

# Presentation for Investors

30 October 2001



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# Nordea



# Our mission and vision

## ***Mission***

Making it possible.

## ***Vision***

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

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

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

# Nordea Corporate Statement

## ***Mission***

Making it possible.

## ***Vision***

We will be valued as the leading financial services group in the Nordic and Baltic financial markets with a substantial growth potential. We will be number one or number two or show superior profitable growth in every market and product area in which we choose to compete. We will have the leading multichannel distribution with a top world ranking in e-based financial solutions.

## ***Financials***

We will create value for shareholders in line with the best among European listed financial services companies. We enhance value through concentration on core business, stable and broadly based growth in income, operational excellence and an optimal financial structure and balanced risk taking.

## ***Customers***

We provide a broad set of innovative financial solutions and competitive advisory services. We provide seamless services and are easily accessible.

The Nordic area is our home market and the Baltic Sea region our emerging home market. We operate internationally to support our core customers and competence.

## ***Internal processes***

We understand our customers and anticipate their needs. We share and exchange Nordic ideas to create value and we have focus on continuous performance improvement. We have limited and controlled risk exposure.

## ***Employees and leadership***

We attract, develop and retain highly motivated, competent and empowered employees who provide superior customer service. We lead with clear objectives for every manager and employee and with a commitment to follow up and give feedback. We operate as an integrated Nordic group, in focused business areas. We make decisions close to our customers and employees within group guidelines and limits.

## Strategic choices

- Universal multi-channel bank with bancassurance
- Nordic and local
  - The Nordic countries are Nordea's home market
    - *Growth by share of wallet*
  - The Baltic countries and Poland are Nordea's emerging home market
    - *Growth by share of market*
- Electronic and personal
- Partnership
- Exchange of Nordic Ideas

## Achievements

- Uniform financial language and reporting
- Integrated risk management
- Common Group strategy and policies
- Group IT Strategy
- BA integration and cross-border product launches
- Legal structure to be aligned with BA structure
- One-brand banking from December 2001

## Integration progress - branding

- All retail banking operations will change branding to Nordea in December
  - Decision is based on careful commercial analyses
  - Integration is progressing ahead of schedule
- Asset Management and Corporate and Institutional Banking adopted the Nordea brand early this year
- Investment Banking changed its name to Nordea Securities in May

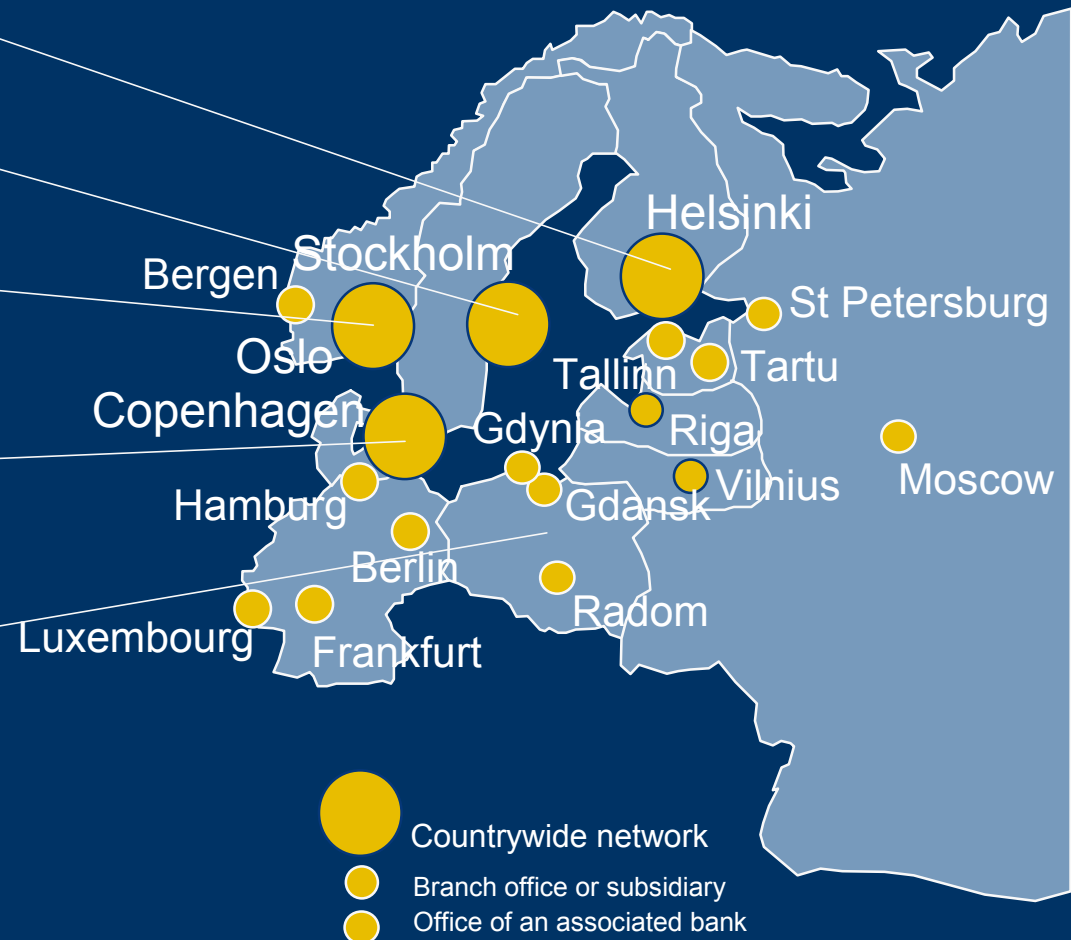


# Nordea shall create value for shareholders in line with the best among European listed financial services companies



Value drivers	Performance indicators	Realised		Targets
		YtD	2000	2003
<b>✓ Profitability</b>  <b>✓ Cost control</b>  <b>✓ Realising synergies</b>  <b>✓ Risk control</b>  <b>✓ Optimal capital structure</b>  <b>✓ AuM</b>	Total shareholder return.....		46.5 %	
	Return on equity.....	13.8 %	16.1 %	>Euro rfr+8%
	Return on equity excl. goodwill.....	17.3 %	19.4 %	
	Dividend payout ratio.....	-	40 %	>40%
	Cost/Income ratio, banking..	56 %	55 %	<50%
	Average loan losses.....	0.33 %	0.08 %	<0.4%
	Combined ratio, general insurance.....	104 %	110 %	<100%
	Tier 1 ratio.....	6.9 %	6.8 %	>6.5%
	AuM growth.....	-14 %	18 %	20 % p.a.

# Strong distribution network throughout the Nordic and Baltic Sea region

	<b>Finland</b>		
	Branch offices	464	
	Personnel	11,339	
	<b>Sweden</b>		
	Branch offices	272	
	Personnel	6,707	
	<b>Norway</b>		
	Branch offices	155	
	I-service centres	40	
	Personnel	5,500	
	<b>Denmark</b>		
	Branch offices	351	
	I-service centres	65	
	Personnel	12,884	
	<b>Baltic and Poland</b>		
	Branch offices	32	
	I-service centres	110	
	Personnel	1,200	
	<b>Total locations</b>	1,489	
	<b>Total personnel</b>	37,630	








## Large banking customer base with high penetration in netbanking

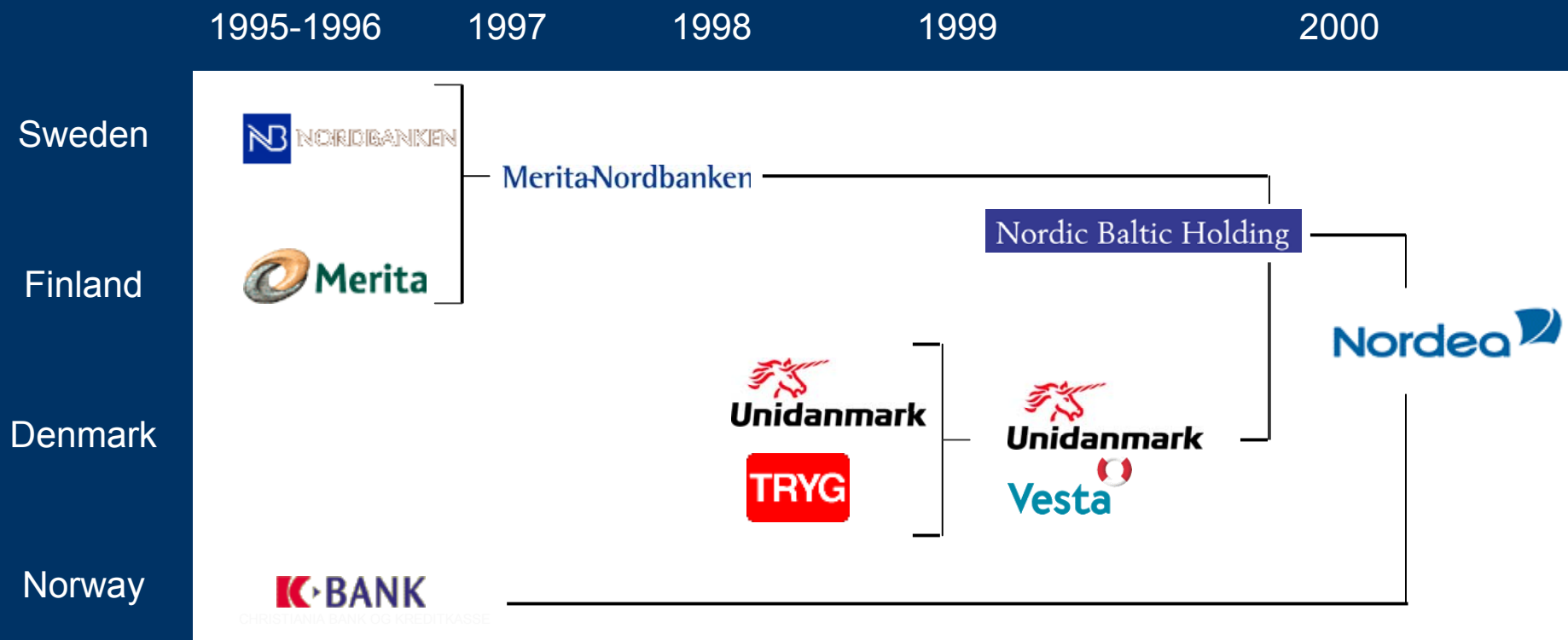
	 Denmark	 Finland	 Norway	 Sweden	Baltic Sea region	Total
Retail customers (1.000)						
Household customers	1.700	3.100	500	3.600	50	8.900
Corporate customers	60	330	60	110	11	600
Netbanking customers (1.000)	335	1,090	170	910	7	2,510
Large Nordic corporate customers*	150	150	200	100	-	600

\*Shipping, Offshore and Oil Services customers (375) are not included.

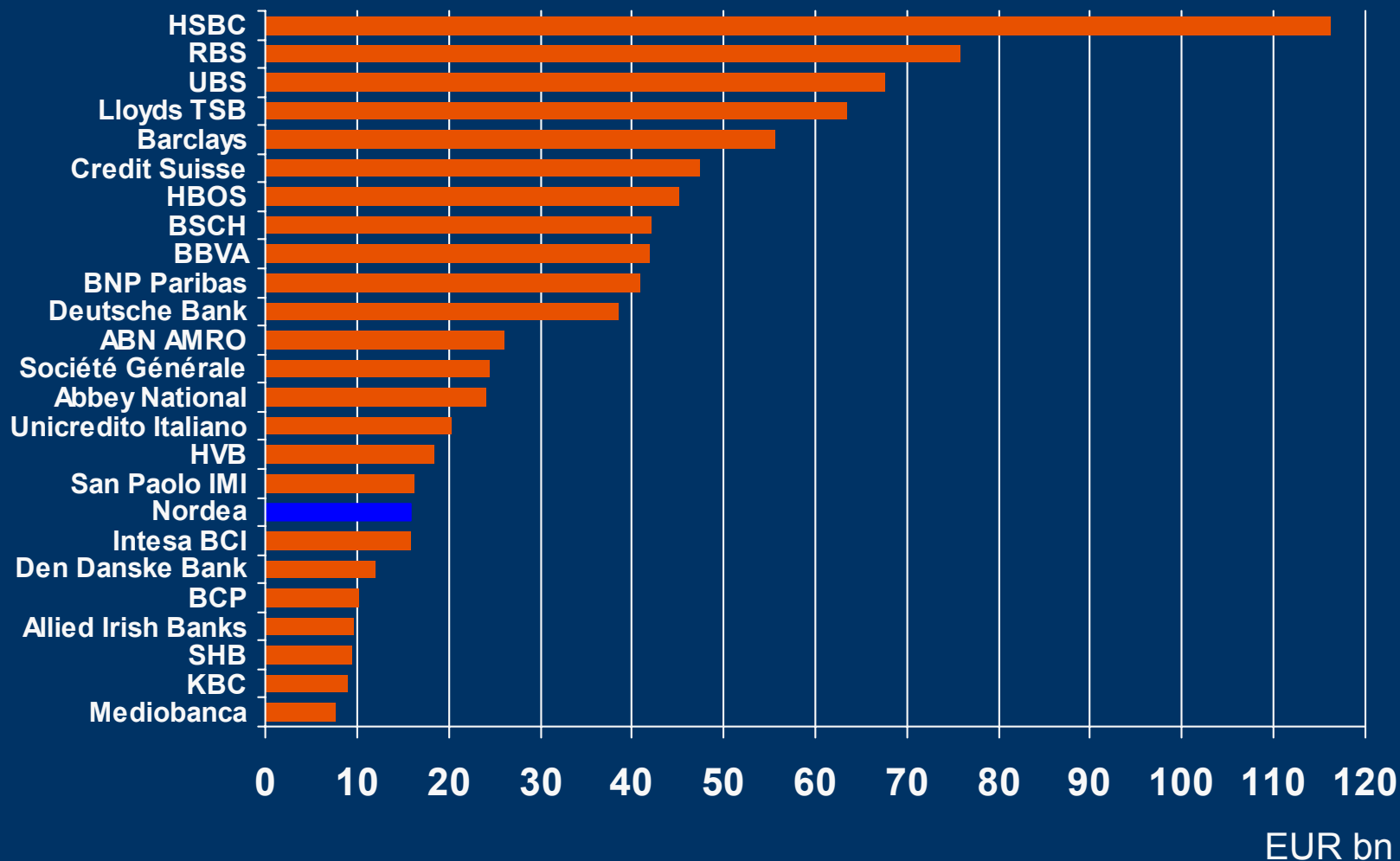
... and large insurance customer base  
with cross-selling potential

	 Denmark	 Finland	 Norway	 Sweden	 Poland	Total
General insurance (1.000)						
Household customers	765	-	355	-	222	1.350
Corporate customers	180	-	45	-	20	250
Life insurance and pensions (1.000)						
Household customers	470	215	24	420	35	1.100
Corporate customers	130	11	80	40	2	300

# The merger process to date - establishing the pan-Nordic platform



# Top 25 European banks by market cap



# Key figures and trends

## Q3 2001



## Stable 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 provision of EUR 100m was made due to worsened economic outlook reflecting recent world events.
- Assets under management EUR 87bn (EUR 101bn Q2)

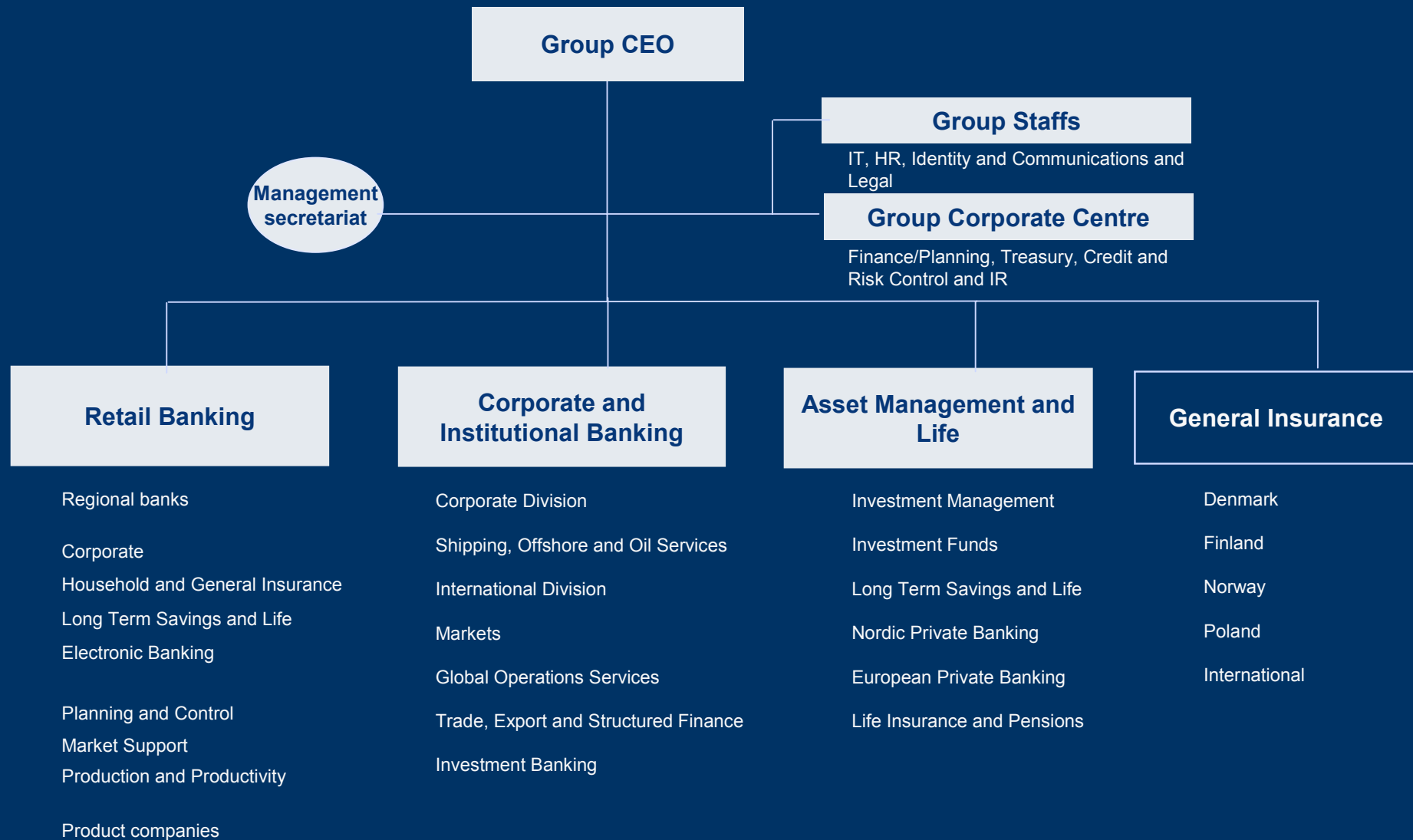
## Second Wave Integration initiated

- Realised merger synergies EUR 120m, target for 2001, EUR 145m - on track
- Change in business organisation
- 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

## Review of strategic alternatives for General Insurance activities

- Dialogue with Tryg i Danmark smba on future ownership structure
- The aim is to create a “Win-Win” - situation
  - Continued full cross selling potential
  - More efficient use of capital
  - New opportunities to participate in ongoing consolidation in the insurance industry
- Strategic partnership
- Agreement before the end of first quarter 2002
- Execution before the end of second quarter 2002

# Business structure 1 November 2001

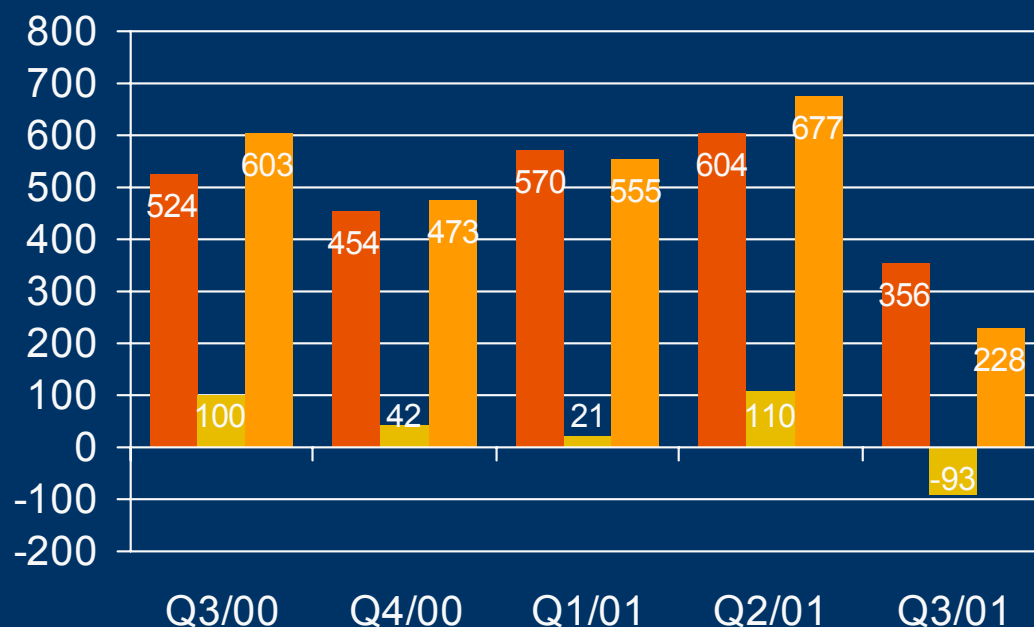


# Group Executive Management

- Group CEO  
—Management Secretariat  
Thorleif Krarup
- Retail Banking  
Lars G Nordström
- Corporate and Institutional Banking  
Markku Pohjola
- Asset Management and Life  
Christian Clausen
- Group Staffs  
Tom Ruud  
—IT, HR, Identity and Communications and Legal
- Group Corporate Centre  
Arne Liljedahl (Group CFO)  
—Finance/Planning, Treasury and IR  
Carl-Johan Granvik  
—Credit and Risk control

## Core earnings

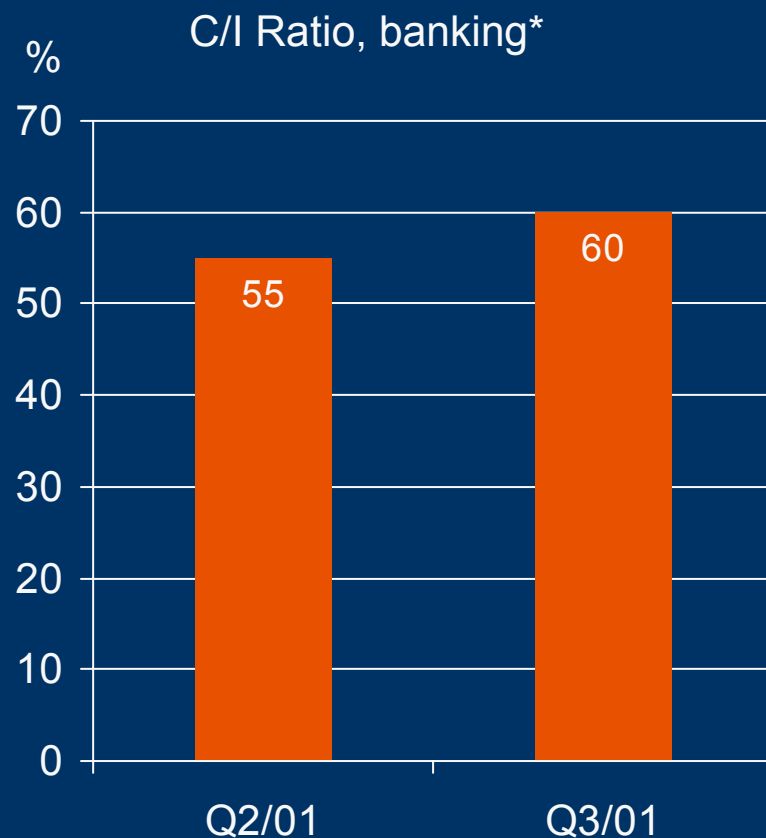
EURm



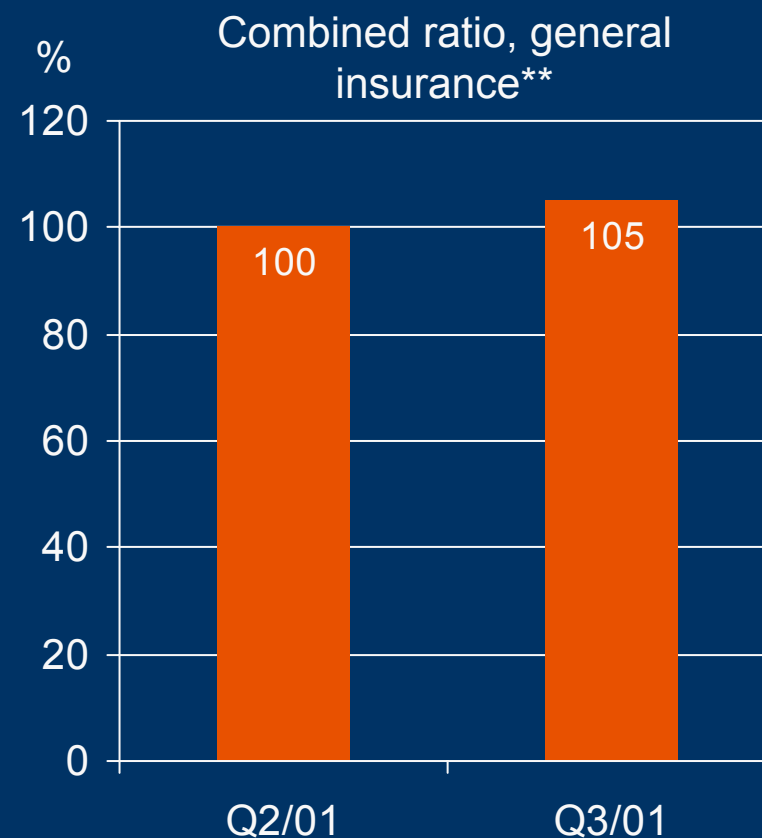
- Profit excluding investment earnings
- Investment earnings
- Operating profit

- Stable underlying earnings
- Total income satisfactory in light of market developments
- Costs reduced
- Loan losses include EUR 100m general provision

# Key figures

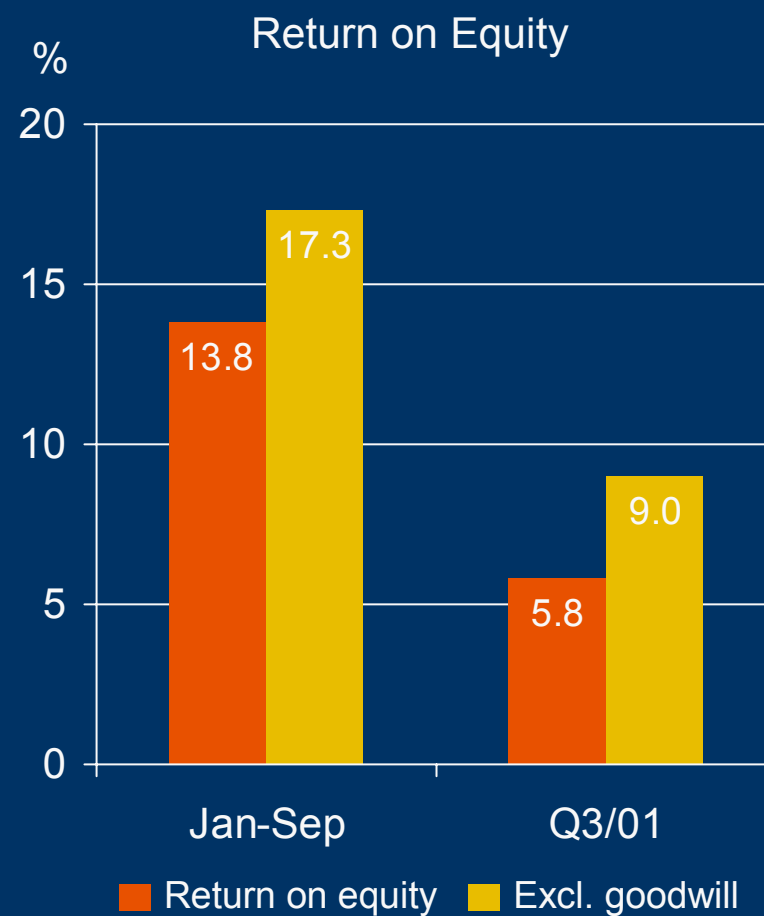


\* Operating expenses excluding goodwill as a percentage of operating income and share of P/L from companies accounted for under the equity method



\*\* Claims and expenses as a percentage of net premium income. Change in equalisation provision is not included in claims

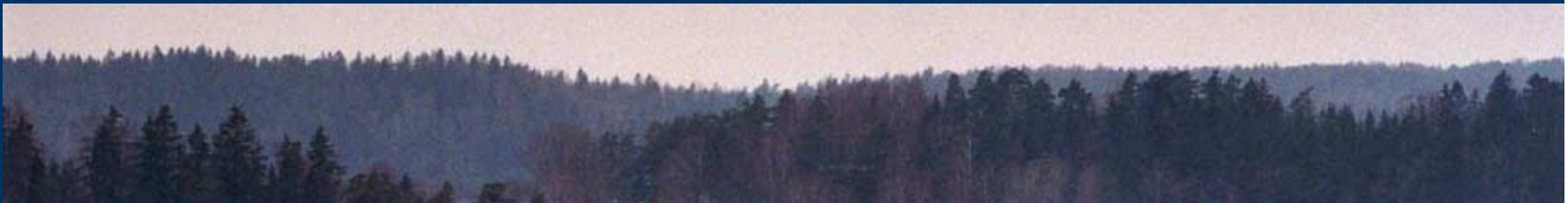
# Key figures





# Group P & L

## Q3 2001



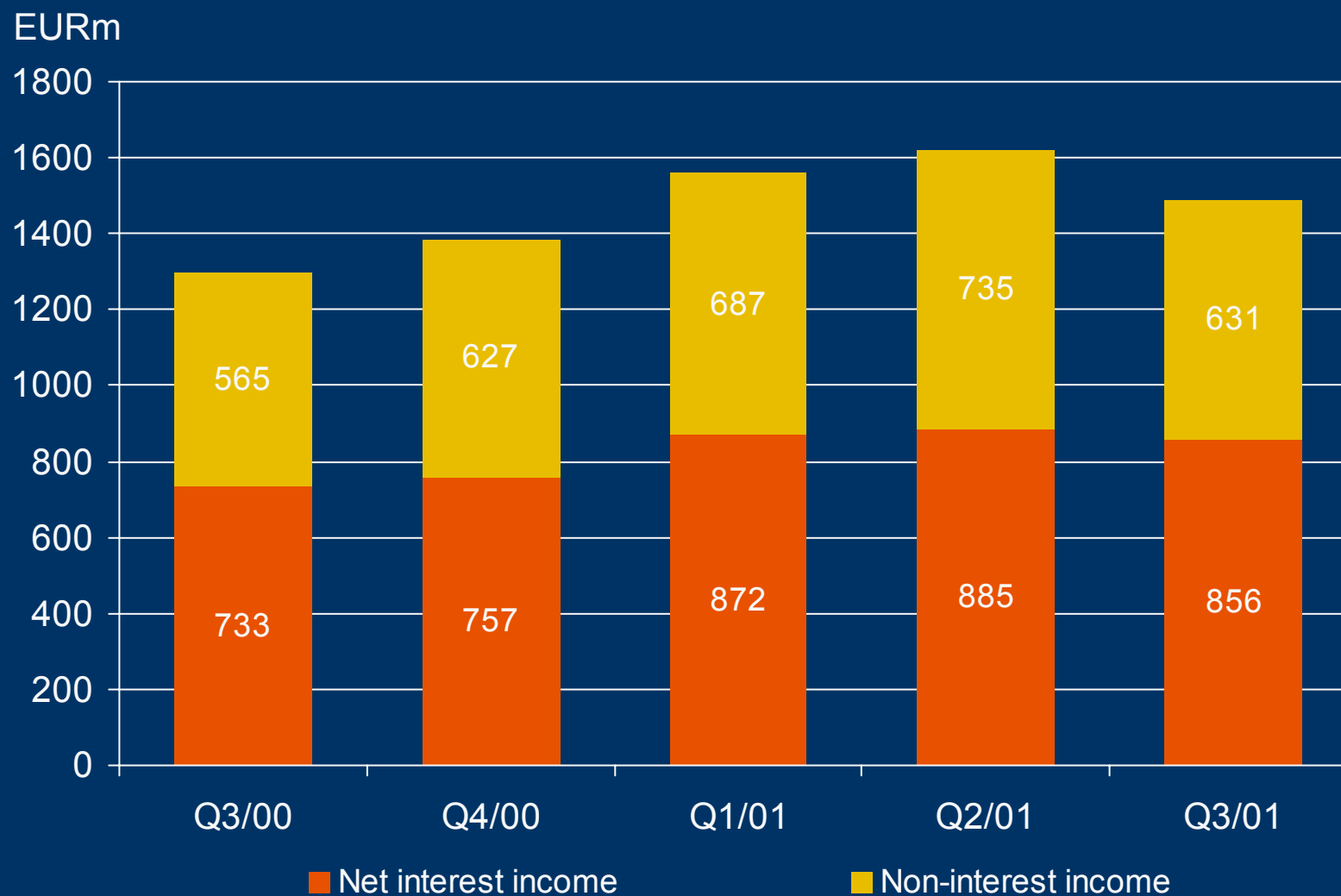
## Income statement summary

EURm	Q3/01	Q2/01	Change, %
Income	1,487	1,620	-8
Expenses	-947	-977	-3
Loan losses	-213	-59	
Equity method	29	20	45
Profit excl. investment earnings	356	604	-41
Investment earnings	-93	110	
Goodwill	-35	-37	
Operating profit	228	677	-66

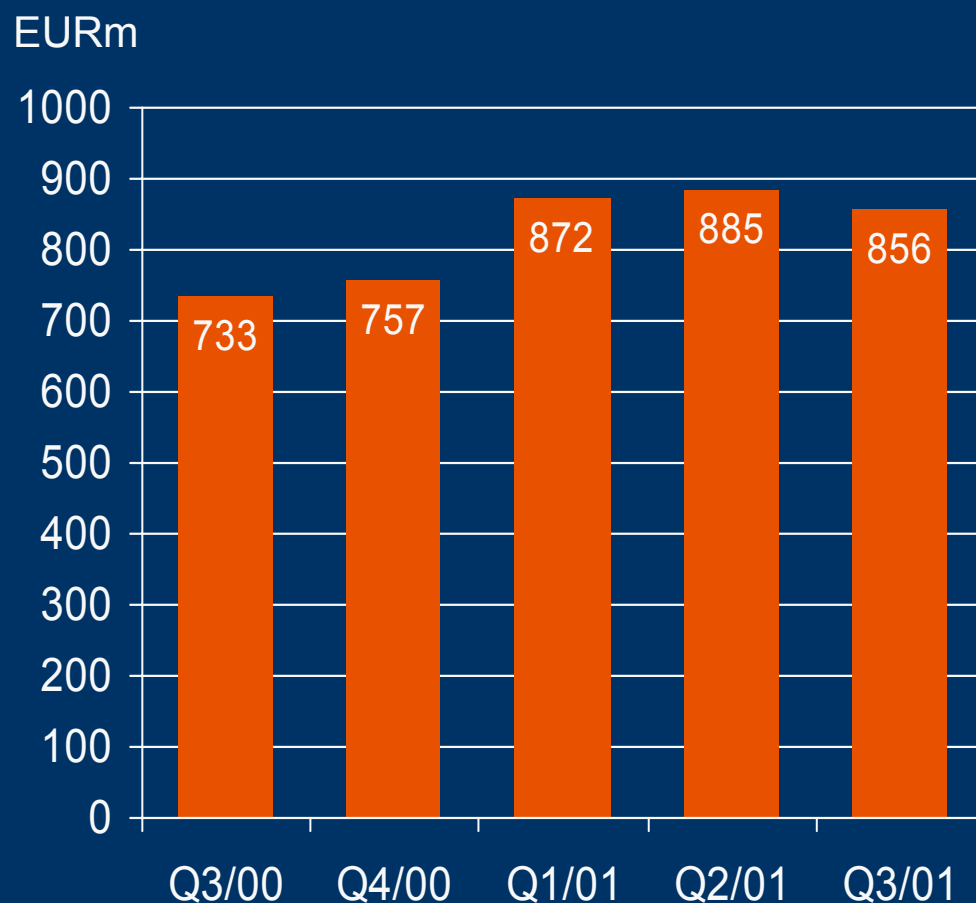
## Income statement summary

EURm	Jan-Sep 2001	Jan-Sep 2000	Change, %	Adj. for CBK, %
Income	4,666	3,908	19	8
Expenses	-2,879	-2,413	19	3
Loan losses	-317	-57		
Equity method	60	63	-5	-15
Profit excl. investment earnings	1,530	1,501	2	-3
Investment earnings	38	531	-93	-93
Goodwill	-108	-70		
Operating profit	1,460	1,962	-26	-28

# Income

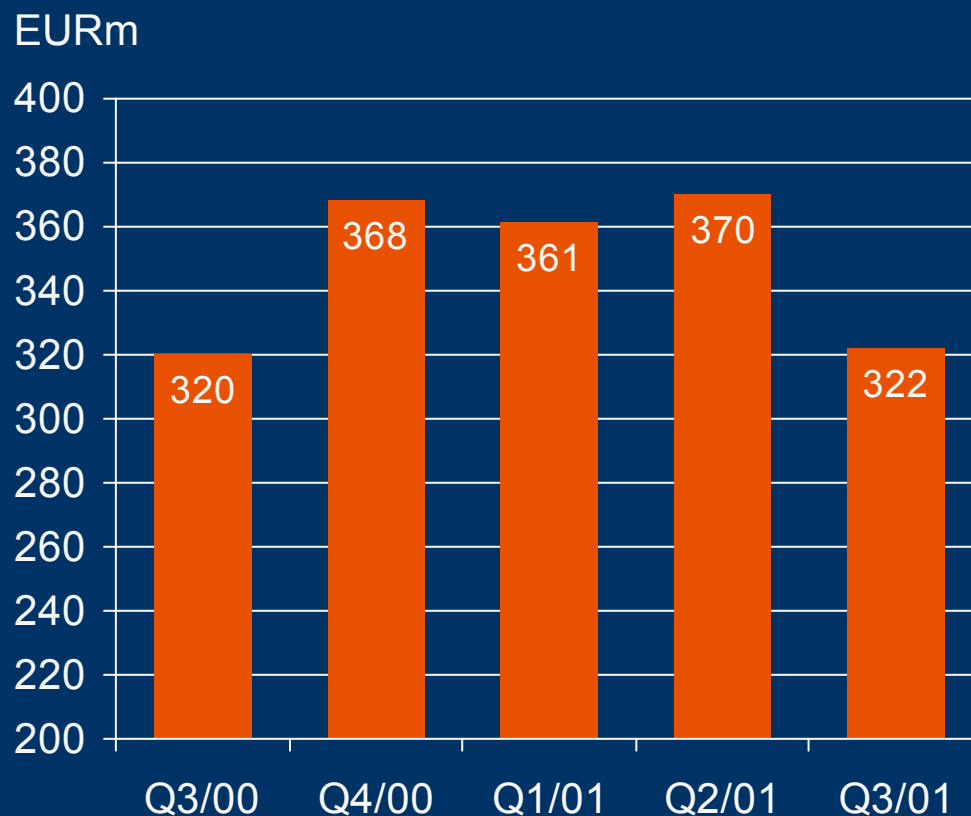


# Net interest income



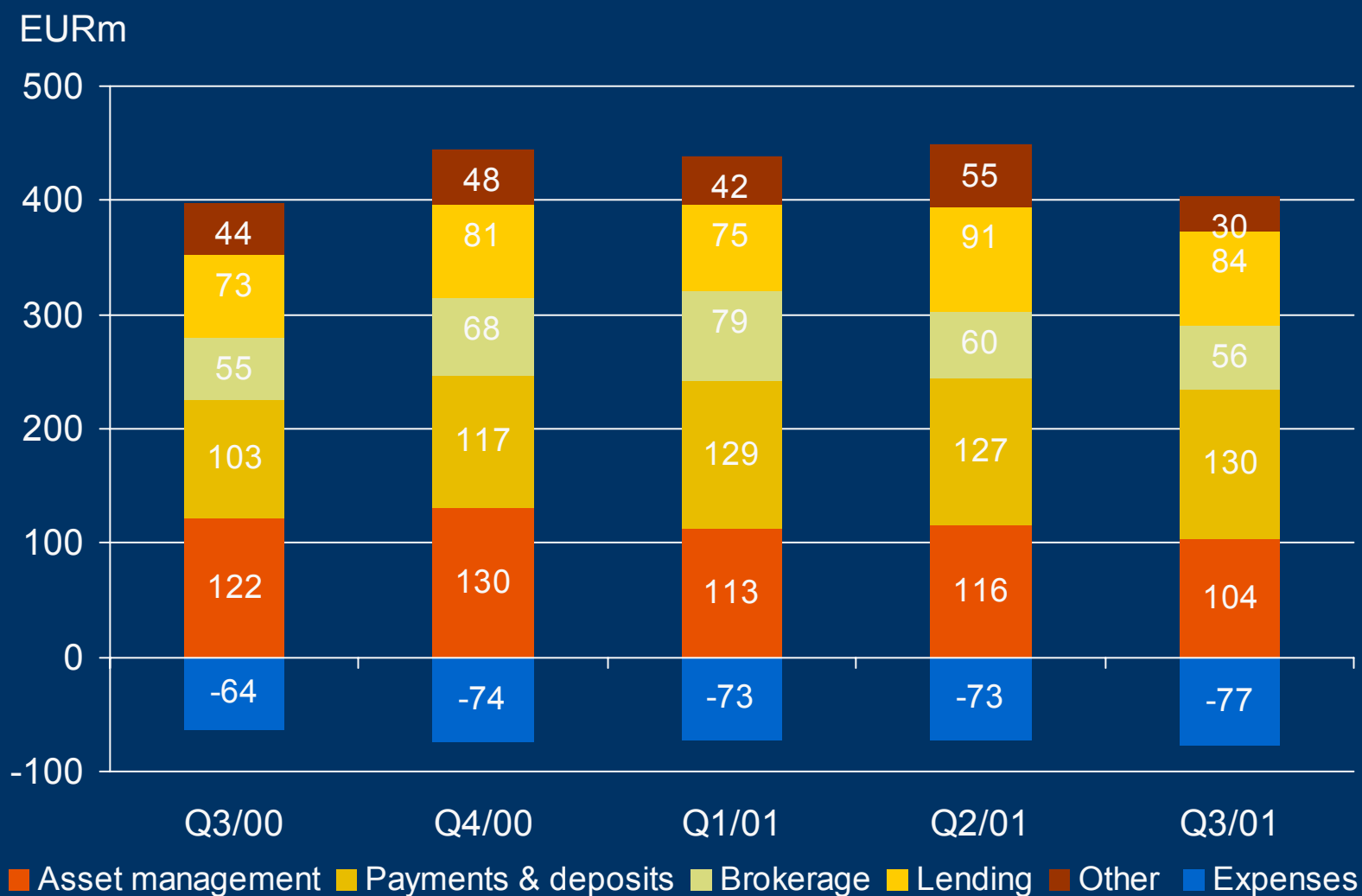
- Slightly reduced average lending volumes during the quarter
- Deposit margins somewhat lower than in Q2
- Margins on new loans to the corporate sector gradually increasing

