Nordea

Annual Report 2004

Nordea Bank Finland

Nordea Bank Finland Plc is a part of the Nordea Group. Nordea is the leading financial services group in the Nordic and Baltic Sea region and operates through three business areas: Retail Banking, Corporate and Institutional Banking and Asset Management & Life. The Nordea Group has almost 11 million customers and 1,198 branch offices. The Nordea Group is a world leader in Internet banking, with 4 million e-customers. The Nordea share is listed in Stockholm, Helsinki and Copenhagen.

Contents

Nordea Bank Finland - Five-year financial summary

Income statement [1]

Group, EUR million	2004	2003	2002	2001	2000
Net interest income	1,121	2,407	3,738	2,615	2,065
Commission income and expenses	293	760	1,218	1,027	1,037
Net income from securities transactions and foreign exchange dealing	180	224	214	314	179
Other operating income [2]	90	184	269	1,363	289
Total operating income	**1,684**	**3,575**	**5,439**	**5,319**	**3,570**
Staff costs	-469	-1,205	-2,080	-1,219	-857
Other administrative and operating expenses [3]	-427	-1,212	-1,755	-1,376	-986
Total operating expenses	**-896**	**-2,417**	**-3,835**	**-2,595**	**-1,843**
Profit before loan losses	**788**	**1,158**	**1,604**	**2,724**	**1,727**
Loan losses	-18	-157	-263	-208	-50
Write-downs on securities held as financial fixed assets	-1	-	-1	-	-
Share of profit/loss from companies accounted for under the equity method	17	37	38	57	41
Operating profit	**786**	**1,038**	**1,378**	**2,573**	**1,718**
Extraordinary items	12	463	-292	-324	-8
Taxes	25	55	-364	-58	-378
Minority interest	-2	-2	0	1	-3
Net profit for the year	**821**	**1,554**	**722**	**2,192**	**1,329**

Balance sheet [1]

Group, EUR million	2004	2003	2002	2001	2000
Assets [4]					
Loans to credit institutions	35,609	32,123	22,260	19,884	14,920
Loans to the public and public sector organisations	39,910	35,877	146,341	137,830	92,743
Interest-bearing securities					
- current assets	3,742	4,213	27,739	31,319	8,952
- other assets	427	782	426	1,961	6,067
Other assets	31,188	21,250	29,308	24,858	13,524
Total assets	**110,876**	**94,245**	**226,074**	**215,852**	**136,206**
Liabilities and shareholders' equity [4]					
Due to credit institutions and central banks	17,976	12,566	25,865	30,089	16,319
Due to the public and public sector organisations	31,674	31,157	92,273	86,253	57,175
Debt securities outstanding	18,575	16,734	61,887	61,008	40,074
Other liabilities	29,672	20,724	29,033	21,869	10,426
Subordinated debts	1,821	1,864	5,750	5,336	4,908
Total liabilities	99,718	83,045	214,808	204,555	128,902
Shareholders' equity	11,158	11,200	11,266	11,297	7,304
Total liabilities and shareholders' equity	**110,876**	**94,245**	**226,074**	**215,852**	**136,206**
Contingent liabilities	**16,743**	**21,319**	**46,780**	**45,421**	**37,181**

[1] Comparison is affected by changes in the group structure. See "Comparison of financial statements and key ratios", page 4.
[2] Includes income from equity investments (dividends) and other operating income.
[3] Includes also depreciation, amortisation and write-downs of tangible and intangible assets.
[4] Balance sheet items in the official balance sheet not separately presented in this table have been combined into items "Other assets" and "Other liabilities".

Nordea Bank Finland Group - Ratios and key figures

	2004	2003	2002	2001	2000
Return on equity (ROE), %, Nordea definition [1)]	4.8	8.2	10.6	29.3	-
Return on total assets (ROA), % [1)]	0.5	0.5	0.4	1.4	1.1 [2)]
Overall interest margin, %	1.1	1.5	1.7	1.5	1.7
Cost/income ratio before loan losses , %	52	65	68	47	50
Cost/income ratio after loan losses, %	53	69	72	51	52
Loan loss level, %	0.03	0.1	0.1	0.2	0.1
Impaired loans level, %	0.3	0.6	0.8	0.6	0.8
Risk-weighted assets, EURm	55,839	54,005	135,226	135,941	95,213
Capital base (own funds), EURm	12,788	11,978	14,010	12,591	8,661
Tier 1 capital ratio, %	19.9	19.1	6.6	6.2	5.5
Total capital ratio (capital adequacy), %	22.9	22.2	10.4	9.3	9.1
Average number of employees	10,000	22,785	34,748	25,861	19,284
Number of employees, 31 December	9,795	10,415	34,919	35,776	19,449 [3)]
Branches in the Nordic and Baltic Sea region, 31 December	369	407	1,240	1,245	900
Branches outside the Nordic and Baltic Sea region, 31 December	5	5	8	9	9
Key figures in accordance with the regulations of the Finnish Financial Supervision					
Turnover, EURm	3,122	7,293	12,390	12,345	9,646
Operating profit, EURm	786	1,038	1,378	2,573	1,718
% of turnover	25.2	14.2	11.1	20.8	17.8
Profit before appropriations and taxes, EURm	798	1,501	1,086	2,249	1,710
% of turnover	25.6	20.6	8.8	18.2	17.7
Return on equity (ROE), % [1)]	4.7	7.5	9.3	28.3 [4)]	21.9 [2)]
Return on total assets (ROA), % [1)]	0.5	0.5	0.4	1.4 [5)]	1.1 [2)]
Equity to total assets, %	10.1	11.9	4.5	4.9	4.8
Income/cost ratio	1.8	1.4	1.4	2.0	1.9

The ratios have been calculated in accordance with formulas presented in "Definitions and exchange rates", next page.

1) Equity does not include the balance sheet item "Capital loans" and no deduction has been made for anticipated dividend. Also group contribution reported under income statement item "Share of profit from companies accounted for under the equity method" has been excluded from equity.
2) Extraordinary expenses have been deducted from operating profit.
3) Excluding Nordea Bank Norge ASA.
4) Without the profit on the sale of Nordea Asset Management AB the ratio would be 15.5%.
5) Without the profit on the sale of Nordea Asset Management AB the ratio would be 0.8%.

Comparison of financial statements and key ratios

Due to the development in the Nordea Group structure the composition of Nordea Bank Finland Group (NBF) has significantly changed during 2000-2004. The most significant changes affecting the comparability of the financial figures presented above are:

Year 2003

- Nordea Bank Finland Plc sold in June 2003 its wholly-owned subsidiaries Nordea Bank Danmark A/S (NBD), Nordea Bank Norge ASA (NBN) and Nordea Bank Sweden AB (publ) (NBS) to Nordea AB (publ). The income statements of these companies are incorporated in the consolidated financial statements of NBF until 30 June 2003.

Year 2002

- In connection with the demerger on 1 January 2002, seven companies operating in investment banking, asset management or insurance operations were transferred outside the NBF Group.
- LG Petro Bank, a new company in the Nordea Group, was included in the consolidated financial statements of NBS as from October 2002.

Year 2001

- NBD, formerly owned by Nordea AB (publ), and Postgirot Bank, a new company in the Nordea Group, were included in the consolidated financial statements of NBF as from 1 December 2001.
- The income statement of NBN was included in the consolidated income statement of NBF as from January 2001.

Year 2000

- The balance sheet of NBN, a new company in the Nordea Group, was incorporated in the consolidated balance sheet of NBF as from December 2000.

Definitions and exchange rates

Return on equity (ROE), (Nordea definition)
Net profit before minority interests as a percentage of average shareholders´ equity including minority interests and adjusted for new share issues and dividends. Average equity is calculated as the mean of equity at the beginning and end of the year.

Return on total assets (ROA)
See below.

Overall interest margin
Net interest income as a percentage of average total assets, calculated as the mean of total assets at the beginning and end of the year.

Cost/income ratio before loan losses
Operating expenses before goodwill as a percentage of operating income and share of profit/loss from companies accounted for under the equity method.

Cost/income ratio after loan losses
Operating expenses before goodwill plus loan losses (including change in value of property taken over for protection of loans and profit/loss on long-term securities) as a percentage of operating income and share of profit/loss from companies accounted for under the equity method.

Loan loss level
Loan losses net as a percentage of opening balance of lending and contingent liabilities.

Impaired loans level, %
Impaired loans net (ie non-performing loans less provisions) as a percentage of the closing balance of lending.

Risk-weighted assets
Total assets as shown in the balance sheet and off-balance-sheet items valued on the basis of credit and market risks in accordance with regulations governing capital adequacy.

Capital base (own funds)
Capital base is the sum of Tier 1 capital (core capital) and Tier 2 capital (supplementary capital, consisting of subordinated loans) after deduction of certain holdings in companies that conduct insurance or finance operations. Tier 1capital comprises shareholders' equity (including the part of non-restricted reserves and depreciation difference included in the equity capital) deducted with intangible assets. Subject to the approval by supervisory authorities, Tier 1 may also include certain qualified forms of subordinated loans.

Tier 1 capital ratio
Tier 1 capital as a percentage of risk-weighted assets.

Total capital ratio (Capital adequacy)
Capital base as a percentage of risk-weighted assets.

Key figures in accordance with the regulations of the Finnish Financial Supervision

Turnover
Interest income, income from equity investments (dividends) and commission income, net interest income from securities trading and foreign exchange dealing and other operating income.

Return on equity (ROE), %
Operating profit less taxes as a percentage of average shareholders' equity and minority interest. Average equity is the mean of equity at the beginning and end of the year.

Return on total assets (ROA), %
Operating profit less taxes as a percentage of average total assets. Average total assets are calculated as the mean of total assets at the beginning and end of the year.

Equity to total assets, %
Total shareholders' equity and minority interests as a percentage of total assets at year-end.

Income/cost ratio
Total of net interest income, income from equity investments (dividends), commission income, net income from securities trading and foreign exchange dealing and other operating income in relation to total of commission expenses, administrative expenses, depreciation and other operating expenses.

Exchange rates applied
(European Central Bank rates of exchange for key currencies as at 31 December 2004)

EUR	1.0000	**CHF**	1.5429	**DKK**	7.4388	**EEK**	15.6466
GBP	0.70505	**JPY**	139.65	**LTL**	3.4528	**LVL**	0.6979
NOK	8.2365	**PLN**	4.0845	**SEK**	9.0206	**SGD**	2.2262
USD	1.3621						

Report of the Board of Directors

Throughout this report the terms “Nordea Bank Finland”, “NBF” and “Bank Group” refer to Nordea Bank Finland Plc and its subsidiaries. Nordea Bank Finland Plc is a wholly-owned subsidiary of Nordea Bank AB (publ), the parent company in the Nordea Group.

Nordea Bank Finland Plc is domiciled in Helsinki and its business identity code is 1680235-8.

Composition of the Group and business development

Nordea operates through three business areas: Retail Banking, Corporate and Institutional Banking and Asset Management & Life. The support functions are Group Processing and Technology, Group Corporate Centre and Group Legal and Compliance.

As part of the Nordea Group, NBF operates in the banking business. All the operations of NBF are integrated in the operations of the Nordea Group, whose annual report, with activities and earnings reported by the business areas, encompasses the operations of NBF in their entirety.

Legal structure

In 2004, Nordea took further steps towards simplifying its legal structure. The parent company, Nordea AB (publ), was granted a bank charter and thus changed its name to Nordea Bank AB (publ) on 30 January 2004. Nordea Bank Sweden was subsequently merged into Nordea Bank. The Swedish Financial Supervisory Authority approved the merger, which took effect on 1 March 2004.

The aim is that Nordea Bank AB (publ) will be converted into a European company, a “Societas Europaea”, (“SE”), in accordance with the European Company Statute. The SE will be legally domiciled in Sweden and the conversion will be accomplished through mergers with the other banks in the Group. The conversion is conditional, on among other things, Nordea obtaining necessary approvals form the relevant authorities and is expected to lead to improved operational efficiency, reduced operational risk and complexity as well as enhanced capital efficiency.

Nordea is continuing the preparation for this conversion hence awaiting that the regulatory and legislative framework in Europe will come in place, particularly the EU Commission’s review of issues relating to the operation of deposit guarantee schemes in the EU and EEA countries. Following a satisfactory solution to these challenges the final conversion process in itself is estimated to take approximately up to one year from start to execution. Even though significant progress has been made it is not realistic to expect the transformation to be completed at the end of 2005.

