

Interim Report January–June 2008

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, approx. 1,300 branch offices and a leading netbanking position with 4.9 million e-customers. The Nordea share is listed on the OMX Nordic Exchange in Stockholm, Helsinki and Copenhagen.

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Nordea Bank Finland Group

Result summary January-June 2008

The first six months of 2008 were characterised by maintained high income and profit levels despite negative effects from volatile and weakened financial markets. NBF's total income increased by 18% to EUR 1,394m (1,179) and total expenses by 7% to EUR 484m (452). (The comparison figures in brackets refer to the first six months of 2007.)

NBF's operating profit was up by 19% compared to the same period in 2007 and amounted to EUR 884m (743). Return on equity was 12.9% (9.4%) and the cost/income ratio 35% (38%). Loan losses amounted to EUR 26m (16m positive loan losses). Net profit increased by 25% to EUR 689m (552).

Market development in the first half of 2008

In Finland, economic growth slowed down in the first half of 2008, but remained robust. Employment grew strongly and unemployment continued to drop. However, the global rise of oil and food prices caused inflation to accelerate to over 4% in the spring. High inflation also turned the market rates up again. The price and rate rise as well as worrying news about the global economy weakened consumer confidence at the beginning of summer. Share prices fell as well.

Income

Total income increased by 18% to EUR 1,394m. The income growth is driven by volume growth as well as the high activity level in the customer-driven capital markets operations. The strong growth in net interest income continued, supported by positive trends both in lending and deposits. Net interest income totalled EUR 855m (744). Total lending to the public increased by 18% year-on-year to EUR 66.5bn. Deposits and borrowings from the public increased by 16% year-on-year to EUR 43.1bn.

Net commission income decreased by 8% to EUR 146m, with savings related commissions negatively affected by the weak equity markets, lower transaction activity and a shift from funds to savings deposit accounts. Lending-related commissions increased somewhat whereas payment commissions were stable. Development in other commissions was favourable as commissions from securities issues increased. Total commission expenses increased by 15% mainly due to higher transaction volumes.

Net gains/losses at fair value increased by 52% to EUR 379m (249). The customer-driven capital markets operations continued to perform strongly, with the continued high transaction activity. All product areas were able to perform better than in the previous year. The negative impact on net gains/losses from specific valuation losses due to the credit market turmoil has continued to be limited.

Profit from companies accounted for under the equity method increased to EUR 1m (-1).

Other operating income decreased to EUR 13m (28) as no major capital gains realised during the first half of 2008.

Expenses

Total operating expenses increased by 7% and amounted to EUR 484m (452).

Staff costs increased by 9% to EUR 276m (254) following a higher number of employees, investments in growth areas and wage inflation. The number of full-time employees increased by approximately 320 year-on-year, largely in the Baltic area.

Other operating expenses totalled EUR 193m (184), up by 5% compared to last year. The higher activity level and investments in growth areas mainly explain the increase.

Depreciation of tangible and intangible assets increased slightly to EUR 15m (14).

The cost/income ratio was 35% compared to 38% in the first half of 2007.

Loan losses

As expected recoveries and reversals were lower than last year, whereas new provisions were nearly at unchanged and modest levels. Net loan losses of EUR 26m (positive loan losses 16m) were recorded in the first half year.

Taxes

The effective tax rate for the first half of 2008 was approximately 22%. In the first half of 2007, the effective tax rate was approximately 26%.

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 customer areas, all of which operate across national boundaries: Nordic Banking, Private Banking and Institutional & International Banking. 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.

Net profit

Net profit increased by 25% to EUR 689m (552) corresponding to a return on equity of 12.9% compared to 9.4% in the first half of last year.

Balance sheet

(Comparison figures in brackets refer to December 2007 figures)

The total assets of NBF amounted to EUR 177bn (147). The change mainly reflects strong growth in lending, higher balance sheet values of derivatives as well as increased intra-group transactions.

Despite the higher interest rate levels the growth rate of the housing loan stock was still double digit in Finland. In the Baltic area the growth rate has been very strong despite the more challenging macroeconomic development. Loans to the public grew by 10% compared with the end of 2007. 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 43.1bn (41.7).

Capital position and capital management

At the end of June, NBF's risk-weighted amounts (RWA) were EUR 73.3bn excluding transition rules, compared to EUR 66.1bn at year-end 2007. The increase is explained by volume increases. RWA including transition rules increased by EUR 5.7bn to EUR 76.7bn.

Excluding transition rules, the tier 1 ratio was 13.4% and the total capital ratio was 14.9%. Including transition rules, the tier 1 ratio was 12.8% and the total capital ratio was 14.2%. Profit for the period has not been included in tier 1.