## Commission income

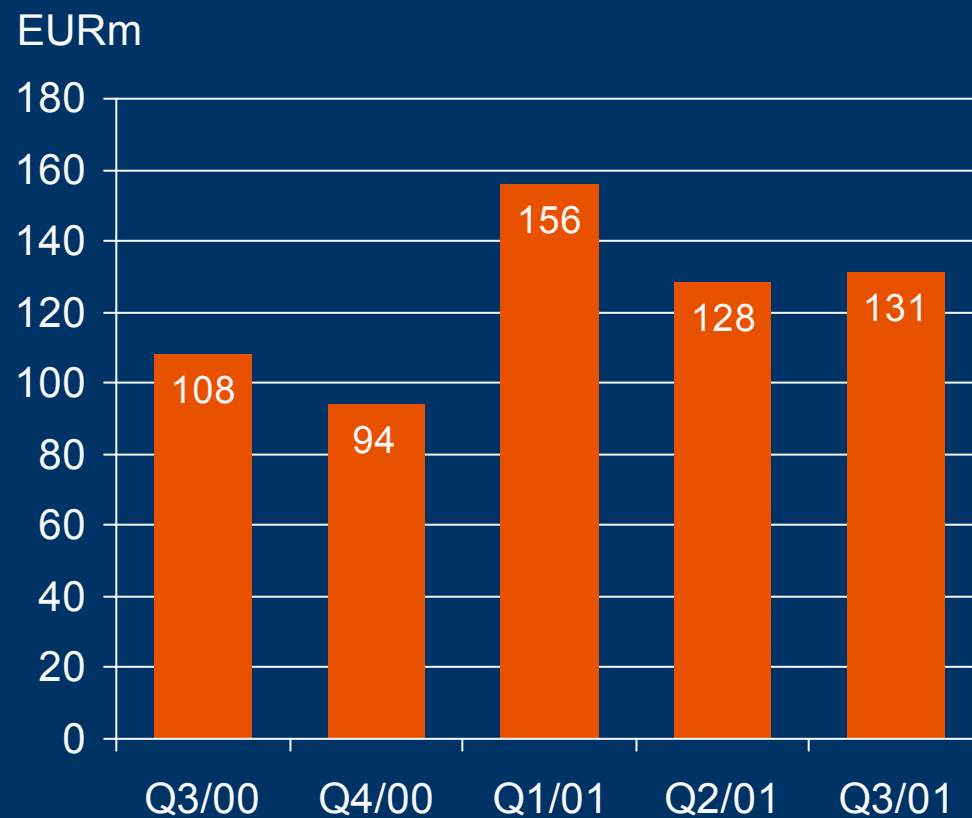


- Falling stock exchange indexes worldwide
- Turnover volumes showed a marked decrease in Q3
- Commissions from payments continued to increase

# Commission income



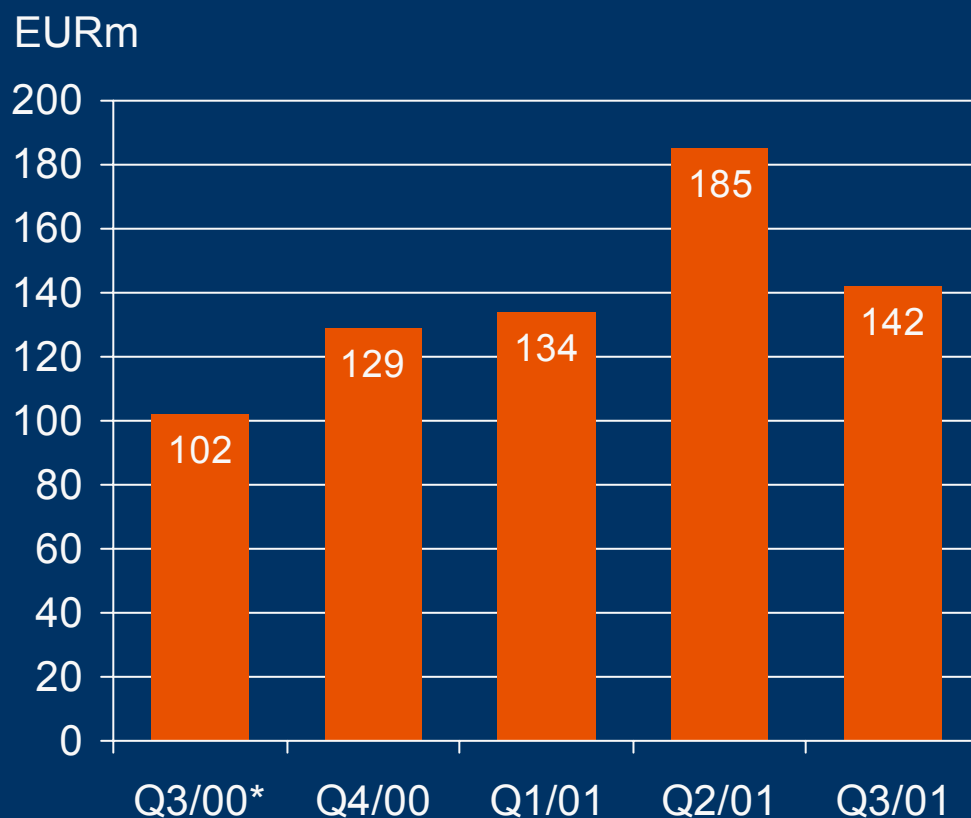
# Trading



- Income from trading stable at high level
- High quality earnings
  - Customer driven revenue stream



# Income from insurance

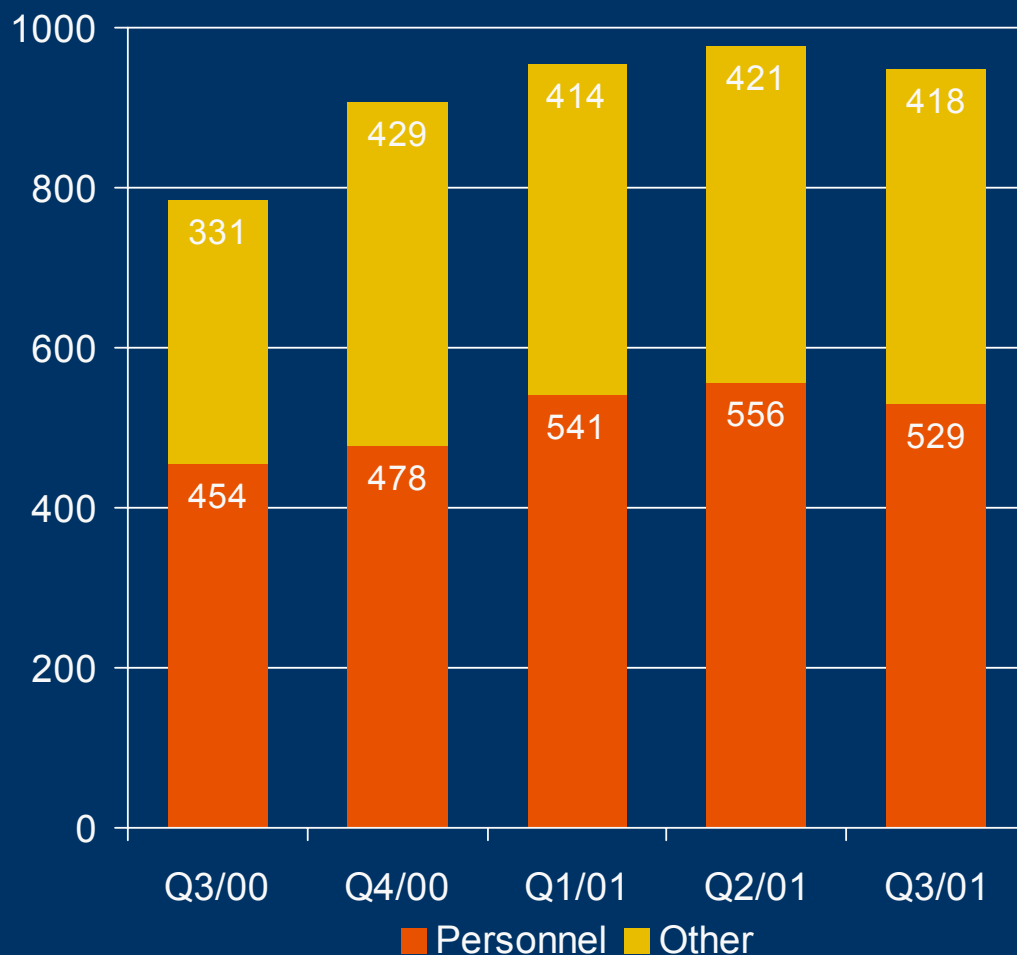


- Lower premiums - Life
  - Acquired portfolio boosted premiums in Q2
- Higher claims - General

\*Negative hurricane impact Q3/00 EUR 10 m

# Expenses

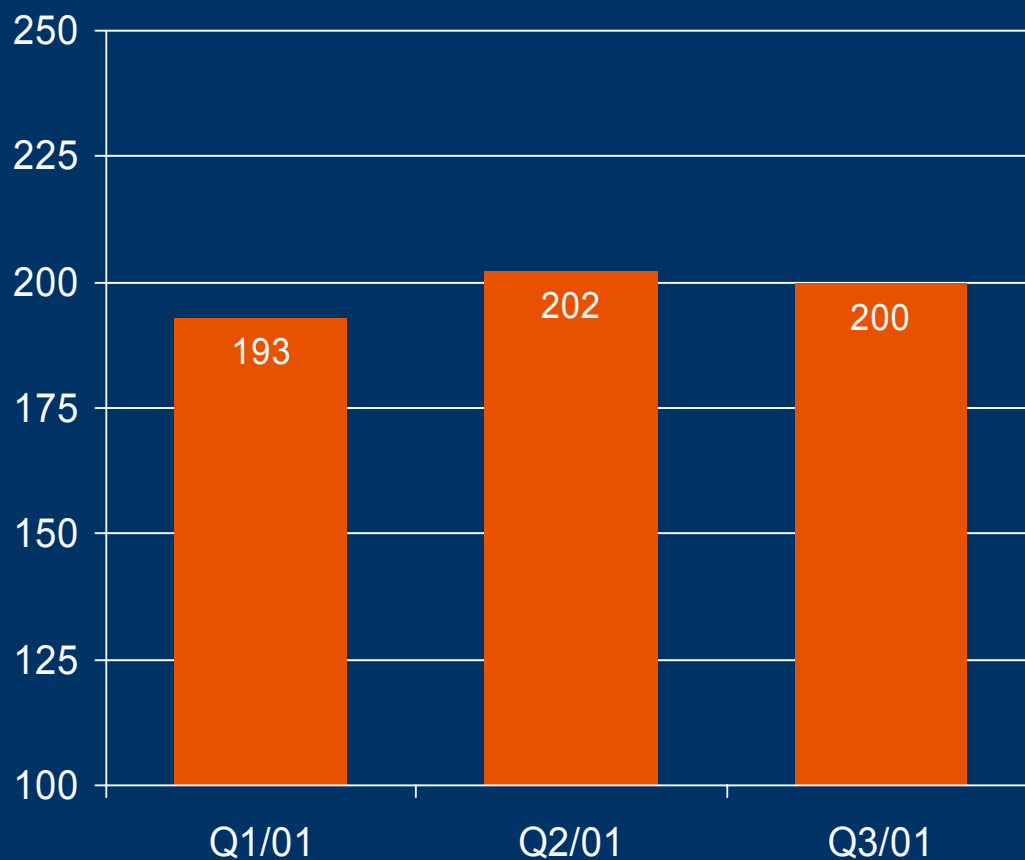
EURm



- Lower costs than in Q2
- Continued realisation of synergies
- Somewhat lower activity level during the summer

## Total IT-related expenses

EURm



As % of total expenses

2000	22.7%
Q1/01	20.2 %
Q2/01	20.7 %
Q3/01	21.1 %

\*Computer operations, service expenses, consultants and personnel

# Restructuring reserve

EURm

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Originally, Unidanmark	200
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<i>Utilised Q2/00</i>	-16
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<i>Utilised Q3/00</i>	-16
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<i>Utilised Q4/00</i>	-39
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Remaining reserve	129
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<i>Originally, CBK</i>	90
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Remaining reserve Jan 2001	219
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<i>Utilised Q1/01</i>	-18
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<i>Utilised Q2/01</i>	-24
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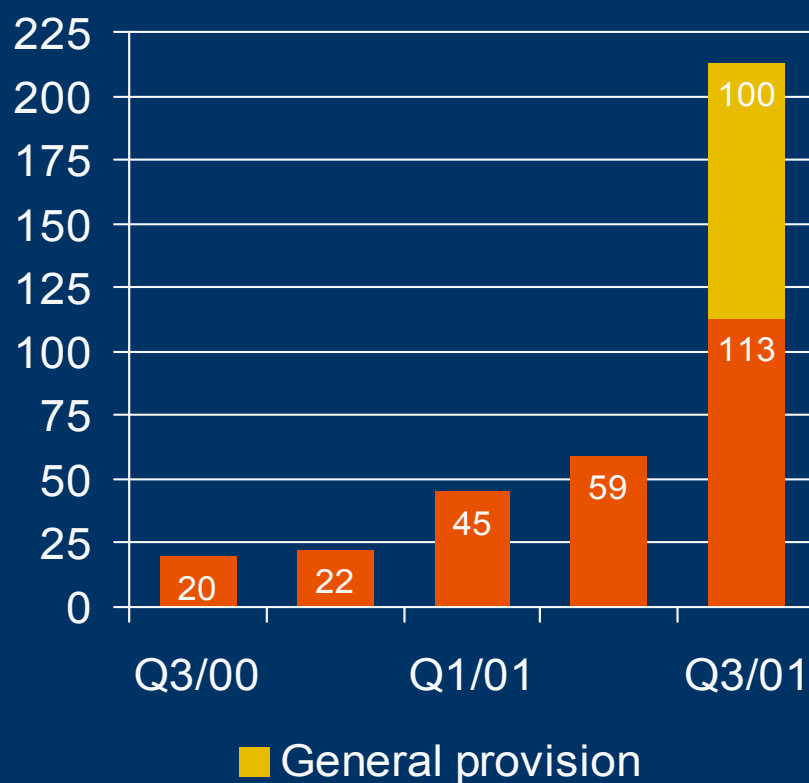
<i>Utilised Q3/01</i>	-7
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Remaining reserve Oct 2001	170
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# Loan losses

EURm



- Specific loan losses EUR 113m:
  - Within acquisition finance in Denmark
  - Limited no. of corporate clients
- General provision EUR 100m
  - Worsened economic outlook
- 0.33% ytd of total loans

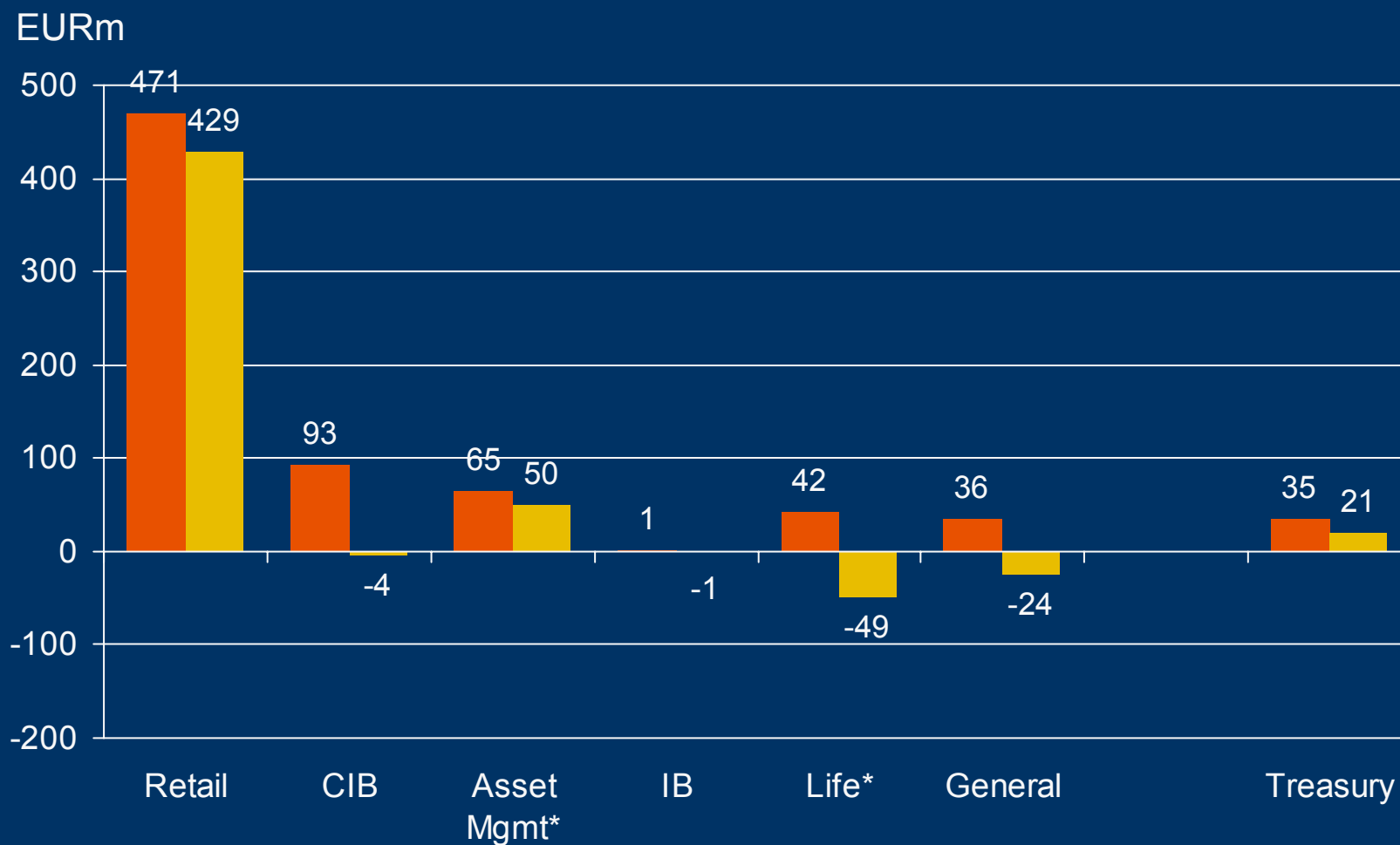
# Investment earnings

EURm	Q3/01	Q2/01	Q1/01	Q4/00	Q3/00
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

# Business areas



# Results by business area



\*Product result for Asset Management and Life

■ Q2/01

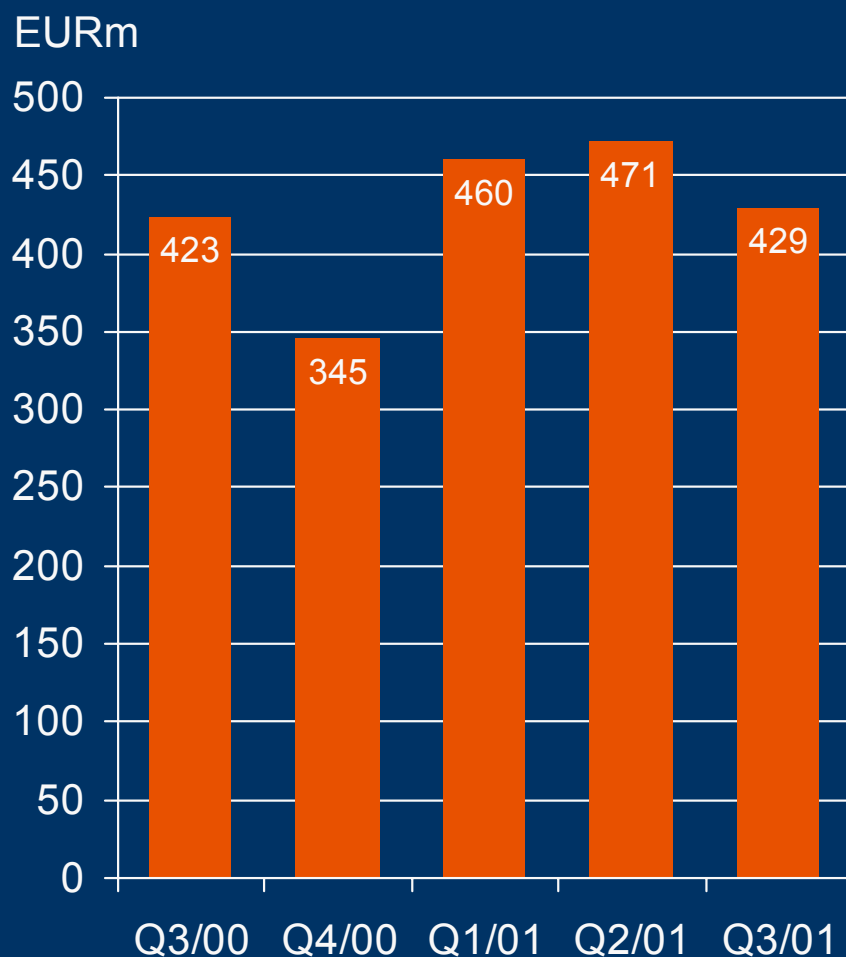
■ Q3/01



# Retail Banking



# Retail Banking operating profit



- 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
- Electronic services continue to expand

# Retail Banking operating profit by market

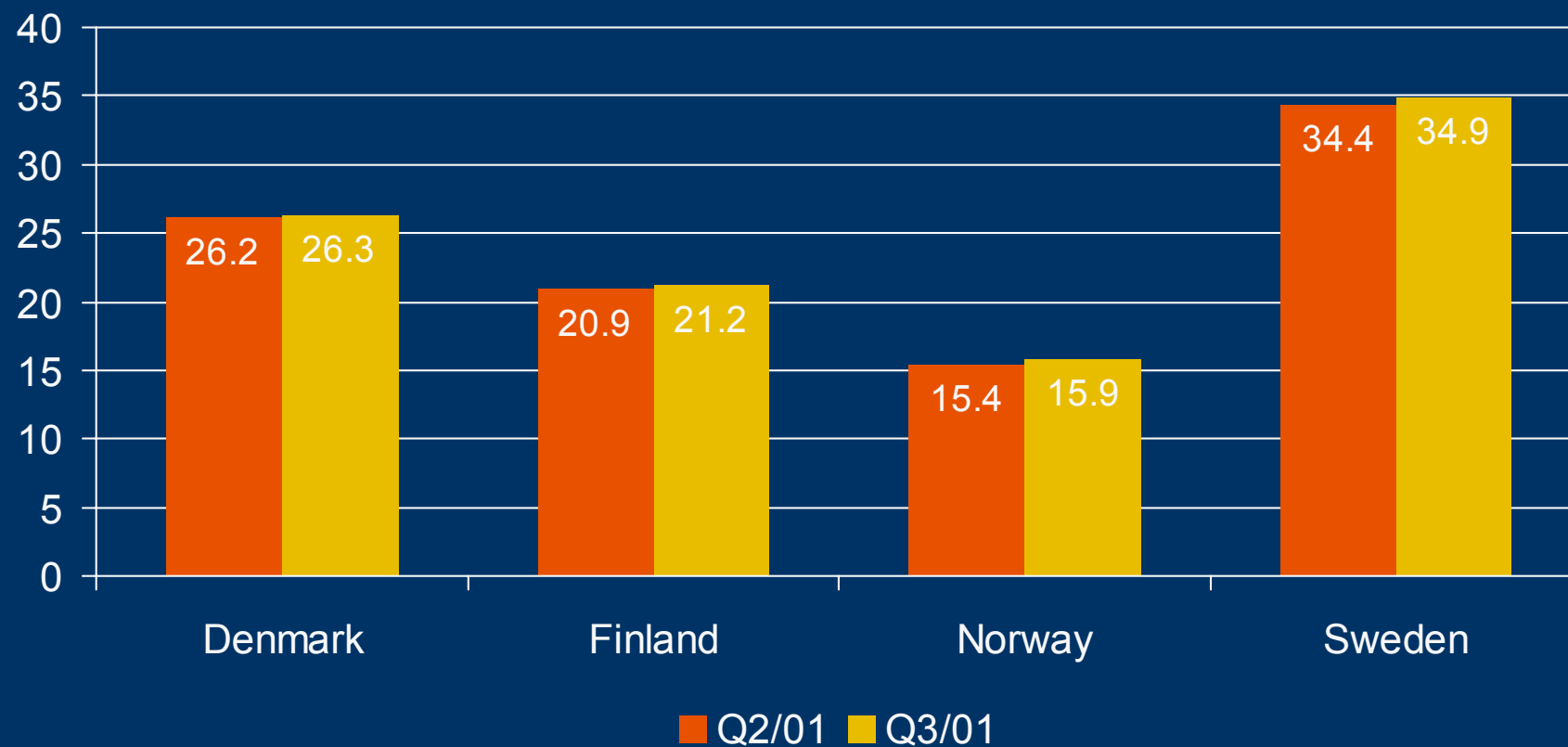
EURm	Retail Banking	DK	FI	NO	SE	P&B
Operating profit	429	101	148	52	127	1
<i>C/I ratio %</i>	<i>56</i>	<i>58</i>	<i>49</i>	<i>61</i>	<i>58</i>	<i>89</i>
<i>RoE %</i>	<i>22</i>	<i>18</i>	<i>35</i>	<i>15</i>	<i>21</i>	<i>5</i>

## Retail operating profit by market

EURm	Retail		DK		FI		NO		SE		P&B	
	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2
Net interest income	784	799	215	235	245	250	98	96	221	212	6	6
Non-interest 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	-87	-84	-183	-180	-7	-7
Profit bef. loan loss	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
<i>C/I ratio %</i>	56	55	58	56	49	48	61	63	58	57	88	69
<i>RoE %</i>	22	25	18	24	35	39	15	14	21	23	5	6

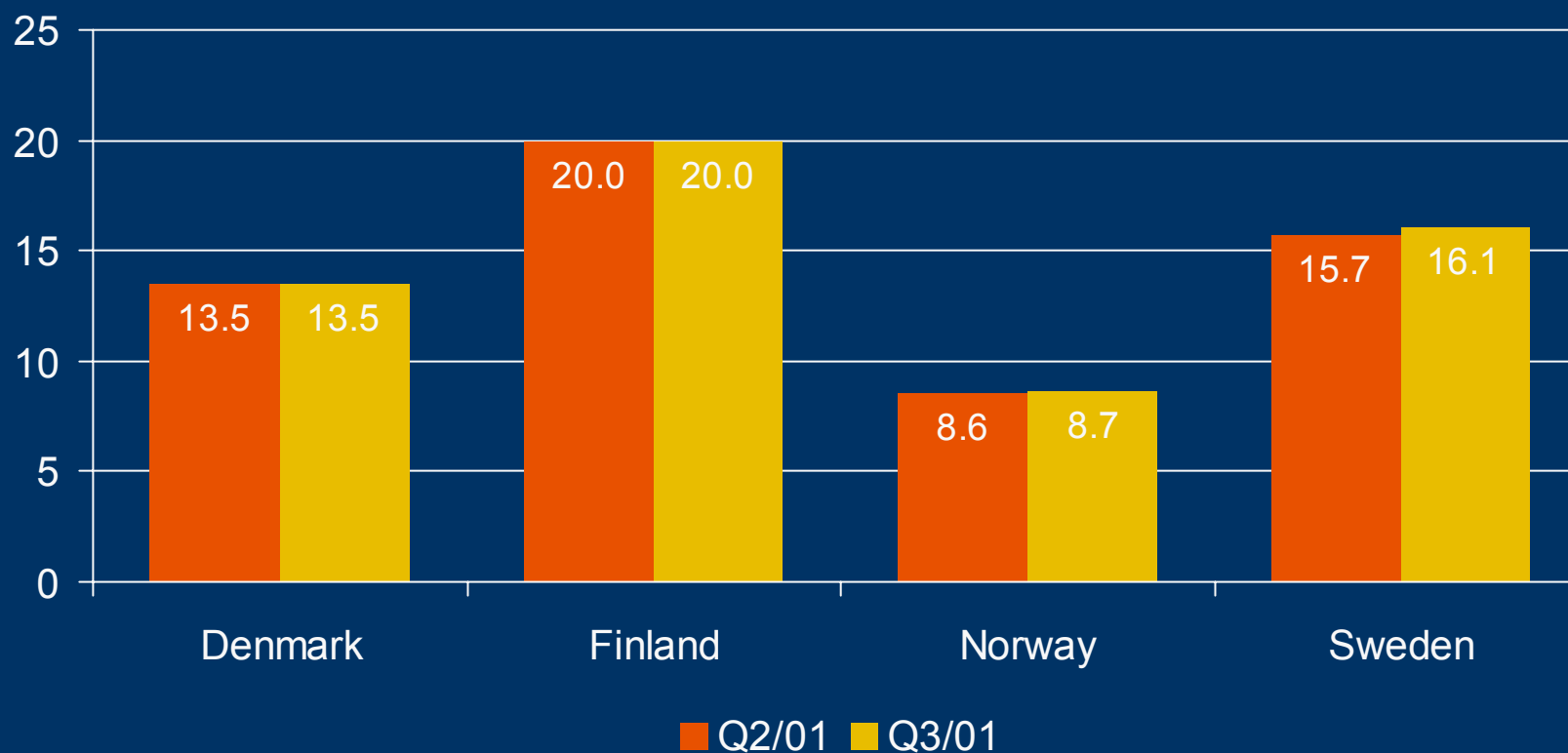
# Retail Banking lending

EURbn. End of period



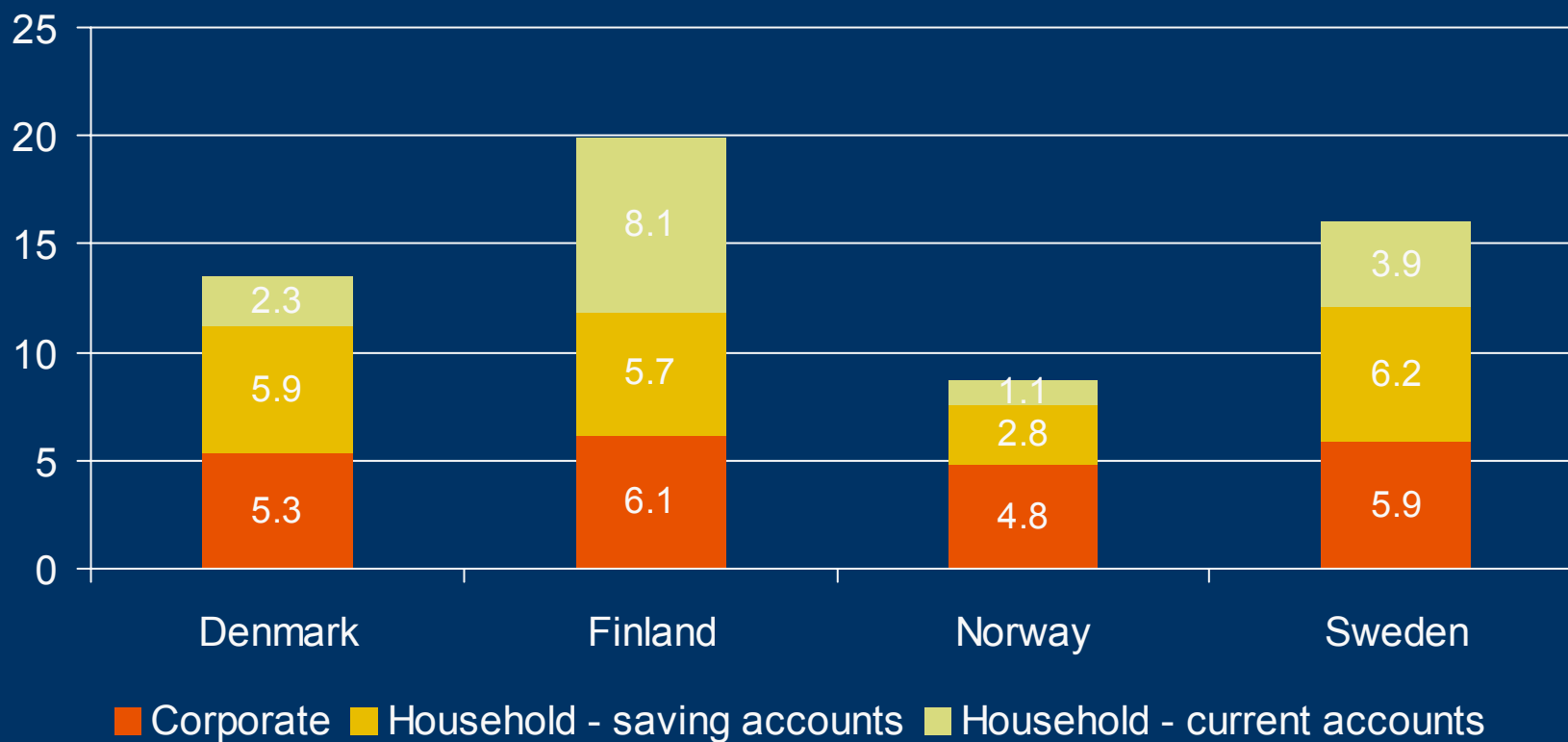
# Retail Banking deposits

EURbn. End of period



# Retail Banking deposits

EURbn. End of September



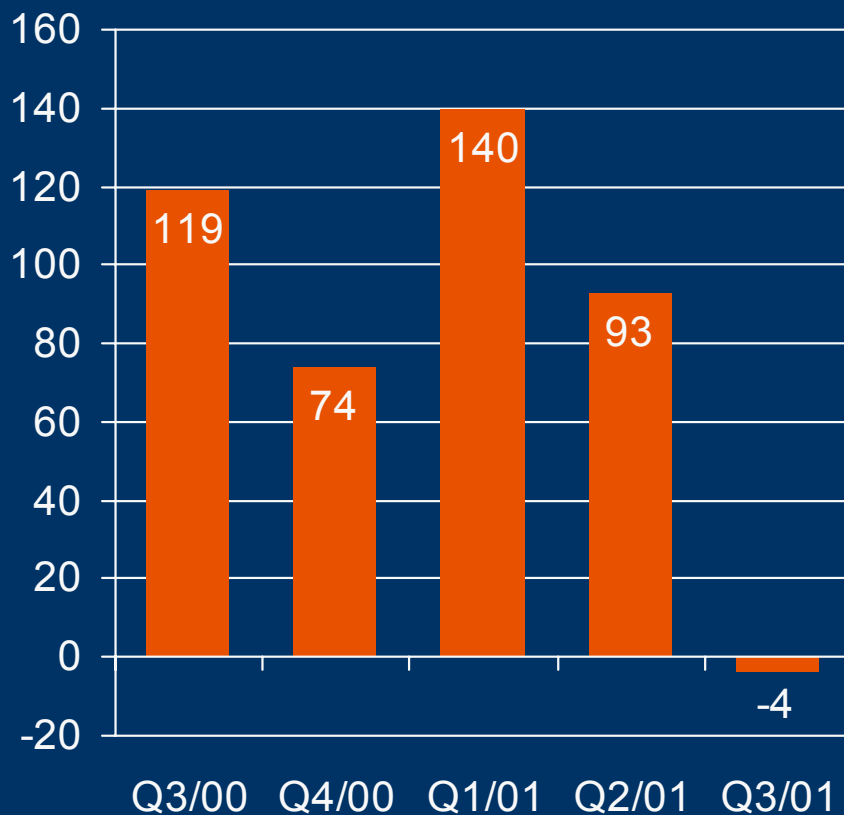
# Corporate and Institutional Banking (CIB)





# CIB operating profit

EURm



- Stable overall income and cost development
- Custody income affected by weak equity markets
- Increase in loan loss provisions
- EUR 75m of general provision

## CIB operating profit by main area Q3

EURm	CIB	Corporate Division	Shipping & Offshore	Inter-national	Other	Markets
Profit before loan losses	148	80	37	22	9	62
Loan losses	-164	-33	-9	-6	-116	-
Country risk	11	-	-	10	1	-
Equity method	1	-	-	-	1	-
Operating profit	-4	47	28	26	-105	62
<i>C/I ratio %</i>	<i>46</i>					