Subsidiaries and foreign branches

NBF has subsidiaries in Finland and abroad. The most significant subsidiary is Nordea Finance Finland Ltd. Nordea Finance Finland is responsible for the Group’s finance company operations in Finland, Poland and the Baltic countries. The Nordea Finance Finland Group comprises one Finnish financial institution and several real estate companies as well as four subsidiaries operating in Poland and on the Baltic Market: Nordea Finance Polska S.A., Nordea Finance Estonia Ltd, Nordea Finance Latvia Ltd and Nordea Finance Lithuania Ltd.

NBF has foreign branches in Frankfurt, London, New York, Riga, Singapore, Tallinn and Vilnius and on Grand Cayman. NBF has no foreign representative offices.

Focusing and integration

During 2004 Nordea has completed its real estate divestment process by the sale of central district properties in Finland, Norway and Sweden. The anticipated sales losses of the divestment process were mainly booked in the accounts of NBF already in 2003. At the finalisation of the sales in 2004, net sales profits of approximately EUR 30m were realised. The properties have been leased back and the duration of the lease agreements is 25 years with an option to extend the term for another 25 years, divided into three renewal options.

The integration of the derivatives operations of Nordea Markets started in the summer of 2003, was finalised during 2004. In connection of the process, the Markets derivative portfolios were transferred from the other Nordea banks to NBF.

Changes in the group structure

Disposals and dissolutions

In the connection of the real estate divestment process, several real estate subsidiaries were sold with a positive result effect of approximately 38m.

The wholly-owned subsidiary of Nordea Finance Finland Ltd, Helsingin Pantti-Osakeyhtiö was sold in August. The sale had no significant effect on the result of the Group.

The associated company of Nordea Bank Finland Plc, Dividum Oy, was sold in September resulting in a net gain of EUR 7m.

The wholly-owned subsidiary of NBF, Sakau (Luxembourg) S.A. was dissolved during the year.

The domiciles, lines of business, results for the financial period and total assets of the above companies are shown in the notes to the financial statements (notes 58 and 60).

In addition, some small subsidiaries with limited activities have been disposed or dissolved during the year. These disposals had no material impact on the Group's result.

Mergers

The subsidiaries of Nordea Bank AB (publ), Nordea Securities Holding Oy, Nordea Corporate Finance Oy and Nordea Securities Oyj were merged with NBF at the end of June 2004. These mergers had an impact of EUR 6m on the restricted equity and an impact of EUR 15m on the non-restricted equity of NBF.

The wholly-owned subsidiary of Nordea Finance Finland Ltd, K-Luotto Oy, was merged into Nordea Finance Finland Ltd in the beginning of June 2004.

The wholly-owned subsidiary of Nordea Bank Finland Plc, Helsingin Hämeentien Holding Oy, was merged into Nordea Bank Finland in October 2004.

In addition, several small real estate companies and other small companies with limited activities were merged into Nordea Bank Finland during the year.

The above mentioned mergers had no material impact on the non-restricted equity of NBF.

The domiciles, lines of business, results for the financial period and total assets of the above companies are shown in the notes to the financial statements (note 58).

Acquisitions

Nordea Finance Finland Ltd acquired the shares in Nordea Finance Polska S.A. on 30 June 2004 from Nordea Bank AB (publ). The transfer had no major impact on the balance sheet of NBF.

NBF increased in October 2004 its ownership from 48% to 78% in the former associated company, Turun Arvokiinteistöt Oyj. NBF has given an offer to redeem the rest of the shares and owned 95% of the shares at end 2004. After the sale of the real estate owned by Turun Arvokiinteistöt Oyj, the company will be dissolved.

Business development in 2004

Comments on the financial statements

As Nordea Bank Finland sold the shares of Nordea Bank Danmark (NBD), Nordea Bank Norge ASA (NBN) and Nordea Bank Sweden AB (publ) (NBS) to Nordea AB (publ) in June 2003, the comparability of the income statements for 2004 and 2003 is weakened. The income statements of the banks sold were consolidated in the accounts of NBF until 30 June 2003.

Comments on the income statement

The results for 2004 compared to 2003 were highly affected by the changes in the group structure mentioned above. Total income and total expenses were both on a lower level than in the preceding year. Loan losses decreased significantly from the previous year's level. Operating profit amounted to EUR 786m (1,038) corresponding to a return of equity of 4.7% (7.5).

Income

Net interest income decreased to EUR 1,121m (2,407). Excluding the changes in the group structure, the development was slightly positive. Increased volumes outweighted the negative effect of lower short-term interest rates on deposits and pressure on margins. Mortgage lending to personal customers expanded significantly by 14%.

Dividends, or income from equity investments, were EUR 4m (21).

Net commission income amounted to EUR 293m (760). Excluding the impact of the changes in the group structure, commission income was somewhat higher than in the preceding year. Deposit and payment commissions increased reflecting growth in the number of payment transactions. Commissions from securities brokerage and commissions from securities issues increased following improved equity markets as well as the Nordea Securities mergers. Increase in commission expenses is due to the integration of Markets derivative operations.

Net income from securities transactions decreased to EUR 90m (261). Income from interest-bearing securities, EUR 88m, was EUR 120m lower than in the previous year. The main part of the decrease is due to the structural changes mentioned above. Excluding the structural changes, the development was highly positive.

Net income from equity-related transactions, EUR -13m (69), decreased as a consequence of lower sales profits on equity holdings in 2004.

Net income from other securities transactions was 15m (-16m) and included income from commodities and credit derivatives.

Net income from foreign exchange dealing increased to EUR 90m (-37) both as a consequence of the structural changes and the integration of Markets derivative operations.

Other operating income decreased to EUR 86m (163) mainly due to the the structural changes. Excluding the impact of these changes, the development was slightly positive. Non-recurring capital gains on shares totalled EUR 9m (59) and gains on the sale of real estate EUR 34m (9).

Expenses

Total expenses decreased to EUR 896m (2,417) following the changes in the group structure as well as lower capital losses on the sale of real estate in 2004.

Staff costs amounted to EUR 469m (1,205), a decrease of EUR 736m. Excluding the impact of the changes in the group structure staff costs were somewhat higher than in the previous year. The average number of employees was approximately 12,800 lower than in 2003, particularly as a result of the sale of NBD, NBN and NBS in the summer 2003.

Other administrative expenses totalled EUR 247m (611). Excluding the structural changes, other administrative expenses were slightly higher than in the preceding year. IT expenses increased somewhat whereas other administrative expenses stayed at the same level as in the preceding year.

Depreciation, amortisation and write-downs of tangible and intangible assets amounted to EUR 48m (163). The decrease is due to the structural changes as well as the lower balance sheet value of tangible assets.

Other operating expenses decreased significantly to EUR 132m (438). In addition to the structural changes, the main reason for the decrease is the lower amount of capital losses on real estate in 2004. Capital losses on real estate amounted to EUR 4m in 2004 and to EUR 191m in 2003. The losses in 2003 arose from the decision to sell the main part of the Finnish property portfolio. Higher rental expenses following the real estate sales were nearly offset by lower other real estate expenses.

Loan losses

Loan losses were sharply reduced and amounted to EUR 18m (157). Previous year's figures included EUR 199m losses from other Nordea banks.

Previously booked loan losses were recovered and provisions were reversed in the amount of EUR 100m (369).

Loan losses correspond to 0.03% of total opening balance of lending and contingent liabilities.

The provision for country risks pertaining mainly to countries outside the OECD amounted to EUR 39m (42) at year-end. The decrease is due to changes in exchange rates.

Profit from companies accounted for under the equity method

The Bank Group's share of profit in companies accounted for under the equity method was EUR 17m (37). The most significant profit share was EUR 11m from International Moscow Bank.

Taxes

Profit before taxes amounted to EUR 798m (1,501). Taxes for the year had a positive impact on the result. This is a consequence of the revaluation of temporary differences related to tax losses. The valuation is based on the consideration of probable future tax profits to offset the tax losses. In total, the deferred tax assets amounted to EUR 447m at the end of 2004.

Profit for the year

After taxes the net profit for the year amounted to EUR 821m (1,554).

Comments on the balance sheet

Consolidated total assets amounted to 110.9bn at year-end, an increase of 16.6bn compared to the previous year-end.

Lending

Loans to the public increased during 2004 to 39.9bn (35.9), of which 88% pertained to borrowers in Finland and other Nordic countries. Lending to the corporate sector accounted for 51% of the exposure. The household sector's percentage of the exposure was 47%, while the public sector accounted for 2%.

Loans to credit institutions, EUR 35.6bn (32.1), were mainly in the form of interbank deposits.

Impaired loans

Gross impaired loans decreased during the year to EUR 0.5bn (0.6), of which 0.4bn (0.5) were corporate loans and EUR 0.1bn (0.1) loans to private persons. The net amount, after a EUR 0.4bn (0.4) deduction for provision for impaired loans, was EUR 0.1bn (0.2), corresponding to 0.3% (0.6) of the total volume of loans outstanding.

Interest-bearing securities

Interest-bearing current assets consist of trading and treasury debt securities. At year-end 2004, holdings of debt securities, reported at market value, amounted to EUR 3.7bn (4.2).

Holdings of interest-bearing securities to be held to maturity are reported as financial fixed assets. These securities, which are carried at cost, amounted to EUR 0.4bn (0.8).

During the year, EUR 86m interest-bearing financial fixed assets were reclassified as current assets due to the trading nature of the assets concerned. The transfer had no significant effect on the result.

Shares and participations

The book value of shares in current assets increased to 212m (75) partly due to the merger of Nordea Securities Oyj to NBF. Other shares amounted to 4m (5).

Real estate

Following the decision to dispose of the remaining real estate portfolio, the book value of real estate has decreased to EUR 48m (216).

Other assets

Other assets, prepaid expenses and accrued income amounted to EUR 28.5bn (19.5). A major part of the increase relates to positive valuation items and accrued income of derivatives amounting to 26.4bn (17.8).

Deposits

Deposits from the public constitute the Bank Group's prime source of funding, representing 27% of balance sheet total at year-end. Deposits from the public increased to EUR 30.0bn (29.1).

Other funding

In addition to deposits from the public and shareholders' equity, NBF's funding is primarily in the form of money market instruments and bonds.

At year-end, outstanding debt securities amounted to EUR 20.4bn (18.6) including subordinated loans for EUR 1.8bn (1.9). Loans from credit institutions are an essential source of funds, especially for short-term needs. At year-end, these totalled EUR 18.0bn (12.6).

Other liabilities

Other liabilities, accrued expenses and prepaid income amounted to EUR 29.6bn (20.6), of which EUR 26.6bn (18.0) consisted of valuation items pertaining to derivative instruments.

Shareholders' equity

Shareholder's equity amounted to 11.2bn at the beginning of 2004. The net profit for the year was 821m. The merger of Nordea Securities Holding Oy increased equity by EUR 21m. After deducting the dividend to the parent company, EUR 875m, shareholders' equity at the end of the year amounted to 11.2bn.

Appropriation of net profit for the year

The net profit of the parent company for the year amounted to EUR 846m. It is proposed that the net profit be applied by way of:

- no allocation of dividend
- transfer of EUR 846m to other non-restricted equity.

Off-balance sheet commitments

The bank's business operations include a considerable proportion of off-balance-sheet items. These include commercial products such as guarantees, documentary credits, credit commitments etc, as well as derivatives. The latter concern particularly agreements to exchange currencies (currency forwards), contracts to purchase and sell interest-bearing securities at a future date (interest-rate forwards) and agreements on exchange of interest payments (swaps, FRAs).

Credit commitments and unutilised credit lines amounted to 10.4bn (8.2), whereas guarantees and granted but not utilised documentary credits as well as other off-balance sheet commitments totalled EUR 6.3bn (13.2).

Total exposure to counterparty risk pertaining to off-balance-sheet commitments amounted to EUR 6.3bn (12.5) at the end of 2004, measured as a risk-weighted amount in accordance with capital adequacy rules.

Volumes of derivatives increased to 1,413bn (1,116). The increase was partly due to Nordea Bank AB's derivatives, which were transferred to NBF during the year.

Nordea Bank Finland Group – Capital adequacy

31 Dec, EUR million [1]	2004	2003	2002	2001	2000
Tier 1	11,136	10,287	8,862	8,398	5,254
Tier 2	1,743	1,770	5,434	4,774	3,744
./.deductions	91	79	286	581	337
Total own funds	12,788	11,978	14,010	12,591	8,661
Risk-weighted assets	55,839	54,005	135,226	135,941	95,213
Capital adequacy, %	22.9	22.2	10.4	9.3	9.1
Tier 1/ risk-weighted assets, %	19.9	19.0	6.6	6.2	5.5
Nordea Bank Finland Plc capital adequacy, % [2]	24.5	23.5	26.0	-	-

[1] See "Comparison of the financial statements and key ratios", page
[2] The parent company Nordea Bank Finland Plc was founded on 1 January

Capital adequacy and ratings

At year-end, the Group's total capital ratio was 22.9% (22.2) and the tier 1 capital ratio 19.9% (19.0). The corresponding figures for the parent company were 24.5% and 21.2% in 2004. The profit of the year has been included in tier 1 capital.