During 2008, Nordea has an ongoing approval process for its internal-rating-based (IRB) models for its Retail credit portfolio.

Credit portfolio

Total lending was EUR 66.5bn (60.6) at the end of June 2008. The share of lending to corporate customers was 54%. There was no major change in the composition of the credit portfolio.

Credit quality in the well diversified lending portfolio remained strong, with no industry sector showing any material change in credit strength since the beginning of the year.

Impaired loans gross increased to EUR 755m at the end of June 2008 compared to EUR 616m at the end of December. EUR 51m of this increase is attributable to the Baltic countries. Individually assessed impaired

loans, net, amounted to EUR 569m (430) representing 0.6% of total loans and receivables before allowances, which was on the same level as at year-end 2007.

Off-balance sheet commitments

The total amount of off-balance sheet commitments increased to EUR 34.7bn (30.0). The increase mainly related to guarantees, as the centralisation of guarantee operations to NBF continued. The volumes of derivatives have continued to grow and they amounted to EUR 3,450bn (3,017).

Changes in the group structure

Nordea Bank Finland Plc has increased its ownership in Realia Holding Oy. NBF's share of the total capital invested is 36.8%.

Changes in the Board of Directors

President Markku Pohjola and the President's deputy Carl-Johan Granvik resigned from their positions as of 31 May 2008. The Board elected Carl-Johan Granvik President and Ari Kaperi his deputy as from 1 June 2008. Carl-Johan Granvik was elected the Deputy Chairman of the Board on 6 May 2008. Markku Pohjola resigned from his position as member of the Board as of 31 May 2008 and Michael Rasmussen was elected member of the Board as from 1 June 2008. Christian Clausen continues as Chairman of the Board and Arne Liljedahl and Peter Schütze as members of the Board. Markku Pohjola will retire on 31 July 2008.

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 the 2007 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.

New Group organisation from 1 June 2008

Nordea's Group organisation was revised from 1 June 2008, in line with the next steps in the development of the Group's operating model.

To further strengthen customer-orientation and local market focus and teamwork, a new position as national Head of Banking responsible for customer relations has been established in each of the four Nordic markets reporting to the Head of Nordic Banking.

Product development and product management will be enhanced by the establishment of a new product area, Capital Markets and Savings.

High quality and efficiency in product deliveries, technology and support will be targeted in the new combined product and operations area, Banking Products and Group Operations.

Outlook 2008

Signs of slowing international economic growth particularly in the US and in large parts of Europe, are becoming increasingly apparent. The Nordic economies have so far been relatively resilient in the face of the international slowdown, but the uncertainty has gradually increased.

Nordea Group's lending growth is expected to be lower in the remaining part of the year, but still at a high level. Corporate lending margins are expected to increase further.

Consensus for international equity markets continues to be fairly negative and therefore, Nordea Group does not foresee any significant improvement in commission income in the medium term.

In view of the uncertainty of Nordic macroeconomic growth prospects, the development in equity markets and the volatile financial markets, the uncertainty as to Nordea Group's outlook has increased correspondingly. Nordea Group still expects customer operations to deliver according to plans.

Nordea Group previously has communicated an expected growth in risk-adjusted profit of 5-10%. Nordea Group now expects to deliver a growth of approx. 5%, excluding the gain from the sale of NCSD. However, the development in the financial markets will affect the outcome and determine whether the growth will be somewhat above or below 5%. Nordea Bank Finland is expected to contribute to the growth.

Cost growth for Nordea Group for 2008 is expected to be somewhat higher than the growth rate in 2007.

The overall quality of the credit portfolio of Nordea Group remains strong, only the Baltic countries show increasing impaired loans although from a very low level. For the second half of 2008, Nordea Group expects somewhat higher net loan loss charges than in the first half of the year.

Stockholm, 21 July 2008
Board of Directors

Key financial figures

Income statement

EURm	Jan-Jun 2008	Jan-Jun 2007	Change %	Full year 2007
Net interest income	855	744	15	1,531
Net fee and commission income	146	159	-8	315
Net gains/losses on items at fair value	379	249	52	586
Equity method	1	-1	-200	2
Other income	13	28	-54	169
Total operating income	1,394	1,179	18	2,603
Staff costs	-276	-254	9	-515
Other expenses	-193	-184	5	-375
Depreciation of tangible and intangible assets	-15	-14	7	-29
Total operating expenses	-484	-452	7	-919
Profit before loan losses	910	727	25	1,684
Loan losses	-26	16	-263	20
Impairment of securities held as financial non-current assets	0	0		0
Disposals of tangible and intangible assets	0	0		0
Operating profit	884	743	19	1,704
Income tax expense	-195	-191	2	-339
Net profit for the period	689	552	25	1,365

