Annual Report 2001
Nordea Bank Norway

Nordea Bank Norway is a 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, Asset Management & Life Corporate and Institutional Banking and General Insurance. The Nordea Group has nearly 11 million customers, 1,245 bank branches and 125 insurance service centers in 22 countries. The Nordea Group is a world leader in Internet banking, with more than 2.8 million e-customers. The Nordea share is listed in Stockholm, Helsinki and Copenhagen.

Contents

The Board of Directors' report, financial statements and accompanying auditor's report contained in this annual report are translations of the statutory statements and reports required under Norwegian companies legislation, accounting and auditing standards.

Nordea Bank Norway – five year financial summary

Statement of income

NOK million	2001	2000	1999	1998	1997
Net interest income	4,862	4,604	4,340	4,039	3,485
Dividends and profit from associated companies	100	185	125	70	124
Net commissions and fees	1,261	1,428	1,122	1,003	930
Net change in value and profit (loss) on securities, foreign exchange and derivatives	821	675	878	338	605
Other non-interest income	389	163	138	334	238
Total operating income	**7,433**	**7,055**	**6,603**	**5,784**	**5,382**
Personnel expenses	2,244	2,154	1,991	1,881	1,795
Administrative and operating expenses	2,136	1,925	1,630	1,765	1,605
Total operating expenses	**4,380**	**4,079**	**3,621**	**3,646**	**3,400**
Operating profit before loan losses and profit on long-term securities	**3,053**	**2,976**	**2,982**	**2,138**	**1,982**
Provisions for losses on loans and guarantees	705	26	(8)	170	(419)
Profit (losses/write-downs) on long-term securities	-	40	-	-	(9)
Operating profit	**2,348**	**2,990**	**2,990**	**1,968**	**2,392**
Income taxes	(283)	579	513	7	136
Net profit	**2,631**	**2,411**	**2,477**	**1,961**	**2,256**

Balance sheet

NOK million	2001	2000	1999	1998	1997
Assets					
Total cash and claims on credit institutions	14,675	24,290	22,349	10,124	10,298
Total loans to customers net of specific allowance	185,865	182,694	157,844	153,024	152,667
General allowance for loan losses	(1,633)	(1,594)	(1,588)	(1,585)	(1,333)
Net loans to customers	**184,232**	**181,100**	**156,256**	**151,439**	**151,334**
Securities	19,771	20,379	22,311	16,258	15,504
Other assets, intangible assets and repossessed assets	5,037	3,079	3,350	4,662	3,662
Real estate and machinery	2,580	2,416	2,589	2,510	2,206
Prepaid expenses and accrued income	4,026	4,920	3,962	3,550	2,903
Total assets	**230,321**	**236,184**	**210,817**	**188,543**	**185,907**
Liabilities and equity					
Deposits from credit institutions	41,594	31,124	28,808	27,803	35,175
Deposits from customers	104,332	106,468	91,946	78,238	79,500
Certificates and bond loans	48,044	62,140	58,998	51,382	44,190
Other liabilities	13,117	10,649	8,661	9,878	7,330
Subordinated loan capital	6,277	9,470	7,350	7,005	6,791
Total liabilities	**213,364**	**219,851**	**195,763**	**174,306**	**172,986**
Equity	16,957	16,333	15,054	14,237	12,921
Total liabilities and equity	**230,321**	**236,184**	**210,817**	**188,543**	**185,907**
Average total assets	**241,608**	**232,475**	**205,919**	**198,546**	**182,206**

Nordea Bank Norway – Key figures

The group		2001	2000	1999	1998	1997
1	Return on equtiy, %	14.8	14.9	16.1	14.0	18.0
2	Return on total assets, %	1.0	1.3	1.5	1.0	1.3
3	Overall interest margin, %	2.0	2.0	2.1	2.0	1.9
4	Cost/income ratio before loan losses, %	59	58	55	63	56
5	Cost/income ratio after loan losses, %	68	58	55	66	55
6	Loan loss level, %	0.4	0.0	0.0	0.1	(0.3)
7	Non-performing and doubtful commitments, %	1.8	1.2	1.5	1.3	1.5
8	Risk-weighted assets, NOK billion	203.2	209.6	182.1	169.4	166.2
9	Total capital, NOK billion	22.3	22.0	19.1	18.3	16.9
10	Total capital ratio, %	11.0	10.5	10.5	10.8	10.2
11	Core capital ratio (Tier 1-capital), %	7.8	7.3	7.5	7.3	6.5
12	Number of employees as at 31.12	4,334	4,300	4,290	4,320	4,499
13	Full-time positions as at 31.12	4,096	4,063	4,051	4,077	4,261
14	Number of branch offices as at 31.12	150	160	160	160	161

Definitions

1 Operating profit (loss) less taxes as a percentage of average equity. Average equity is the mean of the figures at the beginning and end of each quarter

2 Operating profit/loss less taxes as a percentage of average total assets. Average total assets is the mean of the figures at the beginning and end of each quarter

3 Net interest income as a percentage of average total assets

4 Total non-interest expenses as a percentage of net interest income and total non-interest income

5 Total non-interest expenses and provision for losses on loans and gurantees as a percentage of net interest income and total non-interest income

6 Loan loss provisions as a percentage of total loans to customers and repossessed assets at the beginning of the period

7 Non-performing and doubtful commitments as a percentage of total loans to customers

8 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

9 Total capital constitutes the numerator in calculating the total capital ratio. It consists of the sum of core capital and supplementary capital (consisting of subordinated debenture loans) after deducting, in accordance with the regulations of the supervisory authorities, of holdings in companies that conduct insurance or finance operations, see Note 27

10 Total capital as a percentage of risk-weighted assets

11 Core capital (paid-in share capital and reserves approved by the Norwegian Banking, Insurance and Securities Commission after deduction of intangible assets) as a percentage of risk-weighted assets

12 Number of employees

13 Full-time positions (included employees in leave of absence)

Board of Directors' report

"Nordea Bank Norway", the "Bank" and the "Group" refer to Nordea Bank Norge ASA, (company registration number 911 044 110) and its subsidiaries. Nordea Bank Norway is a wholly owned subsidiary of Nordea Bank Finland Plc. The parent company of the Nordea group is the listed company Nordea AB (publ).

A brief description of Nordea Bank Norway

Christiania Bank og Kreditkasse ASA changed its name on 3 December 2001 to Nordea Bank Norge ASA, and is now known internationally as Nordea Bank Norway. Nordea Bank Norway carries out banking activities in Norway and internationally as a member of the Nordea group. The Bank is a total supplier of financial services to private individuals, companies and organisations as well as the public sector. The Bank is a major player in the Norwegian foreign exchange and capital markets.

Nordea Bank Norway has approximately a 13 per cent (13) share of the lending market, measured in terms of lending relative to total lending by commercial banks and savings banks in Norway. In the savings market the Bank's market share is approximately 13 per cent (13) for deposits, measured in terms of deposits with the Parent Bank relative to total deposits with commercial banks and savings banks in Norway, whilst its share of the fund management market is approximately 8.3 per cent (9) measured in terms of the total assets managed by funds registered in Norway.

The Bank's activities are integrated into the Nordea group, and the Group's annual report and accounts provides a breakdown by business area that also includes the activities of Nordea Bank Norway.

Some elements of Nordea Bank Norway's activities have been sold to other companies in the Nordea group as part of a general restructuring. Further details are given in the section "Composition of the Group" below.

Results and profitability

The Bank's results for 2001 show an increase in net interest income, principally as a result of higher lending volumes. Commission income from both fund management and securities trading was lower as result of weaker stock market conditions and a reduction in market activity following the terrorist attacks in the USA. Short-term interest rates were relatively stable until 11 September, but have since followed a downward trend. Long-term interest rates (the ten-year Norwegian government bond) rose over the first half of the year, but fell back again in the third quarter. This trend was reversed in the fourth quarter. Both short-term and long-term interest rates closed the year at the same level of ca. 6.3 per cent. Trading in foreign exchange and financial derivatives generated good profits in 2001. Other non-interest income was NOK 226 million higher in 2001, including a contribution of ca. NOK 248 million from the gain made on the sale of the subsidiaries Nordea Fondene, Nordea Investment Management, Norske Liv, Nordea Pension Services and K-Fondsforsikring to other companies in the Nordea group.

Total non-interest expenses increased by NOK 301 million, equivalent to ca. 7 per cent, due principally to restructuring costs and increases in personnel and IT costs resulting from the integration with Nordea.

Provision for losses on loans and guarantees were higher in 2001. The Bank was able to write-back NOK 763 million in respect of taxation recognised in previous years.

Net profit for 2001 amounts to NOK 2,631 million (2,411), equivalent to a return on equity of 14.8 per cent (14.9).

Operating income

Total operating income increased by 5 per cent in 2001 to NOK 7,433 million. Net interest income was 6 per cent higher at NOK 4,862 million. The interest margin earned on lending is the most important source of income for the Group, and was NOK 164 million higher in 2001 at NOK 2,755 million. This represents a margin relative to total lending of 1.49 per cent in 2001 as compared to 1.48 per cent in the previous year. Lending margins have been under considerable pressure for a number of years as result of intense competition. The deposit interest margin amounted to NOK 1,135 million (1,167) in 2001, representing a fall of NOK 32 million from 2000. In terms of total deposit volume the margin on deposits was 1.05 per cent in 2001 as compared to 1.16 per cent in 2000. The overall margin between average deposit and lending rates has accordingly weakened somewhat, and was 2.54 percentage points in 2001 as compared to 2.64 percentage points in 2000. Customer lending was on average 1.8 per cent higher than in the previous year, but lending is seen to have grown by 7.9 per cent after adjusting the figures for the disposal of the branches in Singapore and London. Growth in lending was concentrated in the regional banking activities.

New regulations on the timing for crediting and debiting interest in connection with payment transfers were introduced on 1 July 2000. The new regulations have reduced all banks' income from payment services. Nordea Bank Norway saw a reduction in income in 2001 in the order of NOK 65 million relative to the previous year as result of the new regulations. The effect of the regulations is reflected in the Bank's accounts as a reduction in net interest income.

Dividends and profit from associated companies were NOK 85 million lower in 2001 at NOK 100 million. This is principally a result of lower dividend receipts following a reduction in the scale of investment in shares, together with weak earnings from insurance activities in 2001.

Net commissions and fees fell by NOK 167 million to NOK 1,261 million. This was principally caused by lower commissions and fees from primary market trading in shares, bonds and certificates. The stock market showed a weakly negative trend from the start of the year to 11 September 2001, followed by a sharp fall. However, the Oslo Stock Exchange´s benchmark index showed some recovery in the fourth quarter.

Net change in value and profit (loss) on securities increased by NOK 18 million to NOK 140 million in 2001. Bonds and commercial papers produced net profit of ca. NOK 152 million, whereas the Group had a net loss of ca. NOK 12 million on trading in shares.

Net change in value and profit (loss) on foreign exchange and financial derivatives showed an improvement of NOK 128 million to NOK 681 million. The Bank's customer trading activities made a particularly important contribution to this strong performance.

Other non-interest income increased by NOK 226 million to NOK 389 million, of which NOK 248 million relates to capital gains on the sale of subsidiary companies to other members of the Nordea group.

Expenses

Total non-interest expenses increased by 7 per cent to NOK 4,380 million, due principally to restructuring costs and increases in personnel and IT costs resulting from the integration with Nordea. Personnel expenses amounted to NOK 2,244 million (2,154). The total number of employees at year-end was 4,334 (4,300 in 2000 excluding employees of Norske Liv and K-Fondsforsikring). The introduction of value added tax in Norway on services in general from 1 July 2001 caused an increase in the Bank's costs in 2001.

Provision for losses on loans and guarantees

The income statement for 2001 shows a net charge of NOK 705 million in provision for losses on loans and guarantees as compared to NOK 26 million in 2000. This is equivalent to ca. 0.38 per cent of total lending.

Provision for losses on loans and guarantees in 2001 where no specific loan loss provision had previously been made, amounted to NOK 727 million (402).

Provision for losses on loans and guarantees is made up of NOK -53 million (-78) in the retail market, NOK 192 million (73) on lending to small and medium-sized companies, NOK 340 million (-217) on major corporate customers in Norway and NOK 176 million (248) on lending by subsidiaries and branches outside Norway.

General allowance for loan losses

General allowance for loan losses was increased in 2001 by NOK 50 million to NOK 1,633 million (1,594), equivalent at year-end to 0.9 per cent (0.9) of the portfolio to which this allowance applies. The level of general allowance is considered to be prudent when taking into account the growth and quality of the performing portfolio, forecast loan losses and general economic conditions.

Tax

The Norwegian Supreme Court delivered its judgement on 27 June 2001 on the treatment for tax purposes of the preference capital supplied to the Bank in 1991. The court ruled that the disputed amount of NOK 2.7 billion should not be counted as taxable income for the Bank, nor should it reduce the tax losses carried forward and available for set-off. In addition the Bank was awarded its costs in full. The Bank has therefore taken back into income an amount of NOK 763 million previously charged to the accounts. Adjusted for this amount the Group´s tax expense for 2001 amounted to NOK 480 million (579) equivalent to ca. 20 per cent of operating profit.

Profit resulting from sales of shares in subsidiaries are on the whole free of tax.

The Bank's tax payable continues to be low as result of losses carried forward. Net deferred tax asset amounted to ca. NOK 1.2 billion at the end of 2001.

The Borgarting Court of Appeal delivered its judgment on 27 April 2001 in a tax case brought by the Bank against the State in respect of the right to claim relief for losses on the sale of subsidiaries within the Group. The case relates to two matters that have in total reduced the Bank's losses carried forward by NOK 536 million. The Court of Appeal upheld the ruling by the Oslo City Court that the losses for which Nordea Bank Norway has claimed relief, do not qualify for relief under the Company Tax Act. Nordea Bank Norway has lodged an appeal against this judgment. The appeals committee of the Supreme Court has referred the case for consideration by the Supreme Court.

Financial structure

Lending

Net lending to customers increased by 2 per cent to NOK 184 billion, equivalent to 80 per cent (77) of total assets at year-end. Growth in net lending was ca. 8 per cent if the figures are adjusted for the sale of the Bank's branches in Singapore and London.

Capital market activities

The Bank reduced its holdings of securities by NOK 0.6 billion to NOK 19.8 billion at the close of 2001. Interest-bearing securities held in the trading portfolio, which are recognised in the accounts at market value, account for NOK 8.3 billion of total, whilst the equivalent figure for shares was NOK 0.7 billion. In addition the Bank holds a portfolio of interest-bearing securities, which are recognised in the accounts at the lower of cost or market value, of NOK 10.1 billion, and a share portfolio of NOK 0.6 billion.

Deposits from customers

The volume of deposits from customers fell by 2 per cent to NOK 104 billion. However, after adjusting for the sale of the Bank's branches in Singapore and London, deposits increased by 5 per cent. Approximately half of the Bank's total deposits from customers relates to current accounts held by corporate customers. Deposits from customers account for 45 per cent of total equity and liabilities, and accordingly represent the most important source of financing for Nordea Bank Norway.

Other sources of funding

The funding required over and above deposits from customers and equity principally takes the form of loans from other financial institutions, principally within the Nordea group, and funding is also raised by issuing commercial papers, bonds and subordinated loans. At the close of 2001 these sources of financing provided NOK 96 billion (103).

Other liabilities

Other liabilities amounted to NOK 13.1 billion (10.6) at the close of 2001, of which dividend due accounted for NOK 2 billion and NOK 3.4 billion related to accrued expenses and prepaid receivables.

Equity

Equity amounted to NOK 16.3 billion at the beginning of 2001. The net profit for the year was NOK 2,631 million. After deducting the anticipated dividend payable to the parent company and allowing for exchange rate differences, equity at the end of the year was NOK 17.0 billion.

