

Operations in 2001



This is Nordea

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

*This is a summary
of the Nordea Annual
Report 2001*

Nordea relies increasingly on the Internet in the communication with shareholders and investors. During 2001 some 700,000 visitors have entered the financial homepages of www.nordea.com and downloaded 460,000 financial reports and press releases.

Annual report practice

Nordea has decided to print the full annual report in English only. The annual report can be ordered through www.nordea.com

This summary of the annual report is produced in English and in the four Nordic languages and is available on the Internet and in branch offices.

The annual reports and other financial reports published by the Nordea Group may be ordered from:
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In this summary of the annual report "Nordea" means Nordea AB (publ), the Nordea Group or the business operations of the Nordea Group. The significance in individual cases is shown by the context.

The full potential of the Nordea *business model*

2001 was a year of committed work to deliver merger synergies and intense preparations to realise the Nordea business model, but also a year of uncertainty in equity markets and in the Nordic economy. With a return on equity excluding goodwill at 19%, financial results were in line with earlier performance but short of targets.

Nordea will offer better individual financial solutions at lower costs based on harmonised service concepts with standardised products and unified processes. No combined solution needs to be the same for any two customers. No single product or process needs to be different between the countries of our home market.

This business model represents a possibility to meet our financial objectives and to reach our ambitious cost/income ratio target within three years. We have started tapping this potential.

In 2001 Nordea was impacted by three factors: the sluggish world economy and home markets with significantly reduced growth, the continued transformation of the financial services industry and our own mission to deliver the benefits of our mergers.

Weakened economies

An economy already in the beginning of a recession was brought to almost no growth in many markets by the 11 September catastrophe and the ensuing chain of events. It kept business down with falling share prices and trading volumes, cautious consumers, reduced investments, increasing credit losses, downward pressure on new savings

products, a slowdown of trade and limited listings or restructuring of Nordic businesses.

The banking sector mirroring general business activity was impacted by the recession. Across Europe, the industry had a weak year. A turnaround is expected this year.

Continued structural change

But structural change continued. The financial services industry is increasingly global and IT-based. Consumers become ever more demanding while demography contributes to a change in demand profile. Demands for shareholder value continue to rise.

The industry needs to provide easy to use e-services, reliable and value adding asset management and a financial partner to trust with a personal relationship. For the many customers seeking a partner, consolidation to provide broader services at reduced costs continues. For the few preferring to shop around, niche banks and new entrants to the market are abundant.

Nordea responds

In response to these trends, Nordea is building an integrated Nordic group providing universal banking and insurance services. We continued to grow through strategic acquisitions in Poland and above all in Sweden through the acquisition of Postgirot Bank.

Nordea's retail operations aim to be second to none with focus on deepening partnerships with customers. We are responding to the demand for innovative e-services that empower customers



“ Nordea is
building an integrated Nordic
group providing
universal banking
and insurance
services. ”





This is our business model to create superior value. It requires us to constantly improve and innovate. It empowers customers and can only succeed with empowered managers and employees sharing and exchanging experiences and new ideas.



- ▶ and release resources for improved personal relationships and advice. We are building a highly competitive and award winning Asset Management & Life business.

Financial result short of targets

Despite intense work and a number of fully noteworthy achievements, overall financial performance last year did not meet our targets. We are satisfied that return on equity excluding goodwill remained above 19%. But we see potential for improvement and we are not satisfied with a falling share price ending the year at EUR 5.97, down from EUR 8.10, despite this representing an industry and stock market trend.

We are not satisfied with the loan losses appearing in the second half of the year. We are, however, satisfied that we identified their origin, reported them and took action and that the credit portfolio is of good quality by industry standards.

Progress

We delivered merger synergies of EUR 168m in 2001 as promised. But we must continue and increase our focus on cost reduction.

We are gradually building a strong investment bank. We do have a vastly improved offer in Sweden to large corporations. But we cannot be content until all potential customers share that view.

We built Asset Management & Life into a savings powerhouse. We received much acclaim and inflow was satisfactory.

Retail Banking continued to report good performance with improved relative customer satisfaction positions and another record breaking year for e-services. With 88 million Internet transactions

last year, Nordea stays in a world leadership position. The number of e-customers will pass 3 million this spring. But we are committed to realise the potential of an improved cost/income ratio when full integration is implemented.

Preparing next phase

While we did not create the financial results we aspired to, we identified and built potential. We put adequate systems in place and removed structural barriers to integration.

The background is that in a European perspective, Nordic banking has a strong position based on early adaptation to new technology, skilled employees and demanding customers. Nordea is in the best position among the Nordic contenders to use these competitive advantages to take the business to a new level. This is our focus going forward.

Managing for performance

A new groupwide Planning and Performance Management Model will improve our ability to manage complexity. It aims at aligned and focused implementation of strategy through efficient business planning, monitoring and follow-up.

The system is built around Balanced Scorecards with Key Performance Indicators and linked incentive systems, Rolling Financial Forecasts replacing P/L budgets, Service Level Agreements between providers and receiving units and strategy and business planning with quarterly reviews.

Streamlining structures

Integration proceeded with legal structure changes. All core business is branded Nordea. A groupwide culture change

programme – From Words To Action - around the joint Nordea values was implemented.

Nordea is managed as an integrated group in focused business areas. Reviewing this structure, the decision was made to further integrate interrelated businesses and to divest the production of general insurance. Core business areas for coming years are Retail Banking, Asset Management & Life and Corporate and Institutional Banking including investment banking. A corporate centre and corporate staffs support them.

