

Annual Report 2001
Nordea Bank Finland Plc

Nordea Bank Finland is part of Nordea. Nordea is the leading financial services group in the Nordic and Baltic Sea region and operates through four business areas: Retail Banking, Corporate and Institutional Banking, Asset Management & Life and General Insurance. The Nordea Group has nearly 11 million customers, 1,245 bank branches and 125 insurance service centres in 22 countries. The Nordea Group is a world leader in Internet banking, with more than 2.8 billion e-customers. The Nordea share is listed in Stockholm, Helsinki and Copenhagen.

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Nordea Bank Finland: financial summary

Group, EUR million	2001 ¹⁾	2000	1999	1998 ²⁾
INCOME STATEMENTS, 1 JANUARY - 31 DECEMBER				
Net interest income	2,615	2,065	1,786	1,802
Commission income and expenses	1,027	1,037	822	724
Net income from securities transactions and foreign exchange dealing	314	179	105	311
Other operating income	1,363	289	301	360
Total income	5,319	3,570	3,014	3,197
Personnel expenses	-1,219	-857	-761	-841
Other administrative and operating expenses	-1,376	-986	-949	-997
Total expenses	-2,595	-1,843	-1,710	-1,838
Profit before loan losses	2,724	1,727	1,304	1,359
Loan losses	-208	-50	-31	-139
Share of profit/loss from companies accounted for under the equity method	57	41	98	11
Operating profit	2,573	1,718	1,371	1,231
Extraordinary items	-324	-8	-81	-460
Taxes	-58	-378	-217	-208
Minority interest	1	-3	-4	-4
Net profit for the year	2,192	1,329	1,069	559
Group, EUR million	2001 ¹⁾	2000 ³⁾	1999	1998
BALANCE SHEETS, 31 DECEMBER				
Assets				
Loans to credit institutions	19,884	14,920	9,095	11,161
Loans to the public and public sector organisations	137,830	92,743	68,236	59,850
Interest-bearing securities				
- current assets	31,319	8,952	8,469	9,998
- other assets	1,961	6,067	5,791	3,697
Other assets	24,858	13,524	12,448	11,388
Total assets	215,852	136,206	104,039	96,094
Liabilities and shareholders' equity				
Due to credit institutions and central banks	30,089	16,319	13,354	17,433
Due to the public and public sector organisations	86,253	57,175	44,169	40,775
Debt securities in issue	61,008	40,074	28,266	22,845
Other liabilities	21,869	10,426	8,653	8,055
Subordinated debt	5,336	4,908	3,420	2,247
Total liabilities	204,555	128,902	97,862	91,355
Shareholders' equity	11,297	7,304	6,177	4,739
Total liabilities and shareholders' equity	215,852	136,206	104,039	96,094
Contingent liabilities	45,421	37,181	22,518	15,709

1) Figures for 2001 are not comparable to previous years because of major changes in the group structure. See "Composition of the Group".

2) Nordea Bank Finland Plc was founded in the beginning of 1998. The company operated as a holding company for credit institutions until 2001 when it applied for and was granted a banking licence. The company started its banking operations on 1 October 2001 following the merger with its subsidiary Merita Bank Plc on 30 September 2001. Before 2001 the company operated under the name MeritaNordbanken Plc (1998–13 December 2000) and under the name Nordea Companies Finland (NCF) Plc (14 December 2000–19 June 2001). Changes in the Group structure are described under "Composition of the Group".

3) The balance sheet of Nordea Bank Norge ASA is included in the consolidated balance sheet as of 31 December 2000.

Key ratios

Group, EUR million	2001	2000 ¹⁾	1999	1998
Financial indicators in accordance with the regulations of the Finnish Financial Supervision Authority				
Turnover	12,345	9,646	7,482	7,524
Operating profit	2,573	1,718	1,371	1,231
% of turnover	20.8	17.8	18.3	16.4
Profit before appropriations and taxes	2,249	1,710	1,290	771
% of turnover	18.2	17.7	17.2	10.3
Return on assets, %, (ROA) ²⁾	1.4 ³⁾	1.1 ⁴⁾	1.1 ⁴⁾	8.0 ⁴⁾
Return on equity, % (ROE) ²⁾	28.3 ⁵⁾	21.9 ⁴⁾	21.4 ⁴⁾	13.0 ⁴⁾
Equity to total assets, % ²⁾	4.9	4.8	5.3	4.7
Income/cost ratio	2.0	1.9	1.7	1.7
Other indicators				
Overall interest margin, %	1.5	1.7	1.8	1.9
Cost/income ratio before loan losses ⁶⁾	47	51	56	57
Cost/income ratio after loan losses ⁶⁾	51	52	57	61
Loan loss level, %	0.2	0.1	0.0	-
Risk-weighted assets	135,941	95,213	68,518	63,799
Capital base	12,591	8,661	8,300	6,053
Tier 1/risk-weighted assets, %	6.2	5.5	8.4	6.9
Capital adequacy, %	9.3	9.1	12.1	9.5
Number of employees as at 31 December	36,779	19,449 ⁷⁾	18,891	19,794
Branches in the Nordic and Baltic Sea region	1,245	900	747	766
Branches outside the Nordic and Baltic Sea region	12	12	5	5

The ratios have been calculated in accordance with formulas presented in "Definitions". Figures for 2001 are not comparable to previous years because of major changes in the group structure. See "Composition of the Group". Nordea Bank Finland Plc was founded in the beginning of 1998. The company operated as a holding company for credit institutions until 2001 when it applied for and was granted a banking licence. The company started its banking operations on 1 October 2001 following the merger with its subsidiary Merita Bank Plc on 30 September 2001. Before 2001 the company operated under the name MeritaNordbanken Plc (1998–13 December 2000) and under the name Nordea Companies Finland (NCF) Plc (14 December 2000–19 June 2001).

- 1) The balance sheet of Nordea Bank Norge ASA is included in the consolidated balance sheet as of 31 December 2000.
- 2) Equity does not include the balance sheet item "Capital loans" and no deduction has been made for anticipated dividend.
- 3) Without the profit on the sale of Nordea Asset Management AB the ratio would be 0.8%.
- 4) Extraordinary expenses have been deducted from operating profit.
- 5) Without the profit on the sale of Nordea Asset Management AB the ratio would be 15.5%.
- 6) Excluding depreciation on group goodwill.
- 7) Excluding Nordea Bank Norge ASA (former Christiania Bank og Kreditkasse).

Definitions and exchange rates

Rules of the Finnish Financial Supervision Authority for key ratios

Equity to total assets, %

Total shareholders' equity and minority interests in relation to 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 income in relation to total commission expenses, administrative expenses, depreciation and other operating expenses.

Return on assets, % (ROA)

Operating profit less taxes in relation to average total assets, %. Average total assets is the mean of the figures at the beginning and end of the year.

Return on equity, % (ROE)

Operating profit/loss less taxes in relation to total average shareholders' equity and minority interest, %. Average equity is the mean of the figures at the beginning and end of the year.

Turnover

Interest income, dividends and commission income, net income from securities trading and foreign exchange dealing and other operating income.

Other definitions

Capital adequacy ratio

Capital base in relation to risk-weighted assets.

Capital base (own funds)

The capital base consists of the sum of core capital and supplementary capital (tier 2, consisting of subordinated debenture loans) after deduction of certain holdings in companies that conduct insurance or finance operations.

Core capital (Tier 1 capital)

Shareholders' equity, less goodwill. Equity also includes the part of non-restricted reserves and depreciation difference included in equity capital. Core capital also includes subordinated loans approved by the supervisory authorities.

Cost/income ratio before loan losses

Operating expenses (total expenses) in relation to operating income (total income).

Cost/income ratio after loan losses

Operating expenses (total expenses) plus loan losses in relation to operating income (total income).

Loan loss level, %

Reported loan losses as a percentage of lending and contingent liabilities at the beginning of the year.

Overall interest margin, %

Net interest income as a percentage average total assets.

Risk-weighted assets

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

Exchange rates 31 December, 2001

(European Central Bank's rates of exchange for key currencies)

EUR	1.0000	CHF	1.4829	NOK	7.9515	LUF	40.3399
FIM	5.94573	SGD	1.6306	JPY	115.33	FRF	6.55957
USD	0.8813	SEK	9.3012	EEK	15.6466	LVL	0.5563
GBP	0.6085	DKK	7.4365	DEM	1.95583	LTL	3.5228

Report of the Board of Management

The terms "Nordea Bank Finland", "NBF" and "Bank Group" refer throughout to Nordea Bank Finland Plc, domiciled in Helsinki, registration number 725.985 / business identity code FI1445044-0, and its subsidiaries.

Nordea Bank Finland is a wholly-owned subsidiary of Nordea AB (publ), the parent company in the Nordea Group, domiciled in Stockholm, registration number 556547-0977.

Nordea Bank Finland Plc is the parent company of other banking subsidiaries in the Nordea Group: Nordea Bank Danmark A/S (referred to as NBD), Nordea Bank Norge ASA (referred to as NBN) and Nordea Bank Sweden AB (publ) (referred to as NBS).

Nordea Bank Finland changed its name three times during 2001. The former names are Merita Bank Plc (30 September–2 December), NCF Bank Plc (20 June–29 September) and Nordea Companies Finland (NCF) Plc (from the beginning of the year until 19 June 2001).

Nordea Bank Finland in brief

Nordea AB (publ) announced on 25 April that the Board of Directors of Nordea had decided to develop the legal structure of the Nordea Group further to support the management structure and the reporting transparency of the Group.

The banking subsidiaries of the Group have been brought together into a subgroup under Nordea AB with Nordea Bank Finland Plc as the parent company. See paragraph "Composition of the Group", page 13.

As of the beginning of December 2001 the newly founded Bank Group has consisted of the parent company Nordea Bank Finland Plc and its banking subsidiaries Nordea Bank Danmark (former Unibank), Nordea Bank Norge (former Christiania Bank og Kreditkasse), Nordea Bank Sweden (former Nordbanken), and the subsidiaries of the banks. The group companies are presented in the notes to the financial statements, note 58.

As a part of the Nordea Group, the Bank Group conducts banking operations in the Nordic countries and the Baltic Sea region. The banks develop and market a comprehensive range of financial products and services for personal customers, companies, organisations and the public sector.

The Bank Group is a central player in the Nordic money and capital markets.

The banks have foreign branches in Frankfurt, London, New York, Riga, Singapore, Tallinn, Vilnius and Zürich, and on Grand Cayman. The international network further includes representative offices in Belgium, Brazil, China, Egypt, France, India, Iran, Russia, South-Africa and Spain. See "Addresses", page 52.

The operations of the Bank Group are fully integrated within the Nordea Group, whose annual report, with its presentation of results by business area, also encompasses the operations of the Bank Group.

Profit and profitability

During the year, the performance of NBF was highly affected by the changes in the Nordea Group structure implemented in 2000 and 2001. The financial figures for these two years are therefore not comparable.

NBN, which was acquired in December 2000, is included in the figures of NBF from the beginning of January 2001. NBD and Postgirot Bank have been incorporated in the consolidated financial statements of NBF from the beginning of December 2001.

The favourable development in net interest income due to higher volumes and stable margins contributed to the Bank Group's earnings performance during the year. Sales profits were essentially higher than in 2000, mainly due to the sale of Nordea Asset Management AB to Nordea AB. The number of employees increased following the acquisitions of NBD, NBN and Postgirot Bank, resulting in increased personnel expenses. Other operating expenses grew partly because of the ongoing restructuring process and investments within IT. Credit losses were also higher than the year before. In total, operating profit rose to EUR 2,573m (1,718).

Profit for the year amounted to EUR 2,192m (1,329), corresponding to return on average shareholders' equity of 28.3% (21.9).

Income

Total income amounted to EUR 5,319m, an increase of 49%.

Net interest income increased by 27% to EUR 2,615m. Despite the economic slowdown the volume of loans and deposits continued to increase. The margins of loans remained stable in all countries. Deposit margins have in general decreased due to the declining development in short-term interest rates. Volume growth offset the effect of depressed deposit margins.

Dividends, or income from investments in the form of shareholders' equity, were EUR 39m (91).

Net commission income was somewhat lower than in the preceding year and amounted to EUR 1,027m. Commission income increased by 3% to EUR 1,226m. The development in commissions on lending was favourable as a consequence of growth in volumes, as well as in commissions on payment transactions and guarantees. The decline in the stock exchange prices and the slowdown in securities trading decreased commissions on securities brokerage and mutual funds. Commission expenses were 32% higher than the year before mainly due to the inclusion of NBN.

Net income from securities transactions and foreign exchange dealing amounted to EUR 314m (179).

Net income from securities transactions was EUR 74m higher than in 2000 and amounted to EUR 165m. The increase resulted partly from the improved performance in interest-bearing securities, EUR 62m against EUR 35m the year before. Income from other securities transactions increased by EUR 38m to EUR 43m.

Prompted by the cash acquisition of Christiania Bank og Kreditkasse (NBN), a reclassification of interest-bearing securities under fixed assets was made during the first half of the year. Part of the interest-bearing securities under fixed assets was reclassified as current assets, which are valued mark to market. The reclassification increased income from interest-bearing securities by EUR 68m.

Net income from equity-related transactions, EUR 60m (52), includes EUR 12m gains on the disposal of equity holdings. During the year publicly listed shares under current assets were reclassified as actively traded shares and valued mark to market. The positive outcome of this transfer was EUR 4m.

Profitability in currency trading remained stable. *Net income from foreign exchange dealing* amounted to EUR 149m (88).

Other income amounted to EUR 1,324m (198). The increase was due to the gain on the sale of the shares of Nordea Asset Management AB to Nordea AB, amounting to EUR 1,093m. This sales profit is eliminated on the Nordea Group level.

The final settlements for the sale of the real estate company Aleksia to Mutual Pension Insurance Company Ilmarinen resulted in a gain of EUR 40m.

Expenses

Total expenses increased by 41% compared to the previous year and amounted to EUR 2,595m (1,843). However, the income/cost-ratio, 2.0, was somewhat higher than in the preceding year (1.9).

Personnel expenses amounted to EUR 1,219m (857), an increase of 42% compared to 2000. The number of employees increased by approximately 17,000 persons to 36,779 persons primarily as a result of the acquisition of NBD, NBN and Postgirot Bank.

Other administrative expenses rose to EUR 870m (659) mainly due to the above mentioned structural changes, higher IT expenses, travelling expenses and consulting fees. IT expenses accounted for 36% of all administrative expenses. The increase in IT expenses, 83%, resulted to some extent from investments in Internet-related operations, restructuring processes and the implementation of euro in Finland.

Depreciation and write-downs on tangible and intangible assets amounted to EUR 221m (123). The increase was mainly due to the EUR 64m increase in goodwill depreciation resulting from the inclusion of NBN.

Other operating expenses grew by EUR 81m to EUR 285m. Costs for premises and real estate increased by EUR 67m, most of which arose from NBN.

Loan losses

The slowdown in the global and Nordic economies resulted in increased loan losses amounting to EUR 208m, net (50). In the Finnish group companies, loan losses were roughly on the same level as in the preceding year and amounted to EUR 40m. In Sweden, however, loan losses rose to EUR 102m against EUR 13m in 2000. Loan losses in Norway amounted to EUR 88m. In Denmark reversals of previous losses amounted to EUR 22m representing the figures for one month only.

Previously booked loan losses and provisions were recovered in the amount of EUR 388m (250).

The provision for country risks pertaining mainly to countries outside the OECD amounted to EUR 156m at year-end 2001 (115). The increase, EUR 41m, was primarily due to the acquisition of NBD and NBN.

Share of profit in companies accounted for under the equity method

The Bank Group's share of profit in companies accounted for under the equity method was EUR 57m (41). The most significant contribution in this item was the share of the profit of Nordea Life Assurance Ltd, EUR 12m.

Extraordinary expenses

The group contribution paid by NBS to Nordea AB, EUR 324m, was booked as an extraordinary expense.

Taxes

Profit before taxes amounted to EUR 2,249m (1,710) while the tax expense was EUR 58m (378) corresponding to a tax rate of 2,6%.

The taxes booked in the income statement of Nordea Bank Finland Plc in 2001 were relatively low because, after positive tax rulings in combination with the change of the legal structure of the Group, the bank could utilise the losses carried forward by Merita Real Estate Ltd which has been merged to NBF. Deferred tax receivables amounted to EUR 314m, of which the share of Nordea Bank Finland Plc was EUR 161m.