## CIB operating profit by main area

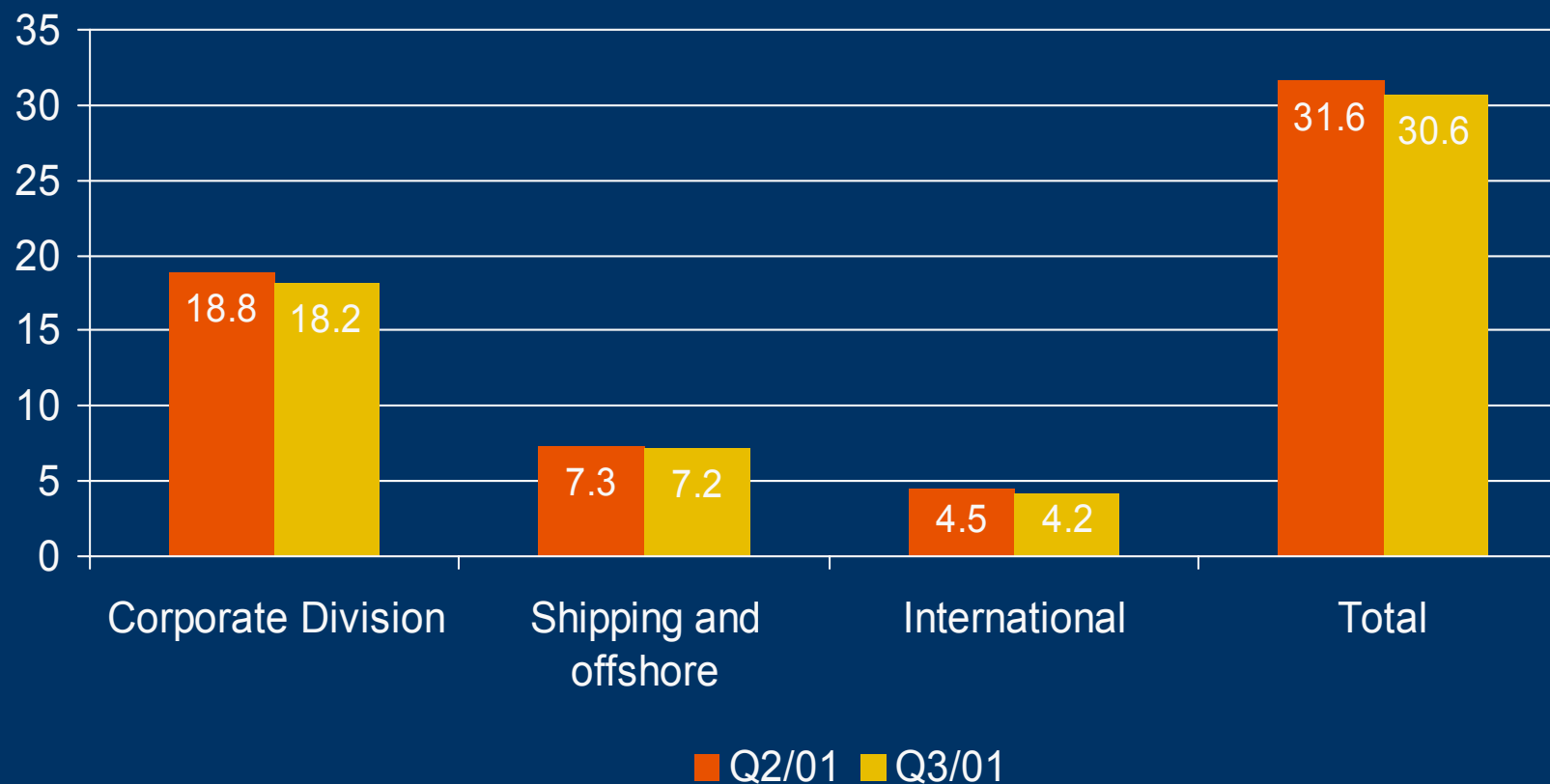
EURm	CIB		Corporate Division		Shipping & Offshore		Inter-national		Other		Markets	
	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q2
Total income	273	275	139	146	44	47	43	52	47	30	110	96
Total expenses	-125	-126	-59	-55	-7	-7	-21	-22	-38	-42	-48	-47
Profit bef. loan loss	148	149	80	91	37	40	22	30	9	-12	62	49
Loan losses	-164	-50	-33	-2	-9	-12	-6	-11	-116	-25	-	-
Country risk	11	-10	-	-	-	-	10	-10	1	-	-	-
Equity method	1	4	-	-	-	-	-	4	1	-	-	-
Operating profit	-4	93	47	89	28	28	26	13	-105	-37	62	49
<i>C/I ratio %</i>	46	46										

## ClB net loan losses

EURm	Q3/01	Q2/01	Q1/01
Corporate division	33	2	-8
Shipping division	9	12	-16
International division	6	11	0
Aquisition finance	41	25	48
Total	89	50	24
General provision	75	0	0
Country risk	-11	10	6
Total	153	60	30

# CIB lending volume

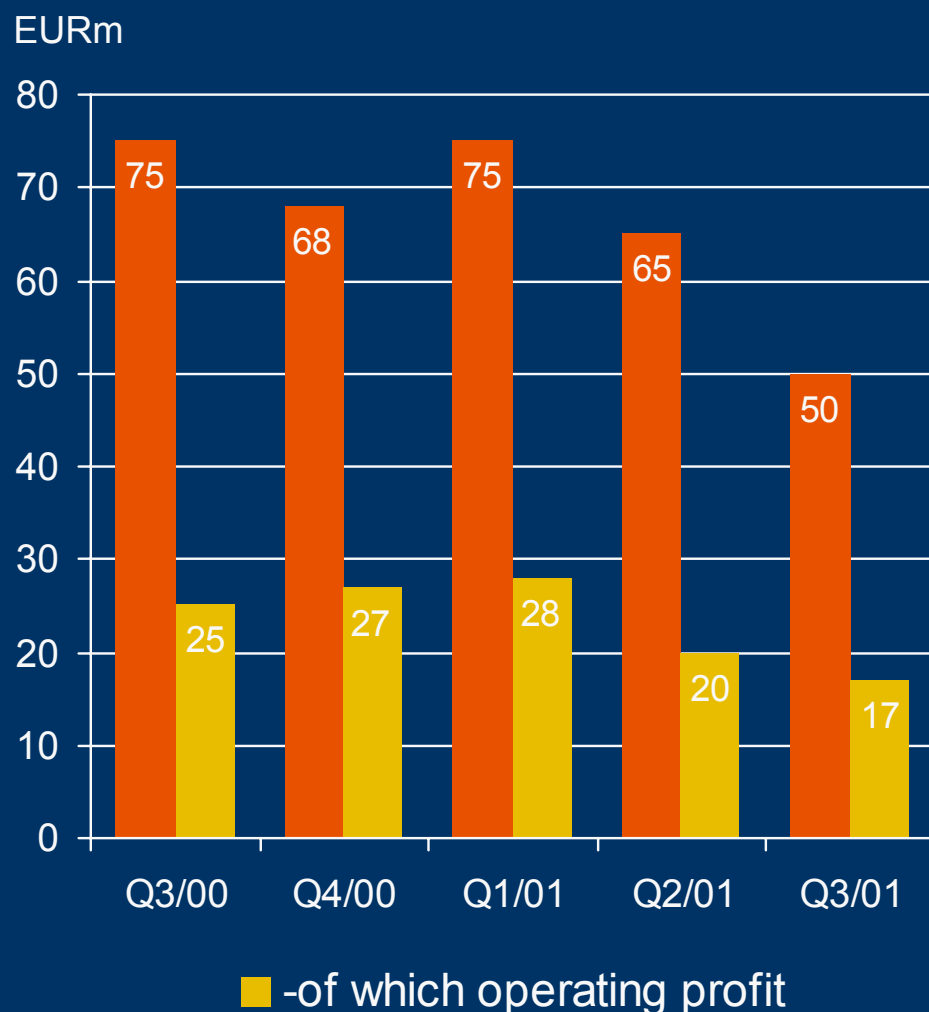
EURbn. End of period



# Asset Management

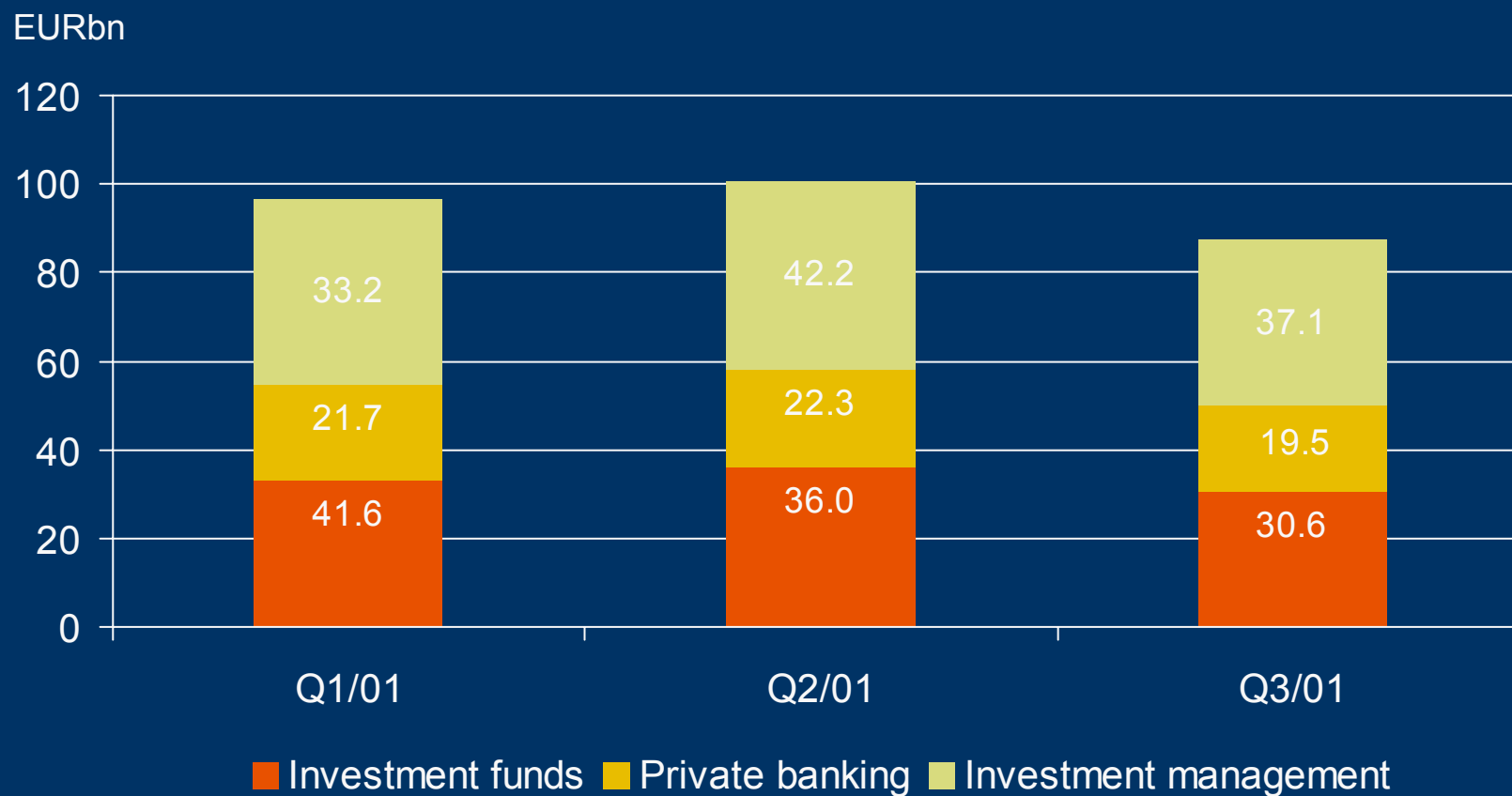


# Asset Management, product result



- 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

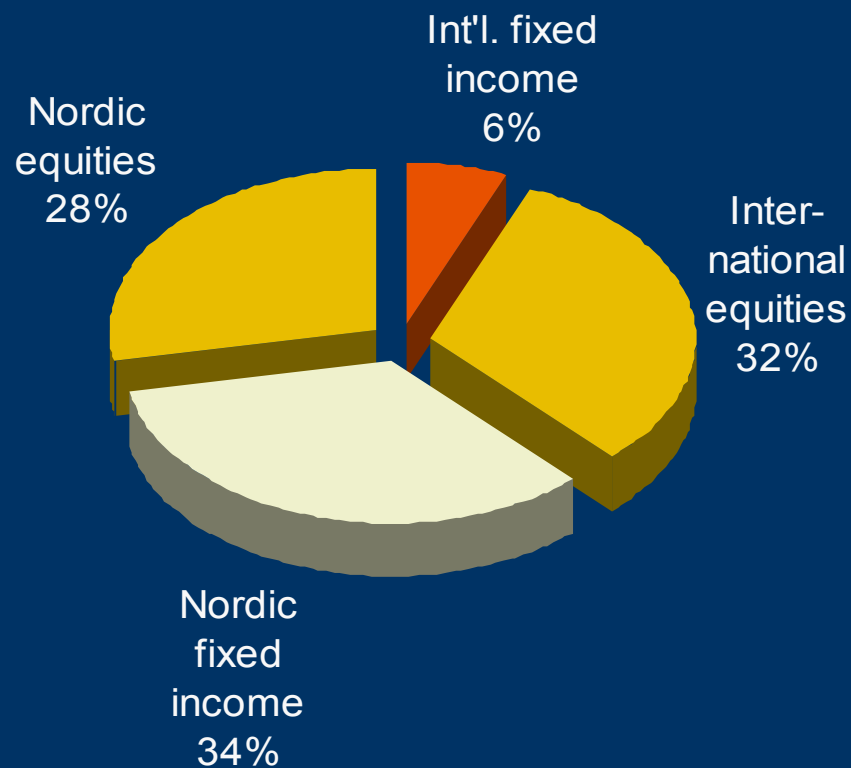
# Assets under management, volumes



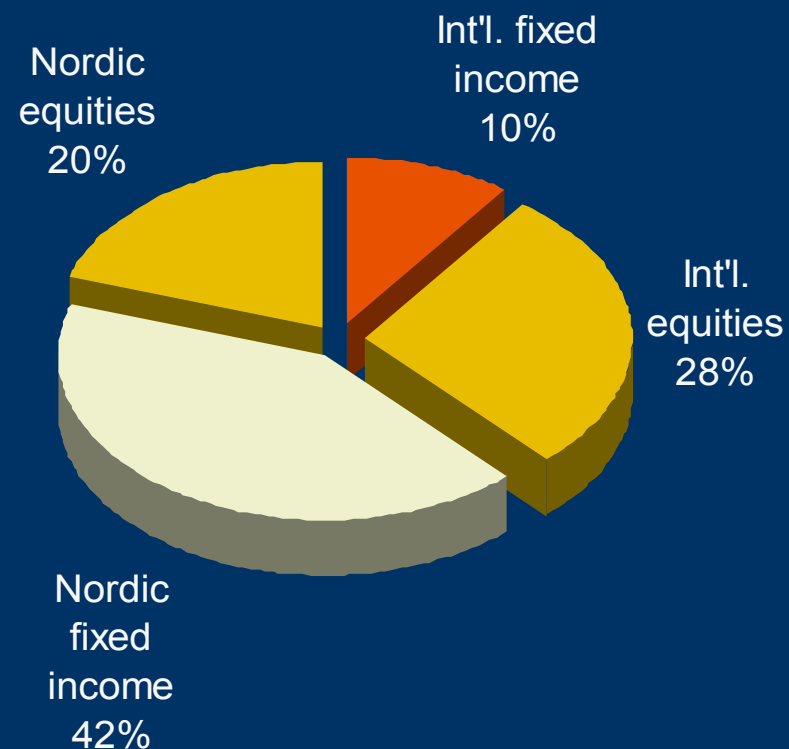


# Asset structure – Investment Management\*

Dec 2000  
EUR 75bn



Sep 2001  
EUR 66bn

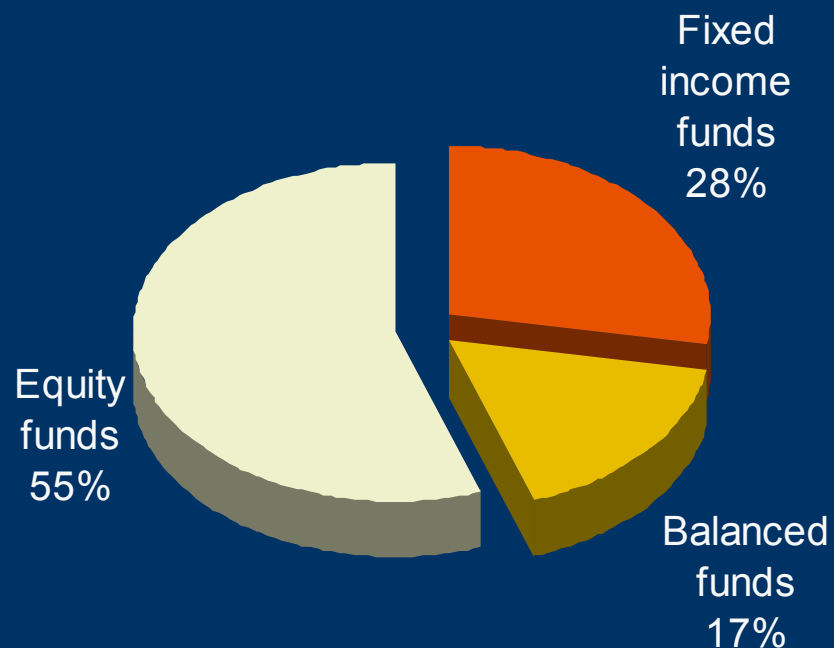


\*Gross figures

## Asset structure – Investment Funds

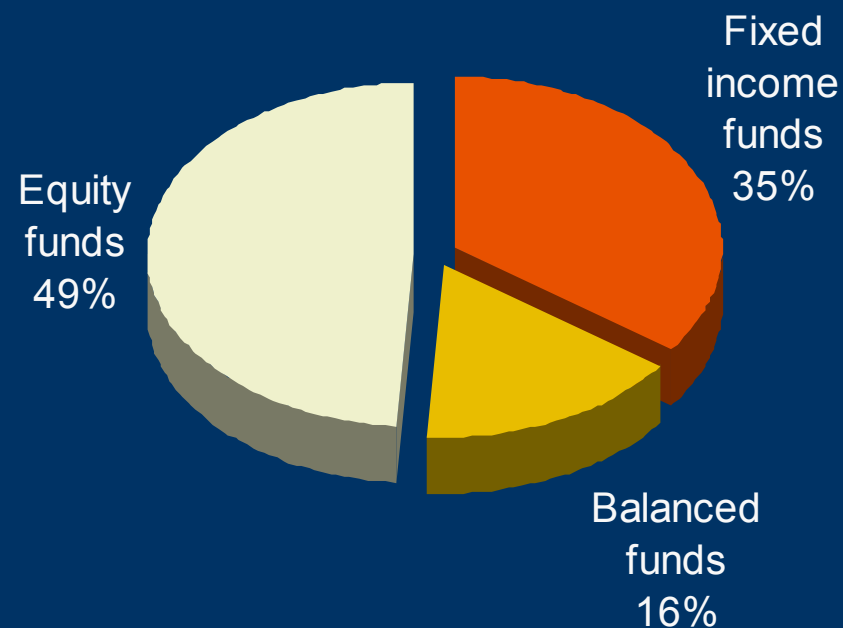
June 2001

EUR 36.0 bn



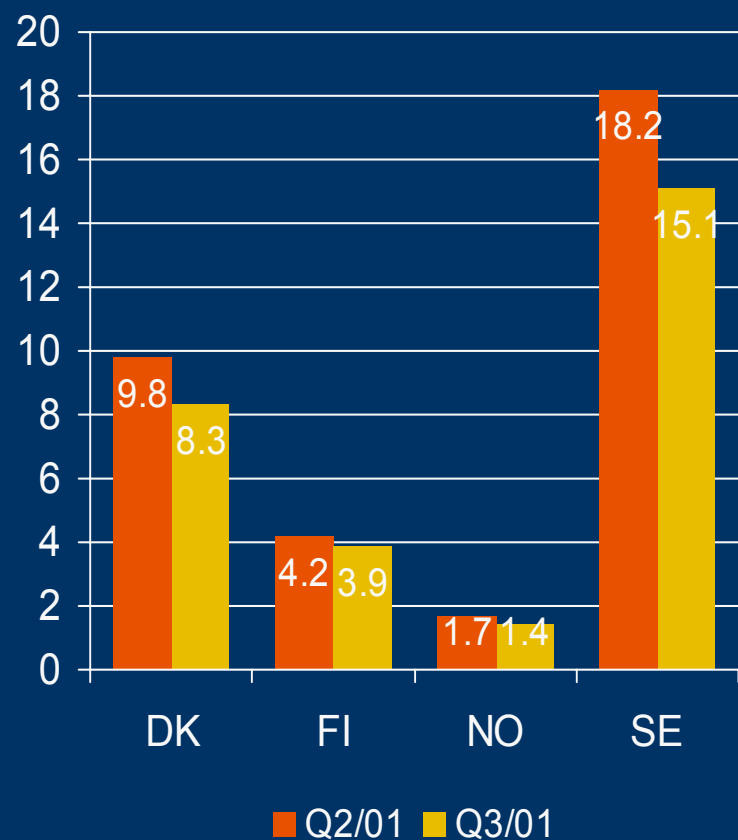
Sep 2001

EUR 30.6 bn

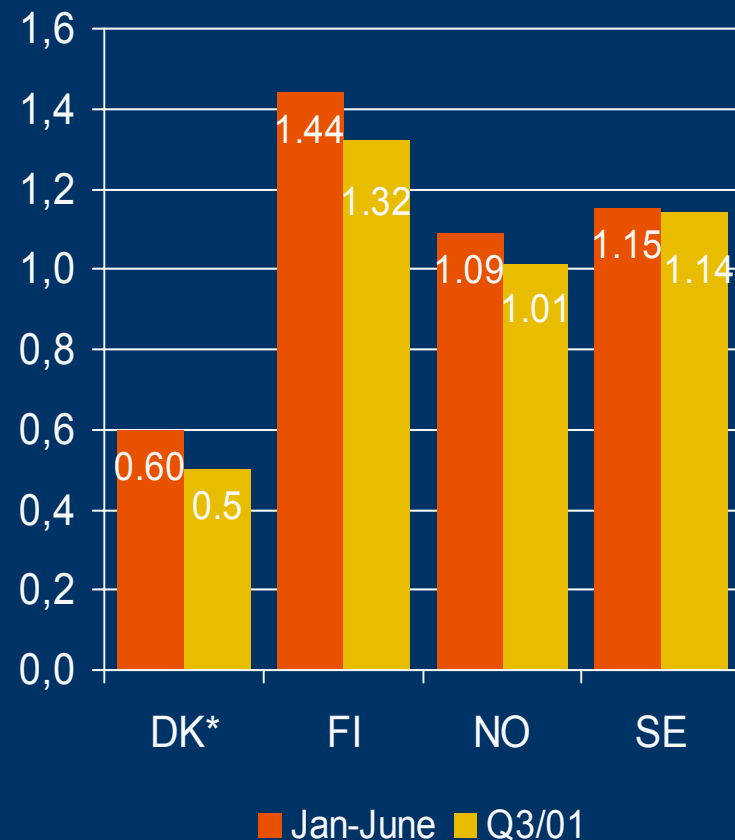


# Investment Funds volumes and margins

Volumes, End of period, EURbn



Margins %



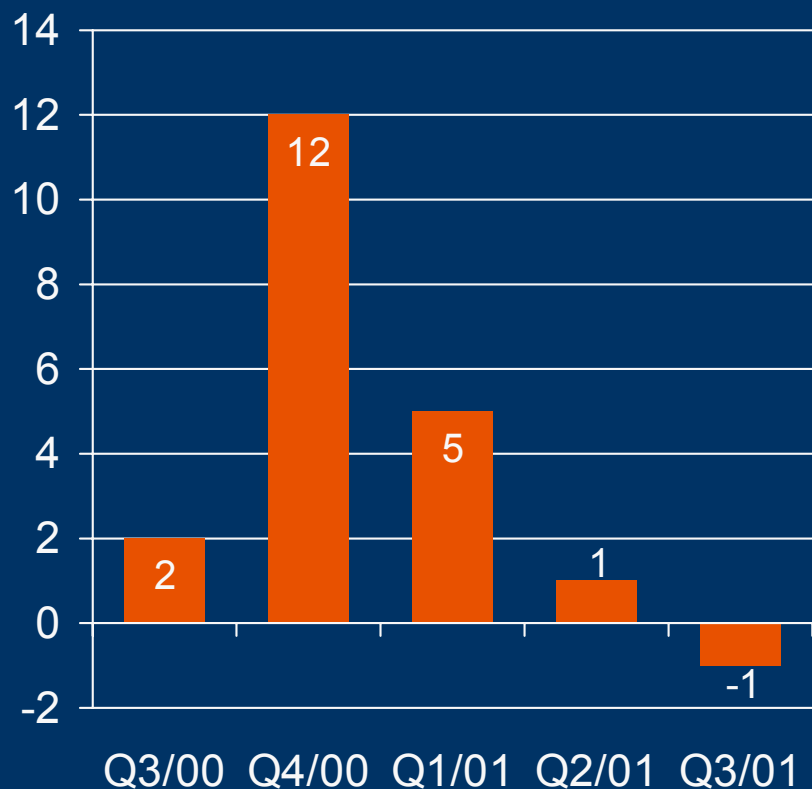
\* Net margin

# Investment Banking



# Investment Banking operating profit

EURm



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

# Investment Banking

EURm	Q3/01	Q2/01
Equities	17	20
Corporate Finance	10	22
Total revenues	27	42
Total expenses	-28	-41
Operating profit	-1	1

# Equity market development

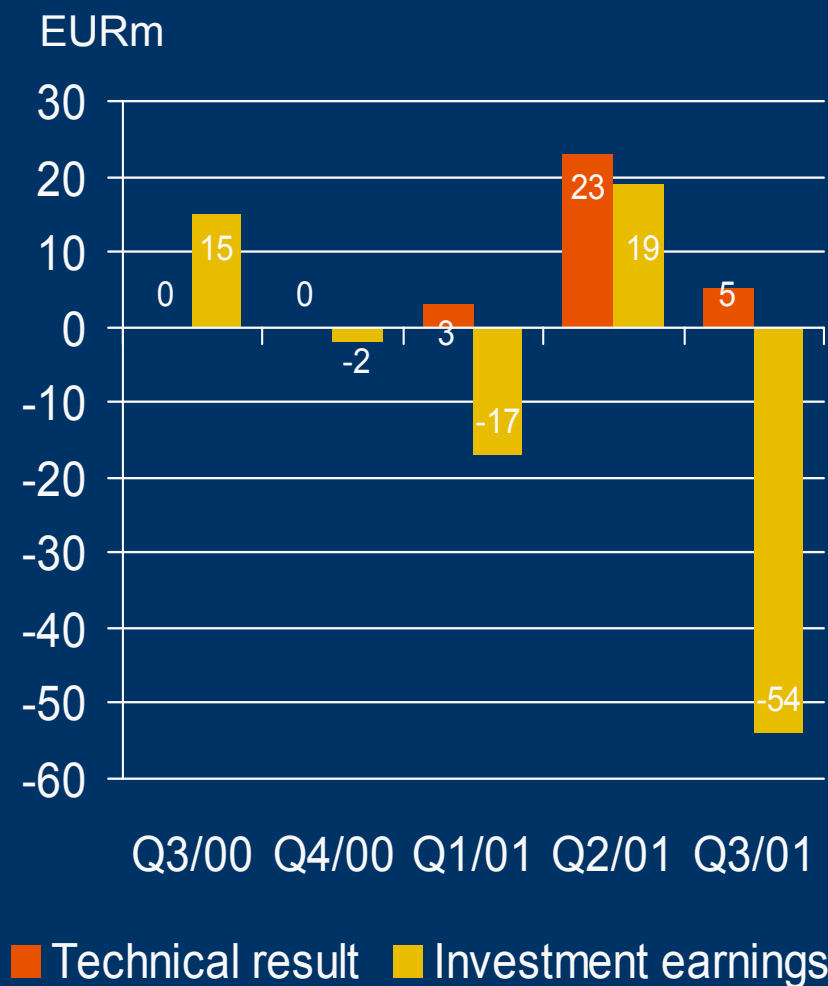
	Market volume		Market index
	Q3	Change	Q3
	2001	Q3 vs Q2	2001
	EURbn	%	%
Denmark	13	-43	-19
Finland	39	-23	-27
Norway	13	-33	-24
Sweden	88	-24	-20

# Life Insurance and Pensions





# Life Insurance and Pensions, product result



- Lower premiums in the third quarter primarily due to the portfolio acquisition in second quarter
- Negative investment earnings due to fall in equity prices

# Life Insurance

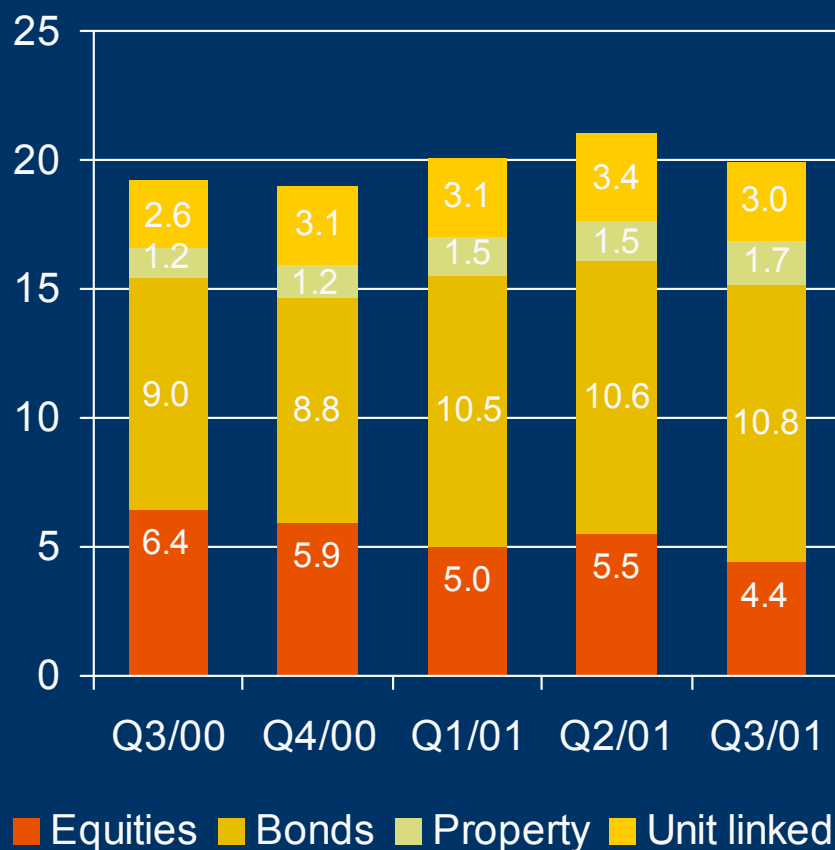
EURm	2001 Q3	Q2	Q1	2000 Q4	Q3
- Premiums written, net	458	746	684	710	584
- Technical result	5	23	3	0	0
- Investment earnings	-54	19	-17	-2	15
- Product result	-49	42	-14	-2	15

## Life insurance and Pensions Q3

EURm	Denmark	Finland	Norway	Sweden	Other	Total
Premiums written net	160	165	69	59	5	458
<i>Of which</i>						
<i>traditional life insurance</i>	145	135	49	30	0	359
<i>unit link</i>	15	30	20	29	5	99
Investment return	-355	-96	-70	-320	-7	-847
Benefits	213	-66	11	266	4	428
Expenses	-13	-4	-10	-4	-3	-34
Technical result	6	0	-1	2	-2	5
Investment earnings	-25	-27	-3	0	1	-54
Product result	-19	-26	-4	2	-1	-49

# Life and Pensions - investments

EURbn. End of period



- Equities

- Predominantly listed equities
- 50/50 Nordic/international

- Bonds

- $\frac{3}{4}$  Nordic issuers
- Primarily govnm't & mortgage inst.

- Total portfolio

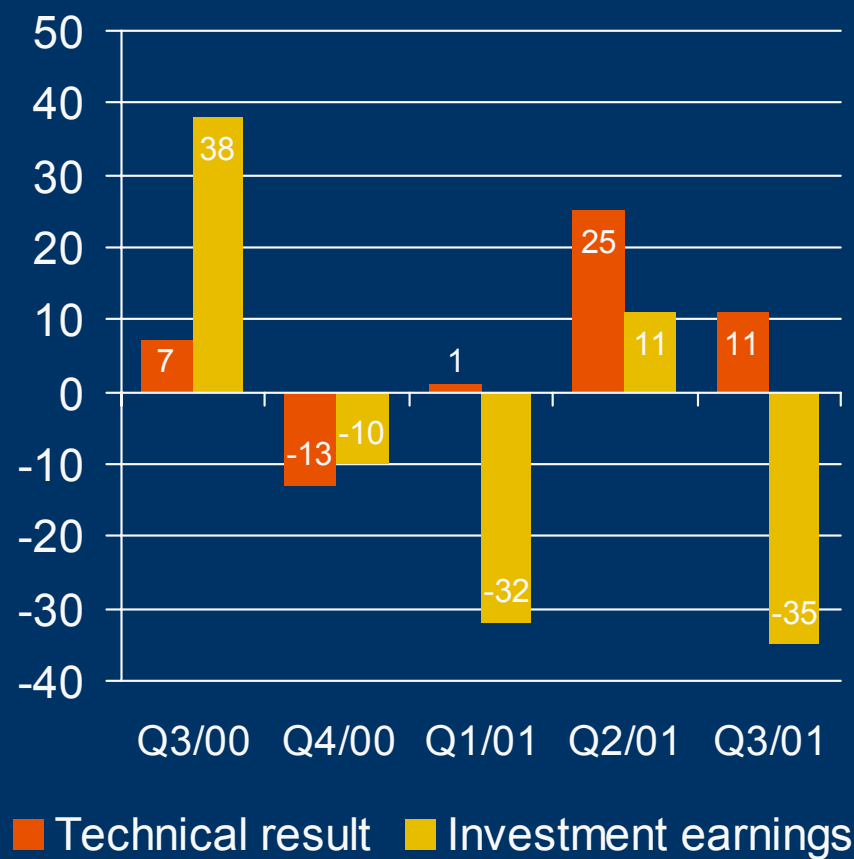
- Some bias to Danish securities

# General Insurance



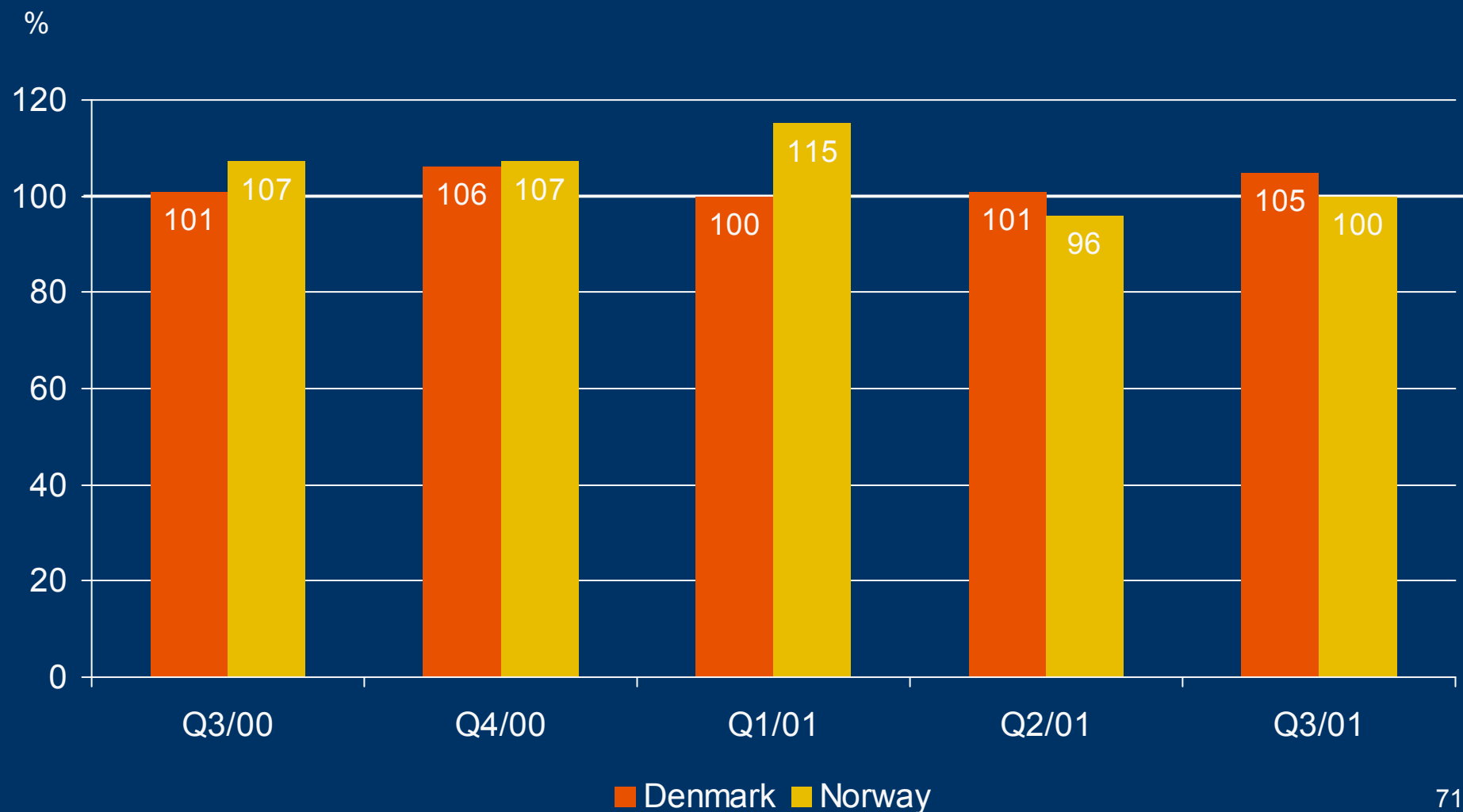
# General Insurance, operating profit

EURm



- Increased premiums
- Reduced expense ratio
- Higher claims
- Negative investment earnings due to fall in equity prices

## Combined ratio by main market



# General insurance

EURm	Q3/01	Q2/01	Q1/01
Premiums gross	470	453	428
Premiums net	379	375	358
Technical interest	27	31	27
Claims	-302	-285	-287
Expenses	-93	-96	-97
Technical result	11	25	1
Investment earnings	-35	11	-32
Operating profit	-24	36	-31

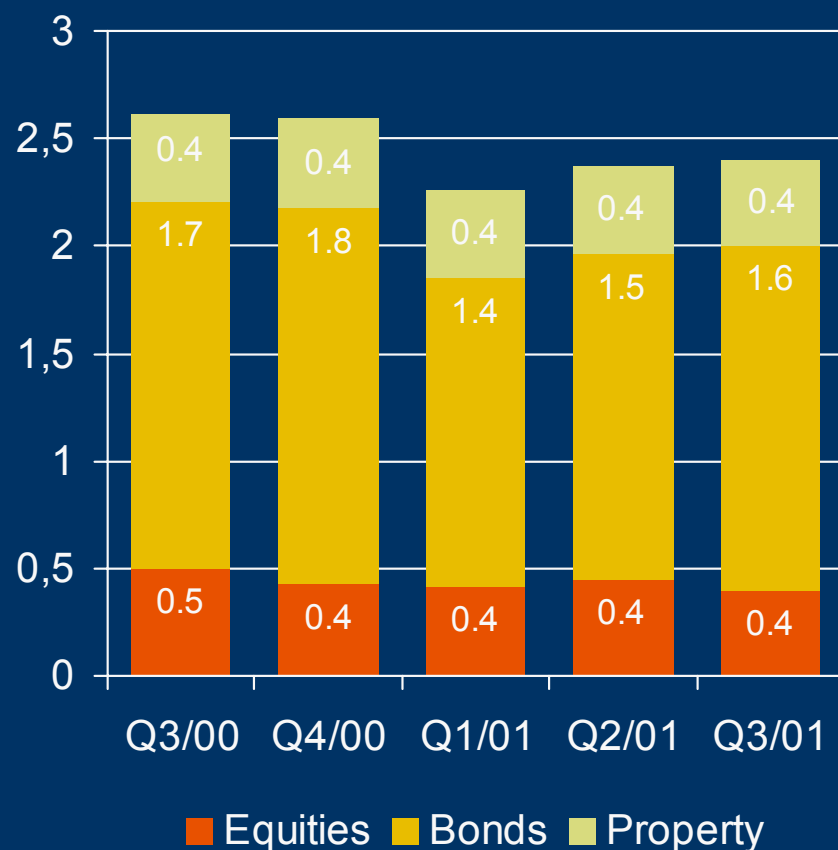


## General Insurance Q3

EURm	Denmark	Norway	TBi	Poland	Other	Total
Premiums gross	220	176	56	17	-	470
Premiums, net	198	133	37	11	-	379
Technical interest	11	14	3	0	-	27
Claims	-158	-106	-31	-7	-	-302
Expenses	-47	-27	-13	-4	-2	-93
Technical result	4	13	-4	0	-2	11
Investment earnings	-16	-16	3	-2	-4	-35
Operating profit	-12	-3	-1	-2	-6	-24

# General Insurance - investments

EURbn. End of period



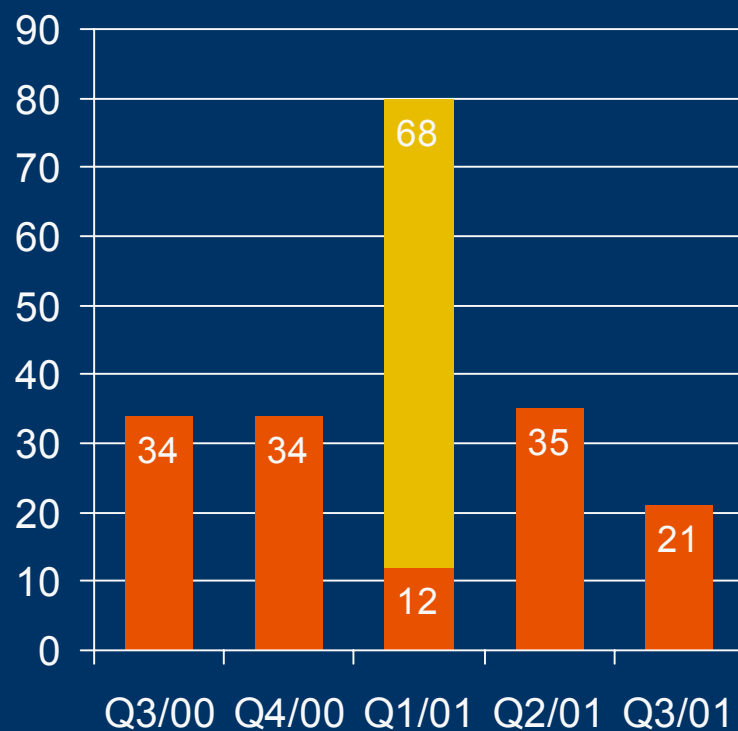
- Equities:
  - Predominantly listed equities
  - 50/50 Nordic/international
- Bonds
  - 2/3 Nordic issuers
  - Primarily govnm't & mortgage inst.
- Total portfolio
  - Some bias to Danish securities

# Treasury



# Treasury operating profit

EURm



■ Reclassification effect Q1/01

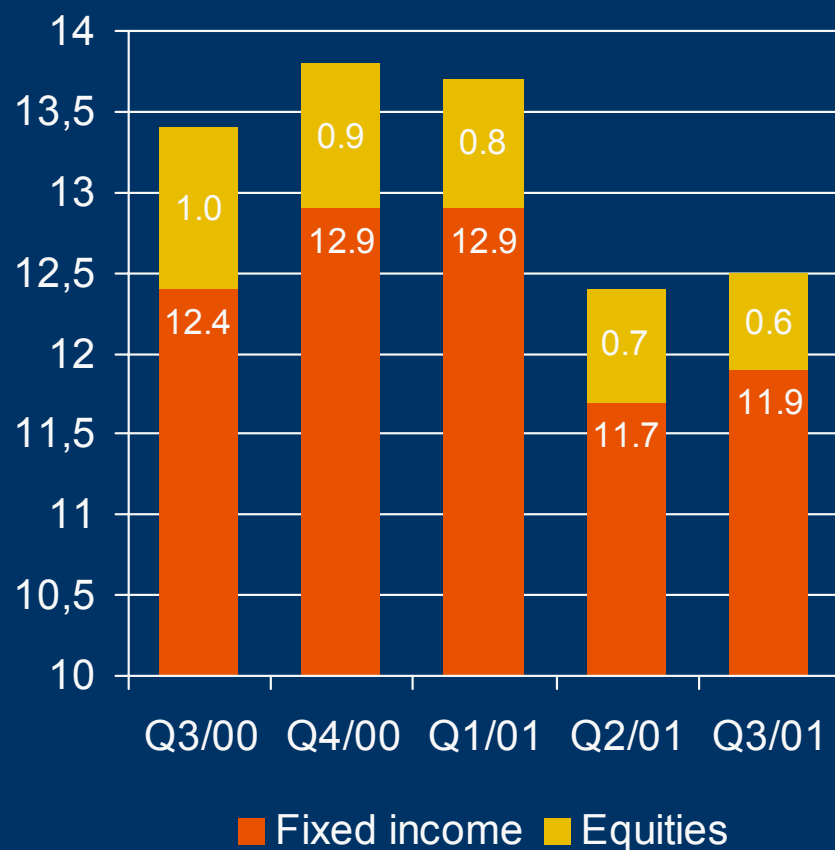
- Volatile financial markets
- Reduced equity risk exposure
- Negatively affected by weak equity markets
- Positively influenced by falling interest rates

# Operating profit by main area

	Total		Investment & Risk Trading				Internal Bank	
			Fixed income portfolios		Equity portfolios			
	Q3/01	Q2/01	Q3/01	Q2/01	Q3/01	Q2/01	Q3/01	Q2/01
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						

# Treasury investment portfolio

EURbn. End of period



- Equities

- Listed, unlisted & private equity funds

- Bonds

- $\frac{3}{4}$  Nordic issuers
- Primarily govnm't & mortgage inst.

