

# Nordea



## Capital and Risk Management Report 2021

Appendix F Nordea Direct Bank Group

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Table 1 - Mapping of own funds to the balance sheet

EURm	Nordea Direct Bank	Row in transitional own funds template
<b>Assets</b>		
<b>Intangible assets</b>		
- of which: Goodwill and other intangible assets	0	8
<b>Deferred tax assets</b>		
- of which: Deferred tax assets that rely on future profitability excluding those arising from temporary differences		10
<b>Retirement benefit assets</b>		
- of which: Retirement benefit assets net of tax		15
<b>Liabilities</b>		
<b>Deferred tax liabilities</b>		
- of which: Deductible deferred tax liabilities associated with deferred tax assets that rely on future profitability and do not arise from temporary differences		10
<b>Subordinated liabilities</b>		
- of which: AT1 Capital instruments and the related share premium accounts	24	30
- of which: Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	14	33
- of which: Direct and indirect holdings by an institution of own AT1 Instruments		37
- of which: T2 Capital instruments and the related share premium accounts	10	46
- of which: Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2		47
- of which: Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		52
<b>Equity</b>		
Share capital	67	1
Share premium reserves	181	
- of which: Capital instruments and the related share premium accounts	181	1
- of which: Retained earnings		2
<b>Other reserves</b>		
- of which: Retained earnings		2
- of which: Accumulated other comprehensive income		3
- of which: Fair value reserves related to gains or losses on cash flow hedges		11
Retained earnings net of proposed dividend	182	
- of which: Profit/loss for the year	27	5a
- of which: Retained earnings		2
- of which: Direct holdings by an institution of own CET1 instruments (negative amount)		16

Table 2 - Transitional own funds disclosure template

EURm	(A) Amount at disclosure date	(B) regulation (EU) no 575/2013 article reference	(C) Amounts subject to pre-regulation treatment or prescribed residual amount of regulation, (EU) no 575/2013
<b>Common Equity Tier 1 capital: instruments and reserves</b>			
1 Capital instruments and the related share premium accounts	248	26 (1), 27, 28, 29, EBA list 26 (3)	
of which: Instrument type 1	67	EBA list 26 (3)	
of which: Instrument type 2		EBA list 26 (3)	
of which: Instrument type 3		EBA list 26 (3)	
2 Retained earnings	155	26 (1) (c)	
3 Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)		26 (1)	
3a Funds for general banking risk		26 (1) (f)	
4 Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1		486 (2)	
Public sector capital injections grandfathered until 1 January 2018		483 (2)	
5 Minority Interests (amount allowed in consolidated CET1)		84, 479, 480	
5a Independently reviewed interim profits net of any foreseeable charge or dividend	27	26 (2)	
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	430		
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
7 Additional value adjustments (negative amount)	0	34, 105	
8 Intangible assets (net of related tax liability) (negative amount)	0	36 (1) (b), 37, 472 (4)	
9 Empty Set in the EU			
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		36 (1) (c), 38, 472 (5)	
11 Fair value reserves related to gains or losses on cash flow hedges		33 (a)	
12 Negative amounts resulting from the calculation of expected loss amounts		36 (1) (d), 40, 159, 472 (6)	
13 Any increase in equity that results from securitised assets (negative amount)		32 (1)	
14 Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		33 (b)	
15 Defined-benefit pension fund assets (negative amount)		36 (1) (e), 41, 472 (7)	
16 Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		36 (1) (f), 42, 472 (8)	
17 Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		36 (1) (g), 44, 472 (9)	

18 Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)
19 Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11)
20 Empty Set in the EU	
20a Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	36 (1) (k)
20b of which: qualifying holdings outside the financial sector (negative amount)	36 (1) (k) (i), 89 to 91
20c of which: securitisation positions (negative amount)	36 (1) (k) (ii) 243 (1) (b) 244 (1) (b) 258
20d of which: free deliveries (negative amount)	36 (1) (k) (iii), 379 (3)
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in 38 (3) are met) (negative amount)	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)
22 Amount exceeding the 15% threshold (negative amount)	48 (1)
23 of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	36 (1) (i), 48 (1) (b), 470, 472 (11)
24 Empty Set in the EU	
25 of which: deferred tax assets arising from temporary differences	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)
25a Losses for the current financial year (negative amount)	36 (1) (a), 472 (3)
25b Foreseeable tax charges relating to CET1 items (negative amount)	36 (1) (l)
26 Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	1
26a Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	
Of which: ...filter for unrealised loss on AFS debt instruments	467
Of which: ...filter for unrealised loss 2	467
Of which: ...filter for unrealised gain on AFS debt instruments	468
Of which: ...filter for unrealised gain 2	468
26b Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	481
Of which: ...	481
27 Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	36 (1) (j)
28 Total regulatory adjustments to Common equity Tier 1 (CET1)	0
29 Common Equity Tier 1 (CET1) capital	429