Business volumes, key items

EURm	30 Jun 2008	30 Jun 2007	Change %	31 Dec 2007	Change %
Loans and receivables to the public	66,500	56,404	18	60,597	10
Deposits and borrowings from the public	43,085	37,067	16	41,709	3
Equity	10,629	10,032	6	10,793	-2
Total assets	176,666	136,995	29	147,254	20

Ratios and key figures

	Jan-Jun 2008	Jan-Jun 2007	Full year 2007
Return on equity, %	12.9	9.4	11.2
Cost/income ratio, %	35	38	35
Tier 1 capital ratio ^{1,2} , %	12.8	13.7	13.7
Total capital ratio ^{1,2} , %	14.2	15.5	15.3
Tier 1 capital ^{1,2} , EURm	9,833	9,107	9,725
Risk-weighted assets ¹ , EURm	76,749	66,460	71,044
Number of employees (full-time equivalents) ¹	9,631	9,307	9,347

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 2008	Jan-Jun 2007
Net fee and commission income, EURm		
Asset Management commissions	23	27
Life insurance	4	7
Brokerage	10	22
Custody	26	19
Deposits	2	2
Total savings related commissions	65	77
Payments	73	73
Cards	22	22
Total payment commissions	95	95
Lending	37	44
Guarantees and documentary payments	39	28
Total lending related commissions	76	72
Other commission income	34	23
Fee and commission income	270	267
Payment expenses	-29	-23
Other commission expenses	-95	-85
Fee and commission expenses	-124	-108
Net fee and commission income	146	159

	Jan-Jun 2008	Jan-Jun 2007
General administrative expenses, EURm		
Staff	-276	-254
Information technology ¹	-61	-59
Marketing	-18	-15
Postage, telephone and office expenses	-21	-19
Rents, premises and real estate expenses	-42	-40
Other	-51	-51
Total	-469	-438

¹ Refers to IT operations, service expenses and consultant fees. Total IT-related costs including staff etc, were EUR 85m in the first half of 2008 (EUR 77m in the first half of 2007).

Segment reporting

EURm	Customer Areas								
	Nordic Banking		Inst. & International Banking		Other customer operations		Total customer areas		
	Jan-Jun		Jan-Jun		Jan-Jun		Jan-Jun		
Customer responsible units	2008	2007	2008	2007	2008	2007	2008	2007	%
Income statement									
Net interest income	550	509	85	64	12	12	647	585	11%
Net fee and commission income	230	278	54	47	-83	-81	201	244	-18%
Net gains/losses on items at fair value	76	56	26	17	249	161	351	234	50%
Equity method	1	0	0	0	0	0	1	0	
Other income	5	6	1	0	0	0	6	6	0%
Total operating income	862	849	166	128	178	92	1,206	1,069	13%
Staff costs	-146	-144	-31	-25	-21	-24	-198	-193	3%
Other expenses	-236	-222	-23	-24	13	5	-246	-241	2%
Depreciations of tangible and intangible assets	-2	0	-1	-2	0	0	-3	-2	50%
Total operating expenses	-384	-366	-55	-51	-8	-19	-447	-436	3%
Loan losses	-8	41	-21	-35	0	0	-29	6	-583%
Disposals of tangible and intangible assets	0	0	0	0	0	0	0	0	
Operating profit	470	524	90	42	170	73	730	639	14%
Balance sheet									
Loans and receivables to the public	46,562	38,038	13,728	4,286	0	0	60,290	42,324	42%
Other assets	528	484	35,872	1,276	52,507	38,257	88,907	40,017	122%
Total assets	47,090	38,522	49,600	5,562	52,507	38,257	149,197	82,341	81%
Deposits and borrowings from the public	32,323	26,616	6,850	2,303	0	0	39,173	28,919	35%
Other liabilities	14,297	11,382	42,660	3,217	52,337	38,184	109,294	52,783	107%
Total liabilities	46,620	37,998	49,510	5,520	52,337	38,184	148,467	81,702	82%
Equity	470	524	90	42	170	73	730	639	14%
Total liabilities and equity	47,090	38,522	49,600	5,562	52,507	38,257	149,197	82,341	81%

