

Nordea



Capital and Risk Management Report 2016

Appendix C
Nordea Bank Finland

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Table C1 Mapping of own funds to the balance sheet, 31 December 2016

EURm	Nordea Bank Finland Group	Row in transitional own funds template (Table C2)
Assets		
Intangible assets	42	
- of which: Goodwill and other intangible assets	-42	8
Deferred tax assets	3	
- of which: Deferred tax assets that rely on future profitability excluding those arising from temporary differences		10 ¹
Retirement benefit assets	78	
- of which: Retirement benefit assets net of tax	-62	15
Liabilities		
Deferred tax liabilities	60	
- of which: Deductible deferred tax liabilities associated with deferred tax assets that rely on future profitability and do not arise from temporary differences		10 ¹
Subordinated liabilities	632	
- of which: AT1 Capital instruments and the related share premium accounts	550	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		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	81	47
- of which: Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		52
Equity		
Share capital	2,319	1
Share premium reserve	598	
- of which: Capital instruments and the related share premium accounts	598	1
- of which: Retained earnings		
Other reserves	4,880	
- of which: Retained earnings	4,851	2
- of which: Accumulated other comprehensive income	28	3
- of which: Fair value reserves related to gains or losses on cash flow hedges	-6	11
Retained earnings net of proposed dividend	2,950	
- of which: Profit/loss for the year	301	5a
- of which: Retained earnings	2,648	2
- of which: Direct holdings by an institution of own CET1 instruments (negative amount)		16

Table C2 Transitional own funds, 31 December 2016

EURm	(A) amount at disclosure date	(B) regulation (EU) No 575/2013 article reference	(C) amounts subject to pre-regulation (EU) No 575/2013 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	2,918	26 (1), 27, 28, 29, EBA list 26 (3)
	of which: Share Capital	2,319	EBA list 26 (3)
2	Retained earnings	7,500	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	28	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 CET 1		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	301	26 (2)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	10,747	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	-235	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	-42	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	-6	33 (a)
12	Negative amounts resulting from the calculation of expected loss amounts	-111	36 (1) (d), 40, 159, 472 (6)
13	Any increase in equity that result from securitised assets (negative amount)		32 (1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-88	33 (b)
15	Defined-benefit pension fund assets (negative amount)	-62	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 artificially inflate 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 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 amounts)		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)

Table C2, cont

EURm	(A) amount at disclosure date	(B) regulation (EU) No 575/2013 article reference	(C) amounts subject to pre-regulation (EU) No 575/2013 treatment or prescribed residual amount of regulation (EU) no 575/2013
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		
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468		95
	Of which: ...filter for unrealised loss 1	467	8
	Of which: ...filter for unrealised loss 2	467	
	Of which: ... filter for unrealised gain 1	468	87
	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)	-544	95
29	Common Equity Tier 1 (CET1) capital	10,203	95
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	550	51, 52
31	of which: classifies as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards	550	
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	550	
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)		

Table C2, cont

EURm	(A) amount at disclosure date	(B) regulation (EU) No 575/2013 article reference	(C) amounts subject to pre-regulation (EU) No 575/2013 treatment or prescribed residual amount of regulation (EU) no 575/2013
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 Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc	472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)	
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 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	477, 477 (3), 477 (4) (a)	
41c	Amount to be deducted from or added to Additional Tier 1 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	
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	550	
45	Tier 1 capital (T1 = CET1 + AT1)	10,753	
Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts	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 Public sector capital injections grandfathered until 1 January 2018	81 483 (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	81	
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)		

Table C2, cont

EURm	(A) amount at disclosure date	(B) regulation (EU) No 575/2013 article reference	(C) amounts subject to pre-regulation (EU) No 575/2013 treatment or prescribed residual amount of regulation (EU) no 575/2013
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 items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc	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	81	
59	Total capital (TC = T1 + T2)	10,834	
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) 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) 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)	472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b) 475, 475 (2) (b), 475 (2) (c), 475 (4) (b) 477, 477 (2) (b), 477 (2) (c), 477 (4) (b)	
60	Total risk weighted assets	41,122	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	24.8%	92 (2) (a), 465
62	Tier 1 (as a percentage of risk exposure amount)	26.1%	92 (2) (b), 465
63	Total capital (as a percentage of risk exposure amount)	26.3%	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)	4.7%	CRD 128, 129, 130
65	of which: capital conservation buffer requirement	2.5%	
66	of which: countercyclical buffer requirement	0.2%	
67	of which: systemic risk buffer requirement		
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	2.0%	CRD 131
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	18.3%	CRD 128
69	[non relevant in EU regulation]		
70	[non relevant in EU regulation]		