The minimum level prescribed by the authorities for the total capital ratio, defined as the capital base as a percentage of the risk-weighted assets, is 8%.

The credit ratings of NBF Plc shown in the accompanying table were unchanged during 2004.

Rating of Nordea Bank Finland Plc, 31 Dec 2004

Moody's Short-term	Moody's Long-Term	S & P Short-Term	S & P Long-term	Fitch Short-Term	Fitch Long-Term
P-1	Aa3	A-1	A+	F1+	AA-

IAS / IFRS implementation

The introduction of new accounting policies based on International Financial Reporting Standards (IFRS) in 2005 will affect the financial statements for the Nordea Bank Finland Group and its parent company.

The main changes in accounting principles relevant for the Nordea Bank Finland Group concern financial instruments (IAS 39), capitalisation of IT development costs (IAS 38), employee benefits (IAS 19) and business combinations (IFRS 3).

The main effects on the opening balance 2005 of the Nordea Bank Finland Group are presented below. The effects are based on preliminary calculations and will be subject to revisions and updates during 2005.

Opening balance 2005

Implementation of the impairment rules in IAS 39 on loans and advances will have no material effect on the opening balance as per 1 January 2005.

Implementation of the rules in IAS 39 on hedge accounting will affect the opening balance as per 1 January 2005. Nordea will use hedge accounting for financial assets and liabilities where relevant. All derivatives will be measured at fair value. The conversion to hedge accounting applied under IFRS will have a minor net effect of on the equity in the opening balance 1 January 2005. The main effect will be an increase of derivatives in the balance sheet and the corresponding effect on the fair value changes on hedged items. This follows predominantly as a result of applying fair value on certain assets and related derivatives, as opposed to previously applied deferral hedge accounting (amortised cost principle).

Implementation of the rules concerning day-one profits from OTC derivatives will decrease the equity on the opening balance. This change is partly offset by the change in priciples to capitalise IT development.

The disability pension under the Employees' Pensions Act has been classified as a defined contribution plan as at 1 January 2005. The obligation will be classified as a defined benefit plan in the opening balance 2004 with a positive non-recurring impact of the 2004 comparison figures. The change is due to the change of the calculation bases of the disability pension that changed the IFRS classification of the disability pension from a defined benefit plan to a defined contribution plan. Consequently, the implementation of the IFRS-rules concerning pensions will have only a small effect on equity as per 1 January 2005.

There will be a small non-recurring decrease in equity relating to the impairment of group goodwill.

Net effect on equity

In total these changes are estimated to lead to a small decrease in the equity of the opening balance of 2005.

Risk management

The Board of Directors of Nordea Bank AB (publ) has the ultimate responsibility for limiting and monitoring Nordea Group's risk exposure. Risks in Nordea are measured and reported according to common principles and policies approved by the Board of Directors of Nordea Bank AB (publ).

The Board of Directors of Nordea Bank Finland is ultimately responsible for limiting and monitoring the risk in the Nordea Bank Finland Group.

Risk management and control

Group Credit and Risk Control is responsible for the risk management framework. The framework consists of policies, instructions and guidelines, and is applicable for the Group. For structured interest income risk (SIIR) and liquidity risk, the framework is developed in co-operation with Group Treasury, which is responsible for the asset and liability management and for the allocation of liquidity risk limits to business areas.

Each business area is primarily responsible for managing the risks in their operations, including identification, control and reporting. In addition Group Credit and Risk Control monitors the risks on Group level.

Credit risk

Credit risk is defined as the risk that counter parties of Nordea fail to fulfil their agreed obligations and that the pledged collateral does not cover Nordea's claims.

The credit risks in Nordea arise mainly from various forms of lending, but also from guarantees and documentary credits. Furthermore, credit risk includes country risk, settlement risk and credit risk in financial instruments such as derivatives.

The Group has a special decision-making process to establish credit limits. For most engagements, a credit limit is set, establishing conditions for lending, the effect of which is to limit the credit risk.

Credit risk is also controlled through the application of limits to industry sectors.

Credit risk is controlled partly through monitoring the customer's compliance with the agreement and partly in that any lessening of the customer's ability to pay triggers measures that restrict credit risk.

Country risk is assessed with the help of an external institution that continuously assesses different countries' economic and political status.

Market risk

Market price risk is defined as the risk of loss in market value as a result of movements in financial market variables such as interest rates, foreign exchange rates, equity prices and commodity prices. All material portfolios in Nordea are marked to market.

The Board of Directors has set the maximum level of risk on investment portfolios such that it should not lead to an accumulated loss in investment earnings exceeding one quarter's normalised earnings at any time in a calendar year.

Market risk is assessed using the Value at Risk method (VaR), various standardised sensitivity measures, various combined scenario simulations and stress testing.

Operational risk

In the Operational Risk Policy for the Nordea Group operational risk is defined as the risk of direct or indirect loss, or damaged reputation resulting from inadequate or failed internal processes, people and systems or from external events. Legal and compliance risks constitute sub groups to operational Risk.

Operational risks are inherent in all activities within the organisation, in outsourced activities and in all interaction with external parties.

Solid internal control and quality management, consisting of a risk-management framework, leadership and skilled personnel, is the key to successful operational risk management.

Personnel

The Group had 9,795 (10,415) employees at the end of 2004. This represents 9,012 fulltime equivalent positions as compared to 9,641 fulltime equivalent positions at the end of 2003. The average number of fulltime equivalents positions was 9,202 in 2004.

Environmental concerns

In accordance with Group Corporate Citizenship Principles Nordea Bank Finland is committed to sustainable development by combining financial performance with environmental and social responsibility, caring for the environment and working to reduce the negative and to increase the positive environmental impact of its business activities.

The Nordea Group has adopted an environmental policy that will provide guidance on how the group entities will manage and control environmental issues in their own operations, supporting the reduction of related costs and business risks to the Group.

The policy will also guide policymaking and business initiatives regarding financial involvement by business units and cooperation with suppliers.

Legal proceedings

The companies in the NBF Group are involved in various legal proceedings. The expected outcome of these proceedings will not materially affect the financial position of the Bank or the Group.

Outlook

Markets remain competitive and the challenging margin trend is expected to continue in 2005. However, Nordea's performance in 2004 supports the overall increased ambition level communicated at the Capital Markets Day on 30 November 2004. Nordea is well positioned to deliver results in line with the revised financial targets.

Based on the overall quality of the credit portfolio, and the present economic outlook for the Nordic countries the loan loss ratio is expected to continue to be low. However, loan losses cannot reasonably be expected to be at the very low level experienced in 2004.

Nordea Bank Finland Plc
Income statement, 1 January - 31 December

EUR million	Note	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Interest income		2,404	5,925	2,254	1,988
Interest expenses		-1,283	-3,518	-1,282	-1,180
Net interest income	1,2	**1,121**	**2,407**	**972**	**808**
Income from equity investments					
Group companies		-	-	143	151
Associated undertakings		-	-	13	4
Other companies		4	21	2	13
Commission income		447	933	425	391
Commission expenses		-154	-173	-148	-66
Net income from securities transactions and foreign exchange dealing					
Net income from securities transactions	3	90	261	91	62
Net income from foreign exchange dealing		90	-37	89	55
Other operating income	5	86	163	60	8
Total operating income		**1,684**	**3,575**	**1,647**	**1,426**
Administrative expenses					
Staff costs					
Salaries and fees		-362	-917	-328	-350
Staff-related expenses					
Pension expenses		-62	-150	-57	-60
Other staff-related expenses		-45	-138	-41	-35
Other administrative expenses		-247	-611	-254	-245
Depreciation, amortisation and write-downs of tangible and intangible assets	6	-48	-163	-32	-36
Other operating expenses	5	-132	-438	-134	-400
Total operating expenses		**-896**	**-2,417**	**-846**	**-1,126**
Loan and guarantee losses	7	-18	-157	-10	51
Write-downs on securities held as financial fixed assets	7	-1	-	-1	-27
Share of profit/loss from companies accounted for under the equity method	58,60	17	37	-	-
Operating profit		**786**	**1,038**	**790**	**324**
Extraordinary income	8	12	1,123	-	2,587
Extraordinary expenses	8	-	-660	-	-964
Profit before appropriations and taxes		**798**	**1,501**	**790**	**1,947**
Income taxes	44				
Taxes for the financial year and previous years		-43	-255	-14	-5
Change in deferred tax liabilities		68	310	70	299
Minority interest		-2	-2	-	-
Net profit for the year		**821**	**1,554**	**846**	**2,241**

Comparability is affected by changes in the group structure, see page 4 and 7.

Nordea Bank Finland Plc
Balance sheet, 31 December

EUR million	Note	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Assets					
Liquid assets		1,687	777	1,687	775
Debt securities eligible for refinancing with central banks	13,20				
Other [1]		3,034	3,421	3,034	3,421
Loans to credit institutions	14				
Repayable on demand		11,351	9,318	11,345	9,452
Other		24,258	22,805	28,193	26,562
Loans to the public and public sector organisations	15,19	39,910	35,877	35,384	31,558
Debt securities	20				
Issued by public sector organisations [1]		9	82	9	82
Other [1]		1,126	1,492	1,126	1,491
Shares and participations	21,22,53	216	80	215	77
Shares in associated undertakings	21,22,60,61	177	233	110	176
Shares and participations in group companies	21,22,58,59	4	11	334	270
Intangible assets					
Consolidation goodwill	23	13	27	-	-
Other long-term expenditure		13	17	11	15
Tangible assets	22				
Real estate and shares and participations in real estate companies	24	48	216	10	195
Other tangible assets		42	60	40	74
Other assets	26	28,030	18,657	28,158	18,649
Prepaid expenses and accrued income	27	511	795	458	754
Deferred tax receivables	63	447	377	441	370
Total assets		**110,876**	**94,245**	**110,555**	**93,921**

[1] Items pertaining to debt securities eligible for refinancing with central banks in accordance with the ECB definitions have been transferred between lines in the comparison figures for 2003.

EUR million	Note	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Liabilities and shareholders' equity					
Liabilities					
Due to credit institutions and central banks					
Central banks		1,388	519	1,388	519
Credit institutions					
Repayable on demand		996	44	36	50
Other		15,592	12,003	16,524	11,993
Due to the public and public sector organisations					
Deposits					
Repayable on demand		21,298	19,843	21,307	19,862
Other		8,738	9,230	8,739	9,230
Other liabilities		1,638	2,084	1,643	2,077
Debt securities in issue	30				
Bonds [1)]		925	1,228	925	1,228
Other [1)]		17,650	15,506	17,655	15,510
Other liabilities	31	29,021	19,813	28,927	19,739
Accrued expenses and prepaid income	32	562	815	485	738
Provisions	10,33				
Pension provisions		13	13	13	13
Other provisions		54	58	40	55
Subordinated liabilities	34	1,821	1,864	1,821	1,864
Deferred tax liabilities	63	18	17	-	-
Minority interest		4	8	-	-
Total liabilities		**99,718**	**83,045**	**99,503**	**82,878**
Shareholders' equity	35				
Share capital		2,319	2,319	2,319	2,319
Share premium account		599	593	599	593
Non-restricted reserves		2,887	2,884	2,848	2,848
Profit carried forward from previous years	37	4,532	3,850	4,440	3,042
Net profit for the year		821	1,554	846	2,241
Shareholders' equity		**11,158**	**11,200**	**11,052**	**11,043**
Total liabilities and shareholders' equity		**110,876**	**94,245**	**110,555**	**93,921**

	Note	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Off-balance-sheet commitments	48				
Commitments on behalf of customers in favour of third parties					
Guarantees and pledges		4,292	11,353	4,518	11,578
Other commitments		911	661	911	661
Irrevocable commitments in favour of customers					
Securities repurchase commitments		-	3	-	3
Other commitments		11,540	9,302	9,936	7,984
Total off-balance-sheet commitments		**16,743**	**21,319**	**15,365**	**20,226**

[1)] Items pertaining to loans issued under the euro medium term note programme have been transferred between lines in the comparison figures for 2003.

Notes to the financial statements

The notes are presented in the order prescribed by the Finnish Financial Supervision Authority. Notes 1–56 include corresponding consolidated figures.

