

Interim Report January–June 2007

Nordea Bank Finland Plc

Nordea's vision is to be the leading Nordic bank, acknowledged for its people, creating superior value for customers and shareholders. We are making it possible for our customers to reach their goals by providing a wide range of products, services and solutions within banking, asset management and insurance. Nordea has around 10 million customers, more than 1,100 branch offices and a leading netbanking position with 4.8 million e-customers. The Nordea share is listed on the stock exchanges in Stockholm, Helsinki and Copenhagen.

Nordea Bank Finland Group

Result summary January-June 2007

The first six months of 2007 were characterised by continued strong volume growth and increased deposit margins. NBF's total income increased by 2% to EUR 1,179m (1,158) and total expenses by 6% to EUR 452m (428). (The comparison figures in brackets refer to the first six months of 2006.)

NBF's operating profit was down by 2% compared to the same period in 2006 and amounted to EUR 743m (759). Return on equity was 9.4% (9.3%) and the cost/income ratio 38% (37%). Loan losses were positive at EUR 16m (26). Net profit decreased by 5% to EUR 552m (579).

Market development in the first half of 2007

The Finnish economy continued its robust growth during the first months of the year. The broad-based economic growth improved the employment situation, and the unemployment rate continued to come down. The favourable labour market development and consumers' high confidence boosted both household consumption and the demand for credits despite a rise in interest rates.

Income

Total income increased by 2% to EUR 1,179m mainly as a result of the favourable development in net interest income. The strong lending growth continued with double-digit volume growth in most segments, which largely compensated for the margin pressure still present in certain areas. Total lending to the public increased by 17% year-on-year to EUR 56.4bn. Deposits and borrowings from the public increased by 8% year-on-year to EUR 37.1bn driven by both personal and corporate customers. Deposit margins in Retail Banking continued to improve following higher market interest rates.

Net commission income increased by 3% to EUR 159m. Lending-related commissions increased by 7% to EUR 72m, reflecting the volume growth as well as the ongoing centralisation of Trade Finance products to NBF. Savings-related commissions income grew by 13% in total. Total payment commissions were stable

despite strong competition. Total commission expenses increased by 17% partly explained by the strong sales of cards.

Net gains/losses at fair value decreased by 31% to EUR 185m (270). Income from equity and interest rate related products came down from the high level in the previous year. FX-related income developed positively and so did other items driven by commodity and credit derivatives.

Profit from companies accounted for under the equity method decreased to EUR -1m (24). The reduction mainly reflects the divestment of the holding in International Moscow Bank in the second half of 2006.

Other operating income totalled EUR 39m (60) comprising mainly capital gains and other miscellaneous operating income.

Expenses

Total operating expenses increased by 6% and amounted to EUR 452m (428).

The increase is a result of Nordea's growth ambition and prioritised investments in certain areas with sizeable potential, as well as an increase in variable salaries.

Staff costs increased by 4% to EUR 254m (244), which is mainly explained by general wage increases, higher variable salaries and the higher number of employees. The average number of FTEs increased by approximately 100 year-on-year, largely in the Baltic area. Variable salaries account for approximately half of the total increase in staff costs.

Other operating expenses totalled EUR 184m (172), up by 7% compared to last year. The higher activity level and investments in strategic projects mainly explain the increase.

Depreciation of tangible and intangible assets increased slightly to EUR 14m (12).

The cost/income ratio was 38% compared to 37% in the first half of 2006.

Throughout this report, "Nordea Bank Finland" and "NBF" refer to the parent company Nordea Bank Finland Plc, business identity code 1680235-8, with its subsidiaries. The registered office of the company is in Helsinki. Nordea Bank Finland Plc is a wholly owned subsidiary of Nordea Bank AB (publ), the listed parent company of the whole Nordea Group. The business operations of the Nordea Group have been organised in three business areas, all of which operate across national boundaries: Retail Banking, Corporate and Institutional Banking and Asset Management & Life. The consolidated interim report of Nordea Bank AB (publ) embraces all the activities of the Nordea Group and provides the most complete and fair view. This statutory interim report covers the operations of the legal entity Nordea Bank Finland Plc with its subsidiaries.

Nordea has introduced a new organisational structure with effect from 1 July 2007, which will imply a more streamlined organisation by separating responsibilities for customer relations and products and thereby increasing customer orientation.

Loan losses

Net loan losses were positive at EUR 16m (26) reflecting recoveries maintained at a high level and limited new provisions. NBF is confident in the overall credit quality of its credit portfolio.

Taxes

The effective tax rate for the first half 2007 was approximately 26%. In the first half 2006, the effective tax rate was approximately 24%.

Net profit

Net profit decreased by 5% to EUR 552m (579) corresponding to a return on equity of 9.4% compared to 9.3% in the first half of last year.

Balance sheet

(Comparison figures in brackets refer to December 2006 figures)

The total assets of NBF amounted to EUR 137bn (126). The change mainly reflects growth in lending, higher balance sheet values of derivatives as well as decreased intra-group transactions.

There was a slight decline in the growth rate of the housing loans stock in Finland but in the Baltic area the growth rate has been very strong. Loans to the public grew by 8% compared with the year-end. The book values of derivatives have increased due to revaluations and volume growth.

Deposits and borrowings from the public increased from the year-end level and amounted to EUR 37.1bn (35.7).

Basel II

Nordea for the first time reports risk-weighted assets according to the new capital adequacy rules (Basel II) following the approval of the internal rating based (IRB) models on 26 June. The final Basel II report will be submitted to the FSAs at a later date and the RWA presented in this report may thus be subject to adjustments.

In the internal rating based (IRB) foundation approach to measure credit risk, risk weights are a function of probability of default (PD). Nordea has therefore used its own estimates of the risk parameter PD. Nordea uses the IRB foundation approach for credit risk in the corporate and institutions portfolios in 2007, which cover approx. 50 per cent of Nordea's credit portfolios. The other exposure classes, e.g. Retail and Sovereign are calculated according to the standardised methods. Nordea will gradually apply the advanced IRB approach. The next step will be to start the

implementation according to the IRB method for the retail exposure class.

Nordea uses internal VaR models for the larger part of the portfolio to measure Market risk. In Basel II, counterparty risk is included under credit risk, whereas this previously was included under market risk.