Altogether, these actions will help us tap the potential of the Nordea business model.

Better at lower cost

Ultimately, Nordea has been created to enable every account manager and personal banker in every branch to offer better financial solutions to every customer – better for the customer, better than competition, better than before. As partners to help our customers succeed, we will be local and personal and seek individual solutions.

Our Group has also been formed to enable us to produce and deliver competitive products and services packaged in service concepts facilitating individual customer solutions at lower cost and/or higher quality. In fully integrated production and distribution, we must be Nordic and electronic and apply standardised solutions.

Individual and standardised

We will offer increasingly competitive customer solutions by always choosing the best product or service available in the Group or to be found in the market and only that. We will operate at

increasingly competitive costs by always choosing the most efficient process in the Group or to be found in the market and only that.

No combined solutions need to be the same for any two customers. Respecting legal and tax requirements, no single products or services or processes need to be different between the countries of our home market.

Untapped potential

This is our business model to create superior value. It requires us to constantly improve and innovate. It empowers customers and can only succeed with empowered managers and employees sharing and exchanging experiences and new ideas. When fully realised, it will make more things possible for customers, shareholders, employees and the communities and societies we operate in. This is the mission that keeps energising us.

And we know it can work. The more we learn from successes and mistakes in bringing the Group together, the higher the potential we discover. Our best estimates convince us that Nordea can set ambitious targets to improve its financial performance.

Vision and objectives

Our vision is clear. By adopting this business model we will be valued as the leader in our region. We will be number one or number two or show superior profitable growth in all we do. In multi-channel distribution and e-services, we will retain a world leadership position.

Our objective is to create shareholder value in the top five of our European peer group.



- By the end of 2004, we will reach our cost/income target.

Strategic imperatives

Reaching these targets implies uncompromising dedication to the business model. Three imperatives will guide us:

1. There is one and only one Nordea business model. There will be no excuses to stay in the past. There will be no duplication of work.
2. There is for every business area one and only one best way. There must not be two almost similar products requiring different processes or two nearly similar processes delivering basically the same product.
3. There is for Nordea one and only one most efficient business support. There is no free ride being in-house. Everything will be measured against the best in the market and outsourced if it does not stand the test.

Investments will be required. We will make them and we will explain how they will pay back.

Make it possible!

This programme will test our commitment to create value, our ability to innovate and our trust in empowerment.

It will work when we start hearing even more about “my customer”, “joint Nordic”, “best practice”, “benchmarking”, “continuous improvement”, “too expensive”, “outsourcing”, “go do it” and “make it possible”.

It will work when we stop completely hearing about “my country”, “we always did it this way”, “we never did it that way” and “wait, we need a project”.

Actions for customer satisfaction

One important group strategy theme is growth of revenue. In essence this is to proactively offer financial solutions that create superior value. Some examples:

By branding the retail banks Nordea, we help customers identify a Nordic partner and to ask for more. A distribution agreement between Retail Banking and insurance meets just that customer need. Our joint Nordic service level will be further improved step by step.

In Retail Banking, we continue the integration into one business model for household and corporate customers by harmonising concepts for increased cross-selling and by integrating channels. “Long-Term Savings & Life” and “Nordic Private Banking” are joint Asset Management & Life and Retail Banking units to enhance our retail savings and investment position. For corporate customers, focus is on further development of regional products.

The pan-Nordic Solo Market with 1,000 companies present is a forum for business accessible to millions of personal customers and businesses for secure e-trading. With e-identification solved, e-invoicing and e-salary will help personal and corporate customers save both time and money. In partnerships Nordea continues to develop new e-services. GPRS-based mobile transactions constitute a recent entry on the list of innovations.

With the integration of Postgirot Bank into the Group, payment services will be further improved.

Actions for shareholder value

The other strategic themes aim to ensure operational excellence through benchmarking and best practice and to

optimise the use of capital and riskmanagement, thereby lowering the cost of capital. Some examples:

Production will be centralised and automated wherever possible. Back-office resources and IT solutions will gradually be shared by different units. A business-enhancing IT structure is under way.

Divestment of general insurance production will reduce capital requirements. Further implementation of the new legal structure will enable further optimising of capital. Rolling out economic capital models across the Group will focus on and reduce capital needs. In life insurance, an appropriate model for embedded value and profit on economic capital will be developed.

Consistent strategy

In 1997 to 2000 Nordea was created through an unprecedented number of cross-border mergers that shaped the first truly Nordic financial services group, the foundation for the business model we are committed to. We accomplished a vision.

In 2001 Nordea followed up on the promised synergies and, maybe even more importantly, initiated and went through major structural changes to form an integrated group and remove internal obstacles to the new business model. We took on a mission to deliver.

In 2002 through 2004 we will implement the Nordea business model and create further value. We have commenced the realisation of second wave synergies of the mergers and we do it by taking on thorough change.

Not easy – but rewarding

Our employees have shown strong commitment to building Nordea and put in long hours

of hard work. In addition to the many thanks they receive from customers, they deserve well earned thanks from management and shareholders too.

As to the road forward, I did not say it will be easy. But rewarding!