Accounting policies

The financial statements of the parent company Nordea Bank Finland Plc have been prepared and are presented in accordance with the provisions of the Finnish Credit Institutions Act, the Decision of the Ministry of Finance on the financial statements and consolidated financial statements of credit institutions, the rules and regulations of the Finnish Financial Supervisory Authority and the statements of the Finnish Accounting Board. The financial statements of subsidiaries are, in all essential parts, included in the consolidated financial statements in conformity with the parent company's accounting policies.

Changes in accounting policies

In all material respects the accounting policies are unchanged in comparison with previous year's annual report.

A disclosure of the transition to International Financial Reporting Standards (IFRS) is presented in the Board of Directors' report.

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles in certain cases requires the use of estimates and assumptions by management, for instance in provision for loan losses, fair value adjustments and actuarial calculations of pension liabilities. These estimates and assumptions affect the reported amounts of assets, liabilities and commitments, as well as income and expenses in the financial statements presented. Actual outcome may to some extent differ from the estimates and the assumptions made.

Principles of consolidation

The consolidated financial statements include the accounts of the parent company Nordea Bank Finland Plc and those companies in which the parent company owns, directly or indirectly through subsidiaries more than 50% of the voting rights, or otherwise has power to exercise control over the operations. However, some small companies with limited activities, which have been taken over for protection of claims are not included in the consolidated financial statements, as they are temporary holdings, designated to be dissolved or sold in the near future.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date on which control ceases.

Consolidation of subsidiaries that are financial or credit institutions, fund management or investment service companies, or whose operations are linked to a company in one of these categories, is prepared line-by-line. The equity method of accounting is used for other subsidiaries as well as for associated undertakings where the share of voting rights is between 20% and 50%.

Holdings in associated undertakings that constitute mutual property companies with separate property holding are not included in the consolidated financial statements.

Intra-group transactions, balances and gains on transactions between the consolidated subsidiaries are eliminated. Gains from transactions between the Group and its associated undertakings are eliminated to the extent of the Group's interest in the associated undertakings.

For further information of NBF's subsidiaries and associated undertakings see notes 58–61.

Goodwill

Goodwill represents the excess of the purchase cost over the fair value of assets less liabilities of acquired companies. Goodwill is amortised using the straight-line method over its useful life. Voluntary reserves and depreciation difference, after deduction of deferred taxes carried in subsidiary companies' balance sheets at the time of acquisition, are included in the subsidiary's equity in the elimination of internal shareholdings.

Currency translation of foreign subsidiaries

The consolidated financial statements are prepared in euro (EUR). The balance sheets of foreign subsidiaries are translated at the year-end exchange rates, while items in the income statements are translated at the average exchange rate for the year. Translation differences are charged or credited directly to unrestricted reserves.

Goodwill and fair value adjustments arising from the acquisition of foreign subsidiaries are treated as local currency assets and liabilities and are translated at the closing rate.

Translation of assets and liabilities denominated in foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the European Central Bank‘s official year-end exchange rates.

The exchange rate applied to assets booked as tangible or intangible assets in the balance sheet is the rate of the acquisition date, unless the acquisition cost has been covered with a corresponding liability in the foreign currency. Forward positions in foreign currencies have been valued at the current rate for forward contracts with the equivalent remaining maturity.

When currency-related derivative instruments are used for currency hedging, the currency hedging instrument and the corresponding hedged item are translated at the year-end rates.

Hedge accounting

Hedge accounting is applied to hedge holdings of financial instruments, which are not valued at fair value. The exposure and the hedging instrument are reported without taking into account changes in values provided that changes in fair value for the hedged and the hedging item essentially offset each other.

Recognition of business transactions

Business transactions are reported when risks and rewards are transferred between the parties and when payment is probable.

In the income statement gross amounts are reported. Income and expense items are offset only when a statutory rule or an accounting standard requires or permits it.

Sale of real estate is recognised when an irrevocable sales contract is signed.

Receivables and payables arising from the sale and purchase of securities are also reported net in those cases where the transaction is settled through a clearing house.

Financial assets and liabilities

Trade date accounting is applied to transactions in the money, bond, stock and currency markets. Deposit and lending transactions, including repurchase agreements, are reported on the settlement date. See also “Repos and other repurchase agreements” below.

Financial fixed assets

Loan receivables and securities holdings for which there is an intent and ability to hold until maturity constitute financial fixed assets.

All of NBF’s loans and advances belong to this category. For further details, see “Loans and advances” below.

Securities classified as financial fixed assets include shares held for strategic business purposes as well as certain interest-bearing securities that are specified from the date of acquisition and managed in a separate portfolio. These securities are carried at acquisition value/amortised cost and are impairment tested on a regular basis.

The amortised cost of interest-bearing instruments is calculated so that at the maturity date it will be equal to the nominal value of the instrument plus coupon. Thus, any premium or discount is amortised or accrued into interest income over the remaining term of the instrument.

Reclassification of securities between financial fixed assets and financial current assets is permitted only under limited circumstances. The reasons for the reclassification are documented.

Financial current assets

Securities not meeting relevant criteria for financial fixed assets are reported as financial current assets. Securities and derivatives that are actively managed are valued at fair value, with the exception of such financial instruments that are treated as hedged items. Changes in fair value are recognised through the income statement. Financial current assets include almost all interest-bearing securities as well as shareholdings within the trading operations. Other current assets are valued at the lower of cost or market value.

Financial liabilities
Financial liabilities are reported at amortised cost. This implies that initially the amount is recognised equal to the proceeds received. In subsequent periods, accrual accounting is applied to the difference between the proceeds (net) and the redemption value together with interest over the period of the borrowings. Deposits and other borrowings payable on demand are reported at nominal value.

Combined financial instruments
Issued index-linked bonds and other combined financial instruments are divided in the balance sheet into debt instruments and derivative instruments. The costs relating to such instruments are divided into interest expenses and net result of financial operations. Holdings of index-linked bonds and similar instruments are handled in the trading portfolios and measured at fair value. Income and expenses are accounted for as net result of financial operations.

Security loans
Securities, which have been lent out, remain to be stated in the balance sheet.

These securities are measured in the same way as other securities of the same type. If there are reasons to believe that a security, which has been lent out, will not be returned, the item is reclassified as a loan.

Borrowed securities are not reported as assets. In cases where the borrowed securities are sold, or sold securities have not yet been acquired, ie short selling, the liability is measured at the lower of cost or market value.

Loans and advances
Loans are initially reported in the balance sheet at acquisition value. Thereafter, the loans are reported on an ongoing basis at acquisition value (amortised cost) after deductions for write-offs and provisions for loan losses appraised individually or by cluster.

Impaired loans
A loan is impaired when it is deemed that payments due will not be made in accordance with the current contractual terms and the value of the collateral and guarantees do not mitigate the claim. Impaired loans are measured by assessing a recovery value and provision is made corresponding to the amount which is not covered by this recovery value.

Loans with interest deferments refer to the cases where interest rates have been lowered after renegotiation to enable borrowers in temporary payment difficulties to improve their financial situation. Concessions are normally granted on the condition that the borrower will repay the deferred amount at a later date. The reported volumes refer to loans on which the interest rate has been lowered to less than the market level, which in this context means equal to or lower than the prevailing cost of financing. Loans with negotiated interest deferments are not classified as non-performing.

A receivable is classified as non-performing if the interest, principal or utilised overdraft is more than 90 days overdue or if other circumstances give rise to uncertainty as to repayment of the receivable and if at the same time the value of the collateral does not cover, by an adequate margin, the amount of the principal and accrued interest.

When a receivable is classified as non-performing, it is transferred to cash-based interest accounting. Accrued interest income is thus no longer included in earnings, and amounts related to earlier accruals are reversed.

Loans which have previously been classified as impaired loans are judged to be normal loans when the contractual terms of payments are likely to be fulfilled.

Loan losses are booked as realised losses when it is deemed that the loan amount will not be paid by the borrower or through other means.

Transfer risk
Transfer risk (country risk) is a credit risk attributable to the transfer of payments under contract to the payment country specified by the creditor.

Provisions for loan losses related to transfer risk are made on the basis of country risk estimates presented by EIU (The Economist Intelligence Unit, London). Transfer risk is assessed individually for each country, based on the size of the outstanding loan receivable that is exposed to transfer risk. A provision for transfer risk is reported as a reduction of the book value of the loan.

Provisions for loans and advances
Provisions for loan losses are established by specific assessments and, in general, they are individually appraised. For homogenous groups of loans

and advances with limited value, where it is deemed probable that loan losses have incurred, but where the individual loan receivables within the cluster cannot yet be identified, a provision evaluated on cluster basis is made in respect of the entire group of loans.

The assessment is based on the experience of realised loan losses and the assessment of the probable loss trend for the cluster in question. The principle for provisions made on cluster basis is documented considering previous loan losses, assessment of future development and the basis applied for assessment.

Assets taken over for protection of claims
The Group may take over pledged assets to protect claims or may receive assets as payment for claims. This asset is to be divested as soon as possible.

Assets taken over are specified in a note to the balance sheet. These assets are measured at the lower of cost or fair value. In the case of properties that have been taken over, the fair value is constituted by a conservatively appraised market value less sales costs.

Financial commitments

Derivatives
Derivative contracts that are actively managed are valued at fair value and, therefore, affect the reported result and also the balance sheet as assets or liabilities depending on the direction of the market developments. Fair value is defined as the value at which each contract can be closed out or sold over a period consistent with the Group's trading strategy.

Fair value is calculated as the theoretical net present value of OTC derivative contracts based on independently sourced market parameters and assuming no risks and uncertainties. A portfolio adjustment is deducted for the uncertainties associated with the model assumptions and parameters as well as the derivative portfolio's counter-party credit risk and liquidity risk. Derivatives used for hedge accounting are booked at amortised cost.

Repos and other repurchase agreements
A genuine repurchase transaction is defined as an agreement covering both the sale of an asset, usually interest-bearing securities, and the subsequent repurchase of the asset at an agreed price. Such agreements are reported as loan transactions rather than influencing securities holdings. The assets are reported in the balance sheet of the transferring party and the purchase price received is posted as a liability (repo). The receiving party reports the payment as a receivable due from the transferring party (reverse repo). The difference between the purchase consideration in the spot market and the futures market is accrued over the term of the agreement.

Leasing

The Group's leasing operations mainly comprise finance leasing. In reporting leasing transactions, the leasing item is reported as lending to the lessee. Lease income net of depreciation is reported as interest income.

Leased assets
For operating leases the lease payments are recognised as expenses in the income statement on a straight-line basis over the lease term.

Sale and leaseback

During 2004 Nordea has completed its real estate divestment process by the sale of central business district properties in Finland, Norway and Sweden. The properties have been leased back and the duration of the lease agreements is 25 years. The lease agreements include no transfers of ownership of the asset by the end of the lease term and contain no economic benefits from appreciation in value of the leased property.

Intangible assets

Intangible fixed assets are reported at their acquisition value less any accumulated amortisation according to plan and any accumulated impairment losses.

Amortisation is calculated on a straight-line basis as follows:

Group goodwill	5 or 10 years
Other intangible assets	5 years

IT development expenses are recognised as assets if they are major investments with an expected useful life exceeding 3 years, expected to generate future economic benefits and not to be regarded as replacement investments or maintenance.

Tangible assets

Tangible assets are reported at their acquisition value less any accumulated depreciation according to plan and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to the working condition for its intended use. Depreciation is calculated on a straight-line basis as follows:

Buildings	25-75 years
Equipment	3-5 years

Pensions

The companies within the Group have various pension plans in accordance with national practices and conditions. The predominant share of the pension plans have been organised by insurance policies in insurance companies. Non-funded pension plans are stated in the balance sheet as pension provisions.

Pension costs

Pension costs comprise premiums and fees to insurance companies and pension funds, as well as actuarially calculated pension costs for other commitments.

Taxes

Tax on profit for the year includes current tax and deferred tax. Current tax is based on taxable income of the subsidiaries and foreign branches calculated using local rules and tax rates. Deferred tax assets and liabilities are recognised, using the balance sheet method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Furthermore, deferred tax assets are recognised for the carryforward of unused tax losses and unused tax credits. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax liabilities are recognised from untaxed reserves and other temporary differences. Deferred tax assets and liabilities are measured at the currently enacted tax rates. Deferred tax assets and liabilities are offset when the legal right to offset exists.

Value added tax and property tax are reported among operating expenses whenever applicable.