Segment reporting, *continued*

EURm	Other				Group		
	Group Corporate Centre		Group Functions and Eliminations		Total		
	Jan-Jun		Jan-Jun		Jan-Jun		
Customer responsible units	2008	2007	2008	2007	2008	2007	%
Income statement							
Net interest income	180	137	28	22	855	744	15%
Net fee and commission income	-1	-1	-54	-84	146	159	-8%
Net gains/losses on items at fair value	-4	-4	32	19	379	249	52%
Equity method	0	0	0	-1	1	-1	-200%
Other income	2	2	5	20	13	28	-54%
Total operating income	177	134	11	-24	1,394	1,179	18%
Staff costs	-4	-2	-74	-59	-276	-254	9%
Other expenses	-8	-12	61	69	-193	-184	5%
Depreciations of tangible and intangible assets	0	0	-12	-12	-15	-14	7%
Total operating expenses	-12	-14	-25	-2	-484	-452	7%
Loan losses	0	0	3	10	-26	16	-263%
Disposals of tangible and intangible assets	0	0	0	0	0	0	
Operating profit	165	120	-11	-16	884	743	19%
Balance sheet							
Loans and receivables to the public	142	121	6,068	13,959	66,500	56,404	18%
Other assets	76,252	59,645	-54,993	-19,071	110,166	80,591	37%
Total assets	76,394	59,766	-48,925	-5,112	176,666	136,995	29%
Deposits and borrowings from the public	3,865	4,273	47	3,875	43,085	37,067	12%
Other liabilities	72,364	55,373	-58,706	-18,260	122,952	89,896	37%
Total liabilities	76,229	59,646	-58,659	-14,385	166,037	126,963	31%
Equity	165	120	9,734	9,273	10,629	10,032	6%
Total liabilities and equity	76,394	59,766	-48,925	-5,112	176,666	136,995	29%

Income statement

EURm	Note	Jan-Jun 2008	Jan-Jun 2007	Full year 2007
Operating income				
<i>Interest income</i>		2,741	2,338	4,909
<i>Interest expense</i>		-1,886	-1,594	-3,378
Net interest income		855	744	1,531
<i>Fee and commission income</i>		270	267	532
<i>Fee and commission expense</i>		-124	-108	-217
Net fee and commission income		146	159	315
Net gains/losses on items at fair value	2	379	249	586
Profit from companies accounted for under the equity method		1	-1	2
Dividends		-	-	-
Other operating income		13	28	169
Total operating income		1,394	1,179	2,603
Operating expenses				
General administrative expenses:				
Staff costs		-276	-254	-515
Other expenses		-193	-184	-375
Depreciation, amortisation and impairment charges of tangible and intangible assets		-15	-14	-29
Total operating expenses		-484	-452	-919
Loan losses	3	-26	16	20
Impairment of securities held as financial non-current asset		0	0	0
Disposals of tangible and intangible assets		0	0	0
Operating profit		884	743	1,704
Income tax expense		-195	-191	-339
Net profit for the period		689	552	1,365
Attributable to:				
Shareholders of Nordea Bank Finland Plc		688	551	1,363
Minority interests		1	1	2
Total		689	552	1,365

Balance sheet

EURm	Note	30 Jun 2008	31 Dec 2007	30 Jun 2007
Assets				
Cash and balances with central banks		1,712	1,953	1,965
Treasury bills and other eligible bills		1,995	2,149	2,230
Loans and receivables to credit institutions	4	56,395	45,549	41,365
Loans and receivables to the public	4	66,500	60,597	56,404
Interest-bearing securities		2,292	2,215	1,090
Financial instruments pledged as collateral		-	-	25
Shares		982	1,465	986
Derivatives	6	43,686	30,731	30,440
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-106	-45	-95
Investments in associated undertakings		79	76	78
Intangible assets		53	48	23
Property and equipment		112	110	94
Investment property		4	4	4
Deferred tax assets		2	136	332
Current tax assets		83	21	10
Retirement benefit assets		66	59	55
Other assets		2,067	1,412	1,421
Prepaid expenses and accrued income		744	774	568
Total assets		176,666	147,254	136,995
Liabilities				
Deposits by credit institutions		38,432	26,789	22,054
Deposits and borrowings from the public		43,085	41,709	37,067
Debt securities in issue		32,968	29,635	30,208
Derivatives	6	44,134	32,012	30,869
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-57	-77	-139
Current tax liabilities		113	56	40
Other liabilities		4,940	3,970	4,264
Accrued expenses and prepaid income		1,075	979	907
Deferred tax liabilities		47	33	24
Provisions		52	45	89
Retirement benefit obligations		44	40	46
Subordinated liabilities		1,204	1,270	1,534
Total liabilities		166,037	136,461	126,963
Equity	7			
Minority interests		6	7	6
Share capital		2,319	2,319	2,319
Share premium account		599	599	599
Other reserves		2,928	2,929	2,899
Retained earnings		4,777	4,939	4,209
Total equity		10,629	10,793	10,032
Total liabilities and equity		176,666	147,254	136,995
Assets pledged as security for own liabilities		8,699	7,311	7,018
Other assets pledged		-	-	252
Contingent liabilities		16,693	13,201	10,675
Commitments excluding derivatives		17,962	16,787	16,138
Derivative commitments		3,449,783	3,016,978	2,714,442