Thorleif Krarup



The nam

“ Following the adoption of the new name, Nordea, at the end of 2000, further progress has been made during 2001 to apply the Nordea identity and to begin to transform it into a brand. ”

With many financial products and services becoming less differentiated and more of a commodity, a key objective is to build a strong brand in order to deliver synergies across borders and to provide added value for our customers.

A strong, clear and differentiated brand will support the business and attract customers.

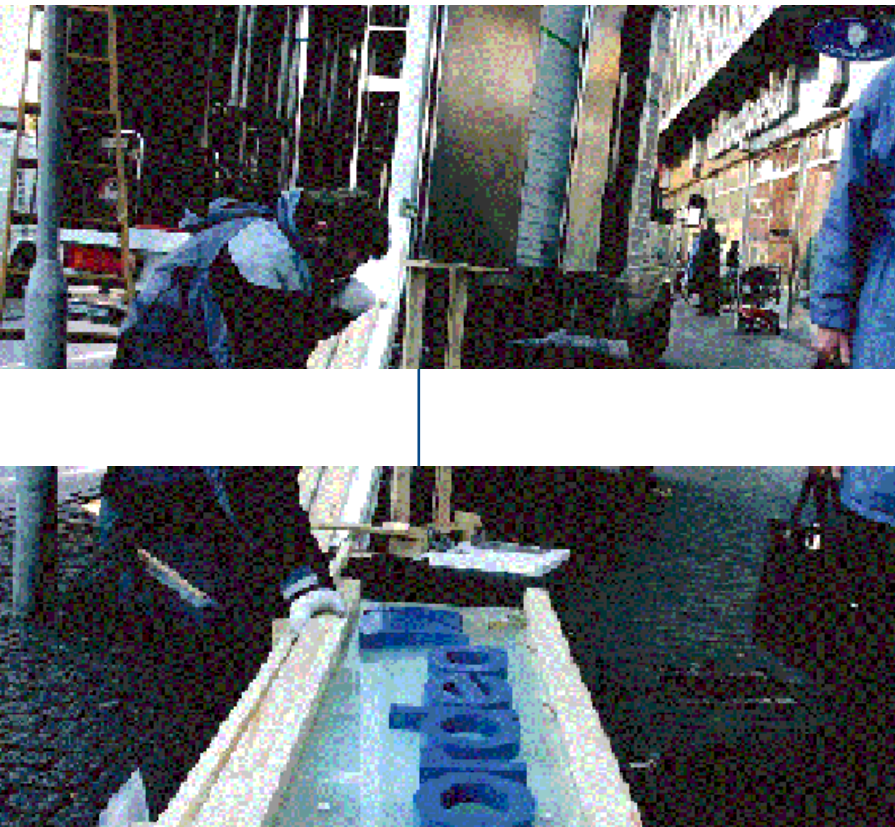
As such, the Nordea brand, of which the name and visual identity is only a part, is a key strategic asset that will need to be nurtured, managed and kept relevant in order to deliver optimum value to customers and shareholders.

Progress in 2001

During the year, the Nordea name and visual identity has been increasingly promoted externally and adopted by entities in the Group, which culminated in the roll-out of a common visual identity at branch level in December. Initial results from customers have been encouraging and show that awareness of the name at year-end was over 80% in all of Nordea's major markets.

In parallel with this, progress has been made to define and articulate common values and ambitions, retaining elements of the past and combining them with new desired aspirations.

A process has begun to integrate these and to adopt them internally as a part of the common corporate culture.



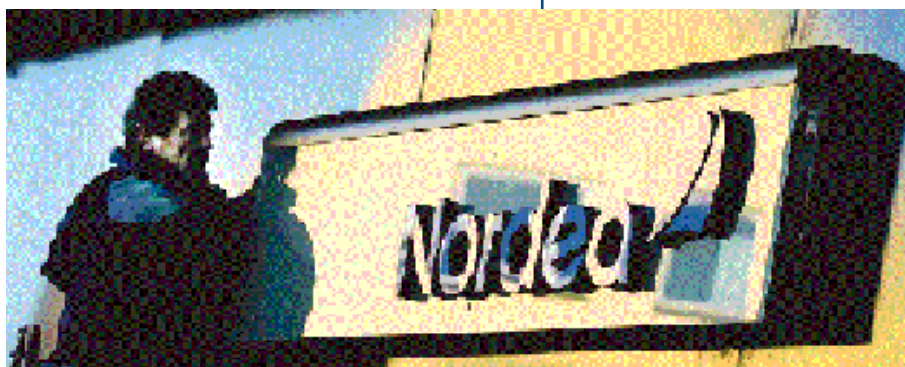
the change *process*

This has resulted in the need to integrate branding more closely with business processes and to ensure that new products and services deliver the intent of the brand. Since the brand is a key strategic asset, steps have been taken to put in place an organisational structure that will allow the brand to be managed as part of the business process.

2002 developments

It is expected that most of the visual manifestations of the brand identity will be converted by the early part of the year and that progress will be made during the year to capitalise on the momentum and investment made in 2001.

A key driver will be to bring more focus to the brand and to sharpen its delivery to all customer touch points.



The Nordea *Corporate statement*

Mission

Making it possible.

By providing a broad set of seamless, easily accessible and competitive financial solutions and advisory services, Nordea helps customers, where we operate, to reach their objectives.

Vision

We will be valued as the leading financial services group in the Nordic and Baltic markets with substantial growth potential.

We will be number one or number two or show superior and profitable growth in every market and product area in which we choose to compete.