# Balance Sheet



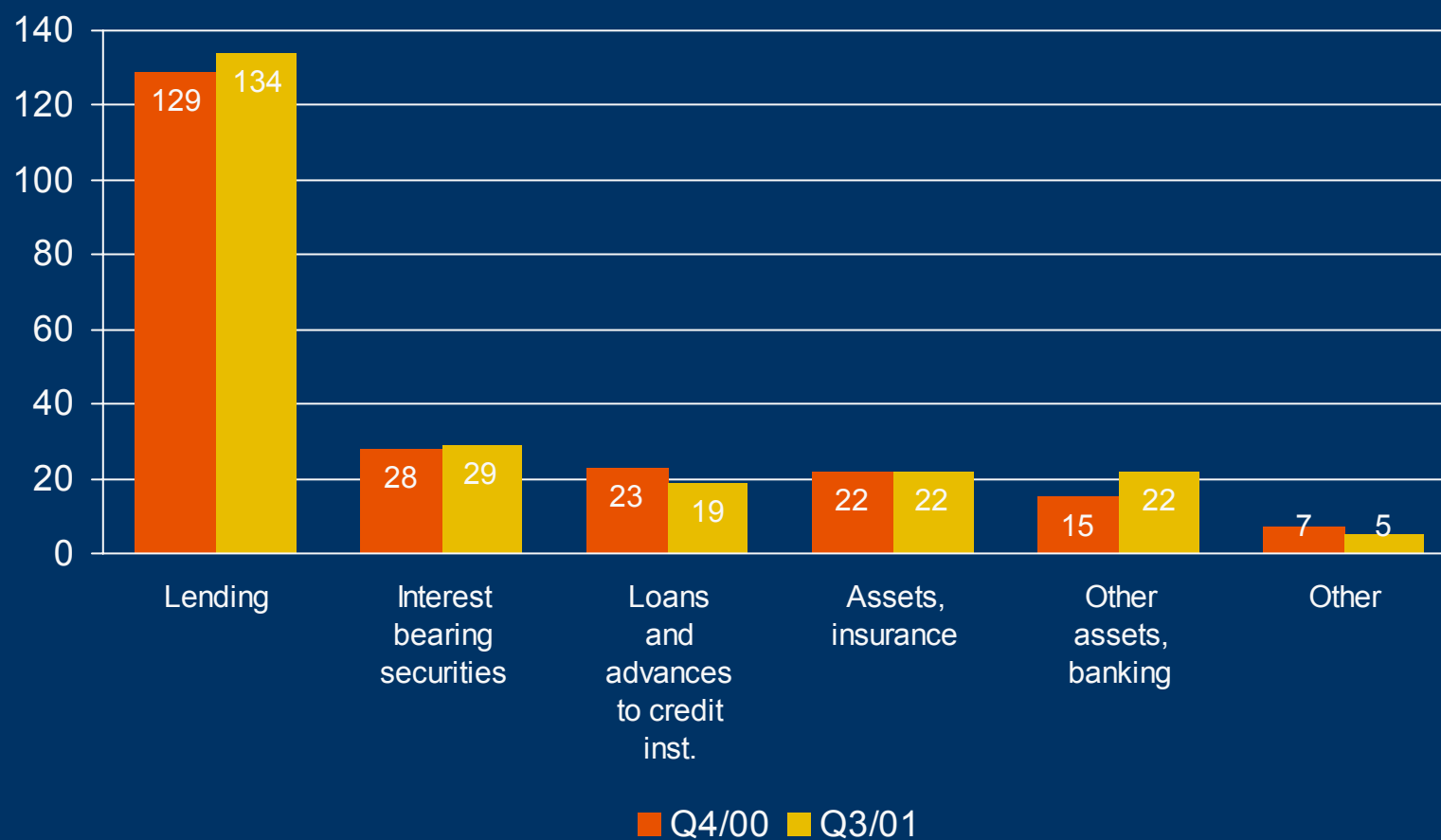
## Balance sheet - key items

EURbn, end of period	Sep 01	June 01	March 01
Lending	134	135	131
Deposits	81	81	77
Shareholders' equity	11	11	11
Total assets	231	233	233
Risk-weighted assets	134	135	136



# Balance sheet structure - assets

EURbn End of period



# Real estate holdings

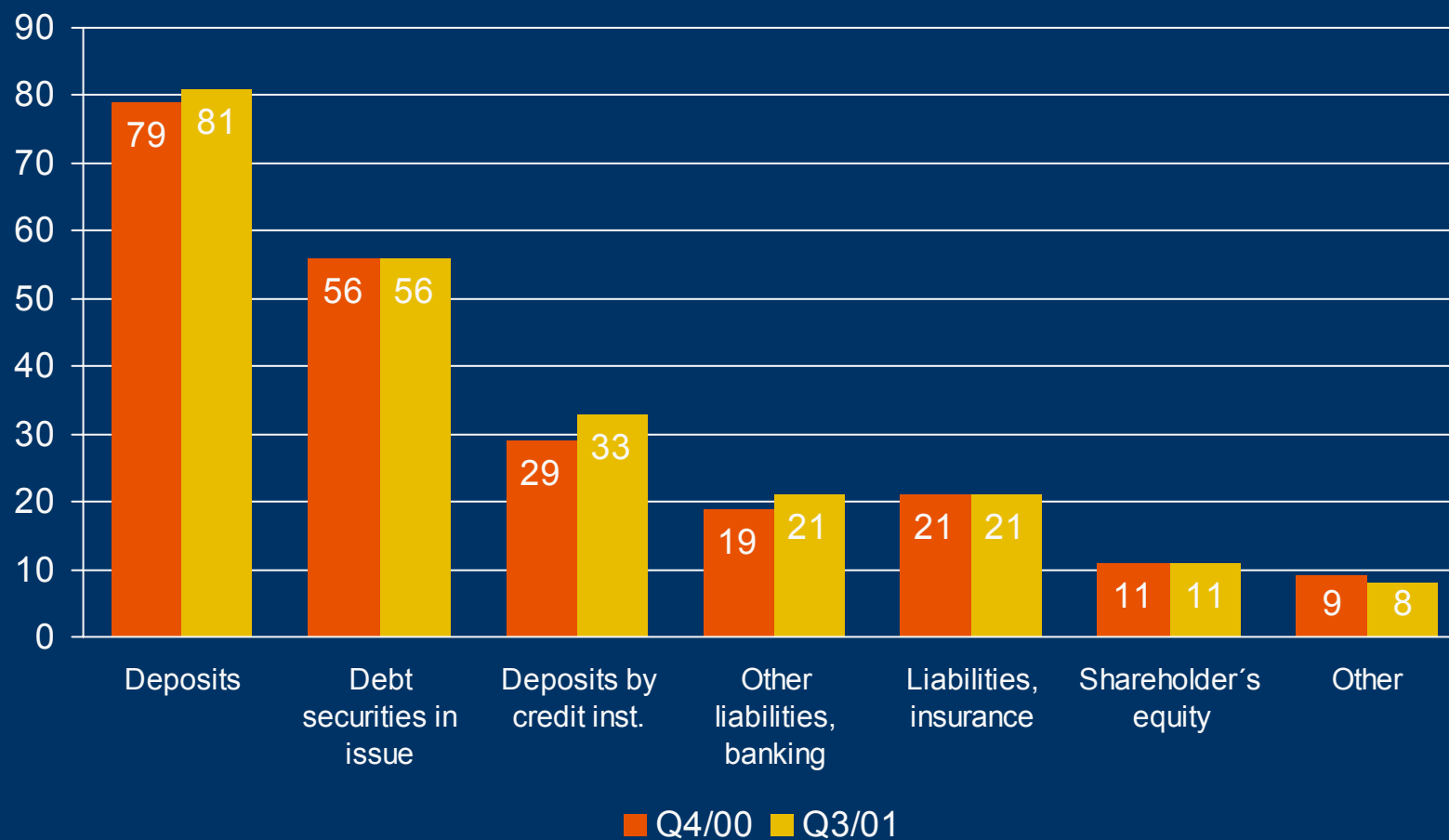
End of period

Book value, EURbn	Q3/01	Q2/01	Q1/01
Owner occupied properties*	1.4	1.4	1.4
Shares in real estate holding companies	0.3	0.4	0.4
Other property investments	0.4	0.5	0.5
Investments of the insurance companies	1.9	1.8	1.8
Total	4.1	4.1	4.1

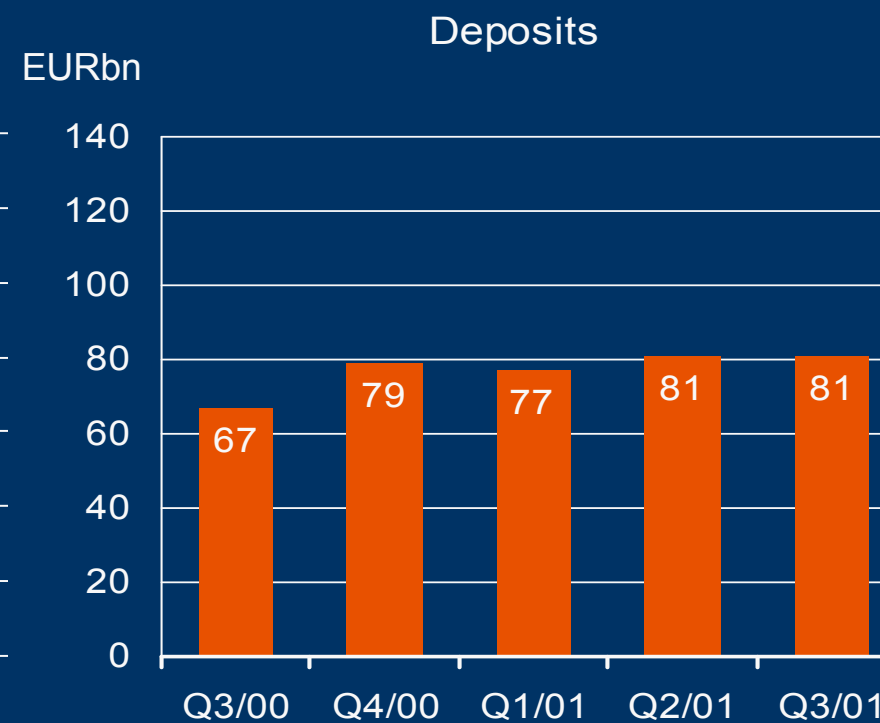
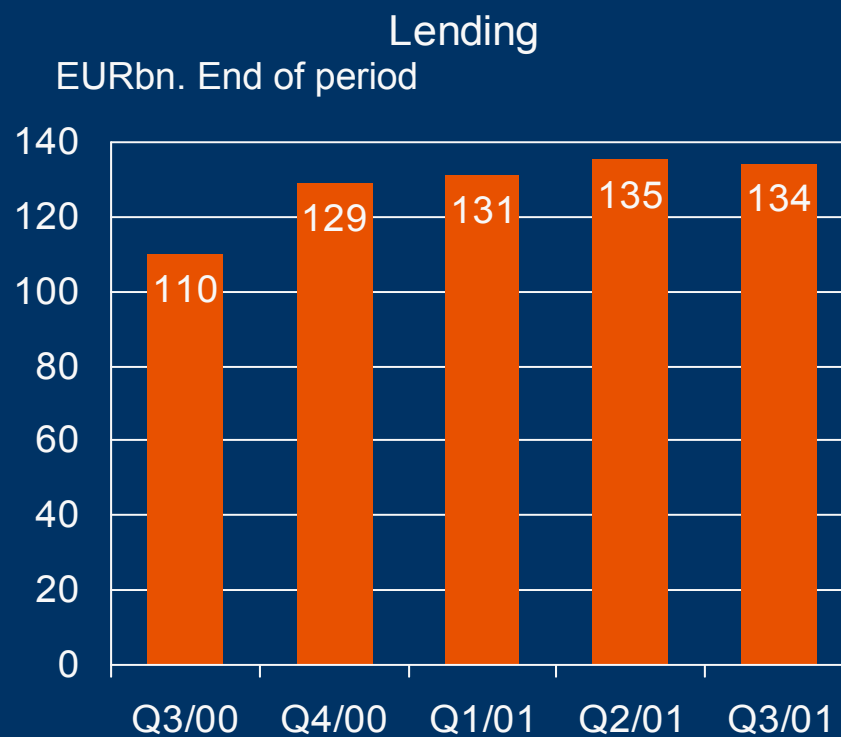
\*30.09.01: Finnish companies 0.45, CBK 0.17, Vesta 0.03, Unibank & Tryg-Baltica 0.45, Norbanken 0.31

# Balance sheet structure – liabilities and equity

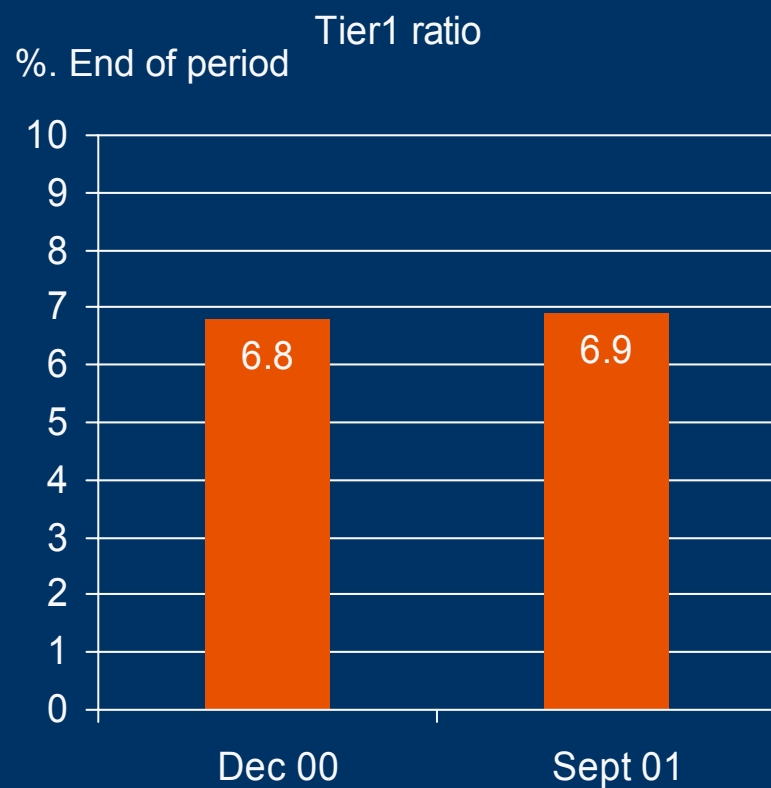
EURbn. End of period



# Lending and deposits



# Capital adequacy



# Capital base

EURm	End of Sep 01
Shareholder's equity	11,181
Calculated dividend (40% of net profit)	-352
Profit not included July–Sep	-165
Companies not included in the financial group	-23
<b>Shareholder's equity in the capital base</b>	<b>10,641</b>
Hybrid capital	755
Minority interests	29
Group goodwill	-2,090
Other deductions	-84
<b>TIER 1 CAPITAL</b>	<b>9,257</b>
<b>TIER 2 CAPITAL</b> (subordinated debt)	<b>4,780</b>
Deductions for investments in insurance companies	-1,468
Deductions for other investments	-169
<b>CAPITAL BASE</b>	<b>12,394</b>

# Asset quality

## Special feature presentation Q3/01



# Macroeconomic forecast – evolution of GDP growth outlook

	2001			2002		
Forecast made in:	05/01	08/01	09/01	05/01	08/01	09/01
USA	1.7	1.7	1.3	3.0	2.7	2.0
Euro area	2.5	1.8	1.6	2.9	2.4	2.1
Denmark	1.3	1.1	1.0	2.0	2.1	1.8
Finland	3.4	1.3	0.5	4.0	3.5	3.0
Norway	1.3	2.3	2.3	2.3	2.0	2.0
Sweden	2.3	1.5	1.2	3.2	2.5	2.0



# What is different

## Early 90's

- Large current account deficit
- Poor public sector finance
- Poor price competitiveness
- High unemployment
- Fragmented and weak financial sector
- Leveraged and fragmented industrial sector
- Vulnerable real estate market
- High currency exposure
- High interest rates

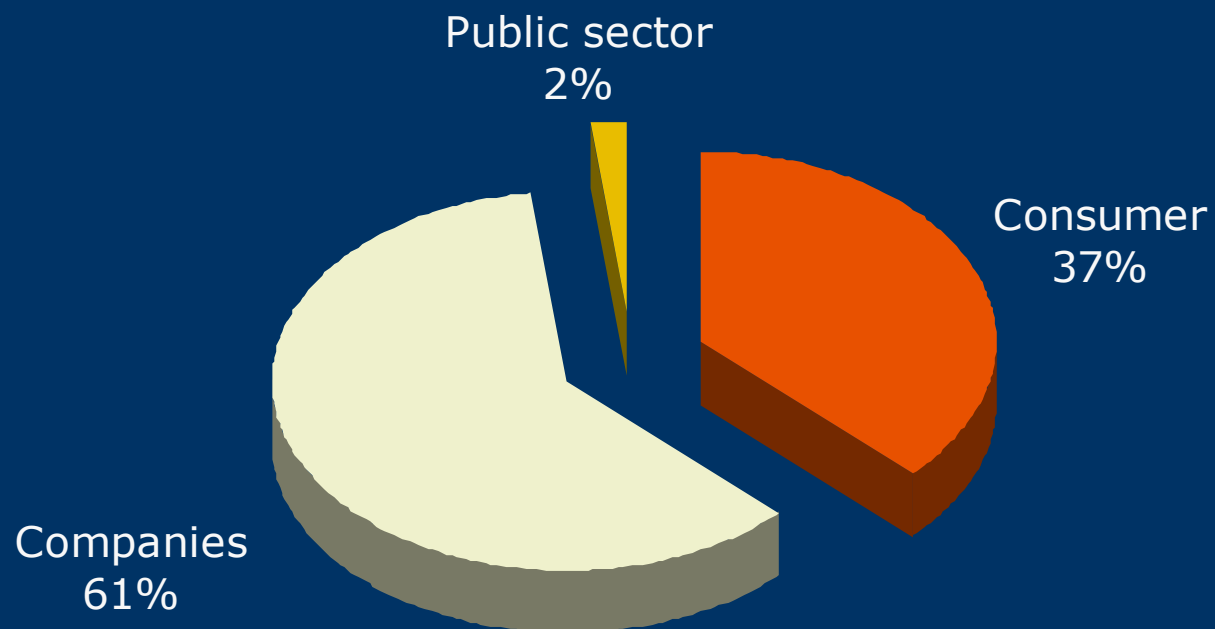
## Today

- Large surplus
- Solid public sector
- Good competitiveness
- Stable labour market
- Consolidated and strong financial sector
- Strong industrial sector
- Consolidated real estate sector
- Limited currency exposure
- Low interest rates

# Loan portfolio by customer group

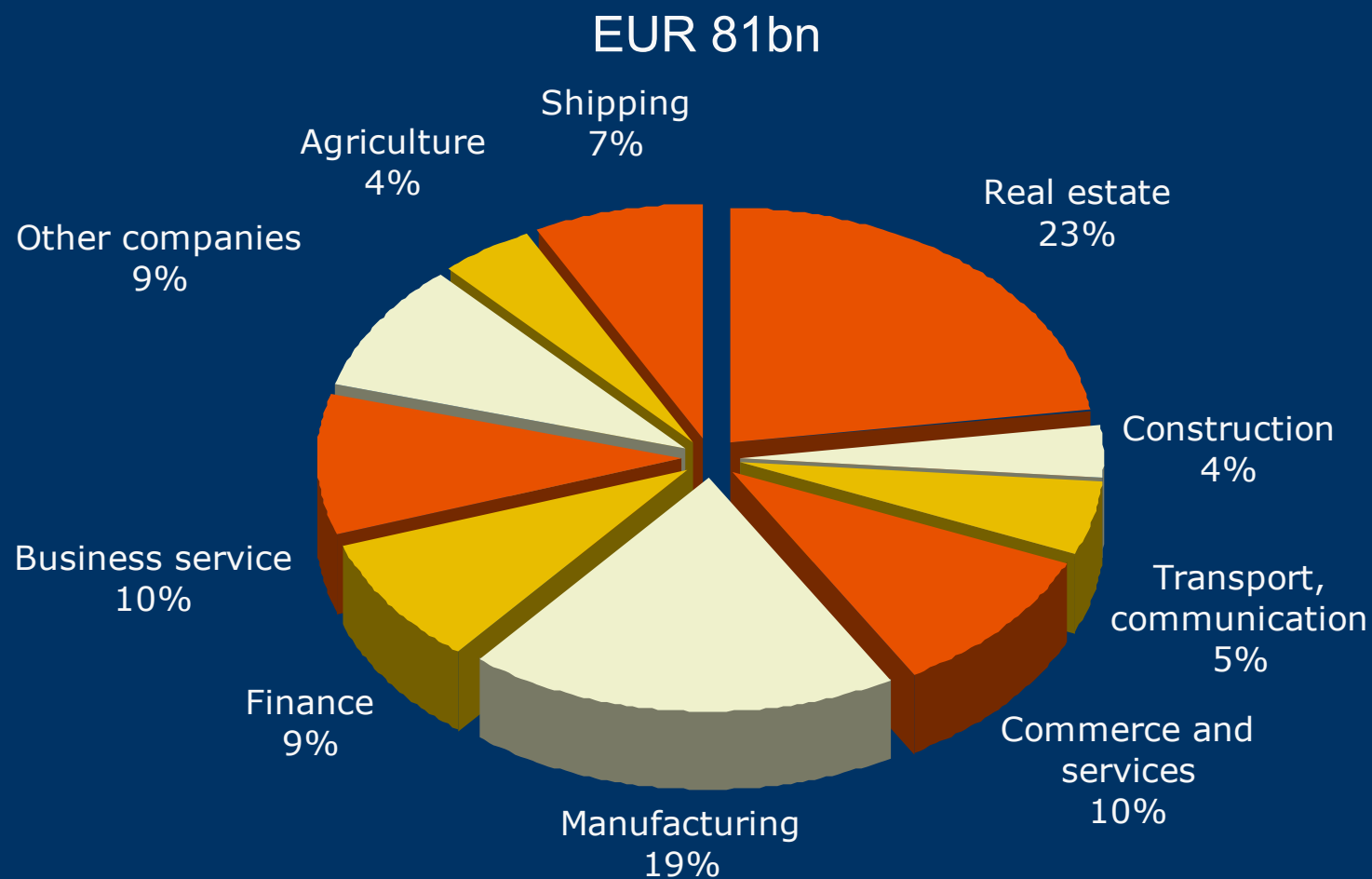
(End of September 01)

EUR 134 bn



# Lending to companies by industry

(End of September 01)



# Loan portfolio

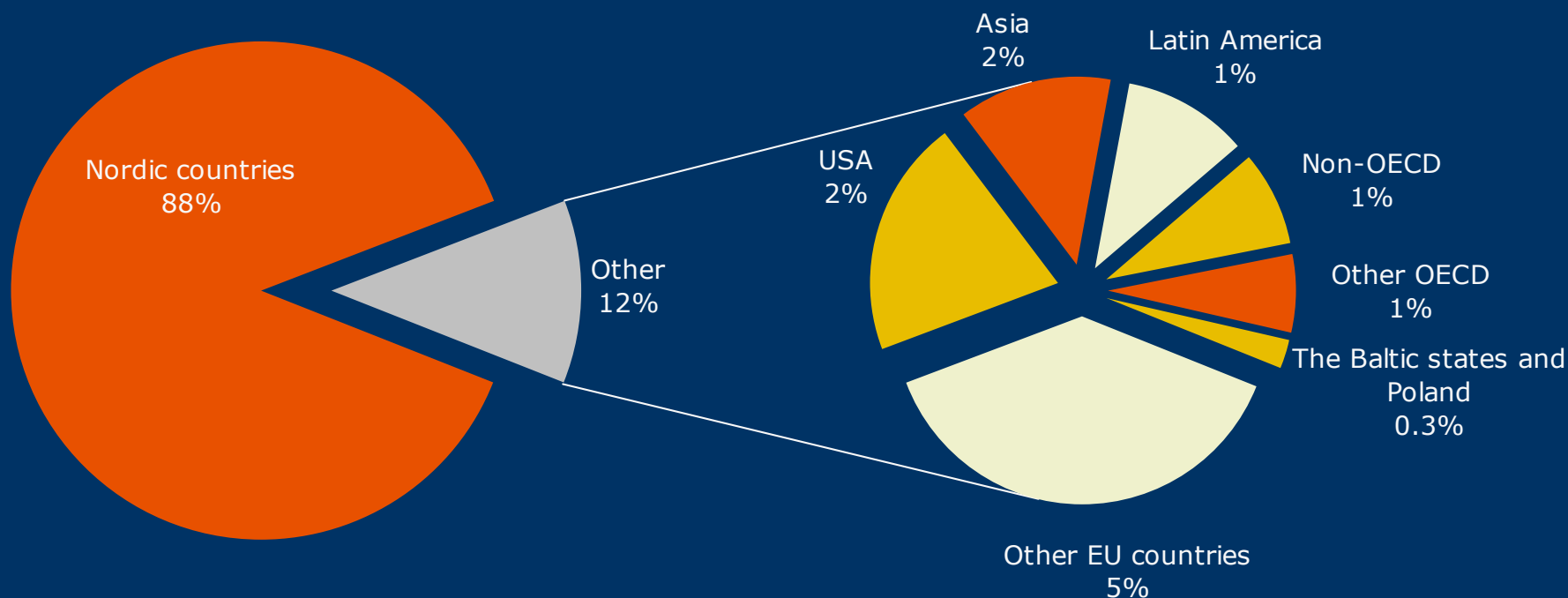
End of period

EUR bn	Q3/01	Q2/01	Q1/01	Q4/00	Chg YtD, %
Households	50	50	49	49	2
Real estate	19	19	19	19	0
Construction	3	3	3	3	0
Transport, communication	4	4	4	4	0
Commerce and services	8	9	9	8	0
Manufacturing	16	16	15	15	7
Finance	7	9	6	5	40
Business service	8	5	5	4	100
Other companies	9	10	10	12	-25
Agriculture	3	3	3	3	0
Shipping	6	7	8	7	-14
Total	134	135	131	129	4

# Lending by geographical area

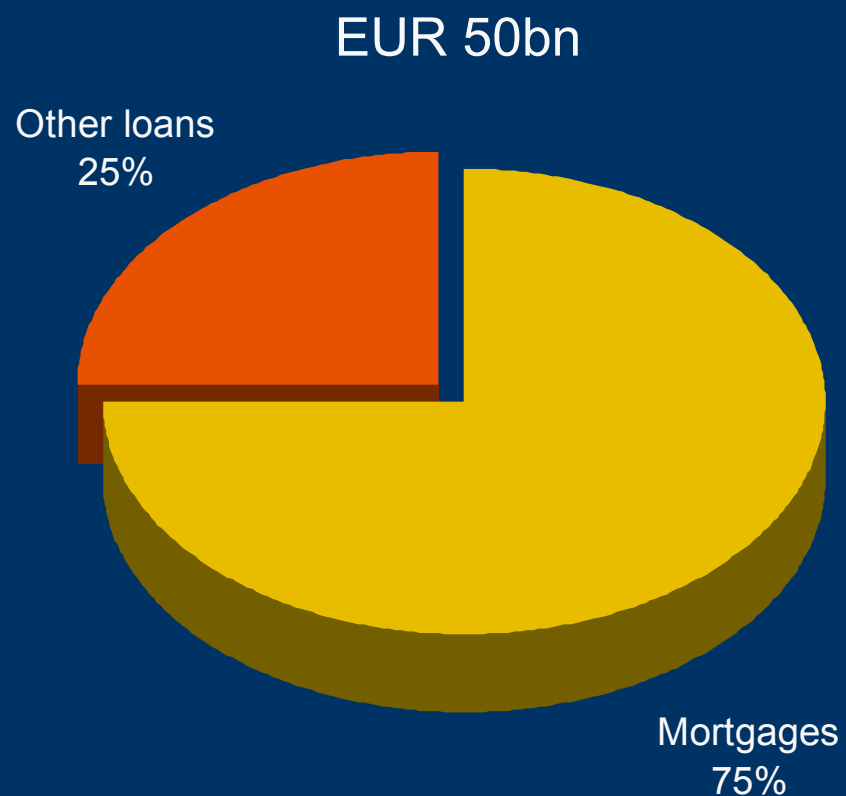
(End of September 01)

EUR 134bn



# Lending to households

(End of September 01)



Other loans comprise:

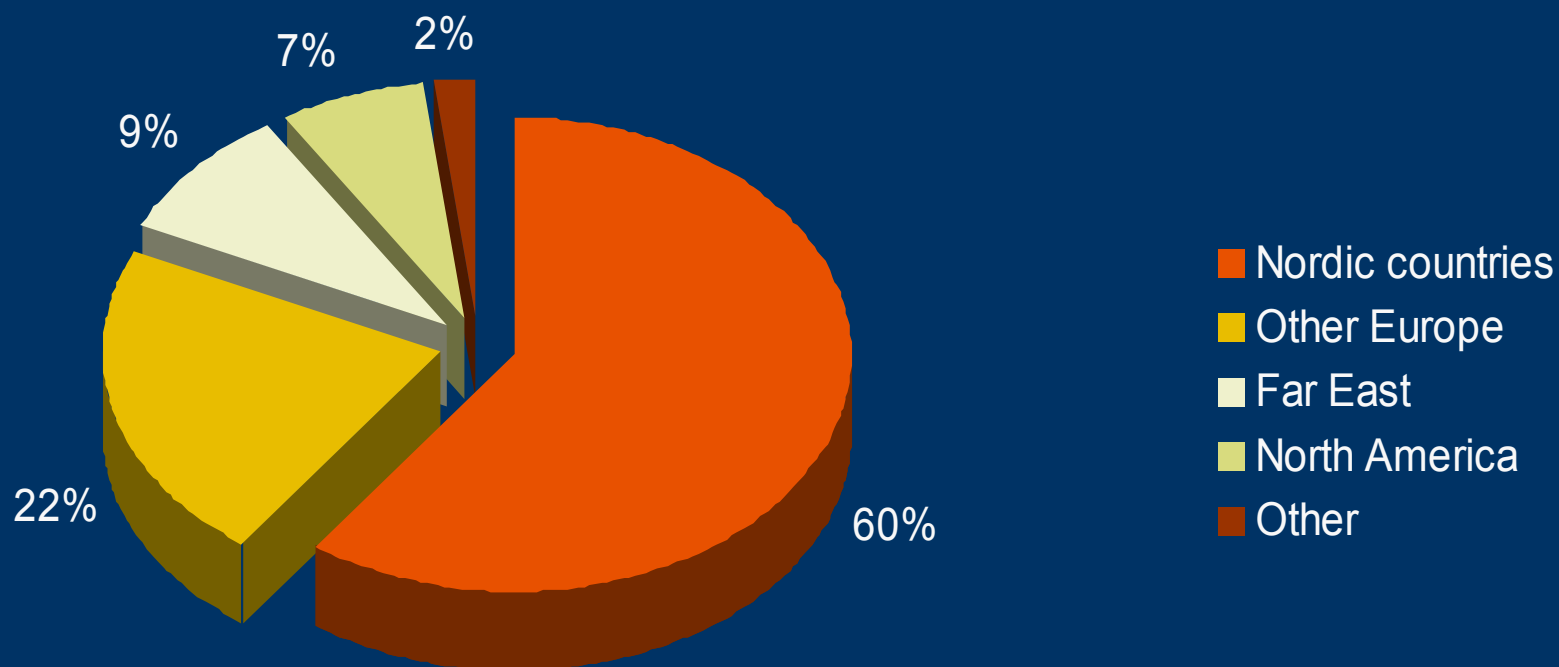
- Consumer credits
- Car financing
- Overdraft facilities
- Credit cards

# Nordea aircraft financing portfolio

Geographical distribution based on operator nationality

(End of September 01)

Total exposure approx EUR 900m



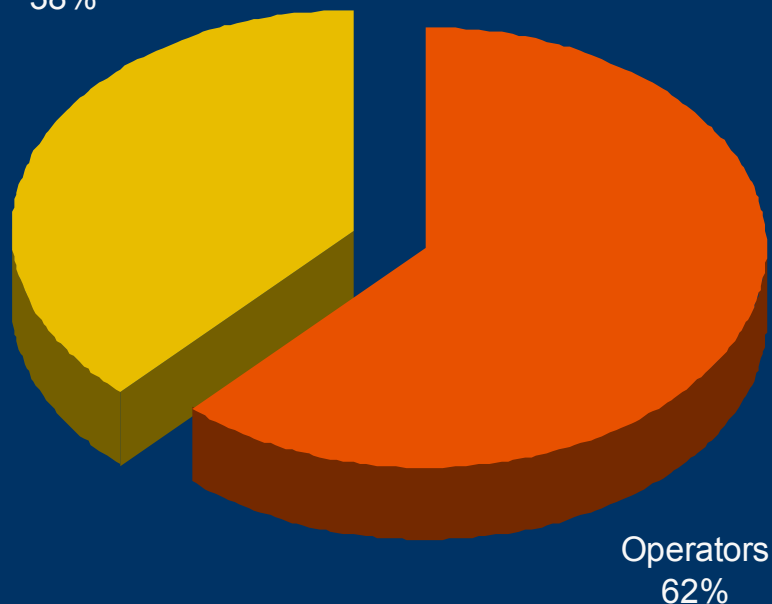
# Nordea telecom financing portfolio

Divided by operators and manufactures

(End of September 01)

Total exposure approx EUR 6.8 bn

Manu-  
facturers  
38%



- Exposure reduced by approx EUR 1bn in Q3/01
- Vast majority of exposure related to
  - major Nordic equipment manufacturers
  - major Nordic telecom operators

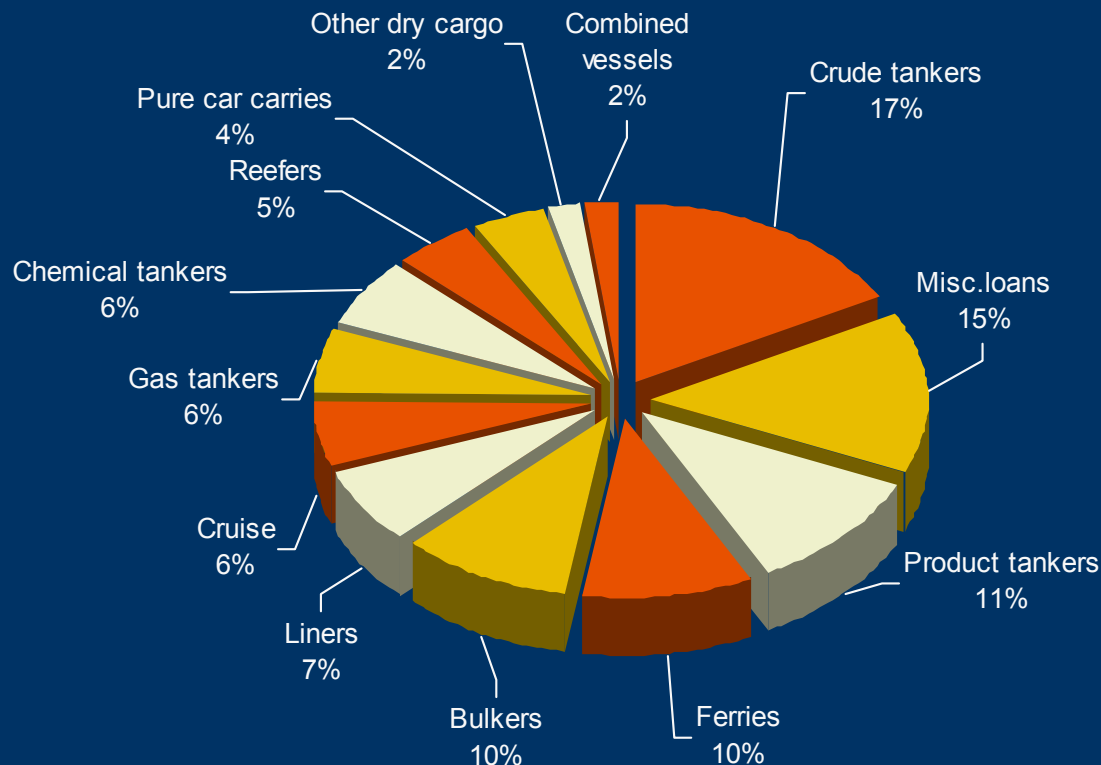


# Nordea shipping portfolio

## Distribution by type of vessel

(End of June 2001)

Total exposure approx EUR 5.7bn



- Well diversified portfolio by type of vessel
- Focus on large industrial players
- Exposure split approx 55% / 45% Nordic / Int'l.