Table C2, cont

EURm		(A) amount at disclosure date	(B) regulation (EU) No 575/2013 article reference	(C) amounts subject to pre-regulation (EU) No 575/2013 treatment or prescribed residual amount of regulation (EU) no 575/2013
71	[non relevant in EU regulation]			
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)	173	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)	9	36 (1) (i), 45, 48, 470, 472 (11)	
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)	21,972	62	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	132	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	273	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 C3.1 Geographical distribution and amount of institution-specific countercyclical capital buffer (CCyB), 31 December 2016

Rows	General credit exposures		Trading book exposures		Securitization		Own Funds Requirements			Total	Own funds requirements weights	Counter-cyclical Capital Buffer rate %
	Exposure value for SA	Exposure Value for IRB	Sum of long and short positions of trading book exposures for SA	Value of Trading book exposures for internal models	Exposure value SA	Exposure value IRB	of which: credit exposures	of which: trading book exposures	of which: securitization exposures			
	010	020	030	040	050	060	070	080	090	100	110	120
Break-down by Country												
AE		2					0			0	0.0%	
AL		0					0			0	0.0%	
AR		0					0			0	0.0%	
AT		6	279	281			0	0		0	0.0%	
AU		12	1	3			0	1		1	0.1%	
AZ												
BD		0					0			0	0.0%	
BE		27	434	417			1	0		1	0.1%	
BG		0					0			0	0.0%	
BH												
BM		467		40			32	0		32	1.6%	
BO												
BR		49	0				3	0		3	0.1%	
BS		0					0			0	0.0%	
BY		0					0			0	0.0%	
CA	0	98	0	9			2	0		2	0.1%	
CH	12	141	2	43			5	1		7	0.3%	
CL		0					0			0	0.0%	
CN		60	4				3	0		3	0.2%	
CO		0					0			0	0.0%	
CU												
CY		59					6			6	0.3%	
CZ		7		0			0	0		0	0.0%	
DE		91	1,531	1,689			3	4		7	0.4%	
DK	233	3,417	8,822	9,811			68	75		143	7.1%	
DM		0					0			0	0.0%	
DO		0					0			0	0.0%	
DZ		0					0			0	0.0%	
EC		0					0			0	0.0%	
EE	761	119		12			57	0		58	2.8%	
EG												
ES		6	5	21			0	2		2	0.1%	
FI	8,264	40,761	1,374	1,809			1,069	46		1,115	55.2%	
FO		11					0			0	0.0%	
FR		81	1,475	1,518			2	2		4	0.2%	
GA		0					0			0	0.0%	
GB	0	377	5	99			16	52		68	3.4%	
GG				1				0		0	0.0%	
GH		0					0			0	0.0%	
GI		0					0			0	0.0%	
GL		0					0			0	0.0%	
GN		0					0			0	0.0%	
GR		0	0	0			0	0		0	0.0%	
GT		0					0			0	0.0%	
HK		155	1	8			7	0		7	0.3%	0.6
HN		0					0			0	0.0%	
HR		0					0			0	0.0%	
HU		0					0			0	0.0%	
ID		1					0			0	0.0%	
IE		16	1	1			1	1		2	0.1%	
IL		0					0			0	0.0%	