We will have the leading multichannel distribution platform with a top world ranking in e-based financial solutions.

Performance

We will create value for our shareholders, measured by total shareholder return, in the top five of our peer group of European listed financial services companies.

We will enhance value through concentration on core business, stable and broadly based growth of revenue, operational excellence and an optimal use of capital combined with balanced risk-taking.

We will rank among the best financial services companies in terms of customer satisfaction and brand loyalty.

We will attract, develop and retain highly motivated, competent and empowered employees. Measurements of Nordea employee expertise and motivation are to show continuous high levels of employee satisfaction.

We are committed to constant improvement but never claim to be perfect.



Highlights *of 2001*

Stable result under challenging market conditions in 2001

- Total income up 3% and expenses unchanged adjusted for acquisitions
- Net annual loan losses 0.29% against target of maximum 0.40% over a business cycle
- Earnings per share EUR 0.53 (EUR 0.58 in 2000)
- Return on equity excluding goodwill 19.2% (19.4%)
- Dividend of EUR 0.23 per share proposed.

Significant strategic progress

- Target of 2.7 million e-banking customers achieved, new target of 3.2 million by the end of 2002
- Accumulated merger synergies of EUR 168m have been realised by the end of 2001 – EUR 360m will be delivered by the end of next year
- A second wave of integration programme will result in additional annual synergies of the same magnitude within a three-year period
- In addition, estimated synergies from integrating Postgirot Bank increased to EUR 65m
- The entire Group is now operating under one common brand.

Operational *income statement*

Operating profit for the year 2001 amounted to EUR 1,928m (EUR 2,435m in 2000). The reduction of 21% was mainly due to considerably higher investment earnings in 2000 as a result of particularly strong capital markets in that year. Adjusted for Nordea Bank Norway, operating profit was reduced by 23% from 2000 to 2001.

Profit excluding investment earnings and goodwill depreciation was at the same level as last year and amounted to EUR 1,923m (EUR 1,955m). Total income and expenses increased by 15% and 17%, respectively, primarily as a result of the acquisition of Nordea Bank Norway. Adjusted for this and the acquisition of Postgirot Bank in 2001, total income increased by 3% and expenses were unchanged. At the end of 2001, accumulated realised merger synergies amounted to EUR 168m.

Income

Net interest income showed a relatively stable development during the year and increased by 22% to EUR 3,465m (EUR 2,838m). Reduced short-term interest rates caused downward pressure on deposit margins. Average lending margins remained largely unchanged. On aggregate this influenced net interest income negatively. However, total lending and deposits rose by 7% and 5%, respectively, and contributed to net interest income growth.

Both Nordic and international stock market indexes decreased in 2001. Commission income was reduced by 4% to EUR 1,397m (EUR 1,454m), primarily as a result of lower capital markets and asset management related commissions.

Commissions from payments showed a positive development during the year following an increase in the number of transactions, particularly within e-banking.

Trading income amounted to EUR 543m (EUR 415m), up 31% on 2000. Stable income at a high level was experienced, mainly comprising income from foreign exchange and derivatives trading with customers.

Insurance income totalled EUR 524m (EUR 451m), which represents an increase of 16% compared to 2000. Premium income in General Insurance increased, whereas the development was stable for traditional products within Life and negative for unit-linked products. General Insurance experienced high claims during the year.

Expenses

Expenses increased by 17% to EUR 3,889m (EUR 3,320m), but were unchanged when adjusted for acquisitions. A moderate cost development was achieved despite higher business activity and substantial activity related to integrating the business of the Group. Total IT-related costs represented 21% (20%) of total expenses.

The cost/income ratio (banking) was 58% (55%). The increase was a result of considerably lower banking investment income than in the previous year. The cost/income ratio (banking), excluding investment income, representing the efficiency of operations more correctly, was 59% (61%) adjusted for acquisitions.

Loan losses

The slowdown in the global and Nordic economies resulted in increased loan losses amounting to

EUR 373m (EUR 79m). Although considerably higher than last year's unsustainably low level, loan losses were still at a moderate level and below Nordea's maximum target level for average losses, 0.40% over a business cycle. Net losses corresponded to 0.29% (0.08%) of the total loan portfolio.

The loan losses experienced during 2001 were related to a relatively limited number of commitments. Acquisition finance was the main troubled sector in 2001 and represented approximately one third of total losses.

Investment earnings

Investment earnings were reduced to EUR 152m (EUR 573m), following the downturn in equities and fixed-income markets in 2001.

Taxes

Taxes amounted to EUR 360m (EUR 691m). The relatively low tax rate of 18.7% was primarily attributable to a loss carry forward in the former Merita Real Estate Ltd and in the parent company Nordea AB (publ), which could be utilised after positive tax rulings in combination with the change of the legal structure of the Group. It is expected that the tax charge for the Group could be reduced also in 2002 by an amount of approximately EUR 100m.

Net profit

For the full year net profit amounted to EUR 1,568m (EUR 1,733m), corresponding to EUR 0.53 (EUR 0.58) per share. Return on equity was 13.8%, or 19.2% excluding goodwill.

