

Nordea



Capital and Risk Management Report 2020

Appendix F Nordea Finans Norge AS

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Table 1. Mapping of own funds to the balance sheet

EURm	Nordea Finans Norge	Row in transitional own funds template
Assets		
Intangible assets	7	
- of which: Goodwill and other intangible assets	-7	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	80	
- 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	99	
- 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	98	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	37	1
Share premium reserves	208	
- of which: Capital instruments and the related share premium accounts	208	1
- of which: Retained earnings		2
Other reserves	-2	
- of which: Retained earnings	0	2
- of which: Accumulated other comprehensive income	-2	3
- of which: Fair value reserves related to gains or losses on cash flow hedges		11
Retained earnings net of proposed dividend	446	
- of which: Profit/loss for the year	15	5a
- of which: Retained earnings	417	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
Common Equity Tier 1 capital: instruments and reserves			
1 Capital instruments and the related share premium accounts	245	26 (1), 27, 28, 29, EBA list 26 (3)	
of which: Instrument type 1	37	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	417	26 (1) (c)	
3 Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	-2	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	15	26 (2)	
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	675		
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7 Additional value adjustments (negative amount)		34, 105	
8 Intangible assets (net of related tax liability) (negative amount)	-7	36 (1) (b), 37, 472 (4)	
9 Empty Set in the EU	NA		
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		36 (1) (c), 38, 472 (5)	
11 Fair value reserves related to gains or losses on cash flow hedges		33 (a)	
12 Negative amounts resulting from the calculation of expected loss amounts	0	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	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)	
20d of which: free deliveries (negative amount)		244 (1) (b) 258 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)	
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)	-7	
29	Common Equity Tier 1 (CET1) capital	668	
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)	
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)	668	
Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts	98	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	7	62 (c) & (d)
51	Tier 2 (T2) capital before regulatory adjustments	106	

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	106
59	Total capital (TC = T1 + T2)	774
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)
	(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)	(b), 472 (10) (b), 472 (11) (b)
	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	3,426

Capital ratios and buffers

61	Common Equity Tier 1 (as a percentage of risk exposure amount)	19.5%	92 (2) (a), 465
62	Tier 1 (as a percentage of risk exposure amount)	19.5%	92 (2) (b), 465
63	Total capital (as a percentage of risk exposure amount)	22.6%	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)	6.5%	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)	13.5%	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)	7 62
79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	7 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					
EURm	SA ¹	IRB ² approach	SA	Internal models approach	General credit exposures	Trading book exposures	Securitisati on exposures	Total	Own funds requiremen t weight (%)	Counter- cyclical buffer rate (%)
Countries with existing CCyB rate										
Czech Republic										0.5%
Bulgaria										0.5%
Luxembourg										0.3%
Hong Kong										1.0%
Norway	2,639	1,594			258			258	99.7%	1.0%
Slovakia										1.0%
Sub-total	2,639	1,594			258			258	99.7%	
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	7	6			1			1	0.3%	
Total	2,646	1,600			259			259	100%	

¹ Standardised approach² 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	4,065
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)	241
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	4,299

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)	4,065
2 (Asset amounts deducted in determining Tier 1 capital)	-7
3 Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	4,058

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)	
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)	
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)	

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	487
18	(Adjustments for conversion to credit equivalent amounts)	-246
19	Other off-balance sheet exposures (sum of lines 17 to 18)	241

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	668
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	4,299

Leverage ratio

22	Leverage ratio	15.5%
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Choice on transitional arrangements and amount of derecognised fiduciary items

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

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:	4,065
EU-2 Trading book exposures	
EU-3 Banking book exposures, of which:	4,065
EU-4 Covered bonds	
EU-5 Exposures treated as sovereigns	5
EU-6 Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	17
EU-7 Institutions	0
EU-8 Secured by mortgages of immovable properties	
EU-9 Retail exposures	1,797
EU-10 Corporate	1,420
EU-11 Exposures in default	55
EU-12 Other exposures (eg equity, securitisations, and other non-credit obligation assets)	770

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 15.7% in Q4 2019 to 15.5% in Q4 2020.