Anticipated dividend

The Bank has applied an anticipated dividend procedure whereby the company paying the dividend books the amount as a dividend payment liability and a reduction of shareholders' equity. A corresponding amount is booked by the dividend receiver as dividend income.

Note 1: Interest income and expenses

	Group		Parent company	
EURm	2004	2003	2004	2003
Interest income				
Loans to credit institutions	745	649	939	620
Loans to the public and public sector organisations [1)]	1,353	4,560	1,161	1,198
Debt securities	136	615	136	160
Other interest income	170	101	18	10
Total	2,404	5,925	2,254	1,988
Interest expenses				
Debts to credit institutions and central banks	377	522	369	336
Debts to the public and public sector organisations	349	1,302	349	396
Debt securities in issue	464	1,404	464	330
Subordinated liabilities	90	135	90	81
Capital loans	-	23	-	23
Other interest expenses	3	132	10	14
Total	1,283	3,518	1,282	1,180
Net interest income	1,121	2,407	972	808

[1)] The group figures include net income from leasing in the amount of EUR 61m (EUR 77m).

Note 2: Net income from leasing

The parent company, Nordea Bank Finland Plc, does not conduct leasing business. The item "Interest income" in the consolidated income statement includes leasing rents and depreciation according to plan on leased assets in a net amount of EUR 61m (EUR 77m).

Note 3: Net income from securities transactions

	Group		Parent company	
EURm	2004	2003	2004	2003
Interest-rate-related items	88	208	88	-2
Equity-related items	-13	69	-13	64
Other securities transactions	15	-16	16	0
Total	90	261	91	62

Note 4: Purchases and sales of securities held as current assets

The value of debt securities held as current assets purchased during the year amounted to EUR 20bn and debt securities sold to EUR 37bn. The value of corresponding shares purchased was EUR 1bn and of shares sold EUR 1bn.

Note 5: Other operating income and expenses

	Group		Parent company	
EURm	2004	2003	2004	2003
Other operating income				
Gross rental and dividend income from real estate and real estate companies	7	30	4	15
Capital gains from the sale of real estate and shares and participations in real estate companies	34	9	4	-17
Other income from ordinary operations	45	124	52	10
Total	86	163	60	8
Other operating expenses				
Rental expenses	61	69	61	40
Expenses from real estate and real estate companies	15	51	12	33
Capital losses from the sale of real estate and shares and participations in real estate companies	4	191 [1)]	2	276 [2)]
Other expenses arising from ordinary operations	52	127	59	51
Total	132	438	134	400

[1)] Includes write-downs on properties which were sold during the first half of 2004 EUR 120m.
[2)] Includes write-downs on properties which were sold during the first half of 2004 EUR 185m.

Note 6: Depreciation, amortisation and write-downs of tangible and intangible assets

	Group		Parent company	
EURm	2004	2003	2004	2003
Tangible assets	25	83	25	30
Consolidation goodwill	14	68	-	-
Other intangible assets	9	12	7	6
Total	48	163	32	36

Note 7: Loan losses and write-downs on financial fixed assets

	Group				Parent company			
	2004		2003		2004		2003	
EURm	Loan losses, gross	Re-versals	Loan losses, Gross	Re-versals	Loan losses, gross	Re-versals	Loan losses, gross	Re-versals
Loan and guarantee losses by balance sheet item								
Loans to credit institutions	-	-	1	1	-	-	1	1
Loans to the public and public sector organisations	117	99	477	358	98	87	62	103
Leased assets	1	0	-	-	-	-	-	-
Guarantees and other commitments	-	1	3	0	-	1	-	0
Property taken over for protection of claims	-	-	45	10	-	-	-	10
Total	118	100	526	369	98	88	63	114

EUR 7m write-downs on financial fixed assets were booked in the Group in 2004. Previous write-downs on financial fixed assets were reversed in the amount of EUR 6m. In the parent company write-downs on financial fixed assets amounted to EUR 10 m (27m). Previous write-downs on financial fixed assets were reversed in the amount of 9m.

	Group		Parent company	
EURm	2004	2003	2004	2003
Actual loan losses during the year (+)	68	453	58	140
Previous loan loss provisions utilised during the year (-)	-56	-319	-51	-136
Recoveries of loan losses incurred in previous years (–)	-36	-116	-30	-68
Loan loss provisions made during the year (+)	106	392	91	59
Reversal of previous provisions (–)	-64	-253	-58	-46
Loan and guarantee losses	18	157	10	-51

Note 8: Extraordinary income and expenses

	Group		Parent company	
EURm	2004	2003	2004	2003
Extraordinary income				
Group contribution	12	-	-	-
Sales profit on the shares of Nordea Bank Danmark A/S	-	335	-	500
Sales profit on the shares of Nordea Bank Sweden AB (publ)	-	788	-	2,087
Total	12	1,123	-	2,587
Extraordinary expenses				
Sales loss on the shares of Nordea Bank Norge ASA	-	660	-	964
Total	-	660	-	964

Note 9: Appropriations

No depreciation difference or voluntary reserves are carried in the balance sheet of Nordea Bank Finland Plc.

Note 10: Change in provisions

	Group		Parent company	
EURm	2004	2003	2004	2003
Changes during the year				
Pension provisions	0	-282	0	0
Guarantees and other similar provisions	3	-27	1	-2
Rental liabilities	4	4	4	4
Restructuring provisions	-5	-9	-5	11
Other	-6	-2	-15	16
Total	-4	-316	-15	29

Note 11: Income statement format

Income statements have been presented in accordance with the format and terminology prescribed in the Decision of the Ministry of Finance (1376/1997).

Note 12: Income, operating profit and personnel by geographical market

	Group		Parent company	
EURm	2004	2003	2004	2003
Income [1]				
Finland	1,923	1,677	1,658	1,351
Sweden [2]	-	-	-	-
Norway [2]	-	-	-	-
Denmark [2]	-	-	-	-
Great Britain	45	49	42	49
Germany	11	9	11	9
Latvia	15	11	13	9
Lithuania	7	4	6	3
Singapore	11	13	11	13
Estonia	19	15	14	11
USA	40	47	40	47
Poland	0	-	-	-
Other	0	0	-	-
Operating profit				
Finland	812	436	710	264
Sweden [2]	-	-	-	-
Norway [2]	-	-	-	-
Denmark [2]	-	-	-	-
Great Britain	20	21	29	31
Germany	6	3	6	3
Latvia	6	4	5	3
Lithuania	1	0	1	0
Singapore	10	8	10	8
Estonia	9	7	6	4
USA	22	11	22	11
Poland	0	-	-	-
Other	0	0	-	-
Personnel				
Finland	9,037	9,797	8,191	8,896
Great Britain	60	68	60	68
Latvia	190	145	170	127
Lithuania	118	62	105	51
Singapore	44	42	44	42
Estonia	225	191	187	162
USA	66	72	66	72
Poland	20	-	-	-
Germany	35	38	35	38

Intra-group items have not been eliminated.

The results and development of banking operations by business area are reviewed in the Annual Report and Annual Review 2004 of the Nordea Group.

[1] Net interest income, income from equity investments, commission income, net income from securities transactions and foreign exchange dealing and other operating income.
[2] The total income of Nordea Bank Danmark Group, Nordea Bank Norge Group and Nordea Bank Sweden Group was EUR 2,194m during the period 1 Jan - 30 Jun 2003 and the corresponding operating profit EUR 588m.

Note 13: Debt securities eligible for refinancing with central banks

	Group		Parent company	
EURm	2004	2003	2004	2003
Government bonds	1,394	1,291 [1)]	1,394	1,291 [1)]
Certificates of deposit issued by banks	1,640	2,130 [1)]	1,640	2,130 [1)]
Total	3,034	3,421	3,034	3,421

[1)] Items pertaining to debt securities eligible for refinancing with central banks in accordance with the ECB definitions have been transferred between the lines "Debt securities" and "Debt securities eligible for refinancing with central banks".

Note 14: Loans to credit institutions

	Group		Parent company	
EURm	2004	2003	2004	2003
Central banks	11	14	11	14
Other credit institutions				
- payable on demand	11,351	9,318	11,345	9,452
- other	24,247	22,791	28,182	26,548
Total	35,609	32,123	39,538	36,014

Note 15: Loans to the public and public sector organisations

	Group		Parent company	
EURm	2004	2003	2004	2003
Corporate	13,786	13,093	11,922	11,154
Financial institutions and insurance companies	236	314	170	221
Public sector organisations	942	563	801	435
Non-profit organisations	425	386	425	386
Households	18,729	16,584	16,531	14,600
Foreign	5,792	4,937	5,535	4,762
Total	39,910	35,877	35,384	31,558

The above breakdown has been compiled in accordance with the regulations of the authorities and does not completely correspond to the breakdown used in the Group's internal credit risk analysis.

Specific loan loss provisions deducted from the balance sheet item "Loans to the public and public sector organisations"

	Group		Parent company	
EURm	2004	2003	2004	2003
Specific loan loss provisions at the beginning of the year	407	538	380	507
New provisions made during the year (+)	125	72	108	67
Provisions reversed during the year (–)	-64	-47	-58	-42
Actual loan losses during the year charged against provisions made in previous years (–)	-56	-156	-51	-152
Exchange rate difference	7	-	4	-
Specific loan loss provisions at the end of the year	419	407	383	380

In addition to the above figures, provisions for country risks deducted from the balance sheet item "Loans to credit institutions" are carried at year end 2004, both in the accounts of the Group and parent company in the amount of EUR 13m.

Note 16: Non-performing and other zero-interest-rate receivables

EURm	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Non-performing receivables				
Corporate	33	36	25	28
Financial institutions and insurance companies	0	-	-	-
Public sector organisations	0	0	-	-
Non-profit organisations	0	0	0	0
Households	59	67	27	33
Foreign	25	52	24	51
Total	117	155	76	112
Other zero-interest-rate receivables				
Corporate	9	10	9	10
Households	5	6	4	6
Foreign	1	4	1	4
Total [1]	15	20	14	20

[1] Loans granted to companies taken over for protection of claims amounted to EUR 10m both in the Group and parent company.

Note 17: Property taken over for protection of claims

EURm	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Book value				
Other assets	0	0	0	0
Shares and participations acquired for restructuring purposes	5	1	3	1
Total	5	1	3	1

Note 18: Subordinated receivables

EURm	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Loans to credit institutions	1	2	177	117
of which to Group companies	-	-	175	115
to associated undertakings	1	2	1	2
Loans to the public and public sector organisations	17	21	24	25
of which to Group companies	-	-	8	5
to associated undertakings	1	1	1	1
Debt securities	496	518	496	517
of which to Group companies	-	-	-	-
to associated undertakings	-	-	-	-
Total	514	541	697	659

Receivables from Group companies and associated undertakings include also receivables from companies acquired for protection of claims but not included in the consolidated accounts. The terms "group companies" and "associated undertakings" refer to group companies and associated undertakings of the Nordea Bank Finland Group. In addition, balance sheet items above include subordinated receivables from other Nordea group companies in the amount of EUR 420m.

Note 19: Leased assets

EURm	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Prepayments	24	25	-	-
Machinery and equipment	1,012	940	-	-
Fixed assets and buildings	224	254	-	-
Other assets	44	18	-	-
Total	1,304	1,237	-	-

Leased assets are included in "Loans to the public" in the balance sheet.

Note 20: Debt securities

EURm	Group				Parent company			
	2004		2003		2004		2003	
	Publicly listed	Other	Publicly listed	Other	Publicly listed	Other	Publicly listed	Other
Book value								
Current assets	3,223	519	4,043	169	3,223	519	4,043	169
Other	-	427	91	692	-	427	91	691
Total	3,223	946	4,134	861	3,223	946	4,134	860

	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Difference between market value and a lower book value, current assets	-	0	-	0
Difference between nominal value and book value, financial fixed assets				
Higher nominal value	-	3	-	3
Lower nominal value	-	0	-	0
Book value, specified				
Government certificates	2	-	2	-
Municipal certificates	0	17	0	17
Commercial paper	9	23	9	23
Certificates of deposit	2,066	2,454	2,066	2,454
Convertible bonds	-	1	-	1
Other bonds	1,672	2,067	1,672	2,067
Other	420	433	420	432
Total	4,169	4,995	4,169	4,994

Neither the Group nor the parent company has any significant holdings of other receivables acquired at prices below the nominal value.