Table C3.1, cont

Rows	General credit exposures		Trading book exposures		Securitization		Own Funds Requirements			Counter-cyclical Capital Buffer rate %		
	Exposure value for SA	Exposure Value for IRB	Sum of long and short positions of trading book exposures for SA	Value of Trading book exposures for internal models	Exposure value SA	Exposure value IRB	of which: credit exposures	of which: trading book exposures	of which: securitization exposures		Total	Own funds requirements weights
IM		5					0			0	0.0%	
IN		32	0	1			1			1	0.1%	
IS				29				1		1	0.0%	
IT		16	3	23			1	1		2	0.1%	
JE		84	0	0			1	0		1	0.0%	
JO		0					0			0	0.0%	
JP		1	3	12			0	0		0	0.0%	
KE		0					0			0	0.0%	
KP			1					0		0	0.0%	
KR		11					0			0	0.0%	
KW		0					0			0	0.0%	
KY		52		1			2	0		2	0.1%	
KZ		0					0			0	0.0%	
LB		0					0			0	0.0%	
LI		0					0			0	0.0%	
LK		0					0			0	0.0%	
LR		680					20			20	1.0%	
LT	544	21					42			42	2.1%	
LU	0	340		345			14	1		15	0.7%	
LV	378	34	1				28	0		28	1.4%	
MA		0					0			0	0.0%	
MH	0	991		23			44	0		44	2.2%	
MN												
MO												
MT		0					0			0	0.0%	
MX		3		0			0	0		0	0.0%	
MY	0	0	0				0	0		0	0.0%	
NC		0					0			0	0.0%	
NG		0					0			0	0.0%	
NL	64	144	1,181	1,278			12	5		16	0.8%	
NO	0	2,769	1,271	1,945			95	26		121	6.0%	1.5
NZ		0					0			0	0.0%	
OC												
OM												
PA		90					3			3	0.1%	
PE		0					0			0	0.0%	
PF		0					0			0	0.0%	
PH		0					0			0	0.0%	
PK		0					0			0	0.0%	
PL	0	10	3				1	0		1	0.0%	
PR		0					0			0	0.0%	
PS												
PT		2	0	0			0	0		0	0.0%	
QA		1					0			0	0.0%	
RO	0	0					0			0	0.0%	
RS		0					0			0	0.0%	
RU		5	1	3			0	0		0	0.0%	
SA		11					0			0	0.0%	
SE	0	2,883	4,708	103,345			92	55		147	7.3%	1.5
SG	0	760	0				36	0		36	1.8%	
SI		0					0			0	0.0%	
SK		0					0			0	0.0%	
SY												
TH		1					0			0	0.0%	
TN		0					0			0	0.0%	
TR		2		0			0	0		0	0.0%	

Table C3.1, cont

Rows	General credit exposures		Trading book exposures		Securitization		Own Funds Requirements			Counter-cyclical Capital Buffer rate %
	Exposure value for SA	Exposure Value for IRB	Sum of long and short positions of trading book exposures for SA	Value of Trading book exposures for internal models	Exposure value SA	Exposure value IRB	of which: credit exposures	of which: trading book exposures	of which: securitization exposures	
TW		2	0				0	0	0	0.0%
TZ		1					0		0	0.0%
US	0	2,070	92	252			60	10	70	3.5%
UY		5					0		0	0.0%
VG		102					5		5	0.2%
VI		0								
VN		0					0		0	0.0%
XK		0					0		0	0.0%
ZA	0	2	0	0			0	0	0	0.0%
020 Total	10,258	57,093	21,197	123,021			1,736	283	2,019	100.0%

Table C3.2 Amount of institution-specific countercyclical capital buffer, 31 December 2016

Row	Column
010	Total risk exposure amount
020	Institution specific countercyclical capital buffer rate
030	Institution specific countercyclical capital buffer requirement

Table C4.1 LRSum: Summary reconciliation of accounting assets and leverage ratio exposures, 31 December 2016

EURm	Applicable Amounts
1	Total assets as per published financial statements
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)
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
8	Total leverage ratio exposure

Table C4.2 LRCom: Leverage ratio common disclosure, 31 December 2016

		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)	145,365
2	(Asset amounts deducted in determining Tier 1 capital)	-544
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	144,820
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	12,814
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	25,565
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)	-11,230
8	(Exempted CCP leg of client-cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	35,676
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-31,550
11	Total derivative exposures (sum of lines 4 to 10)	31,276
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	34,762
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-10,654
14	Counterparty credit risk exposure for SFT assets	214
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)	24,322
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	46,839
18	(Adjustments for conversion to credit equivalent amounts)	-26,019
19	Total other off-balance sheet exposures (sum of lines 17 to 18)	20,820
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	10,753
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	221,238
Leverage ratio		
22	Leverage ratio	4.9%
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 C4.3 LRQua: Free format text boxes for disclosure on qualitative items, 31 December 2016

Row	Column
1	Nordea has policies and processes in place for the identification, management and monitoring of the risk of excessive leverage. The leverage ratio is also part of Nordea's risk appetite framework.
2	The leverage ratio has improved 40 basis points (0.4%) from Q4 2015. During the period, the leverage ratio increased to 4.9% stemming from decreased leverage ratio exposures, particularly on balance sheet items as well as securities financing transactions, slightly offset by a decrease in the Tier 1 capital.

