

Copenhagen, Helsinki, Oslo, Stockholm, 30 October 2001

Interim Report Third Quarter 2001

Stable underlying earnings

- Profit excl investment earnings EUR 1,530m Jan-Sep (EUR 1,501m Jan-Sep 2000)
- Operating profit EUR 1,460m Jan-Sep (EUR 1,962m)
- Costs down in third quarter
- Earnings per share EUR 0.35 Jan-Sep (EUR 0.47)

Changed market conditions

- Specific loan losses, mainly within acquisition finance in Denmark and on a very limited number of corporate customers, amounted to EUR 113m in Q3
- An additional general provision of EUR 100m was made due to worsened economic outlook reflecting recent world events.
- Assets under management EUR 87bn (EUR 101bn end Q2)

Second wave integration initiated

- Realised merger synergies EUR 120m, target for 2001, EUR 145m - on track
- Change in business organisation (see separate press release)
- The second wave of integration programme has been initiated, including a structural cost reduction programme to ensure the long-term target of a cost/income ratio of 50% in spite of the changed market conditions

General Insurance Activities

- Initiative to reduce ownership in General Insurance (see separate press release)

"With the weakening markets perspective, accentuated by the aftermath of the terrorist attacks on the USA, we have initiated a substantial structural cost reduction programme to achieve our ambitious long term cost/income goal. Cost cutting combined with investments in selected areas prepare Nordea for expected improved financial market conditions during the latter part of 2002", says Thorleif Krarup, Group CEO of Nordea.

Nordea is the leading financial services group in the Nordic and Baltic Sea region and operates through six business areas: Retail Banking, Corporate and Institutional Banking, Asset Management, Investment Banking, Life Insurance and Pensions and General Insurance. The Nordea Group has nearly 10 million customers, 1,260 bank branches and 125 insurance service centres in 22 countries. The Nordea Group is a world leader in Internet banking, with more than 2.5 million e-customers. The Nordea share is listed in Stockholm, Helsinki and Copenhagen.

Operational income statement

EURm	Q3 2001	Q2 2001	Change %	Jan-Sep 2001	Jan-Sep 2000 ^{1,2}	Change %	Full year 2000 ^{1,2}
Net interest income	856	885	-3	2,613	2,081	26	2,838
Commission income	322	370	-13	1,053	1,086	-3	1,454
Trading	131	128	2	415	321	29	415
Income from insurance	142	185	-23	461	322	43	451
Other	36	52	-31	124	98	27	134
Income	1,487	1,620	-8	4,666	3,908	19	5,292
Personnel expenses	-529	-556	-5	-1,626	-1,351	20	-1,829
Other expenses	-418	-421	-1	-1,253	-1,062	18	-1,491
Expenses	-947	-977	-3	-2,879	-2,413	19	-3,320
Profit before loan losses	540	643	-16	1,787	1,495	20	1,972
Loan losses	-213*	-59		-317*	-57		-79
Profit from companies accounted for under the equity method	29	20	45	60	63	-5	62
Profit excl investment earnings	356	604	-41	1,530	1,501	2	1,955
Treasury	1	25		94	233		267
Life insurance	-54	19		-52	63		61
General insurance	-35	11		-56	91		81
Other	-5	55		52	144		164
Investment earnings	-93	110		38	531	-93	573
Goodwill depreciation	-35	-37		-108	-70		-93
Operating profit	228	677	-66	1,460	1,962	-26	2,435
Loss on disposal of real estate holdings	-	-		-	-40		-40
Refund of surplus in pension foundations	-	-		-	24		32
Taxes	-65	-193		-415	-542		-691
Minority interests	2	-1		0	-3		-3
Net profit	165	483	-66	1,045	1,401	-25	1,733

* Incl general provision EUR 100m.

Ratios and key figures

Earnings per share, EUR	0.06	0.16	0.35	0.47	0.58
Share price ³ , EUR	5.34	6.73	5.34	8.09	8.10
Shareholders' equity per share ³ , EUR	3.77	3.76	3.77	3.73	3.74
Shares outstanding ^{3,4} , million	2,964	2,964	2,964	2,982	2,982
Return on equity, %	5.8	17.0	13.8	17.5	16.1
Return on equity excl goodwill ⁵ , %	9.0	23.4	17.3	21.1	19.4
Lending ³ , EURbn	134	135	134	110	129
Deposits ³ , EURbn	81	81	81	67	79
Shareholders' equity ³ , EURbn	11	11	11	11	11
Total assets ³ , EURbn	231	233	231	199	224
Assets under management ³ , EURbn	87	101	87	107	105
Cost/income ratio, banking ⁶ , %	60	55	56	53	55
Combined ratio, general insurance, %	105	100	104	110	110
Tier 1 capital ratio ³ , %	6.9	7.0	6.9	9.0	6.8
Total capital ratio ³ , %	9.3	9.6	9.3	11.0	9.4
Risk-weighted assets ³ , EURbn	134	135	134	111	132

¹ Incl Unidanmark Q1 pro forma.

² Profit Q1 – Q4 2000 excl Christiania Bank og Kreditkasse (CBK).

³ End of period, incl CBK from Q4 2000.

⁴ Average number of shares Jan-Sep 2001 after full dilution was 2,984 million.

⁵ Excl goodwill depreciation and excl remaining goodwill, which has reduced shareholders' equity.

⁶ Before loan losses and goodwill depreciation.

Quarterly development

EURm	Note	Q3 2001	Q2 2001	Q1 2001	Q4 2000 ³	Q3 2000 ³
Net interest income		856	885	872	757	733
Commission income	1	322	370	361	368	320
Trading		131	128	156	94	108
Income from insurance		142	185	134	129	102
Other		36	52	36	36	35
Income		1,487	1,620	1,559	1,384	1,298
Personnel expenses		-529	-556	-541	-478	-454
Other expenses		-418	-421	-414	-429	-331
Expenses	2	-947	-977	-955	-907	-785
Profit before loan losses		540	643	604	477	513
Loan losses		-213*	-59	-45	-22	-20
Profit from companies accounted for under the equity method		29	20	11	-1	31
Profit excl investment earnings		356	604	570	454	524
Treasury		1	25	68	34	30
Life insurance		-54	19	-17	-2	15
General insurance		-35	11	-32	-10	38
Other		-5	55	2	20	17
Investment earnings		-93	110	21	42	100
Goodwill depreciation		-35	-37	-36	-23	-21
Operating profit		228	677	555	473	603
Refund of surplus in pension foundations		-	-	-	8	7
Taxes		-65	-193	-157	-149	-182
Minority interests		2	-1	-1	0	-1
Net profit		165	483	397	332	427

* Incl general provision EUR 100m.

Note 1 Commission income, EURm

Brokerage	56	60	79	68	55
Asset Management/Investment funds	104	116	113	130	122
Issue of securities	7	20	10	16	15
Lending	84	91	75	81	73
Deposits and payments	130	127	129	117	103
Foreign exchange	9	8	12	16	16
Other	14	27	20	16	13
Commission expenses	-77	-73	-73	-74	-64
Net commission income	327	376	365	370	333
Of which investment activities	-5	-6	-4	-2	-13
Commission income	322	370	361	368	320

Note 2 Expenses, EURm

Personnel ¹	535	560	545	482	459
Information technology ²	104	104	95	80	49
Marketing	25	25	29	41	21
Postage, telephone and office expenses	56	63	57	67	49
Rents, premises and real estate expenses	82	91	92	89	75
Other	157	143	146	156	141
Expenses	959	986	964	915	794
Of which investment activities	-12	-9	-9	-8	-9
Expenses	947	977	955	907	785

¹ Profit related personnel expenses incl profit-sharing system were EUR 101m, in Jan-Sep 2001 (full year 2000 EUR 140m).