For Operational Risk Nordea uses the standardised approach based on annual revenue of each of the broad business lines for estimating operational risk.

At the end of June, NBF's risk-weighted assets (RWA) amounted to EUR 66bn. Before transition rules, which allows for a maximum of 5% reduction of RWA in 2007, RWAs were 65bn. According to Basel I rules, RWA would have been EUR 70bn.

The tier 1 ratio was 13.7% and the total capital ratio was 15.5%. Profit for the period has not been included in tier 1.

NBF paid back a subordinated loan amounting to USD 150m in January 2007 with the permission of the Finnish Financial Supervision Authority. Permission to pay back a subordinated loan amounting to EUR 200m in August 2007 has been received from the Finnish Financial Supervision Authority. The loan has therefore been deducted from tier 2 capital in the June 2007 capital adequacy calculations.

Credit portfolio

Total lending was EUR 56.4bn (52.5) and the share of personal customer lending was 47%. Within personal customer lending, mortgage lending accounted for 77%.

There was no major change in the composition of the corporate loan portfolio during the first half of the year. Real estate management remains the largest industry exposure in the credit portfolio and amounts to EUR 7.4bn, representing 13% of the total portfolio. The lending portfolio is well diversified.

At the end of June 2007, individually assessed impaired loans, net, amounted to EUR 406m (379) representing 0.4% of total loans and receivables before allowances, which was on the same level as at year-end.

Off-balance sheet commitments

The total amount of off-balance sheet commitments increased to EUR 26.8bn (22.7). The increase mainly related to guarantees and stand-by facilities. The volumes of derivatives have continued to grow and they amounted to EUR 2,714bn (2,259).

Changes in the group structure

Nordea Finance Finland Ltd, a wholly-owned subsidiary of NBF, sold the real estate company Kiint. Oy Lahden Hansa in February 2007.

Nordea Bank Finland Plc invested in the newly founded private equity fund Profita Fund III Ky in May 2007. NBF's share of the total capital invested is 27.7%.

Changes in the Board of Directors

After Lars G Nordström retired on 13 April 2007, the Board of Directors appointed Christian Clausen Chairman of the Board of Directors on 7 May 2007. Board member Tom Ruud and deputy member Jacob Grinbaum left the Board on 1 May 2007. The extraordinary general meeting on 7 May 2007 confirmed the number of Board members to be five. NBF's Board members Christian Clausen, Markku Pohjola, Carl-Johan Granvik, Arne Liljedahl and Peter Schütze continue in their positions.

Long Term Incentive Programme

In April 2007, the Annual General Meeting of Nordea Bank AB resolved to introduce a Long Term Incentive Programme (LTIP). The programme grants rights to Nordea Bank AB's shares directly to employees of NBF. The programme comprises up to 400 managers and key employees of the Nordea Group. The main objective of LTIP is to strengthen Nordea's ability to retain and recruit the best talent for key leadership positions. For further information see Note 1.

Risks and uncertainties

Nordea's revenue base reflects the Group's business with a large and diversified customer base, comprising both retail and corporate customers, representing different geographic areas and industries. Nordea has mainly an exposure to the general and industry specific economic development in the geographical areas in which the Group operates.

Nordea's main risk exposure is credit risk. The Group also assumes market risk, liquidity risk and operational risk. There is no major change to the risk composition

of the Group compared to what is disclosed in 2006 Annual Report.

None of the above exposures and risks is expected to have any significant adverse effect on the Group or its financial position in the next six months.

Within the framework of normal business operations, the Group faces claims in civil lawsuits and other disputes, most of which involve relatively limited amounts. None of these disputes is considered likely to have any significant adverse effect on the Group or its financial position in the next six months.

Outlook 2007

The organic growth strategy consistently pays off. The strong revenue growth is expected to continue in the second half of 2007.

As previously stated, the cost increase in the Nordea Group for the full-year 2007 is expected to be of the same magnitude as in 2006, ie 4-5%, and the gap between revenue and cost growth for the full year 2007 is expected to be 3-4 %-points, excluding banking operations in Russia. The cost increase for the full-year, including Orgresbank and planned investments in Russia, is expected to be approx. 6%. This corresponds to a forecasted gap in the area of 2-3%-points, including Nordea's Russian banking operations.

The quality of the credit portfolio in the Nordea Group remains strong. It is however likely that lower recoveries during the latter part of the year will result in actual net charges in the coming quarters.

Following the reduction of the corporate tax rate in Denmark the average standard tax rate for the Nordea Group's business is approx. 26%. The effective tax rate for 2007 is expected to be 4-6 %-points lower than this average.

Nordea Bank Finland is expected to contribute to the development above.

Key financial figures

Income statement

| EURm | Jan-Jun 2007 | Jan-Jun 2006 | Change % | Full year 2006 |
|---------------------------------------------------------------|-----------------|-----------------|-------------|-------------------|
| Net interest income | 797 | 649 | 23 | 1,415 |
| Net fee and commission income | 159 | 155 | 3 | 308 |
| Net gains/losses on items at fair value | 185 | 270 | -31 | 408 |
| Equity method | -1 | 24 | -104 | 31 |
| Other income | 39 | 60 | -35 | 292 |
| Total operating income | 1,179 | 1,158 | 2 | 2,454 |
| Staff costs | -254 | -244 | 4 | -504 |
| Other expenses | -184 | -172 | 7 | -359 |
| Depreciation of tangible and intangible assets | -14 | -12 | 17 | -18 |
| Total operating expenses | -452 | -428 | 6 | -881 |
| Loan losses | 16 | 26 | -38 | 63 |
| Impairment of securities held as financial non-current assets | 0 | 0 | 0 | -2 |
| Disposals of tangible and intangible assets | 0 | 3 | -100 | 5 |
| Operating profit | 743 | 759 | -2 | 1,639 |
| Tax expense | -191 | -180 | 6 | -358 |
| Net profit for the period | 552 | 579 | -5 | 1,281 |

Business volumes, key items

| EURm | 30 Jun 2007 | 30 Jun 2006 | Change % | 31 Dec 2006 | Change % |
|-----------------------------------------|----------------|----------------|-------------|----------------|-------------|
| Loans and receivables to the public | 56,404 | 48,336 | 17 | 52,463 | 8 |
| Deposits and borrowings from the public | 37,067 | 34,370 | 8 | 35,689 | 4 |
| Equity | 10,032 | 12,779 | -21 | 13,479 | -26 |
| Total assets | 136,995 | 125,810 | 9 | 131,346 | 4 |