Key financial figures

Nordea Group

Operational income statement

| EURm | 2001 | 2000 ^{1,2} | Change % |
|---|---------------|---------------------|-------------|
| Net interest income | 3,465 | 2,838 | 22 |
| Commission income | 1,397 | 1,454 | -4 |
| Trading | 543 | 415 | 31 |
| Income from insurance | 524 | 451 | 16 |
| Other | 161 | 134 | 20 |
| Income | 6,090 | 5,292 | 15 |
| Personnel expenses | -2,188 | -1,829 | 20 |
| Other expenses | -1,701 | -1,491 | 14 |
| Expenses | -3,889 | -3,320 | 17 |
| Profit before loan losses | 2,201 | 1,972 | 12 |
| Loan losses | -373 | -79 | 372 |
| Profit from companies accounted for under the equity method | 95 | 62 | 53 |
| Profit excl investment earnings | 1,923 | 1,955 | -2 |
| Group Treasury | 124 | 267 | |
| Life insurance | -7 | 61 | |
| General insurance | -13 | 81 | |
| Other | 48 | 164 | |
| Investment earnings | 152 | 573 | |
| Goodwill depreciation | -147 | -93 | 58 |
| Operating profit | 1,928 | 2,435 | -21 |
| Loss on disposal of real estate holdings | - | -40 | |
| Refund of surplus in pension fund | - | 32 | |
| Taxes | -360 | -691 | |
| Minority interests | 0 | -3 | |
| Net profit | 1,568 | 1,733 | -10 |

Ratios and key figures

| | | |
|---|-------|-------|
| Earnings per share, EUR | 0.53 | 0.58 |
| Share price ³ , EUR | 5.97 | 8.10 |
| Shareholders' equity per share ³ , EUR | 4.00 | 3.74 |
| Shares outstanding ^{3, 4} , million | 2,965 | 2,982 |
| Return on equity, % | 13.8 | 16.1 |
| Return on equity excl goodwill ⁵ , % | 19.2 | 19.4 |
| Lending ³ , EURbn | 138 | 129 |
| Deposits ³ , EURbn | 83 | 79 |
| Shareholders' equity ³ , EURbn | 12 | 11 |
| Total assets ³ , EURbn | 242 | 224 |
| Assets under management ³ , EURbn | 105 | 105 |
| Cost/income ratio, banking ⁶ , % | 58 | 55 |
| Combined ratio, general insurance, % | 106 | 110 |
| Tier 1 capital ratio ³ , % | 7.3 | 6.8 |
| Total capital ratio ³ , % | 9.1 | 9.4 |
| Risk-weighted assets ³ , EURbn | 136 | 132 |

¹ Incl Unidanmark Q1 pro forma.

² Profit 2000 excl Nordea Bank Norway (formerly Christiania Bank og Kreditkasse).

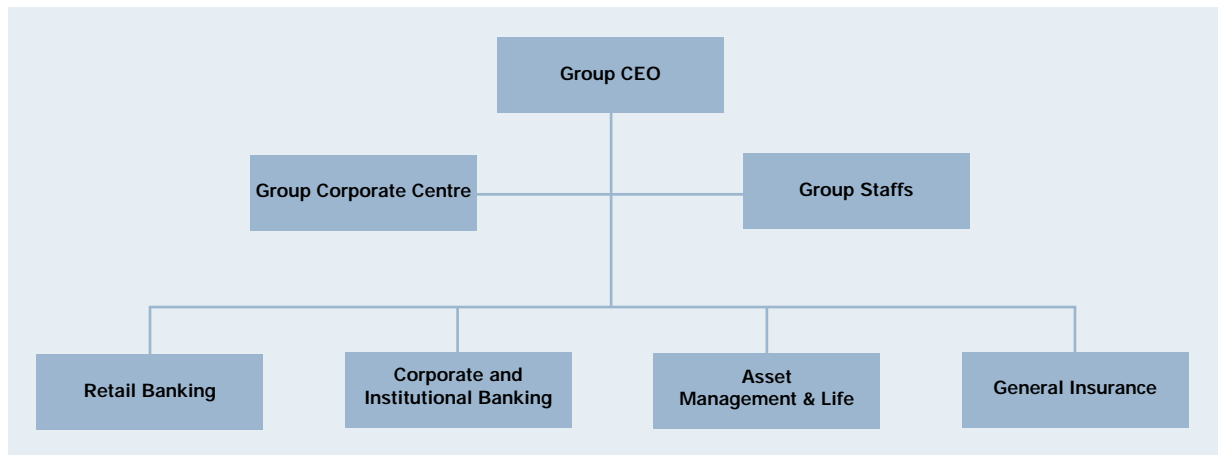
³ End of period, incl Nordea Bank Norway from Q4 2000.

⁴ Average number of shares Jan – Dec 2001 after full dilution was 2,990 million.

⁵ Excl goodwill depreciation and excl remaining goodwill, which has been deducted from shareholders' equity.

⁶ Before loan losses and goodwill depreciation.

Results *by business area*



Nordea's operations are organised and managed in four business areas: Retail Banking, Corporate and Institutional Banking, Asset Management & Life and General Insurance.

The business areas operate in Nordea's markets, integrating the former country-organised bank and insurance operations

into one cross-border financial services group.

Decisions are made close to the customers and employees within Group guidelines and limits. The customer unit organisation is developed taking into account local experience and market conditions.