In June, the Supreme Court of Norway pronounced judgement in the tax action brought by Christiania Bank against the Norwegian government. The charges were related to the taxation of the preference capital received by the bank in

1991. As a result of the court decision, the taxes booked by NBF for the year decreased by EUR 95m.

Profit for the year

After tax and minority interest, *profit for the year* amounted to EUR 2,192m (1,329).

Financial structure

The acquisition of NBD and Postgirot Bank effected the Bank Group's financial structure in 2001. Consolidated total assets increased by EUR 75.2bn following the acquisition of NBD and by EUR 9.2bn as a result of the acquisition of Postgirot Bank. Consolidated total assets amounted to EUR 215.9bn at year-end, an increase of EUR 79.7bn compared to the previous year.

Lending

Loans to the public increased during the year by 6% (excl. NBD and Postgirot Bank) to EUR 137,8bn, which represents 64% of total assets. Total lending amounted to EUR 157.7bn (107.7), representing 73% of total assets.

Interest-bearing securities

Current assets

Interest-bearing current assets consist of trading and treasury debt securities. At year-end 2001, holdings of debt securities, reported at market value, amounted to EUR 31.3 (9.0). Most of the increase arises from the inclusion of NBD.

Fixed assets

Holdings of interest-bearing securities to be held to maturity are reported as financial fixed asset. The portfolio consists mainly of listed government and residential mortgage bonds.

Fixed assets, which are carried at cost, amounted to EUR 2.0bn at year-end (6.1). The unrealised profit on securities to be held to maturity was EUR 66m.

Shares and participations

At year-end, the book value of shares to be divested amounted to EUR 695m (464).

Real estate

The book value of real estate was EUR 1.6bn at year-end (1.4). Real estate investments are mainly investments in owner-occupied properties. Other real estate will gradually be divested. The increase in real estate holdings derives from the acquisition of NBD.

The real estate portfolio of NBF also includes shares in real estate companies in the amount of

EUR 0.3bn and investments held by the insurance companies of the Group in the amount of EUR 0.3bn.

Other assets

Other assets, prepaid expenses and accrued income amounted to EUR 16.4bn (7.2) comprising positive valuation items and accrued income pertaining to derivatives for EUR 8.6bn and assets for which customers bear the risk for EUR 3.4bn (see note 26).

Deposits from the public

Deposits from the public constitute the Bank Group's prime source of funding, representing 39% of total assets at year-end. Deposits from the public grew by 6% (excl. NBD and Postgirot Bank) and amounted to EUR 83.6bn.

Funding

In addition to deposits from the public and shareholders' equity, funding is primarily in the form of money market instruments and bonds. The Bank Group has various loan programmes on the market.

At year-end, debt securities in issue amounted to EUR 66.3bn including subordinated debenture loans for EUR 5.3bn. Loans from credit institutions are also an essential source of funds, especially for short-term needs. At year-end, these totalled EUR 30.1bn.

Other liabilities

Other liabilities, accrued expenses and prepaid income amounted to EUR 20.9bn (9.7), of which EUR 8.0bn consisted of valuation items pertaining to derivative instruments and liabilities arising from customers' portfolio schemes, for which customers bear the risk, in the amount of EUR 3.4bn (see note 31).

Shareholders' equity

At 1 January 2001, shareholders' equity amounted to EUR 7.3bn, of which EUR 700m was utilised for payment of the dividend for 2000 approved by the Annual General Meeting. An Extraordinary General Meeting of Nordea Bank Finland Plc approved the payment of an additional dividend of EUR 400m in December 2001. In connection with the acquisition of NBD the equity capital was raised by EUR 3.0bn. Subsequently, shareholders' equity at the end of the year was EUR 11.3bn, including the profit for the year, EUR 2.2bn.

The Board of Management proposes to the Annual General Meeting that a dividend totalling EUR 1,000m be paid to the parent company.

Capital adequacy and rating

At year-end, the Group's capital adequacy ratio was 9.3% (9.1) and the core capital ratio 6.2% (5.5). Risk-weighted assets increased to EUR 136bn (95) mainly as a result of the acquisition of NBD and Postgirot Bank.

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

The credit ratings of the banks and credit institutions in the Group were upgraded during 2001.

In January 2001, Moody's Investors Service upgraded the rating of Nordea Bank Norge from A2 to A1. In March 2001, Moody's upgraded the long-term rating of Nordea Kredit Realkreditaktieselskab from Aa2 to Aa1. In July 2001, Moody's upgraded the long-term rating of Nordea Bank Norge from A1 to Aa3 and the long-term rating of Norgeskreditt from A2 to A1. All the banks in the Group now have the same long-term rating, Aa3.

In August 2001, Fitch upgraded the long-term ratings of the banks in the Nordea Group to AA- and the short-term ratings to F1+.

Nordea Bank Finland Group – Capital adequacy

31 Dec, EUR million	2001	2000	1999	1998
Tier 1	8,398	5,254	5,753	4,391
Tier 2	4,774	3,744	2,698	1,913
./ deductions	581	337	151	250
Total own funds	12,591	8,661	8,300	6,053
Risk-weighted assets ¹⁾	135,941	95,213	68,518	63,799
Capital adequacy, %	9.3	9.1	12.1	9.5
Tier 1/risk-weighted assets, %	6.2	5.5	8.4	6.9

Nordea Bank Finland Plc

capital adequacy, %	20.5	²⁾	²⁾	²⁾
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1) Derivate contracts have been reported in accordance with the mark-to-market method since December 1999 (previously original exposure method).

2) Nordea Bank Finland Plc became a credit institution in June 2001.

Ratings

	Moody's		S&P		Fitch	
	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term
31 Dec 2001						
NBD	P-1	Aa3	A-1	A+	F1+	AA-
NBF	P-1	Aa3	A-1	A+	F1+	AA-
NBN	P-1	Aa3	A-1	A+	F1+	AA-
NBS	P-1	Aa3	A-1	A+	F1+	AA-
Nordea Hypotek	P-1	Aa3	A-1		F1+	AA-
Nordea Kredit						
Realkreditaktieselskab		Aa1				
Norgeskreditt	P-1	A1				

Risk management

NBF is fully integrated in the Risk Management System of the Nordea Group. Group Credit and Risk Control is responsible for risk measurement rules and guidelines, measurement, central control and reporting in NBF and Nordea as a whole. Each business area is primarily responsible for the identification and control of risks in its operations. The Group aims to control risks to ensure that no single event can seriously damage the Group's financial position.

The Board of Management of NBF has the ultimate responsibility for limiting and monitoring the risk exposure. The operative targets set by the Board of Management contain limits on risk exposure that form the framework for the operations:

- The average loan losses and provisions over a business cycle shall not exceed 0.4 percent of the loan and guarantee portfolio.
- Investment risk, including interest-rate, currency and equity risk, shall not exceed three months' expected earnings.
- Operational risks shall be kept within manageable limits at reasonable costs.

The Board of Management accepts all main principles, instructions and exposure limitations. Reports to the Board on exposures and risk management activities are submitted regularly.

Credit risk

Credit risk is defined as the risk that counterparts of the Group fail to fulfil their agreed obligations and that the collateral deposited does not cover Bank's receivables. Most of the credit risks in NBF arise from various forms of lending. Credit risk can also arise in connection with trading of financial instruments.

The primary risk management factor is to ensure quality and discipline within the credit procedure. Credit policy and credit instructions provide guidelines and set rules to support the credit work.

The Group has a special decision-making process for setting the credit limits. For most commitments a limit is decided, stipulating the conditions for granting credits within the limit. Special limits to specific industry sectors are also set.

Each credit commitment is assigned to a customer responsible unit. This unit must, on an ongoing basis, assess the customer's ability to fulfil its commitment. The credit risk control materialises partly through following up on deviations from agreed obligations. The other part is to identify weaknesses in repayment ability and take the necessary action to limit the credit risk.

If the Bank considers it likely that a receivable will not be fully repaid either by the customer or collateral or some other source, the receivable is classified as doubtful. A provision will be made for the anticipated loss.

Analysis of credit risks

Loans to the public

During 2001, NBF's loans to the public grew by 49% to EUR 137.8bn, of which 88% were to borrowers in Finland and other Nordic countries. Loans to the corporate sector accounted for 61% of the exposure. The household sector's share of the exposure remained unchanged at 37% (37) while the public sector accounted for nearly 2% (2).

Loans to the *corporate sector* amounted to EUR 84.1bn at year-end. Property management companies accounted for a major part of the exposure with a share of 24% (30), a significant portion of which arose from residential financing. The share of the manufacturing sector was 19% while consultants and service companies accounted for 11%.

Loans to the *household sector* amounted to 50.7bn, of which 77% (75) were loans secured by property mortgages.

Loans to the *public sector* amounted to EUR 2.8bn, of which 77% were loans to municipalities.

Loans to credit institutions

Loans to credit institutions amounted to EUR 19.9bn at the end of the year (14.9). Of these 82% were loans with a maturity of less than one year.

Problem loans

Doubtful loans, gross, increased during the year by 55 percent to EUR 3.1bn, of which EUR 2.5bn were corporate loans and EUR 0.6bn loans to personal customers. The increase is primarily due to the acquisition of NBD. After deduction for provisions for bad and doubtful debts in the amount of EUR 2.3bn, the total net amount was EUR 0.8bn corresponding to 0.6% (0.8) of total lending.

Problem loans and property taken over for protection of claims ¹⁾

31 Dec, EUR million	2001	2000
Doubtful loans, gross	3,086	1,986
Provision for bad and doubtful loans	2,259	1,289
Doubtful loans, net	827	697
Loans with interest deferments	28	7
Problem loans, total	855	704
Provisions/doubtful loans, gross, %	73	65
Doubtful loans, net lending, %	0.6	0.8
Property taken over for protection of claims, EUR million	49	31

1) Excluding country risk provisions

Country risk

Country risk is a credit risk arising from changes in the economic and political conditions. These can lead to problems in transferring liquid funds and increased difficulties for the counterparts to fulfil their commitments. An external institution, which continuously assesses the economical and political status of various countries, is used for evaluation of country risks.

Off-balance-sheet commitments

As a part of its commercial operations, the Bank Group has substantial off-balance-sheet commitments. They consist in part of financial products such as guarantees, documentary credits and credit commitments, and in part of financial commitments in the form of derivative instruments. The latter pertain primarily to contracts to exchange currencies at a future date (currency forwards), contracts to purchase and sell interest-bearing securities at a future date (interest rate forwards), and contracts to exchange interest rate payments (Swaps, FRAs).

The total exposure to counterparty risks of off-balance-sheet commitments, calculated in accordance with the capital adequacy rules, amounted to EUR 15.3bn at year-end 2001.

Market risk

Market risk is defined as the potential loss of market value due to changes in financial market factors related to interest rates, foreign exchange rates, equity prices and commodity prices.

The Bank is mainly exposed to market risk in its proprietary trading and investment portfolio within Treasury. A minor market risk, related to customer service and market-making activities, is also present in the business area Corporate and Institutional Banking.

The Board of Management determines the risk level and the risk measurement methods as well as the overall market risk limits, while the Group's Asset and Liability Management Committee decides on the allocation of market risk limits to the individual business areas. Limits to business areas are set in accordance with the business strategies.

Market risks in NBF are measured by means of Value at Risk (VaR), various standardised sensitivity measures, various combined scenario simulations and stress testing.

Exposure to *interest-rate risk* arises when there is imbalance in the interest structure between assets and liabilities and their off-balance-sheet equivalents. The overall limits for interest-rate risk – the

type of risk, which may result in capital losses – are based on VaR for linear risks and scenario simulation for non-linear risks. The VaR risk at the end of 2001 amounted to EUR 70.7m. The non-linear risk amounted to EUR 25.1m.

Structural interest income risk is measured by sensitivity analysis for a 1% parallel shift for the entire balance sheet. The table indicating fixed-term periods for interest-rate positions at year-end 2001 shows that an increase of one percentage point in the market interest-rate reduces net interest income for the next 12-month period by just over EUR 47.3m, computed on a standardised basis. The calculation assumes that no market transactions are incurred during the period.

Exposure to *currency risk* occurs when assets and liabilities in the same currency are not of the same magnitude. Overall limits are based on VaR for linear risks and scenario simulation for non-linear risks. At the end of 2001 the VaR risk was EUR 2.9m. The non-linear risks amounted to EUR 7.0m.

Overall limits for equity risk are based on VaR for linear risks. At the end of 2001 the VaR risk was EUR 30.3m.

Commodity risk is defined as the potential loss in market value of commodity-related instruments. The overall limits for commodity risk are based on sensitivity measures. During 2001 the Bank Group has had an insignificant exposure to commodity risk, all of which stemmed from customer-driven activities in derivatives to pulp and paper.

Off-balance-sheet commitments

31 Dec EUR billion	Nominal values		Exposure to counterparty risks	
	2001	2000	2001	2000
Guarantees	13.3	9.2	8.8	5.6
Letters of credit	1.3	0.7	0.1	0.1
Unutilised overdraft facilities	14.3	14.6	5.8	5.9
Other commitments	16.5	12.7	0.2	0.2
Derivate instruments	871.2	499.1	0.4	0.4
Total	916.6	536.3	15.3	12.2

Gap-analysis

31 Dec 2001, EUR million	Less than 3 months	3-6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Non- repricing
Assets							
Interest-bearing assets ¹⁾	140,699	10,034	7,600	9,811	4,848	2,348	-
Trading	15,654	-	-	-	-	-	-
Off-balance sheet items ²⁾	757,504	58,470	7,442	14,684	1,275	1,542	-
Non-interest-bearing assets	-	-	-	-	-	-	24,858
Total assets	913,857	68,504	15,042	24,495	6,123	3,890	24,858
Liabilities and shareholders' equity							
Interest-bearing liabilities	145,179	15,055	8,950	8,626	4,533	740	-
Off-balance-sheet items ²⁾	763,320	53,242	6,929	14,055	2,328	1,043	-
Non-interest-bearing liabilities ³⁾	-	-	-	-	-	-	32,769
Total liabilities	908,499	68,297	15,879	22,681	6,861	1,783	32,769
Exposure	5,358	207	-837	1,814	-738	2,107	-7,911
Cumulative exposure	5,358	5,565	4,728	6,542	5,804	7,911	-

1) The Group's nonperforming loans, net, are included in the category "Less than 3 months"

2) Off-balance-sheet items consist of derivative instruments used by the Group to hedge items in the balance sheet or to change them in a synthetic manner. The amounts do not include derivative instruments in the Bank's trading portfolio, except currency forwards. Derivative instruments traded between the Trading unit and Group Treasury are treated as if they were external transactions. The purpose is to show the impact of these trades on the Group's overall interest-rate exposure.

3) Including consolidated shareholders' equity amounting to EUR 11,297m.

Operational risk

NBF has defined operational risk as the risk of losses, including damage to reputation, caused by inadequate or failed internal processes and control routines or by external events and connections that affect the business.

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

Due to the fact that financial services are mainly information processing, much emphasis is put on information security (eg access control) in the processes. For handling major incidents the preparedness for crisis management and the contingency planning are important mitigating activities. The physical safety of the Bank's employees and customers is also of high priority.

Real estate market risks

The real estate portfolio of NBF contains properties mainly in the Nordic markets.

The book value of non-owner occupied properties amounted to EUR 0.4bn representing 0.2% of total assets. An external specialist evaluated the Group's non-owner-occupied properties in the beginning of 2001. According to this evaluation the book value of the portfolio corresponds to its market value.

Real estate market risk may arise from a need to write down the value of properties because of decreased market value. If the market value of the Bank Group's non-owner-occupied properties decreased by ten percent, the Group's capital adequacy ratio would be reduced by a maximum of 0.02%.

The risk related to the Group's holdings of shares in real estate companies is regarded as equity risk.

Personnel

Nordea's goal to strengthen its position as a leading financial services group in the Nordic region is supported by a consistent personnel strategy that aims at enhanced competence, improved skills and stronger commitment by the personnel, all crucial to the Nordea Group's continued success. Accordingly, goals are set and measures taken to build competence, amplify positive attitudes and improve working environment. Bonus systems serve as incentives for improved performance.

Line management and employees are jointly responsible for the development and utilisation of competence. The Group function Human Resources is decentralised to the Nordic home markets. The HR units coordinate personnel administration and human resource development of the business areas, providing support and related services as required.

The number of employees performing conventional banking services is declining as customers carry out a growing proportion of their payments and other banking matters by means of new technology. Furthermore, the need for personnel in administration is decreasing as administrative tasks are increasingly being performed with the help of the same technology.

