

Nordea



Capital and Risk Management Report 2017

Appendix D
Nordea Eiendoms kreditt AS

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Table D1 Mapping of own funds to the balance sheet

EURm	Nordea Eiendomskreditt	Row in transitional own funds template
Assets		
Intangible assets		
- of which: Goodwill and other intangible assets		8
Deferred tax assets		
- of which: Deferred tax assets that rely on future profitability excluding those arising from temporary differences		10
Retirement benefit assets		
- of which: Retirement benefit assets net of tax		15
Liabilities		
Deferred tax liabilities	10	
- of which: Deductible deferred tax liabilities associated with deferred tax assets that rely on future profitability and do not arise from temporary differences		10
Subordinated liabilities	122	
- of which: AT1 Capital instruments and the related share premium accounts		30
- of which: Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1		33
- of which: Direct and indirect holdings by an institution of own AT1 Instruments		37
- of which: T2 Capital instruments and the related share premium accounts	122	46
- of which: Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2		47
- of which: Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		52
Equity		
Share capital	173	1
Share premium reserves	379	
- of which: Capital instruments and the related share premium accounts	379	1
- of which: Retained earnings		2
Other reserves	-6	
- of which: Retained earnings	0	2
- of which: Accumulated other comprehensive income	-6	3
- of which: Fair value reserves related to gains or losses on cash flow hedges	5	11
Retained earnings net of proposed dividend	717	
- of which: Profit/loss for the year	45	5a
- of which: Retained earnings	702	2
- of which: Direct holdings by an institution of own CET1 instruments (negative amount)		16

Table D2 Transitional own funds disclosure template

EURm	(A) Amount at disclosure date	(B) regulation (EU) no 575/2013 article reference	(C) Amounts subject to pre-regulation treatment or prescribed residual amount of regulation, (EU) no 575/2013
Common Equity Tier 1 capital: instruments and reserves			
1 Capital instruments and the related share premium accounts	552	26 (1), 27, 28, 29, EBA list 26 (3)	
of which: Instrument type 1	173	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	702	26 (1) (c)	
3 Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	-6	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	45	26 (2)	
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,293		
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7 Additional value adjustments (negative amount)	0	34, 105	
8 Intangible assets (net of related tax liability) (negative amount)		36 (1) (b), 37, 472 (4)	
9 Empty Set in the EU	NA		
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		36 (1) (c), 38, 472 (5)	
11 Fair value reserves related to gains or losses on cash flow hedges	5	33 (a)	
12 Negative amounts resulting from the calculation of expected loss amounts	-8	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	-1	33 (b)	
15 Defined-benefit pension fund assets (negative amount)		36 (1) (e) , 41, 472 (7)	

EURm	(A) Amount at disclosure date	(B) regulation (EU) no 575/2013 article reference	(C) Amounts subject to pre-regulation treatment or prescribed residual amount of regulation, (EU) no 575/2013
16 Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		36 (1) (f), 42, 472 (8)	
17 Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		36 (1) (g), 44, 472 (9)	
18 Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)		36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)	
19 Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11)	
20 Empty Set in the EU	NA		
20a Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		36 (1) (k)	
20b of which: qualifying holdings outside the financial sector (negative amount)		36 (1) (k) (i), 89 to 91	
20c of which: securitisation positions (negative amount)		36 (1) (k) (ii) 243 (1) (b) 244 (1) (b) 258	
20d of which: free deliveries (negative amount)		36 (1) (k) (iii), 379 (3)	
21 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in 38 (3) are met) (negative amount)		36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	
22 Amount exceeding the 15% threshold (negative amount)		48 (1)	
23 of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		36 (1) (i), 48 (1) (b), 470, 472 (11)	
24 Empty Set in the EU	NA		
25 of which: deferred tax assets arising from temporary differences		36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	
25a Losses for the current financial year (negative amount)		36 (1) (a), 472 (3)	
25b Foreseeable tax charges relating to CET1 items (negative amount)		36 (1) (l)	