Application of net profit for the year, capital adequacy, solidity and credit rating

The net profit of the Parent Bank for the year amounts to NOK 2,631 million. It is proposed that the net profit be applied by way of an allocation for dividend of NOK 2,000 million, a transfer of NOK 546 million to the reserve for valuation differences and a transfer of NOK 85 million to other equity.

The Board of Directors has resolved to propose a dividend payment of NOK 2,000 million. This is equivalent to NOK 3.63 per share (2.00).

The Group had a capital ratio at year-end of 11.0 per cent (10.5) and a core capital ratio of 7.8 per cent (7.3). The increase in solidity principally reflects a reduction in risk-weighted assets. Core capital increased to NOK 15.7 billion (15.3). The corresponding figures for the Parent Bank were a capital ratio of 10.9 per cent and a core capital ratio of 8.0 per cent.

The Annual Accounts have been prepared on a going concern basis. The Board of Directors considers solidity as at 31 December 2001 to be good.

Capital adequacy
NOK billion

31 December	2001	2000
Total capital	22.3	22.0
Of which core capital	15.7	15.3
Risk weighted assets	203.2	209.6
Capital ratio, %	11.0	10.5
Core capital ratio, %	7.8	7.3

Ratings, December 2001	Short	Long
Moody's	P1	AA3
S&P	A1	A+
Fitch-IBCA	F1+	AA-

Risk management

Nordea Bank Norway is largely integrated into the Nordea group's risk management system. Group Credit and Risk Control is responsible for setting risk management rules and guidelines and for exercising central control, as well as being responsible for reporting within both Nordea Bank Norway and Nordea as a whole. Nordea Bank Norway's objective is to manage risk in such a way that no single instance can have a serious adverse effect on the Group's financial condition.

The Board of Directors of Nordea Bank Norway is responsible for monitoring and setting limits for the Group's risk exposure. The following operational targets have been established to provide overall limits on risk exposure and to form a framework for operational controls:

- The average provision for loan losses and guarantees shall not exceed 0.4 per cent of the loan and guarantee portfolio over the course of the business cycle.
- Investment risk, including interest rate risk, foreign exchange risk and equity risk, shall not lead to an accumulated loss in investment earnings exceeding one quarter´s normalised earnings at any time in a calendar year.
- Operational risk shall be kept within manageable limits at reasonable cost.

The main principles of risk management, internal regulations and exposure limits are subject to the Board's approval. The Board receives regular reports on exposure and risk management.

Credit risk

Credit risk is defined as the risk that the Group's counterparties fail to fulfil their agreed obligations and that collateral deposited does not cover the Group's claims. Most of the credit risks to which Nordea Bank Norway is exposed, arise from various forms of lending. Trading in financial instruments also gives rise to credit risk. The most important factors for the management of credit risk are the quality and discipline of the Bank's credit procedures. A formal credit policy and credit guidelines have been established to provide guidance and to regulate the credit approval process.

Risk management and control

The Group has established a formal decision making process for the approval of credit limits. For most commitments an internal limit is established which specifies the conditions on which credit may be granted subject to overall limits for exposure to the customer.

In addition overall credit risk is managed by setting limits for exposure to specific industries.

An account manager is appointed for each customer. The account manager is responsible for ensuring that the overall credit exposure to the customer does not exceed its ability to service the facilities granted. Credit risk is managed in part by monitoring the customer's adherence to the terms of the facilities agreed, and partly by implementing the appropriate measures to limit credit exposure in the event of any weakening in the customer's debt service capacity.

If the Bank considers it likely that its exposure to a customer will not be repaid in full through either payments by the customer, realisation of the Bank's security or from other sources, the commitment is classified as doubtful. Specific loan-loss provisions are recognised in the accounts in respect of doubtful commitments to allow for expected shortfall in the amount due.

Problem commitments and repossessed assets
NOK millon

31 December	2001	2000
Non-performing commitments	2,162	2,184
Doubtful commitments	2,400	1,120
Total non-performing and doubtful commitments, gross	4,562	3,304
Specific allowance	(1,271)	(1,065)
Commitments with reduced interest rate	399	0
Net problem commitments	3,690	2,239
General allowance for loan losses	(1,633)	(1,594)
Specific allowance as % of gross problem commitments	28	32
Total allowances as % of gross problem commitments	64	80
Repossessed assets	61	23

Analysis of credit risk

Customer lending

Nordea Bank Norway's total customer lending increased by 2 per cent in 2001 to NOK 187 billion, of which 90 per cent is to borrowers in Norway and other Nordic countries. Lending to corporate customers accounted for 68 per cent of total exposure. Lending to the household sector increased to 31 per cent (28) in 2001, and lending to the public sector accounted for ca. 1 per cent of the total.

Lending to corporate customers amounted to NOK 128 billion at the end of 2001. The analysis of total lending by industry shows a reduction in the exposure to shipping as result of the sale of the Bank's branches in Singapore and London. Nordea has a strong position in ship financing in a number of the world's most important shipping markets, and the Nordea group maintained this position in 2001. Commercial property financing showed some increase in 2001, whilst the allocation of lending between other industries showed only minor changes.

Lending to the retail market increased to NOK 58 billion in 2001, of which 91 per cent was secured on residential mortgages. The Bank paid particular attention in 2001 to maintaining competitive terms and conditions for residential mortgage customers. This segment of the lending market continues to be characterised by very considerable competition.

Lending to the public sector amounted to NOK 1.1 billion, of which loans to local authorities represented 82 per cent.

Lending to other financial institutions
Lending to other financial institutions amounted to NOK 10 billion (19) at the end of 2001, and loans with maturities of less than one year accounted for 100 per cent of this portfolio.

Problem loans
The gross volume of total non-performing commitments at year-end was unchanged from the previous year at NOK 2.2 billion. The net book value of non-performing commitments, which represents the value of collateral and debt servicing capacity associated with these commitments, was NOK 1.3 billion (1.3).

The gross volume of doubtful commitments, defined as commitments with a high probability of default within one year, increased to NOK 2.4 billion (1.1). The net value of doubtful commitments similarly increased to NOK 2 billion (0.9) at the end of 2001.

The total figure for gross non-performing and doubtful commitments is made up of NOK 4 billion for corporate lending and NOK 0.6 billion for retail lending. After deducting specific allowance of NOK 1.3 billion, the net value of problem commitments amounted to NOK 3.3 billion. In addition general allowance for loan losses amounted to NOK 1.6 billion. Total allowances were equivalent to 1.55 per cent (1.45) of gross lending at year-end.

Off-balance sheet commitments
Nordea Bank Norway has substantial off-balance sheet commitments as a normal part of its commercial operations. These relate to commercial products such as guarantees, documentary credits, credit commitments etc as well as financial commitments in the form of derivative instruments. Derivative instruments relate principally to contracts to exchange currencies at a future date (forward foreign exchange contracts), contracts to purchase and sell interest-bearing securities at a future date (interest rate forwards) and contracts to exchange interest rate payments (swaps and FRAs).

Total exposure to counterparty risk arising from off-balance sheet commitments, measured as a risk-weighted amount in accordance with the capital adequacy rules, amounted to NOK 28.1 billion (24.3) at the end of 2001.

Market risk
Nordea Bank Norway defines market risk as the risk of loss in market value as a result of market movements in interest rates, foreign exchange rates, equity prices and commodity prices. Market risk is divided into interest rate risk, foreign exchange risk, equity risk and commodity risk.

Exposure to market risk principally arises as result of the investment portfolio managed by Treasury and the customer trading and market-making activities carried out by the Corporate and Institutional Banking business area.

The Board determines the level of risk and procedures for risk management, as well as setting limits for total exposure to market risk, and the Asset and Liability Management Committee (ALCO) determines how the overall market risk limits shall be allocated between the various business areas. The risk limits for each business area are set in accordance with the business strategy for the area.

Nordea Bank Norway measures market risk by using Value at Risk (VaR), a number of standardised sensitivity measures, various combined scenario simulations and stress tests.

Exposure to interest rate risk arises where there is a mismatch between the interest rate structure of assets and liabilities or the equivalent off-balance sheet exposures. The overall limits for interest price risk, i.e. the type of interest rate risk that can cause a capital loss, is based on VaR for linear risk and scenario simulations for non-linear risk. At the end of 2001 VaR (10 day holding period, 99 per cent confidence level) was NOK 19.1 million. Non-linear risk at the same date was NOK 6.4 million.

Net interest risk is measured by a sensitivity analysis whereby the entire balance sheet is subject to a 1 per cent parallel shift in the yield curve. For further details see Note 26 "Interest rate sensitivity".

Foreign exchange risk arises where there is a mismatch between the value of assets and liabilities in a particular currency. Overall limits for foreign exchange risk are based on VaR for linear risk and scenario simulations for non-linear risk. At the end of 2001 VaR was calculated to be NOK 7.2 million, while non-linear risk at the same date was calculated at NOK 3.2 million.

The overall limits for equity risk are based on VaR for linear risk, scenario simulations for non-linear risk and book value (plus commitments) for "Private Equity" funds. The linear risk at the end of 2001 was calculated at NOK 108.4 million, whilst non-linear risk was calculated at NOK 5.6 million. The book value of Private Equity funds (including commitments) was NOK 297 million.

Operational risk

Nordea Bank Norway defines operational risk as the risk of direct or indirect loss, or damage to the Group's reputation, caused by deficiencies or errors in internal procedures and routines or by external factors.

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

Since financial services principally involve the processing of information, much emphasis is put on the security of information in the Group's business processes (i.e. control of access to information). Disaster recovery planning and a high level of preparation for crisis management are important elements in preparing the Bank to deal with possible major incidents. Great importance is also attached to the physical safety of the Bank's employees and customers.

On the basis of the annual reports received from all units in the Group, the Board believes that the quality of internal controls is satisfactory. The internal control reporting is audited by the Group Audit department.

Organisational matters and the environment

The Nordea group's objective is to strengthen its position as a leading supplier of financial services in the Nordic countries. This objective is supported by an appropriate strategy for human resources that strives to strengthen the expertise, willingness and commitment of all members of staff, recognising that these features are crucial to the Group's continuing success. This is reflected in targeted programmes designed to develop expertise, reinforce a positive approach and improve the working environment. Bonus schemes are used to help to improve employee performance.

Managers and their staff accept a joint responsibility for the development and best use of expertise. The Nordea group Human Resources function is decentralised to each of the Nordic home markets. Human Resources co-ordinates personnel administration and training within each of the business areas and provides further assistance as required.

Changes in working patterns

The number of employees that carry out conventional banking services continues to fall. Customers are increasingly directly involved in carrying out payments and other banking services with the help of new technology. Moreover the need for administrative staff is also falling since the same technology is increasingly taking over routine administration tasks.

On the other hand, the number of staff involved in more demanding work is increasing in many areas. Many of these new services require specialist skills, making it necessary to train existing staff in order to cope with the transition to new and more demanding duties. The rapid pace of development also creates a continuous need for education and training in new areas.

The Bank is dependent on the availability of committed and skilled staff to maintain the growth of its core areas of activity. Skills in providing customer advice and in the IT area are particularly crucial for the Group's continuing success. These trends challenge the Bank's employees to take the initiative to develop their own expertise, but the Bank supports these changes by offering competitive employment terms and excellent opportunities for ongoing training and career development.

The Group had 4,334 employees at the end of 2001. This represents 4,096 full-time equivalent positions as compared to 4,063 full-time equivalent positions at the end of 2000.

Sick leave amounted to 50,411 days in 2001 (49,406), equivalent to approximately 6.0 per cent (5.9). The company medical service systematically reviews the physical and psychosocial working environment, particularly in those areas where sick leave is most frequent. A project has been initiated to look at measures in connection with the sick leave.

A combined survey of the working environment and employee satisfaction was carried out in 2001 with a favourable outcome.

The activities carried out by Nordea Bank Norway cause no pollution to the external environment.

Disputes
Nordea Bank Norway is involved in a number of disputes of minor financial consequence arising from its normal business activities. A description of legal proceedings in respect of taxation disputes is provided in the Taxation section.

Composition of the Group

The branch offices of Nordea Bank Norway in London and Singapore were sold to Nordea Bank Finland on 31 May and 30 November 2001 respectively.

On 11 October 2001 the Norwegian Banking, Insurance and Securities Commission approved the sale of the Bank's shares in Norske Liv AS and K-Fondsforsikring AS to Vesta Liv Holding AS.

On 31 December 2001 the Bank's shares in Nordea Fondene AS (formerly K-Fondene) were sold to Nordea Fondene Norge Holding AS and its shares in Nordea Investment Management ASA (formerly K-Kapitalforvaltning) were sold to Nordea Investment Management Norge Holding AS. Both of the purchasing companies are owned by Nordea Asset Management AB, and this company also acquired Nordea Pension Services AS on 1 November 2001. These sales have not yet been formally approved by the Norwegian Banking, Insurance and Securities Commission.

Major subsidiaries

Norgeskreditt AS
Norgeskreditt AS is Norway's oldest and largest mortgage institution for commercial property financing. The company celebrates its 75th anniversary in 2002. Norgeskreditt AS, working in co-operation with Nordea, offers a broad range of financial services for commercial property clients throughout Norway. Norgeskreditt's customer base represents a major share of the largest players in this market. Some 60 per cent of total lending is to customers with loans in excess of NOK 100 million. Total new lending in 2001 amounted to NOK 4 billion, and 72 per cent of these customers chose fixed interest rate terms for their loans.

Total lending by Norgeskreditt AS at the end of 2001 amounted to NOK 21.8 billion, and the company had total assets of NOK 23 billion. Norgeskreditt AS reported a net profit of ca. NOK 297 million for 2001. The company has 38 employees and operates from offices in Oslo and Bergen.

Nordea Finans Norge AS
Nordea Finans Norge has business area responsibility for the Nordea group's finance company products in Norway. The company's main products are leasing, car financing and factoring. These products are delivered through the Bank's national sales network and the company's own sales force, and are increasingly sold by suppliers of capital goods offering financing in conjunction with sales of their products. The company had total assets of NOK 4.8 billion at the end of 2001, and reported a net profit of ca. NOK 50 million. Nordea Finans Norge had 126 employees at the end of 2001.

Prospects for 2002

Nordea Bank Norway's earnings are affected to a considerable extent by the general condition of the Norwegian economy. The prospects for the Norwegian economy in 2002 look to be relatively good, and low inflation provides the basis for a reduction in Norwegian interest rates. OPEC and the other major non-OPEC oil producers have decided to cut oil production, and it seems likely that this will help to stabilise the oil price at around USD 20 per barrel. The international economic outlook will also have an impact on conditions in Norway.

The Group's capital situation and earnings capacity provide the basis for further growth in lending in 2002. However, lending will only be allowed to grow if this can be achieved within an acceptable risk and profitability profile.

The results achieved in 2001 were satisfactory. Provision for loan losses and guarantees showed some increase, but this was expected since losses in recent years have been exceptionally low. Nordea Bank Norway has further potential to increase its non-interest income both in the area of savings and capital markets products as well as in payment services. The acquisition of the Bank by the Nordea group and its integration into the Group has given Nordea Bank Norway increased financial capacity, a position in an extensive Nordic network, access to new products and services and increased expertise in a number of important areas. Continuing focus on building up the Bank's expertise and the successful implementation of measures to increase sales will be the key to success in the years ahead.