Statement of recognised income and expense

EURm	Jan-Jun 2008	Jan-Jun 2007	Full year 2007
Currency translation differences during the period	0	2	2
Available-for-sale investment:			
Valuation gains/losses taken to equity	-1	-	1
Group contribution	-	-	-54
Tax on items taken directly to or transferred from equity	0	-	0
Net income recognised directly in equity	-1	2	-51
Net profit for the period	689	552	1,365
Total recognised income and expense for the period	688	554	1,314
Attributable to:			
Shareholders of Nordea Bank Finland Plc	687	553	1,312
Minority interests	1	1	2
Total	688	554	1,314

Cash flow statement

EURm	Jan-Jun 2008	Jan-Jun 2007	Full year 2007
<i>Operating activities</i>			
Operating profit	884	743	1,704
Adjustments for items not included in cash flow	45	142	-31
Income taxes paid	-50	-55	-69
Cash flow from operating activities before changes in operating assets and liabilities	879	830	1,604
Changes in operating assets and liabilities	4,269	151	1,907
Cash flow from operating activities	5,148	981	3,511
<i>Investing activities</i>			
Sale/acquisition of group undertakings	-	13	73
Sale/acquisition of associated undertakings	-7	6	24
Property and equipment	-17	-26	-63
Intangible assets	-15	-3	-33
Other financial fixed assets	19	0	-4
Cash flow from investing activities	-20	-10	-3
<i>Financing activities</i>			
Issued/amortised subordinated liabilities	-43	-131	-415
Dividend paid	-850	-4,000	-4,000
Other changes	-2	2	-126
Cash flow from financing activities	-895	-4,129	-4,541
Cash flow for the period	4,233	-3,158	-1,033
Cash and cash equivalents at beginning of period	15,434	16,467	16,467
Exchange rate difference	0	-	0
Cash and cash equivalents at end of period	19,667	13,309	15,434
Change	4,233	-3,158	-1,033
Cash and cash equivalents	30 Jun	30 Jun	31 Dec
The following items are included in cash and cash equivalents (EURm):	<u>2008</u>	<u>2007</u>	<u>2007</u>
Cash and balances with central banks	1,712	1,965	1,953
Loans and receivables to credit institutions, payable on demand	17,955	11,344	13,481

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 been prepared in accordance with IAS 34 "Interim Financial Reporting". The interim report is unaudited.

Changed accounting policies and presentation

The accounting policies, basis for calculations and presentation are, in all material aspects, unchanged in comparison with the Annual Report 2007, except for the presentation of received dividends and income from private equity funds and other shares in the income statement.

Dividends received from group undertakings and associated undertakings are recognised on the separate income line "Dividends" in the parent company. In the group, dividends from group undertakings are eliminated and dividends from associated undertakings are reclassified to "Investments in associated undertakings". All other received dividends are recognised as "Net gains/losses on items at fair value". Comparative figures have been restated accordingly.

Investments in private equity funds have been reclassified to be valued at fair value through profit and loss according to IAS 28 rules regarding venture capital investors. Profits and losses from these investments have been reclassified from "Other operating income" to "Net gains/losses on items at fair value". Comparative figures have been restated accordingly.

The table below shows the impact on the income statement in the first half of 2008 and on the comparative figures. The impact on the balance sheet figures is insignificant.

EURm	Jan-Jun 2008		Jan-Jun 2007		Full year 2007	
	Reported	Pre policy change	Restated	Reported	Restated	Reported
Net interest income ¹	855	855	744	797	1,531	1,531
Net gains/losses on items at fair value	379	364	249	185	586	541
Dividends	-	5	-	1	-	24
Other operating income	13	23	28	38	169	190

¹ For further information on the restatement of "Net interest income", see Annual Report 2007 note 1 "Accounting policies".

