

Nordea



Capital and Risk Management Report 2020

Appendix F Nordea Kredit Realkreditaktieselskab

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Table 1. Mapping of own funds to the balance sheet

EURm	Nordea Realkredit	Row in transitional own funds template
Assets		
Intangible assets		
- of which: Goodwill and other intangible assets		8
Deferred tax assets	0	
- 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		
- 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	504	
- 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	504	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	231	1
Share premium reserves		
- of which: Capital instruments and the related share premium accounts		1
- of which: Retained earnings		2
Other reserves		
- of which: Retained earnings		2
- of which: Accumulated other comprehensive income	0	3
- of which: Fair value reserves related to gains or losses on cash flow hedges		11
Retained earnings net of proposed dividend	2,791	
- of which: Profit/loss for the year		5a
- of which: Retained earnings	2,619	2
- of which: Direct holdings by an institution of own CET1 instruments (negative amount)		16

Table 2. Transitional own funds disclosure template

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	
Table 2. Common Equity Tier 1 capital: instruments and reserves			
1 Capital instruments and the related share premium accounts	231	26 (1), 27, 28, 29, EBA list 26 (3)	
of which: Instrument type 1	231	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	2,619	26 (1) (c)	
3 Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	0	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		26 (2)	
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	2,850		
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7 Additional value adjustments (negative amount)	-22	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		33 (a)	
12 Negative amounts resulting from the calculation of expected loss amounts	-48	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	0	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) 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)
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)	-70
29 Common Equity Tier 1 (CET1) capital	2,780

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)	2,780	
Tier 2 (T2) capital: instruments and provisions		
46 Capital instruments and the related share premium accounts	504	62, 63
47 Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2		486 (4)
Public sector capital injections grandfathered until 1 January 2018		483 (4)
48 Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		87, 88, 480
49 of which: instruments issued by subsidiaries subject to phase out		486 (4)
50 Credit risk adjustments		62 (c) & (d)
51 Tier 2 (T2) capital before regulatory adjustments	504	
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 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	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	504
59 Total capital (TC = T1 + T2)	3,284
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) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc) Of which: ...items not deducted from AT1 items (Regulation (EU) No 575/2013residual amounts) (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) (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	11,105

Capital ratios and buffers

61 Common Equity Tier 1 (as a percentage of risk exposure amount)	25.0%	92 (2) (a), 465
62 Tier 1 (as a percentage of risk exposure amount)	25.0%	92 (2) (b), 465
63 Total capital (as a percentage of risk exposure amount)	29.6%	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)	4.0%	CRD 128, 129, 130
65 of which: capital conservation buffer requirement	2.5%	
66 of which: countercyclical buffer requirement	0.0%	
67 of which: systemic risk buffer requirement		
67a of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	1.5%	CRD 131
68 Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	19.0%	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)	0	36 (1) (c), 38, 48, 470, 472 (5)

Applicable caps on the inclusion of provisions in Tier 2

76 Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)		62
77 Cap on inclusion of credit risk adjustments in T2 under standardised approach		62
78 Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		62
79 Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	57	62

Capital instruments subject to phase-out arrangements (only applicable

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		1			0			0	0.0%	0.5%
Bulgaria		1			0			0	0.0%	0.5%
Luxembourg		8			0			0	0.0%	0.3%
Hong Kong		5			0			0	0.0%	1.0%
Norway		31			0			0	0.1%	1.0%
Slovakia		1			0			0	0.0%	1.0%
Sub-total		47			1			1	0.1%	
Countries with own funds requirements weight 1% or above and no existing CCyB rate										
Denmark	35	51,503			752			752	98.9%	0.0%
Sub-total	35	51,503			752			752	98.9 %	
Countries with own funds requirement below 1% and no existing CCyB rate										
Sub-total		405			7			7	1.0%	
Total	35	51,954			760			760	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	62,890
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	18
5 Adjustments for securities financing transactions "SFTs"	2
6 Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	75
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	-70
8 Total leverage ratio exposure	62,914

LRCom: Leverage ratio common disclosure

EURm	CRR leverage ratio exposures
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On-balance sheet exposures (excluding derivatives and SFTs)

1 On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	56,367
2 (Asset amounts deducted in determining Tier 1 capital)	-70
3 Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	56,297