Statement of Income

NOK million	Note	The Group 2001	The Group 2000	The Group 1999	The Parent Bank 2001	The Parent Bank 2000	The Parent Bank 1999
Interest income	2	17,771	17,212	14,497	16,477	15,700	12,551
Interest expenses	2	12,909	12,608	10,157	12,160	11,604	8,743
Net interest income		**4,862**	**4,604**	**4,340**	**4,317**	**4,096**	**3,808**
Dividends and profit from group companies and associated companies	3, 12, 13	100	185	125	574	904	747
Commissions and fees	3	1,590	1,699	1,349	1,454	1,533	1,246
Commission expenses	3	(329)	(271)	(227)	(316)	(275)	(227)
Net change in value and profit (loss) on securities	3	140	122	396	134	7	99
Net change in value and profit (loss) on foreign exchange and financial derivatives	3	681	553	482	681	553	482
Other non-interest income	3	389	163	138	265	90	91
Total non-interest income		**2,571**	**2,451**	**2,263**	**2,792**	**2,812**	**2,438**
Personnel expenses	4, 5	2,244	2,154	1,991	2,062	1,974	1,838
Administrative expenses	4	1,379	1,217	1,021	1,297	1,175	972
Ordinary depreciation and write-downs	4	252	261	265	232	240	236
Other non-interest expenses	4	505	447	344	496	397	329
Total non-interest expenses		**4,380**	**4,079**	**3,621**	**4,087**	**3,786**	**3,375**
Operating profit before loan losses and profit on long-term securities		**3,053**	**2,976**	**2,982**	**3,022**	**3,122**	**2,871**
Provision for losses on loans and guarantees	6	705	26	(8)	691	175	(3)
Profit (losses/write-downs) on long-term securities		-	40	-	-	40	-
Operating profit		**2,348**	**2,990**	**2,990**	**2,331**	**2,987**	**2,874**
Income taxes	14	(283)	579	513	(300)	576	399
Net profit		**2,631**	**2,411**	**2,477**	**2,631**	**2,411**	**2,475**
Transferred to Reserve for evaluation differences	21				(546)	(548)	(521)
Transferred to Other equity	21				(85)	(760)	(300)
Dividend	21				(2,000)	(1,103)	(1,654)
Total allocation					**(2,631)**	**(2,411)**	**(2,475)**
Earnings per share, fully diluted (NOK)		**4.77**	**4.37**	**4.49**			

Balance sheet

NOK million	Note	The Group 31.12.01	The Group 31.12.00	The Parent Bank 31.12.01	The Parent Bank 31.12.00
Assets					
Cash and deposits with central banks		4,915	5,514	4,915	5,514
Deposits with and loans to credit institutions	7, 9	9,760	18,776	16,294	25,965
Total cash and claims on credit institutions		**14,675**	**24,290**	**21,209**	**31,479**
Loans to customers	7, 8, 9	187,136	183,759	160,441	159,024
Specific allowance for loan losses	8	(1,271)	(1,065)	(1,187)	(967)
General allowance for loan losses	8	(1,633)	(1,594)	(1,524)	(1,490)
Net loans to customers		**184,232**	**181,100**	**157,730**	**156,567**
Repossessed assets	7	**61**	**23**	**52**	**9**
Certificates and bonds	7, 10	18,372	18,591	18,022	18,112
Equities and investments	7, 10, 11	1,399	1,788	112	257
Total securities		**19,771**	**20,379**	**18,134**	**18,369**
Associated companies	7, 12	**579**	**1,070**	**579**	**637**
Equities and investments in group companies	7, 13	**-**	**-**	**5,009**	**5,393**
Deferred tax asset, goodwill and other intangible assets	7, 14	**1,212**	**881**	**1,077**	**730**
Fixed assets	7, 15	**2,580**	**2,416**	**2,515**	**2,332**
Other assets	7	**3,185**	**1,105**	**3,389**	**1,210**
Prepaid expenses and accrued income		**4,026**	**4,920**	**3,798**	**4,675**
Total assets		**230,321**	**236,184**	**213,492**	**221,401**
Liabilities and equity					
Deposits from credit institutions	16	41,594	31,124	38,885	31,140
Deposits from customers	16, 17	104,332	106,468	104,922	106,808
Total deposits		**145,926**	**137,592**	**143,807**	**137,948**
Certificates and bond loans	16, 18	48,044	62,140	34,681	42,962
Other liabilities	16	8,619	4,471	8,474	10,050
Accrued expenses and prepaid receivables	16	3,386	5,017	3,241	4,553
Allowances for liabilities	16	1,112	1,161	1,096	1,112
Total other liabilities		**61,161**	**72,789**	**47,492**	**58,677**
Subordinated loan capital	16, 20	**6,277**	**9,470**	**5,236**	**8,443**
Share capital	21	3,860	3,860	3,860	3,860
Reserves	21	13,097	12,473	13,097	12,473
Total equity		**16,957**	**16,333**	**16,957**	**16,333**
Total liabilities and equity		**230,321**	**236,184**	**213,492**	**221,401**
Off balance commitments	23, 25, 28				

Nordea Bank Norge ASA
Oslo, 21 February 2002

Thorleif Krarup
Chairman

Lars G. Nordström

Carl-Johan Granvik

Liv Irene Haug

Carl Erik Krefting

Hege Marie Norheim

Markku Pohjola

Baard Syrrist
CEO

Notes

All figures are in NOK million, if not otherwise stated.

Note 1 Accounting principles

General

The accounts have been prepared in conformity with current legislation and regulations governing banks and generally accepted accounting principles in Norway.

Unless stated otherwise, the notes show Group figures.

Transactions and other events are accounted for and presented in accordance with their substance and financial reality and not merely with their legal form, unless otherwise specifically stated in legislation, regulation or statement by the Norwegian Banking, Insurance and Securities Commission.

Consolidation

The consolidated accounts include Nordea Bank Norge ASA, subsidiaries and associated companies.

Subsidiaries are defined as companies in which the Bank has direct or indirect control. Newly acquired subsidiaries are included from the time control is acquired, and companies sold up to the point of sale. Except for Norske Liv and K-Fonds-forsikring, all subsidiaries are accounted for using the acquisition method. Due to different accounting principles in banks and life insurance companies and the regulations regarding allocation of dividends between owners and customers in life insurance, the life insurance subsidiaries have been consolidated using the equity method in the Group accounts.

Associated companies are those in which the Group holds between 20 to 50 per cent of the voting rights, and where the ownership position gives a controlling interest in the company. These companies have been included in the consolidated accounts applying the equity method of accounting. Associated companies are listed in note 12.

Subsidiaries and associated companies have been accounted for using the equity method in the accounts of the Parent Bank. The difference between the book value of the investment according to the equity method and acquisition cost is posted to the reserve for valuation differences. Dividends and group contribution received during the period of ownership reduce the reserve. Associated companies and subsidiaries are listed in notes 12 and 13, respectively.

In all material respects, uniform accounting principles have been applied to all companies included in the consolidated accounts. For the life insurance subsidiaries some accounting principles unique to the life insurance industry have been applied, and consequently these will deviate from the general principles applied for the Group.

Intercompany accounts and transactions between companies in the Group have been eliminated.

In the consolidation, the statement of income of international subsidiaries is translated into NOK based on the average exchange rates for the year. Balance sheet figures are translated at the year-end rate. Translation differences, which arise as opening equity and net result are translated to NOK at rates differing from the year-end rate, are adjusted against equity.

Loan losses and allowances for losses on loans and guarantees

Under the regulations governing recording of losses, the item "provision for losses on loans and guarantees" consists of charge-offs, change in specific allowances and general allowances as well as payment on receivables previously charged-off.

In the balance sheet accumulated specific and general allowances are presented separately.

Charge-offs

A loan is charged-off when debt agreements have been accepted or bankruptcy has been declared, when a foreclosure order has been denied, or when a lawsuit has been lost or a debt waived.

Specific provisions

Specific provisions are recorded when debt settlement or bankruptcy proceedings are instituted, if debt collection proceedings are started, if the Bank or others have issued a restraining order against the debtor, if the debtor's assets have been seized, if default has arisen, or if it is highly likely that a default will arise within one year.

A non-performing commitment is one which is not serviced as planned, and at the latest when debt servicing has been over-due for 90 days. This does not, however, apply if non-performance is due to circumstances other than an inability to service the debt. A default may also be considered to have arisen where repayments have been deferred or additional credit has been granted. If a guarantee given by the Bank becomes effective, and this cannot be covered within the agreed limits, the entire commitment shall be considered to be in default.

In assessing the provisions, consideration is given to the value of collateral and the general financial situation of the customer.

Collateral is valued on the basis of its estimated realisable value. Interest and commissions due on non-performing commitments are no longer recognised as income. Interest and commissions already recognised in the current year, but not paid, are reversed. If a reduced rate of interest has been agreed upon, the present value of the interest income loss is charged as a charge-off, or a specific provision is made as for non-performing commitments, after assessing the financial position of the customer.

If the collateral is considered sufficient to cover the total commitment, inclusive of interest and commissions, recognition of interest income is continued.

General allowance

The general allowance is intended to cover the potential losses in the part of the portfolio that is not specifically identified as doubtful or non-performing, and where no specific allowances therefore have been made.

In order to arrive at a reasonable degree of certainty in evaluating potential loan losses in the corporate loan portfolio, these commitments are categorised into various risk categories based on specific assessment of each company's debt-servicing ability.

The calculation of the necessary general allowance is based on an evaluation of the probability of loan losses occurring in light of the composition of risk categories, historical figures for loans advanced previously, an evaluation of the collateral and the price development for major types of collateral held by the Bank, changes in the size of the portfolio, the quality of the Bank's credit procedures and account management and expectations for the future development of the economy.

Conversion of commitments and repossessed assets

When loans are converted to equities, the market value of the equities at the time of conversion is ascertained, and any difference between the market value of the equities and the nominal value of the loan is charged as a loan loss provision. Equities acquired in this way are classified as short-term investments. Any change in market values after the time of conversion is classified as a change in loan loss allowance. Increases in market value are entered in the accounts as write-backs on commitments previously charged off until previous allowances are met in full. Any increase in market value beyond previous allowances is entered as interest income.

Repossessed assets are carried at market value, though not higher than the principal plus interest. Any decrease in market value subsequent to the assets being repossessed, alternatively any increase limited to a maximum equalling the principal amount, is entered as a change in the loan loss allowance. Any increase in market value beyond the principal amount is entered as interest income.

Leasing

The majority of lease agreements entered into by the Bank, as the lessor, are finance leases. These are treated as loans in the accounts, and the interest part of the rentals is classified as interest income while payments of the principal are classified as reduction of the outstanding loan. Other lease agreements are classified as fixed assets, and rentals are included in other non-interest income.

Lease obligations are entered as rental expenses as the Group has no finance lease obligations.

Factoring

The Group finances customer's claims and has both commitments with and without credit risk. The transactions are processed as loan advanced, where the claim is recorded under loans on the asset side of the balance sheet, while the non-financed part of the claim is recorded as a liability.

Financial instruments

Financial instruments include both balance sheet and off-balance sheet products. Balance sheet products include equity shares, primary capital certificates, certificates and bonds. Derivatives of such products are not carried on the balance sheet. These financial instruments include currency, interest rate, equity and commodity products. The most common instruments are forward contracts, future rate agreements (FRAs), swaps, financial futures and options. There are also instruments combining two or more categories.

The accounting treatment of the financial instruments depends on whether they are classified as current investments within the trading portfolio, other current investments or financial fixed assets.

Trading instruments

Financial instruments, which have been acquired to realise profit on short-term movements in the market prices and which are traded in an active and liquid market, are included in the trading portfolio. These instruments are marked to market on a daily basis, and gains or losses are recorded as net change in value and profit (loss) on securities or foreign exchange and financial derivatives.

All financial instruments are held at listed market value except for share options, which are held at theoretical value. Current investments in share options and shares are valued based on a portfolio basis and the profit (loss) for the year is reported in the line net change in value and profit (loss) on securities in the statement of income.

Other current assets (The banking portfolio)

Other current financial assets are held at the lower of cost and fair value. If the financial instrument is part of a portfolio held to reduce risks, the market value is assessed at the portfolio level unless the investment is exposed to substantial and permanent reductions in value. In such instances, the financial instrument will be valued on a separate basis.

The valuation of shares acquired as collateral, is described in the section describing loan losses and allowances for losses on loans and guarantees.

Discounts on zero-coupon bonds, certificates and bonds with materially lower interest coupon than the market interest rate, are accrued as interest income.

Financial fixed assets

Financial instruments, which are classified as financial fixed assets, are valued at cost, but permanent diminishment in value will be adjusted for. If the recoverable amount of an investment increases, the impairment loss is reversed to the extent that it increases the carrying amount of the financial fixed asset up to the amount that it would have been, had the original impairment not occurred.

Bonds which are classified as financial fixed assets and which are held to maturity are recorded at cost with an adjustment for amortised premium or discount. Premiums or discounts are accrued as an adjustment of nominal interest rate. Bonds are written down if there is reason to believe that they will not be honoured.

The accounting treatment of investments in subsidiaries and associated companies has been described in the consolidation section.

Internal profits relating to transactions between the trading portfolio and finance investments, are not eliminated in the accounts.

Hedging

The hedging portfolio comprises contracts that are intended to neutralise an existing or expected interest rate and/or foreign exchange risk. A high degree of negative correlation is required in changes in value between the hedging agreement and the hedged item. Financial derivatives used to hedge the Bank's balance sheet items or other financial instruments are assessed together with the hedged item. Income or expenses linked to the agreements are recorded together with the hedged item.

Further information about financial instruments is given in notes 10, 11 and 28 to the accounts.

Non-financial fixed assets
In the balance sheet non-financial fixed assets are recorded at cost, plus any revaluations made prior to 1999, less accumulated depreciation and write-downs. If the fair value of a non-financial fixed asset is lower, due to circumstances not considered to be temporary, the non-financial fixed asset is written down to its fair value. A write-down must be reversed to the extent to which the basis for the write-down is no longer present.

Depreciation of non-financial fixed assets
Ordinary depreciation is calculated using the straight-line method depreciation based on the life of the assets. The following depreciation rates are applied:

Machinery, equipment and vehicles	10–20%
Buildings	1.5–3.5%
PC's and printers	33.33%

Pension expenses
Pension expenses and pension liabilities are recorded in the accounts in accordance with the Norwegian accounting standard on the recording of pension expenses. Net pension expenses are included in personnel expenses in the statement of income, while net pension liabilities are included in allowances for liabilities in the balance sheet.

Foreign exchange
All balance sheet items denominated in foreign currencies are translated into NOK at the year-end market rates. Income and expenses in foreign currencies are translated into NOK at the rates prevailing at the time of each transaction.

Accruals
Prepaid receivables at year-end are classified as a liability, while accrued, not paid income at year-end are classified under receivables.

Information concerning recognition of interest on non-performing loans is given in the section on non-performing loans.

Dividends are recorded as income in the year they are received.

Profit (loss) on sale of securities not included in the trading portfolio is recognised using the weighted average method.

Profit (loss) on sale of assets is only recorded when the Group has surrendered the economic benefits in relation to the asset, and when a significant portion of the risks has been transferred to the buyer.

Arrangement fees are accrued as interest income over the life of the loan to the extent that they exceed the cost of establishing the loan.

Tax
The tax expense is determined on the basis of the pre-tax income according to the accounts and the pre-tax income according to tax legislation, and consists of payable taxes and deferred taxes.

Deferred taxes are calculated on the basis of temporary differences between accounting and taxable values, carry-forward losses and imputation tax-credit carry-forward. Deferred taxes have been assessed at a nominal tax rate. Positive and negative temporary differences are netted within the same time period. Deferred taxes are calculated on the basis of positive temporary differences after off-setting negative temporary differences. Deferred tax asset on negative temporary differences, carry-forward losses and imputation tax-credit carry-forward will be recorded as an asset if it is highly likely that the asset can be realised through future income.

Premiums and discounts on bond loans
Premiums and discounts on bond loans are accrued as an interest expense over the fixed interest rate period.

Repurchases of own bond loans with the purpose of reducing the outstanding amount of the loan are recorded as a reduction in outstanding bond debt.

Repurchases of own bond loans as part of the Bank's market making activities, are classified as current bonds. No gains or losses are recorded at the time of repurchase. Gains or losses on reselling such bonds are classified as interest expense and accrued over the remaining duration of the bonds.

