehensive risk method - CRM (higher of values a,b and c) | 684 | 55 |
| Most recent risk number for the correlation trading portfolio (article 377) | 684 | 55 |
| Average of the risk numbers for the correlation trading portfolio over the preceding 12-weeks | 384 | 31 |
| 8% of the own funds requirement in SA on most recent risk number for the correlation trading portfolio (Article 338 (4)) | 404 | 32 |
| Total | 2,722 | 218 |

2017 Q4, EURm

| EURm | REA | Capital requirements |
|---|--------------|----------------------|
| VaR (higher of values a and b) | 513 | 41 |
| Previous day's VaR (Article 365 (1)(VaRt-1)) | 143 | 11 |
| Average of daily VaR (article 365 (1)) on each of the preceding 60 business days (VaRavg) x multiplication factor ((mc) in accordance with article 366) | 513 | 41 |
| SVaR (higher of values a and b) | 1,043 | 83 |
| Latest SVaR (Article 365 (2) (sVaRt-1)) | 307 | 25 |
| Average of the SVaR (article 365 (2)) during the preceding 60 business days (sVaRavg) x multiplication factor (ms) (article 366) | 1,043 | 83 |
| Incremental risk charge - IRC (higher of values a and b) | 477 | 38 |
| Most recent IRC value (incremental default and migration risks section 3 calculated in accordance with Section 3 articles 370/371) | 477 | 38 |
| Average of the IRC number over the preceding 12 weeks | 185 | 15 |
| Comprehensive risk method - CRM (higher of values a,b and c) | 411 | 33 |
| Most recent risk number for the correlation trading portfolio (article 377) | 254 | 20 |
| Average of the risk numbers for the correlation trading portfolio over the preceding 12-weeks | 411 | 33 |
| 8% of the own funds requirement in SA on most recent risk number for the correlation trading portfolio (Article 338 (4)) | 351 | 28 |
| Total | 2,444 | 196 |

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

By the end of Q2 2018, REA amounted to EUR 2,722m, a decrease of EUR 57m from Q1 2018. The decrease in Value-at-Risk (VaR) REA is primarily driven by lower levels of interest rate risk. The increase in stressed Value-at-Risk (sVaR) stemmed from a change in credit spread risk positioning. The increase in the Comprehensive Risk Method (CRM) was mainly a consequence of position changes.

| EURm | VaR | SVaR | IRM | CRM | Total REA | Total capital requirements |
|---|-----|-------|-----|-----|-----------|----------------------------|
| REA before regulatory adjustments 2018 Q1 | 576 | 1,114 | 314 | 277 | 2,282 | 183 |
| Regulatory adjustment | | | | | | |
| REA 2018 Q1 | 576 | 1,114 | 314 | 277 | 2,282 | 183 |
| Movement in risk levels | -57 | 134 | -43 | 407 | 441 | 35 |
| Model updates/changes | | | | | | |
| Methodology and policy | 0 | | | | 0 | 0 |
| Aquisitions and disposals | | | | | | |
| Foreign exchange movements | | | | | | |
| Other | | | | | | |
| REA before regulatory adjustments 2018 Q2 | 520 | 1,248 | 271 | 684 | 2,722 | 218 |
| Regulatory adjustment | | | | | | |
| REA 2018 Q2 | 520 | 1,248 | 271 | 684 | 2,722 | 218 |

| EURm | VaR | SVaR | IRM | CRM | Total REA | Total capital requirements |
|---|-----|-------|------|------|-----------|----------------------------|
| REA before regulatory adjustments 2017 Q4 | 513 | 1,043 | 477 | 411 | 2,444 | 196 |
| Regulatory adjustment | | | | | | |
| REA 2017 Q4 | 513 | 1,043 | 477 | 411 | 2,444 | 196 |
| Movement in risk levels | 63 | 72 | -164 | -134 | -163 | -13 |
| Model updates/changes | | | | | | |
| Methodology and policy | | | | | | |
| Aquisitions and disposals | | | | | | |
| Foreign exchange movements | | | | | | |
| Other | | | | | | |
| REA before regulatory adjustments 2018 Q1 | 576 | 1,114 | 314 | 277 | 2,282 | 183 |
| Regulatory adjustment | | | | | | |
| REA 2018 Q1 | 576 | 1,114 | 314 | 277 | 2,282 | 183 |

Table 30

EU MR3: IMA values for trading portfolios

Value-at-Risk (VaR) remained stable throughout the first half of 2018. The decreased maximum value in stressed Value at Risk (sVaR) was mainly driven by reduced positions. The Incremental Risk Charge (IRC) decreased during the period as a result of reduced default risk.