By contrast, the number of employees performing more demanding tasks is increasing in areas like asset management and development of electronic banking.

Many of the new tasks presuppose specialist skills. Accordingly, retraining of personnel is needed to facilitate the transfer of employees to new, more demanding positions. The rapid development in these areas also necessitates continuous training of the employees.

Maintaining a sustained growth in core business areas requires committed and competent personnel. IT literacy and advisory skills are qualities that are crucial to the future success of the Nordea Group. Employees are therefore encouraged by the management to assume responsibility for improving their competence. In return, the Nordea Group offers competitive terms of employment as well as excellent opportunities for further education and career development.

Legal proceedings

Within the framework of the normal business operations of the companies in the Group, the companies face a number of claims in 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 Bank's or the Group's financial position.

The charges against Pertti Voutilainen, Merita Bank's former president, previously CEO of Kansallis-Osake-Pankki, concerning a stock market offence in connection with the marketing of the Kansallis share issue in autumn 1994 were dismissed by the Helsinki Court of Appeal in June 2001.

In May 2001 the European Commission decided to end the investigations on NBF's involvement in the alleged collaboration between Finnish banks in respect of the exchange of national currency units in the Euro-zone.

Charges concerning a block trade in Tampereen Puhelin shares executed on the Helsinki Stock

Exchange in November 1999 were pressed against three persons employed by Merita Securities Oyj (currently Nordea Securities Oyj) at the time of the events. One of them is no longer employed by the Group. All three were charged for misuse of insider information. In addition, one of the three was charged for price manipulation and one for assistance to price manipulation. The Prosecutor also requests that Nordea Securities Oyj be sentenced to a corporate fine.

In the suit between Yggdrasil AB and Nordbanken AB (publ) (currently NBS), described in detail in previous Annual Reports, the Stockholm District Court dismissed Yggdrasil's claim in a ruling given on 1 September 1998. Yggdrasil appealed the District Court decision to the Court of Appeal, which will begin the main hearing of the case in the spring of 2002.

The implementation of euro in Finland

Euro cash was introduced at the end of 2001 to replace the Finnish markka. The euro had already been an accounting currency for three years. The implementation of the euro has gone smoothly in NBF. The long-term preparations of the entire banking sector for the introduction of euro cash and withdrawal of the Finnish markka were successful and the process went smoothly. NBF has actively participated in both nationwide happenings and customer events providing advice and information on the euro.

NBF's expenses for the preparation for and introduction of the euro in Finland were lower than originally anticipated.

Composition of the Group

Changes in Group structure

The banking subgroup

In the process of developing the legal structure of Nordea, Nordea Companies Finland (NCF) Plc received its banking licence in June 2001 from the Finnish Ministry of Finance, under the temporary name NCF Bank Plc. The subsidiary of NCF Bank Plc, Merita Bank Plc was merged into NCF Bank Plc on 30 September 2001. NCF Bank Plc continued the banking operations of Merita Bank Plc and changed its name to Merita Bank on 30 September 2001.

At the end of November 2001 the new Merita Bank Plc acquired the shares in Unibank A/S. In the transaction, the share capital and the premium fund of Merita Bank were lowered by EUR 2.8bn

and the funds were transferred to non-restricted reserves. The share capital and the premium fund were subsequently increased by EUR 3.0bn through the issuance of new shares directed to Nordea AB (publ) in exchange for shares in Unibank A/S. The income statement and balance sheet of the Unibank Group have been incorporated in the financial statements of the NBF Group since 1 December 2001.

Name changes

Unibank A/S changed its name to Nordea Bank Danmark A/S in the end of November 2001. On 3 December 2001 the three other Nordic banks changed their legal names, Christiania Bank og Kreditkasse ASA to *Nordea Bank Norge ASA*, Merita Bank Plc to *Nordea Bank Finland Plc* and Nordbanken AB (publ) to *Nordea Bank Sweden AB (publ)*.

In connection with the launch of the Nordea brand, many of the Group's subsidiaries changed their names so that they now begin with Nordea.

Other mergers

Merita Real Estate Ltd was merged into Merita Bank Plc at the end of April. This merger was preceded by the merger of Rasi Kiinteistöomistus Oy into Merita Real Estate Ltd at the end of March.

Merita Delta Ltd, Merita Invest Ltd, and TBY-Holding Oy were also merged into Merita Bank Plc at the end of April 2001. Nordbanken Industri-kredit AB was merged into Nordbanken AB (publ) in October 2001 and Partita Ltd was merged into Merita Bank Plc on 30 November 2001.

In addition, several real estate companies and some small group companies with limited activities were merged during the year.

Additional information on the mergers

The subsidiary mergers had the following impact on the non-restricted equity of Nordea Bank Finland Plc: Merita Bank Plc EUR 1,530m, Partita Ltd EUR -28m, Merita Invest Ltd EUR -22m and Merita Real Estate Ltd EUR -13m. Other mergers had no material impact on the non-restricted equity of Nordea Bank Finland Plc.

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

Other acquisitions, disposals and dissolutions

On 3 December NBS acquired the shares in the Swedish Postgirot Holding AB, the parent company of Postgirot Bank. Before that, the European Commission had given its approval for the acqui-

sition on the condition that Nordea will reduce its engagement in Bankgirot, among other things by reducing its ownership. The result and the balance sheet of Postgirot Bank have been consolidated in the accounts of NBF since the beginning of December 2001.

Merita Bank sold its wholly owned real estate subsidiary Tapiolan Vesiputoustalo Koy in September 2001.

Nordbanken AB (publ) sold Nordbanken Kapital-förvaltning AB (presently Nordea Asset Management AB) to Nordea AB in October 2001. The January-September result of the Nordea Asset Management Group is included in the result of the NBF Group for 2001.

The subsidiary of Christiania Bank of Kreditkasse, Christiania Forsikring AS, sold its subsidiaries K-fondsforsikring AS and Forsikringsselskapet Norske Liv AS to the Tryg Group in October 2001. The January-September results of the companies sold are included in the result of the NBF Group for 2001.

The wholly-owned subsidiary of NBF, Karas Holding AG, sold its subsidiary G.H.R. Albisano in December 2001.

NBN sold its subsidiary Nordea Fondene Norge AS (former K-Fondene AS) to Nordea Asset Management AB at the end of the year. The 2001 result of the sold company is included in the result of the NBF Group for 2001.

The wholly-owned subsidiary of Nordea Finance Finland Ltd, M-Rent Oy, was dissolved in December 2001.

During 2001 the above dissolutions and disposals had an impact of EUR -8m on the non-restricted equity capital of the Group. The domiciles, lines of business, results for the financial period and total assets of the companies dissolved or disposed are shown in the notes to the financial statements, note 58.

International branches and representative offices

The Stockholm and Oslo branches of NBN were closed down during the year. The London and Singapore branches of NBN were merged with the local branches of NBF. The activities of the NBN New York branch have partly been transferred to NBF's local branch.

The representative offices in Australia, Japan, Hong Kong and Poland were closed down during 2001. A new representative office was opened in Shanghai in November 2001.

Associated companies

The associated company of NBF, International Moscow Bank, was merged with Bank of Austria Creditanstalt, Russia in the beginning of October 2001. NBF's shareholding in the new bank is 21.6%. International Moscow Bank is one of the four largest banks in Russia.

Principal subsidiaries

The annual reports of NBS's largest subsidiaries, NBD, NBN and NBS are available in banking branches in their home countries or can be subscribed online on the Internet or via Investor Relations, tel. +358 9 165 42 237, fax +358 9 165 42 211 or by mail from Nordea Investor Relations, FIN-00020 NORDEA.

Also the Annual Report of Nordea, the parent company of NBF, includes information on the banks. The Nordea Annual Report is available on the Internet at www.nordea.com or can be subscribed via Investor Relations, tel. +358 9 165 42 237, fax +358 9 165 42 211 or by mail Investor Relations Nordea FIN-00020 NORDEA.

In addition to the bank groups stated above, NBF has several subsidiaries in Finland and abroad. The most significant subsidiaries are Nordea Life Assurance Finland Ltd, Nordea Finance Finland Ltd, Nordea Investment Funds Company Ltd and Nordea Securities Oyj.

Nordea Life Assurance Finland Ltd

Nordea Life Assurance Finland Ltd is a leading Finnish life assurance company. The company has a sound financial position and high customer satisfaction. Together with operational effectiveness and qualified personnel these factors form a good basis for future development of the company's operations in the growing market and tightening competition. Nordea's Nordic life insurance companies aim at closer cooperation and integration.

The uncertainty prevailing in the investment markets throughout 2001 was reflected in the insurance savings, mostly in the sale of life insurance products. Nordea Life Assurance Finland reported gross premiums written for a total of EUR 1,130.5m, net of reinsurance. Although this was less than in the previous year, the company's profit for the year improved significantly. Technical result was EUR 18.9m. In the end of 2001 the company employed 84 persons. The products of Nordea Life Assurance Finland Ltd are sold by Selektia specialists and other personnel in NBF.

In the beginning of 2002, Nordea Life Assurance Finland Ltd was transferred from the Bank Group to the Tryg Group, which is part of the Nordea Group.

Nordea Finance Finland Ltd

Nordea Finance Finland Ltd is responsible for the Group's finance company operations in Finland and in the Baltic countries.

The Nordea Finance Finland Group comprises the Finnish subsidiaries Tukirahoitus Oy, Teleleasing Oy, Contant Oy and Helsingin Pantti-Osakeyhtiö and 24 Finnish real estate companies. In the Baltic market Nordea Finance Finland operates via three subsidiaries: Nordea Finance Estonia Ltd., Nordea Finance Latvia Ltd. and Nordea Finance Lithuania Ltd.

The main financial products of Nordea Finance Finland are hire purchase credits, leasing, factoring, contract financing, cards and consumer credits. The products are marketed via the Nordea Bank Finland branch network and the Internet, and via suppliers and retailers who offer sales finance.

At year-end 2001 total assets amounted to EUR 4.0bn, and the loan volume was EUR 3.9bn. Operating profit for 2001 was EUR 74m and the number of employees at year-end was 544.

Nordea Investment Funds Company Ltd

The market value of all mutual funds registered in Finland increased from EUR 14.1bn to EUR 15.2bn. Of these, the share of the Group increased from EUR 4.5bn to EUR 4.8bn. Nordea Investment Funds Company is the pre-eminent market leader, with a market share of 31.7%. The market share for new subscriptions was 30.5%. The figures above include Nordea Investment Funds Company's customers abroad.

At the end of 2001 Nordea Investment Funds Company Ltd had 37 funds under management. Operating profit for the year was EUR 4.7m and the company had 27 employees at the year-end.

Nordea Investment Funds Company Ltd was transferred from the Bank Group to the Nordea Asset Management Group in the beginning of 2002.

Nordea Securities Oyj

The year 2001 was the second successive difficult year. The Helsinki Stock Exchange general index fell by over 30% during the year. The upward trend in trading volumes, which had lasted for years turned down together with the general index. Nordea Securities was the leading broker with a share of 12.3% of the trading volume and a share of 17.4% of the number of transactions.

The company's operating profit for the year was EUR 0.2m and the average number of employees during the year was 113.

Nordea Securities Oyj was transferred from the Bank Group to the Nordea Securities Group in the beginning of 2002.

Important events after the financial period

Nordea Bank Finland Plc was demerged at the beginning 2002 in order to form separate companies for retail banking, corporate banking, investment banking, asset management and for life insurance and pension operations.

Demerger of Nordea Bank Finland Plc and demerger consideration

The demerger of Nordea Bank Finland Plc resulted in the creation of five new companies directly owned by Nordea AB (publ). At the same time the demerged Nordea Bank Finland Plc ceased to exist and a new banking entity assumed more than 99% of the former bank's assets and liabilities through universal succession and adopted its name, Nordea Bank Finland Plc. The new Nordea Bank Finland Plc became the owner of all assets and liabilities related to banking business in the demerged bank. The other new companies formed in the demerger are *Nordea Securities Holding Oy*, owner of the shares in Nordea Securities Oyj and Nordea Securities Corporate Finance Oy; *Nordea IM Holding Ltd*, owner of the shares in Nordea Investment Management Finland Ltd; *Nordea FM Holding Ltd*, owner of the shares in Nordea Investment Funds Company Ltd; and *Nordea Life Holding Finland Ltd*, owner of the shares in Nordea Life Assurance Finland Ltd.

The company was demerged through a so-called comprehensive demerger in accordance with the Finnish Companies' Act and the Commercial Banks Act. The demerger was enforced on 1 January 2002, on which date all shares in the companies established in the demerger were transferred to the sole shareholder of the company, Nordea AB (publ), as demerger consideration in accordance with the demerger plan.

Outlook

At the start of 2002 the macroeconomic situation is more subdued than it was at the beginning of 2001. There is an expectation of growth in the Nordic region in 2002 and thereby the NBF Group expects a growth, even if moderate, in the business volume and also in revenues.

In order to adjust to the changed business environment, NBF will maintain a sharp focus on cost development. Due to cyclical developments, loan loss provisions in the banks included in the NBF Group are expected to be higher than the average of the last three years.

Nordea Bank Finland Plc

Income statement, 1 January - 31 December

EUR million	Note	Group		Parent company	
		2001	2000	2001	2000
Interest income		7,994	5,836	722	65
Interest expenses		-5,379	-3,771	-704	-85
Net interest income	1,2	2,615	2,065	18	-20
Income from equity investments					
Group companies		-	-	1,618	1,438
Participating interests		-	-	13	6
Other companies		39	91	0	20
Commission income		1,226	1,188	106	-
Commission expenses		-199	-151	-11	-2
Net income from securities transactions and foreign exchange dealing					
Net income from securities transactions	3	165	91	1	1
Net income from foreign exchange dealing		149	88	11	-
Other operating income	5	1,324	198	1	0
		5,319	3,570	1,757	1,443
Administrative expenses					
Personnel expenses					
Salaries and fees		-911	-616	-93	-2
Staff-related expenses					
Pension expenses		-130	-92	-15	-2
Refund from the Pension Fund		26	26	-	-
Other staff-related expenses		-204	-175	-4	0
Other administrative expenses		-870	-659	-73	-2
Depreciation and write-downs on tangible and intangible assets	6	-221	-123	-13	0
Other operating expenses	5	-285	-204	-38	2
		-2,595	-1,843	-236	-4
Loan and guarantee losses	7	-208	-50	16	-
Write-downs on securities held as financial fixed assets	7	-	-	5	-
Share of profit/loss from companies accounted for under the equity method	58,60	57	41	-	-
Operating profit		2,573	1,718	1,542	1,439
Extraordinary income	8	-	32	1,530	420
Extraordinary expenses	8	-324	-40	-28	-2
Profit before appropriations and taxes		2,249	1,710	3,044	1,857
Income taxes	44	-58	-378	2	-211
Minority interest		1	-3	-	-
Net profit for the year		2,192	1,329	3,046	1,646

Figures for 2001 and 2000 are not comparable because of major changes in the Group structure. Changes in the Group structure are described on pages 13–14.

Nordea Bank Finland Plc

Balance sheet, 31 December

EUR million	Note	2001	Group 2000	Parent company 2001	2000
Assets					
Liquid assets		2,928	1,924	1,569	-
Debt securities eligible for refinancing with central banks	13,20				
Treasury bills		269	11	269	-
Other		7,625	3,623	2,206	-
Loans to credit institutions	14				
Repayable on demand		3,311	3,938	1,892	395
Other		16,573	10,982	29,258	-
Loans to the public and public sector organisations	15,19	137,830	92,743	30,136	-
Debt securities	20				
Issued by public sector organisations		5,608	1,067	1,099	-
Other		19,778	10,318	2,476	153
Shares and participations	21,22,53	748	540	258	0
Participating interests	21,22,60,61	472	427	242	47
Shares and participations in Group companies	21,22,58,59	159	216	8,330	6,555
Intangible assets					
Consolidation goodwill	23	1,882	1,345	-	-
Other long-term expenditure		34	36	3	-
Tangible assets	22				
Real estate and shares and participations in real estate companies	24	1,623	1,397	652	2
Other tangible assets		342	271	118	0
Other assets	26	14,350	5,208	3,080	1,274
Prepaid expenses and accrued income	27	2,006	1,978	917	8
Deferred tax receivables	63	314	182	161	-
Total assets		215,852	136,206	82,666	8,434

Figures for 2001 and 2000 are not comparable because of major changes in the Group structure. Changes in the Group structure are described on pages 13–14.