Note 2 Interest Income and Interest Expenses

	The Group			The Parent Bank		
	2001	2000	1999	2001	2000	1999
Interest income on loans to credit institutions	1,134	1,373	799	1,785	1,792	1,256
Interest income on loans to customers	15,327	14,439	12,704	13,376	12,576	10,357
Interest income on certificates, bonds and other interest bearing securities	1,241	1,369	992	1,184	1,302	940
Other interest income	69	31	2	132	30	(2)
Interest income	**17,771**	**17,212**	**14,497**	**16,477**	**15,700**	**12,551**
Interest expenses on deposits from and loans to credit institutions	2,250	2,903	1,896	2,396	2,600	1,715
Interest expenses on deposits from and loans to customers	7,300	5,349	4,448	6,495	5,670	4,449
Interest expenses on issued securities	2,157	3,213	2,892	2,053	2,253	1,723
Interest expenses on subordinated loan capital	413	564	421	356	490	356
Other interest expenses	789	579	500	860	591	500
Interest expenses	**12,909**	**12,608**	**10,157**	**12,160**	**11,604**	**8,743**

Note 3 Non-interest Income

	The Group			The Parent Bank		
	2001	2000	1999	2001	2000	1999
Dividends on short-term equities	20	77	32	-	14	5
Dividends on long-term equities	17	20	11	17	20	11
Share of profit from associated companies	63	88	82	78	72	58
Share of profit from group companies	-	-	-	479	798	673
Dividends and profits from group companies and associated companies	**100**	**185**	**125**	**574**	**904**	**747**
Guarantee fees	158	148	120	158	143	120
Credit broking	27	24	14	30	24	15
Securities broking	293	495	274	294	495	273
Custodial services	230	214	174	92	53	76
Electronic payment services	550	513	460	550	514	460
Manual payment services	211	188	198	211	188	198
Insurance commissions	39	37	30	40	37	29
Other commissions and fees	82	80	79	79	79	75
Commissions and fees	**1,590**	**1,699**	**1,349**	**1,454**	**1,533**	**1,246**
Securities broking	(59)	(54)	(39)	(58)	(54)	(39)
Custodial services commissions	(12)	4				
Payment services	(258)	(221)	(188)	(258)	(221)	(188)
Other commissions and fees	(1)					
Commissions expenses	**(329)**	**(271)**	**(227)**	**(316)**	**(275)**	**(227)**
Net change in value and profit (loss) on certificates and bonds	152	79	16	152	78	16
Net change in value and profit (loss) on equities	(12)	43	380	(18)	(71)	83
Net change in value and profit (loss) on securities	**140**	**122**	**396**	**134**	**7**	**99**
Net change in value and profit (loss) on foreign exchange	352	318	283	352	318	283
Net change in value and profit (loss) on financial derivatives	329	235	199	329	235	199
Net change in value and profit (loss) on foreign exchange and financial derivatives	**681**	**553**	**482**	**681**	**553**	**482**
Operating income from real estate	43	45	42	57	52	50
Other non-interest income	330	104	80	205	34	36
Profit from sale of fixed assets	16	14	16	3	4	5
Other non-interest income	**389**	**163**	**138**	**265**	**90**	**91**
Total non-interest income	**2,571**	**2,451**	**2,263**	**2,792**	**2,812**	**2,438**

Note 4 Non-interest Expenses

	The Group			The Parent Bank		
	2001	2000	1999	2001	2000	1999
Salaries	1,711	1,641	1,536	1,572	1,497	1,413
Pension expenses	221	235	156	209	226	147
Social security contribution and other personnel expenses	312	278	255	281	251	234
Provision for profit sharing for the employees	-	-	44	-	-	44
Personnel expenses	**2,244**	**2,154**	**1,991**	**2,062**	**1,974**	**1,838**
Fees for external services	444	430	339	437	427	328
Expenses for computer equipment	25	35	28	20	28	24
Operating expenses for data processing	415	303	237	388	289	229
Postage, fax and telephone	105	116	101	102	105	91
Office supplies	36	32	30	32	29	26
Marketing	175	159	154	160	144	135
Personnel related expenses	139	112	106	126	103	95
Other administrative expenses	40	30	26	32	50	44
Administrative expenses	**1,379**	**1,217**	**1,021**	**1,297**	**1,175**	**972**
Ordinary depreciation	250	257	265	232	240	236
Write-downs	2	4	-	-	-	-
Ordinary depreciation and write-downs	**252**	**261**	**265**	**232**	**240**	**236**
Rental and operating expenses, bank premises	154	168	154	153	161	140
Operating expenses on real estate	117	55	51	120	63	59
Operating expenses on repossessed assets	5	-	-	5	-	-
Other operating expenses	183	194	138	172	143	129
Loss from sale of fixed assets	46	30	1	46	30	1
Other non-interest expenses	**505**	**447**	**344**	**496**	**397**	**329**
Total non-interest expenses	**4,380**	**4,079**	**3,621**	**4,087**	**3,786**	**3,375**

Note 5 Number of employees, salaries and other remunerations

Number of employees/full-time positions	2001	2000
Number of employees as at 31.12.	4,334	4,300
Full-time positions as at 31.12.	4,096	4,063
Average full-time positions	4,070	4,054

Salaries and other remunerations		
Remunerations to the Board of Directors	589	1,229
Remunerations to the Supervisory Board	142	496
Remunerations to the Control Committee	593	700

Salaries and other remunerations paid to the President and Chief Executive Officer in 2001 totalled NOK 1,992,610 of which NOK 1,872,623 was cash salary. The President and Chief Executive Officer has a special pension agreement from reaching the age of 60, which entitles him to a pension payment of 70 per cent of the annual cash salary. The Board of Directors is entitled to request the President and Chief Executive Officer to step down from his position from that same time. The President and Chief Executive Officer is entitled to demand that the pension rights accrued be settled in cash upon his retirement. NOK 108,188 has been paid in premium to the pension fund for the President and Chief Executive Officer in 2001.

See note 19 on Pensions.

During the year fees of NOK 9.3 million was paid to the Bank’s external auditors. NOK 4.8 million of the fees is related to auditing functions and NOK 4.5 million is related to advisory and other services.

Loans to elected officers and Group Management as at 31.12.2001	NOK 1,000
Group Management	
President and Chief Executive Officer Baard Syrrist	949
Executive Vice President Carl E. Steen	2,371
Executive Vice President Ola Forberg	1,801
Executive Vice President Alex Madsen	2,073
Executive Vice President Sigvart Hovland	-
Executive Vice President Inge Støve	987
Executive Vice President Egil Valderhaug	1,359
The Board of Directors	2,987
Supervisory Board	
Hans Dalborg, Chairman	-
Supervisory Board, total	768
Control Committee, total	-

Loans to the Group's employees (including retired employees) totalled NOK 2.3 billion, of which approximately NOK 1.8 billion was to present employees. There has been a negative interest margin totalling approximately NOK 1.5 million on these loans in 2001, and the effect is included in net interest income.

Note 6 Provision for losses on loans and guarantees

Booked loan losses

	The Group			The Parent Bank		
	2001	2000	1999	2001	2000	1999
New specific loan loss provisions	549	393	199	535	346	193
Change in previous specific allowances	(1)	(75)	(112)	-	(64)	(127)
Charge-offs on commitments where no specific provision has been made previous years	178	9	16	178	8	16
Net loss (gain) on repossessed assets etc.*	(2)	(182)	1	(1)	(1)	-
Payments on receivables previously charged off	(69)	(119)	(112)	(66)	(113)	(82)
Change in general allowance	50	-	-	45	(1)	(3)
Provision for losses on loans and guarantees	**705**	**26**	**(8)**	**691**	**175**	**(3)**

* The accounts for 2000 includes approximately NOK 170 million in realised gain from the sale of the Group's shares in Selmer ASA. The Group's exposure with Selmer was originally a loan commitment which went into default and was later converted to equity.

Charge-offs

	The Group			The Parent Bank		
	2001	2000	1999	2001	2000	1999
Charge-offs on commitments where specific provision has been made previous years	418	382	91	392	357	83
Charge-offs on commitments where no specific provision has been made previous years	178	9	16	178	8	16
Total charge-offs	**596**	**391**	**107**	**570**	**365**	**99**

Provisions on loans and guarantees by industry

	2001		2000	
	Provision for losses on loans and guarantees	Provision for losses as percentage of total loans	Provision for losses on loans and guarantees	Provision for losses as percentage of total loans
Retail market	(53)	(0.1)	(78)	(0.2)
Primary industries (agriculture/fisheries)	(1)	-	3	-
Oil extraction and drilling, mining	(2)	(0.1)	36	0.5
Manufacturing industry	117	0.7	17	0.1
Power and water supply, building and construction	54	0.8	(181)	(2.5)
Wholesale and retail trade	60	0.8	17	0.2
Hotels and restaurants	23	1.1	4	0.2
Shipping/aviation	54	0.2	21	0.1
Real estate	8	-	(6)	-
Commercial services	307	1.3	205	0.9
Other	88	2.6	(12)	(0.4)
Total	**655**	**0.4**	**26**	**0.0**
Changes in general allowance	50	-	-	
Total	**705**	**0.4**	**26**	**0.0**

Note 7 Specification of assets

	The Group		The Parent Bank	
	2001	2000	2001	2000
Cash and deposits with central banks	**4,915**	**5,514**	**4,915**	**5,514**
Deposits with and loans to credit institutions without agreed term of notice	9,498	18,156	16,032	25,345
Deposits with and loans to credit institutions with agreed term of notice	262	620	262	620
Deposits with and loans to credit institutions	**9,760**	**18,776**	**16,294**	**25,965**
Discounted bills	152	125	152	125
Overdrafts facilities	16,766	14,737	16,766	14,737
Building loans	2,361	2,074	2,361	2,074
Amortizing loans	117,195	109,752	93,715	87,543
Subordinated loans to other enterprises	395	432	395	295
Factoring	203	262	-	-
Leasing	2,908	2,102	-	-
Other loans	47,156	54,275	47,052	54,250
Loans to customers	**187,136**	**183,759**	**160,441**	**159,024**
Specific allowance for loan losses	(1,271)	(1,065)	(1,187)	(967)
General allowance for loan losses	(1,633)	(1,594)	(1,524)	(1,490)
Net loans to customers	**184,232**	**181,100**	**157,730**	**156,567**
Land	5	4	5	4
Commercial properties	8	3	8	3
Residential properties	3	4	2	2
Other assets	45	12	37	-
Repossessed assets	**61**	**23**	**52**	**9**
Government and government-guaranteed certificates (weighted 0%)	2,040	2,421	1,990	2,395
Certificates issued/guaranteed by financial institutions (weighted 20%)	13,744	13,316	13,367	12,951
Certificates issued/guaranteed by others (weighted 100%)	1,434	1,453	1,422	1,365
Own certificates and bonds for market-making purposes (weighted 20%)	626	867	715	867
Short-term certificates and bonds	**17,844**	**18,057**	**17,494**	**17,578**
Bonds issued by private companies (weighted 100%)	23	23	23	23
Long-term bonds	**23**	**23**	**23**	**23**
Norwegian government bonds (weighted 0%)	537	537	537	537
Accumulated amortised premium	(32)	(26)	(32)	(26)
Bonds to be held to maturity	**505**	**511**	**505**	**511**
Certificates and bonds	**18,372**	**18,591**	**18,022**	**18,112**
Short-term investments in equities	1,092	1,566	39	191
Other long-term investments in equities	267	190	67	60
Investments in companies other than limited companies	40	32	6	6
Equities and investments	**1,399**	**1,788**	**112**	**257**
Ownership interest in Norske Liv AS	-	394	-	-
Ownership interest in K-Fondsforsikring AS	-	40	-	-
Ownership interest in other associated companies	579	636	579	637
Associated companies	**579**	**1,070**	**579**	**637**
Ownership interests in group companies - credit institutions	-	-	3,113	3,030
Ownership interests in other group companies	-	-	1,896	2,363
Equities and investments in group companies	**-**	**-**	**5,009**	**5,393**
Deferred tax asset	1,196	878	1,077	729
Goodwill	16	2	-	-
Other intangible assets	-	1	-	1
Deferred tax asset, goodwill and other intangible assets	**1,212**	**881**	**1,077**	**730**
Machinery, equipment and vehicles	824	629	802	590
Buildings and commercial properties	1,756	1,787	1,713	1,742
Real estate and machinery	**2,580**	**2,416**	**2,515**	**2,332**
Other assets	3,185	1,105	2,959	888
Group contribution and dividend	-	-	430	322
Other assets	**3,185**	**1,105**	**3,389**	**1,210**
Prepaid expenses and accrued income	**4,026**	**4,920**	**3,798**	**4,675**
Total assets	**230,321**	**236,184**	**213,492**	**221,401**

Note 8 Loans and other exposure to customers

Analysis of loans and other exposure by risk category

Category	2001 Gross loans	2001 Off-balance sheet exposure	2001 Total exposure	2001 Specific loan loss pro-visions	2000 Gross loans	2000 Off-balance sheet exposure	2000 Total exposure	2000 Specific loan loss pro-visions
Corporate Market – Category A	8,798	42,754	51,552	-	12,246	41,002	53,248	-
Corporate Market – Category B	46,156	77,709	123,865	-	50,686	56,508	107,194	-
Corporate Market – Category C	45,721	26,983	72,704	-	45,256	22,721	67,977	-
Corporate Market – Category D	13,167	5,636	18,803	-	12,766	5,038	17,804	-
Corporate Market – Category E	3,489	1,670	5,159		3,443	1,749	5,192	-
Non-performing/doubtful – corporate market	3,067	900	3,967	1,081	2,615	109	2,724	862
Un-categorised corporate market	8,709		8,709		4,802	1,623	6,425	-
Retail market	57,435	226	57,661	-	51,365	1,343	52,708	-
Non-performing/doubtful – retail market	594		594	190	580	-	580	203
Total loans and other exposure	**187,136**	**155,878**	**343,014**	**1,271**	**183,759**	**130,093**	**313,852**	**1,065**
Calculated expected losses			798				768	

Nordea Bank Norway quantifies credit risk by calculating the expected losses and capital requirement related to its lending activities. The expected losses and capital requirement calculated, form part of the calculation of risk-adjusted profitability, and these figures are used inter alia as the basis for the pricing of lending and other facilities for specific customers. The calculated level of expected losses is intended to represent an average level of losses and is independent of the state of the economic cycle.

Nordea Bank Norway uses a system of categories to classify corporate customers on the basis of their capacity to service indebtedness. Customers are allocated to one of five categories, A to E, with customers in category A representing the best capacity to service indebtedness and category E representing the weakest debt service capacity. Customers are categorised on the basis of historic financial key figures and an evaluation of other factors that are considered likely to affect their future debt service capacity. Internal data and statistical models are then used to estimate the probability of insolvency for each of the five categories. The estimated probability of insolvency is used to calculate expected losses and capital requirement.

There is a clear relationship between the pricing applied to customers and the creditworthiness category to which customers belong. However, the collateral available for a credit relationship also has a significant effect on the overall level of credit risk and is taken into account in the calculation of expected losses and capital requirement, as well as in the Bank's pricing model. The degree of security available is therefore used directly in the relevant calculations, even though it is not taken into account in allocating customers to categories.

The table above shows the Group's credit exposure analysed by categories A to E for corporate customers and as a total figure for exposure to the retail market, together with non-performing/doubtful debts for the corporate market and retail market respectively.

The calculated figure for expected losses increased from NOK 768 million in 2000 to NOK 798 million in 2001. This represents a smaller increase than the increase in total volume would suggest. This reflects the fact that the majority of growth was in low-risk lending and other exposure to category B customers. Expected losses as a percentage of gross loans amounted to 0.43 per cent at 31 December 2001 as compared to 0.42 per cent at 31 December 2000.