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
26 Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment			
26a Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468			
Of which: ...filter for unrealised loss on AFS debt instruments		467	
Of which: ...filter for unrealised loss 2		467	
Of which: ...filter for unrealised gain on AFS debt instruments		468	
Of which: ...filter for unrealised gain 2		468	
26b Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR		481	
Of which: ...		481	
27 Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		36 (1) (j)	
28 Total regulatory adjustments to Common equity Tier 1 (CET1)	-3		
29 Common Equity Tier 1 (CET1) capital	1,290		

Additional Tier 1 (AT1) capital: instruments

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

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)
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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
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			
45 Tier 1 capital (T1 = CET1 + AT1)	1,290		

EURm			(C) Amounts subject to pre-regulation treatment or prescribed residual amount of regulation, (EU) no 575/2013
	(A) Amount at disclosure date	(B) regulation (EU) no 575/2013 article reference	
Tier 2 (T2) capital: instruments and provisions			
46 Capital instruments and the related share premium accounts	122	62, 63	
47 Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2		486 (4)	
Public sector capital injections grandfathered until 1 January 2018		483 (4)	
48 Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		87, 88, 480	
49 of which: instruments issued by subsidiaries subject to phase out		486 (4)	
50 Credit risk adjustments	3	62 (c) & (d)	
51 Tier 2 (T2) capital before regulatory adjustments	125		
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)	

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
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 Of which shortfall		472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)	
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 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		475, 475 (2) (a), 475 (3), 475 (4) (a)	
56c Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR Of which: ...possible filter for unrealised losses Of which: ...possible filter for unrealised gains Of which: ...		467, 468, 481 467 468 481	
57 Total regulatory adjustments to Tier 2 (T2) capital			
58 Tier 2 (T2) capital	125		
59 Total capital (TC = T1 + T2)	1,415		
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 575/2013 residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc)		472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)	
Of which: ...items not deducted from AT1 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc)		475, 475 (2) (b), 475 (2) (c), 475 (4) (b)	

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
Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Indirect holdings of own t2 instruments, indirect holdings of non significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc)		477, 477 (2) (b), 477 (2) (c), 477 (4) (b)	
60 Total risk weighted assets	6,090		
Capital ratios and buffers			
61 Common Equity Tier 1 (as a percentage of risk exposure amount)	21.2%	92 (2) (a), 465	
62 Tier 1 (as a percentage of risk exposure amount)	21.2%	92 (2) (b), 465	
63 Total capital (as a percentage of risk exposure amount)	23.2%	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)	7.5%	CRD 128, 129, 130	
65 of which: capital conservation buffer requirement	2.5%		
66 of which: countercyclical buffer requirement	2.0%		
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)	15.2%		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			
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)	

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
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)	3	62
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	8	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 D3 Countercyclical capital buffer

EURm	exposures		Trading book exposures		Own funds requirement			Total	Own funds requirement weight (%)	Counter-cyclical buffer rate (%)
	SA ¹⁾	IRB ²⁾ approach	SA ¹⁾	Internal models approach	General credit exposures	Trading book exposures	Securitisatio n exposures			
Countries with existing CCyB rate										
Czech Republic		0			0			0	0.0	0.5
Hong Kong		0			0			0	0.0	1.3
Iceland		0			0			0	0.0	1.3
Norway		14,243			100			100	99.7	2.0
Slovakia		0			0			0	0.0	0.5
Sweden		8			0			0	0.1	2.0
Sub-total		14,252			100			100	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		31			0			0	0.2	
Total		14,283			100			100	100.0	2.0%

1) Standardised approach
2) Internal ratings based

Table D4.1 LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

EURm	Applicable Amounts
1 Total assets as per published financial statements	14,485
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory	
3 (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting	
4 Adjustments for derivative financial instruments	-100
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)	723
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	-3
8 Total leverage ratio exposure	15,104