# Provisioning policy

## Credit monitoring

- Customer rating of corporate clients
- Common risk classification system
- Quarterly review of loan portfolios
- Credit review including action plan for troubled credits

## Provisioning

- For loss classified commitments unsecured portion fully provided for
- For doubtful rated commitments provision to cover expected loss
- General provision to cover industry and special risk areas
- Country risk provision to cover transfer risk based on external rating
- Some discrepancies between countries, minimum Nordea level always provided for

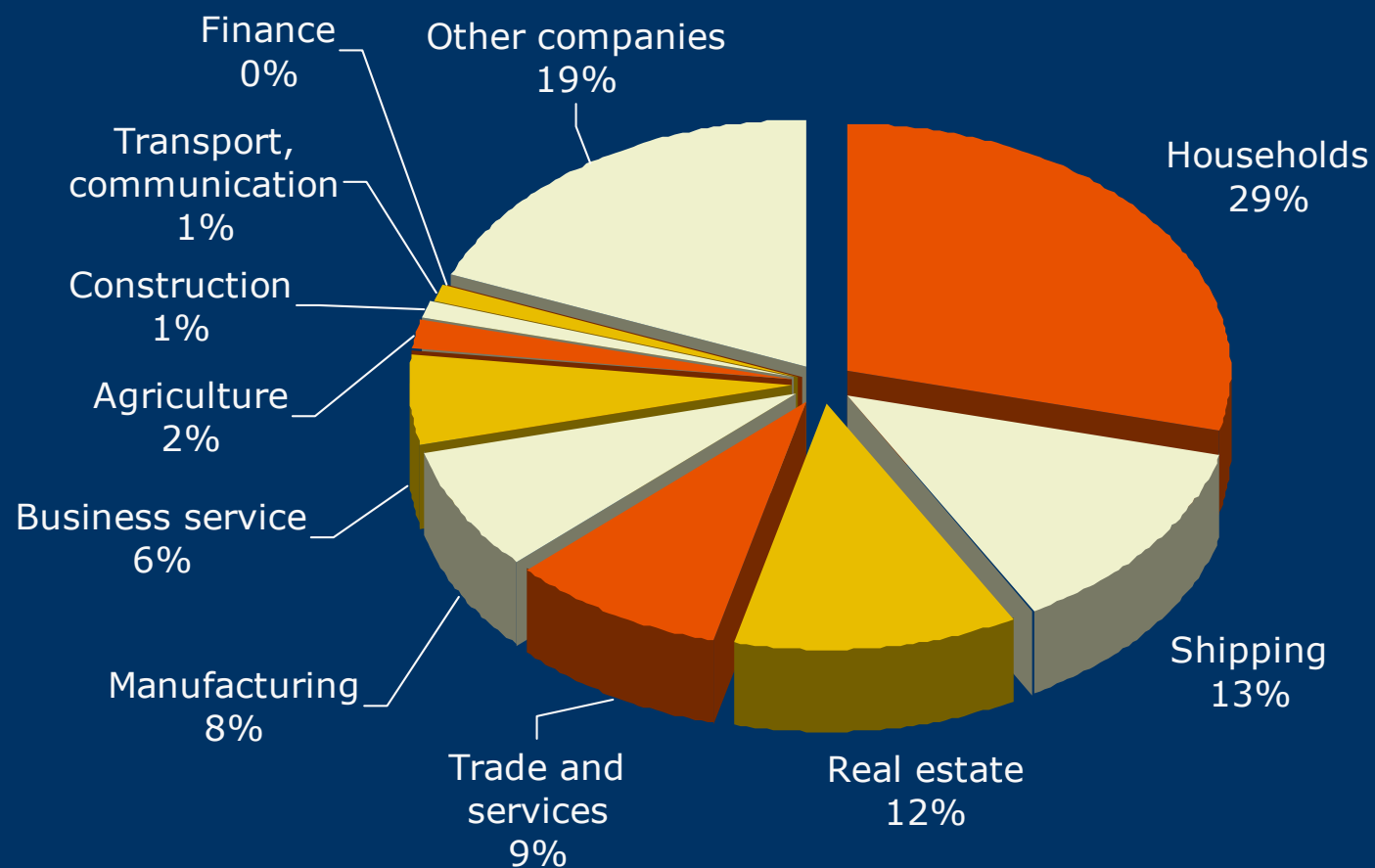
# Problem loans

EURm End of period	Sep 01	June 01	March 01	Dec 00
Doubtful loans, gross	3,120	3,040	3,059	3,053
Provisions	-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
<i>Provisions/doubtful loans, gross (%)</i>	73	70	73	74
<i>Doubtful loans, net/lending (%)</i>	0.6	0.7	0.6	0.6

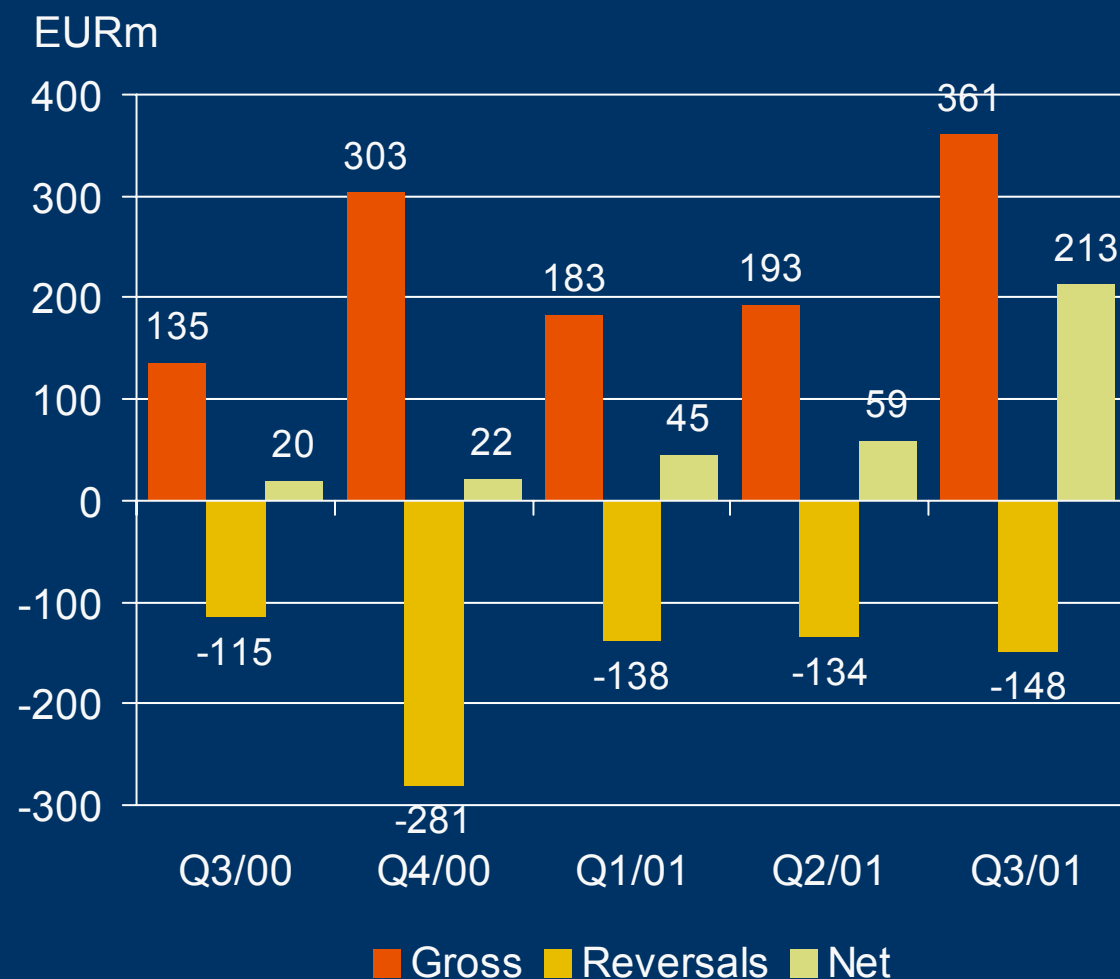
# Problem loans by industry

(End of Sep 01)

EUR 882bn



# Loan losses



- Specific loan losses EUR 113m:
  - Within acquisition finance in Denmark
  - Limited no. of corporate clients
- General provision EUR 100m
  - Worsened economic outlook
- 0.33% ytd of total loans

# Industries to watch

- Transportation
  - airlines
  - transport of goods (bulk/ oil carriers, containers, road transport)
- Service industries
  - leisure – hotel – cruise
  - durable goods consumption
- Certain parts of manufacturing industry
  - export industries
  - sub contractors

## Country specific comments

### Denmark

- High dependence on exports
- Big service sector
- Weaker balance sheets
- Strong agriculture sector

### Finland

- High export content in manufacturing industry
- High dependence on Nokia
- Strong balance sheets
- EURO backing

## Country specific comments

### Norway

- Shipping affected through lesser transport demand
- Non-oil sector exposed
- Highest currency/interest rate exposure
- Oil/off-shore industry performing well

### Sweden

- Sub contractors (telecom/auto) affected
- Currency unrest
- Property sector not seriously affected

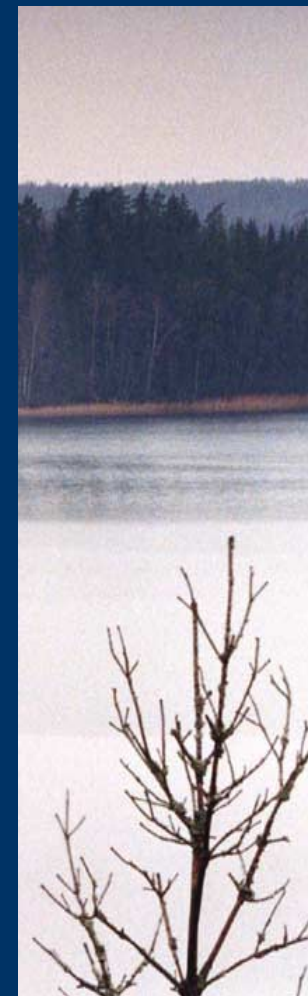


## Conclusion

- Economic downturn will have affect on credit quality
- Impact expected to be limited because of strong fundamentals
- Bulk of the portfolio still unaffected
  - Household sector expected to maintain strong
- Workout resources have been activated
- Lending margins increasing, reflecting changed risk

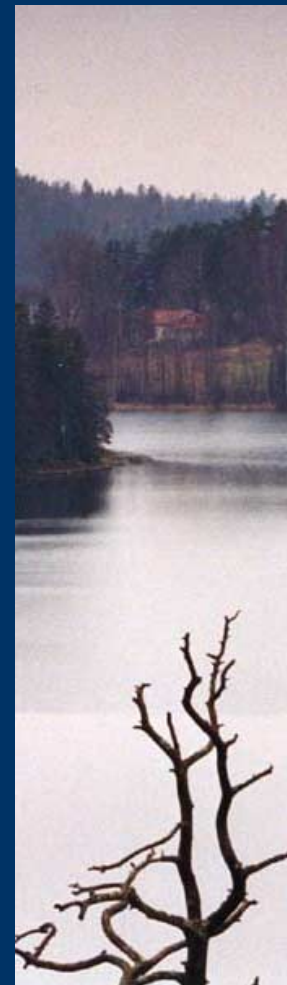
# Appendix

- Market shares
- Financials
- Nordea share
- Netbanking
- Other
- Macro statistics

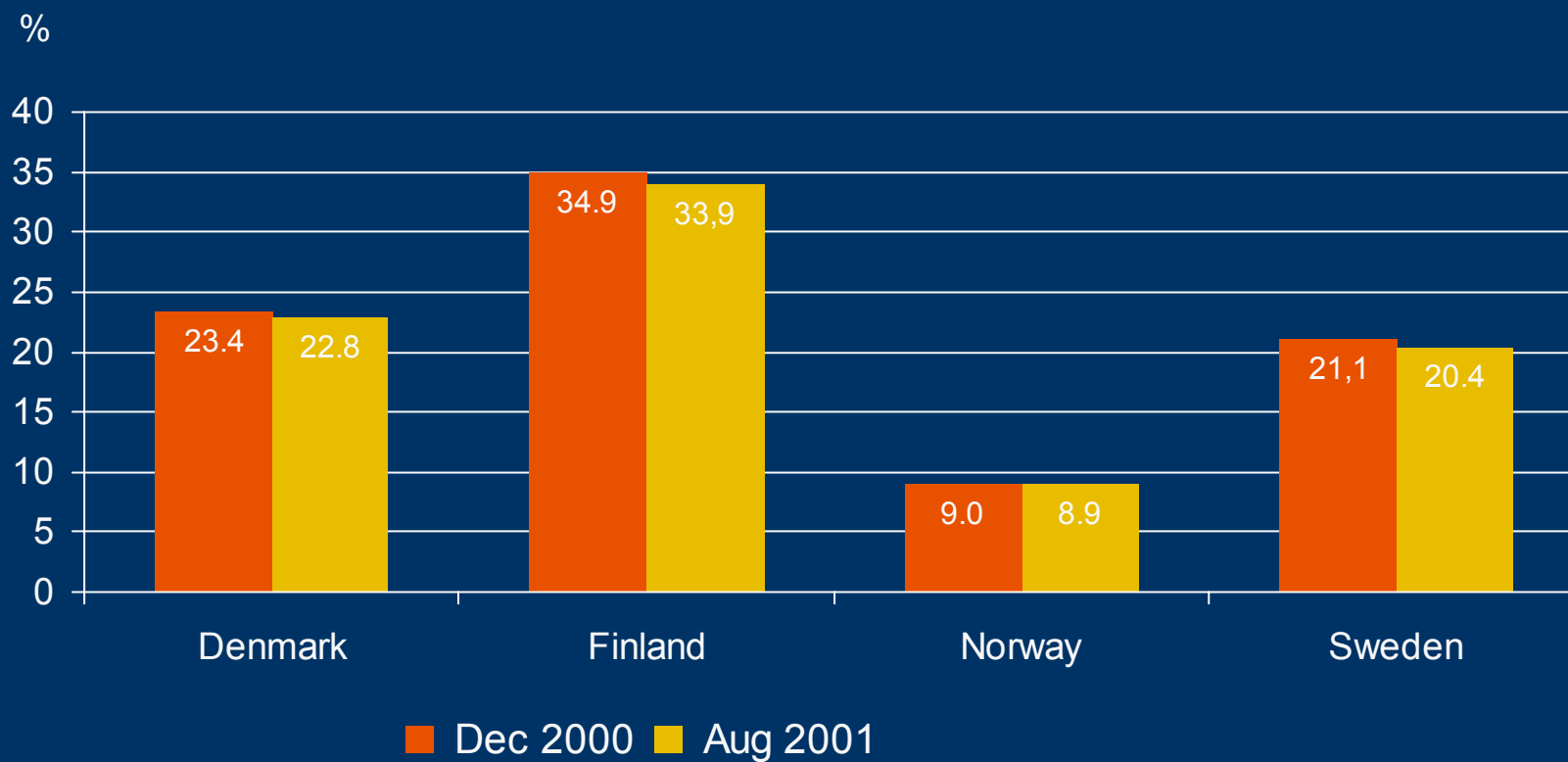


# Appendix

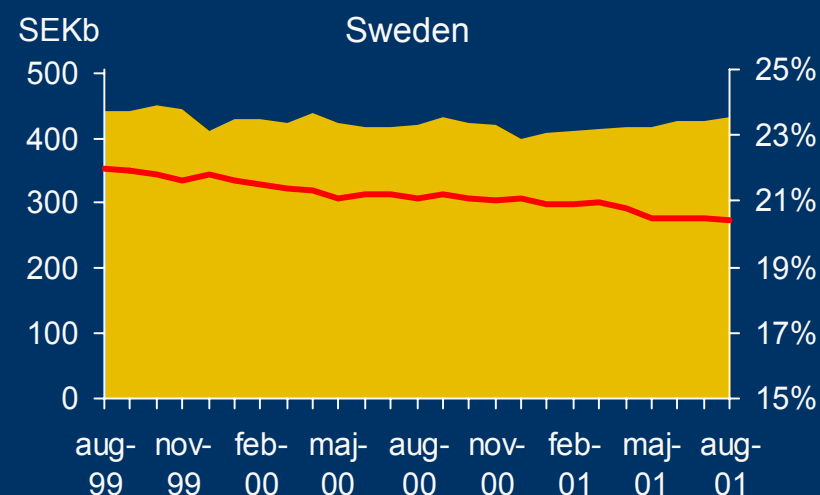
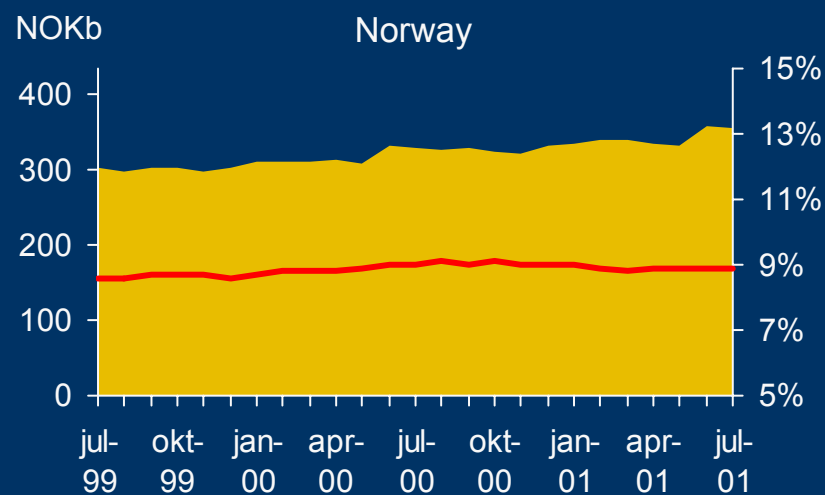
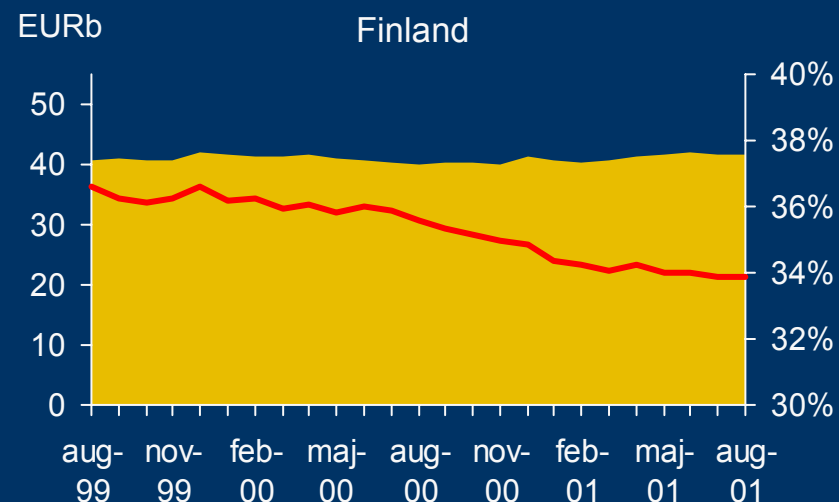
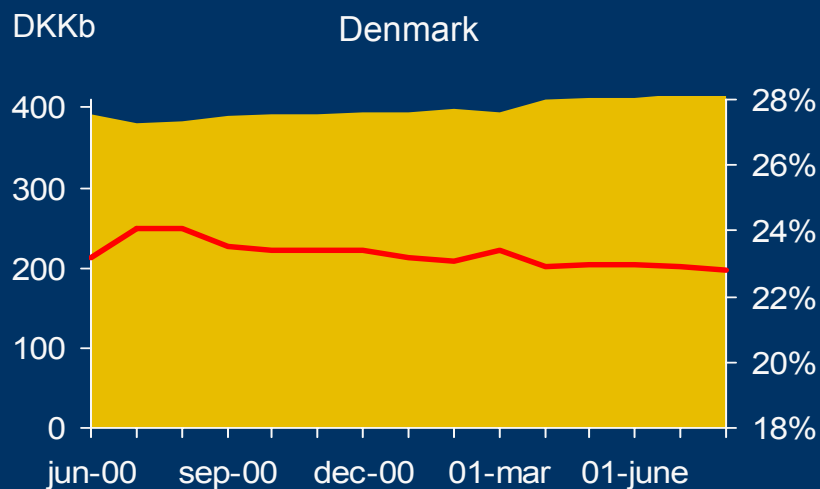
- Market shares



## Market shares, household deposits



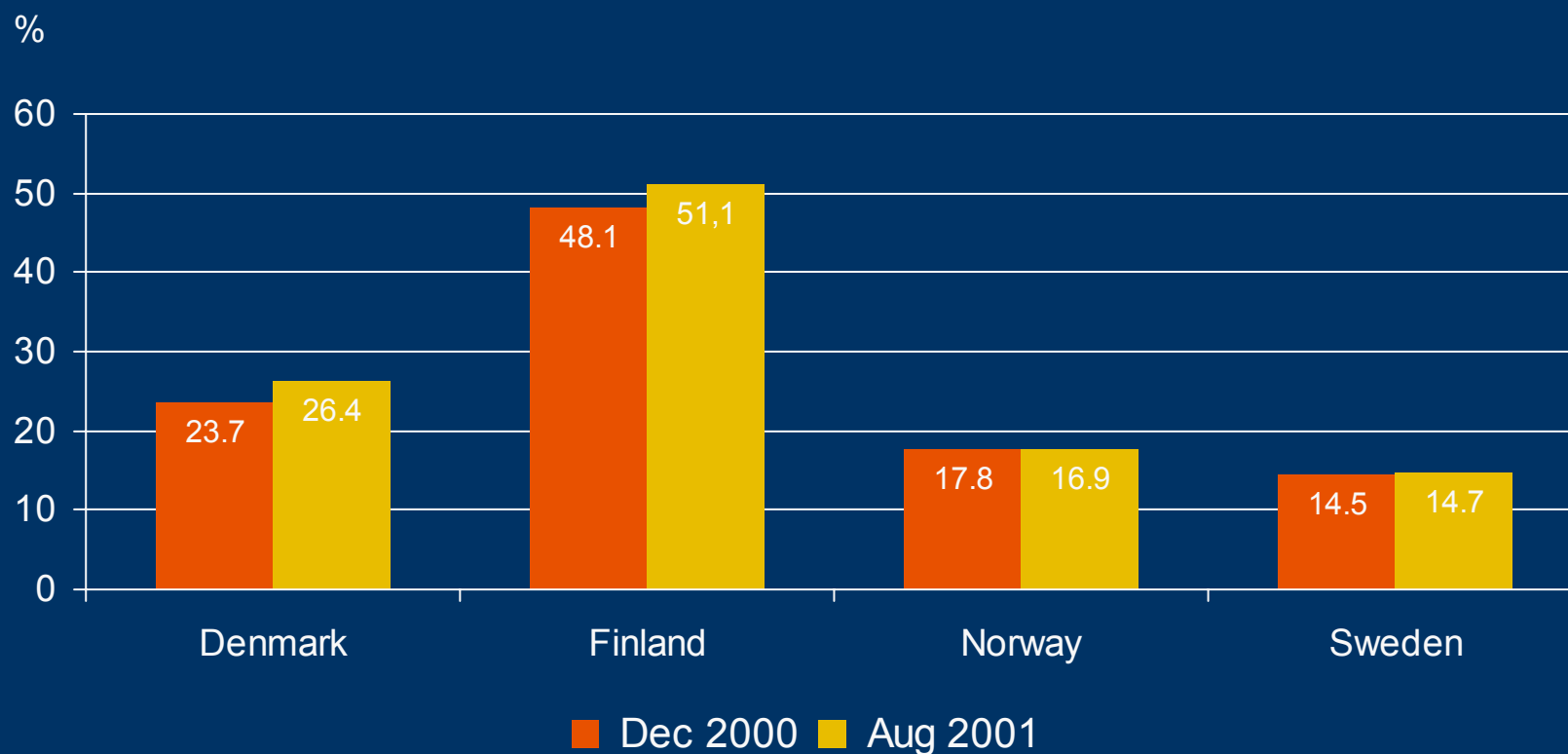
# Household deposits - market volume & share



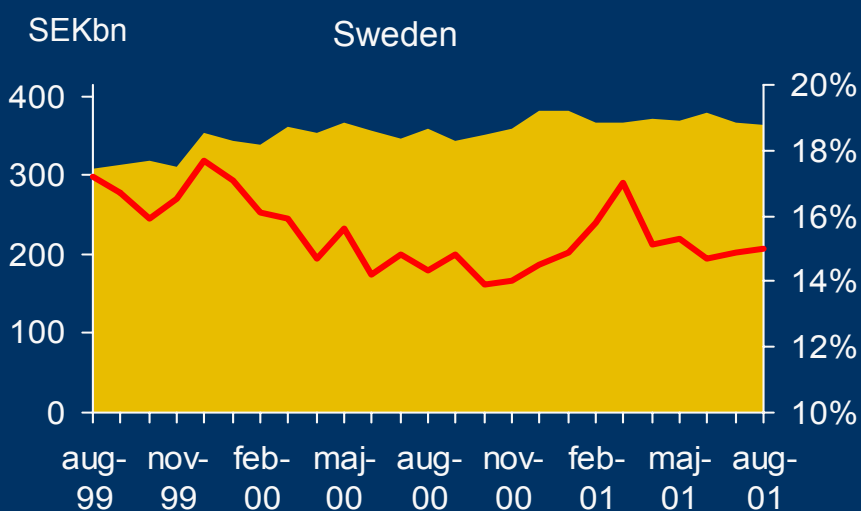
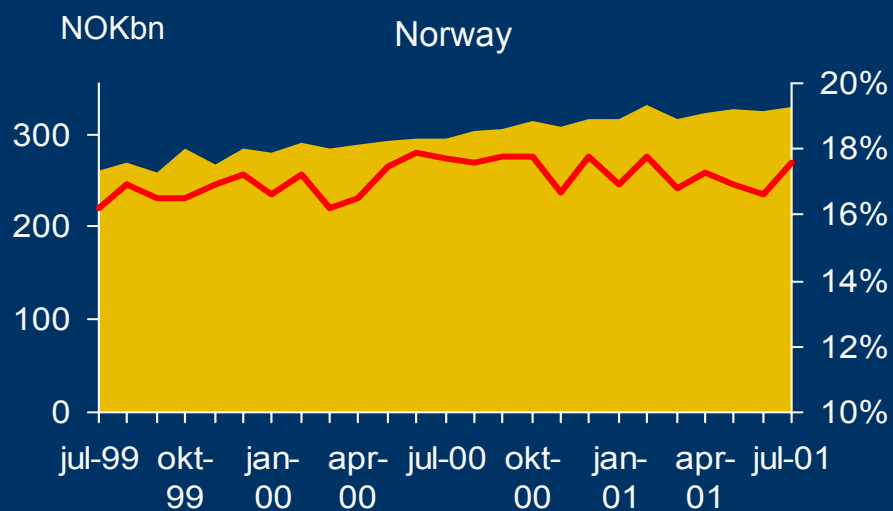
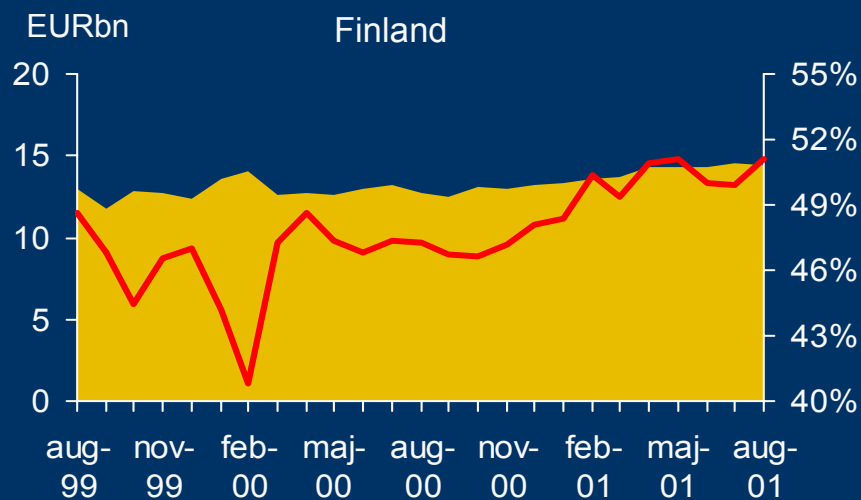
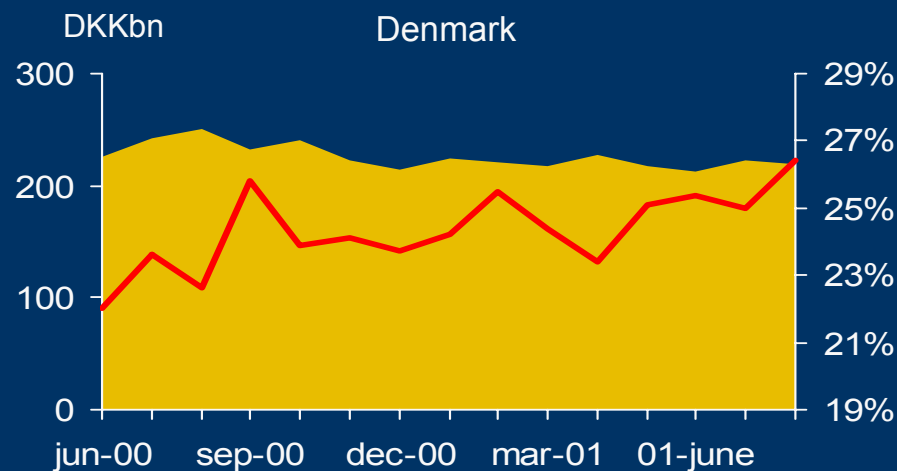
Market volume

Market share

## Market shares, corporate deposits



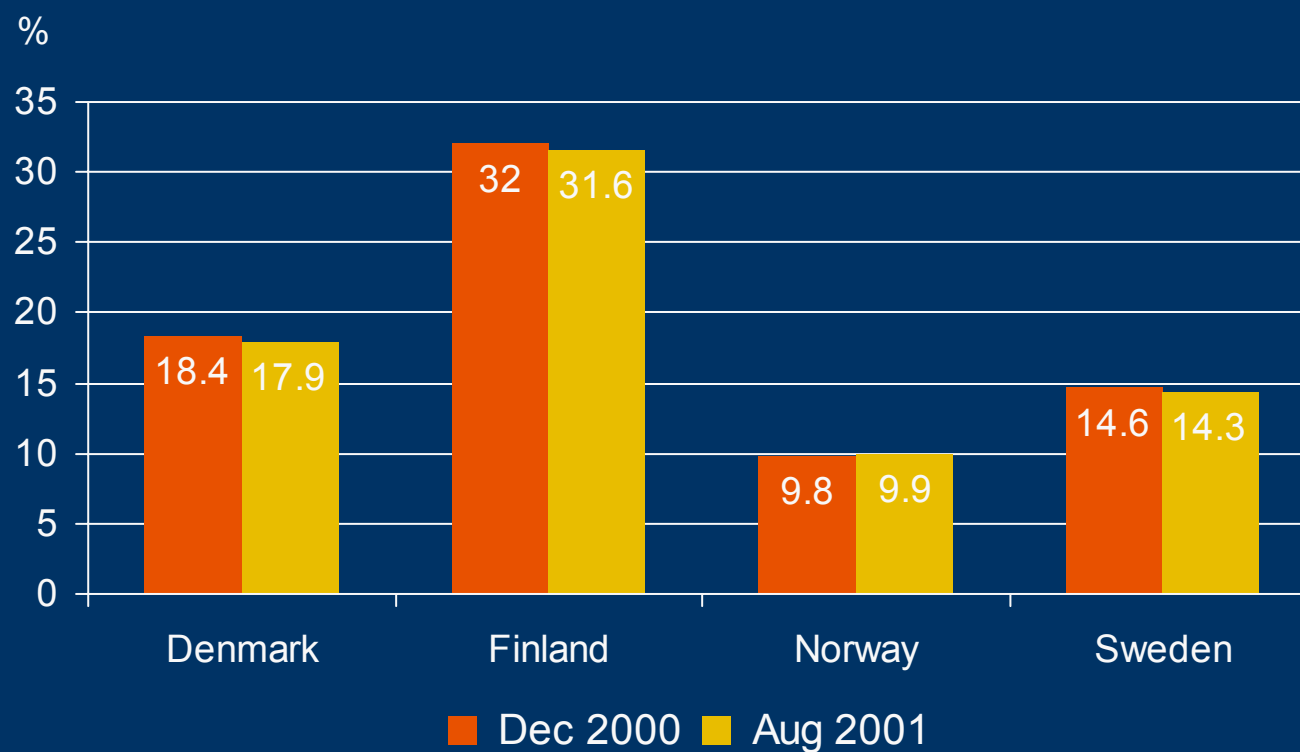
# Corporate deposits - market volume & share



Market volume

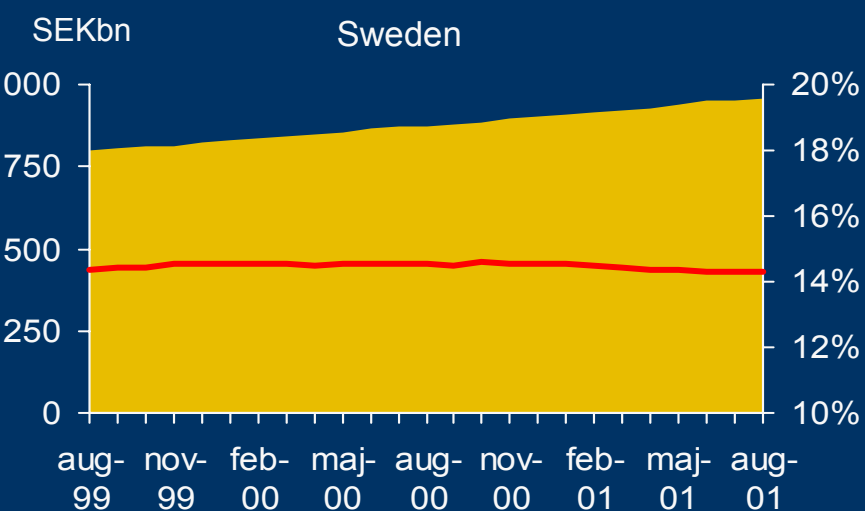
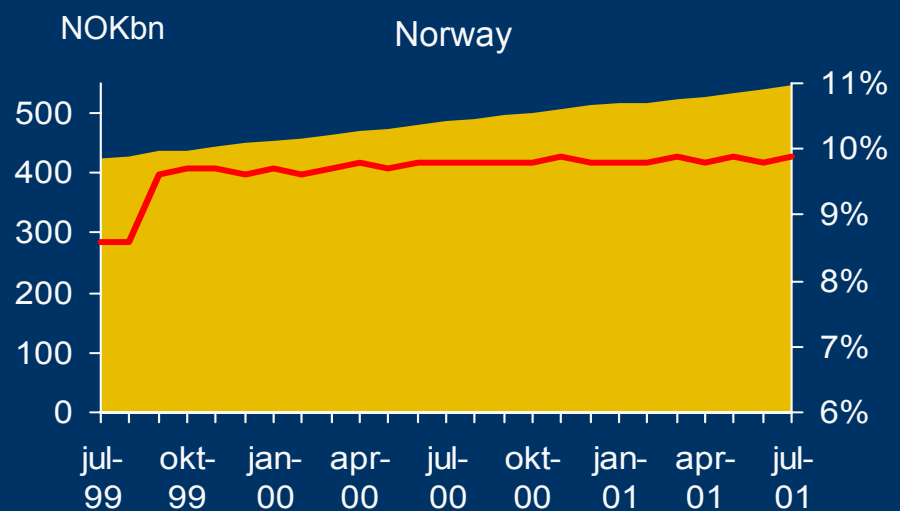
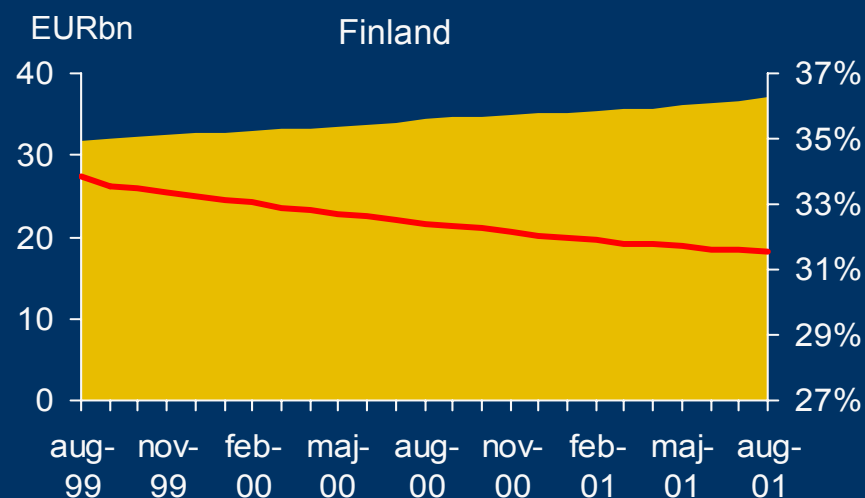
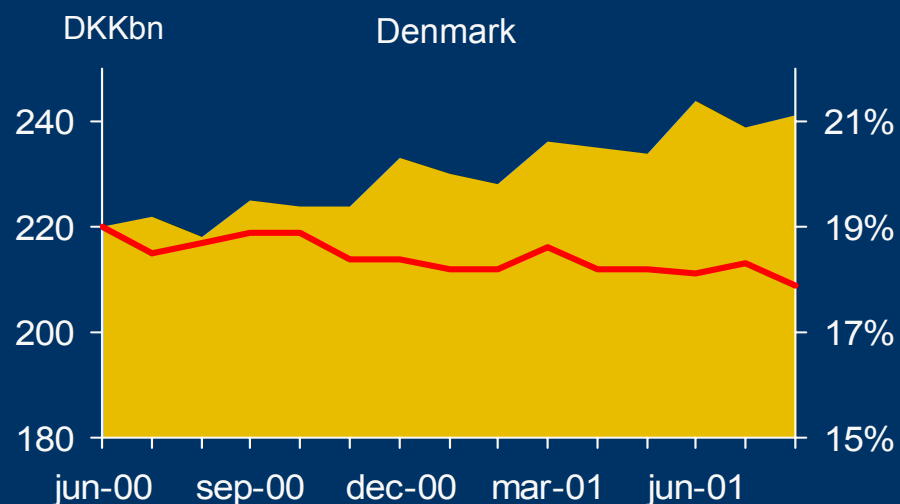
Market share