Ratios and key figures

| | Jan-Jun 2007 | Jan-Jun 2006 | Full year 2006 |
|------------------------------------------------------------------|-----------------|-----------------|-------------------|
| Return on equity, % | 9.4 | 9.3 | 10.0 |
| Cost/income ratio, % | 38 | 37 | 36 |
| Tier 1 capital ratio ^{1,2} , % | 13.7 | 17.0 | 13.8 |
| Total capital ratio ^{1,2} , % | 15.5 | 19.1 | 16.0 |
| Tier 1 capital ^{1,2} , EURm | 9,107 | 11,558 | 8,998 |
| Risk-weighted assets ¹ , EURm | 66,460 | 68,022 | 65,270 |
| Number of employees (full-time equivalents) ¹ | 9,307 | 9,076 | 9,060 |
| Average number of employees (full-time equivalents) ¹ | 9,127 | 8,989 | 9,024 |

¹ End of period.

² Jan-Jun figures excluding profit for the period.

Formulas used

Return on equity, %:

100 x (Operating profit after taxes) / (Shareholders' equity (average for beginning and end of year))

Cost/income ratio, %:

100 x (Total operating expenses/Total operating income)

Half-year development

| | Jan-Jun 2007 | Jan-Jun 2006 |
|--------------------------------------------|-----------------|-----------------|
| Net fee and commission income, EURm | | |
| Asset Management commissions | 27 | 23 |
| Life insurance | 7 | 7 |
| Brokerage | 22 | 25 |
| Custody | 19 | 11 |
| Deposits | 2 | 2 |
| Total savings related commissions | 77 | 68 |
| Payments | 73 | 71 |
| Cards | 22 | 20 |
| Total payment commissions | 95 | 91 |
| Lending | 44 | 43 |
| Guarantees and document payments | 28 | 24 |
| Total lending related commissions | 72 | 67 |
| Other commission income | 23 | 21 |
| Fee and commission income | 267 | 247 |
| Payment expenses | -23 | -21 |
| Other commission expenses | -85 | -71 |
| Fee and commission expenses | -108 | -92 |
| Net fee and commission income | 159 | 155 |

| | Jan-Jun 2007 | Jan-Jun 2006 |
|----------------------------------------------|-----------------|-----------------|
| General administrative expenses, EURm | | |
| Staff | -247 | -235 |
| Profit sharing | -7 | -9 |
| Information technology ¹ | -59 | -53 |
| Marketing | -15 | -13 |
| Postage, telephone and office expenses | -19 | -18 |
| Rents, premises and real estate expenses | -40 | -39 |
| Other | -51 | -49 |
| Total | -438 | -416 |

¹ Refers to IT operations, service expenses and consultant fees. Total IT-related costs including staff etc, were EUR 77m in the first half of 2007 (EUR 73m in the first half of 2006).

Income statement

| EURm | Note | Jan-Jun 2007 | Jan-Jun 2006 | Full year 2006 |
|-------------------------------------------------------------------------------------|------|-----------------|-----------------|-------------------|
| Operating income | | | | |
| <i>Interest income</i> | | 2,391 | 1,646 | 3,626 |
| <i>Interest expense</i> | | -1,594 | -997 | -2,211 |
| Net interest income | | 797 | 649 | 1,415 |
| <i>Fee and commission income</i> | | 267 | 247 | 497 |
| <i>Fee and commission expense</i> | | -108 | -92 | -189 |
| Net fee and commission income | | 159 | 155 | 308 |
| Net gains/losses on items at fair value | 2 | 185 | 270 | 408 |
| Profit from companies accounted for under the equity method | | -1 | 24 | 31 |
| Dividends | | 1 | 2 | 2 |
| Other operating income | | 38 | 58 | 290 |
| Total operating income | | 1,179 | 1,158 | 2,454 |
| Operating expenses | | | | |
| General administrative expenses: | | | | |
| Staff costs | | -254 | -244 | -504 |
| Other expenses | | -184 | -172 | -359 |
| Depreciation, amortisation and impairment charges of tangible and intangible assets | | -14 | -12 | -18 |
| Total operating expenses | | -452 | -428 | -881 |
| Loan losses | 3 | 16 | 26 | 63 |
| Impairment of securities held as financial non-current asset | | 0 | 0 | -2 |
| Disposals of tangible and intangible assets | | 0 | 3 | 5 |
| Operating profit | | 743 | 759 | 1,639 |
| Tax expense | | -191 | -180 | -358 |
| Net profit for the period | | 552 | 579 | 1,281 |
| Attributable to: | | | | |
| Shareholders of Nordea Bank Finland Plc | | 551 | 578 | 1,279 |
| Minority interests | | 1 | 1 | 2 |
| Total | | 552 | 579 | 1,281 |