² Refers to computer operations, service expenses and consulting fees. Total IT-related costs, incl personnel etc were EUR 595m, in Jan-Sep 2001 (full year 2000 EUR 670m).

³ Profit Q3-Q4 2000 excl Christiania Bank og Kreditkasse (CBK).

The Group

Result summary

Income in the third quarter was negatively affected by declining economic and market conditions, in particular reduced growth outlook for the Nordic economies and falling equity prices. Total income excluding investment earnings decreased by 8%, whereas corresponding costs decreased by 3%. Loan loss provisions increased significantly and included a general provision of EUR 100m.

Profit excluding investment earnings, amounted to EUR 356m in the third quarter, a reduction by 41% compared to the second quarter.

Investment earnings deteriorated by EUR 203m in the third quarter, and showed a loss of EUR 93m.

Operating profit including the general provision in the third quarter of 2001 amounted to EUR 228m, which represents a 66% decrease compared to the second quarter this year.

Development in the third quarter

The demand for credit in the Nordic region remains at a relatively high level despite increased uncertainty as to the overall macroeconomic development. As a result of a cautious credit granting-policy, Nordea's total lending at the end of September was marginally lower than at the end of June. Deposit volumes were stable. From year-end lending increased 4% and deposits increased 3%.

Net interest income amounted to EUR 856m (EUR 885m in the second quarter of 2001), following slightly reduced average lending volumes during the quarter. Furthermore, deposit margins were somewhat lower compared to the previous quarter, following reduced market rates for relevant currencies. Margins on new loans to the corporate sector are gradually increasing, reflecting the changed macroeconomic situation.

The Nordic and international stock exchange indexes fell significantly during the third quarter. Market indexes in the Nordic region fell between 19% and 27% during the quarter. In addition, both turnover volumes and number of transactions showed a marked decrease. Nordea's assets under management at the end of September amounted to EUR 87bn, compared to EUR 101bn at the end of the second quarter. As a result of this and the reduced level of overall activity in the Nordic equity capital markets, commission income decreased compared to previous quarters and amounted to EUR 322m (EUR 370m).

Commissions from payments continued the positive trend and increased slightly.

Income from trading, mainly comprising income from foreign exchange and derivatives trading with customers,

was stable at a high level and amounted to EUR 131m (EUR 128m).

Income from insurance, excluding investment income, decreased by EUR 43m to EUR 142m in the third quarter, mainly caused by overall lower premiums within life insurance, and higher claims within general insurance.

Other income, which primarily consists of property-related income, was EUR 36m (EUR 52m).

Expenses amounted to EUR 947m (EUR 977m). The cost level was lower than in the previous quarter, and reflects a somewhat lower level of activity during the summer with respect to customer-related activities, as well as continued realisation of synergies.

Specific loan losses increased by EUR 54m to EUR 113m, and primarily relate to corporate customers. The losses comprise further provisions on certain previously troubled commitments, mainly within acquisition finance in Denmark as well as provisions on a very limited number of corporate customers.

Due to the recent world events, an additional general provision of EUR 100m was made reflecting a worsened economic outlook. Of this provision EUR 75m is allocated to the loan portfolio within Corporate and Institutional Banking.

Total loan losses for the quarter amounted to EUR 213m corresponding to an annualised loan loss ratio of 0.66% (0.18%). At the end of the quarter, doubtful loans amounted to EUR 853m (EUR 918m), on a net basis, representing 0.6% (0.7%) of total lending.

Investment earnings

Investment earnings totalled EUR -93m in the third quarter, a decrease of EUR 203m compared to the second quarter. The sharp fall in stock markets resulted in losses on the equity portfolios, which were only partly outweighed by gains on the fixed-income portfolios following lower interest rates for key currencies.

Comparison with the first nine months of 2000

For the first nine months, operating profit totalled EUR 1,460m. This is 26% lower than for the corresponding period last year. Christiania Bank (CBK), which was acquired in December 2000, is not included in the figures for 2000. Adjusted for CBK the operating profit fell 28%.

The reduction is primarily a result of low loan loss provisions and high investment earnings last year. For the first nine months loan losses correspond to 0.33% of total loans annualised, compared to 0.07% for the corresponding period last year. Income and expenses both

increased by 19% compared to last year. Adjusted for CBK income and expenses increased 8% and 3%, respectively.

For the first nine months net profit amounted to EUR 1,045m, corresponding to EUR 0.35 per share (EUR 0.58 for the full year 2000).

Profit excluding investment earnings for the first nine months of 2001 increased by 2% to EUR 1,530m. Adjusted for CBK there was a decrease by 3%.

Return on equity was 17.3%, or 13.8% including goodwill.

Credit quality

The composition of the portfolio with respect to customer groups is stable compared to the end of 2000. Approximately 63% of the loans are to companies and 37% to households. The distribution by industry shows only minor changes, and within the household sector 75% of the loans are mortgages. Other household lending includes consumer loans, overdraft facilities, car financing, credit cards etc.

Nordea's exposure to the telecom industry has decreased by approximately EUR 1bn during the year and is now below EUR 7bn of which the vast majority is related to the major Nordic equipment manufacturers and telecom operators. Nordea's exposure to newly started Internet-related companies is very low as this sector traditionally has been equity financed.

The loan losses experienced over the first nine months are related to a relatively limited number of commitments. The main part of the loan portfolio is still unaffected by the changed economic conditions, as illustrated by gross doubtful loans which amounted to EUR 3,120m at the end of September. This represents a marginal increase of EUR 80m compared to the end of the previous quarter. Accumulated loan loss provisions cover 73% of doubtful loans, at the end of September, compared to 70% at the end of June.

Merger integration progress

Nordea announced in June that all banking operations will change name to Nordea in December this year. The alignment of the Group legal structure with the business structure proceeds as planned. Merita Bank and NCF Bank have been merged to become the parent company in the banking subgroup and the parent company of the asset management subgroup has been formed.

At the end of the third quarter, accumulated realised synergies from the integration of Unidanmark and Christiania Bank had increased to EUR 120m. Nordea expects that synergies amounting to EUR 145m out of total announced annual pre-tax synergies of EUR 360m will be realised at the end of 2001.

Second wave integration

In order to adjust to the changed business environment, Nordea has initiated a structural cost reduction programme. Following the successful business area and group function integration and cross-border product launches, the programme will form a second wave of integration, further realising synergies and completing the merger process. The specific measures to be taken are currently being considered, and further steps will be announced together with the full-year result. Implementation will take place from the end of the first quarter 2002, and the overall goal is to achieve the 50% cost/income ratio in banking and the combined ratio below 100% in the insurance business by 2004, despite changed market conditions.

Acquisition of Postgirot Bank

In October the Swedish Financial Supervisory Authority approved the proposed acquisition of Postgirot Bank by Nordea. The EU Commission is expected to announce a ruling on the transaction during the first half of November.