## Market shares, household lending





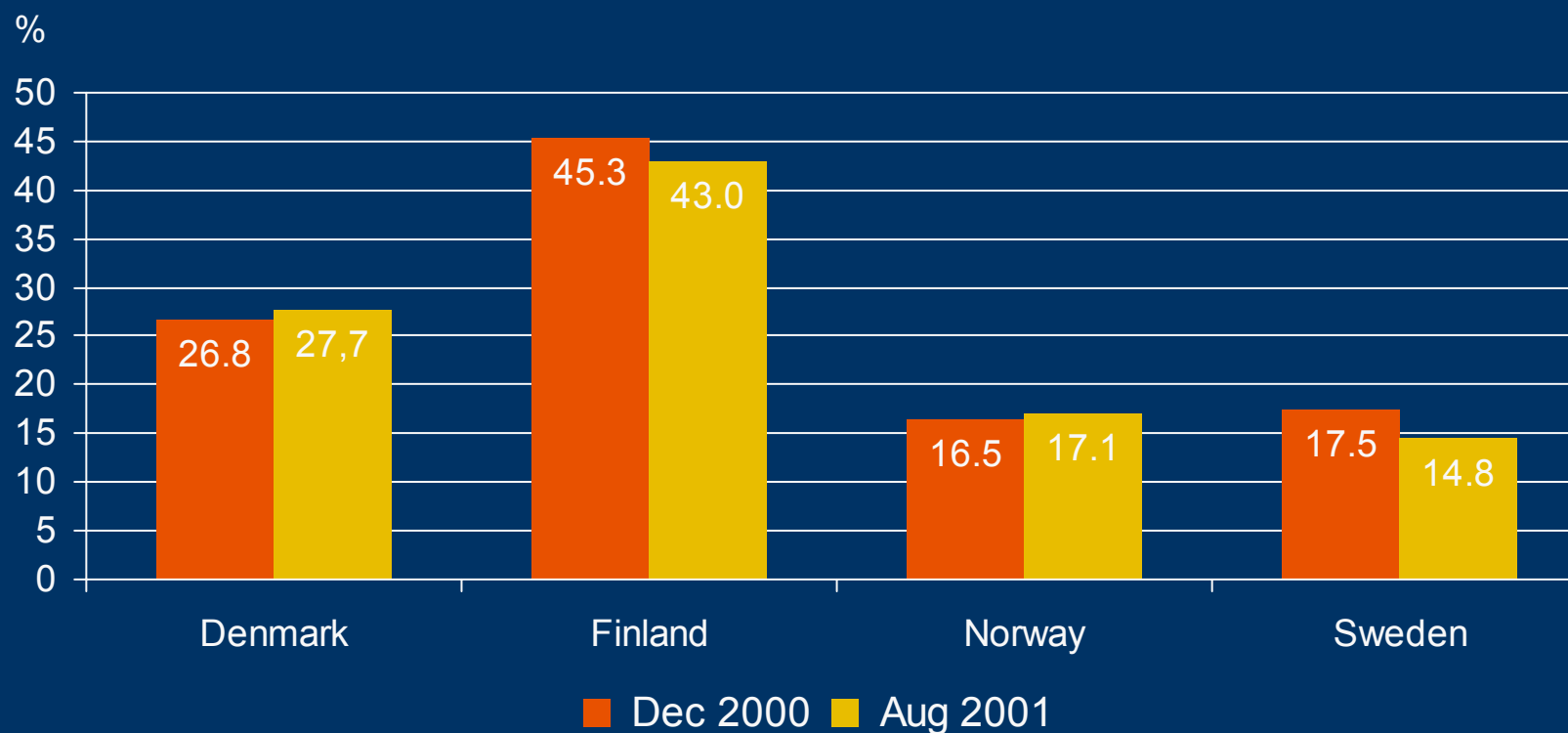
# Household lending - market volume & share



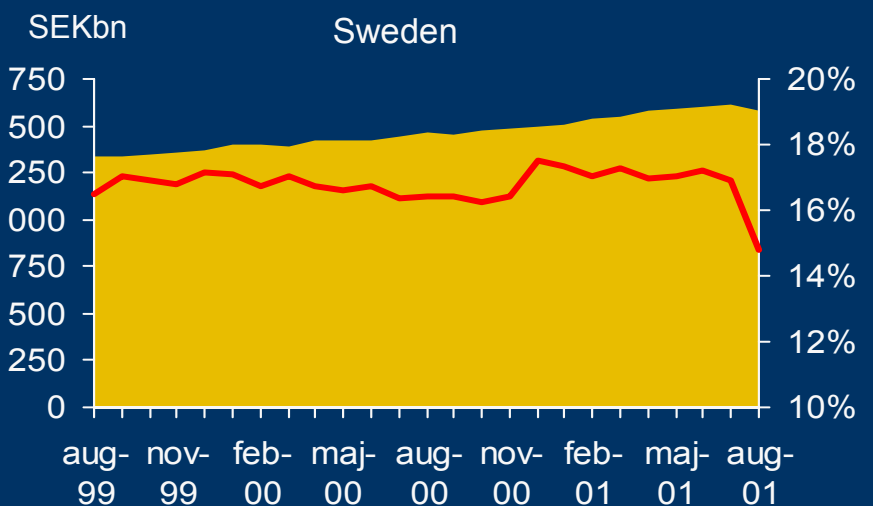
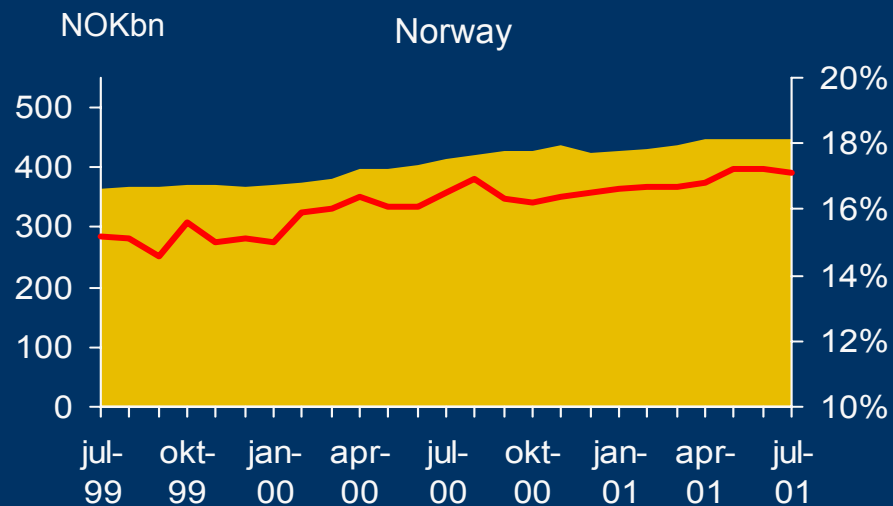
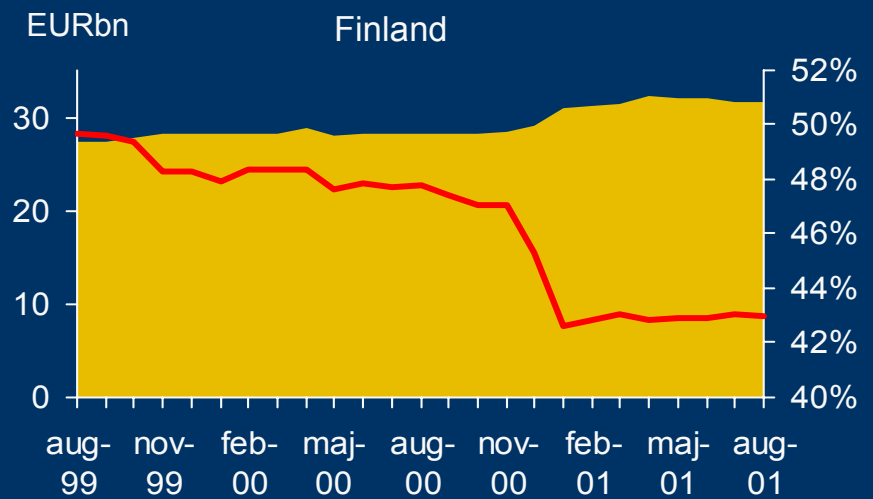
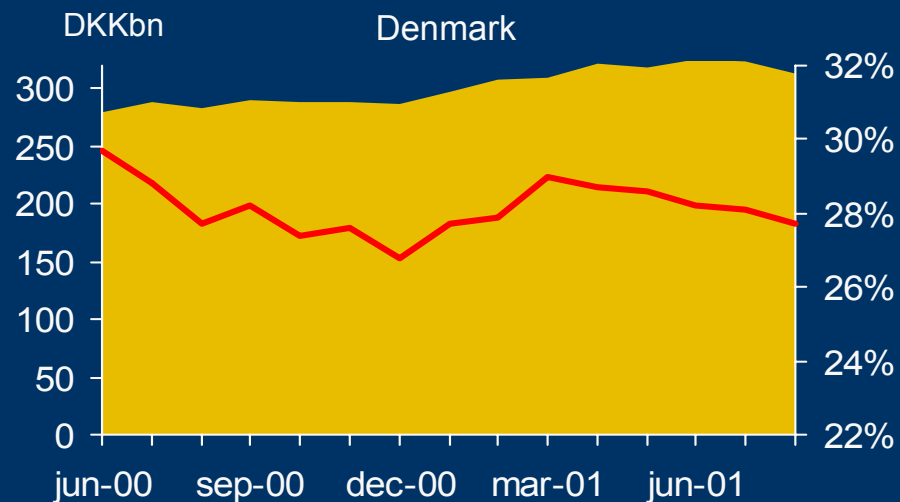
Market volume

Market share

## Market shares, corporate lending



# Corporate lending - market volume & share

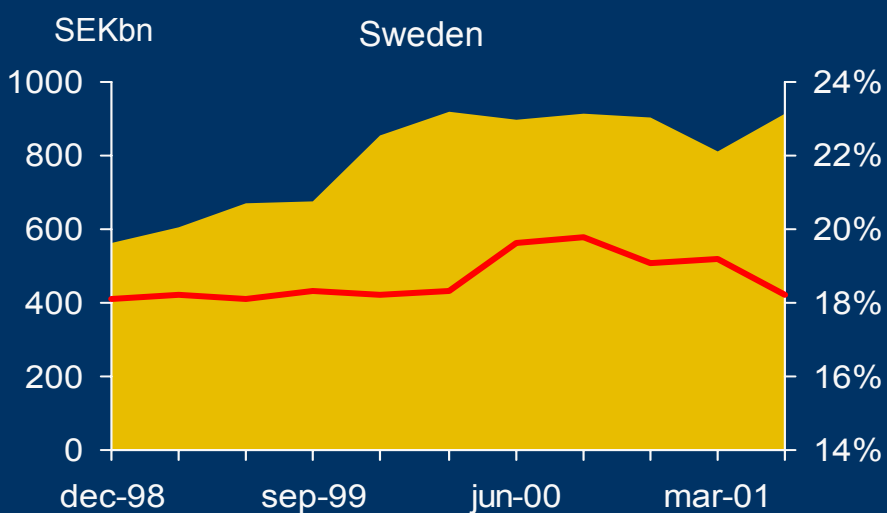
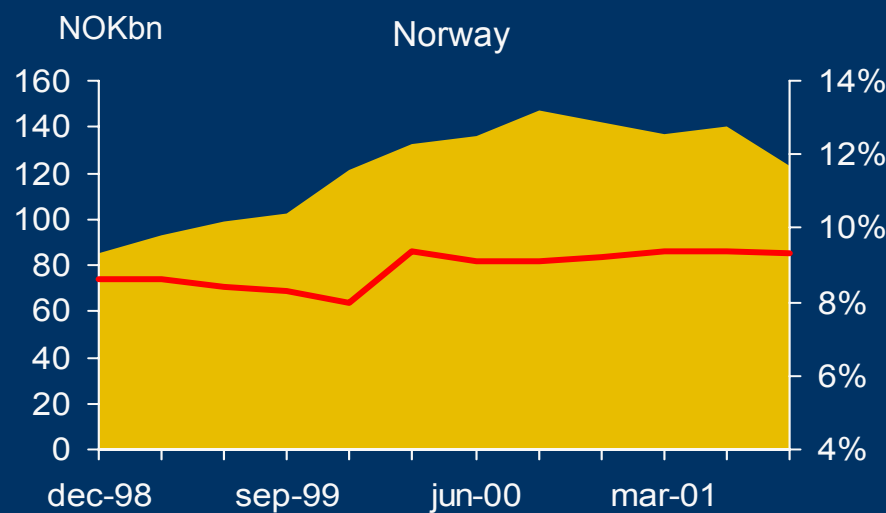
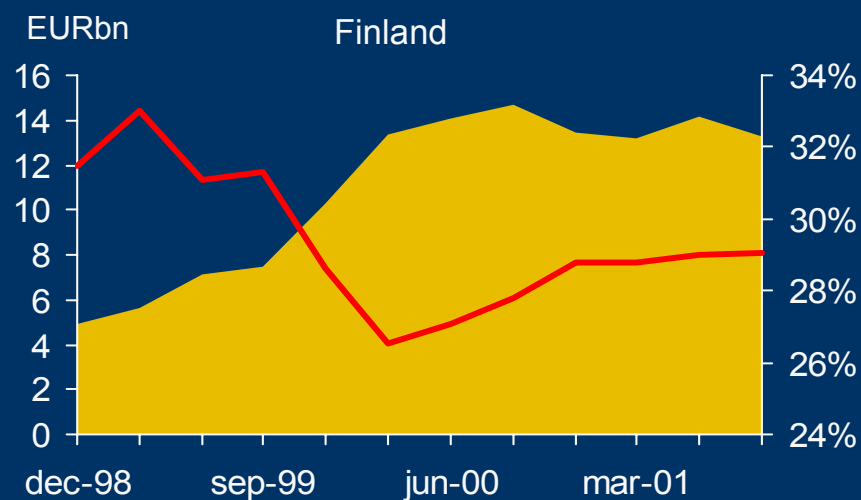
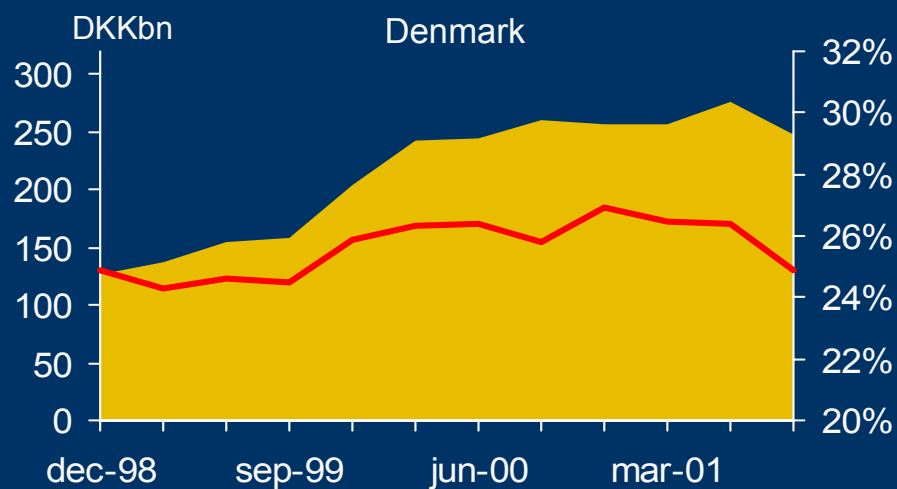


Market volume



Market share

## Mutual funds - market volume & Nordea's market share



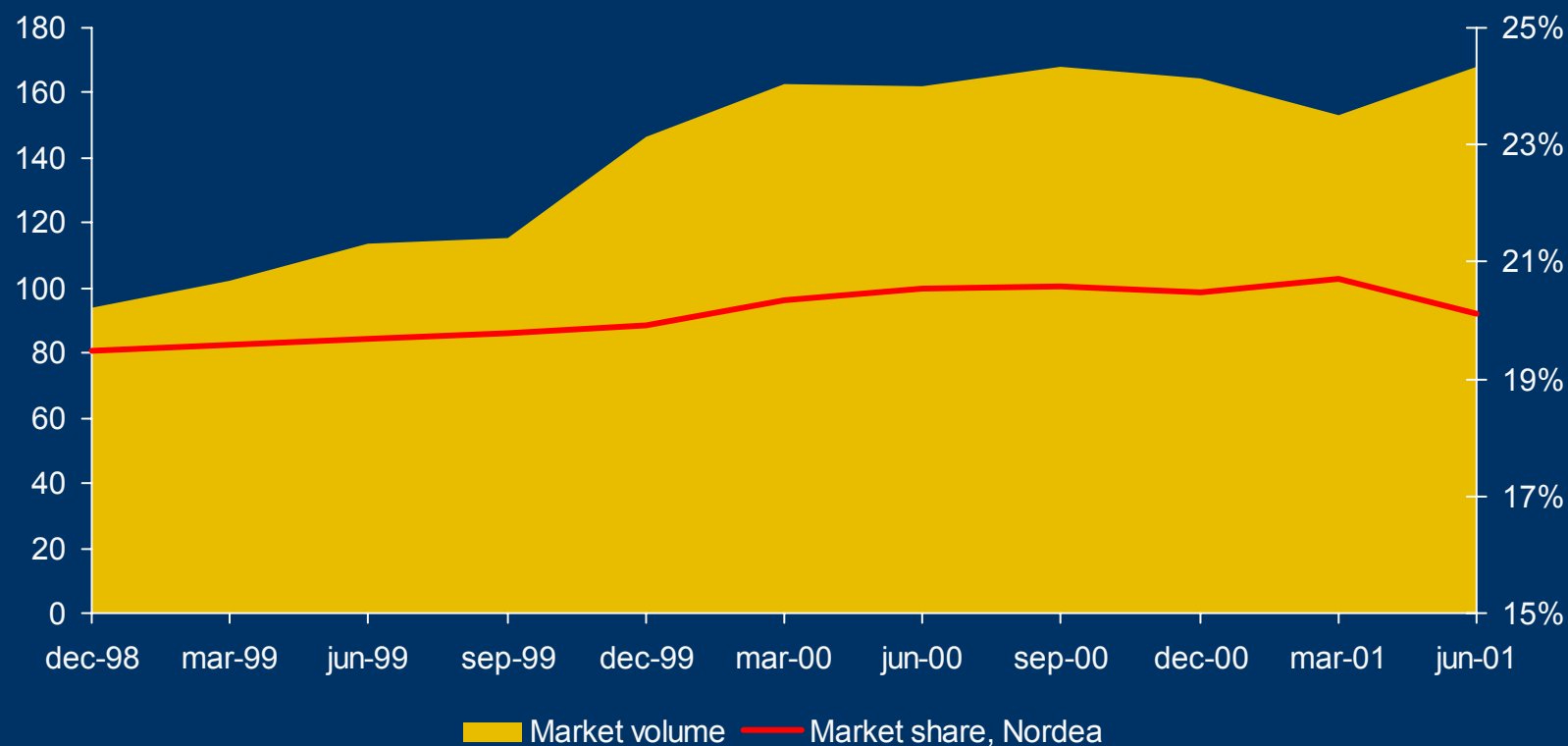
Market volume



Market share

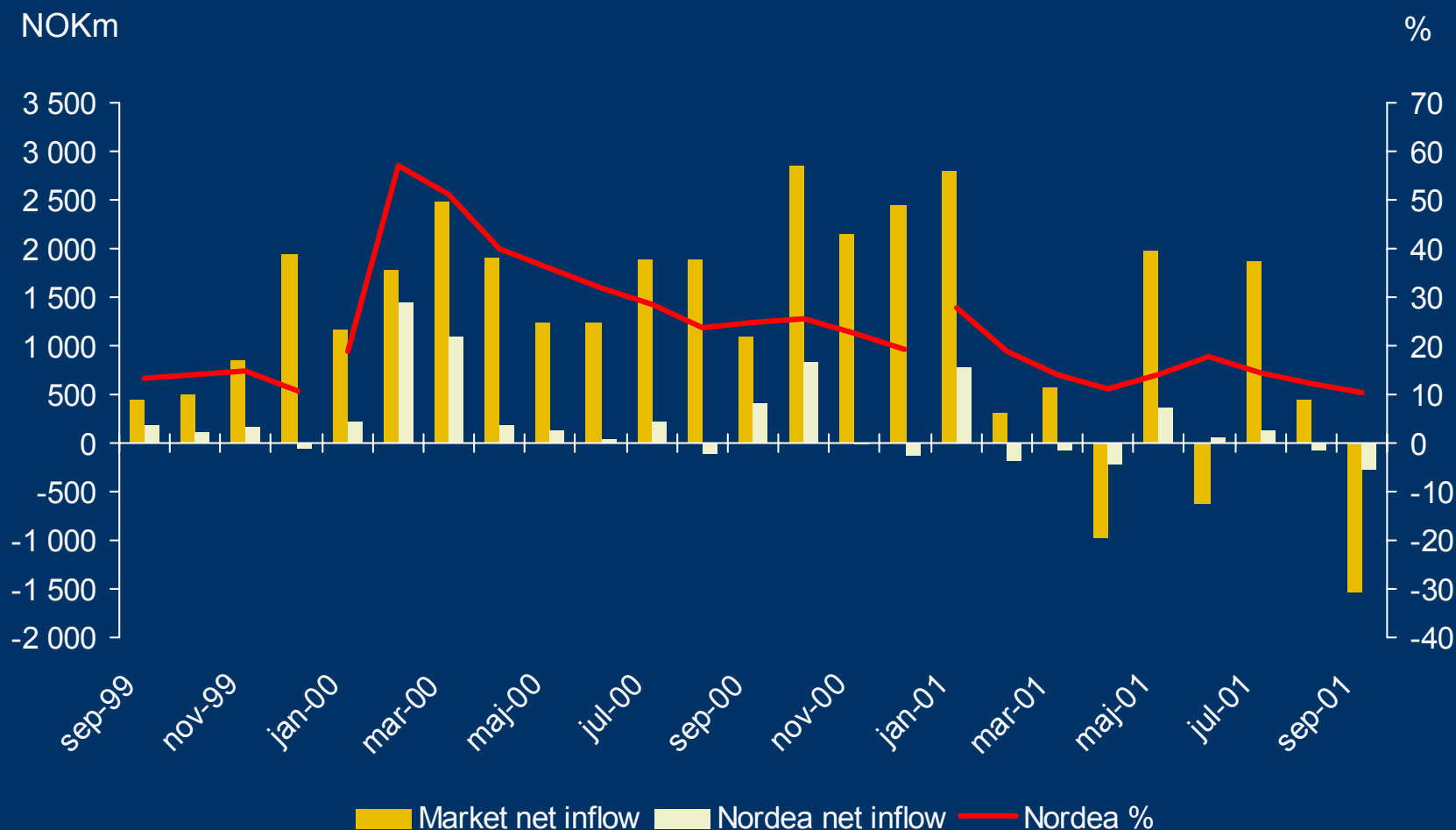
# Mutual funds, Nordic region

Market volume and Nordea's market share



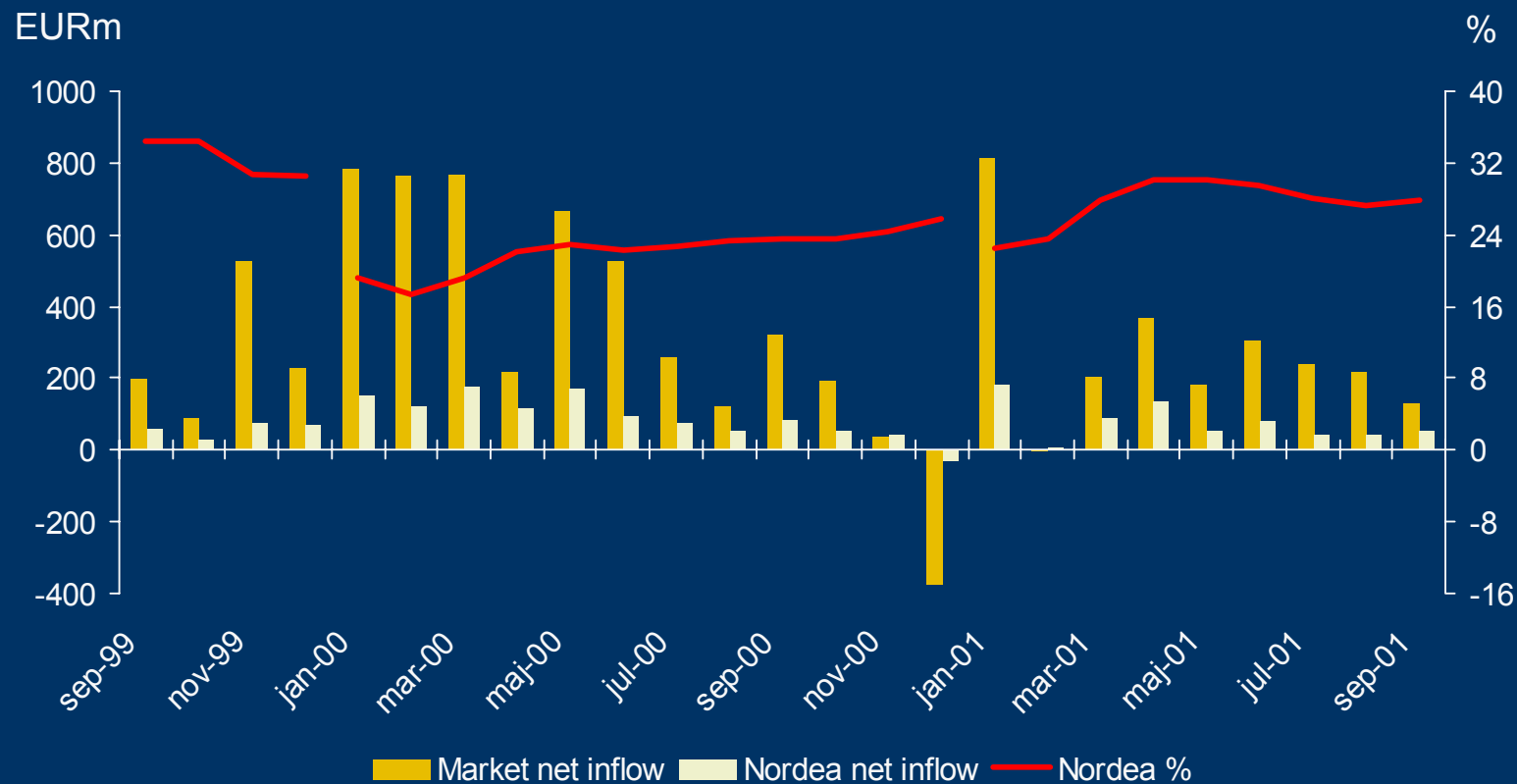
# Mutual funds, net inflow, Norway

Market volume, Nordea volume, and accumulated market share ytd



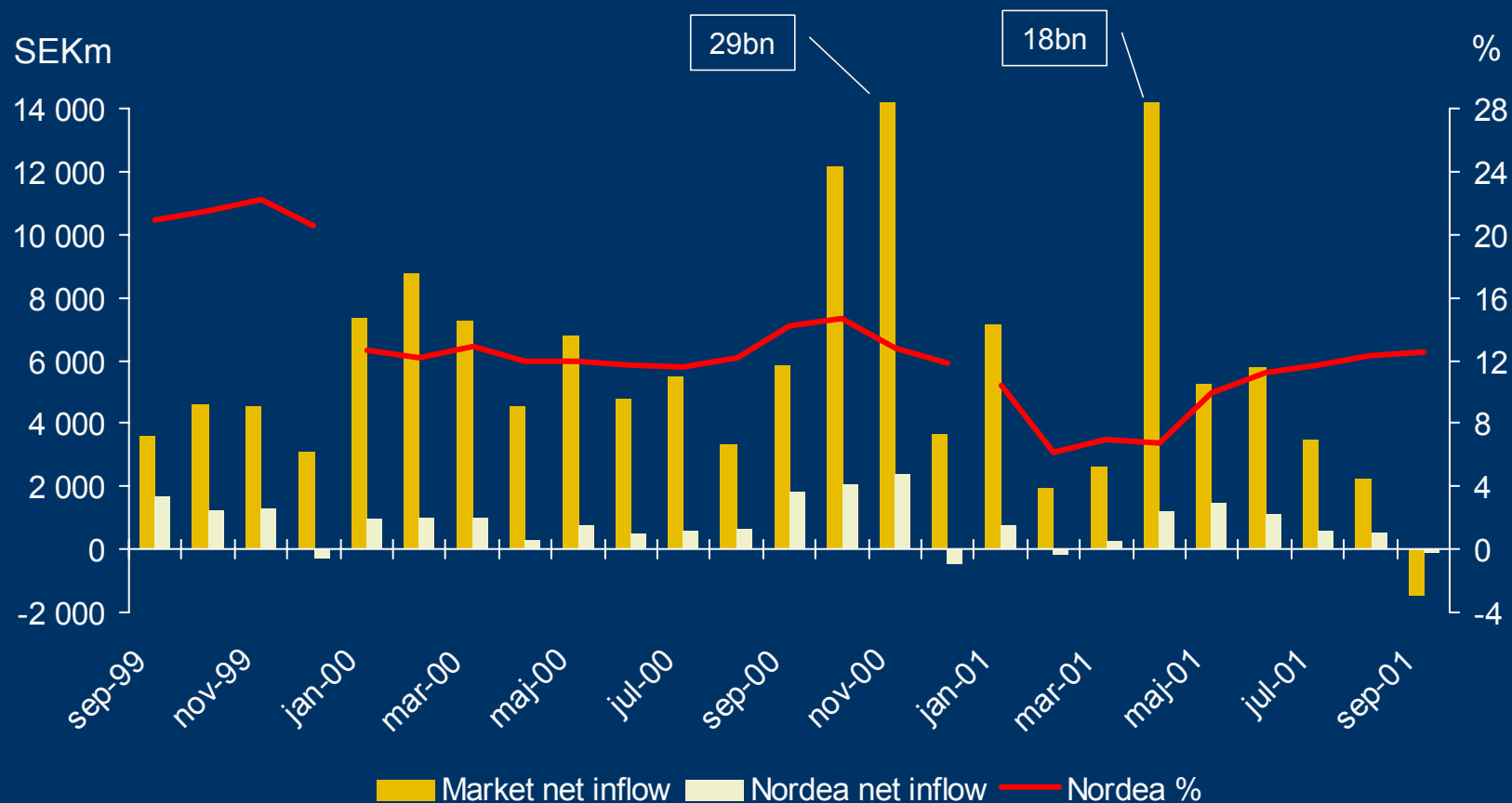
# Mutual funds, net inflow, Finland

Market volume, Nordea volume, and accumulated market share ytd



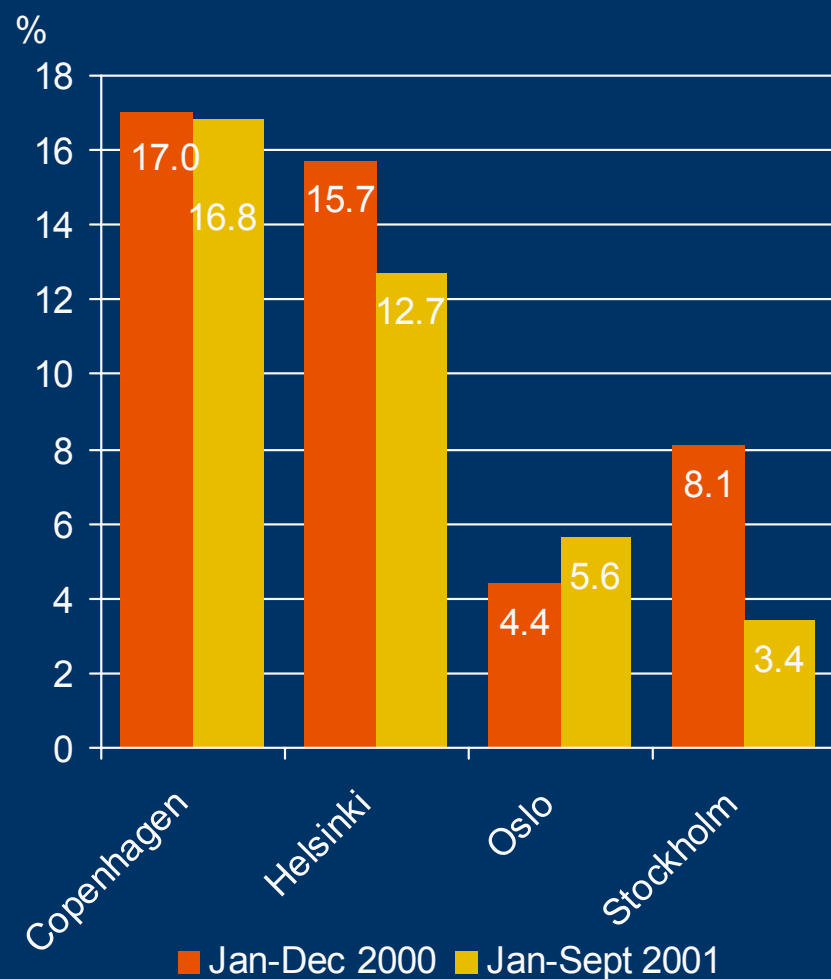
# Mutual funds, net inflow, Sweden

Market volume, Nordea volume, and accumulated market share ytd





# Market share equity trading- Nordea Securities

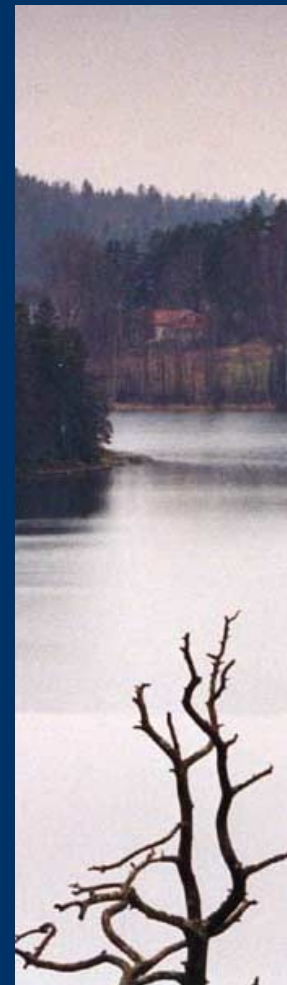


## Equity market, volume Q3/01 EURbn

Denmark	13
Norway	13
Finland	39
Sweden	88

# Appendix

- Financials



# Operational income statement

EURm	Q3/01	Q2/01	Q1/01	Q4/00	Q3/00
Net interest income	856	885	872	757	733
Commission income	322	370	361	368	320
Trading	131	128	156	94	108
Net income from insurance	142	185	134	129	102
Other	36	52	36	36	35
<b>Income</b>	<b>1,487</b>	<b>1,620</b>	<b>1,559</b>	<b>1,384</b>	<b>1,298</b>
Personnel expenses	-529	-556	-541	-478	-454
Other expenses	-418	-421	-414	-429	-331
<b>Expenses</b>	<b>-947</b>	<b>-977</b>	<b>-955</b>	<b>-907</b>	<b>-785</b>
<b>Profit before loan losses</b>	<b>540</b>	<b>643</b>	<b>604</b>	<b>477</b>	<b>513</b>
Loan losses	-213	-59	-45	-22	-20
Equity method	29	20	11	-1	31
<b>Operating profit excl. investment earnings</b>	<b>356</b>	<b>604</b>	<b>570</b>	<b>454</b>	<b>524</b>
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
<b>Investment earnings</b>	<b>-93</b>	<b>110</b>	<b>21</b>	<b>42</b>	<b>100</b>
Goodwill depreciation	-35	-37	-36	-23	-21
<b>Operating profit</b>	<b>228</b>	<b>677</b>	<b>555</b>	<b>473</b>	<b>603</b>

# Statutory income statement

EURm	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	258	310
Other operating income	213	125
<b>Total operating income</b>	<b>4,360</b>	<b>3,940</b>
General administrative expenses		
Personnel expenses	-1,419	-1,163
Other expenses	-982	-806
Depreciation according to plan	-197	-157
<b>Total operating expenses</b>	<b>-2,598</b>	<b>-2,126</b>
<b>Profit before Loan losses</b>	<b>1,762</b>	<b>1,814</b>
Loan losses, net	-315	-54
Change in value of property taken over for protection of claims	-2	-3
Profit from companies accounted for under the equity method	60	60
<b>Operating profit, banking</b>	<b>1,505</b>	<b>1,817</b>
<b>Operating profit, insurance</b>	<b>-64</b>	<b>125</b>
<b>Total operating profit</b>	<b>1,441</b>	<b>1,942</b>
Loss of disposal of real estate holdings	-	-40
Pension adjustments	19	44
Taxes	-415	-542
Minority interest	0	-3
Net profit from the Unidanmark Group for Q1 2000	-	-180
<b>Net profit</b>	<b>1,045</b>	<b>1,221</b>

# Reconciliation of operational and statutory accounts

EURm	Operational Jan-Sep 2001	Trading income	Investment activities	Insurance total to own line	Other adjustment	Statutory Jan-Sep 2001
Net interest income	2,613	117 1)	46 6)			2,776
Dividends received			45 9)			45
Net commission income	1,053	15 2)				1,068
Trading	415 5)	-415 5)				
Net income, insurance	461 11)		-87 12)	-374 13)		
Net result from financial operations		272 3)	-14 7)			258
Other income	124	11 4)	78 8)			213
Total income	4,666	0	68	-374	0	4,360
Personnel expenses	-1,626		-14 10)	240 14)	-19 15)	-1,419
Other expenses	-1,253		-16 10)	172 14)	115 16)	-982
Depreciation according to plan					-197 16,17)	-197
Total expenses	-2,879		-30	412	-101	-2,598
Profit before loan losses	1,787		38	38	-101	1,762
Loan losses, net	-317				2 19)	-315
Change in value property taken over					-2 19)	-2
Profit from companies – equity method	60					60
Operating profit before goodwill and investment activities	1,530		38	38	-101	1505
Treasury	94		-94			
Life insurance	-52		52			
General insurance	-56		56			
Other	52		-52			
Investment activities	38		-38			
Depreciation on goodwill	-108 17)				108 17)	
Operating profit, banking	1,460			38	7	1,505
Operating profit, insurance				-38	-26 18)	-64
Total operating profit	1,460 20)	0	0	0	-19	1,441 20)
Write-downs on realestate holdings						
Pension adjustments.					19 15)	19
Taxes	-415					-415
Minority interests	0					0
Net profit from Unidanmark Group for Q1/2000						
Net profit	1,045 20)					1,045 20)

# Reconciliation of operational and statutory accounts

1. Net interest income from trading transactions in Nordea Markets (for example interest related to swaps etc.), reclassified as trading income in the operational accounts. Mainly customer trading.
2. Commission income in Nordea Markets, reclassified as Trading income in the operational accounts.
3. Net result from financial operations from trading transactions in Nordea Markets (foreign exchange and derivatives trading) reclassified to trading income in the operational accounts. Mainly customer trading.
4. Other income in Nordea Markets, reclassified to trading income in the operational accounts.
5. Trading income in the operational accounts, equals income in Nordea Markets (incl. income allocated to Business Areas), reclassified from the statutory accounts as described in 1) through 4) above.
6. Net interest income from Treasury's portfolio of certificates and bonds, reclassified as investment earnings in the operational accounts.
7. Securities gains/losses on Treasury's investment portfolios (certificates, bonds and equities including reclassification gain on bond portfolio (EUR 68m) in Q1), reclassified from Net result from financial operations in the statutory accounts, to investment earnings in the operational accounts.
8. Real estate gains/losses (including gain on Alexia (EUR 40m) in Q2), and gain on Atle (EUR 57m) in Q2. Reclassified from Other income in the statutory accounts to Investment earnings in the operational accounts.
9. Dividends received on equities (non-insurance portfolio), reclassified as Investment earnings in the operational accounts.
10. Costs related to investment earnings (Treasury, Life & General insurance), reclassified from relevant category of cost in the statutory accounts, to being reported on a net basis as part of investment income in the operational accounts.
11. Net income, insurance (Life & General), excluding investment activities as well as related costs, reclassified from being part of the one-line consolidation of insurance activities (Operating profit, insurance) in the statutory accounts, to Net income, insurance, in the operational accounts.
12. Net income from insurance (Life & General), investment activities only (including relevant costs), reclassified from being part of the one-line consolidation of insurance activities (Operating profit, insurance) in the statutory accounts, to Investment earnings insurance (Life & General) in the operational accounts.
13. Net income insurance (Life & General), including investment activities (and relevant costs), i.e. the sum of footnote 11) and 12), which forms the starting point for the one-line consolidation of the insurance activities (Operating profit, insurance) in the statutory accounts.
14. Costs related to insurance (Life & General), including costs related to investment activities within insurance, reclassified from being part of the one-line consolidation of insurance activities in the statutory accounts (Operating profit, insurance) to the relevant category of cost in the operational accounts.
15. Pension adjustments accounted for according to Swedish regulations in the statutory accounts. Reclassified to Personnel expenses in the Operational accounts.
16. Depreciation according to plan, including goodwill within banking (EUR 82m) is separate line in the statutory accounts. Depreciation excluding goodwill is reclassified as Other expenses in the operational accounts.
17. Depreciation of goodwill, see footnote 16) (Banking) and 18) (Insurance), shown as part of Depreciation according to plan in the statutory accounts, as opposed to separate line item in the operational accounts.
18. Depreciation of goodwill related to insurance included in one-line consolidation of insurance activities (Operating profit, insurance) in the statutory accounts, reclassified to Depreciation of goodwill in the operational accounts.
19. Change in value of property taken over in the statutory accounts, reclassified as Loan losses, net, in the operational accounts.
20. The difference between statutory accounts and operational accounts at the Total operating profit level is related to Pension adjustments (Sweden), only. There is no difference between the two at the Net profit level.