The change of leverage ratio was driven by decrease of other assets and decrease of Tier 1 capital

Table 5. EU OV1: Overview of REA

EURm	REA		Minimum capital requirement	
	2020Q4	2019Q4	2020Q4	2019Q4
Credit risk (excluding counterparty credit risk) (CCR)	3,241	3,295	259	264
Of which standardised approach (SA) ¹	2,008	2,105	161	168
Of which foundation IRB (FIRB) approach	1,233	1,190	99	95
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				
Of which Marked to market ²				
Of which Original exposure				
Of which standardised approach				
Of which internal model method (IMM)				
Of which Financial collateral simple method (for SFTs)				
Of which Financial collateral comprehensive method (for SFTs)				
Of which exposure amount for contributions to the default fund of a CCP				
Of which CVA				
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	185	185	15	15
Of which Standardised Approach	185	185	15	15
Additional capital requirement based on basel 1 floor				
Pillar 1 total	3,426	3,480	274	278

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

² Excludes exposures to CCPs.

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

2020, EURm	Original exposures	Average exposures
IRB approach		
Sovereign		
Institution	2	2
Corporate	1,633	1,568
- of which Advanced		
Retail		
- of which secured by immovable property		
- of which other retail		
- of which SME		
Other non-credit obligation assets	176	171
Total IRB approach	1,812	1,741
Standardised approach		
Central government and central banks	47	44
Regional governments and local authorities	12	9
Public Sector Entities		
Multilateral Development Banks		
International organizations		
Institution		0
Corporate	264	255
Retail	1,851	1,748
Exposures secured by real estate		
Exposures in default	52	53
Items associated with particularly high risk		
Covered bonds		
Claims on institutions and corporates with short-term credit assessment		
Collective investments undertakings (CIU)		
Equity exposures	3	3
Other	590	566
Total standardised approach	2,818	2,678
Total	4,630	4,419
- of which loans	2,177	2,092
- of which debt securities		
- of which off-balance sheet exposures	487	473

Table 7. Exposure split by exposure class and by geography

EURm	Nordic countries	Baltic countries	Russia	US	Other	Total
IRB exposure classes						
Sovereign						
Institution		2				2
Corporate		1,418			6	1,424
- of which Advanced						
Retail						
- of which secured by immovable property						
- of which other retail						
- of which SME						
Other non-credit obligation assets		176				176
Total IRB approach		1,596			6	1,602
Standardised exposure classes						
Central governments and central banks		24				24
Regional governments and local authorities		12				12
Institution						
Corporate		207				207
Retail		1,815			0	1,815
Exposures secured by real estate						
Other		624			0	624
Total standardised approach		2,682			0	2,682
Total exposure		4,278			6	4,284

Table 8. Exposure split by industry group and by main exposure class, 31 December 2020

EURm	IRB approach					Other non credit obligation assets
	Sovereign	Institution	Corporate	- of which SME	Retail	
Animal husbandry			0	0		
Capital goods			16	7		0
Commercial & prof. services			268	145		98
Construction			232	160		12
Consumer durables			4	3		0
Consumer staples (food and health care)			50	23		1
Crops etc			1	1		0
Financial institutions		0	1	0		1
Fishing and aquaculture			66	30		0
Land transportation and IT			185	80		39
Maritime (shipping)		0	18	3		1
Materials			18	7		1
Media, leisure and telecom		0	19	10		1
Oil, gas and offshore			4	4		0
Paper, forest and mining			50	26		4
Real estate commercial properties			26	19		1
Real estate residential properties						
Retail trade			22	10		1
Utilities and public services		2	87	15		1
Wholesale trade			115	43		6
Other			240	12		10
Total exposure		2	1,424	601		176