Shareholders' equity & capital ratio

Shareholders' equity amounted to EUR 11.2bn at the end of September. The fair value of assets in the Group's pension foundations exceeded pension commitments by EUR 23m at the end of September. In the Swedish pension fund the pension commitments exceeded the fair value of the assets by EUR 63m. If this situation remains at year-end, a contribution to the pension fund will be made. As at 30 September 2001 Nordea's Tier 1 capital ratio was 6.9% and the Total capital ratio was 9.3%. The calculation includes the net profit for the first six months of 2001, only, less 50% of dividend calculated based on Nordea's stated dividend policy.

The Nordea share

The share prices for Nordic financial institutions have been reduced during the third quarter. The Nordea share traded at SEK 52.50 on 26 October, which corresponds to a reduction of 26.6% compared to year-end 2000.

Outlook

Macroeconomic prospects are more uncertain than previously, with further reductions of growth expectations. Although there is still an expectation of growth in the Nordic region, Nordea expect a lower growth in the business volume, and therefore lower growth in revenues, than previously. Loan loss provisions are expected to be higher than experienced by Nordea in recent years.

Continuous work on integration and risk management will be combined with a sharp focus on cost development. Lower interest rates may put pressure on deposit margins, while at the same time improving customers' debt-servicing ability. Pressure on revenue growth means that Nordea will further strengthen the focus on efficiency measures.

Results by business area third quarter 2001

Profit by business area¹

EURm	Business areas						Treasury	Other	Total
	Retail Banking	Corporate and Institutional Banking	Asset Management	Investment Banking ²	Life Insurance and Pensions ³	General Insurance ³			
Customer responsible units:									
Income	1,055	273	53	27	25	104	25	-75	1,487
Expenses	-592	-125	-36	-28	-20	-93	-5	-48	-947
Loan losses	-34	-153	-	-	-	-	-	-26	-213
Equity method	-	1	-	-	-	-	-	28	29
Profit excl investment earnings	429	-4	17	-1	5	11	20	-121	356
Investment earnings	-	-	-	-	-29	-35	1	-30	-93
Goodwill	-	-	-	-	-	-	-	-35	-35
Operating profit 2001: Q3	429	-4	17	-1	-24	-24	21	-186	228
2001: Q2	471	93	20	1	14	36	35	7	677
2001: Q1	460	140	28	5	-14	-31	80	-113	555
2000: Q4	345	74	27	12	-3	-23	34	7	473
2000: Q3	423	119	25	2	22	45	34	-67	603
Return on equity, %	22	neg.	-	-	-	-	-	-	5.8
Cost/income ratio, banking, %	57	46	69	103	-	-	23	-	60
Combined ratio, %	-	-	-	-	-	105	-	-	105
Product responsible units:									
Income			117	32	36				
Expenses			-67	-32	-31				
Investment earnings			-	-	-54				
Product result 2001: Q3			50	0	-49				
2001: Q2			65	-12	42				
2001: Q1			75	12	-14				
2000: Q4			68	20	-2				
2000: Q3			75	22	15				

¹ Business area reporting excludes CBK in 2000.² Product result within Investment Banking refers to Equities excl Corporate Finance.³ Income is reported as net of premiums, technical interest, claims, benefits and provisions. Income from insurance, EUR 142m in the Group income statement, includes income from product earnings in Life Insurance and Pensions (EUR 36m), income from customer responsible units in General Insurance (EUR 104m), and group adjustments of EUR 2m.

Nordea's operations are organised into six business areas: Retail Banking, Corporate and Institutional Banking, Asset Management, Investment Banking, Life Insurance and Pensions, and General Insurance. The business areas operate as decentralised profit centres. The Group's financial management operations are conducted by Group Treasury.

Customer responsibility is fundamental within Nordea. Decentralised profit responsibility essentially means that the Group's total business relations with customers are reported in the customer responsible unit's income statement and balance sheet. Equity is allocated to the customer responsible units, and each unit's performance is evaluated in relation to its individual target for return on allocated equity. When calculating return on allocated equity 28% standard tax is applied.

In addition to customer responsibility, Asset Management, Investment Banking and Life Insurance and Pensions also assume product responsibility, which means ensuring competitive and profitable products for the customer responsible units. Product units are monitored through the evaluation of product results, which include all income and expenses within the Group related to the respective products.

The capital allocated to the business areas is calculated according to existing BIS rules, corresponding to a Tier 1 ratio of 6.5%. For Life

Insurance and Pensions, capital is allocated corresponding to 5% of the reserves, and for General Insurance the capital allocated corresponds to 45% of gross premium income.

A model for allocating capital based on each business unit's actual risk exposure will be implemented during the autumn of 2001. The model takes into consideration credit and insurance risks, market risks, business and operational risks. It optimises utilisation and distribution of capital between the different business areas.

Operating profit by business area and relating to customer responsibility is shown in the accompanying table. For business areas carrying product responsibility and where a substantial part of product earnings is allocated to other customer responsible business areas, product results are also reported. In addition to the six business areas, Group Treasury, with responsibility for managing the Group's own positions in securities portfolios and internal bank activities, is included in the table. The column "Other" includes income and expenses not allocated to business areas, ie funding costs for the cash acquisition of CBK, results from real estate holdings and business-related equity holdings, expenses for Group staffs, goodwill depreciation, central provisioning for loan losses and profits from companies accounted for under the equity method which are not included in customer responsible units.

Retail Banking

- **Stable performance**
- **Slight decrease in net interest income due to lower short-term interest rates**
- **Net commissions affected by the negative development in the financial markets**
- **Strict cost control, total costs 2% lower than in the second quarter**
- **Electronic services continue to expand**
- **Global award for "Best Online Business Strategy"**

Retail Banking develops, markets and distributes a broad range of financial products and has customer responsibility for personal and corporate customers.

Market conditions

The economic outlook deteriorated further in the third quarter. The customers' cautious attitude towards investing in investment funds, and a shift away from equity products to bond and cash products, was thus also prevalent in the third quarter.

The demand for personal loans was maintained despite the slower development in overall economic activity in the third quarter. Demand for other financial services, especially e-banking, also continued at a high level.

Business development

The total loan volume at the end of September 2001 amounted to EUR 99bn, around half of which comprised household and corporate mortgages. The growth in loan volume over the last 12 months has been 7%. The deposit volume at the end of September amounted to EUR 59bn. This is an increase of 3% over the last 12 months. Growth figures are calculated including CBK.

Lending to households increased from EUR 47.1bn to EUR 47.8bn in the third quarter. Deposits from households increased from EUR 35.6bn in June to EUR 35.8bn in September.

Lending to corporate customers increased from EUR 50.0bn to EUR 50.3bn in the third quarter, while deposits were unchanged at EUR 22.2bn at the end of September compared to the end of June.

Lending margins have been stable over the quarter, while deposit margins have decreased due to the development in the interest rate markets.

In the third quarter sales of investment funds declined from EUR 1.0bn in the second quarter to EUR 0.4bn. Retail Banking continues to sell strongly in the growing range of e-banking products. By 30 September more than 2.5 million customers had subscribed to the Group's net banking services, and the targeted number for the beginning of 2002 is 2.7 million. At the end of September the Group had 246,000 customers signed up for equity trading on-line. The objective is that more use of e-banking products will reduce Nordea's costs to a great extent.