#### Additional Tier 1 (AT1) capital: instruments

30 Capital instruments and the related share premium accounts	14	51, 52
31 of which: classified as equity under applicable accounting standards	14	
32 of which: classified as liabilities under applicable accounting standards		
33 Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1		486 (3)
Public sector capital injections grandfathered until 1 January 2018		483 (3)
34 Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		85, 86, 480
35 of which: instruments issued by subsidiaries subject to phase out		486 (3)
36 Additional Tier 1 (AT1) capital before regulatory adjustments	14	

#### Additional Tier 1 (AT1) capital: regulatory adjustments

37 Direct and indirect holdings by an institution of own AT1 Instruments (negative amount)	52 (1) (b), 56 (a), 57, 475 (2)
38 Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	56 (b), 58, 475 (3)
39 Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	56 (c), 59, 60, 79, 475 (4)
40 Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold net of eligible short positions) (negative amount)	56 (d), 59, 79, 475 (4)
41 Regulatory adjustments applied to additional tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	
41a Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)
Of which shortfall	
41b Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	477, 477 (3), 477 (4) (a)
Of which items to be detailed line by line, e.g. Reciprocal cross holdings in Tier 2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc	
41c Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre- CRR	467, 468, 481
Of which: ...possible filter for unrealised losses	467

Of which: ...possible filter for unrealised gains		468
Of which: ...		481
42 Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56 (e)
43 Total regulatory adjustments to Additional Tier 1 (AT1) capital		
44 Additional Tier 1 (AT1) capital	444	
45 Tier 1 capital (T1 = CET1 + AT1)		

#### Tier 2 (T2) capital: instruments and provisions

46 Capital instruments and the related share premium accounts	10	62, 63
47 Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2		486 (4)
Public sector capital injections grandfathered until 1 January 2018		483 (4)
48 Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		87, 88, 480
49 of which: instruments issued by subsidiaries subject to phase out		486 (4)
50 Credit risk adjustments		62 (c) & (d)
51 Tier 2 (T2) capital before regulatory adjustments	10	

#### Tier 2 (T2) capital: regulatory adjustments

52 Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	63 (b) (i), 66 (a), 67, 477 (2)
53 Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	66 (b), 68, 477 (3)
54 Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	66 (c), 69, 70, 79, 477 (4)
54a Of which new holdings not subject to transitional arrangements	
54b Of which holdings existing before 1 January 2013 and subject to transitional arrangements	
55 Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	66 (d), 69, 79, 477 (4)
56 Regulatory adjustments applied to tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	
56a Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)

Of which shortfall		
56b Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	475, 475 (2) (a), 475 (3), 475 (4) (a)	
Of which items to be detailed line by line, e.g. reciprocal cross holdings in at1 instruments, direct holdings of non significant investments in the capital of other financial sector entities, etc		
56c Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR	467, 468, 481	
Of which: ...possible filter for unrealised losses	467	
Of which: ...possible filter for unrealised gains	468	
Of which: ...	481	
57 Total regulatory adjustments to Tier 2 (T2) capital		
58 Tier 2 (T2) capital	10	
59 Total capital (TC = T1 + T2)	454	
59a Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013(i.e. CRR residual amounts)		
Of which: ...items not deducted from CET1 (Regulation (EU) No 575/2013residual amounts)	472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)	
(items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc)		
Of which: ...items not deducted from AT1 items (Regulation (EU) No 575/2013residual amounts)	475, 475 (2) (b), 475 (2) (c), 475 (4) (b)	
(items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc)		
Items not deducted from T2 items (Regulation (EU) No 575/2013residual amounts)	477, 477 (2) (b), 477 (2) (c), 477 (4) (b)	
(items to be detailed line by line, e.g. Indirect holdings of own t2 instruments, indirect holdings of non significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc)		
60 Total risk weighted assets	2,248	
Capital ratios and buffers		
61 Common Equity Tier 1 (as a percentage of risk exposure amount)	19.1 %	92 (2) (a), 465
62 Tier 1 (as a percentage of risk exposure amount)	19.7 %	92 (2) (b), 465
63 Total capital (as a percentage of risk exposure amount)	20.2 %	92 (2) (c)
64 Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)		CRD 128, 129, 130
65 of which: capital conservation buffer requirement	2.5%	
66 of which: countercyclical buffer requirement	1.0%	
67 of which: systemic risk buffer requirement	3.0%	