Derivative exposures

4 Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	20
5 Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	11
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)	30

Securities financing transaction exposures

12 Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	7,181
13 (Netted amounts of cash payables and cash receivables of gross SFT assets)	-669
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)	6,512

Other off-balance sheet exposures

17 Off-balance sheet exposures at gross notional amount	203
18 (Adjustments for conversion to credit equivalent amounts)	-128
19 Other off-balance sheet exposures (sum of lines 17 to 18)	75

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	2,780
21 Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	62,914

Leverage ratio

22 Leverage ratio	4.4%
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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:	56,367
EU-2 Trading book exposures	
EU-3 Banking book exposures, of which:	56,367
EU-4 Covered bonds	
EU-5 Exposures treated as sovereigns	7
EU-6 Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	1
EU-7 Institutions	158
EU-8 Secured by mortgages of immovable properties	38,565
EU-9 Retail exposures	1,286
EU-10 Corporate	15,429
EU-11 Exposures in default	842
EU-12 Other exposures (eg equity, securitisations, and other non-credit obligation assets)	79

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 remained on the same level: 4.4% in Q4 2019 and 4.4% in Q4 2020.

There was decrease of SFT's that was offset by increase of Other assets that insignificantly impacted leverage ratio.

Table 5. EU OV1: Overview of REA

EURm	REA		Minimum capital requirement	
	2020Q4	2019Q4	2020Q4	2019Q4
Credit risk (excluding counterparty credit risk) (CCR)	10,401	10,553	832	844
Of which standardised approach (SA) ¹	918	1,026	73	82
Of which foundation IRB (FIRB) approach	76	31	6	2
Of which advanced IRB approach	9,407	9,497	753	760
Of which AIRB	3,805	4,237	304	339
Of which Retail RIRB	5,603	5,260	448	421
Of which Equity IRB under the simple risk-weight or the IMA				
Counterparty credit risk	143	180	11	14
Of which Marked to market ²	5	5	0	0
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)	138	175	11	14
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	557	549	45	44
Of which Standardised Approach	557	549	45	44
Amounts below the thresholds for deduction (subject to 250% risk weight)	1	1	0	0
Additional risk exposure amount related to Finnish RW floor due to Article 458 CRR				
Additional risk exposure amount related to Swedish RW floor due to Article 458 CRR	3	2	0	0
Article 3 CRR Buffer				
Pillar 1 total	11,105	11,286	888	903

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	0	1
Corporate	16,021	16,102
- of which Advanced	16,021	16,102
Retail	40,277	39,185
- of which secured by immovable property	38,816	37,566
- of which other retail	1,387	1,544
- of which SME	74	75
Other non-credit obligation assets	76	74
Total IRB approach	56,375	55,362
Standardised approach		
Central government and central banks	7	7
Regional governments and local authorities	1	0
Public Sector Entities		
Multilateral Development Banks		
International organizations		
Institution	874	924
Corporate	12	32
Retail	0	0
Exposures secured by real estate	32	59
Exposures in default		
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		
Total standardised approach	929	1,026
Total	57,304	56,388
- of which loans	56,401	55,416
- of which debt securities	7	7
- of which off-balance sheet exposures	203	187

Table 7. Exposure split by exposure class and by geography

EURm	Nordic countries	Baltic countries	Russia	US	Other	Total
IRB exposure classes						
Sovereign						
Institution	0					0
Corporate	12,566	0		6	85	12,658
- of which Advanced	12,566	0		6	85	12,658
Retail	38,957	2	0	29	233	39,220
- of which secured by immovable property	38,532	2	0	29	230	38,793
- of which other retail	361	0		0	2	364
- of which SME	63				0	63
Other non-credit obligation assets	76					76
Total IRB approach	51,599	2	0	35	318	51,954
Standardised exposure classes						
Central governments and central banks	15					15
Regional governments and local authorities	6					6
Institution	5,233					5,233
Corporate	0					0
Retail						
Exposures secured by real estate	32					32
Other ¹	3					3
Total standardised approach	5,289					5,289
Total exposure	56,888	2	0	35	318	57,243