2018 Q2, EURm

| | EURm |
|---|------|
| VaR (10 day 99%) | |
| Maximum | 16 |
| Average | 12 |
| Minimum | 8 |
| Period end | 12 |
| SVaR (10 day 99%) | |
| Maximum | 41 |
| Average | 28 |
| Minimum | 18 |
| Period end | 27 |
| IRC (10 day 99%) | |
| Maximum | 38 |
| Average | 23 |
| Minimum | 11 |
| Period end | 22 |
| Comprehensive capital charge (99.9%) | |
| Maximum | 55 |
| Average | 24 |
| Minimum | 12 |
| Period end | 55 |

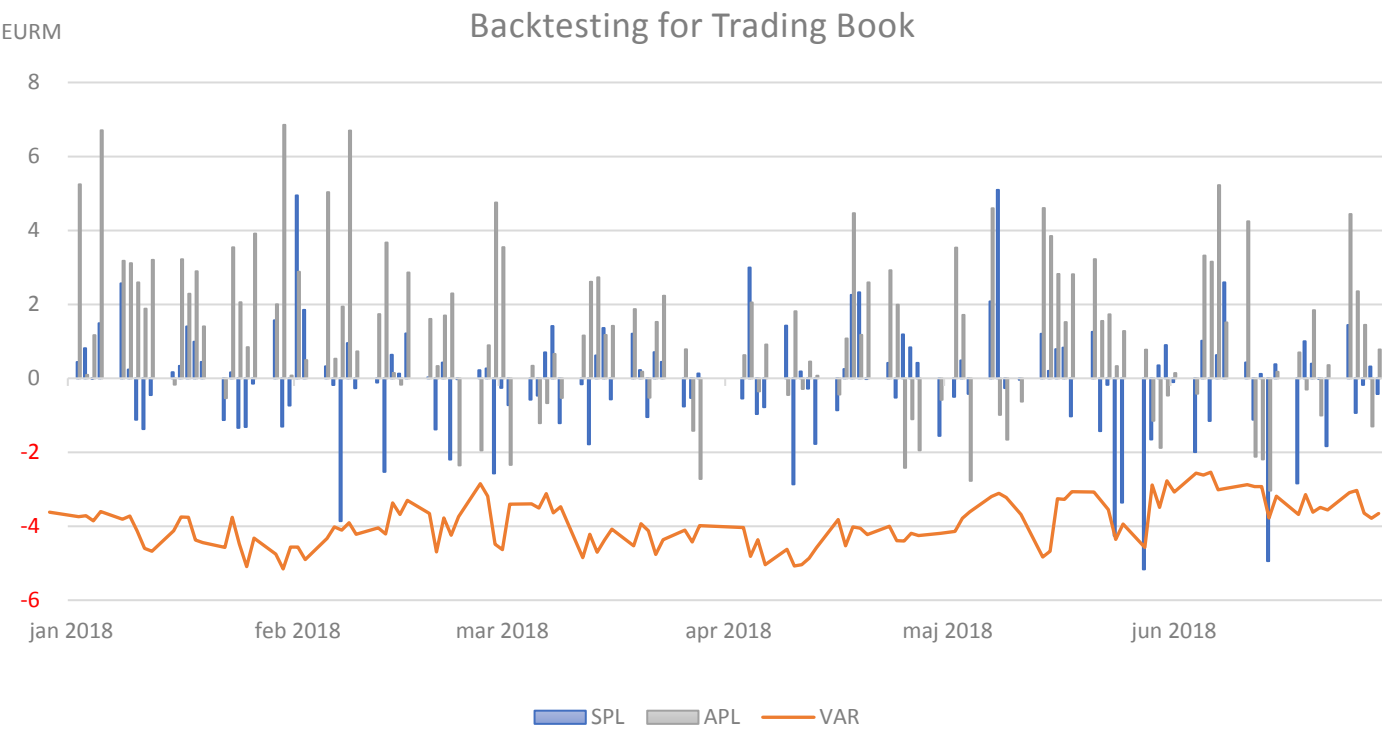
2017 Q4, EURm

| | EURm |
|---|------|
| VaR (10 day 99%) | |
| Maximum | 21 |
| Average | 12 |
| Minimum | 7 |
| Period end | 11 |
| SVaR (10 day 99%) | |
| Maximum | 70 |
| Average | 24 |
| Minimum | 12 |
| Period end | 25 |
| IRC (10 day 99%) | |
| Maximum | 41 |
| Average | 14 |
| Minimum | 9 |
| Period end | 38 |
| Comprehensive capital charge (99.9%) | |
| Maximum | 50 |
| Average | 31 |
| Minimum | 9 |
| Period end | 20 |

Table 31

EU MR4: Comparison of VaR estimates with gains/losses

The figure shows the VaR backtest of the trading book for 2018. The VaR models are considered being of a satisfactory quality if less than five exceptions are recorded within the last 250 banking days. By the end of Q2 2018, both backtests based on actual profit/loss and hypothetical profit/loss were in the green zone, with two exceptions, respectively, during the last 250 days. The backtest deciding the capital multiplier is the one with the highest number of exceptions based on hypothetical profit/loss or actual profit/loss.



Summary of items included in own funds

CET1 capital has increased by EUR 68m, mainly driven by an increase in net profit and decreased shortfall deductions due to increased provisions among performing customers. This was somewhat offset by increased intangible assets and pension deductions, as well as FX effects in retained earnings. Tier 1 capital decreased by EUR 65m where the main driver was a restructuring of grandfathered loans from