Result

Net interest income in the third quarter decreased slightly by 2%. Volume growth attributed positively, diminishing the negative effect of depressed deposit margins in the wake of the generally reduced short-term interest rates. The rates were lowered especially during the latter part of the quarter, by as much as 0.8% points in some countries. Net commission income and other income decreased by 10% as a result of the development in the financial markets.

Costs were 2% lower than in the second quarter leading to a cost/income ratio for the third quarter of 56%, up from 55% in the second quarter. Loan losses were at a low level of EUR 34m.

Return on equity was still at a high level of 22%.

New services and major events

- Retail's corporate customer concepts were improved, aiming at better customer service, increased sales and improved efficiency:
 - Corporate Service Units have been established in 16 locations in Sweden in order to improve the service level for corporate customers.
 - A new service model for prioritised small corporate customers was implemented in Finland.
 - A more cost-efficient service model was designed for the smallest corporate customers in Denmark.
- For the second year running, the British magazine "The Banker" granted Nordea a global award for "Best Online Business Strategy". The main reason for the award is the broad usage of the Nordea e-services. In addition, "The Banker" granted Nordea two other awards: The Nordea banks in Finland and Denmark, respectively, received the awards for "Bank of the Year in Finland" and "Bank of the Year in Denmark".
- In Denmark all branch offices are now connected to the Telephone bank. This enables an improved telephone service to customers.

Operating profit by market

EURm	Total		Retail Denmark		Retail Finland		Retail Norway		Retail Sweden		Poland & Baltic	
	Q3 2001	Q2 2001	Q3 2001	Q2 2001	Q3 2001	Q2 2001	Q3 2001	Q2 2001	Q3 2001	Q2 2001	Q3 2001	Q2 2001
Net interest income	784	799	215	235	245	250	98	96	221	212	6	6
Net commissions & other income	271	301	69	84	68	74	39	37	93	102	2	4
Total income	1,055	1,100	284	319	313	324	137	133	314	314	8	10
Total expenses	-592	-606	-166	-178	-154	-157	-83	-84	-183	-180	-7	-7
Profit before loan losses	463	494	118	141	159	167	54	49	131	134	1	3
Loan losses	-34	-23	-17	-5	-11	-9	-2	-4	-4	-2	0	-2
Operating profit	429	471	101	136	148	158	52	45	127	132	1	1
Cost/income ratio, %	56	55	58	56	49	48	61	63	58	57	89	69
Return on equity, %	22	25	18	24	35	39	15	14	21	23	5	6

Volumes

EURbn	Total		Retail Denmark		Retail Finland		Retail Norway		Retail Sweden		Poland & Baltic	
	Q3 2001	Q2 2001	Q3 2001	Q2 2001	Q3 2001	Q2 2001	Q3 2001	Q2 2001	Q3 2001	Q2 2001	Q3 2001	Q2 2001
Lending	98.8	97.3	26.3	26.2	21.2	20.9	15.9	15.4	34.9	34.4	0.5	0.4
Deposits	58.7	58.2	13.5	13.5	20.0	20.0	8.7	8.6	16.1	15.7	0.4	0.4

Key figures per quarter

	Q3 2001	Q2 2001	Q1 2001	Q4 2000 ¹	Q3 2000 ¹
Operating profit, EURm	429	471	460	345	423
Return on equity, %	22	25	25	20	27
Cost/income ratio, %	56	55	55	58	53
Customer base: personal customers, million	8.9	8.9	8.9	8.4	8.3
corporate customers, million	0.6	0.6	0.6	0.6	0.6
Number of employees (full-time equivalents)	22,200	22,000	22,200	19,300	19,200

¹ CBK is not included in the 2000 figures.

Corporate and Institutional Banking

- **Stable overall income and cost development**
- **Custody income affected by weak equity markets**
- **Increase in loan loss provisions**

Corporate and Institutional Banking delivers a range of products and services to corporate and institutional customers, and has customer responsibility for large corporates, shipping, offshore and oil services companies, and financial institutions.

Market conditions

The market outlook has continued to deteriorate with strong concerns about slow economic growth in the short-term. The liquidity in debt capital markets has decreased, especially for low-rated companies, resulting in an increased demand for bank financing. The shipping markets, which have been strong during the year, now show signs of a slower development.

Business development

The Corporate division's business flow continues to be strong. However, certain business sectors show signs of being under pressure, which somewhat impacts the credit quality. The market situation further underpins the development of generally rising lending margins.

The Shipping, Offshore and Oil Services division experienced continued high activity with a satisfactory deal flow during the third quarter.

The foreign branches in London, New York, Singapore, and Germany showed satisfactory results, while at the same time concluding substantial integration work to complete the mergers at local level.

Business activity in Markets division was high also in the third quarter, with customer demand for both standardised and structured products contributing to strong net earnings.

Declining equity markets affected Custody Services negatively as the value of assets under custody decreased, while the number of transactions was stable compared to the second quarter.

The slowdown in international trade volumes is expected to affect Trade, Export and Structured Finance negatively, though this is not yet seen in the result. The increased uncertainty may, though, positively influence the frequency of use of traditional trade finance products, mitigating the effects from falling trade volumes.

Result

Total income dropped EUR 2m from the second quarter due to a decrease in custody income, reflecting the downturn of equity markets. This had a negative effect on International division's and Corporate division's income. In other areas the business showed a stable - in Markets increased - income development.

Total expenses decreased slightly, by EUR 1m, compared to the second quarter, with the ongoing realisation of merger synergies.

Operating profit amounted to EUR -4m, which is EUR 97m less than in the second quarter. The reason for the decline was increased credit provisions amounting to EUR 89m for the third quarter. These comprise further provisions on certain previously troubled commitments, mainly within acquisition finance in the Danish and international run-off portfolios and provisions on a very limited number of corporate customers.

Due to the recent world events an additional general provision of EUR 75m was made reflecting a worsened economic outlook. Transportation, in particular airlines, and service industries are sectors with a weaker outlook than previously expected. Hence, the total loan losses for the quarter amount to EUR 164m.

A decrease in the country risk reserve by EUR 11m followed from decreased business volumes in low-rated countries.

International network

International division has perceived changes in customers' needs and adjusted Nordea's international offices accordingly.

Nordea has opened an office in Shanghai and is the only Nordic bank represented in both Beijing and Shanghai. Furthermore, the activities of the Berlin branch have been integrated with the branches in Frankfurt and Hamburg, and the offices in Hong Kong and Sydney have been closed.

Nordea's corporate customers have gained access to the local banking services of 15 international banks with over 20,000 branches worldwide following an agreement with IBOS Association Ltd. Furthermore, the Nordea network in Asia has been extended under an arrangement with Standard Chartered Bank, which offers local banking services for Nordea's corporate customers doing business in Asia.