Table 9. Exposure secured by collaterals, guarantees and credit derivatives, split by exposure class,
31 December 2020

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					
Institution	2	2		1	43.5%
Corporate	1,633	1,424	28	690	42.6%
- of which Advanced					
Retail					
- of which secured by immovable property					
- of which other retail					
- of which SME					
Other non-credit obligation assets	176	176			n.a.
Total IRB approach	1,812	1,602	28	691	42.6%
Standardised exposure classes					
Central government and central banks	47	24			
Regional governments and local authorities	12	12			
Institution					
Corporate	264	207			
Retail	1,851	1,815	3		
Exposures secured by real estate					
Other	645	624			
Total standardised approach	2,818	2,682	3		
Total	4,630	4,284	31	691	

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

Table 10. Distribution of collateral

	31 December 2020	31 December 2019
Financial collateral		
Receivables		
Residential real estate		
Commercial real estate	0.9%	0.7%
Other physical collateral	99.1%	99.3%
Total	100.0%	100.0%

Table 11. 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	0	1	1	0	2
Corporate	125	263	540	495	1,424
- of which Advanced					
Retail					
- of which secured by immovable property					
- of which other retail					
- of which SME					
Other non-credit obligation assets	56	80	22	19	176
Total IRB approach	181	344	563	514	1,602
Standardised exposure classes					
Central government and central banks	20	3	1	0	24.22
Regional governments and local authorities	1	7	3	1	11.86
Institution					
Corporate	4	45	23	136	207.31
Retail	50	371	505	889	1,815.14
Exposures secured by real estate					
Other ¹	233	364	25	2	623.83
Total standardised approach	307	790	557	1,029	2,682.35
Total	488	1,134	1,120	1,543	4,283.99

¹ Includes exposures classes Past due items, Other Items and Equity.

Table 12. Liquidity coverage ratio

EURm	Total weighted value (average)			
	31 Dec 2020	30 Sep 2020	30 Jun 2020	31 Mar 2020
Liquidity buffer	N/A	N/A	N/A	N/A
Total net cash outflows	N/A	N/A	N/A	N/A
Liquidity coverage ratio	N/A	N/A	N/A	N/A
Number of data points used in the calculation of averages				

2019 EURm	Total weighted value (average)			
	2019	30 Sep 2019	30 Jun 2019	31 Mar 2019
Liquidity buffer	N/A	N/A	N/A	N/A
Total net cash outflows	N/A	N/A	N/A	N/A
Liquidity coverage ratio	N/A	N/A	N/A	N/A
Number of data points used in the calculation of averages				

Table 13. Exposure, impaired exposures, past due exposures and allowances, split by sectors

EURm	Impaired loans (stage 3)	Past due exposures	Credit risk adjustments ¹	- of which changes during the reporting period
Households	61.8	260.6	-44.5	-16.7
Non financial corporations	74.6	106.8	-40.0	-14.2
Other	0.3	0.4	-0.2	0.0
Total exposure	136.7	367.8	-84.7	-30.9

¹ On balance for loans AC, stage 1,2 and 3

Table 14. Exposure, impaired exposures, past due exposures and allowances, split by significant geographic area

EURm	Original exposure	Impaired loans (stage 3)	Past due exposures
Norway	4,586.6	136.7	367.8
Other	42.7	0.0	0.0
Total	4,629.3	136.7	367.8

Table 15. 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	-41.6	-12.2	-53.8
Changes through the income statement	-7.7	-29.3	-37.0
- Of which Provisions	-13.9	0.0	-13.9
- Of which Reversals	5.9	0.0	5.9
- Of which Net model effect	0.3	-29.3	-29.0
Allowances used to cover write-offs	3.7	0.0	3.7
Other changes/Currency translation differences ²	2.4	0.1	2.4
Closing balance	-43.3	-41.4	-84.7

¹ On balance for loans AC

² Currency translation differences total is EUR 2,4m