Tier 1 to Tier 2 capital, offset by FX effects related to USD appreciation and the increase in CET 1 capital. Total own funds increased by EUR 292m, driven by the increase in Tier 2 capital due restructured grandfathered loans from Tier 1, decreased Tier 2 deductions and FX-effects related to USD. This was partially offset by the regulatory amortisation of Tier 2 contracts as well as a decrease in the IRB provisions excess.

| EURm | Q2 2018 ³ | Q1 2018 ³ |
|---|----------------------|----------------------|
| Calculation of own funds | | |
| Equity in the consolidated situation | 30,329 | 29,462 |
| Proposed/actual dividend | -1,394 | -697 |
| Common Equity Tier 1 capital before regulatory adjustments | 28,935 | 28,765 |
| Deferred tax assets | -61 | -61 |
| Intangible assets | -3,914 | -3,823 |
| IRB provisions shortfall (-) | -3 | -85 |
| Deduction for investments in credit institutions (50%) | | |
| Pension assets in excess of related liabilities ¹ | -212 | -176 |
| Other items, net | -331 | -275 |
| Total regulatory adjustments to Common Equity Tier 1 capital | -4,521 | -4,420 |
| Common Equity Tier 1 capital (net after deduction) | 24,414 | 24,345 |
| Additional Tier 1 capital before regulatory adjustments | 2,836 | 2,974 |
| Total regulatory adjustments to Additional Tier 1 capital | -17 | -21 |
| Additional Tier 1 capital | 2,819 | 2,953 |
| Tier 1 capital (net after deduction) | 27,233 | 27,298 |
| Tier 2 capital before regulatory adjustments | 4,810 | 4,656 |
| IRB provisions excess (+) | 150 | 211 |
| Deduction for investments in credit institutions (50%) | | |
| Deductions for investments in insurance companies | -1,000 | -1,205 |
| Pension assets in excess of related liabilities | | |
| Other items, net | -60 | -54 |
| Total regulatory adjustments to Tier 2 capital | -910 | -1,049 |
| Tier 2 capital | 3,900 | 3,608 |
| Own funds (net after deduction)² | 31,133 | 30,906 |

1) Based on conditional FSA approval.