The calculations reported are based on statistical models and historical data, and are therefore subject to uncertainty.

Total loans and guarantees by geographic area

	The Group				The Parent Bank			
	2001		2000		2001		2000	
Geographic area	Total loans	Guaran-tees	Total loans	Guaran-tees	Total loans	Guaran-tees	Total loans	Guaran-tees
Norway	164,426	25,350	146,453	24,628	137,708	25,728	121,736	24,502
Abroad	22,710	2,514	37,306	2,951	22,733	2,514	37,288	2,951
Total	**187,136**	**27,864**	**183,759**	**27,579**	**160,441**	**28,242**	**159,024**	**27,453**

Total loans and off-balance exposure by industry and retail market

	2001		2000	
	Gross loans	Off-balance exposure	Gross loans	Off-balance exposure
Retail market	58,029	226	51,945	1,361
Primary industries (agriculture/fisheries)	10,092	901	6,767	451
Oil extraction and drilling, mining	3,416	2,316	7,094	4,955
Manufacturing industry	16,294	15,763	17,734	9,669
Power and water supply, building and construction	6,671	9,463	7,132	6,448
Wholesale and retail trade	7,476	4,156	8,129	3,123
Hotels and restaurants	2,197	124	1,970	217
Shipping and aviation	23,891	8,002	32,001	3,260
Real estate	31,700	1,429	25,879	1,324
Commercial services	23,997	11,998	21,601	7,778
Others	3,373	8,189	3,507	8,190
Not divided by industry *		93,311	83,317	
Total	**187,136**	**155,878**	**183,759**	**130,093**

* Commitments not drawn, foreign exchange and documentary credit instruments.

Non-performing/doubtful commitments and specific allowance by industry and retail market

	2001		2000	
	Non-performing and doubtful commitments	Specific allowance	Non-performing and doubtful commitments	Specific allowance
Retail market	594	190	580	215
Primary industries (agriculture/fisheries)	118	36	224	22
Oil extraction and drilling, mining	37	4	8	1
Manufacturing industry	462	318	377	382
Power and water supply, building and construction	103	70	49	19
Wholesale and retail trade	235	82	191	94
Hotels and restaurants	81	36	71	29
Shipping/aviation	397	93	599	54
Real estate	267	53	542	40
Commercial services	1,845	369	294	145
Other	423	20	369	64
Total	**4,562**	**1,271**	**3,304**	**1,065**

Non-performing and doubtful commitments	**2001**	**2000**	**1999**	**1998**	**1997**
Non-performing commitments *					
Total non-performing commitments	2,162	2,184	2,466	1,798	2,008
Specific allowance	(889)	(850)	(869)	(879)	(1,058)
Net non-performing commitments	**1,273**	**1,334**	**1,597**	**919**	**950**
Doubtful commitments *					
Total doubtful commitments	2,400	1,120	970	1,248	1,766
Specific allowance	(382)	(215)	(223)	(196)	(431)
Net doubtful commitments	**2,018**	**905**	**747**	**1,052**	**1,335**
* Of which non-accruing commitments					
Total non-accruing commitments	1,586	1,704	1,050	1,272	1,656
Specific allowance	(705)	(722)	(454)	(632)	(1,037)
Net non-accruing commitments	**881**	**982**	**596**	**640**	**619**

Allowances

	The Group		The Parent Bank	
	2001	2000	2001	2000
Specific allowance				
Specific allowance as at 1 January	1,065	1,092	967	995
Addition of specific allowance after acquisition of portfolio	-	-	-	10
Increased loan loss provision in the period	68	72	62	69
New loan loss provision in the period	549	393	535	346
Reversed loan loss provision in the period	(69)	(147)	(63)	(133)
Charge-offs on commitments where specific allowances have not been made previous years	178	9	178	8
Charge-offs	(518)	(391)	(496)	(365)
Exchange rate differences	(2)	37	4	37
Specific allowance as at 31 December	**1,271**	**1,065**	**1,187**	**967**
Of which specific allowance on guarantees (booked as allowances for liabilities)	-	-	-	-
Specific allowance as at 31 December on loans	**1,271**	**1,065**	**1,187**	**967**

General allowance				
General allowance as at 1 January	1,594	1,588	1,490	1,485
General provision during the period for losses on loans and guarantees	50	-	45	(1)
Exchange rate differences	(11)	6	(11)	6
General allowance as at 31 December	**1,633**	**1,594**	**1,524**	**1,490**

Accrued, not recognised interest on balance sheet loans				
Accrued, not recognised interest on balance sheet loans as at 1 January	318	274	309	263
Earlier periods' interest income on loans, recognised this period	(38)	(49)	(31)	(41)
Accrued, not recognised interest on loans that is no longer on the balance sheet	(83)	(5)	(83)	(3)
The period's accrued, not recognised interest on loans identified as troubled commitments	59	98	49	90
Accrued, not recognised interest on balance sheet loans as at 31 December	**256**	**318**	**244**	**309**

Note 9 Subordinated loans

	The Group		The Parent Bank	
	2001	2000	2001	2000
Other enterprises	395	432	395	295
Credit institutions	179	89	30	30
Total subordinated loans	**574**	**521**	**425**	**325**

Subordinated loans to credit institutions in the Parent Bank refers to a subsidiary.

Subordinated loans classified as bonds and other interest bearing securities to other enterprises are at year-end zero for the Parent Bank as well as for the Group. For 2000 these loans were zero for the Parent Bank and NOK 8 million for the Group.

Note 10 Securities

		31.12.01			31.12.00	
	Cost	Book value	Market value	Cost	Book value	Market value
Certificates and bonds						
Listed	17,733	17,754	17,827		12,955	12,955
Unlisted	90	90	90		5,102	5,148
Total short-term certificates and bonds [1]	17,823	17,844	17,917	18,033	18,057	18,103
Bonds held as fixed assets [2]	538	528	539	538	534	548
Total certificates and bonds	**18,361**	**18,372**	**18,456**	**18,571**	**18,591**	**18,651**
Equities and investments						
Listed	742	776	776		1,301	1,456
Unlisted	316	316	316		265	265
Total short-term equities and investments [3]	1,058	1,092	1,092	1,578	1,566	1,721
Equities and investments held as fixed assets	307	307		222	222	
Total equities and investments	**1,365**	**1,399**		**1,800**	**1,788**	

[1] Of which Trading portfolio	8,240	8,261	8,261	5,799	5,823	5,823
Banking portfolio	9,583	9,583	9,656	12,234	12,234	12,280

[2] There have not been any purchases nor any sales of bonds held as fixed assets during 2001.

[3] Of which Trading portfolio	742	776	776	243	231	231
Banking portfolio	316	316	316	1,335	1,335	1,490

Following an adjustment of the Group's investment strategy a new appraisal of financial assets and the classification of these was undertaken during the third quarter 2001. The effect of this was that all listed shares of Nordea Equity Holdings' equities that were earlier classified as a banking portfolio, are now classified as a trading portfolio. Equities and investments classified as other current and fixed assets therefore include only non-listed equities and investments.

Note 11 Equities and investments

The Group's and Parent Bank's short-term equities and unit trusts

	The company's share capital in NOK mill.	Number of shares owned	Ownership in per cent	Book value in NOK 1,000	Market value in NOK 1,000
Listed short-term equities					
Acta Holding ASA	13	1,457,500	2.07	9,109	9,109
Amersham Plc	32	91,318	0.14	7,761	7,761
A-Pressen ASA	177	755	0.09	98	98
Bergesen d.y ASA	113	3,256	0.01	517	517
Bonheur ASA	57	700	0.01	97	97
Crew Development Corp.	347	711,000	0.55	2,147	2,147
Den norske Bank Holding ASA	7,787	400,000	0.05	16,160	16,160
EDB ASA	159	54,486	0.06	2,752	2,752
Ekornes ASA	33	135,000	0.41	10,395	10,395
Frontier Drilling ASA	492	2,100,000	0.43	2,940	2,940
Hydralift ASA	4	50,000	0.20	3,300	3,300
InFocus Corporation ASA	1	16,503	0.04	3,367	3,367
Kverneland ASA	100	100,000	1.00	10,750	10,750
Kværner ASA, A-aksjer	1,333	79,897	0.01	1,007	1,007
Merkantildata ASA	187	201,133	1.07	2,132	2,132
Nera ASA	247	387,957	0.31	7,545	7,545
Norsk Hydro ASA	5,332	140,000	0.05	52,640	52,640
Norske Skog ASA	1,331	117,217	0.09	20,010	20,010
Opticom ASA	2	602	0.01	221	221
Orkla ASA	1,370	2,589,052	1.18	393,469	393,469
Pan Fish ASA	65	88,714	0.07	1,331	1,331
Pan Pelagic ASA	74	147,677	0.20	2,215	2,215
Petroleum Geo Services ASA	517	78,034	0.08	5,106	5,106
ProSafe ASA	337	85,000	0.25	10,200	10,200
Rieber & Søn ASA, A-aksjer	398	270,000	1.76	12,960	12,960
Roxar ASA	5	100,090	0.39	1,381	1,381
Royal Caribbean Cruises Ltd.	2	144,131	0.08	19,899	19,899
Schibsted ASA	69	4,944	0.01	428	428
Smedvig ASA, A-aksjer	550	38,930	0.07	2,842	2,842
Statoil ASA	5,474	293,074	0.01	18,024	18,024
Storebrand ASA	1,388	224,954	0.08	11,716	11,716
Tandberg ASA	63	34,690	0.06	6,577	6,577
Tandberg Television ASA	110	131,100	0.24	3,920	3,920
Telecomputing ASA	5	2,410	0.01	94	94
Telenor ASA	10,816	400,056	0.02	15,442	15,442
TGS Nopec Geophysical Co. ASA	24	2,253	0.01	280	280
Tomra Systems ASA	178	187,536	0.10	16,136	16,136
Veidekke ASA	69	1,298,193	4.80	66,204	66,204
Vmetro ASA	12	140,000	0.56	10,220	10,220
Other listed equities				1,972	1,972
Total listed short-term equities				**753,364**	**753,364**
Of which the Parent Bank's holding				39,399	
Listed unit trusts					
Nordea I SICAV, Nordic shares		60,364		5,181	5,181
Nordea Internasjonale Obligasjoner		10,438		10,920	10,920
Nordea Trend		9,980		6,181	6,181
Total listed unit trusts				**22,282**	**22,282**
Total listed				**775,646**	**775,646**

	The company's share capital in NOK mill.	Number of shares owned	Ownership in per cent	Book value in NOK 1,000	Market value in NOK 1,000
Unlisted short-term equities					
Biora AB	1	731,543	3.07	8,390	8,390
Cermaq ASA	875	17,030	0.20	6,812	6,812
Component Software AS	4	6,855	0.20	1,051	1,051
Euroventure Nordica II BV, A- & B-shares	144	11,930	14.76	18,830	18,830
FSN Capital Holding Limited	0.13	1,167	12.00	8,820	8,820
FSN Capital Partnership	0.19	300	16.00	44,841	44,841
Hansa Borg Bryggerier ASA	29	2,150,000	7.40	13,597	13,597
Industri Kapital 2000 Ltd.	-	2,100	0.33	39,117	39,117
Johan G Olsen AS	20	2,815	8.30	36,595	36,595
Nordic Health Partners AS	5	500	10.58	500	500
Norsk Kjøkken Invest ASA	100	775,382	7.50	13,414	13,414
Norgesinvestor AS	138	229,813	16.66	24,920	24,920
Norgesinvestor II AS	330	300,000	9.10	30,000	30,000
Norgesinvestor III AS	42	100,100	19.22	10,010	10,010
KS Norsk Vekst II AS	40	4,000	10.00	4,000	4,000
Oslo Børs Holding ASA	50	100,000	2.00	9,500	9,500
Scanbio ASA	2	296,322	12.20	8,000	8,000
Smart Club ASA	6	500,000	0.41	10,000	10,000
Softnet Group AS	3	50,000	2.00	500	500
Sydvestor Vekst ASA	80	10,000	12.50	10,000	10,000
Whitecliff ASA	65	200,000	3.07	16,597	16,597
Other unlisted short-term equities				829	829
Total unlisted short-term equities				**316,323**	**316,323**
Total current assets				**1,091,969**	**1,091,969**
Long-term equities and investments					
Long-term investments in Norwegian companies					
BBS/Bank-Aksept Holding AS	165	1,097,869	16.63	9,798	
Europay Norge AS	28	5,325	18.75	8,861	
Industrifinans Eiendom AS	1	2,741	5.30	1,214	
Norsk Oppgjørssentral ASA	10	1,946,770	12.18	6,154	
Norsk Tillitsmann AS	11	11,223	15.00	1,122	
P-Hus Vekst AS	19	1,000	5.30	1,000	
Solnør Gaard Golfbane AS	5	138		1,000	
Zaplife AS	2	6,436	15.00	9,000	
Other long-term investments in Norwegian companies				13,268	
Long-term investments in foreign companies					
Viking Ship Finance Ltd.	CHF 30	13,500	13.50	20,999	
Other long-term investments in foreign companies				484	
Total long-term investments (Parent Bank)				**72,900**	
The Group's other long-term investments					
Christiania Bank og Kreditkasses Pensjonskasse			100.00	200,000	
KS Norsk Vekst		844	2.90	16,182	
KS Norsk Vekst II		189	10.00	13,900	
KS Isbjørnhallen		2,543	25.40	4,361	
Other long-term investments				57	
Total other long-term investments (Group)				**234,500**	
Total long-term investments (Group)				**307,400**	
Total equities and investments				**1,399,369**	
Shares in Norwegian subsidiaries owned by other subsidiaries					
Christiania Markets AS	0,05	500	100,00	35	

Note 12 Associated companies/insurance

	Ownership in per cent	Book value as at 01.01.01	Additions/ disposals	Share of net profit (loss)	Dividend	Book value as at 31.12.01
Eksportfinans ASA	23.21	639		77	(137)	579
NBV Leasing GmbH	50.00	(9)	2			(7)
Visa Norge AS	20.00	6		1		7
Total associated companies		**636**	**2**	**78**	**(137)**	**579**
Forsikringsselskapet Norske Liv AS	0.00	394	(389)	(5)		-
K-Fondsforsikring AS	0.00	40	(30)	(10)		-
Total		**1,070**	**(417)**	**63**	**(137)**	**579**

The Group owns 100 per cent of the shares in NBV Leasing GmbH, but under an agreement to share profit/losses the Group's holding is set at 50 per cent for accounting purposes.

The Bank's share of the net profit from Norske Liv is calculated as its share in Norske Liv adjusted by deducting tax, depreciation of goodwill and adjustment for carry-over. Depreciation of goodwill totalled NOK 32 million in 2001 and remaining goodwill at year-end was NOK 0 million.

Note 13 Equities and investments in group companies

The Parent Bank

Company name	Acquisition cost	Acc. result prev. years	Book value as at 01.01.01	Additions/ disposals	Share of net profit (loss)	Dividend/ group contri- bution	Equity adjust- ments	Book value as at 31.12.01
Christiania Finance S.A. [2]	-	21	21		6		(1)	26
Christiania Forsikring AS [1]	385	109	494		64	(144)		414
Christiania Corporate AS [1]								-
(formerly Eiendomsutvikling Oslo AS)	140	23	163	(131)	3			35
Inkassosentralen AS [3]	3	15	18		19	(18)		19
Nordea Finans Norge AS [1]								-
(formerly K-Finans AS)	125	452	577		49			626
Nordea Fondene AS [1]								-
(formerly K-Fondene AS)	25	26	51	(64)	13			-
Nordea Equity Holdings AS [1]								-
(formerly K-Holding AS)	971	454	1,425		28	(287)		1,166
Nordea Investment Management ASA [1]					(3)			(3)
(formerly K-Kapitalforvaltning ASA)	21	-	21	(18)				3
Norgeskreditt AS [1]	2,035	400	2,435		297	(282)	12	2,462
O. Tryggvasons g 39/41, AS [4]	-	(26)	(26)		(3)		2	(27)
O. Tryggvasons g 39/41, KS AS [4]	18	30	48	(2)	4		(2)	48
Rosenkrantz Tårn AS [1]	-	34	34		-			34
CBKs pensjonskasse (pension fund)	127	-	127	73	-			200
Other subsidiaries and investments	3	2	5		2		(1)	6
Total equities and investments in group companies	**3,853**	**1,540**	**5,393**	**(142)**	**479**	**(731)**	**10**	**5,009**
Share of net profit from group companies (see note 3)					**479**			

CBKs pensjonskasse is included in the line Equities and investments in the Group accounts.