EUR million	Note	2001	Group 2000	Parent company 2001	2000
Liabilities and shareholders' equity					
<i>Liabilities</i>					
Due to credit institutions and central banks					
Central banks		2,816	1,790	-	-
Credit institutions					
Repayable on demand		4,789	3,754	100	27
Other		22,484	10,775	18,304	3,326
Due to the public and public sector organisations					
Deposits					
Repayable on demand		58,024	41,456	18,901	-
Other		25,567	13,787	7,946	-
Other liabilities		2,662	1,932	1,275	-
Debt securities in issue	30				
Bonds		34,273	18,502	1,171	42
Other		26,735	21,572	20,114	-
Other liabilities	31	18,876	7,553	2,475	49
Accrued expenses and prepaid income	32	1,991	2,133	754	34
Provisions	10,33				
Pension provisions		288	153	14	2
Other provisions		148	144	41	-
Subordinated liabilities	34	5,336	4,908	1,431	143
Deferred tax liabilities	63	540	404	-	-
Minority interest		26	39	-	-
Total liabilities		204,555	128,902	72,526	3,623
<i>Shareholders' equity</i>					
Share capital	35	2,355	2,355	2,355	2,355
Share premium account		659	507	659	507
Revaluation reserve		-	0	-	0
Other restricted reserves		502	678	-	-
Capital loans	40	780	743	383	-
Non-restricted reserves		2,887	22	2,848	-
Profit carried forward from previous years	37	1,922	1,670	849	303
Net profit for the year		2,192	1,329	3,046	1,646
Total shareholders' equity		11,297	7,304	10,140	4,811
Total liabilities and shareholders' equity		215,852	136,206	82,666	8,434
Off-balance-sheet commitments					
48					
Commitments on behalf of customers					
in favour of third parties					
Guarantees and pledges		13,279	9,216	9,878	-
Other commitments		1,415	943	567	-
Irrevocable commitments in favour of customers					
Securities repurchase commitments		3	20	3	-
Other commitments		30,724	27,002	6,560	-
Total off-balance-sheet commitments		45,421	37,181	17,008	-

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

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Accounting principles

The financial statements of the parent company Nordea Bank Finland Plc have been drawn up 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 Supervision 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.

The differences that exist between the regulations in Finland, Denmark, Norway and Sweden are of no material significance. In all essential aspects, it has proved possible to coordinate the accounting principles applied in Group companies. Remaining adjustments have been made in the consolidated accounts. These pertain to reclassifications and have no effect on the Group's earnings or financial position. The general provision for loan losses is discussed on page 23.

Consolidated accounts

The financial statements of Group companies that are financial or credit institutions or investment service, fund management or ancillary service companies have been consolidated by the acquisition method. 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 shareholders' equity in the elimination of internal shareholdings. The part of the differences arising from elimination which is not allocated on the subsidiary's assets is shown as consolidation goodwill or consolidation reserve.

The equity method of accounting is used in the case of other subsidiaries and associated undertakings, where the share of voting rights is between 20% and 50%.

By permission of the Finnish Financial Supervision Authority, the consolidated financial statements do not include companies in respect of which the subsidiary or associated company relationship is based on equity holdings acquired for temporary ownership to safeguard the Bank's claims and the customer's business operations. Holdings in Finnish associated undertakings that constitute mutual property companies with separate property holdings and Nordea Life Assurance I Sweden AB

(publ), which operates according to mutual principles, are also not included in the consolidated financial statements. Such holdings are carried at the lower of cost or estimated market value. Non-consolidation of these holdings has no such impact on the Group's performance or financial position as would impair the accuracy or sufficiency of the information provided in the consolidated financial statements.

The result of companies acquired or divested during the year are included in the income statement only for that part of the year during which the Group has had a holding in the company.

The financial statements of the parent company and the Group are presented in euro. The assets and liabilities of foreign subsidiaries have been translated into euro at the year-end exchange rates and income statement items at the year's average exchange rate. Translation differences are charged or credited directly to shareholders' equity.

Reporting of business transactions

Business transactions are reported at the time that risks and rewards are transferred between the parties. This means that trade date accounting is applied for transactions in the money and bond markets, and in the stock market and currency market. Deposit and lending transactions, including repurchase agreements, are reported on the settlement date.

Assets and liabilities are in most cases reported in gross amounts. Netting of assets and liabilities is used, however, if a statutory right to offset the commitments exists and settlement occurs simultaneously.

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.

Leasing

The NBF Group's leasing operations mainly comprise financial leasing. In reporting leasing transactions, the leasing item is reported as lending to the lessee. Leasing rents are reported net of depreciation under interest income.

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 subse-

quent 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.

Financial fixed assets/current 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 Group's loan receivables are in this category. They are reported in the balance sheet at their acquisition value after deduction for incurred and possible loan losses and provision for country risks. See also the section on problem loans and loan losses.

Securities which are classified as financial fixed assets include shares held for strategic business purposes as well as certain interest-bearing securities which are specified from the date of acquisition and managed in a separate portfolio. These securities are carried at acquisition value/amortised cost after consideration of any permanent diminutions in fair value. Reclassification of securities between financial fixed assets and financial current assets is allowed only in limited circumstances. Shares in Nordea AB's subsidiaries are included in the balance sheet item Shares and participations in Group companies.

Other securities are reported as financial current assets. All securities and derivatives which are actively managed are valued at fair value, with the exception of financial instruments which have been accounted for as a hedge. (See "Hedge accounting" below.) This category includes almost all interest-bearing securities as well as equity-related securities included in trading operations. Other current assets are valued at the lower of cost or market value.

The acquisition value of interest-rate-related instruments is calculated as the present value of future payment flows discounted on the basis of the effective acquisition rate, that is the interest rate at which the instrument was acquired. The accrued acquisition value changes successively so that it is equal to the instrument's nominal value on the maturity date. Thus any premium or discount is amortised or accreted into interest income over the remaining term of the instrument. The acquisition value of debt securities in issue is calculated in the same manner.

Interest income and interest expenses related to interest rate swaps not accounted for as hedges are reported under the item Net result from financial operations.

Derivative instruments with positive fair value are reported in the balance sheet as Other assets, while derivatives with negative fair value are reported as Other liabilities. Accrued interest income and expenses pertaining to interest-rate-related swaps which are accounted for as hedges are also reported as Other assets or Other liabilities.

Immediate profit/loss recognition in connection with early debt redemption

The Group applies immediate recognition of gains and losses in connection with early redemption of debt, that is purchase of its own securities. These realised income items – the difference between replacement cost and the book value of the debt redeemed – reflect price changes that have already occurred in the market. The results are reported separately in the item Net result from financial operations.

A subsequent sale of acquired bonds is treated as though the bonds had been newly issued. The immediate income recognition has the effect of eliminating future amortisation in net interest income of the difference between the nominal and acquisition value of the asset and liability items in question.

Hedge accounting

Deferral hedge accounting is applied to hedge holdings of financial instruments which are not valued at fair value. The hedging and hedged positions are reported without taking into account changes in values provided that changes in fair value for the hedging and the hedged positions essentially offset each other in terms of the amounts involved. If additional unrealised losses arise, they are reported immediately in the balance sheet and the income statement.

Assets and liabilities denominated in foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the year-end exchange rate, corresponding to the average of official buying and selling 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. Cash in foreign currencies is treated as receivables in foreign currencies. Forward positions in foreign currencies are 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 and the corresponding protected item are translated at the year-end rate.

Reporting of problem loans and property taken over for protection of claims

The notes to the balance sheet provide an overview of the extent of problem loans, that is, loans with interest deferments, doubtful loans and assets taken over for the protection of claims.

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 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 doubtful if the interest, principal or utilised overdraft is more than 60 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 doubtful, 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.

Property taken over is specified in a note to the balance sheet. These assets are valued at the lower of cost and fair value. In the case of real estate that has been taken over, the fair value consists of a conservatively appraised market value less selling costs.

Loan losses

Receivables are reported in the balance sheet after subtracting incurred and possible loan losses as well as provisions for country risks.

Incurred losses are those losses the amount of which is regarded as finally established or highly probable because a bankruptcy administrator has provided an estimate of the percentage of assets to be distributed, creditors have accepted a composition proposal, or claims have otherwise been modified.

Provision for a possible loan loss is made if the value of the collateral does not cover the amount of a doubtful receivable and the repayment capacity of the borrower is not expected to improve sufficiently within two years. The receivable is written down to the amount that the Group is expected to recover, considering the value of the collateral. If the collateral is an asset with a market quotation, valuation is based on the quoted value, otherwise on the estimated market value. If the collateral consists of property mortgages, the underlying property value is appraised using the same methods as for property taken over for protection of claims. Provisions for loan losses related to country risks are made on the basis of country risk estimates presented by The Economist Intelligence Unit, London (EIU) and the Group's outstanding net claim against counterparties in each country.

Provisions for loan losses are established by specific assessments with the following exceptions.

- For the different categories of consumer loans, the necessary loss provisions is calculated by means of collective valuations based on historical loss trends for homogenous categories of loans (home mortgage loans, other secured loans, salary account loans and other unsecured loans).
- Through the acquisition of Nordea Bank Norge a general provision for loan losses was introduced. This provision, which refers to loans not yet identified as defaulted, has been maintained as it was established before NBN became part of the NBF Group. At the end of 2001 this general provision amounted to EUR 199m.

Provisions for loss risks on off-balance-sheet items are reported under Provisions in the balance sheet. In estimating the costs to redeem extended guarantees, the value of existing recourse rights is taken into account.

Intangible and tangible fixed assets

These assets are reported at their acquisition value less depreciation according to plan. The depreciation according to plan takes into account the estimated life of the asset. If it is deemed likely that the fair value will consistently be less than the book value, the value is written down as required. Write-downs on real estate holdings are presented as a separate item after operating profit. This reflects the decision made by the MeritaNordbanken Group in December 1998 to divest the Group's property portfolio in Finland at a rapid pace.

Goodwill

Consolidation goodwill is generally amortised over 5–10 years. However, should the effect of the

goodwill last longer, it is amortised over a maximum period of 20 years.

Depreciation on equipment

Equipment is depreciated on a straight-line basis. Software is normally expensed immediately during the year of acquisition. In respect of major investments software can be depreciated on a straight-line basis over a maximum period of five years. Equipment is depreciated over a maximum period of five years.

Depreciation on buildings

Buildings are depreciated on a straight-line basis over periods ranging from 25 to 75 years.

Pension costs

The operating profit includes pension costs, which comprise premiums and fees to insurance companies and pension foundations which have assumed part of the Group's pension commitments, and actuarial pension costs in respect of that part of the commitments which is guaranteed by a contribution to a pension foundation. In the item Refund from Pension Fund/Foundation the actuarial pension costs are reversed, and pension benefits paid are recognised together with any contributions made to or received from pension foundations.

Taxation

Tax on the year's taxable income and the movements in provisions for deferred tax (including tax assets) are charged to the income statement. The tax is calculated per country using the local rules and tax rates as basis.

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.

Insurance activities

Life insurance premiums represent regular premiums and single premiums due for the year.

Expenses relating to acquiring and renewing the insurance portfolio are charged to the income statement at the time of writing the business. In traditional life insurance in Finland, all investments are stated at cost.

Technical provisions in life insurance are calculated by the chief actuary. The provisions cover all liabilities in respect of the life insurance portfolio, including bonuses, which have been allocated to the policyholders.

Note 1: Interest income and expenses

EUR million	Group		Parent company	
	2001	2000	2001	2000
Interest income				
Loans to credit institutions	628	997	263	18
Loans to the public and public sector organisations ¹⁾	6,511	4,186	381	-
Debt securities	810	627	76	47
Other interest income	45	26	2	0
Total	7,994	5,836	722	65
Interest expenses				
Debts to credit institutions and central banks	787	973	348	71
Debts to the public and public sector organisations	2,051	784	140	-
Debt securities in issue	2,078	1,655	184	8
Subordinated liabilities	293	248	26	6
Capital loans	22	26	5	-
Other interest expenses	148	85	1	-
Total	5,379	3,771	704	85
Net interest income	2,615	2,065	18	-20

1) Includes net income from leasing in the amount of EUR 68 million (EUR 57 million).

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 68 million (EUR 57 million).

Note 3: Net income from securities transactions

EUR million	Group		Parent company	
	2001	2000	2001	2000
Interest-rate-related items	62	35	-5	-
Equity-related items	60	52	15	1
Other securities transactions	43	4	-9	-
Total	165	91	1	1

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 1,382 billion and debt securities sold to EUR 1,367 billion. The value of corresponding shares purchased was EUR 29 billion and corresponding shares sold EUR 30 billion.

Note 5: Other operating income and expenses

EUR million	Group		Parent company	
	2001	2000	2001	2000
Other operating income				
Gross rental and dividend income from real estate and real estate companies	60	76	7	-
Capital gains from the sale of real estate and shares and participations in real estate companies	-18	11	-1	-
Other income from ordinary operations	1,282	111	-5	0
Total	1,324	198	1	0
Other operating expenses				
Rental expenses	137	115	9	0
Expenses from real estate and real estate companies	97	52	9	0
Other expenses arising from ordinary operations	51	37	20	-2
Total	285	204	38	-2

Note 6: Depreciation and write-downs on tangible and intangible assets

EUR million	Group		Parent company	
	2001	2000	2001	2000
Depreciation according to plan				
Tangible assets	131	94	11	0
Consolidation goodwill	88	24	-	-
Other intangible assets	2	5	0	-
Total	221	123	11	0
Write-downs				
Tangible assets	-	-	2	-
Intangible assets	-	-	-	-
Total	-	-	2	-

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

EUR million	Group				Parent company			
	2001		2000		2001		2000	
	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	-	0	-	-	-	-	-	-
Loans to the public and public sector organisations	532	354	287	249	32	52	-	-
Leased assets	16	0	-	-	-	-	-	-
Guarantees and other commitments	3	1	1	1	0	0	-	-
Property taken over for protection of claims	12	-	12	-	4	0	-	-
Total	563	355	300	250	36	52	-	-

Previous write-downs on financial fixed assets were reserved in the net amount of EUR 5 million in the parent company.

EUR million	2001	2000	2001	2000
Actual loan losses during the year (+)	421	691	41	-
Previous loan loss provisions utilised during the year (-)	-335	-639	-21	-
Recoveries of loan losses incurred in previous years (-)	-98	-62	-11	-
Loan loss provisions made during the year (+)	476	249	16	-
Reversal of previous provisions (-)	-256	-189	-41	-
Loan and guarantee losses	208	50	-16	-

Note 8: Extraordinary income and expenses

EUR million	Group		Parent company	
	2001	2000	2001	2000
Extraordinary income				
Group contribution	-	-	-	43
Refund from Pension Fund/Foundation	-	32	-	-
Merger profit, Merita Plc	-	-	-	377
Merger profit, Merita Bank Plc	-	-	1,530	-
Total	-	32	1,530	420
Extraordinary expenses				
Merger loss, Partita Ltd	-	-	28	-
Group contribution to Nordea	324	-	-	-
Sale of Aleksia	-	40	-	-
Write-downs on real estate assets	-	-	-	2
Total	324	40	28	2

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

EUR million	Group 2001	Parent company 2001
Changes during the year		
Pension provisions	135	12
Guarantees and other similar provisions	18	6
Rental liabilities	-8	9
Restructuring provisions	52	11
Other	-58	15
Total	139	53

Note 11: Income statement format

Income statements have been compiled 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

EUR million	Group		Parent company	
	2001	2000	2001	2000
Income ¹⁾				
Finland	4,642	5,644	1,727	1,445
Sweden	2,761	1,767	-	1
Norway	903	-	-	-
Denmark	98	-	-	-
Great Britain	96	38	18	-
Latvia	10	7	2	-
Lithuania	2	-	0	-
Luxembourg	-	12	-	-
Singapore	18	9	2	-
Estonia	10	9	2	-
USA	89	35	17	-
Poland	14	10	-	-
Other	6	-2	-	-
Operating profit				
Finland	2,201	2,506	1,563	1,439
Sweden	1,705	752	-	0
Norway	270	-	-	-
Denmark	55	-	-	-
Great Britain	20	-21	4	-
Latvia	4	0	0	-
Lithuania	1	-	0	-
Luxembourg	-	4	0	-
Singapore	16	7	0	-
Estonia	4	4	0	-
USA	-30	15	-25	-
Poland	-2	2	-	-
Other	2	-6	-	-
Personnel				
Finland	11,698	11,353	9,729	6
Sweden	9,560	7,136	-	-
Norway	4,265	-	-	-
Denmark	9,076	-	-	-
Great Britain	152	124	119	-
Latvia	113	101	100	-
Lithuania	41	47	41	-
Singapore	51	39	51	-
Estonia	133	308	111	-
USA	144	79	108	-
Poland	543	262	-	-

Intra-group items have not been eliminated.