## Expenses - breakdown

EURm	Q3/Q1	Q2/01	Q1/01	Q4/00	Q3/00
Personnel <sup>1)</sup>	535	560	545	482	459
Information technology <sup>2)</sup>	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 including profit-sharing 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).

## Investment earnings - non-recurring items

EURm	Q3/01	Q2/01	Q1/01	Q4/00	Q3/00
Aleksia/Ilmarinen (Other)		40			
Atle (Treasury)		57			
Reclassification of securities (Treasury)			68		
Total	-	97	68	-	-



## Synergies under delivery

EURm	2000	2001	Target 2003		Total
	Actual	Target	Cost	Revenue	
CIB	20	91	92	32	124
Retail banking	-	5	10	30	90
Other business areas	3	15	20	37	57
IT	-	12	55	-	55
Group treasury	-	21	-	21	21
Other group functions	-	1	13	-	13
Total	23	145	190	120	360
Realised end Q3		120			

## Bank ratings

	Moody's			S&P		Fitch IBCA		
	BFSR	Short	Long	Short	Long	Short	Long	Individ.
Merita Bank	B	P-1	Aa3	A-1	A+	F1+	AA-	B
Nordbanken	B	P-1	Aa3	A-1	A+	F1+	AA-	B
Unibank	B	P-1	Aa3	A-1	A+	F1+	AA-	B
Christiania	B-	P-1	Aa3	A-1	A+	F1+	AA-	B
NB Hypotek		P-1	Aa3	A-1				
Unikreditt			Aa1					
Norgeskreditt		P-1	A1					

# Insurance ratings

	Moody's	S&P	A.M.Best
Dansk Kautionsforsikrings-Aktieselskab		A*	A- (excellent)
Tryg-Baltica Forsikring, internationalt Forsikringsselskab A/S			A- (excellent)
Tryg-Baltica Forsikring A/S	A1	A-	

\* *positive outlook*

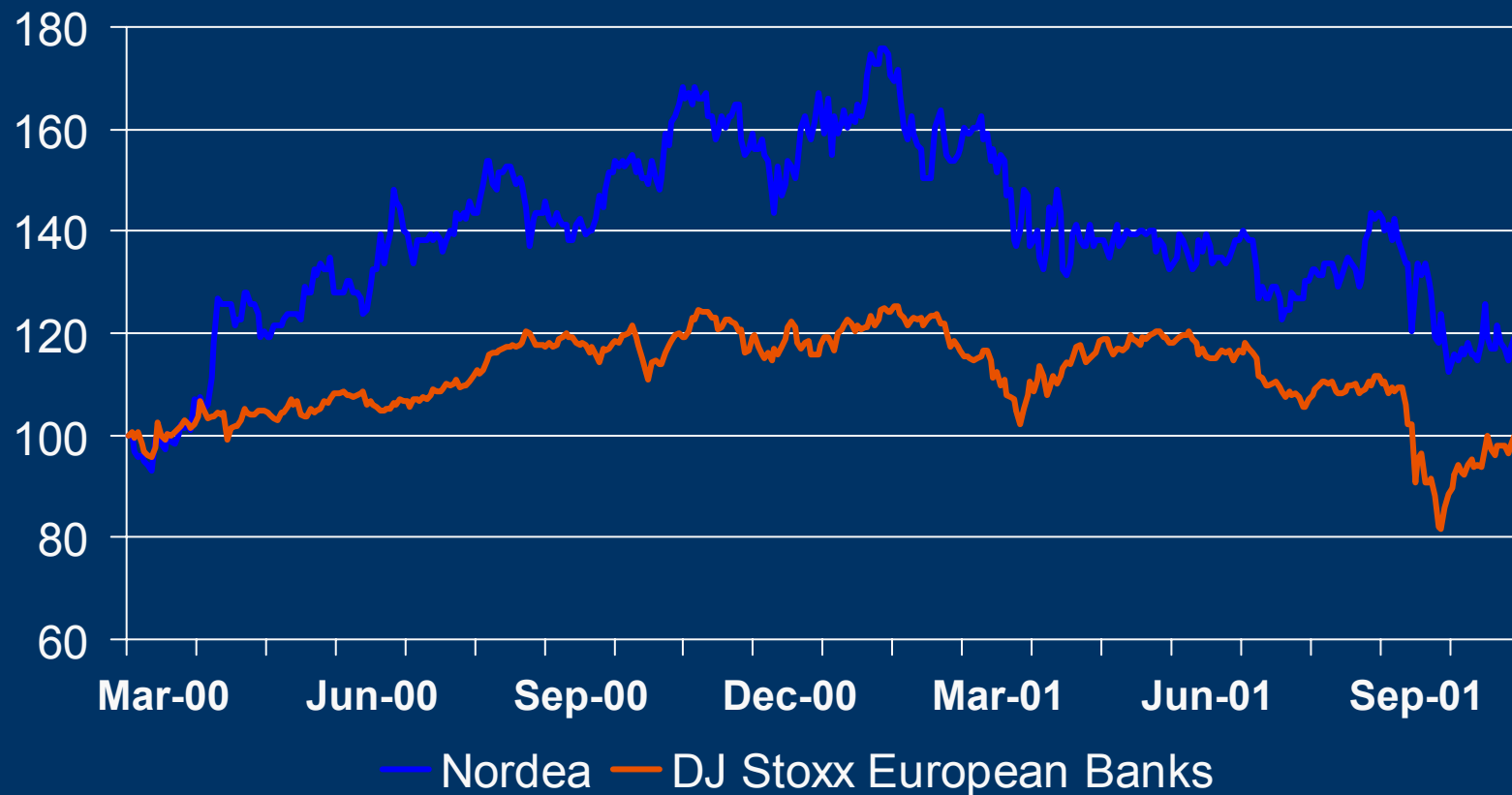
# Appendix

- Nordea share



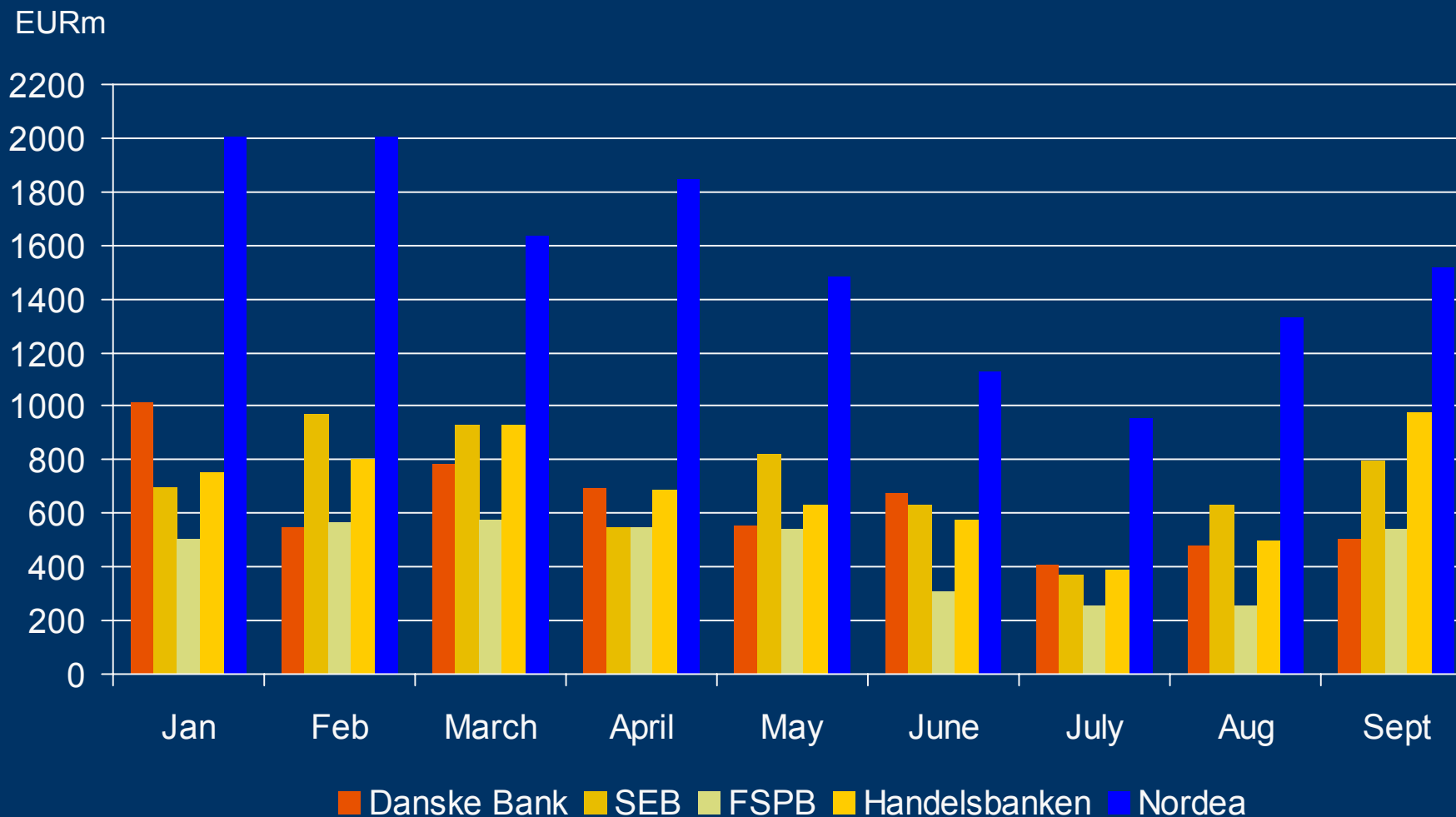
# Nordea vs DJ Stoxx European banks

6 March 2000\* - 26 October 2001

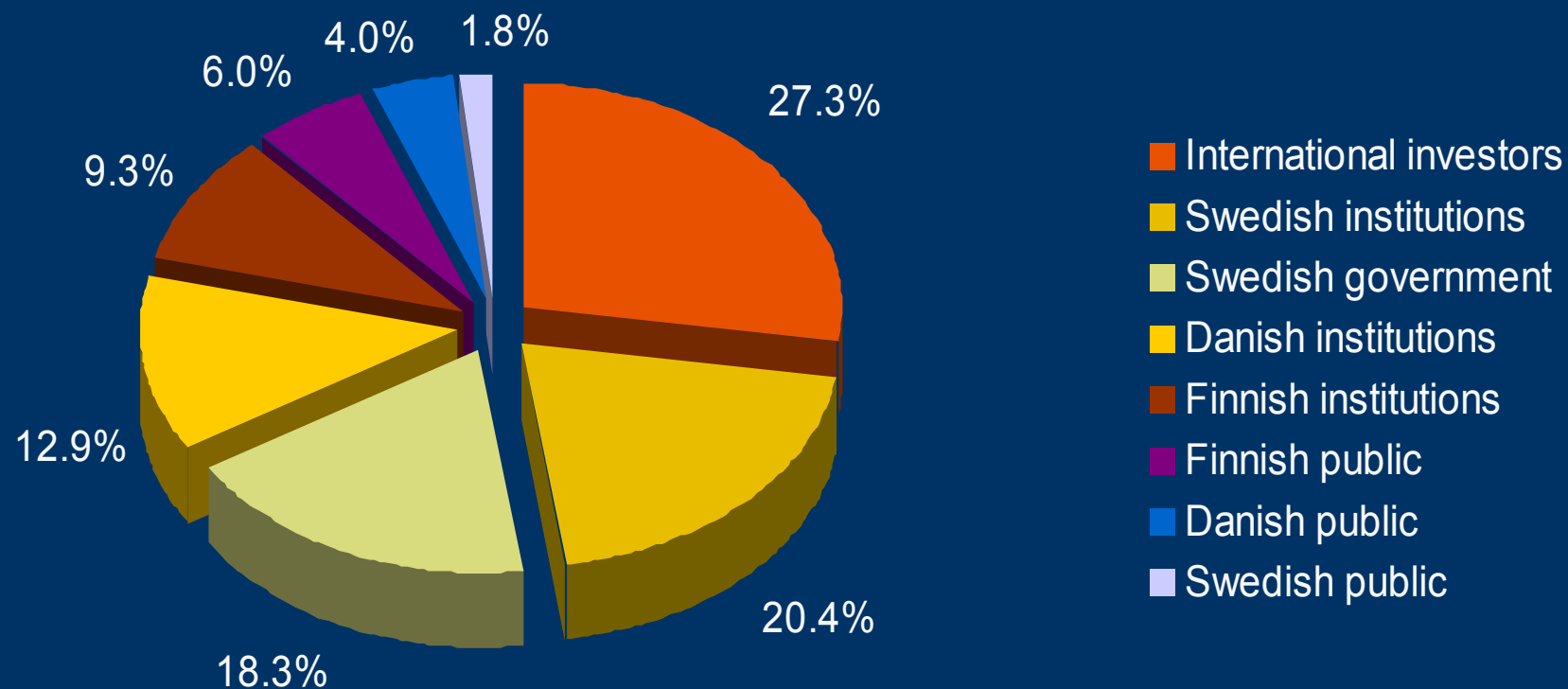


\* MNB/Unidanmark merger

## Nordic bank shares, liquidity 2001



## Ownership structure, September 30, 2001



Total number of shareholders 512,000

# Largest registered shareholders

## September 30, 2001

Shareholder	Number of shares	Percent
Swedish state	542,015,102	18.29 %
Tryg Baltica smba	185,609,801	6.26 %
Unidanmark Trust	102,529,423	3.46 %
Alecta	81,332,579	2.74 %
Robur fonder	59,660,700	2.01 %
Nordea fonder	42,247,201	1.43 %
SHB fonder	29,483,457	0.99 %
Fjärde AP-fonden	24,551,590	0.83 %
AFA Försäkring	23,734,900	0.80 %
Första AP-fonden	23,213,090	0.78 %
SEB fonder	22,822,188	0.77 %
AMF Pension	22,400,000	0.76 %
Andra AP-fonden	21,427,022	0.72 %
Tredje AP-fonden	19,959,109	0.67 %
Nordbankens vinstandelsstiftelse	18,586,300	0.63 %
Skandia	17,536,853	0.59 %
SPP Livförsäkring AB	16,613,138	0.56 %
T Rowe Price funds	13,867,343	0.47 %
Länsförsäkringar Wasa	12,582,387	0.42 %
Solidium Oy	12,474,666	0.42 %



## Number of shares

Date	Type of transaction	Subject	Number of shares issued	Outstanding shares
Jan, 2000	New issue	Merita	815,800,287	2,091,067,728
April, 2000	New issue	Unidanmark	869,776,488	2,960,844,216
June, 2000	New issue	Unidanmark	18,348,501	2,979,192,717
2000 -2001	New issues	Conversion*	3,076,932	2,982,269,649
April, 2001	Market	Buyback	17,000,000	2,965,269,649
	Other holdings of own shares		1,494,495	2,963,775,154

\*Convertible bond conversions Aug 29, 2000 – Sep 30, 2001

Fully diluted average number of shares Jan-Sep 2001 2,984,394,585

## Data per share

	YtD	2000	1999*	1998
Dividend, SEK	-	2.00	1.75	1.64
Shareholders equity per share, EUR	3.77	3.74	3.43	2.68
Earnings per share, EUR	0.35	0.58	0.55	0.53
P/E ratio	11.4	14.0	10.6	11.0

\* Pro forma incl. Unidanmark

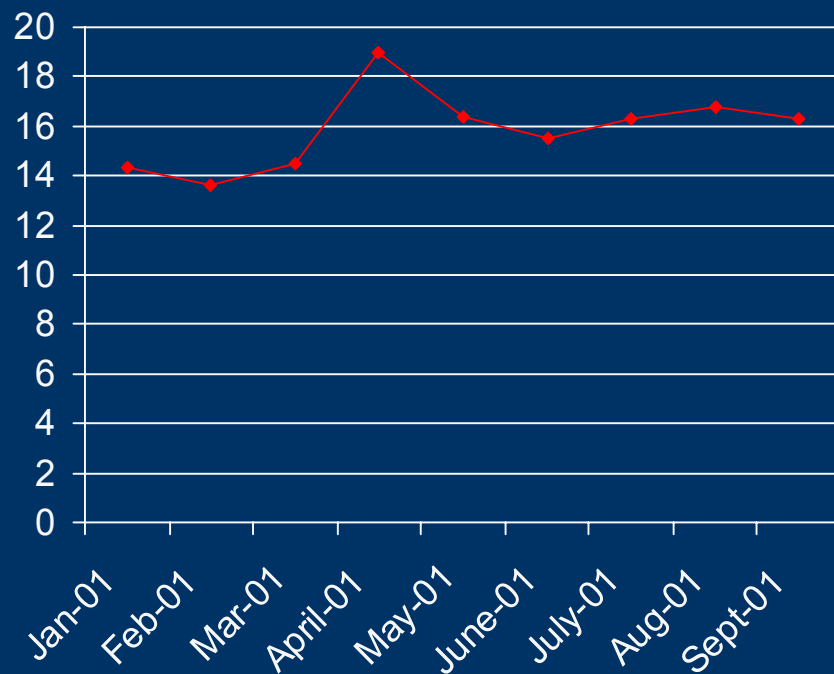
# Appendix

- Netbanking

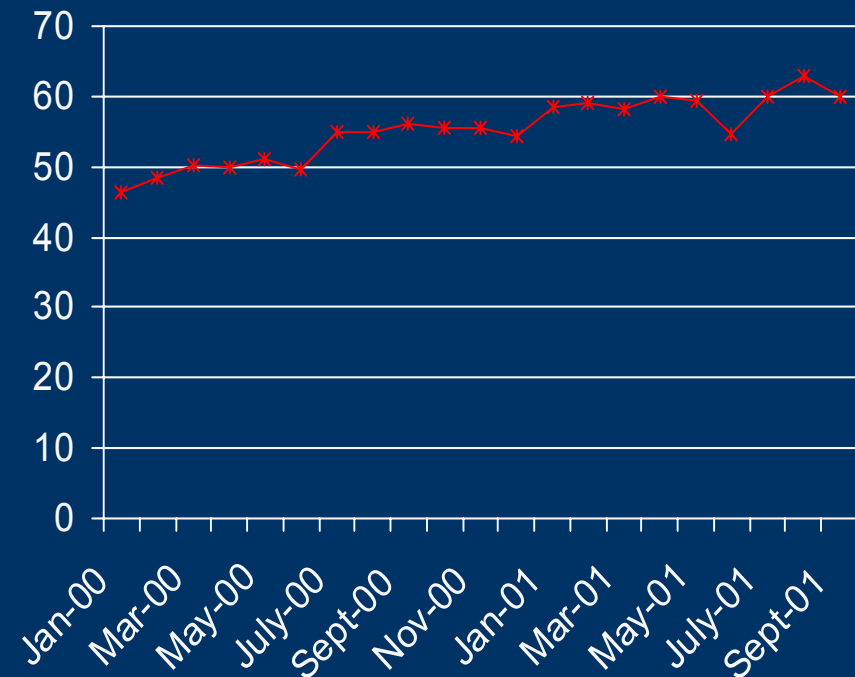


# Penetration on the net

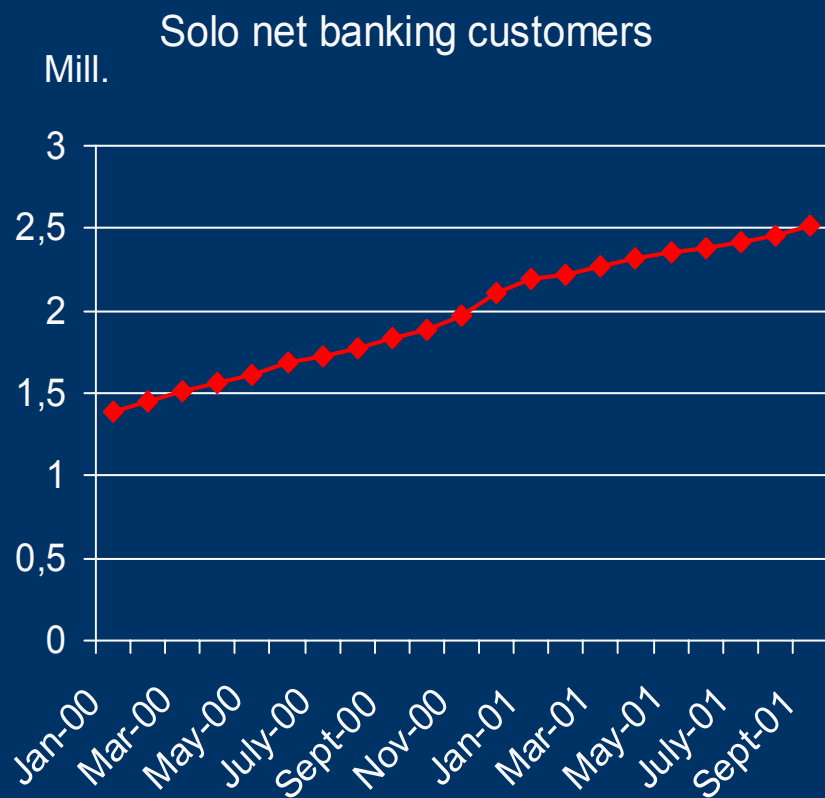
% Solo mutual funds penetration rate



% Solo equity trading penetration rate  
Executed trades



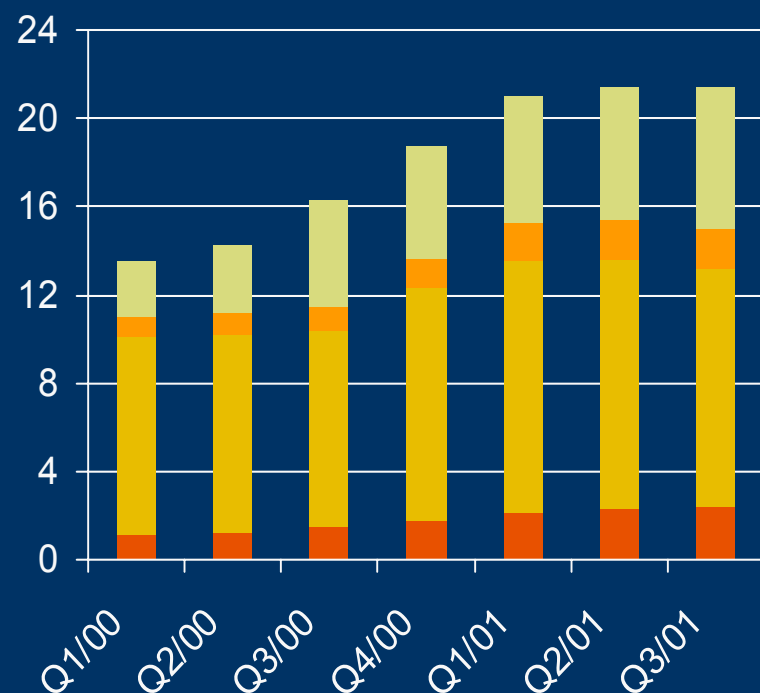
# Net customers



# Payments and log-ons

Net bank payments

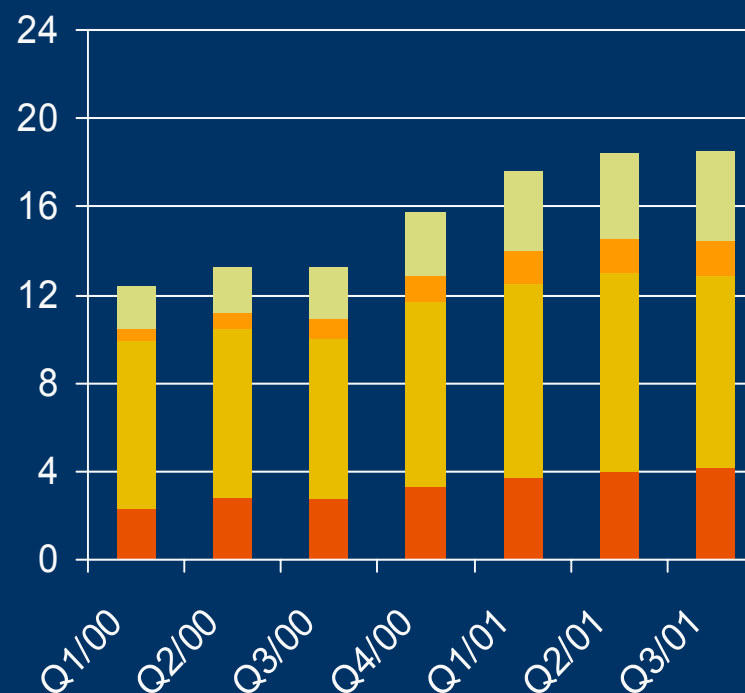
Mill.



Denmark Finland Norway Sweden

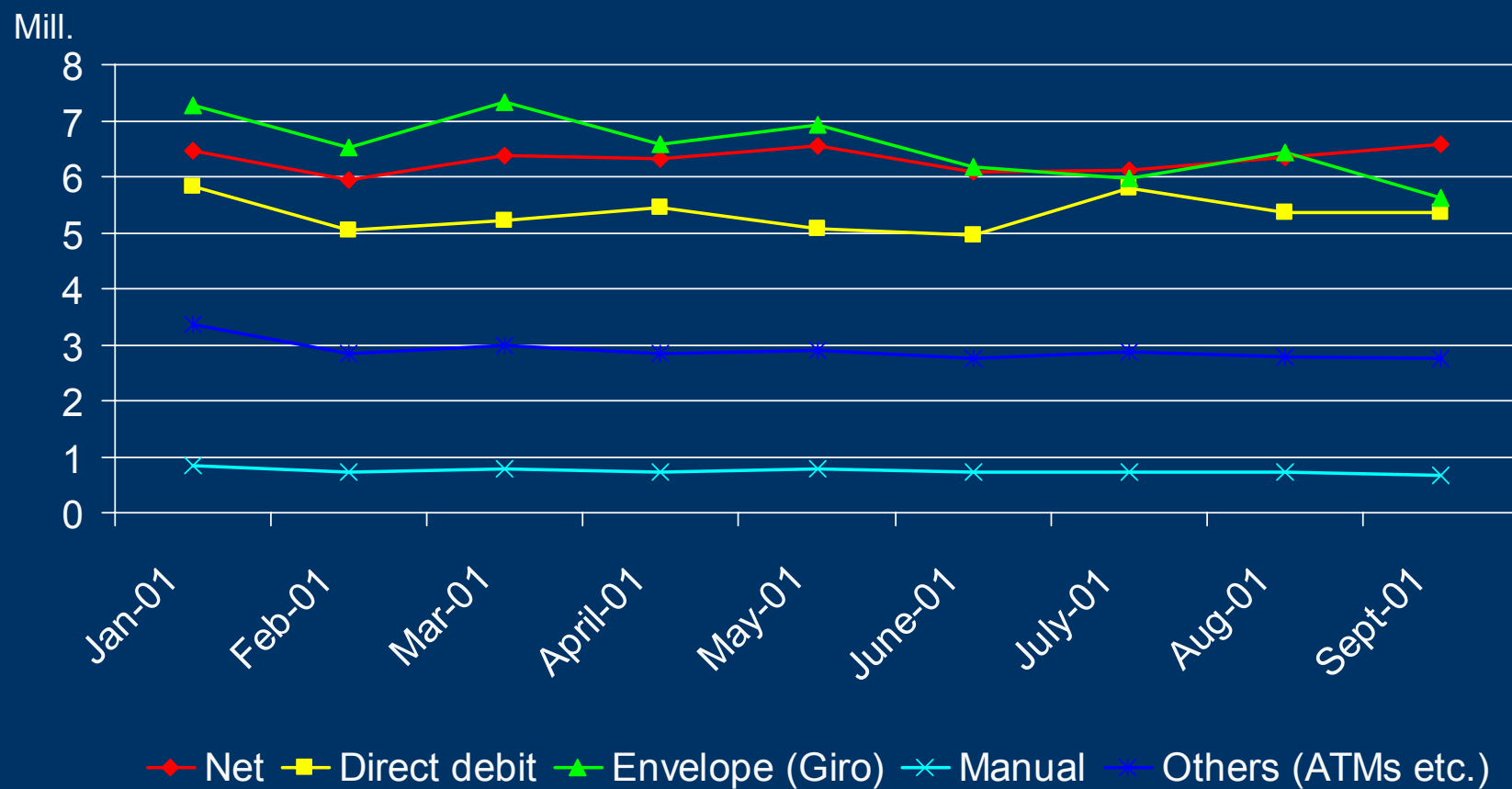
Net bank log-ons

Mill.



Denmark Finland Norway Sweden

# Payments, private customers



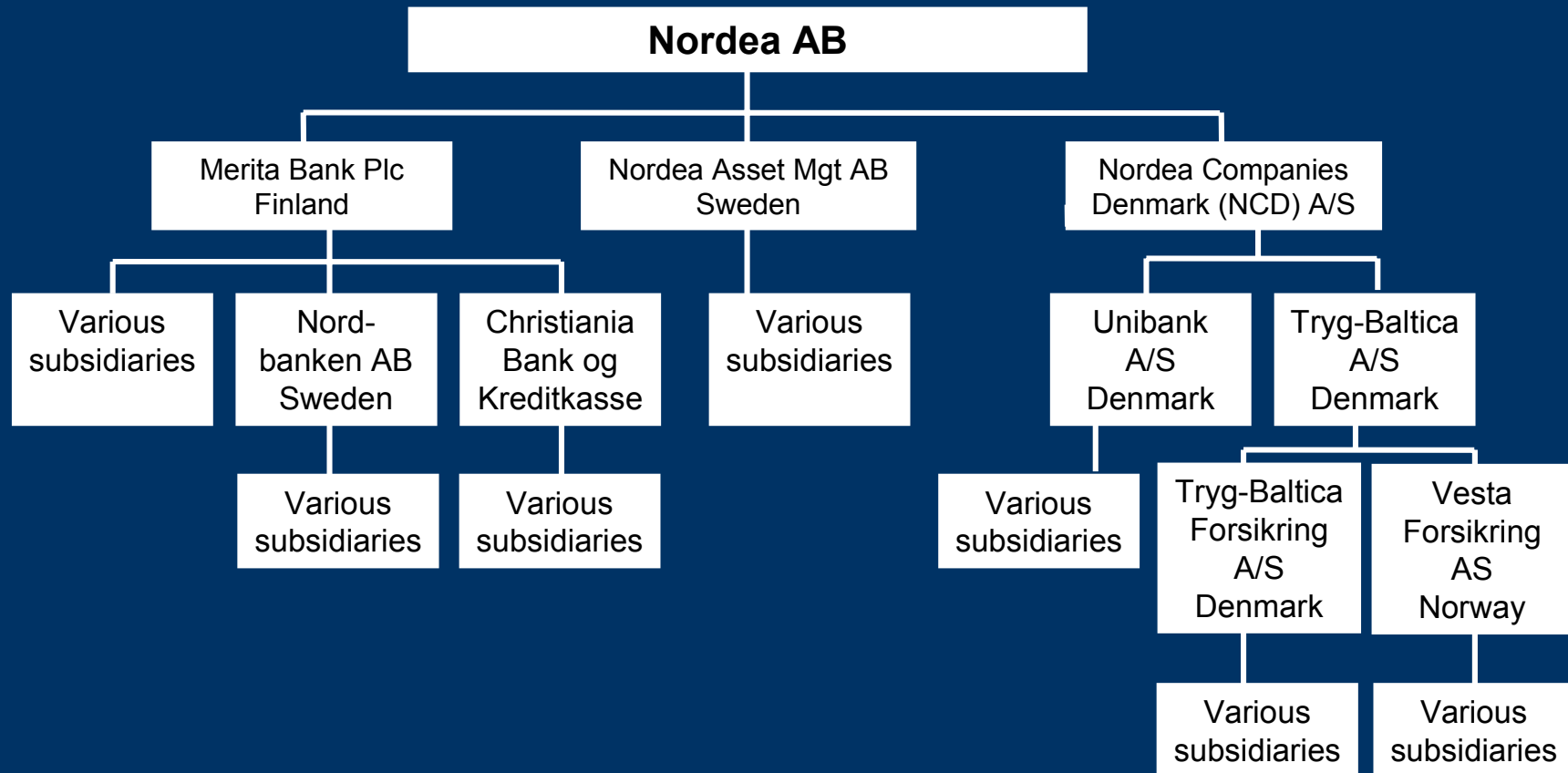
# Appendix

- Other





# Legal structure as of October 1, 2001



















# Appendix

- Macro statistics and estimates

*Source: Nordea Economic Research*

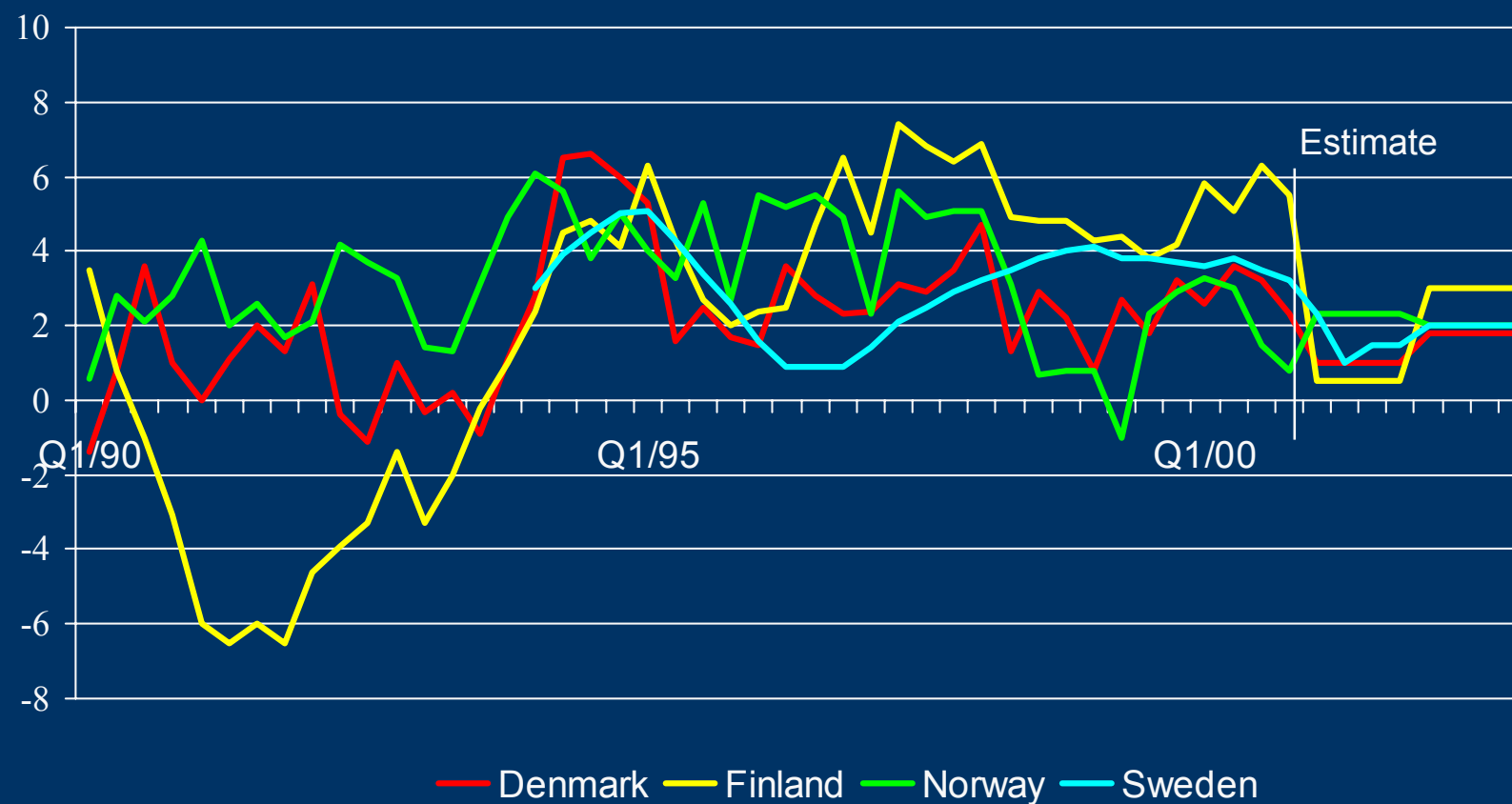


## Macro data

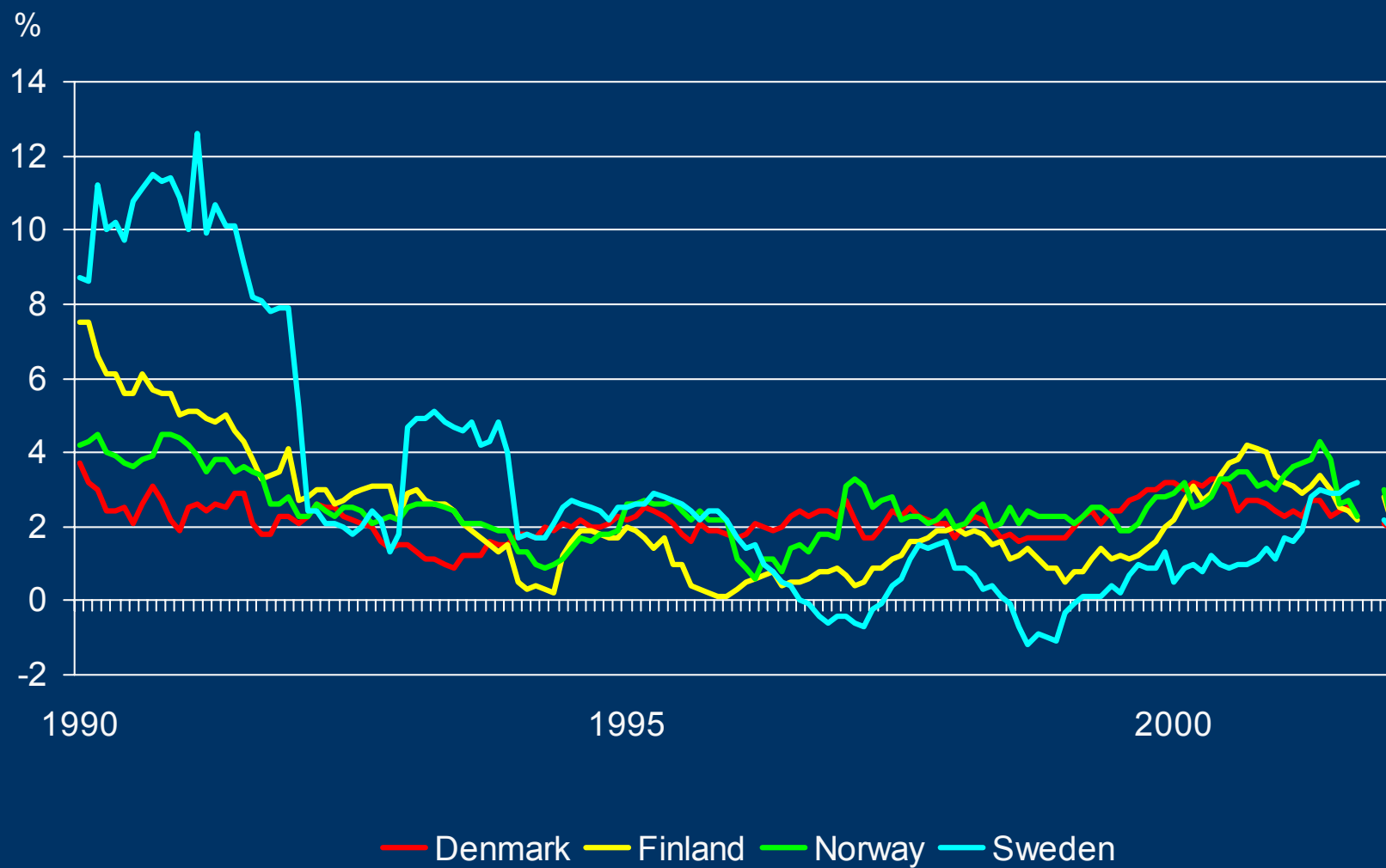
		2000	2001	2002
Gross domestic product	DK 	3.2	1.0	1.8
	FI 	5.7	0.5	3.0
	NO 	2.3	2.3	2.0
	SE 	3.6	1.2	2.0
Inflation	DK 	3.0	2.4	1.9
	FI 	3.4	2.8	2.0
	NO 	3.1	3.3	2.0
	SE 	1.3	2.7	1.9
Private consumption	DK 	-0.1	1.0	1.9
	FI 	3.0	2.4	2.4
	NO 	2.3	2.3	2.0
	SE 	4.1	0.7	1.8
Unemployment	DK 	5.3	5.4	5.4
	FI 	9.8	9.2	9.4
	NO 	3.4	3.4	3.5
	SE 	4.7	4.1	4.4