Table D4.2 LRCom: Leverage ratio common disclosure

EURm	CRR leverage ratio exposures
On-balance sheet exposures (excluding derivatives and SFTs)	
1 On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	14,363
2 (Asset amounts deducted in determining Tier 1 capital)	-3
3 Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	14,360
Derivative exposures	
4 Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	
5 Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	22
EU-5a Exposure determined under Original Exposure Method	
6 Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	
7 (Deductions of receivables assets for cash variation margin provided in derivatives transactions)	
8 (Exempted CCP leg of client-cleared trade exposures)	
9 Adjusted effective notional amount of written credit derivatives	
10 (Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11 Total derivative exposures (sum of lines 4 to 10)	22
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	1,445
18 (Adjustments for conversion to credit equivalent amounts)	-723
19 Other off-balance sheet exposures (sum of lines 17 to 18)	723

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	1,290
21 Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	15,104

Leverage ratio

22 Leverage ratio	8.5%
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Choice on transitional arrangements and amount of derecognised fiduciary items

EU-23 Choice on transitional arrangements for the definition of the capital measure	Transitional
EU-24 Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	

Table D4.3 RSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

	CRR leverage ratio exposures
EU-1 Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	14,363
EU-2 Trading book exposures	
EU-3 Banking book exposures, of which:	14,363
EU-4 Covered bonds	360
EU-5 Exposures treated as sovereigns	209
EU-6 Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	
EU-7 Institutions	14
EU-8 Secured by mortgages of immovable properties	12,787
EU-9 Retail exposures	938
EU-10 Corporate	
EU-11 Exposures in default	53
EU-12 Other exposures (eg equity, securitisations, and other non-credit obligation assets)	3

Table D4.4 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 10.2% in Q4 2016 to 8.5% in Q4 2017. The worsened leverage ratio was mainly driven by an increase in on-balance exposures. This was somewhat offset by an increase in Tier 1 capital.

Q3-Q4

The leverage ratio decreased from 9.0% in Q3 2017 to 8.5% in Q4 2017. The worsened leverage ratio was mainly driven by an increase in on-balance exposures. This was somewhat offset by an increase in Tier 1 capital.

Table D5 EU OV1: Overview of REA

EURm	REA			Minimum capital requirements
	31 Dec 2017	30 Sep 2017	31 Dec 2016	31 Dec 2017
Credit risk (excluding CCR)	1,281	1,228	1,204	103
Standardised approach (SA) ¹	3	5	3	0
Foundation IRB (FIRB) approach	24	22	18	2
Advanced IRB (AIRB) approach	1,254	1,201	1,182	100
- of which AIRB				
- of which Retail IRB	1,254	1,201	1,182	100
Equity IRB under the simple risk-weight or the IMA				
Counterparty credit risk	4	4	34	0
Marked to market ²	4	4	34	0
Original exposure				
Standardised approach				
Internal model method (IMM)				
Financial collateral simple method (for SFTs)				
Exposure amount for contributions to the default fund of a CCP				
CVA				
Settlement risk				
Securitisation exposures in banking book (after the cap)				
IRB supervisory formula approach (SFA)				
Market risk				
Standardised approach (SA)				
IMA				
Large exposures				
Operational risk	259	271	328	21
Standardised Approach	259	271	328	21
Amounts below the thresholds for deduction (subject to 250% risk weight)				
Article 3 CRR Buffer			7	
Pillar 1 total	1,545	1,504	1,572	124
Floor adjustment	4,545	4,314	3,678	364
Regulatory total	6090	5818	5250	487

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

2) Excludes exposures to CCPs.

Table D6 Original exposure by exposure class, 31 December 2017

EURm	Original exposure	Average exposure
IRB exposure classes		
Sovereign	209	156
Institution	360	356
Corporate		
- of which Advanced		
Retail	15,231	14,673
- of which secured by immovable property	14,170	13,948
- of which other retail	1,061	725
- of which SME		
Other non-credit obligation assets		0
Total IRB approach	15,801	15,185
Standardised exposure classes		
Central government and central banks		66
Regional governments and local authorities		
Institution	36	49
Corporate		
Retail		
Exposures secured by real estate		
Other ¹		0
Total standardised approach	36	116
Total	15,837	15,301

1) Includes exposure class Other Items.