Note 2 Net gains/losses on items at fair value

	Jan-Jun 2008	Jan-Jun 2007	Jan-Dec 2007
EURm			
Shares/participations and other share-related instruments	53	26	89
Interest-bearing securities and other interest-related instruments	168	107	287
Other financial instruments	45	19	3
Foreign exchange gains/losses	113	97	207
Total	379	249	586

Note 3 Loan losses

	Jan-Jun 2008	Jan-Jun 2007	Jan-Dec 2007
EURm			
Loan losses divided by class, net			
Loans and receivables to credit institutions	-1	0	-1
- of which write-offs and provisions	-1	0	-1
- of which reversals and recoveries	-	-	0
Loans and receivables to the public	-17	26	-5
- of which write-offs and provisions	-55	-50	-123
- of which reversals and recoveries	38	76	118
Off-balance sheet items ¹	-8	-10	26
- of which write-offs and provisions	-8	-11	-4
- of which reversals and recoveries	0	1	30
Total	-26	16	20
Specification of loan losses			
Changes of allowance accounts in the balance sheet	-33	6	-3
- of which Loans and receivables	-25	16	-29
- of which Off-balance sheet items ¹	-8	-10	26
Changes directly recognised in the income statement	7	10	23
- of which realised loan losses	-3	-1	-3
- of which realised recoveries	10	11	26
Total	-26	16	20

¹ Included in Provisions in the balance sheet.

Note 4 Loans and receivables and their impairment

	Total		
	30 Jun 2008	31 Dec 2007	30 Jun 2007
EURm			
Loans and receivables, not impaired	122,485	105,856	97,458
Impaired loans and receivables:	755	616	606
- Performing	481	405	401
- Non-performing	274	211	205
Loans and receivables before allowances	123,240	106,472	98,064
Allowances for individually assessed impaired loans	-186	-186	-200
- Performing	-112	-101	-116
- Non-performing	-74	-85	-84
Allowances for collectively assessed impaired loans	-159	-140	-95
Allowances	-345	-326	-295
Loans and receivables, carrying amount	122,895	106,146	97,769

	Credit institutions			The public		
	30 Jun 2008	31 Dec 2007	30 Jun 2007	30 Jun 2008	31 Dec 2007	30 Jun 2007
EURm						
Loans and receivables, not impaired	56,398	45,551	41,366	66,087	60,305	56,092
Impaired loans and receivables:	-	-	-	755	616	606
- Performing	-	-	-	481	405	401
- Non-performing	-	-	-	274	211	205
Loans and receivables before allowances	56,398	45,551	41,366	66,842	60,921	56,698
Allowances for individually assessed impaired loans	-	-	-	-186	-186	-200
- Performing	-	-	-	-112	-101	-116
- Non-performing	-	-	-	-74	-85	-84
Allowances for collectively assessed impaired loans	-3	-2	-1	-156	-138	-94
Allowances	-3	-2	-1	-342	-324	-294
Loans and receivables, carrying amount	56,395	45,549	41,365	66,500	60,597	56,404

Note 4, *continued*

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 2008	-	-2	-186	-138	-186	-140	-326
Provisions	-	-1	-36	-16	-36	-17	-53
Reversals	-	0	24	4	24	4	28
Changes through the income statement	-	-1	-12	-12	-12	-13	-25
Allowances used to cover write-offs	-	-	9	-	9	0	9
Currency translation differences and reclassifications	-	-	3	-6	3	-6	-3
Closing balance at 30 Jun 2008	-	-3	-186	-156	-186	-159	-345
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 ¹	-	-1	17	47	17	46	63
Closing balance at 30 Jun 2007	-	-1	-200	-94	-200	-95	-295

¹ Mainly reclassification to off-balance items

Allowances and provisions

	30 Jun 2008	31 Dec 2007	30 Jun 2007
EURm			
Allowances for items in the balance sheet	-345	-326	-295
Provisions for off balance sheet items	-41	-33	-73
Total allowances and provisions	-386	-359	-368

Key ratios

	30 Jun 2008	31 Dec 2007	30 Jun 2007
Impairment rate, gross ² , %	0.6	0.6	0.6
Impairment rate, net ³ , %	0.5	0.4	0.4
Total allowance rate ⁴ , %	0.3	0.3	0.3
Allowance rate, impaired loans ⁵ , %	24.6	30.2	33.0
Non-performing loans and receivables, not impaired ⁶ , EURm	25	6	5

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

³ Individually assessed impaired loans and receivables after allowances divided by total loans and receivables before allowances, %

⁴ Total allowances divided by total loans and receivables before allowances, %

⁵ Allowances for individually assessed impaired loans and receivables divided by individually assessed impaired loans and receivables before allowances, %