67a of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		CRD 131
68 Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	14.6%	CRD 128
69 [non relevant in EU regulation]	NA	
70 [non relevant in EU regulation]	NA	
71 [non relevant in EU regulation]	NA	

#### Amounts below the thresholds for deduction (before risk weighting)

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

#### Applicable caps on the inclusion of provisions in Tier 2

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

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

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

Table 3 - Countercyclical capital buffer

	General credit risk exposures	Trading book exposures	Own funds requirement							
					Own funds requirement weight (%)	Counter-cyclical buffer rate (%)				
EURm	SA <sup>1</sup>	IRB <sup>2</sup> approach	SA	Internal models approach	General credit exposures	Trading book exposures	Securitisation exposures	Total		
Countries with existing CCyB rate										
Norway	5,750				168			168	99.8 %	1.0 %
Slovakia	0				0			0	0.0 %	1.0 %
Sub-total	5,750				168			168	99.8 %	
Countries with own funds requirements weight 1% or above and no existing CCyB rate										
Sub-total										
Countries with own funds requirement below 1% and no existing CCyB rate										
Sub-total	14				0			0	0.2 %	
Total	5,764				168			168	100.0%	

1) Standardised approach

2) Internal ratings based

Table 4 - Leverage ratio disclosure templates

## LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

EURm	Applicable Amounts
1 Total assets as per published financial statements	5,842
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	
3 (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 "CRR")	
4 Adjustments for derivative financial instruments	
5 Adjustments for securities financing transactions "SFTs"	
6 Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	667
EU-6a (Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	
EU-6b (Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	
7 Other adjustments	-7
8 Total leverage ratio exposure	6,502

## LRCom: Leverage ratio common disclosure

EURm	CRR leverage ratio exposures
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>	
1 On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	5,840
2 (Asset amounts deducted in determining Tier 1 capital)	
3 Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	5,840

## Derivative exposures

4 Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	7
5 Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	
EU-5a Exposure determined under Original Exposure Method	
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	
8 (Exempted CCP leg of client-cleared trade exposures)	
9 Adjusted effective notional amount of written credit derivatives	
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	

## Securities financing transaction exposures

- 12 Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions
- 13 (Netted amounts of cash payables and cash receivables of gross SFT assets)
- 14 Counterparty credit risk exposure for SFT assets
- EU-14a Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013
- 15 Agent transaction exposures
- EU-15a (Exempted CCP leg of client-cleared SFT exposure)

16 Total securities financing transaction exposures (sum of lines 12 to 15a)

## Other off-balance sheet exposures

- 17 Off-balance sheet exposures at gross notional amount 821
- 18 (Adjustments for conversion to credit equivalent amounts) 667
- 19 Other off-balance sheet exposures (sum of lines 17 to 18) 154

## Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)

- EU-19a (Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))
- EU-19b (Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))

## Capital and total exposures

- 20 Tier 1 capital 443
- 21 Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b) 6,001

## Leverage ratio

- 22 Leverage ratio 7.39%

## Choice on transitional arrangements and amount of derecognised fiduciary items

- 22 Leverage ratio 7.40%

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

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

## EURm

## CRR leverage ratio exposures

EU-1 Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which: 5,840

EU-2 Trading book exposures

EU-3 Banking book exposures, of which: 5,840

EU-4 Covered bonds 269

EU-5	Exposures treated as sovereigns	120
EU-6	Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	43
EU-7	Institutions	29
EU-8	Secured by mortgages of immovable properties	5,050
EU-9	Retail exposures	300
EU-10	Corporate	
EU-11	Exposures in default	24
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	5