2) Own Funds adjusted for IRB provision, i.e. adjusted own funds equal EUR 30 986m by 30 June 2018.

3) Including profit of the period.

Own funds, excluding profit

| EURm | Q2 2018 | Q1 2018 |
|--|---------|---------|
| Common Equity Tier 1 capital, excluding profit | 24,217 | 24,302 |
| Total own funds, excluding profit | 30,937 | 30,863 |

Table 33

Capital ratios

Including profit, the CET1 capital ratio increased by 7 bps to 19.9%, driven by both decreased Basel III REA and increased CET1 capital.

The leverage ratio following the transitional definition decreased 11 bps compared to Q1 2018, whereas fully loaded leverage ratio decreased by 7 bps. As a result of restructuring of grandfathered AT1 loans into T2 capital, at the end of Q2 2018 the leverage ratio according to both definitions amounted to 4.96%.

Capital ratios

| % | Q2 2018 | Q1 2018 |
|--|---------|---------|
| Common Equity Tier 1 capital ratio, including profit | 19.9 | 19.8 |
| Tier 1 capital ratio, including profit | 22.2 | 22.3 |
| Total capital ratio, including profit | 25.4 | 25.2 |
| Common Equity Tier 1 capital ratio, excluding profit | 19.8 | 19.8 |
| Tier 1 capital ratio, excluding profit | 22.1 | 22.2 |
| Total capital ratio, excluding profit | 25.2 | 25.2 |

Leverage Ratio

| | Q2 2018 | Q1 2018 |
|--|---------|---------|
| Tier 1 capital, EURm ¹ | 27,233 | 27,070 |
| Tier 1 capital, transitional definition, EURm ¹ | 27,233 | 27,298 |
| Leverage ratio exposure, EURm | 548,932 | 538,378 |
| Leverage ratio, transitional definition, percentage | 4.96 | 5.07 |
| Leverage ratio, percentage | 4.96 | 5.03 |

1) Figures include profit of the period.

Minimum capital requirements for credit risk, split by exposure class

Over the second quarter 2018, total Exposure at Default (EAD) increased by EUR 5,558m, driven by the IRB portfolio offset by a decrease of EUR 1,212m in exposures under the Standardised Approach (SA). The total share of IRB exposures, in terms of EAD, was 96% (98% excluding Luminor Bank) at the end of the quarter.

In the IRB portfolio, the REA increase of EUR 958m mainly stemmed from FX effects due to USD and NOK appreciation against the EUR. Improved credit quality decreased REA, with a corresponding 8 bps decrease in IRB average risk weight, however offset by increased REA resulting from increased volumes.

Sovereign exposures in the SA portfolio are mainly exposures with a corresponding 0% risk weight, the remaining part comprises of Deferred Tax Assets (DTAs) subject to risk weights of 100% and 250%.

2018 Q2, EURm

| EURm | Original exposure | Exposure | Average risk weight | REA | Capital requirement |
|--|-------------------|----------------|---------------------|---------------|---------------------|
| IRB exposure classes | | | | | |
| Sovereign | 77,102 | 75,218 | 3% | 2,012 | 161 |
| Institution | 46,859 | 45,481 | 14% | 6,297 | 504 |
| Corporate | 176,321 | 143,235 | 38% | 54,825 | 4,386 |
| - of which advanced | 152,430 | 122,254 | 37% | 44,852 | 3,588 |
| Retail | 188,812 | 179,519 | 12% | 21,747 | 1,740 |
| - of which mortgage | 148,140 | 144,245 | 8% | 12,025 | 962 |
| - of which other retail | 37,363 | 32,326 | 27% | 8,608 | 689 |
| - of which SME | 3,309 | 2,948 | 38% | 1,114 | 89 |
| Other non-credit obligation assets | 3,289 | 3,101 | 88% | 2,726 | 218 |
| Total IRB approach | 492,382 | 446,553 | 20% | 87,606 | 7,008 |
| Standardised exposure classes | | | | | |
| Central government and central banks | 2,076 | 2,131 | 5% | 114 | 9 |
| Regional governments and local authorities | 120 | 118 | 6% | 8 | 1 |
| Institution | 3,167 | 3,072 | 6% | 192 | 15 |
| Corporate | 5,607 | 3,212 | 99% | 3,188 | 255 |
| Retail | 6,978 | 4,602 | 71% | 3,266 | 261 |
| Exposure secured by real estate | 3,097 | 3,040 | 35% | 1,063 | 85 |
| Other ¹ | 3,083 | 2,935 | 147% | 4,320 | 346 |
| Total standardised approach | 24,129 | 19,111 | 64% | 12,151 | 972 |
| Total | 516,511 | 465,664 | 21% | 99,758 | 7,981 |