Balance sheet

| EURm | Note | 30 Jun 2007 | 31 Dec 2006 | 30 Jun 2006 |
|---------------------------------------------------------------------------------|------|----------------|----------------|----------------|
| Assets | | | | |
| Cash and balances with central banks | | 1,965 | 1,151 | 1,456 |
| Treasury bills and other eligible bills | | 2,230 | 2,877 | 2,965 |
| Loans and receivables to credit institutions | 4 | 41,365 | 47,031 | 44,130 |
| Loans and receivables to the public | 4 | 56,404 | 52,463 | 48,336 |
| Interest-bearing securities | | 1,090 | 1,161 | 937 |
| Financial instruments pledged as collateral | | 25 | 100 | 105 |
| Shares | | 986 | 603 | 406 |
| Derivatives | 6 | 30,440 | 23,692 | 24,371 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | | -95 | -54 | -15 |
| Investments in associated undertakings | | 78 | 83 | 223 |
| Intangible assets | | 23 | 13 | 15 |
| Property and equipment | | 94 | 89 | 76 |
| Investment property | | 4 | 4 | 34 |
| Deferred tax assets | | 332 | 468 | 630 |
| Current tax assets | | 10 | 12 | 6 |
| Retirement benefit assets | | 55 | 52 | 53 |
| Other assets | | 1,421 | 1,112 | 1,643 |
| Prepaid expenses and accrued income | | 568 | 489 | 439 |
| Total assets | | 136,995 | 131,346 | 125,810 |
| Liabilities | | | | |
| Deposits by credit institutions | | 22,054 | 29,233 | 23,099 |
| Deposits and borrowings from the public | | 37,067 | 35,689 | 34,370 |
| Debt securities in issue | | 30,208 | 22,680 | 25,362 |
| Derivatives | 6 | 30,869 | 24,057 | 24,129 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | | -139 | -147 | -153 |
| Current tax liabilities | | 40 | 24 | 42 |
| Other liabilities | | 4,264 | 3,790 | 3,734 |
| Accrued expenses and prepaid income | | 907 | 758 | 630 |
| Deferred tax liabilities | | 24 | 23 | 14 |
| Provisions | | 89 | 39 | 38 |
| Retirement benefit obligations | | 46 | 56 | 60 |
| Subordinated liabilities | | 1,534 | 1,665 | 1,706 |
| Total liabilities | | 126,963 | 117,867 | 113,031 |
| Equity | 7 | | | |
| Minority interests | | 6 | 6 | 6 |
| Share capital | | 2,319 | 2,319 | 2,319 |
| Share premium account | | 599 | 599 | 599 |
| Other reserves | | 2,899 | 2,899 | 2,882 |
| Retained earnings | | 4,209 | 7,656 | 6,973 |
| Total equity | | 10,032 | 13,479 | 12,779 |
| Total liabilities and equity | | 136,995 | 131,346 | 125,810 |
| Assets pledged as security for own liabilities | | 7,018 | 8,159 | 6,338 |
| Other assets pledged | | 252 | 488 | 101 |
| Contingent liabilities | | 10,675 | 8,441 | 7,554 |
| Commitments | | 2,730,580 | 2,316,387 | 2,274,509 |

Statement of recognised income and expense

| | 30 Jun 2007 | 30 Jun 2006 |
|-----------------------------------------------------------|----------------|----------------|
| EURm | | |
| Currency translation differences during the period | 2 | -1 |
| Cash flow hedges: | | |
| Gains/losses taken to equity | - | -2 |
| Net income recognised directly in equity | 2 | -3 |
| Net profit for the period | 552 | 579 |
| Total recognised income and expense for the period | 554 | 576 |
| Attributable to: | | |
| Shareholders of Nordea Bank Finland Plc | 553 | 575 |
| Minority interests | 1 | 1 |
| Total | 554 | 576 |

Cash flow statement

| | Jan-Jun 2007 | Jan-Jun 2006 |
|----------------------------------------------------------------------------------------|-----------------|-----------------|
| EURm | | |
| <i>Operating activities</i> | | |
| Operating profit | 743 | 759 |
| Adjustments for items not included in cash flow | 142 | -169 |
| Income taxes paid | -55 | -42 |
| Cash flow from operating activities before changes in operating assets and liabilities | 830 | 548 |
| Changes in operating assets and liabilities | 151 | -2,477 |
| Cash flow from operating activities | 981 | -1,929 |
| <i>Investing activities</i> | | |
| Sale/acquisition of group undertakings | 13 | 22 |
| Sale/acquisition of associated undertakings | 6 | - |
| Property and equipment | -26 | -5 |
| Intangible assets | -3 | - |
| Cash flow from investing activities | -10 | 17 |
| <i>Financing activities</i> | | |
| Issued/amortised subordinated liabilities | -131 | -199 |
| Dividend paid | -4,000 | - |
| Other changes | 2 | - |
| Cash flow from financing activities | -4,129 | -199 |
| Cash flow for the period | -3,158 | -2,111 |
| Cash and cash equivalents at beginning of period | 16,467 | 12,098 |
| Exchange rate difference | - | -2 |
| Cash and cash equivalents at end of period | 13,309 | 9,985 |
| Change | -3,158 | -2,111 |
| Cash and cash equivalents | 30 Jun | 30 Jun |
| The following items are included in cash and cash equivalents (EURm): | <u>2007</u> | <u>2006</u> |
| Cash and balances with central banks | 1,965 | 1,456 |
| Loans and receivables to credit institutions, payable on demand | 11,344 | 8,529 |

Cash comprises legal tender and bank notes in foreign currencies. Balances with central banks consist of deposits in accounts with central banks and postal giro systems under government authority, where the following conditions are fulfilled:

- the central bank or the postal giro system is domiciled in the country where the institution is established
- the balance on the account is readily available at any time.

Loans and receivables to credit institutions, payable on demand include liquid assets not represented by bonds or other interest-bearing securities.

Notes

Note 1 Accounting policies

NBF's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) endorsed by the EU, the Finnish Accounting Act and to applicable parts according to the Finnish Credit Institutions Act, the Financial Supervision Authority's regulations and Guidelines and the Decree of the Ministry of Finance on the financial statements and consolidated financial statements of credit institutions.

These statements have not been prepared in accordance with IAS 34, Interim Financial Reporting and the report is unaudited.

Basis for presentation

The accounting policies and the basis for calculations are, in all material aspects, unchanged in comparison with the 2006 Annual Report.

Share-based payments

As mentioned in the text, a share-based payment programme, referred to as the "Long Term Incentive Programme", was introduced in the second quarter. The fair value of the share rights was measured on the grant date and will be recognised as an expense over a period of 24 months.

The total number of share rights in Nordea's Long Term Incentive Programme represents a maximum of 3,120,000 ordinary shares, of which 650,000 are Matching Shares and 1,950,000 are Performance Shares. The remaining 520,000 ordinary shares are available to cover mainly social security costs. The value of the rights is recognised in the income statement with a corresponding increase in unrestricted equity. Social expenses are accrued until paid. The exercise prices of Matching Shares and Performance Shares are respectively EUR 4 and EUR 2. On the grant date the market values of the share rights were EUR 8.76 and 10.49 respectively. The expected amount, EUR 18m, is expensed over a period of 24 months. The maximum cost for LTIP 2007 equals approximately EUR 39m.