The following companies are included in the line Other subsidiaries and investments

ANS Casa Kredit (voluntary liquidation) [1]
K-Fondene AS (formerly Christiania Aksjer Norge AS) [1]
Christiania Capital Corp., USA
Christiania Finans AS [1]
Christiania Fonds AS [1]
Christiania Investment AS [1]
Christiania Nominees Ltd., UK
Christiania Securities Holding AS [1]
K-Eiendom AS Oslo Akershus [1]
Norvestor AS [1]
Trondheim City AS [4]

Business addresses

[1] Middelthuns g 17, Oslo
[2] c/o KPMG, Luxembourg
[3] Tollbodg. 17, Kristiansand
[4] O. Tryggvasons g 39/41, Trondheim

Note 14 Income taxes and deferred tax assets

Income taxes

	The Group			The Parent Bank		
	2001	2000	1999	2001	2000	1999
Operating profit	2,347	2,990	2,990	2,331	2,987	2,874
Permanent differences	(293)	(934)	(1,079)	(400)	(1,057)	(1,379)
Change in temporary differences	1,226	302	(233)	1,186	161	56
Tax losses carried forward	(3,098)	(1,214)	(1,334)	(2,945)	(1,072)	(1,272)
Imputation tax credit	(14)	(832)	-	-	(742)	-
Taxable income for the year	**168**	**312**	**344**	**172**	**277**	**279**
Taxes payable	22	72	75	26	74	54
Change in deferred taxes	(305)	507	438	(326)	502	345
Income taxes	**(283)**	**579**	**513**	**(300)**	**576**	**399**

Reconciliation of tax charge for the year to ordinary pre-tax profit

	The Group	
	2001	2000
Pre-tax profit	2,347	2,990
Expected tax on income at a nominal rate of 28%	657	837
Tax effect of permanent differences	(82)	(261)
Tax effect of received dividend	(49)	(29)
Tax effect of tax loss regarding preference capital	(763)	-
Tax charge abroad in excess of 28%	(46)	32
Tax charge for the year	**(283)**	**579**
Effective tax rate (%)	(12)	19

Deferred tax asset

Temporary differences per 31 December 2000 have been adjusted to reflect the tax return and the tax assessment 2000. Deferred tax asset per 31 December 2000 has not been affected. The calculation of deferred tax asset is based on temporary differences between accounting and tax values at the end of the accounting year. Deferred tax calculations are based on 28 per cent tax in Norway and the nominal rate of tax in other countries. Tax increasing and tax reducing temporary differences that are reversed, or can be reversed within a ten-year period, are assessed and the net amount recorded.

	The Group		The Parent Bank	
	2001	2000	2001	2000
Temporary differences				
Short-term assets/short-term liabilities	(936)	396	(860)	490
Fixed assets/long-term liabilities	(1,315)	(1,280)	(1,474)	(1,518)
Tax loss carry-forward	(694)	(1,117)	(390)	(648)
Imputation tax-credit carry-forward (classified as a temporary difference)	(1,103)	(943)	(900)	(745)
Total provisional positive (negative) differences giving rise for deferred taxes/tax benefits	(4,048)	(2,944)	(3,624)	(2,421)
Deferred tax asset	**1,196**	**878**	**1,077**	**729**

Specification of loss carry-forward

	The Group		The Parent Bank	
Expiration date	2001	2000	2001	2000
2002	-	-	-	-
2003	-	-	-	-
2004	28	29	-	-
2005	-	2	-	-
2006	-	5	-	-
2007	16	143	-	123
2008	49	168	22	138
2009	21	25	-	-
2010	205	-	-	-
2011 and later	375	745	368	387
Total loss carry-forward	**694**	**1,117**	**390**	**648**
Of this loss carry-forward related to Norway	**326**	**730**	**22**	**261**

The Parent Bank's and the Group's deferred tax asset includes tax asset regarding the branch in New York amounting to NOK 272 million. In connection with Nordea's acquisition of Nordea Bank Norge ASA there will be a change in the organisation of the Bank's foreign branches. There is therefore uncertainty attached to the abovementioned tax asset.

Tax disputes

The Borgarting Lagmannsrett (the Court of Appeal) handed down its ruling on 27 April 2001 in the tax case that the Bank had brought against the State concerning the right to claim relief for losses on the sale of subsidiaries within the Group. The Court of Appeal upheld the judgement of the City Court that the losses for which Nordea Bank Norge ASA has claimed relief do not qualify for relief under the Company Tax Act. The Bank has lodged an appeal against this judgement. The Appeal Committee of the Supreme Court has ruled that the appeal will be heard by the Supreme Court. The case relates to two matters that have in total reduced the Bank's tax loss carry-forward by NOK 536 million. The amount concerned of NOK 536 million is not included in the losses to be carried-forward as set out in the column in the tables above.

The Norwegian Supreme Court on 27 June 2001 handed down its judgement in a tax case brought by the Bank against the State in respect of the treatment for tax purposes of the preference capital supplied to the Bank in 1991. The Court ruled that the disputed amount of approximately NOK 2.7 billion should be deemed neither to be taxable income nor entail a reduction in the loss carry-forward for tax purposes. The result is that the Bank's tax loss carry-forward has been increased by approximately NOK 2.7 billion relative to the annual accounts for 2000. Taxes previously calculated and expensed amounting to NOK 763 million have been written back in the second quarter of 2001. Adjusted for this amount, the Group’s tax expense for 2001 amounted to NOK 480 million (579) equivalent to ca. 20 per cent of operating profit.

Note 15 Fixed assets

	The Group			The Parent Bank		
	Machinery, equipment and vehicles	Bank buildings and other real estate	**Total fixed assets**	Machinery, equipment and vehicles	Bank buildings and other real estate	**Total fixed assets**
Costs as at 1 January 2001	1,476	2,513	**3,989**	1,376	2,449	**3,825**
Revalued previous years	-	165	**165**	-	165	**165**
Aggregate depreciation	847	344	**1,191**	786	325	**1,111**
Aggregate write-downs	-	547	**547**	-	547	**547**
Book value as at 1 January 2001	**629**	**1,787**	**2,416**	**590**	**1,742**	**2,332**
Additions 2001	456	19	**475**	449	19	**468**
Disposals 2001	57	2	**59**	52	1	**53**
Ordinary depreciations 2001	202	48	**250**	185	47	**232**
Write-downs 2001	2	-	**2**	-	-	**-**
Book value as at 31 December 2001	**824**	**1,756**	**2,580**	**802**	**1,713**	**2,515**

Geographic distribution of real estate as at 31 December 2001 – The Group

	Bank buildings*		Offices/commercial premises		**Total**		Unoccupied area
	Book value	m^2	Book value	m^2	**Book value**	**m^2**	m^2
Oslo	995	75,215	164	11,511	**1,159**	**86,726**	901
East Norway	86	14,752	48	11,022	**134**	**25,774**	2,712
South Norway	49	12,457	25	5,642	**74**	**18,099**	-
West Norway	166	22,566	64	11,183	**230**	**33,749**	2,498
North/Central Norway	80	17,235	64	13,425	**144**	**30,660**	4,721
Total	**1,376**	**142,225**	**365**	**52,783**	**1,741**	**195,008**	**10,832**

Land/projects	
Dwellings/holiday homes	15
Total Group real estate	**1,756**

* Are used entirely by the Group.

Note 16 Specification of liabilities

	The Group		The Parent Bank	
	2001	2000	2001	2000
Loans and deposits from credit institutions without agreed term of notice	2,085	1,562	2,154	1,528
Loans and deposits from credit institutions with agreed term of notice	39,509	29,562	36,731	29,612
Deposits from credit institutions	**41,594**	**31,124**	**38,885**	**31,140**
Deposits from customers without agreed term of notice	65,047	64,713	65,637	65,053
Deposits from customers with agreed term of notice	39,285	41,755	39,285	41,755
Deposits from customers	**104,332**	**106,468**	**104,922**	**106,808**
Total deposits	**145,926**	**137,592**	**143,807**	**137,948**
Certificates and other short-term borrowings	5,220	18,083	5,120	12,201
Bond loans	44,902	47,142	30,276	32,632
Own, non-amortised bonds	(2,078)	(3,085)	(715)	(1,871)
Certificates and bond loans	**48,044**	**62,140**	**34,681**	**42,962**
Provision for dividend	2,000	1,103	2,000	1,103
Other liabilities	6,576	3,319	6,434	8,907
Taxes payable	43	49	40	40
Other liabilities	**8,619**	**4,471**	**8,474**	**10,050**
Accrued expenses and prepaid receivables	3,211	4,828	3,074	4,371
Prepaid loan origination fees etc.	175	189	167	182
Accrued expenses and prepaid receivables	**3,386**	**5,017**	**3,241**	**4,553**
Unfounded pension liabilities	1,099	1,120	1,084	1,096
General allowance on guarantees	1	-	-	-
Provision for restructuring programme	12	41	12	16
Allowances for liabilities	**1,112**	**1,161**	**1,096**	**1,112**
Total other liabilities	**61,161**	**72,789**	**47,492**	**58,677**
Ordinary subordinated loan capital – maturity 2001	-	1,956	-	1,956
Ordinary subordinated loan capital – maturity 2003 and later	3,657	4,933	2,708	3,998
Members' deposits, mortgage institutions	4	4	-	-
Perpetual subordinated loan capital	2,616	2,577	2,528	2,489
Subordinated loan capital	**6,277**	**9,470**	**5,236**	**8,443**
Total liabilities	**213,364**	**219,851**	**196,535**	**205,068**

Note 17 Deposits from customers

By industry and retail market	2001	2000
Retail market	31,862	30,932
Primary industries (agriculture/fisheries)	1,471	1,403
Oil extraction and drilling, mining	3,363	3,589
Manufacturing industry	6,959	7,238
Power and water supply, building and construction	4,152	3,944
Wholesale and retail trade	5,408	5,984
Hotels and restaurants	493	514
Shipping and aviation	9,093	9,419
Real estate	4,101	4,272
Commercial services	23,948	20,421
Government and public sector	3,685	6,882
Insurance and other financial companies	8,452	8,814
Other	1,345	3,056
Total deposits from customers	**104,332**	**106,468**

	The Group		The Parent Bank	
By product	2001	2000	2001	2000
Transaction accounts corporate market, NOK	46,105	45,332	46,071	45,313
Transaction accounts corporate market, foreign exchange	9,400	10,175	10,023	10,534
Transaction accounts retail market	8,515	8,441	8,515	8,441
Savings account	15,313	14,142	15,313	14,142
Other deposits in NOK	24,251	21,291	24,252	21,291
Other deposits in foreign exchange	748	7,087	748	7,087
Total deposits from customers	**104,332**	**106,468**	**104,922**	**106,808**

Note 18 Maturity bond loans

	The Group		The Parent Bank	
Maturity date	2001	2000	2001	2000
2002 (2001)	12,668	2,402	9,166	2,003
2003–2006 (2002–2005)	27,919	36,926	19,101	26,693
2007 (2006) and later	2,328	4,750	1,385	2,086
Premium (discount) at date of acquisition	(91)	(21)	(91)	(21)
Total bond loans	**42,824**	**44,057**	**29,561**	**30,761**

Premium (discount) on funding is accrued as an interest income (expense) over the fixed interest rate period for the respective loans.

As at 31 December 2001 the Group held own bonds for market-making purposes, amounting to NOK 714 million (face value NOK 716 million), and these are included in Short-term bonds (assets). The corresponding figure as at 31 December 2000 was NOK 173 million.

The figures as of year 2000 have been changed as they displayed rate maturity.

Note 19 Pensions

The Group’s pension scheme is covered through Christiania Bank og Kreditkasses Pensjonskasse (pension fund). The Fund is managed by Nordea Pension Services AS. The Bank also has pension commitments that are not covered by the pension funds. These relate to early retirement pensions and supplementary pensions. The pension scheme encompasses 6,207 people, of whom 2,472 received pension as at 31 December 2001.

The pension scheme is entered in the accounts in accordance with the Norwegian accounting standard for the recording of pension expenses. Under this accounting standard the Bank's pension scheme is treated as a defined benefit plan. Calculated pension liabilities encompass both insured and uninsured benefits and include assumption about future salary increases and current pensions. Pension liabilities are presented as a net figure in the balance sheet after the deduction of pension funds assessed at market value. The pension expense for the year after the deduction of the return on pension funds for the year, is presented as a net amount and included in personnel expenses. Changes in the pension liability as a consequence of changes in actuarial assumptions, deviations between the actual and expected returns on pension funds and the effective changes in pension plans are amortised over the average remaining earnings period.

The ordinary retirement age is 67. The schemes carry, based on present social security regulations, an entitlement to an old age pension corresponding to 70 per cent of pensionable income at the time of retirement. The amount is reduced correspondingly in the event of less than 30 years' service at the time of retirement. From the age of 67 onwards pensions paid by the Bank are co-ordinated with those paid under the National Insurance Scheme.

	The Group		The Parent Bank	
Pension expenses	2001	2000	2001	2000
Service expense	110	102	100	94
Interest expense	208	199	203	194
Expected return on assets	(148)	(158)	(143)	(153)
Effect on changes in the pension plans	15	48	14	48
Amortisation of deviation from estimate (gain)	8	2	8	2
Net pension expenses, defined benefit plan	**193**	**193**	**182**	**185**
Accrued Social Security contribution	25	34	24	33
Other pension expenses, defined contribution plan etc.	3	8	3	8
Net pension expenses	**221**	**235**	**209**	**226**

Reconciliation of the financial status of the pension	The Group		The Parent Bank	
schemes with amounts shown in the balance sheet	2001	2000	2001	2000
Projected benefit liabilities	3,189	3,072	3,118	2,977
Plan assets at market value	(1,773)	(1,973)	(1,749)	(1,897)
Actual calculated net pension liabilities	**1,416**	**1,099**	**1,369**	**1,080**
Net actuarial gain not recorded in the result	(378)	(38)	(333)	(25)
Effect of change in pension plans not recorded in the result	(122)	(126)	(114)	(123)
Net unfounded liabilities before Accrued Social Security contribution	**916**	**935**	**922**	**932**
Accrued Social Security contribution	153	157	154	156
Contribution plans	8	8	8	8
Net unfounded pension liabilities	**1,077**	**1,100**	**1,084**	**1,096**

Of the net pension liabilities accrued within the Group, NOK 22 million are overfinanced funds related to subsidiaries which have been included in the prepaid amounts and accrued income. The remaining accrued pension liabilities in an amount of NOK 1,099 million are included in the Allowance for liabilities (note 16).