Results by business area 2001

EURm

| | Retail Banking | Corporate and Institutional Banking | Business areas | | | Group Treasury | Other | Total |
|---|-------------------|---|-------------------------|-------------------|-----------------------------------|-------------------|-------------|--------------|
| | | | Asset Management & Life | | General Insurance ² | | | |
| | | | Asset Management | Life ² | | | | |
| Customer responsible units: | | | | | | | | |
| Income | 4,320 | 1,268 | 248 | 79 | 390 | 78 | -293 | 6,090 |
| Expenses | -2,444 | -650 | -158 | -95 | -395 | -28 | -119 | -3,889 |
| Loan losses | -168 | -254 | - | - | - | - | 49 | -373 |
| Profit from companies accounted for under the equity method | - | 12 | - | - | - | - | 83 | 95 |
| Profit excluding investment earnings | 1,708 | 376 | 90 | -16 | -5 | 50 | -280 | 1,923 |
| Investment earnings | - | - | - | -14 | -13 | 124 | 55 | 152 |
| Goodwill | - | - | - | - | - | - | -147 | -147 |
| Operating profit | 1,708 | 376 | 90 | -30 | -18 | 174 | -372 | 1,928 |
| of which: | | | | | | | | |
| Q4 | 366 | 142 | 25 | -6 | 1 | 38 | -98 | 468 |
| Q3 | 425 | -5 | 17 | -24 | -24 | 21 | -182 | 228 |
| Q2 | 463 | 94 | 20 | 14 | 36 | 35 | 15 | 677 |
| Q1 | 454 | 145 | 28 | -14 | -31 | 80 | -107 | 555 |
| 2000 ¹ | 1,472 | 480 | 120 | 72 | 53 | 269 | -31 | 2,435 |
| Return on equity, % | 21 | 11 | - | - | - | - | - | 13.8 |
| Cost/income ratio, % | 57 | 51 | 64 | - | - | 14 | - | 58 |
| Combined ratio, % | - | - | - | - | 106 | - | - | 106 |
| Product responsible units: | | | | | | | | |
| Income | | | 528 | 136 | | | | |
| Expenses | | | -283 | -146 | | | | |
| Investment earnings | | | - | -7 | | | | |
| Product result | | | 245 | -17 | | | | |
| of which: | | | | | | | | |
| Q4 | | | 55 | 4 | | | | |
| Q3 | | | 50 | -49 | | | | |
| Q2 | | | 65 | 42 | | | | |
| Q1 | | | 75 | -14 | | | | |
| 2000 ¹ | | | 306 | 73 | | | | |

Due to changes in the organisation and development of financial reporting for the merged operations, the quarterly results by business area have been restated.

¹ Business area reporting excludes Nordea Bank Norway (formerly CBK) in 2000.

² Income is reported as net of premiums, claims, benefits and provisions.

Retail Banking

Retail Banking 2001

| | Full year 2001 | Q4 2001 | Q3 2001 | Q2 2001 | Q1 2001 |
|--|-------------------|------------|------------|------------|------------|
| Operating profit | 1,708 | 366 | 425 | 463 | 454 |
| Return on equity, % | 21 | 18 | 22 | 24 | 25 |
| Cost/income ratio, % | 57 | 58 | 57 | 56 | 56 |
| Customer base: | | | | | |
| personal customers, million | 9.5 ¹ | 8.9 | 8.9 | 8.9 | 8.9 |
| corporate customers, million | 1.0 ¹ | 0.6 | 0.6 | 0.6 | 0.6 |
| Number of employees (full-time equivalents) | 22,700 | 22,700 | 22,700 | 22,600 | 22,600 |

¹ Incl Postgirot Bank.

Nordea runs the leading retail banking operation in the Nordic region. Retail Banking has a unique customer base, comprising more than 9.5 million personal customers, or about 40% of the population in the region, and 1.0 million corporate customers. The completion of Nordea's acquisition of Postgirot Bank in December 2001 further strengthened the position in Sweden. Nordea also consolidated its position among the most widely used electronic banks in the world. More than 2.8 million customers have subscribed to the e-banking services. The business area Retail Banking showed in 2001 an operating profit of EUR 1,700 m.

Corporate and Institutional Banking

Corporate and Institutional Banking 2001

| | Full Year 2001 | Q4 2001 | Q3 2001 | Q2 2001 | Q1 2001 |
|--|-------------------|-------------|-------------|-------------|-------------|
| Net interest income | 466 | 116 | 110 | 118 | 122 |
| Other income | 802 | 204 | 190 | 199 | 209 |
| Total income | 1,268 | 320 | 300 | 317 | 331 |
| Total expenses | -650 | -171 | -153 | -167 | -159 |
| Profit before loan losses | 618 | 149 | 147 | 150 | 172 |
| Loan losses | -266 | -28 | -164 | -50 | -24 |
| Country risk | 12 | 17 | 11 | -10 | -6 |
| Equity method | 12 | 4 | 1 | 4 | 3 |
| Operating profit | 376 | 142 | -5 | 94 | 145 |
| Return on equity, % | 11 | 16 | 0 | 11 | 16 |
| Cost/income ratio, % | 51 | 53 | 51 | 53 | 48 |
| Lending, EURbn | 30.9 | 30.9 | 30.6 | 31.4 | 31.4 |
| Number of employees (full-time equivalents) | 3,700 | 3,700 | 3,700 | 3,900 | 3,800 |

Nordea has a leading position in the Nordic region as a provider of financial services to large corporates and financial institutions, and internationally to shipping, offshore and oil services companies. The business flow was strong in 2001, offsetting the negative impact on income from weak equity markets. The pan-Nordic focus has started to pay off in terms of wider business mandates. Higher credit losses than in previous years resulted in a drop in operating profit.