Operating profit by main areas

EURm	Total		Corporate division		Shipping, Offshore and Oil Services division		International division		Other		Markets ¹	
	Q3 2001	Q2 2001	Q3 2001	Q2 2001	Q3 2001	Q2 2001	Q3 2001	Q2 2001	Q3 2001	Q2 2001	Q3 2001	Q2 2001
Net interest income	110	105	60	58	29	33	19	21
Other income	163	170	79	88	15	14	24	31
Total income	273	275	139	146	44	47	43	52	47	30	110	96
Total expenses	-125	-126	-59	-55	-7	-7	-21	-22	-38	-42	-48	-47
Profit before loan losses	148	149	80	91	37	40	22	30	9	-12	62	49
Loan losses	-164	-50	-33	-2	-9	-12	-6	-11	-116	-25	-	-
Country risk	11	-10	-	-	-	-	10	-10	1	0	-	-
Equity method	1	4	-	-	-	-	0	4	1	-	-	-
Operating profit	-4	93	47	89	28	28	26	13	-105	-37	62	49
Lending, EURbn	30.6	31.6	18.2	18.8	7.2	7.3	4.2	4.5	1.0	1.0	-	-

¹ Markets has product responsibility for trading products such as FX, fixed income and related derivatives and is evaluated by monitoring the product result. The product result includes all revenues and expenses related to the respective products, which is allocated to the customer responsible units within Corporate & Institutional Banking and Retail Banking.

Key figures per quarter

	Q3 2001	Q2 2001	Q1 2001	Q4 2000 ¹	Q3 2000 ¹
Operating profit, EURm	-4	93	140	74	119
Return on equity, %	neg.	12	15	9	15
Cost/income ratio, %	46	46	43	48	49
Number of employees (full-time equivalents)	3,100	3,100	3,100	2,600	2,700

¹ CBK is not included in the 2000 figures.

Asset Management

- Continued deterioration in equity markets
- Assets under management down 13% to EUR 87bn
- Inflows and customer trading down, asset mix shifting to fixed income
- European fund sales surpass Nordic for first time in August
- Nordea named Fund Manager of the Year in Sweden for second year running

Asset Management includes the Group's activities within institutional investment management, private banking and investment funds.

Market conditions

During the third quarter, equity markets continued to deteriorate. The reaction to the terrorist attack on the USA thus only reinforced an already poor market development. The drop on the stock exchanges in the Nordic markets varied from 19% to 27%.

Business development

Despite continued net inflows, total assets under management fell to EUR 87bn as a result of the drop in the market. Lower activity and a shifting asset mix, when investors change from equity to interest-bearing products, put a pressure on margins.

Nordea was named Swedish Fund Manager of the Year by the Swedish magazine Sparöversikt for the second year running. The award was achieved for the performance of the Luxembourg-based Nordea SICAV 1, which combines the Group's Thematic, Active Growth and Value styles. Nordea's Active Growth funds came in third.

In August, net inflows from fund sales via European intermediaries surpassed the Nordic sales for the first time. This highlights the potential of a business that has profitably tripled its assets under management during 2001.

Investment Management

Nordea had a positive net inflow of EUR 0.3bn to the Investment Management unit during the third quarter despite the reluctance of institutional investors to increase their equity exposure in the current environment. Inflows came from existing and new customers in Europe and North America as well as the Nordic countries. Assets under management at the end of September amounted to EUR 66bn and the average gross margin (including both external and internal assets) in the third quarter declined to 18 bp on an annualised basis.

Investment Funds

At EUR 136m, net inflow into Nordea's funds in the third quarter was 90% lower than in the second quarter. After the terrorist attack on the USA flows have been negative, which clearly reduced the net inflow for the quarter.

Market shares were as follows:

	Nordic	Denmark	Finland	Norway	Sweden
Net inflow	1.5%	- ¹	23.1%	- ¹	5.8%
AuM	19.8% ²	24.9%	29.0%	9.3%	18.4% ²

¹ In Denmark and Norway Nordea had a net outflow in the Q3.

² Market share in Sweden as of end of June 2001.

Nordea's share of inflows declined in the four Nordic markets. A few institutional customers withdrew significant assets after 11 September, creating an irregular net inflow market share in the third quarter. The Group's share of the total combined Nordic funds amounted to 20% at the end of the quarter. Average margin in the third quarter fell to 97 bp annualised as the asset mix shifted.

European Private Banking

As a consequence of lower customer activity, trading was reduced in the third quarter. Net inflows of EUR 0.2bn could not outweigh the negative price development, although most customer portfolios continued to outperform the market. Assets under management therefore fell by EUR 0.3bn to EUR 5.8bn.

Nordic Private Banking

Market conditions for Nordic Private Banking were similar, with low activity reducing margins and thus profits. Customers became more risk averse, and assets were transferred into bank deposits, which are not included in the assets under management volume. Thus, continued net inflow to Nordic Private Banking was not able to prevent assets under management from declining 15% to EUR 13.7bn in the third quarter.

Result

Reflecting the negative development in the markets, profits fell in the third quarter. The main sources of income, assets under management and trading activity, were reduced in the quarter. Total operating expenses in Asset Management were kept at the same level as in the previous quarter. Operating profit was EUR 17m, down EUR 3m from the second quarter.

The product result, which includes earnings from investment funds, amounted to EUR 50m, which is EUR 15m less than in the second quarter.

Note: Investment Funds have in previous reports been named "Mutual Funds".

Volumes and margins

EURbn	Total		Denmark		Finland		Norway		Sweden	
	Q3 2001	Q2 2001	Q3 2001	Q2 2001	Q3 2001	Q2 2001	Q3 2001	Q2 2001	Q3 2001	Q2 2001
Investment funds	30.6¹	36.0 ¹	8.3	9.8	3.9	4.2	1.4	1.7	15.1	18.2
Investment Management	37.1	42.2								
Private Banking	19.5	22.3								
Total	87.2	100.5								
Investment fund margins, % ^{2, 3}	0.97	1.03	0.50	0.60	1.32	1.44	1.01	1.09	1.14	1.15
Investment Management margins, % ³	0.18	0.21								

¹ Incl EUR 1.9bn and EUR 2.1bn outside the Nordic countries for the third quarter and the second quarter respectively.

² For Denmark net margins are reported, whereas in the other markets, gross margins (before costs of fund management) are reported.

³ Margins stated for the second quarter are accumulated Jan-June.

Key figures per quarter

	Q3 2001	Q2 2001	Q1 2001	Q4 2000 ²	Q3 2000 ²
Operating profit, customer responsible units ¹ , EURm	17	20	28	27	25
Cost/income ratio, %	69	67	62	58	57
Product result, EURm	50	65	75	68	75
Assets under management, EURbn	87	101	97	105 ³	107
Number of employees (full-time equivalents)	800	800	800	800	800

¹ Institutional Investment Management and Private Banking are customer responsible units, and results from these operations are only accounted for in Asset Management. Investment Funds is a Product unit, and result from this operation is also included in operating profit for Retail Banking.

² CBK is not included in the 2000 figures.

³ Incl EUR 3.1bn in CBK.

Investment Banking

- **Income from equities and equity capital market transactions declined due to adverse market conditions**
- **Nordic M&A transactions on average smaller**

Nordea offers a full range of investment banking services through Nordea Securities.

Market development

The turnover on the Nordic stock exchanges has generally decreased in 2001, particularly in the third quarter, following the negative development on the stock markets.

Equity market development	Market volume		Market index Q3 2001 (%)
	Q3 2001 EURbn	Change vs. Q2 (%)	
Denmark	13	-43	-19
Finland	39	-23	-27
Norway	13	-33	-24
Sweden	88	-24	-20

The activity in the IPO market has decreased to an almost standstill. The total issue agenda is likely to remain weak the rest of the year. The Nordic M&A markets have developed fairly well, but transactions are on average smaller, reflecting lower value expectations and higher risk awareness.