Table C5 Minimum capital requirements and REA, 31 December 2016

EURm	31 December 2016		31 December 2015	
	Minimum capital requirement	REA	Minimum capital requirement	REA
Credit risk	2,486	31,074	2,713	33,909
- of which counterparty credit risk	533	6,661	586	7,330
IRB	1,758	21,972	2,018	25,226
- of which corporate	1,164	14,547	1,214	15,175
- of which advanced	792	9,900	811	10,143
- of which foundation	372	4,646	403	5,032
- of which institutions	229	2,868	295	3,683
- of which retail	350	4,370	500	6,248
- of which secured by immovable property	84	1,044	200	2,498
- of which other retail	207	2,585	241	3,011
- of which SME	59	742	59	738
- of which other	15	187	9	120
Standardised	728	9,102	695	8,683
- of which central governments or central banks	5	66	7	90
- of which regional governments or local authorities	14	172	13	166
- of which public sector entities	2	29	2	30
- of which multilateral development banks	2	26	0	0
- of which international organisations				
- of which institutions	497	6,218	538	6,728
- of which corporate	92	1,148	81	1,007
- of which retail	39	493	35	433
- of which secured by mortgages on immovable property				
- of which in default	1	13	1	16
- of which associated with particularly high risk				
- of which covered bonds	63	792	4	48
- of which institutions and corporates with a short-term credit assessment				
- of which collective investments undertakings (CIU)				
- of which equity	3	43	5	59
- of which other items	8	101	9	106
Credit Value Adjustment risk	125	1566	130	1625
Market risk	335	4,192	346	4,329
- of which trading book, Internal Approach	241	3,008	231	2,887
- of which trading book, Standardised Approach	86	1,073	108	1,350
- of which banking book, Standardised Approach	9	111	7	92
Operational risk	333	4,163	338	4,229
Standardised	333	4,163	338	4,229
Additional risk exposure amount due to Article 3 CRR	10	127	23	286
Sub total	3,290	41,122	3,550	44,378
Adjustment for Basel I floor				
Additional capital requirement due to Basel I floor	428	5,355	1,105	13,810
Total	3,718	46,476	4,655	58,188

Table C6 Original exposures, split by exposure class, including average exposure during the year, 31 December 2016

EURm	Original exposure	Average exposure
IRB exposure classes		
Institution	11,072	12,898
Corporate	60,073	62,492
- of which Advanced	42,811	44,410
Retail	21,546	38,340
- of which secured by immovable property	8,439	22,962
- of which other retail	11,483	13,405
- of which SME	1,624	1,974
Other non-credit obligation assets	240	250
Total IRB approach	92,931	113,981
Standardised exposure classes		
Central government and central banks	42,822	55,939
Regional governments and local authorities	2,720	3,151
Institution	27,766	27,984
Corporate	1,374	1,331
Retail	666	640
Exposures secured by real estate		
Other ¹	19,067	7,958
Total standardised approach	94,415	97,003
Total	187,346	210,984

1) Includes exposures classes public sector entities, multilateral development banks, international organisations, exposures in default, covered bonds, equity and other items.

Table C7 Exposure split by exposure class and by geography, 31 December 2016

EURm	Nordic countries	- of which Denmark	- of which Finland	- of which Norway	- of which Sweden	Baltic countries	Russia	US	Other	Total
IRB exposure classes										
Institution	4,835	3,565	82	479	709	1	24	481	5,105	10,447
Corporate	31,590	3,412	22,601	2,716	2,862	172	4	2,058	4,984	38,808
- of which Advanced	21,389	356	18,833	1,262	938	76	4	2,036	3,721	27,226
Retail	18,064	5	17,985	53	21	1	1	2	30	18,098
- of which secured by immovable property	8,349		8,349							8,349
- of which other retail	8,359		8,359							8,359
- of which SME	1,357	5	1,277	53	21	1	1	2	30	1,391
Other non-credit obligation assets	176	0	176		0	0		10	1	187
Total IRB approach	54,665	6,982	40,843	3,248	3,592	174	29	2,551	10,120	67,540
Standardised exposure classes										
Central governments and central banks	10,176	839	7,076	411	1,850	10		31,519	3,455	45,160
Regional governments and local authorities	3,160	412	1,391	688	670	4				3,164
Institution	28,158	709	4,219	3,022	20,209	337	99		3,755	32,348
Corporate	63		63			1,011			76	1,150
Retail	0	0	0	0	0	657		0	0	657
Exposures secured by real estate										
Other ¹	9,028	239	8,788	1	0	16		18	2,110	11,172
Total standardised approach	50,585	2,199	21,536	4,122	22,728	2,035	99	31,537	9,395	93,651
Total	105,250	9,181	62,380	7,370	26,320	2,209	127	34,088	19,516	161,191