1) Includes exposures classes Administrative bodies and non-commercial undertakings, Past due items, Items belonging to regulatory high-risk categories, Other Items and Equity.

2017 Q4, EURm

| EURm | Original exposure | Exposure | Average risk weight | REA | Capital requirement |
|--|-------------------|----------------|---------------------|----------------|---------------------|
| IRB exposure classes | | | | | |
| Sovereign | 76,544 | 74,438 | 2% | 1,808 | 145 |
| Institution | 45,483 | 43,905 | 14% | 6,263 | 501 |
| Corporate | 174,924 | 141,569 | 39% | 54,703 | 4,376 |
| - of which advanced | 151,635 | 121,515 | 37% | 45,264 | 3,621 |
| Retail | 185,311 | 176,922 | 12% | 21,436 | 1,715 |
| - of which mortgage | 145,697 | 142,508 | 8% | 11,957 | 957 |
| - of which other retail | 36,315 | 31,460 | 27% | 8,384 | 671 |
| - of which SME | 3,299 | 2,954 | 37% | 1,095 | 88 |
| Other non-credit obligation assets | 3,260 | 2,949 | 83% | 2,438 | 195 |
| Total IRB approach | 485,521 | 439,783 | 20% | 86,648 | 6,932 |
| Standardised exposure classes | | | | | |
| Central government and central banks | 2,360 | 2,418 | 7% | 164 | 13 |
| Regional governments and local authorities | 125 | 123 | 5% | 7 | 1 |
| Institution | 2,845 | 2,743 | 6% | 171 | 14 |
| Corporate | 5,468 | 3,177 | 99% | 3,151 | 252 |
| Retail | 6,909 | 4,533 | 71% | 3,213 | 257 |
| Exposure secured by real estate | 4,501 | 4,382 | 56% | 2,432 | 195 |
| Other ¹ | 3,103 | 2,947 | 148% | 4,356 | 348 |
| Total standardised approach | 25,312 | 20,323 | 66% | 13,494 | 1,080 |
| Total | 510,833 | 460,106 | 22% | 100,142 | 8,011 |

1) Includes exposures classes administrative bodies and non-commercial undertakings, past due items, items belonging to regulatory high-risk categories, other items and equity.

Table 35

LIQ 1: LCR Disclosures

Nordea Group's short liquidity risk exposure measured by Liquidity Coverage Ratio (LCR) according to EBA Delegated act remained on good and stable levels. Quarterly average decrease by one percentage point is mainly due to high-quality liquid assets (HQLA).