1. Includes exposures classes and Equity.

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			1,272	1,236	3	
Capital goods			36	23	1	
Commercial & prof. services			167	102	3	
Construction			311	211	3	
Consumer durables			35	4	0	
Consumer staples (food and health care)			158	139	3	
Crops etc			1,730	1,668	4	
Financial institutions			512	187	5	
Fishing and aquaculture					0	
Land transportation and IT			28	19	1	
Maritime (shipping)			113	113		
Materials			26	4	0	
Media, leisure and telecom			504	193	1	
Oil, gas and offshore			2	2		
Paper, forest and mining			57	44	0	
Real estate commercial properties		0	6,702	4,710	8	
Real estate residential properties			45	41	17	
Retail trade			125	82	4	
Utilities and public services			536	209	3	
Wholesale trade			84	43	1	
Other			215	186	39,164	76
Total exposure		0	12,658	9,217	39,220	76

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					
Corporate	16,021	12,658	3,588	12,397	20.2%
- of which Advanced	16,021	12,658	3,588	12,397	20.2%
Retail	40,277	39,220	1,034	38,813	17.2%
- of which secured by immovable property	38,816	38,793		38,750	17.0%
- of which other retail	1,387	364	1,023		39.5%
- of which SME	74	63	11	62	15.4%
Other non-credit obligation assets	76	76			n.a.
Total IRB approach	56,375	51,954	4,622	51,210	17.9%
Standardised exposure classes					
Central government and central banks	7	15			
Regional governments and local authorities	1	6			
Institution	874	5,233			
Corporate	12		12		
Retail					
Exposures secured by real estate	32	32		32	
Other	3	3			
Total standardised approach	929	5,289	12	32	
Total	57,304	57,243	4,634	51,242	

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		0.0%
Receivables		
Residential real estate	78.0%	77.5%
Commercial real estate	22.0%	22.5%
Other physical collateral		0.0%
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	0
Corporate	136	55	68	12,399	12,658
- of which Advanced	136	55	68	12,399	12,658
Retail	143	15	43	39,019	39,220
- of which secured by immovable property	142	14	41	38,595	38,793
- of which other retail	0	0	0	364	364
- of which SME	1	1	2	60	63
Other non-credit obligation assets				76	76
Total IRB approach	279	70	111	51,494	51,954
Standardised exposure classes					
Central government and central banks	0	1	0	14	15
Regional governments and local authorities	0			6	6
Institution	941	15	21	4,255	5,233
Corporate				0	0
Retail					
Exposures secured by real estate		0	0	32	32
Other ¹				3	3
Total standardised approach	941	15	22	4,310	5,289
Total	1,221	85	133	55,804	57,243

¹ Includes exposures classes 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	3,263	3,469	3,624	3,821
Total net cash outflows	1,382	1,367	1,350	1,338
Liquidity coverage ratio	236%	254%	269%	286%
Number of data points used in the calculation of averages	12	12	12	12

EURm	Total weighted value (average)			
	31 Dec 2019	30 Sep 2019	30 Jun 2019	31 Mar 2019
Liquidity buffer	3,888	3,684	3,579	3,287
Total net cash outflows	1,324	1,316	1,310	1,305
Liquidity coverage ratio	293%	280%	273%	252%
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 charges during the reporting period
Households	479.3	66.4	-72.3	-46.7
Non financial corporations	525.2	112.3	-19.0	-10.6
Other	2.1	0.0	0.0	0.0
Total in banking operations	1,006.7	178.8	-91.3	-57.4

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
Denmark	56,173.3	1,006.7	178.8
Sweden	97.7	0.0	0.0
Other	1,032.8	0.0	0.0
Total	57,303.8	1,006.7	178.8

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 ²	-26.5	-7.4	-33.9
Changes through the income statement	-30.4	-35.1	-65.5
- Of which Provisions	-16.7	0.0	-16.7
- Of which Reversals	39.9	0.0	39.9
- Of which Net model effect	-53.6	-35.1	-88.7
Allowances used to cover write-offs	8.4	0.0	8.4
Other changes/Currency translation differences	-0.2	-0.1	-0.2
Closing balance	-48.7	-42.6	-91.3

¹ On balance for loans AC

² Due to restatement of closing balance 2019, allowances of EUR 12,2m have been moved from stage 1&2 to stage 3