Business development

Nordea Securities' market shares January – September 2001 on the Nordic stock exchanges were:

Copenhagen	16.8 %
Helsinki	12.7 %
Oslo	5.6 %
Stockholm	3.4 %

During the third quarter market shares decreased slightly in Copenhagen, Helsinki and Oslo while market shares in Stockholm improved compared to the last quarter. Nordea holds leading positions in terms of market share on the Helsinki and Copenhagen Stock Exchanges.

During the third quarter 2001 Nordea Securities was involved in a transaction worth EUR 200m on the equity capital market.

Nordea Securities will exploit the downturn in the market and the legal restructuring of the Group to fully realise merger synergies. In the third quarter, the staff has been reduced, and the cost base will be further reduced, with due consideration to protect the long-term growth ambitions of the business area. Building up and investing in relevant competence will continue, as this is considered a key to achieving the goal of becoming a leading Nordic investment bank.

Results

Equities:

In the third quarter 2001 revenues decreased compared to the previous quarter. This is primarily a result of reduced activity in the market.

Corporate Finance:

Revenues in the third quarter are usually low and the total revenue fell compared to the previous quarter.

Revenues were mainly related to the SanomaWSOY convertible capital note and advisory services to the Hilton Group, Guldmynd, Capella and Cell Network.

Key figures per quarter

	Q3 2001	Q2 2001	Q1 2001	Q4 2000 ¹	Q3 2000 ¹
Revenue, Equities, EURm	17	20	30	35	26
Revenue, Corporate Finance, EURm	10	22	9	26	4
Operating profit, EURm	-1	1	5	12	2
Cost/income ratio, %	103	98	92	78	91
Product result, Equities	0	-12	12	20	22
Number of employees (full-time equivalents)	605	640	640	500	450

¹ CBK is not included in the 2000 figures.

Life Insurance and Pensions

- **Product result of EUR -49m**
- **Lower premiums in the third quarter primarily due to the portfolio acquisition in second quarter**
- **Negative development in profit on investment activities due to fall in share prices**
- **Solvency ratios above minimum regulatory requirements**

The business area provides life insurance and pension products and services, including risk cover, long-term savings and investment products.

Market conditions

The fall in share prices has negatively affected the business area but equity portfolios are maintained in accordance with long-term investment strategies.

Some competitors have initiated countermeasures such as stopping sales and issuing new policies and lowering promised bonus rates. In the present situation there is no need for special countermeasures at Nordea. In Sweden Nordea has followed market trends and lowered the bonus rates from 5% to 3%.

The authorities in Denmark, Norway and Sweden have passed or intend to pass bills in respect of strengthening the solvency of life insurance companies.

Business development

Solvency and core capital in all business units are being monitored by local management and by business area management. Up until the end of September there has been no need for new capital in the life companies from a regulatory point of view.

Task forces work continuously with optimising capital and investment strategies to adapt them to the market development. Financial instruments are being used wherever feasible and profitable.

Bonus reserves in Denmark have decreased in the third quarter as a result of the fall in share prices, but the remaining reserves are still considerably above the level of the competitors.

In Finland, the reserves are smaller since operations have been going on for only a few years with rapid growth and due to the relatively sharper fall in the Helsinki stock exchange.

Premiums written for the third quarter of 2001 are considerably lower than for the relatively strong second quarter of 2001. Premiums in the second quarter were to some extent affected by a portfolio acquisition of EUR 186m in Denmark. Furthermore, unit-linked sales continued to fall in the third quarter due to the decline in share prices. Decreases in premiums for guaranteed products are due to seasonal variations but sales of these products are above expectations considering the market development.

In Finland Merita Life has launched a fully automated web product for buying and managing individual pension insurance. This is an important step in developing self-service products and concepts.

In Norway the integration between the Life and unit-linked groups of CBK and Vesta is progressing and the synergies are being delivered according to plan.

Investment returns at market value for the third quarter totalled -18.8% pa compared to 7.6% pa for the second quarter. The investment returns in each country varied between -46% and -6% pa. The total return on shares was 2.4% points above the MSCI European Index, which fell by 72.8% pa in the third quarter of 2001. Investment assets under management totalled EUR 19.8bn at 30 September 2001.

Result

The results generated by Life Insurance and Pensions are calculated in accordance with the practice in each country regarding the distribution of profits between policyholders and shareholders.

The product result before investment earnings decreased with EUR 18m to EUR 5m. The results in the third quarter were negatively affected by sharp share price decreases. The product result for the third quarter was a loss of EUR 49m compared to a profit of EUR 42m in the second quarter.

Key figures per quarter

EURm	Q3 2001	Q2 2001	Q1 2001	Q4 2000	Q3 2000
Premiums written, net of reinsurance	458	746	684	710	584
Technical result	5	23	3	0	0
Investment earnings	-54	19	-17	-2	15
Product result, product responsible units ¹	-49	42	-14	-2	15
of which					
Operating profit, customer responsible units²	-24	14	-14	-3	22
Return on equity, customer responsible units, % pa	-12	8	-6	-2	11
Shares	4,384	5,455	5,023	5,934	6,403
Bonds	10,813	10,636	10,503	8,750	8,975
Property	1,663	1,502	1,463	1,152	1,196
Unit-linked	2,952	3,353	3,116	3,149	2,607
Investments	19,812	20,946	20,105	18,985 ³	19,181 ³
Investment return, % pa ⁴	-18.8	7.6	-14.2	-10.8 ³	9.7 ³
Technical provisions	19,120	20,027	19,122	19,273	18,077
Number of employees (full-time equivalents)	827	835	850	880	470

¹ Product responsible units include all Life Insurance and Pension companies in Nordea, also unconsolidated Livia. The difference between Product result and Operating profit corresponds to the earnings concerning sales through Retail Banking.

² Customer responsible units include Tryg-Baltica Life Group, Vesta Liv, Vesta Link, Nordea Zycie and Nordea Life & Pension in the Isle of Man and Luxembourg.

³ Excl the life insurance group in CBK and Heros Life.

⁴ Before allocation to technical result.

General Insurance

- **Operating profit fell to EUR -24m**
- **Improved expense ratio as a result of focus on costs**
- **Increase in provisions within personal injuries**

General Insurance comprises Nordea's activities within direct general insurance and reinsurance.

Market conditions

Additional pressure on rising prices for reinsurance must be expected due to the terrorist attack on the USA.

The new Danish Act on liability to pay damages, which will be effective from 1 July 2002, will increase the claims level for personal injuries and premium increases can therefore be expected.

Business development

Nordea has acquired the German insurance company Allianz' activities in Norway with an annual premium volume of approximately EUR 7m.

Nordea has been selected as the insurance supplier to the Society of Danish Engineers' 58,000 members and as supplier to a new association of teachers in Norway with a total of 130,000 members. The expected annual premium income from the two schemes will amount to approximately EUR 30m.

The shareholding in Nordea Ubezpieczenia, previously Energo-Asekuracja (Poland), increased by 17% points and Nordea now holds 68% of the shares. The floods in Poland during the summer of 2001 will only affect the result in Poland negatively by EUR 0.6m.