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

1) Net interest income, income from equity investments, commission income, net income from securities trading and foreign exchange dealing and other operating income.

Note 13: Debt securities eligible for refinancing with central banks

EUR million	Group		Parent company	
	2001	2000	2001	2000
Treasury bills	269	11	269	-
Government bonds	5,800	2,485	384	-
Certificates of deposit issued by the central banks	-	-	-	-
Certificates of deposit issued by others	1,825	1,138	1,822	-
Total	7,894	3,634	2,475	-

Note 14: Loans to credit institutions

EUR million	Group		Parent company	
	2001	2000	2001	2000
Central banks	385	7	9	-
Other credit institutions				
- payable on demand	3,311	3,938	1,892	395
- other	16,188	10,975	29,249	-
Total	19,884	14,920	31,150	395

Note 15: Loans to the public and public sector organisations

EUR million	Group		Parent company	
	2001	2000	2001	2000
Corporate	77,359 ¹⁾	48,856	11,006 ¹⁾	-
Financial institutions and insurance companies	142	120	131	-
Public sector organisations	16,333	2,036	315	-
Non-profit organisations	305	1,711	290	-
Households	37,149	34,102	11,991	-
Foreign	6,542	5,918	6,403	-
Total	137,830	92,743	30,136	-

1) Housing corporations were previously reported under Non-profit organisations.

The above breakdown on lending 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**

EUR million	Group		Parent company	
	2001	2000	2001	2000
Specific loan loss provisions at the beginning of the year	2,421	1,861	-	-
New provisions made during the year (+)	433	283	715	-
Provisions reversed during the year (-)	-289	-147	-27	-
Actual loan losses during the year charged against provisions made in previous years (-)	0	-661	-20	-
Exchange rate difference	16	-5	-	-
Specific loan loss provisions at the end of the year	2,581	1,331	668	-

In addition to the above figures, provisions for country risks deducted from the balance sheet item Loans to credit institutions are carried in the accounts of the Nordea Bank Finland Group in the amount of EUR 27 million as at the end of 2001.

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

EUR million	<i>Group</i>		<i>Parent company</i>	
	2001	2000	2001	2000
Non-performing receivables				
Corporate	456	0	52	-
Financial institutions and insurance companies	0	0	-	-
Public sector organisations	0	-	-	-
Non-profit organisations	1	0	1	-
Households	168	0	44	-
Foreign	56	452	55	-
Total ¹⁾	681	452	152	-
Other zero-interest-rate receivables				
Corporate	40	0	40	-
Non-profit organisations	-	0	-	-
Households	15	0	14	-
Foreign	12	147	12	-
Total ²⁾	67	147	66	-

1) In addition, non-performing and zero-interest-rate receivables totalling EUR 2 million carried at the risk of the Finnish Government Guarantee Fund (EUR 9 million).

2) Includes EUR 8 million of loans granted to companies taken over for protection of claims (EUR 38 million).

Note 17: Property taken over for protection of claims

EUR million	<i>Group</i>		<i>Parent company</i>	
	2001	2000	2001	2000
Book value				
Real estate and shares in real estate companies	13	20	2	-
Other shares	19	-	-	-
Other assets	1	2	0	-
Shares and participations acquired for restructuring purposes	15	9	13	-
Total	48	31	15	-

Note 18: Subordinated receivables

EUR million	<i>Group</i>		<i>Parent company</i>	
	2001	2000	2001	2000
Loans to credit institutions	24	27	174	-
of which to Group companies	-	-	171	-
to companies in which the Group has a participating interest	2	-	2	-
Loans to the public and public sector organisations	90	67	31	-
of which to Group companies	-	-	5	-
to companies in which the Group has a participating interest	1	1	1	-
Debt securities	145	271	357	153
of which to Group companies	-	-	213	153
to companies in which the Group has a participating interest	-	-	-	-
Other assets	1	5	1	-
Total	260	370	563	153

Receivables from Group companies and companies in which the Group has a participating interest include receivables from companies acquired for protection of claims but not included in the consolidated accounts.

Note 19: Leased assets

EUR million	<i>Group</i>		<i>Parent company</i>	
	2001	2000	2001	2000
Prepayments	21	6	-	-
Machinery and equipment	742	692	-	-
Fixed assets and buildings	339	351	-	-
Other assets	5	6	-	-
Total	1,107	1,055	-	-

Leased assets are comparable to loans to the public.

Note 20: Debt securities

	<i>Group</i>				<i>Parent company</i>			
	2001		2000		2001		2000	
EUR million	Publicly listed	Other	Publicly listed	Other	Publicly listed	Other	Publicly listed	Other
Book value								
Current assets	30,956	363	8,952	-	5,178	149	-	-
Other	1,026	935	5,674	393	142	581	-	153
Total	31,982	1,298	14,626	393	5,320	730	-	153
Difference between market value and a lower book value, current assets		-7		-7		-		-
Difference between nominal value and book value, financial fixed assets								
Higher nominal value		43		66		5		-
Lower nominal value		60		160		0		-
Book value, specified								
Government certificates		269		11		269		-
Municipal certificates		118		132		4		-
Commercial paper		14		56		14		-
Certificates of deposit		4,501		3,180		2,830		-
Convertible bonds		24		7		7		-
Other bonds		27,927		9,026		2,897		153
Other		427		2,607		29		-
Total		33,280		15,019		6,050		153

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

	<i>Group</i>				<i>Parent company</i>			
	2001		2000		2001		2000	
EUR million	Publicly listed	Other	Publicly listed	Other	Publicly listed	Other	Publicly listed	Other
Book value ¹⁾								
Current assets	558	137	308	156	145	105	-	0
Other	0	53	35	41	0	8	-	0
Total	558	190	343	197	145	113	-	0
Difference between market value and a lower book value, publicly listed shares ¹⁾								
Current assets	1		86		-		-	
Other	0		42		0		-	
Total	1		128		0		-	

At the end of the period the Nordea Bank Finland Group had borrowed securities in the amount of EUR 335 million (EUR 699 million) with an average loan period of one month. There were no borrowed securities transferred to third parties (EUR 15 million). The Group had lent securities in the amount of EUR 283 million (EUR 3 526 million) with an average loan period of one month. The parent company had neither borrowed nor lent securities.

Book value of participating interests and shares and participations in subsidiaries

	<i>Group</i>		<i>Parent company</i>	
	2001	2000	2001	2000
EUR million				
Subsidiaries				
Credit institutions	17	17	8,134	6,219
Other	142	199	196	336
Total	159	216	8,330	6,555
Participating interests				
In credit institutions	141	120	41	-
In other companies	331	307	201	47
Total	472	427	242	47

1) Excluding participating interests and shares in subsidiaries.

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

EUR million	Group 2001	Parent company 2001
Shares and participations		
Acquisition value, 1 Jan 2001	751	6,602
Increase in acquisition value due to mergers ¹⁾	-	3,320
Increase	76 ²⁾	1,660
Decrease	-109	-1,905
Write-downs during the year	0	1
Increase in accumulated write-downs due to merger ¹⁾	-	-1,098
Accumulated write-downs, 1 Jan 2001	-33	-
Book value, 31 Dec 2001	685	8,580
Buildings, land and water areas and shares in real estate companies		
Acquisition value, 1 Jan 2001	1,778	2
Increase in acquisition value due to mergers ¹⁾	-	789
Increase	475 ³⁾	32
Decrease	-327	-47
Depreciation according to plan for the year	-25	0
Accumulated depreciation and write-downs allocated to decreases	103	2
Increase in accumulated depreciation/write-downs due to mergers ¹⁾	-	-126
Accumulated depreciation/write-downs, 1 Jan 2001	-381	-
Book value, 31 Dec 2001	1,623	652
Machinery, equipment and other tangible assets		
Acquisition value, 1 Jan, 2001	754	0
Increase in acquisition value due to mergers ¹⁾	-	427
Increase	216 ⁴⁾	17
Decrease	-65	-35
Depreciation according to plan for the year	-106	-11
Accumulated depreciation and write-downs allocated to decreases	26	1
Increase in accumulated depreciation/write-downs due to mergers ¹⁾	-	-281
Accumulated write-downs, 1 Jan 2001	-483	0
Book value, 31 Dec 2001	342	118

1) Merita Real Estate Ltd was merged with Merita Bank Plc on 30 April, 2001.

2) Including EUR 50 million due to the acquisition of Nordea Bank Danmark A/S.

3) Including EUR 414 million due to the acquisition of Nordea Bank Danmark A/S.

4) Including EUR 63 million due to the acquisition of Nordea Bank Danmark A/S.

Note 23: Intangible assets

EUR million	Group		Parent company	
	2001	2000	2001	2000
Consolidation goodwill	1,882	1,345	-	-
Other	34	36	3	-
Total	1,916	1,381	3	-

Note 24: Real estate and real estate companies under tangible assets

EUR million	Group				Parent company			
	Bookvalue	Capital employed	Bookvalue	Capital employed	Bookvalue	Capital employed	Bookvalue	Capital employed
	2001	2000	2001	2000	2001	2000	2001	2000
Land and buildings								
In own use	1,218	839	1,341	883	67	-	67	-
Other	310	397	287	545	48	-	47	-
Shares in real estate companies								
In own use	40	46	39	42	312	0	312	0
Other	55	115	89	148	225	2	262	2
Total	1,623	1,397	1,756	1,618	652	2	688	2

Expenses arising from real estate occupied by other parties than Nordea and shares in real estate companies

Real estate investment is not part of the NBF 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 EUR million	Net yield, %	Vacancy rate, %
Residential property	12,162	16	2	33
Business and office premises	3,202	200	3	4
Industrial premises	434,203	22	0	15
Land (undeveloped)	0	26	-1	-
Other domestic real estate	127,604	23	-1	-
Foreign real estate	5,586	6	1	27
Total	582,757	293	2	25

Real estate owned by Nordea Bank

Norge and Nordea Bank Sweden	63,609	83
Total	646,366	376

Capital employed in the above real estate according to yield

Yield, %	Capital employed, EUR million ¹⁾
Negative	70
0-3	75
3-5	47
5-7	60
Over 7	41
Total	293

1) Excluding real estate owned by Nordea Bank Norge and Nordea Bank Sweden.

Note 25: Own shares held by Group companies

Nordea Bank Finland Plc or its subsidiaries hold no shares issued by themselves. The subsidiaries hold shares issued by Nordea AB (publ), the value of which was EUR 3 million at the end of 2001.

Note 26: Other assets

EUR million	Group		Parent company	
	2001	2000	2001	2000
Cash items in the process of collection	104	122	135	-
Guarantee claims	15	16	15	-
Derivative contracts	8,610	4,253	1,323	-
Other	5,621 ¹⁾	817	1,607	1,274
Total	14,350	5,208	3,080	1,274

1) Nordea Bank Danmark's balance sheet includes customers' portfolio schemes, for which customers bear the risk and the return correlates directly with the assets financed by these portfolio schemes. Since the assets legally belong to the bank, these assets and corresponding liabilities are included in the Group's balance sheet. A breakdown of the assets is shown below and a breakdown of the liabilities is shown in note 31 Other liabilities.

EUR million	2001
Loans to credit institutions	50
Debt securities	1,619
Shares and participations	1,660
Other assets	30
Total	3,359

Note 27: Prepaid expenses and accrued income

EUR million	Group		Parent company	
	2001	2000	2001	2000
Interest	1,740	1,672	784	8
Other	266	306	294	0
Total	2,006	1,978	1,078	8

Note 28: Balance sheet format (assets)

Balance sheets have been compiled 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

EUR million	Group		Parent company	
	2001	2000	2001	2000
Difference between nominal value and a lower book value				
Debt securities in issue	115	220	58	-
Subordinated liabilities	72	2	1	-
Total	187	222	59	-
Difference between book value and a lower nominal value				
Debt securities in issue	41	2	2	-
Subordinated liabilities	-	-	-	-
Total	41	2	2	-

Note 30: Book value of debt instruments in issue

EUR million	Group		Parent company	
	2001	2000	2001	2000
Certificates of deposit	25,170	20,283	18,537	-
Bonds	34,273	18,502	1,171	42
Other	1,565	1,289	1,577	-
Total	61,008	40,074	21,285	42

Note 31: Other liabilities

EUR million	Group		Parent company	
	2001	2000	2001	2000
Cash items in the process of collection	1,028	855	1,024	-
Derivative contracts	7,982	4,285	1,128	-
Other	9,866 ¹⁾	2,413	323	49
Total	18,876	7,553	2,475	49

1) Nordea Bank Danmark's balance sheet includes customers' portfolio schemes, for which customers bear the risk and the return correlates directly with the assets financed by these portfolio schemes. Since the liabilities legally belong to the bank, these liabilities and corresponding assets are included in the Group's balance sheet. A breakdown of the liabilities is shown below and a breakdown of the assets is shown in note 26 Other assets.

EUR million	2001
Liabilities	
Deposits	3,226
Other liabilities	121
Accrued expenses and prepaid income	12
Total	3,359

Note 32: Accrued expenses and prepaid income

EUR million	Group		Parent company	
	2001	2000	2001	2000
Interest	1,376	1,259	600	18
Other	615	874	154	16
Total	1,991	2,133	754	34

Note 33: Provisions

EUR million	Group		Parent company	
	2001	2000	2001	2000
Pension provisions	288	153	14	2
Guarantees and other similar provisions	48	30	6	-
Rental liabilities	9	17	9	-
Restructuring provisions	54	2	11	-
Other	37	95	15	-
Total	436	297	55	2

Note 34: Subordinated liabilities

EUR million	Group		Parent company	
	2001	2000	2001	2000
Liabilities with a book value exceeding 10% of all subordinated liabilities ¹⁾	-	-	1,126	143
Other subordinated liabilities ²⁾	5,336	4,908	305	-
Total	5,336	4,908	1,431	143
- of which perpetual bonds	772	1,823	456	143

No subordinated loans have been directed to subsidiaries of Nordea Bank Finland Plc or to companies in which Nordea Bank Finland Plc has a participating interest.

- 1) Nordea Bank Finland Plc USD 300 million, EUR 339 million, interest rate 6.5% maturing on 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 USD 224 million, EUR 253 million, interest rate 6.5% maturing on 15 January 2006. 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 USD 190 million, EUR 215 million, interest rate 10 %, maturity date 1 May 2002. 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. Holders are entitled to call the bonds i.a. if interest is 30 days overdue or if the operations of the New York Branch are closed. No equity conversion option.
- Nordea Bank Finland Plc USD 150 million, EUR 169 million, interest rate 7.5 % until 30 January 2007, no maturity date. 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.
- By permission of the Finnish Financial Supervision Authority, the debt may be prematurely repaid on 30 January 2007 and on each subsequent interest payment date.
- Nordea Bank Finland Plc, EUR 150 million, floating rate, maturity date 2 August 2007. 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. By permission of the Finnish Financial Supervision Authority, the debt may be prematurely repaid on 2 August, 2002 for the first time.
- 2) The holders of other subordinated liabilities have no right to prematurely call the bonds. No equity conversion option.

Note 35: Equity capital ¹⁾

Group EUR million	Restricted equity			Non-restricted reserves	Total
	Share capital	Share premium account	Restricted reserves		
Shareholders' equity at the beginning of the year	2,355	507	678	3,021	6,561
Reduction of the share capital and share premium account against non-restricted equity ²⁾	-2,341	-507	-	2,848	0
Increase in share capital and share premium account ²⁾	2,341	659	-	-	3,000
Dividend	-	-	-	-1,100	-1,100
Exchange rate differences	-	-	-107	-29	-136
Changes between restricted and unrestricted equity	-	-	-69	69	0
Profit/loss for the year	-	-	-	2,192	2,192
31 December, 2001	2,355	659	502	7,001	10,517
Distributable equity				6,963	
Parent company EUR million	Restricted equity			Non-restricted reserves	Total
	Share capital	Share premium account	Restricted reserves		
Shareholders' equity at the beginning of the year	2,355	507	-	1,949	4,811
Reduction of the share capital and share premium account against non-restricted equity ²⁾	-2,341	-507	-	2,848	0
Increase in share capital and share premium account ²⁾	2,341	659	-	-	3,000
Dividend	-	-	-	-1,100	-1,100
Profit/loss for the year	-	-	-	3,046	3,046
31 December, 2001	2,355	659	-	6,743	9,757
Distributable equity				6,743	

1) Excluding capital loans for EUR 780 million (EUR 743 million on 1 January 2001), change of EUR 37 million during the year. Capital loans in Nordea Bank Finland Plc amounted to EUR 383 million at the end of the year.