Table D7 Exposure split by exposure class and by geography, 31 December 2017

EURm	Norway	Other	Total
IRB exposure classes			
Sovereign	209		209
Institution	278	82	360
Corporate			
- of which Advanced			
Retail	14,243	40	14,283
- of which secured by immovable property	13,262	36	13,298
- of which other retail	981	4	985
- of which SME			
Other non-credit obligation assets			
Total IRB approach	14,730	122	14,852
Standardised exposure classes			
Central governments and central banks			
Regional governments and local authorities			
Institution	14	22	36
Corporate			
Retail			
Exposures secured by real estate			
Other			
Total standardised approach	14	22	36
Total exposure	14,745	144	14,889

Table D8 Exposure split by industry group and by main exposure class, 31 December 2017

EURm	IRB approach					Other non credit obligation assets
	Sovereign	Institution	Corporate	- of which SME	Retail	
Construction and engineering						
Consumer durables (cars, appliances, etc.)						
Consumer staples (food, agriculture etc.)						
Energy (oil, gas, etc.)						
Health care and pharmaceuticals						
Industrial capital goods						
Industrial commercial services						
IT software, hardware and services						
Media and leisure						
Metals and mining materials						
Other financial institutions		360				
Other materials (chemical, building materials, etc.)						
Other, public and organisations	209				14,283	
Paper and forest materials						
Real estate management and investment						
Retail trade						
Shipping and offshore						
Telecommunication equipment						
Telecommunication operators						
Transportation						
Utilities (distribution and production)						
Total exposure	209	360			14,283	

Table D9 Exposure secured by collaterals, guarantees and credit derivatives, split by exposure class, 31 December 2017

EURm	Original exposure	Exposure	- of which secured by guarantees and credit derivatives	- of which secured by collateral	Average weighted LGD ¹
IRB exposure classes					
Sovereign	209	209			45.0%
Institution	360	360			11.2%
Corporate					
- of which Advanced					
Retail	15,231	14,283		13,298	20.3%
- of which secured by immovable property	14,170	13,298		13,298	19.9%
- of which other retail	1,061	985		1	25.2%
- of which SME					
Other non-credit obligation assets					
Total IRB approach	15,801	14,852		13,298	20.4%
Standardised exposure classes					
Central government and central banks					
Regional governments and local authorities					
Institution	36	36			
Corporate					
Retail					
Exposures secured by real estate					
Other					
Total standardised approach	36	36			
Total	15,837	14,889		13,298	

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

Table D10 Distribution of collateral

	31 Dec 2017	31 Dec 2016
Financial collateral	0.0%	0.0%
Receivables	0.0%	0.0%
Residential real estate	99.9%	99.9%
Commercial real estate	0.1%	0.1%
Other physical collateral		
Total	100.0%	100.0%

Table D11 Residual maturity broken down by exposure classes, 31 December 2017

EURm	< 1 year	1-3 years	3-5 years	>5 years	Total exposure
IRB exposure classes					
Sovereign		209			209
Institution		360			360
Corporate					
- of which Advanced					
Retail	259	637	1,038	12,348	14,283
- of which secured by immovable property	241	603	985	11,468	13,298
- of which other retail	18	34	53	881	985
- of which SME					
Other non-credit obligation assets					
Total IRB approach	259	1,207	1,038	12,348	14,852
Standardised exposure classes					
Central government and central banks					
Regional governments and local authorities					
Institution				36	36
Corporate					
Retail					
Exposures secured by real estate					
Other					
Total standardised approach				36	36
Total	259	1,207	1,038	12,385	14,889

Table D12 Liquidity coverage ratio

	Total weighted value (average)			
EURm	31 Apr 2017	31 Jun 2017	30 Sep 2017	31 Dec 2017
Liquidity buffer	478	511	537	585
Total net cash outflows	104	125	122	124
Liquidity coverage ratio	590%	532%	602%	685%
Number of data points used in the calculation of averages	7	10	12	12