1) Includes exposures classes public sector entities, multilateral development banks, international organisations, exposures in default, covered bonds, equity and other items.

Table C8 Exposure split by industry group and by main exposure class, 31 December 2016

EURm	IRB approach				Other non-credit obligation assets
	Institution	Corporate	- of which SME	Retail	
Construction and engineering		1,073	576	170	
Consumer durables (cars, appliances, etc.)		1,177	199	26	
Consumer staples (food, agriculture, etc.)		1,376	448	52	
Energy (oil, gas, etc.)		863	6	2	
Health care and pharmaceuticals		596	147	39	
Industrial capital goods		2,391	272	16	
Industrial commercial services		2,662	669	198	
IT software, hardware and services		679	166	36	
Media and leisure		577	367	107	
Metals and mining materials		249	67	7	
Other financial institutions	10,447	6,237	1,080	26	
Other materials (chemical, building materials, etc.)		1,859	559	47	
Other, public and organisations		1,010	214	16,753	187
Paper and forest materials		1,043	136	20	
Real estate management and investment		6,631	3,664	239	
Retail trade		2,522	750	210	
Shipping and offshore		3,512	43	8	
Telecommunication equipment		150	8	1	
Telecommunication operators		429	100	3	
Transportation		1,354	431	132	
Utilities (distribution and production)		2,418	506	8	
Total exposure	10,447	38,808	10,407	18,098	187

Table C9 Exposure secured by collaterals, guarantees and credit derivatives, split by exposure class, 31 December 2016

EURm	Original exposure	Exposure	- of which secured by guarantees and credit derivatives	- of which secured by collateral	Average weighted LGD
IRB exposure classes					
Institution	11,072	10,447	60	2	30.5%
Corporate	60,073	38,808	10,307	12,009	33.8%
- of which Advanced	42,811	27,226	5,927	10,445	29.5%
Retail	21,546	18,098	1,356	9,983	18.6%
- of which secured by immovable property	8,439	8,349		8,349	11.1%
- of which other retail	11,483	8,359	1,165	961	24.2%
- of which SME	1,624	1,391	191	674	30.0%
Other non-credit obligation assets	240	187	3	2	n.a.
Total IRB approach	92,931	67,540	11,727	21,995	
Standardised exposure classes					
Central governments and central banks	42,822	45,160	82		
Regional governments and local authorities	2,720	3,164	1		
Institution	27,766	32,348			
Corporate	1,374	1,150			
Retail	666	657		0	
Exposures secured by real estates					
Other ¹	19,067	11,172	6		
Total standardised approach	94,415	93,651	90	0	
Total	187,346	161,191	11,817	21,995	

1) Includes exposures classes public sector entities, multilateral development banks, international organisations, exposures in default, covered bonds, equity and other items.

Table C10 Distribution of collateral

	31 December 2016
Financial collateral	4.5%
Receivables	4.4%
Residential real estate	49.2%
Commercial real estate	20.6%
Other physical collateral	21.2%
Total	100.0%