2) The share capital and premium fund were decreased in connection with the acquisition of Unibank A/S (present Nordea Bank Danmark A/S). The funds were transferred to non-restricted reserves. After the acquisition, the share capital was raised through an issue of shares to Nordea AB (publ).

Note 36: Shares in Nordea Bank Finland Plc

Pursuant to the Articles of Association the Bank's minimum share capital is EUR 850 million and maximum share capital EUR 3,400 million. All the shares in issue are held by Nordea AB (publ). The book value of the shares corresponds to EUR 0.01 per share.

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

EUR million	<i>Group</i>	
	2001	2000
Voluntary reserves and depreciation difference	39	22

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

Nordea Bank Finland Plc acquired the share stock of Unibank A/S (presently Nordea Bank Danmark A/S) in a non-cash issue on 30 November 2001. The issue involved an increase in the Bank's share capital of EUR 2,340,660,000 through an issue of new ordinary and preferred shares with book value corresponding to EUR 0.01. All new shares were offered for subscription to the Bank's sole owner, Nordea AB (publ). Nordea AB (publ) subscribed all of these shares and transferred all shares in Unibank A/S to Nordea Bank Finland Plc as a non-cash consideration representing payment for the new shares. Nordea Bank Finland Plc transferred 187,252,800,000 new ordinary shares and 46,813,200,000 new preference shares to Nordea AB (publ) as compensation for the Unibank shares. 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 2001, 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 AB (publ).

Note 40: Capital loans

EUR million	<i>Group</i>		<i>Parent company</i>	
	2001	2000	2001	2000
EUR-denominated capital loans ¹⁾	42	43	42	-
Capital loans denominated in other currencies ²⁾	738	700	341	-
Total	780	743	383	-

Capital loans are included in Tier 1 capital for the calculation of capital adequacy. Interest may be paid on such loans only out of distributable funds. All interest and other compensation on these loans is entered as expense in the income statement as incurred.

1) Annual interest on the EUR 42 million, capital security issued in Finland is fixed until the year 2004. The security is perpetual.

2) In September 1997, Nordea Bank Finland Plc issued non-cumulative step-up perpetual capital securities in the amount of USD 300 million, EUR 341 million, in the international markets. The securities are perpetual, but subject to regulatory approval, may be repaid after five years of issuance. The annual cost of the loan during the first five years, after all expenses, corresponds to the six-month Libor plus approximately 0.85 percentage point.

In November 1999 Nordea Bank Sweden AB (publ) issued hybrid capital securities in the amount of USD 350 million, EUR 397 million, in the international markets. The securities are perpetual, but subject to regulatory approval may be repaid after ten years of issuance. The securities are running with an 8.95 %-coupon to be paid every six months during the first ten years.

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

Balance sheets have been compiled 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

EUR million	Less than 3 month	3-12 months	1-5 years	Over 5 years
Group, 31 Dec 2001				
<i>Receivables</i>				
Debt securities eligible for refinancing with central banks	6,535	344	799	216
Loans to credit institutions	8,837	7,249	3,640	158
Loans to the public and public sector organisations	48,889	11,539	40,170	37,232
Debt securities	6,793	2,029	10,642	5 922
<i>Liabilities</i>				
Due to credit institutions and central banks	25,007	4,577	229	276
Due to the public and public sector organisations	77,922	5,328	1,052	1,951
Debt securities in issue	21,371	12,550	16,807	10,280
Parent company, 31 Dec 2001				
<i>Receivables</i>				
Debt securities eligible for refinancing with central banks	1,997	105	373	-
Loans to credit institutions	23,809	6,052	873	416
Loans to the public and public sector organisations	4,155	3,147	12,009	10,825
Debt securities	1,227	370	1,628	350
<i>Liabilities</i>				
Due to credit institutions and central banks	15,060	3,249	59	36
Due to the public and public sector organisations	11,393	3,519	6,230	6,980
Debt securities in issue	12,707	7,564	996	18

Receivables from the public and public sector organisations payable on demand amounted to EUR 15.1 billion in the Nordea Bank Finland Group. Nordea Bank Finland Plc 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

EUR million	Group		Parent company	
	EUR	Other currencies	EUR	Other currencies
Assets, 31 Dec 2001				
Debt securities eligible for refinancing with central banks	2,475	5,420	2,475	-
Loans to credit institutions	3,197	8,792	12,021	19,129
Loans to the public and public sector organisations	33,557	104,273	23,411	6,725
Debt securities	7,225	26,055	2,173	1,402
Other assets	4,833	20,025	4,602	10,728
Total	51,287	164,565	44,682	37,984
Liabilities, 31 Dec 2001				
Due to credit institutions and central banks	5,434	24,654	5,643	12,761
Due to the public and public sector organisations	25,679	60,574	24,355	3,767
Debt securities outstanding	10,311	50,697	6,806	14,479
Subordinated liabilities	294	5,440	294	1,137
Other liabilities	8,475	24,294	2,087	1,197
Total	50,193	165,659	39,185	33,341

Note 44: Income taxes

EUR million	Group		Parent company	
	2001	2000	2001	2000
Change in deferred tax receivables/liabilities	-76 ^{1) 2) 3)}	97	-6	-
Taxes arising from ordinary business operations	134	281	4	199
Taxes arising from extraordinary items	-	-	-	12
Total	58	378	-2	211

1) The judgement in a tax action in Norway resulted in a decrease in taxes by EUR 95 million. The impact is shown in the acquisition elimination.

2) The deferred tax liability of EUR 188 million was included in the balance sheet in connection with the acquisition of Nordea Bank Danmark A/S.

3) Other changes amounting to EUR -13 million.

Note 45: Pledged assets

EUR million	Group		Parent company	
	2001	2000	2001	2000
Assets pledged as collateral for own liabilities				
- Debt securities eligible for refinancing with central banks	6,175	3,009	2,593	-
- Leasing contracts	236	256	-	-
- Debt securities	4,634	3,719	18	-
- Other	31	19	14	-
Total	11,076	7,003	2,625	-

The above collateral has been pledged for the following items

- Due to credit institutions and central banks	3,848	5,847	1,750	-
- Due to the public	1,376	807	-	-
- Debt securities in issue	627	82	34	-
- Other liabilities and commitments	609	17	609	-
Total	6,460	6,753	2,393	-

Other pledged assets 1,350 569 - -

Nordea Bank Finland Plc has pledged assets in the amount of EUR 298 million as collateral for liabilities of associated companies.

Advance distribution of euros

Nominal value	382	-
- of which delivered to customers	65	-

Note 46: Liabilities arising from pension commitments

Statutory pensions for employees of Finnish Group companies are arranged through insurance. The premiums are paid mainly by the companies. Supplementary pensions for employees are arranged through the pension fund and foundation. A minor part of the pension commitments is carried on respective companies' balance sheets as a statutory provision under liabilities. In Swedish Group companies, pension liabilities are borne by the companies themselves but are fully covered through the affiliated pension foundation. A minor part of the pension commitments is arranged through insurance and liabilities arising from certain individual old commitments are carried on respective companies' balance sheets under liabilities. In Norway, pension commitments are carried in the balance sheet under liabilities. Pension commitments of the Group's Danish companies are covered either in an independent pension fund or through an insurance company. The Nordea Bank Danmark Group has no further pension commitments towards the staff.

At the end of the year, the fair value of the assets of the Group pension funds and foundations was EUR 1,281 million (EUR 1,490 million), which exceeds the amount of liabilities by EUR 130 million (EUR 361 million).

No refund from the pension fund or foundation was carried in the Group's income statement in 2001 (EUR 32 million).

Note 47: Leasing liabilities

The rentals payable by the Nordea Bank Finland Group in 2002 will amount to EUR 10 million and those payable by Nordea Bank Finland Plc to EUR 3 million. The value of rentals payable in subsequent years amounts to EUR 9 million in the Nordea Bank Finland Group and to EUR 3 million in Nordea Bank Finland Plc.

Note 48: Contingent liabilities

EUR million	Group		Parent company	
	2001	2000	2001	2000
Guarantees	13,277	9,214	9,878	-
Stand-by facilities	14,749	10,593	3,163	-
Unused part of credit lines	14,279	14,600	2,660	-
Other commitments	3,116	2,774	1,307	-
Total	45,421	37,181	17,008	-

Of which on behalf of Group and associated companies

EUR million	Group				Parent company			
	2001	2000	2001	2000	2001	2000	2001	2000
	Group companies	Asso- ciated compa- nies	Group compa- nies	Asso- ciated compa- nies	Group compa- nies	Asso- ciated compa- nies	Group compa- nies	Asso- ciated compa- nies
Guarantees	-	213	-	52	4,612	2	-	-
Other commitments	-	32	-	16	510	32	-	-
Total	-	245	-	68	5,122	34	-	-

Note 49: Derivative contracts

EUR million	<i>Group</i>				
	Positive market value	Negative market value	Nominal value	For hedging purposes	Credit counter-value
<i>Interest-rate-related derivatives</i>					
Futures and forwards	214	216	226,931	1,722	5
Options					
Purchased	490	8	34,864	36	2
Written	7	454	31,014	-	-
Interest rate swap agreements	4,601	4,936	306,365	30,033	381
<i>Currency-related derivatives</i>					
Futures and forwards	2,379	1,962	223,180	13,537	497
Options					
Purchased	137	4	10,125	-	1
Written	4	103	11,219	-	-
Interest rate and currency swap agreements	1,043	950	24,444	7,166	1,060
<i>Equity-related derivatives</i>					
Futures and forwards	24	32	494	53	-
Options					
Purchased	119	94	1,740	1,327	143
Written	94	37	522	121	-
<i>Other derivative contracts</i>	23	21	189	-	1

EUR million	<i>Parent company</i>							
	Maturity							
	Less than 3 months		3-12 months		1-5 years		Over 5 years	
	Positive market value	Negative market value	Positive market value	Negative market value	Positive market value	Negative market value	Positive market value	Negative market value
<i>Interest-rate-related derivatives</i>								
Futures and forwards	4	5	3	3	-	-	-	-
Options								
Purchased	-	0	1	3	4	6	0	-
Written	0	-	2	1	6	5	1	-
Interest rate swap agreements	165	154	275	256	348	367	134	110
<i>Currency-related derivatives</i>								
Futures and forwards	167	85	198	96	120	65	-	-
Options								
Purchased	1	5	0	0	-	-	-	-
Written	5	1	0	-	-	-	-	-
Interest rate and currency swap agreements	1	1	3	4	75	45	19	29
<i>Equity-related derivatives</i>								
Futures and forwards	0	0	-	-	-	-	-	-
Options								
Purchased	-	0	-	3	-	84	-	4
Written	0	-	3	-	84	-	4	-
<i>Other derivative contracts</i>	0	-	3	2	20	20	-	-

<i>Parent company</i>					
EUR million	Positive market value	Negative market value	Total Nominal value	For hedging purposes	Credit counter-value
<i>Interest-rate-related derivatives</i>					
Futures and forwards	8	7	6,441	359	5
Options					
Purchased	6	9	2,194	-	2
Written	8	6	2,215	-	-
Interest rate swap agreements	922	887	47,587	15,840	126
<i>Currency-related derivatives</i>					
Futures and forwards	485	247	43,350	3,671	673
Options					
Purchased	1	5	844	-	1
Written	5	1	781	-	-
Interest rate and currency swap agreements	98	79	3,573	853	13
<i>Equity-related derivatives</i>					
Futures and forwards	0	0	0	-	-
Options					
Purchased	-	91	595	570	12
Written	92	-	20	-	-
<i>Other derivative contracts</i>	23	21	189	-	1

Credit risk of the derivative contracts

EUR million	<i>Group</i>		<i>Parent company</i>	
	Nominal value of the contracts	Positive market value	Nominal value of the contracts	Positive market value
Counterparty				
Public sector	-	-	-	-
Credit institutions	26,201	836	2,018	32
Other companies	3,266	56	1,919	17
Total	29,467	892	3,937	49

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

EUR million	<i>Group</i>		<i>Parent company</i>	
	2001	2000	2001	2000
Accounts receivable arising from the sale of assets on behalf of customers	423	327	19	-
Accounts payable arising from the purchase of assets on behalf of customers	153	225	9	-

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

	<i>Group</i>		<i>Parent company</i>	
	2001	2000	2001	2000
Average number of employees during the year	25,861	19,284	3,211	6
Change from the previous year, persons	6,577	-12	3,205	1
Full-time	22,487	17,234	2,809	5
Change from the previous year, persons	5,253	101	2,804	0
Part-time	3,374	2,050	401	1
Change from the previous year, persons	1,324	-113	400	1

EUR million	<i>Group</i> 2001	<i>Parent company</i> 2001
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Salaries, fees, pension liabilities and other staff-related expenses

To the President and his deputy, Members and Deputy Members of the Board of Management and Supervisory Board (for part of the year only)

3

1

The amount includes performance-based salaries in the amount of EUR 0.2 million

The salaries, fees, pension liabilities and other staff-related expenses in respect of the above persons in Finland have been paid by the Finnish branch of Nordea AB as from 1 July 2001. In respect of the above persons in Sweden, the corresponding expenses have been paid by Nordea AB for a varying part of the year (from 1 September-1 November).

Loans

To Members and Deputy Members of the Board of Management of which to the President and his deputy
To auditors

1
1
-

1
1
-

Interest and other terms correspond to the generally accepted terms and conditions applied to employees of the Group. 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.

Pension liabilities

In respect of Members and Deputy Members of the Board of Management, the President and Executive Vice Presidents

3

2

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

	<i>Line of business</i>	<i>Share-holding, %</i>	<i>Book value EUR million</i>
Shares held by Nordea Bank Finland Plc, 31 Dec 2001			
Helsinki Halli Oy, Helsinki	multi-purpose arena	0.3	0.2
Hex Ltd, Helsinki	securities and derivatives exchange, clearing house	11.2	5.0
Indekon Oy, Lappeenranta	investment company	6.5	0.4
Kehitysyhtiö Savon Teknia Oy, Kuopio	capital fund	8.5	0.5
Pikespo Invest Oy, Tampere	development company	11.1	0.4
Vuotekno Oy, Helsinki	promotion of business and industry	6.7	0.2
Oy Wedeco Ab, Vaasa	capital investment	3.2	0.2

In addition, 127 companies the total book value of which is EUR 1 million.

Information on the Group and associated companies 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 AB (publ) domiciled in Stockholm. The Annual Report 2001 of Nordea may be down-loaded from the Internet at www.nordea.com and is available from Nordea Group, Investor Relations, FIN-00020 NORDEA. The Annual Report for 2001 of the Nordea Group is also available at branches of Nordea Bank Finland Plc.

Financial income received from and financial expenses paid to Group and associated companies

	2001		2000	
EUR million	Group companies	Associated companies	Group companies	Associated companies
Interest income	215	8	61	-
Interest expenses	289	0	84	-
Income from equity investments	1,618	13	1 444	-

Receivables from and liabilities to Group and associated companies

	2001		2000	
EUR million	Group companies	Associated companies	Group companies	Associated companies
Receivables				
Loans to credit institutions	25,512	2	395	-
Loans to the public and public sector organisations	72	530	-	-
Debt securities	218	28	153	-
Other receivables	1,642	2	1,273	-
Prepaid expenses and accrued income	361	4	8	-
Total	27,805	566	1,829	-
Liabilities				
Due to credit institutions and central banks	10,016	12	3,354	-
Due to the public and public sector organisations	515	5	42	-
Debt securities in issue	71	2	-	-
Other liabilities	129	3	0	-
Accrued expenses and prepaid income	199	0	23	-
Subordinated liabilities	-	-	143	-
Total	10,930	22	3,562	-

The figures do not include receivables of EUR 30 million, liabilities of EUR 5 million or interest income of EUR 0.3 million from non-consolidated Group and associated companies acquired for restructuring purposes.