LRQua: Free format text boxes for disclosure on qualitative items

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

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

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

Q4-Q4

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

Q3-Q4

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

Table 5 - EU OV1: Overview of REA

EURm	REA		Minimum capital requirement	
	2021	2020	2021	2020
Credit risk (excluding counterparty credit risk) (CCR)	2,112	1,928	169	154
Of which standardised approach (SA)	2,112	1,928	169	154
Of which foundation IRB (FIRB) approach				
Of which advanced IRB approach				
Of which AIRB				
Of which Retail RIRB				
Of which Equity IRB under the simple risk-weight or the IMA				
Counterparty credit risk	3	11	0	1
Of which Marked to market				
Of which Original exposure				
Of which standardised approach				
Of which internal model method (IMM)				
Of which Financial collateral simple method (for SFTs)				
Of which exposure amount for contributions to the default fund of a CCP				
Of which CVA	3	11	0	1
Settlement risk				
Securitisation exposures in banking book (after the cap)				
Of which IRB supervisory formula approach (SFA)				
Market risk				
Of which standardised approach (SA)				
Of which IMA				
Large exposures				
Operational risk	133	130	11	10
Of which Standardised Approach	133	130	11	10
Amounts below the thresholds for deduction (subject to 250% risk weight)				
Finnish risk weight floor in Pillar 1				
Article 3 CRR Buffer				
Regulatory total	2,248	2,070	180	166

Table 6 - Original exposure by exposure class, end of year

2021, EURm

	Original exposures	Average exposures
<b>IRB approach</b>		
Central governments or central banks		
Institutions		
Corporates		
of which Specialised Lending		
of which SME		
Retail		
of which Secured by real estate property		
of which SME		
of which Non-SME		
of which Other Retail		
of which SME		
of which Non-SME		
Equity		
Other non-credit obligation assets		
<b>Total IRB approach</b>		
<b>Standardised approach</b>		
Central governments or central bank	120	121
Regional governments or local authorities	43	43
Public sector entities		
Multilateral Development Banks		
International Organisations		
Institutions	36	48
Corporates		
- of which SME		
Retail	404	418
- of which SME		
Secured by mortgages on immovable property	5,776	5,570
- of which SME		
Exposures in default	34	32
Items associated with particularly high risk		0
Covered bonds	269	290
Claims on institutions and corporates with a short-term credit assessment		
Collective investments undertakings (CIU)		
Equity exposures	1	1
Other exposures	4	5
<b>Total standardised approach</b>	<b>6,686</b>	<b>6,528</b>
<b>Total</b>	<b>6,686</b>	<b>6,528</b>
- of which loans	6,214	6,020
- of which debt securities	467	502
- of which off-balance sheet exposures	821	728

Table 7 - Exposure split by exposure class and by geography

EURm	Norway	Other Nordics	Luxemburg	Other	Total
<b>IRB exposure classes</b>					
Sovereign					
Institution					
Corporate					
- of which Advanced					
Retail					
- of which secured by immovable property					
- of which other retail					
- of which SME					
Other non-credit obligation assets					
<b>Total IRB approach</b>					
<b>Standardised exposure classes</b>					
Central governments and central banks	102	0	18	0	120
Regional governments and local authorities	0	43	0	0	43
Institution	36	0	0	0	36
Retail	302	0	0	0	303
Exposures secured by real estate	5,163	1	0	3	5,168
Overdue positions	24	0	0	0	24
Covered bonds	259	9	0	0	269
Equity exposure	1	0	0	0	1
Other	4	0	0	0	4
<b>Total standardised approach</b>	<b>5,892</b>	<b>53</b>	<b>18</b>	<b>3</b>	<b>5,967</b>
<b>Total exposure</b>	<b>5,892</b>	<b>53</b>	<b>18</b>	<b>3</b>	<b>5,967</b>



Table 8 - Exposure secured by collaterals, guarantees and credit derivatives, split by exposure class