| | Total unweighted value (average) | | Total weighted value (average) | |
|--|----------------------------------|---------|--------------------------------|---------|
| EURm | Q2 2018 | Q1 2018 | Q2 2018 | Q1 2018 |
| Number of data points used in the calculation of averages | 12 | 12 | 12 | 12 |
| High-quality liquid assets | | | | |
| Total high-quality liquid assets (HQLA) | | | 101,208 | 108,146 |
| Cash-outflows | | | | |
| Retail deposits & deposits from small business customers | 86,134 | 86,402 | 5,796 | 5,843 |
| - Of which stable deposits | 68,136 | 68,366 | 3,407 | 3,418 |
| - Of which less stable deposits | 17,998 | 18,036 | 2,389 | 2,425 |
| Unsecured wholesale funding | 112,372 | 115,714 | 54,086 | 56,976 |
| - Of which Operational deposits (all counterparties) and deposits in networks of cooperative banks | 43,858 | 44,306 | 10,015 | 10,115 |
| - Of which Non-operational deposits (all counterparties) | 56,057 | 59,099 | 31,613 | 34,553 |
| - Of which unsecured debt | 12,458 | 12,309 | 12,458 | 12,309 |
| Secured wholesale funding | | | 2,470 | 2,182 |
| Additional requirements | 51,699 | 51,515 | 12,320 | 12,331 |
| - Of which outflows related to derivative exposures and other collateral requirements | 9,531 | 9,776 | 8,630 | 8,625 |
| - Of which Outflows related to loss of funding on | - | - | - | - |
| - Of which credit and liquidity facilities | 42,168 | 41,740 | 3,689 | 3,706 |
| Other contractual funding obligations | 3,493 | 3,680 | 3,102 | 3,289 |
| Other contingent funding obligations | 54,457 | 56,121 | 3,027 | 3,123 |
| Total cash outflows | | | 80,801 | 83,744 |
| Cash inflows | | | | |
| Secured lending (e.g. reverse repos) | 31,487 | 31,540 | 2,370 | 2,036 |
| Inflows from fully performing exposures | 11,774 | 11,561 | 5,912 | 5,849 |
| Other cash inflows | 14,056 | 13,547 | 10,518 | 10,063 |
| Total cash inflows | 57,317 | 56,648 | 18,800 | 17,947 |
| Inflows subject to 75% cap | 57,317 | 56,648 | 18,800 | 17,947 |
| Liquidity buffer | | | 101,208 | 108,146 |
| Total net cash outflows | | | 62,000 | 65,797 |
| Liquidity coverage ratio (%) | | | 164% | 165% |

Table 36

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 to Sweden. 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.

2018 Q2, EURm

| | Carrying amount of encumbered assets | | Fair value of encumbered assets of which EHQLA and HQLA | | Carrying amount of unencumbered assets of which EHQLA and HQLA | | Fair value of unencumbered assets of which EHQLA and HQLA | |
|--|---|--------|--|--------|--|--------|---|--------|
| Assets of the reporting institution | 161,073 | 41,854 | | | 369,782 | 91,556 | | |
| Equity instruments | 2,693 | 0 | | | 2,428 | 0 | | |
| Debt securities | 19,509 | 14,549 | 17,813 | 14,549 | 54,071 | 49,269 | 54,071 | 49,269 |
| of which: covered bonds | 5,290 | 4,249 | 5,290 | 4,249 | 28,938 | 27,423 | 28,938 | 27,477 |
| of which: asset-backed securities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| of which: issued by general governments | 10,073 | 9,339 | 10,073 | 9,339 | 10,552 | 10,310 | 10,552 | 10,310 |
| of which: issued by financial corporations | 7,676 | 4,529 | 7,676 | 6,018 | 41,245 | 34,615 | 41,245 | 34,615 |
| of which: issued by non-financial corporations | 751 | 446 | 751 | 446 | 1,367 | 953 | 1,367 | 953 |
| Other assets | 24,395 | 24,395 | | | 50,188 | 0 | | |

Collateral received

| | Encumbered | | Unencumbered | |
|---|--|--------|--|--------|
| | Fair value of encumbered collateral received or own debt securities issued | | Fair value of encumbered collateral received or own debt securities issued | |
| | of which notionally eligible EHQLA and HQLA | | of which notionally eligible EHQLA and HQLA | |
| Collateral received by the reporting institution | 16,826 | 15,765 | 44,180 | 39,908 |
| Loans on demand | 0 | 0 | 0 | 0 |
| Equity instruments | 1 | 0 | 1,325 | 0 |
| Debt securities | 16,825 | 15,765 | 15,756 | 13,141 |
| of which: covered bonds | 5,834 | 5,451 | 5,817 | 4,708 |
| of which: asset-backed securities | 0 | 0 | 0 | 0 |
| of which: issued by general governments | 10,045 | 9,439 | 8,297 | 7,542 |
| of which: issued by financial corporations | 5,884 | 5,449 | 6,384 | 4,854 |
| of which: issued by non-financial corporations | 804 | 758 | 1,230 | 677 |
| Loans and advances other than loans on demand | 0 | 0 | 22,655 | 22,655 |
| Other collateral received | 0 | 0 | 4,961 | 4,961 |
| Own debt securities issued other than own covered bonds or asset-backed securities | 1 | 0 | 7 | 0 |
| Own covered bonds and asset-backed securities issued and not yet pledged | | | 1,672 | 1,672 |
| Total assets, collateral received and own debt securities issued | 177,958 | 57,811 | | |