The expenses in NBF, equal to the amount at which the services from the employees are measured, will be met by shareholders' contribution. The current number of outstanding rights is 83,161. The expected cost for the programme amounts to EUR 3m, and is recognised over a period of 24 months. The maximum cost in NBF equals approximately EUR 6m. NBF has expensed EUR 0.1m in the first half of 2007.

| | Jan-Jun 2007 | Jan-Jun 2006 |
|--------------------------------------------------------------------|-----------------|-----------------|
| Note 2 Net gains/losses on items at fair value, EURm | | |
| Shares/participations and other share-related instruments | 15 | 28 |
| Interest-bearing securities and other interest-related instruments | 54 | 199 |
| Other financial instruments | 19 | -6 |
| Foreign exchange gains/losses | 97 | 49 |
| Total | 185 | 270 |

| | Jan-Jun 2007 | Jan-Jun 2006 |
|----------------------------------------------|-----------------|-----------------|
| Note 3 Loan losses, EURm | | |
| Loan losses divided by class, net | | |
| Loans and receivables to credit institutions | 0 | - |
| - of which write-offs and provisions | 0 | - |
| - of which reversals and recoveries | - | - |
| Loans and receivables to the public | 26 | 26 |
| - of which write-offs and provisions | -50 | -29 |
| - of which reversals and recoveries | 76 | 55 |
| Off-balance sheet items ¹ | -10 | 0 |
| - of which write-offs and provisions | -11 | 0 |
| - of which reversals and recoveries | 1 | 0 |
| Total | 16 | 26 |

Specification of loan losses

| | | |
|-----------------------------------------------------|-----------|-----------|
| Changes of allowance accounts in the balance sheet | 6 | 21 |
| - of which Loans and receivables | 16 | 21 |
| - of which Off-balance sheet items ¹ | -10 | 0 |
| Changes directly recognised in the income statement | 10 | 5 |
| - of which realised loan losses | -1 | -4 |
| - of which realised recoveries | 11 | 9 |
| Total | 16 | 26 |

¹ Included in Provisions in the balance sheet.

Note 4 Loans and receivables and their impairment

| | Total | | |
|-----------------------------------------------------|----------------|-----------------------------|-----------------------------|
| | 30 Jun 2007 | 31 Dec 2006 ¹ | 30 Jun 2006 ¹ |
| EURm | | | |
| Loans and receivables, not impaired | 97,458 | 99,228 | 92,214 |
| Impaired loans and receivables: | 606 | 651 | 669 |
| - Performing | 401 | 457 | 454 |
| - Non-performing | 205 | 194 | 215 |
| Loans and receivables before allowances | 98,064 | 99,879 | 92,883 |
| Allowances for individually assessed impaired loans | -200 | -263 | -290 |
| - Performing | -116 | -163 | -185 |
| - Non-performing | -84 | -100 | -105 |
| Allowances for collectively assessed impaired loans | -95 | -122 | -127 |
| Allowances | -295 | -385 | -417 |
| Loans and receivables, book value | 97,769 | 99,494 | 92,466 |

| | Credit institutions | | | The public | | |
|-----------------------------------------------------|---------------------|----------------|----------------|----------------|-----------------------------|-----------------------------|
| | 30 Jun 2007 | 31 Dec 2006 | 30 Jun 2006 | 30 Jun 2007 | 31 Dec 2006 ¹ | 30 Jun 2006 ¹ |
| EURm | | | | | | |
| Loans and receivables, not impaired | 41,366 | 47,031 | 44,130 | 56,092 | 52,197 | 48,084 |
| Impaired loans and receivables: | - | - | - | 606 | 651 | 669 |
| - Performing | - | - | - | 401 | 457 | 454 |
| - Non-performing | - | - | - | 205 | 194 | 215 |
| Loans and receivables before allowances | 41,366 | 47,031 | 44,130 | 56,698 | 52,848 | 48,753 |
| Allowances for individually assessed impaired loans | - | - | - | -200 | -263 | -290 |
| - Performing | - | - | - | -116 | -163 | -185 |
| - Non-performing | - | - | - | -84 | -100 | -105 |
| Allowances for collectively assessed impaired loans | -1 | - | - | -94 | -122 | -127 |
| Allowances | -1 | - | - | -294 | -385 | -417 |
| Loans and receivables, book value | 41,365 | 47,031 | 44,130 | 56,404 | 52,463 | 48,336 |

¹ Restated

Reconciliation of allowance accounts for impaired loans

| Loans and receivables, EURm | Credit institutions | | The public | | Total | | Total |
|---------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------|
| | Individually assessed | Collectively assessed | Individually assessed | Collectively assessed | Individually assessed | Collectively assessed | |
| Opening balance at 1 Jan 2007 | - | - | -263 | -122 | -263 | -122 | -385 |
| Provisions | - | 0 | -12 | -37 | -12 | -37 | -49 |
| Reversals | - | - | 48 | 18 | 48 | 18 | 66 |
| Changes through the income statement | - | 0 | 36 | -19 | 36 | -19 | 17 |
| Allowances used to cover write-offs | - | - | 10 | 0 | 10 | 0 | 10 |
| Currency translation differences and reclassifications ² | - | -1 | 17 | 47 | 17 | 46 | 63 |
| Closing balance at 30 Jun 2007 | - | -1 | -200 | -94 | -200 | -95 | -295 |
| Opening balance at 1 Jan 2006 | - | - | -333 | -130 | -333 | -130 | -463 |
| Provisions | - | - | -9 | -15 | -9 | -15 | -24 |
| Reversals | - | - | 32 | 13 | 32 | 13 | 45 |
| Changes through the income statement | - | - | 23 | -2 | 23 | -2 | 21 |
| Allowances used to cover write-offs | - | - | 23 | - | 23 | - | 23 |
| Currency translation differences | - | - | -3 | 5 | -3 | 5 | 2 |
| Closing balance at 30 Jun 2006 | - | - | -290 | -127 | -290 | -127 | -417 |

² Mainly reclassification to off-balance sheet items

Note 4, continued

Allowances and provisions

| | 30 Jun 2007 | 31 Dec 2006 | 30 Jun 2006 |
|-------------------------------------------|----------------|----------------|----------------|
| EURm | | | |
| Allowances for items in the balance sheet | -295 | -385 | -417 |
| Provisions for off balance sheet items | -73 | - | - |
| Total allowances and provisions | -368 | -385 | -417 |