EURm	Original exposure	Exposure	- of which secured by guarantees and credit derivatives	- of which secured by collateral	Average weighted LGD
<b>IRB exposure classes</b>					
Sovereign					
Institution					
Corporate					
- of which Advanced					
Retail					
- of which secured by immovable property					
- of which other retail					
- of which SME					
Other non-credit obligation assets					
<b>Total IRB approach</b>					
<b>Standardised exposure classes</b>					
Central government and central banks	120	120			
Regional governments and local authorities	43	43			
Institution	36	36			
Retail	404	303			
Exposures secured by real estate	5,776	5,168		5,168	
Overdue positions	34	24			
Covered bonds	269	269			
Equity exposure	1	1			
Other	4	4			
<b>Total standardised approach</b>	<b>6,686</b>	<b>5,967</b>	<b>0</b>	<b>5,168</b>	
<b>Total</b>	<b>6,686</b>	<b>5,967</b>	<b>0</b>	<b>5,168</b>	

Table 9 - Distribution of collateral

	31 Dec 2021	31 Dec 2020
Financial collateral		
Receivables		
Residential real estate	100.0%	100.0%
Commercial real estate		
Other physical collateral		
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Table 10 - Residual maturity broken down by exposure classes

EURm	<1 year	1-3 years	3-5 years	>5 years	Total exposure
IRB exposure classes					
Sovereign					
Institution					
Corporate					
- of which Advanced					
Retail					
- of which secured by immovable property					
- of which other retail					
- of which SME					
Other non-credit obligation assets					
<b>Total IRB approach</b>					
Standardised exposure classes					
Central government and central banks	25	95	0	0	120
Regional governments and local authorities	42	1	0	0	43
Institution	36	0	0	0	36
Retail	15	20	66	201	303
Exposures secured by real estate	128	36	61	4,942	5,168
Overdue positions	2	3	4	15	24
Covered bonds	116	146	6	0	269
Equity exposure	1	0	0	0	1
Other	4	0	0	0	4
<b>Total standardised approach</b>	<b>370</b>	<b>302</b>	<b>137</b>	<b>5,158</b>	<b>5,967</b>
<b>Total</b>	<b>370</b>	<b>302</b>	<b>137</b>	<b>5,158</b>	<b>5,967</b>

Table 11 - Exposure, impaired exposures, past due exposures and allowances, split by sectors and industries

EURm	Impaired loans (stage 3)	Past due exposures	Credit risk adjustments <sup>1)</sup>	- of which changes during the reporting period
Households	29.6	21.5	0.0	0.0
Non financial corporations	0.0	0.0	0.0	0.0
Crops etc	0.0	0.0	0.0	0.0
Animal husbandry	0.0	0.0	0.0	0.0
Fishing and aquaculture	0.0	0.0	0.0	0.0
Paper, forest and mining	0.0	0.0	0.0	0.0
Oil, gas and offshore	0.0	0.0	0.0	0.0
Consumer staples (food and health care)	0.0	0.0	0.0	0.0
Media, leisure and telecom	0.0	0.0	0.0	0.0
Consumer durables	0.0	0.0	0.0	0.0
Retail trade	0.0	0.0	0.0	0.0
Land transportation and IT	0.0	0.0	0.0	0.0
Materials	0.0	0.0	0.0	0.0
Capital goods	0.0	0.0	0.0	0.0
Commercial & prof. services	0.0	0.0	0.0	0.0
Construction	0.0	0.0	0.0	0.0
Wholesale trade	0.0	0.0	0.0	0.0
Maritime (shipping)	0.0	0.0	0.0	0.0
Utilities and public services	0.0	0.0	0.0	0.0
Real estate	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0
<b>Total exposure</b>	<b>29.6</b>	<b>21.5</b>	<b>0.0</b>	<b>0.0</b>

1) For stages 1,2 and 3

Table 12 - Exposure, impaired exposures, past due exposures and allowances, split by significant geographic area

EURm	Original exposure	Impaired loans (stage 3)	Past due exposures
Norway	5,408	29.6	21.5
Other	-	-	-
Total	-	-	-

Table 13 - Reconciliation of allowance accounts

EURm	Specific credit risk adjustments 1)		Total
	Individually assessed, stage 3	Collectively assessed, stage 1 & 2	
Opening balance according to IFRS9	4.8	11.6	16.4
Changes through the income statement	-	-	-
- Of which Provisions	-	-	-
- Of which Reversals	-	-	-
- Of which Net model effect	-	-	-
Allowances used to cover write-offs	-	-	-
Currency translation differences	-	-	-
Closing balance	8.5	9.9	18.4

1) On balance