Note 21: Shares and participations

EURm	Group				Parent company			
	2004		2003		2004		2003	
	Publicly listed	Other	Publicly listed	Other	Publicly listed	Other	Publicly listed	Other
Book value [1]								
Current assets	195	17	56	19	193	19	54	19
Other	-	4	-	5	-	3	-	4
Total	195	21	56	24	193	22	54	23
Difference between market value and a lower book value, publicly listed shares [1]								
Current assets	-		-		-		0	
Other	-		-		-		-	
Total	-		-		-		0	

At the end of the period the Group and the parent company had EUR 33m borrowed securities (EUR 0m) as well as EUR 4m lent securities (EUR 0m).

[1] Excluding associated undertakings and shares in subsidiaries.

Book value of shares in subsidiaries and associated undertakings in the balance sheet

EURm	Group 2004	Group 2003	Parent company 2004	Parent company 2003
Subsidiaries				
Credit institutions	-	-	310	248
Other	4	11	24	22
Total	4	11	334	270
Associated undertakings				
In credit institutions	75	65	32	32
In other companies	102	168	78	144
Total	177	233	110	176

Note 22: Shares and participations held as financial fixed assets and tangible assets

EURm	Group 2004	Parent company 2004
Shares and participations		
Acquisition value, 1 Jan 2004	272	1,595
Increase	5	77
Decrease	-68	-80
Write-downs during the year	-1	0
Accumulated write-downs, 1 Jan 2004	-23	-1,145
Book value, 31 Dec 2004	185	447
Buildings, land and water areas and shares in real estate companies		
Acquisition value, 1 Jan 2004	486	494
Increase	17	17
Decrease	-391	-466
Depreciation according to plan for the year	-2	-5
Accumulated depreciation and write-downs allocated to decreases	208	269
Accumulated depreciation/write-downs, 1 Jan 2004	-270	-299
Book value, 31 Dec 2004	48	10
Machinery, equipment and other tangible assets		
Acquisition value, 1 Jan 2004	405	424
Increase	30	14
Decrease	-29	-32
Depreciation according to plan for the year	-20	-19
Accumulated depreciation and write-downs allocated to decreases	1	3
Accumulated write-downs, 1 Jan 2004	-345	-350
Book value, 31 Dec 2004	42	40

Note 23: Intangible assets

	Group		Parent company	
EURm	2004	2003	2004	2003
Consolidation goodwill	13	27	-	-
Other	13	17	11	15
Total	26	44	11	15

Note 24: Real estate under tangible assets

	Group				Parent company			
	Book value		Capital employed		Book value		Capital employed	
EURm	2004	2003	2004	2003	2004	2003	2004	2003
Land and buildings								
In own use	4	125	4	150	3	50	3	50
Other	31	52	31	49	0	12	0	12
Shares in real estate companies								
In own use	5	19	5	16	2	101	2	103
Other	8	20	8	20	5	32	5	49
Total	48	216	48	235	10	195	10	214

Real estate and shares in real estate companies not in Nordea's own use
Real estate investment is not part of the Group's core business and property holdings have therefore been divested at a rapid pace. Since the Group will continue the divestments, certain premises have intentionally been kept vacant. The net yield percent below has been calculated through comparison of real estate expenses and the net yield based on the presently valid rental agreements to the total capital employed in real estate holdings.

Type of real estate	Floor area, m^2	Capital employed EURm	Net yield, %	Vacancy rate, %
Residential property	1,247	3	-1	95
Business and office premises	42,997	19	5	20
Industrial premises	9,570	0	178	-
Land (undeveloped)	-	15	-	-
Foreign real estate	-	2	-13	69
Total	53,814	39		

Capital employed in the above real estate according to yield

Yield, %	Capital employed EURm
Negative	17
0-3	5
3-5	2
5-7	-
Over 7	15
Total	39

Note 25: Own shares held by Group companies

Nordea Bank Finland Plc or its subsidiaries hold no shares issued by themselves. Nordea Bank Finland Plc held shares in Nordea Bank AB (publ) in the amount of EUR 37 thousands, which related to equity brokerage.

Note 26: Other assets

	Group		Parent company	
EURm	2004	2003	2004	2003
Cash items in the process of collection	410	316	410	316
Guarantee claims	11	10	11	10
Derivative contracts	26,427	17,848	26,428	17,848
Other	1,182	483	1,309	475
Total	28,030	18,657	28,158	18,649

Note 27: Prepaid expenses and accrued income

	Group		Parent company	
EURm	2004	2003	2004	2003
Interest	370	634	362	640
Other	141	161	96	114
Total	511	795	458	754

Note 28: Balance sheet format (assets)

Balance sheets have been presented in accordance with the format and terminology prescribed in the Decision of the Ministry of Finance (1376/1997).

Note 29: Difference between nominal and book value of liabilities

	Group		Parent company	
EURm	2004	2003	2004	2003
Difference between nominal value and a lower book value				
Debt securities in issue	62	51	62	51
Subordinated liabilities	3	3	3	3
Total	65	54	65	54
Difference between book value and a lower nominal value				
Debt securities in issue	-	5	-	5
Subordinated liabilities	-	-	-	-
Total	-	5	-	5

Note 30: Book value of debt instruments in issue

	Group		Parent company	
EURm	2004	2003	2004	2003
Certificates of deposit	14,873	14,609	14,878	14,613
Bonds	925	1,228 [1)]	925	1,228 [1)]
Other	2,777	897 [1)]	2,777	897 [1)]
Total	18,575	16,734	18,580	16,738

[1)] Items pertaining to loans issued under the euro medium term note programme have been transferred between lines in the comparison figures for 2003.

Note 31: Other liabilities

	Group		Parent company	
EURm	2004	2003	2004	2003
Cash items in the process of collection	1,285	1,378	1,240	1,343
Derivative contracts	26,594	18,039	26,594	18,039
Other	1,142	396	1,093	357
Total	29,021	19,813	28,927	19,739

Note 32: Accrued expenses and prepaid income

	Group		Parent company	
EURm	2004	2003	2004	2003
Interest	300	587	299	584
Other	262	228	186	154
Total	562	815	485	738

Note 33: Provisions

	Group		Parent company	
EURm	2004	2003	2004	2003
Pension provisions	13	13	13	13
Guarantees and other similar provisions	13	10	8	7
Rental liabilities	11	7	11	7
Restructuring provisions	10	15	10	15
Other	20	26	11	26
Total	67	71	53	68

Note 34: Subordinated liabilities

	Group		Parent company	
EURm	2004	2003	2004	2003
Liabilities with a book value exceeding 10% of all subordinated liabilities [1]	1,443	1,459	1,443	1,459
Other subordinated liabilities [2]	378	405	378	405
Total	1,821	1,864	1,821	1,864
- of which perpetual bonds	642	656	642	656

Nordea Bank Plc or its group companies had no subordinated liabilities to the group companies or associated undertakings of Nordea Bank Finland Group. The parent company and the Group had subordinated liabilities to Nordea group companies in the amount of EUR 37m.

[1] Nordea Bank Finland Plc EUR 599m, face value EUR 600m, interest rate 5.75% until the first possible premature repayment day 26 March 2009, whereafter floating interest rate. Maturity date 26 March 2014. In the event of dissolution of the company the liability ranks equally with the Bank's other debentures and other comparable debts. No equity conversion option.

Nordea Bank Finland Plc EUR 424m, face value GBP 300m, interest rate 6.25% until the first possible premature repayment day 18 July 2014, whereafter floating interest rate. No maturity date. In the event of dissolution of the company the liability ranks equally with the Bank's other debentures and other comparable debts. No equity conversion option.

Nordea Bank Finland Plc EUR 220m, face value USD 300m, interest rate 6.5%, maturity date 1 April 2009. The issuer is the Bank’s New York branch. In the event of dissolution of the company, the liability is subordinate to the company’s other commitments, while ranking at least equal with the Bank's other debentures and other comparable debts. No equity conversion option.

Nordea Bank Finland Plc EUR 200m, face value EUR 200m, variable interest rate 2.786%, Euribor 3 months +0.625% until the first possible repayment day 6 August 2007, where after Euribor 3 months +2.125 %. Maturity date 6 August 2012. The issuer is the Bank’s New York branch. In the event of dissolution of the company, the liability is subordinate to the company’s other commitments, while ranking at least equal with the Bank's other debentures and other comparable debts. No equity conversion option.

[2] The holders of other subordinated liabilities have no right to prematurely call the bonds. No equity conversion option.

Note 35: Equity capital

	Restricted equity				
Group		Share premium	Restricted	Non-restricted	
EURm	Share capital	account	reserves	equity	Total
Shareholders' equity at the beginning of the year	2,319	593	-	8,288	11,200
Dividend [1]	-	-	-	-875	-875
Exchange rate differences	-	-	-	-9	-9
Sister company merger, Nordea Securities Holding Oy	-	6	-	15	21
Profit/loss for the year	-	-	-	821	821
31 December 2004	2,319	599	-	8,240	11,158
Distributable equity				8,201	

	Restricted equity				
Parent company		Share premium	Restricted	Non-restricted	
EURm	Share capital	account	reserves	Equity	Total
Shareholders' equity at the beginning of the year	2,319	593	-	8,131	11,043
Dividend [1]	-	-	-	-875	-875
Sister company merger, Nordea Securities Holding Oy	-	6	-	32	38
Profit/loss for the year	-	-	-	846	846
31 December 2004	2,319	599	-	8,134	11,052
Distributable equity				8,134	

[1] According to the decision made by Annual General Meeting Nordea Bank Finland Plc paid a dividend of EUR 875m to Nordea Bank AB (publ).

Note 36: Shares in Nordea Bank Finland Plc

Pursuant to the Articles of Association the Bank's minimum share capital is EUR 850m and maximum share capital EUR 3,400m.
All the 1,030.8 million shares in issue are held by Nordea Bank AB (publ). The book value of the shares corresponds to EUR 2.25 per share.

Note 37: Non-distributable items included in non-restricted equity

	Group	
EURm	2004	2003
Voluntary reserves and depreciation difference	39	36

Note 38: Decisions on issue of shares, convertible bonds and bonds with equity warrants

No decision was made during the financial year to issue equity warrants or convertible bonds entitling to subscription of shares in the Bank. At the end of 2004, the Bank held no authorisations given by the General Meeting for issuance of shares, equity warrants or convertible bonds.

Note 39: Shareholders

All shares in Nordea Bank Finland Plc are held by Nordea Bank AB (publ).

Note 40: Capital loans

Nordea Bank Plc or its group companies had no capital loans issued.

Note 41: Balance sheet format (liabilities and shareholders' equity)

Balance sheets have been presented in accordance with the format and terminology prescribed in the Decision of the Ministry of Finance (1376/1997).

Note 42: Maturity breakdown of receivables and liabilities according to remaining maturity

EURm	Less than 3 months	3-12 months	1-5 years	Over 5 years
Group, 31 Dec 2004				
Receivables				
Debt securities eligible for refinancing with central banks	747	1,998	289	-
Loans to credit institutions	32,486	2,558	263	302
Loans to the public and public sector organisations	6,796	4,272	13,662	15,180
Debt securities	389	78	661	7
Liabilities				
Due to credit institutions and central banks	15,633	2,330	10	3
Due to the public and public sector organisations	28,912	1,679	1,076	7
Debt securities in issue	12,513	5,096	956	10
Parent company, 31 Dec 2004				
Receivables				
Debt securities eligible for refinancing with central banks	747	1,998	289	-
Loans to credit institutions	34,860	3,252	1,046	380
Loans to the public and public sector organisations	3,829	3,601	12,860	15,094
Debt securities	389	78	661	7
Liabilities				
Due to credit institutions and central banks	15,609	2,326	10	3
Due to the public and public sector organisations	28,928	1,680	1,076	5
Debt securities in issue	12,515	5,098	957	10

Receivables from the public and public sector organisations payable on demand amounted to EUR 0.5m in the Group. The parent company had no such receivables. Checking accounts are included in the shortest maturity category. Other current accounts are classified in different maturity categories on the basis of their historical pattern.

Note 43: Assets and liabilities in domestic and foreign currencies

	Group		Parent company	
EURm	EUR	Other currencies	EUR	Other currencies
Assets, 31 Dec 2004				
Debt securities eligible for refinancing with central banks	3,034	-	3,034	-
Loans to credit institutions	17,144	18,465	21,073	18,465
Loans to the public and public sector organisations	35,797	4,113	31,271	4,113
Debt securities	626	509	626	509
Other assets	20,084	11,104	20,291	11,173
Total	76,685	34,191	76,295	34,260
Liabilities, 31 Dec 2004				
Due to credit institutions and central banks	6,888	11,086	6,862	11,086
Due to the public and public sector organisations	27,647	4,027	27,662	4,027
Debt securities outstanding	7,788	10,787	7,793	10,787
Subordinated liabilities	799	1,022	799	1,022
Other liabilities	18,201	11,473	18,080	11,385
Total	61,323	38,395	61,196	38,307

Note 44: Income taxes

	Group		Parent company	
EURm	2004	2003	2004	2003
Change in deferred tax receivables/liabilities	-68 [1)]	-310	-70 [1)]	-299
Taxes arising from ordinary business operations	43	255	14	5
Total	-25	-55	-56	-294

[1)] The impact of the revaluation of temporary differences related to tax losses was EUR 305m.