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 2001

	Shareholding %	Book value EUR million
Subsidiaries of Nordea Bank Finland Plc		
<i>Domestic</i>		
Credit institutions		
Nordea Finance Finland Ltd (former Merita Finance Ltd), Espoo	100	236
Financial institutions		
Contant Oy, Turku ¹⁾	100	6
Helsingin Pantti-Osakeyhtiö, Helsinki ¹⁾	100	6
Nordea Capital Ltd (former Merita Capital Ltd), Helsinki	100	4
Tukirahoitus Oy, Oulu ¹⁾	100	6
Investment service companies		
Nordea Investment Management Finland Ltd (former Merita Asset Management Ltd), Helsinki	100	3
Nordea Securities Corporate Finance Oy (former ArosMaizels Corporate Finance Oy), Helsinki	100	13
Nordea Securities Oyj (former ArosMaizels Oy), Helsinki	100	24
Fund management companies		
Investa-Raha Oy, Helsinki	100	1
Nordea Investment Funds Company Ltd (former Merita Fund Management Ltd), Helsinki	100	4
Insurance company		
Nordea Life Assurance Finland Ltd (former Merita Life Assurance Ltd), Espoo ²⁾	100	91
Real estate broker company		
Huoneistokeskus Oy, Helsinki ²⁾	100	18
Real estate investment company		
Nordea Kiinteistöomistus Oy (former Merita Kiinteistöomistus Oy), Helsinki	100	0
Real estate companies		
Aleksanterinkatu 36 A Koy, Helsinki	100	19
Aleksanterinkatu 36 B Koy, Helsinki	100	27
Aleksis Kivenkatu 3-5 Koy, Helsinki	100	47
Aleksis Kivenkatu 7 Koy, Helsinki	100	15
Fleminginkatu 27 Koy, Helsinki	100	41
Hatanpään Valtatie 30 Koy, Tampere ¹⁾	100	19
Helsingin Työnjohtajankatu 2 Koy, Helsinki	100	5
Lahden Hansa Oy, Lahti ¹⁾	100	24
Lahden Hämeenkatu 20 Koy, Lahti	61	4
Levytie 2 Koy, Helsinki	100	18
Levytie 6 Koy, Helsinki ¹⁾	100	26
Multihermia Koy, Tampere ¹⁾	100	9
PMA-Invest Oy, Helsinki	100	8
Porin Sokos Koy, Pori ¹⁾	100	6
Ristipellontie 4 Koy, Helsinki ¹⁾	100	22
Ruosilantie 16 Koy, Helsinki	100	58
Tampereen Kirkkokatu 7 Koy, Tampere ¹⁾	100	50
Terahermia Koy, Tampere ¹⁾	100	0
Tietotalo Koy, Espoo	100	102
Vantaan Jaakonkatu 2, Vantaa ¹⁾	100	0
VKR-Kiinteistöt Oy, Vantaa ¹⁾	60	1
Wasa Torgecentrum Fast Ab, Vaasa	100	16
Other ancillary services companies		
Merita Systems Oy, Helsinki	60	0
Other companies		
Fidenta Ab, Espoo ²⁾	40	0
Unitas Congress Center Ltd, Helsinki	100	0

	Shareholding %	Book value EUR million
<i>International</i>		
Banks		
American Scandinavian Banking Corp., New York	100	13
MeritaNordbanken Merchant Bank Singapore Ltd, Singapore	100	21
Nordea Bank Danmark A/S (former Unibank A/S), Copenhagen	100	3,000
Nordea Bank Norge ASA (former Christiania Bank og Kreditkasse ASA), Oslo	100	3,434
Nordea Bank Sweden AB (publ) former Nordbanken AB (publ)), Stockholm	100	1,413
Financial institutions		
Merita Finance (U.K.) Ltd., London	100	0
Nordea Finance Estonia Ltd. (former Estonian Industrial Leasing Ltd.), Tallinn ¹⁾	100	6
Nordea Finance Latvia Ltd. (former MeritaNordbanken Finance Latvia Ltd.), Riga ¹⁾	100	2
Nordea Finance Lithuania Ltd. (former MeritaNordbanken Finance Lithuania Ltd.), Vilnius ¹⁾	100	1
Nordea Securities Holding (U.K.) Ltd (former Merita Holdings (U.K.) Ltd), London	100	3
Nordea North America Inc (former Merita North America Inc), Delaware	100	0
Real estate companies		
Marci SA, Luxembourg	100	3
Nordea Real Estate (U.K.) Ltd (former Merita Real Estate (U.K) Ltd), London	100	15
MNB nams (former MeritaNordbanken Latvia), Riga	100	6
Sakau (Luxembourg) S.A., Luxembourg	100	0
Sopoka B.V, Rotterdam	100	0
The Wiels Centre Holding B.V, Amsterdam	100	1
Verdelago Holding B.V, Amsterdam	100	0
Subsidiaries of Nordea Bank Danmark A/S		
<i>International</i>		
Nordea Konferencecentret Klarskovgaard A/S, Copenhagen	100	4
Nordea Finans Danmark A/S, Copenhagen	100	109
Nordea Ejendomme A/S, Copenhagen	100	109
ArosMaizels Investment Bank A/S, Copenhagen	100	34
Aktieselskabet af 10 October 1985, Copenhagen	100	5
Nordea Kredit Realkreditaktieselskab (former Unikredit Realkreditaktieselskab), Copenhagen	100	511
Nordea Finance Ltd, London	100	1
Subsidiaries of Nordea Bank Norge ASA		
<i>International</i>		
Christiania Capital Corp., Delaware	100	0
Christiania Forsikring AS, Oslo	100	48
Christiania Bank Nominees Ltd (UK), London	100	0
Nordea Finans Norge AS (former K-Finans AS), Oslo	100	16
Norgeskreditt AS, Oslo	100	256
Nordea Equity Holding (former K-Holding AS), Oslo	100	122
Subsidiaries of Nordea Bank Sweden AB (publ)		
<i>International</i>		
Nordea Finans Sverige AB (publ) (former Nordbanken Finans AB), Stockholm	100	110
Nordea Hypotek AB (former Nordbanken Hypotek AB), Stockholm	100	939
Nordea Bank Polska SA (former Bank Komunalny), Gdynia ³⁾	94	39
Postgirot Bank, Stockholm	100	489
Nordbanken North America Inc, Delaware	100	0
Nordea Securities AB (former ArosMaizels Corporate Finance AB), Stockholm	100	2
Nordea Securities Ltd (former ArosMaizels Ltd), London	100	5
Nordbanken Reinsurance S.A., Luxembourg	100	1
Nordea Life Assurance II Sweden AB (publ) (former Livförsäkrings AB LIVIA II), Stockholm ²⁾	100	31
Fastighets AB Stämjärnet, Stockholm	100	11
Nordea Fastigheter Ab (former Nordbanken Fastigheter AB), Stockholm	100	96

The Nordea Bank Finland Group's voting interest in Fidentia Oy is 60%. In the other companies the voting interest is the same as the percentage of shares held. Other companies than those specified in footnote 2 have been combined by the acquisition method.

1) Indirect holding through Nordea Finance Finland Ltd, a subsidiary of Nordea Bank Finland Plc.

2) Consolidated with the equity method.

3) Nordea Bank Polska SA acquired the shares of BWP-Unibank in 2001. In December this company merged with its parent company.

Other companies included in the consolidated financial statements; total assets of less than EUR 10 million	<i>Number of companies</i>	<i>Total assets EUR million</i>	<i>Book value of shares EUR million</i>
Real estate companies	272	435	296
Other companies	75	88	129

Companies merged, dissolved or sold, during 2001	<i>Line of business</i>	<i>Total assets EUR million</i>	<i>Profit/loss for the year 2001 EUR million</i>
Subsidiaries of Nordea Bank Finland Plc			
G.H.R. Albisano, Albisano ¹⁾	Real estate company	17	0
Merita Delta Ltd, Helsinki	Investment service company	9	0
Merita Invest Ltd, Helsinki	Other company	220	6
Merita Real Estate Ltd, Helsinki	Real estate company	1,157	-43
Merita Bank Plc, Helsinki	Credit institution	72,314	657
M-Rent Oy, Vantaa ¹⁾	Other company	1	-1
Partita Ltd, Helsinki	Financial institution	226	10
Tapiolan Vesiputoustalo Koy, Espoo	Real estate company	11	0
Rasi Kiinteistöomistus Oy, Helsinki ¹⁾	Real estate company	106	-1
Subsidiaries of Nordea Bank Norge ASA			
Nordea Fondene (former K-Fondene AS), Oslo	Investment service company	3	2
K-Fondsforikring AS, Oslo	Insurance company	7	-1
Forsikringselskapet Norske Liv AS, Oslo	Insurance company	41	-1
Eiendomsutvikling Oslo AS, Oslo	Other company	17	0
Claude Monets Alle I ANS, Oslo	Other company	16	0
Fjeldbo Næringspark AS, Oslo	Other company	9	0
Heilo Boligsenter AS, Oslo	Other company	17	0
NLE Statlige Bygg ANS, Oslo	Other company	13	0
Subsidiaries of Nordea Bank Sweden AB (publ)			
Nordbanken Industri kredit AB, Stockholm	Financial institution	193	0
Nordea Kapitalförvaltning AB (former Nordbanken Kapitalförvaltning AB), Stockholm	Investment service company	10	80
Nordea Investment Management AB, Stockholm	Investment service company	7	0
Nordea Fonder Alfa AB, Stockholm	Investment service company	0	0
Nordea Fonder Beta AB, Stockholm	Investment service company	0	0
Nordea Fonder Gamma AB, Stockholm	Investment service company	0	0

1) Indirect holding through a subsidiary of Nordea Bank Finland Plc.

Other companies merged, dissolved or sold during 2001; total assets of less than EUR 10 million	<i>Number of companies</i>	<i>Total assets EUR million</i>	<i>Book value of shares EUR million</i>
Real estate companies	143	89	66
Other companies	10	5	0

The total impact of subsidiary mergers on the equity capital of Nordea Bank Finland Plc was EUR 1,467 million.

The total impact of disposals on the non-restricted equity capital of the Nordea Bank Finland Group was EUR -8 million.

Not 59: Subsidiaries excluded from the consolidated financial statements, 31 Dec 2001

			Latest confirmed	
	Share- holding %	Book value EUR million	Profit/ loss EUR million	Equity capital EUR million
Life insurance companies				
Nordea Life Assurance I Sweden AB (publ)	100	9	-126	262

The company operates as a mutual insurance company. In accordance with the Swedish Insurance Operations Act, profits may not be distributed to the shareholders in a life insurance company. The earnings which arise must be distributed entirely to the policyholders in the form of bonus funds.

Income statement 1 Jan - 31 Dec 2001 EUR million	Premiums earned	Net capital return	Gains on investment assets	Losses on investment assets	Cost of life insur. operations	Operating expenses	Appropri- ations and taxes	Net loss for the year
Nordea Life Assurance I Sweden AB (publ)	153	29	20	112	191	12	12	-126
Balance sheet, 31 Dec 2001 EUR million	Investment assets	Receivables and other assets	Prepaid expenses and accrued income	Equity capital	Provisions	Accrued expenses and prepaid income	Liabilities	
Nordea Life Assurance I Sweden AB (publ)	1,567	50	31	262	1,356	8	22	

Companies taken over for protection of claims	Share- holding %	Book value EUR million	Latest confirmed	
			Profit/ loss EUR million	Equity capital EUR million
Laxma Yhtymä Oy, Orivesi	100	0	0	2
Mantica Oy, Helsinki	100	0	0	0
PMA-Yhtymä Oy, Vantaa	100	0	0	4
Tunturi Oy, Turku	100	0	-1	4
Oy Wicoria Ab, Helsinki	100	0	2	-6

The above subsidiaries have been excluded from the consolidated financial statements by permission of the Finnish Financial Supervision Authority. The shares have been acquired to restructure a customer's business operations and the holdings are intended as temporary. The operations of the companies differ considerably from the business operations of the Group. The figures in the table are based on the latest official accounts. The shares are held by Nordea Bank Finland Plc.

Income statement EUR million	Financial period	Turnover	Variable expenses	Fixed costs	Operating profit	Depre- ciation	Financial income and expenses	Extra- ordinary items
Laxma Yhtymä Oy ¹⁾	1.1.- 31.12.2000	13	8	4	0	1	0	0
Mantica Oy ¹⁾	1.1.- 31.12.2000	0	0	0	0	0	0	0
PMA-Yhtymä Oy ¹⁾	1.1.- 31.12.2000	0	1	1	0	0	0	-1
Tunturi Oy ¹⁾	1.1.- 31.12.2000	34	20	13	-1	1	-1	-1
Oy Wicoria Ab ¹⁾	1.1.- 31.12.2000	32	10	19	2	2	-1	0

Balance sheet EUR million	Fixed assets	Current and financial assets	Reserves	Liabilities
Laxma Yhtymä Oy ¹⁾	30	6	0	7
Mantica Oy ¹⁾	0	0	0	0
PMA-Yhtymä Oy ¹⁾	0	8	2	3
Tunturi Oy ¹⁾	7	19	1	21
Oy Wicoria Ab ¹⁾	13	7	0	27

1) Group data.

Measures taken to restructure a customer's business operations include analysis of operations, structural arrangements, planning and implementation of restructuring and development measures and strengthening of the capital and financing structure. The measures are taken together with other owners and lenders and the company's management with regard to the prevailing market and competitive situation.

Other companies excluded from the consolidated financial statements; total assets of less than EUR 10 million	Number of companies	Total assets EUR million	Book values of shares EUR million
Other companies	5	11	0

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

Note 60: Associated companies included in the consolidated financial statements, 31 Dec 2001

	Share- holding %	Total book value EUR million
Associated companies of Nordea Bank Finland Plc		
<i>Domestic</i>		
Credit institutions		
Eurocard Oy, Helsinki	31	2
Luottokunta, Helsinki	29	9
Financial companies		
Suomen Suorakauppa Oy, Helsinki	50	0
Toimiraha Oy, Helsinki	33	2
Real estate investment companies		
Kiinteistösijoitus Oy Citycon, Helsinki	43	51
Dividum Oy, Helsinki	47	55
Oy Realinvest Ab, Helsinki	49	71
Salpa Asunnot Oy, Helsinki	24	0
Turun Arvokiinteistöt Oy, Turku	47	1
Other companies		
ATM Automatia Ltd, 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	15
<i>International</i>		
Credit institutions		
International Moscow Bank, Moscow	22	29
Financial companies		
Freja Finance S.A., Luxembourg	33	0
Real estate investment companies		
Nordisk Renting Ab, Stockholm	40	45
Associated companies of Nordea Bank Danmark A/S		
<i>International</i>		
Axel IKU Invest A/S, Billund	33	52
Ejendomsselskabet Axelborg I/S, Copenhagen	33	13
Hercules Estates A/S (in liquidation), Copenhagen	25	14
PSB Holding A/S, Ballerup	28	224
Aston Group A/S, Copenhagen	23	180
Associated companies of Nordea Bank Norge ASA		
<i>International</i>		
Eksportfinans AS, Oslo	23	17
Visa Norge AS, Oslo	20	0
Associated companies Nordea Bank Sweden AB (publ)		
<i>International</i>		
Bankgirocentralen BGC AB, Stockholm	27	0
Värdepapperscentralen VPC AB, Stockholm	24	26

All associated companies 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 percentage of shares held.

Other associated companies included in the consolidated financial statements; total assets of less than EUR 10 million	Number of companies	Total assets EUR million	Book value of shares EUR million
Other companies	26	27	64

Note 61: Associated companies excluded from the consolidated financial statements, 31 Dec 2001

	Share- holding %	Book value EUR million	Latest confirmed	
			Profit/ loss EUR million	Equity capital EUR million
Companies taken over for protection of claims				
Associated companies of Nordea Bank Finland Plc				
Huippupaikat Oy, Siilinjärvi	33	0	1	3
Innopoli Oy, Espoo	41	0	1	19
Aurajoki Oy, Turku	36	0	3	-6
Associated companies of Nordea Bank Sweden AB (publ)				
Bankomatcentralen Ab, Stockholm	48	24	0	0
CEKAB, Stockholm	39	0	1	1
Upplysningscentralen UC AB, Stockholm	26	0	0	1
Privatgirot Ab, Stockholm	22	0	0	1
Sambox i Skåne HB, Malmö	50	0	0	0
Sambox Väst AB, Göteborg	50	0	0	0
Samservicebox i Örebro HB, Örebro	21	0	0	0
Samservicebox i Karlstad kommun HB, Karlstad	50	0	0	0
Sv bankers AB för elektroniska dok, Stockholm	39	0	0	0
VPX Matching AB (former OffX Crossing AB), Stockholm	25	1	-2	2

The shares have been acquired to restructure the customer's business operations and the holdings are intended as temporary. The operations of the companies differ considerably from the business operations of the Group. The shares are held by Nordea Bank Finland Plc and Nordea Bank Sweden AB (publ).