Asset Management & Life

Nordea is the leading Nordic asset manager and ranks among the top 20 in Europe. During 2001, assets under management increased slightly despite difficult market conditions. The competitive focus of Nordea in the wider long-term savings market was sharpened by combining Life Insurance and Pensions with Asset Management to form a new business area: Asset Management & Life.

| Key figures – Asset Management activities | | | | | EURm |
|---|-------------------|------------------|------------|-------------------|------------|
| | Full year 2001 | Q4 2001 | Q3 2001 | Q2 2001 | Q1 2001 |
| Revenues | 528 | 133 | 117 | 133 | 145 |
| Expenses | -223 | -63 | -52 | -54 | -54 |
| Distribution expenses in Retail Banking | -60 | -15 | -15 | -14 | -16 |
| Product result | 245 | 55 | 50 | 65 | 75 |
| Operating profit, customer responsible units | 90 | 25 | 17 | 20 | 28 |
| Investment funds margins, % | 1.01 | 1.01 | 0.97 | 1.03 ² | .. |
| Investment Management margins, % | 0.21 | 0.22 | 0.18 | 0.21 ² | .. |
| Assets under management, EURbn | 105 ¹ | 105 ¹ | 87 | 101 | 97 |
| Number of employees (full-time equivalents) | 830 | 830 | 800 | 800 | 800 |

¹ EUR 1.7bn refers to the inclusion of real estate investments in Life.

² Margins stated for the second quarter are accumulated Jan–June.

General Insurance

Nordea is the second largest provider of general insurance in the Nordic region. A new ownership structure for General Insurance, in which Nordea is expected to become a minority shareholder, is being discussed. Nordea aims at reducing its ownership stake in General Insurance to a minority position and to establish a strategic partnership with a view to continuing the cooperation concerning bancassurance.

| Key figures – Life activities | | | | | EURm |
|--|-------------------|------------|------------|------------|------------|
| | Full year 2001 | Q4 2001 | Q3 2001 | Q2 2001 | Q1 2001 |
| Premiums written, net of reinsurance | 2,666 | 778 | 458 | 746 | 684 |
| Technical result | -10 | -41 | 5 | 23 | 3 |
| Investment earnings on shareholders' equity | -7 | 45 | -54 | 19 | -17 |
| Product result | -17 | 4 | -49 | 42 | -14 |
| of which customer responsible units | -30 | -6 | -24 | 14 | -14 |
| Technical provisions | 20,534 | 20,534 | 19,120 | 20,027 | 19,122 |
| Bonus buffers | 1,776 | 1,776 | 1,563 | 2,185 | 2,198 |
| Number of employees (full-time equivalents) | 802 | 802 | 827 | 835 | 856 |

| General Insurance 2001 | | | | | EURm |
|--|-------------------|------------|------------|------------|------------|
| | Full year 2001 | Q4 2001 | Q3 2001 | Q2 2001 | Q1 2001 |
| Gross earned premiums | 1,845 | 494 | 470 | 453 | 428 |
| Technical result | -5 | -42 | 11 | 25 | 1 |
| Investment earnings | -13 | 43 | -35 | 11 | -32 |
| Operating profit | -18 | 1 | -24 | 36 | -31 |
| Combined ratio, % | 106 | 114 | 105 | 100 | 106 |
| Core operating ratio, % ¹ | 0 | -10 | 3 | 7 | 0 |
| Operating ratio, % ² | -1 | 0 | -6 | 10 | -9 |
| Return on equity, % | -18 | 8 | -18 | 26 | -21 |
| Investment return, % pa ³ | 4.7 | 2.9 | -2.8 | 4.8 | 1.2 |
| Number of employees (full-time equivalents) | 4,290 | 4,294 | 4,280 | 4,220 | 4,210 |

¹ Technical result/premiums for own account. ² Operating profit/premiums for own account. ³ Before interest allocation to technical result.

Financial *targets*

Nordea aims at creating value for shareholders in the top five of the peer group of European listed financial services companies.



Total shareholder return

Nordea has selected a peer group of 20 European financial services companies and aims at creating value for shareholders in the top five of this peer group. Creation of shareholder value is measured by total shareholder return and includes investors' capital gains and reinvested dividends. Nordea will pursue a policy of high dividends. The annual level depends on market return requirements and the amount of capital needed for development of activities. Dividend payment will normally exceed 40% of the net profit for the year.

Earnings per share and return on equity

Growing earnings per share and high return on equity are important indicators of value creation. Net profit for the year as a percentage of average equity shall exceed the euro risk-free rate of interest plus 8 percentage points.

Economic capital

Capital is allocated to the business areas reflecting the risks as well as economic

and strategic goals of the business. Total capital is not to exceed capital required for a sound development of activities, an attractive rating and cost-efficient funding. The economic capital for the Group has on a preliminary basis been calculated at approximately EUR 11bn at the end of 2001.

Costs

Nordea believes that a competitive and continuous high level of profitability is a prerequisite for the success and the development of the Group.

The cost/income ratio in banking, before loan losses and goodwill depreciation, is not to exceed 50%. The combined ratio in general insurance is not to exceed 100%.