Key ratios

| | 30 Jun 2007 | 31 Dec 2006 | 30 Jun 2006 |
|------------------------------------------------------------------------|----------------|----------------|----------------|
| Impairment rate, gross ¹ , % | 0.6 | 0.7 | 0.7 |
| Impairment rate, net ² , % | 0.4 | 0.4 | 0.4 |
| Total allowance rate ³ , % | 0.3 | 0.4 | 0.4 |
| Allowance rate, impaired loans ⁴ , % | 33.0 | 40.4 | 43.3 |
| Non-performing loans and receivables, not impaired ⁵ , EURm | 5 | 5 | 5 |

¹ Individually assessed impaired loans and receivables before allowances divided by total loans and receivables before allowances, %

² Individually assessed impaired loans and receivables after allowances divided by total loans and receivables before allowances, %

³ Total allowances divided by total loans and receivables before allowances, %

⁴ Allowances for individually assessed impaired loans and receivables divided by individually assessed impaired loans and receivables before allowances, %

⁵ Past due loans and receivables, not impaired due to future cash flows (included in Loans and receivables, not impaired).

Note 5 Classification of financial instruments, EURm

| | | | | | Derivatives used for hedging | Available for sale | Total |
|------------------------------------------------------------------------------------|--------------------------|---------------------|---------------------|-------------------------|------------------------------------|-----------------------|----------------|
| 30 Jun 2007 | Loans and receivables | Held to maturity | Held for trading | Assets at fair value | | | |
| Financial assets | | | | | | | |
| Cash and balances with central banks | 1,965 | | | | | | 1,965 |
| Treasury bills and other eligible bills | | | 2,230 | | | | 2,230 |
| Loans and receivables to credit institutions | 40,144 | | 1,221 | | | | 41,365 |
| Loans and receivables to the public | 56,404 | | | | | | 56,404 |
| Interest-bearing securities | | | 350 | 735 | | 5 | 1,090 |
| Financial instruments pledged as collateral | | | 25 | | | | 25 |
| Shares | | | 967 | 19 | | | 986 |
| Derivatives | | | 30,222 | | 218 | | 30,440 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | -95 | | | | | | -95 |
| Other assets | 1,405 | | | | | | 1,405 |
| Prepaid expenses and accrued income | 452 | | | | | | 452 |
| Total | 100,275 | - | 35,015 | 754 | 218 | 5 | 136,267 |

| | | | | | Derivatives used for hedging | Other financial liabilities | Total |
|------------------------------------------------------------------------------------|--|--|---------------------|------------------------------|------------------------------------|-----------------------------------|----------------|
| 30 Jun 2007 | | | Held for trading | Liabilities at fair value | | | |
| Financial liabilities | | | | | | | |
| Deposits by credit institutions | | | | | | 22,054 | 22,054 |
| Deposits and borrowings from the public | | | | | | 37,067 | 37,067 |
| Debt securities in issue | | | 4,979 | | | 25,229 | 30,208 |
| Derivatives | | | 30,624 | | 244 | | 30,868 |
| Fair value changes of the hedged items in portfolio hedge of interest rate risk | | | | | | -139 | -139 |
| Other liabilities | | | 17 | | | 4,236 | 4,253 |
| Accrued expenses and prepaid income | | | | | | 616 | 616 |
| Subordinated liabilities | | | | | | 1,534 | 1,534 |
| Total | | | 35,620 | - | 244 | 90,597 | 126,461 |

Note 6 Derivatives, EURm

| | Assets Fair value | Liabilities Fair value | Total nom. amount |
|---------------------------------------------------|----------------------|---------------------------|----------------------|
| 30 Jun 2007 | | | |
| Derivatives held for trading | | | |
| Interest rate derivatives | 22,370 | 22,848 | 2,005,625 |
| Equity derivatives | 1,551 | 1,906 | 24,873 |
| Foreign exchange derivatives | 4,699 | 4,305 | 555,220 |
| Credit derivatives | 664 | 634 | 85,695 |
| Other derivatives | 938 | 932 | 10,563 |
| Total | 30,222 | 30,625 | 2,681,976 |
| Derivatives used for hedging | | | |
| Interest rate derivatives | 152 | 112 | 27,756 |
| Equity derivatives | - | - | - |
| Foreign exchange derivatives | 66 | 132 | 4,710 |
| Other derivatives | - | - | - |
| Total | 218 | 244 | 32,466 |
| Derivatives, total | | | |
| Interest rate derivatives | 22,522 | 22,960 | 2,033,381 |
| Equity derivatives | 1,551 | 1,906 | 24,873 |
| Foreign exchange derivatives | 4,765 | 4,437 | 559,930 |
| Credit derivatives | 664 | 634 | 85,695 |
| Other derivatives | 938 | 932 | 10,563 |
| Total | 30,440 | 30,869 | 2,714,442 |
| Of which contracts with Nordea Group undertakings | 931 | 913 | 91,937 |
| 31 Dec 2006 | | | |
| Derivatives held for trading | | | |
| Interest rate derivatives | 15,734 | 15,840 | 1,675,489 |
| Equity derivatives | 950 | 1,117 | 15,185 |
| Foreign exchange derivatives | 5,177 | 5,314 | 479,796 |
| Credit derivatives | 655 | 655 | 82,746 |
| Other derivatives | 905 | 894 | 11,359 |
| Total | 23,421 | 23,820 | 2,264,575 |
| Derivatives used for hedging | | | |
| Interest rate derivatives | 225 | 112 | 29,492 |
| Equity derivatives | - | - | - |
| Foreign exchange derivatives | 46 | 125 | 6,185 |
| Other derivatives | - | - | - |
| Total | 271 | 237 | 35,677 |
| Derivatives, total | | | |
| Interest rate derivatives | 15,959 | 15,952 | 1,704,981 |
| Equity derivatives | 950 | 1,117 | 15,185 |
| Foreign exchange derivatives | 5,223 | 5,439 | 485,981 |
| Credit derivatives | 655 | 655 | 82,746 |
| Other derivatives | 905 | 894 | 11,359 |
| Total | 23,692 | 24,057 | 2,300,252 |
| Of which contracts with Nordea Group undertakings | 421 | 481 | 73,141 |