⁶ 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	Loans and receivables	Held to maturity	Held for trading	Assets at fair value	Derivatives used for hedging	Available for sale	Total
Financial assets							
Cash and balances with central banks	1,712	-	-	-	-	-	1,712
Treasury bills and other eligible bills	-	-	1,995	-	-	-	1,995
Loans and receivables to credit institutions	49,888	-	558	5,949	-	-	56,395
Loans and receivables to the public	66,500	-	-	-	-	-	66,500
Interest-bearing securities	-	-	530	1,757	-	5	2,292
Financial instruments pledged as collateral	-	-	-	-	-	-	-
Shares	-	-	958	24	-	0	982
Derivatives	-	-	43,538	-	148	-	43,686
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-106	-	-	-	-	-	-106
Other assets	1,201	-	-	861	-	-	2,062
Prepaid expenses and accrued income	489	-	-	-	-	-	489
Total 30 Jun 2008	119,684	-	47,579	8,591	148	5	176,007
Total 31 Dec 2007	103,733	-	35,011	7,605	171	6	146,526
Total 30 Jun 2007	100,275	-	35,015	754	218	5	136,267

EURm	Held for trading	Liabilities at fair value	Derivatives used for hedging	Other financial liabilities	Total
Financial liabilities					
Deposits by credit institutions	177	-	-	38,255	38,432
Deposits and borrowings from the public	-	-	-	43,085	43,085
Debt securities in issue	5,234	-	-	27,734	32,968
Derivatives	43,764	-	370	-	44,134
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-	-	-57	-57
Other liabilities	7	-	-	4,924	4,931
Accrued expenses and prepaid income	-	-	-	705	705
Subordinated liabilities	-	-	-	1,204	1,204
Total 30 Jun 2008	49,182	-	370	115,850	165,402
Total 31 Dec 2007	36,925	1,910	398	96,726	135,959
Total 30 Jun 2007	35,620	-	244	90,597	126,461

Note 6 Derivatives

Note 6 Derivatives						
Fair value	30 Jun 2008		31 Dec 2007		30 Jun 2007	
EURm	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Derivatives held for trading						
Interest rate derivatives	29,367	30,088	19,325	19,792	22,370	22,848
Equity derivatives	1,158	1,533	1,386	1,909	1,551	1,906
Foreign exchange derivatives	8,318	7,564	7,382	7,445	4,699	4,305
Credit derivatives	2,208	2,140	1,163	1,177	664	634
Other derivatives	2,487	2,439	1,304	1,291	938	932
Total	43,538	43,764	30,560	31,614	30,222	30,625
Derivatives used for hedging						
Interest rate derivatives	147	46	171	84	152	112
Equity derivatives	-	-	-	-	-	-
Foreign exchange derivatives	1	324	0	314	66	132
Total	148	370	171	398	218	244
Total fair value						
Interest rate derivatives	29,514	30,134	19,496	19,876	22,522	22,960
Equity derivatives	1,158	1,533	1,386	1,909	1,551	1,906
Foreign exchange derivatives	8,319	7,888	7,382	7,759	4,765	4,437
Credit derivatives	2,208	2,140	1,163	1,177	664	634
Other derivatives	2,487	2,439	1,304	1,291	938	932
Total	43,686	44,134	30,731	32,012	30,440	30,869
Nominal amount						
EURm	30 Jun 2008		31 Dec 2007		30 Jun 2007	
Derivatives held for trading						
Interest rate derivatives	2,569,170		2,183,814		2,005,625	
Equity derivatives	23,196		21,962		24,873	
Foreign exchange derivatives	723,008		676,382		555,220	
Credit derivatives	100,974		94,624		85,695	
Other derivatives	11,745		10,472		10,563	
Total	3,428,093		2,987,254		2,681,976	
Derivatives used for hedging						
Interest rate derivatives	18,299		26,139		27,756	
Equity derivatives	-		-		-	
Foreign exchange derivatives	3,391		3,585		4,710	
Total	21,690		29,724		32,466	
Total nominal amount						
Interest rate derivatives	2,587,469		2,209,953		2,033,381	
Equity derivatives	23,196		21,962		24,873	
Foreign exchange derivatives	726,399		679,967		559,930	
Credit derivatives	100,974		94,624		85,695	
Other derivatives	11,745		10,472		10,563	
Total	3,449,783		3,016,978		2,714,442	