Synergies

The MeritaNordbanken-Unidanmark merger and the acquisition of CBK will create annual synergies of EUR 360m when fully realised by the end of 2003. To ensure the further improved efficiency of the Group, a second wave of integration process has been initiated.

| Key performance indicator | 2001 | 2000 | Target |
|--------------------------------------|-------|------|--|
| Total shareholder return, % | -19.8 | 46.5 | In the top five of the defined peer group |
| Dividend pay-out ratio, % | 44 | 40 | ≥ 40% of net profit |
| Return on equity, % | 13.8 | 16.1 | ≥ Euro risk-free rate of interest +8 percentage points |
| Assets under management, growth, % | 0 | 18 | 20% p a growth |
| Cost/income ratio, banking, % | 58 | 55 | ≤ 50 |
| Combined ratio, general insurance, % | 106 | 110 | < 100 |
| Merger synergies, EURm | 168 | 23 | 360 |
| Average loan losses, % | 0.29 | 0.08 | ≤ 0.40% of loans and guarantees over a business cycle |

Board of Directors



Vesa Vainio
Chairman



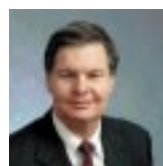
Hans Dalborg
Vice Chairman



Thorleif Krarup
Group Chief Executive Officer



Kjell Aamot



Dan Andersson



Edward Andersson



Harald Arnkværn



Bertel Finskas



Liv Haug



Lene Haulrik



Claus Høeg Madsen



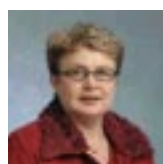
Bernt Magnusson



Jørgen Høeg Pedersen



Timo Peltola



Kaija Roukala-Hyvärinen

Group Executive Management



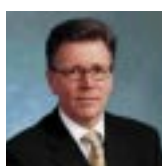
Thorleif Krarup
Group CEO



Christian Clausen
Head of Asset Management & Life



Carl-Johan Granvik
Head of Group Credit and Risk Control



Arne Liljedahl
Chief Financial Officer Head of Group Corporate Centre



Lars G Nordström
Head of Retail Banking



Markku Pohjola
Head of Corporate and Institutional Banking



Tom Ruud
Head of Group Staffs

Auditors

Elected at the 1999 Annual General Meeting for a period of four years:

KPMG

Chief auditor

Caj Nackstad

Stockholm, born 1945.

Authorized Public Accountant

Appointed by the Financial Supervisory Authority:

Olle Gunnarsson

Kungsbacka, born 1940.

Authorized Public Accountant

Annual General Meeting



The annual general meeting (AGM) of Nordea AB (publ) will be held on Wednesday 24 April 2002 at 3.00 pm Swedish time in Aula Magna, Stockholm University, Frescativägen 10, Stockholm, with the possibility to participate, via video simulcast, at 4.00 pm Finnish time in Finlandia Hall, Congress Wing, Mannerheimintie 13 e, Helsinki, and at 3.00 pm Danish time at the Scandic Hotel Copenhagen, Vester Søgade 6, Copenhagen.

Common instructions to all shareholders

Shareholders who wish to participate in the AGM shall be entered in the share register maintained by the Swedish Securities Register Center (VPC AB) not later than 12 April 2002 and notify Nordea AB (publ) of their participation.

Shareholders, whose shares are held in trust in Sweden, who are holders of Finnish Depositary Receipts in Finland or who are holders of shares registered in Værdipapircentralen in Denmark, therefore have to re-register temporarily their shares in their own names to be entitled to participate in the AGM.

Such re-registration shall be completed at VPC AB in Sweden by 12 April 2002. This means that the shareholder shall, in good time prior to this date, inform the trustee about this.

At notification all shareholders are requested to state in which place participation would take place. Shareholders, who have their shares registered in more than one country, should state this at the time of notification.

Shares registered in VPC AB in Sweden

Notification of participation shall be made at the latest on 19 April 2002 at 1.00 pm to Nordea AB (publ), Group Corporate Law H 50, SE-105 71 Stockholm, or by telephone

+46 8 614 97 10, or by fax +46 8 614 87 70, or on the Internet at www.nordea.com.

Finnish Depositary Receipts in Finland

Request for re-registration of Finnish Depositary Receipts and notification of participation shall be made at the latest on 11 April 2002 at 4.00 pm Finnish time to Nordea Bank Finland Plc, 2590 Issue Services, Fin-00020 Nordea, or by telephone +358 9 165 51397 or +358 9 165 51398 or by fax +358 9 637 256, or on the Internet at www.nordea.com.

Shareholders, whose shares are registered in their own names in VPC AB in Sweden, may also notify their participation in the AGM later, however not later than 19 April 2002 at 2.00 pm Finnish time in the above-mentioned manner.

Shares registered in Værdipapircentralen in Denmark

Request for re-registration of shares registered in Værdipapircentralen in Denmark and notification of participation shall be made at the latest on 11 April 2002 at 12.00 Danish time to one of Nordea Bank Danmark's branch offices, or to Nordea Bank Danmark A/S, Direktionssekretariatet, Postboks 850, OK-0900 Copenhagen C, or on the Internet at www.nordea.com.

Shareholders, whose shares are registered in their own name in VPC AB in Sweden, may also notify their participation in the AGM later, however not later than 19 April 2002 at 1.00 pm Danish time in the above-mentioned manner.

Dividend and record date

The Board of Directors proposes to the AGM that a dividend of EUR 0.23 per share should be paid and that the record date for dividend should be 29 April 2002. With this record date, the dividend is expected to be distributed by VPC AB on 7 May 2002.