Note 45: Pledged assets

	Group		Parent company	
EURm	2004	2003	2004	2003
Assets pledged as collateral for own liabilities				
Debt securities eligible for refinancing with central banks	1,727	1,895	1,727	1,895
Leasingcontracts	0	-	-	-
Debt securities	715	888	715	888
Other	1,120	290	1,120	290
Total	3,562	3,073	3,562	3,073
The above collateral has been pledged for the following items				
Due to credit institutions and central banks	2,522	2,438	2,522	2,438
Other liabilities and commitments	714	333	714	333
Total	3,236	2,771	3,236	2,771

The parent company has not pledged assets as collateral for liabilities of the group companies or associated undertakings of the Nordea Bank Finland Group. Assets as collateral for liabilities for other Nordea group companies have been pledged in the amount of EUR 28m.

Note 46: Liabilities arising from pension commitments

Statutory pensions for employees of domestic Group companies are arranged through insurance. Statutory pensions for employees of foreign units are arranged in accordance with local laws and regulations.

Supplementary pensions for employees are arranged through Merita Plc Pension Fund and Foundation. The Group's pension commitments are fully covered. The pension institutions charged no contributions for the year 2004. On December 31, 2004 the market value of assets covering the liabilities of the Pension Fund and Foundation exceeded the amount of liabilities by approximately EUR 60m.

A provision in the full amount of the liabilities arising from pensions payable directly out of the Group companies' funds has been entered in the balance sheet.

Note 47: Leasing liabilities

The rentals payable both by the Group and the parent company will amount to EUR 2m in 2005. The value of rentals payable in subsequent years amounts to EUR 1m both in the Group and the parent company.

Note 48: Contingent liabilities

	Group		Parent company	
EURm	2004	2003	2004	2003
Guarantees	4,292	11,353	4,518	11,578
Stand-by facilities	4,671	4,337	3,471	3,377
Unused part of credit lines	5,663	3,823	5,664	3,824
Other commitments	2,117	1,806	1,712	1,447
Total	16,743	21,319	15,365	20,226

Of which on behalf of group companies and associated undertakings

	Group				Parent company			
	2004		2003		2004		2003	
EUR million	Group companies	Associated undertakings	Group companies	Associated undertakings	Group companies	Associated undertakings	Group companies	Associated undertakings
Guarantees	-	0	-	0	4	0	5	0
Other	-	15	-	26	35	15	106	26
Total	-	15	-	26	39	15	111	26

The terms "group companies" and "associated undertakings" refer to group companies and associated undertakings of the Nordea Bank Finland Group.

In addition to the figures above there are contingent liabilities on behalf of other Nordea group companies totalling to EUR 446m.

Note 49: Derivative contracts

	Group							
	Maturity							
	Less than 3 months		3-12 months		1-5 years		Over 5 years	
EURm	Positive market value	Negative market value	Positive market value	Negative market value	Positive market value	Negative market value	Positive market value	Negative market value
Interest-rate-related derivatives								
Futures and forwards	3	1	85	81	59	58	-	-
Options								
Purchased	8	-	38	-	245	5	2,654	1
Written	-	6	0	44	0	221	0	2,689
Interest rate swap agreements	358	378	644	717	5,152	5,331	8,508	7,908
Currency-related derivatives								
Futures and forwards	3,883	4,085	2,157	2,269	299	328	-	1
Options								
Purchased	125	3	67	0	11	-	-	-
Written	3	107	0	76	-	12	-	-
Interest rate and currency swap agreements	212	203	373	268	782	772	413	597
Equity-related derivatives								
Futures and forwards	0	1	-	0	-	-	-	-
Options								
Purchased	19	-	37	-	171	-	8	-
Written	-	23	-	28	-	181	-	16
Other derivative contracts	18	24	77	73	101	107	16	18

	Group				
	Total				
EURm	Positive market value	Negative market value	Nominal value	For hedging purposes	Credit counter-value
Interest-rate-related derivatives					
Futures and forwards	147	141	181,631	-	1
Options					
Purchased	2,945	6	94,027	-	3
Written	0	2,960	96,858	-	-
Interest rate swap agreements	14,662	14,334	647,829	21,740	39
Currency-related derivatives					
Futures and forwards	6,339	6,684	287,218	7,368	597
Options					
Purchased	203	3	12,860	39	14
Written	3	195	14,454	-	-
Interest rate and currency swap agreements	1,780	1,840	58,240	1,141	3
Equity-related derivatives					
Futures and forwards	0	1	33	-	-
Options					
Purchased	234	-	2,556	-	4
Written	-	248	1,043	1,619	-
Other derivative contracts	211	222	15,951	11	2

	Parent company							
	Maturity							
	Less than 3 months		3-12 months		1-5 years		Over 5 years	
EURm	Positive market value	Negative market value	Positive market Value	Negative Market Value	Positive market value	Negative market value	Positive market value	Negative market value
Interest-rate-related derivatives								
Futures and forwards	3	1	85	81	59	58	-	-
Options								
Purchased	8	-	38	-	245	5	2,654	1
Written	-	6	0	44	0	221	0	2,689
Interest rate swap agreements	359	378	644	717	5,152	5,331	8,508	7,908
Currency-related derivatives								
Futures and forwards	3,883	4,085	2,157	2,269	299	328	-	1
Options								
Purchased	125	3	67	0	11	-	-	-
Written	3	107	0	76	-	12	-	-
Interest rate and currency swap agreements	212	203	373	268	782	772	413	597
Equity-related derivatives								
Futures and forwards	0	1	-	0	-	-	-	-
Options								
Purchased	19	-	37	-	171	-	8	-
Written	-	23	-	28	-	181	-	16
Other derivative contracts	18	24	77	73	101	107	16	18

	Parent company				
	Total				
EURm	Positive market value	Negative market value	Nominal value	For hedging purpose	Credit counter-value
Interest-rate-related derivatives					
Futures and forwards	147	141	181,631	-	1
Options					
Purchased	2,945	6	94,027	-	3
Written	0	2,960	96,858	-	-
Interest rate swap agreements	14,662	14,334	647,834	21,745	39
Currency-related derivatives					
Futures and forwards	6,339	6,684	287,218	7,368	597
Options					
Purchased	203	3	12,860	39	14
Written	3	195	14,454	-	-
Interest rate and currency swap agreements	1,780	1,840	58,251	1,152	3
Equity-related derivatives					
Futures and forwards	0	1	33	-	-
Options					
Purchased	234	-	2,556	1,619	4
Written	-	248	1,043	-	-
Other derivative contracts	211	222	15,951	11	2

Credit risk of the derivative contracts

	Group		Parent company	
EURm	Nominal value of the contracts	Positive market value	Nominal value of the contracts	Positive market value
Counterparty				
Public sector	-	-	-	-
Credit institutions	2,639	5	2,644	5
Companies	169	9	169	9
Total	2,808	14	2,813	14

Note 50: Accounts receivable and payable arising from business for the account of customers

	Group		Parent company	
EURm	2004	2003	2004	2003
Accounts receivable arising from the sale of assets on behalf of customers	39	15	39	15
Accounts payable arising from the purchase of assets on behalf of customers	32	14	32	14

Note 51: Other commitments and contingent liabilities

Contingent liabilities are shown in other notes or in connection with the balance sheet according to the instructions of the Finnish Financial Supervision Authority.

Note 52: Personnel and members of administrative and controlling boards

	Group		Parent company	
	2004	2003	2004	2003
Average number of employees during the year	10,000	22,785	9,076	9,781
Change from the previous year	-12,785	-11,963	-705	-259
Full-time personnel	8,863	19,725	7,986	8,579
Change from the previous year	-10,862	-10,156	-593	-307
Part-time personnel	1,137	3,060	1,090	1,202
Change from the previous year	-1,923	-1,807	-112	48

Salaries, fees, pension liabilities and other staff-related expenses
The members of the Board of Directors of Nordea Bank Finland Plc, the Chief Executive Officer and his deputy, are all members of the Nordea Bank AB (publ) Board of Directors. In 2004 Nordea Bank AB (publ) has paid all salaries, fees, pensions- and other staff-related expenses to the above mentioned members and deputies of the administrative and controlling boards. Nordea Bank AB (publ) has allocated theses salary expenses to Nordea Bank Finland Plc as part of the Head Office Allocation -expenses.

Information on salaries, loans and pension liabilities is presented in the Annual Report of Nordea Bank AB (publ).

EURm	2004
Loans granted by Nordea Bank Finland Plc	
To members and deputy members of the Board of Directors	0
of which to the President and his deputy	0
To auditors	-

Interest and other terms correspond to the generally accepted terms and conditions applied to employees of the Group or to best customers. The amounts also include loans granted to corporations or individuals sharing material financial interests with the above-mentioned members of administrative and controlling boards, as referred to in the Credit Institutions Act.

Guarantees and other off-balance-sheet commitments
No guarantees or other off-balance-sheet commitments have been granted to members of administrative or controlling boards or to auditors.

The members of the administrative and controlling boards have no holdings of shares, equity warrants or convertible bonds issued by Nordea Bank Finland Plc.

Note 53: Shares held as financial fixed assets

	Line of business	Share-holding, %	Book value EURm
Shares held by the parent company, 31 Dec 2004			
Helsinki Halli Oy, Helsinki	Multi-purpose arena	0.3	0.2
Huoneistokeskus Oy, Helsinki	Real estate brokerage	15.0	0.8
Indekon Oy, Lappeenranta	Capital investment	6.5	0.4
Kehitysyhtiö Savon Teknia Oy, Kuopio	Capital fund	8.7	0.5
SWIFT	Messaging	0.7	0.2
Oy Wedeco Ab, Vaasa	Capital investment	2.4	0.2

In addition, the parent company owns shares in 78 companies. The total book value of these shares was EUR 1m. None of these shareholdings exceeds EUR 0.2m.

Information on the Group companies and associated undertakings is given in Notes 58-61.

Note 54: Fiduciary services

Fiduciary services offered by the Group include safe custody and management of customers' assets, consulting, portfolio accounting services for associations, foundations and estates and assistance in estate inventories, estate administration, non-contentious jurisdiction, and loan intermediation.

Note 55: Information on co-operative banks

Not applicable.

Note 56: The parent company of Nordea Bank Finland Plc and intra-group items

The parent company of Nordea Bank Finland Plc is Nordea Bank AB (publ) domiciled in Stockholm, registration number 516406-0120. The Annual Report 2004 of Nordea Bank may be down-loaded from the Internet at www.nordea.com and is available from Nordea Group Investor Relations, SE 105 71 Stockholm, Sweden. The Annual Report for 2004 of the Nordea Group is also available at branches of Nordea Bank Finland Plc.

Financial income received from and financial expenses paid to Group companies

EURm	2004	2003
Interest income	108	342
Interest expenses	0	80
Income from equity investments	143	151

Receivables from and liabilities to Group companies

EURm	2004	2003
Receivables		
Loans to credit institutions	3,934	3,894
Loans to the public and public sector organisations	217	167
Other receivables	141	0
Prepaid expenses and accrued income	17	17
Total	4,309	4,078
Liabilities		
Due to credit institutions and central banks	1	7
Due to the public and public sector organisations	21	23
Debt securities in issue	5	4
Accrued expenses and prepaid income	1	2
Total	28	36

The figures do not include receivables of EUR 5m or liabilities of EUR 2m from non-consolidated group companies acquired for restructuring purposes.

The term "group company" refers to group companies of the Nordea Bank Finland Group. In addition, Nordea Bank Finland Plc had EUR 600m interest income and EUR 34,916m receivables from other Nordea Group companies and EUR 148m interest expenses and EUR 6,727m liabilities to other Nordea Group companies.

Note 57: Accounting policies

Accounting policies applied in the consolidated financial statements are explained in "Accounting policies".