	The Group		The Parent Bank	
Financial assumptions	2001	2000	2001	2000
Discount rate	7.0%	7.0%	7.0%	7.0%
Expected wage adjustments	3.3%	3.3%	3.3%	3.3%
Expected adjustment of basic Social Security	3.3%	3.3%	3.3%	3.3%
Expected adjustment of current pensions	3.0%	3.0%	3.0%	3.0%
Expected return on plan assets	8.0%	8.0%	8.0%	8.0%
Expected annual retirement before age 45	2.0%	2.0%	2.0%	2.0%

Note 20 Subordinated loan capital

Formal maturity	Alternative maturity	Loan amount USD	Loan amount NOK	Interest rate until alternative maturity
21.05.07	21.05.02	100	903 **	Libor 3 month + 30 basis points
24.06.08	24.06.03	150	1,355	Libor 3 month + 37.5 basis points
13.03.11	13.03.06	150	1,355	Libor 3 month + 82 basis points
Perpetual	Every 6th month	80	722	Libor 6 month + 110 basis points until 24.07.2005
Perpetual		200	1,806 *	Libor 6 month + 18.75 basis points
Perpetual			88 **	
Other			48	
Total subordinated loan capital			**6,277**	

* The loan may be prepaid in tranches of USD 1 million
** The loans have been taken up by Norgeskreditt AS. Loan amount of USD 100 million will, after application, be prepaid 21.05.2002

Alternative maturity is the earliest point in time when the Group may prepay the loan amount in full or partially.

Subordinated loan capital denominated in foreign currencies forms part of the Bank's aggregate foreign currency position. There is no exchange rate risk related to the subordinated loans.

Note 21 Equity

The Parent Bank	Share capital	Share premium reserve	Reserve for valuation differences	Other equity	Total equity
Balance as at 1 January 2001	3,860	953	2,061	9,459	16,333
Net profit for the year				2,631	2,631
Provision for dividend				(2,000)	(2,000)
Result from group companies			546	(546)	-
Group contribution			(438)	438	-
Provision for dividend and group contribution			(430)	430	-
Difference between provision for group contribution and group contribution received			1	(1)	-
Disposal of group companies			(16)	16	-
Adjustment regarding 2000			(23)	23	-
Exchange rate differences				(7)	(7)
Balance as at 31 December 2001	**3,860**	**953**	**1,701**	**10,443**	**16,957**

The Group	Share capital	Reserve	Total equity
Balance as at 1 January 2001	3,860	12,473	16,333
Result for the year		2,631	2,631
Provision for dividend		(2,000)	(2,000)
Exchange rate differences		(7)	(7)
Balance as at 31 December 2001	**3,860**	**13,097**	**16,957**

The share capital is NOK 3,859,510,032, consisting of 551,358,576 shares at a nominal value of NOK 7.00.

Note 22 Intercompany transactions and accounts

The following intercompany items are included in the balance sheet of the Parent Bank:

	2001	2000
Deposits with and loans to credit institutions	6,738	7,429
Subordinated loan capital subsidiaries	30	30
Loans to customers	27	27
Certificates, bonds/notes and other interest bearing securities with variable return	-	-
Other assets	16	-
Prepaid expenses and accrued income	8	-
Total due from companies in the Group	**6,819**	**7,486**
Deposits from credit institutions	288	369
Deposits from customers	624	349
Other liabilities	436	5,507
Debt from issuance of securities	70	65
Subordinated loan capital associated companies	-	-
Total due to companies in the Group	**1,418**	**6,290**
Mortgages, other security and guarantees for enterprises in the same group	**656**	**654**

Note 23 Off-balance specifications

	The Group		The Parent Bank	
	2001	2000	2001	2000
Commercial (letter of) credit	574	389	574	389
Unutilized lines of credit	23,689	24,904	23,689	32,397
Total commercial (letter of) credit and unutilized lines of credit	**24,263**	**25,293**	**24,263**	**32,786**
Loan guarantees	4,393	4,607	4,349	4,545
Payment guarantees	12,386	10,651	12,363	10,627
Contract guarantees	9,507	9,084	9,507	9,084
Guarantee to the Commercial Banks Guarantee Fund	1,218	1,140	1,218	1,140
Guarantees for taxes	1,165	820	1,165	820
Other guarantees	1,218	1,277	1,218	1,277
Total guarantees	**29,887**	**27,579**	**29,820**	**27,493**
Of which counter-guaranteed by:				
Other banks	1,159	867	1,159	867
Other credit institutions	1,180	944	1,180	944
Various collateral (at book value)	**12,159**	**10,794**	**12,159**	**10,794**

Various collateral include NOK 12,159 million for lines with Central Bank of Norway. Of guarantees, NOK 25 million constitutes a mutual guarantee agreement with a Norwegian bank as collateral for brokerage activities.

See note 25 Contingent liabilities and note 28 Financial derivatives.

Note 24 Foreign currency positions

	NOK	Foreign currency	of which USD	EURO	SEK	DKK	Other	**Total**
Assets								
Cash and deposits with central banks	4,620	295					295	**4,915**
Deposits with and loans to credit institutions	7,955	1,805	477	416	104	11	797	**9,760**
Loans to customers	145,058	40,807	32,585	214	2,190	626	5,192	**185,865**
General allowance for loan losses	(1,633)	-						**(1,633)**
Certificates and bonds	15,695	2,677	2,677					**18,372**
Equities and investments	1,378	21					21	**1,399**
Other assets	10,622	1,021	276				745	**11,643**
Total assets	**183,695**	**46,626**	**36,015**	**630**	**2,294**	**637**	**7,050**	**230,321**
Liabilities and equity								
Deposits from credit institutions	7,337	34,257	25,312	89	1,829	309	6,718	**41,594**
Deposits from customers	93,402	10,930	8,438	915	330	230	1,017	**104,332**
Certificates and bond loans	20,519	27,525	27,525					**48,044**
Other liabilities	11,952	1,165	239	7	104	100	715	**13,117**
Subordinated loan capital	87	6,190	6,190					**6,277**
Equity	16,931	26					26	**16,957**
Total liabilities and equity	**150,228**	**80,093**	**67,704**	**1,011**	**2,263**	**639**	**8,476**	**230,321**
Net foreign currency exposure on balance sheet items	33,467	(33,467)	(31,689)	(381)	31	(2)	(1,426)	**-**
Net foreign currency exposure on financial instruments	293,279	(24,553)	(24,553)	-	-	-	-	**268,726**
Net foreign currency exposure as of 31.12.01	**326,746**	**(58,020)**	**(56,242)**	**(381)**	**31**	**(2)**	**(1,426)**	**268,726**

Note 25 Contingent liabilities

As in previous years, the Bank is involved in a number of disputes of minor financial significance.

See note 14 regarding tax disputes.

Note 26 Maturity and repricing structure of balance sheet items

Specification of balance sheet items distributed by maturity date

	Up to 1 month		1–3 months		3–12 months		1–5 years	
	NOK	CCY	NOK	CCY	NOK	CCY	NOK	CCY
Cash and deposits with central banks	3,826							
Deposits with and loans to credit institutions	4,776	588	3,179	1,217				
Loans to customers	10,830	10,197	15,264	17,152	4,612	8,743	47,991	4,279
General allowance								
Repossessed assets					26	35		
Certificates and bonds	412	20	4,032	45	1,979	1,182	7,357	1,111
Equities and investments								
Associated companies								
Deferred tax asset, goodwill and other intangible assets								
Fixed assets								
Other assets	3,394	275						
Prepaid expenses and accrued income			3 089	711	228			
Total assets	**23,238**	**11,080**	**25,564**	**19,125**	**6,845**	**9,960**	**55,348**	**5,390**
Deposits and loans from credit institutions	1,456	3,663	5,332	30,193	379	401	170	
Deposits from customers	81,251	10,223	11,832	707	319			
Certificates and other short-term borrowings	100	4,063	349	135	300	272		
Bond loans	37			1,112	6,219	5,110	12,026	15,903
Other liabilities	4,338	95	141		2,042		383	
Accrued expenses and prepaid receivables	168		2,091	653	3			
Allowances for liabilities								
Subordinated loans		1,405		1,354		3,431		
Equity								
Total liabilities and equity	**87,350**	**19,449**	**19,745**	**34,154**	**9,262**	**9,214**	**12,579**	**15,903**
Liquidity exposure gap on balance sheet items	(64,112)	(8,369)	5,819	(15,029)	(2,417)	746	42,769	(10,513)
Net cash flow from financial derivatives	58,018	16,193	147,835	(9,717)	5,120	(5,307)	6,309	(7,023)
Net total on all items	**(6,094)**	**7,824**	**153,654**	**(24,746)**	**2,703**	**(4,561)**	**49,078**	**(17,536)**

Explanation to the note

- Overdrafts, operating credits and credit lines on salary accounts are classified under the group "up to 1 month".
- The certificates and bonds portfolio is classified according to maturity dates. Participation in stocks, bonds and money market funds are classified under the group "without maturity".
- Other assets and Prepaid expenses and accrued income are classified according to their most likely realisation date. Evaluation and settlement accounts are classified under the group "up to 1 month". Long-term equities and investments, associated companies and real estate and machinery are classified under the group "without maturity".
- Net pension liabilities are classified under the group "more than 5 years".

- Financial derivatives:

Options and futures:	Settled up-front
FRA:	Cash flow not known
Interest rate swaps:	Fixed cash margin until next interest rate fixing
Interest rate and foreign exchange swaps:	Fixed cash margin until next interest rate fixing Swapping of agreed foreign exchange amount at maturity

Continued specification of balance sheet items distributed by maturity date

	More than 5 years		Without maturity		Total	
	NOK	CCY	NOK	CCY	**NOK**	**CCY**
Cash and deposits with central banks			794	295	**4,620**	**295**
Deposits with and loans to credit institutions					**7,955**	**1,805**
Loans to customers	67,068	615	(707)	(179)	**145,058**	**40,807**
General allowance			(1,633)		**(1,633)**	**-**
Repossessed assets					**26**	**35**
Certificates and bonds	1,915	319			**15,695**	**2,677**
Equities and investments			1,378	21	**1,378**	**21**
Associated companies			579		**579**	**-**
Deferred tax asset, goodwill and other intangible assets			1,212		**1,212**	**-**
Fixed assets			2,580		**2,580**	**-**
Other assets			(484)		**2,910**	**275**
Prepaid expenses and accrued income			(2)		**3,315**	**711**
Total assets	**68,983**	**934**	**3,717**	**137**	**183,695**	**46,626**
Deposits and loans from credit institutions					**7,337**	**34,257**
Deposits from customers					**93,402**	**10,930**
Certificates and other short-term borrowings					**749**	**4,470**
Bond loans	1,488	930			**19,770**	**23,055**
Other liabilities	4		1,299	317	**8,207**	**412**
Accrued expenses and prepaid receivables			371	100	**2,633**	**753**
Allowances for liabilities	1,099		13		**1,112**	**-**
Subordinated loans			87		**87**	**6,190**
Equity			16,931	26	**16,931**	**26**
Total liabilities and equity	**2,591**	**930**	**18,701**	**443**	**150,228**	**80,093**
Liquidity exposure gap on balance sheet items	66,392	4	(14,984)	(306)	**33,467**	**(33,467)**
Net cash flow from financial derivatives	75,998	524			**293,280**	**(5,330)**
Net total on all items	**142,390**	**528**	**(14,984)**	**(306)**	**326,747**	**(38,797)**

Explanation to the note

- Overdrafts, operating credits and credit lines on salary accounts are classified under the group "up to 1 month".
- The certificates and bonds portfolio is classified according to maturity dates. Participation in stocks, bonds and money market funds are classified under the group "without maturity".
- Other assets and Prepaid expenses and accrued income are classified according to their most likely realisation date. Evaluation and settlement accounts are classified under the group "up to 1 month". Long-term equities and investments, associated companies and real estate and machinery are classified under the group "without maturity".
- Net pension liabilities are classified under the group "more than 5 years".

- Financial derivatives:

Options and futures:	Settled up-front
FRA:	Cash flow not known
Interest rate swaps:	Fixed cash margin until next interest rate fixing
Interest rate and foreign exchange swaps:	Fixed cash margin until next interest rate fixing Swapping of agreed foreign exchange amount at maturity

Specification of balance sheet items distributed by repricing structure

	Up to 1 month		1–3 months		3–12 months		1–5 years	
	NOK	CCY	NOK	CCY	NOK	CCY	NOK	CCY
Cash and deposits with central banks	3,826							
Deposits with and loans to credit institutions	4,827	510	3,128	1,295				
Loans to customers	18,232	4,637	106,545	35,166	6,375	1,193	11,036	27
General allowance								
Repossessed assets								
Certificates and bonds	1,761	569	5,268	1,258	3,923	421	4,184	429
Equities and investments								
Associated companies								
Deferred tax asset, goodwill and other intangible assets								
Fixed assets								
Other assets								
Prepaid expenses and accrued income								
Total assets	**28,646**	**5,716**	**114,941**	**37,719**	**10,298**	**1,614**	**15,220**	**456**
Deposits and loans from credit institutions	6,909	32,759	40	1,492	379	6		
Deposits from customers	81,252	10,356	11,865	574	285			
Certificates and other short-term borrowings	99	4,064	350	135	300	271		
Bond loans	718		695	3,343	6,915	5,412	10,556	13,370
Other liabilities			82					
Accrued expenses and prepaid receivables								
Allowances for liabilities								
Subordinated loan capital		1,353		1,354		2,530		
Equity								
Total liabilities and equity	**88,978**	**48,532**	**13,032**	**6,898**	**7,879**	**8,219**	**10,556**	**13,370**
Liquidity exposure gap on balance sheet items	**(60,332)**	**(42,816)**	**101,909**	**30,821**	**2,419**	**(6,605)**	**4,664**	**(12,914)**
Financial derivatives which directly affect repr. struc.	126	(5)	(3,115)	(14,019)	2,827	138	5,932	(130)
Net interest gap on all items	**(60,206)**	**(42,821)**	**98,794**	**16,802**	**5,246**	**(6,467)**	**10,596**	**(13,044)**
Net interest gap as a % of total assets at year-end	**(25.5)**	**(18.1)**	**41.8**	**7.1**	**2.2**	**(2.7)**	**4.5**	**(5.5)**

Amortising loans are placed in the group "1–3 months". Fixed rate amortising loans are categorised according to fixed interest period. Other loans and deposits from customers are placed in the group "Up to 1 month", except for products which have a contractual fixed interest rate period.

Continued specification of balance sheet items distributed by repricing structure

	More than 5 years		Without maturity		**Total**	
	NOK	CCY	NOK	CCY	**NOK**	**CCY**
Cash and deposits with central banks			794	295	**4,620**	**295**
Deposits with and loans to credit institutions	4				**7,955**	**1,805**
Loans to customers	3,582		(712)	(216)	**145,058**	**40,807**
General allowance			(1,633)		**(1,633)**	**-**
Repossessed assets			26	35	**26**	**35**
Certificates and bonds	559				**15,695**	**2,677**
Equities and investments			1,378	21	**1,378**	**21**
Associated companies			579		**579**	**-**
Deferred tax asset, goodwill and other intangible assets			1,212		**1,212**	**-**
Fixed assets			2,580		**2,580**	**-**
Other assets			2,910	275	**2,910**	**275**
Prepaid expenses and accrued income			3,315	711	**3,315**	**711**
Total assets	**4,141**	**-**	**10,449**	**1,121**	**183,695**	**46,626**
Deposits and loans from credit institutions			9		**7,337**	**34,257**
Deposits from customers					**93,402**	**10,930**
Certificates and other short-term borrowings					**749**	**4,470**
Bond loans	886	930			**19,770**	**23,055**
Other liabilities			8,125	412	**8,207**	**412**
Accrued expenses and prepaid receivables			2,633	753	**2,633**	**753**
Allowances for liabilities			1,112		**1,112**	**-**
Subordinated loan capital			87	953	**87**	**6,190**
Equity			16,931	26	**16,931**	**26**
Total liabilities and equity	**886**	**930**	**28,897**	**2,144**	**150,228**	**80,093**
Liquidity exposure gap on balance sheet items	**3,255**	**(930)**	**(18,448)**	**(1,023)**	**33,467**	**(33,467)**
Financial derivatives which directly affect repr. struc.	83	248	-	-	**5,853**	**(13,768)**
Net interest gap on all items	**3,338**	**(682)**	**(18,448)**	**(1,023)**	**39,320**	**(47,235)**
Net interest gap as a % of total assets at year-end	**1.4**	**(0.3)**	**(7.8)**	**(0.4)**	**16.6**	**(20.0)**

Amortising loans are placed in the group "1–3 months". Fixed rate amortising loans are categorised according to fixed interest period. Other loans and deposits from customers are placed in the group "Up to 1 month", except for products which have a contractual fixed interest rate period.