General Insurance has entered into an agreement with Nordika Kindlustus (Estonia) to acquire the company's general insurance portfolio with annual premium income of EUR 4.5m with effect from 1 January 2002.

Increases in premiums in the reinsurance market will have a positive effect on the Nordea reinsurance business.

Result

The growth in gross earned premiums continues to be satisfactory.

The combined ratio increased by 5% points to 105% in the third quarter. The increase is primarily attributable to an increase in provisions within personal injuries in both Denmark and Norway as a result of both higher claims frequency and volume. Moreover, provisions within workmen's compensation insurance have increased as a result of higher levels of compensation paid to Danish workers for loss of work capacity.

The claims level in Nordea's Norwegian business is high, but considerably lower than the general market level in Norway.

General Insurance does not underwrite direct insurance and property reinsurance in the USA and is not directly affected by the terrorist actions. Claims as a result from the terrorist attack on the USA amount to EUR 1m, net of reinsurance.

The claims ratio increased by 6% points to 80%.

The expense ratio fell by 1% point and is now 25%. The improved expense ratio is a result of the continued focus on efficiency.

The loss on investment activities was EUR 35m. The total year-to-date return amounts to 2.5% and is significantly above the benchmark. Properties have been revalued which had a positive effect of EUR 21m, and thereby reduced the loss on investment activities. Despite higher market values, property is still valued corresponding to an annual return of 7.25%.

New services

The product development within health insurance will initially focus on the Danish and Norwegian markets and will later be adjusted to the other Nordic markets. The first generation of health insurance products will be aimed at personal customers and small corporate customers.

The present 24-hour emergency centre will be expanded to handle all "travel emergencies" in Nordea.

Key figures per quarter

EURm	Q3 2001	Q2 2001	Q1 2001	Q4 2000	Q3 2000
Gross earned premiums	470	453	428	429	395
Technical result	11	25	1	-13	7
Investment earnings	-35	11	-32	-10	38
Operating profit	-24	36	-31	-23	45
Combined ratio, %	105	100	106	110	107
Core operating ratio, % ¹	3	7	0	-4	2
Operating ratio, % ²	-6	10	-9	-6	13
Return on equity, %	-18	26	-21	-4	31
Shares	372	444	412	427	498
Bonds	1,628	1,518	1,438	1,754	1,711
Property	426	407	412	409	407
Investments	2,426	2,369	2,262	2,590	2,616
Investment return, % pa ³	-2.8	4.8	1.2	9.4	10.0
Number of employees (full-time equivalents)	4,280	4,220	4,210	4,250	4,250

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

Treasury

- **Volatile financial markets**
- **Reduced equity risk exposure**
- **Positive effects from funding**

Treasury has responsibility for the Group's own investment portfolio and market risk taking in financial instruments (excluding investments within insurance), as well as funding and asset and liability management.

Market conditions

During the third quarter, the stock markets were very weak and the bond markets were rallying following the reduction in US interest rates.

The Federal Reserve cut rates at the planned meeting in August by 25 bp to 3.50% and again on 17 September by 50 bp to 3.00%. The European Central Bank cut rates by 25 bp on 30 August to 4.25% and again on 17 September by 50 bp to 3.75%. The Danish and Swedish Central banks followed the 17 September reduction by the ECB.

The equity markets had one of the worst quarters ever with many markets down 20-30%. The Nordic equity markets followed the international development.

The Nordic fixed-income markets developed in line with the Euro markets. This also applied to the Swedish market, which had an initial rate hike on 5 July, resulting in a weaker Swedish Krona during most of the quarter.

Business development

Focus in the quarter was kept on minimising losses on the equity portfolio and enhancing earnings from the fixed

income portfolio. The equity risk was in a historical perspective already low at the beginning of the quarter, but it was further reduced during the first part of the quarter. The fixed-income portfolio benefited from the positioning in the short end of the yield curve where interest rates fell the most.

During the quarter Nordea enjoyed a successful reception of its new USCP programme.

The interest rate risk in Treasury's positions, based on a parallel shift assuming a change in markets interest rates of 100 bp, was calculated to EUR 140m at the end of the quarter. At the beginning of the quarter the corresponding risk was EUR 127m. The risk related to equities, measured as VaR, was EUR 25m at the end of the quarter. In the beginning of the quarter the VaR was EUR 39m.

Result

Operating profit from Treasury comprises the result of the internal bank and Investment and Risk Trading. Investment earnings are the result from the investment portfolios and other market risk taking.

The result from equity investments was negatively affected by the weak stock markets, whereas the result from the fixed-interest portfolio and Group funding activities was positively influenced by falling interest rates.

Integration process

During the third quarter Treasury has continued to concentrate on realising merger synergies from overall funding operations, and from the merger with CBK.

Operating profit by main area

EURm	Total		Investment and Risk Trading				Internal Bank	
	Q3 2001	Q2 2001	Fixed-income Portfolios		Equity Portfolios		Q3 2001	Q2 2001
			Q3 2001	Q2 2001	Q3 2001	Q2 2001		
Income	-	-	65	-62	-60	89	25	18
Expenses	-	-	-2	-2	-2	0	-5	-8
Profit excl investment earnings	20	10	-	-	-	-	20	10
Investment earnings	1	25	63	-64	-62	89	-	-
Operating profit	21	35						

Key figures per quarter

	Q3 2001	Q2 2001	Q1 2001	Q4 2000 ¹	Q3 2000 ¹
Operating profit, EURm	21	35	80 ²	34	34
Cost/income ratio, %	23	22	11	22	20
Bonds, EURbn	11.9	11.7	12.9	12.9	12.4
Shares, EURbn ³	0.6	0.7	0.8	0.9	1.0
Investments	12.5	12.4	13.7	13.8	13.4
Number of employees (full-time equivalents)	103	106	105	105	110

¹ CBK is not included in the 2000 figures.² Incl a reclassification gain of EUR 68m.³ Incl private equity funds and shares in real estate companies.

Tuesday 30 October 2001

Thorleif Krarup
Group Chief Executive Officer

- A conference call with management will be arranged on 30 October 2001 at 5:00 pm, local time Stockholm.
- Please dial + 46 8 5005 2550, 10 minutes in advance.
- This interim report is available on the Internet.
- A slide presentation is available on the Internet.

For further information:

Arne Liljedahl, Group EVP/CFO	tel +46 8 614 7996	(or +46 70 566 7121)
Sigurd Carlsen, Head of Investor Relations	tel +46 8 614 7852	(or +46 70 204 9878)
Erik Evrén, Head of Group Media Relations	tel +46 8 614 8611	(or +46 70 946 5389)

Reporting dates for 2002:

The interim report for the fourth quarter of 2001 will be published on 21 February.

The Annual General Meeting will be held on 24 April.

The interim report for the first quarter of 2002 will be published on 24 April.

The interim report for the second quarter of 2002 will be published on 22 August.

The interim report for the third quarter of 2002 will be published on 22 October.

The Board of Directors of Nordea has approved this English press release/interim report. The report is published in four additional language versions; Danish, Finnish, Norwegian and Swedish. In the event of any inconsistencies between those language versions and this English version, the English version shall prevail.

This interim report has not been subject to review by the auditors.