Note 58: Subsidiaries included in the consolidated financial statements, 31 Dec 2004

	Shareholding %	Book value of shares EURm
Domestic		
Credit institutions		
Nordea Finance Finland Ltd, Espoo	100	306
Financial institutions		
Nordea Capital Ltd, Helsinki	100	4
Tukirahoitus Oy, Oulu [1)]	100	7
Real estate companies		
Hatanpään Valtatie 30 Koy, Tampere [1)]	100	19
Lahden Hansa Oy, Lahti [1)]	100	24
Levytie 6 Koy, Helsinki [1)]	100	26
Multihermia Koy, Tampere [1)]	100	9
PMA-Invest Oy, Helsinki	100	11
Porin Sokos Koy, Pori [1)]	100	6
Ristipellontie 4 Koy, Helsinki [1)]	100	19
Tampereen Kirkkokatu 7 Koy, Tampere [1)]	100	50
Terahermia Koy, Tampere [1)]	100	0
Turun Arvokiinteistöt Oyj, Turku	95	2
VKR-Kiinteistöt Oy, Vantaa [1)]	60	1
Other ancillary services companies		
Merita Systems Oy, Helsinki	100	0
Other companies		
Fidenta Oy, Espoo	40	0
Unitas Congress Center Ltd, Helsinki [2)]	100	0
International		
Banks		
American Scandinavian Banking Corp., New York	100	0
MeritaNordbanken Merchant Bank Singapore Ltd, Singapore	100	3
Financial institutions		
Merita Finance (U.K.) Ltd., London	100	0
Nordea Finance Estonia Ltd, Tallinn [1)]	100	6
Nordea Finance Latvia Ltd, Riga [1)]	100	1
Nordea Finance Lithuania Ltd, Vilnius [1)]	100	1
Nordea Finance Polska S.A., Warsaw [1)]	100	0
Nordea Securities Holding (U.K.) Ltd, London	100	2
Real estate companies		
Nordea Real Estate (U.K.) Ltd, London	100	0
Sopoka B.V, Rotterdam	100	0
The Wiels Centre Holding B.V, Amsterdam	100	0
Verdelago Holding B.V, Amsterdam	100	0

Nordea Bank Finland Group's voting interest in Fidenta Oy is 60% and in Turun Arvokiinteistöt Oyj 96 %. In other companies the voting interest is the same as the shareholding.

[1)] Indirect holding through Nordea Finance Finland Ltd, a subsidiary of Nordea Bank Finland Plc.
[2)] Consolidated with the equity method.

Other subsidiaries included in the consolidated financial statements; total assets of less than EUR 10m	Number of companies	Total assets EURm	Book value of shares EURm
Real estate companies	20	67	36
Other companies	22	15	5

Subsidiaries merged, dissolved or sold during 2004	Line of business	Total assets EURm	Profit/loss for the year 2004 as included in the Bank Group EURm
Aleksanterinkatu 36 A Koy, Helsinki	Real estate company	16	0
Aleksanterinkatu 36 B Koy, Helsinki	Real estate company	23	0
Aleksis Kivenkatu 3-5 Koy, Helsinki	Real estate company	50	0
Aleksis Kivenkatu 7 Koy, Helsinki	Real estate company	8	0
Fleminginkatu 27 Koy, Helsinki	Real estate company	28	0
Helsingin Pantti-Osakeyhtiö, Helsinki	Financial institution	11	0
Helsingin Hämeentien Holding Oy, Helsinki	Real estate company	5	0
K-Luotto Oy, Helsinki	Credit institution	27	0
Nordea Corporate Finance Oy, Helsinki	Investment service companies	2	0
Nordea Securities Holding Oy, Helsinki	Holding company	85	0
Nordea Securities Oyj, Helsinki	Investment service companies	58	0
Tietotalo Koy, Espoo	Real estate company	81	0
Sakau (Luxembourg) S.A., Luxemburg	Real estate company	0	-

Other subsidiaries merged, dissolved or sold during 2004; total assets of less than EUR 10m	Number of companies	Total assets EURm	Book value of shares EURm
Real estate companies	50	25	12
Other companies	4	7	0

The above disposals had an impact of EUR 45m on the non-restricted equity (profit for the year) of the Nordea Bank Finland Group.
See "Changes in the group structure" in the Report of the Board of Directors.

Note 59: Subsidiaries excluded from the consolidated financial statements, 31 Dec 2004

Other subsidiaries excluded from the consolidated financial statements; total assets of less than EUR 10m	Number of companies	Total assets EURm	Book value of shares EURm
Companies in temporary holding	3	4	0

The above subsidiaries have been acquired for protection of claims. These holdings shall be disposed or dissolved in the near future. The operations of the companies differ considerably from the business operations of the Group. The shares are held by Nordea Bank Finland Plc.

The non-consolidation of the above companies has no material effect on the Group's performance or financial position.

Note 60: Associated undertakings included in the consolidated financial statements, 31 Dec 2004

	Shareholding %	Book value of shares EURm
Domestic		
Credit institutions		
Eurocard Oy, Helsinki	31	2
Luottokunta, Helsinki	30	9
Financial companies		
Toimiraha Oy, Helsinki	33	2
Real estate investment companies		
EKA-Kiinteistöt Oy, Helsinki	30	0
Oy Realinvest Ab, Helsinki	49	50
Other companies		
Aurajoki Oy, Aura	36	0
Automatia Pankkiautomaatit Oy, Helsinki	33	5
Optiomi Oy, Helsinki	25	0
Suomen Asiakastieto Oy, Helsinki	32	0
Securus Oy, Helsinki	35	0
Sponsor Fund I Ky, Helsinki	46	8
International		
Credit institutions		
International Moscow Bank, Moscow	22	20

All associated undertakings have been combined in the consolidated financial statements by the equity method. In all the above companies the voting interest is the same as the shareholding.

Other associated undertakings included in the consolidated financial statements; total assets of less than EUR 10m	Number of companies	Total assets EURm	Book value of shares EURm
Other companies	5	33	14

Associated undertakings disposed during 2004	Shareholding %	Book value of shares EURm
Dividum Oy, Helsinki	47	55
Salpa Asunnot Oy, Helsinki	24	0
Freja Finance S.A., Luxemburg	33	0

Other associated undertakings merged, dissolved or sold during 2004; total assets of less than EUR 10m	Number of companies	Total assets EURm	Book value of shares EURm
Other companies	1	1	0

Note 61: Associated undertakings excluded from the consolidated financial statements, 31 Dec 2004

All associated undertakings belonging to Nordea Bank Finland Group have been combined in the consolidated accounts of Nordea Bank Finland Plc.

Note 62: Consolidation of companies other than financial or credit institutions, fund management or investment service companies or ancillary service companies

Subsidiaries that are not financial or credit institutions, investment service, fund management or ancillary service companies as defined in the Finnish Financial Supervision Authority's regulations are carried under the equity method. The accounting principles of these companies do not differ from the Group's principles in a manner which would have any material impact on the consolidated financial statements.

Subsidiaries referred to in the above are Osakeyhtiö Kämp and Unitas Congress Center Ltd. In the consolidated financial statements of the Group receivables from these companies amount to EUR 0m (EUR 0m) and liabilities to these companies to EUR 7m (EUR 49m).

No member of the Nordea Bank Finland Plc's Board of Directors is a member of the Boards of the above-mentioned companies.

Note 63: Deferred tax receivables and liabilities in the consolidated balance sheet

EURm	2004	2003
Deferred tax receivables		
Based on		
- consolidation method	4	4
- Group companies' own balance sheets	443	373
Total	447	377
Deferred tax liabilities		
Based on		
- consolidation method	-	2
- Group companies' own balance sheets	4	-
- appropriations	14	15
Total	18	17

Note 64: Consolidation goodwill and negative consolidation difference

In the consolidated accounts, any difference between the amount paid for a subsidiary's shares and corresponding share of the subsidiary's equity capital at the time of acquisition is allocated partly to consolidation goodwill or negative consolidation difference and partly to the subsidiary's assets. Such elimination difference in the consolidated accounts of the Nordea Bank Finland Group was EUR 24m (EUR 38m), of which EUR 13m (EUR 27m) was consolidation goodwill. The consolidation goodwill arising from companies accounted for under the equity method. Depreciation charges on allocations on different types of assets are computed in accordance with the relevant depreciation schedules as explained in Accounting Policies. Goodwill is depreciated by equal annual installments over periods ranging from 5 to 20 years. Depreciation charged on consolidation goodwill in 2004 totalled EUR 14m (EUR 68m).

Consolidation goodwill due to associated undertakings has been fully depreciated (EUR 2m).

Proposal of the Board of Directors to the General Meeting

Profit for the year and its disposal

The consolidated distributable equity capital at 31 December 2004 was EUR 8,201 million. The parent company's distributable equity capital at 31 December 2004 was EUR 8,134 million, consisting of the following items:

- profit for the year	EUR 846,264,147.42
- other non-restricted equity	EUR 7,288,207,196.86
	EUR 8,134,471,344.28

We propose that:

1. no dividend be paid,
2. for worthy public causes be reserved EUR 200,000.00,
3. of the profit for the year EUR 846,064,147.42 be carried forward. Thus, the unrestricted shareholders' equity will amount to EUR 8,134,271,344.28.

Helsinki, 28 February 2005

Lars G Nordström

Christian Clausen Carl-Johan Granvik Arne Liljedahl

Markku Pohjola Tom Ruud Peter Schütze

The financial statements have been prepared in accordance with generally accepted accounting principles. Our auditors' statement has been issued today.

Helsinki, 28 February 2005

KPMG Oy Ab

Mauri Palvi
Authorised Public Accountant

Auditors' report

to the General Meeting of Nordea Bank Finland Plc

We have audited the accounting records and the financial statements as well as the administration by the Board of Directors and the President of Nordea Bank Finland Plc for the financial year 2004. The financial statements, which comprise the report of the Board of Directors, consolidated and parent company profit and loss accounts, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the President. Based on our audit, we express our opinion on these financial statements and the bank's administration.

We have conducted our audit in accordance with generally accepted auditing standards in Finland. These standards require that we plan and perform the audit in order to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes the examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements, an assessment of the accounting principles used and significant estimates made by the management, as well as an evaluation of the overall financial statements presentation. The purpose of our audit of the administration has been to see that the Board of Directors and the President have complied with the rules of the Finnish Credit Institutions Act, Commercial Banks Act and Companies Act.

In our opinion, the financial statements have been prepared in accordance with the Finnish Credit Institutions Act, Accounting Act and other rules and regulations governing the preparation of financial statements in Finland. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and the parent bank result of operations for the financial period under audit and of the Group's and the parent bank's financial position at the year-end. The consolidated and parent bank profit and loss accounts and balance sheets may be adopted. The Chairman and the Deputy Chairman of the Board of Directors as well as the other members of the Board of Directors and the President can be discharged from liability for the financial year audited by us. The proposal to the General Meeting by the Board of Directors regarding on how to deal with the profit for the financial year is in compliance with the Companies Act.

Helsinki, 28 February 2005

KPMG OY AB

Mauri Palvi
Authorised Public Accountant

Management and auditors

Board of Directors

The Board of Directors of Nordea Bank Finland Plc comprises the President and the Chief Executive Officer of the Nordea Group, Lars G Nordström, and six members. In addition, there is one deputy member.

The President of Nordea Bank Finland is Markku Pohjola and Carl-Johan Granvik acts as his deputy.

Kari Jordan, member of the Board, and Harri Sailas, deputy member of the Board, resigned from the Board as of 1 November 2004.

Auditors

The Annual General Meeting of Nordea Bank Finland Plc elects the company's auditors for a period of one year at a time. The auditor must be an audit firm authorised by the Finnish Chamber of Commerce.

Board of Directors 31 December 2004

Lars G Nordström

Born 1943. President and Group Chief Executive Officer of Nordea. Chairman of the Board since 2002. Member since 1998.

Christian Clausen

Born 1955. Head of Asset Management & Life in Nordea. Member since 2002.

Carl-Johan Granvik

Born 1949. Head of Group Credit and Risk Control in Nordea, Chief Risk Officer. Member since 1995.

Arne Liljedahl

Born 1950. Deputy Chairman of the Board of Directors. Chief Financial Officer and Head of Group Corporate Centre in Nordea. Member since 1998.

Markku Pohjola

Born 1948. President of Nordea Bank Finland Plc. Deputy Group Chief Executive Officer and Head of Group Processing and Technology in Nordea. Member since 1994.

Tom Ruud

Born 1950. Head of Corporate and Institutional Banking in Nordea. Member since 2002.

Peter Schütze

Born 1948. Head of Retail banking in Nordea. Member since 2002.

Deputy member
Jakob Grinbaum

Born 1949. Head of Group Treasury in Nordea. Deputy member since 2002.

Auditors
KPMG Oy Ab

Auditor with main responsibility
Mauri Palvi
Authorised Public Accountant

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