# Gross domestic product

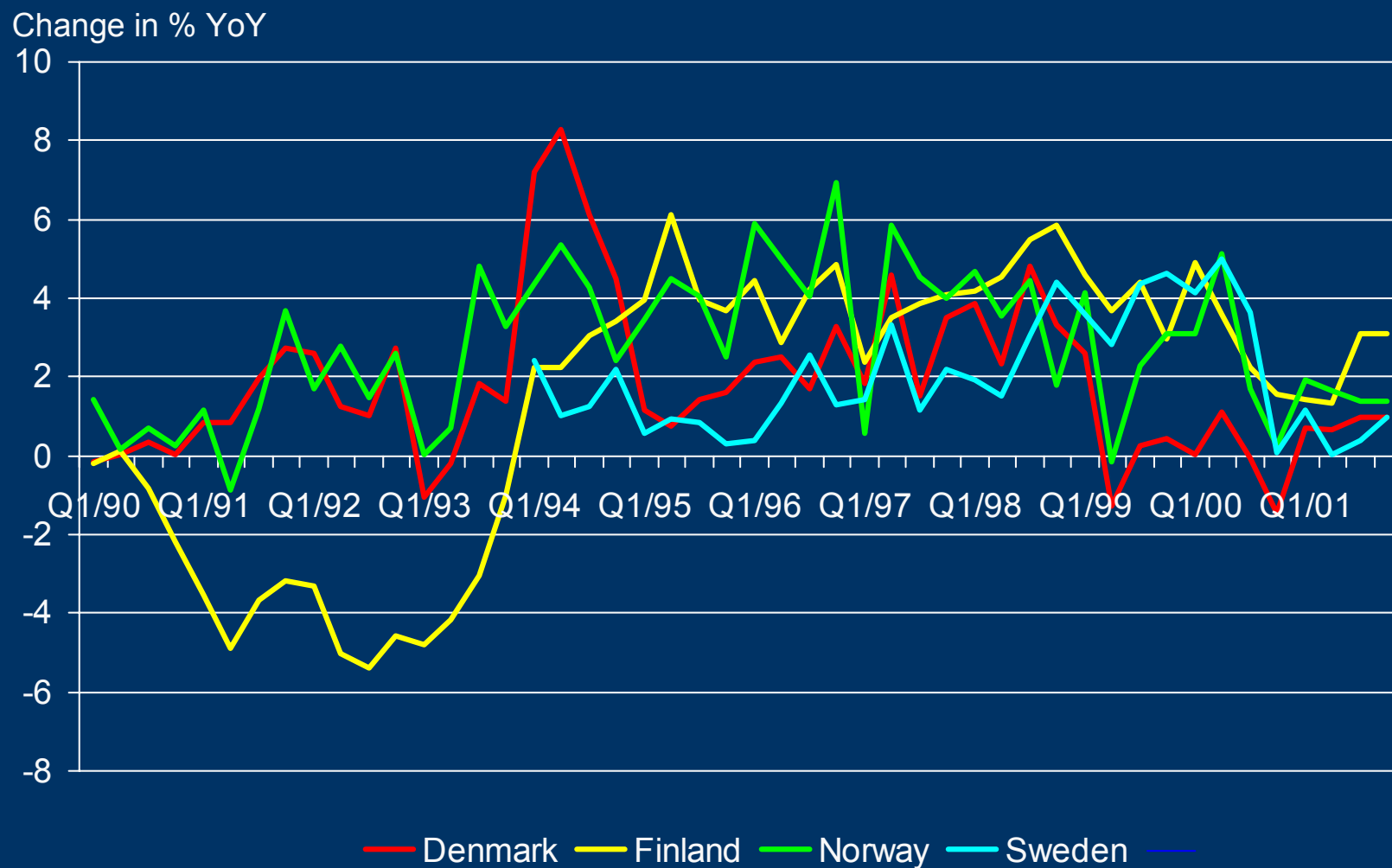
Change in % YoY



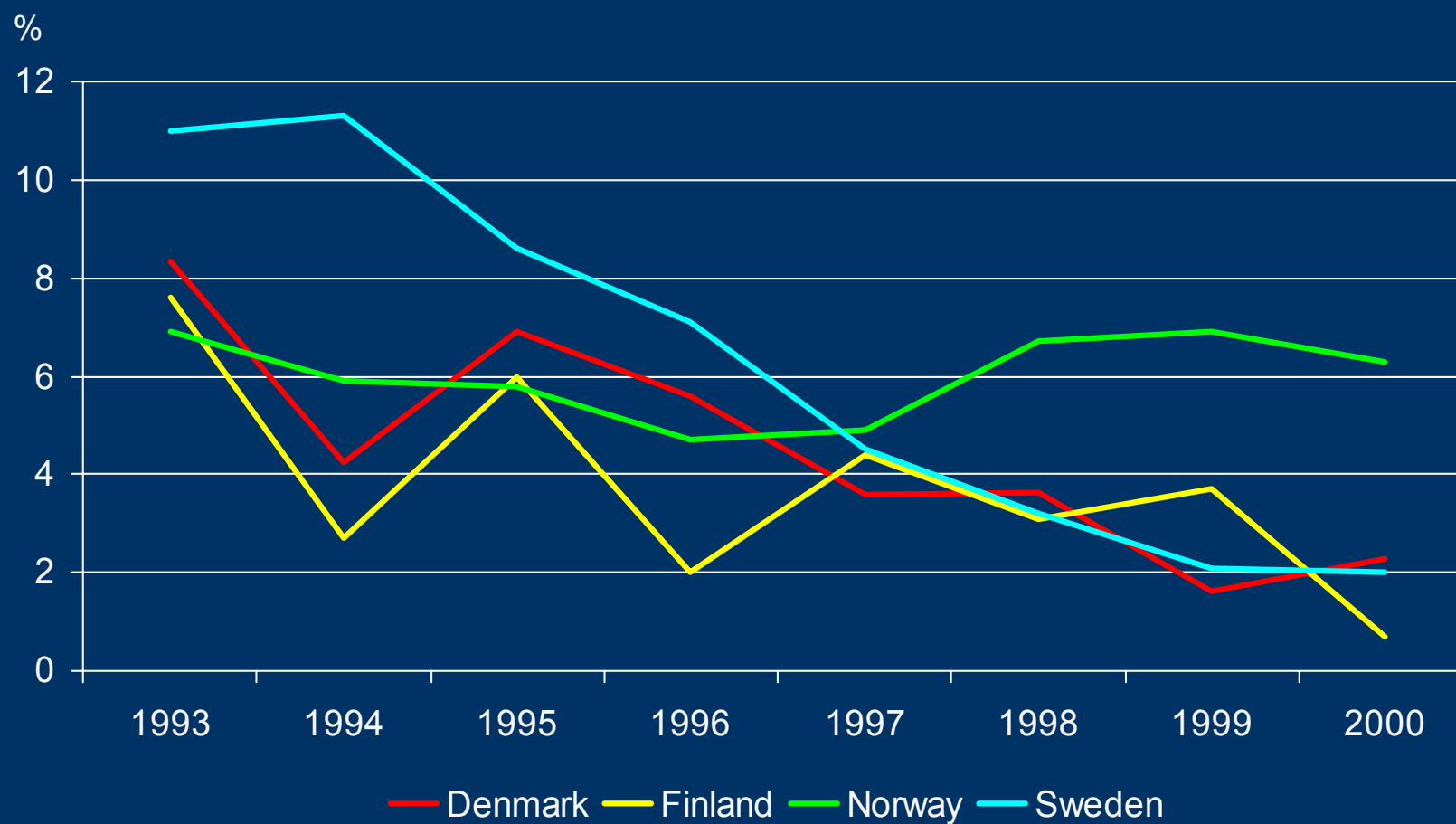
# Inflation



# Private consumption

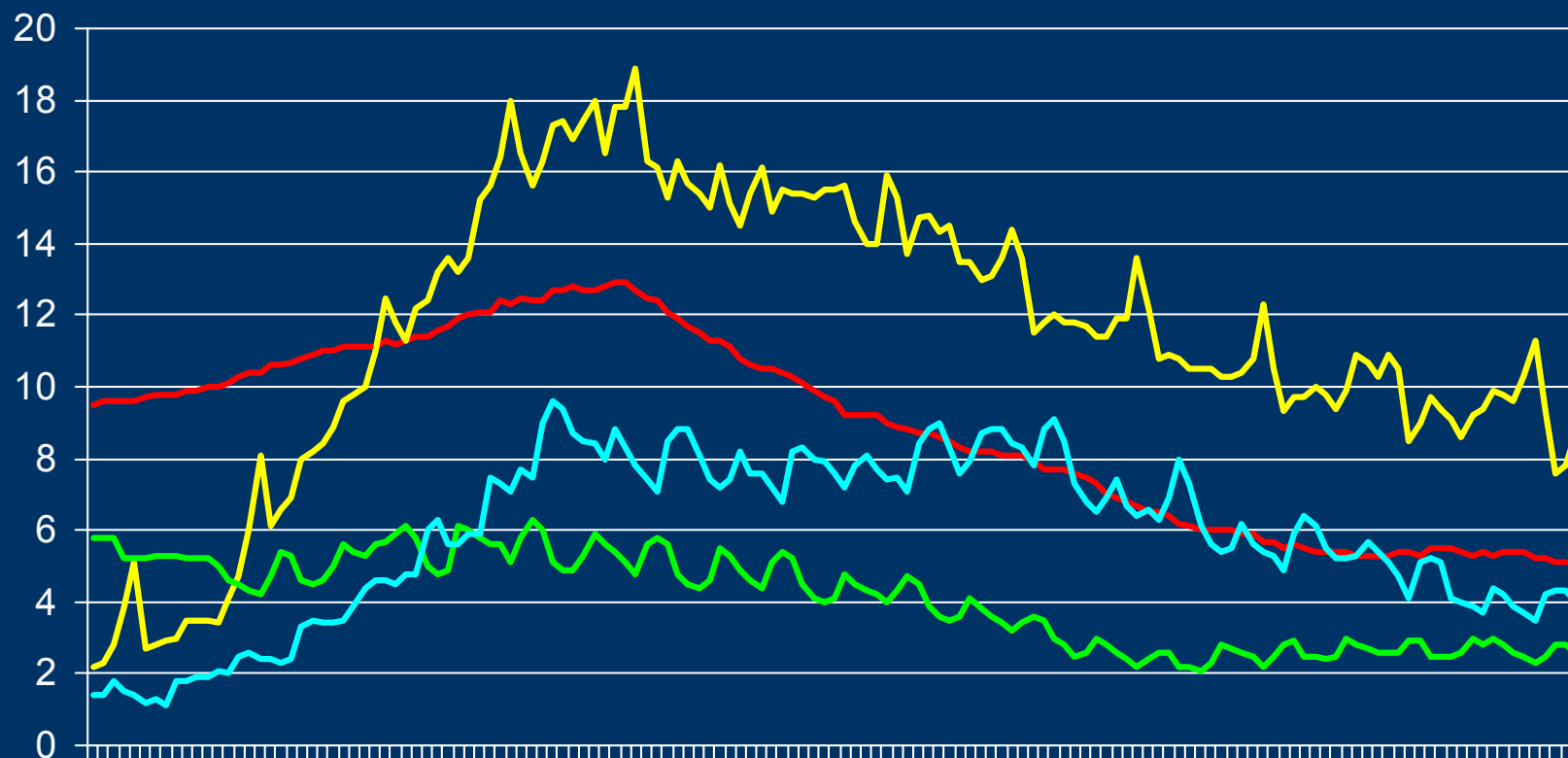


# Household savings ratio



# Unemployment

% of labour force

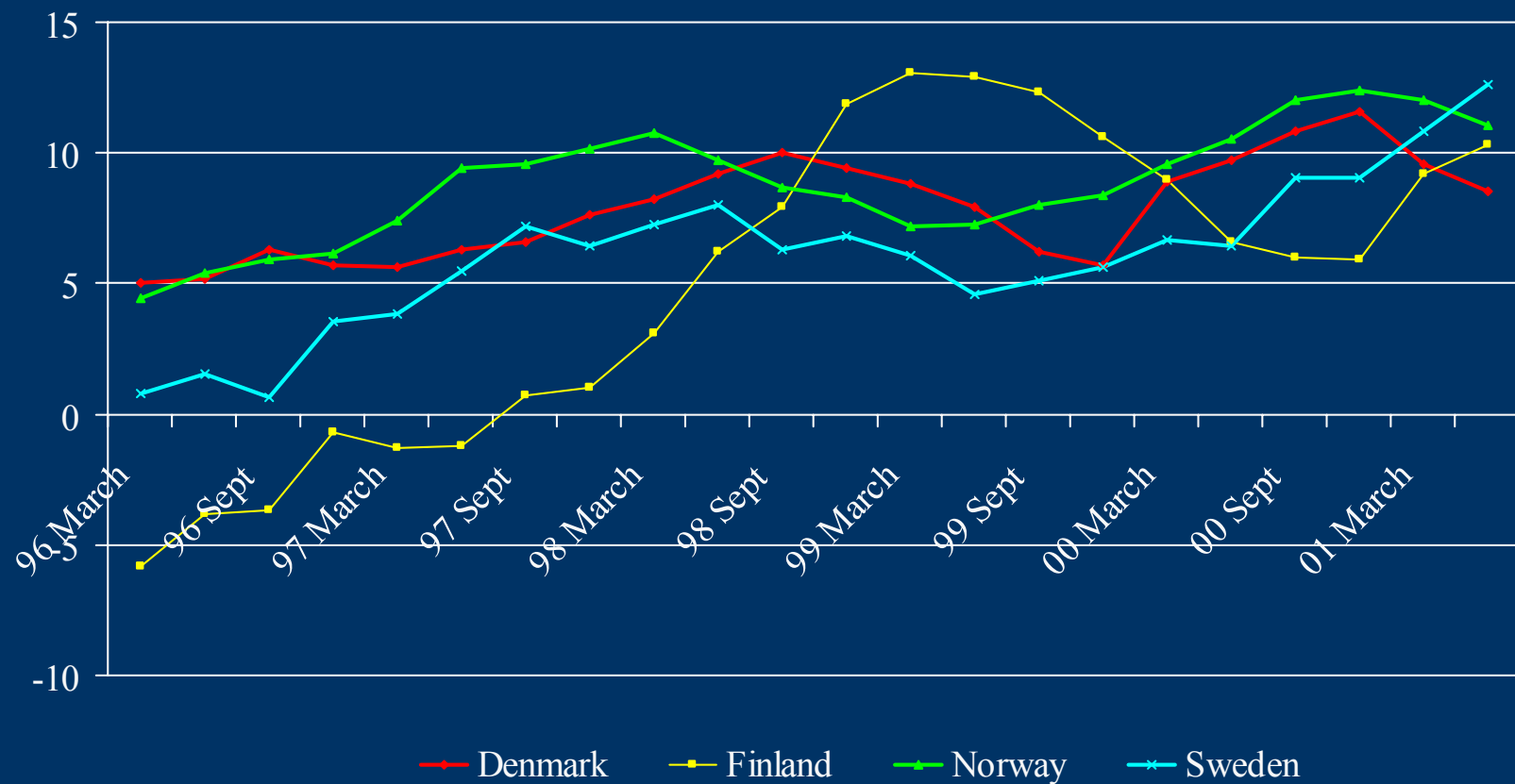


— Denmark — Finland — Norway — Sweden



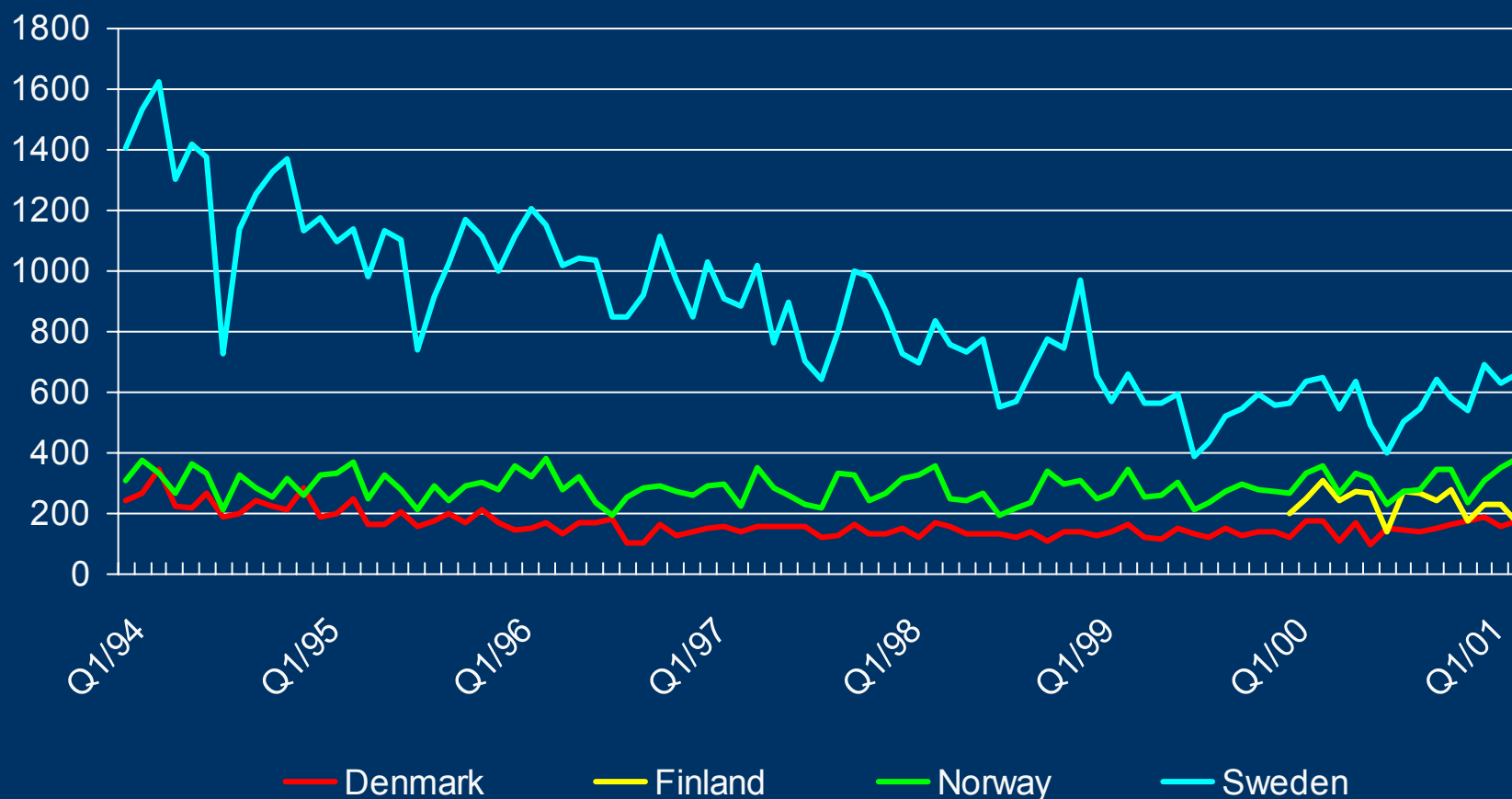
# Credit growth Total lending to non-bank sector

Change in % YoY

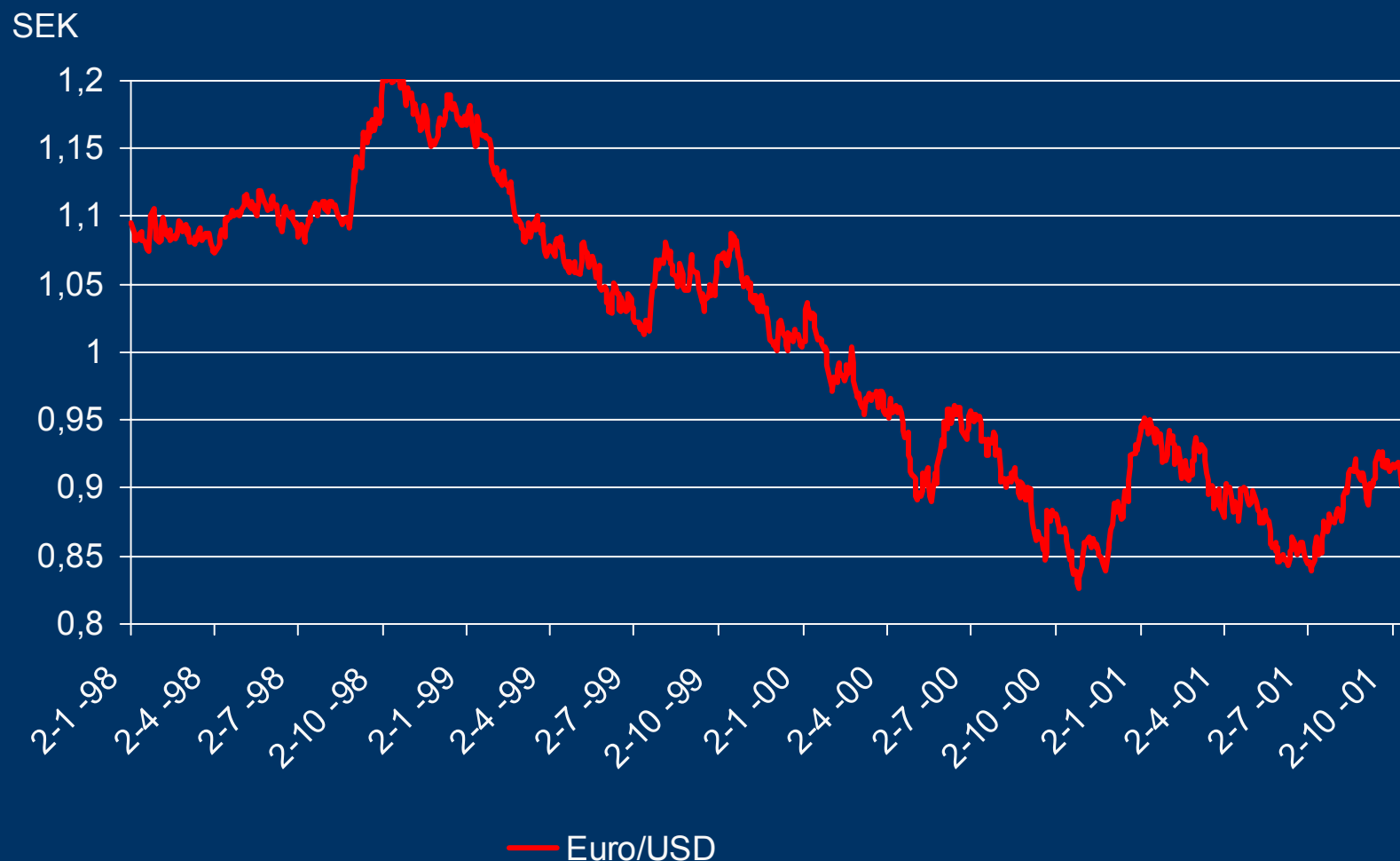


# Bankruptcies

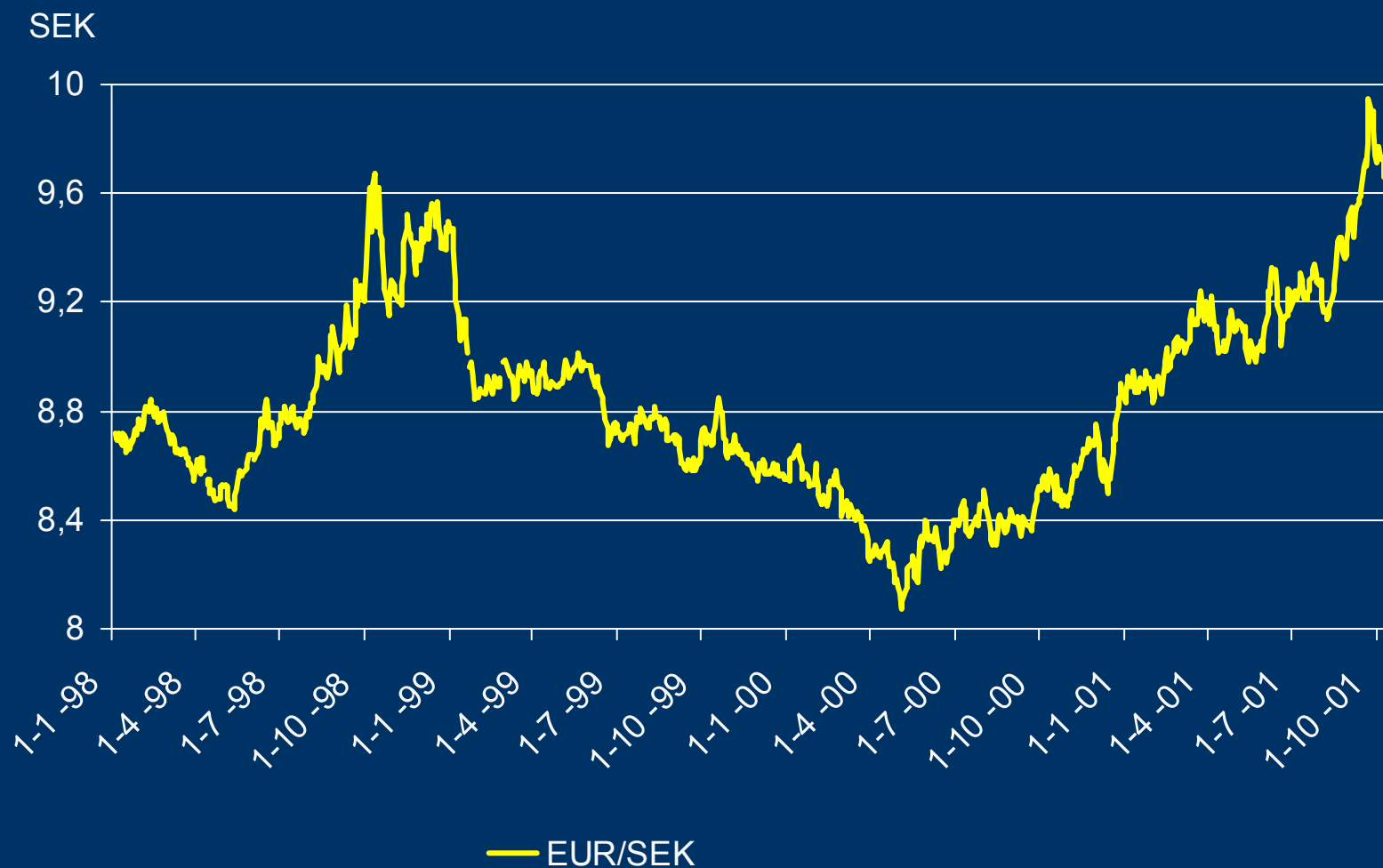
Number of bankruptcies per month



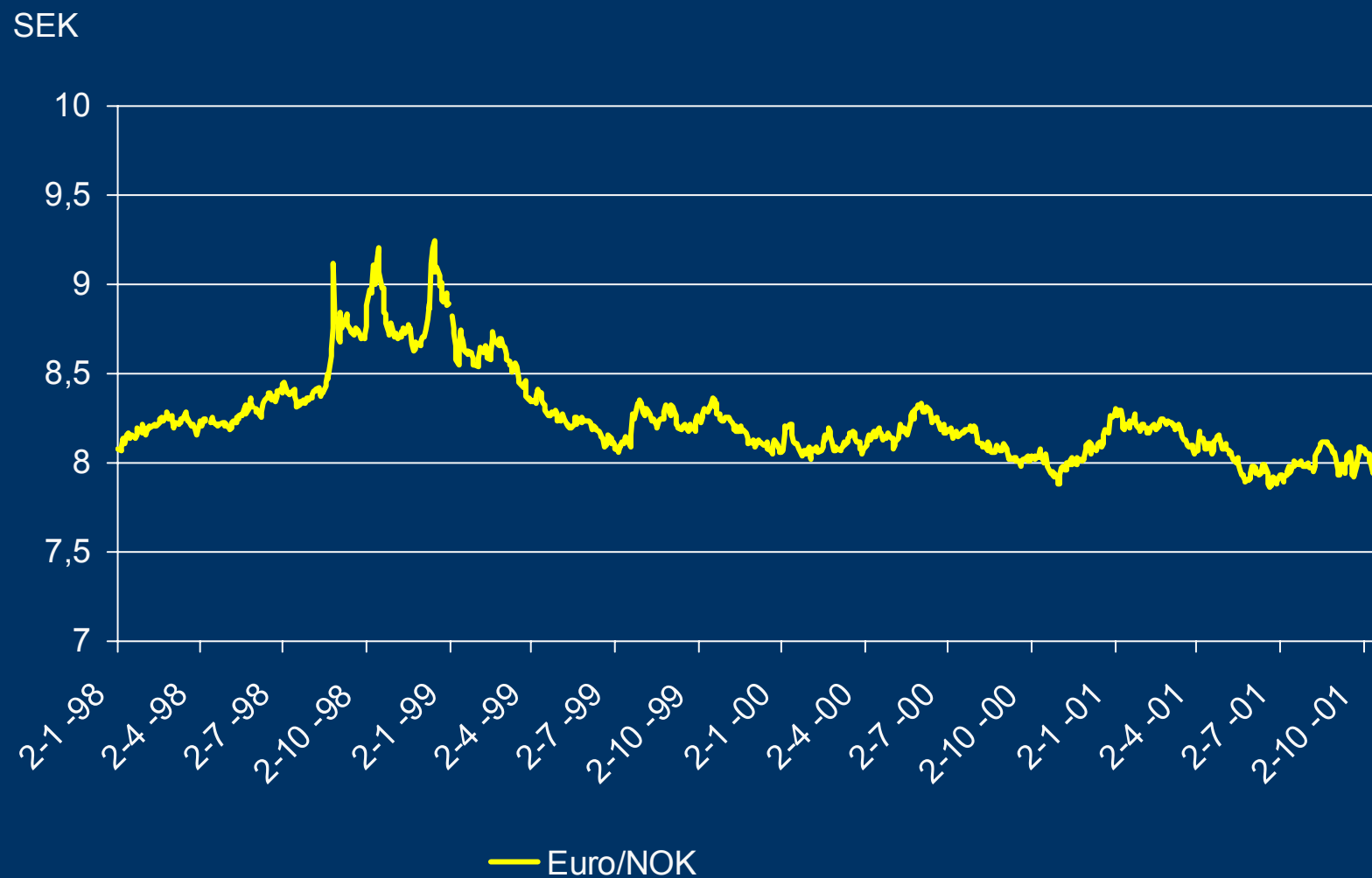
# Exchange rate, Euro/USD



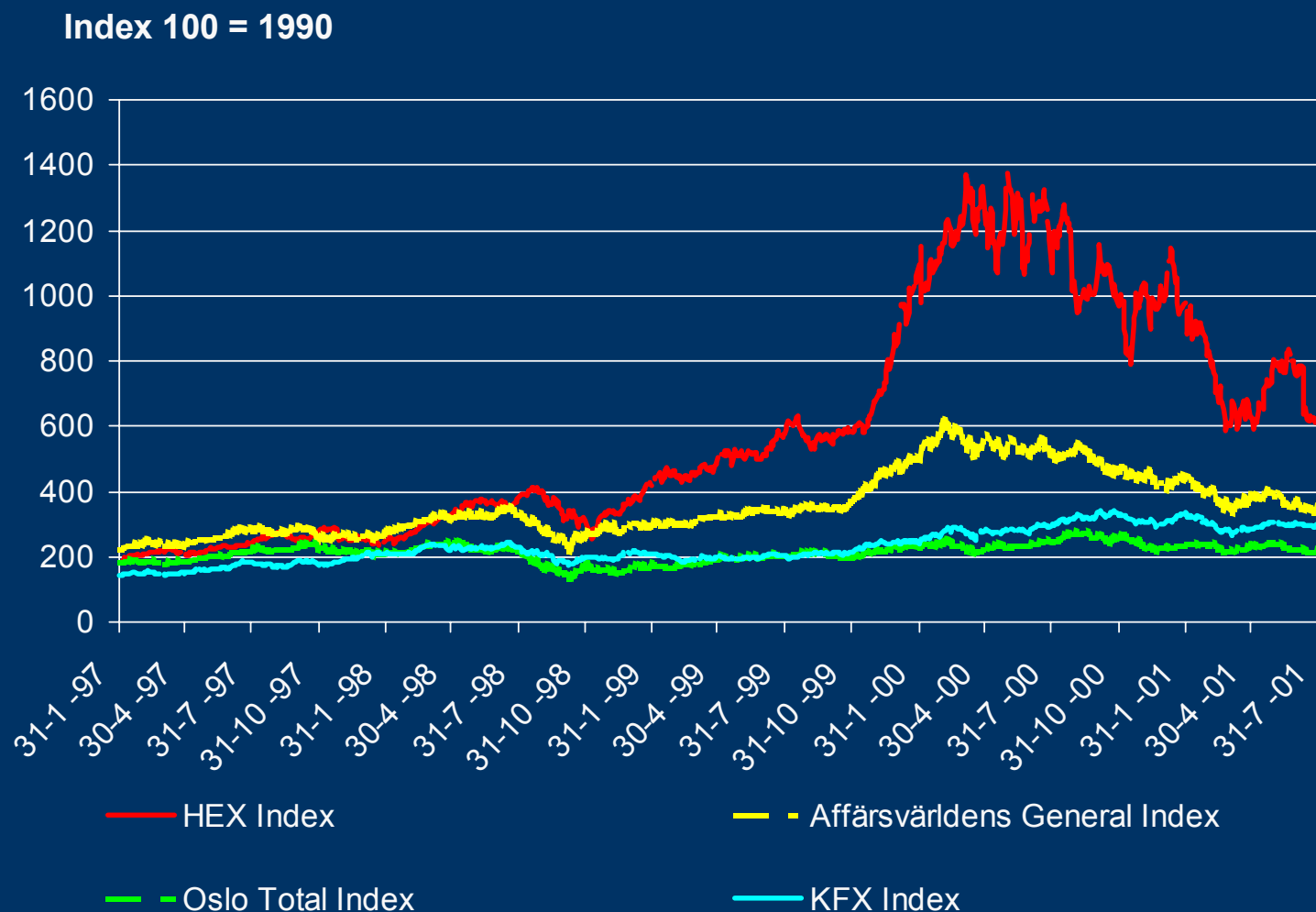
# Exchange rate, Euro/SEK



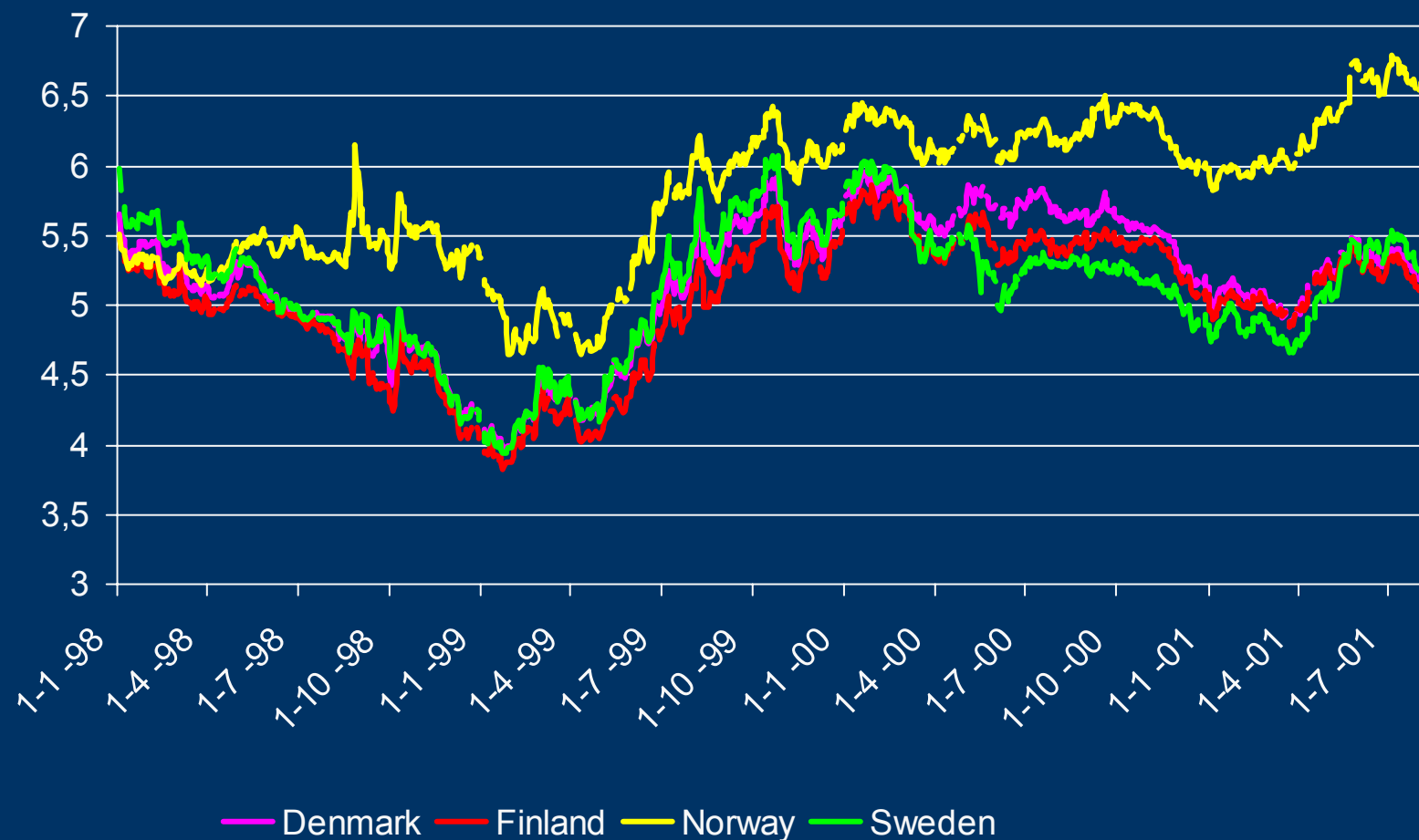
# Exchange rate, Euro/NOK



# Stock exchange indices



## Government bond, 10 year



## Money market, 3 months rates