Statutory income statement

EURm	Note	Jan-Sep 2001	Jan-Sep 2000
Interest income		8,678	7,082
Interest expenses		-5,902	-4,795
Net interest income		2,776	2,287
Dividends received		45	124
Net commission income		1,068	1,094
Net result from financial operations	1	258	310
Other operating income		213	125
Total operating income		4,360	3,940
General administrative expenses:			
Personnel expenses		-1,419	-1,163
Other expenses		-982	-806
Depreciation according to plan		-197	-157
Total operating expenses		-2,598	-2,126
Profit before loan losses		1,762	1,814
Loan losses, net	2	-315	-54
Change in value of property taken over for protection of claims	2	-2	-3
Profit from companies accounted for under the equity method		60	60
Operating profit, banking		1,505	1,817
Operating profit, insurance	3	-64	125
Total operating profit		1,441	1,942
Loss on disposal of real estate holdings		-	-40
Pension adjustments		19	44
Taxes		-415	-542
Minority interests		0	-3
Net profit from the Unidanmark Group for Q1 2000		-	-180
Net profit		1,045	1,221

Notes

		Jan-Sep 2001	Jan-Sep 2000
Note 1	Net result from financial operations, EURm		
	Shares/participations and other share-related instruments	-72	151
	Interest-bearing securities and other interest-related instruments	241	51
	Other	1	3
	Foreign exchange gains/losses	88	105
	Total	258	310
		Jan-Sep 2001	Jan-Sep 2000
Note 2	Loan losses, net, EURm		
	<i>Individually appraised receivables</i>		
	Losses incurred during the period	-351	-484
	Previous provisions utilised	266	474
	Provisions for possible loan losses	-600	-382
	Recovery of previously incurred losses	60	59
	Reversal of previous provisions	338	261
		-287	-72
	<i>Receivables appraised by category</i>		
	Losses incurred during the period	-12	-12
	Recovery of previously incurred losses	12	10
	Reversal/provision to reserves for possible loan losses	-6	-0
		-6	-2
	Country risk	-20	31
	Contingent liabilities	-2	-11
	Total loan losses, net	-315	-54
	Change in valuation of property taken over for protection of claims	-2	-3
	Loan losses, operational income statement	-317	-57

Note 3	Operating profit, insurance, EURm	Jan-Sep 2001	Jan-Sep 2000
General Insurance			
	Earned premiums, net of reinsurance	1,111	998
	Technical interest	86	89
	Claims incurred, net of reinsurance	-874	-837
	Insurance operating expenses, net of reinsurance	-286	-265
	Technical result	37	-15
Investment activities			
	Interest etc	96	107
	Realised and unrealised investment gains	-50	81
	Investment expenses	-6	-5
	Technical interest transferred to insurance activities	-96	-92
	Total profit on investment activities	-56	91
	Profit before tax, General Insurance	-19	76
Life Insurance and Pensions			
	Premiums written, net of reinsurance	1,784	2,104
	Investment return	-902	1,254
	Claims incurred and benefits paid and change in provisions	-1,627	-2,837
	Change in bonus equalisation provisions	881	-439
	Insurance operating expenses, net of reinsurance	-105	-70
	Technical result	31	12
Investment activities			
	Interest etc	646	507
	Realised and unrealised investment gains	-1,774	929
	Investment expenses	-15	-9
	Pension return tax etc	188	-105
	Investment return transferred to insurance activities	903	-1,259
	Total profit on investment activities	-52	63
	Profit before tax, Life Insurance and Pensions	-21	75
	Operating profit before group adjustments	-40	151
	Group adjustments (goodwill depreciation)	-24	-26
	Operating profit, insurance	-64	125

Accounting principles

Accounting principles and methods of calculation are unchanged compared to the annual accounts 2000.

In Q1 2001 interest-bearing securities previously classified as financial fixed assets have been reclassified as current assets.

Exchange rates applied

	Jan-Sep 2001	Jan-Sep 2000	Full year 2000
EUR 1 = SEK			
Income statement (average)	9.1779	8.4108	8.4631
Balance sheet (at end of period)	9.7321	8.5265	8.8313
EUR 1 = DKK			
Income statement (average)	7.4550	7.4532	7.4532
Balance sheet (at end of period)	7.4367	7.4570	7.4631
EUR 1 = NOK			
Income statement (average)	8.0710	8.1341	8.1044
Balance sheet (at end of period)	8.1100	8.0255	8.2335
EUR 1 = FIM 5.94573 (fixed rate)			

Statutory balance sheet, end of period

EURbn	Sep 2001	Dec 2000
Loans and advances to credit institutions	19	23
Lending	134	129
Interest-bearing securities	29	28
Shares	1	1
Shares in group and associated undertakings	0	1
Intangible assets	2	3
Land and buildings	2	2
Other assets, banking ¹	22	15
Assets, insurance ¹	22	22
Total assets	231	224
¹ Investments, customers and policyholders bear the whole risk	6	6
Deposits by credit institutions	33	29
Deposits	81	79
Other borrowings from the public	2	2
Debt securities in issue	56	56
Other liabilities, banking	21	19
Liabilities, insurance	21	21
Subordinated liabilities	6	7
Minority interests	0	0
Shareholders' equity	11	11
Total liabilities and shareholders' equity	231	224

Movements in shareholders' equity, EURm	Jan-Sep 2001
Shareholders' equity at 1 January	11,105
Dividend	-675
Own shares ¹	-80
Currency translation adjustment	-210
Net profit for the period	1,045
At end of period	11,185

¹ Number of own shares at the end of Sep 18.5 million.

Capital adequacy	Sep 2001	Dec 2000
Tier 1 capital, EURm	9,251	8,969
Capital base, EURm	12,394	12,422
Risk-weighted assets (banking), EURbn	134	132
Tier 1 capital ratio, %	6.9	6.8
Total capital ratio, %	9.3	9.4

Notes

Derivatives EURm, Sep 2001	Interest rate derivatives		Equity derivatives		Foreign exchange derivatives	
	Market value	Book value	Market value	Book value	Market value	Book value
Positive values	5,162	4,955	277	213	5,391	5,290
Negative values	5,369	5,208	227	171	4,692	4,665

Cash flow statement, EURm	Jan-Sep 2001	Jan-Sep 2000
Net cash inflow/(outflow) from operating activities before changes in ordinary business assets and liabilities	957	1,601
Changes in ordinary business assets and liabilities	-4,076	-26,157
Net cash inflow/(outflow) from operating activities	-3,119	-24,556
Net cash inflow/(outflow) from capital expenditure and financial investments	4,371	145
Net cash inflow/(outflow) from financing	-2,031	23,853
Increase/(decrease) in cash	-779	-558
Cash and cash equivalents at beginning of period	5,831	3,552
Cash and cash equivalents at end of period	5,052	2,994

Problem loans, EURm	Sep 2001	Jun 2001	Mar 2001	Dec 2000
Doubtful loans, gross	3,120	3,040	3,059	3,053
Provisions for bad and doubtful loans	-2,267	-2,122	-2,218	-2,256
Doubtful loans, net	853	918	841	797
Loans with interest deferments	29	35	35	29
Problem loans, total	882	953	876	826
Provisions/doubtful loans, gross, %	73	70	73	74
Doubtful loans, net/lending, %	0.6	0.7	0.6	0.6
Property taken over for protection of claims				
Land and buildings	17	12	12	18
Shares and participations	33	19	8	11
Other	1	8	5	2