Measures taken to restructure a customer's business operations include planning and implementation of restructuring and development measures and strengthening of the capital and financing structure. The measures are taken together with other owners and lenders and the company's management.

Note 62: Consolidation by the equity method

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, as well as associated companies, are carried under the equity method. The valuation and accrual 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.

Companies referred to in the above are Fidenta Oy, Huoneistokeskus Oy, Karas Holding A.G., Menox Palvelut Oy, Nordea Life Assurance Finland Ltd, Nordea Life Assurance II Sweden AB (publ), Osakeyhtiö Kämp, Pendax Oy and Unitas Congress Center Ltd. In the consolidated financial statements of Nordea Bank Finland Plc receivables from these companies amount to EUR 228 million (EUR 193 million) and liabilities to these companies to EUR 129 million (EUR 140 million).

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

Note 63: Deferred tax receivables and liabilities

EUR million	2001	2000
Deferred tax receivables		
Based on		
- consolidation method ¹⁾	151	135
- Group companies' own balance sheets	163	47
Total	314	182
Deferred tax liabilities		
Based on		
- appropriations ²⁾	540	415
- consolidation method	0	-11
Total	540	404

1) The judgement in a tax action in Norway resulted in a decrease in taxes by EUR 95 million. The impact is shown in the acquisition elimination.

2) The deferred tax liability of EUR 188 million was included in the balance sheet in connection with the acquisition of Nordea Bank Danmark A/S.

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 NBF Group is EUR 1,907 million (EUR 1,305 million), of which EUR 1,882 million (EUR 1,345 million) is consolidation goodwill. The consolidation goodwill resulting from the acquisition of Nordea Bank Norge (former CBK) totals EUR 1.2 billion and is depreciated by equal annual installments during a period of 20 years. Depreciation amounting to EUR 60 million was charged during 2001. The consolidation goodwill of EUR 0.5 billion resulting from the acquisition of Nordea Bank Danmark A/S is depreciated by equal annual instalments over a period of 18 years. 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 2001 totalled EUR 88 million (EUR 27 million). Consolidation goodwill due to associated companies amounted to EUR 9 million.

Proposal of the Board of Management to the General Meeting and Auditors' Report

Proposal of the Board of Management

Profit for the year and its disposal

The consolidated distributable equity capital at 31 December 2001 was EUR 6,963 million. The parent company's distributable equity capital at 31 December 2001 was EUR 6,743 million, consisting of the following items:

– profit for the year	EUR 3,046,071,609.46
– other non-restricted equity	EUR 3,696,973,489.25
	<u>EUR 6,743,045,098.71</u>

We propose that:

1. A dividend of EUR 1,000,000,000.00 be paid
2. For worthy public causes be reserved EUR 2,200,000.00.
3. Of the profit for the year EUR 2,043,871,609.46 be retained in the profits account. Including the profit from previous years, the undistributed profit funds thus amount to EUR 5,740,845,098.71.

Helsinki, 5 March 2002

Thorleif Krarup

Carl-Johan Granvik

Jakob Grinbaum

Kari Jordan

Arne Liljedahl

Lars G Nordström

Markku Pohjola

The financial statements have been drawn up in accordance with generally accepted accounting principles. An auditors' statement has today been given on the audit completed.

Helsinki, 5 March 2002

KPMG WIDERI 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 Management and the President of Nordea Bank Finland Plc for the financial year 2001. The financial statements, which comprise the report of the Board of Management, consolidated and parent company profit and loss accounts, balance sheets and notes to the financial statements, have been prepared by the Board of Management 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 Management 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 of the Board of Management, the other members of the Board of Management and the President can be discharged from liability for the financial year audited by us.

The proposal submitted to the General Meeting by the Board of Management regarding the distribution of retained earnings is in compliance with Finnish legislation.

Helsinki, 5 March 2002

KPMG WIDERI OY AB

Mauri Palvi
Authorised Public Accountant

Management and auditors

Board of Management, 31 December 2001

The Board of Management of Nordea Bank Finland Plc serves as its Board of Directors. The Board of Management comprises the President and the Chief Executive Officer of the Nordea Group, Mr. Thorleif Krarup, and six members. Nordea Bank Finland does not have a Supervisory Board.

The President of Nordea Bank Finland Plc is Markku Pohjola and Kari Jordan acts as his deputy.

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.

Members of the Board of Management of Nordea Bank Finland Plc, 31 December 2001

Thorleif Krarup

Born 1952. President and Group Chief Executive Officer of Nordea. Chairman of the Board of Management since 2001. Member since 2000.

Carl-Johan Granvik

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

Jakob Grinbaum

Born 1949. Head of Group Treasury in Nordea. Member since 1999.

Kari Jordan

Born 1956. Deputy of the President in Nordea Bank Finland Plc. Head of Retail Banking in Nordea Bank Finland Plc. Member since 2000.

Arne Liljedahl

Born 1950. Chief Financial Officer and head of Group Corporate Centre in Nordea. Member since 1998.

Lars G Nordström

Born 1943. Deputy Chairman of the Board of Management. Head of Retail Banking in Nordea. Member since 1998.

Markku Pohjola

Born 1948. President of Nordea Bank Finland Plc. Head of Corporate and Institutional Banking in Nordea. Member since 1994.

Auditors 2001

KPMG WIDERI OY AB
Auditor with main responsibility
Mauri Palvi
Authorised Public Accountant

Addresses

Nordea AB (publ)

Hamngatan 10
SE-105 71 STOCKHOLM
Telephone: +46 8 614 7800
Fax: +46 8 10 50 69
www.nordea.com

Nordea Bank Danmark A/S

Christiansbro, Strandgade 3
Box 850
DK-0900 COPENHAGEN C
Telephone: +45 33 33 33 33
Fax: +45 33 33 48 73
www.nordea.dk

Nordea Bank Finland Plc

Aleksanterinkatu 36 B
Helsinki
FIN-00020 NORDEA
Telephone: +358 9 1651
Fax: +358 9 165 54 500
www.nordea.fi

Nordea Bank Norge ASA

Middelthunsgt. 17
NO-0368 OSLO
Telephone: +47 22 48 50 00
Fax: +47 22 48 59 65
www.nordea.no

Nordea Bank Sweden AB (publ)

Hamngatan 10
SE-105 71 STOCKHOLM
Telephone: +46 8 614 70 00
Fax: +46 8 20 08 46
www.nordea.se

Other banking subsidiaries:**Nordea Bank SA**

P.O. Box 562
L-2015 LUXEMBOURG
672, rue de Neudorf
L-2220 FINDEL
Telephone: +352 43 88 71
Fax: +352 26 09 43 13
e-mail: nordea@nordea.lu
www.nordea.lu

Nordea Bank Polska SA

ul. Kielecka 2
PL-81-303 GDYNIA
Telephone: +48 58 661 35 25
Fax: +48 58 661 7895
e-mail: nordea@nordea.pl
www.nordea.pl
www.nordeabank.pl

Associated companies/banks:**International Moscow Bank Head Office**

9 Prechistenskaya Naberezhnaya
119034 MOSCOW, Russia
Telephone: +7 095 258 7258
Fax: +7 095 258 7272
e-mail: imbank@imbank.ru
www.imb.ru

Foreign branches:**Nordea Bank Danmark A/S Niederlassung Frankfurt am Main**

Postfach 170434
D-60078 FRANKFURT AM MAIN
Grüneburgweg 119
D-60323 FRANKFURT AM MAIN
Telephone: +49 69 71004 0
Fax: +49 69 71004 119
e-mail: ubbrd@nordea.com

Nordea Bank Danmark A/S Filiale Hamburg

Postfach 305566
D-20317 HAMBURG
Neuer Wall 63
D-20354 HAMBURG
Telephone: +49 40 374746 0
Fax: +49 40 374746 239
e-mail: hamburg@nordea.com

**Nordea Bank Danmark A/S Grand Cayman Branch
Nordea Bank Finland Plc Grand Cayman Branch
New York Branch
Nordea Bank Norge ASA Grand Cayman Branch
New York Branch**

437 Madison Avenue
NEWYORK, NY 10022
USA
Telephone: +1 212 318 9300
Fax: +1 212 421 4420
e-mail: general@nordeany.com
www.nordeany.com

Nordea Bank Finland Plc Estonia Branch

Hobujaama 4
EE-15068 TALLINN
Telephone: +372 6283 200
Fax: +372 6283 201
e-mail: tallinn@nordea.com
www.nordea.ee

Nordea Bank Finland Plc Latvia Branch

Riga Branch
15 Kalku Str.
LV-1050 RIGA
Telephone: +371 7 096 200
Fax: +371 7 820 325
e-mail: info@nordea.lv
www.nordea.lv

Nordea Bank Finland Plc Lithuania Branch

Didzioji g. 18/2
LT-2001 VILNIUS
Telephone: +370 2 361 361
Fax: +370 2 361 362
e-mail: info@nordea.lt
www.nordea.lt

**Nordea Bank Finland Plc
London Branch**

19 Thomas More Street
LONDON E1W 1YF, UK
Telephone: +44 20 7265 3333
Fax: +44 22 7709 7003
e-mail:
firstname.lastname@nordea.com

**Nordea Bank Finland Plc
Singapore Branch**

50 Raffles Place #15-01
Singapore Land Tower
SINGAPORE 048623
Telephone: +65 6225 8211
Fax: +65 6225 5469
e-mail: singapore@nordea.com

**Nordea Bank SA
Zweigniederlassung Zürich**

Postfach
CH-8034 ZÜRICH
Mainaustrasse 21-23
CH-8008 ZÜRICH
Telephone: +41 1 42142 42
Fax: +41 1 42142 82
e-mail: nordea@nordea.ch

Representative offices:

Nordea Advisory Service SA

Centro Comercial Plaza
Via 1, Loc 5-6
E-29660 Nueva Andalucia
MARBELLA (Malaga)
Telephone: +34 952 81 69 25
Fax: +34 952 81 69 54
e-mail: spain@nordea.lu

**Nordea Bank Finland Plc
Shanghai Representative
Office**

RM 812, No 161 Lujiazui Road
East
China Merchants Tower
SHANGHAI 200120, P.R.
of China
Telephone: +86 21 5840 2288
Fax: +86 21 5882 7071
e-mail:
charles.zhang@nordea.net.cn

**Nordea Bank
Moscow Representative
Office *)**

P O Box 294
FIN-53101 Lappeenranta,
Finland
Smolensky Passage, 3
Smolenskaya Square
7th floor, Office 758
121099 MOSCOW, Russia
Telephone: +7 501 721 1646
Fax: +7 501 721 1647
e-mail: annemari.kuhmonen@
nordea.com

**Nordea Bank SA
Brussels Representative
Office**

Chaussée de Waterloo 1379
B-1180 BRUSSELS
Telephone: +32 2 374 0012
Fax: +32 2 374 4585
e-mail: brussel@nordea.lu

**Nordea Bank SA
Cannes Representative
Office**

B.P. 34
FR-06402 CANNES CEDEX
16, Quai Saint Pierre
FR-0600 CANNES
Telephone: +33 4 92 59 6666
Fax: +33 4 92 59 6660
e-mail: cannes@nordea.lu

**Nordea Bank SA
Fuengirola Representative
Office**

Apartado de Correos 157
ES-29640 FUENGIROLA
(Malaga)
Edificio La Bougainvillea
Calle El Pulpo 5
ES-29640 LOS BOLICHES
FUENGIROLA (Malaga)
Telephone: +34 952 66 07 48
Fax: +34 952 66 02 20
e-mail: spain@nordea.lu

**Nordea Bank
São Paulo Representative
Office *)**

Rua Oscar Freire 379 - CJ 122
CEP- 01426-001 SÃO PAULO –
SP, Brazil
Telephone: +55 11 3066 2580
Fax: +55 11 3066 2582
e-mail: saopaulo@nordea.com.br

**Nordea Bank
South Africa Representative
Office *)**

P.O. Box 11241
HATFIELD, PRETORIA 0028
308 The Rand Street
Menlo Park
PRETORIA 0081, South Africa
Telephone: +27 12 348 6962
Fax: +27 12 348 2376
e-mail: lwdekker@mweb.co.za

**Nordea Bank Sweden AB
(publ)**

**Beijing Representative
Office**

721, Beijing Fortune Building
5 North Dongsanhuan Road
BEIJING 100004, P.R. of China
Telephone: +86 10 6590 9070
Fax: +86 10 6590 9073
e-mail:
juan.villanueva-engstrom@
nordea.net.cn

**Nordea Bank Sweden AB
(publ)**

Paris Representative Office

c/o Crédit du Nord
Agence Europe du Nord
59, Boulevard Haussmann
FR-75008 PARIS
Telephone: +33 1 40 22 22 93
Fax: +33 1 40 22 50 45
(The office will be closed on
31 March 2002)

**Nordea Bank Sweden AB
(publ)
Tehran Joint Representative
Office
The Inter-Alpha Group of
Banks**

14, Fourth Alley, 2nd floor
Shahid Ahmad Ghasir Ave (ex.
Bukharest Ave)
TEHRAN 15146, I.R. Iran
Telephone: +98 21 873 3562
Fax: +98 21 873 3539
Telex: 212832 iagb ir
e-mail:
interalpha_ir@hotmail.com

Agents:

**Nordea Bank
Special Advisor in Egypt *)**

17, Kasr el Nil St., 6th floor,
Apt. 36
CAIRO, Egypt
Telephone: +20 2 393 7978
Fax: +20 2 393 0526
e-mail: sme@ie-eg.com

**Nordea Bank
Special Advisor in India *)**

Anand-Kanan
31 Pandita Ramabai Road
MUMBAI 400 007, India
Telephone: +91 22 364 3529
Fax: +91 22 364 3529
e-mail: amanini@vsnl.com

*) The office/agent represents Nordea
Bank Danmark A/S, Nordea Bank
Finland Plc, Nordea Bank Norge
ASA and Nordea Bank Sweden AB
(publ).

**Nordea Bank Finland Plc,
domestic subsidiaries:**

Contant Oy

Yliopistonkatu 30
PO Box 20, FIN-20101 TURKU
Telephone: +358 2 270 000
Fax: +358 2 270 0100

Helsingin Pantti-Osakeyhtiö

Kaisaniemenkatu 10
FIN-00100 HELSINKI
Telephone: +358 9 2705 3022
Fax: +358 9 2705 3029

Nordea Capital Ltd

Mikonkatu 13 A, Helsinki
FIN-00020 NORDEA
Telephone: +358 9 1651
Fax: +358 625 878

Nordea Finance Finland Ltd

Nihtisillantie 3, Espoo
FIN-00020 NORDEA
Telephone: +358 9 18 581
Fax: +358 1858 9140

**Nordea Investment Funds
Company Ltd**

Keskuskatu 3, Helsinki
FIN-00020 NORDEA
Telephone: +358 9 1651
Fax: +358 9 612 1426

Nordea Securities Oyj

Fabianinkatu 29 B, Helsinki
FIN-00020 NORDEA
Telephone: +358 9 12341
Fax: +358 9 1234 0444

**Nordea Bank Finland Plc,
leasing companies abroad:**

Nordea Finance Estonia Ltd.

Hobujaama 4
EE-15068 TALLINN
Telephone: +372 6 283 383
Fax: +372 6 283 384

Nordea Finance Latvia Ltd.

Kalku Street 15
LV-1050 RIGA
Telephone: +371 7228782
Fax: +371 7228352
e-mail: info@nordea.lv

**Nordea Finance
Lithuania Ltd.**

Didzioji g. 18/2
LT-2001 VILNIUS
Telephone: +370 2 361 380
Fax: +370 2 361 381
e-mail: info@nordea.lt
www.nordea.lt

**Nordea Bank Danmark A/S,
domestic subsidiaries:**

Information in the bank's
annual report

**Nordea Bank Norge A/S,
domestic subsidiaries:**

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annual report

**Nordea Bank Sweden AB
(publ),
domestic subsidiaries:**

Information in the bank's
annual report

Nordea Bank Finland Plc
Aleksanterinkatu 36 B
FIN-00020 NORDEA
Telephone: +358 9 1651
Telefax: +358 9 165 54 500
www.nordea.fi
www.nordea.com

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Typocenter Oy