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 | 158,164 | 176,018 |
| of which: covered bonds issued | 108,160 | 110,794 |

Table 37

2018 Q1, EURm

| | Carrying amount of encumbered assets | | Fair value of encumbered assets of which EHQLA and HQLA | | Carrying amount of unencumbered assets of which EHQLA and HQLA | | Fair value of unencumbered assets of which EHQLA and HQLA | |
|--|---|--------|--|--------|--|---------|---|--------|
| Assets of the reporting institution | 161,618 | 43,200 | | | 380,227 | 102,263 | | |
| Equity instruments | 2,155 | 0 | | | 4,573 | 0 | | |
| Debt securities | 21,710 | 16,707 | 19,322 | 16,707 | 52,968 | 50,857 | 52,968 | 50,857 |
| of which: covered bonds | 6,448 | 5,616 | 6,448 | 5,616 | 28,938 | 27,423 | 28,938 | 28,091 |
| of which: asset-backed securities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| of which: issued by general governments | 9,871 | 9,438 | 9,871 | 9,438 | 13,958 | 13,490 | 13,958 | 13,490 |
| of which: issued by financial corporations | 10,596 | 6,018 | 10,596 | 6,603 | 37,700 | 34,727 | 37,700 | 34,727 |
| of which: issued by non-financial corporations | 711 | 475 | 711 | 475 | 1,424 | 1,096 | 1,424 | 1,096 |
| Other assets | 24,395 | 24,395 | | | 53,759 | 0 | | |

Collateral received

| | Encumbered Fair value of encumbered collateral received or own debt securities issued of which notionally eligible EHQLA and HQLA | | Unencumbered Fair value of encumbered collateral received or own debt securities issued of which notionally eligible EHQLA and HQLA | |
|---|---|--------|---|--------|
| Collateral received by the reporting institution | 16,826 | 16,329 | 43,961 | 40,300 |
| Loans on demand | 0 | 0 | 0 | 0 |
| Equity instruments | 1 | 0 | 1,502 | 0 |
| Debt securities | 16,825 | 16,329 | 15,574 | 13,309 |
| of which: covered bonds | 5,733 | 5,451 | 5,717 | 5,209 |
| of which: asset-backed securities | 0 | 0 | 0 | 0 |
| of which: issued by general governments | 10,137 | 10,122 | 8,297 | 7,841 |
| of which: issued by financial corporations | 5,733 | 5,449 | 6,022 | 5,205 |
| of which: issued by non-financial corporations | 804 | 758 | 893 | 682 |
| Loans and advances other than loans on demand | 0 | 0 | 22,454 | 22,454 |
| Other collateral received | 0 | 0 | 4,961 | 4,961 |
| Own debt securities issued other than own covered bonds or asset-backed securities | 1 | 0 | 18 | 0 |
| Own covered bonds and asset-backed securities issued and not yet pledged | | | 2,165 | 2,165 |
| Total assets, collateral received and own debt securities issued | 178,419 | 59,529 | | |

Sources of encumbrance

| | Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered | |
|---|--|---------|
| | Matching liabilities, contingent liabilities or securities lent | |
| Carrying amount of selected financial liabilities | 161,910 | 176,019 |
| of which: covered bonds issued | 108,160 | 110,103 |

Table 37

Nordea Bank AB (publ) with Swedish corporate registration number 516406-0120 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"). Nordea Bank AB 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 their verification and frequency. Nordea is part of the Sampo conglomerate and falls under the same supervisory authority (the Finnish FSA) as the Sampo Group in accordance to the Act on the Supervision of Financial and Insurance Conglomerates (2004/699), based on Directive 2002/87/EC.