Note 7 Equity

Attributable to shareholders of Nordea Bank Finland Plc							
EURm	Share capital ¹	Share premium account	Other reserves	Retained earnings	Total	Minority interests	Total equity
Opening balance at 1 Jan 2008	2,319	599	2,929	4,939	10,786	7	10,793
Net change in available-for-sale investments, net of tax	-	-	-1	-	-1	-	-1
Currency translation differences	-	-	-	0	0	-	0
<i>Net income recognised directly in equity</i>	-	-	-1	0	-1	-	-1
Net profit for the period	-	-	-	688	688	1	689
<i>Total recognised income and expense in equity</i>	-	-	-1	688	687	1	688
Share-based payments	-	-	-	0	0	-	0
Dividend for 2007	-	-	-	-850	-850	-	-850
Other changes	-	-	-	0	0	-2	-2
Closing balance at 30 Jun 2008	2,319	599	2,928	4,777	10,623	6	10,629

Attributable to shareholders of Nordea Bank Finland Plc							
EURm	Share capital ¹	Share premium account	Other reserves	Retained earnings	Total	Minority interests	Total equity
Opening balance at 1 Jan 2007	2,319	599	2,899	7,656	13,473	6	13,479
Net change in available-for-sale investments, net of tax	-	-	1	-	1	-	1
Group contribution	-	-	-	-54	-54	-	-54
Currency translation differences	-	-	0	2	2	-	2
<i>Net income recognised directly in equity</i>	-	-	1	-52	-51	-	-51
Net profit for the year	-	-	-	1,363	1,363	2	1,365
<i>Total recognised income and expense in equity</i>	-	-	1	1,311	1,312	2	1,314
Share-based payments	-	-	-	1	1	-	1
Dividend for 2006	-	-	-	-4,000	-4,000	-	-4,000
Other changes	-	-	29	-29	0	-1	-1
Closing balance at 31 Dec 2007	2,319	599	2,929	4,939	10,786	7	10,793

Attributable to shareholders of Nordea Bank Finland Plc							
EURm	Share capital ¹	Share premium account	Other reserves	Retained earnings	Total	Minority 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
<i>Net income recognised directly in equity</i>	-	-	-	2	2	-	2
Net profit for the period	-	-	-	551	551	1	552
<i>Total recognised income and expense in equity</i>	-	-	-	553	553	1	554
Share-based payment	-	-	-	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

¹ Total number of shares registered was 1,030.8 million (31 Dec 2007: 1,030.8 million, 30 Jun 2007: 1,030.8 million).

Note 8 Capital adequacy

Capital Base

	30 June 2008 ¹	31 Dec 2007	30 Jun 2007 ¹
EURm			
Tier 1 capital	9 833	9 725	9 107
Total capital base	10 908	10 875	10 311

¹ Excluding profit. Figures as of 30 June 2007 are revised.

	30 Jun 2008 Capital requirement	30 Jun 2008 RWA	31 Dec 2007 Capital requirement	31 Dec 2007 RWA	30 Jun 2007 ² Capital requirement	30 Jun 2007 ² RWA
EURm						
Credit risk	5 387	67 340	4 923	61 539	4 836	60 446
IRB foundation	2 015	25 192	1 838	22 971	1 938	24 228
- of which corporate	1 556	19 448	1 468	18 341	1 515	18 935
- of which institutions	444	5 548	352	4 403	392	4 897
- of which other	15	196	18	227	31	396
Standardised	3 372	42 148	3 085	38 568	2 897	36 218
- of which retail	1 253	15 657	1 187	14 838	1 224	15 301
- of which sovereign	2	19	6	77	5	66
- of which other	2 117	26 472	1 892	23 653	1 668	20 851
Market risk	161	2 007	95	1 189	85	1 063
- of which trading book, VaR	111	1 379	78	982	60	750
- of which trading book, non-VaR	50	628	17	207	25	313
- of which FX, non-VaR	0	0	0	0	0	0
Operational risk	318	3 975	272	3 403	272	3 403
Standardised	318	3 975	272	3 403	272	3 403
Sub total	5 866	73 322	5 290	66 131	5 193	64 912

Adjustment for transition rules

Additional capital requirement according to transition rules

	274	3 427	394	4 913	103	1 288
Total	6 140	76 749	5 684	71 044	5 296	66 200

Capital ratio

	30 Jun 2008	31 Dec 2007	30 Jun 2007 ²
Tier I ratio, %, incl. profit	13,7	13,7	14,5
Capital ratio, %, incl. profit	15,1	15,3	16,4
Tier I ratio, %, excl. profit	12,8	11,8	13,8
Capital ratio, %, excl. profit	14,2	13,4	15,6

² Figures as of 30 June 2007 are revised.

Analysis of capital requirements

Exposure class	Average risk-weight, %	Capital requirement, EURm
Corporate	55	1 556
Institutions	24	444
Retail	51	1 253
Sovereign	0	2
Other	37	2 132
Total credit risk		5 387