Table C11 Residual maturity broken down by exposure classes, 31 December 2016

EURm	< 1 year	1–3 years	3–5 years	>5 years	Total exposure
IRB exposure classes					
Institution	1,511	2,418	534	5,984	10,447
Corporate	8,103	7,496	7,338	15,872	38,808
- of which Advanced	7,810	6,997	6,909	5,510	27,226
Retail	679	1,206	1,780	14,433	18,098
- of which secured by immovable property	244	477	644	6,983	8,349
- of which other retail	330	475	849	6,705	8,359
- of which SME	105	253	287	745	1,391
Other non-credit obligation assets	99	66	15	6	187
Total IRB approach	10,391	11,186	9,668	36,294	67,540
Standardised exposure classes					
Central governments and central banks	2,550	3,772	3,482	35,357	45,160
Regional governments and local authorities	97	137	200	2,729	3,164
Institution	14,689	8,106	2,217	7,336	32,348
Corporate	65	278	435	372	1,150
Retail	48	228	361	20	657
Exposures secured by real estates					
Other ¹	1,334	4,341	2,590	2,906	11,172
Total standardised approach	18,783	16,862	9,285	48,721	93,651
Total exposure	29,174	28,048	18,954	85,015	161,191

1) Includes exposures classes public sector entities, multilateral development banks, international organisations, exposures in default, covered bonds, equity and other items.

Table C12 Impaired exposures and allowances, split by industry, 31 December 2016¹

EURm	Impaired loans	Credit risk adjustments ²	- of which charges during the reporting period
Construction and engineering	23	20	3
Consumer durables (cars, appliances, etc.)	14	10	2
Consumer staples (food, agriculture, etc.)	56	26	-8
Energy (oil, gas, etc.)	1	3	1
Financial institutions	27	23	2
Health care and pharmaceuticals	6	3	-1
Industrial capital goods	16	16	-15
Industrial commercial services, etc.	98	72	1
IT software, hardware and services	36	28	3
Media and leisure	20	14	3
Metals and mining materials	30	23	1
Other materials (chemical, building materials, etc.)	162	80	-37
Other, public and organisations	17	30	-14
Paper and forest materials	1	1	0
Real estate management and investment	56	27	8
Retail trade	80	57	-4
Shipping and offshore	70	48	26
Telecommunication equipment	1	1	0
Telecommunication operators	11	4	3
Transportation	11	7	1
Utilities (distribution and production)	1	0	0
Total	737	494	-25

Total past due not impaired exposure for the corporate portfolio was EUR 297m.

1) Nordea Bank Finland only has specific credit risk adjustments due to use of IFRS accounting.

2) On balance exposures.

Table C13 Original exposures, impaired exposures and past due exposures, split by significant geographical areas, 31 December 2016¹

EURm	Original exposure	Impaired loans	Past due exposures
Nordic countries	126,710	1,218	229
- of which Denmark	10,452		
- of which Finland	80,747	1,218	229
- of which Norway	11,383		
- of which Sweden	24,128		
Baltic countries	2,423	23	68
Russia	189		
USA	35,772		
Other	22,252	70	
Total	187,346	1,311	297

Specification of impaired loans and past due exposures by country reported according to the book keeping country.

1) On balance exposures, past due exposures are not impaired and >6 days past due.

Table C14 Reconciliation of allowance accounts for impaired loans, 31 December 2016

EURm	Specific credit risk adjustments ¹		Total
	Individually assessed	Collectively assessed	
Opening balance, 1 Jan 2016	-523	-104	-627
Changes through the income statement	1	-38	-36
- Of which Provisions	-83	-81	-164
- Of which Reversals	85	44	128
Allowances used to cover write-offs	78		78
Change of consolidated situation ²	-29	20	-9
Closing balance, 31 Dec 2016	-473	-122	-594

1) Nordea does not have general credit risk adjustment due to use of IFRS accounting.

For loan losses directly recognised through the income statement (not affecting the allowance accounts), refer to the note "Net loan losses" in the Annual Report.

Table C15 REA and capital requirements for market risk, 31 December 2016

EURm	Trading book, IA		Trading book, SA		Banking book, SA		Total	
	REA	Minimum capital requirement	REA	Minimum capital requirement	REA	Minimum capital requirement	REA	Minimum capital requirement
Interest rate risk and other ¹	880	70	925	74			1,805	144
Equity risk	358	29	119	10			477	38
Foreign exchange risk	291	23			111	9	401	32
Commodity risk			28	2			28	2
Settlement risk			0	0			0	0
Diversification effect	-619	-49					-619	-49
Stressed Value-at-Risk	937	75					937	75
Incremental Risk Measure	348	28					348	28
Comprehensive Risk Measure	814	65					814	65
Total	3,008	241	1,073	86	111	9	4,192	335

1) Interest rate risk column Trading book IA includes both general and specific interest rate risk which is elsewhere referred to as interest rate VaR and credit spread VaR.