Note 6, continued

| | Assets Fair value | Liabilities Fair value | Total nom. amount |
|---------------------------------------------------|----------------------|---------------------------|----------------------|
| 30 Jun 2006 | | | |
| Derivatives held for trading | | | |
| Interest rate derivatives | 16,918 | 16,686 | 1,619,756 |
| Equity derivatives | 642 | 672 | 13,582 |
| Foreign exchange derivatives | 4,788 | 4,791 | 500,371 |
| Credit derivatives | 424 | 418 | 71,172 |
| Other derivatives | 1,361 | 1,360 | 9,860 |
| Total | 24,133 | 23,927 | 2,214,741 |
| Derivatives used for hedging | | | |
| Interest rate derivatives | 201 | 119 | 41,146 |
| Equity derivatives | - | - | - |
| Foreign exchange derivatives | 37 | 83 | 3,478 |
| Other derivatives | - | - | - |
| Total | 238 | 202 | 44,624 |
| Derivatives, total | | | |
| Interest rate derivatives | 17,119 | 16,805 | 1,660,902 |
| Equity derivatives | 642 | 672 | 13,582 |
| Foreign exchange derivatives | 4,825 | 4,874 | 503,849 |
| Credit derivatives | 424 | 418 | 71,172 |
| Other derivatives | 1,361 | 1,360 | 9,860 |
| Total | 24,371 | 24,129 | 2,259,365 |
| Of which contracts with Nordea Group undertakings | 612 | 595 | 65,914 |

Note 7 Equity, EURm

| | Attributable to shareholders of Nordea Bank Finland Plc | | | | | | |
|-----------------------------------------------|---------------------------------------------------------|-----------------------|----------------|-------------------|----------------|-----------|--------------|
| | Share capital ¹ | Share premium account | Other reserves | Retained earnings | Minority Total | interests | Total equity |
| Opening balance at 1 Jan 2007 | 2,319 | 599 | 2,899 | 7,656 | 13,473 | 6 | 13,479 |
| Currency translation differences | | | | 2 | 2 | | 2 |
| Net income recognised directly in equity | - | - | - | 2 | 2 | - | 2 |
| Net profit for the period | | | | 551 | 551 | 1 | 552 |
| Total recognised income and expense in equity | - | - | - | 553 | 553 | 1 | 554 |
| Share-based payment / Contribution | | | | 0 | 0 | | 0 |
| Dividend for 2006 | | | | -4,000 | -4,000 | | -4,000 |
| Other changes | | | | | - | -1 | -1 |
| Closing balance at 30 Jun 2007 | 2,319 | 599 | 2,899 | 4,209 | 10,026 | 6 | 10,032 |

| Attributable to shareholders of Nordea Bank Finland Plc | | | | | | | |
|---------------------------------------------------------|----------------------------|-----------------------|----------------|-------------------|----------------|-----------|--------------|
| | Share capital ¹ | Share premium account | Other reserves | Retained earnings | Minority Total | interests | Total equity |
| Opening balance at 1 Jan 2006 | 2,319 | 599 | 2,884 | 6,396 | 12,198 | 6 | 12,204 |
| Net change in cash flow hedges, net of tax | | | -2 | | -2 | | -2 |
| Currency translation differences | | | | -1 | -1 | | -1 |
| Net income recognised directly in equity | - | - | -2 | -1 | -3 | - | -3 |
| Net profit for the period | | | | 578 | 578 | 1 | 579 |
| Total recognised income and expense in equity | - | - | -2 | 577 | 575 | 1 | 576 |
| Other changes | | | | | - | -1 | -1 |
| Closing balance at 30 Jun 2006 | 2,319 | 599 | 2,882 | 6,973 | 12,773 | 6 | 12,779 |

¹ Total shares registered was 1,030.8 million (31 Dec 2006: 1,030.8 million, 30 Jun 2006: 1,030.8 million).

Note 8 Capital Adequacy

In 2007 new regulations for calculating capital adequacy, referred to as Basel II, have been implemented. The new capital framework is based on a three-pillar approach, namely Pillar 1, minimum capital requirements, Pillar 2, the supervisory review, and Pillar 3, market discipline.

The main change compared to the former regulations, referred to as Basel I, is the introduction of a new risk type, operational risk. Moreover, different levels of sophistication for calculating credit risk and operational risk exist and incentives for the more advanced and risk sensitive methods are given. Further, the minimum capital requirement should be assessed in an Internal Capital Adequacy Assessment Process (ICAAP) to ensure that the institution under supervision is adequately capitalised and will remain so over the foreseeable future.

Basel II will not immediately become fully effective from a capital adequacy perspective since a transition period is stipulated, in which capital floors calculated based on Basel I set limits to the potential capital decrease. In 2007, the lowest accepted amount for RWA is 95% of the amount calculated in accordance with the Basel I regulations, for 2008 it is limited to 90% and 2009 to 80%. The transition period will end in 2010.

Nordea will gradually implement the more advanced methods to calculate minimum capital requirements.

For credit risk, Nordea has been approved to use foundation Internal Rating Based (IRB) methods for the Corporate and Institutions exposure classes from the second quarter 2007, which cover more than 50% of Nordea's credit portfolios. The other exposure classes, e.g. Retail and Sovereign are calculated according to the standardised methods. Nordea will gradually apply the advanced IRB approach. The next step will be to start the implementation according to the IRB method for the Retail exposure class. The foundation IRB method allows the institution to use its internal rating

system and own estimates of Probability of Default (PD) whereas the advanced IRB method also allows the institution to use internal models and estimates of Loss Given Default (LGD) and Credit Conversion Factors (CCF).

For market risk, Nordea received the approval Q4 2006 under Basel I for using the internal VaR models for calculating general and specific risk for the larger part of the trading book portfolio. Under a transition period the remaining part of the market risk in the trading book is calculated using the standardised methods.

For operational risk, Nordea has chosen to use the standardised approach for calculating the minimum capital requirement. The method and the operational risk management framework have been reviewed by the supervisors and assessed to fulfil all requirements for using the standardised approach. Nordea has for several years been collecting data on operational risk events, but no outright date for applying for the advanced measurement approach has been set.