Interest rate sensitivity as at 31 December 2001

	Up to 1 month	1–3 months	3–12 months	1–5 years	More than 5 years	**Total**
Trading portfolio						
NOK	(5)	11	22	1	(29)	**-**
USD	3	(5)	(7)	(11)	2	**(18)**
EUR	-	1	(1)	-	(5)	**(5)**
GBP	-	(2)	(1)	(1)	-	**(4)**
Other currencies	-	-	4	-	-	**4**
Banking portfolio						
NOK	(6)	(20)	(19)	(15)	4	**(56)**
USD	1	(5)	(16)	(1)	1	**(20)**
EUR	(2)	7	1	(11)	-	**(5)**
GBP	-	-	-	-	-	**-**
Other currencies	-	(1)	1	(1)	-	**(1)**
Total						
NOK	(11)	(9)	3	(14)	(25)	**(56)**
USD	4	(10)	(23)	(12)	3	**(38)**
EUR	(2)	8	-	(11)	(5)	**(10)**
GBP	-	(2)	(1)	(1)	-	**(4)**
Other currencies	-	(1)	5	(1)	-	**3**

The value of items on and off the balance sheet is influenced by changes in interest rates. This interest rate sensitivity may be expressed as potential changes in value as a result of hypothetical interest rate change at a specific time. The table shows calculated change in market value of the portfolio exclusive of options at the end of 2001 if the interest rate increased (i.e. a parallel displacement of the yield curve) by one percentage point. A decrease in the interest rate of one percentage point would result in the same change, but with the opposite sign.

The calculations are based on exposure in linear instruments with market risk that carry interest risk. Exposure in non-linear instruments (for instance options) are not included.

Note 27 Capital ratio

The Group's risk-weighted assets as at 31 December

NOK billion	Nominal amounts by risk-weight 0%	10%	20%	50%	100%	Weighted amounts 2001	2000
Assets not included in trading portfolio							
Cash and deposits with central banks	5.2	-	-	-	-	-	-
Deposits with and loans to credit institutions	-	-	10.2	-	0.2	2.2	4.1
Short-term investments in securities	2.1	0.3	12.7	-	0.5	3.0	7.2
Loans	3.5	-	12.0	53.2	126.5	155.6	158.8
Other receivables	0.5	-	3.6	0.8	2.6	3.7	3.6
Long-term investments and fixed assets	1.7	-	-	-	2.9	2.9	5.6
Total assets	**13.0**	**0.3**	**38.5**	**54.0**	**132.7**	**167.4**	**179.3**
Off-balance items not included in trading portfolio							
Guarantees and similar commitments						4.8	4.8
Stand-by facilities and other commitments						21.8	17.9
Foreign exchange and interest rate related items						1.5	1.6
Total off-balance sheet items						**28.1**	**24.3**
Items included in trading portfolio							
Total market and foreign exchange risk						7.7	6.0
Risk-weighted basis for computation						**203.2**	**209.6**

The Group's capital ratio as at 31 December

NOK million	2001	2000
Total equity (shown in the accounts)	16,957	16,333
Intangible assets	(1,213)	(958)
Overfinancing of pension liabilities	(25)	(47)
Core capital	**15,719**	**15,328**
Perpetual subordinated loan capital	2,784	2,820
Dated subordinated loan capital	3,796	3,937
Supplementary capital	**6,580**	**6,757**
Deductions	**(36)**	**(42)**
Total capital	**22,263**	**22,043**
Capital ratio	**11.0%**	**10.5%**

Total capital is divided into core capital and supplementary capital. Core capital is defined as share capital and reserves approved by the Norwegian Banking, Insurance and Securities Commission. Overfinanced pension liabilities and intangible assets are deducted from core capital. Supplementary capital consists of dated and perpetual subordinated loan capital. From total capital must be deducted the book value of shareholdings in and/or subordinated loans to other financial institutions which amount to more than 2 per cent of the institution's total capital.

The computation of total capital is subject to the following restrictions: Dated subordinated loan capital must not exceed 50 per cent of the core capital. Total supplementary capital must not exceed the core capital. The eligible amount of dated subordinated loan capital is proportionately reduced over the last five years before maturity by 20 per cent per annum.

Subordinated loans denominated in foreign currency are normally valued at the lower of the exchange rate at the date of calculation and the exchange rate when the loan was first drawn down. The Banking, Insurance and Securities Commission may give permission to apply the exchange rate at the date of the application if this is significantly higher than the exchange rate at the time the loan was first drawn down. Nordea Bank Norway has sought and received permission to use the exchange rate at 31 December 2000. This has led to an increase in eligible subordinated loan capital of approximately NOK 1.2 billion for the Group.

The capital ratio is calculated on a group basis. Ownership shares of 20 per cent or more is consolidated on a pro rata basis.

The total capital is measured against a risk-weighted calculation base where the individual items on and off the balance sheet are multiplied by a risk factor that is based on the credit risk assumed to attach to the individual item. In addition, the risk-weighted basis also includes market and foreign exchange risks as defined in the regulations from the Norwegian Banking, Insurance and Securities Commission.
The minimum capital ratio requirement is 8 per cent.

The capital adequacy requirement applies to both the Parent Bank and the Group. At the end of 2001 the Parent Bank had a capital ratio of 10.9 per cent based on a risk-weighted asset base of NOK 178,0 billion and a total capital of NOK 19,321 million.

Note 28 Financial derivatives

	Nominal value 31.12.01	Nominal value average 2001	Book value 31.12.01	Book value average 2001	Net profit (loss) 2001
Trading portfolio					
Interest rate agreements	1,011,796	922,233	(1,447)	(1,178)	75
Foreign exchange agreements	714,504	686,543	1,178	598	235
Equity related agreements*	-	-	-	-	-
Commodities related agreements	-	-	-	(2,320)	3
Total trading portfolio	**1,726,300**	**1,608,776**	**(269)**	**(2,900)**	**313**
Banking portfolio					
Interest rate agreements	40,130	44,730	(1,362)	(1,390)	
Foreign exchange agreements	87,286	82,537	(1,394)	(1,412)	
Equity related agreements	5,046	4,727	966	681	

Financial derivatives in the trading portfolio are evaluated and carried at market value, which means that the market value above is equal to the book value.

Financial derivatives within the ordinary banking and credit business are hedging transactions, which are evaluated according to the same principles as the secured item. The book value (market value) of the hedging transactions has corresponding counter values in the Group's balance sheet, and there are no isolated gains/losses on financial derivatives in the banking/credit portfolio.

Interest rate contracts mainly include:
- Interest rate guarantees and options that ensure the buyer a fixed interest rate on an agreed amount.
- Interest rate swaps, which are exchanges of interest rate terms for specific amounts for a predetermined period of time.
- Interest rate contracts (FRAs, futures), that determine the interest rate for a nominal amount for a future period.

Exchange rate contracts mainly include:
- Foreign currency forward exchange rate contracts, which are agreements to buy or sell a currency amount at a predetermined exchange rate on a future date.
- Foreign currency swaps, which are exchange of currency amounts at a predetermined exchange rate and payment of interest on these for a specific period of time.
- Foreign exchange options, which give the buyer the right to buy or sell a currency amount at a predetermined exchange rate within a specific period of time or at a predetermined date.

Equity related contracts mainly include:
- Futures on stock indices that determine a future price of a specific stock index.
- Stock options that gives the buyer the right to buy or sell shares at an agreed price within a certain period of time or at a predetermined date.

* Profit (loss) is included in Net change in value and profit (loss) on securities.

Commodities related contracts mainly include:
- Commodity exchange contracts which are exchange of price terms for a commodity for a specified period of time.

Nominal amounts are the contracts' underlying principal amounts, which are shown gross.

When calculating the market values, the average of buy and sell quotations from independent sources are used. In the calculations, methods of interpolation and extrapolation are also applied. With regards to equity options, theoretical prices are calculated. For further information, refer to note 1.

Note 29 Average interest on balance sheet items

	Average balances	Effective interest rates in per cent
Assets		
Cash and deposits with central banks		
NOK	2,784	6.24
Deposits with and loans to credit institutions		
NOK	10,572	4.74
Foreign currencies	11,759	3.90
Interest bearing loans after general allowance for loan losses		
NOK	135,704	8.95
Foreign currencies	49,033	6.49
Non-performing loans after specific allowance for loan losses		
NOK	631	-
Foreign currencies	280	-
General allowance for loan losses		
NOK	(1,493)	-
Foreign currencies	-	-
Certificates and bond loans		
NOK	13,737	6.87
Foreign currencies	4,642	6.40
Other assets		
NOK	12,844	0.14
Foreign currencies	1,115	4.56
Total assets	**241,608**	**7.36**
NOK	174,779	7.88
Foreign currencies	66,829	5.97
Liabilities and equity		
Deposits from credit institutions		
NOK	8,919	6.38
Foreign currencies	33,087	5.08
Deposits from customers		
NOK	90,395	7.20
Foreign currencies	15,747	5.02
Certificates and bond loans		
NOK	9,253	8.92
Foreign currencies	45,504	2.93
Other liabilities		
NOK	11,986	5.99
Foreign currencies	1,168	6.12
Subordinated loan capital		
NOK	-	-
Foreign currencies	7,764	5.32
Equity		
NOK	17,785	-
Total liabilities and equity	**241,608**	**5.34**
NOK	138,338	6.23
Foreign currencies	103,270	4.15
Net interest income		**2.01**
NOK		1.65
Foreign currencies		1.82

Note 30 Shares and shareholders

Nordea Bank Finland (NBF) Plc owned 100 per cent of the shares in Nordea Bank Norge ASA as per 31.12.2001.

Statement of Cash Flows

	The Group			The Parent Bank		
	2001	2000	1999	2001	2000	1999
Cash flows from operating activities						
Interest and fees received	**18,665**	16,254	14,085	**17,353**	14,776	11,831
Interest paid	**(14,526)**	(12,109)	(8,569)	**(13,457)**	(11,224)	(7,188)
Dividends received	**174**	131	80	**154**	68	54
Other non-interest income received	**2,644**	2,401	1,953	**2,397**	2,172	1,814
Operating expenses paid	**(4,411)**	(4,058)	(3,582)	**(4,124)**	(3,791)	(3,365)
Income taxes paid	**(28)**	(94)	(104)	**(27)**	(61)	(32)
Cash flow from sale of short-term securities	**590,841**	1,285,140	431,838	**590,259**	1,284,071	431,037
Cash flow from purchase of short-term securities	**(590,701)**	(1,285,018)	(431,442)	**(590,125)**	(1,284,064)	(430,938)
Net cash provided by operating activities	**2,658**	**2,647**	**4,259**	**2,430**	**1,947**	**3,213**
Cash flows from investing activities						
(Increase) decrease in loans to credit institutions	**9,016**	196	(10,180)	**9,671**	(5,845)	460
Payments on receivables previously charged off	**71**	301	111	**67**	114	82
(Increase) decrease in loans to customers	**(3,908)**	(25,171)	(4,920)	**(1,921)**	(20,719)	(20,732)
(Increase) decrease in certificates and bonds	**219**	1,188	(4,908)	**90**	671	(4,313)
(Increase) decrease in equities and investments	**806**	821	(1,198)	**255**	750	(888)
(Increase) decrease in deferred tax asset, goodwill and other intangible assets	**(331)**	543	462	**(347)**	502	336
Investment in fixed assets	**49**	(393)	(330)	**(3)**	(375)	(306)
Payments from sale of fixed assets	**9**	288	1	**9**	286	-
(Increase) decrease in other assets	**(2,312)**	(747)	561	**(1,934)**	(570)	298
Net cash provided by investing activities	**3,619**	**(22,974)**	**(20,401)**	**5 887**	**(25,186)**	**(25,063)**
Cash flows from financing activities						
Increase (decrease) in deposits from credit institutions	**10,470**	2,316	1,005	**7,745**	2,408	2,420
Increase (decrease) in deposits from customers	**(2,174)**	14,522	13,708	**(1,886)**	14,658	13,773
Increase (decrease) in subordinated loan capital	**(3,193)**	2,120	345	**(3,207)**	2,047	315
Increase (decrease) in certificates and bonds	**(14,096)**	3,142	7,616	**(8,281)**	(96)	11,179
Increase (decrease) in other debts	**3,220**	2,018	(3,660)	**(2,505)**	7,659	(3,188)
Dividends paid	**(1,103)**	(1,654)	(827)	**(1,103)**	(1,654)	(827)
Group contributions received	**-**	-	-	**321**	354	223
Net cash provided by financing activities	**(6,876)**	**22,464**	**18,187**	**(8,916)**	**25,376**	**23,895**
Net change in liquid assets	**(599)**	**2,137**	**2,045**	**(599)**	**2,137**	**2,045**
Liquid assets as at 1 January	**5,514**	3,377	1,332	**5,514**	3,377	1,332
Liquid assets as at 31 December	**4,915**	**5,514**	**3,377**	**4,915**	**5,514**	**3,377**

Liquid assets include cash in hand and deposits with central banks.

Auditor's Report

To the Supervisory Board and the Annual Shareholders' Meeting of Nordea Bank Norge ASA
We have audited the annual financial statements of Nordea Bank Norge ASA as at 31 December 2001, showing a profit of NOK 2,631 million for the Parent Bank and a profit of NOK 2,631 million for the Group. We have also audited the information in the Board of Directors' report concerning the financial statements, the going concern assumption, and the proposal for the allocation of the profit. The financial statements comprise the balance sheet, the statements of income and cash flows, the accompanying notes and the group accounts. These financial statements are the responsibility of the Bank's Board of Directors and its President and Chief Executive Officer. Our responsibility is to express an opinion on these financial statements and on the other information according to the requirements of the Norwegian Act on Auditing and Auditors.

We conducted our audit in accordance with the Norwegian Act on Auditing and Norwegian good auditing practice. Good auditing practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. To the extent required by law and good auditing practice an audit also comprises review of the management of the Bank's financial affairs and its accounting and internal control systems. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,
- the financial statements are prepared in accordance with the law and regulations and present the financial position of the bank and the group as at 31 December 2001, and the results of its operations and its cash flows for the year then ended, in accordance with Norwegian good accounting practice
- the bank's management has fulfilled its duty to produce a proper and clearly set out registration and documentation of accounting information in accordance with the law and good accounting practice
- the information in the Board of Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the profit are consistent with the financial statements and comply with the law and regulations.

Oslo, 21 February 2002
PricewaterhouseCoopers DA

Anders Eng
State Authorised Public Accountant (Norway)

Petra Liset
State Authorised Public Accountant (Norway)

Note: This translation from Norwegian has been prepared for information purposes only.

Report of the Control Committee

To the Supervisory Board and the Annual Shareholders' Meeting of Nordea Bank Norge ASA.
During 2001 the Control Committee has inspected the Bank's activities in accordance with the Commercial Banks Act § 13 and instructions issued by the Supervisory Board on 4 August 1992.

The Committee has examined the accounts for 2001 and is of the view that they are in accordance with prevailing rules and regulations and generally accepted accounting standards. The Control Committee considers the Board of Directors' evaluation of the Bank's financial position adequate and recommends that the income statement and balance sheet are adopted as presented.

With reference to other aspects of the accounts for 2001 the Control Committee refers to the auditor's report of 21 February 2002 and supports the views expressed therein concerning the submitted annual accounts.

Oslo, 21 February 2002

Jan T. Bjerke (Chairman)
Odd Svang-Rasmussen (Deputy Member)

Fanny Platou Amble (Member)
Finn Fadum (Member)

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