In May 2007 Nordea submitted an ICAAP report to the supervisors, i.e. a report stating and explaining Nordea's required and available capital including stressed scenarios. The required capital is calculated based on Nordea's Economic Capital framework with adjustments for stressed scenarios and other input, such as strategic objectives. The available capital is calculated as the capital base. The conclusion in the report is that Nordea is well capitalised even under stressed scenarios. The supervisors will review the report under the Supervisory Review and Evaluation Process.

The final Basel II report will be submitted to the FSAs at a later date and the RWAs presented in this report may be subject to adjustments.

Note 8, continued

| Capital Base | 30 Jun 2007 ¹ | 30 Jun 2007 ¹ | 31 Dec 2006 | 30 Jun 2006 ¹ |
|---------------------|-----------------------------|-----------------------------|----------------|-----------------------------|
| EURm | Basel II | Basel I | Basel I | Basel I |
| Tier 1 capital | 9,107 | 9,107 | 8,998 | 11,558 |
| Total capital base | 10,332 | 10,306 | 10,433 | 13,002 |

¹ Excluding the result for the period

| Capital requirements | 30 Jun 2007 | 30 Jun 2007 | 30 Jun 2007 | 31 Dec 2006 | 30 Jun 2006 |
|----------------------------------|------------------------|----------------|----------------|----------------|----------------|
| EURm | Capital requirement | RWA | RWA | RWA | RWA |
| Credit risk | 4,843 | 60,532 | 63,016 | 59,151 | 55,307 |
| IRB foundation | 1,922 | 24,027 | na | na | na |
| - of which corporate | 1,496 | 18,704 | na | na | na |
| - of which institutions | 394 | 4,927 | na | na | na |
| - of which other | 32 | 396 | na | na | na |
| Standardised | 2,921 | 36,505 | na | na | na |
| - of which retail | 1,183 | 14,787 | na | na | na |
| - of which sovereign | 8 | 95 | na | na | na |
| - of which other | 1,730 | 21,623 | na | na | na |
| Basel I | na | na | na | 59,151 | na |
| Market risk | 85 | 1,063 | 6,600 | 6,119 | 12,715 |
| - of which trading book, VaR | 60 | 752 | na | 842 | na |
| - of which trading book, non-VaR | 25 | 311 | na | 5,277 | na |
| - of which FX, non-VaR | 0 | 0 | na | 0 | na |
| Operational risk | 272 | 3,403 | na | na | na |
| Standardised | 272 | 3,403 | na | na | na |
| Total | 5,200 | 64,998 | 69,616 | 65,270 | 68,022 |

Adjustment for floor rules

| | | | | | |
|---------------------------------------------------------|--------------|---------------|---------------|---------------|---------------|
| Additional capital requirement according to floor rules | 117 | 1,462 | na | na | na |
| Total reported | 5,317 | 66,460 | 69,616 | 65,270 | 68,022 |

| Capital ratio | 30 Jun 2007 | 30 Jun 2007 | 31 Dec 2006 ² | 30 Jun 2006 ² |
|--------------------------------|----------------|----------------|-----------------------------|-----------------------------|
| Tier I ratio, %, incl. profit | 14.5 | 13.9 | 13.8 | 17.8 |
| Capital ratio, %, incl. profit | 16.4 | 15.6 | 16.0 | 19.9 |
| Tier I ratio, %, excl. profit | 13.7 | 13.1 | 11.8 | 17.0 |
| Capital ratio, %, excl. profit | 15.5 | 14.8 | 14.0 | 19.1 |

² No floor applied for 2006

| Analysis of capital requirements | Average risk weight, % | Capital requirement EURm |
|-----------------------------------------|------------------------------|--------------------------------|
| Exposure class | | |
| Corporate | 57 | 1,496 |
| Institutions | 21 | 394 |
| Retail | 51 | 1,183 |
| Sovereign | 1 | 8 |
| Other | 43 | 1,762 |
| Total credit risk | | 4,843 |

Note 9 Off-balance sheet commitments, EURm

| | 30 Jun | 31 Dec | 30 Jun |
|--------------------------------------------|---------------|---------------|---------------|
| EURm | 2007 | 2006 | 2006 |
| Guarantees | 8,609 | 6,628 | 5,886 |
| Other contingent liabilities | 2,066 | 1,813 | 1,668 |
| Stand-by facilities | 7,914 | 6,645 | 6,389 |
| Unused credit lines | 7,853 | 8,994 | 8,152 |
| Other commitments | 371 | 488 | 603 |
| Total | 26,813 | 24,568 | 22,698 |
| Of which on behalf of associated companies | 20 | 13 | 13 |

Note 10 Assets pledged, EURm

| | Pledges | Mortgages | Other collateral | Total |
|-------------------------------------------------------|----------|-----------|------------------|--------------|
| 30 Jun 2007 | | | | |
| Assets pledged as security for own liabilities | - | - | 20 | 20 |
| Assets pledged on own behalf for other purposes | - | - | 6,998 | 6,998 |
| Assets pledged on behalf of Nordea group undertakings | - | - | - | - |
| Assets pledged on behalf of other parties | - | - | 252 | 252 |
| - of which to related party management | - | - | - | - |
| Total | - | - | 7,270 | 7,270 |

31 Dec 2006

| | | | | |
|-------------------------------------------------------|----------|----------|--------------|--------------|
| Assets pledged as security for own liabilities | - | - | - | - |
| Assets pledged on own behalf for other purposes | - | - | 8,159 | 8,159 |
| Assets pledged on behalf of Nordea group undertakings | - | - | 100 | 100 |
| Assets pledged on behalf of other parties | - | - | 388 | 388 |
| - of which to related party management | - | - | - | - |
| Total | - | - | 8,647 | 8,647 |

30 Jun 2006

| | | | | |
|-------------------------------------------------------|----------|----------|--------------|--------------|
| Assets pledged as security for own liabilities | - | - | - | - |
| Assets pledged on own behalf for other purposes | - | - | 6,335 | 6,335 |
| Assets pledged on behalf of Nordea group undertakings | - | - | 101 | 101 |
| Assets pledged on behalf of other parties | - | - | - | - |
| - of which to related party management | - | - | - | - |
| Total | - | - | 6,436 | 6,436 |

In addition to the above commitments, NBF had sold EUR 3m debt securities with repurchase agreements.

Stockholm, 18 July 2007
Board of Directors